

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen	
	2007	2006
Domestic operations:		
Loans on notes	¥ 2,460,937	¥ 2,834,068
Loans on deeds	35,242,150	35,046,384
Overdrafts	9,190,227	8,398,616
Bills discounted	368,778	360,019
Subtotal	¥47,262,094	¥46,639,088
International operations:		
Loans on notes	¥ 587,967	¥ 506,926
Loans on deeds	5,802,753	4,606,034
Overdrafts	95,220	97,523
Bills discounted	8,404	7,987
Subtotal	¥ 6,494,346	¥ 5,218,471
Total	¥53,756,440	¥51,857,559

Average Balance

Year ended March 31	Millions of yen	
	2007	2006
Domestic operations:		
Loans on notes	¥ 2,606,379	¥ 3,301,745
Loans on deeds	35,279,808	34,349,609
Overdrafts	8,994,841	7,984,946
Bills discounted	307,527	370,994
Subtotal	¥47,188,557	¥46,007,295
International operations:		
Loans on notes	¥ 568,081	¥ 495,793
Loans on deeds	5,676,262	4,518,077
Overdrafts	118,873	122,566
Bills discounted	7,826	6,952
Subtotal	¥ 6,371,044	¥ 5,143,390
Total	¥53,559,601	¥51,150,685

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			
	2007		2006	
Funds for capital investment	¥20,710,260	38.5%	¥21,007,908	40.5%
Funds for working capital	33,046,180	61.5	30,849,651	59.5
Total	¥53,756,440	100.0%	¥51,857,559	100.0%

Breakdown of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2007	2006
Securities	¥ 765,605	¥ 1,009,017
Commercial claims	1,078,115	1,147,522
Commercial goods	—	—
Real estate	6,685,582	6,821,121
Others	329,637	408,915
Subtotal	8,858,940	9,386,577
Guaranteed	21,732,934	22,108,903
Unsecured	23,164,565	20,362,079
Total	¥53,756,440	¥51,857,559

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2007	2006
One year or less	¥ 8,772,225	¥ 8,299,712
One — three years	7,741,633	7,820,129
Floating interest rates	6,048,170	6,217,858
Fixed interest rates	1,693,463	1,602,270
Three — five years	7,843,601	7,428,711
Floating interest rates	6,118,653	5,953,483
Fixed interest rates	1,724,948	1,475,227
Five — seven years	3,287,700	3,080,127
Floating interest rates	2,692,523	2,563,603
Fixed interest rates	595,176	516,524
More than seven years	16,825,830	16,732,739
Floating interest rates	15,862,230	15,681,137
Fixed interest rates	963,599	1,051,601
No designated term	9,285,448	8,496,139
Floating interest rates	9,285,448	8,496,139
Fixed interest rates	—	—
Total	¥53,756,440	¥51,857,559

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			
	2007		2006	
Domestic offices:				
Manufacturing	¥ 5,236,097	10.9%	¥ 5,172,704	10.9%
Agriculture, forestry, fisheries and mining	132,196	0.3	133,756	0.3
Construction	1,224,951	2.5	1,283,199	2.7
Transportation, communications and public enterprises	2,886,168	6.0	2,658,362	5.6
Wholesale and retail	5,089,297	10.6	5,170,601	10.9
Finance and insurance	5,675,905	11.8	5,072,348	10.7
Real estate	6,369,243	13.2	6,316,865	13.3
Services	5,742,376	11.9	5,731,622	12.1
Municipalities	592,238	1.2	657,755	1.4
Others	15,242,033	31.6	15,264,035	32.1
Subtotal	¥48,190,509	100.0%	¥47,461,252	100.0%
Overseas offices:				
Public sector	¥ 19,029	0.3%	¥ 38,992	0.9%
Financial institutions	287,898	5.2	348,464	7.9
Commerce and industry	5,038,808	90.5	3,815,783	86.8
Others	220,195	4.0	193,066	4.4
Subtotal	¥ 5,565,931	100.0%	¥ 4,396,307	100.0%
Total	¥53,756,440	—	¥51,857,559	—

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 offices' accounts.

Loans to Individuals/Small and Medium-Sized Enterprises

March 31	Millions of yen	
	2007	2006
Total domestic loans (A)	¥48,190,509	¥47,461,252
Loans to individuals, and small and medium-sized enterprises (B)	36,276,238	35,496,058
(B) / (A)	75.3%	74.8%

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	
March 31	2007	2006
Consumer loans	¥14,492,814	¥14,725,514
Housing loans	13,557,521	13,771,812
Residential purpose	9,918,884	10,044,534
Others	935,292	953,701

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				
Year ended March 31, 2007	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	¥574,302 [(1,766)]	¥530,807	¥ —	¥574,302*	¥530,807
Specific reserve for possible loan losses	241,566 [(19)]	144,824	141,100	100,465*	144,824
For nonresident loans	18,096 [(19)]	12,690	1,720	16,375*	12,690
Loan loss reserve for specific overseas countries	2,354	1,941	—	2,354*	1,941
Total	¥818,223 [(1,786)]	¥677,573	¥141,100	¥677,123	¥677,573

*Transfer from reserves by reversal or origination method

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

	Millions of yen				
Year ended March 31, 2006	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	¥422,155 [(4,600)]	¥572,536	¥ —	¥422,155*	¥572,536
Specific reserve for possible loan losses	567,861 [(225)]	241,546	342,141	225,720*	241,546
For nonresident loans	23,741 [(225)]	18,076	2,761	20,979*	18,076
Loan loss reserve for specific overseas countries	3,930	2,354	—	3,930*	2,354
Total	¥993,947 [(4,825)]	¥816,437	¥342,141	¥651,806	¥816,437

*Transfer from reserves by reversal or origination method

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

Write-off of Loans

	Millions of yen	
Year ended March 31	2007	2006
Write-off of loans	¥50,468	¥12,650

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

Specific Overseas Loans

	Millions of yen	
March 31	2007	2006
Indonesia.....	¥32,574	¥35,509
Argentina.....	3	2
Total	¥32,578	¥35,511
Ratio of the total amounts to total assets	0.03%	0.03%
Number of countries.....	2	2

Risk-Monitored Loans

	Millions of yen	
March 31	2007	2006
Bankrupt loans	¥ 33,754	¥ 40,914
Non-accrual loans	357,632	551,083
Past due loans (3 months or more).....	20,543	23,446
Restructured loans	309,133	298,728
Total	¥721,064	¥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

	Billions of yen	
March 31	2007	2006
Bankrupt and quasi-bankrupt assets.....	¥ 108.9	¥ 164.5
Doubtful assets	300.1	473.4
Substandard loans	329.7	322.2
Total of problem assets.....	738.7	960.1
Normal assets	60,542.2	55,984.9
Total	¥61,280.9	¥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