

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Period-End Balance

	Millions of yen	
	September 30	
	2007	2006
Domestic operations:		
Loans on notes	¥ 2,173,708	¥ 2,626,168
Loans on deeds	34,544,331	35,565,892
Overdrafts	10,009,181	9,133,649
Bills discounted	319,175	345,865
Subtotal	¥47,046,397	¥47,671,576
International operations:		
Loans on notes	¥ 605,369	¥ 539,420
Loans on deeds	7,272,621	5,578,851
Overdrafts	96,740	105,297
Bills discounted	4,578	7,331
Subtotal	¥ 7,979,308	¥ 6,230,901
Total	¥55,025,706	¥53,902,477

Average Balance

	Millions of yen	
	Six months ended September 30	
	2007	2006
Domestic operations:		
Loans on notes	¥ 2,227,990	¥ 2,653,559
Loans on deeds	34,489,153	35,283,246
Overdrafts	9,288,742	8,459,819
Bills discounted	287,230	316,097
Subtotal	¥46,293,116	¥46,712,723
International operations:		
Loans on notes	¥ 589,166	¥ 523,467
Loans on deeds	6,541,938	5,226,118
Overdrafts	106,780	120,451
Bills discounted	7,561	7,623
Subtotal	¥ 7,245,446	¥ 5,877,660
Total	¥53,538,562	¥52,590,383

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			
	September 30			
	2007		2006	
Funds for capital investment	¥20,645,950	37.5%	¥20,771,364	38.5%
Funds for working capital	34,379,756	62.5	33,131,113	61.5
Total	¥55,025,706	100.0%	¥53,902,477	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

	Millions of yen	
	September 30	
	2007	2006
Securities	¥ 736,419	¥ 874,129
Commercial claims	1,076,954	1,111,344
Commercial goods	3,559	—
Real estate	6,750,429	6,714,799
Others	352,385	321,385
Subtotal	8,919,748	9,021,658
Guaranteed	21,678,011	22,378,312
Unsecured	24,427,946	22,502,506
Total	¥55,025,706	¥53,902,477

Balance of Loans and Bills Discounted, Classified by Maturity

	Millions of yen	
	September 30	
	2007	2006
One year or less.....	¥ 8,670,520	¥ 9,174,988
One — three years.....	7,771,396	8,080,316
Floating interest rates	6,036,533	6,480,275
Fixed interest rates	1,734,862	1,600,040
Three — five years.....	8,133,120	7,640,441
Floating interest rates	6,380,694	6,155,250
Fixed interest rates	1,752,425	1,485,190
Five — seven years	3,299,724	3,221,954
Floating interest rates	2,621,254	2,626,719
Fixed interest rates	678,469	595,235
More than seven years.....	17,045,023	16,545,829
Floating interest rates	16,067,418	15,555,837
Fixed interest rates	977,605	989,991
No designated term.....	10,105,921	9,238,947
Floating interest rates	10,105,921	9,238,947
Fixed interest rates	—	—
Total	¥55,025,706	¥53,902,477

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

	Millions of yen			
	September 30			
	2007		2006	
Domestic operations:				
Manufacturing	¥ 5,261,991	11.0%	¥ 5,215,867	10.8%
Agriculture, forestry, fisheries and mining	131,141	0.3	132,045	0.3
Construction.....	1,210,515	2.5	1,209,362	2.5
Transportation, communications and public enterprises.....	2,789,203	5.8	2,786,748	5.7
Wholesale and retail	5,000,850	10.4	5,060,573	10.4
Finance and insurance.....	6,140,831	12.8	5,523,470	11.4
Real estate.....	6,639,329	13.8	6,407,086	13.2
Services	5,435,176	11.3	5,943,919	12.2
Municipalities	574,422	1.2	522,672	1.1
Others	14,861,648	30.9	15,696,483	32.4
Subtotal.....	¥48,045,111	100.0%	¥48,498,229	100.0%
Overseas operations:				
Public sector	¥ 28,296	0.4%	¥ 25,386	0.5%
Financial institutions.....	351,068	5.0	297,156	5.5
Commerce and industry.....	6,236,774	89.4	4,813,446	89.1
Others	364,455	5.2	268,257	4.9
Subtotal.....	¥ 6,980,595	100.0%	¥ 5,404,247	100.0%
Total	¥55,025,706	—	¥53,902,477	—

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

	Millions of yen	
	September 30	
	2007	2006
Total domestic loans (A)	¥48,045,111	¥48,498,229
Loans to individuals, and small and medium-sized enterprises (B)	36,338,166	36,114,517
(B) / (A).....	75.6%	74.5%

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	
	September 30	
	2007	2006
Consumer loans	¥14,442,717	¥14,531,670
Housing loans	13,507,255	13,583,819
Residential purpose	9,890,492	9,915,204
Others	935,461	947,851

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				
	Six months ended September 30, 2007				
	Balance at beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at end of the interim period
			Objectives	Others	
General reserve for possible loan losses	¥530,598 [208]	¥538,592	¥ —	¥530,598*	¥538,592
Specific reserve for possible loan losses	144,821 [3]	149,555	39,766	105,054*	149,555
Reserve for possible losses on specific overseas loans	1,941	0	—	1,941*	0
Total	¥677,361 [211]	¥688,148	¥39,766	¥637,594	¥688,148

*Transfer from reserves by reversal or origination method

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

	Millions of yen				
	Six months ended September 30, 2006				
	Balance at beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at end of the interim period
			Objectives	Others	
General reserve for possible loan losses	¥573,007 [(471)]	¥553,458	¥ —	¥573,007*	¥553,458
Specific reserve for possible loan losses	241,558 [(12)]	216,056	31,767	209,791*	216,056
Reserve for possible losses on specific overseas loans	2,354	2,307	—	2,354*	2,307
Total	¥816,920 [(483)]	¥771,822	¥31,767	¥785,153	¥771,822

*Transfer from reserves by reversal or origination method

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

Write-off of Loans

	Millions of yen	
	Six months ended September 30	
	2007	2006
Write-off of loans	¥59,177	¥39,937

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

Specific Overseas Loans

	Millions of yen	
	September 30	
	2007	2006
Indonesia.....	¥ —	¥34,803
Argentina.....	3	2
Total	¥ 3	¥34,806
Ratio of the total amounts to total assets	0.00%	0.03%
Number of countries.....	1	2

Risk-Monitored Loans

Consolidated

	Millions of yen		
	September 30		March 31
	2007	2006	2007
Bankrupt loans.....	¥ 59,358	¥ 65,026	¥ 60,068
Non-accrual loans.....	518,766	620,473	488,812
Past due loans (3 months or more)	31,769	36,865	22,018
Restructured loans	441,311	406,751	476,665
Total.....	¥1,051,206	¥1,129,117	¥1,047,566

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2007	2006	2007
Bankrupt loans.....	¥ 37,531	¥ 42,129	¥ 33,754
Non-accrual loans.....	387,442	485,764	357,632
Past due loans (3 months or more)	24,825	33,648	20,543
Restructured loans	299,124	271,960	309,133
Total.....	¥748,924	¥833,503	¥721,064

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

Nonconsolidated

	Billions of yen		
	September 30		March 31
	2007	2006	2007
Bankrupt and quasi-bankrupt assets	¥ 109.3	¥ 136.0	¥ 108.9
Doubtful assets	340.4	425.1	300.1
Substandard loans.....	323.9	305.6	329.7
Total of problem assets	773.6	866.7	738.7
Normal assets.....	61,964.6	58,442.1	60,542.2
Total.....	¥62,738.2	¥59,308.8	¥61,280.9

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. From March 31, 2007, SMBC has included bank-guaranteed bonds sold through private placements (SMBC guarantees all or part of the principal repayment and interest payment) among the items subject to disclosure as problem assets under the Financial Reconstruction Law.

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