

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Period-End Balance

September 30	Millions of yen	
	2008	2007
Domestic operations:		
Loans on notes	¥ 1,666,176	¥ 2,173,708
Loans on deeds	35,304,971	34,544,331
Overdrafts	9,863,538	10,009,181
Bills discounted	246,841	319,175
Subtotal	¥47,081,526	¥47,046,397
International operations:		
Loans on notes	¥ 576,224	¥ 605,369
Loans on deeds	10,758,375	7,272,621
Overdrafts	123,808	96,740
Bills discounted	2,018	4,578
Subtotal	¥11,460,426	¥ 7,979,308
Total	¥58,541,953	¥55,025,706

Average Balance

Six months ended September 30	Millions of yen	
	2008	2007
Domestic operations:		
Loans on notes	¥ 1,859,582	¥ 2,227,990
Loans on deeds	36,011,115	34,489,153
Overdrafts	9,582,964	9,288,742
Bills discounted	249,268	287,230
Subtotal	¥47,702,930	¥46,293,116
International operations:		
Loans on notes	¥ 499,134	¥ 589,166
Loans on deeds	9,433,987	6,541,938
Overdrafts	134,529	106,780
Bills discounted	5,276	7,561
Subtotal	¥10,072,928	¥ 7,245,446
Total	¥57,775,858	¥53,538,562

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

September 30	Millions of yen			
	2008		2007	
Funds for capital investment	¥21,083,991	36.0%	¥20,645,950	37.5%
Funds for working capital	37,457,962	64.0	34,379,756	62.5
Total	¥58,541,953	100.0%	¥55,025,706	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

September 30	Millions of yen	
	2008	2007
Securities	¥ 458,659	¥ 736,419
Commercial claims	1,268,649	1,076,954
Commercial goods	—	3,559
Real estate	6,792,368	6,750,429
Others	699,523	352,385
Subtotal	9,219,200	8,919,748
Guaranteed	20,619,651	21,678,011
Unsecured	28,703,102	24,427,946
Total	¥58,541,953	¥55,025,706

Balance of Loans and Bills Discounted, Classified by Maturity

September 30	Millions of yen	
	2008	2007
One year or less	¥ 9,631,922	¥ 8,670,520
One–three years	9,038,303	7,771,396
Floating interest rates	7,158,074	6,036,533
Fixed interest rates	1,880,228	1,734,862
Three–five years	8,563,728	8,133,120
Floating interest rates	6,664,669	6,380,694
Fixed interest rates	1,899,059	1,752,425
Five–seven years	3,551,007	3,299,724
Floating interest rates	2,790,970	2,621,254
Fixed interest rates	760,036	678,469
More than seven years	17,769,645	17,045,023
Floating interest rates	16,743,332	16,067,418
Fixed interest rates	1,026,313	977,605
No designated term	9,987,346	10,105,921
Floating interest rates	9,987,346	10,105,921
Fixed interest rates	—	—
Total	¥58,541,953	¥55,025,706

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

September 30	Millions of yen			
	2008		2007	
Domestic operations:				
Manufacturing	¥ 5,389,440	11.2%	¥ 5,261,991	11.0%
Agriculture, forestry, fisheries and mining	104,658	0.2	131,141	0.3
Construction	1,031,071	2.1	1,210,515	2.5
Transportation, communications and public enterprises	3,029,450	6.3	2,789,203	5.8
Wholesale and retail	4,738,085	9.8	5,000,850	10.4
Finance and insurance	6,134,985	12.7	6,140,831	12.8
Real estate	6,136,716	12.7	6,639,329	13.8
Services	5,318,838	11.0	5,435,176	11.3
Municipalities	725,924	1.5	574,422	1.2
Others	15,697,622	32.5	14,861,648	30.9
Subtotal	¥48,306,794	100.0%	¥48,045,111	100.0%
Overseas operations:				
Public sector	¥ 27,433	0.3%	¥ 28,296	0.4%
Financial institutions	1,005,682	9.8	351,068	5.0
Commerce and industry	8,450,456	82.6	6,236,774	89.4
Others	751,587	7.3	364,455	5.2
Subtotal	¥10,235,159	100.0%	¥ 6,980,595	100.0%
Total	¥58,541,953	—	¥55,025,706	—

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

September 30	Millions of yen	
	2008	2007
Total domestic loans (A)	¥48,306,794	¥48,045,111
Loans to individuals, and small and medium-sized enterprises (B)	35,648,677	36,338,166
(B) / (A)	73.8%	75.6%

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, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

Consumer Loans Outstanding

September 30	Millions of yen	
	2008	2007
Consumer loans	¥14,688,739	¥14,442,717
Housing loans	13,759,387	13,507,255
Residential purpose.....	10,168,610	9,890,492
Others.....	929,351	935,461

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

Six months ended September 30, 2008	Millions of yen				
	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	¥431,831 [(912)]	¥434,649	¥ —	¥431,831*	¥434,649
Specific reserve for possible loan losses	189,110 [(26)]	204,328	71,188	117,921*	204,328
Reserve for possible losses on specific overseas loans	0	0	—	0*	0
Total	¥620,942 [(938)]	¥638,978	¥71,188	¥549,754	¥638,978
Amount of direct reduction	¥334,549 [(737)]				¥446,096

* Transfer from reserves by reversal or origination method

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

Six months ended September 30, 2007	Millions of yen				
	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
Amount of direct reduction.....	¥298,062 [252]				¥319,472

* Transfer from reserves by reversal or origination method

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

Write-off of Loans

Six months ended September 30	Millions of yen	
	2008	2007
Write-off of loans	¥119,444	¥59,177

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

Specific Overseas Loans

September 30	Millions of yen	
	2008	2007
Argentina	¥4	¥3
Total	¥4	¥3
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	1	1

Risk-Monitored Loans

Consolidated

	Millions of yen		
	September 30		March 31
	2008	2007	2008
Bankrupt loans	¥ 234,497	¥ 59,358	¥ 73,176
Non-accrual loans	752,264	518,766	589,280
Past due loans (3 months or more)	41,703	31,769	26,625
Restructured loans	365,374	441,311	384,388
Total	¥1,393,840	¥1,051,206	¥1,073,471
Amount of direct reduction	¥ 526,714	¥ 416,778	¥ 416,706

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2008	2007	2008
Bankrupt loans	¥ 166,708	¥ 37,531	¥ 48,734
Non-accrual loans	580,968	387,442	437,699
Past due loans (3 months or more)	37,655	24,825	23,747
Restructured loans	244,379	299,124	260,405
Total	¥1,029,713	¥748,924	¥770,587
Amount of direct reduction	¥ 393,452	¥284,253	¥291,246

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

	Millions of yen		
	September 30		March 31
	2008	2007	2008
Bankrupt and quasi-bankrupt assets	¥ 269,084	¥ 109,278	¥ 117,757
Doubtful assets	525,760	340,420	402,028
Substandard loans	282,035	323,949	284,153
Total of problem assets	1,076,881	773,649	803,939
Normal assets	65,343,453	61,964,509	63,928,140
Total	¥66,420,334	¥62,738,158	¥64,732,080
Amount of direct reduction	¥ 446,096	¥ 319,472	¥ 333,811

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 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 three categories above