

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Period-End Balance

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Loans on notes	¥ 1,669,789	¥ 1,666,176
Loans on deeds	39,436,664	35,304,971
Overdrafts	8,763,923	9,863,538
Bills discounted	156,307	246,841
Subtotal	¥50,026,684	¥47,081,526
International operations:		
Loans on notes	¥ 430,267	¥ 576,224
Loans on deeds	8,354,233	10,758,375
Overdrafts	87,512	123,808
Bills discounted	—	2,018
Subtotal	¥ 8,872,014	¥11,460,426
Total	¥58,898,698	¥58,541,953

Average Balance

Six months ended September 30	Millions of yen	
	2009	2008
Domestic operations:		
Loans on notes	¥ 1,829,649	¥ 1,859,582
Loans on deeds	38,946,584	36,011,115
Overdrafts	9,107,690	9,582,964
Bills discounted	171,978	249,268
Subtotal	¥50,055,903	¥47,702,930
International operations:		
Loans on notes	¥ 437,798	¥ 499,134
Loans on deeds	8,999,940	9,433,987
Overdrafts	92,404	134,529
Bills discounted	201	5,276
Subtotal	¥ 9,530,345	¥10,072,928
Total	¥59,586,248	¥57,775,858

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			
	2009		2008	
Funds for capital investment	¥21,362,390	36.3%	¥21,083,991	36.0%
Funds for working capital	37,536,308	63.7	37,457,962	64.0
Total	¥58,898,698	100.0%	¥58,541,953	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

September 30	Millions of yen	
	2009	2008
Securities	¥ 547,036	¥ 458,659
Commercial claims	984,584	1,268,649
Commercial goods	—	—
Real estate	6,609,594	6,792,368
Others	555,664	699,523
Subtotal	8,696,879	9,219,200
Guaranteed	21,155,429	20,619,651
Unsecured	29,046,389	28,703,102
Total	¥58,898,698	¥58,541,953

Balance of Loans and Bills Discounted, Classified by Maturity

September 30	Millions of yen	
	2009	2008
One year or less.....	¥ 9,773,694	¥ 9,631,922
One — three years.....	10,216,528	9,038,303
Floating interest rates	7,737,369	7,158,074
Fixed interest rates	2,479,158	1,880,228
Three — five years.....	8,267,616	8,563,728
Floating interest rates	6,227,357	6,664,669
Fixed interest rates	2,040,259	1,899,059
Five — seven years	3,038,611	3,551,007
Floating interest rates	2,331,443	2,790,970
Fixed interest rates	707,167	760,036
More than seven years.....	18,750,811	17,769,645
Floating interest rates	17,541,883	16,743,332
Fixed interest rates	1,208,928	1,026,313
No designated term.....	8,851,436	9,987,346
Floating interest rates	8,851,436	9,987,346
Fixed interest rates	—	—
Total	¥58,898,698	¥58,541,953

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		September 30	Millions of yen	
	2009			2008	
Domestic operations:			Domestic operations:		
Manufacturing	¥ 6,446,898	12.5%	Manufacturing	¥ 5,389,440	11.2%
Agriculture, forestry, fisheries and mining	121,834	0.2	Agriculture, forestry, fisheries and mining	104,658	0.2
Construction.....	1,018,918	2.0	Construction.....	1,031,071	2.1
Transportation, communications and public enterprises.....	3,107,002	6.0	Transportation, communications and public enterprises.....	3,029,450	6.3
Wholesale and retail	4,291,667	8.3	Wholesale and retail	4,738,085	9.8
Finance and insurance	5,989,995	11.6	Finance and insurance	6,134,985	12.7
Real estate, goods rental and leasing.....	7,091,260	13.8	Real estate.....	6,136,716	12.7
Services	3,966,256	7.7	Services	5,318,838	11.0
Municipalities	977,131	2.0	Municipalities	725,924	1.5
Others	18,449,610	35.9	Others	15,697,622	32.5
Subtotal.....	¥51,460,576	100.0%	Subtotal.....	¥48,306,794	100.0%
Overseas operations:			Overseas operations:		
Public sector	¥ 20,060	0.3%	Public sector	¥ 27,433	0.3%
Financial institutions	467,123	6.3	Financial institutions	1,005,682	9.8
Commerce and industry.....	6,393,743	85.9	Commerce and industry.....	8,450,456	82.6
Others	557,195	7.5	Others	751,587	7.3
Subtotal.....	¥ 7,438,122	100.0%	Subtotal.....	¥10,235,159	100.0%
Total	¥58,898,698	—	Total	¥58,541,953	—

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 operations' accounts.
3. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from the fiscal year beginning on April 1, 2009, the sector classification has been partly changed. "Goods rental and leasing" is included in others in fiscal 2008.

Loans to Individuals/Small and Medium-Sized Enterprises

September 30	Millions of yen	
	2009	2008
Total domestic loans (A)	¥51,460,576	¥48,306,794
Loans to individuals, and small and medium-sized enterprises (B)	34,682,344	35,648,677
(B) / (A).....	67.4%	73.8%

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

	Millions of yen	
September 30	2009	2008
Consumer loans	¥15,156,150	¥14,688,739
Housing loans	14,239,885	13,759,387
Residential purpose	10,719,544	10,168,610
Others	916,264	929,351

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				
	Balance at the beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at the end of the interim period
Six months ended September 30, 2009			Objectives	Others	
General reserve for possible loan losses	¥502,108 [4,541]	¥459,001	¥ —	¥503,980*1,2	¥457,129
Specific reserve for possible loan losses	284,756 [61]	327,493	46,767	242,860*1,2	322,622
Reserve for possible losses on specific overseas loans	417	263	—	417*1	263
Total	¥787,281 [4,603]	¥786,758	¥46,767	¥747,258	¥780,014
Amount of direct reduction	¥476,317 [3,166]				¥536,266

^{*1} Transfer from reserves by reversal or origination method

^{*2} "Others" under "Decrease during the interim period" include the amount transferred to Sumitomo Mitsui Banking Corporation (China) Limited in connection with a business transfer. The transferred amount comprises ¥1,872 million for the general reserve for possible loan losses and ¥4,871 million for the specific reserve for possible loan losses.

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

	Millions of yen				
	Balance at the beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at the end of the interim period
Six months ended September 30, 2008			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.

Write-Off of Loans

	Millions of yen	
Six months ended September 30	2009	2008
Write-off of loans	¥82,501	¥119,444

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

Specific Overseas Loans

	Millions of yen	
September 30	2009	2008
Ukraine	¥1,818	¥ —
Iceland	927	—
Pakistan	51	—
Argentina	4	4
Total	¥2,801	¥ 4
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	4	1

Risk-Monitored Loans

Consolidated

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Bankrupt loans.....	¥ 242,722	¥ 234,497	¥ 290,237
Non-accrual loans.....	1,107,915	752,264	997,888
Past due loans (3 months or more)	51,983	41,703	36,119
Restructured loans	219,676	365,374	237,579
Total.....	¥1,622,298	¥1,393,840	¥1,561,824
Amount of direct reduction.....	¥ 666,314	¥ 526,714	¥ 590,174

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Bankrupt loans.....	¥ 163,747	¥ 166,708	¥ 196,062
Non-accrual loans.....	827,649	580,968	744,692
Past due loans (3 months or more)	38,678	37,655	32,549
Restructured loans	147,031	244,379	163,753
Total.....	¥1,177,107	¥1,029,713	¥1,137,058
Amount of direct reduction.....	¥ 459,876	¥ 393,452	¥ 419,511

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
	2009	2008	2009
Bankrupt and quasi-bankrupt assets	¥ 289,059	¥ 269,084	¥ 319,627
Doubtful assets	767,168	525,760	678,240
Substandard loans.....	185,710	282,035	196,303
Total of problem assets	1,241,938	1,076,881	1,194,170
Normal assets.....	64,242,117	65,343,453	66,028,576
Total.....	¥65,484,055	¥66,420,334	¥67,222,747
Amount of direct reduction.....	¥ 536,266	¥ 446,096	¥ 479,484

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 four categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include private placement bonds, 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