

# Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Balance of Loans and Bills Discounted

### Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Loans on notes .....	¥ 1,321,221	¥ 1,472,451
Loans on deeds .....	36,510,374	38,069,787
Overdrafts .....	8,122,475	8,202,796
Bills discounted .....	139,034	152,782
Subtotal .....	¥46,093,104	¥47,897,818
International operations:		
Loans on notes .....	¥ 482,697	¥ 416,026
Loans on deeds .....	8,558,792	8,223,003
Overdrafts .....	103,019	82,210
Bills discounted .....	—	—
Subtotal .....	¥ 9,144,508	¥ 8,721,240
Total .....	¥55,237,613	¥56,619,058

### Average Balance

Year ended March 31	Millions of yen	
	2011	2010
Domestic operations:		
Loans on notes .....	¥ 1,428,036	¥ 1,720,223
Loans on deeds .....	37,892,485	38,993,305
Overdrafts .....	8,083,617	8,969,237
Bills discounted .....	132,861	160,676
Subtotal .....	¥47,537,001	¥49,843,442
International operations:		
Loans on notes .....	¥ 431,246	¥ 444,610
Loans on deeds .....	8,166,756	8,704,843
Overdrafts .....	100,044	91,980
Bills discounted .....	—	104
Subtotal .....	¥ 8,698,046	¥ 9,241,539
Total .....	¥56,235,047	¥59,084,981

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			
	2011		2010	
Funds for capital investment .....	¥21,095,931	38.2%	¥21,487,115	38.0%
Funds for working capital .....	34,141,682	61.8	35,131,942	62.0
Total .....	¥55,237,613	100.0%	¥56,619,058	100.0%

## Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2011	2010
Securities .....	¥ 492,005	¥ 562,243
Commercial claims .....	966,036	996,719
Commercial goods .....	123	—
Real estate .....	6,747,774	6,895,988
Others .....	689,604	603,538
Subtotal .....	8,895,545	9,058,490
Guaranteed .....	18,505,823	21,075,681
Unsecured .....	27,836,245	26,484,887
Total .....	¥55,237,613	¥56,619,058

## Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2011	2010
One year or less .....	¥ 8,716,300	¥ 8,933,280
One — three years .....	9,279,086	9,765,902
Floating interest rates .....	7,330,056	7,597,080
Fixed interest rates .....	1,949,030	2,168,821
Three — five years .....	7,084,266	7,973,882
Floating interest rates .....	5,502,456	6,035,859
Fixed interest rates .....	1,581,809	1,938,023
Five — seven years .....	2,451,364	2,479,598
Floating interest rates .....	2,060,192	2,035,407
Fixed interest rates .....	391,171	444,190
More than seven years .....	19,481,101	19,181,387
Floating interest rates .....	18,486,100	18,171,664
Fixed interest rates .....	995,001	1,009,722
No designated term .....	8,225,494	8,285,006
Floating interest rates .....	8,225,494	8,285,006
Fixed interest rates .....	—	—
<b>Total .....</b>	<b>¥55,237,613</b>	<b>¥56,619,058</b>

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			
	2011		2010	
<b>Domestic operations:</b>				
Manufacturing .....	¥ 5,632,691	11.8%	¥ 6,308,200	12.7%
Agriculture, forestry, fisheries and mining .....	145,177	0.3	146,765	0.3
Construction .....	770,985	1.6	897,987	1.8
Transportation, communications and public enterprises .....	3,612,396	7.5	3,067,711	6.2
Wholesale and retail .....	3,814,280	8.0	4,061,267	8.2
Finance and insurance .....	5,934,719	12.4	5,907,426	11.9
Real estate, goods rental and leasing .....	6,383,363	13.3	6,809,580	13.8
Services .....	3,436,439	7.2	3,769,330	7.6
Municipalities .....	1,105,751	2.3	984,186	2.0
Others .....	17,015,261	35.6	17,573,287	35.5
Subtotal .....	¥47,851,066	100.0%	¥49,525,741	100.0%
<b>Overseas operations:</b>				
Public sector .....	¥ 19,487	0.3%	¥ 21,320	0.3%
Financial institutions .....	555,762	7.5	484,892	6.8
Commerce and industry .....	6,246,696	84.6	6,026,280	85.0
Others .....	564,599	7.6	560,823	7.9
Subtotal .....	¥ 7,386,547	100.0%	¥ 7,093,316	100.0%
<b>Total .....</b>	<b>¥55,237,613</b>	<b>—</b>	<b>¥56,619,058</b>	<b>—</b>

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.

## Loans to Individuals/Small and Medium-Sized Enterprises

March 31	Millions of yen	
	2011	2010
Total domestic loans (A) .....	¥47,851,066	¥49,525,741
Loans to individuals, and small and medium-sized enterprises (B) .....	33,813,418	34,457,098
(B) / (A) .....	70.7%	69.6%

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

March 31	Millions of yen	
	2011	2010
Consumer loans .....	¥15,369,284	¥15,400,531
Housing loans .....	14,490,768	14,497,508
Residential purpose .....	11,141,658	11,010,697
Others .....	878,516	903,023

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

Year ended March 31, 2011	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 .....	¥491,033	¥483,315	¥ —	¥491,033*	¥483,315
	[4,617]				
Specific reserve for possible loan losses .....	260,622	227,935	59,791	200,831*	227,935
For nonresident loans .....	28,665	44,601	5,719	22,945*	44,601
	[1,720]				
Loan loss reserve for specific overseas countries ...	184	272	—	184*	272
Total .....	¥751,840	¥711,522	¥59,791	¥692,049	¥711,522
	[6,338]				
Amount of direct reduction .....	¥475,487				¥496,205
	[2,554]				

\* Transfer from reserves by reversal or origination method

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

Year ended March 31, 2010	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 .....	¥504,379	¥497,582	¥ —	¥506,310* <sup>1, 2</sup>	¥495,650
	[2,270]				
Specific reserve for possible loan losses .....	284,799	267,351	109,562	180,245* <sup>1, 2</sup>	262,343
For nonresident loans .....	71,028	35,393	35,048	40,988* <sup>1, 2</sup>	30,385
	[18]				
Loan loss reserve for specific overseas countries ...	417	184	—	417* <sup>1</sup>	184
Total .....	¥789,596	¥765,118	¥109,562	¥686,973	¥758,178
	[2,288]				
Amount of direct reduction .....	¥477,529				¥478,042
	[1,954]				

\*<sup>1</sup> Transfer from reserves by reversal or origination method

\*<sup>2</sup> "Others" under "Decrease during the fiscal year" include the amount transferred to Sumitomo Mitsui Banking Corporation (China) Limited in connection with a business transfer. The transferred amount comprises ¥1,931 million for the general reserve for possible loan losses and ¥5,008 million for the specific reserve for possible loan losses for nonresident loans.

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

## Write-Off of Loans

Year ended March 31	Millions of yen	
	2011	2010
Write-off of loans .....	¥70,775	¥102,663

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

## Specific Overseas Loans

March 31	Millions of yen	
	2011	2010
Iceland .....	¥1,233	¥1,112
Ukraine .....	1,010	160
Pakistan .....	68	61
Argentina .....	6	4
Total .....	¥2,318	¥1,339
Ratio of the total amounts to total assets .....	0.00%	0.00%
Number of countries .....	4	4

## Risk-Monitored Loans

March 31	Millions of yen	
	2011	2010
Bankrupt loans .....	¥ 65,802	¥ 112,973
Non-accrual loans .....	721,792	776,364
Past due loans (3 months or more) .....	12,327	22,889
Restructured loans .....	290,682	155,790
Total .....	¥1,090,605	¥1,068,017
Amount of direct reduction.....	¥ 426,203	¥ 411,715

## 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	Millions of yen	
	2011	2010
Bankrupt and quasi-bankrupt assets .....	¥ 138,433	¥ 224,335
Doubtful assets .....	684,826	697,670
Substandard loans .....	303,010	178,679
Total of problem assets .....	1,126,269	1,100,685
Normal assets .....	61,025,837	62,116,059
Total .....	¥62,152,106	¥63,216,745
Amount of direct reduction.....	¥ 496,205	¥ 478,042

## 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 private placement bonds, loans and bills discounted, foreign exchanges, accrued interest, and suspense 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 3 categories above

## Problem Assets Based on the Financial Reconstruction Law, and Risk-Monitored Loans

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law		Risk-monitored loans		Other assets
	Total loans	Other assets	Total loans		
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets		Bankrupt loans	Other assets ⊙	
Effectively Bankrupt Borrowers			Non-accrual loans		
Potentially Bankrupt Borrowers			Doubtful assets		
Borrowers Requiring Caution	Substandard loans	Past due loans (3 months or more)			
		Restructured loans			
Normal Borrowers	(Normal assets)				
	Ⓐ		Ⓑ	=	Ⓒ

Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs/Reserves

March 31, 2011

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law	Classification under self-assessment				Reserve for possible loan losses	Reserve ratio	
		Classification I	Classification II	Classification III	Classification IV			
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥138.5	Portion of claims secured by collateral or guarantees, etc. (5) ¥124.0	Fully reserved ¥14.5	Direct write-offs (Note 1)	Specific reserve ¥18.6 (Note 2)	100% (Note 3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥684.8	Portion of claims secured by collateral or guarantees, etc. (6) ¥413.7	Necessary amount reserved ¥271.1		General reserve ¥483.5 (Note 5)	77.14% (Note 3)		
Borrowers Requiring Caution	Substandard loans (3) ¥303.0 (Claims to substandard borrowers)	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥118.3				General reserve for substandard loans ¥102.8	56.75% (Note 3)	19.57% (Note 3)
Normal Borrowers	Normal assets ¥61,025.8	Claims to borrowers requiring caution, excluding claims to substandard borrowers				6.53% [14.14%] (Note 4)	0.23% (Note 4)	
					Loan loss reserve for specific overseas countries	¥0.3		
Total (4) ¥62,152.1		NPL ratio (A) / (4) 1.81% (Note 6)		Total reserve for possible loan losses (B) Specific reserve + General reserve for substandard loans	¥711.5	Reserve ratio (B) / (D) 70.28% (Note 7)		
(A) = (1) + (2) + (3) ¥1,126.3		Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥656.0		Unsecured portion (D) = (A) - (C) ¥470.3	¥330.5			
					Coverage ratio {(B) + (C)} / (A)	87.59%		

- Notes: 1. Includes amount of direct reduction totaling ¥496.2 billion.  
 2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law. (Bankrupt/Effectively Bankrupt Borrowers: ¥4.1 billion; Potentially Bankrupt Borrowers: ¥18.3 billion)  
 3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution: The proportion of each category's total unsecured claims covered by reserve for possible loan losses.  
 4. Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.  
 5. Includes amount of specific reserve for Borrowers Requiring Caution totaling ¥0.2 billion.  
 6. Ratio of problem assets to total assets subject to the Financial Reconstruction Law  
 7. Reserve ratio = (Specific reserve + General reserve for substandard loans) / (Bankrupt and quasi-bankrupt assets + Doubtful assets + Substandard loans - Portion secured by collateral or guarantees, etc.)

Off-Balancing Problem Assets

	Billions of yen						March 31, 2011
	March 31, 2009	Fiscal 2009		March 31, 2010	Fiscal 2010		
	①	New occurrences	Off-balanced	②	New occurrences	Off-balanced	③
Bankrupt and quasi-bankrupt assets...	¥319.6	¥ 86.1	¥(181.4)	¥224.3	¥ 43.5	¥(129.3)	¥138.5
Doubtful assets .....	678.3	529.3	(509.9)	697.7	376.9	(389.8)	684.8
Total .....	¥997.9	¥615.4	¥(691.3)	¥922.0	¥420.4	¥(519.1)	¥823.3
				Increase/Decrease ② - ①			Increase/Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥(95.3)			¥(85.8)
Doubtful assets .....				19.4			(12.9)
Total .....				¥(75.9)			¥(98.7)

- Notes: 1. The off-balancing (also known as "final disposal") of problem assets refers to the removal of such assets from the bank's balance sheet by way of sale, direct write-off or other means.  
 2. The figures shown in the above table under "new occurrences" and "off-balanced" are simple additions of the figures for the first and second halves of the 2 periods reviewed. Amounts of ¥179.6 billion for fiscal 2009 and ¥74.3 billion in fiscal 2010, recognized as "new occurrences" in the first halves of the terms, were included in the amounts off-balanced in the respective second halves.