

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Period-End Balance

	Millions of yen	
September 30	2010	2009
Domestic operations:		
Loans on notes	¥ 1,400,406	¥ 1,669,789
Loans on deeds	39,236,487	39,436,664
Overdrafts	8,087,295	8,763,923
Bills discounted	130,786	156,307
Subtotal	¥48,854,975	¥50,026,684
International operations:		
Loans on notes	¥ 399,331	¥ 430,267
Loans on deeds	8,046,152	8,354,233
Overdrafts	91,984	87,512
Bills discounted	—	—
Subtotal	¥ 8,537,468	¥ 8,872,014
Total	¥57,392,444	¥58,898,698

Average Balance

	Millions of yen	
Six months ended September 30	2010	2009
Domestic operations:		
Loans on notes	¥ 1,445,714	¥ 1,829,649
Loans on deeds	38,214,724	38,946,584
Overdrafts	8,064,442	9,107,690
Bills discounted	134,902	171,978
Subtotal	¥47,859,784	¥50,055,903
International operations:		
Loans on notes	¥ 420,600	¥ 437,798
Loans on deeds	7,889,121	8,999,940
Overdrafts	102,206	92,404
Bills discounted	—	201
Subtotal	¥ 8,411,928	¥ 9,530,345
Total	¥56,271,712	¥59,586,248

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	2010		2009	
Funds for capital investment	¥21,300,828	37.1%	¥21,362,390	36.3%
Funds for working capital	36,091,615	62.9	37,536,308	63.7
Total	¥57,392,444	100.0%	¥58,898,698	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

	Millions of yen	
September 30	2010	2009
Securities	¥ 519,481	¥ 547,036
Commercial claims	975,652	984,584
Commercial goods	—	—
Real estate	6,837,450	6,609,594
Others	648,398	555,664
Subtotal	8,980,983	8,696,879
Guaranteed	20,914,949	21,155,429
Unsecured	27,496,511	29,046,389
Total	¥57,392,444	¥58,898,698

Balance of Loans and Bills Discounted, Classified by Maturity

September 30	Millions of yen	
	2010	2009
One year or less	¥11,105,929	¥ 9,773,694
One — three years	9,367,836	10,216,528
Floating interest rates	7,329,159	7,737,369
Fixed interest rates	2,038,677	2,479,158
Three — five years	7,271,919	8,267,616
Floating interest rates	5,486,187	6,227,357
Fixed interest rates	1,785,732	2,040,259
Five — seven years	2,450,630	3,038,611
Floating interest rates	2,013,584	2,331,443
Fixed interest rates	437,046	707,167
More than seven years	19,016,847	18,750,811
Floating interest rates	18,023,935	17,541,883
Fixed interest rates	992,911	1,208,928
No designated term	8,179,279	8,851,436
Floating interest rates	8,179,279	8,851,436
Fixed interest rates	—	—
Total	¥57,392,444	¥58,898,698

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			
	2010		2009	
Domestic operations:				
Manufacturing	¥ 6,056,497	12.0%	¥ 6,446,898	12.5%
Agriculture, forestry, fisheries and mining	117,398	0.2	121,834	0.2
Construction	842,617	1.7	1,018,918	2.0
Transportation, communications and public enterprises	3,048,258	6.0	3,107,002	6.0
Wholesale and retail	3,902,705	7.7	4,291,667	8.3
Finance and insurance	5,759,083	11.4	5,989,995	11.6
Real estate, goods rental and leasing	6,552,915	13.0	7,091,260	13.8
Services	3,619,545	7.2	3,966,256	7.7
Municipalities	1,041,730	2.0	977,131	2.0
Others	19,575,467	38.8	18,449,610	35.9
Subtotal	¥50,516,218	100.0%	¥51,460,576	100.0%
Overseas operations:				
Public sector	¥ 26,588	0.4%	¥ 20,060	0.3%
Financial institutions	507,889	7.4	467,123	6.3
Commerce and industry	5,849,983	85.1	6,393,743	85.9
Others	491,763	7.1	557,195	7.5
Subtotal	¥ 6,876,225	100.0%	¥ 7,438,122	100.0%
Total	¥57,392,444	—	¥58,898,698	—

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

September 30	Millions of yen	
	2010	2009
Total domestic loans (A)	¥50,516,218	¥51,460,576
Loans to individuals, and small and medium-sized enterprises (B)	33,908,478	34,682,344
(B) / (A)	67.1%	67.4%

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	2010	2009
Consumer loans	¥15,360,685	¥15,156,150
Housing loans	14,472,781	14,239,885
Residential purpose	11,050,254	10,719,544
Others	887,903	916,264

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
			Objectives	Others	
Six months ended September 30, 2010					
General reserve for possible loan losses	¥491,054 [4,596]	¥490,778	¥ —	¥491,054*	¥490,778
Specific reserve for possible loan losses	260,678 [1,664]	256,096	28,351	232,327*	256,096
Loan loss reserve for specific overseas countries	184	190	—	184*	190
Total	¥751,917 [6,261]	¥747,064	¥28,351	¥723,566	¥747,064
Amount of direct reduction	¥475,586 [2,455]				¥477,022

* Transfer from reserves by reversal or origination method

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
			Objectives	Others	
Six months ended September 30, 2009					
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
Loan loss reserve for specific overseas countries	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.

Write-Off of Loans

	Millions of yen	
Six months ended September 30	2010	2009
Write-off of loans	¥22,851	¥82,501

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

Specific Overseas Loans

	Millions of yen	
September 30	2010	2009
Iceland	¥1,046	¥ 927
Ukraine	355	1,818
Pakistan	57	51
Argentina	5	4
Total	¥1,464	¥2,801
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	4	4

Risk-Monitored Loans

Consolidated

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt loans	¥ 116,253	¥ 242,722	¥ 162,969
Non-accrual loans	994,471	1,107,915	1,047,913
Past due loans (3 months or more)	29,642	51,983	38,249
Restructured loans	305,648	219,676	249,139
Total	¥1,446,014	¥1,622,298	¥1,498,271
Amount of direct reduction	¥ 710,911	¥ 666,314	¥ 710,815

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt loans	¥ 82,128	¥ 163,747	¥ 112,973
Non-accrual loans	743,894	827,649	776,364
Past due loans (3 months or more)	11,564	38,678	22,889
Restructured loans	176,201	147,031	155,790
Total	¥1,013,788	¥1,177,107	¥1,068,017
Amount of direct reduction	¥ 411,356	¥ 459,876	¥ 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

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt and quasi-bankrupt assets	¥ 178,605	¥ 289,059	¥ 224,335
Doubtful assets	676,277	767,168	697,670
Substandard loans	187,766	185,710	178,679
Total of problem assets	1,042,648	1,241,938	1,100,685
Normal assets	62,898,942	64,242,117	62,116,059
Total	¥63,941,591	¥65,484,055	¥63,216,745
Amount of direct reduction	¥ 477,022	¥ 536,266	¥ 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.

Private placement bonds guaranteed by SMBC have been recorded with fair value since March 31, 2010, in accordance with the revision of "Accounting Standard for Financial Instruments."

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