

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

	Millions of yen	
March 31	2012	2011
Domestic operations:		
Loans on notes	¥ 1,216,941	¥ 1,321,221
Loans on deeds	35,678,924	36,510,374
Overdrafts	8,308,672	8,122,475
Bills discounted	151,855	139,034
Subtotal	¥45,356,393	¥46,093,104
International operations:		
Loans on notes	¥ 506,700	¥ 482,697
Loans on deeds	10,436,568	8,558,792
Overdrafts	111,830	103,019
Bills discounted	—	—
Subtotal	¥11,055,098	¥ 9,144,508
Total	¥56,411,492	¥55,237,613

Average Balance

	Millions of yen	
Year ended March 31	2012	2011
Domestic operations:		
Loans on notes	¥ 1,365,314	¥ 1,428,036
Loans on deeds	36,768,819	37,892,485
Overdrafts	8,072,784	8,083,617
Bills discounted	125,570	132,861
Subtotal	¥46,332,489	¥47,537,001
International operations:		
Loans on notes	¥ 518,305	¥ 431,246
Loans on deeds	9,689,941	8,166,756
Overdrafts	117,526	100,044
Bills discounted	—	—
Subtotal	¥10,325,773	¥ 8,698,046
Total	¥56,658,263	¥56,235,047

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			
March 31	2012		2011	
Funds for capital investment	¥20,802,161	36.9%	¥21,095,931	38.2%
Funds for working capital	35,609,330	63.1	34,141,682	61.8
Total	¥56,411,492	100.0%	¥55,237,613	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

	Millions of yen	
March 31	2012	2011
Securities	¥ 469,939	¥ 492,005
Commercial claims	996,724	966,036
Commercial goods	—	123
Real estate	6,586,174	6,747,774
Others	718,816	689,604
Subtotal	8,771,654	8,895,545
Guaranteed	19,906,243	18,505,823
Unsecured	27,733,594	27,836,245
Total	¥56,411,492	¥55,237,613

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2012	2011
One year or less	¥ 8,819,333	¥ 8,716,300
One — three years	9,011,403	9,279,086
Floating interest rates	7,168,306	7,330,056
Fixed interest rates	1,843,096	1,949,030
Three — five years	7,278,348	7,084,266
Floating interest rates	5,971,385	5,502,456
Fixed interest rates	1,306,963	1,581,809
Five — seven years	3,413,005	2,451,364
Floating interest rates	2,893,753	2,060,192
Fixed interest rates	519,252	391,171
More than seven years	19,468,898	19,481,101
Floating interest rates	18,538,698	18,486,100
Fixed interest rates	930,199	995,001
No designated term	8,420,502	8,225,494
Floating interest rates	8,420,502	8,225,494
Fixed interest rates	—	—
Total	¥56,411,492	¥55,237,613

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			
	2012		2011	
Domestic operations:				
Manufacturing	¥ 5,701,247	12.1%	¥ 5,632,691	11.8%
Agriculture, forestry, fisheries and mining	133,829	0.3	145,177	0.3
Construction	714,741	1.5	770,985	1.6
Transportation, communications and public enterprises	3,988,144	8.5	3,612,396	7.5
Wholesale and retail	3,691,342	7.8	3,814,280	8.0
Finance and insurance	5,828,625	12.3	5,934,719	12.4
Real estate, goods rental and leasing	6,185,671	13.1	6,383,363	13.3
Services	3,197,121	6.8	3,436,439	7.2
Municipalities	949,628	2.0	1,105,751	2.3
Others	16,827,603	35.6	17,015,261	35.6
Subtotal	¥47,217,955	100.0%	¥47,851,066	100.0%
Overseas operations:				
Public sector	¥ 47,641	0.5%	¥ 19,487	0.3%
Financial institutions	624,804	6.8	555,762	7.5
Commerce and industry	7,828,495	85.2	6,246,696	84.6
Others	692,595	7.5	564,599	7.6
Subtotal	¥ 9,193,536	100.0%	¥ 7,386,547	100.0%
Total	¥56,411,492	—	¥55,237,613	—

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	
	2012	2011
Total domestic loans (A)	¥47,217,955	¥47,851,066
Loans to individuals, and small and medium-sized enterprises (B)	33,230,726	33,813,418
(B) / (A)	70.4%	70.7%

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	
	2012	2011
Consumer loans	¥15,206,143	¥15,369,284
Housing loans	14,336,810	14,490,768
Residential purpose	11,196,588	11,141,658
Others	869,332	878,516

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, 2012	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	¥482,457 [857]	¥439,534	¥ —	¥482,457*	¥439,534
Specific reserve for possible loan losses	227,560 [374]	249,507	37,250	190,310*	249,507
For nonresident loans	44,227 [374]	61,755	4,880	39,346*	61,755
Loan loss reserve for specific overseas countries ...	272	173	—	272*	173
Total	¥710,290 [1,232]	¥689,215	¥37,250	¥673,039	¥689,215
Amount of direct reduction	¥495,941 [264]				¥334,900

* Transfer from reserves by reversal or origination method

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

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

* Transfer from reserves by reversal or origination method

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

Write-Off of Loans

Year ended March 31	Millions of yen	
	2012	2011
Write-off of loans	¥15,797	¥70,775

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

Specific Overseas Loans

March 31	Millions of yen	
	2012	2011
Ukraine	¥ 902	¥1,010
Iceland	663	1,233
Pakistan	72	68
Argentina	6	6
Total	¥1,645	¥2,318
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	4	4

Risk-Monitored Loans

	Millions of yen	
March 31	2012	2011
Bankrupt loans	¥ 57,503	¥ 65,802
Non-accrual loans	816,705	721,792
Past due loans (3 months or more)	10,531	12,327
Restructured loans	258,312	290,682
Total	¥1,143,053	¥1,090,605
Amount of direct reduction	¥ 295,908	¥ 426,203

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

	Millions of yen	
March 31	2012	2011
Bankrupt and quasi-bankrupt assets	¥ 134,361	¥ 138,433
Doubtful assets	779,641	684,826
Substandard loans	268,844	303,010
Total of problem assets	1,182,847	1,126,269
Normal assets	62,493,590	61,025,837
Total	¥63,676,437	¥62,152,106
Amount of direct reduction	¥ 334,900	¥ 496,205

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		Ⓒ
Effectively Bankrupt Borrowers			Non-accrual loans		
Potentially Bankrupt Borrowers			Past due loans (3 months or more)		
Borrowers Requiring Caution	Substandard loans		Restructured loans		
	(Normal assets)				
Normal Borrowers					

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

March 31, 2012			(Billions of yen)					
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) ¥134.4	Portion of claims secured by collateral or guarantees, etc. (5) ¥119.4	Fully reserved ¥15.0	Direct write-offs (Note 1)	Specific reserve	¥20.1 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥779.6	Portion of claims secured by collateral or guarantees, etc. (6) ¥477.1	Necessary amount reserved ¥302.5			¥229.4 (Note 2)	75.84% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥268.8	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥132.0			General reserve	General reserve for substandard loans ¥85.7	62.48% (Note 3)	19.69% (Note 3)
	(Claims to substandard borrowers)						6.69% [14.12%] (Note 4)	
Normal Borrowers	Normal assets ¥62,493.6	Claims to borrowers requiring caution, excluding claims to substandard borrowers				¥439.5	0.21% (Note 4)	
		Claims to normal borrowers						
					Loan loss reserve for specific overseas countries	¥0.2		
Total (4) ¥63,676.4		NPL ratio (A) / (4) 1.86% (Note 5)		Total reserve for possible loan losses (B) Specific reserve + General reserve for substandard loans		¥689.2 ¥335.2	Reserve ratio (B) / (D) 73.79% (Note 6)	
(A) = (1) + (2) + (3) ¥1,182.8		Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥728.5		Unsecured portion (D) = (A) - (C) ¥454.3				
					Coverage ratio { (B) + (C) } / (A)		89.93%	

- Notes: 1. Includes amount of direct reduction totaling ¥334.9 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law. (Bankrupt/Effectively Bankrupt Borrowers: ¥5.1 billion; Potentially Bankrupt Borrowers: ¥30.6 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. Ratio of problem assets to total assets subject to the Financial Reconstruction Law
6. 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, 2010	Fiscal 2010		March 31, 2011	Fiscal 2011		March 31, 2012
	①	New occurrences	Off-balanced	②	New occurrences	Off-balanced	③
Bankrupt and quasi-bankrupt assets...	¥224.3	¥ 43.5	¥(129.3)	¥138.5	¥ 71.2	¥ (75.3)	¥134.4
Doubtful assets	697.7	376.9	(389.8)	684.8	339.2	(244.4)	779.6
Total	¥922.0	¥420.4	¥(519.1)	¥823.3	¥410.4	¥(319.7)	¥914.0
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥(85.8)			¥ (4.1)
Doubtful assets				(12.9)			94.8
Total				¥(98.7)			¥90.7

- 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 ¥74.3 billion for fiscal 2010 and ¥62.9 billion in fiscal 2011, recognized as "new occurrences" in the first halves of the terms, were included in the amounts off-balanced in the respective second halves.