Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

	Millions of yen	
March 31	2013	2012
Domestic operations:		
Loans on notes	¥ 930,005	¥ 1,216,941
Loans on deeds	35,490,809	35,678,924
Overdrafts	8,630,789	8,308,672
Bills discounted	140,274	151,855
Subtotal	¥45,191,878	¥45,356,393
International operations:		
Loans on notes	¥ 785,108	¥ 506,700
Loans on deeds	13,649,153	10,436,568
Overdrafts	144,622	111,830
Bills discounted	—	—
Subtotal	¥14,578,885	¥11,055,098
Total	¥59,770,763	¥56,411,492

Average Balance

	Millions of yen	
Year ended March 31	2013	2012
Domestic operations:		
Loans on notes	¥ 1,089,277	¥ 1,365,314
Loans on deeds	34,911,708	36,768,819
Overdrafts	8,327,167	8,072,784
Bills discounted	120,292	125,570
Subtotal	¥44,448,446	¥46,332,489
International operations:		
Loans on notes	¥ 656,326	¥ 518,305
Loans on deeds	12,914,024	9,689,941
Overdrafts	150,523	117,526
Bills discounted	—	—
Subtotal	¥13,720,874	¥10,325,773
Total	¥58,169,321	¥56,658,263

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	2013		2012	
Funds for capital investment	¥20,838,299	34.9%	¥20,802,161	36.9%
Funds for working capital	38,932,464	65.1	35,609,330	63.1
Total	¥59,770,763	100.0%	¥56,411,492	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

	Millions of yen	
March 31	2013	2012
Securities	¥ 526,510	¥ 469,939
Commercial claims	1,020,675	996,724
Commercial goods	—	—
Real estate	6,468,203	6,586,174
Others	900,384	718,816
Subtotal	8,915,773	8,771,654
Guaranteed	18,820,060	19,906,243
Unsecured	32,034,929	27,733,594
Total	¥59,770,763	¥56,411,492

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen 2013	2012
One year or less	¥ 9,523,787	¥ 8,819,333
One — three years	9,108,573	9,011,403
Floating interest rates	7,368,894	7,168,306
Fixed interest rates	1,739,678	1,843,096
Three — five years	8,541,693	7,278,348
Floating interest rates	6,926,235	5,971,385
Fixed interest rates	1,615,458	1,306,963
Five — seven years	4,069,630	3,413,005
Floating interest rates	3,421,755	2,893,753
Fixed interest rates	647,875	519,252
More than seven years	19,751,666	19,468,898
Floating interest rates	18,838,219	18,538,698
Fixed interest rates	913,446	930,199
No designated term	8,775,412	8,420,502
Floating interest rates	8,775,412	8,420,502
Fixed interest rates	—	—
Total	¥59,770,763	¥56,411,492

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 2013		2012	
Domestic operations:				
Manufacturing	¥ 5,624,822	11.8%	¥ 5,701,247	12.1%
Agriculture, forestry, fisheries and mining	147,588	0.3	133,829	0.3
Construction	702,929	1.5	714,741	1.5
Transportation, communications and public enterprises	4,026,851	8.5	3,988,144	8.5
Wholesale and retail	3,740,820	7.9	3,691,342	7.8
Finance and insurance	6,253,616	13.1	5,828,625	12.3
Real estate, goods rental and leasing	6,334,343	13.3	6,185,671	13.1
Services	3,496,804	7.3	3,197,121	6.8
Municipalities	992,233	2.1	949,628	2.0
Others	16,273,333	34.2	16,827,603	35.6
Subtotal	¥47,593,343	100.0%	¥47,217,955	100.0%
Overseas operations:				
Public sector	¥ 36,664	0.3%	¥ 47,641	0.5%
Financial institutions	899,404	7.4	624,804	6.8
Commerce and industry	10,344,435	84.9	7,828,495	85.2
Others	896,914	7.4	692,595	7.5
Subtotal	¥12,177,419	100.0%	¥ 9,193,536	100.0%
Total	¥59,770,763	—	¥56,411,492	—

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 2013	2012
Total domestic loans (A)	¥47,593,343	¥47,217,955
Loans to individuals, and small and medium-sized enterprises (B)	33,091,729	33,230,726
(B) / (A)	69.5%	70.4%

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

March 31	Millions of yen 2013	2012
Consumer loans	¥14,955,844	¥15,206,143
Housing loans	14,086,232	14,336,810
Residential purpose	11,190,267	11,196,588
Others	869,612	869,332

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, 2013	Millions of yen Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year Objectives	Others	Balance at end of the fiscal year
General reserve for possible loan losses	¥446,842 [(7,308)]	¥375,161	¥ —	¥446,842*	¥375,161
Specific reserve for possible loan losses	252,578 [(3,071)]	241,426	56,254	196,324*	241,426
For nonresident loans	64,826 [(3,071)]	65,499	10,543	54,282*	65,499
Loan loss reserve for specific overseas countries	173	5	—	173*	5
Total	¥699,595 [(10,379)]	¥616,593	¥56,254	¥643,340	¥616,593
Amount of direct reduction	¥336,938 [(2,038)]				¥356,056

* Transfer from reserves by reversal or origination method
Note: Figures in brackets [ ] indicate foreign exchange translation adjustments.

Year ended March 31, 2012	Millions of yen Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year Objectives	Others	Balance at end of the fiscal year
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.

Write-Off of Loans

Year ended March 31	Millions of yen 2013	2012
Write-off of loans	¥40,258	¥15,797

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

Specific Overseas Loans

March 31	Millions of yen 2013	2012
Cyprus	¥67	¥ —
Argentina	4	6
Ukraine	—	902
Iceland	—	663
Pakistan	—	72
Total	¥72	¥1,645
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	2	4

Risk-Monitored Loans

March 31	Millions of yen 2013	2012
Bankrupt loans	¥ 44,949	¥ 57,503
Non-accrual loans	760,701	816,705
Past due loans (3 months or more)	9,004	10,531
Restructured loans	247,634	258,312
Total	¥1,062,290	¥1,143,053
Amount of direct reduction	¥ 321,197	¥ 295,908

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 Act

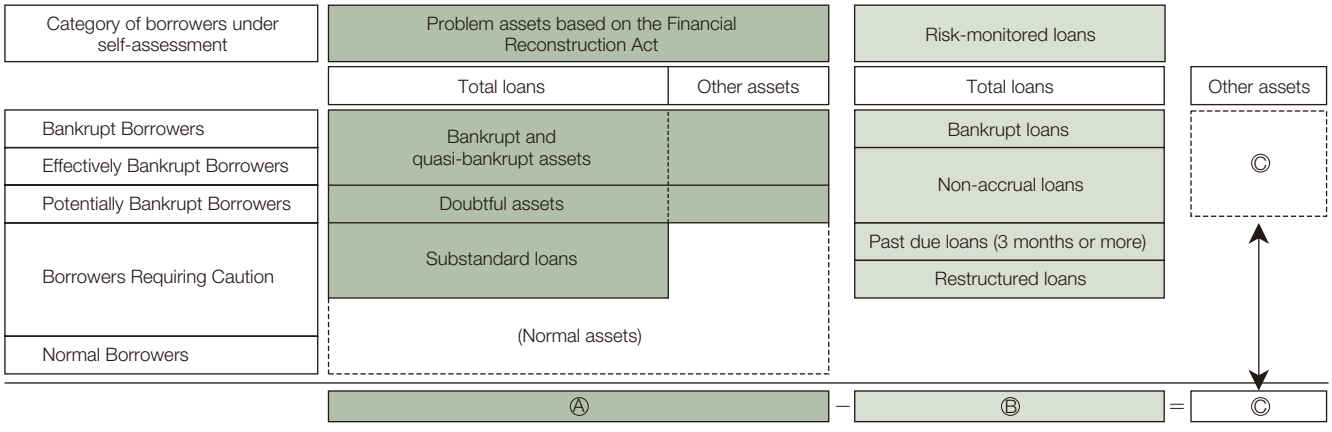
March 31	Millions of yen 2013	2012
Bankrupt and quasi-bankrupt assets	¥ 145,438	¥ 134,361
Doubtful assets	691,388	779,641
Substandard loans	256,638	268,844
Total of problem assets	1,093,465	1,182,847
Normal assets	67,289,548	62,493,590
Total	¥68,383,013	¥63,676,437
Amount of direct reduction	¥ 356,056	¥ 334,900

Notes: **Definition of problem asset categories**

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Act (Act 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 Act. 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 Act, and Risk-Monitored Loans



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

March 31, 2013

(Billions of yen)

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Act	Classification under self-assessment: Classification I	Classification II	Classification III	Classification IV	Reserve for possible loan losses	Reserve ratio
Bankrupt Borrowers / Effectively Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥145.5	Portion of claims secured by collateral or guarantees, etc. (5) ¥130.5		Fully reserved ¥15.0	Direct write-offs (Note 1)	Specific reserve ¥24.1 (Note 2)	100% (Note 3)
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥691.4	Portion of claims secured by collateral or guarantees, etc. (6) ¥425.1		Necessary amount reserved ¥266.3		Specific reserve ¥217.3 (Note 2)	81.59% (Note 3)
Borrowers Requiring Caution	Substandard loans (3) ¥256.6 (Claims to substandard borrowers)	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥130.3				General reserve for substandard loans ¥85.6	70.03% (Note 3) / 24.44% (Note 3)
		Claims to borrowers requiring caution, excluding claims to substandard borrowers				General reserve	6.47% [16.17%] (Note 4)
Normal Borrowers	Normal assets ¥67,289.5	Claims to normal borrowers				¥375.2	0.18% (Note 4)
				Loan loss reserve for specific overseas countries		¥0.0	

NPL ratio (A) / (4)	Total (4)	(A) = (1) + (2) + (3)	Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7)	Unsecured portion (D) = (A) – (C)	Total reserve for possible loan losses	Reserve ratio
1.60% (Note 5)	¥68,383.0	¥1,093.5	¥685.9	¥407.6	¥616.6	(B) / (D) 80.23% (Note 6)
					(B) Specific reserve + General reserve for substandard loans ¥327.0	
				Coverage ratio {(B) + (C)} / (A)		92.63%

Notes: 1. Includes amount of direct reduction totaling ¥356.0 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥9.2 billion; Potentially Bankrupt Borrowers: ¥11.3 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. Ratio of problem assets to total assets subject to the Financial Reconstruction Act
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, 2011 ①	Fiscal 2011 New occurrences	Fiscal 2011 Off-balanced	March 31, 2012 ②	Fiscal 2012 New occurrences	Fiscal 2012 Off-balanced	March 31, 2013 ③
Bankrupt and quasi-bankrupt assets	¥138.5	¥ 71.2	¥ (75.3)	¥134.4	¥ 29.6	¥ (18.5)	¥145.5
Doubtful assets	684.8	339.2	(244.4)	779.6	290.4	(378.6)	691.4
Total	¥823.3	¥410.4	¥(319.7)	¥914.0	¥320.0	¥(397.1)	¥836.9

	Increase/Decrease ② – ①	Increase/Decrease ③ – ②
Bankrupt and quasi-bankrupt assets	¥ (4.1)	¥ 11.1
Doubtful assets	94.8	(88.2)
Total	¥90.7	¥(77.1)

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 ¥62.9 billion for fiscal 2011 and ¥53.5 billion in fiscal 2012, recognized as "new occurrences" in the first halves of the terms, were included in the amounts off-balanced in the respective second halves.