

## Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

### Balance of Loans and Bills Discounted

#### Year-End Balance

March 31	Millions of yen	
	2014	2013
Domestic operations:		
Loans on notes.....	¥ 767,034	¥ 930,005
Loans on deeds.....	35,557,487	35,490,809
Overdrafts.....	9,180,238	8,630,789
Bills discounted.....	120,421	140,274
Subtotal.....	¥45,625,181	¥45,191,878
International operations:		
Loans on notes.....	¥ 919,133	¥ 785,108
Loans on deeds.....	16,690,933	13,649,153
Overdrafts.....	135,430	144,622
Bills discounted.....	—	—
Subtotal.....	¥17,745,496	¥14,578,885
Total.....	¥63,370,678	¥59,770,763

#### Average Balance

Year ended March 31	Millions of yen	
	2014	2013
Domestic operations:		
Loans on notes.....	¥ 862,023	¥ 1,089,277
Loans on deeds.....	35,667,404	34,911,708
Overdrafts.....	8,730,765	8,327,167
Bills discounted.....	108,502	120,292
Subtotal.....	¥45,370,735	¥44,448,446
International operations:		
Loans on notes.....	¥ 860,604	¥ 656,326
Loans on deeds.....	15,562,953	12,914,024
Overdrafts.....	161,169	150,523
Bills discounted.....	—	—
Subtotal.....	¥16,584,726	¥13,720,874
Total.....	¥61,955,462	¥58,169,321

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			
	2014		2013	
Funds for capital investment.....	¥20,854,059	32.9%	¥20,838,299	34.9%
Funds for working capital.....	42,516,619	67.1	38,932,464	65.1
Total.....	¥63,370,678	100.0%	¥59,770,763	100.0%

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

March 31	Millions of yen	
	2014	2013
Securities.....	¥ 625,687	¥ 526,510
Commercial claims.....	1,056,461	1,020,675
Commercial goods.....	—	—
Real estate.....	6,545,000	6,468,203
Others.....	1,069,055	900,384
Subtotal.....	9,296,206	8,915,773
Guaranteed.....	22,888,977	18,820,060
Unsecured.....	31,185,495	32,034,929
Total.....	¥63,370,678	¥59,770,763

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

March 31	Millions of yen	
	2014	2013
One year or less .....	¥ 9,010,734	¥ 9,523,787
One — three years .....	10,352,290	9,108,573
Floating interest rates .....	8,220,488	7,368,894
Fixed interest rates .....	2,131,802	1,739,678
Three — five years .....	9,888,388	8,541,693
Floating interest rates .....	8,198,133	6,926,235
Fixed interest rates .....	1,690,255	1,615,458
Five — seven years .....	4,957,410	4,069,630
Floating interest rates .....	4,293,891	3,421,755
Fixed interest rates .....	663,519	647,875
More than seven years .....	19,846,185	19,751,666
Floating interest rates .....	18,883,021	18,838,219
Fixed interest rates .....	963,163	913,446
No designated term .....	9,315,668	8,775,412
Floating interest rates .....	9,315,668	8,775,412
Fixed interest rates .....	—	—
Total .....	¥63,370,678	¥59,770,763

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			
	2014		2013	
Domestic operations:				
Manufacturing .....	¥ 5,576,738	11.6%	¥ 5,624,822	11.8%
Agriculture, forestry, fisheries and mining .....	157,355	0.3	147,588	0.3
Construction .....	703,298	1.5	702,929	1.5
Transportation, communications and public enterprises .....	4,319,089	9.0	4,026,851	8.5
Wholesale and retail .....	3,871,723	8.0	3,740,820	7.9
Finance and insurance .....	6,727,681	14.0	6,253,616	13.1
Real estate, goods rental and leasing .....	6,229,315	12.9	6,334,343	13.3
Services .....	3,685,128	7.6	3,496,804	7.3
Municipalities .....	1,022,817	2.1	992,233	2.1
Others .....	15,898,175	33.0	16,273,333	34.2
Subtotal .....	¥48,191,322	100.0%	¥47,593,343	100.0%
Overseas operations:				
Public sector .....	¥ 45,614	0.3%	¥ 36,664	0.3%
Financial institutions .....	1,252,313	8.3	899,404	7.4
Commerce and industry .....	12,497,387	82.3	10,344,435	84.9
Others .....	1,384,040	9.1	896,914	7.4
Subtotal .....	¥15,179,355	100.0%	¥12,177,419	100.0%
Total .....	¥63,370,678	—	¥59,770,763	—

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	
	2014	2013
Total domestic loans (A) .....	¥48,191,322	¥47,593,343
Loans to individuals, and small and medium-sized enterprises (B) .....	33,090,555	33,091,729
(B) / (A) .....	68.7%	69.5%

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	
	2014	2013
Consumer loans .....	¥14,722,233	¥14,955,844
Housing loans .....	13,841,388	14,086,232
Residential purpose .....	11,089,976	11,190,267
Others .....	880,844	869,612

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, 2014	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 .....	¥379,403	¥312,775	¥ —	¥379,403*	¥312,775
	[(4,241)]				
Specific reserve for possible loan losses .....	242,152	159,025	16,227	225,924*	159,025
	[(725)]				
For nonresident loans .....	66,198	31,711	2,174	64,023*	31,711
	[(699)]				
Loan loss reserve for specific overseas countries ...	5	747	—	5*	747
Total .....	¥621,560	¥472,548	¥16,227	¥605,333	¥472,548
	[(4,966)]				
Amount of direct reduction .....	¥357,297				¥255,268
	[(1,240)]				

\* Transfer from reserves by reversal or origination method

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

Year ended March 31, 2013	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 .....	¥446,842	¥375,161	¥ —	¥446,842*	¥375,161
	[(7,308)]				
Specific reserve for possible loan losses .....	252,578	241,426	56,254	196,324*	241,426
	[(3,071)]				
For nonresident loans .....	64,826	65,499	10,543	54,282*	65,499
	[(3,071)]				
Loan loss reserve for specific overseas countries ...	173	5	—	173*	5
Total .....	¥699,595	¥616,593	¥56,254	¥643,340	¥616,593
	[(10,379)]				
Amount of direct reduction .....	¥336,938				¥356,056
	[(2,038)]				

\* 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	
	2014	2013
Write-off of loans .....	¥4,520	¥40,258

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

## Specific Overseas Loans

March 31	Millions of yen	
	2014	2013
Egypt .....	¥10,999	¥—
Cyprus .....	55	67
Argentina .....	5	4
Total .....	¥11,060	¥72
Ratio of the total amounts to total assets .....	0.00%	0.00%
Number of countries .....	3	2

### Risk-Monitored Loans

March 31	Millions of yen	
	2014	2013
Bankrupt loans .....	¥ 29,827	¥ 44,949
Non-accrual loans .....	614,678	760,701
Past due loans (3 months or more) .....	6,520	9,004
Restructured loans .....	186,194	247,634
<b>Total .....</b>	<b>¥837,221</b>	<b>¥1,062,290</b>
Amount of direct reduction .....	¥231,407	¥ 321,197

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

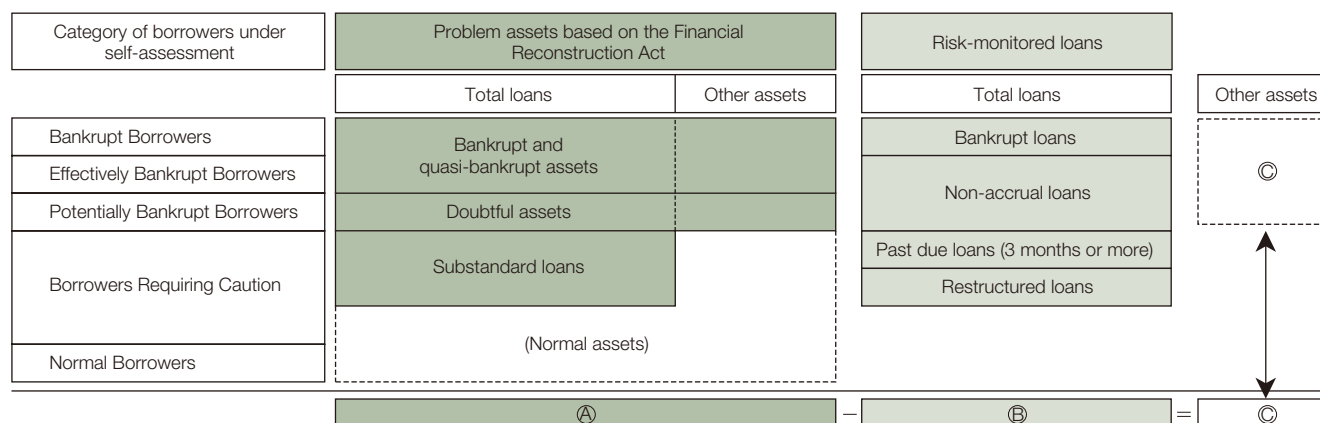
March 31	Millions of yen	
	2014	2013
Bankrupt and quasi-bankrupt assets .....	¥ 114,268	¥ 145,438
Doubtful assets .....	574,429	691,388
Substandard loans .....	192,715	256,638
<b>Total of problem assets .....</b>	<b>881,413</b>	<b>1,093,465</b>
Normal assets .....	71,907,016	67,289,548
<b>Total .....</b>	<b>¥72,788,430</b>	<b>¥68,383,013</b>
Amount of direct reduction .....	¥ 255,268	¥ 356,056

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, 2014

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Act	Classification under self-assessment				Reserve for possible loan losses		Reserve ratio
		Classification I	Classification II	Classification III	Classification IV	Specific reserve	General reserve	
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥114.3	Portion of claims secured by collateral or guarantees, etc. (5) ¥104.9	Fully reserved ¥9.4	Direct write-offs (Note 1)	¥11.8 (Note 2)	100% (Note 3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥574.4	Portion of claims secured by collateral or guarantees, etc. (6) ¥364.3	Necessary amount reserved ¥210.1		¥146.6 (Note 2)	69.77% (Note 3)		
Borrowers Requiring Caution	Substandard loans (3) ¥192.7	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥98.2			General reserve for substandard loans ¥54.6	57.46% (Note 3)	22.40% (Note 3)	
	(Claims to substandard borrowers)							
Normal Borrowers	Normal assets ¥71,907.0	Claims to borrowers requiring caution, excluding claims to substandard borrowers			¥313.4 (Note 6)	6.70% (16.97%) (Note 4)	0.17% (Note 4)	
		Claims to normal borrowers						
					Loan loss reserve for specific overseas countries ¥0.7			
NPL ratio (A) / (4) 1.21% (Note 5)	Total (4) ¥72,788.4				Total reserve for possible loan losses ¥472.5			
	(A) = (1) + (2) + (3) ¥881.4	Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥567.4	Unsecured portion (D) = (A) - (C) ¥314.0		(B) Specific reserve + General reserve for substandard loans ¥213.0	Reserve ratio (B) / (D) 67.83% (Note 7)		
					Coverage ratio {(B) + (C)} / (A)	88.54%		

- Notes: 1. Includes amount of direct reduction totaling ¥255.3 billion.  
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥2.4 billion; Potentially Bankrupt Borrowers: ¥5.4 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. Includes Specific reserve for Borrowers Requiring Caution totaling 0.6 billion yen.  
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, 2012 ①	Fiscal 2012		March 31, 2013 ②	Fiscal 2013		March 31, 2014 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥134.4	¥ 29.6	¥ (18.5)	¥145.5	¥ 23.9	¥ (55.1)	¥114.3
Doubtful assets .....	779.6	290.4	(378.6)	691.4	146.0	(263.0)	574.4
Total .....	¥914.0	¥320.0	¥(397.1)	¥836.9	¥169.9	¥(318.1)	¥688.7
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥ 11.1			¥ (31.2)
Doubtful assets .....				(88.2)			(117.0)
Total .....				¥(77.1)			¥(148.2)

- 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 fiscal 2012. Amount of ¥53.5 billion in fiscal 2012, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.