

# Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Balance of Loans and Bills Discounted

### Year-End Balance

	Millions of yen	
March 31	2015	2014
Domestic operations:		
Loans on notes .....	¥ 675,286	¥ 767,034
Loans on deeds .....	35,669,028	35,557,487
Overdrafts .....	9,704,976	9,180,238
Bills discounted .....	106,324	120,421
Subtotal .....	¥46,155,615	¥45,625,181
International operations:		
Loans on notes .....	¥ 1,127,209	¥ 919,133
Loans on deeds .....	20,845,536	16,690,933
Overdrafts .....	145,946	135,430
Bills discounted .....	—	—
Subtotal .....	¥22,118,693	¥17,745,496
Total .....	¥68,274,308	¥63,370,678

### Average Balance

	Millions of yen	
Year ended March 31	2015	2014
Domestic operations:		
Loans on notes .....	¥ 739,344	¥ 862,023
Loans on deeds .....	35,366,084	35,667,404
Overdrafts .....	9,090,851	8,730,765
Bills discounted .....	101,565	108,502
Subtotal .....	¥45,297,845	¥45,370,735
International operations:		
Loans on notes .....	¥ 1,139,269	¥ 860,604
Loans on deeds .....	19,492,102	15,562,953
Overdrafts .....	166,013	161,169
Bills discounted .....	—	—
Subtotal .....	¥20,797,386	¥16,584,726
Total .....	¥66,095,232	¥61,955,462

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	2015		2014	
Funds for capital investment .....	¥21,002,318	30.8%	¥20,854,059	32.9%
Funds for working capital .....	47,271,990	69.2	42,516,619	67.1
Total .....	¥68,274,308	100.0%	¥63,370,678	100.0%

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

	Millions of yen	
March 31	2015	2014
Securities .....	¥ 614,963	¥ 625,687
Commercial claims .....	1,096,237	1,056,461
Commercial goods .....	—	—
Real estate .....	6,579,256	6,545,000
Others .....	1,260,709	1,069,055
Subtotal .....	9,551,166	9,296,206
Guaranteed .....	23,562,770	22,888,977
Unsecured .....	35,160,371	31,185,495
Total .....	¥68,274,308	¥63,370,678

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

March 31	Millions of yen	
	2015	2014
One year or less .....	¥10,629,695	¥ 9,010,734
One — three years .....	10,834,296	10,352,290
Floating interest rates .....	8,580,386	8,220,488
Fixed interest rates .....	2,253,910	2,131,802
Three — five years .....	11,700,384	9,888,388
Floating interest rates .....	9,349,175	8,198,133
Fixed interest rates .....	2,351,208	1,690,255
Five — seven years .....	5,030,127	4,957,410
Floating interest rates .....	4,314,552	4,293,891
Fixed interest rates .....	715,574	663,519
More than seven years .....	20,228,880	19,846,185
Floating interest rates .....	19,038,738	18,883,021
Fixed interest rates .....	1,190,142	963,163
No designated term .....	9,850,923	9,315,668
Floating interest rates .....	9,850,923	9,315,668
Fixed interest rates .....	—	—
Total .....	¥68,274,308	¥63,370,678

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			
	2015		2014	
Domestic operations:				
Manufacturing .....	¥ 5,622,478	11.4%	¥ 5,576,738	11.6%
Agriculture, forestry, fisheries and mining .....	129,596	0.3	157,355	0.3
Construction .....	713,769	1.4	703,298	1.5
Transportation, communications and public enterprises .....	4,322,866	8.8	4,319,089	9.0
Wholesale and retail .....	4,015,619	8.1	3,871,723	8.0
Finance and insurance .....	7,284,507	14.8	6,727,681	14.0
Real estate, goods rental and leasing .....	6,524,281	13.2	6,229,315	12.9
Services .....	3,634,027	7.4	3,685,128	7.6
Municipalities .....	1,070,825	2.2	1,022,817	2.1
Others .....	16,028,577	32.4	15,898,175	33.0
Subtotal .....	¥49,346,549	100.0%	¥48,191,322	100.0%
Overseas operations:				
Public sector .....	¥ 52,598	0.3%	¥ 45,614	0.3%
Financial institutions .....	1,557,891	8.2	1,252,313	8.3
Commerce and industry .....	15,603,083	82.4	12,497,387	82.3
Others .....	1,714,185	9.1	1,384,040	9.1
Subtotal .....	¥18,927,759	100.0%	¥15,179,355	100.0%
Total .....	¥68,274,308	—	¥63,370,678	—

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	
	2015	2014
Total domestic loans (A) .....	¥49,346,549	¥48,191,322
Loans to individuals, and small and medium-sized enterprises (B) .....	33,498,552	33,090,555
(B) / (A) .....	67.9%	68.7%

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	
	2015	2014
Consumer loans .....	¥14,347,459	¥14,722,233
Housing loans .....	13,437,910	13,841,388
Residential purpose .....	10,788,338	11,089,976
Others .....	909,548	880,844

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, 2015	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 .....	¥322,558	¥231,030	¥ —	¥322,558*	¥231,030
	[(9,782)]				
Specific reserve for possible loan losses .....	159,423	162,390	9,579	149,843*	162,390
	[(397)]				
For nonresident loans .....	32,106	37,099	24	32,082*	37,099
	[(394)]				
Loan loss reserve for specific overseas countries ...	747	719	—	747*	719
Total .....	¥482,729	¥394,140	¥9,579	¥473,149	¥394,140
	[(10,180)]				

\* Transfer from reserves by reversal or origination method

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

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)]				

\* 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	
	2015	2014
Write-off of loans .....	¥417	¥4,520

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

## Specific Overseas Loans

March 31	Millions of yen	
	2015	2014
Egypt .....	¥11,552	¥10,999
Cyprus .....	—	55
Argentina .....	5	5
Total .....	¥11,557	¥11,060
Ratio of the total amounts to total assets .....	0.00%	0.00%
Number of countries .....	2	3

## Risk-Monitored Loans

	Millions of yen	
March 31	2015	2014
Bankrupt loans .....	¥ 30,122	¥ 29,827
Non-accrual loans .....	552,933	614,678
Past due loans (3 months or more) .....	4,932	6,520
Restructured loans .....	115,919	186,194
Total .....	¥703,907	¥837,221
Amount of direct reduction .....	¥149,442	¥231,407

## 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

	Millions of yen	
March 31	2015	2014
Bankrupt and quasi-bankrupt assets .....	¥ 92,996	¥ 114,268
Doubtful assets .....	555,150	574,429
Substandard loans .....	120,851	192,715
Total of problem assets .....	768,998	881,413
Normal assets .....	78,132,366	71,907,016
Total .....	¥78,901,365	¥72,788,430
Amount of direct reduction .....	¥ 160,661	¥ 255,268

## 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

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Act		Risk-monitored loans		Other assets
	Total loans	Other assets	Total loans		
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets		Bankrupt loans		<div>©</div>
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					
		Ⓐ			Ⓑ
					Ⓒ

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

March 31, 2015			(Billions of yen)					
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			
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) <div>¥93.0</div>	Portion of claims secured by collateral or guarantees, etc. (5) <div>¥87.7</div>	Fully reserved <div>¥5.3</div>	Direct write-offs (Note 1)	Specific reserve	¥7.5 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) <div>¥555.1</div>	Portion of claims secured by collateral or guarantees, etc. (6) <div>¥348.3</div>	Necessary amount reserved <div>¥206.8</div>			¥154.1 (Note 2)	74.48% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) <div>¥120.9</div>	Portion of substandard loans secured by collateral or guarantees, etc. (7) <div>¥44.9</div>			General reserve	General reserve for substandard loans <div>¥31.7</div>	41.76% (Note 3)	13.24% (Note 3)
	(Claims to substandard borrowers)							
Normal Borrowers	Normal assets <div>¥78,132.4</div>	Claims to borrowers requiring caution, excluding claims to substandard borrowers				¥231.8 (Note 6)	4.16% (9.68%) (Note 4)	0.14% (Note 4)
		Claims to normal borrowers						
					Loan loss reserve for specific overseas countries	¥0.7		
NPL ratio (A) / (4) 0.97% (Note 5)	Total (4) <div>¥78,901.4</div>	Total reserve for possible loan losses			¥394.1	Reserve ratio (B) / (D) 67.10% (Note 7)		
		(B) Specific reserve + General reserve for substandard loans			¥193.3			
	(A) = (1) + (2) + (3) <div>¥769.0</div>	Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥480.9			Unsecured portion (D) = (A) – (C) ¥288.1			
	Coverage ratio {(B) + (C)} / (A)			87.67%				

Notes: 1. Includes amount of direct reduction totaling ¥160.7 billion.

2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥2.2 billion; Potentially Bankrupt Borrowers: ¥4.3 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. Includes Specific reserve for Borrowers Requiring Caution totaling ¥0.8 billion.

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, 2013	Fiscal 2013		March 31, 2014	Fiscal 2014		March 31, 2015
	①	New occurrences	Off-balanced	②	New occurrences	Off-balanced	③
Bankrupt and quasi-bankrupt assets...	¥145.5	¥ 23.9	¥ (55.1)	¥114.3	¥ 23.3	¥ (44.6)	¥ 93.0
Doubtful assets .....	691.4	146.0	(263.0)	574.4	167.3	(186.6)	555.1
Total .....	¥836.9	¥169.9	¥(318.1)	¥688.7	¥190.6	¥(231.2)	¥648.1
				Increase/ Decrease ② – ①			Increase/ Decrease ③ – ②
Bankrupt and quasi-bankrupt assets...				¥ (31.2)			¥(21.3)
Doubtful assets .....				(117.0)			(19.3)
Total .....				¥(148.2)			¥(40.6)

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 2014. Amount of ¥28.6 billion in fiscal 2014, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.