

Loans (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

| | Millions of yen | |
|---------------------------|-----------------|-------------|
| March 31 | 2016 | 2015 |
| Domestic operations: | | |
| Loans on notes | ¥ 534,074 | ¥ 675,286 |
| Loans on deeds | 35,801,510 | 35,669,028 |
| Overdrafts | 9,856,733 | 9,704,976 |
| Bills discounted | 88,554 | 106,324 |
| Subtotal | ¥46,280,872 | ¥46,155,615 |
| International operations: | | |
| Loans on notes | ¥ 912,383 | ¥ 1,127,209 |
| Loans on deeds | 21,934,123 | 20,845,536 |
| Overdrafts | 149,356 | 145,946 |
| Bills discounted | — | — |
| Subtotal | ¥22,995,862 | ¥22,118,693 |
| Total | ¥69,276,735 | ¥68,274,308 |

Average Balance

| | Millions of yen | |
|---------------------------|-----------------|-------------|
| Year ended March 31 | 2016 | 2015 |
| Domestic operations: | | |
| Loans on notes | ¥ 616,951 | ¥ 739,344 |
| Loans on deeds | 35,366,905 | 35,366,084 |
| Overdrafts | 9,354,814 | 9,090,851 |
| Bills discounted | 87,094 | 101,565 |
| Subtotal | ¥45,425,766 | ¥45,297,845 |
| International operations: | | |
| Loans on notes | ¥ 1,033,312 | ¥ 1,139,269 |
| Loans on deeds | 21,477,275 | 19,492,102 |
| Overdrafts | 168,621 | 166,013 |
| Bills discounted | — | — |
| Subtotal | ¥22,679,209 | ¥20,797,386 |
| Total | ¥68,104,976 | ¥66,095,232 |

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 | 2016 | | 2015 | |
| Funds for capital investment | ¥20,875,436 | 30.1% | ¥21,002,318 | 30.8% |
| Funds for working capital | 48,401,299 | 69.9 | 47,271,990 | 69.2 |
| Total | ¥69,276,735 | 100.0% | ¥68,274,308 | 100.0% |

Balance of Loans and Bills Discounted, Classified by Collateral

| | Millions of yen | |
|-------------------------|-----------------|-------------|
| March 31 | 2016 | 2015 |
| Securities | ¥ 570,049 | ¥ 614,963 |
| Commercial claims | 1,170,056 | 1,096,237 |
| Commercial goods | — | — |
| Real estate | 6,766,633 | 6,579,256 |
| Others | 1,278,085 | 1,260,709 |
| Subtotal | 9,784,824 | 9,551,166 |
| Guaranteed | 23,589,094 | 23,562,770 |
| Unsecured | 35,902,816 | 35,160,371 |
| Total | ¥69,276,735 | ¥68,274,308 |

Balance of Loans and Bills Discounted, Classified by Maturity

| March 31 | Millions of yen | |
|-------------------------------|-----------------|-------------|
| | 2016 | 2015 |
| One year or less | ¥10,578,408 | ¥10,629,695 |
| One — three years | 11,434,150 | 10,834,296 |
| Floating interest rates | 9,138,844 | 8,580,386 |
| Fixed interest rates | 2,295,305 | 2,253,910 |
| Three — five years | 11,868,263 | 11,700,384 |
| Floating interest rates | 9,540,806 | 9,349,175 |
| Fixed interest rates | 2,327,457 | 2,351,208 |
| Five — seven years | 5,333,958 | 5,030,127 |
| Floating interest rates | 4,392,917 | 4,314,552 |
| Fixed interest rates | 941,041 | 715,574 |
| More than seven years | 20,055,864 | 20,228,880 |
| Floating interest rates | 18,903,945 | 19,038,738 |
| Fixed interest rates | 1,151,919 | 1,190,142 |
| No designated term | 10,006,090 | 9,850,923 |
| Floating interest rates | 10,006,090 | 9,850,923 |
| Fixed interest rates | — | — |
| Total | ¥69,276,735 | ¥68,274,308 |

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 | | | |
|---|-----------------|--------|-------------|--------|
| | 2016 | | 2015 | |
| Domestic operations: | | | | |
| Manufacturing | ¥ 5,968,107 | 11.9% | ¥ 5,622,478 | 11.4% |
| Agriculture, forestry, fisheries and mining | 121,805 | 0.2 | 129,596 | 0.3 |
| Construction | 711,002 | 1.4 | 713,769 | 1.4 |
| Transportation, communications and public enterprises | 4,294,743 | 8.6 | 4,322,866 | 8.8 |
| Wholesale and retail | 3,949,130 | 7.9 | 4,015,619 | 8.1 |
| Finance and insurance | 7,042,440 | 14.1 | 7,284,507 | 14.8 |
| Real estate, goods rental and leasing | 7,014,185 | 14.0 | 6,524,281 | 13.2 |
| Services | 3,954,330 | 7.9 | 3,634,027 | 7.4 |
| Municipalities | 1,087,248 | 2.2 | 1,070,825 | 2.2 |
| Others | 15,929,369 | 31.8 | 16,028,577 | 32.4 |
| Subtotal | ¥50,072,362 | 100.0% | ¥49,346,549 | 100.0% |
| Overseas operations: | | | | |
| Public sector | ¥ 164,623 | 0.8% | ¥ 52,598 | 0.3% |
| Financial institutions | 1,362,414 | 7.1 | 1,557,891 | 8.2 |
| Commerce and industry | 15,876,722 | 82.7 | 15,603,083 | 82.4 |
| Others | 1,800,612 | 9.4 | 1,714,185 | 9.1 |
| Subtotal | ¥19,204,373 | 100.0% | ¥18,927,759 | 100.0% |
| Total | ¥69,276,735 | — | ¥68,274,308 | — |

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 | |
|--|-----------------|-------------|
| | 2016 | 2015 |
| Total domestic loans (A) | ¥50,072,362 | ¥49,346,549 |
| Loans to individuals, and small and medium-sized enterprises (B) | 33,860,723 | 33,498,552 |
| (B) / (A) | 67.6% | 67.9% |

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 | |
|---------------------------|-----------------|-------------|
| March 31 | 2016 | 2015 |
| Consumer loans | ¥14,148,084 | ¥14,347,459 |
| Housing loans | 13,207,194 | 13,437,910 |
| Residential purpose | 10,598,147 | 10,788,338 |
| Others | 940,889 | 909,548 |

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 beginning of the fiscal year | Increase during the fiscal year | Decrease during the fiscal year | | Balance at end of the fiscal year |
| Year ended March 31, 2016 | | | Objectives | Others | |
| General reserve for possible loan losses | ¥225,897 | ¥221,297 | ¥ — | ¥225,897* | ¥221,297 |
| | [5,133] | | | | |
| Specific reserve for possible loan losses | 161,627 | 134,708 | 24,269 | 137,357* | 134,708 |
| | [763] | | | | |
| For nonresident loans | 36,337 | 39,550 | 12,223 | 24,113* | 39,550 |
| | [761] | | | | |
| Loan loss reserve for specific overseas countries ... | 719 | 1,179 | — | 719* | 1,179 |
| Total | ¥388,243 | ¥357,186 | ¥24,269 | ¥363,974 | ¥357,186 |
| | [5,896] | | | | |

* Transfer from reserves by reversal or origination method

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

| | Millions of yen | | | | |
|---|--|------------------------------------|---------------------------------|-----------|--------------------------------------|
| | Balance at beginning of the fiscal year | Increase during the fiscal year | Decrease during the fiscal year | | Balance at end of the fiscal year |
| Year ended March 31, 2015 | | | 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.

Write-Off of Loans

| | Millions of yen | |
|--------------------------|-----------------|------|
| Year ended March 31 | 2016 | 2015 |
| Write-off of loans | ¥805 | ¥417 |

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

Specific Overseas Loans

| | Millions of yen | |
|--|-----------------|---------|
| March 31 | 2016 | 2015 |
| Azerbaijan | ¥10,631 | ¥ — |
| Egypt | 9,112 | 11,552 |
| Argentina | 11 | 5 |
| Total | ¥19,755 | ¥11,557 |
| Ratio of the total amounts to total assets | 0.01% | 0.00% |
| Number of countries | 3 | 2 |

Risk-Monitored Loans

| | Millions of yen | |
|---|-----------------|----------|
| March 31 | 2016 | 2015 |
| Bankrupt loans | ¥ 39,906 | ¥ 30,122 |
| Non-accrual loans | 410,020 | 552,933 |
| Past due loans (3 months or more) | 4,574 | 4,932 |
| Restructured loans | 106,071 | 115,919 |
| Total | ¥560,573 | ¥703,907 |
| Amount of direct reduction | ¥121,686 | ¥149,442 |

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 | 2016 | 2015 |
| Bankrupt and quasi-bankrupt assets | ¥ 135,604 | ¥ 92,996 |
| Doubtful assets | 376,366 | 555,150 |
| Substandard loans | 110,646 | 120,851 |
| Total of problem assets | 622,617 | 768,998 |
| Normal assets | 79,046,057 | 78,132,366 |
| Total | ¥79,668,674 | ¥78,901,365 |
| Amount of direct reduction | ¥ 129,826 | ¥ 160,661 |

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, 2016 | | | (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) ¥135.6 | Portion of claims secured by collateral or guarantees, etc. (5) ¥101.1 | Fully reserved ¥34.5 | Direct write-offs (Note 1) | Specific reserve | ¥37.3 (Note 2) | 100% (Note 3) | |
| Effectively Bankrupt Borrowers | | | | | | | | |
| Potentially Bankrupt Borrowers | Doubtful assets (2) ¥376.4 | Portion of claims secured by collateral or guarantees, etc. (6) ¥240.6 | Necessary amount reserved ¥135.8 | | | ¥97.1 (Note 2) | 71.48% (Note 3) | |
| Borrowers Requiring Caution | Substandard loans (3) ¥110.6 | Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥49.3 | | | General reserve | General reserve for substandard loans ¥24.6 | 40.73% (Note 3) | 12.48% (Note 3) |
| | (Claims to substandard borrowers) | | | | | | | |
| Normal Borrowers | Normal assets ¥79,046.1 | Claims to borrowers requiring caution, excluding claims to substandard borrowers | | | | ¥221.7 (Note 6) | 4.83% (9.70%) (Note 4) | 0.13% (Note 4) |
| | | Claims to normal borrowers | | | | | | |
| | | | | Loan loss reserve for specific overseas countries | | ¥1.2 | | |
| NPL ratio (A) / (4) 0.78% (Note 5) | Total (4) ¥79,668.7 | Total reserve for possible loan losses | | | ¥357.2 | Reserve ratio (B) / (D) 68.62% (Note 7) | | |
| | (A) = (1) + (2) + (3) ¥622.6 | (B) Specific reserve + General reserve for substandard loans | | | ¥159.0 | | | |
| | Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥391.0 | | | Unsecured portion (D) = (A) – (C) ¥231.7 | | | | |
| | Coverage ratio { (B) + (C) } / (A) | | | | | | | |
| | | | | | | 88.32% | | |

Notes: 1. Includes amount of direct reduction totaling ¥129.8 billion.

2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥2.7 billion; Potentially Bankrupt Borrowers: ¥4.8 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 ¥0.4 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, 2014 | Fiscal 2014 | | March 31, 2015 | Fiscal 2015 | | March 31, 2016 |
| | ① | New occurrences | Off-balanced | ② | New occurrences | Off-balanced | ③ |
| Bankrupt and quasi-bankrupt assets... | ¥114.3 | ¥ 23.3 | ¥ (44.6) | ¥ 93.0 | ¥ 40.7 | ¥ 1.9 | ¥135.6 |
| Doubtful assets | 574.4 | 167.3 | (186.6) | 555.1 | 98.5 | (277.2) | 376.4 |
| Total | ¥688.7 | ¥190.6 | ¥(231.2) | ¥648.1 | ¥139.2 | ¥(275.3) | ¥512.0 |
| | | | | Increase/ Decrease ② – ① | | | Increase/ Decrease ③ – ② |
| Bankrupt and quasi-bankrupt assets... | | | | ¥(21.3) | | | ¥ 42.6 |
| Doubtful assets | | | | (19.3) | | | ¥(178.7) |
| Total | | | | ¥(40.6) | | | ¥(136.1) |

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 fiscal 2015. Amount of ¥27.8 billion in fiscal 2015, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.