

## Loans (Non-consolidated)

Sumitomo Mitsui Banking Corporation

### Balance of Loans and Bills Discounted

#### Year-End Balance

March 31	Millions of yen	
	2017	2016
Domestic operations:		
Loans on notes .....	¥ 457,036	¥ 534,074
Loans on deeds .....	39,231,045	35,801,510
Overdrafts .....	10,576,844	9,856,733
Bills discounted .....	74,810	88,554
Subtotal .....	¥50,339,737	¥46,280,872
International operations:		
Loans on notes .....	¥ 1,158,112	¥ 912,383
Loans on deeds .....	23,899,932	21,934,123
Overdrafts .....	187,473	149,356
Bills discounted .....	—	—
Subtotal .....	¥25,245,518	¥22,995,862
Total .....	¥75,585,256	¥69,276,735

#### Average Balance

Year ended March 31	Millions of yen	
	2017	2016
Domestic operations:		
Loans on notes .....	¥ 508,124	¥ 616,951
Loans on deeds .....	38,496,524	35,366,905
Overdrafts .....	9,528,666	9,354,814
Bills discounted .....	73,225	87,094
Subtotal .....	¥48,606,540	¥45,425,766
International operations:		
Loans on notes .....	¥ 1,060,545	¥ 1,033,312
Loans on deeds .....	22,896,460	21,477,275
Overdrafts .....	204,444	168,621
Bills discounted .....	—	—
Subtotal .....	¥24,161,450	¥22,679,209
Total .....	¥72,767,990	¥68,104,976

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			
	2017		2016	
Funds for capital investment .....	¥21,140,418	28.0%	¥20,875,436	30.1%
Funds for working capital .....	54,444,837	72.0	48,401,299	69.9
Total .....	¥75,585,256	100.0%	¥69,276,735	100.0%

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

March 31	Millions of yen	
	2017	2016
Securities .....	¥ 1,546,947	¥ 570,049
Commercial claims .....	1,189,280	1,170,056
Commercial goods .....	—	—
Real estate .....	6,972,692	6,766,633
Others .....	1,227,878	1,278,085
Subtotal .....	10,936,798	9,784,824
Guaranteed .....	23,390,149	23,589,094
Unsecured .....	41,258,308	35,902,816
Total .....	¥75,585,256	¥69,276,735

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

March 31	Millions of yen	
	2017	2016
One year or less .....	¥12,599,687	¥10,578,408
One — three years .....	12,984,919	11,434,150
Floating interest rates .....	10,182,892	9,138,844
Fixed interest rates .....	2,802,026	2,295,305
Three — five years .....	12,439,572	11,868,263
Floating interest rates .....	9,885,770	9,540,806
Fixed interest rates .....	2,553,801	2,327,457
Five — seven years .....	5,818,610	5,333,958
Floating interest rates .....	4,634,969	4,392,917
Fixed interest rates .....	1,183,641	941,041
More than seven years .....	20,978,148	20,055,864
Floating interest rates .....	19,343,838	18,903,945
Fixed interest rates .....	1,634,310	1,151,919
No designated term .....	10,764,318	10,006,090
Floating interest rates .....	10,764,318	10,006,090
Fixed interest rates .....	—	—
<b>Total .....</b>	<b>¥75,585,256</b>	<b>¥69,276,735</b>

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			
	2017		2016	
<b>Domestic operations:</b>				
Manufacturing .....	¥ 7,279,849	13.4%	¥ 5,968,107	11.9%
Agriculture, forestry, fisheries and mining .....	115,017	0.2	121,805	0.2
Construction .....	701,698	1.3	711,002	1.4
Transportation, communications and public enterprises .....	4,307,167	7.9	4,294,743	8.6
Wholesale and retail .....	4,115,200	7.5	3,949,130	7.9
Finance and insurance .....	7,352,196	13.5	7,042,440	14.1
Real estate .....	6,301,402	11.6	5,970,654	11.9
Goods rental and leasing .....	1,650,512	3.0	1,043,531	2.1
Services .....	3,994,039	7.3	3,954,330	7.9
Municipalities .....	934,334	1.7	1,087,248	2.2
Others .....	17,751,449	32.6	15,929,369	31.8
Subtotal .....	¥54,502,869	100.0%	¥50,072,362	100.0%
<b>Overseas operations:</b>				
Public sector .....	¥ 206,772	1.0%	¥ 164,623	0.8%
Financial institutions .....	1,581,991	7.5	1,362,414	7.1
Commerce and industry .....	17,609,453	83.5	15,876,722	82.7
Others .....	1,684,170	8.0	1,800,612	9.4
Subtotal .....	¥21,082,386	100.0%	¥19,204,373	100.0%
<b>Total .....</b>	<b>¥75,585,256</b>	<b>—</b>	<b>¥69,276,735</b>	<b>—</b>

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	
	2017	2016
Total domestic loans (A) .....	¥54,502,869	¥50,072,362
Loans to individuals, and small and medium-sized enterprises (B) .....	34,082,987	33,860,723
(B) / (A) .....	62.5%	67.6%

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	
	2017	2016
Consumer loans .....	¥13,873,169	¥14,148,084
Housing loans .....	12,912,398	13,207,194
Residential purpose .....	10,302,283	10,598,147
Others .....	960,771	940,889

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, 2017	Millions of yen				Balance at end of the fiscal year
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		
			Objectives	Others	
General reserve for possible loan losses .....	¥220,963 [334]	¥258,956	¥ —	¥220,963*	¥258,956
Specific reserve for possible loan losses .....	134,527 [180]	129,764	22,699	111,827*	129,764
For nonresident loans .....	39,450 [99]	37,131	12,067	27,383*	37,131
Loan loss reserve for specific overseas countries ...	1,179	1,005	—	1,179*	1,005
Total .....	¥356,670 [515]	¥389,726	¥22,699	¥333,971	¥389,726

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

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

\* 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	
	2017	2016
Write-off of loans .....	¥462	¥805

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

## Specific Overseas Loans

March 31	Millions of yen	
	2017	2016
Azerbaijan .....	¥ 8,089	¥10,631
Egypt .....	7,072	9,112
Mongolia .....	133	—
Argentina .....	26	11
Total .....	¥15,321	¥19,755
Ratio of the total amounts to total assets .....	0.01%	0.01%
Number of countries .....	4	3

## Risk-Monitored Loans

March 31	Millions of yen	
	2017	2016
Bankrupt loans .....	¥ 31,029	¥ 39,906
Non-accrual loans .....	381,651	410,020
Past due loans (3 months or more) .....	12,593	4,574
Restructured loans .....	89,319	106,071
Total .....	¥514,594	¥560,573
Amount of direct reduction .....	¥103,671	¥121,686

## 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.

## Non-performing loans (NPLs) based on the Financial Reconstruction Act

March 31	Millions of yen	
	2017	2016
Bankrupt and quasi-bankrupt assets .....	¥ 118,420	¥ 135,604
Doubtful assets .....	347,350	376,366
Substandard loans .....	101,913	110,646
Total .....	567,684	622,617
Normal assets .....	86,410,604	79,046,057
Grand Total .....	¥86,978,288	¥79,668,674
Amount of direct reduction .....	¥ 109,818	¥ 129,826

## Notes: Definition of NPLs 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

## Non-performing loans (NPLs) based on the Financial Reconstruction Act, and Risk-Monitored Loans

Category of borrowers under self-assessment	NPLs 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 style="border: 1px dashed black; padding: 5px; text-align: center;">           ©         </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 Borrowers	(Normal assets)				
	A		B	=	C

## Classification based on Self-Assessment, and the Financial Reconstruction Act, and Write-Offs/Reserves

March 31, 2017

Category of borrowers under self-assessment	NPLs 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) ¥118.4	Portion of claims secured by collateral or guarantees, etc. (5) ¥88.1		Fully reserved ¥30.4	Direct write-offs (Note 1)	¥33.9 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers		Portion of claims secured by collateral or guarantees, etc. (6) ¥203.2		Necessary amount reserved ¥144.2				¥95.5 (Note 2)
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥347.4	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥48.7				General reserve for substandard loans ¥15.8	31.18% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥101.9 (Claims to substandard borrowers)	Claims to borrowers requiring caution, excluding claims to substandard borrowers						¥259.3 (Note 5)
Normal Borrowers	Normal assets ¥86,410.6	Claims to normal borrowers					0.12% (Note 4)	
					Loan loss reserve for specific overseas countries	¥1.0		
NPL ratio (A) / (4) 0.65%	Total (4) ¥86,978.3				Total reserve for possible loan losses	¥389.7	Reserve ratio (B) / (D) 63.76% (Note 6)	
	(A) = (1) + (2) + (3) ¥567.7	Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥339.9			(B) Specific reserve + General reserve for substandard loans	¥145.2		
				Unsecured portion (D) = (A) - (C) ¥227.8				
					Coverage ratio {(B) + (C)} / (A)		85.46%	

- Notes: 1. Includes amount of direct reduction totaling ¥109.8 billion.  
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥3.5 billion; Potentially Bankrupt Borrowers: ¥4.1 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. Includes Specific reserve for Borrowers Requiring Caution totaling ¥0.4 billion.  
6. The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

## Off-Balancing NPLs

	Billions of yen						
	March 31, 2015 ①	Fiscal 2015		March 31, 2016 ②	Fiscal 2016		March 31, 2017 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥ 93.0	¥ 40.7	¥ 1.9	¥135.6	¥ 44.4	¥ (61.6)	¥118.4
Doubtful assets .....	555.1	98.5	(277.2)	376.4	127.4	(156.4)	347.4
Total .....	¥648.1	¥139.2	¥(275.3)	¥512.0	¥171.8	¥(218.0)	¥465.8
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥ 42.6			¥(17.2)
Doubtful assets .....				(178.7)			¥(29.0)
Total .....				¥(136.1)			¥(46.2)

- Notes: 1. The off-balancing (also known as "final disposal") of NPLs 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 2016. Amount of ¥23.6 billion in fiscal 2016, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.