

Loans (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen	
	2018	2017
Domestic operations:		
Loans on notes	¥ 394,395	¥ 457,036
Loans on deeds	38,852,395	39,231,045
Overdrafts	9,898,871	10,576,844
Bills discounted	68,805	74,810
Subtotal	¥49,214,467	¥50,339,737
International operations:		
Loans on notes	¥ 1,177,844	¥ 1,158,112
Loans on deeds	23,335,028	23,899,932
Overdrafts	168,822	187,473
Bills discounted	—	—
Subtotal	¥24,681,695	¥25,245,518
Total	¥73,896,163	¥75,585,256

Average Balance

Year ended March 31	Millions of yen	
	2018	2017
Domestic operations:		
Loans on notes	¥ 437,013	¥ 508,124
Loans on deeds	38,735,608	38,496,524
Overdrafts	9,990,889	9,528,666
Bills discounted	61,988	73,225
Subtotal	¥49,225,499	¥48,606,540
International operations:		
Loans on notes	¥ 1,264,012	¥ 1,060,545
Loans on deeds	24,491,784	22,896,460
Overdrafts	216,740	204,444
Bills discounted	10	—
Subtotal	¥25,972,547	¥24,161,450
Total	¥75,198,046	¥72,767,990

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			
	2018		2017	
Funds for capital investment	¥20,920,584	28.3%	¥21,140,418	28.0%
Funds for working capital	52,975,578	71.7	54,444,837	72.0
Total	¥73,896,163	100.0%	¥75,585,256	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2018	2017
Securities	¥ 1,665,388	¥ 1,546,947
Commercial claims	1,177,980	1,189,280
Commercial goods	—	—
Real estate	7,033,067	6,972,692
Others	1,197,769	1,227,878
Subtotal	11,074,206	10,936,798
Guaranteed	19,588,275	23,390,149
Unsecured	43,233,680	41,258,308
Total	¥73,896,163	¥75,585,256

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2018	2017
One year or less	¥12,059,922	¥12,599,687
One — three years	12,836,241	12,984,919
Floating interest rates	10,377,892	10,182,892
Fixed interest rates	2,458,348	2,802,026
Three — five years	12,120,427	12,439,572
Floating interest rates	9,010,749	9,885,770
Fixed interest rates	3,109,678	2,553,801
Five — seven years	5,531,818	5,818,610
Floating interest rates	4,331,834	4,634,969
Fixed interest rates	1,199,983	1,183,641
More than seven years	21,280,057	20,978,148
Floating interest rates	19,561,190	19,343,838
Fixed interest rates	1,718,867	1,634,310
No designated term	10,067,694	10,764,318
Floating interest rates	10,067,694	10,764,318
Fixed interest rates	—	—
Total	¥73,896,163	¥75,585,256

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			
	2018		2017	
Domestic operations:				
Manufacturing	¥ 6,072,608	11.4%	¥ 7,279,849	13.4%
Agriculture, forestry, fisheries and mining	132,783	0.3	115,017	0.2
Construction	741,835	1.4	701,698	1.3
Transportation, communications and public enterprises	4,861,154	9.1	4,307,167	7.9
Wholesale and retail	4,178,942	7.9	4,115,200	7.5
Finance and insurance	7,352,639	13.8	7,352,196	13.5
Real estate	6,684,889	12.6	6,301,402	11.6
Goods rental and leasing	1,499,241	2.8	1,650,512	3.0
Services	4,090,964	7.7	3,994,039	7.3
Municipalities	914,763	1.7	934,334	1.7
Others	16,678,320	31.3	17,751,449	32.6
Subtotal	¥53,208,143	100.0%	¥54,502,869	100.0%
Overseas operations:				
Public sector	¥ 195,113	1.0%	¥ 206,772	1.0%
Financial institutions	1,621,969	7.8	1,581,991	7.5
Commerce and industry	17,418,127	84.2	17,609,453	83.5
Others	1,452,810	7.0	1,684,170	8.0
Subtotal	¥20,688,019	100.0%	¥21,082,386	100.0%
Total	¥73,896,163	—	¥75,585,256	—

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	
	2018	2017
Total domestic loans (A)	¥53,208,143	¥54,502,869
Loans to individuals, and small and medium-sized enterprises (B)	33,700,117	34,082,987
(B) / (A)	63.3%	62.5%

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 or less, 100 employees or fewer; retailers: ¥50 million or less, 50 employees or fewer; and service industry companies: ¥50 million or less, 100 employees or fewer.)

Consumer Loans Outstanding

March 31	Millions of yen	
	2018	2017
Consumer loans	¥13,498,645	¥13,873,169
Housing loans.....	12,566,778	12,912,398
Residential purpose.....	9,998,693	10,302,283
Others.....	931,866	960,771

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, 2018	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.....	¥255,838	¥223,567	¥ —	¥255,838*	¥223,567
	[3,118]				
Specific reserve for possible loan losses	128,460	95,720	23,216	105,244*	95,720
	[1,303]				
For nonresident loans.....	35,882	33,694	12,232	23,650*	33,694
	[1,249]				
Loan loss reserve for specific overseas countries ...	1,005	581	—	1,005*	581
Total.....	¥385,304	¥319,868	¥23,216	¥362,087	¥319,868
	[4,421]				

* Reversal by reversal method

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

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	¥258,956	¥ —	¥220,963*	¥258,956
	[334]				
Specific reserve for possible loan losses	134,527	129,764	22,699	111,827*	129,764
	[180]				
For nonresident loans.....	39,450	37,131	12,067	27,383*	37,131
	[99]				
Loan loss reserve for specific overseas countries ...	1,179	1,005	—	1,179*	1,005
Total.....	¥356,670	¥389,726	¥22,699	¥333,971	¥389,726
	[515]				

* Reversal by reversal method

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

Write-Off of Loans

Year ended March 31	Millions of yen	
	2018	2017
Write-off of loans.....	¥7,364	¥462

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

Specific Overseas Loans

March 31	Millions of yen	
	2018	2017
Egypt	¥4,711	¥ 7,072
Azerbaijan.....	4,652	8,089
Argentina.....	22	26
Mongolia.....	—	133
Total.....	¥9,386	¥15,321
Ratio of the total amounts to total assets	0.01%	0.01%
Number of countries.....	3	4

Risk-Monitored Loans

March 31	Millions of yen	
	2018	2017
Bankrupt loans	¥ 24,444	¥ 31,029
Non-accrual loans	328,954	381,651
Past due loans (3 months or more)	4,460	12,593
Restructured loans	67,521	89,319
Total	¥425,380	¥514,594
Amount of direct reduction.....	¥ 92,343	¥103,671

Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Loans on which accrued interest income is not recognized, and to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or borrowers receiving a disposition to suspend transactions with a clearing house.
2. Non-accrual loans: Loans on which accrued interest income is not recognized, excluding "Bankrupt loans" and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.
3. Past due loans (3 months or more): Loans on which the principal or interest is past due for 3 months or more, excluding loans in categories 1. and 2.
4. Restructured loans: Loans to borrowers on which terms and conditions have been amended in favor of the borrowers in order to support the borrowers' recovery from financial difficulties and facilitate collection of loans, excluding loans in categories 1. through 3.

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

March 31	Millions of yen	
	2018	2017
Bankrupt and quasi-bankrupt assets	¥ 80,942	¥ 118,420
Doubtful assets	283,393	347,350
Substandard loans	71,981	101,913
Total	436,317	567,684
Normal assets	85,468,271	86,410,604
Grand Total	¥85,904,588	¥86,978,288
Amount of direct reduction.....	¥ 99,662	¥ 109,818

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			Doubtful assets		
Borrowers Requiring Caution	Substandard loans	Past due loans (3 months or more)			
		Restructured loans			
Normal Borrowers	(Normal assets)				
	Ⓐ		Ⓑ	=	Ⓒ

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

March 31, 2018		(Billions of yen)						
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			
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥80.9	Portion of claims secured by collateral or guarantees, etc. (a) ¥73.9	Fully reserved ¥7.0	Direct write-offs (Note 1)	Specific reserve	¥11.8 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥283.4	Portion of claims secured by collateral or guarantees, etc. (b) ¥168.4	Necessary amount reserved ¥115.0		General reserve	¥83.5 (Note 2)	72.55% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥72.0 (Claims to substandard borrowers)	Portion of substandard loans secured by collateral or guarantees, etc. (c) ¥38.3					General reserve for substandard loans ¥12.9	¥224.0 (Note 5)
Normal Borrowers	Normal assets ¥85,468.3	Claims to borrowers requiring caution, excluding claims to substandard borrowers	Claims to normal borrowers			6.16% (11.03%) (Note 4)		
						Loan loss reserve for specific overseas countries ¥0.6		
NPL ratio (5) / (4) 0.51%	Total (4) ¥85,904.6	Total reserve for possible loan losses (D) Specific reserve + General reserve for substandard loans ¥108.2				¥319.9	Reserve ratio (D) / (C) 69.49% (Note 6)	
	(A) = (1) + (2) + (3) ¥436.3 (5)	Portion secured by collateral or guarantees, etc. (B) = (a) + (b) + (c) ¥280.6	Unsecured portion (C) = (A) - (B) ¥155.7					
			Coverage ratio {(B) + (D)} / (A)				89.11%	

- Notes: 1. Includes amount of direct reduction totaling ¥99.7 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥4.8 billion; Potentially Bankrupt Borrowers: ¥6.4 billion)
3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution (including Substandard Borrowers): 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 ¥0.5 billion.
6. The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

Results of off-balancing of NPLs

	Billions of yen						March 31, 2018 ③
	March 31, 2016 ①	Fiscal 2016		March 31, 2017 ②	Fiscal 2017		
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥135.6	¥ 44.4	¥ (61.6)	¥118.4	¥ 31.9	¥ (69.4)	¥ 80.9
Doubtful assets	376.4	127.4	(156.4)	347.4	78.0	(142.0)	283.4
Total	¥512.0	¥171.8	¥(218.0)	¥465.8	¥109.9	¥(211.4)	¥364.3
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥(17.2)			¥ (37.5)
Doubtful assets				(29.0)			(64.0)
Total				¥(46.2)			¥(101.5)

- 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 2017. Amount of ¥25.8 billion in fiscal 2017, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.