




SMFG SUMITOMO MITSUI
FINANCIAL GROUP

2011

ANNUAL REPORT

YEAR ENDED MARCH 31, 2011

SUMITOMO MITSUI FINANCIAL GROUP
SUMITOMO MITSUI BANKING CORPORATION



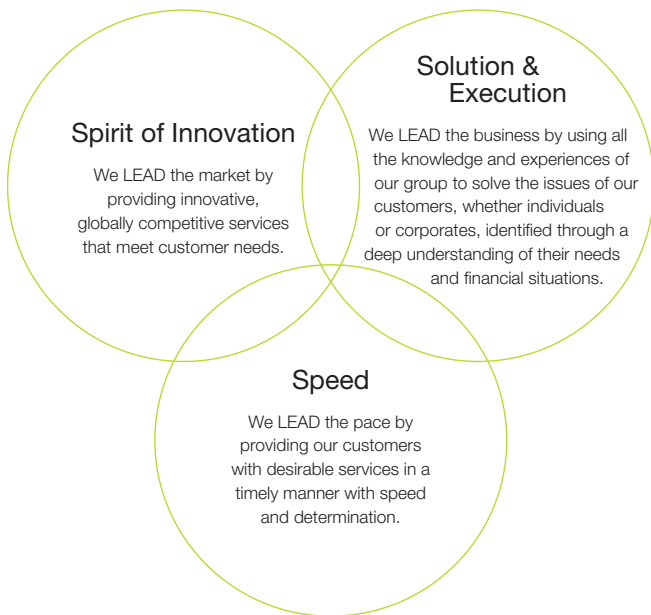
Aiming to become a globally competitive financial
services group with the highest trust

LEAD THE VALUE

We are a group of highly qualified professionals
that can provide truly valuable financial services to our customers.
Each of us thinks and acts with pride as experts in each business area
in order to LEAD the competition in creating and delivering
customer VALUE in a continually changing business environment.



These activities are supported by our three core strengths:



We create new VALUE by forming teams of specialists in various fields and providing optimal services to our customers through two-way communication. As a result, we will be selected as a truly trusted partner.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This material contains "forward-looking statements" (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as "anticipate," "estimate," "expect," "intend," "may," "plan," "probability," "risk," "project," "should," "seek," "target" and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include the fragility of any economic recovery, both globally and in Japan; our ability to successfully implement its business and capital strategy; the success of our business alliances including those in the consumer finance industry; exposure to new risks as we expand the scope of our business; significant credit-related costs; declines in the value of our securities portfolio. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this material. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report or the registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as our earnings press release for a more detailed description of the risks and uncertainties that may affect our financial conditions, our operating results, and investors' decisions.

Sumitomo Mitsui Financial Group, Inc.

September 2011

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Message from Top Management

We extend our deepest sympathies and heartfelt condolences to all those who have suffered and the families and friends of those who tragically lost their lives in the Great East Japan Earthquake which struck Northeastern Japan in March 2011. We pray for the earliest recovery for the affected people and areas.

We would like to thank all of our stakeholders for your continued support and patronage.

We, Koichi Miyata and Takeshi Kunibe, succeeded the management in April 2011, and assumed the positions of President of Sumitomo Mitsui Financial Group and President and CEO of Sumitomo Mitsui Banking Corporation, respectively. In this annual report, we would like to present our initiatives implemented in fiscal 2010 and our management policies going forward.

Principal Initiatives in Fiscal 2010

In fiscal 2010, we implemented our initiatives to secure a resilient capital base and enhance our business portfolio in order to achieve sustainable growth in accordance with the following two management policies: 1) “forward looking” — transforming our business model to grow steadily under a new regulatory and competitive environment, and 2) emphasizing return on risks and costs in order to improve our asset quality and thoroughly control expenses and credit costs.

SMFG's consolidated ordinary profit increased by ¥266.7 billion to ¥825.4 billion and net income increased by ¥204.3 billion to ¥475.9 billion. This significant increase was due mainly to:

- an increase in SMBC's banking profit due to an increase in gains on sale of bonds by successfully managing interest-rate fluctuation,
- a decrease in total credit cost as a result of tailored efforts to assist clients to improve their businesses and financial condition, and,
- an earnings contribution of SMBC Nikko Securities (formerly Nikko Cordial Securities), in addition to the improved

earnings of consolidated subsidiaries such as Kansai Urban Banking Corporation and Cedyne.

Also, in order to achieve medium- to long-term growth, we made steady progress in strengthening our focused business areas by enhancing collaboration between SMBC's domestic and overseas branches, expanding our overseas channel network especially in Asia, strengthening alliances with major local banks, and improving capabilities of SMBC Nikko Securities. To accelerate our business development as a global player, we listed on the New York Stock Exchange in November 2010.

Management Policies Going Forward — Overview of the Medium-term Management Plan —

In May 2011, we launched our medium-term management plan starting from fiscal 2011 and ending in 2013, for the first three years of the second decade of our business operations; our group was originally formed at the establishment of SMBC in 2001.

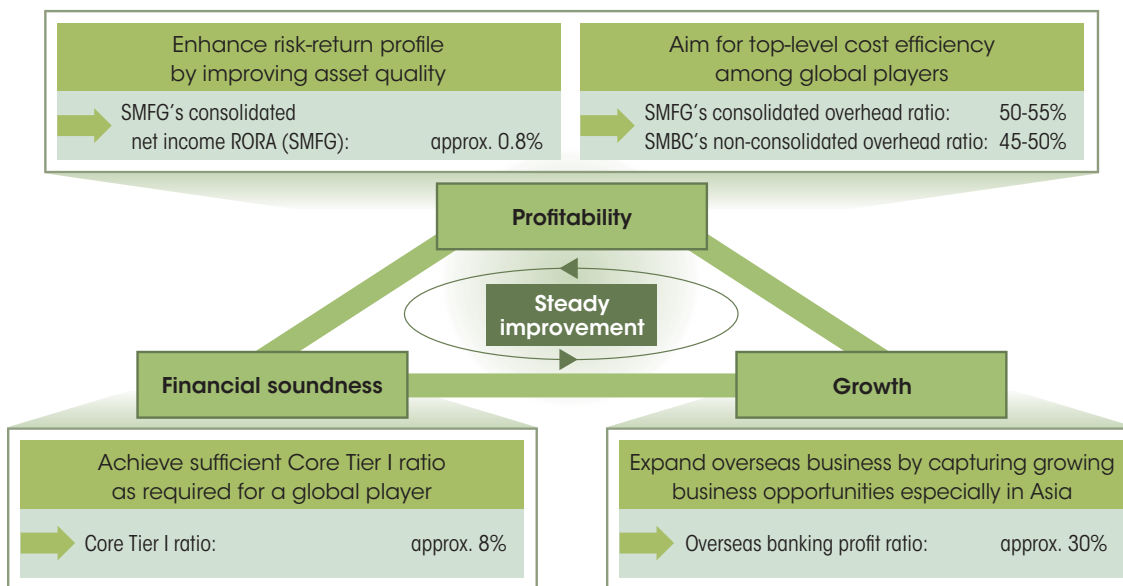


I sincerely believe that my mission as President of SMFG is to orchestrate the group in its next stage of development by further strengthening cooperation among our group companies and improving our ability to act with speed, leveraging our existing business platform and corporate infrastructure we have created as a leading financial services group.

We, the SMFG group, strive to enhance our capabilities to comprehensively provide our clients with diverse and sophisticated financial products and services, including broker/dealer services in addition to our core commercial banking services.

Koichi Miyata

President
Sumitomo Mitsui Financial Group, Inc.



*The figures in the chart are targeted goals for fiscal 2013.
 Core Tier I ratio: Calculated based on the definition under Basel III in 2019; all regulatory adjustments are deducted, excluding net unrealized gains (losses) on other securities (SMFG consolidated).
 Overseas banking profit ratio: Managerial accounting basis.

In order to implement our new medium-term management plan, first of all, we will proactively strive to facilitate our financial intermediary services to fulfill our corporate social responsibility as a leading financial services group in Japan, which is faced with unprecedented difficult challenges resulting from the Great East Japan Earthquake last March. We firmly support Japan's reconstruction financially, and are making every effort as a financial institution to put our economy back on track for sustainable growth of the global economy.

Having that in mind, we will strive to further accommodate our clients' financial needs in a timely and effective manner in Japan, our geographic original domain, and establish a globally competitive business platform, financial base and corporate infrastructure by focusing on our five strategic business areas, while addressing new financial regulations and other issues.

My mission as President and CEO of SMBC is to move the company forward quickly and steadily for the next level of growth, building on our business franchise, capital foundation and sense of unity, which we have created and strengthened in the first decade of our operations.

“Provide the most sophisticated products and services to our clients,” “Act with global perspective” and “Constantly innovate, proactively respond to the changes in business environment and stay ahead of the times” — these are my principles for SMBC.

Takeshi Kunibe
 President and CEO
 Sumitomo Mitsui Banking Corporation



◎ Management Targets

For the first three years of the second decade of the SMBC and SMFG group, we set two management targets in order to accomplish our basic policy of becoming a globally competitive financial services group with the highest trust of our clients and stakeholders by maximizing our strengths of “Spirit of Innovation,” “Speed” and “Solution & Execution.” The first target is to achieve top quality in strategic business areas, and the second target is to establish a solid financial base and corporate infrastructure to be able to address the new financial regulations and competitive business environment.

◎ Financial Targets

In order to appropriately address the strengthening of financial regulations globally, we are required to focus further on enhancement of risk-return and cost-return profiles and steadily expand bottom-line profit. Therefore, we need to capture overseas business opportunities especially in rapidly growing Asian markets in addition to sustaining and further strengthening our solid business operations in Japan.

Having this in mind, we strive to achieve well-balanced and steady improvement of “financial soundness,” “profitability” and “growth,” and we have set the following four objectives for the next three fiscal years:

- Achieve sufficient Core Tier I ratio as required for a global player
- Enhance risk-return profile by improving asset quality
- Aim for top-level cost efficiency among global players
- Expand overseas business by capturing growing business opportunities especially in Asia

◎ Strategic Initiatives

In order to achieve the aforementioned management and financial targets, we have designated the following five business areas as critical strategic businesses for management:

- Financial consulting for individuals
- Solution providing for corporations
- Commercial banking in emerging markets, especially in Asia
- Broker-dealer/Investment banking
- Non-asset business such as payment & settlement services and asset management

The growth of these business areas will be driven under two main initiatives of pursuing “synergies between SMBC and SMBC Nikko Securities” and “global expansion.” We will execute these initiatives on a group-wide basis, and also establish a solid financial base and corporate infrastructure that support these initiatives.

An “unpredictable,” “uncertain,” and “unstable” business environment still remains, due mainly to the diverse implications of the Great East Japan Earthquake to the Japanese economy, as well as fiscal deficits in the developed countries and soaring commodity prices. Furthermore, the global strengthening of financial regulations requires banks, in the private sector, to achieve more efficient asset allocation, higher capital efficiency and more stringent liquidity management.

On the other hand, business opportunities are expanding rapidly in emerging countries especially in Asia, where financial needs are increasing as their economies substantially grow and Japanese companies are developing their businesses.

Against this backdrop, we will move forward responding proactively and flexibly to the continuously evolving environment, making every effort to increase our shareholders’ value and striving to become a top-tier global financial services group.

Basic policies
 Become a globally competitive financial services group with the highest trust of our stakeholders by maximizing our strengths of "Spirit of Innovation," "Speed" and "Solution & Execution."

Corporate slogan:
LEAD THE VALUE

Management plan for coming three years

Strongly support Japan's reconstruction on the financial front

Medium-term management plan (fiscal 2011 - 2013)

<p>Management targets</p> <ul style="list-style-type: none"> ● Aim for top quality in strategic business areas ● Establish a financial base and corporate infrastructure strong enough to address the new financial regulations and competitive environment 	<p>Fiscal 2013 targets</p> <table border="1"> <tr> <td>Core Tier I ratio:</td> <td>approx. 8%</td> </tr> <tr> <td>Consolidated net income RORA</td> <td>approx. 0.8%</td> </tr> <tr> <td>Consolidated overhead ratio</td> <td>50-55%</td> </tr> <tr> <td>Overhead ratio</td> <td>45-50%</td> </tr> <tr> <td>Overseas banking profit ratio</td> <td>approx. 30%</td> </tr> </table>	Core Tier I ratio:	approx. 8%	Consolidated net income RORA	approx. 0.8%	Consolidated overhead ratio	50-55%	Overhead ratio	45-50%	Overseas banking profit ratio	approx. 30%
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<p>Financial objectives</p> <p>Well-balanced and steady improvement of "financial soundness," "profitability" and "growth"</p> <ul style="list-style-type: none"> ● Achieve sufficient Core Tier I ratio as required for a global player ● Enhance risk-return profile by improving asset quality ● Aim for top-level cost efficiency among global players ● Expand overseas business by capturing growing business opportunities especially in Asia 											
<p>Key initiatives to achieve management and financial targets</p>											
<p>Strategic initiatives</p> <p>Strategic business areas</p> <ul style="list-style-type: none"> ● Financial consulting for individuals ● Solution providing for corporations ● Commercial banking in emerging markets, especially in Asia ● Broker-dealer/Investment banking ● Non-asset business such as payment & settlement services and asset management 	<p>Corporate base</p> <ul style="list-style-type: none"> ● Strengthen group-wide management capabilities ● Strengthen corporate infrastructure to support our global expansion ● Pursue efficient operation 										

Business environment

Macroeconomic trends	Market trends	Global regulatory trends
<ul style="list-style-type: none"> ● Continuing low growth rate in domestic market and yen appreciation ● Continuing high growth rates in emerging markets including Asia ● Risks associated with fiscal deficits in developed countries and inflation in emerging countries 	<ul style="list-style-type: none"> ● Decreasing financing needs in domestic market and accelerating global expansion by Japanese corporations ● Increasing financial needs in overseas markets, especially in emerging countries ● Changing investment and borrowing practices of individuals as a result of an aging population in domestic market 	<ul style="list-style-type: none"> ● Implementation of new capital regulations (Basel III) ● Proposals for additional capital requirements for "Systematically Important Financial Institutions"

◎ Two main initiatives for strategic business areas

• Initiatives to pursue synergies between SMBC and SMBC Nikko Securities

SMBC Nikko Securities, which is the principal business operation of our securities business, has been consistently earning profits from its established retail business and increasing its market share in the wholesale business. While strengthening its cross-sell with SMBC, SMBC Nikko Securities has fortified its wholesale business by installing a market transaction system, enhancing its equity sales capabilities targeting institutional investors by establishing the Equity Research Division and developing its overseas operations by commencing business operations in London, New York, Hong Kong and Shanghai.

We will continue to strengthen the wholesale capabilities of SMBC Nikko Securities and promote its cooperation with other group companies including SMBC.

Specifically in the wholesale business, we are enhancing the capabilities of SMBC Nikko Securities to accommodate the needs of Japanese corporate clients for tapping into global capital markets and cross-boarder M&As by increasing its overseas staff, while improving its sales and trading capabilities for institutional investors in Japan, other Asian countries, the U.S. and Europe.

Concurrently, we are accelerating the alignment of SMBC and SMBC Nikko Securities through the redeployment of human resources and greater collaboration, in order to respond to the growing and diversifying need for wealth management of Japanese individual clients and provide advanced financial solutions for Japanese corporate clients. We strive to further strengthen our solid business operations in Japan by implementing these initiatives.

Strengthen wholesale securities business of SMBC Nikko Securities

- Increase overseas personnel and business operations
 - ✓ Global offerings
 - ✓ Cross-border M&As, etc.
- Strengthen sales and trading capabilities for institutional investors in Japan, other Asia countries, the U.S. and Europe

Strengthen cross-sell among SMBC Nikko Securities, SMBC and other group companies

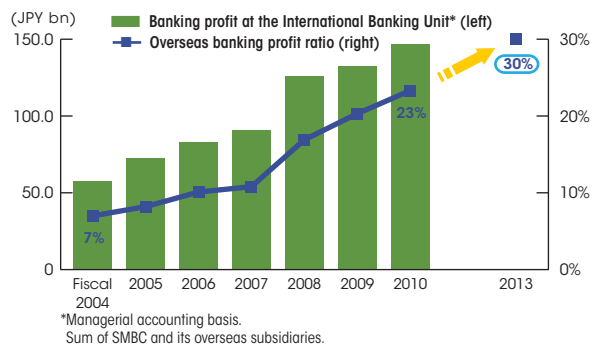
Meeting clients' diversifying needs

• Initiatives for global expansion

Our competitors of top-tier financial institutions develop their business operations globally, while sustaining their solid business operations in their home countries. We similarly strive to develop a platform for achieving top quality in commercial banking operations in emerging markets mainly in Asia where higher growth is expected to capture expanding business opportunities, while sustaining and further strengthening our solid business operations in Japan.

Specifically, we are strengthening our business operations by enhancing our channel network and allocating human resources focusing on Asia. We will also proactively respond to the needs for deposits, foreign exchange and other services related to payment and settlement which are expected to grow in emerging countries experiencing high economic growth and to the increasing demand for infrastructure financing in emerging countries. We are also expanding the collaboration of business operations and redeployment of human resources between SMBC's domestic and overseas offices in order to effectively and quickly accommodate the needs of our corporate clients in Japan for their global business expansion.

Through such initiatives, we strive to increase our overseas banking profit ratio to 30% in fiscal 2013 from 23% in fiscal 2010 and grow our banking profits in Asia by 50% in fiscal 2013 compared with fiscal 2010.



◎ Establish a solid financial base and corporate infrastructure

Our group has been rapidly expanding our business operations as each group company has been growing to become a major player in its business area and we have increased the number of group companies through acquisitions, including SMBC Nikko Securities. Also, in order to meet the global strengthening of financial regulations, we are required to focus further on the enhancement of our risk-return and cost-return profiles and steadily expand our bottom-line profit. Therefore, we will strengthen our group management capabilities including risk management, control consolidated overhead ratio at 50-55% and develop human resources required for global business expansions.

◎ Capital Policy and Returns for Shareholders

In the medium-term management plan, we have set a management goal to achieve Core Tier I ratio* of approximately 8% on March 31, 2014. This means that we will strive to achieve a capital ratio of approximately 1% higher than the Basel III required level of 7% by five years earlier than the Basel III full implementation deadline of March 2019.

* Calculated based on the definition under Basel III in 2019; all regulatory adjustments are deducted from Common Equity Tier I, excluding net unrealized gains (losses) on other securities (SMFG consolidated).

Meanwhile, our basic policy on returns to shareholders is to increase returns consistently and continuously through the sustainable growth of enterprise value, by sustaining a consolidated payout ratio of over 20%, while prudently managing the level of retained earnings to maintain our financial soundness in view of the public nature of banking business operations.

In order to achieve these two goals, we will proactively allocate risk-adjusted assets into strategic business areas while controlling aggregate volume of risk-adjusted assets by reducing low-yielding assets, and strengthen our capital base by consistently accumulating retained earnings. We will consider any increases of shareholders returns, by taking into account the level of our regulatory capital, payout ratio and dividends.

We shall sincerely and faithfully pursue these initiatives to meet the expectations of our stakeholders.

September 2011

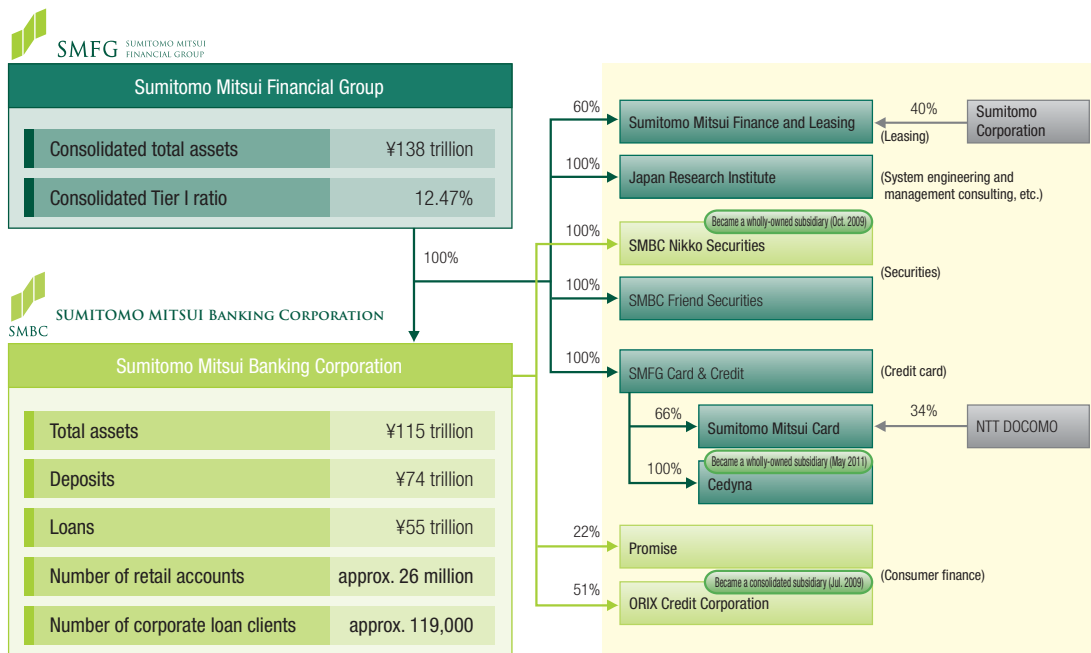


Koichi Miyata
President
Sumitomo Mitsui
Financial Group, Inc.



Takeshi Kunibe
President and CEO
Sumitomo Mitsui
Banking Corporation

◎ Group Structure*



* As of Jun. 30, 2011 for shareholding ratio and as of Mar. 31, 2011 for other figures.

Consumer Banking

SMFG Group companies are enhancing their financial services for clients. Some of SMBC's noteworthy achievements in this area for fiscal 2010 are investment trusts outstanding of ¥2.725 trillion (as of March 31, 2011); foreign bonds and yen-denominated bond sales of ¥198 billion; pension-type insurance sales of ¥192.1 billion; single premium whole life insurance sales of ¥200.5 billion; and housing loans outstanding of ¥14.4908 trillion (as of March 31, 2011).

Financial Consulting Business



In fiscal 2010, SMBC continued to enhance its product line up of investment trusts, pension-type insurance, life insurance and other financial products.

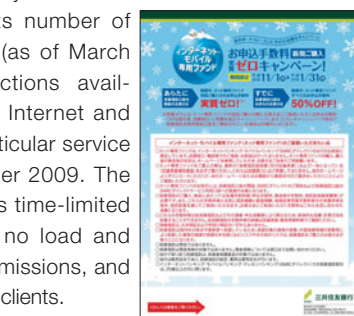
For investment trusts, the bank has expanded its product range to include funds which invest in emerging market sovereign bonds and corporate bonds, funds which invest mainly in bonds issued by worldwide public utilities companies, and

Australian dollar-denominated foreign investment trusts which invest in international high-yield bonds.

SMBC increased its number of funds to a total of 33 (as of March 31, 2011) for transactions available exclusively on the Internet and mobile phones; this particular service was launched in October 2009. The bank also conducted its time-limited campaign of charging no load and discounts on sales commissions, and cash back campaigns to clients.

As for insurance products, we respond to our clients' needs by selling level-premium life insurance products at all branches in Japan and enabling those clients having difficulties coming down to our branch during regular banking hours to request information materials and application forms through ATMs (started from August 2010) and the Internet (started from February 2011). In addition, the bank began offering four new types of over-the-counter products:

- 1) pension-type insurance which switches to a stable investment strategy after securing the targeted profit;
- 2) a whole-life policy, of which the insured amount increases



ATM screen

proportionally to fund performance while guaranteeing a minimum death coverage; 3) whole-life insurance with an option enabling conversion to medical or nursing-care insurance; and 4) whole-life insurance with added-coverage for cancer surgeries and hospitalization.

As for Japanese government bonds for individuals, SMBC started offering three-year maturity products in June 2010 in addition to our existing five- and ten-year maturity products.

We continue to offer a wide range of foreign-currency and yen-denominated bonds appropriate for our clients' needs. In April 2010, SMBC began financial instruments intermediary services for individuals as an agent of SMBC Nikko Securities, in addition to SMBC Friend Securities. In January 2011, the operations of SMBC Friend Securities related to SMBC's financial instruments intermediary and other services were integrated into those of SMBC Nikko Securities.

We believe that it is important to support and follow up our clients even after they have purchased our products. As part of our fulfilling this commitment, we take numerous measures to keep clients up-to-date with new developments — by having seminars regarding funds performances, monthly issuances of special market reports, and mailing of financial statements detailing assets performance.



Loan Business

We develop new products and services to enable us to respond to the diversified needs of our clients. For instance, our housing loan with insurance for major serious illnesses had an outstanding loan balance of ¥1,750 billion, as of March 31, 2011.

In September 2010, SMBC began accepting accelerated full-sum repayments of housing loans through the *SMBC Direct* online banking service. With this service, over-the-counter procedures can now be completed at home or other remote locations. This service significantly contributed to maximizing convenience for our clients.

Consequently, we are accommodating the diverse needs of our housing loan clients via the Internet along with existing services for partial early repayment and the option to change the interest rate to either floating or fixed rates.

Following the enactment of the "Act Concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc.," we appointed specialists to provide consultations and assistance with clients having difficulties in repaying their mortgage at all bank branches as well as at the nine special Loan Support Offices located nationwide.

We will continue to provide more personalized and expedited support and services for such clients.

Settlement and Consumer Finance Business

In March 2011, we began offering a new service “SMBC First Pack Debut,” which was especially designed for students between the ages of 18 and 23, under our settlement service platform of “SMBC First Pack.” When students make automatic bill payments for their mobile phones using the account registered with the service, they are not charged in the month following the next month, for after business hours service fees for ATMs located at domestic branches and @BANK ATMs installed at convenience stores and other locations. Such services are designed specifically for the needs and lifestyle of students.

The iD* credit service, which was created as a result of the strategic alliance of SMFG and NTT DoCoMo, Inc., continues to further evolve. As of March 31, 2011, there were approximately 15.84 million subscribers for this service and approximately 510,000 terminals for such credit services installed on the premises of affiliated merchants.

* “iD” is a trademark of NTT DoCoMo, Inc.

As of the end of March 2011, there were 719 automatic contract machines for our consumer finance business with Promise Co., Ltd., and the outstanding balance of card loans made by the bank and guaranteed by Promise was approximately ¥340 billion. At-Loan Co., Ltd., the former business partner for this affiliation was absorbed and merged into Promise in April 2011, as part of a reorganization plan.

Transaction Channels

For *SMBC Direct* online banking services, we are constantly adding highly advanced services to meet our clients’ needs to improve convenience and reinforce security. In November 2010, we launched an online overseas remittance service for individual clients through *SMBC Direct*, improving the service previously offered only at our branches. This is another way for us to better accommodate our clients by simplifying the procedures, increasing their choices and maximizing convenience. As of March 31, 2011, there were approximately 10.86 million registered clients.

Our call centers located in Tokyo, Kobe and Fukuoka for our retail clients also take calls from our retail online clients who prefer to speak with our staff on important issues. The operation of these three call centers enhances our services by offering telephone consultations for inquiries on asset management or loans, as well as any information related to our financial services to provide the type of services best accommodated to the lifestyle and needs of our clients.



Topics

◆ Joint Business Operations of SMBC and SMBC Nikko Securities

SMBC Nikko Securities became a wholly-owned subsidiary of SMBC on October 1, 2009, the milestone event which has further enhanced our Group to be able to offer our clients more competitive products and services.

Since October 2009, SMBC has been working with SMBC Nikko Securities to offer investment trust products, organize seminars, and provide financial instruments intermediary services for our individual clients.

In April 2010, SMBC began financial instruments intermediary services for individuals as an agent of SMBC Nikko Securities, in addition to SMBC Friend Securities. In June 2010, SMBC expanded the services' portfolio to include structured bonds, and started to offer a single premium whole life insurance with variable benefit, jointly developed for the first time with SMBC Nikko Securities for over-the-counter sales. In October 2010, SMBC Nikko Securities also became SMBC's banking agent. Further, in January 2011, the operations of SMBC Friend Securities related to the financial instruments intermediary and other services were integrated into those of SMBC Nikko Securities. We continue to proactively develop both our banking and securities businesses.



A seminar jointly held with SMBC Nikko Securities



An SMBC ATM installed at SMBC Nikko Securities' Sendai Branch

■ Corporate Banking

Improving Products and Services for Mid-sized Companies and SMEs

● Initiatives to facilitate financing

SMBC believes that facilitating the efficient supply of funds to its clients is one of its main social responsibilities as a financial institution. We are making our best efforts, under increasingly difficult global financial conditions, to proactively facilitate financing appropriate to the needs of our mid-sized and SME corporate clients. SMBC established its Middle Market Facilitating Financing Department in December 2009 under the Planning Department of the Corporate Banking Unit.

We will continue to implement initiatives to identify the constantly changing needs and issues of our corporate clients, and offer customized products and services in order to support their business development.

● Environmentally friendly products and services

In order to respond to society's greater demand for the environmental commitments of our clients including not only major companies but also mid-sized companies and SMEs, SMBC has been augmenting its loan products with environmental incentives, creating an environmental business information section under the bank's homepage, and offering seminars. The cumulative total of such loans provided was approximately ¥350 billion as of March 31, 2011.

Furthermore, our environmental initiatives have been publicly recognized. We received the "2009 Nikkei Superior Products and Services Award" in January 2010, and the "Grand Prize by the Ministry of Environment" at "the 7th Eco-Products Awards" in November 2010, for our "SMBC Environmental Assessment Loan/Private Placement Bonds."



● Information services

SMBC has been strengthening its internal systems for business-matching, resulting in a dramatic increase in the number of business meetings we have arranged between possible partners. In particular, in our "all-in-one matching" program, which simultaneously matches a substantial number of our corporate clients with the purchasing departments of major corporations, we have enhanced our corporate client information database. This enables us to supply our corporate clients with more information on the purchasing needs of major corporations.

We also held the SMFG Environmental Business Forum in December 2010 which formed a part of "Eco-Products 2010" in Tokyo Big Sight, for the promotion of environmental businesses. At this annual event, we arranged approximately 670 business meetings to match the increasing environmental procurement

needs of major corporations with the growing needs of SMEs for new distribution channels.

At this event, our Group companies exhibited diverse environmental solutions, and also held panel discussions and provided environmental information.

Furthermore, the bank and SMBC Nikko Securities installed the "IPO Navigator" in July 2010, an online information service offered for free of charge to registered clients considering an IPO. Information necessary for an IPO is provided by the platform, of which the contents are supplied by nine advisory companies and two sponsor companies. During its six months of operation, more than 260 companies have registered with this program. SMBC and SMBC Nikko Securities continue to support our clients planning for an IPO.



Enhancing Services for Globalizing Corporations

An increasing number of our corporate clients are expanding their businesses overseas, and are faced with the growing need to address such issues as differences in business practices; cultures; legal, accounting, and taxation systems, the interpretation of these systems; as well as funding.

SMBC established its Global Advisory Department (GAD) to specifically assist the development of solutions for the cross-border issues of globally expanding clients. GAD works to further strengthen our domestic and overseas support for the overseas business operations of such companies.

We provide overseas business-related seminars on Brazil and global issues, not limited to China or other Asian markets, and also provide the latest overseas economic or market information, including local conditions, details of regulations, industry trends, and other relevant issues, for our clients considering to newly develop their businesses overseas; and we also provide high quality support and solutions for the needs of our clients who have already established their business operations overseas, including business development and reorganization. We are constantly enhancing our system to support the globalization of our clients' businesses.

Strengthening Measures for Greater China

As the economic integration continues in Greater China (PRC, Hong Kong and Taiwan), inter-company trading and funding have been actively increasing. A substantial number of Japanese companies have expanded business into China, and it is anticipated that this entry and expansion by such companies into the

growing Chinese market will further accelerate in the foreseeable future.

In order to more effectively meet the needs of such clients whose business straddles the Japanese and Chinese markets, in fiscal 2010, SMBC transferred its business responsibilities for the planning, promotion, and management of transactions between its Chinese subsidiary of Sumitomo Mitsui Banking Corporation (China) Limited and Japanese corporate clients from the International Banking Unit to the Corporate Banking Unit. The same was done for the Hong Kong and Taipei branches in fiscal 2011.

The Shenzhen Branch of Sumitomo Mitsui Banking Corporation (China) Limited began its business operations on May 20, 2011. Under the Group network, including branches in Hong Kong and Guangzhou, we are strengthening our support for our clients' businesses in southern China.

In banking operations, we established a "Fund for Supporting Companies Expanding their Business Operations in China" in cooperation with Chinese companies in fiscal 2010. The fund provides for equity and other types of investments for Japanese companies expanding their businesses into China. We also support such Japanese companies in Japan and China by providing them with necessary assistance and support for the globalization of their businesses. We continue to comprehensively provide our customized services to our clients by supporting their head offices in Japan and business operations in China.

Enhanced Initiatives for the Public and Financial Sectors

As our Japanese economy continuously evolves, the responsibilities of local government and financial institutions are becoming more sophisticated and diversified. We believe that an extensive international network, and accurate and timely collection of information are necessary for supporting regional industrial promotion, attracting companies, building social infrastructure, creating environmental measures, and supporting local companies expanding their businesses into overseas markets.

In order to respond to the needs of our clients, the Group provides diverse services by using its networks in Japan and overseas, while pursuing alliances with local government agencies and financial institutions. We executed an alliance agreement with the city of Kita-Kyushu in June 2011 for the industrial promotion of Kita-Kyushu, which strategically plans to further develop its growing industries. Since fiscal 2010, we have also established operational alliances with the Kansai Urban Banking Corporation, Mie Bank, Ltd. and four other banks to better support companies expanding their businesses into overseas markets.

Our bank Group also offers diverse services for public benefit corporations which are faced with the need to modify their business or financial strategies due to the recent amendments to regulations governing such corporations.

Our initiatives for the current fiscal year are focused on

supporting local public corporations that have incurred substantial damage due to the Great East Japan Earthquake for their recovery, in accordance with the recovery plan submitted by each prefecture, including Miyagi Prefecture, with which we executed a Cooperative Agreement for the Promotion of Industry in fiscal 2008.

Topics

◆IPO Seminars

SMBC and SMBC Nikko Securities jointly held their first "IPO Seminar" in February 2011. The seminar was held for IPO Navigator members with speakers from SMBC Nikko Securities and the Japan Research Institute. It was extremely successful and attended by approximately 120 members mostly from eastern Japan. We also held our second seminar in Osaka in July 2011 especially for our clients in western Japan, in order to continue supporting our clients who are planning for IPO by providing them with high-quality information and content.



IPO seminar

◆Launching of the "SMBC Food and Agricultural Assessment Loan"

SMBC has launched its "SMBC Food and Agricultural Assessment Loan," a type of loan which offers favorable terms and conditions based on the assessment results of surveys and interviews on the level of contributions made by the borrower in the areas of food or agricultural improvements, in accordance with the assessment standards set forth by the Japan Research Institute. We approved our first such loan to Asahi Breweries, Ltd., who contributed to the designing of the loan by giving us their opinions.

SMBC will continue to support initiatives for "improvements of eating habits" and the "development of the agricultural, forestry and fisheries industries" in Japan by providing the "SMBC Food and Agricultural Assessment Loan."

Assessment explanation and discussion



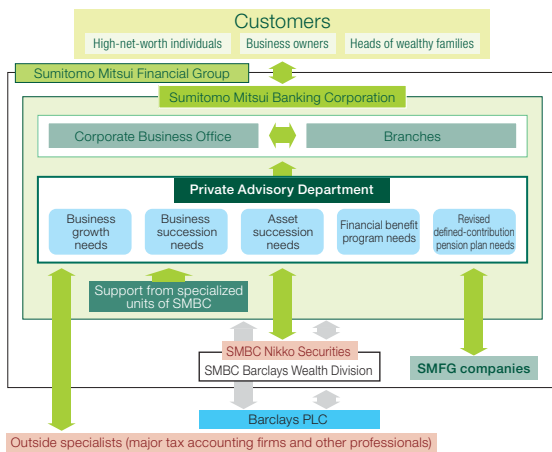
Loan Certificate awarded to Asahi Breweries, Ltd.

Services for High Networth Individuals, Business Owners and Employees

Private Advisory Department

The Private Advisory Department (PAD) of SMBC specializes in products and services which meet the diverse requirements of business owners and high networth individuals. Activities of this department cover three types of business operations as follows. One such business operation is the business and asset transfer for which we offer our services based on our extensive knowledge and experience accumulated over the years, and the additional expertise provided by alliance partners such as major tax accounting firms. The second business is the private banking services which provide comprehensive financial services for managing our clients' financial assets. The third business is the workplace banking services that support the HR strategies of our corporate clients. This particular business provides assistance for designing the employee savings and other employee financial benefit programs, and defined-contribution pension plans.

PAD consistently provides diverse products and services for both individuals and corporate clients by working with other SMBC Group companies and alliance partners.



Support for Business and Asset Transfers

PAD specialists prepare customized proposals for business owners concerned about their business and asset transfers. Our customized and diverse consulting services cover various matters for both individuals and companies. We offer a variety of seminars to provide our clients with up-to-date information and advice.

Private Banking

PAD offers comprehensive financial advisory services for our clients' financial assets by truly understanding their financial goals and providing appropriate advice for their risk profiles. Based on discussions on their goals, it prepares proposals for their asset

allocation and management. It strives to provide diverse asset management services and, established a joint-venture business in June 2010.

Topics

◆ Joint-venture businesses within our asset management services

SMBC, SMBC Nikko Securities and Barclays PLC established "SMBC Barclays Wealth Division" within SMBC Nikko Securities to provide new asset management services leveraging the knowledge of Barclays Wealth, known for its leading global private banking services.

The purposes of this joint-venture business are for expanding our product portfolio, improving research skills, and meeting the need for high quality asset management proposals for business owners and high networth individuals. We experimentally began offering the services in some of our branches in June 2010, and will roll out these services at all branches in Japan during the fiscal year ending March 31, 2012, in order to assist as many clients as possible.



Life Planning Support for Employees

The management environment for SMBC's corporate clients is undergoing dramatic changes, as the life planning needs of their employees are becoming diversified.

In responding to the challenges presented by such changes for our corporate clients' personnel matters and financial strategies, PAD utilizes the diverse financial products and services offered by SMBC to support our corporate clients by creating employee financial benefit programs and defined-contribution pension plans.

Furthermore, the SMBC products and services are offered to employees, through their employers, in an effort to achieve their financial or other life planning goals.



■ Investment Banking

SMFG consolidates the resources from the Investment Banking Unit of SMBC and SMBC Nikko Securities and other Group companies to assist its clients with their business development and enhancement of their corporate value by providing optimized solutions for the needs of its clients in areas such as fund-raising and asset management, M&A, risk-hedging, and payment and settlement.

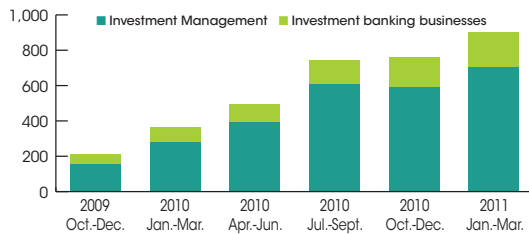
As the businesses of our corporate clients become further globalized and the number of investors increases, SMBC Nikko Securities has begun its operations of M&A advisory services, underwriting bonds and brokerage services (for Japanese stocks) at its overseas offices. We plan to further globalize our operations, and respond appropriately and timely to the sophisticated financial needs of our clients.

Collaboration with SMBC Nikko Securities

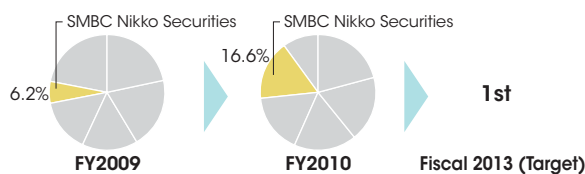
As of April 1, 2011, Nikko Cordial Securities, which became a wholly owned subsidiary of SMBC on October 1, 2009, changed its corporate name to SMBC Nikko Securities Inc. As the core securities firm for the Group, it has expanded its retail and wholesale businesses by closely working with SMBC.

In the league tables published by Thomson Reuters for fiscal 2010, SMFG was ranked fourth in the M&A advisory services category for publicly announced mergers involving Japanese companies with a market share of 19.2%. We placed fifth for underwriting amount for the "Japanese Corporate Bonds" category (market share of 16.6%). We continue to strengthen the cooperation between SMBC Nikko Securities and SMBC and to respond to the diverse needs of our clients for raising capital from the market, cross-border M&A transactions and securitization.

Number of referrals by SMBC to SMBC Nikko Securities



Underwriting amount for "Japanese Corporate Bonds" Market share*



*Source: Thomson Reuters

Underwriting amount for "Japanese Corporate Bonds"

Information contained in this document for the period prior to September 2009 is based on the information provided by the former Nikko Cordial Securities Inc.

Topics

◆ Expansion of Securities Businesses in Overseas Markets

The SMBC's subsidiaries, SMBC Nikko Capital Markets Limited (UK) and SMBC Nikko Securities America, Inc. (US), have begun and are expanding their securities business operations in London and New York, respectively. SMBC Nikko Securities' wholly owned subsidiaries in Hong Kong and Shanghai also commenced securities business and M&A advisory service operations in January 2011.



June 30, 2011

◆ Environmental Business

SMBC established its Environmental Products Department in October 2007 to promote its environmental businesses. It also developed a cross-organizational "Growing Industrial Cluster"^{*1} Project Team" in July 2010 to promote businesses associated with four growing industrial sectors. It cross-organizationally promotes efforts aimed at expanding, identifying and creating mid- to long-term business opportunities for our clients by cooperating with industries, government and universities, and collecting information from the domestic and international networks.

As a result of these measures, a CDM^{*2} project, which we supported in Singapore for the trading of emission credits, became the country's first such large project to be registered by the United Nations, and we provided financing by utilizing the Nippon Export and Investment Insurance ("NEXI") for Vietnam's first hydroelectric power generation business by the private sector. These initiatives contributed to our nomination for the award of "Sustainable Bank of the Year 2011 (Cross-Regional category)," organized by the Financial Times and the International Finance Corporation.

*1 The four growing industrial sectors are: the "Environment," "New Energy," "Water" and "Natural Resources."

*2 "Clean Development Mechanism"

■ International Banking

SMFG offers value-added services to its clients (corporations, financial institutions, governmental organizations and public entities) operating globally by creating tailor-made solutions which meet diverse local needs, mainly through SMBC's International Banking Unit.

SMBC has three regional headquarters: in Europe, the United States and the Asia-Pacific region; and subsidiaries in such emerging markets as China, Russia, Brazil and Malaysia. Through this network, it has established a system which quickly and flexibly responds to the diverse needs of each region. It strives to become a global commercial bank which can extensively demonstrate its strengths for the diverse business opportunities in the international market.

Expansion of Overseas Network

SMBC is working to expand its overseas network of branches to improve their services for the Japanese companies and to enhance their presence in emerging markets.

SMBC (China) opened two new branches and two new sub-branches in the fiscal year 2010: Shenyang branch and Shanghai (Pixi) Sub-branch in June and July 2010, respectively, and Changshu Sub-branch and Shenzhen branch in January and May 2011, respectively. The SMBC Group will use its network in China, which consists of branches and offices in 15 locations, to enhance the quality of its financial services.



Capital Strategies and Business Alliances with Major Asian Financial Institutions

The alliance strategies in Asian countries are specifically planned to take the advantage of the special attributes of each country and region. We plan to enhance our solutions such as expanding our Asian currencies services for each region.

In December 2010, the bank executed a Memorandum of Understanding on Mutual Business Cooperation with RHB Bank Berhad, Malaysia's fourth-largest bank by market capitalization (as of the end of March 2011), a strategic partner for around the last 30 years. The bank aims to further strengthen this alliance relationship.

Additionally, in March 2011, the bank executed the Cooperative Agreement with Kotak Mahindra (UK) Ltd., an asset

management subsidiary of Kotak Mahindra Bank* in India, for the establishment of infrastructure funds in India.

SMBC continues to develop its banking networks and expand Asian businesses in diversified ways by establishing alliances with major local financial institutions in Asia.

*Kotak Mahindra Bank, with which we have established a capital and operating alliance, is the core bank of the Kotak Mahindra Group.

Core IT System Upgrades

SMBC is pursuing its overseas business development and the advancement of information processing and management systems in order to further support the global development of our clients' businesses. SMBC has upgraded the Asian accounting system as part of its plan to promote the strengthening of its overseas administrative system. Furthermore, it also works to further advance client information and business management systems.

Strengthening of Risk Management

SMBC is continuously enhancing its credit monitoring system as part of its plan to reinforce its credit cost control system, and it has also established specialized credit management departments in Europe and the United States, in addition to the International Credit Management and regional Credit Departments.

Having established the Risk Management Department Groups in Europe and the United States, it is building a comprehensive risk management system especially made for the local markets.

Strengthening of Compliance System

As the global trend towards strengthening financial regulations continue, and based on the understanding that it is essential to further strengthen the compliance system as our business grows, we are further focusing on enhancing the management system by improving the collection and analysis of information related to regulatory changes, and providing such management resources as human resources.

In responding to the strengthening of regulations related to economic sanctions in each country, we continue to pursue more sophisticated and efficient means to prevent money-laundering and financing for terrorist activities.

Development of Professional Human Resources Required for Overseas Business Growth

We are further improving our training and educational programs in order to respond appropriately and promptly to the increasingly diverse and highly sophisticated needs of our clients. To gain international financial experience, we place our promising employees in our overseas offices or at the overseas specialized financial institutions outside of the Group. As SMBC's first attempt, it invited employees, including overseas national staff,

to attend intensive educational training in Tokyo. Furthermore, we continue to focus on the development of human resources in Asia, where our business continues to develop tremendously, by providing our national staff with seminars and e-learning programs developed by the Asia Pacific Training Department, in order for them to be able to offer the best solutions for our clients.

Topics

◆Overseas Environmental Business Opportunities

SMBC is enhancing its initiatives for global environmental businesses.

It has provided co-financing as the lead bank for the commercial solar power generation business project which is scheduled to start in the fiscal year 2014 in Spain. This financing utilized the insurance system of Nippon Export and Investment Insurance ("NEXI"), and was its first project to support Japanese companies going overseas for the purpose of engaging in power generation businesses utilizing renewable energies.

SMBC continues to strengthen its initiatives for renewable energy businesses, and to proactively promote the development of overseas environmental businesses.



Treasury Markets

SMFG strives to offer increasingly high valued services to meet more sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivatives markets through the Treasury Unit of SMBC. In order to maintain and further enhance profitability while managing risks appropriately, the Treasury Unit focuses on the following three goals of: (a) increasing volumes generated from clients' transactions; (b) strengthening its Asset-Liability Management (ALM) system and trading skills; and (c) ensuring portfolio management of its assets and liabilities.

More Solutions and Services for Clients' Market Transactions

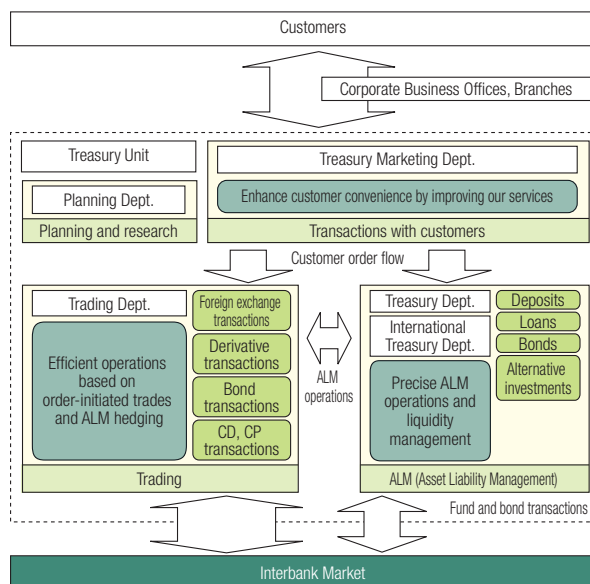
SMBC offers solutions appropriate for the market transactional needs of its clients by working with branches to present to its corporate clients with the proposals for such as hedging transactions, reflecting the shifting trends in the financial markets.

We continue to improve the functions of *i-Deal*, a system which allows our clients to execute their foreign exchange transactions on the Internet. The Treasury Unit continues to fully support our clients by meeting their market transactional needs and offering the highest level of services in the industry.

ALM and Trading Operations

The Treasury Unit pursues to maximize its earnings through the ALM and trading operations, while controlling the market and liquidity risks, by searching for trends in the various financial markets.

We strive to perform appropriate ALM and trading operations by responding to the changes in the financial market to generate consistent earnings.



Topics

◆Issuance of U.S. Dollar-denominated Straight Bonds in the Global Markets

For the environmental changes in the foreseeable future, we are taking measures to diversify the medium- to long-term fund procurement channels. In January 2011, we again issued the U.S. Dollar-denominated straight bonds in the United States and other global markets, following the issuance in 2010.

◆Expanded Offerings of Currencies of Asia and Other Emerging Markets

In order to meet our clients' market transaction needs, we are increasing our line-up of foreign currencies, mainly Asian and also other emerging-market currencies. We are also committed to updating our clients with the information related to the foreign exchange transactions by offering seminars conducted by economists specialized in Asian financial markets.

Group Companies (as of March 31, 2011)



www.smfg.co.jp/english/

The companies of the Sumitomo Mitsui Financial Group (SMFG) offer a diverse range of financial services, centered on banking operations, and including credit card services, leasing, information services, and securities.

Our Mission

- To provide optimum added value to our customers and together with them achieve growth
- To create sustainable shareholder value through business growth
- To provide a challenging and professionally rewarding work environment for our dedicated employees

Company Name: Sumitomo Mitsui Financial Group, Inc.

Business Description:

Management of banking subsidiaries (under the stipulations of Japan's Banking Act) and of non-bank subsidiaries, as well as the performance of ancillary functions

Establishment: December 2, 2002

Head Office: 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Chairman of the Board: Masayuki Oku

President: Koichi Miyata

(Concurrent Director at Sumitomo Mitsui Banking Corporation)

(Appointed on April 1, 2011)

Capital: ¥2,337.8 billion (as of March 31, 2011)

Stock Exchange Listings:

Tokyo Stock Exchange (First Section)

Osaka Securities Exchange (First Section)

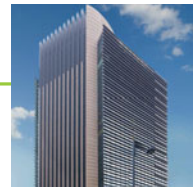
Nagoya Stock Exchange (First Section)

Note: American Depositary Receipts (ADRs) are listed on the New York Stock Exchange.



SUMITOMO MITSUI BANKING CORPORATION

www.smbc.co.jp/global/index.html



Sumitomo Mitsui Banking Corporation (SMBC) was established in April 2001 through the merger of two leading banks: The Sakura Bank, Limited, and The Sumitomo Bank, Limited. Sumitomo Mitsui Financial Group, Inc., was established in December 2002 through a stock transfer as a bank holding company, and SMBC became a wholly owned subsidiary of SMFG. In March 2003, SMBC merged with The Wakashio Bank, Ltd.

SMBC's competitive advantages include a strong customer base, the quick implementation of strategies, and an extensive lineup of financial products and services that leverage the expertise of strategic Group companies in specialized areas. SMBC, as a core member of SMFG, works together with other members of the Group to offer customers highly sophisticated, comprehensive financial services.

Company Name: Sumitomo Mitsui Banking Corporation

Business Profile: Banking

Establishment: June 6, 1996

Head Office: 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

President and CEO: Takeshi Kunibe (Concurrent Director at Sumitomo Mitsui Financial Group)

Number of Employees: 22,524

Number of branches and other business locations:

In Japan:	1,547*
Branches:	493
(Including 38 specialized deposit account branches)	
Sub-branches:	164
Banking agencies:	2
Offices handling non-banking business:	23
Automated service centers:	865
Overseas:	33
Branches:	15
Sub-branches:	7
Representative offices:	11

*The number of domestic branches excludes ATMs located at the business sites of companies and at retail convenience stores.

Credit Ratings (as of June 30, 2011)

	Long-term	Short-term
Moody's	Aa2	P-1
Standard & Poor's	A+	A-1
Fitch Ratings	A	F1
R&I	A+	a-1
JCR	AA-	J-1+

Financial Information (Consolidated basis, years ended March 31)

	Billions of yen			
	2011	2010	2009	2008
For the Year:				
Ordinary income	¥2,711.3	¥2,579.9	¥2,989.6	¥3,411.0
Ordinary profit	751.2	557.7	59.2	734.9
Net income (loss)....	450.8	332.4	(317.3)	351.8
At Year-End:				
Net assets.....	¥6,983.1	¥6,894.5	¥4,518.6	¥5,080.7
Total assets	132,715.6	120,041.3	115,849.3	108,637.7



SMFG CARD & CREDIT, INC.

SMFG Card & Credit, Inc. ("FGCC") was established in October 2008 as an intermediate holding company of SMFG to hold shares of Sumitomo Mitsui Card Co., Ltd., and Cedyna Financial Corporation. FGCC is the core company responsible for implementing SMFG's credit card strategy and establishing uniform business policies. FGCC also creates a framework for promoting a solid partnership between Sumitomo Mitsui Card and Cedyna Financial Corporation, seeks to realize economies of scale for the Group as a whole, and maximizes top-line synergy by leveraging each party's strengths.

Company Name: SMFG Card & Credit, Inc.

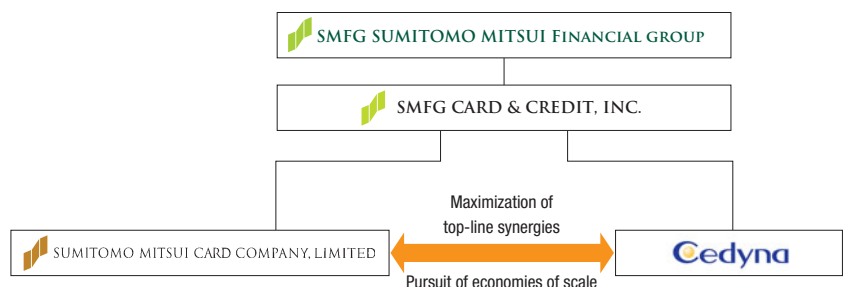
Business Profile: Management of subsidiaries and affiliates

Establishment: October 1, 2008

Head Office: 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

President & CEO: Ikuhiko Morikawa (Appointed on April 1, 2011)

Number of Employees: 32

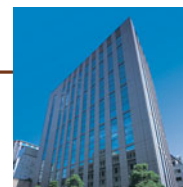




SUMITOMO MITSUI CARD COMPANY, LIMITED

www.smbc-card.com

(Japanese only)



As the pioneer in the issuance of the VISA Card in Japan and a leader in the domestic credit card industry, Sumitomo Mitsui Card Company, Limited, enjoys the strong support of its many customers and plays a major role as one of the strategic businesses of SMFG.

Leveraging its strong brand image and its excellent capabilities across a wide range of card-related services, the company provides settlement and financing services focused around providing credit services that meet customer needs. Through its credit card business operations, the company aims to actively contribute to the realization of comfortable and affluent consumer lifestyles and make further

dramatic advances as a leading brand in its industry sector.

Company Name: Sumitomo Mitsui Card Company, Limited

Business Profile: Credit card services

Establishment: December 26, 1967

Head Office:

Tokyo Head Office: 1-2-20, Kaigan, Minato-ku, Tokyo

Osaka Head Office: 4-5-15, Imabashi, Chuo-ku, Osaka

President & CEO: Hideo Shimada
(Appointed on June 29, 2011)

Number of Employees: 2,300

Credit Ratings (as of June 30, 2011)

	Long-term	Short-term
JCR	A+	J-1+

Financial Information (Years ended March 31)

	Billions of yen			
	2011	2010	2009	2008
For the Year:				
Revenue from credit card operations	¥6,896.3	¥6,209.0	¥5,858.6	¥5,375.2
Operating revenue	185.2	183.5	180.1	168.3
Operating profit	32.6	24.3	22.2	16.8
At Year-End:				
Number of cardholders (in thousands)	20,770	20,504	18,655	16,406



www.cedyna.co.jp/english/



Cedyna Financial Corporation was formed in April 2009 as a result of the merger of OMC Card, Inc., Central Finance Co., Ltd. and QUOQ Inc., consolidating their client bases, marketing capabilities and expert knowledge. As a member of the SMFG Group, it strives to become "the number one credit card business entity in Japan" by closely working with Sumitomo Mitsui Card.

Concurrently, as a leading consumer finance company, it also provides the highest level of service for diverse consumer financial needs including credit cards, consumer credit, and solution marketing.

Company Name: Cedyna Financial Corporation

Business Profile: Credit card services, consumer credit

Establishment: September 11, 1950

Head Office:

Head Office: 3-23-20 Marunouchi, Naka-ku, Nagoya

Tokyo Head Office: 2-16-4 Konan, Minato-ku, Tokyo

President & CEO: Hajime Yamashita

Number of Employees: 3,096

Credit Ratings (as of June 30, 2011)

	Long-term	Short-term
JCR	A	J-1

Financial Information (Years ended March 31)

	Billions of yen				
	2011	2010	2009		
			OMC*	CF*	QQ*
For the Year:					
Operating revenue	¥203.2	¥223.9	¥137.7	¥80.6	¥44.8
Operating profit	0.8	(40.8)	6.9	(1.4)	(5.2)
At Year-End:					
Number of cardholders (in thousands)	22,513	24,933			

*OMC: OMC Card, Inc.
CF: Central Finance Co., Ltd.
QQ: QUOQ Inc.



Sumitomo Mitsui Finance and Leasing

www.smfl.co.jp/english/



Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL) was formed in October 2007 as a result of the merger of SMBC Leasing Company, Limited and Sumisho Lease Co., Ltd. SMFL strives to become one of the top leasing companies in Japan in terms of both quantity and quality by consolidating and leveraging the client portfolios and expert knowledge of SMBC Leasing Company based on the financial solution formulation capabilities of the SMFG Group, and those of Sumisho Lease Company based on its industrial association with the Sumitomo Corporation Group.

SMFL meets the diversifying needs of our clients by providing high value-added services that go beyond the conventional level

of leasing services, based on its decades of combined experiences of the different backgrounds and characteristics of the two companies. SMFL strives to contribute to society as a leading leasing company through quality leasing operations.

Company Name: Sumitomo Mitsui Finance and Leasing Co., Ltd.

Business Profile: Leasing

Establishment: February 4, 1963

Head Office:

Tokyo Head Office: 3-9-4, Nishi-Shimbashi, Minato-ku, Tokyo
Osaka Head Office: 3-10-19, Minami-Semba, Chuo-ku, Osaka

President & CEO: Yoshinori Kawamura
(Appointed on June 29, 2011)

Number of Employees: 1,485

Credit Ratings (as of June 30, 2011)

	Long-term	Short-term
R&I	A+	a-1
JCR	AA-	J-1+

Financial Information (Years ended March 31)

	Billions of yen			
	2011	2010	2009	2008
For the Year:				
Leasing transaction volume	¥800.8	¥733.6	¥895.8	¥1,054.1
Operating revenue	812.8	894.7	947.6	708.4
Operating profit	50.2	43.8	36.4	36.2



The Japan Research Institute, Limited

www.jri.co.jp/english/

The Japan Research Institute, Limited (JRI), an intelligence engineering company, provides high value-added information system, consultation and think-tank services. In addition to providing financial consultation services on management reform, IT, the planning and development of strategic information systems and outsourcing, it also conducts diverse activities including domestic and international economic research and analysis, policy recommendations and business incubation.

Company Name: The Japan Research Institute, Limited
Business Profile: Systems engineering, data processing, management consulting, think-tank services
Establishment: November 1, 2002
Head Office:
Tokyo Head Office: 16, Ichibancho, Chiyoda-ku, Tokyo
Osaka Head Office: 2-2-4, Tosabori, Nishi-ku, Osaka
President & CEO: Yasuyuki Kimoto
Number of Employees: 2,101



Financial Information (Years ended March 31)

	Billions of yen			
	2011	2010	2009	2008
For the Year:				
Operating revenue....	¥84.8	¥81.7	¥88.0	¥88.1
Operating profit	1.5	0.9	1.0	3.8



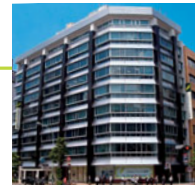
SMBC FRIEND SECURITIES CO., LTD.

www.smbc-friend.co.jp

(Japanese only)

SMBC Friend Securities Co., Ltd. is a securities company with one of the best financial foundations and efficient operations in the industry, and provides a full range of securities services focusing mainly on retail clients. SMBC Friend Securities provides highly efficient nationwide network operations offering services closely tailored to the needs of its clients and the communities while operating a new business model of online financial consulting services.

Company Name: SMBC Friend Securities Co., Ltd.
Business Profile: Securities services
Establishment: March 2, 1948
Head Office: 7-12, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo
President & CEO: Osamu Endo
Number of Employees: 2,034



Financial Information (Years ended March 31)

	Billions of yen			
	2011	2010	2009	2008
For the Year:				
Operating revenue....	¥53.2	¥67.4	¥43.2	¥60.5
Operating profit	10.2	22.7	2.3	19.0

SMBC Friend Securities will continue to develop consistently toward its goal of becoming "one of the leading Japanese securities companies in the retail securities market," offering high-quality products and services accommodating the needs of its clients and building trust for its clients.



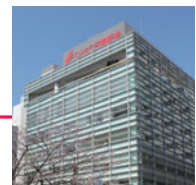
SMBC NIKKO

www.smbcnikko.co.jp/en

SMBC Nikko Securities Inc. (formerly Nikko Cordial Securities Inc.), which was established in July 1918, has developed solid relationships of trust with its corporate clients over the last nine decades. It became a member of the SMFG Group in October 2009, bringing its accumulated knowledge and substantial client base to closely work with and leverage the extensive service network and business relations of SMBC. In April 2011, its corporate name was changed to SMBC Nikko Securities from Nikko Cordial Securities in order to define its status as the principal securities company of the Group. As such, SMBC Nikko Securities provides comprehensive and highly sophisticated financial services by consistently working closely with SMBC in order to pursue comprehensive securities and investment banking businesses.

SMBC Nikko Securities strives to become the leading securities and investment banking company in Japan.

Company Name: SMBC Nikko Securities Inc. (name changed on April 1, 2011)
Business Profile: Securities services
Establishment: June 15, 2009
Head Office: 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
President & CEO: Eiji Watanabe
Number of Employees: 6,975



Credit Ratings (as of June 30, 2011)

	Long-term	Short-term
Moody's	Aa3	P-1
Standard & Poor's	A+	A-1
R&I	A+	a-1
JCR	AA-	-

Financial Information (Years ended March 31)

	2011	Billions of yen		
		2010	2009	2008
For the Year:				
Operating revenue	¥218.6	¥85.6	¥104.9	¥164.1
Operating income	38.5	20.9	23.5	19.6

*1 Formerly Nikko Cordial Securities (1H)

*2 Nikko Cordial Securities, June 2009 (expenses related to preparatory costs prior to the start of operations were posted during the period from June to September)

*3 Formerly Nikko Cordial Securities



Financial Highlights



Sumitomo Mitsui Financial Group

◆ Consolidated

Year ended March 31	Millions of yen				
	2011	2010	2009	2008	2007
For the Year:					
Total income	¥ 3,862,660	¥ 3,184,688	¥ 3,556,536	¥ 4,739,040	¥ 3,947,786
Total expenses.....	3,035,346	2,626,590	3,527,040	3,810,084	3,140,996
Net income (loss)	475,895	271,559	(373,456)	461,536	441,351
Comprehensive income	413,375	—	—	—	—
At Year-End:					
Total net assets.....	¥ 7,132,073	¥ 7,000,805	¥ 4,611,764	¥ 5,224,076	¥ 5,331,279
Total assets.....	137,803,098	123,159,513	119,637,224	111,955,918	100,858,309
Risk-monitored loans.....	1,646,369	1,529,484	1,586,317	1,092,661	1,067,386
Reserve for possible loan losses	1,058,945	1,068,329	1,077,852	894,702	889,093
Net unrealized gains (losses) on other securities.....	370,899	586,414	(33,176)	745,420	1,825,168
Number of employees.....	61,555	57,888	48,079	46,429	41,428
Selected Ratios:					
Capital ratio.....	16.63%	15.02%	11.47%	10.56%	11.31%
Return on Equity	9.76%	7.63%	—%	13.23%	13.07%
Price Earnings Ratio.....	7.68x	12.44x	—x	11.06x	18.74x
Per Share (Yen):					
Net assets	¥3,533.47	¥3,391.75	¥2,790.27	¥424,546.01	¥469,228.59
Net income (loss)	336.85	248.40	(497.39)	59,298.24	57,085.83
Net income — diluted	336.78	244.18	—	56,657.41	51,494.17

- Notes: 1. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." In principle, the values of stocks are calculated using the average market prices during the final month. For details, please refer to page 24.
2. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees and temporary staff.
3. The consolidated capital ratio is calculated according to the formula specified in the Financial Services Agency ("FSA") Notification No. 20 issued in fiscal 2006, which is based on Article 52-25 of the Banking Act of Japan. The consolidated capital ratio of SMFG is calculated under Basel II.
4. SMFG implemented a 100-for-1 stock split of common stock on January 4, 2009. If the stock split had been implemented in the prior years, per share information would be as follows:

Year ended March 31	Yen	
	2008	2007
Net assets	¥4,245.46	¥4,692.29
Net income.....	592.98	570.86
Net income — diluted.....	566.57	514.94

◆ Nonconsolidated

Year ended March 31	Millions of yen				
	2011	2010	2009	2008	2007
For the Year:					
Operating income	¥ 222,217	¥ 133,379	¥ 134,772	¥ 111,637	¥ 376,479
Dividends on investments in subsidiaries and affiliates...	206,865	118,818	117,051	89,693	366,680
Operating expenses	24,467	16,641	8,790	6,246	3,641
Net income.....	191,539	66,176	103,468	82,975	363,535
At Year-End:					
Total net assets (A).....	¥4,842,914	¥4,805,574	¥2,977,547	¥2,968,749	¥2,997,898
Total assets (B)	6,237,655	6,152,774	4,057,313	4,021,217	3,959,444
Total net assets to total assets (A) / (B)	77.64%	78.10%	73.39%	73.83%	75.72%
Capital stock	2,337,895	2,337,895	1,420,877	1,420,877	1,420,877
Number of shares issued					
Preferred stock.....	70,001	70,001	103,401	120,101	120,101
Common stock.....	1,414,055,625	1,414,055,625	789,080,477	7,733,653	7,733,653
Number of employees.....	192	183	167	136	131
Selected Ratios:					
Return on Equity	4.02%	1.59%	3.52%	2.67%	13.71%
Price Earnings Ratio.....	19.68x	57.41x	28.79x	71.82x	23.10x
Dividend payout ratio.....	76.09%	213.41%	75.96%	131.37%	15.31%
Per Share (Yen):					
Net assets	¥3,282.75	¥3,256.32	¥3,389.38	¥339,454.71	¥342,382.75
Dividends:					
Common stock	100	100	90	12,000	7,000
Preferred stock (1st series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (2nd series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (3rd series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (4th series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (5th series Type 4).....	/	/	/	135,000	135,000
Preferred stock (6th series Type 4).....	/	/	/	135,000	135,000
Preferred stock (7th series Type 4).....	/	/	/	135,000	135,000
Preferred stock (8th series Type 4).....	/	/	/	135,000	135,000
Preferred stock (9th series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (10th series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (11th series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (12th series Type 4).....	/	67,500	135,000	135,000	135,000
Preferred stock (1st series Type 6).....	88,500	88,500	88,500	88,500	88,500
Net income	131.42	53.82	118.43	9,134.13	46,326.41
Net income — diluted	131.41	—	—	9,133.76	41,973.46

Notes: 1. All SMFG employees are on secondment assignment from SMBC, etc.

2. SMFG implemented a 100-for-1 stock split of common stock on January 4, 2009. If the stock split had been implemented in the prior years, per share information would be as follows:

Year ended March 31	Yen	
	2008	2007
Net assets	¥3,394.55	¥3,423.83
Dividends:		
Common stock	120	70
Net income.....	91.34	463.26
Net income — diluted.....	91.34	419.73

◆ Consolidated

Year ended March 31	Millions of yen				
	2011	2010	2009	2008	2007
For the Year:					
Total income	¥ 2,714,944	¥ 2,597,675	¥ 2,991,839	¥ 3,417,611	¥ 2,971,693
Total expenses.....	1,972,065	2,039,296	2,941,009	2,691,606	2,220,971
Net income (loss)	450,832	332,497	(317,306)	351,820	401,795
Comprehensive income	363,689	—	—	—	—
At Year-End:					
Total net assets.....	¥ 6,983,132	¥ 6,894,564	¥ 4,518,647	¥ 5,080,747	¥ 5,412,458
Total assets.....	132,715,674	120,041,369	115,849,385	108,637,791	98,570,638
Risk-monitored loans.....	1,529,587	1,498,271	1,561,824	1,073,471	1,047,566
Reserve for possible loan losses	943,077	1,007,160	1,011,845	848,031	860,799
Net unrealized gains (losses) on other securities.....	305,968	523,444	(59,758)	754,456	1,852,971
Number of employees.....	48,219	47,837	37,345	36,085	31,718
Selected Ratios:					
Capital ratio.....	19.16%	16.68%	13.54%	12.19%	12.95%
Return on Equity	8.42%	8.64%	—%	9.56%	12.95%
Per Share (Yen):					
Net assets	¥50,344.52	¥49,036.12	¥41,492.54	¥60,442.81	¥67,823.69
Net income (loss)	4,184.89	4,240.20	(5,740.34)	6,132.91	7,072.09
Net income — diluted	4,184.07	4,236.01	—	6,132.75	7,012.46

Notes: 1. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." In principle, the values of stocks are calculated using the average market prices during the final month.

2. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees and temporary staff.

3. The consolidated capital ratio is calculated according to the formula specified in the FSA Notification No. 19 issued in fiscal 2006, which is based on Article 14-2 of the Banking Act of Japan. The consolidated capital ratio of SMBC is calculated under Basel II.

◆ Nonconsolidated

Year ended March 31	Millions of yen				
	2011	2010	2009	2008	2007
For the Year:					
Total income	¥ 2,110,588	¥ 2,087,777	¥ 2,548,073	¥ 2,944,677	¥ 2,492,577
Total expenses.....	1,521,748	1,633,026	2,520,286	2,437,222	1,905,648
Net income (loss)	421,180	317,995	(301,116)	205,742	315,740
(Appendix)					
Gross banking profit (A).....	1,531,759	1,455,275	1,524,856	1,484,783	1,344,490
Banking profit	844,897	778,589	747,647	819,691	782,330
Banking profit (before provision for general reserve for possible loan losses)	832,562	769,522	823,377	819,691	740,601
Expenses (excluding nonrecurring losses) (B).....	699,197	685,752	701,479	665,091	603,888
At Year-End:					
Total net assets.....	¥ 5,559,293	¥ 5,397,949	¥ 2,546,493	¥ 3,493,249	¥ 3,992,884
Total assets.....	115,484,907	103,536,394	107,478,218	100,033,020	91,537,228
Deposits.....	82,443,286	77,630,639	76,905,708	69,382,834	68,809,338
Loans and bills discounted	55,237,613	56,619,058	60,241,266	56,957,813	53,756,440
Securities	39,853,432	28,536,200	28,000,515	22,758,241	20,060,873
Risk-monitored loans.....	1,090,605	1,068,017	1,137,058	770,587	721,064
Problem assets based on the Financial Reconstruction Law.....	1,126,269	1,100,685	1,194,170	803,939	738,667
Reserve for possible loan losses	711,522	758,178	791,885	620,004	677,573
Net unrealized gains (losses) on other securities.....	305,621	521,377	(42,701)	755,749	1,832,891
Trust assets and liabilities.....	1,576,094	1,403,236	1,262,993	1,175,711	1,174,396
Loans and bills discounted.....	237,383	221,970	222,030	223,740	5,350
Securities.....	444,664	457,585	392,812	273,504	267,110
Capital stock.....	1,770,996	1,770,996	664,986	664,986	664,986
Number of shares issued (in thousands)					
Preferred stock.....	70	70	70	70	70
Common stock.....	106,248	106,248	56,355	56,355	56,355
Number of employees.....	22,524	22,460	21,816	17,886	16,407
Selected Ratios:					
Capital ratio.....	21.45%	18.28%	13.85%	12.67%	13.45%
Return on Equity	7.87%	8.28%	—%	5.64%	10.13%
Dividend payout ratio.....	35.53%	48.06%	—%	41.99%	13.89%
Overhead ratio (B) / (A).....	45.6%	47.1%	46.0%	44.8%	44.9%
Per Share (Yen):					
Net assets	¥50,317.86	¥48,799.31	¥41,404.62	¥58,204.22	¥67,124.90
Dividends:					
Common stock	1,388	1,620	1,638	1,487	763
Preferred stock (1st series Type 6).....	88,500	88,500	88,500	88,500	88,500
Net income (loss)	3,905.80	4,051.75	(5,453.06)	3,540.84	5,533.69
Net income — diluted	—	—	—	—	5,487.21

- Notes: 1. Please refer to page 169 for the definitions of risk-monitored loans and problem assets based on the Financial Reconstruction Law.
2. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." The values of stocks are calculated using the average market prices during the final month. For details, please refer to page 29.
3. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees, temporary staff, and executive officers who are not also Board members.
4. The nonconsolidated capital ratio is calculated according to the formula specified in the FSA Notification No. 19 issued in fiscal 2006, which is based on Article 14-2 of the Banking Act of Japan. The nonconsolidated capital ratio of SMBC is calculated under Basel II.
5. "Net income — diluted" per share for the fiscal years ended March 31, 2008 and after is not reported because no potentially dilutive shares have been issued.



Financial Review

Sumitomo Mitsui Financial Group (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The following is a summary of SMFG's consolidated financial results for the fiscal year ended March 31, 2011.

1. Operating Results

Operating results for fiscal 2010 include the results of 327 consolidated subsidiaries and 47 subsidiaries and affiliates accounted for by the equity method.

In fiscal 2010, net interest income decreased due mainly to deterioration in interest margins on deposits and loans resulting from lower interest rates in Japan. However, SMBC increased gains on bonds by quickly responding to fluctuations in market interest rates, and SMFG's net fees and commissions increased mainly because of an increase in the number of consolidated subsidiaries. As a result, gross profit increased by ¥268.0 billion year on year to ¥2,504.7

billion. After adjusting for general and administrative expenses, credit cost, net losses on stocks, equity in losses of affiliates and other items, ordinary profit increased by ¥266.6 billion year on year to ¥825.4 billion, due mainly to a decrease in SMBC's credit cost as a result of the tailored efforts to assist certain debtors to improve their businesses and financial conditions.

After adjusting ordinary profit for extraordinary gains and losses, income taxes, and other items, net income increased by ¥204.3 billion year on year to ¥475.8 billion.

Number of Consolidated Subsidiaries, and Subsidiaries and Affiliates Accounted for by the Equity Method

March 31	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Consolidated subsidiaries	327	307	20
Subsidiaries and affiliates accounted for by the equity method	47	58	(11)

Income Summary

Year ended March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Consolidated gross profit	¥2,504,730	¥2,236,634	¥268,096
Net interest income	1,317,651	1,380,912	(63,261)
Trust fees	2,335	1,778	557
Net fees and commissions	766,230	608,616	157,614
Net trading income	237,093	194,087	43,006
Net other operating income.....	181,419	51,238	130,181
General and administrative expenses	(1,355,322)	(1,161,302)	(194,020)
Credit cost (A).....	(220,162)	(473,937)	253,775
Write-off of loans	(156,571)	(176,672)	20,101
Provision for specific reserve for possible loan losses.....	(63,574)	(184,257)	120,683
Provision for general reserve for possible loan losses	14,919	(17,944)	32,863
Others	(14,935)	(95,063)	80,128
Net losses on stocks	(91,949)	(10,078)	(81,871)
Equity in losses of affiliates	(13,319)	(21,542)	8,223
Net other income (expenses).....	1,452	(11,003)	12,455
Ordinary profit	825,428	558,769	266,659
Extraordinary gains (losses).....	1,884	(671)	2,555
Losses on impairment of fixed assets.....	(5,411)	(12,856)	7,445
Gains on recoveries of written-off claims (B).....	2,813	968	1,845
Income before income taxes and minority interests	827,313	558,097	269,216
Income taxes:			
Current	(97,446)	(104,110)	6,664
Deferred.....	(143,325)	(74,759)	(68,566)
Income before minority interests.....	586,542	379,227	207,315
Minority interests in net income	(110,646)	(107,668)	(2,978)
Net income	¥ 475,895	¥ 271,559	¥204,336
Net total credit cost (A) + (B)	¥ (217,348)	¥ (472,968)	¥255,620
[Reference]			
Consolidated net business profit (Billions of yen)	¥ 1,002.0	¥ 832.3	¥ 169.7

Notes: 1. Consolidated gross profit = (Interest income – Interest expenses) + Trust fees + (Fees and commissions – Fees and commissions payments) + (Trading income – Trading losses) + (Other operating income – Other operating expenses)
 2. Consolidated net business profit = SMBC's nonconsolidated banking profit (before provision for general reserve for possible loan losses) + SMFG's ordinary profit + Other subsidiaries' ordinary profit (excluding nonrecurring factors) + Equity method affiliates' ordinary profit × Ownership ratio – Internal transactions (dividends, etc.)

Deposits (excluding negotiable certificates of deposit) at the end of the fiscal year under review rose by ¥3,350.3 billion in comparison with March 31, 2010 to ¥81,998.9 billion, and negotiable certificates of deposit increased by ¥1,370.7 billion to ¥8,366.3 billion.

Meanwhile, loans and bills discounted decreased by

¥1,352.6 billion year on year to ¥61,348.3 billion, and the balance of securities increased by ¥11,328.1 billion to ¥39,952.1 billion.

Net assets amounted to ¥7,132.0 billion, and, of this total, stockholders' equity was ¥4,921.4 billion, due mainly to recording of net income.

Assets, Liabilities and Net Assets

March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Assets.....	¥137,803,098	¥123,159,513	¥14,643,585
Securities.....	39,952,123	28,623,968	11,328,155
Loans and bills discounted.....	61,348,355	62,701,033	(1,352,678)
Liabilities.....	130,671,024	116,158,708	14,512,316
Deposits.....	81,998,940	78,648,595	3,350,345
Negotiable certificates of deposit.....	8,366,323	6,995,619	1,370,704
Net assets	7,132,073	7,000,805	131,268

2. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2011 amounted to ¥430.7 billion, a decrease of ¥214.2 billion from the previous fiscal year-end, reflecting a decrease in the value of equities and other factors. Of this total, net

unrealized gains on other securities, including "other money held in trust," which are directly debited to net assets, amounted to ¥370.9 billion, a decrease of ¥215.5 billion from the previous fiscal year-end.

Unrealized Gains (Losses) on Securities

March 31	2011				2010		
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 59,857	¥ 1,247	¥ 61,389	¥ 1,531	¥ 58,610	¥ 59,344	¥ 734
Other securities	370,899	(215,515)	720,864	349,965	586,414	799,355	212,941
Stocks.....	311,956	(99,028)	487,773	175,817	410,984	543,745	132,761
Bonds	76,770	(46,888)	108,640	31,870	123,658	131,821	8,163
Others.....	(17,827)	(69,598)	124,449	142,277	51,771	123,788	72,017
Other money held in trust.....	42	(20)	42	—	62	157	95
Total	430,799	(214,288)	782,295	351,496	645,087	858,858	213,770
Stocks.....	311,956	(99,028)	487,773	175,817	410,984	543,745	132,761
Bonds	136,639	(45,730)	170,021	33,382	182,369	191,162	8,793
Others.....	(17,796)	(69,529)	124,500	142,297	51,733	123,950	72,216

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Cash and due from banks" and "Deposits with banks" and beneficiary claims on loan trusts in "Monetary claims bought," etc.
2. Unrealized gains (losses) on stocks (including foreign stocks) are mainly calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price as of the balance sheet date.
3. "Other securities" and "Other money held in trust" are valued and recorded on the consolidated balance sheet at market prices. The figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.
- Net unrealized gains (losses) on other securities, as of March 31, 2011 and 2010, included gains of ¥1,153 million and ¥105 million, respectively, which were recognized in the statements of income by applying fair value hedge accounting. As a result, the amounts recorded in net assets, as of March 31, 2011 and 2010, were reduced by ¥1,153 million and ¥105 million, respectively.
4. Floating-rate Japanese government bonds which SMFG held as "Other securities" are carried on the consolidated balance sheet at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value for Financial Assets" (Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No. 25).

3. Consolidated Capital Ratio

SMFG's consolidated capital ratio as of March 31, 2011 was 16.63%, 1.61 percentage points higher than at March 31, 2010.

Total capital, which is the numerator in the capital ratio calculation equation, rose by ¥304.6 billion year on year

to ¥8,432.8 billion. This was due mainly to recording of net income. Risk-adjusted assets, the denominator in the equation, decreased by ¥3,390.7 billion year on year to ¥50,693.6 billion due in part to a reduction in corporate exposures.

Consolidated Capital Ratio

March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Tier I capital	¥ 6,323,995	¥ 6,032,280	¥ 291,715
Tier II capital included as qualifying capital.....	2,536,958	2,563,853	(26,895)
Deductions	(428,082)	(467,906)	39,824
Total capital	8,432,871	8,128,228	304,643
Risk-adjusted assets	50,693,696	54,084,471	(3,390,775)
Consolidated capital ratio	16.63%	15.02%	1.61%
Tier I capital ratio.....	12.47%	11.15%	1.32%

4. Dividend Policy

In view of the public nature of its business, SMFG has set a fundamental policy of increasing profit distribution stably and continuously through sustainable growth in enterprise value, while enhancing the Group's capital to maintain a sound financial position. SMFG aims for a dividend payout ratio of over 20% on a consolidated net income basis, and its fundamental policy is to distribute dividends from retained earnings twice a year in the form of an interim dividend and a yearend dividend. An interim dividend can be declared by the Board of Directors, with September 30 of each year as the recorded

date, but the approval of shareholders at the annual general meeting is required to pay a yearend dividend.

After taking into account the fiscal 2010 business performance, SMFG has decided to pay a term-end dividend of ¥100 per share of common stock for the fiscal year.

SMFG will employ its retained earnings to increase its enterprise value by aiming for top quality in strategic business areas, and establishing a solid financial base and corporate infrastructure enough to address the new financial regulations and competitive environment.

5. Deferred Tax Assets

Net deferred tax assets decreased by ¥77.8 billion from the end of the previous fiscal year to ¥624.2 billion.

SMFG takes a conservative approach to recognizing deferred tax assets in order to secure a sound financial position.

Deferred Tax Assets

March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Net deferred tax assets	¥624,219	¥702,065	¥(77,846)
Net deferred tax assets / Tier I capital × 100	9.9%	11.6%	(1.7)%

Sumitomo Mitsui Banking Corporation (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

The following is a summary of SMBC's nonconsolidated financial results for the fiscal year ended March 31, 2011.

1. Operating Results

Gross banking profit in fiscal 2010 increased by ¥76.4 billion from the previous fiscal year to ¥1,531.7 billion, and expenses (excluding nonrecurring losses) rose by ¥13.4 billion to ¥699.1 billion. As a result, banking profit (before provision for general reserve for possible loan losses) increased by ¥63.0 billion to ¥832.5 billion.

Ordinary profit — banking profit (before provision for general reserve for possible loan losses) adjusted for nonrecurring items such as credit cost and net losses on stocks — increased by ¥132.9 billion to ¥595.7 billion.

After adjustment of ordinary profit for extraordinary gains and losses and income taxes, SMBC posted net income of ¥421.1 billion, a year-on-year increase of ¥103.1 billion.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased by ¥76.4 billion year on year to ¥1,531.7 billion. This was mainly due to increased gains on bonds by quickly responding to fluctuations in market interest rates, and higher total fees for loan-related services at the International Banking Unit.

Expenses

Expenses (excluding nonrecurring losses) increased by ¥13.4 billion to ¥699.1 billion. This increase was due mainly to costs associated with a bolstering of personnel in strategic business domains and investments made in previous fiscal years in branches and computer systems, which outweighed the benefits of ongoing cost-cutting measures in publicity and advertising expenses and building and maintenance expenses.

Banking Profit

Banking profit (before provision for general reserve for possible loan losses) increased by ¥63.0 billion from the previous fiscal year to ¥832.5 billion.

Banking Profit

Year ended March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Gross banking profit	¥1,531,759	¥1,455,275	¥ 76,484
[Gross domestic banking profit]	[1,114,329]	[1,117,224]	[(2,895)]
[Gross international banking profit]	[417,429]	[338,050]	[79,379]
Net interest income	967,825	1,046,382	(78,557)
Trust fees	2,299	1,736	563
Net fees and commissions	302,667	286,714	15,953
Net trading income	151,070	115,356	35,714
Net other operating income	107,897	5,085	102,812
[Gross banking profit (excluding gains (losses) on bonds)]	[1,384,638]	[1,418,005]	[(33,367)]
Expenses (excluding nonrecurring losses)	(699,197)	(685,752)	(13,445)
Personnel expenses	(249,842)	(245,728)	(4,114)
Nonpersonnel expenses	(411,471)	(403,265)	(8,206)
Taxes	(37,883)	(36,759)	(1,124)
Banking profit (before provision for general reserve for possible loan losses)	832,562	769,522	63,040
[Banking profit (before provision for general reserve for possible loan losses and gains (losses) on bonds)]	[685,441]	[732,252]	[(46,811)]
Provision for general reserve for possible loan losses	12,335	9,067	3,268
Banking profit	844,897	778,589	66,308

<Reference>

Banking Profit by Business Unit

Year ended March 31, 2011	Billions of yen						
	Consumer Banking Unit	Middle Market Banking Unit	Corporate Banking Unit	International Banking Unit	Treasury Unit	Head Office Account	Total
Banking profit (before provision for general reserve for possible loan losses)	¥97.5	¥222.2	¥165.3	¥128.6	¥312.8	¥(93.8)	¥832.6
Year-on-year increase (decrease)	3.6	(24.1)	(3.0)	25.1	56.1	5.4	63.1

Notes: 1. Year-on-year comparisons are those used for internal reporting and exclude changes due to interest rate and foreign exchange rate fluctuations.

2. "Head Office Account" consists of (1) financing costs on preferred securities and subordinated debt, (2) profit earned on investing the Bank's own capital, and (3) adjustment of inter-unit transactions, etc.

Nonrecurring Losses (Credit Cost, etc.)

Nonrecurring losses amounted to ¥249.1 billion, an improvement of ¥66.6 billion from the previous fiscal year. This was due mainly to a ¥156.1 billion drop in credit cost to ¥107.6 billion, as a result of the tailored efforts to assist certain debtors to improve their businesses and financial conditions, which outweighed the impact of a ¥91.1 billion worsening in net losses on stocks to ¥87.2 billion, due to increased write-offs.

Net total credit cost — the sum of credit cost of ¥107.6 billion recorded under “Nonrecurring losses,” provision for general reserve for possible loan losses, and gains on recoveries of written-off claims — amounted to ¥94.2 billion, a year-on-year decrease of ¥160.3 billion.

Ordinary Profit

As a result of the foregoing, ordinary profit totaled ¥595.7 billion, ¥132.9 billion higher than in the previous fiscal year.

Extraordinary Gains (Losses)

Extraordinary losses amounted to ¥6.8 billion, a decrease of ¥1.1 billion from the previous year.

Net Income

Current income taxes amounted to ¥42.3 billion, and deferred income taxes were ¥125.2 billion. As a result, net income increased by ¥103.1 billion year on year to ¥421.1 billion.

Ordinary Profit and Net Income

Year ended March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Banking profit (before provision for general reserve for possible loan losses).....	¥832,562	¥ 769,522	¥ 63,040
Provision for general reserve for possible loan losses (A).....	12,335	9,067	3,268
Banking profit	844,897	778,589	66,308
Nonrecurring gains (losses).....	(249,193)	(315,839)	66,646
Credit cost (B).....	(107,660)	(263,805)	156,145
Net gains (losses) on stocks.....	(87,285)	3,857	(91,142)
Gains on sale of stocks	21,671	56,719	(35,048)
Losses on sale of stocks	(1,604)	(886)	(718)
Losses on devaluation of stocks	(107,353)	(51,975)	(55,378)
Others	(54,247)	(55,892)	1,645
Ordinary profit	595,704	462,749	132,955
Extraordinary gains (losses).....	(6,864)	(7,999)	1,135
Gains (losses) on disposal of fixed assets.....	(2,336)	2,448	(4,784)
Losses on impairment of fixed assets.....	(4,288)	(10,525)	6,237
Gains on recoveries of written-off claims (C).....	1,055	77	978
Income taxes:			
Current.....	(42,386)	(44,997)	2,611
Deferred.....	(125,273)	(91,757)	(33,516)
Net income	¥421,180	¥ 317,995	¥103,185
Net total credit cost (A) + (B) + (C).....	¥ (94,269)	¥(254,660)	¥160,391
Provision for general reserve for possible loan losses	12,335	9,067	3,268
Write-off of loans	(70,775)	(102,663)	31,888
Provision for specific reserve for possible loan losses.....	(27,104)	(92,114)	65,010
Losses on sales of delinquent loans	(9,693)	(69,259)	59,566
Provision for loan loss reserve for specific overseas countries.....	(87)	232	(319)
Gains on recoveries of written-off claims	1,055	77	978

3. Assets, Liabilities and Net Assets

Assets

SMBC's assets as of March 31, 2011 increased by ¥11,948.5 billion from the previous fiscal year-end to a total of ¥115,484.9 billion. This increase was due chiefly to a ¥11,317.2 billion increase in securities due to an increase in the balance of Japanese government bonds held.

Liabilities

Liabilities as of March 31, 2011 amounted to ¥109,925.6 billion, an increase of ¥11,787.1 billion from the previous fiscal year-end. The main reason for the increase in liabilities was a ¥3,579.2 billion increase in deposits due to the rising total value of deposits held by individuals and of corporate deposits in Japan, and increases in fund procurement in the borrowed money and other markets.

Net Assets

Net assets at fiscal year-end amounted to ¥5,559.2 billion. Of this total, stockholders' equity amounted to ¥5,188.2 billion, consisting of ¥1,770.9 billion in capital stock, ¥2,481.2 billion in capital surplus (including ¥710.2 billion in other capital surplus), and ¥935.9 billion in retained earnings.

Valuation and translation adjustments were ¥371.0 billion, comprising ¥229.8 billion in net unrealized gains on other securities, ¥121.1 billion in net deferred gains on hedges, and ¥20.0 billion in land revaluation excess.

Assets, Liabilities and Net Assets

March 31	Millions of yen		
	2011 (A)	2010 (B)	Increase (decrease) (A) – (B)
Assets.....	¥115,484,907	¥103,536,394	¥11,948,513
Securities.....	39,853,432	28,536,200	11,317,232
Loans and bills discounted.....	55,237,613	56,619,058	(1,381,445)
Liabilities.....	109,925,614	98,138,445	11,787,169
Deposits.....	74,036,469	70,457,266	3,579,203
Negotiable certificates of deposit.....	8,406,816	7,173,373	1,233,443
Net assets	5,559,293	5,397,949	161,344

4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2011 amounted to ¥336.6 billion, a decrease of ¥229.2 billion from the previous fiscal year-end, reflecting a decrease in the value of equities and other factors. Of this total, net

unrealized gains on other securities, including “other money held in trust,” which are directly debited to net assets, amounted to ¥305.6 billion, a decrease of ¥215.7 billion from the previous fiscal year-end.

Unrealized Gains (Losses) on Securities

March 31	2011				2010		
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 58,930	¥ 1,027	¥ 60,394	¥ 1,463	¥ 57,903	¥ 58,530	¥ 626
Stocks of subsidiaries and affiliates...	(27,948)	(14,477)	521	28,470	(13,471)	—	13,471
Other securities	305,621	(215,756)	662,003	356,382	521,377	738,870	217,493
Stocks.....	275,468	(95,991)	468,639	193,170	371,459	518,132	146,672
Bonds	71,931	(44,214)	99,888	27,956	116,145	123,064	6,918
Others	(41,778)	(75,550)	93,476	135,254	33,772	97,674	63,901
Other money held in trust.....	42	(20)	42	—	62	157	95
Total	336,646	(229,226)	722,962	386,315	565,872	797,558	231,686
Stocks.....	261,289	(104,690)	469,161	207,871	365,979	518,132	152,153
Bonds	130,861	(43,188)	160,282	29,420	174,049	181,594	7,545
Others	(55,505)	(81,348)	93,518	149,023	25,843	97,831	71,987

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in “Cash and due from banks” and “Deposits with banks” and beneficiary claims on loan trusts in “Monetary claims bought,” etc.
2. Unrealized gains (losses) on stocks (excluding stocks of subsidiaries and affiliates) (including foreign stocks) are calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price as of the balance sheet date.
3. “Other securities” and “Other money held in trust” are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.
- Net unrealized gains (losses) on other securities, as of March 31, 2011 and 2010, included gains of ¥1,153 million and ¥105 million, respectively, which were recognized in the statements of income by applying fair value hedge accounting. As a result, the amounts recorded in net assets, as of March 31, 2011 and 2010, were reduced by ¥1,153 million and ¥105 million, respectively.
4. Floating-rate Japanese government bonds which SMBC held as “Other securities” are carried on the balance sheet at their reasonably estimated amounts in accordance with the “Practical Solution on Measurement of Fair Value for Financial Assets” (ASBJ Practical Issues Task Force No. 25).

Exposure of Securitized Products (Sumitomo Mitsui Financial Group (Consolidated))

The figures contained in this section have been compiled on a managerial accounting basis.

1. Securitized Products

(Billions of yen)

	March 31, 2011						March 31, 2010		
	Balances (after provisions and write-offs)	Change from Mar. 31, 2010	Overseas	Change from Mar. 31, 2010	Net unrealized gains/losses (after write-offs)	Change from Mar. 31, 2010	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)
Cards	¥ 2.6	¥2.6	¥2.6	¥2.6	¥(0.1)	¥(0.1)	¥ —	¥ —	¥ —
CLO	1.5	(1.4)	1.5	(1.4)	1.2	0.7	2.9	2.9	0.5
CMBS	12.7	(0.9)	—	—	0.1	0.1	13.6	—	0.0
RMBS, etc.	1.3	1.2	0.1	(0.0)	0.3	0.3	0.1	0.1	0.0
Total	¥18.1	¥1.5	¥4.2	¥1.2	¥ 1.5	¥ 1.0	¥16.6	¥3.0	¥0.5

- Notes: 1. RMBS, etc. include approximately ¥0.1 billion of sub-prime related products.
2. There is no amount of ABCP.
3. Excludes GSE and SMBC's exposure to subordinated beneficiaries owned through the securitization of SMBC's loan receivables.
4. No loss was recorded on securitized products in the fiscal year ended March 31, 2011.

2. Transactions with Monoline Insurance Companies

Credit Derivatives (Credit Default Swap ["CDS"]) Transactions with Monoline Insurance Companies

(Billions of yen)

	March 31, 2011			March 31, 2010		March 31, 2011		March 31, 2010
	Net exposure	Change from Mar. 31, 2010	Reserve for possible loan losses	Net exposure	Reserve for possible loan losses	Amount of reference assets	Change from Mar. 31, 2010	Amount of reference assets
Exposure to CDS transactions with monoline insurance companies	¥2.9	¥(45.6)	¥0.8	¥48.5	¥13.6	¥321.3	¥(181.8)	¥503.1

- Notes: 1. Reference assets are rated investment grade or equivalent, and do not include sub-prime related assets.
2. SMFG recorded loss on such transactions of approximately ¥3.7 billion in the fiscal year ended March 31, 2011.

Loans and Investments Guaranteed by Monoline Insurance Companies, etc.

(Billions of yen)

	March 31, 2011			March 31, 2010	
	Exposure	Change from Mar. 31, 2010	Reserve for possible loan losses	Exposure	Reserve for possible loan losses
Loans and investments guaranteed or insured by monoline insurance companies	¥9.4	¥(0.1)	¥0.0	¥9.5	¥0.0

Note: Underlying assets are those of project finance, etc., which are rated investment grade or equivalent, and include no sub-prime related assets.

3. Leveraged Loans

(Billions of yen)

	March 31, 2011					March 31, 2010		
	Loans	Change from Mar. 31, 2010	Undrawn commitments	Change from Mar. 31, 2010	Reserve for possible loan losses	Loans	Undrawn commitments	Reserve for possible loan losses
Europe	¥196.9	¥(64.2)	¥ 23.4	¥ (5.4)	¥ 7.5	¥261.1	¥ 28.8	¥ 6.2
Japan	183.5	7.3	15.5	3.7	12.7	176.2	11.8	12.7
United States	77.2	(36.0)	66.1	(7.4)	11.0	113.2	73.5	12.2
Asia (excluding Japan)	65.4	5.8	7.7	(1.7)	1.0	59.6	9.4	2.3
Total	¥523.0	¥(87.1)	¥112.7	¥(10.8)	¥32.2	¥610.1	¥123.5	¥33.4

- Notes: 1. Above figures include the amount to be sold of approximately ¥3 billion.
In the fiscal year ended March 31, 2011, we sold leveraged loans of approximately ¥24 billion, and loss on the sale amounted to approximately ¥3 billion.
2. Above figures do not include leveraged loans which are included in underlying assets of "1. Securitized Products."
3. Reserves do not include general reserve for possible loan losses for normal borrowers.

4. Asset Backed Commercial Paper (ABCP) Programs as Sponsor

We sponsor issuance of ABCP, whose reference assets are such as clients' receivables, in order to fulfill clients' financing needs. Most of the reference assets are high-grade claims of corporate clients and do not include sub-prime related assets.

(Billions of yen)

	March 31, 2011				March 31, 2010	
	Notional amount	Change from Mar. 31, 2010	Overseas	Change from Mar. 31, 2010	Notional amount	Overseas
Reference assets related to ABCP programs as sponsor	¥473.2	¥(28.1)	¥194.7	¥56.1	¥501.3	¥138.6

Reference: In addition, we provide liquidity supports for ABCP programs which are sponsored by other banks.
Total notional amount of reference assets of such programs is approximately ¥47 billion.

5. Others

We have no securities issued by structured investment vehicles.

Risk Management

Basic Approach

As risks in the financial services increase in diversity and complexity, risk management—identifying, measuring, and controlling risk—has never been more important in the management of a financial holding company.

SMFG has encapsulated the basic principles to be employed in risk management in the manual entitled *Regulations on Risk Management*. In the manual, we have specified the basic policies for risk management: 1) Set forth SMFG's Groupwide basic policies for risk management after specifying the categories of risk to which these policies apply; 2) Provide all necessary guidance to Group companies to enable them to follow the basic risk management policies set forth by SMFG and set up their own appropriate risk management systems; and 3) Monitor the implementation of risk management by all Group companies to ensure that their practices meet the relevant standards.

(1) Types of Risk to Be Managed

At SMFG, we classify risk into the following categories: (1) credit risk, (2) market risk, (3) liquidity risk and (4) operational risk (including processing risk and system risk). In addition, we provide individually tailored guidance to help Group companies identify categories of risk that need to be addressed. Risk categories are constantly reviewed, and new categories may be added in response to changes in the operating environment. The Corporate Risk Management Department works with the Corporate Planning Department to comprehensively and systematically manage all these categories of risk across the entire Group.

(2) Fundamental Principles and Basic Policies for Risk Management

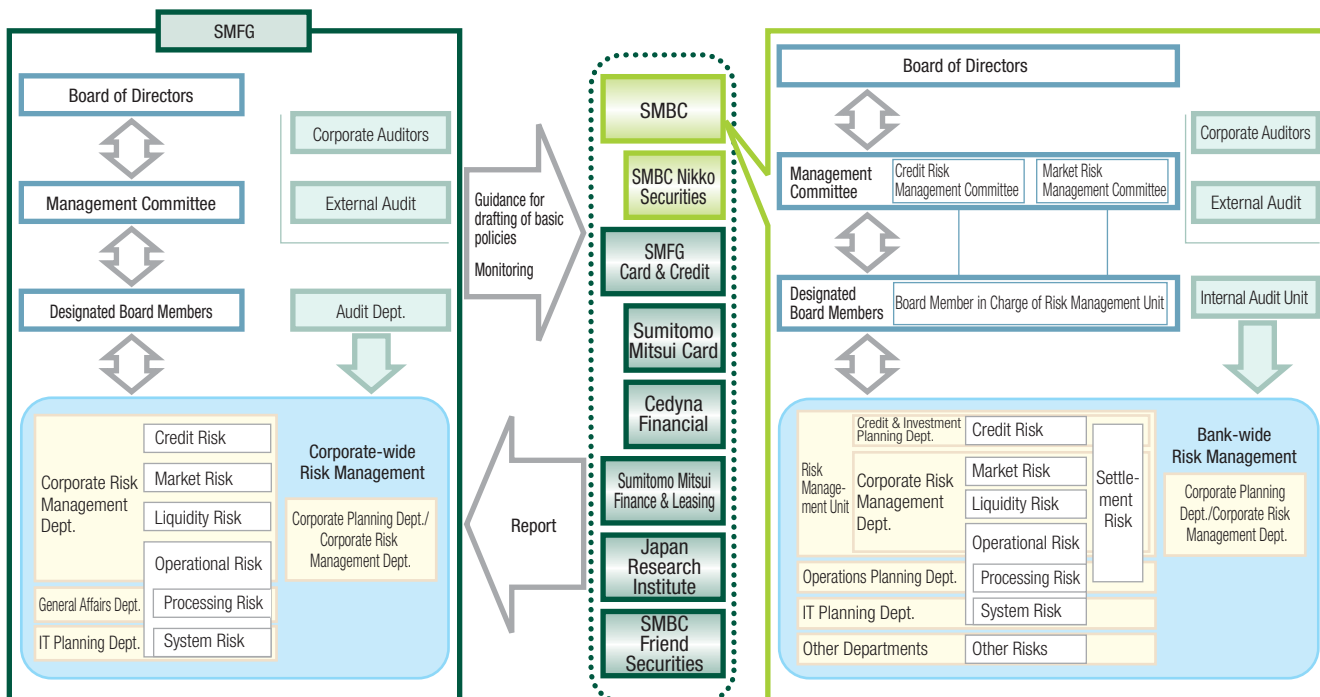
SMFG's Groupwide basic policies for risk management stipulate the fundamental principles for risk management that must be followed, and spell out risk management procedures from various perspectives. These include managing risk on a consolidated accounting basis, managing risk using quantification methods, ensuring consistency with business strategies, setting up a system of checks and balances, contingency planning for emergencies and serious situations, and verifying preparedness to handle all conceivable risk situations. In addition, there are specific operational policies for implementing appropriate management of risk by all Group companies.

Under SMFG's Groupwide basic policies for risk management, all Group companies periodically carry out reviews of the basic management policies for each risk category, or whenever deemed necessary, thus ensuring that the policies followed at any time are the most appropriate. The management of SMFG constantly monitors the conduct of risk management at Group companies, providing guidance when necessary.

Risk Management System

Top management plays an active role in determining SMFG's Groupwide basic policies for risk management. The system works as follows: The basic policies for risk management are determined by the Management Committee before being authorized by the Board. The Management Committee, the designated board members, and the relevant risk management departments perform risk management according to the basic policies.

SMFG's Risk Management System



Risk management systems are in place at the individual Group companies in accordance with SMFG's Groupwide basic policies for risk management. For example, at SMBC, specific departments have been appointed to oversee the handling of the four risk categories listed above, in addition to risks associated with settlement. Each risk category is managed taking into account the particular characteristics of that category. In addition, the Risk Management Unit has been established— independent of the business units—and the risk management framework has been strengthened by consolidating the functions for managing major risks—credit, market, liquidity and operational—into the Risk Management Unit and enhancing our across-the-board risk monitoring ability. A board member is assigned to oversee the Risk Management Unit comprising the Corporate Risk Management Department and Credit & Investment Planning Department. The Corporate Risk Management Department—the unit's planning department—comprehensively and systematically manages all categories of risk in cooperation with the Corporate Planning Department. Moreover, the Internal Audit Unit—independent of all business units—conducts periodic audits to ensure that the management system is functioning properly.

Furthermore, under our system top management plays an active role in the approval of basic policies for risk management. The decision-making process for addressing credit, market, and liquidity risk at the operating level is strengthened by the Credit Risk Management Committee and the Market Risk Management Committee, which are subcommittees of the Management Committee. The Management Committee is also attended by the relevant department heads.

Integrated Risk Management

(1) Risk Capital-Based Management

In order to maintain a balance between risk and return as well as ensure the soundness of the Group from an overall perspective, we employ the risk capital-based management method. We measure "risk capital" based on value at risk (VaR), etc. as a uniform basic measure of credit, market, and operational risk, taking account of the special characteristics of each type of risk and the business activities of each Group company. We then allocate capital appropriately and effectively to each unit to keep total exposure to various risks within the scope of our resources, i.e., capital.

In the case of credit and market risk, we set maximum risk capital limits, which indicate the maximum risk that may be taken during the period, taking account the level of stress stipulated in business plans. In addition, for operational risk, we also allocate risk capital, and, for the Group as a whole, we set total risk capital allocations within SMFG's capital. Risk capital limits are subdivided into guidelines or ceilings for each business including VaR and loss limits. Therefore, by strictly observing the VaR and loss limits, and other factors, SMFG maintains the soundness of the Group as a whole.

In this framework, risk capital includes credit concentration risk and interest rate risk in the banking book which are taken into account under the Second Pillar of Basel II. In addition, we conduct risk capital-based management activities on a consolidated basis, including each Group company.

■ Risk Management Framework

Framework	Risk Category		
Risk Capital-Based Management	Credit Risk	Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet transactions) to lose value or become worthless.	
	Market Risk	Banking Risk/Trading Risk	Market risk is the possibility that fluctuations in interest rates, foreign exchange rates, stock prices, or other market prices will change the market value of financial products, leading to a loss.
		Strategic Equity Investment Risk	
		Other Market-Related Risks	
	Operational Risk	Processing Risk	Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities.
		System Risk	System risk is the possibility of a loss arising from the failure, malfunction, or unauthorized use of computer systems.
ALM/ Funding Gap	Liquidity Risk	Liquidity risk is the risk that there may be difficulties in raising funds needed for settlements, as a result of the mismatching of uses of funds and sources of funds or unexpected outflows of funds, which may make it necessary to raise funds at higher rates than normal levels.	
Management by Risk Type	Other Risks (Settlement Risk and Others)	—	

Liquidity risk is managed within the context of cash-flow plans and funding gap. Other risk categories are managed with procedures closely attuned to the nature of the risk, as described in the following paragraphs.

(2) Stress Testing

In the current volatile business environment, stress testing to analyze and estimate the adverse effects of events such as an economic recession and market volatility on the business and financial conditions of financial institutions is increasingly essential. When establishing a management plan, SMFG also conducts stress tests using a number of stress events to analyze and estimate their impact on its financial condition.

Implementation of Basel II

Basel II is an international agreement on the minimum capital requirements for internationally active banks, and it has been applied since March 31, 2007, to the internationally active banks in Japan.

Under the Basel II framework, there are multiple approaches to calculating the capital requirements. We have adopted the advanced internal ratings-based (IRB) approach for credit risk and the Advanced Measurement Approach (AMA) for operational risk since March 31, 2009 and March 31, 2008 respectively.

Details of our initiatives are provided below, and detailed information on the capital ratio is provided in the discussion on Capital Ratio Information appearing in the Financial Section and Corporate Data.

Credit Risk

1. Basic Approach to Credit Risk Management

(1) Definition of Credit Risk

Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet transactions) to lose value or become worthless.

Overseas credits also include an element of country risk, which is closely related to credit risk. This is the risk of loss caused by changes in foreign exchange, or political or economic situations.

(2) Fundamental Principles for Credit Risk Management

All Group companies follow the fundamental principles established by SMFG to assess and manage credit risk on a Groupwide basis and further raise the level of accuracy and comprehensiveness of Groupwide credit risk management. Each Group company must comprehensively manage credit risk according to the nature of its business, and assess and manage credit risk of individual loans and credit portfolios quantitatively and using consistent standards.

Credit risk is the most significant risk to which SMFG is exposed. Without effective credit risk management, the impact of the corresponding losses on operations can be overwhelming.

The purpose of credit risk management is to keep credit risk exposure to a permissible level relative to capital, to maintain the soundness of Groupwide assets, and to ensure returns commensurate with risk. This leads to a loan portfolio that achieves high returns on capital and assets.

(3) Credit Policy

SMBC's credit policy comprises clearly stated universal and basic operating concepts, policies, and standards for credit operations, in accordance with the business mission and rules of conduct.

SMBC is promoting the understanding of and strict adherence to its credit policy among all its managers and employees. By conducting risk-sensitive credit management, SMBC aims to enhance shareholder value and play a key part in society by providing high-value-added financial services.

2. Credit Risk Management System

At SMBC, the Credit & Investment Planning Department within the Risk Management Unit is responsible for the comprehensive management of credit risk. This department drafts and administers credit policies, the internal rating system, credit authority guidelines, and credit application guidelines, and manages non-performing loans (NPLs) and other aspects of credit portfolio management. The department also cooperates with the Corporate Risk Management Department in quantifying credit risk (risk capital and risk-weighted assets) and controls the bank's entire credit risk. Further, the Credit Portfolio Management Department within the Credit & Investment Planning Department has been strengthening its active portfolio management function whereby loan securitization and other market transactions are used to stabilize the portfolio's credit risk for a more sophisticated portfolio.

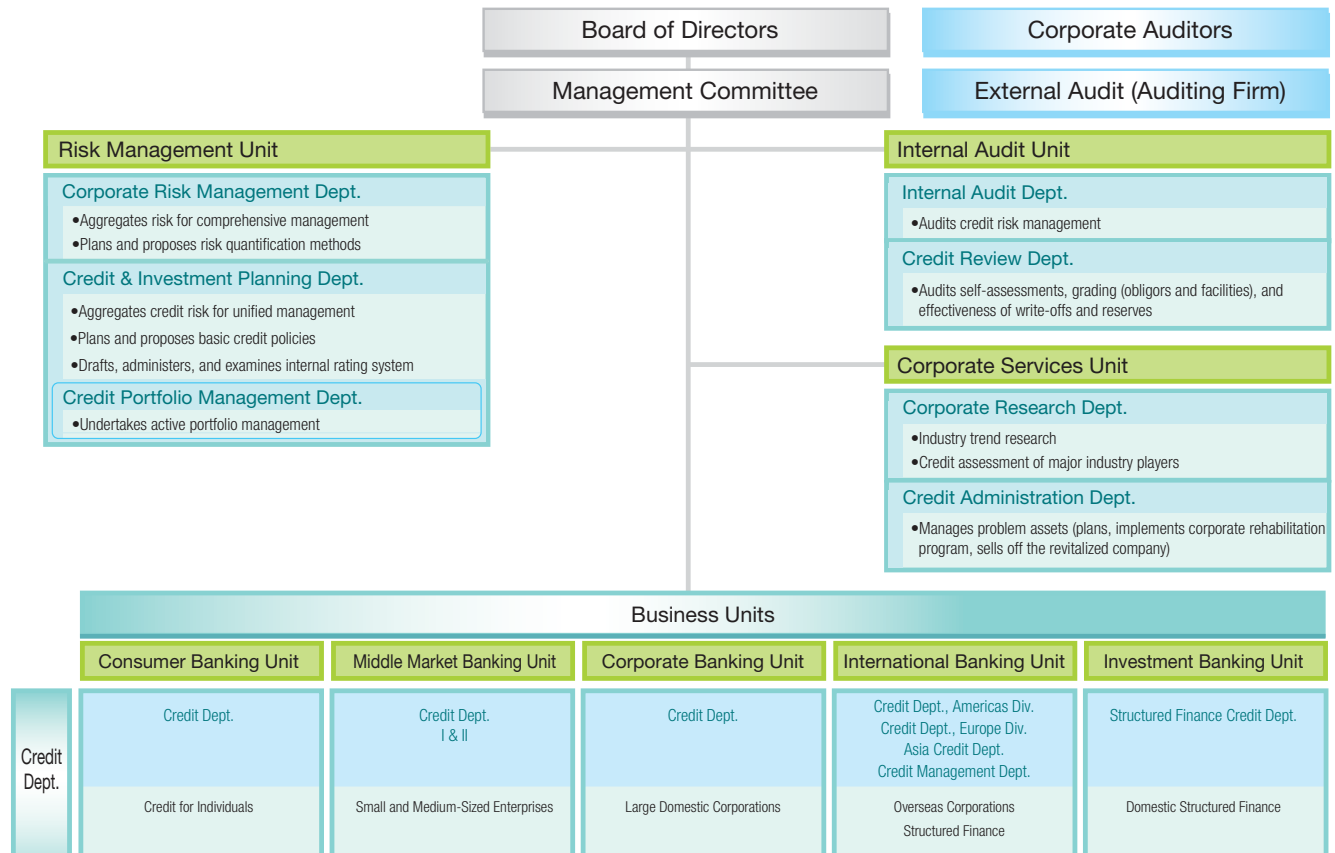
The Corporate Research Department within the Corporate Services Unit performs research on industries as well as investigates the business situations of borrower enterprises to detect early signs of problems or growth potential. The Credit Administration Department is responsible for handling NPLs of borrowers classified as potentially bankrupt or lower, and draws up plans for their workouts, including write-offs, and corporate rehabilitation. The department closely liaises with the Group company SMBC Servicer Co., Ltd., which engages in related services, and works to efficiently reduce the amount of NPLs by such means as the sell-off of claims.

The Credit Departments within each business unit conduct credit risk management along with branches, for loans handled by their units and manage their units' portfolios. The credit limits they use are based on the baseline amounts established for each grading category, with particular attention paid to evaluating and managing customers or loans perceived to have particularly high credit risk.

The Internal Audit Unit, operating independently of the business units, audits asset quality, accuracy of gradings and self-assessment, and state of credit risk management, and reports the results directly to the Board of Directors and the Management Committee.

SMBC has established the Credit Risk Committee, as a consultative body, to round out its oversight system for undertaking flexible and efficient control of credit risk, and ensuring the overall soundness of the bank's loan operations.

■ SMBC's Credit Risk Management System



3. Credit Risk Management Methods

(1) Credit Risk Assessment and Quantification

At SMBC, to effectively manage the risk involved in individual loans as well as the credit portfolio as a whole, we first acknowledge that every loan entails credit risks, assess the credit risk posed by each borrower and loan using an internal rating system, and quantify that risk for control purposes.

(a) Internal Rating System

There is an internal rating system for each asset control category set according to portfolio characteristics. For example, credits to commercial and industrial (C&I) companies, individuals for business purposes (domestic only), sovereigns, public-sector entities, and financial institutions are assigned an "obligor grade," which indicates the borrower's creditworthiness, and/or

"facility grade," which indicates the collectibility of assets taking into account transaction conditions such as guarantee/collateral, and tenor. An obligor grade is determined by first assigning a financial grade using a financial strength grading model and data obtained from the obligor's financial statements. The financial grade is then adjusted taking into account the actual state of the obligor's balance sheet and qualitative factors to derive the obligor grade. In the event that the borrower is domiciled overseas, internal ratings for credit are made after taking into consideration country rank, which represents an assessment of the credit quality of each country, based on its political and economic situation, as well as its current account balance and external debt. Self-assessment is the obligor grading process for assigning lower grades, and the borrower categories used in self-assessment are consistent with the obligor grade categories.

Obligor grades and facility grades are reviewed once a year, and, whenever necessary, such as when there are changes in the credit situation.

There are also grading systems for small and medium-sized enterprises (SME) loans, loans to individuals, and project finance and other structured finance tailored according to the risk characteristics of these types of assets.

The Credit & Investment Planning Department centrally manages the internal rating systems, and properly designs, operates, supervises, and validates the grading models. It validates the grading models (including statistical validation) of main assets following the procedures manual once a year, to ensure their effectiveness and suitability.

(b) Quantification of Credit Risk

Credit risk quantification refers to the process of estimating the degree of credit risk of a portfolio or individual loan taking into account not just the obligor's probability of default (PD), but also the concentration of risk in a specific customer or industry and the loss impact of fluctuations in the value of collateral, such as real estate and securities.

Specifically, first, the PD by grade, loss given default (LGD), credit quality correlation among obligors, and other parameter values are estimated using historical data of obligors and facilities stored in a database to calculate the credit risk. Then, based on these parameters, we run a simulation of simultaneous default using

the Monte Carlo method to calculate our maximum loss exposure to the estimated amount of the maximum losses that may be incurred. Based on these quantitative results, we allocate risk capital.

Risk quantification is also executed for purposes such as to determine the portfolio's risk concentration, or to simulate economic movements (stress tests), and the results are used for making optimal decisions across the whole range of business operations, including formulating business plans and providing a standard against which individual credit applications are assessed.

(2) Framework for Managing Individual Loans

(a) Credit Assessment

At SMBC, credit assessment of corporate loans involves a variety of financial analyses, including cash flow, to predict an enterprise's capability of loan repayment and its growth prospects. These quantitative measures, when combined with qualitative analyses of industrial trends, the enterprise's R&D capabilities, the competitiveness of its products or services, and its management caliber, result in a comprehensive credit assessment. The loan application is analyzed in terms of the intended utilization of the funds and the repayment schedule. Thus, SMBC is able to arrive at an accurate and fair credit decision based on an objective examination of all relevant factors.

Increasing the understandability to customers of loan conditions and approval standards for specific borrowing purposes and loan categories is a part of SMBC's ongoing review of lending practices, which includes the revision of loan contract forms with the chief aim of clarifying lending conditions utilizing financial covenants.

SMBC is also making steady progress in rationalizing its credit assessment process. To respond proactively and promptly to customers' funding needs—particularly those of SMEs—we employ a standardized credit risk assessment process for SMEs that uses a credit-scoring model. With this process, we are building a regime for efficiently marketing our *Business Select Loan* and other SME loans.

In the field of housing loans for individuals, we employ a credit assessment model based on credit data amassed and analyzed by SMBC over many years. This model enables our loan officers to efficiently make rational decisions on housing loan applications, and to reply to the customers without delay. It also facilitates the effective management of credit risk, as well as the flexible setting of interest rates.

We also provide loans to individuals who rent out properties such as apartments. The loan applications are subjected to a precise credit risk assessment process utilizing a risk assessment model that factors in the projected revenue from the rental business. The process is also used to provide advice to such customers on how to revise their business plans.

■ SMBC's Obligor Grading System

Obligor Grade		Definition	Borrower Category
Domestic (C&I), etc.	Overseas (C&I), etc.		
J1	G1	Very high certainty of debt repayment	Normal Borrowers
J2	G2	High certainty of debt repayment	
J3	G3	Satisfactory certainty of debt repayment	
J4	G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	
J5	G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of significant changes in economic trends or business environment	
J6	G6	Currently no problem with debt repayment, but there are unstable business and financial factors that could lead to debt repayment problems	
J7	G7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Borrowers Requiring Caution
J7R	G7R	(Of which Substandard Borrowers)	Substandard Borrowers
J8	G8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
J9	G9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	Effectively Bankrupt Borrowers
J10	G10	Legally or formally bankrupt	Bankrupt Borrowers

Financial Reconstruction Law Based Disclosure Category (Domestic)
Normal Assets
Substandard Loans
Doubtful Assets
Bankrupt and Quasi-Bankrupt Assets

(b) Credit Monitoring System

At SMBC, in addition to analyzing loans at the application stage, the Credit Monitoring System is utilized to reassess obligor grades and review self-assessment and credit policies so that problems can be detected at an early stage, and quick and effective action can be taken. The system includes periodic monitoring carried out each time an obligor enterprise discloses financial results, as well as continuous monitoring performed each time credit conditions change, as indicated in the diagram below.

(3) Framework for Credit Portfolio Management

In addition to managing individual loans, SMBC applies the following basic policies to the management of the entire credit portfolio to maintain and improve its soundness and profitability over the mid to long term.

(a) Risk-Taking within the Scope of Capital

To keep credit risk exposure to a permissible level relative to capital, SMBC sets credit risk capital limits for internal control purposes. Under these limits, separate guidelines are issued for each business unit and marketing unit, such as for real estate finance, fund investment, and investment in securitization products. Regular monitoring is conducted to make sure that these guidelines are being followed, thus ensuring appropriate overall management of credit risk.

(b) Controlling Concentration Risk

Because the concentration of credit risk in an industry or corporate group has the potential to substantially impair capital, SMBC implements measures to prevent the excessive concentration of loans in an industry and to control large exposure to individual companies or

corporate groups by setting guidelines for maximum loan amounts.

To manage country risk, SMBC also has credit limit guidelines based on each country's creditworthiness.

(c) Researching Borrowers More Rigorously and Balancing Risk and Returns

Against a backdrop of drastic change in the business environment, SMBC rigorously researches borrower companies' actual conditions. It runs credit operations on the basic principle of earning returns that are commensurate with the credit risk involved, and makes every effort to reduce credit and capital costs as well as general and administrative expenses.

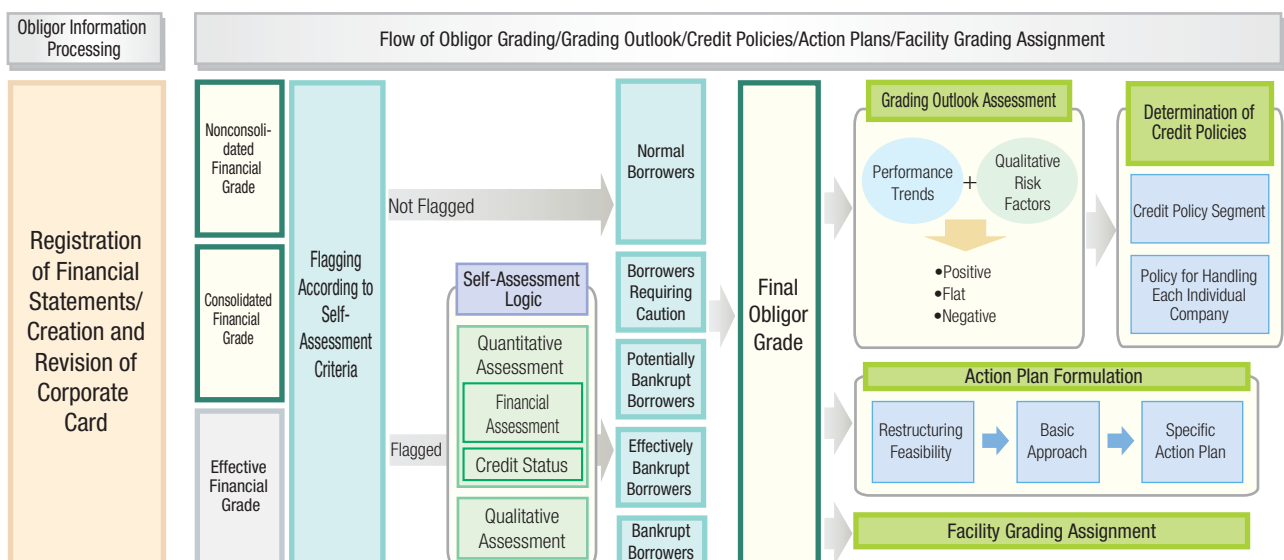
(d) Prevention and Reduction of Non-Performing Loans

On NPLs and potential NPLs, SMBC carries out regular loan reviews to clarify handling policies and action plans, enabling it to swiftly implement measures to prevent deterioration of borrowers' business situations, support business recoveries, collect on loans, and enhance loan security.

(e) Toward Active Portfolio Management

SMBC makes active use of credit derivatives, loan asset sales, and other instruments to proactively and flexibly manage its portfolio to stabilize credit risk.

■ SMBC's Credit Monitoring System



(4) Self-Assessment, Asset Write-Offs and Provisions, and Disclosure of Problem Assets

(a) Self-Assessment

SMBC conducts rigorous self-assessment of asset quality using criteria based on the *Financial Inspection Manual* of the Financial Services Agency and the *Practical Guideline* published by the Japanese Institute of Certified Public Accountants. Self-assessment is the latter stage of the obligor grading process for determining the borrower's ability to fulfill debt obligations, and the obligor grade criteria are consistent with the categories used in self-assessment.

At the same time, self-assessment is a preparatory task for ensuring SMBC's asset quality and calculating the appropriate level of write-offs and provisions. Each asset is assessed individually for its security and collectibility. Depending on the borrower's current situation, the borrower is assigned to one of five categories: Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, and Bankrupt Borrowers. Based on the borrower's category, claims on the borrower are classified into Classification I, II, III, and IV assets according to their default and impairment risk levels, taking into account such factors as collateral and guarantees. As part of our efforts to bolster risk management throughout the Group, our consolidated subsidiaries carry out self-assessment in substantially the same manner.

Borrower Categories, Defined	
Normal Borrowers	Borrowers with good earnings performances and no significant financial problems
Borrowers Requiring Caution	Borrowers identified for close monitoring
Potentially Bankrupt Borrowers	Borrowers perceived to have a high risk of falling into bankruptcy
Effectively Bankrupt Borrowers	Borrowers that may not have legally or formally declared bankruptcy but are essentially bankrupt
Bankrupt Borrowers	Borrowers that have been legally or formally declared bankrupt

Asset Classifications, Defined	
Classification I	Assets not classified under Classifications II, III, or IV
Classification II	Assets perceived to have an above-average risk of uncollectibility
Classification III	Assets for which final collection or asset value is very doubtful and which pose a high risk of incurring a loss
Classification IV	Assets assessed as uncollectible or worthless

(b) Asset Write-Offs and Provisions

In cases where claims have been determined to be uncollectible, or deemed to be uncollectible, write-offs signify the recognition of losses on the account books with respect to such claims. Write-offs can be made either in the form of loss recognition by offsetting uncollectible amounts against corresponding balance sheet items, referred to as a direct write-off, or else by recognition of a loan loss provision on a contra-asset account in the amount deemed uncollectible, referred to as an indirect write-off. Recognition of indirect

write-offs is generally known as provision for the reserve for possible loan losses.

SMBC's write-off and provision criteria for each self-assessment borrower category are shown in the table below. As part of our overall measures to strengthen risk management throughout the Group, all consolidated subsidiaries use substantially the same standards as SMBC for write-offs and provisions.

Self-Assessment Borrower Categories	Standards for Write-Offs and Provisions	
Normal Borrowers	The expected loss amount for the next 12 months is calculated for each grade based on the grade's historical bankruptcy rate, and the total amount is recorded as "provision for the general reserve for possible loan losses."	
Borrowers Requiring Caution	These assets are divided into groups according to the level of default risk. Amounts are recorded as provisions for the general reserve in proportion to the expected losses based on the historical bankruptcy rate of each group. The groups are "claims on Substandard Borrowers" and "claims on other Borrowers Requiring Caution." The latter group is further subdivided according to the borrower's financial position, credit situation, and other factors. Further, when cash flows can be estimated reasonably accurately, the discounted cash flow (DCF) method is applied mainly to large claims for calculating the provision amount.	
Potentially Bankrupt Borrowers	A provision for the specific reserve for possible loan losses is made for the portion of Classification III assets (calculated for each borrower) not secured by collateral, guarantee, or other means. Further, when cash flows can be estimated reasonably accurately, the DCF method is applied mainly to large claims for calculating the provision amount.	
Effectively Bankrupt/ Bankrupt Borrowers	Classification III asset and Classification IV asset amounts for each borrower are calculated, and the full amount of Classification IV assets (deemed to be uncollectible or of no value) is written off in principle and provision for the specific reserve is made for the full amount of Classification III assets.	
Notes	General reserve	Provisions made in accordance with general inherent default risk of loans, unrelated to specific individual loans or other claims
	Specific reserve	Provisions made for claims that have been found uncollectible in part or in total (individually evaluated claims)

Discounted Cash Flow Method

SMBC uses the discounted cash flow (DCF) method to calculate the provision amounts for large claims on Substandard Borrowers and Potentially Bankrupt Borrowers when the cash flow from repayment of principal and interest received can be estimated reasonably accurately. SMBC then makes provisions equivalent to the excess of the book value of the claims over the said cash inflow discounted by the initial contractual interest rate or the effective interest rate at the time of origination. One of the major advantages of the DCF method over conventional methods of calculating the provision amount is that it enables effective evaluation of each individual borrower. However, as the provision amount depends on the future cash flow estimated on the basis of the borrower's business reconstruction plan and the DCF formula input values, such as the discount rate and the probability of the borrower going into bankruptcy, SMBC makes every effort to utilize up-to-date and correct data to realize the most accurate estimates possible.

(c) Disclosure of Problem Assets

Problem assets are loans and other claims of which recovery of either principal or interest appears doubtful, and are disclosed in accordance with the Banking Act (in which they are referred to as “risk-monitored loans”) and the Financial Reconstruction Law (where they are referred to as “problem assets”). Problem assets are classified based on the borrower categories assigned during self-assessment. For detailed information on results of self-assessments, asset write-offs and provisions, and disclosure of problem assets at March 31, 2011, please refer to page 170.

4. Risk Management of Marketable Credit Transactions

Financial products, such as investments in funds, securitized products, and credit derivatives, that bear indirect risk arising from underlying assets such as bonds and loan obligations, are considered to be exposed to both credit risk from the underlying assets as well as “market risk” and “liquidity risk” that arise from their trading as financial products. This is referred to as marketable credit risk.

For these types of products, we manage credit risk using the methods of analysis and assessment in detail of characteristics of underlying assets, but, for the sake of complete risk management, we also apply the methods for management of market and liquidity risks.

In addition, we have established guidelines based on the characteristics of these types of risk and appropriately manage the risk of losses.

Market and Liquidity Risks

1. Basic Approach to Market and Liquidity Risk Management

(1) Definitions of Market and Liquidity Risks

Market risk is the possibility that fluctuations in interest rates, foreign exchange rates, stock prices, or other market prices will change the market value of financial products, leading to a loss.

Liquidity risk is the risk that there may be difficulties in raising funds needed for settlements, as a result of the mismatching of uses of funds and sources of funds or unexpected outflows of funds, which may make it necessary to raise funds at higher rates than normal levels.

(2) Fundamental Principles for Market and Liquidity Risk Management

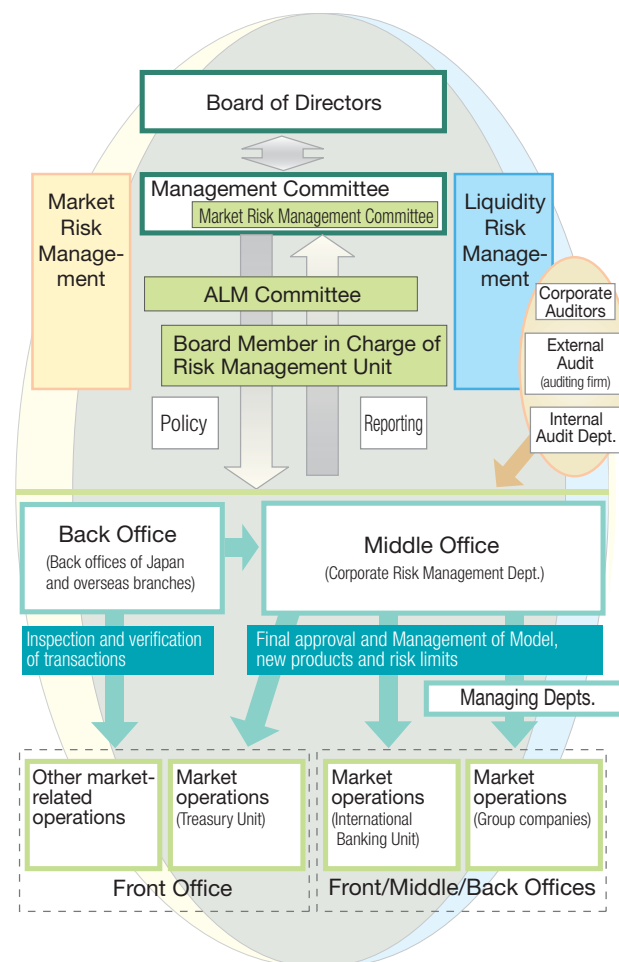
SMFG is working to further enhance the effectiveness of its quantitative management of market and liquidity risks across the entire Group by setting allowable risk limits; ensuring the transparency of the risk management process; clearly separating front-office, middle-office and back-office operations; and establishing a highly efficient system of mutual checks and balances.

2. Market and Liquidity Risk Management System

On the basis of SMFG’s Groupwide basic policies for risk management, SMBC’s Board of Directors authorizes important matters relating to the management of market and liquidity risks, such as basic policies and risk limits, which are decided by the Management Committee. Additionally, at SMBC, the Corporate Risk Management Department, which is the planning department of the Risk Management Unit, an independent of the business units that directly handle market transactions, manages market and liquidity risks in an integrated manner. The Corporate Risk Management Department not only monitors the current risk situations, but also reports regularly to the Management Committee and the Board of Directors. Furthermore, SMBC’s ALM Committee meets on a monthly basis to examine reports on the state of observance of SMBC’s limits on market and liquidity risks, and to review and discuss the SMBC’s ALM operation.

To prevent unforeseen processing errors as well as fraudulent transactions, it is important to establish a system of checks on the business units (front office). At SMBC, both the processing

SMBC’s Market Risk and Liquidity Risk Management System



departments (back office) and the administrative departments (middle office) conduct the checks. In addition, the Internal Audit Unit of SMBC periodically performs comprehensive internal audits to verify that the risk management framework is functioning properly.

3. Market and Liquidity Risk Management Methods

(1) Market Risk Management

SMBC manages market risk by setting maximum limits for VaR and maximum loss. These limits are set within the “risk capital limit” which is determined taking into account the bank’s shareholders’ equity and other principal indicators of the bank’s financial position and management resources.

Market risk can be divided into various factors: foreign exchange rates, interest rates, equity prices and option risks. SMBC manages each of these risk categories by employing the VaR method as well as supplemental indicators suitable for managing the risk of each risk factor, such as the BPV.

Please note that, in the case of interest rate fluctuation risk, the methods for recognizing the dates for maturity of demand deposits (current accounts and ordinary deposit accounts that can be withdrawn at any time) and the method for estimating the time of cancellation prior to maturity of time deposits and consumer loans differ substantially. At SMBC, the maturity of demand deposits that are expected to be left with the bank for a prolonged period is regarded to be five years (2.5 years on average). The cancellation prior to maturity of time deposits and consumer loans is estimated based on historical data.

(a) VaR Results

The results of VaR calculations for fiscal 2010 are shown in the table below. SMBC’s internal VaR model makes use of historical data to prepare scenarios for market fluctuations and, by conducting simulations of gains and losses, the model estimates the maximum losses that may occur (this is known as the

historical simulation method). This internal SMBC model is evaluated periodically by an independent auditing firm to assess its appropriateness and accuracy.

(b) Back-Testing Results

The relationship between the VaR calculated with the model and the actual profit and loss data is back-tested daily. The back-testing results for SMBC’s trading accounts for fiscal 2010 are shown at the top of the next page. A data point below the diagonal line indicates a loss in excess of the predicted VaR for that day; however, as in fiscal 2009, there were no such excess losses during fiscal 2010. This demonstrates that the SMBC VaR model, with a one-sided confidence interval of 99.0%, is sufficiently reliable.

Glossary

1. VaR (Value at risk)

The largest predicted loss that is possible given a fixed confidence interval. For example, VaR indicates, for a holding period of one day and a confidence interval of 99.0%, the maximum loss that may occur as a result of market fluctuations in one day with a probability of 1%.

2. BPV (Basis point value)

The amount of change in assessed value as a result of a one basis point (0.01%) movement in interest rates.

3. Trading

A market operation for generating profit by taking advantage of short-term fluctuations in market values and differences in value among markets.

4. Banking

A market operation for generating profit through management of interest rates, terms, and other aspects of assets (loans, bonds, etc.) and liabilities (deposits, etc.).

■ VaR Results

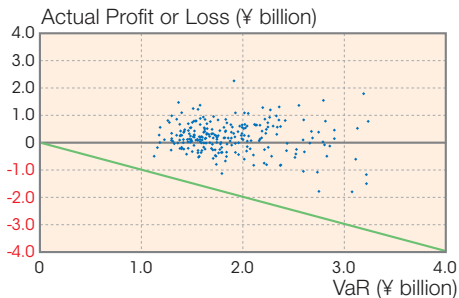
(Billions of yen)

	SMFG (consolidated)		SMBC (consolidated)		SMBC (nonconsolidated)	
	Trading Book	Banking Book	Trading Book	Banking Book	Trading Book	Banking Book
June 2010	8.1	38.2	6.9	37.1	1.9	33.7
Sept. 2010	7.5	39.8	7.0	39.0	2.3	36.0
Dec. 2010	7.1	45.5	6.8	44.4	2.0	40.4
Mar. 2011	6.8	48.6	6.5	47.4	1.3	43.1
Maximum	9.3	50.9	8.7	49.6	3.6	45.4
Minimum	5.8	29.7	5.4	28.8	1.3	25.2
Average	7.9	40.5	7.2	39.4	2.2	35.7

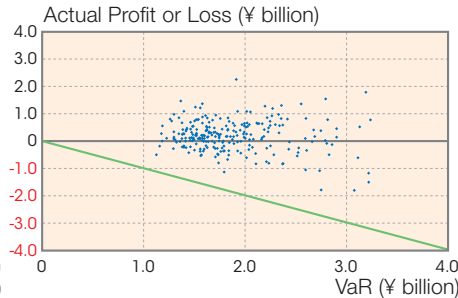
Note: VaR for a one-day holding period with a one-sided confidence interval of 99.0% [computed daily using the historical simulation method (based on four years of historical observations)].

■ Back-Testing Results (Trading Book)

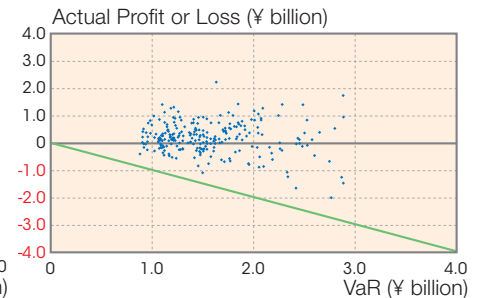
SMFG (consolidated)



SMBC (consolidated)



SMBC (nonconsolidated)



(c) Stress Testing

The market occasionally undergoes extreme fluctuations that exceed projections. To manage market risk, therefore, it is important to run simulations of unforeseen situations that may occur in financial markets (stress testing). The bank conducts stress tests on a monthly basis assuming various scenarios, and has measures in place for irregular events.

(d) Outlier Framework

In the event the economic value of a bank declines by more than 20% of the sum of Tier I and Tier II capital ("outlier ratio") as a result of interest rate shocks, the bank falls into the category of "outlier bank," as stipulated under the Second Pillar of Basel II.

As of March 31, 2011, the outlier ratio was around 8%, substantially below the 20% criterion.

(e) Managing Risk of Stocks Held for Strategic Purposes

The Corporate Risk Management Department establishes limits on allowable risk for strategic equity investments, and monitors the observance of those limits in order to control stock price fluctuation risk.

SMBC has been reducing its strategic equity investments and the outstanding amount is now significantly below the amount of Tier I capital, the maximum level permitted under the Act on Financial Institutions (.etc.), Limits for Share, etc. Holdings.

(2) Liquidity Risk Management

At SMBC, liquidity risk is regarded as one of the major risks. SMBC's liquidity risk management is based on a framework consisting of setting funding gap limits and guidelines, maintaining highly liquid supplementary funding sources, and establishing contingency plans.

So as not to be overly dependent on short-term market-based funding to cover cash outflows, SMBC sets funding gap limits and guidelines. The funding gap limits and guidelines are set Bank-wide and for each region, taking into account cash management plans, external environment, funding status, characteristics of local currency and other factors. Additionally, a risk limit is set by currency as needed to achieve more rigorous management.

To minimize the impact of crises on the SMBC's funding, SMBC manages highly liquid supplementary funding sources, whereby SMBC maintains high quality liquid assets, such as U.S. treasuries and has emergency borrowing facilities.

In addition, for emergency situations, there are contingency plans in place for addressing funding liquidity risk that include an action plan with measures for reducing funding gap limits and guidelines.

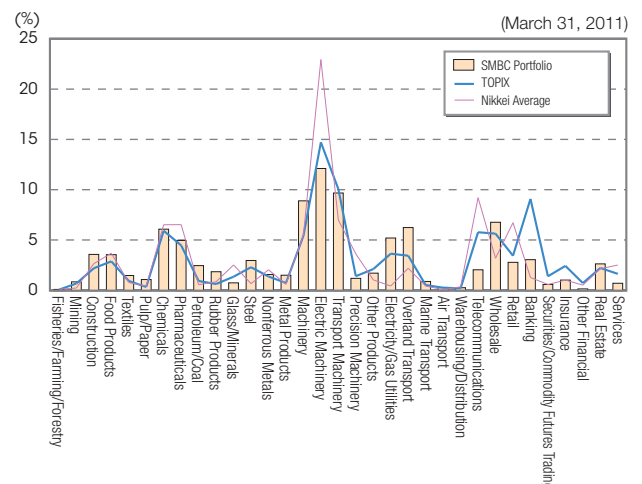
■ Decline in Economic Value Based on Outlier Framework

(Billions of yen)

	SMBC (consolidated)		SMBC (nonconsolidated)	
	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011
Total	532.7	696.4	490.8	660.3
Impact of Yen interest rates	396.7	530.5	357.9	497.4
Impact of U.S. dollar interest rates	90.3	141.9	88.6	139.6
Impact of Euro interest rates	33.2	16.0	32.8	15.6
Percentage of Tier I + Tier II	6.1%	7.8%	5.8%	7.7%

Note: "Decline in economic value" is the decline of present value after interest rate shocks (1st and 99th percentile of observed interest rate changes using a 1-year holding period and 5 years of observations).

■ Composition, by Industry, of Listed Equity Portfolio



Operational Risk

1. Basic Approach to Operational Risk Management

(1) Definition of Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Specifically, Basel II—which, in addition to processing risk and system risk, also covers legal risk, personnel risk, and physical asset risk—defines the following seven types of events that may lead to the risk of loss: (1) internal fraud, (2) external fraud, (3) employment practices and workplace safety, (4) clients, products and business practices, (5) damage to physical assets, (6) business disruption and system failures, and (7) execution, delivery, and process management.

(2) Fundamental Principles for Operational Risk Management

SMFG and SMBC have drawn up the *Regulations on Operational Risk Management* to define the basic rules to be observed in the conduct of operational risk management across the entire Group. Under these regulations, SMFG and SMBC have been working to enhance the operational risk management framework across the whole Group by establishing an effective system for identification, assessment, controlling, and monitoring of material operational risk and a system for executing contingency and business continuity plans. In view of the inclusion of operational risk in the framework of the capital adequacy requirements of Basel II, SMFG has been working on a continuing basis to create a more sophisticated quantification model and to enhance operational risk management throughout the Group.

2. Operational Risk Management System

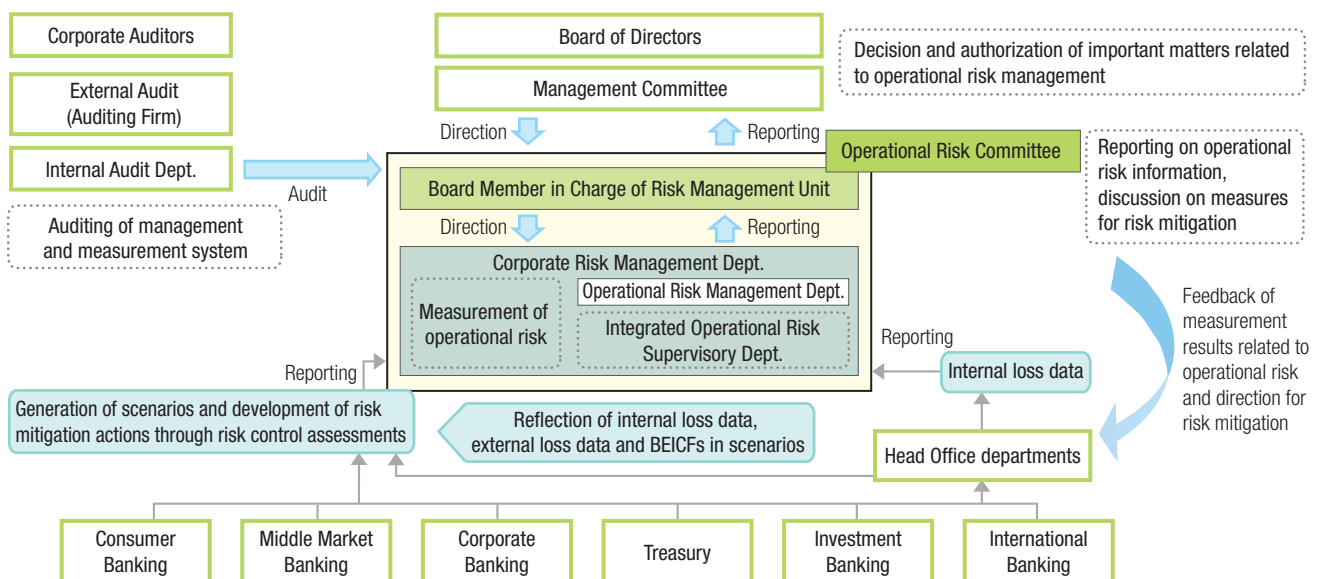
SMFG has designed and implemented an operational risk management framework for Groupwide basic policies for risk management.

At SMBC, the Management Committee makes decisions on important matters such as basic policies for operational risk management, and these decisions are authorized by the SMBC Board of Directors. In addition, SMBC has established its Operational Risk Management Department, within the Corporate Risk Management Department as an integrated operational risk management department. This department works together with other departments responsible for controlling processing risk and system risk.

The operational risk management framework is described in more detail in the later part of this section, but it can be outlined as follows: operational risk is managed by (1) collecting and analyzing internal loss data, and (2) comprehensively identifying risk scenarios in each business process through a regular risk control assessment to estimate the loss severity and frequency. Operational risk impact is assessed for each risk scenario. When high-severity scenarios are identified, each branch/department establishes a risk mitigation plan and the Operational Risk Management Department monitors the progress. Furthermore, operational risk is quantified using the internal loss data and scenarios, and the results of quantification are used to manage and reduce operational risk.

The generation of internal loss data, scenarios identified through risk control assessments, and status of risk mitigation activities are regularly reported to the director in charge of the Operational Risk Management Department. In addition, there is the Operational Risk Committee, comprising all relevant units of the bank, where operational risk information is reported and risk mitigation plans

SMBC's Operational Risk Management System



are discussed. In this way, we realize a highly effective operational risk management framework. The operational risk situation is also reported to the Management Committee and the Board of Directors on a regular basis, for review of the basic policies on operational risk management. Moreover, the bank's independent Internal Audit Department conducts periodic audits to ensure that the operational risk management system is functioning properly.

3. Operational Risk Management Methodology

As previously defined, operational risk covers a wide range of events, including the risk of losses due to errors in operation, system failures, and natural disasters. Also, operational risk events can occur virtually anywhere and everywhere. Thus, it is essential to check whether material operational risks have been overlooked, monitor the overall status of risks, and manage/control them. To this end, it is necessary to be able to quantify risks using a measurement methodology that can be applied to all types of operational risk, and to comprehensively and comparatively capture the status of and changes in potential operational risks of business processes. Also, from the viewpoint of internal control, the measurement methodology used to create a risk mitigation plan must be such that the implementation of the plan quantitatively reduces operational risk.

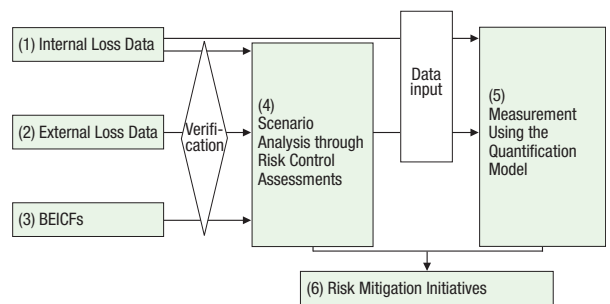
SMFG and SMBC have received an approval from Japan's Financial Services Agency for the application of the Advanced Measurement Approach (AMA), which is the most sophisticated measurement method out of the three cited methods under Basel II for measurement of operational risk. SMFG and SMBC have adopted the AMA for operational risk management and for calculating operational risk-weighted assets. It has been used for calculating the capital adequacy ratio since March 31, 2008.

When using the AMA, regulations require that the internal measurement system (hereinafter, the "quantification model") must use four data elements (hereinafter, the "four elements"): namely, internal loss data, external loss data, Business Environment and Internal Control Factors (BEICFs), and scenarios analysis through risk control assessments. In addition, the operational risk equivalent amount (hereinafter, "required capital") calculated under the AMA must cover the maximum loss comparable to a one-year holding period and a 99.9 percentile confidence interval.

The basic framework of the AMA quantification model of SMFG and SMBC is outlined in the diagram below. Among the four elements, collected internal loss data and the results of scenarios analysis through risk control assessment are input directly into the quantification model described later in this section to calculate required capital and risk-weighted assets (= required capital divided by 8%). In addition, external loss data and BEICFs are used in verifying the assessment of scenarios, along with internal loss data, to increase objectivity, accuracy, and completeness.

The specific content, method of collection and use of the four elements are described below. In each group company the same four elements are collected and utilized.

Basic Framework of Operational Risk Measurement of SMFG and SMBC



(1) Internal Loss Data

Internal loss data are defined as “the information on events in which SMFG and SMBC incur losses resulting from the realization of operational risk.” At SMFG and SMBC, internal loss data are collected for all cases where the gross loss amount is at least one yen (the threshold amount), and seven years of internal loss data are directly used in the quantification of required capital for operational risk.

(2) External Loss Data

External loss data are defined as “the information on events in which other banks, etc., incur losses resulting from the realization of operational risk.” SMFG and other Group companies collect external loss data where such losses may occur within the Group.

(3) Business Environment and Internal Control Factors (BEICFs)

BEICFs are defined as “indicators of operational risk profiles of SMFG and SMBC that reflect underlying business risk factors and an assessment of the effectiveness of the internal control factors.” The Group periodically collects data relating to changes in laws and regulations, changes in internal rules and processes, and launch of new business and products pertinent to the Group’s business operations.

(4) Scenario Analysis through Risk Control Assessments

Risk control assessment is defined as “risk management methodology to (a) identify material operational risks, and describe them in terms of risk scenarios, (b) assess the risks and the effectiveness

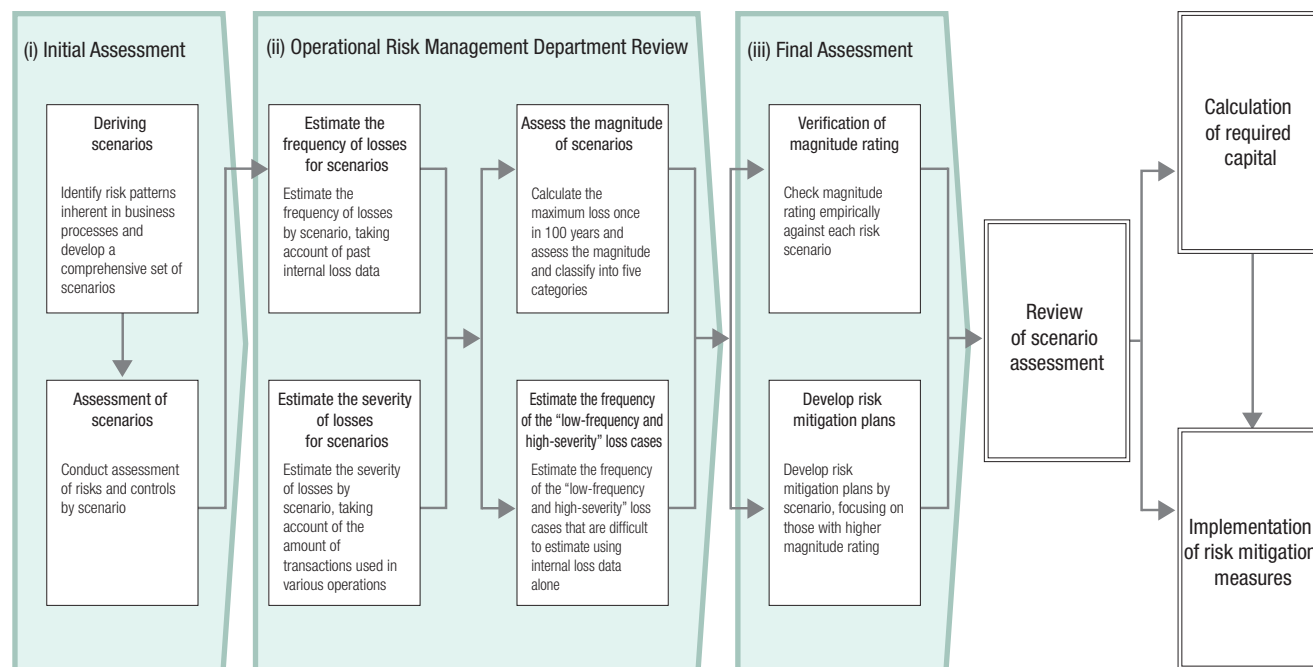
of controls, and (c) estimate the frequency and severity of risk scenarios.” SMFG and SMBC apply this methodology to their principal business activities.

The purpose of risk control assessment is to identify material and potential operational risks pertinent to business processes, to measure them, and to develop and carry out a risk mitigation plan to manage the risks. Another purpose of risk control assessment is to estimate the frequency of low-frequency and high-severity events for each scenario (which may be difficult to estimate using internal loss data alone).

During the process of periodic risk control assessment, operational risks inherent in various business processes are recognized as “scenarios.” The risk and control conditions for each scenario are assessed, and the frequency of occurrence and amount of losses are estimated based on them. The assessment process comprises three steps: (i) initial assessment, (ii) Operational Risk Management Department review, and (iii) final assessment. Through the process, the frequency of “low-frequency and high-severity” events for each scenario are estimated in terms of four loss amounts (¥100 million, ¥1 billion, ¥5 billion, and ¥10 billion).

As an effective mechanism for mitigating operational risks, the maximum loss occurring once in 100 years (hereinafter, “scenario exposure”) is calculated for each scenario derived through the risk control assessment, and then a magnitude rating is provided by classifying them into five categories according to the severity of loss. Risk mitigation plans are developed by the relevant business units for those scenarios with high-severity risk identified through magnitude rating.

Flowchart for Risk Control Assessment (Example)



The principal features of this risk control assessment method are (1) “objectivity,” which is realized by estimating the frequency of losses based on historical internal loss experience and by estimating the severity of losses based on the transaction amounts pertinent to the scenarios, and (2) an appropriate level of “sensitivity,” because changes in the business environment and the implementation of risk mitigation measures can be reflected in the frequency and severity of losses by changing the assessment of risk and control as well as transactions amounts.

(5) Measurement Using the Quantification Model

SMFG, SMBC, and other Group companies using the AMA measure the maximum operational loss with a 99.9 percentile confidence interval and a holding period of one year (hereinafter referred to as 99.9% VaR) by using the four elements. In addition, 99.9% VaR is measured on an SMFG consolidated basis, SMBC consolidated basis, and SMBC nonconsolidated basis. The operational risk is measured for each of seven event types defined under Basel II, and then, by calculating the simple sum for all event types, 99.9% VaR is measured for each company applying the AMA. Meanwhile, the Basic Indicator Approach (BIA) is applied to estimate maximum operational risk losses for Group companies other than those applying the AMA. Then, the required capital and risk-weighted assets for SMFG and SMBC Group are measured by aggregating these figures.

The outline of the quantification model for SMBC is as follows. First, we generate a loss frequency distribution (number of loss incidents over a one-year period) based on the number of historical internal losses. Then, we generate a loss severity distribution

(amount of loss per loss incident) based on internal losses and frequency of “low-frequency and high-severity” events obtained through the risk control assessment.

By using the loss frequency and loss severity distributions, the aggregated loss severity distribution is generated by conducting Monte Carlo simulations and by generating various combinations of loss occurrence and loss amount which are simulated by changing these two factors. 99.0% VaR is calculated from the resulting aggregated loss severity distribution.

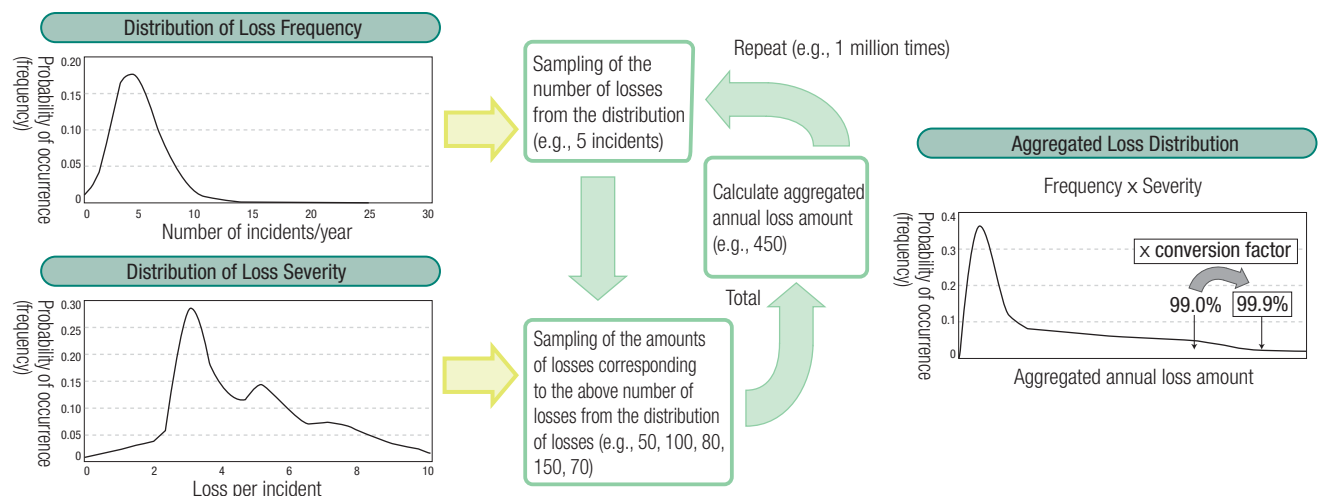
Finally, we multiply 99.0% VaR by a conversion factor mentioned later in the section of “Capital Ratio Information” to compute 99.9% VaR.

This quantification model takes into account not only empirical internal loss data but also potential risk (scenarios) identified in the risk control assessment. An important feature of this model is that it enables us to measure and reflect the “low-frequency and high severity” events of operational risk. Moreover, by introducing a conversion factor, it is unnecessary to directly estimate 99.9% VaR, which tends to have a lower accuracy, and stable estimation results can be obtained by estimating 99.0% VaR which can be estimated with higher accuracy.

Please note that the accuracy of quantification model outputs described above is secured through the regular ex ante and ex post facto verification processes.

The breakdown of risk-weighted assets by event type for the Group on a consolidated basis, computed with the previously described quantification method, is as follows.

■ Measurement Using the Quantification Model



Breakdown of Consolidated Risk-Weighted Assets by Event Type

(March 31, 2011)

Event Type	Percentage
(1) Internal fraud	9%
(2) External fraud	7%
(3) Employment practices and workplace safety	1%
(4) Clients, products, and business practices	19%
(5) Damage to physical assets	19%
(6) Business disruption and system failures	5%
(7) Execution, delivery, and process management	40%

Note: Only risk-weighted assets calculated under the AMA.

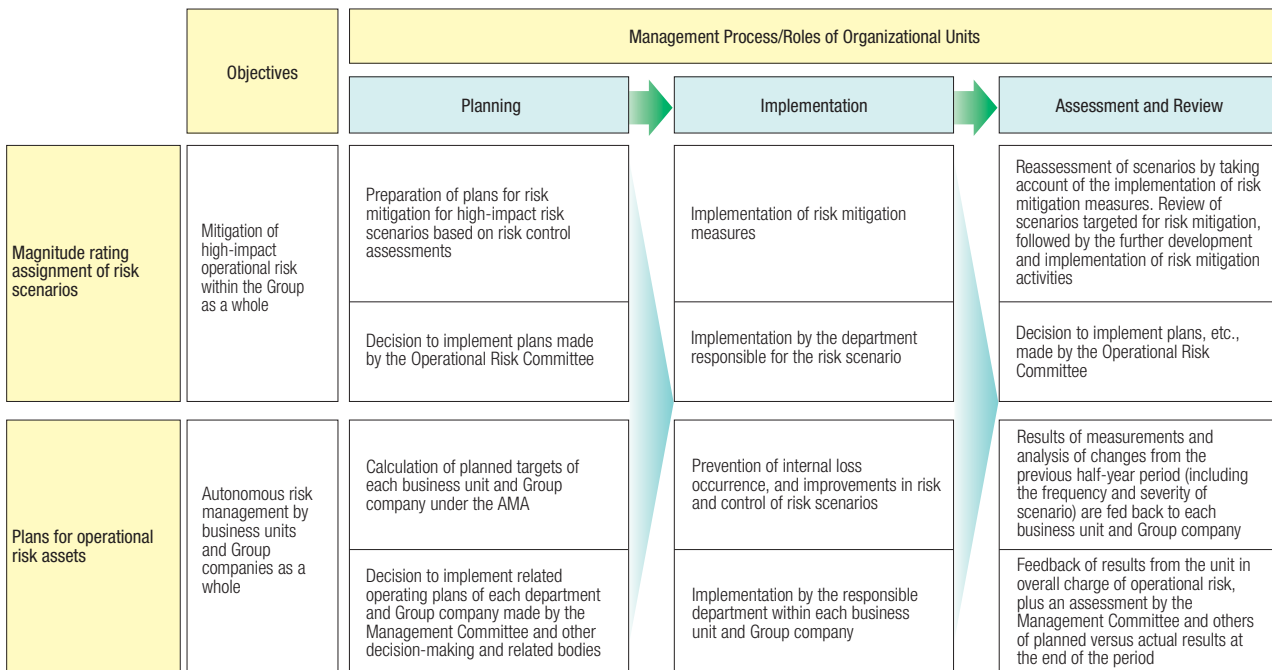
(6) Risk Mitigation Initiatives

To mitigate risk using the quantitative results of the AMA, SMFG and SMBC implement risk mitigation measures to high-severity risk scenarios identified in the previously mentioned magnitude rating.

In addition to the above, the operational risk-weighted assets calculated using the quantification methods are allocated to the business units of SMBC and other Group companies, as part of initiatives to mitigate risk for the Group as a whole.

Specifically, (1) at the beginning of each fiscal year, the operational risk-weighted assets calculated using the internal loss data and the scenario exposure determined from the risk control assessment are allocated to each business unit and Group company, (2) during the fiscal year, each business unit and Group company work to prevent the realization of operational risk and improve scenario control by implementing risk mitigation measures, (3) during the first and second halves of the fiscal year, the measurements of risk-weighted assets of each business unit and Group company and an analysis of factors causing the change from the previous half-year period (including the frequency and severity of scenario) are fed back to the business units and Group companies for revising their plans, and, (4) finally, at the end of the fiscal year, by comparing the planned versus actual results, we endeavor to enhance the awareness of operational risk, improve the effectiveness of operational risk management, and mitigate operational risk within the Group as a whole.

SMFG's Operational Risk Mitigation Activities on a Semi-Annual Basis



4. Processing Risk

Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities.

SMFG recognizes that all operations entail processing risk. We are, therefore, working to raise the level of sophistication of our management of processing risk across the whole Group by ensuring that each branch conducts its own regular investigations of processing risk; minimizing losses in the event of processing errors or negligence by drafting exhaustive contingency plans; and carrying out thorough quantification of the risk under management.

In the administrative regulations of SMBC, in line with SMFG's Groupwide basic policies for risk management, the basic administrative regulations are defined as "comprehending the risks and costs of administration and transaction processing, and managing them accordingly," and "seeking to raise the quality of administration to deliver high-quality service to customers." Adding new policies or making major revisions to existing ones for processing risk management requires the approval of both the Management Committee and the Board of Directors.

In the administrative regulations, SMBC has also defined specific rules for processing risk management. The rules allocate processing risk management tasks among six types of departments: operations planning departments, compliance departments, operations departments, transaction execution departments (primarily front-office departments, branches, and branch service offices), internal audit departments, and the customer support departments. In addition, there is a specialized group within the Operations Planning Department to strengthen administrative procedures throughout the Group.

5. System Risk

System risk is the possibility of a loss arising from the failure, malfunction, or unauthorized use of computer systems.

SMFG recognizes that reliable computer systems are essential for the effective implementation of management strategy in view of the IT revolution. We strive to minimize system risk by drafting regulations and specific management standards, including a security policy. We also have contingency plans with the goal of minimizing losses in the event of a system failure. The development of such a system risk management system ensures that the Group as a whole is undertaking adequate risk management.

At SMBC, safety measures are strengthened according to risk assessment based on the Financial Services Agency's *Financial Inspection Manual*, and the *Security Guidelines* published by the Center for Financial Industry Information Systems (FISC).

Computer-related trouble at financial institutions now has great potential to impact society, with system risk diversifying owing to advances in IT and expansion of business fields. To prevent any computer system breakdowns, we have taken numerous measures, including constant maintenance of our computer system to ensure steady and uninterrupted operation, duplication of various systems and infrastructures, and the establishment of a disaster-prevention system consisting of computer centers in eastern and western Japan. And to maintain the confidentiality of customer information and prevent information leaks, sensitive information is encrypted, unauthorized external access is blocked, and all known countermeasures to secure data are implemented. There are also contingency plans and training sessions held as necessary to ensure full preparedness in the event of an emergency. To maintain security, countermeasures are revised as new technologies and usage patterns emerge.

Settlement Risk

Settlement risk is the possibility of a loss arising from a transaction that cannot be settled as planned. Because this risk comprises elements of several types of risk, including credit, liquidity, processing, and system risk, it requires interdisciplinary management.

At SMBC, the Operations Planning Department is responsible for coordinating the management of settlement risk with the Credit & Investment Planning Department, which oversees credit risk, and the Corporate Risk Management Department, which oversees liquidity risk.



Corporate Social Responsibility (CSR)

Contributing to the Sustainable Development of Society

SMFG's goal is to earn the highest trust of society by meeting the public's expectations and fulfilling its social responsibilities. Earning the highest level of trust requires us to equally provide the most value to our customers, our shareholders and the market, the environment and society, and our employees. Through this process, we strongly believe that contributing to the sustainable development of society as a whole is vital for us to fulfill our corporate social responsibilities.

Basic CSR Policies

In implementing CSR activities, SMFG has defined CSR and put in place a set of common principles regarding business ethics for the Group.

SMFG's Definition of CSR

In the conduct of its business activities, SMFG fulfills its social responsibilities by contributing to the sustainable development of society as a whole through offering higher added value to (i) customers, (ii) shareholders and the market, (iii) the environment and society, and (iv) employees.

Common SMFG CSR Philosophy: Business Ethics

I. Satisfactory Customer Services

We intend to be a financial services group that has the complete trust and support of our customers. For this purpose, we will always provide services that meet the true needs of our customers to assure their satisfaction and earn confidence in the Group.

II. Sound Management

We intend to be a financial services group that maintains fair, transparent, and sound management based on the principle of self-responsibility. For this purpose, along with earning the firm confidence of our shareholders, our customers, and the general public, we take a long-term view of our business and operate it efficiently, and actively disclose accurate business information about the Group. Through these activities, we work to maintain continued growth based on a sound financial position.

III. Contributing to Social Development

We intend to be a financial services group that contributes to the healthy development of society. For this purpose, we recognize the importance of our mission to serve as a crucial part of the public infrastructure and also our social responsibilities. With such recognition, we undertake business operations that contribute to the steady development of Japan and the rest of the world, and endeavor, as a good corporate citizen, to make a positive contribution to society.

IV. Free and Active Business Environment

We intend to be a financial services group for which all officers and employees work with pride and commitment. For this purpose, we respect people and develop employees with extensive professional knowledge and capabilities, thereby creating a free and active business environment.

V. Compliance

We intend to be a financial services group that always keeps in mind the importance of compliance. For this purpose, we reflect our awareness of Business Ethics in our business activities at all times. In addition, we respond promptly to directives from auditors and inspectors. Through these actions, we observe all laws and regulations, and uphold moral standards in our business practices.

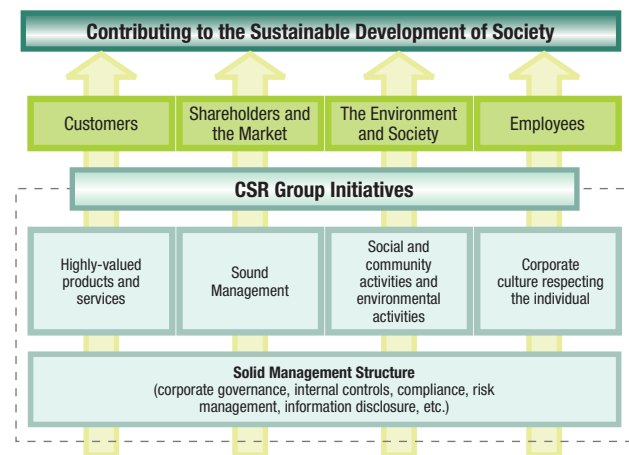
Key Points of CSR Activities

The following are the key points of our CSR activities. First, we have created a solid management framework, including corporate governance, internal auditing, compliance, and risk management systems. Secondly, we offer the most value for our four major stakeholder groups as follows.

- We shall endeavor to develop and prosper with our customers by offering top-quality, highly-valued products and services.
- We shall maintain the solid management by disclosing appropriate information, developing our internal control system and operate solid management to maximize our shareholders' value.
- We shall contribute to society and preserve the natural environment by continuously and proactively implementing initiatives including social and environmental activities.
- We shall foster a free and active business environment which respects individuals and allows each employee to realize his or her full potential.

Lastly, we shall strive to ultimately contribute to the sustainable development of society through such activities.

SMFG CSR Values



Integrally Implementing CSR Activities and Business Strategies

CSR activities are considered the foundation of the business strategies of SMFG and Group companies as well as the fulfillment of management policies and business goals.

Completely and fully performing CSR activities is undoubtedly the essence of "management itself," and sincerely committing to the implementation of CSR initiatives is considered the shortest path for achieving management policies and business goals.



Initiatives for Enhancing Customer Satisfaction (CS) and Quality

Working closely with Group companies, SMFG is taking initiatives to enhance customer satisfaction and the quality of the Group's services and products. SMFG regularly holds its Group Customer Satisfaction Committee meetings to review reports on the analyses of the Voice of the Customers (VOC), and discuss measures to increase customer satisfaction.

SMBC has created the Quality Management Department to establish the structure to proactively utilize the VOC in order to improve the bank's businesses and management. The Quality Management Department is primarily responsible for analyzing the VOC data. Reports prepared by this department are discussed by the CS and Quality Improvement Committee, consisting of the president and directors who are also members of the bank's Management Committee, and such reports are to be proactively applied to enhance the satisfaction of our clients and the quality of our services offered.

Concurrently with these activities, we have been undertaking a wide range of initiatives for improving the customer satisfaction and quality. Such initiatives include offering a toll-free telephone service and conducting surveys to obtain the opinions of our diverse clients visiting our branches and offices, or mailing them such surveys. We also provide training and educational programs to our employees in order to offer the kind of services to further satisfy our clients.

VOC Database

We record in the VOC database the opinions of our clients collected mainly at our branches, and we share such database within the bank. Furthermore, such data collected is analyzed and utilized by the Quality Management Department to provide guidance for our branches and propose any improvements to Head Office departments for the overall CS measures for the bank.

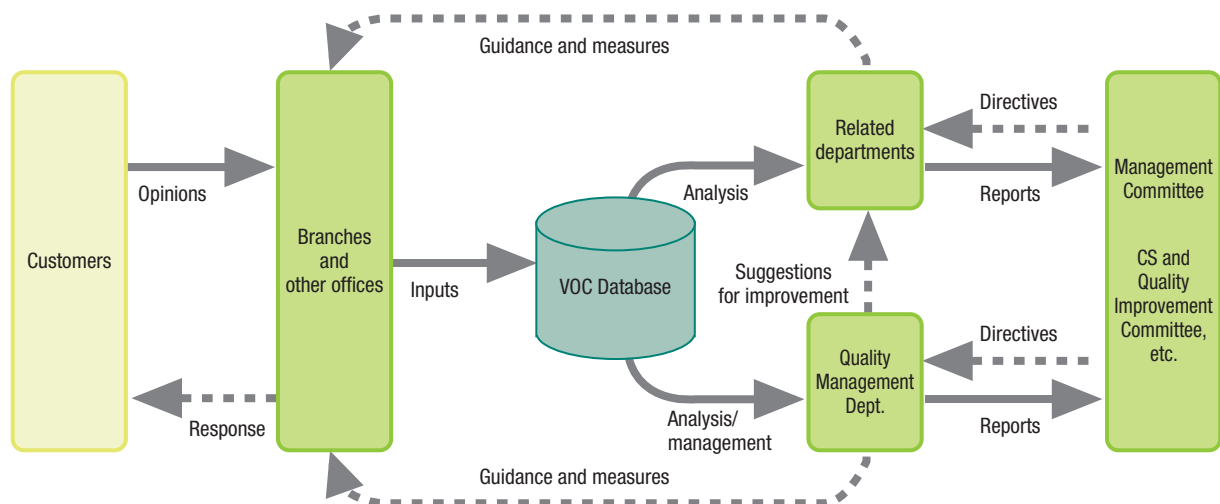
Head Office departments also analyze such VOC data and apply the results to make appropriate improvements in our products and services.

CS and Quality Improvement Committee

The CS and Quality Improvement Committee, which is chaired by the president of SMBC, meets regularly to review reports on the specific opinions expressed by our clients, and discuss and analyze any monthly changes to the number of opinions collected. The committee also reviews reports on the results of the analyses of the VOC, and considers appropriate improvement measures.

Furthermore, the reports on the regularly held educational programs or initiatives are submitted to the CS and Quality Improvement Committee to further enhance and establish our awareness of "Our Clients Always Come First."

■ Activities to Obtain and Act on Voice of the Customers



Our Stance on Corporate Governance

SMFG and its Group companies follow the SMFG management philosophy as a universal guide for Group management and position this philosophy as the anchor for corporate action. To implement the ideas contained in our Group philosophy, we believe one of the issues with highest priority is strengthening and improving our corporate governance system.

The SMFG Corporate Governance System

SMFG employs the “corporate auditor” governance model in which statutory auditors oversee the execution of business by the directors. At SMFG, we have six corporate auditors, three of whom are outside auditors. The auditors monitor the execution of business operations of SMFG and its subsidiaries by attending meetings of the Board of Directors and listen to reports on operations from the directors and others. They also examine documents relating to important decisions and receive reports from the internal audit departments, representatives of subsidiaries of SMFG, and the CPAs.

The chairman of SMFG serves as the chairman of the Board of Directors of SMFG. This separates the role of the president, whose responsibility is the overall supervision of business activities of SMFG and other Group companies, from the role of supervising management. To enhance the effectiveness of the Board, we have appointed outside directors and formed four governance committees: namely, the Auditing Committee, the Risk Management Committee, the Compensation Committee, and the Nominating Committee. Outside directors have been appointed to all four of these committees to provide for corporate governance from an objective perspective. As the need for objectivity is particularly acute in the case of the Auditing Committee and the Compensation Committee, outside directors serve as the chairmen of these committees. To ensure that the execution of the Group’s business operations is in conformity both with legal regulations and generally accepted practices, the outside directors have been selected from among the ranks of specialists (including CPAs, lawyers, and consultants).

SMFG has created the Management Committee to serve as the top decision-making body, and it is under the direct supervision of the Board of Directors and chaired by the president of SMFG. This committee is composed of directors chosen by the president. Its role is to consider important matters related to the execution of business and to make decisions for or against the execution of matters in accord with the basic policies of the Board of Directors. SMFG also has a Group Strategy Committee that serves as a forum for the top managers of SMFG and all other Group companies to exchange opinions and information on their respective business plans. To enable SMFG to monitor the execution of day-to-day business operations at SMBC, 10 SMFG directors (including three outside directors) of the total of 12 SMFG directors (including three outside directors) also serve as directors of SMBC. To monitor the conduct of operations at

three major Group companies, namely, SMFG Card & Credit, Inc., Sumitomo Mitsui Finance and Leasing Co., Ltd., and The Japan Research Institute, Limited, the SMFG director in charge of each of these subsidiaries serves as a director (and can be an outside director) of these companies.

Furthermore, to maintain the soundness of management, SMFG has established internal control systems to ensure the proper conduct of company operations following the Japanese Company Law. Designing and implementing an internal control system, to strengthen management systems, is regarded as a major issue, and initiatives are under way to enhance such internal control systems.


The SMBC Corporate Governance System

SMBC employs the corporate auditor governance model. Of the six statutory auditors appointed, three are from outside the bank. To ensure sound and transparent management, SMBC separates the two functions of management decision-making at the operational level and the overall supervision of the conduct of duties by the management of the bank. For this purpose, the bank employs a system under which executive officers are responsible for operational duties, while the supervisory functions are performed principally by the Board.

The chairman of the bank serves as the chairman of the Board of Directors, and, to clearly separate his functions from those of the president of the bank, who is responsible for the overall supervision of the bank’s activities, the chairman does not simultaneously serve as an executive officer and is primarily responsible for supervising management’s execution of their duties. As at SMFG and to ensure a robust supervisory function, outside directors are appointed to the Board of Directors. At SMBC, three outside directors currently serve on the Board, which has a total membership of sixteen.

Executive officers are appointed by the Board to manage the operation of SMBC’s businesses. As of June 30, 2011, SMBC has 73 executive officers, including the president, and 11 serve concurrently as directors. The Management Committee of SMBC is the highest decision-making body at the operational level and is under the direct supervision of the Board of Directors. The president chairs this committee and selects its members from the executive officers. The committee members consider important management issues based on policies set by the Board of Directors, and the president has the authority to make the final decision after considering the committee’s recommendations.

The president designates certain members of the Management Committee to be Authorized Management Committee members in charge of particular Head Office departments or units. All of these designated individuals are in charge of implementing the directives of the Management Committee within the businesses they oversee.



Internal Audit System

An Outline of the Group's Internal Audit System

In addition to the SMFG Auditing Committee, which functions as a governance committee reporting to the Board of Directors, we have established the Internal Auditing Committee, which is a part of the Management Committee, to give a higher profile to the internal auditing functions and facilitate effective conduct of internal audits. The Internal Auditing Committee meets every quarter, and its members discuss important matters related to internal auditing based on reports prepared by the departments responsible for internal audits. There is also the Audit Department, which is an internal auditing unit that is independent of the operational departments of the Group.

The Audit Department conducts internal audits of the operations of all the Group's units and departments to contribute to optimal management and ensure the proper conduct of the Group's operations and the soundness of its assets. These audits also have the function of verifying that the Group's internal control systems, including compliance and risk management, are operating appropriately and effectively. The Audit Department is also responsible for the overall supervision of the internal audit systems of Group companies. It monitors the appropriateness and effectiveness of the internal audit systems at Group companies by verifying past data related to internal auditing and monitoring activities, which include inspections and other activities based on actual samples, and, when deemed necessary, by conducting audits. Based on these activities, the Audit Department provides recommendations and guidance to the business units and departments as well as Group companies.

At SMBC, we have formed auditing departments that are independent of bank units involved in marketing and other business activities. Within the Internal Audit Unit of SMBC, we have formed two departments: the Internal Audit Department and the Credit Review Department. As at SMFG, SMBC has an Internal Auditing Committee which is a part of its Management Committee and responsible for examining and conducting deliberations on reports on important matters submitted by the Internal Audit Unit.

The Internal Audit Unit is responsible for auditing compliance and risk management at SMBC — its head office departments, domestic and overseas branches — and SMBC Group companies. Auditing of operations of head office departments is conducted by assessing the appropriateness of all internal control systems of each department. In addition, audits of head office departments focus on material issues that arise in the management of specific operations and categories of risk. These auditing activities emphasize the verification of "Targeted Audit Items" across the whole of the bank's organization.

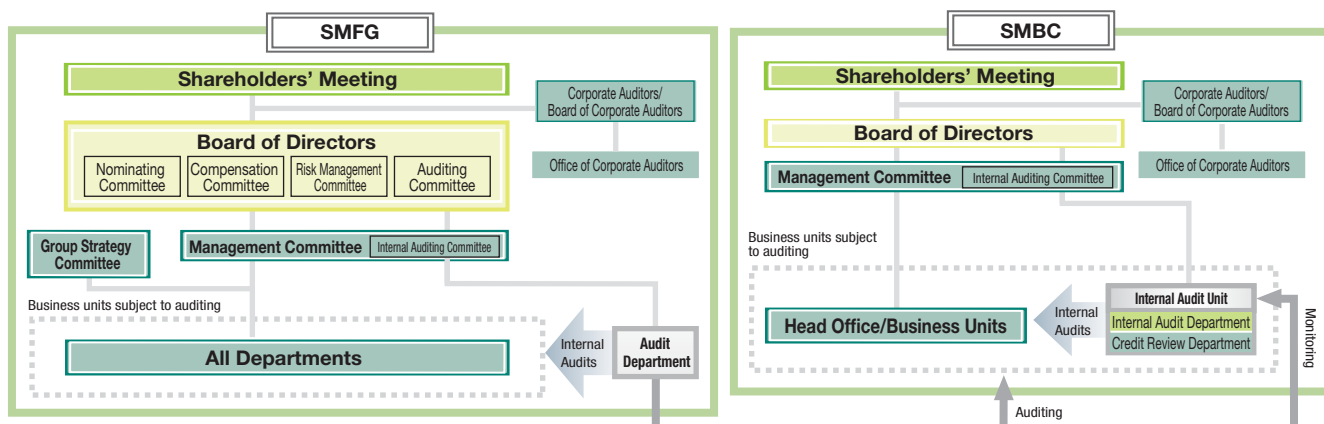
Moreover, audits of branches and offices are not limited just to checking for control and other deficiencies but also include pointing out compliance and risk management problems and making recommendations for corrective action. In other Group companies, internal audit departments have been formed suited to the respective nature of each company's lines of business.

Initiatives to Enhance the Sophistication and Efficiency of Internal Auditing

The Audit Department has adopted methods following the standards of the Institute of Internal Auditors (IIA)*, an international organization. The Audit Department conducts risk-based audits and works to apply best practices to Group companies.

To fulfill effectively its role as the department in overall charge of internal auditing, the Audit Department is constantly endeavoring to advance the professional skills of personnel engaged in internal auditing. Activities include collecting the latest information on internal auditing from inside and outside Japan and disseminating it to all Group companies. Also, the Audit Department organizes training courses, led by outside experts, for the staff of Group companies and encourages them to obtain international qualifications to enhance their professional knowledge and skills in internal auditing. To improve further the effectiveness of auditing, we also take active measures on a Groupwide basis to assess the quality of our internal auditing in the light of IIA standards.

* The Institute of Internal Auditors (IIA) was founded in 1941 in the United States as an organization dedicated to helping raise the level of specialization and professionalism of internal auditing staff. In addition to conducting theoretical and practical research on internal auditing, the IIA administers examinations for Certified Internal Auditor (CIA), which is the internationally recognized qualification in this field.



Compliance Systems at SMFG

Basic Compliance Policies

SMFG strives to further strengthen its compliance systems so that it may fulfill its public mission and corporate social responsibilities as a financial services group offering diversified products and services, and thereby become a truly outstanding global corporate group.

For compliance policies, SMFG sets forth its “Business Ethics” (on page 48) as the common CSR principles for the Group, and considers the strengthening of such Business Ethics as one of the critical issues for the management.

Group Management from a Compliance Perspective

As a financial holding company, SMFG strives to maintain a compliance system which provides the appropriate directions, guidance and monitoring related to compliance for its Group companies.

Specifically, SMFG manages and monitors the self-sustaining compliance functions of individual Group companies through regular meetings attended by all Group companies and meetings with individual companies. The following compliance issues will be strengthened for the fiscal year 2011: (a) Responding appropriately to the regulatory environment, and strengthening the compliance structure of overseas offices; and (b) Strengthening the compliance structure of the Group.

Reporting System for Inappropriate Accounting and Auditing Activities

SMFG has implemented the “SMFG Accounting and Auditing Hotline” to provide the means for individuals in and out of the Group to report inappropriate accounting and auditing activities. This hotline quickly identifies and takes appropriate actions against any fraudulent activity or any misconduct associated with accounting and auditing at SMFG and its consolidated subsidiaries.

Reports may be submitted by regular mail or e-mail to the following respective addresses.

Mailing address:
SMFG Accounting and Auditing Hotline
Iwata Godo Attorneys and Counsellors at Law
10th floor, Marunouchi Building
2-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-6310

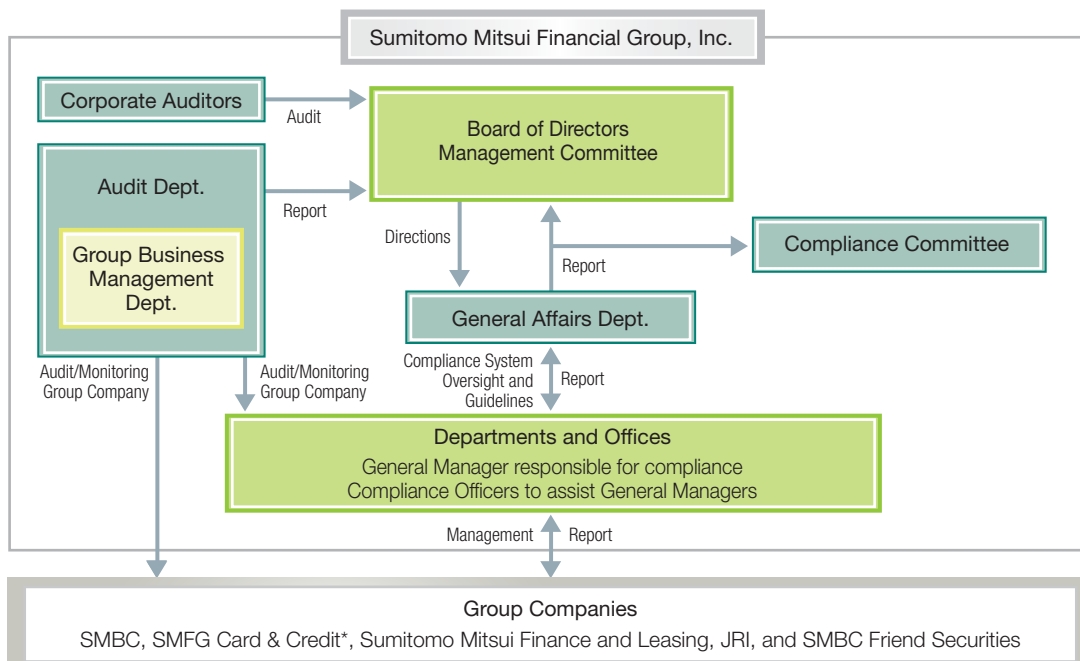
E-mail address:
smfghotline@iwatagodo.com

* The hotline accepts any alerts of inappropriate activities concerning accounting and auditing at SMFG and its consolidated subsidiaries.

* Anonymous reports are also accepted; however, if possible, providing personal information such as your name and contact information would be appreciated and helpful.

* Please provide as much detail as possible for such inappropriate activities. An investigation may not be feasible if information is not adequate.

* Personal information will not be disclosed to any third parties without your consent, unless such disclosure is required by law.



* SMFG Card & Credit, Inc. is an intermediary holding company for Sumitomo Mitsui Card and Cedyna.

Compliance at SMBC

Strengthening the Compliance System

To be in compliance with laws, regulations, and other social standards is basically and generally required for all corporations. Especially for banks, compliance-related issues are particularly important as their public missions and corporate social responsibilities are considered critical in the financial markets.

In accordance with the basic policies of SMFG, SMBC requires its management and staff to have the highest values to gain public trust, abide by relevant laws and regulations, uphold high ethical standards, and act fairly and sincerely. Therefore, SMBC considers that being fully in compliance is one of the most critical issues for management to appropriately deal with the issues related to the Banking Law, the Financial Instruments and Exchange Act, compliance with other related ordinances, and elimination of anti-social organizations.

Management of the Compliance System

SMBC adopts a two-tiered structure as its basic compliance system as follows. At the first level, each department and office is individually responsible for making preliminary decisions to ensure that its conduct is in compliance with laws and regulations. At the next level, the independent Internal Audit Unit conducts strict audits of such departments or offices.

In order to maintain this two-tiered structure and ensure its effective operation, the Compliance Unit, made up of the General Affairs Department and the Legal Department, plans and implements the kind of systems and improvements to be in compliance, under the directions of the management. The Compliance Unit also provides guidance for and monitors the activities of all departments and branches, and assists such departments and branches to make appropriate compliance-related decisions.

SMBC commits to the following activities to ensure that such compliance structure functions effectively.

Preparation of a Compliance Manual

SMBC has prepared its Compliance Manual by stating the objectives, guidance and 60 compliance principles in order to assist the management and staff to be fully in compliance. This manual has been approved by the Board of Directors.

Development of Compliance Programs

The Board of Directors develops a specific annual plan for compliance-related activities for each fiscal year, including amendments to the rules and regulations and training, for the objectives of the compliance system for SMBC and its consolidated subsidiaries to function effectively. During the fiscal year 2011, SMBC will continue to strengthen its compliance measures in order to quickly adapt to any changes in the social environment. Such measures include strengthening the monitoring of marketing and sales of risk products, appropriately managing conflicts of interest as the cooperation among Group

companies intensify further, responding to amendments to the Act on Prevention of Transfer of Criminal Proceeds, further strengthening measures to eliminate transactions associated with anti-social organizations, and strengthening the overseas compliance measures appropriate for the growing overseas operation and further strengthened regulations of each country.

Appointment of Compliance Officers

In addition to appointing compliance officers to each branch and department of the bank, the "Area Compliance Officers," who independently function from frontline departments, are appointed for the Middle Market Banking Unit and Consumer Banking Unit to direct and oversee compliance activities at the branches and offices.

Creation of the Compliance Committee

The Compliance Committee, which consists of cross-departmental compliance members, chaired by the director in charge of compliance, has been created in order to comprehensively review and discuss compliance related issues. To enhance fair and objective deliberations by the Compliance Committee, outside members are also invited to participate in such Compliance Committee meetings.

For the handling of any complaints from and conflicts with our clients, SMBC has executed agreements, respectively, with the Japanese Bankers Association, a designated dispute resolution agency under the Banking Act, and the Trust Companies Association of Japan, a Designated Dispute Resolution Organization under the Trust Business Act and Act on Provision, etc. of Trust Business by Financial Institutions.

Japanese Bankers Association:

Contact information: Consultation office,
Japanese Bankers Association
Telephone numbers: (Japan) 0570-017109 or 03-5252-3772
Business hours: Monday through Friday
(except public and bank holidays)
9:00 am to 5:00 pm

Trust Companies Association of Japan:

Contact information: Consultation office, Trust Companies
Association of Japan
Telephone numbers: (Japan) 0120-817335 or 03-3241-7335
Business hours: Monday through Friday
(except public and bank holidays)
9:00 am to 5:15 pm



Environmental Preservation Initiatives

The Group recognizes environmental preservation to be one of its most important management issues. Based on our Group Environmental Policy, we are implementing our initiatives to preserve and achieve harmony with the natural environment in our corporate activities. SMFG officially signed the “Statement by Financial Institutions on the Environment and Sustainable Development” of the United Nations Environment Programme (“UNEP”) in July 2002.



The Group Environmental Policy

Basic concepts

Recognizing the importance of realizing a sustainable society, SMFG is continuously making efforts to preserve and achieve harmony with the natural environment in its corporate activities in order to support the economy and contribute to the betterment of society as a whole.

Specific environmental policies

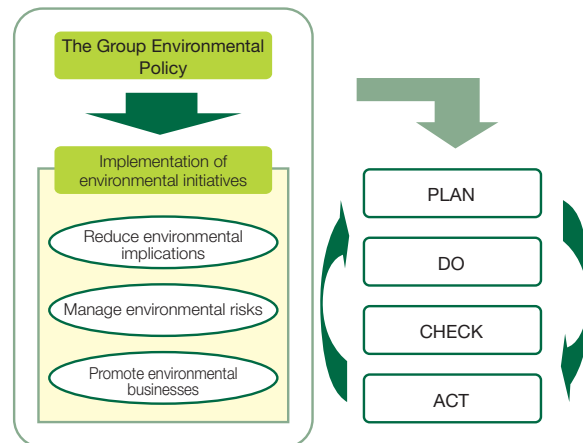
- We provide environment friendly financial products, information and solutions which support our clients in their efforts to preserve the eco-system.
- We devise means to reduce environmental risks posed by our own activities and the society.
- We are determined to fulfill our social responsibilities through the conservation of resources and energy and the reduction of waste.
- We strictly comply with the environment-related laws and regulations.
- We practice the highest level of information disclosure related to the Group’s environmental activities and consistently improve our efforts to contribute to environmental preservation by communicating with our staff as well as the third parties.
- We place high priority on thoroughly educating our staff about our environmental principles to ensure that they conform to these principles in the performance of their work.
- We actively and effectively implement “environmental management,” and make continuous efforts to improve our system to deal with environmental issues by setting goals and targets for every fiscal year and reviewing them as deemed necessary.
- These policies are disclosed on the Group’s website, and the printed version is available upon request.

Three pillars of the Group’s activities

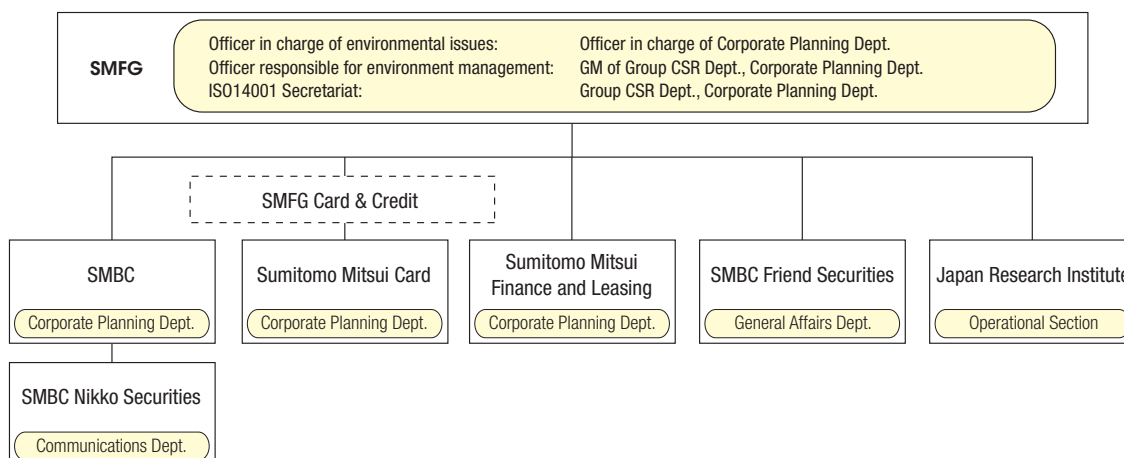
The three pillars of our environmental action plan are to “reduce environmental implications,” “manage environmental risks,” and “promote environmental businesses.” We set forth environmental objectives for various activities and follow PDCA (plan, do, check, and act) procedures in such environmental activities.

SMFG and principal Group companies have obtained ISO14001 certification, the international standard for Environmental Management Systems (EMS).

Environmental Action Plan and PDCA Procedures



EMS Enhancement System



Reducing Environmental Impact

● Initiatives for Carbon Neutrality

SMFG sets forth objectives each fiscal year for reducing its use of electric power and other energy resources, and it is actively engaged in achieving these energy conservation goals.

SMBC ensures that its head offices are carbon neutral by using Green Energy and trading carbon credits*. Sumitomo Mitsui Finance and Leasing's Tokyo Head Office is also carbon neutral.

In addition, SMBC Friend Securities and Sumitomo Mitsui Auto Service Company, Limited are converting their automobiles to more environment-friendly ones for their transport needs and making their transportation carbon neutral by offsetting emission volumes.

* "Carbon credits" are also referred to as "emission allowances." In this annual report, we use "carbon credits."

● Responding to the Amendments to the Rational Use of Energy Act

Under the Amendments to the Rational Use of Energy Act of April 2010, companies using 1,500kl or more energy (crude oil equivalent) per annum are now required to establish an energy consumption management system and develop a medium- to long-term energy efficiency improvement plan for reducing energy consumption by at least 1% per year.

The Group is taking measures to reduce its energy usage in its business operations at all locations, in accordance with this law, and developing consultation business to meet the needs of our clients for energy conservation and the reduction of CO₂ emissions.

● Greening IT Operations

SMBC has been promoting greening IT operations at its branch terminals and ATMs. The new CUTE* terminals for over-the-counter transactions, which are jointly developed with NEC Corporation and Oki Electric Industry Co., Ltd., have made it possible to convert paper-based documents, such as images of driver's license and other forms of IDs into electronic images and to store them quickly. The CUTE terminals have reduced approximately 3 million A4-size sheets of paper annually. SMBC donated part of the cost saved from paper reduction by the CUTE to the Tokyo Metropolitan Government's Green Tokyo Fund, specifically for the "Creating Umi-no-Mori (Sea Forest)" project, one of the four projects' funds. We also donated to the University of Tokyo's "Life in Green Project" for the construction of research facilities for botanical studies.

We are further promoting efforts to make our offices more paperless and efficient through various measures, such as converting the records of ATM's transactional data (called "ATM Journal") and reports submitted to the Head Office in electronic format. These efforts will make a great contribution in the saving of the equivalent of 28 million A4-size sheets of paper annually.

* CUTE: Common User Terminal Engine

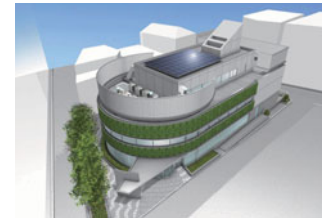
● Environmental measures taken in the Head Office building

SMFG and SMBC moved to a new Head Office building in October 2010. The new building is designed to achieve a 30% reduction in annual CO₂ emissions, compared with the average office building in Tokyo, by implementing environmental measures, such as rainwater storage facilities, photovoltaic

power-generation, rooftop-greening, motion sensors and recycled material usage. We have taken various other measures to achieve efficient administrative operations by co-sharing office spaces and promoting paperless meetings.

● Eco-Friendly Branches

In order to generate new and creative ideas on energy-saving at branches, the bank publicly began soliciting ideas by newly creating the "SMBC eco-banking office prize" for the "eco japan cup 2010," a competition open to the public for new environmental businesses held annually for which SMBC is one of the sponsors. Prize-winning ideas will be incorporated into the planning and designing of environment-friendly model branches of the bank.



Environment-friendly model branch

SMBC Friend Securities is converting its branches to more environment-friendly ones at the time of branch relocation or renovation by installing carpet tiles made of materials with carbon-offset initiatives.

Managing Environmental Risks

● Dealing with Soil Contamination and Asbestos Risks

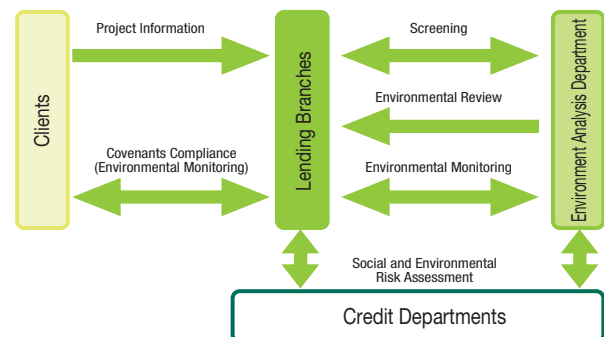
In order to deal with the risk of contamination of the borrower's collateral land, SMBC requires contamination risk assessment to be conducted for the land to meet certain criteria. When it is considered that the contamination risk is high, the assessed value of such potential risks is deducted from the assessment value of the collateral.

Similarly with the risk of asbestos exposure, the assessed value of this risk is deducted from the assessment value of the collateral. SMBC also recommends to its clients that they conduct such contamination assessments. SMBC conducts such contamination assessments and properly removes asbestos from its buildings.

● Adoption of the "Equator Principles"

SMBC has adopted the Equator Principles, a set of principles for determining, assessing and managing the social and environmental risk of project financing. Its Environment Analysis Department assesses the social and environmental risk of large projects in accordance with such Principles.

■ Flow chart of the Social and Environmental Risk Assessment of SMBC



Environmental businesses

The Group considers that environmental businesses are part of its core business operations, through which it contributes to the continued well-being and improvement of the global environment. In fiscal 2005, SMBC started its cross-organizational Eco-Biz Promotion Council, for periodical discussion of the development of sophisticated and efficient products and services for environmental maintenance and improvement. Other SMFG Group companies have become members of this Council, meeting on a regular basis.

Environmental Initiatives by Group Companies

Company	Clients	Program/Product	Description
SMFG	Corporate	SAFE environmental magazine	Started in 1996, this bimonthly magazine contains interviews with top management of environmentally advanced companies, analyses of business and the latest regulatory trends, and other useful information for corporate environmental activities. It can be viewed online at SMFG's website (in Japanese). http://www.smfg.co.jp/responsibility/csinfo/safe.html
		SMFG Environmental Business Forum	SMBC holds multifunctional programs, including environmental seminars and business matching opportunities at the Eco-Products event, one of Japan's largest environmental exhibitions.
SMBC*1/ JRI*2		SMBC Environmental Assessment Loan/ Private Placement Bond	Terms and conditions of this loan/bond depend on the results of an assessment of a company's environmental friendliness using standards established by SMBC and JRI. Clients can choose the fund procurement method — loans or private placement bonds.
SMBC		SMBC-ECO Loan	This loan offers reductions on interest rates of up to 0.25% for SMEs with environmental management systems certified by any of more than 20 organizations, including NPOs and local governments.
		Ministry of Environment's interest-subsidized financing program	Under this program, companies may receive loans from financial institutions, with interest subsidized by the government to finance global warming-related capital investment, provided that they set and achieve CO ₂ emission reduction targets during a specified period. As one of the financial institutions authorized to provide loans under this program, the bank supports companies taking environmental initiatives.
		Carbon-credit related business activities (matching, advisory, trust and consultation activities)	SMBC serves clients with needs associated with carbon credits by using overseas offices for their trust operations and other resources to offer products and services such as introducing sellers in developing countries, providing advisory services to support transactions, offering trust products and financing. SMBC established a consultation company in Brazil to assist in development of Clean Development Mechanism (CDM) projects.
		Carbon credit trading	In June 2009, SMBC became a carbon credit trader, the first Japanese bank to trade carbon credits directly with clients.
		Strengthening alliances with international and financial institutions	In April 2010, the bank executed a Memorandum of Understanding with the Federation of Malaysian Manufacturers and Green Purchasing Network Association Malaysia for the promotion of environmental businesses in Malaysia. In efforts to further establish a more solid global network, SMBC has formed business alliances with local financial institutions and economic organizations in the Philippines, Brazil and other countries for the promotion of financing for renewable energy projects and carbon-credit trading.
		"Climate & Children Supporters"	An original program of SMBC which supports measures to prevent global warming through the trading of carbon credits while helping children affected by drastic climate changes through UNICEF. When participating companies trade carbon credits to prevent global warming, they automatically support elementary schools in Mozambique which is known for its frequent droughts and natural disasters, having built 17 wells and 44 toilets under the UNICEF water management and public hygiene project. (as of June 30, 2010)
		Individuals	Environmental campaign using JGBs for individuals
Nikko*3		Nikko World Trust – Nikko Green New Deal Fund (JPY Non-hedged Class)/ (JPY Hedged Class)	The Green New Deal is an economic recovery policy based on global environmental initiatives. This fund invests by purchasing stocks of companies in countries where high growth in green businesses is anticipated.
		Green Bonds	"Green Bonds", the purpose of which is to promote environmental preservation, is the generic name given to the various bonds offered by SMBC Nikko Securities starting in 2010. Funds raised from these bonds must be used for environmental protection measures.
SMBC/ Nikko		SMBC Nikko World Bank Bond Fund	This is the first fund in the world to invest in the green bonds issued by the World Bank (data provided by Nikko Asset Management Co., Ltd.) The funds raised by the issuances of these bonds should essentially be used only for loans for projects to prevent global warming in emerging countries. Furthermore, a portion of earnings from the fund will be donated to the Japan Committee for UNICEF and the Japanese Red Cross Society for the resolution of social conflicts around the world.
SMBC / SMFL*4	Individuals Corporate	eco japan cup	This is a contest for selecting companies which have practical environmental technologies and ideas. SMBC also arranges for venture companies to conduct R&D jointly with Japanese universities and the funding of their R&D activities. http://www.eco-japan-cup.com/ (in Japanese only)
SMFL	Corporate	Carbon-neutral leases	The first new service in the leasing industry started in August 2007, which renders the greenhouse gases released by leased assets neutral through the allocation of carbon credits to these assets. The goal is to provide further support to companies that protect the environment through their own activities.
		Trading of used machinery and equipment	Machinery and facilities with expired leases or bought back from the client are sold by SMFL to clients needing such items. Through the purchase and sale of used machinery, SMFL aims to become an environment-friendly leaser committed to the recycling and reuse of products.

*1 Sumitomo Mitsui Banking Corporation *2 The Japan Research Institute Limited *3 SMBC Nikko Securities Inc. *4 Sumitomo Mitsui Finance and Leasing Co., Ltd.

*5 Sumitomo Mitsui Banking Corporation (China) Limited *6 The Japan Research Institute (Shanghai) Consulting Co., Ltd. *7 Sumitomo Mitsui Card Company, Limited

*8 SMBC Friend Securities Co., Ltd. *9 THE MINATO BANK, LTD. *10 Kansai Urban Banking Corporation

Company	Clients	Program/Product	Description
JRI	Corporate, other	Environmental advisory business	This business is involved in many projects mainly for waste treatment and energy. Its objective is to prevent global warming and support the growth of environmental companies by creating new businesses.
		Energy-saving industrial initiative with Guangdong Province	In November 2010, we executed a memorandum with the Department of Science and Technology of Guangdong Province on a joint promotion of industries which conserve energy and reduce carbon emissions. We plan to promote low-carbon and energy-saving industries and Energy Service Companies, including measures such as policy research for energy-saving and the promotion of technological transfers through collaborative model projects by Japanese and Chinese companies.
JRI / SMBC / SMBCCN ^{*5} / JRIS ^{*6}		Consulting for construction of Tianjin Eco-City, and attracting Japanese companies	Leveraging its environmental business expertise, JRI is creating a plan for the use of renewable energy at the Tianjin Eco-City, China's national project for an environmentally sustainable city. SMBC, SMBCCN and JRIS have signed a basic agreement with the Tianjin Eco-City Administrative Committee, on initiatives to attract Japanese companies to the project.
SMCC ^{*7}	Individuals	Chip recycling	Rare metal extracted from IC chips installed in expired credit cards, are recycled.
SMCC / Cedyne		Web Registration Campaign	SMCC is vigorously promoting the use of online account statements (credit/debit sums are e-mailed and the details posted on its website) as a means of conserving paper and helping cut CO ₂ emissions.
Cedyne		Socially contributing environmental cards	We issue socially contributing environmental credit cards such as "Chikyuni Yasashii Card" and "Cedyne Card AXU" which donate part of the payments made by such cards to environment preservation organizations.
Friend ^{*8}		Global environmental sustainability bonds	SMBC Friend Securities marketed global environmental sustainability bonds issued by the European Reconstruction and Development Bank (ERDB) during the period from November 30 to December 21, 2010. The funds raised by such bonds are used to support natural energy development, forestry regeneration and other environmental projects selected by the ERDB based on its evaluation standards.
Friend / Nikko		Electronic statement service	Promoting the usage of online account statements
Minato ^{*9}	Corporate	Minato ECO Loan/Private Placement Bond	Minato Bank offers preferential interest rates on loans and preferential fees on underwriting of private placement bonds for corporations which have acquired an environmental management system certification.
	Individuals	Minato ECO product purchasing loan Minato ECO housing loan	Minato Bank offers environment-friendly loans to clients purchasing and installing new-energy or energy-saving equipment. It additionally offers housing loans with discounted interest rates to clients (a) purchasing homes installed with such equipment, (b) renovating their homes to be energy efficient, (c) refinancing housing loans of energy efficient homes or (d) constructing or purchasing new homes which meet the residential environmental efficiency standards set forth by the city of Kobe (Comprehensive Assessment System for Environmentally Efficient Construction).
KUBC ^{*10}	Individuals	Mother Lake eco-time deposits	KUBC offers time deposits, through which clients may contribute the amount equivalent to 0.01% of their deposit balance to the "The Mother Lake-Shiga Support Fund," which preserves the natural environment of Lake Biwa. In April 2011, KUBC donated ¥5.25 million to this Fund, which is equivalent to 0.01% of ¥52.5 billion, the outstanding balance as of February 28, 2011.
		Housing loan for solar power generation	The bank has launched a campaign in which applicable interest rate cuts of up to 1.0% a year are offered to clients who take out housing loans for residences in which solar power generation facilities are installed.
		Donation to environmental fund by housing loans	When clients purchase homes which are installed with designated solar power generation systems and located in the subdivisions in the Katata district of Otsu-city, Shiga Prefecture, a certain percentage of the housing loan amount is donated to the Ohmi Environment Conservation Foundation, the activities of which are dedicated to the preservation of Lake Biwa.

Environmental Business Forum at Eco-Products 2010

The Eco-Products exhibition, held each December, is one of Japan's largest environmental exhibitions. Following last year's event, SMFG again held the SMFG Environmental Business Forum, comprising various environmental business events.

SMFG conducted business matching, set up booths having catalogs available, and offered lectures, seminars, and other programs, targeting different types of stakeholders, such as those who are planning to newly enter the environmental business field, considering expanding their marketing channels, and reviewing the information collected. By offering such opportunities, SMFG provided forums for the representatives of companies in the environmental field to expand their network business contacts and exchange information.

During the three-day exhibition, we held 17 seminars on various topics, as well as two panel discussions. 659 business matchings were arranged, and 28 companies had booths marketing their products and services.

Consequently, the SMFG Environmental Business Forum hosted a substantial number of business negotiations for new environmental technologies, products, and services.



Issuance of "Cedyne Card AXU" to preserve bio-diversity

In order to preserve bio-diversity, we issued the Cedyne Card AXU in May 2010, through which environmental contributions may be made. In addition to the basic functions of regular credit cards, this Card offers ecological options including participation in ecological nature tours under the "Green Selection" program; shop LOHAS products and services with the concept of preserving the environment and bio-diversity, under the "Green Shopping" program; and donates 0.1% of the payments made by the Card to environment preservation organizations under the "Green Contribution" program; to make the usage of this Card more interesting and enjoyable.





Social Contribution Activities

Fundamental approach on social contribution activities

SMFG and its Group companies, in consideration of the public service nature of the financial services industry, recognize the importance of using business operations to contribute to the development of society. In addition to this contribution to society through day-to-day business operations, we must also act as a responsible corporate citizen by engaging in activities that help lay the foundations for a better society in the future. In the spirit of corporate citizenship, SMFG and its Group companies will fulfill their social obligations through a broad range of activities.

Policy on social contribution activities

SMFG and its Group companies understand their role as responsible corporate citizens, and undertake activities that contribute to the realization of a prosperous and sustainable society. We maintain an extensive social contribution program by planning and executing social contribution activities at the corporate level, as well as by encouraging employees to volunteer for worthwhile activities.

The central elements of our social contribution activities

SMFG and its Group companies position the following four sectors as the core fields for social contributions: 1) social welfare; 2) local and international communities; 3) the environment; and 4) culture, the arts and education.

Activities Contributing to Social Welfare

● Collection and Donation of Mistakenly-Written Postage-Prepaid Postcards and Recycling of Other Used Items

SMFG collects mistakenly-written postage-prepaid postcards from Group employees, exchanges them for new postage stamps, and donates the stamps to volunteer organizations to help them cover their postage costs. In addition, SMBC collects unused prepaid telephone cards, Sumitomo Mitsui Card, Sumitomo Mitsui Finance and Leasing (SMFL) and Cedyne collect PET bottle caps, and Sumitomo Mitsui Card and SMBC Friend Securities collect used postage stamps from employees, donating them to volunteer organizations. SMBC and SMBC Friend Securities also donate products given by the companies to their shareholders.

● Sign-Language Courses

In order to enhance the capabilities of our employees allowing them to better communicate and offer personalized services to assist the hearing-challenged, sign-language workshops are held annually by SMBC. In fiscal 2010, the bank also organized seminars explaining the daily problems faced by the hearing-challenged, interpreted by a sign-language interpreter.

● Volunteer Activities, and Blood Donation Campaigns

SMBC offers educational workshops for volunteer activities in order to encourage its employees to participate in voluntary activities. In fiscal 2010, workshops were organized in Tokyo, Nagoya and Osaka, simulating experiences of global



poverty, diversity, environment and other related issues.

SMBC Friend Securities organizes personal awareness sessions during which our employees can actually experience some of the difficulties encountered and experienced by our senior citizens by using wheelchairs. At the same time, "Senior Citizen Simulation" sessions are also organized.

Blood donation campaigns at the workplace are organized by SMBC, Sumitomo Mitsui Card and SMBC Nikko Securities.

● Sale of Products Made by Social Welfare Organizations

In the SMBC Head Office building, employees can buy products made by NPOs employing the physically challenged.

Volunteer Activities for Local and Overseas Communities

● Volunteer Fund

SMBC has a system in which volunteering employees may have ¥100 deducted monthly from their salaries to donate to volunteer organizations. As of June 2011, more than 11,000 employees participated in this program. The following are some of the 23 activities funded by the SMBC Volunteer Fund in fiscal 2010.

Overseas

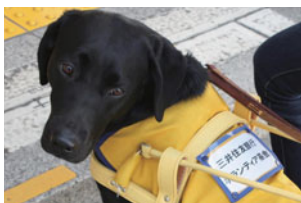
- School meals program for elementary schools in Burkina Faso
- School library opened in Laos
- Support for elementary education in Afghanistan by performing the *kamishibai* (storytelling using pictures)
- In Indonesia, scholarships for intermediate and high school students, and a health program for infants
- Clean water project for elementary schools in Sudan

- Improvement and expansion of elementary school facilities in deprived areas in China
- Support mothers with children through health and literacy programs organized by agricultural organizations in the Philippines
- Project for helping women become self-supporting in Myanmar
- Support for the improvement of living standards of deprived women and elderly people in rural Bangladesh

Japan

- For terminally ill young children, SMBC provides funds for family trips
- Sponsorship for workshops held at primary schools for puppet plays performed by speech- and hearing-challenged persons
- Support for the training of guide dogs (Wakaba program)

At Group member SAKURA KCS Corp., as of February 2011, 891 employees (approximately 80% of the company's total employees) have participated as volunteers by engaging in welfare and environmental contribution activities.



● Supporting Education in Developing Countries by Recycling Used Books

Sumitomo Mitsui Card collects old unwanted books from employees to send to libraries in developing countries. It also asks its cardholders to participate in this effort.

● Activities of YUI, SMBC's Volunteer Organization

SMBC also provides support for YUI, an in-house volunteer organization which provides opportunities for SMBC employees to plan and perform volunteer activities. YUI volunteer activities performed regularly include social events at schools for the hearing-challenged, beach-cleaning, and the organization of singing performances by senior citizens. Other activities include holding charitable bazaars for the sale of hand-crafted products.

● Contributing to Local Communities

SMBC has been promoting and performing volunteer activities planned by its branches and other offices in Japan to contribute to local communities. These activities include branch tours, clean up of the local environment, such as parks and other

areas in the vicinity of SMBC branches, participation in local festivals and events, exhibitions of children's art from around the world and concerts in the lobbies of SMBC branches. Similarly, SMBC Nikko Securities is proactively involved in clean-ups and volunteer activities at its branches, assisting in resolving issues and problems faced by local communities and supporting the development of local society.

● Local Community Contributions by Overseas Offices

Overseas offices conducted the following activities in fiscal 2010.



- Sumitomo Mitsui Banking Corporation (China) Limited established a scholarship program for students of Zhejiang University, Shanghai International Studies University, Sun Yat-sen University, and other universities.
- SMBC's Hong Kong Branch gave donations in support of an orchestra composed of young Asian musicians.
- SMBC's Seoul Branch assisted South Korean students in improving their Japanese language skills and in acquiring a deeper understanding of Japanese culture through donations to a nationwide Japanese drama convention.
- SMBC's Labuan Branch in Malaysia, following its relocation, donated desks, chairs and cabinets to occupational training centers for the disabled.
- SMBC's Hanoi Branch provided international school students with vocational experiences.
- SMBC's Bangkok Branch assisted farmers in northeast Thailand by donating underground water storage tanks and assisting with vegetable planting and harvesting.
- Employees of Sumitomo Mitsui Banking Corporation Europe (SMBCE) conducted volunteer activities in their time off. SMBCE contributes to charitable organizations through an in-house fund and also uses a matching gifts program under which it donates a certain amount for every donation made by its employees.
- The European office of the Japan Research Institute (JRI) made a donation in support of a Japanese-language speech contest.



● Donation Boxes for Foreign Currency Coins

SMBC cooperates in fundraising activities by UNICEF. As a member of the UNICEF foreign currency coin donation committee, it places donation boxes for foreign currency coins at the entrances of all manned branches and offices in Japan, and sorts such collected coins by currency for delivery to UNICEF.

● Support through Products and Services

SMBC offers ordinary deposit accounts from which the accrued interest (after tax) is donated to UNICEF, and SMBC also makes donations matching the amount donated by its clients. Sumitomo Mitsui Card collects donations from cardholders through the World Gifts Point Service of VJA group companies,

and it also provides matching donations to UNICEF, UNESCO, the World Wildlife Fund Japan and the World Food Program in addition to donations given directly to UNICEF by the company. It also offers the UNICEF VISA Card and other social contribution credit cards and donates a portion of credit card payments to charitable organizations.

Cedyna contributes to the Japan National Council of Protective Care Homes for Children and other organizations by issuing social contribution credit cards such as the ATOM Card, which supports “Realizing children’s dreams.” It also collects donations from cardholders using “points” accumulated from their purchases, and also accepts online donations.

● Participation in the “TABLE FOR TWO” Program

SMBC’s Head Office has a program that provides donations to the nonprofit organization TABLE FOR TWO International to fund school meals in developing countries, for every low-calorie meal ordered for lunch. SMBC Friend Securities has also installed vending machines selling healthy drinks, donating part of their sales to TABLE FOR TWO International.

● Social Contribution Activities of In-House Foundations

Based in the United States, SMBC Global Foundation has provided scholarships to more than 5,000 university students in Asian countries since its establishment in



1994. In the United States, it supports educational trips to Japan organized by a high school located in Harlem, New York City, and volunteer employees of SMBC and JRI to participate in school beautification programs. The foundation also provides matching gifts for SMBC employees.

Established in 1990, the SMBC Foundation for International Cooperation strives to assist in developing human resources necessary to achieve sustainable growth in developing economies as well as to promote international exchange activities. Since its inception, the foundation has provided financial support for 7-8 students from Asian countries each year, enabling them to attend universities in Japan. The foundation also offers subsidies to research institutes and researchers undertaking projects related to developing countries.

Environmental Activities

● Participation in Environmental Preservation Initiatives

SMFG organizes “SMFG Clean-up Day” on which Group employees volunteer to clean up beaches. In fiscal 2010, some 120 employees participated in this activity in Kanagawa and Hyogo prefectures. SMBC Friend Securities organized its own beach cleanup events in Chiba and Hyogo Prefectures. Approximately 101 employees participated. In addition, employees of Cedyna, SMFL and JRI regularly participate in such cleanup activities near their offices.

In autumn 2010, SMBC Nikko Securities established “Green Week” for environmental protection and social contribution activities. A total of 2,211 employees and their family members participated in clean-ups and other group activities.



● SMBC Environmental Program NPO C.C.C Furano Field

SMBC also provides support to an environmental project in Furano, Hokkaido implemented by screenwriter, Soh Kuramoto. SMBC is providing support for forestation in a closed-down golf course in Furano. It supports environmental education programs under which children explore nature by using their five senses.

● Donations through Marketing of the World Bank Green Fund

SMBC and SMBC Nikko Securities donate a portion of the earnings from the “SMBC Nikko World Bank Bond Fund” (simply referred to as “World Bank Green Fund”) to the Japanese Red Cross Society and the Japan Committee for UNICEF.



● Support for the EARTH PHOTO CONTEST

SMFL supports a photography contest for communicating the importance of resolving environmental problems and encouraging people to take action. The company presents the Sumitomo Mitsui Finance and Leasing Prize for outstanding photographic entries.

Contributing to Cultural, Artistic, and Educational Activities

● Concerts Held in the Reception Lobbies of Branches

At the SMBC Head Office and Osaka Head Office, we hold lobby concerts for the general public free of charge. The concerts held last March and April were organized to raise donations for the disaster recovery and reconstruction efforts after the Great East Japan Earthquake.

● Support for Cultural and Artistic Ventures

For supporting *kabuki* and other traditional performing arts in Japan, Sumitomo Mitsui Card donated stage curtains to the

National Theatre and the National Engei Hall. The company also supports the development of talented performers by co-sponsoring children kabuki performances. SMBC Friend Securities supports cultural and artistic activities by specially sponsoring art exhibitions such as those by Gyoshu Hayami (the traditional Japanese painter) shown at the Yamatane Museum of Art.

SMBC and Cedyne support the promotion of music culture by sponsoring classical music concerts.

● Financial and Economic Education

SMBC and SMBC Nikko Securities organize vocational workshops for elementary school students to experience working in the financial industry. The bank supports diverse financial and economic education activities, including publishing a book called "What Does a Bank Do?," providing financial educational on-line games on the SMBC website, co-sponsoring Kidzania (a vocational experience theme park for children), and supporting Shinagawa Financial Park (economic training programs for junior high school students).

Sumitomo Mitsui Card, SMFL, JRI and SMBC Nikko Securities send instructors for classes at universities. Additionally, in November 2010, SMBC Friend Securities began its free online education program and practical experience program, "You·You Toshi" (self-composed Investment) for inexperienced investors.

● Students Internship Program

SMBC, JRI and SMBC Friend Securities offer internship programs for students. In fiscal 2010, SMBC invited 16 students allowing them to gain actual banking operational experience at various departments of the Head Office. JRI invited five students to help gain a thorough understanding of environmental and energy businesses for the next generation. SMBC Friend Securities invited 26 students to learn about financial instruments and the securities business.

Emergency Reconstruction Assistance and Support for the Regions Devastated by the Great East Japan Earthquake

● Disaster-relief Donations

SMFG and its Group companies have donated an aggregate of approximately ¥600 million for the reconstruction of regions devastated by the Great East Japan Earthquake, out of which SMBC and SMBC Nikko Securities donated ¥300 million and ¥100 million, respectively. The Group also took other initiatives including collecting donations from employees and donating the amount equivalent to the donations given by employees.

Furthermore, SMBC opened an account solely for donations for disaster-relief efforts, and solicited donations from our clients and also from our employees of all Group companies, including the bank and SMBC Nikko Securities. Sumitomo Mitsui Card and Cedyne also accept donations charged to credit cards.

● Charity Concerts



Since 2006, SMBC has held charity concerts performed by employees to support unfortunate children worldwide. The donations are collected from the audiences of concerts and also from the sales of employees' handcrafted products.

In May 2011, the bank delivered musical instruments, as part of its support for disaster victims of the Great East Japan Earthquake, to the elementary and intermediate schools which were substantially damaged by the earthquake and tsunami. In addition, people taking refuge in Tokyo were also invited to the concerts.



● Volunteer Activities

In April, SMBC implemented a special leave of absence for disaster relief volunteer activities, and in June, it began allowing employees to actually go to the disaster areas for regular volunteering. By early July, 65 employees had participated in such volunteer activities as the clean-up of homes and restoring photographs by taking advantage of this volunteer leave program.

In April, SMBC Nikko Securities also implemented the volunteer leave program, and in July, it sent approximately 360 newly hired employees to the disaster areas for volunteer activities.



In order to assist our clients affected by the Great East Japan Earthquake as much as possible, SMBC continued to open its Sendai branch on non-business days, and provided the over-the-counter payment services to our clients who had lost their deposit books, certificates or registered seals (provided that they had other types of identification). We also began offering housing loans with preferential interest rates for our clients whose homes were lost or damaged by the earthquake, and special funding facilities for our corporate clients.

Human Resources

SMFG and its Group companies strive to create the kind of work environment which every employee feels proud of and is able to develop his or her full potential and capabilities in. In the following pages, we introduce some of the activities initiated by the human resources department of SMBC and other Group companies, including Sumitomo Mitsui Card, Cedyne, Sumitomo Mitsui Finance and Leasing (SMFL), the Japan Research Institute (JRI), SMBC Friend Securities, SMBC Nikko Securities, The Minato Bank and Kansai Urban Banking.

Five Goals of SMBC's Human Resources Development

1. To develop professional and specialized employees who can provide our clients with highly valued products and services.
2. To maintain and strengthen our sound business management enabling SMBC to globally compete in the market.
3. To cultivate the kind of corporate culture which encourages values of forward-looking, creative attitude and mutual cooperation.
4. To be conscious of the social responsibilities of the Group, and cultivate the kind of corporate culture that contributes to the sound development of society.
5. To encourage employees to respect their individuality based on an understanding of diversity and personal fulfillment.

Training Employees with Specialized Professional Skills

In order to motivate and encourage younger employees and to promote their personal development, the bank provides basic practical training programs in three areas: the Retail Banking College; the Corporate Banking College and the Banking Operations College. Our employees are able to acquire the required business knowledge and skills through on-the-job training and seminars. The bank enhances its training programs by assigning mentors to newly hired employees and the Training Institute's instructors to regional head office departments.

Following the amendments to the Money Lending Business Law, Sumitomo Mitsui Card has increased its efforts toward the development of professional expert employees in the credit business. We have taken measures to proactively support our employees to become licensed money lending officers by regularly holding in-house seminars, educating them with knowledge on products and other related subjects. Cedyne strives to promote high professional standards and encourage the setting of challenging goals. Younger employees are encouraged to work in various departments to learn and gain business skills and diverse work experience. They strengthen their professional skills by taking programs at different levels for each type of business and with specific objectives. SMFL has established "SMFL Standards," which annually sets forth the human resources development plan for *sogoshoku* (management-track) employees of not more than five years with the company. SMFL has

created the "Young Employees' Growth Plan & Guide," based on the SMFL Standards, and it has also established an in-house business school which supplements on-the-job training. JRI believes that its human resources provide added value, which is translated into its solutions and proposals. With that in mind, JRI has established the Staff Development Department in the Computer System Division, and the Human Resources Incubation Center in the Comprehensive Research Division for the well-planned development of human resources. SMBC Friend Securities has started to offer its accredited in-house classes for our young employees to acquire business skills to enhance their knowledge and improve their skills, in order for the company to respond appropriately to the continuously advancing sophistication and diversification of the securities business. It has also introduced a tutoring program for effective on-the-job training of new employees. SMBC Nikko Securities, as a comprehensive securities and investment banking firm, is further strengthening its educational programs to develop employees with expert knowledge and improve their professional skills by providing its newly hired employees with OJT personally assisted by instructors, follow-up seminars and other programs such as the "new employee instructor program." The Minato Bank has consistently implemented the system of the Minato Retail-business College ("MRC") which improves the quality of consultation services offered to its individual clients. Kansai Urban Banking has a basic training program designed for the first five years of employment with the bank in order to develop an energetic group of employees. It has also created a system to develop potential mid-management employees and promote the careers of younger and female employees. As described above, each Group company is further strengthening its educational system.



Employees' Training Seminar at SMBC Nikko Securities



Training Seminar at Kansai Urban Banking

Creating a Corporate Culture which Derives Strength from Diversity

● Human Resources Diversity

The Group is implementing its initiatives to create diversity (e.g. gender, nationality) at work. In April 2008, the Diversity and Inclusion Department was established in the Human Resources Department, and other initiatives were implemented for creating the kind of corporate culture which derives its strength from diversity.

● Personnel System

In order to motivate employees to take on more challenges in performing difficult tasks for promotion, SMBC has introduced a new workplace hierarchy system in which job rankings are more finely subdivided. This system will make it possible for talented individuals to be quickly promoted to mid-management levels. In order to enhance a sense of unity as “Team SMBC” and to achieve a proactive and energetic bank, our employees’ performances are evaluated not simply in terms of one fiscal year’s achievements but also evaluated on their overall contributions to the company.

● Developing Employees for Global Operations

In order to respond to the rapid globalization of society and businesses, SMBC is striving to develop global human resources with practical language skills and an international business sense. In fiscal 2010, in order to enhance the overseas market presence and internal globalization of the company, the bank substantially increased the number of employees taking language classes or having overseas business experience, and those employed locally by overseas offices and subsidiaries, and promoted the exchange of employees between offices in Japan and overseas.



Discussion session

● Employing Persons with Disabilities

SMBC has established a special company called SMBC Green Service Co., Ltd. which provides employment opportunities for the physically-challenged. In December 2008, the company opened its Kobe Branch, and the Unagidani Office in Osaka in February 2009 for creating jobs not limited to the physically-challenged but also including the mentally-challenged. As of March 2011, physically-challenged employees accounted for 1.95% of our total number of employees, more than the legally mandated level of 1.8%.

● Providing Support for Good Work-Life Balance

The Group has an employee support program which provides assistance and support for maintaining a proper work-life balance. In fiscal 2008, Sumitomo Mitsui Card, SMFL, JRI, and SMBC Friend Securities developed their “Work-Life Balance Guidebook,” based on actual experiences at SMBC. All Group companies have already implemented the programs for parental leave, leave for taking care of ill children, and shorter working hours. Such programs provide more employee benefits than those mandated by law. In addition, SMBC, Sumitomo Mitsui Card, and JRI provide child-care subsidies, while SMBC, Sumitomo Mitsui Card, Cedyne, SMFL, and Kansai Urban Banking have implemented a program for rehiring former employees. These programs assist and support in realizing a good work-life balance for the Group’s employees. There is also an annual visitation day for the employee’s children and other family members to give them an opportunity to see the employee at work at SMBC, Sumitomo Mitsui Card, SMFL, JRI, and SMBC Friend Securities. JRI also organizes “Mama & Papa Lunches” for an opportunity for employees to exchange information on raising children. SMBC has promoted a “Go Home Early to the Family Day,” while SMFL has a campaign to encourage employees to take their summer vacations and to reduce overtime work. SMBC Nikko Securities has introduced an online support program for employees returning to work after parental leave. Cedyne was awarded the “Best Balance Award” in 2010, under the “Promotion of Work Life Balance Certification System” organized by Shinjuku Ward in Tokyo, recognized for its diverse human resources programs and achievements. The Minato Bank regularly provides training programs for employees coming back to work after maternity leave. SMBC, Sumitomo Mitsui Card, Cedyne, JRI and The Minato Bank have all obtained “Kurumin certification” issued by the Japanese Ministry of Health, Labour and Welfare, for programs in compliance with the Law to Promote Measures to Support the Development of the Next Generation.



Children's Visitation Day

Enhancing Awareness of Individual Rights

SMBC has implemented in its corporate principles of action concepts which state that “we will respect the individual human dignity of our clients and employees” and “we will not allow any discrimination.” Training seminars and study sessions on human rights issues and discrimination are organized for general managers of branches and departments, employees newly-appointed to management positions, and newly hired employees. Campaigns for creating slogans promoting individual human rights are also organized to motivate our employees to reflect and think about individual human rights and to come up with a slogan for the campaign.

Kansai Urban Banking is implementing measures to further enhance awareness of individual human rights by organizing human rights awareness study sessions for each regional group and inviting employees to think and come up with an individual human rights slogan. SMFG and its Group companies participate in the “United Nations Global Compact,” and also endorse and support its 10 principles in the areas of human rights, labor standards, environment and anti-corruption measures.

◆ SMBC was Named as One of the Best 25 Companies to Work in Japan in the “Great Place to Work” Ranking

In March 2011, SMBC was selected for the fourth consecutive year as one of the best companies in Japan to work in the survey conducted by Great Place to Work® Institute Japan.

* Great Place to Work® Institute, Inc., incorporated in the U.S., is a survey organization which provides data for the annual list of the “100 Best Places to Work” published by Fortune magazine. The survey consists of two main sections: a survey on the internal systems and corporate culture of respondent companies, and a questionnaire survey by the employees of these companies. The employee survey carries a two-thirds weight in determining final results.



Staff Profile

◆ SMBC

March 31	2009	2010	2011
Number of employees*	23,543	25,122	25,073
Male	13,669	13,793	13,546
Percentage of total	58.06%	54.90%	54.03%
Female	9,874	11,329	11,527
Percentage of total	41.94%	45.10%	45.97%
Average age	36 yrs 9 mos.	36 yrs 2 mos.	36 yrs 5 mos.
Male	40 yrs 5 mos.	40 yrs 2 mos.	40 yrs 3 mos.
Female	31 yrs 8 mos.	31 yrs 3 mos.	31 yrs 11 mos.
Average years of service	13 yrs 10 mos.	13 yrs 3 mos.	13 yrs 5 mos.
Male	16 yrs 11 mos.	16 yrs 8 mos.	16 yrs 9 mos.
Female	9 yrs 6 mos.	9 yrs 0 mos.	9 yrs 7 mos.
Number of women in managerial positions**	456	584	766
Ratio of employees with disabilities (% of total)***	1.95%	1.90%	1.95%

* The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

** As of each March 31; job grades above assistant vice president

*** As of March 1 of the respective years

April 1	2009	2010	2011
Number of new hires	962	569	572
Number of newly employed female graduates****	388	204	188
Ratio of newly employed females to total new employees	40.3%	35.9%	32.9%

**** Includes *sogoshoku* staff and consumer service staff. Business Career Path employees are excluded.

Fiscal	2008	2009	2010
Number of employees taking parental leave	222	331	476
Men taking such leave	27	29	26
Number of career hires	136	11	6

◆ Sumitomo Mitsui Card

March 31	2009	2010	2011
Number of employees*	2,156	2,247	2,300
Male	1,112	1,133	1,146
Percentage of total	51.58%	50.42%	49.83%
Female	1,044	1,114	1,154
Percentage of total	48.42%	49.58%	50.17%
Average age	36 yrs 2 mos.	36 yrs 4 mos.	36 yrs 8 mos.
Male	39 yrs 8 mos.	39 yrs 10 mos.	40 yrs 0 mos.
Female	32 yrs 6 mos.	32 yrs 10 mos.	33 yrs 5 mos.
Average years of service	10 yrs 3 mos.	10 yrs 7 mos.	11 yrs 0 mos.
Male	11 yrs 2 mos.	11 yrs 6 mos.	12 yrs 0 mos.
Female	9 yrs 4 mos.	9 yrs 7 mos.	10 yrs 0 mos.

* The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2009	2010	2011
Number of new hires	98	84	72
Number of newly employed female graduates**	66	46	43
Ratio of newly employed females to total new employees	67.3%	54.8%	59.7%

** Includes contract employees

Fiscal	2008	2009	2010
Number of employees taking parental leave	37	53	43
Men taking such leave	6	6	2

◆ Cedyna

March 31**	2009	2010	2011
Number of employees*	4,485	3,466	3,340
Male	2,787	2,062	2,021
Percentage of total	62.14%	59.49%	60.51%
Female	1,698	1,404	1,319
Percentage of total	37.86%	40.51%	39.49%
Average age	39 yrs 9 mos.	37 yrs 8 mos.	38 yrs 7 mos.
Male	43 yrs 2 mos.	40 yrs 8 mos.	41 yrs 5 mos.
Female	34 yrs 1 mos.	33 yrs 2 mos.	34 yrs 4 mos.
Average years of service	14 yrs 11 mos.	13 yrs 4 mos.	14 yrs 2 mos.
Male	17 yrs 7 mos.	15 yrs 7 mos.	16 yrs 4 mos.
Female	10 yrs 6 mos.	9 yrs 11 mos.	11 yrs 0 mos.

* Excluding employees seconded from other companies, employees on short-term contracts and part-time employees.

** As of March 31, 2009, the total number of employees includes employees of OMC Card, Inc., Central Finance Co., Ltd., and QUOQ Inc.

April 1	2009	2010	2011
Number of new hires	79	32	44
Number of newly employed female graduates	46	14	22
Ratio of newly employed females to total new employees	58.2%	43.8%	50.0%

Fiscal	2008	2009	2010
Number of employees taking parental leave***	55	45	62
Men taking such leave	0	3	0

*** For fiscal year 2008, the total number of employees includes employees of OMC Card, Inc., Central Finance Co., Ltd., and QUOQ Inc.

◆ Sumitomo Mitsui Finance and Leasing

March 31	2009	2010	2011
Number of employees*	1,640	1,666	1,648
Male	1,023	1,035	1,025
Percentage of total	62.38%	62.12%	62.20%
Female	617	631	623
Percentage of total	37.62%	37.88%	37.80%
Average age	37 yrs 1 mos.	37 yrs 3 mos.	37 yrs 8 mos.
Male	40 yrs 2 mos.	40 yrs 3 mos.	40 yrs 6 mos.
Female	32 yrs 0 mos.	32 yrs 4 mos.	33 yrs 0 mos.
Average years of service	12 yrs 1 mos.	12 yrs 5 mos.	12 yrs 10 mos.
Male	14 yrs 10 mos.	15 yrs 2 mos.	15 yrs 6 mos.
Female	7 yrs 6 mos.	8 yrs 0 mos.	8 yrs 7 mos.

* The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: employees seconded from other companies and organizations, executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and full-time employees of affiliates (including overseas subsidiaries).

April 1	2009	2010	2011
Number of new hires	40	28	22
Number of newly employed female graduates	2	1	3
Ratio of newly employed females to total new employees	5.0%	3.6%	13.6%

Fiscal	2008	2009	2010
Number of employees taking parental leave	13	22	34

◆ Japan Research Institute

March 31	2009	2010	2011
Number of employees*	2,215	2,322	2,323
Male	1,732	1,792	1,782
Percentage of total	78.19%	77.17%	76.71%
Female	483	530	541
Percentage of total	21.81%	22.83%	23.29%
Average age	38 yrs 11 mos.	39 yrs 0 mos.	39 yrs 1 mos.
Male	39 yrs 8 mos.	39 yrs 11 mos.	39 yrs 9 mos.
Female	35 yrs 11 mos.	35 yrs 9 mos.	36 yrs 4 mos.
Average years of service	9 yrs 7 mos.	9 yrs 11 mos.	9 yrs 9 mos.
Male	9 yrs 11 mos.	10 yrs 3 mos.	10 yrs 3 mos.
Female	8 yrs 7 mos.	8 yrs 8 mos.	8 yrs 6 mos.

* The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2009	2010	2011
Number of new hires	147	50	53
Number of newly employed female graduates**	46	14	20
Ratio of newly employed females to total new employees	31.3%	28.0%	37.7%

** Includes only *sogoshoku* staff. *Ippanshoku* staff are excluded.

Fiscal	2008	2009	2010
Number of employees taking parental leave	30	25	48
Men taking such leave	3	6	7

◆ SMBC Friend Securities

March 31	2009	2010	2011
Number of employees*	2,011	2,072	1,897
Male	1,434	1,462	1,359
Percentage of total	71.31%	70.56%	71.64%
Female	577	610	538
Percentage of total	28.69%	29.44%	28.36%
Average age	36 yrs 9 mos.	36 yrs 11 mos.	37 yrs 7 mos.
Male	39 yrs 1 mos.	39 yrs 4 mos.	39 yrs 8 mos.
Female	31 yrs 1 mos.	31 yrs 4 mos.	32 yrs 5 mos.
Average years of service	13 yrs 2 mos.	13 yrs 3 mos.	14 yrs 0 mos.
Male	15 yrs 1 mos.	15 yrs 4 mos.	15 yrs 9 mos.
Female	8 yrs 3 mos.	8 yrs 5 mos.	9 yrs 5 mos.

* The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2009	2010	2011
Number of new hires	232	148	149
Number of newly employed female graduates**	117	68	79
Ratio of newly employed females to total new employees	50.4%	45.9%	53.0%

** Both non-area specified and area specified staff

Fiscal	2008	2009	2010
Number of employees taking parental leave	20	22	25

◆ SMBC Nikko Securities

March*	2009	2010	2011
Number of employees**	6,004	6,584	7,094
Male	3,578	4,057	4,449
Percentage of total	59.59%	61.62%	62.71%
Female	2,426	2,527	2,645
Percentage of total	40.41%	38.38%	37.29%
Average age	37 yrs 2 mos.	38 yrs 1 mos.	38 yrs 11 mos.
Male	38 yrs 11 mos.	39 yrs 6 mos.	40 yrs 3 mos.
Female	34 yrs 7 mos.	35 yrs 9 mos.	36 yrs 8 mos.
Average years of service	12 yrs 0 mos.	12 yrs 1 mos.	11 yrs 11 mos.
Male	13 yrs 0 mos.	12 yrs 9 mos.	12 yrs 4 mos.
Female	10 yrs 7 mos.	11 yrs 1 mos.	11 yrs 2 mos.

* As of March 1 of the respective years

** The number of full-time employees. The following list of employees is deducted from the total number of employees: executive officers, employees seconded to other companies and organizations employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2009	2010	2011
Number of new hires	182	159	493
Number of newly employed female graduates***	53	54	190
Ratio of newly employed females to total new employees	29.1%	34.0%	38.5%

*** Professional staff (Classes I-II), FA, and specialists

Fiscal	2008	2009	2010
Number of employees taking parental leave	177	207	229

◆ THE MINATO BANK

March 31	2009	2010	2011
Number of employees*	2,121	2,152	2,166
Male	1,348	1,320	1,337
Percentage of total	63.55%	61.34%	61.73%
Female	773	832	829
Percentage of total	36.45%	38.66%	38.27%
Average age	40 yrs 10 mos.	40 yrs 3 mos.	40 yrs 4 mos.
Male	44 yrs 2 mos.	43 yrs 9 mos.	43 yrs 8 mos.
Female	35 yrs 2 mos.	34 yrs 11 mos.	35 yrs 0 mos.
Average years of service	15 yrs 2 mos.	14 yrs 10 mos.	15 yrs 3 mos.
Male	19 yrs 4 mos.	19 yrs 2 mos.	19 yrs 3 mos.
Female	8 yrs 0 mos.	8 yrs 1 mos.	9 yrs 0 mos.

* The number of full-time employees including executives and employees seconded to other companies or organizations. Excluded employees on short-term contracts, and part-time employees.

April 1	2009	2010	2011
Number of new hires	63	32	44
Number of newly employed female graduates	13	6	9
Ratio of newly employed females to total new employees	20.6%	18.8%	20.5%

Fiscal	2008	2009	2010
Number of employees taking parental leave	23	20	16
Men taking such leave	1	1	1

◆ Kansai Urban Banking

March 31	2009**	2010	2011
Number of employees*	1,890	2,880	2,809
Male	1,282	1,989	1,929
Percentage of total	67.83%	69.06%	68.67%
Female	608	891	880
Percentage of total	32.17%	30.94%	31.33%
Average age	39 yrs 10 mos.	39 yrs 9 mos.	39 yrs 10 mos.
Male	43 yrs 9 mos.	43 yrs 5 mos.	43 yrs 4 mos.
Female	31 yrs 6 mos.	31 yrs 7 mos.	32 yrs 3 mos.
Average years of service	16 yrs 7 mos.	16 yrs 8 mos.	16 yrs 8 mos.
Male	19 yrs 11 mos.	19 yrs 10 mos.	19 yrs 9 mos.
Female	9 yrs 5 mos.	9 yrs 5 mos.	10 yrs 1 mos.

* Total is for full-time non-executive employees of the bank, including employees seconded to other companies and organizations. Excluded are executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies.

** Up to March 31, 2009, figures are those of prior to the merger with The Biwako Bank, Ltd.

April 1	2009	2010	2011
Number of new hires	137	97	86
Number of newly employed female graduates	80	42	50
Ratio of newly employed females to total new employees	58.4%	43.3%	58.1%

Fiscal***	2008	2009	2010
Number of employees taking parental leave	19	12	25

*** Up to fiscal 2009, figures are those prior to the merger with The Biwako Bank, Ltd.

• The combined employment ratio for persons with disabilities for the above nine companies was 1.87% as of March 2011.

Principal Work-Life Balance Systems (Employee Support Programs)

	Parental leave	Leave for taking care of sick children	Shorter working hours	Restrictions on overtime	Exemption from late-night work	Other principal systems
SMBC	18 months or maximum of 2 years in case of inability to place in daycare center	Up to March 31 in the 6th grade of elementary school (10 days per annum for one child; 20 days for two or more children)	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable up to March 31 in the 6th grade of elementary school.	Up to March 31 in the 6th grade of elementary school	Up to March 31 in the 6th grade of elementary school	<ul style="list-style-type: none"> • Work relocations • Child-care subsidies • Leave to care for sick family members • Shorter working hours to care for sick family members • System for rehiring former employees
Sumitomo Mitsui Card	18 months or maximum of 2 years in case of inability to place in daycare center	Up to March 31 in the 6th grade of elementary school (5 days per annum for one child; 10 days for two or more children)	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable up to March 31 in the 3rd grade of elementary school.	Up to March 31 in the 3rd grade of elementary school	Up to March 31 in the 3rd grade of elementary school	<ul style="list-style-type: none"> • Work relocations • Child-care subsidies • Leave to care for sick family members • System for rehiring former employees
Cedyna	Up to 3 years old	Up to March 31 in the 3rd grade of elementary school (5 days per annum for one child; no upper limit)	Up to March 31 in the 3rd grade of elementary school (Employees can choose to work 5, 6, or 7 hours a day).	Up to entry into elementary school	Up to entry into elementary school	<ul style="list-style-type: none"> • Maternity leave and work • Short-term childcare leave • Leave to care for sick family members • System for rehiring former employees on • Maternity leave (for men)
Sumitomo Mitsui Finance and Leasing	1 year or maximum of 18 months in case of inability to place in daycare center	No restrictions on children's age or number of days leave	Employees can reduce daily working hours to a minimum of 5 hours 30 minutes up to March 31 in the 6th grade of elementary school.	Up to entry into elementary school	Up to entry into elementary school	<ul style="list-style-type: none"> • Work relocations • System for rehiring former employees
Japan Research Institute	18 months or maximum of 2 years in case of inability to place in daycare center	Up to March 31 in the 6th grade of elementary school (5 days per annum for one child; no upper limit)	Employees can choose to work 4, 5, 6 or 7 hours per day up to March 31 in the 3rd grade of elementary school (this system can be combined with flexitime).	Up to entry into elementary school	For employees who are pregnant or have given birth within previous 12 months	<ul style="list-style-type: none"> • Child-care subsidies • Leave to care for sick family members • Shorter working hours to care for sick family members • More time off and shorter working hours to care for sick family members • Days off to care for sick family members
SMBC Friend Securities	18 months or maximum of 2 years in case of inability to place in daycare center	Up to March 31 in the 3rd grade of elementary school (5 days per annum for one child; 10 days for two or more children)	Employees can reduce daily working hours to between 6 hours and 6 hours 50 minutes up to March 31 in the 3rd grade of elementary school.	Up to March 31 in the 3rd grade of elementary school	Up to March 31 in the 3rd grade of elementary school	<ul style="list-style-type: none"> • Leave to care for sick family members • Shorter working hours to care for sick family members
SMBC Nikko Securities	Up to 3 years old	Up to entry into elementary school (5 days per annum for one child; 10 days for two or more children)	Up to child's entry into junior high school, employees can reduce working hours in increments of 30 minutes for a maximum reduction of 2 hours 30 minutes per day.	Up to entry into junior high school	Up to entry into junior high school	<ul style="list-style-type: none"> • Use of designated day-care center at discounted rates • Leave to care for sick family members • Special days off to care for sick family members • Shorter working hours to care for sick family members • Staggered working hours (shift system)
THE MINATO BANK	Up to 3 years old	Up to entry into elementary school (5 days per annum for one child; 10 days for two or more children)	Up to entry into elementary school, employees can opt for 6-hour working day	Up to entry into elementary school	Up to entry into elementary school	<ul style="list-style-type: none"> • Maternity leave (to help spouse) • Leave to care for sick family members • Shorter working hours to care for sick family members
Kansai Urban Banking	1 year or maximum of 18 months in case of inability to place in daycare center	Up to entry into elementary school (5 days per annum for one child; 10 days for two or more children)	Up to 3 years old, employees can opt for 6-hour working day	Up to entry into elementary school	Up to entry into elementary school	<ul style="list-style-type: none"> • System for rehiring former employees • Leave to care for sick family members • Home helpers provided



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Financial Data

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Consolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Assets			
Cash and due from banks (Notes 9 and 30).....	¥ 5,645,094	¥ 3,371,193	\$ 67,890
Deposits with banks (Notes 9 and 30).....	3,588,811	2,468,478	43,161
Call loans and bills bought (Notes 9 and 30).....	851,636	1,121,145	10,242
Receivables under resale agreements (Note 30).....	131,104	25,226	1,577
Receivables under securities borrowing transactions (Note 30).....	4,740,410	5,440,622	57,010
Monetary claims bought (Notes 9 and 30).....	1,122,307	1,006,738	13,497
Trading assets (Notes 3, 9 and 30).....	6,632,898	6,708,688	79,770
Money held in trust (Notes 30 and 31).....	24,011	18,734	289
Securities (Notes 4, 9, 30 and 31).....	39,952,123	28,623,968	480,483
Loans and bills discounted (Notes 5, 9 and 30).....	61,348,355	62,701,033	737,803
Foreign exchanges (Note 30).....	1,077,024	1,107,289	12,953
Lease receivables and investment assets (Notes 9, 29 and 30).....	1,734,169	1,839,662	20,856
Other assets (Notes 6, 9, 30 and 32).....	4,604,732	3,610,046	55,379
Tangible fixed assets (Notes 7, 9 and 15).....	1,168,908	1,081,125	14,058
Intangible fixed assets (Note 8).....	674,216	626,248	8,108
Deferred tax assets (Note 25).....	644,736	728,586	7,754
Customers' liabilities for acceptances and guarantees.....	4,921,500	3,749,056	59,188
Reserve for possible loan losses (Note 30).....	(1,058,945)	(1,068,329)	(12,735)
Total assets	¥137,803,098	¥123,159,513	\$1,657,283

(Continued)

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Liabilities and net assets			
Liabilities			
Deposits (Notes 9, 10 and 30).....	¥ 90,365,263	¥ 85,644,215	\$1,086,774
Call money and bills sold (Notes 9 and 30).....	2,629,407	2,119,557	31,622
Payables under repurchase agreements (Notes 9 and 30).....	726,365	1,120,860	8,736
Payables under securities lending transactions (Notes 9 and 30).....	5,713,233	4,315,774	68,710
Commercial paper (Note 30).....	337,120	310,787	4,054
Trading liabilities (Notes 9, 11 and 30).....	5,248,302	5,066,727	63,119
Borrowed money (Notes 9, 12 and 30).....	10,769,668	5,470,578	129,521
Foreign exchanges (Note 30).....	256,160	192,299	3,081
Short-term bonds (Notes 13 and 30).....	1,183,198	1,212,178	14,230
Bonds (Notes 13 and 30).....	3,866,095	3,422,672	46,495
Due to trust account (Note 30).....	216,171	159,554	2,600
Other liabilities (Notes 9, 14, 29, 30 and 32).....	4,188,259	3,193,146	50,370
Reserve for employee bonuses.....	45,176	43,443	543
Reserve for executive bonuses.....	2,496	2,333	30
Reserve for employee retirement benefits (Note 28).....	44,604	41,691	536
Reserve for executive retirement benefits.....	2,728	8,216	33
Reserve for point service program.....	18,927		228
Reserve for reimbursement of deposits.....	9,923	11,734	119
Reserve for loss on interest repayment.....	59,812		719
Reserve under the special laws.....	392	393	5
Deferred tax liabilities (Note 25).....	20,517	26,520	247
Deferred tax liabilities for land revaluation (Note 15).....	45,698	46,966	550
Acceptances and guarantees (Note 9).....	4,921,500	3,749,056	59,188
Total liabilities	130,671,024	116,158,708	1,571,510
Net assets (Note 26)			
Capital stock (Note 16).....	2,337,895	2,337,895	28,117
Capital surplus.....	978,851	978,897	11,772
Retained earnings.....	1,776,433	1,451,945	21,364
Treasury stock.....	(171,760)	(124,061)	(2,066)
Total stockholders' equity	4,921,419	4,644,677	59,187
Net unrealized gains on other securities (Notes 23, 25 and 31).....	272,306	412,708	3,275
Net deferred losses on hedges (Notes 23, 25 and 32).....	(9,701)	(39,367)	(117)
Land revaluation excess (Note 15).....	33,357	34,955	401
Foreign currency translation adjustments (Note 23).....	(122,889)	(101,650)	(1,478)
Total accumulated other comprehensive income	173,073	306,646	2,081
Stock acquisition rights (Note 33).....	262	81	3
Minority interests.....	2,037,318	2,049,400	24,502
Total net assets	7,132,073	7,000,805	85,773
Total liabilities and net assets	¥137,803,098	¥123,159,513	\$1,657,283

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Consolidated Statements of Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Income			
Interest income.....	¥1,612,599	¥1,695,805	\$19,394
Interest on loans and discounts	1,208,389	1,287,955	14,533
Interest and dividends on securities.....	251,311	241,216	3,022
Interest on receivables under resale agreements.....	2,351	902	28
Interest on receivables under securities borrowing transactions	8,464	5,413	102
Interest on deposits with banks	18,592	14,757	224
Interest on lease transactions.....	71,589	74,542	861
Other interest income	51,900	71,018	624
Trust fees.....	2,335	1,778	28
Fees and commissions (Note 17).....	897,461	729,364	10,793
Trading income (Note 18).....	237,093	194,087	2,851
Other operating income (Note 19).....	1,039,662	453,012	12,504
Other income (Note 21).....	73,507	110,638	884
Total income	3,862,660	3,184,688	46,454
Expenses			
Interest expenses	294,947	314,893	3,547
Interest on deposits.....	139,424	180,021	1,677
Interest on borrowings and rediscounts.....	49,251	44,174	592
Interest on payables under repurchase agreements	2,753	1,390	33
Interest on payables under securities lending transactions	8,847	6,165	107
Interest on bonds and short-term bonds	68,947	73,652	829
Other interest expenses	25,723	9,489	309
Fees and commissions payments (Note 17).....	131,230	120,748	1,578
Other operating expenses (Note 20).....	858,243	401,773	10,321
General and administrative expenses	1,355,322	1,161,302	16,300
Provision for reserve for possible loan losses.....	48,720	201,620	586
Other expenses (Note 22).....	346,881	426,252	4,172
Total expenses	3,035,346	2,626,590	36,504
Income before income taxes and minority interests	827,313	558,097	9,950
Income taxes (Note 25):			
Current.....	97,446	104,110	1,172
Deferred.....	143,325	74,759	1,724
Income before minority interests	586,542		7,054
Minority interests in net income	110,646	107,668	1,331
Net income	¥ 475,895	¥ 271,559	\$ 5,723

(Consolidated Statements of Comprehensive Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Income before minority interests.....	¥586,542	¥—	\$7,054
Other comprehensive income (Note 23)			
Net unrealized losses on other securities.....	(150,002)	—	(1,804)
Net deferred gains on hedges	29,587	—	356
Foreign currency translation adjustments	(60,928)	—	(733)
Share of other comprehensive income of associates accounted for by equity method	8,176	—	98
Total other comprehensive income	(173,166)	—	(2,083)
Total comprehensive income (Note 24)	413,375	—	4,971
Comprehensive income attributable to shareholders of the parent company....	343,920	—	4,136
Comprehensive income attributable to minority interests	69,455	—	835

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Stockholders' equity			
Capital stock			
Balance at the end of the previous fiscal year.....	¥2,337,895	¥1,420,877	\$28,117
Changes in the fiscal year:			
Issuance of new shares	—	917,018	—
Net changes in the fiscal year.....	—	917,018	—
Balance at the end of the fiscal year	¥2,337,895	¥2,337,895	\$28,117
Capital surplus			
Balance at the end of the previous fiscal year.....	978,897	57,245	11,772
Changes in the fiscal year:			
Issuance of new shares	—	928,094	—
Disposal of treasury stock	(46)	(108)	(0)
Decrease due to decrease in affiliates.....	—	(6,333)	—
Net changes in the fiscal year.....	(46)	921,652	(0)
Balance at the end of the fiscal year	¥ 978,851	¥ 978,897	\$11,772
Retained earnings			
Balance at the end of the previous fiscal year.....	1,451,945	1,245,085	17,462
Changes in the fiscal year:			
Cash dividends	(152,878)	(71,174)	(1,839)
Net income	475,895	271,559	5,723
Increase due to increase in subsidiaries.....	13	8	0
Increase due to decrease in subsidiaries	3	3	0
Decrease due to increase in subsidiaries	(13)	(11)	(0)
Decrease due to decrease in subsidiaries.....	(10)	(1)	(0)
Increase due to decrease in affiliates	—	6,333	—
Decrease due to decrease in affiliates.....	(126)	—	(1)
Reversal of land revaluation excess	1,604	141	19
Net changes in the fiscal year.....	324,488	206,859	3,902
Balance at the end of the fiscal year	¥1,776,433	¥1,451,945	\$21,364
Treasury stock			
Balance at the end of the previous fiscal year.....	(124,061)	(124,024)	(1,492)
Changes in the fiscal year:			
Purchase of treasury stock.....	(47,759)	(189)	(574)
Disposal of treasury stock	60	152	0
Net changes in the fiscal year.....	(47,699)	(36)	(574)
Balance at the end of the fiscal year	¥ (171,760)	¥ (124,061)	\$ (2,066)
Total stockholders' equity			
Balance at the end of the previous fiscal year.....	4,644,677	2,599,183	55,859
Changes in the fiscal year:			
Issuance of new shares	—	1,845,113	—
Cash dividends	(152,878)	(71,174)	(1,839)
Net income	475,895	271,559	5,723
Purchase of treasury stock.....	(47,759)	(189)	(574)
Disposal of treasury stock	13	43	0
Increase due to increase in subsidiaries.....	13	8	0
Increase due to decrease in subsidiaries	3	3	0
Decrease due to increase in subsidiaries	(13)	(11)	(0)
Decrease due to decrease in subsidiaries.....	(10)	(1)	(0)
Increase due to decrease in affiliates	—	6,333	—
Decrease due to decrease in affiliates.....	(126)	(6,333)	(1)
Reversal of land revaluation excess	1,604	141	19
Net changes in the fiscal year.....	276,742	2,045,493	3,328
Balance at the end of the fiscal year	¥4,921,419	¥4,644,677	\$59,187

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Accumulated other comprehensive income			
Net unrealized gains (losses) on other securities			
Balance at the end of the previous fiscal year.....	¥ 412,708	¥ (14,649)	\$ 4,963
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	(140,402)	427,358	(1,688)
Net changes in the fiscal year.....	(140,402)	427,358	(1,688)
Balance at the end of the fiscal year.....	¥ 272,306	¥ 412,708	\$ 3,275
Net deferred losses on hedges			
Balance at the end of the previous fiscal year.....	(39,367)	(20,835)	(473)
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	29,666	(18,531)	356
Net changes in the fiscal year.....	29,666	(18,531)	356
Balance at the end of the fiscal year.....	¥ (9,701)	¥ (39,367)	\$ (117)
Land revaluation excess			
Balance at the end of the previous fiscal year.....	34,955	35,159	420
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	(1,597)	(204)	(19)
Net changes in the fiscal year.....	(1,597)	(204)	(19)
Balance at the end of the fiscal year.....	¥ 33,357	¥ 34,955	\$ 401
Foreign currency translation adjustments			
Balance at the end of the previous fiscal year.....	(101,650)	(129,068)	(1,222)
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	(21,238)	27,418	(256)
Net changes in the fiscal year.....	(21,238)	27,418	(256)
Balance at the end of the fiscal year.....	¥ (122,889)	¥ (101,650)	\$ (1,478)
Total accumulated other comprehensive income			
Balance at the end of the previous fiscal year.....	306,646	(129,394)	3,688
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	(133,573)	436,040	(1,607)
Net changes in the fiscal year.....	(133,573)	436,040	(1,607)
Balance at the end of the fiscal year.....	¥ 173,073	¥ 306,646	\$ 2,081
Stock acquisition rights			
Balance at the end of the previous fiscal year.....	81	66	1
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	180	15	2
Net changes in the fiscal year.....	180	15	2
Balance at the end of the fiscal year.....	¥ 262	¥ 81	\$ 3
Minority interests			
Balance at the end of the previous fiscal year.....	2,049,400	2,141,908	24,647
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	(12,081)	(92,508)	(145)
Net changes in the fiscal year.....	(12,081)	(92,508)	(145)
Balance at the end of the fiscal year.....	¥2,037,318	¥2,049,400	\$24,502
Total net assets			
Balance at the end of the previous fiscal year.....	7,000,805	4,611,764	84,195
Changes in the fiscal year:			
Issuance of new shares.....	—	1,845,113	—
Cash dividends.....	(152,878)	(71,174)	(1,839)
Net income.....	475,895	271,559	5,723
Purchase of treasury stock.....	(47,759)	(189)	(574)
Disposal of treasury stock.....	13	43	0
Increase due to increase in subsidiaries.....	13	8	0
Increase due to decrease in subsidiaries.....	3	3	0
Decrease due to increase in subsidiaries.....	(13)	(11)	(0)
Decrease due to decrease in subsidiaries.....	(10)	(1)	(0)
Increase due to decrease in affiliates.....	—	6,333	—
Decrease due to decrease in affiliates.....	(126)	(6,333)	(1)
Reversal of land revaluation excess.....	1,604	141	19
Net changes in items other than stockholders' equity in the fiscal year.....	(145,474)	343,547	(1,750)
Net changes in the fiscal year.....	131,268	2,389,041	1,578
Balance at the end of the fiscal year.....	¥7,132,073	¥7,000,805	\$85,773

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 827,313	¥ 558,097	\$ 9,950
Depreciation	154,267	136,860	1,855
Losses on impairment of fixed assets.....	5,411	12,856	65
Amortization of goodwill.....	22,938	18,634	276
Gains on negative goodwill	(409)	—	(5)
Gains on step acquisitions	(12,655)	—	(152)
Equity in losses of affiliates	13,319	21,542	160
Net change in reserve for possible loan losses.....	(13,433)	(1,419)	(162)
Net change in reserve for employee bonuses.....	1,057	7,543	13
Net change in reserve for executive bonuses	163	813	2
Net change in reserve for employee retirement benefits.....	(2,987)	903	(36)
Net change in reserve for executive retirement benefits.....	(5,642)	204	(68)
Net change in reserve for point service program	(1,420)	—	(17)
Net change in reserve for reimbursement of deposits	(1,810)	(43)	(22)
Net change in reserve for loss on interest repayment.....	(17,566)	—	(211)
Interest income.....	(1,612,599)	(1,695,805)	(19,394)
Interest expenses	294,947	314,893	3,547
Net gains on securities	(61,648)	(19,837)	(741)
Net losses from money held in trust.....	148	245	2
Net exchange losses	280,834	83,038	3,377
Net (gains) losses from disposal of fixed assets	5,029	(11,176)	60
Net change in trading assets.....	7,813	(983,770)	94
Net change in trading liabilities	256,101	1,195,098	3,080
Net change in loans and bills discounted	1,401,384	3,591,071	16,854
Net change in deposits.....	3,628,657	1,918,359	43,640
Net change in negotiable certificates of deposit.....	1,380,003	(462,243)	16,597
Net change in borrowed money (excluding subordinated borrowings).....	4,569,942	541,021	54,960
Net change in deposits with banks	(1,196,723)	(770,291)	(14,392)
Net change in call loans and bills bought and others	(18,924)	(474,477)	(228)
Net change in receivables under securities borrowing transactions.....	700,211	(3,226,847)	8,421
Net change in call money and bills sold and others.....	165,025	(473,642)	1,985
Net change in commercial paper	26,333	310,787	317
Net change in payables under securities lending transactions.....	1,397,458	(3,409,463)	16,806
Net change in foreign exchanges (assets).....	(7,663)	(220,622)	(92)
Net change in foreign exchanges (liabilities)	64,083	(89,277)	771
Net change in lease receivables and investment assets.....	152,703	202,531	1,836
Net change in short-term bonds (liabilities).....	(101,780)	168,836	(1,224)
Issuance and redemption of bonds (excluding subordinated bonds).....	515,688	(211,844)	6,202
Net change in due to trust account.....	56,617	98,635	681
Interest received	1,635,444	1,760,370	19,669
Interest paid.....	(309,401)	(341,821)	(3,721)
Other, net	(279,956)	(321,815)	(3,367)
Subtotal.....	13,918,277	(1,772,056)	167,388
Income taxes paid	(124,540)	(108,864)	(1,498)
Net cash provided by (used in) operating activities	13,793,737	(1,880,921)	165,890

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Cash flows from investing activities:			
Purchases of securities	¥(67,169,471)	¥(46,300,009)	\$(807,811)
Proceeds from sale of securities	36,624,700	32,626,376	440,465
Proceeds from maturity of securities.....	19,626,268	14,263,916	236,034
Purchases of money held in trust.....	(6,942)	(9,748)	(83)
Proceeds from sale of money held in trust.....	5,236	27	63
Purchases of tangible fixed assets.....	(182,839)	(156,154)	(2,199)
Proceeds from sale of tangible fixed assets.....	6,966	37,114	84
Purchases of intangible fixed assets.....	(101,624)	(82,287)	(1,222)
Proceeds from sale of intangible fixed assets.....	528	111	6
Proceeds from sale of stocks of subsidiaries.....	314	—	4
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	59,408	—	715
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(10,756)	(537,007)	(129)
Net cash used in investing activities	(11,148,211)	(157,661)	(134,073)
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings.....	80,000	8,000	962
Repayment of subordinated borrowings.....	(87,500)	(78,000)	(1,052)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	256,751	611,172	3,088
Repayment of subordinated bonds and bonds with stock acquisition rights	(314,900)	(639,981)	(3,787)
Proceeds from issuance of stocks	—	1,824,896	—
Dividends paid.....	(152,612)	(71,063)	(1,836)
Proceeds from contributions paid by minority stockholders.....	471	388,000	6
Repayment to minority stockholders.....	(309)	(492,987)	(4)
Dividends paid to minority stockholders.....	(97,609)	(98,791)	(1,174)
Purchases of treasury stock	(47,759)	(189)	(574)
Proceeds from disposal of treasury stock.....	13	43	0
Purchases of treasury stock of subsidiaries.....	(1,001)	—	(12)
Proceeds from sale of treasury stock of subsidiaries.....	17	—	0
Net cash provided by (used in) financing activities	(364,438)	1,451,099	(4,383)
Effect of exchange rate changes on cash and due from banks.....	(7,185)	(302)	(87)
Net change in cash and due from banks	2,273,901	(587,786)	27,347
Cash and due from banks at the beginning of the year	3,371,193	3,800,890	40,543
Change in cash and due from banks due to merger of consolidated subsidiary	—	158,089	—
Cash and due from banks at the end of the year	¥ 5,645,094	¥ 3,371,193	\$ 67,890

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Years ended March 31, 2011 and 2010

1. Basis of Presentation

Sumitomo Mitsui Financial Group, Inc. ("SMFG") was established on December 2, 2002 as a holding company for the SMFG group through a statutory share transfer (*kabushiki iten*) of all of the outstanding equity securities of Sumitomo Mitsui Banking Corporation ("SMBC") in exchange for SMFG's newly issued securities. SMFG is a joint stock corporation with limited liability (*Kabushiki Kaisha*) incorporated under the Companies Act of Japan. Upon formation of SMFG and completion of the statutory share transfer, SMBC became a direct wholly owned subsidiary of SMFG.

SMFG has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of overseas subsidiaries and affiliated companies are in principle integrated with those of SMFG's accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or International Financial Reporting Standards in which case a certain limited number of items are adjusted based on their materiality.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of SMFG prepared in accordance with Japanese GAAP.

Some supplementary information included in the statutory Japanese language consolidated financial statements, but not necessarily required for fair presentation, is not presented in the accompanying consolidated financial statements.

Amounts less than 1 million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2011, which was ¥83.15 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

2. Significant Accounting Policies

(1) Consolidation and equity method

(a) Scope of consolidation

Japanese accounting standards on consolidated financial statements require a company to consolidate any subsidiary when the company substantially controls the operations of the enterprise, even if it is not a majority owned subsidiary. Control is defined as the power to govern the decision-making body of an enterprise.

(i) Consolidated subsidiaries

The number of consolidated subsidiaries is as follows:

March 31	2011	2010
Consolidated subsidiaries.....	327	307

Principal companies:

Sumitomo Mitsui Banking Corporation
THE MINATO BANK, LTD.
Kansai Urban Banking Corporation
Sumitomo Mitsui Banking Corporation Europe Limited
Sumitomo Mitsui Banking Corporation (China) Limited
SMBC Friend Securities Co., Ltd.
Nikko Cordial Securities Inc.
Sumitomo Mitsui Finance and Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
Cedyna Financial Corporation
SMBC Finance Service Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2011 are as follows:

9 companies including Cedyna Financial Corporation were newly consolidated through a third-party allotment of new shares issued by the company. 38 companies including SMBC Venture Capital Co., Ltd. were newly consolidated due mainly to acquisitions of stocks.

12 companies including SB Equity Securities (Cayman), Limited were excluded from the scope of consolidation because they were no longer subsidiaries due mainly to liquidation.

15 companies including Soir Leasing Co., Ltd. were excluded from the scope of consolidation and became unconsolidated subsidiaries that are not accounted for by the equity method because they became operators of silent partnerships for lease transactions.

(ii) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

206 subsidiaries including SMLC MAHOGANY CO., LTD. are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have been excluded from the scope of consolidation pursuant to Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations.

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial, and as such, they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of consolidation.

(b) Application of the equity method

Japanese accounting standards also require that any unconsolidated subsidiaries and affiliates which SMFG is able to exercise material influence over their financial and operating policies be accounted for by the equity method.

(i) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method is as follows:

March 31	2011	2010
Unconsolidated subsidiaries.....	4	4

Principal company:

SBCS Co., Ltd.

(ii) Equity method affiliates

The number of the equity method affiliates is as follows:

March 31	2011	2010
Affiliates.....	43	54

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited

Promise Co., Ltd.

Daiwa SB Investments Ltd.

Changes in the equity method affiliates in the fiscal year ended March 31, 2011 are as follows:

4 companies including Famima Credit Corporation became equity method affiliates due mainly to acquisitions of stocks.

6 companies including Cedyna Financial Corporation were excluded from the scope of equity method affiliates because they became consolidated subsidiaries through a third-party allotment of new shares issued by the company. 9 companies including Daiwa SMBC Capital Co., Ltd. were also excluded due mainly to sales of stocks.

(iii) Unconsolidated subsidiaries that are not accounted for by the equity method

206 subsidiaries including SMLC MAHOGANY CO., LTD. are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have not been accounted for by the equity method pursuant to Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations.

(iv) Affiliates that are not accounted for by the equity method

Principal company:

Daiwa SB Investments (USA) Ltd.

Affiliates that are not accounted for by the equity method are excluded from the scope of equity method because the attributable portions to SMFG from their total amounts in terms of net income and retained earnings are immaterial, and as such, they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of equity method.

(c) The balance sheet dates of consolidated subsidiaries

(i) The balance sheet dates of the consolidated subsidiaries are as follows:

March 31	2011	2010
June 30	4	4
July 31	2	2
September 30	3	5
October 31	1	2
November 30	7	5
December 31	119	120
January 31	18	18
February 28	7	8
March 31	166	143

(ii) The subsidiaries with balance sheets dated June 30, July 31, September 30, November 30 and January 31 are consolidated using the financial statements as of March 31 for the purpose of consolidation. The subsidiary with balance sheets dated October 31 is consolidated using the financial statements as of January 31. Certain subsidiaries with balance sheets dated December 31 are consolidated using the financial statements as of March 31. Other subsidiaries are consolidated using the financial statements on their respective balance sheet dates.

Appropriate adjustments are made for material transactions during the periods between their respective balance sheet dates and the consolidated closing date, if the financial statements of the consolidated subsidiaries were based on dates other than March 31.

(d) Special purpose entities

(i) Outline of special purpose entities and transactions
SMBC provides loans, credit lines and liquidity lines to 12 special purpose entities ("SPEs") for their funding needs and issuing of commercial paper. The SPEs are engaged in purchases of monetary claims such as receivables from SMBC customers and incorporated under the laws of the Cayman Islands or as intermediate corporations with limited liabilities. SMBC has no voting rights in the SPEs and sends no directors or employees. Accordingly, SMFG does not consolidate these SPEs.

The combined assets and liabilities of the 12 SPEs as of their most recent closing dates of 2011 were ¥2,274,626 million (\$27,356 million) and ¥2,274,424 million (\$27,353 million), respectively. The respective amounts of 2010 were ¥2,261,647 million and ¥2,261,476 million.

(ii) The amount of principal transactions with the SPEs as of and for the fiscal years ended March 31, 2011 and 2010 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Loans and bills discounted.....	¥1,592,714	¥1,630,152	\$19,155
Credit lines.....	593,578	670,385	7,139
Liquidity lines.....	291,991	279,947	3,512

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Interest on loans and discounts.....	¥15,978	¥17,520	\$192
Fees and commissions...	1,665	2,288	20

- (2) Trading assets/liabilities and trading income/losses
Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in “Trading assets” or “Trading liabilities” on the consolidated balance sheet on a trade date basis. Income and losses on trading-purpose transactions are recognized on a trade date basis and recorded as “Trading income” and “Trading losses.”

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end fair value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated on the consolidated balance sheet date.

“Trading income” and “Trading losses” include related interest received or paid during the fiscal year. The year-on-year valuation differences of securities and monetary claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

(3) Securities

- (a) Other than securities classified for trading purposes, debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method.

Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as “other securities” (available-for-sale securities). Stocks (including foreign stocks) in other securities that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities, for which it is extremely difficult to determine fair value with no available market prices, are carried at cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in “Net assets,” after deducting the amount that is reflected in the fiscal year’s earnings by applying fair value hedge accounting.

- (b) Securities included in money held in trust are carried using the same method used for securities mentioned above.
- (4) Derivative transactions
Derivative transactions, other than those classified as trading derivatives, are carried at fair value, with revaluation gain or loss included in the income or loss, unless they are designated as effective hedging instruments.
- (5) Depreciation

(a) Tangible fixed assets

Buildings owned by SMFG and SMBC are depreciated using the straight-line method over the estimated useful

lives of the respective assets. Others are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings: 7 to 50 years

Others: 2 to 20 years

Other consolidated subsidiaries depreciate their tangible fixed assets primarily using the straight-line method over the estimated useful lives of the respective assets.

(b) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by SMFG and its consolidated domestic subsidiaries is depreciated over its estimated useful life (basically 5 years).

(c) Lease assets

Lease assets with respect to non-transfer ownership finance leases, which are recorded in “Tangible fixed assets,” are depreciated using the straight-line method, assuming that lease term is its expected lifetime and salvage value is 0.

(6) Reserve for possible loan losses

The reserve for possible loan losses of major consolidated subsidiaries is provided for as described below in accordance with the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), a reserve is provided for based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“potentially bankrupt borrowers”), a reserve is provided for in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

The discounted cash flows (“DCF”) method is used for claims on borrowers whose cash flows from collection of principal and interest can be rationally estimated, and SMBC applies it to claims on large potentially bankrupt borrowers and claims on large borrowers requiring close monitoring that have been classified as “Past due loans (3 months or more)” or “Restructured loans,” whose total loans from SMBC exceed a certain amount. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of the future collection from principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.

For other claims, a reserve is provided for based on the historical loan-loss ratio.

For claims originated in specific overseas countries, an additional reserve is provided for in the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the Credit Review Department, independent

from these operating sections, reviews their assessment. The reserves are provided for based on the results of these assessments.

The reserve for possible loan losses of other consolidated subsidiaries for general claims is provided for in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was ¥867,866 million (\$10,437 million) and ¥843,781 million at March 31, 2011 and 2010, respectively.

(7) Reserve for employee bonuses

The reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the respective fiscal year.

(8) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to executives, in the amount of estimated bonuses, which are attributable to the respective fiscal year.

(9) Reserve for employee retirement benefits

The reserve for employee retirement benefits is provided for payment of retirement benefits to employees, in the amount deemed accrued at the fiscal year-end, based on the projected retirement benefit obligation and the fair value of plan assets at the fiscal year-end.

Unrecognized prior service cost is amortized using the straight-line method, primarily over 9 years, over the employees' estimated average remaining service period from the fiscal year of its incurrence.

Unrecognized net actuarial gain or loss is amortized using the straight-line method, primarily over 9 years, over the employees' average remaining service period, commencing from the next fiscal year of incurrence.

"Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standard Board of Japan ("ASBJ") Statement No. 19, issued on July 31, 2008) became effective from the fiscal year beginning on and after April 1, 2009. Accordingly, SMFG has applied them from the fiscal year ended March 31, 2010. This accounting method has no impact on the consolidated financial statements for the fiscal year ended March 31, 2010.

(10) Reserve for executive retirement benefits

The reserve for executive retirement benefits is provided for payment of retirement benefits to directors, corporate auditors and other executive officers, in the amount deemed accrued at the fiscal year-end based on the internal regulations.

(11) Reserve for point service program

The reserve for point service program is provided for the potential future redemption of points awarded to customers under the "SMBC Point Pack," credit card points programs, and other customer points award programs. The amount is calculated by converting the outstanding points into a monetary amount, and rationally estimating and recognizing the amount that will be redeemed in the future.

(12) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursements.

(13) Reserve for loss on interest repayment

The reserve for loss on interest repayment is provided for the possible losses on future claims of repayment of interest based on historical interest repayment experience.

(14) Reserve under the special laws

The reserve under the special laws is a reserve for eventual future operating losses from financial instruments transactions pursuant to Article 46-5 of the Financial Instruments and Exchange Act.

(15) Translation of foreign currency assets and liabilities

Assets and liabilities of SMFG and SMBC denominated in foreign currencies and accounts of SMBC overseas branches are translated into Japanese yen mainly at the exchange rates prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.

Other consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at their respective balance sheet dates.

(16) Lease transactions

(a) Recognition of income on finance leases

Interest income is allocated to each period, based on the interest method.

(b) Recognition of income on operating leases

Primarily, lease-related income is recognized on a straight-line basis over the term of the lease, based on the contractual amount of lease fees per month.

(c) Recognition of income and expenses on installment sales

Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date accrual basis over the period of the installment sales.

(17) Hedge accounting

(a) Hedging against interest rate changes

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting.

SMBC applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24) to portfolio hedges on groups of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuation, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC assesses the effectiveness of such individual hedges.

As a result of the application of JICPA Industry Audit Committee Report No. 24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using “macro hedge,” which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to “Interest income” or “Interest expenses” over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. Gross amounts of deferred hedge losses on “macro hedge” (before deducting tax effect) at March 31, 2011 and 2010 were ¥999 million (\$12 million) and ¥2,470 million, respectively. Gross amounts of deferred hedge gains on “macro hedge” (before deducting tax effect) at March 31, 2011 and 2010 were ¥960 million (\$12 million) and ¥2,416 million, respectively.

(b) Hedging against currency fluctuations

SMBC applies deferred hedge accounting stipulated in “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No. 25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

(c) Hedging against share price fluctuations

SMBC applies fair value hedge accounting to individual hedges offsetting the price fluctuation of the shares that are classified under other securities, and that are held for the purpose of strategic investment, and accordingly evaluates the effectiveness of such individual hedges.

(d) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts

and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the non-arbitrary and strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries apply the deferred hedge accounting, fair value hedge accounting or the special treatment for interest rate swaps. A consolidated domestic subsidiary (a leasing company) partly applies the accounting method that is permitted by “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry” (JICPA Industry Audit Committee Report No. 19).

(18) Amortization of goodwill

Goodwill on SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Finance and Leasing Company, Limited, Nikko Cordial Securities Inc., Kansai Urban Banking Corporation and Cedyne Financial Corporation is amortized using the straight-line method over 20 years. Goodwill on other companies is charged or credited to income directly when incurred or benefited.

(19) Statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, cash and cash equivalents represent cash and due from banks.

(20) Consumption taxes

National and local consumption taxes of SMFG and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.

(21) Valuation of consolidated subsidiaries' assets and liabilities

Assets and liabilities of consolidated subsidiaries including the portion attributable to the minority stockholders are valued for consolidation at fair value when SMFG acquires control.

(22) Application of new accounting standards

(a) Accounting standard for financial instruments

“Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, partially revised on March 10, 2008) and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, issued on March 10, 2008) became effective from the fiscal year ending on and after March 31, 2010. SMFG has applied them from the fiscal year ended March 31, 2010. Accordingly, this accounting change had the following impact on the consolidated financial statements as compared with the previous accounting method:

	Millions of yen
Monetary claims bought	¥ 8,710
Securities	41,914
Net unrealized gains (losses) on other securities	39,315
Deferred tax assets	(27,056)
Reserve for possible loan losses	(34,999)

As a result, income before income taxes and minority interests increased by ¥19,251 million as compared with the former method.

- (b) Accounting standard for asset retirement obligations
 “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008) became effective for fiscal years beginning on or after April 1, 2010. Accordingly, income before income taxes and minority interests decreased by ¥4,215 million (\$51 million) compared with the previous accounting method.
- (c) Accounting standard for business combinations
 “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, revised on December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008), “Partial Amendment to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, issued on December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, revised on December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, announced on December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, revised on December 26, 2008) became effective for fiscal years beginning on or after April 1, 2010, and SMFG has applied them from the fiscal year ended March 31, 2011.
- (23) Changes in presentation
- (a) Consolidated balance sheets
 “Other liabilities” as of March 31, 2010, included “Reserve for point service program” of ¥14,091 million and “Reserve for loss on interest repayment” of ¥9,735 million. From the fiscal year ended March 31, 2011, they are presented individually because the amounts have become significant.
- (b) Consolidated statements of income
 SMFG presents “Income before minority interests” on the consolidated statement of income from the fiscal year ended March 31, 2011 because “Cabinet Office Ordinance of Partial Amendment to Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) became effective for fiscal years beginning on or after April 1, 2010.
- (c) Consolidated statements of cash flows
 In the fiscal year ended March 31, 2010, “Other, net” included “Net change in reserve for point service program” and “Net change in reserve for loss on interest repayment,” a decrease of ¥879 million and an increase of ¥1,040 million, respectively. From the fiscal year ended March 31, 2011, they are presented individually because the amounts have become significant.
- (24) Accounting standard for equity method of accounting for investments
 SMFG has applied “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, issued on March 10, 2008) and “Practical Solution on

Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force No. 24, issued on March 10, 2008) because they became effective for the fiscal years beginning on or after April 1, 2010. This accounting change had no impact on the consolidated financial statements.

- (25) Accounting standard for presentation of comprehensive income
 “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, issued June 30, 2010) became effective for consolidated financial statements for the fiscal years ending on or after March 31, 2011. Accordingly, SMFG has applied this standard and presents “Valuation and transaction adjustments” and “Total valuation and transaction adjustments” as of and for the fiscal year ended March 31, 2010 as “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” as of and for the fiscal year ended March 31, 2011, respectively.
- (26) Issuance of new shares
 On June 22, 2009, SMFG issued 219,700 thousand new shares of common stock at ¥3,766 per share (issue price) for final allocation by underwriters at ¥3,928 per share (offer price). Furthermore, in connection with the over-allotment of 15,300 thousand shares of common stock offered for sale at ¥3,928 per share (sales price) in the public offering, SMFG issued 8,931 thousand new shares of common stock at ¥3,766 per share (issue price) through third-party allocation to the underwriter who conducted the over-allotment on July 27, 2009. The purchase agreement for the offering prescribes that the total amount of issue price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, other expenses do not include the amount equivalent to the underwriting commission for the offering in the amount of ¥37,038 million. Out of the issue price per share, ¥1,883 is accounted for as capital stock and ¥1,883 as capital surplus.
- On January 27, 2010, SMFG issued 340,000 thousand new shares of common stock at ¥2,702.81 per share (issue price) for final allocation by underwriters at ¥2,804 per share (offer price). Furthermore, in connection with the over-allotment of 20,000 thousand shares of common stock offered for sale at ¥2,804 per share (sales price) in the public offering, SMFG issued 20,000 thousand new shares of common stock at ¥2,702.81 per share (issue price) through third-party allocation to the underwriter who conducted the over-allotment on February 10, 2010. The purchase agreement for the offering prescribes that the total amount of issue price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, other expenses do not include the amount equivalent to the underwriting commission for the offering in the amount of ¥36,428 million. Out of the issue price per share, ¥1,351.405 is accounted for as capital stock and ¥1,351.405 as capital surplus.
- Equity of ¥11,075 million attributable to SMFG, which a consolidated subsidiary and an equity method affiliated company of SMFG recorded as earnings under the purchase agreement for the offering, was accounted for as “Capital surplus.”

3. Trading Assets

Trading assets at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Trading securities	¥2,817,536	¥2,779,725	\$33,885
Derivatives of trading securities.....	3,857	1,246	47
Derivatives of securities related to trading transactions	5,338	6,931	64
Trading-related financial derivatives	3,514,859	3,642,477	42,271
Other trading assets.....	291,305	278,307	3,503
	¥6,632,898	¥6,708,688	\$79,770

4. Securities

Securities at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Japanese government bonds*1	¥25,934,346	¥16,738,321	\$311,899
Japanese local government bonds.....	544,409	422,648	6,547
Japanese corporate bonds*2	3,256,034	3,548,359	39,159
Japanese stocks*1, 3, 4.....	2,741,796	2,967,641	32,974
Other*1, 3, 4	7,475,535	4,946,997	89,904
	¥39,952,123	¥28,623,968	\$480,483

*1 Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥50,935 million (\$613 million) and ¥41,826 million are included in Japanese government bonds in Securities and in trading securities in Trading assets at March 31, 2011 and 2010, respectively.

SMBC has the right to sell or pledge, some of the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral. Of these securities, ¥3,032,285 million (\$36,468 million) are pledged, and ¥232,420 million (\$2,795 million) are held in hand at March 31, 2011. The respective amounts at March 31, 2010 were ¥3,840,308 million and ¥133,566 million.

*2 Japanese corporate bonds include private placement bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) which are guaranteed by banking subsidiaries in the amount of ¥1,969,902 million (\$23,691 million) and ¥2,136,145 million at March 31, 2011 and 2010, respectively.

*3 Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥279,829 million (\$3,365 million) and ¥321,897 million at March 31, 2011 and 2010, respectively.

*4 Japanese stocks and other include investments in jointly controlled entities of ¥97,868 million (\$1,177 million) and ¥94,369 million at March 31, 2011 and 2010, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Bills discounted.....	¥ 184,822	¥ 196,382	\$ 2,223
Loans on notes	2,176,918	2,324,520	26,181
Loans on deeds.....	51,925,319	52,839,032	624,477
Overdrafts	7,061,295	7,341,097	84,922
	¥61,348,355	¥62,701,033	\$737,803

(2) Loans and bills discounted included the following "Risk-monitored loans" stipulated in the Banking Act:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Risk-monitored loans:			
Bankrupt loans*1.....	¥ 90,777	¥ 165,131	\$ 1,092
Non-accrual loans*2	1,031,828	1,075,782	12,409
Past due loans (3 months or more)*3.....	25,438	38,315	306
Restructured loans*4	498,323	250,256	5,993
	¥1,646,369	¥1,529,484	\$19,800

*1 "Bankrupt loans" are loans, after write-off, to legally bankrupt borrowers as defined in Articles 96-1-3 and 96-1-4 of the Enforcement Ordinance No. 97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.

*2 "Non-accrual loans" are 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)" are loans on which the principal or interest is past due for 3 months or more, excluding "Bankrupt loans" and "Non-accrual loans."

*4 "Restructured loans" are loans on which terms and conditions have been amended in favor of the borrowers (e.g., reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers' recovery from financial difficulties, excluding "Bankrupt loans," "Non-accrual loans" and "Past due loans (3 months or more)."

- (3) Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value at March 31, 2011 and 2010 was ¥667,310 million (\$8,025 million) and ¥617,381 million, respectively.
- (4) Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2011 and 2010 were ¥45,842,366 million (\$551,321 million) and ¥41,957,592 million, respectively, and the amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time at March 31, 2011 and 2010 were ¥39,563,617 million (\$475,810 million) and ¥36,373,235 million, respectively.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in the event that economic conditions change, SMBC and other consolidated subsidiaries need to secure claims, or other events occur. In addition, SMBC and other consolidated subsidiaries may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers' financial positions, revising contracts when such need arises and securing claims after the contracts are made.

6. Other Assets

Other assets at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Prepaid expenses.....	¥ 34,563	¥ 30,643	\$ 416
Accrued income.....	236,357	239,422	2,843
Deferred assets.....	821,139	488,712	9,875
Financial derivatives*.....	1,294,264	1,079,708	15,565
Other.....	2,218,407	1,771,559	26,680
	¥4,604,732	¥3,610,046	\$55,379

* Referred to in Note 32

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Buildings.....	¥ 350,494	¥ 314,461	\$ 4,215
Land*.....	551,839	544,075	6,637
Lease assets.....	10,527	8,159	126
Construction in progress.....	4,464	8,206	54
Other tangible fixed assets.....	251,583	206,222	3,026
Total.....	¥1,168,908	¥1,081,125	\$14,058
Accumulated depreciation.....	¥ 717,073	¥ 671,298	\$ 8,624

* Includes land revaluation excess referred to in Note 15.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Software	¥262,068	¥215,563	\$3,152
Goodwill	352,790	363,507	4,243
Lease assets	361	367	4
Other intangible fixed assets.....	58,995	46,809	709
	¥674,216	¥626,248	\$8,108

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	¥ 2,859	¥ 703	\$ 34
Call loans and bills bought	327,259	367,035	3,936
Monetary claims bought	1,926	1,870	23
Trading assets	2,565,106	2,337,389	30,849
Securities	8,586,487	4,649,170	103,265
Loans and bills discounted	2,149,928	1,631,290	25,856
Lease receivables and investment assets	10,436	15,478	126
Tangible fixed assets	15,019	16,165	181
Other assets (installment account receivable, etc.).....	5,102	3,087	61
Liabilities corresponding to assets pledged as collateral:			
Deposits	26,053	24,992	313
Call money and bills sold.....	955,000	642,100	11,485
Payables under repurchase agreements	726,365	1,120,860	8,736
Payables under securities lending transactions.....	5,078,535	3,664,591	61,077
Trading liabilities	356,577	365,974	4,288
Borrowed money.....	5,119,245	1,468,005	61,566
Other liabilities	11,140	14,611	134
Acceptances and guarantees	110,568	123,733	1,330

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, variation margins of futures market transactions and certain other purposes at March 31, 2011 and 2010:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Cash and due from banks and Deposits with banks	¥ 32,987	¥ 25,804	\$ 397
Trading assets	177,403	111,283	2,134
Securities	20,790,338	14,233,542	250,034
Loans and bills discounted	—	1,171,863	—

At March 31, 2011, other assets included surety deposits of ¥119,299 million (\$1,435 million), variation margins of futures market transactions of ¥18,029 million (\$217 million) and other variation margins of ¥84,382 million (\$1,015 million). At March 31, 2010, other assets included surety deposits of ¥102,085 million, variation margins of futures market transactions of ¥8,457 million and other variation margins of ¥83,768 million.

10. Deposits

Deposits at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Current deposits	¥ 7,046,031	¥ 6,871,401	\$ 84,739
Ordinary deposits	38,444,302	35,153,531	462,349
Savings deposits.....	721,677	750,961	8,679
Deposits at notice.....	4,931,391	5,363,534	59,307
Time deposits	26,891,477	26,888,129	323,409
Negotiable certificates of deposit.....	8,366,323	6,995,619	100,617
Other deposits.....	3,964,058	3,621,037	47,674
	¥90,365,263	¥85,644,215	\$1,086,774

11. Trading Liabilities

Trading liabilities at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Trading securities sold for short sales	¥1,623,046	¥1,582,808	\$19,520
Derivatives of trading securities.....	1,803	2,367	22
Derivatives of securities related to trading transactions	5,639	6,961	68
Trading-related financial derivatives	3,617,812	3,474,589	43,509
	¥5,248,302	¥5,066,727	\$63,119

12. Borrowed Money

Borrowed money at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars	Average interest rate* ¹	Due
	2011	2010	2011	2011	
Borrowed money* ²	¥10,769,668	¥5,470,578	\$129,521	0.45%	Jan. 2011–Perpetual

*¹ Average interest rate represents the weighted average interest rate based on the balances and rates at respective year-end of SMBC and other consolidated subsidiaries.

*² Includes subordinated borrowings of ¥371,232 million (\$4,465 million) and ¥378,729 million at March 31, 2011 and 2010, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2011 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2011	2011
Within 1 year	¥8,948,213	\$107,615
After 1 year through 2 years	503,992	6,061
After 2 years through 3 years	347,268	4,176
After 3 years through 4 years	284,237	3,418
After 4 years through 5 years	268,479	3,229

13. Bonds

Bonds at March 31, 2011 and 2010 consisted of the following:

March 31

Issuer	Description	Millions of yen*1		Millions of	Interest rate*2	Due
		2011	2010	U.S. dollars	(%)	
SMBC:						
Short-term bonds, payable in Yen		¥ 40,999	¥ 164,678	\$ 493	0.10	Apr. 2011
		{40,999}	{164,678}			
Straight bonds, payable in Yen		1,233,898	1,032,907	14,839	0.12–1.813	Apr. 2011–May 2025
		{197,793}	{149,198}			
Straight bonds, payable in Euroyen.....		20,900	20,900	251	0.00–4.66895	Mar. 2012–Feb. 2037
		{5,000}				
Straight bonds, payable in U.S. dollars		290,823	—	3,498	1.95–3.15	Jul. 2013–Jan. 2016
		(\$3,497,576 thousand)				
Straight bonds, payable in Australian dollars.....		46,444	46,031	559	5.76	Mar. 2013
		(A\$539,931 thousand)	(A\$539,895 thousand)			
Subordinated bonds, payable in Yen		1,373,255	1,383,521	16,515	1.04625–2.80	Jun. 2011–Dec. 2020
		{49,999}	{149,798}			
Subordinated bonds, payable in Euroyen.....		447,494	593,800	5,382	0.44–2.97	May 2016–Perpetual
Subordinated bonds, payable in U.S. dollars.....		88,182	102,371	1,060	5.625–8.00	Nov. 2011–Perpetual
		(\$1,060,522 thousand)	(\$1,100,179 thousand)			
		{1,995}				
Subordinated bonds, payable in Euro.....		125,885	41,162	1,514	4.00–4.375	Nov. 2020–Perpetual
		(€1,071,181 thousand)	(€329,591 thousand)			
Other consolidated subsidiaries:						
Straight bonds, payable in Yen		113,411	89,738	1,364	0.30417–4.95	Apr. 2011–Jan. 2041
		{26,010}	{62,842}			
Subordinated bonds, payable in Yen		125,798	112,239	1,513	1.80–4.50	Jun. 2016–Perpetual
			{140}			
Short-term bonds, payable in Yen		1,142,198	1,047,500	13,737	0.121–0.45	Apr. 2011–Aug. 2011
		{1,142,198}	{1,047,500}			
		¥5,049,293	¥4,634,851	\$60,725		

*1 Figures in () are the balances in the original currency of the foreign currency denominated bonds, and figures in { } are the amounts to be redeemed within 1 year.

*2 Interest rates indicate nominal interest rates which are applied at the consolidated balance sheet dates. Therefore, they may differ from actual interest rates.

The redemption schedule over the next 5 years on bonds at March 31, 2011 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2011	2011
Within 1 year	¥1,464,015	\$17,607
After 1 year through 2 years	375,313	4,514
After 2 years through 3 years	405,297	4,874
After 3 years through 4 years	270,100	3,248
After 4 years through 5 years	609,627	7,332

14. Other Liabilities

Other liabilities at March 31, 2011 and 2010 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Accrued expenses.....	¥ 132,089	¥ 144,338	\$ 1,589
Unearned income.....	167,880	174,931	2,019
Income taxes payable.....	47,431	56,708	570
Financial derivatives*1.....	818,962	818,105	9,849
Lease liabilities*2.....	64,436	58,742	775
Other.....	2,957,458	1,940,320	35,568
	¥4,188,259	¥3,193,146	\$50,370

*1 Referred to in Note 32

*2 Average interest rate on lease liabilities for the year ended March 31, 2011 was 4.60%. Non-transfer ownership finance lease with the lease term commenced before April 1, 2008 is excluded from calculations of average interest rate.

The repayment schedule over the next 5 years on lease liabilities at March 31, 2011 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2011	2011
Within 1 year.....	¥21,680	\$261
After 1 year through 2 years.....	15,680	189
After 2 years through 3 years.....	10,496	126
After 3 years through 4 years.....	6,712	81
After 4 years through 5 years.....	4,288	52

15. Land Revaluation Excess

SMBC and certain consolidated subsidiary revaluated their own land for business activities in accordance with the "Act on Revaluation of Land" (the "Act") (Act No. 34, effective March 31, 1998) and "Act for Partial Revision of Act on Revaluation of Land" (Act No. 19, effective March 31, 2001). The income taxes corresponding to the net unrealized gains are reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

A certain affiliate revaluated its own land for business activities in accordance with the Act. The net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

Date of the revaluation

SMBC:

March 31, 1998 and March 31, 2002

A consolidated subsidiary and an affiliate:

March 31, 1999 and March 31, 2002

Method of revaluation (stipulated in Article 3-3 of the Act)

SMBC:

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of "Order for Enforcement of Act on Revaluation of Land" (Cabinet Order No. 119 of March 31, 1998).

A consolidated subsidiary and an affiliate:

Fair values were determined based on the values stipulated in Articles 2-3 and 2-5 of "Order for Enforcement of Act on Revaluation of Land" (Cabinet Order No. 119 of March 31, 1998).

16. Capital Stock

Capital stock consists of common stock and preferred stock. Common stock and preferred stock at March 31, 2011 and 2010 were as follows:

March 31	Number of shares			
	2011		2010	
	Authorized	Issued	Authorized	Issued
Common stock	3,000,000,000	1,414,055,625	1,500,000,000	1,414,055,625
Preferred stock (Type 4).....	—	—	50,100	—
Preferred stock (Type 5).....	167,000	—	167,000	—
Preferred stock (Type 6).....	70,001	70,001	70,001	70,001
Preferred stock (Type 7).....	167,000	—	167,000	—
Preferred stock (Type 8).....	115,000	—	115,000	—
Preferred stock (Type 9).....	115,000	—	115,000	—
Total.....	<u>3,000,634,001</u>	<u>1,414,125,626</u>	<u>1,500,684,101</u>	<u>1,414,125,626</u>

All of the preferred stock is noncumulative and nonparticipating for dividend payments, and shareholders of the preferred stock are not entitled to vote at a general meeting of shareholders except when the proposal to pay the prescribed dividends to shareholders is not submitted to the general meeting of shareholders or is rejected at the general meeting of shareholders.

In the event that SMFG pays dividends, SMFG shall pay to holders of shares of its preferred stock, in preference to the holders of its common stock, cash dividends in the amounts as described below. If preferred interim dividends stipulated in the Articles of Incorporation of SMFG were paid during the relevant fiscal year, the amount of such preferred interim dividends shall be subtracted from such amount of annual preferred dividends. Preferred stock (Type 6) bears an annual noncumulative dividend of ¥88,500 per share and, in the event SMFG pays an interim dividend, holders are entitled to receive ¥44,250 in preference to common shareholders. Holders of preferred stock are not entitled to any further dividends in excess of

the amount as described above.

In the event of SMFG's voluntary or involuntary liquidation, holders of its preferred stock will be entitled, equally in rank as among themselves and in preference over shares of its common stock, to receive out of SMFG's residual assets upon liquidation a distribution of ¥3,000,000 per share in the case of Type 6 preferred stock. Holders of preferred stock are not entitled to any further dividends or other participation or distribution of SMFG's residual assets upon SMFG's liquidation.

SMFG may, subject to the requirements provided in the Companies Act, purchase any shares of the preferred stock then outstanding at any time and retire such preferred stock out of distributable amounts of SMFG. SMFG may also, subject to the requirements provided in the Companies Act, redeem all or some of preferred stock (Type 6) out of distributable amounts of SMFG at any time on and after March 31, 2011 at a price of ¥3,000,000 per share.

Preferred stock (Type 6) is non-convertible.

17. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2011 and 2010 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Fees and commissions:			
Deposits and loans	¥ 82,604	¥ 70,592	\$ 993
Remittances and transfers	127,856	125,792	1,538
Securities-related business.....	71,277	54,363	857
Agency	18,054	14,763	217
Safe deposits	6,507	6,684	78
Guarantees.....	62,762	49,365	755
Credit card business.....	185,970	143,770	2,237
Investment trusts.....	163,706	96,243	1,969
Other.....	178,720	167,789	2,149
	¥897,461	¥729,364	\$10,793
Fees and commissions payments:			
Remittances and transfers	¥ 33,958	¥ 31,050	\$ 408
Other.....	97,272	89,697	1,170
	¥131,230	¥120,748	\$ 1,578

18. Trading Income

Trading income for the fiscal years ended March 31, 2011 and 2010 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Gains on trading securities	¥ 94,234	¥ 63,424	\$1,133
Gains on securities related to trading transactions.....	1,538	2,254	18
Gains on trading-related financial derivatives	140,157	127,833	1,686
Other	1,162	576	14
	¥237,093	¥194,087	\$2,851

19. Other Operating Income

Other operating income for the fiscal years ended March 31, 2011 and 2010 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Gains on sale of bonds	¥ 209,496	¥ 90,942	\$ 2,520
Gains on redemption of bonds	105	10	1
Lease-related income.....	693,492	243,237	8,340
Gains on financial derivatives	11,336	—	136
Other	125,231	118,823	1,506
	¥1,039,662	¥453,012	\$12,503

20. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2011 and 2010 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Losses on sale of bonds.....	¥ 47,874	¥ 30,122	\$ 576
Losses on redemption of bonds.....	7,194	17,401	87
Losses on devaluation of bonds.....	984	331	12
Bond issuance costs.....	2,701	1,197	32
Lease-related expenses.....	627,378	201,932	7,545
Losses on foreign exchange transactions	44,556	1,591	536
Losses on financial derivatives	—	17,011	—
Other	127,554	132,186	1,534
	¥858,243	¥401,773	\$10,322

21. Other Income

Other income for the fiscal years ended March 31, 2011 and 2010 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Gains on sale of stocks and other securities	¥27,523	¥ 57,231	\$331
Gains on money held in trust.....	203	130	2
Gains on disposal of fixed assets.....	884	17,179	11
Recoveries of written-off claims	2,813	968	34
Gains on step acquisitions	12,655	—	152
Other	29,427	35,128	354
	¥73,507	¥110,638	\$884

22. Other Expenses

Other expenses for the fiscal years ended March 31, 2011 and 2010 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Write-off of loans.....	¥156,571	¥176,672	\$1,883
Losses on sale of stocks and other securities.....	4,551	34,814	55
Losses on devaluation of stocks and other securities.....	114,921	32,495	1,382
Losses on money held in trust	352	375	4
Losses on sale of delinquent loans.....	6,834	76,439	82
Equity in losses of affiliates.....	13,319	21,542	160
Losses on disposal of fixed assets	5,914	6,003	71
Losses on impairment of fixed assets*	5,411	12,856	65
Provision for reserve for loss on interest repayment	14,530	—	175
Influence amount as a result of the application of Accounting Standard for Asset Retirement Obligations.....	3,552	—	43
Other	20,921	65,052	252
	¥346,881	¥426,252	\$4,172

*Losses on impairment of fixed assets consisted of the following:

Year ended March 31	Area	Purpose of use		Millions of yen		Millions of U.S. dollars
		2011	Type	2011	2010	2011
Tokyo metropolitan area		Branch (—)	Land and buildings, etc.	¥ —	¥ 13	\$ —
		Corporate assets (5 items)		254	8,295	3
		Idle assets (39 items)		1,070	1,511	13
		Other (4 items)		461	335	6
Kinki area		Branches (4 branches)	Land and buildings, etc.	69	164	1
		Corporate assets (—)		—	35	—
		Idle assets (42 items)		3,542	1,436	43
		Other (—)		—	256	—
Other		Corporate assets (—)	Land and buildings, etc.	—	21	—
		Idle assets (5 items)		13	281	0
		Other (—)		—	503	—

At SMBC, a branch, which continuously manages and determines its income and expenses, is the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Assets such as corporate headquarters facilities, training facilities, data and system centers, and health and recreational facilities which do not produce cash flows that can be attributed to individual assets are treated as corporate assets. As for idle assets, impairment loss is measured individually. At other consolidated subsidiaries, a branch or other group is the smallest asset grouping unit as well.

SMBC and other subsidiaries reduced the carrying amounts of long-lived assets of which investments are not expected to be fully recovered to their recoverable amounts, and recognized the losses as “losses on impairment of fixed assets,” which is included in “Other expenses.” SMBC reduced the carrying amounts of corporate assets and idle assets, and other consolidated subsidiaries reduced the carrying amounts of their branches, corporate assets, idle assets and others. The recoverable amount is calculated using net realizable value which is basically determined by subtracting the expected disposal cost from the appraisal value based on the Real Estate Appraisal Standard.

23. Other Comprehensive Income

Other comprehensive income for the fiscal year ended March 31, 2010 consisted of the following:

Year ended March 31	Millions of yen 2010
Other comprehensive income.....	¥424,477
Net unrealized gains on other securities.....	465,868
Net deferred losses on hedges.....	(19,065)
Foreign currency translation adjustments.....	(4,399)
Share of other comprehensive income of associates accounted for by equity method.....	(17,926)

24. Comprehensive Income

Comprehensive income for the fiscal year ended March 31, 2010 consisted of the following:

Year ended March 31	Millions of yen 2010
Comprehensive income.....	¥803,705
Comprehensive income attributable to shareholders of the parent company.....	707,804
Comprehensive income attributable to minority interests.....	95,900

25. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Deferred tax assets:			
Net operating loss carryforwards.....	¥ 273,415	¥ 485,533	\$ 3,288
Write-off of securities.....	316,010	282,386	3,801
Reserve for possible loan losses.....	454,603	438,537	5,467
Write-off of loans.....	161,174	140,597	1,938
Net unrealized gains (losses) on other securities.....	33,236	20,707	400
Reserve for employee retirement benefits.....	77,284	74,489	929
Net deferred losses on hedges.....	6,848	27,290	82
Depreciation.....	10,857	12,392	131
Other.....	249,420	245,743	3,000
Subtotal.....	1,582,851	1,727,678	19,036
Valuation allowance.....	(739,055)	(739,555)	(8,888)
Total deferred tax assets.....	843,795	988,123	10,148
Deferred tax liabilities:			
Net unrealized gains (losses) on other securities.....	(101,791)	(169,312)	(1,224)
Leveraged lease.....	(23,459)	(28,392)	(282)
Gains on securities contributed to employee retirement benefits trust....	(44,015)	(42,261)	(530)
Securities returned from employee retirement benefits trust.....	(12,967)	(13,956)	(156)
Undistributed earnings of overseas subsidiaries.....	(4,502)	(3,388)	(54)
Other.....	(32,840)	(28,746)	(395)
Total deferred tax liabilities.....	(219,576)	(286,057)	(2,641)
Net deferred tax assets.....	¥ 624,219	¥ 702,065	\$ 7,507

(2) SMFG and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, would result in an effective statutory tax rate of approximately 40.69% for the years ended March 31, 2011 and 2010. A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of income to the statutory tax rate for the years ended March 31, 2011 and 2010 was as follows:

	2011	2010
Statutory tax rate.....	40.69%	40.69%
Valuation allowance.....	(11.53)	(10.81)
Dividends exempted for income tax purposes.....	(1.17)	—
Gains on step acquisitions.....	(0.62)	—
Equity in losses of affiliates.....	0.66	1.91
Other.....	1.07	0.26
Effective income tax rate.....	29.10%	32.05%

26. Changes in Net Assets

(1) Type and number of shares issued and treasury shares are as follows:

Year ended March 31, 2011	Number of shares			March 31, 2011
	March 31, 2010	Increase	Decrease	
Shares issued				
Common stock.....	1,414,055,625	—	—	1,414,055,625
Preferred stock (1st series Type 6).....	70,001	—	—	70,001
Total	1,414,125,626	—	—	1,414,125,626
Treasury shares				
Common stock.....	17,070,100	15,516,991*	5,177*	32,581,914
Total	17,070,100	15,516,991	5,177	32,581,914

* Increase in number of treasury common shares issued:

- 37,591 shares due to purchase of fractional shares
- 15,479,400 shares due to acquisition of SMFG shares by SMFG Card & Credit, Inc., a wholly-owned subsidiary of SMFG, in connection with making Cedyna Financial Corporation a wholly-owned subsidiary of SMFG Card & Credit through the share exchange

Decrease in number of treasury common shares issued:

- 5,177 shares due to sale of fractional shares

Year ended March 31, 2010	Number of shares			March 31, 2010
	March 31, 2009	Increase	Decrease	
Shares issued				
Common stock.....	789,080,477	624,975,148*1	—	1,414,055,625
Preferred stock (1st series Type 4).....	4,175	—	4,175*2	—
Preferred stock (2nd series Type 4).....	4,175	—	4,175*2	—
Preferred stock (3rd series Type 4).....	4,175	—	4,175*2	—
Preferred stock (4th series Type 4).....	4,175	—	4,175*2	—
Preferred stock (9th series Type 4).....	4,175	—	4,175*2	—
Preferred stock (10th series Type 4).....	4,175	—	4,175*2	—
Preferred stock (11th series Type 4).....	4,175	—	4,175*2	—
Preferred stock (12th series Type 4).....	4,175	—	4,175*2	—
Preferred stock (1st series Type 6).....	70,001	—	—	70,001
Total	789,183,878	624,975,148	33,400	1,414,125,626
Treasury shares				
Common stock.....	17,028,466	54,672*3	13,038*3	17,070,100
Preferred stock (1st series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (2nd series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (3rd series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (4th series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (9th series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (10th series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (11th series Type 4).....	—	4,175*2	4,175*2	—
Preferred stock (12th series Type 4).....	—	4,175*2	4,175*2	—
Total	17,028,466	88,072	46,438	17,070,100

*1 Increase in number of common shares issued:

- 559,700,000 shares due to issuance of new shares by way of public offering on June 22, 2009 and January 27, 2010
- 28,931,300 shares due to issuance of new shares by way of third-party allotment on July 27, 2009 and February 10, 2010
- 36,343,848 shares due to exercising of rights to request acquisition of common shares with respect to preferred stock (1st through 4th and 9th through 12th series Type 4) on January 28, 2010

*2 Increase in number of treasury preferred shares (Type 4):

- 4,175 shares due to acquisition of own shares on January 28, 2010 as a result of exercising of rights to request acquisition of common shares

Decrease in number of shares issued and treasury shares of preferred stock (1st through 4th and 9th through 12th series Type 4):

- 4,175 shares due to retirement of treasury shares on February 8, 2010

*3 Increase in number of treasury common shares:

- 54,672 shares due to purchase of fractional shares

Decrease in number of treasury common shares:

- 12,990 shares due to sale of fractional shares
- 48 shares due to sale by affiliates accounted for by the equity method

(2) Information on stock acquisition rights is as follows:

Year ended March 31, 2011	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Millions of U.S. dollars
			March 31, 2010	Increase	Decrease	March 31, 2011	March 31, 2011	March 31, 2011
SMFG.....	Stock options	—	—	—	—	—	¥170	\$2
Consolidated subsidiary...	—	—	—	—	—	—	91	1
Total.....							¥262	\$3

Year ended March 31, 2010	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen	
			March 31, 2009	Increase	Decrease	March 31, 2010	March 31, 2010
SMFG.....	Stock options	—	—	—	—	—	¥—
Consolidated subsidiary...	—	—	—	—	—	—	81
Total.....							¥81

(3) Information on dividends is as follows:

(a) Dividends paid in the fiscal year ended March 31, 2010

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥15,707	¥ 20	March 31, 2009	June 26, 2009
Preferred stock (1st series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (2nd series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (3rd series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (4th series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (9th series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (10th series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (11th series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (12th series Type 4).....	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (1st series Type 6).....	3,097	44,250	March 31, 2009	June 26, 2009

Date of resolution: Ordinary general meeting of shareholders held on June 26, 2009

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥45,629	¥ 45	September 30, 2009	December 4, 2009
Preferred stock (1st series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (2nd series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (3rd series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (4th series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (9th series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (10th series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (11th series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (12th series Type 4).....	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (1st series Type 6).....	3,097	44,250	September 30, 2009	December 4, 2009

Date of resolution: Meeting of the Board of Directors held on November 13, 2009

(b) Dividends paid in the fiscal year ended March 31, 2011

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥77,567	¥ 55	March 31, 2010	June 29, 2010
Preferred stock (1st series Type 6).....	3,097	44,250	March 31, 2010	June 29, 2010

Date of resolution: Ordinary general meeting of shareholders held on June 29, 2010

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥70,515	¥ 50	September 30, 2010	December 3, 2010
Preferred stock (1st series Type 6).....	3,097	44,250	September 30, 2010	December 3, 2010

Date of resolution: Meeting of the Board of Directors held on November 12, 2010

(c) Dividends to be paid in the fiscal year ending March 31, 2012

Type of shares	Millions of yen, except per share amount				
	Aggregate amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥70,514	Retained earnings	¥ 50	March 31, 2011	June 29, 2011
Preferred stock (1st series Type 6)	3,097	Retained earnings	44,250	March 31, 2011	June 29, 2011

Date of resolution: Ordinary general meeting of shareholders held on June 29, 2011

27. Cash Flows

Fiscal year ended March 31, 2011

Significant non-money transactions

Cedyna Financial Corporation and 8 other companies were newly consolidated through a third-party allotment of new shares issued by the company. Their major assets and liabilities are as follows:

	Millions of yen	Millions of U.S. dollars
Assets	¥2,631,525	\$31,648
Loans and bills discounted	438,497	5,274
Other assets	803,639	9,665
Customers' liabilities for acceptances and guarantees	1,124,290	13,521
Liabilities	¥2,520,313	\$30,310
Borrowed money	989,790	11,904
Acceptances and guarantees	1,124,290	13,521

Fiscal year ended March 31, 2010

(1) Reconciliation of the opening balance and the net cash payment for acquisition with respect to acquisition of 18 companies including Nikko Cordial Securities Inc. is as follows:

	Millions of yen
Assets	¥ 1,953,475
Trading assets	786,535
Liabilities	¥(1,552,271)
Call money and bills sold	(321,000)
Borrowed money	(295,020)
Minority interests	(711)
Goodwill	167,607
Acquisition costs for the 18 companies' stocks	568,099
The 18 companies' cash and due from banks	(58,246)
Net cash payment for acquisition of the 18 companies	¥ (509,853)

(2) The major assets and liabilities which were acquired due to a merger between Kansai Urban Banking Corporation and The Biwako Bank, Limited are as follows:

	Millions of yen
Assets	¥1,113,801
Loans and bills discounted	795,445
Securities	89,968
Liabilities	¥1,078,769
Deposits	1,033,256

(3) QUOQ Inc. and 1 other company were excluded from the scope of consolidation due to a merger with OMC Card, Inc. Their major assets and liabilities are as follows:

	Millions of yen
Assets	¥730,001
Other assets	401,031
Customers' liabilities for acceptances and guarantees	258,620
Liabilities	¥714,850
Borrowed money	343,002
Acceptances and guarantees	258,620

28. Employee Retirement Benefits

(1) Outline of employee retirement benefits

Consolidated subsidiaries in Japan have contributory and non-contributory funded or unfunded defined benefit pension plans such as employee pension plans, qualified pension plans and lump-sum severance indemnity plans. Consolidated subsidiaries in Japan have adopted the defined-contribution pension plan. Certain domestic consolidated subsidiaries have a general type of employee pension plans. They may grant additional benefits in cases where certain requirements are met when employees retire.

Some overseas consolidated subsidiaries adopt defined benefit pension plans and defined-contribution pension plans. SMBC and some consolidated subsidiaries in Japan contributed some of their marketable equity securities to employee retirement benefits trusts.

(2) Projected benefit obligation

March 31		Millions of yen		Millions of U.S. dollars
		2011	2010	2011
Projected benefit obligation	(A).....	¥(976,271)	¥(938,161)	\$(11,741)
Plan assets	(B).....	883,255	891,366	10,622
Unfunded projected benefit obligation	(C)=(A)+(B).....	(93,016)	(46,794)	(1,119)
Unrecognized net actuarial gain or loss	(D).....	266,775	226,268	3,208
Unrecognized prior service cost	(E).....	(10,365)	(15,234)	(124)
Net amount recorded on the consolidated balance sheet	(F)=(C)+(D)+(E).....	163,393	164,240	1,965
Prepaid pension cost	(G).....	207,997	205,931	2,501
Reserve for employee retirement benefits	(F)-(G).....	¥ (44,604)	¥ (41,691)	\$ (536)

Note: Some consolidated subsidiaries adopt the simple method in calculating the projected benefit obligation.

(3) Pension expenses

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Service cost.....	¥23,505	¥21,052	\$283
Interest cost on projected benefit obligation.....	23,621	22,459	284
Expected return on plan assets.....	(27,624)	(23,883)	(332)
Amortization of unrecognized net actuarial gain or loss.....	45,902	60,456	552
Amortization of unrecognized prior service cost.....	(6,229)	(11,167)	(75)
Other (nonrecurring additional retirement allowance paid and other).....	4,812	4,229	58
Total.....	¥63,988	¥73,146	\$770

Notes: 1. Pension expenses of consolidated subsidiaries which adopt the simple method are included in "Service cost."

2. Premium paid to defined-contribution pension is included in "Other."

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the fiscal years ended March 31, 2011 and 2010 were as follows:

Year ended March 31	2011	2010
Discount rate.....	Domestic consolidated subsidiaries 1.4% to 2.5% Overseas consolidated subsidiaries 5.4% to 9.0%	1.4% to 2.5%
Expected rate of return on plan assets.....	Domestic consolidated subsidiaries 0% to 4.0% Overseas consolidated subsidiaries 5.5% to 5.6%	0% to 4.0%

Estimated amounts of retirement benefits are allocated to each period by the straight-line method.

Unrecognized prior service cost is amortized using the straight-line method within the employees' average remaining service period from the fiscal year of its incurrence, over mainly 9 years for the fiscal years ended March 31, 2011 and 2010.

Unrecognized net actuarial gain or loss is amortized using the straight-line method within the employees' average remaining service period, commencing from the next fiscal year of incurrence, over mainly 9 years for the fiscal years ended March 31, 2011 and 2010.

29. Lease Transactions

(1) Financing leases

(a) Lessee side

(i) Lease assets

Tangible fixed assets mainly consisted of branches and equipment. Intangible fixed assets are software.

(ii) Depreciation method of lease assets

Depreciation method of lease assets is reported in Note 2. (5) Depreciation.

(b) Lessor side

(i) Breakdown of lease investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Lease receivables	¥1,241,757	¥1,343,868	\$14,934
Residual value	95,359	103,095	1,147
Unearned interest income	(206,317)	(233,640)	(2,481)
Total	¥1,130,799	¥1,213,323	\$13,600

(ii) The scheduled collections of lease receivables and investment assets are as follows:

Lease payments receivable related to lease receivables

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Within 1 year	¥230,050	¥242,087	\$2,767
More than 1 year to 2 years	160,632	173,269	1,932
More than 2 years to 3 years	111,555	109,219	1,341
More than 3 years to 4 years	53,371	75,511	642
More than 4 years to 5 years	40,555	32,981	488
More than 5 years	84,682	73,660	1,018
Total	¥680,846	¥706,728	\$8,188

Lease payments receivable related to investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Within 1 year	¥ 389,029	¥ 407,746	\$ 4,679
More than 1 year to 2 years	288,064	306,937	3,464
More than 2 years to 3 years	210,604	220,648	2,533
More than 3 years to 4 years	129,630	152,399	1,559
More than 4 years to 5 years	77,517	79,417	932
More than 5 years	146,911	176,720	1,767
Total	¥1,241,757	¥1,343,868	\$14,934

(iii) Non-transfer ownership finance leases, which commenced in fiscal years beginning before April 1, 2008, are valued at their appropriate book value, net of accumulated depreciation, as of March 31, 2008, and recorded as the beginning balance of fiscal 2008 of "Lease receivables and investment assets." Moreover, interest on such non-transfer ownership finance leases during the remaining term of the leases is allocated over the lease term using the straight-line method. As a result of this accounting treatment, "Income before income taxes and minority interests" for the fiscal year ended March 31, 2011 was ¥10,115 million (\$122 million) more than it would have been if such transactions had been treated in a similar way to sales of the underlying assets.

(2) Operating leases

(a) Lessee side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2011 and 2010 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Due within 1 year	¥ 34,804	¥17,153	\$ 418
Due after 1 year	267,049	69,742	3,212
Total	¥301,854	¥86,895	\$3,630

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2011 and 2010 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Due within 1 year	¥ 36,995	¥ 23,585	\$ 445
Due after 1 year	156,549	122,599	1,883
Total	¥193,545	¥146,185	\$2,328

Future lease payments receivable on operating leases which were not cancelable amounting to ¥0 million (\$0 million) on the lessor side were pledged as collateral for borrowings.

30. Financial Instruments

(1) Status of financial instruments

(a) Policies on financial instruments

SMFG conducts banking and other financial services such as securities, leasing, credit card, invest banking, consumer finance, and venture capital. Its banking business includes deposit taking, lending, securities trading, securities investment, domestic and foreign exchange transactions, brokerage, etc. of financial futures transactions, etc., corporate bond trust services, trust business, sale of securities investment trusts, sale of insurance products, and securities intermediary services.

These services entail holding of financial assets such as loans and bills discounted, bonds, and stocks. Meanwhile, SMFG raises funds through deposit taking, borrowing, bond offering, etc. Furthermore, it undertakes derivative transactions to meet customers' hedging needs, to control market risk associated with deposit taking and lending ("ALM purposes"), and to make profit on short-term fluctuations in interest rates, foreign exchange rates, etc. ("trading purposes").

(b) Details of financial instruments and associated risks

(i) Financial assets

The main financial assets held by SMFG include loans to foreign and domestic companies and domestic individuals, and securities such as bonds (government and corporate bonds) and stocks (foreign and domestic stocks), etc. Bonds such as government bonds are held for both trading and ALM purposes, and certain bonds are held as held-to-maturity securities. Stocks are held mainly for strategic purposes. These assets expose SMFG to credit risk, market risk and liquidity risk. Credit risk is the risk of loss arising from nonperformance of obligations by the borrower or issuer due to factors such as deterioration in the borrower's/issuer's financial conditions. Market risk is the risk stemming from fluctuations in interest rates, exchange rates, or share prices. Liquidity risk is the risk arising from difficulty executing transactions in desired quantities at appropriate prices due to low market liquidity. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

(ii) Financial liabilities

Financial liabilities of SMFG include borrowed money and bonds, etc. in addition to deposits. Deposits mainly comprise deposits of domestic and foreign companies and domestic individuals. Borrowed money and bonds include subordinated borrowings and subordinated bonds. Also, financial liabilities, like financial assets, expose SMFG to not only market risk but also funding liquidity risk: the risk of SMFG not being able to raise funds due to market turmoil, deterioration in its creditworthiness or other factors. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

(iii) Derivative transactions

Derivatives handled by SMFG include foreign exchange futures; futures, forwards, swaps and options related to interest rates, currencies, equities, bonds and commodities; and credit and weather derivatives.

Major risks associated with derivatives include market risk, liquidity risk, and credit risk arising from nonperformance of contractual obligations due to deterioration in the counterparty's financial conditions. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

Hedge accounting is applied to derivative transactions executed for ALM purposes, as necessary. Hedging instruments, hedged items, hedging policy and the method to assess the effectiveness of hedging are described in Note 2. (17) Hedge accounting.

(c) Risk management framework for financial instruments

The fundamental matters on risk management for SMFG are set forth in "Risk Management Regulations." SMFG's Management Committee establishes the basic risk management policy, based on the Regulations, which is then approved by the Board of Directors. SMFG has a risk management system based on the basic policy. The Corporate Risk Management Department, which, together with the Corporate Planning Department, controls risk management across SMFG by monitoring the development and implementation of SMFG's risk management system, and gives appropriate guidance as needed. Under this framework, SMFG comprehensively and systematically manages risks.

(i) Management of credit risk

SMFG conducts integrated management of credit risk according to its operational characteristics, and the credit risk inherent in its entire portfolio as well as the risk in individual credits are managed quantitatively and continuously.

i. Credit risk management system

At SMBC, basic policies on credit risk management and other significant matters require the resolution of the Management Committee and the approval of the Board of Directors.

The Credit & Investment Planning Department of the Risk Management Unit is responsible for the comprehensive management of credit risk. This department establishes, revises or abolishes credit policies, the internal rating system, credit authority regulations, credit application regulations, and manages nonperforming loans and other aspects of credit portfolio management. The department also controls SMBC's total credit risk by quantifying credit risk (i.e. calculating risk capital and risk-weighted assets) in cooperation with the Corporate Risk Management Department. The department also monitors risk situations and regularly reports to the Management Committee and the Board of Directors.

Moreover, the Credit Portfolio Management Department within the Credit & Investment Planning Department works to stabilize SMBC's overall credit portfolio through market transactions such as loan securitization. In the Corporate Services Unit, the Corporate Research Department analyzes industries as well as investigates the borrower's business situation to detect early signs of problems. The Credit Administration Department is responsible for formulating and implementing measures to reduce SMBC's exposures mainly to borrowers classified as potentially bankrupt or lower.

The Credit Departments of Consumer Banking Unit, Middle Market Banking Unit and other business units play a central role in credit screening and managing their units' credit portfolios. Each business unit establishes its credit limits based on the baseline amounts for each borrower credit grading category. Borrowers or loans perceived to have high credit risk undergo intensive evaluation and administration by the unit's Credit Department.

Moreover, the Credit Risk Committee, a consultative body straddling the business units, rounds out SMBC's oversight system for undertaking flexible and efficient control of credit risk and ensuring the overall soundness of the bank's loan operations.

In addition to these, the Internal Audit Unit, operating independently from the business units, audits asset quality, credit grading accuracy, self-assessment, and appropriateness of credit risk management system, and reports the results directly to the Board of Directors and the Management Committee.

ii. Method of credit risk management

SMBC properly manages the credit risk inherent in individual loans and the entire portfolio by assessing and quantifying the credit risk of each borrower/loan using the internal rating system. In addition to management of individual loans through credit screening and monitoring, it manages the credit portfolio as described below in order to secure and improve the credit portfolio's soundness and medium-term profitability.

— Appropriate risk-taking within the scope of capital
To limit credit risks to a permissible level relative to capital, "credit risk capital limit" has been established for internal control purposes. Under this limit, a general guideline and designated guidelines for real estate finance, investment in funds and securitization products, etc. are set for each business unit. Regular monitoring is conducted to ensure that these guidelines are being followed.

— Controlling concentration risk

Concentration of risk in specific borrowers/industries/countries could severely reduce a bank's capital should it materialize. SMBC therefore implements measures to prevent concentration of credit risk in specific industries, and control large exposures to individual borrowers by setting guidelines for maximum loan amounts and conducting thorough loan reviews. To

manage country risk, SMBC also has credit limit guidelines based on each country's creditworthiness.

— Greater understanding of actual corporate conditions and balancing returns and risks

SMBC runs credit operations on the basic principle of thoroughly understanding actual corporate conditions and gaining profit commensurate with the level of credit risk entailed, and makes every effort to improve profit at after-cost (credit cost, capital cost and overhead) level.

— Reduction and prevention of non-performing loans
On non-performing loans and potential non-performing loans, SMBC carries out loan reviews to clarify credit policies and action plans, enabling it to swiftly implement measures to prevent deterioration of borrowers' business situations, support business recoveries, collect on loans, and enhance loan security.

— Approaches to active portfolio management
SMBC is committed to agile portfolio management, such as using credit derivatives and selling loan claims, to stabilize its credit portfolio.

In regards to financial instruments such as investments in certain funds, securitized products and credit derivatives that indirectly retain risks related to assets such as corporate bonds and loan claims (underlying assets), such instruments entail market and liquidity risks in addition to credit risk, since such instruments are traded on the market. Credit risk management for these instruments involving detailed analysis and evaluation of characteristics of underlying assets is performed while market risk is comprehensively managed within the framework for managing market and liquidity risks. Moreover, guidelines have been established based on the characteristics of each type of risk.

In regards to credit risk of derivative transactions, the potential exposure based on the market price is regularly calculated and properly managed. When the counterparty is a financial institution with whom SMBC frequently conducts derivative transactions, measures such as a close-out netting provision, which provide that offsetting credit exposures between the 2 parties will be combined into a single net payment from one party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

(ii) Management of market and liquidity risks

SMFG manages market and liquidity risks by setting allowable risk limits; ensuring the transparency of the risk management process; and clearly separating front-office, middle-office, and back-office operations for a highly efficient system of mutual checks and balances.

i. Market and liquidity risk management systems

At SMBC, important matters such as basic policies for managing market and liquidity risks and risk management framework are determined by the Management Committee and then approved by the Board of Directors.

The aforementioned Corporate Risk Management

Department, which is independent from the business units that directly handle business transactions, manages market and liquidity risks in an integrated manner. The department also monitors market and liquidity risk situations and regularly reports to the Management Committee and the Board of Directors.

Furthermore, SMBC's cross-departmental "ALM Committee" reports on the state of observance of market risk capital and liquidity risk capital limits, and deliberates on administration of ALM policies. SMBC also has a system whereby front-office departments, middle-office departments and back-office departments check each other's work in order to prevent clerical errors, unauthorized transactions, etc.

In addition, SMBC's Internal Audit Unit, which is independent from other departments, periodically performs comprehensive internal audits to verify that the risk management framework is properly functioning and reports the audit results to the Management Committee, the Board of Directors and other concerned committees and departments.

ii. Market and liquidity risk management methodology
— Market risk management

SMBC manages market risk by setting maximum loss and VaR (value at risk: maximum potential loss for a given probability) within the risk capital limit that is set taking into account stockholders' equity and other factors and in accordance with the market transaction policies.

SMBC uses the historical simulation method (a method for estimating the maximum loss by running simulations of changes in profit and loss on market fluctuation scenarios based on historical data) to measure VaR and, based on 4 years of historical observation, calculates the maximum loss that may occur as a result of market fluctuations in 1 day with a probability of 1%.

Regarding risks associated with foreign exchange rates, interest rates, equity risk, option prices and other market risk factors, SMBC manages such risks by setting a maximum limit on the indicator suited for each market risk factor such as BPV (basis point value: denotes the change in value of a financial instrument resulting from a 0.01 percentage-point change in the yield).

— Quantitative information on market risks

As of March 31, 2011, total VaR of SMBC and other major consolidated subsidiaries was ¥48.6 billion in the banking book (market operations for generating profit through management of interest rates, terms, and other aspects of assets (loans, bonds, etc.) and liabilities (deposits, etc.)), ¥6.8 billion in the trading book (market operations for generating profit by taking advantage of short-term fluctuations in market values and differences in value among markets) and ¥114.1 billion in the holding of shares (listed shares) for the purpose of strategic investment.

However, it should be noted that these figures are statistical figures that change according to changes in the assumptions and the calculation methods, and may not cover the risk of future market conditions fluctuating drastically compared to market fluctuations of the past.

— Liquidity risk management

At SMBC, funding liquidity risk is managed based on a framework consisting of setting funding gap limits and guidelines, maintaining a system of highly liquid supplementary funding sources, and establishing contingency plans. SMBC tries to avoid excessive reliance on short-term funds by managing funding gap limits and guidelines and has established a contingency plan covering emergency action plans such as reducing funding gap limits and guidelines. In addition, to ensure smooth fulfillment of transactions in face of market turmoil, SMBC holds assets such as U.S. treasuries that can be sold immediately and emergency committed lines as supplemental liquidity.

Moreover, to manage the liquidity risk of marketable instruments, derivative transactions, etc., SMBC has trading limits for each business office classified by currency, instrument, transaction period, etc. As for financial futures, etc., risks are managed by restricting positions within a certain percentage of open interest in the entire market.

(d) Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments are based on their market prices and, in cases where market prices are not available, reasonably calculated prices. Such prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

(2) Fair value of financial instruments

(a) Consolidated balance sheet amounts, fair values and net unrealized gains or losses of financial instruments as of March 31, 2011 and 2010 are as follows. The amounts shown in the following table do not include financial instruments whose fair values are extremely difficult to determine, such as unlisted stocks classified as "other securities," and stocks of subsidiaries and affiliates.

March 31	Millions of yen		
	2011		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1	¥ 9,227,272	¥ 9,233,629	¥ 6,357
2) Call loans and bills bought*1	850,997	851,482	484
3) Receivables under resale agreements	131,104	131,145	40
4) Receivables under securities borrowing transactions	4,740,410	4,740,410	—
5) Monetary claims bought*1	1,110,692	1,117,128	6,435
6) Trading assets			
Securities classified as trading purposes	3,108,841	3,108,841	—
7) Money held in trust	24,011	24,011	—
8) Securities			
Bond classified as held-to-maturity	4,182,273	4,242,131	59,857
Other securities	34,871,036	34,871,036	—
9) Loans and bills discounted	61,348,355		
Reserve for possible loan losses*1	(812,542)		
	60,535,813	61,586,792	1,050,978
10) Foreign exchanges*1	1,072,850	1,076,542	3,692
11) Lease receivables and investment assets*1	1,719,905	1,816,390	96,485
Total assets	¥121,575,209	¥122,799,543	¥1,224,333
1) Deposits	¥ 81,998,940	¥ 82,015,066	¥ 16,126
2) Negotiable certificates of deposit	8,366,323	8,365,839	(484)
3) Call money and bills sold	2,629,407	2,629,406	(0)
4) Payables under repurchase agreements	726,365	726,365	—
5) Payables under securities lending transactions	5,713,233	5,713,233	—
6) Commercial paper	337,120	337,120	—
7) Trading liabilities			
Trading securities sold for short sales	1,623,046	1,623,046	—
8) Borrowed money	10,769,668	10,780,649	10,981
9) Foreign exchanges	256,160	256,160	—
10) Short-term bonds	1,183,198	1,183,198	—
11) Bonds	3,866,095	3,952,658	86,563
12) Due to trust account	216,171	216,171	—
Total liabilities	¥117,685,729	¥117,798,915	¥ 113,186
Derivative transactions*2			
Hedge accounting not applied	¥ 16,149	¥ 16,149	¥ —
Hedge accounting applied	357,952	357,952	—
Total	¥ 374,101	¥ 374,101	¥ —

March 31	Millions of yen		
	2010		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	¥ 5,838,781	¥ 5,839,844	¥ 1,063
2) Call loans and bills bought*1.....	1,119,705	1,121,304	1,598
3) Receivables under resale agreements.....	25,226	25,226	—
4) Receivables under securities borrowing transactions.....	5,440,622	5,440,622	—
5) Monetary claims bought*1.....	997,290	1,010,523	13,233
6) Trading assets			
Securities classified as trading purposes.....	3,058,033	3,058,033	—
7) Money held in trust.....	18,734	18,734	—
8) Securities			
Bond classified as held-to-maturity.....	3,272,012	3,330,623	58,610
Other securities.....	24,383,712	24,383,712	—
9) Loans and bills discounted.....	62,701,033		
Reserve for possible loan losses*1.....	(801,234)		
	61,899,799	62,891,684	991,885
10) Foreign exchanges*1.....	1,101,719	1,105,607	3,888
11) Lease receivables and investment assets*1.....	1,824,961	1,933,129	108,168
Total assets.....	¥108,980,596	¥110,159,045	¥1,178,449
1) Deposits.....	¥ 78,648,595	¥ 78,674,772	¥ 26,176
2) Negotiable certificates of deposit.....	6,995,619	6,995,575	(43)
3) Call money and bills sold.....	2,119,557	2,119,557	(0)
4) Payables under repurchase agreements.....	1,120,860	1,120,860	—
5) Payables under securities lending transactions.....	4,315,774	4,315,774	—
6) Commercial paper.....	310,787	310,787	—
7) Trading liabilities			
Trading securities sold for short sales.....	1,582,808	1,582,808	—
8) Borrowed money.....	5,470,578	5,489,347	18,768
9) Foreign exchanges.....	192,299	192,299	—
10) Short-term bonds.....	1,212,178	1,212,178	—
11) Bonds.....	3,422,672	3,514,970	92,298
12) Due to trust account.....	159,554	159,554	—
Total liabilities.....	¥105,551,287	¥105,688,486	¥ 137,199
Derivative transactions*2			
Hedge accounting not applied.....	¥ 245,128	¥ 245,128	¥ —
Hedge accounting applied.....	183,211	183,211	—
Total.....	¥ 428,339	¥ 428,339	¥ —

March 31	Millions of U.S. dollars		
	2011		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	\$ 110,971	\$ 111,048	\$ 77
2) Call loans and bills bought*1.....	10,235	10,240	5
3) Receivables under resale agreements.....	1,577	1,577	0
4) Receivables under securities borrowing transactions.....	57,010	57,010	—
5) Monetary claims bought*1.....	13,358	13,435	77
6) Trading assets			
Securities classified as trading purposes.....	37,388	37,388	—
7) Money held in trust.....	289	289	—
8) Securities			
Bond classified as held-to-maturity.....	50,298	51,018	720
Other securities.....	419,375	419,375	—
9) Loans and bills discounted.....	737,803		
Reserve for possible loan losses*1.....	(9,772)		
	728,031	740,671	12,640
10) Foreign exchanges*1.....	12,903	12,947	44
11) Lease receivables and investment assets*1.....	20,684	21,845	1,161
Total assets.....	\$1,462,119	\$1,476,843	\$14,724
1) Deposits.....	\$ 986,157	\$ 986,351	\$ 194
2) Negotiable certificates of deposit.....	100,617	100,611	(6)
3) Call money and bills sold.....	31,622	31,622	(0)
4) Payables under repurchase agreements.....	8,736	8,736	—
5) Payables under securities lending transactions.....	68,710	68,710	—
6) Commercial paper.....	4,054	4,054	—
7) Trading liabilities			
Trading securities sold for short sales.....	19,520	19,520	—
8) Borrowed money.....	129,521	129,653	132
9) Foreign exchanges.....	3,081	3,081	—
10) Short-term bonds.....	14,230	14,230	—
11) Bonds.....	46,495	47,536	1,041
12) Due to trust account.....	2,600	2,600	—
Total liabilities.....	\$1,415,343	\$1,416,704	\$ 1,361
Derivative transactions*2			
Hedge accounting not applied.....	\$ 194	\$ 194	\$ —
Hedge accounting applied.....	4,305	4,305	—
Total.....	\$ 4,499	\$ 4,499	\$ —

*1 Loans and bills discounted do not include general reserve for possible loan losses and specific reserve for possible loan losses. The reserves for possible losses on "Cash and due from banks and Deposits with banks," "Call loans and bills bought," "Monetary claims bought," "Foreign exchanges," and "Lease receivables and investment assets" are deducted directly from "Consolidated balance sheet amount" since they are immaterial.

*2 The amounts collectively represent the derivative transactions which are recorded on "Trading assets," "Trading liabilities," "Other assets" and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis.

(b) Fair value calculation methodology for financial instruments

Assets

1) Cash and due from banks and Deposits with banks, 2) Call loans and bills bought, 3) Receivables under resale agreements, 4) Receivables under securities borrowing transactions, 9) Loans and bills discounted, 10) Foreign exchanges, and 11) Lease receivables and investment assets: Of these transactions, the book values of dues from banks without maturity and overdrafts with no specified repayment dates are regarded to approximate their fair values; thus, their fair values are their book values.

For short-term transactions with remaining life as of the end of the fiscal year not exceeding 6 months, their fair

values are, in principle, their book value as book values are regarded to approximate fair values.

The fair value of those with a remaining life of more than 6 months is, in principle, the present value of future cash flows (calculated by discounting estimated future cash flows, taking into account factors such as the borrower's internal rating and pledged collateral, using a rate comprising a risk-free interest rate and an overhead ratio). Certain consolidated subsidiaries of SMFG calculate the present value by discounting the estimated future cash flows computed based on the contractual interest rate, using a rate comprising a risk-free interest rate and a credit risk premium.

Regarding claims on bankrupt borrowers, effectively

bankrupt borrowers and potentially bankrupt borrowers, expected losses on such claims are calculated based on either the present value of expected future cash flows or the expected recoverable amount from collateral or guarantees. Since the claims' balance sheet amounts at the closing date minus the current expected amount of loan losses approximate their fair values, such amounts are regarded as their fair values.

5) Monetary claims bought:

The fair values of monetary claims bought with market prices, such as beneficial interests in commodities investment trusts, are based on their market prices as of the end of the fiscal year. The fair values of subordinated trust beneficiary interests related to securitized housing loans are based on the assessed value of underlying assets minus the assessed value of senior beneficial interests, etc. The fair values of other transactions are, in principle, based on prices calculated using methods similar to the methods applied to 9) Loans and bills discounted.

6) Trading assets:

The fair values of bonds and other securities held for trading purposes are, in principle, based on their market price at the final date of the fiscal year.

7) Money held in trust:

The fair values of money held in trust are, in principle, based on the market prices of securities held in trust calculated using methods similar to the methods applied to 8) Securities.

8) Securities:

In principle, the fair values of stocks (including foreign stocks) are based on the average market price during 1 month before the end of the fiscal year. The fair values of bonds and securities with market prices other than stocks are prices calculated based on their market prices on the final date of the fiscal year.

In light of the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issues Task Force No. 25), the fair values of floating-rate Japanese government bonds are based on the present value of future cash flows (the government bond yield is used to discount and estimate future cash flows). Bond yield and yield volatility are the main price parameters. The fair values of those without market prices, such as private placement bonds, are based on the present value of future cash flows calculated by discounting estimated future cash flows taking into account the borrower's internal rating and pledged collateral by a rate comprising a risk-free interest rate and an overhead ratio. However, the fair values of bonds issued by bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers are based on the bond's face value after the deduction of the expected amount of a loss on the bond computed using the same method applied to the estimation of a loan loss. The fair values of publicly offered investment trusts are calculated based on the published net asset value (NAV) per share, while those of private placement investment trusts are calculated based on the NAV published by securities firms and other financial institutions.

Liabilities

1) Deposits, 2) Negotiable certificates of deposit and

12) Due to trust account:

The fair values of demand deposits and deposits without maturity are based on their book values as at the end of the fiscal year. The fair values of short-term transactions with remaining life as of the end of the fiscal year not exceeding 6 months are also based on their book values, as their book values are regarded to approximate their fair values. The fair values of transactions with a remaining life of more than 6 months are, in principle, based on the present value of future cash flows calculated using the rate applied to the same type of deposits that are newly accepted until the end of the remaining life.

3) Call money and bills sold, 4) Payables under repurchase agreements, 5) Payables under securities lending transactions, 6) Commercial paper, 8) Borrowed money, 10) Short-term bonds and 11) Bonds:

The fair values of short-term transactions with remaining life as of the end of the fiscal year not exceeding 6 months are based on their book values, as their book values are regarded to approximate their fair values. For transactions with a remaining life of more than 6 months, their fair values are, in principle, based on the present value of future cash flows calculated using the refinancing rate applied to the same type of instruments for the remaining life. The fair values of bonds are based on the present value of future cash flows calculated using the rate derived from the data on the yields of benchmark bonds and publicly offered subordinated bonds published by securities firms.

7) Trading liabilities:

The fair values of bonds sold for short sales and other securities for trading purposes are, in principle, based on their market prices on the final date of the fiscal year.

9) Foreign exchanges:

The fair values of foreign currency-denominated deposits without maturity received from other banks are based on their book values as at the end of the fiscal year.

The fair values of foreign exchange related short-term borrowings are based on their book values, as their book values are regarded to approximate their fair values.

Derivatives transactions

The fair values of exchange-traded derivatives are based on their closing prices. With regard to OTC transactions, the fair values of interest rate, currency, stock, bond and credit derivatives are based on their settlement prices as at the end of the fiscal year calculated based on the present value of the expected future cash flows or using valuation techniques such as the option pricing model. The fair values of commodity derivatives transactions are based on their settlement prices as at the end of the fiscal year, calculated based on the derivative instrument's components, including price and contract term.

(3) Consolidated balance sheet amounts of financial instruments whose fair values are extremely difficult to determine are as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Monetary claims bought:			
Monetary claims bought without market prices*1	¥ 7,606	¥ 7,889	\$ 92
Securities:			
Unlisted stocks, etc.*2, 4	278,869	291,922	3,354
Investments in partnership, etc.*3, 4	340,113	354,422	4,090
Total	¥626,589	¥654,234	\$7,536

*1 Beneficiary claims on loan trusts that (a) behave more like equity than debt, (b) do not have market prices, and (c) for which it is difficult to rationally estimate fair values.

*2 Not included in the scope of fair value disclosure since there are no market prices and it is extremely difficult to determine their fair values.

*3 Capital contributions with no market prices. The above-stated amount includes the book value amount of investments in the partnership of which the SMFG records net changes in their balance sheets and statements of income.

*4 Unlisted stocks and investments in partnership totaling ¥15,076 million (\$181 million) and ¥26,770 million were written-down in the fiscal years ended March 31, 2011 and 2010, respectively.

(4) Redemption schedule of monetary claims bought and securities with maturities

March 31	Millions of yen			
	2011			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥ 7,945,095	¥ 2,938	¥ —	¥ —
Call loans and bills bought	842,638	8,998	—	—
Receivables under resale agreements	131,104	—	—	—
Receivables under securities borrowing transactions	4,740,410	—	—	—
Monetary claims bought*1, 2	751,345	98,873	58,080	193,178
Securities*1	13,702,861	16,893,389	5,309,448	547,556
Bonds classified as held-to-maturity	165,782	3,708,714	304,400	—
Japanese government bonds	155,000	3,315,000	290,000	—
Japanese local government bonds	5,032	166,107	100	—
Japanese corporate bonds	4,750	226,607	8,800	—
Other	1,000	1,000	5,500	—
Other securities with maturity	13,537,079	13,184,674	5,005,048	547,556
Japanese government bonds	11,517,890	7,620,372	2,944,300	—
Japanese local government bonds	18,033	278,781	69,793	44
Japanese corporate bonds	642,634	1,835,259	405,417	58,833
Other	1,358,521	3,450,261	1,585,536	488,678
Loans and bills discounted*1, 2	13,013,773	21,474,032	7,911,639	11,235,643
Foreign exchanges*1	1,074,722	1,685	—	—
Lease receivables and investment assets*1	540,645	938,489	106,288	39,086
Total	¥42,742,597	¥39,418,406	¥13,385,457	¥12,015,464

March 31	Millions of yen			
	2010			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥ 4,728,741	¥ 2,685	¥ —	¥ —
Call loans and bills bought	1,120,590	555	—	—
Receivables under resale agreements	25,226	—	—	—
Receivables under securities borrowing transactions	5,440,622	—	—	—
Monetary claims bought* ¹	649,799	93,698	62,313	189,786
Securities* ¹	9,638,321	11,344,537	3,138,161	717,074
Bonds classified as held-to-maturity	69,571	2,713,680	483,955	—
Japanese government bonds	65,000	2,410,000	390,000	—
Japanese local government bonds	1,595	113,592	38,972	—
Japanese corporate bonds	2,976	188,087	50,283	—
Other	—	2,000	4,700	—
Other securities with maturity	9,568,749	8,630,856	2,654,206	717,074
Japanese government bonds	8,226,690	3,456,218	1,712,053	364,500
Japanese local government bonds	25,723	216,764	20,276	46
Japanese corporate bonds	675,629	2,130,381	363,670	60,592
Other	640,706	2,827,491	558,206	291,934
Loans and bills discounted* ^{1, 2}	13,552,411	22,297,810	7,923,621	10,884,978
Foreign exchanges* ¹	1,101,482	2,520	—	—
Lease receivables and investment assets* ¹	565,311	1,000,911	114,874	40,375
Total	¥36,822,506	¥34,742,718	¥11,238,970	¥11,832,214

March 31	Millions of U.S. dollars			
	2011			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	\$ 95,551	\$ 35	\$ —	\$ —
Call loans and bills bought	10,134	108	—	—
Receivables under resale agreements	1,577	—	—	—
Receivables under securities borrowing transactions	57,010	—	—	—
Monetary claims bought* ^{1, 2}	9,036	1,189	699	2,323
Securities* ¹	164,797	203,168	63,854	6,585
Bonds classified as held-to-maturity	1,994	44,603	3,661	—
Japanese government bonds	1,864	39,868	3,488	—
Japanese local government bonds	61	1,998	1	—
Japanese corporate bonds	57	2,725	106	—
Other	12	12	66	—
Other securities with maturity	162,803	158,565	60,193	6,585
Japanese government bonds	138,519	91,646	35,410	—
Japanese local government bonds	217	3,353	839	0
Japanese corporate bonds	7,729	22,072	4,876	708
Other	16,338	41,494	19,068	5,877
Loans and bills discounted* ^{1, 2}	156,510	258,257	95,149	135,125
Foreign exchanges* ¹	12,925	20	—	—
Lease receivables and investment assets* ¹	6,502	11,287	1,278	470
Total	\$514,042	\$474,064	\$160,980	\$144,503

*¹ The amounts shown in the table above do not include amounts for claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers and other claims for which redemption is unlikely. The amounts for such claims are as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Monetary claims bought	¥ 2,043	¥ 3,196	\$ 25
Securities	27,402	16,989	330
Loans and bills discounted	998,936	1,213,627	12,014
Foreign exchanges	616	3,286	7
Lease receivables and investment assets	8,685	10,048	104

*² Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥4,047 million (\$49 million) and ¥6,717,074 million (\$80,783 million) at March 31, 2011, respectively. Does not include "Loans and bills discounted" without tenure totaling ¥6,829,836 million at March 31, 2010.

(5) Redemption schedule of bonds, borrowed money and other interest-bearing debts

March 31	Millions of yen			
	2011			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 76,809,748	¥4,611,848	¥ 348,749	¥227,549
Negotiable certificates of deposit	8,197,688	168,634	—	—
Call money and bills sold	2,629,407	—	—	—
Payables under repurchase agreements	726,365	—	—	—
Payables under securities lending transactions	5,713,233	—	—	—
Commercial paper	337,120	—	—	—
Borrowed money	8,948,213	1,403,977	259,433	158,043
Foreign exchanges	256,160	—	—	—
Short-term bonds	1,183,210	—	—	—
Bonds	280,805	1,660,338	1,633,465	293,153
Due to trust account	216,171	—	—	—
Total	¥105,298,124	¥7,844,799	¥2,241,648	¥678,746

March 31	Millions of yen			
	2010			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥73,936,151	¥4,093,970	¥ 365,131	¥251,172
Negotiable certificates of deposit	6,959,781	35,838	—	—
Call money and bills sold	2,119,557	—	—	—
Payables under repurchase agreements	1,120,860	—	—	—
Payables under securities lending transactions	4,315,774	—	—	—
Commercial paper	310,787	—	—	—
Borrowed money	4,156,807	993,051	172,326	148,392
Foreign exchanges	192,299	—	—	—
Short-term bonds	1,212,200	—	—	—
Bonds	362,002	1,181,035	1,471,394	408,790
Due to trust account	159,554	—	—	—
Total	¥94,845,775	¥6,303,896	¥2,008,852	¥808,356

March 31	Millions of U.S. dollars			
	2011			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	\$ 923,749	\$55,464	\$ 4,194	\$2,737
Negotiable certificates of deposit	98,589	2,028	—	—
Call money and bills sold	31,622	—	—	—
Payables under repurchase agreements	8,736	—	—	—
Payables under securities lending transactions	68,710	—	—	—
Commercial paper	4,054	—	—	—
Borrowed money	107,615	16,885	3,120	1,901
Foreign exchanges	3,081	—	—	—
Short-term bonds	14,230	—	—	—
Bonds	3,377	19,968	19,645	3,525
Due to trust account	2,600	—	—	—
Total	\$1,266,363	\$94,345	\$26,959	\$8,163

* Demand deposits are included in "Within 1 year." Deposits include current deposits.

31. Fair Value Information

(1) Securities

The amounts shown in the following tables include trading securities and short-term bonds classified as “Trading assets,” negotiable certificates of deposit bought classified as “Deposits with banks,” and beneficiary claims on loan trusts classified as “Monetary claims bought,” in addition to “Securities” stated in the consolidated balance sheets.

(a) Securities classified as trading purposes

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Valuation gains included in the earnings for the fiscal year	¥(6,863)	¥(2,583)	\$(83)

(b) Bonds classified as held-to-maturity

March 31	Millions of yen		
	2011		Net unrealized gains (losses)
	Consolidated balance sheet amount	Fair value	
Bonds with unrealized gains:			
Japanese government bonds	¥3,384,266	¥3,437,088	¥52,821
Japanese local government bonds	159,618	162,339	2,721
Japanese corporate bonds	237,233	243,070	5,837
Other	4,193	4,201	8
Subtotal	¥3,785,310	¥3,846,700	¥61,389
Bonds with unrealized losses:			
Japanese government bonds	¥ 379,873	¥ 378,410	¥ (1,463)
Japanese local government bonds	11,899	11,860	(39)
Japanese corporate bonds	1,887	1,878	(9)
Other	10,301	10,282	(19)
Subtotal	¥ 403,962	¥ 402,430	¥ (1,531)
Total	¥4,189,272	¥4,249,130	¥59,857

March 31	Millions of yen		
	2010		Net unrealized gains (losses)
	Consolidated balance sheet amount	Fair value	
Bonds with unrealized gains:			
Japanese government bonds	¥2,551,114	¥2,600,336	¥49,221
Japanese local government bonds	151,580	154,660	3,079
Japanese corporate bonds	239,417	246,457	7,039
Other	2,195	2,199	4
Subtotal	¥2,944,308	¥3,003,653	¥59,344
Bonds with unrealized losses:			
Japanese government bonds	¥ 320,098	¥ 319,472	¥ (626)
Japanese local government bonds	2,700	2,697	(2)
Japanese corporate bonds	411	410	(1)
Other	15,121	15,017	(104)
Subtotal	¥ 338,331	¥ 337,596	¥ (734)
Total	¥3,282,639	¥3,341,250	¥58,610

March 31	Millions of U.S. dollars		
	2011		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	\$40,701	\$41,336	\$635
Japanese local government bonds	1,920	1,952	32
Japanese corporate bonds	2,853	2,923	70
Other	50	51	1
Subtotal	\$45,524	\$46,262	\$738
Bonds with unrealized losses:			
Japanese government bonds	\$ 4,568	\$ 4,550	\$(18)
Japanese local government bonds	143	143	(0)
Japanese corporate bonds	23	23	(0)
Other	124	124	(0)
Subtotal	\$ 4,858	\$ 4,840	\$(18)
Total	\$50,382	\$51,102	\$720

(c) Other securities

March 31	Millions of yen		
	2011		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 1,341,992	¥ 854,218	¥ 487,773
Bonds	12,365,024	12,256,383	108,640
Japanese government bonds	9,468,315	9,423,084	45,230
Japanese local government bonds	199,005	197,609	1,395
Japanese corporate bonds	2,697,703	2,635,688	62,014
Other	3,125,508	3,001,059	124,449
Subtotal	¥16,832,525	¥16,111,661	¥ 720,864
Other securities with unrealized losses:			
Stocks	¥ 869,937	¥ 1,045,754	¥(175,817)
Bonds	13,194,988	13,226,858	(31,870)
Japanese government bonds	12,701,891	12,729,163	(27,271)
Japanese local government bonds	173,886	175,423	(1,536)
Japanese corporate bonds	319,210	322,272	(3,062)
Other	4,448,401	4,590,679	(142,277)
Subtotal	¥18,513,327	¥18,863,292	¥(349,965)
Total	¥35,345,852	¥34,974,953	¥ 370,899

March 31	Millions of yen		
	2010		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 1,604,127	¥ 1,060,381	¥ 543,745
Bonds	13,863,729	13,731,907	131,821
Japanese government bonds	10,769,980	10,707,770	62,209
Japanese local government bonds	196,170	194,047	2,123
Japanese corporate bonds	2,897,578	2,830,090	67,488
Other	2,494,792	2,371,004	123,788
Subtotal	¥17,962,649	¥17,163,293	¥ 799,355
Other securities with unrealized losses:			
Stocks	¥ 786,294	¥ 919,055	¥(132,761)
Bonds	3,580,276	3,588,439	(8,163)
Japanese government bonds	3,097,128	3,099,871	(2,743)
Japanese local government bonds	72,197	72,313	(116)
Japanese corporate bonds	410,951	416,253	(5,302)
Other	2,542,531	2,614,548	(72,017)
Subtotal	¥ 6,909,102	¥ 7,122,043	¥(212,941)
Total	¥24,871,752	¥24,285,337	¥ 586,414

March 31	Millions of U.S. dollars		
	2011		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	\$ 16,139	\$ 10,273	\$ 5,866
Bonds	148,708	147,401	1,307
Japanese government bonds	113,870	113,326	544
Japanese local government bonds	2,394	2,377	17
Japanese corporate bonds	32,444	31,698	746
Other	37,589	36,092	1,497
Subtotal	\$202,436	\$193,766	\$ 8,670
Other securities with unrealized losses:			
Stocks	\$ 10,462	\$ 12,577	\$(2,115)
Bonds	158,689	159,072	(383)
Japanese government bonds	152,759	153,087	(328)
Japanese local government bonds	2,091	2,109	(18)
Japanese corporate bonds	3,839	3,876	(37)
Other	53,499	55,210	(1,711)
Subtotal	\$222,650	\$226,859	\$(4,209)
Total	\$425,086	\$420,625	\$ 4,461

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥1,153 million (\$14 million) for the fiscal year ended March 31, 2011 and ¥105 million for the fiscal year ended March 31, 2010 that are recognized in the fiscal year's earnings by applying fair value hedge accounting.

2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Stocks	¥274,329	¥285,123	\$3,299
Other	352,260	369,111	4,237
Total	¥626,589	¥654,234	\$7,536

These amounts are not included in "(c) Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

(d) Held-to-maturity bonds sold during the years ended March 31, 2011 and 2010

There are no corresponding transactions.

(e) Other securities sold during the years ended March 31, 2011 and 2010

Year ended March 31	Millions of yen		
	2011		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 47,019	¥ 11,371	¥ (3,203)
Bonds	18,058,502	71,653	(32,572)
Japanese government bonds	17,690,062	69,180	(31,297)
Japanese local government bonds	137,365	907	(633)
Japanese corporate bonds	231,074	1,566	(641)
Other	18,652,000	152,588	(16,204)
Total	¥36,757,522	¥235,613	¥(51,980)

Year ended March 31	Millions of yen		
	2010		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 107,588	¥ 50,898	¥ (3,556)
Bonds	20,061,150	35,397	(6,154)
Japanese government bonds	19,422,804	32,937	(5,915)
Japanese local government bonds	196,472	634	(103)
Japanese corporate bonds	441,872	1,825	(136)
Other	12,193,240	61,872	(24,367)
Total	¥32,361,979	¥148,167	¥(34,079)

Year ended March 31	Millions of U.S. dollars		
	2011		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	\$ 566	\$ 137	\$ (38)
Bonds.....	217,180	862	(392)
Japanese government bonds.....	212,749	832	(376)
Japanese local government bonds.....	1,652	11	(8)
Japanese corporate bonds.....	2,779	19	(8)
Other.....	224,317	1,835	(195)
Total.....	\$442,063	\$2,834	\$(625)

(f) Change of classification of securities

There are no corresponding transactions.

(g) Write-down of securities

Securities (excluding stocks of subsidiaries and affiliates) with fair value are considered as impaired if the fair value declines materially below the acquisition cost and such decline is not considered as recoverable. In such a case, the fair value is recognized as the balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2011 and 2010 were ¥109,921 million (\$1,322 million) and ¥19,519 million, respectively. The rule for determining "material decline" is as follows and is based on the classification of issuers under self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers:	Fair value is lower than acquisition cost.
Issuers requiring caution:	Fair value is 30% or more lower than acquisition cost.
Normal issuers:	Fair value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.

Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.

Issuers requiring caution: Issuers that are identified for close monitoring.

Normal issuers: Issuers other than the above 4 categories of issuers.

(2) Money held in trust

(a) Money held in trust classified as trading purposes

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Consolidated balance sheet amount.....	¥1,441	¥1,483	\$17
Valuation gains included in the earnings for the fiscal year.....	1	13	0

(b) Money held in trust classified as held-to-maturity

There are no corresponding transactions.

(c) Other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Consolidated balance sheet amount.....	¥22,569	¥17,250	\$271
Acquisition cost.....	22,527	17,188	271
Net unrealized gains (losses).....	42	62	0
Unrealized gains.....	42	157	0
Unrealized losses.....	—	(95)	—

Notes: 1. Consolidated balance sheet amount is calculated using market prices at the fiscal year-end.

2. "Unrealized gains" and "Unrealized losses" are breakdowns of "Net unrealized gains (losses)" respectively.

(3) Net unrealized gains on other securities and other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Net unrealized gains.....	¥369,852	¥586,154	\$4,448
Other securities	369,810	586,091	4,448
Other money held in trust	42	62	0
(-) Deferred tax liabilities.....	102,593	168,758	1,234
Net unrealized gains on other securities (before adjustment).....	267,259	417,396	3,214
(-) Minority interests.....	7,125	7,991	85
(+) SMFG's interest in net unrealized gains on valuation of other securities held by the equity method affiliates.....	12,172	3,304	146
Net unrealized gains on other securities.....	¥272,306	¥412,708	\$3,275

Notes: 1. Net unrealized gains on other securities included gains of ¥1,153 million (\$14 million) for the fiscal year ended March 31, 2011 and ¥105 million for the fiscal year ended March 31, 2010 that are recognized in the fiscal year's earnings by applying fair value hedge accounting.

2. Net unrealized gains included foreign currency translation adjustments on non-marketable securities denominated in foreign currencies.

32. Derivative Transactions

(1) Derivative transactions to which the hedge accounting method is not applied

The following tables set forth the contract amount or the amount equivalent to the principal, fair value, valuation gains (losses) and calculation method of the relevant commodities by category with respect to derivative transactions to which the hedge accounting method is not applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(a) Interest rate derivatives

March 31	Millions of yen			
	2011		Fair value	Valuation gains (losses)
	Contract amount			
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 36,061,333	¥ 2,080,554	¥ (13,057)	¥ (13,057)
Bought.....	33,791,946	2,088,859	12,150	12,150
Interest rate options:				
Sold.....	16,628	—	(1)	(1)
Bought.....	420,747	—	(12)	(12)
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	19,504,719	314,376	(704)	(704)
Interest rate swaps:				
Receivable fixed rate/payable floating rate	356,885,048	267,296,032	95,050	95,050
Receivable floating rate/payable fixed rate	158,333,988	120,027,611	3,822,736	3,822,736
Receivable floating rate/payable fixed rate	170,756,972	129,214,787	(3,725,094)	(3,725,094)
Receivable floating rate/payable floating rate.....	27,653,869	17,913,499	(1,507)	(1,507)
Interest rate swaptions:				
Sold.....	3,391,868	2,347,307	(75,573)	(75,573)
Bought.....	2,924,852	2,076,786	72,362	72,362
Caps:				
Sold.....	20,895,278	5,852,048	(10,084)	(10,084)
Bought.....	9,178,858	2,985,925	7,603	7,603
Floors:				
Sold	882,481	278,959	(10,006)	(10,006)
Bought.....	8,551,945	8,419,741	7,460	7,460
Other:				
Sold.....	578,528	333,204	(14,089)	(14,089)
Bought.....	1,678,256	937,592	42,041	42,041
Total.....	/	/	¥ 113,136	¥ 113,136

March 31	Millions of yen			
	2010		Fair value	Valuation gains (losses)
	Contract amount			
Listed	Total	Over 1 year		
Interest rate futures:				
Sold.....	¥ 27,455,094	¥ 1,429,658	¥ (26,886)	¥ (26,886)
Bought.....	32,231,909	1,234,295	30,344	30,344
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	25,246,604	907,098	(340)	(340)
Interest rate swaps:	364,973,058	264,226,831	125,966	125,966
Receivable fixed rate/payable floating rate.....	168,753,817	124,132,310	4,254,072	4,254,072
Receivable floating rate/payable fixed rate.....	170,326,998	122,682,985	(4,118,551)	(4,118,551)
Receivable floating rate/payable floating rate.....	25,798,196	17,317,488	(6,016)	(6,016)
Interest rate swaptions:				
Sold.....	2,691,761	1,954,642	(59,016)	(59,016)
Bought.....	2,467,679	2,051,889	64,750	64,750
Caps:				
Sold.....	24,121,287	7,413,055	(13,228)	(13,228)
Bought.....	11,007,401	3,766,465	7,726	7,726
Floors:				
Sold.....	1,761,137	659,758	(18,523)	(18,523)
Bought.....	10,689,965	2,103,435	11,058	11,058
Other:				
Sold.....	732,102	342,078	(23,327)	(23,327)
Bought.....	2,526,134	1,235,256	81,184	81,184
Total.....	/	/	¥ 179,707	¥ 179,707

March 31	Millions of U.S. dollars			
	2011		Fair value	Valuation gains (losses)
	Contract amount			
Listed	Total	Over 1 year		
Interest rate futures:				
Sold.....	\$ 433,690	\$ 25,022	\$ (157)	\$ (157)
Bought.....	406,397	25,122	146	146
Interest rate options:				
Sold.....	200	—	(0)	(0)
Bought.....	5,060	—	(0)	(0)
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	234,573	3,781	(9)	(9)
Interest rate swaps:	4,292,063	3,214,625	1,143	1,143
Receivable fixed rate/payable floating rate.....	1,904,197	1,443,507	45,974	45,974
Receivable floating rate/payable fixed rate.....	2,053,602	1,553,996	(44,800)	(44,800)
Receivable floating rate/payable floating rate.....	332,578	215,436	(18)	(18)
Interest rate swaptions:				
Sold.....	40,792	28,230	(909)	(909)
Bought.....	35,176	24,976	870	870
Caps:				
Sold.....	251,296	70,379	(121)	(121)
Bought.....	110,389	35,910	91	91
Floors:				
Sold.....	10,613	3,355	(120)	(120)
Bought.....	102,850	101,260	90	90
Other:				
Sold.....	6,958	4,007	(169)	(169)
Bought.....	20,183	11,276	506	506
Total.....	/	/	\$ 1,361	\$ 1,361

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Financial Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(b) Currency derivatives

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Over-the-counter				
Currency swaps.....	¥20,597,671	¥12,937,360	¥(392,609)	¥ (28,299)
Currency swaptions:				
Sold.....	711,681	672,001	(23,439)	(23,439)
Bought.....	948,904	695,468	38,789	38,789
Forward foreign exchange.....	50,708,557	19,400,525	114,272	114,272
Currency options:				
Sold.....	3,054,155	1,996,329	(300,544)	(300,544)
Bought.....	2,935,419	1,894,947	420,803	420,803
Total	/	/	¥(142,728)	¥221,581

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Over-the-counter				
Currency swaps.....	¥22,944,557	¥15,000,880	¥(197,861)	¥ (37,404)
Currency swaptions:				
Sold.....	812,380	787,350	(14,820)	(14,820)
Bought.....	962,113	861,923	30,552	30,552
Forward foreign exchange.....	34,515,123	3,923,138	116,047	116,047
Currency options:				
Sold.....	3,855,995	2,479,933	(313,707)	(313,707)
Bought.....	3,850,518	2,378,255	388,407	388,407
Other:				
Sold.....	51	—	1	1
Bought.....	42	—	0	0
Total	/	/	¥ 8,620	¥169,077

March 31	Millions of U.S. dollars			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Over-the-counter				
Currency swaps.....	\$247,717	\$155,591	\$(4,722)	\$ (340)
Currency swaptions:				
Sold.....	8,559	8,082	(282)	(282)
Bought.....	11,412	8,364	466	466
Forward foreign exchange.....	609,844	233,320	1,374	1,374
Currency options:				
Sold.....	36,731	24,009	(3,614)	(3,614)
Bought.....	35,303	22,790	5,061	5,061
Total	/	/	\$(1,717)	\$2,665

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value is calculated using discounted present value and option pricing models.

(c) Equity derivatives

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Equity price index futures:				
Sold.....	¥129,122	¥ —	¥ 1,689	¥ 1,689
Bought.....	46,212	—	283	283
Equity price index options:				
Sold.....	6,200	—	(203)	(203)
Bought.....	4,456	—	116	116
Over-the-counter				
Equity options:				
Sold.....	201,781	200,642	(41,359)	(41,359)
Bought.....	203,957	200,642	41,430	41,430
Total.....	/	/	¥ 1,956	¥ 1,956

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Equity price index futures:				
Sold.....	¥ 57,478	¥ —	¥ (1,416)	¥ (1,416)
Bought.....	35,779	—	955	955
Equity price index options:				
Sold.....	1,825	—	(1)	(1)
Bought.....	225	—	1	1
Over-the-counter				
Equity options:				
Sold.....	226,398	152,641	(45,488)	(45,488)
Bought.....	233,424	225,474	45,680	45,680
Other:				
Sold.....	114	—	(0)	(0)
Bought.....	294	—	16	16
Total.....	/	/	¥ (253)	¥ (253)

March 31	Millions of U.S. dollars			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Equity price index futures:				
Sold.....	\$1,553	\$ —	\$ 20	\$ 20
Bought.....	556	—	3	3
Equity price index options:				
Sold.....	75	—	(2)	(2)
Bought.....	54	—	1	1
Over-the-counter				
Equity options:				
Sold.....	2,427	2,413	(497)	(497)
Bought.....	2,453	2,413	498	498
Total.....	/	/	\$ 23	\$ 23

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using option pricing models.

(d) Bond derivatives

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Bond futures:				
Sold.....	¥1,227,129	¥ —	¥(1,601)	¥(1,601)
Bought.....	1,141,914	—	388	388
Bond futures options:				
Sold.....	29,100	—	27	27
Bought.....	58,800	—	(31)	(31)
Over-the-counter				
Forward bond agreements:				
Sold.....	2,994	—	48	48
Bought.....	33,313	32,096	739	739
Bond options:				
Sold.....	24,843	—	(162)	(162)
Bought.....	24,843	—	129	129
Total.....	/	/	¥ (461)	¥ (461)

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Bond futures:				
Sold.....	¥1,320,583	¥ —	¥5,799	¥5,799
Bought.....	1,232,748	—	(6,710)	(6,710)
Bond futures options:				
Sold.....	8,652	—	5	5
Bought.....	209,652	—	256	256
Over-the-counter				
Forward bond agreements:				
Sold.....	—	—	—	—
Bought.....	42,092	39,082	919	919
Bond options:				
Sold.....	270,000	—	(247)	(247)
Bought.....	270,000	—	262	262
Total.....	/	/	¥ 285	¥ 285

March 31	Millions of U.S. dollars			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Bond futures:				
Sold.....	\$14,758	\$ —	\$(19)	\$(19)
Bought.....	13,733	—	5	5
Bond futures options:				
Sold.....	350	—	0	0
Bought.....	707	—	(0)	(0)
Over-the-counter				
Forward bond agreements:				
Sold.....	36	—	0	0
Bought.....	401	386	9	9
Bond options:				
Sold.....	299	—	(2)	(2)
Bought.....	299	—	1	1
Total.....	/	/	\$ (6)	\$ (6)

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(e) Commodity derivatives

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Commodity futures:				
Sold.....	¥ 4,566	¥ —	¥ 19	¥ 19
Bought.....	5,573	—	(24)	(24)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	197,189	167,741	(52,883)	(52,883)
Receivable floating price/payable fixed price.....	143,052	115,341	94,816	94,816
Receivable floating price/payable floating price.....	25	—	0	0
Commodity options:				
Sold.....	18,952	14,871	(43)	(43)
Bought.....	7,742	6,067	308	308
Total.....	/	/	¥42,194	¥42,194

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Commodity futures:				
Sold.....	¥ 11,998	¥ —	¥ (160)	¥ (160)
Bought.....	12,235	—	154	154
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	213,634	199,442	(48,721)	(48,721)
Receivable floating price/payable fixed price.....	172,127	159,140	101,006	101,006
Receivable floating price/payable floating price.....	7	7	0	0
Commodity options:				
Sold.....	22,674	16,019	(198)	(198)
Bought.....	25,623	16,355	1,821	1,821
Total.....	/	/	¥ 53,902	¥ 53,902

March 31	Millions of U.S. dollars			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Commodity futures:				
Sold.....	\$ 55	\$ —	\$ 0	\$ 0
Bought.....	67	—	(0)	(0)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	2,371	2,017	(636)	(636)
Receivable floating price/payable fixed price.....	1,720	1,387	1,140	1,140
Receivable floating price/payable floating price.....	0	—	0	0
Commodity options:				
Sold.....	228	179	(1)	(1)
Bought.....	93	73	4	4
Total.....	/	/	\$ 507	\$ 507

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the New York Mercantile Exchange and others.

Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.

3. Commodity derivatives are transactions on fuel and metal.

(f) Credit derivative transactions

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Over-the-counter				
Credit default options:				
Sold.....	¥1,004,667	¥695,622	¥(12,098)	¥(12,098)
Bought.....	1,107,470	602,404	14,148	14,148
Total.....	/	/	¥ 2,049	¥ 2,049

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Over-the-counter				
Credit default options:				
Sold.....	¥1,174,089	¥1,079,228	¥(73,555)	¥(73,555)
Bought.....	1,362,339	1,078,463	76,421	76,421
Total.....	/	/	¥ 2,865	¥ 2,865

March 31	Millions of U.S. dollars			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Over-the-counter				
Credit default options:				
Sold.....	\$12,083	\$8,366	\$(145)	\$(145)
Bought.....	13,319	7,245	170	170
Total.....	/	/	\$ 25	\$ 25

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value is calculated using discounted present value and option pricing models.

3. "Sold" represents transactions in which the credit risk is accepted; "Bought" represents transactions in which the credit risk is transferred.

(2) Derivative transactions to which the hedge accounting method is applied

The following tables set forth the contract amount or the amount equivalent to the principal, fair value and calculation method of the relevant commodities by category with respect to derivative transactions to which the hedge accounting method is applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(a) Interest rate derivatives

March 31	Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen			
				2011			
				Contract amount		Fair value	
Total	Over 1 year						
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills	Sold.....	¥ 1,080,929	¥ 1,080,929	¥ (421)	
			Bought.....	9,861,263	—	(223)	
			Interest rate swaps:	36,637,577	30,969,355	20,313	
	Receivable fixed rate/payable floating rate	discounted, other securities (bonds), deposits and negotiable certificates of deposit	Receivable floating rate/payable fixed rate	24,170,619	19,172,729	314,269	
			Receivable floating rate/payable floating rate...	12,437,041	11,767,209	(294,567)	
	Interest rate swaptions:	Interest rate swaptions:	Sold.....	29,916	29,416	611	
			Bought.....	460,983	460,899	1,085	
	Caps:	Caps:	Sold.....	—	—	—	
			Bought.....	2,562	2,562	410	
	Floors:	Floors:	Sold.....	2,562	2,562	(410)	
			Bought.....	—	—	—	
	Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	Sold.....	7,850	7,850	0
				Bought.....	3,832	2,354	(108)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds	Receivable floating rate/payable fixed rate	3,832	2,354	(108)	
			Receivable fixed rate/payable floating rate	190,477	162,237		
			Receivable floating rate/payable fixed rate	13,500	4,000	(Note 3)	
			Receivable floating rate/payable floating rate...	152,777	136,237		
Total.....			24,200	22,000			
			/	/	¥ 20,644		

			Millions of yen		
			2010		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposit			
	Sold.....		¥ 687,343	¥ 372,196	¥ (126)
	Bought.....		15,799,182	—	1,862
	Interest rate swaps:		33,670,699	27,749,612	23,415
	Receivable fixed rate/payable floating rate		22,949,812	18,482,089	321,049
	Receivable floating rate/payable fixed rate		10,661,052	9,237,689	(298,913)
	Receivable floating rate/payable floating rate...		59,833	29,833	1,278
	Interest rate swaptions:				
	Sold.....		470,930	460,558	(605)
	Bought.....		751	—	(1)
	Caps:				
	Sold.....		—	—	—
	Bought.....		600	—	0
	Floors:				
Sold.....	171	—	(0)		
Bought.....	7,850	7,850	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted; other securities (bonds)	72,655	69,368	(4,662)
	Receivable floating rate/payable fixed rate		72,655	69,368	(4,662)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds	9,135,218	9,105,823	
	Receivable fixed rate/payable floating rate		25,500	14,500	(Note 3)
	Receivable floating rate/payable fixed rate		9,077,718	9,063,623	
	Receivable floating rate/payable floating rate...		32,000	27,700	
	Total.....		/	/	¥ 19,880

			Millions of U.S. dollars		
			2011		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposit			
	Sold.....		\$ 13,000	\$ 13,000	\$ (5)
	Bought.....		118,596	—	(3)
	Interest rate swaps:		440,620	372,452	244
	Receivable fixed rate/payable floating rate		290,687	230,580	3,780
	Receivable floating rate/payable fixed rate		149,573	141,518	(3,543)
	Receivable floating rate/payable floating rate...		360	354	7
	Interest rate swaptions:				
	Sold.....		5,544	5,543	13
	Bought.....		—	—	—
	Caps:				
	Sold.....		31	31	5
	Bought.....		31	31	(5)
	Floors:				
Sold.....	—	—	—		
Bought.....	94	94	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	46	28	(1)
	Receivable floating rate/payable fixed rate		46	28	(1)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds	2,291	1,951	
	Receivable fixed rate/payable floating rate		162	48	(Note 3)
	Receivable floating rate/payable fixed rate		1,838	1,638	
	Receivable floating rate/payable floating rate...		291	265	
	Total.....		/	/	\$ 248

Notes: 1. SMFG applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Financial Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

3. Interest rate swap amounts measured by the special treatment for interest rate swaps are treated with the borrowed money or other transaction that is subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in "30. Financial Instruments."

(b) Currency derivatives

			Millions of yen			
			2011			
			Contract amount		Fair value	
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year		
March 31	Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills	¥2,776,330	¥1,882,407	¥338,351
		Forward foreign exchange	discounted; other securities (bonds); deposits; foreign currency exchange, etc.	9,615	—	(172)
	Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	12,038	11,139	(248)
Allocation method	Currency swaps.....	Forward foreign exchange	Deposits; borrowed money	11,739	11,405	(Note 3)
				103,553	3,179	
	Total.....		/	/	¥337,930	

			Millions of yen			
			2010			
			Contract amount		Fair value	
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year		
March 31	Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills	¥2,058,317	¥1,849,783	¥163,796
		Forward foreign exchange	discounted; other securities (bonds); deposits; foreign currency exchange, etc.	10,152	—	111
	Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	19,785	—	(301)
Allocation method	Currency swaps.....	Forward foreign exchange	Deposits; borrowed money	7,866	6,635	(Note 3)
				124,361	—	
	Total.....		/	/	¥163,607	

			Millions of U.S. dollars			
			2011			
			Contract amount		Fair value	
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year		
March 31	Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills	\$33,389	\$22,639	\$4,069
		Forward foreign exchange	discounted; other securities (bonds); deposits; foreign currency exchange, etc.	116	—	(2)
	Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	145	134	(3)
Allocation method	Currency swaps.....	Forward foreign exchange	Deposits; borrowed money	141	137	(Note 3)
				1,245	38	
	Total.....		/	/	\$4,064	

Notes: 1. SMFG applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).

2. Fair value is calculated using discounted present value.

3. Forward foreign exchange amounts treated by the allocation method are treated with the deposit or other transaction that is subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in "30. Financial Instruments."

(c) Equity derivatives

			Millions of yen		
March 31			2011		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index...		21,521	11,078	(623)
	Total.....		/	/	¥(623)

			Millions of yen		
March 31			2010		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index...		9,534	9,534	(276)
	Total.....		/	/	¥(276)

			Millions of U.S. dollars		
March 31			2011		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		\$ —	\$ —	\$—
	Receivable floating rate/payable equity index...		259	133	(7)
	Total.....		/	/	\$ (7)

Note: Fair value is calculated using discounted present value.

33. Stock Options

1. Share-based compensation expenses which were accounted for as general and administrative expenses in the fiscal years ended March 31, 2011 and 2010 are as follows:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Share-based compensation expenses	¥180	¥15	\$2

2. Outline of stock options and changes is as follows:

(1) SMFG

(a) Outline of stock options

Date of resolution	June 27, 2002	July 28, 2010
Title and number of grantees	Directors and employees of SMFG and SMBC: 677	Directors of SMFG: 8 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 69
Number of stock options*	Common shares: 162,000	Common shares: 102,600
Grant date	August 30, 2002	August 13, 2010
Condition for vesting	N.A.	A stock acquisition right holder may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.
Requisite service period	N.A.	June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2011.
Exercise period	June 28, 2004 to June 27, 2012	August 13, 2010 to August 12, 2040

* "Number of stock options" is reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

(b) Stock options granted and changes

Date of resolution	June 27, 2002	July 28, 2010
Number of stock options		
Before vested		
Previous fiscal year-end	—	—
Granted	—	102,600
Forfeited	—	—
Vested	—	—
Outstanding	—	102,600
After vested		
Previous fiscal year-end*	108,100	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
Exercisable	108,100	—

* Number of stock as of the previous fiscal year-end is reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

Price information (Yen)

Date of resolution	June 27, 2002	July 28, 2010
Exercise price	¥6,649	¥ 1
Average exercise price	—	—
Fair value at the grant date	—	2,215

(c) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year ended March 31, 2011 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

Date of resolution	July 28, 2010
Expected volatility ^{*1}	51.44%
Average expected life ^{*2}	4 years
Expected dividends ^{*3}	¥100 per share
Risk-free interest rate ^{*4}	0.23%

^{*1} Expected volatility is calculated based on the closing price of common shares of SMFG on each trading day in the 4 years between August 14, 2006 and August 13, 2010.

^{*2} The average expected life could not be estimated rationally due to insufficient amount of data.

Therefore, it was estimated based on average assumption periods of directors of SMFG and SMBC.

^{*3} Expected dividends are based on the actual dividends on common stock for the fiscal year ended March 31, 2011.

^{*4} Japanese government bond yield corresponding to the average expected life.

(d) Method of estimating number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

(2) Kansai Urban Banking Corporation

(a) Outline of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65	Directors and employees 174	Directors and employees 183	Directors 9
Number of stock options	Common shares 238,000	Common shares 234,000	Common shares 306,000	Common shares 399,000	Common shares 464,000	Common shares 162,000
Grant date	July 31, 2001	July 31, 2002	July 31, 2003	July 30, 2004	July 29, 2005	July 31, 2006
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 29, 2003 to June 28, 2011	June 28, 2004 to June 27, 2012	June 28, 2005 to June 27, 2013	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Title and number of grantees	Officers not doubling as directors 14 Employees 46	Directors 10	Officers not doubling as directors 14 Employees 48	Directors 9 Officers not doubling as directors 16 Employees 45	Directors 11 Officers not doubling as directors 14 Employees 57
Number of stock options	Common shares 115,000	Common shares 174,000	Common shares 112,000	Common shares 289,000	Common shares 350,000
Grant date	July 31, 2006	July 31, 2007	July 31, 2007	July 31, 2008	July 31, 2009
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017	June 29, 2009 to June 28, 2017	June 28, 2010 to June 27, 2018	June 27, 2011 to June 26, 2019

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Before vested						
Previous fiscal year-end.....	—	—	—	—	—	—
Granted.....	—	—	—	—	—	—
Forfeited.....	—	—	—	—	—	—
Vested.....	—	—	—	—	—	—
Outstanding.....	—	—	—	—	—	—
After vested						
Previous fiscal year-end.....	104,000	138,000	222,000	325,000	451,000	162,000
Vested.....	—	—	—	—	—	—
Exercised.....	—	12,000	—	—	—	—
Forfeited.....	10,000	—	12,000	23,000	20,000	—
Exercisable.....	94,000	126,000	210,000	302,000	431,000	162,000

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Before vested					
Previous fiscal year-end.....	—	—	—	289,000	350,000
Granted.....	—	—	—	—	—
Forfeited.....	—	—	—	—	—
Vested.....	—	—	—	289,000	—
Outstanding.....	—	—	—	—	350,000
After vested					
Previous fiscal year-end.....	115,000	174,000	112,000	—	—
Vested.....	—	—	—	289,000	—
Exercised.....	—	—	—	—	—
Forfeited.....	—	—	—	—	—
Exercisable.....	115,000	174,000	112,000	289,000	—

Price information (Yen)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Exercise price.....	¥155	¥131	¥179	¥202	¥313	¥490
Average exercise price.....	—	144	—	—	—	—
Fair value at the grant date.....	—	—	—	—	—	138

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Exercise price.....	¥490	¥461	¥461	¥302	¥193
Average exercise price.....	—	—	—	—	—
Fair value at the grant date.....	138	96	96	37	51

(c) Method of estimating number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

34. Segment Information

Fiscal years ended March 31, 2011 and 2010

1. Outline of reportable segments

SMFG Group's reportable segment is defined as an operating segment for which discrete financial information is available and reviewed by the Board of Directors regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

Besides banking business, SMFG Group companies conduct businesses such as securities, leasing, credit card, invest banking, consumer finance, and venture capital. The primary businesses, "Banking business," "Securities services," "Leasing," and "Credit card services," are separate, reportable segments, and other businesses are aggregated as "Other business."

"Banking business" includes deposit taking, lending, securities trading, securities investment, domestic and foreign exchange transactions, brokerage, etc. of financial futures transactions, etc., corporate bond trust services, trust business, sale of securities investment trusts, sale of insurance products, and securities intermediary services. SMBC assesses business performance by classifying businesses into 5 business units based on client segment: Consumer banking unit, Middle market banking unit, Corporate banking unit, International banking unit and Treasury unit.

2. Method of calculating profit and loss amount by reportable segment

Accounting method applied to the reported business segment is the same as described in "Significant Accounting Policies." However, profit or loss of the equity method affiliates is recorded in "Other profit or loss" in the amount of ordinary profit multiplied by the ownership ratio.

SMFG does not assess assets by business segment.

3. Information on profit and loss amount by reportable segment

Year ended March 31, 2011	Millions of yen								
	Banking business								
	SMBC							Subtotal	Others
Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account				
Gross profit	¥387,790	¥443,862	¥201,244	¥186,503	¥330,720	¥(18,359)	¥1,531,759	¥241,752	¥1,773,512
Interest income	337,529	272,866	131,355	107,708	136,318	(17,950)	967,825	149,761	1,117,586
Non-interest income	50,261	170,996	69,889	78,795	194,402	(408)	563,934	91,990	655,925
Expenses	(290,292)	(221,725)	(35,986)	(57,935)	(17,897)	(75,362)	(699,197)	(135,030)	(834,227)
Depreciation	(26,343)	(22,209)	(5,252)	(6,148)	(3,220)	(7,858)	(71,030)	(10,249)	(81,279)
Other profit or loss	—	—	—	—	—	—	—	(34,428)	(34,428)
Consolidated net business profit	¥ 97,498	¥222,137	¥165,258	¥128,568	¥312,823	¥(93,721)	¥ 832,562	¥ 72,294	¥ 904,856

Year ended March 31, 2011	Millions of yen						
	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	Nikko Cordial Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	¥52,989	¥205,188	¥ 3,423	¥261,600	¥95,260	¥4,130	¥99,390
Interest income	626	(2,722)	778	(1,317)	60,059	(3,407)	56,651
Non-interest income	52,362	207,911	2,644	262,918	35,201	7,538	42,739
Expenses	(42,728)	(166,645)	(3,029)	(212,404)	(28,125)	(9,851)	(37,976)
Depreciation	(2,089)	(2,439)	(1,202)	(5,732)	(3,098)	(567)	(3,665)
Other profit or loss	—	—	(5,596)	(5,596)	(16,911)	13,082	(3,828)
Consolidated net business profit	¥10,260	¥ 38,542	¥(5,203)	¥ 43,599	¥50,224	¥7,361	¥57,585

Year ended March 31, 2011	Millions of yen					
	Credit card services					
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit	¥182,307	¥134,402	¥5,795	¥322,506	¥ 75,611	¥2,532,622
Interest income	22,941	36,802	2,550	62,293	100,369	1,335,583
Non-interest income	159,366	97,600	3,245	260,213	(24,757)	1,197,039
Expenses	(129,823)	(97,517)	(2,086)	(229,426)	12,952	(1,301,083)
Depreciation	(8,078)	(7,547)	(2,767)	(18,393)	(12,639)	(121,710)
Other profit or loss	(19,880)	(37,514)	4	(57,389)	(128,301)	(229,544)
Consolidated net business profit	¥ 32,604	¥ (628)	¥3,714	¥ 35,690	¥ (39,737)	¥1,001,994

Millions of yen									
Banking business									
SMBC									
Year ended March 31, 2010	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	¥391,695	¥472,866	¥197,224	¥169,135	¥272,848	¥ (48,492)	¥1,455,275	¥213,979	¥1,669,255
Interest income	357,215	298,183	125,853	110,135	187,552	(32,555)	1,046,382	135,460	1,181,843
Non-interest income	34,480	174,683	71,371	59,000	85,296	(15,937)	408,892	78,519	487,411
Expenses	(288,724)	(218,652)	(33,268)	(54,493)	(16,333)	(74,282)	(685,752)	(117,547)	(803,300)
Depreciation	(27,044)	(21,870)	(4,789)	(4,842)	(3,493)	(6,817)	(68,855)	(9,725)	(78,580)
Other profit or loss	—	—	—	—	—	—	—	(132,759)	(132,759)
Consolidated net business profit	¥102,971	¥254,214	¥163,956	¥114,642	¥256,515	¥(122,775)	¥ 769,522	¥ (36,327)	¥ 733,194

Millions of yen							
Year ended March 31, 2010	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	Nikko Cordial Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	¥67,205	¥100,511	¥ (6,317)	¥161,398	¥97,218	¥12,313	¥109,531
Interest income	598	(1,382)	536	(247)	59,841	4,711	64,552
Non-interest income	66,606	101,893	(6,854)	161,646	37,377	7,602	44,979
Expenses	(44,413)	(76,968)	(2,886)	(124,267)	(28,508)	(12,448)	(40,956)
Depreciation	(2,495)	(1,109)	(1,395)	(5,000)	(3,064)	(512)	(3,577)
Other profit or loss	—	—	13,702	13,702	(24,814)	(2,674)	(27,488)
Consolidated net business profit	¥22,792	¥ 23,542	¥ 4,499	¥ 50,834	¥43,896	¥ (2,809)	¥ 41,086

Millions of yen					
Year ended March 31, 2010	Credit card services				Grand total
	Sumitomo Mitsui Card Company, Limited	Others	Total	Other business	
Gross profit	¥183,594	¥ (210)	¥183,383	¥19,269	¥2,142,838
Interest income	27,531	1,733	29,264	9,982	1,285,395
Non-interest income	156,063	(1,944)	154,118	9,287	857,443
Expenses	(135,739)	(2,170)	(137,909)	6,547	(1,099,886)
Depreciation	(7,795)	(3,763)	(11,559)	(9,431)	(108,148)
Other profit or loss	(23,539)	(16,878)	(40,417)	(23,697)	(210,660)
Consolidated net business profit	¥ 24,316	¥(19,259)	¥ 5,056	¥ 2,119	¥ 832,290

Millions of U.S. dollars									
Banking business									
SMBC									
Year ended March 31, 2011	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	\$4,664	\$5,338	\$2,420	\$2,243	\$3,977	\$ (220)	\$18,422	\$2,907	\$21,329
Interest income	4,059	3,282	1,580	1,295	1,639	(215)	11,640	1,801	13,441
Non-interest income	605	2,056	840	948	2,338	(5)	6,782	1,106	7,888
Expenses	(3,491)	(2,667)	(433)	(697)	(215)	(906)	(8,409)	(1,624)	(10,033)
Depreciation	(317)	(267)	(63)	(74)	(39)	(94)	(854)	(124)	(978)
Other profit or loss	—	—	—	—	—	—	—	(414)	(414)
Consolidated net business profit	\$1,173	\$2,671	\$1,987	\$1,546	\$3,762	\$(1,126)	\$10,013	\$ 869	\$10,882

Millions of U.S. dollars

Year ended March 31, 2011	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	Nikko Cordial Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	\$637	\$2,468	\$ 41	\$3,146	\$1,145	\$ 50	\$1,195
Interest income	7	(32)	9	(16)	722	(41)	681
Non-interest income	630	2,500	32	3,162	423	91	514
Expenses	(514)	(2,004)	(37)	(2,555)	(338)	(118)	(456)
Depreciation	(25)	(29)	(15)	(69)	(37)	(7)	(44)
Other profit or loss	—	—	(67)	(67)	(203)	157	(46)
Consolidated net business profit	\$123	\$ 464	\$(63)	\$ 524	\$ 604	\$ 89	\$ 693

Millions of U.S. dollars

Year ended March 31, 2011	Credit card services					
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit	\$2,193	\$1,616	\$70	\$3,879	\$ 909	\$30,458
Interest income	276	442	31	749	1,207	16,062
Non-interest income	1,917	1,174	39	3,130	(298)	14,396
Expenses	(1,561)	(1,173)	(25)	(2,759)	156	(15,647)
Depreciation	(97)	(91)	(33)	(221)	(152)	(1,464)
Other profit or loss	(240)	(451)	0	(691)	(1,543)	(2,761)
Consolidated net business profit	\$ 392	\$ (8)	\$45	\$ 429	\$ (478)	\$12,050

Notes: 1. Consolidated net business profit = SMBC's nonconsolidated banking profit + SMFG's ordinary profit + Other subsidiaries' ordinary profit (excluding nonrecurring factors) + Equity method affiliates' ordinary profit × Ownership ratio – Internal transactions (dividends, etc.)

2. Other profit or loss = Nonoperating profit or loss of consolidated subsidiaries except SMBC + Equity method affiliates' ordinary profit × Ownership ratio, etc.

3. Consolidated net business profit of SMBC Friend Securities Co., Ltd., Nikko Cordial Securities Inc., Sumitomo Mitsui Finance and Leasing Company, Limited, Sumitomo Mitsui Card Company, Limited, and Cedyna Financial Corporation is operating profit of each company, and nonoperating profits or losses of the companies are classified into "Others" in each segment. For the figures on Cedyna Financial Corporation which became a consolidated subsidiary in the 1st quarter of the fiscal year ended March 31, 2011, consolidated net business profit amount is sum of Operating profit in the 1st quarter × Ownership ratio + Operating profit from the 2nd quarter through the 4th quarter of the fiscal year ended March 31, 2011. For the figures on Nikko Cordial Securities Inc. which became a consolidated subsidiary in the 3rd quarter of the fiscal year ended March 31, 2010, consolidated net business profit amount is Operating profit for the 2nd half term of the fiscal year ended March 31, 2010.

4. "Other business" includes profit or loss to be offset as internal transactions between segments.

4. Difference between total amount of consolidated net business profit by reportable segment and ordinary profit on consolidated statements of income (adjustment of difference)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Profit			
Consolidated net business profit	¥1,001,994	¥832,290	\$12,050
Credit costs of SMBC	(95,324)	(254,737)	(1,146)
Gains (losses) on stocks of SMBC	(87,285)	3,857	(1,050)
Amortization of unrecognized retirement benefit obligation of SMBC	(38,019)	(47,107)	(457)
Ordinary profit of consolidated subsidiaries other than reportable segment	81,530	84,225	981
Amortization of goodwill other than reportable segment	(16,268)	(13,108)	(196)
Adjustment of profit or loss of equity method affiliates	(11,841)	(29,193)	(142)
Others	(9,355)	(17,456)	(113)
Ordinary profit on consolidated statements of income	¥ 825,428	¥558,769	\$ 9,927

Notes: 1. Credit cost = Provision for reserve for possible loan losses (excluding translation adjustment of general reserve for possible loan losses) + Write-off of loans + Losses on sales of delinquent loans

2. Gains (losses) on stocks = Gains on sale of stocks – Losses on sale of stocks – Losses on devaluation of stocks

3. Adjustment of profit or loss of equity method affiliates = Equity method affiliates' net income × Ownership ratio – Equity method affiliates' ordinary profit × Ownership ratio

5. Additional information

SMFG has applied “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, issued on March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008) from the fiscal year ended March 31, 2011.

6. Related information

(1) Business segment information

Year ended March 31, 2011	Millions of yen	Millions of U.S. dollars
Ordinary income to external customers		
Banking Business.....	¥2,329,933	\$28,021
Securities Services.....	270,861	3,258
Leasing.....	305,165	3,670
Credit Card Services.....	755,444	9,085
Other Business.....	184,455	2,218
Total.....	¥3,845,861	\$46,252

Notes: 1. Ordinary income is presented as a counterpart of sales of companies in other industries.

2. Ordinary income represents total income excluding gains on disposal of fixed assets, gains on recoveries of written-off claims and other extraordinary gains.

(2) Geographic segment information

(a) Ordinary income

Year ended March 31, 2011	Millions of yen	Millions of U.S. dollars
Japan.....	¥3,433,235	\$41,290
The Americas.....	158,377	1,905
Europe and Middle East.....	88,061	1,059
Asia and Oceania.....	166,186	1,998
Total.....	¥3,845,861	\$46,252

Notes: 1. Ordinary income is presented as a counterpart of sales of companies in other industries.

2. Ordinary income from transactions by SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is categorized as Japan. Ordinary income from transactions by overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is categorized as The Americas, Europe and Middle East, or Asia and Oceania, based on their locations and in consideration of their geographic proximity and other factors.

3. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.

4. Ordinary income represents total income excluding gains on disposal of fixed assets, gains on recoveries of written-off claims and other extraordinary gains.

(b) Tangible fixed assets

Year ended March 31, 2011	Millions of yen	Millions of U.S. dollars
Japan.....	¥1,093,077	\$13,146
The Americas.....	12,639	152
Europe and Middle East.....	59,557	716
Asia and Oceania.....	3,634	44
Total.....	¥1,168,908	\$14,058

(3) Information by major customer

There are no major customers individually accounting for 10% or more of ordinary income.

7. Information on losses on impairment of fixed assets by reportable segment

Year ended March 31, 2011	Millions of yen	Millions of U.S. dollars
Banking Business.....	¥4,739	\$57
Securities Services.....	306	4
Leasing.....	—	—
Credit Card Services.....	—	—
Other Business.....	365	4
Total.....	¥5,411	\$65

8. Information on amortization of goodwill and unamortized balance by reportable segment

Year ended March 31, 2011	Millions of yen		Millions of U.S. dollars	
	Amortization of goodwill	Unamortized balance	Amortization of goodwill	Unamortized balance
Banking Business	¥ 555	¥ 10,457	\$ 7	\$ 126
Securities Services	14,122	244,455	170	2,940
Leasing	5,316	88,481	64	1,064
Credit Card Services	419	9,396	5	113
Other Business	2,525	—	30	—
Total	¥22,938	¥352,790	\$276	\$4,243

9. Information on gains on negative goodwill by reportable segment

There is no material information to be reported for the fiscal year ended March 31, 2011.

10. Information on total credit cost by reportable segment

Year ended March 31, 2011	Millions of yen	Millions of U.S. dollars
Banking Business	¥144,601	\$1,739
Securities Services	(21)	(0)
Leasing	7,979	96
Credit Card Services	46,573	560
Other Business	18,216	219
Total	¥217,348	\$2,614

Notes: 1. Total credit cost = Provision for reserve for possible loan losses + Write-off of loans + Losses on sales of delinquent loans + Gains on recoveries of written-off claims

2. "Other business" includes profit or loss to be offset as internal transactions between segments.

Fiscal year ended March 31, 2010

(1) Business segment information

Year ended March 31	Millions of yen					
	2010					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers	¥ 2,281,797	¥ 322,691	¥ 561,976	¥ 3,166,465	¥ —	¥ 3,166,465
(2) Intersegment	46,765	5,484	242,343	294,593	(294,593)	—
Total	2,328,562	328,176	804,319	3,461,058	(294,593)	3,166,465
Ordinary expenses	1,880,076	284,948	683,373	2,848,397	(240,700)	2,607,696
Ordinary profit	¥ 448,486	¥ 43,228	¥ 120,946	¥ 612,661	¥ (53,892)	¥ 558,769
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets	¥111,831,177	¥2,735,416	¥13,570,744	¥128,137,338	¥(4,977,824)	¥123,159,513
Depreciation	78,608	28,501	29,746	136,856	4	136,860
Losses on impairment of fixed assets	11,396	988	470	12,856	—	12,856
Capital expenditure	108,434	88,583	41,424	238,441	0	238,441

Notes: 1. The business segmentation is classified based on SMFG's internal management purpose. Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.

2. "Other business" includes securities, credit card, investment banking, loans, venture capital, system development and information processing.

3. Assets in Elimination include unallocated corporate assets of ¥6,214,065 million at March 31, 2010, which mainly consist of investments in subsidiaries and affiliates.

4. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and other extraordinary gains. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and other extraordinary expenses.

5. As mentioned in Note 2. (22) (a), "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, partially revised on March 10, 2008) and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 10, 2008) became effective from the fiscal year ending on and after March 31, 2010, and SMFG has applied them from the fiscal year ended March 31, 2010. As a result of the accounting change, Ordinary expenses of "Banking business" for the year ended March 31, 2010 decreased by ¥19,251 million and Ordinary profit of "Banking business" increased by ¥19,251 million as compared with the former method. Assets of "Banking business" increased by ¥59,270 million and Assets of "Other business" decreased by ¥703 million.

(2) Geographic segment information

Year ended March 31	Millions of yen						
	2010						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers.....	¥ 2,707,111	¥ 205,016	¥ 126,121	¥ 128,216	¥ 3,166,465	¥ —	¥ 3,166,465
(2) Intersegment	21,793	106,215	2,641	3,856	134,507	(134,507)	—
Total	2,728,905	311,232	128,763	132,072	3,300,973	(134,507)	3,166,465
Ordinary expenses	2,344,349	171,438	115,093	69,893	2,700,774	(93,077)	2,607,696
Ordinary profit.....	¥ 384,555	¥ 139,794	¥ 13,669	¥ 62,178	¥ 600,198	¥ (41,429)	¥ 558,769
II. Assets.....	¥107,412,125	¥8,255,658	¥4,931,900	¥5,638,760	¥126,238,444	¥(3,078,930)	¥123,159,513

- Notes: 1. The geographic segmentation is classified based on the degrees of the following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions. Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.
3. Assets in Elimination include unallocated corporate assets of ¥6,214,065 million at March 31, 2010, which mainly consist of investments in subsidiaries and affiliates.
4. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and other extraordinary gains. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and other extraordinary expenses.
5. As mentioned in Note 2. (22) (a), "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, partially revised on March 10, 2008) and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 10, 2008) became effective from the fiscal year ending on and after March 31, 2010, and SMFG has applied them from the fiscal year ended March 31, 2010. As a result of the accounting change, Ordinary expenses of "Japan" for the year ended March 31, 2010 decreased by ¥19,251 million and Ordinary profit of "Japan" increased by ¥19,251 million as compared with the former method. Assets of "Japan," "Europe and Middle East" and "Asia and Oceania" increased by ¥58,612 million, ¥341 million and ¥181 million, respectively. Assets of "The Americas" decreased by ¥567 million.

(3) Ordinary income from overseas operations

Year ended March 31	Millions of yen
	2010
Consolidated ordinary income from overseas operations (A)	¥ 459,354
Consolidated ordinary income (B).....	3,166,465
(A) / (B).....	14.5%

- Notes: 1. Consolidated ordinary income from overseas operations is presented as a counterpart of overseas sales of companies in other industries.
2. The table above shows ordinary income from transactions of overseas branches of SMBC and transactions of overseas consolidated subsidiaries, excluding internal income. These extensive transactions are not categorized by transaction party and the geographic segment information is not presented because such information is not available.

35. Business Combinations

Fiscal year ended March 31, 2011

<Business combination through acquisition>

Cedyna Financial Corporation consolidated as a subsidiary through a third-party allotment of new shares

SMFG Card & Credit, Inc. ("FGCC"), a wholly-owned subsidiary of SMFG, subscribed all the new shares issued by way of a third-party allotment by Cedyna Financial Corporation ("Cedyna"), an equity method affiliate of SMFG, on May 31, 2010. Cedyna became a consolidated subsidiary of SMFG. The outline of the business combination is as follows:

1. Outline of the business combination

- (1) Name of the acquired company and its business
Cedyna (Credit Card Services)

(2) Main reasons for the business combination

FGCC subscribed new shares issued by way of a third-party allotment by Cedyna and made Cedyna a consolidated subsidiary of SMFG in order to accelerate and ensure Cedyna's management restructuring including its investments in new businesses and systems developments to increase the corporate value as well as its cost restructuring, to further clarify the positioning of Cedyna as one of the core business entities, together with Sumitomo Mitsui Card Company, Limited of

SMFG Group's credit card services and to enhance Cedyna's capital base.

(3) Date of business combination

May 31, 2010

(4) Legal form of the business combinations

Consolidated as a subsidiary through a third-party allotment of new shares

(5) Name of the controlling entity after the business combination

Sumitomo Mitsui Financial Group, Inc.

(6) Percentage share of voting rights SMFG has acquired

Percentage share of voting rights owned before business combination.....	48%
Percentage share of voting rights additionally acquired at the date of business combination	21%
Percentage share of voting rights after acquisition ...	69%

(7) Main reason for deciding to acquire the company

It is because SMFG acquired a majority of voting rights of Cedyna and consolidated it as a subsidiary.

2. Period of the acquired company's financial results included in the consolidated statements of income

From April 1, 2010 to March 31, 2011

Note that as the deemed acquisition date is June 30, 2010, gain or loss related to the acquired company for the period from April 1, 2010 to June 30, 2010 is presented as gain or loss from

investments by the equity method in the consolidated statements of income.

3. Acquisition cost of the acquired company

	Millions of yen	Millions of U.S. dollars
Fair value of common stock of Cedyne owned before business combination.....	¥35,901	\$ 432
Fair value of common stock of Cedyne additionally acquired at the date of business combination.....	49,999	601
Expenses directly required for acquisition	203	3
Acquisition cost of the acquired company.....	¥86,104	\$1,036

4. Difference between acquisition cost of the acquired company and total acquisition cost of individual transactions leading to acquisition

	Millions of yen	Millions of U.S. dollars
Acquisition cost of the acquired company.....	¥86,104	\$1,035
Total acquisition cost of individual transactions leading to acquisition	74,437	895
Difference (gains on step acquisitions)...	¥11,667	\$ 140

5. Goodwill, reason for recognizing goodwill, amortization method and amortization period

- (1) Amount of goodwill
¥9,671 million (\$116 million)
- (2) Reason for recognizing goodwill
SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Cedyne as goodwill.
- (3) Method and term to amortize goodwill
Straight-line method over 20 years

6. Amounts of assets and liabilities acquired on the day of the business combination

(1) Assets

	Millions of yen	Millions of U.S. dollars
Total assets	¥2,631,525	\$31,648
Loans and bills discounted.....	438,497	5,274
Other assets	803,639	9,665
Customer's liabilities for acceptances and guarantees ...	1,124,290	13,521

(2) Liabilities

	Millions of yen	Millions of U.S. dollars
Total liabilities	¥2,520,313	\$30,310
Borrowed money	989,790	11,904
Acceptances and guarantees	1,124,290	13,521

7. Approximate amounts of impact on the consolidated statements of income for the fiscal year ended March 31, 2011, assuming that the business combinations had been completed on the commencement date of the fiscal year

- (1) The difference between the ordinary income and other income data estimated, assuming that the business combinations had

been completed on the commencement date of the fiscal year and the actual ordinary income and other income data that are recorded in the consolidated statements of income is as follows:

	Millions of yen	Millions of U.S. dollars
Ordinary income	¥213,686	\$2,570
Ordinary profit.....	(5,584)	(67)
Net income	(2,257)	(27)

Note: Ordinary income is presented as a counterpart of sales of companies in other industries.

(2) Calculation method of the approximate amounts and material assumptions

The approximate amounts were calculated retroactively to the commencement date of the fiscal year based on the amounts stated in Cedyne and its consolidated subsidiaries' statements of income for the period from April 1, 2010 to June 30, 2010, including the amount of amortization of goodwill for the same period and are different from results of operation if the business combination had been completed on the commencement date of the fiscal year.

The information mentioned above has not been audited by KPMG AZSA LLC.

Fiscal year ended March 31, 2010

<Purchase method>

A merger of subsidiary bank

Kansai Urban Banking Corporation ("KUBC"), a consolidated subsidiary of SMFG, merged with The Biwako Bank, Limited ("Biwako Bank") on March 1, 2010. The outline of the merger is as follows:

1. Outline of the business combination

- (1) Name of the acquired company and its business
Biwako Bank (Banking business)
- (2) Reason for the business combination
KUBC and Biwako Bank merged in order to become a regional bank with top-level financial soundness and a broad operating base in the Kansai area with a view to realizing a more stable operation as a regional financial institution.
- (3) Date of the business combination
March 1, 2010
- (4) Legal form of business combination
The merger was a merger by absorption with KUBC as the surviving company. (Name of the new company: Kansai Urban Banking Corporation)
- (5) Name of the controlling entity after the business combination
Sumitomo Mitsui Financial Group, Inc.
- (6) Percentage share of voting rights SMFG has acquired
56%

2. Period of the acquired company's financial results included in the consolidated financial statements

From March 1, 2010 to March 31, 2010

3. Acquisition cost of the acquired company

	Millions of yen
SMFG's interest in KUBC's common stock.....	¥ 7,182
SMFG's interest in KUBC's preferred stock	40,000
Acquisition cost.....	¥47,182

4. Merger ratio, calculation method, number of shares delivered and valuation

(1) Merger ratio

Common stock	KUBC 1 : Biwako Bank	0.75
Preferred stock (Type 1)	KUBC 1 : Biwako Bank	1
Preferred stock (Type 2)	KUBC 1 : Biwako Bank	1

(2) Basis for calculation of the merger ratio

(a) Common stock

In order to ensure the fairness of the merger ratio, KUBC and Biwako Bank appointed Daiwa Securities Capital Markets Co. Ltd. and The Goldman Sachs Group, Inc., respectively, as their financial advisors and requested them to calculate the merger ratio of common stock. After conducting negotiations and discussions taking into account factors such as their financial conditions, asset quality and future prospects, the analysis of the merger ratio provided by each financial advisor and results of due diligence they carried out on each other, the 2 banks agreed and decided on the above merger ratio of common stock as being appropriate.

(b) Preferred stocks (Type 1 and Type 2)

Market prices of preferred stocks (Type 1 and Type 2) issued by Biwako Bank were not available (in contrast to common stock which market price was available). KUBC therefore decided to set the same conditions as those of Biwako Bank's preferred stocks on KUBC's newly-issued preferred stocks, taking the merger ratio of common stock into account.

(3) Number of shares delivered and value

Number of shares delivered

Common stock of KUBC	103,532,913 shares
Preferred stock of KUBC (Type 1)	27,500,000 shares
Preferred stock of KUBC (Type 2)	23,125,000 shares

Value

Common stock of KUBC	¥12,803 million
Preferred stock of KUBC (Type 1)	¥19,025 million
Preferred stock of KUBC (Type 2)	¥16,500 million

5. Goodwill, reason for recognizing goodwill, amortization method and amortization period

(1) Amount of goodwill

¥11,056 million

(2) Reason for recognizing goodwill

SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Biwako Bank as goodwill.

(3) Method and term to amortize goodwill

Straight-line method over 20 years

6. Amounts of assets and liabilities acquired on the day of the business combination

(1) Assets

	Millions of yen
Total assets	¥1,113,801
Loans and bills discounted	795,445
Securities	89,968

(2) Liabilities

	Millions of yen
Total liabilities	¥1,078,769
Deposits	1,033,256

7. Approximate amounts of impact on the consolidated statement of operations for the fiscal year ended March 31, 2010, assuming that the business combinations had been completed on the commencement date of the fiscal year

- (1) The difference between the ordinary income and other income data estimated, assuming that the business combinations had been completed on the commencement date of the fiscal year and the actual ordinary income and other income data that are recorded in the consolidated statement of income is as follows:

	Millions of yen
Ordinary income	¥25,832
Ordinary profit	705
Net income	183

Note: Ordinary income is presented as counterparts of sales of companies in other industries.

(2) Calculation method of the approximate amounts and material assumptions

The approximate amounts were calculated retroactively to the commencement date of the fiscal year based on the amounts stated in Biwako Bank's statement of income for the period from April 1, 2009 to February 28, 2010, including the amount of amortization of goodwill for the same period and are different from results of operation if the business combination had been completed on the commencement date of the fiscal year.

The information mentioned above has not been audited by KPMG AZSA & Co.

<Business combination of subsidiaries>

A merger of credit card companies

A consolidated subsidiary, QUOQ Inc. ("QUOQ") and equity method affiliates, Central Finance Co., Ltd. ("CF") and OMC Card, Inc. ("OMC Card") merged on April 1, 2009. The new company was named Cedyna Financial Corporation and became an equity method affiliate of SMFG. The outline of the merger is as follows:

1. Outline of the business combination

(1) Company profiles

Surviving company: OMC Card (Credit card business)

Merged company: CF (Shopping credit business and general credit business)

Merged company: QUOQ (Shopping credit business and general credit business)

(2) Reasons for the business combination

The credit card market is growing steadily, propelled by the expansion into new areas of settlement, such as for small purchases, the growing popularity of reward point programs, and other developments. Further substantial growth of the industry is anticipated with the greater use of credit cards to pay for public services charges and in other fields. At the same time, the business environment surrounding the industry is changing dramatically — development of new technologies and new services, such as electronic money; investment in systems that can respond to customers' needs for more in-depth, sophisticated and diverse services; enactment of

laws on money lending business; etc. — and the industry is at a major turning point. In the shopping credit business, the Installment Sales Act is being revised amid the trend to strengthen consumer protection. Under these circumstances, the companies need to restructure their operations in order to establish new business models.

On April 1, 2009, CF, OMC Card and QUOQ merged to create one of the largest consumer finance companies in Japan with a high level of specialization and flexibility in its core businesses of credit cards and shopping credit by combining the customer bases, marketing capabilities, know-how and other resources of the 3 companies.

(3) Date of business combination

April 1, 2009

(4) Legal form of the business combination

The merger was a merger by absorption with OMC Card as the surviving company. (Name of the new company: Cedyne Financial Corporation)

2. Outline of accounting method

SMFG applies the accounting procedures stipulated by Articles 39, 42 and 48 of the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7).

3. Name of the business segment, in which the subsidiary was included, in the segment information

Other business

4. Approximate amounts of the subsidiary’s earnings included in the consolidated statement of operations for the fiscal year ended March 31, 2010

SMFG did not record profit or loss of QUOQ and its subsidiaries because they were excluded from the scope of consolidation at the beginning of the fiscal year.

5. Status after the business combination

QUOQ and its subsidiaries are excluded from the scope of consolidation, and Cedyne Financial Corporation has become an affiliated company accounted for by the equity method.

36. Per Share Data

March 31	Yen		U.S. dollars
	2011	2010	2011
Net assets per share	¥3,533.47	¥3,391.75	\$42.50

Year ended March 31	Yen		U.S. dollars
	2011	2010	2011
Net income per share	¥336.85	¥248.40	\$4.05
Net income per share (diluted)	336.78	244.18	4.05

Notes: 1. Net income per share and Net income per share (diluted) are calculated based on the following.

Year ended March 31	Millions of yen, except number of shares		Millions of U.S. dollars
	2011	2010	2011
Net income per share:			
Net income	¥475,895	¥271,559	\$5,723
Amount not attributable to common stockholders	6,195	8,449	74
Dividends on preferred stock	6,195	8,449	74
Net income attributable to common stock	¥469,700	¥263,109	\$5,649
Average number of common stock during the year (in thousands)	1,394,390	1,059,227	/
Net income per share (diluted):			
Adjustment for net income	¥ (73)	¥ 1,931	\$ (1)
Dividends on preferred stock	—	2,254	—
Adjustment for dilutive shares issued by subsidiaries and affiliates	(73)	(322)	(1)
Increase in number of common stock (in thousands)	68	26,191	/
Preferred stock	—	26,191	/
Stock acquisition rights	68	—	/

Outline of dilutive shares which were not included in the calculation of “Net income per share (diluted)” for the fiscal years ended March 31, 2011 and 2010 because they do not have dilutive effect:

Stock acquisition rights: 1 type

(Number of stock acquisition rights issued by resolution at the general shareholders’ meeting on June 27, 2002: 1,081 units)

2. Net assets per share is calculated based on the following:

March 31	Millions of yen, except number of shares		Millions of U.S. dollars
	2011	2010	2011
Net assets	¥7,132,073	¥7,000,805	\$85,774
Amounts excluded from Net assets	2,250,681	2,262,582	27,068
Preferred stock	210,003	210,003	2,526
Dividends on preferred stock	3,097	3,097	37
Stock acquisition rights	262	81	3
Minority interests	2,037,318	2,049,400	24,502
Net assets attributable to common stock at the fiscal year-end	¥4,881,392	¥4,738,223	\$58,706
Number of common stock at the fiscal year-end used for the calculation of			
Net assets per share (in thousands)	1,381,473	1,396,985	/

37. Subsequent Events

1. Acquisition and cancellation of preferred stock

SMFG resolved, at a meeting of the Board of Directors held on February 28, 2011, to acquire its preferred stock (1st series Type 6), in accordance with the provisions of Article 18 of the Articles of Incorporation of SMFG and to cancel its preferred stock (1st series Type 6) in accordance with the provisions of Article 178 of the Companies Act, as described below. According to the resolution, SMFG acquired and cancelled its preferred stock (1st series Type 6) on April 1, 2011. Capital surplus was reduced by the cancellation.

- (1) Class of shares to be acquired and cancelled: Preferred stock (1st series Type 6)
- (2) Total number of shares to be acquired and cancelled: 70,001 shares
- (3) Total amount of acquisition: ¥210,003,000,000

2. Transactions under common control

Making Cedyna Financial Corporation a wholly-owned subsidiary SMFG Card & Credit, Inc. ("FGCC") made Cedyna Financial Corporation ("Cedyna") a wholly-owned subsidiary by a share exchange with an effective date of May 1, 2011 (the "Share Exchange"). The outline of transactions under common control is as follows:

- (1) Outline of the transactions
 - (a) Name and business of combined entities
 - Acquisition company: FGCC (Management of subsidiaries and affiliates)
 - Acquired company: Cedyna (Credit Card Services)
 - (b) Date of business combination
 - May 1, 2011
 - (c) Legal form of the business combination
 - Exchange of shares
 - (d) Name of the entity after the business combination
 - Sumitomo Mitsui Financial Group, Inc.
 - (e) Purpose of the transactions
 - SMFG and FGCC decided to organize a system which allowed more timely and flexible decision making in order to "establish the number one credit card business entity in Japan."

(2) Share exchange ratio, its basis for determination, number of shares delivered

(a) Type of shares and share exchange ratio

Common shares

SMFG 1 : Cedyna 0.06

Note: 0.06 shares of SMFG common stock was allotted and delivered per share of Cedyna common stock.

(b) Basis for determination of share exchange ratio

Nikko Cordial Securities Inc. and Nomura Securities Co., Ltd. were appointed by FGCC and Cedyna, respectively, as third party valuation institutions in order to ensure the fairness and appropriateness in determining the share exchange ratio for the Share Exchange. FGCC and Cedyna engaged in negotiations and discussions with reference to the share exchange ratio analysis provided by the above third party valuation institutions and with consideration for SMFG's and Cedyna's financial conditions, performance trends and stock price movements. As a result, FGCC and Cedyna each determined that the share exchange ratio set forth in (a) above was beneficial to the shareholders of both SMFG and Cedyna.

(c) Number of shares delivered

14,702 thousand common shares of SMFG

38. Parent Company

(1) Nonconsolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc.

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Assets			
Current assets	¥ 96,397	¥ 111,033	\$ 1,159
Cash and due from banks	54,154	86,283	651
Prepaid expenses	29	26	0
Accrued income	32	223	0
Accrued income tax refunds	41,382	24,065	498
Other current assets	798	435	10
Fixed assets	6,141,258	6,041,740	73,858
Tangible fixed assets	0	1	0
Buildings	0	0	0
Equipment	0	1	0
Intangible fixed assets	8	8	0
Software	8	8	0
Investments and other assets	6,141,248	6,041,729	73,858
Investments in subsidiaries and affiliates	6,141,248	6,041,729	73,858
Total assets	¥6,237,655	¥6,152,774	\$75,017
Liabilities and net assets			
Liabilities			
Current liabilities	¥1,001,841	¥ 954,073	\$12,049
Short-term borrowings	997,030	948,030	11,991
Accounts payable	940	1,541	12
Accrued expenses	3,054	3,299	37
Income taxes payable	25	3	0
Business office taxes payable	5	5	0
Reserve for employees bonuses	107	101	1
Reserve for executive bonuses	91	71	1
Other current liabilities	586	1,020	7
Fixed liabilities	392,900	393,126	4,725
Bonds	392,900	392,900	4,725
Reserve for executive retirement benefits	—	226	—
Total liabilities	1,394,741	1,347,199	16,774
Net assets			
Stockholders' equity			
Capital stock	2,337,895	2,337,895	28,117
Capital surplus	1,833,027	1,833,073	22,045
Capital reserve	1,559,374	1,559,374	18,754
Other capital surplus	273,652	273,699	3,291
Retained earnings	715,303	678,042	8,602
Other retained earnings			
Voluntary reserve	30,420	30,420	366
Retained earnings brought forward	684,883	647,622	8,236
Treasury stock	(43,482)	(43,437)	(523)
Total stockholders' equity	4,842,743	4,805,574	58,241
Stock acquisition rights	170	—	2
Total net assets	4,842,914	4,805,574	58,243
Total liabilities and net assets	¥6,237,655	¥6,152,774	\$75,017

(3) Nonconsolidated Statements of Changes in Net Assets
Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Stockholders' equity			
Capital stock			
Balance at the end of the previous fiscal year.....	¥2,337,895	¥1,420,877	\$28,117
Changes in the fiscal year:			
Issuance of new shares	—	917,018	—
Net changes in the fiscal year.....	—	917,018	—
Balance at the end of the fiscal year	¥2,337,895	¥2,337,895	\$28,117
Capital surplus			
Capital reserve			
Balance at the end of the previous fiscal year.....	1,559,374	642,355	18,754
Changes in the fiscal year:			
Issuance of new shares	—	917,018	—
Net changes in the fiscal year.....	—	917,018	—
Balance at the end of the fiscal year	¥1,559,374	¥1,559,374	\$18,754
Other capital surplus			
Balance at the end of the previous fiscal year.....	273,699	273,808	3,291
Changes in the fiscal year:			
Disposal of treasury stock	(46)	(108)	(0)
Net changes in the fiscal year.....	(46)	(108)	(0)
Balance at the end of the fiscal year	¥ 273,652	¥ 273,699	\$ 3,291
Total capital surplus			
Balance at the end of the previous fiscal year.....	1,833,073	916,163	22,045
Changes in the fiscal year:			
Issuance of new shares	—	917,018	—
Disposal of treasury stock	(46)	(108)	(0)
Net changes in the fiscal year.....	(46)	916,909	(0)
Balance at the end of the fiscal year	¥1,833,027	¥1,833,073	\$22,045
Retained earnings			
Other retained earnings			
Voluntary reserve			
Balance at the end of the previous fiscal year.....	30,420	30,420	366
Changes in the fiscal year:			
Net changes in the fiscal year.....	—	—	—
Balance at the end of the fiscal year.....	¥ 30,420	¥ 30,420	\$ 366
Retained earnings brought forward			
Balance at the end of the previous fiscal year.....	647,622	653,487	7,788
Changes in the fiscal year:			
Cash dividends	(154,278)	(72,041)	(1,856)
Net income.....	191,539	66,176	2,304
Net changes in the fiscal year.....	37,260	(5,865)	448
Balance at the end of the fiscal year.....	¥ 684,883	¥ 647,622	\$ 8,236
Total retained earnings			
Balance at the end of the previous fiscal year.....	678,042	683,907	8,154
Changes in the fiscal year:			
Cash dividends	(154,278)	(72,041)	(1,856)
Net income.....	191,539	66,176	2,304
Net changes in the fiscal year.....	37,260	(5,865)	448
Balance at the end of the fiscal year	¥ 715,303	¥ 678,042	\$ 8,602

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Stockholders' equity			
Treasury stock			
Balance at the end of the previous fiscal year.....	¥ (43,437)	¥ (43,400)	\$ (522)
Changes in the fiscal year:			
Purchase of treasury stock.....	(105)	(189)	(1)
Disposal of treasury stock.....	60	152	0
Net changes in the fiscal year.....	(45)	(37)	(1)
Balance at the end of the fiscal year.....	¥ (43,482)	¥ (43,437)	\$ (523)
Total stockholders' equity			
Balance at the end of the previous fiscal year.....	4,805,574	2,977,547	57,794
Changes in the fiscal year:			
Issuance of new shares.....	—	1,834,037	—
Cash dividends.....	(154,278)	(72,041)	(1,856)
Net income.....	191,539	66,176	2,304
Purchase of treasury stock.....	(105)	(189)	(1)
Disposal of treasury stock.....	13	43	0
Net changes in the fiscal year.....	37,169	1,828,026	447
Balance at the end of the fiscal year.....	¥4,842,743	¥4,805,574	\$58,241
Stock acquisition rights			
Balance at the end of the previous fiscal year.....	—	—	—
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	170	—	2
Net changes in the fiscal year.....	170	—	2
Balance at the end of the fiscal year.....	¥ 170	¥ —	\$ 2
Total net assets			
Balance at the end of the previous fiscal year.....	4,805,574	2,977,547	57,794
Changes in the fiscal year:			
Issuance of new shares.....	—	1,834,037	—
Cash dividends.....	(154,278)	(72,041)	(1,856)
Net income.....	191,539	66,176	2,304
Purchase of treasury stock.....	(105)	(189)	(1)
Disposal of treasury stock.....	13	43	0
Net changes in items other than stockholders' equity in the fiscal year.....	170	—	2
Net changes in the fiscal year.....	37,340	1,828,026	449
Balance at the end of the fiscal year.....	¥4,842,914	¥4,805,574	\$58,243

Independent Auditors' Report

To the Board of Directors of
Sumitomo Mitsui Financial Group, Inc.:

We have audited the accompanying consolidated balance sheets of Sumitomo Mitsui Financial Group, Inc. ("SMFG") and subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended, and the consolidated statement of comprehensive income for the year ended March 31, 2011 expressed in Japanese yen. These consolidated financial statements are the responsibility of SMFG's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SMFG and subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Additional Information:

As discussed in Note 37 to the consolidated financial statements, SMFG acquired and cancelled its 1st series Type 6 preferred stock on April 1, 2011, based on a resolution at the meeting of the Board of Directors held on February 28, 2011.

The consolidated financial statements as of and for the year ended March 31, 2011 have been translated into United States dollars solely for convenience of the readers. We have recomputed the translation, and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into United States dollars on the basis set forth in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

Tokyo, Japan
June 29, 2011

Supplemental Information

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Assets			
Cash and due from banks	¥ 5,539,966	¥ 3,358,994	\$ 66,626
Deposits with banks	3,537,476	2,424,160	42,543
Call loans and bills bought	851,636	1,106,145	10,242
Receivables under resale agreements	131,104	25,226	1,577
Receivables under securities borrowing transactions.....	4,699,667	5,414,500	56,520
Monetary claims bought.....	1,076,044	956,024	12,941
Trading assets	6,590,920	6,619,258	79,265
Money held in trust.....	19,326	18,734	232
Securities.....	39,748,394	28,422,362	478,032
Loans and bills discounted	61,959,049	63,406,825	745,148
Foreign exchanges	1,077,024	1,107,289	12,953
Lease receivables and investment assets.....	114,560	123,706	1,378
Other assets	2,643,552	2,415,605	31,793
Tangible fixed assets	828,698	812,334	9,966
Intangible fixed assets.....	409,917	404,338	4,930
Deferred tax assets	568,966	679,380	6,843
Customers' liabilities for acceptances and guarantees	3,862,442	3,753,642	46,452
Reserve for possible loan losses.....	(943,077)	(1,007,160)	(11,342)
Total assets	¥132,715,674	¥120,041,369	\$1,596,099

(Continued)

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Liabilities and net assets			
Liabilities			
Deposits	¥ 90,576,587	¥ 85,792,098	\$1,089,315
Call money and bills sold	2,629,407	2,119,557	31,622
Payables under repurchase agreements.....	726,365	1,120,860	8,736
Payables under securities lending transactions.....	5,712,348	4,313,334	68,699
Commercial paper.....	337,120	310,787	4,054
Trading liabilities.....	5,209,441	5,042,720	62,651
Borrowed money.....	8,631,713	4,030,914	103,809
Foreign exchanges.....	256,160	192,299	3,081
Short-term bonds.....	417,788	381,678	5,024
Bonds.....	3,783,297	3,339,672	45,500
Due to trust account	216,171	159,554	2,600
Other liabilities.....	3,238,158	2,441,434	38,944
Reserve for employee bonuses.....	35,592	35,415	428
Reserve for executive bonuses.....	2,001	1,808	24
Reserve for employee retirement benefits.....	17,383	19,259	209
Reserve for executive retirement benefits.....	1,666	6,863	20
Reserve for point service program	2,249		27
Reserve for reimbursement of deposits	9,923	11,734	119
Reserve for loss on interest repayment.....	2,600		31
Reserve under the special laws.....	69	34	1
Deferred tax liabilities	18,352	26,167	221
Deferred tax liabilities for land revaluation	45,698	46,966	550
Acceptances and guarantees.....	3,862,442	3,753,642	46,452
Total liabilities	125,732,541	113,146,805	1,512,117
Net assets			
Capital stock	1,770,996	1,770,996	21,299
Capital surplus	2,717,397	2,709,682	32,681
Retained earnings	929,336	668,074	11,176
Total stockholders' equity.....	5,417,730	5,148,753	65,156
Net unrealized gains on other securities	239,717	377,456	2,883
Net deferred losses on hedges	(8,921)	(38,516)	(107)
Land revaluation excess.....	33,294	34,897	400
Foreign currency translation adjustments.....	(119,696)	(99,481)	(1,440)
Total accumulated other comprehensive income.....	144,394	274,356	1,736
Stock acquisition rights.....	91	81	1
Minority interests.....	1,420,915	1,471,373	17,089
Total net assets.....	6,983,132	6,894,564	83,982
Total liabilities and net assets.....	¥132,715,674	¥120,041,369	\$1,596,099

Notes: 1. Amounts less than 1 million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥83.15 to US\$1, the exchange rate prevailing at March 31, 2011.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Consolidated Statements of Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Income			
Interest income.....	¥1,485,778	¥1,598,464	\$17,868
Interest on loans and discounts.....	1,153,471	1,264,688	13,872
Interest and dividends on securities.....	248,988	238,944	2,994
Interest on receivables under resale agreements.....	2,351	902	28
Interest on receivables under securities borrowing transactions.....	8,429	5,394	101
Interest on deposits with banks.....	18,439	14,650	222
Interest on lease transactions.....	4,369	4,088	53
Other interest income.....	49,729	69,795	598
Trust fees.....	2,299	1,736	28
Fees and commissions.....	665,109	580,142	7,999
Trading income.....	212,920	156,570	2,561
Other operating income.....	297,766	156,355	3,581
Other income.....	51,070	104,405	614
Total income.....	2,714,944	2,597,675	32,651
Expenses			
Interest expenses.....	268,627	295,635	3,231
Interest on deposits.....	139,543	180,433	1,678
Interest on borrowings and rediscounts.....	28,434	28,383	342
Interest on payables under repurchase agreements.....	2,751	1,381	33
Interest on payables under securities lending transactions.....	8,743	6,120	105
Interest on bonds and short-term bonds.....	66,922	70,129	805
Other interest expenses.....	22,231	9,186	268
Fees and commissions payments.....	137,944	127,756	1,659
Other operating expenses.....	143,012	112,560	1,720
General and administrative expenses.....	1,094,576	988,409	13,164
Provision for reserve for possible loan losses.....	42,427	173,073	510
Other expenses.....	285,477	341,859	3,433
Total expenses.....	1,972,065	2,039,296	23,717
Income before income taxes and minority interests.....	742,878	558,379	8,934
Income taxes:			
Current.....	59,719	69,246	718
Deferred.....	150,503	75,282	1,810
Income before minority interests.....	532,656		6,406
Minority interests in net income.....	81,823	81,352	984
Net income.....	¥ 450,832	¥ 332,497	\$ 5,422

(Continued)

(Consolidated Statements of Comprehensive Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Income before minority interests	¥532,656	¥—	\$6,406
Other comprehensive income			
Net unrealized losses on other securities	(150,926)	—	(1,815)
Net deferred gains on hedges	29,408	—	354
Foreign currency translation adjustments	(59,493)	—	(716)
Share of other comprehensive income of associates accounted for by equity method	12,044	—	145
Total other comprehensive income	(168,966)	—	(2,032)
Total comprehensive income	363,689	—	4,374
Comprehensive income attributable to shareholders of the parent company....	322,474	—	3,878
Comprehensive income attributable to minority interests	41,215	—	496

Per share data:	Yen		U.S. dollars
Net income	¥4,184.89	¥4,240.20	\$50.33
Net income — diluted.....	4,184.07	4,236.01	50.32

Notes: 1. Amounts less than 1 million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥83.15 to US\$1, the exchange rate prevailing at March 31, 2011.

Nonconsolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation

March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Assets			
Cash and due from banks	¥ 4,793,275	¥ 2,863,985	\$ 57,646
Deposits with banks	3,308,910	2,408,004	39,794
Call loans and bills bought	288,120	514,179	3,465
Receivables under resale agreements	96,665	45,594	1,162
Receivables under securities borrowing transactions	402,928	1,703,828	4,846
Monetary claims bought	509,773	435,027	6,131
Trading assets	3,623,461	3,670,091	43,577
Money held in trust	10,316	10,724	124
Securities	39,853,432	28,536,200	479,296
Loans and bills discounted	55,237,613	56,619,058	664,313
Foreign exchanges	1,000,964	743,446	12,038
Other assets	1,994,996	1,823,647	23,993
Tangible fixed assets	717,568	705,036	8,630
Intangible fixed assets	142,321	133,323	1,712
Deferred tax assets	376,899	456,556	4,533
Customers' liabilities for acceptances and guarantees	3,852,949	3,625,868	46,337
Reserve for possible loan losses	(711,522)	(758,178)	(8,557)
Reserve for possible losses on investments	(13,769)	—	(166)
Total assets	¥115,484,907	¥103,536,394	\$1,388,874
Liabilities and net assets			
Liabilities			
Deposits	¥ 82,443,286	¥ 77,630,639	\$ 991,501
Call money and bills sold	2,272,758	1,554,374	27,333
Payables under repurchase agreements	503,315	492,311	6,053
Payables under securities lending transactions	4,760,920	3,407,301	57,257
Commercial paper	337,120	310,787	4,054
Trading liabilities	3,015,835	2,909,131	36,270
Borrowed money	5,952,326	2,747,767	71,586
Foreign exchanges	272,253	214,526	3,274
Short-term bonds	40,999	164,678	493
Bonds	3,670,355	3,245,992	44,141
Due to trust account	216,171	159,554	2,600
Other liabilities	2,521,061	1,600,879	30,320
Reserve for employee bonuses	10,019	10,207	121
Reserve for executive bonuses	692	426	8
Reserve for executive retirement benefits	—	5,147	—
Reserve for point service program	1,586	1,862	19
Reserve for reimbursement of deposits	8,872	10,634	107
Deferred tax liabilities for land revaluation	45,091	46,352	542
Acceptances and guarantees	3,852,949	3,625,868	46,337
Total liabilities	109,925,614	98,138,445	1,322,016
Net assets			
Capital stock	1,770,996	1,770,996	21,299
Capital surplus	2,481,273	2,473,558	29,841
Retained earnings	935,992	704,485	11,256
Total stockholders' equity	5,188,262	4,949,040	62,396
Net unrealized gains on other securities	229,885	379,353	2,765
Net deferred gains on hedges	121,109	48,020	1,456
Land revaluation excess	20,035	21,535	241
Total valuation and translation adjustments	371,030	448,909	4,462
Total net assets	5,559,293	5,397,949	66,858
Total liabilities and net assets	¥115,484,907	¥103,536,394	\$1,388,874

Notes: 1. Amounts less than 1 million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥83.15 to US\$1, the exchange rate prevailing at March 31, 2011.

Nonconsolidated Statements of Income (Unaudited)

Sumitomo Mitsui Banking Corporation

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Income			
Interest income.....	¥1,259,403	¥1,380,280	\$15,146
Interest on loans and discounts	962,113	1,067,390	11,571
Interest and dividends on securities.....	240,380	229,411	2,891
Interest on receivables under resale agreements.....	757	193	9
Interest on receivables under securities borrowing transactions.....	2,263	4,061	27
Interest on deposits with banks	13,725	13,863	165
Other interest income	40,164	65,360	483
Trust fees.....	2,299	1,736	27
Fees and commissions.....	439,770	412,960	5,289
Trading income.....	151,070	115,356	1,817
Other operating income	218,075	85,788	2,623
Other income.....	39,969	91,654	481
Total income	2,110,588	2,087,777	25,383
Expenses			
Interest expenses.....	291,595	333,919	3,507
Interest on deposits.....	110,415	146,198	1,328
Interest on borrowings and rediscounts.....	89,770	107,927	1,080
Interest on payables under repurchase agreements.....	1,814	982	22
Interest on payables under securities lending transactions.....	7,247	6,103	87
Interest on bonds and short-term bonds	63,048	64,598	758
Other interest expenses	19,299	8,107	232
Fees and commissions payments.....	137,103	126,246	1,649
Other operating expenses.....	110,177	80,703	1,325
General and administrative expenses.....	738,447	735,181	8,881
Provision for reserve for possible loan losses.....	19,473	85,084	234
Other expenses	224,951	271,891	2,705
Total expenses.....	1,521,748	1,633,026	18,301
Income before income taxes	588,839	454,750	7,082
Income taxes:			
Current.....	42,386	44,997	510
Deferred.....	125,273	91,757	1,507
Net income	¥ 421,180	¥ 317,995	\$ 5,065

Per share data:	Yen		U.S. dollars
	2011	2010	2011
Net income	¥3,905.80	¥4,051.75	\$46.97
Net income — diluted.....	—	—	—

Notes: 1. Amounts less than 1 million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥83.15 to US\$1, the exchange rate prevailing at March 31, 2011.

Income Analysis (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Operating Income, Classified by Domestic and Overseas Operations

Year ended March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,345,979	¥356,800	¥(90,179)	¥1,612,599	¥1,392,919	¥405,558	¥(102,672)	¥1,695,805
Interest expenses.....	281,315	103,355	(89,739)	294,931	297,268	118,923	(101,319)	314,872
Net interest income	1,064,663	253,444	(439)	1,317,668	1,095,650	286,634	(1,352)	1,380,933
Trust fees	2,335	—	—	2,335	1,778	—	—	1,778
Fees and commissions	806,591	92,975	(2,105)	897,461	651,331	80,655	(2,622)	729,364
Fees and commissions payments	120,594	11,046	(410)	131,230	111,320	10,923	(1,495)	120,748
Net fees and commissions	685,997	81,929	(1,695)	766,230	540,011	69,731	(1,126)	608,616
Trading income.....	251,626	2,787	(17,321)	237,093	186,117	28,902	(20,932)	194,087
Trading losses	6,732	10,589	(17,321)	—	8,313	12,619	(20,932)	—
Net trading income	244,894	(7,801)	—	237,093	177,804	16,283	—	194,087
Other operating income	961,912	77,934	(183)	1,039,662	401,898	51,325	(210)	453,012
Other operating expenses.....	821,014	37,504	(274)	858,243	355,904	45,967	(98)	401,773
Net other operating income (expenses)	140,898	40,429	91	181,419	45,993	5,358	(112)	51,238

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest expenses" are shown after deduction of expenses (2011, ¥16 million; 2010, ¥20 million) related to the management of money held in trust.

3. Intersegment transactions are reported in the "Elimination" column.

Average Balance, Interest and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥93,247,748	¥1,345,979	1.44%	¥86,229,707	¥1,392,919	1.62%
Loans and bills discounted	54,156,879	1,006,690	1.86	55,382,826	1,058,896	1.91
Securities	31,216,834	228,045	0.73	24,828,351	218,390	0.88
Call loans and bills bought.....	355,148	2,250	0.63	343,760	2,499	0.73
Receivables under resale agreements	26,178	32	0.12	13,958	15	0.11
Receivables under securities borrowing transactions	4,243,613	8,464	0.20	2,293,522	5,413	0.24
Deposits with banks.....	343,704	1,566	0.46	319,399	1,819	0.57
Lease receivables and investment assets	1,626,041	62,998	3.87	1,763,180	66,477	3.77
Interest-bearing liabilities	¥98,130,523	¥ 281,315	0.29%	¥91,491,665	¥ 297,268	0.32%
Deposits	70,966,834	71,673	0.10	68,495,143	106,542	0.16
Negotiable certificates of deposit	7,144,913	12,396	0.17	6,939,707	17,939	0.26
Call money and bills sold.....	1,613,628	2,166	0.13	1,857,443	2,855	0.15
Payables under repurchase agreements	445,349	573	0.13	612,826	677	0.11
Payables under securities lending transactions ...	4,629,220	8,847	0.19	2,859,188	6,165	0.22
Commercial paper.....	—	—	—	—	—	—
Borrowed money.....	8,118,619	106,979	1.32	5,842,252	117,900	2.02
Short-term bonds.....	1,190,706	2,006	0.17	1,084,084	2,902	0.27
Bonds.....	3,810,547	76,662	2.01	3,591,097	69,577	1.94

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries.

2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.

3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥1,188,255 million; 2010, ¥965,438 million).

4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2011, ¥21,928 million; 2010, ¥12,392 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2011, ¥21,928 million; 2010, ¥12,392 million) and corresponding interest (2011, ¥16 million; 2010, ¥20 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥15,642,630	¥356,800	2.28%	¥16,461,908	¥405,558	2.46%
Loans and bills discounted	9,620,423	265,568	2.76	11,059,619	314,641	2.84
Securities	1,978,236	39,734	2.01	1,656,478	31,115	1.88
Call loans and bills bought.....	771,389	7,055	0.91	812,878	5,158	0.63
Receivables under resale agreements	69,728	2,319	3.33	13,963	887	6.36
Receivables under securities borrowing transactions	—	—	—	—	—	—
Deposits with banks.....	2,285,316	17,583	0.77	2,154,320	14,078	0.65
Lease receivables and investment assets	184,752	8,591	4.65	195,486	8,065	4.13
Interest-bearing liabilities	¥10,510,807	¥103,355	0.98%	¥11,816,818	¥118,923	1.01%
Deposits	6,702,036	36,716	0.55	7,472,668	40,606	0.54
Negotiable certificates of deposit	2,013,996	19,268	0.96	1,811,253	16,102	0.89
Call money and bills sold	326,104	1,621	0.50	1,205,537	3,416	0.28
Payables under repurchase agreements	597,909	2,180	0.36	364,451	713	0.20
Payables under securities lending transactions ..	—	—	—	—	—	—
Commercial paper.....	328,969	1,164	0.35	82,513	194	0.24
Borrowed money.....	421,821	9,958	2.36	440,869	11,669	2.65
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	105,117	6,745	6.42	158,169	9,459	5.98

- Notes: 1. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.
3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥103,935 million; 2010, ¥156,583 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥107,061,829	¥1,612,599	1.51%	¥100,773,612	¥1,695,805	1.68%
Loans and bills discounted	62,448,896	1,199,083	1.92	64,723,468	1,280,297	1.98
Securities	32,845,940	251,311	0.77	26,505,349	241,216	0.91
Call loans and bills bought.....	1,126,538	9,305	0.83	1,156,638	7,657	0.66
Receivables under resale agreements	95,907	2,351	2.45	27,922	902	3.23
Receivables under securities borrowing transactions	4,243,613	8,464	0.20	2,293,522	5,413	0.24
Deposits with banks.....	2,484,913	18,592	0.75	2,259,797	14,757	0.65
Lease receivables and investment assets	1,810,793	71,589	3.95	1,958,655	74,542	3.81
Interest-bearing liabilities	¥106,745,754	¥ 294,931	0.28%	¥101,186,263	¥ 314,872	0.31%
Deposits	77,485,196	107,758	0.14	75,750,461	145,979	0.19
Negotiable certificates of deposit	9,158,909	31,665	0.35	8,750,961	34,042	0.39
Call money and bills sold	1,939,732	3,788	0.20	3,062,980	6,271	0.20
Payables under repurchase agreements	1,043,259	2,753	0.26	977,278	1,390	0.14
Payables under securities lending transactions ..	4,629,220	8,847	0.19	2,859,188	6,165	0.22
Commercial paper.....	328,969	1,164	0.35	82,513	194	0.24
Borrowed money.....	7,228,342	44,298	0.61	4,580,881	37,708	0.82
Short-term bonds.....	1,190,706	2,006	0.17	1,084,084	2,902	0.27
Bonds.....	3,522,765	66,940	1.90	3,552,249	70,749	1.99

- Notes: 1. The figures above comprise totals for domestic and overseas operations after intersegment eliminations.
2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.
3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥1,288,655 million; 2010, ¥1,123,299 million).
4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2011, ¥21,928 million; 2010, ¥12,392 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2011, ¥21,928 million; 2010, ¥12,392 million) and corresponding interest (2011, ¥16 million; 2010, ¥20 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥806,591	¥92,975	¥(2,105)	¥897,461	¥651,331	¥80,655	¥(2,622)	¥729,364
Deposits and loans	21,264	61,373	(33)	82,604	20,660	49,988	(55)	70,592
Remittances and transfers.....	119,605	8,253	(2)	127,856	118,012	7,782	(2)	125,792
Securities-related business.....	70,803	631	(156)	71,277	54,380	0	(16)	54,363
Agency	18,054	—	—	18,054	14,763	—	—	14,763
Safe deposits	6,505	2	—	6,507	6,681	2	—	6,684
Guarantees.....	52,403	10,559	(200)	62,762	40,468	9,138	(242)	49,365
Credit card business.....	185,970	—	—	185,970	143,770	—	—	143,770
Investment trusts	161,632	2,073	—	163,706	—	—	—	—
Fees and commissions payments.....	¥120,594	¥11,046	¥ (410)	¥131,230	¥111,320	¥10,923	¥(1,495)	¥120,748
Remittances and transfers.....	27,927	6,149	(118)	33,958	26,285	4,920	(155)	31,050

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Intersegment transactions are reported in the "Elimination" column.

3. "Investment trusts" are reported as sub-account of "Fees and commissions" from the fiscal year ended March 31, 2011, because their significance increased.

Trading Income

Year ended March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥251,626	¥ 2,787	¥(17,321)	¥237,093	¥186,117	¥28,902	¥(20,932)	¥194,087
Gains on trading securities	92,932	1,301	—	94,234	63,212	211	—	63,424
Gains on securities related to trading transactions	1,019	519	—	1,538	2,254	—	—	2,254
Gains on trading-related financial derivatives.....	156,512	966	(17,321)	140,157	120,075	28,691	(20,932)	127,833
Others	1,162	—	—	1,162	576	—	—	576
Trading losses.....	¥ 6,732	¥10,589	¥(17,321)	¥ —	¥ 8,313	¥12,619	¥(20,932)	¥ —
Losses on trading securities	—	—	—	—	—	—	—	—
Losses on securities related to trading transactions	—	—	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	6,732	10,589	(17,321)	—	8,313	12,619	(20,932)	—
Others	—	—	—	—	—	—	—	—

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Intersegment transactions are reported in the "Elimination" column.

Assets and Liabilities (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Liquid deposits	¥46,333,358	¥42,901,390
Fixed-term deposits	25,357,704	25,125,350
Others	3,855,153	3,613,206
Subtotal	75,546,217	71,639,946
Negotiable certificates of deposit	5,997,958	5,166,704
Total	¥81,544,175	¥76,806,651
Overseas operations:		
Liquid deposits	¥ 4,810,044	¥ 5,238,038
Fixed-term deposits	1,533,773	1,762,779
Others	108,904	7,831
Subtotal	6,452,722	7,008,648
Negotiable certificates of deposit	2,368,364	1,828,914
Total	¥ 8,821,087	¥ 8,837,563
Grand total	¥90,365,263	¥85,644,215

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

3. Fixed-term deposits = Time deposits + Installment savings

Balance of Loan Portfolio, Classified by Industry

Year-End Balance

March 31	Millions of yen			
	2011		2010	
Domestic operations:				
Manufacturing	¥ 6,001,645	11.45%	¥ 6,694,906	12.39%
Agriculture, forestry, fisheries and mining	148,994	0.28	153,473	0.28
Construction	962,259	1.84	1,095,482	2.03
Transportation, communications and public enterprises	3,829,628	7.31	3,271,221	6.05
Wholesale and retail	4,238,042	8.09	4,497,698	8.33
Finance and insurance	3,991,865	7.62	4,299,050	7.96
Real estate, goods rental and leasing	7,761,065	14.81	8,210,117	15.20
Services	3,847,475	7.34	4,077,881	7.55
Municipalities	1,230,912	2.35	1,117,092	2.07
Others	20,393,976	38.91	20,606,900	38.14
Subtotal	¥52,405,866	100.00%	¥54,023,825	100.00%
Overseas operations:				
Public sector	¥ 35,733	0.40%	¥ 43,100	0.50%
Financial institutions	608,810	6.81	543,997	6.27
Commerce and industry	7,475,110	83.59	7,223,161	83.24
Others	822,834	9.20	866,948	9.99
Subtotal	¥ 8,942,489	100.00%	¥ 8,677,208	100.00%
Total	¥61,348,355	—	¥62,701,033	—

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Japan offshore banking accounts are included in overseas operations' accounts.

Reserve for Possible Loan Losses

March 31	Millions of yen	
	2011	2010
General reserve	¥ 696,154	¥ 702,606
Specific reserve	362,137	365,087
Loan loss reserve for specific overseas countries	653	636
Reserve for possible loan losses	¥1,058,945	¥1,068,329
Amount of direct reduction	¥ 867,866	¥ 843,781

Risk-Monitored Loans

March 31	Millions of yen	
	2011	2010
Bankrupt loans	¥ 90,777	¥ 165,131
Non-accrual loans	1,031,828	1,075,782
Past due loans (3 months or more)	25,438	38,315
Restructured loans	498,323	250,256
Total	¥1,646,369	¥1,529,484
Amount of direct reduction	¥ 735,638	¥ 727,633

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 Law

March 31	Millions of yen	
	2011	2010
Bankrupt and quasi-bankrupt assets	¥ 281,611	¥ 392,424
Doubtful assets	875,837	881,239
Substandard loans	532,873	298,179
Total of problem assets	1,690,321	1,571,842
Normal assets	67,868,754	68,431,335
Total	¥69,559,075	¥70,003,177
Amount of direct reduction	¥ 867,866	¥ 843,781

Notes: Definition of problem asset categories

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

Securities

Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Japanese government bonds.....	¥25,934,346	¥16,738,321
Japanese local government bonds	544,409	422,648
Japanese corporate bonds	3,256,034	3,548,359
Japanese stocks.....	2,696,843	2,924,446
Others	5,778,370	3,492,404
Subtotal	¥38,210,004	¥27,126,180
Overseas operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others	1,697,165	1,454,593
Subtotal	¥ 1,697,165	¥ 1,454,593
Unallocated corporate assets:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	44,953	43,194
Others	—	—
Subtotal	¥ 44,953	¥ 43,194
Total	¥39,952,123	¥28,623,968

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. "Others" include foreign bonds and foreign stocks.

Trading Assets and Liabilities

March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥6,149,138	¥518,595	¥(34,836)	¥6,632,898	¥6,156,853	¥587,881	¥(36,046)	¥6,708,688
Trading securities.....	2,778,917	38,619	—	2,817,536	2,747,496	32,229	—	2,779,725
Derivatives of trading securities.....	3,857	—	—	3,857	1,246	—	—	1,246
Securities related to trading transactions	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	5,338	—	—	5,338	6,931	—	—	6,931
Trading-related financial derivatives	3,070,072	479,623	(34,836)	3,514,859	3,123,235	555,288	(36,046)	3,642,477
Other trading assets.....	290,952	353	—	291,305	277,943	363	—	278,307
Trading liabilities.....	¥4,670,219	¥612,920	¥(34,836)	¥5,248,302	¥4,470,010	¥632,763	¥(36,046)	¥5,066,727
Trading securities sold for short sales	1,622,216	830	—	1,623,046	1,582,808	—	—	1,582,808
Derivatives of trading securities.....	1,803	—	—	1,803	2,367	—	—	2,367
Securities related to trading transactions sold for short sales.....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	5,638	1	—	5,639	6,961	—	—	6,961
Trading-related financial derivatives	3,040,560	612,088	(34,836)	3,617,812	2,877,873	632,763	(36,046)	3,474,589
Other trading liabilities	—	—	—	—	—	—	—	—

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.

Capital (Nonconsolidated)

Sumitomo Mitsui Financial Group, Inc.

Change in Number of Shares Issued and Capital Stock

	Millions of yen					
	Number of shares issued		Capital stock		Capital reserve	
	Changes	Balances	Changes	Balances	Changes	Balances
May 17, 2006*1	(68,000)	8,306,273.77	¥ —	¥1,420,877	¥ —	¥1,420,989
August 11, 2006*2	—	8,306,273.77	—	1,420,877	(1,000,000)	420,989
September 1, 2006*3	249,015	8,555,288.77	—	1,420,877	221,365	642,355
September 6, 2006*4	(67,000)	8,488,288.77	—	1,420,877	—	642,355
September 29, 2006*5	(439,534)	8,048,754.77	—	1,420,877	—	642,355
October 11, 2006*6	(195,000)	7,853,754.77	—	1,420,877	—	642,355
April 30, 2008*7	157,151	8,010,905.77	—	1,420,877	—	642,355
May 16, 2008*8	(16,700)	7,994,205.77	—	1,420,877	—	642,355
January 4, 2009*9	781,189,672.23	789,183,878	—	1,420,877	—	642,355
June 22, 2009*10	219,700,000	1,008,883,878	413,695	1,834,572	413,695	1,056,050
July 27, 2009*11	8,931,300	1,017,815,178	16,817	1,851,389	16,817	1,072,868
January 27, 2010*12	340,000,000	1,357,815,178	459,477	2,310,867	459,477	1,532,345
January 28, 2010*13	36,343,848	1,394,159,026	—	2,310,867	—	1,532,345
February 8, 2010*14	(33,400)	1,394,125,626	—	2,310,867	—	1,532,345
February 10, 2010*15	20,000,000	1,414,125,626	27,028	2,337,895	27,028	1,559,374

Remarks:

*1 Repurchase and cancellation of 35,000 shares of preferred stock (Type 1) and 33,000 shares of preferred stock (Type 2)

*2 Capital reserve was transferred to other capital surplus pursuant to Article 448-1 of the Companies Act.

*3 Increase in the number of common stock as a result of share exchange for making SMBC Friend Securities Co., Ltd. our wholly-owned subsidiary (share exchange ratio: 1-to-0.0008)

*4 Repurchase and cancellation of 67,000 shares of preferred stock (Type 2)

*5 Repurchase and cancellation of 500,000 shares of preferred stock (Type 3) and increase in shares of common stock of 60,466

*6 Repurchase and cancellation of 195,000 shares of preferred stock (Type 3)

*7 Increase in shares of common stock of 157,151 as a result of exercise of rights to purchase all the shares of preferred stock (5th to 8th series Type 4)

*8 Decrease in shares of preferred stock (Type 4) of 16,700 as a result of cancellation of all the shares of preferred stock (5th to 8th series Type 4)

*9 Increase in shares of common stock of 781,189,672.23 as a result of 100-for-1 stock split

*10 Public offering: Common stock: 219,700,000 shares

Issue price: ¥3,766 Capitalization: ¥1,883

*11 Allotment to third parties: Common stock: 8,931,300 shares

Issue price: ¥3,766 Capitalization: ¥1,883

*12 Public offering: Common stock: 340,000,000 shares

Issue price: ¥2,702.81 Capitalization: ¥1,351.405

*13 Increase in shares of common stock of 36,343,848 as a result of exercise of rights to purchase all the shares of preferred stock (1st to 4th and 9th to 12th series Type 4)

*14 Decrease in shares of preferred stock (Type 4) of 33,400 as a result of cancellation of all the shares of preferred stock (1st to 4th and 9th to 12th series Type 4)

*15 Allotment to third parties: Common stock: 20,000,000 shares

Issue price: ¥2,702.81 Capitalization: ¥1,351.405

Note: The number of shares of preferred stock (Type 6) decreased by 70,001 as a result of repurchase and cancellation of all the shares of preferred stock (1st series Type 6) on April 1, 2011.

Number of Shares Issued

March 31, 2011	Number of shares issued
Common stock	1,414,055,625
Preferred stock (1st series Type 6)	70,001
Total	1,414,125,626

Stock Exchange Listings

Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)
Nagoya Stock Exchange (First Section)
New York Stock Exchange*

* SMFG listed its ARDs on the New York Stock Exchange as of November 1, 2010.

Number of Common Shares, Classified by Type of Shareholders

March 31, 2011	Number of shareholders	Number of units	Percentage of total
Japanese government and local government.....	7	4,774	0.03%
Financial institutions.....	394	4,144,500	29.35
Securities companies.....	105	717,865	5.08
Other institutions.....	9,032	1,664,643	11.79
Foreign institutions.....	938	5,538,375	39.22
Foreign individuals.....	141	714	0.01
Individuals and others.....	342,025	2,049,686	14.52
Total.....	352,642	14,120,557	100.00%
Fractional shares (shares).....	—	1,999,925	—

Notes: 1. Of 3,762,514 shares in treasury stock, 37,625 units are included in "Individuals and others" and the remaining 14 shares are included in "Fractional shares."
2. "Other institutions" include 28 units held by the Securities Custody Association.
3. The number of shares constituting 1 unit is 100.

Principal Shareholders

a. Common Stock

March 31, 2011	Number of shares	Percentage of shares outstanding
Japan Trustee Services Bank, Ltd. (Trust Account).....	87,939,818	6.21%
The Master Trust Bank of Japan, Ltd. (Trust Account).....	77,122,200	5.45
SSBT OD05 Omnibus Account — Treaty Clients*.....	30,843,478	2.18
Japan Trustee Services Bank, Ltd. (Trust Account 9).....	29,508,900	2.08
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension**.....	17,222,912	1.21
State Street Bank and Trust Company 505225**.....	17,198,714	1.21
SMFG Card & Credit, Inc.	15,479,400	1.09
Nippon Life Insurance Company.....	15,466,682	1.09
NATSCUMCO***.....	14,356,349	1.01
State Street Bank and Trust Company 505103**.....	13,927,694	0.98
Total.....	319,066,147	22.56%

* Standing agent: The HongKong and Shanghai Banking Corporation Limited's Tokyo Branch

** Standing agent: Mizuho Corporate Bank, Ltd.

*** Standing agent: Sumitomo Mitsui Banking Corporation

Note: Pursuant to Article 67 of the Enforcement Ordinance of the Companies Act, the exercise of voting rights of common shares held by SMFG Card & Credit, Inc. is restricted.

b. Preferred Stock (1st series Type 6)

March 31, 2011	Number of shares	Percentage of shares outstanding
Sumitomo Life Insurance Company.....	23,334	33.33%
Nippon Life Insurance Company.....	20,000	28.57
MITSUI LIFE INSURANCE COMPANY LIMITED.....	16,667	23.81
Mitsui Sumitomo Insurance Company, Limited.....	10,000	14.29
Total.....	70,001	100.00%

Stock Options

March 31	2011
Number of shares granted.....	108,100 shares
Type of stock	Common stock
Issue price	¥6,649 per share
Amount capitalized when shares are issued	¥3,325 per share
Exercise period of stock options.....	From June 28, 2004 to June 27, 2012

Date of resolution: Ordinary general meeting of shareholders held on June 27, 2002

March 31	2011
Number of shares granted.....	102,600 shares
Type of stock	Common stock
Issue price	¥2,216 per share
Amount capitalized when shares are issued	¥1,108 per share
Exercise period of stock options.....	From August 13, 2010 to August 12, 2040

Date of resolution: Meeting of the Board of Directors held on July 28, 2010

Note: Former SMBC issued and granted stock options to certain directors and employees pursuant to the resolution of the ordinary general meeting of shareholders held on June 27, 2002. SMFG succeeded the obligations related to the stock options at the time of its establishment pursuant to the resolution of the preferred shareholders' meeting held on September 26, 2002 and the extraordinary shareholders' meeting held on September 27, 2002.

Common Stock Price Range

Stock Price Performance

Year ended March 31	Yen				
	2011	2010	2009	2008	2007
High	¥3,355	¥4,520	¥9,640	¥1,210,000	¥1,390,000
Low.....	2,235	2,591	2,585	633,000	1,010,000

Notes: 1. Stock prices of common shares as quoted on the Tokyo Stock Exchange (First Section).

2. SMFG implemented 100-for-1 stock split on January 4, 2009. Stock prices for the year ended March 31, 2009 are reported assuming that the stock split had been effective from April 1, 2008.

3. Preferred stocks (1st series Type 6) are not listed on exchanges.

Six-Month Performance

	Yen					
	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011
High	¥2,533	¥2,685	¥2,949	¥3,090	¥3,225	¥3,190
Low.....	2,349	2,325	2,543	2,791	2,757	2,235

Notes: 1. Stock prices of common shares as quoted on the Tokyo Stock Exchange (First Section).

2. Preferred stocks (1st series Type 6) are not listed on exchanges.

Income Analysis (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Operating Income, Classified by Domestic and Overseas Operations

Year ended March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,227,312	¥331,747	¥(73,281)	¥1,485,778	¥1,302,315	¥389,577	¥(93,427)	¥1,598,464
Interest expenses	241,960	100,023	(73,372)	268,610	272,565	116,457	(93,407)	295,615
Net interest income	985,352	231,724	91	1,217,168	1,029,750	273,119	(19)	1,302,849
Trust fees	2,299	—	—	2,299	1,736	—	—	1,736
Fees and commissions	574,092	92,978	(1,961)	665,109	502,032	80,658	(2,549)	580,142
Fees and commissions payments	127,305	11,046	(407)	137,944	118,326	10,923	(1,493)	127,756
Net fees and commissions	446,786	81,932	(1,553)	527,165	383,705	69,735	(1,055)	452,385
Trading income	227,454	2,787	(17,321)	212,920	148,600	28,902	(20,932)	156,570
Trading losses	6,732	10,589	(17,321)	—	8,313	12,619	(20,932)	—
Net trading income	220,722	(7,801)	—	212,920	140,287	16,283	—	156,570
Other operating income	249,252	48,567	(53)	297,766	140,284	16,083	(12)	156,355
Other operating expenses	135,821	7,190	—	143,012	103,485	9,074	—	112,560
Net other operating income (expenses)	113,430	41,376	(53)	154,753	36,799	7,008	(12)	43,795

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.
 2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest expenses" are shown after deduction of expenses (2011, ¥16 million; 2010, ¥20 million) related to the management of money held in trust.
 3. Intersegment transactions are reported in the "Elimination" column.

Average Balance, Interest and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥91,909,190	¥1,227,312	1.34%	¥85,101,802	¥1,302,315	1.53%
Loans and bills discounted	54,710,171	953,365	1.74	56,291,108	1,036,964	1.84
Securities	31,053,391	225,723	0.73	24,649,455	216,124	0.88
Call loans and bills bought	352,721	2,248	0.64	337,927	2,495	0.74
Receivables under resale agreements	26,178	32	0.12	13,958	15	0.11
Receivables under securities borrowing transactions	4,202,003	8,429	0.20	2,277,769	5,394	0.24
Deposits with banks	292,234	1,419	0.49	268,117	1,704	0.64
Interest-bearing liabilities	¥95,026,491	¥ 241,960	0.25%	¥89,290,815	¥ 272,565	0.31%
Deposits	71,099,847	71,691	0.10	68,567,643	106,566	0.16
Negotiable certificates of deposit	7,197,270	12,453	0.17	7,227,930	18,280	0.25
Call money and bills sold	1,613,567	2,166	0.13	1,855,873	2,853	0.15
Payables under repurchase agreements	443,352	571	0.13	607,324	668	0.11
Payables under securities lending transactions	4,545,844	8,743	0.19	2,829,428	6,120	0.22
Commercial paper	—	—	—	—	—	—
Borrowed money	6,205,133	89,516	1.44	4,462,011	104,896	2.35
Short-term bonds	359,916	564	0.16	238,247	468	0.20
Bonds	3,347,596	59,612	1.78	3,292,435	60,201	1.83

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries.
 2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.
 3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥1,143,287 million; 2010, ¥946,938 million).
 4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2011, ¥18,676 million; 2010, ¥12,392 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2011, ¥18,676 million; 2010, ¥12,392 million) and corresponding interest (2011, ¥16 million; 2010, ¥20 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥15,061,087	¥331,747	2.20%	¥16,085,915	¥389,577	2.42%
Loans and bills discounted.....	9,530,458	263,531	2.77	10,971,078	312,374	2.85
Securities.....	1,585,317	23,265	1.47	1,459,443	22,821	1.56
Call loans and bills bought.....	771,389	7,055	0.91	812,878	5,158	0.63
Receivables under resale agreements.....	69,728	2,319	3.33	13,963	887	6.36
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Deposits with banks.....	2,282,712	17,572	0.77	2,152,553	14,066	0.65
Interest-bearing liabilities.....	¥10,438,017	¥100,023	0.96%	¥11,763,523	¥116,457	0.99%
Deposits.....	6,702,044	36,716	0.55	7,472,669	40,606	0.54
Negotiable certificates of deposit.....	2,013,996	19,268	0.96	1,811,253	16,102	0.89
Call money and bills sold.....	326,104	1,621	0.50	1,205,537	3,416	0.28
Payables under repurchase agreements....	597,909	2,180	0.36	364,451	713	0.20
Payables under securities lending transactions.....	—	—	—	—	—	—
Commercial paper.....	328,969	1,164	0.35	82,513	194	0.24
Borrowed money.....	349,022	6,751	1.93	387,573	9,308	2.40
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	105,117	6,745	6.42	158,169	9,459	5.98

Notes: 1. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.

2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.

3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥103,430 million; 2010, ¥156,324 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥105,509,373	¥1,485,778	1.41%	¥99,271,616	¥1,598,464	1.61%
Loans and bills discounted.....	62,929,036	1,144,168	1.82	65,563,988	1,257,034	1.92
Securities.....	32,638,709	248,988	0.76	26,108,898	238,944	0.92
Call loans and bills bought.....	1,124,111	9,303	0.83	1,150,805	7,653	0.67
Receivables under resale agreements.....	95,907	2,351	2.45	27,922	902	3.23
Receivables under securities borrowing transactions.....	4,202,003	8,429	0.20	2,277,769	5,394	0.24
Deposits with banks.....	2,432,539	18,439	0.76	2,208,380	14,650	0.66
Interest-bearing liabilities.....	¥103,967,089	¥ 268,610	0.26%	¥99,138,171	¥ 295,615	0.30%
Deposits.....	77,622,970	107,821	0.14	75,827,957	146,051	0.19
Negotiable certificates of deposit.....	9,211,266	31,721	0.34	9,039,183	34,382	0.38
Call money and bills sold.....	1,939,672	3,787	0.20	3,061,410	6,270	0.20
Payables under repurchase agreements....	1,041,262	2,751	0.26	971,775	1,381	0.14
Payables under securities lending transactions.....	4,545,844	8,743	0.19	2,829,428	6,120	0.22
Commercial paper.....	328,969	1,164	0.35	82,513	194	0.24
Borrowed money.....	5,242,563	23,481	0.45	3,151,386	21,919	0.70
Short-term bonds.....	359,916	564	0.16	238,247	468	0.20
Bonds.....	3,452,714	66,357	1.92	3,450,605	69,660	2.02

Notes: 1. The figures above comprise totals for domestic and overseas operations after intersegment eliminations.

2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.

3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥1,239,571 million; 2010, ¥1,103,197 million).

4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2011, ¥18,676 million; 2010, ¥12,392 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2011, ¥18,676 million; 2010, ¥12,392 million) and corresponding interest (2011, ¥16 million; 2010, ¥20 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥574,092	¥92,978	¥(1,961)	¥665,109	¥502,032	¥80,658	¥(2,549)	¥580,142
Deposits and loans	22,057	61,373	(11)	83,419	21,425	49,988	(55)	71,357
Remittances and transfers	120,616	8,253	(1)	128,869	119,075	7,782	(1)	126,856
Securities-related business.....	58,728	631	(156)	59,203	48,897	0	—	48,897
Agency	16,274	—	—	16,274	14,782	—	—	14,782
Safe deposits	6,505	2	—	6,507	6,681	2	—	6,684
Guarantees.....	39,403	10,559	(184)	49,778	39,475	9,138	(232)	48,381
Credit card business	6,208	—	—	6,208	6,179	—	—	6,179
Investment trusts	145,850	2,073	—	147,923	—	—	—	—
Fees and commissions payments.....	¥127,305	¥11,046	¥ (407)	¥137,944	¥118,326	¥10,923	¥(1,493)	¥127,756
Remittances and transfers.....	27,927	6,149	(118)	33,958	26,285	4,920	(155)	31,050

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.
3. "Investment trusts" are reported as sub-account of "Fees and commissions" from the fiscal year ended March 31, 2011, because their significance increased.

Trading Income

Year ended March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥227,454	¥ 2,787	¥(17,321)	¥212,920	¥148,600	¥28,902	¥(20,932)	¥156,570
Gains on trading securities	68,760	1,301	—	70,062	25,694	211	—	25,906
Gains on securities related to trading transactions	1,019	519	—	1,538	2,254	—	—	2,254
Gains on trading-related financial derivatives.....	156,512	966	(17,321)	140,157	120,075	28,691	(20,932)	127,833
Others	1,162	—	—	1,162	576	—	—	576
Trading losses.....	¥ 6,732	¥10,589	¥(17,321)	¥ —	¥ 8,313	¥12,619	¥(20,932)	¥ —
Losses on trading securities	—	—	—	—	—	—	—	—
Losses on securities related to trading transactions	—	—	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	6,732	10,589	(17,321)	—	8,313	12,619	(20,932)	—
Others	—	—	—	—	—	—	—	—

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.

Assets and Liabilities (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Liquid deposits	¥46,475,850	¥42,959,169
Fixed-term deposits	25,358,154	25,125,800
Others	3,858,755	3,617,857
Subtotal	75,692,760	71,702,827
Negotiable certificates of deposit	6,054,758	5,246,004
Total	¥81,747,518	¥76,948,832
Overseas operations:		
Liquid deposits	¥ 4,818,026	¥ 5,243,318
Fixed-term deposits	1,533,773	1,763,200
Others	108,904	7,831
Subtotal	6,460,703	7,014,351
Negotiable certificates of deposit	2,368,364	1,828,914
Total	¥ 8,829,068	¥ 8,843,265
Grand total	¥90,576,587	¥85,792,098

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.

2. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

3. Fixed-term deposits = Time deposits + Installment savings

Balance of Loan Portfolio, Classified by Industry

Year-End Balance

March 31	Millions of yen			
	2011		2010	
Domestic operations:				
Manufacturing	¥ 5,997,719	11.30%	¥ 6,689,718	12.20%
Agriculture, forestry, fisheries and mining	148,770	0.28	153,199	0.28
Construction	961,596	1.81	1,094,835	2.00
Transportation, communications and public enterprises	3,816,458	7.19	3,261,007	5.95
Wholesale and retail	4,216,614	7.94	4,475,464	8.17
Finance and insurance	5,241,692	9.87	5,271,565	9.62
Real estate, goods rental and leasing	7,729,135	14.56	8,179,721	14.92
Services	3,954,440	7.45	4,192,580	7.65
Municipalities	1,230,912	2.32	1,117,092	2.04
Others	19,796,115	37.28	20,374,612	37.17
Subtotal	¥53,093,455	100.00%	¥54,809,798	100.00%
Overseas operations:				
Public sector	¥ 35,733	0.40%	¥ 43,100	0.50%
Financial institutions	621,657	7.01	543,997	6.33
Commerce and industry	7,385,370	83.31	7,142,983	83.09
Others	822,832	9.28	866,945	10.08
Subtotal	¥ 8,865,594	100.00%	¥ 8,597,027	100.00%
Total	¥61,959,049	—	¥63,406,825	—

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.

2. Japan offshore banking accounts are included in overseas operations' accounts.

Risk-Monitored Loans

March 31	Millions of yen	
	2011	2010
Bankrupt loans	¥ 90,171	¥ 162,969
Non-accrual loans	958,729	1,047,913
Past due loans (3 months or more)	14,226	38,249
Restructured loans	466,459	249,139
Total	¥1,529,587	¥1,498,271
Amount of direct reduction	¥ 716,192	¥ 710,815

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.

Securities

Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Japanese government bonds	¥25,934,346	¥16,738,321
Japanese local government bonds	544,409	422,648
Japanese corporate bonds	3,237,321	3,531,793
Japanese stocks	2,621,131	2,843,148
Others	5,713,956	3,431,856
Subtotal	¥38,051,166	¥26,967,768
Overseas operations:		
Japanese government bonds	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks	—	—
Others	1,697,228	1,454,593
Subtotal	¥ 1,697,228	¥ 1,454,593
Total	¥39,748,394	¥28,422,362

- Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.
2. "Others" include foreign bonds and foreign stocks.

Trading Assets and Liabilities

March 31	Millions of yen							
	2011				2010			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥6,107,160	¥518,595	¥(34,836)	¥6,590,920	¥6,067,423	¥587,881	¥(36,046)	¥6,619,258
Trading securities	2,735,578	38,619	—	2,774,197	2,656,782	32,229	—	2,689,011
Derivatives of trading securities	3,857	—	—	3,857	1,244	—	—	1,244
Securities related to trading transactions	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	5,338	—	—	5,338	6,931	—	—	6,931
Trading-related financial derivatives	3,071,434	479,623	(34,836)	3,516,221	3,124,521	555,288	(36,046)	3,643,763
Other trading assets	290,952	353	—	291,305	277,943	363	—	278,307
Trading liabilities	¥4,631,357	¥612,920	¥(34,836)	¥5,209,441	¥4,446,003	¥632,763	¥(36,046)	¥5,042,720
Trading securities sold for short sales	1,582,282	830	—	1,583,112	1,557,587	—	—	1,557,587
Derivatives of trading securities	1,514	—	—	1,514	2,296	—	—	2,296
Securities related to trading transactions sold for short sales	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	5,638	1	—	5,639	6,961	—	—	6,961
Trading-related financial derivatives	3,041,922	612,088	(34,836)	3,619,174	2,879,158	632,763	(36,046)	3,475,875
Other trading liabilities	—	—	—	—	—	—	—	—

- Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of SMBC's overseas branches and its overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥ 985,974	¥275,696	¥1,259,403	¥1,063,182	¥323,681	¥1,380,280
			[2,267]			[6,583]
Interest expenses	118,390	175,456	291,578	153,247	187,233	333,898
			[2,267]			[6,583]
Net interest income	867,584	100,240	967,825	909,934	136,448	1,046,382
Trust fees	2,299	—	2,299	1,736	—	1,736
Fees and commissions	327,776	111,993	439,770	321,837	91,123	412,960
Fees and commissions payments	118,967	18,135	137,103	108,603	17,643	126,246
Net fees and commissions	208,808	93,858	302,667	213,233	73,480	286,714
Trading income	940	150,129	151,070	2,424	112,932	115,356
Trading losses	—	—	—	—	—	—
Net trading income	940	150,129	151,070	2,424	112,932	115,356
Other operating income	75,579	142,495	218,075	30,585	55,202	85,788
Other operating expenses	40,882	69,294	110,177	40,690	40,012	80,703
Net other operating income (expenses)	34,696	73,200	107,897	(10,104)	15,190	5,085
Gross banking profit	¥1,114,329	¥417,429	¥1,531,759	¥1,117,224	¥338,050	¥1,455,275
Gross banking profit rate (%)	1.44%	2.34%	1.63%	1.50%	1.98%	1.60%

- Notes: 1. Domestic operations include yen-denominated transactions by domestic branches, while international operations include foreign-currency-denominated transactions by domestic branches and operations by overseas branches. Yen-denominated nonresident transactions and Japan offshore banking accounts are included in international operations.
2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest expenses" are shown after deduction of expenses (2011, ¥16 million; 2010, ¥20 million) related to the management of money held in trust.
3. Figures in brackets [] indicate interest payments between domestic and international operations. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
4. Gross banking profit rate = Gross banking profit / Average balance of interest-earning assets × 100

Average Balance, Interest and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥77,087,991	¥985,974	1.27%	¥74,033,481	¥1,063,182	1.43%
	[1,239,310]	[2,267]		[563,457]	[6,583]	
Loans and bills discounted	47,537,001	784,020	1.64	49,843,442	866,832	1.73
Securities	27,380,279	182,526	0.66	21,750,902	174,752	0.80
Call loans	62,671	322	0.51	59,440	382	0.64
Receivables under resale agreements	—	—	—	95	0	0.13
Receivables under securities borrowing transactions	474,990	2,218	0.46	1,397,584	4,059	0.29
Bills bought	26,437	1,223	4.62	36,110	1,266	3.50
Deposits with banks	92,728	477	0.51	105,873	929	0.87
Interest-bearing liabilities	¥76,271,874	¥118,390	0.15%	¥74,843,531	¥ 153,247	0.20%
Deposits	61,678,813	50,558	0.08	59,829,387	77,419	0.12
Negotiable certificates of deposit	7,425,533	13,143	0.17	7,376,192	18,792	0.25
Call money	1,176,587	970	0.08	1,533,682	1,662	0.10
Payables under repurchase agreements	79,200	88	0.11	390,348	465	0.11
Payables under securities lending transactions	1,161,916	1,000	0.08	1,039,464	1,472	0.14
Borrowed money	1,937,454	9,650	0.49	2,095,517	11,532	0.55
Short-term bonds	59,861	66	0.11	165,447	303	0.18
Bonds	2,524,056	39,470	1.56	2,265,856	35,766	1.57

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥1,008,208 million; 2010, ¥875,040 million).
2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2011, ¥10,640 million; 2010, ¥10,191 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2011, ¥10,640 million; 2010, ¥10,191 million) and corresponding interest (2011, ¥16 million; 2010, ¥20 million).
3. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.

International Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥17,816,289	¥275,696	1.54%	¥17,035,222	¥323,681	1.90%
Loans and bills discounted.....	8,698,046	173,161	1.99	9,241,539	196,060	2.12
Securities.....	5,456,150	57,854	1.06	4,330,491	54,658	1.26
Call loans.....	328,099	3,385	1.03	300,991	2,849	0.94
Receivables under resale agreements.....	47,258	757	1.60	45,582	193	0.42
Receivables under securities borrowing transactions.....	6,253	44	0.71	257	2	0.85
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	2,189,841	13,247	0.60	2,220,451	12,933	0.58
Interest-bearing liabilities.....	¥17,214,422	¥175,456	1.01%	¥16,725,582	¥187,233	1.11%
	[1,239,310]	[2,267]		[563,457]	[6,583]	
Deposits.....	7,784,154	27,958	0.35	8,610,028	34,424	0.39
Negotiable certificates of deposit.....	1,932,985	18,754	0.97	1,746,135	15,562	0.89
Call money.....	276,613	1,529	0.55	610,090	2,241	0.36
Payables under repurchase agreements....	549,435	1,725	0.31	346,279	517	0.14
Payables under securities lending transactions.....	2,344,391	6,247	0.26	1,579,701	4,631	0.29
Borrowed money.....	1,702,887	76,455	4.48	1,954,454	92,296	4.72
Bonds.....	857,741	23,510	2.74	1,046,437	28,527	2.72

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥61,902 million; 2010, ¥138,379 million).
2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method, under which the TT middle rate at the end of the previous month is applied to nonexchange transactions of the month concerned.

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥93,664,970	¥1,259,403	1.34%	¥90,505,247	¥1,380,280	1.52%
Loans and bills discounted.....	56,235,047	957,181	1.70	59,084,981	1,062,893	1.79
Securities.....	32,836,430	240,380	0.73	26,081,394	229,411	0.87
Call loans.....	390,771	3,708	0.94	360,432	3,231	0.89
Receivables under resale agreements.....	47,258	757	1.60	45,678	193	0.42
Receivables under securities borrowing transactions.....	481,243	2,263	0.47	1,397,842	4,061	0.29
Bills bought.....	26,437	1,223	4.62	36,110	1,266	3.50
Deposits with banks.....	2,282,569	13,725	0.60	2,326,324	13,863	0.59
Interest-bearing liabilities.....	¥92,246,987	¥ 291,578	0.31%	¥91,005,657	¥ 333,898	0.36%
Deposits.....	69,462,967	78,517	0.11	68,439,416	111,844	0.16
Negotiable certificates of deposit.....	9,358,519	31,897	0.34	9,122,327	34,354	0.37
Call money.....	1,453,201	2,499	0.17	2,143,773	3,903	0.18
Payables under repurchase agreements....	628,636	1,814	0.28	736,627	982	0.13
Payables under securities lending transactions.....	3,506,308	7,247	0.20	2,619,166	6,103	0.23
Borrowed money.....	3,640,341	86,105	2.36	4,049,972	103,829	2.56
Short-term bonds.....	59,861	66	0.11	165,447	303	0.18
Bonds.....	3,381,798	62,981	1.86	3,312,293	64,294	1.94

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2011, ¥1,070,110 million; 2010, ¥1,013,420 million).
2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2011, ¥10,640 million; 2010, ¥10,191 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2011, ¥10,640 million; 2010, ¥10,191 million) and corresponding interest (2011, ¥16 million; 2010, ¥20 million).
3. Figures in the table above indicate the net average balances of amounts adjusted for interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.

Breakdown of Interest Income and Interest Expenses

Domestic Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥39,068	¥(116,275)	¥(77,207)	¥69,782	¥(190,653)	¥(120,871)
Loans and bills discounted.....	(39,132)	(43,680)	(82,812)	22,767	(118,112)	(95,344)
Securities.....	37,527	(29,754)	7,773	35,111	(50,678)	(15,567)
Call loans.....	16	(76)	(59)	(303)	(166)	(469)
Receivables under resale agreements.....	(0)	(0)	(0)	(4)	(3)	(8)
Receivables under securities borrowing transactions.....	(2,679)	838	(1,840)	2,077	(2,506)	(429)
Bills bought.....	(339)	296	(42)	(368)	560	191
Deposits with banks.....	(104)	(348)	(452)	528	(20)	507
Interest expenses.....	¥ 2,216	¥ (37,073)	¥(34,857)	¥ 8,512	¥(109,038)	¥(100,526)
Deposits.....	1,516	(28,377)	(26,861)	2,694	(49,086)	(46,392)
Negotiable certificates of deposit.....	87	(5,736)	(5,649)	8,442	(13,713)	(5,271)
Call money.....	(341)	(350)	(692)	(3,303)	(5,687)	(8,991)
Payables under repurchase agreements....	(350)	(25)	(376)	(187)	(1,390)	(1,578)
Payables under securities lending transactions.....	105	(577)	(471)	(2,744)	(4,205)	(6,949)
Borrowed money.....	(833)	(1,049)	(1,882)	2,087	(7,739)	(5,652)
Short-term bonds.....	(146)	(90)	(237)	180	(355)	(175)
Bonds.....	4,037	(333)	3,703	3,596	4,399	7,995

International Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥12,086	¥(60,071)	¥(47,985)	¥(61,205)	¥(198,767)	¥(259,972)
Loans and bills discounted.....	(11,183)	(11,715)	(22,899)	(32,439)	(146,629)	(179,068)
Securities.....	11,936	(8,739)	3,196	(13,658)	(35,355)	(49,013)
Call loans.....	268	268	536	206	(4,310)	(4,104)
Receivables under resale agreements.....	7	556	564	(560)	(578)	(1,139)
Receivables under securities borrowing transactions.....	42	(0)	42	2	—	2
Deposits with banks.....	(178)	492	314	(2,246)	(22,437)	(24,683)
Interest expenses.....	¥ 4,982	¥(16,760)	¥(11,777)	¥(57,830)	¥(250,481)	¥(308,311)
Deposits.....	(3,139)	(3,326)	(6,465)	(4,613)	(110,644)	(115,258)
Negotiable certificates of deposit.....	1,746	1,446	3,192	9,379	(16,502)	(7,122)
Call money.....	(1,225)	513	(712)	(764)	(8,914)	(9,678)
Payables under repurchase agreements....	419	787	1,207	(1,368)	(3,136)	(4,504)
Payables under securities lending transactions.....	2,037	(421)	1,615	(12,231)	(34,600)	(46,831)
Borrowed money.....	(11,456)	(4,384)	(15,841)	(25,958)	5,109	(20,849)
Bonds.....	(5,144)	127	(5,017)	(7,658)	(3,982)	(11,641)

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2011			2010		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥42,484	¥(163,361)	¥(120,877)	¥63,817	¥(441,960)	¥(378,142)
Loans and bills discounted.....	(49,964)	(55,747)	(105,711)	6,371	(280,784)	(274,412)
Securities.....	49,450	(38,481)	10,969	31,853	(96,434)	(64,580)
Call loans.....	281	195	476	(405)	(4,168)	(4,573)
Receivables under resale agreements.....	6	557	563	(568)	(579)	(1,148)
Receivables under securities borrowing transactions.....	(2,663)	864	(1,798)	2,078	(2,505)	(427)
Bills bought.....	(339)	296	(42)	(368)	560	191
Deposits with banks.....	(260)	122	(138)	(1,368)	(22,808)	(24,176)
Interest expenses.....	¥ 3,923	¥ (46,242)	¥ (42,319)	¥11,683	¥(417,819)	¥(406,136)
Deposits.....	1,157	(34,484)	(33,327)	2,940	(164,591)	(161,651)
Negotiable certificates of deposit.....	805	(3,261)	(2,456)	16,443	(28,837)	(12,393)
Call money.....	(1,198)	(206)	(1,404)	(6,077)	(12,592)	(18,669)
Payables under repurchase agreements....	(144)	975	831	(1,420)	(4,662)	(6,083)
Payables under securities lending transactions.....	1,833	(689)	1,144	(16,479)	(37,302)	(53,781)
Borrowed money.....	(10,041)	(7,682)	(17,723)	(5,982)	(20,519)	(26,501)
Short-term bonds.....	(146)	(90)	(237)	180	(355)	(175)
Bonds.....	1,294	(2,607)	(1,313)	(498)	(3,146)	(3,645)

Note: Volume/rate variance is prorated according to changes in volume and rate.

Fees and Commissions

Year ended March 31	Millions of yen					
	2011			2010		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥327,776	¥111,993	¥439,770	¥321,837	¥91,123	¥412,960
Deposits and loans.....	11,271	49,608	60,879	11,114	36,137	47,252
Remittances and transfers	92,675	25,946	118,621	92,857	24,162	117,019
Securities-related business	11,920	734	12,655	13,280	1,125	14,405
Agency.....	12,089	—	12,089	11,611	—	11,611
Safe deposits.....	6,045	—	6,045	6,249	—	6,249
Guarantees	20,374	14,376	34,750	20,934	14,434	35,368
Fees and commissions payments.....	¥118,967	¥ 18,135	¥137,103	¥108,603	¥17,643	¥126,246
Remittances and transfers	21,368	9,631	31,000	20,479	8,000	28,479

Trading Income

Year ended March 31	Millions of yen					
	2011			2010		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥940	¥150,129	¥151,070	¥2,424	¥112,932	¥115,356
Gains on trading securities.....	257	—	257	1,309	—	1,309
Gains on securities related to trading transactions.....	—	1,538	1,538	—	2,254	2,254
Gains on trading-related financial derivatives	—	148,111	148,111	—	110,677	110,677
Others	683	479	1,162	1,114	0	1,115
Trading losses	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Losses on trading securities.....	—	—	—	—	—	—
Losses on securities related to trading transactions.....	—	—	—	—	—	—
Losses on trading-related financial derivatives	—	—	—	—	—	—
Others	—	—	—	—	—	—

Note: Figures represent net gains after offsetting income against expenses.

Net Other Operating Income (Expenses)

Year ended March 31	Millions of yen					
	2011			2010		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses)	¥34,696	¥ 73,200	¥107,897	¥(10,104)	¥15,190	¥ 5,085
Gains on bonds	28,388	118,732	147,120	9,070	28,199	37,270
Gains (losses) on derivatives	874	8,454	9,328	(15,682)	(629)	(16,310)
Losses on foreign exchange transactions	—	(53,976)	(53,976)	—	(9,635)	(9,635)

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2011	2010
	Salaries and related expenses	¥210,947
Retirement benefit cost	12,612	14,146
Welfare expenses	32,364	31,479
Depreciation	71,030	68,855
Rent and lease expenses	56,459	50,809
Building and maintenance expenses	6,795	5,377
Supplies expenses	5,382	5,856
Water, lighting, and heating expenses.....	5,190	5,084
Traveling expenses.....	3,285	2,658
Communication expenses.....	7,390	7,420
Publicity and advertising expenses.....	7,814	7,307
Taxes, other than income taxes.....	37,883	36,759
Deposit insurance.....	51,220	48,892
Others.....	190,821	194,569
Total	¥699,197	¥685,752

Deposits (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	Millions of yen			
	2011		2010	
Domestic operations:				
Liquid deposits	¥43,898,428	60.6%	¥40,457,064	59.5%
Fixed-term deposits	21,339,847	29.5	20,973,648	30.9
Others	1,020,166	1.4	1,119,778	1.6
Subtotal	66,258,442	91.5	62,550,491	92.0
Negotiable certificates of deposit	6,163,280	8.5	5,431,866	8.0
Total	¥72,421,723	100.0%	¥67,982,357	100.0%
International operations:				
Liquid deposits	¥ 3,846,223	38.4%	¥ 4,171,693	43.3%
Fixed-term deposits	1,110,176	11.1	1,355,428	14.0
Others	2,821,627	28.1	2,379,653	24.7
Subtotal	7,778,027	77.6	7,906,775	82.0
Negotiable certificates of deposit	2,243,535	22.4	1,741,507	18.0
Total	¥10,021,562	100.0%	¥ 9,648,282	100.0%
Grand total	¥82,443,286	—	¥77,630,639	—

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

2. Fixed-term deposits = Time deposits + Installment savings

Average Balance

Year ended March 31	2011		2010	
	Millions of yen			
Domestic operations:				
Liquid deposits	¥39,935,948		¥38,899,878	
Fixed-term deposits	21,296,124		20,484,955	
Others	446,739		444,553	
Subtotal	61,678,813		59,829,387	
Negotiable certificates of deposit	7,425,533		7,376,192	
Total	¥69,104,346		¥67,205,580	
International operations:				
Liquid deposits	¥ 3,883,930		¥ 4,417,417	
Fixed-term deposits	1,217,809		1,366,600	
Others	2,682,413		2,826,011	
Subtotal	7,784,154		8,610,028	
Negotiable certificates of deposit	1,932,985		1,746,135	
Total	¥ 9,717,140		¥10,356,164	
Grand total	¥78,821,486		¥77,561,744	

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

2. Fixed-term deposits = Time deposits + Installment savings

3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Deposits, Classified by Type of Depositor

March 31	Millions of yen			
	2011		2010	
Individual	¥36,653,677	50.2%	¥35,637,984	52.8%
Corporate	36,395,320	49.8	31,921,076	47.2
Total	¥73,048,997	100.0%	¥67,559,060	100.0%

Notes: 1. Figures are before adjustment on interoffice accounts in transit.

2. Negotiable certificates of deposit are excluded.

3. Accounts at overseas branches and Japan offshore banking accounts are excluded.

Balance of Investment Trusts, Classified by Type of Customer

March 31	Millions of yen	
	2011	2010
Individual	¥2,724,955	¥2,620,727
Corporate	314,448	310,685
Total	¥3,039,403	¥2,931,412

Note: Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the fiscal year-end.

Balance of Time Deposits, Classified by Maturity

March 31	Millions of yen	
	2011	2010
Less than three months	¥ 8,166,662	¥ 8,154,589
Fixed interest rates	7,110,695	6,896,813
Floating interest rates	20,201	32,997
Others	1,035,765	1,224,778
Three — six months	4,317,906	4,330,949
Fixed interest rates	4,255,106	4,185,966
Floating interest rates	25,538	52,536
Others	37,261	92,446
Six months — one year	6,078,181	5,947,747
Fixed interest rates	5,996,091	5,880,649
Floating interest rates	56,543	42,996
Others	25,546	24,102
One — two years	1,628,322	1,515,226
Fixed interest rates	1,562,223	1,458,697
Floating interest rates	59,947	54,160
Others	6,150	2,369
Two — three years	1,071,485	1,202,825
Fixed interest rates	1,012,125	1,136,927
Floating interest rates	55,318	58,720
Others	4,041	7,177
Three years or more	1,187,423	1,177,692
Fixed interest rates	513,895	487,367
Floating interest rates	671,352	684,927
Others	2,175	5,397
Total	¥22,449,980	¥22,329,032
Fixed interest rates	20,450,137	20,046,421
Floating interest rates	888,901	926,337
Others	1,110,941	1,356,272

Note: The figures above do not include installment savings.

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Loans on notes	¥ 1,321,221	¥ 1,472,451
Loans on deeds	36,510,374	38,069,787
Overdrafts	8,122,475	8,202,796
Bills discounted	139,034	152,782
Subtotal	¥46,093,104	¥47,897,818
International operations:		
Loans on notes	¥ 482,697	¥ 416,026
Loans on deeds	8,558,792	8,223,003
Overdrafts	103,019	82,210
Bills discounted	—	—
Subtotal	¥ 9,144,508	¥ 8,721,240
Total	¥55,237,613	¥56,619,058

Average Balance

Year ended March 31	Millions of yen	
	2011	2010
Domestic operations:		
Loans on notes	¥ 1,428,036	¥ 1,720,223
Loans on deeds	37,892,485	38,993,305
Overdrafts	8,083,617	8,969,237
Bills discounted	132,861	160,676
Subtotal	¥47,537,001	¥49,843,442
International operations:		
Loans on notes	¥ 431,246	¥ 444,610
Loans on deeds	8,166,756	8,704,843
Overdrafts	100,044	91,980
Bills discounted	—	104
Subtotal	¥ 8,698,046	¥ 9,241,539
Total	¥56,235,047	¥59,084,981

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			
	2011		2010	
Funds for capital investment	¥21,095,931	38.2%	¥21,487,115	38.0%
Funds for working capital	34,141,682	61.8	35,131,942	62.0
Total	¥55,237,613	100.0%	¥56,619,058	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2011	2010
Securities	¥ 492,005	¥ 562,243
Commercial claims	966,036	996,719
Commercial goods	123	—
Real estate	6,747,774	6,895,988
Others	689,604	603,538
Subtotal	8,895,545	9,058,490
Guaranteed	18,505,823	21,075,681
Unsecured	27,836,245	26,484,887
Total	¥55,237,613	¥56,619,058

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2011	2010
One year or less	¥ 8,716,300	¥ 8,933,280
One — three years	9,279,086	9,765,902
Floating interest rates	7,330,056	7,597,080
Fixed interest rates	1,949,030	2,168,821
Three — five years	7,084,266	7,973,882
Floating interest rates	5,502,456	6,035,859
Fixed interest rates	1,581,809	1,938,023
Five — seven years	2,451,364	2,479,598
Floating interest rates	2,060,192	2,035,407
Fixed interest rates	391,171	444,190
More than seven years	19,481,101	19,181,387
Floating interest rates	18,486,100	18,171,664
Fixed interest rates	995,001	1,009,722
No designated term	8,225,494	8,285,006
Floating interest rates	8,225,494	8,285,006
Fixed interest rates	—	—
Total	¥55,237,613	¥56,619,058

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			
	2011		2010	
Domestic operations:				
Manufacturing	¥ 5,632,691	11.8%	¥ 6,308,200	12.7%
Agriculture, forestry, fisheries and mining	145,177	0.3	146,765	0.3
Construction	770,985	1.6	897,987	1.8
Transportation, communications and public enterprises	3,612,396	7.5	3,067,711	6.2
Wholesale and retail	3,814,280	8.0	4,061,267	8.2
Finance and insurance	5,934,719	12.4	5,907,426	11.9
Real estate, goods rental and leasing	6,383,363	13.3	6,809,580	13.8
Services	3,436,439	7.2	3,769,330	7.6
Municipalities	1,105,751	2.3	984,186	2.0
Others	17,015,261	35.6	17,573,287	35.5
Subtotal	¥47,851,066	100.0%	¥49,525,741	100.0%
Overseas operations:				
Public sector	¥ 19,487	0.3%	¥ 21,320	0.3%
Financial institutions	555,762	7.5	484,892	6.8
Commerce and industry	6,246,696	84.6	6,026,280	85.0
Others	564,599	7.6	560,823	7.9
Subtotal	¥ 7,386,547	100.0%	¥ 7,093,316	100.0%
Total	¥55,237,613	—	¥56,619,058	—

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	
	2011	2010
Total domestic loans (A)	¥47,851,066	¥49,525,741
Loans to individuals, and small and medium-sized enterprises (B)	33,813,418	34,457,098
(B) / (A)	70.7%	69.6%

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	
	2011	2010
Consumer loans	¥15,369,284	¥15,400,531
Housing loans	14,490,768	14,497,508
Residential purpose	11,141,658	11,010,697
Others	878,516	903,023

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, 2011	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	¥491,033	¥483,315	¥ —	¥491,033*	¥483,315
	[4,617]				
Specific reserve for possible loan losses	260,622	227,935	59,791	200,831*	227,935
For nonresident loans	28,665	44,601	5,719	22,945*	44,601
	[1,720]				
Loan loss reserve for specific overseas countries ...	184	272	—	184*	272
Total	¥751,840	¥711,522	¥59,791	¥692,049	¥711,522
	[6,338]				
Amount of direct reduction	¥475,487				¥496,205
	[2,554]				

* Transfer from reserves by reversal or origination method

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

Year ended March 31, 2010	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	¥504,379	¥497,582	¥ —	¥506,310* ^{1, 2}	¥495,650
	[2,270]				
Specific reserve for possible loan losses	284,799	267,351	109,562	180,245* ^{1, 2}	262,343
For nonresident loans	71,028	35,393	35,048	40,988* ^{1, 2}	30,385
	[18]				
Loan loss reserve for specific overseas countries ...	417	184	—	417* ¹	184
Total	¥789,596	¥765,118	¥109,562	¥686,973	¥758,178
	[2,288]				
Amount of direct reduction	¥477,529				¥478,042
	[1,954]				

*¹ Transfer from reserves by reversal or origination method

*² "Others" under "Decrease during the fiscal year" include the amount transferred to Sumitomo Mitsui Banking Corporation (China) Limited in connection with a business transfer. The transferred amount comprises ¥1,931 million for the general reserve for possible loan losses and ¥5,008 million for the specific reserve for possible loan losses for nonresident loans.

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

Write-Off of Loans

Year ended March 31	Millions of yen	
	2011	2010
Write-off of loans	¥70,775	¥102,663

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

Specific Overseas Loans

March 31	Millions of yen	
	2011	2010
Iceland	¥1,233	¥1,112
Ukraine	1,010	160
Pakistan	68	61
Argentina	6	4
Total	¥2,318	¥1,339
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	4	4

Risk-Monitored Loans

March 31	Millions of yen	
	2011	2010
Bankrupt loans	¥ 65,802	¥ 112,973
Non-accrual loans	721,792	776,364
Past due loans (3 months or more)	12,327	22,889
Restructured loans	290,682	155,790
Total	¥1,090,605	¥1,068,017
Amount of direct reduction.....	¥ 426,203	¥ 411,715

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 Law

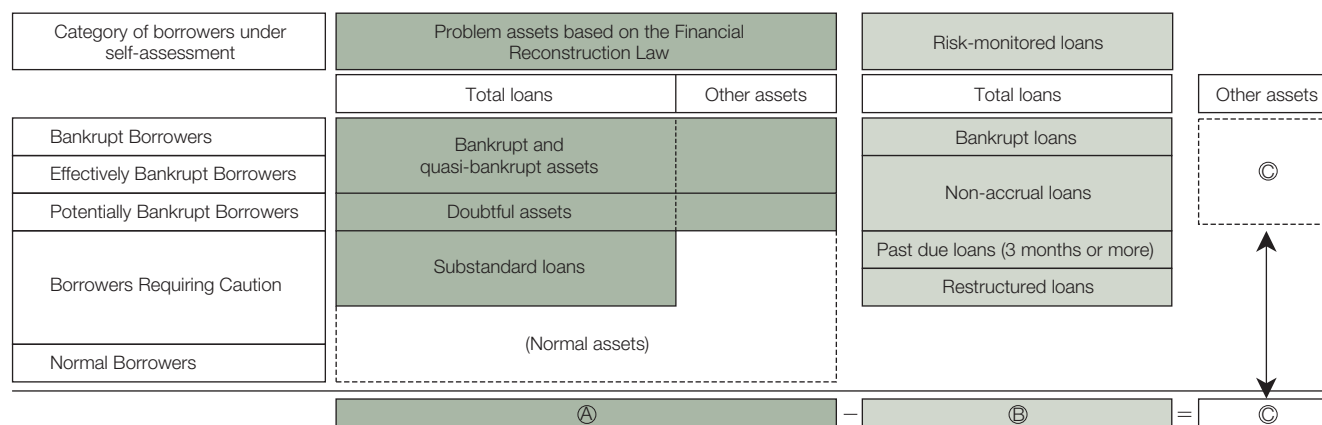
March 31	Millions of yen	
	2011	2010
Bankrupt and quasi-bankrupt assets	¥ 138,433	¥ 224,335
Doubtful assets	684,826	697,670
Substandard loans	303,010	178,679
Total of problem assets	1,126,269	1,100,685
Normal assets	61,025,837	62,116,059
Total	¥62,152,106	¥63,216,745
Amount of direct reduction.....	¥ 496,205	¥ 478,042

Notes: Definition of problem asset categories

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law 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 Law. 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 Law, and Risk-Monitored Loans



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

March 31, 2011

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law	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) ¥138.5	Portion of claims secured by collateral or guarantees, etc. (5) ¥124.0		Fully reserved ¥14.5	Direct write-offs (Note 1)	Specific reserve ¥18.6 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers		Portion of claims secured by collateral or guarantees, etc. (6) ¥413.7		Necessary amount reserved ¥271.1			77.14% (Note 3)	
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥684.8	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥118.3		Claims to borrowers requiring caution, excluding claims to substandard borrowers	General reserve for substandard loans ¥102.8	General reserve ¥483.5 (Note 5)	56.75% (Note 3)	19.57% (Note 3)
Borrowers Requiring Caution	Substandard loans (3) ¥303.0 (Claims to substandard borrowers)	Claims to normal borrowers					6.53% [14.14%] (Note 4)	
Normal Borrowers	Normal assets ¥61,025.8						0.23% (Note 4)	
Loan loss reserve for specific overseas countries						¥0.3		
Total (4) ¥62,152.1		NPL ratio (A) / (4) 1.81% (Note 6)		Total reserve for possible loan losses (B) Specific reserve + General reserve for substandard loans ¥330.5	¥711.5	Reserve ratio (B) / (D) 70.28% (Note 7)		
(A) = (1) + (2) + (3) ¥1,126.3		Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥656.0		Unsecured portion (D) = (A) - (C) ¥470.3	Coverage ratio {(B) + (C)} / (A) 87.59%			

- Notes: 1. Includes amount of direct reduction totaling ¥496.2 billion.
 2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law. (Bankrupt/Effectively Bankrupt Borrowers: ¥4.1 billion; Potentially Bankrupt Borrowers: ¥18.3 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. Includes amount of specific reserve for Borrowers Requiring Caution totaling ¥0.2 billion.
 6. Ratio of problem assets to total assets subject to the Financial Reconstruction Law
 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, 2011
	March 31, 2009	Fiscal 2009		March 31, 2010	Fiscal 2010		
	①	New occurrences	Off-balanced	②	New occurrences	Off-balanced	③
Bankrupt and quasi-bankrupt assets...	¥319.6	¥ 86.1	¥(181.4)	¥224.3	¥ 43.5	¥(129.3)	¥138.5
Doubtful assets	678.3	529.3	(509.9)	697.7	376.9	(389.8)	684.8
Total	¥997.9	¥615.4	¥(691.3)	¥922.0	¥420.4	¥(519.1)	¥823.3
				Increase/Decrease ② - ①			Increase/Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥(95.3)			¥(85.8)
Doubtful assets				19.4			(12.9)
Total				¥(75.9)			¥(98.7)

- 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 the 2 periods reviewed. Amounts of ¥179.6 billion for fiscal 2009 and ¥74.3 billion in fiscal 2010, recognized as "new occurrences" in the first halves of the terms, were included in the amounts off-balanced in the respective second halves.

Securities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Securities

Year-End Balance

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Japanese government bonds.....	¥25,220,129	¥16,085,664
Japanese local government bonds	307,731	221,206
Japanese corporate bonds	2,847,093	3,102,608
Japanese stocks.....	3,494,297	3,661,722
Others	292,520	316,286
Foreign bonds.....	/	/
Foreign stocks	/	/
Subtotal	¥32,161,772	¥23,387,488
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others	7,691,659	5,148,712
Foreign bonds.....	6,115,038	3,680,136
Foreign stocks	1,576,620	1,468,576
Subtotal	¥ 7,691,659	¥ 5,148,712
Total	¥39,853,432	¥28,536,200

Average Balance

Year ended March 31	Millions of yen	
	2011	2010
Domestic operations:		
Japanese government bonds.....	¥20,450,913	¥14,930,938
Japanese local government bonds	298,131	189,976
Japanese corporate bonds	2,998,815	3,282,013
Japanese stocks.....	3,311,944	2,995,811
Others	320,475	352,162
Foreign bonds.....	/	/
Foreign stocks	/	/
Subtotal	¥27,380,279	¥21,750,902
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others	5,456,150	4,330,491
Foreign bonds.....	4,004,455	2,952,764
Foreign stocks	1,451,694	1,377,727
Subtotal	5,456,150	¥ 4,330,491
Total	¥32,836,430	¥26,081,394

Note: The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Securities Held, Classified by Maturity

March 31	Millions of yen	
	2011	2010
One year or less		
Japanese government bonds.....	¥11,623,061	¥ 8,305,240
Japanese local government bonds	816	5,051
Japanese corporate bonds	223,139	244,651
Others.....	1,191,516	487,627
Foreign bonds.....	1,180,724	461,065
Foreign stocks	—	—
One — three years		
Japanese government bonds.....	6,146,846	2,332,761
Japanese local government bonds	59,197	23,156
Japanese corporate bonds	1,035,346	909,752
Others.....	2,155,970	1,869,529
Foreign bonds.....	2,107,922	1,821,487
Foreign stocks	—	—
Three — five years		
Japanese government bonds.....	4,400,297	3,194,614
Japanese local government bonds	191,427	145,341
Japanese corporate bonds	885,721	1,188,567
Others.....	1,144,449	835,749
Foreign bonds.....	1,114,468	799,999
Foreign stocks	—	—
Five — seven years		
Japanese government bonds.....	394,063	223,828
Japanese local government bonds	14,670	46,320
Japanese corporate bonds	398,420	408,874
Others.....	1,018,939	266,636
Foreign bonds.....	985,785	245,407
Foreign stocks	—	—
Seven — 10 years		
Japanese government bonds.....	2,655,860	1,675,402
Japanese local government bonds	41,572	1,285
Japanese corporate bonds	232,956	266,342
Others.....	568,872	298,386
Foreign bonds.....	551,714	298,386
Foreign stocks	—	—
More than 10 years		
Japanese government bonds.....	—	353,817
Japanese local government bonds	47	48
Japanese corporate bonds	71,509	84,420
Others.....	372,957	167,416
Foreign bonds.....	174,422	53,790
Foreign stocks	179,337	113,625
No designated term		
Japanese government bonds.....	—	—
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	3,494,297	3,661,722
Others.....	1,531,474	1,539,653
Foreign bonds.....	—	—
Foreign stocks	1,397,283	1,354,951
Total		
Japanese government bonds.....	¥25,220,129	¥16,085,664
Japanese local government bonds	307,731	221,206
Japanese corporate bonds	2,847,093	3,102,608
Japanese stocks.....	3,494,297	3,661,722
Others.....	7,984,180	5,464,999
Foreign bonds.....	6,115,038	3,680,136
Foreign stocks	1,576,620	1,468,576

Ratios (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Income Ratio

Year ended March 31	Percentage	
	2011	2010
Ordinary profit to total assets	0.54%	0.44%
Ordinary profit to stockholders' equity	11.18	12.13
Net income to total assets	0.38	0.30
Net income to stockholders' equity	7.87	8.28

Notes: 1. Ordinary profit (net income) to total assets = Ordinary profit (net income) / Average balance of total assets excluding customers' liabilities for acceptances and guarantees × 100

2. Ordinary profit (net income) to stockholders' equity = (Ordinary profit (net income) – Preferred dividends) / {(Net assets at the beginning of the fiscal year – Number of shares of preferred stock outstanding at the beginning of the fiscal year × Issue price) + (Net assets at the end of the fiscal year – Number of shares of preferred stock outstanding at the end of the fiscal year × Issue price)} divided by 2 × 100

Yield/Interest Rate

Year ended March 31	Percentage	
	2011	2010
Domestic operations:		
Interest-earning assets (A)	1.27%	1.43%
Interest-bearing liabilities (B)	0.97	1.02
(A) – (B)	0.30	0.41
International operations:		
Interest-earning assets (A)	1.54%	1.90%
Interest-bearing liabilities (B)	1.43	1.54
(A) – (B)	0.11	0.36
Total:		
Interest-earning assets (A)	1.34%	1.52%
Interest-bearing liabilities (B)	1.07	1.11
(A) – (B)	0.27	0.41

Loan-Deposit Ratio

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Loans and bills discounted (A)	¥46,093,104	¥47,897,818
Deposits (B)	72,421,723	67,982,357
Loan-deposit ratio (%)		
(A) / (B)	63.64%	70.45%
Ratio by average balance for the fiscal year	68.79	74.16
International operations:		
Loans and bills discounted (A)	¥ 9,144,508	¥ 8,721,240
Deposits (B)	10,021,562	9,648,282
Loan-deposit ratio (%)		
(A) / (B)	91.24%	90.39%
Ratio by average balance for the fiscal year	89.51	89.23
Total:		
Loans and bills discounted (A)	¥55,237,613	¥56,619,058
Deposits (B)	82,443,286	77,630,639
Loan-deposit ratio (%)		
(A) / (B)	67.00%	72.93%
Ratio by average balance for the fiscal year	71.34	76.17

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

March 31	Millions of yen	
	2011	2010
Domestic operations:		
Securities (A).....	¥32,161,772	¥23,387,488
Deposits (B).....	72,421,723	67,982,357
Securities-deposit ratio (%)		
(A) / (B).....	44.40%	34.40%
Ratio by average balance for the fiscal year.....	39.62	32.36
International operations:		
Securities (A).....	¥ 7,691,659	¥ 5,148,712
Deposits (B).....	10,021,562	9,648,282
Securities-deposit ratio (%)		
(A) / (B).....	76.75%	53.36%
Ratio by average balance for the fiscal year.....	56.14	41.81
Total:		
Securities (A).....	¥39,853,432	¥28,536,200
Deposits (B).....	82,443,286	77,630,639
Securities-deposit ratio (%)		
(A) / (B).....	48.34%	36.75%
Ratio by average balance for the fiscal year.....	41.65	33.62

Note: Deposits include negotiable certificates of deposit.

Capital (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Changes in Number of Shares Issued and Capital Stock

	Millions of yen					
	Number of shares issued		Capital stock		Capital reserve	
	Changes	Balances	Changes	Balances	Changes	Balances
May 17, 2006*1	214,194	56,327,142	¥ —	¥ 664,986	¥ —	¥ 665,033
September 6, 2006*2	173,770	56,500,912	—	664,986	—	665,033
September 29, 2006*3	601,757	57,102,669	—	664,986	—	665,033
October 11, 2006*4	153,181	57,255,850	—	664,986	—	665,033
October 31, 2006*5	(830,000)	56,425,850	—	664,986	—	665,033
September 10, 2009*6	20,672,514	77,098,364	427,972	1,092,959	427,972	1,093,006
September 29, 2009*7	8,211,569	85,309,933	170,000	1,262,959	170,000	1,263,006
November 26, 2009*8	992,453	86,302,386	23,999	1,286,959	23,999	1,287,006
February 16, 2010*9	20,016,015	106,318,401	484,037	1,770,996	484,037	1,771,043

Remarks:

*1 Conversion of 35,000 shares of preferred stock (Type 1) and 33,000 shares of preferred stock (Type 2) to 214,194 shares of common stock

*2 Conversion of 67,000 shares of preferred stock (Type 2) to 173,770 shares of common stock

*3 Conversion of 500,000 shares of preferred stock (Type 3) to 601,757 shares of common stock

*4 Conversion of 195,000 shares of preferred stock (Type 3) to 153,181 shares of common stock

*5 Cancellation of 35,000 shares of preferred stock (Type 1), 100,000 shares of preferred stock (Type 2) and 695,000 shares of preferred stock (Type 3)

*6 Allotment to third parties: Common stock: 20,672,514 shares
Issue price: ¥41,405 Capitalization: ¥20,702.5*7 Allotment to third parties: Common stock: 8,211,569 shares
Issue price: ¥41,405 Capitalization: ¥20,702.5*8 Allotment to third parties: Common stock: 992,453 shares
Issue price: ¥48,365 Capitalization: ¥24,182.5*9 Allotment to third parties: Common stock: 20,016,015 shares
Issue price: ¥48,365 Capitalization: ¥24,182.5

Number of Shares Issued

March 31, 2011	Number of shares issued
Common stock	106,248,400
Preferred stock (1st series Type 6)	70,001
Total	106,318,401

Note: The shares above are not listed on any stock exchange.

Principal Shareholders

a. Common Stock

March 31, 2011	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Financial Group, Inc.	106,248,400	100.00%

b. Preferred Stock (1st series Type 6)

March 31, 2011	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Financial Group, Inc.	70,001	100.00%

Others (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Employees

March 31	2011	2010
Number of employees	22,524	22,460
Average age (years–months)	34–4	33–10
Average length of employment (years–months)	11–0	10–6
Average annual salary (thousands of yen)	¥7,487	¥7,336

Notes: 1. Temporary and part-time staff are excluded from the above calculations but includes overseas local staff. Executive officers who do not concurrently serve as Directors are excluded from "Number of employees."
 2. "Average annual salary" includes bonus, overtime pay and other fringe benefits.
 3. Overseas local staff are excluded from the above calculations other than "Number of employees."

Number of Offices

March 31	2011	2010
Domestic network:		
Main offices and branches	493	494
Subbranches	164	164
Agency	2	1
Overseas network:		
Branches	15	15
Subbranches	7	6
Representative offices	11	13
Total	692	693

Note: "Main offices and branches" includes the International Business Operations Dept. (2011, 2 branches; 2010, 2 branches), specialized deposit account branches (2011, 38 branches; 2010, 38 branches) and ATM administration branches (2011, 17 branches; 2010, 17 branches).

Number of Automated Service Centers

March 31	2011	2010
Automated service centers	35,175	32,391

Domestic Exchange Transactions

Year ended March 31	Millions of yen	
	2011	2010
Exchange for remittance:		
Destined for various parts of the country:		
Number of accounts (thousands)	334,977	407,093
Amount	¥ 595,566,367	¥ 653,586,914
Received from various parts of the country:		
Number of accounts (thousands)	298,595	300,189
Amount	¥ 952,980,527	¥ 804,727,712
Collection:		
Destined for various parts of the country:		
Number of accounts (thousands)	2,614	2,679
Amount	¥ 6,378,902	¥ 6,396,030
Received from various parts of the country:		
Number of accounts (thousands)	988	1,006
Amount	¥ 2,284,019	¥ 2,722,318
Total	¥1,557,209,816	¥1,467,432,974

Foreign Exchange Transactions

Year ended March 31	Millions of U.S. dollars	
	2011	2010
Outward exchanges:		
Foreign bills sold.....	\$2,129,774	\$1,463,062
Foreign bills bought.....	1,388,730	992,185
Incoming exchanges:		
Foreign bills payable.....	\$ 940,080	\$ 699,127
Foreign bills receivable.....	31,761	21,821
Total	\$4,490,346	\$3,176,196

Note: The figures above include foreign exchange transactions by overseas branches.

Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

March 31	Millions of yen	
	2011	2010
Securities.....	¥ 19,398	¥ 19,578
Commercial claims.....	25,605	22,672
Commercial goods.....	—	—
Real estate.....	51,381	52,716
Others.....	13,102	5,857
Subtotal	¥ 109,488	¥ 100,824
Guaranteed.....	419,252	459,711
Unsecured.....	3,324,207	3,065,332
Total	¥3,852,949	¥3,625,868

Trust Assets and Liabilities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Statements of Trust Assets and Liabilities

March 31	Millions of yen	
	2011	2010
Assets:		
Loans and bills discounted.....	¥ 237,383	¥ 221,970
Loans on deeds.....	237,383	221,970
Securities.....	444,664	457,585
Japanese government bonds.....	320,540	293,082
Corporate bonds.....	9,107	16,067
Japanese stocks.....	6,066	4,766
Foreign securities.....	108,700	143,419
Other securities.....	250	250
Securities held in custody accounts.....	3,046	3,070
Monetary claims.....	548,973	465,734
Monetary claims for housing loans.....	18,295	22,773
Other monetary claims.....	530,677	442,960
Tangible fixed assets.....	22	19
Equipment.....	22	19
Intangible fixed assets.....	7	8
Other intangible fixed assets.....	7	8
Other claims.....	2,474	2,918
Call loans.....	79,427	52,302
Due from banking account.....	216,171	159,554
Cash and due from banks.....	43,638	40,072
Deposits with banks.....	43,638	40,072
Others.....	284	—
Others.....	284	—
Total assets.....	¥1,576,094	¥1,403,236
Liabilities:		
Designated money trusts.....	¥ 615,685	¥ 537,388
Specified money trusts.....	176,511	163,750
Money in trusts other than money trusts.....	220,007	220,008
Security trusts.....	3,221	3,082
Monetary claims trusts.....	554,703	458,273
Equipment trusts.....	45	51
Composite trusts.....	5,919	20,681
Total liabilities.....	¥1,576,094	¥1,403,236

Notes: 1. Amounts less than 1 million yen have been omitted.

2. SMBC has no co-operative trusts under any other trust bank's administration as of the year-end.

3. SMBC does not deal with any trusts with principal indemnification.

4. Excludes trusts whose monetary values are difficult to calculate.

Capital Ratio Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Act” (Notification No. 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as “the Notification”).

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “First Standard” in the Notification), SMFG has adopted the advanced internal ratings-based (IRB) approach for calculating credit risk-weighted asset amounts. Further, SMFG has implemented market risk controls, and, in calculating the amount corresponding to operational risk, the Advanced Measurement Approach (AMA).

“Capital Ratio Information” was prepared based on the Notification, and the terms and details in the section may differ from the terms and details in other sections of this report.

■ Scope of Consolidation

1. Consolidated Capital Ratio Calculation

- Number of consolidated subsidiaries: 327
Please refer to “Principal Subsidiaries and Affiliates” on page 216 for their names and business outline.
- Scope of consolidated subsidiaries for calculation of the consolidated capital ratio is based on the scope of consolidated subsidiaries for preparing consolidated financial statements.
- There are no affiliates to which the proportionate consolidation method is applied.
- There are no companies engaged exclusively in ancillary banking business or in developing new businesses as stipulated in Article 52-23 of the Banking Act.

2. Deduction from Capital

- Number of nonconsolidated subsidiaries subject to deduction from capital: 210
Principal subsidiaries: SMLC MAHOGANY CO., LTD. (Office rental, etc.)
SBCS Co., Ltd. (Venture capital and consulting)
- Number of financial affiliates subject to deduction from capital: 59
Please refer to “Principal Subsidiaries and Affiliates” on page 216 for their names and business outline.

3. Restrictions on Movement of Funds and Capital within Holding Company Group

There are no special restrictions on movement of funds and capital among SMFG and its group companies.

4. Companies Subject to Deduction from Capital, with Capital below Basel II Required Amount and Total Shortfall Amount

Not applicable.

■ Capital Structure Information (Consolidated Capital Ratio (First Standard))

Regarding the calculation of the capital ratio, certain procedures were performed by KPMG AZSA LLC pursuant to “Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures” (JICPA Industry Committee Report No. 30). The certain procedures performed by the external auditor are not part of the audit of consolidated financial statements. The certain procedures performed on our internal control framework for calculating the capital ratio are based on procedures agreed upon by SMFG and the external auditor and are not a validation of appropriateness of the capital ratio itself or opinion on the internal controls related to the capital ratio calculation.

March 31		Millions of yen	
		2011	2010
Tier I capital:	Capital stock	¥ 2,337,895	¥ 2,337,895
	Capital surplus	978,851	978,897
	Retained earnings	1,776,433	1,451,945
	Treasury stock	(171,760)	(124,061)
	Cash dividends to be paid	(73,612)	(80,665)
	Foreign currency translation adjustments	(122,889)	(101,650)
	Stock acquisition rights	262	81
	Minority interests	2,029,481	2,042,251
	Goodwill and others	(394,342)	(398,709)
	Gain on sale on securitization transactions	(36,324)	(37,453)
	Amount equivalent to 50% of expected losses in excess of reserve	—	(36,249)
	Total Tier I capital (A)	6,323,995	6,032,280
	Tier II capital:	Unrealized gains on other securities after 55% discount	169,267
Land revaluation excess after 55% discount		35,739	37,033
General reserve for possible loan losses		100,023	69,371
Excess of eligible reserves relative to expected losses		21,742	—
Subordinated debt		2,210,184	2,203,415
Total Tier II capital		2,536,958	2,563,853
Deductions*:	Tier II capital included as qualifying capital (B)	2,536,958	2,563,853
	(C)	428,082	467,906
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 8,432,871	¥ 8,128,228
Risk-weighted assets:	On-balance sheet items	¥38,985,243	¥42,684,693
	Off-balance sheet items	7,433,319	7,833,411
	Market risk items	584,020	448,397
	Operational risk	3,691,113	3,117,968
	Total risk-weighted assets (E)	¥50,693,696	¥54,084,471
Tier I risk-weighted capital ratio:	(A) / (E) × 100	12.47%	11.15%
Total risk-weighted capital ratio:	(D) / (E) × 100	16.63%	15.02%
Required capital:	(E) × 8%	¥ 4,055,495	¥ 4,326,757

* “Deductions” refers to deductions stipulated in Article 8-1 of the Notification and includes willful holding of securities issued by other financial institutions and securities stipulated in Clause 2.

■ Capital Requirements

March 31	Billions of yen	
	2011	2010
Capital requirements for credit risk:		
Internal ratings-based approach	¥4,605.9	¥5,194.2
Corporate exposures:	2,790.4	3,381.4
Corporate exposures (excluding specialized lending)	2,393.4	2,950.7
Sovereign exposures	39.5	37.4
Bank exposures	124.9	139.7
Specialized lending	232.6	253.6
Retail exposures:	904.0	905.4
Residential mortgage exposures	438.3	434.6
Qualifying revolving retail exposures	152.3	110.9
Other retail exposures	313.4	359.9
Equity exposures:	335.3	336.6
Grandfathered equity exposures	175.4	191.6
PD/LGD approach	84.9	81.4
Market-based approach	75.1	63.6
Simple risk weight method	47.8	46.6
Internal models method	27.3	17.0
Credit risk-weighted assets under Article 145 of the Notification	160.4	183.6
Securitization exposures	150.7	107.7
Other exposures	265.1	279.5
Standardized approach	699.7	570.0
Total capital requirements for credit risk	5,305.6	5,764.2
Capital requirements for market risk:		
Standardized measurement method	29.1	21.1
Interest rate risk	21.9	15.3
Equity position risk	3.2	1.9
Foreign exchange risk	2.3	2.6
Commodities risk	1.6	0.1
Options	0.1	1.2
Internal models method	17.6	14.7
Total capital requirements for market risk	46.7	35.9
Capital requirements for operational risk:		
Advanced measurement approach	235.1	232.2
Basic indicator approach	60.2	17.2
Total capital requirements for operational risk	295.3	249.4
Total amount of capital requirements	¥5,647.6	¥6,049.5

Notes: 1. Capital requirements for credit risk are capital equivalents to "credit risk-weighted assets × 8%" under the standardized approach and "credit risk-weighted assets × 8% + expected loss amount" under the IRB approach. Regarding exposures to be deducted from capital, the deduction amount is added to the amount of required capital.

2. Portfolio classification is after CRM.

3. "Securitization exposures" includes such exposures based on the standardized approach.

4. "Other exposures" includes estimated lease residual values, purchased receivables (including exposures to qualified corporate enterprises and others), long settlement transactions and other assets.

■ Internal Ratings-Based (IRB) Approach

1. Scope

SMFG and the following consolidated subsidiaries have adopted the advanced IRB approach for exposures as of March 31, 2009.

(1) Domestic Operations

Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card Company, Limited and SMBC Guarantee Co., Ltd.

(2) Overseas Operations

Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, Sumitomo Mitsui Banking Corporation of Canada, Banco Sumitomo Mitsui Brasileiro S.A., ZAO Sumitomo Mitsui Rus Bank, PT Bank Sumitomo Mitsui Indonesia, Sumitomo Mitsui Banking Corporation Malaysia Berhad, SMBC Leasing and Finance, Inc., SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited and SMBC Capital Markets (Asia) Limited

THE MINATO BANK, LTD. and SMBC Finance Service Co., Ltd. have adopted the foundation IRB approach.

Among consolidated subsidiaries that have adopted the standardized approach for exposures as of March 31, 2011, Sumitomo Mitsui Finance and Leasing Co., Ltd. is scheduled to adopt the foundation IRB approach from March 31, 2012, and Kansai Urban Banking Corporation from March 31, 2013.

Note: Directly controlled SPCs and limited partnerships for investment of consolidated subsidiaries using the advanced IRB approach have also adopted the advanced IRB approach. Further, the advanced IRB approach is applied to equity exposures on a group basis, including equity exposures of consolidated subsidiaries applying the standardized approach.

2. Exposures by Asset Class

(1) Corporate Exposures

A. Corporate, Sovereign and Bank Exposures

(A) Rating Procedures

- “Corporate, sovereign and bank exposures” includes credits to domestic and overseas commercial/industrial (C&I) companies, individuals for business purposes (domestic only), sovereigns, public sector entities, and financial institutions. Business loans such as apartment construction loans, and small and medium-sized enterprises (SME) loans with standardized screening process (hereinafter referred to as “standardized SME loans”) are, in principle, included in “retail exposures.” However, credits of more than ¥100 million are treated as corporate exposures in accordance with the Notification.
- An obligor is assigned an obligor grade by first assigning a financial grade using a financial strength grading model and data obtained from the obligor’s financial statements. The financial grade is then adjusted taking into account the actual state of the obligor’s balance sheet and qualitative factors to derive the obligor grade (for details, please refer to “Credit Risk Assessment and Quantification” on page 35). Different rating series are used for domestic and overseas obligors — J1 ~ J10 for domestic obligors and G1 ~ G10 for overseas obligors — as shown below due to differences in actual default rate levels and portfolios’ grade distribution. Different Probability of Default (PD) values are applied also.
- In addition to the above basic rating procedure which builds on the financial grade assigned at the beginning, in some cases, the obligor grade is assigned based on the parent company’s credit quality or credit ratings published by external rating agencies. The Japanese government, local authorities and other public sector entities with special basis for existence and unconventional financial statements are assigned obligor grades based on their attributes (for example, “local municipal corporations”), as the data on these obligors are not suitable for conventional grading models. Further, credits to individuals for business purposes, business loans and standardized SME loans are assigned obligor grades using grading models developed specifically for these exposures.
- PDs used for calculating credit risk-weighted assets are estimated based on the default experience for each grade and taking into account the possibility of estimation errors. In addition to internal data, external data are used to estimate and validate PDs. The definition of default is the definition stipulated in the Notification (an event that would lead to an exposure being classified as “substandard loans,” “doubtful assets” or “bankrupt and quasi-bankrupt assets” occurring to the obligor).
- Loss given defaults (LGDs) used in the calculation of credit risk-weighted assets are estimated based on historical loss experience of credits in default, taking into account the possibility of estimation errors.

Obligor Grade		Definition	Borrower Category
Domestic Corporate	Overseas Corporate		
J1	G1	Very high certainty of debt repayment	Normal Borrowers
J2	G2	High certainty of debt repayment	
J3	G3	Satisfactory certainty of debt repayment	
J4	G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	
J5	G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of significant changes in economic trends or business environment	Borrowers Requiring Caution
J6	G6	Currently no problem with debt repayment, but there are unstable business and financial factors that could lead to debt repayment problems	
J7	G7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	
J7R	G7R	Of which Substandard Borrowers	Substandard Borrowers
J8	G8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
J9	G9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	Effectively Bankrupt Borrowers
J10	G10	Legally or formally bankrupt	Bankrupt Borrowers

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2011									
J1-J3	¥18,775.3	¥13,538.6	¥5,236.6	¥3,677.9	75.00%	0.06%	34.50%	—%	15.62%
J4-J6	14,013.7	10,817.1	3,196.6	920.3	75.00	0.85	29.25	—	42.24
J7 (excluding J7R)	1,778.7	1,541.3	237.4	20.5	75.00	12.54	27.70	—	112.16
Japanese government and local municipal corporations	32,765.0	32,641.9	123.0	30.7	75.00	0.00	35.25	—	0.06
Others	5,529.7	5,071.1	458.5	85.4	75.00	1.00	37.06	—	49.16
Default (J7R, J8-J10)	1,401.0	1,334.5	66.6	0.3	100.00	100.00	53.22	51.84	17.19
Total	¥74,263.3	¥64,944.6	¥9,318.7	¥4,735.1	—	—	—	—	—

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2010									
J1-J3	¥18,017.3	¥12,663.0	¥5,354.3	¥4,012.5	75.00%	0.07%	35.32%	—%	16.75%
J4-J6	15,045.7	11,722.7	3,322.9	1,064.0	75.00	1.63	31.40	—	58.82
J7 (excluding J7R)	2,400.6	2,146.4	254.2	16.4	75.00	16.54	30.14	—	134.64
Japanese government and local municipal corporations	22,671.2	22,406.6	264.6	0.8	75.00	0.00	35.09	—	0.09
Others	5,547.9	5,030.6	517.3	133.0	75.00	1.34	38.01	—	56.63
Default (J7R, J8-J10)	1,429.6	1,379.2	50.3	1.7	100.00	100.00	53.74	52.98	9.54
Total	¥65,112.3	¥55,348.6	¥9,763.7	¥5,228.4	—	—	—	—	—

Note: "Others" includes exposures guaranteed by credit guarantee corporations, exposures to public sector entities and voluntary organizations, and exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies), as well as business loans and standardized SME loans of more than ¥100 million.

b. Overseas Corporate, Sovereign and Bank Exposures

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2011									
G1-G3	¥23,232.7	¥15,404.6	¥7,828.1	¥3,515.5	75.00%	0.15%	29.36%	—%	16.66%
G4-G6	779.8	610.7	169.1	158.5	75.00	2.34	28.31	—	72.23
G7 (excluding G7R)	288.7	190.1	98.6	99.5	75.00	23.26	27.49	—	146.10
Others	118.1	98.6	19.5	16.9	75.00	2.21	38.20	—	111.24
Default (G7R, G8-G10)	170.1	154.1	15.9	6.7	100.00	100.00	63.54	56.97	82.12
Total	¥24,589.4	¥16,458.2	¥8,131.3	¥3,797.2	—	—	—	—	—

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2010									
G1-G3	¥17,929.1	¥11,601.0	¥6,328.1	¥2,928.6	75.00%	0.18%	29.84%	—%	17.54%
G4-G6	946.2	768.1	178.1	168.0	75.00	2.32	29.39	—	73.64
G7 (excluding G7R)	459.1	280.3	178.8	102.6	75.00	24.59	29.26	—	158.78
Others	152.5	105.5	47.0	4.4	75.00	1.55	40.66	—	86.53
Default (G7R, G8-G10)	212.0	199.0	13.0	7.2	100.00	100.00	71.52	64.33	89.89
Total	¥19,698.8	¥12,953.9	¥6,744.9	¥3,210.9	—	—	—	—	—

B. Specialized Lending (SL)

(A) Rating Procedures

- “Specialized lending” is sub-classified into “project finance,” “object finance,” “commodity finance,” “income-producing real estate” (IPRE) and “high-volatility commercial real estate” (HVCRE) in accordance with the Notification. Project finance is financing of a single project, such as a power plant or transportation infrastructure, and cash flows generated by the project are the primary source of repayment. Object finance includes aircraft finance and ship finance, and IPRE and HVCRE include real estate finance (a primary example is non-recourse real estate finance). There were no commodity finance exposures as of March 31, 2011.
- Each SL product is classified as either a facility assigned a PD grade and LGD grade or a facility assigned a grade based primarily on the expected loss ratio, both using grading models and qualitative assessment. The former has the same grading structure as that of corporate, and the latter has ten grade levels as with obligor grades but the definition of each grade differs from that of the obligor grade which is focused on PD.

For the credit risk-weighted asset amount for the SL category, the former facility is calculated in a manner similar to corporate exposures, while the latter facility is calculated by mapping the expected loss-based facility grades to the below five categories (hereinafter the “slotting criteria”) of the Notification because it does not satisfy the requirements for PD application specified in the Notification.

(B) Portfolio

a. Slotting Criteria Applicable Portion

(a) Project Finance and Object Finance

March 31	Risk weight	Billions of yen			
		2011		2010	
		Project finance	Object finance	Project finance	Object finance
Strong:					
Residual term less than 2.5 years	50%	¥ 120.1	¥ 2.1	¥ 125.6	¥ 0.6
Residual term 2.5 years or more	70%	746.2	7.9	746.9	41.0
Good:					
Residual term less than 2.5 years	70%	28.9	1.7	23.3	—
Residual term 2.5 years or more	90%	224.9	3.1	169.9	4.1
Satisfactory	115%	13.7	—	42.1	—
Weak.....	250%	43.8	—	61.5	—
Default	—	29.2	—	18.0	—
Total		¥1,206.8	¥14.9	¥1,187.0	¥45.7

Note: A portion of “Object finance” is calculated using the PD/LGD approach.

(b) High-Volatility Commercial Real Estate (HVCRE)

March 31	Risk weight	Billions of yen	
		2011	2010
Strong:			
Residual term less than 2.5 years	70%	¥ —	¥ —
Residual term 2.5 years or more	95%	—	—
Good:			
Residual term less than 2.5 years	95%	31.0	32.5
Residual term 2.5 years or more	120%	74.3	10.8
Satisfactory	140%	96.1	152.9
Weak.....	250%	20.0	11.1
Default	—	2.1	6.5
Total		¥223.5	¥213.6

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Object Finance

March 31, 2011	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
G1-G3.....	¥116.0	¥ 91.7	¥24.3	¥1.2	75.00%	0.39%	22.67%	—%	37.81%
G4-G6.....	27.6	21.0	6.6	7.3	75.00	3.06	9.21	—	29.41
G7 (excluding G7R)	10.9	10.9	0.0	0.1	75.00	18.75	27.05	—	155.72
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	9.9	9.6	0.3	—	—	100.00	58.20	51.63	82.12
Total	¥164.5	¥133.3	¥31.2	¥8.5	—	—	—	—	—

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2010									
G1-G3.....	¥103.0	¥ 97.7	¥ 5.3	¥ 1.8	75.00%	0.51%	20.86%	—%	41.74%
G4-G6.....	43.8	34.4	9.5	10.2	75.00	2.43	12.95	—	36.56
G7 (excluding G7R).....	10.7	10.7	0.1	0.1	75.00	19.75	29.84	—	170.29
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10).....	5.5	5.5	0.0	—	—	100.00	65.16	57.96	89.94
Total.....	¥163.1	¥148.2	¥14.9	¥12.1	—	—	—	—	—

(b) Income-Producing Real Estate (IPRE)

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2011									
J1-J3.....	¥ 546.9	¥ 487.0	¥ 59.9	¥0.6	75.00%	0.06%	26.77%	—%	11.71%
J4-J6.....	920.1	832.1	88.0	3.6	75.00	0.87	34.73	—	60.42
J7 (excluding J7R).....	78.0	65.9	12.2	—	—	14.08	27.09	—	125.31
Others.....	74.2	72.2	2.1	2.6	75.00	9.77	36.14	—	62.17
Default (J7R, J8-J10).....	22.8	22.7	0.1	—	—	100.00	49.85	48.37	18.53
Total.....	¥1,642.0	¥1,479.8	¥162.2	¥6.8	—	—	—	—	—

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
March 31, 2010									
J1-J3.....	¥ 447.4	¥ 433.2	¥ 14.2	¥ —	—%	0.05%	34.47%	—%	12.15%
J4-J6.....	1,024.4	879.1	145.3	4.2	75.00	2.26	33.31	—	83.85
J7 (excluding J7R).....	45.5	42.0	3.5	—	—	14.11	34.14	—	167.65
Others.....	67.3	65.5	1.8	2.5	75.00	8.74	35.23	—	72.00
Default (J7R, J8-J10).....	9.6	9.6	—	—	—	100.00	50.48	49.60	10.92
Total.....	¥1,594.2	¥1,429.4	¥164.8	¥6.7	—	—	—	—	—

(2) Retail Exposures

A. Residential Mortgage Exposures

(A) Rating Procedures

- “Residential mortgage exposures” includes mortgage loans to individuals and some real estate loans in which the property consists of both residential and commercial facilities such as a store or rental apartment units, but excludes apartment construction loans.
- Mortgage loans are rated as follows.

Mortgage loans are allocated to a portfolio segment with similar risk characteristics in terms of (a) default risk determined using loan contract information, results of an exclusive grading model and a borrower category under self-assessment executed in accordance with the financial inspection manual of the Japanese FSA, and (b) recovery risk at the time of default determined using Loan To Value (LTV) calculated based on the assessment value of collateral real estate. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the portfolio is subdivided based on the lapse of years from the contract date, and the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(B) Portfolio

	Billions of yen							
	Exposure amount				Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount				
March 31, 2011								
Mortgage loans								
PD segment:								
Not delinquent								
Use model.....	¥10,773.9	¥10,716.0	¥57.9	—	0.40%	42.14%	—%	27.25%
Others.....	703.4	703.4	—	—	0.92	58.92	—	75.66
Delinquent.....	105.3	98.2	7.1	—	29.44	47.09	—	267.96
Default.....	216.8	216.4	0.4	—	100.00	38.36	36.34	25.24
Total.....	¥11,799.4	¥11,734.0	¥65.4	—	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
March 31, 2010							
Mortgage loans							
PD segment:							
Not delinquent							
Use model.....	¥10,633.8	¥10,565.2	¥68.6	0.37%	44.59%	—%	27.60%
Others	769.8	769.8	—	0.83	60.25	—	73.02
Delinquent.....	106.3	99.9	6.4	31.53	48.55	—	276.96
Default	163.2	162.7	0.5	100.00	45.69	43.23	30.69
Total	¥11,673.1	¥11,597.6	¥75.6	—	—	—	—

Notes: 1. "Others" includes loans guaranteed by employers.

2. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

B. Qualifying Revolving Retail Exposures (QRRE)

(A) Rating Procedures

- "Qualifying revolving retail exposures" includes card loans and credit card balances.
- Card loans and credit card balances are rated as follows.

Card loans and credit card balances are allocated to a portfolio segment with similar risk characteristics determined based, for card loans, on the credit quality of the loan guarantee company, credit limit, settlement account balance and payment history, and, for credit card balances, on repayment history and frequency of use.

PDs and LGDs used to calculate credit risk-weighted asset amounts are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(B) Portfolio

	Billions of yen					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount									
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount						
March 31, 2011										
Card loans										
PD segment:										
Not delinquent	¥ 576.4	¥ 520.0	¥ 54.2	¥ 2.3	¥ 183.9	29.47%	3.08%	85.42%	—%	71.88%
Delinquent.....	18.5	17.9	0.6	—	4.7	12.44	28.53	79.34	—	220.77
Credit card balances										
PD segment:										
Not delinquent	1,116.4	625.8	327.1	163.5	3,925.5	8.33	1.60	77.60	—	32.54
Delinquent.....	12.7	10.2	2.5	—	—	—	92.99	78.55	—	38.45
Default	45.4	40.9	4.6	—	—	—	100.00	85.33	79.29	75.50
Total	¥1,769.5	¥1,214.7	¥389.0	¥165.8	¥4,114.0	—	—	—	—	—

	Billions of yen					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount									
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount						
March 31, 2010										
Card loans										
PD segment:										
Not delinquent	¥ 568.2	¥ 509.0	¥ 59.2	¥ —	¥ 180.4	32.84%	2.12%	85.76%	—%	54.67%
Delinquent.....	12.8	12.4	0.4	—	3.3	12.05	22.22	76.31	—	206.05
Credit card balances										
PD segment:										
Not delinquent	1,010.7	669.3	341.5	—	4,127.7	8.27	1.42	77.93	—	29.52
Delinquent.....	7.8	6.6	1.2	—	—	—	85.68	80.67	—	89.76
Default	30.6	26.9	3.8	—	—	—	100.00	86.86	80.65	77.68
Total	¥1,630.3	¥1,224.1	¥406.1	¥ —	¥4,311.5	—	—	—	—	—

Notes: 1. The on-balance sheet exposure amount is estimated by estimating the amount of increase in each transaction balance and not by multiplying the undrawn amount by the CCF.

2. "Weighted average CCF" is "On-balance sheet exposure amount ÷ Undrawn amount" and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.

3. Past due loans of less than three months are recorded in "Delinquent."

C. Other Retail Exposures

(A) Rating Procedures

- “Other retail exposures” includes business loans such as apartment construction loans, standardized SME loans, and consumer loans such as My Car Loan.
- Business loans, standardized SME loans and consumer loans are rated as follows.
 - a. Business loans and standardized SME loans are allocated to a portfolio segment with similar risk characteristics in terms of (a) default risk determined using loan contract information, results of exclusive grading model and borrower category under self-assessment executed in accordance with the financial inspection manual of the Japanese FSA, and (b) recovery risk determined based on, for standardized SME loans, obligor attributes and, for business loans, LTV. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.
 - b. Rating procedures for consumer loans depends on whether the loan is collateralized. Collateralized consumer loans are allocated to a portfolio segment using the same standards as for mortgage loans of “A. Residential Mortgage Exposures.” Uncollateralized consumer loans are allocated to a portfolio segment based on account history. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(B) Portfolio

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
March 31, 2011	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥ 917.8	¥ 907.7	¥10.1	0.80%	49.93%	—%	44.07%
Others	356.9	355.6	1.3	0.70	55.59	—	27.79
Delinquent.....	361.8	358.5	3.4	28.72	60.16	—	95.33
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	211.2	209.6	1.6	1.42	47.80	—	52.62
Others	171.8	170.1	1.7	2.14	60.44	—	78.96
Delinquent.....	56.8	56.6	0.2	20.06	50.96	—	112.17
Default	188.1	187.6	0.5	100.00	66.98	62.31	58.41
Total	¥2,264.5	¥2,245.8	¥18.7	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
March 31, 2010	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥1,101.4	¥1,088.4	¥ 13.0	0.92%	53.50%	—%	48.62%
Others	360.3	359.2	1.1	0.61	57.28	—	26.55
Delinquent.....	456.4	453.2	3.2	33.13	63.32	—	88.08
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	497.7	246.4	251.3	1.16	67.20	—	69.20
Others	193.4	191.6	1.8	1.76	62.66	—	77.85
Delinquent.....	51.2	51.0	0.2	22.36	54.27	—	124.64
Default	140.9	140.8	0.2	100.00	66.53	62.29	53.05
Total	¥2,801.3	¥2,530.5	¥270.8	—	—	—	—

Notes: 1. “Business loans” includes apartment construction loans and standardized SME loans.

2. “Others” includes loans guaranteed by employers.

3. “Delinquent” loans are past due loans and loans to obligors categorized as “Borrowers Requiring Caution” that do not satisfy the definition of default stipulated in the Notification.

(3) Equity Exposures and Credit Risk-Weighted Assets under Article 145 of the Notification**A. Equity Exposures****(A) Rating Procedures**

When acquiring equities subject to the PD/LGD approach, issuers are assigned obligor grades using the same rules as those of general credits to C&I companies, sovereigns and financial institutions. The obligors are monitored (for details, please refer to page 37) and their grades are revised if necessary (credit risk-weighted asset amount is set to 1.5 times when they are not monitored individually). In the case there is no credit transaction with the issuer or it is difficult to obtain financial information, internal grades are assigned using ratings of external rating agencies if it is a qualifying investment. In the case it is difficult to obtain financial information and it is not a qualifying investment, the simple risk weight method under the market-based approach is applied.

(B) Portfolio**a. Equity Exposure Amounts**

March 31	Billions of yen	
	2011	2010
Market-based approach.....	¥ 251.6	¥ 234.2
Simple risk weight method.....	158.2	149.5
Listed equities (300%).....	69.5	48.0
Unlisted equities (400%).....	88.7	101.5
Internal models method.....	93.4	84.7
PD/LGD approach.....	774.0	724.6
Grandfathered equity exposures.....	2,068.1	2,259.6
Total.....	¥3,093.7	¥3,218.4

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.
2. "Grandfathered equity exposures" amount is calculated in accordance with Supplementary Provision 13 of the Notification.

b. PD/LGD Approach

March 31	Billions of yen					
	2011			2010		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3.....	¥536.5	0.05%	108.50%	¥514.7	0.05%	110.62%
J4-J6.....	79.5	0.86	213.83	79.1	1.51	250.79
J7 (excluding J7R).....	2.1	9.02	402.32	1.6	12.54	444.29
Others.....	155.4	0.35	139.50	128.7	0.40	121.35
Default (J7R, J8-J10).....	0.5	100.00	—	0.5	100.00	—
Total.....	¥774.0	—	—	¥724.6	—	—

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification to which the PD/LGD approach is applied and differ from "stocks" described in the consolidated financial statements.
2. "Others" includes exposures to overseas corporate entities.

B. Credit Risk-Weighted Assets under Article 145 of the Notification**(A) Outline of method for calculating credit risk assets**

Exposures under Article 145 of the Notification include credits to funds. In the case of such exposures, in principle, each underlying asset of the fund is assigned an obligor grade to calculate the asset's credit risk-weighted asset amount and the amounts are totaled to derive the credit risk-weighted asset amount of the fund. When equity exposures account for more than half of the underlying assets of the fund, or it is difficult to directly calculate the credit risk-weighted asset amount of individual underlying assets, the credit risk-weighted asset amount of the fund is calculated using the simple majority adjustment method, in which credit risk-weighted assets are calculated using a risk weight of 400% (when the risk-weighted average of individual assets underlying the portfolio is less than 400%) or a risk weight of 1250% (in other cases).

(B) Portfolio

March 31	Billions of yen	
	2011	2010
Exposures under Article 145 of the Notification.....	¥697.3	¥667.8

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded total credit costs (the total of the general reserve, non-performing loan write-offs, and gains on collection of written-off claims) of ¥217.3 billion on a consolidated basis for fiscal year 2010, a decrease of ¥255.7 billion compared to the previous fiscal year.

SMBC recorded ¥94.3 billion in total credit costs on a non-consolidated basis in fiscal year 2010, a decrease of ¥160.4 billion compared to the previous fiscal year. By exposure category, the credit cost for “corporate exposures” decreased by ¥144.7 billion compared to the previous year, to ¥71.9 billion. The credit cost for “bank exposures” decreased by ¥17.5 billion compared to the previous year, to ¥(14.0) billion. These results are primarily due to the measures taken by SMBC to improve the business and financial conditions of borrowers according to the circumstances of each borrower, and a partial reversal of the loan-loss reserve.

Total Credit Costs

	Billions of yen			
	Fiscal 2010 (A)	Fiscal 2009 (B)	Fiscal 2008	Increase (decrease) (A) – (B)
SMFG (consolidated) total.....	¥217.3	¥473.0	¥767.8	¥(255.7)
SMBC (consolidated) total	159.8	419.4	724.4	(259.6)
SMBC (nonconsolidated) total	94.3	254.7	550.1	(160.4)
Corporate exposures	71.9	216.6	411.4	(144.7)
Sovereign exposures	5.4	3.9	(0.4)	1.5
Bank exposures	(14.0)	3.5	22.7	(17.5)
Residential mortgage exposures	0.3	0.7	0.5	(0.4)
QRRE	(0.1)	0.1	0.0	(0.2)
Other retail exposures	34.0	61.6	68.1	(27.6)

- Notes: 1. The above amounts do not include gains/losses on “equity exposures,” “exposures on capital market-driven transactions (such as bonds)” and “exposures under Article 145 of the Notification” that were recognized as gains/losses on bonds and stocks in the statements of income.
2. Exposure category amounts do not include general reserve for Normal Borrowers.
3. Bracketed fiscal year amounts indicate gains generated by the reversal of reserve, etc.
4. Credit costs for “Residential mortgage exposures” and “QRRE” guaranteed by consolidated subsidiaries are not included in the total credit costs of SMBC (nonconsolidated).

B. Comparison of Estimated and Actual Losses

	Billions of yen					
	Fiscal 2010			Fiscal 2009		
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts
	After deduction of reserves			After deduction of reserves		
SMFG (consolidated) total.....	¥ —	¥ —	¥217.3	¥ —	¥ —	¥473.0
SMBC (consolidated) total	—	—	159.8	—	—	419.4
SMBC (nonconsolidated) total	1,204.3	417.2	94.3	1,197.2	354.0	254.7
Corporate exposures	1,021.1	277.4	71.9	984.0	210.0	216.6
Sovereign exposures	7.8	6.3	5.4	5.8	4.3	3.9
Bank exposures	30.5	19.2	(14.0)	52.1	34.4	3.5
Residential mortgage exposures	4.1	3.2	0.3	4.0	3.4	0.7
QRRE	0.1	(0.0)	(0.1)	0.1	0.1	0.1
Other retail exposures	140.8	111.2	34.0	151.2	107.5	61.6

	Billions of yen					
	Fiscal 2008			Fiscal 2007		
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts
	After deduction of reserves			After deduction of reserves		
SMFG (consolidated) total.....	¥ —	¥ —	¥767.8	¥ —	¥ —	¥248.6
SMBC (consolidated) total	—	—	724.4	—	—	221.6
SMBC (nonconsolidated) total	954.2	323.9	550.1	887.7	311.4	147.8
Corporate exposures	806.7	278.6	411.4	778.6	252.6	143.2
Sovereign exposures	9.0	7.5	(0.4)	11.2	9.6	0.4
Bank exposures	6.1	5.9	22.7	5.1	4.9	0.0
Residential mortgage exposures	4.0	3.6	0.5	4.6	4.1	0.1
QRRE	0.1	0.1	0.0	0.1	0.1	0.0
Other retail exposures	128.3	65.9	68.1	88.2	53.1	59.8

- Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on “equity exposures” and “exposures under Article 145 of the Notification” are excluded.
2. “Estimated loss amounts” are the EL at the beginning of the term.
3. “After deduction of reserves” represents the estimated loss amounts after deduction of reserves for possible losses on substandard borrowers or below.

■ Standardized Approach

1. Scope

The following consolidated subsidiaries have adopted the standardized approach for exposures as of March 31, 2011 (i.e. consolidated subsidiaries not listed in the “Internal Ratings-Based (IRB) Approach: 1. Scope” on page 181).

(1) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the IRB Approach

Sumitomo Mitsui Finance and Leasing Co., Ltd., Kansai Urban Banking Corporation and Cedyna Financial Corporation

(2) Other Consolidated Subsidiaries

These are consolidated subsidiaries judged not to be significant in terms of credit risk management based on the type of business, scale, and other factors. These subsidiaries will adopt the standardized approach on a permanent basis.

2. Credit Risk-Weighted Asset Calculation Methodology

A 100% risk weight is applied to claims on corporates in accordance with Article 45 of the Notification, and risk weights corresponding to country risk scores published by the Organization for Economic Co-operation and Development (OECD) are applied to claims on sovereigns and financial institutions.

3. Exposure Balance by Risk Weight Segment

	Billions of yen			
	2011		2010	
March 31		Of which assigned country risk score		Of which assigned country risk score
0%	¥ 8,773.2	¥ 81.6	¥ 6,454.8	¥ 89.9
10%	243.3	—	277.8	—
20%	814.8	298.2	801.0	343.4
35%	1,061.6	—	1,126.2	—
50%	377.7	2.8	210.7	1.2
75%	3,242.1	—	1,352.8	—
100%	5,645.9	0.1	5,567.0	0.1
150%	78.4	—	41.1	—
Capital deduction	0.0	—	0.0	—
Others	0.0	—	0.0	—
Total	¥20,237.0	¥382.8	¥15,831.4	¥434.5

Notes: 1. The above amounts are exposures after CRM (but before deduction of direct write-offs). Please note that for off-balance sheet assets the credit equivalent amount has been included.

2. “Securitization exposures” have not been included.

■ Credit Risk Mitigation (CRM) Techniques

1. Risk Management Policy and Procedures

In calculating credit risk-weighted asset amounts, SMFG takes into account credit risk mitigation (CRM) techniques. Specifically, amounts are adjusted for eligible financial or real estate collateral, guarantees, and credit derivatives or by netting loans against the obligors’ deposits with SMFG financial institutions. The methods and scope of these adjustments and methods of management are as follows.

(1) Scope and Management

A. Collateral (Eligible Financial or Real Estate Collateral)

SMBC designates deposits and securities as eligible financial collateral, and land and buildings as eligible real estate collateral.

Real estate collateral is evaluated by taking into account its fair value, appraisal value, and current condition, as well as our lien position. Real estate collateral must maintain sufficient collateral value in the event security rights must be exercised due to delinquency. However, during the period from acquiring the rights to exercising the rights, the property may deteriorate or suffer damage from earthquakes or other natural disasters, or there may be changes in the lien position due to, for example, attachment or establishment of liens by a third party. Therefore, the regular monitoring of collateral is implemented according to the type of property and the type of security interest.

B. Guarantees and Credit Derivatives

Guarantors are sovereigns, municipal corporations, credit guarantee corporations and other public entities, financial institutions, and C&I companies. Counterparties to credit derivative transactions are mostly domestic and overseas banks and securities companies.

Credit risk-weighted asset amounts are calculated taking into account credit risk mitigation of guarantees and credit derivatives acquired from entities with sufficient ability to provide protection such as sovereigns, municipal corporations and other public sector entities of comparable credit quality, and financial institutions and C&I companies with sufficient credit ratings.

C. Netting of Loans against Deposits

SMBC verifies the legal effectiveness of netting arrangements for loans and deposits for each transaction. Specifically, lending transactions subject to the netting of loans against deposits are stipulated in the “Agreement on Bank Transactions,” and fixed-term deposits that have fixed maturity dates and cannot be transferred to third-party entities are subject to netting. Regarding deposits with us submitted as collateral, their effect as credit risk mitigation is taken into account under the eligible financial collateral framework described in A. above.

Further, maturity dates and balances (including the post-netting situation) are monitored for subject loans and deposits in accordance with the Notification. When there is a maturity/currency mismatch, netting is executed after making adjustments as stipulated in the Notification, and the credit risk-weighted asset amount is calculated after netting.

(2) Concentration of Credit Risk and Market Risk Accompanying Application of Credit Risk Mitigation Techniques

At SMBC, there is a framework in place for controlling concentration of risk in obligors with large exposures which includes credit limit guidelines, risk concentration monitoring, and reporting to the Credit Risk Committee (please refer to page 34). Further, exposures to these obligors are monitored on a group basis, taking into account risk concentration in their parent companies in cases of guaranteed exposures.

When marketable financial products (for example, credit derivatives) are used as credit risk mitigants, market risk generated by these products is controlled by setting upper limits.

2. Exposure Balance after CRM

	Billions of yen			
	2011		2010	
	Eligible financial collateral	Other eligible IRB collateral	Eligible financial collateral	Other eligible IRB collateral
March 31				
IRB approach	¥ 115.2	¥45.6	¥ 85.7	¥59.3
Corporate exposures	115.2	45.6	85.7	59.3
Sovereign exposures	—	—	—	—
Bank exposures	—	—	—	—
Standardized approach	3,044.5	—	1,833.1	—
Total	¥3,159.7	¥45.6	¥1,918.7	¥59.3

	Billions of yen			
	2011		2010	
	Guarantee	Credit derivative	Guarantee	Credit derivative
March 31				
IRB approach	¥7,076.9	¥264.5	¥7,143.3	¥258.5
Corporate exposures	6,382.9	264.5	6,345.8	258.5
Sovereign exposures	271.6	—	412.2	—
Bank exposures	232.2	—	182.6	—
Residential mortgage exposures	190.3	—	202.5	—
QRRE	—	—	—	—
Other retail exposures	—	—	0.1	—
Standardized approach	74.2	—	62.0	—
Total	¥7,151.1	¥264.5	¥7,205.3	¥258.5

■ Derivative Transactions and Long Settlement Transactions

1. Risk Management Policy and Procedures

(1) Policy on Collateral Security and Impact of Deterioration of Our Credit Quality

Collateralized derivative is a CRM technique in which collateral is delivered or received regularly in accordance with replacement cost.

The Group conducts collateralized derivative transactions as necessary, thereby reducing credit risk. In the event our credit quality deteriorates, however, the counterparty may demand additional collateral, but its impact is deemed to be insignificant.

(2) Netting

Netting is another CRM technique, and “close-out netting” is the main type of netting. In close-out netting, when a default event, such as bankruptcy, occurs to the counterparty, all claims against, and obligations to, the counterparty, regardless of maturity and currency, are netted out to create a single claim or obligation.

Close-out netting is applied to foreign exchange and swap transactions covered under a master agreement with a net-out clause or other means of securing legal effectiveness, and the effect of CRM is taken into account only for such claims and obligations.

2. Credit Equivalent Amounts

(1) Derivative Transactions and Long Settlement Transactions

A. Calculation Method

Current exposure method

B. Credit Equivalent Amounts

March 31	Billions of yen	
	2011	2010
Gross replacement cost	¥4,897.5	¥4,999.8
Gross add-on amount	3,232.7	3,380.6
Gross credit equivalent amount	8,130.3	8,380.4
Foreign exchange related transactions	2,989.5	3,211.0
Interest rate related transactions	4,859.0	4,777.2
Gold related transactions	—	—
Equities related transactions	63.1	69.6
Precious metals (excluding gold) related transactions	—	—
Other commodity related transactions	144.0	167.7
Credit default swaps	74.7	154.9
Reduction in credit equivalent amount due to netting	4,541.8	4,574.6
Net credit equivalent amount	3,588.5	3,805.8
Collateral amount	16.5	20.2
Eligible financial collateral	16.5	20.2
Other eligible IRB collateral	—	—
Net credit equivalent amount (after taking into account the CRM effect of collateral)	¥3,572.0	¥3,785.6

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

March 31	Billions of yen			
	2011		2010	
	Notional principal amount		Notional principal amount	
	Total	Of which for CRM	Total	Of which for CRM
Protection purchased	¥803.0	¥264.5	¥ 841.6	¥258.5
Protection provided	793.6	—	1,147.2	—

Note: "Notional principal amount" is defined as the total of "amounts subject to calculation of credit equivalents" and "amounts employed for CRM."

■ Securitization Exposures

1. Risk Management Policy and Procedures

Definition of securitization exposure has been clarified in order to properly identify, measure, evaluate and report risks, and a risk management department, independent of business units, has been established to centrally manage risks from recognizing securitization exposures to measuring, evaluating and reporting credit risk-weighted assets.

The Group takes one of the following positions in securitization transactions.

- Originator (a direct or indirect originator of underlying assets or a sponsor of an ABCP conduit or a similar program that acquires exposures from third-party entities)
- Investor
- Others (for example, provider of swap for preventing a mismatch between the dividend on trust beneficiary rights and cash flows generated by underlying assets on which the rights are issued)

2. Credit Risk-Weighted Asset Calculation Methodology

There are three methods of calculating the credit risk-weighted asset amount of securitization exposures subject to the IRB approach: the ratings-based approach, the supervisory formula, and the internal assessment approach. The methods are used as follows.

- First, securitization exposures are examined and the ratings-based approach is applied to qualifying exposures.
- The remaining exposures are examined and the supervisory formula is applied to qualifying exposures.
- The remaining exposures are deducted from capital.

The credit risk-weighted asset amount for securitization exposures subject to the standardized approach is calculated mostly using ratings published by qualifying rating agencies or based on weighted average risk weights of underlying assets as stipulated in the Notification.

3. Accounting Policy on Securitization Transactions

Accounting treatment of securitization of financial assets is as follows. Extinguishment of financial assets is recognized when the contractual rights over the financial assets are exercised, forfeited or control over the rights is transferred to a third-party, and the difference between the book value of the financial assets and the amount received/paid is recorded as the term's gain/loss. When the control over the contractual rights is not deemed to have been transferred, the securitization transaction is treated as a financial transaction such as a mortgage loan.

When a portion of financial assets satisfies the extinguishment condition, the extinguishment of the said portion is recognized and the difference between the book value of the extinguished portion and the amount received/paid is recorded as the term's gain/loss. The book value of the extinguished portion is calculated by allocating the book value of the financial assets based on the proportion of the financial assets' fair value that the extinguished portion represents.

Further, the remaining portion whose fair value is available is measured at fair value, and the related valuation differences are reported as a component of "net assets." The impairments are measured and recorded as necessary.

4. Qualifying External Ratings Agencies

When computing credit risk-weighted asset amounts for securitization exposures using the rating-based approach under the IRB approach or standardized approach, the risk weights are determined by mapping the ratings of qualifying rating agencies to the risk weights stipulated in the Notification. The qualifying rating agencies are Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Services (S&P), and Fitch Ratings Ltd. (Fitch). When more than one rating is available for an exposure, the second smallest risk weight is used, in accordance with the Notification.

5. Portfolio

(1) Securitization Transactions as Originator

A. As Originator (excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	March 31, 2011			Fiscal 2010			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 44.6	¥ 44.6	¥ 0.0	¥ —	¥ 5.2	¥ 3.0	¥ —
Mortgage loans	1,486.3	1,486.3	—	51.4	1.6	0.5	4.1
Retail loans (excluding mortgage loans)	228.7	194.3	34.4	—	7.6	18.2	—
Other claims	244.4	36.6	207.8	31.2	0.0	0.1	—
Total	¥2,004.1	¥1,761.9	¥242.2	¥82.6	¥14.4	¥21.8	¥4.1

	Billions of yen						
	March 31, 2010			Fiscal 2009			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 96.6	¥ 96.6	¥ 0.1	¥ —	¥ 7.6	¥ 2.6	¥ —
Mortgage loans	1,609.6	1,609.6	—	43.0	1.9	0.4	2.5
Retail loans (excluding mortgage loans)	68.4	0.2	68.2	—	14.1	17.8	—
Other claims	244.0	54.4	189.7	—	0.1	0.4	—
Total	¥2,018.7	¥1,760.8	¥258.0	¥43.0	¥23.7	¥21.2	¥2.5

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing "securitization exposures."

2. "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and lease fees.

4. Following Articles 230 and 248 of the Notification, there are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2011			2010		
March 31	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates	¥ 31.3	¥ 1.2	¥ —	¥ 48.9	¥ 3.6	¥ —
Mortgage loans	203.0	34.4	36.0	191.2	36.6	37.5
Retail loans (excluding mortgage loans)	68.1	58.4	0.4	21.3	7.1	—
Other claims	158.4	5.7	—	140.0	7.7	—
Total	¥460.7	¥99.7	¥36.3	¥401.4	¥55.0	¥37.5

b. Risk Weights

	Billions of yen			
	2011		2010	
	Term-end balance	Required capital	Term-end balance	Required capital
March 31				
20% or less	¥149.0	¥ 1.0	¥175.0	¥ 1.1
100% or less	34.7	0.9	13.2	0.5
650% or less	1.0	0.2	—	—
Less than 1250%	1.8	1.1	—	—
Capital deduction	274.2	99.7	213.3	55.0
Total	¥460.7	¥102.9	¥401.4	¥56.6

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

March 31	Billions of yen	
	2011	2010
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥16.3	¥ —

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	March 31, 2011			Fiscal 2010		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥484.7	¥484.7	¥ —	¥3,845.2	¥ 81.3	¥ 79.0
Mortgage loans	—	—	—	—	3.3	3.3
Retail loans (excluding mortgage loans)	181.4	181.4	—	391.2	22.6	23.0
Other claims	74.1	74.1	—	132.7	5.2	5.1
Total	¥740.1	¥740.1	¥ —	¥4,369.1	¥112.4	¥110.4

	Billions of yen					
	March 31, 2010			Fiscal 2009		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥510.4	¥510.4	¥ —	¥3,957.1	¥ 91.4	¥ 90.8
Mortgage loans	—	—	—	—	1.9	1.9
Retail loans (excluding mortgage loans)	159.7	159.7	—	807.5	8.4	9.2
Other claims	84.1	84.1	—	49.9	8.3	8.1
Total	¥754.2	¥754.2	¥ —	¥4,814.4	¥110.0	¥110.0

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing "securitization exposures."

2. "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. "Default amount" and "Loss amount" when acting as a sponsor of securitization of customer claims are estimated using the following methods and alternative data, as in some cases it can be difficult to obtain relevant data in a timely manner because the underlying assets have been recovered by the customer.

(1) "Default amount" estimation method

- For securitization transactions subject to the ratings-based approach, the amount is estimated based on information on underlying assets obtainable from customers, etc.
- For securitization transactions subject to the supervisory formula, the amount is estimated based on obtainable information on, or default rate of, each obligor. Further, when it is difficult to estimate the amount using either method, it is conservatively estimated by assuming that the underlying asset is a default asset.

(2) "Loss amount" estimation method

- For securitization transactions subject to the ratings-based approach, the amount is the same amount as the "Default amount" estimated conservatively in (1) above.
- For securitization transactions subject to the supervisory formula, when expected loss ratios of defaulted underlying assets can be determined, the amount is estimated using the ratios. When it is difficult to determine the ratios, the amount is the same amount as the "Default amount" estimated conservatively in (1) above.

4. "Other claims" includes lease fees.

5. Following Articles 230 and 248 of the Notification, there are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2011			2010		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
March 31						
Claims on corporates	¥384.6	¥0.8	¥ —	¥388.8	¥0.4	¥ —
Mortgage loans	—	—	—	—	—	—
Retail loans (excluding mortgage loans)	172.3	1.2	—	149.4	—	—
Other claims	70.0	—	—	80.9	—	—
Total	¥626.9	¥2.0	¥ —	¥619.1	¥0.4	¥ —

Note: "Other claims" includes lease fees.

b. Risk Weights

	Billions of yen			
	2011		2010	
	Term-end balance	Required capital	Term-end balance	Required capital
March 31				
20% or less	¥582.7	¥3.8	¥547.5	¥3.9
100% or less	42.2	1.9	70.3	2.3
650% or less	—	—	0.9	0.1
Less than 1250%	—	—	—	—
Capital deduction	2.0	2.0	0.4	0.4
Total	¥626.9	¥7.7	¥619.1	¥6.7

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

March 31	Billions of yen	
	2011	2010
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥ —	¥ —

(2) Securitization Transactions in which the Group is the Investor

Securitization Exposures

(A) Underlying Assets by Asset Type

	Billions of yen					
	2011			2010		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
March 31						
Claims on corporates	¥296.8	¥35.8	¥ —	¥257.0	¥41.0	¥ —
Mortgage loans	33.5	—	—	—	—	—
Retail loans (excluding mortgage loans)	2.9	—	—	0.3	—	—
Other claims	16.8	0.8	—	15.3	0.6	—
Total	¥349.9	¥36.6	¥ —	¥272.6	¥41.6	¥ —

Note: "Other claims" includes securitization products.

(B) Risk Weights

	Billions of yen			
	2011		2010	
	Term-end balance	Required capital	Term-end balance	Required capital
March 31				
20% or less	¥224.8	¥ 0.9	¥144.4	¥ 0.2
100% or less	39.3	2.2	29.8	1.6
650% or less	3.3	0.5	5.8	1.0
Less than 1250%	—	—	—	—
Capital deduction	82.5	36.6	92.6	41.6
Total	¥349.9	¥40.1	¥272.6	¥44.4

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

March 31	Billions of yen	
	2011	2010
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥ —	¥2.1

■ Equity Exposures in Banking Book

1. Risk Management Policy and Procedures

Securities in the banking book are properly managed, for example, by setting upper limits on the allowable amount of risk under the market or credit risk management framework selected according to their holding purpose and risk characteristics.

For securities held as “available-for-sale securities,” the upper limits are also set in terms of price fluctuation risk.

Regarding stocks of subsidiaries, assets and liabilities of subsidiaries are managed on a consolidated basis, and risks related to stocks of affiliates are recognized separately. Their risk as equity is not measured as upper limits on the allowable amount of risk are set for stocks of subsidiaries and affiliates, and the limits are established within the “risk capital limit” of SMFG, taking into account the financial and business situations of the subsidiaries and affiliates.

2. Valuation of Securities in Banking Book and Other Significant Accounting Policies

Stocks of subsidiaries and affiliates are carried at amortized cost using the moving-average method. Available-for-sale securities with market prices (including foreign stocks) are carried at their average market prices during the final month of the fiscal year. Securities other than these securities are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method) and those with no available market prices are carried at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities and net of income taxes are reported as a component of “net assets.” Derivative transactions are carried at fair value.

3. Consolidated Balance Sheet Amounts and Fair Values

March 31	Billions of yen			
	2011		2010	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures	¥2,470.7	¥2,470.7	¥2,570.5	¥2,570.5
Stocks of subsidiaries and affiliates and equity exposures other than above.....	609.1	—	629.8	—
Total	¥3,079.7	¥ —	¥3,200.3	¥ —

4. Gains (Losses) on Sale and Devaluation of Stocks of Subsidiaries and Affiliates and Equity Exposures

	Billions of yen	
	Fiscal 2010	Fiscal 2009
Gains (losses)	¥ (91.9)	¥(10.1)
Gains on sale	27.5	57.2
Losses on sale	4.6	34.8
Devaluation	114.9	32.5

Note: The above amounts are gains (losses) on stocks and available-for-sale securities in the consolidated statements of income.

5. Unrealized Gains (Losses) Recognized on Consolidated Balance Sheets but Not on Consolidated Statements of Income

March 31	Billions of yen	
	2011	2010
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income.....	¥383.8	¥483.6

Note: The above amount is for stocks of Japanese companies and foreign stocks with market prices.

6. Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

March 31	Billions of yen	
	2011	2010
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income.....	¥(52.7)	¥(39.7)

Note: The above amount is for stocks of affiliates with market prices.

■ Exposure Balance by Type of Assets, Geographic Region, Industry and Residual Term

1. Exposure Balance by Type of Assets, Geographic Region and Industry

March 31, 2011	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,366.5	¥ 220.7	¥ 532.1	¥2,056.6	¥ 12,175.8
Agriculture, forestry, fishery and mining	230.1	0.0	12.4	28.9	271.4
Construction.....	1,280.5	35.8	8.8	152.8	1,478.0
Transport, information, communications and utilities.....	4,986.5	178.7	225.7	640.7	6,031.6
Wholesale and retail	5,626.2	65.5	565.2	571.8	6,828.7
Financial and insurance.....	20,169.6	428.6	1,157.3	306.8	22,062.4
Real estate, goods rental and leasing	8,301.7	309.4	53.8	388.5	9,053.5
Services	4,778.1	110.1	72.5	412.2	5,372.9
Local municipal corporations	1,824.8	648.6	11.8	5.8	2,491.1
Other industries	23,725.1	30,730.3	40.5	4,070.0	58,565.9
Subtotal	¥80,289.2	¥32,727.9	¥2,680.2	¥8,634.1	¥124,331.3
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 2,746.8	¥ 686.6	¥ 5.0	¥ —	¥ 3,438.3
Financial institutions	3,381.7	351.4	564.0	0.0	4,297.1
C&I companies	9,799.3	248.7	310.6	—	10,358.6
Others	1,918.8	220.7	11.1	612.6	2,763.2
Subtotal	¥17,846.5	¥ 1,507.4	¥ 890.6	¥ 612.7	¥ 20,857.2
Total	¥98,135.7	¥34,235.3	¥3,570.8	¥9,246.7	¥145,188.5

March 31, 2010	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,958.8	¥ 207.8	¥ 557.1	¥2,165.3	¥ 12,889.1
Agriculture, forestry, fishery and mining	246.4	0.0	12.7	32.4	291.6
Construction	1,463.0	32.5	10.2	169.6	1,675.2
Transport, information, communications and utilities.....	4,633.5	135.3	194.7	764.4	5,727.9
Wholesale and retail	5,939.6	80.3	577.1	607.5	7,204.5
Financial and insurance.....	14,876.2	521.1	1,252.2	288.9	16,938.4
Real estate, goods rental and leasing	8,764.6	368.8	63.0	427.4	9,623.8
Services	4,998.4	124.2	75.8	446.8	5,645.2
Local municipal corporations	2,087.8	572.1	4.6	6.8	2,671.3
Other industries	22,358.2	19,254.3	35.6	3,994.5	45,642.6
Subtotal	¥75,326.7	¥21,296.4	¥2,782.9	¥8,903.7	¥108,309.6
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 2,446.5	¥ 386.7	¥ 5.6	¥ —	¥ 2,838.8
Financial institutions	2,691.9	408.8	656.4	22.4	3,779.4
C&I companies	9,106.8	205.5	327.4	—	9,639.7
Others	1,725.3	229.5	6.8	523.6	2,485.2
Subtotal	¥15,970.5	¥ 1,230.5	¥ 996.1	¥ 546.0	¥ 18,743.1
Total	¥91,297.2	¥22,526.9	¥3,779.1	¥9,449.6	¥127,052.7

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."

3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes "equity exposures" and standardized approach applied funds.

4. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Exposure Balance by Type of Assets and Residual Term

March 31, 2011	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥34,370.8	¥12,960.0	¥ 443.3	¥ 350.8	¥ 48,124.8
More than 1 year to 3 years.....	14,534.6	9,091.8	1,004.7	858.4	25,489.5
More than 3 years to 5 years.....	10,020.8	6,603.8	1,111.3	855.4	18,591.3
More than 5 years to 7 years.....	3,917.6	1,574.9	359.8	233.5	6,085.7
More than 7 years.....	23,783.5	4,004.8	651.8	259.8	28,699.8
No fixed maturity	11,508.6	—	—	6,688.8	18,197.4
Total	¥98,135.7	¥34,235.3	¥3,570.8	¥9,246.7	¥145,188.5

March 31, 2010	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥30,571.7	¥ 8,940.2	¥ 477.9	¥ 329.7	¥ 40,319.4
More than 1 year to 3 years.....	16,227.0	4,768.3	1,059.2	873.5	22,928.1
More than 3 years to 5 years.....	9,914.1	5,114.9	1,117.7	963.9	17,110.5
More than 5 years to 7 years.....	3,896.4	696.2	359.0	243.3	5,194.9
More than 7 years.....	23,616.6	3,007.3	765.3	217.6	27,606.7
No fixed maturity	7,071.4	—	—	6,821.6	13,893.0
Total	¥91,297.2	¥22,526.9	¥3,779.1	¥9,449.6	¥127,052.7

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."

3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes "equity exposures" and standardized approach applied funds.

4. "No fixed maturity" includes exposures not classified by residual term.

3. Term-End Balance of Exposures Past Due 3 Months or More or Defaulted and Their Breakdown

(1) By Geographic Region

March 31	Billions of yen	
	2011	2010
Domestic operations (excluding offshore banking accounts)	¥2,413.9	¥2,285.0
Overseas operations and offshore banking accounts.....	227.4	220.5
Asia.....	22.0	19.1
North America.....	67.2	101.5
Other regions.....	138.2	99.9
Total	¥2,641.3	¥2,505.5

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

March 31	Billions of yen	
	2011	2010
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 273.0	¥ 252.8
Agriculture, forestry, fishery and mining	7.9	7.6
Construction	147.0	147.0
Transport, information, communications and utilities.....	167.0	124.3
Wholesale and retail	317.8	278.9
Financial and insurance.....	19.5	33.0
Real estate, goods rental and leasing	738.4	771.5
Services	364.3	349.8
Other industries	379.0	320.1
Subtotal	¥2,413.9	¥2,285.0
Overseas operations and offshore banking accounts		
Financial institutions.....	¥ 39.5	¥ 49.8
C&I companies	187.9	170.7
Subtotal	¥ 227.4	¥ 220.5
Total	¥2,641.3	¥2,505.5

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

4. Term-End Balances of General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and Loan Loss Reserve for Specific Overseas Countries

(1) By Geographic Region

March 31	Billions of yen			Increase (decrease) (A) – (B)
	2011 (A)	2010 (B)	2009	
General reserve for possible loan losses.....	¥ 696.2	¥ 702.6	¥ 691.5	¥ (6.4)
Loan loss reserve for specific overseas countries	0.6	0.6	1.3	0.0
Specific reserve for possible loan losses	1,230.0	1,208.9	1,102.1	21.1
Domestic operations (excluding offshore banking accounts)	1,148.2	1,126.3	970.4	21.9
Overseas operations and offshore banking accounts.....	81.8	82.6	131.7	(0.8)
Asia	16.0	20.0	19.3	(4.0)
North America.....	24.3	25.1	75.8	(0.8)
Other regions	41.5	37.5	36.5	4.0
Total	¥1,926.8	¥1,912.1	¥1,794.9	¥14.7

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

March 31	Billions of yen			Increase (decrease) (A) – (B)
	2011 (A)	2010 (B)	2009	
General reserve for possible loan losses.....	¥ 696.2	¥ 702.6	¥ 691.5	¥ (6.4)
Loan loss reserve for specific overseas countries	0.6	0.6	1.3	(0.0)
Specific reserve for possible loan losses	1,230.0	1,208.9	1,102.1	21.1
Domestic operations (excluding offshore banking accounts)	1,148.2	1,126.3	970.4	21.9
Manufacturing.....	167.3	143.5	128.1	23.8
Agriculture, forestry, fishery and mining	3.5	3.3	1.2	0.2
Construction	73.5	86.0	91.2	(12.5)
Transport, information, communications and utilities.....	46.3	74.7	45.9	(28.4)
Wholesale and retail.....	175.1	169.3	173.3	5.8
Financial and insurance	12.2	14.8	21.1	(2.6)
Real estate, goods rental and leasing	325.0	336.7	225.4	(11.7)
Services	156.4	161.0	145.8	(4.6)
Other industries	188.9	137.0	138.4	51.9
Overseas operations and offshore banking accounts.....	81.8	82.6	131.7	(0.8)
Financial institutions	26.1	36.7	32.0	(10.6)
C&I companies	55.7	45.9	99.7	9.8
Total	¥1,926.8	¥1,912.1	¥1,794.9	¥14.7

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

5. Loan Write-Offs by Industry

	Billions of yen	
	Fiscal 2010	Fiscal 2009
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 27.6	¥ 19.2
Agriculture, forestry, fishery and mining	0.2	0.3
Construction.....	5.3	4.8
Transport, information, communications and utilities.....	5.7	6.7
Wholesale and retail	20.0	32.2
Financial and insurance.....	0.0	(4.8)
Real estate, goods rental and leasing	6.5	54.0
Services	7.8	16.5
Other industries	80.2	50.2
Subtotal	¥153.3	¥179.1
Overseas operations and offshore banking accounts		
Financial institutions	¥ 0.8	¥ (3.2)
C&I companies	2.5	0.8
Subtotal	¥ 3.3	¥ (2.4)
Total	¥156.6	¥176.7

Note: "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

■ Market Risk

1. Scope

The following approaches are used to calculate market risk equivalent amounts.

(1) Internal Models Method

General market risk of SMBC, Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited, and SMBC Capital Markets (Asia) Limited

(2) Standardized Measurement Method

- Specific risk
- General market risk of consolidated subsidiaries other than SMBC, Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited, and SMBC Capital Markets (Asia) Limited
- A portion of general market risk of SMBC

2. Valuation Method Corresponding to Transaction Characteristics

All assets and liabilities held in the trading book — therefore, subject to calculation of the market risk equivalent amount — are transactions with high market liquidity. Securities and monetary claims are carried at the fiscal year-end market price, and derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

3. VaR Results (Trading Book)

	Billions of yen	
	Fiscal 2010	Fiscal 2009
Fiscal year-end	¥1.3	¥1.5
Maximum.....	3.2	2.8
Minimum.....	1.1	1.2
Average	1.9	1.6

Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.

2. Specific risks for the trading book are excluded.
3. Principal consolidated subsidiaries are included.

■ Interest Rate Risk in Banking Book

Interest rate risk in the banking book fluctuates significantly depending on the method of recognizing maturity of demand deposits (such as current accounts and ordinary deposits from which funds can be withdrawn on demand) and the method of predicting early withdrawal from fixed-term deposits and prepayment of consumer loans. Key assumptions made by SMBC in measuring interest rate risk in the banking book are as follows.

1. Method of Recognizing Maturity of Demand Deposits

The total amount of demand deposits expected to remain with the bank for the long term (with 50% of the lowest balance during the past 5 years as the upper limit) is recognized as a core deposit amount and interest rate risk is measured for each maturity with 5 years as the maximum term (the average is 2.5 years).

2. Method of Estimating Early Withdrawal from Fixed-term Deposits and Prepayment of Consumer Loans

The rate of early withdrawal from fixed-term deposits and the rate of prepayment of consumer loans are estimated and the rates are used to calculate cash flows used for measuring interest rate risk.

3. VaR Results (Banking Book)

	Billions of yen	
	Fiscal 2010	Fiscal 2009
Fiscal year-end	¥48.6	¥33.8
Maximum.....	50.9	44.0
Minimum.....	29.7	31.8
Average	40.5	37.7

Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.

2. Principal consolidated subsidiaries are included.

Operational Risk

1. Operational Risk Equivalent Amount Calculation Methodology

SMFG adopted the Advanced Measurement Approach (AMA) for exposures as of March 31, 2008. As of March 31, 2011, the following consolidated subsidiaries have also adopted the AMA, and the remaining consolidated subsidiaries have adopted the Basic Indicator Approach (BIA).

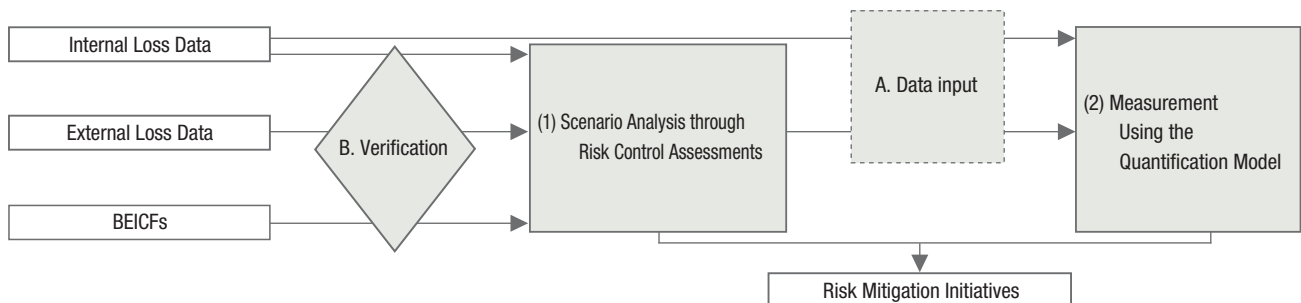
Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card Company, Limited, The Japan Research Institute, Limited, SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Finance and Leasing Co., Ltd., Kansai Urban Banking Corporation, The Japan Net Bank, Limited, SMBC Guarantee Co., Ltd., SMBC Finance Service Co., Ltd., THE MINATO BANK, LTD., SMBC Center Service Co., Ltd., SMBC Delivery Service Co., Ltd., SMBC Green Service Co., Ltd., SMBC International Business Co., Ltd., SMBC International Operations Co., Ltd., SMBC Loan Business Service Co., Ltd., SMBC Market Service Co., Ltd., SMBC Loan Administration and Operations Service Co., Ltd., Sumitomo Mitsui Banking Corporation Europe Limited and Sumitomo Mitsui Banking Corporation (China) Limited.

Among consolidated subsidiaries adopting the BIA, the following companies are preparing to implement the AMA.

Cedyna Financial Corporation, SMBC Nikko Securities Inc.

2. Outline of the AMA

An outline of the AMA for operational risk management is described in the section on Risk Management. In this section, we would like to present an explanation of the preparation of data that is input into the quantification model and the verification of scenario assessment using internal loss data, external loss data, and Business Environment and Internal Control Factors (BEICFs). We will also give an outline of the methodology for measuring the operational risk equivalent amount (“required capital”) using the quantification model.



(1) Scenario Analysis through Risk Control Assessments

A. Preparation of Data Input into the Quantification Model

In order to estimate the frequency of occurrence of “low-frequency and high-severity” events, which is the purpose of risk control assessment, we estimate the loss frequency in terms of four loss amounts (¥100 million, ¥1 billion, ¥5 billion, and ¥10 billion) for each scenario, then input the total amount by loss event type for each entity, namely, SMFG (consolidated), SMBC (consolidated), and SMBC (nonconsolidated), into the quantification model.

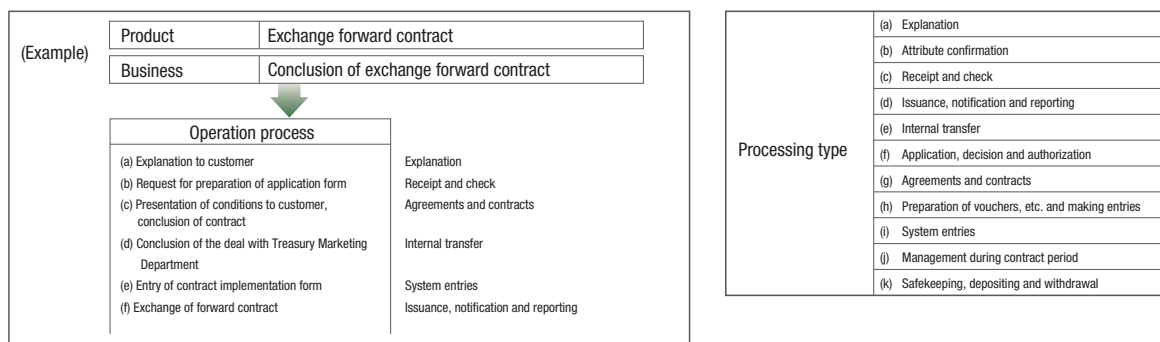
At SMFG and SMBC, by using a different assessment method according to loss event type and organizational classification, we obtain a proper grasp of operational risk profile of the Group. The following section provides typical calculation examples for scenarios of SMBC domestic business offices.

(A) Deriving and Scoring Scenarios

a. Deriving Scenarios

In order to grasp all potential risks of a business/product, we first identify “business processes & /products” stipulated in the “Common Procedures of Operations.” Then, we derive all possible scenarios for the generation of a loss event of prescribed magnitude by breaking down the operation process of each “business processes & /products” into “processing types.”

We evaluate each individual scenario on an operation process basis.

Classification of Business, Products and Processing Type (Example)

b. Scenario Assessment

In order to assess scenarios, it is necessary to quantify loss frequency and amount for each scenario. At SMBC, in order to quantify loss frequency for each scenario, we execute risk control assessments on each scenario.

In risk assessment, in order to measure the easiness of loss occurrence in each operation process before taking into account the risk management (control) situation, we set standards for various assessment items — transaction volume, volatility of transaction volume, time limits and so on — and the operation process is scored on how well the standards are met.

Risk Scoring (Examples)

Perspective	Risk Items	What to Assess	Score
Easiness of making an error	(a) Transaction volume	Largeness of annual processing volume	1
	(b) Volatility of transaction volumes	Degree of concentration of processing on specific dates	0
	(c) Time limits	Shortness of deadlines and degree of urgency	2
	(d) Complexity of process	Degree of processing complexity, processing volume per task	1
	(e) Complexity of products	Product complexity	0
Easiness of an error leading to a clerical accident	(f) Deal with outside party	Easiness of error in transferring actual items/funds to customer/other bank leading to loss accident	0
	(g) Booking of business products	Easiness of error in handling of, or in notifying actions to be taken on, products with market risk leading to loss event	0

Control assessment is executed from the perspective of preventive control and detection & recovery control. We set standards for various items — establishment of manuals and procedures, processing authority and pre-process check, post-process check, and so on — and the operation process is scored on how well the standards are met.

Control Assessment (Examples)

Perspective	Risk Items	What to Assess	Score
Design of procedures	(a) Establishment of manuals and procedures	Whether rules/ procedures/etc. have been documented or updated	1
	(b) Details of manuals and procedures	Whether there are rules for accurate processing execution without omissions and whether they are effective (excluding those included in below three risk items)	0
Authority and verification	(c) Processing authority and pre-process check	Assess processing authority, pre-process check	1
	(d) Post-process check	Assess post-process check and accident detection measures (assess only preventive measures)	0
System situation	(e) System processing	Degree of system processing	0

(B) Quantifying Loss Frequency of Each Scenario**a. Generation of “Average Frequency Table” for Domestic Business Offices**

To quantify loss frequency for domestic branches, we assume future loss frequency is similar to historical loss frequency. And we generate an average frequency table, which is used to estimate future loss frequency. The average frequency table comprises rows of total risk score and columns of total control score and the number of loss occurrences in a one-year period for each combination of scores is given.

As risk and control assessment items are expected to have different loss occurrence contribution ratios, we analyze their loss occurrence contribution ratios for each assessment item by executing a regression analysis and weight each assessment item.

Average Frequency Table (Example)

(Times/Year)

Total Score		Control					
		~ 2.0	2.4	2.8	3.2	3.6	4.0
Risk	5.5~	***	***	***	***	***	***
	4.5~5.5	***	***	***	***	***	***
	3.5~4.5	***	***	***	***	***	***
	2.5~3.5	***	***	***	***	2.40	***
	1.5~2.5	***	***	***	***	***	***
	0.5~1.5	***	***	***	***	***	***
	~0.5	***	***	***	***	***	***

b. Quantifying Loss Frequency of Each Scenario

Total risk assessment score and total control assessment score are calculated for each scenario taking into account the weight of each assessment item described above. Then, the loss frequency of each scenario (the number of times the loss event described in the scenario occurs during a one-year period) is estimated using the average frequency table.

(C) Quantifying Loss Amount for Each Scenario

In order to quantify the loss amount for each scenario, we generate loss distribution for each “business process & product” by using the historical transaction data of SMBC. Specifically, we assume that the historical transaction volume follows a log-normal distribution (distribution in which the logarithm of a variable follows the normal distribution) for each “business process & product” and generate the loss-severity distribution.

(D) Estimating the Frequency of Occurrence of the “Low-Frequency and High-Severity” Events

In order to estimate the probability of occurrence in terms of four loss amounts (¥100 million, ¥1 billion, ¥5 billion, and ¥10 billion) for each scenario, we use a log-normal distribution function for each scenario.

Because we assume the log-normal distribution to each “business process & product,” in case one loss event occurs in a one-year period, potential loss can be regarded as likewise arising from log-normal distribution. Therefore, in this case, we estimate the probability of occurrence of four loss amounts by substituting each loss amount for the loss amount of log-normal distribution.

In case that one loss event occurs in a one-year period, the method described above is followed. However, in case that several numbers of loss events occur in a one-year period, it is conceivable that the events occurred independently of each other. Therefore, the probability of occurrence of several loss events can be calculated by the probability of one loss event raised to the power of its loss frequency.

As we quantify the loss frequency for each scenario using the average frequency table for loss events over a one-year period, we are able to estimate the probability of four loss amounts by the probability arising from the above log-normal distribution function, raised to the power of loss frequency derived from the frequency table.

After estimating the loss frequency in terms of the four loss amounts for each scenario, we sum results for each loss event type and input them into the quantification model for SMFG (consolidated), SMBC (consolidated), and SMBC (nonconsolidated).

B. Verification of Scenarios Using Three Data Elements

At SMFG and SMBC, the verifications of the assessments of scenarios using internal loss data, external loss data, and BEICFs (hereinafter, “3 data elements”) are implemented periodically. Specifically, SMFG and SMBC use these data and information and use them to determine, periodically, whether there are any scenarios that have been omitted and whether the assessments of the scenarios are appropriate to ensure the completeness and appropriateness of the scenarios.

(A) Reassessment of Scenarios Using Internal Loss Data

Both SMFG and SMBC, in principle, compile internal loss data on all gross loss amounts of at least one yen. From the data, internal loss data which fulfill the established criteria are drawn, and the content of the related loss events is considered; then, a judgment is made regarding whether or not to review the scenario in question. Specifically, we pose a number of issues to consider, such as whether the scenario exists at SMBC, and, if so, whether the deviation between the actual loss and the assessed value of the scenario is within the tolerance range. In considering these issues, we follow a set pattern of logical reasoning in making a decision on whether the scenario should be revised.

When we decide it is necessary to revise the scenario, we make a reassessment based on the internal loss data. In this process, we consider redeveloping and reassessing the scenario and other related matters to ensure that the internal loss data is properly reflected in the scenario.

(B) Reassessment of Scenarios Using External Loss Data

At SMFG and SMBC, we have a database containing more than 7,000 cases of external losses that have been taken from the mass media, including newspapers, and purchased from data vendors. A framework has been created to enable the sharing of this database across the Group.

From this database, we draw external loss data which fulfill the established criteria, and the content of the related loss events is considered; then, a judgment is made regarding whether or not to revise the scenario in question. Specifically, we pose a number of issues to consider, such as whether the scenarios in question exist at SMBC, and, if so, whether the deviation between the actual loss and the assessed value of the scenario is within the tolerance range. In considering these issues, we follow a set pattern of logical reasoning in making a decision on whether the scenario should be reviewed.

When we decide it is necessary for the scenario to be reviewed, we make a reassessment based on the external loss data. In this process, we consider deriving and reassessing the scenario and other related matters to ensure that the external loss data is properly reflected in the scenario.

(C) Reassessment of Scenarios Using BEICFs

At SMFG and SMBC, we compile data related to changes in laws and regulations, changes in internal rules, policies and procedures, and new business, products and process, all of which are business environment and internal control factors (BEICFs). We use this information to consider periodically whether our scenarios should be reconsidered, and, even for events other than those listed previously, when major changes occur in the business environment, our systems provide, as necessary, for the consideration of whether scenarios should be revised.

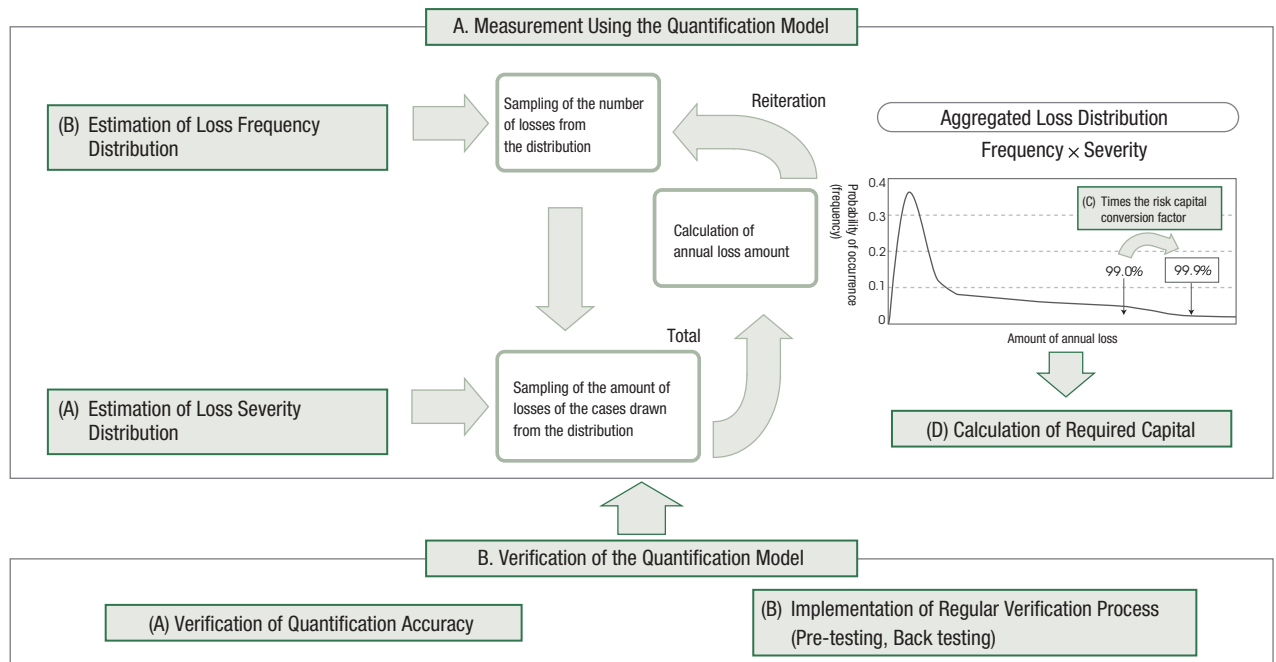
When we decide it is necessary for the scenario to be reviewed, we make a reassessment based on the information related to changes and other factors in BEICFs. In this process, we consider redeveloping and reassessing the scenario and other related matters to ensure that the changes in BEICFs are properly reflected in our scenarios.

(2) Measurement Using the Quantification Model

When calculating operational risk using the quantification model, firstly, we input seven-year historical internal loss data (realized risks) and the data on the frequency of “low-frequency and high-severity” events (potential risks) in terms of four loss amounts, which have been estimated through risk control assessments, and generate a loss distribution. Secondly, we use this distribution to estimate the maximum loss amount with a 99.0 percentile confidence interval (hereinafter referred to as 99.0% VaR). Thirdly, we multiply this maximum loss by a number, which we call “the risk capital conversion factor,” to estimate 99.9% VaR. Finally, we calculate required capital by using a multiplier that has been determined based on the number of times in which actual losses have exceeded predicted losses through the use of back testing. In estimation of the aggregated loss distribution, we need to estimate the loss severity and frequency distribution.

In addition, we confirm whether the quantification model is functioning appropriately and conservatively in measuring operational risk by implementing various types of sensitivity analysis and verification tests.

The following chart puts the main points of this quantification method in order and explains how the results of measurement are verified.



A. Measurement Using the Quantification Model

(A) Estimation of Loss Severity Distribution

a. Smoothed Bootstrap Method

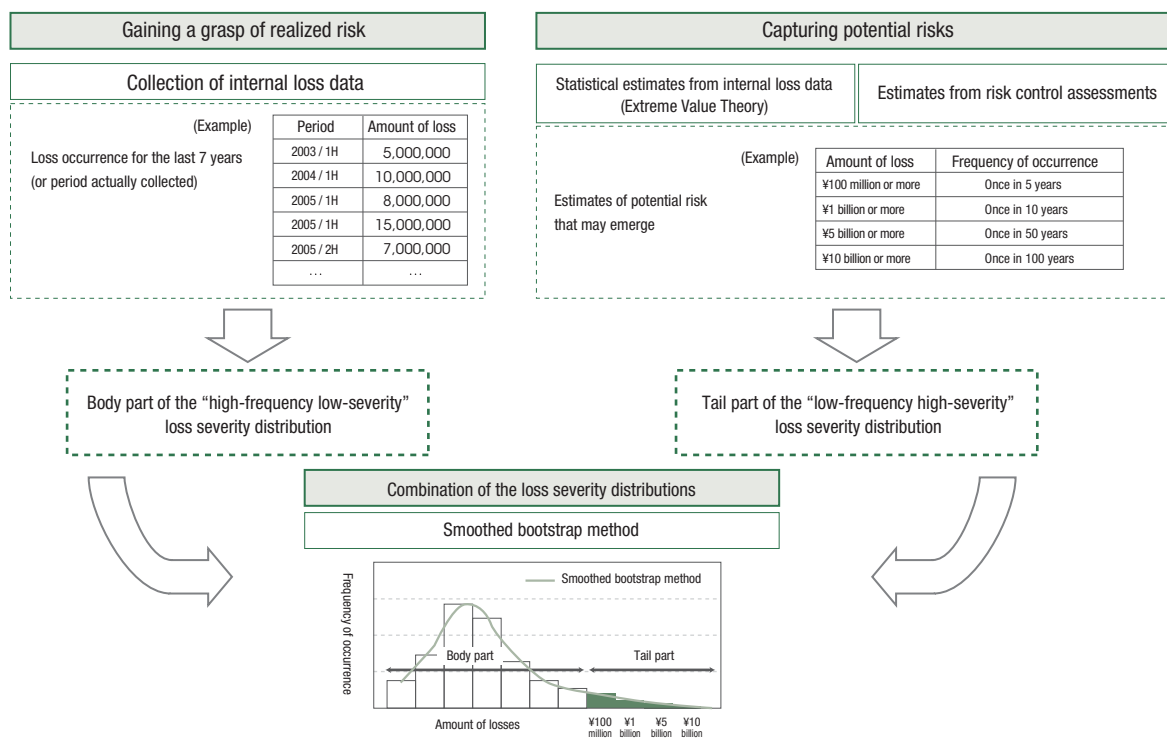
We employ the “smoothed bootstrap” method for generating the loss distribution. The smoothed bootstrap method is one of the methods that connect the distribution, of the realized risk and the potential risk event, smoothly. Under this method, no assumptions are made about the shape of the distribution as a whole, but assumptions are made on the individual distribution related to realized individual losses. Therefore, this method takes advantage of the widely known parametric method (method assuming a distribution) as well as the non-parametric one (method not assuming a distribution).

Under the non-parametric method, if we use historical internal loss data to generate the loss severity distribution, we are not able to create the samples outside the actual observation points, and also it is particularly difficult to create a distribution with a fat tail. However, through the use of the method that can combine such data (on actual observations) with data on potential risks, it becomes possible to create large losses that occur rarely (with a potential impact) and that have not actually been found in historical internal loss data. In generating the distribution, while “high-frequency low-severity” events are based on sufficient historical internal loss data volume, for “low-frequency high-severity” events in the tail of the distribution, the historical internal data volume is insufficient. This approach makes it possible to reflect the severity (frequency of occurrence) of potential risk that has been assessed in the risk control assessments. In this way, using this model, realized risks and potential risks can be combined with congruity.

In estimating the loss distribution under this method, the Kernell function (partially assumed function) is applied to the loss data by the pile-up of functions. In particular, the log-normal distribution is applied as the Kernell function.

b. Supplementing Results of Risk Control Assessments with Extreme Value Theory

In order to capture potential risks, a statistical method known as Extreme Value Theory is used in addition to the results of risk control assessments. Extreme Value Theory is the statistical assessment method by which risks that may occur in the future accompanying larger losses than the actually observed ones in the internal loss data can be quantified, and fulfills the role of supplementing the risk control assessments.



(B) Estimation of Loss Frequency Distribution

The Poisson distribution (probability distribution often used in estimating the number of occurrences of rare events) is used for generating the loss frequency distribution. To estimate the Poisson distribution, it is necessary to estimate the average number of annual losses, but in this model, we do not simply take the annual average of all cases of losses for the entire period (several fiscal years) but instead, estimate the annual average number of loss cases for each fiscal year individually. Through this approach, we are able to take account of the deviations in the historical incidence of losses for different periods and are able to estimate loss cases that may occur in the future more appropriately.

(C) Risk Capital Conversion Factor γ

We calculate 99.0% VaR from the estimated aggregated loss distribution, and then multiply the risk capital conversion factor γ (gamma) in order to compute 99.9% VaR. By introducing γ it is unnecessary to estimate 99.9% VaR directly which can be estimated with lower accuracy, and it provides with stable estimation results by estimating 99.0% VaR which can be estimated with higher accuracy.

The factor γ means the ratio between 99.9% VaR and 99.0% VaR. In other words, it is the risk profile of the loss distribution and an indicator for the characteristics of the tail part of the distribution. The risk profile of the loss distribution is different for each loss event type, by which the calculation is performed. In addition, we have verified statistically that it could differ among SMFG (consolidated), SMBC (consolidated), and SMBC (nonconsolidated). To reflect their characteristics, we set a different value of γ for each entity. There is a tendency for γ to become smaller, etc., when there is a distribution of large expected losses or when the tail of the distribution is highly dense.

When setting γ initially, we conduct an analysis, taking into account the possibility of changes in the risk profiles of many types of loss distributions, and set values that maintain the stability and the conservativeness of capital. In addition, we assess changes in the risk profiles of the most recent loss distributions, including the present one, and, when changes are above a certain level, we conduct a review of the γ values. This makes it possible to keep values of γ appropriate to changes in the risk profile of the loss distribution and calculate stable values of required capital.

(D) Calculation of Required Capital

We calculate required capital by multiplying the 99.9% VaR calculated in the previous section by the multiplier for each loss event type that has been determined based on the number of breaches in back testing. As will be mentioned later, back testing is conducted periodically, and, when realized risk is found to be greater than the risks estimated with the quantification model (back testing excess), we take necessary steps, such as multiplying by the multiplier determined through prior analysis, to maintain the conservativeness of required capital estimates.

We then add the required capital amounts calculated for each loss event type to compute the required capital for SMFG (consolidated), SMBC (consolidated), and SMBC (nonconsolidated).

Please note that in calculating required capital, we do not subtract expected losses.

B. Verification of the Quantification Model

We conduct a range of sensitivity and verification tests to ensure that the measurement results of the quantification model are appropriate (quantification accuracy) and to confirm that our model is capable of measuring the amounts corresponding to the maximum losses from operational risk that may be incurred for a one year holding period, with a one-sided 99.9 percentile confidence interval. In the following paragraphs, we would like to explain the methods for assessing the quantification accuracy of our measurements and the framework we have in place for regular verifications.

(A) Verification of Quantification Accuracy

We have confirmed the reliability of the quantification model through a verification process from various perspectives. Specifically, we obtain a quantitative grasp of the possibilities for variation in measurement results that may arise from preconditions or assumptions made at the time the models were designed. In particular, we assess the possibilities for underestimating required capital and the possible magnitude of such underestimates. Then, in our periodic verification framework, which is described below, we make analyses of how to compensate for such underestimates. We apply our understanding of the possibilities for underestimation to the multiplier derived from back testing, and, if the accuracy of the quantification model deteriorates, we introduce a framework for making adjustments in the multiplier to avoid underestimating the amount of required capital.

(B) Implementation of Regular Verification Process

To confirm the appropriateness of the quantification model on a continuing basis, we conduct a regular verification process. Specifically, there are two types of verifications. One is back testing, which enables us to make a comprehensive judgment on the appropriateness of measurement results, and the other is pre-testing, in which we verify the accuracy of the quantification model prior to conducting actual measurements. In the following paragraphs, we present an explanation of these two test types.

a. Back Testing

In conducting back tests, we compare the estimates made by the quantification model with the maximum loss arising from business activities to verify on an ex post facto basis whether the measurement results obtained from the model are conservative enough and appropriate. When actual losses become greater than the losses estimated by the model (actual losses exceed the estimate when back tests are conducted), we apply the multiplier factor in accordance with the number of excesses in order to ensure conservativeness of quantification results.

Back testing is a well-known method for verifying comprehensively the appropriateness of VaR (statistical) models. We employ the test to obtain the maximum loss amount with the given confidence interval which the tests work effectively. By comparing the test results with the losses that actually occur, we increase the effectiveness of back testing.

b. Pre-testing

Pre-testing is conducted periodically, prior to use of the model for actual measurements, to verify whether the possibility of underestimation is increasing (model risk is rising), since it is possible that the multiplier used in back testing may lead to underestimation. As a result of pre-test verifications, we are able to confirm, on a continuing basis, whether the multiplier used in back testing is conservative enough or model risk is emerging.

3. Usage of Insurance to Mitigate Risk

SMFG had not taken measures to mitigate operational risk through insurance coverage for exposures.

Capital Ratio Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

		Millions of yen	
		2011	2010
March 31			
Tier I capital:	Capital stock	¥ 1,770,996	¥ 1,770,996
	Capital surplus	2,717,397	2,709,682
	Retained earnings	929,336	668,074
	Cash dividends to be paid	(25,197)	(62,702)
	Foreign currency translation adjustments	(119,696)	(99,481)
	Stock acquisition rights	91	81
	Minority interests	1,419,231	1,470,612
	Goodwill and others	(215,021)	(220,978)
	Gain on sale on securitization transactions	(35,967)	(37,453)
	Amount equivalent to 50% of expected losses in excess of reserve	—	(21,336)
	Total Tier I capital (A)	6,441,170	6,177,492
Tier II capital:	Unrealized gains on other securities after 55% discount	140,213	224,106
	Land revaluation excess after 55% discount	35,739	37,033
	General reserve for possible loan losses	52,519	49,937
	Excess of eligible reserves relative to expected losses	66,209	—
	Subordinated debt	2,210,287	2,203,415
	Total Tier II capital	2,504,969	2,514,493
	Tier II capital included as qualifying capital (B)	2,504,969	2,514,493
Deductions:	(C)	289,305	339,212
Total qualifying capital:	(D) = (A) + (B) - (C)	¥ 8,656,834	¥ 8,352,773
Risk-weighted assets:	On-balance sheet items	¥34,672,732	¥39,030,287
	Off-balance sheet items	6,539,408	7,583,421
	Market risk items	570,867	426,799
	Operational risk	3,394,595	3,032,531
	Total risk-weighted assets (E)	¥45,177,603	¥50,073,039
Tier I risk-weighted capital ratio:	(A) / (E) × 100	14.25%	12.33%
Total risk-weighted capital ratio:	(D) / (E) × 100	19.16%	16.68%
Required capital:	(E) × 8%	¥ 3,614,208	¥ 4,005,843

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

March 31		Millions of yen	
		2011	2010
Tier I capital:	Capital stock	¥ 1,770,996	¥ 1,770,996
	Capital reserve	1,771,043	1,771,043
	Other capital surplus	710,229	702,514
	Other retained earnings	938,155	705,991
	Others	1,203,675	1,244,635
	Cash dividends to be paid	(25,197)	(62,702)
	Gain on sale on securitization transactions	(35,967)	(37,453)
	Amount equivalent to 50% of expected losses in excess of reserve	(6,792)	(60,919)
	Total Tier I capital (A)	6,326,143	6,034,105
Tier II capital:	Unrealized gains on other securities after 55% discount	134,515	222,975
	Land revaluation excess after 55% discount	29,307	30,549
	Subordinated debt	2,112,250	2,105,726
	Total Tier II capital	2,276,073	2,359,251
	Tier II capital included as qualifying capital (B)	2,276,073	2,359,251
Deductions:	(C)	283,395	371,646
Total qualifying capital:	(D) = (A) + (B) - (C)	¥ 8,318,821	¥ 8,021,710
Risk-weighted assets:	On-balance sheet items	¥30,584,554	¥34,820,309
	Off-balance sheet items	5,523,613	6,529,273
	Market risk items	212,024	169,170
	Operational risk	2,461,316	2,351,082
	Total risk-weighted assets (E)	¥38,781,507	¥43,869,835
Tier I risk-weighted capital ratio:	(A) / (E) × 100	16.31%	13.75%
Total risk-weighted capital ratio:	(D) / (E) × 100	21.45%	18.28%
Required capital:	(E) × 8%	¥ 3,102,520	¥ 3,509,586



Corporate Data

Sumitomo Mitsui Financial Group, Inc.

*Authorized Management Committee Members

■ Board of Directors, Corporate Auditors, and Executive Officers (as of June 30, 2011)

BOARD OF DIRECTORS

Masayuki Oku

Chairman of the Board

Koichi Miyata

President

Takeshi Kunibe

Director

Tetsuya Kubo*

Director
Public Relations Dept., Corporate Planning Dept.,
Financial Accounting Dept., Subsidiaries & Affiliates Dept.

Satoru Nakanishi*

Director
Consumer Business Planning Dept.

Kazuya Jono*

Director
Corporate Risk Management Dept.

Koichi Danno*

Director
Audit Dept.

Yujiro Ito*

Director
General Affairs Dept., Human Resources Dept.

Masahiro Fuchizaki*

Director
IT Planning Dept., Director of The Japan Research Institute, Limited

Shigeru Iwamoto

Director (outside)

Yoshinori Yokoyama

Director (outside)

Kuniaki Nomura

Director (outside)

CORPORATE AUDITORS

Jun Mizoguchi

Corporate Auditor

Yoji Yamaguchi

Corporate Auditor

Shin Kawaguchi

Corporate Auditor

Hiroshi Araki

Corporate Auditor (outside)

Ikuo Uno

Corporate Auditor (outside)

Satoshi Ito

Corporate Auditor (outside)

EXECUTIVE OFFICERS

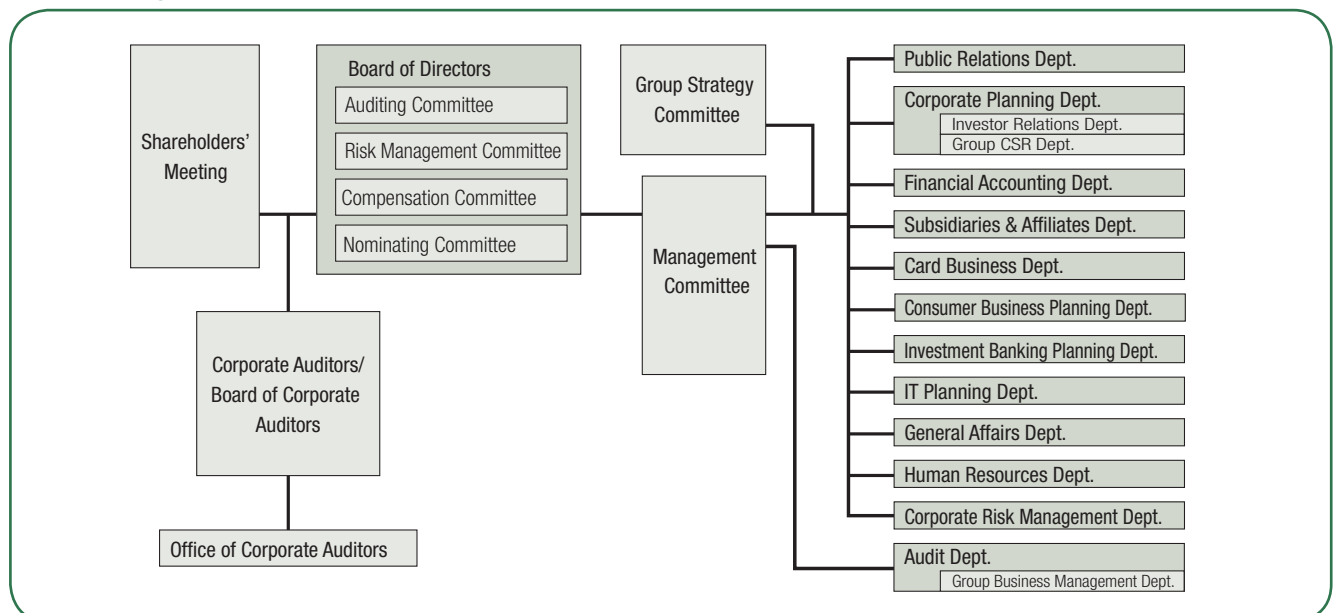
Hidetoshi Furukawa*

Managing Director
Investment Banking Planning Dept.

Ikuhiko Morikawa*

Managing Director
Card Business Dept.
President of SMFG Card & Credit, Inc.

■ SMFG Organization (as of June 30, 2011)



■ Board of Directors, Corporate Auditors, and Executive Officers (as of June 30, 2011)

BOARD OF DIRECTORS

Chairman of the Board

Teisuke Kitayama

President and CEO

Takeshi Kunibe*1

Director

Koichi Miyata

Deputy Presidents

Keiichi Ando*1

Located at Osaka (in charge of West Japan)

Tetsuya Kubo*1 *2

Public Relations Dept., Corporate Planning Dept., Financial Accounting Dept., Subsidiaries & Affiliates Dept.

Satoru Nakanishi*1 *2

Head of Consumer Banking Unit

Senior Managing Directors

Kazuya Jono*1 *2

Risk Management Unit (Corporate Risk Management Dept., Credit & Investment Planning Dept.)

Yoshihiko Shimizu*1 *2

Head of Middle Market Banking Unit
Global Advisory Dept.

Hiroshi Minoura*1 *2

Head of International Banking Unit

Koichi Minami*1 *2

Corporate Research Dept., Credit Administration Dept.
Deputy Head of Corporate Banking Unit (Credit Dept.) and Investment Banking Unit (Structured Finance Credit Dept., Trust Services Dept.)

Koichi Danno*1 *2

Internal Audit Dept., Credit Review Dept.,
Human Resources Dept., Human Resources Development Dept.

Mitsunori Watanabe*1 *2

Head of Corporate Banking Unit, Global Advisory Dept.

Managing Director

Yujiro Ito*1 *2

Human Resources Dept., Human Resources Development Dept.,
Quality Management Dept., General Affairs Dept., Legal Dept.,
Administrative Services Dept.

Directors (outside)

Shigeru Iwamoto

Yoshinori Yokoyama

Kuniaki Nomura

CORPORATE AUDITORS

Hiroki Yaze

Corporate Auditor

Yasuyuki Hayase

Corporate Auditor

Hiroshi Araki

Corporate Auditor (outside)

Ikuo Uno

Corporate Auditor (outside)

Satoshi Ito

Corporate Auditor (outside)

Jun Mizoguchi

Corporate Auditor

EXECUTIVE OFFICERS

Managing Directors

Shuichi Kageyama

Head of Corporate Advisory Division

Seiichiro Takahashi*2

Head of Treasury Unit

Hidetoshi Furukawa*2

Head of Investment Banking Unit

Ikuhiko Morikawa

Head of Private Advisory Dept.,
President of SMFG Card & Credit, Inc.

Nobuaki Kurumatani

Public Relations Dept., Corporate Planning Dept.

Katsunori Okubo

Deputy Head of International Banking Unit, Middle Market Banking Unit, Corporate Banking Unit,
Global Advisory Dept.,
Chairman of Sumitomo Mitsui Banking Corporation (China) Limited

Hiroyuki Iwami

Head of Europe Division
President of Sumitomo Mitsui Banking Corporation Europe Limited

Yuichiro Ueda

Deputy Head of Middle Market Banking Unit (Credit Dept. I)

Masaki Tachibana

Head of The Americas Division

Kohei Hirota

Deputy Head of Middle Market Banking Unit (in charge of West Japan)

Yoshimi Miura

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. I, II, and V)

Masahiro Fuchizaki*2

IT Planning Dept., IT Business Strategy Planning Dept., Operations Planning Dept., Operations Support Dept., Director of The Japan Research Institute, Limited

Shinichi Hayashida

Deputy Head of International Banking Unit (Credit Depts., Americas Division and Europe Division, Asia Credit Dept., Credit Management Dept.)

Toshimi Tagata

Deputy Head of Investment Banking Unit (Real Estate Finance Dept.)

Atsuhiko Inoue

Osaka Corporate Banking Division (Osaka Corporate Banking Depts. I, II, and III)

Shogo Sekimoto

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. III, IV, and VI)

Toshiyuki Teramoto

Deputy Head of Middle Market Banking Unit (in charge of East Japan)

Manabu Narita

General Manager, Planning Dept., Corporate Banking Unit & Middle Market Banking Unit

Kunio Yokoyama

Deputy Head of Middle Market Banking Unit (in charge of East Japan)

Kozo Ogino

Nagoya Corporate Banking Division (Nagoya Corporate Banking Dept.)

Head of Nagoya Middle Market Banking Division

William M. Ginn

Deputy Head of The Americas Division
General Manager, Corporate Banking Dept.-II, Americas Division
Chairman of SMBC Leasing and Finance, Inc.

Chan Chi Keung, Chris

General Manager, Corporate Banking Dept., Greater China

*Directors***Kazunori Okuyama**

Vice Chairman and President of Sumitomo Mitsui Banking Corporation (China) Limited

Etsutaka Inoue

Head of Osaka Minami Middle Market Banking Division

Katsuhiko Kanabe

IT Planning Dept.
IT Business Strategy Planning Dept., Operations Planning Dept.,
Operations Support Dept.

Yasushi Sakai

Financial Accounting Dept.

Hiroshi Mishima

General Manager, Planning Dept., Treasury Unit

Jun Ota

General Manager, Planning Dept., Investment Banking Unit

Yasuyuki Kawasaki

General Manager, Planning Dept., International Banking Unit

Fumiaki Kurahara

General Manager, Structured Finance Dept.

Makoto Takashima

General Manager, Corporate Planning Dept.

Ryoji Yukino

Deputy Head of Consumer Banking Unit (in charge of East Japan)

Hiroaki Hattori

Head of Kobe Middle Market Banking Division

Kiyoshi Miura

Head of Osaka Kita Middle Market Banking Division

Masaki Ashibe

Deputy Head of Middle Market Banking Unit (Credit Dept. II)

Seiichi Ueno

General Manager, Credit Dept., Corporate Banking Unit

Hiromitsu Kawagoe

Deputy Head of Corporate Advisory Division

Masahiro Nakagawa

General Manager, Real Estate Corporate Business Office

Hiroichi Fukuda

General Manager, Electronic Commerce Banking Dept.

Hitoshi Ishii

Head of Tokyo Higashi Middle Market Banking Division

Koji Kimura

General Manager, Corporate Risk Management Dept.

Atsushi Kuroda

General Manager, Tokyo Corporate Banking Dept. V

Seiji Sato

General Manager, Tokyo Corporate Banking Dept. III

Masayuki Shimura

Head of The Asia Pacific Division

Katsunori Tanizaki

General Manager, IT Planning Dept.

Tomohiro Nishikawa

Head of Kyoto Hokuriku Middle Market Banking Division and General Manager, Kyoto Corporate Business Office-I

Takafumi Yamahiro

Head of Shinjuku Middle Market Banking Division

Minami Aida

General Manager, Seoul Branch, Global Korea Corporate Banking Department

Shigeki Azumai

Deputy Head of Consumer Banking Unit (in charge of West Japan)

Tatsufumi Ishibashi

Deputy Head of Corporate Advisory Division

Mitsuru Ono

General Manager, Credit Management Dept., International Banking Unit

Hirobumi Koga

Head of Tokyo Toshin Middle Market Banking Division and Saitama Ikebukuro Middle Market Banking Division

Toshiki Ito

Head of Shibuya Middle Market Banking Division and Yokohama Middle Market Banking Division

Takashi Matsushita

General Manager, Credit & Investment Planning Dept.

Noboru Rachi

General Manager, Shinjuku Nishiguchi Corporate Business Office-I

Takehisa Ikeda

General Manager, Tokyo Corporate Banking Dept. VI

Yukihiko Onishi

General Manager, Human Resources Dept.

Hiroyuki Okutani

General Manager, Planning Dept., Consumer Banking Unit

Hajime Kunisaki

General Manager, Operations Planning Dept.

Hisanori Kokuga

General Manager, Osaka Corporate Banking Dept. I

Koichi Noda

General Manager, Tokyo Corporate Banking Dept. II

Shosuke Mori

General Manager, Tokyo Corporate Banking Dept. I

■ **Internal Audit Unit**

Internal Audit Dept.
Credit Review Dept.

■ **Corporate Staff Unit**

Public Relations Dept.
Corporate Planning Dept.
Financial Research Dept.
CSR Dept.
Financial Accounting Dept.
Equity Portfolio Management Dept.
Subsidiaries & Affiliates Dept.
IT Planning Dept.
IT Business Strategy Planning Dept.
Human Resources Dept.
Training Institute
Counseling Dept.
Diversity and Inclusion Dept.
Human Resources Development Dept.
Quality Management Dept.
Customer Relations Dept.

■ **Consumer Banking Unit**

■ **Middle Market Banking Unit**

■ **Corporate Banking Unit**

■ **International Banking Unit**

■ **Treasury Unit**

■ **Investment Banking Unit**

■ **Risk Management Unit**

Corporate Risk Management Dept.
Operational Risk Management Dept.
Risk Management Systems Dept.
Credit & Investment Planning Dept.
Credit Portfolio Management Dept.

■ **Compliance Unit**

General Affairs Dept.
Antimonopoly Law Monitoring Dept.
Financial Products Compliance Dept.
Financial Crime Prevention Dept.
International Compliance Dept.
Legal Dept.

■ **Corporate Services Unit**

Administrative Services Dept.
Secretariat
Operations Planning Dept.
Operations Support Dept.
Corporate Research Dept.
Credit Administration Dept.
Credit Business Dept.

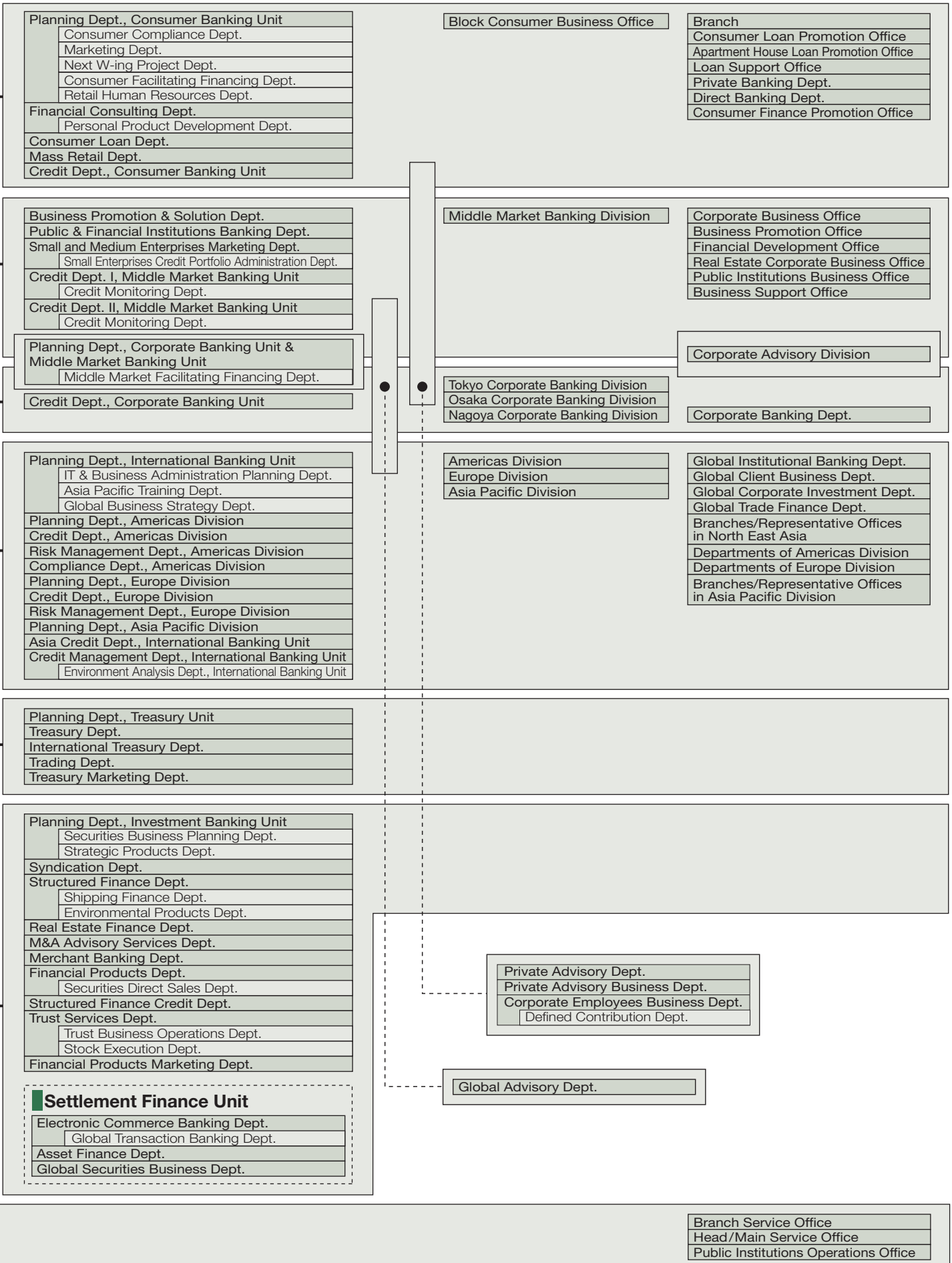
Shareholders' Meeting

Board of Directors

Management Committee

Corporate Auditors/
Board of Corporate Auditors

Office of Corporate Auditors



Principal Subsidiaries and Affiliates (as of March 31, 2011)

All companies shown hereunder are consolidated subsidiaries or affiliates of Sumitomo Mitsui Financial Group, Inc. Those printed in green ink are consolidated subsidiaries or affiliates of Sumitomo Mitsui Banking Corporation.

Principal Domestic Subsidiaries

Note: Figures in parentheses () in the voting rights columns indicate voting rights held indirectly via subsidiaries and affiliates.

Company Name	Issued Capital (Millions of Yen)	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Established	Main Business
Sumitomo Mitsui Banking Corporation	1,770,996	100	—	Jun. 6, 1996	Commercial banking
SMFG Card & Credit, Inc.	49,859	100	—	Oct. 1, 2008	Business management
Sumitomo Mitsui Card Company, Limited	34,000	0 (65.99)	—	Dec. 26, 1967	Credit card services
Cedyna Financial Corporation*1	82,843	0 (69.19)	—	Sep. 11, 1950	Credit card services
Sumitomo Mitsui Finance and Leasing Company, Limited	15,000	60	—	Feb. 4, 1963	Leasing
The Japan Research Institute, Limited	10,000	100	—	Nov. 1, 2002	System engineering, data processing, management consulting, and economic research
SMBC Friend Securities Co., Ltd.	27,270	100	—	Mar. 2, 1948	Securities
Nikko Cordial Securities Inc.*2	10,000	0 (100)	100	Jun. 15, 2009	Securities
SAKURA CARD CO., LTD.	7,438	0 (95.74)	85.14 (10.59)	Feb. 23, 1983	Credit card services
ORIX CREDIT CORPORATION	22,170	0 (50.99)	50.99	Jun. 21, 1979	Consumer loans
SMM Auto Finance, Inc.	7,700	0 (56)	41	Sep. 17, 1993	Automotive financing
The Japan Net Bank, Limited	37,250	0 (59.70)	59.70	Sep. 19, 2000	Commercial banking
SMBC Loan Business Planning Co., Ltd.	100,010	0 (100)	100	Apr. 1, 2004	Management support services
SMBC Loan Adviser Co., Ltd.	10	0 (100)	0 (100)	Apr. 1, 1998	Consulting and agency services for consumer loans and non-life insurance
SMBC Guarantee Co., Ltd.	187,720	0 (100)	0 (100)	Jul. 14, 1976	Credit guarantee
SMBC Finance Business Planning Co., Ltd.	10	0 (100)	100	Apr. 1, 2004	Management support services
SMBC Finance Service Co., Ltd.	71,705	0 (100)	0 (100)	Dec. 5, 1972	Loans, collecting agent and factoring
SMBC Business Support Co., Ltd.	10	0 (100)	0 (100)	Jul. 1, 2004	Clerical work outsourcer
Financial Link Co., Ltd.	160	0 (100)	0 (100)	Sep. 29, 2000	Data processing service and e-trading consulting
SMBC Venture Capital Co., Ltd.	500	0 (40)	0 (40)	Sep. 22, 2005	Venture capital
SMBC Consulting Co., Ltd.	1,100	0 (100)	50 (25)	May 1, 1981	Management consulting and seminar organizer
SMBC Support & Solution Co., Ltd.	10	0 (100)	100	Apr. 1, 1996	Help desk and system support
SMBC Servicer Co., Ltd.	1,000	0 (100)	100	Mar. 11, 1999	Servicer
SAKURA KCS Corporation	2,054	0 (50.21)	27.53 (5.00)	Mar. 29, 1969	System engineering and data processing
THE MINATO BANK, LTD.	27,484	0 (46.44)	45.10 (1.33)	Sep. 6, 1949	Commercial banking
Kansai Urban Banking Corporation	47,039	0 (60.21)	49.41 (0.35)	Jul. 1, 1922	Commercial banking
SMBC Staff Service Co., Ltd.	90	0 (100)	100	Jul. 15, 1982	Temporary manpower service
SMBC Learning Support Co., Ltd.	10	0 (100)	100	May 27, 1998	Seminar organizer
SMBC PERSONNEL SUPPORT CO., LTD.	10	0 (100)	100	Apr. 15, 2002	Banking clerical work
SMBC Center Service Co., Ltd.	100	0 (100)	100	Oct. 16, 1995	Banking clerical work
SMBC Delivery Service Co., Ltd.	30	0 (100)	100	Jan. 31, 1996	Banking clerical work
SMBC Green Service Co., Ltd.	30	0 (100)	100	Mar. 15, 1990	Banking clerical work
SMBC International Business Co., Ltd.	20	0 (100)	100	Sep. 28, 1983	Banking clerical work
SMBC International Operations Co., Ltd.	40	0 (100)	100	Dec. 21, 1994	Banking clerical work
SMBC Loan Business Service Co., Ltd.	70	0 (100)	100	Sep. 24, 1976	Banking clerical work
SMBC Principal Finance Co., Ltd.	100	0 (100)	100	Mar. 8, 2010	Investments for corporate revitalization and other related investments
SMBC Market Service Co., Ltd.	10	0 (100)	100	Feb. 3, 2003	Banking clerical work
SMBC Loan Administration and Operations Service Co., Ltd.	10	0 (100)	100	Feb. 3, 2003	Banking clerical work
SMBC Property Research Service Co., Ltd.	30	0 (100)	100	Feb. 1, 1984	Banking clerical work
Japan Pension Navigator Co., Ltd.	1,600	0 (69.71)	69.71	Sep. 21, 2000	Defined contribution plan administrator
SMBC Electronic Monetary Claims Recording Co., Ltd.	500	0 (100)	100	Apr. 16, 2009	Electronic monetary claims recording
SMBC Barclays Wealth Services Co., Ltd.	30	0 (50.1)	50.1	Mar. 1, 2010	Provision and translation of business tools and research information

*1 Cedyna Financial Corporation became a wholly-owned subsidiary of SMFG Card & Credit, Inc., a consolidated subsidiary of SMFG, on May 1, 2011.

*2 Nikko Cordial Securities Inc. changed its company name to SMBC Nikko Securities Inc. on April 1, 2011.

■ Principal Overseas Subsidiaries

Company Name	Country	Issued Capital	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Established	Main Business
Sumitomo Mitsui Banking Corporation Europe Limited	U.K.	US\$1,600 million	0 (100)	100	Mar. 5, 2003	Commercial banking
Sumitomo Mitsui Banking Corporation (China) Limited	China	CNY7.0 billion	0 (100)	100	Apr. 27, 2009	Commercial banking
Manufacturers Bank	U.S.A.	US\$80.786 million	0 (100)	100	Jun. 26, 1962	Commercial banking
Sumitomo Mitsui Banking Corporation of Canada	Canada	C\$244 million	0 (100)	100	Apr. 1, 2001	Commercial banking
Banco Sumitomo Mitsui Brasileiro S.A.	Brazil	R\$667.807 million	0 (100)	100	Oct. 6, 1958	Commercial banking
ZAO Sumitomo Mitsui Rus Bank	Russia	RUB1.6 billion	0 (100)	99 (1)	May 8, 2009	Commercial banking
PT Bank Sumitomo Mitsui Indonesia	Indonesia	Rp2,873.9 billion	0 (98.47)	98.47	Aug. 22, 1989	Commercial banking
Sumitomo Mitsui Banking Corporation Malaysia Berhad	Malaysia	MYR350 million	0 (100)	100	Dec. 22, 2010	Commercial banking
SMBC Leasing and Finance, Inc.	U.S.A.	US\$1,620	0 (100)	89.69 (7.69)	Nov. 9, 1990	Leasing, investments
SMBC Capital Markets, Inc.	U.S.A.	US\$100	0 (100)	90 (10)	Dec. 4, 1986	Derivatives and investments
SMBC Nikko Securities America, Inc.	U.S.A.	US\$111.10	0 (100)	81.00 (18.99)	Aug. 8, 1990	Securities, investments
SMBC Financial Services, Inc.	U.S.A.	US\$3 million	0 (100)	100	Aug. 8, 1990	Investments, investment advisor
SMBC Cayman LC Limited* ³	Cayman Islands	US\$500	0 (100)	100	Feb. 7, 2003	Credit guarantee, bond investment
SBTC, Inc.	U.S.A.	US\$50 million	0 (100)	100	Jan. 26, 1998	Investments
SB Treasury Company L.L.C.	U.S.A.	US\$470 million	0 (100)	0 (100)	Jan. 26, 1998	Loans
SFVI Limited	British Virgin Islands	US\$300	0 (100)	100	Jul. 30, 1997	Investments
Sakura Finance (Cayman) Limited	Cayman Islands	US\$100,000	0 (100)	100	Feb. 11, 1991	Finance
SMBC International Finance N.V.	Netherlands Antilles	US\$200,000	0 (100)	100	Jun. 25, 1990	Finance
SMBC Leasing Investment LLC	U.S.A.	US\$470 million	0 (100)	0 (100)	Apr. 7, 2003	Investments in leasing
SMBC Capital Partners LLC	U.S.A.	US\$10,000	0 (100)	100	Dec. 18, 2003	Holding and trading securities
SMBC MVI SPC	Cayman Islands	US\$195 million	0 (100)	100	Sep. 9, 2004	Loans, buying/selling of monetary claims
SMBC DIP Limited	Cayman Islands	US\$8 million	0 (100)	100	Mar. 16, 2005	Loans, buying/selling of monetary claims
SMBC Nikko Capital Markets Limited	U.K.	US\$654 million	0 (100)	100	Mar. 13, 1990	Derivatives and investments, securities services
SMBC Derivative Products Limited	U.K.	US\$300 million	0 (100)	0 (100)	Apr. 18, 1995	Derivatives and investments
SMBC Capital India Private Limited	India	Rs400 million	0 (100)	99.99 (0.00)	Apr. 3, 2008	Advisory services
Sumitomo Mitsui Finance Dublin Limited	Ireland	US\$18 million	0 (100)	100	Sep. 19, 1989	Finance
Sakura Finance Asia Limited	Hong Kong	US\$65.5 million	0 (100)	100	Oct. 17, 1977	Investments
Sumitomo Mitsui Finance Australia Limited	Australia	A\$156.5 million	0 (100)	100	Jun. 29, 1984	Investments
SMFG Preferred Capital USD 1 Limited	Cayman Islands	US\$649.491 million	100	—	Nov. 28, 2006	Finance

*³ SMBC Cayman LC Limited, like other subsidiaries of SMBC, is a separate corporate entity with its own separate creditors and the claims of such creditors are prior to the claims of SMBC, as the direct or indirect holder of the equity in such subsidiary.

Company Name	Country	Issued Capital	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Established	Main Business
SMFG Preferred Capital GBP 1 Limited	Cayman Islands	£73.676 million	100	—	Nov. 28, 2006	Finance
SMFG Preferred Capital USD 2 Limited	Cayman Islands	US\$1,800 million	100	—	Oct. 25, 2007	Finance
SMFG Preferred Capital GBP 2 Limited	Cayman Islands	£250 million	100	—	Oct. 25, 2007	Finance
SMFG Preferred Capital JPY 1 Limited	Cayman Islands	¥135,000 million	100	—	Jan. 11, 2008	Finance
SMFG Preferred Capital USD 3 Limited	Cayman Islands	US\$1,350 million	100	—	Jul. 8, 2008	Finance
SMFG Preferred Capital JPY 2 Limited	Cayman Islands	¥698,900 million	100	—	Nov. 3, 2008	Finance
SMFG Preferred Capital JPY 3 Limited	Cayman Islands	¥392,900 million	100	—	Aug. 12, 2009	Finance
SMBC Preferred Capital USD 1 Limited	Cayman Islands	US\$662.647 million	0 (100)	100	Nov. 28, 2006	Finance
SMBC Preferred Capital GBP 1 Limited	Cayman Islands	£78.121 million	0 (100)	100	Nov. 28, 2006	Finance
SMBC Preferred Capital USD 2 Limited	Cayman Islands	US\$1,811 million	0 (100)	100	Oct. 25, 2007	Finance
SMBC Preferred Capital GBP 2 Limited	Cayman Islands	£251.5 million	0 (100)	100	Oct. 25, 2007	Finance
SMBC Preferred Capital JPY 1 Limited	Cayman Islands	¥137,000 million	0 (100)	100	Jan. 11, 2008	Finance
SMBC Preferred Capital USD 3 Limited	Cayman Islands	US\$1,358 million	0 (100)	100	Jul. 8, 2008	Finance
SMBC Preferred Capital JPY 2 Limited	Cayman Islands	¥706,500 million	0 (100)	100	Nov. 19, 2008	Finance

■ Principal Affiliates

Company Name	Issued Capital (Millions of Yen)	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Established	Main Business
Daiwa Securities SMBC Principal Investments Co., Ltd.	100	0 (40)	40	Feb. 1, 2010	Investments, fund management
Daiwa SB Investments Ltd.	2,000	43.96	—	Apr. 1, 1999	Investment advisory and investment trust management
Sumitomo Mitsui Asset Management Company, Limited	2,000	0 (27.5)	27.5	Dec. 1, 2002	Investment advisory and investment trust management
JSOL CORPORATION	5,000	0 (50)	—	Jul. 3, 2006	System engineering and data processing
Sakura Information Systems Co., Ltd.	600	0 (49)	49	Nov. 29, 1972	System engineering and data processing
Vietnam Export Import Commercial Joint Stock Bank	VND12,526.947 billion	0 (15.00)	15.00	May 24, 1989	Commercial banking
Promise Co., Ltd.*	80,737	0 (22.02)	22.02	Mar. 20, 1962	Consumer loans
At-Loan Co., Ltd.*	10,912	0 (100)	49.99 (50.00)	Jun. 8, 2000	Consumer loans
POCKET CARD CO., LTD.	14,374	0 (35.55)	35.55	May 25, 1982	Credit card services
Sumitomo Mitsui Auto Service Company, Limited	6,950	39.99	—	Feb. 21, 1981	Leasing

* At-Loan Co., Ltd. was merged with Promise Co., Ltd. on April 1, 2011.

International Directory (as of June 30, 2011)

Asia and Oceania

SMBC Branches and Representative Offices

Hong Kong Branch

7th & 8th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong Special Administrative Region, The People's Republic of China
Tel: 852 (2206) 2000
Fax: 852 (2206) 2888

Shanghai Branch

11F, Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai 200120, The People's Republic of China
Tel: 86 (21) 3860-9000
Fax: 86 (21) 3860-9999

Dalian Representative Office

Senmao Building 9F, 147 Zhongshan Lu, Dalian 116011, The People's Republic of China
Tel: 86 (411) 8370-7873
Fax: 86 (411) 8370-7761

Chongqing Representative Office

27F, Metropolitan Tower, 68 Zourong Road, Yuzhong District, Chongqing 400010, The People's Republic of China
Tel: 86 (23) 6280-3394
Fax: 86 (23) 6280-3748

Taipei Branch

3F, Walsin Lihwa Xinyi Building, No. 1 Songzhi Road, Xinyi District, Taipei 110, Taiwan
Tel: 886 (2) 2720-8100
Fax: 886 (2) 2720-8287

Seoul Branch

Young Poong Bldg. 7F, 33, Seorin-dong, Jongno-gu, Seoul, 110-752, Korea
Tel: 82 (2) 732-1801
Fax: 82 (2) 399-6330

Singapore Branch

3 Temasek Avenue #06-01, Centennial Tower, Singapore 039190, The Republic of Singapore
Tel: 65-6882-0000/0001
Fax: 65-6887-0220/0330

Labuan Branch

Level 12 (B&C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, Federal Territory, Malaysia
Tel: 60 (87) 410955
Fax: 60 (87) 410959

Labuan Branch Kuala Lumpur Office

Level 51, Vista Tower, The Intermark, 182, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Tel: 60 (3) 2168-1700
Fax: 60 (3) 2168-1785

Ho Chi Minh City Branch

9th Floor, The Landmark, 5B Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Tel: 84 (8) 3520-2525
Fax: 84 (8) 3822-7762

Hanoi Branch

1105, 11th Floor, Pacific Place Building, 83B Ly Thuong Kiet Street, Hanoi, Vietnam
Tel: 84 (4) 3946-1100
Fax: 84 (4) 3946-1133

Yangon Representative Office

#1217, 12A Floor Sakura Tower, No.339 Bogyoke Aung San Road, Kyauktada Township, Yangon, Myanmar
Tel: 95 (1) 255397
*relocated on August 1, 2011

Bangkok Branch

8th-10th Floor, Q.House Lumpini Building, 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
Tel: 66 (2) 353-8000
Fax: 66 (2) 353-8282

Manila Representative Office

20th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, Metro Manila, The Philippines
Tel: 63 (2) 841-0098/9
Fax: 63 (2) 811-0877

Sydney Branch

Level 35, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Tel: 61 (2) 9376-1800
Fax: 61 (2) 9376-1863

New Delhi Representative Office

B-14/A, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016, India
Tel: 91 (11) 4670-9945
Fax: 91 (11) 4056-6216

SMBC Principal Subsidiaries/ Affiliates SMFG Network

Sumitomo Mitsui Banking Corporation (China) Limited Head Office (Shanghai)

11F, Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai 200120, The People's Republic of China
Tel: 86 (21) 3860-9000
Fax: 86 (21) 3860-9999

Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Puxi Sub-Branch

1, 12, 13, 12F, Maxdo Center, 8 Xingyi Road, Changning District, Shanghai, The People's Republic of China
Tel: 86 (21) 2219-8000
Fax: 86 (21) 2219-8199

Sumitomo Mitsui Banking Corporation (China) Limited Beijing Branch

Unit1601,16F, North Tower,
Beijing Kerry Centre, No.1, Guang
Hua Road, Chao Yang District,
Beijing 100020, The People's
Republic of China
Tel: 86 (10) 5920-4500
Fax: 86 (10) 5915-1080

Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Branch

12F, The Exchange Tower 2, 189
Nanjing Road, Heping District,
Tianjin 300051, The People's
Republic of China
Tel: 86 (22) 2330-6677
Fax: 86 (22) 2319-2111

Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Binhai Sub-Branch

8F, E2B, Binhai Financial Street,
No.20, Guangchang East Road,
TEDA, Tianjin 300457, The
People's Republic of China
Tel: 86 (22) 6622-6677
Fax: 86 (22) 6628-1333

Sumitomo Mitsui Banking Corporation (China) Limited Guangzhou Branch

12F, International Finance Place,
No.8 Huaxia Road, Tianhe District,
Guangzhou 510623, The People's
Republic of China
Tel: 86 (20) 3819-1888
Fax: 86 (20) 3810-2028/2038

Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Branch

23F, Metropolitan Towers, No.199
Shi Shan Road, Suzhou New
District, Suzhou, Jiangsu 215011,
The People's Republic of China
Tel: 86 (512) 6825-8205
Fax: 86 (512) 6825-6121

Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Industrial Park Sub-Branch

16F, International Building, No.2,
Suhua Road, Suzhou Industrial
Park, Jiangsu Province 215021,
The People's Republic of China
Tel: 86 (512) 6288-5018
Fax: 86 (512) 6288-5028

Sumitomo Mitsui Banking Corporation (China) Limited Changshu Sub-Branch

8F, Science Innovation Building
(Kechuang Building), No.333
Dongnan Road, Changshu
Southeast Economic Development
Zone of Jiangsu, Changshu,
Jiangsu, The People's Republic of
China
Tel: 86 (512) 5235-5553
Fax: 86 (512) 5235-5552

Sumitomo Mitsui Banking Corporation (China) Limited Hangzhou Branch

23F, Golden Plaza, No.118, Qing
Chun Road, Xia Cheng District,
Hangzhou, Zhejiang 310003,
The People's Republic of China
Tel: 86 (571) 2889-1111
Fax: 86 (571) 2889-6699

Sumitomo Mitsui Banking Corporation (China) Limited Shenyang Branch

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Plaza, 59 Beizhan Road, Shenhe
District, Shenyang,
The People's Republic of China
Tel: 86 (24) 3128-7000
Fax: 86 (24) 3128-7005

Sumitomo Mitsui Banking Corporation (China) Limited Shenzhen Branch

23/F, Tower Two, Kerry Plaza, 1
Zhongxinsi Road, Futian District,
Shenzhen 518048, The People's
Republic of China
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Fax: 86 (755) 2383-0707

PT Bank Sumitomo Mitsui Indonesia

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Jendral Sudirman Kav. 61-62,
Jakarta 12190, Indonesia
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Fax: 62 (21) 522-7022

Sumitomo Mitsui Banking Corporation Malaysia Berhad

Level 50 & 51, Vista Tower, The
Intermark, 182, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia
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Fax: 60 (3) 2168-1770

Sumitomo Mitsui Finance Australia Limited

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SMBC Capital Markets (Asia) Limited

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SMBC Metro Investment Corporation

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6784 Ayala Avenue, Makati City,
Metro Manila, The Philippines
Tel: 63-2-8110845
Fax: 63-2-8110876

Vietnam Export Import Commercial Joint Stock Bank

7 Le Thi Hong Gam Street,
Nguyen Thai Binh Ward, District
1, Ho Chi Minh City, Vietnam
Tel: 84 (8) 3821-0055
Fax: 84 (8) 3829-6063

SBCS Co., Limited

10th Floor, Q. House Lumpini
Building, No.1 South Sathorn Road,
Tungmahamek, Sathorn,
Bangkok 10120, Thailand
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Fax: 66 (2) 677-7279

BSL Leasing Co., Ltd.

19th Floor, Sathorn City Tower,
175 South Sathorn Road,
Thungmahamek, Sathorn,
Bangkok, 10120, Thailand
Tel: 66 (2) 670-4700
Fax: 66 (2) 679-6160

SMBC Capital India Private Limited

B-14/A, Qutab Institutional Area,
Katwaria Sarai, New Delhi-
110016, India
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Fax: 91 (11) 4607-8355

**The Japan Research Institute
(Shanghai) Solution Co., Ltd.**

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**The Japan Research Institute
(Shanghai) Consulting Co., Ltd.
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**Sumitomo Mitsui Finance and
Leasing (Singapore) Pte. Ltd.**

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**Sumitomo Mitsui Finance and
Leasing (Hong Kong) Ltd.**

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Fax: 852-2845-9246

SMFL Leasing (Thailand) Co., Ltd.

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Lumpini Building,
1 South Sathorn Road,
Tungmahamek, Sathorn,
Bangkok 10120, Thailand
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Fax: 66 (2) 677-7413

**Sumitomo Mitsui Finance and
Leasing (China) Co., Ltd.**

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Guangzhou, 510620,
The People's Republic of China
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Fax: 86 (20) 8755-0422

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Leasing (China) Co., Ltd.
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SMFL Leasing (Malaysia) Sdn. Bhd.

Letter Box No.58, 11th Floor,
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50250 Kuala Lumpur, Malaysia
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Fax: 60 (3) 2026-2627

PT. SMFL Leasing Indonesia

Summitmas II, 12th Floor, Jl.Jend.
Sudirman Kav. 61-62 Jakarta
Selatan 12190, Indonesia
Tel: 62 (21) 520-2083
Fax: 62 (21) 520-2088

**Sumitomo Mitsui Auto Leasing &
Service (Thailand) Co., Ltd.**

161, Nuntawan Building, 10th Floor,
Rajdamri Road,
Khwaeng Lumpinee,
Khet Pathumwan,
Bangkok 10330, Thailand
Tel: 66-2252-9511
Fax: 66-2255-3130

PROMISE (HONG KONG) CO., LTD.

14th Floor, Luk Kwok Centre, 72
Gloucester Road, Wanchai, Hong
Kong Special Administrative Region,
The People's Republic of China
Tel: 852 (3199) 1000
Fax: 852 (2528) 5472

PROMISE (THAILAND) CO., LTD.

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Seasons Place, 87/1 Wireless Road,
Lumpini, Phatumwan, Bangkok
10330, Thailand
Tel: 66 (2) 655-8574
Fax: 66 (2) 655-8170

PROMISE (SHENZHEN) CO., LTD.

Room 911-912, Ying Long
Development Center, Shennan Road
6025, Fu Tian District, Shenzhen
518040, The People's Republic of
China
Tel: 86 (755) 2396-6200
Fax: 86 (755) 2396-6379

PROMISE (SHENYANG) CO., LTD.

Room 1501/1502, No.1 Yuebin Street,
Shenhe District, Shenyang,
Liaoning Province 110013,
The People's Republic of China
Tel: 86 (24) 2250-6200
Fax: 86 (24) 2250-6220

The Americas

SMBC Branches and Representative Offices

New York Branch

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-4000
Fax: 1 (212) 593-9522

Cayman Branch

P.O. Box 694, Edward Street,
George Town, Grand Cayman,
Cayman Islands

Los Angeles Branch

601 South Figueroa Street,
Suite 1800, Los Angeles,
CA 90017, U.S.A.
Tel: 1 (213) 452-7800
Fax: 1 (213) 623-6832

San Francisco Branch

555 California Street, Suite 3350,
San Francisco, CA 94104, U.S.A.
Tel: 1 (415) 616-3000
Fax: 1 (415) 397-1475

Houston Representative Office

Two Allen Center, 1200 Smith
Street, Suite 1140 Houston, Texas
77002, U.S.A.
Tel: 1 (713) 277-3500
Fax: 1 (713) 277-3555

Mexico City Representative Office

Torre Altiva Boulevard Manuel
Avila Camacho 138 Piso 2, Loc. B
Lomas de Chapultepec, 11000,
Mexico, D.F.
Tel: 52 (55) 2623-0200
Fax: 52 (55) 2623-1375

Bogota Representative Office

Carrera 9 #113-52 Oficina 808,
Edificio Torres Unidas 2, Bogotá
D.C., Colombia
Tel: 57 (1) 619-7200
Fax: 57 (1) 629-4288

SMBC Principal Subsidiaries/ Affiliates SMFG Network

Manufacturers Bank

515 South Figueroa Street,
Los Angeles, CA 90071, U.S.A.
Tel: 1 (213) 489-6200
Fax: 1 (213) 489-6254

Sumitomo Mitsui Banking Corporation of Canada

Ernst & Young Tower, Toronto
Dominion Centre, Suite 1400,
P.O. Box 172, 222 Bay Street,
Toronto, Ontario M5K
1H6, Canada
Tel: 1 (416) 368-4766
Fax: 1 (416) 367-3565

Banco Sumitomo Mitsui Brasileiro S.A.

Avenida Paulista, 37-11 e 12
andar, Sao Paulo-SP-CEP 01311-
902, Brazil
Tel: 55 (11) 3178-8000
Fax: 55 (11) 3289-1668

SMBC Capital Markets, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5100
Fax: 1 (212) 224-5181

SMBC Leasing and Finance, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5200
Fax: 1 (212) 224-5222

SMBC Nikko Securities America, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5300
Fax: 1 (212) 224-5333

JRI America, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-4200
Fax: 1 (212) 224-4379

Europe, Middle-East and Africa

SMBC Branches and Representative Offices

Düsseldorf Branch

Prinzenallee 7, 40549 Düsseldorf,
Federal Republic of Germany
Tel: 49 (211) 36190
Fax: 49 (211) 3619236

Brussels Branch

Neo Building, Rue Montoyer 51,
Box 6, 1000 Brussels, Belgium
Tel: 32 (2) 551-5000
Fax: 32 (2) 513-4100

Dubai Branch

Building One, 5th Floor, Gate
Precinct, Dubai International
Financial Centre, PO Box 506559
Dubai, United Arab Emirates
Tel: 971 (4) 428-8000
Fax: 971 (4) 428-8001

Madrid Representative Office

Villanueva, 12-1. B, 28001 Madrid,
Spain
Tel: 34 (91) 576-6196
Fax: 34 (91) 577-7525

SMBC Amsterdam Representative Office

World Trade Center, Tower D Level
12, Strawinskylaan 1733,
1077 XX Amsterdam,
The Netherlands
Tel: 31 (20) 718-3888
Fax: 31 (20) 718-3889

Prague Representative Office

International Business Centre,
Pobrezni 3, 186 00 Prague 8,
Czech Republic
Tel: 420-224-832-911
Fax: 420-224-832-933

Bahrain Representative Office

No.406 & 407 (Entrance 3, 4th Floor) Manama Centre,
Government Road, Manama,
State of Bahrain
Tel: 973-17223211
Fax: 973-17224424

Tehran Representative Office

4th Floor, 80 Nezami Gangavi
Street, Vali-e-Asr Avenue, Tehran
14348, Islamic Republic of Iran
Tel: 98 (21) 8879-4586/4587
Fax: 98 (21) 8820-6523

Doha QFC Office

Office 1901, 19th Floor, Qatar
Financial Centre Tower,
Diplomatic Area-West bay, Doha,
Qatar, P.O. Box 23769
Tel: 974-4496-7572
Fax: 974-4496-7576

Cairo Representative Office

Flat No.6 of the 14th Fl., 3 Ibn
Kasir Street, Cornish El Nile, Giza,
Arab Republic of Egypt
Tel: 20 (2) 3761-7657
Fax: 20 (2) 3761-7658

Johannesburg Representative Office

Building Four, First Floor,
Commerce Square,
39 Rivonia Road, Sandhurst,
Sandton 2196, South Africa
Tel: 27 (11) 502-1780
Fax: 27 (11) 502-1790

SMBC Principal Subsidiaries/ Affiliates SMFG Network

Sumitomo Mitsui Banking Corporation Europe Limited Head Office

99 Queen Victoria Street, London
EC4V 4EH, U.K.
Tel: 44 (20) 7786-1000
Fax: 44 (20) 7236-0049

Sumitomo Mitsui Banking Corporation Europe Limited Paris Branch

20, Rue de la Ville l'Evêque,
75008 Paris, France
Tel: 33 (1) 44 (71) 40-00
Fax: 33 (1) 44 (71) 40-50

Sumitomo Mitsui Banking Corporation Europe Limited Milan Branch

Via della Spiga 30/ Via Senato 25,
20121 Milan, Italy
Tel: 39 (02) 7636-1700
Fax: 39 (02) 7636-1701

Sumitomo Mitsui Banking Corporation Europe Limited Moscow Representative Office

Presnenskaya naberezhnaya, house
10, block C, Moscow, 123317,
Russian Federation
Tel: 7 (495) 287-8265
Fax: 7 (495) 287-8266

SMBC Nikko Capital Markets Limited

99 Queen Victoria Street, London
EC4V 4EH, U.K.
Tel: 44 (20) 7786-1400
Fax: 44 (20) 7786-1490

SMBC Derivative Products Limited

99 Queen Victoria Street, London
EC4V 4EH, U.K.
Tel: 44 (20) 7786-1400
Fax: 44 (20) 7786-1490

ZAO Sumitomo Mitsui Rus Bank

Presnenskaya naberezhnaya,
house 10, block C, Moscow
123317, Russian Federation
Tel: 7 (495) 287-8200
Fax: 7 (495) 287-8201

Sumitomo Mitsui Finance Dublin Limited

La Touche House, I.F.S.C.,
Custom House Docks, Dublin 1,
Ireland
Tel: 353 (1) 670-0066
Fax: 353 (1) 670-0353

JRI Europe, Limited

99 Queen Victoria Street, London
EC4V 4EH, U.K.
Tel: 44 (20) 7406-2700
Fax: 44 (20) 7406-2799

SMFL Aircraft Capital Corporation B.V.

World Trade Center Amsterdam,
Strawinskylaan 907,
1077 XX Amsterdam,
The Netherlands
Tel: 31-20-575-2570
Fax: 31-20-575-2571



GLOBAL NETWORK

Asia and Oceania

- Sumitomo Mitsui Banking Corporation (China) Limited Head Office (Shanghai)
- Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Guangzhou Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Hangzhou Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Beijing Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shenyang Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shenzhen Branch

- Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Binhai Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Industrial Park Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Changshu Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Sub-Branch
- Shanghai Branch
- Dalian Representative Office
- Chongqing Representative Office
- Hong Kong Branch
- SMBC Capital Markets (Asia) Limited
- Taipei Branch
- Seoul Branch
- Singapore Branch

- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- Labuan Branch Kuala Lumpur Office
- Labuan Branch
- Ho Chi Minh City Branch
- Hanoi Branch
- Vietnam Export Import Commercial Joint Stock Bank
- Yangon Representative Office
- Bangkok Branch
- SBCS Co., Limited
- Manila Representative Office
- SMBC Metro Investment Corporation
- Sydney Branch
- Sumitomo Mitsui Finance Australia Limited
- PT Bank Sumitomo Mitsui Indonesia
- New Delhi Representative Office
- SMBC Capital India Private Limited

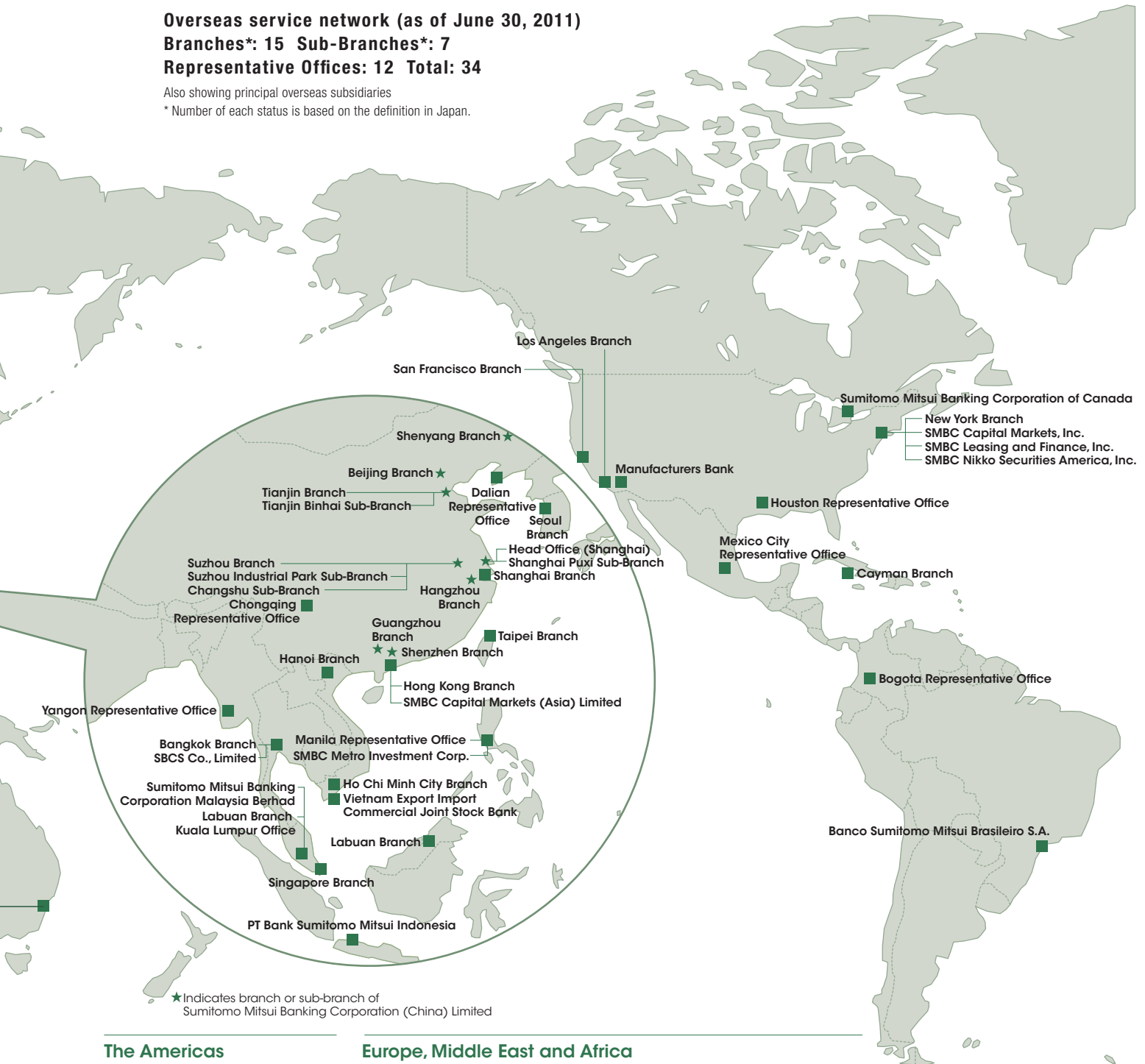
Overseas service network (as of June 30, 2011)

Branches*: 15 Sub-Branches*: 7

Representative Offices: 12 Total: 34

Also showing principal overseas subsidiaries

* Number of each status is based on the definition in Japan.



The Americas

- New York Branch
SMBC Capital Markets, Inc.
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SMBC Nikko Securities America, Inc.
- Los Angeles Branch*
- San Francisco Branch*
- Houston Representative Office*
- Mexico City Representative Office*
- Bogota Representative Office*
- Cayman Branch
- Manufacturers Bank
- Sumitomo Mitsui Banking Corporation of Canada
- Banco Sumitomo Mitsui Brasileiro S.A.

Europe, Middle East and Africa

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- Sumitomo Mitsui Banking Corporation Europe Limited Milan Branch
- Düsseldorf Branch
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- Prague Representative Office
- ZAO Sumitomo Mitsui Rus Bank
Sumitomo Mitsui Banking Corporation Europe Limited Moscow Representative Office
- Sumitomo Mitsui Finance Dublin Limited
- Dubai Branch
- Doha QFC Office
- Bahrain Representative Office
- Tehran Representative Office
- Cairo Representative Office
- Dubai Branch Johannesburg Representative Office*

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SMFG SUMITOMO MITSUI
FINANCIAL GROUP