



SMFG SUMITOMO MITSUI
FINANCIAL GROUP

2012

ANNUAL REPORT

YEAR ENDED MARCH 31, 2012

SUMITOMO MITSUI FINANCIAL GROUP
SUMITOMO MITSUI BANKING CORPORATION

Beyond our boundaries. Beyond our imagination.

We are qualified professionals to provide valuable financial services to our customers based on our three core strengths — “Spirit of Innovation,” “Speed” and “Solution & Execution.”

Spirit of Innovation

We lead the market by providing innovative, globally competitive services that meet customer needs.

Solution & Execution

We lead the business by using all the knowledge and experiences of our group to solve the issues of our customers, whether individuals or corporates, identified through a deep understanding of their needs and financial situations.

Our Three Core Strengths

Speed

We lead the pace by providing our customers with desirable services in a timely manner with speed and determination.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document 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: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; exposure to new risks as we expand the scope of our business; and incurrence of significant credit-related costs. 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 document. 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 registration statement on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and results of operations, and investors’ decisions.

Sumitomo Mitsui Financial Group, Inc.

September 2012

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Message from Top Management

Dear Fellow Stakeholders,

We sincerely thank you for your continued support and patronage. In this annual report, we would like to present our initiatives implemented in fiscal 2011 (fiscal year ended March 2012) and our management policies going forward.

In fiscal 2011, SMFG's consolidated net income increased by ¥42.6 billion to ¥518.5 billion with a ROE of 10.4%. Fiscal 2011 was the first year of our medium-term management plan, and we made a good start toward achieving its targets, including better-than-expected results on financial targets (Table 1). Going forward, we will continue to focus on international business and synergies between SMBC and SMBC Nikko as our growth drivers and on the 3C – cross-selling, credit control, and cost control.

Principal Initiatives in Fiscal 2011

In fiscal 2011, the U.S. and European economies started to decelerate in the summer of 2011, primarily due to the European debt crisis triggered by the financial problems in Greece and tight monetary policies adopted in emerging countries, but there were signs of recovery in the U.S. economy towards the fiscal year-end. Meanwhile, despite setbacks in the aftermath of the March 2011 earthquake and tsunami, the Japanese economy showed some signs of recovery last summer as manufacturing activities recovered nearly to their pre-disaster levels. However, the pace of recovery slowed down thereafter due to factors such as the stagnant global economy, consistent strong yen and damages caused by floods in Thailand.

Against this backdrop, we dedicated ourselves to facilitating financing to our clients and ensuring the smooth operation of our payment and settlement platform to help spur the post-disaster recovery. In addition, we launched our medium-term management plan for the three-year period from fiscal 2011 to fiscal 2013, with the twin management targets of achieving top quality in strategic business areas, and a solid financial base and corporate infrastructure to meet the challenges of financial regulations and highly competitive environment (Table 2). We have been proactively strengthening initiatives in order to achieve these targets.

As a result, SMFG's consolidated ordinary profit increased by ¥110.1 billion to ¥935.6 billion, net income increased by ¥42.6 billion to ¥518.5 billion with a ROE of 10.4%, due mainly to the following achievements:

- an increase in gross banking profit of SMBC's Marketing Units led by International Banking Unit
- a high level of profit generated by SMBC's Treasury Unit as in the previous fiscal year
- a decrease in total credit cost from an improvement in asset quality by SMBC and group companies

At the same time, we made steady progress towards achieving the financial targets of the medium-term management plan.



Koichi Miyata

President
Sumitomo Mitsui Financial Group, Inc.

Table 1: Progress of financial targets in the medium-term management plan

Core Tier I ratio*1 (pro-forma)	FY3/2011	FY3/2012	FY3/2014 Target
Based on the definition as at the full implementation of Basel III*2	above 6%	nearly 7.5%	8%
Based on the definition as at the initial implementation of Basel III	above 8%	above 9%	

	FY3/2011	FY3/2012	FY3/2014 Target
Consolidated net income RORA	0.8%	0.9%	0.8%
Consolidated overhead ratio	52.5%	53.5%	50%-55%
SMBC non-consolidated overhead ratio	45.6%	46.9%	45%-50%
Overseas banking profit ratio*3	23.3%	26.0%	30%

*1 Common Equity Tier 1 ratio under Basel III. SMFG consolidated

*2 Regulatory adjustments are fully deducted

*3 Based on the medium-term management plan – exchange rate assumption of 1USD=JPY85 for FY3/2012 to FY3/2014

On strategic initiatives, we have implemented the following measures. In the international business, we expanded our network and headcount in emerging markets, mainly in Asia, to support the development of SMBC's business. We also enhanced our group's overseas business portfolio. SMBC and Sumitomo Mitsui Finance and Leasing, in a joint effort with Sumitomo Corporation, executed an agreement to acquire the aircraft leasing business of The Royal Bank of Scotland Group in the U.K. In synergies between SMBC and SMBC Nikko, we enhanced Nikko's wholesale securities business capabilities for handling Japanese corporations' requirements for cross-border M&A, through a business and capital alliance with Moelis & Company, and global equity offerings. In addition, we further strengthened the cooperation between SMBC and SMBC Nikko in securities intermediary business. In the consumer finance/credit card business, we implemented full measures to deal with refund claims and increased SMFG's stakes in SMBC Consumer Finance (formerly Promise) and Cedyne to 100% to increase the flexibility of business management.

Takeshi Kunibe

President and CEO

Sumitomo Mitsui Banking Corporation

Management Policies in Fiscal 2012

Fiscal 2012, the second year of the medium-term management plan, is the year for us to move forward steadily toward the achievement of the plan by fully capturing opportunities with proactive ideas and actions. While maintaining our focus on the development of international business and synergies between SMBC and SMBC Nikko as our growth drivers and on the 3C, we will continue to strengthen initiatives in strategic business areas and to establish a solid financial base and corporate infrastructure.

◎ Strengthening initiatives in strategic business areas

We will further strengthen initiatives in the five strategic business areas: financial consulting for retail customers; tailor-made solutions for corporate clients; commercial banking in emerging markets, especially Asia; broker-dealer/investment banking; and non-asset businesses including payment & settlement services and asset management.

● Financial consulting for retail customers

We will fully identify the needs and desire of each customer segment and offer the optimal set of products and services. Specifically, we will continue to make every effort to improve our financial consulting capabilities for retail customers, whose needs are diversifying, through initiatives including expanding the product line-up of securities intermediary



business and reinforcing the insurance business of SMBC. At the same time, we will strengthen our client base by promoting collaboration between Middle Market Banking Unit and Consumer Banking Unit of SMBC; and cross-selling on a group-wide basis. In addition, we will offer products and services addressing customers' important life events. We will also enhance transaction services and consumer finance business for retail customers on a group-wide basis by consolidating the management function of group companies engaged in these businesses into the newly established Consumer Finance & Transaction Business Department.

● **Tailor-made solutions for corporate clients**

In our business for domestic corporate clients, against a backdrop of changing external business climate, we are seeing a rise in the number of corporations seriously considering business restructuring including M&As and MBOs. In order to fully address our corporate clients' needs and management challenges, we will reinforce our solution providing capabilities and lending business by evolving organizational framework for marketing and optimizing staff allocation.

● **Commercial banking in emerging markets, especially Asia**

In the emerging markets, we will capture business opportunities by accommodating Japanese clients' needs, including supporting their international business development, more effectively and in a more integrated manner; and reinforcing growth businesses including infrastructure finance and trade finance. We will do so by expanding our global network, promoting collaboration between domestic and overseas offices and between business units, and strengthening marketing functions for investment banking business in Asia. In addition, we will secure stable foreign-currency funding sources to accommodate increases in overseas assets.

● **Broker-dealer/Investment banking**

In order to more effectively address the diversified needs of clients, we will reinforce SMBC Nikko Securities, the principal driver of our securities business. We will continue to expand its established retail business by offering products accommodating the changing market conditions and investor sentiment. We will also strengthen its wholesale business to enhance its ability to address the requirements of our corporate clients for cross-border M&As, by leveraging the alliance with Moelis & Company, global equity offerings and

issuing of Euro/Yen convertible bonds. In addition, we will further promote SMBC Nikko Securities' collaboration with SMBC.

● **Non-asset businesses including payment & settlement services and asset management**

Transaction services is a profitable business that does not require the use of assets and is effective in improving our risk return profile. In April of this year, we established Transaction Business Planning Department that devises long-term, integrated transaction services business strategies for our group and manages settlement risk, and Transaction Business Division that promotes transaction services businesses for corporate clients. Moving forward, we will enhance the transaction services business by accommodating the transaction services needs and accompanying financing needs of corporate clients the world over in a more integrated and flexible manner. Regarding our asset management business, we will reinforce the collaboration within our group and with overseas asset management companies.

◎ **Establish a solid financial base and corporate infrastructure**

In order to strengthen our corporate infrastructure to support the sustainable development of our international business, we will upgrade our risk management system, develop human resources with international business capabilities and promote national staff. We will also upgrade our group-wide management capabilities by diversifying and enhancing business portfolio while reinforcing strategic business areas; and pursuing operational efficiency through business process re-engineering. Regarding compliance, we will address the changing regulatory environment and further strengthen our group-wide compliance and control system.

Capital and Shareholder Return Policies

In the medium-term management plan, we have set a Core Tier I ratio (Common Equity Tier I ratio under Basel III)* target of 8% as of March 31, 2014. This means that we will aim to achieve a Core Tier I ratio of approximately 1 percentage point higher than the Basel III required level of 7% five years earlier than the Basel III full implementation deadline of March 2019. The Core Tier I ratio as of March 31, 2012 was nearly 7.5%.

Looking ahead, Global Systemically Important Financial Institutions (G-SIFIs) may be required to have additional loss absorption capacity in the form of a capital surcharge. We believe we will be able to secure a sufficient level of capital for the possible G-SIFI capital surcharge by implementing the initiatives in our medium-term management plan and maintaining our globally top-level operational efficiency, thereby steadily building up retained earnings.

* SMFG consolidated; pro forma; all regulatory adjustments are deducted.

Meanwhile, SMFG's basic shareholder return policy is to secure a consolidated payout ratio of over 20% through the stable and consistent distribution of profit, while enhancing retained earnings to maintain financial soundness in light of the public nature of our business as a bank holding company; and to achieve sustainable growth of enterprise value.

For fiscal 2012, we forecast consolidated ordinary profit of ¥910 billion and net income of ¥480 billion. Meanwhile, the annual cash dividend per share forecast for fiscal 2012 is ¥100, unchanged from the previous fiscal year, and the half of which, ¥50, will be paid as an interim dividend. We have not changed our cash dividend forecast because we continue to focus on building up retained earnings to meet new global capital regulations and are confident of securing an appropriate consolidated dividend payout ratio.

The outlook for the Japanese and overseas economies remains unclear, uncertain, and unstable. However, we believe that we can meet your expectations through the initiatives we have described. We hope that we can continue to count on your understanding and support in the years ahead.

September 2012



Koichi Miyata
President
Sumitomo Mitsui
Financial Group, Inc.



Takeshi Kunibe
President and CEO
Sumitomo Mitsui
Banking Corporation

Table 2: Overview of the medium-term management plan (Announced May 2011)

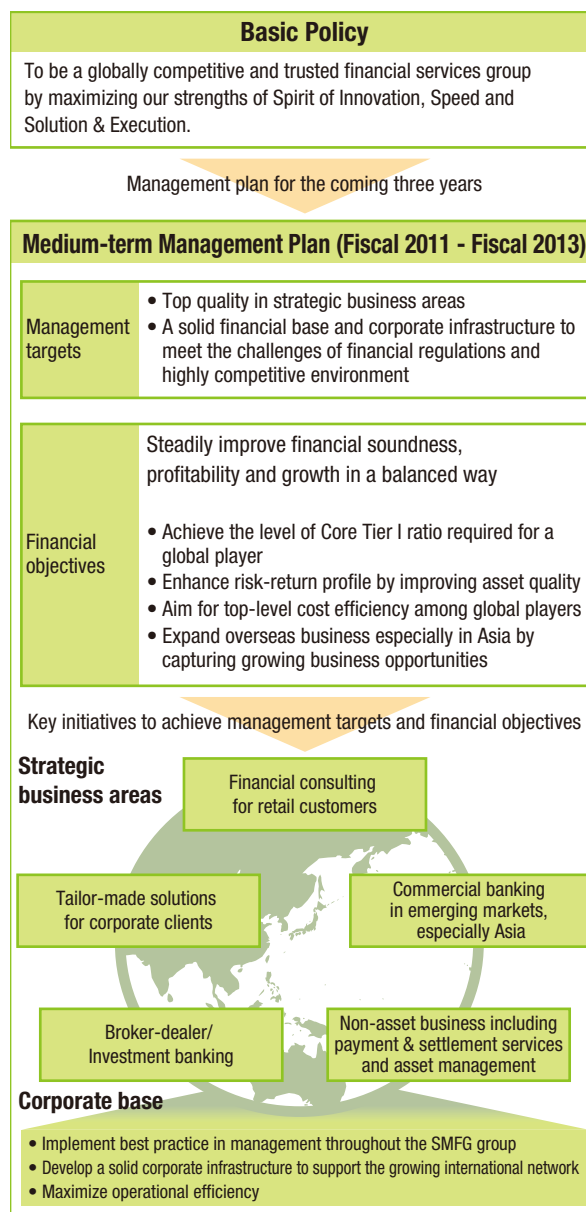


Table 3: Management Principles: 3C

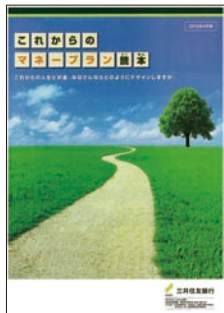


Consumer Banking

SMFG group companies work cooperatively to provide better and highly appreciated services for individual clients.

SMBC strives to enhance its products and services to appropriately meet the diverse needs of individual clients in accordance with one of its corporate values of “Providing value-added services to each client.”

Asset Management



SMBC has a wide range of investment trust products to meet the diversifying asset management needs of its clients. In fiscal 2011, the bank implemented measures to further expand its series of products, by offering new funds for investing in the following three types of investment products: (1) foreign-currency denominated portfolios which flexibly control the allocation of the fund according to any changes due to

interest rates and/or foreign exchange rates while continuing to invest in three types of assets: high-yield emerging market corporate bonds, high-dividend stocks, and real estate, (2) U.S. stocks, and (3) overseas convertible corporate bonds.

SMBC and SMBC Nikko Securities Inc. donated the equivalent to 50% of the commissions earned from the sales of investment trust products of Japanese stocks during the period of June 1 to August 31, 2011 to the local governments of four particular prefectures (Iwate, Miyagi, Fukushima and Ibaraki Prefectures) severely damaged by the Great East Japan Earthquake.



In June 2010, for continuing to contribute the environmental safety, we officially named the Japanese government bonds (JGBs) for retail investors (formerly known as the “Reconstruction Bonds for Retail Investors” since December 2011) the “SMBC Green Program.” In fiscal 2011, we worked to reduce the emission of greenhouse gas in Japan and support small-to-medium-sized enterprises in the northeast of Japan through our carbon credit framework developed particularly for the northeastern areas. As a new JGB initiative for retail investors, we launched the sales of the “Reconstruction Supporters’ Bonds for Retail Investors” in March 2012 to be used as a source to fund recovery after the earthquake disaster.

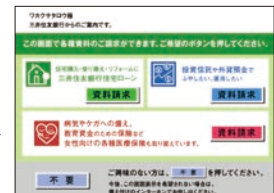
We have added three new currencies, namely, the Mexican peso, the Turkish lira (fiscal 2011) and the Brazilian real (April 2012) to our selection of foreign currency deposits in order to accommodate the increasing needs of clients for foreign-

currency denominated asset management.

SMBC, working with SMBC Nikko Securities, continues to offer its wide-range of clients the intermediary service for financial products of such as foreign bonds and yen-denominated bonds. We enhanced the series of structured bonds and existing bonds in fiscal 2011 to further promote the cooperative business of the bank and securities firm.

Life Insurance and Estate

SMBC offers life insurance policies over the counter at its branches throughout Japan. In fiscal 2011, we launched and increased the number of products, including (1) foreign-currency denominated plans for our pension-type, fixed-amount insurance for individuals, (2) yen-denominated fixed-amount whole life insurance plans, providing functions of death payout and long-term asset formation, and (3) medical insurance such as a single-premium type of lifelong coverage for a wide-range of illnesses and injuries. For clients who may have difficulties coming to the bank, we offer automated processing services for requests which can be made at ATMs or through the internet, without visiting a branch, in order to appropriately accommodate the needs of clients.



ATM screen

The bank also offers services for will trusts to assist with facilitation of inheritance related matters by providing comprehensive support for preparation, storing and execution of wills for clients of all ages.

Consumer Loans and Settlement

SMBC has further expanded its range of products and services for clients who are faced with emergencies or under extraordinary circumstances. For instance, we offer housing loans for clients with the indemnity for three major serious illnesses which brings the borrower’s outstanding balance to zero in the event that the client is diagnosed by doctors with the prescribed conditions of cancer, heart attack or stroke, etc. We also provide housing loans offering a partial repayment waiver which depends on the extent of damages, in the event that the borrower’s own home is damaged or destroyed by natural disasters.



We also substantially improved the convenience for clients requesting housing loans by enabling them to complete their applications for making either full or partial prepayments, or changing the interest rate to floating or fixed, by utilizing the SMBC Direct, the online banking service.

In order to appropriately respond to the “Act Concerning Temporary Measures to Facilitate Financing for Small and

Medium-Sized Enterprises, etc.,” SMBC has appointed specialists at all bank branches to provide consultations and assistance for clients having difficulties in making repayments for their mortgage, as well as eight special Loan Support Offices nationwide. For housing finance clients who were affected by the Great East Japan Earthquake, we offer housing loans with special rates, and we also offer our existing clients consultation services on loan repayments. The bank is implementing measures to provide further expedited and personalized services and support for clients having difficulties with making housing loan repayments.

As for SMBC unsecured consumer loans (card loans), guaranteed by SMBC Consumer Finance Co., Ltd.*1, we extensively improved our products in October 2011, making it more convenient for clients, such as raising the maximum contract amount from ¥5 million to ¥8 million, and lowering the minimum interest rate from 5.0% to 4.0%.

As one of our foreign-exchange services, SMBC offers the delivery service of foreign currency to clients’ home or workplace payable on receipt. We added four new currencies to our range handled, including the Vietnamese dong, bringing the total to 36, as of March 2012. The service has become further convenient especially for clients who have limited time available prior to traveling to overseas or making business trips.



*1 SMBC Consumer Finance Co., Ltd. was formerly known as Promise Co., Ltd. The corporate name was changed on July 1, 2012.

Transaction Channels

As for SMBC Direct, the online banking services, we consistently enhance services and improve convenience to accommodate the needs of clients while developing advanced services and strengthening security. In October 2011, we began to offer the “SMBC Direct Global Service” which enables clients overseas to process their transactions online. Previously, when clients in overseas make their deposits in Japan or transfers to recipients in Japan, they had to make arrangements by mail or fax. The launch of this new online banking service substantially improves convenience for clients.

For rapidly increasing number of clients who use smartphones, we have launched a website especially for those smartphone users, facilitating the operations for inquiring or viewing balances and making transfers, etc. We have also launched a smartphone-based profit management application, the “Smart Shushi,” for businesspersons having limited time to spare. The Android*2-based system was launched in September 2011, while the iOS*3 (iPhone) version was released in January 2012. We are improving the convenience for clients by increasing our service channels.



*2 Android is the trademark or registered trademark of Google Inc.

*3 iPhone is the trademark of Apple Inc. registered in the United States and other countries.

Our call centers located in Tokyo, Kobe and Fukuoka for retail clients receive calls from online clients who prefer to speak with our staff on important issues. The operations of these three call centers enhance our system of offering services such as consultation for asset management and loans, or inquiries on information for financial services on the telephone, by accommodating to the lifestyle and needs of our clients.

Topics

◆Business Jointly-Operated by SMBC and SMBC Nikko Securities

SMBC and SMBC Nikko Securities, as the group, are improving their capabilities to provide individual clients with financial products and services by focusing on four areas of business operations of intermediary services for individual clients: financial instruments, fund wrap services, clients referrals and banking agency services.

SMBC and SMBC Nikko Securities are each facilitating the sharing of their expertise by sending SMBC Nikko Securities personnel having knowledge and experiences of asset management to SMBC.

We remain committed to providing services to further enhance the integration of banking and securities in diverse areas such as products/services, marketing, personnel in order to fully satisfy the needs of clients.

◆Review of marketing structure at the head office of the Consumer Banking Unit

The head office of SMBC’s Consumer Banking Unit has gone through organizational changes in April 2012 in order to better market and to become more client-oriented, further providing products and services appropriately meeting the needs of clients. Specifically, we reorganized the consumer banking and Consumer Loan Departments into the “Retail Business Department” and the “Consumer Loan Department” under the reorganized Retail Business Department, in order to further strengthen marketing functions for promoting complex transactions around major life events. Furthermore, we established the “Wealth Management Department,” which consolidated functions for asset management, inheritance and will trusts, etc., in the “Financial Consulting Department” in order to strengthen business promotion.

■ Corporate Banking

Improving Products and Services for Mid-sized Companies and SME's

●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. To this end, SMBC established its Middle Market Facilitating Financing Department in December 2009 under the Planning Department of the Middle Market 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.

●Development of solutions to meet corporate clients' needs in the areas of environmental protection, risk management and food safety

The issues faced by companies are becoming more diversified every year, including natural resources, energy-saving and global warming of environmental issues; disaster countermeasures; and food safety, etc. The bank develops various solutions to assist and support clients who have promptly responded to such issues.

SMBC's Environmental Assessment Loan/Private Placement Bond, which was offered in 2008 to support environmental management for our clients, initiated SMBC to develop a number of financial products such as the SMBC Environmental Assessment Loan/Private Placement Bond eco value up which supports mid-sized companies and SMEs in their commitment to environmental management, launched in 2010; and the SMBC Sustainable Building Assessment Loan/Private Placement Bond launched in 2011, which includes appraisals of environmental performance and risk readiness in office and condominium buildings built or owned by clients. The SMBC Business Continuity Assessment Loan package supports measures taken by clients to ensure business succession. The SMBC Food and Agriculture Assessment Loan/Private Placement Bond evaluates measures undertaken by food products-related companies to ensure food safety and healthy and safe agriculture.

We will continue to assist and support clients who proactively implement forward-looking measures for diverse issues by developing these solutions.

●Service of providing Information

SMBC's "Intermediary Services" provide services to meet the needs of our clients to be referred to new business partners, and the "One-time Matching" of a large number of clients for procurement purposes for major corporations.

We also held our fourth SMFG Environmental Business Forum in December 2011, which was a part of "Eco-Products 2011" in Tokyo Big



Sight, for the promotion of environmental businesses. At this annual event, we arranged approximately 1,000 business meetings to match the increasing energy and 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, held panel discussions, and provided environmental information.



Furthermore, the bank and SMBC Nikko Securities made an announcement for the new system of the "IPO Navigator" in July 2010, an online information providing service offered free of charge to registered clients considering an IPO. This is a platform for delivering information required for an IPO. As of March 31, 2012, 431 companies were registered for this service. In February 2012, the third IPO seminar was held in Tokyo. The guest speaker for the seminar was Kentaro Takamura, the president of 3-D Matrix, Ltd. which was listed on the "JASDAQ Growth" market in October 2011 and for whom SMBC Nikko Securities served as the lead manager for its IPO. He spoke on his experience of listing the company. He was warmly received by the participants of the seminar.



Enhancing Services for Companies Expanding Overseas

An increasing number of our corporate clients are expanding their businesses overseas. As such, they are faced with growing needs to address not limited to such issues as fund procurement and management but also including different business practices, cultures and interpretation of legal, accounting, and taxation systems.

SMBC has strengthened its integrated system for domestic and international branch offices to properly respond to its clients in providing solutions for cross-border issues.

SMBC organizes and hold seminars for individual countries such as China, other countries in Asia, and South America, to provide information on a regular basis on economy and investment environment in each country. For clients considering to expand their businesses overseas, the bank provides the latest information on local conditions, regulations and business trends, etc. For clients who are already operating their businesses globally, we provide high-quality support and solutions tailored to their needs for business expansion and reorganization, etc.

Strengthening Measures for Greater China

As the economic integration continues in Greater China (PRC, Hong Kong and Taiwan), and the renminbi is becoming more an international currency, we still anticipate that more Japanese companies may enter into the Chinese market or develop their business to capture growing business opportunities.

In order to strengthen the integrated support system for clients whose business covers both Japanese and Chinese markets, SMBC transferred its business responsibilities for the planning, promotion, and management of transactions between its Chinese subsidiary of Sumitomo Mitsui Banking Corporations (China) Limited and Japanese corporate clients from the International Banking Unit to the Corporate Banking Unit in fiscal 2010. The same was done for the Hong Kong and Taipei branches in fiscal 2011.

The "South China Department" was established in Japan in October 2011 in order to respond promptly and flexibly to the needs of mostly Japanese corporations operating in southern China. Following the opening of the Shenzhen Branch in May 2011, the bank plans to reopen the Chongqing office as the locally-incorporated branch office in the first six months of 2012.

The bank is also proactively enhancing offshore renminbi products and services as the needs of clients for these transactions associated with cross-border renminbi settlements are increasing, not limited to in Hong Kong market but also in Japan, as a result of the increased trade settlements with China.

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 Public and Financial Sectors

As the 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 to expand 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 plans to further develop its growing industries strategically. Since fiscal 2010, we have also established operational alliances with the Kansai Urban Banking Corporation, Mie Bank, Ltd. and five other banks to better support companies expanding their businesses into overseas markets.

Our initiatives for the current fiscal year are focused on supporting local public corporations which have incurred substantial damages 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.

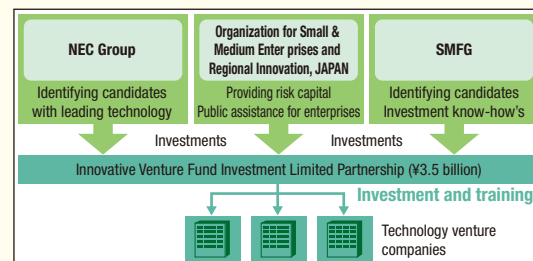
Topics

◆ Establishment of joint venture fund with NEC Group

NEC Capital Solutions Limited and SMBC Venture Capital Co., Ltd. jointly established the Innovative Venture Fund Investment Limited Partnership in April 2012, invested by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN and SMBC Strategic Fund NO.1 Investment Limited Partnership.

We leverage the synergy generated from NEC Group's technology and SMBC's financial solution providing capabilities to support technology venture companies from their start-up stage.

Fund structure



◆ SMBC Business Continuity Assessment Loan/Private Placement Bond

Lately, we have seen an increasing number of companies which have been unable to continue to operate their business due to extraordinary events of swine flu, epidemics and major floods. Concurrently, the diversification and globalization of companies and the increasing supply chains have been adversely affected by unexpected events. The needs for risk management seem to have increased especially after the Great East Japan Earthquake on March 11, 2011. In light of such social background and based on the evaluation standards jointly developed by SMBC and InterRisk Research Institute & Consulting, Inc.*, in November 2011, SMBC began to offer the "SMBC Business Continuity Assessment Loan/Private Placement Bonds" which advises on planning for business continuity plans (BCP), development of business continuity management system (BCMS) and promoting measures; SMBC is setting forth the business continuity planning (BCP); evaluating the development and operations status of business continuity management system (BCMS); and providing loans or determining purchasing terms and conditions according to such evaluation results. There have been approximately ten issues of "SMBC Business Continuity Assessment Loan/Private Placement Bonds" since June 2012 for companies including Nippon Flour Mills Co., Ltd., the first company to concur with the concept of the said bonds.

In March 2012, SMFG organized free business succession plan seminars participated in by approximately 660 clients in Tokyo and Osaka for providing measures to assist clients with their business succession issues.

The bank supports establishing of organizational structures for assisting companies to deal with business succession-related issues if and when they are faced with major events. The bank contributes to realization of a sustainable society by supporting measures to improve financial risk management for companies.

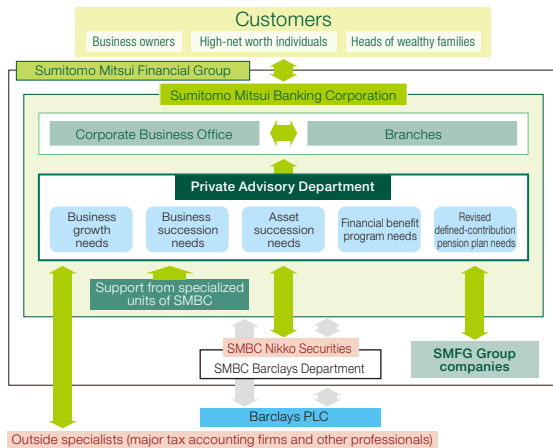
*InterRisk Research Institute & Consulting, Inc.
MS&AD Insurance Group Holdings, Inc., the consulting company engaged in the risk management business.

■ Services for Business Owners, High-Net Worth Individuals and Employees

Private Advisory Department

SMBC's Private Advisory Department ("PAD") provides services for both individuals and corporate clients by working with other SMBC Group companies and alliance partners.

To ensure that business owners can facilitate transfers of their important businesses and assets, PAD offers the following services: (1) business and asset transfers for which we present proposals and provide information based on our extensive experience and knowledge accumulated over the years, and the additional expertise provided by alliance partners such as major tax accounting firms; (2) asset management and support services which provide comprehensive financial services tailored to meet the financial asset needs of high-net worth individuals; and (3) workplace banking services which support the HR and financial strategies of our corporate clients to assist with the development and management of benefit programs and defined-contribution pension systems.



Support for Business and Asset Transfers

PAD presents customized proposals for clients who may be concerned or have problems with transfers of their businesses and assets. We also offer a variety of seminars to provide our clients with up-to-date information and advice, and we are asked to provide consultations from many business owners and high-net worth individuals.

Support for Asset Management

Understanding and sharing client's attitude toward financial assets, we offer comprehensive advices on asset allocation and management. In June 2010, we have started providing new asset management services, through the tri-party alliance of SMBC, Barclays Bank PLC, and SMBC Nikko Securities to respond to various asset management needs of our clients.

Topics

SMBC, SMBC Nikko Securities Inc. and Barclays Bank PLC of the United Kingdom have jointly established SMBC Barclays Department in SMBC Nikko Securities to meet various asset management needs of high-net worth individuals such as business owners.

◆Global investment information

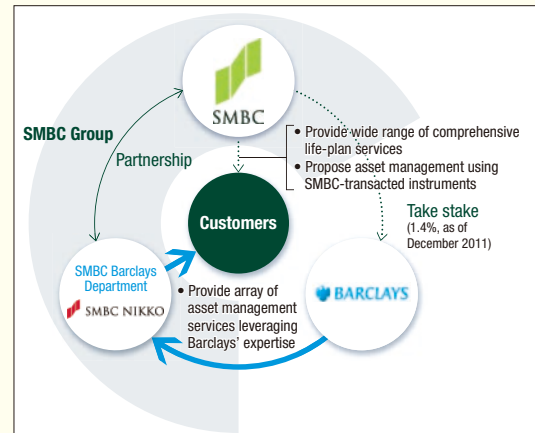
We provide investment information by leveraging Barclays' global research capabilities to assist clients to make their investment decisions.

◆Financial Personality Assessment ("FPA")

Based on the results of FPA (a tool developed by Barclays utilizing behavioral economic studies for understanding the behavioral patterns for making investment-related decisions and actions), we offer asset management advice optimized for each client.

◆Diverse products and services

Wide range of products made available by the dedicated product team within SMBC Barclays Department.



Life Planning Support for Employees

Changes in the social environment, such as the increasing aged population and greater mobility in employment and diversification in life planning, may substantially affect corporate clients' management strategies.

We support clients in creating and managing employees' financial benefit programs and defined-contribution pension plans by using the products and services offered by the bank and its affiliated companies for responding to personnel and financial issues that corporate clients face.



■ Investment Banking

SMFG offers and provides the most appropriate solutions for our clients' diverse needs such as fund raising and fund management; M&A; and risk hedging, in order to assist their business development or enhancement of their corporate value by consolidating resources of the Group companies including the Investment Banking Unit of SMBC and SMBC Nikko Securities Inc.

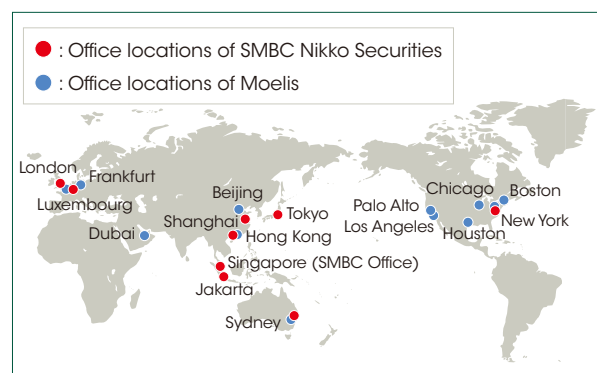
Cooperation with SMBC Nikko Securities

SMBC Nikko Securities, as the core securities firm for the Group, further expands its business operations while working closely with SMBC in both retail and wholesale businesses.

As for the retail business, SMBC and SMBC Nikko Securities work closely together to meet diversifying needs of individual clients by providing securities intermediary service and making business introductions.

As for the wholesale business, the Group substantially expanded its overseas securities business operations. As a result, the ranking for bookrunners significantly improved to the 3rd place in the league table published by Thomson Reuters for fiscal 2011 ("Global Equity & Equity-Related Underwriting Value in Japan") with a market share of 18.1% (the 11th place in the previous year).

As for M&A financial advisory services, the Group has established the business structure which is capable of consistently sustaining the solid and stable business position by closely working with SMBC and steadily capturing individual transactions. As a result, the Group placed second in the ranking of the M&A advisory category for publicly announced mergers of Japanese companies, having the market share of 3.1% (having been in the third place in the previous year). Furthermore, SMBC and SMBC Nikko Securities executed a capital alliance agreement with Moelis & Company (hereinafter, "Moelis"), the U.S. independent investment bank, in January 2012, for further enhancing their existing business relations. The Group strives to consistently make proposals to increase clients' corporate value by appropriately responding to Japanese companies' diverse needs for cross-border M&A by utilizing the global network established by Moelis.



April 1, 2012

On enhancement of measures in the Asia-Pacific region

The Investment Banking Dept., Asia was newly established in April 2012, consolidating functions and human resources of the Investment Banking Unit, for the purpose of flexibly responding to the diversifying and sophisticated needs of clients in the overseas market of the Asia-Pacific region which is anticipated to significantly grow, mainly in the fields of natural resources and infrastructure. We strive to promptly support clients' overseas business development by comprehensively proposing products developed by the Investment Banking Unit.

Topics

◆ Infrastructure finance

SMBC indicated the "enhancement of infrastructure finance" as one of the goals set forth in the Medium-Term Management Plan announced in May 2011, in order to accelerate the capture of the economic growth of the emerging markets concentrated in Asia. In February 2012, the bank joined the group of financial institutions which support infrastructure projects for companies based in Singapore. In March 2012, the bank executed an agreement for investment and business alliance with PT Indonesia Infrastructure Finance, the government-affiliated financial institution, for the improvement and development of infrastructure in Indonesia. We will further improve our high value-added services which have contributed to the economic development in each country including the improvement of infrastructure, by taking advantage of our expertise and experiences accumulated and gained from the project finance.

Furthermore, the "Growing Industrial Cluster Project Team," which was established in July 2010 as the cross-departmental organization, was commissioned to conduct the feasibility study, along with Toshiba Corp., NTT Data Corporation and ITOCHU Corporation, for the Facilitation Project of the Industrial Complex in Thailand which was entrusted to the Japan Research Institute, Limited by the Ministry of Economy, Trade and Industry of Japan in March 2012.

The bank established the "Growth Industry Cluster Dept." under the Project & Export Finance Dept. in April 2012, to further strengthen our support provided to clients for diverse businesses such as feasibility study and financing.

* The "industry cluster" is used to describe the situation in which new businesses are created by mutually utilizing intellectual resources shared by the extensive network of industry-academic-government in diverse fields.

International Banking

The International Banking Unit of SMFG strives to provide high value-added services appropriate to the specific local needs of its globally-operating clients of business corporations, financial institutions, governmental organizations and public entities.

SMBC strives to become the global commercial bank which is capable of consistently providing up-to-date information and services by closely cooperating with SMFG group companies and overseas subsidiaries throughout the world, concentrating mainly on the three regional divisions of Asia-Pacific, Americas and Europe.

Expansion of Overseas Network

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

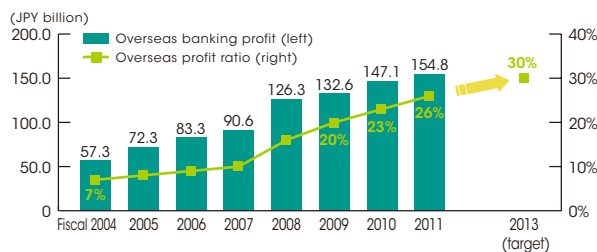
Established	Country	
April 2011	Malaysia	Sumitomo Mitsui Banking Corporation Malaysia Berhad
April 2011	India	New Delhi Representative Office
May 2011	China	Sumitomo Mitsui Banking Corporation (China) Limited Shenzhen Branch
September 2011	Netherlands	Sumitomo Mitsui Banking Corporation Europe Limited Amsterdam Branch
February 2012	Cambodia	Phnom Penh Representative Office
February 2012	Turkey	Istanbul Representative Office
May 2012	Peru	Lima Representative Office



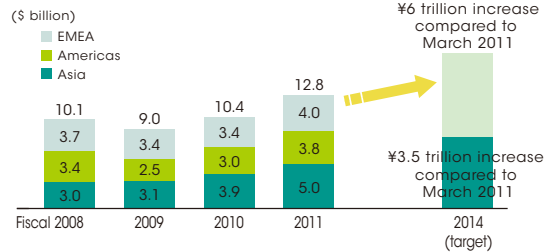
Enhancement of International Businesses

SMBC has launched its Medium-Term Management Plan for the goal of achieving a raise of the ratio for overseas earnings to approximately 30% during the period of fiscal years 2011 to 2013 and it is aggressively investing resources in overseas businesses.

Overseas banking profit and ratio*1



Overseas loan balance*2



*1 Internal management accounting (undisclosed) basis. Aggregate of SMBC and major overseas subsidiary banks. The ratio for earnings generated by overseas banks in fiscal 2011 was based on the exchange rate of ¥85 to \$1 as set forth in the Medium-Term Management Plan.

*2 Internal management accounting (undisclosed) basis, conversion based on the exchange rate at the end of each fiscal period. Aggregate of SMBC, Sumitomo Mitsui Banking Corporation Europe Limited, and Sumitomo Mitsui Banking Corporation (China) Limited.

Business expansion in emerging markets and enhancement of our competitive products

SMBC established marketing departments in New York and London to specialize in emerging markets. The Global Business Strategy Dept. of the Tokyo Head Office mainly handles business development of emerging countries.

Furthermore, we have designated and further strengthened the areas of infrastructure-related project finance, trade finance and transaction banking (cash management services, etc.) as our growth-anticipated areas in order to further capture growing business opportunities in the emerging countries including Asia.

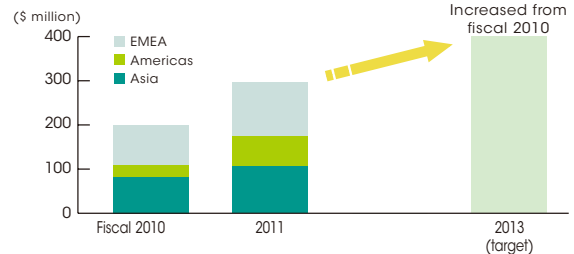
Mandated Arranger (2011)*1

	Global	Asia*2
Syndicated loans	9th	5th
Project finance	3rd	7th

*1 Thomson Reuters

*2 Syndicated Loans: Asia (excluding Japan), Project Finance: Asia-Pacific (including Australia and Japan)

Trade finance-related earnings



Leading products

Clients survey (Asia-Pacific overall ranking)*

Cash management services	Major companies	4th	1st among Japanese banks consecutively for six years
	Midsized companies	4th	
	Smaller companies	3rd	
Yen settlement services	Financial institutions	1st	1st consecutively for six years

Target
Top 3 in Asia in cash management services (foreign banks)

* Survey conducted by Asiamoney magazine (August 2011 edition)

Topics

◆ Joint acquisition of the aircraft-leasing business of the Royal Bank of Scotland

On June 1, 2012, SMBC, Sumitomo Mitsui Finance and Leasing, and Sumitomo Corporation jointly acquired the aircraft-leasing business of the Royal Bank of Scotland group, one of the major British financial institutions. This business was newly launched as SMBC Aviation Capital which is intended to capture the growing aviation demand in emerging countries including Asia for further business expansion.



■ Treasury Markets

Through the Treasury Unit of SMBC, the Group offers higher value-added services to meet further sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivative markets.

More Solutions and Services for Clients' Market Transactions

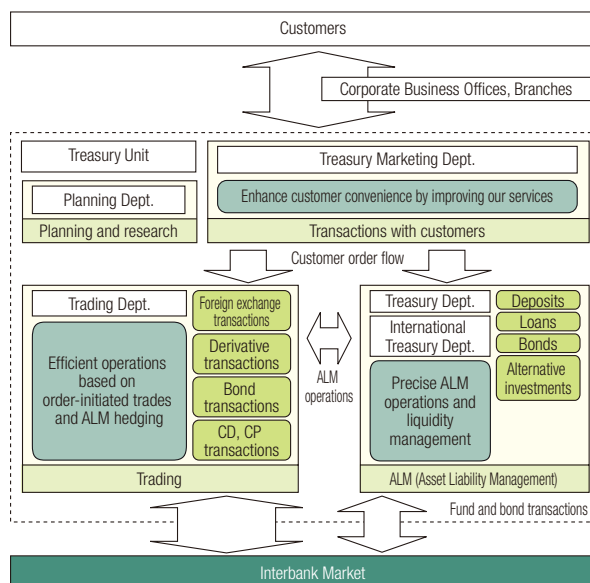
SMBC's Treasury Unit offers solutions appropriate for the market transactional needs of its clients by working with branches to present to its corporate clients with pertinent proposals for such as hedging transactions, reflecting the shifting trends in the financial markets.

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

ALM and Trading Operations

The Treasury Unit strives to ensure sound Asset-Liability Management ("ALM") and stable earnings by comprehensively controlling the balance of assets, such as loans and liabilities including deposits, through ALM operations.

The Unit is committed to maximizing its earnings in trading operations by consistently selecting the best possible means for the interest-rate, foreign-exchange, commodities and other marketplaces.



Topics

◆ Expanded Offerings of Currencies of Asia and Other Emerging Markets

In order to meet our clients' market transactional needs, we are increasing our selection of foreign currencies, mainly Asian and other emerging-market currencies. We also brief our clients on the latest changes affecting foreign-exchange transactions through seminars conducted by economists specialized in Asian financial markets and through various foreign-exchange-related tools that we provide to our clients.

◆ Expanded Online Foreign-Exchange Transaction Services

We have further improved the i-Deal system, which allows our clients to execute their foreign exchange transactions on the Internet, for greater convenience. Since May 2011, we have been substantially upgrading the system by enhancing functions and facilitating its use. We remain committed to optimizing services for our clients.

Transaction Business

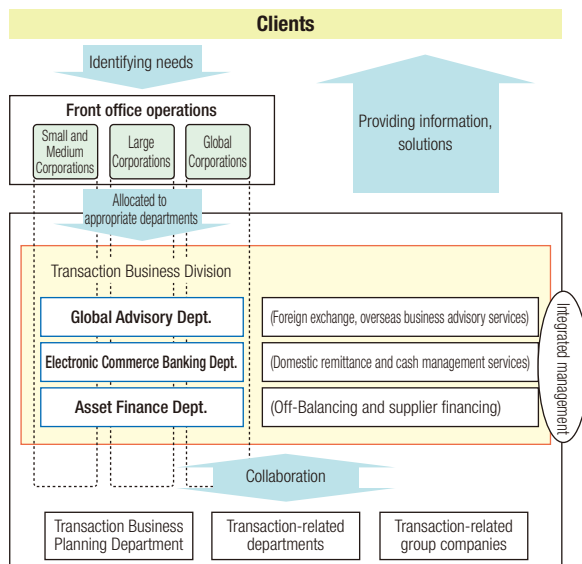
Strengthening Transaction Business

SMBC established the “Transaction Business Division,” which consist of the “Electronic Commerce Banking Department,” “Global Advisory Department” and “Asset Finance Department”. The newly established Transaction Business Division strengthens the cooperation among departments and flexibly provides products and services in more integrated manner to meet the transaction needs and other related financial needs of its corporate clients.

SMFG and SMBC established the “Transaction Business Planning Department” in order to strengthen functions of strategic and business planning for the entire Transaction business and also improve the settlement system and infrastructure, in terms of mid-to-long term and cross-departmental plan for the Transaction business.

We will support transaction business for our domestic and overseas clients under this new framework.

Transaction Business



Strengthening Settlement Products to Respond to Clients' Needs

SMBC is enhancing settlement products to respond to domestic



and overseas clients' settlement and cash management needs.

We continue to improve and enhance electronic banking services, for the “PC Bank Web21” in order to support our clients' daily cash management, “Global e-Trade Service” in order to support foreign exchange and trade transactions in Japan, and “SMAR&TS” in overseas etc.

We also continue to strengthen our support for our clients in Japan and overseas by providing high value-added information; providing the system to support cash and financial management for the corporate group; improving foreign currency transactions including renminbi; enhancing solutions for supply chain financing, etc.; and allocating specialized professionals.

New Businesses and High Value-Added Services, on a SMFG Group-Wide Basis

SMFG is proactively implementing the new settlement system of electronic monetary claims. We are also working to develop financial schemes utilizing the SMBC electronic monetary claims, new settlement service and financial schemes utilizing the “Densai Net” which is expected to become widespread. Furthermore, we continue to enhance the settlement agency services and “SMFG-BPO (Business Process Outsourcing) Service” in order to support the diversifying settlement needs and overall businesses of our clients on a group basis.

Enhancing each Settlement System and Settlement Infrastructure

It is imperative that we appropriately enhance the settlement system and settlement infrastructure which support the provision of secure settlement services for our clients. We are actively involved in various industrial initiatives, such as SWIFT* and BOJ-Net. We also engage in the Japanese Government Bond settlement cycle reform to reduce settlement-related risks.

* Society for Worldwide Interbank Financial Telecommunication
A member-owned cooperative that provides the communications platform connected more than 10,000 financial institutions in 210 countries.

Topics

◆ SMBC received the certification for the completion of trial period for providing cash management services utilizing SWIFT

SMBC began providing cash management services in March 2012 for international corporate clients utilizing SWIFT in nine countries in Asia and Japan, and we have become the first bank in Asia to receive the certification for “Bank Readiness” (certifying completion of trial period).

Group Companies (as of March 31, 2012)



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, consumer finance leasing, information services, and securities.

Business Mission

- To found our own prosperity on providing valuable services which help our customers to build their prosperity
- To create sustainable value for our shareholders founded on growth in our business
- 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)

Capital: ¥2,337.8 billion

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.

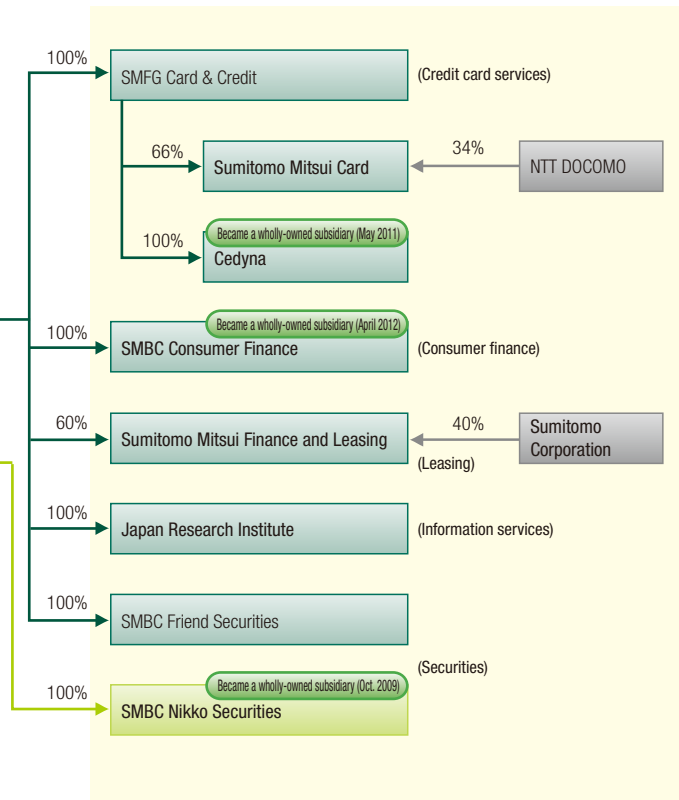
Group Structure



Sumitomo Mitsui Financial Group	
Consolidated total assets	¥143 trillion
Consolidated Tier I ratio	12.28%



Sumitomo Mitsui Banking Corporation	
Total assets	¥119 trillion
Deposits	¥76 trillion
Loans	¥56 trillion
Number of retail accounts	approx. 27 million
Number of corporate loan clients	approx. 110,000

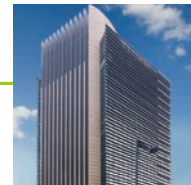


* As of Jun. 30, 2011 for percentage of the voting rights and as of Mar. 31, 2012 for other figures.



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: 22,686

Number of branches and other business locations:

In Japan:	1,548*
Branches:	498
(Including 41 specialized deposit account branches)	
Sub-branches:	156
Banking agencies:	4
Offices handling non-banking business:	22
Automated service centers:	868
Overseas:	35
Branches:	15
Sub-branches:	10
Representative offices:	10

*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, 2012)

	Long-term	Short-term
Moody's	Aa3	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			
	2012	2011	2010	2009
For the Year:				
Ordinary income	¥2,687.9	¥2,711.3	¥2,579.9	¥2,989.6
Ordinary profit	857.9	751.2	557.7	59.2
Net income (loss)....	533.8	450.8	332.4	(317.3)
At Year-End:				
Net assets.....	¥7,276.7	¥6,983.1	¥6,894.5	¥4,518.6
Total assets	138,251.6	132,715.6	120,041.3	115,849.3



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 Company, Limited and Cedyne 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 Cedyne 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.

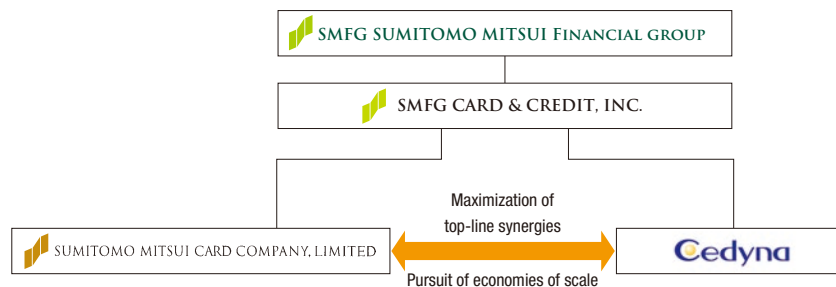
Business Profile: Management of subsidiaries and affiliates

Establishment: October 1, 2008

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

President & CEO: Satoru Nakanishi (Appointed on April 2, 2012)

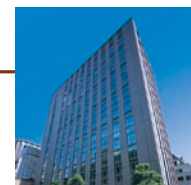
Number of Employees: 27



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

Number of Employees: 2,323

Credit Ratings (as of June 30, 2012)

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

Financial Information (Years ended March 31)

	Billions of yen			
	2012	2011	2010	2009
For the Year:				
Revenue from credit card operations	¥7,560.6	¥6,896.2	¥6,209.0	¥5,858.6
Operating revenue.....	182.2	185.2	183.5	180.1
Operating profit.....	43.1	32.6	24.3	22.2
At Year-End:				
Number of cardholders (in thousands)	21,647	20,770	20,504	18,655



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 SMFG, 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: 2,863

Credit Ratings (as of June 30, 2012)

	Long-term	Short-term
JCR	A	J-1

Financial Information (Years ended March 31)

	Billions of yen			
	2012	2011	2010	2009
	OMC*		CF*	QQ*
For the Year:				
Operating revenue..	¥176.2	¥203.2	¥223.9	¥137.7
Operating profit.....	(27.6)	0.8	(40.8)	6.9
At Year-End:				
Number of cardholders (in thousands)	21,091	22,513	24,933	

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

SMBC CONSUMER FINANCE



Since its establishment in 1962, with the original goal of striving to be the best in offering innovative financial services for consumers, Promise Co., Ltd., currently known as SMBC Consumer Finance Co., Ltd., has developed convenient loan products for individuals to accommodate to the changing times and has created an appropriate system for offering loan consultation services and executing loan agreements.

In December 2011, Promise became a consolidated subsidiary of SMFG, and its corporate name was changed to SMBC Consumer Finance in July 2012. The former name of Promise has been widely-known by many consumers; therefore, Promise as the brand name will continue to be used for both

services and products. Based on a corporate philosophy of "the company and employees to become accepted and trusted by customers and to strive to mutually benefit and prosper with the society," SMBC Consumer Finance, as a member of SMFG, will continue to develop its specialized services in pursuit of sustainable growth.

Company Name: SMBC Consumer Finance Co., Ltd. (Name changed July 1, 2012)
Business Profile: Consumer finance business
Establishment: March 20, 1962
Head Office: 1-2-4, Otemachi, Chiyoda-ku, Tokyo
President & CEO: Ken Kubo
Number of Employees: 1,756

Credit Ratings (as of June 30, 2012)

	Long-term	Short-term
Moody's	Ba1	—
R&I	A-	—
JCR	A-	—

Financial Information (Years ended March 31)

	Billions of yen			
	2012	2011	2010	2009
For the Year:				
Operating revenue....	¥172.2	¥187.5	¥212.7	¥243.0
Operating profit	(166.6)	(54.1)	11.7	(57.1)

SMFL Sumitomo Mitsui Finance and Leasing



Sumitomo Mitsui Finance and Leasing Company, Limited (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 Company, Limited
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
Number of Employees: 1,447

Credit Ratings (as of June 30, 2012)

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

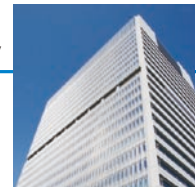
Financial Information (Years ended March 31)

	Billions of yen			
	2012	2011	2010	2009
For the Year:				
Leasing transaction volume.....	¥770.9	¥800.8	¥733.6	¥895.8
Operating revenue....	816.8	812.8	894.7	947.6
Operating profit	59.4	50.2	43.8	36.4



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: 2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo

Osaka Head Office: 2-2-4, Tosabori, Nishi-ku, Osaka

President & CEO: Junsuke Fujii
(Appointed on April 1, 2012)

Number of Employees: 2,123

Financial Information (Years ended March 31)

	Billions of yen			
	2012	2011	2010	2009
For the Year:				
Operating revenue....	¥87.5	¥84.8	¥81.7	¥88.0
Operating profit.....	0.8	1.5	0.9	1.0



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.

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.

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: 1,969

Financial Information (Years ended March 31)

	Billions of yen			
	2012	2011	2010	2009
For the Year:				
Operating revenue...	¥47.5	¥53.2	¥67.4	¥43.2
Operating profit	8.3	10.2	22.7	2.3



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 individuals and corporate clients over the last nine decades. It became a member of the SMFG Group in October 2009. In April 2011, its corporate name was changed to SMBC Nikko Securities from Nikko Cordial Securities. Consistently working closely with SMBC, SMBC Nikko Securities provides comprehensive and highly sophisticated securities and investment banking services.

As a core member of SMFG, 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: 7,384

Credit Ratings (as of June 30, 2012)

	Long-term	Short-term
Moody's	A1	P-1
Standard & Poor's	A+	A-1
R&I	A+	a-1
JCR	AA-	-

Financial Information (Years ended March 31)

	Billions of yen				
	2012	2011	2010		2009
			*1	*2	*3
For the Year:					
Operating revenue	¥233.6	¥218.6	¥85.6	¥104.9	¥164.1
Operating income	39.9	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				
	2012	2011	2010	2009	2008
For the Year:					
Total income	¥ 3,973,075	¥ 3,862,660	¥ 3,184,688	¥ 3,556,536	¥ 4,739,040
Total expenses.....	3,020,108	3,035,346	2,626,590	3,527,040	3,810,084
Net income (loss)	518,536	475,895	271,559	(373,456)	461,536
Comprehensive income	665,232	413,375	803,705	—	—
At Year-End:					
Total net assets.....	¥ 7,254,976	¥ 7,132,073	¥ 7,000,805	¥ 4,611,764	¥ 5,224,076
Total assets.....	143,040,672	137,803,098	123,159,513	119,637,224	111,955,918
Risk-monitored loans.....	1,804,951	1,646,369	1,529,484	1,586,317	1,092,661
Reserve for possible loan losses	978,933	1,058,945	1,068,329	1,077,852	894,702
Net unrealized gains (losses) on other securities.....	474,984	370,899	586,414	(33,176)	745,420
Number of employees.....	64,225	61,555	57,888	48,079	46,429
Selected Ratios:					
Capital ratio.....	16.93%	16.63%	15.02%	11.47%	10.56%
Return on Equity	10.27%	9.76%	7.63%	—%	13.23%
Price Earnings Ratio.....	7.28x	7.68x	12.44x	—x	11.06x
Per Share (Yen):					
Net assets	¥3,856.37	¥3,533.47	¥3,391.75	¥2,790.27	¥424,546.01
Net income (loss)	374.26	336.85	248.40	(497.39)	59,298.24
Net income — diluted	373.99	336.78	244.18	—	56,657.41

- 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. For the calculation of consolidated comprehensive income for fiscal 2009, SMFG has retroactively adopted the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, issued on June 30, 2010).
4. SMFG has retroactively adopted the "Guidance on Accounting Standard for Earnings per Share," (ASBJ Guidance No. 4) to "Net income — diluted" per share for fiscal 2010. This change has a little impact on the calculation of diluted net income per share.
5. 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.
6. 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
Net assets	¥4,245.46
Net income.....	592.98
Net income — diluted.....	566.57

◆ Nonconsolidated

Year ended March 31	Millions of yen				
	2012	2011	2010	2009	2008
For the Year:					
Operating income	¥ 181,372	¥ 222,217	¥ 133,379	¥ 134,772	¥ 111,637
Dividends on investments in subsidiaries and affiliates...	166,272	206,865	118,818	117,051	89,693
Operating expenses	24,902	24,467	16,641	8,790	6,246
Net income.....	149,919	191,539	66,176	103,468	82,975
At Year-End:					
Total net assets (A).....	¥4,527,629	¥4,842,914	¥4,805,574	¥2,977,547	¥2,968,749
Total assets (B)	6,153,461	6,237,655	6,152,774	4,057,313	4,021,217
Total net assets to total assets (A) / (B)	73.57%	77.64%	78.10%	73.39%	73.83%
Capital stock	2,337,895	2,337,895	2,337,895	1,420,877	1,420,877
Number of shares issued					
Preferred stock.....	—	70,001	70,001	103,401	120,101
Common stock.....	1,414,055,625	1,414,055,625	1,414,055,625	789,080,477	7,733,653
Number of employees.....	215	192	183	167	136
Selected Ratios:					
Return on Equity	3.27%	4.02%	1.59%	3.52%	2.67%
Price Earnings Ratio.....	25.43x	19.68x	57.41x	28.79x	71.82x
Dividend payout ratio.....	92.55%	76.09%	213.41%	75.96%	131.37%
Per Share (Yen):					
Net assets	¥3,317.44	¥3,282.75	¥3,256.32	¥3,389.38	¥339,454.71
Dividends:					
Common stock	100	100	100	90	12,000
Preferred stock (1st series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (2nd series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (3rd series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (4th series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (5th series Type 4).....	/	/	/	/	135,000
Preferred stock (6th series Type 4).....	/	/	/	/	135,000
Preferred stock (7th series Type 4).....	/	/	/	/	135,000
Preferred stock (8th series Type 4).....	/	/	/	/	135,000
Preferred stock (9th series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (10th series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (11th series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (12th series Type 4).....	/	/	67,500	135,000	135,000
Preferred stock (1st series Type 6).....	/	88,500	88,500	88,500	88,500
Net income	107.06	131.42	53.82	118.43	9,134.13
Net income — diluted	107.04	131.42	—	—	9,133.76

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

2. "Net income — diluted" per share for fiscal 2010 was calculated by retroactive application of "Guidance on Accounting Standard for Earnings per Share," (ASBJ Guidance No. 4). Had this Guidance not been applied, "Net income — diluted" per share would have come to ¥131.41 in fiscal 2010.

3. 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
Net assets	¥3,394.55
Dividends:	
Common stock	120
Net income.....	91.34
Net income — diluted.....	91.34


Consolidated

Year ended March 31	Millions of yen				
	2012	2011	2010	2009	2008
For the Year:					
Total income	¥ 2,715,700	¥ 2,714,944	¥ 2,597,675	¥ 2,991,839	¥ 3,417,611
Total expenses.....	1,838,390	1,972,065	2,039,296	2,941,009	2,691,606
Net income (loss)	533,816	450,832	332,497	(317,306)	351,820
Comprehensive income	632,889	363,689	835,851	—	—
At Year-End:					
Total net assets.....	¥ 7,276,706	¥ 6,983,132	¥ 6,894,564	¥ 4,518,647	¥ 5,080,747
Total assets.....	138,251,602	132,715,674	120,041,369	115,849,385	108,637,791
Risk-monitored loans.....	1,659,306	1,529,587	1,498,271	1,561,824	1,073,471
Reserve for possible loan losses	867,653	943,077	1,007,160	1,011,845	848,031
Net unrealized gains (losses) on other securities.....	390,602	305,968	523,444	(59,758)	754,456
Number of employees.....	50,768	48,219	47,837	37,345	36,085
Selected Ratios:					
Capital ratio.....	19.63%	19.16%	16.68%	13.54%	12.19%
Return on Equity	9.63%	8.42%	8.64%	—%	9.56%
Per Share (Yen):					
Net assets	¥53,960.98	¥50,344.52	¥49,036.12	¥41,492.54	¥60,442.81
Net income (loss)	5,024.23	4,184.89	4,240.20	(5,740.34)	6,132.91
Net income — diluted	5,023.33	4,184.07	4,236.01	—	6,132.75

- 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. For the calculation of consolidated comprehensive income for fiscal 2009, SMBC has retroactively adopted the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, issued on June 30, 2010).
4. 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				
	2012	2011	2010	2009	2008
For the Year:					
Total income	¥ 2,021,042	¥ 2,110,588	¥ 2,087,777	¥ 2,548,073	¥ 2,944,677
Total expenses.....	1,329,050	1,521,748	1,633,026	2,520,286	2,437,222
Net income (loss)	477,973	421,180	317,995	(301,116)	205,742
(Appendix)					
Gross banking profit (A).....	1,532,511	1,531,759	1,455,275	1,524,856	1,484,783
Banking profit	856,796	844,897	778,589	747,647	819,691
Banking profit (before provision for general reserve for possible loan losses)	813,015	832,562	769,522	823,377	819,691
Expenses (excluding nonrecurring losses) (B).....	719,495	699,197	685,752	701,479	665,091
At Year-End:					
Total net assets.....	¥ 5,709,663	¥ 5,559,293	¥ 5,397,949	¥ 2,546,493	¥ 3,493,249
Total assets.....	119,037,469	115,484,907	103,536,394	107,478,218	100,033,020
Deposits.....	84,392,835	82,443,286	77,630,639	76,905,708	69,382,834
Loans and bills discounted.....	56,411,492	55,237,613	56,619,058	60,241,266	56,957,813
Securities	42,441,134	39,853,432	28,536,200	28,000,515	22,758,241
Risk-monitored loans.....	1,143,053	1,090,605	1,068,017	1,137,058	770,587
Problem assets based on the Financial Reconstruction Law.....					
Reserve for possible loan losses	1,182,847	1,126,269	1,100,685	1,194,170	803,939
Net unrealized gains (losses) on other securities.....	689,215	711,522	758,178	791,885	620,004
Trust assets and liabilities.....	388,982	305,621	521,377	(42,701)	755,749
Loans and bills discounted.....	1,891,853	1,576,094	1,403,236	1,262,993	1,175,711
Securities.....	235,829	237,383	221,970	222,030	223,740
Capital stock.....	424,478	444,664	457,585	392,812	273,504
Capital stock.....	1,770,996	1,770,996	1,770,996	664,986	664,986
Number of shares issued (in thousands)					
Preferred stock.....	70	70	70	70	70
Common stock.....	106,248	106,248	106,248	56,355	56,355
Number of employees.....	22,686	22,524	22,460	21,816	17,886
Selected Ratios:					
Capital ratio.....	21.91%	21.45%	18.28%	13.85%	12.67%
Return on Equity	8.64%	7.87%	8.28%	—%	5.64%
Dividend payout ratio.....	33.00%	35.53%	48.06%	—%	41.99%
Overhead ratio (B) / (A).....	46.9%	45.6%	47.1%	46.0%	44.8%
Per Share (Yen):					
Net assets	¥53,738.81	¥50,317.86	¥48,799.31	¥41,404.62	¥58,204.22
Dividends:					
Common stock	1,485	1,388	1,620	1,638	1,487
Preferred stock (1st series Type 6).....	—	88,500	88,500	88,500	88,500
Net income (loss)	4,498.64	3,905.80	4,051.75	(5,453.06)	3,540.84
Net income — diluted	—	—	—	—	—

- Notes: 1. Please refer to page 166 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 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, 2012.

1. Operating Results

Operating results for fiscal year 2011 include the results of 337 consolidated subsidiaries and 43 subsidiaries and affiliates accounted for by the equity method.

In fiscal 2011, gross profit increased by ¥89.7 billion year-on-year to ¥2,594.4 billion due to an increase in net fees and commissions and the contribution of newly consolidated subsidiaries. The increase in net fees and commissions is attributable mainly to an increase in fees related to overseas loans and domestic loan syndication achieved

by SMBC. Ordinary profit after adjustment for general and administrative expenses, credit cost, net losses on stocks, equity in losses of affiliates and other items increased by ¥110.1 billion year-on-year to ¥935.5 billion thanks to factors such as a decrease in credit cost, mainly due to the tailored efforts of SMBC to assist certain borrowers to improve their business and financial conditions. Net income after adjustment for extraordinary gains (losses) and income taxes increased by ¥42.6 billion to ¥518.5 billion.

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

March 31	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Consolidated subsidiaries	337	327	10
Subsidiaries and affiliates accounted for by the equity method	43	47	(4)

Income Summary

Year ended March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Consolidated gross profit	¥2,594,482	¥2,504,730	¥ 89,752
Net interest income	1,341,369	1,317,651	23,718
Trust fees	1,770	2,335	(565)
Net fees and commissions	823,580	766,230	57,350
Net trading income	198,192	237,093	(38,901)
Net other operating income	229,568	181,419	48,149
General and administrative expenses	(1,421,363)	(1,355,322)	(66,041)
Credit cost (A)	(126,055)	(220,162)	94,107
Write-off of loans	(90,305)	(156,571)	66,266
Provision for specific reserve for possible loan losses	(111,227)	(63,574)	(47,653)
Provision for general reserve for possible loan losses	106,512	14,919	91,593
Others	(31,035)	(14,935)	(16,100)
Recoveries of written-off claims (B)	4,800	—	4,800
Net losses on stocks	(27,880)	(91,949)	64,069
Equity in losses of affiliates	(31,122)	(13,319)	(17,803)
Net other income (expenses)	(57,289)	1,452	(58,741)
Ordinary profit	935,571	825,428	110,143
Extraordinary gains (losses)	17,395	1,884	15,511
Gains on step acquisitions	25,050	12,655	12,395
Losses on impairment of fixed assets	(3,861)	(5,411)	1,550
Recoveries of written-off claims (C)	—	2,813	(2,813)
Income before income taxes and minority interests	952,966	827,313	125,653
Income taxes:			
Current	(103,478)	(97,446)	(6,032)
Deferred	(207,860)	(143,325)	(64,535)
Income before minority interests	641,627	586,542	55,085
Minority interests in net income	(123,090)	(110,646)	(12,444)
Net income	¥ 518,536	¥ 475,895	¥ 42,641
Net total credit cost (A) + (B) + (C)	¥ (121,255)	¥ (217,348)	¥ 96,093
[Reference]			
Consolidated net business profit (Billions of yen)	¥ 1,013.9	¥ 1,002.0	¥ 11.9

- 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. "Recoveries of written-off claims" which were included in "Extraordinary gains (losses)" are included in "Ordinary profit" since the fiscal year beginning on or after April 1, 2011.
3. 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) as of March 31, 2012 increased by ¥2,129.6 billion year-on-year to ¥84,128.5 billion, and the negotiable certificates of deposit increased by ¥227.3 billion to ¥8,593.6 billion.

Meanwhile, loans and bills discounted as of March 31, 2012 increased by ¥1,372.2 billion year-on-year to ¥62,720.5 billion, and securities increased by ¥2,577.8 billion

to ¥42,529.9 billion.

Net assets were ¥7,254.9 billion. Of this amount, stockholders' equity was ¥5,014.3 billion mainly due to the recording of net income, the acquisition and cancellation of Preferred stock (1st series Type 6), and the payment of cash dividends.

Assets, Liabilities and Net Assets

March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Assets.....	¥143,040,672	¥137,803,098	¥5,237,573
Securities.....	42,529,950	39,952,123	2,577,826
Loans and bills discounted.....	62,720,599	61,348,355	1,372,243
Liabilities.....	135,785,696	130,671,024	5,114,671
Deposits.....	84,128,561	81,998,940	2,129,621
Negotiable certificates of deposit.....	8,593,638	8,366,323	227,315
Net assets	7,254,976	7,132,073	122,902

2. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2012 increased by ¥113.3 billion year-on-year to ¥544.1 billion, primarily because of an increase in the unrealized gains of foreign currency bonds. Of this amount, net unrealized gains

on other securities, which are directly debited to net assets, were ¥474.9 billion, a year-on-year increase of ¥104.0 billion.

Unrealized Gains (Losses) on Securities

March 31	2012					2011			
	Consolidated balance sheet amount	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Consolidated balance sheet amount	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 5,286,267	¥ 69,184	¥ 9,327	¥ 69,288	¥ 103	¥ 4,189,272	¥ 59,857	¥ 61,389	¥ 1,531
Other securities	37,558,730	474,984	104,085	746,928	271,943	35,972,442	370,899	720,864	349,965
Stocks.....	2,406,170	271,461	(40,495)	490,074	218,613	2,486,258	311,956	487,773	175,817
Bonds	27,684,484	111,815	35,045	118,164	6,348	25,560,012	76,770	108,640	31,870
Others.....	7,468,076	91,708	109,535	138,689	46,981	7,926,170	(17,827)	124,449	142,277
Other money held in trust.....	22,430	(46)	(88)	–	46	22,569	42	42	–
Total	42,867,429	544,122	113,323	816,216	272,093	40,184,285	430,799	782,295	351,496
Stocks.....	2,406,170	271,461	(40,495)	490,074	218,613	2,486,258	311,956	487,773	175,817
Bonds	32,957,653	180,998	44,359	187,444	6,445	29,734,790	136,639	170,021	33,382
Others.....	7,503,605	91,662	109,458	138,697	47,034	7,963,235	(17,796)	124,500	142,297

- 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, 2012 and 2011, included gains of ¥196 million and ¥1,153 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, 2012 and 2011, were reduced by ¥196 million and ¥1,153 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

Consolidated capital ratio as of March 31, 2012 increased by 0.30 percentage point year-on-year to 16.93%.

Total capital, the numerator in the consolidated capital ratio calculation, increased by ¥210.8 billion year-on-year to ¥8,643.7 billion due to the recording of net income and

the acquisition and cancellation of Preferred stock (1st series Type 6). Risk-weighted assets, the denominator in the calculation, increased by ¥349.5 billion year-on-year to ¥51,043.2 billion, mainly due to the consolidation of Promise Co., Ltd.

Consolidated Capital Ratio

March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Tier I capital	¥ 6,272,260	¥ 6,323,995	(51,734)
Tier II capital included as qualifying capital.....	2,771,125	2,536,958	234,167
Deductions	(399,634)	(428,082)	28,448
Total capital	8,643,751	8,432,871	210,880
Risk-adjusted assets	51,043,232	50,693,696	349,536
Consolidated capital ratio	16.93%	16.63%	0.30%
Tier I capital ratio	12.28%	12.47%	(0.19)%

4. Dividend Policy

The basic shareholder return policy of SMFG is to sustain a consolidated payout ratio of over 20% through the stable and consistent distribution of profit, while enhancing retained earnings to maintain financial soundness in light of the public nature of its business as a bank holding company, by ensuring the sustainable growth of enterprise value. Dividends from retained earnings are basically distributed 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 2011 business performance, SMFG has decided to pay an annual dividend of ¥100 per share of common stock for the fiscal year, unchanged from the previous 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 to meet the challenges of financial regulations and highly competitive environment.

5. Deferred Tax Assets

Net deferred tax assets as of March 31, 2012 decreased by ¥274.0 billion year-on-year to ¥350.1 billion. SMFG takes a

conservative approach to recognizing deferred tax assets in order to maintain its sound financial position.

Deferred Tax Assets

March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Net deferred tax assets	¥350,182	¥624,219	(274,036)
Net deferred tax assets / Tier I capital × 100	5.6%	9.9%	(4.3)%

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, 2012.

1. Operating Results

Gross banking profit in fiscal 2011 increased by ¥0.7 billion year-on-year to ¥1,532.5 billion, and expenses (excluding nonrecurring losses) increased by ¥20.2 billion to ¥719.4 billion. As a result, banking profit (before provision for general reserve for possible loan losses) decreased by ¥19.5 billion to ¥813.0 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 ¥99.6 billion year-on-year to ¥695.3 billion.

Net income after adjustment for ordinary profit for extraordinary gains and losses and income taxes increased by ¥56.7 billion year-on-year to ¥477.9 billion.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased by ¥0.7 billion year-on-year to ¥1,532.5 billion. This was mainly due to an increase in net fees and commissions, attributable to an increase in fees related to overseas loans and domestic loan syndication. These factors were partly offset by a decrease in net interest income due to a stagnant balance of loans and bills discounted, amid sluggish financing demand in Japan, and deterioration in the interest margin due to lower interest rates.

Expenses

Expenses (excluding nonrecurring losses) increased by ¥20.2 billion year-on-year to ¥719.4 billion. This was mainly due to the proactive allocation of resources into focused business areas, such as overseas businesses, while reexamining and controlling ordinary expenses.

Banking Profit

Banking profit (before provision for general reserve for possible loan losses) decreased by ¥19.5 billion year-on-year to ¥813.0 billion.

Banking Profit

Year ended March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Gross banking profit	¥1,532,511	¥1,531,759	¥ 752
[Gross domestic banking profit]	[1,097,760]	[1,114,329]	[(16,569)]
[Gross international banking profit]	[434,750]	[417,429]	[17,321]
Net interest income	956,878	967,825	(10,946)
Trust fees	1,716	2,299	(582)
Net fees and commissions	318,907	302,667	16,240
Net trading income	84,051	151,070	(67,019)
Net other operating income	170,957	107,897	63,059
[Gross banking profit (excluding gains (losses) on bonds)]	[1,379,974]	[1,384,638]	[(4,664)]
Expenses (excluding nonrecurring losses)	(719,495)	(699,197)	(20,298)
Personnel expenses	(259,782)	(249,842)	(9,940)
Nonpersonnel expenses	(422,854)	(411,471)	(11,383)
Taxes	(36,858)	(37,883)	1,025
Banking profit (before provision for general reserve for possible loan losses)	813,015	832,562	(19,547)
[Banking profit (before provision for general reserve for possible loan losses and gains (losses) on bonds)]	[660,478]	[685,441]	[(24,963)]
Provision for general reserve for possible loan losses	43,780	12,335	31,445
Banking profit	856,796	844,897	11,899

<Reference>

Banking Profit by Business Unit

Year ended March 31, 2012	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)	¥94.2	¥200.1	¥174.4	¥132.5	¥300.1	¥(88.3)	¥813.0
Year-on-year increase (decrease)	(4.6)	(18.4)	6.5	17.6	(12.7)	(8.0)	(19.6)

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 decreased by ¥87.7 billion year-on-year to ¥161.4 billion. This improvement was mainly due to a ¥72.1 billion decrease in net losses on stocks to ¥15.1 billion, due to reduced write-offs, and a ¥3.9 billion decrease in credit cost to ¥103.6 billion, as a result of tailored efforts to assist certain borrowers to improve their business and financial conditions.

Net total credit cost — the sum of credit cost of ¥103.6 billion recorded under “Nonrecurring losses,” provision for general reserve for possible loan losses, and gains on recoveries of written-off claims — decreased by ¥35.6 billion year-on-year to ¥58.6 billion.

Ordinary Profit

As a result of the foregoing, ordinary profit increased by ¥99.6 billion year-on-year to ¥695.3 billion.

Extraordinary Gains (Losses)

Extraordinary losses decreased by ¥3.5 billion year-on-year to ¥3.3 billion.

Net Income

Current income taxes amounted to ¥44.7 billion, and deferred income taxes were ¥169.3 billion. As a result, net income increased by ¥56.7 billion year-on-year to ¥477.9 billion.

Ordinary Profit and Net Income

Year ended March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Banking profit (before provision for general reserve for possible loan losses).....	¥813,015	¥832,562	¥(19,547)
Provision for general reserve for possible loan losses (A).....	43,780	12,335	31,445
Banking profit.....	856,796	844,897	11,899
Nonrecurring gains (losses).....	(161,453)	(249,193)	87,740
Credit cost (B).....	(103,662)	(107,660)	3,998
Recoveries of written-off claims (C).....	1,234	—	1,234
Net gains (losses) on stocks.....	(15,153)	(87,285)	72,132
Gains on sale of stocks.....	20,562	21,671	(1,109)
Losses on sale of stocks.....	(7,074)	(1,604)	(5,470)
Losses on devaluation of stocks.....	(28,642)	(107,353)	78,711
Others.....	(43,871)	(54,247)	10,376
Ordinary profit.....	695,342	595,704	99,638
Extraordinary gains (losses).....	(3,349)	(6,864)	3,515
Gains (losses) on disposal of fixed assets.....	(717)	(2,336)	1,619
Losses on impairment of fixed assets.....	(2,632)	(4,288)	1,656
Recoveries of written-off claims (D).....	—	1,055	(1,055)
Income taxes:			
Current.....	(44,703)	(42,386)	(2,317)
Deferred.....	(169,315)	(125,273)	(44,042)
Net income.....	¥477,973	¥421,180	¥ 56,793
Net total credit cost (A) + (B) + (C) + (D).....	¥ (58,647)	¥ (94,269)	¥ 35,622
Provision for general reserve for possible loan losses.....	43,780	12,335	31,445
Write-off of loans.....	(15,797)	(70,775)	54,978
Provision for specific reserve for possible loan losses.....	(59,196)	(27,104)	(32,092)
Losses on sales of delinquent loans.....	(28,767)	(9,693)	(19,074)
Provision for loan loss reserve for specific overseas countries.....	98	(87)	185
Recoveries of written-off claims.....	1,234	1,055	179

Note: “Recoveries of written-off claims” which were included in “Extraordinary gains (losses)” are included in “Nonrecurring gains (losses)” since the fiscal year beginning on or after April 1, 2011.

3. Assets, Liabilities and Net Assets

Assets

Total assets as of March 31, 2012 increased by ¥3,552.5 billion year-on-year to ¥119,037.4 billion. This was attributable mainly to a ¥2,587.7 billion increase in securities due to an increase in the balance of Japanese government bonds and a ¥1,173.8 billion increase in overseas loans.

Liabilities

Liabilities as of March 31, 2012 increased by ¥3,402.1 billion year-on-year to ¥113,327.8 billion. The main reason for the increase in liabilities was a ¥1,767.6 billion increase in individual and corporate deposits in Japan.

Net Assets

Net assets as of March 31, 2012 amounted to ¥5,709.6 billion. Of this amount, stockholders' equity was ¥5,297.3 billion, comprising ¥1,770.9 billion in capital stock, ¥2,481.2 billion in capital surplus (including ¥710.2 billion in other capital surplus), ¥1,255.1 billion in retained earnings, and a deduction of ¥210.0 billion in treasury stock.

Valuation and translation adjustments were ¥412.2 billion, comprising ¥281.1 billion in net unrealized gains on other securities, ¥105.3 billion in net deferred gains on hedges, and ¥25.7 billion in land revaluation excess.

Assets, Liabilities and Net Assets

March 31	Millions of yen		
	2012 (A)	2011 (B)	Increase (decrease) (A) – (B)
Assets.....	¥119,037,469	¥115,484,907	¥3,552,561
Securities.....	42,441,134	39,853,432	2,587,702
Loans and bills discounted.....	56,411,492	55,237,613	1,173,878
Liabilities.....	113,327,806	109,925,614	3,402,191
Deposits.....	75,804,088	74,036,469	1,767,618
Negotiable certificates of deposit.....	8,588,746	8,406,816	181,929
Net assets	5,709,663	5,559,293	150,370

4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2012 increased by ¥98.6 billion year-on-year to ¥435.3 billion, mainly due to an increase in the unrealized gains of foreign currency bonds. Of this amount, net unrealized gains on

other securities, which are directly debited to net assets, amounted to ¥388.9 billion, a year-on-year increase of ¥83.3 billion.

Unrealized Gains (Losses) on Securities

	Millions of yen									
	2012					2011				
March 31	Non-consolidated balance sheet amount	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Non-consolidated balance sheet amount	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses	
Held-to-maturity securities.....	¥ 5,163,764	¥ 67,902	¥ 8,972	¥ 67,993	¥ 90	¥ 4,071,733	¥ 58,930	¥ 60,394	¥ 1,463	
Stocks of subsidiaries and affiliates...	2,324,041	(21,499)	6,449	622	22,122	2,228,437	(27,948)	521	28,470	
Other securities	35,440,979	388,982	83,361	672,572	283,590	33,980,684	305,621	662,003	356,382	
Stocks.....	2,250,672	228,453	(47,015)	466,871	238,418	2,338,455	275,468	468,639	193,170	
Bonds	26,306,672	104,356	32,425	109,504	5,148	24,303,221	71,931	99,888	27,956	
Others	6,883,634	56,172	97,950	96,196	40,024	7,339,007	(41,778)	93,476	135,254	
Other money held in trust.....	5,805	(46)	(88)	—	46	8,875	42	42	—	
Total	42,934,589	435,338	98,692	741,188	305,850	40,289,730	336,646	722,962	386,315	
Stocks.....	3,472,964	217,149	(44,140)	467,494	250,345	3,494,297	261,289	469,161	207,871	
Bonds	31,470,436	172,259	41,398	177,497	5,238	28,374,954	130,861	160,282	29,420	
Others	7,991,189	45,930	101,435	96,196	50,266	8,420,478	(55,505)	93,518	149,023	

- 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, 2012 and 2011, included gains of ¥196 million and ¥1,153 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, 2012 and 2011, were reduced by ¥196 million and ¥1,153 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, 2012						March 31, 2011		
	Balances (after provisions and write-offs)	Change from Mar. 31, 2011	Overseas	Change from Mar. 31, 2011	Net unrealized gains/losses (after write-offs)	Change from Mar. 31, 2011	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)
Cards	¥49.4	¥46.8	¥49.4	¥46.8	¥0.2	¥0.3	¥ 2.6	¥2.6	¥(0.1)
CLO	0.7	(0.8)	0.7	(0.8)	1.5	0.3	1.5	1.5	1.2
CMBS	19.4	6.7	7.4	7.4	0.6	0.5	12.7	—	0.1
RMBS, etc.	0.1	(0.0)	0.1	(0.0)	0.1	(0.2)	0.1	0.1	0.3
Total	¥69.6	¥52.7	¥57.6	¥53.4	¥2.4	¥0.9	¥16.9	¥4.2	¥ 1.5

- Notes: 1. Balance of sub-prime related products is approximately ¥0.1 billion.
2. There is no amount of ABCP.
3. Excludes RMBS issued by GSE and Japan Housing Finance Agency, 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, 2012.

2. Transactions with Monoline Insurance Companies

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

(Billions of yen)

	March 31, 2012			March 31, 2011		March 31, 2012		March 31, 2011
	Net exposure	Change from Mar. 31, 2011	Reserve for possible loan losses	Net exposure	Reserve for possible loan losses	Amount of reference assets	Change from Mar. 31, 2011	Amount of reference assets
Exposure to CDS transactions with monoline insurance companies	¥3.0	¥0.1	¥1.0	¥2.9	¥0.8	¥236.1	¥(85.2)	¥321.3

- Notes: 1. Reference assets do not include sub-prime related assets.
2. SMFG recorded loss on such transactions of approximately ¥0.2 billion in the fiscal year ended March 31, 2012.

Loans and Investments Guaranteed by Monoline Insurance Companies, etc.

(Billions of yen)

	March 31, 2012			March 31, 2011	
	Exposure	Change from Mar. 31, 2011	Reserve for possible loan losses	Exposure	Reserve for possible loan losses
Loans and investments guaranteed or insured by monoline insurance companies	¥7.6	¥(1.8)	¥0.0	¥9.4	¥0.0

Note: Underlying assets do not include sub-prime related assets.

3. Leveraged Loans

(Billions of yen)

	March 31, 2012					March 31, 2011		
	Loans	Change from Mar. 31, 2011	Undrawn commitments	Change from Mar. 31, 2011	Reserve for possible loan losses	Loans	Undrawn commitments	Reserve for possible loan losses
Europe	¥151.2	¥ (45.7)	¥20.7	¥ (2.7)	¥ 4.7	¥196.9	¥ 23.4	¥ 7.5
Japan	131.0	(52.5)	22.3	6.8	1.3	183.5	15.5	12.7
United States	75.6	(1.6)	51.1	(15.0)	5.0	77.2	66.1	11.0
Asia (excluding Japan)	62.0	(3.4)	5.7	(2.0)	—	65.4	7.7	1.0
Total	¥419.8	¥(103.2)	¥99.8	¥(12.9)	¥11.0	¥523.0	¥112.7	¥32.2

- Notes: 1. Above figures include the amount to be sold of approximately ¥8 billion. In the fiscal year ended March 31, 2012, we sold leveraged loans of approximately ¥34 billion, and loss on the sale amounted to approximately ¥13 billion.
2. Above figures do not include leveraged loans which are included in underlying assets of "1. Securitized Products."
3. Reserve for possible loan losses do not include general reserve for possible loan losses against 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, 2012				March 31, 2011	
	Notional amount	Change from Mar. 31, 2011	Overseas	Change from Mar. 31, 2011	Notional amount	Overseas
Reference assets related to ABCP programs as sponsor	¥599.9	¥126.7	¥230.9	¥36.2	¥473.2	¥194.7

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 are approximately ¥46 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

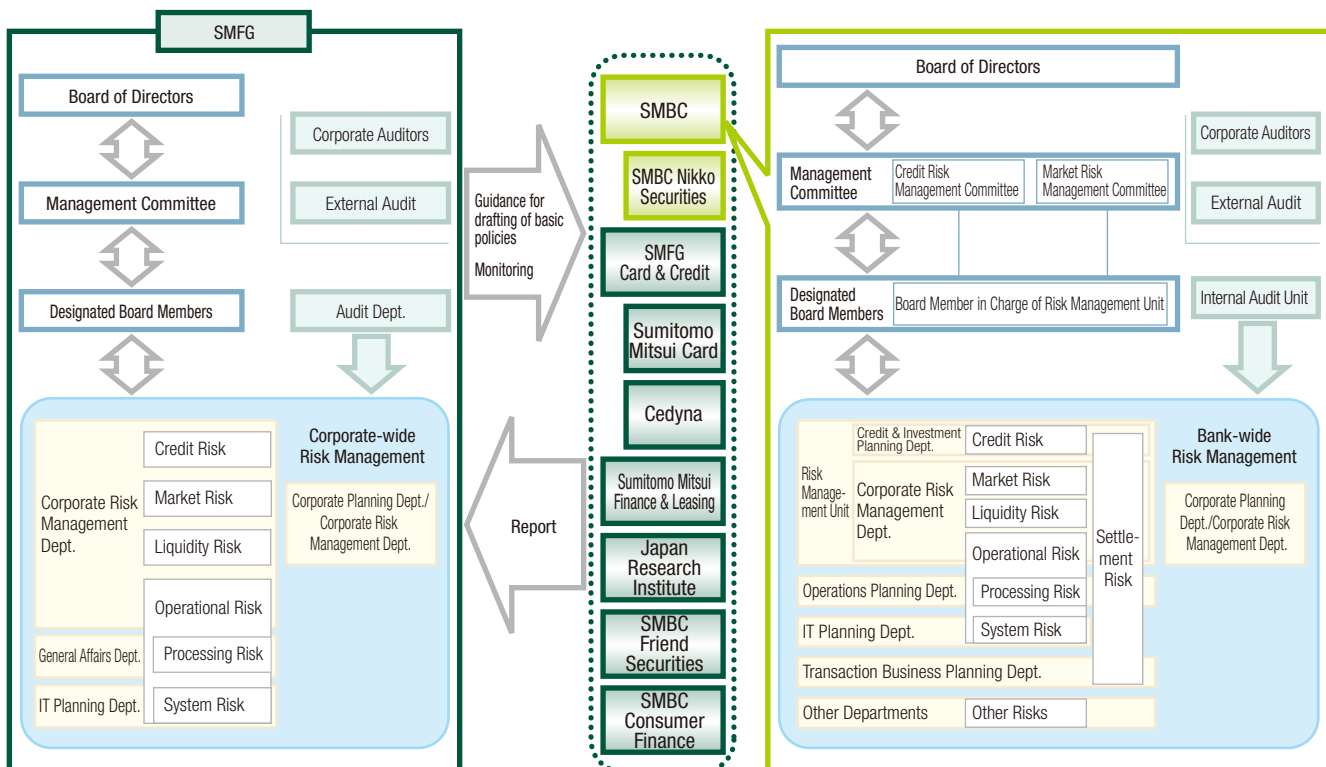
Risk Management Department works with the Corporate Planning Department to comprehensively and systematically manage all these categories of risk across the entire Group.

(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.

SMFG's Risk Management System



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.

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

■ 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	Operational risk is the possibility of losses arising from inadequate or failed internal processes, people, and systems or from external events.
		System Risk	Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities.
		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)	—	

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.

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 Regulations

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.

These Basel II regulations, as a measure to respond to the financial crisis at that time, were issued in July 2009 for the purpose of enhancing the framework mainly through the review of how to handle securitized products and trading accounts (Basel 2.5). In Japan the application of the regulations started at the end of December 2011.

Basel III was also issued in December 2010 as a new framework of capital requirements including the enhancement of international regulatory standards on bank capital adequacy and introduction of regulatory standards on liquidity. SMFG will take appropriate measures for the phase-in of this new framework from the end of March 2013.

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 for stable credit portfolios mainly through

credit derivatives and the sales of loans.

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.

3. Credit Risk Management Methods

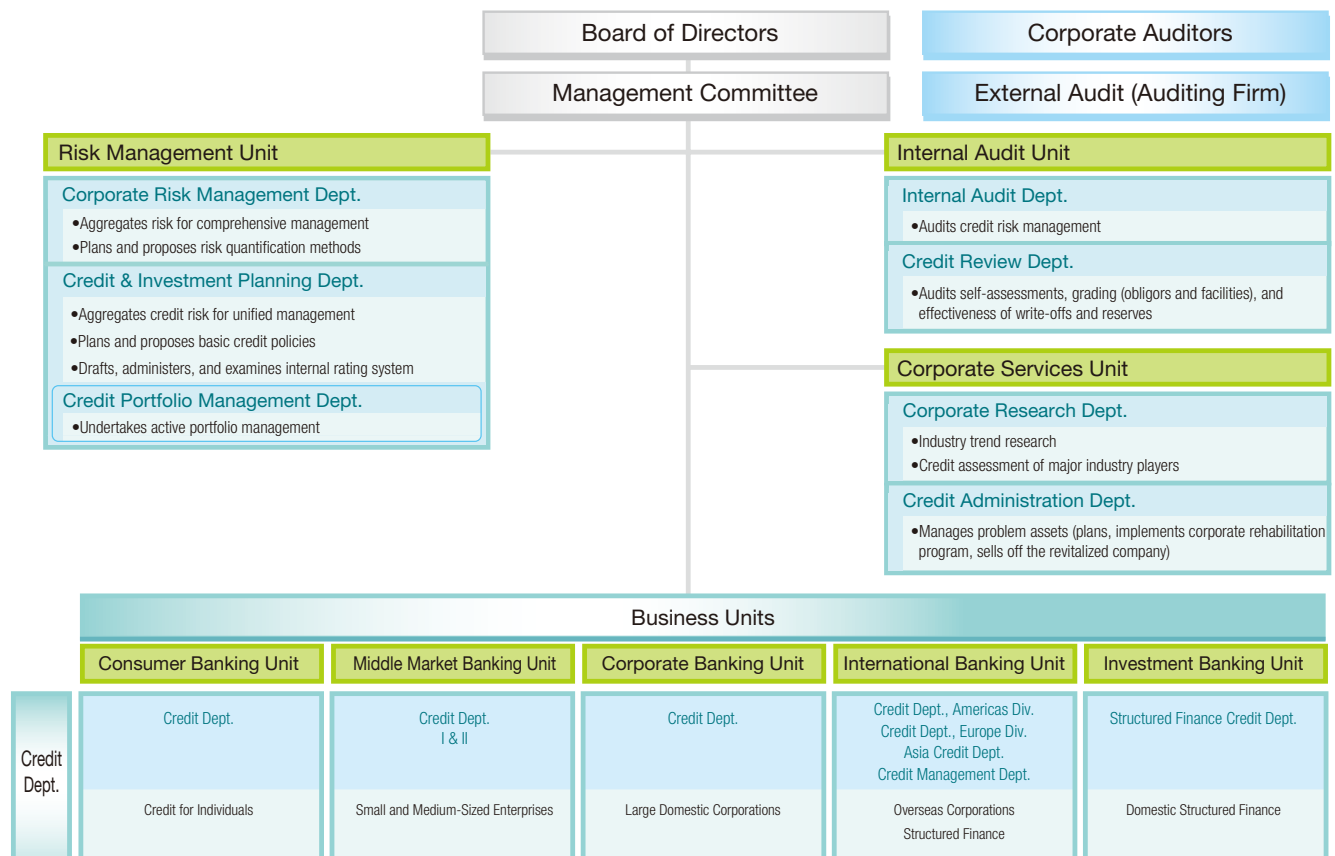
(1) Credit Risk Assessment and Quantification

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

■ SMBC's Credit Risk Management System



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.

■ 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

(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

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

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.

(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.

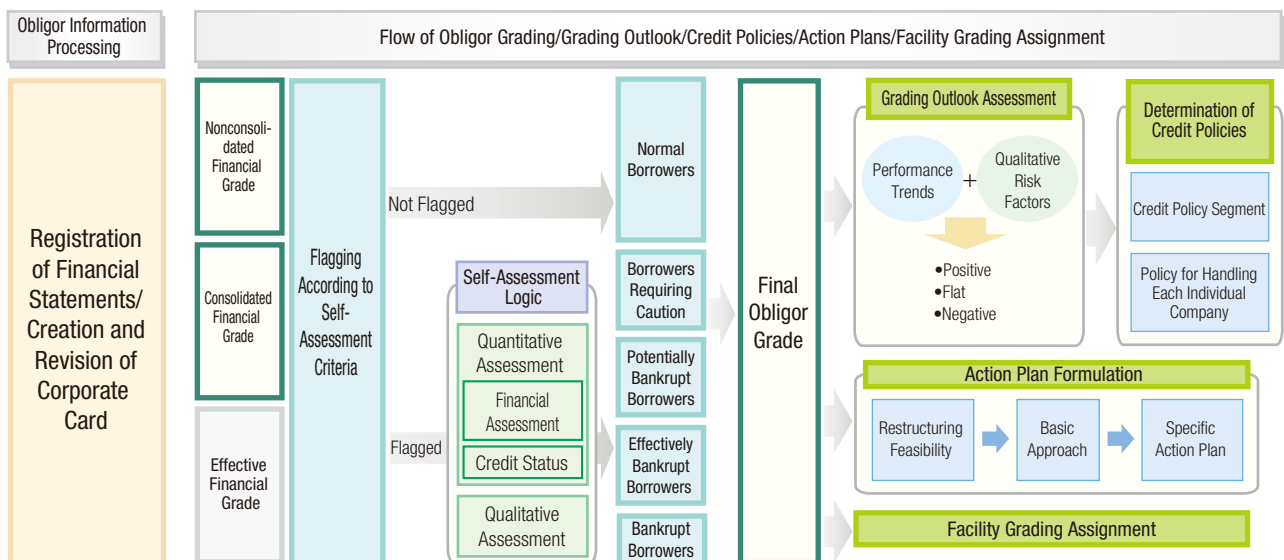
(d) Prevention and Reduction of Non-Performing Loans

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

■ SMBC's Credit Monitoring System



other instruments to proactively and flexibly manage its portfolio to stabilize credit risk.

(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, 2012, please refer to page 167.

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 analyzing and assessing the characteristics of the 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.

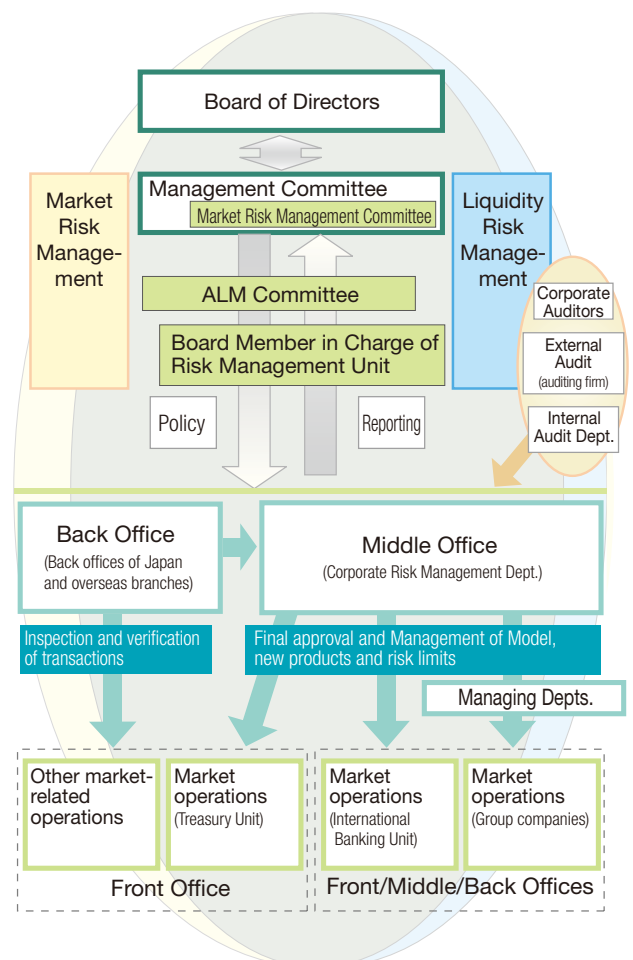
2. Market and Liquidity Risk Management System

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 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.

SMBC’s Market Risk and Liquidity Risk Management System



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 2011 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 2011 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 2010, there were no such excess losses during fiscal 2011. This demonstrates that the SMBC VaR model, with a one-sided confidence interval of 99.0%, is sufficiently reliable.

(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.

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

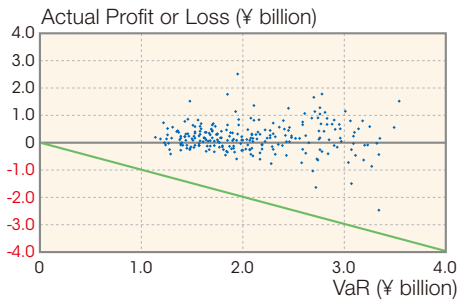
(Billions of yen)

	SMFG (consolidated)		SMBC (consolidated)		SMBC (nonconsolidated)	
	Trading Book	Banking Book	Trading Book	Banking Book	Trading Book	Banking Book
June 2011	9.0	40.4	8.3	39.4	2.1	35.8
Sept. 2011	9.0	38.8	8.5	38.0	1.3	34.5
Dec. 2011	9.5	36.3	8.9	35.5	3.2	31.4
Mar. 2012	10.0	32.0	9.3	31.3	1.2	27.8
Maximum	12.6	53.6	11.8	52.2	3.9	47.9
Minimum	5.9	31.8	5.4	31.0	1.2	27.6
Average	8.9	38.9	8.2	38.0	2.3	34.2

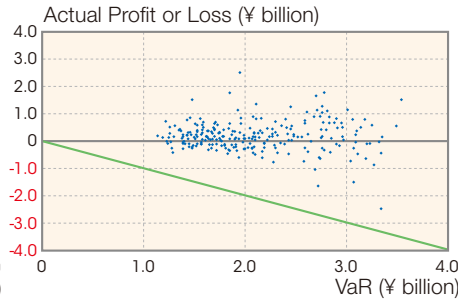
Note: VaR for a one-day holding period with a one-sided confidence interval of 99.0% [computed daily using the historical simulation method (based on four years of historical observations)].

■ Back-Testing Results (Trading Book)

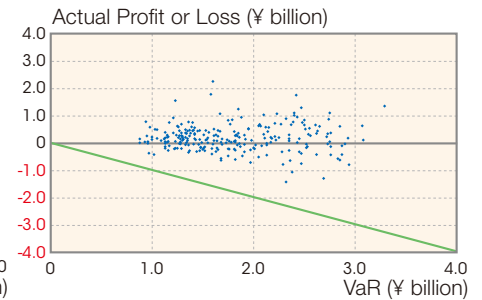
SMFG (consolidated)



SMBC (consolidated)



SMBC (nonconsolidated)



(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, 2012, the outlier ratio was around 3%, 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

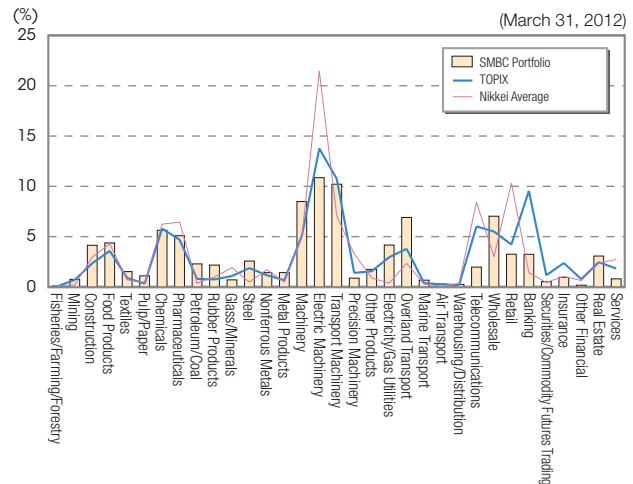
(Billions of yen)

	SMBC (consolidated)		SMBC (nonconsolidated)	
	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012
Total	696.4	240.2	660.3	233.9
Impact of Yen interest rates	530.5	144.3	497.4	142.7
Impact of U.S. dollar interest rates	141.9	87.3	139.6	85.5
Impact of Euro interest rates	16.0	1.3	15.6	1.1
Percentage of Tier I + Tier II	7.8%	2.6%	7.7%	2.6%

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

(March 31, 2012)



and status on risk mitigation are regularly reported to the director in charge of the Corporate 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 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 risks cover a wide-range of cases, including the risks 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 risks, 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 risks.

SMFG and SMBC adopted, at the end of March 2008, the Advanced Measurement Approach (AMA) set forth by Basel II for calculating capital requirements for operational risks and the AMA has been utilized for the management of operational risks since then.

The basic framework for quantifying operational risks consists of internal loss data, external loss data, Business Environment and Internal Control Factors (BEICFs) and scenario analysis. Out of the above-mentioned four factors, internal loss data and the results of scenario analysis (hereinafter, the "assumption data") are input into the internal measurement system (hereinafter, the "quantification model") developed by SMBC; and capital requirements for operational risks and risk asset (capital requirements for operational risks is divided by 8%) is calculated. In addition, external loss data and BEICFs along with internal loss data are used for verifying the assessment of scenarios to increase objectivity, accuracy and completeness.

SMFG, including the Group companies to which the AMA is applied, collect the four elements. This is outlined as follows.

(1) Internal Loss Data

Internal loss data are defined as "the information for events which SMFG incur losses due to operational risks."

(2) External Loss Data

External loss data are defined as "the information for events which other banks, etc. incur losses due to operational risks."

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

BEICFs are defined as "factors affecting operational risks which are associated with conditions of business environment and internal control of SMFG."

(4) Scenario Analysis

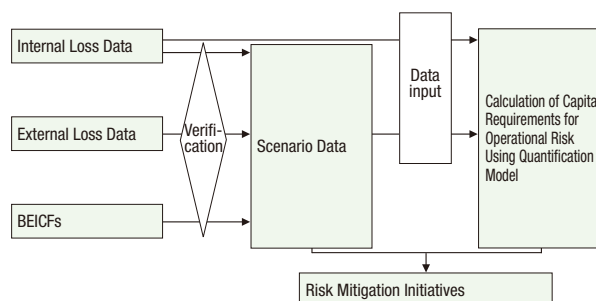
Scenario analysis is defined as a "methodology which identifies assumed cases involving any material operational risks and describe them in terms of risk scenario, and estimate the frequency and severity of risk scenarios." SMFG's principal business operations are applicable for this methodology.

The purposes of scenario analysis are to identify any potential risks underlying in our business operations; to measure risks based on the possibility of occurrence of the said potential risks; and to review and execute any required measures. Furthermore, another purpose of the scenario analysis 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).

(5) Measurement Using the Quantification Model

The quantification model produces the distribution of loss frequency and loss severity based on the internal loss data and scenario data; and it also produces the loss distribution based on the said distribution of loss frequency (distribution of losses in a year) and the distribution of loss severity (distribution of loss amount per case) by making scenarios of the various combination of frequencies and amount of losses according to the Monte Carlo simulations; and it calculates the maximum amount of loss expected, due to operational risks, based on the assumption of one-sided confidence interval of 99.9% and the holding period of one year. The measurement units are SMFG consolidated basis, SMBC consolidated basis and SMBC non-consolidated basis; and it is measured according to each of seven event types set forth by Basel II and the capital

Basic Framework of Operational Risk Measurement



requirements for operational risks are calculated based on AMA by simply consolidating the amounts of all event types.

The measurement accuracy is ensured by implementing the regularly conducted verifications of the said quantification model at pre- and post-occurrences.

Meanwhile, as for the capital requirements for operational risks of other Group companies not applicable for AMA and in preparation to become applicable for AMA, it is calculated according to the Basic Indicator Approach (BIA), and the capital requirements for operational risks for SMFG consolidated basis and SMBC consolidated basis are calculated by consolidating such amount calculated based on BIA with the capital requirements for operational risks calculated based on AMA.

(6) Risk Mitigation Initiatives

To mitigate risks using the quantitative results of the AMA, SMFG and SMBC implement risk mitigation measures for high severity scenarios. Furthermore, the risk assets calculated by quantification are allocated to each business unit of SMBC and other Group companies for increasing awareness of operational risks internally in the Group companies, improving the effectiveness of their operational risk management and mitigating operational risks of the entire Group.

4. Processing Risk Management

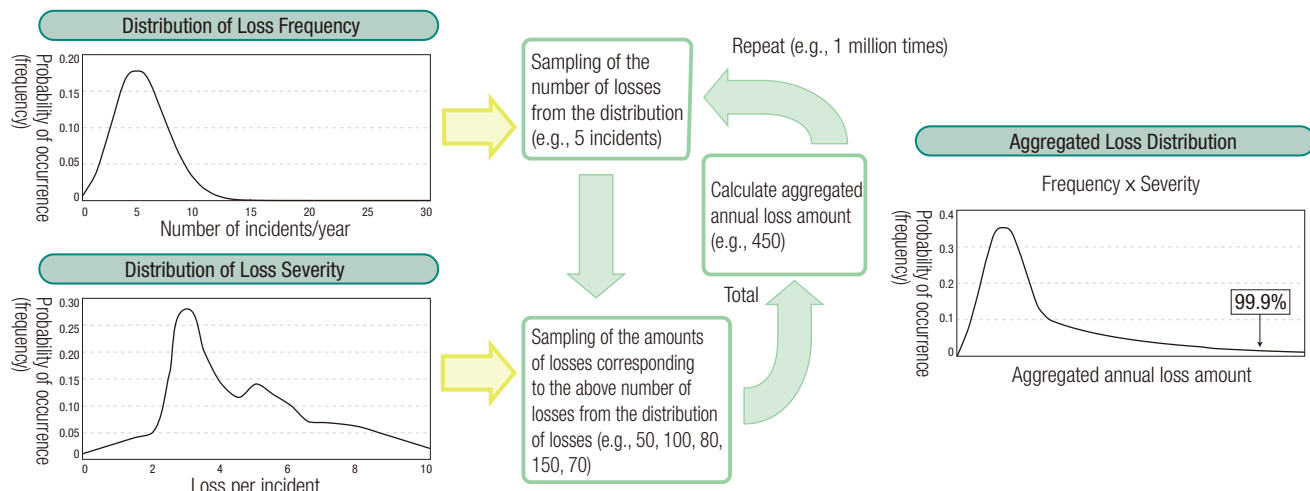
Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities.

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.

Measurement Using the Quantification Model



5. System Risk Management

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 Transaction Business Planning Department acts as coordinator and works together with the Credit & Investment Planning Department responsible for credit risk, the Corporate Risk Management Department responsible for liquidity risk, and the Operations Planning Department responsible for processing risk to improve risk management.



Corporate Social Responsibility (CSR)

Contributing to the Sustainable Development of Society

Today, mankind is faced with diverse issues such as global warming, rapid population growth, and declining birthrate and aging of the population in the advanced countries. How can we, as a provider of comprehensive financial services, contribute to resolving such social issues for the sustainable development of the society. We believe that it would be our corporate social responsibility to practice by asking ourselves what we could and should do.

Basic CSR Policies

SMFG has set forth the definition and common principles for “business ethics” for CSR in order to clearly describe and effectively promote CSR activities in 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.

SMFG’s Group-Wide 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 Items of CSR Activities

The key items of our CSR activities are as follows:

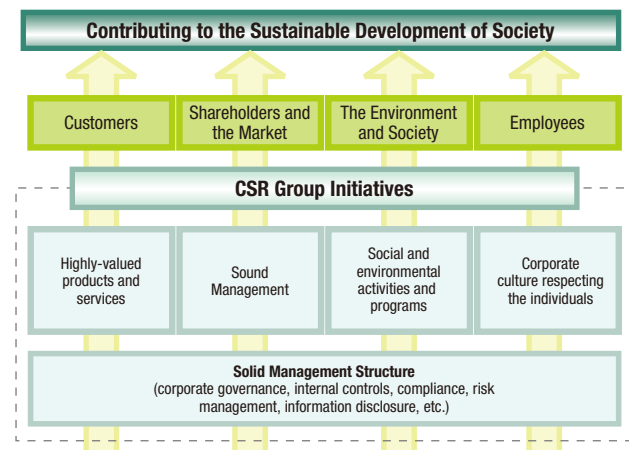
First, we shall develop a solid management system by improving and enhancing corporate governance, internal audit, compliance and risk management systems.

Second, we shall provide greater value for our four major groups of stakeholders as follows:

- We shall advance together with our clients by providing highly valued products and services.
- We shall strive to maintain a sound management and maximize shareholder value by having appropriate disclosure of information and improving the internal control system.
- We shall strive to contribute to the society and preserve the earth’s environment by consistently and proactively involving and participating in the social and environmental activities and programs.
- We shall promote free-spirited and open-minded business culture under which individual employees are respected and allowed to exercise each individual’s full potential.

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

CSR Values for SMFG



Support for initiatives in Japan and overseas

As a corporate citizen of the global society, SMFG is fully aware of the social impact of the financial institution, and it shall support the following initiatives in Japan and overseas (the action guidelines for the corporate activities and principles).

Initiatives supported by SMFG in Japan and overseas

- **United Nations Global Compact**

Ten principles proposed by the United Nations concerning human rights, labor, environment and corruption prevention

- **UNEP Finance Initiative (UNEP FI)**

Organization which pursues, develops and promotes the ideal financial institutions which pay attention to the environment and sustainability.

- **CDP (Carbon Disclosure Project)**

Initiatives which measures, manages and reduces effects of climate changes by prompting institutional investors and business managers to have dialogues regarding such climate changes

- **Equator Principles**

Environmental and social standards which are set forth based on the International Finance Corporation (IFC) guidelines for project finance projects

- **Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)**

Principles of action for financial institutions in Japan for the purpose of expanding and improving the quality of environmental finance

Integral Implementation of CSR Activities and Business Strategies

CSR activities are the foundation for SMFG Group's business strategies as well as the management policies and goals.

We consistently verify and confirm whether the direction of business strategies of maximizing the "Spirit of Innovativeness," "Speed" and "Solution & Execution," promoted by the Group, is appropriately reflecting the basic CSR policy in our management policies of "becoming a globally competitive financial group with the highest trust of our clients and stakeholders." Furthermore, we properly reflect needs of our clients and society in our CSR activities. Completely and fully achieving CSR is truly the "management itself," and we also believe that seriously committing to the implementation of CSR is thought to be the shortest path for achieving our management policies and goals.

Strengthening CSR management by utilizing the ISO26000 standards

The Group manages CSR by regularly having discussions with each group company led mainly by the "Group CSR Committee." The research and study sessions regarding the international guidance standards of "ISO26000" (promulgated in November 2010) have been conducted starting December 2010 at the CSR liaison committee meetings held by CSR officers of each group company. The measures taken by SMBC for main issues are discussed at these research and study sessions for effectively achieving the CSR management while further comprehending the guidance standards.

Four prioritized issues faced by the Group as a financial institution

As a comprehensive financial services provider, the Group proactively promotes and pioneers initiatives for resolving four critical issues which may substantially affect the society (reconstruction for earthquake damages, environment, declining birthrate and aging of population and globalization).

(1) Support for Reconstruction for the Great East Japan Earthquake

The Group shall consistently address and accommodate major issues for reconstruction of the areas affected by the earthquake by partnering with diverse stakeholders such as businesses, local governments and Non-Profit Organizations.

For details, please see page 59 (earthquake disaster recovery support activities).

(2) Environment

The Group shall strengthen diverse initiatives, not limited to achieving the low-carbon society, but also resolving issues associated with water, soil contamination, energy, biodiversity, etc.

For details, please see pages 53-55 (environmental activities).

(3) Declining birthrate and aging of population

The Group shall contribute to developing initiatives which allow senior citizens to have comfortable and active lives. In anticipation that many employees may be involved with raising children and caring for the elderly, the Group shall also enhance the system and culture which support employees being able to balance work and to raise children/caring for elderly.

For details, please see page 59 (declining birthrate and aging of population).

(4) Globalization

In anticipation of further business development in the international society, the Group is moving forward with globalization in Japan and overseas. As for CSR, we strive to improve sharing of information and to enhance cooperation with overseas branches to commonly share diversity in thinking in Japan and overseas.



Initiatives for Enhancing Customer Satisfaction (CS) and Quality

SMFG's Initiatives

SMFG shall implement measures to improve CS and Quality while cooperating among group companies by setting forth the "To found our own prosperity on providing valuable services which help our customers to build their prosperity" as one of our management principles.

SMFG regularly holds meetings for the "Group CS Committee" which is chaired by the senior management executive of the planning section of the Group for promoting cooperation among group companies. The committee discusses and exchanges opinions and ideas regarding opinions and suggestions received from our clients or CS promotion policies, and it strives to further improve CS and Quality of the entire Group.

Measures Taken by SMBC

The head office of SMBC analyzes opinions and suggestions received from our clients and proactively incorporates such opinions and suggestions received from our clients into our management and training seminars for employees for improvement of products and services based on such analysis.

Responding to customers' opinions and requests

The customers' opinions and requests, which are received at branches or made through our toll-free telephone service, are collected and registered into the database for "Voice of the Customers" (VOC), along with data received from CS surveys and questionnaires conducted by our bank. The said registered data are widely shared among all departments of the Bank.

Based on such registered data for VOC, there may be cases in which the head office departments may advise branches, review individual products and services, or consider measures to be taken for the entire bank.

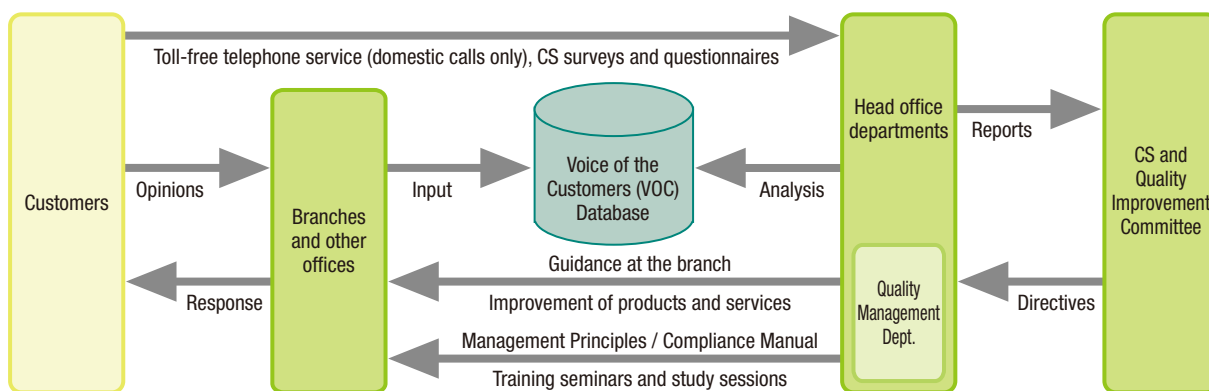
The bank has set up the Quality Management Dept. which is responsible for developing plans and preparing systems for improvement of CS and Quality. Additionally, this department holds meetings for the "CS and Quality Improvement Committee," which is chaired by the President, to discuss appropriate cross-departmental measures for the entire bank in order to achieve greater satisfaction by customers.

Clients always come first

SMBC sets forth detailed action principles under the "Clients always come first" of the "Compliance Manual," along with the above-mentioned "Management Principles," in order to enforce the attitude of "Clients always come first." Furthermore, the bank raises awareness for the attitude of "Clients always come first" for all employees through group training seminars and study sessions conducted at branches. During such training seminars and study sessions, the bank specifically incorporates clients' opinions and requests for the implementation of "Clients always come first" attitude into daily business activities.

SMFG strives to improve CS and Quality of the entire Group and to become the "highly-trusted" financial services group, through implementation of such measures.

Measures to improve Customer Satisfaction (CS) and Quality of the Bank



Our Position on Corporate Governance

SMFG and its Group companies follow the SMFG management philosophy set forth as the universal guide for the Group management and consider this philosophy as the foundation for any corporate activities. We believe that the strengthening and enhancement of corporate governance is one of the top prioritized issues in order to achieve the management philosophy.

The SMFG Corporate Governance System

SMFG implements the corporate auditor system, whereby six corporate auditors are appointed, out of which three are outside auditors. The said appointed corporate auditors audit business operations of SMFG and subsidiaries by attending important meetings including the Board of Directors meetings and receiving reports from directors on the business operations and reviewing material documents for major business decisions while reading reports on interviews conducted by the internal audit department, subsidiaries and external accounting auditors.

As for the Board, the chairman of SMFG serves as the chairman of the Board of Directors for SMFG. The role of the chairman is clearly separated from responsibilities of the president who oversees the overall business operations.

Furthermore, the establishment of internal governance committees under the Board and appointment of outside directors enhance the effectiveness of the Board.

The Board set up four internal committees: the Auditing Committee, the Risk Management Committee, the Compensation Committee, and the Nominating Committee. All three outside directors have been appointed for these committees in order to objectively oversee corporate governance. As the objectivity is explicitly required for both Accounting Committee and Compensation Committee, the outside directors are appointed to further enhance such required objectivity.

The outside directors, who are expert professionals (certified public accountants, attorneys, business management consultants), are selected to ensure the execution of the Group's business operations in conformity with both legal regulations and generally accepted practices.

The Group Management Committee is set up under the Board to serve as the top decision-making body. The Group Management Committee is chaired by the president of SMFG and the directors are appointed by the president.

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 Group Strategy Committee is set up for matters related to business plans of each Group company and to exchange opinions, discuss and report on the management of SMFG and each of the Group companies.

Furthermore, ten directors (out of which three directors are

outside directors) out of twelve directors (out of which three directors are outside directors) of SMFG also serve as the directors for SMBC to oversee its business execution. As for the four major Group companies of SMFG Card & Credit, Inc., Sumitomo Mitsui Finance and Leasing Co., Ltd., The Japan Research Institute, Limited and SMBC Consumer Finance Co., Ltd. (formerly known as Promise Co., Ltd until the end of June, 2012), the SMFG directors also serve as the directors for each of these subsidiaries to oversee their business.

Furthermore, in order to maintain the sound management, SMFG sets forth a system, which firmly maintains the appropriateness of SMFG's business operations, as the internal control regulations, pursuant to the Japanese Company Law; and SMFG considers that the development of a solid management system is an important management issue by further improving the internal control system.

The SMBC Corporate Governance System

SMBC implements the corporate auditor system by appointing six corporate auditors, out of which three corporate auditors are outside auditors. SMBC implements the executive officer system by dividing functions of "business execution" and "overseeing function" in order to increase the transparency and soundness of management. The executive officers execute business operations and the Board serves mainly as the overseeing function.


The chairman of the bank also serves as the chairman of the Board; segregates his functions and duties from the president of the bank who controls the overall business operations; does not concurrently hold the position of executive officer; and mainly oversees the business execution. Furthermore, SMBC further strengthens the overseeing function by appointing three outside directors out of eighteen directors for the bank.

The executive officers, who manage business operations, are appointed by the Board. There are a total of seventy-two executive officers, including the president, as of June 30, 2012 (out of seventy-two executive officers, thirteen executive officers concurrently serve as directors).

The Management Committee is set up under the Board to serve as the highest decision-making body for the bank. The Management Committee is chaired by the president of the bank, and the executive officers are appointed by the president.

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.

Furthermore, pursuant to the decisions made by the Board, 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, the Internal Auditing Committee is set up as part of the Management Committee, taking into consideration its critical role and responsibility for the internal audit for the management, in order to effectively facilitate the internal audits. The Internal Auditing Committee meets every quarter, and its members discuss on important internal auditing matters based on reports prepared by the departments responsible for conducting internal audits. Under such structure, the Audit Department is set up as the independently operated internal auditing unit of the Group.

The Audit Department conducts internal audits on the operations of all of the Group's units and departments for optimal management, proper operations of the Group and the soundness of their assets. These audits also have the functions of verifying whether the Group's internal control systems, including compliance and risk management, are appropriately and effectively operated. Additionally the Audit Department is responsible for the overall supervision of the internal audit systems of the Group companies, for its appropriateness and effectiveness by verifying the accumulated internal audit data and monitoring activities, including inspections and any other activities based on the actual sample data; and conducting audits as deemed necessary. Based on these activities, the Audit Department provides recommendations and guidance to the business units and departments as well as to the Group companies.

At SMBC, we have established the Internal Audit Unit which is independently operated from other business activities. Under the said Internal Audit Unit, the Internal Audit Department and the Credit Review Department are set up. Similarly for SMFG, SMBC also sets up an Internal Auditing Committee, which is responsible for discussing and reporting important matters proposed by the Internal Audit Unit, as the committee partially constituting its Management Committee.

The Internal Audit Unit is responsible for auditing compliance and risk management at SMBC (head office departments, domestic and overseas branches) and SMBC Group companies. The audit of operations of the head office departments is conducted by assessing for appropriateness of overall internal control systems of each department, in perspective of

functionality of procedures for the "Plan, Do, Check and Act" (PDCA) method. In addition to these individual audits for each department, we also focus on specific businesses or specified critical issues associated with risk management to conduct the "Audit of Targeted Items" for verifying the bank's overall or cross-departmental conditions of the internal control systems.

Moreover, audits of branches and offices are not limited to simply inspecting for any inadequacies but also specifying and pointing out issues for the overall internal control systems, including any problem items associated with compliance and risk management; and making proposals for improvement measures or corrective actions.

For other Group companies, internal audit departments have been set up according to the respective business characteristics of such Group companies.

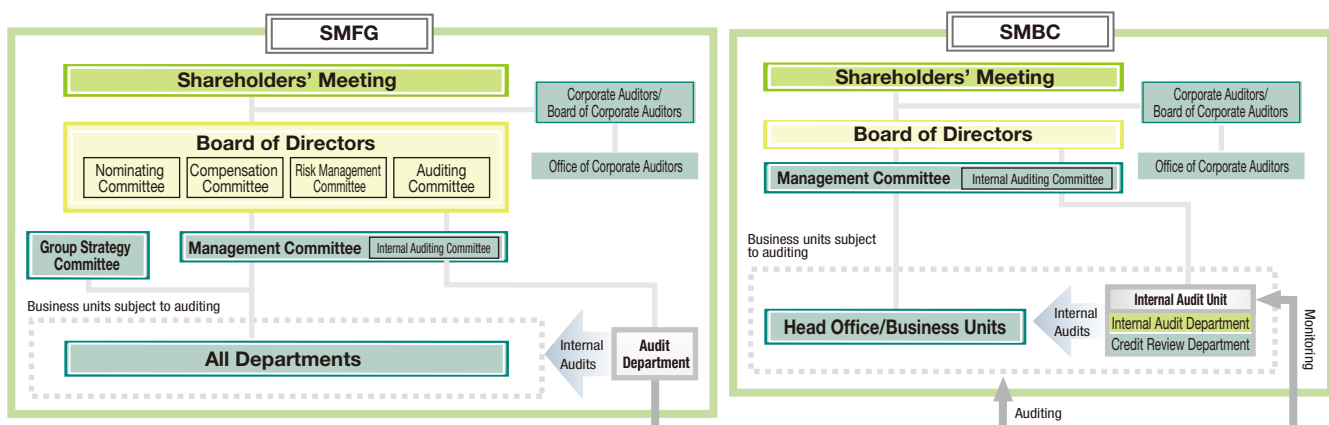
Initiatives to Enhance the Sophistication and Efficiency of Internal Audit

The Audit Department has adopted methods in accordance with the standards of the Institute of Internal Auditors (IIA)*, an international organization. The Audit Department conducts risk-based audits and the Group companies also conduct the same.

The Audit Department, as the controlling department for the Group's overall internal audit systems, strives to enhance the expertise of internal auditors such as collection of internal and external up-to-date information related to internal audit and forwarding such information to the Group companies; implementation of seminars conducted by outside professionals for the Group companies; and promoting the acquisition of international qualification for internal audit.

Also, the Audit Department organizes training programs taught by outside experts for the staff of the Group companies, encouraging them to learn international standards to enhance their professional knowledge and skills for internal audit. To further improve the effectiveness of audit, we also proactively take measures on a group-wide basis to assess the quality of our internal audit while taking into account the 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 in order to be able to fulfill its public mission and corporate social responsibilities as a financial services group offering diversified products and services for becoming a truly outstanding global corporate group.

For compliance policies, SMFG sets forth its “Business Ethics” (on page 46) 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 in Compliance Perspective

As a financial holding company, SMFG strives to maintain a compliance system which provides the appropriate directions, guidance and monitoring for 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. For fiscal 2012, we are focusing on the following issues to further strengthen the compliance-related management of the Group companies: (a) Direction and management of Group companies for further development of business operations; and (b) Strengthening of the compliance system on a consolidated basis.

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 activities 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 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:

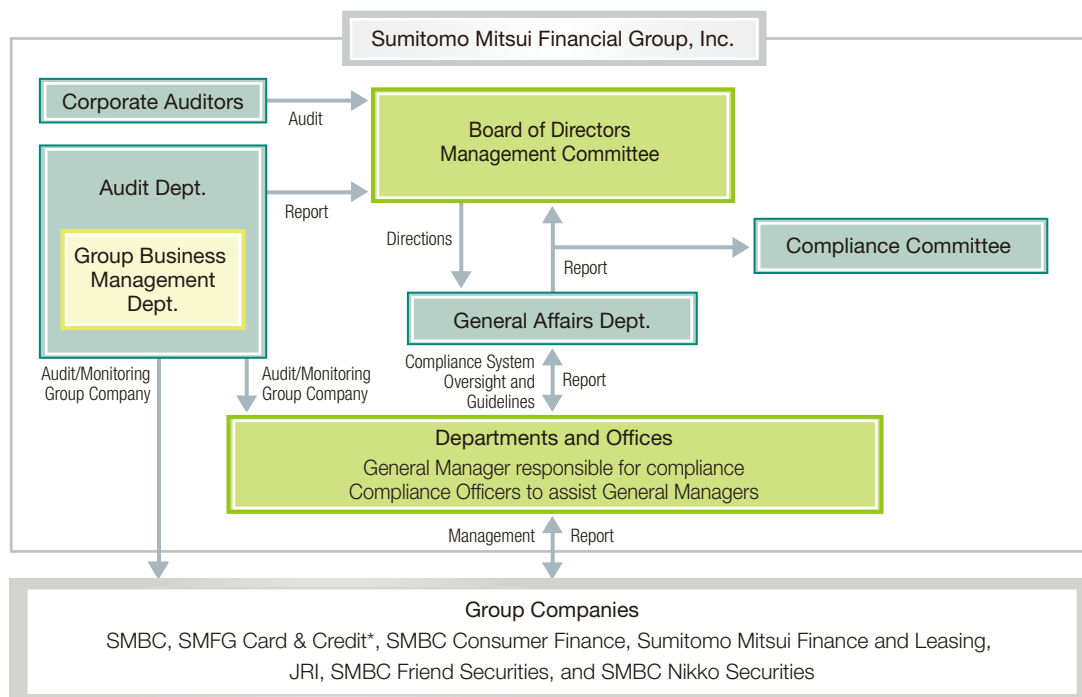
smfghotline@iwatagodo.com

* The hotline accepts any alerts of inappropriate activities concerning accounting and auditing at SMFG or 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 adequate information is not provided.

* 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 Cedyne.

Compliance Systems at SMBC

Strengthening the Compliance System

It is generally required for all corporations to be in compliance with laws, regulations and other social standards. It is essential for banks to be fully in compliance to fulfill their public missions and corporate social responsibilities as financial institutions.

In accordance with the basic policies of SMFG, SMBC requires its management and staff to give utmost consideration to people's trust in the Bank, abide by laws and regulations, maintain 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 any other related ordinances, and elimination of anti-social organizations.

Compliance System and its Management

The basic structure of SMBC's compliance system is a dual structure whereby firstly, each department and office will be individually responsible for making preliminary decisions to ensure that its conducts are in compliance with laws and regulations, and secondly, an independent Internal Audit Unit will conduct impartial audits of observance of the compliance system by individual departments and offices.

In order for the basic dual structure to be maintained and to effectively function, the Compliance Unit, consisting of the General Affairs Department and the Legal Department will, at the direction of management, plan and promote systems to ensure observance of the compliance system. The Compliance Unit will issue instructions to and monitor the conduct of each department and office in SMBC, and assist such department and offices to make appropriate judgments regarding their observance of the compliance system.

SMBC commits to the following operations for the said compliance structure to work effectively.

Preparation of a Compliance Manual

SMBC has prepared its Compliance Manual by stating its objectives, guiding rules and 60 rules of action in order to assist the management and staff in selecting optimal actions. This manual has been approved by the Board of Directors.

Development of Compliance Program

The Board of Directors develops the detailed annual plan for compliance-related activities for each fiscal year, including amendments to the rules and regulations, training, etc. for the effective operation of the compliance system for SMBC and its consolidated subsidiaries. Especially during fiscal 2012, SMBC proceeds to strengthen overall compliance system to promptly respond to any environmental changes, such as the further development of a system for sales of financial instruments; strengthening of measures for anti-money laundering or financial crimes; strengthening of the system to eliminate

any transactions associated with anti-social organizations; and improvement of overseas compliance system.

Appointment of Compliance Officers

In addition to appointing compliance officers to each branch and department of the bank, the "Area Compliance Officers", who independently operate from areas of business promotion, are appointed for the Middle Market Banking Unit and Consumer Banking Unit of branches and offices to directly supervise and manage compliance activities.

Set up 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 received 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: Mondays through Fridays
(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: Mondays through Fridays
(except public and bank holidays)
9:00 am to 5:15 pm



Environmental Preservation Initiatives

Basic views for environmental preservation

The Group recognizes environmental preservation as one of its most important management issues. Based on our Group Environmental Policy, we are implementing initiatives to preserve the natural environment and achieve the corporate harmony.

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 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: 1) "Reduction of impacts on environment," 2) "Management of environmental risks," and "Promotion of environmental businesses." We have set environmental objectives for each environmental activity and follow the procedures of Plan, Do, Check, and Act (PDCA) for such environmental activities.

Environmental Management System (EMS) based on ISO14001 certification

The environmental management certification of ISO14001 has been obtained by SMFG and its major companies (SMBC, Sumitomo Mitsui Card, Sumitomo Mitsui Finance and Leasing (SMFL), Japan Research Institute (JRI), SMBC Friend Securities, and SMBC Nikko Securities). In 1998, SMBC was the first bank in Japan to obtain this certification. The Group has developed the structure to promote EMS which is organized and managed mainly by the Corporate Planning Department and senior environmental officers.

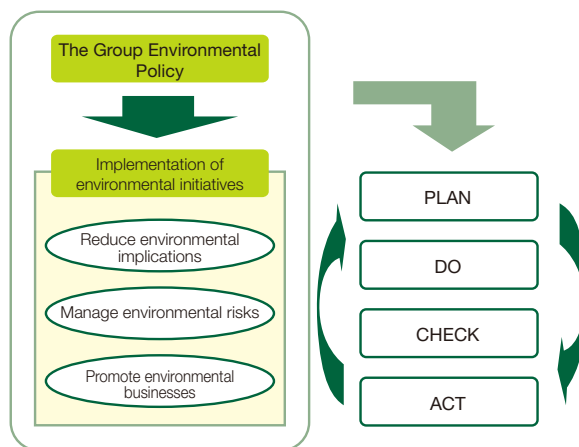
Signing of the "Principles for Financial Actions (the principles for financial actions for the 21st Century) for achieving the sustainable society"

"Principles for Financial Action towards a Sustainable Society" were adopted in October 2011, by SMBC, SMBC Friend Securities, SMBC Nikko Securities, Minato Bank, Kansai Urban Banking Corporation (KUBC), and Japan Net Bank.

The principles have been set forth by the Drafting Committee for the Japanese version of PRI after having seven meetings which started in September 2010, attended and participated by diverse financial institutions including SMBC, SMBC Nikko Securities, for the purposes of making the environmental financing widely-known and improving the quality of environmental financing.

The Group continues to expand its environmental financing activities in Japan based on these principles.

Environmental Action Plan and PDCA Procedures



Reducing Environmental Impact

● Initiatives for Carbon Neutrality

SMBC has made its Head Office “carbon neutral” through the purchases of “green energies and carbon credits*.” Tokyo and Osaka head offices of SMFL are also carbon neutral.

In addition, SMBC Friend Securities is proceeding with converting its corporate vehicles into more environment-friendly vehicles while making the rest of unconverted vehicles carbon neutral for the amount equivalent to CO₂ emitted.

* In general, the “carbon credits” are also referred to as “emission allowances.” In this annual report, we use “carbon credits.”

● Promotion of IT greenization of financial systems

SMBC is moving forward with IT greenization of terminals and ATMs at branches. The new “CUTE” terminals installed at branches, which were jointly developed by NEC Corporation and Oki Electric Industry Co., Ltd., realize the paperless environment by electronically converting and processing hard copies of records and data/information such as ID documents and ATM transaction details (ATM journals). This process electronically converts the amount equivalent to approximately 3.1 million of A4-sized papers annually to achieve paperless environment.

SMBC donated part of the costs saved by the installation of CUTE to the Tokyo Metropolitan Government’s Green Tokyo Fund, specifically for the “Creating Umi-no-Mori (Sea Forest)” project. We also gave a donation to the University of Tokyo’s “Life in Green Project” for the construction of research facilities for botanical studies.

● Proactively using clean energies

In December 2011, we reopened the SMBC branches in Shimo-Takaido (Tokyo) and Konan (Hyogo) after converting them into environment-friendly model branches. The discarded forest thinning was partially used for the architectural design of these building structures of two branches. The exterior walls were built by utilizing green plants; the roofs were installed with solar panels and light collecting equipment; and the interiors were installed with LED lighting and energy-saving air-conditioning facilities.



The environmental systems will be regularly inspected for the degree of effectiveness for environment-friendliness and those facilities and equipment which are highly effective for environment-friendliness will be considered for the installation for new buildings in the future.

Solar power equipment was installed on the roof of the Group’s principal computing center in June 2012, as a part of the voluntary energy-saving measures.

We began using the new system starting July 2012.

SMBC Friend Securities converts its branches to more environment-friendly interiors such as tiled carpets made of materials which have carbon credits, at the time of relocation or renovation.

Managing Environmental Risks

● Environmental and social risks in loan (credit) activities

SMBC believes it is important to take into account the environmental risks for conducting credit assessment. Factoring environmental risks in the credit assessment (environmental Credit risks) is stipulated in SMBC’s Credit Policy, which sets forth the universal and basic philosophies, guidelines and rules for credit operations. For example, to deal with the risks of soil and asbestos contamination in real estate pledged as collateral, SMBC requires contamination risk assessment for such real-estate collateral meeting certain criteria. If contamination risks are found to be high, the assessed value of the potential risks will be deducted from its value. Furthermore, our Credit Policy clearly stipulates that the credit, which is used for the production of cluster bombs, is prohibited.

● Managing environmental and social risks in extensive development projects

Extensive development projects may have significant impacts on environmental society. Accordingly, the international society requires financial institutions to conduct a thorough review of impact which such projects may have on the environment and the society when providing financial support.

SMBC has adopted the Equator Principles which pledge to the society that financial institutions shall thoroughly review impact of extensive development projects on the environment and the society when providing financial support for such projects. The Environment Analysis Department has been established to assess the environmental risks.

● Lawful disposal of properties at the expiration of leases

SMFL is completely in compliance with environment-related laws and regulations to prevent contamination of the environment due to illegal disposals of industrial waste materials triggered by the expiration of leases. In addition, multi-phased assessment mainly in terms of compliance, local research and interviews are conducted annually in order to prudently select the most appropriate company which handles transportation and disposing of waste materials at the time of expiration of lease.

Environmental Businesses

● Environmental contributions through core businesses

The Group considers that environmental businesses are means to preserve and improve the global environment while pursuing its core business operations as a financial institution. SMBC has been regularly holding the cross-organizational “Eco-biz Promotion Council,” starting from fiscal 2005, for the development of advanced and efficient products and services. Presently, each of group companies has become a member of this Conference for participating in periodical discussions.

Initiatives for Environmental Businesses by Group Companies

Company	Program / Product	Description
SMFG	"SAFE," corporate environmental magazine	Started in 1996, this bimonthly magazine contains interviews with top management of environmentally advanced companies, analyses of business trends, and other beneficial information for corporate environmental activities. It can be viewed online at SMFG's website (in Japanese).
	SMFG Environmental Business Forum	SMBC organized the major three-day event at Eco-Products, one of Japan's largest environmental exhibitions. Over 1,000 business meetings were arranged under themes of "energy" and "environment," with participants, including companies from South Korea and Singapore, in the international business-matching activities.
SMBC*1 / JRI*2	SMBC Environmental Assessment Loans and Private Placement Bonds	Terms and conditions for loans and bonds are set forth according to the assessment conducted pursuant to the environmental assessment standards originally created by SMBC and JRI, and SMBC determines terms and conditions for the loan or bond according to the results of such assessment.
SMBC	SMBC-ECO Loan	This loan product offers reductions of interest rates up to 0.25% for SMEs certified with environmental management systems by more than 20 organizations, including NPOs and local governments.
	Ministry of the Environment and Ministry of Economy, Trade and Industry subsidized-interest financing program	Under this program, companies may conditionally receive loans from financial institutions, with interest subsidized by the government, to finance capital investment which reduces CO ₂ emissions. SMBC supports companies taking environmental initiatives as one of the financial institutions authorized to provide loans under this program.
	Carbon-credits related business activities (advisory and consultation services)	SMBC supports and advises clients, who may have needs for carbon-credits for their businesses with overseas companies, by providing them with business contacts in developing countries, giving advices and financing for their transactions. SMBC has the consulting company as its subsidiary in Brazil which supports the development of Clean Development Mechanism (CDM) projects; and it also invests in and provides environmental advice on the sustainability funds managed by Banco Nacional de Desenvolvimento Econômico e Social.
	Carbon-credits trading	SMBC was the first bank to become the carbon-credits trader in June 2009 and began trading carbon credits directly with clients.
	Strengthening alliances with international and financial institutions	In March 2012, the bank executed a Memorandum of Understanding with the development bank of Mongolia for financial cooperation for financing environmental and infrastructure projects which reduce emissions of global warming gases. SMBC continues to develop the solid global network by similarly executing MOU with local financial institutions and economic organizations in Philippines, Brazil and other countries for the promotion of financing for renewable energies projects and carbon-credits trading businesses.
	Environmental campaign program for JGBs for individuals	We have contributed to global environmental protection by: 1) trading the amount equivalent to 100kg of carbon credits; and 2) forestation in the area equivalent to 1m ² per each individual who purchased JGBs. Concurrently, we also have initiatives for supporting the recovery and reconstruction of areas affected by the Great East Japan Earthquake by obtaining the partial domestic credits generated from northeastern Japan.
Nikko*3	Nikko World Trust – Nikko Green New Deal Fund (JPY Non-hedged Class) / (JPY Hedged Class)	This fund invests in shares of companies located in countries where high growth is anticipated through their environmental preservation activities, focusing on "green new deals" for economic recovery based on measures required for global environment.
SMBC / Nikko	SMBC Nikko World Bank Bond Fund	This fund is the first fund in the world to invest in green bonds issued by the World Bank (data provided by Nikko Asset Management Co., Ltd.). A portion of earnings from the fund is donated to the Japan Committee for UNICEF and the Japanese Red Cross Society to be used to resolve any social conflicts around the world. The fund invests in a certain class of World Bank-issued green bonds.
SMBC / SMFL*4	eco japan cup	This is the contest for selecting and recognizing companies which have practical environmental technologies and ideas. SMBC also makes arrangements for venture companies to conduct research and development jointly with Japanese universities and contribute to research grants.
SMFL	Carbon-neutral leases	The first new business in the leasing industry started in August 2007 of providing services to make greenhouse gasses emitted by the use of leased assets carbon neutral by allocating carbon credits.
	Amendment to the Act on the Rational Use of Energy	SMFL is strengthening its consulting services to appropriately respond to the Amendment to the Act on the Rational Use of Energy, and it also plans to propose comprehensive energy-saving solutions by leveraging the lease.
	Trading of used machinery and equipment	Machineries and facilities with expired leases or those purchased back from clients are sold by SMFL to other clients who may need such machineries or facilities. Through such purchases and sales, SMFL strives to become the environment-friendly leasing company committed to recycling and reusing.
JRI	Promotion of CSR and environmental management	JRI supports companies for their CSR and environmental management by assisting them with the development of CSR management strategies and conducting carbon-credit research and investigation.
	Environmental advisory business	JRI manages many new environment-related projects mainly focusing on energies and waste disposals. It strives to contribute to resolving issues associated with global warming and development of businesses contributing to environment, rather than developing new businesses.
	Proposals for energy-related policies	It makes proposals for policies such as how the next-generation energy systems should be; the road map plan for separating the generation and transmission of electrical power; or how the electric power portfolios should be based on the projection of demand and supply of power until 2030.
SMCC*5	Cooperation with the Eco-Point program	We participate in the eco-points business promoted by the Ministry of Environment and we also provide Sumitomo Mitsui VISA Gift Cards as gifts in exchange for eco points accumulated for the said eco-points business. Furthermore, we also donate the amount equivalent to 0.1% of the face value of the said Gift Cards to non-profit organizations, for plantation in deforested areas and other environmental protection activities.
SMCC / Cedyne	Web Registration Campaign	SMCC is proactively promoting the use of online account statements (breakdown of credits and debits is e-mailed and the details are posted on its website) for conserving paper and helping to reduce CO ₂ emissions.
Cedyne	Issuance of socially contributing environmental cards	We issue socially contributing environmental credit cards such as "Chikyuni Yasashii Card" and "Cedyne Card AXU," and the part of payments for such cards are donated to environmental preservation organizations.
Friend*6	World Bank green bonds	SMBC Friend marketed the World Bank green bonds issued by the World Bank in November 2011. The funds raised by such bonds are to support projects which respond to preventing global warming and resolving any issues originated from global warming, in accordance with the assessment standards set forth by the World Bank.
Friend / Nikko	Electronic statement service	Promoting the usage of online account statements
Minato*7	Minato Eco-Monogatari Carbon Offset Time Deposits	"Forestry carbon offset usage fee," a sum equivalent to 0.05% of ¥6 billion (an amount of money to be raised), will be released by Minato Bank. The money released will be used to maintain the forest environment in Hyogo Prefecture through Hyogo Prefectural Federations of Forest Owners Cooperative Associations.
	Minato ECO Loan / Private Placement Bond	In certain cases, Minato Bank offers preferential interest rates for loans and preferential underwriting fees for private placement bonds only for corporations which have obtained the certification for environmental management system.
KUBC*8	Eco-Time Deposits Support for Power-Saving Measures	KUBC supports households in saving energies by offering them with special interest rate for their deposit as long as they fill out the designated "energy-saving checklist."
	Housing loans for smart homes	It is now possible for KUBC to offer the same terms and conditions such as loan term and interest rate for loans for purchasing homes pre-installed with solar power generation systems or for costs for installation of such systems. The bank is committed to supporting the adoption of solar power and revitalization of the housing market.
	Donation of the part of housing loans to environmental fund	KUBC donates a certain percentage of the housing loans used to purchase the homes installed with specified solar power generation systems in the subdivisions in the Katata district of Otsu-city in Shiga prefecture to the Ohmi Environment Conservation Foundation which is dedicated to preservation of Lake Biwa.

*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 Card Company, Limited *6 SMBC Friend Securities Co., Ltd. *7 THE MINATO BANK, LTD. *8 Kansai Urban Banking Corporation



Social Contribution Activities

Fundamental approach for social contribution activities

SMFG and its Group companies recognize that it is important to consider the public nature of the financial institution and contribute to the development of society through business operations. In addition to the contribution to society through daily business operations, we should act as a “responsible corporate citizen” by engaging in activities which may assist in making the better society in the future. SMFG and its Group companies will pursue diverse social contribution activities in order to fulfill responsibilities as a “responsible corporate citizen.”

Policy for social contribution activities

SMFG and its Group companies fully understand their roles as responsible corporate citizens, and perform social contribution activities for realizing a prosperous and sustainable society. We continue to plan and execute social contribution activities as the corporate citizen while supporting volunteer activities of employees, in order to proactively perform social contribution activities.

The backbone for our social contribution activities

SMFG and its Group companies consider the following four areas as the core areas for social contributions activities:

- 1) social welfare; 2) local and international communities; 3) the environment; and 4) cultures, arts and education.**

Social Welfare Activities

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

SMFG collects mistakenly-written postage-prepaid postcards from employees of the Group companies, 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, and Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, Sumitomo Mitsui Finance and Leasing (SMFL) and SMBC Nikko Securities collect PET bottle caps. Sumitomo Mitsui Card, SMBC Consumer Finance 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.

● Group Blood Donation Program

SMBC, Sumitomo Mitsui Card, SMBC Consumer Finance and SMBC Nikko Securities encourage employees to donate their blood at the workplace. The total of 785 employees from four companies participated in this program in fiscal 2011.

● Installation of Charitable Vending Machines

The head office of SMBC is installed with vending machines for the program which make contributions to welfare organizations every time a drink is purchased from these vending machines. The bank also sells products made by organizations which assist and support the physically-challenged.

Local and Overseas Communities

● SMBC Volunteer Fund

SMBC has a system for volunteering employees to have ¥100 deducted from their monthly salaries to donate to volunteer organizations. Over 12,000 employees participate in this program, as of May 2012. The organizations are selected based on thorough investigations and discussions by the panel of experts and volunteering employees. In fiscal 2011, donations were made to 28 organizations which work to resolve issues for economical difficulties in Japan and

overseas.

Overseas

- The school meals program for elementary schools in Burkina Faso support basic healthcare in Southern Sudan; needlework training in Myanmar supports revenue-raising activities; and the establishment of literacy infrastructure environment in Cambodia, as well as other projects.



Japan

- The operations of shelter program to protect children who are victims of abuse, hospices for children, and support projects for asylum seekers to become self-supportive in Japan.

918 employees of the Group company, Sakura KCS (approximately 80% of the company's total employees), have volunteered (as of March 2012) for welfare and environmental contribution activities.

● Opening of Emergency Accounts and Accepting Donations for Major Disasters

SMBC has set up an account having no transfer charges through which clients may make donations in the event of major disasters in Japan and overseas. Concurrently, it encourages employees of SMBC and the Group to make donations. Since fiscal 2011, donations have been accepted after the Kii Peninsula was hit by Typhoon No. 12 and the areas were affected by the Great East Japan Earthquake. The bank also transferred donations collected for northern and central parts of Thailand affected by the recent flooding in that area.

● Pro Bono Activities

The bank is also engaged in pro bono activities in which volunteers offer their business and professional expertise and skills for the public. In fiscal 2011, the bank supported three non-profit organizations dedicated to revitalizing the economy of the Kansai region and resolving social issues through employees

offering their time for pro bono activities. SMBC launched programs such as giving advice about managing donations in fiscal 2012 as part of the pro bono project, and helped three non-profit organizations to obtain and maintain the certification given to the certified non-profit organization status.

● Activities of YUI, SMBC's Volunteer Organization

SMBC also provides support through the volunteer activities of YUI, an in-house volunteer organization which provides opportunities for SMBC employees to plan and perform volunteer activities. YUI regularly performs volunteer activities in the community, including social events at schools for the hearing-impaired, beach cleaning, and the singing performances for senior citizens.

● 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-ups of the local environment of such as parks and other areas in the vicinity of SMBC branches, and participation in local festivals and events. Similarly, SMBC Nikko Securities is proactively involved in local clean-ups and volunteer activities.

● Development of "Customer Service Plaza"

SMBC Consumer Finance considers that it is its social responsibility to take measures for assisting people having problems with accumulated debts. We have created offices called "Customer Service Plaza" in 21 locations throughout Japan as the office to communicate with the local community. The services include counseling, social contributions and local relations. We strive to make these offices as the places where local community members may casually consult on any financial matters. We also offer seminars and events providing consultations on borrowing, debt repayment and other money matters; counseling services; and advising on problems with money which may be originated from suspicious activities.

● 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 installs donation boxes for foreign currency coins at the entrances of all manned branches and offices in Japan, encouraging clients to donate, and it sorts such collected coins by each currency for delivery to UNICEF.

● Support through Products and Services

SMBC offers clients the ordinary deposit account of which the accrued interest (after tax) is donated to the UNICEF Donation Account, and SMBC also matches the donations to 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 accepts online credit card donations and credit card payments of other social contributions and donates a portion of credit card payments made by clients 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

The head offices of SMBC, Sumitomo Mitsui Card and SMFL participate in the program which provides donations to the nonprofit organization of the "TABLE FOR TWO International" to fund school meals in developing countries, for every low-calorie meal ordered for lunch. SMBC, Sumitomo Mitsui Card, SMFL, SMBC Friend Securities and SMBC Nikko Securities have also installed vending machines which sell drinks donating part of their sales to TABLE FOR TWO International.

● Social Contribution Activities of In-House Foundations

SMBC Global Foundation, based in the United States, has provided scholarships to more than 6,000 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 the participation in school beautification programs by volunteers from SMBC and Japan Research Institute (JRI). The foundation also provides matching gifts for SMBC employees.

SMBC Foundation for International Cooperation, which was established in 1990, strives to assist in developing human resources required to achieve sustainable growth in developing economies as well as to promote international exchange activities. Since its establishment, the foundation has provided financial support for 7-8 students from Asian countries every 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 2011, approximately 235 employees participated in this activity in Kanagawa and Hyogo prefectures.

SMBC Friend Securities organized its own beach clean-up events in Chiba and Hyogo Prefectures. A total of 103 employees participated. In addition, 51 employees of Minato Bank participated in clean-up activities at Suma Beach. JRI was involved in a clean-up in Osaka, "Clean Osaka 2011," and Kansai Urban Banking Corporation (KUBC) participated in clean-up activities at Lake Biwa. In autumn 2010, SMBC Nikko Securities established the "Green Week" for environmental protection and social contribution activities. A total of 4,695 employees and their family members participated in clean-ups and other group activities in fiscal 2011. Meanwhile Cedyna, SMFL and SMBC Consumer Finance also continued with clean-up activities in areas around their premises.

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

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

● 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.

● Support for Junior Eco Clubs' All-Japan Festival

SMBC supported the 2012 Junior Eco Club's All-Japan Festival, organized by Japan Environment Association, by providing an information booth at the event.

Contributing to Cultural, Artistic, and Educational Activities

● Charity Concerts

Since 2006, SMBC has been holding musical concerts for charity performed by volunteer employees to support underprivileged children worldwide. The donations are collected from the audiences of concerts and also from the sales of employees' handcrafted products. In 2012, donations were sent to children affected by the Great East Japan Earthquake and to children in Cambodia and Vietnam. In addition, people taking refuge in Tokyo from the said earthquake were also invited to the concerts.



● Musical Concerts Held in the Reception Lobbies of Branches

At the SMBC Tokyo Head Office, Osaka Head Office, KUBC's Head Office and Biwako Main Office, lobby concerts are held for the general public with free of charge.

● Support for Cultural and Artistic Ventures

For supporting Kabuki and other traditional performing arts in Japan, Sumitomo Mitsui Card donates stage curtains to the National Theatre and the National Engei Hall. The company also supports the development of classical arts and talented performers by co-sponsoring children's Kabuki performances.

SMBC Friend Securities supports cultural and artistic activities by sponsoring special art exhibitions 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. In addition to allowing elementary school children up to high school students to visit banking premises at any time, the bank supports diverse financial and economic educational activities, including publishing a book titled "What Does a Bank Do?," providing financial, educational 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).

SMBC Consumer Finance organized the event of card games for elementary school students to teach the origin and the functions of money and offered lectures on finance for students and adults, primarily at its "Customer Service Plaza" offices. A total of 511 such events were organized in fiscal 2011. SMBC, Sumitomo Mitsui Card, SMFL, JRI, SMBC Nikko Securities and Minato Bank also sent instructors to teach classes at universities. SMBC Friend Securities provides its free online education program and practical experience program, "You·You Toshi" (Individual self-composed Investment) for inexperienced investors.

Contributions Made to Local Communities by Overseas Offices

Overseas offices of the Group support projects which contribute to the achievement of Millennium Development Goals such as resolving poverty in developing countries, supporting education and medical services, and supporting women for advancement or achieving equal treatment, through contributions made to non-profit and non-governmental organizations, including SMBC's Volunteer Fund, in addition to independent initiatives tailored to specific issues and cultures of individual countries and regions.

- SMBC (China) established a scholarship program for students of Zhejiang University, Sun Yat-sen University, Soochow University, East China Normal University, Shanghai International Studies University and Tianjin Foreign Studies University.
- The employees and their families of Suzhou Branch of SMBC (China) volunteered for clean-up activities on Tianping Mountain.
- SMBC's Hong Kong Branch gave donations to support the orchestra made up of young Asian musicians.
- SMBC's Seoul Branch gave donations to the "National Japanese Drama Competition for Students" to provide opportunities for Korean students to learn Japanese and further understand Japanese cultures.
- SMBC's Hanoi Branch provided international school students with vocational experiences.
- SMBC's New York Branch donated PCs and other equipment to elementary schools in the Philippines through non-profit organizations.
- SMBC's Sydney Branch participated in volunteer and donation activities associated with children, intractable diseases, refugees and earthquake disasters, provided by its CSR committee.
- Manufacturers Bank employees participate in events which raise awareness for the prevention of heart disease and make donations to event-sponsoring groups.
- Employees of Sumitomo Mitsui Banking Corporation Europe (SMBCE) conducted volunteer activities in their spare time. SMBCE contributes to charitable organizations through an in-house fund, and also uses a matching-gift program under which it donates a certain amount for every donation made by its employees.
- SMBCE provided opportunities for students to gain work experience and business skills and also provided opportunities for underprivileged young people to participate in the student work experience program.
- Donations to the Japanese Language Speech Contest made by the European office of JRI.

Measures for Addressing Decreasing Birth Rate and Aging Population

● Implementation of Universal Design and Universal Service at branches

The following initiatives were undertaken to assist clients at branches of SMBC, Minato Bank and KUBC.

- Installation of ATMs for the visually-impaired
- Installation of hearing aids at branches
- Installation of communication boards and similar devices for writing messages for those clients having difficulties hearing
- Installation of Automated External Defibrillators (AEDs)*
- Installation of walking-stick holding brackets (SMBC and Minato Bank)
- Establishment of priority seating for senior citizens and mobility-impaired people (Minato Bank)

* AEDs are also installed at SMBC Friend Securities and SMBC Nikko Securities

Additionally, staffs, trained in the knowledge and the means to support senior citizens and physically-challenged clients, are allocated to all branches of SMBC and Minato Bank.

● Business development for accommodating the society with extremely large number of senior citizens

SMBC has clarified guidelines for collateral management and other matters to support building of rental housing for the senior citizens, demand for which is expected to increase hereafter.

We plan to assist and support in developing the system for senior citizens to have safe, vivacious and meaningful life while appropriately accommodating the needs of such society.

Supporting the Recovery after the Great East Japan Earthquake

● Volunteer Activities for the areas affected by the Great East Japan Earthquake

In April 2011, SMBC established the “special leave of absence for disaster relief volunteer activities,” and it began allowing employees to regularly go to the disaster affected areas for volunteering activities. Up until to May 2012, an aggregate of approximately 180 employees had volunteered and participated in cleaning the dirt, assisting in the restoration of damaged photographs and removal of rubble accumulated in the disaster affected areas.

In April 2011, SMBC Nikko Securities also implemented the volunteer leave program, and in July, approximately 350 newly-hired employees, who were lead by executives and other employees, undertook clean-up activities in the disaster affected areas.



● Support for the Affected Areas by staff of “Customer Service Plaza”

SMBC Consumer Finance supported the disaster volunteer centers set up in the affected areas by providing staff members who have telephone handling skills from the Customer Service Plazas of Sendai and Morioka and 19 other locations.

● Implementation of recommendations for “Recovery and Reconstruction for Japan after the Earthquake”

JRI has been making proposals to prepare for the future in response to the multiple implications caused by the Great East Japan Earthquake as the “Complex Major Disaster,” and also for proper recovery and reconstruction in Japan.

● Donation Activities by Redeeming Points Accumulated from Using Credit Cards

Sumitomo Mitsui Card and Cedyne accepted donations from clients using their credit cards, and also donated to the disaster affected areas by redeeming the points accumulated by clients from using credit cards.

● Support Fund for Great East Japan Earthquake

In June 2011, SMBC established the system of “Great East Japan Earthquake Support Fund” for making donations to the disaster affected areas by deducting ¥400 from employee’s monthly salaries. The bank made donations collected at the head office and branches in addition to the amount matched by the bank to the government authorities of four prefectures affected by the earthquake in October 2011, to four organizations in Miyagi Prefecture for cooperating with the bank for volunteer activities in March and May 2012. The said donation programs will continue until the end of June 2014.

● Seminar on support measures for recovery in Miyagi Prefecture

In September 2011, the bank teamed up with the prefectural government of Miyagi Prefecture and The 77 Bank, Ltd. to organize a seminar on the industrial recovery in Miyagi Prefecture. The keynote address for the seminar was made by the Governor of Miyagi Prefecture, Yoshihiro Murai, who spoke on the current conditions and implications of the earthquake and also on the “Recovery Plan for Miyagi Prefecture.” A total of 382 companies and 571 individual clients, made up primarily of clients of the two banks, attended the seminar.

● Volunteering for interaction with evacuees in Tokyo

The interaction meetings for the people evacuated to Tokyo from disaster affected areas have been regularly held, participated by volunteering employees of SMBC in addition to mainly the staff of the YUI volunteer organization.

SMFG and its Group companies strive to create the kind of work environment in which every employee feels proud and is able to develop his or her full potential and capabilities. In the following pages, we describe some of the activities initiated by SMBC and other Group companies, including Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, 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 attitudes 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 employees with training program consisting of basic practical training, the Retail Banking College, the Corporate Banking College and the Banking Operations College. Our employees may acquire the required business knowledge and skills through on-the-job (OJT) training and seminars. The bank creates more practical training programs by assigning mentors and training instructors to newly hired employees and regional head office departments, respectively (OJT training is supported by the head office).

Following the amendments to the Money Lending Business Law, Sumitomo Mitsui Card has enhanced the development of professional expert employees in the credit business. We have taken measures to proactively support our employees in becoming licensed money lending officers by regularly holding in-house seminars and educating them in product knowledge and 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. SMBC Consumer Finance is implementing the competency-development training based on its personnel system for training human resources to have high social values and responsibilities. Furthermore, we help employees

grow and advance by promoting education that teaches those subject matters required to be in full compliance with the Money Lending Business Law and other legislation. SMBC Consumer Finance has been supporting the development of employees. SMFL has established "SMFL Standards," which annually set 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 OJT training. JRI believes that its human resources provide added value, which is translated into solutions and proposals. With that in mind, it 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. Under a new marketing system introduced in May 2012, we are strengthening the training of subordinates by section chiefs and the management functions, to make OJT more effective for newly-hired 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 to 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." Minato Bank has consistently implemented the Minato Retail-business College ("MRC") system which improves the quality of consultation services offered to its individual clients. Kansai Urban Banking has a basic training program designed for staff in their first six years of employment with the bank, made for developing energetic employees. Another training system is Kansai Urban Business School, created to teach basic banking expertise and foster employee self-awareness. The bank is also creating locally based exams as a measure to become a bank which puts more emphasis on the local area and which prospers with the local community. We are further strengthening the training systems in respective Group companies.



Training Seminar at Kansai Urban Banking



Employees' Training Seminar at SMBC Nikko Securities

Creating a Corporate Culture which Derives Strength from Diversity

● Human Resources Diversity

The Group is implementing its initiatives to create workplace diversity (e.g. gender, nationality). 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 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 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. To enhance the overseas market presence and internal globalization of the company, the bank is increasing the number of employees with overseas experience. It substantially increased the number of employees taking language classes and encouraged employment of those with overseas study experiences or a desire to study abroad and of those employed locally by overseas offices and subsidiaries. It has also promoted the exchanges of employees between offices in Japan and overseas. At SMFL, overseas training programs were expanded mainly for young employees in order to strengthen the training of global personnel, in addition to sending employees to language schools.



SMBC Global Corporate Banker Training

● 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 began the operations of its Kobe Branch, followed by its Unagidani Office in Osaka in February 2009. They created jobs not only for the physically-challenged but also for the mentally-challenged. As of March 2012, physically-challenged employees accounted for 1.99% of our total number of employees, more than the legally mandated level of 1.8%.

● Providing Support for a Better 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 of parental leave, leave for taking care of ill children, and shorter working hours. Such programs provide better employee benefits than those mandated by law. In addition, SMBC, Sumitomo Mitsui Card, JRI and Minato Bank provide child-care allowances, while SMBC, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, SMFL, Minato Bank and Kansai Urban Banking have implemented a program for rehiring former employees. These programs assist the Group’s employees in realizing a good work-life balance. There are also four workplace-visiting plans for employees’ children and other family members to give them an opportunity to better understand what their parents do for work. The program is available at SMBC, Sumitomo Mitsui Card, SMFL, JRI, and SMBC Friend Securities. JRI also organizes “Mama & Papa Lunches” where employees exchange information on raising children. SMBC has the “Go Home Early - Family Day,” while SMFL encourages employees to take their summer vacations and to reduce overtime hours. SMBC Consumer Finance and SMBC Nikko Securities have 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. SMBC, SMBC Consumer Finance and Minato Bank regularly provide training programs for employees coming back to work after maternity leave. SMBC, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, JRI and 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



SMBC Consumer Finance recovery support seminar

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. The promotional campaigns for creating the corporate statement of promoting individual human rights are also organized to motivate our employees to reflect on individual human rights and to come up with the statement for such 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 reflect and come up with an individual human rights statement. 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 January 2012, SMBC was selected for the fifth consecutive year as one of the best companies in Japan to work according to the survey conducted by Great Place to Work® Institute Japan.

* Great Place to Work® Institute, Inc., which was incorporated in the U.S., is a research organization which provides data for the list of the “100 Best Places to Work” published annually 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.



Employees

◆ SMBC

March 31	2010	2011	2012
Number of employees*	25,122	25,073	24,602
Male	13,793	13,546	13,274
Percentage of total	54.90%	54.03%	53.95%
Female	11,329	11,527	11,328
Percentage of total	45.10%	45.97%	46.05%
Average age	36 yrs 2 mos.	36 yrs 5 mos.	36 yrs 9 mos.
Male	40 yrs 2 mos.	40 yrs 3 mos.	40 yrs 4 mos.
Female	31 yrs 3 mos.	31 yrs 11 mos.	32 yrs 8 mos.
Average years of service	13 yrs 3 mos.	13 yrs 5 mos.	13 yrs 9 mos.
Male	16 yrs 8 mos.	16 yrs 9 mos.	16 yrs 8 mos.
Female	9 yrs 0 mos.	9 yrs 7 mos.	10 yrs 3 mos.
Number of women in managerial positions**	584	766	962
Ratio of employees with disabilities (% of total)***	1.90%	1.95%	1.99%

* 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	2010	2011	2012
Number of new hires	569	572	610
Number of newly employed female graduates****	204	188	199
Ratio of newly employed females to total new employees	35.9%	32.9%	32.6%

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

Fiscal	2009	2010	2011
Number of employees taking parental leave	331	476	683
<Men taking such leave>	<29>	<26>	<27>
Number of career hires	11	6	11

◆ Sumitomo Mitsui Card

March 31	2010	2011	2012
Number of employees*	2,247	2,300	2,323
Male	1,133	1,146	1,141
Percentage of total	50.42%	49.83%	49.12%
Female	1,114	1,154	1,182
Percentage of total	49.58%	50.17%	50.88%
Average age	36 yrs 4 mos.	36 yrs 8 mos.	37 yrs 1 mos.
Male	39 yrs 10 mos.	40 yrs 0 mos.	40 yrs 4 mos.
Female	32 yrs 10 mos.	33 yrs 5 mos.	34 yrs 0 mos.
Average years of service	10 yrs 7 mos.	11 yrs 0 mos.	11 yrs 7 mos.
Male	11 yrs 6 mos.	12 yrs 0 mos.	12 yrs 8 mos.
Female	9 yrs 7 mos.	10 yrs 0 mos.	10 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: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2010	2011	2012
Number of new hires	84	72	49
Number of newly employed female graduates	46	43	24
Ratio of newly employed females to total new employees	54.8%	59.7%	49.0%

Fiscal	2009	2010	2011
Number of employees taking parental leave	53	43	59
<Men taking such leave>	<6>	<2>	<6>

◆ Cedyne

March 31	2010	2011	2012
Number of employees*	3,466	3,340	3,192
Male	2,062	2,021	1,980
Percentage of total	59.49%	60.51%	62.03%
Female	1,404	1,319	1,212
Percentage of total	40.51%	39.49%	37.97%
Average age	37 yrs 8 mos.	38 yrs 7 mos.	39 yrs 6 mos.
Male	40 yrs 8 mos.	41 yrs 5 mos.	42 yrs 1 mos.
Female	33 yrs 2 mos.	34 yrs 4 mos.	35 yrs 5 mos.
Average years of service	13 yrs 4 mos.	14 yrs 2 mos.	15 yrs 5 mos.
Male	15 yrs 7 mos.	16 yrs 4 mos.	17 yrs 4 mos.
Female	9 yrs 11 mos.	11 yrs 0 mos.	12 yrs 1 mos.

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

April 1	2010	2011	2012
Number of new hires	32	44	16
Number of newly employed female graduates	14	22	0
Ratio of newly employed females to total new employees	43.8%	50.0%	0.0%

Fiscal	2009	2010	2011
Number of employees taking parental leave	45	62	63
<Men taking such leave>	<3>	<0>	<0>

◆ SMBC Consumer Finance

March 31	2010	2011	2012
Number of employees*	2,757	2,038	1,971
Male	1,625	1,263	1,234
Percentage of total	58.94%	61.97%	62.61%
Female	1,132	775	737
Percentage of total	41.06%	38.03%	37.39%
Average age	36 yrs 10 mos.	36 yrs 4 mos.	37 yrs 2 mos.
Male	39 yrs 3 mos.	38 yrs 0 mos.	38 yrs 9 mos.
Female	33 yrs 4 mos.	33 yrs 7 mos.	34 yrs 5 mos.
Average years of service	12 yrs 9 mos.	12 yrs 3 mos.	13 yrs 1 mos.
Male	15 yrs 5 mos.	14 yrs 4 mos.	15 yrs 1 mos.
Female	8 yrs 10 mos.	8 yrs 11 mos.	9 yrs 9 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	2010	2011	2012
Number of new hires	32	23	16
Number of newly employed female graduates	22	17	11
Ratio of newly employed females to total new employees	68.8%	73.9%	68.8%

Fiscal	2009	2010	2011
Number of employees taking parental leave	138	91	83
<Men taking such leave>	<0>	<0>	<0>

◆ Sumitomo Mitsui Finance and Leasing

March 31	2010	2011	2012
Number of employees*	1,666	1,648	1,618
Male	1,035	1,025	1,007
Percentage of total	62.12%	62.20%	62.24%
Female	631	623	611
Percentage of total	37.88%	37.80%	37.76%
Average age	37 yrs 3 mos.	37 yrs 8 mos.	38 yrs 2 mos.
Male	40 yrs 3 mos.	40 yrs 6 mos.	40 yrs 10 mos.
Female	32 yrs 4 mos.	33 yrs 0 mos.	33 yrs 10 mos.
Average years of service	12 yrs 5 mos.	12 yrs 10 mos.	13 yrs 4 mos.
Male	15 yrs 2 mos.	15 yrs 6 mos.	15 yrs 9 mos.
Female	8 yrs 0 mos.	8 yrs 7 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: 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	2010	2011	2012
Number of new hires	28	22	19
Number of newly employed female graduates	1	3	3
Ratio of newly employed females to total new employees	3.6%	13.6%	15.8%

Fiscal	2009	2010	2011
Number of employees taking parental leave	22	34	39
<Men taking such leave>	<0>	<0>	<0>

◆ Japan Research Institute

March 31	2010	2011	2012
Number of employees*	2,322	2,323	2,272
Male	1,792	1,782	1,726
Percentage of total	77.17%	76.71%	75.97%
Female	530	541	546
Percentage of total	22.83%	23.29%	24.03%
Average age	39 yrs 0 mos.	39 yrs 1 mos.	39 yrs 3 mos.
Male	39 yrs 11 mos.	39 yrs 9 mos.	40 yrs 1 mos.
Female	35 yrs 9 mos.	36 yrs 4 mos.	36 yrs 7 mos.
Average years of service	9 yrs 11 mos.	9 yrs 9 mos.	10 yrs 2 mos.
Male	10 yrs 3 mos.	10 yrs 3 mos.	10 yrs 6 mos.
Female	8 yrs 8 mos.	8 yrs 6 mos.	8 yrs 11 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	2010	2011	2012
Number of new hires	50	53	43
Number of newly employed female graduates**	14	20	17
Ratio of newly employed females to total new employees	28.0%	37.7%	39.5%

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

Fiscal	2009	2010	2011
Number of employees taking parental leave	25	48	54
<Men taking such leave>	<6>	<7>	<6>

◆ SMBC Friend Securities

March 31	2010	2011	2012
Number of employees*	2,072	1,897	1,846
Male	1,462	1,359	1,336
Percentage of total	70.56%	71.64%	72.37%
Female	610	538	510
Percentage of total	29.44%	28.36%	27.63%
Average age	36 yrs 11 mos.	37 yrs 7 mos.	38 yrs 4 mos.
Male	39 yrs 4 mos.	39 yrs 8 mos.	40 yrs 4 mos.
Female	31 yrs 4 mos.	32 yrs 5 mos.	33 yrs 1 mos.
Average years of service	13 yrs 3 mos.	14 yrs 0 mos.	14 yrs 9 mos.
Male	15 yrs 4 mos.	15 yrs 9 mos.	16 yrs 6 mos.
Female	8 yrs 5 mos.	9 yrs 5 mos.	10 yrs 2 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	2010	2011	2012
Number of new hires	148	149	151
Number of newly employed female graduates**	68	79	74
Ratio of newly employed females to total new employees	45.9%	53.0%	49.0%

** Both non-area specified and area specified staff

Fiscal	2009	2010	2011
Number of employees taking parental leave	22	25	25
<Men taking such leave>	<0>	<0>	<5>

◆ SMBC Nikko Securities

March*	2010	2011	2012
Number of employees**	6,584	7,094	7,513
Male	4,057	4,449	4,771
Percentage of total	61.62%	62.71%	63.50%
Female	2,527	2,645	2,742
Percentage of total	38.38%	37.29%	36.50%
Average age	38 yrs 1 mos.	38 yrs 11 mos.	38 yrs 11 mos.
Male	39 yrs 6 mos.	40 yrs 3 mos.	40 yrs 2 mos.
Female	35 yrs 9 mos.	36 yrs 8 mos.	36 yrs 10 mos.
Average years of service	12 yrs 1 mos.	11 yrs 11 mos.	11 yrs 10 mos.
Male	12 yrs 9 mos.	12 yrs 4 mos.	12 yrs 2 mos.
Female	11 yrs 1 mos.	11 yrs 2 mos.	11 yrs 4 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	2010	2011	2012
Number of new hires***	159	493	388
Number of newly employed female graduates	54	190	165
Ratio of newly employed females to total new employees	34.0%	38.5%	42.5%

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

Fiscal	2009	2010	2011
Number of employees taking parental leave	207	229	248
<Men taking such leave>	<0>	<0>	<1>

◆ THE MINATO BANK

March 31	2010	2011	2012
Number of employees*	2,152	2,166	2,179
Male	1,320	1,337	1,337
Percentage of total	61.34%	61.73%	61.36%
Female	832	829	842
Percentage of total	38.66%	38.27%	38.64%
Average age	40 yrs 3 mos.	40 yrs 4 mos.	41 yrs 10 mos.
Male	43 yrs 9 mos.	43 yrs 8 mos.	45 yrs 0 mos.
Female	34 yrs 11 mos.	35 yrs 0 mos.	37 yrs 0 mos.
Average years of service	14 yrs 10 mos.	15 yrs 3 mos.	15 yrs 7 mos.
Male	19 yrs 2 mos.	19 yrs 3 mos.	19 yrs 6 mos.
Female	8 yrs 1 mos.	9 yrs 0 mos.	9 yrs 9 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	2010	2011	2012
Number of new hires	32	44	42
Number of newly employed female graduates	6	9	10
Ratio of newly employed females to total new employees	18.8%	20.5%	23.8%

Fiscal	2009	2010	2011
Number of employees taking parental leave	20	16	26
<Men taking such leave>	<1>	<1>	<2>

◆ Kansai Urban Banking

March 31	2010	2011	2012
Number of employees*	2,880	2,809	2,712
Male	1,989	1,929	1,850
Percentage of total	69.06%	68.67%	68.22%
Female	891	880	862
Percentage of total	30.94%	31.33%	31.78%
Average age	39 yrs 9 mos.	39 yrs 10 mos.	40 yrs 1 mos.
Male	43 yrs 5 mos.	43 yrs 4 mos.	43 yrs 5 mos.
Female	31 yrs 7 mos.	32 yrs 3 mos.	32 yrs 11 mos.
Average years of service	16 yrs 8 mos.	16 yrs 8 mos.	16 yrs 11 mos.
Male	19 yrs 10 mos.	19 yrs 9 mos.	19 yrs 10 mos.
Female	9 yrs 5 mos.	10 yrs 1 mos.	10 yrs 9 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.

April 1	2010	2011	2012
Number of new hires	97	86	91
Number of newly employed female graduates	42	50	55
Ratio of newly employed females to total new employees	43.3%	58.1%	60.4%

Fiscal	2009	2010	2011
Number of employees taking parental leave	12	25	37
<Men taking such leave>	<0>	<0>	<0>

• The combined employment ratio for persons with disabilities for the above nine companies was 1.92% as of March 2012.

Main Work-Life Balance Support 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 • Shorter working hours 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 • Maternity leave (for men)
SMBC Consumer Finance	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 March 31 in the 3rd grade of elementary school. Employees can reduce daily working hours to a minimum of 6 hours (and a maximum of 8 hours), by taking off 30-minute blocks	Up to entry into elementary school	Up to entry into elementary school	<ul style="list-style-type: none"> • A grace period for job rotation • Leave to care for sick family members • Shorter working hours to care for sick family members • Paid leave by the hour, half-day paid leave • Leave before and after maternity • Child-care leave (2 days) • Company-visiting day (2 days a year) • Rehiring of former employees who quit for child-care or care-giving reasons • Husband's maternity leave (3 days)
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 flextime).	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 • Child-care allowance • System for rehiring former employees
Kansai Urban Banking	18 months or maximum of 2 years 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 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"> • System for rehiring former employees • Leave to care for sick family members • Home helpers provided



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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)
	2012	2011	2012
Assets			
Cash and due from banks (Notes 9 and 29).....	¥ 4,588,858	¥ 5,645,094	\$ 55,873
Deposits with banks (Notes 9 and 29).....	3,127,432	3,588,811	38,079
Call loans and bills bought (Notes 9 and 29).....	1,291,818	851,636	15,729
Receivables under resale agreements (Note 29).....	227,749	131,104	2,773
Receivables under securities borrowing transactions (Note 29).....	4,539,555	4,740,410	55,273
Monetary claims bought (Notes 9 and 29).....	1,361,289	1,122,307	16,575
Trading assets (Notes 3, 9 and 29).....	8,196,944	6,632,898	99,804
Money held in trust (Notes 29 and 30).....	23,878	24,011	291
Securities (Notes 4, 9, 29 and 30).....	42,529,950	39,952,123	517,837
Loans and bills discounted (Notes 5, 9 and 29).....	62,720,599	61,348,355	763,674
Foreign exchanges (Note 29).....	1,280,636	1,077,024	15,593
Lease receivables and investment assets (Notes 9, 28 and 29).....	1,699,759	1,734,169	20,696
Other assets (Notes 6, 9, 29 and 31).....	4,622,756	4,604,732	56,286
Tangible fixed assets (Notes 7, 9 and 15).....	1,180,522	1,168,908	14,374
Intangible fixed assets (Note 8).....	799,773	674,216	9,738
Deferred tax assets (Note 24).....	404,034	644,736	4,919
Customers' liabilities for acceptances and guarantees.....	5,424,045	4,921,500	66,042
Reserve for possible loan losses (Note 29).....	(978,933)	(1,058,945)	(11,919)
Total assets	¥143,040,672	¥137,803,098	\$1,741,637

(Continued)

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Liabilities and net assets			
Liabilities			
Deposits (Notes 9, 10 and 29).....	¥ 92,722,199	¥ 90,365,263	\$1,128,969
Call money and bills sold (Notes 9 and 29).....	2,144,599	2,629,407	26,112
Payables under repurchase agreements (Notes 9 and 29).....	1,676,902	726,365	20,418
Payables under securities lending transactions (Notes 9 and 29).....	5,810,730	5,713,233	70,750
Commercial paper (Note 29).....	1,193,249	337,120	14,529
Trading liabilities (Notes 9, 11 and 29).....	6,248,061	5,248,302	76,075
Borrowed money (Notes 9, 12 and 29).....	8,839,648	10,769,668	107,630
Foreign exchanges (Note 29).....	302,580	256,160	3,684
Short-term bonds (Notes 13 and 29).....	949,388	1,183,198	11,559
Bonds (Notes 13 and 29).....	4,641,927	3,866,095	56,519
Due to trust account (Note 29).....	443,723	216,171	5,403
Other liabilities (Notes 9, 14, 28, 29 and 31).....	4,762,961	4,188,259	57,993
Reserve for employee bonuses.....	48,516	45,176	591
Reserve for executive bonuses.....	2,875	2,496	35
Reserve for employee retirement benefits (Note 27).....	45,911	44,604	559
Reserve for executive retirement benefits.....	2,577	2,728	31
Reserve for point service program.....	19,350	18,927	236
Reserve for reimbursement of deposits.....	10,980	9,923	134
Reserve for losses on interest repayment.....	401,276	59,812	4,886
Reserve under the special laws.....	421	392	5
Deferred tax liabilities (Note 24).....	53,852	20,517	656
Deferred tax liabilities for land revaluation (Note 15).....	39,915	45,698	486
Acceptances and guarantees (Note 9).....	5,424,045	4,921,500	66,042
Total liabilities	135,785,696	130,671,024	1,653,302
Net assets (Note 25)			
Capital stock (Note 16).....	2,337,895	2,337,895	28,466
Capital surplus.....	759,800	978,851	9,251
Retained earnings.....	2,152,654	1,776,433	26,210
Treasury stock.....	(236,037)	(171,760)	(2,874)
Total stockholders' equity	5,014,313	4,921,419	61,053
Net unrealized gains on other securities (Notes 23, 24 and 30).....	330,433	272,306	4,023
Net deferred losses on hedges (Notes 23, 24 and 31).....	(32,122)	(9,701)	(391)
Land revaluation excess (Notes 15 and 23).....	39,158	33,357	477
Foreign currency translation adjustments (Note 23).....	(141,382)	(122,889)	(1,721)
Total accumulated other comprehensive income	196,087	173,073	2,388
Stock acquisition rights (Note 32).....	692	262	8
Minority interests.....	2,043,883	2,037,318	24,886
Total net assets	7,254,976	7,132,073	88,335
Total liabilities and net assets	¥143,040,672	¥137,803,098	\$1,741,637

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)
	2012	2011	2012
Income			
Interest income.....	¥1,631,592	¥1,612,599	\$19,866
Interest on loans and discounts	1,226,546	1,208,389	14,934
Interest and dividends on securities.....	242,086	251,311	2,948
Interest on receivables under resale agreements.....	5,890	2,351	72
Interest on receivables under securities borrowing transactions	6,823	8,464	83
Interest on deposits with banks	29,742	18,592	362
Interest on lease transactions.....	68,943	71,589	839
Other interest income	51,560	51,900	628
Trust fees.....	1,770	2,335	22
Fees and commissions (Note 17).....	955,680	897,461	11,636
Trading income (Note 18).....	198,192	237,093	2,413
Other operating income (Note 19).....	1,110,566	1,039,662	13,522
Other income (Note 21).....	75,272	73,507	916
Total income	3,973,075	3,862,660	48,375
Expenses			
Interest expenses	290,223	294,947	3,534
Interest on deposits.....	134,476	139,424	1,637
Interest on borrowings and rediscounts.....	51,522	49,251	627
Interest on payables under repurchase agreements	3,694	2,753	45
Interest on payables under securities lending transactions	6,852	8,847	84
Interest on bonds and short-term bonds	77,816	68,947	948
Other interest expenses	15,860	25,723	193
Fees and commissions payments (Note 17).....	132,099	131,230	1,608
Other operating expenses (Note 20).....	880,998	858,243	10,727
General and administrative expenses	1,421,363	1,355,322	17,306
Provision for reserve for possible loan losses.....	4,244	48,720	52
Other expenses (Note 22).....	291,179	346,881	3,545
Total expenses	3,020,108	3,035,346	36,772
Income before income taxes and minority interests	952,966	827,313	11,603
Income taxes (Note 24):			
Current.....	103,478	97,446	1,260
Deferred.....	207,860	143,325	2,531
Income before minority interests	641,627	586,542	7,812
Minority interests in net income	123,090	110,646	1,498
Net income	¥ 518,536	¥ 475,895	\$ 6,314

(Consolidated Statements of Comprehensive Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Income before minority interests.....	¥641,627	¥586,542	\$7,812
Other comprehensive income (Note 23).....	23,605	(173,166)	287
Net unrealized gains (losses) on other securities	69,103	(150,002)	841
Net deferred gains (losses) on hedges	(22,964)	29,587	(279)
Land revaluation excess.....	5,613	—	68
Foreign currency translation adjustments	(23,496)	(60,928)	(286)
Share of other comprehensive income of affiliates	(4,651)	8,176	(57)
Total comprehensive income	665,232	413,375	8,099
Comprehensive income attributable to shareholders of the parent	541,270	343,920	6,590
Comprehensive income attributable to minority interests	123,961	69,455	1,509

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)
	2012	2011	2012
Stockholders' equity			
Capital stock			
Balance at the beginning of the fiscal year	¥2,337,895	¥2,337,895	\$28,466
Changes in the fiscal year:			
Net changes in the fiscal year.....	—	—	—
Balance at the end of the fiscal year	¥2,337,895	¥2,337,895	\$28,466
Capital surplus			
Balance at the beginning of the fiscal year	978,851	978,897	11,918
Changes in the fiscal year:			
Disposal of treasury stock	(9,047)	(46)	(110)
Cancellation of treasury stock	(210,003)	—	(2,557)
Net changes in the fiscal year.....	(219,050)	(46)	(2,667)
Balance at the end of the fiscal year	¥ 759,800	¥ 978,851	\$ 9,251
Retained earnings			
Balance at the beginning of the fiscal year	1,776,433	1,451,945	21,629
Changes in the fiscal year:			
Cash dividends	(142,010)	(152,878)	(1,729)
Net income	518,536	475,895	6,314
Increase due to increase in subsidiaries.....	15	13	0
Increase due to decrease in subsidiaries	1	3	0
Decrease due to increase in subsidiaries	(7)	(13)	(0)
Decrease due to decrease in subsidiaries.....	(16)	(10)	(0)
Decrease due to decrease in affiliates.....	(90)	(126)	(1)
Reversal of land revaluation excess	(208)	1,604	(3)
Net changes in the fiscal year.....	376,220	324,488	4,581
Balance at the end of the fiscal year	¥2,152,654	¥1,776,433	\$26,210
Treasury stock			
Balance at the beginning of the fiscal year	(171,760)	(124,061)	(2,091)
Changes in the fiscal year:			
Purchase of treasury stock	(321,521)	(47,759)	(3,915)
Disposal of treasury stock	47,242	60	575
Cancellation of treasury stock	210,003	—	2,557
Net changes in the fiscal year.....	(64,276)	(47,699)	(783)
Balance at the end of the fiscal year	¥ (236,037)	¥ (171,760)	\$ (2,874)
Total stockholders' equity			
Balance at the beginning of the fiscal year	4,921,419	4,644,677	59,922
Changes in the fiscal year:			
Cash dividends	(142,010)	(152,878)	(1,729)
Net income	518,536	475,895	6,314
Purchase of treasury stock	(321,521)	(47,759)	(3,915)
Disposal of treasury stock	38,194	13	465
Cancellation of treasury stock	—	—	—
Increase due to increase in subsidiaries.....	15	13	0
Increase due to decrease in subsidiaries	1	3	0
Decrease due to increase in subsidiaries	(7)	(13)	(0)
Decrease due to decrease in subsidiaries.....	(16)	(10)	(0)
Decrease due to decrease in affiliates.....	(90)	(126)	(1)
Reversal of land revaluation excess	(208)	1,604	(3)
Net changes in the fiscal year.....	92,893	276,742	1,131
Balance at the end of the fiscal year	¥5,014,313	¥4,921,419	\$61,053

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Accumulated other comprehensive income			
Net unrealized gains on other securities			
Balance at the beginning of the fiscal year	¥ 272,306	¥ 412,708	\$ 3,316
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	58,127	(140,402)	707
Net changes in the fiscal year.....	58,127	(140,402)	707
Balance at the end of the fiscal year	¥ 330,433	¥ 272,306	\$ 4,023
Net deferred losses on hedges			
Balance at the beginning of the fiscal year	(9,701)	(39,367)	(118)
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	(22,420)	29,666	(273)
Net changes in the fiscal year.....	(22,420)	29,666	(273)
Balance at the end of the fiscal year	¥ (32,122)	¥ (9,701)	\$ (391)
Land revaluation excess			
Balance at the beginning of the fiscal year	33,357	34,955	406
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	5,800	(1,597)	71
Net changes in the fiscal year.....	5,800	(1,597)	71
Balance at the end of the fiscal year	¥ 39,158	¥ 33,357	\$ 477
Foreign currency translation adjustments			
Balance at the beginning of the fiscal year	(122,889)	(101,650)	(1,496)
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	(18,493)	(21,238)	(225)
Net changes in the fiscal year.....	(18,493)	(21,238)	(225)
Balance at the end of the fiscal year	¥ (141,382)	¥ (122,889)	\$ (1,721)
Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	173,073	306,646	2,108
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	23,013	(133,573)	280
Net changes in the fiscal year.....	23,013	(133,573)	280
Balance at the end of the fiscal year	¥ 196,087	¥ 173,073	\$ 2,388
Stock acquisition rights			
Balance at the beginning of the fiscal year	262	81	3
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	429	180	5
Net changes in the fiscal year.....	429	180	5
Balance at the end of the fiscal year	¥ 692	¥ 262	\$ 8
Minority interests			
Balance at the beginning of the fiscal year	2,037,318	2,049,400	24,806
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	6,564	(12,081)	80
Net changes in the fiscal year.....	6,564	(12,081)	80
Balance at the end of the fiscal year	¥2,043,883	¥2,037,318	\$24,886
Total net assets			
Balance at the beginning of the fiscal year	7,132,073	7,000,805	86,839
Changes in the fiscal year:			
Cash dividends	(142,010)	(152,878)	(1,729)
Net income	518,536	475,895	6,314
Purchase of treasury stock	(321,521)	(47,759)	(3,915)
Disposal of treasury stock	38,194	13	465
Cancellation of treasury stock	—	—	—
Increase due to increase in subsidiaries.....	15	13	0
Increase due to decrease in subsidiaries	1	3	0
Decrease due to increase in subsidiaries	(7)	(13)	(0)
Decrease due to decrease in subsidiaries.....	(16)	(10)	(0)
Decrease due to decrease in affiliates.....	(90)	(126)	(1)
Reversal of land revaluation excess	(208)	1,604	(3)
Net changes in items other than stockholders' equity in the fiscal year	30,008	(145,474)	365
Net changes in the fiscal year.....	122,902	131,268	1,496
Balance at the end of the fiscal year	¥7,254,976	¥7,132,073	\$88,335

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
	2012	2011	U.S. dollars (Note 1)
			2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 952,966	¥ 827,313	\$ 11,603
Depreciation	165,113	154,267	2,010
Losses on impairment of fixed assets.....	3,861	5,411	47
Amortization of goodwill.....	21,681	22,938	264
Gains on negative goodwill	—	(409)	—
Gains on step acquisitions	(25,050)	(12,655)	(305)
Equity in losses of affiliates	31,122	13,319	379
Net change in reserve for possible loan losses.....	(90,007)	(13,433)	(1,096)
Net change in reserve for employee bonuses.....	2,816	1,057	34
Net change in reserve for executive bonuses	378	163	5
Net change in reserve for employee retirement benefits.....	(5,083)	(2,987)	(62)
Net change in reserve for executive retirement benefits.....	(194)	(5,642)	(2)
Net change in reserve for point service program	422	(1,420)	5
Net change in reserve for reimbursement of deposits	1,056	(1,810)	13
Net change in reserve for losses on interest repayment.....	(25,756)	(17,566)	(314)
Interest income.....	(1,631,592)	(1,612,599)	(19,866)
Interest expenses	290,223	294,947	3,534
Net gains on securities	(130,612)	(61,648)	(1,590)
Net losses from money held in trust.....	1,464	148	18
Net exchange losses	16,145	280,834	197
Net losses from disposal of fixed assets.....	3,765	5,029	46
Net change in trading assets.....	(1,588,903)	7,813	(19,346)
Net change in trading liabilities	1,029,341	256,101	12,533
Net change in loans and bills discounted	(828,051)	1,401,384	(10,082)
Net change in deposits.....	2,299,767	3,628,657	28,001
Net change in negotiable certificates of deposit.....	228,846	1,380,003	2,786
Net change in borrowed money (excluding subordinated borrowings).....	(1,994,204)	4,569,942	(24,281)
Net change in deposits with banks	462,914	(1,196,723)	5,636
Net change in call loans and bills bought and others	(793,288)	(18,924)	(9,659)
Net change in receivables under securities borrowing transactions.....	200,855	700,211	2,445
Net change in call money and bills sold and others.....	472,525	165,025	5,753
Net change in commercial paper	856,129	26,333	10,424
Net change in payables under securities lending transactions.....	97,497	1,397,458	1,187
Net change in foreign exchanges (assets).....	(205,926)	(7,663)	(2,507)
Net change in foreign exchanges (liabilities)	46,712	64,083	569
Net change in lease receivables and investment assets.....	30,875	152,703	376
Net change in short-term bonds (liabilities).....	(233,809)	(101,780)	(2,847)
Issuance and redemption of bonds (excluding subordinated bonds).....	352,424	515,688	4,291
Net change in due to trust account.....	227,552	56,617	2,771
Interest received	1,663,901	1,635,444	20,259
Interest paid.....	(295,539)	(309,401)	(3,598)
Other, net.....	327,828	(279,956)	3,992
Subtotal.....	1,940,166	13,918,277	23,623
Income taxes paid	(101,981)	(124,540)	(1,242)
Net cash provided by operating activities.....	1,838,185	13,793,737	22,381

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Cash flows from investing activities:			
Purchases of securities	¥(50,614,876)	¥(67,169,471)	\$(616,277)
Proceeds from sale of securities	32,372,433	36,624,700	394,161
Proceeds from maturity of securities.....	15,925,697	19,626,268	193,908
Purchases of money held in trust.....	(3,011)	(6,942)	(37)
Proceeds from sale of money held in trust.....	1,540	5,236	19
Purchases of tangible fixed assets.....	(131,154)	(182,839)	(1,597)
Proceeds from sale of tangible fixed assets.....	30,343	6,966	369
Purchases of intangible fixed assets.....	(101,447)	(101,624)	(1,235)
Proceeds from sale of intangible fixed assets.....	24	528	0
Proceeds from sale of stocks of subsidiaries.....	—	314	—
Purchases of treasury stocks of subsidiaries.....	(1,773)	—	(22)
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	—	59,408	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(67,369)	(10,756)	(820)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	50	—	1
Net cash used in investing activities	(2,589,543)	(11,148,211)	(31,530)
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings.....	106,000	80,000	1,291
Repayment of subordinated borrowings	(103,000)	(87,500)	(1,254)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	557,360	256,751	6,786
Repayment of subordinated bonds and bonds with stock acquisition rights	(306,471)	(314,900)	(3,731)
Dividends paid.....	(141,921)	(152,612)	(1,728)
Proceeds from contributions paid by minority stockholders.....	—	471	—
Repayment to minority stockholders.....	—	(309)	—
Dividends paid to minority stockholders	(93,125)	(97,609)	(1,134)
Purchases of treasury stock	(321,521)	(47,759)	(3,915)
Proceeds from disposal of treasury stock.....	2,390	13	29
Purchases of treasury stock of subsidiaries.....	(14)	(1,001)	(0)
Proceeds from sale of treasury stock of subsidiaries.....	183	17	2
Net cash used in financing activities	(300,119)	(364,438)	(3,654)
Effect of exchange rate changes on cash and due from banks.....	(4,757)	(7,185)	(58)
Net change in cash and due from banks	(1,056,236)	2,273,901	(12,861)
Cash and due from banks at the beginning of the year	5,645,094	3,371,193	68,734
Cash and due from banks at the end of the year	¥ 4,588,858	¥ 5,645,094	\$ 55,873

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Years ended March 31, 2012 and 2011

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 (*kabusiki 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 (*Kabusiki 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, 2012, which was ¥82.13 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

337 companies

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.
SMBC Nikko Securities Inc.
Sumitomo Mitsui Finance and Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
Cedyna Financial Corporation
Promise Co., Ltd. ("Promise")
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, 2012 are as follows:

7 companies including Promise were included in the scope of consolidated subsidiaries as a result of a tender offer for shares of Promise by SMBC and a subscription by SMFG for new shares issued by Promise by way of third-party allotment. 30 companies including Minato Equity Support Investment Limited Partnership were also newly consolidated due to establishment and other reasons.

18 companies including SMBC Support & Solution Co., Ltd. were excluded from the scope of consolidated subsidiaries because they were no longer subsidiaries due mainly to mergers.

9 companies including Rouge 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.

193 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 Consolidated Financial Statements Regulations.

Other unconsolidated subsidiaries including SBCS Co., Ltd. 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, 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

4 companies

Principal company:

SBCS Co., Ltd.

(ii) Equity method affiliates

39 companies

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited

Daiwa SB Investments Ltd.

Changes in the equity method affiliates in the fiscal year ended March 31, 2012 are as follows:

Hitachi Capital Auto Lease Corporation became equity method affiliates through acquisition of shares by Sumitomo Mitsui Auto Service Company, Limited. 5 other companies also became equity method affiliates due to increase of significance and other reasons.

6 companies including Promise were excluded from the scope of equity method affiliates because they were no longer equity method affiliates through a tender offer for shares of Promise by SMBC and a subscription by SMFG for new shares issued by Promise by way of third-party allotment. 4 companies including At-Loan Co., Ltd. were excluded from the scope of equity method affiliates because they were no longer equity method affiliates due mainly to mergers.

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

193 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 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 also excluded from the scope of equity method because 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:

May 31	1 company
June 30	5 companies
July 31	2 companies
September 30	3 companies
October 31	1 company
November 30	8 companies
December 31	122 companies
January 31	19 companies
February 29	9 companies
March 31	167 companies

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

Appropriate adjustments were made for material transactions during the periods between their respective balance sheet dates and the consolidated closing date.

(d) Special purpose entities

(i) Outline of special purpose entities and transactions
SMBC, a consolidated subsidiary of SMFG, provides credit lines, liquidity lines and loans to 13 special purpose entities ("SPEs") for their fund 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.

The combined assets and liabilities of the 13 SPEs as of their most recent closing dates of 2012 were ¥2,175,773 million (\$26,492 million) and ¥2,175,548 million (\$26,489 million), respectively. SMBC has no voting rights in the SPEs and sends no directors or employees.

(ii) The amount of principal transactions with the SPEs as of and for the fiscal years ended March 31, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Loans and bills			
discounted	¥1,486,284	¥1,592,714	\$18,097
Credit lines	723,383	593,578	8,808
Liquidity lines	352,547	291,991	4,293

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Interest on loans and discounts	¥13,388	¥15,978	\$163
Fees and commissions ...	1,842	1,665	22

(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. Profit and losses on trading-purpose transactions are recognized on a trade date basis and recorded as “Trading income” and “Trading losses” on the consolidated statements of income.

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial 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.

“Trading income” and “Trading losses” include 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) 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 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 which are 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, excluding those for trading purposes, are carried at fair value.

(5) Depreciation

(a) Tangible fixed assets (excluding lease assets)

Buildings owned by SMFG and SMBC are depreciated using the straight-line method. 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 terms are their expected lifetime and salvage values are 0.

(6) Reserve for possible loan losses

The reserve for possible loan losses of major consolidated subsidiaries is provided as detailed 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 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 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.

Discounted cash flows (“DCF”) method is used for claims on borrowers whose cash flows from collection of principals 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 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 based on the historical loan-loss ratio.

For claims originated in specific overseas countries, an additional reserve is provided 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, audits their assessment. The reserve is provided based on the results of these assessments.

The reserve for possible loan losses of SMFG and other consolidated subsidiaries for general claims is provided 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 ¥685,871 million (\$8,351 million) and ¥867,866 million at March 31, 2012 and 2011, 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 within the employees' average remaining service period at incurrence.

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

(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 losses on interest repayment

The reserve for losses 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 contingent liabilities and provided for compensation for losses from securities related transactions or derivative 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 full 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 basis over the full 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 also 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, 2012 and 2011 were ¥309 million (\$4 million) and ¥999 million, respectively. Gross amounts of deferred hedge gains on “macro hedge” (before deducting tax effect) at March 31, 2012 and 2011 were ¥188 million (\$2 million) and ¥960 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 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 or fair value hedge accounting or the special treatment for interest rate swaps.

(18) Amortization of goodwill

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

(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) Unapplied Accounting Standards, etc.

(Revisions of Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, revised on March 25, 2011), etc.)

A special purpose entity (“SPE”) that meets certain requirements was previously assumed not to be regarded as a subsidiary of the entity that either had invested in the SPE or assigned assets to the SPE. Following the revisions of the aforementioned accounting standard, etc., the treatment is only applied to a case where a company has assigned assets to an SPE. SMFG intends to adopt the revised accounting standard, etc. from the beginning of the fiscal year commencing on April 1, 2013.

As a result of the adoption of the revised accounting standard, etc., SPEs that have previously not been regarded as a subsidiary of SMFG but whose assets have not been assigned by SMFG will be additionally included in the scope of consolidation, resulting in inclusion of assets, liabilities, profits and losses of the SPEs in the consolidated financial statements of SMFG. Effects of adoption of the revised accounting standard, etc. are currently examined.

(22) Additional Information

(a) Changes of Accounting Procedures and Presentation

SMFG has adopted “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, issued on December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, issued on December 4, 2009) for changes in accounting policies and corrections of figures from the fiscal year ended March 31, 2012.

(b) Effects of changes in the corporate income tax rate

Following the promulgation of the “Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114,

2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from fiscal years beginning on or after April 1, 2012. Additionally, the act for the use of tax loss carryforwards has been amended and, from fiscal years beginning on or after April 1, 2012, the use of tax loss carryforwards will be limited to the equivalent of 80% of taxable income before deducting tax loss carryforwards. As a result of this change, net income decreased by ¥39,589 million (\$482 million) for the year ended March 31, 2012.

3. Trading Assets

Trading assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Trading securities	¥4,027,609	¥2,817,536	\$49,039
Derivatives of trading securities.....	3,419	3,857	42
Derivatives of securities related to trading transactions.....	19,503	5,338	237
Trading-related financial derivatives	3,888,692	3,514,859	47,348
Other trading assets.....	257,718	291,305	3,138
	¥8,196,944	¥6,632,898	\$99,804

4. Securities

Securities at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Japanese government bonds*1	¥29,327,057	¥25,934,346	\$357,081
Japanese local government bonds.....	474,884	544,409	5,782
Japanese corporate bonds*2	3,155,712	3,256,034	38,423
Japanese stocks*1, 3, 4.....	2,615,168	2,741,796	31,842
Other*1, 3, 4	6,957,128	7,475,535	84,709
	¥42,529,950	¥39,952,123	\$517,837

*1 Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥51,022 million (\$621 million) and ¥50,935 million are included in Japanese government bonds in Securities and in trading securities in Trading assets at March 31, 2012 and 2011, 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, ¥1,961,135 million (\$23,878 million) are pledged, and ¥378,167 million (\$4,604 million) are held in hand at March 31, 2012. The respective amounts at March 31, 2011 were ¥3,032,285 million and ¥232,420 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 ¥1,851,841 million (\$22,548 million) and ¥1,969,902 million at March 31, 2012 and 2011, respectively.

*3 Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥231,200 million (\$2,815 million) and ¥279,829 million at March 31, 2012 and 2011, respectively.

*4 Japanese stocks and other include investments in jointly controlled entities of ¥107,866 million (\$1,313 million) and ¥97,868 million at March 31, 2012 and 2011, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Bills discounted.....	¥ 202,971	¥ 184,822	\$ 2,471
Loans on notes.....	2,070,729	2,176,918	25,213
Loans on deeds.....	53,647,541	51,925,319	653,203
Overdrafts.....	6,799,356	7,061,295	82,787
	¥62,720,599	¥61,348,355	\$763,674

(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
	2012	2011	2012
Risk-monitored loans:			
Bankrupt loans* ¹	¥ 74,218	¥ 90,777	\$ 904
Non-accrual loans* ²	1,145,347	1,031,828	13,945
Past due loans (3 months or more)* ³	22,502	25,438	274
Restructured loans* ⁴	562,882	498,323	6,854
	¥1,804,951	¥1,646,369	\$21,977

*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, 2012 and 2011 was ¥754,204 million (\$9,183 million) and ¥667,310 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, 2012 and 2011 were ¥47,220,313 million (\$574,946 million) and ¥45,842,366 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, 2012 and 2011 were ¥39,753,611 million (\$484,033 million) and ¥39,563,617 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, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Prepaid expenses.....	¥ 35,779	¥ 34,563	\$ 436
Accrued income.....	259,380	236,357	3,158
Deferred assets.....	779,599	821,139	9,492
Financial derivatives*.....	1,264,676	1,294,264	15,399
Other.....	2,283,320	2,218,407	27,801
	¥4,622,756	¥4,604,732	\$56,286

* Referred to in Note 31

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Buildings	¥ 361,205	¥ 350,494	\$ 4,398
Land*	555,179	551,839	6,760
Lease assets	9,063	10,527	110
Construction in progress	12,585	4,464	153
Other tangible fixed assets	242,488	251,583	2,953
Total	¥1,180,522	¥1,168,908	\$14,374
Accumulated depreciation	¥ 750,082	¥ 717,073	\$ 9,133

* Includes land revaluation excess referred to in Note 15.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Software	¥282,797	¥262,068	\$3,443
Goodwill	397,537	352,790	4,840
Lease assets	200	361	3
Other intangible fixed assets	119,237	58,995	1,452
	¥799,773	¥674,216	\$9,738

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	¥ 294,382	¥ 2,859	\$ 3,584
Call loans and bills bought	490,255	327,259	5,969
Monetary claims bought	7,096	1,926	86
Trading assets	3,715,510	2,565,106	45,239
Securities	7,281,341	8,586,487	88,656
Loans and bills discounted	2,572,382	2,149,928	31,321
Lease receivables and investment assets	7,740	10,436	94
Tangible fixed assets	14,336	15,019	175
Other assets (installment account receivable, etc.)	4,412	5,102	54
Liabilities corresponding to assets pledged as collateral:			
Deposits	19,144	26,053	233
Call money and bills sold	825,000	955,000	10,045
Payables under repurchase agreements	1,676,902	726,365	20,418
Payables under securities lending transactions	5,180,034	5,078,535	63,071
Trading liabilities	513,941	356,577	6,258
Borrowed money	4,312,097	5,119,245	52,503
Other liabilities	10,149	11,140	124
Acceptances and guarantees	109,212	110,568	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, 2012 and 2011:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Cash and due from banks and Deposits with banks	¥ 23,993	¥ 32,987	\$ 292
Trading assets	86,879	177,403	1,058
Securities	24,367,992	20,790,338	296,700

At March 31, 2012, other assets included surety deposits of ¥124,516 million (\$1,516 million), variation margins of futures market transactions of ¥17,906 million (\$218 million) and other variation margins of ¥66,197 million (\$806 million). At March 31, 2011, other assets included surety deposits of ¥119,299 million, variation margins of futures market transactions of ¥18,029 million and other variation margins of ¥84,382 million.

10. Deposits

Deposits at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Current deposits	¥ 7,685,782	¥ 7,046,031	\$ 93,581
Ordinary deposits	40,474,217	38,444,302	492,807
Savings deposits.....	690,036	721,677	8,402
Deposits at notice	4,497,785	4,931,391	54,764
Time deposits	26,866,418	26,891,477	327,121
Negotiable certificates of deposit	8,593,638	8,366,323	104,634
Other deposits	3,914,321	3,964,058	47,660
	¥92,722,199	¥90,365,263	\$1,128,969

11. Trading Liabilities

Trading liabilities at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Trading securities sold for short sales	¥2,172,857	¥1,623,046	\$26,456
Derivatives of trading securities	7,453	1,803	91
Derivatives of securities related to trading transactions	17,455	5,639	212
Trading-related financial derivatives	4,050,294	3,617,812	49,316
	¥6,248,061	¥5,248,302	\$76,075

12. Borrowed Money

Borrowed money at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars	Average interest rate*1	Due
	2012	2011	2012	2012	
Borrowed money*2	¥8,839,648	¥10,769,668	\$107,630	0.57%	Jan. 2012–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 ¥374,250 million (\$4,557 million) and ¥371,232 million at March 31, 2012 and 2011, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2012 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Within 1 year	¥6,931,770	\$84,400
After 1 year through 2 years	427,578	5,206
After 2 years through 3 years	518,920	6,318
After 3 years through 4 years	284,518	3,464
After 4 years through 5 years	118,829	1,447

13. Bonds

Bonds at March 31, 2012 and 2011 consisted of the following:

March 31

Issuer	Description	Millions of yen*1		Millions of	Interest rate*2	Due
		2012	2011	U.S. dollars	(%)	
SMBC:						
Short-term bonds, payable in Yen		¥ 19,999	¥ 40,999	\$ 243	0.08	Apr. 2012
		{19,999}	{40,999}			
Straight bonds, payable in Yen		1,233,795	1,233,898	15,023	0.12571–1.716	Apr. 2012–May 2025
		{216,897}	{197,793}			
Straight bonds, payable in Euroyen.....		15,900	20,900	194	0.00–4.58546	Mar. 2036–Feb. 2037
			{5,000}			
Straight bonds, payable in U.S. dollars		574,424	290,823	6,994	1.5112–3.95	Jul. 2013–Jan. 2022
		(\$6,994,089 thousand)	(\$3,497,576 thousand)			
Straight bonds, payable in Australian dollars.....		82,799	46,444	1,008	4.28–5.76	Mar. 2013–Dec. 2014
		(A\$969,891 thousand)	(A\$539,931 thousand)			
		{46,096}				
Subordinated bonds, payable in Yen		1,586,411	1,373,255	19,316	1.03586–2.80	Jun. 2012–Dec. 2026
		{39,999}	{49,999}			
Subordinated bonds, payable in Euroyen.....		346,494	447,494	4,219	0.44571–2.97	May 2017–Perpetual
Subordinated bonds, payable in U.S. dollars.....		209,352	88,182	2,549	4.85–8.00	Jun. 2012–Perpetual
		(\$2,549,037 thousand)	(\$1,060,522 thousand)			
		{61,341}	{1,995}			
Subordinated bonds, payable in Euro.....		117,717	125,885	1,433	4.00–4.375	Nov. 2020–Perpetual
		(€1,072,787 thousand)	(€1,071,181 thousand)			
Other consolidated subsidiaries:						
Straight bonds, payable in Yen		265,916	113,411	3,238	0.31938–8.15	Apr. 2012–Mar. 2042
		{49,700}	{26,010}			
Straight bonds, payable in U.S. dollars		60,496	—	737	5.95	Jun. 2012
		(\$500,000 thousand)				
		{60,496}				
Straight bonds, payable in Renminbi.....		6,520	—	79	2.50–3.00	Sep. 2013–Sep. 2014
		(RMB¥500,000 thousand)				
Subordinated bonds, payable in Yen		142,099	125,798	1,730	2.01–4.50	Mar. 2018–Perpetual
Short-term bonds, payable in Yen		929,388	1,142,198	11,316	0.112–0.3000002	Apr. 2012–Dec. 2012
		{929,388}	{1,142,198}			
		¥5,591,316	¥5,049,293	\$68,079		

*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, 2012 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Within 1 year	¥1,423,939	\$17,338
After 1 year through 2 years	454,897	5,539
After 2 years through 3 years	446,103	5,432
After 3 years through 4 years	607,538	7,397
After 4 years through 5 years	487,148	5,931

14. Other Liabilities

Other liabilities at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Accrued expenses.....	¥ 137,287	¥ 132,089	\$ 1,672
Unearned income.....	154,480	167,880	1,881
Income taxes payable.....	59,789	47,431	728
Financial derivatives*1.....	895,750	818,962	10,906
Lease liabilities*2.....	54,169	64,436	660
Other.....	3,461,483	2,957,458	42,146
	¥4,762,961	¥4,188,259	\$57,993

*1 Referred to in Note 31

*2 Average interest rate on lease liabilities for the year ended March 31, 2012 was 7.00%. 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, 2012 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Within 1 year.....	¥18,382	\$224
After 1 year through 2 years.....	12,926	157
After 2 years through 3 years.....	8,994	110
After 3 years through 4 years.....	6,279	76
After 4 years through 5 years.....	2,704	33

15. Land Revaluation Excess

SMBC and another consolidated subsidiary revaluated their own land for business activities in accordance with “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

Another 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).

Another 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, 2012 and 2011 were as follows:

March 31	Number of shares			
	2012		2011	
	Authorized	Issued	Authorized	Issued
Common stock.....	3,000,000,000	1,414,055,625	3,000,000,000	1,414,055,625
Preferred stock (Type 5).....	167,000	—	167,000	—
Preferred stock (Type 6).....	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.....	3,000,634,001	1,414,055,625	3,000,634,001	1,414,125,626

17. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Fees and commissions:			
Deposits and loans	¥ 92,397	¥ 82,604	\$ 1,125
Remittances and transfers	126,984	127,856	1,546
Securities-related business.....	90,350	71,277	1,100
Agency	18,896	18,054	230
Safe deposits	6,325	6,507	77
Guarantees.....	71,066	62,762	865
Credit card business.....	208,853	185,970	2,543
Investment trusts.....	142,940	163,706	1,741
Other.....	197,865	178,720	2,409
	¥955,680	¥897,461	\$11,636
Fees and commissions payments:			
Remittances and transfers	¥ 33,301	¥ 33,958	\$ 405
Other.....	98,797	97,272	1,203
	¥132,099	¥131,230	\$ 1,608

18. Trading Income

Trading income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Gains on trading securities	¥114,978	¥ 94,234	\$1,400
Gains on securities related to trading transactions.....	7,634	1,538	93
Gains on trading-related financial derivatives	74,328	140,157	905
Other	1,251	1,162	15
	¥198,192	¥237,093	\$2,413

19. Other Operating Income

Other operating income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Gains on sale of bonds	¥ 176,344	¥ 209,496	\$ 2,147
Gains on redemption of bonds	119	105	2
Lease-related income.....	789,509	693,492	9,613
Gains on foreign exchange transactions.....	23,270	—	283
Gains on financial derivatives	—	11,336	—
Other	121,322	125,231	1,477
	¥1,110,566	¥1,039,662	\$13,522

20. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Losses on sale of bonds	¥ 13,616	¥ 47,874	\$ 166
Losses on redemption of bonds.....	5,692	7,194	69
Losses on devaluation of bonds.....	—	984	—
Bond issuance costs.....	2,528	2,701	31
Lease-related expenses.....	718,104	627,378	8,743
Losses on foreign exchange transactions	—	44,556	—
Losses on financial derivatives	2,537	—	31
Other	138,518	127,554	1,687
	¥880,998	¥858,243	\$10,727

21. Other Income

Other income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Gains on sale of stocks and other securities	¥15,654	¥27,523	\$191
Gains on money held in trust.....	10	203	0
Gains on disposal of fixed assets.....	2,741	884	33
Recoveries of written-off claims	4,800	2,813	58
Gains on step acquisitions	25,050	12,655	305
Other	27,014	29,427	329
	¥75,272	¥73,507	\$916

22. Other Expenses

Other expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Write-off of loans.....	¥ 90,305	¥156,571	\$1,099
Losses on sale of stocks and other securities.....	11,659	4,551	142
Losses on devaluation of stocks and other securities.....	31,875	114,921	388
Losses on money held in trust	1,474	352	18
Losses on sale of delinquent loans.....	25,364	6,834	309
Equity in losses of affiliates.....	31,122	13,319	379
Losses on disposal of fixed assets	6,507	5,914	79
Losses on impairment of fixed assets*	3,861	5,411	47
Provision for reserve for loss on interest repayment	—	14,530	—
Influence amount as a result of the application of Accounting Standard for Asset Retirement Obligations.....	—	3,552	—
Other	89,008	20,921	1,084
	¥291,179	¥346,881	\$3,545

*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
		2012	Type	2012	2011	2012
Tokyo metropolitan area		Branches (11 branches)	Land and buildings, etc.	¥ 198	¥ —	\$ 2
		Corporate assets (—)		—	254	—
		Idle assets (38 items)		1,168	1,070	14
		Other (4 items)		58	461	1
Kinki area		Branches (31 branches)	Land and buildings, etc.	393	69	5
		Idle assets (41 items)		1,630	3,542	20
		Other (1 item)		2	—	0
Other		Branch (1 branch)	Land and buildings, etc.	27	—	0
		Idle assets (16 items)		381	13	5

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 SMFG and other consolidated subsidiaries, a branch or other group is the smallest asset grouping unit as well.

SMBC and other consolidated 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

Fiscal year ended March 31, 2012

Reclassification adjustment and tax effect of other comprehensive income

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Net unrealized gains on other securities:		
Amount arising during the fiscal year	¥241,713	\$2,943
Reclassification adjustment	(136,762)	(1,665)
Before adjustment to tax effect	104,950	1,278
Tax effect	(35,846)	(437)
Net unrealized gains on other securities	69,103	841
Deferred losses on hedges:		
Amount arising during the fiscal year	(26,643)	(324)
Reclassification adjustment	(7,882)	(96)
Adjustment on the cost of the assets	(16)	(0)
Before adjustment to tax effect	(34,543)	(420)
Tax effect	11,578	141
Deferred losses on hedges	(22,964)	(279)
Revaluation reserve for land:		
Amount arising during the fiscal year	—	—
Reclassification adjustment	—	—
Before adjustment to tax effect	—	—
Tax effect	5,613	68
Revaluation reserve for land	5,613	68
Foreign currency translation adjustment:		
Amount arising during the fiscal year	(24,429)	(297)
Reclassification adjustment	1,059	13
Before adjustment to tax effect	(23,369)	(284)
Tax effect	(126)	(2)
Foreign currency translation adjustment	(23,496)	(286)
Share of other comprehensive income of associates accounted for by equity method		
Amount arising during the fiscal year	(7,105)	(87)
Reclassification adjustment	2,453	30
Before adjustment to tax effect	(4,651)	(57)
Tax effect	—	—
Share of other comprehensive income of associates accounted for by equity method	(4,651)	(57)
Total other comprehensive income	¥ 23,605	\$ 287

24. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Reserve for possible loan losses.....	¥ 506,971	¥ 454,603	\$ 6,173
Net operating loss carryforwards.....	383,270	273,415	4,667
Write-off of securities.....	224,012	316,010	2,727
Write-off of loans.....	115,438	161,174	1,405
Reserve for employee retirement benefits.....	68,402	77,284	833
Net unrealized gains on other securities.....	39,485	33,236	481
Net deferred losses on hedges.....	18,425	6,848	224
Depreciation.....	12,554	10,857	153
Other.....	212,036	249,420	2,582
Subtotal.....	1,580,597	1,582,851	19,245
Valuation allowance.....	(942,722)	(739,055)	(11,478)
Total deferred tax assets.....	637,874	843,795	7,767
Deferred tax liabilities:			
Net unrealized losses on other securities.....	(146,715)	(101,791)	(1,787)
Leveraged lease.....	(19,692)	(23,459)	(240)
Gains on securities contributed to employee retirement benefits trust....	(38,524)	(44,015)	(469)
Securities returned from employee retirement benefits trust.....	(9,298)	(12,967)	(113)
Undistributed earnings of subsidiaries.....	(5,684)	(4,502)	(69)
Other.....	(67,776)	(32,840)	(825)
Total deferred tax liabilities.....	(287,692)	(219,576)	(3,503)
Net deferred tax assets.....	¥ 350,182	¥ 624,219	\$ 4,264

(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, 2012 and 2011. 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, 2012 and 2011 was as follows:

	2012	2011
Statutory tax rate.....	40.69%	40.69%
Valuation allowance.....	(11.76)	(11.53)
Dividends exempted for income tax purposes.....	(1.15)	(1.17)
Gains on step acquisitions.....	(1.07)	(0.62)
Effects of changes in the corporate income tax rate.....	4.42	—
Equity in losses of affiliates.....	1.33	0.66
Other.....	0.21	1.07
Effective income tax rate.....	32.67%	29.10%

(3) Reversal of deferred tax assets and liabilities from changes in the corporate income tax rate

Following the promulgation of the “Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114, 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from fiscal years beginning on or after April 1, 2012.

In line with these changes the effective statutory tax rate in fiscal 2012 and after used by SMFG’s domestic consolidated subsidiaries in Japan for the calculation of deferred tax assets and deferred tax liabilities has consequently been revised. As a result, “Deferred tax assets” decreased by 21,119 million (\$257 million), “Net unrealized gains (losses) on other securities” increased by ¥19,290 million (\$235 million), “Net deferred gains (losses) on hedges” decreased by ¥2,587 million (\$31 million), and “Income tax adjustments” recorded during the fiscal year ended March 31, 2012 increased by ¥42,119 million (\$513 million). Similarly, “Deferred tax liabilities for land revaluation” decreased by ¥5,613 million (\$68 million), while “Land revaluation excess” increased by the same amount.

The effective statutory tax rate used by Sumitomo Mitsui Banking Corporation (“SMBC”), a consolidated subsidiary of SMFG, for the calculation of deferred tax assets and deferred tax liabilities was reduced from the current rate of 40.63% to 37.94% for temporary differences and other items expected to be eliminated during the period beginning from the consolidated fiscal year beginning on April 1, 2012 through the consolidated fiscal year beginning on April 1, 2014, and to 35.57% for temporary differences and other items expected to be eliminated in the fiscal year beginning on April 1, 2015 and thereafter.

As a result of these changes in tax rates, “Deferred tax assets” decreased by ¥6,592 million (\$80 million), “Net unrealized gains (losses) on other securities” increased by ¥16,479 million (\$201 million), “Net deferred gains (losses) on hedges” decreased by ¥2,417 million (\$29 million), and “Income tax adjustments” recorded during the fiscal year ended March 31, 2012 increased by ¥20,655 million (\$251 million). Moreover, “Deferred tax liabilities for land revaluation” decreased by ¥5,538 million (\$67 million), and “Land revaluation excess” increased by the same amount.

25. Changes in Net Assets

(1) Type and number of shares issued and treasury stock are as follows:

Year ended March 31, 2012	Number of shares			March 31, 2012
	March 31, 2011	Increase	Decrease	
Shares issued				
Common stock.....	1,414,055,625	—	—	1,414,055,625
Preferred stock (First series Type 6).....	70,001	—	70,001*1	—
Total	1,414,125,626	—	70,001	1,414,055,625
Treasury stock				
Common stock.....	32,581,914	45,686,368*2	15,328,723*2	62,939,559
Preferred stock (First series Type 6).....	—	70,001*1	70,001*1	—
Total	32,581,914	45,756,369	15,398,724	62,939,559

*1 Increase in number of treasury stock of the First Series Type 6 Preferred Stock:

- 70,001 shares due to acquisition of the treasury stock that was executed on April 1, 2011 in accordance with the provision of Article 18 of the Articles of Incorporation of SMFG

Decrease in number of both treasury stock and shares issued of the First Series Type 6 Preferred Stock:

- 70,001 shares respectively due to cancellation of those shares that was executed on April 1, 2011

*2 Increase in number of treasury common shares issued:

- 45,686,368 shares due to purchase of fractional shares and also acquisition of SMFG shares through market purchases in accordance with the provision of Article 8 of the Articles of Incorporation of SMFG that were subsequently delivered to the shareholders of Promise Co., Ltd. in consideration for a share exchange

Decrease in number of treasury common shares issued:

- 15,328,723 shares due to reduction of 7,363 shares through sale of fractional shares and exercise of stock options and reduction of 15,321,360 shares through the allocation of SMFG shares held by SMFG Card & Credit, Inc., a consolidated subsidiary of SMFG for the purpose of acquiring 100% stake of Cedyna Financial Corporation, to the shareholders of Cedyna Financial Corporation on May 1, 2011, and sale of SMFG shares by consolidated subsidiaries

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 (First series Type 6).....	70,001	—	—	70,001
Total	1,414,125,626	—	—	1,414,125,626
Treasury stock				
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

(2) Information on stock acquisition rights is as follows:

Year ended March 31, 2012	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Millions of U.S. dollars
			March 31, 2011	Increase	Decrease	March 31, 2012	March 31, 2012	March 31, 2012
SMFG.....	Stock options	—	—	—	—	—	¥598	\$7
Consolidated subsidiary ...	—	—	—	—	—	—	94	1
Total.....							¥692	\$8

Year ended March 31, 2011	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen	
			March 31, 2010	Increase	Decrease	March 31, 2011	March 31, 2011
SMFG.....	Stock options	—	—	—	—	—	¥170
Consolidated subsidiary ...	—	—	—	—	—	—	91
Total.....							¥262

(3) Information on dividends is as follows:

(a) 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 (First 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 (First 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

(b) Dividends paid in the fiscal year ended March 31, 2012

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥70,514	¥ 50	March 31, 2011	June 29, 2011
Preferred stock (First series Type 6).....	3,097	44,250	March 31, 2011	June 29, 2011

Date of resolution: Ordinary general meeting of shareholders held on June 29, 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	¥70,514	¥50	September 30, 2011	December 2, 2011

Date of resolution: Meeting of the Board of Directors held on November 14, 2011

(c) Dividends to be paid in the fiscal year ending March 31, 2013

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount			
		Source of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥68,230	Retained earnings	¥50	March 31, 2012	June 28, 2012

Date of resolution: Ordinary general meeting of shareholders held on June 28, 2012

26. Cash Flows

Fiscal year ended March 31, 2012

7 companies including Promise Co., Ltd. were newly consolidated following a tender offer by SMBC for shares and a subscription by SMFG for new shares by way of a third-party allotment. Major assets and liabilities as of the beginning of consolidation and a summary of share acquisition cost and net expenses for the acquisition are as follows:

	Millions of yen	Millions of U.S. dollars
Assets	¥1,671,681	\$20,354
[Loans and bills discounted].....	795,148	9,682
[Customers' liabilities for acceptances and guarantees].....	564,528	6,874
Liabilities	(1,511,980)	(18,410)
[Borrowed money].....	(300,884)	(3,664)
[Reserve for losses on interest repayment].....	(367,220)	(4,471)
[Acceptances and guarantees].....	(564,528)	(6,874)
Stock acquisition rights	(56)	(1)
Minority interests.....	(3,576)	(43)
Goodwill	57,300	698
Stock acquisition cost of the 7 companies	213,369	2,598
Cash and cash equivalents of the 7 companies	(4,300)	(53)
Fair value of common stock of Promise owned before business combination.....	(21,699)	(264)
Fair value of common stock of Promise additionally acquired through subscription for shares issued by way of third-party allotment	(119,999)	(1,461)
Difference: Expenses required for acquisition of the 7 companies	¥ 67,369	\$ 820

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
Assets	¥2,631,525
Loans and bills discounted	438,497
Other assets	803,639
Customers' liabilities for acceptances and guarantees.....	1,124,290
Liabilities	¥2,520,313
Borrowed money.....	989,790
Acceptances and guarantees	1,124,290

27. Employee Retirement Benefits

(1) Outline of employee retirement benefits

Consolidated subsidiaries in Japan have contributory funded defined-benefit pension plans such as employee pension plans and lump-sum severance indemnity plans. Certain domestic consolidated subsidiaries in Japan adopt the defined-contribution pension plan and have a general type of employee pension plans. They may grant additional benefits 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
		2012	2011	2012
Projected benefit obligation	(A).....	¥(990,449)	¥(976,271)	\$(12,060)
Plan assets	(B).....	902,254	883,255	10,986
Unfunded projected benefit obligation	(C)=(A)+(B).....	(88,194)	(93,016)	(1,074)
Unrecognized net actuarial gain or loss	(D).....	261,128	266,775	3,180
Unrecognized prior service cost	(E).....	(6,624)	(10,365)	(81)
Net amount recorded on the consolidated balance sheet	(F)=(C)+(D)+(E).....	166,309	163,393	2,025
Prepaid pension cost	(G).....	212,221	207,997	2,584
Reserve for employee retirement benefits	(F)-(G).....	¥ (45,911)	¥ (44,604)	\$ (559)

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
	2012	2011	2012
Service cost.....	¥24,646	¥23,505	\$300
Interest cost on projected benefit obligation.....	24,013	23,621	292
Expected return on plan assets.....	(27,169)	(27,624)	(331)
Amortization of unrecognized net actuarial gain or loss.....	38,736	45,902	472
Amortization of unrecognized prior service cost.....	(6,542)	(6,229)	(80)
Other (nonrecurring additional retirement allowance paid and other).....	5,136	4,812	63
Total.....	¥58,820	¥63,988	\$716

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, 2012 and 2011 were as follows:

Year ended March 31		2012	2011
Discount rate.....	Domestic consolidated subsidiaries	1.15% to 2.5%	1.4% to 2.5%
	Overseas consolidated subsidiaries	4.7% to 7.0%	5.4% to 9.0%
Expected rate of return on plan assets.....	Domestic consolidated subsidiaries	0% to 4.1%	0% to 4.0%
	Overseas consolidated subsidiaries	3.8% to 5.5%	5.5% to 5.6%

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, 2012 and 2011.

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, 2012 and 2011.

28. 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
	2012	2011	2012
Lease receivables	¥1,172,940	¥1,241,757	\$14,282
Residual value	89,463	95,359	1,089
Unearned interest income	(179,638)	(206,317)	(2,187)
Total	¥1,082,766	¥1,130,799	\$13,184

(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
	2012	2011	2012
Within 1 year	¥229,520	¥230,050	\$2,795
More than 1 year to 2 years	172,714	160,632	2,103
More than 2 years to 3 years	95,022	111,555	1,157
More than 3 years to 4 years	60,591	53,371	738
More than 4 years to 5 years	46,063	40,555	561
More than 5 years	93,592	84,682	1,139
Total	¥697,504	¥680,846	\$8,493

Lease payments receivable related to investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Within 1 year	¥ 365,967	¥ 389,029	\$ 4,456
More than 1 year to 2 years	283,506	288,064	3,452
More than 2 years to 3 years	185,126	210,604	2,254
More than 3 years to 4 years	126,973	129,630	1,546
More than 4 years to 5 years	73,022	77,517	889
More than 5 years	138,342	146,911	1,685
Total	¥1,172,940	¥1,241,757	\$14,282

(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, 2012 was ¥8,849 million (\$108 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, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Due within 1 year	¥ 42,247	¥ 34,804	\$ 514
Due after 1 year	294,411	267,049	3,585
Total	¥336,658	¥301,854	\$4,099

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Due within 1 year.....	¥ 35,329	¥ 36,995	\$ 430
Due after 1 year.....	158,814	156,549	1,934
Total.....	¥194,143	¥193,545	\$2,364

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.

29. 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, consumer finance, and system development and information processing. 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, and sale of insurance products.

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"). At SMBC, SMFG's major consolidated subsidiary, derivative transactions for ALM purposes are undertaken by the Treasury Department and the International Treasury Department of the Treasury Unit, while derivative transactions for trading purposes are undertaken by the Trading Department of the Treasury Unit.

(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 non-performing 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, Credit Portfolio Management Department within the Credit & Investment Planning Department works to stabilize SMBC's overall credit portfolio through using credit derivatives and selling loan claims.

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. Regarding 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.)) and trading book (market operations for generating profit by taking advantage of short-term fluctuations in market values and differences in value among markets), SMBC calculates the maximum loss that may occur as a result of market fluctuations in one day with a probability of 1% based on four years of historical observation. Concerning the holding of shares (listed shares) for the purpose of strategic investment, SMBC calculated the maximum loss based on the same method as used for banking book and trading book as of March 31, 2011. From the fiscal year ended March 31, 2012, SMBC calculates the maximum loss that may occur as a result of market fluctuation in one year with a probability of 1% based on ten years of historical observation.

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, 2012, total VaR of SMBC and other major consolidated subsidiaries was ¥32.0 billion in the banking book, ¥10.0 billion in the trading book and ¥897.9 billion in the holding of 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

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 U.S. dollars		
	2012		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	\$ 93,889	\$ 93,945	\$ 56
2) Call loans and bills bought*1.....	15,715	15,726	11
3) Receivables under resale agreements.....	2,773	2,782	9
4) Receivables under securities borrowing transactions.....	55,273	55,273	—
5) Monetary claims bought*1.....	16,491	16,569	78
6) Trading assets			
Securities classified as trading purposes.....	52,177	52,177	—
7) Money held in trust.....	291	291	—
8) Securities			
Bond classified as held-to-maturity.....	64,260	65,102	842
Other securities.....	443,248	443,248	—
9) Loans and bills discounted.....	763,675		
Reserve for possible loan losses*1.....	(9,227)		
	<u>754,448</u>	<u>768,013</u>	<u>13,565</u>
10) Foreign exchanges*1.....	15,542	15,599	57
11) Lease receivables and investment assets*1.....	20,589	21,565	976
Total assets.....	<u>\$1,534,696</u>	<u>\$1,550,290</u>	<u>\$15,594</u>
1) Deposits.....	\$1,024,334	\$1,024,431	\$ 97
2) Negotiable certificates of deposit.....	104,635	104,628	(7)
3) Call money and bills sold.....	26,112	26,112	(0)
4) Payables under repurchase agreements.....	20,418	20,418	—
5) Payables under securities lending transactions.....	70,750	70,750	—
6) Commercial paper.....	14,529	14,529	—
7) Trading liabilities			
Trading securities sold for short sales.....	26,456	26,456	—
8) Borrowed money.....	107,630	107,838	208
9) Foreign exchanges.....	3,684	3,684	—
10) Short-term bonds.....	11,560	11,560	(0)
11) Bonds.....	56,519	58,101	1,582
12) Due to trust account.....	5,403	5,403	—
Total liabilities.....	<u>\$1,472,030</u>	<u>\$1,473,910</u>	<u>\$ 1,880</u>
Derivative transactions*2			
Hedge accounting not applied.....	\$ (1,251)	\$ (1,251)	\$ —
Hedge accounting applied.....	3,751	3,751	—
Total.....	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ —</u>

*1 The amounts 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. Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in square brackets.

(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
	2012	2011	2012
Monetary claims bought:			
Monetary claims bought without market prices*1	¥ 6,062	¥ 7,606	\$ 74
Securities:			
Unlisted stocks, etc.*2, 4	271,149	278,869	3,301
Investments in partnership, etc.*3, 4	345,987	340,113	4,213
Total	¥623,198	¥626,589	\$7,588

*1 They are beneficiary claims that (a) behave more like equity than debt, (b) do not have market prices, and (c) it is difficult to rationally estimate fair values.

*2 They are 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 They are 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 ¥9,292 million (\$113 million) and ¥15,076 million were written-down in the fiscal years ended March 31, 2012 and 2011, respectively.

(4) Redemption schedule of monetary claims bought and securities with maturities

March 31	Millions of yen			
	2012			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥ 6,723,816	¥ 3,166	¥ —	¥ —
Call loans and bills bought	1,264,667	27,150	—	—
Receivables under resale agreements	168,028	59,721	—	—
Receivables under securities borrowing transactions	4,539,555	—	—	—
Monetary claims bought*1	950,515	129,125	69,604	194,114
Securities*1	8,586,192	26,436,600	3,252,686	629,654
Bonds classified as held-to-maturity	310,255	4,773,397	181,500	—
Japanese government bonds	210,000	4,465,000	170,000	—
Japanese local government bonds	17,934	159,310	—	—
Japanese corporate bonds	81,321	149,086	8,000	—
Other	1,000	—	3,500	—
Other securities with maturity	8,275,936	21,663,203	3,071,186	629,654
Japanese government bonds	7,128,558	14,798,646	2,399,100	—
Japanese local government bonds	44,336	233,668	12,738	42
Japanese corporate bonds	551,651	1,893,545	348,066	58,126
Other	551,389	4,737,343	311,281	571,486
Loans and bills discounted*1, 2	13,712,810	23,762,958	8,932,653	8,445,738
Foreign exchanges*1	1,276,515	1,276	—	—
Lease receivables and investment assets*1	522,191	919,013	114,458	40,969
Total	¥37,744,292	¥51,339,012	¥12,369,403	¥9,310,476

	Millions of yen			
	2011			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
March 31				
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

	Millions of U.S. dollars			
	2012			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
March 31				
Deposits with banks	\$ 81,868	\$ 39	\$ —	\$ —
Call loans and bills bought	15,398	331	—	—
Receivables under resale agreements	2,046	727	—	—
Receivables under securities borrowing transactions	55,273	—	—	—
Monetary claims bought* ^{1, 2}	11,573	1,572	848	2,363
Securities* ¹	104,544	321,887	39,604	7,667
Bonds classified as held-to-maturity.....	3,778	58,120	2,210	—
Japanese government bonds	2,557	54,365	2,070	—
Japanese local government bonds	219	1,940	—	—
Japanese corporate bonds.....	990	1,815	97	—
Other.....	12	—	43	—
Other securities with maturity.....	100,766	263,767	37,394	7,667
Japanese government bonds	86,796	180,186	29,211	—
Japanese local government bonds	540	2,845	155	1
Japanese corporate bonds.....	6,717	23,055	4,238	708
Other.....	6,713	57,681	3,790	6,958
Loans and bills discounted* ^{1, 2}	166,965	289,333	108,762	102,834
Foreign exchanges* ¹	15,543	16	—	—
Lease receivables and investment assets* ¹	6,358	11,190	1,394	499
Total.....	459,568	625,095	150,608	113,363

*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
	2012	2011	2012
Monetary claims bought	¥ —	¥ 2,043	\$ —
Securities.....	28,667	27,402	349
Loans and bills discounted.....	1,116,378	998,936	13,593
Foreign exchanges	2,845	616	35
Lease receivables and investment assets.....	5,960	8,685	73

*² Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥1,789 million (\$22 million) and ¥6,750,883 million (\$82,198 million) at March 31, 2012, respectively. Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥4,047 million and ¥6,717,074 million at March 31, 2011, respectively.

(5) Redemption schedule of bonds, borrowed money and other interest-bearing debts

March 31	Millions of yen			
	2012			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 79,446,175	¥4,052,815	¥ 362,805	¥266,577
Negotiable certificates of deposit	8,535,575	58,062	—	—
Call money and bills sold	2,144,599	—	—	—
Payables under repurchase agreements	1,676,902	—	—	—
Payables under securities lending transactions	5,810,730	—	—	—
Commercial paper	1,193,249	—	—	—
Borrowed money	6,931,770	1,349,848	323,272	234,757
Foreign exchanges	302,580	—	—	—
Short-term bonds	949,400	—	—	—
Bonds	474,539	1,995,686	1,912,623	260,837
Due to trust account	443,723	—	—	—
Total	¥107,909,247	¥7,456,413	¥2,598,701	¥762,172

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 U.S. dollars			
	2012			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	\$ 967,322	\$49,346	\$ 4,417	\$3,246
Negotiable certificates of deposit	103,927	707	—	—
Call money and bills sold	26,112	—	—	—
Payables under repurchase agreements	20,418	—	—	—
Payables under securities lending transactions	70,750	—	—	—
Commercial paper	14,529	—	—	—
Borrowed money	84,400	16,436	3,936	2,858
Foreign exchanges	3,684	—	—	—
Short-term bonds	11,560	—	—	—
Bonds	5,778	24,299	23,288	3,176
Due to trust account	5,403	—	—	—
Total	\$1,313,883	\$90,788	\$31,641	\$9,280

* Demand deposits are included in "Within 1 year." Deposits include current deposits.

30. 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
	2012	2011	2012
Valuation gains (losses) included in the earnings for the fiscal year.....	¥16,879	¥(6,863)	\$206

(b) Bonds classified as held-to-maturity

March 31	Millions of yen		
	2012		Net unrealized gains (losses)
	Consolidated balance sheet amount	Fair value	
Bonds with unrealized gains:			
Japanese government bonds	¥4,787,498	¥4,849,443	¥61,944
Japanese local government bonds	175,423	178,243	2,819
Japanese corporate bonds	237,210	241,726	4,515
Other.....	2,695	2,703	8
Subtotal	¥5,202,828	¥5,272,117	¥69,288
Bonds with unrealized losses:			
Japanese government bonds	¥ 70,020	¥ 69,930	¥ (90)
Japanese local government bonds	2,302	2,298	(3)
Japanese corporate bonds	713	710	(3)
Other.....	10,402	10,396	(6)
Subtotal	¥ 83,438	¥ 83,335	¥ (103)
Total	¥5,286,267	¥5,355,452	¥69,184

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 U.S. dollars		
	2012		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	\$58,292	\$59,046	\$754
Japanese local government bonds	2,136	2,170	34
Japanese corporate bonds	2,888	2,943	55
Other	33	33	0
Subtotal	\$63,349	\$64,192	\$843
Bonds with unrealized losses:			
Japanese government bonds	\$ 852	\$ 851	\$ (1)
Japanese local government bonds	28	28	(0)
Japanese corporate bonds	9	9	(0)
Other	127	127	(0)
Subtotal	\$ 1,016	\$ 1,015	\$ (1)
Total	\$64,365	\$65,207	\$842

(c) Other securities

March 31	Millions of yen		
	2012		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 1,193,663	¥ 703,589	¥ 490,074
Bonds	24,475,020	24,356,856	118,164
Japanese government bonds	21,717,683	21,654,331	63,351
Japanese local government bonds	289,456	287,307	2,149
Japanese corporate bonds	2,467,880	2,415,217	52,663
Other	4,649,021	4,510,332	138,689
Subtotal	¥30,317,706	¥29,570,777	¥ 746,928
Other securities with unrealized losses:			
Stocks	¥ 946,993	¥ 1,165,606	¥(218,613)
Bonds	3,209,463	3,215,812	(6,348)
Japanese government bonds	2,751,854	2,752,509	(654)
Japanese local government bonds	7,702	7,717	(15)
Japanese corporate bonds	449,906	455,585	(5,678)
Other	2,461,368	2,508,349	(46,981)
Subtotal	¥ 6,617,825	¥ 6,889,769	¥(271,943)
Total	¥36,935,531	¥36,460,546	¥ 474,984

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 U.S. dollars		
	2012		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	\$ 14,534	\$ 8,567	\$ 5,967
Bonds	298,003	296,565	1,438
Japanese government bonds	264,431	263,660	771
Japanese local government bonds	3,524	3,498	26
Japanese corporate bonds	30,048	29,407	641
Other	56,606	54,917	1,689
Subtotal	\$369,143	\$360,049	\$ 9,094
Other securities with unrealized losses:			
Stocks	\$ 11,530	\$ 14,192	\$(2,662)
Bonds	39,078	39,155	(77)
Japanese government bonds	33,506	33,514	(8)
Japanese local government bonds	94	94	(0)
Japanese corporate bonds	5,478	5,547	(69)
Other	29,969	30,541	(572)
Subtotal	\$ 80,577	\$ 83,888	\$(3,311)
Total	\$449,720	\$443,937	\$ 5,783

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥196 million (\$2 million) for the fiscal year ended March 31, 2012 and ¥1,153 million for the fiscal year ended March 31, 2011 that are recognized in the fiscal year's earnings by applying fair value hedge accounting.

2. Other securities whose fair values are extremely difficult to determine are as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Stocks	¥265,512	¥274,329	\$3,233
Other	357,686	352,260	4,355
Total	¥623,198	¥626,589	\$7,588

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 fiscal year ended March 31, 2012 and 2011

There are no corresponding transactions.

(e) Consolidated balance sheet amounts of other securities sold during the fiscal year ended March 31, 2012 and 2011

Year ended March 31	Millions of yen		
	2012		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 33,752	¥ 8,921	¥ (3,221)
Bonds	16,676,636	39,724	(2,586)
Japanese government bonds	16,261,807	38,204	(2,115)
Japanese local government bonds	178,423	553	(256)
Japanese corporate bonds	236,405	966	(214)
Other	15,598,701	143,163	(16,788)
Total	¥32,309,090	¥191,809	¥(22,596)

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 U.S. dollars		
	2012		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	\$ 411	\$ 108	\$ (39)
Bonds.....	203,052	484	(32)
Japanese government bonds.....	198,001	465	(26)
Japanese local government bonds.....	2,173	7	(3)
Japanese corporate bonds.....	2,878	12	(3)
Other.....	189,927	1,743	(204)
Total.....	\$393,390	\$2,335	\$(275)

(f) Change of classification of securities

There are no corresponding transactions.

(g) Write-down of securities

Other securities with fair value are considered as impaired if the fair value decreases materially below the acquisition cost and such decline is not considered as recoverable. The fair value is recognized as the consolidated 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, 2012 and 2011 were ¥27,988 million (\$341 million) and ¥109,921 million, respectively. The rule for determining "material decline" is as follows and is based on the classification of issuers under the rules of 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
	2012	2011	2012
Valuation gains (losses) included in the earnings for the fiscal year.....	¥(2)	¥1	\$(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
	2012	2011	2012
Consolidated balance sheet amount.....	¥22,430	¥22,569	\$273
Acquisition cost.....	22,477	22,527	274
Net unrealized gains (losses).....	(46)	42	(1)
Unrealized gains.....	—	42	—
Unrealized losses.....	(46)	—	(1)

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
	2012	2011	2012
Net unrealized gains.....	¥474,803	¥369,852	\$5,781
Other securities	474,849	369,810	5,782
Other money held in trust	(46)	42	(1)
(-) Deferred tax liabilities.....	138,439	102,593	1,686
Net unrealized gains on other securities (before adjustment).....	336,363	267,259	4,095
(-) Minority interests.....	13,124	7,125	160
(+) SMFG's interest in net unrealized gains on valuation of other securities held by the equity method affiliates.....	7,194	12,172	88
Net unrealized gains on other securities.....	¥330,433	¥272,306	\$4,023

Notes: 1. Gains of ¥196 million (\$2 million) for the fiscal year ended March 31, 2012 and ¥1,153 million for the fiscal year ended March 31, 2011 recognized in the fiscal year's earnings by applying fair value hedge accounting are deducted from net unrealized gains on other securities.

2. Net unrealized gains included foreign currency translation adjustments on non-marketable securities denominated in foreign currencies.

31. 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			
	2012		Fair value	Valuation gains (losses)
	Contract amount			
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 13,701,646	¥ 2,323,383	¥ (9,067)	¥ (9,067)
Bought.....	12,963,619	1,931,357	9,046	9,046
Interest rate options:				
Sold.....	16,413	—	(1)	(1)
Bought.....	49,239	—	5	5
Over-the-counter				
Forward rate agreements:				
Sold.....	4,433,489	37,687	(166)	(166)
Bought.....	4,386,457	68,390	(148)	(148)
Interest rate swaps:	369,468,218	281,215,701	75,045	75,045
Receivable fixed rate/payable floating rate.....	169,758,863	132,573,198	5,648,845	5,648,845
Receivable floating rate/payable fixed rate.....	173,687,207	132,110,404	(5,573,527)	(5,573,527)
Receivable floating rate/payable floating rate.....	25,888,092	16,402,974	(3,475)	(3,475)
Interest rate swaptions:				
Sold.....	4,070,533	2,032,320	(56,297)	(56,297)
Bought.....	3,114,421	1,987,178	49,318	49,318
Caps:				
Sold.....	15,725,631	11,272,029	(6,675)	(6,675)
Bought.....	6,947,188	3,066,687	6,717	6,717
Floors:				
Sold.....	877,557	250,823	(4,549)	(4,549)
Bought.....	7,991,968	1,984,956	4,192	4,192
Other:				
Sold.....	—	—	—	—
Bought.....	3,589,273	1,798,757	19,137	19,137
Total.....	/	/	¥ 86,557	¥ 86,557

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 U.S. dollars			
	2012		Fair value	Valuation gains (losses)
	Contract amount			
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	\$ 166,829	\$ 28,289	\$ (110)	\$ (110)
Bought.....	157,843	23,516	110	110
Interest rate options:				
Sold.....	200	—	(0)	(0)
Bought.....	600	—	0	0
Over-the-counter				
Forward rate agreements:				
Sold.....	53,981	459	(2)	(2)
Bought.....	53,409	833	(2)	(2)
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	4,498,578	3,424,031	913	913
Receivable floating rate/payable fixed rate.....	2,066,953	1,614,187	68,779	68,779
Receivable floating rate/payable fixed rate.....	2,114,784	1,608,552	(67,862)	(67,862)
Receivable floating rate/payable floating rate.....	315,209	199,720	(42)	(42)
Interest rate swaptions:				
Sold.....	49,562	24,745	(685)	(685)
Bought.....	37,921	24,196	600	600
Caps:				
Sold.....	191,472	137,246	(81)	(81)
Bought.....	84,588	37,339	82	82
Floors:				
Sold.....	10,685	3,054	(55)	(55)
Bought.....	97,309	24,168	51	51
Other:				
Sold.....	—	—	—	—
Bought.....	43,702	21,901	233	233
Total.....	/	/	\$ 1,054	\$ 1,054

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			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Currency futures:				
Sold.....	¥ 295,297	¥ —	¥ —	¥ —
Bought.....	1,119,349	—	—	—
Over-the-counter				
Currency swaps.....	19,742,032	12,527,350	(396,973)	(38,094)
Currency swaptions:				
Sold.....	654,616	473,930	(16,082)	(16,082)
Bought.....	702,295	530,318	27,032	27,032
Forward foreign exchange.....	36,189,143	2,989,559	84,518	84,518
Currency options:				
Sold.....	2,904,319	1,623,064	(229,554)	(229,554)
Bought.....	2,744,179	1,504,605	315,643	315,643
Total	/	/	¥(215,415)	¥143,463

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 U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Currency futures:				
Sold.....	\$ 3,595	\$ —	\$ —	\$ —
Bought.....	13,629	—	—	—
Over-the-counter				
Currency swaps.....	240,375	152,531	(4,833)	(463)
Currency swaptions:				
Sold.....	7,970	5,770	(196)	(196)
Bought.....	8,551	6,457	329	329
Forward foreign exchange.....	440,632	36,400	1,029	1,029
Currency options:				
Sold.....	35,362	19,762	(2,795)	(2,795)
Bought.....	33,413	18,320	3,843	3,843
Total	/	/	\$(2,623)	\$1,747

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			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Equity price index futures:				
Sold.....	¥298,239	¥ —	¥ (6,384)	¥ (6,384)
Bought.....	71,550	—	913	913
Equity price index options:				
Sold.....	390	—	(1)	(1)
Bought.....	240	—	2	2
Over-the-counter				
Equity options:				
Sold.....	194,646	192,842	(49,023)	(49,023)
Bought.....	197,500	191,432	49,205	49,205
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	21,965	—	822	822
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	8,795	7,295	(154)	(154)
Receivable short-term floating rate/payable equity index.....	9,495	7,895	152	152
Total.....	/	/	¥ (4,467)	¥ (4,467)
Millions of yen				
2011				
Contract amount				
Total Over 1 year Fair value Valuation gains (losses)				
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
Millions of U.S. dollars				
2012				
Contract amount				
Total Over 1 year Fair value Valuation gains (losses)				
Listed				
Equity price index futures:				
Sold.....	\$3,631	\$ —	\$ (77)	\$ (77)
Bought.....	871	—	11	11
Equity price index options:				
Sold.....	5	—	(0)	(0)
Bought.....	3	—	0	0
Over-the-counter				
Equity options:				
Sold.....	2,370	2,348	(597)	(597)
Bought.....	2,405	2,331	599	599
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	267	—	10	10
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	107	89	(2)	(2)
Receivable short-term floating rate/payable equity index.....	116	96	2	2
Total.....	/	/	\$ (54)	\$ (54)

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			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Bond futures:				
Sold.....	¥2,804,083	¥—	¥(1,426)	¥(1,426)
Bought.....	2,565,575	—	1,791	1,791
Bond futures options:				
Sold.....	92,483	—	35	35
Bought.....	181,010	—	(53)	(53)
Over-the-counter				
Forward bond agreements:				
Sold.....	1,150	—	126	126
Bought.....	2,924	—	30	30
Bond options:				
Sold.....	38,894	—	(53)	(53)
Bought.....	38,894	—	115	115
Total.....	/	/	¥ 566	¥ 566

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 U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Bond futures:				
Sold.....	\$34,142	\$—	\$(17)	\$(17)
Bought.....	31,238	—	22	22
Bond futures options:				
Sold.....	1,126	—	0	0
Bought.....	2,204	—	(0)	(0)
Over-the-counter				
Forward bond agreements:				
Sold.....	14	—	2	2
Bought.....	36	—	0	0
Bond options:				
Sold.....	474	—	(1)	(1)
Bought.....	474	—	1	1
Total.....	/	/	\$ 7	\$ 7

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			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Commodity futures:				
Sold.....	¥ 5,949	¥ —	¥ 107	¥ 107
Bought.....	5,788	—	(116)	(116)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	139,982	117,754	(29,523)	(29,523)
Receivable floating price/payable fixed price.....	111,479	91,310	57,246	57,246
Receivable floating price/payable floating price.....	13,822	13,014	1,500	1,500
Commodity options:				
Sold.....	12,779	10,821	(223)	(223)
Bought.....	4,929	4,177	58	58
Total.....	/	/	¥29,049	¥29,049

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 U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
Total	Over 1 year			
Listed				
Commodity futures:				
Sold.....	\$ 72	\$ —	\$ 1	\$ 1
Bought.....	70	—	(1)	(1)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	1,704	1,434	(359)	(359)
Receivable floating price/payable fixed price.....	1,357	1,112	697	697
Receivable floating price/payable floating price.....	168	158	18	18
Commodity options:				
Sold.....	156	132	(3)	(3)
Bought.....	60	51	1	1
Total.....	/	/	\$354	\$354

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

		Millions of yen			
		2012			
		Contract amount		Fair value	Valuation gains (losses)
March 31		Total	Over 1 year		
Over-the-counter					
Credit default options:					
Sold.....		¥793,663	¥649,116	¥(18,420)	¥(18,420)
Bought.....		783,152	575,684	19,385	19,385
Total.....		/	/	¥ 964	¥ 964
		Millions of yen			
		2011			
		Contract amount		Fair value	Valuation gains (losses)
March 31		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
		Millions of U.S. dollars			
		2012			
		Contract amount		Fair value	Valuation gains (losses)
March 31		Total	Over 1 year		
Over-the-counter					
Credit default options:					
Sold.....		\$9,663	\$7,904	\$(224)	\$(224)
Bought.....		9,536	7,009	236	236
Total.....		/	/	\$ 12	\$ 12

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

			Millions of yen		
			2012		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposits			
	Sold.....		¥ 739,170	¥ —	¥ (146)
	Bought.....		7,306,784	356,484	(96)
	Interest rate swaps:		36,107,314	29,296,886	27,467
	Receivable fixed rate/payable floating rate.....		24,074,085	18,722,477	443,546
	Receivable floating rate/payable fixed rate.....		12,003,883	10,565,063	(416,369)
	Receivable floating rate/payable floating rate.....		29,345	9,345	290
	Interest rate swaptions:				
	Sold.....		330,000	330,000	2,719
	Bought.....		—	—	—
	Caps:				
	Sold.....		3,340	3,340	265
	Bought.....		3,340	3,340	(265)
Floors:					
Sold.....	—	—	—		
Bought.....	7,850	—	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	1,641	—	(43)
	Receivable floating rate/payable fixed rate.....		1,361	—	(39)
	Receivable floating rate/payable floating rate.....		280	—	(3)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds payable	218,688	137,515	
	Receivable fixed rate/payable fixed rate.....		3,000	1,000	
	Receivable floating rate/payable fixed rate.....		193,688	125,515	(Note 3)
	Receivable floating rate/payable floating rate.....		22,000	11,000	
Total.....		/	/	¥ 29,900	

			Millions of yen		
			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.....		¥ 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		24,170,619	19,172,729	314,269
	Receivable floating rate/payable fixed rate		12,437,041	11,767,209	(294,567)
	Receivable floating rate/payable floating rate...		29,916	29,416	611
	Interest rate swaptions:				
	Sold.....		460,983	460,899	1,085
	Bought.....		—	—	—
	Caps:				
	Sold.....		2,562	2,562	410
	Bought.....		2,562	2,562	(410)
	Floors:				
Sold.....	—	—	—		
Bought.....	7,850	7,850	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	3,832	2,354	(108)
	Receivable floating rate/payable fixed rate		3,832	2,354	(108)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds payable	190,477	162,237	
	Receivable fixed rate/payable floating rate		13,500	4,000	
	Receivable floating rate/payable fixed rate		152,777	136,237	(Note 3)
	Receivable floating rate/payable floating rate...		24,200	22,000	
Total.....		/	/	¥ 20,644	

			Millions of U.S. dollars		
			2012		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposits			
	Sold.....		\$ 9,000	\$ —	\$ (2)
	Bought.....		88,966	4,340	(1)
	Interest rate swaps:		439,636	356,714	334
	Receivable fixed rate/payable floating rate		293,122	227,962	5,401
	Receivable floating rate/payable fixed rate		146,157	128,638	(5,070)
	Receivable floating rate/payable floating rate...		357	114	3
	Interest rate swaptions:				
	Sold.....		4,018	4,018	33
	Bought.....		—	—	—
	Caps:				
	Sold.....		41	41	3
	Bought.....		41	41	(3)
	Floors:				
Sold.....	—	—	—		
Bought.....	96	—	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	20	—	(0)
	Receivable floating rate/payable fixed rate		17	—	(0)
	Receivable floating rate/payable floating rate...		3	—	(0)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds payable	2,663	1,674	
	Receivable fixed rate/payable fixed rate.....		37	12	
	Receivable floating rate/payable fixed rate		2,358	1,528	(Note 3)
	Receivable floating rate/payable floating rate...		268	134	
Total.....		/	/	\$ 364	

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 "29. Financial Instruments."

(b) Currency derivatives

			Millions of yen		
			2012		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	¥3,315,230	¥2,666,423	¥278,690
	Forward foreign exchange		244,547	—	211
Recognition of gain or loss on the hedging instrument	Currency swaps	Deposits; borrowed money; bonds payable	36,306	32,133	(383)
Allocation method	Currency swap	Other securities (bonds); borrowed money	70,320	8,465	(Note 3)
	Forward foreign exchange		3,179	3,179	
Total			/	/	¥278,518

			Millions of yen		
			2011		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	¥2,776,330	¥1,882,407	¥338,351
	Forward foreign exchange		9,615	—	(172)
Recognition of gain or loss on the hedging instrument	Currency swap	Deposits	12,038	11,139	(248)
Allocation method	Currency swap	Deposits; borrowed money	11,739	11,405	(Note 3)
	Forward foreign exchange		103,553	3,179	
Total			/	/	¥337,930

			Millions of U.S. dollars		
			2012		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	\$40,366	\$32,466	\$3,393
	Forward foreign exchange		2,978	—	3
Recognition of gain or loss on the hedging instrument	Currency swap	Deposits; borrowed money; bonds payable	442	391	(5)
Allocation method	Currency swap	Other securities (bonds); borrowed money	856	103	(Note 3)
	Forward foreign exchange		39	39	
Total			/	/	\$3,391

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 "29. Financial Instruments."

(c) Equity derivatives

			Millions of yen		
			2012		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
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...		13,056	9,175	(335)
	Total.....		/	/	¥(335)

			Millions of yen		
			2011		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
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 U.S. dollars		
			2012		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
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...		159	112	(4)
	Total.....		/	/	\$ (4)

Note: Fair value is calculated using discounted present value.

32. Stock Options

1. Share-based compensation expenses which were accounted for as general and administrative expenses in the fiscal years ended March 31, 2012 and 2011 are as follows:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Share-based compensation expenses	¥431	¥180	\$5

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	July 29, 2011
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 of SMFG: 9 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2
Number of stock options*1	Common shares: 162,000*2	Common shares: 102,600	Common shares: 268,200
Grant date	August 30, 2002	August 13, 2010	August 16, 2011
Condition for vesting	N.A.	Stock acquisition right holders 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.	Stock acquisition right holders 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.	June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012.
Exercise period	June 28, 2004 to June 27, 2012	August 13, 2010 to August 12, 2040	August 16, 2011 to August 15, 2041

*1 Reported in terms of shares of stock.

*2 Reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 27, 2002	July 28, 2010	July 29, 2011
Before vested			
Previous fiscal year-end	—	102,600	—
Granted	—	—	268,200
Forfeited	—	1,900	2,000
Vested	—	26,300	5,900
Outstanding	—	74,400	260,300
After vested			
Previous fiscal year-end	108,100	—	—
Vested	—	26,300	5,900
Exercised	—	500	—
Forfeited	—	—	—
Exercisable	108,100	25,800	5,900

Price information (Yen)

Date of resolution	June 27, 2002	July 28, 2010	July 29, 2011
Exercise price	¥6,649	¥ 1	¥ 1
Average exercise price	—	2,336	—
Fair value at the grant date	—	2,215	1,872

(c) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year ended March 31, 2012 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

Date of resolution	July 29, 2011
Expected volatility ^{*1}	51.64%
Average expected life ^{*2}	4 years
Expected dividends ^{*3}	¥100 per share
Risk-free interest rate ^{*4}	0.30%

^{*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 17, 2007 and August 16, 2011.

^{*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, 2012.

^{*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.....	94,000	126,000	210,000	302,000	431,000	162,000
Vested.....	—	—	—	—	—	—
Exercised.....	10,000	14,000	—	—	—	—
Forfeited.....	84,000	6,000	18,000	17,000	39,000	—
Exercisable.....	—	106,000	192,000	285,000	392,000	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.....	—	—	—	—	350,000
Granted.....	—	—	—	—	—
Forfeited.....	—	—	—	—	—
Vested.....	—	—	—	—	350,000
Outstanding.....	—	—	—	—	—
After vested					
Previous fiscal year-end.....	115,000	174,000	112,000	289,000	—
Vested.....	—	—	—	—	350,000
Exercised.....	—	—	—	—	—
Forfeited.....	—	—	—	—	—
Exercisable.....	115,000	174,000	112,000	289,000	350,000

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.....	143	145	—	—	—	—
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.

33. Segment Information

Fiscal years ended March 31, 2012 and 2011

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, consumer finance, and system development and information processing. 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, 2012	Millions of yen								
	Banking business								
	SMBC					Head office account	Subtotal	Others	Total
Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit					
Gross profit	¥383,666	¥422,825	¥212,650	¥197,436	¥319,333	¥ (3,398)	¥1,532,511	¥231,326	¥1,763,837
Interest income	326,923	256,800	136,592	111,625	123,120	1,818	956,878	156,627	1,113,505
Non-interest income	56,743	166,025	76,058	85,811	196,213	(5,217)	575,632	74,698	650,331
Expenses	(289,506)	(222,756)	(38,214)	(64,941)	(19,206)	(84,872)	(719,495)	(131,761)	(851,257)
Depreciation	(27,400)	(23,177)	(5,558)	(7,102)	(3,443)	(8,823)	(75,503)	(10,354)	(85,858)
Other profit or loss	—	—	—	—	—	—	—	(20,529)	(20,529)
Consolidated net business profit	¥ 94,160	¥200,069	¥174,436	¥132,495	¥300,127	¥(88,271)	¥ 813,015	¥ 79,035	¥ 892,050

Year ended March 31, 2012	Millions of yen						
	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	SMBC Nikko Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	¥47,395	¥221,254	¥9,219	¥277,869	¥88,546	¥ 5,215	¥93,761
Interest income	503	(2,536)	1,285	(747)	55,791	(1,062)	54,728
Non-interest income	46,891	223,790	7,934	278,617	32,755	6,277	39,032
Expenses	(39,083)	(180,076)	(5,356)	(224,516)	(28,100)	(11,429)	(39,529)
Depreciation	(1,862)	(3,044)	(655)	(5,561)	(3,136)	(785)	(3,921)
Other profit or loss	(7)	(1,206)	(1,327)	(2,541)	(1,027)	9,212	8,185
Consolidated net business profit	¥ 8,305	¥ 39,970	¥2,535	¥ 50,811	¥59,419	¥ 2,998	¥62,417

Year ended March 31, 2012	Millions of yen						
	Credit card services					Other business	Grand total
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business		
Gross profit	¥179,322	¥160,083	¥6,527	¥345,933	¥128,680	¥2,610,082	
Interest income	18,544	36,379	1,939	56,863	125,160	1,349,510	
Non-interest income	160,777	123,704	4,588	289,070	3,520	1,260,572	
Expenses	(126,589)	(120,545)	(5,096)	(252,232)	(6,992)	(1,374,526)	
Depreciation	(8,839)	(9,888)	(1,229)	(19,958)	(14,103)	(129,403)	
Other profit or loss	(9,587)	(67,201)	2,889	(73,899)	(132,824)	(221,609)	
Consolidated net business profit	¥ 43,144	¥ (27,662)	¥4,320	¥ 19,802	¥ (11,136)	¥1,013,946	

Millions of yen									
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	¥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

Millions of yen							
Securities services				Leasing			
Year ended March 31, 2011	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

Millions of yen						
Credit card services						
Year ended March 31, 2011	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 U.S. dollars									
Banking business									
SMBC									
Year ended March 31, 2012	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	\$4,671	\$5,148	\$2,589	\$2,404	\$3,888	\$ (41)	\$18,659	\$2,817	\$21,476
Interest income	3,981	3,127	1,663	1,359	1,499	22	11,651	1,907	13,558
Non-interest income	690	2,021	926	1,045	2,389	(63)	7,008	910	7,918
Expenses	(3,525)	(2,712)	(465)	(791)	(234)	(1,033)	(8,760)	(1,605)	(10,365)
Depreciation	(334)	(282)	(68)	(86)	(42)	(107)	(919)	(126)	(1,045)
Other profit or loss	—	—	—	—	—	—	—	(250)	(250)
Consolidated net business profit	\$1,146	\$2,436	\$2,124	\$1,613	\$3,654	\$(1,074)	\$ 9,899	\$ 962	\$10,861

Millions of U.S. dollars

Year ended March 31, 2012	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	SMBC Nikko Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	\$577	\$2,694	\$112	\$3,383	\$1,078	\$ 64	\$1,142
Interest income	6	(31)	16	(9)	679	(13)	666
Non-interest income	571	2,725	96	3,392	399	77	476
Expenses	(476)	(2,193)	(65)	(2,734)	(342)	(139)	(481)
Depreciation	(23)	(37)	(8)	(68)	(38)	(10)	(48)
Other profit or loss	(0)	(15)	(16)	(31)	(12)	112	100
Consolidated net business profit	\$101	\$ 486	\$ 31	\$ 618	\$ 724	\$ 37	\$ 761

Millions of U.S. dollars

Year ended March 31, 2012	Credit card services					
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit	\$2,183	\$1,949	\$80	\$4,212	\$1,567	\$31,780
Interest income	225	443	24	692	1,524	16,431
Non-interest income	1,958	1,506	56	3,520	43	15,349
Expenses	(1,541)	(1,468)	(62)	(3,071)	(85)	(16,736)
Depreciation	(108)	(120)	(15)	(243)	(172)	(1,576)
Other profit or loss	(117)	(818)	35	(900)	(1,617)	(2,698)
Consolidated net business profit	\$ 525	\$ (337)	\$53	\$ 241	\$ (135)	\$12,346

- Notes: 1. Consolidated net business profit = SMBC's nonconsolidated banking profit + SMFG's nonconsolidated 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., SMBC Nikko 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.
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
	2012	2012
Profit		
Consolidated net business profit	¥1,013,946	\$12,346
Total credit cost of SMBC	(58,647)	(714)
Losses on stocks of SMBC	(15,153)	(185)
Amortization of unrecognized retirement benefit obligation of SMBC	(31,632)	(385)
Ordinary profit of consolidated subsidiaries other than reportable segment	81,398	991
Amortization of goodwill other than reportable segment	(14,996)	(183)
Adjustment of profit or loss of equity method affiliates	(5,553)	(68)
Others	(33,790)	(411)
Ordinary profit on consolidated statements of income	¥ 935,571	\$11,391

Notes: 1. Total 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 – Recoveries of written-off claims

2. 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

Year ended March 31	Millions of yen
	2011
Profit	
Consolidated net business profit	¥1,001,994
Credit costs of SMBC	(95,324)
Losses on stocks of SMBC	(87,285)
Amortization of unrecognized retirement benefit obligation of SMBC	(38,019)
Ordinary profit of consolidated subsidiaries other than reportable segment	81,530
Amortization of goodwill other than reportable segment	(16,268)
Adjustment of profit or loss of equity method affiliates	(11,841)
Others	(9,355)
Ordinary profit on consolidated statements of income	¥ 825,428

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. 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. Related information

(1) Business segment information

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Ordinary income to external customers		
Banking Business.....	¥2,245,549	\$27,342
Securities Services.....	285,252	3,473
Leasing.....	326,814	3,979
Credit Card Services.....	852,577	10,381
Other Business.....	235,088	2,862
Total.....	¥3,945,282	\$48,037

Year ended March 31, 2011	Millions of yen
Ordinary income to external customers	
Banking Business.....	¥2,329,933
Securities Services.....	270,861
Leasing.....	305,165
Credit Card Services.....	755,444
Other Business.....	184,455
Total.....	¥3,845,861

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, 2012	Millions of yen	Millions of U.S. dollars
Japan.....	¥3,400,848	\$41,408
The Americas.....	169,271	2,061
Europe and Middle East.....	138,987	1,692
Asia and Oceania.....	236,175	2,876
Total.....	¥3,945,282	\$48,037

Year ended March 31, 2011	Millions of yen
Japan.....	¥3,433,235
The Americas.....	158,377
Europe and Middle East.....	88,061
Asia and Oceania.....	166,186
Total.....	¥3,845,861

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, 2012	Millions of yen	Millions of U.S. dollars
Japan	¥1,100,866	\$13,404
The Americas	14,333	175
Europe and Middle East.....	57,842	704
Asia and Oceania	7,479	91
Total.....	¥1,180,522	\$14,374

Year ended March 31, 2011	Millions of yen
Japan	¥1,093,077
The Americas	12,639
Europe and Middle East.....	59,557
Asia and Oceania	3,634
Total.....	¥1,168,908

(3) Information by major customer

There are no major customers individually accounting for 10% or more of ordinary income.

6. Information on losses on impairment of fixed assets by reportable segment

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Banking Business	¥3,264	\$40
Securities Services.....	383	5
Leasing	—	—
Credit Card Services	108	1
Other Business	104	1
Total.....	¥3,861	\$47

Year ended March 31, 2011	Millions of yen
Banking Business	¥4,739
Securities Services.....	306
Leasing	—
Credit Card Services	—
Other Business	365
Total.....	¥5,411

7. Information on amortization of goodwill and unamortized balance by reportable segment

Year ended March 31, 2012	Millions of yen		Millions of U.S. dollars	
	Amortization of goodwill	Unamortized balance	Amortization of goodwill	Unamortized balance
Banking Business	¥ 545	¥ 9,904	\$ 6	\$ 120
Securities Services.....	14,108	230,347	172	2,805
Leasing	5,307	83,173	65	1,013
Credit Card Services	956	17,527	12	213
Other Business	762	56,584	9	689
Total.....	¥21,681	¥397,537	\$264	\$4,840

Year ended March 31, 2011	Millions of yen	
	Amortization of goodwill	Unamortized balance
Banking Business	¥ 555	¥ 10,457
Securities Services.....	14,122	244,455
Leasing	5,316	88,481
Credit Card Services	419	9,396
Other Business	2,525	—
Total.....	¥22,938	¥352,790

8. Information on gains on negative goodwill by reportable segment

There is no material information to be reported for the fiscal year ended March 31, 2012 and 2011.

9. Information on total credit cost by reportable segment

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Banking Business	¥ 83,903	\$1,022
Securities Services	1,213	15
Leasing	(3,611)	(44)
Credit Card Services	36,830	448
Other Business	2,919	35
Total	¥121,255	\$1,476

Year ended March 31, 2011	Millions of yen
Banking Business	¥144,601
Securities Services	(21)
Leasing	7,979
Credit Card Services	46,573
Other Business	18,216
Total	¥217,348

Notes: 1. Total credit cost = Provision for reserve for possible loan losses + Write-off of loans + Losses on sales of delinquent loans – Recoveries of written-off claims
2. "Other business" includes profit or loss to be offset as internal transactions between segments.

34. Business Combinations

Fiscal year ended March 31, 2012

<Business combination through acquisition>

Promise Co., Ltd. consolidated as a subsidiary through a tender offer for shares and a subscription for new shares issued by way of third-party allotment

Sumitomo Mitsui Banking Corporation ("SMBC"), a consolidated subsidiary of SMFG, implemented a tender offer for the purpose of acquiring the shares of common stock, the first series of stock acquisition rights for the stock compensation-type stock options, the second series of stock acquisition rights for the stock compensation-type stock options, the third series of stock acquisition rights for the stock compensation-type stock options and the euro yen callable bonds with stock acquisition rights due 2015 issued by Promise Co., Ltd. ("Promise"). In addition, SMFG fully subscribed shares issued by Promise through the third-party allotment executed on December 26, 2011. As a result of the above, SMFG consolidated Promise as a subsidiary, which had been formerly an equity method affiliates of SMFG. The outline of the business combination through acquisition is as follows:

1. Outline of the business combination

(1) Name of the acquired company and its business

Promise (Consumer finance)

(2) Main reasons for the business combination

Our basic policy is to acquire 100% stake of Promise aiming for strengthening financial base of Promise and to building up a corporate infrastructure accommodating group-wide prompt and flexible decision making. Through the initiatives, we aim to strengthen the collaboration between Promise and SMFG group companies, and expand consumer finance business centering on Promise which has a competitive advantage in the industry. To this end, we made Promise our consolidated subsidiary through a tender offer by SMBC and a subscription of third-party allotment by SMFG in fiscal 2011.

(3) Date of business combination

December 7, 2011

(4) Legal form of the business combination

Consolidated as a subsidiary through a tender offer for shares of Promise by SMBC and a subscription by SMFG for new shares issued by Promise by way of third-party allotment

(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	22%
Percentage share of voting rights additionally acquired through tender offer	72%
Percentage share of voting rights additionally acquired through subscription for shares issued by way of third-party allotment	4%
Percentage share of voting rights after acquisition ...	98%

(7) Main reason the company was acquired

SMFG acquired a majority of voting rights of Promise 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, 2011 to March 31, 2012

Note that as the deemed acquisition date is December 31, 2011, gain or loss related to the acquired company for the period from April 1, 2011 to December 31, 2011 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 Promise owned before business combination.....	¥ 21,699	\$ 264
Fair value of common stock of Promise additionally acquired through tender offer	70,995	865
Fair value of common stock of Promise additionally acquired through subscription for shares issued by way of third-party allotment	119,999	1,461
Expenses directly required for acquisition	674	8
Acquisition cost of the acquired company.....	¥213,369	\$2,598

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.....	¥213,369	\$2,598
Total acquisition cost of individual transactions leading to acquisition	188,318	2,293
Difference (gains on step acquisitions)	¥ 25,050	\$ 305

5. Goodwill, reason for recognizing goodwill, amortization method and amortization period

- (1) Amount of goodwill
¥57,300 million (\$698 million)
- (2) Reason for recognizing goodwill
SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Promise 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	¥1,671,681	\$20,354
Loans and bills discounted	795,148	9,682
Customers' liabilities for acceptances and guarantees...	564,528	6,874

(2) Liabilities

	Millions of yen	Millions of U.S. dollars
Total liabilities	¥1,511,980	\$18,410
Borrowed money.....	300,884	3,664
Reserve for losses on interest repayment	367,220	4,471
Acceptances and guarantees ...	564,528	6,874

7. Approximate amounts and their calculation method of impact on the consolidated statements of income for the fiscal year ended March 31, 2012, assuming that the business combinations had been completed on the commencement date of the fiscal year

- (1) Estimates of the differences between the ordinary income and other income data, 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 are as follows:

	Millions of yen	Millions of U.S. dollars
Ordinary income	¥143,349	\$1,745
Ordinary profit.....	(152,690)	(1,859)
Net income	(186,332)	(2,269)

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 Promise and its consolidated subsidiaries' statements of income for the period from April 1, 2011 to December 31, 2011, 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.

<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

- (1) Name and business of combined entities
Acquisition company: FGCC (Management of subsidiaries and affiliates)
Acquired company: Cedyna (Credit card services)
- (2) Date of business combination
May 1, 2011
- (3) Form of reorganization
Exchange of shares
- (4) Name of the entity after the reorganization
Sumitomo Mitsui Financial Group, Inc.
- (5) Outline and purpose of the transaction
SMFG and FGCC decided that they needed to establish a system which allowed more timely and flexible decision-making in order to take various measures to "establish the number one credit card business entity in Japan." Therefore, SMFG made Cedyna a wholly-owned subsidiary of FGCC.

2. Accounting methods

SMFG applies the accounting procedures stipulated by Articles 45 and 46 of the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21).

3. Acquisition cost of the additionally acquired stocks of subsidiaries

	Millions of yen	Millions of U.S. dollars
Fair value of common stock of Cedyne additionally acquired...	¥37,535	\$457
Expenses directly required for acquisition.....	80	1
Acquisition cost of the additionally acquired stocks of subsidiaries.....	¥37,616	\$458

4. Share exchange ratio, its basis for determination, number of shares delivered

- (1) Type of shares and share exchange ratio
Common shares
SMFG 1: Cedyne 0.06
Note: 0.06 shares of SMFG common stock was allotted and delivered per share of Cedyne common stock.
- (2) Basis for determination of share exchange ratio
Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.) and Nomura Securities Co., Ltd. were appointed by FGCC and Cedyne, 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 Cedyne 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 Cedyne's financial conditions, performance trends and stock price movements. As a result, FGCC and Cedyne each determined that the share exchange ratio set forth in (1) above was beneficial to the shareholders of both SMFG and Cedyne, and SMFG, FGCC and Cedyne agreed and decided.

- (3) Number of shares delivered
14,702 thousand common shares of SMFG
5. Goodwill, reason for recognizing goodwill, amortization method and amortization period
- (1) Amount of goodwill
¥9,087 million (\$111 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

35. Per Share Data

March 31	Yen		U.S. dollars
	2012	2011	2012
Net assets per share	¥3,856.37	¥3,533.47	\$46.95

Year ended March 31	Yen		U.S. dollars
	2012	2011	2012
Net income per share.....	¥374.26	¥336.85	\$4.56
Net income per share (diluted)	373.99	336.78	4.55

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
	2012	2011	2012
Net income per share:			
Net income.....	¥518,536	¥475,895	\$6,314
Amount not attributable to common stockholders.....	—	6,195	—
Dividends on preferred stock.....	—	6,195	—
Net income attributable to common stock.....	¥518,536	¥469,700	\$6,314
Average number of common stock during the year (in thousands).....	1,385,505	1,394,390	/
Net income per share (diluted):			
Adjustment for net income	¥ (278)	¥ (73)	\$ (3)
Adjustment for dilutive shares issued by subsidiaries and affiliates.....	(278)	(73)	(3)
Increase in number of common stock (in thousands)	243	54	/
Stock acquisition rights	243	54	/

Outline of dilutive shares which were not included in the calculation of "Net income per share (diluted)" for the fiscal years ended March 31, 2012 and 2011 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)

*The number of shares to be issued upon exercise of each stock acquisition right is 100 common shares of SMFG.

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
	2012	2011	2012
Net assets	¥7,254,976	¥7,132,073	\$88,335
Amounts excluded from Net assets	2,044,575	2,250,681	24,894
Preferred stock	—	210,003	—
Dividends on preferred stock	—	3,097	—
Stock acquisition rights	692	262	8
Minority interests	2,043,883	2,037,318	24,886
Net assets attributable to common stock at the fiscal year-end	¥5,210,400	¥4,881,392	\$63,441
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands)	1,351,116	1,381,473	/

(Application of New Accounting Standards)

SMFG has adopted the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan ("ASBJ") Statement No.2), "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No.4) and "Practical Solution on Accounting for Earnings Per Share" (ASBJ PITF No.9) starting from the fiscal year beginning on April 1, 2011. This change has a little impact on the calculation of diluted net income per share.

36. Subsequent Events

<Transactions under common control>

Making Promise Co., Ltd. a wholly-owned subsidiary
SMFG made Promise Co., Ltd. ("Promise") a wholly-owned subsidiary by a share exchange with an effective date of April 1, 2012 (the "Share Exchange"). The outline of transactions under common controls is as follows:

1. Outline of the transactions

- (1) Name and business of combined entities
Acquisition company: Sumitomo Mitsui Financial Group, Inc.
(Bank holding company)
Acquired company: Promise (Consumer finance)
- (2) Date of business combination
April 1, 2012
- (3) Form of reorganization
Exchange of shares
- (4) Name of the entity after the reorganization
Sumitomo Mitsui Financial Group, Inc.
- (5) Outline and purpose of the transaction
SMFG has considered it as our basic policy to wholly-own Promise in order to i) strengthen Promise's financial base to effectively achieve expansion of the consumer finance business with Promise acting at its core in SMFG through further enforcement of cooperation between Promise and SMFG group companies and the establishment of a competitive advantage in the industry of Promise as the initiative, and ii) build up an infrastructure accommodating more timely and flexible group-wide decision making. In line with this policy, SMFG made Promise a wholly-owned subsidiary.

2. Share exchange ratio, its basis for determination, number of shares delivered

- (1) Type of shares and share exchange ratio
Common shares
SMFG 1: Promise 0.36
* 0.36 shares of SMFG common stock was allotted and delivered per share of Promise common stock.
- (2) Basis for determination of share exchange ratio
SMFG and Promise separately appointed a financial advisor or third party valuation institution, both independent of the two companies, in order to ensure fairness and appropriateness in determining the share exchange ratio for the Share Exchange. SMFG appointed Goldman Sachs Japan Co. Ltd. as the financial advisor while Promise appointed Houlihan Lokey K.K. as the third party valuation institution. To determine the share exchange ratio, SMFG and Promise separately considered it carefully with reference to the share exchange ratio provided by the above financial advisor and third party valuation institution, with which they also engaged in discussions and negotiations. With regard to the valuation of Promise's share price, SMFG and Promise took account of the tender offer price for Promise's common stocks, undertaken by SMBC prior to the Share Exchange as a bench mark in addition to the conditions and results of the tender offer, SMFG's share price movements and other factors.
As a result, SMFG and Promise concluded that the share exchange ratio set forth in (1) above was reasonable and beneficial to the shareholders of the two companies, subsequently agreeing and accepting it for the transaction.
- (3) Number of shares delivered
45,660 thousand common shares of SMFG

37. Parent Company

(1) Nonconsolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc.

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Assets			
Current assets	¥ 101,852	¥ 96,397	\$ 1,240
Cash and due from banks	67,323	54,154	820
Prepaid expenses	29	29	0
Accrued income	17	32	0
Accrued income tax refunds	33,266	41,382	405
Other current assets	1,216	798	15
Fixed assets	6,051,608	6,141,258	73,683
Tangible fixed assets	0	0	0
Buildings	0	0	0
Equipment	0	0	0
Intangible fixed assets	16	8	0
Software	16	8	0
Investments and other assets	6,051,591	6,141,248	73,683
Investments in subsidiaries and affiliates	6,051,591	6,141,248	73,683
Total assets	¥6,153,461	¥6,237,655	\$74,923
Liabilities and net assets			
Liabilities			
Current liabilities	¥1,232,931	¥1,001,841	\$15,012
Short-term borrowings	1,228,030	997,030	14,952
Accounts payable	990	940	12
Accrued expenses	3,082	3,054	38
Income taxes payable	16	25	0
Business office taxes payable	6	5	0
Reserve for employees bonuses	127	107	2
Reserve for executive bonuses	83	91	1
Other current liabilities	594	586	7
Fixed liabilities	392,900	392,900	4,784
Bonds	392,900	392,900	4,784
Total liabilities	1,625,831	1,394,741	19,796
Net assets			
Stockholders' equity			
Capital stock	2,337,895	2,337,895	28,465
Capital surplus	1,622,966	1,833,027	19,761
Capital reserve	1,559,374	1,559,374	18,987
Other capital surplus	63,592	273,652	774
Retained earnings	721,096	715,303	8,780
Other retained earnings			
Voluntary reserve	30,420	30,420	370
Retained earnings brought forward	690,676	684,883	8,410
Treasury stock	(154,926)	(43,482)	(1,886)
Total stockholders' equity	4,527,031	4,842,743	55,120
Stock acquisition rights	598	170	7
Total net assets	4,527,629	4,842,914	55,127
Total liabilities and net assets	¥6,153,461	¥6,237,655	\$74,923

(3) Nonconsolidated Statements of Changes in Net Assets
Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of
	2012	2011	U.S. dollars (Note 1)
			2012
Stockholders' equity			
Capital stock			
Balance at the beginning of the fiscal year	¥2,337,895	¥2,337,895	\$28,465
Changes in the fiscal year:			
Net changes in the fiscal year.....	—	—	—
Balance at the end of the fiscal year	¥2,337,895	¥2,337,895	\$28,465
Capital surplus			
Capital reserve			
Balance at the beginning of the fiscal year.....	1,559,374	1,559,374	18,987
Changes in the fiscal year:			
Net changes in the fiscal year.....	—	—	—
Balance at the end of the fiscal year	¥1,559,374	¥1,559,374	\$18,987
Other capital surplus			
Balance at the beginning of the fiscal year.....	273,652	273,699	3,332
Changes in the fiscal year:			
Disposal of treasury stock	(57)	(46)	(1)
Cancellation of treasury stock	(210,003)	—	(2,557)
Net changes in the fiscal year.....	(210,060)	(46)	(2,558)
Balance at the end of the fiscal year	¥ 63,592	¥ 273,652	\$ 774
Total capital surplus			
Balance at the beginning of the fiscal year.....	1,833,027	1,833,073	22,319
Changes in the fiscal year:			
Disposal of treasury stock	(57)	(46)	(1)
Cancellation of treasury stock	(210,003)	—	(2,557)
Net changes in the fiscal year.....	(210,060)	(46)	(2,558)
Balance at the end of the fiscal year	¥1,622,966	¥1,833,027	\$19,761
Retained earnings			
Other retained earnings			
Voluntary reserve			
Balance at the beginning of the fiscal year.....	30,420	30,420	370
Changes in the fiscal year:			
Net changes in the fiscal year.....	—	—	—
Balance at the end of the fiscal year.....	¥ 30,420	¥ 30,420	\$ 370
Retained earnings brought forward			
Balance at the beginning of the fiscal year.....	684,883	647,622	8,339
Changes in the fiscal year:			
Cash dividends	(144,126)	(154,278)	(1,754)
Net income.....	149,919	191,539	1,825
Net changes in the fiscal year.....	5,792	37,260	71
Balance at the end of the fiscal year.....	¥ 690,676	¥ 684,883	\$ 8,410
Total retained earnings			
Balance at the beginning of the fiscal year.....	715,303	678,042	8,709
Changes in the fiscal year:			
Cash dividends	(144,126)	(154,278)	(1,754)
Net income.....	149,919	191,539	1,825
Net changes in the fiscal year.....	5,792	37,260	71
Balance at the end of the fiscal year	¥ 721,096	¥ 715,303	\$ 8,780

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Stockholders' equity			
Treasury stock			
Balance at the end of the previous fiscal year.....	¥ (43,482)	¥ (43,437)	\$ (529)
Changes in the fiscal year:			
Purchase of treasury stock.....	(321,521)	(105)	(3,915)
Disposal of treasury stock.....	74	60	1
Cancellation of treasury stock.....	210,003	—	2,557
Net changes in the fiscal year.....	(111,444)	(45)	(1,357)
Balance at the end of the fiscal year.....	¥ (154,926)	¥ (43,482)	\$ (1,886)
Total stockholders' equity			
Balance at the end of the previous fiscal year.....	4,842,743	4,805,574	58,964
Changes in the fiscal year:			
Cash dividends.....	(144,126)	(154,278)	(1,754)
Net income.....	149,919	191,539	1,825
Purchase of treasury stock.....	(321,521)	(105)	(3,915)
Disposal of treasury stock.....	17	13	0
Cancellation of treasury stock.....	—	—	—
Net changes in the fiscal year.....	(315,711)	37,169	(3,844)
Balance at the end of the fiscal year.....	¥4,527,031	¥4,842,743	\$55,120
Stock acquisition rights			
Balance at the end of the previous fiscal year.....	170	—	2
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	427	170	5
Net changes in the fiscal year.....	427	170	5
Balance at the end of the fiscal year.....	¥ 598	¥ 170	\$ 7
Total net assets			
Balance at the end of the previous fiscal year.....	4,842,914	4,805,574	58,966
Changes in the fiscal year:			
Cash dividends.....	(144,126)	(154,278)	(1,754)
Net income.....	149,919	191,539	1,825
Purchase of treasury stock.....	(321,521)	(105)	(3,915)
Disposal of treasury stock.....	17	13	0
Cancellation of treasury stock.....	—	—	—
Net changes in items other than stockholders' equity in the fiscal year.....	427	170	5
Net changes in the fiscal year.....	(315,284)	37,340	(3,839)
Balance at the end of the fiscal year.....	¥4,527,629	¥4,842,914	\$55,127

Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Financial Group, Inc.:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Financial Group, Inc. ("SMFG") and subsidiaries, which comprise the consolidated balance sheets as at March 31, 2012 and 2011, and the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the years then ended, and basis of presentation, significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SMFG and subsidiaries as at March 31, 2012 and 2011, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

June 28, 2012
Tokyo, Japan

Supplemental Information

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Assets			
Cash and due from banks	¥ 4,526,372	¥ 5,539,966	\$ 55,112
Deposits with banks	3,073,702	3,537,476	37,425
Call loans and bills bought	1,291,818	851,636	15,729
Receivables under resale agreements	227,749	131,104	2,773
Receivables under securities borrowing transactions	4,493,570	4,699,667	54,713
Monetary claims bought	1,271,745	1,076,044	15,484
Trading assets	8,101,100	6,590,920	98,638
Money held in trust	17,763	19,326	216
Securities	42,379,194	39,748,394	516,001
Loans and bills discounted	63,584,767	61,959,049	774,197
Foreign exchanges	1,280,636	1,077,024	15,593
Lease receivables and investment assets	143,978	114,560	1,753
Other assets	2,609,882	2,643,552	31,777
Tangible fixed assets	849,074	828,698	10,338
Intangible fixed assets	514,332	409,917	6,262
Deferred tax assets	340,592	568,966	4,147
Customers' liabilities for acceptances and guarantees	4,412,973	3,862,442	53,732
Reserve for possible loan losses	(867,653)	(943,077)	(10,564)
Total assets	¥138,251,602	¥132,715,674	\$1,683,326

(Continued)

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Liabilities and net assets			
Liabilities			
Deposits	¥ 93,133,430	¥ 90,576,587	\$1,133,732
Call money and bills sold	2,144,599	2,629,407	26,112
Payables under repurchase agreements	1,676,902	726,365	20,417
Payables under securities lending transactions	5,809,603	5,712,348	70,737
Commercial paper	1,193,249	337,120	14,529
Trading liabilities	6,208,087	5,209,441	75,589
Borrowed money	6,835,091	8,631,713	83,223
Foreign exchanges	302,580	256,160	3,684
Short-term bonds	244,988	417,788	2,983
Bonds	4,540,708	3,783,297	55,287
Due to trust account	443,723	216,171	5,403
Other liabilities	3,539,191	3,238,158	43,092
Reserve for employee bonuses	38,118	35,592	464
Reserve for executive bonuses	2,419	2,001	29
Reserve for employee retirement benefits	23,766	17,383	289
Reserve for executive retirement benefits	1,465	1,666	18
Reserve for point service program	3,230	2,249	39
Reserve for reimbursement of deposits	10,980	9,923	134
Reserve for losses on interest repayment	336,956	2,600	4,103
Reserve under the special laws	98	69	1
Deferred tax liabilities	52,811	18,352	643
Deferred tax liabilities for land revaluation	39,915	45,698	486
Acceptances and guarantees	4,412,973	3,862,442	53,732
Total liabilities	130,974,895	125,732,541	1,594,726
Net assets			
Capital stock	1,770,996	1,770,996	21,563
Capital surplus	2,717,397	2,717,397	33,087
Retained earnings	1,299,484	929,336	15,822
Treasury stock	(210,003)	—	(2,557)
Total stockholders' equity	5,577,875	5,417,730	67,915
Net unrealized gains on other securities	286,413	239,717	3,488
Net deferred losses on hedges	(30,674)	(8,921)	(374)
Land revaluation excess	39,078	33,294	476
Foreign currency translation adjustments	(139,425)	(119,696)	(1,698)
Total accumulated other comprehensive income	155,391	144,394	1,892
Stock acquisition rights	94	91	1
Minority interests	1,543,345	1,420,915	18,792
Total net assets	7,276,706	6,983,132	88,600
Total liabilities and net assets	¥138,251,602	¥132,715,674	\$1,683,326

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 ¥82.13 to US\$1, the exchange rate prevailing at March 31, 2012.

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
	2012	2011	2012
Income			
Interest income.....	¥1,503,442	¥1,485,778	\$18,306
Interest on loans and discounts	1,168,180	1,153,471	14,224
Interest and dividends on securities.....	238,443	248,988	2,903
Interest on receivables under resale agreements.....	5,890	2,351	72
Interest on receivables under securities borrowing transactions	6,788	8,429	83
Interest on deposits with banks	29,512	18,439	359
Interest on lease transactions.....	4,905	4,369	60
Other interest income	49,720	49,729	605
Trust fees	1,736	2,299	21
Fees and commissions.....	689,790	665,109	8,399
Trading income.....	178,791	212,920	2,177
Other operating income	274,440	297,766	3,341
Other income	67,498	51,070	822
Total income	2,715,700	2,714,944	33,066
Expenses			
Interest expenses	264,340	268,627	3,219
Interest on deposits.....	134,661	139,543	1,640
Interest on borrowings and rediscounts.....	30,356	28,434	370
Interest on payables under repurchase agreements	3,694	2,751	45
Interest on payables under securities lending transactions	6,828	8,743	83
Interest on bonds and short-term bonds	75,962	66,922	925
Other interest expenses	12,837	22,231	156
Fees and commissions payments.....	138,337	137,944	1,684
Other operating expenses.....	64,269	143,012	783
General and administrative expenses	1,142,170	1,094,576	13,907
Provision for reserve for possible loan losses.....	13,411	42,427	163
Other expenses	215,861	285,477	2,628
Total expenses.....	1,838,390	1,972,065	22,384
Income before income taxes and minority interests	877,310	742,878	10,682
Income taxes:			
Current.....	63,156	59,719	769
Deferred.....	190,576	150,503	2,320
Income before minority interests.....	623,577	532,656	7,593
Minority interests in net income	89,760	81,823	1,093
Net income	¥ 533,816	¥ 450,832	\$ 6,500

Nonconsolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Assets			
Cash and due from banks	¥ 4,192,690	¥ 4,793,275	\$ 51,049
Deposits with banks	2,426,035	3,308,910	29,539
Call loans and bills bought	547,240	288,120	6,663
Receivables under resale agreements	203,768	96,665	2,481
Receivables under securities borrowing transactions	726,677	402,928	8,848
Monetary claims bought	626,146	509,773	7,624
Trading assets	3,777,835	3,623,461	45,998
Money held in trust	7,253	10,316	88
Securities	42,441,134	39,853,432	516,756
Loans and bills discounted	56,411,492	55,237,613	686,856
Foreign exchanges	1,024,074	1,000,964	12,469
Other assets	1,981,695	1,994,996	24,129
Tangible fixed assets	730,939	717,568	8,900
Intangible fixed assets	154,892	142,321	1,886
Deferred tax assets	185,428	376,899	2,258
Customers' liabilities for acceptances and guarantees	4,299,577	3,852,949	52,351
Reserve for possible loan losses	(689,215)	(711,522)	(8,392)
Reserve for possible losses on investments	(10,195)	(13,769)	(124)
Total assets	¥119,037,469	¥115,484,907	\$1,449,379
Liabilities and net assets			
Liabilities			
Deposits	¥ 84,392,835	¥ 82,443,286	\$1,027,552
Call money and bills sold	1,877,900	2,272,758	22,865
Payables under repurchase agreements	562,867	503,315	6,853
Payables under securities lending transactions	4,539,644	4,760,920	55,274
Commercial paper	1,193,249	337,120	14,529
Trading liabilities	3,503,085	3,015,835	42,653
Borrowed money	5,181,294	5,952,326	63,086
Foreign exchanges	341,400	272,253	4,157
Short-term bonds	19,999	40,999	244
Bonds	4,215,610	3,670,355	51,329
Due to trust account	443,723	216,171	5,403
Other liabilities	2,693,465	2,521,061	32,795
Reserve for employee bonuses	10,798	10,019	131
Reserve for executive bonuses	609	692	7
Reserve for point service program	2,503	1,586	30
Reserve for reimbursement of deposits	9,854	8,872	120
Deferred tax liabilities for land revaluation	39,385	45,091	480
Acceptances and guarantees	4,299,577	3,852,949	52,351
Total liabilities	113,327,806	109,925,614	1,379,859
Net assets			
Capital stock	1,770,996	1,770,996	21,563
Capital surplus	2,481,273	2,481,273	30,212
Retained earnings	1,255,108	935,992	15,282
Treasury stock	(210,003)	—	(2,557)
Total stockholders' equity	5,297,375	5,188,262	64,500
Net unrealized gains on other securities	281,109	229,885	3,423
Net deferred gains on hedges	105,391	121,109	1,283
Land revaluation excess	25,786	20,035	314
Total valuation and translation adjustments	412,288	371,030	5,020
Total net assets	5,709,663	5,559,293	69,520
Total liabilities and net assets	¥119,037,469	¥115,484,907	\$1,449,379

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 ¥82.13 to US\$1, the exchange rate prevailing at March 31, 2012.

Nonconsolidated Statements of Income (Unaudited)

Sumitomo Mitsui Banking Corporation

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Income			
Interest income.....	¥1,239,535	¥1,259,403	\$15,092
Interest on loans and discounts	943,216	962,113	11,485
Interest and dividends on securities.....	226,631	240,380	2,759
Interest on receivables under resale agreements.....	3,726	757	45
Interest on receivables under securities borrowing transactions.....	1,330	2,263	16
Interest on deposits with banks	18,625	13,725	227
Other interest income	46,006	40,164	560
Trust fees	1,736	2,299	21
Fees and commissions.....	453,877	439,770	5,526
Trading income.....	84,051	151,070	1,024
Other operating income	193,341	218,075	2,354
Other income.....	48,500	39,969	591
Total income	2,021,042	2,110,588	24,608
Expenses			
Interest expenses	282,668	291,595	3,442
Interest on deposits.....	99,235	110,415	1,208
Interest on borrowings and rediscounts.....	93,389	89,770	1,137
Interest on payables under repurchase agreements	2,050	1,814	25
Interest on payables under securities lending transactions	5,318	7,247	65
Interest on bonds and short-term bonds	70,530	63,048	859
Other interest expenses	12,144	19,299	148
Fees and commissions payments.....	134,989	137,103	1,644
Other operating expenses.....	22,384	110,177	272
General and administrative expenses	752,436	738,447	9,161
Provision for reserve for possible loan losses.....	16,175	19,473	197
Other expenses	120,394	224,951	1,466
Total expenses.....	1,329,050	1,521,748	16,182
Income before income taxes	691,992	588,839	8,426
Income taxes:			
Current.....	44,703	42,386	544
Deferred.....	169,315	125,273	2,062
Net income	¥ 477,973	¥ 421,180	\$ 5,820

Per share data:	Yen		U.S. dollars
	2012	2011	2012
Net income	¥4,498.64	¥3,905.80	\$54.77
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 ¥82.13 to US\$1, the exchange rate prevailing at March 31, 2012.

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							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,314,718	¥432,440	¥(115,566)	¥1,631,592	¥1,345,979	¥356,800	¥(90,179)	¥1,612,599
Interest expenses	268,775	135,995	(114,559)	290,211	281,315	103,355	(89,739)	294,931
Net interest income	1,045,943	296,444	(1,006)	1,341,380	1,064,663	253,444	(439)	1,317,668
Trust fees	1,770	—	—	1,770	2,335	—	—	2,335
Fees and commissions	827,374	130,911	(2,606)	955,680	806,591	92,975	(2,105)	897,461
Fees and commissions payments	119,947	12,943	(791)	132,099	120,594	11,046	(410)	131,230
Net fees and commissions	707,426	117,968	(1,814)	823,580	685,997	81,929	(1,695)	766,230
Trading income	223,100	19,768	(44,676)	198,192	251,626	2,787	(17,321)	237,093
Trading losses	9,273	35,403	(44,676)	—	6,732	10,589	(17,321)	—
Net trading income	213,827	(15,634)	—	198,192	244,894	(7,801)	—	237,093
Other operating income	1,029,399	81,633	(466)	1,110,566	961,912	77,934	(183)	1,039,662
Other operating expenses	836,155	45,118	(275)	880,998	821,014	37,504	(274)	858,243
Net other operating income (expenses)	193,243	36,515	(190)	229,568	140,898	40,429	91	181,419

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 (2012, ¥11 million; 2011, ¥16 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					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥ 96,305,891	¥1,314,718	1.37%	¥93,247,748	¥1,345,979	1.44%
Loans and bills discounted	52,955,134	971,576	1.83	54,156,879	1,006,690	1.86
Securities	35,985,772	218,377	0.61	31,216,834	228,045	0.73
Call loans and bills bought	340,099	2,080	0.61	355,148	2,250	0.63
Receivables under resale agreements	33,409	38	0.11	26,178	32	0.12
Receivables under securities borrowing transactions	3,916,819	6,823	0.17	4,243,613	8,464	0.20
Deposits with banks	320,621	2,853	0.89	343,704	1,566	0.46
Lease receivables and investment assets	1,502,065	56,844	3.78	1,626,041	62,998	3.87
Interest-bearing liabilities	¥103,590,027	¥ 268,775	0.26%	¥98,130,523	¥ 281,315	0.29%
Deposits	74,462,781	54,738	0.07	70,966,834	71,673	0.10
Negotiable certificates of deposit	6,553,470	10,059	0.15	7,144,913	12,396	0.17
Call money and bills sold	1,434,362	1,564	0.11	1,613,628	2,166	0.13
Payables under repurchase agreements	1,034,848	1,048	0.10	445,349	573	0.13
Payables under securities lending transactions	3,873,427	6,852	0.18	4,629,220	8,847	0.19
Commercial paper	—	—	—	—	—	—
Borrowed money	10,594,792	104,790	0.99	8,118,619	106,979	1.32
Short-term bonds	1,016,300	1,540	0.15	1,190,706	2,006	0.17
Bonds	4,403,844	86,133	1.96	3,810,547	76,662	2.01

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 (2012, ¥1,950,185 million; 2011, ¥1,188,255 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 (2012, ¥24,556 million; 2011, ¥21,928 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2012, ¥24,556 million; 2011, ¥21,928 million) and corresponding interest (2012, ¥11 million; 2011, ¥16 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥19,015,055	¥432,440	2.27%	¥15,642,630	¥356,800	2.28%
Loans and bills discounted.....	11,282,653	312,938	2.77	9,620,423	265,568	2.76
Securities.....	1,794,991	40,659	2.27	1,978,236	39,734	2.01
Call loans and bills bought.....	830,607	12,671	1.53	771,389	7,055	0.91
Receivables under resale agreements.....	193,189	5,852	3.03	69,728	2,319	3.33
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Deposits with banks.....	3,739,091	27,497	0.74	2,285,316	17,583	0.77
Lease receivables and investment assets.....	230,789	12,099	5.24	184,752	8,591	4.65
Interest-bearing liabilities.....	¥12,388,251	¥135,995	1.10%	¥10,510,807	¥103,355	0.98%
Deposits.....	7,419,147	48,104	0.65	6,702,036	36,716	0.55
Negotiable certificates of deposit.....	2,981,411	22,399	0.75	2,013,996	19,268	0.96
Call money and bills sold.....	376,447	2,032	0.54	326,104	1,621	0.50
Payables under repurchase agreements.....	647,974	2,646	0.41	597,909	2,180	0.36
Payables under securities lending transactions.....	—	—	—	—	—	—
Commercial paper.....	511,690	1,986	0.39	328,969	1,164	0.35
Borrowed money.....	325,402	13,098	4.03	421,821	9,958	2.36
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	102,081	6,610	6.48	105,117	6,745	6.42

- 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 (2012, ¥71,630 million; 2011, ¥103,935 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥113,479,948	¥1,631,592	1.44%	¥107,061,829	¥1,612,599	1.51%
Loans and bills discounted.....	62,913,741	1,211,794	1.93	62,448,896	1,199,083	1.92
Securities.....	37,433,545	242,086	0.65	32,845,940	251,311	0.77
Call loans and bills bought.....	1,170,707	14,752	1.26	1,126,538	9,305	0.83
Receivables under resale agreements.....	226,579	5,890	2.60	95,907	2,351	2.45
Receivables under securities borrowing transactions.....	3,916,819	6,823	0.17	4,243,613	8,464	0.20
Deposits with banks.....	3,904,411	29,742	0.76	2,484,913	18,592	0.75
Lease receivables and investment assets.....	1,732,854	68,943	3.98	1,810,793	71,589	3.95
Interest-bearing liabilities.....	¥114,072,487	¥290,211	0.25%	¥106,745,754	¥ 294,931	0.28%
Deposits.....	81,683,045	102,018	0.12	77,485,196	107,758	0.14
Negotiable certificates of deposit.....	9,534,881	32,458	0.34	9,158,909	31,665	0.35
Call money and bills sold.....	1,810,794	3,596	0.20	1,939,732	3,788	0.20
Payables under repurchase agreements.....	1,682,804	3,694	0.22	1,043,259	2,753	0.26
Payables under securities lending transactions.....	3,873,427	6,852	0.18	4,629,220	8,847	0.19
Commercial paper.....	511,690	1,986	0.39	328,969	1,164	0.35
Borrowed money.....	9,616,933	45,939	0.48	7,228,342	44,298	0.61
Short-term bonds.....	1,016,300	1,540	0.15	1,190,706	2,006	0.17
Bonds.....	4,113,026	76,276	1.85	3,522,765	66,940	1.90

- 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 (2012, ¥2,024,133 million; 2011, ¥1,288,655 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 (2012, ¥24,556 million; 2011, ¥21,928 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2012, ¥24,556 million; 2011, ¥21,928 million) and corresponding interest (2012, ¥11 million; 2011, ¥16 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥827,374	¥130,911	¥(2,606)	¥955,680	¥806,591	¥92,975	¥(2,105)	¥897,461
Deposits and loans	21,619	70,789	(11)	92,397	21,264	61,373	(33)	82,604
Remittances and transfers.....	117,283	9,704	(3)	126,984	119,605	8,253	(2)	127,856
Securities-related business.....	65,090	25,625	(366)	90,350	70,803	631	(156)	71,277
Agency	18,896	—	—	18,896	18,054	—	—	18,054
Safe deposits	6,322	2	—	6,325	6,505	2	—	6,507
Guarantees.....	59,283	11,892	(109)	71,066	52,403	10,559	(200)	62,762
Credit card business	208,853	—	—	208,853	185,970	—	—	185,970
Investment trusts	141,372	1,567	—	142,940	161,632	2,073	—	163,706
Fees and commissions payments.....	¥119,947	¥ 12,943	¥ (791)	¥132,099	¥120,594	¥11,046	¥ (410)	¥131,230
Remittances and transfers.....	27,256	6,156	(111)	33,301	27,927	6,149	(118)	33,958

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.

Trading Income

Year ended March 31	Millions of yen							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥223,100	¥19,768	¥(44,676)	¥198,192	¥251,626	¥ 2,787	¥(17,321)	¥237,093
Gains on trading securities	132,055	—	(17,077)	114,978	92,932	1,301	—	94,234
Gains on securities related to trading transactions	7,313	320	—	7,634	1,019	519	—	1,538
Gains on trading-related financial derivatives.....	83,188	18,739	(27,599)	74,328	156,512	966	(17,321)	140,157
Others	542	708	—	1,251	1,162	—	—	1,162
Trading losses.....	¥ 9,273	¥35,403	¥(44,676)	¥ —	¥ 6,732	¥10,589	¥(17,321)	¥ —
Losses on trading securities	—	17,077	(17,077)	—	—	—	—	—
Losses on securities related to trading transactions	—	—	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	9,273	18,326	(27,599)	—	6,732	10,589	(17,321)	—
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	
	2012	2011
Domestic operations:		
Liquid deposits	¥48,497,851	¥46,333,358
Fixed-term deposits	25,121,271	25,357,704
Others	3,792,990	3,855,153
Subtotal	77,412,113	75,546,217
Negotiable certificates of deposit	5,327,489	5,997,958
Total	¥82,739,603	¥81,544,175
Overseas operations:		
Liquid deposits	¥ 4,849,970	¥ 4,810,044
Fixed-term deposits	1,745,146	1,533,773
Others	121,331	108,904
Subtotal	6,716,447	6,452,722
Negotiable certificates of deposit	3,266,149	2,368,364
Total	¥ 9,982,596	¥ 8,821,087
Grand total	¥92,722,199	¥90,365,263

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			
	2012		2011	
Domestic operations:				
Manufacturing	¥ 6,076,691	11.70%	¥ 6,001,645	11.45%
Agriculture, forestry, fisheries and mining	137,269	0.26	148,994	0.28
Construction	897,228	1.73	962,259	1.84
Transportation, communications and public enterprises	4,237,663	8.16	3,829,628	7.31
Wholesale and retail	4,117,083	7.93	4,238,042	8.09
Finance and insurance	3,448,010	6.64	3,991,865	7.62
Real estate, goods rental and leasing	7,443,777	14.33	7,761,065	14.81
Services	3,612,303	6.96	3,847,475	7.34
Municipalities	1,054,492	2.03	1,230,912	2.35
Others	20,907,113	40.26	20,393,976	38.91
Subtotal	¥51,931,633	100.00%	¥52,405,866	100.00%
Overseas operations:				
Public sector	¥ 73,593	0.68%	¥ 35,733	0.40%
Financial institutions	510,896	4.73	608,810	6.81
Commerce and industry	9,165,963	84.96	7,475,110	83.59
Others	1,038,512	9.63	822,834	9.20
Subtotal	¥10,788,965	100.00%	¥ 8,942,489	100.00%
Total	¥62,720,599	—	¥61,348,355	—

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

	Millions of yen	
March 31	2012	2011
General reserve	¥593,338	¥ 696,154
Specific reserve	385,416	362,137
Loan loss reserve for specific overseas countries	178	653
Reserve for possible loan losses	¥978,933	¥1,058,945
Amount of direct reduction	¥685,871	¥ 867,866

Risk-Monitored Loans

	Millions of yen	
March 31	2012	2011
Bankrupt loans	¥ 74,218	¥ 90,777
Non-accrual loans	1,145,347	1,031,828
Past due loans (3 months or more)	22,502	25,438
Restructured loans	562,882	498,323
Total	¥1,804,951	¥1,646,369
Amount of direct reduction	¥ 596,075	¥ 735,638

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

	Millions of yen	
March 31	2012	2011
Bankrupt and quasi-bankrupt assets	¥ 259,670	¥ 281,611
Doubtful assets	1,017,631	875,837
Substandard loans	580,351	532,873
Total of problem assets	1,857,653	1,690,321
Normal assets	69,826,134	67,868,754
Total	¥71,683,787	¥69,559,075
Amount of direct reduction	¥ 685,871	¥ 867,866

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	
	2012	2011
Domestic operations:		
Japanese government bonds.....	¥29,327,057	¥25,934,346
Japanese local government bonds	474,884	544,409
Japanese corporate bonds	3,155,712	3,256,034
Japanese stocks.....	2,567,288	2,696,843
Others.....	5,015,264	5,778,370
Subtotal	¥40,540,207	¥38,210,004
Overseas operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	997	—
Others.....	1,941,863	1,697,165
Subtotal	¥ 1,942,861	¥ 1,697,165
Unallocated corporate assets:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	46,881	44,953
Others.....	—	—
Subtotal	¥ 46,881	¥ 44,953
Total	¥42,529,950	¥39,952,123

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							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥7,546,567	¥698,785	¥(48,408)	¥8,196,944	¥6,149,138	¥518,595	¥(34,836)	¥6,632,898
Trading securities.....	4,008,205	19,403	—	4,027,609	2,778,917	38,619	—	2,817,536
Derivatives of trading securities.....	3,419	—	—	3,419	3,857	—	—	3,857
Securities related to trading transactions.....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	19,498	5	—	19,503	5,338	—	—	5,338
Trading-related financial derivatives	3,262,485	674,615	(48,408)	3,888,692	3,070,072	479,623	(34,836)	3,514,859
Other trading assets.....	252,958	4,759	—	257,718	290,952	353	—	291,305
Trading liabilities.....	¥5,505,475	¥790,993	¥(48,408)	¥6,248,061	¥4,670,219	¥612,920	¥(34,836)	¥5,248,302
Trading securities sold for short sales	2,169,852	3,005	—	2,172,857	1,622,216	830	—	1,623,046
Derivatives of trading securities.....	7,409	43	—	7,453	1,803	—	—	1,803
Securities related to trading transactions sold for short sales.....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	17,442	13	—	17,455	5,638	1	—	5,639
Trading-related financial derivatives	3,310,771	787,931	(48,408)	4,050,294	3,040,560	612,088	(34,836)	3,617,812
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
April 30, 2008*1	157,151	8,010,905.77	¥ —	¥1,420,877	¥ —	¥ 642,355
May 16, 2008*2	(16,700)	7,994,205.77	—	1,420,877	—	642,355
January 4, 2009*3	781,189,672.23	789,183,878	—	1,420,877	—	642,355
June 22, 2009*4	219,700,000	1,008,883,878	413,695	1,834,572	413,695	1,056,050
July 27, 2009*5	8,931,300	1,017,815,178	16,817	1,851,389	16,817	1,072,868
January 27, 2010*6	340,000,000	1,357,815,178	459,477	2,310,867	459,477	1,532,345
January 28, 2010*7	36,343,848	1,394,159,026	—	2,310,867	—	1,532,345
February 8, 2010*8	(33,400)	1,394,125,626	—	2,310,867	—	1,532,345
February 10, 2010*9	20,000,000	1,414,125,626	27,028	2,337,895	27,028	1,559,374
April 1, 2011*10	(70,001)	1,414,055,625	—	2,337,895	—	1,559,374

Remarks:

*1 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)

*2 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)

*3 Increase in shares of common stock of 781,189,672.23 as a result of 100-for-1 stock split

*4 Public offering: Common stock: 219,700,000 shares
Issue price: ¥3,766 Capitalization: ¥1,883

*5 Allotment to third parties: Common stock: 8,931,300 shares
Issue price: ¥3,766 Capitalization: ¥1,883

*6 Public offering: Common stock: 340,000,000 shares
Issue price: ¥2,702.81 Capitalization: ¥1,351.405

*7 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)

*8 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)

*9 Allotment to third parties: Common stock: 20,000,000 shares
Issue price: ¥2,702.81 Capitalization: ¥1,351.405

*10 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, 2012	Number of shares issued
Common stock	1,414,055,625
Total	1,414,055,625

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 ADRs on the New York Stock Exchange.

Number of Common Shares, Classified by Type of Shareholders

March 31, 2012	Number of shareholders	Number of units	Percentage of total
Japanese government and local government	7	4,774	0.03%
Financial institutions	387	4,156,217	29.44
Securities companies	95	636,758	4.51
Other institutions	8,753	1,509,896	10.70
Foreign institutions	882	5,275,303	37.37
Foreign individuals	142	790	0.01
Individuals and others	337,962	2,531,698	17.94
Total	348,228	14,115,436	100.00%
Fractional shares (shares).....	—	2,512,025	—

Notes: 1. Of 49,441,519 shares in treasury stock, 494,415 units are included in "Individuals and others" and the remaining 19 shares are included in "Fractional shares."

2. "Other institutions" and "Fractional shares" includes 28 units and 51 shares, held at Japan Securities Depository Center, Incorporated.

3. The number of shares constituting 1 unit is 100.

Principal Shareholders

Common Stock

March 31, 2012	Number of shares	Percentage of shares outstanding
Japan Trustee Services Bank, Ltd. (Trust Account).....	90,536,318	6.40%
The Master Trust Bank of Japan, Ltd. (Trust Account).....	73,312,500	5.18
SSBT OD05 Omnibus Account — Treaty Clients*.....	39,033,944	2.76
Japan Trustee Services Bank, Ltd. (Trust Account 9).....	29,113,800	2.05
State Street Bank and Trust Company 505225**.....	19,858,287	1.40
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension**.....	17,891,918	1.26
The Bank of New York, Treaty JASDEC Account***.....	15,999,996	1.13
Nippon Life Insurance Company.....	15,466,682	1.09
NATSCUMCO****.....	14,319,917	1.01
Sumitomo Mitsui Banking Corporation	13,340,000	0.94
Total	328,873,362	23.25%

* Standing agent: The HongKong and Shanghai Banking Corporation Limited's Tokyo Branch

** Standing agent: Mizuho Corporate Bank, Ltd.

*** Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

**** Standing agent: Sumitomo Mitsui Banking Corporation

Notes: 1. 49,441,519 shares of treasury stock owned by SMFG are not included in the above table.

2. Pursuant to Article 67 of the Enforcement Ordinance of the Companies Act, the exercise of voting rights of common shares held by Sumitomo Mitsui Banking Corporation is restricted.

3. Sumitomo Mitsui Trust Holdings, Inc. has submitted a Report of Possession of Large Volume regarding its shareholding as of April 21, 2011. It stated that The Sumitomo Trust and Banking Company, Limited and three other shareholders hold common shares in SMFG as of April 15, 2011. But these four are not included in the above Principal Shareholders because SMFG was unable to confirm the number of shares owned by them at the end of the fiscal year under review.

The Report of Possession of Large Volume is detailed as follows.

Principal Shareholder: The Sumitomo Trust and Banking Company, Limited (and three other joint shareholders)

Number of shares held: 78,378,800 (including joint ownership)

Shareholding ratio: 5.54%

Stock Options

March 31	2012
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	2012
Number of shares granted.....	100,200 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

March 31	2012
Number of shares granted.....	266,200 shares
Type of stock	Common stock
Issue price	¥1,873 per share
Amount capitalized when shares are issued	¥937 per share
Exercise period of stock options.....	From August 16, 2011 to August 15, 2041

Date of resolution: Meeting of the Board of Directors held on July 29, 2011

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				
	2012	2011	2010	2009	2008
High	¥2,933	¥3,355	¥4,520	¥9,640	¥1,210,000
Low	2,003	2,235	2,591	2,585	633,000

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.

Six-Month Performance

	Yen					
	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012
High	¥2,312	¥2,241	¥2,282	¥2,451	¥2,806	¥2,933
Low	2,060	2,003	2,110	2,161	2,409	2,632

Note: Stock prices of common shares as quoted on the Tokyo Stock Exchange (First Section).

Income Analysis (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Operating Income, Classified by Domestic and Overseas Operations

Year ended March 31	Millions of yen							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,200,347	¥403,868	¥(100,773)	¥1,503,442	¥1,227,312	¥331,747	¥(73,281)	¥1,485,778
Interest expenses	234,598	130,621	(100,890)	264,329	241,960	100,023	(73,372)	268,610
Net interest income	965,749	273,246	116	1,239,113	985,352	231,724	91	1,217,168
Trust fees	1,736	—	—	1,736	2,299	—	—	2,299
Fees and commissions	561,482	130,857	(2,550)	689,790	574,092	92,978	(1,961)	665,109
Fees and commissions payments	126,179	12,943	(785)	138,337	127,305	11,046	(407)	137,944
Net fees and commissions	435,302	117,914	(1,764)	551,452	446,786	81,932	(1,553)	527,165
Trading income	203,699	19,768	(44,676)	178,791	227,454	2,787	(17,321)	212,920
Trading losses	9,273	35,403	(44,676)	—	6,732	10,589	(17,321)	—
Net trading income	194,426	(15,634)	—	178,791	220,722	(7,801)	—	212,920
Other operating income	234,609	40,258	(427)	274,440	249,252	48,567	(53)	297,766
Other operating expenses	57,071	7,197	—	64,269	135,821	7,190	—	143,012
Net other operating income (expenses)	177,537	33,061	(427)	210,171	113,430	41,376	(53)	154,753

- 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 (2012, ¥11 million; 2011, ¥16 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					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥ 95,201,464	¥1,200,347	1.26%	¥91,909,190	¥1,227,312	1.34%
Loans and bills discounted	53,624,379	914,742	1.71	54,710,171	953,365	1.74
Securities	35,812,965	214,736	0.60	31,053,391	225,723	0.73
Call loans and bills bought	329,845	2,069	0.63	352,721	2,248	0.64
Receivables under resale agreements	33,409	38	0.11	26,178	32	0.12
Receivables under securities borrowing transactions	3,873,332	6,788	0.18	4,202,003	8,429	0.20
Deposits with banks	289,927	2,741	0.95	292,234	1,419	0.49
Interest-bearing liabilities	¥100,596,463	¥ 234,598	0.23%	¥95,026,491	¥ 241,960	0.25%
Deposits	74,584,401	54,758	0.07	71,099,847	71,691	0.10
Negotiable certificates of deposit	6,690,572	10,128	0.15	7,197,270	12,453	0.17
Call money and bills sold	1,434,354	1,563	0.11	1,613,567	2,166	0.13
Payables under repurchase agreements	1,034,285	1,047	0.10	443,352	571	0.13
Payables under securities lending transactions	3,849,958	6,828	0.18	4,545,844	8,743	0.19
Commercial paper	—	—	—	—	—	—
Borrowed money	8,585,479	89,062	1.04	6,205,133	89,516	1.44
Short-term bonds	278,485	417	0.15	359,916	564	0.16
Bonds	3,917,314	68,933	1.76	3,347,596	59,612	1.78

- 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 (2012, ¥1,909,038 million; 2011, ¥1,143,287 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 (2012, ¥19,144 million; 2011, ¥18,676 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2012, ¥19,144 million; 2011, ¥18,676 million) and corresponding interest (2012, ¥11 million; 2011, ¥16 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥18,397,039	¥403,868	2.20%	¥15,061,087	¥331,747	2.20%
Loans and bills discounted.....	11,192,798	310,883	2.78	9,530,458	263,531	2.77
Securities.....	1,402,073	23,707	1.69	1,585,317	23,265	1.47
Call loans and bills bought.....	830,607	12,671	1.53	771,389	7,055	0.91
Receivables under resale agreements.....	193,189	5,852	3.03	69,728	2,319	3.33
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Deposits with banks.....	3,726,846	27,382	0.73	2,282,712	17,572	0.77
Interest-bearing liabilities.....	¥12,284,079	¥130,621	1.06%	¥10,438,017	¥100,023	0.96%
Deposits.....	7,419,165	48,104	0.65	6,702,044	36,716	0.55
Negotiable certificates of deposit.....	2,981,411	22,399	0.75	2,013,996	19,268	0.96
Call money and bills sold.....	376,447	2,032	0.54	326,104	1,621	0.50
Payables under repurchase agreements....	647,974	2,646	0.41	597,909	2,180	0.36
Payables under securities lending transactions.....	—	—	—	—	—	—
Commercial paper.....	511,690	1,986	0.39	328,969	1,164	0.35
Borrowed money.....	221,212	7,895	3.57	349,022	6,751	1.93
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	102,081	6,610	6.48	105,117	6,745	6.42

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 (2012, ¥71,493 million; 2011, ¥103,430 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥112,123,576	¥1,503,442	1.34%	¥105,509,373	¥1,485,778	1.41%
Loans and bills discounted.....	63,510,882	1,153,439	1.82	62,929,036	1,144,168	1.82
Securities.....	37,215,039	238,443	0.64	32,638,709	248,988	0.76
Call loans and bills bought.....	1,160,453	14,741	1.27	1,124,111	9,303	0.83
Receivables under resale agreements.....	226,579	5,890	2.60	95,907	2,351	2.45
Receivables under securities borrowing transactions.....	3,873,332	6,788	0.18	4,202,003	8,429	0.20
Deposits with banks.....	3,862,569	29,512	0.76	2,432,539	18,439	0.76
Interest-bearing liabilities.....	¥111,374,120	¥ 264,329	0.24%	¥103,967,089	¥ 268,610	0.26%
Deposits.....	81,813,864	102,133	0.12	77,622,970	107,821	0.14
Negotiable certificates of deposit.....	9,671,984	32,528	0.34	9,211,266	31,721	0.34
Call money and bills sold.....	1,810,786	3,596	0.20	1,939,672	3,787	0.20
Payables under repurchase agreements....	1,682,240	3,694	0.22	1,041,262	2,751	0.26
Payables under securities lending transactions.....	3,849,958	6,828	0.18	4,545,844	8,743	0.19
Commercial paper.....	511,690	1,986	0.39	328,969	1,164	0.35
Borrowed money.....	7,500,718	24,773	0.33	5,242,563	23,481	0.45
Short-term bonds.....	278,485	417	0.15	359,916	564	0.16
Bonds.....	4,019,396	75,544	1.88	3,452,714	66,357	1.92

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 (2012, ¥1,980,197 million; 2011, ¥1,239,571 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 (2012, ¥19,144 million; 2011, ¥18,676 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2012, ¥19,144 million; 2011, ¥18,676 million) and corresponding interest (2012, ¥11 million; 2011, ¥16 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥561,482	¥130,857	¥(2,550)	¥689,790	¥574,092	¥92,978	¥(1,961)	¥665,109
Deposits and loans	22,408	70,789	(10)	93,187	22,057	61,373	(11)	83,419
Remittances and transfers.....	118,183	9,704	(1)	127,886	120,616	8,253	(1)	128,869
Securities-related business.....	56,610	25,625	(361)	81,874	58,728	631	(156)	59,203
Agency	16,805	—	—	16,805	16,274	—	—	16,274
Safe deposits	6,323	2	—	6,325	6,505	2	—	6,507
Guarantees.....	42,030	11,892	(106)	53,816	39,403	10,559	(184)	49,778
Credit card business.....	6,298	—	—	6,298	6,208	—	—	6,208
Investment trusts	122,610	1,567	—	124,177	145,850	2,073	—	147,923
Fees and commissions payments.....	¥126,179	¥ 12,943	¥ (785)	¥138,337	¥127,305	¥11,046	¥ (407)	¥137,944
Remittances and transfers.....	27,256	6,156	(111)	33,301	27,927	6,149	(118)	33,958

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.

Trading Income

Year ended March 31	Millions of yen							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥203,699	¥19,768	¥(44,676)	¥178,791	¥227,454	¥ 2,787	¥(17,321)	¥212,920
Gains on trading securities	112,654	—	(17,077)	95,577	68,760	1,301	—	70,062
Gains on securities related to trading transactions	7,313	320	—	7,634	1,019	519	—	1,538
Gains on trading-related financial derivatives.....	83,188	18,739	(27,599)	74,328	156,512	966	(17,321)	140,157
Others	542	708	—	1,251	1,162	—	—	1,162
Trading losses.....	¥ 9,273	¥35,403	¥(44,676)	¥ —	¥ 6,732	¥10,589	¥(17,321)	¥ —
Losses on trading securities	—	17,077	(17,077)	—	—	—	—	—
Losses on securities related to trading transactions	—	—	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	9,273	18,326	(27,599)	—	6,732	10,589	(17,321)	—
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	
	2012	2011
Domestic operations:		
Liquid deposits	¥48,688,932	¥46,475,850
Fixed-term deposits	25,121,952	25,358,154
Others	3,796,048	3,858,755
Subtotal	77,606,933	75,692,760
Negotiable certificates of deposit	5,518,289	6,054,758
Total	¥83,125,222	¥81,747,518
Overseas operations:		
Liquid deposits	¥ 4,855,580	¥ 4,818,026
Fixed-term deposits	1,745,146	1,533,773
Others	121,331	108,904
Subtotal	6,722,058	6,460,703
Negotiable certificates of deposit	3,266,149	2,368,364
Total	¥ 9,988,207	¥ 8,829,068
Grand total	¥93,113,430	¥90,576,587

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			
	2012		2011	
Domestic operations:				
Manufacturing	¥ 6,071,389	11.48%	¥ 5,997,719	11.30%
Agriculture, forestry, fisheries and mining	137,101	0.26	148,770	0.28
Construction	896,269	1.70	961,596	1.81
Transportation, communications and public enterprises	4,221,483	7.98	3,816,458	7.19
Wholesale and retail	4,095,171	7.75	4,216,614	7.94
Finance and insurance	4,904,325	9.28	5,241,692	9.87
Real estate, goods rental and leasing	7,377,705	13.95	7,729,135	14.56
Services	3,684,426	6.97	3,954,440	7.45
Municipalities	1,054,492	1.99	1,230,912	2.32
Others	20,433,201	38.64	19,796,115	37.28
Subtotal	¥52,875,567	100.00%	¥53,093,455	100.00%
Overseas operations:				
Public sector	¥ 73,593	0.69%	¥ 35,733	0.40%
Financial institutions	510,896	4.77	621,657	7.01
Commerce and industry	9,086,200	84.84	7,385,370	83.31
Others	1,038,510	9.70	822,832	9.28
Subtotal	¥10,709,200	100.00%	¥ 8,865,594	100.00%
Total	¥63,584,767	—	¥61,959,049	—

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	
	2012	2011
Bankrupt loans	¥ 73,378	¥ 90,171
Non-accrual loans	1,060,320	958,729
Past due loans (3 months or more)	18,178	14,226
Restructured loans	507,428	466,459
Total	¥1,659,306	¥1,529,587
Amount of direct reduction	¥ 558,926	¥ 716,192

Notes: Definition of risk-monitored loan categories

- 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
- 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
- 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.
- 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	
	2012	2011
Domestic operations:		
Japanese government bonds	¥29,327,057	¥25,934,346
Japanese local government bonds	474,884	544,409
Japanese corporate bonds	3,139,021	3,237,321
Japanese stocks	2,559,850	2,621,131
Others	4,935,459	5,713,956
Subtotal	¥40,436,272	¥38,051,166
Overseas operations:		
Japanese government bonds	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks	997	—
Others	1,941,924	1,697,228
Subtotal	¥ 1,942,921	¥ 1,697,228
Total	¥42,379,194	¥39,748,394

- 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							
	2012				2011			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥7,450,723	¥698,785	¥(48,408)	¥8,101,100	¥6,107,160	¥518,595	¥(34,836)	¥6,590,920
Trading securities	3,909,420	19,403	—	3,928,824	2,735,578	38,619	—	2,774,197
Derivatives of trading securities	3,356	—	—	3,356	3,857	—	—	3,857
Securities related to trading transactions	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	19,498	5	—	19,503	5,338	—	—	5,338
Trading-related financial derivatives	3,265,489	674,615	(48,408)	3,891,697	3,071,434	479,623	(34,836)	3,516,221
Other trading assets	252,958	4,759	—	257,718	290,952	353	—	291,305
Trading liabilities	¥5,465,502	¥790,993	¥(48,408)	¥6,208,087	¥4,631,357	¥612,920	¥(34,836)	¥5,209,441
Trading securities sold for short sales	2,126,877	3,005	—	2,129,882	1,582,282	830	—	1,583,112
Derivatives of trading securities	7,406	43	—	7,450	1,514	—	—	1,514
Securities related to trading transactions sold for short sales	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	17,442	13	—	17,455	5,638	1	—	5,639
Trading-related financial derivatives	3,313,775	787,931	(48,408)	4,053,298	3,041,922	612,088	(34,836)	3,619,174
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					
	2012			2011		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income.....	¥ 948,581	¥309,310	¥1,239,535	¥ 985,974	¥275,696	¥1,259,403
			[2,995]			[2,267]
Interest expenses.....	99,330	201,682	282,656	118,390	175,456	291,578
			[2,995]			[2,267]
Net interest income.....	849,250	107,627	956,878	867,584	100,240	967,825
Trust fees.....	1,716	20	1,736	2,299	—	2,299
Fees and commissions.....	332,461	121,416	453,877	327,776	111,993	439,770
Fees and commissions payments.....	117,331	17,658	134,989	118,967	18,135	137,103
Net fees and commissions.....	215,129	103,757	318,887	208,808	93,858	302,667
Trading income.....	5,112	78,938	84,051	940	150,129	151,070
Trading losses.....	—	—	—	—	—	—
Net trading income.....	5,112	78,938	84,051	940	150,129	151,070
Other operating income.....	41,225	152,116	193,341	75,579	142,495	218,075
Other operating expenses.....	14,674	7,709	22,384	40,882	69,294	110,177
Net other operating income (expenses).....	26,550	144,406	170,957	34,696	73,200	107,897
Gross banking profit.....	¥1,097,760	¥434,750	¥1,532,511	¥1,114,329	¥417,429	¥1,531,759
Gross banking profit rate (%).....	1.33%	2.15%	1.53%	1.44%	2.34%	1.63%

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 (2012, ¥11 million; 2011, ¥16 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					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥82,116,956	¥948,581	1.15%	¥77,087,991	¥985,974	1.27%
	[2,256,767]	[18,356]		[1,239,310]	[2,267]	
Loans and bills discounted.....	46,332,489	727,683	1.57	47,537,001	784,020	1.64
Securities.....	32,774,374	181,709	0.55	27,380,279	182,526	0.66
Call loans.....	69,145	334	0.48	62,671	322	0.51
Receivables under resale agreements.....	—	—	—	—	—	—
Receivables under securities borrowing transactions.....	354,424	1,150	0.32	474,990	2,218	0.46
Bills bought.....	21,255	992	4.67	26,437	1,223	4.62
Deposits with banks.....	28,737	973	3.38	92,728	477	0.51
Interest-bearing liabilities.....	¥81,785,205	¥ 99,330	0.12%	¥76,271,874	¥118,390	0.15%
Deposits.....	64,890,957	34,706	0.05	61,678,813	50,558	0.08
Negotiable certificates of deposit.....	6,911,391	10,766	0.15	7,425,533	13,143	0.17
Call money.....	1,151,288	746	0.06	1,176,587	970	0.08
Payables under repurchase agreements....	36,443	37	0.10	79,200	88	0.11
Payables under securities lending transactions.....	1,095,569	840	0.07	1,161,916	1,000	0.08
Borrowed money.....	4,565,547	11,828	0.25	1,937,454	9,650	0.49
Short-term bonds.....	41,991	37	0.08	59,861	66	0.11
Bonds.....	2,746,423	39,502	1.43	2,524,056	39,470	1.56

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2012, ¥1,720,001 million; 2011, ¥1,008,208 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 (2012, ¥9,418 million; 2011, ¥10,640 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2012, ¥9,418 million; 2011, ¥10,640 million) and corresponding interest (2012, ¥11 million; 2011, ¥16 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					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥20,174,556	¥309,310	1.53%	¥17,816,289	¥275,696	1.54%
Loans and bills discounted.....	10,325,773	209,719	2.03	8,698,046	173,161	1.99
Securities.....	4,639,440	44,921	0.96	5,456,150	57,854	1.06
Call loans.....	367,770	4,485	1.21	328,099	3,385	1.03
Receivables under resale agreements.....	166,832	3,726	2.23	47,258	757	1.60
Receivables under securities borrowing transactions.....	33,729	180	0.53	6,253	44	0.71
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	3,386,786	17,651	0.52	2,189,841	13,247	0.60
Interest-bearing liabilities.....	¥19,566,597	¥201,682	1.03%	¥17,214,422	¥175,456	1.01%
	[2,256,767]	[18,356]		[1,239,310]	[2,267]	
Deposits.....	8,674,514	33,629	0.38	7,784,154	27,958	0.35
Negotiable certificates of deposit.....	2,707,987	20,133	0.74	1,932,985	18,754	0.97
Call money.....	385,370	1,926	0.50	276,613	1,529	0.55
Payables under repurchase agreements....	624,905	2,012	0.32	549,435	1,725	0.31
Payables under securities lending transactions.....	1,431,495	4,478	0.31	2,344,391	6,247	0.26
Borrowed money.....	1,687,700	76,900	4.55	1,702,887	76,455	4.48
Bonds.....	1,071,387	30,989	2.89	857,741	23,510	2.74

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2012, ¥57,688 million; 2011, ¥61,902 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					
	2012			2011		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥100,034,745	¥1,239,535	1.23%	¥93,664,970	¥1,259,403	1.34%
Loans and bills discounted.....	56,658,263	937,403	1.65	56,235,047	957,181	1.70
Securities.....	37,413,814	226,631	0.60	32,836,430	240,380	0.73
Call loans.....	436,915	4,819	1.10	390,771	3,708	0.94
Receivables under resale agreements.....	166,832	3,726	2.23	47,258	757	1.60
Receivables under securities borrowing transactions.....	388,154	1,330	0.34	481,243	2,263	0.47
Bills bought.....	21,255	992	4.67	26,437	1,223	4.62
Deposits with banks.....	3,415,524	18,625	0.54	2,282,569	13,725	0.60
Interest-bearing liabilities.....	¥ 99,095,035	¥ 282,656	0.28%	¥92,246,987	¥ 291,578	0.31%
Deposits.....	73,565,472	68,335	0.09	69,462,967	78,517	0.11
Negotiable certificates of deposit.....	9,619,379	30,899	0.32	9,358,519	31,897	0.34
Call money.....	1,536,659	2,673	0.17	1,453,201	2,499	0.17
Payables under repurchase agreements....	661,348	2,050	0.30	628,636	1,814	0.28
Payables under securities lending transactions.....	2,527,065	5,318	0.21	3,506,308	7,247	0.20
Borrowed money.....	6,253,248	88,729	1.41	3,640,341	86,105	2.36
Short-term bonds.....	41,991	37	0.08	59,861	66	0.11
Bonds.....	3,817,810	70,429	1.84	3,381,798	62,981	1.86

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2012, ¥1,777,690 million; 2011, ¥1,070,110 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 (2012, ¥9,418 million; 2011, ¥10,640 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2012, ¥9,418 million; 2011, ¥10,640 million) and corresponding interest (2012, ¥11 million; 2011, ¥16 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					
	2012			2011		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥58,092	¥(95,485)	¥(37,393)	¥39,068	¥(116,275)	¥(77,207)
Loans and bills discounted.....	(19,537)	(36,799)	(56,336)	(39,132)	(43,680)	(82,812)
Securities.....	29,906	(30,722)	(816)	37,527	(29,754)	7,773
Call loans.....	31	(19)	12	16	(76)	(59)
Receivables under resale agreements.....	—	—	—	(0)	(0)	(0)
Receivables under securities borrowing transactions.....	(485)	(583)	(1,068)	(2,679)	838	(1,840)
Bills bought.....	(239)	9	(230)	(339)	296	(42)
Deposits with banks.....	(329)	825	496	(104)	(348)	(452)
Interest expenses.....	¥ 6,696	¥(25,756)	¥(19,059)	¥ 2,216	¥ (37,073)	¥(34,857)
Deposits.....	1,718	(17,569)	(15,851)	1,516	(28,377)	(26,861)
Negotiable certificates of deposit.....	(870)	(1,506)	(2,377)	87	(5,736)	(5,649)
Call money.....	(20)	(203)	(223)	(341)	(350)	(692)
Payables under repurchase agreements....	(44)	(6)	(50)	(350)	(25)	(376)
Payables under securities lending transactions.....	(55)	(105)	(160)	105	(577)	(471)
Borrowed money.....	6,808	(4,630)	2,177	(833)	(1,049)	(1,882)
Short-term bonds.....	(17)	(11)	(29)	(146)	(90)	(237)
Bonds.....	3,198	(3,166)	32	4,037	(333)	3,703

International Operations

Year ended March 31	Millions of yen					
	2012			2011		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥36,156	¥(2,542)	¥33,613	¥12,086	¥(60,071)	¥(47,985)
Loans and bills discounted.....	32,995	3,562	36,558	(11,183)	(11,715)	(22,899)
Securities.....	(8,184)	(4,748)	(12,932)	11,936	(8,739)	3,196
Call loans.....	439	659	1,099	268	268	536
Receivables under resale agreements.....	2,568	399	2,968	7	556	564
Receivables under securities borrowing transactions.....	146	(11)	135	42	(0)	42
Deposits with banks.....	6,238	(1,834)	4,403	(178)	492	314
Interest expenses.....	¥24,224	¥ 2,002	¥26,226	¥ 4,982	¥(16,760)	¥(11,777)
Deposits.....	3,347	2,322	5,670	(3,139)	(3,326)	(6,465)
Negotiable certificates of deposit.....	5,762	(4,383)	1,378	1,746	1,446	3,192
Call money.....	543	(146)	397	(1,225)	513	(712)
Payables under repurchase agreements....	242	44	286	419	787	1,207
Payables under securities lending transactions.....	(2,432)	663	(1,768)	2,037	(421)	1,615
Borrowed money.....	(681)	1,127	445	(11,456)	(4,384)	(15,841)
Bonds.....	6,120	1,358	7,479	(5,144)	127	(5,017)

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2012			2011		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥78,928	¥(98,796)	¥(19,868)	¥42,484	¥(163,361)	¥(120,877)
Loans and bills discounted.....	7,002	(26,780)	(19,778)	(49,964)	(55,747)	(105,711)
Securities.....	27,727	(41,476)	(13,749)	49,450	(38,481)	10,969
Call loans.....	467	643	1,111	281	195	476
Receivables under resale agreements.....	2,568	399	2,968	6	557	563
Receivables under securities borrowing transactions.....	(388)	(544)	(932)	(2,663)	864	(1,798)
Bills bought.....	(239)	9	(230)	(339)	296	(42)
Deposits with banks.....	6,178	(1,277)	4,900	(260)	122	(138)
Interest expenses.....	¥19,533	¥(28,455)	¥ (8,921)	¥ 3,923	¥ (46,242)	¥ (42,319)
Deposits.....	3,810	(13,991)	(10,181)	1,157	(34,484)	(33,327)
Negotiable certificates of deposit.....	837	(1,836)	(998)	805	(3,261)	(2,456)
Call money.....	144	29	173	(1,198)	(206)	(1,404)
Payables under repurchase agreements....	97	138	235	(144)	975	831
Payables under securities lending transactions.....	(2,024)	94	(1,929)	1,833	(689)	1,144
Borrowed money.....	37,075	(34,451)	2,623	(10,041)	(7,682)	(17,723)
Short-term bonds.....	(17)	(11)	(29)	(146)	(90)	(237)
Bonds.....	8,050	(539)	7,511	1,294	(2,607)	(1,313)

Note: Volume/rate variance is prorated according to changes in volume and rate.

Fees and Commissions

Year ended March 31	Millions of yen					
	2012			2011		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥332,461	¥121,416	¥453,877	¥327,776	¥111,993	¥439,770
Deposits and loans.....	11,241	55,559	66,800	11,271	49,608	60,879
Remittances and transfers.....	91,257	26,190	117,447	92,675	25,946	118,621
Securities-related business.....	11,895	1,476	13,372	11,920	734	12,655
Agency.....	12,459	—	12,459	12,089	—	12,089
Safe deposits.....	5,876	—	5,876	6,045	—	6,045
Guarantees.....	19,382	15,437	34,819	20,374	14,376	34,750
Fees and commissions payments.....	¥117,331	¥ 17,658	¥134,989	¥118,967	¥ 18,135	¥137,103
Remittances and transfers.....	21,355	8,664	30,019	21,368	9,631	31,000

Trading Income

Year ended March 31	Millions of yen					
	2012			2011		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥5,112	¥78,938	¥84,051	¥940	¥150,129	¥151,070
Gains on trading securities.....	4,644	—	4,644	257	—	257
Gains on securities related to trading transactions.....	—	7,634	7,634	—	1,538	1,538
Gains on trading-related financial derivatives.....	—	71,229	71,229	—	148,111	148,111
Others.....	467	74	542	683	479	1,162
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					
	2012			2011		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses).....	¥26,550	¥144,406	¥170,957	¥34,696	¥ 73,200	¥107,897
Gains on bonds.....	23,192	129,343	152,536	28,388	118,732	147,120
Gains (losses) on derivatives.....	(857)	(1,092)	(1,950)	874	8,454	9,328
Losses on foreign exchange transactions.....	—	16,134	16,134	—	(53,976)	(53,976)

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2012	2011
Salaries and related expenses.....	¥218,698	¥210,947
Retirement benefit cost.....	13,823	12,612
Welfare expenses.....	33,537	32,364
Depreciation.....	75,503	71,030
Rent and lease expenses.....	62,334	56,459
Building and maintenance expenses.....	4,711	6,795
Supplies expenses.....	5,179	5,382
Water, lighting, and heating expenses.....	4,925	5,190
Traveling expenses.....	4,098	3,285
Communication expenses.....	7,040	7,390
Publicity and advertising expenses.....	6,443	7,814
Taxes, other than income taxes.....	36,858	37,883
Deposit insurance.....	52,762	51,220
Others.....	193,577	190,821
Total.....	¥719,495	¥699,197

Deposits (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	Millions of yen			
	2012		2011	
Domestic operations:				
Liquid deposits	¥46,015,298	62.8%	¥43,898,428	60.6%
Fixed-term deposits	21,124,529	28.8	21,339,847	29.5
Others	555,076	0.8	1,020,166	1.4
Subtotal	67,694,904	92.4	66,258,442	91.5
Negotiable certificates of deposit	5,595,075	7.6	6,163,280	8.5
Total	¥73,289,979	100.0%	¥72,421,723	100.0%
International operations:				
Liquid deposits	¥ 3,538,401	31.8%	¥ 3,846,223	38.4%
Fixed-term deposits	1,209,344	10.9	1,110,176	11.1
Others	3,361,438	30.3	2,821,627	28.1
Subtotal	8,109,184	73.0	7,778,027	77.6
Negotiable certificates of deposit	2,993,670	27.0	2,243,535	22.4
Total	¥11,102,855	100.0%	¥10,021,562	100.0%
Grand total	¥84,392,835	—	¥82,443,286	—

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	2012		2011	
	Millions of yen			
Domestic operations:				
Liquid deposits	¥42,971,869		¥39,935,948	
Fixed-term deposits	21,474,423		21,296,124	
Others	444,665		446,739	
Subtotal	64,890,957		61,678,813	
Negotiable certificates of deposit	6,911,391		7,425,533	
Total	¥71,802,349		¥69,104,346	
International operations:				
Liquid deposits	¥ 4,522,150		¥ 3,883,930	
Fixed-term deposits	1,101,535		1,217,809	
Others	3,050,828		2,682,413	
Subtotal	8,674,514		7,784,154	
Negotiable certificates of deposit	2,707,987		1,932,985	
Total	¥11,382,502		¥ 9,717,140	
Grand total	¥83,184,851		¥78,821,486	

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			
	2012		2011	
Individual	¥37,696,735	50.4%	¥36,653,677	50.2%
Corporate	37,024,477	49.6	36,395,320	49.8
Total	¥74,721,212	100.0%	¥73,048,997	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	
	2012	2011
Individual	¥2,421,481	¥2,724,955
Corporate	314,331	314,448
Total	¥2,735,812	¥3,039,403

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	
	2012	2011
Less than three months	¥ 8,061,223	¥ 8,166,662
Fixed interest rates	6,931,819	7,110,695
Floating interest rates	24,616	20,201
Others	1,104,787	1,035,765
Three — six months	4,417,587	4,317,906
Fixed interest rates	4,330,740	4,255,106
Floating interest rates	35,133	25,538
Others	51,714	37,261
Six months — one year	5,944,888	6,078,181
Fixed interest rates	5,846,969	5,996,091
Floating interest rates	50,909	56,543
Others	47,009	25,546
One — two years	1,464,345	1,628,322
Fixed interest rates	1,371,815	1,562,223
Floating interest rates	88,433	59,947
Others	4,096	6,150
Two — three years	1,264,926	1,071,485
Fixed interest rates	1,145,324	1,012,125
Floating interest rates	119,508	55,318
Others	93	4,041
Three years or more	1,180,859	1,187,423
Fixed interest rates	542,011	513,895
Floating interest rates	637,205	671,352
Others	1,642	2,175
Total	¥22,333,832	¥22,449,980
Fixed interest rates	20,168,681	20,450,137
Floating interest rates	955,806	888,901
Others	1,209,344	1,110,941

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	
	2012	2011
Domestic operations:		
Loans on notes.....	¥ 1,216,941	¥ 1,321,221
Loans on deeds.....	35,678,924	36,510,374
Overdrafts.....	8,308,672	8,122,475
Bills discounted.....	151,855	139,034
Subtotal.....	¥45,356,393	¥46,093,104
International operations:		
Loans on notes.....	¥ 506,700	¥ 482,697
Loans on deeds.....	10,436,568	8,558,792
Overdrafts.....	111,830	103,019
Bills discounted.....	—	—
Subtotal.....	¥11,055,098	¥ 9,144,508
Total.....	¥56,411,492	¥55,237,613

Average Balance

Year ended March 31	Millions of yen	
	2012	2011
Domestic operations:		
Loans on notes.....	¥ 1,365,314	¥ 1,428,036
Loans on deeds.....	36,768,819	37,892,485
Overdrafts.....	8,072,784	8,083,617
Bills discounted.....	125,570	132,861
Subtotal.....	¥46,332,489	¥47,537,001
International operations:		
Loans on notes.....	¥ 518,305	¥ 431,246
Loans on deeds.....	9,689,941	8,166,756
Overdrafts.....	117,526	100,044
Bills discounted.....	—	—
Subtotal.....	¥10,325,773	¥ 8,698,046
Total.....	¥56,658,263	¥56,235,047

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			
	2012		2011	
Funds for capital investment.....	¥20,802,161	36.9%	¥21,095,931	38.2%
Funds for working capital.....	35,609,330	63.1	34,141,682	61.8
Total.....	¥56,411,492	100.0%	¥55,237,613	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2012	2011
Securities.....	¥ 469,939	¥ 492,005
Commercial claims.....	996,724	966,036
Commercial goods.....	—	123
Real estate.....	6,586,174	6,747,774
Others.....	718,816	689,604
Subtotal.....	8,771,654	8,895,545
Guaranteed.....	19,906,243	18,505,823
Unsecured.....	27,733,594	27,836,245
Total.....	¥56,411,492	¥55,237,613

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2012	2011
One year or less	¥ 8,819,333	¥ 8,716,300
One — three years	9,011,403	9,279,086
Floating interest rates	7,168,306	7,330,056
Fixed interest rates	1,843,096	1,949,030
Three — five years	7,278,348	7,084,266
Floating interest rates	5,971,385	5,502,456
Fixed interest rates	1,306,963	1,581,809
Five — seven years	3,413,005	2,451,364
Floating interest rates	2,893,753	2,060,192
Fixed interest rates	519,252	391,171
More than seven years	19,468,898	19,481,101
Floating interest rates	18,538,698	18,486,100
Fixed interest rates	930,199	995,001
No designated term	8,420,502	8,225,494
Floating interest rates	8,420,502	8,225,494
Fixed interest rates	—	—
Total	¥56,411,492	¥55,237,613

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			
	2012		2011	
Domestic operations:				
Manufacturing	¥ 5,701,247	12.1%	¥ 5,632,691	11.8%
Agriculture, forestry, fisheries and mining	133,829	0.3	145,177	0.3
Construction	714,741	1.5	770,985	1.6
Transportation, communications and public enterprises	3,988,144	8.5	3,612,396	7.5
Wholesale and retail	3,691,342	7.8	3,814,280	8.0
Finance and insurance	5,828,625	12.3	5,934,719	12.4
Real estate, goods rental and leasing	6,185,671	13.1	6,383,363	13.3
Services	3,197,121	6.8	3,436,439	7.2
Municipalities	949,628	2.0	1,105,751	2.3
Others	16,827,603	35.6	17,015,261	35.6
Subtotal	¥47,217,955	100.0%	¥47,851,066	100.0%
Overseas operations:				
Public sector	¥ 47,641	0.5%	¥ 19,487	0.3%
Financial institutions	624,804	6.8	555,762	7.5
Commerce and industry	7,828,495	85.2	6,246,696	84.6
Others	692,595	7.5	564,599	7.6
Subtotal	¥ 9,193,536	100.0%	¥ 7,386,547	100.0%
Total	¥56,411,492	—	¥55,237,613	—

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	
	2012	2011
Total domestic loans (A)	¥47,217,955	¥47,851,066
Loans to individuals, and small and medium-sized enterprises (B)	33,230,726	33,813,418
(B) / (A)	70.4%	70.7%

Notes: 1. The figures above exclude the outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized enterprises are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

Consumer Loans Outstanding

March 31	Millions of yen	
	2012	2011
Consumer loans	¥15,206,143	¥15,369,284
Housing loans	14,336,810	14,490,768
Residential purpose	11,196,588	11,141,658
Others	869,332	878,516

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, 2012	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	¥482,457	¥439,534	¥ —	¥482,457*	¥439,534
	[857]				
Specific reserve for possible loan losses	227,560	249,507	37,250	190,310*	249,507
	[374]				
For nonresident loans	44,227	61,755	4,880	39,346*	61,755
	[374]				
Loan loss reserve for specific overseas countries ...	272	173	—	272*	173
Total	¥710,290	¥689,215	¥37,250	¥673,039	¥689,215
	[1,232]				
Amount of direct reduction	¥495,941				¥334,900
	[264]				

* Transfer from reserves by reversal or origination method

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

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
	[1,720]				
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.

Write-Off of Loans

Year ended March 31	Millions of yen	
	2012	2011
Write-off of loans	¥15,797	¥70,775

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

Specific Overseas Loans

March 31	Millions of yen	
	2012	2011
Ukraine	¥ 902	¥1,010
Iceland	663	1,233
Pakistan	72	68
Argentina	6	6
Total	¥1,645	¥2,318
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	
	2012	2011
Bankrupt loans	¥ 57,503	¥ 65,802
Non-accrual loans	816,705	721,792
Past due loans (3 months or more)	10,531	12,327
Restructured loans	258,312	290,682
Total	¥1,143,053	¥1,090,605
Amount of direct reduction	¥ 295,908	¥ 426,203

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

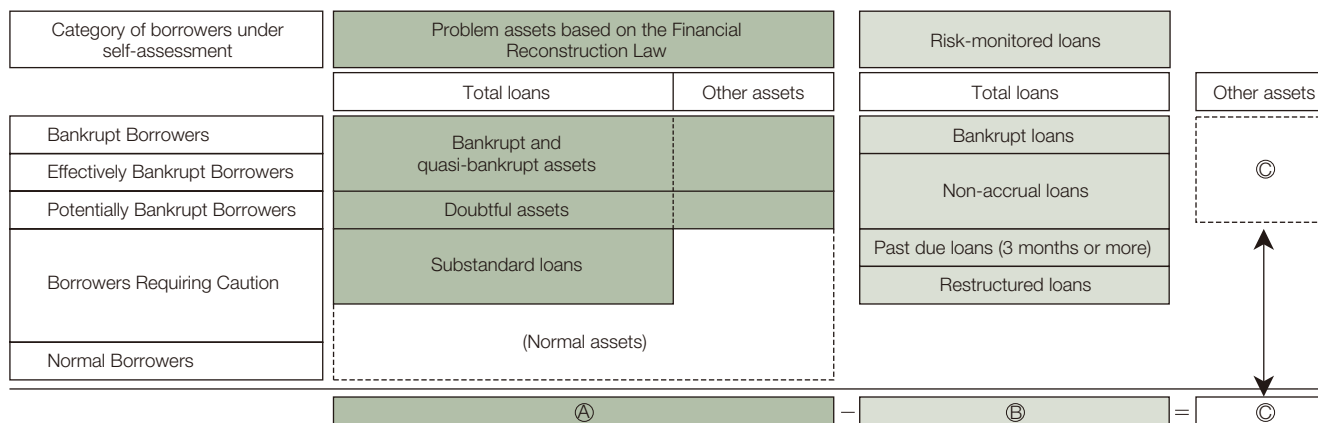
March 31	Millions of yen	
	2012	2011
Bankrupt and quasi-bankrupt assets	¥ 134,361	¥ 138,433
Doubtful assets	779,641	684,826
Substandard loans	268,844	303,010
Total of problem assets	1,182,847	1,126,269
Normal assets	62,493,590	61,025,837
Total	¥63,676,437	¥62,152,106
Amount of direct reduction	¥ 334,900	¥ 496,205

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, 2012

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	Specific reserve	General reserve	(Note 3)	(Note 3)
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥134.4	Portion of claims secured by collateral or guarantees, etc. (5)		Fully reserved	Direct write-offs (Note 1)	¥20.1 (Note 2)	¥229.4 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers		¥119.4		¥15.0					
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥779.6	Portion of claims secured by collateral or guarantees, etc. (6)		Necessary amount reserved				75.84% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥268.8 (Claims to substandard borrowers)	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥132.0				General reserve for substandard loans ¥85.7	¥439.5	62.48% (Note 3)	19.69% (Note 3)
		Claims to borrowers requiring caution, excluding claims to substandard borrowers						6.69% (14.12%) (Note 4)	
Normal Borrowers	Normal assets ¥62,493.6	Claims to normal borrowers						0.21% (Note 4)	
						Loan loss reserve for specific overseas countries	¥0.2		
Total (4) ¥63,676.4		NPL ratio (A) / (4) 1.86% (Note 5)		Total reserve for possible loan losses (B) Specific reserve + General reserve for substandard loans		¥689.2	¥335.2	Reserve ratio (B) / (D) 73.79% (Note 6)	
(A) = (1) + (2) + (3) ¥1,182.8		Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥728.5		Unsecured portion (D) = (A) - (C) ¥454.3					
						Coverage ratio {(B) + (C)} / (A)			89.93%

- Notes: 1. Includes amount of direct reduction totaling ¥334.9 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law. (Bankrupt/Effectively Bankrupt Borrowers: ¥5.1 billion; Potentially Bankrupt Borrowers: ¥30.6 billion)
3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution: The proportion of each category's total unsecured claims covered by reserve for possible loan losses.
4. Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.
5. Ratio of problem assets to total assets subject to the Financial Reconstruction Law
6. 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, 2010 ①	Fiscal 2010		March 31, 2011 ②	Fiscal 2011		March 31, 2012 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥224.3	¥ 43.5	¥(129.3)	¥138.5	¥ 71.2	¥ (75.3)	¥134.4
Doubtful assets	697.7	376.9	(389.8)	684.8	339.2	(244.4)	779.6
Total	¥922.0	¥420.4	¥(519.1)	¥823.3	¥410.4	¥(319.7)	¥914.0
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥(85.8)			¥ (4.1)
Doubtful assets				(12.9)			94.8
Total				¥(98.7)			¥90.7

- 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 ¥74.3 billion for fiscal 2010 and ¥62.9 billion in fiscal 2011, 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	
	2012	2011
Domestic operations:		
Japanese government bonds.....	¥28,472,939	¥25,220,129
Japanese local government bonds	229,175	307,731
Japanese corporate bonds	2,768,322	2,847,093
Japanese stocks.....	3,472,964	3,494,297
Others.....	317,541	292,520
Foreign bonds.....	/	/
Foreign stocks	/	/
Subtotal	¥35,260,942	¥32,161,772
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others.....	7,180,192	7,691,659
Foreign bonds.....	5,578,280	6,115,038
Foreign stocks	1,601,912	1,576,620
Subtotal	¥ 7,180,192	¥ 7,691,659
Total.....	¥42,441,134	¥39,853,432

Average Balance

Year ended March 31	Millions of yen	
	2012	2011
Domestic operations:		
Japanese government bonds.....	¥26,162,160	¥20,450,913
Japanese local government bonds	254,553	298,131
Japanese corporate bonds	2,778,522	2,998,815
Japanese stocks.....	3,233,532	3,311,944
Others.....	345,606	320,475
Foreign bonds.....	/	/
Foreign stocks	/	/
Subtotal	¥32,774,374	¥27,380,279
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others.....	4,639,440	5,456,150
Foreign bonds.....	3,090,800	4,004,455
Foreign stocks	1,548,639	1,451,694
Subtotal	¥ 4,639,440	¥ 5,456,150
Total.....	¥37,413,814	¥32,836,430

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	
	2012	2011
One year or less		
Japanese government bonds.....	¥ 7,294,077	¥11,623,061
Japanese local government bonds	6,038	816
Japanese corporate bonds	278,046	223,139
Others	386,681	1,191,516
Foreign bonds.....	365,192	1,180,724
Foreign stocks	—	—
One — three years		
Japanese government bonds.....	9,857,152	6,146,846
Japanese local government bonds	102,630	59,197
Japanese corporate bonds	944,689	1,035,346
Others	2,972,025	2,155,970
Foreign bonds.....	2,930,657	2,107,922
Foreign stocks	—	—
Three — five years		
Japanese government bonds.....	9,038,326	4,400,297
Japanese local government bonds	116,010	191,427
Japanese corporate bonds	942,888	885,721
Others	1,752,052	1,144,449
Foreign bonds.....	1,707,708	1,114,468
Foreign stocks	—	—
Five — seven years		
Japanese government bonds.....	693,803	394,063
Japanese local government bonds	3,972	14,670
Japanese corporate bonds	365,879	398,420
Others	73,462	1,018,939
Foreign bonds.....	71,568	985,785
Foreign stocks	—	—
Seven — 10 years		
Japanese government bonds.....	1,589,578	2,655,860
Japanese local government bonds	475	41,572
Japanese corporate bonds	171,289	232,956
Others	234,630	568,872
Foreign bonds.....	199,935	551,714
Foreign stocks	30	—
More than 10 years		
Japanese government bonds.....	—	—
Japanese local government bonds	47	47
Japanese corporate bonds	65,528	71,509
Others	471,315	372,957
Foreign bonds.....	303,219	174,422
Foreign stocks	158,091	179,337
No designated term		
Japanese government bonds.....	—	—
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	3,472,964	3,494,297
Others	1,607,566	1,531,474
Foreign bonds.....	—	—
Foreign stocks	1,443,789	1,397,283
Total		
Japanese government bonds.....	¥28,472,939	¥25,220,129
Japanese local government bonds	229,175	307,731
Japanese corporate bonds	2,768,322	2,847,093
Japanese stocks.....	3,472,964	3,494,297
Others	7,497,734	7,984,180
Foreign bonds.....	5,578,280	6,115,038
Foreign stocks	1,601,912	1,576,620

Ratios (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Income Ratio

Year ended March 31	Percentage	
	2012	2011
Ordinary profit to total assets.....	0.59%	0.54%
Ordinary profit to stockholders' equity.....	12.57	11.18
Net income to total assets.....	0.40	0.38
Net income to stockholders' equity.....	8.64	7.87

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	
	2012	2011
Domestic operations:		
Interest-earning assets (A).....	1.15%	1.27%
Interest-bearing liabilities (B).....	0.90	0.97
(A) – (B).....	0.25	0.30
International operations:		
Interest-earning assets (A).....	1.53%	1.54%
Interest-bearing liabilities (B).....	1.43	1.43
(A) – (B).....	0.10	0.11
Total:		
Interest-earning assets (A).....	1.23%	1.34%
Interest-bearing liabilities (B).....	1.00	1.07
(A) – (B).....	0.23	0.27

Loan-Deposit Ratio

March 31	Millions of yen	
	2012	2011
Domestic operations:		
Loans and bills discounted (A).....	¥45,356,393	¥46,093,104
Deposits (B).....	73,289,979	72,421,723
Loan-deposit ratio (%)		
(A) / (B).....	61.88%	63.64%
Ratio by average balance for the fiscal year.....	64.52	68.79
International operations:		
Loans and bills discounted (A).....	¥11,055,098	¥ 9,144,508
Deposits (B).....	11,102,855	10,021,562
Loan-deposit ratio (%)		
(A) / (B).....	99.56%	91.24%
Ratio by average balance for the fiscal year.....	90.71	89.51
Total:		
Loans and bills discounted (A).....	¥56,411,492	¥55,237,613
Deposits (B).....	84,392,835	82,443,286
Loan-deposit ratio (%)		
(A) / (B).....	66.84%	67.00%
Ratio by average balance for the fiscal year.....	68.11	71.34

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

March 31	Millions of yen	
	2012	2011
Domestic operations:		
Securities (A).....	¥35,260,942	¥32,161,772
Deposits (B).....	73,289,979	72,421,723
Securities-deposit ratio (%)		
(A) / (B).....	48.11%	44.40%
Ratio by average balance for the fiscal year.....	45.64	39.62
International operations:		
Securities (A).....	¥ 7,180,192	¥ 7,691,659
Deposits (B).....	11,102,855	10,021,562
Securities-deposit ratio (%)		
(A) / (B).....	64.66%	76.75%
Ratio by average balance for the fiscal year.....	40.75	56.14
Total:		
Securities (A).....	¥42,441,134	¥39,853,432
Deposits (B).....	84,392,835	82,443,286
Securities-deposit ratio (%)		
(A) / (B).....	50.28%	48.34%
Ratio by average balance for the fiscal year.....	44.97	41.65

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
September 10, 2009*1	20,672,514	77,098,364	¥427,972	¥1,092,959	¥427,972	¥1,093,006
September 29, 2009*2	8,211,569	85,309,933	170,000	1,262,959	170,000	1,263,006
November 26, 2009*3	992,453	86,302,386	23,999	1,286,959	23,999	1,287,006
February 16, 2010*4	20,016,015	106,318,401	484,037	1,770,996	484,037	1,771,043

Remarks:

- *1 Allotment to third parties: Common stock: 20,672,514 shares
Issue price: ¥41,405 Capitalization: ¥20,702.5
- *2 Allotment to third parties: Common stock: 8,211,569 shares
Issue price: ¥41,405 Capitalization: ¥20,702.5
- *3 Allotment to third parties: Common stock: 992,453 shares
Issue price: ¥48,365 Capitalization: ¥24,182.5
- *4 Allotment to third parties: Common stock: 20,016,015 shares
Issue price: ¥48,365 Capitalization: ¥24,182.5

Number of Shares Issued

March 31, 2012	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, 2012	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, 2012	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Banking Corporation	70,001	100.00%

Others (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Employees

March 31	2012	2011
Number of employees	22,686	22,524
Average age (years–months)	35-8	34-4
Average length of employment (years–months)	12-5	11-0
Average annual salary (thousands of yen)	¥7,927	¥7,487

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	2012	2011
Domestic network:		
Main offices and branches	498	493
Subbranches	156	164
Agency	4	2
Overseas network:		
Branches	15	15
Subbranches	10	7
Representative offices	10	11
Total	693	692

Note: "Main offices and branches" includes the International Business Operations Dept. (2012, 2 branches; 2011, 2 branches), specialized deposit account branches (2012, 41 branches; 2011, 38 branches) and ATM administration branches (2012, 17 branches; 2011, 17 branches).

Number of Automated Service Centers

March 31	2012	2011
Automated service centers	37,245	35,175

Domestic Exchange Transactions

Year ended March 31	Millions of yen	
	2012	2011
Exchange for remittance:		
Destined for various parts of the country:		
Number of accounts (thousands)	337,487	334,977
Amount	¥ 585,870,686	¥ 595,566,367
Received from various parts of the country:		
Number of accounts (thousands)	297,887	298,595
Amount	¥ 964,793,291	¥ 952,980,527
Collection:		
Destined for various parts of the country:		
Number of accounts (thousands)	2,540	2,614
Amount	¥ 6,357,270	¥ 6,378,902
Received from various parts of the country:		
Number of accounts (thousands)	964	988
Amount	¥ 2,249,924	¥ 2,284,019
Total	¥1,559,271,172	¥1,557,209,816

Foreign Exchange Transactions

Year ended March 31	Millions of U.S. dollars	
	2012	2011
Outward exchanges:		
Foreign bills sold.....	\$2,432,602	\$2,129,774
Foreign bills bought.....	1,991,657	1,388,730
Incoming exchanges:		
Foreign bills payable.....	\$1,030,498	\$ 940,080
Foreign bills receivable.....	40,585	31,761
Total.....	\$5,495,343	\$4,490,346

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	
	2012	2011
Securities.....	¥ 3,523	¥ 19,398
Commercial claims.....	29,031	25,605
Commercial goods.....	—	—
Real estate.....	47,134	51,381
Others.....	25,836	13,102
Subtotal.....	¥ 105,525	¥ 109,488
Guaranteed.....	467,610	419,252
Unsecured.....	3,726,441	3,324,207
Total.....	¥4,299,577	¥3,852,949

Trust Assets and Liabilities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Statements of Trust Assets and Liabilities

March 31	Millions of yen	
	2012	2011
Assets:		
Loans and bills discounted.....	¥ 235,829	¥ 237,383
Loans on deeds.....	235,829	237,383
Securities.....	424,478	444,664
Japanese government bonds.....	324,015	320,540
Corporate bonds.....	9,256	9,107
Japanese stocks.....	6,150	6,066
Foreign securities.....	84,805	108,700
Other securities.....	250	250
Trust beneficiary right.....	9,991	—
Securities held in custody accounts.....	—	3,046
Monetary claims.....	621,656	548,973
Monetary claims for housing loans.....	17,323	18,295
Other monetary claims.....	604,333	530,677
Tangible fixed assets.....	7	22
Equipment.....	7	22
Intangible fixed assets.....	—	7
Other intangible fixed assets.....	—	7
Other claims.....	1,529	2,474
Call loans.....	100,732	79,427
Due from banking account.....	443,723	216,171
Cash and due from banks.....	53,904	43,638
Deposits with banks.....	53,904	43,638
Others.....	0	284
Others.....	0	284
Total assets.....	¥1,891,853	¥1,576,094
Liabilities:		
Designated money trusts.....	¥ 821,292	¥ 615,685
Specified money trusts.....	228,033	176,511
Money in trusts other than money trusts.....	220,605	220,007
Security trusts.....	—	3,221
Monetary claims trusts.....	617,858	554,703
Equipment trusts.....	24	45
Composite trusts.....	4,039	5,919
Total liabilities.....	¥1,891,853	¥1,576,094

- 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: 337
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: 197
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: 52
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	
		2012	2011
Tier I capital:	Capital stock	¥ 2,337,895	¥ 2,337,895
	Capital surplus	759,800	978,851
	Retained earnings	2,152,654	1,776,433
	Treasury stock	(236,037)	(171,760)
	Cash dividends to be paid	(68,230)	(73,612)
	Foreign currency translation adjustments	(141,382)	(122,889)
	Stock acquisition rights	692	262
	Minority interests	2,030,638	2,029,481
	Goodwill and others	(496,434)	(394,342)
	Gain on sale on securitization transactions	(38,284)	(36,324)
	Amount equivalent to 50% of expected losses in excess of reserve	(29,052)	—
	6,272,260	6,323,995	
Tier II capital:	Unrealized gains on other securities after 55% discount	214,611	169,267
	Land revaluation excess after 55% discount	35,755	35,739
	General reserve for possible loan losses	66,695	100,023
	Excess of eligible reserves relative to expected losses	—	21,742
	Subordinated debt	2,454,062	2,210,184
	2,771,125	2,536,958	
	2,771,125	2,536,958	
Deductions*:	(C)	399,634	428,082
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 8,643,751	¥ 8,432,871
Risk-weighted assets:	On-balance sheet items	¥38,150,731	¥38,985,243
	Off-balance sheet items	7,825,808	7,433,319
	Market risk items	1,174,187	584,020
	Operational risk	3,892,505	3,691,113
	Total risk-weighted assets (E)	¥51,043,232	¥50,693,696
Tier I risk-weighted capital ratio:	(A) / (E) × 100	12.28%	12.47%
Total risk-weighted capital ratio:	(D) / (E) × 100	16.93%	16.63%
Required capital:	(E) × 8%	¥ 4,083,458	¥ 4,055,495

* “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	
	2012	2011
Capital requirements for credit risk:		
Internal ratings-based approach	¥4,573.4	¥4,605.9
Corporate exposures:	2,780.8	2,790.4
Corporate exposures (excluding specialized lending)	2,358.5	2,393.4
Sovereign exposures	46.3	39.5
Bank exposures	104.9	124.9
Specialized lending	271.1	232.6
Retail exposures:	876.2	904.0
Residential mortgage exposures	432.9	438.3
Qualifying revolving retail exposures	125.8	152.3
Other retail exposures	317.4	313.4
Equity exposures:	333.2	335.3
Grandfathered equity exposures	168.7	175.4
PD/LGD approach	76.1	84.9
Market-based approach	88.4	75.1
Simple risk weight method	53.9	47.8
Internal models method	34.5	27.3
Credit risk-weighted assets under Article 145 of the Notification	140.0	160.4
Securitization exposures	137.2	150.7
Other exposures	306.0	265.1
Standardized approach	569.2	699.7
Total capital requirements for credit risk	5,142.6	5,305.6
Capital requirements for market risk:		
Standardized measurement method	41.9	29.1
Interest rate risk	30.9	21.9
Equity position risk	7.5	3.2
Foreign exchange risk	0.5	2.3
Commodities risk	1.6	1.6
Options	1.4	0.1
Internal models method	52.0	17.6
Securitization exposures	0.5	—
Total capital requirements for market risk	94.5	46.7
Capital requirements for operational risk:		
Advanced measurement approach	251.5	235.1
Basic indicator approach	59.9	60.2
Total capital requirements for operational risk	311.4	295.3
Total amount of capital requirements	¥5,548.4	¥5,647.6

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., SMBC Finance Service Co., Ltd. and Sumitomo Mitsui Finance and Leasing Co., Ltd. have adopted the foundation IRB approach.

Among consolidated subsidiaries that have adopted the standardized approach for exposures as of March 31, 2012, Kansai Urban Banking Corporation is scheduled to adopt the foundation IRB approach 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	
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				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
March 31, 2012									
J1-J3	¥19,184.2	¥14,359.7	¥4,824.6	¥3,649.0	75.00%	0.07%	35.28%	—%	16.71%
J4-J6	14,778.7	11,837.4	2,941.3	948.9	75.00	0.77	30.13	—	42.64
J7 (excluding J7R)	1,565.7	1,341.0	224.7	44.5	75.00	12.82	27.98	—	118.09
Japanese government and local municipal corporations	35,535.5	35,341.4	194.1	87.1	75.00	0.00	35.21	—	0.04
Others	5,197.7	4,776.4	421.3	44.1	75.00	1.04	37.37	—	49.67
Default (J7R, J8-J10)	1,439.9	1,302.9	137.0	3.1	100.00	100.00	48.39	47.30	13.58
Total	¥77,701.7	¥68,958.7	¥8,743.0	¥4,776.6	—	—	—	—	—

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
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	—	—	—	—	—

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				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
March 31, 2012									
G1-G3	¥24,500.5	¥16,397.7	¥8,102.8	¥4,286.7	75.00%	0.16%	29.21%	—%	17.13%
G4-G6	738.2	585.7	152.5	145.8	75.00	2.51	26.58	—	69.99
G7 (excluding G7R)	174.5	130.0	44.5	28.1	75.00	25.63	20.84	—	110.79
Others	90.4	39.9	50.5	38.0	75.00	2.81	34.79	—	100.62
Default (G7R, G8-G10)	94.9	86.5	8.4	1.8	100.00	100.00	66.36	62.64	46.44
Total	¥25,598.5	¥17,239.8	¥8,358.7	¥4,500.4	—	—	—	—	—

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
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	—	—	—	—	—

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, 2012.
- 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, Object Finance and Income-Producing Real Estate (IPRE)

March 31	Risk weight	Billions of yen					
		2012			2011		
		Project finance	Object finance	IPRE	Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	¥ 152.2	¥ —	¥ 9.4	¥ 120.1	¥ 2.1	¥—
Residual term 2.5 years or more	70%	1,047.7	6.8	11.0	746.2	7.9	—
Good:							
Residual term less than 2.5 years	70%	27.9	1.3	—	28.9	1.7	—
Residual term 2.5 years or more	90%	242.1	—	1.3	224.9	3.1	—
Satisfactory	115%	20.9	—	20.7	13.7	—	—
Weak.....	250%	50.4	—	3.0	43.8	—	—
Default	—	25.5	—	4.7	29.2	—	—
Total.....		¥1,566.7	¥8.1	¥50.0	¥1,206.8	¥14.9	¥—

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	
		2012	2011
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%	41.1	31.0
Residual term 2.5 years or more	120%	91.8	74.3
Satisfactory	140%	125.0	96.1
Weak.....	250%	—	20.0
Default	—	—	2.1
Total.....		¥257.9	¥223.5

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Object Finance

March 31, 2012	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					
G1-G3.....	¥144.8	¥102.1	¥42.7	¥8.1	75.00%	0.47%	23.73%	—%	37.11%
G4-G6.....	9.1	8.5	0.6	0.1	75.00	4.99	34.40	—	131.09
G7 (excluding G7R)	4.2	4.1	0.0	0.1	75.00	27.21	28.44	—	157.84
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	4.0	3.9	0.0	0.0	100.00	100.00	82.02	78.31	46.44
Total.....	¥162.1	¥118.7	¥43.4	¥8.2	—	—	—	—	—

March 31, 2011	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					
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	—	—	—	—	—

(b) Income-Producing Real Estate (IPRE)

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
March 31, 2012									
J1-J3	¥ 427.1	¥ 387.5	¥ 39.6	¥ —	—%	0.05%	28.28%	—%	12.37%
J4-J6	1,056.2	915.8	140.4	3.6	75.00	1.11	33.85	—	69.56
J7 (excluding J7R).....	67.5	49.3	18.3	—	—	12.55	29.69	—	128.45
Others.....	82.9	81.1	1.8	1.9	75.00	8.60	34.13	—	62.46
Default (J7R, J8-J10).....	29.0	22.2	6.9	—	—	100.00	29.19	27.99	15.00
Total	¥1,662.7	¥1,455.8	¥206.9	¥5.6	—	—	—	—	—

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
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	—	—	—	—	—

(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			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount		Undrawn amount				
	Total	On-balance sheet assets					
March 31, 2012							
Mortgage loans							
PD segment:							
Not delinquent							
Use model.....	¥10,894.3	¥10,844.8	¥49.5	0.42%	39.96%	—%	27.02%
Others	638.0	638.0	—	1.05	58.00	—	80.10
Delinquent.....	97.1	90.6	6.5	26.61	45.19	—	247.74
Default	233.6	233.3	0.4	100.00	36.43	34.93	18.69
Total	¥11,863.0	¥11,806.8	¥56.3	—	—	—	—

March 31, 2011	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				
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	—	—	—	—

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

March 31, 2012	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					
Card loans										
PD segment:										
Not delinquent	¥ 606.4	¥ 549.0	¥ 54.9	¥ 2.5	¥ 188.0	29.22%	2.46%	84.84%	—%	60.95%
Delinquent.....	15.1	14.6	0.4	—	3.3	13.48	25.42	77.67	—	214.45
Credit card balances										
PD segment:										
Not delinquent	1,208.4	677.8	327.3	203.4	3,975.9	8.23	1.19	76.46	—	26.87
Delinquent.....	5.4	4.5	0.9	—	—	—	80.92	77.44	—	110.68
Default	39.3	35.3	4.0	—	—	—	100.00	84.09	78.03	75.77
Total	¥1,874.6	¥1,281.1	¥387.6	¥205.9	¥4,167.2	—	—	—	—	—

March 31, 2011	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					
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	—	—	—	—	—

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, 2012	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥1,192.4	¥1,174.8	¥17.6	0.97%	52.90%	—%	48.59%
Others	354.7	353.4	1.2	0.66	56.39	—	26.65
Delinquent.....	302.2	299.3	2.9	29.29	59.63	—	99.95
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	179.3	177.8	1.5	1.43	46.37	—	51.48
Others	159.2	157.6	1.6	2.13	58.62	—	76.46
Delinquent.....	51.9	51.6	0.3	19.09	49.23	—	106.20
Default	201.8	201.7	0.2	100.00	65.41	60.91	56.17
Total	¥2,441.5	¥2,416.3	¥25.2	—	—	—	—

	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	—	—	—	—

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	
	2012	2011
Market-based approach.....	¥ 333.7	¥ 251.6
Simple risk weight method.....	178.7	158.2
Listed equities (300%).....	79.6	69.5
Unlisted equities (400%).....	99.1	88.7
Internal models method.....	155.0	93.4
PD/LGD approach.....	655.9	774.0
Grandfathered equity exposures.....	1,988.8	2,068.1
Total.....	¥2,978.4	¥3,093.7

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					
	2012			2011		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3.....	¥430.0	0.06%	109.93%	¥536.5	0.05%	108.50%
J4-J6.....	78.5	0.83	208.11	79.5	0.86	213.83
J7 (excluding J7R).....	3.3	8.90	412.05	2.1	9.02	402.32
Others.....	141.7	0.41	144.01	155.4	0.35	139.50
Default (J7R, J8-J10).....	2.4	100.00	—	0.5	100.00	—
Total.....	¥655.9	—	—	¥774.0	—	—

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	
	2012	2011
Exposures under Article 145 of the Notification.....	¥574.5	¥697.3

(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 ¥121.3 billion on a consolidated basis for fiscal year 2011, a decrease of ¥96.0 billion compared to the previous fiscal year.

SMBC recorded ¥58.6 billion in total credit costs on non-consolidated basis in fiscal year 2011, a decrease of ¥35.7 billion compared to the previous fiscal year. By exposure category, the credit cost for “corporate exposures” was ¥57.5 billion, a decrease of ¥14.4 billion compared to the previous year. The credit cost for “other retail exposures” decreased by ¥23.5 billion to ¥10.5 billion compared to the previous year. These results are primarily due to the measures taken by SMBC to improve the business and financial conditions of obligors according to the circumstances of each obligor, and a partial reversal of the loan-loss reserve associated with collection and repayment.

Total Credit Costs

	Billions of yen			
	Fiscal 2011 (A)	Fiscal 2010 (B)	Fiscal 2009	Increase (decrease) (A) – (B)
SMFG (consolidated) total.....	¥121.3	¥217.3	¥473.0	¥(96.0)
SMBC (consolidated) total	91.7	159.8	419.4	(68.1)
SMBC (nonconsolidated) total	58.6	94.3	254.7	(35.7)
Corporate exposures.....	57.5	71.9	216.6	(14.4)
Sovereign exposures	(0.2)	5.4	3.9	(5.6)
Bank exposures.....	(0.0)	(14.0)	3.5	14.0
Residential mortgage exposures.....	0.2	0.3	0.7	(0.1)
QRRE.....	(0.0)	(0.1)	0.1	0.1
Other retail exposures	10.5	34.0	61.6	(23.5)

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 2011			Fiscal 2010		
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts
	After deduction of reserves			After deduction of reserves		
SMFG (consolidated) total.....	¥ —	¥ —	¥121.3	¥ —	¥ —	¥217.3
SMBC (consolidated) total	—	—	91.7	—	—	159.8
SMBC (nonconsolidated) total	1,062.7	213.9	58.6	1,204.3	417.2	94.3
Corporate exposures.....	889.3	132.2	57.5	1,021.1	277.4	71.9
Sovereign exposures	12.4	1.8	(0.2)	7.8	6.3	5.4
Bank exposures.....	14.9	4.7	(0.0)	30.5	19.2	(14.0)
Residential mortgage exposures.....	3.8	2.9	0.2	4.1	3.2	0.3
QRRE.....	0.1	(0.0)	(0.0)	0.1	(0.0)	(0.1)
Other retail exposures	142.3	77.4	(10.5)	140.8	111.2	34.0

	Billions of yen					
	Fiscal 2009			Fiscal 2008		
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts
	After deduction of reserves			After deduction of reserves		
SMFG (consolidated) total.....	¥ —	¥ —	¥473.0	¥ —	¥ —	¥767.8
SMBC (consolidated) total	—	—	419.4	—	—	724.4
SMBC (nonconsolidated) total	1,197.2	354.0	254.7	954.2	323.9	550.1
Corporate exposures.....	984.0	210.0	216.6	806.7	278.6	411.4
Sovereign exposures	5.8	4.3	3.9	9.0	7.5	(0.4)
Bank exposures.....	52.1	34.4	3.5	6.1	5.9	22.7
Residential mortgage exposures.....	4.0	3.4	0.7	4.0	3.6	0.5
QRRE.....	0.1	0.1	0.1	0.1	0.1	0.0
Other retail exposures	151.2	107.5	61.6	128.3	65.9	68.1

	Billions of yen		
	Fiscal 2007		
	Estimated loss amounts		Actual loss amounts
	After deduction of reserves		
SMFG (consolidated) total.....	¥ —	¥ —	¥248.6
SMBC (consolidated) total	—	—	221.6
SMBC (nonconsolidated) total	887.7	311.4	147.8
Corporate exposures.....	778.6	252.6	143.2
Sovereign exposures	11.2	9.6	0.4
Bank exposures.....	5.1	4.9	0.0
Residential mortgage exposures.....	4.6	4.1	0.1
QRRE.....	0.1	0.1	0.0
Other retail exposures	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, 2012 (i.e. consolidated subsidiaries not listed in the “Internal Ratings-Based (IRB) Approach: 1. Scope” on page 178).

(1) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the IRB Approach

Kansai Urban Banking Corporation and Cedyne 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			
	2012		2011	
March 31		Of which assigned country risk score		Of which assigned country risk score
0%	¥ 8,398.4	¥ 75.1	¥ 8,773.2	¥ 81.6
10%	224.9	—	243.3	—
20%	820.8	275.1	814.8	298.2
35%	1,062.7	—	1,061.6	—
50%	358.7	27.7	377.7	2.8
75%	3,871.8	—	3,242.1	—
100%	3,430.0	0.1	5,645.9	0.1
150%	156.9	0.0	78.4	—
Capital deduction	0.0	—	0.0	—
Others.....	0.0	—	0.0	—
Total.....	¥18,324.2	¥378.0	¥20,237.0	¥382.8

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			
	2012		2011	
	Eligible financial collateral	Other eligible IRB collateral	Eligible financial collateral	Other eligible IRB collateral
March 31				
IRB approach	¥ 86.5	¥32.7	¥ 115.2	¥45.6
Corporate exposures	86.5	32.7	115.2	45.6
Sovereign exposures	—	—	—	—
Bank exposures	—	—	—	—
Standardized approach	3,824.9	—	3,044.5	—
Total	¥3,911.4	¥32.7	¥3,159.7	¥45.6

March 31	Billions of yen			
	2012		2011	
	Guarantee	Credit derivative	Guarantee	Credit derivative
IRB approach	¥7,153.2	¥149.0	¥7,076.9	¥264.5
Corporate exposures	6,426.4	149.0	6,382.9	264.5
Sovereign exposures	281.3	—	271.6	—
Bank exposures	274.3	—	232.2	—
Residential mortgage exposures	171.2	—	190.3	—
QRRE	—	—	—	—
Other retail exposures	—	—	—	—
Standardized approach	61.9	—	74.2	—
Total	¥7,215.1	¥149.0	¥7,151.1	¥264.5

■ 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	
	2012	2011
Gross replacement cost	¥5,729.0	¥4,897.5
Gross add-on amount	3,370.1	3,232.7
Gross credit equivalent amount	9,099.1	8,130.3
Foreign exchange related transactions	2,689.0	2,989.5
Interest rate related transactions	6,165.5	4,859.0
Gold related transactions	—	—
Equities related transactions	73.5	63.1
Precious metals (excluding gold) related transactions	—	—
Other commodity related transactions	99.5	144.0
Credit default swaps	71.6	74.7
Reduction in credit equivalent amount due to netting	5,478.8	4,541.8
Net credit equivalent amount	3,620.3	3,588.5
Collateral amount	19.8	16.5
Eligible financial collateral	19.8	16.5
Other eligible IRB collateral	—	—
Net credit equivalent amount (after taking into account the CRM effect of collateral)	¥3,600.6	¥3,572.0

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

	Billions of yen			
	2012		2011	
	Notional principal amount		Notional principal amount	
March 31	Total	Of which for CRM	Total	Of which for CRM
Protection purchased	¥672.7	¥149.0	¥803.0	¥264.5
Protection provided	635.8	—	793.6	—

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 risks.

Securitization transactions are subject to the following policies.

- Undertake those which allow separate assessment of underlying assets by making credit decisions on individual underlying assets.
- Undertake those which cover short-term receivables, etc., by creating a framework mainly to estimate the default rate of the underlying assets based on the historical loan-loss ratio and ensure that they have sufficient subordination.
- Undertake others such as those requiring special management by implementing additional management, such as an analysis of the market environment.

The Group shall basically not conduct resecuritization transactions.

Its policy is to conduct securitization transactions by verifying effectiveness in mitigating credit risk through the use of the asset transfer type or synthetic type securitization transactions covering domestic and foreign exposures and using them as underlying exposures if securitization transactions are used as an approach for credit risk mitigation.

The Group takes one of the following positions for 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. Overview of Risk Characteristics

Securitization exposures have, in addition to credit risk and market risk, the following intrinsic risks, which are properly managed based on the nature of each risk.

(1) Dilution Risk

Means the risk of a decrease in purchased receivables due to cancellation or termination of the original contract for the purchased receivables, or netting of debts between the original obligor and the original obligee.

(2) Servicer Risk

A. Commingling Risk

Means the risk of uncollectible funds, which should be collected from the underlying assets, due to the bankruptcy of the servicer before the delivery of the funds collected from the obligor of the receivables.

B. Performance Risk

Means the risk of difficulty in maintenance and collection due to the servicer's failure to properly and accurately perform its clerical duties and procedures.

(3) Liquidity Risk

Means the risk that cash flows related to the underlying assets may be insufficient for paying the principal and interest of the securitization exposure due to a timing mismatch between the securitization conduit's receipt of the cash flows related to the underlying assets and payment of the securitization exposure of the principal and interest, etc.

(4) Fraud Risk

Means the risk of a decrease in or complete loss of the receivables subject to collection due to a fraud, prejudicial or other malicious act by a customer or a third-party obligor.

3. Calculation Methodology for Credit Risk-Weighted Assets and Market Risk Equivalent Amount

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.

Note that the application of the ratings-based approach is subject to monitoring in accordance with the “Regulations Concerning the Distribution, etc. of Securitized Products” and the “Standardized Information Reporting Package (SIRP)” published by the Japan Securities Dealers Association. The same applies to resecitized products.

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.

In order to determine market risk equivalent amounts of “securitization exposures,” general market risk is subject to the standardized measurement method while specific risk is based on the risk weights corresponding to the ratings published by qualifying rating agencies pursuant to the regulations set forth in the Notification.

4. Type of Securitization Conduit Used in Securitization Transactions Associated with Third Party Assets and Status of Holdings of Securitization Exposures Related to Such Transactions

In order to undertake securitization transactions related to third-party assets, the Group mainly uses a special purpose company (SPC) as a securitization conduit.

If such transactions are undertaken, the following securitization exposures result.

- Backup line to the ABCP issued by the securitization conduit (off-balance sheet assets)
- ABL to the securitization conduit (on-balance sheet assets), etc.

5. Names of Subsidiaries and Affiliated Companies Holding Securitization Exposures Related to Securitization Transactions Conducted by Holding Company Group

No securitization exposures related to the security transactions conducted by the Holding Company Group are held by the subsidiaries or affiliated companies excluding consolidated subsidiaries.

6. Accounting Policy on Securitization Transactions

Valuation, accounting treatment etc. for financial assets and financial liabilities associated with securitization transactions are mainly governed by the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10). The fair value for such valuation is the value based on the market price or, if there is no market price, reasonably calculated value, unless it is deemed to be extremely difficult to determine the fair value.

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.

7. Qualifying External Ratings Agencies

In order to apply the rating-based approach under the IRB approach or standardized approach or to calculate an amount of market risk associated with specific risk, 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.

8. Portfolio (Credit Risk)

(1) Securitization Transactions as Originator

A. As Originator (Excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	March 31, 2012			Fiscal 2011			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 17.6	¥ 17.6	¥ —	¥ —	¥ 3.3	¥ 2.9	¥ —
Mortgage loans	1,378.4	1,378.4	—	77.6	1.5	0.3	6.5
Retail loans (excluding mortgage loans)	131.7	107.6	24.1	—	12.0	19.0	—
Other claims	221.9	23.8	198.0	—	0.0	0.0	—
Total	¥1,749.6	¥1,527.5	¥222.1	¥77.6	¥16.8	¥22.2	¥6.5

	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

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. Asset type classification is based on the major items in the underlying assets for each transaction.

4. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and 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.

6. There are no amounts that represent "assets held for securitization transactions."

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2012					2011				
	Term-end balance		To be deducted from capital	Increase in capital equivalent	Total	Term-end balance		To be deducted from capital	Increase in capital equivalent	Total
Total	On-balance sheet assets	Off-balance sheet assets				On-balance sheet assets	Off-balance sheet assets			
March 31										
Claims on corporates	¥ 16.5	¥ 16.5	¥ —	¥ 2.0	¥ —	¥ 31.3	¥ 31.3	¥ 0.0	¥ 1.2	¥ —
Mortgage loans	212.5	212.5	—	33.0	38.1	203.0	203.0	—	34.4	36.0
Retail loans (excluding mortgage loans)	48.7	40.4	8.3	43.2	0.2	68.1	55.6	12.4	58.4	0.4
Other claims	149.1	2.4	146.6	4.1	—	158.4	4.0	154.4	5.7	—
Total	¥426.8	¥271.9	¥155.0	¥82.3	¥38.3	¥460.7	¥293.9	¥166.8	¥99.7	¥36.3

b. Risk Weights

	Billions of yen							
	2012				2011			
	Term-end balance			Required capital	Term-end balance			Required capital
Total	On-balance sheet assets	Off-balance sheet assets	Total		On-balance sheet assets	Off-balance sheet assets		
March 31								
20% or less	¥156.4	¥ 11.4	¥145.0	¥ 1.4	¥149.0	¥ 24.7	¥124.3	¥ 1.0
100% or less	3.2	—	3.2	0.2	34.7	—	34.7	0.9
650% or less	1.9	1.8	0.1	0.3	1.0	1.0	—	0.2
Less than 1250%	—	—	—	—	1.8	1.8	—	1.1
Capital deduction	265.4	258.6	6.7	82.3	274.2	266.4	7.8	99.7
Total	¥426.8	¥271.9	¥155.0	¥84.2	¥460.7	¥293.9	¥166.8	¥102.9

(C) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

(D) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

	Billions of yen	
March 31	2012	2011
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥4.1	¥16.3

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	March 31, 2012			Fiscal 2011		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥508.0	¥508.0	¥—	¥4,336.8	¥69.8	¥68.1
Mortgage loans	—	—	—	—	2.8	2.8
Retail loans (excluding mortgage loans)	157.3	157.3	—	395.5	17.4	17.9
Other claims	66.9	66.9	—	34.1	4.3	4.0
Total	¥732.2	¥732.2	¥—	¥4,766.5	¥94.2	¥92.8

	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

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. Asset type classification is based on the major items in the underlying assets for each transaction.

5. “Other claims” includes lease fees.

6. Following Articles 230 and 248 of the Notification, there are no amounts that represent “exposure to products subject to early amortization provisions” to investors.

7. There are no amounts that represent “assets held for securitization transactions.”

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2012					2011				
	Term-end balance			To be deducted from capital	Increase in capital equivalent	Term-end balance			To be deducted from capital	Increase in capital equivalent
Total	On-balance sheet assets	Off-balance sheet assets	Total			On-balance sheet assets	Off-balance sheet assets			
March 31										
Claims on corporates	¥398.7	¥170.7	¥228.0	¥0.0	¥—	¥384.6	¥169.1	¥215.6	¥0.8	¥—
Mortgage loans	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans).....	145.5	65.3	80.2	—	—	172.3	118.8	53.5	1.2	—
Other claims	61.5	46.0	15.5	—	—	70.0	51.7	18.3	—	—
Total	¥605.7	¥281.9	¥323.8	¥0.0	¥—	¥626.9	¥339.5	¥287.3	¥2.0	¥—

Note: "Other claims" includes lease fees.

b. Risk Weights

	Billions of yen							
	2012				2011			
	Term-end balance			Required capital	Term-end balance			Required capital
Total	On-balance sheet assets	Off-balance sheet assets	Total		On-balance sheet assets	Off-balance sheet assets		
March 31								
20% or less	¥597.2	¥274.4	¥322.8	¥3.9	¥582.7	¥329.3	¥253.4	¥3.8
100% or less	7.3	6.3	1.0	0.3	42.2	10.2	32.0	1.9
65% or less	1.2	1.2	—	0.1	—	—	—	—
Less than 1250%	—	—	—	—	—	—	—	—
Capital deduction	0.0	0.0	—	0.0	2.0	0.1	1.9	2.0
Total	¥605.7	¥281.9	¥323.8	¥4.4	¥626.9	¥339.5	¥287.3	¥7.7

(C) Resecuritization Exposures

There are no amounts that represent "resecuritization exposures."

(D) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

March 31	Billions of yen	
	2012	2011
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥—	¥—

(2) Securitization Transactions in which the Group is the Investor

(A) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2012					2011				
	Term-end balance			To be deducted from capital	Increase in capital equivalent	Term-end balance			To be deducted from capital	Increase in capital equivalent
Total	On-balance sheet assets	Off-balance sheet assets	Total			On-balance sheet assets	Off-balance sheet assets			
March 31										
Claims on corporates	¥311.9	¥118.4	¥193.5	¥44.2	¥—	¥296.8	¥123.7	¥173.0	¥35.8	¥—
Mortgage loans	65.6	65.6	—	—	—	33.5	33.5	—	—	—
Retail loans (excluding mortgage loans).....	2.5	2.5	—	—	—	2.9	2.6	0.3	—	—
Other claims	22.9	22.9	—	—	—	16.8	16.1	0.7	0.8	—
Total	¥403.0	¥209.5	¥193.5	¥44.2	¥—	¥349.9	¥175.9	¥174.0	¥36.6	¥—

Note: Asset type classification is based on the major items in the underlying assets for each transaction.

b. Risk Weights

	Billions of yen							
	2012				2011			
	Term-end balance				Term-end balance			
March 31	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	¥293.2	¥178.2	¥115.1	¥ 1.5	¥224.8	¥130.2	¥ 94.6	¥ 0.9
100% or less	28.3	28.3	—	1.8	39.3	39.3	—	2.2
650% or less	2.3	2.3	—	0.2	3.3	3.3	—	0.5
Less than 1250%	—	—	—	—	—	—	—	—
Capital deduction	79.1	0.7	78.4	44.2	82.5	3.1	79.4	36.6
Total	¥403.0	¥209.5	¥193.5	¥47.6	¥349.9	¥175.9	¥174.0	¥40.1

(B) Resecuritization Exposures

a. Underlying Assets by Asset Type

	Billions of yen				
	Term-end balance			To be deducted from capital	Increase in capital equivalent
	Total	On-balance sheet assets	Off-balance sheet assets		
March 31, 2012					
Claims on corporates	¥2.0	¥1.7	¥0.3	¥0.4	¥—
Mortgage loans	—	—	—	—	—
Retail loans (excluding mortgage loans)	0.3	—	0.3	—	—
Other claims	0.9	0.6	0.3	0.6	—
Total	¥3.1	¥2.3	¥0.8	¥1.0	¥—

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.
2. "Other claims" includes securitization products.
3. Credit risk mitigation (CRM) techniques are not applied to the resecuritization exposures.

b. Risk Weights

	Billions of yen			
	Term-end balance			Required capital
	Total	On-balance sheet assets	Off-balance sheet assets	
March 31, 2012				
20% or less	¥1.3	¥0.6	¥0.7	¥0.0
100% or less	—	—	—	—
650% or less	—	—	—	—
Less than 1250%	—	—	—	—
Capital deduction	1.8	1.7	0.1	1.0
Total	¥3.1	¥2.3	¥0.8	¥1.0

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

March 31	Billions of yen	
	2012	2011
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥—	¥—

9. Portfolio (Market Risk)

(1) Securitization Transactions as Originator

There are no amounts that represent "securitization transactions where the Group serves as the originator."

(2) Securitization Transactions in which the Group is the Investor

(A) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen				
	Term-end balance			To be deducted from capital	Increase in capital equivalent
	Total	On-balance sheet assets	Off-balance sheet assets		
March 31, 2012					
Claims on corporates	¥0.5	¥0.5	¥—	¥0.5	¥—
Mortgage loans	—	—	—	—	—
Retail loans (excluding mortgage loans)	—	—	—	—	—
Other claims	—	—	—	—	—
Total	¥0.5	¥0.5	¥—	¥0.5	¥—

Note: There are no amounts that represent "securitization exposures subject to the measurement of the comprehensive risk held."

b. Risk Weights

March 31, 2012	Billions of yen			
	Term-end balance			Required capital
	Total	On-balance sheet assets	Off-balance sheet assets	
20% or less	¥ —	¥ —	¥ —	¥ —
100% or less	—	—	—	—
650% or less	—	—	—	—
Less than 1250%	—	—	—	—
Capital deduction	0.5	0.5	—	0.5
Total	¥0.5	¥0.5	¥—	¥0.5

(B) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

■ 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			
	2012		2011	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures	¥2,444.0	¥2,444.0	¥2,470.7	¥2,470.7
Stocks of subsidiaries and affiliates and equity exposures other than above	505.7	—	609.1	—
Total	¥2,949.7	¥ —	¥3,079.7	¥ —

4. Gains (Losses) on Sale and Devaluation of Stocks of Subsidiaries and Affiliates and Equity Exposures

	Billions of yen	
	Fiscal 2011	Fiscal 2010
Gains (losses)	¥(27.9)	¥ (91.9)
Gains on sale	15.7	27.5
Losses on sale	11.7	4.6
Devaluation	31.9	114.9

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	
	2012	2011
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income	¥338.8	¥383.8

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	
	2012	2011
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income.....	¥(21.4)	¥(52.7)

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, 2012	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,679.3	¥ 230.7	¥ 435.3	¥1,802.3	¥ 12,147.5
Agriculture, forestry, fishery and mining	233.5	3.4	9.7	26.8	273.5
Construction	1,246.3	51.6	7.2	147.6	1,452.8
Transport, information, communications and utilities.....	5,250.7	173.5	180.6	646.3	6,251.2
Wholesale and retail	5,594.5	63.4	430.1	546.7	6,634.7
Financial and insurance.....	15,079.2	470.5	1,252.3	322.7	17,124.6
Real estate, goods rental and leasing	8,047.8	279.7	49.2	313.0	8,689.7
Services	4,528.8	118.0	60.7	499.1	5,206.6
Local municipal corporations	1,922.5	573.1	12.4	6.8	2,514.7
Other industries	27,441.9	33,346.5	65.4	3,807.0	64,660.7
Subtotal	¥79,024.5	¥35,310.4	¥2,502.8	¥8,118.3	¥124,956.0
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 2,748.4	¥ 1,066.7	¥ 7.6	¥ —	¥ 3,822.7
Financial institutions	3,145.8	216.6	663.8	11.4	4,037.5
C&I companies	12,171.1	204.2	398.0	—	12,773.3
Others.....	2,445.3	251.1	27.3	593.4	3,317.0
Subtotal	¥20,510.6	¥ 1,738.6	¥1,096.6	¥ 604.7	¥ 23,950.5
Total	¥99,535.1	¥37,049.0	¥3,599.4	¥8,723.0	¥148,906.6

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

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, 2012	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥33,826.0	¥ 8,071.5	¥ 480.4	¥ 216.7	¥ 42,594.6
More than 1 year to 3 years.....	13,771.2	13,576.9	899.0	505.4	28,752.5
More than 3 years to 5 years.....	11,335.7	11,511.2	1,216.5	559.7	24,623.0
More than 5 years to 7 years.....	5,118.9	1,286.6	295.8	141.9	6,843.3
More than 7 years.....	24,111.9	2,602.7	707.7	153.4	27,575.8
No fixed maturity	11,371.4	—	—	7,145.9	18,517.4
Total	¥99,535.1	¥37,049.0	¥3,599.4	¥8,723.0	¥148,906.6

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

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	
	2012	2011
Domestic operations (excluding offshore banking accounts)	¥2,492.3	¥2,413.9
Overseas operations and offshore banking accounts.....	148.5	227.4
Asia.....	18.9	22.0
North America.....	53.8	67.2
Other regions.....	75.8	138.2
Total	¥2,640.8	¥2,641.3

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	
	2012	2011
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 256.8	¥ 273.0
Agriculture, forestry, fishery and mining	7.0	7.9
Construction	142.3	147.0
Transport, information, communications and utilities.....	234.7	167.0
Wholesale and retail	333.6	317.8
Financial and insurance.....	24.9	19.5
Real estate, goods rental and leasing	693.9	738.4
Services	304.3	364.3
Other industries	494.8	379.0
Subtotal	¥2,492.3	¥2,413.9
Overseas operations and offshore banking accounts		
Financial institutions.....	¥ 14.1	¥ 39.5
C&I companies	134.4	187.9
Subtotal	¥ 148.5	¥ 227.4
Total	¥2,640.8	¥2,641.3

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)
	2012 (A)	2011 (B)	2010	
General reserve for possible loan losses.....	¥ 593.3	¥ 696.2	¥ 702.6	¥(102.9)
Loan loss reserve for specific overseas countries	0.2	0.6	0.6	(0.4)
Specific reserve for possible loan losses	1,071.3	1,230.0	1,208.9	(158.7)
Domestic operations (excluding offshore banking accounts)	1,008.2	1,148.2	1,126.3	(140.0)
Overseas operations and offshore banking accounts.....	63.1	81.8	82.6	(18.7)
Asia	12.9	16.0	20.0	(3.1)
North America.....	22.3	24.3	25.1	(2.0)
Other regions	27.9	41.5	37.5	(13.6)
Total	¥1,664.8	¥1,926.8	¥1,912.1	¥(262.0)

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)
	2012 (A)	2011 (B)	2010	
General reserve for possible loan losses.....	¥ 593.3	¥ 696.2	¥ 702.6	¥(102.9)
Loan loss reserve for specific overseas countries	0.2	0.6	0.6	(0.4)
Specific reserve for possible loan losses	1,071.3	1,230.0	1,208.9	(158.7)
Domestic operations (excluding offshore banking accounts)	1,008.2	1,148.2	1,126.3	(140.0)
Manufacturing.....	121.3	167.3	143.5	(46.0)
Agriculture, forestry, fishery and mining	3.0	3.5	3.3	(0.5)
Construction	66.0	73.5	86.0	(7.5)
Transport, information, communications and utilities.....	65.5	46.3	74.7	19.2
Wholesale and retail.....	139.5	175.1	169.3	(35.6)
Financial and insurance	11.9	12.2	14.8	(0.3)
Real estate, goods rental and leasing	287.6	325.0	336.7	(37.4)
Services	127.2	156.4	161.0	(29.2)
Other industries	186.2	188.9	137.0	(2.7)
Overseas operations and offshore banking accounts.....	63.1	81.8	82.6	(18.7)
Financial institutions	10.6	26.1	36.7	(15.5)
C&I companies	52.5	55.7	45.9	(3.2)
Total	¥1,664.8	¥1,926.8	¥1,912.1	¥(262.0)

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 2011	Fiscal 2010
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ (7.1)	¥ 27.6
Agriculture, forestry, fishery and mining	(0.0)	0.2
Construction.....	3.3	5.3
Transport, information, communications and utilities.....	3.6	5.7
Wholesale and retail	7.1	20.0
Financial and insurance.....	(0.2)	0.0
Real estate, goods rental and leasing	2.2	6.5
Services	3.4	7.8
Other industries	76.7	80.2
Subtotal	¥89.0	¥153.3
Overseas operations and offshore banking accounts		
Financial institutions	¥ 1.2	¥ 0.8
C&I companies	0.2	2.5
Subtotal	¥ 1.4	¥ 3.3
Total	¥90.3	¥156.6

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 2011		Fiscal 2010
	VaR	Stressed VaR	VaR
Fiscal year-end	¥1.8	¥2.5	¥1.3
Maximum.....	3.5	4.7	3.2
Minimum.....	1.0	1.5	1.1
Average	2.1	3.0	1.9

- 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. The stressed VaR is calculated on a daily basis by using the historical simulation method for the holding period of one day, one-sided confidence interval of 99.0%, and measurement period of 12 months (including the stress period).
 3. Specific risks for the trading book are excluded.
 4. 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 2011	Fiscal 2010
Fiscal year-end	¥32.0	¥48.6
Maximum.....	53.6	50.9
Minimum.....	31.8	29.7
Average	38.9	40.5

- 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. 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, Sumitomo Mitsui Banking Corporation (China) Limited and SMBC Nikko Securities Inc.

2. Outline of the AMA

For the "Outline of the AMA," please refer to pages 42 to 44.

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))

March 31		Millions of yen	
		2012	2011
Tier I capital:	Capital stock	¥ 1,770,996	¥ 1,770,996
	Capital surplus	2,717,397	2,717,397
	Retained earnings	1,299,484	929,336
	Treasury stock	(210,003)	—
	Cash dividends to be paid	(24,330)	(25,197)
	Foreign currency translation adjustments	(139,425)	(119,696)
	Stock acquisition rights	94	91
	Minority interests	1,539,385	1,419,231
	Goodwill and others	(301,643)	(215,021)
	Gain on sale on securitization transactions	(38,103)	(35,967)
	Amount equivalent to 50% of expected losses in excess of reserve	(15,072)	—
	Total Tier I capital (A)	6,598,778	6,441,170
Tier II capital:	Unrealized gains on other securities after 55% discount	176,804	140,213
	Land revaluation excess after 55% discount	35,755	35,739
	General reserve for possible loan losses	43,327	52,519
	Excess of eligible reserves relative to expected losses	—	66,209
	Subordinated debt	2,454,262	2,210,287
	Total Tier II capital	2,710,151	2,504,969
	Tier II capital included as qualifying capital (B)	2,710,151	2,504,969
Deductions:	(C)	258,567	289,305
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 9,050,362	¥ 8,656,834
Risk-weighted assets:	On-balance sheet items	¥34,477,578	¥34,672,732
	Off-balance sheet items	6,954,799	6,539,408
	Market risk items	1,134,685	570,867
	Operational risk	3,528,445	3,394,595
	Total risk-weighted assets (E)	¥46,095,509	¥45,177,603
Tier I risk-weighted capital ratio:	(A) / (E) × 100	14.31%	14.25%
Total risk-weighted capital ratio:	(D) / (E) × 100	19.63%	19.16%
Required capital:	(E) × 8%	¥ 3,687,640	¥ 3,614,208

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

March 31		Millions of yen	
		2012	2011
Tier I capital:	Capital stock	¥ 1,770,996	¥ 1,770,996
	Capital reserve	1,771,043	1,771,043
	Other capital surplus	710,229	710,229
	Other retained earnings.....	1,257,377	938,155
	Others.....	1,198,808	1,203,675
	Treasury stock	(210,003)	—
	Cash dividends to be paid	(24,330)	(25,197)
	Gain on sale on securitization transactions.....	(38,103)	(35,967)
	Amount equivalent to 50% of expected losses in excess of reserve	(34,359)	(6,792)
		6,401,659	6,326,143
Tier II capital:	Unrealized gains on other securities after 55% discount.....	172,669	134,515
	Land revaluation excess after 55% discount.....	29,327	29,307
	Subordinated debt	2,361,431	2,112,250
	Total Tier II capital	2,563,429	2,276,073
	2,563,429	2,276,073	
Deductions:	(C)	305,528	283,395
Total qualifying capital:	(D) = (A) + (B) - (C)	¥ 8,659,560	¥ 8,318,821
Risk-weighted assets:	On-balance sheet items	¥30,526,896	¥30,584,554
	Off-balance sheet items	5,825,932	5,523,613
	Market risk items	592,046	212,024
	Operational risk	2,574,143	2,461,316
	Total risk-weighted assets (E).....	¥39,519,018	¥38,781,507
Tier I risk-weighted capital ratio:	(A) / (E) × 100.....	16.19%	16.31%
Total risk-weighted capital ratio:	(D) / (E) × 100	21.91%	21.45%
Required capital:	(E) × 8%	¥ 3,161,521	¥ 3,102,520

Compensation

Sumitomo Mitsui Financial Group (SMFG)

■ Compensation Framework of SMFG and Its Group Companies

1. Scope of Officers, Employees and Others

The scope of officers, employees and others whose compensation is subject to disclosure under the revised Cabinet Office on Disclosure of Corporate Affairs, etc. and other ordinances are as described below.

(1) Scope of Officers

Officers subject to compensation disclosure are directors and corporate auditors of SMFG (excluding outside directors and corporate auditors).

(2) Scope of Employees and Others

Employees and others subject to compensation disclosure are employees of SMFG and officers and employees of its major consolidated subsidiaries who are highly compensated and have a material influence on the business management or the assets of SMFG and its major consolidated subsidiaries.

a) Scope of major consolidated subsidiaries

A major consolidated subsidiary is a consolidated subsidiary of SMFG with total assets accounting for more than 2% of the total consolidated assets of SMFG and has a material influence on the management of SMFG and its group companies. Specifically, they are Sumitomo Mitsui Banking Corporation, SMBC Nikko Securities Inc., Kansai Urban Banking Corporation, The Minato Bank Ltd. and overseas subsidiaries such as Sumitomo Mitsui Banking Corporation Europe Limited and Sumitomo Mitsui Banking Corporation (China) Limited.

b) Scope of highly compensated persons

A highly compensated person is an individual whose compensation paid by SMFG or its major subsidiaries is equal to or more than the base amount. The base amount of SMFG is set at ¥60 million which is based on the average amount of compensation paid to the officers of SMFG and SMBC (excluding officers appointed or retired during the fiscal year in question) over the last three fiscal years (hereinafter “executive compensation amount”) and is applied to all group companies. This is because many of the officers of SMFG also serve as officers of SMBC, and their executive compensation amount is determined according to their contribution to the group as a whole. With respect to lump-sum retirement payment, the executive compensation amount for the fiscal year in question is “(his/her executive compensation amount – lump-sum retirement payment) + (lump-sum retirement payment/years of service)” and the executive compensation amount calculated using this formula is compared to the base amount.

c) Material influence on the business management or assets of SMFG and its major consolidated subsidiaries

A person has a material influence on the business management or assets of SMFG and its major consolidated subsidiaries if his/her regular transactions or regular matters managed by him/her have a substantial impact on the business management of SMFG and its group companies, or losses incurred through such actions have a significant impact on the financial situation of SMFG and its group companies. Specifically, persons having such influence are directors, corporate auditors and corporate officers of SMFG and its major consolidated subsidiaries, both domestic and overseas.

2. Determination of Compensation

(1) For Officers

The compensation committee of SMFG, a majority of which is comprised of outside directors, deliberates on the compensation structure and the amount and type of compensation paid to directors and corporate officers of SMFG and SMBC, independent from the influence of corporate, consumer and other business units of SMBC. The committee deliberates on the amount and type of compensation paid to directors and corporate officers within the maximum total amount of compensation approved at an ordinary general meeting of shareholders. The amount and type of compensation paid to corporate auditors is determined through discussions among the corporate auditors, within the maximum total amount of compensation approved at an ordinary general meeting of shareholders, in accordance with the provisions of Article 387 (2) of the Companies Act.

(2) For Employees and Others

The amount and type of compensation paid to the employees of SMFG and SMBC and the officers and employees of major consolidated subsidiaries are determined and paid according to the compensation policies established by the boards of directors of SMFG and its major consolidated subsidiaries. Compensation systems based on the compensation policies are designed and documented by the HR departments of respective companies, independent from the influence of corporate, consumer and other business units. The compensation policies of major consolidated subsidiaries are regularly reported to the HR department of SMFG for review. The amount and type of compensation for overseas officers and employees is determined and paid under the compensation system established by the relevant office or subsidiary in accordance with local laws, regulations and employment practices.

(3) Total Amount of Compensation Paid to Compensation Committee Members and Number of Compensation Committee Meetings Held

	Number of Meetings Held (April 1, 2011 to March 31, 2012)
Compensation Committee (SMFG)	1
Compensation Committee (SMBC Nikko Securities Inc.)	1

Note: The total amount of compensation is not provided because the portion of the compensation paid to a committee member for services rendered as a committee member cannot be calculated as the amount of compensation paid is based on the committee member's position in the company.

■ Assessment of Design and Operation of Compensation Structure

Compensation Policy

(1) For Officers

SMFG has designed its compensation system for officers based on its basic policy of becoming a globally competitive financial services group with the highest trust of its clients and other stakeholders by enhancing its corporate value over the medium to long term. Specifically, the compensation paid to officers consists of:

- base salary;
- bonuses; and
- stock options

The base salary is determined based on job responsibilities, personal evaluation, business performance and other factors, and bonuses are determined based on the consolidated business results of SMFG. Stock options are granted to officers (excluding outside directors and corporate auditors) according to their positions, subject to an exercise period, to foster the creation of long-term corporate value.

The amount and type of compensation for each fiscal year, which is set within the maximum total amount of compensation approved at an ordinary general meeting of shareholders, are examined by a third party for appropriateness; deliberated by the compensation committee chaired by an outside director; and submitted to the board of directors for approval. In addition, the amount and type of compensation to corporate auditors are determined through discussions among the corporate auditors, including outside corporate auditors, within the maximum total amount of compensation approved at an ordinary general meeting of shareholders.

(2) For Employees and Others

SMFG and its major consolidated subsidiaries pay compensation to domestic employees and others consisting of:

- base salary;
- bonuses and other benefits

In order to link the business philosophy and strategy of the company to the roles and responsibilities of the employees and others, SMFG and its major consolidated subsidiaries determine the amount and type of compensation taking into account their job responsibilities, personal evaluation, business performance and other factors. In addition, the HR departments of respective companies determine the amount and type of compensation based on the overall company situation, including the business environment, business trends, and past payments of compensation. The compensation policies for overseas employees and others have been established based on the domestic compensation policies and taking into account local laws, regulations, employment practices and other relevant factors.

■ Consistency between Compensation Structure and Risk Management and Link between Compensation and Performance

1. SMFG

SMFG determines the amount and type of compensation paid to officers within the maximum total amount of compensation approved at an ordinary general meeting of shareholders. SMFG also sets a budget for paying compensation to employees taking into account the group's financial situation and other factors. Performance-based compensation accounts for a relatively small percentage of total compensation, and SMFG has not adopted a compensation structure that could affect the risk management of the group.

2. Major Consolidated Subsidiaries

The amount and type of compensation for officers and employees of a major subsidiary are determined by comprehensively taking into account the assessment of the subsidiary's medium- and long-term earnings, and in the case of an overseas subsidiary, local laws, regulations and employment practices, and a compensation structure that could affect the risk management of the group has not been adopted. In addition, expenses for employee retention are recorded for employees of certain major consolidated subsidiaries.

■ Type, Total Amount Paid, and Payment Method of Compensation for Officers, Employees and Others of SMFG and Its Group Companies

Total Amount of Compensation Paid to Officers, Employees and Others (April 1, 2011 to March 31, 2012)

	Number of officers/employees and others	Millions of yen								
		Amount of compensation								
		Total	Amount of fixed compensation			Amount of variable compensation			Retirement allowance	Other benefits
Total	Base salary		Stock options	Other benefits	Total	Bonuses				
Officers (excluding outside directors and corporate auditors).....	17	1,010	810	725	83	1	146	146	54	—
Employees and others.....	32	2,908	1,358	1,302	50	4	1,429	1,429	14	106

Notes: 1. Compensation to officers includes those of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥134 million in deferred compensation accrued during the fiscal year (officers: ¥83 million; employees and others: ¥50 million).

3. Stock options are classified as fixed compensation because the number of stock options granted depends on the individual's position.

4. The exercise period of stock option is shown in the table below.

Under the stock option agreement, the exercise of stock options is deferred until the retirement date, regardless of the exercise period:

	Exercise Period
1st series of stock acquisition rights of SMFG.....	August 13, 2010 to August 12, 2040
2nd series of stock acquisition rights of SMFG	August 16, 2011 to August 15, 2041

5. Payment of the following compensation has been deferred:

	Millions of yen	
	March 31, 2012	Payment during the fiscal year
1st series of stock acquisition rights of SMFG.....	73	—

Note: The 1st series of stock acquisition rights that SMFG assumed obligation for as a result of a stock transfer are not included in the deferred compensation because their unit issue price was not calculate since they were issued under the "Law regarding the Partial Amendment of the Commercial Code" enacted in 2001 which abolished the unit share system.

■ Other Information Regarding Compensation Structures of SMFG and its Group Companies

Not applicable

Compensation

Sumitomo Mitsui Banking Corporation (SMBC) and Its Group Companies

■ Compensation Framework of SMBC Group

1. Scope of Officers and Employees

The scope of officers, employees and others whose compensation is subject to disclosure under the revised Cabinet Office on Disclosure of Corporate Affairs, etc. and other ordinances are as described below.

(1) Scope of Officers

Officers subject to compensation disclosure are directors and corporate auditors SMBC (excluding outside directors and corporate auditors).

(2) Scope of Employees and Others

Employees and others subject to compensation disclosure are employees of SMBC and officers and employees of its major consolidated subsidiaries who are highly compensated and have a material influence on the business management or the assets of SMBC and its major consolidated subsidiaries.

a) Scope of major consolidated subsidiaries

A major consolidated subsidiary is a consolidated subsidiary of SMBC with total assets accounting for more than 2% of the total consolidated assets of SMBC and has a material influence on the management of SMBC and its group companies. Specifically, they are SMBC Nikko Securities Inc., Kansai Urban Banking Corporation, The Minato Bank Ltd. and overseas subsidiaries such as Sumitomo Mitsui Banking Corporation Europe Limited and Sumitomo Mitsui Banking Corporation (China) Limited.

b) Scope of highly compensated persons

A highly compensated person is an individual whose compensation paid by SMBC or its major subsidiaries is equal to or more than the base amount. The base amount of SMBC is set at ¥60 million which is based on the average amount of compensation paid to the officers of SMFG and SMBC (excluding officers appointed or retired during the fiscal year in question) over the last three fiscal years (hereinafter “executive compensation amount”) and is applied to all group companies. This is because many of the officers of SMFG also serve as officers of SMBC, and their executive compensation amount is determined according to their contribution to the group as a whole. With respect to lump-sum retirement payment, the executive compensation amount for the fiscal year in question is “(his/her executive compensation amount – lump-sum retirement payment) + (lump-sum retirement payment/years of service)” and the executive compensation amount calculated using this formula is compared to the base amount.

c) Material influence on the business management or assets of SMBC and its major consolidated subsidiaries

A person has a material influence on the business management or assets of SMBC and its major consolidated subsidiaries if his/her regular transactions or regular matters managed by him/her have a substantial impact on the business management of SMBC and its group companies, or losses incurred through such actions have a significant impact on the financial situation of SMBC and its group companies. Specifically, persons having such influence are directors, corporate auditors and corporate officers of SMBC and its major consolidated subsidiaries, both domestic and overseas.

2. Determination of Compensation

(1) For Officers

The compensation committee of SMFG, a majority of which is comprised of outside directors, deliberates on the compensation structure and the amount and type of compensation paid to directors and corporate officers of SMFG and SMBC, independent from the influence of corporate, consumer and other business units of SMBC. The committee deliberates on the amount and type of compensation paid to directors and corporate officers within the maximum total amount of compensation approved at an ordinary general meeting of shareholders. The amount and type of compensation paid to corporate auditors is determined through discussions among the corporate auditors, within the maximum total amount of compensation approved at an ordinary general meeting of shareholders, in accordance with the provisions of Article 387(2) of the Companies Act.

(2) For Employees and Others

The amount and type of compensation paid to the employees of SMBC and SMBC and the officers and employees of major consolidated subsidiaries are determined and paid according to the compensation policies established by the boards of directors of SMBC and its major consolidated subsidiaries. Compensation systems based on the compensation policies are designed and documented by the HR departments of respective companies, independent from the influence of corporate, consumer and other business units. The compensation policies of major consolidated subsidiaries are regularly reported to the HR department of SMBC for review. The amount and type of compensation for overseas officers and employees is determined and paid under the compensation system established by the relevant office or subsidiary in accordance with local laws, regulations and employment practices.

(3) Total Amount of Compensation Paid to Compensation Committee Members and Number of Compensation Committee Meetings Held

	Number of Meetings Held (April 1, 2011 to March 31, 2012)
Compensation Committee (SMFG)	1
Compensation Committee (SMBC Nikko Securities Inc.)	1

Note: The total amount of compensation is not provided because the portion of the compensation paid to a committee member for services rendered as a committee member cannot be calculated as the amount of compensation paid is based on the committee member's position in the company.

■ Assessment of Design and Operation of Compensation Structure

Compensation Policy

(1) For Officers

SMBC has designed its compensation system for officers based on the basic policy of SMFG – become a globally competitive financial services group with the highest trust of its clients and other stakeholders by enhancing its corporate value over the medium to long term. Specifically, the compensation paid to officers consists of:

- base salary;
- bonuses; and
- stock options

The base salary is determined based on job responsibilities, personal evaluation, business performance and other factors, and bonuses are determined based on the consolidated business results of SMFG. Stock options are granted to officers (excluding outside directors and corporate auditors) according to their positions, subject to an exercise period, to foster the creation of long-term corporate value.

The amount and type of compensation for each fiscal year, which is set within the maximum total amount of compensation approved at an ordinary general meeting of shareholders, are examined by a third party for appropriateness; deliberated by the compensation committee of SMFG, chaired by an outside director; and submitted to the board of directors for approval. In addition, the amount and type of compensation to corporate auditors are determined through discussions among the corporate auditors, including outside corporate auditors, within the maximum total amount of compensation approved at an ordinary general meeting of shareholders.

(2) For Employees and Others

SMBC and its major consolidated subsidiaries pay compensation to domestic employees and others consisting of:

- base salary;
- bonuses and other benefits

In order to link the business philosophy and strategy of the company to the roles and responsibilities of the employees and others, SMBC and its major consolidated subsidiaries determine the amount and type of compensation taking into account their job responsibilities, personal evaluation, business performance and other factors. In addition, the HR departments of respective companies determine the amount and type of compensation based on the overall company situation, including the business environment, business trends, and past payments of compensation. The compensation policies for overseas employees and others have been established based on the domestic compensation policies and taking into account local laws, regulations, employment practices and other relevant factors.

■ Consistency between Compensation Structure and Risk Management and Link between Compensation and Performance

1. SMBC

SMBC determines the amount and type of compensation paid to officers within the maximum total amount of compensation approved at an ordinary general meeting of shareholders. SMBC also sets a budget for paying compensation to employees taking into account the group's financial situation and other factors. Performance-based compensation accounts for a relatively small percentage of total compensation, and SMBC has not adopted a compensation structure that could affect the risk management of the group.

2. Major Consolidated Subsidiaries

The amount and type of compensation for officers and employees of a major subsidiary are determined by comprehensively taking into account the assessment of the subsidiary's medium- and long-term earnings, and in the case of an overseas subsidiary, local laws, regulations and employment practices, and a compensation structure that could affect the risk management of the group has not been adopted. In addition, expenses for employee retention are recorded for employees of certain major consolidated subsidiaries.

■ Type, Total Amount Paid, and Payment Method of Compensation for Officers, Employees and Others of SMBC and Its Group Companies

1. Total Amount of Compensation Paid to Officers, Employees and Others (SMBC consolidated, April 1, 2011 to March 31, 2012)

	Number of officers/employees and others	Millions of yen								
		Amount of compensation								
		Total	Amount of fixed compensation			Amount of variable compensation			Retirement allowance	Other benefits
Total	Base salary		Stock options	Other benefits	Total	Bonuses				
Officers (excluding outside directors and corporate auditors).....	20	1,304	1,050	938	108	2	209	209	44	—
Employees and others.....	26	2,412	956	951	2	1	1,342	1,342	6	106

Notes: 1. Compensation to officers includes those of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥111 million in deferred compensation accrued during the fiscal year (officers: ¥108 million; employees and others: ¥2 million).

3. Stock options are classified as fixed compensation because the number of stock options granted depends on the individual's position.

4. The exercise period of stock option is shown in the table below.

Under the stock option agreement, the exercise of stock options is deferred until the retirement date, regardless of the exercise period:

	Exercise Period
1st series of stock acquisition rights of SMFG.....	August 13, 2010 to August 12, 2040
2nd series of stock acquisition rights of SMFG	August 16, 2011 to August 15, 2041

5. Payment of the following compensation has been deferred:

	Millions of yen	
	March 31, 2012	Payment during the fiscal year
1st series of stock acquisition rights of SMFG.....	83	—

Note: The 1st series of stock acquisition rights that SMFG assumed obligation for as a result of a stock transfer are not included in the deferred compensation because their unit issue price was not calculate since they were issued under the "Law regarding the Partial Amendment of the Commercial Code" enacted in 2001 which abolished the unit share system.

2. Total Amount of Compensation Paid to Officers, Employees and Others (SMBC non-consolidated, April 1, 2011 to March 31, 2012)

	Number of officers/employees and others	Millions of yen								
		Amount of compensation								
		Total	Amount of fixed compensation			Amount of variable compensation			Retirement allowance	Other benefits
Total	Base salary		Stock options	Other benefits	Total	Bonuses				
Officers (excluding outside directors and corporate auditors).....	20	1,304	1,050	938	108	2	209	209	44	—
Employees and others.....	11	1,016	355	352	2	—	654	654	6	—

Notes: 1. The total amount of fixed compensation includes ¥111 million in deferred compensation accrued during the fiscal year (officers: ¥108 million; employees and others: ¥2 million).

2. Stock options are classified as fixed compensation because the number of stock options granted depends on the individual's position.

3. The exercise period of stock option is shown in the table below.

Under the stock option agreement, the exercise of stock options is deferred until the retirement date, regardless of the exercise period:

	Exercise Period
1st series of stock acquisition rights of SMFG.....	August 13, 2010 to August 12, 2040
2nd series of stock acquisition rights of SMFG	August 16, 2011 to August 15, 2041

4. Payment of the following compensation has been deferred:

	Millions of yen	
	March 31, 2012	Payment during the fiscal year
1st series of stock acquisition rights of SMFG.....	83	—

Note: The 1st series of stock acquisition rights that SMFG assumed obligation for as a result of a stock transfer are not included in the deferred compensation because their unit issue price was not calculate since they were issued under the "Law regarding the Partial Amendment of the Commercial Code" enacted in 2001 which abolished the unit share system.

■ Other Information Regarding Compensation Structures of SMFG and its Group Companies

Not applicable



Corporate Data

Sumitomo Mitsui Financial Group, Inc.

Board of Directors, Corporate Auditors, and Executive Officers (as of June 30, 2012)

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., Consumer Finance &
Transaction Business Dept., President of SMFG Card & Credit, Inc.

Koichi Danno

Director
Corporate Risk Management Dept.

Yujiro Ito

Director
General Affairs Dept., Human Resources Dept.

Masahiro Fuchizaki

Director
IT Planning Dept., Director of The Japan Research Institute, Limited

Nobuaki Kurumatani

Director
Audit Dept.

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

Ikuo Uno

Corporate Auditor (outside)

Satoshi Ito

Corporate Auditor (outside)

Rokuro Tsuruta

Corporate Auditor (outside)

EXECUTIVE OFFICERS

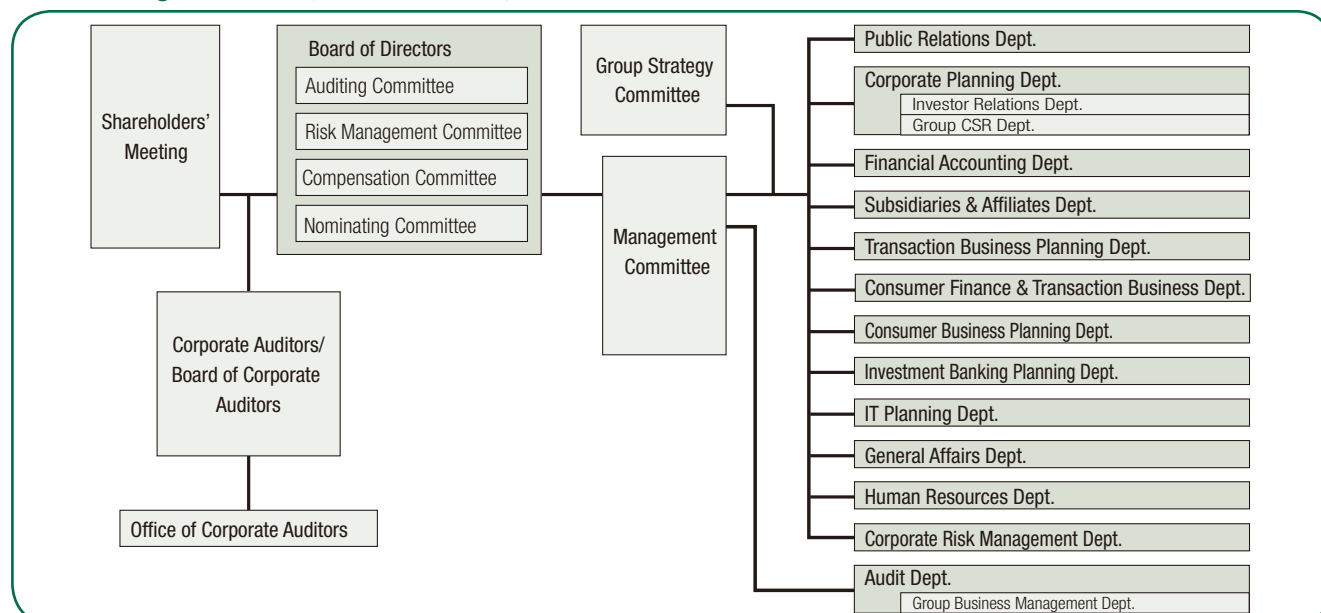
Hidetoshi Furukawa

Senior Managing Director
Investment Banking Planning Dept.

Masaki Tachibana

Managing Director
Transaction Business Planning Dept.

SMFG Organization (as of June 30, 2012)



■ Board of Directors, Corporate Auditors, and Executive Officers (as of June 30, 2012)

BOARD OF DIRECTORS

Chairman of the Board

Teisuke Kitayama

President and CEO

Takeshi Kunibe*

Director

Koichi Miyata

Deputy Presidents

Tetsuya Kubo*

Public Relations Dept., Corporate Planning Dept., Financial Accounting Dept., Subsidiaries & Affiliates Dept.

Satoru Nakanishi*

Head of Consumer Banking Unit
Consumer Finance & Transaction Business Dept.
President of SMFG Card & Credit, Inc.

Yoshihiko Shimizu*

Head of Middle Market Banking Unit
Transaction Business Division

Hiroshi Minoura*

Head of International Banking Unit
Transaction Business Division

Senior Managing Directors

Koichi Minami*

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*

Risk Management Unit (Corporate Risk Management Dept., Credit & Investment Planning Dept.)
Human Resources Dept., Human Resources Development Dept.

Mitsunori Watanabe*

Head of Corporate Banking Unit
Transaction Business Division

Yujiro Ito*

Human Resources Dept., Human Resources Development Dept., Quality Management Dept., General Affairs Dept., Legal Dept., Administrative Services Dept.

Shuichi Kageyama*

Head of Corporate Advisory Division
Located at Osaka

Seiichiro Takahashi*

Head of Treasury Unit

Masahiro Fuchizaki*

IT Planning Dept., Operations Planning Dept., Operations Support Dept., Director of The Japan Research Institute, Limited

Hidetoshi Furukawa*

Head of Investment Banking Unit

Directors (outside)

Shigeru Iwamoto

Yoshinori Yokoyama

Kuniaki Nomura

CORPORATE AUDITORS

Hiroki Yaze

Corporate Auditor

Makoto Hiura

Corporate Auditor

Ikuo Uno

Corporate Auditor (outside)

Satoshi Ito

Corporate Auditor (outside)

Rokuro Tsuruta

Corporate Auditor (outside)

Jun Mizoguchi

Corporate Auditor

EXECUTIVE OFFICERS

Managing Directors

Nobuaki Kurumatani

Internal Audit Dept., Credit Review Dept.

Katsunori Okubo

Global Advisory Dept.
(In charge of Sumitomo Mitsui Banking Corporation (China) Limited)

Hiroyuki Iwami

Head of Europe Division
CEO of Sumitomo Mitsui Banking Corporation Europe Limited

Masaki Tachibana

Deputy Head of Middle Market Banking Unit, Corporate Banking Unit (Planning Dept., Corporate Banking Unit & Middle Market Banking Unit)

Transaction Business Planning Dept.
Head of Private Advisory Dept.

Atsuhiko Inoue

Osaka Corporate Banking Division (Osaka Corporate Banking Depts. I, II, and III)

Toshiyuki Teramoto

Deputy Head of Middle Market Banking Unit (in charge of East Japan)
Head of Higashinihon Daiichi Middle Market Banking Division

Manabu Narita

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. I, II, III, and IV)

Kunio Yokoyama

Deputy Head of Consumer 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

Chan Chi Keung, Chris

General Manager, Corporate Banking Dept., Greater China

Kazunori Okuyama

Deputy Head of International Banking Unit, Middle Market Banking Unit, Corporate Banking Unit
Global Advisory Dept.
Chairman of Sumitomo Mitsui Banking Corporation (China) Limited

Hiroaki Hattori

Head of Kobe Middle Market Banking Division and Chushikoku Middle Market Banking Division

Kiyoshi Miura

Deputy Head of Middle Market Banking Unit (in charge of West Japan)

Seiichi Ueno

General Manager, Credit Dept., Corporate Banking Unit

Katsuhiko Kanabe

IT Planning Dept., Operations Planning Dept., Operations Support Dept.

Hiroshi Mishima

Deputy Head of Treasury Unit

Hitoshi Ishii

Deputy Head of Middle Market Banking Unit (in charge of East Japan)
Head of Higashinohon Daini Middle Market Banking Division

Jun Ota

Deputy Head of Investment Banking Unit

Yasuyuki Kawasaki

General Manager, Planning Dept., International Banking Unit

Fumiaki Kurahara

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. V, VI, VII, and VIII)

Makoto Takashima

Head of The Americas Division

*Directors***Masaki Ashibe**

Deputy Head of Middle Market Banking Unit (Credit Dept. II)

Masahiro Nakagawa

Deputy Head of Middle Market Banking Unit (Credit Dept. I)

Atsushi Kuroda

Head of Nishinohon Daiichi Middle Market Banking Division

Seiji Sato

General Manager, Tokyo Corporate Banking Dept. III

Masayuki Shimura

Head of The Asia Pacific Division

Katsunori Tanizaki

General Manager, IT Planning Dept.

Takafumi Yamahiro

Head of Nishinohon Daini Middle Market Banking Division

Minami Aida

Global Advisory Dept.

Shigeki Azumai

Deputy Head of Consumer Banking Unit (in charge of West Japan)

Tatsufumi Ishibashi

Deputy Head of Corporate Advisory Division

Mitsuru Ono

Deputy Head of International Banking Unit (Credit Depts., Americas Division and Europe Division, Asia Credit Dept., Credit Management Dept.)

General Manager, Credit Management Dept., International Banking Unit

Hirobumi Koga

Head of Saitama Ikebukuro Middle Market Banking Division and Shinjuku Middle Market Banking Division

Toshiki Ito

Head of Shibuya Middle Market Banking Division and Yokohama Middle Market Banking Division

Takashi Matsushita

Head of Tokyo Higashi Middle Market Banking Division

Noboru Rachi

Head of Kyoto Hokuriku Middle Market Banking Division and General Manager, Kyoto Corporate Business Office-I

Takehisa Ikeda

General Manager, Tokyo Corporate Banking Dept. VI

Yukihiko Onishi

General Manager, Corporate Planning Dept.

Hiroyuki Okutani

General Manager, Planning Dept., Consumer Banking Unit

Hajime Kunisaki

General Manager, Operations Planning Dept.

Hisanori Kokuga

President of Sumitomo Mitsui Banking Corporation (China) Limited

Koichi Noda

Deputy Head of Corporate Advisory Division

Shosuke Mori

General Manager, Tokyo Corporate Banking Dept. I

Taneki Ono

Deputy Head of Investment Banking Unit
Corporate Planning Dept.

Isao Kitatsuji

General Manager, Credit Dept. II, Middle Market Banking Unit

Kentaro Senmatsu

Head of Tokyo Toshin Middle Market Banking Division and Higashinohon Kouiki Middle Market Banking Division

Osamu Nakano

Head of Transaction Business Division and General Manager, Global Advisory Dept.

Tadaaki Kanbara

General Manager, Tokyo Corporate Banking Dept. IV

Gotaro Michihiro

General Manager, Tokyo Corporate Banking Dept. II

Takashi Inagaki

General Manager, Credit Dept. I, Middle Market Banking Unit

Masahiko Oshima

General Manager, Tokyo Corporate Banking Dept. V

Naoki Ono

General Manager, Planning Dept., Corporate Banking Unit & Middle Market Banking Unit

Hiroyasu Kitagawa

General Manager, Subsidiaries & Affiliates Dept.

Takashi Jokura

General Manager, Retail Business Dept., Consumer Banking Unit

Naoki Tamura

General Manager, Credit & Investment Planning Dept.

Hiroshi Fujikawa

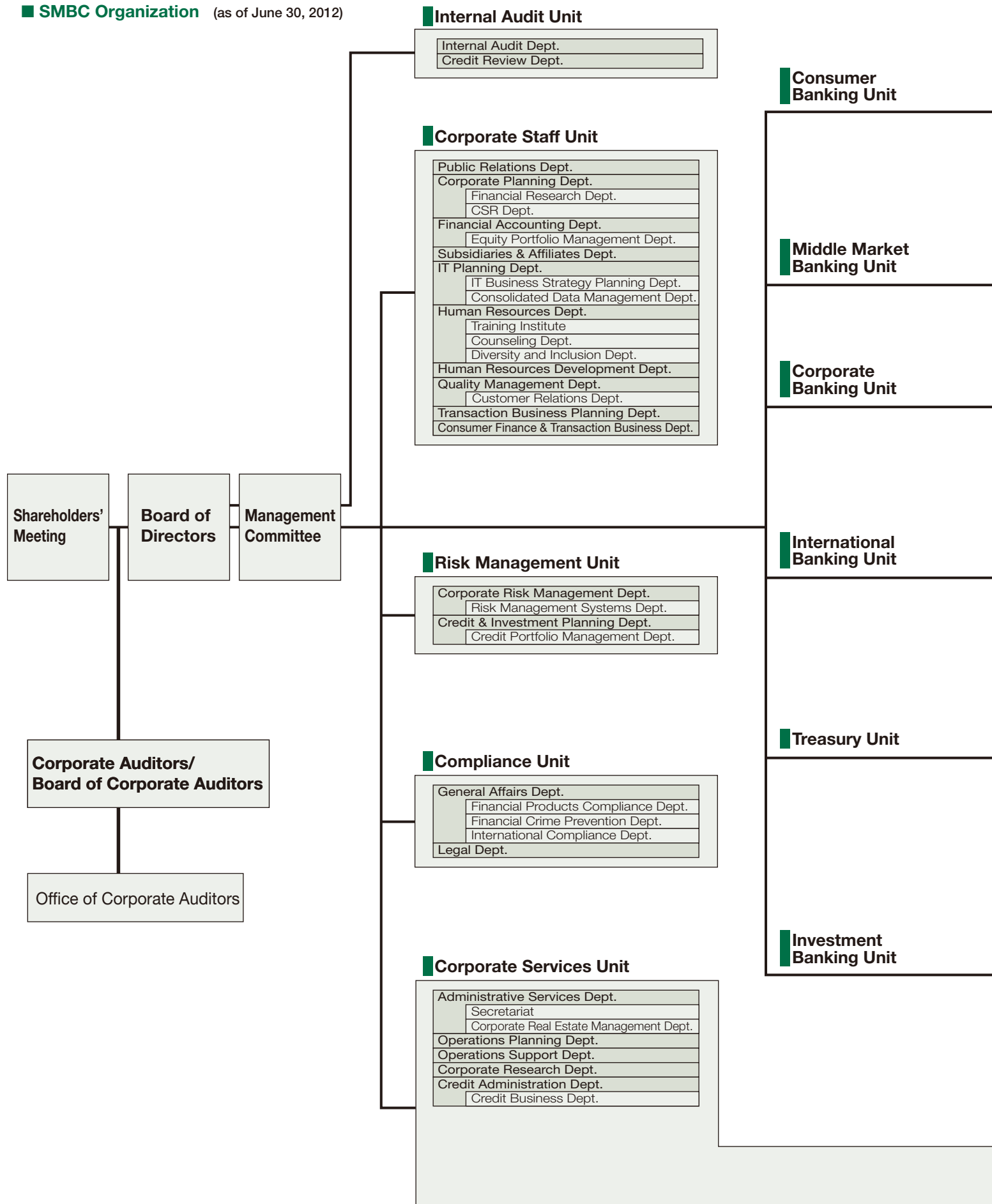
General Manager, Osaka Corporate Banking Dept. I

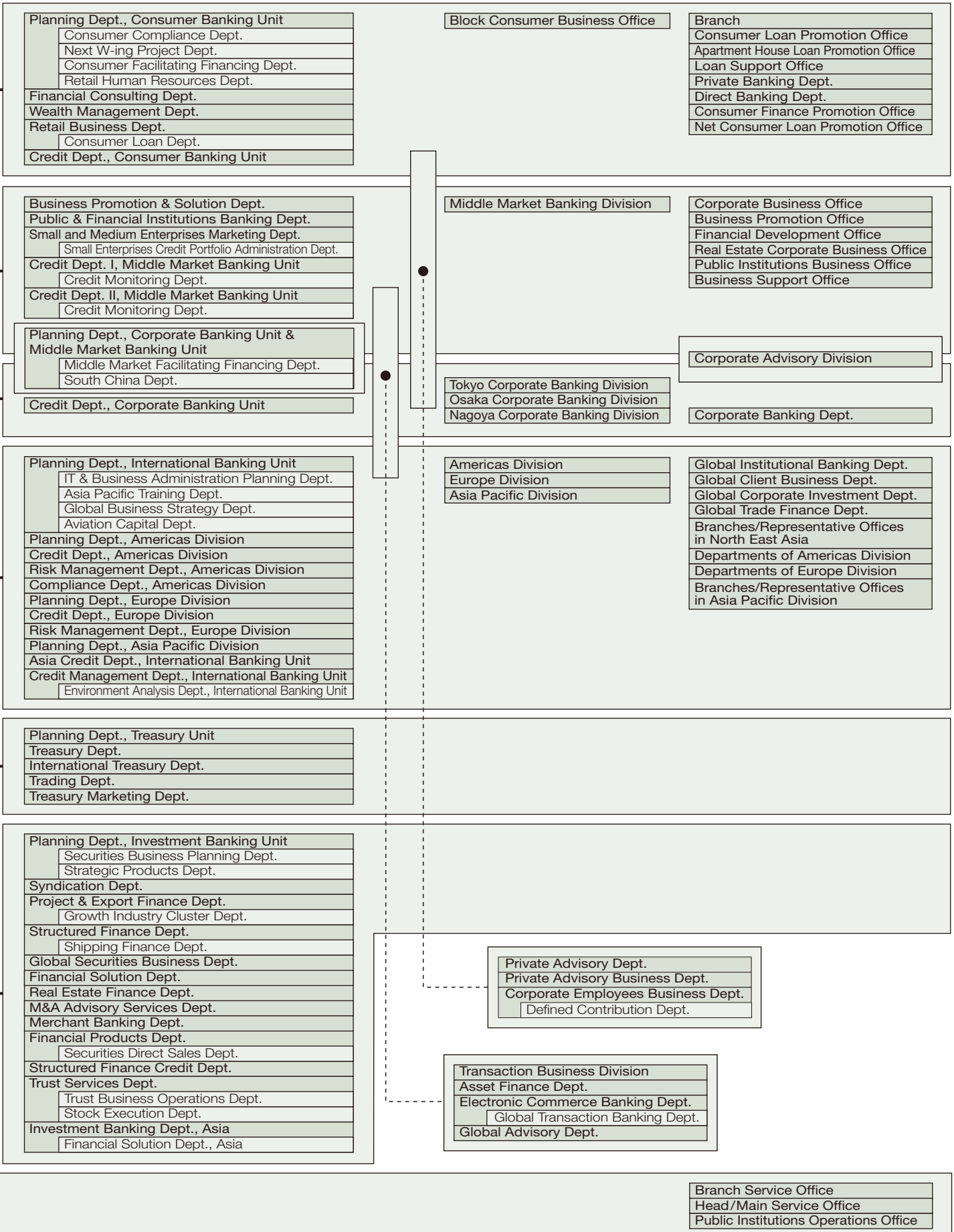
Kimio Matsuura

General Manager, General Affairs Dept.

Toshikazu Yaku

General Manager, Human Resources Dept.





Principal Subsidiaries and Affiliates (as of March 31, 2012)

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	82,843	0 (100)	—	Sep. 11, 1950	Credit card services
Promise Co., Ltd.*1	140,737	64.05 (33.71)	33.71	Mar. 20, 1962	Consumer loans
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
SMBC Nikko Securities Inc.	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*2	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 (61.43)	61.43	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.*3	10	0 (100)	100	Apr. 1, 2004	Management support services
SMBC Finance Service Co., Ltd.	71,705	0 (100)	—	Dec. 5, 1972	Collecting agent and factoring
SMBC Business Support Co., Ltd.*4	10	0 (100)	0 (100)	Jul. 1, 2004	SME business agency services
Financial Link Co., Ltd.*3	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 (1.63)	May 1, 1981	Management consulting and seminar organizer
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 (60.20)	49.40 (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 On April 1, 2012, Promise Co., Ltd. became a wholly owned subsidiary of the Company. On July 1, 2012, its registered trade name was changed to SMBC Consumer Finance Co., Ltd.

*2 ORIX Credit Corporation ceased to be a consolidated subsidiary of the Group on June 29, 2012.

*3 On April 1, 2012, Financial Link Co., Ltd. was taken over by SMBC Finance Business Planning Co., Ltd., with the latter as surviving entity. SMBC Finance Business Planning changed its registered trade name to Financial Link Co., Ltd. on the same day.

*4 On April 1, 2012, SMBC Business Support Co., Ltd. became a wholly owned subsidiary with direct investment from our wholly owned subsidiary SMBC.

■ 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\$667.806 million	0 (100)	100	Oct. 6, 1958	Commercial banking
ZAO Sumitomo Mitsui Rus Bank	Russia	RUB6.4 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\$4,350	0 (100)	94.89 (3.81)	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* ⁵	Cayman Islands	US\$500	0 (100)	100	Feb. 7, 2003	Credit guarantee, bond investment
SFVI Limited	British Virgin Islands	US\$300	0 (100)	100	Jul. 30, 1997	Investments
SMBC International Finance N.V.	Curaçau	US\$200,000	0 (100)	100	Jun. 25, 1990	Finance
SMBC Leasing Investment LLC	U.S.A.	US\$521 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\$200 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

*⁵ 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
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	33.99	—	Feb. 21, 1981	Leasing

International Directory (as of June 30, 2012)

Asia and Oceania

SMBC Branches and Representative Offices

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Dalian Representative Office

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Manila Representative Office

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Tel: 63 (2) 841-0098/9
Fax: 63 (2) 811-0877

Sydney Branch

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Tel: 61 (2) 9376-1800
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New Delhi Representative Office

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Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Puxi Sub-Branch

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Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Branch

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Nanjing Road, Heping District,
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Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Binhai Sub-Branch

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Fax: 86 (512) 6825-6121

Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Industrial Park Sub-Branch

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Sumitomo Mitsui Banking Corporation (China) Limited Shenyang Branch

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Sumitomo Mitsui Banking Corporation (China) Limited Shenzhen Branch

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Zhongxinsi Road, Futian District,
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PT Bank Sumitomo Mitsui Indonesia

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Sumitomo Mitsui Banking Corporation Malaysia Berhad

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SMBC Capital India Private Limited

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Liang Jing Co., Ltd.

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The Americas

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Mexico City Representative Office

Torre Altiva Boulevard Manuel
Avila Camacho 138 Piso 2, Loc. B
Lomas de Chapultepec, 11000
Mexico, D.F.
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Bogota Representative Office

Carrera 9 #113-52, Oficina 808,
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Lima Representative Office

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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) 224-5167

SMBC Nikko Securities America, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5300
Fax: 1 (212) 224-4929

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) 3619223
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

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) 8879-4586/7
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

Dubai Branch 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

Istanbul Representative Office

Tekfen Tower, Suite 822-823,
Level 8, Eski Buyukdere Caddesi
No:209, 4. Levent 34394, Istanbul,
Republic of Turkey
Tel: 90 (212) 371-84-86
Fax: 90 (212) 371-85-50

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 Amsterdam Branch

World Trade Center, Tower D Level
12, Strawinskylaan 1733,
1077 XX Amsterdam,
The Netherlands
Tel: 31 (20) 718-3888
Fax: 31 (20) 718-3889

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

One New Change, London EC4M
9AF, U.K.
Tel: 44 (20) 3527-7000
Fax: 44 (20) 3527-7500

SMBC Derivative Products Limited

One New Change, London
EC4M 9AF, U.K.
Tel: 44 (20) 3527-7000
Fax: 44 (20) 3527-7500

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

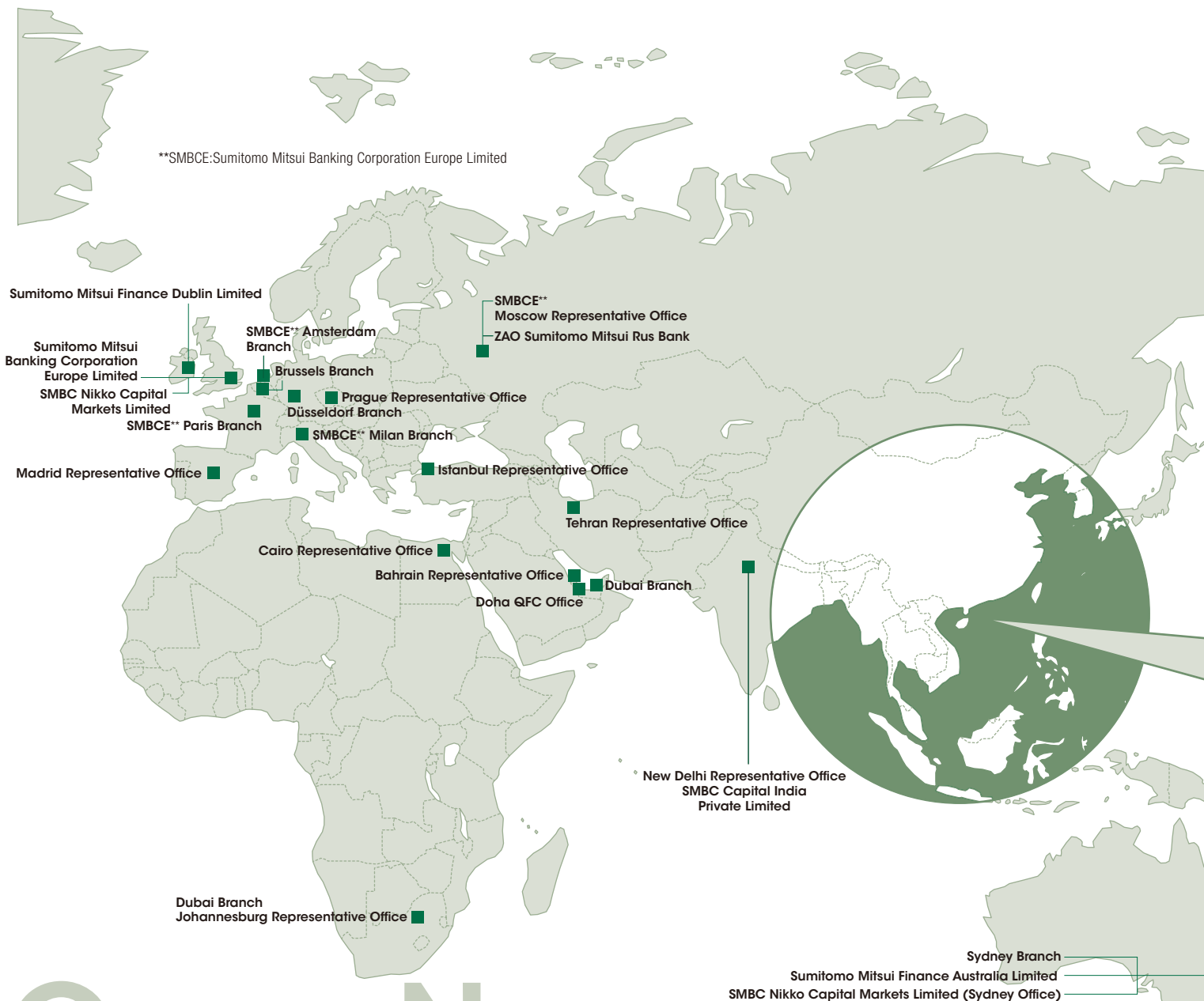
99 Queen Victoria Street, London
EC4V 4EH, U.K.
Tel: 44 (20) 7406-2700
Fax: 44 (20) 7406-2799

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

SMBC Aviation Capital Limited

IFSC House, IFSC, Dublin 1, Ireland
Tel: 353 (1) 859-9000
Fax: 353 (1) 859-9230



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 Puxi 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

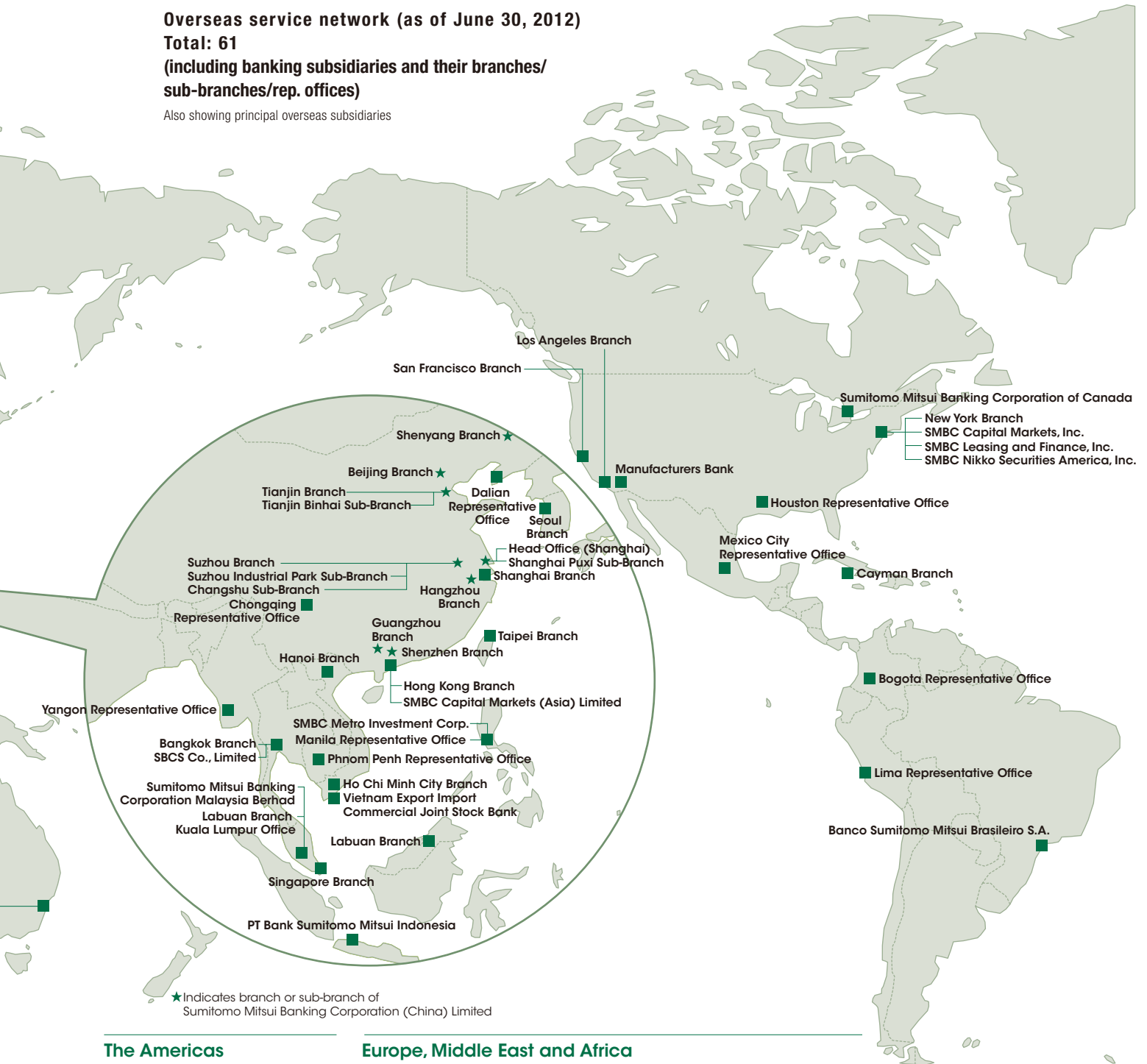
- Ho Chi Minh City Branch
- Hanoi Branch
- Vietnam Export Import Commercial Joint Stock Bank
- Yangon Representative Office
- Phnom Penh Representative Office
- Bangkok Branch
- SBCS Co., Limited
- Manila Representative Office
- SMBC Metro Investment Corporation
- Sydney Branch
- Sumitomo Mitsui Finance Australia Limited
- SMBC Nikko Capital Markets Limited (Sydney Office)
- PT Bank Sumitomo Mitsui Indonesia
- New Delhi Representative Office
- SMBC Capital India Private Limited

Overseas service network (as of June 30, 2012)

Total: 61

**(including banking subsidiaries and their branches/
sub-branches/rep. offices)**

Also showing principal overseas subsidiaries



★ Indicates branch or sub-branch of Sumitomo Mitsui Banking Corporation (China) Limited

The Americas

- New York Branch
SMBC Capital Markets, Inc.
SMBC Leasing and Finance, Inc.
SMBC Nikko Securities America, Inc.
- Los Angeles Branch
- San Francisco Branch
- Houston Representative Office
- Mexico City Representative Office
- Bogota Representative Office
- Lima Representative Office
- Cayman Branch
- Manufacturers Bank
- Sumitomo Mitsui Banking Corporation of Canada
- Banco Sumitomo Mitsui Brasileiro S.A.

Europe, Middle East and Africa

- Sumitomo Mitsui Banking Corporation Europe Limited
SMBC Nikko Capital Markets Limited
- Sumitomo Mitsui Banking Corporation Europe Limited Paris Branch
- Sumitomo Mitsui Banking Corporation Europe Limited Milan Branch
- Sumitomo Mitsui Banking Corporation Europe Limited Amsterdam Branch
- Düsseldorf Branch
- Brussels Branch
- Madrid Representative Office
- Prague Representative Office
- ZAO Sumitomo Mitsui Rus Bank
Sumitomo Mitsui Banking Corporation Europe Limited Moscow Representative Office
- Sumitomo Mitsui Finance Dublin Limited
- Dubai Branch
- Istanbul Representative Office
- 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