



SMFG SUMITOMO MITSUI
FINANCIAL GROUP

2013

ANNUAL REPORT

YEAR ENDED MARCH 31, 2013

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,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” 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 our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.

Sumitomo Mitsui Financial Group, Inc.

September 2013

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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 2012 (fiscal year ended March 2013) and our management policies going forward.

In fiscal 2012, SMFG achieved record-high net income of ¥794.1 billion, a ¥275.5 billion increase year-on-year, with a ROE of 14.8%, and all of the financial targets of the medium-term management plan one year ahead of schedule.

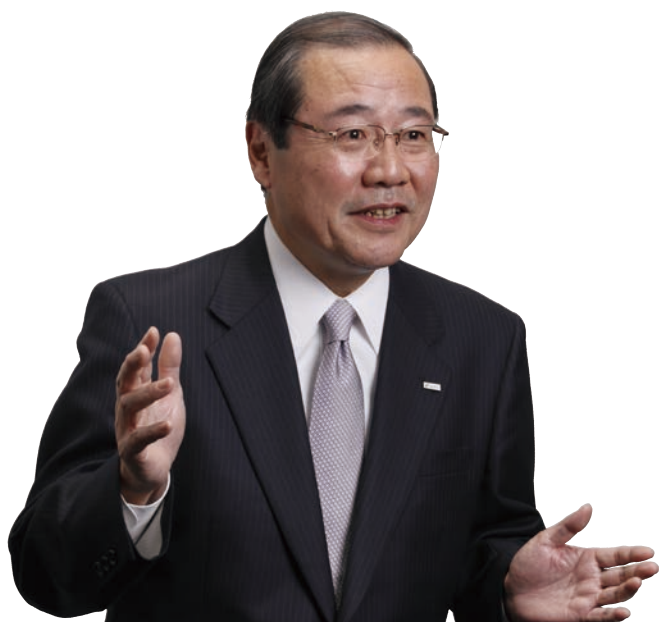
We consider fiscal 2013, the last year of the medium-term management plan, as the year to “proactively contribute to the revitalization of the Japanese economy, and as a result achieve the growth of SMFG” and “create new business models and challenge for innovation for our next leap forward.” We will proactively support the revitalization of the Japanese economy through SME financing and other measures, and at the same time address changes in the financial needs of our clients and business environment in order to position us for medium- to long-term growth.

Principal Initiatives in Fiscal 2012

The European economy decelerated in fiscal 2012 as the sovereign debt crisis intensified, but there were signs of economic recovery notably in the U.S. and China. In Japan, although industrial production and exports decreased markedly, a certain level of recovery was observed toward the end of the fiscal year mainly due to the yen's depreciation.

Against this backdrop, we had set fiscal 2012, the second year of the medium-term management plan for the three years from fiscal 2011 to 2013, as the year for moving forward steadily toward the targets of the medium-term management plan, capturing opportunities with proactive ideas and actions, and we proactively strengthened initiatives to achieve the twin management targets of 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.

Specifically, we enhanced the product line-up of SMBC in the securities intermediary business and insurance business for our retail clients to better accommodate their diversifying asset management needs. We also actively supported our corporate clients by financing their restructuring and other needs, resulting in a year-on-year increase in loan balance



Koichi Miyata
President
Sumitomo Mitsui Financial Group, Inc.

of SMBC's Middle Market Banking Unit. In the international business, we provided high quality services in areas such as project finance and loan syndication where we have a global competitive advantage, as demonstrated by SMBC being awarded "Global Bank of the Year" by the magazine Project Finance International. In the securities business, SMBC and SMBC Nikko Securities strengthened their collaboration in the retail securities business and released an on-line account linkage service called "Bank and Trade." In addition, SMBC Nikko Securities continued to enhance its capabilities in the wholesale securities business by launching Japanese stock brokerage and M&A advisory services in Singapore. In the consumer finance business, we concentrated our business resources into specific companies: Promise was made a wholly-owned subsidiary and renamed SMBC Consumer Finance; shares of ORIX Credit were sold back to ORIX; and SMBC Consumer Finance decided to make the loan business of Mobit into a wholly-owned subsidiary. In the leasing business, we completed the joint acquisition of the aircraft leasing business from The RBS Group, named it SMBC Aviation Capital, and integrated our group's major aircraft leasing companies into the company.

As a result of these steady performances by the marketing units of SMBC and other group companies and low credit cost, SMFG's consolidated ordinary profit increased ¥138.2 billion to ¥1,073.7 billion, and net income increased ¥275.5 billion to record-high ¥794.1 billion with a ROE of 14.8%. We also achieved all of the financial targets of the medium-term management plan one year ahead of schedule.

Progress of financial targets in the medium-term management plan

| Common Equity Tier 1 capital ratio* ¹ | Mar. 2011 | Mar. 2013 | Mar. 2014 Target |
|--|-----------|-----------|------------------|
| Basel III fully-loaded basis* ² | above 6% | 8.6% | 8% |

| | FY3/2011 | FY3/2013 | FY3/2014 Target |
|---|----------|----------|-----------------|
| Consolidated net income RORA | 0.8% | 1.3% | 0.8% |
| Consolidated overhead ratio | 52.5% | 52.4% | 50%-55% |
| SMBC non-consolidated overhead ratio | 45.6% | 47.3% | 45%-50% |
| Overseas banking profit ratio* ³ | 23.3% | 30.2% | 30% |

*¹ SMFG consolidated

*² Based on the definition as of Mar. 31, 2019

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

Management Policies for Fiscal 2013

In line with our basic policy for fiscal 2013 — "proactively contribute to the revitalization of the Japanese economy, and as a result achieve the growth of SMFG" and "create new business models and challenge for innovation for our next leap forward" — we will proactively finance business activities, and capture opportunities presented by the shift from savings to investment in Japan and the



Takeshi Kunibe

President and CEO

Sumitomo Mitsui Banking Corporation

growth of Asia and other emerging markets. Further, as fiscal 2013 is the last year of the medium-term management plan, we will focus on quality as we proactively capture opportunities, and continue to implement our medium- to long-term initiatives to enhance our client base for the sustainable growth of SMFG.

◎ Initiatives by business line

We will reinforce the functions of our group companies in order to provide even higher quality services to our clients.

● Consumer banking

Our group companies will provide leading-edge products and services according to the needs and life stage of our retail clients. Specifically, SMBC will expand its own line-up of consumer loan and investment products, and also strengthen its collaboration with SMBC Nikko Securities in asset-management to capture opportunities presented by the shift from savings to investment in Japan. In addition, we will serve the needs for business and asset succession of business owners and landowners through the enhanced testamentary trust planning and other functions of SMBC.

● Corporate banking

SMBC will continue to meet the financing and business restructuring needs of our corporate clients, mainly medium-sized companies and small and medium-sized enterprises (SMEs), and thereby contribute to the revitalization of Japanese economy, as well as continue to provide tailored support to SMEs after the expiration of SME Financing Facilitation Act. In addition, SMBC will further enhance its research and advisory capabilities and strengthen its ability to support the strategy planning of globally active large corporations from the planning stage by concentrating industry experts in the Corporate Advisory Division which will also deploy overseas representatives to

build up knowledge on a global basis. Furthermore, SMBC Nikko Securities will continue to enhance its capabilities in the wholesale securities business such as equity and debt underwriting and M&A advisory, as well as to intensify its collaboration with SMBC to accommodate our clients' diversifying and increasingly sophisticated needs.

● International banking

We will continue to strengthen our capabilities in infrastructure finance and trade finance which demand is expected to continue to expand around the world, as well as in transaction banking business, including ancillary financing, mainly in Asia where commercial flows are increasing in step with the economic development of the region. We will also continue our efforts to secure stable foreign-currency funding in order to accommodate the increase in our overseas assets. In Asia and other rapidly growing emerging markets, we aim to become a "globally active financial services group with Asia as our home market" by firmly establishing a full-scale commercial banking franchise in those markets. SMBC's equity investment in PT Bank Tabungan Pensiunan Nasional Tbk, a commercial bank in Indonesia, is a good example.

◎ Strengthening our corporate infrastructure

We will further reinforce our corporate infrastructure in line with our group-wide and global business operations by enhancing our group-wide risk-management structure and globally developing human resources with diverse capabilities. Furthermore, we will intensify our commitment to diversity by more actively hiring and promoting talented staff regardless of gender or nationality. We will also continue to reinforce our compliance and internal control system in line with the expansion of our group-wide and global business operations to more effectively comply with laws and regulations governing our businesses in Japan and other countries.

Capital and Shareholder Return Policies

In the medium-term management plan, we have set a Common Equity Tier 1 capital ratio (fully-loaded basis) target of 8% as of March 31, 2014. This means that we aim to achieve a Common Equity Tier 1 capital 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 Common Equity Tier 1 capital ratio as of March 31, 2013 was 8.6% compared to the targeted 8% as of March 31, 2014.

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.

Meanwhile, SMFG's basic shareholder return policy is to secure a payout ratio of over 20% on a consolidated net income basis 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.

Regarding dividends, we increased the annual ordinary dividend per share on common stock by ¥10 due mainly to the favorable earnings and achievement of Common Equity Tier 1 capital ratio target of the medium-term management plan one year ahead of schedule. We also added a commemorative dividend of ¥10 per share for the 10th anniversary of SMFG's establishment, resulting in an annual cash dividend per share of ¥120.

For fiscal 2013, we forecast consolidated ordinary

profit of ¥1,030 billion and net income of ¥580 billion. Meanwhile, in line with our basic shareholder return policy of securing a payout ratio of over 20% on a consolidated net income basis, we forecast an annual cash dividend per share for fiscal 2013 of ¥110. This is the same as in fiscal 2012 excluding the commemorative dividend, and the half of which, ¥55, will be paid as an interim dividend.

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 2013



Koichi Miyata
President
Sumitomo Mitsui
Financial Group, Inc.



Takeshi Kunibe
President and CEO
Sumitomo Mitsui
Banking Corporation

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

Basic Policy

To be a globally competitive and trusted financial services group by maximizing our strengths of Spirit of Innovation, Speed and Solution & Execution.

Management plan for the coming three years

Medium-term Management Plan (Fiscal 2011 - Fiscal 2013)

| | |
|----------------------|---|
| Management targets | <ul style="list-style-type: none"> • Top quality in strategic business areas • A solid financial base and corporate infrastructure to meet the challenges of financial regulations and highly competitive environment |
| Financial objectives | <p>Steadily improve financial soundness, profitability and growth in a balanced way</p> <ul style="list-style-type: none"> • Achieve the level of Common Equity Tier 1 capital ratio required for a global player • Enhance risk-return profile by improving asset quality • Aim for top-level cost efficiency among global players • Expand overseas business especially in Asia by capturing growing business opportunities |

Business Overview

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 2012, we implemented an investment fund of publicly offered investment trust in Japan for short-term, high-yield corporate bonds, denominated in US dollars. We enhanced our portfolio of overseas publicly offered investment trusts by implementing Australian-dollar-denominated fund for investment in high-yield bonds in newly emerging markets.

As for deposits in foreign currency, we added to the portfolio, the Brazilian real fund and Chinese renminbi in April 2012 and July 2012, respectively, in order to respond to the growing needs of clients for management of assets in foreign currencies. Furthermore, as we received growing request from retail clients, we began to accept in September, renminbi-denominated remittances made in Japan, while accommodating management needs of clients for investment by implementing measures to offer preferential interest rates.

Working with SMBC Nikko Securities, SMBC continues to offer its wide-ranging clients intermediary services for financial products, in areas such as foreign-currency and yen-denominated bonds. In fiscal 2012, we further expanded our portfolio by adding a new line of products and products especially made for high-net worth individuals, 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. We additionally provide services enabling our clients to request information materials without visiting our branches, as long as they make such requests by using ATMs or the internet. In fiscal 2012, as for single premium type permanent life insurance products, we enhanced the portfolio by offering new life insurance products enabling clients to select a periodical payment plan according to their life plan, or newly offering insurance policies guaranteeing substantial death benefits, with functions for asset formation in the long-term.

As for level-premium insurance products, we enhanced our products for further accommodating the “estate-related” needs of clients by introducing foreign-currency denominated whole life insurance and medical insurance with coverage for nursing care. In addition, the bank meets the inheritance-related needs of its customers by offering testamentary trust services for

storage and execution of wills, including “inheritance disposition” services assisting with complicated procedures required for inheritance, or “Relay of Trust to Family” services enabling clients and family to regularly receive funds.



We also began to offer in February 2013, a new deposit product of “Support Plan for Newly Employed” especially made for the young generation of graduated and newly employed (mainly targeting those newly becoming non-dependent on their family and living independently) by offering ordinary bank accounts with free casualty insurance coverage. We intend to provide the young generation with the opportunity to consider insurance matters and needs. Our staff at the call-center will periodically provide information appropriate for such newly-employed young clients with insurance needs.



Consumer Loans and Settlement

We are working to develop products and enhance our services in order to be able to accommodate the diverse needs of clients for housing loans with critical illness insurance and housing loans with partial relief for mortgage payment in the event of natural disasters.

We also substantially improved 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 SMBC Direct, the online banking service.

In other improvements, SMBC has assigned “Financing Facilitation Consultant Experts” at all branches and eight other locations throughout Japan where a special department is established for loan support services to provide consultations for clients. For housing finance for clients affected by the Great East Japan Earthquake, we offer housing loans with special rates, and we also offer our existing clients consultation services on more flexible loan repayments for those who have already taken out SMBC housing loans. We continue to provide meticulous support for, and promptly and appropriately respond to, clients who have difficulties making housing loan repayments.

As for SMBC unsecured consumer loans (card loans), guaranteed by SMBC Consumer Finance Co., Ltd.*1, the total loan



balance as of March 2013 has exceeded ¥410 billion due to the steady increase of loans.

Further, we began to provide in February 2013, the “Life Event Support Package” for the card loan, offering special interest rates for clients who borrow from housing loan. We intend to accommodate financial needs for clients, who acquired housing, for major life events such as childbirth, education and renovation.

*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 the convenience to accommodate the needs of clients while developing advanced services and strengthening security.

Since August 2012, SMBC has provided the “e-Report Service” enabling clients to be able to view various transaction reports on SMBC Direct. Those clients who applied to receive such service will be able to electronically view and save various reports in PDF-format on SMBC Direct, instead of receiving such reports by mail.



In October 2012, SMBC started a new service for SMBC Direct members to be able to receive basic price information for investment trust of their choice by e-mail, according to the timing they prefer to receive such e-mails. There is also a notification function to inform clients when the pre-selected basic price was reached.

Additionally, we have begun offering a convenient branch and ATM location search function and the “SMBC Application” especially made for smart-phone users enabling clients to easily verify account balance and make deposits, for improving convenience for clients.

Furthermore, SMBC Direct made the “One-time Password Service”^{*2} free of charge in March 2013 for further enhancing security for our clients.

*2 The service which enhances security for internet banking by providing different password each time.

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 improve our system of offering services by telephone in areas such as consultations for asset management and loans, direct-marketing of level-premium insurance and providing information for financial services, 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 business operations of intermediary services for individual clients: financial instruments, fund wrap services, clients referrals and banking agency services.

In October 2012, SMBC began offering “Bank and Trade” service, especially made for the internet, by coor-



ordinating SMBC bank account with general securities account of SMBC Nikko Securities. Further, in November 2012, SMBC Nikko Securities commenced offering testamentary trust agency services for SMBC.

Additionally, the two companies continue to integrate their solid platforms, which were built based on know-how for consulting business, for individual businesses such as their client base and network of offices and branches.

Specifically, each of SMBC and SMBC Nikko Securities plans to develop business promotion model for integrating bank and securities businesses by taking advantage of strengths of each business, in order to optimize products and services provided to clients. To develop this business model, the Securities Business Collaboration Planning Department was established in the Planning Department, Consumer Banking Unit and it has been experimentally in operation since May 2013.

◆Measures to Address Customers’ Inheritance-Related Needs

In addition to the testamentary trust services that it has provided to date, SMBC has commenced the handling of “inheritance disposition” services at all domestic branches in February 2013. In March 2013, SMBC began providing the “Relay of Trust to Family” in order to precisely meet the inheritance needs of customers.

“Relay of Trust to Family” is a jointly managed money trust marketed to individuals that supplements the principal. SMBC will continue meeting various customer needs by enhancing its products, services and consultation capabilities.



■ Services for corporate clients

Providing funding to medium-sized companies and SMEs

SMBC proactively implements appropriate measures for finance facilitation and economic vitalization by meticulously understanding circumstances of each client and making diverse proposals for finance facilitation, as we strongly believe that our social responsibilities are to proactively provide funding to meet the needs of our medium-sized and SME clients and to support measures for their management improvement.

Specifically, our product of “*Business Select Loan*,” which offers unsecured or unguaranteed loans to clients, is being utilized by many clients.

Additionally, in conjunction with the *Business Select Loan*, as for the loans guaranteed by the National Federation of Credit Guarantee Corporations, SMBC accommodates the funding needs of clients by offering our specially-designed loans jointly guaranteed by SMBC and the local credit guarantee corporation of each region.

We continue to proactively provide funds and support the management of medium-sized companies and SMEs which support the Japanese economy.

Support for the establishment of new industry, new businesses and growing company

At SMBC, a department specializing in supporting clients of growing companies has been established at its head office. By cooperating with SMBC Venture Capital Co., Ltd. and SMBC Nikko Securities, we provide solutions appropriate to the specific growth stage, such as providing loans especially made for growing companies, supporting the initial public offering of shares, or supporting the alliance with the major company.

In April 2012, SMBC and the NEC group jointly established a venture fund for the purpose of supporting technology venture companies. We have invested in companies that develop the packaging business of next-generation semi-conductors, provide advanced solutions for the Machine-to-Machine and Mobile Device Management, and develop advanced distributed processing technology for the game cloud service. Further, SMBC and the Osaka University jointly established a “Cooperative Unit for Creating New Industry” in November 2012, for the purpose of creating and developing new venture businesses initiated by the Osaka University.

SMBC and the Group companies are all committed to supporting growing companies while cooperatively working with diverse external entities.

Support for IPOs (IPO Navigator)

SMBC and SMBC Nikko Securities jointly started providing free information service exclusively for the registered members of the “IPO Navigator” since July 2010, for consistently and comprehensively supporting clients who are considering going

public. The IPO Navigator has become the one-stop platform for enabling clients to access any necessary information for IPO, enhanced by information provided by ten affiliated advisory companies and two sponsoring companies. As of March 2013, the IPO Navigator is registered by clients of approximately 600 companies. In February 2013, SMBC and SMBC Nikko Securities held their fifth “IPO Seminar.”

Mr. Mitsuru Izumo, the president of euglena Co., Ltd., spoke on his “experience for listing” at the seminar, invited by SMBC Nikko Securities, the lead manager for the euglena listing for Mothers on the Tokyo Stock Exchange in December 2012. Mr. Tomotaka Goji of the University of Tokyo Edge Capital (“UTECH”) also spoke on the “Points to bear in mind for the growth of venture company.” SMBC and SMBC Nikko Securities continue to support clients who wish to go public.



Development of solutions responding to the corporate needs such as environment, risk and food safety

The issues for clients, such as measures for environmental problems of resource and energy conservation or global warming, countermeasures for natural disasters, or ensuring food safety, are yearly becoming diversified.

SMBC developed and offered a series of products since 2006, as follows, for supporting clients who promptly respond to such issues: 1) “SMBC-ECO Loan” which support the measures taken by SMEs which obtained the certification for environment management system; 2) “SMBC Environmental Assessment Loans and Private Placement Bonds” which assess the measures taken by clients for environment; 3) “SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up” which assess the measures taken by clients of medium-sized companies and SMEs for environment; 4) “SMBC Sustainable Building Assessment Loans and Private Placement Bonds” which assess environment-friendliness and measures taken for risk management for the building owned or to be constructed by clients; 5) “SMBC Business Sustainability Assessment Loans and Private Placement Bonds” which assess the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.; and 6) “SMBC Food and Agriculture Assessment Loans and Private

Placement Bonds” which assess measures taken by clients for safety and security of food, and agriculture. In 2013, SMBC began offering “SMBC Sustainability Assessment Loans and Private Placement Bonds” which assess the measures taken for environment, society and governance, and appropriateness of information disclosure.

We continue to support clients who take innovative measures by developing solutions such as the above.

Measures for finance facilitation

Basic policy

SMBC strives to provide sincere and meticulous services to clients, facilitate funding, and enhance consultation services, in accordance with SMBC’s “Basic Policy for Finance Facilitation.”

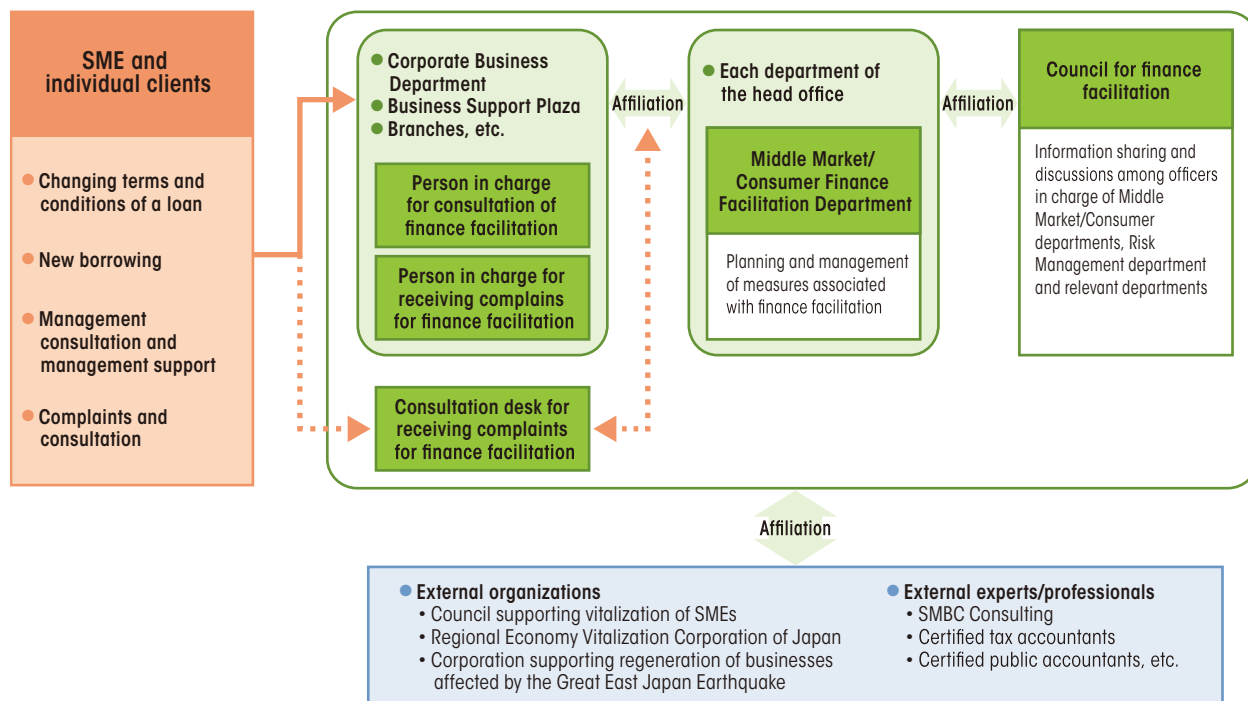
In particular, we put all of our efforts for facilitating finance by providing thorough explanations for clients to feel assured regarding our position for financing, especially after the expiry of the SME Financing Facilitation Act (March 2013).

Basic policy for finance facilitation

1. Conduct appropriate review of applications submitted to apply for a new loan or request to ease loan conditions
2. Provide support appropriate to the measures taken by clients for management consultation, management guidance and management improvement
3. Strive to improve the ability to appropriately assess the value of client’s business
4. Provide appropriate and thorough explanations to clients for the consultation and application for new loans or for easing loan conditions
5. Respond appropriately and adequately to clients for their requests or complaints regarding the consultation or application for a new loan or for easing loan conditions
6. In case that there are other relevant financial institutions involved in the consultation for easing loan conditions or any other requests, we maintain close liaison with such financial institutions

System improvement

Head office and branches of SMBC continue to provide consultation services in an integrated manner.



Support for management improvement, business regeneration and business conversion

Even after the expiry of the SME Financing Facilitation Act, SMBC continues to provide efficient financial intermediary services and focus on management issues which clients are faced with, and to propose solutions appropriate to respective management issues or life phase in the client's perspective. We strive to improve our consultation services by spending adequate time with the clients.

Specifically, we provide numerous and diverse loan products in order to accommodate the needs of clients for financing and resolving management issues; and we also provide solutions for business referrals (as explained below), overseas business development, or support for business succession (please refer to p.12 for "Support for business and asset succession"). Further, we also support clients for management improvement or business regeneration, while cooperating with external experts/professionals*1 or external organizations*2, by supporting measures for the plan of management improvement or giving advices for management improvement issues such as expense reduction or sale of assets.

*1 SMBC Consulting, certified tax accountants, certified public accountants, etc.

*2 Council supporting revitalization of SMEs, Regional Economy Vitalization Corporation of Japan, etc.

In particular, we continue to propose the most appropriate solutions and provide support for execution, while cooperating with the corporation supporting regeneration of businesses affected by the Great East Japan Earthquake or industrial restoration organizations, in order to provide solutions for clients affected by the Great East Japan Earthquake.

Measures for business referrals

SMBC strives to refer or introduce new business partners appropriate to the needs of clients by utilizing SMBC's "business referral service" for individually referring and introducing clients individually, in addition to referring or introducing a group of clients to the purchasing department of major corporations.

Under the current trend of globalization, the needs are even more diversified such as expanding distribution channels to a new overseas market or increasing suppliers mainly in the emerging countries.

In fiscal 2012, SMBC started to offer the "global business referral" service which is the business-matching with non-Japanese companies overseas. We provide support and solutions for clients' overseas business development through the process of business referral with non-Japanese companies overseas. Currently, the business-referral is limited in certain areas of Asia; however, we are in the process of expanding the service in order to appropriately accommodate the diverse needs of clients, through the global business-referral by taking advantage of SMFG's domestic and overseas network.

Support for career education

In accordance with the amendment adopted for the University Establishment Criteria in April 2011, the "Career Education/Guidance Program" of each university is being enhanced. SMBC puts its efforts into connecting the "needs of career education of universities" and "industrial affiliated needs of clients." Specifically, SMBC cooperates with each university to support career education, and we also ask our clients to become instructors for the education programs to support the program. For instance, our client presents the business issue of "marketing of a new product development." Students and the person in charge of the company discuss in the program to jointly come up with the proposal for resolving such issue. Our clients also speak on the trends of industry or business.

Through this practical experience of working with participating companies, students may be able to increase their social awareness and develop their abilities required in the society for "working as a team, such as expressing and listening abilities," "the ability to think to identify an issue, and creativity." On the other hand, our clients appreciate unconventional concepts and ideas of students which may give our clients new ideas or perspectives for their businesses.

We continue to contribute to our clients' business development by providing assistance and support while cooperating beyond our business framework.

Support for overseas development

As the number of clients moving into overseas markets increases, so their need for fund procurement and management solutions, and also for help in understanding local business customs, cultures and systems, has grown. SMBC's Global Advisory Department responds, in an integrated manner, to resolving issues for clients by transmitting overseas information of respective economy and holding seminars prepared for respective country in China, Asia, Europe and U.S.

We provide clients with the up-to-date information of local conditions, relevant regulations and industrial trends. As for clients who have already expanded their business to overseas, we provide high quality support and solutions tailored to each of their needs. We also support foreign exchange transactions for clients by giving advices on their trading business or holding seminars.



Enhancement of measures for the Greater China region

Due to the economic slowdown in China, financial results of certain Japanese companies seem to be adversely affected; however, the importance of the Greater China market (PRC, Hong Kong and Taiwan) has not declined and the company's entry to the market and business development seem to continue.

SMBC designates Greater China region as an important market, and we have improved our domestic and overseas structure to be able to integrally and efficiently provide high-quality services, while cooperating with SMFG group companies, in order to respond to the diverse needs of clients of the region.

In China, Sumitomo Mitsui Banking Corporation (China) Limited ("SMBCCN"), SMBC's subsidiary in China, became the first Japanese bank's subsidiary to establish a branch in Chongqing in August 2012 in order to provide meticulous services for clients to develop their businesses to the inland of the mainland China.

As a result, the number of offices in the mainland China has grown to fifteen, consisting of SMBCCN's eight branches, including the Shanghai Head Office, four representative offices, and two SMBC branches*. Together with SMBC's Hong Kong and Taiwan branches, we have established a very adequate office network in China.

*Representative office in Dalian and Shanghai Branch

Our South China Dept, which was established two years ago, promptly and consistently provides information regarding relevant regulations and trends in south China. As the needs of clients for renminbi-related services are growing steadily, we thoroughly respond to such needs by cooperating with the transaction business department established in Tokyo in April 2012.

Our domestic and overseas offices integrally continue to further enhance their services provided in Greater China, in order to appropriately respond to the confidence of clients.

Measures taken for vitalization of local regions in Japan

Measures taken jointly with local government entities and regional financial institutions

As the economy changes, the responsibilities and roles of local government entities and regional financial institutions are also diversifying. Consequently, the expectation for the support for local industrial development and overseas development of local companies continues to increase. The extensive network overseas and accurate and timely information collection will become necessary for such local government entities and regional financial institutions. To serve such needs, we are forming partnerships with local governments and regional financial institutions using SMBC group networks within Japan and overseas to provide a wide range of services.

SMBC has been proactively involved since the conceptual phase of the industrial development for accumulation of

medical-related industries in Kobe city and for strategic development of growing industry in Kita-Kyushu. In fiscal 2008, Miyagi Prefecture became the main prefecture in Japan with which we signed an industrial development cooperation agreement. We continue to financially assist local governments affected by the Great East Japan Earthquake for their restoration plan. Furthermore, SMBC has executed a business alliance agreement to support overseas businesses with THE MINATO BANK, LTD., Kansai Urban Banking Corporation, Mie Bank, Ltd. and six other banks.

Topics

◆ Kobe Medical Industrial City

Kobe City is promoting the "Kobe Medical Industrial City (Kobe Cluster)" project for medical-related industries. This project started as the restoration business after the Kobe earthquake, and it consolidates "highly-specialized hospital facilities," "advanced medical research facilities," and "sophisticated computation and science facilities, as represented by the super-computer 'K'," to the Port Island in Kobe. It works on the clinical application and commercialization of pharmaceutical products, regeneration medicine and medical equipment. It is also a national project and designated as one of the areas for the "Kansai Special District of Integrated International Strategy for Innovation."

SMBC has been deeply involved since the conceptual phase of the "Kobe Medical Industrial City" project, and it has participated in the project as one of the members of the local company. In fiscal 2013, we financially supported by providing the start-up capital for the establishment of the "Kobe minimally invasive cancer medical center," a major medical center for the advanced cancer medical treatment which may significantly reduce the burdens for the cancer patient. The development of medical industries is an important measure taken not only for, the improvement of medical standards, but also for vitalization of the local economy. SMBC continues to cooperate for the promotion of the "Kobe Medical Industrial City" project.

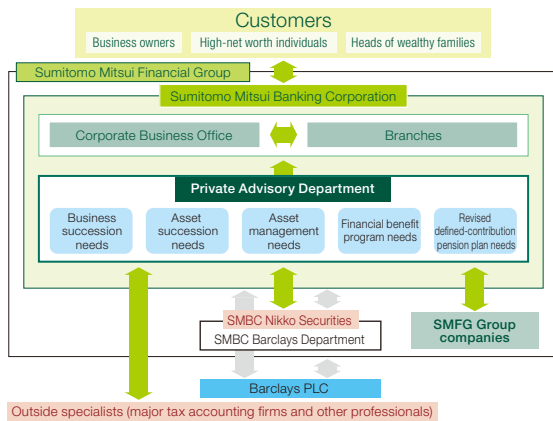


Services for Business Owners, High-Net Worth Individuals and Employees

Private Advisory Division

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

To ensure that business owners and high-net worth individuals can facilitate succession of their important businesses and assets, PAD offers the following services: (1) support of business and asset transfers for which we present proposals and provide information based on our extensive experience and knowledge accumulated over years, and the additional expertise provided through alliance partners with 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) corporate employees business 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 Succession

PAD presents customized proposals for clients who may be concerned or have problems with succession of their businesses and assets. We also offer a variety of seminars to

Topics

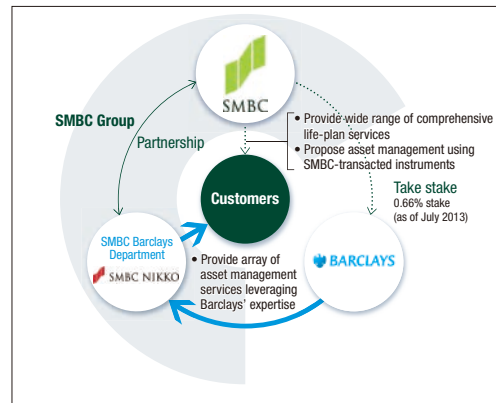
In April 2013, SMBC consolidated and enhanced branches' assistance and support functions associated with its inheritance-related services to PAD. With such enhancement, we will be able to comprehensively accommodate our corporate clients and high-net worth individual clients for their needs for business and assets succession and any other inheritance-related needs such as testamentary trust. SMBC also strives to improve the quality of its consultation services by facilitating its information sharing and knowledge accumulation within the bank.

provide our clients with up-to-date information and advice. We are also 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 financial advices on asset allocation and management. In June 2010, SMBC, SMBC Nikko Securities Inc. and Barclays PLC of Great Britain collaborated to establish the "SMBC Barclays Department" in SMBC Nikko Securities Inc. for better accommodating the diverse asset-management needs of our clients.

Specifically, we offer products and asset-allocation proposals appropriate for our clients and their portfolio performance by efficiently utilizing Barclays' global research capabilities and the Financial Personality Assessment ("FPA") based on behavioral economics (the tool used for understanding investment preferences and behaviors), and also taking advantage of the diverse products and services created by the product development team in the SMBC Barclays Department.



Topics

In 2012, SMBC Barclays Department was named "Best Private Bank Japan" by The Asset's "Investment Award."



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.

PAD supports 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 are faced with.



■ Investment Banking

SMFG offers and provides the most appropriate financial products and comprehensive 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. This is achieved by consolidating resources of the Group companies, including SMBC and SMBC Nikko Securities Inc.

Cooperation with SMBC Nikko Securities

As a core securities brokerage within the Group, SMBC Nikko Securities has been expanding both retail and wholesale operations in partnership with the bank. Through its securities intermediary and business introduction services for individuals, it is developing retail transactions through joint bank-brokerage formats. Our entire Group continues to respond to offer services appropriate for the needs of clients by taking advantage of strengths of both SMBC and SMBC Nikko Securities.

In wholesale operations, the Group was ranked 4th in the "league table" published by Thomson Reuters for fiscal 2012 ("Global Equity & Equity-Related: Bookrunner") with a market share of 11.9%. It also ranked 4th in the "M&A advisory services category for publicly announced mergers involving Japanese companies," with a market share of 17.8% (Thomson Reuters). It ranked 2nd in the ranking of the "25th Analysts Votes" for the Nikkei Veritas analysts. As for overseas operations, SMBC Nikko Securities' Singapore office has made steady progress, including the launch of brokerage services for Japanese stocks and M&A advisory services. The number of corporate client referrals

made by the bank to SMBC Nikko Securities is increasing, due to the measures taken for corporate clients. In fiscal 2012, the total number of client referrals made reached to approximately 4,300 (an increase of 14% compared to the previous fiscal year). Our entire Group continues to integrally work to enhance services provided to corporate clients.

SMBC Nikko Securities: Medium-Term Management Plan (during fiscal years of 2013 to 2015)

SMBC Nikko Securities developed its medium-term management plan starting fiscal 2013. We strive to provide value-added services to clients based on the concepts of "Speed and Scale" by moving forward from the "Framework Development" phase to the "Growth" phase, as set forth in the plan.

- Retail Unit: Expand the client base by the aggressive injection of resources and strategy of integrating banking and securities business operations.
- Wholesale Unit: Realization of competitive front operation structure; increase of earning capacity for sales and trading businesses by the aggressive injection of management resources; selective and effective overseas business expansion by taking advantage of the banking and securities business cooperation and alliance.
- Other: Sophistication of the management infrastructure, strategic injection of systems and human resources, acceleration of human resource development.



As of April 1, 2013

Measures for growth areas

In the emerging countries in Asia, the needs for infrastructure and development are increasing. SMBC is strengthening its measures for infrastructure financing by cooperating with the government-affiliated financial institutions which financially supports infrastructure projects in Singapore and Indonesia. In June 2013, we successfully established an infrastructure fund specifically made for investment in India, together with Kotak Mahindra group, one of India's largest private financial groups, the Brookfield Asset Management Inc., a major asset management company in Canada, and the Japan Bank for International Cooperation.

We continue to provide high-value added services in order to contribute to the improvement of infrastructure and economic development of each country by utilizing the expertise and knowledge accumulated especially in the project finance area.

Our Growth Industry Cluster Department identifies four fields of "renewable energy," "environment," "water" and "natural resources" as growing fields to promote creating new business opportunities for clients. It supports the solar power business and it researches smart city development overseas and wastewater treatment of industrial complexes by utilizing the accumulated knowledge and network of the "industry-government-academia." It also contributes to the expansion of clients' businesses by further venturing into "medical" and "nursing care" fields.

International Banking

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

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

Enhancement of our competitive products

In recognition of its strengths in project finance, SMBC was awarded the Global Bank of the Year 2012 by Project Finance International. It also placed No. 1 in the Asia Syndicated Loan Mandated Arrangers ranking (all international currency syndicated and club loans, Thomson Reuters), and was highly rated as a foreign bank in many Asian countries in the Cash Management Poll carried out by ASIAMONEY. It was No. 1 among Japanese banks for the seventh successive year. As such achievements show, SMBC is making its presence felt across the board.

Topics

◆ Project Finance

In the project finance field, SMBC was awarded the "Global Bank of the Year 2012"* for being the most successful bank in project finance. This was the Bank's second time winning this award as a result of our specialized and innovative project finance services, especially for the energy and resource development businesses around the world.

* The "Global Bank of the Year" is the prestigious award given by "Project Finance International" magazine published by Thomson Reuters.



Expansion of overseas networks

SMBC is expanding overseas networks, to further enhance services for Japanese corporate clients operating overseas and strengthen its capability to develop banking businesses in emerging and growth markets.

| Date of establishment | Country | |
|-----------------------|-----------|--|
| May 2012 | Peru | Lima Representative Office |
| August 2012 | Myanmar | Yangon Representative Office |
| August 2012 | China | Sumitomo Mitsui Banking Corporation (China) Limited Chongqing Branch |
| March 2013 | India | New Delhi Branch |
| April 2013 | Australia | Perth Branch |
| May 2013 | Chile | Santiago Representative Office |
| May 2013 | Thailand | Chonburi Exchange Office |



Strengthening relationships with local financial institutions

In order to fully accommodate the needs of clients in emerging and growth markets, SMBC continues to strengthen its relationships with local financial institutions in overseas market. In May 2012, we executed a memorandum of understanding with the Kanbawza Bank, the largest private bank in Myanmar, for technical assistance and support; and in August 2012, we also executed a memorandum for business alliance with the

Aceda Bank Plc., the largest private bank in Cambodia, for cooperatively working on businesses in Cambodia. In February 2013, we executed an agreement for cooperation with Garanti Bankasi A.S., one of the largest banks in Turkey, for financial advisory services for guaranteed or insured projects and project finance, and also for business cooperation for financial services provided for Japanese clients.

In India, where a further growth is expected in the foreseeable future, SMBC and SMBC Nikko Securities entered into an alliance in December 2012 with the investment bank of Kotak Mahindra Group, a leading comprehensive financial services group in India, for providing advisory services for cross-border M&A between Japanese and Indian companies.

Enhancing measures for businesses in emerging markets

In April 2013, SMBC established the Emerging Markets Business Division for strategic planning and business promotion, in order to further strengthen its commitment to the rapidly growing emerging markets especially Asia, and to boldly develop as the full-line commercial bank with Asia as its mother market. Also in April 2013, we established the Global Business Planning Department in SMFG for strengthening collaboration among Group companies in overseas businesses mainly in emerging markets.

Topics

◆ Investment in local Indonesian bank

On May 8, 2013, SMBC publicly announced that it plans to acquire up to 40% shares of PT bank Tabungan Pensiunan Nasional Tbk, upon approval by the Indonesian authorities. The bank has a solid retail business in Indonesia which is expected to maintain a high sustainable growth in view of its world's 4th largest population and expanding middle class. In this and other ways, we will continue to diversify our business in Asia.

◆ Elected to become the “Financial Holding Company” in the United States of America

On May 7, 2013, SMFG and SMBC were elected by the Board of Governors of the Federal Reserve System to officially become Financial Holding Company (FHC) pursuant to the Bank Holding Company Act in the U.S., enabling us to significantly expand the scope of services we provide in the U.S., including the underwriting and trading of securities and other investment banking services. Our Group continues to provide better financial services in the U.S., the leading financial market in the world.

Treasury Markets

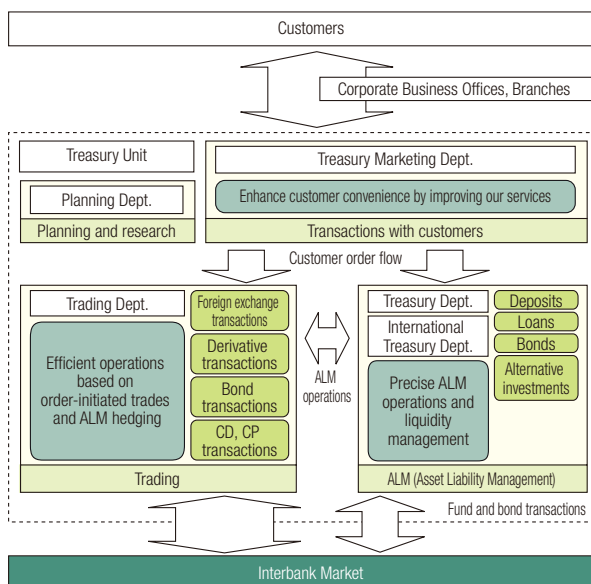
Through the Treasury Unit of SMBC, the Group offers higher value-added services to meet further sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivative markets.

More Solutions and Services for Clients' Market Transactions

SMBC's Treasury Unit offers solutions appropriate for the market transactional needs of its clients through its network in Japan and overseas 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 the accurate assessment made on the trend of the global financial market by experts of diverse products such as interest-rate, foreign-exchange and commodity derivatives.



Topics

◆ Expanded Offerings of Currencies of Asia and Other Emerging Markets

In order to meet our clients' market transactional needs, we propose diverse hedging strategies for 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 upgraded the i-Deal system, which allows our clients to execute their foreign exchange transactions on the Internet. In order to ensure attentive handling for clients' limit orders, we have substantially improved the convenience for transactions by enhancing the leave orders function and strengthening the price quote function.

Transaction Banking Business

Strengthening Transaction Banking Business

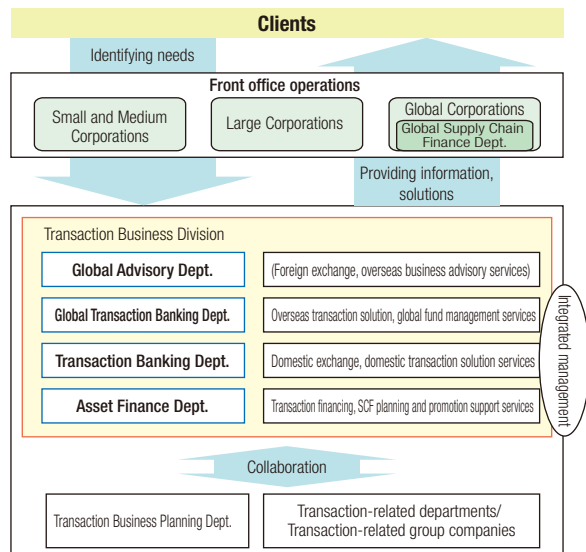
At SMBC, the "Transaction Business Division," which consists of "Global Advisory Department," "Transaction Banking Department," "Global Transaction Banking Department" and "Asset Finance Department," is being established in order to integrally and flexibly provide products and services for appropriately accommodating the needs for transactions, trade finance and financing associated with clients' commercial distribution.

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

We, SMFG, integrally support transaction banking business for our domestic and overseas clients under this new framework.



Transaction Business



Topics

◆ Establishment of the Global Supply Chain Finance Department

In April 2013, SMBC established the “Global Supply Chain Finance Department” in Global Trade Finance Department to strengthen the promotion system for finance business associated with the transactions in overseas. We will appropriately respond to the diverse needs of clients who globally conduct their businesses, by further enhancing cooperation with each department of transaction business division and providing the supply-chain finance especially focused on commercial distribution.

Strengthening Transaction Banking Products to Respond to Clients’ Needs

SMBC is enhancing transaction banking products to respond to domestic and overseas clients’ transactions and cash management needs.

We continue to improve and enhance electronic banking services, for the “PC Bank Web21” and a new means of settlement of “Densai Net” 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; and allocating specialized professionals.

High Value-Added Services integrally provided by SMFG

SMFG works at providing high value-added services with respect to the transaction banking business of clients.

The services provided by SMBC Finance Service are mainly the “Convenience store’s payment collection agency business” and “Collection agency service (account transfer payment).” The handling volumes for these services are the largest in Japan.

On the other hand, as for yearly expanding EC market, we provide diverse settlement solutions as one of core companies in charge of transaction banking business for SMFG, by providing the “Settlement Station” which collectively manages multiple means of settlements.

Further, Financial Link integrally provides “SMFG-BPO Service” (BPO: Business Process Outsourcing) by appropriately accommodating the substantial needs for outsourcing service associated with the fund collection and payment.

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.

Group Companies mainly associated with Settlement

| | |
|--|--|
| SMBC FINANCE SERVICE CO., LTD.  | |
| Corporate Name: | SMBC Finance Service Co., Ltd. |
| Business Description: | Collecting agent, factoring business |
| Establishment Date: | December 5, 1972 |
| Location of Head Office: | 5-27, Mita 3-chome, Minato-ku, Tokyo |
| Representative Director: | Kazuhiko Kashikura (Appointed on June 28, 2013) |
| Number of Employees: | 422 |



Financial Link

| | |
|---------------------------------|---|
| Corporate Name: | Financial Link Company, Limited |
| Business Description: | Data processing service and consultation business |
| Establishment Date: | April 1, 2004 |
| Location of Head Office: | 1-11, Shinbashi 3-chome, Minato-ku, Tokyo |
| Representative Director: | Koichi Okamura |
| Number of Employees: | 22 |

Group Companies (as of March 31, 2013)



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 leasing, securities, consumer finance, system development and information services.

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)

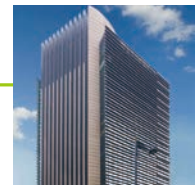
Nagoya Stock Exchange (First Section)

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



SUMITOMO MITSUI BANKING CORPORATION

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



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

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

Company Name: Sumitomo Mitsui Banking Corporation

Business Profile: Banking

Establishment: June 6, 1996

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

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

Number of Employees: 22,569

Number of branches and other business locations:

| | |
|---|--------|
| In Japan: | 1,554* |
| Branches: | 505 |
| (Including 46 specialized deposit account branches) | |
| Sub-branches: | 151 |
| Banking agencies: | 4 |
| Offices handling non-banking business: | 23 |
| Automated service centers: | 871 |
| Overseas: | 36 |
| Branches: | 16 |
| Sub-branches: | 12 |
| Representative offices: | 8 |

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

Credit Ratings (as of June 30, 2013)

| | Long-term | Short-term |
|-------------------|-----------|------------|
| Moody's | Aa3 | P-1 |
| Standard & Poor's | A+ | A-1 |
| Fitch Ratings | A- | F1 |
| R&I | AA- | a-1 |
| JCR | AA | J-1+ |

Financial Information (Consolidated basis, years ended March 31)

| | Billions of yen | | | |
|-----------------------|-----------------|-----------|-----------|-----------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Ordinary income..... | ¥2,810.6 | ¥2,687.9 | ¥2,711.3 | ¥2,579.9 |
| Ordinary profit | 928.7 | 857.9 | 751.2 | 557.7 |
| Net income (loss).... | 734.5 | 533.8 | 450.8 | 332.4 |
| At Year-End: | | | | |
| Net assets..... | ¥8,257.0 | ¥7,276.7 | ¥6,983.1 | ¥6,894.5 |
| Total assets | 143,203.1 | 138,251.6 | 132,715.6 | 120,041.3 |

SMFL Sumitomo Mitsui Finance and Leasing

www.smfl.co.jp/english/



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., striving to become one of the top leasing companies in Japan in terms of both quantity and quality. SMFL meets the diversifying needs of our clients by consolidating and leveraging the client portfolios and expert knowledge of the bank-affiliated leasing company, SMBC Leasing Company and the trading-firm-affiliated leasing company, Sumisho Lease Company.

In June 2012, SMFL acquired a globally renowned aircraft leasing company, as part of our progression to a new stage of growth. Through provision of global

leasing and other financial solutions, SMFL aims to establish a reputation for unrivaled excellence.

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

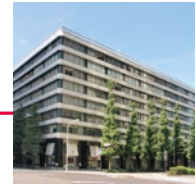
Number of Employees: 1,495

Credit Ratings (as of June 30, 2013)

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

Financial Information (Years ended March 31)

| | Billions of yen | | | |
|---------------------------------|-----------------|--------|--------|--------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Leasing transaction volume..... | ¥855.1 | ¥770.9 | ¥800.8 | ¥733.6 |
| Operating revenue.... | 754.6 | 816.8 | 812.8 | 894.7 |
| Operating profit | 48.6 | 59.4 | 50.2 | 43.8 |



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.
Business Profile: Securities services
Establishment: June 15, 2009
Head Office: 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
President & CEO: Tetsuya Kubo (Appointed on April 1, 2013)
Number of Employees: 7,541

Credit Ratings (as of June 30, 2013)

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

Financial Information (Years ended March 31)

| | Billions of yen | | | | |
|-------------------------|-----------------|--------|--------|-------|--------|
| | 2013 | 2012 | 2011 | *1 | *2 |
| For the Year: | | | | | |
| Operating revenue | ¥280.5 | ¥233.6 | ¥218.6 | ¥85.6 | ¥104.9 |
| Operating income | 72.7 | 39.9 | 38.5 | 20.9 | 23.5 |

*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)



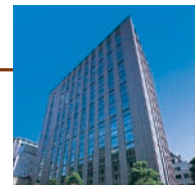
SMBC Friend Securities Co., Ltd. is a securities company with one of the best financial foundations and efficient operations in the industry, and provides a full range of securities services focusing mainly on retail clients. SMBC Friend Securities provides highly efficient nationwide network operations 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: Koichi Danno (Appointed on June 24, 2013)
Number of Employees: 1,929

Financial Information (Years ended March 31)

| | Billions of yen | | | |
|------------------------|-----------------|-------|-------|-------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Operating revenue... | ¥59.6 | ¥47.5 | ¥53.2 | ¥67.4 |
| Operating profit | 18.0 | 8.3 | 10.2 | 22.7 |



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.

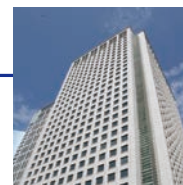
Company Name: Sumitomo Mitsui Card Company, Limited
Business Profile: Credit card services
Establishment: December 26, 1967
Head Office:
Tokyo Head Office: 1-2-20, Kaigan, Minato-ku, Tokyo
Osaka Head Office: 4-5-15, Imabashi, Chuo-ku, Osaka
President & CEO: Hideo Shimada
Number of Employees: 2,353

Credit Ratings (as of June 30, 2013)

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

Financial Information (Years ended March 31)

| | Billions of yen | | | |
|---|-----------------|----------|----------|----------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Revenue from credit card operations | ¥8,194.6 | ¥7,560.6 | ¥6,896.2 | ¥6,209.0 |
| Operating revenue..... | 185.6 | 182.2 | 185.2 | 183.5 |
| Operating profit..... | 44.7 | 43.1 | 32.6 | 24.3 |
| At Year-End: | | | | |
| Number of cardholders (in thousands)..... | 22,400 | 21,647 | 20,770 | 20,504 |



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: Satoshi Nakanishi
 (Appointed on June 28, 2013)

Number of Employees: 2,776

Credit Ratings (as of June 30, 2013)

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

Financial Information (Years ended March 31)

| | Billions of yen | | | |
|--|-----------------|--------|--------|--------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Operating revenue..... | ¥164.0 | ¥176.2 | ¥203.2 | ¥223.9 |
| Operating profit..... | 13.4 | (27.6) | 0.8 | (40.8) |
| At Year-End: | | | | |
| Number of cardholders (in thousands) | 19,480 | 21,091 | 22,513 | 24,933 |

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.

Based on a corporate philosophy “Be appreciated by customers and cooperate with society to realize mutual harmony and benefit together with employees,” 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.

Business Profile: Consumer finance business

Establishment: March 20, 1962

Head Office: 1-2-4, Otemachi, Chiyoda-ku, Tokyo

President & CEO: Ryoji Yukino

Number of Employees: 1,867

Credit Ratings (as of June 30, 2013)

| | Long-term | Short-term |
|-----|-----------|------------|
| R&I | A | — |
| JCR | A- | — |

Financial Information (Years ended March 31)

| | Billions of yen | | | |
|------------------------|-----------------|---------|--------|--------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Operating revenue.... | ¥164.6 | ¥172.2 | ¥187.5 | ¥212.7 |
| Operating profit | 42.3 | (166.6) | (54.1) | 11.7 |

The Japan Research Institute, Limited



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

Number of Employees: 2,136

Financial Information (Years ended March 31)

| | Billions of yen | | | |
|------------------------|-----------------|-------|-------|-------|
| | 2013 | 2012 | 2011 | 2010 |
| For the Year: | | | | |
| Operating revenue.... | ¥96.2 | ¥87.5 | ¥84.8 | ¥81.7 |
| Operating profit | 1.8 | 0.8 | 1.5 | 0.9 |



Financial Highlights



Sumitomo Mitsui Financial Group

◆ Consolidated

| Year ended March 31 | Millions of yen | | | | |
|---|-----------------|-------------|-------------|-------------|-------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| For the Year: | | | | | |
| Total income | ¥ 4,326,809 | ¥ 3,973,075 | ¥ 3,862,660 | ¥ 3,184,688 | ¥ 3,556,536 |
| Total expenses..... | 3,262,775 | 3,020,108 | 3,035,346 | 2,626,590 | 3,527,040 |
| Net income (loss) | 794,059 | 518,536 | 475,895 | 271,559 | (373,456) |
| Comprehensive income | 1,458,107 | 665,232 | 413,375 | 803,705 | — |
| At Year-End: | | | | | |
| Total net assets..... | ¥ 8,443,218 | ¥ 7,254,976 | ¥ 7,132,073 | ¥ 7,000,805 | ¥ 4,611,764 |
| Total assets..... | 148,696,800 | 143,040,672 | 137,803,098 | 123,159,513 | 119,637,224 |
| Risk-monitored loans..... | 1,687,049 | 1,804,951 | 1,646,369 | 1,529,484 | 1,586,317 |
| Reserve for possible loan losses | 928,866 | 978,933 | 1,058,945 | 1,068,329 | 1,077,852 |
| Net unrealized gains (losses) on other securities..... | 1,121,598 | 474,984 | 370,899 | 586,414 | (33,176) |
| Number of employees..... | 64,635 | 64,225 | 61,555 | 57,888 | 48,079 |
| Selected Ratios: | | | | | |
| Capital ratio..... | / | 16.93% | 16.63% | 15.02% | 11.47% |
| Total capital ratio (International Standard)..... | 14.71% | / | / | / | / |
| Tier 1 capital ratio (International Standard)..... | 10.93% | / | / | / | / |
| Common equity Tier 1 capital ratio (International Standard)..... | 9.38% | / | / | / | / |
| Return on Equity | 13.74% | 10.27% | 9.76% | 7.63% | —% |
| Price Earnings Ratio..... | 6.44x | 7.28x | 7.68x | 12.44x | —x |
| Per Share (Yen): | | | | | |
| Net assets | ¥4,686.69 | ¥3,856.37 | ¥3,533.47 | ¥3,391.75 | ¥2,790.27 |
| Net income (loss) | 586.49 | 374.26 | 336.85 | 248.40 | (497.39) |
| Net income — diluted | 585.94 | 373.99 | 336.78 | 244.18 | — |

- 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 26.
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.

◆ Nonconsolidated

| Year ended March 31 | Millions of yen | | | | |
|--|-----------------|---------------|---------------|---------------|-------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| For the Year: | | | | | |
| Operating income | ¥ 179,560 | ¥ 181,372 | ¥ 222,217 | ¥ 133,379 | ¥ 134,772 |
| Dividends on investments in subsidiaries and affiliates... | 165,441 | 166,272 | 206,865 | 118,818 | 117,051 |
| Operating expenses | 24,341 | 24,902 | 24,467 | 16,641 | 8,790 |
| Net income..... | 147,981 | 149,919 | 191,539 | 66,176 | 103,468 |
| At Year-End: | | | | | |
| Total net assets (A)..... | ¥4,641,005 | ¥4,527,629 | ¥4,842,914 | ¥4,805,574 | ¥2,977,547 |
| Total assets (B) | 6,266,864 | 6,153,461 | 6,237,655 | 6,152,774 | 4,057,313 |
| Total net assets to total assets (A) / (B) | 74.04% | 73.57% | 77.64% | 78.10% | 73.39% |
| Capital stock | 2,337,895 | 2,337,895 | 2,337,895 | 2,337,895 | 1,420,877 |
| Number of shares issued | | | | | |
| Common stock..... | 1,414,055,625 | 1,414,055,625 | 1,414,055,625 | 1,414,055,625 | 789,080,477 |
| Preferred stock..... | — | — | 70,001 | 70,001 | 103,401 |
| Number of employees..... | 231 | 215 | 192 | 183 | 167 |
| Selected Ratios: | | | | | |
| Return on Equity | 3.23% | 3.27% | 4.02% | 1.59% | 3.52% |
| Price Earnings Ratio..... | 35.98x | 25.43x | 19.68x | 57.41x | 28.79x |
| Dividend payout ratio..... | 114.36% | 92.55% | 76.09% | 213.41% | 75.96% |
| Per Share (Yen): | | | | | |
| Net assets | ¥3,290.23 | ¥3,317.44 | ¥3,282.75 | ¥3,256.32 | ¥3,389.38 |
| Dividends: | | | | | |
| Common stock | 120 | 100 | 100 | 100 | 90 |
| Preferred stock (1st series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (2nd series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (3rd series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (4th series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (9th series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (10th series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (11th series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (12th series Type 4)..... | / | / | / | 67,500 | 135,000 |
| Preferred stock (1st series Type 6)..... | / | / | 88,500 | 88,500 | 88,500 |
| Net income | 104.93 | 107.06 | 131.42 | 53.82 | 118.43 |
| Net income — diluted | 104.89 | 107.04 | 131.42 | — | — |

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. The ¥120 dividend per share for the fiscal year ended March 31, 2013 includes a ¥10 commemorative dividend.


Consolidated

| Year ended March 31 | Millions of yen | | | | |
|--|-----------------|-------------|-------------|-------------|-------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| For the Year: | | | | | |
| Total income | ¥ 2,810,902 | ¥ 2,715,700 | ¥ 2,714,944 | ¥ 2,597,675 | ¥ 2,991,839 |
| Total expenses..... | 1,889,068 | 1,838,390 | 1,972,065 | 2,039,296 | 2,941,009 |
| Net income (loss) | 734,514 | 533,816 | 450,832 | 332,497 | (317,306) |
| Comprehensive income | 1,373,623 | 632,889 | 363,689 | 835,851 | — |
| At Year-End: | | | | | |
| Total net assets..... | ¥ 8,257,091 | ¥ 7,276,706 | ¥ 6,983,132 | ¥ 6,894,564 | ¥ 4,518,647 |
| Total assets..... | 143,203,127 | 138,251,602 | 132,715,674 | 120,041,369 | 115,849,385 |
| Risk-monitored loans..... | 1,493,807 | 1,659,306 | 1,529,587 | 1,498,271 | 1,561,824 |
| Reserve for possible loan losses | 806,702 | 867,653 | 943,077 | 1,007,160 | 1,011,845 |
| Net unrealized gains (losses) on other securities..... | 1,072,906 | 390,602 | 305,968 | 523,444 | (59,758) |
| Number of employees..... | 47,852 | 50,768 | 48,219 | 47,837 | 37,345 |
| Selected Ratios: | | | | | |
| Capital ratio (International standard)..... | / | 19.63% | 19.16% | 16.68% | 13.54% |
| Total capital ratio (International standard) | 16.84% | / | / | / | / |
| Tier 1 capital ratio (International standard) | 12.69% | / | / | / | / |
| Common equity Tier 1 capital ratio (International standard) | 11.26% | / | / | / | / |
| Return on Equity | 11.72% | 9.63% | 8.42% | 8.64% | —% |
| Per Share (Yen): | | | | | |
| Net assets | ¥64,031.58 | ¥53,960.98 | ¥50,344.52 | ¥49,036.12 | ¥41,492.54 |
| Net income (loss) | 6,913.18 | 5,024.23 | 4,184.89 | 4,240.20 | (5,740.34) |
| Net income — diluted | 6,908.19 | 5,023.33 | 4,184.07 | 4,236.01 | — |

- 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).

◆ Nonconsolidated

| Year ended March 31 | Millions of yen | | | | |
|---|-----------------|-------------|-------------|-------------|-------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| For the Year: | | | | | |
| Total income | ¥ 2,121,412 | ¥ 2,021,042 | ¥ 2,110,588 | ¥ 2,087,777 | ¥ 2,548,073 |
| Total expenses..... | 1,456,011 | 1,329,050 | 1,521,748 | 1,633,026 | 2,520,286 |
| Net income (loss) | 617,791 | 477,973 | 421,180 | 317,995 | (301,116) |
| (Appendix) | | | | | |
| Gross banking profit (A)..... | 1,540,095 | 1,532,511 | 1,531,759 | 1,455,275 | 1,524,856 |
| Banking profit | 812,358 | 856,796 | 844,897 | 778,589 | 747,647 |
| Banking profit (before provision for general reserve for possible loan losses) | 812,358 | 813,015 | 832,562 | 769,522 | 823,377 |
| Expenses (excluding nonrecurring losses) (B)..... | 727,736 | 719,495 | 699,197 | 685,752 | 701,479 |
| At Year-End: | | | | | |
| Total net assets..... | ¥ 6,554,446 | ¥ 5,709,663 | ¥ 5,559,293 | ¥ 5,397,949 | ¥ 2,546,493 |
| Total assets..... | 125,910,020 | 119,037,469 | 115,484,907 | 103,536,394 | 107,478,218 |
| Deposits..... | 91,928,337 | 84,392,835 | 82,443,286 | 77,630,639 | 76,905,708 |
| Loans and bills discounted..... | 59,770,763 | 56,411,492 | 55,237,613 | 56,619,058 | 60,241,266 |
| Securities | 41,347,000 | 42,441,134 | 39,853,432 | 28,536,200 | 28,000,515 |
| Risk-monitored loans..... | 1,062,290 | 1,143,053 | 1,090,605 | 1,068,017 | 1,137,058 |
| Problem assets based on the Financial Reconstruction Act | | | | | |
| Reserve for possible loan losses | 1,093,465 | 1,182,847 | 1,126,269 | 1,100,685 | 1,194,170 |
| Reserve for possible loan losses | 616,593 | 689,215 | 711,522 | 758,178 | 791,885 |
| Net unrealized gains (losses) on other securities..... | 1,040,660 | 388,982 | 305,621 | 521,377 | (42,701) |
| Trust assets and liabilities..... | 2,693,092 | 1,891,853 | 1,576,094 | 1,403,236 | 1,262,993 |
| Loans and bills discounted..... | 131,913 | 235,829 | 237,383 | 221,970 | 222,030 |
| Securities..... | 1,076,225 | 424,478 | 444,664 | 457,585 | 392,812 |
| Capital stock..... | 1,770,996 | 1,770,996 | 1,770,996 | 1,770,996 | 664,986 |
| Number of shares issued (in thousands) | | | | | |
| Common stock..... | 106,248 | 106,248 | 106,248 | 106,248 | 56,355 |
| Preferred stock..... | 70 | 70 | 70 | 70 | 70 |
| Number of employees..... | 22,569 | 22,686 | 22,524 | 22,460 | 21,816 |
| Selected Ratios: | | | | | |
| Capital ratio (International standard)..... | / | 21.91% | 21.45% | 18.28% | 13.85% |
| Total capital ratio (International standard) | 18.62% | / | / | / | / |
| Tier 1 capital ratio (International standard) | 13.92% | / | / | / | / |
| Common equity Tier 1 capital ratio (International standard) | 11.75% | / | / | / | / |
| Return on Equity | 10.07% | 8.64% | 7.87% | 8.28% | —% |
| Dividend payout ratio..... | 29.04% | 33.00% | 35.53% | 48.06% | —% |
| Overhead ratio (B) / (A)..... | 47.3% | 46.9% | 45.6% | 47.1% | 46.0% |
| Per Share (Yen): | | | | | |
| Net assets | ¥61,689.83 | ¥53,738.81 | ¥50,317.86 | ¥48,799.31 | ¥41,404.62 |
| Dividends: | | | | | |
| Common stock | 1,689 | 1,485 | 1,388 | 1,620 | 1,638 |
| Preferred stock (1st series Type 6)..... | / | / | 88,500 | 88,500 | 88,500 |
| Net income (loss) | 5,814.59 | 4,498.64 | 3,905.80 | 4,051.75 | (5,453.06) |
| Net income — diluted | — | — | — | — | — |

Notes: 1. Please refer to page 168 for the definitions of risk-monitored loans and problem assets based on the Financial Reconstruction Act.

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 31.

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. "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, 2013.

1. Operating Results

Operating results for fiscal 2012 include the results of 323 consolidated subsidiaries and 44 subsidiaries and affiliates accounted for by the equity method.

In fiscal 2012, gross profit increased by ¥198.4 billion year-on-year to ¥2,792.8 billion as a result of the following factors, among others: SMBC Consumer Finance Co., Ltd. became a consolidated subsidiary in December 2011 and contributed to earnings; and SMBC achieved growth in net interest income, mainly due to an increase in the balance

of overseas loans and bills discounted, and in net fees and commissions, primarily due to an increase in fees related to loan syndication. 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 ¥138.1 billion year-on-year to ¥1,073.7 billion. Net income after adjustment for extraordinary gains (losses) and income taxes increased by ¥275.5 billion to ¥794.0 billion.

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

| March 31 | 2013 (A) | 2012 (B) | Increase (decrease) (A) – (B) |
|--|----------|----------|----------------------------------|
| Consolidated subsidiaries | 323 | 337 | (14) |
| Subsidiaries and affiliates accounted for by the equity method | 44 | 43 | 1 |

Income Summary

| Year ended March 31 | Millions of yen | | Increase (decrease) (A) – (B) |
|---|-----------------|-------------|----------------------------------|
| | 2013 (A) | 2012 (B) | |
| Consolidated gross profit | ¥2,792,891 | ¥2,594,482 | ¥198,409 |
| Net interest income | 1,392,636 | 1,341,369 | 51,267 |
| Trust fees | 1,871 | 1,770 | 101 |
| Net fees and commissions | 908,168 | 823,580 | 84,588 |
| Net trading income | 166,617 | 198,192 | (31,575) |
| Net other operating income | 323,597 | 229,568 | 94,029 |
| General and administrative expenses | (1,496,294) | (1,421,363) | (74,931) |
| Credit cost (A) | (183,552) | (126,055) | (57,497) |
| Write-off of loans | (133,639) | (90,305) | (43,334) |
| Provision for specific reserve for possible loan losses | (104,180) | (111,227) | 7,047 |
| Provision for general reserve for possible loan losses | 67,530 | 106,512 | (38,982) |
| Others | (13,262) | (31,035) | 17,773 |
| Recoveries of written-off claims (B) | 10,436 | 4,800 | 5,636 |
| Net losses on stocks | (20,973) | (27,880) | 6,907 |
| Equity in gains (losses) of affiliates | 5,309 | (31,122) | 36,431 |
| Net other expenses | (34,072) | (57,289) | 23,217 |
| Ordinary profit | 1,073,745 | 935,571 | 138,174 |
| Extraordinary gains (losses) | (9,711) | 17,395 | (27,106) |
| Gains on step acquisitions | 140 | 25,050 | (24,910) |
| Gains (losses) on disposal of fixed assets | (5,480) | (3,765) | (1,715) |
| Losses on impairment of fixed assets | (4,314) | (3,861) | (453) |
| Income before income taxes and minority interests | 1,064,033 | 952,966 | 111,067 |
| Income taxes: | | | |
| Current | (279,898) | (103,478) | (176,420) |
| Deferred | 133,930 | (207,860) | 341,790 |
| Income before minority interests | 918,065 | 641,627 | 276,438 |
| Minority interests in net income | (124,006) | (123,090) | (916) |
| Net income | ¥ 794,059 | ¥ 518,536 | ¥275,523 |
| Net total credit cost (A) + (B) | ¥ (173,115) | ¥ (121,255) | ¥ (51,860) |
| [Reference] | | | |
| Consolidated net business profit (Billions of yen) | ¥ 1,166.2 | ¥ 1,013.9 | ¥ 152.3 |

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

Deposits (excluding negotiable certificates of deposit) as of March 31, 2013 increased by ¥4,953.2 billion year-on-year to ¥89,081.8 billion, and the negotiable certificates of deposit increased by ¥3,162.0 billion to ¥11,755.6 billion.

Meanwhile, loans and bills discounted as of March 31, 2013 totaled ¥65,632.0 billion, a year-on-year increase of ¥2,911.4 billion, mainly in Asia and the U. S., and securities

totalled ¥41,306.7 billion, a decrease of ¥1,223.2 billion.

Net assets were ¥8,443.2 billion. Of this amount, stockholders' equity was ¥5,680.6 billion mainly due to the recording of net income, and the payment of cash dividends.

Assets, Liabilities and Net Assets

| March 31 | Millions of yen | | |
|---|---------------------|--------------|----------------------------------|
| | 2013 (A) | 2012 (B) | Increase (decrease) (A) – (B) |
| Assets..... | ¥148,696,800 | ¥143,040,672 | ¥5,656,128 |
| Securities..... | 41,306,731 | 42,529,950 | (1,223,219) |
| Loans and bills discounted..... | 65,632,091 | 62,720,599 | 2,911,492 |
| Liabilities..... | 140,253,582 | 135,785,696 | 4,467,886 |
| Deposits..... | 89,081,811 | 84,128,561 | 4,953,250 |
| Negotiable certificates of deposit..... | 11,755,654 | 8,593,638 | 3,162,016 |
| Net assets | 8,443,218 | 7,254,976 | 1,188,242 |

2. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2013 increased by ¥638.6 billion year-on-year to ¥1,182.7 billion, primarily because of an increase in the unrealized gains of stocks. Of this amount, net unrealized gains on other

securities (including other money held in trust), which are directly recorded to net assets, were ¥1,121.6 billion, a year-on-year increase of ¥646.6 billion.

Unrealized Gains (Losses) on Securities

| March 31 | Millions of yen | | | | | | | | |
|----------------------------------|---|---|-----------------|---------------------|----------------------|---|---|---------------------|----------------------|
| | 2013 | | | | | 2012 | | | |
| | 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..... | ¥ 5,852,111 | ¥ 61,150 | ¥ (8,034) | ¥ 61,191 | ¥ 41 | ¥ 5,286,267 | ¥ 69,184 | ¥ 69,288 | ¥ 103 |
| Other securities | 35,776,786 | 1,121,598 | 646,614 | 1,256,572 | 134,973 | 37,558,730 | 474,984 | 746,928 | 271,943 |
| Stocks..... | 2,806,706 | 771,237 | 499,776 | 867,109 | 95,872 | 2,406,170 | 271,461 | 490,074 | 218,613 |
| Bonds | 24,525,328 | 108,320 | (3,495) | 112,202 | 3,881 | 27,684,484 | 111,815 | 118,164 | 6,348 |
| Others..... | 8,444,750 | 242,040 | 150,332 | 277,260 | 35,220 | 7,468,076 | 91,708 | 138,689 | 46,981 |
| Other money held in trust..... | 22,789 | 10 | 56 | 10 | – | 22,430 | (46) | – | 46 |
| Total | 41,651,687 | 1,182,759 | 638,637 | 1,317,774 | 135,015 | 42,867,429 | 544,122 | 816,216 | 272,093 |
| Stocks..... | 2,806,706 | 771,237 | 499,776 | 867,109 | 95,872 | 2,406,170 | 271,461 | 490,074 | 218,613 |
| Bonds | 30,365,341 | 169,467 | (11,531) | 173,390 | 3,922 | 32,957,653 | 180,998 | 187,444 | 6,445 |
| Others..... | 8,479,639 | 242,054 | 150,392 | 277,274 | 35,220 | 7,503,605 | 91,662 | 138,697 | 47,034 |

- 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 consolidated balance sheet amounts.
- Net unrealized gains (losses) on other securities, as of March 31, 2013 and 2012, included gains of ¥29,831 million and ¥196 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, 2013 and 2012, were reduced by ¥29,831 million and ¥196 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

The total capital ratio as of March 31, 2013, stood at 14.71%, the Tier 1 capital ratio was 10.93%, and the common equity Tier 1 capital ratio was 9.38%.

Please note that from March 31, 2013, the consolidated capital ratio has been 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, amended March 30, 2012.

This provision is used in deciding whether or not capital should be increased to reflect assets, etc. held by companies under bank holding companies and their subsidiaries.

Consolidated Capital Ratio (International Standard)

| March 31 | Millions of yen |
|--|-------------------|
| | 2013 |
| Common equity Tier 1 capital | 5,855,852 |
| Common equity Tier 1 capital ratio | 9.38% |
| Additional Tier 1 capital | 973,168 |
| Tier 1 capital | 6,829,021 |
| Tier 1 capital ratio | 10.93% |
| Tier 2 capital | 2,356,989 |
| Total capital | 9,186,010 |
| Total capital ratio | 14.71% |
| Risk weighted assets | 62,426,124 |

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.

In light of current earnings trends and other factors, we

have increased the dividend per share of common stock for the fiscal year under review by ¥10 year-on-year.

In addition, we have incorporated a commemorative element amounting to ¥10 per share into the year-end dividend, to mark the 10th anniversary of the foundation of the Group in December 2012.

As a result of the above, the annual dividend per share of common stock has risen by ¥20 year-on-year to ¥120.

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.

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, 2013.

1. Operating Results

Gross banking profit in fiscal 2012 increased by ¥7.5 billion year-on-year to ¥1,540.0 billion, and expenses (excluding nonrecurring losses) increased by ¥8.2 billion to ¥727.7 billion. As a result, banking profit (before provision for general reserve for possible loan losses) decreased by ¥0.6 billion to ¥812.3 billion.

Ordinary profit — banking profit (before provision for general reserve for possible loan losses) adjusted for nonrecurring items such as credit cost and net gains (losses) on stocks — decreased by ¥24.4 billion year-on-year to ¥670.8 billion.

Net income after adjustment for ordinary profit for extraordinary gains and losses, and income taxes increased by ¥139.8 billion year-on-year to ¥617.7 billion.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased by ¥7.5 billion year-on-year to ¥1,540.0 billion despite a ¥38.6 billion decrease in gains on bonds. This was due to an increase in fees and commissions from syndicated loan and loan arrangement services; a robust sales of investment trusts supported by the recovery in the stock market in the second half of the fiscal year; and an increase in net interest income of International Banking Unit, mainly in Asia and the Americas.

Expenses

Expenses (excluding nonrecurring losses) increased by ¥8.2 billion year-on-year to ¥727.7 billion. This was due to a combination of an increase in personnel and operational expenses accompanying the expansion of overseas business and the yen's depreciation which outweighed a reduction from the reexamination and control of ordinary expenses.

Banking Profit

Banking profit (before provision for general reserve for possible loan losses) decreased by ¥0.6 billion year-on-year to ¥812.3 billion.

Banking Profit

| Year ended March 31 | Millions of yen | | |
|---|-----------------|-------------|----------------------------------|
| | 2013 (A) | 2012 (B) | Increase (decrease) (A) – (B) |
| Gross banking profit | ¥1,540,095 | ¥1,532,511 | ¥ 7,584 |
| [Gross domestic banking profit] | [1,098,912] | [1,097,760] | [1,152] |
| [Gross international banking profit] | [441,182] | [434,750] | [6,432] |
| Net interest income | 971,202 | 956,878 | 14,324 |
| Trust fees | 1,823 | 1,736 | 87 |
| Net fees and commissions | 343,738 | 318,887 | 24,851 |
| Net trading income | (3,781) | 84,051 | (87,832) |
| Net other operating income | 227,112 | 170,957 | 56,155 |
| [Gains (losses) on bonds] | [113,849] | [152,536] | [(38,687)] |
| Expenses (excluding nonrecurring losses) | (727,736) | (719,495) | (8,241) |
| Personnel expenses | (270,091) | (259,782) | (10,309) |
| Nonpersonnel expenses | (419,203) | (422,854) | 3,651 |
| Taxes | (38,440) | (36,858) | (1,582) |
| Banking profit (before provision for general reserve for possible loan losses) | 812,358 | 813,015 | (657) |
| [Gains (losses) on bonds] | [113,849] | [152,536] | [(38,687)] |
| Provision for general reserve for possible loan losses | — | 43,780 | (43,780) |
| Banking profit | 812,358 | 856,796 | (44,438) |

<Reference>

Banking Profit by Business Unit

| Year ended March 31, 2013 | 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) | ¥90.5 | ¥195.5 | ¥168.4 | ¥167.6 | ¥274.3 | ¥(83.9) | ¥812.4 |
| Year-on-year increase (decrease) | 9.8 | (2.7) | 2.0 | 24.6 | (25.5) | (8.8) | (0.6) |

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 ¥19.9 billion year-on-year to ¥141.5 billion. This was mainly due to a ¥39.1 billion decrease to ¥19.5 billion in total credit cost, after adjustments regarding reversal of reserve for possible loan losses for credit cost, as a result of our individualized efforts to assist certain borrowers to improve their business and financial conditions.

Ordinary Profit

As a result of the foregoing, ordinary profit decreased by ¥24.4 billion year-on-year to ¥670.8 billion.

Extraordinary Gains (Losses)

Extraordinary losses increased by ¥2.1 billion year-on-year to ¥5.4 billion.

Net Income

Due to elimination of tax loss carryforwards, current income taxes came to ¥209.7 billion, a ¥165.0 billion increase in expenses, but deferred income taxes came to ¥162.0 billion, an improvement of ¥331.4 billion from the previous year.

This was due to a change in tax effect accounting treatment in line with the elimination of tax loss carryforwards in the current year, with the effect that the total of deferred tax assets recognized increased.

Ordinary Profit and Net Income

| Year ended March 31 | Millions of yen | | |
|---|-------------------|------------|----------------------------------|
| | 2013 (A) | 2012 (B) | Increase (decrease) (A) – (B) |
| Banking profit (before provision for general reserve for possible loan losses)..... | ¥812,358 | ¥813,015 | ¥ (657) |
| Provision for general reserve for possible loan losses (A)..... | — | 43,780 | (43,780) |
| Banking profit..... | 812,358 | 856,796 | (44,438) |
| Nonrecurring gains (losses)..... | (141,505) | (161,453) | 19,948 |
| Credit cost (B)..... | (46,326) | (103,662) | 57,336 |
| Gains on reversal of reserve for possible loan losses (C)..... | 26,747 | — | 26,747 |
| Recoveries of written-off claims (D)..... | 54 | 1,234 | (1,180) |
| Net gains (losses) on stocks..... | (35,662) | (15,153) | (20,509) |
| Gains on sale of stocks..... | 469 | 13,488 | (13,019) |
| Losses on devaluation of stocks..... | (36,131) | (28,642) | (7,489) |
| Others..... | (86,319) | (43,871) | (42,448) |
| Ordinary profit..... | 670,852 | 695,342 | (24,490) |
| Extraordinary gains (losses)..... | (5,451) | (3,349) | (2,102) |
| Gains (losses) on disposal of fixed assets..... | (2,200) | (717) | (1,483) |
| Losses on impairment of fixed assets..... | (3,250) | (2,632) | (618) |
| Income taxes: | | | |
| Current..... | (209,704) | (44,703) | (165,001) |
| Deferred..... | 162,095 | (169,315) | 331,410 |
| Net income..... | ¥617,791 | ¥477,973 | ¥139,818 |
| Net total credit cost (A) + (B) + (C) + (D)..... | ¥ (19,523) | ¥ (58,647) | ¥ 39,124 |
| Provision for general reserve for possible loan losses..... | 71,680 | 43,780 | 27,900 |
| Write-off of loans..... | (40,258) | (15,797) | (24,461) |
| Provision for specific reserve for possible loan losses..... | (45,102) | (59,196) | 14,094 |
| Losses on sales of delinquent loans..... | (6,067) | (28,767) | 22,700 |
| Provision for loan loss reserve for specific overseas countries..... | 168 | 98 | 70 |
| Recoveries of written-off claims..... | 54 | 1,234 | (1,180) |

3. Assets, Liabilities and Net Assets

Assets

Total assets as of March 31, 2013 increased by ¥6,872.5 billion year-on-year to ¥125,910.0 billion. This was largely due to a ¥3,359.2 billion increase in loans and bills discounted, principally in Asia and the Americas.

Liabilities

Liabilities as of March 31, 2013 increased by ¥6,027.7 billion year-on-year to ¥119,355.5 billion, mainly due to a ¥4,202.3 billion increase in deposits. Both individual and corporate deposits increased in Japan, and in other parts of the world, deposits increased from the expansion of overseas business.

Net Assets

Net assets as of March 31, 2013 amounted to ¥6,554.4 billion. Of this amount, stockholders' equity was ¥5,762.9 billion, comprising ¥1,770.9 billion in capital stock, ¥2,481.2 billion in capital surplus (including ¥710.2 billion in other capital surplus), ¥1,720.7 billion in retained earnings, and a deduction of ¥210.0 billion in treasury stock.

Valuation and translation adjustments were ¥791.4 billion, comprising ¥742.3 billion in net unrealized gains on other securities, ¥23.3 billion in net deferred gains on hedges, and ¥25.8 billion in land revaluation excess.

Assets, Liabilities and Net Assets

| March 31 | Millions of yen | | Increase (decrease) (A) – (B) |
|---|---------------------|--------------|----------------------------------|
| | 2013 (A) | 2012 (B) | |
| Assets..... | ¥125,910,020 | ¥119,037,469 | ¥6,872,551 |
| Securities..... | 41,347,000 | 42,441,134 | (1,094,134) |
| Loans and bills discounted..... | 59,770,763 | 56,411,492 | 3,359,271 |
| Liabilities..... | 119,355,573 | 113,327,806 | 6,027,767 |
| Deposits..... | 80,006,438 | 75,804,088 | 4,202,350 |
| Negotiable certificates of deposit..... | 11,921,899 | 8,588,746 | 3,333,153 |
| Net assets | 6,554,446 | 5,709,663 | 844,783 |

4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2013 increased by ¥648.9 billion year-on-year to ¥1,084.2 billion, mainly due to an increase in the unrealized gains of stocks. Of this amount, net unrealized gains on other securities

(including other money held in trust), which are directly recorded to net assets, amounted to ¥1,040.6 billion, a year-on-year increase of ¥651.7 billion.

Unrealized Gains (Losses) on Securities

| March 31 | Millions of yen | | | | | | | | | |
|--|---------------------------------------|-----------------------------------|-----------|------------------|-------------------|---------------------------------------|-----------------------------------|------------------|-------------------|--|
| | 2013 | | | | | 2012 | | | | |
| | 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..... | ¥ 5,735,948 | ¥ 59,904 | ¥ (7,998) | ¥ 59,941 | ¥ 37 | ¥ 5,163,764 | ¥ 67,902 | ¥ 67,993 | ¥ 90 | |
| Stocks of subsidiaries and affiliates... | 2,474,054 | (16,326) | 5,173 | 7,274 | 23,600 | 2,324,041 | (21,499) | 622 | 22,122 | |
| Other securities | 33,655,434 | 1,040,660 | 651,678 | 1,165,723 | 125,062 | 35,440,979 | 388,982 | 672,572 | 283,590 | |
| Stocks..... | 2,792,916 | 769,685 | 541,232 | 862,237 | 92,551 | 2,250,672 | 228,453 | 466,871 | 238,418 | |
| Bonds..... | 23,126,292 | 95,261 | (9,095) | 98,552 | 3,291 | 26,306,672 | 104,356 | 109,504 | 5,148 | |
| Others..... | 7,736,225 | 175,713 | 119,541 | 204,933 | 29,219 | 6,883,634 | 56,172 | 96,196 | 40,024 | |
| Other money held in trust..... | 2,372 | 10 | 56 | 10 | – | 5,805 | (46) | – | 46 | |
| Total..... | 41,867,810 | 1,084,249 | 648,911 | 1,232,949 | 148,699 | 42,934,589 | 435,338 | 741,188 | 305,850 | |
| Stocks..... | 3,900,774 | 764,286 | 547,137 | 869,511 | 105,224 | 3,472,964 | 217,149 | 467,494 | 250,345 | |
| Bonds..... | 28,862,241 | 155,165 | (17,094) | 158,494 | 3,328 | 31,470,436 | 172,259 | 177,497 | 5,238 | |
| Others..... | 9,104,794 | 164,797 | 118,867 | 204,943 | 40,146 | 7,991,189 | 45,930 | 96,196 | 50,266 | |

- 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 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 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, 2013 and 2012, included gains of ¥29,831 million and ¥196 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, 2013 and 2012, were reduced by ¥29,831 million and ¥196 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, 2013 | | | | | | March 31, 2012 | | |
|--------------|--|------------------------------|---------------|------------------------------|------------------------------------|------------------------------|--|--------------|--|
| | Balances (after provisions and write-offs) | Change from Mar. 31, 2012 | Overseas | Change from Mar. 31, 2012 | Net unrealized | | Balances (after provisions and write-offs) | Overseas | Net unrealized gains/losses (after write-offs) |
| | | | | | gains/losses (after write-offs) | Change from Mar. 31, 2012 | | | |
| Cards | ¥ 97.8 | ¥48.3 | ¥ 97.8 | ¥48.3 | ¥0.4 | ¥0.1 | ¥49.4 | ¥49.4 | ¥0.2 |
| CLO | 0.5 | (0.2) | 0.5 | (0.2) | 2.1 | 0.6 | 0.7 | 0.7 | 1.5 |
| CMBS | 8.5 | (10.9) | 8.5 | 1.1 | 0.5 | (0.1) | 19.4 | 7.4 | 0.6 |
| RMBS, etc. | 0.1 | 0.0 | 0.1 | (0.0) | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | ¥106.9 | ¥37.3 | ¥106.9 | ¥49.3 | ¥3.2 | ¥0.8 | ¥69.6 | ¥57.6 | ¥2.4 |

Notes: 1. There is no amount of ABCP.

2. 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.

2. Transactions with Monoline Insurance Companies (Credit Derivatives)

(Billions of yen)

| | March 31, 2013 | | | | March 31, 2012 | |
|--|----------------|------------------------------|----------------------------------|------------------------------|----------------|----------------------------------|
| | Net exposure | Change from Mar. 31, 2012 | Amount of reference assets | Change from Mar. 31, 2012 | Net exposure | Amount of reference assets |
| Exposure to CDS transactions with monoline insurance companies | ¥1.0 | ¥(2.0) | ¥185.9 | ¥(50.2) | ¥3.0 | ¥236.1 |

3. Leveraged Loans

(Billions of yen)

| | March 31, 2013 | | | | March 31, 2012 | |
|------------------------|----------------|------------------------------|------------------------|------------------------------|----------------|------------------------|
| | Loans | Change from Mar. 31, 2012 | Undrawn commitments | Change from Mar. 31, 2012 | Loans | Undrawn commitments |
| Europe | ¥109.4 | ¥(41.8) | ¥ 16.6 | ¥ (4.0) | ¥151.2 | ¥20.7 |
| Japan | 180.8 | 49.8 | 36.2 | 14.0 | 131.0 | 22.3 |
| United States | 73.8 | (1.8) | 76.5 | 25.4 | 75.6 | 51.1 |
| Asia (excluding Japan) | 59.8 | (2.2) | 5.6 | (0.1) | 62.0 | 5.7 |
| Total | ¥423.8 | ¥ 4.0 | ¥135.0 | ¥35.3 | ¥419.8 | ¥99.8 |

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.

(Billions of yen)

| | March 31, 2013 | | | | March 31, 2012 | |
|--|-----------------|------------------------------|----------|------------------------------|-----------------|----------|
| | Notional amount | Change from Mar. 31, 2012 | Overseas | Change from Mar. 31, 2012 | Notional amount | Overseas |
| Reference assets related to ABCP programs as sponsor | ¥562.8 | ¥(37.0) | ¥308.9 | ¥78.0 | ¥599.9 | ¥230.9 |

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 ¥52.6 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 established the basic principles of Groupwide risk management in the “Regulations on Integrated Risk Management.”

In the regulations, we identify the location and the type of risk to be managed in accordance with strategic goals and business structures. We have set forth the fundamental principles for integrated risk management; 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. We manage each risk appropriately according to its characteristics. Through this approach, we aim to develop sound risk culture.

(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) Basic Policies for Risk Management

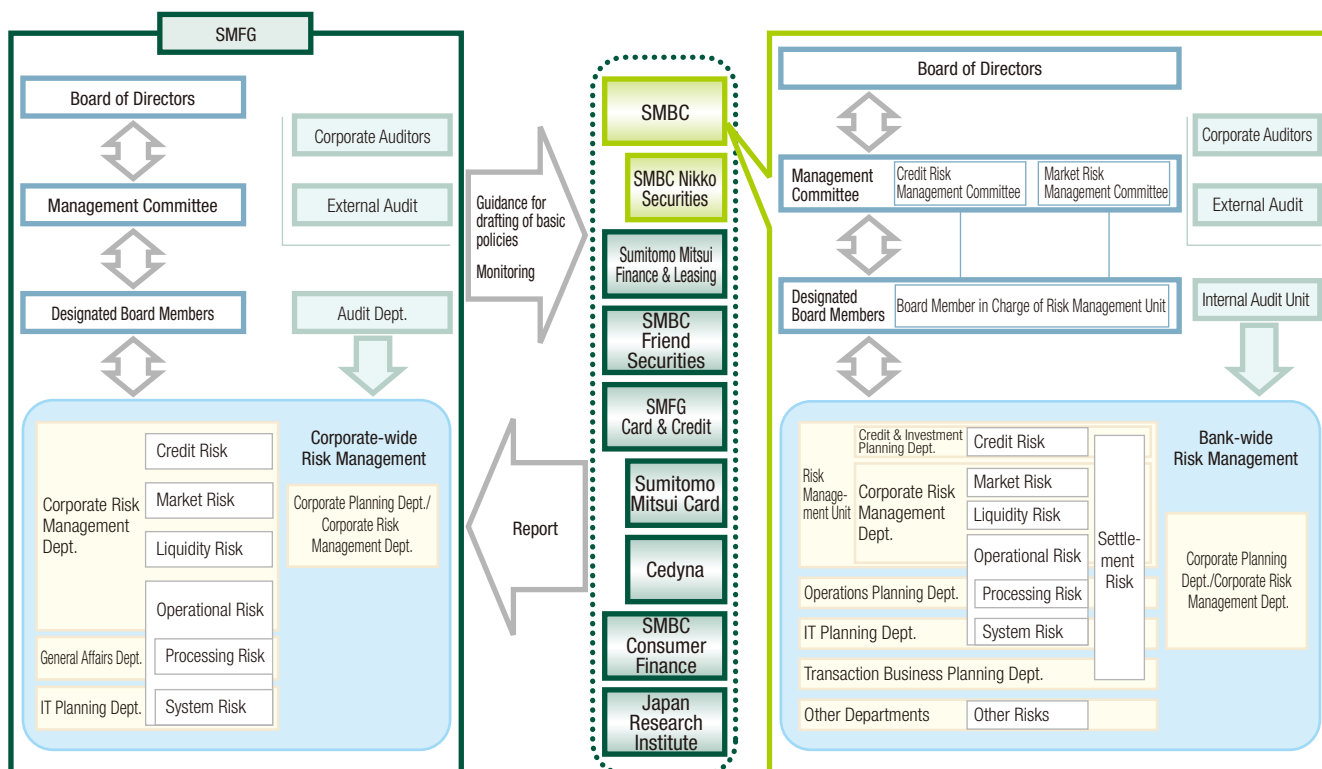
SMFG has established the “Principal Policy for Group Risk Management” for the comprehensive risk and risks to be managed, and we set forth the specific operational policies for appropriately conducting the risk management of the Group companies. Further, the Principal Policy is being reviewed regularly and as necessary.

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

Risk Management System

Top management plays an active role in determining SMFG’s Groupwide basic policies for risk management. The system works as follows: The basic policies for risk management are determined by the Management Committee before being authorized by the Board. The Management Committee, the designated board

SMFG’s Risk Management System



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 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

■ 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 | | Operational risk is the possibility of losses arising from inadequate or failed internal processes, people, and systems or from external events. |
| | | Processing Risk | Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities. |
| System Risk | | System risk is the possibility of a loss arising from the failure, malfunction, or unauthorized use of computer systems. | |
| ALM/ Funding Gap | Liquidity Risk | Liquidity risk is the risk that there may be difficulties in raising funds needed for settlements, as a result of the mismatching of uses of funds and sources of funds or unexpected outflows of funds, which may make it necessary to raise funds at higher rates than normal levels. | |
| Management by Risk Type | Other Risks (Settlement Risk and Others) | — | |

account under the Pillar 2 of Basel Capital Accord. In addition, we conduct risk capital-based management activities on a consolidated basis, including each Group company.

Liquidity risk is managed within the framework by setting upper limit for funding gap, etc. Other risk categories are managed with procedures closely attuned to the nature of the risk, as described in the following paragraphs.

(2) Stress Testing

(a) Use of stress testing in business operations

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 or as required, we create some scenarios such as a global economic slowdown or a JGB rate rising sharply, and conduct stress testing to appraise the likely financial impact on the Group, so that we can prepare action to deal with emerging stress events as they occur in advance.

We also have in place a system enabling flexible control of operations at a time of sudden changes in our business environment, by having a regular meetings between the Risk Management Unit and the business units and relevant departments for the purpose of reaching a common understanding of the macroeconomic environment, discussing stress events impacting business operations, and reviewing responses at the time of occurrence of such stress events.

(b) Implementation process

Implementation of stress-testing falls broadly into two processes, establishment of scenarios and analysis and full appraisal of financial impact. Based on the economic environment and global trends at the time, highly probable scenarios on macroeconomic indicators including GDP, stock price, interest rate and foreign exchange rate are created. Based on the degree of macroeconomic impact of each of the established scenarios on various different financial items, we analyze and fully appraise the impact on financial items such as the common equity Tier 1 ratios etc.

Implementation of Basel Capital Accord

Basel III is an international agreement on minimum capital requirements for internationally active banks. The standard has been applied in Japan since March 31, 2013.

The framework of Basel III is a continuation of Basel II, with multiple approaches to calculating capital requirements. With regard to credit risk, SMFG has been using the Advanced Internal Ratings-Based (AIRB) approach since March 31, 2009, and for operational risk the Advanced Measurement Approach (AMA), since March 31, 2008.

The following are four major changes associated with the transition from Basel II to Basel III, and their respective implications on

risk-weighted assets.

(a) Additional recognition of counterparty risk in derivative transactions (Credit Valuation Adjustment risk)

New capital charges for market-price fluctuation risk of credit due to deteriorated creditworthiness of a counterparty (counterparty for a derivatives transaction).

(b) Increase in risk weight on exposures to financial institutions

A multiplier of 1.25 is applied to the correlation parameter of all exposures to financial institutions.

(c) Capital charge on exposures to central counterparty (CCP)

New capital charges on the exposure related to CCP which was not levied for the equity capital pursuant to Basel II.

(d) Revised definition of capital

Certain items deducted from capital in Basel II are now required to be recorded as risk-weighted assets.

■ Main impact on risk-weighted assets in the transition to Basel III

Sumitomo Mitsui Financial Group (Consolidated) (¥ trillion)

| | Impact on risk-weighted assets |
|--|--------------------------------|
| Additional recognition of counterparty risk in derivative transactions | +2.4 |
| Increase in risk weight on exposures to financial institutions | +1.2 |
| Capital charge on exposures to central counterparty (CCP) | +0.1 |
| Revised definition of capital | +2.3 |

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

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

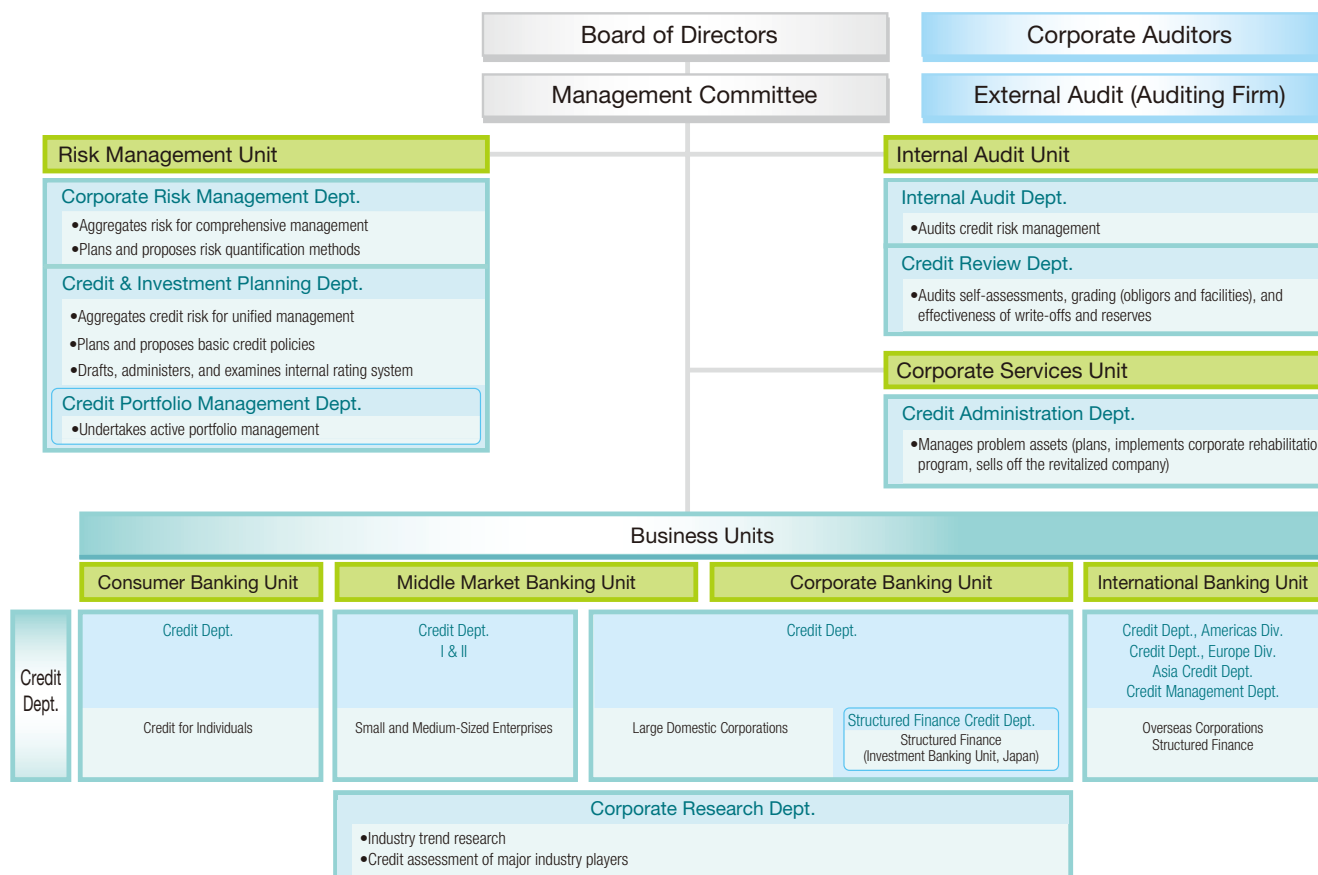
SMFG is promoting the understanding of and strict adherence to its Group credit policy among all its managers and employees. By fostering a culture of appropriate levels of risk-taking, and by providing still high-value-added financial services, SMFG aims to enhance shareholder value and play a key contributory role in the community.

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 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 approval authority is determined based on the credit amount and internal grades, while credit departments focus on the analysis and management of customers and transactions with relatively high credit risk.

■ SMBC's Credit Risk Management System



Through industrial and sector-specific surveys, and studies of individual companies, the Corporate Research Department works to form an accurate idea of the circumstances of borrower companies and quickly identify those with potentially troubled credit positions as well as promising growth companies.

The Credit Administration Department of the Corporate Services Unit is responsible for handling NPLs of borrowers classified as potentially bankrupt or lower, and draws up plans for their workouts, including write-offs. It works to efficiently reduce the amount of NPLs through Group company SMBC Servicer Co., Ltd., which engages in related services, and by such means as the sell-off of claims.

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

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

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

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

(b) Quantification of Credit Risk

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

Specifically, first, the PD by grade, Loss Given Default (LGD), credit quality correlation among

■ SMBC's Obligor Grading System

| Obligor Grade | | Definition | Borrower Category | Financial Reconstruction Act Based Disclosure Category (Domestic) |
|----------------------|----------------------|--|--------------------------------|---|
| Domestic (C&I), etc. | Overseas (C&I), etc. | | | |
| J1 | G1 | Very high certainty of debt repayment | Normal Borrowers | Normal Assets |
| 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 | Substandard Loans |
| 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 | Doubtful Assets |
| J9 | G9 | Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt | Effectively Bankrupt Borrowers | Bankrupt and Quasi-Bankrupt Assets |
| J10 | G10 | Legally or formally bankrupt | Bankrupt Borrowers | |

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

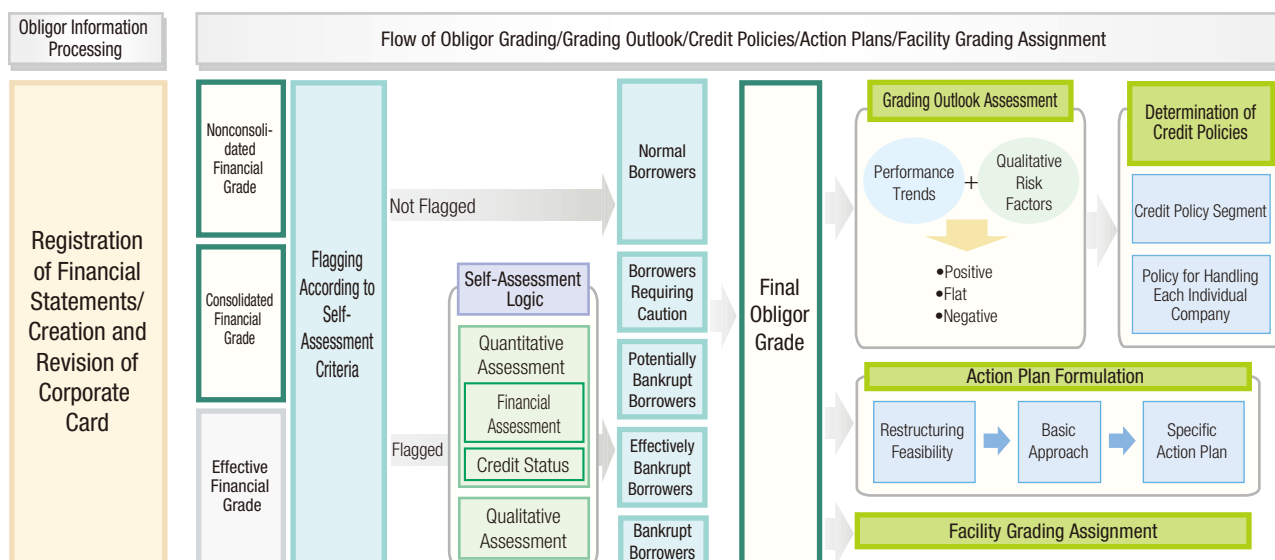
In the field of housing loans for individuals, we employ a credit assessment model based on credit data amassed and analyzed by SMBC over many years. This model enables our loan officers to efficiently make rational decisions on housing loan applications, and to reply to the customers without delay.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

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

(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.

■ SMBC's Credit Monitoring System



(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

As the equity capital of the bank may be materially impaired in the event that the credit concentration risk becomes apparent, SMBC implements measures to manage credit towards an industrial sector with excessive risk concentration, introduces credit limit guideline and conducts intensive loan review for obligors with large exposure.

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

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

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

(d) Prevention and Reduction of Non-Performing Loans

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

(e) Toward Active Portfolio Management

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

(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 next page. 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 Act (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, 2013, please refer to page 169.

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.

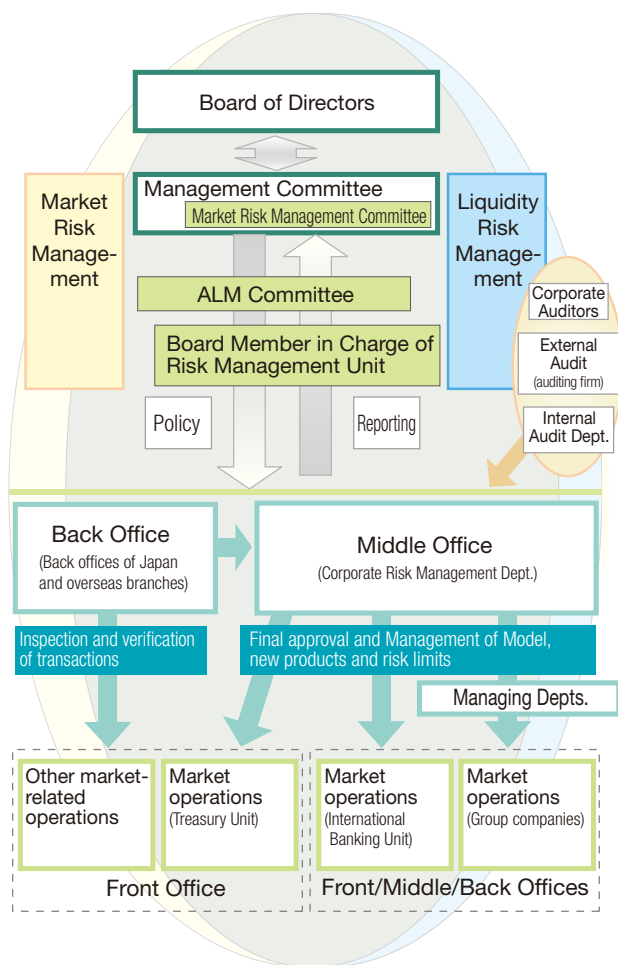
(2) Fundamental Principles for Market and Liquidity Risk Management

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

■ SMBC's Market Risk and Liquidity Risk Management System



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.

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 2012 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

■ VaR Results

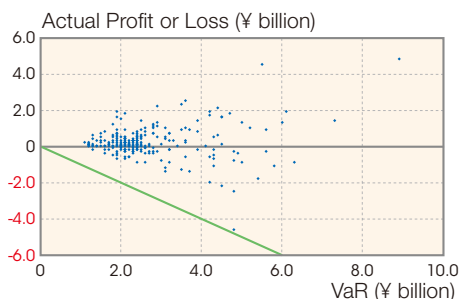
(Billions of yen)

| | SMFG (consolidated) | | SMBC (consolidated) | | SMBC (nonconsolidated) | |
|------------|---------------------|--------------|---------------------|--------------|------------------------|--------------|
| | Trading Book | Banking Book | Trading Book | Banking Book | Trading Book | Banking Book |
| June 2012 | 8.2 | 30.4 | 7.3 | 29.7 | 2.9 | 26.6 |
| Sept. 2012 | 11.4 | 31.2 | 10.8 | 30.5 | 2.4 | 27.4 |
| Dec. 2012 | 20.9 | 26.5 | 20.3 | 25.8 | 5.2 | 22.8 |
| Mar. 2013 | 15.0 | 31.1 | 14.3 | 30.4 | 2.5 | 27.4 |
| Maximum | 25.9 | 35.2 | 24.9 | 34.4 | 6.7 | 30.9 |
| Minimum | 7.1 | 23.6 | 6.3 | 23.1 | 1.0 | 20.3 |
| Average | 13.5 | 29.5 | 12.7 | 28.8 | 3.0 | 25.7 |

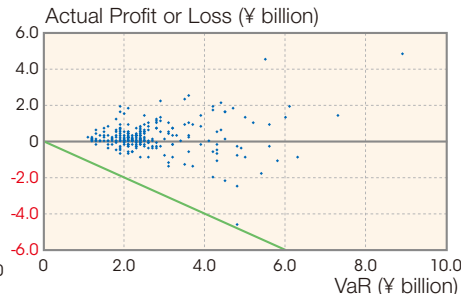
Note: VaR for a one-day holding period with a one-sided confidence interval of 99.0% [computed daily using the historical simulation method (based on four years of historical observations)].

■ Back-Testing Results (Trading Book)

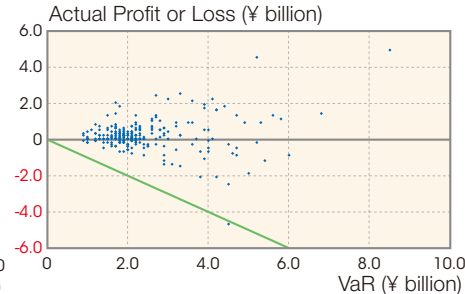
SMFG (consolidated)



SMBC (consolidated)



SMBC (nonconsolidated)



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

At SMBC, 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 2012 are shown at the top of this page. The data point below the diagonal line indicates a loss exceeding VaR for that day. Only one day during the period had an actual loss that exceeded VaR. It demonstrates that the SMBC VaR model is sufficiently reliable, with a one-sided confidence interval of 99.0%.

(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). SMBC conducts stress tests regularly, assuming various scenarios, and has measures in place for irregular events.

(d) Outlier Framework

In the event the economic value of a bank declines by more than 20% of total capital as a result of interest rate shocks, that bank would fall into the category of "outlier bank," as stipulated under the Pillar 2 of Basel Framework.

This ratio, known as the outlier ratio, was 1.0% at SMBC on a consolidated basis at March 31, 2013, 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 1 capital, the maximum level permitted under the Act on Financial Institutions (etc.)', Limits for Share, etc. Holdings.

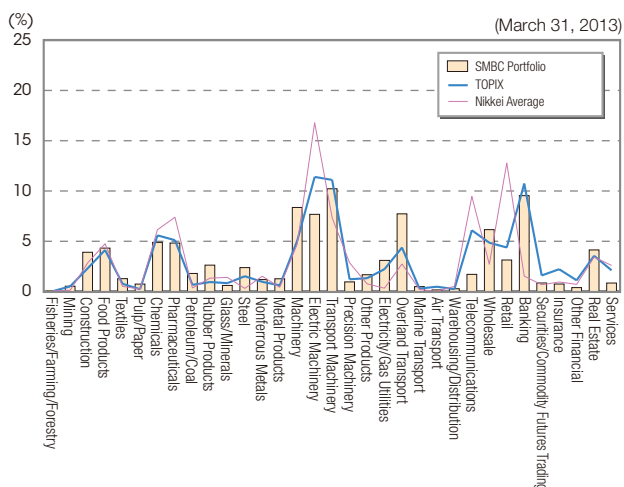
■ Decline in Economic Value Based on Outlier Framework

(Billions of yen)

| | SMBC (consolidated) | | SMBC (nonconsolidated) | |
|--------------------------------------|---------------------|----------------|------------------------|----------------|
| | March 31, 2012 | March 31, 2013 | March 31, 2012 | March 31, 2013 |
| Total | 240.2 | 96.2 | 233.9 | 88.6 |
| Impact of Yen interest rates | 144.3 | 60.5 | 142.7 | 56.3 |
| Impact of U.S. dollar interest rates | 87.3 | 6.8 | 85.5 | 4.6 |
| Impact of Euro interest rates | 1.3 | 16.5 | 1.1 | 16.5 |
| Percentage of total capital | 2.6% | 1.0% | 2.6% | 1.0% |

Notes: 1. "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).
2. Figures for the year ended March 31, 2012 are percentages of Tier 1 + Tier 2.

■ Composition, by Industry, of Listed Equity Portfolio



(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 upper limits for funding gaps," "maintaining highly liquid supplementary funding sources," and "establishing contingency plans."

A funding gap means the funding amount required in the future, occurring as a result of mismatched operation and funding. SMBC manages appropriate funding liquidity by setting the upper limit for the funding gap amount, and by avoiding overreliance on short-term funding. Limits are set Bankwide and for each branch, taking into account cash management planning, external environment, funding status, characteristics of local currencies of each country and other factors. Additionally, risk limits are set by currency as needed for more rigorous management. Limit observance is monitored on a daily basis.

Further, the stress tests are regularly conducted by simulating the situations such as the outflow of deposits or having difficulties funding from the money market, in order to thoroughly comprehend the funding amount required when the liquidity risk becomes apparent. Additionally, the means of funding are secured for maintaining the funding liquidity to supplement the liquidity by holding assets, such as U.S. government bonds, which can be immediately converted to cash, or establishing the framework for borrowing for emergency, in order not to affect the funding even during market disruption.

Furthermore, the contingency plan is developed for responding to the situation of liquidity risk becoming apparent, by creating the detailed action plan such as lowering the upper limit for the funding gap, according to assumed situations (of normal situation, concerned situation, critical situation) and respective circumstances.

Operational Risk

1. Basic Approach to Operational Risk Management

(1) Definition of Operational Risk

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

(2) Fundamental Principles for Operational Risk Management

SMFG and SMBC have set forth the *Regulations on Operational Risk Management* to define the basic rules to be observed in the

conduct of operational risk management across the entire Group. Under these regulations, SMFG and SMBC have been working to enhance the operational risk management framework across the whole Group by establishing an effective system for identification, assessment, controlling, and monitoring of material operational risks and a system for executing contingency and business continuity plans. Based on the framework of Basel Capital Accord, SMFG has been continuously pursuing sophisticated quantification of operational risks and advanced Groupwide management.

2. Operational Risk Management System

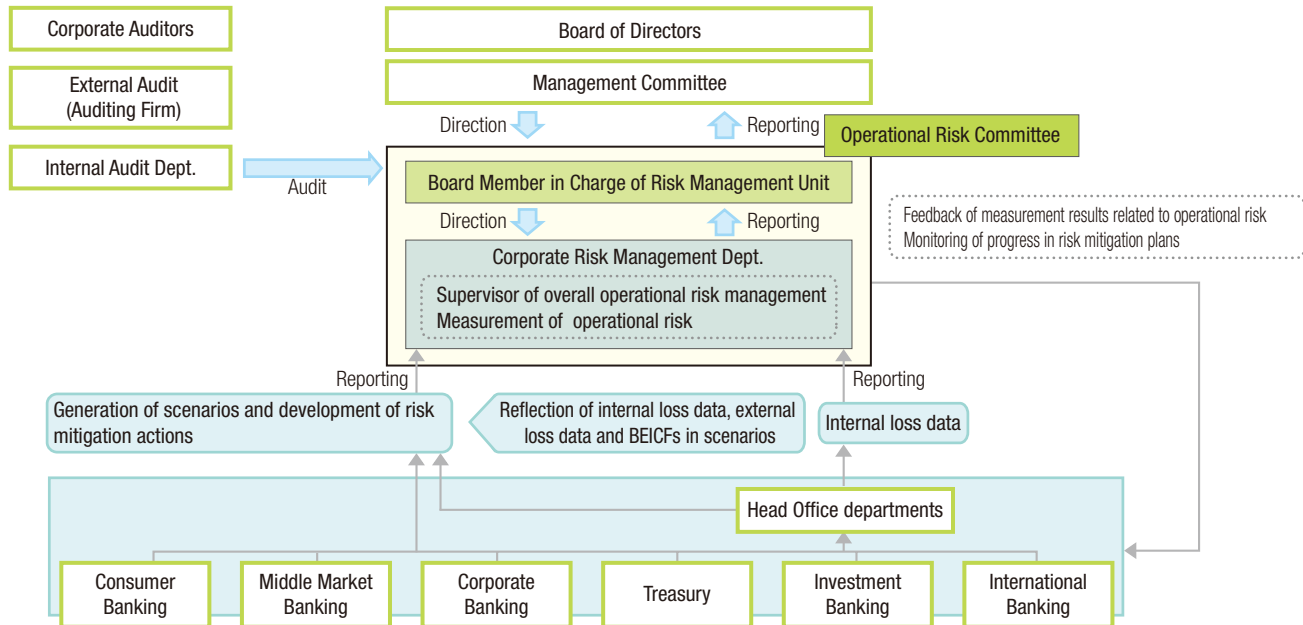
SMFG has designed and implemented an operational risk management framework for Groupwide basic policies for risk management.

At SMBC, the Management Committee makes decisions on important matters such as basic policies for operational risk management, and these decisions are authorized by the SMBC's Board of Directors. In addition, SMBC has established the system to comprehensively manage operational risks by setting up the Corporate Risk Management Department to oversee overall management of operational risks together with other departments responsible for processing risks and system risks.

As the brief overview, this system operates by collecting and analyzing internal loss data occurred at each department or branch as well as comprehensively specifying scenarios involving operational risks based on the operational procedures of each branch on regular-basis and estimating the loss amount and frequency of the occurrence of such losses based on each scenario. Risk severities are quantified for each scenario and for those scenarios having high severities the risk mitigation plan will be developed by the relevant department and the status on the progress of such risk mitigation plan will be followed up by the Corporate Risk Management Department. Furthermore, operational risks are quantified, and quantitatively managed by utilizing the collected internal loss data and scenarios.

These occurrences of internal loss data, severity of scenarios 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.

SMBC's Operational Risk Management System



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.

At the end of March 2008, SMFG and SMBC adopted the Advanced Measurement Approach (AMA) set forth by Basel Capital Accord for calculation of operational risk equivalent amount. The approach 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 operational risk equivalent amount and risk asset (operational risk equivalent amount 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).

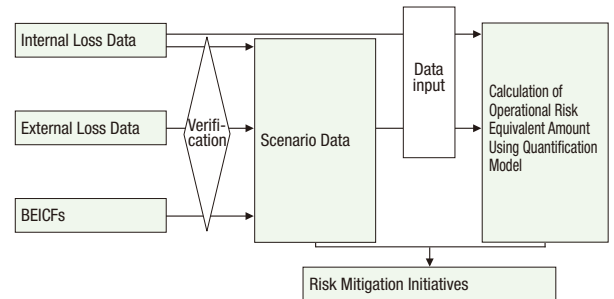
(5) Measurement Using the Quantification Model

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 Capital Accord. The operational risk equivalent amount is 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 operational risk equivalent amount 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 operational risk equivalent amount for SMFG consolidated basis and SMBC consolidated basis are calculated by consolidating such amount calculated based on BIA with the operational risk equivalent amount calculated based on AMA.

Basic Framework of Operational Risk Measurement



(6) Risk Mitigation Initiatives

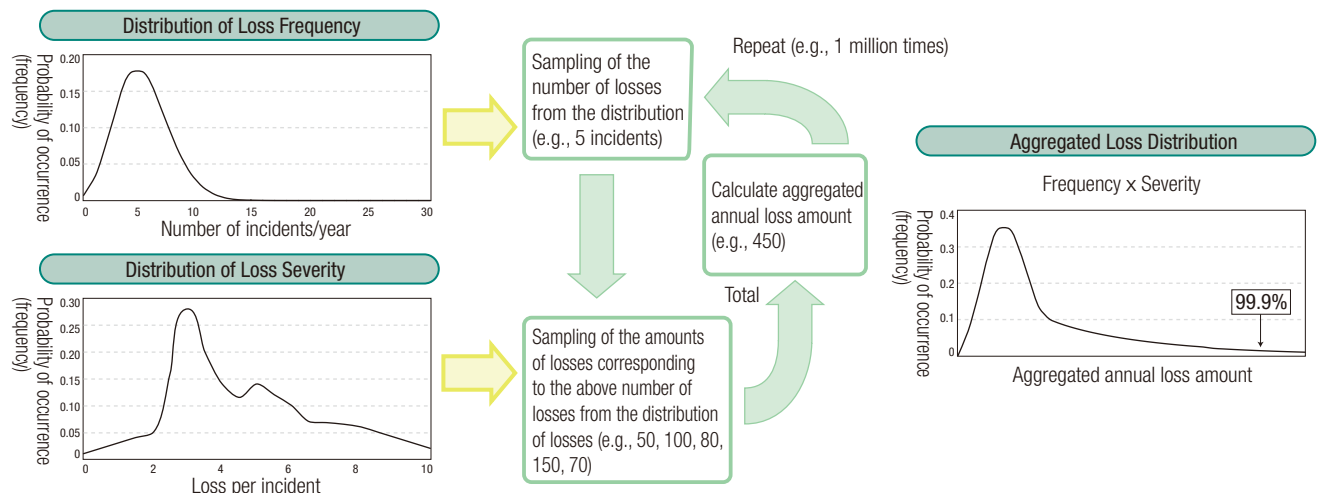
To mitigate risks using the quantitative results of the AMA, SMFG and SMBC implement risk mitigation measures for high severity scenarios. Furthermore, the risk assets calculated by quantification are allocated to each business unit of SMBC and other Group companies for increasing awareness of operational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

Measurement Using the Quantification Model



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

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

5. System Risk 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. As this risk crosses over numerous risks, including credit, liquidity, processing and system risks, it is required to appropriately manage according to characteristics of such risks.

At SMBC, the Transaction Business Planning Department and the Corporate Risk Management Department jointly manage risks according to the kinds of risks, and each risk is managed by its respective department in charge: the Credit & Investment Planning Department for credit risk, the Corporate Risk Management Department for liquidity risk, the Operations Planning Department for processing risk and the IT Planning Department for system risk.

Glossary

ALM

Abbreviation for Asset Liability Management
Method for comprehensive management of assets and liabilities, with appropriate controls on market risk (interest rates, exchange rates, etc.).

Advanced Measurement Approach (AMA)

Based on the operational risk measurement methods used in the internal management of financial institutions, this is a method for obtaining the operational risk equivalent amount by calculating the maximum amount of operational risk loss expected over a period of one year, with a one-sided confidence interval of 99.9%.

Back-testing

Method of verifying the validity of models by comparing the model value and actual value. For instance, in the case of VaR, comparing and verifying the value of VaR and the profit or loss amount.

Banking

Market operations which gain profits by controlling interest rates and term period for assets (funds, bonds, etc.) and liabilities (deposits, etc.).

Basel II

The Basel Capital Accord, an international agreement, was amended in June 2004 for ensuring the soundness of banks (minimum capital requirements) for appropriately responding to the diversification of banking operations and sophistication of risk management. It has been implemented in Japan since March 31, 2007.

Basel III

The Basel Capital Accord, an international agreement, was amended in December 2010 for ensuring the soundness of banks (minimum capital requirements) for the purpose of enhancing the capabilities of appropriately responding to any financial and economic crisis and reducing risks which may have originated from financial sector to adversely affect the actual economy. It has been implemented incrementally since 2013.

Basic Indicator Approach (BIA)

A calculation approach in which an average value for the most recent three years derived by multiplying gross profit for the financial institution as a whole by certain level (15%) is deemed to be the operational risk equivalent amount.

BPV

Abbreviation for Basis Point Value
Potential change in present value of financial product corresponding to 0.01-percentage-point increase in interest rates.

CCP

Abbreviation for Central Counterparty
In addition to functions of delivering shares, receiving funds, netting to reduce the unsettled balance (margin settlement), it also serves as the body guaranteeing the settlement by assuming liabilities, or as an obligor, it gives instructions to the settlement agency for money transfers for shares or funds.

Contingency plan

Predetermined countermeasures and procedures for minimizing damages and losses resulted from foreseen events under the assumption that unforeseen events such as incidents, accidents and disasters may occur.

Credit cost

Average losses expected to occur during the coming year.

Historical simulation method

Method of simulating future fluctuations without the use of random numbers, by using historical data for risk factors.

LGD

Abbreviation for Loss Given Default
Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default.

Monte Carlo simulation method

General term used for a simulation method which uses random numbers.

Outlier framework

Monitoring standard for interest rate risk in the banking book, as set forth in the Pillar 2 of the Basel Capital Accord.

Operational risk equivalent amount

Operational risk capital requirements under the Basel Capital Accord capital adequacy regulations.

PD

Abbreviation for Probability of Default
Probability of becoming default by obligor during one year.

Present value

A future amount of money that has been discounted to reflect its current value taking into account the interest rate and the extent of credit risk.

Risk capital

The amount of required capital, which is statistically calculated from the historical market fluctuations, default rates, etc., to cover an unexpected loss arising from risks of business operations. It differs from the minimum regulatory capital requirements, and it is being used in the risk management framework voluntarily developed by financial institutions for the purpose of internal management.

Risk factor

Anything which may become a factor for risk. In the case of market risk, it would be the share price or interest rate; in the case of credit risk, it would be the default rate or economic environment.

Risk-weighted assets

- Credit risk
Total assets (lending exposures, including credit equivalent amount of off-balance sheet transactions, etc.) which is reevaluated according to the level of credit risk.
- Operational risk
Amount derived by dividing the operational risk equivalent amount by 8%.

Supplementary funding sources for liquidity

Assets or funding method which can be immediately converted to cash in the event of unexpected occurrence of outgoing funds.

Trading

Market operations which gain profits by taking advantage of fluctuations of market prices in the short-term or price differences among markets.

Underlying assets

General term used for assets which serve as the source of payments for principal and interest for securitization exposures, etc.

VaR

Abbreviation for Value at Risk
Forecasted maximum loss incurred by the relevant portfolio under certain probability.



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:

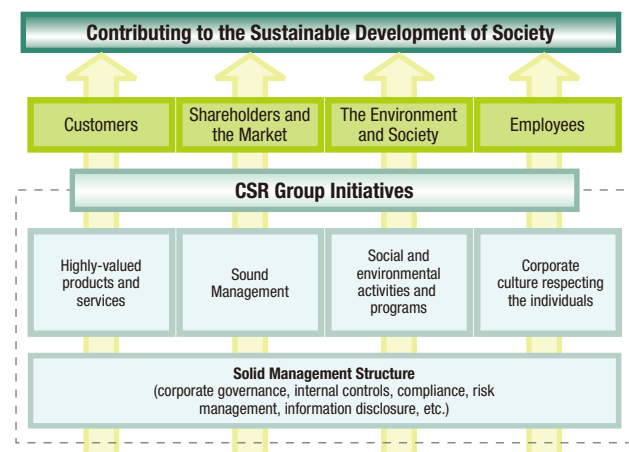
First, we shall develop a solid management system by improving and enhancing corporate governance, internal audit, compliance and risk management systems.

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."

At the "CSR Liaison Conference" conducted by CSR department of each group company since December 2010, the research group with respect to the International Standard of "ISO26000" (issued in November 2010) was established for understanding the outline. ISO26000 is the "guide," which consists of the basic principle and seven core concepts (governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development), for social responsibilities of organizations. In fiscal 2012, the Group created

its own checklist for the group companies to self-assess seven core concepts. We continue to utilize ISO26000 based on the final assessment made for fiscal 2012 to further strengthen our CSR management.

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 refer to page 62 (Supporting the Recovery after the Great East Japan Earthquake).

(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 refer to pages 55-58 (Environmental Preservation Initiatives).

(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. Additionally, we consider raising issues and awareness in the society.

For details, please refer to page 62 (Measures for Addressing Decreasing Birth Rate and Aging Population) and page 64 (Creating a Corporate Culture which Derives Strength from Diversity).

(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 promote resolving social issues on global-basis and commonly share diversity in thinking in Japan and overseas.

For details, please refer to page 61 (Contributions Made to Local Communities by Overseas Offices).



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 as one of our management principles: "To found our own prosperity on providing valuable services which help our customers to build their prosperity."

SMFG regularly holds meetings for the "Group CS Committee" which is chaired by the senior management executive of the general affairs 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 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.

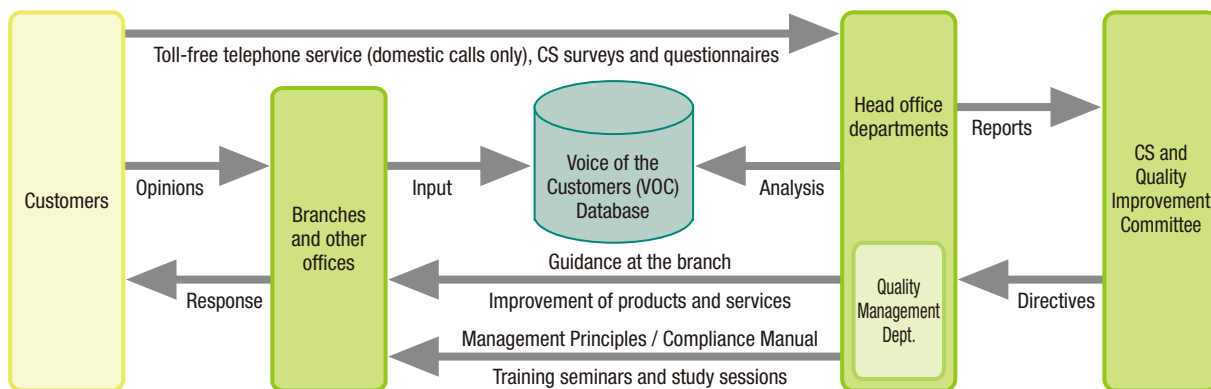
The bank has set up the Quality Management Dept. which is responsible for developing plans and preparing systems for improvement of CS and Quality. Additionally, this department holds meetings for the "CS and Quality Improvement Committee," which is chaired by the President, to discuss appropriate cross-departmental 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 conducted by SMFG directors 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, nine 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 Sumitomo Mitsui Finance and Leasing Company, Limited, SMFG Card & Credit, Inc., SMBC Consumer Finance Co., Ltd, and The Japan Research Institute, Limited 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 sixteen directors for the bank. The executive officers, who manage business operations, are appointed by the Board. There are a total of seventy executive officers, including the president, as of June 30, 2013 (out of seventy executive officers, eleven 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 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.

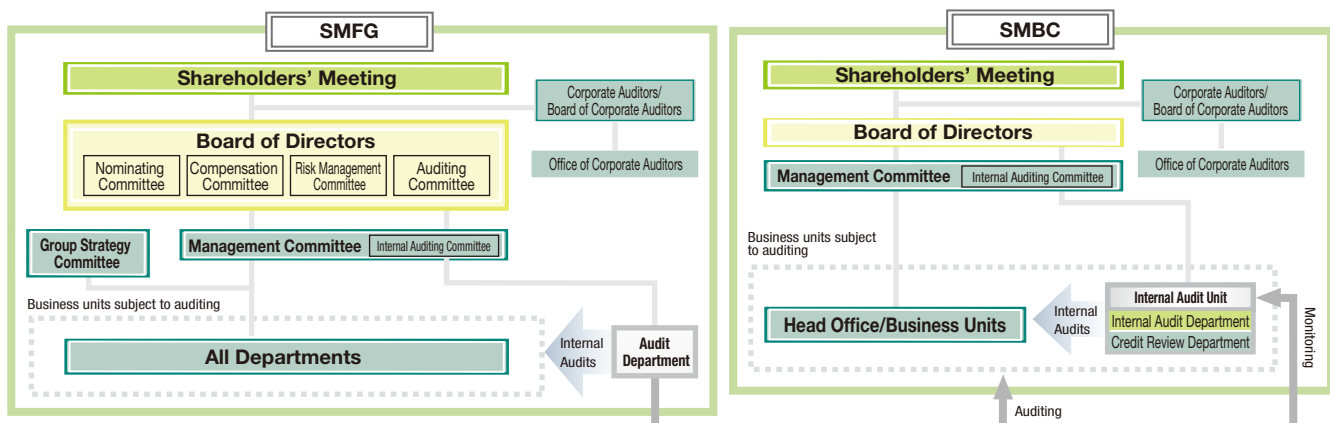
Initiatives to Enhance the Sophistication and Efficiency of Internal Audit

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 48) as the common CSR principles for the Group and considers the strengthening of such Business Ethics as one of the critical issues for the management.

Group Management 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.

Reporting System for Inappropriate Accounting and Auditing Activities

SMFG has established the “SMFG Group Alarm Line”, the whistle-blowing system which can be used by all employees, including employees of group companies for enhancing self-control effect by promptly detecting and rectifying any actions

which may violate laws and regulations 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.

SMFG Accounting and Auditing Hotline: 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:

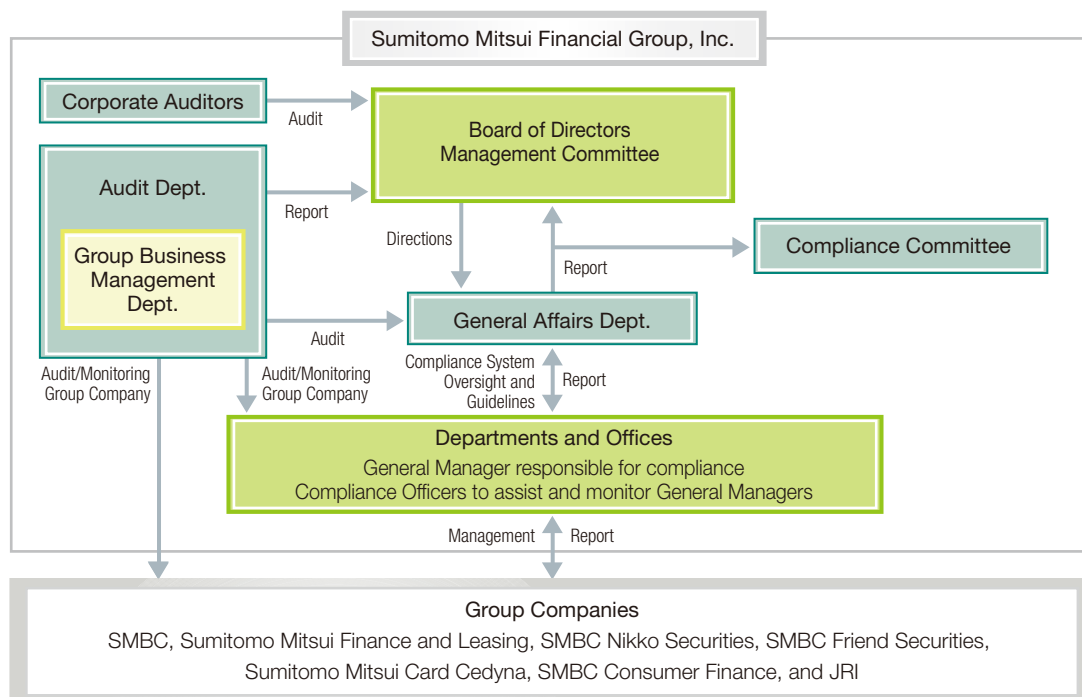
smfghotline@iwatagodo.com

* 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.



Compliance Systems at SMFG

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 2013, 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 and the specified non-profit organization of "Financial Instruments Mediation Assistance Center", one of "Designated Dispute Resolution Agencies" under the Financial Instruments and Exchange Act.

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

Financial Instruments Mediation Assistance Center

Contact information: Financial Instruments Mediation
Assistance Center
Telephone numbers: (Japan) 0120-64-5005 or 03-3669-9833
Business hours: Mondays through Fridays
(except public and bank holidays)
9:00 am to 5:00 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 harmonize environmental preservation and corporate activities.

The Group Environmental Policy

Basic concepts

Recognizing the importance of realizing a sustainable society, SMFG is continuously making efforts to harmonize environmental preservation and pollution control with 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 Finance and Leasing ("SMFL"), SMBC Nikko Securities, SMBC Friend Securities, Sumitomo Mitsui Card and JRI). 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.

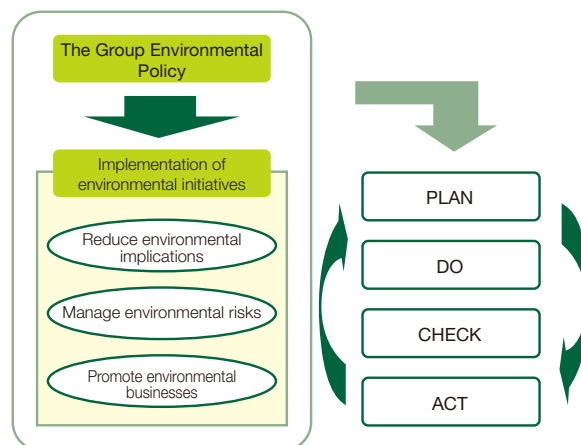
Signing of the "Principles for Financial Actions (the principles for financial actions for the 21st Century) for achieving the sustainable society"

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

The principles have been set forth for the purposes of making the environmental financing widely-known and improving the quality of environmental financing. SMBC has participated since 2012 as a steering member for the Steering Committee which is made up of 187 financial institutions (as of May 31, 2013).

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

SMFG sets environmental objectives for reducing energy consumption each fiscal year such as electricity, and it assertively strives to implement energy-saving measures to reach the targeted goal.

SMBC has made its Head Office “carbon neutral” through the purchases of “green energies and carbon credits*.” 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.”

● 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



Konan Branch

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. As for the Konan Branch, we have installed wind-generated electricity system and mist-shower equipment, taking advantage of the winds blowing from Rokko mountain (only available during summer seasons).

In fiscal 2012, we exceeded our initial target of 30% reduction by reducing 40% of CO₂ emissions. Taking into consideration this result, we continue to proactively install highly environment-friendly systems such as LED lightings



Solar power generation equipment at Group's main computer center

at the time of newly establishing offices or renovations. In July 2012, SMFG, SMBC and JRI, as part of their own energy-saving measures, implemented the solar power generation equipment in the SMFG's main computer center in order to control the energy provided during the peak business hours.

SMBC Friend Securities converts its branches to more environment-friendly interiors such as LED lightings and 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 taking into consideration the management principle and the rules of conduct. 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 large-scale development projects

Large-scale development projects may have significant impacts on society and the environment; therefore, the international civil society requires financial institutions to assess social and environmental impacts of the projects when providing financial support. SMBC has adopted the Equator Principles, a set of principles for determining, assessing and managing social and environmental risks in project financing and has established the Environment Analysis Department (EAD) to assess the social and environmental risks of large-scale development projects in accordance with the principles. The Equator Principles are based on the social and environmental policies and guidelines of International Finance Corporation (IFC), the private sector arm of the World Bank. These policies and guidelines cover variety of issues such as social and environmental impact assessment process, pollution prevention and abatement, considerations to local communities and natural resources.



● 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. Some of the examples are: SMBC Environmental Assessment Loan/Private Placement Bond is provided for clients for promoting their environmental management. Growth Industry Cluster Department of Project & Export Finance Department works on

the maintenance or improvement of the global environment but also the economic development of each country through providing support for infrastructure improvement projects, such as the smart community in emerging countries mainly in Asia, or renewable energy projects.

● Initiatives for Environmental Businesses by Group Companies

Please refer to the chart shown below for details of the measures taken for environmental businesses.

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. In March 2013, the 100th issue of the magazine was published. It can be viewed online at SMFG's website (in Japanese). |
| | SMFG Environmental Business Forum | SMFG organized a major three-day event at Eco-Products, one of Japan's largest environmental exhibitions. Over 1,000 business meetings were arranged under themes of "new energy" and "environment." Approximately 40 "global business-matching" were conducted among Japanese companies and overseas non-Japanese companies of five countries including South Korea, Hong Kong and Singapore. |
| SMBC*1 / JRI*2 | SMBC Environmental Assessment Loan/Private Placement Bond | Terms and conditions for these loans and bonds are set forth according to the assessment conducted on the company's environmental measures pursuant to the environmental assessment standards originally created by SMBC and JRI, and SMBC determines terms and conditions for loans or bonds options according to the results of such assessment. |
| | SMBC Sustainable Building Assessment Loan/Private Placement Bond | Terms and conditions for those loans and bonds are set forth according to the assessment conducted on the buildings owned or to be constructed by companies, pursuant to the assessment criteria created by SMBC and CSR Design & Landscape Co., Ltd., for environment-friendliness for "energy" and "water," etc.; seismic adequacy required to maintain the sustainability; and measures taken for "risk management" of such as BCP. |
| | SMBC Sustainability Assessment Loan/Private Placement Bond | Terms and conditions for those loans and bonds are set forth by SMBC, according to the assessment conducted on the measures taken by clients for the Environment, Society and Governance ("ESG") and appropriateness of information disclosure, pursuant to the assessment criteria created by SMBC and CSR Design & Landscape Co., Ltd. |
| | SMBC Environmental Assessment Loan (Malaysia) | Terms and conditions for those loans are set forth according to the assessment conducted on the environmental measures taken by the company in Malaysia utilizing the scheme as set forth in the "SMBC Environmental Assessment Loan." The assessment report will be also provided to further enhance the company's eco-management related activities. |
| 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 and 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-credit related business activities (advisory and consultation services) | Through alliances with overseas bases, the bank is involved in a wide range of advisory, financing and other services supporting business and transactions by our customers wishing to buy carbon credits from sellers in developing countries. In Brazil, SMBC has a consultancy subsidiary supporting the Clean Development Mechanism project. SMBC's Brazilian subsidiary has invested in the sustainability fund managed by the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social), and it also serves as the environment adviser for the said fund. It also provides consultation services for the environmental innovation fund which was set up mainly by the Brazilian Development Bank and other banks. |
| | Carbon-credit trading | SMBC was the first Japanese bank to become a carbon-credits trader in June 2009 and began trading carbon credits directly with clients. |
| | Strengthening alliances with international and financial institutions | In March 2012, SMBC executed a Memorandum of Understanding with Development Bank of Mongolia for financial cooperation for environment and infrastructure projects which reduce greenhouse gas emissions. SMBC continues to develop the solid global network by MOUs similarly executed with local financial institutions and economic organizations in Philippines, Brazil and other countries for the promotion of financing for renewable energy 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. |
| | DWS New Resource Technology Fund | This fund invests mainly in shares of companies around the world with growth potential which conduct businesses associated with three most discussed issues of (1) local infrastructure; (2) food; and (3) clean energy, in order to accommodate the fluctuating and/or increasing global demand. |
| | Participation in the Tokyo Eco Finance Project | SMBC has been selected as the main financial institution in the Tokyo Eco Finance Project which was implemented in 2009 and in operation for five years. This project supports individual and corporate clients to accommodate their diverse environmental needs by providing loan, lease, housing loan, automobile loan and fixed-term deposit by utilizing the deposits accumulated by Tokyo. |

Initiatives for Environmental Businesses by Group Companies

| Company | Program / Product | Description |
|----------------------|--|--|
| Nikko ^{*3} | Nikko Eco Fund | SMBC Nikko Securities Inc. was the first firm in Japan to start offering the SRI fund of Nikko Eco Fund taking into account the environmental perspectives for investments. |
| | Nikko DWS New Resources Fund | This fund invests mainly in shares of companies around the world with growth potential which conduct businesses associated with three most discussed issues of (1) water; (2) agriculture; and (3) alternate energy, in order to accommodate the fluctuating and/or increasing global demand. |
| | UBS Climate Change Fund | This fund invests in shares of countries around the world which have innovative technology with respect to preventive measures for global warming. |
| | Nikko World Trust-Nikko Green New Deal Fund | 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 | In February, 2010, SMBC and SMBC Nikko Securities Inc. started to offer the Nikko World Bank Bond Fund which 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. *This fund invests in green bond which is one of the bonds issued by the World Bank |
| SMFL ^{*4} | Consultation Business for the Amended Energy Saving Act | It strengthens its advisory services by appropriately accommodating the Amended Energy Saving Act for proposing comprehensive energy-saving measures by utilizing the lease. |
| | Purchase and Sale of Second-Hand Machinery and Equipment | Real property with expired lease or machinery and equipment purchased from clients are being sold to clients who may need them. It strives to become the leasing company which is environment-friendly implementing the measures for recycling and reuse by purchasing and selling the second-hand machinery. |
| | Support Program conducted by the Ministry of the Environment | It promotes the implementation of leasing the eco-friendly equipment which meets the criteria set forth by the Ministry of the Environment, by utilizing the subsidies provided by the Ministry of the Environment for such lease. |
| JRI | Promotion of CSR and environmental management | JRI supports companies in 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 | It engages in numerous environmental projects mainly in the energy and smart community fields. It strives to contribute to the resolution of global-warming issues and development of environment-friendly businesses by the creation of new businesses. |
| | Proposals for energy-related policies | The Great East Japan Earthquake led to the substantial review of the Japan's energy policy. JRI makes recommendations and proposals for energy systems of next-generation, road map for the realization of separating electric power generation and transmission, measures for energy of next-generation, and the vision for development of new industry. |
| SMCC ^{*5} | Cooperation with the Eco-Point program for housing | SMCC participates in the Eco-Point program for housing promoted by the Ministry of Environment, and also provide Sumitomo Mitsui VISA Gift Cards as gifts in exchange for eco points accumulated for the eco-points business. We also donate an amount equivalent to 0.1% of the face value of the Gift Cards to non-profit organizations, for plantation work in deforested areas such as south Kyushu, 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. |
| SMCCF ^{*6} | Electronic statement service | It strives to reduce the consumption of paper resources and CO ₂ emissions, in addition to increasing convenience for clients by electronically converting documents especially under the current circumstances that the ratio of contracts made on the internet out of new applications submitted has the tendency to yearly increase. |
| Friend ^{*7} | Environmental Sustainability Bond | SMBC Friend Securities sold the Environmental Sustainability Bonds issued by the European Bank for Reconstruction and Development (EBRD) in October and November 2012. The funds raised by such bonds are used to support natural energy development, forestry regeneration and other environmental projects selected by EBRD based on its evaluation standards. |
| Friend / Nikko | Electronic statement service | Promoting the usage of online account statements |
| Minato ^{*8} | "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. |
| | Minato ECO product purchase loan and Minato ECO housing loan | Minato Bank offers environment-friendly loans especially made for clients who plan to purchase and install new-energy or energy-saving equipment (solar power generation systems, ECOWILL, ENE-FARM, etc). It additionally offers housing loans with discounted interest rates to clients who plan to purchase a home installed with such equipment or renovate the home with such equipment; or for those clients who plan to purchase newly-constructed home which met the certain criteria set forth by Kobe city for residential environment-friendliness. |
| KUBC ^{*9} | Eco-time deposit | This fixed-term deposit makes donations to organizations in Osaka or Shiga prefectures, engaged in environmental protection activities, with the amount equivalent to 0.01% of deposits received from clients. |
| | 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 preinstalled with solar power generation systems or for costs for installation of such systems. |
| | Environmental Assessment Loan/Private Placement Bond | Terms and conditions, and interest rates for those loans and bonds are set forth according to the assessment conducted on the measures taken by clients for environment-friendliness. The financing method may be selected from either loan or bond. |
| | Kansai Urban Environment Support Loan | The predetermined, preferential interest rate for the loan is given to clients who met certain requirements for environment (receipt of certification for ISO14001 or Eco Action 21, etc.). |

*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 Consumer Finance Co., Ltd. *7 SMBC Friend Securities Co., Ltd. *8 THE MINATO BANK, LTD. *9 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 Finance and Leasing (“SMFL”), SMBC Nikko Securities, Sumitomo Mitsui Card, Cedyne, and SMBC Consumer Finance and collect PET bottle caps. SMBC Nikko Securities, SMBC Friend Securities, Sumitomo Mitsui Card, and SMBC Consumer Finance 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, SMBC Nikko Securities, Sumitomo Mitsui Card, and SMBC Consumer Finance encourage employees to donate their blood at the workplace. The total of 796 employees from four companies participated in this program in fiscal 2012.

● 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. More than 11,000 employees participate in this program, as of May 2013. The organizations are selected based on thorough investigations and discussions by the panel of experts and volunteering employees. In fiscal 2012, donations were made to 34 organizations which are supported by the volunteer employees

and work to resolve issues for economical difficulties in Japan and overseas.

Overseas

- The establishment of literacy education environment for women and children in Cambodia; the establishment of libraries in refugee camps in Thailand; providing support for schools attended by orphans in Zambia infected with AIDS, as well as other projects.

Japan

- The operations of counseling program for children who are victims of abuse, repairing the hospices facilities for children, medical support for homeless, and support projects for vision- and hearing-impaired to be able to become self-sustaining.

935 employees of the Group company, Sakura KCS (approximately 80% of the company’s total employees), have volunteered (as of May 2013) 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 2012, we have been consistently accepting donations for damages caused by the rainstorm in Kita-Kyushu, typhoons in Philippines, and for the damages caused by Great East Japan Earthquake. We also accepted donations from SMBC and SMBC Nikko Securities for the damages caused by the hurricane, “Sandy” in U.S.

● SMBC Pro Bono Project

The bank is also engaged in pro bono activities in which volunteers offer their business and professional expertise and skills for the public. The bank set up the new “SMBC Pro Bono

Project” in fiscal 2012 by taking advantage of characteristics of financial institutions. The Pro Bono Team, made up of volunteer employees, supported three NPOs, which support child-raising process in Tokyo, by giving advices to strengthen the NPOs’ business infrastructure such as organization and improvement of necessary bookkeeping and administrative procedures for handling donations and expenses, and information and data management of contributors. Since fiscal 2011, the bank has supported nonprofit organizations dedicated to revitalizing the economy of the Kansai region and resolving social issues through employees offering their time for pro bono activities. In fiscal 2012, the team of volunteer employees supported three NPOs through participation and sponsorship.

● 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 Co., Ltd. conducts business activities which appropriately respond to the needs of society and clients in the local community, while serving as the center for communication for the local community. It strives to sustainably develop with the society, through providing household budget counseling and financial education for local residents and students, or having proactive measures to vitalize the local community.

● 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 an 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, Japan Red Cross Society, 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. Cedyne 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, SMFL, and Sumitomo Mitsui Card participate in the program which provides donations to the non-profit organization of the “TABLE FOR TWO International” to fund school meals in developing countries, for every low-calorie meal ordered for lunch. In fiscal 2012, SMBC improved the structure which enables all SMBC branches to participate in this program. SMBC, SMFL, SMBC Nikko Securities, SMBC Friend Securities, and Sumitomo Mitsui Card 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 which results to economic development of underdeveloped 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 2012, approximately 350 employees and their family members participated in this activity in Arakawa in Tokyo and Suma Beach in Hyogo. The Minato Bank independently organized the beach-cleaning activities at Suma Beach with 58 people participation; staff of Kansai Urban Banking Corporation participated in the clean-up activities along the shore of Lake Biwa in Shiga Prefecture. JRI participated in the Osaka Marathon clean-up program, concurrently conducted with the Osaka Marathon. Since autumn of 2010, SMBC Nikko Securities has designated a “Green Week” for enhancement of environmental protection and social contribution activities. In fiscal 2012, 7,265 employees and their family members in total participated in the clean-up



and collection of PET bottle caps. Sumitomo Mitsui Finance and Leasing, Cedyne and SMBC Consumer Finance continuously conduct the clean-up activities in the vicinity of their offices.

● 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 reforestation 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

● SMBC Charity Concert



Since 2006, SMBC has been holding musical concerts for charity performed by volunteer employees to support underprivileged children worldwide, where our clients are invited for free of charge. The donations are collected from the audiences of concerts and also from the sales of employees' handcrafted products. In fiscal 2013, donations were sent to children affected by the Great East Japan Earthquake and to children in Cambodia

Contributions Made to Local Communities by Overseas Offices

Overseas offices of the Group support projects which contribute to 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.
- SMBC (China) conducted reforestation activities in Shanghai, Beijing, Suzhou, Tianjin and Guangzhou.
- SMBC's Hong Kong Branch gave donations to support an 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 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.

and Vietnam. In addition, people taking refuge in Tokyo from the 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

SMBC Friend Securities supports cultural and artistic activities by sponsoring special art exhibitions at the Yamatane Museum of Art. 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, SMBC Nikko Securities 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 inviting students of elementary school up to high school to visit the office as well as having a special tour program of "Natsuyasumi Kodomo Ginko Tankenta" participated by elementary school students, 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 2,137 of such events were organized in fiscal 2012. Kansai Urban Banking Corporation organizes a tour for elementary school students, and also offers a work experience program. SMBC, SMFL, SMBC Nikko Securities, Sumitomo Mitsui Card, JRI, and Minato Bank also sent instructors to teach classes at universities.

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. SMBC has completed in March 2013 the complete conversion of all ATMs in domestic branches and ATMs located outside of SMBC branches to the ones which can respond to vision- and hearing-impaired clients.

- Installation of ATMs for the visually-impaired
- Installation of communication boards and similar devices for writing messages for those clients having difficulties hearing
- Installation of Automated External Defibrillators (AEDs)*
- Installation of hearing aids at branches (SMBC and Minato Bank)
- 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 Nikko Securities and SMBC Friend 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 senior citizens, demand for which is expected to increase hereafter. In May 2013, we started to offer loans (loans affiliated with nursing-care facilities) especially made for real estate properties of pay nursing homes or serviced elderly homes.

We plan to assist and support in developing the system for senior citizens to have safe and meaningful lives by adapting to the needs of the society.

● Stakeholders dialogue on the subject of “Japan’s declining birth rate”

In January 2013, SMBC discussed the issues and countermeasures regarding this concept. The internal system needs to be improved and it is critical to make some kind of approach to the greater society, taking into consideration the opinions received from intellectual and influential individuals.

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 executives and staff to regularly go to the disaster affected areas for volunteering activities in May that year. Volunteer activities are still ongoing at Ishinomaki, Watari-cho and Higashi-Matsushima in Miyagi Prefecture. Approximately 280 staff participated in total during fiscal years of 2011 and 2012. In August 2012,

approximately 30 families or 90 people in total participated in the programs.

SMBC Nikko Securities implemented the volunteer vacation system in April 2011, and in July 2011, 350 newly-hired employees and attending staff participated in the volunteer activities in the disaster-hit areas.



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

SMBC Consumer Finance made good use of the “Service Plaza” (“SP”) to serve clients in the affected areas. SP conducted seminars, at the public conference rooms temporarily constructed for the people living in the vicinity, on the subject of “financial awareness to avoid fraudulent activities.” At 18 SP locations nationwide, the meeting room is provided to support the disaster-hit areas.

● Donation Activities by Redeeming Points Accumulated from Using Credit Cards

Sumitomo Mitsui Card and Cedyna 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

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. In fiscal 2012, we made donations collected from our employees and the matching donations made by the bank to volunteer centers and NPO foundations in the disaster-hit areas, in addition to the volunteer activities conducted by executives and staff.

● Donation for Disaster Affected Area

Sumitomo Mitsui Card donated 15 music instruments they have been using within their company club to “Swing Dolphins,” a jazz orchestra group formed by junior high and elementary school students of Kesennuma-city, Miyagi.

● 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 the staff of the YUI volunteer organization.

● “Charity Film-Screening” events

Kansai Urban Banking Corporation held a charity film-screening event as part of its support for the disaster-hit areas. Contributions collected from participants for the film-screening event and the matching contributions made by the bank were donated to Fukushima, Iwate and Miyagi prefectures.

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 Finance and Leasing (“SMFL”), SMBC Nikko Securities, SMBC Friend Securities, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, the Japan Research Institute (“JRI”), 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

● Education and Training System

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, and the Corporate Banking 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). 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. 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.” 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 business promoting 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. Following the amendments to the Money Lending Business Act, 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 Act and other legislation. SMBC Consumer Finance has been supporting the development of employees. JRI believes that its human resources provide added value, which is translated into solutions and proposals. With that in mind, it has established the Human Resources Development Department in the Systems Development Division, and the Human Incubation Center in the Research & Consulting Division for the well-planned development of human resources. 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

● SMFG Joint Training Program

As Team SMFG, eight major group companies (SMBC, SMFL, SMBC Nikko Securities, SMBC Friend Securities, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, and JRI) jointly conducted training seminars for newly-hired employees of those group companies to be able to understand the SMFG's vision and management policy and to increase the sense of identity as "Team SMFG."

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 even doing business in Japan. In order to enhance the overseas market presence and become more internationalized, the bank is increasing the number of employees with overseas experience. In addition to the language class, employment of those with overseas study experiences and of foreign nationals, the bank encouraged training and appointment of highly capable national staff, and further expansion of global personnel changes. 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.

● 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, February 2009 and Chiba Office, March 2013. They created jobs not only for the physically-challenged but also for the mentally-challenged. As of March 2012, physically-challenged employees accounted for 2.03% of our total number of employees, more than the legally mandated level of 1.8% (it was modified to 2.0% as of April 1, 2013).



SMBC Global Corporate Banker Training

● 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, SMFL, SMBC Friend Securities, Sumitomo Mitsui Card, and JRI, 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, SMFL, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, 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, SMFL, SMBC Friend Securities, Sumitomo Mitsui Card, SMBC Consumer Finance, and JRI. SMFL and Cedyne encourage their employees to take their summer vacations and to reduce their overtime hours, while SMBC conducts the "Go Home Early - Family Day." Further, SMBC organizes "Working Mother's Meeting" and JRI also organizes "Mama & Papa Lunches," where employees exchange information on raising children. SMBC Nikko Securities and SMBC Consumer Finance have introduced an online support program for employees returning to work after parental leave. SMBC, SMBC Consumer Finance, Minato Bank, and Kansai Urban Banking regularly provide training seminars for employees on maternity leave. SMBC and Kansai Urban Banking provide training for employees taking maternity leave. The above programs aim to support employees to settle in at work after maternity leave.

SMBC, SMBC Nikko Securities, 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.



SMBC Consumer Finance recovery support seminar



Children's Visitation Day

Enhancing Awareness of Individual Rights

SMBC has implemented in its corporate principles of action concepts which state that "we will respect the individual human dignity of our clients and employees" and "we will not allow

any discrimination." Training seminars and study sessions on human rights issues and discrimination are organized for general managers of branches and departments, employees newly-appointed to management positions, and newly hired employees. 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.

Employees

◆ SMBC

| March 31 | 2011 | 2012 | 2013 |
|--|----------------|---------------|----------------|
| Number of employees* | 25,073 | 24,602 | 24,212 |
| Male | 13,546 | 13,274 | 13,014 |
| Percentage of total | 54.03% | 53.95% | 53.75% |
| Female | 11,527 | 11,328 | 11,198 |
| Percentage of total | 45.97% | 46.05% | 46.25% |
| Average age | 36 yrs 5 mos. | 36 yrs 9 mos. | 37 yrs 0 mos. |
| Male | 40 yrs 3 mos. | 40 yrs 4 mos. | 40 yrs 3 mos. |
| Female | 31 yrs 11 mos. | 32 yrs 8 mos. | 33 yrs 3 mos. |
| Average years of service | 13 yrs 5 mos. | 13 yrs 9 mos. | 14 yrs 0 mos. |
| Male | 16 yrs 9 mos. | 16 yrs 8 mos. | 16 yrs 8 mos. |
| Female | 9 yrs 7 mos. | 10 yrs 3 mos. | 10 yrs 11 mos. |
| Number of women in managerial positions** | 327 | 398 | 447 |
| Ratio of employees with disabilities (% of total)*** | 1.95% | 1.99% | 2.03% |

* 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

*** As of March 1 of the respective years

| April 1 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 572 | 610 | 661 |
| Number of newly employed female graduates**** | 188 | 199 | 245 |
| Ratio of newly employed females to total new employees | 32.9% | 32.6% | 37.1% |

**** Includes *sogoshoku* staff, *sogoshoku* (retail course) staff and consumer service staff. Business Career Path employees are excluded.

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 476 | 683 | 920 |
| <Men taking such leave> | <26> | <27> | <55> |
| Number of career hires | 6 | 11 | 17 |

◆ Sumitomo Mitsui Finance and Leasing

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|----------------|----------------|----------------|
| Number of employees* | 1,648 | 1,618 | 1,620 |
| Male | 1,025 | 1,007 | 1,017 |
| Percentage of total | 62.20% | 62.24% | 62.78% |
| Female | 623 | 611 | 603 |
| Percentage of total | 37.80% | 37.76% | 37.22% |
| Average age | 37 yrs 8 mos. | 38 yrs 2 mos. | 38 yrs 11 mos. |
| Male | 40 yrs 6 mos. | 40 yrs 10 mos. | 41 yrs 5 mos. |
| Female | 33 yrs 0 mos. | 33 yrs 10 mos. | 34 yrs 9 mos. |
| Average years of service | 12 yrs 10 mos. | 13 yrs 4 mos. | 14 yrs 0 mos. |
| Male | 15 yrs 6 mos. | 15 yrs 9 mos. | 16 yrs 3 mos. |
| Female | 8 yrs 7 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: 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 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 22 | 19 | 20 |
| Number of newly employed female graduates | 3 | 3 | 4 |
| Ratio of newly employed females to total new employees | 13.6% | 15.8% | 20.0% |

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 34 | 39 | 40 |
| <Men taking such leave> | <0> | <0> | <0> |

◆ SMBC Nikko Securities

| March* | 2011 | 2012 | 2013 |
|--------------------------|----------------|----------------|----------------|
| Number of employees** | 7,094 | 7,513 | 7,656 |
| Male | 4,449 | 4,771 | 4,863 |
| Percentage of total | 62.71% | 63.50% | 63.52% |
| Female | 2,645 | 2,742 | 2,793 |
| Percentage of total | 37.29% | 36.50% | 36.48% |
| Average age | 38 yrs 11 mos. | 38 yrs 11 mos. | 39 yrs 3 mos. |
| Male | 40 yrs 3 mos. | 40 yrs 2 mos. | 40 yrs 4 mos. |
| Female | 36 yrs 8 mos. | 36 yrs 10 mos. | 37 yrs 3 mos. |
| Average years of service | 11 yrs 11 mos. | 11 yrs 10 mos. | 12 yrs 3 mos. |
| Male | 12 yrs 4 mos. | 12 yrs 2 mos. | 12 yrs 6 mos. |
| Female | 11 yrs 2 mos. | 11 yrs 4 mos. | 11 yrs 10 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, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

| April 1 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires*** | 493 | 388 | 293 |
| Number of newly employed female graduates | 190 | 165 | 111 |
| Ratio of newly employed females to total new employees | 38.5% | 42.5% | 37.9% |

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

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 229 | 248 | 262 |
| <Men taking such leave> | <0> | <1> | <0> |

◆ SMBC Friend Securities

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|---------------|---------------|----------------|
| Number of employees* | 1,897 | 1,846 | 1,814 |
| Male | 1,359 | 1,336 | 1,309 |
| Percentage of total | 71.64% | 72.37% | 72.16% |
| Female | 538 | 510 | 505 |
| Percentage of total | 28.36% | 27.63% | 27.84% |
| Average age | 37 yrs 7 mos. | 38 yrs 4 mos. | 38 yrs 11 mos. |
| Male | 39 yrs 8 mos. | 40 yrs 4 mos. | 40 yrs 11 mos. |
| Female | 32 yrs 5 mos. | 33 yrs 1 mos. | 33 yrs 9 mos. |
| Average years of service | 14 yrs 0 mos. | 14 yrs 9 mos. | 15 yrs 3 mos. |
| Male | 15 yrs 9 mos. | 16 yrs 6 mos. | 17 yrs 1 mos. |
| Female | 9 yrs 5 mos. | 10 yrs 2 mos. | 10 yrs 8 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 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 149 | 151 | 159 |
| Number of newly employed female graduates** | 79 | 74 | 74 |
| Ratio of newly employed females to total new employees | 53.0% | 49.0% | 46.5% |

** Both non-area specified and area specified staff

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 25 | 25 | 25 |
| <Men taking such leave> | <0> | <5> | <0> |

◆ Sumitomo Mitsui Card

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|---------------|---------------|---------------|
| Number of employees* | 2,300 | 2,323 | 2,353 |
| Male | 1,146 | 1,141 | 1,157 |
| Percentage of total | 49.83% | 49.12% | 49.17% |
| Female | 1,154 | 1,182 | 1,196 |
| Percentage of total | 50.17% | 50.88% | 50.83% |
| Average age | 36 yrs 8 mos. | 37 yrs 1 mos. | 37 yrs 7 mos. |
| Male | 40 yrs 0 mos. | 40 yrs 4 mos. | 40 yrs 6 mos. |
| Female | 33 yrs 5 mos. | 34 yrs 0 mos. | 34 yrs 8 mos. |
| Average years of service | 11 yrs 0 mos. | 11 yrs 7 mos. | 12 yrs 2 mos. |
| Male | 12 yrs 0 mos. | 12 yrs 8 mos. | 13 yrs 1 mos. |
| Female | 10 yrs 0 mos. | 10 yrs 7 mos. | 11 yrs 4 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 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 72 | 49 | 55 |
| Number of newly employed female graduates | 43 | 24 | 29 |
| Ratio of newly employed females to total new employees | 59.7% | 49.0% | 52.7% |

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 43 | 59 | 63 |
| <Men taking such leave> | <2> | <6> | <5> |

◆ Cedyne

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|---------------|---------------|---------------|
| Number of employees* | 3,340 | 3,192 | 3,095 |
| Male | 2,021 | 1,980 | 1,948 |
| Percentage of total | 60.51% | 62.03% | 62.94% |
| Female | 1,319 | 1,212 | 1,147 |
| Percentage of total | 39.49% | 37.97% | 37.06% |
| Average age | 38 yrs 7 mos. | 39 yrs 6 mos. | 40 yrs 5 mos. |
| Male | 41 yrs 5 mos. | 42 yrs 1 mos. | 42 yrs 8 mos. |
| Female | 34 yrs 4 mos. | 35 yrs 5 mos. | 36 yrs 6 mos. |
| Average years of service | 14 yrs 2 mos. | 15 yrs 5 mos. | 16 yrs 4 mos. |
| Male | 16 yrs 4 mos. | 17 yrs 4 mos. | 18 yrs 1 mos. |
| Female | 11 yrs 0 mos. | 12 yrs 1 mos. | 13 yrs 4 mos. |

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

| April 1 | 2011 | 2012 | 2013 |
|--|-------|------|-------|
| Number of new hires | 44 | 16 | 20 |
| Number of newly employed female graduates | 22 | 0 | 3 |
| Ratio of newly employed females to total new employees | 50.0% | 0.0% | 15.0% |

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 62 | 63 | 71 |
| <Men taking such leave> | <0> | <0> | <0> |

◆ SMBC Consumer Finance

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|---------------|---------------|----------------|
| Number of employees* | 2,038 | 1,971 | 2,121 |
| Male | 1,263 | 1,234 | 1,299 |
| Percentage of total | 61.97% | 62.61% | 61.24% |
| Female | 775 | 737 | 822 |
| Percentage of total | 38.03% | 37.39% | 38.76% |
| Average age | 36 yrs 4 mos. | 37 yrs 2 mos. | 37 yrs 9 mos. |
| Male | 38 yrs 0 mos. | 38 yrs 9 mos. | 39 yrs 5 mos. |
| Female | 33 yrs 7 mos. | 34 yrs 5 mos. | 35 yrs 1 mos. |
| Average years of service | 12 yrs 3 mos. | 13 yrs 1 mos. | 12 yrs 11 mos. |
| Male | 14 yrs 4 mos. | 15 yrs 1 mos. | 15 yrs 2 mos. |
| Female | 8 yrs 11 mos. | 9 yrs 9 mos. | 9 yrs 5 mos. |

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

| April 1 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 23 | 16 | 28 |
| Number of newly employed female graduates | 17 | 11 | 14 |
| Ratio of newly employed females to total new employees | 73.9% | 68.8% | 50.0% |

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 91 | 83 | 88 |
| <Men taking such leave> | <0> | <0> | <1> |

◆ Japan Research Institute

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|---------------|---------------|---------------|
| Number of employees* | 2,323 | 2,272 | 2,265 |
| Male | 1,782 | 1,726 | 1,705 |
| Percentage of total | 76.71% | 75.97% | 75.28% |
| Female | 541 | 546 | 560 |
| Percentage of total | 23.29% | 24.03% | 24.72% |
| Average age | 39 yrs 1 mos. | 39 yrs 3 mos. | 39 yrs 9 mos. |
| Male | 39 yrs 9 mos. | 40 yrs 1 mos. | 40 yrs 6 mos. |
| Female | 36 yrs 4 mos. | 36 yrs 7 mos. | 37 yrs 3 mos. |
| Average years of service | 9 yrs 9 mos. | 10 yrs 2 mos. | 10 yrs 8 mos. |
| Male | 10 yrs 3 mos. | 10 yrs 6 mos. | 11 yrs 1 mos. |
| Female | 8 yrs 6 mos. | 8 yrs 11 mos. | 9 yrs 6 mos. |

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

| April 1 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 53 | 43 | 48 |
| Number of newly employed female graduates** | 20 | 17 | 15 |
| Ratio of newly employed females to total new employees | 37.7% | 39.5% | 31.3% |

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

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 48 | 54 | 50 |
| <Men taking such leave> | <7> | <6> | <4> |

◆ THE MINATO BANK

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|----------------|----------------|---------------|
| Number of employees* | 1,897 | 1,911 | 1,921 |
| Male | 1,226 | 1,225 | 1,220 |
| Percentage of total | 64.63% | 64.10% | 63.51% |
| Female | 671 | 686 | 701 |
| Percentage of total | 35.37% | 35.90% | 36.49% |
| Average age | 40 yrs 7 mos. | 41 yrs 0 mos. | 41 yrs 3 mos. |
| Male | 44 yrs 1 mos. | 44 yrs 5 mos. | 44 yrs 8 mos. |
| Female | 34 yrs 2 mos. | 34 yrs 11 mos. | 35 yrs 5 mos. |
| Average years of service | 16 yrs 10 mos. | 17 yrs 1 mos. | 17 yrs 4 mos. |
| Male | 20 yrs 1 mos. | 20 yrs 4 mos. | 20 yrs 7 mos. |
| Female | 10 yrs 9 mos. | 11 yrs 4 mos. | 11 yrs 8 mos. |

* The number of full-time employees including employees seconded to other companies or organizations. The following list of employee is deducted from the total number of employees: executive officers, employees on short-term contracts, and part-time employees.

| April 1 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 44 | 42 | 51 |
| Number of newly employed female graduates** | 9 | 10 | 6 |
| Ratio of newly employed females to total new employees | 20.5% | 23.8% | 11.8% |

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

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 16 | 26 | 21 |
| <Men taking such leave> | <1> | <2> | <1> |

◆ Kansai Urban Banking

| March 31 | 2011 | 2012 | 2013 |
|--------------------------|----------------|----------------|---------------|
| Number of employees* | 2,809 | 2,712 | 2,661 |
| Male | 1,929 | 1,850 | 1,788 |
| Percentage of total | 68.67% | 68.22% | 67.19% |
| Female | 880 | 862 | 873 |
| Percentage of total | 31.33% | 31.78% | 32.81% |
| Average age | 39 yrs 10 mos. | 40 yrs 1 mos. | 40 yrs 3 mos. |
| Male | 43 yrs 4 mos. | 43 yrs 5 mos. | 43 yrs 5 mos. |
| Female | 32 yrs 3 mos. | 32 yrs 11 mos. | 33 yrs 6 mos. |
| Average years of service | 16 yrs 8 mos. | 16 yrs 11 mos. | 17 yrs 0 mos. |
| Male | 19 yrs 9 mos. | 19 yrs 10 mos. | 19 yrs 8 mos. |
| Female | 10 yrs 1 mos. | 10 yrs 9 mos. | 11 yrs 3 mos. |

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

| April 1 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|
| Number of new hires | 86 | 91 | 96 |
| Number of newly employed female graduates | 50 | 55 | 55 |
| Ratio of newly employed females to total new employees | 58.1% | 60.4% | 57.3% |

| Fiscal | 2010 | 2011 | 2012 |
|---|------|------|------|
| Number of employees taking parental leave | 25 | 37 | 54 |
| <Men taking such leave> | <0> | <0> | <1> |

• The combined employment ratio for persons with disabilities for the above nine companies was 1.98% as of March 2013.

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 | Until March 31 of the 6th grade (10 days per annum per 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 until March 31 of the 6th grade | Until March 31 of the 6th grade | Until March 31 of the 6th grade | <ul style="list-style-type: none"> • Short-term childcare leave • Work relocations • Child-care subsidies • Leave for nursing care • Shorter working hours allowed for nursing care • System for rehiring former employees |
| 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 until March 31 of the 6th grade | Until the entry into elementary school | Until the entry into elementary school | <ul style="list-style-type: none"> • Work relocations • System for rehiring former employees |
| SMBC Nikko Securities | Until 3 years of age | Until the entry into elementary school (5 days per annum per one child; 10 days for two or more children) | Employees may reduce daily working hours in increments of 30 minutes up to 2.5 hours until March 31 of the 6th grade | Until March 31 of the 6th grade | Until March 31 of the 6th grade | <ul style="list-style-type: none"> • Short-term childcare leave • Use of designated day-care center at discounted rates • Leave for nursing care • Special days off for nursing care • Shorter working hours allowed for nursing care • Short-term leave for nursing care • Staggered working hours (shift system) |
| SMBC Friend Securities | 18 months or maximum of 2 years in case of inability to place in daycare center | Until March 31 of the 3rd grade (5 days per annum per child; 10 days for two or more children) | Until March 31 of the 3rd grade Employees can reduce daily working hours to between 6 hours and 6 hours 50 minutes until March 31 of the 3rd grade | Until March 31 of the 3rd grade | Until March 31 of the 3rd grade | <ul style="list-style-type: none"> • Leave for nursing care • Shorter working hours allowed for nursing care |
| Sumitomo Mitsui Card | 18 months or maximum of 2 years in case of inability to place in daycare center | Until March 31 of the 6th grade (5 days per annum per 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 until March 31 of the 3rd grade | Until March 31 of the 3rd grade of elementary school | Until March 31 of the 3rd grade of elementary school | <ul style="list-style-type: none"> • Work relocations • Child-care subsidies • Leave for nursing care • Shorter working hours allowed for nursing care • System for rehiring former employees |
| Cedyna | Until 3 years of age | Until March 31 of the 3rd grade (5 days per annum per child; no upper limit) | Until March 31 of the 3rd grade (Employees can choose to work 5, 6, or 7 hours a day). | Until the entry into elementary school | Until the entry into elementary school | <ul style="list-style-type: none"> • Maternity leave and work • Short-term childcare leave • Leave for nursing care • 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 | Until the entry into elementary school (5 days per annum per child; 10 days for two or more children) | Until March 31 of the 3rd grade Employees can reduce daily working hours to a minimum of 6 hours (and a maximum of 8 hours), by taking off 30-minute blocks | Until the entry into elementary school | Until the entry into elementary school | <ul style="list-style-type: none"> • A grace period for job rotation • Leave for nursing care • Shorter working hours allowed for nursing care • 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) |
| Japan Research Institute | 18 months or maximum of 2 years in case of inability to place in daycare center | Until March 31 of the 6th grade (5 days per annum per child; no upper limit) | Employees can choose to work 4, 5, 6 or 7 hours per day until March 31 of the 3rd grade (this system can be combined with flextime). | Until the 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 for nursing care • Shorter working hours allowed for nursing care, etc • More time off and shorter working hours allowed for nursing care • Days off for nursing care |
| THE MINATO BANK | Until 3 years of age | Until the entry into elementary school (5 days per annum per child; 10 days for two or more children) | Until the entry into elementary school, employees can opt for 6-hour working day | Until the entry into elementary school | Until the entry into elementary school | <ul style="list-style-type: none"> • Maternity leave (to help spouse) • Leave for nursing care • Shorter working hours allowed for nursing care • Child-care allowance |
| Kansai Urban Banking | 18 months or maximum of 2 years in case of inability to place in daycare center | Until the entry into elementary school (5 days per annum per child; 10 days for two or more children) | Until the entry into elementary school, employees can opt for 6-hour working day | Until the entry into elementary school | Until the entry into elementary school | <ul style="list-style-type: none"> • Short-term childcare leave (5 days) • System for rehiring former employees • Leave for nursing care • Home helpers provided |



Financial Section and Corporate Data

Financial Data

SMFG

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Corporate Data

Sumitomo Mitsui Financial Group, Inc.

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Sumitomo Mitsui Banking Corporation

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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) |
|--|---------------------|---------------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Assets | | | |
| Cash and due from banks (Notes 9 and 29)..... | ¥ 5,202,119 | ¥ 4,588,858 | \$ 55,336 |
| Deposits with banks (Notes 9 and 29)..... | 5,597,172 | 3,127,432 | 59,538 |
| Call loans and bills bought (Notes 9 and 29)..... | 1,353,746 | 1,291,818 | 14,400 |
| Receivables under resale agreements (Note 29)..... | 273,217 | 227,749 | 2,906 |
| Receivables under securities borrowing transactions (Note 29)..... | 3,494,398 | 4,539,555 | 37,170 |
| Monetary claims bought (Notes 9 and 29)..... | 1,540,516 | 1,361,289 | 16,387 |
| Trading assets (Notes 3, 9 and 29)..... | 7,765,554 | 8,196,944 | 82,603 |
| Money held in trust (Notes 29 and 30)..... | 22,789 | 23,878 | 242 |
| Securities (Notes 4, 9, 29 and 30)..... | 41,306,731 | 42,529,950 | 439,387 |
| Loans and bills discounted (Notes 5, 9 and 29)..... | 65,632,091 | 62,720,599 | 698,139 |
| Foreign exchanges (Note 29)..... | 2,226,427 | 1,280,636 | 23,683 |
| Lease receivables and investment assets (Notes 9, 28 and 29)..... | 1,684,800 | 1,699,759 | 17,921 |
| Other assets (Notes 6, 9, 29 and 31)..... | 4,367,634 | 4,622,756 | 46,459 |
| Tangible fixed assets (Notes 7, 9 and 15)..... | 1,983,772 | 1,180,522 | 21,102 |
| Intangible fixed assets (Note 8)..... | 790,860 | 799,773 | 8,413 |
| Deferred tax assets (Note 24)..... | 374,258 | 404,034 | 3,981 |
| Customers' liabilities for acceptances and guarantees..... | 6,009,575 | 5,424,045 | 63,925 |
| Reserve for possible loan losses (Note 29)..... | (928,866) | (978,933) | (9,881) |
| Total assets | ¥148,696,800 | ¥143,040,672 | \$1,581,713 |

(Continued)

| March 31 | Millions of yen | | Millions of |
|--|---------------------|---------------------|-----------------------|
| | 2013 | 2012 | U.S. dollars (Note 1) |
| | | | 2013 |
| Liabilities and net assets | | | |
| Liabilities | | | |
| Deposits (Notes 9, 10 and 29)..... | ¥100,837,465 | ¥ 92,722,199 | \$1,072,625 |
| Call money and bills sold (Notes 9 and 29)..... | 2,954,051 | 2,144,599 | 31,423 |
| Payables under repurchase agreements (Notes 9 and 29)..... | 2,076,791 | 1,676,902 | 22,091 |
| Payables under securities lending transactions (Notes 9 and 29)..... | 4,433,835 | 5,810,730 | 47,163 |
| Commercial paper (Note 29)..... | 1,499,499 | 1,193,249 | 15,950 |
| Trading liabilities (Notes 9, 11 and 29)..... | 6,119,631 | 6,248,061 | 65,096 |
| Borrowed money (Notes 9, 12 and 29)..... | 4,979,460 | 8,839,648 | 52,967 |
| Foreign exchanges (Note 29)..... | 337,901 | 302,580 | 3,594 |
| Short-term bonds (Notes 13 and 29)..... | 1,126,300 | 949,388 | 11,981 |
| Bonds (Notes 13 and 29)..... | 4,750,806 | 4,641,927 | 50,535 |
| Due to trust account (Note 29)..... | 643,350 | 443,723 | 6,843 |
| Other liabilities (Notes 9, 14, 28, 29 and 31)..... | 3,989,794 | 4,762,961 | 42,440 |
| Reserve for employee bonuses..... | 59,855 | 48,516 | 637 |
| Reserve for executive bonuses..... | 4,037 | 2,875 | 43 |
| Reserve for employee retirement benefits (Note 27)..... | 44,579 | 45,911 | 474 |
| Reserve for executive retirement benefits..... | 2,420 | 2,577 | 26 |
| Reserve for point service program..... | 19,319 | 19,350 | 205 |
| Reserve for reimbursement of deposits..... | 11,195 | 10,980 | 119 |
| Reserve for losses on interest repayment..... | 245,423 | 401,276 | 2,611 |
| Reserve under the special laws..... | 481 | 421 | 5 |
| Deferred tax liabilities (Note 24)..... | 68,120 | 53,852 | 725 |
| Deferred tax liabilities for land revaluation (Note 15)..... | 39,683 | 39,915 | 422 |
| Acceptances and guarantees (Note 9)..... | 6,009,575 | 5,424,045 | 63,925 |
| Total liabilities | 140,253,582 | 135,785,696 | 1,491,901 |
| Net assets (Note 25) | | | |
| Capital stock (Note 16)..... | 2,337,895 | 2,337,895 | 24,869 |
| Capital surplus..... | 758,630 | 759,800 | 8,070 |
| Retained earnings..... | 2,811,474 | 2,152,654 | 29,906 |
| Treasury stock..... | (227,373) | (236,037) | (2,419) |
| Total stockholders' equity | 5,680,627 | 5,014,313 | 60,426 |
| Net unrealized gains on other securities (Notes 23, 24 and 30)..... | 755,753 | 330,433 | 8,039 |
| Net deferred losses on hedges (Notes 23, 24 and 31)..... | (32,863) | (32,122) | (350) |
| Land revaluation excess (Notes 15 and 23)..... | 39,129 | 39,158 | 416 |
| Foreign currency translation adjustments (Note 23)..... | (97,448) | (141,382) | (1,037) |
| Total accumulated other comprehensive income | 664,570 | 196,087 | 7,069 |
| Stock acquisition rights (Note 32)..... | 1,260 | 692 | 13 |
| Minority interests..... | 2,096,760 | 2,043,883 | 22,304 |
| Total net assets | 8,443,218 | 7,254,976 | 89,812 |
| Total liabilities and net assets | ¥148,696,800 | ¥143,040,672 | \$1,581,713 |

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) |
|---|------------------|------------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Income | | | |
| Interest income..... | ¥1,707,513 | ¥1,631,592 | \$18,163 |
| Interest on loans and discounts | 1,292,930 | 1,226,546 | 13,753 |
| Interest and dividends on securities..... | 251,675 | 242,086 | 2,677 |
| Interest on receivables under resale agreements..... | 6,240 | 5,890 | 66 |
| Interest on receivables under securities borrowing transactions | 6,565 | 6,823 | 70 |
| Interest on deposits with banks | 33,191 | 29,742 | 353 |
| Interest on lease transactions..... | 64,425 | 68,943 | 685 |
| Other interest income | 52,483 | 51,560 | 558 |
| Trust fees..... | 1,871 | 1,770 | 20 |
| Fees and commissions (Note 17)..... | 1,040,126 | 955,680 | 11,064 |
| Trading income (Note 18)..... | 206,741 | 198,192 | 2,199 |
| Other operating income (Note 19)..... | 1,283,776 | 1,110,566 | 13,656 |
| Other income (Note 21)..... | 86,780 | 75,272 | 923 |
| Total income | 4,326,809 | 3,973,075 | 46,025 |
| Expenses | | | |
| Interest expenses | 314,876 | 290,223 | 3,349 |
| Interest on deposits..... | 137,802 | 134,476 | 1,466 |
| Interest on borrowings and rediscounts..... | 56,530 | 51,522 | 601 |
| Interest on payables under repurchase agreements | 6,301 | 3,694 | 67 |
| Interest on payables under securities lending transactions | 6,284 | 6,852 | 67 |
| Interest on bonds and short-term bonds | 87,755 | 77,816 | 933 |
| Other interest expenses | 20,200 | 15,860 | 215 |
| Fees and commissions payments (Note 17)..... | 131,957 | 132,099 | 1,404 |
| Trading losses | 40,124 | — | 427 |
| Other operating expenses (Note 20)..... | 960,179 | 880,998 | 10,214 |
| General and administrative expenses | 1,496,294 | 1,421,363 | 15,916 |
| Provision for reserve for possible loan losses..... | 36,475 | 4,244 | 388 |
| Other expenses (Note 22)..... | 282,867 | 291,179 | 3,009 |
| Total expenses | 3,262,775 | 3,020,108 | 34,707 |
| Income before income taxes and minority interests | 1,064,033 | 952,966 | 11,318 |
| Income taxes (Note 24): | | | |
| Current..... | 279,898 | 103,478 | 2,977 |
| Deferred..... | (133,930) | 207,860 | (1,425) |
| Income before minority interests | 918,065 | 641,627 | 9,766 |
| Minority interests in net income | 124,006 | 123,090 | 1,319 |
| Net income | ¥ 794,059 | ¥ 518,536 | \$ 8,447 |

(Consolidated Statements of Comprehensive Income)

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|------------------|-----------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Income before minority interests | ¥ 918,065 | ¥641,627 | \$ 9,766 |
| Other comprehensive income (Note 23)..... | 540,041 | 23,605 | 5,745 |
| Net unrealized gains on other securities | 445,678 | 69,103 | 4,741 |
| Net deferred losses on hedges | (1,076) | (22,964) | (11) |
| Land revaluation excess..... | — | 5,613 | — |
| Foreign currency translation adjustments | 99,626 | (23,496) | 1,060 |
| Share of other comprehensive income of affiliates | (4,187) | (4,651) | (45) |
| Total comprehensive income | 1,458,107 | 665,232 | 15,510 |
| Comprehensive income attributable to shareholders of the parent | 1,262,572 | 541,270 | 13,430 |
| Comprehensive income attributable to minority interests | 195,534 | 123,961 | 2,080 |

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) |
|---|-----------------|-------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Stockholders' equity | | | |
| Capital stock | | | |
| Balance at the beginning of the fiscal year | ¥2,337,895 | ¥2,337,895 | \$24,869 |
| 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 | \$24,869 |
| Capital surplus | | | |
| Balance at the beginning of the fiscal year | 759,800 | 978,851 | 8,082 |
| Changes in the fiscal year: | | | |
| Disposal of treasury stock | (1,170) | (9,047) | (12) |
| Cancellation of treasury stock | — | (210,003) | — |
| Net changes in the fiscal year..... | (1,170) | (219,050) | (12) |
| Balance at the end of the fiscal year | ¥ 758,630 | ¥ 759,800 | \$ 8,070 |
| Retained earnings | | | |
| Balance at the beginning of the fiscal year | 2,152,654 | 1,776,433 | 22,898 |
| Changes in the fiscal year: | | | |
| Cash dividends | (135,252) | (142,010) | (1,439) |
| Net income | 794,059 | 518,536 | 8,447 |
| Increase due to increase in subsidiaries..... | 10 | 15 | 0 |
| Increase due to decrease in subsidiaries | 0 | 1 | 0 |
| Decrease due to increase in subsidiaries | (9) | (7) | (0) |
| Decrease due to decrease in subsidiaries..... | (16) | (16) | (0) |
| Decrease due to decrease in affiliates..... | — | (90) | — |
| Reversal of land revaluation excess | 29 | (208) | 0 |
| Net changes in the fiscal year..... | 658,820 | 376,220 | 7,008 |
| Balance at the end of the fiscal year | ¥2,811,474 | ¥2,152,654 | \$29,906 |
| Treasury stock | | | |
| Balance at the beginning of the fiscal year | (236,037) | (171,760) | (2,511) |
| Changes in the fiscal year: | | | |
| Purchase of treasury stock | (263) | (321,521) | (3) |
| Disposal of treasury stock | 8,927 | 47,242 | 95 |
| Cancellation of treasury stock | — | 210,003 | — |
| Net changes in the fiscal year..... | 8,663 | (64,276) | 92 |
| Balance at the end of the fiscal year | ¥ (227,373) | ¥ (236,037) | \$ (2,419) |
| Total stockholders' equity | | | |
| Balance at the beginning of the fiscal year | 5,014,313 | 4,921,419 | 53,338 |
| Changes in the fiscal year: | | | |
| Cash dividends | (135,252) | (142,010) | (1,439) |
| Net income | 794,059 | 518,536 | 8,447 |
| Purchase of treasury stock | (263) | (321,521) | (3) |
| Disposal of treasury stock | 7,756 | 38,194 | 83 |
| Cancellation of treasury stock | — | — | — |
| Increase due to increase in subsidiaries..... | 10 | 15 | 0 |
| Increase due to decrease in subsidiaries | 0 | 1 | 0 |
| Decrease due to increase in subsidiaries | (9) | (7) | (0) |
| Decrease due to decrease in subsidiaries..... | (16) | (16) | (0) |
| Decrease due to decrease in affiliates..... | — | (90) | — |
| Reversal of land revaluation excess | 29 | (208) | 0 |
| Net changes in the fiscal year..... | 666,313 | 92,893 | 7,088 |
| Balance at the end of the fiscal year | ¥5,680,627 | ¥5,014,313 | \$60,426 |

(Continued)

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|-----------------|-------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Accumulated other comprehensive income | | | |
| Net unrealized gains on other securities | | | |
| Balance at the beginning of the fiscal year | ¥ 330,433 | ¥ 272,306 | \$ 3,515 |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | 425,320 | 58,127 | 4,524 |
| Net changes in the fiscal year..... | 425,320 | 58,127 | 4,524 |
| Balance at the end of the fiscal year | ¥ 755,753 | ¥ 330,433 | \$ 8,039 |
| Net deferred losses on hedges | | | |
| Balance at the beginning of the fiscal year | (32,122) | (9,701) | (342) |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | (741) | (22,420) | (8) |
| Net changes in the fiscal year..... | (741) | (22,420) | (8) |
| Balance at the end of the fiscal year | ¥ (32,863) | ¥ (32,122) | \$ (350) |
| Land revaluation excess | | | |
| Balance at the beginning of the fiscal year | 39,158 | 33,357 | 417 |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | (29) | 5,800 | (0) |
| Net changes in the fiscal year..... | (29) | 5,800 | (0) |
| Balance at the end of the fiscal year | ¥ 39,129 | ¥ 39,158 | \$ 416 |
| Foreign currency translation adjustments | | | |
| Balance at the beginning of the fiscal year | (141,382) | (122,889) | (1,504) |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | 43,933 | (18,493) | 467 |
| Net changes in the fiscal year..... | 43,933 | (18,493) | 467 |
| Balance at the end of the fiscal year | ¥ (97,448) | ¥ (141,382) | \$ (1,037) |
| Total accumulated other comprehensive income | | | |
| Balance at the beginning of the fiscal year | 196,087 | 173,073 | 2,086 |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | 468,483 | 23,013 | 4,983 |
| Net changes in the fiscal year..... | 468,483 | 23,013 | 4,983 |
| Balance at the end of the fiscal year | ¥ 664,570 | ¥ 196,087 | \$ 7,069 |
| Stock acquisition rights | | | |
| Balance at the beginning of the fiscal year | 692 | 262 | 7 |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | 567 | 429 | 6 |
| Net changes in the fiscal year..... | 567 | 429 | 6 |
| Balance at the end of the fiscal year | ¥ 1,260 | ¥ 692 | \$ 13 |
| Minority interests | | | |
| Balance at the beginning of the fiscal year | 2,043,883 | 2,037,318 | 21,741 |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | 52,877 | 6,564 | 562 |
| Net changes in the fiscal year..... | 52,877 | 6,564 | 562 |
| Balance at the end of the fiscal year | ¥2,096,760 | ¥2,043,883 | \$22,304 |
| Total net assets | | | |
| Balance at the beginning of the fiscal year | 7,254,976 | 7,132,073 | 77,172 |
| Changes in the fiscal year: | | | |
| Cash dividends | (135,252) | (142,010) | (1,439) |
| Net income | 794,059 | 518,536 | 8,447 |
| Purchase of treasury stock | (263) | (321,521) | (3) |
| Disposal of treasury stock | 7,756 | 38,194 | 83 |
| Cancellation of treasury stock | — | — | — |
| Increase due to increase in subsidiaries..... | 10 | 15 | 0 |
| Increase due to decrease in subsidiaries | 0 | 1 | 0 |
| Decrease due to increase in subsidiaries | (9) | (7) | (0) |
| Decrease due to decrease in subsidiaries..... | (16) | (16) | (0) |
| Decrease due to decrease in affiliates..... | — | (90) | — |
| Reversal of land revaluation excess | 29 | (208) | 0 |
| Net changes in items other than stockholders' equity in the fiscal year | 521,928 | 30,008 | 5,552 |
| Net changes in the fiscal year..... | 1,188,242 | 122,902 | 12,640 |
| Balance at the end of the fiscal year | ¥8,443,218 | ¥7,254,976 | \$89,812 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars (Note 1) |
|--|-----------------|------------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Cash flows from operating activities: | | | |
| Income before income taxes and minority interests | ¥ 1,064,033 | ¥ 952,966 | \$ 11,318 |
| Depreciation | 184,400 | 165,113 | 1,961 |
| Losses on impairment of fixed assets..... | 4,314 | 3,861 | 46 |
| Amortization of goodwill..... | 25,329 | 21,681 | 269 |
| Gains on negative goodwill | (3) | — | (0) |
| Gains on step acquisitions | (140) | (25,050) | (1) |
| Equity in (gains) losses of affiliates..... | (5,309) | 31,122 | (56) |
| Net change in reserve for possible loan losses..... | (45,596) | (90,007) | (485) |
| Net change in reserve for employee bonuses..... | 11,328 | 2,816 | 120 |
| Net change in reserve for executive bonuses | 1,162 | 378 | 12 |
| Net change in reserve for employee retirement benefits..... | (1,572) | (5,083) | (17) |
| Net change in reserve for executive retirement benefits..... | (98) | (194) | (1) |
| Net change in reserve for point service program | (30) | 422 | (0) |
| Net change in reserve for reimbursement of deposits | 214 | 1,056 | 2 |
| Net change in reserve for losses on interest repayment..... | (155,083) | (25,756) | (1,650) |
| Interest income..... | (1,707,513) | (1,631,592) | (18,163) |
| Interest expenses | 314,876 | 290,223 | 3,349 |
| Net gains on securities | (91,432) | (130,612) | (973) |
| Net losses from money held in trust..... | 1,587 | 1,464 | 17 |
| Net exchange (gains) losses..... | (859,265) | 16,145 | (9,140) |
| Net losses from disposal of fixed assets..... | 5,480 | 3,765 | 58 |
| Net change in trading assets..... | 508,869 | (1,588,903) | 5,413 |
| Net change in trading liabilities | (217,461) | 1,029,341 | (2,313) |
| Net change in loans and bills discounted | (2,837,157) | (828,051) | (30,179) |
| Net change in deposits..... | 4,601,549 | 2,299,767 | 48,947 |
| Net change in negotiable certificates of deposit..... | 3,122,529 | 228,846 | 33,215 |
| Net change in borrowed money (excluding subordinated borrowings)..... | (4,349,415) | (1,994,204) | (46,265) |
| Net change in deposits with banks | (2,195,718) | 462,914 | (23,356) |
| Net change in call loans and bills bought and others | (187,455) | (793,288) | (1,994) |
| Net change in receivables under securities borrowing transactions..... | 1,045,156 | 200,855 | 11,117 |
| Net change in call money and bills sold and others..... | 1,163,090 | 472,525 | 12,372 |
| Net change in commercial paper | 306,250 | 856,129 | 3,258 |
| Net change in payables under securities lending transactions..... | (1,376,894) | 97,497 | (14,646) |
| Net change in foreign exchanges (assets)..... | (912,372) | (205,926) | (9,705) |
| Net change in foreign exchanges (liabilities) | 33,865 | 46,712 | 360 |
| Net change in lease receivables and investment assets..... | 27,486 | 30,875 | 292 |
| Net change in short-term bonds (liabilities)..... | 216,900 | (233,809) | 2,307 |
| Issuance and redemption of bonds (excluding subordinated bonds)..... | 505,627 | 352,424 | 5,378 |
| Net change in due to trust account..... | 199,626 | 227,552 | 2,123 |
| Interest received | 1,732,270 | 1,663,901 | 18,426 |
| Interest paid..... | (323,687) | (295,539) | (3,443) |
| Other, net | 415,235 | 327,828 | 4,417 |
| Subtotal..... | 224,976 | 1,940,166 | 2,393 |
| Income taxes paid | (133,520) | (101,981) | (1,420) |
| Net cash provided by operating activities..... | 91,455 | 1,838,185 | 973 |

(Continued)

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars (Note 1) |
|--|--------------------|--------------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Cash flows from investing activities: | | | |
| Purchases of securities | ¥(52,234,418) | ¥(50,614,876) | \$(555,626) |
| Proceeds from sale of securities | 46,632,816 | 32,372,433 | 496,041 |
| Proceeds from maturity of securities..... | 7,224,688 | 15,925,697 | 76,850 |
| Purchases of money held in trust..... | (3,791) | (3,011) | (40) |
| Proceeds from sale of money held in trust..... | 3,191 | 1,540 | 34 |
| Purchases of tangible fixed assets..... | (291,609) | (131,154) | (3,102) |
| Proceeds from sale of tangible fixed assets..... | 96,692 | 30,343 | 1,029 |
| Purchases of intangible fixed assets..... | (106,291) | (101,447) | (1,131) |
| Proceeds from sale of intangible fixed assets..... | 212 | 24 | 2 |
| Purchases of stocks of subsidiaries..... | (7,549) | — | (80) |
| Purchases of treasury stocks of subsidiaries..... | — | (1,773) | — |
| Purchases of stocks of subsidiaries resulting in change in scope of consolidation | (95,721) | (67,369) | (1,018) |
| Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation | 34,916 | 50 | 371 |
| Net cash provided by (used in) investing activities | 1,253,136 | (2,589,543) | 13,330 |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of subordinated borrowings..... | 33,200 | 106,000 | 353 |
| Repayment of subordinated borrowings..... | (93,000) | (103,000) | (989) |
| Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights..... | 127,263 | 557,360 | 1,354 |
| Repayment of subordinated bonds and bonds with stock acquisition rights | (561,289) | (306,471) | (5,971) |
| Dividends paid..... | (135,202) | (141,921) | (1,438) |
| Repayment to minority stockholders..... | (12,500) | — | (133) |
| Dividends paid to minority stockholders..... | (101,352) | (93,125) | (1,078) |
| Purchases of treasury stock | (263) | (321,521) | (3) |
| Proceeds from disposal of treasury stock..... | 23 | 2,390 | 0 |
| Purchases of treasury stock of subsidiaries..... | (5) | (14) | (0) |
| Proceeds from sale of treasury stock of subsidiaries..... | 178 | 183 | 2 |
| Net cash used in financing activities..... | (742,948) | (300,119) | (7,903) |
| Effect of exchange rate changes on cash and due from banks..... | 11,616 | (4,757) | 124 |
| Net change in cash and due from banks | 613,260 | (1,056,236) | 6,523 |
| Cash and due from banks at the beginning of the year | 4,588,858 | 5,645,094 | 48,812 |
| Increase in cash and due from banks from newly consolidated subsidiaries.. | 0 | — | 0 |
| Cash and due from banks at the end of the year | ¥ 5,202,119 | ¥ 4,588,858 | \$ 55,336 |

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Years ended March 31, 2013 and 2012

1. Basis of Presentation

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

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

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

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

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

Amounts less than 1 million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2013, which was ¥94.01 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

323 companies

Principal companies:

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

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2013 are as follows:

43 companies including SMBC Aviation Capital Limited were included in the scope of consolidated subsidiaries as a result of acquisitions of stocks and other reasons.

50 companies including ORIX Credit Corporation were excluded from the scope of consolidated subsidiaries because they were no longer subsidiaries as a result of sale of stocks and other reasons.

7 companies including SMFL Speed 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.

186 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

5 companies

Principal company:

SBCS Co., Ltd.

PT. SBCS INDONESIA became an unconsolidated subsidiary accounted for by the equity method from the fiscal year ended March 31, 2013 because it became a subsidiary due to establishment.

(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, 2013 are as follows:

2 companies including China Post & Capital Fund Management Co., Ltd. became equity method affiliates due mainly to acquisitions of equity interest.

2 companies including Famima Credit Corporation 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

186 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:

| | |
|--------------------|---------------|
| June 30 | 4 companies |
| September 30 | 1 company |
| October 31 | 1 company |
| November 30 | 2 companies |
| December 31 | 107 companies |
| January 31 | 51 companies |
| February 28 | 7 companies |
| March 31 | 150 companies |

(ii) The subsidiaries with balance sheets dated June 30, 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 2013 were ¥1,994,975 million (\$21,221 million) and ¥1,994,812 million (\$21,219 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, 2013 and 2012 were as follows:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|----------------------------------|-----------------|------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Loans and bills discounted | ¥1,361,877 | ¥1,486,284 | \$14,487 |
| Credit lines | 715,809 | 723,383 | 7,614 |
| Liquidity lines | 460,059 | 352,547 | 4,894 |

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---------------------------------------|-----------------|---------|--------------------------|
| | 2013 | 2012 | 2013 |
| Interest on loans and discounts | ¥10,786 | ¥13,388 | \$115 |
| Fees and commissions ... | 1,811 | 1,842 | 19 |

- (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 (including foreign stocks) in other securities are carried at their average market prices during the final month of the fiscal year, and bonds and others are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). However, 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 assets for rent and 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.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment of the Corporation Tax Act, effective from the fiscal year ended March 31, 2013, SMFG and its consolidated domestic subsidiaries have changed their depreciation method for those tangible fixed assets acquired on or after April 1, 2012. This change has little impact on income before income taxes and minority interests for the fiscal year ended March 31, 2013.

(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) Assets for rent

Assets for rent are depreciated using the straight-line method, over the rental period or expected lifetime of assets as the depreciation period and estimated disposal values at the expiration date as salvage values.

(d) 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 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 ¥653,146 million (\$6,948 million) and ¥685,871 million for the years ended March 31, 2013 and 2012, 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 provided for compensation for future eventual operational 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, 2013 and 2012 were ¥70 million (\$1 million) and ¥309 million, respectively. Gross amounts of deferred hedge gains on “macro hedge” (before deducting tax effect) at March 31, 2013 and 2012 were ¥17 million (\$0 million) and ¥188 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 SMBC Consumer Finance Co., Ltd. is amortized using the straight-line method over 20 years. Goodwill related to SMBC Aviation Capital is amortized using the straight-line method over 10 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.

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

(i) Outline

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, the treatment is only applied to a case where a company has assigned assets to an SPE.

(ii) Date of application

SMFG intends to adopt the revised accounting standard from the fiscal year beginning on April 1, 2013.

(iii) Effects of adoption of the revised accounting standard
Effects of adoption of the revised accounting standard are immaterial.

(b) Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, revised on May 17, 2012)

(i) Outline

The accounting standard has been revised in light of improving financial reporting and trend toward international convergence, mainly on i) changes in accounting methods for unrecognized net actuarial gains or loss and unrecognized prior service cost, and enhancement of disclosure items; as well as ii) changes of calculation methods for projected benefit obligation and service cost.

(ii) Date of application
SMFG intends to adopt i) to consolidated financial statements as of the end of the fiscal year beginning on April 1, 2013, and to adopt ii) from the fiscal year beginning on

April 1, 2014.
(iii) Effects of adoption of the revised accounting standard
Effects of adoption of the revised accounting standard are currently examined.

3. Trading Assets

Trading assets at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|--|-------------------|-------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Trading securities | ¥3,220,858 | ¥4,027,609 | \$34,261 |
| Derivatives of trading securities..... | 3,614 | 3,419 | 38 |
| Derivatives of securities related to trading transactions..... | 26,044 | 19,503 | 277 |
| Trading-related financial derivatives..... | 4,327,085 | 3,888,692 | 46,028 |
| Other trading assets..... | 187,952 | 257,718 | 1,999 |
| | ¥7,765,554 | ¥8,196,944 | \$82,603 |

4. Securities

Securities at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|--------------------------------------|--------------------|--------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Japanese government bonds*1 | ¥26,994,438 | ¥29,327,057 | \$287,144 |
| Japanese local government bonds..... | 355,883 | 474,884 | 3,786 |
| Japanese corporate bonds*2 | 3,015,019 | 3,155,712 | 32,071 |
| Japanese stocks*1, 3, 4..... | 3,035,072 | 2,615,168 | 32,285 |
| Other*1, 3, 4..... | 7,906,318 | 6,957,128 | 84,101 |
| | ¥41,306,731 | ¥42,529,950 | \$439,387 |

*1 Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥50,716 million (\$539 million) and ¥51,022 million are included in Japanese government bonds and Japanese stocks in Securities and in trading securities in Trading assets at March 31, 2013 and 2012, 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, ¥1,238,199 million (\$13,171 million) are pledged, and ¥821,378 million (\$8,737 million) are held in hand at March 31, 2013. The respective amounts at March 31, 2012 were ¥1,961,135 million and ¥378,167 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 ¥1,823,931 million (\$19,401 million) and ¥1,851,841 million at March 31, 2013 and 2012, respectively.

*3 Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥257,871 million (\$2,743 million) and ¥231,200 million at March 31, 2013 and 2012, respectively.

*4 Japanese stocks and other include investments in jointly controlled entities of ¥125,057 million (\$1,330 million) and ¥107,866 million at March 31, 2013 and 2012, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|-----------------------|--------------------|--------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Bills discounted..... | ¥ 199,057 | ¥ 202,971 | \$ 2,117 |
| Loans on notes..... | 2,163,861 | 2,070,729 | 23,017 |
| Loans on deeds..... | 56,620,452 | 53,647,541 | 602,281 |
| Overdrafts | 6,648,720 | 6,799,356 | 70,724 |
| | ¥65,632,091 | ¥62,720,599 | \$698,139 |

(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 |
|--|-------------------|-------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Risk-monitored loans: | | | |
| Bankrupt loans*1..... | ¥ 55,479 | ¥ 74,218 | \$ 590 |
| Non-accrual loans*2..... | 1,130,562 | 1,145,347 | 12,026 |
| Past due loans (3 months or more)*3..... | 16,044 | 22,502 | 171 |
| Restructured loans*4..... | 484,963 | 562,882 | 5,159 |
| | ¥1,687,049 | ¥1,804,951 | \$17,945 |

^{*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, 2013 and 2012 was ¥887,690 million (\$9,443 million) and ¥754,204 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, 2013 and 2012 were ¥49,706,886 million (\$528,740 million) and ¥47,220,313 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, 2013 and 2012 were ¥40,403,061 million (\$429,774 million) and ¥39,753,611 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, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|-----------------------------|-------------------|-------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Prepaid expenses..... | ¥ 38,273 | ¥ 35,779 | \$ 407 |
| Accrued income..... | 290,923 | 259,380 | 3,095 |
| Deferred assets..... | 819,984 | 779,599 | 8,722 |
| Financial derivatives*..... | 785,820 | 1,264,676 | 8,359 |
| Other | 2,432,633 | 2,283,320 | 25,876 |
| | ¥4,367,634 | ¥4,622,756 | \$46,459 |

* Referred to in Note 31

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|----------------------------------|-------------------|-------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Assets for rent*1..... | ¥1,102,755 | ¥ 298,167 | \$11,730 |
| Buildings | 298,620 | 297,067 | 3,176 |
| Land*2 | 455,420 | 462,428 | 4,844 |
| Lease assets | 9,065 | 9,063 | 96 |
| Construction in progress..... | 20,123 | 12,585 | 214 |
| Other tangible fixed assets..... | 97,786 | 101,210 | 1,040 |
| Total..... | ¥1,983,772 | ¥1,180,522 | \$21,102 |
| Accumulated depreciation | ¥ 857,513 | ¥ 750,082 | \$ 9,122 |

^{*1} "Assets for rent," which was included in "Buildings," "Land" and "Other tangible fixed assets" in the previous fiscal year, has been separately presented for the fiscal year ended March 31, 2013, since its materiality has been increased. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥64,137 million, which was included in "Buildings," ¥92,751 million, which was included in "Land," and ¥141,278 million, which was included in "Other tangible fixed assets" in the consolidated balance sheets for the previous fiscal year have been reclassified as "Assets for rent" of ¥298,167 million.

^{*2} Includes land revaluation excess referred to in Note 15.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|------------------------------------|-----------------|-----------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Software | ¥296,770 | ¥282,797 | \$3,157 |
| Goodwill | 385,625 | 397,537 | 4,102 |
| Lease assets | 104 | 200 | 1 |
| Other intangible fixed assets..... | 108,359 | 119,237 | 1,153 |
| | ¥790,860 | ¥799,773 | \$8,413 |

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|-----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Assets pledged as collateral: | | | |
| Cash and due from banks and Deposits with banks | ¥ 207,675 | ¥ 294,382 | \$ 2,209 |
| Call loans and bills bought | 496,342 | 490,255 | 5,280 |
| Monetary claims bought | 1,744 | 7,096 | 19 |
| Trading assets | 2,528,418 | 3,715,510 | 26,895 |
| Securities | 5,343,900 | 7,281,341 | 56,844 |
| Loans and bills discounted | 1,649,598 | 2,572,382 | 17,547 |
| Lease receivables and investment assets | 5,463 | 7,740 | 58 |
| Tangible fixed assets | 12,496 | 14,336 | 133 |
| Other assets (installment account receivable, etc.) | 790 | 4,412 | 8 |
| Liabilities corresponding to assets pledged as collateral: | | | |
| Deposits | 20,968 | 19,144 | 223 |
| Call money and bills sold | 1,045,000 | 825,000 | 11,116 |
| Payables under repurchase agreements | 2,067,392 | 1,676,902 | 21,991 |
| Payables under securities lending transactions..... | 3,520,709 | 5,180,034 | 37,450 |
| Trading liabilities | 502,841 | 513,941 | 5,349 |
| Borrowed money..... | 1,202,622 | 4,312,097 | 12,792 |
| Other liabilities | 41,407 | 10,149 | 440 |
| Acceptances and guarantees | 125,009 | 109,212 | 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, 2013 and 2012:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Cash and due from banks and Deposits with banks | ¥ 17,766 | ¥ 23,993 | \$ 189 |
| Trading assets | 28,128 | 86,879 | 299 |
| Securities..... | 24,871,082 | 24,367,992 | 264,558 |
| Loans and bills discounted | 735,230 | — | 7,821 |

Moreover, other assets included surety deposits, variation margins of futures market transactions, collateral money deposited for financial instruments, and other variation margins, and the amount of at March 31, 2013 and 2012 is as follows.

| March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Surety deposits | ¥120,705 | ¥124,516 | \$1,284 |
| Variation margins of futures market transactions | 17,507 | 17,906 | 186 |
| Collateral money deposited for financial instruments..... | 255,863 | — | 2,722 |
| Other variation margins..... | 2,414 | 66,197 | 26 |

10. Deposits

Deposits at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|---|---------------------|--------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Current deposits | ¥ 8,232,048 | ¥ 7,685,782 | \$ 87,566 |
| Ordinary deposits | 42,424,870 | 40,474,217 | 451,280 |
| Savings deposits..... | 704,081 | 690,036 | 7,489 |
| Deposits at notice | 6,106,278 | 4,497,785 | 64,953 |
| Time deposits | 27,687,948 | 26,866,418 | 294,521 |
| Negotiable certificates of deposit..... | 11,755,654 | 8,593,638 | 125,047 |
| Other deposits | 3,926,583 | 3,914,321 | 41,768 |
| | ¥100,837,465 | ¥92,722,199 | \$1,072,625 |

11. Trading Liabilities

Trading liabilities at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-------------------|-------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Trading securities sold for short sales | ¥1,910,129 | ¥2,172,857 | \$20,318 |
| Derivatives of trading securities..... | 11,727 | 7,453 | 125 |
| Derivatives of securities related to trading transactions | 29,396 | 17,455 | 313 |
| Trading-related financial derivatives | 4,168,379 | 4,050,294 | 44,340 |
| | ¥6,119,631 | ¥6,248,061 | \$65,096 |

12. Borrowed Money

Borrowed money at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars | Average interest rate*1 | Due |
|------------------------|-----------------|------------|--------------------------|-------------------------|---------------------|
| | 2013 | 2012 | 2013 | 2013 | |
| Borrowed money*2 | ¥4,979,460 | ¥8,839,648 | \$52,967 | 0.73% | Jan. 2013–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 ¥314,450 million (\$3,345 million) and ¥374,250 million at March 31, 2013 and 2012, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2013 was as follows:

| March 31 | Millions of yen | Millions of U.S. dollars |
|-------------------------------------|-----------------|--------------------------|
| | 2013 | 2013 |
| Within 1 year | ¥2,845,802 | \$30,271 |
| After 1 year through 2 years | 541,508 | 5,760 |
| After 2 years through 3 years | 406,249 | 4,321 |
| After 3 years through 4 years | 157,702 | 1,678 |
| After 4 years through 5 years | 118,887 | 1,265 |

13. Bonds

Bonds at March 31, 2013 and 2012 consisted of the following:

March 31

| Issuer | Description | Millions of yen* ¹ | | Millions of | Interest rate* ² | Due |
|---|-------------|-------------------------------|------------------------|--------------|-----------------------------|---------------------|
| | | 2013 | 2012 | U.S. dollars | (%) | |
| SMBC: | | | | | | |
| Short-term bonds, payable in Yen | | ¥ 20,000 | ¥ 19,999 | \$ 213 | 0.08 | Apr. 2013 |
| | | [20,000] | [19,999] | | | |
| Straight bonds, payable in Yen | | 1,070,929 | 1,233,795 | 11,392 | 0.09571–1.36 | Apr. 2013–Sep. 2024 |
| | | [187,091] | [216,897] | | | |
| Straight bonds, payable in Euroyen..... | | 12,900 | 15,900 | 137 | 0.00–1.57789 | Mar. 2036–Feb. 2037 |
| Straight bonds, payable in U.S. dollars | | 1,138,357 | 574,424 | 12,109 | 0.9–3.95 | Jul. 2013–Jan. 2023 |
| | | (\$12,108,898 thousand) | (\$6,994,089 thousand) | | | |
| | | [155,095] | | | | |
| Straight bonds, payable in British pound sterling | | 35,772 | — | 381 | 1.05688 | Mar. 2016 |
| | | (€250,000 thousand) | | | | |
| Straight bonds, payable in Australian dollars..... | | 116,439 | 82,799 | 1,239 | 3.29–4.28 | Dec. 2014–Dec. 2016 |
| | | (A\$1,189,854 thousand) | (A\$969,891 thousand) | | | |
| | | | [46,096] | | | |
| Subordinated bonds, payable in Yen | | 1,339,476 | 1,586,411 | 14,248 | 0.87–2.8 | Aug. 2013–Dec. 2026 |
| | | [109,491] | [39,999] | | | |
| Subordinated bonds, payable in Euroyen..... | | 229,400 | 346,494 | 2,440 | 0.71–2.97 | Jun. 2018–Perpetual |
| Subordinated bonds, payable in U.S. dollars..... | | 169,904 | 209,352 | 1,807 | 4.85–5.625 | Mar. 2022–Perpetual |
| | | (\$1,807,298 thousand) | (\$2,549,037 thousand) | | | |
| | | | [61,341] | | | |
| Subordinated bonds, payable in Euro..... | | 129,375 | 117,717 | 1,376 | 4–4.375 | Nov. 2020–Perpetual |
| | | (€1,072,231 thousand) | (€1,072,787 thousand) | | | |
| Other consolidated subsidiaries: | | | | | | |
| Straight bonds, payable in Yen | | 349,386 | 265,916 | 3,716 | 0.23446–16.6 | Apr. 2013–Mar. 2043 |
| | | [58,950] | [49,700] | | | |
| Straight bonds, payable in U.S. dollars | | — | 60,496 | — | — | — |
| | | | (\$500,000 thousand) | | | |
| | | | [60,496] | | | |
| Straight bonds, payable in Renminbi..... | | 16,665 | 6,520 | 177 | 2.5–4 | Sep. 2013–Aug. 2015 |
| | | (RMB¥1,100,000 thousand) | (RMB¥500,000 thousand) | | | |
| | | [3,030] | | | | |
| Subordinated bonds, payable in Yen | | 142,200 | 142,099 | 1,513 | 2.19–4.5 | Aug. 2018–Perpetual |
| Short-term bonds, payable in Yen | | 1,106,300 | 929,388 | 11,768 | 0.1–0.43 | Apr. 2013–Dec. 2013 |
| | | [1,106,300] | [929,388] | | | |
| | | ¥5,877,106 | ¥5,591,316 | \$62,516 | | |

*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, 2013 was as follows:

| March 31 | Millions of yen | Millions of U.S. dollars |
|-------------------------------------|-----------------|--------------------------|
| | 2013 | 2013 |
| Within 1 year | ¥1,639,996 | \$17,445 |
| After 1 year through 2 years | 470,638 | 5,006 |
| After 2 years through 3 years | 876,578 | 9,324 |
| After 3 years through 4 years | 566,214 | 6,023 |
| After 4 years through 5 years | 401,556 | 4,271 |

14. Other Liabilities

Other liabilities at March 31, 2013 and 2012 consisted of the following:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|------------------------------|-------------------|-------------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Accrued expenses..... | ¥ 155,892 | ¥ 137,287 | \$ 1,658 |
| Unearned income..... | 148,938 | 154,480 | 1,584 |
| Income taxes payable..... | 206,968 | 59,789 | 2,202 |
| Financial derivatives*1..... | 932,404 | 895,750 | 9,918 |
| Lease liabilities*2..... | 97,954 | 54,169 | 1,042 |
| Other..... | 2,447,635 | 3,461,483 | 26,036 |
| | ¥3,989,794 | ¥4,762,961 | \$42,440 |

*1 Referred to in Note 31

*2 Average interest rate on lease liabilities for the year ended March 31, 2013 was 4.25%. 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, 2013 was as follows:

| March 31 | Millions of yen | Millions of U.S. dollars |
|------------------------------------|-----------------|--------------------------|
| | 2013 | 2013 |
| Within 1 year..... | ¥19,801 | \$211 |
| After 1 year through 2 years..... | 16,224 | 173 |
| After 2 years through 3 years..... | 13,440 | 143 |
| After 3 years through 4 years..... | 9,865 | 105 |
| After 4 years through 5 years..... | 8,310 | 88 |

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, 2013 and 2012 were as follows:

| March 31 | Number of shares | | | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | | 2012 | |
| | 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 | — |
| 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 | 1,414,055,625 |

17. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---------------------------------------|-------------------|-----------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Fees and commissions: | | | |
| Deposits and loans | ¥ 112,723 | ¥ 92,397 | \$ 1,199 |
| Remittances and transfers | 130,742 | 126,984 | 1,391 |
| Securities-related business..... | 91,999 | 90,350 | 979 |
| Agency | 18,172 | 18,896 | 193 |
| Safe deposits | 5,991 | 6,325 | 64 |
| Guarantees..... | 79,376 | 71,066 | 844 |
| Credit card business..... | 225,444 | 208,853 | 2,398 |
| Investment trusts..... | 162,951 | 142,940 | 1,733 |
| Other..... | 212,725 | 197,865 | 2,263 |
| | ¥1,040,126 | ¥955,680 | \$11,064 |
| Fees and commissions payments: | | | |
| Remittances and transfers | ¥ 44,244 | ¥ 33,301 | \$ 471 |
| Other..... | 87,712 | 98,797 | 933 |
| | ¥ 131,957 | ¥132,099 | \$ 1,404 |

18. Trading Income

Trading income for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|-----------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Gains on trading securities | ¥202,087 | ¥114,978 | \$2,150 |
| Gains on securities related to trading transactions..... | 4,286 | 7,634 | 46 |
| Gains on trading-related financial derivatives | — | 74,328 | — |
| Other | 367 | 1,251 | 4 |
| | ¥206,741 | ¥198,192 | \$2,199 |

19. Other Operating Income

Other operating income for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-------------------|-------------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Gains on sale of bonds | ¥ 161,423 | ¥ 176,344 | \$ 1,717 |
| Gains on redemption of bonds | 114 | 119 | 1 |
| Lease-related income..... | 879,822 | 789,509 | 9,359 |
| Gains on foreign exchange transactions..... | 125,348 | 23,270 | 1,333 |
| Other | 117,068 | 121,322 | 1,245 |
| | ¥1,283,776 | ¥1,110,566 | \$13,656 |

20. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|--------------------------------------|-----------------|-----------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Losses on sale of bonds..... | ¥ 34,825 | ¥ 13,616 | \$ 370 |
| Losses on redemption of bonds..... | 6,614 | 5,692 | 70 |
| Losses on devaluation of bonds..... | 12 | — | 0 |
| Bond issuance costs..... | 3,235 | 2,528 | 34 |
| Lease-related expenses..... | 781,211 | 718,104 | 8,310 |
| Losses on financial derivatives..... | 6,040 | 2,537 | 64 |
| Other | 128,239 | 138,518 | 1,364 |
| | ¥960,179 | ¥880,998 | \$10,214 |

21. Other Income

Other income for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|---------|--------------------------|
| | 2013 | 2012 | 2013 |
| Gains on sale of stocks and other securities | ¥38,412 | ¥15,654 | \$409 |
| Gains on money held in trust..... | 71 | 10 | 1 |
| Equity in gains of affiliates | 5,309 | — | 56 |
| Gains on disposal of fixed assets..... | 240 | 2,741 | 3 |
| Recoveries of written-off claims | 10,436 | 4,800 | 111 |
| Gains on step acquisitions | 140 | 25,050 | 1 |
| Other | 32,168 | 27,014 | 342 |
| | ¥86,780 | ¥75,272 | \$923 |

22. Other Expenses

Other expenses for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Write-off of loans..... | ¥133,639 | ¥ 90,305 | \$1,422 |
| Losses on sale of stocks and other securities..... | 29,440 | 11,659 | 313 |
| Losses on devaluation of stocks and other securities..... | 29,944 | 31,875 | 319 |
| Losses on money held in trust | 1,659 | 1,474 | 18 |
| Losses on sale of delinquent loans..... | 10,532 | 25,364 | 112 |
| Equity in losses of affiliates..... | — | 31,122 | — |
| Losses on disposal of fixed assets | 5,721 | 6,507 | 61 |
| Losses on impairment of fixed assets* | 4,314 | 3,861 | 46 |
| Other | 67,614 | 89,008 | 719 |
| | ¥282,867 | ¥291,179 | \$3,009 |

*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 |
|-------------------------------|------|------------------------|--------------------------|-----------------|-------|--------------------------|
| | | 2013 | Type | 2013 | 2012 | 2013 |
| Tokyo metropolitan area | | Branches (—) | Land and buildings, etc. | ¥ — | ¥ 198 | \$— |
| | | Idle assets (47 items) | | 2,523 | 1,168 | 27 |
| | | Other (2 items) | | 55 | 58 | 1 |
| Kinki area | | Branches (5 branches) | Land and buildings, etc. | 206 | 393 | 2 |
| | | Idle assets (34 items) | | 1,169 | 1,630 | 12 |
| | | Other (2 items) | | 22 | 2 | 0 |
| Other | | Branches (—) | Land and buildings, etc. | — | 27 | — |
| | | Idle assets (12 items) | | 274 | 381 | 3 |
| | | Other (1 item) | | 62 | — | 1 |

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 idle assets, and other consolidated subsidiaries reduced the carrying amounts of their branches and idle assets. 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

Reclassification adjustment and tax effect of other comprehensive income

| Years ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|-----------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Net unrealized gains on other securities: | | | |
| Amount arising during the fiscal year | ¥696,090 | ¥241,713 | \$7,404 |
| Reclassification adjustment | (78,619) | (136,762) | (836) |
| Before adjustment to tax effect | 617,471 | 104,950 | 6,568 |
| Tax effect | (171,793) | (35,846) | (1,827) |
| Net unrealized gains on other securities | 445,678 | 69,103 | 4,741 |
| Net deferred losses on hedges: | | | |
| Amount arising during the fiscal year | (4,728) | (26,643) | (50) |
| Reclassification adjustment | 3,658 | (7,882) | 39 |
| Adjustment on the cost of the assets | (260) | (16) | (3) |
| Before adjustment to tax effect | (1,329) | (34,543) | (14) |
| Tax effect | 253 | 11,578 | 3 |
| Net deferred losses on hedges | (1,076) | (22,964) | (11) |
| Land revaluation excess: | | | |
| Amount arising during the fiscal year | — | — | — |
| Reclassification adjustment | — | — | — |
| Before adjustment to tax effect | — | — | — |
| Tax effect | — | 5,613 | — |
| Land revaluation excess | — | 5,613 | — |
| Foreign currency translation adjustments: | | | |
| Amount arising during the fiscal year | 99,611 | (24,429) | 1,060 |
| Reclassification adjustment | 15 | 1,059 | 0 |
| Before adjustment to tax effect | 99,626 | (23,369) | 1,060 |
| Tax effect | — | (126) | — |
| Foreign currency translation adjustments | 99,626 | (23,496) | 1,060 |
| Share of other comprehensive income of affiliates | | | |
| Amount arising during the fiscal year | (1,135) | (7,105) | (12) |
| Reclassification adjustment | (3,051) | 2,453 | (32) |
| Before adjustment to tax effect | (4,187) | (4,651) | (45) |
| Tax effect | — | — | — |
| Share of other comprehensive income of affiliates | (4,187) | (4,651) | (45) |
| Total other comprehensive income | ¥540,041 | ¥ 23,605 | \$5,745 |

24. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2013 and 2012 were as follows:

| March 31 | Millions of yen | | Millions of |
|---|-----------------|-----------|--------------|
| | 2013 | 2012 | U.S. dollars |
| Deferred tax assets: | | | |
| Reserve for possible loan losses..... | ¥ 483,074 | ¥ 506,971 | \$ 5,139 |
| Net operating loss carryforwards..... | 364,406 | 383,270 | 3,876 |
| Write-off of securities..... | 211,445 | 224,012 | 2,249 |
| Write-off of loans..... | 127,601 | 115,438 | 1,357 |
| Reserve for employee retirement benefits..... | 65,743 | 68,402 | 699 |
| Net unrealized gains on other securities..... | 20,182 | 39,485 | 215 |
| Net deferred losses on hedges..... | 18,667 | 18,425 | 199 |
| Depreciation..... | 15,346 | 12,554 | 163 |
| Other..... | 207,499 | 212,036 | 2,207 |
| Subtotal..... | 1,513,968 | 1,580,597 | 16,104 |
| Valuation allowance..... | (735,017) | (942,722) | (7,818) |
| Total deferred tax assets..... | 778,950 | 637,874 | 8,286 |
| Deferred tax liabilities: | | | |
| Net unrealized losses on other securities..... | (313,945) | (146,715) | (3,339) |
| Gains on securities contributed to employee retirement benefits trust.... | (38,524) | (38,524) | (410) |
| Leveraged lease..... | (18,725) | (19,692) | (199) |
| Securities returned from employee retirement benefits trust..... | (10,708) | (9,298) | (114) |
| Undistributed earnings of subsidiaries..... | (9,232) | (5,684) | (98) |
| Other..... | (81,676) | (67,776) | (869) |
| Total deferred tax liabilities..... | (472,812) | (287,692) | (5,029) |
| Net deferred tax assets..... | ¥ 306,137 | ¥ 350,182 | \$ 3,256 |

(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 38.01 and 40.69% for the years ended March 31, 2013 and 2012, respectively. 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, 2013 and 2012 was as follows:

| March 31 | 2013 | 2012 |
|---|---------|---------|
| Statutory tax rate..... | 38.01% | 40.69% |
| Valuation allowance..... | (20.06) | (11.76) |
| Difference in the effective statutory tax rate between SMFG and consolidated overseas subsidiaries..... | (3.61) | — |
| Dividends exempted for income tax purposes..... | (0.99) | (1.15) |
| Gains on step acquisitions..... | — | (1.07) |
| Equity in (gains) losses of affiliates..... | (0.19) | 1.33 |
| Effects of changes in the corporate income tax rate..... | 1.19 | 4.42 |
| Other..... | (0.63) | 0.21 |
| Effective income tax rate..... | 13.72% | 32.67% |

25. Changes in Net Assets

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

| Year ended March 31, 2013 | Number of shares | | | March 31, 2013 |
|---------------------------|-------------------|----------------------|-------------------------|-------------------|
| | March 31, 2012 | Increase | Decrease | |
| Shares issued | | | | |
| Common stock..... | 1,414,055,625 | — | — | 1,414,055,625 |
| Total | 1,414,055,625 | — | — | 1,414,055,625 |
| Treasury stock | | | | |
| Common stock..... | 62,939,559 | 88,729* ¹ | 2,848,912* ² | 60,179,376 |
| Total | 62,939,559 | 88,729 | 2,848,912 | 60,179,376 |

*¹ Increase of 88,729 shares in the number of treasury common stock due to increase of 85,533 shares through purchase of fractional shares, increase of 396 shares through acquisition of fractional shares incurred as a result of a share exchange associated with SMBC Consumer Finance Co., Ltd. (formerly Promise Co., Ltd.) becoming a wholly-owned subsidiary and increase of 2,800 shares through acquisition of treasury stock associated with dissenting shareholders' share purchase demand against such share exchange.

*² Decrease of 2,848,912 shares in number of treasury common stock due to sale of fractional shares, reduction of 8,836 shares through exercise of stock options and reduction of 2,840,076 shares through the issuance of treasury stock as a result of a share exchange associated with SMBC Consumer Finance Co., Ltd. (formerly Promise Co., Ltd.) becoming a wholly-owned subsidiary.

| 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 SMBC Consumer Finance Co., Ltd. (formerly 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

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

| Year ended March 31, 2013 | Detail of stock acquisition rights | Type of shares | Number of shares | | | Millions of yen | | Millions of U.S. dollars |
|------------------------------|------------------------------------|----------------|------------------|----------|----------|-----------------|----------------|--------------------------|
| | | | March 31, 2012 | Increase | Decrease | March 31, 2013 | March 31, 2013 | March 31, 2013 |
| SMFG..... | Stock options | — | — | — | — | — | ¥1,140 | \$12 |
| Consolidated subsidiaries... | — | — | — | — | — | — | 120 | 1 |
| Total..... | | | | | | | ¥1,260 | \$13 |

| Year ended March 31, 2012 | Detail of stock acquisition rights | Type of shares | Number of shares | | | Millions of yen | |
|----------------------------|------------------------------------|----------------|------------------|----------|----------|-----------------|----------------|
| | | | March 31, 2011 | Increase | Decrease | March 31, 2012 | March 31, 2012 |
| SMFG..... | Stock options | — | — | — | — | — | ¥598 |
| Consolidated subsidiary... | — | — | — | — | — | — | 94 |
| Total..... | | | | | | | ¥692 |

(3) Information on dividends is as follows:

(a) 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

(b) Dividends paid in the fiscal year ended March 31, 2013

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

Date of resolution: Ordinary general meeting of shareholders held on June 28, 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 | ¥70,513 | ¥50 | September 30, 2012 | December 4, 2012 |

Date of resolution: Meeting of the Board of Directors held on November 14, 2012

(c) Dividends to be paid in the fiscal year ending March 31, 2014

| 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 | ¥98,713 | Retained earnings | ¥70* | March 31, 2013 | June 27, 2013 |

Date of resolution: Ordinary general meeting of shareholders held on June 27, 2013

* Cash dividends per share of ¥70 includes ¥10 of the commemorative dividend.

26. Cash Flows

Fiscal year ended March 31, 2013

8 companies including SMBC Aviation Capital Limited were newly consolidated following the acquisition of shares by SMBC and Sumitomo Mitsui Finance and Leasing Company, Limited. 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 | ¥668,091 | \$7,107 |
| [Tangible fixed assets]..... | 568,479 | 6,047 |
| Liabilities | (571,377) | (6,078) |
| [Borrowed money]..... | (478,581) | (5,091) |
| Minority interests..... | (9,453) | (101) |
| Goodwill | 7,484 | 80 |
| Stock acquisition cost of the 8 companies | 94,745 | 1,008 |
| Cash and cash equivalents of the 8 companies | — | — |
| Difference: Expenses required for acquisition of the 8 companies | ¥ 94,745 | \$1,008 |

Fiscal year ended March 31, 2012

7 companies including SMBC Consumer Finance Co., Ltd. (formerly 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 |
|--|-----------------|
| Assets | ¥1,671,681 |
| [Loans and bills discounted]..... | 795,148 |
| [Customers' liabilities for acceptances and guarantees]..... | 564,528 |
| Liabilities | (1,511,980) |
| [Borrowed money]..... | (300,884) |
| [Reserve for losses on interest repayment] | (367,220) |
| [Acceptances and guarantees]..... | (564,528) |
| Stock acquisition rights | (56) |
| Minority interests..... | (3,576) |
| Goodwill | 57,300 |
| Stock acquisition cost of the 7 companies | 213,369 |
| Cash and cash equivalents of the 7 companies | (4,300) |
| Fair value of common stock of SMBC Consumer Finance Co., Ltd. owned before business combination | (21,699) |
| Fair value of common stock of SMBC Consumer Finance Co., Ltd. additionally acquired through subscription for shares issued by way of third-party allotment | (119,999) |
| Difference: Expenses required for acquisition of the 7 companies | ¥ 67,369 |

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 |
|---|----------------------|-----------------|------------|--------------|
| | | 2013 | 2012 | U.S. dollars |
| | | | | 2013 |
| Projected benefit obligation | (A)..... | ¥(1,117,085) | ¥(990,449) | \$(11,883) |
| Plan assets | (B)..... | 1,036,130 | 902,254 | 11,021 |
| Unfunded projected benefit obligation | (C)=(A)+(B)..... | (80,955) | (88,194) | (861) |
| Unrecognized net actuarial gain or loss | (D)..... | 262,349 | 261,128 | 2,791 |
| Unrecognized prior service cost | (E)..... | (1,254) | (6,624) | (13) |
| Net amount recorded on the consolidated balance sheet | (F)=(C)+(D)+(E)..... | 180,139 | 166,309 | 1,916 |
| Prepaid pension cost | (G)..... | 224,719 | 212,221 | 2,390 |
| Reserve for employee retirement benefits | (F)-(G)..... | ¥ (44,579) | ¥ (45,911) | \$ (474) |

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 |
|--|-----------------|----------|--------------|
| | 2013 | 2012 | U.S. dollars |
| | | | 2013 |
| Service cost..... | ¥25,350 | ¥24,646 | \$270 |
| Interest cost on projected benefit obligation..... | 23,988 | 24,013 | 255 |
| Expected return on plan assets..... | (27,788) | (27,169) | (296) |
| Amortization of unrecognized net actuarial gain or loss..... | 29,296 | 38,736 | 312 |
| Amortization of unrecognized prior service cost..... | (4,773) | (6,542) | (51) |
| Other (nonrecurring additional retirement allowance paid and other)..... | 6,201 | 5,136 | 66 |
| Total..... | ¥52,274 | ¥58,820 | \$556 |

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, 2013 and 2012 were as follows:

| Year ended March 31 | 2013 | | 2012 |
|---|------------------------------------|--------------|---------------|
| Discount rate..... | Domestic consolidated subsidiaries | 0.9% to 2.0% | 1.15% to 2.5% |
| | Overseas consolidated subsidiaries | 4.1% to 6.0% | 4.7% to 7.0% |
| Expected rate of return on plan assets..... | Domestic consolidated subsidiaries | 0% to 4.3% | 0% to 4.1% |
| | Overseas consolidated subsidiaries | 3.8% to 4.5% | 3.8% to 5.5% |

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, 2013 and 2012.

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, 2013 and 2012.

28. Lease Transactions

(1) Financing leases

(a) Lessee side

(i) Lease assets

Tangible fixed assets mainly consisted of branches, data centers 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 |
|--------------------------------|-----------------|------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Lease receivables | ¥1,123,573 | ¥1,172,940 | \$11,952 |
| Residual value | 88,530 | 89,463 | 942 |
| Unearned interest income | (164,413) | (179,638) | (1,749) |
| Total | ¥1,047,691 | ¥1,082,766 | \$11,144 |

(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 |
|------------------------------------|-----------------|----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Within 1 year | ¥244,425 | ¥229,520 | \$2,600 |
| More than 1 year to 2 years | 153,383 | 172,714 | 1,632 |
| More than 2 years to 3 years | 101,441 | 95,022 | 1,079 |
| More than 3 years to 4 years | 73,707 | 60,591 | 784 |
| More than 4 years to 5 years | 37,667 | 46,063 | 401 |
| More than 5 years | 111,437 | 93,592 | 1,185 |
| Total | ¥722,062 | ¥697,504 | \$7,681 |

Lease payments receivable related to investment assets

| March 31 | Millions of yen | | Millions of U.S. dollars |
|------------------------------------|-----------------|------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Within 1 year | ¥ 355,846 | ¥ 365,967 | \$ 3,785 |
| More than 1 year to 2 years | 246,504 | 283,506 | 2,622 |
| More than 2 years to 3 years | 186,131 | 185,126 | 1,980 |
| More than 3 years to 4 years | 127,014 | 126,973 | 1,351 |
| More than 4 years to 5 years | 73,846 | 73,022 | 786 |
| More than 5 years | 134,230 | 138,342 | 1,428 |
| Total | ¥1,123,573 | ¥1,172,940 | \$11,952 |

(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, 2013 and 2012 were ¥5,940 million (\$63 million) and ¥8,849 million, respectively, 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, 2013 and 2012 were as follows:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|-------------------------|-----------------|----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Due within 1 year | ¥ 45,180 | ¥ 42,247 | \$ 481 |
| Due after 1 year | 286,516 | 294,411 | 3,048 |
| Total | ¥331,697 | ¥336,658 | \$3,528 |

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2013 and 2012 were as follows:

| March 31 | Millions of yen | | Millions of U.S. dollars |
|------------------------|-----------------|----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Due within 1 year..... | ¥113,679 | ¥ 35,329 | \$1,209 |
| Due after 1 year..... | 467,799 | 158,814 | 4,976 |
| Total..... | ¥581,478 | ¥194,143 | \$6,185 |

Future lease payments receivable on operating leases which were not cancelable at March 31, 2013 and 2012 amounting to ¥0 million (\$0 million) and ¥0 million, respectively, on the lessor side were pledged as collateral for borrowings.

29. Financial Instruments

(1) Status of financial instruments

(a) Policies on financial instruments

The Group conducts banking and other financial services such as leasing, securities, consumer finance, and system development and information processing. Its banking business includes deposit taking, lending, securities trading and investment, remittance, foreign exchange, bond subscription agent, trust business, and over-the-counter sales of securities investment trusts and 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, the Credit Risk Committee, a consultative body straddling the business units, rounds out SMBC's oversight system for undertaking flexible and efficient control of credit risk and ensuring the overall soundness of the bank's loan operations.

In addition to these, the Internal Audit Unit, operating independently from the business units, audits asset quality, credit grading accuracy, self-assessment, and appropriateness of credit risk management system, and

reports the results directly to the Board of Directors and the Management Committee.

ii. Method of credit risk management

SMBC properly manages the credit risk inherent in individual loans and the entire portfolio by assessing and quantifying the credit risk of each borrower/loan using the internal rating system. In addition to management of individual loans through credit screening and monitoring, it manages the credit portfolio as described below in order to secure and improve the credit portfolio's soundness and medium-term profitability.

— Appropriate risk-taking within the scope of capital
To limit credit risks to a permissible level relative to capital, "credit risk capital limit" has been established for internal control purposes. Under this limit, a general guideline and designated guidelines for real estate finance, investment in funds and securitization products, etc. are set for each business unit. Regular monitoring is conducted to ensure that these guidelines are being followed.

— Controlling concentration risk

Concentration of risk in specific borrowers/industries/countries could severely reduce a bank's capital should it materialize. SMBC therefore implements measures to prevent concentration of credit risk in specific industries, and control large exposures to individual borrowers by setting guidelines for maximum loan amounts and conducting thorough loan reviews. To manage country risk, SMBC also has credit limit guidelines based on each country's creditworthiness.

— Greater understanding of actual corporate conditions and balancing returns and risks

SMBC runs credit operations on the basic principle of thoroughly understanding actual corporate conditions and gaining profit commensurate with the level of credit risk entailed, and makes every effort to improve profit at after-cost (credit cost, capital cost and overhead) level.

— Reduction and prevention of non-performing loans
On non-performing loans and potential non-performing loans, SMBC carries out loan reviews to clarify credit policies and action plans, enabling it to swiftly implement measures to prevent deterioration of borrowers' business situations, support business recoveries, collect on loans, and enhance loan security.

— Approaches to active portfolio management
SMBC is committed to agile portfolio management, such as using credit derivatives and selling loan claims, to stabilize its credit portfolio.

In regards to financial instruments such as investments in certain funds, securitized products and credit derivatives that indirectly retain risks related to assets such as corporate bonds and loan claims (underlying assets), such instruments entail market and liquidity risks in addition to credit risk, since such instruments are traded on the market. Credit risk management for

these instruments involving detailed analysis and evaluation of characteristics of underlying assets is performed while market risk is comprehensively managed within the framework for managing market and liquidity risks. Moreover, guidelines have been established based on the characteristics of each type of risk.

In regards to credit risk of derivative transactions, the potential exposure based on the market price is regularly calculated and properly managed. When the counterparty is a financial institution with whom SMBC frequently conducts derivative transactions, measures such as a close-out netting provision, which provide that offsetting credit exposures between the 2 parties will be combined into a single net payment from one party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

(ii) Management of market and liquidity risks

SMFG manages market and liquidity risks by setting allowable risk limits; ensuring the transparency of the risk management process; and clearly separating front-office, middle-office, and back-office operations for a highly efficient system of mutual checks and balances.

i. Market and liquidity risk management systems

At SMBC, important matters such as basic policies for managing market and liquidity risks and risk management framework are determined by the Management Committee and then approved by the Board of Directors.

The aforementioned Corporate Risk Management Department, which is independent from the business units that directly handle business transactions, manages market and liquidity risks in an integrated manner. The department also monitors market and liquidity risk situations and regularly reports to the Management Committee and the Board of Directors.

Furthermore, SMBC's cross-departmental "ALM Committee" reports on the state of observance of market risk capital and liquidity risk capital limits, and deliberates on administration of ALM policies. SMBC also has a system whereby front-office departments, middle-office departments and back-office departments check each other's work in order to prevent clerical errors, unauthorized transactions, etc.

In addition, SMBC's Internal Audit Unit, which is independent from other departments, periodically performs comprehensive internal audits to verify that the risk management framework is properly functioning and reports the audit results to the Management Committee, the Board of Directors and other concerned committees and departments.

ii. Market and liquidity risk management methodology

— Market risk management

SMBC manages market risk by setting maximum loss and VaR (value at risk: maximum potential loss for a given probability) within the risk capital limit that is set taking into account stockholders' equity and other

factors and in accordance with the market transaction policies.

SMBC uses the historical simulation method (a method for estimating the maximum loss by running simulations of changes in profit and loss on market fluctuation scenarios based on historical data) to measure VaR. 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 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, 2013, total VaR of SMBC and other major consolidated subsidiaries was ¥31.1 billion in the banking book, ¥15.0 billion in the trading book and ¥977.4 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 can be sold immediately and emergency committed lines as supplemental liquidity.

Moreover, to manage the liquidity risk of marketable instruments, derivative transactions, etc., SMBC has trading limits for each business office classified by

currency, instrument, transaction period, etc. As for financial futures, etc., risks are managed by restricting positions within a certain percentage of open interest in the entire market.

- (d) Supplementary explanations about matters concerning fair value of financial instruments
Fair values of financial instruments are based on their

market prices and, in cases where market prices are not available, reasonably calculated prices. Such prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

(2) Fair value of financial instruments

- (a) "Consolidated balance sheet amount," "Fair value" and "Net unrealized gains (losses)" of financial instruments as of March 31, 2013 and 2012 are as follows. The amounts shown in the following table do not include financial instruments whose fair values are extremely difficult to determine, such as unlisted stocks classified as "other securities," and stocks of subsidiaries and affiliates.

| March 31 | Millions of yen | | |
|--|-----------------------------------|--------------|-------------------------------|
| | 2013 | | |
| | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| 1) Cash and due from banks and Deposits with banks*1 | ¥ 10,790,611 | ¥ 10,798,156 | ¥ 7,544 |
| 2) Call loans and bills bought*1 | 1,352,783 | 1,354,011 | 1,228 |
| 3) Receivables under resale agreements | 273,217 | 274,216 | 998 |
| 4) Receivables under securities borrowing transactions | 3,494,398 | 3,494,398 | — |
| 5) Monetary claims bought*1 | 1,533,638 | 1,545,517 | 11,879 |
| 6) Trading assets | | | |
| Securities classified as trading purposes | 3,408,810 | 3,408,810 | — |
| 7) Money held in trust | 22,789 | 22,789 | — |
| 8) Securities | | | |
| Bond classified as held-to-maturity | 5,840,512 | 5,901,662 | 61,150 |
| Other securities | 34,597,867 | 34,597,867 | — |
| 9) Loans and bills discounted | 65,632,091 | | |
| Reserve for possible loan losses*1 | (695,077) | | |
| | 64,937,014 | 66,306,879 | 1,369,865 |
| 10) Foreign exchanges*1 | 2,220,409 | 2,224,866 | 4,457 |
| 11) Lease receivables and investment assets*1 | 1,674,220 | 1,742,524 | 68,303 |
| Total assets | ¥130,146,271 | ¥131,671,699 | ¥1,525,427 |
| 1) Deposits | ¥ 89,081,811 | ¥ 89,084,089 | ¥ 2,277 |
| 2) Negotiable certificates of deposit | 11,755,654 | 11,755,929 | 275 |
| 3) Call money and bills sold | 2,954,051 | 2,954,050 | (0) |
| 4) Payables under repurchase agreements | 2,076,791 | 2,076,791 | — |
| 5) Payables under securities lending transactions | 4,433,835 | 4,433,835 | — |
| 6) Commercial paper | 1,499,499 | 1,499,503 | 4 |
| 7) Trading liabilities | | | |
| Trading securities sold for short sales | 1,910,129 | 1,910,129 | — |
| 8) Borrowed money | 4,979,460 | 5,016,127 | 36,666 |
| 9) Foreign exchanges | 337,901 | 337,901 | — |
| 10) Short-term bonds | 1,126,300 | 1,126,291 | (8) |
| 11) Bonds | 4,750,806 | 4,920,741 | 169,935 |
| 12) Due to trust account | 643,350 | 643,350 | — |
| Total liabilities | ¥125,549,591 | ¥125,758,742 | ¥ 209,150 |
| Derivative transactions*2 | | | |
| Hedge accounting not applied | ¥ 167,039 | ¥ 167,039 | ¥ — |
| Hedge accounting applied | [166,382] | [166,382] | — |
| Total | ¥ 657 | ¥ 657 | ¥ — |

| March 31 | Millions of yen | | |
|---|-----------------------------------|--------------|-------------------------------|
| | 2012 | | |
| | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| 1) Cash and due from banks and Deposits with banks*1..... | ¥ 7,711,078 | ¥ 7,715,673 | ¥ 4,594 |
| 2) Call loans and bills bought*1..... | 1,290,685 | 1,291,614 | 928 |
| 3) Receivables under resale agreements..... | 227,749 | 228,471 | 722 |
| 4) Receivables under securities borrowing transactions..... | 4,539,555 | 4,539,555 | — |
| 5) Monetary claims bought*1..... | 1,354,400 | 1,360,792 | 6,391 |
| 6) Trading assets | | | |
| Securities classified as trading purposes..... | 4,285,328 | 4,285,328 | — |
| 7) Money held in trust..... | 23,878 | 23,878 | — |
| 8) Securities | | | |
| Bond classified as held-to-maturity..... | 5,277,668 | 5,346,853 | 69,184 |
| Other securities..... | 36,403,944 | 36,403,944 | — |
| 9) Loans and bills discounted..... | 62,720,599 | | |
| Reserve for possible loan losses*1..... | (757,820) | | |
| | 61,962,778 | 63,076,899 | 1,114,120 |
| 10) Foreign exchanges*1..... | 1,276,510 | 1,281,154 | 4,643 |
| 11) Lease receivables and investment assets*1..... | 1,690,977 | 1,771,120 | 80,143 |
| Total assets..... | ¥126,044,556 | ¥127,325,285 | ¥1,280,729 |
| 1) Deposits..... | ¥ 84,128,561 | ¥ 84,136,544 | ¥ 7,982 |
| 2) Negotiable certificates of deposit..... | 8,593,638 | 8,593,118 | (519) |
| 3) Call money and bills sold..... | 2,144,599 | 2,144,599 | (0) |
| 4) Payables under repurchase agreements..... | 1,676,902 | 1,676,902 | — |
| 5) Payables under securities lending transactions..... | 5,810,730 | 5,810,730 | — |
| 6) Commercial paper..... | 1,193,249 | 1,193,249 | — |
| 7) Trading liabilities | | | |
| Trading securities sold for short sales..... | 2,172,857 | 2,172,857 | — |
| 8) Borrowed money..... | 8,839,648 | 8,856,720 | 17,072 |
| 9) Foreign exchanges..... | 302,580 | 302,580 | — |
| 10) Short-term bonds..... | 949,388 | 949,385 | (3) |
| 11) Bonds..... | 4,641,927 | 4,771,814 | 129,886 |
| 12) Due to trust account..... | 443,723 | 443,723 | — |
| Total liabilities..... | ¥120,897,808 | ¥121,052,227 | ¥ 154,418 |
| Derivative transactions*2 | | | |
| Hedge accounting not applied..... | ¥ [102,744] | ¥ [102,744] | ¥ — |
| Hedge accounting applied..... | 308,082 | 308,082 | — |
| Total..... | ¥ 205,338 | ¥ 205,338 | ¥ — |

| March 31 | Millions of U.S. dollars | | |
|---|-----------------------------------|--------------------|-------------------------------|
| | 2013 | | |
| | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| 1) Cash and due from banks and Deposits with banks*1..... | \$ 114,782 | \$ 114,862 | \$ 80 |
| 2) Call loans and bills bought*1..... | 14,390 | 14,403 | 13 |
| 3) Receivables under resale agreements..... | 2,906 | 2,917 | 11 |
| 4) Receivables under securities borrowing transactions..... | 37,170 | 37,170 | — |
| 5) Monetary claims bought*1..... | 16,314 | 16,440 | 126 |
| 6) Trading assets | | | |
| Securities classified as trading purposes..... | 36,260 | 36,260 | — |
| 7) Money held in trust..... | 242 | 242 | — |
| 8) Securities | | | |
| Bond classified as held-to-maturity..... | 62,126 | 62,777 | 650 |
| Other securities..... | 368,023 | 368,023 | — |
| 9) Loans and bills discounted..... | 698,139 | | |
| Reserve for possible loan losses*1..... | (7,394) | | |
| | 690,746 | 705,317 | 14,571 |
| 10) Foreign exchanges*1..... | 23,619 | 23,666 | 47 |
| 11) Lease receivables and investment assets*1..... | 17,809 | 18,536 | 727 |
| Total assets..... | \$1,384,388 | \$1,400,614 | \$16,226 |
| 1) Deposits..... | \$ 947,578 | \$ 947,602 | \$ 24 |
| 2) Negotiable certificates of deposit..... | 125,047 | 125,050 | 3 |
| 3) Call money and bills sold..... | 31,423 | 31,423 | (0) |
| 4) Payables under repurchase agreements..... | 22,091 | 22,091 | — |
| 5) Payables under securities lending transactions..... | 47,163 | 47,163 | — |
| 6) Commercial paper..... | 15,950 | 15,950 | 0 |
| 7) Trading liabilities | | | |
| Trading securities sold for short sales..... | 20,318 | 20,318 | — |
| 8) Borrowed money..... | 52,967 | 53,357 | 390 |
| 9) Foreign exchanges..... | 3,594 | 3,594 | — |
| 10) Short-term bonds..... | 11,981 | 11,981 | (0) |
| 11) Bonds..... | 50,535 | 52,343 | 1,808 |
| 12) Due to trust account..... | 6,843 | 6,843 | — |
| Total liabilities..... | \$1,335,492 | \$1,337,717 | \$ 2,225 |
| Derivative transactions*2 | | | |
| Hedge accounting not applied..... | \$ 1,777 | \$ 1,777 | \$ — |
| Hedge accounting applied..... | [1,769] | [1,769] | — |
| Total..... | \$ 7 | \$ 7 | \$ — |

*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 |
|--|-----------------|----------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Monetary claims bought: | | | |
| Monetary claims bought without market prices*1 | ¥ 5,845 | ¥ 6,062 | \$ 62 |
| Securities: | | | |
| Unlisted stocks, etc.*2, 4 | 268,535 | 271,149 | 2,856 |
| Investments in partnership, etc.*3, 4 | 341,945 | 345,987 | 3,637 |
| Total | ¥616,326 | ¥623,198 | \$6,556 |

*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 ¥5,603 million (\$60 million) and ¥9,292 million were written-down in the fiscal years ended March 31, 2013 and 2012, respectively.

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

| March 31 | Millions of yen | | | |
|---|-----------------|---------------------------------|-----------------------------------|----------------|
| | 2013 | | | |
| | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
| Deposits with banks | ¥ 9,772,670 | ¥ 11,211 | ¥ — | ¥ — |
| Call loans and bills bought | 1,333,721 | 20,024 | — | — |
| Receivables under resale agreements | 205,025 | 68,192 | — | — |
| Receivables under securities borrowing transactions | 3,494,398 | — | — | — |
| Monetary claims bought*1, 2 | 1,013,317 | 216,129 | 86,143 | 200,559 |
| Securities*1 | 9,733,436 | 23,314,246 | 3,146,358 | 635,641 |
| Bonds classified as held-to-maturity | 1,314,759 | 4,403,679 | 112,000 | — |
| Japanese government bonds | 1,180,000 | 4,215,000 | 110,000 | — |
| Japanese local government bonds | 57,477 | 101,175 | — | — |
| Japanese corporate bonds | 77,282 | 87,504 | 1,500 | — |
| Other | — | — | 500 | — |
| Other securities with maturity | 8,418,676 | 18,910,566 | 3,034,358 | 635,641 |
| Japanese government bonds | 6,935,299 | 12,023,326 | 2,381,700 | 5,000 |
| Japanese local government bonds | 28,145 | 163,468 | 1,289 | 40 |
| Japanese corporate bonds | 527,501 | 1,908,257 | 287,634 | 61,081 |
| Other | 927,729 | 4,815,515 | 363,734 | 569,519 |
| Loans and bills discounted*1, 2 | 14,162,034 | 25,421,519 | 9,822,057 | 8,662,488 |
| Foreign exchanges*1 | 2,221,938 | 1,868 | — | — |
| Lease receivables and investment assets*1 | 529,689 | 877,062 | 122,531 | 36,684 |
| Total | ¥42,466,232 | ¥49,930,255 | ¥13,177,090 | ¥9,535,374 |

| | Millions of yen | | | |
|---|-----------------|---------------------------------|-----------------------------------|----------------|
| | 2012 | | | |
| | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
| March 31 | | | | |
| 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* ² | 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 U.S. dollars | | | |
|---|--------------------------|---------------------------------|-----------------------------------|----------------|
| | 2013 | | | |
| | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
| March 31 | | | | |
| Deposits with banks | \$103,954 | \$ 119 | \$ — | \$ — |
| Call loans and bills bought | 14,187 | 213 | — | — |
| Receivables under resale agreements | 2,181 | 725 | — | — |
| Receivables under securities borrowing transactions | 37,170 | — | — | — |
| Monetary claims bought* ^{1, 2} | 10,779 | 2,299 | 916 | 2,133 |
| Securities* ¹ | 103,536 | 247,998 | 33,468 | 6,761 |
| Bonds classified as held-to-maturity..... | 13,985 | 46,843 | 1,191 | — |
| Japanese government bonds | 12,552 | 44,836 | 1,170 | — |
| Japanese local government bonds | 611 | 1,076 | — | — |
| Japanese corporate bonds..... | 822 | 931 | 16 | — |
| Other..... | — | — | 5 | — |
| Other securities with maturity..... | 89,551 | 201,155 | 32,277 | 6,761 |
| Japanese government bonds | 73,772 | 127,894 | 25,335 | 53 |
| Japanese local government bonds | 299 | 1,739 | 14 | 0 |
| Japanese corporate bonds..... | 5,611 | 20,298 | 3,060 | 650 |
| Other..... | 9,868 | 51,223 | 3,869 | 6,058 |
| Loans and bills discounted* ^{1, 2} | 150,644 | 270,413 | 104,479 | 92,144 |
| Foreign exchanges* ¹ | 23,635 | 20 | — | — |
| Lease receivables and investment assets* ¹ | 5,634 | 9,329 | 1,303 | 390 |
| Total..... | \$451,720 | \$531,116 | \$140,167 | \$101,429 |

*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 |
|--|-----------------|-----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Monetary claims bought | ¥ 69 | ¥ — | \$ 1 |
| Securities..... | 33,995 | 28,667 | 362 |
| Loans and bills discounted..... | 1,080,983 | 1,116,378 | 11,499 |
| Foreign exchanges | 2,620 | 2,845 | 28 |
| Lease receivables and investment assets..... | 20,513 | 5,960 | 218 |

*² Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥8,277 million (\$88 million) and ¥6,482,020 million (\$68,950 million) at March 31, 2013, respectively. Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥1,789 million and ¥6,750,883 million at March 31, 2012, respectively.

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

| March 31 | Millions of yen | | | |
|--|-----------------|---------------------------------|-----------------------------------|----------------|
| | 2013 | | | |
| | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
| Deposits* | ¥ 84,003,627 | ¥4,504,407 | ¥ 310,546 | ¥263,230 |
| Negotiable certificates of deposit | 11,266,119 | 489,535 | — | — |
| Call money and bills sold | 2,954,051 | — | — | — |
| Payables under repurchase agreements | 2,076,791 | — | — | — |
| Payables under securities lending transactions | 4,433,835 | — | — | — |
| Commercial paper | 1,499,499 | — | — | — |
| Borrowed money | 2,845,802 | 1,224,348 | 573,101 | 336,207 |
| Foreign exchanges | 337,901 | — | — | — |
| Short-term bonds | 1,126,300 | — | — | — |
| Bonds | 513,696 | 2,314,988 | 1,615,690 | 308,847 |
| Due to trust account | 643,350 | — | — | — |
| Total | ¥111,700,975 | ¥8,533,279 | ¥2,499,338 | ¥908,285 |

| 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 U.S. dollars | | | |
|--|--------------------------|---------------------------------|-----------------------------------|----------------|
| | 2013 | | | |
| | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
| Deposits* | \$ 893,561 | \$47,914 | \$ 3,303 | \$2,800 |
| Negotiable certificates of deposit | 119,840 | 5,207 | — | — |
| Call money and bills sold | 31,423 | — | — | — |
| Payables under repurchase agreements | 22,091 | — | — | — |
| Payables under securities lending transactions | 47,163 | — | — | — |
| Commercial paper | 15,950 | — | — | — |
| Borrowed money | 30,271 | 13,024 | 6,096 | 3,576 |
| Foreign exchanges | 3,594 | — | — | — |
| Short-term bonds | 11,981 | — | — | — |
| Bonds | 5,464 | 24,625 | 17,186 | 3,285 |
| Due to trust account | 6,843 | — | — | — |
| Total | \$1,188,182 | \$90,770 | \$26,586 | \$9,662 |

* 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 |
|--|-----------------|---------|--------------------------|
| | 2013 | 2012 | 2013 |
| Valuation gains included in the earnings for the fiscal year | ¥36,731 | ¥16,879 | \$391 |

(b) Bonds classified as held-to-maturity

| March 31 | Millions of yen | | |
|---------------------------------------|-----------------------------------|------------|-------------------------------|
| | 2013 | | |
| | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| Bonds with unrealized gains: | | | |
| Japanese government bonds | ¥5,244,786 | ¥5,301,500 | ¥56,714 |
| Japanese local government bonds | 158,758 | 160,657 | 1,899 |
| Japanese corporate bonds | 165,154 | 167,728 | 2,574 |
| Other | 500 | 503 | 3 |
| Subtotal | ¥5,569,198 | ¥5,630,390 | ¥61,191 |
| Bonds with unrealized losses: | | | |
| Japanese government bonds | ¥ 269,713 | ¥ 269,676 | ¥ (37) |
| Japanese local government bonds | 373 | 372 | (0) |
| Japanese corporate bonds | 1,227 | 1,223 | (3) |
| Other | 11,599 | 11,599 | — |
| Subtotal | ¥ 282,913 | ¥ 282,871 | ¥ (41) |
| Total | ¥5,852,111 | ¥5,913,262 | ¥61,150 |

| March 31 | Millions of yen | | |
|---------------------------------------|-----------------------------------|------------|-------------------------------|
| | 2012 | | |
| | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| 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 U.S. dollars | | |
|---------------------------------------|-----------------------------------|------------|-------------------------------|
| | 2013 | | |
| | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| Bonds with unrealized gains: | | | |
| Japanese government bonds | \$55,790 | \$56,393 | \$603 |
| Japanese local government bonds | 1,689 | 1,709 | 20 |
| Japanese corporate bonds | 1,757 | 1,784 | 27 |
| Other | 5 | 5 | 0 |
| Subtotal | \$59,240 | \$59,891 | \$651 |
| Bonds with unrealized losses: | | | |
| Japanese government bonds | \$ 2,869 | \$ 2,869 | \$ (0) |
| Japanese local government bonds | 4 | 4 | (0) |
| Japanese corporate bonds | 13 | 13 | (0) |
| Other | 123 | 123 | — |
| Subtotal | \$ 3,009 | \$ 3,009 | \$ (0) |
| Total | \$62,250 | \$62,900 | \$650 |

(c) Other securities

| March 31 | Millions of yen | | |
|--|-----------------------------------|------------------|-------------------------------|
| | 2013 | | |
| | Consolidated balance sheet amount | Acquisition cost | Net unrealized gains (losses) |
| Other securities with unrealized gains: | | | |
| Stocks | ¥ 2,143,981 | ¥ 1,276,872 | ¥ 867,109 |
| Bonds | 22,538,258 | 22,426,056 | 112,202 |
| Japanese government bonds | 19,823,867 | 19,759,082 | 64,785 |
| Japanese local government bonds | 194,380 | 192,766 | 1,614 |
| Japanese corporate bonds | 2,520,010 | 2,474,207 | 45,802 |
| Other | 5,705,192 | 5,427,931 | 277,260 |
| Subtotal | ¥30,387,433 | ¥29,130,860 | ¥1,256,572 |
| Other securities with unrealized losses: | | | |
| Stocks | ¥ 403,579 | ¥ 499,451 | ¥ (95,872) |
| Bonds | 1,987,069 | 1,990,951 | (3,881) |
| Japanese government bonds | 1,656,071 | 1,656,285 | (214) |
| Japanese local government bonds | 2,371 | 2,384 | (13) |
| Japanese corporate bonds | 328,627 | 332,281 | (3,653) |
| Other | 2,382,377 | 2,417,597 | (35,220) |
| Subtotal | ¥ 4,773,026 | ¥ 4,908,000 | ¥ (134,973) |
| Total | ¥35,160,459 | ¥34,038,861 | ¥1,121,598 |

| 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 U.S. dollars | | |
|--|-----------------------------------|------------------|-------------------------------|
| | 2013 | | |
| | Consolidated balance sheet amount | Acquisition cost | Net unrealized gains (losses) |
| Other securities with unrealized gains: | | | |
| Stocks | \$ 22,806 | \$ 13,582 | \$ 9,224 |
| Bonds | 239,743 | 238,550 | 1,194 |
| Japanese government bonds | 210,870 | 210,181 | 689 |
| Japanese local government bonds | 2,068 | 2,050 | 17 |
| Japanese corporate bonds | 26,806 | 26,319 | 487 |
| Other | 60,687 | 57,738 | 2,949 |
| Subtotal | \$323,236 | \$309,870 | \$13,366 |
| Other securities with unrealized losses: | | | |
| Stocks | \$ 4,293 | \$ 5,313 | \$ (1,020) |
| Bonds | 21,137 | 21,178 | (41) |
| Japanese government bonds | 17,616 | 17,618 | (2) |
| Japanese local government bonds | 25 | 25 | (0) |
| Japanese corporate bonds | 3,496 | 3,535 | (39) |
| Other | 25,342 | 25,716 | (375) |
| Subtotal | \$ 50,771 | \$ 52,207 | \$ (1,436) |
| Total | \$374,008 | \$362,077 | \$11,931 |

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥29,831 million (\$317 million) for the fiscal year ended March 31, 2013 and ¥196 million for the fiscal year ended March 31, 2012 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 |
|--------------|-----------------|----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Stocks | ¥259,145 | ¥265,512 | \$2,757 |
| Other | 357,180 | 357,686 | 3,799 |
| Total | ¥616,326 | ¥623,198 | \$6,556 |

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, 2013 and 2012

There are no corresponding transactions.

(e) Consolidated balance sheet amounts of other securities sold during the fiscal year ended March 31, 2013 and 2012

| Year ended March 31 | Millions of yen | | |
|---------------------------------------|-----------------|----------------|-----------------|
| | 2013 | | |
| | Sales amount | Gains on sales | Losses on sales |
| Stocks | ¥ 85,334 | ¥ 19,436 | ¥(25,912) |
| Bonds | 26,982,437 | 60,772 | (7,845) |
| Japanese government bonds | 26,558,059 | 59,471 | (7,730) |
| Japanese local government bonds | 140,003 | 542 | (85) |
| Japanese corporate bonds | 284,375 | 758 | (29) |
| Other | 19,715,537 | 110,118 | (29,874) |
| Total | ¥46,783,309 | ¥190,326 | ¥(63,632) |

| 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 U.S. dollars | | |
|--------------------------------------|--------------------------|----------------|-----------------|
| | 2013 | | |
| | Sales amount | Gains on sales | Losses on sales |
| Stocks..... | \$ 908 | \$ 207 | \$(276) |
| Bonds..... | 287,017 | 646 | (83) |
| Japanese government bonds..... | 282,502 | 633 | (82) |
| Japanese local government bonds..... | 1,489 | 6 | (1) |
| Japanese corporate bonds..... | 3,025 | 8 | (0) |
| Other..... | 209,717 | 1,171 | (318) |
| Total..... | \$497,642 | \$2,025 | \$(677) |

(f) Change of classification of securities

There are no corresponding transactions.

(g) Write-down of securities

Securities other than those classified as trading purpose, stocks of subsidiaries and affiliates (excluding securities whose fair value are extremely difficult to determine) are considered as impaired if the fair value of the securities decreases materially below the acquisition cost and such decline is not considered to be recoverable. The securities are recognized at fair value on the consolidated balance sheet and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for the fiscal year ended March 31, 2013 and 2012 were ¥34,340 million (\$365 million) and ¥27,988 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 |
|--|-----------------|------|--------------------------|
| | 2013 | 2012 | 2013 |
| Valuation gains (losses) included in the earnings for the fiscal year..... | ¥— | ¥(2) | \$— |

(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 |
|--|-----------------|---------|--------------------------|
| | 2013 | 2012 | 2013 |
| Consolidated balance sheet amount..... | ¥22,789 | ¥22,430 | \$242 |
| Acquisition cost..... | 22,778 | 22,477 | 242 |
| Net unrealized gains (losses)..... | 10 | (46) | 0 |
| Unrealized gains..... | 10 | — | 0 |
| Unrealized losses..... | — | (46) | — |

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 |
|--|-----------------|----------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Net unrealized gains..... | ¥1,092,274 | ¥474,803 | \$11,619 |
| Other securities | 1,092,264 | 474,849 | 11,619 |
| Other money held in trust | 10 | (46) | 0 |
| (-) Deferred tax liabilities..... | 310,233 | 138,439 | 3,300 |
| Net unrealized gains on other securities (before adjustment)..... | 782,041 | 336,363 | 8,319 |
| (-) Minority interests..... | 29,086 | 13,124 | 309 |
| (+) SMFG's interest in net unrealized gains on valuation of other securities held by the equity method affiliates..... | 2,798 | 7,194 | 30 |
| Net unrealized gains on other securities..... | ¥ 755,753 | ¥330,433 | \$ 8,039 |

Notes: 1. Gains of ¥29,831 million (\$317 million) for the fiscal year ended March 31, 2013 and ¥196 million for the fiscal year ended March 31, 2012 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 | | | |
|---|-----------------|-------------|-------------|--------------------------|
| | 2013 | | Fair value | Valuation gains (losses) |
| | Contract amount | | | |
| Listed | Total | Over 1 year | | |
| Interest rate futures: | | | | |
| Sold..... | ¥ 21,572,140 | ¥ 4,963,621 | ¥ (5,339) | ¥ (5,339) |
| Bought..... | 20,511,203 | 4,707,254 | 4,575 | 4,575 |
| Interest rate options: | | | | |
| Sold..... | 254,486 | 123,780 | (65) | (65) |
| Bought..... | 11,402,713 | 4,063,212 | 450 | 450 |
| Over-the-counter | | | | |
| Forward rate agreements: | | | | |
| Sold..... | 3,097,651 | — | 461 | 461 |
| Bought..... | 2,649,874 | — | (507) | (507) |
| Interest rate swaps: | 396,830,384 | 316,834,888 | 68,978 | 68,978 |
| Receivable fixed rate/payable floating rate..... | 184,255,645 | 150,002,766 | 6,851,752 | 6,851,752 |
| Receivable floating rate/payable fixed rate..... | 186,042,853 | 148,516,797 | (6,780,304) | (6,780,304) |
| Receivable floating rate/payable floating rate..... | 26,416,803 | 18,223,607 | (7,528) | (7,528) |
| Interest rate swaptions: | | | | |
| Sold..... | 2,921,053 | 1,712,745 | 711 | 711 |
| Bought..... | 2,404,120 | 1,656,899 | 11,641 | 11,641 |
| Caps: | | | | |
| Sold..... | 13,771,179 | 7,555,232 | (624) | (624) |
| Bought..... | 7,023,311 | 4,411,178 | (2,553) | (2,553) |
| Floors: | | | | |
| Sold..... | 212,166 | 143,963 | (3,534) | (3,534) |
| Bought..... | 154,884 | 133,779 | 4,009 | 4,009 |
| Other: | | | | |
| Sold..... | 171,867 | 139,814 | 22,927 | 22,927 |
| Bought..... | 2,310,792 | 1,698,266 | (6,433) | (6,433) |
| Total..... | / | / | ¥ 94,697 | ¥ 94,697 |

| 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: | | | | |
| Receivable fixed rate/payable floating rate..... | 369,468,218 | 281,215,701 | 75,045 | 75,045 |
| Receivable floating rate/payable fixed 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 U.S. dollars | | | |
|---|--------------------------|-------------|------------|--------------------------|
| | 2013 | | Fair value | Valuation gains (losses) |
| | Contract amount | | | |
| | Total | Over 1 year | | |
| Listed | | | | |
| Interest rate futures: | | | | |
| Sold..... | \$ 229,466 | \$ 52,799 | \$ (57) | \$ (57) |
| Bought..... | 218,181 | 50,072 | 49 | 49 |
| Interest rate options: | | | | |
| Sold..... | 2,707 | 1,317 | (1) | (1) |
| Bought..... | 121,293 | 43,221 | 5 | 5 |
| Over-the-counter | | | | |
| Forward rate agreements: | | | | |
| Sold..... | 32,950 | — | 5 | 5 |
| Bought..... | 28,187 | — | (5) | (5) |
| Interest rate swaps: | | | | |
| Receivable fixed rate/payable floating rate..... | 4,221,151 | 3,370,225 | 734 | 734 |
| Receivable floating rate/payable fixed rate..... | 1,959,958 | 1,595,604 | 72,883 | 72,883 |
| Receivable floating rate/payable fixed rate..... | 1,978,969 | 1,579,798 | (72,123) | (72,123) |
| Receivable floating rate/payable floating rate..... | 281,000 | 193,848 | (80) | (80) |
| Interest rate swaptions: | | | | |
| Sold..... | 31,072 | 18,219 | 8 | 8 |
| Bought..... | 25,573 | 17,625 | 124 | 124 |
| Caps: | | | | |
| Sold..... | 146,486 | 80,366 | (7) | (7) |
| Bought..... | 74,708 | 46,922 | (27) | (27) |
| Floors: | | | | |
| Sold..... | 2,257 | 1,531 | (38) | (38) |
| Bought..... | 1,648 | 1,423 | 43 | 43 |
| Other: | | | | |
| Sold..... | 1,828 | 1,487 | 244 | 244 |
| Bought..... | 24,580 | 18,065 | (68) | (68) |
| Total..... | / | / | \$ 1,007 | \$ 1,007 |

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 | | | |
|-------------------------------|-----------------|------------|------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Currency futures: | | | | |
| Sold..... | ¥ 47,549 | ¥ — | ¥ 45 | ¥ 45 |
| Bought..... | 21 | — | 0 | 0 |
| Over-the-counter | | | | |
| Currency swaps..... | 21,453,976 | 14,141,154 | (4,479) | (21,243) |
| Currency swaptions: | | | | |
| Sold..... | 422,405 | 271,989 | (3,142) | (3,142) |
| Bought..... | 809,571 | 478,117 | 8,197 | 8,197 |
| Forward foreign exchange..... | 42,212,725 | 3,549,857 | 64,824 | 64,824 |
| Currency options: | | | | |
| Sold..... | 2,770,832 | 1,481,667 | (179,925) | (179,925) |
| Bought..... | 2,651,869 | 1,363,754 | 181,758 | 181,758 |
| Total | / | / | ¥ 67,277 | ¥ 50,513 |

| 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 U.S. dollars | | | |
|-------------------------------|--------------------------|---------|------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Currency futures: | | | | |
| Sold..... | \$ 506 | \$ — | \$ 0 | \$ 0 |
| Bought..... | 0 | — | 0 | 0 |
| Over-the-counter | | | | |
| Currency swaps..... | 228,210 | 150,422 | (48) | (226) |
| Currency swaptions: | | | | |
| Sold..... | 4,493 | 2,893 | (33) | (33) |
| Bought..... | 8,612 | 5,086 | 87 | 87 |
| Forward foreign exchange..... | 449,024 | 37,760 | 690 | 690 |
| Currency options: | | | | |
| Sold..... | 29,474 | 15,761 | (1,914) | (1,914) |
| Bought..... | 28,208 | 14,506 | 1,933 | 1,933 |
| Total | / | / | \$ 716 | \$ 537 |

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 | | | |
|---|-----------------|----------|------------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Equity price index futures: | | | | |
| Sold..... | ¥302,369 | ¥ — | ¥ (9,376) | ¥ (9,376) |
| Bought..... | 94,137 | — | 1,391 | 1,391 |
| Equity price index options: | | | | |
| Sold..... | 24,887 | 4,350 | (860) | (860) |
| Bought..... | 17,906 | 1,250 | 436 | 436 |
| Over-the-counter | | | | |
| Equity options: | | | | |
| Sold..... | 206,603 | 206,351 | (47,769) | (47,769) |
| Bought..... | 210,013 | 204,754 | 47,653 | 47,653 |
| Equity index forward contracts: | | | | |
| Sold..... | — | — | — | — |
| Bought..... | 16,984 | — | 745 | 745 |
| Equity index swaps: | | | | |
| Receivable equity index/payable short-term floating rate..... | 13,650 | 12,000 | (101) | (101) |
| Receivable short-term floating rate/payable equity index..... | 21,885 | 19,485 | 84 | 84 |
| Total..... | / | / | ¥ (7,796) | ¥ (7,796) |
| Millions of yen | | | | |
| 2012 | | | | |
| Contract amount | | | | |
| Total | | | | |
| Over 1 year | | | | |
| Fair value | | | | |
| Valuation gains (losses) | | | | |
| 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) |

| March 31 | Millions of U.S. dollars | | | |
|---|--------------------------|----------|----------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Equity price index futures: | | | | |
| Sold..... | \$3,216 | \$ — | \$(100) | \$(100) |
| Bought..... | 1,001 | — | 15 | 15 |
| Equity price index options: | | | | |
| Sold..... | 265 | 46 | (9) | (9) |
| Bought..... | 190 | 13 | 5 | 5 |
| Over-the-counter | | | | |
| Equity options: | | | | |
| Sold..... | 2,198 | 2,195 | (508) | (508) |
| Bought..... | 2,234 | 2,178 | 507 | 507 |
| Equity index forward contracts: | | | | |
| Sold..... | — | — | — | — |
| Bought..... | 181 | — | 8 | 8 |
| Equity index swaps: | | | | |
| Receivable equity index/payable short-term floating rate..... | 145 | 128 | (1) | (1) |
| Receivable short-term floating rate/payable equity index..... | 233 | 207 | 1 | 1 |
| Total..... | / | / | \$ (83) | \$ (83) |

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 | | | |
|-------------------------|-----------------|----------|------------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Bond futures: | | | | |
| Sold..... | ¥4,093,218 | ¥ — | ¥(28,436) | ¥(28,436) |
| Bought..... | 3,875,544 | — | 23,993 | 23,993 |
| Bond futures options: | | | | |
| Sold..... | 57,278 | — | (145) | (145) |
| Bought..... | 26,980 | — | 2 | 2 |
| Over-the-counter | | | | |
| Bond options: | | | | |
| Sold..... | 138,870 | — | (102) | (102) |
| Bought..... | 198,900 | 104,126 | 558 | 558 |
| Total..... | / | / | ¥ (4,130) | ¥ (4,130) |

| 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 U.S. dollars | | | |
|-------------------------|--------------------------|----------|----------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Bond futures: | | | | |
| Sold..... | \$43,540 | \$ — | \$(302) | \$(302) |
| Bought..... | 41,225 | — | 255 | 255 |
| Bond futures options: | | | | |
| Sold..... | 609 | — | (2) | (2) |
| Bought..... | 287 | — | 0 | 0 |
| Over-the-counter | | | | |
| Bond options: | | | | |
| Sold..... | 1,477 | — | (1) | (1) |
| Bought..... | 2,116 | 1,108 | 6 | 6 |
| Total..... | / | / | \$ (44) | \$ (44) |

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 | | | |
|---|-----------------|----------|----------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Commodity futures: | | | | |
| Sold..... | ¥ 2,472 | ¥ — | ¥ (84) | ¥ (84) |
| Bought..... | 913 | — | 43 | 43 |
| Over-the-counter | | | | |
| Commodity swaps: | | | | |
| Receivable fixed price/payable floating price..... | 115,493 | 85,791 | (18,951) | (18,951) |
| Receivable floating price/payable fixed price..... | 95,861 | 69,325 | 37,496 | 37,496 |
| Receivable floating price/payable floating price..... | 11,303 | 9,556 | (333) | (333) |
| Commodity options: | | | | |
| Sold..... | 12,132 | 9,191 | (99) | (99) |
| Bought..... | 3,559 | 2,832 | 109 | 109 |
| Total..... | / | / | ¥18,181 | ¥18,181 |

| 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 U.S. dollars | | | |
|---|--------------------------|----------|--------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Listed | | | | |
| Commodity futures: | | | | |
| Sold..... | \$ 26 | \$ — | \$ (1) | \$ (1) |
| Bought..... | 10 | — | 0 | 0 |
| Over-the-counter | | | | |
| Commodity swaps: | | | | |
| Receivable fixed price/payable floating price..... | 1,229 | 913 | (202) | (202) |
| Receivable floating price/payable fixed price..... | 1,020 | 737 | 399 | 399 |
| Receivable floating price/payable floating price..... | 120 | 102 | (4) | (4) |
| Commodity options: | | | | |
| Sold..... | 129 | 98 | (1) | (1) |
| Bought..... | 38 | 30 | 1 | 1 |
| Total..... | / | / | \$193 | \$193 |

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the New York Mercantile Exchange and others.

Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.

3. Commodity derivatives are transactions on fuel and metal.

(f) Credit derivative transactions

| March 31 | Millions of yen | | | |
|-------------------------|-----------------|----------|-----------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Over-the-counter | | | | |
| Credit default options: | | | | |
| Sold..... | ¥876,007 | ¥622,577 | ¥ (744) | ¥ (744) |
| Bought..... | 930,144 | 668,544 | (444) | (444) |
| Total..... | / | / | ¥(1,189) | ¥(1,189) |

| March 31 | Millions of yen | | | |
|-------------------------|-----------------|----------|--------------|--------------------------|
| | 2012 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| 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 |

| March 31 | Millions of U.S. dollars | | | |
|-------------------------|--------------------------|----------|---------------|--------------------------|
| | 2013 | | | |
| | Contract amount | | Fair value | Valuation gains (losses) |
| Total | Over 1 year | | | |
| Over-the-counter | | | | |
| Credit default options: | | | | |
| Sold..... | \$9,318 | \$6,622 | \$ (8) | \$ (8) |
| Bought..... | 9,894 | 7,111 | (5) | (5) |
| Total..... | / | / | \$(13) | \$(13) |

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 | | |
|---|---|--|-----------------|-------------|------------|
| | | | 2013 | | |
| Hedge accounting method | Type of derivative | Principal items hedged | Contract amount | | Fair value |
| | | | Total | Over 1 year | |
| March 31 | | | | | |
| Deferral hedge method | Interest futures: | Interest-earning/bearing financial assets/liabilities | | | |
| | Sold..... | such as loans and bills | ¥ 94,056 | ¥ 94,056 | ¥ (18) |
| | Bought..... | discounted, other securities (bonds), deposits and negotiable certificates of deposits | 1,985,000 | — | 675 |
| | Interest rate swaps: | | 39,492,082 | 36,189,984 | 49,356 |
| | Receivable fixed rate/payable floating rate | | 25,598,136 | 23,250,742 | 601,178 |
| | Receivable floating rate/payable fixed rate | | 13,877,319 | 12,922,615 | (551,782) |
| | Receivable floating rate/payable floating rate... | | 16,626 | 16,626 | (39) |
| | Interest rate swaptions: | | | | |
| | Sold..... | | 11,222 | 11,222 | 262 |
| | Bought..... | | — | — | — |
| | Caps: | | | | |
| | Sold..... | | 4,112 | 4,112 | 251 |
| | Bought..... | | 4,112 | 4,112 | (251) |
| Recognition of gain or loss on the hedging instrument | Interest rate swaps: | Loans and bills discounted | 83,607 | 76,029 | (6,879) |
| | Receivable floating rate/payable fixed rate | | 83,607 | 76,029 | (6,879) |
| Special treatment for interest rate swaps | Interest rate swaps: | Loans and bills discounted; borrowed money; bonds payable | 98,437 | 51,391 | |
| | Receivable fixed rate/payable floating rate | | 1,000 | — | |
| | Receivable floating rate/payable fixed rate | | 89,437 | 46,391 | (Note 3) |
| | Receivable floating rate/payable floating rate... | | 8,000 | 5,000 | |
| | Total..... | | / | / | ¥ 43,395 |

| | | | Millions of yen | | |
|---|---|--|-----------------|-------------|------------|
| | | | 2012 | | |
| Hedge accounting method | Type of derivative | Principal items hedged | Contract amount | | Fair value |
| | | | Total | Over 1 year | |
| March 31 | | | | | |
| Deferral hedge method | Interest futures: | Interest-earning/bearing financial assets/liabilities | | | |
| | Sold..... | such as loans and bills | ¥ 739,170 | ¥ — | ¥ (146) |
| | Bought..... | discounted, other securities (bonds), deposits and negotiable certificates of deposits | 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 floating 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 U.S. dollars | | |
|---|---|------------------------------|--------------------------|-------------|------------|
| | | | 2013 | | |
| | | | 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 | | | |
| | Sold..... | financial assets/liabilities | \$ 1,000 | \$ 1,000 | \$ (0) |
| | Bought..... | such as loans and bills | 21,115 | — | 7 |
| | Interest rate swaps: | discounted, other securi- | 420,084 | 384,959 | 525 |
| | Receivable fixed rate/payable floating rate | ties (bonds), deposits and | 272,292 | 247,322 | 6,395 |
| | Receivable floating rate/payable fixed rate | negotiable certificates of | 147,615 | 137,460 | (5,869) |
| | Receivable floating rate/payable floating rate... | deposits | 177 | 177 | (0) |
| | Interest rate swaptions: | | | | |
| | Sold..... | | 119 | 119 | 3 |
| | Bought..... | | — | — | — |
| Caps: | | | | | |
| Sold..... | | 44 | 44 | 3 | |
| Bought..... | | 44 | 44 | (3) | |
| Recognition of gain or loss on the hedging instrument | Interest rate swaps: | Loans and bills discounted | 889 | 809 | (73) |
| | Receivable floating rate/payable fixed rate | | 889 | 809 | (73) |
| Special treatment for interest rate swaps | Interest rate swaps: | Loans and bills discounted; | 1,047 | 547 | |
| | Receivable fixed rate/payable floating rate | borrowed money; bonds | 11 | — | |
| | Receivable floating rate/payable fixed rate | payable | 951 | 493 | (Note 3) |
| | Receivable floating rate/payable floating rate... | | 85 | 53 | |
| | Total..... | | / | / | \$ 462 |

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 | | |
|---|--------------------------------|------------------------------|-----------------|-------------|------------|
| | | | 2013 | | |
| | | | Contract amount | | |
| Hedge accounting method | Type of derivative | Principal items hedged | Total | Over 1 year | Fair value |
| Deferral hedge method | Currency swap | Foreign currency denomi- | ¥4,439,554 | ¥2,856,987 | ¥(180,171) |
| | Forward foreign exchange | nated loans and bills | 18,153 | — | (492) |
| | | discounted; other securities | | | |
| | | (bonds); deposits; foreign | | | |
| | | currency exchange, etc. | | | |
| Recognition of gain or loss on the hedging instrument | Currency swaps..... | Loans and bills discounted; | 31,665 | 28,208 | (2,342) |
| | Forward foreign exchange | foreign currency exchange | 277,155 | — | (2,671) |
| Allocation method | Currency swap | Other securities (bonds); | 10,897 | 9,087 | |
| | Forward foreign exchange | borrowed money | 3,179 | 3,179 | (Note 3) |
| | Total..... | | / | / | ¥(185,677) |

| | | | Millions of yen | | |
|---|--------------------------|--|-----------------|-------------|------------|
| | | | 2012 | | |
| | | | Contract amount | | |
| Hedge accounting method | Type of derivative | Principal items hedged | Total | Over 1 year | Fair value |
| 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 swap | 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 U.S. dollars | | |
|---|--------------------------|--|--------------------------|-------------|------------|
| | | | 2013 | | |
| | | | Contract amount | | |
| Hedge accounting method | Type of derivative | Principal items hedged | Total | Over 1 year | Fair value |
| Deferral hedge method | Currency swap | Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc. | \$47,224 | \$30,390 | \$(1,917) |
| | Forward foreign exchange | | 193 | — | (5) |
| Recognition of gain or loss on the hedging instrument | Currency swap | Loans and bills discounted; foreign currency exchange | 337 | 300 | (25) |
| | Forward foreign exchange | | 2,948 | — | (28) |
| Allocation method | Currency swap | Other securities (bonds); borrowed money | 116 | 97 | (Note 3) |
| | Forward foreign exchange | | 34 | 34 | |
| Total | | | / | / | \$(1,975) |

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 other securities 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 | | |
|---|--|---------------------------|-----------------|-------------|------------|
| | | | 2013 | | |
| | | | 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... | | 158,716 | 66,668 | (24,100) |
| Total | | | / | / | ¥(24,100) |

| | | | 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 U.S. dollars | | |
|---|--|---------------------------|--------------------------|-------------|------------|
| | | | 2013 | | |
| | | | 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... | | 1,688 | 709 | (256) |
| Total | | | / | / | \$(256) |

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, 2013 and 2012 are as follows:

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|------|--------------------------|
| | 2013 | 2012 | 2013 |
| Share-based compensation expenses | ¥584 | ¥431 | \$6 |

2. Amount of profit by non-exercise of stock options in the fiscal year

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|------|--------------------------|
| | 2013 | 2012 | 2013 |
| Other income | ¥10 | ¥— | \$0 |

3. Outline of stock options and changes is as follows:

(1) SMFG

(a) Outline of stock options

| Date of resolution | June 27, 2002 | July 28, 2010 |
|------------------------------------|---|---|
| Title and number of grantees | Directors and employees of SMFG and SMBC: 677 | Directors of SMFG: 8 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 69 |
| Number of stock options*1 | Common shares: 162,000*2 | Common shares: 102,600 |
| Grant date | August 30, 2002 | August 13, 2010 |
| 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. |
| Requisite service period | N.A. | June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2011. |
| Exercise period | June 28, 2004 to June 27, 2012 | August 13, 2010 to August 12, 2040 |
| Date of resolution | July 29, 2011 | July 30, 2012 |
| Title and number of grantees | Directors of SMFG: 9 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 71 | Directors of SMFG: 9 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 71 |
| Number of stock options*1 | Common shares: 268,200 | Common shares: 280,500 |
| Grant date | August 16, 2011 | August 15, 2012 |
| Condition for vesting | 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 | June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012. | June 28, 2012 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2013. |
| Exercise period | August 16, 2011 to August 15, 2041 | August 15, 2012 to August 14, 2042 |

*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 | July 30, 2012 |
|-------------------------------|---------------|---------------|---------------|---------------|
| Before vested | | | | |
| Previous fiscal year-end..... | — | 74,400 | 260,300 | — |
| Granted..... | — | — | — | 280,500 |
| Forfeited..... | — | — | 1,600 | 1,100 |
| Vested..... | — | 23,600 | 14,000 | 2,200 |
| Outstanding..... | — | 50,800 | 244,700 | 277,200 |
| After vested | | | | |
| Previous fiscal year-end..... | 108,100 | 25,800 | 5,900 | — |
| Vested..... | — | 23,600 | 14,000 | 2,200 |
| Exercised..... | — | 1,200 | 1,900 | — |
| Forfeited..... | 108,100 | — | — | — |
| Exercisable..... | — | 48,200 | 18,000 | 2,200 |

* Reported in terms of shares of stock.

Price information (Yen)

| Date of resolution | June 27, 2002 | July 28, 2010 | July 29, 2011 | July 30, 2012 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Exercise price..... | ¥6,649 | ¥ 1 | ¥ 1 | ¥ 1 |
| Average exercise price..... | — | 3,235 | 2,986 | — |
| Fair value at the grant date..... | — | 2,215 | 1,872 | 2,042 |

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

Stock options granted in the fiscal year ended March 31, 2013 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

| Date of resolution | July 30, 2012 |
|----------------------------------|----------------|
| Expected volatility *1 | 46.26% |
| Average expected life *2 | 4 years |
| Expected dividends *3 | ¥100 per share |
| Risk-free interest rate *4 | 0.14% |

*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 16, 2008 and August 15, 2012.

*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 officers of SMFG and SMBC.

*3 Expected dividends are based on the expected dividends on common stock for the fiscal year ended March 31, 2013 of the date of grant.

*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 27, 2002 | June 27, 2003 | June 29, 2004 | June 29, 2005 | June 29, 2006 |
|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Title and number of grantees | Directors and employees 44 | Directors and employees 65 | Directors and employees 174 | Directors and employees 183 | Directors 9 |
| Number of stock options* | Common shares 234,000 | Common shares 306,000 | Common shares 399,000 | Common shares 464,000 | Common shares 162,000 |
| Grant date | 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. |
| Requisite service period..... | N.A. | N.A. | N.A. | N.A. | N.A. |
| Exercise period | 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 |

* Reported in terms of shares of stock.

(b) Stock options granted and changes

Number of stock options*

| Date of resolution | 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 | 106,000 | 192,000 | 285,000 | 392,000 | 162,000 |
| Vested | — | — | — | — | — |
| Exercised | — | — | — | — | — |
| Forfeited | 106,000 | 26,000 | 40,000 | 58,000 | 32,000 |
| Exercisable | — | 166,000 | 245,000 | 334,000 | 130,000 |

| Date of resolution | June 29, 2006 | June 28, 2007 | June 28, 2007 | June 27, 2008 | June 26, 2009 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Before vested | | | | | |
| Previous fiscal year-end | — | — | — | — | — |
| Granted | — | — | — | — | — |
| Forfeited | — | — | — | — | — |
| Vested | — | — | — | — | — |
| Outstanding | — | — | — | — | — |
| After vested | | | | | |
| Previous fiscal year-end | 115,000 | 174,000 | 112,000 | 289,000 | 350,000 |
| Vested | — | — | — | — | — |
| Exercised | — | — | — | — | — |
| Forfeited | 29,000 | 16,000 | 7,000 | — | — |
| Exercisable | 86,000 | 158,000 | 105,000 | 289,000 | 350,000 |

* Reported in terms of shares of stock.

Price information (Yen)

| Date of resolution | June 27, 2002 | June 27, 2003 | June 29, 2004 | June 29, 2005 | June 29, 2006 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Exercise price | ¥131 | ¥179 | ¥202 | ¥313 | ¥490 |
| Average exercise price | — | — | — | — | — |
| 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.

(3) THE MINATO BANK, LTD. ("MINATO")

(a) Outline of stock options

| | |
|------------------------------------|---|
| Date of resolution | June 28, 2012 |
| Title and number of grantees | Directors: 7, Officers: 12 |
| Number of stock options* | Common shares: 368,000 |
| Grant date | July 20, 2012 |
| Condition for vesting | Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director or executive officer of MINATO. |
| Requisite service period | June 28, 2012 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2013. |
| Exercise period | July 21, 2012 to July 20, 2042 |

* Reported in terms of shares of stock.

(b) Stock options granted and changes

Number of stock options*

| | |
|--------------------------------|---------------|
| Date of resolution | June 28, 2012 |
| Before vested | |
| Previous fiscal year-end | — |
| Granted | 368,000 |
| Forfeited | 12,000 |
| Vested | 44,000 |
| Outstanding | 312,000 |
| After vested | |
| Previous fiscal year-end | — |
| Vested | 44,000 |
| Exercised | — |
| Forfeited | — |
| Exercisable | 44,000 |

* Reported in terms of shares of stock.

Price information (Yen)

| | |
|------------------------------------|---------------|
| Date of resolution | June 28, 2012 |
| Exercise price | ¥ 1 |
| Average exercise price | — |
| Fair value at the grant date | 132 |

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

Stock options granted in the fiscal year were valuated using the following valuation technique.

- Valuation technique: Black-Scholes option-pricing model
- Principal parameters used in the option-pricing model

| | |
|----------------------------------|---------------|
| Date of resolution | June 28, 2012 |
| Expected volatility *1 | 34.34% |
| Average expected life *2 | 2 years |
| Expected dividends *3 | ¥5 per share |
| Risk-free interest rate *4 | 0.10% |

*1 Calculated based on the actual stock prices during 2 years from July 21, 2010 to July 20, 2012.

*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 officers of MINATO.

*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.

33. Segment Information

Fiscal years ended March 31, 2013 and 2012

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 leasing, securities, consumer finance, and system development and information processing. The primary businesses, "Banking business," "Leasing," "Securities services," and "Consumer finance," are separate, reportable segments, and other businesses are aggregated as "Other business."

"Banking business" includes deposit taking, lending, securities trading and investment, remittance, foreign exchange, bond subscription agent, trust business, and over-the-counter sales of securities investment trusts and insurance products. 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.

SMFG's consolidated subsidiary, SMBC Consumer Finance Co., Ltd. (formerly Promise Co., Ltd.), became a wholly owned subsidiary following a share exchange that went into effect on April 1, 2012. As a result, certain reportable segment changed during the fiscal year ended March 31, 2013. Specifically, Consumer finance has been established as a new reportable segment, which includes the formerly Credit card services segment.

From the fiscal year ended March 31, 2013 onward, the column designating consolidated net business profit for major SMFG Group companies, excluding SMBC, has been moved from operating income to ordinary profit, and the column designating consolidated net business profit for Sumitomo Mitsui Finance and Leasing Co., Ltd. is listed under consolidated operating profit for Sumitomo Mitsui Finance and Leasing Co., Ltd.

Information on profit and loss amount by reportable segment for the fiscal year ended March 31, 2012 has been formulated based on the above changes.

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, 2013 | Millions of yen | | | | | | | | |
|--|----------------------------|------------------------|----------------------------|---------------|---------------------|-----------|------------|-----------|------------|
| | Banking business | | | | | | | | |
| | SMBC | | | | | | | Subtotal | Others |
| Consumer banking unit | Middle market banking unit | Corporate banking unit | International banking unit | Treasury unit | Head office account | | | | |
| Gross profit | ¥374,927 | ¥412,200 | ¥208,013 | ¥240,516 | ¥295,304 | ¥ 9,135 | ¥1,540,095 | ¥258,466 | ¥1,798,561 |
| Interest income | 307,746 | 236,170 | 128,212 | 141,958 | 125,485 | 31,631 | 971,202 | 155,956 | 1,127,159 |
| Non-interest income | 67,181 | 176,030 | 79,801 | 98,558 | 169,819 | (22,496) | 568,892 | 102,509 | 671,402 |
| Expenses | (284,389) | (216,726) | (39,616) | (72,920) | (20,997) | (93,088) | (727,736) | (149,207) | (876,944) |
| Depreciation | (26,893) | (22,625) | (5,603) | (8,928) | (3,972) | (11,219) | (79,240) | (10,462) | (89,702) |
| Other profit or loss | — | — | — | — | — | — | — | (30,334) | (30,334) |
| Consolidated net business profit | ¥ 90,538 | ¥195,474 | ¥168,397 | ¥167,596 | ¥274,307 | ¥(83,953) | ¥ 812,358 | ¥ 78,923 | ¥ 891,282 |

| Year ended March 31, 2013 | Millions of yen | | | | | | |
|--|--|---------|----------|----------------------------|----------------------------------|----------|-----------|
| | Leasing | | | Securities services | | | |
| | Sumitomo Mitsui Finance and Leasing Company, Limited | Others | Total | SMBC Nikko Securities Inc. | SMBC Friend Securities Co., Ltd. | Others | Total |
| Gross profit | ¥114,814 | ¥ 5,544 | ¥120,358 | ¥268,913 | ¥59,409 | ¥13,130 | ¥341,452 |
| Interest income | 40,825 | 5,372 | 46,198 | (720) | 432 | 232 | (55) |
| Non-interest income | 73,988 | 171 | 74,160 | 269,634 | 58,976 | 12,897 | 341,508 |
| Expenses | (51,722) | 908 | (50,813) | (194,920) | (41,415) | (10,933) | (247,269) |
| Depreciation | (4,003) | (561) | (4,565) | (2,826) | (1,861) | (1,249) | (5,937) |
| Other profit or loss | (4,086) | 3,857 | (228) | (557) | (3) | (1,470) | (2,030) |
| Consolidated net business profit | ¥ 59,006 | ¥10,310 | ¥ 69,316 | ¥ 73,435 | ¥17,990 | ¥ 726 | ¥ 92,152 |

Millions of yen

| Year ended March 31, 2013 | Consumer finance | | | | | | Other business | Grand total |
|--|---------------------------------------|------------------------------|---------------------------------|----------|-----------|-----------|----------------|-------------|
| | Sumitomo Mitsui Card Company, Limited | Cedyna Financial Corporation | SMBC Consumer Finance Co., Ltd. | Others | Total | | | |
| Gross profit | ¥183,050 | ¥153,542 | ¥165,777 | ¥24,132 | ¥526,503 | ¥15,525 | ¥2,802,402 | |
| Interest income | 15,477 | 29,422 | 117,628 | 1,486 | 164,014 | 61,584 | 1,398,901 | |
| Non-interest income | 167,573 | 124,120 | 48,148 | 22,645 | 362,488 | (46,058) | 1,403,501 | |
| Expenses | (132,594) | (118,184) | (66,198) | (14,252) | (331,229) | 61,799 | (1,444,457) | |
| Depreciation | (9,796) | (9,221) | (2,720) | (1,733) | (23,471) | (10,964) | (134,641) | |
| Other profit or loss | (5,657) | (21,704) | (47,715) | 1,996 | (73,081) | (86,095) | (191,770) | |
| Consolidated net business profit | ¥ 44,799 | ¥ 13,653 | ¥ 51,863 | ¥11,876 | ¥122,192 | ¥ (8,770) | ¥1,166,174 | |

Millions of yen

Banking business

| Year ended March 31, 2012 | SMBC | | | | | | | Others | Total |
|--|-----------------------|----------------------------|------------------------|----------------------------|---------------|---------------------|------------|-----------|------------|
| | Consumer banking unit | Middle market banking unit | Corporate banking unit | International banking unit | Treasury unit | Head office account | Subtotal | | |
| 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 |

Millions of yen

| Year ended March 31, 2012 | Leasing | | | Securities services | | | |
|--|--|--------|----------|----------------------------|----------------------------------|---------|-----------|
| | Sumitomo Mitsui Finance and Leasing Company, Limited | Others | Total | SMBC Nikko Securities Inc. | SMBC Friend Securities Co., Ltd. | Others | Total |
| Gross profit | ¥99,062 | ¥3,059 | ¥102,122 | ¥222,116 | ¥47,981 | ¥7,771 | ¥277,869 |
| Interest income | 58,813 | 3,477 | 62,290 | (1,674) | 503 | 423 | (747) |
| Non-interest income | 40,249 | (417) | 39,831 | 223,790 | 47,477 | 7,348 | 278,617 |
| Expenses | (43,208) | 611 | (42,597) | (180,076) | (39,083) | (5,356) | (224,516) |
| Depreciation | (3,486) | (410) | (3,896) | (3,044) | (1,862) | (655) | (5,561) |
| Other profit or loss | 7,011 | 1,289 | 8,300 | (1,736) | (7) | (797) | (2,541) |
| Consolidated net business profit | ¥62,865 | ¥4,960 | ¥ 67,825 | ¥ 40,303 | ¥ 8,890 | ¥1,617 | ¥ 50,811 |

Millions of yen

| Year ended March 31, 2012 | Consumer finance | | | | | Other business | Grand total |
|--|---------------------------------------|------------------------------|-----------|-----------|-----------|----------------|-------------|
| | Sumitomo Mitsui Card Company, Limited | Cedyna Financial Corporation | Others | Total | | | |
| Gross profit | ¥179,328 | ¥160,083 | ¥96,787 | ¥436,199 | ¥30,053 | ¥2,610,082 | |
| Interest income | 18,544 | 36,379 | 56,710 | 111,634 | 62,827 | 1,349,510 | |
| Non-interest income | 160,784 | 123,704 | 40,076 | 324,564 | (32,773) | 1,260,572 | |
| Expenses | (126,589) | (120,545) | (44,726) | (291,861) | 35,705 | (1,374,526) | |
| Depreciation | (8,839) | (9,888) | (4,325) | (23,053) | (11,032) | (129,403) | |
| Other profit or loss | (9,587) | (67,198) | (57,836) | (134,622) | (72,217) | (221,609) | |
| Consolidated net business profit | ¥ 43,151 | ¥ (27,660) | ¥ (5,774) | ¥ 9,715 | ¥ (6,457) | ¥1,013,946 | |

| Millions of U.S. dollars | | | | | | | | | |
|--|-----------------------|----------------------------|------------------------|----------------------------|---------------|---------------------|----------|---------|----------|
| Banking business | | | | | | | | | |
| SMBC | | | | | | | | | |
| Year ended March 31, 2013 | Consumer banking unit | Middle market banking unit | Corporate banking unit | International banking unit | Treasury unit | Head office account | Subtotal | Others | Total |
| Gross profit | \$3,988 | \$4,385 | \$2,213 | \$2,558 | \$3,141 | \$ 97 | \$16,382 | \$2,749 | \$19,132 |
| Interest income | 3,274 | 2,512 | 1,364 | 1,510 | 1,335 | 336 | 10,331 | 1,659 | 11,990 |
| Non-interest income | 715 | 1,872 | 849 | 1,048 | 1,806 | (239) | 6,051 | 1,090 | 7,142 |
| Expenses | (3,025) | (2,305) | (421) | (776) | (223) | (990) | (7,741) | (1,587) | (9,328) |
| Depreciation | (286) | (241) | (60) | (95) | (42) | (119) | (843) | (111) | (954) |
| Other profit or loss | — | — | — | — | — | — | — | (323) | (323) |
| Consolidated net business profit | \$ 963 | \$2,079 | \$1,791 | \$1,783 | \$2,918 | \$(893) | \$ 8,641 | \$ 840 | \$ 9,481 |

| Millions of U.S. dollars | | | | | | | |
|--|--|--------|---------|----------------------------|----------------------------------|--------|---------|
| Year ended March 31, 2013 | Leasing | | | Securities services | | | |
| | Sumitomo Mitsui Finance and Leasing Company, Limited | Others | Total | SMBC Nikko Securities Inc. | SMBC Friend Securities Co., Ltd. | Others | Total |
| Gross profit | \$1,221 | \$ 59 | \$1,280 | \$2,860 | \$632 | \$140 | \$3,632 |
| Interest income | 434 | 57 | 491 | (8) | 5 | 2 | (1) |
| Non-interest income | 787 | 2 | 789 | 2,868 | 627 | 137 | 3,633 |
| Expenses | (550) | 10 | (541) | (2,073) | (441) | (116) | (2,630) |
| Depreciation | (43) | (6) | (49) | (30) | (20) | (13) | (63) |
| Other profit or loss | (43) | 41 | (2) | (6) | (0) | (16) | (22) |
| Consolidated net business profit | \$ 628 | \$110 | \$ 737 | \$ 781 | \$191 | \$ 8 | \$ 980 |

| Millions of U.S. dollars | | | | | | | |
|--|---------------------------------------|------------------------------|---------------------------------|--------|---------|----------------|-------------|
| Year ended March 31, 2013 | Consumer finance | | | | | | |
| | Sumitomo Mitsui Card Company, Limited | Cedyna Financial Corporation | SMBC Consumer Finance Co., Ltd. | Others | Total | Other business | Grand total |
| Gross profit | \$1,947 | \$1,633 | \$1,763 | \$257 | \$5,600 | \$165 | \$29,810 |
| Interest income | 165 | 313 | 1,251 | 16 | 1,745 | 655 | 14,880 |
| Non-interest income | 1,783 | 1,320 | 512 | 241 | 3,856 | (490) | 14,929 |
| Expenses | (1,410) | (1,257) | (704) | (152) | (3,523) | 657 | (15,365) |
| Depreciation | (104) | (98) | (29) | (18) | (250) | (117) | (1,432) |
| Other profit or loss | (60) | (231) | (508) | 21 | (777) | (916) | (2,040) |
| Consolidated net business profit | \$ 477 | \$ 145 | \$ 552 | \$126 | \$1,300 | \$ (93) | \$12,405 |

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. For the fiscal year ended March 31, 2013, Consolidated net business profit = Consolidated operating profit of each company for Sumitomo Mitsui Finance and Leasing Company, Limited and SMBC Consumer Finance Co., Ltd., and Consolidated net business profit = Operating profit of each company for SMBC Nikko Securities Inc., SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Card Company, Limited, and Cedyna Financial Corporation.

For the fiscal year ended March 31, 2012, Consolidated net business profit = Consolidated operating profit of Sumitomo Mitsui Finance and Leasing Company, Limited and Consolidated net business profit = Operating profit of each company for SMBC Nikko Securities Inc., SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Card Company, Limited, and Cedyna Financial Corporation.

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 |
|--|-----------------|--------------------------|
| | 2013 | 2013 |
| Profit | | |
| Consolidated net business profit | ¥1,166,174 | \$12,405 |
| Total credit cost of SMBC | (19,523) | (208) |
| Losses on stocks of SMBC | (35,662) | (379) |
| Amortization of unrecognized retirement benefit obligation of SMBC | (23,303) | (248) |
| Ordinary profit of consolidated subsidiaries other than reportable segment | 89,523 | 952 |
| Amortization of goodwill other than reportable segment | (17,964) | (191) |
| Adjustment of profit or loss of equity method affiliates | (3,952) | (42) |
| Others | (81,545) | (867) |
| Ordinary profit on consolidated statements of income | ¥1,073,745 | \$11,422 |

Notes: 1. Total credit cost = Write-off of loans + Losses on sales of delinquent loans – Gains on reversal of reserve for possible loan losses – 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 |
|--|-----------------|
| | 2012 |
| Profit | |
| Consolidated net business profit | ¥1,013,946 |
| Total credit costs of SMBC | (58,647) |
| Losses on stocks of SMBC | (15,153) |
| Amortization of unrecognized retirement benefit obligation of SMBC | (31,632) |
| Ordinary profit of consolidated subsidiaries other than reportable segment | 81,398 |
| Amortization of goodwill other than reportable segment | (14,996) |
| Adjustment of profit or loss of equity method affiliates | (5,553) |
| Others | (33,790) |
| Ordinary profit on consolidated statements of income | ¥ 935,571 |

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

5. Related information

(1) Business segment information

| Year ended March 31, 2013 | Millions of yen | Millions of U.S. dollars |
|---------------------------------------|-----------------|--------------------------|
| Ordinary income to external customers | | |
| Banking business | ¥2,349,835 | \$24,996 |
| Leasing | 506,267 | 5,385 |
| Securities services | 396,531 | 4,218 |
| Consumer finance | 1,021,137 | 10,862 |
| Other business | 52,654 | 560 |
| Total | ¥4,326,424 | \$46,021 |
| Year ended March 31, 2012 | | |
| Ordinary income to external customers | | |
| Banking business | ¥2,245,549 | |
| Leasing | 380,053 | |
| Securities services | 285,252 | |
| Consumer finance | 957,514 | |
| Other business | 76,912 | |
| Total | ¥3,945,282 | |

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, 2013 | Millions of yen | Millions of U.S. dollars |
|-----------------------------|-----------------|--------------------------|
| Japan | ¥3,555,350 | \$37,819 |
| The Americas | 198,817 | 2,115 |
| Europe and Middle East..... | 284,686 | 3,028 |
| Asia and Oceania | 287,570 | 3,059 |
| Total..... | ¥4,326,424 | \$46,021 |
| | | |
| Year ended March 31, 2012 | Millions of yen | |
| Japan | ¥3,400,848 | |
| The Americas | 169,271 | |
| Europe and Middle East..... | 138,987 | |
| Asia and Oceania | 236,175 | |
| Total..... | ¥3,945,282 | |

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, 2013 | Millions of yen | Millions of U.S. dollars |
|-----------------------------|-----------------|--------------------------|
| Japan | ¥1,186,126 | \$12,617 |
| The Americas | 17,913 | 191 |
| Europe and Middle East..... | 763,870 | 8,125 |
| Asia and Oceania | 15,861 | 169 |
| Total..... | ¥1,983,772 | \$21,102 |
| | | |
| Year ended March 31, 2012 | Millions of yen | |
| Japan | ¥1,100,866 | |
| The Americas | 14,333 | |
| Europe and Middle East..... | 57,842 | |
| Asia and Oceania | 7,479 | |
| Total..... | ¥1,180,522 | |

(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, 2013 | Millions of yen | Millions of U.S. dollars |
|---------------------------|-----------------|--------------------------|
| Banking business..... | ¥3,591 | \$38 |
| Leasing | — | — |
| Securities services | 537 | 6 |
| Consumer finance | 107 | 1 |
| Other business..... | 78 | 1 |
| Total..... | ¥4,314 | \$46 |
| | | |
| Year ended March 31, 2012 | Millions of yen | |
| Banking business..... | ¥3,264 | |
| Leasing | — | |
| Securities services | 383 | |
| Consumer finance | 202 | |
| Other business..... | 11 | |
| Total..... | ¥3,861 | |

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

| Year ended March 31, 2013 | Millions of yen | | Millions of U.S. dollars | |
|---------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | Amortization of goodwill | Unamortized balance | Amortization of goodwill | Unamortized balance |
| Banking business..... | ¥ 554 | ¥ 9,351 | \$ 6 | \$ 99 |
| Leasing..... | 6,388 | 86,036 | 68 | 915 |
| Securities services..... | 14,112 | 216,238 | 150 | 2,300 |
| Consumer finance..... | 4,274 | 73,999 | 45 | 787 |
| Other business..... | — | — | — | — |
| Total..... | ¥25,329 | ¥385,625 | \$269 | \$4,102 |

| Year ended March 31, 2012 | Millions of yen | |
|---------------------------|--------------------------|---------------------|
| | Amortization of goodwill | Unamortized balance |
| Banking business..... | ¥ 545 | ¥ 9,904 |
| Leasing..... | 5,307 | 83,173 |
| Securities services..... | 14,108 | 230,347 |
| Consumer finance..... | 1,718 | 74,111 |
| Other business..... | — | — |
| Total..... | ¥21,681 | ¥397,537 |

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, 2013 and 2012.

9. Information on total credit cost by reportable segment

| Year ended March 31, 2013 | Millions of yen | Millions of U.S. dollars |
|---------------------------|-----------------|--------------------------|
| Banking business..... | ¥ 63,693 | \$ 678 |
| Leasing..... | 5,289 | 56 |
| Securities services..... | 315 | 3 |
| Consumer finance..... | 69,342 | 738 |
| Other business..... | 34,473 | 367 |
| Total..... | ¥173,115 | \$1,841 |

| Year ended March 31, 2012 | Millions of yen |
|---------------------------|-----------------|
| Banking business..... | ¥ 83,903 |
| Leasing..... | (3,977) |
| Securities services..... | 1,213 |
| Consumer finance..... | 46,199 |
| Other business..... | (6,083) |
| Total..... | ¥121,255 |

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, 2013

<Business combination through acquisition>

Joint acquisition of the aircraft leasing business from The Royal Bank of Scotland Group plc

SMBC and Sumitomo Mitsui Finance and Leasing Company, Limited ("SMFL"), both are consolidated subsidiaries of SMFG, and Sumitomo Corporation ("SC"), through the consortium composed of these three companies, completed the joint acquisition of the aircraft leasing business under The Royal Bank of Scotland Group plc ("RBS"), a major financial institution in the UK, on June 1, 2012, pursuant to the agreement with RBS on January 16, 2012. The outline of the business combination through acquisition is as follows:

1. Outline of the business combination

- (1) Name of the acquired companies and their business
 - (a) Name of the acquired company: RBS Aerospace Limited
(Renamed as SMBC Aviation Capital Limited in June 2012)
Content of its business: Leasing
 - (b) Name of the acquired company: RBS Aerospace (UK) Limited
(Renamed as SMBC Aviation Capital (UK) Limited in June 2012)
Content of its business: Leasing
 - (c) Name of the acquired company: RBS Australia Leasing Pty Limited
(Renamed as SMBC Aviation Capital Australia Leasing Pty Limited in June 2012)
Content of its business: Leasing
- (2) Main reasons for the business combination
The aircraft leasing industry expects the demand for commercial aircraft to continue to grow steadily, underpinned by the increasing number of passengers associated with the growth of emerging markets, especially in Asia, and the rapid growth of low cost carriers (LCC). In this perspective, the consortium jointly acquired RBS's aircraft leasing business, one of the market leaders and the fourth largest player in the world in terms of asset size, aiming to further expand the existing aircraft leasing business jointly developed by SMFL and SC.
- (3) Date of business combination
June 1, 2012
- (4) Legal form of the business combination
Acquisition of shares
- (5) Name of the controlling entity after the business combination
Sumitomo Mitsui Financial Group, Inc.
- (6) Percentage share of voting rights SMFG has acquired
 - (a) RBS Aerospace Limited 90%
 - (b) RBS Aerospace (UK) Limited 90%
 - (c) RBS Australia Leasing Pty Limited 100%*

* Acquisition through a consolidated subsidiary (percentage share of voting rights: 90%) newly established by the consortium composed of the three companies

- (7) Main reason SMFG became the controlling entity
SMFG acquired a majority of voting rights of the companies above (1) and consolidated it as subsidiaries.

2. Period of the acquired companies' financial results included in the consolidated financial statements of SMFG

From June 1, 2012 to March 31, 2013

3. Acquisition cost of the acquired companies

Total acquisition cost of the companies above 1. (1) is as follows:

| | Millions of yen | Millions of U.S. dollars |
|--|-----------------|--------------------------|
| Consideration for acquisition | ¥93,325 | \$ 993 |
| Expenses directly required for acquisition | 1,419 | 15 |
| Acquisition cost of the acquired companies | ¥94,745 | \$1,008 |

4. Amount of goodwill, reason for recognizing goodwill, amortization method and the period

- (1) Amount of goodwill
¥7,484 million (\$80 million)
- (2) Reason for recognizing goodwill
SMFG accounted for the difference between the acquisition cost and the amount of SMFG's interests in the company above 1. (1) as goodwill.
- (3) Amortization method and the period
Straight-line method over 10 years

5. Amounts of assets and liabilities acquired on the day of the business combination

| | Millions of yen | Millions of U.S. dollars |
|-----------------------------|-----------------|--------------------------|
| (1) Assets | | |
| Total assets | ¥668,091 | \$7,107 |
| Tangible fixed assets | 568,479 | 6,047 |
| (2) Liabilities | | |
| Total liabilities | ¥571,377 | \$6,078 |
| Borrowed money | 478,581 | 5,091 |

6. Approximate amounts and their calculation method of impact on the consolidated statements of income for the fiscal year ended March 31, 2013, assuming that the business combination had been completed at the beginning of the fiscal year

- (1) Estimates of the differences between the ordinary income and other income data, assuming that the business combination had been completed at the beginning 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 | ¥11,365 | \$121 |
| Ordinary profit | 3,220 | 34 |
| Net income | 1,326 | 14 |

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 beginning of the fiscal year based on the amounts stated in the company above 1. (1) and its consolidated subsidiaries' statements of income for the period from April 1, 2012 to May 31, 2012, 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 at the beginning of the fiscal year.

The information mentioned in (1) above has not been audited by KPMG AZSA LLC.

<Transactions under common control>

Making SMBC Consumer Finance Co., Ltd. a wholly-owned subsidiary

SMFG made SMBC Consumer Finance Co., Ltd. (formerly 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 control 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. 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 subsidiary

| | Millions of yen | Millions of U.S. dollars |
|--|-----------------|--------------------------|
| Fair value of common stock of Promise additionally acquired.. | ¥7,733 | \$82 |
| Expenses directly required for acquisition..... | 60 | 1 |
| Acquisition cost of the additionally acquired stocks of subsidiary | ¥7,794 | \$83 |

4. 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

Note: 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 stock, undertaken by SMBC prior to the Share Exchange as a benchmark 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 shares of common stock of SMFG

5. Amount of goodwill, reason for recognizing goodwill, amortization method and the period

(1) Amount of goodwill

¥3,916 million (\$42 million)

(2) Reason for recognizing goodwill

SMFG accounted for the difference between the acquisition cost and the amount of SMFG's interests in Promise as goodwill.

(3) Amortization method and the period

Straight-line method over 20 years

35. Per Share Data

| March 31 | Yen | | U.S. dollars |
|----------------------------|-----------|-----------|--------------|
| | 2013 | 2012 | 2013 |
| Net assets per share | ¥4,686.69 | ¥3,856.37 | \$49.85 |

| Year ended March 31 | Yen | | U.S. dollars |
|--------------------------------------|---------|---------|--------------|
| | 2013 | 2012 | 2013 |
| Net income per share | ¥586.49 | ¥374.26 | \$6.24 |
| Net income per share (diluted) | 585.94 | 373.99 | 6.23 |

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 |
|---|--|-----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Net income per share: | | | |
| Net income | ¥794,059 | ¥518,536 | \$8,447 |
| Amount not attributable to common stockholders | — | — | — |
| Net income attributable to common stock | ¥794,059 | ¥518,536 | \$8,447 |
| Average number of common stock during the year (in thousands) | 1,353,925 | 1,385,505 | / |
| Net income per share (diluted): | | | |
| Adjustment for net income | ¥ (437) | ¥ (278) | \$ (5) |
| Adjustment for dilutive shares issued by subsidiaries | (437) | (278) | (5) |
| Increase in number of common stock (in thousands) | 519 | 243 | / |
| Stock acquisition rights | 519 | 243 | / |

Outline of dilutive shares which were not included in the calculation of "Net income per share (diluted)" for the fiscal years ended March 31, 2013 and 2012 because they do not have dilutive effect:

Stock acquisition rights: 1 type

(Number of stock acquisition rights issued by resolution at the general shareholders' meeting on June 27, 2002: 1,081 units)

2. Net assets per share is calculated based on the following:

| March 31 | Millions of yen, except number of shares | | Millions of U.S. dollars |
|---|--|------------|--------------------------|
| | 2013 | 2012 | 2013 |
| Net assets | ¥8,443,218 | ¥7,254,976 | \$89,812 |
| Amounts excluded from Net assets | 2,098,020 | 2,044,575 | 22,317 |
| Stock acquisition rights | 1,260 | 692 | 13 |
| Minority interests | 2,096,760 | 2,043,883 | 22,304 |
| Net assets attributable to common stock at the fiscal year-end | ¥6,345,197 | ¥5,210,400 | \$67,495 |
| Number of common stock at the fiscal year-end used for the calculation of | | | |
| Net assets per share (in thousands) | 1,353,876 | 1,351,116 | / |

36. Subsequent Events

Not applicable.

37. Parent Company

(1) Nonconsolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc.

| March 31 | Millions of yen | | Millions of |
|--|-------------------|-------------------|-----------------------|
| | 2013 | 2012 | U.S. dollars (Note 1) |
| | | | 2013 |
| Assets | | | |
| Current assets | ¥ 111,290 | ¥ 101,852 | \$ 1,184 |
| Cash and due from banks | 76,692 | 67,323 | 816 |
| Prepaid expenses | 29 | 29 | 0 |
| Accrued income | 15 | 17 | 0 |
| Accrued income tax refunds | 33,100 | 33,266 | 352 |
| Other current assets | 1,452 | 1,216 | 15 |
| Fixed assets | 6,155,573 | 6,051,608 | 65,478 |
| Tangible fixed assets | 2 | 0 | 0 |
| Buildings | 0 | 0 | 0 |
| Equipment | 2 | 0 | 0 |
| Intangible fixed assets | 83 | 16 | 1 |
| Software | 83 | 16 | 1 |
| Investments and other assets | 6,155,487 | 6,051,591 | 65,477 |
| Investments in subsidiaries and affiliates | 6,155,487 | 6,051,591 | 65,477 |
| Total assets | ¥6,266,864 | ¥6,153,461 | \$66,662 |
| Liabilities and net assets | | | |
| Liabilities | | | |
| Current liabilities | ¥1,232,959 | ¥1,232,931 | \$13,115 |
| Short-term borrowings | 1,228,030 | 1,228,030 | 13,063 |
| Accounts payable | 939 | 990 | 10 |
| Accrued expenses | 3,102 | 3,082 | 33 |
| Income taxes payable | 15 | 16 | 0 |
| Business office taxes payable | 7 | 6 | 0 |
| Reserve for employees bonuses | 133 | 127 | 1 |
| Reserve for executive bonuses | 97 | 83 | 1 |
| Other current liabilities | 634 | 594 | 7 |
| Fixed liabilities | 392,900 | 392,900 | 4,179 |
| Bonds | 392,900 | 392,900 | 4,179 |
| Total liabilities | 1,625,859 | 1,625,831 | 17,295 |
| Net assets | | | |
| Stockholders' equity | | | |
| Capital stock | 2,337,895 | 2,337,895 | 24,869 |
| Capital surplus | 1,583,717 | 1,622,966 | 16,846 |
| Capital reserve | 1,559,374 | 1,559,374 | 16,587 |
| Other capital surplus | 24,343 | 63,592 | 259 |
| Retained earnings | 730,333 | 721,096 | 7,769 |
| Other retained earnings | | | |
| Voluntary reserve | 30,420 | 30,420 | 324 |
| Retained earnings brought forward | 699,913 | 690,676 | 7,445 |
| Treasury stock | (12,082) | (154,926) | (129) |
| Total stockholders' equity | 4,639,865 | 4,527,031 | 49,355 |
| Stock acquisition rights | 1,140 | 598 | 12 |
| Total net assets | 4,641,005 | 4,527,629 | 49,367 |
| Total liabilities and net assets | ¥6,266,864 | ¥6,153,461 | \$66,662 |

(2) Nonconsolidated Statements of Income
Sumitomo Mitsui Financial Group, Inc.

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars (Note 1) |
|--|-----------------|----------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Operating income | ¥179,560 | ¥181,372 | \$1,910 |
| Dividends on investments in subsidiaries and affiliates..... | 165,441 | 166,272 | 1,760 |
| Fees and commissions received from subsidiaries..... | 14,119 | 15,100 | 150 |
| Operating expenses | 24,341 | 24,902 | 259 |
| General and administrative expenses..... | 7,873 | 8,434 | 84 |
| Interest on bonds..... | 16,468 | 16,468 | 175 |
| Operating profit | 155,219 | 156,470 | 1,651 |
| Nonoperating income | 144 | 109 | 2 |
| Interest income on deposits..... | 83 | 88 | 1 |
| Fees and commissions income..... | 3 | 0 | 0 |
| Other nonoperating income..... | 57 | 19 | 1 |
| Nonoperating expenses | 7,378 | 6,657 | 78 |
| Interest on borrowings..... | 7,362 | 6,485 | 78 |
| Fees and commissions payments..... | 15 | 163 | 0 |
| Other nonoperating expenses..... | 0 | 8 | 0 |
| Ordinary profit | 147,985 | 149,922 | 1,574 |
| Income before income taxes | 147,985 | 149,922 | 1,574 |
| Income taxes: | | | |
| Current..... | 3 | 3 | 0 |
| Net income | ¥147,981 | ¥149,919 | \$1,574 |

| Per share data: | Yen | | U.S. dollars (Note 1) |
|---------------------------|----------------|---------|-----------------------|
| | 2013 | 2012 | 2013 |
| Net income..... | ¥104.93 | ¥107.06 | \$1.12 |
| Net income — diluted..... | 104.89 | 107.04 | 1.12 |

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

| Year ended March 31 | Millions of yen | | Millions of |
|---|-----------------|------------|-----------------------|
| | 2013 | 2012 | U.S. dollars (Note 1) |
| | | | 2013 |
| Stockholders' equity | | | |
| Capital stock | | | |
| Balance at the beginning of the fiscal year | ¥2,337,895 | ¥2,337,895 | \$24,869 |
| 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 | \$24,869 |
| Capital surplus | | | |
| Capital reserve | | | |
| Balance at the beginning of the fiscal year..... | 1,559,374 | 1,559,374 | 16,587 |
| 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 | \$16,587 |
| Other capital surplus | | | |
| Balance at the beginning of the fiscal year..... | 63,592 | 273,652 | 676 |
| Changes in the fiscal year: | | | |
| Disposal of treasury stock | (39,249) | (57) | (417) |
| Cancellation of treasury stock | — | (210,003) | — |
| Net changes in the fiscal year..... | (39,249) | (210,060) | (417) |
| Balance at the end of the fiscal year | ¥ 24,343 | ¥ 63,592 | \$ 259 |
| Total capital surplus | | | |
| Balance at the beginning of the fiscal year..... | 1,622,966 | 1,833,027 | 17,264 |
| Changes in the fiscal year: | | | |
| Disposal of treasury stock | (39,249) | (57) | (417) |
| Cancellation of treasury stock | — | (210,003) | — |
| Net changes in the fiscal year..... | (39,249) | (210,060) | (417) |
| Balance at the end of the fiscal year | ¥1,583,717 | ¥1,622,966 | \$16,846 |
| Retained earnings | | | |
| Other retained earnings | | | |
| Voluntary reserve | | | |
| Balance at the beginning of the fiscal year..... | 30,420 | 30,420 | 324 |
| Changes in the fiscal year: | | | |
| Net changes in the fiscal year..... | — | — | — |
| Balance at the end of the fiscal year..... | ¥ 30,420 | ¥ 30,420 | \$ 324 |
| Retained earnings brought forward | | | |
| Balance at the beginning of the fiscal year..... | 690,676 | 684,883 | 7,347 |
| Changes in the fiscal year: | | | |
| Cash dividends | (138,743) | (144,126) | (1,476) |
| Net income..... | 147,981 | 149,919 | 1,574 |
| Net changes in the fiscal year..... | 9,237 | 5,792 | 98 |
| Balance at the end of the fiscal year..... | ¥ 699,913 | ¥ 690,676 | \$ 7,445 |
| Total retained earnings | | | |
| Balance at the beginning of the fiscal year..... | 721,096 | 715,303 | 7,670 |
| Changes in the fiscal year: | | | |
| Cash dividends | (138,743) | (144,126) | (1,476) |
| Net income..... | 147,981 | 149,919 | 1,574 |
| Net changes in the fiscal year..... | 9,237 | 5,792 | 98 |
| Balance at the end of the fiscal year | ¥ 730,333 | ¥ 721,096 | \$ 7,769 |

(Continued)

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars (Note 1) |
|--|-----------------|-------------|--------------------------------------|
| | 2013 | 2012 | 2013 |
| Stockholders' equity | | | |
| Treasury stock | | | |
| Balance at the beginning of the fiscal year | ¥ (154,926) | ¥ (43,482) | \$ (1,648) |
| Changes in the fiscal year: | | | |
| Purchase of treasury stock | (263) | (321,521) | (3) |
| Disposal of treasury stock | 143,107 | 74 | 1,522 |
| Cancellation of treasury stock | — | 210,003 | — |
| Net changes in the fiscal year | 142,844 | (111,444) | 1,519 |
| Balance at the end of the fiscal year | ¥ (12,082) | ¥ (154,926) | \$ (129) |
| Total stockholders' equity | | | |
| Balance at the beginning of the fiscal year | 4,527,031 | 4,842,743 | 48,155 |
| Changes in the fiscal year: | | | |
| Cash dividends | (138,743) | (144,126) | (1,476) |
| Net income | 147,981 | 149,919 | 1,574 |
| Purchase of treasury stock | (263) | (321,521) | (3) |
| Disposal of treasury stock | 103,858 | 17 | 1,105 |
| Cancellation of treasury stock | — | — | — |
| Net changes in the fiscal year | 112,833 | (315,711) | 1,200 |
| Balance at the end of the fiscal year | ¥4,639,865 | ¥4,527,031 | \$49,355 |
| Stock acquisition rights | | | |
| Balance at the beginning of the fiscal year | 598 | 170 | 6 |
| Changes in the fiscal year: | | | |
| Net changes in items other than stockholders' equity in the fiscal year | 542 | 427 | 6 |
| Net changes in the fiscal year | 542 | 427 | 6 |
| Balance at the end of the fiscal year | ¥ 1,140 | ¥ 598 | \$ 12 |
| Total net assets | | | |
| Balance at the beginning of the fiscal year | 4,527,629 | 4,842,914 | 48,161 |
| Changes in the fiscal year: | | | |
| Cash dividends | (138,743) | (144,126) | (1,476) |
| Net income | 147,981 | 149,919 | 1,574 |
| Purchase of treasury stock | (263) | (321,521) | (3) |
| Disposal of treasury stock | 103,858 | 17 | 1,105 |
| Cancellation of treasury stock | — | — | — |
| Net changes in items other than stockholders' equity in the fiscal year | 542 | 427 | 6 |
| Net changes in the fiscal year | 113,375 | (315,284) | 1,206 |
| Balance at the end of the fiscal year | ¥4,641,005 | ¥4,527,629 | \$49,367 |

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, 2013 and 2012, 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, 2013 and 2012, 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, 2013 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 27, 2013
Tokyo, Japan

Supplemental Information

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

| March 31 | Millions of yen | | Millions of U.S. dollars |
|---|---------------------|---------------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Assets | | | |
| Cash and due from banks | ¥ 5,133,711 | ¥ 4,526,372 | \$ 54,608 |
| Deposits with banks | 5,522,090 | 3,073,702 | 58,739 |
| Call loans and bills bought | 1,353,746 | 1,291,818 | 14,400 |
| Receivables under resale agreements | 273,217 | 227,749 | 2,906 |
| Receivables under securities borrowing transactions | 3,454,499 | 4,493,570 | 36,746 |
| Monetary claims bought | 1,426,281 | 1,271,745 | 15,172 |
| Trading assets | 7,619,413 | 8,101,100 | 81,049 |
| Money held in trust | 14,883 | 17,763 | 158 |
| Securities | 41,294,005 | 42,379,194 | 439,251 |
| Loans and bills discounted | 66,665,737 | 63,584,767 | 709,135 |
| Foreign exchanges | 2,226,427 | 1,280,636 | 23,683 |
| Lease receivables and investment assets | 164,189 | 143,978 | 1,747 |
| Other assets | 2,195,969 | 2,609,882 | 23,359 |
| Tangible fixed assets | 843,653 | 849,074 | 8,974 |
| Intangible fixed assets | 409,001 | 514,332 | 4,351 |
| Deferred tax assets | 295,860 | 340,592 | 3,147 |
| Customers' liabilities for acceptances and guarantees | 5,117,140 | 4,412,973 | 54,432 |
| Reserve for possible loan losses | (806,702) | (867,653) | (8,581) |
| Total assets | ¥143,203,127 | ¥138,251,602 | \$1,523,275 |

(Continued)

| March 31 | Millions of yen | | Millions of U.S. dollars |
|---|---------------------|---------------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Liabilities and net assets | | | |
| Liabilities | | | |
| Deposits | ¥101,315,909 | ¥ 93,113,430 | \$1,077,714 |
| Call money and bills sold | 2,956,172 | 2,144,599 | 31,445 |
| Payables under repurchase agreements..... | 2,076,791 | 1,676,902 | 22,091 |
| Payables under securities lending transactions..... | 4,399,084 | 5,809,603 | 46,794 |
| Commercial paper..... | 1,499,499 | 1,193,249 | 15,950 |
| Trading liabilities..... | 6,084,053 | 6,208,087 | 64,717 |
| Borrowed money..... | 2,910,334 | 6,835,091 | 30,958 |
| Foreign exchanges..... | 337,901 | 302,580 | 3,594 |
| Short-term bonds..... | 277,500 | 244,988 | 2,952 |
| Bonds..... | 4,585,859 | 4,540,708 | 48,781 |
| Due to trust account | 643,350 | 443,723 | 6,843 |
| Other liabilities..... | 2,604,970 | 3,539,191 | 27,709 |
| Reserve for employee bonuses..... | 45,241 | 38,118 | 481 |
| Reserve for executive bonuses..... | 3,378 | 2,419 | 36 |
| Reserve for employee retirement benefits..... | 15,776 | 23,766 | 168 |
| Reserve for executive retirement benefits..... | 1,267 | 1,465 | 13 |
| Reserve for point service program | 2,632 | 3,230 | 28 |
| Reserve for reimbursement of deposits | 11,195 | 10,980 | 119 |
| Reserve for losses on interest repayment..... | 1,017 | 336,956 | 11 |
| Reserve under the special laws..... | 159 | 98 | 2 |
| Deferred tax liabilities | 17,116 | 52,811 | 182 |
| Deferred tax liabilities for land revaluation | 39,683 | 39,915 | 422 |
| Acceptances and guarantees..... | 5,117,140 | 4,412,973 | 54,432 |
| Total liabilities | 134,946,036 | 130,974,895 | 1,435,443 |
| Net assets | | | |
| Capital stock | 1,770,996 | 1,770,996 | 18,838 |
| Capital surplus | 2,717,397 | 2,717,397 | 28,905 |
| Retained earnings | 1,869,906 | 1,299,484 | 19,891 |
| Treasury stock | (210,003) | (210,003) | (2,234) |
| Total stockholders' equity | 6,148,297 | 5,577,875 | 65,400 |
| Net unrealized gains on other securities | 754,804 | 286,413 | 8,029 |
| Net deferred losses on hedges | (30,781) | (30,674) | (327) |
| Land revaluation excess..... | 39,055 | 39,078 | 415 |
| Foreign currency translation adjustments..... | (108,123) | (139,425) | (1,150) |
| Total accumulated other comprehensive income | 654,954 | 155,391 | 6,967 |
| Stock acquisition rights..... | 120 | 94 | 1 |
| Minority interests..... | 1,453,718 | 1,543,345 | 15,463 |
| Total net assets | 8,257,091 | 7,276,706 | 87,832 |
| Total liabilities and net assets | ¥143,203,127 | ¥138,251,602 | \$1,523,275 |

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 ¥94.01 to US\$1, the exchange rate prevailing at March 31, 2013.

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 |
|---|------------------|------------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Income | | | |
| Interest income..... | ¥1,487,807 | ¥1,503,442 | \$15,826 |
| Interest on loans and discounts | 1,134,497 | 1,168,180 | 12,068 |
| Interest and dividends on securities..... | 252,439 | 238,443 | 2,685 |
| Interest on receivables under resale agreements..... | 6,240 | 5,890 | 66 |
| Interest on receivables under securities borrowing transactions | 6,527 | 6,788 | 69 |
| Interest on deposits with banks | 32,978 | 29,512 | 351 |
| Interest on lease transactions..... | 5,429 | 4,905 | 58 |
| Other interest income | 49,694 | 49,720 | 529 |
| Trust fees | 1,823 | 1,736 | 19 |
| Fees and commissions..... | 719,640 | 689,790 | 7,655 |
| Trading income..... | 175,868 | 178,791 | 1,871 |
| Other operating income | 362,186 | 274,440 | 3,853 |
| Other income | 63,575 | 67,498 | 676 |
| Total income | 2,810,902 | 2,715,700 | 29,900 |
| Expenses | | | |
| Interest expenses | 281,199 | 264,340 | 2,991 |
| Interest on deposits..... | 138,158 | 134,661 | 1,470 |
| Interest on borrowings and rediscounts..... | 29,665 | 30,356 | 316 |
| Interest on payables under repurchase agreements | 6,300 | 3,694 | 67 |
| Interest on payables under securities lending transactions | 6,252 | 6,828 | 67 |
| Interest on bonds and short-term bonds | 83,778 | 75,962 | 891 |
| Other interest expenses | 17,043 | 12,837 | 181 |
| Fees and commissions payments..... | 145,763 | 138,337 | 1,551 |
| Trading losses | 40,124 | — | 427 |
| Other operating expenses..... | 94,549 | 64,269 | 1,006 |
| General and administrative expenses | 1,133,426 | 1,142,170 | 12,056 |
| Provision for reserve for possible loan losses..... | 9,234 | 13,411 | 98 |
| Other expenses | 184,772 | 215,861 | 1,965 |
| Total expenses..... | 1,889,068 | 1,838,390 | 20,094 |
| Income before income taxes and minority interests | 921,833 | 877,310 | 9,806 |
| Income taxes: | | | |
| Current..... | 228,602 | 63,156 | 2,432 |
| Deferred..... | (122,120) | 190,576 | (1,299) |
| Income before minority interests..... | 815,351 | 623,577 | 8,673 |
| Minority interests in net income | 80,836 | 89,760 | 860 |
| Net income | ¥ 734,514 | ¥ 533,816 | \$ 7,813 |

(Continued)

(Consolidated Statements of Comprehensive Income)

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|---|------------------|-----------|--------------------------|
| | 2013 | 2012 | 2013 |
| Income before minority interests | ¥ 815,351 | ¥623,577 | \$ 8,673 |
| Other comprehensive income..... | 558,271 | 9,312 | 5,938 |
| Net unrealized gains on other securities | 482,569 | 53,988 | 5,133 |
| Net deferred gains (losses) on hedges | 43 | (21,897) | 0 |
| Land revaluation excess..... | — | 5,613 | — |
| Foreign currency translation adjustments | 80,281 | (23,912) | 854 |
| Share of other comprehensive income of affiliates | (4,622) | (4,479) | (49) |
| Total comprehensive income | 1,373,623 | 632,889 | 14,611 |
| Comprehensive income attributable to shareholders of the parent | 1,234,101 | 544,544 | 13,127 |
| Comprehensive income attributable to minority interests | 139,522 | 88,345 | 1,484 |
| | | | |
| | | Yen | U.S. dollars |
| Per share data: | | | |
| Net income | ¥6,913.18 | ¥5,024.23 | \$73.54 |
| Net income — diluted..... | 6,908.19 | 5,023.33 | 73.48 |

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 ¥94.01 to US\$1, the exchange rate prevailing at March 31, 2013.

Nonconsolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation

| March 31 | Millions of yen | | Millions of |
|---|---------------------|---------------------|--------------------|
| | 2013 | 2012 | U.S. dollars |
| Assets | | | 2013 |
| Cash and due from banks | ¥ 3,378,033 | ¥ 4,192,690 | \$ 35,933 |
| Deposits with banks | 6,038,323 | 2,426,035 | 64,231 |
| Call loans and bills bought | 514,967 | 547,240 | 5,478 |
| Receivables under resale agreements | 229,826 | 203,768 | 2,445 |
| Receivables under securities borrowing transactions | 701,890 | 726,677 | 7,466 |
| Monetary claims bought | 795,514 | 626,146 | 8,462 |
| Trading assets | 4,085,739 | 3,777,835 | 43,461 |
| Money held in trust | 2,372 | 7,253 | 25 |
| Securities | 41,347,000 | 42,441,134 | 439,815 |
| Loans and bills discounted | 59,770,763 | 56,411,492 | 635,792 |
| Foreign exchanges | 1,319,175 | 1,024,074 | 14,032 |
| Other assets | 1,894,382 | 1,981,695 | 20,151 |
| Tangible fixed assets | 733,157 | 730,939 | 7,799 |
| Intangible fixed assets | 167,159 | 154,892 | 1,778 |
| Deferred tax assets | 185,941 | 185,428 | 1,978 |
| Customers' liabilities for acceptances and guarantees | 5,391,645 | 4,299,577 | 57,352 |
| Reserve for possible loan losses | (616,593) | (689,215) | (6,559) |
| Reserve for possible losses on investments | (29,280) | (10,195) | (311) |
| Total assets | ¥125,910,020 | ¥119,037,469 | \$1,339,326 |
| Liabilities and net assets | | | |
| Liabilities | | | |
| Deposits | ¥ 91,928,337 | ¥ 84,392,835 | \$ 977,857 |
| Call money and bills sold | 2,450,065 | 1,877,900 | 26,062 |
| Payables under repurchase agreements | 1,704,650 | 562,867 | 18,133 |
| Payables under securities lending transactions | 2,654,478 | 4,539,644 | 28,236 |
| Commercial paper | 1,499,499 | 1,193,249 | 15,950 |
| Trading liabilities | 3,590,373 | 3,503,085 | 38,191 |
| Borrowed money | 2,963,075 | 5,181,294 | 31,519 |
| Foreign exchanges | 351,885 | 341,400 | 3,743 |
| Short-term bonds | 20,000 | 19,999 | 213 |
| Bonds | 4,277,003 | 4,215,610 | 45,495 |
| Due to trust account | 643,350 | 443,723 | 6,843 |
| Other liabilities | 1,817,920 | 2,693,465 | 19,338 |
| Reserve for employee bonuses | 11,436 | 10,798 | 122 |
| Reserve for executive bonuses | 665 | 609 | 7 |
| Reserve for point service program | 1,945 | 2,503 | 21 |
| Reserve for reimbursement of deposits | 10,050 | 9,854 | 107 |
| Deferred tax liabilities for land revaluation | 39,190 | 39,385 | 417 |
| Acceptances and guarantees | 5,391,645 | 4,299,577 | 57,352 |
| Total liabilities | 119,355,573 | 113,327,806 | 1,269,605 |
| Net assets | | | |
| Capital stock | 1,770,996 | 1,770,996 | 18,838 |
| Capital surplus | 2,481,273 | 2,481,273 | 26,394 |
| Retained earnings | 1,720,728 | 1,255,108 | 18,304 |
| Treasury stock | (210,003) | (210,003) | (2,234) |
| Total stockholders' equity | 5,762,995 | 5,297,375 | 61,302 |
| Net unrealized gains on other securities | 742,338 | 281,109 | 7,896 |
| Net deferred gains on hedges | 23,301 | 105,391 | 248 |
| Land revaluation excess | 25,810 | 25,786 | 275 |
| Total valuation and translation adjustments | 791,451 | 412,288 | 8,419 |
| Total net assets | 6,554,446 | 5,709,663 | 69,721 |
| Total liabilities and net assets | ¥125,910,020 | ¥119,037,469 | \$1,339,326 |

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 ¥94.01 to US\$1, the exchange rate prevailing at March 31, 2013.

Nonconsolidated Statements of Income (Unaudited)

Sumitomo Mitsui Banking Corporation

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|--|------------------|------------------|-----------------------------|
| | 2013 | 2012 | 2013 |
| Income | | | |
| Interest income..... | ¥1,270,673 | ¥1,239,535 | \$13,516 |
| Interest on loans and discounts | 958,912 | 943,216 | 10,200 |
| Interest and dividends on securities..... | 245,917 | 226,631 | 2,616 |
| Interest on receivables under resale agreements..... | 5,009 | 3,726 | 53 |
| Interest on receivables under securities borrowing transactions..... | 1,601 | 1,330 | 17 |
| Interest on deposits with banks | 19,440 | 18,625 | 207 |
| Other interest income | 39,792 | 46,006 | 423 |
| Trust fees | 1,823 | 1,736 | 19 |
| Fees and commissions..... | 489,310 | 453,877 | 5,205 |
| Trading income..... | 5,780 | 84,051 | 61 |
| Other operating income | 278,366 | 193,341 | 2,961 |
| Other income..... | 75,457 | 48,500 | 803 |
| Total income | 2,121,412 | 2,021,042 | 22,566 |
| Expenses | | | |
| Interest expenses | 299,478 | 282,668 | 3,186 |
| Interest on deposits..... | 101,522 | 99,235 | 1,080 |
| Interest on borrowings and rediscounts..... | 97,695 | 93,389 | 1,039 |
| Interest on payables under repurchase agreements..... | 5,311 | 2,050 | 56 |
| Interest on payables under securities lending transactions..... | 4,688 | 5,318 | 50 |
| Interest on bonds and short-term bonds | 78,900 | 70,530 | 839 |
| Other interest expenses | 11,360 | 12,144 | 121 |
| Fees and commissions payments..... | 145,572 | 134,989 | 1,548 |
| Trading losses | 9,562 | — | 102 |
| Other operating expenses..... | 51,254 | 22,384 | 545 |
| General and administrative expenses..... | 759,295 | 752,436 | 8,077 |
| Provision for reserve for possible loan losses..... | — | 16,175 | — |
| Other expenses | 190,849 | 120,394 | 2,030 |
| Total expenses..... | 1,456,011 | 1,329,050 | 15,488 |
| Income before income taxes | 665,400 | 691,992 | 7,078 |
| Income taxes: | | | |
| Current..... | 209,704 | 44,703 | 2,231 |
| Deferred..... | (162,095) | 169,315 | (1,724) |
| Net income | ¥ 617,791 | ¥ 477,973 | \$ 6,572 |

| Per share data: | Yen | | U.S. dollars |
|---------------------------|-----------|-----------|--------------|
| | 2013 | 2012 | 2013 |
| Net income | ¥5,814.59 | ¥4,498.64 | \$61.85 |
| 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 ¥94.01 to US\$1, the exchange rate prevailing at March 31, 2013.

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 | | | | | | | |
|-------------------------------------|---------------------|---------------------|-------------|------------|---------------------|---------------------|-------------|------------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Interest income | ¥1,297,908 | ¥527,972 | ¥(118,367) | ¥1,707,513 | ¥1,314,718 | ¥432,440 | ¥(115,566) | ¥1,631,592 |
| Interest expenses..... | 274,444 | 158,458 | (118,034) | 314,868 | 268,775 | 135,995 | (114,559) | 290,211 |
| Net interest income | 1,023,463 | 369,513 | (333) | 1,392,644 | 1,045,943 | 296,444 | (1,006) | 1,341,380 |
| Trust fees | 1,871 | — | — | 1,871 | 1,770 | — | — | 1,770 |
| Fees and commissions | 896,691 | 146,465 | (3,030) | 1,040,126 | 827,374 | 130,911 | (2,606) | 955,680 |
| Fees and commissions payments | 108,673 | 23,558 | (274) | 131,957 | 119,947 | 12,943 | (791) | 132,099 |
| Net fees and commissions | 788,018 | 122,906 | (2,755) | 908,168 | 707,426 | 117,968 | (1,814) | 823,580 |
| Trading income..... | 229,721 | 34,767 | (57,747) | 206,741 | 223,100 | 19,768 | (44,676) | 198,192 |
| Trading losses | 69,493 | 28,378 | (57,747) | 40,124 | 9,273 | 35,403 | (44,676) | — |
| Net trading income..... | 160,228 | 6,389 | — | 166,617 | 213,827 | (15,634) | — | 198,192 |
| Other operating income | 1,084,654 | 199,825 | (703) | 1,283,776 | 1,029,399 | 81,633 | (466) | 1,110,566 |
| Other operating expenses..... | 837,374 | 123,000 | (195) | 960,179 | 836,155 | 45,118 | (275) | 880,998 |
| Net other operating income..... | 247,280 | 76,824 | (508) | 323,597 | 193,243 | 36,515 | (190) | 229,568 |

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 (2013, ¥7 million; 2012, ¥11 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 | | | | | |
|---|-----------------|------------|----------------|-----------------|------------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets | ¥ 95,457,643 | ¥1,297,908 | 1.36% | ¥ 96,305,891 | ¥1,314,718 | 1.37% |
| Loans and bills discounted | 51,071,487 | 970,431 | 1.90 | 52,955,134 | 971,576 | 1.83 |
| Securities | 36,951,823 | 217,956 | 0.59 | 35,985,772 | 218,377 | 0.61 |
| Call loans and bills bought..... | 303,572 | 1,519 | 0.50 | 340,099 | 2,080 | 0.61 |
| Receivables under resale agreements..... | 30,138 | 46 | 0.16 | 33,409 | 38 | 0.11 |
| Receivables under securities borrowing transactions | 3,731,493 | 6,565 | 0.18 | 3,916,819 | 6,823 | 0.17 |
| Deposits with banks..... | 389,585 | 1,505 | 0.39 | 320,621 | 2,853 | 0.89 |
| Lease receivables and investment assets | 1,434,859 | 48,427 | 3.38 | 1,502,065 | 56,844 | 3.78 |
| Interest-bearing liabilities | ¥101,571,811 | ¥ 274,444 | 0.27% | ¥103,590,027 | ¥ 268,775 | 0.26% |
| Deposits | 76,014,488 | 47,239 | 0.06 | 74,462,781 | 54,738 | 0.07 |
| Negotiable certificates of deposit | 6,279,011 | 8,989 | 0.14 | 6,553,470 | 10,059 | 0.15 |
| Call money and bills sold | 1,233,732 | 1,039 | 0.08 | 1,434,362 | 1,564 | 0.11 |
| Payables under repurchase agreements | 1,069,954 | 1,497 | 0.14 | 1,034,848 | 1,048 | 0.10 |
| Payables under securities lending transactions | 3,900,722 | 6,284 | 0.16 | 3,873,427 | 6,852 | 0.18 |
| Commercial paper..... | — | — | — | — | — | — |
| Borrowed money..... | 6,934,146 | 104,684 | 1.51 | 10,594,792 | 104,790 | 0.99 |
| Short-term bonds..... | 964,542 | 1,356 | 0.14 | 1,016,300 | 1,540 | 0.15 |
| Bonds..... | 4,943,650 | 100,042 | 2.02 | 4,403,844 | 86,133 | 1.96 |

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 (2013, ¥1,648,570 million; 2012, ¥1,950,185 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 (2013, ¥24,916 million; 2012, ¥24,556 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2013, ¥24,916 million; 2012, ¥24,556 million) and corresponding interest (2013, ¥7 million; 2012, ¥11 million).

Overseas Operations

| Year ended March 31 | Millions of yen | | | | | |
|--|-----------------|----------|----------------|-----------------|----------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥25,635,638 | ¥527,972 | 2.06% | ¥19,015,055 | ¥432,440 | 2.27% |
| Loans and bills discounted..... | 14,830,669 | 383,510 | 2.59 | 11,282,653 | 312,938 | 2.77 |
| Securities..... | 2,569,373 | 50,542 | 1.97 | 1,794,991 | 40,659 | 2.27 |
| Call loans and bills bought..... | 1,141,432 | 13,038 | 1.14 | 830,607 | 12,671 | 1.53 |
| Receivables under resale agreements..... | 285,240 | 6,193 | 2.17 | 193,189 | 5,852 | 3.03 |
| Receivables under securities borrowing transactions..... | — | — | — | — | — | — |
| Deposits with banks..... | 4,689,360 | 32,199 | 0.69 | 3,739,091 | 27,497 | 0.74 |
| Lease receivables and investment assets..... | 295,034 | 16,000 | 5.42 | 230,789 | 12,099 | 5.24 |
| Interest-bearing liabilities..... | ¥17,830,372 | ¥158,458 | 0.89% | ¥12,388,251 | ¥135,995 | 1.10% |
| Deposits..... | 8,410,005 | 49,448 | 0.59 | 7,419,147 | 48,104 | 0.65 |
| Negotiable certificates of deposit..... | 5,264,852 | 32,638 | 0.62 | 2,981,411 | 22,399 | 0.75 |
| Call money and bills sold..... | 659,919 | 3,508 | 0.53 | 376,447 | 2,032 | 0.54 |
| Payables under repurchase agreements..... | 1,081,172 | 4,805 | 0.44 | 647,974 | 2,646 | 0.41 |
| Payables under securities lending transactions..... | — | — | — | — | — | — |
| Commercial paper..... | 1,580,650 | 5,703 | 0.36 | 511,690 | 1,986 | 0.39 |
| Borrowed money..... | 737,037 | 17,172 | 2.33 | 325,402 | 13,098 | 4.03 |
| Short-term bonds..... | — | — | — | — | — | — |
| Bonds..... | 54,832 | 2,825 | 5.15 | 102,081 | 6,610 | 6.48 |

- 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 (2013, ¥85,807 million; 2012, ¥71,630 million).

Total of Domestic and Overseas Operations

| Year ended March 31 | Millions of yen | | | | | |
|--|-----------------|------------|----------------|-----------------|------------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥119,009,060 | ¥1,707,513 | 1.43% | ¥113,479,948 | ¥1,631,592 | 1.44% |
| Loans and bills discounted..... | 64,313,060 | 1,278,372 | 1.99 | 62,913,741 | 1,211,794 | 1.93 |
| Securities..... | 39,175,534 | 251,675 | 0.64 | 37,433,545 | 242,086 | 0.65 |
| Call loans and bills bought..... | 1,445,004 | 14,557 | 1.01 | 1,170,707 | 14,752 | 1.26 |
| Receivables under resale agreements..... | 315,280 | 6,240 | 1.98 | 226,579 | 5,890 | 2.60 |
| Receivables under securities borrowing transactions..... | 3,731,493 | 6,565 | 0.18 | 3,916,819 | 6,823 | 0.17 |
| Deposits with banks..... | 4,945,879 | 33,191 | 0.67 | 3,904,411 | 29,742 | 0.76 |
| Lease receivables and investment assets..... | 1,729,893 | 64,425 | 3.72 | 1,732,854 | 68,943 | 3.98 |
| Interest-bearing liabilities..... | ¥117,416,948 | ¥314,868 | 0.27% | ¥114,072,487 | ¥290,211 | 0.25% |
| Deposits..... | 84,218,862 | 96,175 | 0.11 | 81,683,045 | 102,018 | 0.12 |
| Negotiable certificates of deposit..... | 11,543,863 | 41,627 | 0.36 | 9,534,881 | 32,458 | 0.34 |
| Call money and bills sold..... | 1,893,652 | 4,547 | 0.24 | 1,810,794 | 3,596 | 0.20 |
| Payables under repurchase agreements..... | 2,151,027 | 6,301 | 0.29 | 1,682,804 | 3,694 | 0.22 |
| Payables under securities lending transactions..... | 3,900,722 | 6,284 | 0.16 | 3,873,427 | 6,852 | 0.18 |
| Commercial paper..... | 1,580,650 | 5,703 | 0.36 | 511,690 | 1,986 | 0.39 |
| Borrowed money..... | 6,298,037 | 46,280 | 0.73 | 9,616,933 | 45,939 | 0.48 |
| Short-term bonds..... | 964,542 | 1,356 | 0.14 | 1,016,300 | 1,540 | 0.15 |
| Bonds..... | 4,605,583 | 86,399 | 1.88 | 4,113,026 | 76,276 | 1.85 |

- 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 (2013, ¥1,735,120 million; 2012, ¥2,024,133 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 (2013, ¥24,916 million; 2012, ¥24,556 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2013, ¥24,916 million; 2012, ¥24,556 million) and corresponding interest (2013, ¥7 million; 2012, ¥11 million).

Fees and Commissions

| Year ended March 31 | Millions of yen | | | | | | | |
|------------------------------------|---------------------|---------------------|-------------|------------|---------------------|---------------------|-------------|----------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Fees and commissions..... | ¥896,691 | ¥146,465 | ¥(3,030) | ¥1,040,126 | ¥827,374 | ¥130,911 | ¥(2,606) | ¥955,680 |
| Deposits and loans | 23,348 | 89,445 | (69) | 112,723 | 21,619 | 70,789 | (11) | 92,397 |
| Remittances and transfers..... | 118,486 | 12,260 | (5) | 130,742 | 117,283 | 9,704 | (3) | 126,984 |
| Securities-related business..... | 75,331 | 18,206 | (1,538) | 91,999 | 65,090 | 25,625 | (366) | 90,350 |
| Agency | 18,172 | — | — | 18,172 | 18,896 | — | — | 18,896 |
| Safe deposits | 5,989 | 2 | — | 5,991 | 6,322 | 2 | — | 6,325 |
| Guarantees..... | 67,379 | 12,142 | (145) | 79,376 | 59,283 | 11,892 | (109) | 71,066 |
| Credit card business | 225,444 | — | — | 225,444 | 208,853 | — | — | 208,853 |
| Investment trusts | 161,394 | 1,556 | — | 162,951 | 141,372 | 1,567 | — | 142,940 |
| Fees and commissions payments..... | ¥108,673 | ¥ 23,558 | ¥ (274) | ¥ 131,957 | ¥119,947 | ¥ 12,943 | ¥ (791) | ¥132,099 |
| Remittances and transfers..... | 27,923 | 16,381 | (59) | 44,244 | 27,256 | 6,156 | (111) | 33,301 |

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 | | | | | | | |
|--|---------------------|---------------------|-------------|----------|---------------------|---------------------|-------------|----------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Trading income..... | ¥229,721 | ¥34,767 | ¥(57,747) | ¥206,741 | ¥223,100 | ¥19,768 | ¥(44,676) | ¥198,192 |
| Gains on trading securities | 210,551 | — | (8,463) | 202,087 | 132,055 | — | (17,077) | 114,978 |
| Gains on securities related to trading transactions | 4,225 | 60 | — | 4,286 | 7,313 | 320 | — | 7,634 |
| Gains on trading-related financial derivatives..... | 14,577 | 34,707 | (49,284) | — | 83,188 | 18,739 | (27,599) | 74,328 |
| Others | 367 | — | — | 367 | 542 | 708 | — | 1,251 |
| Trading losses..... | 69,493 | 28,378 | (57,747) | 40,124 | ¥ 9,273 | ¥35,403 | ¥(44,676) | ¥ — |
| Losses on trading securities | — | 8,463 | (8,463) | — | — | 17,077 | (17,077) | — |
| Losses on securities related to trading transactions | — | — | — | — | — | — | — | — |
| Losses on trading-related financial derivatives..... | 69,493 | 19,914 | (49,284) | 40,124 | 9,273 | 18,326 | (27,599) | — |
| 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 | |
|--|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Liquid deposits | ¥ 51,018,457 | ¥48,497,851 |
| Fixed-term deposits | 25,178,398 | 25,121,271 |
| Others | 3,834,791 | 3,792,990 |
| Subtotal | 80,031,646 | 77,412,113 |
| Negotiable certificates of deposit | 5,553,909 | 5,327,489 |
| Total | ¥ 85,585,556 | ¥82,739,603 |
| Overseas operations: | | |
| Liquid deposits | ¥ 6,448,821 | ¥ 4,849,970 |
| Fixed-term deposits | 2,509,550 | 1,745,146 |
| Others | 91,792 | 121,331 |
| Subtotal | 9,050,165 | 6,716,447 |
| Negotiable certificates of deposit | 6,201,744 | 3,266,149 |
| Total | ¥ 15,251,909 | ¥ 9,982,596 |
| Grand total | ¥100,837,465 | ¥92,722,199 |

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 | | | |
|---|-----------------|---------|-------------|---------|
| | 2013 | | 2012 | |
| Domestic operations: | | | | |
| Manufacturing | ¥ 6,003,907 | 11.57% | ¥ 6,076,691 | 11.70% |
| Agriculture, forestry, fisheries and mining | 152,463 | 0.29 | 137,269 | 0.26 |
| Construction | 887,269 | 1.71 | 897,228 | 1.73 |
| Transportation, communications and public enterprises | 4,281,888 | 8.25 | 4,237,675 | 8.16 |
| Wholesale and retail | 4,159,359 | 8.02 | 4,117,071 | 7.93 |
| Finance and insurance | 3,706,937 | 7.15 | 3,448,010 | 6.64 |
| Real estate, goods rental and leasing | 7,584,206 | 14.62 | 7,443,777 | 14.33 |
| Services | 3,915,730 | 7.55 | 3,612,303 | 6.96 |
| Municipalities | 1,115,839 | 2.15 | 1,054,492 | 2.03 |
| Others | 20,072,016 | 38.69 | 20,907,113 | 40.26 |
| Subtotal | ¥51,879,618 | 100.00% | ¥51,931,633 | 100.00% |
| Overseas operations: | | | | |
| Public sector | ¥ 62,765 | 0.46% | ¥ 73,593 | 0.68% |
| Financial institutions | 579,557 | 4.21 | 510,896 | 4.73 |
| Commerce and industry | 11,634,862 | 84.60 | 9,165,963 | 84.96 |
| Others | 1,475,287 | 10.73 | 1,038,512 | 9.63 |
| Subtotal | ¥13,752,473 | 100.00% | ¥10,788,965 | 100.00% |
| Total | ¥65,632,091 | — | ¥62,720,599 | — |

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Japan offshore banking accounts are included in overseas operations' accounts.

Reserve for Possible Loan Losses

| March 31 | Millions of yen | |
|---|-----------------|----------|
| | 2013 | 2012 |
| General reserve | ¥539,305 | ¥593,338 |
| Specific reserve | 389,555 | 385,416 |
| Loan loss reserve for specific overseas countries | 5 | 178 |
| Reserve for possible loan losses | ¥928,866 | ¥978,933 |
| Amount of direct reduction | ¥653,146 | ¥685,871 |

Risk-Monitored Loans

| March 31 | Millions of yen | |
|---|-----------------|------------|
| | 2013 | 2012 |
| Bankrupt loans | ¥ 55,479 | ¥ 74,218 |
| Non-accrual loans | 1,130,562 | 1,145,347 |
| Past due loans (3 months or more) | 16,044 | 22,502 |
| Restructured loans | 484,963 | 562,882 |
| Total | ¥1,687,049 | ¥1,804,951 |
| Amount of direct reduction | ¥ 585,789 | ¥ 596,075 |

Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

Problem Assets Based on the Financial Reconstruction Act

| March 31 | Millions of yen | |
|--|-----------------|-------------|
| | 2013 | 2012 |
| Bankrupt and quasi-bankrupt assets | ¥ 248,161 | ¥ 259,670 |
| Doubtful assets | 973,057 | 1,017,631 |
| Substandard loans | 505,130 | 580,351 |
| Total of problem assets | 1,726,349 | 1,857,653 |
| Normal assets | 74,273,608 | 69,826,134 |
| Total | ¥75,999,958 | ¥71,683,787 |
| Amount of direct reduction | ¥ 653,146 | ¥ 685,871 |

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 | |
|---------------------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Japanese government bonds..... | ¥26,994,438 | ¥29,327,057 |
| Japanese local government bonds | 355,883 | 474,884 |
| Japanese corporate bonds | 3,015,019 | 3,155,712 |
| Japanese stocks..... | 2,986,503 | 2,567,288 |
| Others..... | 5,432,893 | 5,015,264 |
| Subtotal | ¥38,784,738 | ¥40,540,207 |
| Overseas operations: | | |
| Japanese government bonds..... | ¥ — | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks..... | — | 997 |
| Others..... | 2,473,424 | 1,941,863 |
| Subtotal | ¥ 2,473,424 | ¥ 1,942,861 |
| Unallocated corporate assets: | | |
| Japanese government bonds..... | ¥ — | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks..... | 48,568 | 46,881 |
| Others..... | — | — |
| Subtotal | ¥ 48,568 | ¥ 46,881 |
| Total | ¥41,306,731 | ¥42,529,950 |

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 | | | | | | | |
|--|---------------------|---------------------|-------------|------------|---------------------|---------------------|-------------|------------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Trading assets | ¥7,101,829 | ¥723,986 | ¥(60,261) | ¥7,765,554 | ¥7,546,567 | ¥698,785 | ¥(48,408) | ¥8,196,944 |
| Trading securities..... | 3,185,210 | 35,647 | — | 3,220,858 | 4,008,205 | 19,403 | — | 4,027,609 |
| Derivatives of trading securities..... | 3,614 | — | — | 3,614 | 3,419 | — | — | 3,419 |
| Securities related to trading transactions..... | — | — | — | — | — | — | — | — |
| Derivatives of securities related to trading transactions | 26,022 | 22 | — | 26,044 | 19,498 | 5 | — | 19,503 |
| Trading-related financial derivatives | 3,699,030 | 688,317 | (60,261) | 4,327,085 | 3,262,485 | 674,615 | (48,408) | 3,888,692 |
| Other trading assets..... | 187,952 | — | — | 187,952 | 252,958 | 4,759 | — | 257,718 |
| Trading liabilities..... | ¥5,454,843 | ¥725,049 | ¥(60,261) | ¥6,119,631 | ¥5,505,475 | ¥790,993 | ¥(48,408) | ¥6,248,061 |
| Trading securities sold for short sales | 1,906,428 | 3,700 | — | 1,910,129 | 2,169,852 | 3,005 | — | 2,172,857 |
| Derivatives of trading securities..... | 11,010 | 716 | — | 11,727 | 7,409 | 43 | — | 7,453 |
| Securities related to trading transactions sold for short sales..... | — | — | — | — | — | — | — | — |
| Derivatives of securities related to trading transactions | 29,372 | 24 | — | 29,396 | 17,442 | 13 | — | 17,455 |
| Trading-related financial derivatives | 3,508,033 | 720,607 | (60,261) | 4,168,379 | 3,310,771 | 787,931 | (48,408) | 4,050,294 |
| 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)

Number of Shares Issued

| March 31, 2013 | 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, 2013 | Number of shareholders | Number of units | Percentage of total |
|---|------------------------|-------------------|---------------------|
| Japanese government and local government..... | 7 | 4,774 | 0.03% |
| Financial institutions..... | 363 | 4,250,090 | 30.11 |
| Securities companies..... | 91 | 635,587 | 4.50 |
| Other institutions..... | 8,121 | 1,441,645 | 10.21 |
| Foreign institutions..... | 913 | 5,918,516 | 41.93 |
| Foreign individuals..... | 245 | 3,822 | 0.03 |
| Individuals and others..... | 313,967 | 1,861,061 | 13.19 |
| Total..... | 323,707 | 14,115,495 | 100.00% |
| Fractional shares (shares)..... | — | 2,506,125 | — |

Notes: 1. Of 3,860,472 shares in treasury stock, 38,604 units are included in "Individuals and others" and the remaining 72 shares are included in "Fractional shares."
2. "Other institutions" and "Fractional shares" includes 30 units and 48 shares, held at Japan Securities Depository Center, Incorporated.
3. In the column "Fractional shares," title in the Register of Shareholders is in the name of Sumitomo Mitsui Banking Corporation, but 60 of the shares listed are not substantially in the ownership of the bank.
4. The number of shares constituting 1 unit is 100.

Principal Shareholders

| March 31, 2013 | Number of shares | Percentage of shares outstanding |
|--|--------------------|----------------------------------|
| Japan Trustee Services Bank, Ltd. (Trust Account)..... | 76,570,818 | 5.41% |
| The Master Trust Bank of Japan, Ltd. (Trust Account)..... | 70,319,200 | 4.97 |
| Sumitomo Mitsui Banking Corporation..... | 56,160,924 | 3.97 |
| SSBT OD05 Omnibus Account — Treaty Clients*..... | 38,096,284 | 2.69 |
| Japan Trustee Services Bank, Ltd. (Trust Account 9)..... | 27,142,700 | 1.91 |
| State Street Bank and Trust Company 505225**..... | 22,957,272 | 1.62 |
| Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension**..... | 17,660,849 | 1.24 |
| Nomura Securities Co., Ltd. | 17,347,000 | 1.22 |
| The Bank of New York, Treaty JASDEC Account***..... | 14,973,601 | 1.05 |
| NATSCUMCO****..... | 14,283,505 | 1.01 |
| Total..... | 355,512,153 | 25.14% |

* 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. 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. Likewise, for common shares held by the bank, title in the Register of Shareholders is in the name of the bank, but 60 of the shares listed are not substantially in the ownership of the bank.

2. Sumitomo Mitsui Trust Bank, Limited has submitted a Report of Possession of Large Volume regarding its shareholding as of February 21, 2013. It stated that Sumitomo Mitsui Trust Bank, Limited and two other shareholders hold common shares in SMFG as of February 15, 2013. But these three 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: Sumitomo Mitsui Trust Bank, Limited (and two other joint shareholders)

Number of shares held: 70,423,800 (including joint ownership)

Shareholding ratio: 4.98%

3. Nomura Securities Co., Ltd. has submitted a Report of Possession of Large Volume regarding its shareholding as of October 22, 2012, and an amended report regarding the above-mentioned as of October 23, 2012. It stated that Nomura Securities Co., Ltd. and two other shareholders hold common shares in SMFG as of October 15, 2012. But these three 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: Nomura Securities Co., Ltd. (and two other joint shareholders)

Number of shares held: 42,463,537 (including joint ownership)

Share holding ratio: 3.00%

Stock Options

| | |
|---|---|
| March 31 | 2013 |
| Number of shares granted..... | 99,000 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 | 2013 |
| Number of shares granted..... | 262,700 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

| | |
|---|---|
| March 31 | 2013 |
| Number of shares granted..... | 279,400 shares |
| Type of stock | Common stock |
| Issue price | ¥2,043 per share |
| Amount capitalized when shares are issued | ¥1,022 per share |
| Exercise period of stock options..... | From August 15, 2012 to August 14, 2042 |

Date of resolution: Meeting of the Board of Directors held on July 30, 2012

Common Stock Price Range

Stock Price Performance

| Year ended March 31 | Yen | | | | |
|---------------------|--------|--------|--------|--------|--------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| High | ¥4,255 | ¥2,933 | ¥3,355 | ¥4,520 | ¥9,640 |
| Low | 2,231 | 2,003 | 2,235 | 2,591 | 2,585 |

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 2012 | November 2012 | December 2012 | January 2013 | February 2013 | March 2013 |
| High | ¥2,499 | ¥2,675 | ¥3,125 | ¥3,690 | ¥3,935 | ¥4,255 |
| Low | 2,330 | 2,357 | 2,627 | 3,090 | 3,555 | 3,685 |

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 | | | | | | | |
|-------------------------------------|---------------------|---------------------|-------------|------------|---------------------|---------------------|-------------|------------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Interest income | ¥1,096,908 | ¥496,673 | ¥(105,774) | ¥1,487,807 | ¥1,200,347 | ¥403,868 | ¥(100,773) | ¥1,503,442 |
| Interest expenses | 237,412 | 149,238 | (105,459) | 281,192 | 234,598 | 130,621 | (100,890) | 264,329 |
| Net interest income | 859,495 | 347,434 | (315) | 1,206,615 | 965,749 | 273,246 | 116 | 1,239,113 |
| Trust fees | 1,823 | — | — | 1,823 | 1,736 | — | — | 1,736 |
| Fees and commissions | 576,012 | 146,459 | (2,831) | 719,640 | 561,482 | 130,857 | (2,550) | 689,790 |
| Fees and commissions payments | 122,477 | 23,558 | (272) | 145,763 | 126,179 | 12,943 | (785) | 138,337 |
| Net fees and commissions | 453,535 | 122,900 | (2,558) | 573,877 | 435,302 | 117,914 | (1,764) | 551,452 |
| Trading income | 198,848 | 34,767 | (57,747) | 175,868 | 203,699 | 19,768 | (44,676) | 178,791 |
| Trading losses | 69,493 | 28,378 | (57,747) | 40,124 | 9,273 | 35,403 | (44,676) | — |
| Net trading income | 129,354 | 6,389 | — | 135,744 | 194,426 | (15,634) | — | 178,791 |
| Other operating income | 308,105 | 54,698 | (617) | 362,186 | 234,609 | 40,258 | (427) | 274,440 |
| Other operating expenses | 84,618 | 9,930 | — | 94,549 | 57,071 | 7,197 | — | 64,269 |
| Net other operating income | 223,486 | 44,768 | (617) | 267,637 | 177,537 | 33,061 | (427) | 210,171 |

- 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 (2013, ¥7 million; 2012, ¥11 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 | | | | | |
|---|-----------------|------------|----------------|-----------------|------------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets | ¥94,161,776 | ¥1,096,908 | 1.16% | ¥ 95,201,464 | ¥1,200,347 | 1.26% |
| Loans and bills discounted | 51,558,441 | 814,057 | 1.58 | 53,624,379 | 914,742 | 1.71 |
| Securities | 36,757,204 | 218,720 | 0.60 | 35,812,965 | 214,736 | 0.60 |
| Call loans and bills bought | 303,408 | 1,519 | 0.50 | 329,845 | 2,069 | 0.63 |
| Receivables under resale agreements | 30,138 | 46 | 0.16 | 33,409 | 38 | 0.11 |
| Receivables under securities borrowing transactions | 3,689,947 | 6,527 | 0.18 | 3,873,332 | 6,788 | 0.18 |
| Deposits with banks | 330,176 | 1,359 | 0.41 | 289,927 | 2,741 | 0.95 |
| Interest-bearing liabilities | ¥98,618,767 | ¥ 237,412 | 0.24% | ¥100,596,463 | ¥ 234,598 | 0.23% |
| Deposits | 76,183,139 | 47,445 | 0.06 | 74,584,401 | 54,758 | 0.07 |
| Negotiable certificates of deposit | 6,435,488 | 9,125 | 0.14 | 6,690,572 | 10,128 | 0.15 |
| Call money and bills sold | 1,233,579 | 1,039 | 0.08 | 1,434,354 | 1,563 | 0.11 |
| Payables under repurchase agreements | 1,068,990 | 1,496 | 0.14 | 1,034,285 | 1,047 | 0.10 |
| Payables under securities lending transactions | 3,870,048 | 6,252 | 0.16 | 3,849,958 | 6,828 | 0.18 |
| Commercial paper | — | — | — | — | — | — |
| Borrowed money | 5,035,564 | 87,374 | 1.74 | 8,585,479 | 89,062 | 1.04 |
| Short-term bonds | 186,527 | 218 | 0.12 | 278,485 | 417 | 0.15 |
| Bonds | 4,366,856 | 80,734 | 1.85 | 3,917,314 | 68,933 | 1.76 |

- 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 (2013, ¥1,598,185 million; 2012, ¥1,909,038 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 (2013, ¥17,906 million; 2012, ¥19,144 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2013, ¥17,906 million; 2012, ¥19,144 million) and corresponding interest (2013, ¥7 million; 2012, ¥11 million).

Overseas Operations

| Year ended March 31 | Millions of yen | | | | | |
|---|-----------------|----------|----------------|-----------------|----------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥24,914,597 | ¥496,673 | 1.99% | ¥18,397,039 | ¥403,868 | 2.20% |
| Loans and bills discounted..... | 14,696,165 | 382,465 | 2.60 | 11,192,798 | 310,883 | 2.78 |
| Securities..... | 2,176,455 | 34,073 | 1.57 | 1,402,073 | 23,707 | 1.69 |
| Call loans and bills bought..... | 1,141,432 | 13,038 | 1.14 | 830,607 | 12,671 | 1.53 |
| Receivables under resale agreements..... | 285,240 | 6,193 | 2.17 | 193,189 | 5,852 | 3.03 |
| Receivables under securities borrowing transactions..... | — | — | — | — | — | — |
| Deposits with banks..... | 4,665,188 | 32,078 | 0.69 | 3,726,846 | 27,382 | 0.73 |
| Interest-bearing liabilities..... | ¥17,503,492 | ¥149,238 | 0.85% | ¥12,284,079 | ¥130,621 | 1.06% |
| Deposits..... | 8,410,034 | 49,448 | 0.59 | 7,419,165 | 48,104 | 0.65 |
| Negotiable certificates of deposit..... | 5,264,852 | 32,638 | 0.62 | 2,981,411 | 22,399 | 0.75 |
| Call money and bills sold..... | 659,919 | 3,508 | 0.53 | 376,447 | 2,032 | 0.54 |
| Payables under repurchase agreements.... | 1,081,172 | 4,805 | 0.44 | 647,974 | 2,646 | 0.41 |
| Payables under securities lending transactions..... | — | — | — | — | — | — |
| Commercial paper..... | 1,580,650 | 5,703 | 0.36 | 511,690 | 1,986 | 0.39 |
| Borrowed money..... | 410,128 | 8,623 | 2.10 | 221,212 | 7,895 | 3.57 |
| Short-term bonds..... | — | — | — | — | — | — |
| Bonds..... | 54,832 | 2,825 | 5.15 | 102,081 | 6,610 | 6.48 |

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 (2013, ¥85,149 million; 2012, ¥71,493 million).

Total of Domestic and Overseas Operations

| Year ended March 31 | Millions of yen | | | | | |
|---|-----------------|------------|----------------|-----------------|------------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥117,570,430 | ¥1,487,807 | 1.27% | ¥112,123,576 | ¥1,503,442 | 1.34% |
| Loans and bills discounted..... | 64,889,690 | 1,119,939 | 1.73 | 63,510,882 | 1,153,439 | 1.82 |
| Securities..... | 38,933,660 | 252,439 | 0.65 | 37,215,039 | 238,443 | 0.64 |
| Call loans and bills bought..... | 1,444,840 | 14,557 | 1.01 | 1,160,453 | 14,741 | 1.27 |
| Receivables under resale agreements..... | 315,280 | 6,240 | 1.98 | 226,579 | 5,890 | 2.60 |
| Receivables under securities borrowing transactions..... | 3,689,947 | 6,527 | 0.18 | 3,873,332 | 6,788 | 0.18 |
| Deposits with banks..... | 4,870,733 | 32,978 | 0.68 | 3,862,569 | 29,512 | 0.76 |
| Interest-bearing liabilities..... | ¥114,579,932 | ¥ 281,192 | 0.25% | ¥111,374,120 | ¥ 264,329 | 0.24% |
| Deposits..... | 84,429,208 | 96,394 | 0.11 | 81,813,864 | 102,133 | 0.12 |
| Negotiable certificates of deposit..... | 11,700,340 | 41,763 | 0.36 | 9,671,984 | 32,528 | 0.34 |
| Call money and bills sold..... | 1,893,498 | 4,547 | 0.24 | 1,810,786 | 3,596 | 0.20 |
| Payables under repurchase agreements.... | 2,150,064 | 6,300 | 0.29 | 1,682,240 | 3,694 | 0.22 |
| Payables under securities lending transactions..... | 3,870,048 | 6,252 | 0.16 | 3,849,958 | 6,828 | 0.18 |
| Commercial paper..... | 1,580,650 | 5,703 | 0.36 | 511,690 | 1,986 | 0.39 |
| Borrowed money..... | 4,080,888 | 19,415 | 0.48 | 7,500,718 | 24,773 | 0.33 |
| Short-term bonds..... | 186,527 | 218 | 0.12 | 278,485 | 417 | 0.15 |
| Bonds..... | 4,421,689 | 83,559 | 1.89 | 4,019,396 | 75,544 | 1.88 |

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 (2013, ¥1,682,995 million; 2012, ¥1,980,197 million).

4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (2013, ¥17,906 million; 2012, ¥19,144 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2013, ¥17,906 million; 2012, ¥19,144 million) and corresponding interest (2013, ¥7 million; 2012, ¥11 million).

Fees and Commissions

| Year ended March 31 | Millions of yen | | | | | | | |
|------------------------------------|---------------------|---------------------|-------------|----------|---------------------|---------------------|-------------|----------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Fees and commissions..... | ¥576,012 | ¥146,459 | ¥(2,831) | ¥719,640 | ¥561,482 | ¥130,857 | ¥(2,550) | ¥689,790 |
| Deposits and loans | 23,372 | 89,445 | (11) | 112,805 | 22,408 | 70,789 | (10) | 93,187 |
| Remittances and transfers..... | 118,500 | 12,260 | (1) | 130,760 | 118,183 | 9,704 | (1) | 127,886 |
| Securities-related business..... | 63,898 | 18,206 | (1,538) | 80,566 | 56,610 | 25,625 | (361) | 81,874 |
| Agency | 16,643 | — | — | 16,643 | 16,805 | — | — | 16,805 |
| Safe deposits | 5,989 | 2 | — | 5,991 | 6,323 | 2 | — | 6,325 |
| Guarantees..... | 36,971 | 12,137 | (142) | 48,965 | 42,030 | 11,892 | (106) | 53,816 |
| Credit card business..... | 6,434 | — | — | 6,434 | 6,298 | — | — | 6,298 |
| Investment trusts | 144,757 | 1,556 | — | 146,314 | 122,610 | 1,567 | — | 124,177 |
| Fees and commissions payments..... | ¥122,477 | ¥ 23,558 | ¥ (272) | ¥145,763 | ¥126,179 | ¥ 12,943 | ¥ (785) | ¥138,337 |
| Remittances and transfers..... | 27,923 | 16,381 | (59) | 44,244 | 27,256 | 6,156 | (111) | 33,301 |

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 | | | | | | | |
|--|---------------------|---------------------|-------------|----------|---------------------|---------------------|-------------|----------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Trading income..... | ¥198,848 | ¥34,767 | ¥(57,747) | ¥175,868 | ¥203,699 | ¥19,768 | ¥(44,676) | ¥178,791 |
| Gains on trading securities | 179,677 | — | (8,463) | 171,214 | 112,654 | — | (17,077) | 95,577 |
| Gains on securities related to trading transactions | 4,225 | 60 | — | 4,286 | 7,313 | 320 | — | 7,634 |
| Gains on trading-related financial derivatives..... | 14,577 | 34,707 | (49,284) | — | 83,188 | 18,739 | (27,599) | 74,328 |
| Others | 367 | — | — | 367 | 542 | 708 | — | 1,251 |
| Trading losses..... | ¥ 69,493 | ¥28,378 | ¥(57,747) | ¥ 40,124 | ¥ 9,273 | ¥35,403 | ¥(44,676) | ¥ — |
| Losses on trading securities | — | 8,463 | (8,463) | — | — | 17,077 | (17,077) | — |
| Losses on securities related to trading transactions | — | — | — | — | — | — | — | — |
| Losses on trading-related financial derivatives..... | 69,493 | 19,914 | (49,284) | 40,124 | 9,273 | 18,326 | (27,599) | — |
| 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 | |
|--|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Liquid deposits | ¥ 51,231,871 | ¥48,688,932 |
| Fixed-term deposits | 25,186,988 | 25,121,952 |
| Others | 3,837,962 | 3,796,048 |
| Subtotal | 80,256,822 | 77,606,933 |
| Negotiable certificates of deposit | 5,776,809 | 5,518,289 |
| Total | ¥ 86,033,632 | ¥83,125,222 |
| Overseas operations: | | |
| Liquid deposits | ¥ 6,471,045 | ¥ 4,855,580 |
| Fixed-term deposits | 2,517,694 | 1,745,146 |
| Others | 91,792 | 121,331 |
| Subtotal | 9,080,532 | 6,722,058 |
| Negotiable certificates of deposit | 6,201,744 | 3,266,149 |
| Total | ¥ 15,282,277 | ¥ 9,988,207 |
| Grand total | ¥101,315,909 | ¥93,113,430 |

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 | | | |
|---|-----------------|---------|-------------|---------|
| | 2013 | | 2012 | |
| Domestic operations: | | | | |
| Manufacturing | ¥ 5,995,285 | 11.36% | ¥ 6,071,389 | 11.48% |
| Agriculture, forestry, fisheries and mining | 150,712 | 0.29 | 137,101 | 0.26 |
| Construction | 886,516 | 1.68 | 896,269 | 1.70 |
| Transportation, communications and public enterprises | 4,264,739 | 8.09 | 4,221,483 | 7.98 |
| Wholesale and retail | 4,136,162 | 7.84 | 4,095,171 | 7.75 |
| Finance and insurance | 5,697,927 | 10.80 | 4,904,325 | 9.28 |
| Real estate, goods rental and leasing | 7,544,508 | 14.30 | 7,377,705 | 13.95 |
| Services | 4,011,560 | 7.60 | 3,684,426 | 6.97 |
| Municipalities | 1,115,839 | 2.12 | 1,054,492 | 1.99 |
| Others | 18,951,459 | 35.92 | 20,433,201 | 38.64 |
| Subtotal | ¥52,754,711 | 100.00% | ¥52,875,567 | 100.00% |
| Overseas operations: | | | | |
| Public sector | ¥ 62,765 | 0.45% | ¥ 73,593 | 0.69% |
| Financial institutions | 619,212 | 4.45 | 510,896 | 4.77 |
| Commerce and industry | 11,783,976 | 84.71 | 9,086,200 | 84.84 |
| Others | 1,445,071 | 10.39 | 1,038,510 | 9.70 |
| Subtotal | ¥13,911,026 | 100.00% | ¥10,709,200 | 100.00% |
| Total | ¥66,665,737 | — | ¥63,584,767 | — |

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 | |
|---|-------------------|-------------------|
| | 2013 | 2012 |
| Bankrupt loans | ¥ 54,846 | ¥ 73,378 |
| Non-accrual loans | 1,006,497 | 1,060,320 |
| Past due loans (3 months or more) | 9,953 | 18,178 |
| Restructured loans | 422,509 | 507,428 |
| Total | ¥1,493,807 | ¥1,659,306 |
| Amount of direct reduction | ¥ 549,257 | ¥ 558,926 |

Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

Securities

Year-End Balance

| March 31 | Millions of yen | |
|---------------------------------------|--------------------|--------------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Japanese government bonds | ¥26,994,415 | ¥29,327,057 |
| Japanese local government bonds | 355,883 | 474,884 |
| Japanese corporate bonds | 3,005,080 | 3,139,021 |
| Japanese stocks | 3,097,093 | 2,559,850 |
| Others | 5,367,925 | 4,935,459 |
| Subtotal | ¥38,820,398 | ¥40,436,272 |
| Overseas operations: | | |
| Japanese government bonds | ¥ — | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks | — | 997 |
| Others | 2,473,607 | 1,941,924 |
| Subtotal | ¥ 2,473,607 | ¥ 1,942,921 |
| Total | ¥41,294,005 | ¥42,379,194 |

- 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 | | | | | | | |
|---|---------------------|---------------------|------------------|-------------------|---------------------|---------------------|------------------|-------------------|
| | 2013 | | | | 2012 | | | |
| | Domestic operations | Overseas operations | Elimination | Total | Domestic operations | Overseas operations | Elimination | Total |
| Trading assets | ¥6,955,688 | ¥723,986 | ¥(60,261) | ¥7,619,413 | ¥7,450,723 | ¥698,785 | ¥(48,408) | ¥8,101,100 |
| Trading securities | 3,035,233 | 35,647 | — | 3,070,881 | 3,909,420 | 19,403 | — | 3,928,824 |
| Derivatives of trading securities | 3,420 | — | — | 3,420 | 3,356 | — | — | 3,356 |
| Securities related to trading transactions | — | — | — | — | — | — | — | — |
| Derivatives of securities related to trading transactions | 26,022 | 22 | — | 26,044 | 19,498 | 5 | — | 19,503 |
| Trading-related financial derivatives | 3,703,059 | 688,317 | (60,261) | 4,331,114 | 3,265,489 | 674,615 | (48,408) | 3,891,697 |
| Other trading assets | 187,952 | — | — | 187,952 | 252,958 | 4,759 | — | 257,718 |
| Trading liabilities | ¥5,419,265 | ¥725,049 | ¥(60,261) | ¥6,084,053 | ¥5,465,502 | ¥790,993 | ¥(48,408) | ¥6,208,087 |
| Trading securities sold for short sales | 1,866,854 | 3,700 | — | 1,870,555 | 2,126,877 | 3,005 | — | 2,129,882 |
| Derivatives of trading securities | 10,977 | 716 | — | 11,694 | 7,406 | 43 | — | 7,450 |
| Securities related to trading transactions sold for short sales | — | — | — | — | — | — | — | — |
| Derivatives of securities related to trading transactions | 29,372 | 24 | — | 29,396 | 17,442 | 13 | — | 17,455 |
| Trading-related financial derivatives | 3,512,062 | 720,607 | (60,261) | 4,172,408 | 3,313,775 | 787,931 | (48,408) | 4,053,298 |
| 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 | | | | | |
|------------------------------------|---------------------|--------------------------|------------|---------------------|--------------------------|------------|
| | 2013 | | | 2012 | | |
| | Domestic operations | International operations | Total | Domestic operations | International operations | Total |
| Interest income..... | ¥ 897,934 | ¥395,284 | ¥1,270,673 | ¥ 948,581 | ¥309,310 | ¥1,239,535 |
| | | | [22,545] | | | [18,356] |
| Interest expenses..... | 84,297 | 237,718 | 299,470 | 99,330 | 201,682 | 282,656 |
| | | | [22,545] | | | [18,356] |
| Net interest income..... | 813,636 | 157,565 | 971,202 | 849,250 | 107,627 | 956,878 |
| Trust fees..... | 1,800 | 22 | 1,823 | 1,716 | 20 | 1,736 |
| Fees and commissions..... | 350,989 | 138,321 | 489,310 | 332,461 | 121,416 | 453,877 |
| Fees and commissions payments..... | 117,753 | 27,818 | 145,572 | 117,331 | 17,658 | 134,989 |
| Net fees and commissions..... | 233,235 | 110,503 | 343,738 | 215,129 | 103,757 | 318,887 |
| Trading income..... | 1,443 | 4,336 | 5,780 | 5,112 | 78,938 | 84,051 |
| Trading losses..... | — | 9,562 | 9,562 | — | — | — |
| Net trading income..... | 1,443 | (5,225) | (3,781) | 5,112 | 78,938 | 84,051 |
| Other operating income..... | 65,875 | 212,490 | 278,366 | 41,225 | 152,116 | 193,341 |
| Other operating expenses..... | 17,080 | 34,174 | 51,254 | 14,674 | 7,709 | 22,384 |
| Net other operating income..... | 48,795 | 178,316 | 227,112 | 26,550 | 144,406 | 170,957 |
| Gross banking profit..... | ¥1,098,912 | ¥441,182 | ¥1,540,095 | ¥1,097,760 | ¥434,750 | ¥1,532,511 |
| Gross banking profit rate (%)..... | 1.35% | 1.66% | 1.46% | 1.33% | 2.15% | 1.53% |

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 (2013, ¥7 million; 2012, ¥11 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 | | | | | |
|--|-----------------|----------|----------------|-----------------|----------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥80,951,335 | ¥897,934 | 1.10% | ¥82,116,956 | ¥948,581 | 1.15% |
| | [2,554,901] | [22,545] | | [2,256,767] | [18,356] | |
| Loans and bills discounted..... | 44,448,446 | 680,256 | 1.53 | 46,332,489 | 727,683 | 1.57 |
| Securities..... | 33,051,536 | 182,723 | 0.55 | 32,774,374 | 181,709 | 0.55 |
| Call loans..... | 48,578 | 249 | 0.51 | 69,145 | 334 | 0.48 |
| Receivables under resale agreements..... | — | — | — | — | — | — |
| Receivables under securities borrowing transactions..... | 453,540 | 1,101 | 0.24 | 354,424 | 1,150 | 0.32 |
| Bills bought..... | 22,164 | 780 | 3.52 | 21,255 | 992 | 4.67 |
| Deposits with banks..... | 6,356 | 1 | 0.01 | 28,737 | 973 | 3.38 |
| Interest-bearing liabilities..... | ¥79,485,870 | ¥ 84,297 | 0.10% | ¥81,785,205 | ¥ 99,330 | 0.12% |
| Deposits..... | 66,400,621 | 29,454 | 0.04 | 64,890,957 | 34,706 | 0.05 |
| Negotiable certificates of deposit..... | 6,682,323 | 9,690 | 0.14 | 6,911,391 | 10,766 | 0.15 |
| Call money..... | 975,392 | 588 | 0.06 | 1,151,288 | 746 | 0.06 |
| Payables under repurchase agreements.... | 54,020 | 55 | 0.10 | 36,443 | 37 | 0.10 |
| Payables under securities lending transactions..... | 756,437 | 692 | 0.09 | 1,095,569 | 840 | 0.07 |
| Borrowed money..... | 1,340,082 | 8,087 | 0.60 | 4,565,547 | 11,828 | 0.25 |
| Short-term bonds..... | 18,652 | 14 | 0.08 | 41,991 | 37 | 0.08 |
| Bonds..... | 2,686,884 | 34,640 | 1.28 | 2,746,423 | 39,502 | 1.43 |

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2013, ¥1,460,002 million; 2012, ¥1,720,001 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 (2013, ¥7,026 million; 2012, ¥9,418 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2013, ¥7,026 million; 2012, ¥9,418 million) and corresponding interest (2013, ¥7 million; 2012, ¥11 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 | | | | | |
|---|-----------------|----------|----------------|-----------------|----------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥26,563,501 | ¥395,284 | 1.48% | ¥20,174,556 | ¥309,310 | 1.53% |
| Loans and bills discounted..... | 13,720,874 | 273,860 | 1.99 | 10,325,773 | 209,719 | 2.03 |
| Securities..... | 6,209,456 | 63,193 | 1.01 | 4,639,440 | 44,921 | 0.96 |
| Call loans..... | 426,423 | 3,765 | 0.88 | 367,770 | 4,485 | 1.21 |
| Receivables under resale agreements..... | 252,039 | 5,009 | 1.98 | 166,832 | 3,726 | 2.23 |
| Receivables under securities borrowing transactions..... | 107,735 | 499 | 0.46 | 33,729 | 180 | 0.53 |
| Bills bought..... | — | — | — | — | — | — |
| Deposits with banks..... | 4,063,289 | 19,439 | 0.47 | 3,386,786 | 17,651 | 0.52 |
| Interest-bearing liabilities..... | ¥25,239,631 | ¥237,718 | 0.94% | ¥19,566,597 | ¥201,682 | 1.03% |
| | [2,554,901] | [22,545] | | [2,256,767] | [18,356] | |
| Deposits..... | 8,906,133 | 31,036 | 0.34 | 8,674,514 | 33,629 | 0.38 |
| Negotiable certificates of deposit..... | 4,983,840 | 31,340 | 0.62 | 2,707,987 | 20,133 | 0.74 |
| Call money..... | 543,160 | 2,256 | 0.41 | 385,370 | 1,926 | 0.50 |
| Payables under repurchase agreements.... | 1,346,096 | 5,255 | 0.39 | 624,905 | 2,012 | 0.32 |
| Payables under securities lending transactions..... | 1,684,650 | 3,996 | 0.23 | 1,431,495 | 4,478 | 0.31 |
| Borrowed money..... | 1,920,820 | 81,060 | 4.22 | 1,687,700 | 76,900 | 4.55 |
| Bonds..... | 1,470,467 | 44,244 | 3.00 | 1,071,387 | 30,989 | 2.89 |

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2013, ¥66,076 million; 2012, ¥57,688 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 | | | | | |
|---|-----------------|------------|----------------|-----------------|------------|----------------|
| | 2013 | | | 2012 | | |
| | Average balance | Interest | Earnings yield | Average balance | Interest | Earnings yield |
| Interest-earning assets..... | ¥104,959,935 | ¥1,270,673 | 1.21% | ¥100,034,745 | ¥1,239,535 | 1.23% |
| Loans and bills discounted..... | 58,169,321 | 954,116 | 1.64 | 56,658,263 | 937,403 | 1.65 |
| Securities..... | 39,260,992 | 245,917 | 0.62 | 37,413,814 | 226,631 | 0.60 |
| Call loans..... | 475,002 | 4,015 | 0.84 | 436,915 | 4,819 | 1.10 |
| Receivables under resale agreements..... | 252,039 | 5,009 | 1.98 | 166,832 | 3,726 | 2.23 |
| Receivables under securities borrowing transactions..... | 561,276 | 1,601 | 0.28 | 388,154 | 1,330 | 0.34 |
| Bills bought..... | 22,164 | 780 | 3.52 | 21,255 | 992 | 4.67 |
| Deposits with banks..... | 4,069,646 | 19,440 | 0.47 | 3,415,524 | 18,625 | 0.54 |
| Interest-bearing liabilities..... | ¥102,170,601 | ¥ 299,470 | 0.29% | ¥ 99,095,035 | ¥ 282,656 | 0.28% |
| Deposits..... | 75,306,754 | 60,491 | 0.08 | 73,565,472 | 68,335 | 0.09 |
| Negotiable certificates of deposit..... | 11,666,164 | 41,030 | 0.35 | 9,619,379 | 30,899 | 0.32 |
| Call money..... | 1,518,553 | 2,844 | 0.18 | 1,536,659 | 2,673 | 0.17 |
| Payables under repurchase agreements.... | 1,400,116 | 5,311 | 0.37 | 661,348 | 2,050 | 0.30 |
| Payables under securities lending transactions..... | 2,441,087 | 4,688 | 0.19 | 2,527,065 | 5,318 | 0.21 |
| Borrowed money..... | 3,260,903 | 89,147 | 2.73 | 6,253,248 | 88,729 | 1.41 |
| Short-term bonds..... | 18,652 | 14 | 0.08 | 41,991 | 37 | 0.08 |
| Bonds..... | 4,157,351 | 78,885 | 1.89 | 3,817,810 | 70,492 | 1.84 |

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2013, ¥1,526,078 million; 2012, ¥1,777,690 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 (2013, ¥7,026 million; 2012, ¥9,418 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2013, ¥7,026 million; 2012, ¥9,418 million) and corresponding interest (2013, ¥7 million; 2012, ¥11 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 | | | | | |
|--|------------------------------------|----------------------------------|-------------------------|------------------------------------|----------------------------------|-------------------------|
| | 2013 | | | 2012 | | |
| | Volume-related increase (decrease) | Rate-related increase (decrease) | Net increase (decrease) | Volume-related increase (decrease) | Rate-related increase (decrease) | Net increase (decrease) |
| Interest income..... | ¥(13,323) | ¥(37,322) | ¥(50,646) | ¥58,092 | ¥(95,485) | ¥(37,393) |
| Loans and bills discounted..... | (29,125) | (18,301) | (47,427) | (19,537) | (36,799) | (56,336) |
| Securities..... | 1,532 | (517) | 1,014 | 29,906 | (30,722) | (816) |
| Call loans..... | (99) | 14 | (84) | 31 | (19) | 12 |
| Receivables under resale agreements..... | — | — | — | — | — | — |
| Receivables under securities borrowing transactions..... | 240 | (289) | (48) | (485) | (583) | (1,068) |
| Bills bought..... | 32 | (244) | (212) | (239) | 9 | (230) |
| Deposits with banks..... | (427) | (545) | (972) | (329) | 825 | 496 |
| Interest expenses..... | ¥ (2,728) | ¥(12,304) | ¥(15,032) | ¥ 6,696 | ¥(25,756) | ¥(19,059) |
| Deposits..... | 669 | (5,921) | (5,251) | 1,718 | (17,569) | (15,851) |
| Negotiable certificates of deposit..... | (348) | (727) | (1,075) | (870) | (1,506) | (2,377) |
| Call money..... | (108) | (49) | (158) | (20) | (203) | (223) |
| Payables under repurchase agreements.... | 18 | (0) | 17 | (44) | (6) | (50) |
| Payables under securities lending transactions..... | (260) | 111 | (148) | (55) | (105) | (160) |
| Borrowed money..... | (8,356) | 4,615 | (3,741) | 6,808 | (4,630) | 2,177 |
| Short-term bonds..... | (19) | (3) | (22) | (17) | (11) | (29) |
| Bonds..... | (841) | (4,021) | (4,862) | 3,198 | (3,166) | 32 |

International Operations

| Year ended March 31 | Millions of yen | | | | | |
|--|------------------------------------|----------------------------------|-------------------------|------------------------------------|----------------------------------|-------------------------|
| | 2013 | | | 2012 | | |
| | Volume-related increase (decrease) | Rate-related increase (decrease) | Net increase (decrease) | Volume-related increase (decrease) | Rate-related increase (decrease) | Net increase (decrease) |
| Interest income..... | ¥95,072 | ¥ (9,098) | ¥85,973 | ¥36,156 | ¥(2,542) | ¥33,613 |
| Loans and bills discounted..... | 67,764 | (3,623) | 64,140 | 32,995 | 3,562 | 36,558 |
| Securities..... | 15,876 | 2,395 | 18,271 | (8,184) | (4,748) | (12,932) |
| Call loans..... | 517 | (1,237) | (719) | 439 | 659 | 1,099 |
| Receivables under resale agreements..... | 1,693 | (410) | 1,283 | 2,568 | 399 | 2,968 |
| Receivables under securities borrowing transactions..... | 343 | (23) | 319 | 146 | (11) | 135 |
| Deposits with banks..... | 3,236 | (1,448) | 1,787 | 6,238 | (1,834) | 4,403 |
| Interest expenses..... | ¥53,431 | ¥(17,395) | ¥36,035 | ¥24,224 | ¥ 2,002 | ¥26,226 |
| Deposits..... | 807 | (3,399) | (2,592) | 3,347 | 2,322 | 5,670 |
| Negotiable certificates of deposit..... | 14,311 | (3,104) | 11,207 | 5,762 | (4,383) | 1,378 |
| Call money..... | 655 | (326) | 329 | 543 | (146) | 397 |
| Payables under repurchase agreements.... | 2,739 | 504 | 3,243 | 242 | 44 | 286 |
| Payables under securities lending transactions..... | 600 | (1,081) | (481) | (2,432) | 663 | (1,768) |
| Borrowed money..... | 9,837 | (5,678) | 4,159 | (681) | 1,127 | 445 |
| Bonds..... | 11,962 | 1,291 | 13,254 | 6,120 | 1,358 | 7,479 |

Total of Domestic and International Operations

| Year ended March 31 | Millions of yen | | | | | |
|--|------------------------------------|----------------------------------|-------------------------|------------------------------------|----------------------------------|-------------------------|
| | 2013 | | | 2012 | | |
| | Volume-related increase (decrease) | Rate-related increase (decrease) | Net increase (decrease) | Volume-related increase (decrease) | Rate-related increase (decrease) | Net increase (decrease) |
| Interest income..... | ¥59,626 | ¥(28,487) | ¥31,138 | ¥78,928 | ¥(98,796) | ¥(19,868) |
| Loans and bills discounted..... | 24,784 | (8,071) | 16,713 | 7,002 | (26,780) | (19,778) |
| Securities..... | 11,414 | 7,871 | 19,286 | 27,727 | (41,476) | (13,749) |
| Call loans..... | 321 | (1,126) | (804) | 467 | 643 | 1,111 |
| Receivables under resale agreements..... | 1,693 | (410) | 1,283 | 2,568 | 399 | 2,968 |
| Receivables under securities borrowing transactions..... | 493 | (222) | 270 | (388) | (544) | (932) |
| Bills bought..... | 32 | (244) | (212) | (239) | 9 | (230) |
| Deposits with banks..... | 3,124 | (2,309) | 815 | 6,178 | (1,277) | 4,900 |
| Interest expenses..... | ¥ 8,900 | ¥ 7,913 | ¥16,813 | ¥19,533 | ¥(28,455) | ¥ (8,921) |
| Deposits..... | 1,398 | (9,242) | (7,844) | 3,810 | (13,991) | (10,181) |
| Negotiable certificates of deposit..... | 7,006 | 3,124 | 10,131 | 837 | (1,836) | (998) |
| Call money..... | (31) | 202 | 170 | 144 | 29 | 173 |
| Payables under repurchase agreements.... | 2,717 | 544 | 3,261 | 97 | 138 | 235 |
| Payables under securities lending transactions..... | (176) | (453) | (629) | (2,024) | 94 | (1,929) |
| Borrowed money..... | (42,459) | 42,877 | 418 | 37,075 | (34,451) | 2,623 |
| Short-term bonds..... | (19) | (3) | (22) | (17) | (11) | (29) |
| Bonds..... | 6,401 | 1,990 | 8,392 | 8,050 | (539) | 7,511 |

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

Fees and Commissions

| Year ended March 31 | Millions of yen | | | | | |
|------------------------------------|---------------------|--------------------------|----------|---------------------|--------------------------|----------|
| | 2013 | | | 2012 | | |
| | Domestic operations | International operations | Total | Domestic operations | International operations | Total |
| Fees and commissions..... | ¥350,989 | ¥138,321 | ¥489,310 | ¥332,461 | ¥121,416 | ¥453,877 |
| Deposits and loans..... | 11,563 | 67,958 | 79,521 | 11,241 | 55,559 | 66,800 |
| Remittances and transfers..... | 91,223 | 29,007 | 120,230 | 91,257 | 26,190 | 117,447 |
| Securities-related business..... | 11,669 | 1,557 | 13,226 | 11,895 | 1,476 | 13,372 |
| Agency..... | 12,501 | — | 12,501 | 12,459 | — | 12,459 |
| Safe deposits..... | 5,554 | — | 5,554 | 5,876 | — | 5,876 |
| Guarantees..... | 18,620 | 18,112 | 36,733 | 19,382 | 15,437 | 34,819 |
| Fees and commissions payments..... | ¥117,753 | ¥ 27,818 | ¥145,572 | ¥117,331 | ¥ 17,658 | ¥134,989 |
| Remittances and transfers..... | 21,924 | 19,238 | 41,162 | 21,355 | 8,664 | 30,019 |

Trading Income

| Year ended March 31 | Millions of yen | | | | | |
|---|---------------------|--------------------------|--------|---------------------|--------------------------|---------|
| | 2013 | | | 2012 | | |
| | Domestic operations | International operations | Total | Domestic operations | International operations | Total |
| Trading income..... | ¥1,443 | ¥4,336 | ¥5,780 | ¥5,112 | ¥78,938 | ¥84,051 |
| Gains on trading securities..... | 1,125 | — | 1,125 | 4,644 | — | 4,644 |
| Gains on securities related to trading transactions..... | — | 4,286 | 4,286 | — | 7,634 | 7,634 |
| Gains on trading-related financial derivatives..... | — | — | — | — | 71,229 | 71,229 |
| Others..... | 317 | 49 | 367 | 467 | 74 | 542 |
| Trading losses..... | ¥ — | ¥9,562 | ¥9,562 | ¥ — | ¥ — | ¥ — |
| Losses on trading securities..... | — | — | — | — | — | — |
| Losses on securities related to trading transactions..... | — | — | — | — | — | — |
| Losses on trading-related financial derivatives..... | — | 9,562 | 9,562 | — | — | — |
| Others..... | — | — | — | — | — | — |

Note: Figures represent net gains after offsetting income against expenses.

Net Other Operating Income (Expenses)

| Year ended March 31 | Millions of yen | | | | | |
|--|---------------------|--------------------------|----------|---------------------|--------------------------|----------|
| | 2013 | | | 2012 | | |
| | Domestic operations | International operations | Total | Domestic operations | International operations | Total |
| Net other operating income (expenses)..... | ¥48,795 | ¥178,316 | ¥227,112 | ¥26,550 | ¥144,406 | ¥170,957 |
| Gains on bonds..... | 40,679 | 73,169 | 113,849 | 23,192 | 129,343 | 152,536 |
| Gains (losses) on derivatives..... | (829) | (7,262) | (8,092) | (857) | (1,092) | (1,950) |
| Losses on foreign exchange transactions..... | — | 111,289 | 111,289 | — | 16,134 | 16,134 |

General and Administrative Expenses

| Year ended March 31 | Millions of yen | |
|--|------------------------------------|----------|
| | 2013 | 2012 |
| | Salaries and related expenses..... | ¥226,365 |
| Retirement benefit cost..... | 13,183 | 13,823 |
| Welfare expenses..... | 36,800 | 33,537 |
| Depreciation..... | 79,240 | 75,503 |
| Rent and lease expenses..... | 63,381 | 62,334 |
| Building and maintenance expenses..... | 3,567 | 4,711 |
| Supplies expenses..... | 5,181 | 5,179 |
| Water, lighting, and heating expenses..... | 5,202 | 4,925 |
| Traveling expenses..... | 4,552 | 4,098 |
| Communication expenses..... | 7,049 | 7,040 |
| Publicity and advertising expenses..... | 4,905 | 6,443 |
| Taxes, other than income taxes..... | 38,440 | 36,858 |
| Deposit insurance..... | 46,237 | 52,762 |
| Others..... | 193,627 | 193,577 |
| Total..... | ¥727,736 | ¥719,495 |

Deposits (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Deposits and Negotiable Certificates of Deposit

Year-End Balance

| March 31 | Millions of yen | | | |
|--|-----------------|--------|-------------|--------|
| | 2013 | | 2012 | |
| Domestic operations: | | | | |
| Liquid deposits | ¥48,253,598 | 63.4% | ¥46,015,298 | 62.8% |
| Fixed-term deposits | 21,222,265 | 27.9 | 21,124,529 | 28.8 |
| Others | 663,174 | 0.9 | 555,076 | 0.8 |
| Subtotal | 70,139,039 | 92.2 | 67,694,904 | 92.4 |
| Negotiable certificates of deposit | 5,930,739 | 7.8 | 5,595,075 | 7.6 |
| Total | ¥76,069,778 | 100.0% | ¥73,289,979 | 100.0% |
| International operations: | | | | |
| Liquid deposits | ¥ 4,922,541 | 31.0% | ¥ 3,538,401 | 31.8% |
| Fixed-term deposits | 1,724,955 | 10.9 | 1,209,344 | 10.9 |
| Others | 3,219,902 | 20.3 | 3,361,438 | 30.3 |
| Subtotal | 9,867,399 | 62.2 | 8,109,184 | 73.0 |
| Negotiable certificates of deposit | 5,991,159 | 37.8 | 2,993,670 | 27.0 |
| Total | ¥15,858,558 | 100.0% | ¥11,102,855 | 100.0% |
| Grand total | ¥91,928,337 | — | ¥84,392,835 | — |

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 | 2013 | | 2012 | |
|--|-----------------|--|-------------|--|
| | Millions of yen | | | |
| Domestic operations: | | | | |
| Liquid deposits | ¥44,618,302 | | ¥42,971,869 | |
| Fixed-term deposits | 21,273,163 | | 21,474,423 | |
| Others | 509,155 | | 444,665 | |
| Subtotal | 66,400,621 | | 64,890,957 | |
| Negotiable certificates of deposit | 6,682,323 | | 6,911,391 | |
| Total | ¥73,082,944 | | ¥71,802,349 | |
| International operations: | | | | |
| Liquid deposits | ¥ 4,544,011 | | ¥ 4,522,150 | |
| Fixed-term deposits | 1,459,551 | | 1,101,535 | |
| Others | 2,902,570 | | 3,050,828 | |
| Subtotal | 8,906,133 | | 8,674,514 | |
| Negotiable certificates of deposit | 4,983,840 | | 2,707,987 | |
| Total | ¥13,889,974 | | ¥11,382,502 | |
| Grand total | ¥86,972,919 | | ¥83,184,851 | |

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 | | | |
|------------------|-----------------|--------|-------------|--------|
| | 2013 | | 2012 | |
| Individual | ¥38,827,723 | 53.4% | ¥37,696,735 | 53.6% |
| Corporate | 33,819,677 | 46.6 | 32,593,932 | 46.4 |
| Total | ¥72,647,400 | 100.0% | ¥70,290,667 | 100.0% |

Notes: 1. Negotiable certificates of deposit are excluded.

2. Accounts at overseas branches and Japan offshore banking accounts are excluded.

3. The figures above are after adjustment on inter-office accounts in transit. Previously released figures for March 31, 2012 on before-adjustment basis, have been adjusted retrospectively.

Balance of Investment Trusts, Classified by Type of Customer

| March 31 | Millions of yen | |
|--------------------|-------------------|-------------------|
| | 2013 | 2012 |
| Individual | ¥2,686,235 | ¥2,421,481 |
| Corporate | 345,683 | 314,331 |
| Total | ¥3,031,918 | ¥2,735,812 |

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 | |
|-------------------------------|--------------------|--------------------|
| | 2013 | 2012 |
| Less than three months | ¥ 8,615,190 | ¥ 8,061,223 |
| Fixed interest rates | 7,051,007 | 6,931,819 |
| Floating interest rates | 54,213 | 24,616 |
| Others | 1,509,970 | 1,104,787 |
| Three — six months | 4,330,621 | 4,417,587 |
| Fixed interest rates | 4,162,945 | 4,330,740 |
| Floating interest rates | 86,309 | 35,133 |
| Others | 81,367 | 51,714 |
| Six months — one year | 5,971,613 | 5,944,888 |
| Fixed interest rates | 5,668,401 | 5,846,969 |
| Floating interest rates | 177,919 | 50,909 |
| Others | 125,291 | 47,009 |
| One — two years | 1,805,436 | 1,464,345 |
| Fixed interest rates | 1,670,172 | 1,371,815 |
| Floating interest rates | 132,154 | 88,433 |
| Others | 3,108 | 4,096 |
| Two — three years | 1,197,298 | 1,264,926 |
| Fixed interest rates | 1,120,995 | 1,145,324 |
| Floating interest rates | 76,302 | 119,508 |
| Others | 0 | 93 |
| Three years or more | 1,027,019 | 1,180,859 |
| Fixed interest rates | 529,243 | 542,011 |
| Floating interest rates | 492,559 | 637,205 |
| Others | 5,217 | 1,642 |
| Total | ¥22,947,180 | ¥22,333,832 |
| Fixed interest rates | 20,202,765 | 20,168,681 |
| Floating interest rates | 1,019,459 | 955,806 |
| Others | 1,724,955 | 1,209,344 |

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 | |
|---------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Loans on notes..... | ¥ 930,005 | ¥ 1,216,941 |
| Loans on deeds..... | 35,490,809 | 35,678,924 |
| Overdrafts..... | 8,630,789 | 8,308,672 |
| Bills discounted..... | 140,274 | 151,855 |
| Subtotal..... | ¥45,191,878 | ¥45,356,393 |
| International operations: | | |
| Loans on notes..... | ¥ 785,108 | ¥ 506,700 |
| Loans on deeds..... | 13,649,153 | 10,436,568 |
| Overdrafts..... | 144,622 | 111,830 |
| Bills discounted..... | — | — |
| Subtotal..... | ¥14,578,885 | ¥11,055,098 |
| Total..... | ¥59,770,763 | ¥56,411,492 |

Average Balance

| Year ended March 31 | Millions of yen | |
|---------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Loans on notes..... | ¥ 1,089,277 | ¥ 1,365,314 |
| Loans on deeds..... | 34,911,708 | 36,768,819 |
| Overdrafts..... | 8,327,167 | 8,072,784 |
| Bills discounted..... | 120,292 | 125,570 |
| Subtotal..... | ¥44,448,446 | ¥46,332,489 |
| International operations: | | |
| Loans on notes..... | ¥ 656,326 | ¥ 518,305 |
| Loans on deeds..... | 12,914,024 | 9,689,941 |
| Overdrafts..... | 150,523 | 117,526 |
| Bills discounted..... | — | — |
| Subtotal..... | ¥13,720,874 | ¥10,325,773 |
| Total..... | ¥58,169,321 | ¥56,658,263 |

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 | | | |
|-----------------------------------|-----------------|--------|-------------|--------|
| | 2013 | | 2012 | |
| Funds for capital investment..... | ¥20,838,299 | 34.9% | ¥20,802,161 | 36.9% |
| Funds for working capital..... | 38,932,464 | 65.1 | 35,609,330 | 63.1 |
| Total..... | ¥59,770,763 | 100.0% | ¥56,411,492 | 100.0% |

Balance of Loans and Bills Discounted, Classified by Collateral

| March 31 | Millions of yen | |
|------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Securities..... | ¥ 526,510 | ¥ 469,939 |
| Commercial claims..... | 1,020,675 | 996,724 |
| Commercial goods..... | — | — |
| Real estate..... | 6,468,203 | 6,586,174 |
| Others..... | 900,384 | 718,816 |
| Subtotal..... | 8,915,773 | 8,771,654 |
| Guaranteed..... | 18,820,060 | 19,906,243 |
| Unsecured..... | 32,034,929 | 27,733,594 |
| Total..... | ¥59,770,763 | ¥56,411,492 |

Balance of Loans and Bills Discounted, Classified by Maturity

| March 31 | Millions of yen | |
|-------------------------------|-----------------|-------------|
| | 2013 | 2012 |
| One year or less | ¥ 9,523,787 | ¥ 8,819,333 |
| One — three years | 9,108,573 | 9,011,403 |
| Floating interest rates | 7,368,894 | 7,168,306 |
| Fixed interest rates | 1,739,678 | 1,843,096 |
| Three — five years | 8,541,693 | 7,278,348 |
| Floating interest rates | 6,926,235 | 5,971,385 |
| Fixed interest rates | 1,615,458 | 1,306,963 |
| Five — seven years | 4,069,630 | 3,413,005 |
| Floating interest rates | 3,421,755 | 2,893,753 |
| Fixed interest rates | 647,875 | 519,252 |
| More than seven years | 19,751,666 | 19,468,898 |
| Floating interest rates | 18,838,219 | 18,538,698 |
| Fixed interest rates | 913,446 | 930,199 |
| No designated term | 8,775,412 | 8,420,502 |
| Floating interest rates | 8,775,412 | 8,420,502 |
| Fixed interest rates | — | — |
| Total | ¥59,770,763 | ¥56,411,492 |

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 | | | |
|---|-----------------|--------|-------------|--------|
| | 2013 | | 2012 | |
| Domestic operations: | | | | |
| Manufacturing | ¥ 5,624,822 | 11.8% | ¥ 5,701,247 | 12.1% |
| Agriculture, forestry, fisheries and mining | 147,588 | 0.3 | 133,829 | 0.3 |
| Construction | 702,929 | 1.5 | 714,741 | 1.5 |
| Transportation, communications and public enterprises | 4,026,851 | 8.5 | 3,988,144 | 8.5 |
| Wholesale and retail | 3,740,820 | 7.9 | 3,691,342 | 7.8 |
| Finance and insurance | 6,253,616 | 13.1 | 5,828,625 | 12.3 |
| Real estate, goods rental and leasing | 6,334,343 | 13.3 | 6,185,671 | 13.1 |
| Services | 3,496,804 | 7.3 | 3,197,121 | 6.8 |
| Municipalities | 992,233 | 2.1 | 949,628 | 2.0 |
| Others | 16,273,333 | 34.2 | 16,827,603 | 35.6 |
| Subtotal | ¥47,593,343 | 100.0% | ¥47,217,955 | 100.0% |
| Overseas operations: | | | | |
| Public sector | ¥ 36,664 | 0.3% | ¥ 47,641 | 0.5% |
| Financial institutions | 899,404 | 7.4 | 624,804 | 6.8 |
| Commerce and industry | 10,344,435 | 84.9 | 7,828,495 | 85.2 |
| Others | 896,914 | 7.4 | 692,595 | 7.5 |
| Subtotal | ¥12,177,419 | 100.0% | ¥ 9,193,536 | 100.0% |
| Total | ¥59,770,763 | — | ¥56,411,492 | — |

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 | |
|--|-----------------|-------------|
| | 2013 | 2012 |
| Total domestic loans (A) | ¥47,593,343 | ¥47,217,955 |
| Loans to individuals, and small and medium-sized enterprises (B) | 33,091,729 | 33,230,726 |
| (B) / (A) | 69.5% | 70.4% |

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 | |
|---------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Consumer loans | ¥14,955,844 | ¥15,206,143 |
| Housing loans | 14,086,232 | 14,336,810 |
| Residential purpose | 11,190,267 | 11,196,588 |
| Others | 869,612 | 869,332 |

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, 2013 | 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 | ¥446,842 | ¥375,161 | ¥ — | ¥446,842* | ¥375,161 |
| | [(7,308)] | | | | |
| Specific reserve for possible loan losses | 252,578 | 241,426 | 56,254 | 196,324* | 241,426 |
| | [(3,071)] | | | | |
| For nonresident loans | 64,826 | 65,499 | 10,543 | 54,282* | 65,499 |
| | [(3,071)] | | | | |
| Loan loss reserve for specific overseas countries ... | 173 | 5 | — | 173* | 5 |
| Total | ¥699,595 | ¥616,593 | ¥56,254 | ¥643,340 | ¥616,593 |
| | [(10,379)] | | | | |
| Amount of direct reduction | ¥336,938 | | | | ¥356,056 |
| | [(2,038)] | | | | |

* Transfer from reserves by reversal or origination method

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

| 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.

Write-Off of Loans

| Year ended March 31 | Millions of yen | |
|--------------------------|-----------------|---------|
| | 2013 | 2012 |
| Write-off of loans | ¥40,258 | ¥15,797 |

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

Specific Overseas Loans

| March 31 | Millions of yen | |
|--|-----------------|--------|
| | 2013 | 2012 |
| Cyprus | ¥67 | ¥ — |
| Argentina | 4 | 6 |
| Ukraine | — | 902 |
| Iceland | — | 663 |
| Pakistan | — | 72 |
| Total | ¥72 | ¥1,645 |
| Ratio of the total amounts to total assets | 0.00% | 0.00% |
| Number of countries | 2 | 4 |

Risk-Monitored Loans

| March 31 | Millions of yen | |
|---|-------------------|-------------------|
| | 2013 | 2012 |
| Bankrupt loans | ¥ 44,949 | ¥ 57,503 |
| Non-accrual loans | 760,701 | 816,705 |
| Past due loans (3 months or more) | 9,004 | 10,531 |
| Restructured loans | 247,634 | 258,312 |
| Total | ¥1,062,290 | ¥1,143,053 |
| Amount of direct reduction | ¥ 321,197 | ¥ 295,908 |

Notes: **Definition of risk-monitored loan categories**

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

Problem Assets Based on the Financial Reconstruction Act

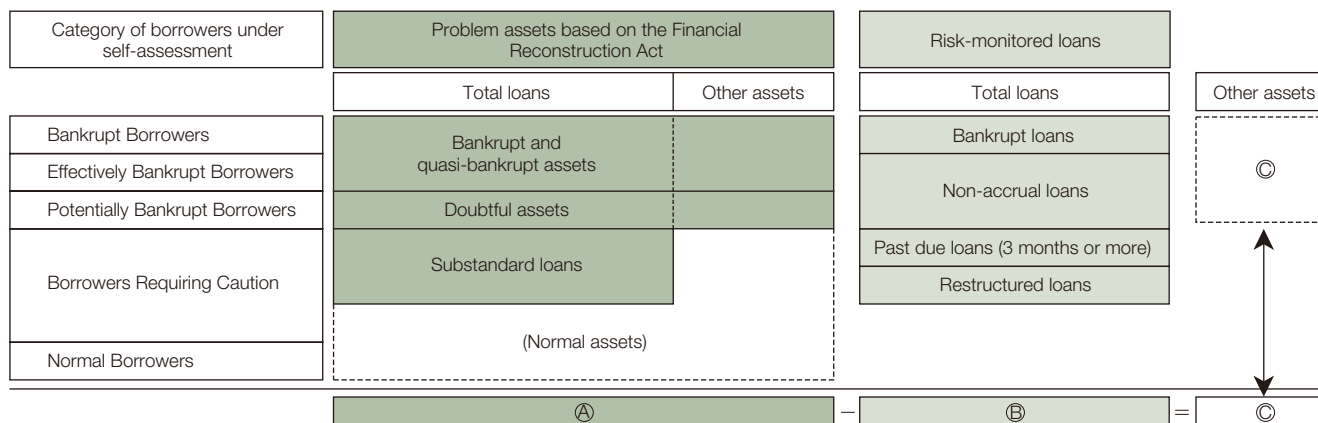
| March 31 | Millions of yen | |
|--|--------------------|--------------------|
| | 2013 | 2012 |
| Bankrupt and quasi-bankrupt assets | ¥ 145,438 | ¥ 134,361 |
| Doubtful assets | 691,388 | 779,641 |
| Substandard loans | 256,638 | 268,844 |
| Total of problem assets | 1,093,465 | 1,182,847 |
| Normal assets | 67,289,548 | 62,493,590 |
| Total | ¥68,383,013 | ¥63,676,437 |
| Amount of direct reduction | ¥ 356,056 | ¥ 334,900 |

Notes: **Definition of problem asset categories**

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Act (Act No. 132 of 1998) and classified into the 4 categories based on financial position and business performance of obligors in accordance with Article 6 of the Act. Assets in question include private placement bonds, loans and bills discounted, foreign exchanges, accrued interest, and suspense payment in "other assets," customers' liabilities for acceptances and guarantees, and securities lent under the loan for consumption or leasing agreements.

1. Bankrupt and quasi-bankrupt assets: Credits to borrowers undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings, as well as claims of a similar nature
2. Doubtful assets: Credits for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower
3. Substandard loans: Past due loans (3 months or more) and restructured loans, excluding 1. and 2.
4. Normal assets: Credits to borrowers with good business performance and in financial standing without identified problems and not classified into the 3 categories above

Problem Assets Based on the Financial Reconstruction Act, and Risk-Monitored Loans



Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs/Reserves

March 31, 2013

(Billions of yen)

| Category of borrowers under self-assessment | Problem assets based on the Financial Reconstruction Act | Classification under self-assessment | | | | Reserve for possible loan losses | Reserve ratio |
|---|--|--|--|--|--|--|---------------|
| | | Classification I | Classification II | Classification III | Classification IV | | |
| Bankrupt Borrowers | Bankrupt and quasi-bankrupt assets (1) ¥145.5 | Portion of claims secured by collateral or guarantees, etc. (5) ¥130.5 | Fully reserved ¥15.0 | Direct write-offs (Note 1) | Specific reserve ¥24.1 (Note 2) | 100% (Note 3) | |
| Effectively Bankrupt Borrowers | | | | | | | |
| Potentially Bankrupt Borrowers | Doubtful assets (2) ¥691.4 | Portion of claims secured by collateral or guarantees, etc. (6) ¥425.1 | Necessary amount reserved ¥266.3 | | ¥217.3 (Note 2) | 81.59% (Note 3) | |
| Borrowers Requiring Caution | Substandard loans (3) ¥256.6 | Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥130.3 | | | General reserve for substandard loans ¥85.6 | 70.03% (Note 3) | |
| | (Claims to substandard borrowers) | | | | | | |
| Normal Borrowers | Normal assets ¥67,289.5 | Claims to borrowers requiring caution, excluding claims to substandard borrowers | | | General reserve ¥375.2 | 6.47% (16.17%) (Note 4) | |
| | | Claims to normal borrowers | | | | | |
| | | | | Loan loss reserve for specific overseas countries | ¥0.0 | | |
| NPL ratio (A) / (4) 1.60% (Note 5) | Total (4) ¥68,383.0 | | | Total reserve for possible loan losses | ¥616.6 | Reserve ratio (B) / (D) 80.23% (Note 6) | |
| | (A) = (1) + (2) + (3) ¥1,093.5 | Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥685.9 | Unsecured portion (D) = (A) - (C) ¥407.6 | (B) Specific reserve + General reserve for substandard loans | ¥327.0 | | |
| | | | | Coverage ratio {(B) + (C)} / (A) | | 92.63% | |

- Notes: 1. Includes amount of direct reduction totaling ¥356.0 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥9.2 billion; Potentially Bankrupt Borrowers: ¥11.3 billion)
3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution: The proportion of each category's total unsecured claims covered by reserve for possible loan losses.
4. Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.
5. Ratio of problem assets to total assets subject to the Financial Reconstruction Act
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

| | Fiscal 2011 | | Fiscal 2012 | | March 31, 2013 |
|---------------------------------------|---------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | March 31, 2011 ① | New occurrences Off-balanced | March 31, 2012 ② | New occurrences Off-balanced | |
| Bankrupt and quasi-bankrupt assets... | ¥138.5 | ¥ 71.2 ¥ (75.3) | ¥134.4 | ¥ 29.6 ¥ (18.5) | ¥145.5 |
| Doubtful assets | 684.8 | 339.2 (244.4) | 779.6 | 290.4 (378.6) | 691.4 |
| Total | ¥823.3 | ¥410.4 ¥(319.7) | ¥914.0 | ¥320.0 ¥(397.1) | ¥836.9 |
| | | | Increase/ Decrease ② - ① | | Increase/ Decrease ③ - ② |
| Bankrupt and quasi-bankrupt assets... | | | ¥ (4.1) | | ¥ 11.1 |
| Doubtful assets | | | 94.8 | | (88.2) |
| Total | | | ¥90.7 | | ¥(77.1) |

- Notes: 1. The off-balancing (also known as "final disposal") of problem assets refers to the removal of such assets from the bank's balance sheet by way of sale, direct write-off or other means.
2. The figures shown in the above table under "new occurrences" and "off-balanced" are simple additions of the figures for the first and second halves of the 2 periods reviewed. Amounts of ¥62.9 billion for fiscal 2011 and ¥53.5 billion in fiscal 2012, 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 | |
|---------------------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Japanese government bonds..... | ¥26,231,692 | ¥28,472,939 |
| Japanese local government bonds | 159,088 | 229,175 |
| Japanese corporate bonds | 2,471,459 | 2,768,322 |
| Japanese stocks..... | 3,900,774 | 3,472,964 |
| Others..... | 893,622 | 317,541 |
| Foreign bonds..... | / | / |
| Foreign stocks | / | / |
| Subtotal | ¥33,656,638 | ¥35,260,942 |
| International operations: | | |
| Japanese government bonds..... | ¥ — | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks..... | — | — |
| Others..... | 7,690,361 | 7,180,192 |
| Foreign bonds..... | 5,762,889 | 5,578,280 |
| Foreign stocks | 1,927,471 | 1,601,912 |
| Subtotal | ¥ 7,690,361 | ¥ 7,180,192 |
| Total..... | ¥41,347,000 | ¥42,441,134 |

Average Balance

| Year ended March 31 | Millions of yen | |
|---------------------------------------|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Japanese government bonds..... | ¥26,528,645 | ¥26,162,160 |
| Japanese local government bonds | 177,017 | 254,553 |
| Japanese corporate bonds | 2,665,321 | 2,778,522 |
| Japanese stocks..... | 3,220,358 | 3,233,532 |
| Others..... | 460,192 | 345,606 |
| Foreign bonds..... | / | / |
| Foreign stocks | / | / |
| Subtotal | ¥33,051,536 | ¥32,774,374 |
| International operations: | | |
| Japanese government bonds..... | ¥ — | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks..... | — | — |
| Others..... | 6,209,456 | 4,639,440 |
| Foreign bonds..... | 4,483,159 | 3,090,800 |
| Foreign stocks | 1,726,296 | 1,548,639 |
| Subtotal | ¥ 6,209,456 | ¥ 4,639,440 |
| Total..... | ¥39,260,992 | ¥37,413,814 |

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 | |
|---------------------------------------|-----------------|-------------|
| | 2013 | 2012 |
| One year or less | | |
| Japanese government bonds..... | ¥ 8,105,692 | ¥ 7,294,077 |
| Japanese local government bonds | 45,360 | 6,038 |
| Japanese corporate bonds | 278,473 | 278,046 |
| Others | 630,608 | 386,681 |
| Foreign bonds..... | 616,160 | 365,192 |
| Foreign stocks | — | — |
| One — three years | | |
| Japanese government bonds..... | 7,782,528 | 9,857,152 |
| Japanese local government bonds | 112,997 | 102,630 |
| Japanese corporate bonds | 776,276 | 944,689 |
| Others | 3,223,473 | 2,972,025 |
| Foreign bonds..... | 3,176,836 | 2,930,657 |
| Foreign stocks | — | — |
| Three — five years | | |
| Japanese government bonds..... | 8,259,369 | 9,038,326 |
| Japanese local government bonds | — | 116,010 |
| Japanese corporate bonds | 891,292 | 942,888 |
| Others | 1,644,565 | 1,752,052 |
| Foreign bonds..... | 1,481,341 | 1,707,708 |
| Foreign stocks | — | — |
| Five — seven years | | |
| Japanese government bonds..... | 1,741,444 | 693,803 |
| Japanese local government bonds | 196 | 3,972 |
| Japanese corporate bonds | 239,352 | 365,879 |
| Others | 186,337 | 73,462 |
| Foreign bonds..... | 180,582 | 71,568 |
| Foreign stocks | 526 | — |
| Seven — 10 years | | |
| Japanese government bonds..... | 342,657 | 1,589,578 |
| Japanese local government bonds | 488 | 475 |
| Japanese corporate bonds | 222,512 | 171,289 |
| Others | 67,001 | 234,630 |
| Foreign bonds..... | — | 199,935 |
| Foreign stocks | 756 | 30 |
| More than 10 years | | |
| Japanese government bonds..... | — | — |
| Japanese local government bonds | 45 | 47 |
| Japanese corporate bonds | 63,551 | 65,528 |
| Others | 460,749 | 471,315 |
| Foreign bonds..... | 307,968 | 303,219 |
| Foreign stocks | 146,966 | 158,091 |
| No designated term | | |
| Japanese government bonds..... | — | — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks..... | 3,900,774 | 3,472,964 |
| Others | 2,371,248 | 1,607,566 |
| Foreign bonds..... | — | — |
| Foreign stocks | 1,779,221 | 1,443,789 |
| Total | | |
| Japanese government bonds..... | ¥26,231,692 | ¥28,472,939 |
| Japanese local government bonds | 159,088 | 229,175 |
| Japanese corporate bonds | 2,471,459 | 2,768,322 |
| Japanese stocks..... | 3,900,774 | 3,472,964 |
| Others | 8,583,984 | 7,497,734 |
| Foreign bonds..... | 5,762,889 | 5,578,280 |
| Foreign stocks | 1,927,471 | 1,601,912 |

Ratios (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Income Ratio

| Year ended March 31 | Percentage | |
|--|------------|-------|
| | 2013 | 2012 |
| Ordinary profit to total assets..... | 0.54% | 0.59% |
| Ordinary profit to stockholders' equity..... | 10.94 | 12.57 |
| Net income to total assets..... | 0.50 | 0.40 |
| Net income to stockholders' equity..... | 10.07 | 8.64 |

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 | |
|---------------------------------------|------------|-------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Interest-earning assets (A)..... | 1.10% | 1.15% |
| Interest-bearing liabilities (B)..... | 0.90 | 0.90 |
| (A) – (B)..... | 0.20 | 0.25 |
| International operations: | | |
| Interest-earning assets (A)..... | 1.48% | 1.53% |
| Interest-bearing liabilities (B)..... | 1.31 | 1.43 |
| (A) – (B)..... | 0.17 | 0.10 |
| Total: | | |
| Interest-earning assets (A)..... | 1.21% | 1.23% |
| Interest-bearing liabilities (B)..... | 1.00 | 1.00 |
| (A) – (B)..... | 0.21 | 0.23 |

Loan-Deposit Ratio

| March 31 | Millions of yen | |
|---|-----------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Loans and bills discounted (A)..... | ¥45,191,878 | ¥45,356,393 |
| Deposits (B)..... | 76,069,778 | 73,289,979 |
| Loan-deposit ratio (%) | | |
| (A) / (B)..... | 59.40% | 61.88% |
| Ratio by average balance for the fiscal year..... | 60.81 | 64.52 |
| International operations: | | |
| Loans and bills discounted (A)..... | ¥14,578,885 | ¥11,055,098 |
| Deposits (B)..... | 15,858,558 | 11,102,855 |
| Loan-deposit ratio (%) | | |
| (A) / (B)..... | 91.93% | 99.56% |
| Ratio by average balance for the fiscal year..... | 98.78 | 90.71 |
| Total: | | |
| Loans and bills discounted (A)..... | ¥59,770,763 | ¥56,411,492 |
| Deposits (B)..... | 91,928,337 | 84,392,835 |
| Loan-deposit ratio (%) | | |
| (A) / (B)..... | 65.01% | 66.84% |
| Ratio by average balance for the fiscal year..... | 66.88 | 68.11 |

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

| March 31 | Millions of yen | |
|---|--------------------|-------------|
| | 2013 | 2012 |
| Domestic operations: | | |
| Securities (A)..... | ¥33,656,638 | ¥35,260,942 |
| Deposits (B)..... | 76,069,778 | 73,289,979 |
| Securities-deposit ratio (%) | | |
| (A) / (B)..... | 44.24% | 48.11% |
| Ratio by average balance for the fiscal year..... | 45.22 | 45.64 |
| International operations: | | |
| Securities (A)..... | ¥ 7,690,361 | ¥ 7,180,192 |
| Deposits (B)..... | 15,858,558 | 11,102,855 |
| Securities-deposit ratio (%) | | |
| (A) / (B)..... | 48.49% | 64.66% |
| Ratio by average balance for the fiscal year..... | 44.70 | 40.75 |
| Total: | | |
| Securities (A)..... | ¥41,347,000 | ¥42,441,134 |
| Deposits (B)..... | 91,928,337 | 84,392,835 |
| Securities-deposit ratio (%) | | |
| (A) / (B)..... | 44.97% | 50.28% |
| Ratio by average balance for the fiscal year..... | 45.14 | 44.97 |

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, 2013 | 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, 2013 | 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, 2013 | Number of shares | Percentage of shares outstanding |
|---|------------------|----------------------------------|
| Sumitomo Mitsui Banking Corporation | 70,001 | 100.00% |

Others (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Employees

| March 31 | 2013 | 2012 |
|---|--------|--------|
| Number of employees | 22,569 | 22,686 |
| Average age (years–months) | 36-1 | 35-8 |
| Average length of employment (years–months) | 12-10 | 12-5 |
| Average annual salary (thousands of yen) | ¥7,991 | ¥7,927 |

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 | 2013 | 2012 |
|---------------------------------|------|------|
| Domestic network: | | |
| Main offices and branches | 505 | 498 |
| Subbranches | 151 | 156 |
| Agency | 4 | 4 |
| Overseas network: | | |
| Branches | 16 | 15 |
| Subbranches | 12 | 10 |
| Representative offices | 8 | 10 |
| Total | 696 | 693 |

Note: "Main offices and branches" includes the International Business Operations Dept. (2013, 2 branches; 2012, 2 branches), specialized deposit account branches (2013, 46 branches; 2012, 41 branches) and ATM administration branches (2013, 17 branches; 2012, 17 branches).

Number of Automated Service Centers

| March 31 | 2013 | 2012 |
|---------------------------------|--------|--------|
| Automated service centers | 40,416 | 37,245 |

Domestic Exchange Transactions

| Year ended March 31 | Millions of yen | |
|---|-----------------|----------------|
| | 2013 | 2012 |
| Exchange for remittance: | | |
| Destined for various parts of the country: | | |
| Number of accounts (thousands) | 365,674 | 337,487 |
| Amount | ¥ 580,395,381 | ¥ 585,870,686 |
| Received from various parts of the country: | | |
| Number of accounts (thousands) | 297,836 | 297,887 |
| Amount | ¥ 960,396,071 | ¥ 964,793,291 |
| Collection: | | |
| Destined for various parts of the country: | | |
| Number of accounts (thousands) | 2,496 | 2,540 |
| Amount | ¥ 6,311,422 | ¥ 6,357,270 |
| Received from various parts of the country: | | |
| Number of accounts (thousands) | 944 | 964 |
| Amount | ¥ 2,020,653 | ¥ 2,249,924 |
| Total | ¥1,549,123,529 | ¥1,559,271,172 |

Foreign Exchange Transactions

| Year ended March 31 | Millions of U.S. dollars | |
|-------------------------------|--------------------------|-------------|
| | 2013 | 2012 |
| Outward exchanges: | | |
| Foreign bills sold..... | \$2,332,030 | \$2,432,602 |
| Foreign bills bought..... | 1,984,878 | 1,991,657 |
| Incoming exchanges: | | |
| Foreign bills payable..... | \$ 973,735 | \$1,030,498 |
| Foreign bills receivable..... | 50,080 | 40,585 |
| Total..... | \$5,340,724 | \$5,495,343 |

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 | |
|------------------------|-----------------|------------|
| | 2013 | 2012 |
| Securities..... | ¥ 5,295 | ¥ 3,523 |
| Commercial claims..... | 28,550 | 29,031 |
| Commercial goods..... | — | — |
| Real estate..... | 46,292 | 47,134 |
| Others..... | 10,420 | 25,836 |
| Subtotal..... | ¥ 90,558 | ¥ 105,525 |
| Guaranteed..... | 488,105 | 467,610 |
| Unsecured..... | 4,812,980 | 3,726,441 |
| Total..... | ¥5,391,645 | ¥4,299,577 |

Trust Assets and Liabilities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Statements of Trust Assets and Liabilities

| March 31 | Millions of yen | |
|--|-------------------|-------------------|
| | 2013 | 2012 |
| Assets: | | |
| Loans and bills discounted..... | ¥ 131,913 | ¥ 235,829 |
| Loans on deeds..... | 131,913 | 235,829 |
| Securities..... | 1,076,225 | 424,478 |
| Japanese government bonds..... | 307,252 | 324,015 |
| Corporate bonds..... | 681,320 | 9,256 |
| Japanese stocks..... | 4,568 | 6,150 |
| Foreign securities..... | 83,084 | 84,805 |
| Other securities..... | — | 250 |
| Trust beneficiary right..... | 22,981 | 9,991 |
| Monetary claims..... | 568,056 | 621,656 |
| Monetary claims for housing loans..... | 12,328 | 17,323 |
| Other monetary claims..... | 555,727 | 604,333 |
| Tangible fixed assets..... | 8 | 7 |
| Equipment..... | 8 | 7 |
| Other claims..... | 801 | 1,529 |
| Call loans..... | 190,326 | 100,732 |
| Due from banking account..... | 643,350 | 443,723 |
| Cash and due from banks..... | 59,427 | 53,904 |
| Deposits with banks..... | 59,427 | 53,904 |
| Others..... | — | 0 |
| Others..... | — | 0 |
| Total assets..... | ¥2,693,092 | ¥1,891,853 |
| Liabilities: | | |
| Designated money trusts..... | ¥1,002,159 | ¥ 821,292 |
| Specified money trusts..... | 1,033,657 | 228,033 |
| Money in trusts other than money trusts..... | 100,000 | 220,605 |
| Monetary claims trusts..... | 554,201 | 617,858 |
| Equipment trusts..... | 19 | 24 |
| Composite trusts..... | 3,054 | 4,039 |
| Total liabilities..... | ¥2,693,092 | ¥1,891,853 |

- 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 (Consolidated)

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 “International Standard” in the Notification), SMFG has adopted the Advanced Internal Ratings-Based (AIRB) approach for calculating credit risk-weighted asset amounts and the Advanced Measurement Approach (AMA) for calculating the operational risk equivalent amount.

“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: 323
Please refer to “Principal Subsidiaries and Affiliates” on page 244 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.

2. 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.

3. Names of companies among subsidiaries of bank-holding companies (other financial institutions), with the Basel Capital Accord required amount, and total shortfall amount

Not applicable.

■ Capital Structure Information (Consolidated Capital Ratio (International 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 Practical Guideline 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 |
| Tier 1 capital: | Capital stock | ¥ 2,337,895 |
| | Capital surplus | 759,800 |
| | Retained earnings | 2,152,654 |
| | Treasury stock | (236,037) |
| | Cash dividends to be paid | (68,230) |
| | Foreign currency translation adjustments | (141,382) |
| | Stock acquisition rights | 692 |
| | Minority interests | 2,030,638 |
| | Goodwill and others | (496,434) |
| | Gain on sale on securitization transactions..... | (38,284) |
| | Amount equivalent to 50% of expected losses in excess of reserve | (29,052) |
| | Total Tier 1 capital (A) | 6,272,260 |
| Tier 2 capital: | Unrealized gains on other securities after 55% discount..... | 214,611 |
| | Land revaluation excess after 55% discount | 35,755 |
| | General reserve for possible loan losses..... | 66,695 |
| | Excess of eligible reserves relative to expected losses | — |
| | Subordinated debt | 2,454,062 |
| | Total Tier 2 capital | 2,771,125 |
| | Tier 2 capital included as qualifying capital (B) | 2,771,125 |
| Deductions*: | (C) | 399,634 |
| Total qualifying capital: | (D) = (A) + (B) – (C) | ¥ 8,643,751 |
| Risk-weighted assets: | On-balance sheet items | ¥38,150,731 |
| | Off-balance sheet items | 7,825,808 |
| | Market risk | 1,174,187 |
| | Operational risk | 3,892,505 |
| | Total risk-weighted assets (E)..... | ¥51,043,232 |
| Tier 1 risk-weighted capital ratio: | (A) / (E) × 100 | 12.28% |
| Total risk-weighted capital ratio: | (D) / (E) × 100 | 16.93% |
| Required capital: | (E) × 8% | ¥ 4,083,458 |

* “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.

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|---|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Common Equity Tier 1 capital: instruments and reserves | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 5,585,856 | | 1a+2-1c-26 |
| of which: capital and capital surplus | 3,096,526 | | 1a |
| of which: retained earnings | 2,811,474 | | 2 |
| of which: treasury stock | 227,373 | | 1c |
| of which: cash dividends to be paid | 94,771 | | 26 |
| of which: other than the above | — | | |
| Stock acquisition rights to common shares | 1,140 | | 1b |
| Accumulated other comprehensive income and other disclosed reserves | — | 664,570 | 3 |
| Adjusted minority interests, etc. (amount allowed to be included in group Common Equity Tier 1) | 139,300 | | 5 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements | 129,556 | | |
| of which: minority interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1) | 129,556 | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | 5,855,852 | | 6 |
| Common Equity Tier 1 capital: regulatory adjustments | | | |
| Total intangible assets (excluding those relating to mortgage servicing rights) | — | 668,853 | 8+9 |
| of which: goodwill (including those equivalent) | — | 400,969 | 8 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | — | 267,884 | 9 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | 9,897 | 10 |
| Net deferred losses on hedges | — | (29,649) | 11 |
| Shortfall of eligible provisions to expected losses | — | — | 12 |
| Gain on sale on securitization transactions | — | 39,149 | 13 |
| Gains and losses due to changes in own credit risk on fair valued liabilities | — | 6,658 | 14 |
| Prepaid pension cost | — | 144,783 | 15 |
| Investments in own shares (excluding those reported in the Net assets section) | — | 9,019 | 16 |
| Reciprocal cross-holdings in common equity | — | — | 17 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | — | 169,361 | 18 |
| Amount exceeding the 10% threshold on specified items | — | — | 19+20+21 |
| of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | — | — | 19 |
| of which: mortgage servicing rights | — | — | 20 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 21 |
| Amount exceeding the 15% threshold on specified items | — | — | 22 |
| of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | — | — | 23 |
| of which: mortgage servicing rights | — | — | 24 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 25 |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | — | | 27 |
| Common Equity Tier 1 capital: regulatory adjustments (B) | — | | 28 |
| Common Equity Tier 1 capital (CET1) | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | 5,855,852 | | 29 |

(Millions of yen, except percentages)

| | | Year ended March 31, 2013 | |
|--|-----------|--|------------------------|
| Items | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Additional Tier 1 capital: instruments | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | | 31a |
| Stock acquisition rights to Additional Tier 1 instruments | — | | 31b |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 32 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | |
| Adjusted minority interests, etc. (amount allowed to be included in group Additional Tier 1) | 127,606 | | 34-35 |
| Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments | 1,463,271 | | 33+35 |
| of which: instrument issued by bank holding companies and their special purpose vehicles | 1,462,821 | | 33 |
| of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles) | 450 | | 35 |
| Total of items included in Additional Tier 1 capital: items subject to transitional arrangements | (97,448) | | |
| of which: foreign currency translation adjustments | (97,448) | | |
| Additional Tier 1 capital: instruments (D) | 1,493,429 | | 36 |
| Additional Tier 1 capital: regulatory adjustments | | | |
| Investments in own Additional Tier 1 instruments | — | — | 37 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | — | — | 38 |
| Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold) | — | 1,589 | 39 |
| Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | — | 157,149 | 40 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements | 520,261 | | |
| of which: goodwill and others | 481,111 | | |
| of which: gain on sale on securitization transactions | 39,149 | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | — | | 42 |
| Additional Tier 1 capital: regulatory adjustments (E) | 520,261 | | 43 |
| Additional Tier 1 capital (AT1) | | | |
| Additional Tier 1 capital ((D)-(E)) (F) | 973,168 | | 44 |
| Tier 1 capital (T1 = CET1 + AT1) | | | |
| Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G) | 6,829,021 | | 45 |
| Tier 2 capital: instruments and provisions | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | — | | |
| Stock acquisition rights to Tier 2 instruments | — | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 46 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | |
| Adjusted minority interests, etc. (amount allowed to be included in group Tier 2) | 28,909 | | 48-49 |
| Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions | 1,830,854 | | 47+49 |
| of which: instruments issued by bank holding companies and their special purpose vehicles | — | | 47 |
| of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles) | 1,830,854 | | 49 |
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | 67,313 | | 50 |
| of which: general reserve for possible loan losses | 41,449 | | 50a |
| of which: eligible provisions | 25,864 | | 50b |
| Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements | 506,575 | | |
| of which: unrealized gains on other securities after 55% discount | 471,203 | | |
| of which: land revaluation excess after 55% discount | 35,372 | | |
| Tier 2 capital: instruments and provisions (H) | 2,433,653 | | 51 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|--|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Tier 2 capital: regulatory adjustments | | | |
| Investments in own Tier 2 instruments | — | — | 52 |
| Reciprocal cross-holdings in Tier 2 instruments | — | — | 53 |
| Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold) | — | 73,250 | 54 |
| Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions) | — | 125,000 | 55 |
| Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements | 76,663 | | |
| of which: Tier 2 and deductions under Basel 2 | 76,663 | | |
| Tier 2 capital: regulatory adjustments (I) | 76,663 | | 57 |
| Tier 2 capital (T2) | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | 2,356,989 | | 58 |
| Total capital (TC = T1 + T2) | | | |
| Total capital (TC = T1 + T2) ((G) + (J)) (K) | 9,186,010 | | 59 |
| Risk weighted assets | | | |
| Total of items included in risk weighted assets subject to transitional arrangements | 363,360 | | |
| of which: intangible assets other than mortgage servicing rights | (76,474) | | |
| of which: Non-significant Investments in the capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold) | 284,262 | | |
| of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | 88,191 | | |
| of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions) | 45,877 | | |
| Risk weighted assets (L) | 62,426,124 | | 60 |
| Capital ratio (consolidated) | | | |
| Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L)) | 9.38% | | 61 |
| Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L)) | 10.93% | | 62 |
| Total risk-weighted capital ratio (consolidated) ((K)/(L)) | 14.71% | | 63 |
| Regulatory adjustments | | | |
| Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 554,215 | | 72 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 197,398 | | 73 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 506,519 | | 75 |
| Provisions included in Tier 2 capital: instruments and provisions | | | |
| Provisions (general reserve for possible loan losses) | 41,449 | | 76 |
| Cap on inclusion of provisions (general reserve for possible loan losses) | 70,845 | | 77 |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | 25,864 | | 78 |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 291,538 | | 79 |
| Capital instruments subject to transitional arrangements | | | |
| Current cap on Additional Tier 1 instruments subject to transitional arrangements | 1,463,271 | | 82 |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) | 162,585 | | 83 |
| Current cap on Tier 2 instruments subject to transitional arrangements | 1,830,854 | | 84 |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) | 203,428 | | 85 |

(Millions of yen)

| Items | Year ended March 31, 2013 |
|-----------------------------|---------------------------|
| Required capital ((L) × 8%) | 4,994,089 |

■ Capital Requirements

| March 31 | Billions of yen | |
|---|-----------------|-----------------|
| | 2013 | 2012 |
| Capital requirements for credit risk: | | |
| Internal ratings-based approach | ¥5,361.9 | ¥4,573.4 |
| Corporate exposures: | 3,278.6 | 2,780.8 |
| Corporate exposures (excluding specialized lending) | 2,768.3 | 2,358.5 |
| Sovereign exposures | 35.3 | 46.3 |
| Bank exposures | 159.7 | 104.9 |
| Specialized lending | 315.2 | 271.1 |
| Retail exposures: | 920.4 | 876.2 |
| Residential mortgage exposures | 497.7 | 432.9 |
| Qualifying revolving retail exposures | 117.9 | 125.8 |
| Other retail exposures | 304.8 | 317.4 |
| Equity exposures: | 407.8 | 333.2 |
| Grandfathered equity exposures | 184.3 | 168.7 |
| PD/LGD approach | 81.6 | 76.1 |
| Market-based approach | 141.9 | 88.4 |
| Simple risk weight method | 64.3 | 53.9 |
| Internal models method | 77.6 | 34.5 |
| Credit risk-weighted assets under Article 145 of the Notification | 273.8 | 140.0 |
| Securitization exposures | 106.1 | 137.2 |
| Other exposures | 375.2 | 306.0 |
| Standardized approach | 422.6 | 569.2 |
| Amount corresponding to CVA risk | 192.7 | — |
| CCP-related exposures | 8.7 | — |
| Total capital requirements for credit risk | 5,985.9 | 5,142.6 |
| Capital requirements for market risk: | | |
| Standardized measurement method | 54.6 | 41.9 |
| Interest rate risk | 34.6 | 30.9 |
| Equity position risk | 7.5 | 7.5 |
| Foreign exchange risk | 1.0 | 0.5 |
| Commodities risk | 10.8 | 1.6 |
| Options | 0.8 | 1.4 |
| Internal models method | 107.9 | 52.0 |
| Securitization exposures | — | 0.5 |
| Total capital requirements for market risk | 162.5 | 94.5 |
| Capital requirements for operational risk: | | |
| Advanced measurement approach | 204.5 | 251.5 |
| Basic indicator approach | 56.0 | 59.9 |
| Total capital requirements for operational risk | 260.5 | 311.4 |
| Total amount of capital requirements | ¥6,408.9 | ¥5,548.4 |

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 Internal-Ratings Based (IRB) approach. Regarding exposures to be deducted from capital in the year ended March 31, 2012, 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 Internal Ratings-Based (AIRB) 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., Kansai Urban Banking Corporation, SMBC Finance Service Co., Ltd. and Sumitomo Mitsui Finance and Leasing Co., Ltd. have adopted the Foundation Internal Ratings-Based (FIRB) approach.

Note: Directly controlled SPCs and limited partnerships for investment of consolidated subsidiaries using the AIRB approach have also adopted the AIRB approach. Further, the AIRB 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 37). Different rating series are used for domestic and overseas obligors — J1 ~ J10 for domestic obligors and G1 ~ G10 for overseas obligors — as shown below due to differences in actual default rate levels and portfolios’ grade distribution. Different Probability of Default (PD) values are applied also.
- In addition to the above basic rating procedure which builds on the financial grade assigned at the beginning, in some cases, the obligor grade is assigned based on the parent company’s credit quality or credit ratings published by external rating agencies. The Japanese government, local authorities and other public sector entities with special basis for existence and unconventional financial statements are assigned obligor grades based on their attributes (for example, “local municipal corporations”), as the data on these obligors are not suitable for conventional grading models. Further, credits to individuals for business purposes, business loans and standardized SME loans are assigned obligor grades using grading models developed specifically for these exposures.
- PDs used for calculating credit risk-weighted assets are estimated based on the default experience for each grade and taking into account the possibility of estimation errors. In addition to internal data, external data are used to estimate and validate PDs. The definition of default is the definition stipulated in the Notification (an event that would lead to an exposure being classified as “substandard loans,” “doubtful assets” or “bankrupt and quasi-bankrupt assets” occurring to the obligor).
- Loss Given Defaults (LGDs) used in the calculation of credit risk-weighted assets are estimated based on historical loss experience of credits in default, taking into account the possibility of estimation errors.

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

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

| | Billions of yen | | | | | | | | | |
|---|------------------|-------------------------|--------------------------|-----------------|----------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn 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 | Total | | | | | | |
| March 31, 2013 | | | | | | | | | | |
| J1-J3 | ¥22,293.4 | ¥16,543.7 | ¥5,749.8 | ¥4,392.9 | 75.00% | 0.07% | 36.75% | —% | 19.39% | |
| J4-J6 | 15,507.9 | 12,920.5 | 2,587.4 | 915.8 | 75.00 | 0.76 | 33.08 | — | 49.08 | |
| J7 (excluding J7R) | 1,426.9 | 1,291.3 | 135.6 | 42.3 | 75.00 | 12.58 | 30.45 | — | 127.74 | |
| Japanese government and local municipal corporations | 34,112.9 | 33,667.3 | 445.7 | 82.0 | 75.00 | 0.00 | 35.56 | — | 0.04 | |
| Others | 5,233.9 | 4,808.9 | 425.1 | 56.8 | 75.00 | 1.07 | 38.62 | — | 54.35 | |
| Default (J7R, J8-J10) | 1,607.6 | 1,531.8 | 75.8 | 0.4 | 100.00 | 100.00 | 48.27 | 47.84 | 5.40 | |
| Total | ¥80,182.7 | ¥70,763.4 | ¥9,419.3 | ¥5,490.2 | — | — | — | — | — | |

| | Billions of yen | | | | | | | | | |
|---|------------------|-------------------------|--------------------------|-----------------|----------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn 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 | Total | | | | | | |
| 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 | — | — | — | — | — | |

Note: "Others" includes exposures guaranteed by credit guarantee corporations, exposures to public sector entities and voluntary organizations, and exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies), as well as business loans and standardized SME loans of more than ¥100 million.

b. Overseas Corporate, Sovereign and Bank Exposures

| | Billions of yen | | | | | | | | | |
|-----------------------------|------------------|-------------------------|--------------------------|-----------------|----------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn 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 | Total | | | | | | |
| March 31, 2013 | | | | | | | | | | |
| G1-G3 | ¥30,565.9 | ¥22,024.0 | ¥ 8,541.8 | ¥5,238.9 | 75.00% | 0.15% | 30.65% | —% | 18.58% | |
| G4-G6 | 2,104.3 | 756.7 | 1,347.6 | 191.8 | 75.00 | 3.62 | 13.23 | — | 34.43 | |
| G7 (excluding G7R) | 169.5 | 127.6 | 41.9 | 31.6 | 75.00 | 23.82 | 20.79 | — | 112.64 | |
| Others | 113.8 | 40.9 | 72.8 | 22.2 | 75.00 | 2.12 | 35.45 | — | 102.07 | |
| Default (G7R, G8-G10) | 86.6 | 79.1 | 7.5 | 1.9 | 100.00 | 100.00 | 65.08 | 60.97 | 51.35 | |
| Total | ¥33,040.0 | ¥23,028.3 | ¥10,011.7 | ¥5,486.4 | — | — | — | — | — | |

| | Billions of yen | | | | | | | | | |
|-----------------------------|------------------|-------------------------|--------------------------|-----------------|----------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn 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 | Total | | | | | | |
| 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 | — | — | — | — | — | |

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, 2013.
- 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 | | | | | |
|---|-------------|-----------------|----------------|--------------|-----------------|----------------|--------------|
| | | 2013 | | | 2012 | | |
| | | Project finance | Object finance | IPRE | Project finance | Object finance | IPRE |
| Strong: | | | | | | | |
| Residual term less than 2.5 years | 50% | ¥ 109.8 | ¥1.8 | ¥10.9 | ¥ 152.2 | ¥ — | ¥ 9.4 |
| Residual term 2.5 years or more | 70% | 767.5 | — | 6.8 | 1,047.7 | 6.8 | 11.0 |
| Good: | | | | | | | |
| Residual term less than 2.5 years | 70% | 132.4 | — | — | 27.9 | 1.3 | — |
| Residual term 2.5 years or more | 90% | 895.8 | — | 5.0 | 242.1 | — | 1.3 |
| Satisfactory | 115% | 175.7 | — | 16.9 | 20.9 | — | 20.7 |
| Weak | 250% | 71.6 | — | 1.2 | 50.4 | — | 3.0 |
| Default | — | 13.2 | — | 3.3 | 25.5 | — | 4.7 |
| Total | | ¥2,166.0 | ¥1.8 | ¥44.1 | ¥1,566.7 | ¥8.1 | ¥50.0 |

(b) High-Volatility Commercial Real Estate (HVCRE)

| March 31 | Risk weight | Billions of yen | |
|---|-------------|-----------------|---------------|
| | | 2013 | 2012 |
| 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% | 53.7 | 41.1 |
| Residual term 2.5 years or more | 120% | 120.7 | 91.8 |
| Satisfactory | 140% | 102.5 | 125.0 |
| Weak | 250% | 9.0 | — |
| Default | — | — | — |
| Total | | ¥285.9 | ¥257.9 |

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Object Finance

| | Billions of yen | | | | | | | | |
|----------------------------|-----------------|-------------------------|--------------------------|----------------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn amount | | | | | |
| | Total | On-balance sheet assets | Off-balance sheet assets | Total | Weighted average CCF | Weighted average PD | Weighted average LGD | Weighted average EL _{default} | Weighted average risk weight |
| March 31, 2013 | | | | | | | | | |
| G1-G3..... | ¥ 91.8 | ¥ 79.0 | ¥12.8 | ¥ 6.5 | 75.00% | 0.49% | 17.52% | —% | 34.95% |
| G4-G6..... | 19.3 | 12.5 | 6.8 | 7.1 | 75.00 | 3.09 | 23.99 | — | 75.69 |
| G7 (excluding G7R)..... | 3.1 | 3.1 | — | — | — | 27.49 | 12.19 | — | 67.60 |
| Others..... | — | — | — | — | — | — | — | — | — |
| Default (G7R, G8-G10)..... | 7.8 | 7.3 | 0.6 | 0.0 | 100.00 | 100.00 | 68.18 | 64.07 | 51.35 |
| Total..... | ¥122.0 | ¥101.9 | ¥20.1 | ¥13.7 | — | — | — | — | — |

| | Billions of yen | | | | | | | | |
|----------------------------|-----------------|-------------------------|--------------------------|----------------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn amount | | | | | |
| | Total | On-balance sheet assets | Off-balance sheet assets | Total | Weighted average CCF | Weighted average PD | Weighted average LGD | Weighted average EL _{default} | Weighted average risk weight |
| March 31, 2012 | | | | | | | | | |
| 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 | — | — | — | — | — |

(b) Income-Producing Real Estate (IPRE)

| | Billions of yen | | | | | | | | |
|----------------------------|-----------------|-------------------------|--------------------------|----------------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn amount | | | | | |
| | Total | On-balance sheet assets | Off-balance sheet assets | Total | Weighted average CCF | Weighted average PD | Weighted average LGD | Weighted average EL _{default} | Weighted average risk weight |
| March 31, 2013 | | | | | | | | | |
| J1-J3..... | ¥ 466.2 | ¥ 429.3 | ¥ 37.0 | ¥ — | —% | 0.05% | 28.67% | —% | 13.57% |
| J4-J6..... | 893.6 | 793.0 | 100.6 | — | — | 1.02 | 29.19 | — | 53.97 |
| J7 (excluding J7R)..... | 36.9 | 34.2 | 2.7 | — | — | 12.72 | 33.52 | — | 145.16 |
| Others..... | 76.0 | 72.2 | 3.9 | 5.0 | 75.00 | 10.68 | 37.28 | — | 63.23 |
| Default (J7R, J8-J10)..... | 46.4 | 27.6 | 18.8 | — | — | 100.00 | 32.79 | 32.28 | 6.39 |
| Total..... | ¥1,519.2 | ¥1,356.2 | ¥163.0 | ¥5.0 | — | — | — | — | — |

| | Billions of yen | | | | | | | | |
|----------------------------|-----------------|-------------------------|--------------------------|----------------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | Undrawn amount | | | | | |
| | Total | On-balance sheet assets | Off-balance sheet assets | Total | Weighted average CCF | Weighted average PD | Weighted average LGD | Weighted average EL _{default} | Weighted average risk weight |
| 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 | — | — | — | — | — |

(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 | | | | | | |
| March 31, 2013 | Total | On-balance sheet assets | Off-balance sheet assets | | | | |
| Mortgage loans | | | | | | | |
| PD segment: | | | | | | | |
| Not delinquent | | | | | | | |
| Use model..... | ¥12,364.9 | ¥12,323.0 | ¥41.9 | 0.49% | 38.48% | —% | 28.46% |
| Others | 581.3 | 581.3 | — | 1.14 | 56.69 | — | 82.50 |
| Delinquent..... | 134.4 | 128.5 | 5.9 | 22.79 | 41.28 | — | 225.27 |
| Default | 245.5 | 245.2 | 0.3 | 100.00 | 37.73 | 35.98 | 21.88 |
| Total | ¥13,326.1 | ¥13,278.0 | ¥48.1 | — | — | — | — |

| | 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 | | | | |
| 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 | — | — | — | — |

Notes: 1. “Others” includes loans guaranteed by employers.

2. “Delinquent” loans are past due loans and loans to obligors categorized as “Borrowers Requiring Caution” that do not satisfy the definition of default stipulated in the Notification.

B. Qualifying Revolving Retail Exposures (QRRE)

(A) Rating Procedures

- “Qualifying revolving retail exposures” includes card loans and credit card balances.
- Card loans and credit card balances are rated as follows.

Card loans and credit card balances are allocated to a portfolio segment with similar risk characteristics determined based, for card loans, on the credit quality of the loan guarantee company, credit limit, settlement account balance and payment history, and, for credit card balances, on repayment history and frequency of use.

PDs and LGDs used to calculate credit risk-weighted asset amounts are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(B) Portfolio

| | Billions of yen | | | | | | | | | |
|-----------------------|-----------------|-------------------------|---------------|--------------------------|-----------------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | | Undrawn amount | | | | | |
| | Total | On-balance sheet assets | | Off-balance sheet assets | Total | Weighted average CCF | Weighted average PD | Weighted average LGD | Weighted average EL _{default} | Weighted average risk weight |
| Balance | | Increase | | | | | | | | |
| March 31, 2013 | | | | | | | | | | |
| Card loans | | | | | | | | | | |
| PD segment: | | | | | | | | | | |
| Not delinquent | ¥ 652.4 | ¥ 588.7 | ¥ 61.4 | ¥ 2.3 | ¥ 198.5 | 30.92% | 2.40% | 83.89% | —% | 59.21% |
| Delinquent..... | 16.0 | 15.5 | 0.5 | — | 3.5 | 14.37 | 23.97 | 77.40 | — | 213.85 |
| Credit card balances | | | | | | | | | | |
| PD segment: | | | | | | | | | | |
| Not delinquent | 1,220.9 | 690.0 | 310.4 | 220.5 | 4,044.3 | 7.68 | 1.08 | 74.57 | — | 25.31 |
| Delinquent..... | 5.1 | 4.2 | 0.9 | — | — | — | 76.76 | 75.18 | — | 127.26 |
| Default | 31.6 | 28.3 | 3.3 | — | — | — | 100.00 | 82.51 | 76.44 | 75.79 |
| Total | ¥1,926.0 | ¥1,326.7 | ¥376.4 | ¥222.9 | ¥4,246.3 | — | — | — | — | — |

| | Billions of yen | | | | | | | | | |
|-----------------------|-----------------|-------------------------|---------------|--------------------------|-----------------|----------------------|---------------------|----------------------|--|------------------------------|
| | Exposure amount | | | | Undrawn amount | | | | | |
| | Total | On-balance sheet assets | | Off-balance sheet assets | Total | Weighted average CCF | Weighted average PD | Weighted average LGD | Weighted average EL _{default} | Weighted average risk weight |
| Balance | | Increase | | | | | | | | |
| March 31, 2012 | | | | | | | | | | |
| 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 | — | — | — | — | — |

- 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, 2013 | Total | On-balance sheet assets | Off-balance sheet assets | | | | |
| Business loans | | | | | | | |
| PD segment: | | | | | | | |
| Not delinquent | | | | | | | |
| Use model..... | ¥1,324.9 | ¥1,307.6 | ¥17.3 | 1.03% | 53.53% | —% | 48.90% |
| Others | 346.6 | 345.4 | 1.2 | 0.63 | 53.42 | — | 26.49 |
| Delinquent..... | 272.6 | 270.2 | 2.3 | 25.23 | 56.78 | — | 100.10 |
| Consumer loans | | | | | | | |
| PD segment: | | | | | | | |
| Not delinquent | | | | | | | |
| Use model..... | 324.1 | 323.0 | 1.1 | 1.04 | 45.30 | — | 40.51 |
| Others | 152.8 | 150.7 | 2.1 | 1.78 | 57.67 | — | 71.54 |
| Delinquent..... | 48.1 | 47.6 | 0.5 | 18.62 | 48.58 | — | 103.16 |
| Default | 203.1 | 202.8 | 0.3 | 100.00 | 64.76 | 58.69 | 75.99 |
| Total | ¥2,672.1 | ¥2,647.3 | ¥24.8 | — | — | — | — |

| | 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 | — | — | — | — |

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 38) 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 | |
|-------------------------------------|-----------------|----------|
| | 2013 | 2012 |
| Market-based approach..... | ¥ 447.1 | ¥ 333.7 |
| Simple risk weight method..... | 219.1 | 178.7 |
| Listed equities (300%)..... | 118.4 | 79.6 |
| Unlisted equities (400%)..... | 100.7 | 99.1 |
| Internal models method..... | 228.1 | 155.0 |
| PD/LGD approach..... | 743.7 | 655.9 |
| Grandfathered equity exposures..... | 2,173.6 | 1,988.8 |
| Total..... | ¥3,364.5 | ¥2,978.4 |

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.
2. "Grandfathered equity exposures" amount is calculated in accordance with Supplementary Provision 13 of the Notification.

b. PD/LGD Approach

| March 31 | Billions of yen | | | | | |
|----------------------------|-----------------|---------------------|------------------------------|-----------------|---------------------|------------------------------|
| | 2013 | | | 2012 | | |
| | Exposure amount | Weighted average PD | Weighted average risk weight | Exposure amount | Weighted average PD | Weighted average risk weight |
| J1-J3..... | ¥474.4 | 0.06% | 112.59% | ¥430.0 | 0.06% | 109.93% |
| J4-J6..... | 50.3 | 0.75 | 193.50 | 78.5 | 0.83 | 208.11 |
| J7 (excluding J7R)..... | 4.7 | 8.81 | 559.39 | 3.3 | 8.90 | 412.05 |
| Others..... | 214.0 | 0.26 | 140.44 | 141.7 | 0.41 | 144.01 |
| Default (J7R, J8-J10)..... | 0.4 | 100.00 | 1125.00 | 2.4 | 100.00 | — |
| Total..... | ¥743.7 | — | — | ¥655.9 | — | — |

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.
3. Weighted average risk weight for the current fiscal year is calculated by including the amount derived by multiplication of the expected loss by a risk weight of 1250% in the credit risk-weighted assets.

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 | |
|--|-----------------|--------|
| | 2013 | 2012 |
| Exposures under Article 145 of the Notification..... | ¥1,203.2 | ¥574.5 |

(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 ¥173.1 billion on a consolidated basis for fiscal year 2012, an increase of ¥51.8 billion compared to the previous fiscal year.

SMBC recorded ¥19.5 billion in total credit costs on non-consolidated basis in fiscal year 2012, a decrease of ¥39.1 billion compared to the previous fiscal year. By exposure category, the credit cost for “corporate exposures” was ¥10.7 billion, a decrease of ¥46.8 billion compared to the previous year. These were mainly due to a decrease in incurrence of credit cost as a result of our individualized efforts to assist certain borrowers to improve their business and financial conditions, as well as a reversal of provisions for reserve made in previous years.

Total Credit Costs

| | Billions of yen | | | |
|-------------------------------------|-----------------|-----------------|-------------|-------------------------------------|
| | Fiscal 2012 (A) | Fiscal 2011 (B) | Fiscal 2010 | Increase (decrease) (A) – (B) |
| SMFG (consolidated) total..... | ¥173.1 | ¥121.3 | ¥217.3 | ¥51.8 |
| SMBC (consolidated) total | 70.6 | 91.7 | 159.8 | (21.1) |
| SMBC (nonconsolidated) total | 19.5 | 58.6 | 94.3 | (39.1) |
| Corporate exposures..... | 10.7 | 57.5 | 71.9 | (46.8) |
| Sovereign exposures | (0.3) | (0.2) | 5.4 | (0.1) |
| Bank exposures..... | (0.4) | (0.0) | (14.0) | (0.4) |
| Residential mortgage exposures..... | 0.2 | 0.2 | 0.3 | 0.0 |
| QRRE..... | 0.1 | (0.0) | (0.1) | 0.1 |
| Other retail exposures | 9.7 | 10.5 | 34.0 | (0.8) |

- 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 2012 | | | Fiscal 2011 | | |
| | Estimated loss amounts | | Actual loss amounts | Estimated loss amounts | | Actual loss amounts |
| | After deduction of reserves | | | After deduction of reserves | | |
| SMFG (consolidated) total..... | ¥ — | ¥ — | ¥173.1 | ¥ — | ¥ — | ¥121.3 |
| SMBC (consolidated) total | — | — | 70.6 | — | — | 91.7 |
| SMBC (nonconsolidated) total | 940.1 | 245.4 | 19.5 | 1,062.7 | 213.9 | 58.6 |
| Corporate exposures..... | 765.9 | 164.9 | 10.7 | 889.3 | 132.2 | 57.5 |
| Sovereign exposures..... | 22.0 | 11.4 | (0.3) | 12.4 | 1.8 | (0.2) |
| Bank exposures..... | 14.9 | 5.5 | (0.4) | 14.9 | 4.7 | (0.0) |
| Residential mortgage exposures..... | 3.7 | 2.9 | 0.2 | 3.8 | 2.9 | 0.2 |
| QRRE..... | 0.1 | (0.0) | 0.1 | 0.1 | (0.0) | (0.0) |
| Other retail exposures | 133.5 | 65.6 | 9.7 | 142.3 | 77.4 | 10.5 |

| | Billions of yen | | | | | |
|-------------------------------------|-----------------------------|-------|---------------------|-----------------------------|-------|---------------------|
| | Fiscal 2010 | | | Fiscal 2009 | | |
| | Estimated loss amounts | | Actual loss amounts | Estimated loss amounts | | Actual loss amounts |
| | After deduction of reserves | | | After deduction of reserves | | |
| SMFG (consolidated) total..... | ¥ — | ¥ — | ¥217.3 | ¥ — | ¥ — | ¥473.0 |
| SMBC (consolidated) total | — | — | 159.8 | — | — | 419.4 |
| SMBC (nonconsolidated) total | 1,204.3 | 417.2 | 94.3 | 1,197.2 | 354.0 | 254.7 |
| Corporate exposures..... | 1,021.1 | 277.4 | 71.9 | 984.0 | 210.0 | 216.6 |
| Sovereign exposures..... | 7.8 | 6.3 | 5.4 | 5.8 | 4.3 | 3.9 |
| Bank exposures..... | 30.5 | 19.2 | (14.0) | 52.1 | 34.4 | 3.5 |
| Residential mortgage exposures..... | 4.1 | 3.2 | 0.3 | 4.0 | 3.4 | 0.7 |
| QRRE..... | 0.1 | (0.0) | (0.1) | 0.1 | 0.1 | 0.1 |
| Other retail exposures | 140.8 | 111.2 | 34.0 | 151.2 | 107.5 | 61.6 |

| | Billions of yen | | | | | |
|-------------------------------------|-----------------------------|-------|---------------------|-----------------------------|-------|---------------------|
| | Fiscal 2008 | | | Fiscal 2007 | | |
| | Estimated loss amounts | | Actual loss amounts | Estimated loss amounts | | Actual loss amounts |
| | After deduction of reserves | | | After deduction of reserves | | |
| SMFG (consolidated) total..... | ¥ — | ¥ — | ¥767.8 | ¥ — | ¥ — | ¥248.6 |
| SMBC (consolidated) total | — | — | 724.4 | — | — | 221.6 |
| SMBC (nonconsolidated) total | 954.2 | 323.9 | 550.1 | 887.7 | 311.4 | 147.8 |
| Corporate exposures..... | 806.7 | 278.6 | 411.4 | 778.6 | 252.6 | 143.2 |
| Sovereign exposures..... | 9.0 | 7.5 | (0.4) | 11.2 | 9.6 | 0.4 |
| Bank exposures..... | 6.1 | 5.9 | 22.7 | 5.1 | 4.9 | 0.0 |
| Residential mortgage exposures..... | 4.0 | 3.6 | 0.5 | 4.6 | 4.1 | 0.1 |
| QRRE..... | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 |
| Other retail exposures | 128.3 | 65.9 | 68.1 | 88.2 | 53.1 | 59.8 |

Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on "equity exposures" and "exposures under Article 145 of the Notification" are excluded.

2. "Estimated loss amounts" are the EL at the beginning of the term.

3. "After deduction of reserves" represents the estimated loss amounts after deduction of reserves for possible losses on substandard borrowers or below.

■ Standardized Approach

1. Scope

The following consolidated subsidiaries have adopted the standardized approach for exposures as of March 31, 2013 (i.e. consolidated subsidiaries not listed in the “Internal Ratings-Based (IRB) Approach: 1. Scope” on page 183).

(1) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the IRB Approach

Cedyna Financial Corporation

(2) Other Consolidated Subsidiaries

These are consolidated subsidiaries judged not to be significant in terms of credit risk management based on the type of business, scale, and other factors. These subsidiaries will adopt the standardized approach on a permanent basis.

2. Credit Risk-Weighted Asset Calculation Methodology

A 100% risk weight is applied to claims on corporates in accordance with Article 45 of the Notification, and risk weights corresponding to country risk scores published by the Organization for Economic Co-operation and Development (OECD) are applied to claims on sovereigns and financial institutions.

3. Exposure Balance by Risk Weight Segment

| | Billions of yen | | | |
|--------------------|------------------|---|------------------|---|
| | 2013 | | 2012 | |
| March 31 | | Of which assigned country risk score | | Of which assigned country risk score |
| 0% | ¥ 5,169.1 | ¥ 30.1 | ¥ 8,398.4 | ¥ 75.1 |
| 10% | 213.1 | — | 224.9 | — |
| 20% | 943.8 | 367.2 | 820.8 | 275.1 |
| 35% | 1.1 | — | 1,062.7 | — |
| 50% | 129.1 | 24.5 | 358.7 | 27.7 |
| 75% | 2,864.4 | — | 3,871.8 | — |
| 100% | 2,559.2 | 0.5 | 3,430.0 | 0.1 |
| 150% | 110.6 | 0.0 | 156.9 | 0.0 |
| 250% | 76.8 | — | — | — |
| 1250% | 0.0 | — | 0.0 | — |
| Others | 0.0 | — | 0.0 | — |
| Total | ¥12,067.2 | ¥422.2 | ¥18,324.2 | ¥378.0 |

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.

3. Of items with a risk weight of 1250% as of March 31, 2012 recorded here are those that are deducted from capital.

■ 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. 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.

(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 36). 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 | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2013 | | 2012 | |
| | Eligible financial collateral | Other eligible IRB collateral | Eligible financial collateral | Other eligible IRB collateral |
| March 31 | | | | |
| Advanced Internal Ratings-Based (AIRB) approach | ¥ — | ¥ — | ¥ — | ¥ — |
| Foundation Internal Ratings-Based (FIRB) approach | 95.4 | 65.0 | 86.5 | 32.7 |
| Corporate exposures | 91.6 | 65.0 | 86.5 | 32.7 |
| Sovereign exposures | — | 0.0 | — | — |
| Bank exposures | 3.8 | — | — | — |
| Standardized approach | 3,721.9 | — | 3,824.9 | — |
| Total | ¥3,817.3 | ¥65.0 | ¥3,911.4 | ¥32.7 |

Note: For exposures to which the AIRB approach was applied, eligible collateral is separately taken into account in Loss Given Default (LGD) estimates.

| | Billions of yen | | | |
|---|-----------------|-------------------|-----------|-------------------|
| | 2013 | | 2012 | |
| | Guarantee | Credit derivative | Guarantee | Credit derivative |
| March 31 | | | | |
| Internal Ratings-Based (IRB) approach | ¥8,381.6 | ¥222.0 | ¥7,153.2 | ¥149.0 |
| Corporate exposures | 7,601.0 | 222.0 | 6,426.4 | 149.0 |
| Sovereign exposures | 312.4 | — | 281.3 | — |
| Bank exposures | 315.5 | — | 274.3 | — |
| Residential mortgage exposures | 152.7 | — | 171.2 | — |
| QRRE | — | — | — | — |
| Other retail exposures | — | — | — | — |
| Standardized approach | 23.1 | — | 61.9 | — |
| Total | ¥8,404.7 | ¥222.0 | ¥7,215.1 | ¥149.0 |

■ 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 | |
|--|-----------------|----------|
| | 2013 | 2012 |
| Gross replacement cost | ¥ 6,661.7 | ¥5,729.0 |
| Gross add-on amount | 3,703.2 | 3,370.1 |
| Gross credit equivalent amount | 10,364.9 | 9,099.1 |
| Foreign exchange related transactions | 2,533.4 | 2,689.0 |
| Interest rate related transactions | 7,582.1 | 6,165.5 |
| Gold related transactions | — | — |
| Equities related transactions | 113.7 | 73.5 |
| Precious metals (excluding gold) related transactions | — | — |
| Other commodity related transactions | 71.9 | 99.5 |
| Credit default swaps | 63.9 | 71.6 |
| Reduction in credit equivalent amount due to netting | 6,643.7 | 5,478.8 |
| Net credit equivalent amount | 3,721.2 | 3,620.3 |
| Collateral amount | 17.9 | 19.8 |
| Eligible financial collateral | 17.9 | 19.8 |
| Other eligible IRB collateral | — | — |
| Net credit equivalent amount (after taking into account the CRM effect of collateral) | ¥ 3,703.3 | ¥3,600.6 |

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

| March 31 | Billions of yen | | | |
|----------------------------|---------------------------|------------------|---------------------------|------------------|
| | 2013 | | 2012 | |
| | Notional principal amount | | Notional principal amount | |
| | Total | Of which for CRM | Total | Of which for CRM |
| Protection purchased | ¥777.8 | ¥222.0 | ¥672.7 | ¥149.0 |
| Protection provided | 716.8 | — | 635.8 | — |

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

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 short-term 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.
- In cases where neither the ratings-based approach nor the supervisory formula can be applied, a risk weight of 1250% is applied.

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, 2013 | | | Fiscal 2012 | | | |
| | Underlying asset amount | | | | | | |
| | Total | Asset transfer type | Synthetic type | Securitized amount | Default amount | Loss amount | Gains/losses on sales |
| Claims on corporates | ¥ 5.6 | ¥ 5.6 | ¥ — | ¥ — | ¥ 2.2 | ¥ 2.1 | ¥ — |
| Mortgage loans | 1,279.4 | 1,279.4 | — | 119.0 | 1.7 | 0.4 | 9.8 |
| Retail loans (excluding mortgage loans) | 27.3 | 8.2 | 19.1 | — | 11.9 | 19.4 | — |
| Other claims | 135.8 | 13.4 | 122.4 | — | — | — | — |
| Total | ¥1,448.1 | ¥1,306.5 | ¥141.5 | ¥119.0 | ¥15.7 | ¥21.9 | ¥9.8 |

| | Billions of yen | | | | | | |
|---|-------------------------|---------------------|----------------|--------------------|----------------|--------------|-----------------------|
| | March 31, 2012 | | | Fiscal 2011 | | | |
| | Underlying asset amount | | | | | | |
| | Total | Asset transfer type | Synthetic type | Securitized amount | Default amount | Loss amount | Gains/losses on sales |
| 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 |

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 | | | | | | | | | |
|---|------------------|-------------------------|--|--------------------------------|--------------|-------------------------|--------------------------|--------------------------------|--------------|--------------|
| | 2013 | | | | | 2012 | | | | |
| | Term-end balance | | Amounts subject to a 1250% risk weight | | | Term-end balance | | To be deducted from capital | | |
| March 31 | Total | On-balance sheet assets | Off-balance sheet assets | Increase in capital equivalent | Total | On-balance sheet assets | Off-balance sheet assets | Increase in capital equivalent | | |
| Claims on corporates | ¥ 6.9 | ¥ 6.9 | ¥ — | ¥ 1.2 | ¥ — | ¥ 16.5 | ¥ 16.5 | ¥ — | ¥ 2.0 | ¥ — |
| Mortgage loans | 221.8 | 221.8 | — | 30.2 | 39.1 | 212.5 | 212.5 | — | 33.0 | 38.1 |
| Retail loans (excluding mortgage loans) | 9.6 | 2.9 | 6.6 | 7.0 | 0.1 | 48.7 | 40.4 | 8.3 | 43.2 | 0.2 |
| Other claims | 74.4 | 1.1 | 73.4 | 1.9 | — | 149.1 | 2.4 | 146.6 | 4.1 | — |
| Total | ¥312.8 | ¥232.8 | ¥80.0 | ¥40.4 | ¥39.1 | ¥426.8 | ¥271.9 | ¥155.0 | ¥82.3 | ¥38.3 |

b. Risk Weights

| | Billions of yen | | | | | | | |
|-----------------------|------------------|-------------------------|--------------------------|--------------|-------------------------|--------------------------|------------------|--------------|
| | 2013 | | | | 2012 | | | |
| | Term-end balance | | Required capital | | Term-end balance | | Required capital | |
| March 31 | Total | On-balance sheet assets | Off-balance sheet assets | Total | On-balance sheet assets | Off-balance sheet assets | Required capital | |
| 20% or less | ¥ 45.8 | ¥ 2.2 | ¥43.6 | ¥ 0.5 | ¥156.4 | ¥ 11.4 | ¥145.0 | ¥ 1.4 |
| 100% or less | 29.1 | — | 29.1 | 0.9 | 3.2 | — | 3.2 | 0.2 |
| 650% or less | 1.3 | — | 1.3 | 0.1 | 1.9 | 1.8 | 0.1 | 0.3 |
| Less than 1250% | — | — | — | — | — | — | — | — |
| 1250% | 236.5 | 230.6 | 6.0 | 42.6 | 265.4 | 258.6 | 6.7 | 82.3 |
| Total | ¥312.8 | ¥232.8 | ¥80.0 | ¥44.1 | ¥426.8 | ¥271.9 | ¥155.0 | ¥84.2 |

Note: Of items with a risk weight of 1250% as of March 31, 2012 recorded here are those that are deducted from capital.

(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 | |
|--|-----------------|------|
| | 2013 | 2012 |
| Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification... | ¥— | ¥4.1 |

B. As Sponsor

(A) Underlying Assets

| | Billions of yen | | | | | |
|---|-------------------------|---------------------|----------------|--------------------|----------------|-------------|
| | March 31, 2013 | | | Fiscal 2012 | | |
| | Underlying asset amount | | | | | |
| | Total | Asset transfer type | Synthetic type | Securitized amount | Default amount | Loss amount |
| Claims on corporates | ¥776.9 | ¥776.9 | ¥— | ¥4,671.0 | ¥74.9 | ¥73.3 |
| Mortgage loans | — | — | — | — | 2.3 | 2.3 |
| Retail loans (excluding mortgage loans).... | 133.3 | 133.3 | — | 487.5 | 11.1 | 11.9 |
| Other claims | 58.3 | 58.3 | — | 21.3 | 1.6 | 1.4 |
| Total | ¥968.5 | ¥968.5 | ¥— | ¥5,179.8 | ¥90.0 | ¥89.0 |

| | 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 |

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

| March 31 | Billions of yen | | | | | | | | | |
|--|-------------------------|--------------------------|---|--------------------------------|-------|-------------------------|--------------------------|-----------------------------|--------------------------------|----|
| | 2013 | | | | | 2012 | | | | |
| | Term-end balance | | Amounts subject to a 1250% increase in capital equivalent | | | Term-end balance | | To be deducted from capital | | |
| Total | On-balance sheet assets | Off-balance sheet assets | risk weight | increase in capital equivalent | Total | On-balance sheet assets | Off-balance sheet assets | from capital | increase in capital equivalent | |
| Claims on corporates | ¥612.8 | ¥277.0 | ¥335.8 | ¥— | ¥— | ¥398.7 | ¥170.7 | ¥228.0 | ¥0.0 | ¥— |
| Mortgage loans | — | — | — | — | — | — | — | — | — | — |
| Retail loans (excluding mortgage loans)..... | 124.0 | 9.3 | 114.7 | — | — | 145.5 | 65.3 | 80.2 | — | — |
| Other claims | 51.3 | 34.7 | 16.6 | — | — | 61.5 | 46.0 | 15.5 | — | — |
| Total | ¥788.0 | ¥321.0 | ¥467.1 | ¥— | ¥— | ¥605.7 | ¥281.9 | ¥323.8 | ¥0.0 | ¥— |

b. Risk Weights

| March 31 | Billions of yen | | | | | | | |
|-----------------------|------------------|-------------------------|--------------------------|------------------|------------------|-------------------------|--------------------------|------------------|
| | 2013 | | | | 2012 | | | |
| | Term-end balance | | | | Term-end balance | | | |
| | 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 | ¥778.8 | ¥315.7 | ¥463.1 | ¥5.0 | ¥597.2 | ¥274.4 | ¥322.8 | ¥3.9 |
| 100% or less | 8.2 | 5.2 | 3.0 | 0.3 | 7.3 | 6.3 | 1.0 | 0.3 |
| 650% or less | 1.0 | — | 1.0 | 0.1 | 1.2 | 1.2 | — | 0.1 |
| Less than 1250% | — | — | — | — | — | — | — | — |
| 1250% | — | — | — | — | 0.0 | 0.0 | — | 0.0 |
| Total | ¥788.0 | ¥321.0 | ¥467.1 | ¥5.5 | ¥605.7 | ¥281.9 | ¥323.8 | ¥4.4 |

Note: Of items with a risk weight of 1250% as of March 31, 2012 recorded here are those that are deducted from capital.

(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 | |
|--|-----------------|------|
| | 2013 | 2012 |
| 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

| March 31 | Billions of yen | | | | | | | | | |
|---|-------------------------|--------------------------|--------|--|--------------------------------|-------------------------|--------------------------|--------|-----------------------------|--------------------------------|
| | 2013 | | | | | 2012 | | | | |
| | Term-end balance | | | Amounts subject to a 1250% risk weight | 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 | | | |
| Claims on corporates | ¥368.8 | ¥126.2 | ¥242.6 | ¥49.3 | ¥— | ¥311.9 | ¥118.4 | ¥193.5 | ¥44.2 | ¥— |
| Mortgage loans | 67.4 | 67.4 | — | — | — | 65.6 | 65.6 | — | — | — |
| Retail loans (excluding mortgage loans) | 104.9 | 94.6 | 10.3 | — | — | 2.5 | 2.5 | — | — | — |
| Other claims | 6.9 | 6.9 | — | — | — | 22.9 | 22.9 | — | — | — |
| Total | ¥548.0 | ¥295.1 | ¥252.9 | ¥49.3 | ¥— | ¥403.0 | ¥209.5 | ¥193.5 | ¥44.2 | ¥— |

Note: Asset type classification is based on the major items in the underlying assets for each transaction.

b. Risk Weights

| March 31 | Billions of yen | | | | | | | |
|-----------------------|------------------|-------------------------|--------------------------|------------------|------------------|-------------------------|--------------------------|------------------|
| | 2013 | | | | 2012 | | | |
| | Term-end balance | | | | Term-end balance | | | |
| | 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 | ¥422.3 | ¥259.2 | ¥163.1 | ¥ 1.9 | ¥293.2 | ¥178.2 | ¥115.1 | ¥ 1.5 |
| 100% or less | 35.3 | 35.3 | — | 1.3 | 28.3 | 28.3 | — | 1.8 |
| 650% or less | — | — | — | — | 2.3 | 2.3 | — | 0.2 |
| Less than 1250% | — | — | — | — | — | — | — | — |
| 1250% | 90.4 | 0.6 | 89.8 | 52.3 | 79.1 | 0.7 | 78.4 | 44.2 |
| Total | ¥548.0 | ¥295.1 | ¥252.9 | ¥55.5 | ¥403.0 | ¥209.5 | ¥193.5 | ¥47.6 |

Note: Of items with a risk weight of 1250% as of March 31, 2012 recorded here are those that are deducted from capital.

(B) Resecuritization Exposures

a. Underlying Assets by Asset Type

| | Billions of yen | | | | | | | | | |
|---|-------------------------|-------|--------------------------|--|--------------------------------|-------------------------|------|--------------------------|-----------------------------|--------------------------------|
| | 2013 | | | | | 2012 | | | | |
| | Term-end balance | | Off-balance sheet assets | Amounts subject to a 1250% risk weight | Increase in capital equivalent | Term-end balance | | Off-balance sheet assets | To be deducted from capital | Increase in capital equivalent |
| Total | On-balance sheet assets | Total | | | | On-balance sheet assets | | | | |
| March 31 | | | | | | | | | | |
| Claims on corporates | ¥0.8 | ¥0.8 | ¥— | ¥0.2 | ¥— | ¥2.0 | ¥1.7 | ¥0.3 | ¥0.4 | ¥— |
| Mortgage loans | — | — | — | — | — | — | — | — | — | — |
| Retail loans (excluding mortgage loans) | — | — | — | — | — | 0.3 | — | 0.3 | — | — |
| Other claims | 1.3 | 0.7 | 0.6 | 0.7 | — | 0.9 | 0.6 | 0.3 | 0.6 | — |
| Total | ¥2.1 | ¥1.5 | ¥0.6 | ¥0.9 | ¥— | ¥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 | | | | | | | |
|-----------------------|-------------------------|-------|--------------------------|------------------|-------------------------|------|--------------------------|------------------|
| | 2013 | | | | 2012 | | | |
| | Term-end balance | | Off-balance sheet assets | Required capital | Term-end balance | | Off-balance sheet assets | Required capital |
| Total | On-balance sheet assets | Total | | | On-balance sheet assets | | | |
| March 31 | | | | | | | | |
| 20% or less | ¥1.1 | ¥0.4 | ¥0.6 | ¥0.0 | ¥1.3 | ¥0.6 | ¥0.7 | ¥0.0 |
| 100% or less | — | — | — | — | — | — | — | — |
| 650% or less | — | — | — | — | — | — | — | — |
| Less than 1250% | — | — | — | — | — | — | — | — |
| 1250% | 1.1 | 1.1 | — | 0.9 | 1.8 | 1.7 | 0.1 | 1.0 |
| Total | ¥2.1 | ¥1.5 | ¥0.6 | ¥0.9 | ¥3.1 | ¥2.3 | ¥0.8 | ¥1.0 |

Note: Of items with a risk weight of 1250% as of March 31, 2012 recorded here are those that are deducted from capital.

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

| March 31 | Billions of yen | |
|--|-----------------|------|
| | 2013 | 2012 |
| 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 | | | | | | | | | |
|---|-------------------------|-------|--------------------------|---------------------------------------|--------------------------------|-------------------------|------|--------------------------|-----------------------------|--------------------------------|
| | 2013 | | | | | 2012 | | | | |
| | Term-end balance | | Off-balance sheet assets | Amounts subject to a 100% risk weight | Increase in capital equivalent | Term-end balance | | Off-balance sheet assets | To be deducted from capital | Increase in capital equivalent |
| Total | On-balance sheet assets | Total | | | | On-balance sheet assets | | | | |
| March 31 | | | | | | | | | | |
| 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 | Billions of yen | | | | | | | |
|----------------------|------------------|-------------------------|--------------------------|------------------|------------------|-------------------------|--------------------------|------------------|
| | 2013 | | | | 2012 | | | |
| | Term-end balance | | | | Term-end balance | | | |
| | Total | On-balance sheet assets | Off-balance sheet assets | Required capital | Total | On-balance sheet assets | Off-balance sheet assets | Required capital |
| Less than 100% | ¥— | ¥— | ¥— | ¥— | ¥— | ¥— | ¥— | ¥— |
| 100% | — | — | — | — | 0.5 | 0.5 | — | 0.5 |
| Total | ¥— | ¥— | ¥— | ¥— | ¥0.5 | ¥0.5 | ¥— | ¥0.5 |

Note: Of items with a risk weight of 100% as of March 31, 2012 recorded here are those that are deducted from capital.

(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 and default risk.

Regarding stocks of subsidiaries, assets and liabilities of subsidiaries are risk-managed on a consolidated basis. As for stocks of affiliates, risks related to gains and losses from investments are recognized separately. As in each case maximum allowable amount of risk is managed individually, risks as stocks are not measured. 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 | | | |
|--|----------------------|------------|----------------------|------------|
| | 2013 | | 2012 | |
| | Balance sheet amount | Fair value | Balance sheet amount | Fair value |
| Listed equity exposures | ¥3,067.5 | ¥3,067.5 | ¥2,444.0 | ¥2,444.0 |
| Equity exposures other than above..... | 310.7 | — | 505.7 | — |
| Total | ¥3,378.2 | ¥— | ¥2,949.7 | ¥— |

4. Gains (Losses) on Sale and Devaluation of Equity Exposures

| | Billions of yen | |
|----------------------|-----------------|-------------|
| | Fiscal 2012 | Fiscal 2011 |
| Gains (losses) | ¥(21.0) | ¥(27.9) |
| Gains on sale | 38.4 | 15.7 |
| Losses on sale | 29.4 | 11.7 |
| Devaluation | 29.9 | 31.9 |

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 | |
|---|-----------------|--------|
| | 2013 | 2012 |
| Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income..... | ¥867.6 | ¥338.8 |

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 | |
|---|-----------------|---------|
| | 2013 | 2012 |
| Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income..... | ¥(11.4) | ¥(21.4) |

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, 2013 | Billions of yen | | | | |
|---|-----------------|-----------|-------------|-----------|------------|
| | Loans, etc. | Bonds | Derivatives | Others | Total |
| Domestic operations (excluding offshore banking accounts) | | | | | |
| Manufacturing..... | ¥ 9,917.3 | ¥ 242.9 | ¥ 325.5 | ¥ 2,222.4 | ¥ 12,708.1 |
| Agriculture, forestry, fishery and mining | 189.1 | 4.3 | 5.4 | 30.6 | 229.4 |
| Construction | 1,209.2 | 44.0 | 4.8 | 179.7 | 1,437.7 |
| Transport, information, communications and utilities..... | 5,837.9 | 188.0 | 132.8 | 845.0 | 7,003.7 |
| Wholesale and retail | 5,775.0 | 54.8 | 249.0 | 848.4 | 6,927.1 |
| Financial and insurance..... | 13,577.4 | 489.8 | 1,546.3 | 1,885.1 | 17,498.7 |
| Real estate, goods rental and leasing | 8,461.2 | 228.3 | 49.6 | 335.2 | 9,074.4 |
| Services | 4,880.7 | 101.2 | 49.9 | 569.9 | 5,601.7 |
| Local municipal corporations | 1,887.5 | 452.6 | 10.6 | 13.5 | 2,364.2 |
| Other industries | 26,313.6 | 30,762.8 | 64.6 | 4,110.6 | 61,251.6 |
| Subtotal | ¥ 78,048.8 | ¥32,568.6 | ¥2,438.6 | ¥11,040.6 | ¥124,096.5 |
| Overseas operations and offshore banking accounts | | | | | |
| Sovereigns..... | ¥ 5,869.6 | ¥ 1,489.1 | ¥ 9.8 | ¥ 9.2 | ¥ 7,377.6 |
| Financial institutions..... | 4,106.0 | 229.5 | 742.0 | 735.0 | 5,812.5 |
| C&I companies | 15,388.9 | 255.9 | 474.3 | 474.7 | 16,593.8 |
| Others | 3,276.4 | 199.2 | 37.4 | 1,499.4 | 5,012.3 |
| Subtotal | ¥ 28,640.8 | ¥ 2,173.6 | ¥1,263.5 | ¥ 2,718.2 | ¥ 34,796.1 |
| Total | ¥106,689.6 | ¥34,742.2 | ¥3,702.1 | ¥13,758.8 | ¥158,892.7 |

| 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 |

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, standardized approach applied funds, and CVA risk equivalent amount exposures, etc.

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, 2013 | Billions of yen | | | | |
|-----------------------------------|-------------------|------------------|-----------------|------------------|-------------------|
| | Loans, etc. | Bonds | Derivatives | Others | Total |
| To 1 year | ¥ 35,122.9 | ¥ 9,156.4 | ¥ 672.6 | ¥ 915.1 | ¥ 45,867.1 |
| More than 1 year to 3 years..... | 15,025.7 | 11,803.3 | 713.5 | 1,150.7 | 28,693.2 |
| More than 3 years to 5 years..... | 13,631.5 | 10,333.2 | 1,415.6 | 1,818.5 | 27,198.8 |
| More than 5 years to 7 years..... | 5,411.7 | 2,204.2 | 287.8 | 430.8 | 8,334.5 |
| More than 7 years..... | 24,835.3 | 1,245.1 | 612.7 | 811.5 | 27,504.6 |
| No fixed maturity | 12,662.4 | — | — | 8,632.1 | 21,294.5 |
| Total | ¥106,689.6 | ¥34,742.2 | ¥3,702.1 | ¥13,758.8 | ¥158,892.7 |

| 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 |

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, standardized approach applied funds, and CVA risk equivalent amount exposures, etc.

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 | |
|---|-----------------|-----------------|
| | 2013 | 2012 |
| Domestic operations (excluding offshore banking accounts) | ¥2,365.5 | ¥2,492.3 |
| Overseas operations and offshore banking accounts..... | 114.2 | 148.5 |
| Asia | 26.1 | 18.9 |
| North America..... | 18.6 | 53.8 |
| Other regions..... | 69.5 | 75.8 |
| Total | ¥2,479.7 | ¥2,640.8 |

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 | |
|---|-----------------|-----------------|
| | 2013 | 2012 |
| Domestic operations (excluding offshore banking accounts) | | |
| Manufacturing..... | ¥ 278.1 | ¥ 256.8 |
| Agriculture, forestry, fishery and mining | 6.0 | 7.0 |
| Construction | 114.6 | 142.3 |
| Transport, information, communications and utilities..... | 247.3 | 234.7 |
| Wholesale and retail | 293.2 | 333.6 |
| Financial and insurance..... | 17.0 | 24.9 |
| Real estate, goods rental and leasing | 703.4 | 693.9 |
| Services | 267.6 | 304.3 |
| Other industries | 438.3 | 494.8 |
| Subtotal | ¥2,365.5 | ¥2,492.3 |
| Overseas operations and offshore banking accounts | | |
| Financial institutions | ¥ 6.2 | ¥ 14.1 |
| C&I companies | 105.8 | 132.2 |
| Others | 2.2 | 2.2 |
| Subtotal | ¥ 114.2 | ¥ 148.5 |
| Total | ¥2,479.7 | ¥2,640.8 |

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) |
|---|-----------------|----------|----------|----------------------------------|
| | 2013 (A) | 2012 (B) | 2011 | |
| General reserve for possible loan losses..... | ¥ 539.3 | ¥ 593.3 | ¥ 696.2 | ¥(54.0) |
| Loan loss reserve for specific overseas countries | 0.0 | 0.2 | 0.6 | (0.2) |
| Specific reserve for possible loan losses | 1,042.7 | 1,071.3 | 1,230.0 | (28.6) |
| Domestic operations (excluding offshore banking accounts) | 990.7 | 1,008.2 | 1,148.2 | (17.5) |
| Overseas operations and offshore banking accounts..... | 52.0 | 63.1 | 81.8 | (11.1) |
| Asia | 15.0 | 12.9 | 16.0 | 2.1 |
| North America..... | 12.2 | 22.3 | 24.3 | (10.1) |
| Other regions | 24.8 | 27.9 | 41.5 | (3.1) |
| Total | ¥1,582.0 | ¥1,664.8 | ¥1,926.8 | ¥(82.8) |

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) |
|---|-----------------|----------|----------|----------------------------------|
| | 2013 (A) | 2012 (B) | 2011 | |
| General reserve for possible loan losses..... | ¥ 539.3 | ¥ 593.3 | ¥ 696.2 | ¥(54.0) |
| Loan loss reserve for specific overseas countries | 0.0 | 0.2 | 0.6 | (0.2) |
| Specific reserve for possible loan losses | 1,042.7 | 1,071.3 | 1,230.0 | (28.6) |
| Domestic operations (excluding offshore banking accounts) | 990.7 | 1,008.2 | 1,148.2 | (17.5) |
| Manufacturing..... | 133.2 | 121.3 | 167.3 | 11.9 |
| Agriculture, forestry, fishery and mining | 3.5 | 3.0 | 3.5 | 0.5 |
| Construction | 60.5 | 66.0 | 73.5 | (5.5) |
| Transport, information, communications and utilities..... | 98.4 | 65.5 | 46.3 | 32.9 |
| Wholesale and retail..... | 145.8 | 139.5 | 175.1 | 6.3 |
| Financial and insurance | 12.2 | 11.9 | 12.2 | 0.3 |
| Real estate, goods rental and leasing | 262.1 | 287.6 | 325.0 | (25.5) |
| Services | 123.0 | 127.2 | 156.4 | (4.2) |
| Other industries | 152.0 | 186.2 | 188.9 | (34.2) |
| Overseas operations and offshore banking accounts..... | 52.0 | 63.1 | 81.8 | (11.1) |
| Financial institutions | 5.6 | 10.6 | 26.1 | (5.0) |
| C&I companies | 44.8 | 51.6 | 55.7 | (6.8) |
| Others | 1.6 | 0.9 | 0.0 | 0.7 |
| Total | ¥1,582.0 | ¥1,664.8 | ¥1,926.8 | ¥(82.8) |

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 2012 | Fiscal 2011 |
| Domestic operations (excluding offshore banking accounts) | | |
| Manufacturing..... | ¥ 12.3 | ¥ (7.1) |
| Agriculture, forestry, fishery and mining | 0.2 | (0.0) |
| Construction | 2.8 | 3.3 |
| Transport, information, communications and utilities..... | 4.0 | 3.6 |
| Wholesale and retail | 12.6 | 7.1 |
| Financial and insurance..... | (0.4) | (0.2) |
| Real estate, goods rental and leasing | 2.6 | 2.2 |
| Services | 3.1 | 3.4 |
| Other industries | 92.6 | 76.7 |
| Subtotal | ¥129.8 | ¥89.0 |
| Overseas operations and offshore banking accounts | | |
| Financial institutions..... | ¥ (0.1) | ¥ 1.2 |
| C&I companies | 2.3 | (0.7) |
| Others | 1.6 | 0.9 |
| Subtotal | ¥ 3.8 | ¥ 1.4 |
| Total | ¥133.6 | ¥90.3 |

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 2012 | | Fiscal 2011 | |
| | VaR | Stressed VaR | VaR | Stressed VaR |
| Fiscal year-end | ¥2.4 | ¥ 4.7 | ¥1.8 | ¥2.5 |
| Maximum | 6.3 | 12.7 | 3.5 | 4.7 |
| Minimum | 1.3 | 2.5 | 1.0 | 1.5 |
| Average | 3.8 | 7.7 | 2.1 | 3.0 |

- 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 2012 | Fiscal 2011 |
| Fiscal year-end | ¥31.1 | ¥32.0 |
| Maximum | 35.2 | 53.6 |
| Minimum | 23.6 | 31.8 |
| Average | 29.5 | 38.9 |

- 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. 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., SMBC Finance Service Co., Ltd., Kansai Urban Banking Corporation, The Japan Net Bank, Limited, SMBC Guarantee 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 43 to 45.

3. Usage of Insurance to Mitigate Risk

SMFG had not taken measures to mitigate operational risk through insurance coverage for exposures.

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2013)
Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Million of Yen)

| Items | Consolidated balance sheet as in published financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
|---|---|--------------------------------------|---|
| | Amount | | |
| (Assets) | | | |
| Cash and due from banks | 10,799,291 | | |
| Call loans and bills bought | 1,353,746 | | |
| Receivables under resale agreements | 273,217 | | |
| Receivables under securities borrowing transactions | 3,494,398 | | |
| Monetary claims bought | 1,540,516 | | |
| Trading assets | 7,765,554 | 7-a | |
| Money held in trust | 22,789 | 7-b | |
| Securities | 41,306,731 | 3-b, 7-c | |
| Loans and bills discounted | 65,632,091 | 7-d | |
| Foreign exchanges | 2,226,427 | | |
| Lease receivables and investment assets | 1,684,800 | | |
| Other assets | 4,367,634 | 4 | |
| Tangible fixed assets | 1,983,772 | | |
| Intangible fixed assets | 790,860 | 3-a | |
| Deferred tax assets | 374,258 | 5-a | |
| Customers' liabilities for acceptances and guarantees | 6,009,575 | | |
| Reserve for possible loan losses | (928,866) | | |
| Total assets | 148,696,800 | | |
| (Liabilities) | | | |
| Deposits | 89,081,811 | | |
| Negotiable certificates of deposit | 11,755,654 | | |
| Call money and bills sold | 2,954,051 | | |
| Payables under repurchase agreements | 2,076,791 | | |
| Payables under securities lending transactions | 4,433,835 | | |
| Commercial paper | 1,499,499 | | |
| Trading liabilities | 6,119,631 | 7-c | |
| Borrowed money | 4,979,460 | | |
| Foreign exchanges | 337,901 | | |
| Short-term bonds | 1,126,300 | | |
| Bonds | 4,750,806 | | |
| Due to trust account | 643,350 | | |
| Other liabilities | 3,989,794 | | |
| Reserve for employee bonuses | 59,855 | | |
| Reserve for executive bonuses | 4,037 | | |
| Reserve for employee retirement benefits | 44,579 | | |
| Reserve for executive retirement benefits | 2,420 | | |
| Reserve for point service program | 19,319 | | |
| Reserve for reimbursement of deposits | 11,195 | | |
| Reserve for losses on interest repayment | 245,423 | | |
| Reserve under the special laws | 481 | | |
| Deferred tax liabilities | 68,120 | 5-b | |
| Deferred tax liabilities for land revaluation | 39,683 | 5-c | |
| Acceptances and guarantees | 6,009,575 | | |
| Total liabilities | 140,253,582 | | |
| (Net assets) | | | |
| Capital stock | 2,337,895 | 1-a | |
| Capital surplus | 758,630 | 1-b | |
| Retained earnings | 2,811,474 | 1-c | |
| Treasury stock | (227,373) | 1-d | |
| Total stockholders' equity | 5,680,627 | | |
| Net unrealized gains on other securities | 755,753 | | |
| Net deferred losses on hedges | (32,863) | 6 | |
| Land revaluation excess | 39,129 | | |
| Foreign currency translation adjustments | (97,448) | | |
| Total accumulated other comprehensive income | 664,570 | | 3 |
| Stock acquisition rights | 1,260 | 2,8-a | |
| Minority interests | 2,096,760 | 8-b | |
| Total net assets | 8,443,218 | | |
| Total liabilities and net assets | 148,696,800 | | |

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Exhibit)

1. Stockholders' equity

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|-----------|---------|
| Capital stock | 2,337,895 | |
| Capital surplus | 758,630 | |
| Retained earnings | 2,811,474 | |
| Treasury stock | (227,373) | |
| Total stockholders' equity | 5,680,627 | |

| Ref. No. |
|----------|
| 1-a |
| 1-b |
| 1-c |
| 1-d |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|--|-----------|---|
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 5,680,627 | Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) |
| of which: capital and capital surplus | 3,096,526 | |
| of which: retained earnings | 2,811,474 | |
| of which: treasury stock | (227,373) | |
| of which: other than the above | — | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy |

| Basel III Template No. |
|------------------------|
| |

| |
|----|
| 1a |
| 2 |
| 1c |

| |
|-----|
| 31a |
|-----|

2. Stock acquisition rights

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|---|--------|---------|
| Stock acquisition rights | 1,260 | |
| of which: Stock acquisition rights issued by bank holding company | 1,140 | |

| Ref. No. |
|----------|
| 2 |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|---|--------|---------|
| Stock acquisition rights to common shares | 1,140 | |
| Stock acquisition rights to Additional Tier 1 instruments | — | |
| Stock acquisition rights to Tier 2 instruments | — | |

| Basel III Template No. |
|------------------------|
| |

| |
|-----|
| 1b |
| 31b |
| 46 |

3. Intangible assets

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|--|------------|---------|
| Intangible fixed assets | 790,860 | |
| Securities | 41,306,731 | |
| of which: goodwill attributable to equity-method investees | 25,811 | |

| Ref. No. |
|----------|
| 3-a |
| 3-b |

Income taxes related to above

147,818

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|---|---------|--------------------|
| Goodwill (including those equivalent) | 400,969 | |
| Other intangible assets other than goodwill and mortgage servicing rights | 267,884 | Software and other |
| Mortgage servicing rights | — | |
| Amount exceeding the 10% threshold on specified items | — | |
| Amount exceeding the 15% threshold on specified items | — | |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | |

| Basel III Template No. |
|------------------------|
| |

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|---|
| 8 |
| 9 |

| |
|----|
| 20 |
|----|

| |
|----|
| 24 |
|----|

| |
|----|
| 74 |
|----|

4. Prepaid pension cost

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|-----------|---------|
| Other assets | 4,367,634 | |
| of which: prepaid pension cost | 224,719 | |

| Ref. No. |
|----------|
| 4 |

Income taxes related to above

79,935

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|-----------------------------------|---------|---------|
| Prepaid pension cost | 144,783 | |

| Basel III Template No. |
|------------------------|
| |

| |
|----|
| 15 |
|----|

5. Deferred tax assets

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|---|---------|---------|
| Deferred tax assets | 374,258 | |
| Deferred tax liabilities | 68,120 | |
| Deferred tax liabilities for land revaluation | 39,683 | |
| Tax effects on other intangible assets | 147,818 | |
| Tax effects on prepaid pension cost | 79,935 | |

Ref. No.

5-a

5-b

5-c

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|---|---------|---|
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 9,897 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. |
| Deferred tax assets arising from temporary differences (net of related tax liability) | 506,519 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. |
| Amount exceeding the 10% threshold on specified items | — | |
| Amount exceeding the 15% threshold on specified items | — | |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 506,519 | |

Basel III Template No.

10

21

25

75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|----------|---------|
| Net deferred losses on hedges | (32,863) | |

Ref. No.

6

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|-----------------------------------|----------|--|
| Net deferred losses on hedges | (29,649) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" |

Basel III Template No.

11

7. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|------------|---|
| Trading assets | 7,765,554 | Including trading account securities and derivatives for trading assets |
| Money held in trust | 22,789 | |
| Securities | 41,306,731 | |
| Loans and bills discounted | 65,632,091 | Including subordinated loans |
| Trading liabilities | 6,119,631 | Including trading account securities sold and derivatives for trading liabilities |

Ref. No.

7-a

7-b

7-c

7-d

7-e

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---------|------------------------|
| Investments in own capital instruments | 9,019 | | |
| Common Equity Tier 1 capital | 9,019 | | 16 |
| Additional Tier 1 capital | — | | 37 |
| Tier 2 capital | — | | 52 |
| Reciprocal cross-holdings in the capital of banking, financial and insurance entities | — | | |
| Common Equity Tier 1 capital | — | | 17 |
| Additional Tier 1 capital | — | | 38 |
| Tier 2 capital | — | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | 798,416 | | |
| Common Equity Tier 1 capital | 169,361 | | 18 |
| Additional Tier 1 capital | 1,589 | | 39 |
| Tier 2 capital | 73,250 | | 54 |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 554,215 | | 72 |
| Significant investments in the capital of Other Financial Institutions, net of eligible short positions | 479,547 | | |
| Amount exceeding the 10% threshold on specified items | — | | 19 |
| Amount exceeding the 15% threshold on specified items | — | | 23 |
| Additional Tier 1 capital | 157,149 | | 40 |
| Tier 2 capital | 125,000 | | 55 |
| Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 197,398 | | 73 |

8. Minority interests

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------------|-----------|---------|----------|
| Stock acquisition rights | 1,260 | | 8-a |
| Minority interests | 2,096,760 | | 8-b |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|--|---------|---------|------------------------|
| Amount allowed to be included in group Common Equity Tier 1 | 139,300 | | 5 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | 30-31ab-32 |
| Amount allowed to be included in group Additional Tier 1 | 127,606 | | 34-35 |
| Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | 46 |
| Amount allowed to be included in group Tier 2 | 28,909 | | 48-49 |

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

Capital Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

| | | Millions of yen |
|-------------------------------------|--|-----------------|
| March 31 | | 2012 |
| Tier 1 capital: | Capital stock | ¥ 1,770,996 |
| | Capital surplus | 2,717,397 |
| | Retained earnings | 1,299,484 |
| | Treasury stock | (210,003) |
| | Cash dividends to be paid | (24,330) |
| | Foreign currency translation adjustments | (139,425) |
| | Stock acquisition rights | 94 |
| | Minority interests | 1,539,385 |
| | Goodwill and others | (301,643) |
| | Gain on sale on securitization transactions..... | (38,103) |
| | Amount equivalent to 50% of expected losses in excess of reserve | (15,072) |
| | Total Tier 1 capital (A) | 6,598,778 |
| Tier 2 capital: | Unrealized gains on other securities after 55% discount..... | 176,804 |
| | Land revaluation excess after 55% discount | 35,755 |
| | General reserve for possible loan losses..... | 43,327 |
| | Excess of eligible reserves relative to expected losses | — |
| | Subordinated debt | 2,454,262 |
| | Total Tier 2 capital | 2,710,151 |
| | Tier 2 capital included as qualifying capital (B) | 2,710,151 |
| Deductions: | (C) | 258,567 |
| Total qualifying capital: | (D) = (A) + (B) – (C) | ¥ 9,050,362 |
| Risk-weighted assets: | On-balance sheet items | ¥34,477,578 |
| | Off-balance sheet items | 6,954,799 |
| | Market risk | 1,134,685 |
| | Operational risk | 3,528,445 |
| | Total risk-weighted assets (E)..... | ¥46,095,509 |
| Tier 1 risk-weighted capital ratio: | (A) / (E) × 100..... | 14.31% |
| Total risk-weighted capital ratio: | (D) / (E) × 100 | 19.63% |
| Required capital: | (E) × 8% | ¥ 3,687,640 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|---|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Common Equity Tier 1 capital: instruments and reserves | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 6,096,661 | | 1a+2-1c-26 |
| of which: capital and capital surplus | 4,278,391 | | 1a |
| of which: retained earnings | 1,869,906 | | 2 |
| of which: treasury stock | — | | 1c |
| of which: cash dividends to be paid | 51,636 | | 26 |
| of which: other than the above | — | | |
| Stock acquisition rights to common shares | — | | 1b |
| Accumulated other comprehensive income and other disclosed reserves | — | 654,954 | 3 |
| Adjusted minority interests, etc. (amount allowed to be included in group Common Equity Tier 1) | 146,706 | | 5 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements | 33,773 | | |
| of which: minority interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1) | 33,773 | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | 6,277,140 | | 6 |
| Common Equity Tier 1 capital: regulatory adjustments | | | |
| Total intangible assets (excluding those relating to mortgage servicing rights) | — | 331,161 | 8+9 |
| of which: goodwill (including those equivalent) | — | 166,102 | 8 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | — | 165,058 | 9 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | 4,196 | 10 |
| Net deferred losses on hedges | — | (27,567) | 11 |
| Shortfall of eligible provisions to expected losses | — | — | 12 |
| Gain on sale on securitization transactions | — | 39,081 | 13 |
| Gains and losses due to changes in own credit risk on fair valued liabilities | — | 6,658 | 14 |
| Prepaid pension cost | — | 144,660 | 15 |
| Investments in own shares (excluding those reported in the Net assets section) | — | 96 | 16 |
| Reciprocal cross-holdings in common equity | — | — | 17 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | — | 40,443 | 18 |
| Amount exceeding the 10% threshold on specified items | — | — | 19+20+21 |
| of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | — | — | 19 |
| of which: mortgage servicing rights | — | — | 20 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 21 |
| Amount exceeding the 15% threshold on specified items | — | — | 22 |
| of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | — | — | 23 |
| of which: mortgage servicing rights | — | — | 24 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 25 |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | — | | 27 |
| Common Equity Tier 1 capital: regulatory adjustments (B) | — | | 28 |
| Common Equity Tier 1 capital (CET1) | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | 6,277,140 | | 29 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|--|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Additional Tier 1 capital: instruments | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | | 31a |
| Stock acquisition rights to Additional Tier 1 instruments | — | | 31b |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 32 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | |
| Adjusted minority interests, etc. (amount allowed to be included in group Additional Tier 1) | 16,217 | | 34-35 |
| Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments | 1,114,071 | | 33+35 |
| of which: instrument issued by banks and their special purpose vehicles | 1,113,621 | | 33 |
| of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles) | 450 | | 35 |
| Total of items included in Additional Tier 1 capital: items subject to transitional arrangements | (108,123) | | |
| of which: foreign currency translation adjustments | (108,123) | | |
| Additional Tier 1 capital: instruments (D) | 1,022,165 | | 36 |
| Additional Tier 1 capital: regulatory adjustments | | | |
| Investments in own Additional Tier 1 instruments | — | — | 37 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | — | — | 38 |
| Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold) | — | 369 | 39 |
| Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | — | 157,149 | 40 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements | 226,552 | | |
| of which: goodwill and others | 187,471 | | |
| of which: gain on sale on securitization transactions | 39,081 | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | — | | 42 |
| Additional Tier 1 capital: regulatory adjustments (E) | 226,552 | | 43 |
| Additional Tier 1 capital (AT1) | | | |
| Additional Tier 1 capital ((D)-(E)) (F) | 795,612 | | 44 |
| Tier 1 capital (T1 = CET1 + AT1) | | | |
| Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G) | 7,072,753 | | 45 |
| Tier 2 capital: instruments and provisions | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | — | | |
| Stock acquisition rights to Tier 2 instruments | — | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 46 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | |
| Adjusted minority interests, etc. (amount allowed to be included in group Tier 2) | 2,080 | | 48-49 |
| Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions | 1,831,075 | | 47+49 |
| of which: instruments issued by banks and their special purpose vehicles | 1,813,075 | | 47 |
| of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles) | 18,000 | | 49 |
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | 59,426 | | 50 |
| of which: general reserve for possible loan losses | 10,501 | | 50a |
| of which: eligible provisions | 48,924 | | 50b |
| Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements | 495,978 | | |
| of which: unrealized gains on other securities after 55% discount | 460,658 | | |
| of which: land revaluation excess after 55% discount | 35,319 | | |
| Tier 2 capital: instruments and provisions (H) | 2,388,560 | | 51 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|--|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Tier 2 capital: regulatory adjustments | | | |
| Investments in own Tier 2 instruments | — | — | 52 |
| Reciprocal cross-holdings in Tier 2 instruments | — | — | 53 |
| Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold) | — | 21,046 | 54 |
| Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions) | — | 125,000 | 55 |
| Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements | 74,848 | | |
| of which: Tier 2 and deductions under Basel 2 | 74,848 | | |
| Tier 2 capital: regulatory adjustments (I) | 74,848 | | 57 |
| Tier 2 capital (T2) | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | 2,313,712 | | 58 |
| Total capital (TC = T1 + T2) | | | |
| Total capital (TC = T1 + T2) ((G) + (J)) (K) | 9,386,465 | | 59 |
| Risk weighted assets | | | |
| Total of items included in risk weighted assets subject to transitional arrangements | 193,481 | | |
| of which: intangible assets other than mortgage servicing rights | (15,881) | | |
| of which: Non-significant Investments in the capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold) | 58,467 | | |
| of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | 88,191 | | |
| of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions) | 45,877 | | |
| Risk weighted assets (L) | 55,725,255 | | 60 |
| Capital ratio (consolidated) | | | |
| Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L)) | 11.26% | | 61 |
| Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L)) | 12.69% | | 62 |
| Total risk-weighted capital ratio (consolidated) ((K)/(L)) | 16.84% | | 63 |
| Regulatory adjustments | | | |
| Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 640,003 | | 72 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 434,850 | | 73 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 420,075 | | 75 |
| Provisions included in Tier 2 capital: instruments and provisions | | | |
| Provisions (general reserve for possible loan losses) | 10,501 | | 76 |
| Cap on inclusion of provisions (general reserve for possible loan losses) | 21,284 | | 77 |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | 48,924 | | 78 |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 280,447 | | 79 |
| Capital instruments subject to transitional arrangements | | | |
| Current cap on Additional Tier 1 instruments subject to transitional arrangements | 1,114,071 | | 82 |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) | 123,785 | | 83 |
| Current cap on Tier 2 instruments subject to transitional arrangements | 1,831,075 | | 84 |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) | 203,452 | | 85 |

(Millions of yen)

| Items | Year ended March 31, 2013 |
|-----------------------------|---------------------------|
| Required capital ((L) × 8%) | 4,458,020 |

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2013)

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Million of Yen)

| Items | Consolidated balance sheet as in published financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
|---|---|--------------------------------------|---|
| | Amount | | |
| (Assets) | | | |
| Cash and due from banks | 10,655,801 | | |
| Call loans and bills bought | 1,353,746 | | |
| Receivables under resale agreements | 273,217 | | |
| Receivables under securities borrowing transactions | 3,454,499 | | |
| Monetary claims bought | 1,426,281 | | |
| Trading assets | 7,619,413 | 6-a | |
| Money held in trust | 14,883 | 6-b | |
| Securities | 41,294,005 | 2-b, 6-c | |
| Loans and bills discounted | 66,665,737 | 6-d | |
| Foreign exchanges | 2,226,427 | | |
| Lease receivables and investment assets | 164,189 | | |
| Other assets | 2,195,969 | 3 | |
| Tangible fixed assets | 843,653 | | |
| Intangible fixed assets | 409,001 | 2-a | |
| Deferred tax assets | 295,860 | 4-a | |
| Customers' liabilities for acceptances and guarantees | 5,117,140 | | |
| Reserve for possible loan losses | (806,702) | | |
| Total assets | 143,203,127 | | |
| (Liabilities) | | | |
| Deposits | 89,337,354 | | |
| Negotiable certificates of deposit | 11,978,554 | | |
| Call money and bills sold | 2,956,172 | | |
| Payables under repurchase agreements | 2,076,791 | | |
| Payables under securities lending transactions | 4,399,084 | | |
| Commercial papers | 1,499,499 | | |
| Trading liabilities | 6,084,053 | 6-e | |
| Borrowed money | 2,910,334 | | |
| Foreign exchanges | 337,901 | | |
| Short-term bonds | 277,500 | | |
| Bonds | 4,585,859 | | |
| Due to trust account | 643,350 | | |
| Other liabilities | 2,604,970 | | |
| Reserve for employee bonuses | 45,241 | | |
| Reserve for executive bonuses | 3,378 | | |
| Reserve for employee retirement benefits | 15,776 | | |
| Reserve for executive retirement benefits | 1,267 | | |
| Reserve for point service program | 2,632 | | |
| Reserve for reimbursement of deposits | 11,195 | | |
| Reserve for losses on interest repayment | 1,017 | | |
| Reserve under the special laws | 159 | | |
| Deferred tax liabilities | 17,116 | 4-b | |
| Deferred tax liabilities for land revaluation | 39,683 | 4-c | |
| Acceptances and guarantees | 5,117,140 | | |
| Total liabilities | 134,946,036 | | |
| (Net assets) | | | |
| Capital stock | 1,770,996 | 1-a | |
| Capital surplus | 2,717,397 | 1-b | |
| Retained earnings | 1,869,906 | 1-c | |
| Treasury stock | (210,003) | 1-d | |
| Total stockholders' equity | 6,148,297 | | |
| Net unrealized gains on other securities | 754,804 | | |
| Net deferred losses on hedges | (30,781) | 5 | |
| Land revaluation excess | 39,055 | | |
| Foreign currency translation adjustments | (108,123) | | |
| Total accumulated other comprehensive income | 654,954 | | 3 |
| Stock acquisition rights | 120 | 7-a | |
| Minority interests | 1,453,718 | 7-b | |
| Total net assets | 8,257,091 | | |
| Total liabilities and net assets | 143,203,127 | | |

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Exhibit)

1. Stockholders' equity

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|-----------|---|
| Capital stock | 1,770,996 | Including eligible Tier 1 capital instruments subject to transitional arrangement |
| Capital surplus | 2,717,397 | Including eligible Tier 1 capital instruments subject to transitional arrangement |
| Retained earnings | 1,869,906 | |
| Treasury stock | (210,003) | Eligible Tier 1 capital instruments subject to transitional arrangement |
| Total stockholders' equity | 6,148,297 | |

| Ref. No. |
|----------|
| 1-a |
| 1-b |
| 1-c |
| 1-d |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|--|-----------|---|
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 6,148,297 | Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) |
| of which: capital and capital surplus | 4,278,391 | |
| of which: retained earnings | 1,869,906 | |
| of which: treasury stock | — | |
| of which: other than the above | — | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy |

| Basel III Template No. |
|------------------------|
| 1a |
| 2 |
| 1c |
| 31a |

2. Intangible assets

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|--|------------|---------|
| Intangible assets | 409,001 | |
| Securities | 41,294,005 | |
| of which: goodwill attributable to equity-method investees | 13,182 | |
| Income taxes related to above | 91,022 | |

| Ref. No. |
|----------|
| 2-a |
| 2-b |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|---|---------|--------------------|
| Goodwill (including those equivalent) | 166,102 | |
| Other intangible assets other than goodwill and mortgage servicing rights | 165,058 | Software and other |
| Mortgage servicing rights | — | |
| Amount exceeding the 10% threshold on specified items | — | |
| Amount exceeding the 15% threshold on specified items | — | |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | |

| Basel III Template No. |
|------------------------|
| 8 |
| 9 |
| 20 |
| 24 |
| 74 |

3. Prepaid pension cost

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|-----------|---------|
| Other assets | 2,195,969 | |
| of which: prepaid pension cost | 224,528 | |
| Income taxes related to above | 79,867 | |

| Ref. No. |
|----------|
| 3 |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|-----------------------------------|---------|---------|
| Prepaid pension cost | 144,660 | |

| Basel III Template No. |
|------------------------|
| 15 |

4. Deferred tax assets

(1) Consolidated balance sheet (Million of Yen)

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|---|---------|---------|----------|
| Deferred tax assets | 295,860 | | 4-a |
| Deferred tax liabilities | 17,116 | | 4-b |
| Deferred tax liabilities for land revaluation | 39,683 | | 4-c |

| | | |
|--|--------|--|
| Tax effects on other intangible assets | 91,022 | |
| Tax effects on prepaid pension cost | 79,867 | |

(2) Composition of capital (Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---|------------------------|
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 4,196 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. | 10 |
| Deferred tax assets arising from temporary differences (net of related tax liability) | 420,075 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. | |
| Amount exceeding the 10% threshold on specified items | — | | 21 |
| Amount exceeding the 15% threshold on specified items | — | | 25 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 420,075 | | 75 |

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet (Million of Yen)

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------------|----------|---------|----------|
| Net deferred losses on hedges | (30,781) | | 5 |

(2) Composition of capital (Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|-----------------------------------|----------|--|------------------------|
| Net deferred losses on hedges | (27,567) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" | 11 |

6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet (Million of Yen)

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------------|------------|---|----------|
| Trading assets | 7,619,413 | Including trading account securities and derivatives for trading assets | 6-a |
| Money held in trust | 14,883 | | 6-b |
| Securities | 41,294,005 | | 6-c |
| Loans and bills discounted | 66,665,737 | Including subordinated loans | 6-d |
| Trading liabilities | 6,084,053 | Including trading account securities sold and derivatives for trading liabilities | 6-e |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---------|------------------------|
| Investments in own capital instruments | 96 | | |
| Common Equity Tier 1 capital | 96 | | 16 |
| Additional Tier 1 capital | — | | 37 |
| Tier 2 capital | — | | 52 |
| Reciprocal cross-holdings in the capital of banking, financial and insurance entities | — | | |
| Common Equity Tier 1 capital | — | | 17 |
| Additional Tier 1 capital | — | | 38 |
| Tier 2 capital | — | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | 701,863 | | |
| Common Equity Tier 1 capital | 40,443 | | 18 |
| Additional Tier 1 capital | 369 | | 39 |
| Tier 2 capital | 21,046 | | 54 |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 640,003 | | 72 |
| Significant investments in the capital of Other Financial Institutions, net of eligible short positions | 716,999 | | |
| Amount exceeding the 10% threshold on specified items | — | | 19 |
| Amount exceeding the 15% threshold on specified items | — | | 23 |
| Additional Tier 1 capital | 157,149 | | 40 |
| Tier 2 capital | 125,000 | | 55 |
| Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 434,850 | | 73 |

7. Minority interests

(1) Consolidated balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------------|-----------|---------|----------|
| Stock acquisition rights | 120 | | 7-a |
| Minority interests | 1,453,718 | | 7-b |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|--|---------|---------|------------------------|
| Amount allowed to be included in group Common Equity Tier 1 | 146,706 | | 5 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | 30-31ab-32 |
| Amount allowed to be included in group Additional Tier 1 | 16,217 | | 34-35 |
| Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | 46 |
| Amount allowed to be included in group Tier 2 | 2,080 | | 48-49 |

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

Capital Ratio Information (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

| | | Millions of yen |
|-------------------------------------|--|-----------------|
| March 31 | | 2012 |
| Tier 1 capital: | Capital stock | ¥ 1,770,996 |
| | Capital reserve | 1,771,043 |
| | Other capital surplus | 710,229 |
| | Other retained earnings..... | 1,257,377 |
| | Others..... | 1,198,808 |
| | Treasury stock | (210,003) |
| | Cash dividends to be paid | (24,330) |
| | Gain on sale on securitization transactions..... | (38,103) |
| | Amount equivalent to 50% of expected losses in excess of reserve | (34,359) |
| | Total Tier 1 capital (A) | 6,401,659 |
| Tier 2 capital: | Unrealized gains on other securities after 55% discount..... | 172,669 |
| | Land revaluation excess after 55% discount | 29,327 |
| | Subordinated debt | 2,361,431 |
| | Total Tier 2 capital | 2,563,429 |
| | Tier 2 capital included as qualifying capital (B) | 2,563,429 |
| Deductions: | (C) | 305,528 |
| Total qualifying capital: | (D) = (A) + (B) - (C) | ¥ 8,659,560 |
| Risk-weighted assets: | On-balance sheet items | ¥30,526,896 |
| | Off-balance sheet items | 5,825,932 |
| | Market risk..... | 592,046 |
| | Operational risk | 2,574,143 |
| | Total risk-weighted assets (E)..... | ¥39,519,018 |
| Tier 1 risk-weighted capital ratio: | (A) / (E) × 100..... | 16.19% |
| Total risk-weighted capital ratio: | (D) / (E) × 100 | 21.91% |
| Required capital: | (E) × 8% | ¥ 3,161,521 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|---|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Common Equity Tier 1 capital: instruments and reserves | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 5,712,886 | | 1a+2-1c-26 |
| of which: capital and capital surplus | 4,042,266 | | 1a |
| of which: retained earnings | 1,722,256 | | 2 |
| of which: treasury stock | — | | 1c |
| of which: cash dividends to be paid | 51,636 | | 26 |
| of which: other than the above | — | | |
| Stock acquisition rights to common shares | — | | 1b |
| Valuation and translation adjustment and other disclosed reserves | — | 788,911 | 3 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements | — | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | 5,712,886 | | 6 |
| Common Equity Tier 1 capital: regulatory adjustments | | | |
| Total intangible assets (excluding those relating to mortgage servicing rights) | — | 107,700 | 8+9 |
| of which: goodwill (including those equivalent) | — | — | 8 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | — | 107,700 | 9 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | 847 | 10 |
| Net deferred gains on hedges | — | 25,437 | 11 |
| Shortfall of eligible provisions to expected losses | — | 34,635 | 12 |
| Gain on sale on securitization transactions | — | 39,081 | 13 |
| Gains and losses due to changes in own credit risk on fair valued liabilities | — | — | 14 |
| Prepaid pension cost | — | 140,632 | 15 |
| Investments in own shares (excluding those reported in the Net assets section) | — | — | 16 |
| Reciprocal cross-holdings in common equity | — | — | 17 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | — | — | 18 |
| Amount exceeding the 10% threshold on specified items | — | — | 19+20+21 |
| of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | — | — | 19 |
| of which: mortgage servicing rights | — | — | 20 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 21 |
| Amount exceeding the 15% threshold on specified items | — | — | 22 |
| of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | — | — | 23 |
| of which: mortgage servicing rights | — | — | 24 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 25 |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | — | | 27 |
| Common Equity Tier 1 capital: regulatory adjustments (B) | — | | 28 |
| Common Equity Tier 1 capital (CET1) | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | 5,712,886 | | 29 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|--|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Additional Tier 1 capital: instruments | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | | 31a |
| Stock acquisition rights to Additional Tier 1 instruments | — | | 31b |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 32 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | |
| Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments | 1,113,621 | | 33+35 |
| Total of items included in Additional Tier 1 capital: items subject to transitional arrangements | (1,461) | | |
| of which: foreign currency translation adjustments | (1,461) | | |
| Additional Tier 1 capital: instruments (D) | 1,112,160 | | 36 |
| Additional Tier 1 capital: regulatory adjustments | | | |
| Investments in own Additional Tier 1 instruments | — | — | 37 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | — | — | 38 |
| Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold) | — | — | 39 |
| Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | — | 159,230 | 40 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements | 56,398 | | |
| of which: gain on sale on securitization transactions | 39,081 | | |
| of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses | 17,317 | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | — | | 42 |
| Additional Tier 1 capital: regulatory adjustments (E) | 56,398 | | 43 |
| Additional Tier 1 capital (AT1) | | | |
| Additional Tier 1 capital ((D)-(E)) (F) | 1,055,761 | | 44 |
| Tier 1 capital (T1 = CET1 + AT1) | | | |
| Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G) | 6,768,647 | | 45 |
| Tier 2 capital: instruments and provisions | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | — | | |
| Stock acquisition rights to Tier 2 instruments | — | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 46 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | |
| Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions | 1,815,516 | | 47+49 |
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | — | | 50 |
| of which: general reserve for possible loan losses | — | | 50a |
| of which: eligible provisions | — | | 50b |
| Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements | 482,672 | | |
| of which: unrealized gains on other securities after 55% discount | 453,422 | | |
| of which: land revaluation excess after 55% discount | 29,250 | | |
| Tier 2 capital: instruments and provisions (H) | 2,298,189 | | 51 |

(Millions of yen, except percentages)

| Items | Year ended March 31, 2013 | | |
|---|---------------------------|--|------------------------|
| | | Amounts excluded under transitional arrangements | Basel III Template No. |
| Tier 2 capital: regulatory adjustments | | | |
| Investments in own Tier 2 instruments | — | — | 52 |
| Reciprocal cross-holdings in Tier 2 instruments | — | — | 53 |
| Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold) | — | — | 54 |
| Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions) | — | 125,000 | 55 |
| Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements | 17,317 | | |
| of which: Tier 2 and deductions under Basel 2 | 17,317 | | |
| Tier 2 capital: regulatory adjustments (I) | 17,317 | | 57 |
| Tier 2 capital (T2) | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | 2,280,871 | | 58 |
| Total capital (TC = T1 + T2) | | | |
| Total capital (TC = T1 + T2) ((G) + (J)) (K) | 9,049,519 | | 59 |
| Risk weighted assets | | | |
| Total of items included in risk weighted assets subject to transitional arrangements | 437,568 | | |
| of which: intangible assets other than mortgage servicing rights | 9,594 | | |
| of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | 368,863 | | |
| of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions) | 45,877 | | |
| Risk weighted assets (L) | 48,594,764 | | 60 |
| Capital ratio (consolidated) | | | |
| Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L)) | 11.75% | | 61 |
| Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L)) | 13.92% | | 62 |
| Total risk-weighted capital ratio (consolidated) ((K)/(L)) | 18.62% | | 63 |
| Regulatory adjustments | | | |
| Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 603,168 | | 72 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 358,161 | | 73 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 283,002 | | 75 |
| Provisions included in Tier 2 capital: instruments and provisions | | | |
| Provisions (general reserve for possible loan losses) | — | | 76 |
| Cap on inclusion of provisions (general reserve for possible loan losses) | 2,593 | | 77 |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | — | | 78 |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 255,975 | | 79 |
| Capital instruments subject to transitional arrangements | | | |
| Current cap on Additional Tier 1 instruments subject to transitional arrangements | 1,113,621 | | 82 |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) | 123,735 | | 83 |
| Current cap on Tier 2 instruments subject to transitional arrangements | 1,815,516 | | 84 |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) | 201,724 | | 85 |

(Millions of yen)

| Items | Year ended March 31, 2013 |
|-----------------------------|---------------------------|
| Required capital ((L) × 8%) | 3,887,581 |

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2013)
Sumitomo Mitsui Banking Corporation

(Million of Yen)

| Items | Balance sheet as in published financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
|---|--|-----------------------------------|--|
| | Amount | | |
| (Assets) | | | |
| Cash and due from banks | 9,416,357 | | |
| Call loans | 487,175 | | |
| Receivables under resale agreements | 229,826 | | |
| Receivables under securities borrowing transactions | 701,890 | | |
| Bills bought | 27,792 | | |
| Monetary claims bought | 795,514 | | |
| Trading assets | 4,085,739 | 6-a | |
| Money held in trust | 2,372 | 6-b | |
| Securities | 41,347,000 | | |
| Loans and bills discounted | 59,770,763 | 6-d | |
| Foreign exchanges | 1,319,175 | | |
| Other assets | 1,894,382 | 3 | |
| Tangible fixed assets | 733,157 | | |
| Intangible fixed assets | 167,159 | 2 | |
| Deferred tax assets | 185,941 | 4-a | |
| Customers' liabilities for acceptances and guarantees | 5,391,645 | | |
| Reserve for possible loan losses | (616,593) | | |
| Reserve for possible losses on investments | (29,280) | | |
| Total assets | 125,910,020 | | |
| (Liabilities) | | | |
| Deposits | 80,006,438 | | |
| Negotiable certificates of deposit | 11,921,899 | | |
| Call money | 2,450,065 | | |
| Payables under repurchase agreements | 1,704,650 | | |
| Payables under securities lending transactions | 2,654,478 | | |
| Commercial paper | 1,499,499 | | |
| Trading liabilities | 3,590,373 | 6-e | |
| Borrowed money | 2,963,075 | | |
| Foreign exchanges | 351,885 | | |
| Short-term bonds | 20,000 | | |
| Bonds | 4,277,003 | | |
| Due to trust account | 643,350 | | |
| Other liabilities | 1,817,920 | | |
| Reserve for employee bonuses | 11,436 | | |
| Reserve for executive bonuses | 665 | | |
| Reserve for point service program | 1,945 | | |
| Reserve for reimbursement of deposits | 10,050 | | |
| Deferred tax liabilities for land revaluation | 39,190 | 4-b | |
| Acceptances and guarantees | 5,391,645 | | |
| Total liabilities | 119,355,573 | | |
| (Net assets) | | | |
| Capital stock | 1,770,996 | 1-a | |
| Capital surplus | 2,481,273 | 1-b | |
| Retained earnings | 1,720,728 | | |
| Treasury stock | (210,003) | 1-d | |
| Total stockholders' equity | 5,762,995 | | |
| Net unrealized gains on other securities | 742,338 | | |
| Net deferred gains on hedges | 23,301 | | |
| Land revaluation excess | 25,810 | | |
| Total valuation and translation adjustments | 791,451 | | |
| Total net assets | 6,554,446 | | |
| Total liabilities and net assets | 125,910,020 | | |

Note: The nonconsolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose vehicles and other equivalent entities in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

| Balance sheet account | Amount reported on the consolidated financial statements | Cross-reference to Appended Table | Basel III Template |
|---|--|-----------------------------------|--------------------|
| Securities | 41,332,289 | 6-c | |
| Retained earnings | 1,722,256 | 1-c | |
| Net deferred gains on hedges | 22,223 | 5 | |
| Total valuation and translation adjustments | 788,911 | | 3 |

(Exhibit)

1. Stockholders' equity

(1) Balance sheet

(Million of Yen)

| Balance sheet items | Amount | Remarks |
|----------------------------|-----------|---|
| Capital stock | 1,770,996 | Including eligible Tier 1 capital instruments subject to transitional arrangement |
| Capital surplus | 2,481,273 | Including eligible Tier 1 capital instruments subject to transitional arrangement |
| Retained earnings | 1,722,256 | |
| Treasury stock | (210,003) | Eligible Tier 1 capital instruments subject to transitional arrangement |
| Total stockholders' equity | 5,764,523 | |

| Ref. No. |
|----------|
| 1-a |
| 1-b |
| 1-c |
| 1-d |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|--|-----------|---|
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 5,764,523 | Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) |
| of which: capital and capital surplus | 4,042,266 | |
| of which: retained earnings | 1,722,256 | |
| of which: treasury stock | — | |
| of which: other than the above | — | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy |

| Basel III Template No. |
|------------------------|
| 1a |
| 2 |
| 1c |
| 31a |

2. Intangible assets

(1) Balance sheet

(Million of Yen)

| Balance sheet items | Amount | Remarks |
|-------------------------------|---------|---------|
| Intangible fixed assets | 167,159 | |
| Income taxes related to above | 59,458 | |

| Ref. No. |
|----------|
| 2 |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|---|---------|--------------------|
| Goodwill (including those equivalent) | — | |
| Other intangible assets other than goodwill and mortgage servicing rights | 107,700 | Software and other |
| Mortgage servicing rights (net of related tax liability) | — | |
| Amount exceeding the 10% threshold on specified items | — | |
| Amount exceeding the 15% threshold on specified items | — | |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | |

| Basel III Template No. |
|------------------------|
| 8 |
| 9 |
| 20 |
| 24 |
| 74 |

3. Prepaid pension cost

(1) Balance sheet

(Million of Yen)

| Consolidated balance sheet items | Amount | Remarks |
|----------------------------------|-----------|---------|
| Other assets | 1,894,382 | |
| of which: prepaid pension cost | 218,272 | |
| Income taxes related to above | 77,639 | |

| Ref. No. |
|----------|
| 3 |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks |
|-----------------------------------|---------|---------|
| Prepaid pension cost | 140,632 | |

| Basel III Template No. |
|------------------------|
| 15 |

4. Deferred tax assets

(1) Balance sheet (Million of Yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|---|---------|---------|----------|
| Deferred tax assets | 185,941 | | 4-a |
| Deferred tax liabilities for land revaluation | 39,190 | | 4-b |
| Tax effects on other intangible assets | 59,458 | | |
| Tax effects on prepaid pension cost | 77,639 | | |

(2) Composition of capital (Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---|------------------------|
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 847 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. | 10 |
| Deferred tax assets arising from temporary differences (net of related tax liability) | 283,002 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. | |
| Amount exceeding the 10% threshold on specified items | — | | 21 |
| Amount exceeding the 15% threshold on specified items | — | | 25 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 283,002 | | 75 |

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet (Million of Yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|------------------------------|--------|---------|----------|
| Net deferred gains on hedges | 22,223 | | 5 |

(2) Composition of capital (Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|-----------------------------------|--------|---|------------------------|
| Net deferred gains on hedges | 25,437 | Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments" | 11 |

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet (Million of Yen)

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------------|------------|---|----------|
| Trading assets | 4,085,739 | Including trading account securities and derivatives for trading assets | 6-a |
| Money held in trust | 2,372 | | 6-b |
| Securities | 41,332,289 | | 6-c |
| Loans and bills discounted | 59,770,763 | Including subordinated loans | 6-d |
| Trading liabilities | 3,590,373 | Including trading account securities sold and derivatives for trading liabilities | 6-e |

(2) Composition of capital

(Million of Yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---------|------------------------|
| Investments in own capital instruments | — | | |
| Common Equity Tier 1 capital | — | | 16 |
| Additional Tier 1 capital | — | | 37 |
| Tier 2 capital | — | | 52 |
| Reciprocal cross-holdings in the capital of banking, financial and insurance entities | — | | |
| Common Equity Tier 1 capital | — | | 17 |
| Additional Tier 1 capital | — | | 38 |
| Tier 2 capital | — | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | 603,168 | | |
| Common Equity Tier 1 capital | — | | 18 |
| Additional Tier 1 capital | — | | 39 |
| Tier 2 capital | — | | 54 |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 603,168 | | 72 |
| Significant investments in the capital of Other Financial Institutions, net of eligible short positions | 642,392 | | |
| Amount exceeding the 10% threshold on specified items | — | | 19 |
| Amount exceeding the 15% threshold on specified items | — | | 23 |
| Additional Tier 1 capital | 159,230 | | 40 |
| Tier 2 capital | 125,000 | | 55 |
| Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 358,161 | | 73 |

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

Glossary

ABL

Abbreviation for Asset Based Lending of having movable assets as collateral such as accounts receivable and/or inventory.

Advanced Measurement Approach (AMA)

Based on the operational risk measurement methods used in the internal management of financial institutions, this is a method for obtaining the operational risk equivalent amount by calculating the maximum amount of operational risk loss expected over a period of one year, with a one-sided confidence interval of 99.9%.

Banking

Market operations which gain profits by controlling interest rates and term period for assets (funds, bonds, etc.) and liabilities (deposits, etc.).

Basic Indicator Approach (BIA)

A calculation approach in which an average value for the most recent three years derived by multiplying gross profit for the financial institution as a whole by certain level (15%) is deemed to be the operational risk equivalent amount.

CCF

Abbreviation for Credit Conversion Factor
Ratio required for converting off-balance sheet items such as guarantees or derivatives into on-balance sheet credit exposure equivalents.

CDS

Abbreviation for Credit Default Swap
Derivative transactions which transfer the credit risk.

Calculation of credit risk-weighted assets under Article 145 of the Notification

Method used for calculating the credit risk-weighted assets for the fund exposure, etc. There is a method of making the total credit risk-weighted asset of individual underlying asset of funds, etc. as the relevant exposure of the credit risk-weighted asset; or a method of applying the risk weight determined based on the formation of underlying assets to the relevant exposure.

Capital adequacy ratio notification ("the Notification")

Pursuant to the Basel Capital Accord, it is used to officially notify the public of decisions made by the Financial Services Agency on financial regulations.

Credit Risk Mitigation (CRM) Techniques

Method of reducing credit risk by guarantees, collateral and purchase of credit derivatives, etc.

Credit risk-weighted assets

Total assets (lending exposures, including credit equivalent amount of off-balance sheet transactions, etc.) which is reevaluated according to the level of credit risk.

Current exposure method

One of the methods for calculating the credit exposure equivalents of derivative transactions, etc. Method of calculating the equivalents by adding the amount (multiplying the notional amount by certain rate, and equivalent to the future exposure fluctuation amount) to the mark-to-market replacement cost calculated by evaluating the market price of the transaction.

EL

Abbreviation for Expected Loss
Average loss expected to occur over the coming one year.

Historical simulation method

Method of simulating future fluctuations without the use of random numbers, by using historical data for risk factors.

Internal models method

One of the methods of market-based approach using the VaR model to calculate the loss for shares held by the bank applying the Internal Ratings-Based Approach, and dividing such loss amount by 8% to obtain the credit risk-weighted asset of the equity exposure.

The Internal Ratings-Based (IRB) Approach

A method of calculating the risk asset by applying PD (Probability of Default) estimated internally by financial institution which conducts sophisticated risk management. There are two methods to calculate exposures to corporate client, etc.: the Advanced Internal Ratings-Based (AIRB) Approach and the Foundation Internal Ratings-Based (FIRB) Approach. The former uses self-estimated LGD and EAD values, while the latter uses LGD and EAD values designated by the authorities.

LGD

Abbreviation for Loss Given Default
Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default.

Market-based approach

Method of calculating the risk assets of equity exposures, etc., by using the simple risk weight method or internal model method.

Market risk equivalent amount

Pursuant to the Basel Capital Accord capital adequacy regulations, the required capital amount imposed on the market-related risk calculated for the four risk categories of mainly the trading book: interest rates, stocks, foreign exchange and commodities.

Object finance

For providing credit for purchasing ships or aircrafts, the only source of repayments for the financing should be profits generated from the said tangible assets; and the said tangible assets serve as collaterals, and having an appreciable extent of control over the said tangible assets and profits generated from the said tangible assets.

Operational risk equivalent amount

Operational risk capital requirements under the Basel Capital Accord capital adequacy regulations.

Originator

The term "originator" is used in the case that SMFG is directly or indirectly involved in the formation of underlying assets for securitization transactions when SMFG has the securitization exposure; or the cases of providing the back-up line for ABCP issued by the securitization conduit for the purpose of obtaining exposure from the third party, or providing ABL to the securitization conduit (as sponsor).

PD

Abbreviation for Probability of Default
Probability of becoming default by obligor during one year.

Phased rollout

Under the Basel Capital Accord (credit risk, operational risk), it is a transition made by certain group companies planning to apply the Internal Ratings-Based Approach or the Advanced Measurement Approach after the implementation of such methods on consolidated-basis.

Project finance

Out of credit provided for specified businesses such as electric power plants and transportation infrastructure, the only source of repayments is profits generated from the said businesses, and the collateral is tangible assets of the said businesses, and having an appreciable extent of control over the said tangible assets and profits generated from the said tangible assets.

Qualifying Revolving Retail Exposures (QRRE)

Exposure which may fluctuate up to the upper limit set forth by an agreement according to the individual's voluntary decision, such as card loan and credit card, etc., and the upper limit of the exposure without any collateral is 10 million yen or less.

Resecuritization transaction

Out of securitization transactions, it is a transaction with securitization exposure for part of or entire underlying assets. However, in the case that all of underlying assets is the single securitization exposure and the transaction's risk characteristics are substantively unchanged prior to or after the securitization, the transaction is excluded from the resecuritization transactions.

Risk capital

The amount of required capital, which is statistically calculated from the historical market fluctuations, default rates, etc., to cover an unexpected loss arising from risks of business operations. It differs from the minimum regulatory capital requirements, and it is being used in the risk management framework voluntarily developed by financial institutions for the purpose of internal management.

Risk weight

Indicator which indicates the extent of credit risk determined by the types of assets (claims) owned. Risk weight becomes higher for assets with high risk of default.

Securitization transaction

It is a transaction which stratifies the credit risk for the underlying assets into more than two exposures of senior/subordinated structure and has the quality of transferring part of or entire exposure to the third party.

Servicer risk

The risk of becoming unable to claim for the collectives, in cases of which bankruptcy of the supplier/servicer occurs prior to collecting receivables, in securitization and purchased claims transactions.

Simple risk weight method

One of market-based approaches for calculating the risk-weighted asset amount for the equity exposure, etc. by multiplying the listed shares and unlisted shares with the risk weights of 300% and 400%, respectively.

Slotting criteria

For risk-weighted asset calculation under the Internal Ratings-Based (IRB) Approach, it is a method of mapping the credit rating to the risk-weight in 5 levels set forth by the Financial Services Agency for Specialised Lending.

Specialized Lending (SL)

General term used for project finance, object finance, commodity finance and lending for commercial real estate.

The Standardized Approach (SA)

Method of calculating risk-weighted assets by multiplying each obligor classification (corporation, financial institution, country, retail, etc.) by the risk-weight designated by the authorities.

Trading

Market operations which gain profits by taking advantage of fluctuations of market prices in the short-term or price differences among markets.

Underlying assets

General term used for assets which serve as the source of payments for principal and interest for securitization exposures, etc.

VaR

Abbreviation for Value at Risk

Forecasted maximum loss incurred by the relevant portfolio under certain probability.

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, 2012 to March 31, 2013) |
|---|--|
| 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, 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, 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, 2012 to March 31, 2013)

| | Millions of yen | | | | | | | | | |
|--|---|------------------------|------------------------------|----------------|-------|---------------------------------|-------|-------|----------------------|----------------|
| | Number of officers/employees and others | 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)..... | 12 | 970 | 789 | 703 | 84 | 2 | 173 | 173 | 7 | — |
| Employees and others..... | 71 | 6,030 | 2,537 | 2,422 | 102 | 12 | 3,405 | 3,405 | — | 87 |

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥186 million in deferred compensation accrued during the fiscal year (officers: ¥84 million; employees and others: ¥102 million).

3. The total amount of variable compensation includes ¥174 million in deferred compensation accrued during the fiscal year (officers: ¥1 million; employees: ¥174 million).

4. Stock options are classified as fixed compensation because the number of stock options granted depends on the individual's position.

5. 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 |
| 3rd series of stock acquisition rights of SMFG | August 15, 2012 to August 14, 2042 |

6. Payment of the following compensation has been deferred:

| | Millions of yen | |
|--|-----------------|--------------------------------|
| | March 31, 2013 | Payment during the fiscal year |
| 1st series of stock acquisition rights of SMFG..... | 79 | — |
| 2nd series of stock acquisition rights of SMFG | 129 | — |

■ 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, 2012 to March 31, 2013) |
|---|--|
| 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, 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, 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. In addition, expenses for employee retention are recorded for certain employees.

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, 2012 to March 31, 2013)

| | 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)..... | 19 | 1,474 | 1,194 | 1,036 | 152 | 5 | 272 | 272 | 7 | — |
| Employees and others..... | 63 | 5,359 | 2,001 | 1,959 | 31 | 9 | 3,270 | 3,270 | — | 87 |

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥183 million in deferred compensation accrued during the fiscal year (officers: ¥152 million; employees and others: ¥31 million).

3. The total amount of variable compensation includes ¥174 million in deferred compensation accrued during the fiscal year (officers: ¥1 million; employees and others: ¥174 million).

4. Stock options are classified as fixed compensation because the number of stock options granted depends on the individual's position.

5. 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 |
| 3rd series of stock acquisition rights of SMFG | August 15, 2012 to August 14, 2042 |

6. Payment of the following compensation has been deferred:

| | Millions of yen | |
|--|-----------------|--------------------------------|
| | March 31, 2013 | Payment during the fiscal year |
| 1st series of stock acquisition rights of SMFG..... | 65 | — |
| 2nd series of stock acquisition rights of SMFG | 103 | — |

2. Total Amount of Compensation Paid to Officers, Employees and Others (SMBC non-consolidated, April 1, 2012 to March 31, 2013)

| | 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)..... | 19 | 1,474 | 1,194 | 1,036 | 152 | 5 | 272 | 272 | 7 | — |
| Employees and others..... | 22 | 1,999 | 806 | 771 | 31 | 3 | 1,126 | 1,126 | — | 66 |

Notes: 1. The total amount of fixed compensation includes ¥183 million in deferred compensation accrued during the fiscal year (officers: ¥152 million; employees and others: ¥31 million).

2. The total amount of variable compensation includes ¥174 million in deferred compensation accrued during the fiscal year (officers: ¥1 million; employees and others: ¥174 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:

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|--|------------------------------------|
| 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 |
| 3rd series of stock acquisition rights of SMFG | August 15, 2012 to August 14, 2042 |

5. Payment of the following compensation has been deferred:

| | Millions of yen | |
|--|-----------------|--------------------------------|
| | March 31, 2013 | Payment during the fiscal year |
| 1st series of stock acquisition rights of SMFG..... | 65 | — |
| 2nd series of stock acquisition rights of SMFG | 103 | — |

■ 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, 2013)

BOARD OF DIRECTORS

Masayuki Oku

Chairman of the Board

Koichi Miyata

President

Takeshi Kunibe

Director

Ken Kubo

Director

Consumer Business Planning Dept., Consumer Finance & Transaction Business Dept., President of SMFG Card & Credit, Inc.

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

Public Relations Dept., Corporate Planning Dept., Financial Accounting Dept., Subsidiaries & Affiliates Dept.

Manabu Narita

Director

Audit Dept.

Kozo Ogino

Director

Corporate Risk Management Dept.

Shigeru Iwamoto

Director (outside)

Yoshinori Yokoyama

Director (outside)

Kuniaki Nomura

Director (outside)

CORPORATE AUDITORS

Koichi Minami

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

Jun Ohta

Managing Director

Transaction Business Planning Dept.

Yasuyuki Kawasaki

Managing Director

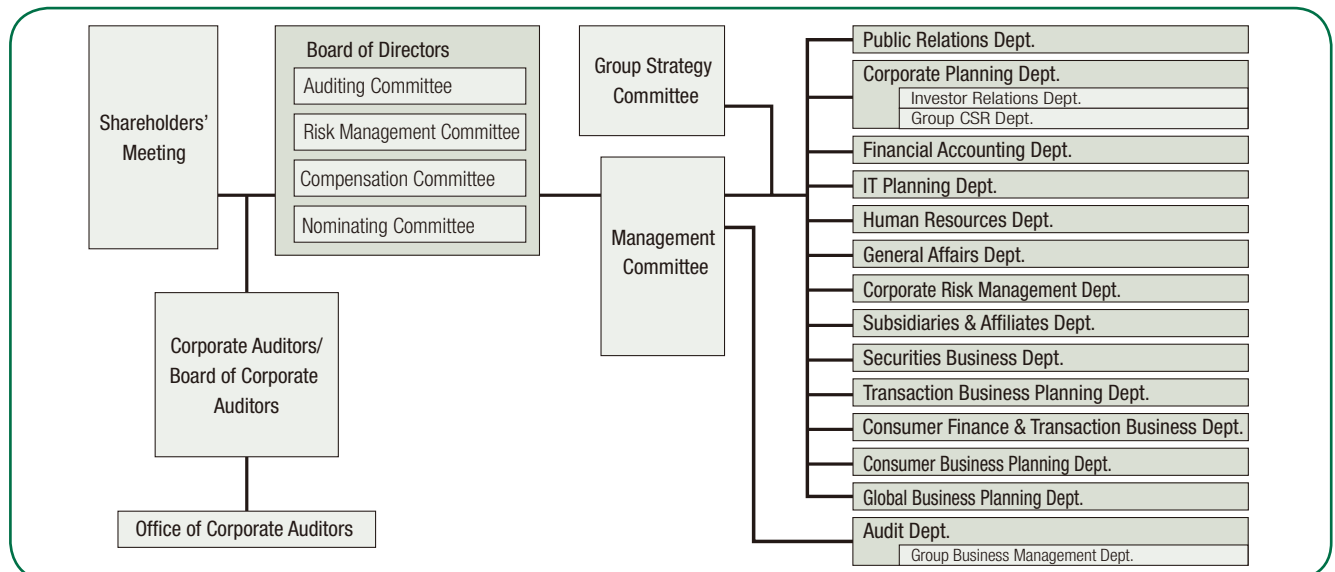
Global Business Planning Dept.

Fumiaki Kurahara

Managing Director

Securities Business Dept.

SMFG Organization (as of June 30, 2013)



■ Board of Directors, Corporate Auditors, and Executive Officers (as of June 30, 2013)

BOARD OF DIRECTORS

Chairman of the Board

Teisuke Kitayama

President and CEO

Takeshi Kunibe*

Director

Koichi Miyata

Deputy Presidents

Ken Kubo*

Head of Consumer Banking Unit
Consumer Finance & Transaction Business Dept.
President of SMFG Card & Credit, Inc.

Yoshihiko Shimizu*

Head of Middle Market Banking Unit

Hiroshi Minoura*

Head of International Banking Unit

Senior Managing Directors

Yujiro Ito*

Human Resources Dept., Human Resources Development Dept.,
Quality Management Dept., General Affairs Dept., Legal Dept.,
Administrative Services Dept.

Shuichi Kageyama*

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 Corporate Banking Unit

Nobuaki Kurumatani*

Public Relations Dept., Corporate Planning Dept., Financial
Accounting Dept., Subsidiaries & Affiliates Dept.

Masaki Tachibana*

Deputy Head of Middle Market Banking Unit, Corporate Banking Unit
(Planning Dept., Corporate Banking Unit & Middle Market Banking
Unit, Strategic Corporate Business Dept.)
Head of Private Advisory Division and Corporate Advisory Division

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)

Koichi Minami

Corporate Auditor

EXECUTIVE OFFICERS

Managing Directors

Hiroyuki Iwami

Head of Europe Division
CEO of Sumitomo Mitsui Banking Corporation Europe Limited

Atsuhiko Inoue

Osaka Corporate Banking Division (Osaka Corporate Banking Depts.
I, II, and III)

Toshiyuki Teramoto

Credit Administration Dept.
Deputy Head of Middle Market Banking Unit, Corporate Banking Unit
(Corporate Credit Dept.)
Corporate Research Dept.
Deputy Head of Investment Banking Unit (Trust Services Dept.)

Manabu Narita

Internal Audit Dept., Credit Review Dept.

Kozo Ogino

Risk Management Unit (Corporate Risk Management Dept., Credit &
Investment Planning Dept.)
Human Resources Dept., Human Resources Development Dept.

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)

Hitoshi Ishii

Deputy Head of Middle Market Banking Unit (in charge of East Japan)
Head of Higashinohon Daini Middle Market Banking Division

Jun Ohta

Transaction Business Planning Dept.
Transaction Business Division
Public Relations Dept., Corporate Planning Dept., Financial
Accounting Dept., Subsidiaries & Affiliates Dept.

Yasuyuki Kawasaki

Deputy Head of International Banking Unit
Head of Emerging Markets Business Division

Fumiaki Kurahara

Head of Investment Banking Unit
Securities Business Dept.

Makoto Takashima

Head of The Americas Division

Hirobumi Koga

Deputy Head of Middle Market Banking Unit (in charge of East Japan)
Head of Higashinohon Daiichi Middle Market Banking Division

Seiji Sato

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts.
III, IV, V, and VIII)

Masayuki Shimura

Head of The Asia Pacific Division

Katsunori Tanizaki

General Manager, IT Planning Dept.

Takehisa Ikeda

Nagoya Corporate Banking Division (Nagoya Corporate Banking
Dept.)
Head of Nagoya Middle Market Banking Division

Yukihiko Onishi

General Manager, Corporate Planning Dept.

Gotaro Michihiro

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts.
I, II, VI, and VII)

Directors**Masahiro Nakagawa**

Deputy Head of Middle Market Banking Unit (Credit Dept. I)

Takafumi Yamahiro

Head of Nishinohon Daiichi Middle Market Banking Division

Mitsuru Ono

Deputy Head of International Banking Unit (Credit Depts., Americas
Division and Europe Division, Asia Credit Dept., Credit Management
Dept.)

Takashi Matsushita

Head of Shinjuku Middle Market Banking Division and Saitama
Ikebukuro Middle Market Banking Division

Noboru Rachi

Head of Kyoto Hokuriku Middle Market Banking Division and General
Manager, Kyoto Corporate Business Office-I

Hiroyuki Okutani

Deputy Head of Consumer Banking Unit (in charge of West Japan)

Hajime Kunisaki

Deputy Head of Consumer Banking Unit (in charge of East Japan)

Hisanori Kokuga

President of Sumitomo Mitsui Banking Corporation (China) Limited

Koichi Noda

Deputy Head of Corporate Advisory Division

Shosuke Mori

General Manager, Planning Dept., International Banking Unit

Taneki Ono

Deputy Head of Investment Banking Unit
Corporate Planning Dept., Securities Business Dept.

Isao Kitatsuji

Deputy Head of Middle Market Banking Unit (Credit Dept. II)

Kentaro Senmatsu

Head of Shibuya Middle Market Banking Division and Yokohama
Middle Market Banking Division

Osamu Nakano

Head of Tokyo Toshin Middle Market Banking Division and
Higashinohon Kouiki Middle Market Banking Division

Tadaaki Kanbara

Deputy Head of Corporate Advisory Division

Takashi Inagaki

General Manager, Credit Dept. I, Middle Market Banking Unit

Masahiko Oshima

(Director without portfolio)

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.

Ryohei Kaneko

General Manager, Operations Planning Dept.

Yoshio Morijiri

Head of Tokyo Higashi Middle Market Banking Division

Atsushi Oku

General Manager, Osaka-Chuo Block Consumer Business Office

Toshikazu Takeichi

Head of Nishinohon Daini Middle Market Banking Division

Yoshihiro Horikawa

General Manager, Corporate Risk Management Dept.

Mitsuhiro Akiyama

General Manager, Singapore Branch

Toshihiro Isshiki

General Manager, Consumer Finance & Transaction Business Dept.

Keiji Kakumoto

General Manager, Umeda Corporate Business Office-I

Atsushi Takada

General Manager, Himeji Corporate Business Office

Haruyuki Nagata

General Manager, Financial Accounting Dept.

Ryuji Nishisaki

General Manager, Planning Dept., Investment Banking Unit

Hitoshi Minami

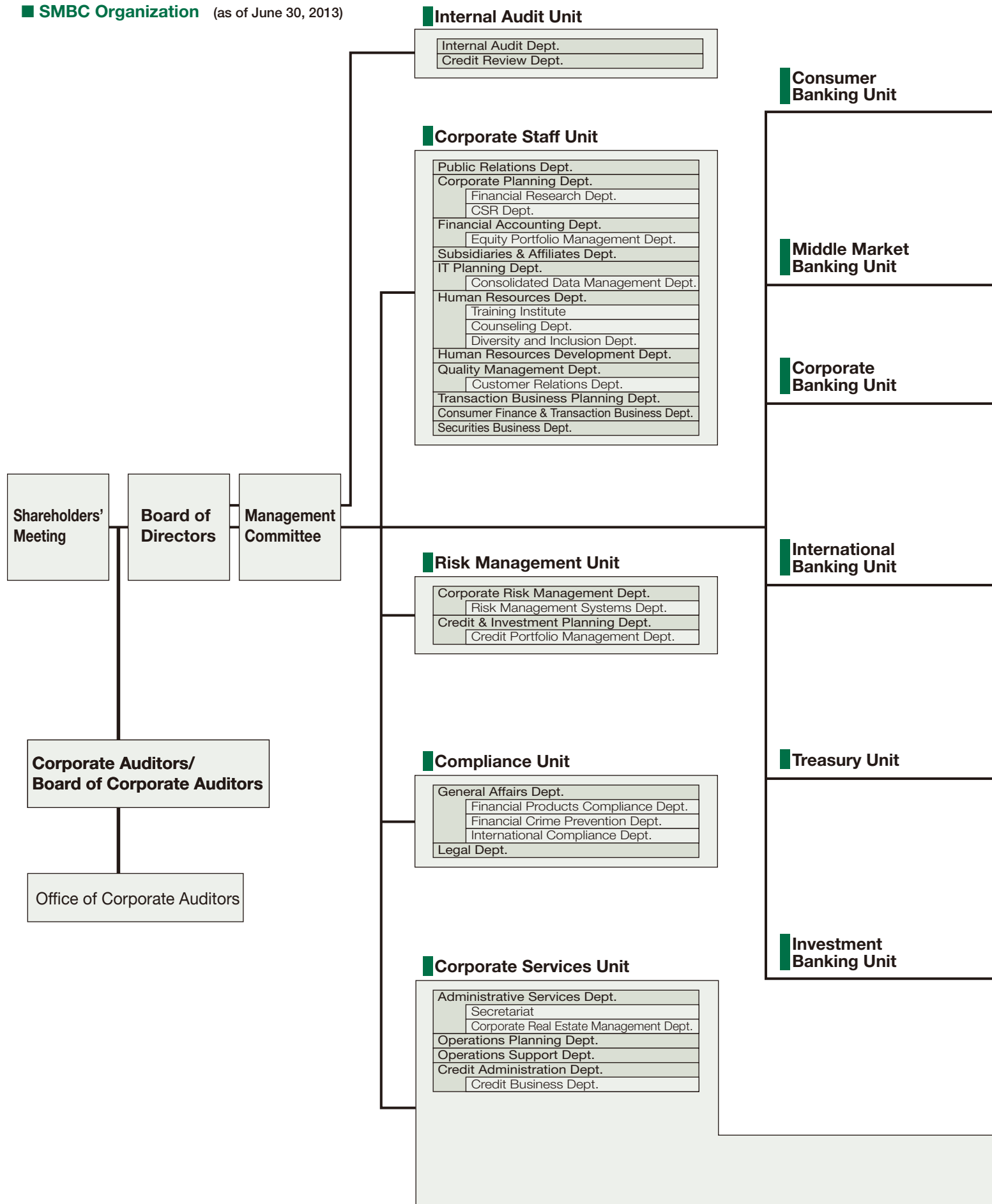
General Manager, Tokyo Corporate Banking Dept. III

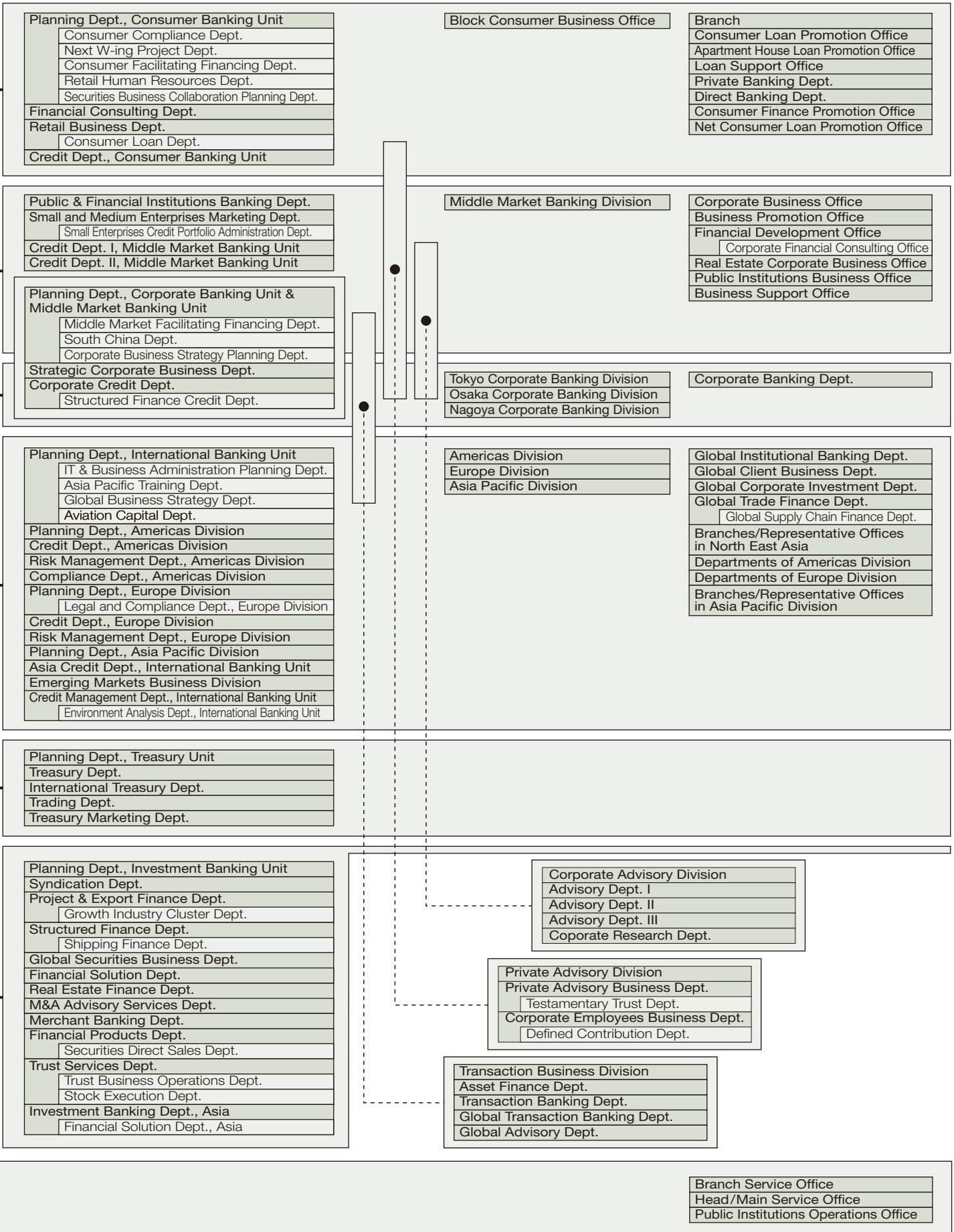
Hiroshi Munemasa

General Manager, Planning Dept., Treasury Unit

CHOW Ying Hoong

Deputy Head of Emerging Markets Business Division and Co-General
Manager, Planning Dept., Asia Pacific Division





Principal Subsidiaries and Affiliates (as of March 31, 2013)

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 (%) | Date of Establishment or Investment | Main Business |
|---|-------------------------------------|--|--|---|--|
| Sumitomo Mitsui Banking Corporation | 1,770,996 | 100 | — | Jun. 6, 1996 | Commercial banking |
| Sumitomo Mitsui Finance and Leasing Company, Limited | 15,000 | 60 | — | Feb. 4, 1963 | Leasing |
| SMBC Nikko Securities Inc. | 10,000 | 0 (100) | 100 | Jun. 15, 2009 | Securities |
| SMBC Friend Securities Co., Ltd. | 27,270 | 100 | — | Mar. 2, 1948 | Securities |
| 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 |
| SMBC Consumer Finance Co., Ltd. | 140,737 | 100 | — | Mar. 20, 1962 | Consumer loans |
| The Japan Research Institute, Limited | 10,000 | 100 | — | Nov. 1, 2002 | System engineering, data processing, management consulting, and economic research |
| SMFG Card & Credit, Inc. | 49,859 | 100 | — | Oct. 1, 2008 | Business management |
| SAKURA CARD CO., LTD. | 7,438 | 0 (95.74) | 85.14 (8.98) | Feb. 23, 1983 | Credit card services |
| 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 Service Co., Ltd. | 71,705 | 0 (100) | — | Dec. 5, 1972 | Collecting agent and factoring |
| SMBC Business Support Co., Ltd.*1 | 10 | 0 (100) | 100 | Jul. 1, 2004 | SME business agency services |
| Financial Link Co., Ltd.*2 | 10 | 0 (100) | 100 | Apr. 1, 2004 | 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 (46.43) | 45.10 (1.33) | Sep. 6, 1949 | Commercial banking |
| Kansai Urban Banking Corporation | 47,039 | 0 (60.19) | 49.39 (0.35) | Jul. 1, 1922 | Commercial banking |
| SMBC Staff Service Co., Ltd. | 90 | 0 (100) | 100 | Jul. 15, 1982 | Banking clerical work |
| 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, SMBC Business Support Co., Ltd. became a wholly owned subsidiary with direct investment from our wholly owned subsidiary SMBC.

*2 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.

■ Principal Overseas Subsidiaries

| Company Name | Country | Issued Capital | Percentage of SMFG's Voting Rights (%) | Percentage of SMBC's Voting Rights (%) | Date of Establishment or Investment | Main Business |
|---|------------------------|---------------------|--|--|-------------------------------------|--|
| Sumitomo Mitsui Banking Corporation Europe Limited | U.K. | US\$2,400 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 | MYR700 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\$300 | 0 (100) | 100 | Aug. 8, 1990 | Investments, investment advisor |
| SMBC Cayman LC Limited* ³ | Cayman Islands | US\$500 | 0 (100) | 100 | Feb. 7, 2003 | Credit guarantee, bond investment |
| SFVI Limited | British Virgin Islands | US\$1,200 | 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\$622 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 |
| SMBC Aviation Capital Limited | Ireland | US\$187 million | 0 (90) | 30 | Aug. 14, 1997 | Leasing |
| Sakura Finance Asia Limited | Hong Kong | US\$65.5 million | 0 (100) | 100 | Oct. 17, 1977 | Investments |
| Sumitomo Mitsui Finance Australia Limited | Australia | A\$156.5 million | 0 (100) | 100 | Jun. 29, 1984 | Investments |
| SMFG Preferred Capital USD 1 Limited | Cayman Islands | US\$649.491 million | 100 | — | Nov. 28, 2006 | Finance |

*³ SMBC Cayman LC Limited, like other subsidiaries of SMBC, is a separate corporate entity with its own separate creditors and the claims of such creditors are prior to the claims of SMBC, as the direct or indirect holder of the equity in such subsidiary.

| Company Name | Country | Issued Capital | Percentage of SMFG's Voting Rights (%) | Percentage of SMBC's Voting Rights (%) | Date of Establishment or Investment | 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 (%) | Date of Establishment or Investment | 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 (40) | 40 | 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 (35.54) | 35.54 | May 25, 1982 | Credit card services |
| Sumitomo Mitsui Auto Service Company, Limited | 6,950 | 33.99 | — | Feb. 21, 1981 | Leasing |
| China Post & Capital Fund Management Co., Ltd. | CNY100 million | 0 (24.00) | 24.00 | Apr. 24, 2012 | Investment management |

International Directory (as of June 30, 2013)

Asia and Oceania

SMBC Branches and Representative Offices

Hong Kong Branch

7th & 8th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong Special Administrative Region, The People's Republic of China
Tel: 852-2206-2000
Fax: 852-2206-2888

Shanghai Branch

15F, Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai 200120, The People's Republic of China
Tel: 86 (21) 3860-9700
Fax: 86 (21) 3860-9799

Dalian Representative Office

Senmao Building 9F, 147 Zhongshan Lu, Dalian 116011, The People's Republic of China
Tel: 86 (411) 8370-7873
Fax: 86 (411) 8370-7761

Taipei Branch

3F, Walsin Lihwa Xinyi Building, No. 1 Songzhi Road, Xinyi District, Taipei 110, Taiwan
Tel: 886 (2) 2720-8100
Fax: 886 (2) 2720-8287

Seoul Branch

12F, Mirae Asset CENTER1 Bldg. West Tower, 26, Eulji-ro 5-gil, Jung-gu Seoul, 100-210, The Republic of Korea
Tel: 82 (2) 6364-7000
Fax: 82 (2) 6364-7051

Singapore Branch

3 Temasek Avenue #06-01, Centennial Tower, Singapore 039190, Republic of Singapore
Tel: 65-6882-0001
Fax: 65-6887-0330

Labuan Branch

Level 12 (B&C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, Federal Territory, Malaysia
Tel: 60 (87) 410955
Fax: 60 (87) 410959

Labuan Branch Kuala Lumpur Office

Level 51, Vista Tower, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Tel: 60 (3) 2168-1700
Fax: 60 (3) 2168-1785

Ho Chi Minh City Branch

9th Floor, The Landmark, 5B Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
Tel: 84 (8) 3520-2525
Fax: 84 (8) 3822-7762

Hanoi Branch

1105, 11th Floor, Pacific Place Building, 83B Ly Thuong Kiet Street, Hanoi, Vietnam
Tel: 84 (4) 3946-1100
Fax: 84 (4) 3946-1133

Yangon Representative Office

#1217, 12A Floor Sakura Tower, No.339 Bogyoke Aung San Road, Kyauktada Township, Yangon, Myanmar
Tel: 95 (1) 255397

Phnom Penh Representative Office

Phnom Penh Tower (13 Floor) No.445, Preah Monivong Blvd corner with Street 232, Sangkat Boeung Pralit, Khan 7 Makara, Phnom Penh, Cambodia
Tel: 855 (23) 964-080
Fax: 855 (23) 964-082

Bangkok Branch

8th-10th Floor, Q.House Lumpini Building, 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
Tel: 66 (2) 353-8000
Fax: 66 (2) 353-8282

Chonburi Exchange Office

Harbor Office 14th Floor, 4/222 Moo. 10 Sukhumvit Road, Tungsukla, Sriracha, Chonburi 20230 Thailand
Tel: 66 (38) 400-700
Fax: 66 (38) 400-715

Manila Representative Office

20th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, Metro Manila, The Philippines
Tel: 63 (2) 841-0098/9
Fax: 63 (2) 811-0877

Sydney Branch

Level 35, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Tel: 61 (2) 9376-1800
Fax: 61 (2) 9376-1863

Perth Branch

Level 19, Exchange Plaza, 2 The Esplanade, Perth, Western Australia 6000, Australia
Tel: 61 (8) 9492-4900
Fax: 61 (8) 9221-7524

New Delhi Branch

12, 13 Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001, India
Tel: 91 (11) 4768-9111
Fax: 91 (11) 4768-9222

New Delhi Representative Office

B-14/A, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016, India
Tel: 91 (11) 4670-9945
Fax: 91 (11) 4056-6216

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Sumitomo Mitsui Banking Corporation (China) Limited Head Office (Shanghai)

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Tel: 86 (21) 3860-9000
Fax: 86 (21) 3860-9999

Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Puxi Sub-Branch

1, 12, 13, 12F, Maxdo Center, 8 Xingyi Road, Changning District, Shanghai, The People's Republic of China
Tel: 86 (21) 2219-8000
Fax: 86 (21) 2219-8199

Sumitomo Mitsui Banking Corporation (China) Limited Beijing Branch

Unit1601,16F, North Tower, Beijing Kerry Centre, No.1, Guang Hua Road, Chao Yang District, Beijing 100020, The People's Republic of China
Tel: 86 (10) 5920-4500
Fax: 86 (10) 5915-1080

Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Branch

12F, The Exchange Tower 2, 189 Nanjing Road, Heping District, Tianjin 300051, The People's Republic of China
Tel: 86 (22) 2330-6677
Fax: 86 (22) 2319-2111

Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Binhai Sub-Branch

8F, E2B, Binhai Financial Street, No.20, Guangchang East Road, TEDA, Tianjin 300457, The People's Republic of China
Tel: 86 (22) 6622-6677
Fax: 86 (22) 6628-1333

Sumitomo Mitsui Banking Corporation (China) Limited Guangzhou Branch

12F, International Finance Place, No.8 Huaxia Road, Tianhe District, Guangzhou 510623, The People's Republic of China
Tel: 86 (20) 3819-1888
Fax: 86 (20) 3810-2028

Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Branch

12F, SND International Commerce Tower, No.28 Shishan Road, Suzhou New District, Jiangsu 215011 The People's Republic of China
Tel: 86 (512) 6606-6500
Fax: 86 (512) 6606-8500

Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Industrial Park Sub-Branch

16F, International Building, No.2, Suzhou Avenue West, Suzhou Industrial Park, Jiangsu 215021, The People's Republic of China
Tel: 86 (512) 6288-5018
Fax: 86 (512) 6288-5028

Sumitomo Mitsui Banking Corporation (China) Limited Changshu Sub-Branch

8F, Science Innovation Building (Kechuang Building), No.333 Dongnan Road, Changshu Southeast Economic Development Zone of Jiangsu, Changshu, Jiangsu, The People's Republic of China
Tel: 86 (512) 5235-5553
Fax: 86 (512) 5235-5552

Sumitomo Mitsui Banking Corporation (China) Limited Hangzhou Branch

23F, Golden Plaza, No.118, Qing Chun Road, Xia Cheng District, Hangzhou, Zhejiang 310003, The People's Republic of China
Tel: 86 (571) 2889-1111
Fax: 86 (571) 2889-6699

Sumitomo Mitsui Banking Corporation (China) Limited Shenyang Branch

1501, E Building, Shenyang Fortune Plaza, 59 Beizhan Road, Shenhe District, Shenyang, The People's Republic of China
Tel: 86 (24) 3128-7000
Fax: 86 (24) 3128-7005

Sumitomo Mitsui Banking Corporation (China) Limited Shenzhen Branch

23/F, Tower Two, Kerry Plaza, 1 Zhongxinsi Road, Futian District, Shenzhen 518048, The People's Republic of China
Tel: 86 (755) 2383-0980
Fax: 86 (755) 2383-0707

Sumitomo Mitsui Banking Corporation (China) Limited Chongqing Branch

Unit 2, 34F, Tower1, River International, 22 Nanbin Road, Nan'an District, Chongqing 400060, The People's Republic of China
Tel: 86 (23) 8812-5300
Fax: 86 (23) 8812-5301

PT Bank Sumitomo Mitsui Indonesia

Summitmas II, 10th Floor, Jl. Jendral Sudirman Kav. 61-62, Jakarta Selatan 12190, Indonesia
Tel: 62 (21) 522-7011
Fax: 62 (21) 522-7022

PT Bank Tabungan Pensiunan Nasional Tbk

Cyber 2 Tower 24th and 25th Floor, Jl. HR. Rasuna Said Blok X-5 No. 13, Jakarta Selatan 12950, Indonesia
Tel: 62 (21) 300-26200
Fax: 62 (21) 300-26307

Sumitomo Mitsui Banking Corporation Malaysia Berhad

Level 51, Vista Tower, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Tel: 60 (3) 2168-1500
Fax: 60 (3) 2168-1770

SMBC SSC Sdn. Bhd.

Level 50, Vista Tower, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Tel: 60 (3) 2168-1600
Fax: 60 (3) 2168-1786

Sumitomo Mitsui Finance Australia Limited

Level 35, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Tel: 61 (2) 9376-1800
Fax: 61 (2) 9376-1863

SMBC Capital Markets (Asia) Limited

7th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong Special Administrative Region, The People's Republic of China
Tel: 852-2532-8500
Fax: 852-2532-8505

SMBC Metro Investment Corporation

20th Floor, Rufino Pacific Tower,
6784 Ayala Avenue, Makati City,
Metro Manila, The Philippines
Tel: 63 (2) 811-0845
Fax: 63 (2) 811-0876

Vietnam Export Import Commercial Joint Stock Bank

72 Le Thanh Ton & 47 Ly Tu Trong,
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BSL Leasing Co., Ltd.

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The Japan Research Institute (Shanghai) Solution Co., Ltd.

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Beijing 100020, The People's
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Sumitomo Mitsui Finance and Leasing (Singapore) Pte. Ltd.

152 Beach Road,
Gateway East #21-5,
Singapore 189721
Tel: 65-6224-2955
Fax: 65-6225-3570

Sumitomo Mitsui Finance and Leasing (Hong Kong) Ltd.

Unit 913, 9/F, Miramar Tower,
132, Nathan Road, Tsim Sha Tsui,
Kowloon, Hong Kong
The People's Republic of China
Tel: 852-2523-4155
Fax: 852-2845-9246

SMFL Leasing (Thailand) Co., Ltd.

30th Floor, Q. House
Lumpini Building,
1 South Sathorn Road,
Tungmahamek, Sathorn,
Bangkok 10120, Thailand
Tel: 66 (2) 677-7400
Fax: 66 (2) 677-7413

Sumitomo Mitsui Finance and Leasing (China) Co., Ltd.

Unit 802, TaiKoo Hui Tower 1,
385 Tianhe Road, Guangzhou,
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Tel: 86 (20) 8755-0021
Fax: 86 (20) 8755-0422

Sumitomo Mitsui Finance and Leasing (China) Co., Ltd. Shanghai Branch

18th Floor, Shanghai Times Square,
93 Middle Huaihai Road,
Huangpu District, Shanghai,
The People's Republic of China
Tel: 86 (21) 5396-5522
Fax: 86 (21) 5396-5552

Sumitomo Mitsui Finance and Leasing (China) Co., Ltd. Beijing Branch

Unit 1623-1627, 16F, South Tower,
Beijing Kerry Centre, 1 Guanghua
Road, Chaoyang District, Beijing,
The People's Republic of China
Tel: 86 (10) 8529-7887
Fax: 86 (10) 8529-7687

SMFL Leasing (Malaysia) Sdn. Bhd.

Letter Box No.58, 11th Floor,
UBN Tower, 10, Jalan P. Ramlee,
50250 Kuala Lumpur, Malaysia
Tel: 60 (3) 2026-2619
Fax: 60 (3) 2026-2627

PT. SMFL Leasing Indonesia

Summitmas II, 12th Floor, Jl. Jendral
Sudirman Kav. 61-62 Jakarta
Selatan 12190, Indonesia
Tel: 62 (21) 520-2083
Fax: 62 (21) 520-2088

Sumitomo Mitsui Auto Leasing & Service (Thailand) Co., Ltd.

161, Nantawan Building, 17th Floor,
Rajdamri Road, Lumpinee,
Pathumwan, Bangkok 10330,
Thailand
Tel: 66-2252-9511
Fax: 66-2650-5665

Summit Auto Lease Australia Pty Ltd.

Unit 7, 38-46 South Street
Rydalmere, NSW 2116 Australia
Tel: 61 (2) 9638-7833
Fax: 61 (2) 9638-7832

PROMISE (HONG KONG) CO., LTD.

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Kong Special Administrative Region,
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Tel: 852 (3199) 1000
Fax: 852 (2582) 5472

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8F1, No.6, Sec 3, Min Chuan E. Rd.,
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PROMISE (THAILAND) CO., LTD.

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PROMISE (SHENZHEN) CO., LTD.

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Fax: 86 (24) 2250-6220

Promise Consulting Service (Shenzhen) Co., Ltd.

1003, 10/F, Tower A, Kingkey 100 Building, No. 5016 Shennan East Road, Luohu District, Shenzhen 518000, The People's Republic of China
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SMCC Consulting (Shanghai) Co., Ltd.

Room 5135, 51F Raffles City Centre, 268 Xi Zang Middle Road, Huang Pu District, Shanghai 200001, The People's Republic of China
Tel: 86 (21) 2312-7632

SMBC Nikko Capital Markets Limited (Sydney Office)

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Tel: 61 (2) 9376-1895

The Americas

SMBC Branches and Representative Offices

New York Branch

277 Park Avenue, New York, NY 10172, U.S.A.
Tel: 1 (212) 224-4000
Fax: 1 (212) 593-9522

Cayman Branch

P.O. Box 694, Edward Street, George Town, Grand Cayman, Cayman Islands

Los Angeles Branch

601 South Figueroa Street, Suite 1800, Los Angeles, CA 90017, U.S.A.
Tel: 1 (213) 452-7800
Fax: 1 (213) 623-6832

San Francisco Branch

555 California Street, Suite 3350, San Francisco, CA 94104, U.S.A.
Tel: 1 (415) 616-3000
Fax: 1 (415) 397-1475

Houston Representative Office

Two Allen Center, 1200 Smith Street, Suite 1140, Houston, Texas 77002, U.S.A.
Tel: 1 (713) 277-3500
Fax: 1 (713) 277-3555

Mexico City Representative Office

Torre Altiva Boulevard Manuel Avila Camacho 138 Piso 2, Loc. B Lomas de Chapultepec, 11000 Mexico, D.F.
Tel: 52 (55) 2623-0200
Fax: 52 (55) 2623-1375

Bogota Representative Office

Carrera 9 #113-52, Oficina 808, Bogotá D.C., Colombia
Tel: 57 (1) 619-7200
Fax: 57 (1) 629-4288

Lima Representative Office

Avenida Canaval y Moreyra 380, Oficina 702, San Isidro, Lima 27, Peru
Tel: 51 (1) 200-3600
Fax: 51 (1) 200-3629

Santiago Representative Office

Av. El Golf 82, Of. 1001, Las Condes, Santiago, Chile
Tel: 56 (2) 2896-8440
Fax: 56 (2) 2896-8459

SMBC Principal Subsidiaries/ Affiliates SMFG Network

Manufacturers Bank

515 South Figueroa Street, Los Angeles, CA 90071, U.S.A.
Tel: 1 (213) 489-6200
Fax: 1 (213) 489-6254

Sumitomo Mitsui Banking Corporation of Canada

Ernst & Young Tower, Toronto Dominion Centre, Suite 1400, P.O. Box 172, 222 Bay Street, Toronto, Ontario M5K 1H6, Canada
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Fax: 1 (416) 367-3565

Banco Sumitomo Mitsui Brasileiro S.A.

Avenida Paulista, 37-11 e 12 andar Sao Paulo-SP-CEP 01311-902, Brazil
Tel: 55 (11) 3178-8000
Fax: 55 (11) 3289-1668

Banco Sumitomo Mitsui Brasileiro S. A. Cayman Branch

11 Dr. Roy's Drive, George Town, Grand Cayman, Cayman Islands

SMBC Capital Markets, Inc.

277 Park Avenue, New York, NY 10172, U.S.A.
Tel: 1 (212) 224-5100
Fax: 1 (212) 224-4950

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) 224-4959

JRI America, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-4200
Fax: 1 (212) 224-4379

Europe, Middle-East and Africa

SMBC Branches and Representative Offices

Düsseldorf Branch

Prinzenallee 7, 40549 Düsseldorf,
Federal Republic of Germany
Tel: 49 (211) 36190
Fax: 49 (211) 3619236

Brussels Branch

Neo Building, Rue Montoyer 51,
Box 6, 1000 Brussels, Belgium
Tel: 32 (2) 551-5000
Fax: 32 (2) 513-4100

Dubai Branch

Building One, 5th Floor, Gate
Precinct, Dubai International
Financial Centre, PO Box 506559
Dubai, United Arab Emirates
Tel: 971 (4) 428-8000
Fax: 971 (4) 428-8001

Madrid Representative Office

Villanueva, 12-1. B, 28001 Madrid,
Spain
Tel: 34 (91) 576-6196
Fax: 34 (91) 577-7525

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
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Fax: 974-4496-7576

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Johannesburg Representative Office

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39 Rivonia Road, Sandhurst,
Sandton 2196, South Africa
Tel: 27 (11) 502-1780
Fax: 27 (11) 502-1790

Istanbul Representative Office

Metrocity Is Merkezi, Kirgulu Sokak
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Republic of Turkey
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Fax: 90 (212) 371-5901

SMBC Principal Subsidiaries/
Affiliates
SMFG Network

Sumitomo Mitsui Banking Corporation Europe Limited Head Office

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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
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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
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Fax: 39 (02) 7636-1701

Sumitomo Mitsui Banking Corporation Europe Limited Amsterdam Branch

Strawinskylaan 1733-D12,
World Trade Center, 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

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 Chongqing 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
- Hong Kong Branch
- SMBC Capital Markets (Asia) Limited
- Taipei Branch
- Seoul Branch
- Singapore Branch
- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- Labuan Branch
- Labuan Branch Kuala Lumpur Office
- SMBC SSC Sdn. Bhd.

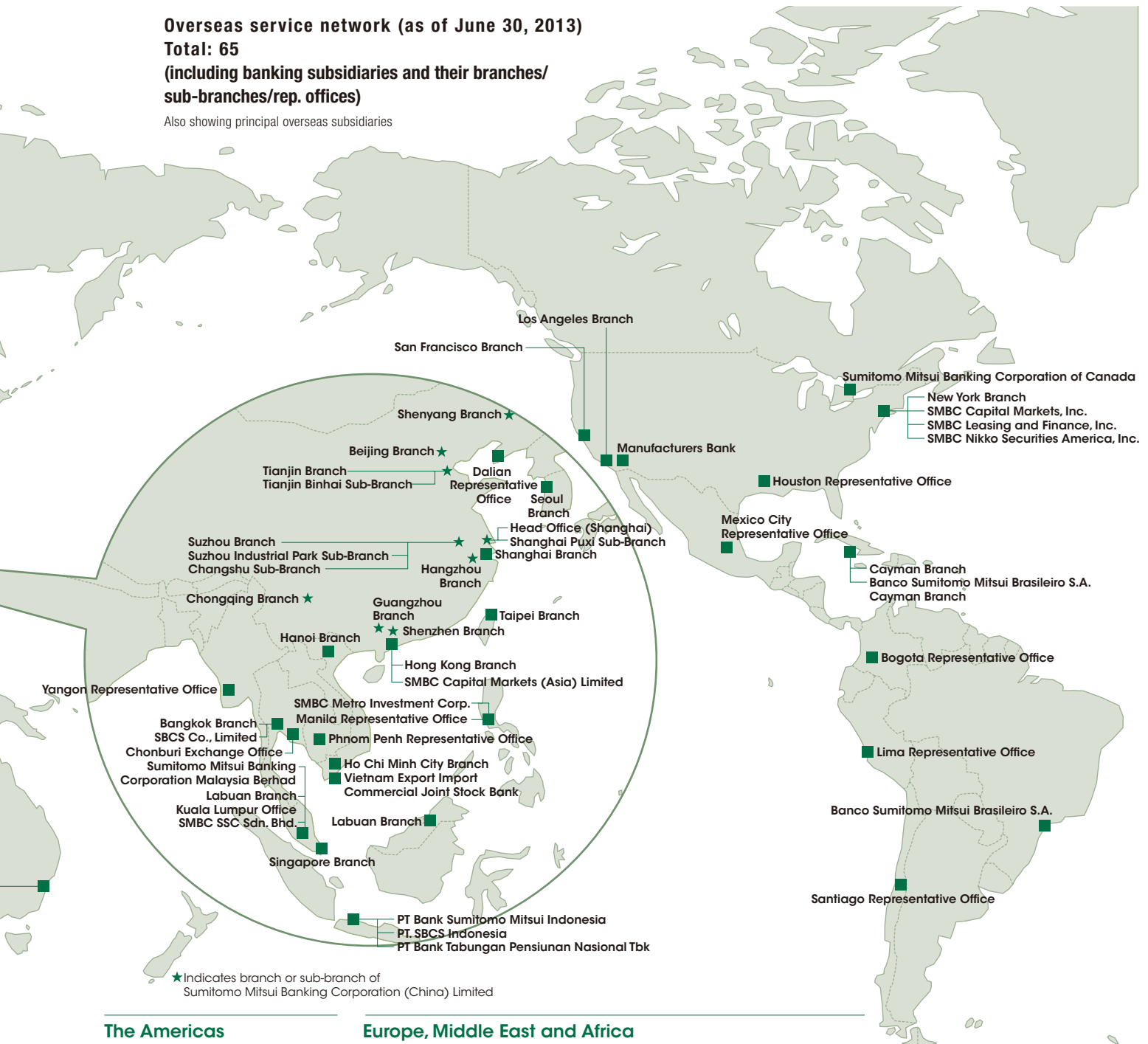
- Ho Chi Minh City Branch
- Hanoi Branch
- Vietnam Export Import Commercial Joint Stock Bank
- Yangon Representative Office
- Phnom Penh Representative Office
- Bangkok Branch
- SBCS Co., Limited
- Chonburi Exchange Office
- Manila Representative Office
- SMBC Metro Investment Corporation
- Sydney Branch
- Sumitomo Mitsui Finance Australia Limited
- SMBC Nikko Capital Markets Limited (Sydney Office)
- Perth Branch
- PT Bank Sumitomo Mitsui Indonesia
- PT. SBCS Indonesia
- PT Bank Tabungan Pensiunan Nasional Tbk
- New Delhi Branch

Overseas service network (as of June 30, 2013)

Total: 65

(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
- Santiago Representative Office
- Cayman Branch
- Manufacturers Bank
- Sumitomo Mitsui Banking Corporation of Canada
- Banco Sumitomo Mitsui Brasileiro S.A.
- Banco Sumitomo Mitsui Brasileiro S.A.
Cayman Branch

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
SMBC Aviation Capital Limited
- Dubai Branch
- Istanbul Representative Office
- Doha QFC Office
- Bahrain Representative Office
- Johannesburg Representative Office
- Tehran Representative Office
- Cairo Representative Office

www.smfg.co.jp/english



SMFG SUMITOMO MITSUI
FINANCIAL GROUP