



SMFG SUMITOMO MITSUI
FINANCIAL GROUP

2015

ANNUAL REPORT

YEAR ENDED MARCH 31, 2015

SUMITOMO MITSUI FINANCIAL GROUP
SUMITOMO MITSUI BANKING CORPORATION



All banks offer reliability.
It takes reliability and speed to
create value.

LEAD THE VALUE
SUMITOMO MITSUI FINANCIAL GROUP

 **SMBC** SUMITOMO MITSUI
BANKING CORPORATION

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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.

August 2015

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Message from Top Management

Dear Fellow Stakeholders,

We sincerely thank you for your continued support and patronage. We would like to present the initiatives we implemented in fiscal 2014 (fiscal year ended March 2015) and our management policies going forward.

Principal Initiatives in Fiscal 2014

In fiscal 2014, the Japanese economy continued to recover moderately after a temporary dip in economic activity due to a slump in consumer demand after the rush of purchasing ahead of the consumption tax rate hike in April 2014. Outside Japan, although emerging countries lacked growth momentum, economies continued to recover led by developed countries. The U.S. economy continued to improve driven by domestic demand, and the European economies moderately recovered despite sovereign debt issues.

Against this backdrop, we implemented the following initiatives to achieve the management goals of our medium-term management plan for the three years from fiscal 2014 to fiscal 2016, which we announced in May 2014.

First, we fully revised the domestic business structure of Sumitomo Mitsui Banking Corporation (SMBC) in April 2014 for the first time since its establishment, with the

aim of enhancing our capability to address our clients' needs, which are becoming more diverse and sophisticated, and to deliver higher value-added services.

Specifically, for large corporate clients, we enhanced our business structure with the aim of quickly making proposals tailored to their needs, responding to their businesses becoming global and more cross-border. Measures we implemented at SMBC include increasing the number of Corporate Banking Departments, intensifying the collaboration with SMBC Nikko Securities, further promoting a seamless operation between its domestic and international offices, and leveraging our extensive knowledge of various industries on a global basis.

For medium and small-sized corporate clients, we actively extended loans and tailored our services to meet the financial needs of each individual company. In addition, with the aim of quickly and comprehensively addressing the needs of business owners both as a corporate manager and as an individual, we established a new area marketing structure, Area Main Offices, within SMBC. Furthermore, we launched a "Japan Growth Strategy Cross-Functional Team" as an organization-wide body, in order to contribute to the economic growth of Japan by supporting clients in sectors, such as agriculture, healthcare, energy and infrastructure, that will underpin the Japanese economy five and ten years from now.

Regarding individual clients, we endeavored to increase the number of accounts and assets under management through initiatives such as expanding the business model, where SMBC and SMBC Nikko Securities



Koichi Miyata

President
Sumitomo Mitsui Financial Group, Inc.

introduce each other's clients, to all offices and broadening our lineup of investment products. Further, we set up official accounts on social networking services to grow and strengthen our client base.

In the international business, we have been transforming our business model to be less dependent on lending volume and utilize our asset more efficiently in order to achieve sustainable growth. To this end, we promoted cross-selling of deposits, foreign exchange, derivatives and bond underwriting, in addition to lending, to non-Japanese corporate clients by bolstering our capability to meet their needs. We also accelerated the seamless operation between the domestic and international offices and responded quickly to the needs of Japanese corporate clients; expanded our global office network into markets where future growth is expected; and strengthened our relationship with leading financial institutions in each country, including investing in ACLEDA Bank in Cambodia and acquiring additional shares of The Bank of East Asia in Hong Kong.

In addition, for institutional investors, we established and enhanced a group-wide framework to originate and distribute financial products through measures such as SMBC and SMBC Nikko Securities creating a structure for regional banks to jointly finance overseas project financing led by SMBC. We also promoted the "SMBC" brand by SMBC becoming a special sponsor of the Nippon Series professional baseball championship.

As a result of these initiatives, we made a good start in the first year of our medium-term management plan. Regarding the financial results of Sumitomo Mitsui Financial Group (SMFG), the consolidated ordinary profit was ¥1,321.2 billion and consolidated net income was ¥753.6 billion, exceeding the targets announced in November 2014 by ¥121.2 billion and ¥53.6 billion respectively. Moreover, we are on track to achieving all the financial targets of the plan.

Takeshi Kunibe
President and CEO
Sumitomo Mitsui Banking Corporation

Progress of financial targets in the medium-term management plan (SMFG consolidated basis)

		FY3/14	FY3/15	FY3/17 Targets
Growth	Growth rate of Consolidated gross profit	—	+2.8%	Around +15%*1
	Consolidated ROE	13.8%	11.2%	Around 10%
Profitability	Consolidated net income RORA	1.4%	1.1%	Around 1%
	Consolidated overhead ratio	54.2%	55.7%	In the mid 50%
Soundness	Common Equity Tier 1 Capital Ratio*2	10.3%	12.0%	Around 10%

*1 FY3/17 targeted consolidated gross profit increase in comparison with FY3/14 figure

*2 Basel III fully-loaded basis. Based on the definition as of March 31, 2019

Vision for the next decade and three-year management goals (announced in May 2014)

Vision for the next decade

We will become a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region

We will become a truly Asia-centric institution

We will develop the best-in-class earnings base in Japan

We will realize true globalization and continue to evolve our business model

Three-year management goals

- 1 Develop and evolve client-centric business models for main domestic and international businesses
- 2 Build a platform for realizing Asia-centric operations and capture growth opportunities
- 3 Realize sustainable growth of top-line profit while maintaining soundness and profitability
- 4 Upgrade corporate infrastructure to support next stage of growth



Management Policies for Fiscal 2015

Our basic policy for fiscal 2015, the second year of the medium-term management plan, is as follows: “accelerate key initiatives in accordance with management goals, produce results, and move reform forward vigorously” and “anticipate changes and be proactive, make a difference with SMFG/SMBC’s on-the-ground capabilities, and create business opportunities.” We will continue to firmly contribute to the Japanese economy as a leading financial institution in Japan, as various measures for economic revitalization are progressed by public and private sectors. At the same time, we will move initiatives forward for our sustainable growth, including corporate governance. There is a movement toward strengthening and improving corporate governance in Japan, as demonstrated by the implementation of the Corporate Governance Code for listed companies in June 2015. We will increase our corporate value over the mid to long term by further strengthening and improving the management structure for transparent, fair, timely and decisive decision-making through initiatives including increasing the number of SMFG’s outside directors in line with our policy that one-third or more of the board comprise of independent outside directors with diverse knowledge and experience.

◎ Initiatives to achieve the management goals

(1) Develop and evolve client-centric business models for main domestic and international businesses

We will enhance our capability to address the increasingly diverse and sophisticated needs of our clients by creating a stronger franchise both domestically and internationally. We will achieve this by fine tuning our domestic business which was developed through the restructuring last fiscal year and fully implementing the transformation of our international business model.

For large corporate clients, we will continue to strengthen the collaboration between SMBC and SMBC Nikko Securities and accelerate the seamless operation of domestic and international offices, in an aim to deliver higher quality services to a wider range of clients.

For medium and small-sized corporate clients, we

aim to enhance our capability to meet the financial needs of each individual company by reinforcing our on-the-ground capabilities through the development of talented professionals capable of supporting their wide-ranging needs. As for business owners, we strive to provide added value by accelerating initiatives to comprehensively address their needs, both as a corporate manager and as an individual, through one-stop-services. Moreover, we will proactively contribute to the growth of the Japanese economy by providing financial services leveraging our extensive knowledge and information on agriculture, healthcare, energy, infrastructure, and other growth industries led by the Japan Growth Strategy Cross-Functional Team. We will also sponsor the Tokyo Olympic and Paralympic Games in 2020 as a Gold Partner in the “Banking” category as one of our initiatives to contribute to the growth of the Japanese economy.

For individual clients, we aim to fully meet their diversifying asset management needs by further promoting the collaboration between SMBC and SMBC Nikko Securities. We will also strengthen our capability to meet the needs of affluent individuals through the retail banking business of Citibank Japan, scheduled to be acquired by SMBC Trust Bank in November 2015 subject to regulatory approvals. Further, we aim to enhance our presence and services targeting mass-affluent clients with SMBC advertising products and services and disseminating information through social networking services, and enhancing services utilizing smartphones. In the consumer finance business, we will further strengthen the collaboration between SMBC and SMBC Consumer Finance, and develop the business on a group basis.

For globally operating non-Japanese corporate clients, we will enhance our products providing capability and promoting collaboration among offices in western countries and Asia in order to strengthen relationships and promote cross-selling.

In addition to the above, for institutional investors, we will continue to build and strengthen the group-wide framework for originating and distributing financial products. Regarding information and communication technology (ICT) and transaction banking business, important

underpinnings for our business base, we aim to offer new leading-edge services by enhancing our capabilities internally and utilizing external resources, including forging alliances with leading ICT players.

(2) Build a platform for realizing Asia-centric operations and capture growth opportunities

In order to enhance our Asia business, which is the principal strategy for the whole group, we will steadily build a business platform in Asia by prioritizing the allocation of resources, including human capital and system infrastructure, to the region. Specifically, we plan to strengthen our capability to provide comprehensive services by centralizing and enhancing transaction banking product sales functions and solution-providing functions within Asia. Through these initiatives, we will intensify our group's presence in Asia. We will also accelerate our multi-franchise strategy, which is to firmly establish a full-scale commercial banking franchise in Asia, as highlighted by our continued collaboration in the retail business with Bank Tabungan Pensiunan Nasional in Indonesia, our equity method affiliate.

(3) Realize sustainable growth of top-line profit while maintaining soundness and profitability

Underpinned by the stable financial base, we aim to realize the sustainable growth of our consolidated gross profit by continuing to develop and evolve our business models and allocate resources into growth fields, while focusing on maintaining financial soundness and high profitability, as well as complying with the tightening of global financial regulations.

(4) Upgrade corporate infrastructure to support the next stage of growth

We intend to further reinforce our management platform to support our business as it develops and grows globally, through initiatives such as strengthening corporate governance, upgrading our risk management system, enhancing our responsiveness to comply with domestic and international laws and regulations, and promoting diversity.

Specifically, we believe the diversity of human capital is a source of competitiveness and will promote appointments of locally hired officers and women in managerial positions. We will also further strengthen and improve the structure for transparent, fair, timely and decisive decision-making, with due attention to the needs and perspectives of stakeholders, including our shareholders, clients, staff (including directors and corporate auditors) and local communities, and increase our corporate value over the mid to long term, in accordance with the corporate governance guideline we created in May 2015.

© Capital and shareholder return policies

We aim to achieve a sustainable increase in shareholder value by realizing higher profitability and growth by investing for the future. We also intend to enhance shareholder return by implementing measures such as raising dividend per share in a stable manner. In line with this policy, the ordinary dividend per share on common stock was ¥140 in fiscal 2014, a year-on-year increase of ¥20.

For fiscal 2015, for SMFG, we forecast consolidated ordinary profit of ¥1,240 billion and consolidated profit attributable to owners of parent of ¥760 billion, and an annual dividend per share of ¥150, a year-on-year increase of ¥10, and the half of which, ¥75, 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.

August 2015



Koichi Miyata
President
Sumitomo Mitsui
Financial Group, Inc.



Takeshi Kunibe
President and CEO
Sumitomo Mitsui
Banking Corporation

■ Consumer Banking

SMFG group companies work cooperatively to provide better and highly appreciated services for individual clients. SMBC strives to advance its business model daily in order to develop the leading comprehensive financial service business most trusted by clients by appropriately accommodating individual clients' diversifying financial needs reflected with the accelerated trend of "Saving to Investment," the times of major inheritance and changes in clients' lifestyles.



Asset Management

SMBC has implemented the investment trusts portfolio of "SMBC Fund Selection" by classifying into four categories for enabling clients to select appropriate investment trusts according to their needs. Furthermore, we offer publicly-offered investment trusts in Japan which appropriately accommodate

clients' diverse asset management needs by selecting the funds invested in preferred securities issued by financial institutions of advanced countries. We have also started to offer an automatic deposit service for foreign currency in order to appropriately accommodate the needs for such deposits. We accommodate clients' needs 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 bonds.

Further as for "SMBC Fund Wrap" (the discretionary management through investment trust taking into account the clients' particular needs for their asset management), we are proactively promoting as a product appropriate for asset management by implementing measures to offer preferential interest rates for clients purchasing the product. As for the Nippon Individual Savings Account program ("NISA"), the tax exemption system for small sum of investments and "Junior NISA," the tax exemption system for minors which is planned to be newly established after fiscal 2015, we provide information on NISA to clients who would request receiving such information. SMBC and SMBC Nikko Securities strive to provide products and services able to accommodate individual clients' diverse needs by taking advantage of both companies' knowhow for the consulting business accumulated over the years and through integration of their clients base and office networks. In July 2014, we began implementing at all branches a new business promotion model ("bank-securities integration model") which makes maximum utilization of the respective characteristics of SMBC and SMBC Nikko Securities. In February 2015, we began offering the "bank-securities integrated asset formation package." We,

the SMFG Group, will continue to provide high-value services to clients.

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, the internet or the telephone by consulting with experienced operators. We offer permanent life insurance which ensures the security for death and disability for a lifetime and enables savings for the future, and also individual variable annuity insurance denominated in foreign currency to accommodate clients' needs for asset growth while protecting their valuable assets from inflation due to economic recovery and growth in the future. Further, as a response to the tax exemption measure of the capital transfer tax applicable to a lump sum transfer of educational funds, we began offering ordinary savings accounts (tax exempt account for educational fund transfer) by enhancing our product portfolio for further accommodating clients' needs for leaving and accumulating assets to their family. In addition, we meet the inheritance-related needs of clients by offering testamentary trust services for drafting, storage and execution of wills, including "inheritance disposition" services by assisting with complicated procedures required for inheritance or "Relay of Trust to Family" services enabling clients and family to regularly receive funds. Furthermore, since March 2015, we began offering the "SMBC Reverse Mortgage" service in order to flexibly support the "life after retirement" of elderly clients.



Consumer Loans and Settlement

SMBC began offering the "Housing Loan with Joint Life Insurance (Cross Support)" since April 2015.

As dual-income couples of younger generations are increasing, this is a product to exempt the balance of housing loan repayments in the event of death of either spouse of such couples.

In addition, in the event that the borrower of our housing loan is diagnosed by a medical doctor with the predefined



conditions of eight major illnesses (three potentially fatal and five serious and chronic illnesses) or that the client's house was damaged by a natural disaster; we offer to provide the "Housing Loan with Eight Major Illnesses Security Insurance" which fully exempts repayments for the loan or the "Housing Loan with Special Provision for Partial Exemption for Payments" which partially exempts repayments depending on the degree of damage, respectively. Further, we offer the "Life Event Support Package" which is the card loan offering special interest rates especially made for clients who plan to take housing loans, in order to accommodate such clients' diverse financial needs for such as childbirth, education or renovation after the home purchase. We are working to develop products and enhance our services in order to accommodate the diverse needs of clients.



We also substantially improved the convenience for clients requesting housing loans by enabling them to complete their applications for making either full or partial prepayments, or changing the interest rate to floating or fixed, by utilizing 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., the total loan balance as of March 2015 has exceeded ¥520 billion due to the steady increase of loans. Further, in April 2015, a new series of television commercials started to be on air. These television commercials were made for increasing awareness of SMBC's card loans by simply focusing the telephone number, 0120-923-923.

Topics

◆ Enhancement of the SMBC brand

SMBC launched a new promotional campaign for fiscal 2014 for enhancing the "SMBC" brand by targeting clients primarily in younger generations by putting up the campaign key words of "For Our Future." These television commercials depict images of young people who just graduated and started their job, aspiring for their bright future with great expectations but also feeling uneasy. In September 2014, SMBC opened its official accounts with Facebook and LINE, as a branding means taking advantage of the social media which is increasingly utilized by mostly younger generations, for creating new contacts with clients and fostering a feeling of friendliness for clients to further develop transactions with SMBC. Concurrently, SMBC developed its original image character, called, "Midosuke"; and as of March 31, 2015, the number of fans for Facebook has reached 150,000 and the number of friends for LINE has exceeded 5,680,000, having the most number of registered followers among Japanese banks.



◆ Implementation of the Opening-Account Application

SMBC implemented the "Opening-Account Application" for smartphones in February 2015 for improving convenience when opening an account by enabling clients to apply to open an ordinary savings account without having to visit a branch and to receive a cash card at home. We will further enhance our response to transactions made by smartphones while providing meticulous services appropriate to clients' needs.

◆ Revision of ATM Services

In April 2015, SMBC made changes to its ATM services to improve convenience by charging no fees all day even for deposits made at ATMs located at SMBC branches after business hours, and increasing the number of ATMs in operation for 24 hours a day, changing the standard business hours to from 7 a.m. to 12 midnight.

We continue to improve and enhance our ATM services according to lifestyles of clients.

◆ SMBC received "COPC® CSP Standards" in March 2015 for call center operations.

SMBC was the first Japanese bank to be certified with the "COPC® CSP Standards" which is the international quality assurance standard for center operations for improving clients' satisfaction and realizing efficiency of call center operations. The COPC standards measure and certify promptness and accuracy of services provided to clients and efficiency of center operations for achieving and maintaining at excellent level for clients' satisfaction.

■ Services for Corporate Clients

Providing funding to medium-sized corporations and SMEs

SMBC established its “Area” system in April 2014 in order to enhance its response to the needs for comprehensive corporate and consumer banking transactions of medium-sized and SME clients, including increasing business succession needs. The “Area” system enables us to provide specialized services taking advantage of the respective networks of SMFG/SMBC group companies, in addition to providing consultation services to corporate and individual clients. In addition to providing loans for business, SMFG/SMBC group companies provide meticulous support for clients’ diverse needs, including consultations on overseas business development or business-matching, business succession, corporate system reform; and consultations for the individual client’s asset management, loans, inheritance, and asset succession.

SMBC continues to work to accommodate diverse needs of medium-sized corporations and SMEs clients and their owners who continue to 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 group companies including 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. We provided loans to companies engaged in cloud computing and life science businesses through the “Growth Potential Evaluation Loan” which was launched for the purpose of strengthening lending to clients of growing companies. SMBC and the NEC group jointly established a venture fund in April 2012 for the purpose of supporting technology venture companies since their establishment; and in July 2013, we invested in the SMBC Agricultural Fund investing in agricultural companies.

Furthermore, SMBC and the Group continue to support growing companies while cooperatively working with diverse external entities by establishing business cooperation with Japan Finance Corporation in July 2014 for the support of growing companies.

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 one sponsoring company. As of March 2015, the IPO Navigator is registered by clients of approximately 1,000 companies. IPO Seminars, which have been regularly held since February 2011 by inviting business managers of IPO companies to speak at the seminars, have been received positively by participants who plan to make an initial public offering. In fiscal 2014, we held seminars in the three cities of Tokyo, Osaka, and Nagoya; and Mr. Yoshiyuki Sankai, the president of CYBERDYNE Inc. (SMBC Nikko Securities acted as the lead manager for its share offering) and Mr. Minoru Nishimura, the president of ENBIO HOLDINGS, INC. (listed on the Tokyo Stock Exchange Mothers market in March 2014) were guest speakers. The seminars were well received by participants. SMBC and SMBC Nikko Securities continue to support clients who wish to go public.



Development of solutions for clients dealing with environment, risk management and food safety issues

SMBC develops solutions for clients dealing with diverse social issues, such as of environmental problems for resource and energy conservation, or global warming; countermeasures for natural disasters; or ensuring food safety.

In 2006, SMBC started to offer the “SMBC-ECO Loan” for SMEs which obtained the certification for environment management system; and Japan Research Institute subsequently developed the “SMBC Environmental Assessment Loans and Private Placement Bonds” to assess and rate the measures taken by clients for environment, and determine terms and conditions for loans according to the rating.

Subsequently, we derived from the similar arrangement to enhance the assessment-type loan products such as “SMBC Sustainable Building Assessment Loans and Private Placement Bonds,” “SMBC Food and Agriculture Assessment Loans and Private Placement Bonds,” “SMBC Business Sustainability Assessment Loans and Private Placement Bonds” and “SMBC Sustainability Assessment Loans and Private Placement Bonds,” for financially supporting clients of their initiatives for social issues.

We will continue to support clients for their further advancement through development of these solutions.

FY2008:	"SMBC Environmental Assessment Loans and Private Placement Bonds"	which assess the measures taken by clients for environment
FY2010:	"SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up"	
FY2011:	"SMBC Food and Agriculture Assessment Loans and Private Placement Bonds"	which assesses the measures taken by clients for safety and security of food, and agriculture
	"SMBC Sustainable Building Assessment Loans and Private Placement Bonds"	which assesses environment-friendliness and measures taken for risk management for the building owned or to be constructed by clients
	"SMBC Business Sustainability Assessment Loans and Private Placement Bonds"	which assesses the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.
FY2013:	"SMBC Sustainability Assessment Loans and Private Placement Bonds"	which assesses and supports the measures taken for Environment, Society, and Governance (ESG) and appropriateness of information disclosure



Measures for finance facilitation

Basic policy

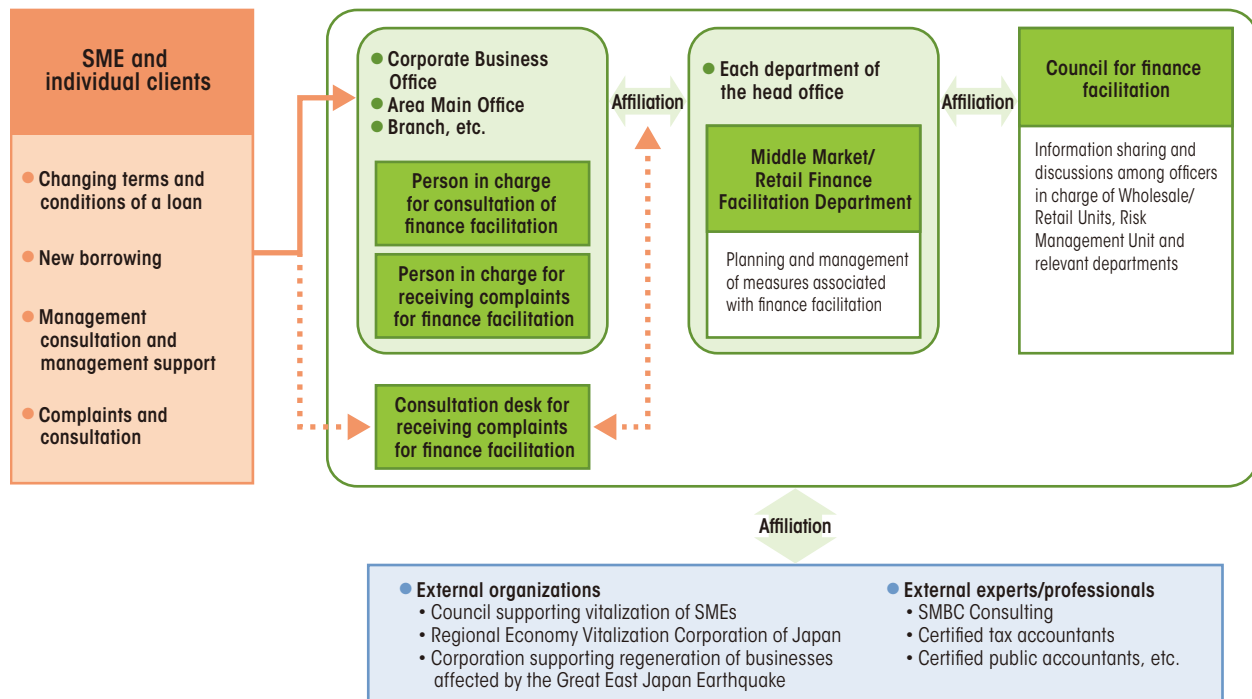
SMBC strives to provide sincere and meticulous services to clients, facilitate funding, and enhance consultation services, in accordance with SMBC's "Basic Policy for Finance Facilitation."

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
7. We appropriately respond as to guarantee for business manager in accordance with the "Guidelines for Guarantee for Business Manager."

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, and holding the "Business Negotiation Session"* of specific subject matter to refer or introduce a group of clients.

* In December 2014, the "Agribusiness-Matching" was held.

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 to 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 by making an alliance with the Industrial Technology Research Institute in Taiwan, 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

As each university is required to enhance its "Career Education/Guidance Program" in accordance with the policies set forth by the Ministry of Education, Culture, Sports, Science and Technology, 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, there is a problem-solving program that the client presents the business issue of "marketing of a new product development" and students and the person in charge of the company discuss in the program to jointly come up with a proposal for a resolution; or we offer lectures given by the client, including a founder of the venture company who speak on the trends in the industry and business from the perspective of developing entrepreneurs. Students commented that through practical learning with participating companies, they can work on to improve the competencies required in the society such as "problem solving," "presentation skills" and "team work." On the other hand, clients commented that innovative concepts and ideas of students may give them clues for new business opportunities, in addition to enhancing their CSR initiatives. We continue to contribute to our clients' business development by providing assistance and support while cooperating beyond our business framework.

Support for overseas development

In the midst of clients' increasing needs for overseas development, SMBC's Global Advisory Department provides detailed information on business sectors and respective laws and regulations to clients who are actually considering the overseas development, in addition to holding seminars providing information on such as global economic conditions or economic and financial developments of respective countries, and trends of overseas development made by Japanese companies. We provide clients with the up-to-date information of local conditions, relevant regulations and industrial trends. As for clients who have already developed their business overseas, we provide high-quality support and solutions for their business expansion and business reorganizational needs. Further, the Global Business Promotion Department also supports clients' general foreign exchange transactions by giving advice with respect to their trading transactions or holding practical seminars.



Measures for the Greater China region (People's Republic of China, Hong Kong and Taiwan)

In order to provide attentive services for integrated domestic and overseas offices by taking advantage of knowhow accumulated in Japan for the Greater China region where many Japanese companies have expanded, SMBC's domestic department has proceeded to plan and promote transactions with Japanese companies for Sumitomo Mitsui Banking Corporation (China) Limited, and Hong Kong and Taipei branches since 2010 and 2011, respectively.

The Free Trade Experimental District was established in Shanghai in September 2013 to proceed with liberalization in the areas of finance and trading. SMBC (China) established a representative office in that district in February 2014, and we are accommodating clients' new needs for such as cross-border fund management and support for new investments in deregulated businesses.

In February 2014, a representative office was also opened in Kunshan in Jiangsu Province. This brought our total number of offices in China to 16 offices, consisting of 9 branches, 6 representative offices and the Dalian Representative Office of SMBC. Together with the Hong Kong and Taipei branches, we continue to develop a solid network in the Greater China region. As for additional internationalized renminbi business, the South China Department of Transaction Business Division established in Hong Kong mainly handles such business, the business results of which are steadily increasing. We will continue to provide up-to-date information and services in Japan and overseas, and focus to promote renminbi businesses.

SMBC strives to further improve its integrated services in Japan and overseas while cooperating with the SMFG Group companies that have expanded into the Greater China region such as SMBC Nikko Securities, Sumitomo Mitsui Finance and Leasing, and Sumitomo Mitsui Card.

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 SMFG networks within Japan and overseas to provide a wide range of services.

Furthermore, as of April 2015, SMBC has executed business alliance agreements to support overseas businesses with THE MINATO BANK, LTD., Kansai Urban Banking Corporation, Mie Bank, Ltd. and seven other banks. As local recreation is being considered as an important policy issue, respective

local governments developed their "Regional Comprehensive Strategy" to work on initiatives for local revitalization. SMBC continues to support initiatives of the respective local governments, including the Hyogo Prefecture which executed the industrial development cooperation agreement with SMBC. We continue to work with clients on initiatives for local recreation by developing contacts between local governments and private companies which are proactive for local business development.

Topics

◆Japan Growth Strategy Cross-Functional Team

SMBC established the "Japan Growth Strategy Cross-Functional Team" ("CFT") in April 2014, as a cross-departmental team to support, through financial businesses, the "industries" which continue to support Japan in 5 and 10 years through financial businesses and to contribute to the growth of the Japanese economy. The CFT collects information and knowledge related to growing sectors as considered by SMBC and the Group, and it specifically supports clients' businesses in terms of finance and management by assisting with origination through execution of the projects. In the foreseeable future, the CFT will support sectors which are subject to the Japanese Government's Japan Revitalization Strategy, focusing on such as agriculture, healthcare, energy, and infrastructure. SMBC continues to contribute to the growth of clients and development of Japanese economy through these CFT's activities, and it also accelerates creating the reputation that SMBC/SMFG is strong in growth areas.

◆SMBC *Nadeshiko* Loan and Private Placement Bonds

SMBC began offering "SMBC *Nadeshiko* Loan and Private Placement Bonds" in January 2015 to support clients who promote initiatives for participation and advancement of women in business. When the loan is executed, the Japan Research Institute will measure in its own criteria and disclose conditions of the initiatives taken by the client for women's participation and advancement in business, and it also provides information on precedents resolving issues of such initiatives. SMBC continues to financially support clients' initiatives for promoting participation and advancement of women in business.

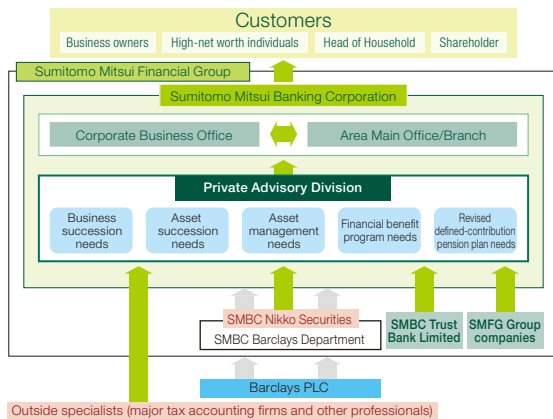


Services for Business Owners, High-Net Worth Individuals and Employees

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 provides support for business and asset transfers for which we present proposals and provide information. Additionally, PAD offers asset management and associated support services which provide comprehensive financial services tailored to meet the financial asset needs of high-net worth individuals. Further, as part of our corporate employees business which support HR and financial strategies of our corporate clients, PAD assists with the development and management of benefit programs and defined-contribution pension systems.



Support for Business and Asset Succession

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

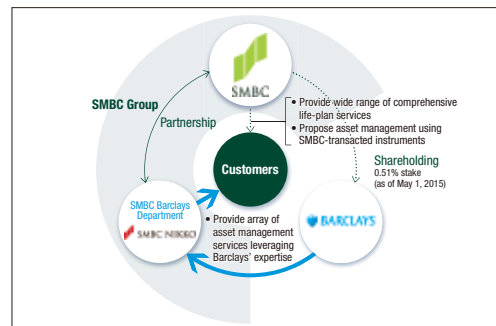
Topics

In fiscal 2014, SMBC supported the event sponsored by Nikkei Inc. for holding seminars on inheritance and business succession in the four cities of Tokyo, Osaka, Nagoya and Fukuoka.

We continue to proactively provide appropriate information to clients.

Support for Asset Management

Understanding and sharing the client's attitude towards financial assets, we offer comprehensive financial advice on asset allocation and appropriate 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 October 2013, SMBC was successful in making Société Générale Private Banking Japan a wholly-owned subsidiary of SMBC, renaming it as SMBC Trust Bank which provides a portfolio of diverse investment products, solutions for asset succession-related matters by taking advantage of its trust-banking functions.

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, and it also supports employees to realize their life plan.

Topics

As part of reorganization of group companies associated with defined contribution pension business, Japan Pension Navigator Co., Ltd. and Nikko Pension Consulting Co., Ltd. were merged in November 2014. We plan to provide higher-value added services to clients by combining human resources and know-how of both companies.

■ Investment Banking

SMFG offers and provides the forward-looking financial products and comprehensive solutions for our clients' diverse needs, such as fund raising and fund management, project finance, 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. Further, SMFG strives to consistently create new business opportunities originated by the needs of clients and investors based on its business partnerships, networks, and risk-taking capabilities by taking advantage of its strengths in market and products knowledge.

Cooperation with SMBC Nikko Securities

As a core securities brokerage within the Group, SMBC Nikko Securities has been expanding operations in partnership with the bank. SMBC Nikko Securities ranked 2nd in the "league table" for fiscal 2014 prepared by SMBC Nikko Securities based on information provided by Thomson Reuters (Global Equity & Equity-Related; Bookrunner in Japan) with a market share of 17.0%. As it became the lead manager for major projects such as global offerings and underwriting several REITs, its ranking moved up to the 2nd from the previous fiscal year's 3rd place. It also ranked 3rd in the "M&A advisory services category for publicly announced mergers involving Japanese companies," (Thomson Reuters). As for analyst ranking, Institutional Investor magazine selected six analysts of SMBC Nikko Securities as top analysts in their respective sectors (three analysts were selected in the previous year), while five analysts were selected as top analysts in their respective sectors and areas by Nikkei Veritas magazine (four analysts were selected in the previous year). As for overseas businesses, SMBC Nikko Securities generated substantial results in underwriting bonds by increasing the number of projects to 19 as the "active" bookrunner. The number of corporate client referrals made by SMBC to SMBC Nikko Securities continued to increase, and in fiscal 2014, there were approximately 5,500 referrals (+ approx. 6% compared to the previous fiscal year) made. Our entire Group continues to integrally work to enhance services provided to corporate clients.

(For reference: League Table)

Global Equity & Equity-Related; Bookrunner in Japan

Rank	Bookrunner	Underwriting amount (¥ billion)	Share (%)
1	Nomura Securities	1,454.2	38.1
2	SMBC Nikko Securities	648.4	17.0
3	Daiwa Securities	502.5	13.2
4	Mizuho Securities	400.0	10.5
5	Morgan Stanley Securities	299.9	7.9

Source: Compiled by SMBC Nikko Securities based on data from Thomson Reuters (includes overseas operations)

M&A Financial Advisory Project Basis

Rank	Advisory	Number of project	Share (%)
1	Nomura Securities	112	4.0
2	Mizuho Securities	99	3.5
3	SMBC Nikko Securities	79	2.8
4	Daiwa Securities	62	2.2
5	SMBC	60	2.1

* As a financial group, SMFG ranked second (with 139 projects)
Source: Thomson Reuters data on public offering projects by Japanese companies (excluding real estate projects)

Topics

◆ Corporate Message and

Corporate Statement for SMBC Nikko Securities

SMBC Nikko Securities established its corporate message of "Share the Future" and the corporate statement, as part of brand enhancement measure for realizing to become the "leading Japanese comprehensive securities company." With the attitude of "Think from Clients' Perspectives and Think for Clients," we will make further efforts in focusing on clients first.

◆ Initiatives for New Businesses

As aging in Japan is rapidly advancing, responding to issues caused by aging is urgently needed. In order to provide financial support to promote nursing-care facilities which are important social infrastructures, SMBC has joined with Ship Healthcare Holdings, Inc. and NEC Capital Solutions Limited to establish Healthcare & Medical Investment Corporation, specializing in nursing-care facilities such as paid nursing homes and serviced residences for the elderly. This investment corporation was listed on the Tokyo Stock Exchange in March 2015. It is expected that this listing may develop and create new business opportunities such as nursing-care facilities development business in the future. Through these business opportunities, we contribute to the growth of nursing-care and healthcare sectors.



Listing of Healthcare REIT

Furthermore, as local banks' need to participate in overseas projects increase in terms of diversifying portfolio and strengthening of earning capability, SMBC and local banks collaborated to develop a financeable scheme for several overseas project finance loans by utilizing our bank's trust function. In November 2014, we executed a financing agreement with The 77 Bank, Ltd. and The Iyo Bank, Ltd. With the increased number of investors utilizing this arrangement, we may possibly enhance project financing capability as a result of attracting domestic funds to finance overseas infrastructure projects.

SMBC has added the "Robot" sector to its existing growth sectors, consisting of "New Energy," "Environment," "Water," "Resources," "Healthcare," and "Agriculture" in the Growth Industry Cluster, and it continues to work on generating new business models. SMBC will continue to provide support for clients for increasing new business opportunities in Japan and overseas by taking advantage of its wide range of knowledge and the network accumulated from alliances among industry-government-academia.

■ 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 a global commercial bank 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 EMEA.

Enhancing Initiatives for Asia

SMBC has been enhancing its initiatives in the Asian region for realizing the "Asia-Centric" operations.

Specifically, in April 2015, SMBC established the "Transaction Banking Solutions Dept., Asia Pacific Division" to enhance transaction banking operations in the said region, and also established the "Corporate Solutions Dept., Asia" to improve its solution-proposing capability. Further, we established the "Credit Dept., Asia Pacific Division" and "Credit Dept., East Asia" within Credit Management Dept., International Banking Unit, to develop the community-based and promptly-processed credit/settlement system, and also established the "Legal and Compliance Dept., Asia Pacific Division" to enhance the cross-regional compliance system. Furthermore, we established the "Treasury Dept., Asia Pacific Division" to integrally manage and advance ALM in Asia-Pacific regions.

Through these initiatives, SMBC plans to develop global businesses by further increasing its presence in Asia and providing excellent services being provided in Asia even to clients in the Americas and Europe.

Topics

◆ Project Finance

In fiscal 2014, SMBC was awarded with the "Global Bank of the Year 2014"* in project finance field which is an award presented to the most globally successful bank in project financing. This is the third time to receive this award followed by the years of 2008 and 2012. We became the first bank in the project finance field to receive such award for the third time. In order to accommodate the needs of clients, we continue to provide high quality and leading project finance services for infrastructure and resource development projects of respective countries in the world.

* The "Global Bank of the Year" is an award presented by the "Project Finance International," the respected specialized magazine in project finance field, published by Thomson Reuters.



Further Enhancing Products and Clients Coverage

SMBC develops the system which enables to extensively accommodate according to clients' needs by further enhancing the coverage for products and clients. In particular in the aircraft leasing business, we are proceeding with initiatives for solidly establishing our presence in the aircraft leasing industry; SMBC Aviation Capital Limited individually executed a purchase agreement with SAS Airbus of France in July 2014 to purchase 115 aircraft and with The Boeing Company of U.S. in November 2014 to purchase 80 aircraft. Further, in the United States, we developed a system which enables us to more extensively accommodate the needs of clients by establishing the "Institutional Client Dept., Americas Division" and "Finance Strategy Dept., Americas Division."

Expansion of Overseas Networks

SMBC is expanding its overseas networks to provide further services for Japanese corporate clients operating overseas and to strengthen its capability to develop banking businesses in emerging and growth markets. SMBC provides support for clients' global business development by leveraging our expanding worldwide network.

Date of establishment	Country	
June 2014	Czech Republic	Sumitomo Mitsui Banking Corporation Europe Limited Prague Branch
December 2014	Spain	Sumitomo Mitsui Banking Corporation Europe Limited Madrid Branch
March 2015	Mexico	SMBC SOFOM
April 2015	Myanmar	Yangon Branch

Initiatives for True Globalization

SMBC proceeds with promoting local employees in overseas operations. In addition to proactively promoting them for managerial positions for overseas-related departments, we are implementing the initiative, ahead of other banks, to double the number of non-Japanese executive officers from 3 to 6 in April 2015. SMBC is striving to further develop its international businesses by proactively utilizing local knowledge through promoting local employees in overseas.

Topics

◆Investing in Local Financial Institutions

SMBC is working to strengthen its relations with local banks in emerging countries and growth markets. In September 2014, SMBC acquired 12.25% equity stake in ACLEDA Bank Plc., the largest bank in Cambodia where the economy is rapidly growing; and in March 2015, it increased its equity stake in The Bank of East Asia, Limited in Hong Kong to the equivalent of 17.42% equity stake by making additional investments and making The Bank of East Asia, Limited an equity method affiliated company. Further, in April 2015, SMBC executed a stock purchase agreement to acquire 8.84% equity stake in Financiera de Desarrollo Nacional S.A., the national bank of Colombia.



■ Treasury Markets

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

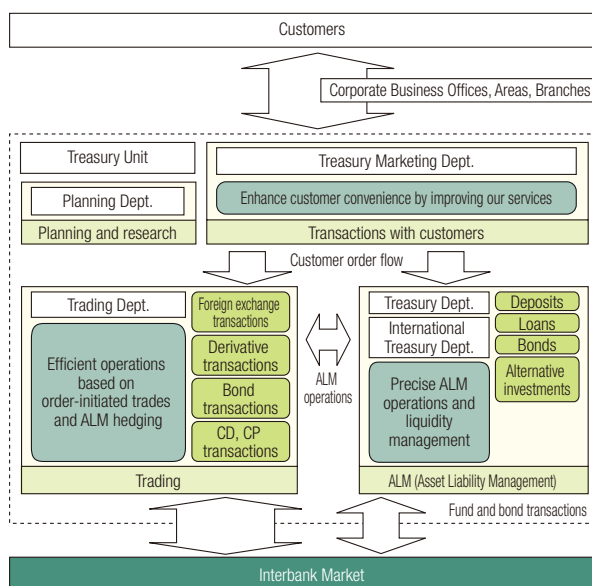
More Solutions and Services for Clients' Market Transactions

SMBC's Treasury Unit offers solutions through its network in Japan and overseas to present its corporate clients with proposals for hedging transactions taking into account changes in the financial markets. Further, to improve the convenience of market transactions, the Unit continues to develop 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 trends of the global financial market by experts of diverse products such as interest-rate, foreign-exchange and commodity derivatives.



Topics

◆ Responding to Clients' Diversifying Needs for Emerging Market Currency Transactions

We are committed to enhancing hedging schemes which meet clients' needs for cross-border transactions through providing forward exchange contracts for currencies of emerging countries in Asia and presenting proposals for increasing fund efficiency. We also take the initiative in providing timely information to clients on market trends and currency regulations especially of Asia and Central and South America, and holding seminars on emerging economies and market trends presented by the analysts residing in Asia.

◆ Expanded Online Foreign Exchange Transaction Services

Having provided to over 17,000 clients the "i-Deal system," we continue to improve its convenience for clients. In March 2014, we began handling transactions in the prevailing market rate of Chinese yuan, thereby accommodating clients' requests. We will continue to respond attentively to clients' needs by improving the price-quoting function and enhancing the leave-order function.

◆ Advancing ALM Operations in the Asia-Pacific Region

In April 2015, SMBC established the "Treasury Department, Asia-Pacific Division" to oversee treasury operations in the Asia-Pacific region.

This department will integrate and advance ALM in the Asia-Pacific region, while accommodating clients' needs for Asian businesses mainly in foreign exchange service.

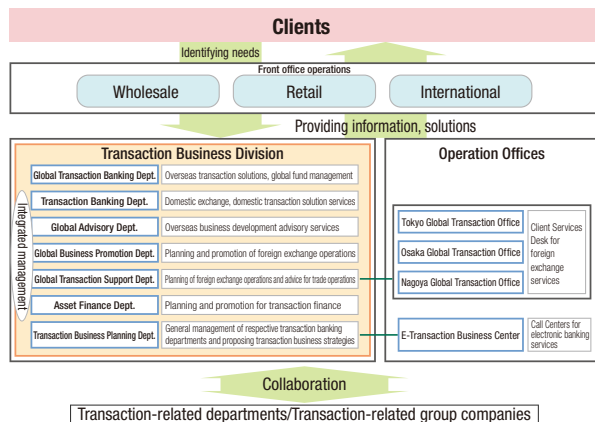
■ Transaction Banking Business

Strengthening Transaction Banking Business

At SMBC, the Transaction Business Division is being established to provide integrated and flexible products and services by cooperating among relevant departments in order to accommodate domestic and overseas corporate clients' diverse transaction needs and associated financial needs.

The Transaction Business Division consists of the following departments which provide transaction-related services and execute measures; the Global Transaction Banking Department, the Transaction Banking Department, the Asset Finance Department, the Global Advisory Department, the Global Business Promotion Department, the Global Transaction Support Department, the Global Transaction Office, the E-Transaction Business Center, and the Transaction Business Planning Department. Our experts in respective departments in Japan and overseas extensively and promptly accommodate the needs of clients by cooperating to provide high-value added information, and to improve and enhance system products and solutions.

Transaction Business



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.

SMBC and Financial Link Company, Limited integrally work with SMFG to provide "SMFG-BPO Services" (BPO: Business Process Outsourcing) by accommodating needs for improving the business process associated with fund collection and repayment.

Further, SMBC Finance Service Co., Ltd. mainly provides "collection agency service (account transfers)" and "convenience store's payment collection agency service," and the number of transactions for these services is the highest in Japan. Furthermore, as for the yearly expanding EC market, we provide diverse solutions as one of the core companies in charge of transaction banking business for SMFG, by providing "Transaction Station" platform which collectively provides diverse transaction means such as credit card payment and bank transfer settlement.

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 working to reduce risks related to settlements, such as the Japanese Government Bond settlement cycle reform, in addition to services for SWIFT* and BOJ-Net.

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

Topics

◆ Enhancing Support System for Transaction-Related Services by Integrating Banking Subsidiaries into Banking Organization

In October 2014, SMBC integrated SMBC International Operations Co., Ltd., which was contracted for handling foreign exchange administrative operations, into SMBC. We plan to improve our support for clients by enhancing both administrative operations and marketing promotion for foreign exchange businesses.

Further, in December 2014, we integrated the E-Transaction Business Center which processes various inquiries related to EB services within SMBC Center Service Co., Ltd., into SMBC. We will work to provide more-value added information to clients through our call center.

◆ Consecutively Highly Evaluated for Customer Satisfaction Survey of ASIAMONEY Magazine

As a result of focusing to improve CMS for years, we have been consecutively highly evaluated by clients in the customer satisfaction survey annually conducted by the ASIAMONEY magazine by ranking 3rd overall (1st among Japanese banks) for the comprehensive evaluation for Asia Pacific regions (including foreign banks).

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
Number of Employees: 454



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: Akihiro Kitahara
Number of Employees: 24

Group Companies (as of March 31, 2015)



www.smfg.co.jp/english/

The companies of the Sumitomo Mitsui Financial Group (SMFG) primarily conduct commercial banking through the following financial services: leasing, securities, consumer finance, system development and data processing.

Business Mission

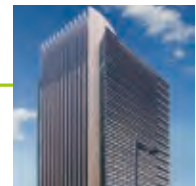
- We grow and prosper together with our customers, by providing services of greater value to them.
- We aim to maximize our shareholders' value through the continuous growth of our business.
- We create a work environment that encourages and rewards diligent and highly-motivated employees.

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



SUMITOMO MITSUI BANKING CORPORATION

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



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

SMBC's competitive advantages include its solid and extensive client base, the expeditious implementation of strategies, and also the service providing capability of its predominant Group companies. SMBC, as a core member of SMFG, integrally work with other Group companies to provide highly sophisticated and comprehensive financial services to clients.

Company Name: Sumitomo Mitsui Banking Corporation
Business Profile: Commercial 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: 26,416

Number of branches and other business locations:
 In Japan: 1,924*
 Branches: 507
 (Including 46 specialized deposit account branches)
 Sub-branches: 475
 Banking agencies: 2
 Offices handling non-banking business: 24
 Automated service centers: 916
 Overseas: 39
 Branches: 15
 Sub-branches: 17
 Representative offices: 7

*The number of domestic branches excludes ATMs located at the business sites of companies and at retail convenience stores. Since fiscal 2014, the number of representative offices includes corporate banking department and other departments. The number of overseas branches excludes locally-incorporated companies in overseas.

Credit Ratings (as of June 30, 2015)

	Long-term	Short-term
Moody's	A1	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			
	2015	2014	2013	2012
For the Year:				
Ordinary income..... ¥	3,199.4	¥ 3,105.9	¥ 2,810.6	¥ 2,687.9
Ordinary profit	1,198.9	1,298.7	928.7	857.9
Net income.....	736.9	785.6	734.5	533.8
At Year-End:				
Net assets..... ¥	10,036.0	¥ 8,640.7	¥ 8,257.0	¥ 7,276.7
Total assets.....	177,559.1	155,824.1	143,203.1	138,251.6



www.smfl.co.jp/english/



Sumitomo Mitsui Finance and Leasing ("SMFL") is a leading Japanese leasing company with an extensive history of going back to its origination of the leasing business in 1968. SMFL provides financial solutions and services appropriate to diversifying needs of clients by taking advantage of its abundant experiences and past performance results accumulated over the years.

SMFL proactively works on the areas with high social needs such as environment/energy, medical/nursing care, leasing, or sale of secondhand machines, while appropriately responding to the globalization of capital expenditures and sales activities in overseas.

SMFL develops along with clients by promptly providing diverse products and ser-

vices which would contribute to the clients' management issues.

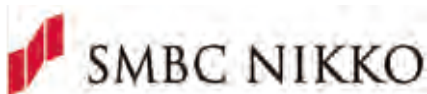
Company Name: Sumitomo Mitsui Finance and Leasing Company, Limited
Business Profile: Leasing
Establishment: February 4, 1963
Head Office: Tokyo Head Office: 3-9-4, Nishi-Shimbashi, Minato-ku, Tokyo
 Osaka Head Office: 3-10-19, Minami-Semba, Chuo-ku, Osaka
President & CEO: Yoshinori Kawamura
Number of Employees: 2,358

Credit Ratings (as of June 30, 2015)

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

Financial Information (Years ended March 31)

	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Leasing transaction volume.....	¥1,865.8	¥1,767.0	¥1,335.4	¥1,080.1
Operating revenue....	1,152.0	1,037.2	992.2	951.9
Operating profit	84.8	75.6	57.6	61.0



www.smbcnikko.co.jp/en



SMBC Nikko Securities Inc. (formerly Nikko Cordial Securities Inc.), which was established in July 1918, has developed solid relationships of trust with its individuals and corporate clients over the last nine decades. It became a member of the SMFG Group in October 2009. In April 2011, its corporate name was changed to SMBC Nikko Securities from Nikko Cordial Securities. Consistently working closely with SMBC, SMBC Nikko Securities provides comprehensive and highly sophisticated securities and investment banking services.

As a core member of SMFG, SMBC Nikko Securities strives to become the leading securities and investment banking company in Japan.

Company Name: SMBC Nikko Securities Inc.
Business Profile: Securities
Establishment: June 15, 2009
Head Office: 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
President & CEO: Tetsuya Kubo
Number of Employees: 8,085

Credit Ratings (as of June 30, 2015)

	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)

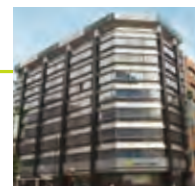
	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Operating revenue...	¥332.6	¥333.4	¥280.5	¥233.6
Operating income ...	89.1	96.6	72.7	39.9



SMBC FRIEND SECURITIES CO., LTD.

www.smbc-friend.co.jp

(Japanese only)



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

SMBC Friend Securities will continue to develop consistently toward its goal of becoming "the securities company especially appreciated by clients," 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
Establishment: March 2, 1948
Head Office: 7-12, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo
President & CEO: Koichi Danno
Number of Employees: 1,962

Financial Information (Years ended March 31)

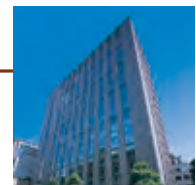
	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Operating revenue...	¥50.0	¥57.7	¥59.6	¥47.5
Operating profit	9.8	15.0	18.0	8.3



SUMITOMO MITSUI CARD COMPANY, LIMITED

www.smbc-card.com

(Japanese only)



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

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

Company Name: Sumitomo Mitsui Card Company, Limited
Business Profile: Credit card
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: Ken Kubo
 (Appointed on June 24, 2015)
Number of Employees: 2,392

Credit Ratings (as of June 30, 2015)

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

Financial Information (Years ended March 31)

	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Revenue from credit card operations	¥10,091.0	¥9,131.5	¥8,194.6	¥7,560.6
Operating revenue.....	198.4	191.4	185.6	182.2
Operating profit	41.9	43.6	44.7	43.1
At Year-End:				
Number of cardholders (in thousands)	23,490	22,994	22,400	21,647



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.

Cedyna strives to become SMFG’s comprehensive payment finance company in the consumer finance business by integrating the credit card, consumer credit and financing solution core businesses, and providing individual clients with secure and convenient payment methods means for making payments.

Company Name: Cedyna Financial Corporation

Business Profile: Credit card and installment

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: Satoru Nakanishi

Number of Employees: 3,136

Credit Ratings (as of June 30, 2015)

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

Financial Information (Years ended March 31)

	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Operating revenue.....	¥149.8	¥160.0	¥164.0	¥176.2
Operating profit (loss)...	1.0	10.7	13.4	(27.6)
At Year-End:				
Number of cardholders (in thousands)	17,633	18,412	19,480	21,091

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.

SMBC Consumer Finance strives to become the kind of global consumer finance company which “would be able to earn the utmost trust of clients” by consistently and sincerely working with clients as an expert in the consumer finance business.

Company Name: SMBC Consumer Finance Co., Ltd.

Business Profile: Consumer lending

Establishment: March 20, 1962

Head Office: 4-12-15, Ginza, Chuo-ku, Tokyo

President & CEO: Ryoji Yukino

Number of Employees: 2,145

Cooperation:
SHOCHIKU Co., Ltd.,
Kabuki-za Co., Ltd.

Credit Ratings (as of June 30, 2015)

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

Financial Information (Years ended March 31)

	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Operating revenue....	¥168.6	¥164.7	¥164.6	¥172.2
Operating profit (loss)...	3.7	15.9	42.3	(166.6)

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: System development, data processing, management consulting and economic research

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: Masahiro Fuchizaki (Appointed on May 1, 2015)

Number of Employees: 2,198

Financial Information (Years ended March 31)

	Billions of yen			
	2015	2014	2013	2012
For the Year:				
Operating revenue....	¥111.1	¥106.0	¥96.2	¥87.5
Operating profit	1.7	1.7	1.8	0.8



Financial Highlights

Sumitomo Mitsui Financial Group (Consolidated)

Year ended March 31	Millions of yen				
	2015	2014	2013	2012	2011
For the Year:					
Ordinary income.....	¥ 4,851,202	¥ 4,641,880	¥ 4,326,424	¥ 3,945,282	¥ 3,845,861
Ordinary profit.....	1,321,156	1,432,332	1,073,745	935,571	825,428
Net income.....	753,610	835,357	794,059	518,536	475,895
Comprehensive income.....	2,063,510	1,303,295	1,458,107	665,232	413,375
At Year-End:					
Total net assets.....	¥ 10,696,271	¥ 9,005,019	¥ 8,443,218	¥ 7,254,976	¥ 7,132,073
Total assets.....	183,442,585	161,534,387	148,696,800	143,040,672	137,803,098
Capital ratio.....	/	/	/	16.93%	16.63%
Total capital ratio (International Standard).....	16.58%	15.51%	14.71%	/	/
Tier 1 capital ratio (International Standard).....	12.89%	12.19%	10.93%	/	/
Common equity Tier 1 capital ratio (International Standard).....	11.30%	10.63%	9.38%	/	/
Number of employees.....	68,739	66,475	64,635	64,225	61,555

Note: "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.

Sumitomo Mitsui Banking Corporation

◆ Consolidated

Year ended March 31	Millions of yen				
	2015	2014	2013	2012	2011
For the Year:					
Ordinary income.....	¥ 3,199,409	¥ 3,105,992	¥ 2,810,681	¥ 2,687,911	¥ 2,771,380
Ordinary profit.....	1,198,955	1,298,738	928,713	857,919	751,208
Net income.....	736,904	785,687	734,514	533,816	450,832
Comprehensive income.....	1,937,374	1,174,292	1,373,623	632,889	363,689
At Year-End:					
Total net assets.....	¥ 10,036,003	¥ 8,640,763	¥ 8,257,091	¥ 7,276,706	¥ 6,983,132
Total assets.....	177,559,197	155,824,141	143,203,127	138,251,602	132,715,674
Capital ratio (International standard).....	/	/	/	19.63%	19.16%
Total capital ratio (International standard).....	17.93%	17.08%	16.84%	/	/
Tier 1 capital ratio (International standard).....	13.91%	13.43%	12.69%	/	/
Common equity Tier 1 capital ratio (International standard).....	12.61%	12.27%	11.26%	/	/
Number of employees.....	50,249	48,824	47,852	50,768	48,219

Note: "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.

◆ Nonconsolidated

Year ended March 31	Millions of yen				
	2015	2014	2013	2012	2011
For the Year:					
Ordinary income.....	¥ 2,370,998	¥ 2,342,582	¥ 2,121,369	¥ 2,018,585	¥ 2,108,724
Trust fees.....	1,872	1,972	1,823	1,736	2,299
Gross banking profit (A).....	1,634,284	1,558,184	1,540,095	1,532,511	1,531,759
Expenses (excluding nonrecurring losses) (B).....	791,211	745,745	727,736	719,495	699,197
Overhead ratio (B) / (A).....	48.4%	47.9%	47.3%	46.9%	45.6%
Banking profit.....	843,073	812,438	812,358	856,796	844,897
Banking profit (before provision for general reserve for possible loan losses).....	843,073	812,438	812,358	813,015	832,562
Ordinary profit.....	955,992	952,516	670,852	695,342	595,704
Net income.....	643,015	605,255	617,791	477,973	421,180
At Year-End:					
Total net assets.....	¥ 7,998,715	¥ 7,077,360	¥ 6,554,446	¥ 5,709,663	¥ 5,559,293
Total assets.....	154,724,079	135,966,434	125,910,020	119,037,469	115,484,907
Deposits.....	91,337,714	84,137,339	80,006,438	75,804,088	74,036,469
Loans and bills discounted.....	68,274,308	63,370,678	59,770,763	56,411,492	55,237,613
Securities.....	29,985,267	27,317,549	41,347,000	42,441,134	39,853,432
Trust assets and liabilities.....	3,542,957	3,108,012	2,693,092	1,891,853	1,576,094
Loans and bills discounted.....	373,230	143,469	131,913	235,829	237,383
Securities.....	1,451,206	1,420,372	1,076,225	424,478	444,664
Capital stock.....	1,770,996	1,770,996	1,770,996	1,770,996	1,770,996
Number of shares issued (in thousands)					
Common stock.....	106,248	106,248	106,248	106,248	106,248
Preferred stock.....	70	70	70	70	70
Dividend payout ratio.....	77.18%	75.92%	29.04%	33.00%	35.53%
Capital ratio (International standard).....	/	/	/	21.91%	21.45%
Total capital ratio (International standard).....	18.89%	18.30%	18.62%	/	/
Tier 1 capital ratio (International standard).....	14.26%	14.02%	13.92%	/	/
Common equity Tier 1 capital ratio (International standard).....	12.80%	12.47%	11.75%	/	/
Number of employees.....	26,416	22,915	22,569	22,686	22,524

Note: "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.



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, 2015.

1. Operating Results

Operating results for fiscal 2014 include the results of 317 consolidated subsidiaries and 50 subsidiaries and affiliates accounted for by the equity method.

In fiscal 2014, consolidated net business profit declined by ¥28.1 billion year-on-year to ¥1,310.5 billion. Although consolidated gross profit increased largely due to increased profits from the Treasury Unit at SMBC resulting from ALM operations that quickly responded to market conditions and steady results of major subsidiaries such as Sumitomo Mitsui Finance and Leasing, SMBC Nikko Securities, Sumitomo Mitsui Card and SMBC Consumer Finance;

general and administrative expenses were up as SMBC aimed at strengthening its overseas business, and SMBC Nikko Securities, Sumitomo Mitsui Card and other subsidiaries aimed at enhancing the business structure to generate stronger top-line growth.

Ordinary profit after adjustment for total credit cost, net gains on stocks, and other items, declined by ¥111.2 billion year-on-year to ¥1,321.2 billion. Net income after adjustment for extraordinary gains (losses) and income taxes declined by ¥81.7 billion to ¥753.6 billion.

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

March 31	2015 (A)	2014 (B)	Increase (decrease) (A) – (B)
Consolidated subsidiaries	317	324	(7)
Subsidiaries and affiliates accounted for by the equity method	50	46	4

Income Summary

Year ended March 31	Millions of yen		
	2015 (A)	2014 (B)	Increase (decrease) (A) – (B)
Consolidated gross profit	¥ 2,980,403	¥ 2,898,233	¥ 82,170
Net interest income.....	1,505,178	1,484,169	21,009
Trust fees	2,890	2,472	418
Net fees and commissions	996,676	984,589	12,087
Net trading income	195,119	211,881	(16,762)
Net other operating income	280,538	215,120	65,418
General and administrative expenses	(1,659,341)	(1,569,945)	(89,396)
Equity in gains of affiliates	(10,600)	10,241	(20,841)
Consolidated net business profit.....	1,310,461	1,338,530	(28,069)
Net total credit cost.....	(7,847)	49,073	(56,920)
Credit costs	(84,985)	(96,797)	11,812
Gains on reversal of reserve for possible loan losses	61,158	136,212	(75,054)
Recoveries of written-off claims	15,979	9,657	6,322
Gains (losses) on stocks.....	66,693	89,243	(22,550)
Net other expenses	(48,151)	(44,514)	(3,637)
Ordinary profit	1,321,156	1,432,332	(111,176)
Extraordinary gains (losses).....	(11,778)	(9,637)	(2,141)
Losses on disposal of fixed assets	(6,315)	(8,595)	2,280
Losses on impairment of fixed assets.....	(5,109)	(3,348)	(1,761)
Income before income taxes and minority interests	1,309,377	1,422,694	(113,317)
Income taxes—current	(325,341)	(290,186)	(35,155)
Income taxes—deferred	(116,020)	(168,618)	52,598
Income before minority interests	868,015	963,889	(95,874)
Minority interests in net income	(114,405)	(128,532)	14,127
Net income	¥ 753,610	¥ 835,357	¥ (81,747)

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. In fiscal 2014 the definition of consolidated net business profit changed. The change has been retroactively applied to the figures for fiscal 2013.

3. Credit costs = Write-off of loans + Provision for reserve for possible loan losses + Others (Losses on sales of delinquent loans)

Loans and bills discounted as of March 31, 2015 totaled ¥73,068.2 billion, a year-on-year increase of ¥4,840.6 billion, as lending increased primarily in Asia and the Americas, and securities totaled ¥29,633.7 billion, an increase of ¥2,480.9 billion.

Deposits as of March 31, 2015 increased by ¥6,716.0 billion year-on-year to ¥101,047.9 billion due to increases in

Japan and overseas, and negotiable certificates of deposit increased by ¥112.4 billion year-on-year to ¥13,825.9 billion.

Net assets totaled ¥10,696.3 billion. Of this amount, stockholders' equity was ¥7,018.4 billion, mainly due to the recording of net income, and the payment of cash dividends. Total accumulated other comprehensive income amounted to ¥2,003.9 billion.

Assets, Liabilities and Net Assets

March 31	Millions of yen		
	2015 (A)	2014 (B)	Increase (decrease) (A) – (B)
Assets.....	¥183,442,585	¥161,534,387	¥21,908,198
Loans and bills discounted.....	73,068,240	68,227,688	4,840,552
Securities.....	29,633,667	27,152,781	2,480,886
Liabilities.....	172,746,314	152,529,368	20,216,946
Deposits.....	101,047,918	94,331,925	6,715,993
Negotiable certificates of deposit.....	13,825,898	13,713,539	112,359
Net assets.....	10,696,271	9,005,019	1,691,252
Stockholder's equity.....	7,018,389	6,401,215	617,174
Total accumulated other comprehensive income.....	2,003,859	877,971	1,125,888

2. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2015 increased by ¥1,186.8 billion year-on-year to ¥2,625.6 billion, mainly as a result of an increase in unrealized gains on stocks reflecting rising stock prices.

Unrealized Gains (Losses) on Securities

March 31	Millions of yen						
	2015			2014			
	Consolidated balance sheet amount	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Consolidated balance sheet amount	Net unrealized gains (losses) (B)
Held-to-maturity securities.....	¥ 3,397,151	¥ 20,580	¥ (13,217)	¥ 20,580	¥ —	¥ 4,536,849	¥ 33,797
Other securities.....	26,263,425	2,604,985	1,199,993	2,653,967	48,981	22,866,288	1,404,992
Stocks.....	4,065,999	2,054,308	923,165	2,073,367	19,059	3,185,495	1,131,143
Bonds.....	13,699,561	50,028	(15,564)	60,837	10,808	12,897,704	65,592
JGBs.....	11,007,006	12,968	(9,486)	18,649	5,680	9,911,224	22,454
Others.....	8,497,864	500,649	292,394	519,762	19,113	6,783,089	208,255
Foreign bonds.....	5,633,955	29,230	56,341	45,707	16,477	4,304,903	(27,111)
Other money held in trust.....	7,087	—	—	—	—	23,120	—
Total.....	29,667,664	2,625,566	1,186,777	2,674,548	48,981	27,426,258	1,438,789
Stocks.....	4,065,999	2,054,308	923,165	2,073,367	19,059	3,185,495	1,131,143
Bonds.....	17,096,713	70,609	(28,779)	81,417	10,808	17,425,753	99,388
Others.....	8,504,952	500,649	292,392	519,762	19,113	6,815,009	208,257

- 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, 2015 and 2014, included gains of ¥29,870 million and ¥17,031 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, 2015 and 2014, were reduced by ¥29,870 million and ¥17,031 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

As of March 31, 2015, Common equity Tier 1 capital ratio rose by 0.67% year-on-year to 11.30%, Tier 1 capital ratio increased by 0.70% to 12.89% and total capital ratio increased by 1.07% to 16.58%, reflecting the recording of net income and other factors.

Consolidated Capital Ratio (International Standard)

March 31	Millions of yen		
	2015 (A)	2014 (B)	Increase (decrease) (A) – (B)
Common equity Tier 1 capital	¥ 7,476,520	¥ 6,550,796	¥ 925,724
Common equity Tier 1 capital ratio	11.30%	10.63%	0.67%
Additional Tier 1 capital	1,052,105	963,538	88,567
Tier 1 capital	8,528,626	7,514,335	1,014,291
Tier 1 capital ratio	12.89%	12.19%	0.70%
Tier 2 capital	2,437,289	2,047,083	390,206
Total capital	10,965,916	9,561,418	1,404,498
Total capital ratio	16.58%	15.51%	1.07%
Risk weighted assets	66,136,801	61,623,294	4,513,507

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, 2015.

1. Operating Results

In fiscal 2014, gross banking profit increased by ¥76.1 billion year-on-year to ¥1,634.3 billion, and expenses (excluding nonrecurring losses) increased by ¥45.5 billion to ¥791.2 billion. As a result, banking profit (before provision for general reserve for possible loan losses) increased by ¥30.6 billion year-on-year to ¥843.1 billion.

Ordinary profit, after the adjustment of banking profit (before provision for general reserve for possible loan losses) for non-recurring items such as credit costs and net gains on stocks, increased by ¥3.5 billion year-on-year to ¥956.0 billion.

Net income, after the adjustment of ordinary profit for extraordinary gains and losses, and income taxes and other taxes, increased by ¥37.8 billion year-on-year to ¥643.0 billion.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased by ¥76.1 billion year-on-year to ¥1,634.3 billion. This mainly reflected an increase in gross international profit primarily due to an increase in interest on loans and bills discounted in line with asset growth mainly in Asia and the Americas, and an increase in gains on bonds. On the other hand, gross domestic profit declined mainly due to shrinking loan spreads resulting from intense competition.

Expenses

Expenses (excluding non-recurring losses) increased by ¥45.5 billion year-on-year to ¥791.2 billion. This was mainly due to an increase in expenditures aimed at enhancing top-line growth such as to strengthen the overseas business, and also by the impact of an increase in the consumption tax rate.

Banking Profit

Banking profit (before provision for general reserve for possible loan losses) increased by ¥30.6 billion year-on-year to ¥843.1 billion.

Banking Profit

Year ended March 31	Millions of yen		
	2015 (A)	2014 (B)	Increase (decrease) (A) - (B)
Gross banking profit	¥ 1,634,284	¥ 1,558,184	¥ 76,100
[Gross domestic banking profit]	[1,097,724]	[1,112,008]	[(14,284)]
[Gross international banking profit]	[536,560]	[446,175]	[90,385]
Net interest income	1,121,428	1,064,906	56,522
Trust fees	1,872	1,972	(100)
Net fees and commissions	349,979	357,351	(7,372)
Net trading income	12,799	36,779	(23,980)
Net other operating income	148,204	97,172	51,032
[Gains (losses) on bonds]	[47,899]	[734]	[47,165]
Expenses (excluding nonrecurring losses)	(791,211)	(745,745)	(45,466)
Personnel expenses	(312,580)	(283,236)	(29,344)
Nonpersonnel expenses	(435,771)	(425,140)	(10,631)
Taxes	(42,859)	(37,368)	(5,491)
Banking profit (before provision for general reserve for possible loan losses)	843,073	812,438	30,635
[Gains (losses) on bonds]	[47,899]	[734]	[47,165]
Provision for general reserve for possible loan losses	—	—	—
Banking profit	843,073	812,438	30,635

<Reference>

Banking Profit by Business Unit

Year ended March 31, 2015	Billions of yen					
	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head Office Account	Total
Banking profit (before provision for general reserve for possible loan losses)	¥348.6	¥36.7	¥238.7	¥328.1	¥(109.0)	¥843.1
Year-on-year increase (decrease)	(11.7)	(33.5)	9.3	27.4	39.2	30.7

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 Gains (Losses) (Credit Costs, etc.)

Nonrecurring gains were ¥112.9 billion, a deterioration of ¥27.2 billion compared with the previous fiscal year. This was primarily due to declines in gains on reversal of reserve for possible loan losses and gains on stocks, although other non-recurring gains increased mainly due to decline in provision of reserve for possible losses on investments.

Total credit cost—the total of provision for general reserve for possible loan losses, credit costs, gains on reversal of reserve for possible loan losses and recoveries of written-off claims—was a net reversal of ¥80.1 billion, ¥43.8 billion lower in terms of gains compared with the previous year.

Ordinary Profit

As a result, ordinary profit increased by ¥3.5 billion year-on-year to ¥956.0 billion.

Extraordinary Gains (Losses)

Extraordinary losses increased by ¥2.3 billion year-on-year to ¥8.3 billion.

Net Income

Net income, after the adjustment of ordinary profit for extraordinary gains and losses and income taxes, increased by ¥37.8 billion year-on-year to ¥643.0 billion.

Ordinary Profit and Net Income

Year ended March 31	Millions of yen		
	2015 (A)	2014 (B)	Increase (decrease) (A) – (B)
Banking profit (before provision for general reserve for possible loan losses).....	¥ 843,073	¥812,438	¥ 30,635
Provision for general reserve for possible loan losses (A).....	—	—	—
Banking profit	843,073	812,438	30,635
Nonrecurring gains (losses).....	112,919	140,078	(27,159)
Credit costs (B).....	(5,193)	(8,945)	3,752
Gains on reversal of reserve for possible loan losses (C).....	79,009	132,784	(53,775)
Recoveries of written-off claims (D).....	6,326	82	6,244
Net gains (losses) on stocks.....	52,582	106,410	(53,828)
Others	(19,805)	(90,252)	70,447
Ordinary profit	955,992	952,516	3,476
Extraordinary gains (losses).....	(8,344)	(6,033)	(2,311)
Losses on disposal of fixed assets	(4,911)	(3,604)	(1,307)
Losses on impairment of fixed assets.....	(3,432)	(2,428)	(1,004)
Income taxes—current.....	(224,845)	(182,869)	(41,976)
Income taxes—deferred.....	(79,787)	(158,358)	78,571
Net income	¥ 643,015	¥605,255	¥ 37,760
Total credit cost (A) + (B) + (C) + (D)	¥ 80,142	¥123,920	¥(43,778)
Provision for general reserve for possible loan losses	91,528	66,627	24,901
Write-off of loans	(417)	(4,520)	4,103
Provision for specific reserve for possible loan losses.....	(12,547)	66,899	(79,446)
Losses on sales of delinquent loans	(4,776)	(4,425)	(351)
Provision for loan loss reserve for specific overseas countries.....	28	(742)	770
Recoveries of written-off claims	6,326	82	6,244

3. Assets, Liabilities and Net Assets

Assets

Total assets as of March 31, 2015 increased by ¥18,757.6 billion year-on-year to ¥154,724.1 billion.

Cash and due from banks increased by ¥6,875.4 billion to ¥37,008.7 billion.

Loans and bills discounted totaled ¥68,274.3 billion, a year-on-year increase of ¥4,903.6 billion, as steady results in Japan and increases primarily in Asia and the Americas.

Securities increased by ¥2,667.7 billion year-on-year to ¥29,985.3 billion, mainly as a result of an increase in unrealized gains on stocks.

Liabilities

Liabilities as of March 31, 2015 increased by ¥17,836.3 billion year-on-year to ¥146,725.4 billion. Deposits increased by ¥7,200.4 billion to ¥91,337.7 billion due to increases both in Japan and overseas. Negotiable certificates of deposit increased by ¥1.6 billion to ¥14,022.1 billion.

Net Assets

Net assets as of March 31, 2015 totaled ¥7,998.7 billion. Of this amount, stockholders' equity was ¥6,369.5 billion. Valuation and translation adjustments were ¥1,629.3 billion.

Assets, Liabilities and Net Assets

March 31	Millions of yen		
	2015 (A)	2014 (B)	Increase (decrease) (A) – (B)
Assets.....	¥154,724,079	¥135,966,434	¥18,757,645
Cash and due from banks	37,008,665	30,133,257	6,875,408
Loans and bills discounted.....	68,274,308	63,370,678	4,903,630
Securities.....	29,985,267	27,317,549	2,667,718
Liabilities.....	146,725,363	128,889,073	17,836,290
Deposits.....	91,337,714	84,137,339	7,200,375
Negotiable certificates of deposit.....	14,022,064	14,020,505	1,559
Net assets	7,998,715	7,077,360	921,355
Stockholders' equity.....	6,369,453	6,179,502	189,951
Valuation and translation adjustments	1,629,261	897,858	731,403

4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2015 increased by ¥1,109.2 billion year-on-year to ¥2,354.7 billion, mainly as a result of an increase in unrealized gains on stocks reflecting rising stock prices.

Unrealized Gains (Losses) on Securities

March 31	2015					2014	
	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)
Held-to-maturity securities.....	¥ 3,352,592	¥ 20,454	¥ (12,661)	¥ 20,454	¥ —	¥ 4,436,939	¥ 33,115
Stocks of subsidiaries and affiliates...	3,414,839	(58,526)	13,895	22,352	80,878	3,148,478	(72,421)
Other securities	23,774,009	2,392,781	1,108,002	2,436,529	43,747	20,288,361	1,284,779
Stocks.....	3,970,914	1,989,713	880,623	2,007,929	18,216	3,118,385	1,109,090
Bonds	13,036,709	45,868	(14,125)	56,548	10,680	11,831,122	59,993
JGBs.....	10,687,062	11,131	(9,753)	16,812	5,680	9,491,777	20,884
Others.....	6,766,385	357,200	241,505	372,050	14,850	5,338,853	115,695
Foreign bonds.....	4,238,647	30,320	52,667	42,891	12,571	3,178,906	(22,347)
Other money held in trust.....	—	—	—	—	—	2,060	—
Total.....	30,541,441	2,354,709	1,109,235	2,479,335	124,626	27,875,841	1,245,474
Stocks.....	5,180,246	1,986,857	882,490	2,016,376	29,519	4,287,847	1,104,367
Bonds	16,389,301	66,322	(26,787)	77,002	10,680	16,268,062	93,109
Others.....	8,971,892	301,529	253,532	385,955	84,426	7,319,931	47,997

- 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, 2015 and 2014, included gains of ¥29,870 million and ¥17,031 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, 2015 and 2014, were reduced by ¥29,870 million and ¥17,031 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, 2015						March 31, 2014		
	Balances (after provisions and write-offs)	Change from Mar. 31, 2014	Overseas	Change from Mar. 31, 2014	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, 2014			
Cards	¥166.1	¥18.8	¥161.6	¥22.5	¥0.2	¥(0.8)	¥147.2	¥139.1	¥1.0
CLO	25.3	24.7	25.3	24.7	1.2	(0.8)	0.6	0.6	2.0
CMBS	10.8	1.5	10.8	1.5	0.5	(0.0)	9.3	9.3	0.5
RMBS, etc.	29.6	5.4	29.6	5.4	0.2	0.1	24.2	24.2	0.2
Total	¥231.7	¥50.5	¥227.2	¥54.1	¥2.1	¥(1.6)	¥181.3	¥173.1	¥3.7

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. Leveraged Loans

(Billions of yen)

	March 31, 2015				March 31, 2014	
	Loans	Change from Mar. 31, 2014	Undrawn commitments	Change from Mar. 31, 2014	Loans	Undrawn commitments
Europe	¥119.6	¥(25.9)	¥ 40.0	¥ 17.7	¥145.5	¥ 22.3
Japan	286.0	9.9	52.5	27.2	276.2	25.3
United States	138.6	14.8	77.5	(30.5)	123.9	108.0
Asia (excluding Japan)	71.6	14.2	4.5	(0.3)	57.4	4.8
Total	¥615.9	¥ 12.9	¥172.5	¥ 14.1	¥603.0	¥160.4



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 “Policies on Comprehensive Risk Management.” In the policies, 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 comprehensive risk management and manage each risk appropriately according to its characteristics.

(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 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

■ Fundamental Principles on Comprehensive Risk Management (Excerpt major principles)

Basic Principles	Description
Risk management on a consolidated basis	Various risks taken at the SMFG and the Group companies to be managed on a consolidated basis according to the business and importance in conformity with the relevant laws and regulations.
Risk management based on quantification	The risks subject to control to be quantitatively managed according to the relevant risk characteristics after specifying the scope of quantification.
Ensuring consistency with the business strategy	Risk management to be consistent with the business strategy.
System for check and balance	The risk management framework to be developed to ensure effective check and balance function for business operations.
Measures for emergencies and critical situations	Necessary measures to be developed by assuming situations, scenarios etc. as to materialization of risk which would have a significant impact on the business and financial management of the Bank.
Verification of the actual situation	The actual risk management process to be verified by the Internal Audit Unit.

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. 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

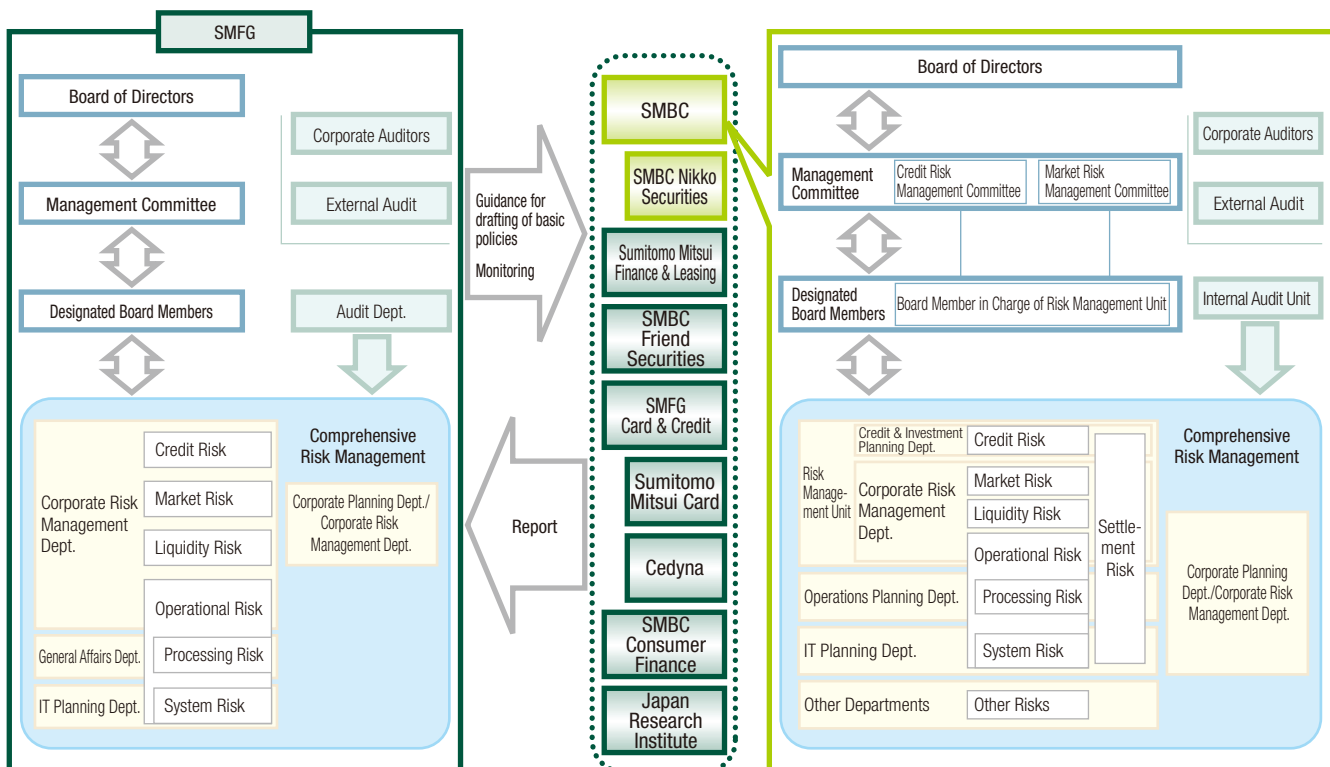
the special characteristics of each type of risk and the business activities of each Group company. We then allocate capital appropriately and effectively to each unit to keep total exposure to various risks within the scope of our resources, i.e., capital.

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 upper limits for each business and unit including VaR and loss limits. Therefore, by strictly observing these frameworks, SMFG maintains the soundness of the Group as a whole.

In this framework, risk capital includes credit concentration risk and interest rate risk in the banking book which are taken into account under the 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 based on a framework consisting of setting upper limit for funding gaps, etc. Other risk categories are managed with procedures closely attuned to the nature of the risk.

SMFG’s Risk Management System



(2) Stress Testing

In the current volatile business environment, stress testing to analyze and estimate the adverse effects of events such as an economic recession and market volatility on the business and financial conditions of financial institutions is increasingly essential.

When establishing the medium-term management plan or annual business plan, 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

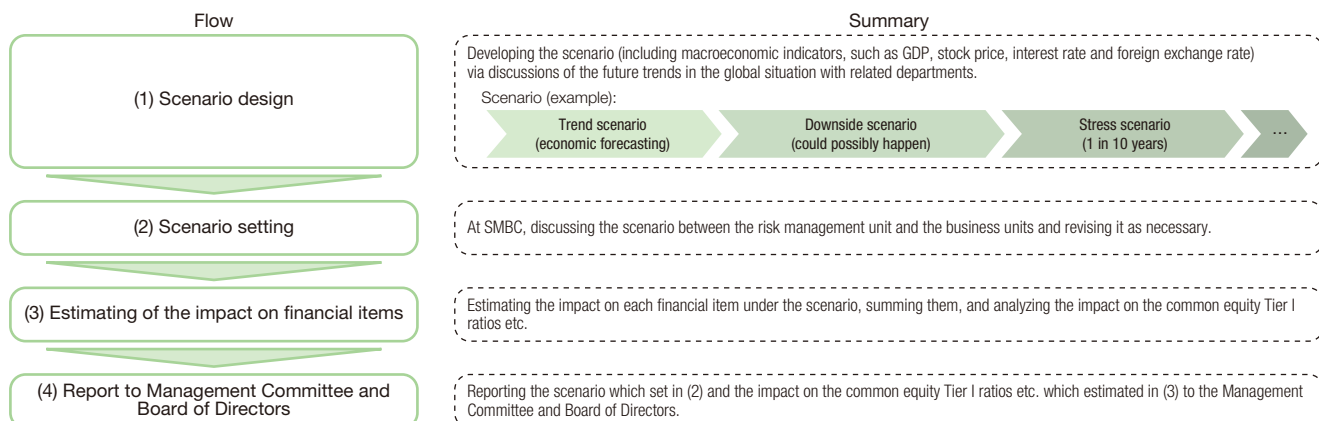
that we can prepare action to deal with emerging stress events as they occur in advance.

Furthermore, SMBC has in place a system enabling flexible control of operations at a time of sudden changes in our business environment. Joint platforms have been created for regularly bringing together the Risk Management Unit, business units and other affected units, where discussions are held, based on a shared appraisal of the macro-environment, on responding to a hypothetical stress event assumed to have impact on conduct of operations.

■ Risk Management Framework

Framework	Risk Category		
Risk Capital-Based Management	Credit Risk	Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet transactions) to lose value or become worthless.	
	Market Risk	Banking Risk/Trading Risk	Market risk is the possibility that fluctuations in interest rates, foreign exchange rates, stock prices, or other market prices will change the market value of financial products, leading to a loss.
		Strategic Equity Investment Risk	
		Other Market-Related Risks	
	Operational Risk	Processing Risk	Operational risk is the possibility of losses arising from inadequate or failed internal processes, people, and systems or from external events.
		System Risk	Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities.
		System risk is the possibility of a loss arising from the failure, malfunction, or unauthorized use of computer systems.	
ALM/ Funding Gap	Liquidity Risk	Liquidity risk is defined as the uncertainty around the ability of the firm to meet debt obligations without incurring unacceptably large losses. Examples of such risk include the possible inability to meet current and future cash flow/collateral needs, both expected and unexpected. In such cases, the firm may be required to raise funds at less than favorable rates or be unable to raise sufficient funds for settlement.	
Management by Risk Type	Other Risks (Settlement Risk and Others)	—	

■ Process of Stress Testing



Risk Appetite Framework

SMFG aims as a financial Group centered on a commercial bank to fulfill its corporate mission to “maximize our shareholders’ value through the continuous growth of our business.” To this end, we consider it important to categorize and quantitatively determine the types and levels of risk we are willing to take on or tolerate to drive earnings growth (risk appetite), and secure an appropriate return. We have developed and implemented a risk appetite framework that comprehensively incorporates the above mentioned integrated risk management framework. We have also formulated a Risk Appetite Statement that sets out our approach and specific risk appetites, which we distribute internally to foster a sound risk culture.

(1) Risk Appetite Structure

We have clearly categorized our stances on risk taking and risk management into financial soundness, profitability, liquidity and others. As a general rule, we strive to achieve a quantitative grasp of the risks using risk appetite indicators.

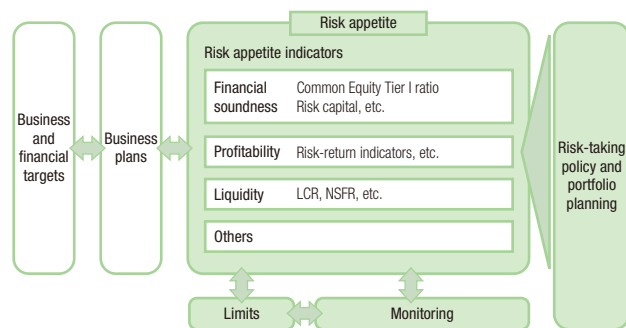
(2) Setting Risk Appetite Indicators

The target levels and limits of risk appetite indicators are decided by the Management Committee and the Board of Directors at the beginning of each fiscal year to be consistent with management targets, financial objectives and business plans, based on the risk-taking policy and portfolio plan. We also set various risk capital limits and upper limits for credit, market and liquidity risks as to be consistent with business plans, and the target levels and limits of risk appetite indicators.

(3) Monitoring Risk Appetite Indicators

We monitor the risk appetite indicators during the period. If they deviate from target levels or breach limits and so forth, the framework allows us to discuss reviewing the business plans or other measures as necessary. Moreover, for certain risk appetite indicators we also conduct testing to ensure that they will retain a certain level even under stress conditions.

Overview of Risk Appetite Framework at SMFG



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.

Risk assets subject to the Basel Capital Accord totaled ¥66,136.8 billion as of March 31, 2015, up ¥4,513.5 billion from March 31, 2014. The main factor behind the increase in risk-weighted assets was credit risk and the main increases included an increase in overseas assets, the effect of the yen’s depreciation, and an increase in the balance due to a rise in stock prices.

■ Risk-Weighted Assets as of March 31, 2015

(Trillions of yen)

	March 31, 2014	March 31, 2015	Increase (decrease)
Credit risk	57.0	61.3	+4.3
Market risk	1.7	2.0	+0.2
Operational risk	2.8	2.8	(0.0)
Total	61.6	66.1	+4.5

■ Risk Assets at Individual Departments

(Trillions of yen)

Department	Total Risk Assets	Credit Risk
Wholesale	15.6	15.3
Retail	7.3	7.1
International	17.7	16.8
Other	25.6	22.1
Sumitomo Mitsui Financial Group	61.3	57.3
Market risk	2.0	-
Operational risk	2.8	-

Note: Other includes Treasury Unit, Investment Banking Unit and Group companies.

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.

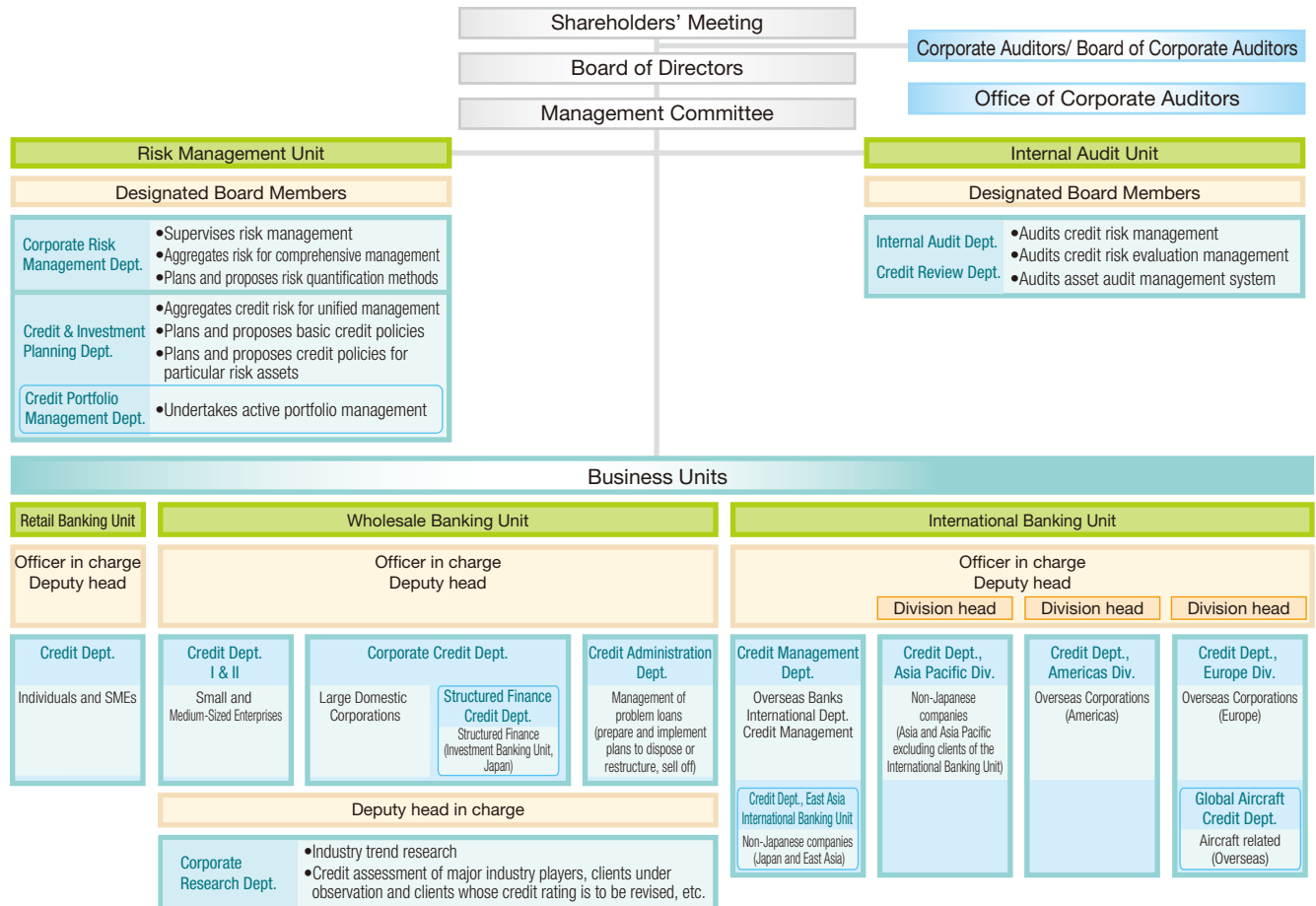
(3) Credit Policy

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

SMBC's Credit Risk Management System



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.

The Credit Administration Department is responsible for handling NPLs of borrowers classified as potentially bankrupt or lower, and draws up plans for their workouts, including write-offs. 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.

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 Internal Audit Unit, operating independently of the business units, audits asset quality, accuracy of gradings and selfassessment, 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 loans to individuals, and project finance and other structured finance tailored according to the risk characteristics of these types of assets.

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

■ SMBC's Obligor Grading System

Obligor Grade		Definition	Borrower Category	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	

(b) Quantification of Credit Risk

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

Specifically, first, the PD by grade, Loss Given Default (LGD), credit quality correlation among obligors, and other parameter values are estimated using historical data of obligors and facilities stored in a database to calculate the credit risk. Then, based on these parameters, we run a simulation of simultaneous default using the Monte Carlo method to calculate our maximum loss exposure to the estimated amount of the maximum losses that may be incurred. Based on these quantitative results, we allocate risk capital.

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

(2) Framework for Managing Individual Loans

(a) Credit Assessment

At SMBC, credit assessment of corporate loans involves a variety of financial analyses, including cash flow, to predict an enterprise’s capability of loan repayment and its growth prospects. These quantitative measures, when combined with qualitative analyses of industrial trends, the enterprise’s R&D capabilities, the competitiveness of its products or services, and its management caliber, result in a comprehensive credit assessment. The loan application is analyzed in terms of the intended utilization of the funds and the repayment

schedule. Thus, SMBC is able to arrive at an accurate and fair credit decision based on an objective examination of all relevant factors.

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

SMBC is also making steady progress in 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.

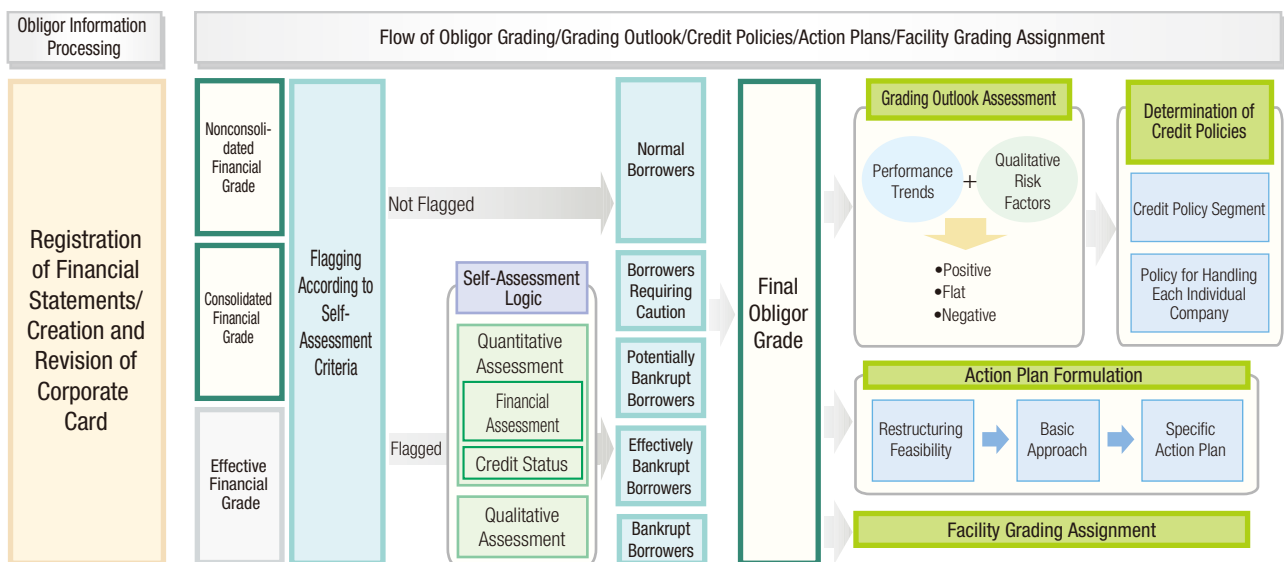
In the field of housing loans for individuals, we employ a credit assessment model based on credit data amassed and analyzed by SMBC over many years. This model enables our loan officers to efficiently make rational decisions on housing loan applications, and to reply to the customers without delay. 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

■ SMBC’s Credit Monitoring System



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 on page 37.

(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 a credit risk capital limit for internal control purposes. Under this limit, sub-limits are set for each business unit. Regular monitoring is conducted to make sure that these limits 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 large exposure limit lines 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, 2015, please refer to page 177.

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 defined as the uncertainty around the ability of the firm to meet debt obligations without incurring unacceptably large losses. Examples of such risk include the possible inability to meet current and future cash flow/collateral needs, both expected and unexpected. In such cases, the firm may be required to raise funds at less than favorable rates or be unable to raise sufficient funds for settlement.

(2) Fundamental Principles for Market and Liquidity Risk Management

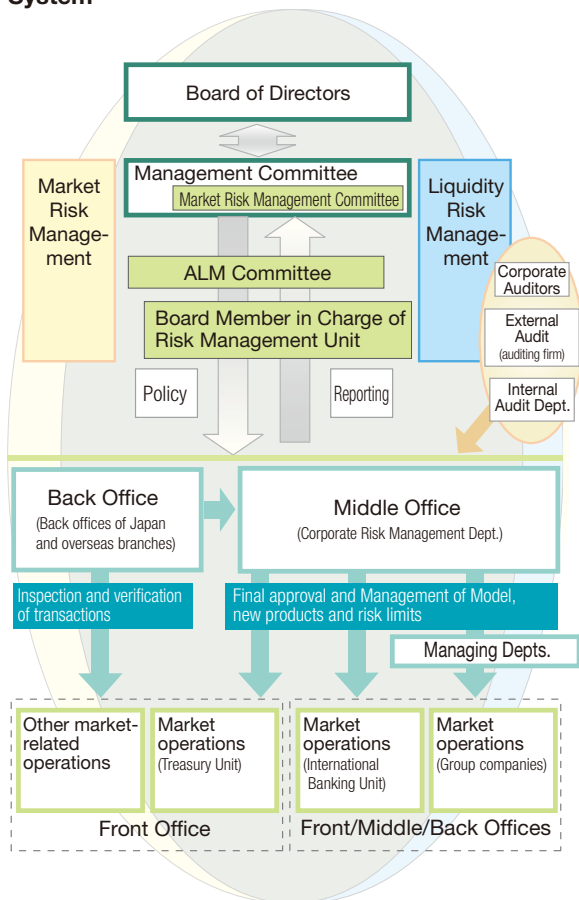
SMFG is working to further enhance the effectiveness of its quantitative management of market and liquidity risks across the entire Group by setting allowable risk limits; ensuring the transparency of the risk management process; clearly separating front-office, middle-office and back-office operations;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

2. Market and Liquidity Risk Management System

On the basis of SMFG's Groupwide basic policies for risk management, SMBC's Board of Directors authorizes important matters relating to the management of market and liquidity risks, such as basic policies and risk limits, which are decided by the Management Committee. Additionally, at SMBC, the Corporate Risk Management Department, which is the planning department of the Risk Management Unit, an independent of the business units that

directly handle market transactions, manages market and liquidity risks in an integrated manner. The Corporate Risk Management Department not only monitors the current risk situations, but also reports regularly to the Management Committee and the Board of Directors. Furthermore, SMBC's ALM Committee meets on a

■ SMBC's Market Risk and Liquidity Risk Management System



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.

■ VaR for Trading Activities

(Billions of yen)

	fiscal 2014					March 31, 2014
	March 31, 2015	September 30, 2014	Maximum	Minimum	Average	
SMFG (consolidated)	14.5	16.3	20.2	9.9	14.8	9.5
Interest rates	7.2	7.9	12.5	5.4	7.4	5.2
Foreign exchange	1.3	1.6	3.6	0.7	1.7	0.6
Equities, commodities, etc.	6.9	8.5	11.0	3.8	7.0	4.1
SMBC (consolidated)	13.8	15.4	19.0	8.9	13.9	8.5
SMBC (non-consolidated)	1.7	3.4	5.9	1.2	3.2	1.1

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)].

(a) Market Risks

a. Trading activities

Trading activities are market operations which gain profits by taking advantage of fluctuations of market prices in the short-term or price differences among markets. At SMFG, we assess and manage the market risk of trading activities on a daily basis, by utilizing VaR and other tools.

The table on the previous page shows the VaR results of the Group's trading activities during fiscal 2014. Because of the nature of trading, the VaR fluctuated sharply during fiscal 2014, in line with changes in our investment positions.

b. Banking activities

Banking activities are market operations which gain profits by controlling interest rates and term period for assets (loans, bonds, etc.) and liabilities (deposits, etc.). At SMFG, in the same way as in the case of trading activities, we assess and manage the market risk of banking activities on a daily basis, utilizing VaR and other tools.

The following table shows the VaR results of the Group's banking activities during fiscal 2014. The VaR of the Group decreased on March 31, 2015 compared with on March 31, 2014 primarily reflecting an decreased position in equities.

(b) Market Risk Volume Calculation Model

a. Presuppositions and limits of model

In SMBC's internal VaR model, various market fluctuation scenarios are drawn up on the basis of past data, and the historical simulation method is used to run profit-and-loss movement simulations that enable us to forecast probable maximum losses. The appropriateness of the model is later verified through back-testing.

However, as back-testing cannot take into account major market fluctuations that have not actually occurred historically, we supplement this method with the use of stress testing.

This internal model employed by SMBC undergoes regular auditing by an independent auditing firm to ensure that it operates appropriately.

b. Validity verification process

i Outline of validity verification

SMBC uses back-testing as a method for verification of the validity of the internal model. VaR figures calculated by the internal model are compared with actual portfolio profit-and-loss figures on a given day, to compute an appropriate VaR level and confirm the adequacy of risk capital management.

ii Back-testing results

The results of back-testing on SMBC's trading book conducted in fiscal 2014 are shown below. The data point under the diagonal line indicates a loss exceeding VaR for that day. Only one data point under the diagonal line has been observed, which demonstrates that the SMBC VaR model with a one-side confidence interval of 99.0% is sufficiently reliable.

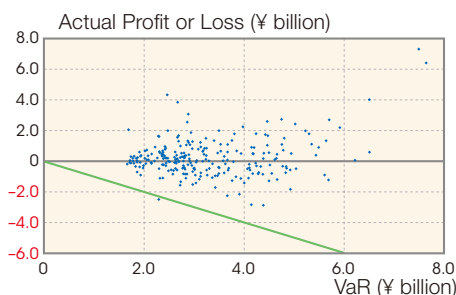
■ VaR for Banking Activities

	fiscal 2014					March 31, 2014
	March 31, 2015	September 30, 2014	Maximum	Minimum	Average	
SMFG (consolidated)	39.0	45.0	46.1	36.6	41.7	41.5
Interest rates	18.0	18.7	24.6	14.4	19.2	18.6
Equities, etc.	31.1	37.3	40.4	28.5	33.8	32.8
SMBC (consolidated)	37.8	44.0	45.1	35.6	40.7	40.3
SMBC (non-consolidated)	34.9	41.0	42.5	32.9	37.5	35.9

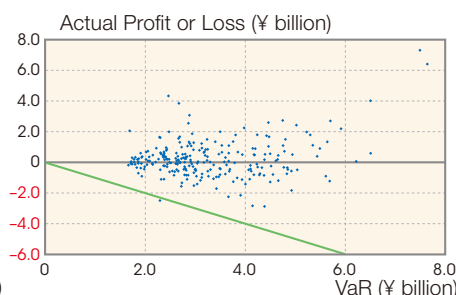
Notes: 1. VaR for a one-day holding period with a one-sided confidence interval of 99.0% [computed daily using the historical simulation method (based on four years of historical observations)].
 2. The above category of "Equities" does not include stocks held for long-term strategic purposes.

■ Back-Testing Results (Trading Book)

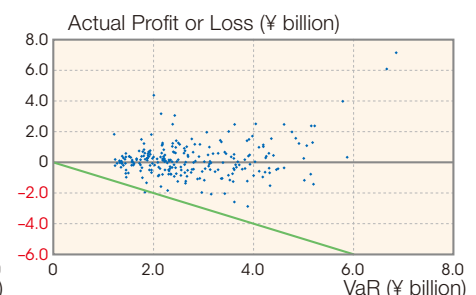
SMFG (consolidated)



SMBC (consolidated)



SMBC (nonconsolidated)



iii Reasons for losses exceeding the VaR

In all cases, these were the result of significant fluctuations on the foreign exchange and interest rate markets.

c. Indicators substitute for the back-testing method

SMFG employs, as a method substitute for the back-testing method, the VaR wherein presumption for the model such as observation period changes.

d. Changes in model from previous fiscal year

The model in use remains unchanged from that employed in the previous fiscal year.

(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 around 1% at SMBC on a consolidated basis at March 31, 2015, substantially below the 20% criterion.

(e) Management of Stocks Held for Strategic Purposes

SMBC establishes risk allowance limits on stocks held for strategic purposes and monitors the observance of these limits in order to control stock price fluctuation risk adequately. More specifically, VaR (1 year holding period) computed from profit and loss simulations based on historical market fluctuation data and aggregated fluctuation in market price from the beginning of the fiscal year are subject to the risk capital limit management and monitored on a daily basis.

Furthermore, SMBC has been reducing its strategic equity investments and the outstanding amount is now around 20% of Tier

1 capital, significantly below this maximum level permitted under the Act on Financial Institutions (etc.)’, Limits for Share, etc. Holdings.

(2) Liquidity Risk Management

At SMBC, liquidity risk is regarded as one of the major risks. SMBC’s liquidity risk management is based on a framework consisting of “setting upper limits for funding gaps,” “maintaining highly liquid supplementary funding sources,” and “establishing contingency plans.”

A funding gap is defined as the maturity mismatch between source of funds and use of funds. SMBC actively manages this funding gap by setting limits on the size of the gap over a given time horizon and limiting reliance on short-term funding. These limits are set in place on both a bank-wide basis and individual branch basis, and take into account cash management planning, systemic factors, and funding status, among other factors. Additionally, funding gap limits are set for individual currencies if necessary. SMBC actively monitors the funding gap on a daily basis.

Further, stress tests are regularly carried out by simulating the impact triggered, for example, by the outflow of deposits or having difficulties in funding from money markets, in order to thoroughly comprehend the amount required to fund when the liquidity risk is realized. Additionally, funding liquidity is maintained by holding assets, such as U.S. government bonds, which can be immediately converted to cash, or establishing borrowing facilities to be used as supplementary funding sources in an emergency, in order to smoothly raise the required fund even during market disruption.

Furthermore, contingency plans are developed to respond to the liquidity risk when being realized, by creating detailed action plans such as lowering the upper limit for the funding gap, depending on the existing situation (i.e. normal, concerned, or critical) and the respective circumstances.

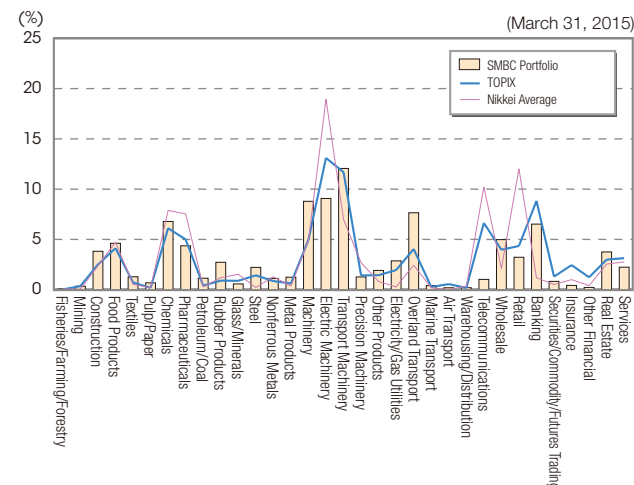
■ Decline in Economic Value Based on Outlier Framework

(Billions of yen)

	SMBC (consolidated)		SMBC (nonconsolidated)	
	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015
Total	83.0	132.6	66.7	117.9
Impact of Yen interest rates	31.1	21.2	23.8	17.3
Impact of U.S. dollar interest rates	25.7	57.4	21.5	52.6
Impact of Euro interest rates	18.6	25.5	18.2	24.5
Percentage of total capital	0.9%	1.3%	0.8%	1.2%

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

■ Composition, by Industry, of Listed Equity Portfolio



Operational Risk

1. Basic Approach to Operational Risk Management

(1) Definition of Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Specifically, Basel 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.

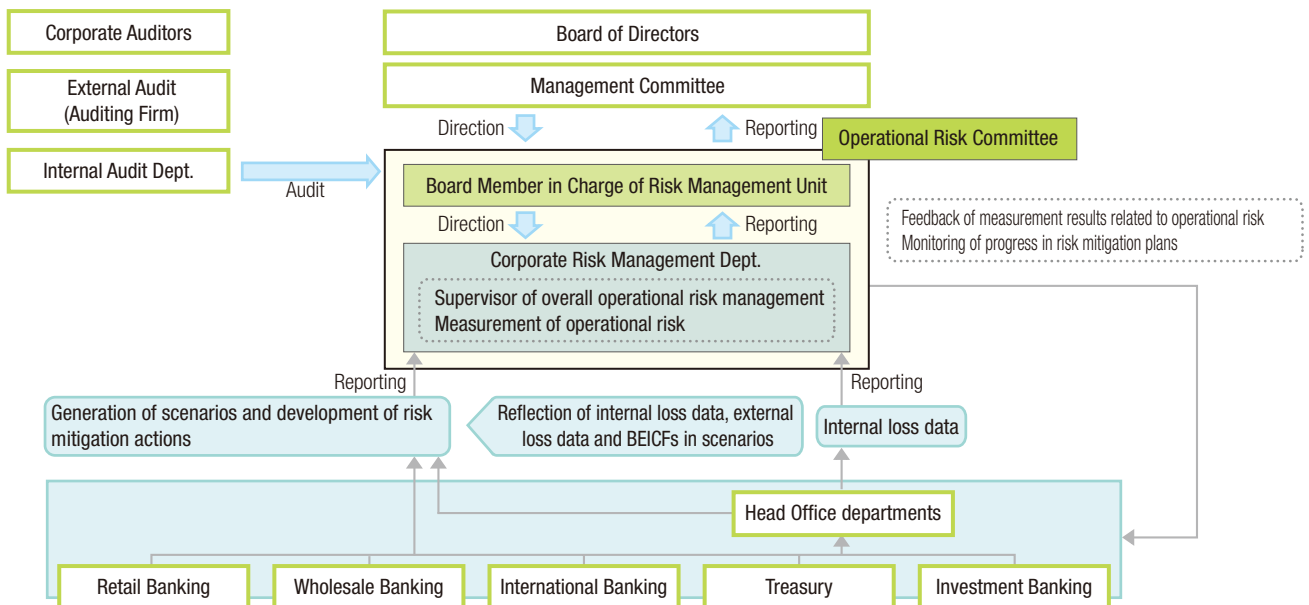
2. Operational Risk Management System

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.

■ SMBC's Operational Risk Management System



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.

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.

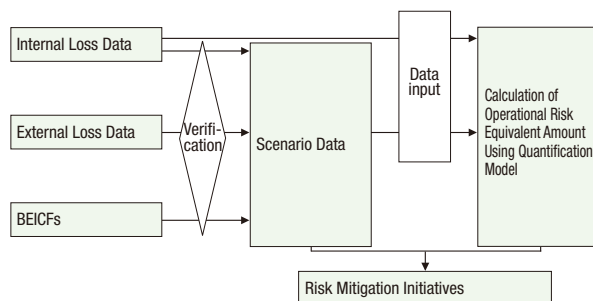
The purposes of scenario analysis are to identify any potential risks underlying in our business operations; to measure risks based on the possibility of occurrence of the said potential risks; and to review and execute any required measures. Furthermore, another purpose of the scenario analysis is to 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. Regarding the Consumer finance of a certain subsidiary, expected losses are excluded in calculating the operational risk equivalent amount of the repayment of excess interest.

The measurement units are SMFG consolidated basis, SMBC consolidated basis and SMBC nonconsolidated basis; and it is

Basic Framework of Operational Risk Measurement



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. For the measurement of SMFG consolidated basis, however, the operational risk equivalent amount is calculated by simply consolidating the amounts of all eight event types consisting of the seven event types and losses relating to the repayment of excess interest. 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.

(6) Risk Mitigation Initiatives

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

4. Processing Risk Management

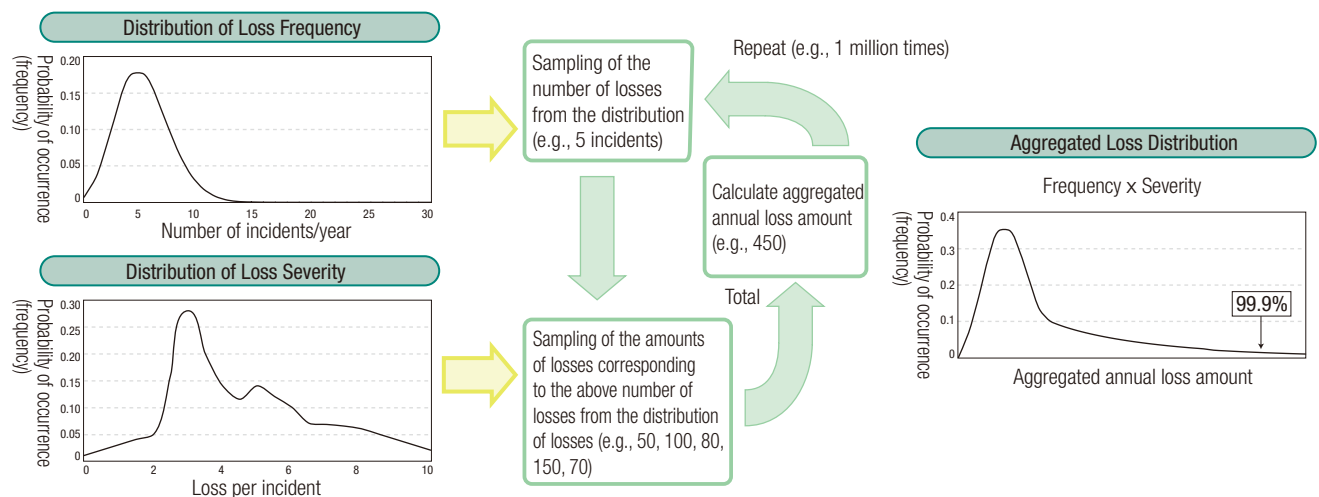
Processing risk is the possibility of losses arising from negligent processing by employees, accidents, or unauthorized activities.

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

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

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

Measurement Using the Quantification Model



5. System Risk Management

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

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

At SMBC, safety measures are strengthened according to risk assessment based on the Financial Services Agency's *Financial Inspection Manual*, and the *Security Guidelines* published by the Center for Financial Industry Information Systems (FISC). Computer-related trouble at financial institutions now has great potential to impact society, with system risk diversifying owing to advances in IT and expansion of business fields. To prevent any computer system breakdowns, we have taken numerous measures, including constant maintenance of our computer system to ensure steady and uninterrupted operation, duplication of various systems and infrastructures, and the establishment of a disaster-prevention system consisting of computer centers in eastern and western Japan. And to maintain the confidentiality of customer information and prevent information leaks, sensitive information is encrypted, unauthorized external access is blocked, and all known countermeasures to secure data are implemented. There are also contingency plans and training sessions held as necessary to ensure full preparedness in the event of an emergency. To maintain security, countermeasures are revised as new technologies and usage patterns emerge.

Settlement Risk

Settlement risk is the possibility of a loss arising from a transaction that cannot be settled as planned. 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 Corporate Risk Management Department is in overall charge of settlement risk, while settlement risk included within the various other risk categories is managed by the 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.

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.

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 appetite

Types and levels of risk that SMFG is willing to take on or tolerate to drive earnings growth.

Risk appetite framework

A framework in which SMFG's risk appetite is clarified and appropriately applied to its business operation.

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%.

Sound risk culture

Business culture in which SMFG seeks to achieve the appropriate balance between risk and return after determining the degree of risk that is acceptable.

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, modern society is faced with diverse issues such as global warming, rapid population growth, and a declining birthrate and aging of the population in advanced countries. The SMFG Group believes that it is our Group's social responsibilities, our CSR, to remind us of and practice the roles as the global financial group for resolving issues for the sustainable development of the society.

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.

Integral Development of CSR and Business Strategies

The SMFG Group believes that CSR is the foundation for SMFG Group's business strategies which should be integrally incorporated with business strategies for achieving the management policies and goals. In another words, it is the concept that we consistently verify and confirm according to the basic policy of CSR whether the direction of our business strategies promoted by our Group corresponds with our vision in 10 years of "becoming the highly trusted global financial group which leads Japan and Asia, and grow along with clients"; and then, we reflect the needs of clients and society in our CSR activities.

We believe that fulfilling CSR is truly "management itself," and seriously committing to the implementation of CSR would be the shortest and quickest way to achieve our management policies and goals.

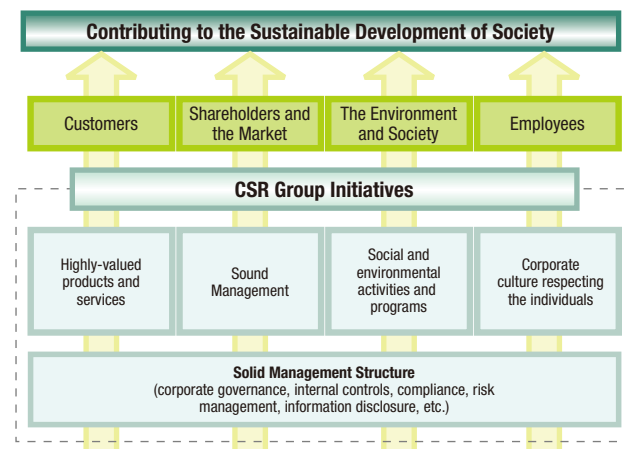
Support for Initiatives in Japan and Overseas

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).

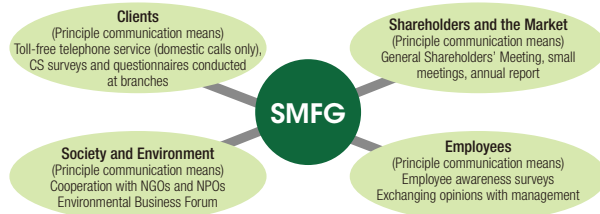
Initiatives supported by SMFG in Japan and overseas

- United Nations Global Compact**
 Ten principles proposed by the United Nations concerning human rights, labor, environment and corruption prevention
- United Nations Environment Programme 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

CSR Values for SMFG



For Building Relations with Respective Stakeholders



- **Clients:** We shall provide high value-added products and services to clients and develop along with clients.
- **Shareholders and the Market:** With appropriate information disclosure, we shall maintain sound management and increase shareholder value through improvement of the internal control system.
- **Society and Environment:** We shall strive to consistently and proactively engage in social and environmental activities; contribute to the society; and preserve the earth's environment.
- **Employees:** We shall develop the kind of corporate culture which respects employees and allow them to exercise one's full potential without any hindrance.

Guidelines Used for Reference

The Group refers to the following guidelines in its promotion development, and information disclosure for CSR.

• ISO26000

This is the "guidance document" with respect to social responsibilities, consisting of basic principles and seven core subjects (governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development).

• GRI Guidelines

"Sustainability Reporting Guidelines (G3.1 and G4.0)" of GRI (Global Reporting Initiative) is referred to for editing of CSR website and preparation of CSR.

*GRI (Global Reporting Initiative): International organization established in 1997 for the purpose of creating and promoting global guidelines for the "Sustainability Report."

• United Nations Global Compact, COP (Communication on Progress), Advanced Level Criteria

21 evaluation criteria provided for reporting performance status of 10 principles of the signed United Nations Global Compact.

SRI Indices

The Group's CSR activities have been highly evaluated by the market and included in internationally-known, major SRI ("Socially Responsible Investment") Indices. The SRI Index is a standard for investment decisions that are based not only on financial perspectives, but also on important views including environmental considerations and social contributions. We believe that this is an endorsement by the market of the Group's future corporate social responsibility activities.



Review of Priority Issues (Materiality) which SMFG Should Address

In fiscal 2013, the Group has reviewed the previously-raised priority issues according to changes in social trends, and newly identified three subject matters of "Environment," "Next Generations" and "Community" as the medium- to long-term priority issues (Materiality).



As for identifying these priority issues, we broadly selected issues according to the above-mentioned guidelines and prioritized them based on the degree of importance from perspectives of each SMFG Group company and stakeholders. Concurrently, the final priority issues were determined taking into account the opinions of experts through discussions. In fiscal 2014, we promoted measures for resolving priority issues by reviewing through discussions with internal and external stakeholders and respective Group companies.

We will continue to engage in specific activities for Group companies upon further identifying the items which should be worked on according to priority issues.



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 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.

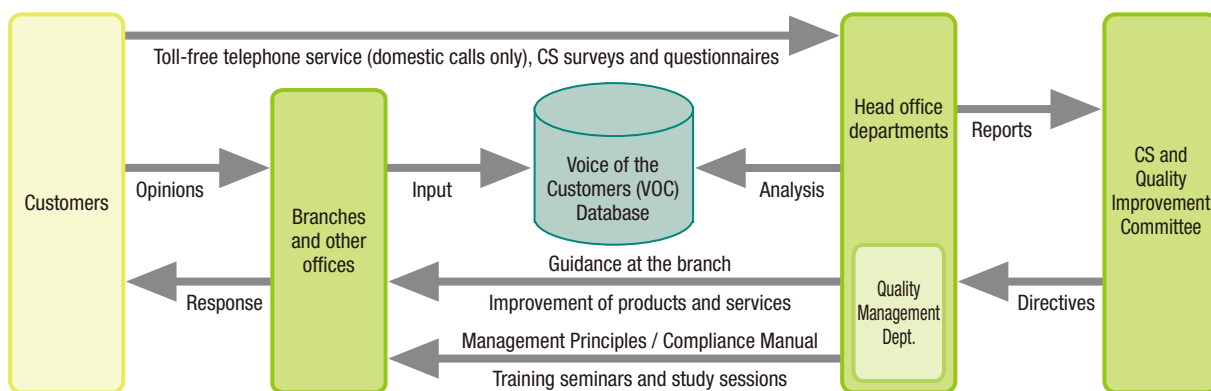
The bank has set up the Quality Management Department which is responsible for developing plans and preparing systems for improvement of CS and Quality. Additionally, this department holds meetings for the "CS and Quality Improvement Committee," which is chaired by the President, to discuss appropriate 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 are working to improve the effectiveness of corporate governance as we consider strengthening and enhancement of corporate governance as one of the top prioritized issues in order to achieve the management philosophy. Further, SMFG establishes its “SMFG Corporate Governance Guideline” as its principles and guidelines to be referred to for corporate governance, in order to improve sustainable growth and medium- and long-term corporate values by preventing the occurrence of misconduct and unsound corporate situations and through achieving effective corporate governance with these measures.

The SMFG Corporate Governance System

As a company with a board of corporate auditors, SMFG implements the system which enhances appropriateness and efficiency of audit for the board of directors to appropriately exercise its oversight function, and for corporate auditors to independently exercise the auditing function, and the board of corporate auditors to establish auditing policies by resolution. In terms of incorporating external views and opinions into management, on June 26, 2015, we have increased the number of outside directors and outside corporate auditors in total from six to eight; and five out of thirteen directors and three out of six corporate auditors are outside directors and corporate auditors.

As for corporate auditors, they attend important SMFG meetings including the Board of Directors meetings, in accordance with the audit policy and allocation of audit procedures as set forth by the Board of Corporate Auditors, and receive reports from directors and others on the execution status of duties; and they audit such execution status of SMFG directors through reviewing material approval documents, communicating with internal audit department and subsidiaries, and hearing reports made by 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 Auditing Committee and Compensation Committee, the outside directors are appointed as the chairmen for these committees to further enhance such required objectivity.

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, seven directors out of thirteen directors (out of which five directors are outside directors) of SMFG also serve as the directors for SMBC to oversee its business execution. As for three companies of Sumitomo Mitsui Finance and Leasing Company, Limited, SMBC Consumer Finance Co., Ltd., and The Japan Research Institute, Limited of SMFG's directly-owned subsidiaries, the SMFG directors also serve as the directors for each of these subsidiaries to oversee their business.

Furthermore, in order to maintain sound management, SMFG sets forth a system which firmly maintains the appropriateness of SMFG's business operations, as the internal control regulations for SMFG and its Group companies pursuant to the Japanese Company Law. 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 seventeen directors for the bank. The executive officers, who manage business operations, are appointed by the Board.

There are a total of eighty-one executive officers, including the president, as of June 30, 2015 (out of eighty-one 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 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 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 functions of the Group companies, for appropriateness and effectiveness by monitoring the progress and performance of each company's internal auditing activities and conducting audits on the common subject among groups as deemed necessary. Based on these activities, the Audit Department provides recommendations and guidance to the business units and departments as well as to the Group companies.

At SMBC, we have established the Internal Audit Unit which is independently operated from other business activities. Under the 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, including the functional

status 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 "Theme audit" 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.

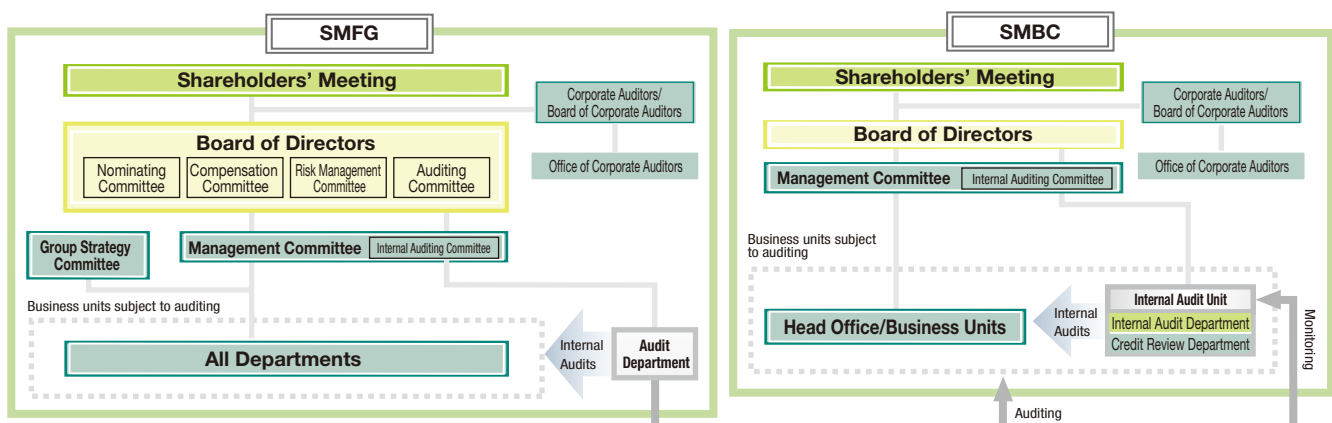
Initiatives to Enhance the Sophistication and Efficiency of Internal Audit

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, Inc. (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 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 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 a 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 purported 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 Counselors at Law
10th floor, Marunouchi Building
2-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-6310

E-mail address:

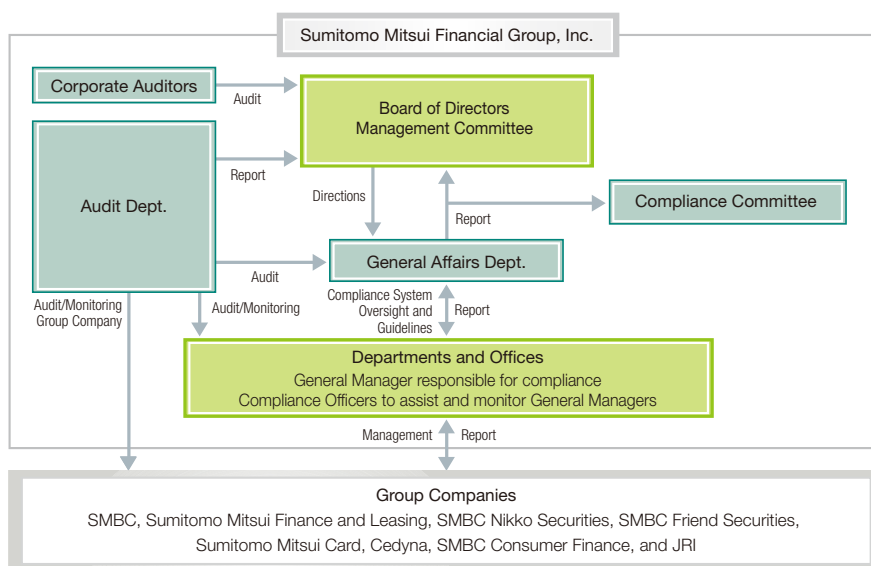
smfghotline@iwatagodo.com

* 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 SMBC

Strengthening the Compliance System

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

In accordance with the basic policies of SMFG, SMBC requires its management and staff to give utmost consideration to people's trust in the Bank, abide by laws and regulations, maintain high ethical standards, and act fairly and sincerely. Therefore, SMBC considers that being fully compliant with laws and regulations is one of the most critical issues for management to deal with such as 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 2015, SMBC is currently in the process of enhancing its overseas compliance system; strengthening its management system for anti-money laundering and combatting the financing of terrorism ("AML/CFT"); improving its Group compliance system; and enhancing its compliance system for financial products.

Appointment of Compliance Officers

In addition to appointing compliance officers to each branch and department of the bank, the "Area Compliance Officers," operating independently from areas of business promotion, are appointed for the Wholesale Banking Unit and Retail 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 03-6206-3988
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
Fax: (Japan) 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 3) "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.

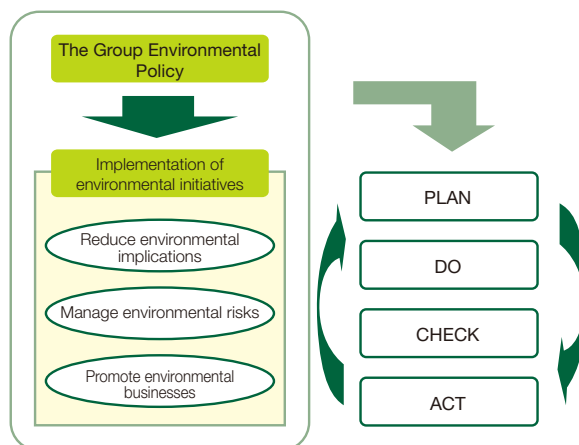
Signing of the "Principles for Financial Actions (the principles for financial actions for the 21st Century) for Achieving the Sustainable Society"

"Principles for Financial Action towards a Sustainable Society," which were adopted in October 2011, are signed 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 193 financial institutions (as of March 31, 2015).

Based on these principles, the Group continues to expand its environmental financing activities in Japan.

Environmental Action Plan and PDCA Procedures



Reducing Environmental Impact

● Initiatives for Energy Consumption of Facilities

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

· SMBC, SMBC Nikko Securities, SMBC Friend Securities, and SMBC Consumer Finance shall install energy-saving equipment such as LED lighting for the relocation or renovation of a branch, taking into consideration the environment awareness.

· For the SMBC East Tower which will be completed in the summer of 2015, we have taken into consideration the environmental awareness on the following issues:

1) utilization and preservation of nature; 2) implementation of highly efficient systems; 3) reduction of adverse environmental effects; and 4) creation of a sustainable building. We are expected to incorporate diverse energy-

saving technologies to reduce approximately 35% of CO₂ emission*. (*Compared to average office buildings).

· As the Osaka Head Office building was built over 80 years ago, the two-year renovation of the building was completed in May 2015. For the renovation, we have installed high-performing exterior wall frames, LED lightings and solar panels while retaining the original charm of the facilities, by



SMBC East Tower in Tokyo



Osaka Head Office

In July 2012, SMBC and JRI, as part of their own energy-saving initiatives, implemented the solar power generation equipment in the SMFG's main computer center for providing energy during peak business hours.

substantially improving the environmental performance in addition to appropriately adapting to modern work styles.

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 credit which is used for the production of cluster bombs and mass-destructive weapons 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 fully consider 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 environmental and social risks in



project financing and has established the Environment Analysis Department (EAD) to assess the environmental and social risks of large-scale development projects in accordance with the principles. In June 2013, for the Equator Principles, the scope was expanded and the assessment criteria were strengthened. SMBC also revised its internal procedures in accordance with the revised Equator Principles to improve its system for assessing environmental and social risks. Furthermore, SMBC continues to improve its environmental and social risk assessment systems which received a third-party guarantee made by Ernst & Young Sustainability Co., Ltd. in 2014 with respect to application status of the Equator Principles.

● Lawful disposal of properties at the expiration of leases

Sumitomo Mitsui Finance and Leasing 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 that handles transportation and disposing of waste materials at the time of the expiration of a lease.

Environmental Businesses

● Environmental contributions through core businesses

The Group considers environmental businesses as a means to preserve and improve the global environment through its core business operations. As an example: SMBC Environmental Assessment Loan/Private Placement Bond is provided for clients for promoting their environmental management. Further, the Growth Industry Cluster Department work is not limited to the maintenance or improvement of the global environment but also includes the economic development of each country through providing support for environment infrastructure improvement projects in emerging countries mainly in Asia and renewable energy projects.

In addition, the Kansai Urban Banking Corporation jointly participated with an affiliated organization of Osaka Prefecture in the exhibit for “Biwako *Kankyo* (Environmental) Business Messe 2014,” focusing on environmental issues to introduce technologies and services owned by companies in Osaka Prefecture to companies in Shiga Prefecture.

● 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 magazine contains interviews with top management of environmentally advanced companies, analyses of business and regulatory trends, and other beneficial information for corporate environmental activities. Presently, more than 100 issues of the magazine have been published. It can be viewed online at SMFG's website (in Japanese).
	SMFG Environmental Business Forum	SMFG organized a three-day event at Eco-Products, one of Japan's largest environmental exhibitions. More than 15 of our clients' companies set up booths with "Environment," "Water, Resources, New Energies" as themes, and each client presented or demonstrated respective environmental initiatives.
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 private placement bonds according to the results of such assessment.
	SMBC Environmental Assessment Loan/Private Placement Bond Eco Value-up	SMBC revised and improved evaluation methods for existing "SMBC Environment Friendliness Assessment Loans and Private Placement Bonds" especially made for medium-sized and small-to-medium-sized companies which have more assessment needs for the degree of environment friendliness. As for the fund raising, SMBC conducts quantitative assessment according to the assessment criteria created by SMBC and follows with the qualitative assessment based on interviews conducted by environment friendliness assessment agency, and the final and comprehensive assessment results will be provided to clients in the form of "Environmental Management Analysis Report."
	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 Woonerf Inc. (formerly known as CSR Design & Landscape Co., Ltd.), for environment friendliness for "energy" and "water," etc., seismic adequacy required to maintain the sustainability, measures taken for "risk management" such as BCP; and "business manager's policies and practices" promoting such assessment criteria.
	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 JRI.
	SMBC Environmental Assessment Loans/Private Placement Bonds (Malaysia and Thailand)	Terms and conditions for those loans are set forth according to the assessment conducted on the environmental measures taken by companies in Malaysia and Thailand utilizing the plan as set forth in the "SMBC Environmental Assessment Loans/Private Placement Bonds" since 2008. The assessment report is 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, 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.
	Emissions trading related business (advisory services)	In the field of energy conservation, in which Japanese corporations especially excel, SMBC provides support and financial advisory services for "Joint Crediting Mechanism," for the purpose of contributing to the reduction of greenhouse gasses due to technology exportation to underdeveloped countries. In Brazil, SMBC provides advisory services for a newly established environmentally innovative fund which was set up principally by the Brazilian Development Bank.
	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 that reduce greenhouse gas emissions. SMBC continues to develop a solid global network by MOUs similarly executed with local major corporations and financial institutions in Mexico and other countries for promoting 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; or (2) forestation in the area equivalent to 1m ² per each individual who purchased JGBs.
	DWS New Resource Technology Fund	This fund invests mainly in shares of companies around the world with growth potential that 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.
	Promotion of Housing Loans for Environment-Friendly Residences	SMBC offers preferential interest rates to borrowers either for the purchase or construction of a residence entirely powered by electricity or ecologically-friendly residence.

Initiatives for Environmental Businesses by Group Companies

Company	Program / Product	Description
SMBC / Nikko*3	SMBC Nikko World Bank Bond Fund	SMBC and SMBC Nikko Securities Inc. 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. The funds procured by the issue of these bonds will be utilized solely for loans provided for global warming prevention projects in emerging countries.
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 leases.
	Purchase and Sale of Second-Hand Machinery and Equipment	Real property with expired leases or machinery and equipment purchased from clients are being sold to other clients. SMFL strives to become a leasing company that is environment-friendly implementing 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 low-carbon emission equipment which meets the criteria set forth by the Ministry of the Environment, by utilizing the subsidies provided by the Ministry for such leases.
Nikko	Nikko Eco Fund	This is the SRI fund, which was first offered in Japan in 1999, takes into account the environmental perspectives and invests in shares of potential growth companies which either excel in appropriately responding to environment-related issues or conducting businesses associated with environment.
	Nikko DWS New Resources Fund	This fund invests mainly in shares of companies around the world with growth potential which conduct businesses associated with the 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 and which are anticipated to have substantial growth in the future.
	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 the "Green New Deal" policy for economic recovery based on measures required for global environment.
Nikko / Friend*5	Promotion of electronic statement service	Promoting electronic statement services (online account statements) for clients.
Friend	Environmental Sustainability Bonds	SMBC Friend Securities sells "Environmental Sustainability Bonds" issued by the European Bank for Reconstruction and Development (EBRD). 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.
	Promotion of Marketing Activities utilizing iPad	iPads are being distributed to the entire marketing team enabling them to obtain information necessary from the data stored to support the reduction of paper usage and CO ₂ emissions.
SMCC*6 / Cedyne	Promotion of online account activity statement	SMCC and Cedyne are promoting the use of online account statements (notice for the final account statement is sent by e-mail and details to be confirmed on its website) for conserving paper and helping to reduce CO ₂ emissions.
Cedyne	Environment conservation activities offered by socially contributing credit cards	Cedyne issues socially contributing credit cards for the environment such as "Chikyuni Yasashii Card" and "Cedyne Card AXU," and the part of payments for such cards are donated to environmental preservation organizations.
SMBCF*7	Promotion of online account statement	It strives to reduce the consumption of paper resources and CO ₂ emissions, in addition to increasing convenience for clients by electronically converting documents. The ratio of contracts made on the internet out of new applications submitted has increased yearly.
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 and energy strategies for Japan.
Minato*8	"Minato ECO Loans" for Corporations certified with Environment Authentication	Minato Bank offers loans with preferential interest rates to corporate clients who have been certified with either of the "Kobe Environmental Management System ("KEMS"), "Eco-Action 21" or "ISO14001."
	For individual clients: "Minato ECO Housing Loan" "Minato ECO Product Purchase Loan"	Minato Bank offers environment-friendly loans with discounted interest rates especially made for clients who plan to purchase or install new-energy or energy-saving equipment (solar power generation systems, ECOWILL, EcoCute, solar thermal systems, ENE-FARM, etc.) or clients who plan to purchase or construct residences installed with such equipment or residences which have been rated at least with 4 "hydrangea flowers" for their overall rating assessed by the criteria of CASEBEE Kobe (Kobe city's "Comprehensive Assessment System for Built Environment Efficiency").
	Minato ECO Private Placement Bond	Minato Bank provides preferential treatment for issuing fees of private placement bonds, which meet the issuance criteria set forth by our bank for bank-guaranteed private placement bonds, offered by corporations certified with either of the "KEMS," "Eco-Action 21" or "ISO14001."
KUBC*9	Eco-time deposit	This fixed-term deposit makes donations to organizations in Osaka Prefecture, Osaka City and Shiga Prefecture engaged in environmental protection activities, with the amount equivalent to a certain percentage of deposits received from clients.
	Housing loans for smart homes	It is the loan to offer the same terms and conditions for such as loan term and interest rate for loans to purchase residences preinstalled with solar power generation systems or for installation costs 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 private placement bond.
	Kansai Urban Environment Support Loan	A 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 Company, Limited

*5 SMBC Friend Securities Co., Ltd. *6 Sumitomo Mitsui Card Company, Limited *7 SMBC Consumer Finance Co., Ltd. *8 The MINATO BANK, LTD. *9 Kansai Urban Banking Corporation



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. Further, the Group will undertake its social contribution activities as a corporation in order to encourage each employee to participate in social contribution activities.

Local and Overseas Communities

● SMBC Volunteer Fund

SMBC has a system for volunteering executives and employees to have from ¥100 up to ¥1,000 deducted from their monthly salaries to donate to volunteer organizations. More than 11,000 employees participate in this program, as of March 2015. The organizations are selected based on thorough investigations and discussions by the panel of experts and employees. In fiscal 2014, donations were made to 31 organizations which engage in resolving social issues in Japan and overseas.

<Japan>

Organizations which provide support for awareness-raising activities for the prevention of child abuse, childcare support activities, food assistance program for people living in poverty, and support people with disabilities to become self-sustained, and other activities.

<Overseas>

Organizations which provide support for re-forestation activities in Indonesia and Malaysia, health support programs for schools in East Timor, and agricultural villages in Zambia to become self-sustained, and other activities.

Further, 943 employees equaling to more than 80% of employees of the Group company of Sakura KCS have volunteered (as of May 1, 2015) for welfare and environmental contribution activities.

● Volunteering Programs for Executives and Employees

SMBC conducted volunteer activities participated in by executives and employees in collaboration with organizations that engage in resolving social issues, primarily recipients of volunteer funds. In fiscal 2014, the number of participants increased to include respective group companies' employees and their family members, and the cumulative number of participants was 441 people.



Supporting the Recovery after the Great East Japan Earthquake

● Support Fund for Great East Japan Earthquake

SMBC established the system solely utilized for the "Great East Japan Earthquake Support Fund" for making donations to the disaster affected areas by deducting ¥400 from employee's monthly salaries. In fiscal 2014, we made donations collected from our employees and the matching donations made by the bank to NPO, with which executives and employees cooperated for volunteer activities in the disaster-affected areas.

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

Since May 2011, SMBC has been regularly conducting volunteer activities participated by executives and employees to support disaster affected areas mainly in Ishinomaki, Watari-cho, and Higashi-Matsushima



in Miyagi Prefecture. Over 700 in total of employees and their family members participated in the activities. SMBC Friend Securities has been conducting the "recovery support volunteer program" since July 2013. It continues to conduct activities while further cultivating exchanges with the people living in the disaster-affected area of Ishinomaki.

● Support for the Affected Areas – Donation of Musical Instruments

Sumitomo Mitsui Card donated 15 musical instruments, which were used for internal club activities, to the jazz orchestra of "Swing Dolphins" organized with of elementary and junior high school students who have been performing in Kesenuma of Miyagi Prefecture.

● Volunteer for Interaction with Disaster-Affected People

The social meetings to interact with the people evacuated to Tokyo from disaster-affected areas have been regularly held, participated by YUI volunteer members of SMBC.

● Support for the Affected Areas – Donation of Books

Sumitomo Mitsui Card donated 1,342 books to Shanti International Volunteer Group, which operates its mobile libraries in three prefectures, Iwate, Miyagi, and Fukushima, which were affected by the earthquake.

● In-House Sales Events for Products made in Fukushima

Cedyna held in-house sales event for products made in Fukushima Prefecture for the purpose of supporting producers and business operators in Fukushima which was affected by the Great East Japan Earthquake.

For two days, approximately 800 employees supported the recovery of the affected areas by purchasing locally made confectionery, sake, and other items.



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, Sumitomo Mitsui Finance and Leasing (“SMFL”), SMBC Nikko Securities, SMBC Friend Securities, Cedyne, and SMBC Consumer Finance collect plastic bottle caps. SMBC Nikko Securities, SMBC Friend Securities, Sumitomo Mitsui Card, Cedyne, JRI 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, SMFL, Sumitomo Mitsui Card, SMBC Consumer Finance, SMBC Nikko Securities and Cedyne encourage employees to donate their blood at the workplace. The total of 1,634 employees from seven companies participated in the program in fiscal 2014.

● Installation of Charitable Vending Machines. Sale of Products made by Social Welfare Organizations

The offices of SMBC, SMFL, SMBC Nikko Securities, SMBC Friend Securities, and Sumitomo Mitsui Card are installed with vending machines which make contributions to welfare organizations every time a drink is purchased from them. The head office and the centers of SMBC Consumer Finance are installed with vending machines which contribute to the Japan Hearing Dogs for Deaf People. The bank also sells products made by organizations which assist and support the physically-challenged.

● Opening of Emergency Accounts and Accepting Donations for Major Disasters

SMBC has set up an account (with no transfer charge) 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. In fiscal 2014, we assisted in setting up accounts for accepting donations for damages caused by the Yunnan earthquake in China and damages caused by typhoons, and heavy rain in Japan and overseas, and the Ebola epidemic. We are continuing to accept donations for the Great East Japan Earthquake. Furthermore, as it has been 20 years since the Hanshin-Awaji Earthquake, Minato Bank donated emergency supplies to Hyogo Prefecture and Kobe City to be used for earthquakes and other disasters (“emergency cooking benches,” etc.). As for other supports, in October 2014, at the official game of “INAC Kobe Leonessa” where Minato Bank was a named sponsor, players and bank employees collected donations for Tanba City which was damaged by the severe rain storm.

● SMFG Pro Bono Project

SMFG is also engaged in pro bono activities as the SMFG Pro Bono Project for which volunteers offer their business and professional expertise and skills for the public. In fiscal 2014, three Pro Bono Teams made up of SMFG volunteer employees gave

advice to strengthen the business infrastructure of NPOs, such as organization of necessary administrative procedures for handling donations, and preparation of databases. They cooperated with NPOs in Tokyo which engage in providing support for “child-raising” and “fertility treatment,” and they also cooperated with NPO in Osaka engaging in “support for child-raising.”

● Activities of YUI, SMBC’s Volunteer Organization

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

● Contributing to Local Communities

SMBC has been promoting and performing volunteer activities in the communities located by its branches and other offices in Japan. These activities include branch tours, clean-ups of the areas in the vicinity of SMBC branches, and participation in local events. Similarly, SMBC Nikko Securities is proactively involved in local clean-ups and volunteer activities, as well as providing financial and economic education at all domestic branches. SMBC Consumer Finance operates the Customer Service Plaza which serves as a place for local communication. It provides education and information for local people and students with respect to financial matters, and financial and economic educational activities.

● Donation Activities of Foreign Currency Coins

SMBC, as a corporate member of the UNICEF foreign coins donation executive committee, cooperates with the donation activities of UNICEF. All monies donated will be sent to UNICEF after coins are sorted out by respective currency.

● Eco-Gloves

Minato Bank recycled a part of former uniforms into “ecological gloves” after renewing its uniforms in April 2014. In June 2014, it donated some of such gloves to Hyogo Prefecture Gardening and Public Parks Association and the Kobe City Environmental Office to be used for local environmental preservation activities, and remaining gloves were stored at bank branches to be used for disaster recovery purposes.

● Donation 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 it also matches the donation (equivalent to the client’s donated amount). Sumitomo Mitsui Card collected donations from cardholders through the World Gifts Point Service of VJA group companies to provide to UNICEF, UNESCO, the World Wildlife Fund Japan and the World Food Program. Sumitomo Mitsui Card made some donations to UNICEF as well. It also accepts credit card donations, and it issues socially-contributing type credit cards and donates the part of the amount spent by clients using such credit cards. 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. Kansai Urban

Banking Corporation has contributed more than the cumulative total of ¥50 million since fiscal 2003, by annually contributing to environment conservation organizations according to the balance for environment-related deposits.

● Participation in the “TABLE FOR TWO” Program

SMBC participates 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 purchased for lunch at the company cafeterias. All SMBC branches participate in this program. The program is also offered at the offices of SMFL and Sumitomo Mitsui Card.

● Social Contribution Activities of In-House Foundations

SMBC Foundation for International Cooperation provides scholarship every year to 7–8 students coming from Asia to attend graduate schools in Japan for the purpose of developing human resources which may contribute to economic development of developing regions and international exchange activities. Further, the foundation also subsidizes research institutes and researchers that undertake projects contributing to economic development of developing countries. 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. The foundation also provides matching gifts for SMBC employees.

Environmental Activities

● Participation in Environmental Preservation Initiatives

SMFG organized “SMFG Clean-Up Day,” on which approximately 1,100 employees and their family members volunteered to clean up four locations of Tamagawa in Tokyo, the Yodogawa in Osaka, Suma Beach in Hyogo and Fujimae-Higata near Nagoya. In addition, Kansai Urban Banking Corporation participated in the clean-up activities along the shore of Lake Biwa in Shiga Prefecture, and JRI held the “Osaka Marathon Clean-Up” event concurrently with the Osaka Marathon. Since fall of 2010, SMBC Nikko Securities designated a “Green Week” as the week for enhancement of environmental preservation and social contribution. In fiscal 2014, the cumulative total of 5,265 employees and their family members participated in the clean-up activities and the collection of plastic bottle caps. Similarly, Cedyna SMFL, and SMBC Consumer Finance continuously conduct 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 forestation in the closed-down golf course in Furano. It also supports environmental education programs under which children explore nature by using their five senses.

● Support for the “EARTH PHOTO CONTEST”

SMFL supports an environmental 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 2015 Junior Eco Club’s All-Japan Festival, organized by Japan Environment Association, by providing an information booth at the event.

● Environmental Education

Kansai Urban Banking Corporation organizes the “Lake Biwa Learning Experience in Summer” for elementary school children at the Lake Biwa in Shiga Prefecture for educating children on the environmental awareness through such experience.



Measures for Addressing Decreasing Birth Rate and Aging Population

● Implementation of Universal Design and Universal Service at Branches

The following initiatives were undertaken by our Group to assist clients at branches.

- Installation of ATMs for the visually-impaired*1
- Installation of writing boards, communication boards, “ear” marks, and cane holders
- Installation of hearing aids
- Installation of Automated External Defibrillators (AEDs)*2
- Installation of writing tables made for sofas (seated writing tables are installed at certain branches of Minato Bank)
- Establishment of priority seating for senior citizens and mobility-impaired people (Minato Bank, Kansai Urban Banking Corporation)

*1 Installed at all ATMs located inside and outside domestic branches.

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

As for other initiatives, Minato Bank is installed with Color Universal Design (CUD) reception number display devices and Braille blocks.

● Business Development for Accommodating a 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 began to offer loans (loans affiliated with nursing care facilities) especially made for real estate properties of pay nursing homes or serviced elderly homes.

Further, the Group began implementing its initiatives in a full-scale since fiscal 2014 in order to strengthen its support for the elderly, by mainly developing specialized staffs to assist people with cognitive impairment. As of March 31, 2015, there are approximately 5,600 specialized staffs to assist people with cognitive impairment and approximately 1,800 care service assistants assigned mostly at its branches.

We plan to design the kind of branches for senior citizens to be able to have safe and meaningful lives according to the needs of the society.

Contributing to Educational, Cultural, and Artistic Activities

● SMBC Charity Concert – A Toy Box of Favorite Works

Since fiscal 2006, SMBC has been inviting our clients for free of charge to the annually held musical concerts for charity performed by volunteer employees. The donations are collected from the audiences of concerts and also from the sales of employees' handcrafted products. In fiscal 2015, the 10th year for the program, donations were sent to children affected by the Great East Japan Earthquake and to children in Cambodia and Vietnam.

● 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 for free of charge.

● Support for Cultural and Artistic Ventures

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

SMBC Friend Securities supports cultural and artistic activities by sponsoring special art exhibitions at the Yamatane Museum of Art as well as sponsoring the Osaka and Nagoya philharmonic orchestras.

Sumitomo Mitsui Card supports promotion of Kabuki and other traditional performing arts and development of human resources through donating stage curtains to the National Theatre and the National Engei Hall and sponsoring children's *Kabuki* performances.

In August 2014, Minato Bank invited 30 families of children and their parents to the Kobe City Museum for the workshop especially made for elementary and junior high school students, titled "Minato Bank 15th Year Anniversary Event – Let's Make a Glass Art."

SMBC, Minato Bank, and Kansai Urban Banking Corporation

are supporting the development of emotional enrichment through sponsoring performances of the "Heart Theater (organized by Shiki Theatre Company and the Butai Geijutsu Center Foundation)." ("Heart Theater" is a project which delivers the emotional enrichment to children who are invited from throughout Japan for free of charge).

● Financial and Economic Education

The respective branches of SMBC accept, whenever possible, students of elementary school up to high school visiting the branch, in addition to organizing a vocational workshop for elementary school students called "*Natsuyasumi Kodomo Ginko Tankentai*." Furthermore, the bank supports diverse financial and economic educational activities, including publishing a book for elementary school students titled "What Does a Bank Do?," co-sponsoring KidZania (a vocational experience theme park for children), and supporting Shinagawa Financial Park (economic training programs for junior high school students).

SMBC Nikko Securities held the "Families' Exciting Experience Day" event during summer holidays, in which 1,685 elementary school students and their families participated in fiscal 2014.

SMBC Consumer Finance organized an event of card games for elementary school students to teach the origin and the functions of money and offered lectures on economy and finance for students and adults at its "Customer Service Plaza" offices. A total of 2,893 of such events was held and participated in by 156,615 people in fiscal 2014.

Kansai Urban Banking Corporation organizes a tour of the bank for elementary school students, and also offers a work experience program for junior high school students.

In addition, SMBC, SMFL, SMBC Nikko Securities, Sumitomo Mitsui Card, JRI, Minato Bank and Kansai Urban Banking Corporation sent instructors to teach classes at universities.

Contributions Made to Local Communities by Overseas Offices

Overseas offices of the Group support projects which assist with resolving poverty issue 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 the SMBC's Volunteer Fund, in addition to 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) donated to the Shanghai Branch of the RED CROSS Society of China for damages caused by the earthquake in Yunnan Province of Shanghai.
- 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 work experience opportunities to students of international schools.
- 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 participated in events which raise awareness for the prevention of heart disease and made donations to event-sponsoring groups.
- Banco Sumitomo Mitsui Brasileiro contributed the sponsorship funds for the improvement of the interior facilities of the *Museu Histórico da Imigração Japonesa no Brasil*.
- Employees of Sumitomo Mitsui Banking Corporation Europe (SMBCE) conducted volunteer activities in their spare time. SMBCE contributed to charitable organizations through an in-house fund, and also used a matching-gift program under which it donated 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.
- SMBCE provided opportunities for Japanese students to develop a better understanding of the bank's roles in society, by holding a class for future career development (introduction of banking businesses) at the Japanese school in London.
- SMBC's Taipei Branch donated funds through the Kaohsiung Japanese Association to support the victims of the Kaohsiung gas explosions.
- SMBC's New Delhi Branch cooperated with CSR partners to support education programs in suburban areas.

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 Corporation.

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 which 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

SMBC considers a month-long training seminar for newly-hired employees and any other human resources development as essential. The education programs for younger staff proceed to improve the educational system to be more practical by putting emphasis on the integration of OJT and group training seminars, educating basics of deposit and exchange operations on the job, and developing the system to support such training seminars and the instructor system.

SMFL strives to develop professional human resources which can provide sophisticated services. In addition to its training programs for younger employees, SMFL improves its training programs according to the level of positions ranging from general manager to upcoming leader of next generations; and it supports the career advancement of women by conducting training seminars for the development of women leaders so as to proactively promote women. 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 is proactively working on the development of highly-specialized younger employees through internally certified corporate skill courses, training seminars and OJT at work as

well as improving coaching and human resources development capabilities and management capabilities of managers and supervisors in order to become the kind of securities firm which would be most appreciated by clients. For development of human resources with integrity, sophisticated knowledge and expertise, Sumitomo Mitsui Card proactively supports training seminars according to the level of positions, career development training seminars and for becoming licensed Chiefs of Money Lending Operations. It is also enhancing its development of professional human resources for credit card business by conducting workshops for improving card business and products knowledge. Cedyne strives to “take the initiative to develop the highly motivated professional human resources who produce results accordingly”; to strengthen business execution capabilities and provide the type of education by level, department and subject for increasing earnings; and to work on the organizational human resources development (development of OJD system). SMBC Consumer Finance is implementing the competency-development training programs based on its personnel system for training human resources to have high market values and responsibilities. Furthermore, we assist employees in growing and advancing by promoting education which 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 recognizes that the source for the added values of its solutions and proposals is human resources; therefore, it works on the well-planned development of human resources by establishing the Human Resources Development Department and Human Resources Planning Department under the Systems Development Unit and Research and Consulting Unit, respectively. The Minato Bank develops the kind of training system which can increase the value of every employee of all levels ranging from the first year of employment to the management level. It improves the training seminars especially designed for development of younger employees, and it also conducts training seminars and seminars for promoting active participation by women. Further, it internally recruits candidates for the purpose of providing opportunities for highly-motivated and willing employees to apply for the position they desire. Kansai Urban Banking works on well-planned human resources development by establishing “Kansai Urban Business School” to teach basic education and enhance personal development especially designed for staff in their first six years of employment with the bank in order to pursue



Training Seminar at Kansai Urban Banking

Employees’ Training Seminar at SMBC Nikko Securities

its management policy of “development of energetic group of employees.” As part of initiatives for striving to become the “bank which places importance on, co-exists and co-prospers with local areas,” it promotes certification tests on information related to respective local areas. We are further improving the training system in the respective Group companies.

● 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 and sports events for newly-hired employees of those group companies to enable them 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

● Diversity of Human Resources

The Group is committed to providing a workplace with diversity in gender, nationality, and other areas. SMBC in April 2008, SMBC Nikko Securities in July 2013, and The Minato Bank in October 2013, respectively established the “Diversity and Inclusion Department” within the Human Resources Department in order to develop corporate culture having strength in diversity including the promotion of manifold roles and responsibilities for women.

SMBC has established the “Diversity and Inclusion Committee” headed by the bank President in order to enhance initiatives for the entire bank. It is currently reviewing the initiatives enabling women to actively participate in the workplace and their work-style by inviting outside expert professionals to participate in the committee. SMBC hopes 20% of its managerial positions to be held by women by the end of fiscal 2020.

● 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 enable 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

SMBC has newly established the “Global Human Resources Department” in the Human Resources Department and “Global Diversity Training Group” at the Training Institute,



“SMBC’s Global Bankers Program”

respectively, for improving the human resources management framework from the bank’s overall perspective and for securing and developing excellent human resources in Japan and overseas. In order to enhance development of global human resources, SMFL and SMBC Nikko Securities improved the overseas trainee system mainly for younger employees, in addition to sending employees to attend 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 2015, physically- and mentally-challenged employees accounted for 2.07% of our total number of employees, above the legally mandated level of 2.0%.

● Providing Support for a Good Work-Life Balance

The Group is improving its “Employees Support Program” to support balancing of both work and childcare. We are preparing a guidebook which describes the system enabling employees to take advantage of the system according to their life stage.

- Preparation of “Work-Life Balance Guidebook”
SMBC, SMFL, SMBC Friend Securities, Sumitomo Mitsui Card, JRI
- Preparation of the “Guide to the Support System for Balancing Both Work and Childcare”
The Minato Bank and Kansai Urban Banking Corporation

Group companies have already implemented programs for parental leave, nursing care leave, shorter working hours and other programs providing better benefits than those mandated by law. Further, these programs improve the support system for balancing both work and childcare by implementing the childcare allowance system and rehiring former employees system. Additionally, these companies organize the “Visit the Workplace Day” event for their children to visit the workplace of parents for children to gain an understanding of the workplace. They also encourage their employees to take summer vacation and reduce their working hours.

- Organization of the “Visit the Workplace Day” event for children to visit their parents’ workplace
SMBC, Sumitomo Mitsui Finance and Leasing, SMBC Friend Securities, Sumitomo Mitsui Card, SMBC Consumer Finance, JRI, Kansai Urban Banking
- Encouraging employees to take summer vacation and reduce working hours
Sumitomo Mitsui Finance and Leasing, Cedyne, and JRI
- “Go Home Early with Family Day” event
SMBC, SMBC Nikko Securities, and Sumitomo Mitsui Card

- Implementation of the week designated for employees to leave the office on time (during summer and winter seasons)
SMBC, SMBC Nikko Securities, and Sumitomo Mitsui Card
- Implementation of Summer Time Program
The Minato Bank

We also provide venues for working mothers and fathers to be able to exchange and share information on childcare.

- “Working Dads’ and Moms’ Meeting”
SMBC
- “Mom & Dad Luncheon”
JRI

We also support facilitating the smooth return to work for those who have taken time off from work for childcare.

- Implementation of online support programs for employees who have taken time off for childcare
SMBC Nikko Securities
- Providing the online access to information shared among employees who have taken time off from work for childcare, who have returned to work and the Human Resources Department
Sumitomo Mitsui Card
- Regular training seminars conducted for employees on leave for childcare
SMBC, Sumitomo Mitsui Card, SMBC Consumer Finance, Minato Bank, Kansai Urban Banking
- Seminars for those planning to take maternity leave
SMBC, SMBC Nikko Securities, SMBC Consumer Finance, Kansai Urban Banking
- Establishment of an office for supporting childcare leave
Sumitomo Mitsui Finance and Leasing

Group companies have been certified with “*Kurumin*” which is given to those companies which support their employees’ ability to manage both work and childcare, pursuant to the Act for Measures to Support the Development of the Next Generation, as a result of these initiatives being implemented.

- “*Kurumin* certification” pursuant to the Act for Measures to Support the Development of the Next Generation
SMBC, SMBC Nikko Securities, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance, JRI, The Minato Bank, Kansai Urban Banking



SMBC Consumer Finance supports seminars for return to work



Children’s Visitation Day

Enhancing Awareness for Human Rights

SMBC has implemented in its corporate principles of action the statements that “we will respect the individual human dignity of our clients and employees” and “we will not allow any discrimination.” The Human Rights Committee is principally in charge of implementing initiatives to raise awareness for human rights for all employees. Specifically, we are holding training seminars for persons in charge of human rights promotion of respective departments by inviting outside professional experts as instructors and also holding group training seminars for general managers, employees of newly appointed to management positions and newly-hired employees.

Further, each department of SMBC conducts human rights awareness seminars and gives employees a test on human rights awareness, and during the human rights promotion week, we invite employees to come up with human rights promotion statement. Kansai Urban Banking implements initiatives to raise awareness for human rights by conducting human rights awareness seminars and inviting employees to come up with human rights promotion statement on regional group basis. Our Group participates in the “United Nations Global Compact” to indicate its endorsement for 10 principles with respect to human rights, labor, environment and anti-corruption.

◆ SMBC, awarded with the “Selected 100 Diversity Management Corporations”; SMFG, selected for “Nadeshiko Brands for fiscal 2014”

In March 2015, SMBC was awarded with the “Selected 100 Diversity Management Corporations” by the Ministry of Economy, Trade and Industry. The “Selected 100 Diversity Management Corporations” award is given to approximately 100 companies which successfully increased their corporate value with diversity management consecutively for three years since fiscal 2012. SMBC was evaluated for promoting diversity as an important “management infrastructure” and establishing the “Diversity and Inclusion Committee” headed by the President.

Further, SMFG was selected jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as the “Nadeshiko Brands for fiscal 2014.” Those companies, which proactively utilize women, including the improvement of work environment enabling women to continue to work, are selected for each industry, out of companies listed in the first section of the Tokyo Stock Exchange. Our Group has been selected for the second time following the fiscal year 2012.



Employees

◆ SMBC

March 31	2013	2014	2015
Number of employees*	24,212	23,926	25,963
Male	13,014	12,493	13,087
Percentage of total	53.75%	52.22%	50.41%
Female	11,198	11,433	12,876
Percentage of total	46.25%	47.78%	49.59%
Average age	37 yrs 0 mos.	37 yrs 1 mos.	37 yrs 6 mos.
Male	40 yrs 3 mos.	40 yrs 3 mos.	41 yrs 1 mos.
Female	33 yrs 3 mos.	33 yrs 8 mos.	33 yrs 11 mos.
Average years of service	14 yrs 0 mos.	14 yrs 0 mos.	13 yrs 3 mos.
Male	16 yrs 8 mos.	16 yrs 7 mos.	16 yrs 0 mos.
Female	10 yrs 11 mos.	11 yrs 2 mos.	10 yrs 7 mos.
Number of women in managerial positions	447	480	567
Ratio of employees with disabilities (% of total)**	2.03%	2.10%	2.07%

* 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 March 1 of respective years

April 1	2013	2014	2015
Number of new hires	661	652	787
Number of newly employed female graduates***	245	231	256
Ratio of newly employed females to total new employees	37.1%	35.4%	32.5%

*** Including *Sogoshoku* staff and *Sogoshoku* (retail course) employees. Excluding Business Career employees.

Fiscal	2012	2013	2014
Number of employees taking parental leave	920	1,127	1,513
<Men taking such leave>	<55>	<30>	<85>
Number of career hires	17	26	88

◆ Sumitomo Mitsui Finance and Leasing

March 31	2013	2014	2015
Number of employees*	1,620	1,606	1,618
Male	1,017	1,019	1,034
Percentage of total	62.78%	63.45%	63.91%
Female	603	587	584
Percentage of total	37.22%	36.55%	36.09%
Average age	38 yrs 11 mos.	39 yrs 8 mos.	40 yrs 5 mos.
Male	41 yrs 5 mos.	41 yrs 11 mos.	42 yrs 5 mos.
Female	34 yrs 9 mos.	35 yrs 10 mos.	36 yrs 10 mos.
Average years of service	14 yrs 0 mos.	14 yrs 9 mos.	15 yrs 2 mos.
Male	16 yrs 3 mos.	16 yrs 9 mos.	17 yrs 0 mos.
Female	10 yrs 2 mos.	11 yrs 2 mos.	11 yrs 11 mos.
Ratio of employees with disabilities (% of total)**	2.05%	2.14%	2.22%

* 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).

** As of March 1 of respective years

April 1	2013	2014	2015
Number of new hires	20	24	41
Number of newly employed female graduates	4	6	11
Ratio of newly employed females to total new employees	20.0%	25.0%	26.8%

Fiscal	2012	2013	2014
Number of employees taking parental leave	40	51	58
<Men taking such leave>	<0>	<0>	<0>

◆ SMBC Nikko Securities

March 31	2013	2014	2015
Number of employees*	7,619	7,764	8,188
Male	4,839	4,939	5,166
Percentage of total	63.51%	63.61%	63.09%
Female	2,780	2,825	3,022
Percentage of total	36.49%	36.39%	36.91%
Average age	39 yrs 4 mos.	39 yrs 9 mos.	39 yrs 7 mos.
Male	40 yrs 5 mos.	40 yrs 9 mos.	40 yrs 8 mos.
Female	37 yrs 4 mos.	37 yrs 11 mos.	37 yrs 10 mos.
Average years of service	12 yrs 4 mos.	12 yrs 9 mos.	12 yrs 9 mos.
Male	12 yrs 7 mos.	12 yrs 11 mos.	13 yrs 0 mos.
Female	11 yrs 11 mos.	12 yrs 6 mos.	12 yrs 5 mos.
Number of women in managerial positions	65	75	114
Ratio of employees with disabilities (% of total)**	1.98%	2.00%	1.94%

* 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.

** As of March 1 of respective years

April 1	2013	2014	2015
Number of new hires***	293	516	617
Number of newly employed female graduates	111	224	285
Ratio of newly employed females to total new employees	37.9%	43.4%	46.2%

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

Fiscal	2012	2013	2014
Number of employees taking parental leave	262	287	289
<Men taking such leave>	<0>	<3>	<0>

◆ SMBC Friend Securities

March 31	2013	2014	2015
Number of employees*	1,814	1,855	1,862
Male	1,309	1,316	1,321
Percentage of total	72.16%	70.94%	70.95%
Female	505	539	541
Percentage of total	27.84%	29.06%	29.05%
Average age	38 yrs 11 mos.	38 yrs 11 mos.	37 yrs 10 mos.
Male	40 yrs 11 mos.	41 yrs 1 mos.	39 yrs 10 mos.
Female	33 yrs 9 mos.	33 yrs 8 mos.	32 yrs 11 mos.
Average years of service	15 yrs 3 mos.	15 yrs 3 mos.	14 yrs 11 mos.
Male	17 yrs 1 mos.	17 yrs 1 mos.	15 yrs 11 mos.
Female	10 yrs 8 mos.	10 yrs 6 mos.	9 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	2013	2014	2015
Number of new hires	159	245	180
Number of newly employed female graduates**	74	95	71
Ratio of newly employed females to total new employees	46.5%	38.8%	39.4%

** Both non-area specified and area specified staff

Fiscal	2012	2013	2014
Number of employees taking parental leave	25	21	28
<Men taking such leave>	<0>	<0>	<0>

◆ Sumitomo Mitsui Card

March 31	2013	2014	2015
Number of employees*	2,353	2,367	2,402
Male	1,157	1,176	1,190
Percentage of total	49.17%	49.68%	49.54%
Female	1,196	1,191	1,212
Percentage of total	50.83%	50.32%	50.46%
Average age	37 yrs 7 mos.	38 yrs 1 mos.	39 yrs 1 mos.
Male	40 yrs 6 mos.	40 yrs 11 mos.	41 yrs 9 mos.
Female	34 yrs 8 mos.	35 yrs 4 mos.	36 yrs 5 mos.
Average years of service	12 yrs 2 mos.	12 yrs 8 mos.	13 yrs 4 mos.
Male	13 yrs 1 mos.	13 yrs 7 mos.	14 yrs 0 mos.
Female	11 yrs 4 mos.	11 yrs 10 mos.	12 yrs 7 mos.
Number of women in managerial positions**	24	26	26
Ratio of employees with disabilities (% of total)***	2.24%	2.30%	2.24%

* 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.

** Total of senior staff and group managers (including credit officers)

*** Computed based on single month of March

April 1	2013	2014	2015
Number of new hires	55	59	72
Number of newly employed female graduates	29	32	39
Ratio of newly employed females to total new employees	52.7%	54.2%	54.2%

Fiscal	2012	2013	2014
Number of employees taking parental leave	63	65	71
<Men taking such leave>	<5>	<9>	<13>
Number of career hires	18	16	24

◆ Cedyne

March 31	2013	2014	2015
Number of employees*	3,095	3,192	3,213
Male	1,948	1,967	1,962
Percentage of total	62.94%	61.62%	61.06%
Female	1,147	1,225	1,251
Percentage of total	37.06%	38.38%	38.94%
Average age	40 yrs 5 mos.	41 yrs 2 mos.	41 yrs 7 mos.
Male	42 yrs 8 mos.	43 yrs 4 mos.	43 yrs 9 mos.
Female	36 yrs 6 mos.	37 yrs 6 mos.	38 yrs 0 mos.
Average years of service	16 yrs 4 mos.	17 yrs 4 mos.	17 yrs 8 mos.
Male	18 yrs 1 mos.	19 yrs 4 mos.	19 yrs 9 mos.
Female	13 yrs 4 mos.	14 yrs 1 mos.	14 yrs 4 mos.
Number of women in managerial positions	22	29	38
Ratio of employees with disabilities (% of total)**	1.81%	1.81%	2.06%

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

** As of March 1 of respective years

April 1	2013	2014	2015
Number of new hires	20	69	87
Number of newly employed female graduates	3	45	54
Ratio of newly employed females to total new employees	15.0%	65.2%	62.1%

Fiscal	2012	2013	2014
Number of employees taking parental leave***	71	100	94
<Men taking such leave>	<0>	<4>	<1>
Number of career hires	—	27	24

*** Including employees on short-term childcare leave

◆ SMBC Consumer Finance

March 31	2013	2014	2015
Number of employees*	2,121	2,531	2,582
Male	1,299	1,426	1,445
Percentage of total	61.24%	56.34%	55.96%
Female	822	1,105	1,137
Percentage of total	38.76%	43.66%	44.04%
Average age	37 yrs 9 mos.	38 yrs 2 mos.	38 yrs 5 mos.
Male	39 yrs 5 mos.	39 yrs 11 mos.	40 yrs 3 mos.
Female	35 yrs 1 mos.	36 yrs 2 mos.	36 yrs 5 mos.
Average years of service	12 yrs 11 mos.	11 yrs 4 mos.	11 yrs 7 mos.
Male	15 yrs 2 mos.	14 yrs 1 mos.	14 yrs 6 mos.
Female	9 yrs 5 mos.	7 yrs 8 mos.	7 yrs 11 mos.
Number of women in managerial positions	—	39	49
Ratio of employees with disabilities (% of total)**	2.12%	1.86%	2.09%

* The number of full-time employees on a non-consolidated basis, 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, national staff at overseas branches, executive officers, part-time employees, and employees of temporary employment agencies.

** As of March 1 of respective years

April 1	2013	2014	2015
Number of new hires	28	40	49
Number of newly employed female graduates	14	26	30
Ratio of newly employed females to total new employees	50.0%	65.0%	61.2%

Fiscal	2012	2013	2014
Number of employees taking parental leave***	88	68	66
<Men taking such leave>	<1>	<1>	<1>
Number of career hires	14	5	3

*** Including employees who retired during the fiscal year

◆ Japan Research Institute

March 31	2013	2014	2015
Number of employees*	2,265	2,247	2,288
Male	1,705	1,705	1,722
Percentage of total	75.28%	75.88%	75.26%
Female	560	542	566
Percentage of total	24.72%	24.12%	24.74%
Average age	39 yrs 9 mos.	40 yrs 3 mos.	40 yrs 6 mos.
Male	40 yrs 6 mos.	41 yrs 0 mos.	41 yrs 2 mos.
Female	37 yrs 3 mos.	38 yrs 1 mos.	38 yrs 7 mos.
Average years of service	10 yrs 8 mos.	11 yrs 3 mos.	11 yrs 5 mos.
Male	11 yrs 1 mos.	11 yrs 7 mos.	11 yrs 10 mos.
Female	9 yrs 6 mos.	10 yrs 0 mos.	10 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	2013	2014	2015
Number of new hires	48	68	86
Number of newly employed female graduates**	15	17	23
Ratio of newly employed females to total new employees	31.3%	25.0%	26.7%

** Including only *Sogoshoku* employees. *Ippanshoku* employees are excluded.

Fiscal	2012	2013	2014
Number of employees taking parental leave	50	35	49
<Men taking such leave>	<4>	<7>	<12>

◆ THE MINATO BANK

March 31	2013	2014	2015
Number of employees*	1,921	1,928	1,949
Male	1,220	1,215	1,211
Percentage of total	63.51%	63.02%	62.13%
Female	701	713	738
Percentage of total	36.49%	36.98%	37.87%
Average age	41 yrs 3 mos.	40 yrs 11 mos.	40 yrs 11 mos.
Male	44 yrs 8 mos.	44 yrs 1 mos.	43 yrs 11 mos.
Female	35 yrs 5 mos.	35 yrs 7 mos.	36 yrs 0 mos.
Average years of service	17 yrs 4 mos.	16 yrs 7 mos.	16 yrs 7 mos.
Male	20 yrs 7 mos.	19 yrs 8 mos.	19 yrs 8 mos.
Female	11 yrs 8 mos.	11 yrs 3 mos.	11 yrs 5 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	2013	2014	2015
Number of new hires	82	88	111
Number of newly employed female graduates	37	41	64
Ratio of newly employed females to total new employees	45.1%	46.6%	57.7%

Fiscal	2012	2013	2014
Number of employees taking parental leave**	21	31	38
<Men taking such leave>	<1>	<0>	<0>

** The number of those employees whose leave began during the fiscal year

◆ Kansai Urban Banking

March 31	2013	2014	2015
Number of employees*	2,661	2,567	2,513
Male	1,788	1,701	1,628
Percentage of total	67.19%	66.26%	64.78%
Female	873	866	885
Percentage of total	32.81%	33.74%	35.22%
Average age	40 yrs 3 mos.	40 yrs 2 mos.	40 yrs 0 mos.
Male	43 yrs 5 mos.	43 yrs 3 mos.	42 yrs 11 mos.
Female	33 yrs 6 mos.	34 yrs 3 mos.	34 yrs 8 mos.
Average years of service	17 yrs 0 mos.	16 yrs 11 mos.	16 yrs 8 mos.
Male	19 yrs 8 mos.	19 yrs 5 mos.	19 yrs 2 mos.
Female	11 yrs 3 mos.	11 yrs 9 mos.	12 yrs 2 mos.
Number of women in managerial positions**	124	138	150
Ratio of employees with disabilities (% of total)***	1.78%	1.68%	1.85%

* 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, and employees of temporary employment agencies.

** As of March 31; however, it is applicable only to those employees with deputy positions or any other positions higher than deputy position

*** As of March 1 of respective years

April 1	2013	2014	2015
Number of new hires	96	118	169
Number of newly employed female graduates	55	70	105
Ratio of newly employed females to total new employees	57.3%	59.3%	62.1%

Fiscal	2012	2013	2014
Number of employees taking parental leave	54	91	99
<Men taking such leave>	<1>	<0>	<1>

• The combined employment ratio for persons with disabilities for the above 10 companies was 2.05% as of March 2015.

Main Work-Life Balance Support System (Employee Support Program)

	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 in the 6th grade (10 days per annum per 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 in the 6th grade	Until March 31 in the 6th grade	Until March 31 in the 6th grade	<ul style="list-style-type: none"> Short-term childcare leave Work relocations Childcare 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	Until the entry into elementary school (5 days per annum per child; 10 days for two or more children) *May be extended as needed	Employees can reduce daily working hours to a minimum of 5 hours 30 minutes until March 31 in 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 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 in the 6th grade	Until March 31 in the 6th grade	Until March 31 in the 6th grade	<ul style="list-style-type: none"> Short-term childcare leave Discounted rates for contracted daycare service Nursing care leave Special days off for nursing care Shorter working hours for nursing care Short-term leave for nursing care Staggered working hours (working in shifts) Rehiring former employees
SMBC Friend Securities	18 months or maximum of 2 years in case of inability to place in daycare center	Until March 31 in the 3rd grade (5 days per annum per child; 10 days for two or more children)	Until March 31 in 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 in the 3rd grade	Until March 31 in the 3rd grade	<ul style="list-style-type: none"> Leave for nursing care Shorter working hours allowed for nursing care System for rehiring former employees
Sumitomo Mitsui Card	18 months or maximum of 2 years in case of inability to place in daycare center	Until March 31 in 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 in the 3rd grade	Until March 31 in the 3rd grade	Until March 31 in the 3rd grade	<ul style="list-style-type: none"> Work relocations Childcare subsidies Nursing care leave, days off for nursing care Shorter working hours for nursing care Rehiring former employees Special leave (for spouse's childbirth)
Cedyna	Until 3 years of age	Until March 31 in the 3rd grade (5 days per annum per child; no upper limit)	Until March 31 in 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 Shorter working hours allowed 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 in 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 Childcare leave (2 days) Company-visiting day (2 days a year) Rehiring of former employees who quit for childcare 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 in 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 in 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"> Childcare subsidies Nursing care leave Shorter working hours (for nursing care, etc.) Time off and shorter working hours Days off for nursing care Special leave (for spouse's childbirth) Paid leave for initial 15 days of childcare
THE MINATO BANK	Until 3 years of age	Until March 31 in the 6th grade (5 days per annum per child; 10 days for two or more children)	Employees may select either of shorter working hours for each day of the week (employees may select to work for either 6, 6.5 or 7 hours per day), or working 4 days per week; both cases are applicable until March 31 in the 6th grade	Until March 31 in the 6th grade	Until March 31 in the 6th grade	<ul style="list-style-type: none"> Maternity leave (for assisting spouse) Nursing care leave Shorter working hours for nursing care Childcare allowance Rehiring former employees Support for early return to work after childcare leave
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)	Employees may select either of shorter working hours for each day of the week (employees may select to work for 6 or 7 hours per day), or fewer working days per week; both cases are applicable until the entry into elementary school	Until the entry into elementary school	Until the entry into elementary school	<ul style="list-style-type: none"> Paid leave for initial 5 days of childcare Rehiring former employees Nursing care leave Shorter working hours for nursing care Provision of home helpers Counseling service on childcare



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Consolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

March 31	Millions of yen		Millions of U.S. dollars	
	2014	2015	2015	2015
Assets:				
Cash and due from banks	*8 ¥ 32,991,113	*8 ¥ 39,748,979	\$ 330,828	
Call loans and bills bought	*8 1,248,235	*8 1,326,965	11,044	
Receivables under resale agreements	522,860	746,431	6,212	
Receivables under securities borrowing transactions	3,780,260	6,477,063	53,908	
Monetary claims bought	*8 3,552,658	*8 4,286,592	35,677	
Trading assets	*8 6,957,419	*8 7,483,681	62,286	
Money held in trust	23,120	7,087	59	
Securities	*1, *2, *8, *15 27,152,781	*1, *2, *8, *15 29,633,667	246,639	
Loans and bills discounted	*3, *4, *5, *6, *7, *8, *9 68,227,688	*3, *4, *5, *6, *7, *8, *9 73,068,240	608,142	
Foreign exchanges	*7 1,790,406	*7 1,907,667	15,877	
Lease receivables and investment assets	*8 1,827,251	*8 1,909,143	15,890	
Other assets	*8 4,181,512	*8 6,156,091	51,237	
Tangible fixed assets	*8, *10, *11, *12 2,346,788	*8, *10, *11, *12 2,770,853	23,062	
Assets for rent	1,436,703	1,790,787	14,905	
Buildings	302,220	313,381	2,608	
Land	445,043	469,167	3,905	
Lease assets	8,529	8,368	70	
Construction in progress	55,920	76,413	636	
Other tangible fixed assets	98,369	112,735	938	
Intangible fixed assets	819,895	819,560	6,821	
Software	328,251	359,216	2,990	
Goodwill	377,145	351,966	2,929	
Lease assets	80	307	3	
Other intangible fixed assets	114,418	108,070	899	
Net defined benefit asset	119,932	376,255	3,132	
Deferred tax assets	173,180	127,841	1,064	
Customers' liabilities for acceptances and guarantees	6,566,818	7,267,713	60,489	
Reserve for possible loan losses	(747,536)	(671,248)	(5,587)	
Total assets	¥161,534,387	¥183,442,585	\$1,526,780	

(Continued)

March 31	Millions of yen		Millions of
	2014	2015	U.S. dollars
Liabilities and net assets:			
Liabilities:			
Deposits	*8 ¥ 94,331,925	*8 ¥101,047,918	\$ 841,015
Negotiable certificates of deposit	13,713,539	13,825,898	115,072
Call money and bills sold	*8 4,112,428	*8 5,873,123	48,882
Payables under repurchase agreements	*8 1,710,101	*8 991,860	8,255
Payables under securities lending transactions	*8 5,330,974	*8 7,833,219	65,195
Commercial paper	2,374,051	3,351,459	27,894
Trading liabilities	*8 4,779,969	*8 5,664,688	47,147
Borrowed money	*8, *13 7,020,841	*8, *13 9,778,095	81,382
Foreign exchanges	451,658	1,110,822	9,245
Short-term bonds	1,145,200	1,370,800	11,409
Bonds	*14 5,090,894	*14 6,222,918	51,793
Due to trust account	699,329	718,133	5,977
Other liabilities	*8 4,712,069	*8 6,728,951	56,005
Reserve for employee bonuses	69,419	73,359	611
Reserve for executive bonuses	4,921	3,344	28
Net defined benefit liability	45,385	38,096	317
Reserve for executive retirement benefits	2,004	2,128	18
Reserve for point service program	20,355	19,050	159
Reserve for reimbursement of deposits	14,858	20,870	174
Reserve for losses on interest repayment	190,182	166,793	1,388
Reserve under the special laws	771	1,124	9
Deferred tax liabilities	103,390	601,393	5,005
Deferred tax liabilities for land revaluation excess	*10 38,276	*10 34,550	288
Acceptances and guarantees	*8 6,566,818	*8 7,267,713	60,489
Total liabilities	152,529,368	172,746,314	1,437,755
Net assets :			
Capital stock	2,337,895	2,337,895	19,458
Capital surplus	758,349	757,329	6,303
Retained earnings	3,480,085	4,098,425	34,111
Treasury stock	(175,115)	(175,261)	(1,459)
Total stockholders' equity	6,041,215	7,018,389	58,414
Net unrealized gains (losses) on other securities	949,508	1,791,049	14,907
Net deferred gains (losses) on hedges	(60,946)	(30,180)	(251)
Land revaluation excess	*10 35,749	*10 39,014	325
Foreign currency translation adjustments	27,239	156,309	1,301
Accumulated remeasurements of defined benefit plans	(73,579)	47,667	397
Total accumulated other comprehensive income	877,971	2,003,859	16,678
Stock acquisition rights	1,791	2,284	19
Minority interests	1,724,041	1,671,738	13,914
Total net assets	9,005,019	10,696,271	89,024
Total liabilities and net assets	¥161,534,387	¥183,442,585	\$1,526,780

Consolidated Statements of Income

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Ordinary income	¥4,641,880	¥4,851,202	\$40,376
Interest income.....	1,805,015	1,891,932	15,746
Interest on loans and discounts	1,249,216	1,312,629	10,925
Interest and dividends on securities	343,905	336,345	2,799
Interest on call loans and bills bought	18,351	19,599	163
Interest on receivables under resale agreements	7,749	9,640	80
Interest on receivables under securities borrowing transactions..	7,293	7,826	65
Interest on deposits with banks	38,162	43,147	359
Interest on lease transactions	60,545	62,097	517
Other interest income.....	79,790	100,645	838
Trust fees	2,472	2,890	24
Fees and commissions	1,112,429	1,126,285	9,374
Trading income.....	211,881	252,976	2,106
Other operating income	1,203,500	1,359,109	11,312
Lease-related income.....	149,916	189,261	1,575
Installment-related income.....	648,130	692,151	5,761
Other	405,453	477,695	3,976
Other income.....	306,579	218,008	1,814
Gains on reversal of reserve for possible loan losses	136,212	61,158	509
Recoveries of written-off claims.....	9,657	15,979	133
Other	*1 160,709	*1 140,870	1,172
Ordinary expenses	3,209,548	3,530,046	29,380
Interest expenses	320,846	386,753	3,219
Interest on deposits	105,111	126,371	1,052
Interest on negotiable certificates of deposit.....	39,035	43,904	365
Interest on call money and bills sold.....	3,503	4,201	35
Interest on payables under repurchase agreements.....	4,106	4,921	41
Interest on payables under securities lending transactions.....	3,494	5,036	42
Interest on commercial paper	6,606	8,047	67
Interest on borrowed money	34,804	34,814	290
Interest on short-term bonds	1,240	1,393	12
Interest on bonds	91,182	110,461	919
Other interest expenses	31,761	47,602	396
Fees and commissions payments.....	127,840	129,609	1,079
Trading losses	—	57,856	482
Other operating expenses.....	988,380	1,078,570	8,977
Lease-related expenses	68,747	89,310	743
Installment-related expenses	608,349	650,913	5,418
Other	311,283	338,346	2,816
General and administrative expenses	*2 1,569,945	*2 1,659,341	13,811
Other expenses	*3 202,536	*3 217,914	1,814
Ordinary profit	1,432,332	1,321,156	10,996

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Extraordinary gains.....	¥ 5,228	¥ 538	\$ 4
Gains on disposal of fixed assets	2,632	538	4
Gains on negative goodwill	1,031	—	—
Other extraordinary gains.....	*4 1,564	—	—
Extraordinary losses.....	14,866	12,316	103
Losses on disposal of fixed assets	11,227	6,853	57
Losses on impairment of fixed assets.....	*5 3,348	*5 5,109	43
Provision for reserve for eventual future operating losses from financial instruments transactions.....	289	353	3
Income before income taxes and minority interests	1,422,694	1,309,377	10,898
Income taxes-current	290,186	325,341	2,708
Income taxes-deferred	168,618	116,020	966
Income taxes	458,805	441,362	3,673
Income before minority interests.....	963,889	868,015	7,224
Minority interests in net income	128,532	114,405	952
Net income	¥ 835,357	¥ 753,610	\$ 6,272

Consolidated Statements of Comprehensive Income

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of
	2014	2015	U.S. dollars
Income before minority interests.....	¥ 963,889	¥ 868,015	\$ 7,224
Other comprehensive income	*1 339,405	*1 1,195,494	9,950
Net unrealized gains (losses) on other securities	201,566	864,496	7,195
Net deferred gains (losses) on hedges.....	(27,473)	29,458	245
Land revaluation excess.....	18	3,604	30
Foreign currency translation adjustments	170,062	175,840	1,464
Remeasurements of defined benefit plans.....	—	122,552	1,020
Share of other comprehensive income of affiliates	(4,768)	(458)	(4)
Total comprehensive income.....	1,303,295	2,063,510	17,174
Comprehensive income attributable to shareholders of the parent...	1,125,735	1,879,838	15,646
Comprehensive income attributable to minority interests	177,559	183,672	1,529

Consolidated Statements of Changes in Net Assets

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31, 2014	Millions of yen				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥2,337,895	¥758,630	¥2,811,474	¥(227,373)	¥5,680,627
Adjustment due to changes in accounting policies as a result of revisions to accounting standards.....			(168)		(168)
Changes in the fiscal year					
Cash dividends.....			(169,973)		(169,973)
Net income.....			835,357		835,357
Purchase of treasury stock.....				(500)	(500)
Disposal of treasury stock.....		(281)		52,759	52,477
Increase due to increase in subsidiaries			6		6
Increase due to decrease in subsidiaries			4		4
Decrease due to increase in subsidiaries.....			(5)		(5)
Decrease due to decrease in subsidiaries			(7)		(7)
Reversal of land revaluation excess.....			3,398		3,398
Net changes in items other than stockholders' equity in the fiscal year.....					
Net changes in the fiscal year	—	(281)	668,779	52,258	720,755
Balance at the end of the fiscal year	¥2,337,895	¥758,349	¥3,480,085	¥(175,115)	¥6,401,215

Year ended March 31, 2014	Millions of yen					
	Accumulated other comprehensive income					
	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Balance at the beginning of the fiscal year	¥755,753	¥(32,863)	¥39,129	¥(97,448)	¥ —	¥664,570
Adjustment due to changes in accounting policies as a result of revisions to accounting standards.....						
Changes in the fiscal year						
Cash dividends.....						
Net income.....						
Purchase of treasury stock.....						
Disposal of treasury stock.....						
Increase due to increase in subsidiaries						
Increase due to decrease in subsidiaries						
Decrease due to increase in subsidiaries.....						
Decrease due to decrease in subsidiaries						
Reversal of land revaluation excess.....						
Net changes in items other than stockholders' equity in the fiscal year.....	193,754	(28,082)	(3,380)	124,687	(73,579)	213,400
Net changes in the fiscal year	193,754	(28,082)	(3,380)	124,687	(73,579)	213,400
Balance at the end of the fiscal year	¥949,508	¥(60,946)	¥35,749	¥ 27,239	¥(73,579)	¥877,971

Year ended March 31, 2014	Millions of yen		
	Stock acquisition rights	Minority interests	Total net assets
Balance at the beginning of the fiscal year	¥1,260	¥2,096,760	¥8,443,218
Adjustment due to changes in accounting policies as a result of revisions to accounting standards.....		802	634
Changes in the fiscal year			
Cash dividends.....			(169,973)
Net income.....			835,357
Purchase of treasury stock.....			(500)
Disposal of treasury stock.....			52,477
Increase due to increase in subsidiaries			6
Increase due to decrease in subsidiaries			4
Decrease due to increase in subsidiaries.....			(5)
Decrease due to decrease in subsidiaries			(7)
Reversal of land revaluation excess.....			3,398
Net changes in items other than stockholders' equity in the fiscal year.....	531	(373,521)	(159,589)
Net changes in the fiscal year	531	(373,521)	561,166
Balance at the end of the fiscal year	¥1,791	¥1,724,041	¥9,005,019

Year ended March 31, 2015	Millions of yen				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥2,337,895	¥758,349	¥3,480,085	¥(175,115)	¥6,401,215
Cumulative effects of changes in accounting policies ...			35,459		35,459
Restated balance	2,337,895	758,349	3,515,544	(175,115)	6,436,674
Changes in the fiscal year					
Cash dividends.....			(170,908)		(170,908)
Net income			753,610		753,610
Purchase of treasury stock.....				(161)	(161)
Disposal of treasury stock.....		2		15	17
Changes in shareholders' interest due to transaction with minority interests		(1,021)			(1,021)
Increase due to increase in subsidiaries			38		38
Increase due to decrease in subsidiaries.....			5		5
Decrease due to increase in subsidiaries.....			(165)		(165)
Decrease due to decrease in subsidiaries			(20)		(20)
Reversal of land revaluation excess.....			321		321
Net changes in items other than stockholders' equity in the fiscal year.....					
Net changes in the fiscal year	—	(1,019)	582,880	(146)	581,715
Balance at the end of the fiscal year	¥2,337,895	¥757,329	¥4,098,425	¥(175,261)	¥7,018,389

Year ended March 31, 2015	Millions of yen					
	Accumulated other comprehensive income					
	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Balance at the beginning of the fiscal year	¥ 949,508	¥(60,946)	¥35,749	¥ 27,239	¥ (73,579)	¥ 877,971
Cumulative effects of changes in accounting policies ...						
Restated balance	949,508	(60,946)	35,749	27,239	(73,579)	877,971
Changes in the fiscal year						
Cash dividends.....						
Net income						
Purchase of treasury stock.....						
Disposal of treasury stock.....						
Changes in shareholders' interest due to transaction with minority interests						
Increase due to increase in subsidiaries						
Increase due to decrease in subsidiaries.....						
Decrease due to increase in subsidiaries.....						
Decrease due to decrease in subsidiaries						
Reversal of land revaluation excess.....						
Net changes in items other than stockholders' equity in the fiscal year.....	841,541	30,766	3,265	129,070	121,246	1,125,888
Net changes in the fiscal year	841,541	30,766	3,265	129,070	121,246	1,125,888
Balance at the end of the fiscal year.....	¥1,791,049	¥(30,180)	¥39,014	¥156,309	¥ 47,667	¥2,003,859

Year ended March 31, 2015	Millions of yen		
	Stock acquisition rights	Minority interests	Total net assets
	Balance at the beginning of the fiscal year	¥1,791	¥1,724,041
Cumulative effects of changes in accounting policies ...		(431)	35,027
Restated balance	1,791	1,723,610	9,040,047
Changes in the fiscal year			
Cash dividends.....			(170,908)
Net income			753,610
Purchase of treasury stock.....			(161)
Disposal of treasury stock.....			17
Changes in shareholders' interest due to transaction with minority interests			(1,021)
Increase due to increase in subsidiaries			38
Increase due to decrease in subsidiaries.....			5
Decrease due to increase in subsidiaries.....			(165)
Decrease due to decrease in subsidiaries			(20)
Reversal of land revaluation excess.....			321
Net changes in items other than stockholders' equity in the fiscal year.....	492	(51,872)	1,074,509
Net changes in the fiscal year	492	(51,872)	1,656,224
Balance at the end of the fiscal year.....	¥2,284	¥1,671,738	¥10,696,271

Year ended March 31, 2015	Millions of U.S. dollars				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	\$19,458	\$6,312	\$28,965	\$(1,457)	\$53,277
Cumulative effects of changes in accounting policies ...			295		295
Restated balance	19,458	6,312	29,260	(1,457)	53,572
Changes in the fiscal year					
Cash dividends.....			(1,422)		(1,422)
Net income.....			6,272		6,272
Purchase of treasury stock.....				(1)	(1)
Disposal of treasury stock.....		0		0	0
Changes in shareholders' interest due to transaction with minority interests		(8)			(8)
Increase due to increase in subsidiaries			0		0
Increase due to decrease in subsidiaries			0		0
Decrease due to increase in subsidiaries.....			(1)		(1)
Decrease due to decrease in subsidiaries			(0)		(0)
Reversal of land revaluation excess.....			3		3
Net changes in items other than stockholders' equity in the fiscal year.....					
Net changes in the fiscal year	—	(8)	4,851	(1)	4,842
Balance at the end of the fiscal year	\$19,458	\$6,303	\$34,111	\$(1,459)	\$58,414

Year ended March 31, 2015	Millions of U.S. dollars					
	Accumulated other comprehensive income					
	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Balance at the beginning of the fiscal year	\$ 7,903	\$(507)	\$298	\$ 227	\$ (612)	\$ 7,307
Cumulative effects of changes in accounting policies ...						
Restated balance	7,903	(507)	298	227	(612)	7,307
Changes in the fiscal year						
Cash dividends.....						
Net income.....						
Purchase of treasury stock.....						
Disposal of treasury stock.....						
Changes in shareholders' interest due to transaction with minority interests						
Increase due to increase in subsidiaries						
Increase due to decrease in subsidiaries						
Decrease due to increase in subsidiaries.....						
Decrease due to decrease in subsidiaries						
Reversal of land revaluation excess.....						
Net changes in items other than stockholders' equity in the fiscal year.....	7,004	256	27	1,074	1,009	9,371
Net changes in the fiscal year	7,004	256	27	1,074	1,009	9,371
Balance at the end of the fiscal year	\$14,907	\$(251)	\$325	\$1,301	\$ 397	\$16,678

Year ended March 31, 2015	Millions of U.S. dollars		
	Stock acquisition rights	Minority interests	Total net assets
	Balance at the beginning of the fiscal year	\$15	\$14,349
Cumulative effects of changes in accounting policies ...		(4)	292
Restated balance	15	14,345	75,240
Changes in the fiscal year			
Cash dividends.....			(1,422)
Net income.....			6,272
Purchase of treasury stock.....			(1)
Disposal of treasury stock.....			0
Changes in shareholders' interest due to transaction with minority interests			(8)
Increase due to increase in subsidiaries			0
Increase due to decrease in subsidiaries			0
Decrease due to increase in subsidiaries.....			(1)
Decrease due to decrease in subsidiaries			(0)
Reversal of land revaluation excess.....			3
Net changes in items other than stockholders' equity in the fiscal year.....	4	(432)	8,943
Net changes in the fiscal year	4	(432)	13,785
Balance at the end of the fiscal year	\$19	\$13,914	\$89,024

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,422,694	¥ 1,309,377	\$ 10,898
Depreciation	201,421	222,195	1,849
Losses on impairment of fixed assets.....	3,348	5,109	43
Amortization of goodwill.....	29,033	26,521	221
Gains on negative goodwill	(1,031)	—	—
Gains on step acquisitions.....	(1,564)	—	—
Equity in (gains) losses of affiliates.....	(10,241)	10,600	88
Net change in reserve for possible loan losses.....	(191,436)	(81,146)	(675)
Net change in reserve for employee bonuses.....	8,833	2,722	23
Net change in reserve for executive bonuses	848	(1,576)	(13)
Net change in net defined benefit asset and liability	(9,477)	(47,765)	(398)
Net change in reserve for executive retirement benefits.....	(423)	130	1
Net change in reserve for point service program	1,036	(1,305)	(11)
Net change in reserve for reimbursement of deposits	3,662	6,012	50
Net change in reserve for losses on interest repayment.....	(55,241)	(23,388)	(195)
Interest income.....	(1,805,015)	(1,891,932)	(15,746)
Interest expenses	320,846	386,753	3,219
Net (gains) losses on securities.....	(90,773)	(115,802)	(964)
Net (gains) losses from money held in trust.....	(69)	(0)	(0)
Net exchange (gains) losses	(436,009)	(717,621)	(5,973)
Net (gains) losses from disposal of fixed assets	8,595	6,315	53
Net change in trading assets	962,762	(423,811)	(3,527)
Net change in trading liabilities	(1,496,425)	797,462	6,637
Net change in loans and bills discounted	(3,514,311)	(4,500,362)	(37,456)
Net change in deposits	4,804,365	6,639,769	55,262
Net change in negotiable certificates of deposit.....	1,938,016	71,330	594
Net change in borrowed money (excluding subordinated borrowings).....	1,841,210	2,656,388	22,109
Net change in deposits with banks	(106,782)	117,475	978
Net change in call loans and bills bought and others	(158,611)	(857,503)	(7,137)
Net change in receivables under securities borrowing transactions..	(103,076)	(2,696,803)	(22,445)
Net change in call money and bills sold and others	728,086	922,181	7,675
Net change in commercial paper	325,572	924,066	7,691
Net change in payables under securities lending transactions.....	897,138	2,502,245	20,826
Net change in foreign exchanges (assets)	521,251	(105,639)	(879)
Net change in foreign exchanges (liabilities).....	75,411	624,705	5,199
Net change in lease receivables and investment assets.....	(113,452)	(59,744)	(497)
Net change in short-term bonds (liabilities)	18,900	225,600	1,878
Issuance and redemption of bonds (excluding subordinated bonds)....	648,969	1,038,047	8,640
Net change in due to trust account.....	53,680	18,803	156
Interest received.....	1,840,198	1,903,720	15,845
Interest paid	(324,535)	(375,300)	(3,124)
Other, net.....	466,620	87,971	732
Subtotal.....	8,704,024	8,605,805	71,626
Income taxes paid.....	(400,272)	(365,578)	(3,043)
Net cash provided by (used in) operating activities	8,303,752	8,240,226	68,583

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Cash flows from investing activities:			
Purchases of securities	¥(19,929,619)	¥(36,624,383)	\$(304,822)
Proceeds from sale of securities	26,799,071	27,845,192	231,754
Proceeds from redemption of securities	8,130,520	7,854,257	65,370
Purchases of money held in trust.....	(1,010)	(0)	(0)
Proceeds from sale of money held in trust	367	3,523	29
Purchases of tangible fixed assets	(465,147)	(578,968)	(4,819)
Proceeds from sale of tangible fixed assets	160,832	188,309	1,567
Purchases of intangible fixed assets.....	(127,664)	(145,090)	(1,208)
Proceeds from sale of intangible fixed assets	5	28	0
Purchases of stocks of subsidiaries.....	(825)	—	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(46,678)	(58)	(0)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	672	—	—
Net cash provided by (used in) investing activities	14,520,523	(1,457,188)	(12,128)
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings	—	40,011	333
Repayment of subordinated borrowings.....	(32,000)	(5,000)	(42)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	2,111	326,350	2,716
Repayment of subordinated bonds and bonds with stock acquisition rights	(349,910)	(288,158)	(2,398)
Dividends paid.....	(169,983)	(170,917)	(1,423)
Proceeds from contributions paid by minority stockholders	1	—	—
Repayments to minority stockholders	(452,868)	(124,500)	(1,036)
Dividends paid to minority stockholders.....	(96,492)	(79,752)	(664)
Purchases of treasury stock.....	(500)	(161)	(1)
Proceeds from disposal of treasury stock.....	60,666	17	0
Purchases of treasury stock of subsidiaries	(10)	—	—
Proceeds from sale of treasury stock of subsidiaries	172	—	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(1,951)	(16)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	1,473	12
Net cash provided by (used in) financing activities	(1,038,814)	(302,589)	(2,518)
Effect of exchange rate changes on cash and cash equivalents	5,583	177,706	1,479
Net change in cash and cash equivalents.....	21,791,044	6,658,153	55,415
Cash and cash equivalents at the beginning of the fiscal year	5,202,119	26,993,164	224,662
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation.....	—	(52,637)	(438)
Cash and cash equivalents at the end of the fiscal year.....	*1 ¥ 26,993,164	*1 ¥ 33,598,680	\$ 279,639

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(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 ("IFRS").

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 IFRS, in which case a certain limited number of items are adjusted based on their materiality.

These consolidated financial statements are translated from the consolidated financial statements contained in the annual securities report filed under the Financial Instrument and Exchange Act of Japan ("FIEA based financial statements") except for the addition of the non-consolidated financial statements and US dollar figures.

Amounts less than 1 million yen have been rounded down. 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, 2015 which was ¥120.15 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

The consolidated financial statements released in previous fiscal years were restructured from the FIEA based financial statements by making several adjustments and reclassifications that are no longer made in these consolidated financial statements.

As of and for the years ended March 31, 2014 and 2015

(Notes to significant accounting policies for preparing consolidated financial statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

The number of consolidated subsidiaries at March 31, 2015 is 317.

Principal companies: Sumitomo Mitsui Banking Corporation (“SMBC”)
 Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”)
 SMBC Nikko Securities Inc. (“SMBC Nikko”)
 SMBC Friend Securities Co., Ltd. (“SMBC Friend”)
 Sumitomo Mitsui Card Company, Limited (“SMCC”)
 Cedyne Financial Corporation (“Cedyne”)
 SMBC Consumer Finance Co., Ltd. (“SMBCCF”)
 The Japan Research Institute, Limited
 THE MINATO BANK, LTD. (“MINATO”)
 Kansai Urban Banking Corporation (“KUBC”)
 Sumitomo Mitsui Banking Corporation Europe Limited
 Sumitomo Mitsui Banking Corporation (China) Limited
 SMBC Guarantee Co., Ltd.
 SMBC Capital Markets, Inc.

36 companies were newly included in the scope of consolidation as a result of the establishment and for other reasons.

The Japan Net Bank, Limited was excluded from the scope of consolidation because it became an equity method affiliate due to a decrease in the ratio of voting rights. Other 42 companies were also excluded from the scope of consolidation due to liquidation and for other reasons.

(2) Unconsolidated subsidiaries

Principal company: SBCS Co., Ltd.

195 unconsolidated subsidiaries 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 Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial, 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.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method at March 31, 2015 is 5.

Principal company: SBCS Co., Ltd.

(2) Affiliates accounted for by the equity method 45 companies

Principal companies: PT Bank Tabungan Pensiunan Nasional Tbk
 Sumitomo Mitsui Auto Service Company, Limited
 Daiwa SB Investments Ltd.

The Japan Net Bank, Limited newly became an equity method affiliate due to a decrease in the ratio of voting rights. 3 companies including The Bank of East Asia, Limited also became equity method affiliates due to the acquisition of stocks and for other reasons.

- (3) Unconsolidated subsidiaries that are not accounted for by the equity method
195 subsidiaries 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 Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.
- (4) 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.

3. The balance sheet dates of consolidated subsidiaries

- (1) The balance sheet dates of the consolidated subsidiaries at March 31, 2015 are as follows:
- | | |
|-------------------|-----|
| April 30 | 1 |
| May 31 | 1 |
| June 30 | 6 |
| October 31 | 3 |
| November 30 | 2 |
| December 31 | 136 |
| January 31 | 16 |
| February 28 | 3 |
| March 31 | 149 |
- (2) The subsidiaries with balance sheets dated April 30, May 31, June 30 and November 30 are consolidated using the financial statements as of March 31. 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 the financial statements as of their respective balance sheet dates.
Appropriate adjustments were made to material transactions during the periods between their respective balance sheet dates and the consolidated closing date.

4. Accounting policies

- (1) Standards for recognition and measurement of 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 sheets on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading income" and "Trading losses."
Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end 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.
- (2) Standards for recognition and measurement of securities
- 1) 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 (based on 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). Other securities which are extremely difficult to determine fair value 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.
- 2) Securities included in money held in trust are carried in the same method as in (1) and (2) 1) above.
- (3) Standards for recognition and measurement of derivative transactions
Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

(4) Depreciation

1) 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.

2) 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).

3) Assets for rent

Assets for rent are depreciated using the straight-line method, assuming that lease terms are, in principle, their depreciation period and the salvage is the estimated disposal value when the lease period expires.

4) 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 zero.

(5) 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 as of ended March 31, 2014 and 2015 were ¥511,043 million and ¥363,585 million.

(6) 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 fiscal year.

(7) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to directors, corporate auditors and other executive officers, in the amount of estimated bonuses, which are attributable to the fiscal year.

(8) 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.

(9) 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.

- (10) Reserve for reimbursement of deposits
The reserve for reimbursement of deposits which were derecognized from liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on historical reimbursements.
- (11) 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.
- (12) Reserve under the special laws
The reserve under the special laws is a reserve for contingent liabilities and provided for compensation for losses from securities related transactions or derivative transactions, pursuant to Article 46-5 of the Financial Instruments and Exchange Act.
- (13) Employee retirement benefits
In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit attributable to the respective fiscal year.
Unrecognized prior service cost is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period at incurrence.
Unrecognized net actuarial gain (loss) is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.
- (14) 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 rate 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 rate prevailing at their respective balance sheet dates.
- (15) Lease transactions
- 1) Recognition of income on finance leases
Interest income is allocated to each period.
 - 2) 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.
 - 3) Recognition of income and expenses on installment sales
Primarily, installment-sales-related income and expenses are recognized on a due-date basis over the full period of the installment sales.
- (16) Hedge accounting
- 1) 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" (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.
 - 2) 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.
 - 3) 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 accordingly evaluates the effectiveness of such individual hedges.

4) Transactions between consolidated subsidiaries

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

Certain consolidated subsidiaries apply the deferred hedge accounting, the fair value hedge accounting or the special treatment for interest rate swaps.

(17) Amortization of goodwill

Goodwill is amortized using the straight-line method over a period in which its benefit is expected to be realized, not to exceed 20 years. Immaterial goodwill is charged or credited when incurred.

(18) Scope of "Cash and cash equivalents" on consolidated statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, "Cash and cash equivalents" are cash on hand, non-interest earning deposits with banks and deposits with the Bank of Japan.

(19) Consumption taxes

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

(Changes in accounting policies due to application of new or revised accounting standards)

1. Accounting Standard for Retirement Benefits and related guidance

SMFG has adopted Paragraph 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012, "Accounting Standard") and Paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015, "Guidance") from the beginning of the fiscal year ended March 31, 2015. Accordingly, SMFG has reviewed its calculation methods for the projected benefit obligation and service cost, and changed the method for attributing the expected benefit to periods of service from a straight-line basis to a benefit formula basis.

The Accounting Standard and Guidance are applied in accordance with the transitional treatment stipulated in Paragraph 37 of the Accounting Standard. The effect, arising from the change in calculation method for the projected benefit obligation and service cost, is reflected in retained earnings as of the beginning of the fiscal year ended March 31, 2015.

As a result, net defined benefit asset increased by ¥49,052 million, net defined benefit liability decreased by ¥3,646 million and retained earnings increased by ¥35,459 million as of the beginning of the fiscal year ended March 31, 2015. The effect of these changes on profit and loss for the fiscal year ended March 31, 2015 is considered to be immaterial.

The effect of this change on net assets per share is disclosed in "(Per Share Data)."

2. Revision of Accounting Standard for Business Combinations and related rules

"Accounting Standard for Business Combinations" (ASBJ Statement No. 21), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7) and other related standards and implementation guidance were revised on September 13, 2013, and became effective from fiscal years beginning on or after April 1, 2014. SMFG has prospectively adopted these revised accounting standards and implementation guidance from the beginning of the fiscal year ended March 31, 2015 (excluding the provisions defined in Paragraph 39 of Accounting Standard for Consolidated Financial Statements), in accordance with the transitional treatment set forth in Paragraph 58-2 (4) of Accounting Standard for Business Combinations, Paragraph 44-5 (4) of Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of Accounting Standard for Business Divestitures.

In accordance with these revisions, SMFG's accounting policies have been changed as follows:

- the difference arising from a change in SMFG's ownership interest in a subsidiary over which SMFG continues to have control is recognized in capital surplus, and acquisition costs are expensed in the period incurred, and
- for a business combination occurring on or after April 1, 2014, an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the purchase price allocation is retrospectively recognized in the consolidated financial statements for the accounting period in which the combination occurs.

The effect of these changes on profit and loss for the fiscal year ended March 31, 2015 is considered to be immaterial.

(Additional information)

Effect of a change in the corporate income tax rule

In accordance with the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9, 2015) and the "Act to Amend the Local Taxation Act, etc." (Act No. 2, 2015) promulgated on March 31, 2015, the corporate income tax rate will be lowered from fiscal years beginning on or after April 1, 2015. Additionally, beginning from fiscal years starting on or after April 1, 2015, the use of tax loss carryforwards will be limited to the equivalent of 65% of taxable income before deducting tax loss carryforwards, and beginning from fiscal years starting on or after April 1, 2017, the use of tax loss carryforwards will be limited to the equivalent of 50% of taxable income before deducting tax loss carryforwards.

As a result of these changes, net income decreased by ¥30,248 million and total accumulated other comprehensive income increased by ¥77,813 million.

(Notes to consolidated balance sheets)***1 Japanese stocks and investments in unconsolidated subsidiaries and affiliates**

Japanese stocks and investments in unconsolidated subsidiaries and affiliates at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Japanese stocks	¥372,127	¥583,382
Investments	249	336

Japanese stocks of jointly controlled entities were as follows:

March 31	Millions of yen	
	2014	2015
Japanese stocks of jointly controlled entities	¥99,691	¥100,102

***2 Unsecured loaned securities for which borrowers have the right to sell or pledge**

The amount of unsecured loaned securities for which borrowers have the right to sell or pledge at March 31, 2014 and 2015 were as follows:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Japanese government bonds in "Securities"	¥28,995	Japanese government bonds and other securities in "Securities"	¥1,540

As for the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral with rights to sell or pledge without restrictions, those securities pledged and those securities held without being disposed at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Securities borrowed with cash collateral	¥1,462,265	¥3,181,553
Unsecured borrowed securities, securities under resale agreements	2,482,406	3,087,292

***3 Bankrupt loans and non-accrual loans**

Bankrupt loans and non-accrual loans at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Bankrupt loans	¥ 39,601	¥ 35,861
Non-accrual loans	877,325	774,058

"Bankrupt loans" are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 of 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.

"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.

***4 Past due loans (3 months or more)**

Past due loans (3 months or more) at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Past due loans (3 months or more)	¥14,679	¥13,714

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

***5 Restructured loans**

Restructured loans at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Restructured loans	¥389,089	¥278,622

"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)."

***6 Risk-monitored loans**

The total amount of bankrupt loans, non-accrual loans, past due loans (3 months or more) and restructured loans at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Risk-monitored loans	¥1,320,695	¥1,102,256

The amounts of loans presented in Notes *3 to *6 above are the amounts before deduction of reserve for possible loan losses.

***7 Bills discounted**

Bills discounted are included in "Loans and bills discounted" and "Foreign exchanges" accounts depending on the type of the bills. Bills discounted are accounted for as financial transactions in accordance with the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). SMBC and its banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, etc. The total face value at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Bills discounted	¥1,019,215	¥950,790

***8 Assets pledged as collateral**

Assets pledged as collateral at March 31, 2014 and 2015 consisted of the following:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Assets pledged as collateral:		Assets pledged as collateral:	
Cash and due from banks.....	¥ 98,101	Cash and due from banks.....	¥ 61,093
Call loans and bills bought	347,681	Call loans and bills bought	478,457
Monetary claims bought	76,437	Monetary claims bought	75,556
Trading assets	2,245,525	Trading assets	1,712,885
Securities	7,431,341	Securities	10,445,190
Loans and bills discounted	2,278,931	Loans and bills discounted	2,803,237
Lease receivables and investment assets	4,036	Lease receivables and investment assets	3,163
Tangible fixed assets	10,411	Tangible fixed assets	9,969
Other assets (installment account receivable, etc.)	276	Other assets (installment account receivable, etc.)	172
Liabilities corresponding to assets pledged as collateral:		Liabilities corresponding to assets pledged as collateral:	
Deposits	29,933	Deposits	33,800
Call money and bills sold.....	745,000	Call money and bills sold.....	1,095,000
Payables under repurchase agreements	1,664,002	Payables under repurchase agreements	406,212
Payables under securities lending transactions	5,317,793	Payables under securities lending transactions	4,121,603
Trading liabilities	350,379	Trading liabilities	480,464
Borrowed money	3,561,623	Borrowed money	6,099,726
Other liabilities	35,014	Other liabilities	35,952
Acceptances and guarantees	187,730	Acceptances and guarantees	207,009

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, and substitution for margins of futures transactions and certain other purposes at March 31, 2014 and 2015:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Cash and due from banks	¥ 11,658	Cash and due from banks	¥ 13,580
Trading assets	21,939	Trading assets	2,271
Securities	8,018,590	Securities	6,067,851

Other assets include collateral money deposited for financial instruments, surety deposits, margin of futures markets and other margins. The amounts for such assets were as follows:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Collateral money deposited for financial instruments	¥152,163	Collateral money deposited for financial instruments	¥410,317
Surety deposits	121,613	Surety deposits	119,525
Margins of futures markets	22,677	Margins of futures markets	63,433
Other margins	1,362	Other margins	27,819

*9 Commitment line contracts on overdrafts and loans

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, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
The amounts of unused commitments	¥49,167,754	¥53,473,427
The amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time.....	38,010,372	40,386,315

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.

*10 Land revaluation excess

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

A certain affiliate also 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 Articles 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).

*11 Accumulated depreciation on tangible fixed assets

Accumulated depreciation on tangible fixed assets at March 31, 2014 and 2015 are as follows:

March 31	Millions of yen	
	2014	2015
Accumulated depreciation	¥884,257	¥944,545

***12 Deferred gain on tangible fixed assets deductible for tax purposes**

Deferred gain on tangible fixed assets deductible for tax purposes at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Deferred gain on tangible fixed assets deductible for tax purposes	¥62,791	¥62,704
[The consolidated fiscal year concerned].....	[4,471]	[145]

***13 Subordinated borrowings**

The balance of subordinated borrowings with the special clause specifying that the repayment order of the borrowing subordinates to other borrowings included in "Borrowed money" at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Subordinated borrowings.....	¥282,449	¥317,461

***14 Subordinated bonds**

The balance of subordinated bonds included in "Bonds" at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Subordinated bonds	¥1,701,431	¥1,777,502

***15 Guaranteed amount to privately-placed bonds**

The amounts guaranteed by SMBC and its banking subsidiaries to privately-placed bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) in "Securities" at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Guaranteed amount to privately-placed bonds	¥1,885,300	¥2,030,463

(Notes to consolidated statements of income)***1 Other income**

“Other” in “Other income” for the fiscal years ended March 31, 2014 and 2015 included the following:

Year ended March 31, 2014	Millions of yen	Year ended March 31, 2015	Millions of yen
Gains on sales of stocks.....	¥108,183	Gains on sales of stocks.....	¥ 83,503
Equity in gains of affiliates	10,241		

***2 General and administrative expenses**

“General and administrative expenses” for the fiscal years ended March 31, 2014 and 2015 included the following:

Year ended March 31, 2014	Millions of yen	Year ended March 31, 2015	Millions of yen
Salaries and related expenses	¥573,418	Salaries and related expenses	¥610,998
Research and development costs	159	Research and development costs	171

***3 Other expenses**

“Other expenses” for the fiscal years ended March 31, 2014 and 2015 included the following:

Year ended March 31, 2014	Millions of yen	Year ended March 31, 2015	Millions of yen
Write-off of loans.....	¥84,933	Write-off of loans.....	¥76,997
Provision for reserve for losses on interest repayment	50,200	Provision for reserve for losses on interest repayment	64,836

***4 Other extraordinary gains**

“Other extraordinary gains” for the fiscal years ended March 31, 2014 represented gains on step acquisitions of ¥1,564 million

*5 Losses on impairment of fixed assets

The differences between the recoverable amounts and the book value of the following asset is recognized as “Losses on impairment of fixed assets,” and included in “Extraordinary losses” for the fiscal year ended March 31, 2014 and 2015.

Year ended March 31, 2014			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Corporate assets (3 items)	Land and buildings, etc.	¥ 146
	Idle assets (38 items)		1,836
	Other (1 item)		23
Kinki area	Idle assets(37 items)	Land and buildings, etc.	965
Other	Corporate asset (1 item)	Land and buildings, etc.	37
	Idle assets (10 items)		232
	Other (1 item)		107
Year ended March 31, 2015			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Branches (3 items)	Land and buildings, etc.	¥ 77
	Idle assets (36 items)		3,019
	Other (1 item)		0
Kinki area	Branches (4 items)	Land and buildings, etc.	137
	Corporate assets (2 items)		12
	Idle assets (29 items)		1,802
Other	Corporate asset (1 item)	Land and buildings, etc.	0
	Idle assets (11 items)		59

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 “Extraordinary losses.” 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.

(Notes to consolidated statements of comprehensive income)***1 Reclassification adjustment and tax effect of other comprehensive income**

Year ended March 31	Millions of yen	
	2014	2015
Net unrealized gains (losses) on other securities:		
Amount arising during the fiscal year	¥ 518,567	¥1,403,111
Reclassification adjustments	(223,029)	(215,162)
Before adjustments to tax effect	295,537	1,187,948
Tax effect	(93,971)	(323,451)
Net unrealized gains (losses) on other securities	201,566	864,496
Net deferred gains (losses) on hedges:		
Amount arising during the fiscal year	(59,541)	26,574
Reclassification adjustments	17,840	23,028
Adjustment on the cost of the assets	(1,332)	0
Before adjustments to tax effect	(43,032)	49,603
Tax effect	15,559	(20,144)
Net deferred gains (losses) on hedges	(27,473)	29,458
Land revaluation excess:		
Amount arising during the fiscal year	—	—
Reclassification adjustments	—	—
Before adjustments to tax effect	—	—
Tax effect	18	3,604
Land revaluation excess	18	3,604
Foreign currency translation adjustments:		
Amount arising during the fiscal year	170,926	178,283
Reclassification adjustments	(863)	(2,443)
Before adjustments to tax effect	170,062	175,840
Tax effect	—	—
Foreign currency translation adjustments	170,062	175,840
Remeasurements of defined benefit plans:		
Amount arising during the fiscal year	—	163,011
Reclassification adjustments	—	22,633
Before adjustments to tax effect	—	185,645
Tax effect	—	(63,093)
Remeasurements of defined benefit plans	—	122,552
Share of other comprehensive income of affiliates:		
Amount arising during the fiscal year	(1,349)	952
Reclassification adjustments	(3,418)	(1,410)
Before adjustments to tax effect	(4,768)	(458)
Tax effect	—	—
Share of other comprehensive income of affiliates	(4,768)	(458)
Total other comprehensive income	¥ 339,405	¥1,195,494

(Notes to consolidated statements of changes in net assets)*Fiscal year ended March 31, 2014***1. Type and number of shares issued and treasury stock**

Year ended March 31, 2014	Number of shares			At the end of the fiscal year	Notes
	At the beginning of the fiscal year	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	60,179,376	105,441	13,503,148	46,781,669	1,2
Total.....	60,179,376	105,441	13,503,148	46,781,669	

Notes: 1. Increase of 105,441 shares in the number of treasury common stock was due to the purchases of fractional shares.

2. Decrease of 13,503,148 shares in the number of treasury common stock was due to reduction of 5,108 shares through the sales of fractional shares and exercise of stock options, and reduction of 13,498,040 shares through the sale of SMFG shares held by SMBC and other subsidiaries.

2. Information on stock acquisition rights

Year ended March 31, 2014	Details of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Notes
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	At the end of the fiscal year	
SMFG	Stock acquisition rights as stock options	—	—	—	—	—	¥1,634	
Consolidated subsidiaries.....	—	—	—	—	—	—	157	
Total.....							¥1,791	

3. Information on dividends**(1) Dividends paid in the fiscal year**

Date of resolution	Type of shares	Millions of yen, except per share amount			
		Cash dividends	Cash dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2013	Common stock	¥98,713	¥70	March 31, 2013	June 27, 2013
Meeting of the board of Directors held on November 12, 2013	Common stock	77,556	55	September 30, 2013	December 3, 2013

Note: Cash dividends per share of ¥70 resolved at the ordinary general meeting of shareholders held on June 27, 2013 includes of ¥10 of the commemorative dividend.

(2) Dividends to be paid in the next fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2014	Common stock	¥91,656	Retained earnings	¥65	March 31, 2014	June 27, 2014

*Fiscal year ended March 31, 2015***1. Type and number of shares issued and treasury stock**

Year ended March 31, 2015	Number of shares			At the end of the fiscal year	Notes
	At the beginning of the fiscal year	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	46,781,669	37,310	4,778	46,814,201	1,2
Total.....	46,781,669	37,310	4,778	46,814,201	

Notes: 1. Increase of 37,310 shares in the number of treasury common stock was due to purchases of fractional shares.

2. Decrease of 4,778 shares in the number of treasury common stock was due to sales of fractional shares and exercise of stock options.

2. Information on stock acquisition rights

Year ended March 31, 2015	Details of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Notes
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	At the end of the fiscal year	
SMFG	Stock acquisition rights as stock options	—	—	—	—	—	¥2,085	
Consolidated subsidiaries.....	—			—			198	
Total.....							¥2,284	

3. Information on dividends

(1) Dividends paid in the fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Cash dividends per share	Record date	Effective date	
Ordinary general meeting of shareholders held on June 27, 2014	Common stock	¥91,656	¥65	March 31, 2014	June 27, 2014	
Meeting of the board of Directors held on November 13, 2014	Common stock	84,604	60	September 30, 2014	December 3, 2014	

(2) Dividends to be paid in the next fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 26, 2015	Common stock	¥112,804	Retained earnings	¥80	March 31, 2015	June 26, 2015

(Notes to consolidated statements of cash flows)

*1 The relation between the amounts of accounts listed on the consolidated financial statements and "Cash and cash equivalents"

Year ended March 31, 2015	Millions of yen	
	2014	2015
Cash and due from banks.....	¥32,991,113	¥39,748,979
Interest earning deposits with banks (excluding the deposit with the bank of Japan)	(5,997,949)	(6,150,298)
Cash and cash equivalents.....	¥26,993,164	¥33,598,680

(Notes to lease transactions)**1. Financing leases**

(1) Lessee side

1) Lease assets

(a) Tangible fixed assets

Tangible fixed assets mainly consisted of branches and equipment.

(b) Intangible fixed assets

Intangible fixed assets are software.

2) Depreciation method of lease assets

Depreciation method of lease assets is reported in 4. Accounting policies (4) Depreciation.

(2) Lessor side

1) Breakdown of lease investment assets

March 31	Millions of yen	
	2014	2015
Lease receivables	¥1,174,517	¥1,187,853
Residual value	102,853	107,078
Unearned interest income	(169,452)	(167,407)
Total	¥1,107,918	¥1,127,525

2) The scheduled collections of lease payments receivables related to lease receivables and investment assets are as follows:

March 31	Millions of yen			
	2014		2015	
	Lease payments receivable related to lease receivables	Lease payments receivable related to investment assets	Lease payments receivable related to lease receivables	Lease payments receivable related to investment assets
Within 1 year	¥266,118	¥ 332,508	¥295,756	¥ 337,777
More than 1 year to 2 years	191,627	264,101	205,864	258,682
More than 2 years to 3 years	129,777	194,146	127,113	194,449
More than 3 years to 4 years	66,044	134,726	82,174	138,694
More than 4 years to 5 years	46,480	86,255	47,544	99,092
More than 5 years	123,437	162,778	135,539	159,157
Total	¥823,487	¥1,174,517	¥893,993	¥1,187,853

3) 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 "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 years ended March 31, 2014 and 2015 were ¥2,988 million and ¥2,347 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

(1) Lessee side

Future minimum lease payments on operating leases which were not cancelable were as follows:

March 31	Millions of yen	
	2014	2015
Due within 1 year	¥ 43,498	¥ 44,637
Due after 1 year	265,182	239,659
Total	¥308,681	¥284,296

(2) Lessor side

Future minimum lease payments on operating leases which were not cancelable were as follows:

March 31	Millions of yen	
	2014	2015
Due within 1 year	¥140,569	¥ 165,897
Due after 1 year	790,238	1,027,007
Total	¥930,807	¥1,192,904

Future lease payments receivable on operating leases which were not cancelable at March 31, 2014 and 2015 amounting to ¥0 million and ¥0 million, respectively, on the lessor side were pledged as collateral for borrowings.

(Notes to financial instruments)

1. Status of financial instruments

(1) Policies on financial instruments

SMFG 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 and transfer, 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 Group 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, derivative transactions for ALM purposes are undertaken by the Treasury Dept. and the International Treasury Dept. of the Treasury Unit, while derivative transactions for trading purposes are undertaken by the Trading Dept. of the Treasury Unit.

(2) Details of financial instruments and associated risks

1) Financial assets

The main financial assets held by SMFG Group 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 "(3) Risk management framework for financial instruments" below.

2) Financial liabilities

Financial liabilities of SMFG Group 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 "(3) Risk management framework for financial instruments" below.

3) Derivative transactions

Derivatives handled by SMFG Group 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 "(3) 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 "(Notes to significant accounting policies for preparing consolidated financial statements), 4. Accounting policies, (16) Hedge accounting."

(3) Risk management framework for financial instruments

The fundamental matters on risk management for the entire SMFG Group are set forth in "Regulations on Risk Management." 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 Dept., which, together with the Corporate Planning Dept., controls risk management across SMFG Group by monitoring the development and implementation of SMFG Group's risk management system, and gives appropriate guidance as needed. Under this framework, SMFG comprehensively and systematically manages risks.

1) 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.

(a) 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 Dept. 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 Dept. The department also monitors risk situations and regularly reports to the Management Committee and the Board of Directors.

Moreover, the Credit Portfolio Management Dept. within the Credit & Investment Planning Dept. works to stabilize SMBC's

overall credit portfolio through using credit derivatives and selling loan claims.

The Credit Departments of Wholesale Banking Unit, Retail Banking Unit and other business units play a central role in credit screening and managing their units' credit portfolios. In the Wholesale Banking Unit, the Credit Administration Dept. is responsible for formulating and implementing measures to reduce SMBC's exposures mainly to borrowers classified as potentially bankrupt or lower. Each business unit establishes its credit limits based on the baseline amounts for each borrower grading category. Borrowers or loans perceived to have high credit risk undergo intensive evaluation and administration by the unit's Credit Department. The Corporate Research Dept. analyzes industries as well as investigates individual borrowers' business situations to detect early signs of problems.

Moreover, the Credit Risk Management 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, grading accuracy, self-assessment, and appropriateness of the credit risk management system, and reports the results directly to the Board of Directors and the Management Committee.

(b) 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. Based on this limit, guidelines are set for each business unit. Regular monitoring is conducted to ensure that these guidelines are being followed.

- Controlling concentration of 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 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

For 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.

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 to appropriately manage risks of incurring losses.

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 1 party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

2) 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.

(a) 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 Dept., 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.

(b) 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 that may be incurred to a specific financial instrument for a given probability) within the market risk capital limit, which is set taking into account stockholders' equity and other factors 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 fluctuations scenarios based on historical data) to measure VaR. Regarding banking activities (activities for generating profit through management of interest rates, terms, and other aspects of assets such as loans and bonds and liabilities such as deposits) and trading activities (activities 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 1 day with a probability of 1% based on 4 years of historical observation. With regard to the holding of shares (such as listed shares) for the purpose of strategic investment, SMBC calculates the maximum loss that may occur as a result of market fluctuations in 1 year with a probability of 1% based on 10 years of historical observation.

Regarding risks associated with foreign exchange rates, interest rates, share price, 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, 2015, total VaR of SMBC and its major consolidated subsidiaries was ¥39.0 billion for the banking activities, ¥14.5 billion for the trading activities, and ¥1,447.7 billion for the holding of shares (such as listed shares) for the purpose of strategic investment.

However, it should be noted that these figures are statistical figures that change according to changes in assumptions and 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, maintaining a system of highly liquid supplementary funding sources, and establishing contingency plans. A funding gap is the amount of funds needed in the future to cover duration mismatch between required investments and funding resources. SMBC tries to avoid excessive reliance on short-term funds by managing funding gap limits and has established a contingency plan covering emergency action plans such as reducing funding gap limits. 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 to within a certain percentage of open interest in the entire market.

(4) 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, on reasonably calculated prices. These prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

2. Fair value of financial instruments

- (1) Consolidated balance sheet amount, fair value and net unrealized gains (losses) of financial instruments as of March 31, 2014 and 2015 are as follows:

The amounts shown in the following tables do not include financial instruments whose fair values are extremely difficult to determine, such as unlisted stocks classified as "Other securities" (see (3) below), and stocks of subsidiaries and affiliates.

March 31, 2014	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks *1	¥ 32,980,901	¥ 32,988,091	¥ 7,189
2) Call loans and bills bought *1	1,247,326	1,248,436	1,110
3) Receivables under resale agreements	522,860	528,406	5,545
4) Receivables under securities borrowing transactions	3,780,260	3,780,887	627
5) Monetary claims bought *1	3,545,953	3,559,390	13,437
6) Trading assets			
Securities classified as trading purpose	3,467,223	3,467,223	—
7) Money held in trust	23,120	23,120	—
8) Securities			
Bonds classified as held-to-maturity	4,528,549	4,562,347	33,797
Other securities	21,656,818	21,656,818	—
9) Loans and bills discounted	68,227,688		
Reserve for possible loan losses *1	(538,691)		
	67,688,996	69,440,340	1,751,343
10) Foreign exchanges *1	1,786,063	1,790,855	4,792
11) Lease receivables and investment assets *1	1,816,624	1,893,207	76,582
Total assets	¥143,044,698	¥144,939,126	¥1,894,428
1) Deposits	¥ 94,331,925	¥ 94,334,169	¥ 2,244
2) Negotiable certificates of deposit	13,713,539	13,716,899	3,359
3) Call money and bills sold	4,112,428	4,112,428	(0)
4) Payables under repurchase agreements	1,710,101	1,710,101	—
5) Payables under securities lending transactions	5,330,974	5,330,974	—
6) Commercial paper	2,374,051	2,374,049	(2)
7) Trading liabilities			
Trading securities sold for short sales	1,865,242	1,865,242	—
8) Borrowed money	7,020,841	7,050,354	29,513
9) Foreign exchanges	451,658	451,658	—
10) Short-term bonds	1,145,200	1,145,195	(4)
11) Bonds	5,090,894	5,240,321	149,426
12) Due to trust account	699,329	699,329	—
Total liabilities	¥137,846,188	¥138,030,724	¥ 184,536
Derivative transactions *2			
Hedge accounting not applied	¥ 440,101	¥ 440,101	¥ —
Hedge accounting applied	{477,513}	{477,513}	—
Total	¥ {37,411}	¥ {37,411}	¥ —

*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," "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, with a net debt presented in square brackets.

March 31, 2015	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks * ¹	¥ 39,739,777	¥ 39,746,763	¥ 6,986
2) Call loans and bills bought * ¹	1,326,280	1,327,080	800
3) Receivables under resale agreements	746,431	747,509	1,077
4) Receivables under securities borrowing transactions	6,477,063	6,477,657	593
5) Monetary claims bought * ¹	4,282,392	4,293,764	11,371
6) Trading assets			
Securities classified as trading purpose	3,235,701	3,235,701	—
7) Money held in trust	7,087	7,087	—
8) Securities			
Bonds classified as held-to-maturity	3,397,151	3,417,732	20,580
Other securities	25,031,810	25,031,810	—
9) Loans and bills discounted	73,068,240		
Reserve for possible loan losses * ¹	(461,747)		
	72,606,492	74,598,557	1,992,064
10) Foreign exchanges * ¹	1,903,702	1,907,769	4,066
11) Lease receivables and investment assets * ¹	1,899,760	1,974,558	74,798
Total assets	¥160,653,651	¥162,765,990	¥2,112,338
1) Deposits	¥101,047,918	¥101,053,137	¥ 5,219
2) Negotiable certificates of deposit	13,825,898	13,829,279	3,381
3) Call money and bills sold	5,873,123	5,873,118	(5)
4) Payables under repurchase agreements	991,860	991,860	—
5) Payables under securities lending transactions	7,833,219	7,833,219	—
6) Commercial paper	3,351,459	3,351,431	(27)
7) Trading liabilities			
Trading securities sold for short sales	2,193,399	2,193,399	—
8) Borrowed money	9,778,095	9,828,014	49,918
9) Foreign exchanges	1,110,822	1,110,822	—
10) Short-term bonds	1,370,800	1,370,799	(0)
11) Bonds	6,222,918	6,437,691	214,772
12) Due to trust account	718,133	718,133	—
Total liabilities	¥154,317,650	¥154,590,909	¥ 273,259
Derivative transactions * ²			
Hedge accounting not applied	¥ 593,008	¥ 593,008	¥ —
Hedge accounting applied	[861,906]	[861,906]	—
Total	¥ [268,898]	¥ [268,898]	¥ —

*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," "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, with a net debt presented in square brackets.

(2) Fair value calculation methodology for financial instruments

Assets

1) Cash and due from 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, for dues from banks without maturity and overdrafts with no specified repayment dates, the book values are used as fair value as they are considered to approximate their fair value.

For short-term transactions with remaining maturity not exceeding 6 months, in principle, the book values are used as fair value as they are considered to approximate their fair value.

The fair value of those with a remaining maturity 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 of a risk-free interest rate and an adjustment). 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 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 expected recoverable amount from disposal of collateral or guarantees, or the present value of expected future cash flows. Since the claims' balance sheet amounts minus the expected amount of loan losses approximate their fair values, such amounts are considered to be their fair values.

5) Monetary claims bought:

The fair values of monetary claims bought, such as subordinated trust beneficiary interests related to securitized housing loans, are based on the assessed value of underlying housing loans securitized through the trust scheme 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 end 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 as of the end of the fiscal year.

In light of the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issue Task Force No. 25), the fair values of floating rate 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 adjustment. However, the fair values of bonds, such as private placement bonds issued by bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers are based on the bond's book value after the deduction of the expected amount of a loss on the bond computed by using the same method applied to the estimation of a loan loss. Meanwhile, 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. The fair values of short-term transactions with remaining maturity not exceeding 6 months are also based on their book values, as their book values are considered to approximate their fair values. The fair values of transactions with a remaining maturity of more than 6 months are, in principle, based on the present value of estimated future cash flows calculated using the rate applied to the same type of deposits that are newly accepted until the end of the remaining maturity.

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 maturity not exceeding 6 months are based on their book values, as their book values are considered to approximate their fair values. For transactions with a remaining maturity of more than 6 months, their fair values are, in principle, based on the present value of estimated future cash flows calculated using the refinancing rate applied to the same type of instruments for the remaining maturity. 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 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 as of the end 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.

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 prices calculated based on the present value of the future cash flows, option valuation models, etc. The fair values of commodity derivatives transactions are based on their prices 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	
	2014	2015
Monetary claims bought:		
Monetary claims bought without market prices *1.....	¥ 5,168	¥ 2,537
Securities:		
Unlisted stocks, etc. *2 *4	261,627	361,541
Investments in partnership, etc. *3 *4	333,409	259,445
Total.....	¥600,204	¥623,523

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

*2 They are not included in the scope of fair value disclosure since there are no market prices and it is extremely difficult to determine their fair values.

*3 They are capital contributions with no market prices. The above-stated amount includes the book value amount of investments in the partnership of which the SMFG records net changes in their balance sheets and statements of income.

*4 Unlisted stocks and investments in partnership totaling ¥9,781 million and ¥12,762 million were written-off in the fiscal year ended March 31, 2014 and 2015, respectively.

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

March 31, 2014	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥31,693,895	¥ 33,586	¥ 24,359	¥ 841
Call loans and bills bought	1,189,456	57,267	1,511	—
Receivables under resale agreements	360,564	162,296	—	—
Receivables under securities borrowing transactions ..	3,726,510	53,750	—	—
Monetary claims bought*1	2,799,998	466,522	62,526	213,170
Securities*1	6,951,602	11,799,348	2,863,479	544,298
Bonds classified as held-to-maturity.....	1,105,218	3,394,784	22,000	—
Japanese government bonds.....	1,045,000	3,260,000	20,000	—
Japanese local government bonds.....	32,783	69,504	—	—
Japanese corporate bonds.....	27,434	65,280	1,500	—
Other	—	—	500	—
Other securities with maturity.....	5,846,384	8,404,564	2,841,479	544,298
Japanese government bonds.....	3,672,565	4,740,788	1,429,700	30,000
Japanese local government bonds.....	45,454	58,074	5,323	13,688
Japanese corporate bonds.....	584,032	1,680,106	479,465	68,137
Other	1,544,332	1,925,594	926,991	432,472
Loans and bills discounted*1 *2.....	14,389,526	28,161,118	10,388,550	9,118,951
Foreign exchanges*1	1,777,457	10,651	—	—
Lease receivables and investment assets*1.....	522,275	972,413	151,545	42,117
Total.....	¥63,411,286	¥41,716,955	¥13,491,972	¥9,919,379

*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 Monetary claims bought: ¥ 924 million, Securities: ¥18,145 million, Loans and bills discounted: ¥891,610 million, Foreign exchanges: ¥2,297 million and Lease receivables and investment assets: ¥20,595 million.

*2 "Loans and bills discounted" without the maturity dates are not included. Such amount is totaled to ¥5,272,610 million at March 31, 2014.

March 31, 2015	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥38,506,416	¥ 46,508	¥ 20,911	¥ 1,241
Call loans and bills bought	1,272,265	51,242	3,456	—
Receivables under resale agreements	674,341	72,090	—	—
Receivables under securities borrowing transactions ...	6,427,273	49,790	—	—
Monetary claims bought*1	3,378,992	597,974	48,832	221,903
Securities*1	5,656,240	14,446,962	2,311,100	758,126
Bonds classified as held-to-maturity.....	1,392,417	2,001,567	—	—
Japanese government bonds.....	1,300,000	1,980,000	—	—
Japanese local government bonds.....	51,347	16,356	—	—
Japanese corporate bonds	41,070	5,210	—	—
Other	—	—	—	—
Other securities with maturity.....	4,263,823	12,445,395	2,311,100	758,126
Japanese government bonds.....	1,715,975	8,893,500	369,500	—
Japanese local government bonds.....	28,278	21,904	1,224	35
Japanese corporate bonds	452,917	1,584,554	503,625	31,767
Other	2,066,652	1,945,436	1,436,750	726,322
Loans and bills discounted*1 *2.....	16,197,047	30,706,918	10,754,197	9,205,773
Foreign exchanges*1	1,883,491	21,463	—	—
Lease receivables and investment assets*1	547,109	1,005,281	156,851	50,521
Total.....	¥74,543,178	¥46,998,231	¥13,295,349	¥10,237,565

*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 Monetary claims bought: ¥21 million, Securities: ¥44,760 million, Loans and bills discounted: ¥756,824 million, Foreign exchanges: ¥2,712 million, Lease receivables and investment assets: ¥19,460 million.

*2 "Loans and bills discounted" without the maturity dates are not included. Such amount is totaled to ¥5,445,535 million at March 31, 2015.

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

March 31, 2014	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits *	¥ 89,294,943	¥4,255,371	¥ 469,026	¥ 312,583
Negotiable certificates of deposit	12,969,724	739,755	3,948	111
Call money and bills sold.....	4,112,428	—	—	—
Payables under repurchase agreements	1,710,101	—	—	—
Payables under securities lending transactions	5,330,974	—	—	—
Commercial paper	2,374,051	—	—	—
Borrowed money	4,825,675	1,047,801	795,200	352,164
Foreign exchanges	451,658	—	—	—
Short-term bonds.....	1,145,200	—	—	—
Bonds	517,603	2,474,114	1,742,962	359,825
Due to trust account.....	699,329	—	—	—
Total.....	¥123,431,691	¥8,517,041	¥3,011,137	¥1,024,684

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

March 31, 2015	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits *	¥ 95,917,733	¥4,284,380	¥ 497,816	¥347,987
Negotiable certificates of deposit	13,518,726	304,980	2,170	20
Call money and bills sold.....	5,873,123	—	—	—
Payables under repurchase agreements	991,860	—	—	—
Payables under securities lending transactions	7,833,219	—	—	—
Commercial paper	3,351,459	—	—	—
Borrowed money	7,158,084	1,306,961	824,115	488,932
Foreign exchanges	1,110,822	—	—	—
Short-term bonds.....	1,370,800	—	—	—
Bonds.....	1,023,264	2,742,910	2,034,764	426,306
Due to trust account.....	718,133	—	—	—
Total.....	¥138,867,230	¥8,639,233	¥3,358,866	¥1,263,246

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

(Notes to securities)

The amounts shown in the following tables include trading securities and short-term bonds classified as “Trading assets,” negotiable certificates of deposit classified as “Cash and due from banks,” and beneficiary claims on loan trust classified as “Monetary claims bought,” in addition to “Securities” stated in the consolidated balance sheets.

1. Securities classified as trading purposes

March 31	Millions of yen	
	2014	2015
Valuation gains (losses) included in the earnings for the fiscal year.....	¥(14,077)	¥72,389

2. Bonds classified as held-to-maturity

March 31, 2014		Millions of yen		
		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds.....	¥4,061,397	¥4,093,197	¥31,800
	Japanese local government bonds.....	100,697	101,543	845
	Japanese corporate bonds.....	86,478	87,781	1,303
	Other.....	500	501	1
	Subtotal.....	4,249,072	4,283,023	33,950
Bonds with unrealized losses:	Japanese government bonds.....	269,773	269,649	(124)
	Japanese local government bonds.....	1,883	1,881	(1)
	Japanese corporate bonds.....	7,820	7,793	(26)
	Other.....	8,300	8,300	—
	Subtotal.....	287,777	287,623	(153)
Total.....	¥4,536,849	¥4,570,647	¥33,797	

March 31, 2015		Millions of yen		
		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds.....	¥3,283,044	¥3,303,228	¥20,183
	Japanese local government bonds.....	67,843	68,065	221
	Japanese corporate bonds.....	46,263	46,438	175
	Other.....	—	—	—
	Subtotal.....	3,397,151	3,417,732	20,580
Bonds with unrealized losses:	Japanese government bonds.....	—	—	—
	Japanese local government bonds.....	—	—	—
	Japanese corporate bonds.....	—	—	—
	Other.....	—	—	—
	Subtotal.....	—	—	—
Total.....	¥3,397,151	¥3,417,732	¥20,580	

3. Other securities

		Millions of yen		
March 31, 2014		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks.....	¥ 2,578,401	¥ 1,392,250	¥1,186,150
	Bonds.....	11,619,291	11,549,452	69,838
	Japanese government bonds.....	8,875,576	8,852,077	23,499
	Japanese local government bonds.....	117,529	116,816	713
	Japanese corporate bonds.....	2,626,184	2,580,558	45,625
	Other.....	3,743,438	3,475,716	267,722
	Subtotal.....	17,941,130	16,417,419	1,523,711
Other securities with unrealized losses:	Stocks.....	359,736	414,743	(55,006)
	Bonds.....	1,278,413	1,282,658	(4,245)
	Japanese government bonds.....	1,035,648	1,036,692	(1,044)
	Japanese local government bonds.....	7,017	7,045	(27)
	Japanese corporate bonds.....	235,747	238,920	(3,173)
	Other.....	2,686,803	2,746,270	(59,466)
	Subtotal.....	4,324,953	4,443,672	(118,718)
Total.....		¥22,266,083	¥20,861,091	¥1,404,992

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥17,031 million for the fiscal year ended March 31, 2014 that are recognized in the earnings by applying fair value hedge accounting.

2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

March 31, 2014	Millions of yen
Stocks.....	¥247,357
Other.....	352,847
Total.....	¥600,204

These amounts are not included in "3. Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

		Millions of yen		
March 31, 2015		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks.....	¥ 3,726,432	¥ 1,653,065	¥2,073,367
	Bonds.....	11,259,951	11,199,114	60,837
	Japanese government bonds.....	8,953,781	8,935,132	18,649
	Japanese local government bonds.....	49,123	48,842	281
	Japanese corporate bonds.....	2,257,045	2,215,139	41,905
	Other.....	6,024,855	5,505,092	519,762
	Subtotal.....	21,011,239	18,357,271	2,653,967
Other securities with unrealized losses:	Stocks.....	119,767	138,826	(19,059)
	Bonds.....	2,439,610	2,450,418	(10,808)
	Japanese government bonds.....	2,053,225	2,058,905	(5,680)
	Japanese local government bonds.....	3,026	3,039	(12)
	Japanese corporate bonds.....	383,358	388,473	(5,114)
	Other.....	2,069,284	2,088,398	(19,113)
	Subtotal.....	4,628,662	4,677,644	(48,981)
Total.....		¥25,639,901	¥23,034,915	¥2,604,985

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥29,870 million for the fiscal year ended March 31, 2015 that are recognized in the earnings by applying fair value hedge accounting.

2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

March 31, 2015	Millions of yen
Stocks.....	¥219,799
Other.....	403,724
Total.....	¥623,523

These amounts are not included in "3. Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

4. Held-to-maturity bonds sold during the fiscal year

Fiscal year ended March 31, 2014

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

5. Other securities sold during the fiscal year

Year ended March 31, 2014	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 95,368	¥ 40,211	¥ (6,797)
Bonds.....	16,975,280	14,767	(8,338)
Japanese government bonds.....	16,603,340	13,195	(7,591)
Japanese local government bonds.....	139,552	350	(294)
Japanese corporate bonds.....	232,386	1,220	(453)
Other.....	9,561,019	93,937	(19,319)
Total.....	¥26,631,667	¥148,915	¥(34,455)

Year ended March 31, 2015	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 113,544	¥ 45,455	¥ (1,890)
Bonds.....	13,407,655	9,406	(5,699)
Japanese government bonds.....	13,142,974	8,939	(5,593)
Japanese local government bonds.....	63,699	37	(94)
Japanese corporate bonds.....	200,981	429	(11)
Other.....	14,275,561	98,168	(16,739)
Total.....	¥27,796,760	¥153,030	¥(24,329)

6. Change of classification of securities

Fiscal year ended March 31, 2014

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no significant corresponding transactions to be disclosed.

7. Write-down of securities

Bonds classified as held-to-maturity and other securities (excluding securities whose fair values are extremely difficult to determine) are considered as impaired if the fair value decreases materially below the acquisition cost and such decline is not considered as recoverable. The fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2014 and 2015 were ¥7,250 million and ¥5,992 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 lower than acquisition cost.
Normal issuers:	Fair value is 50% or 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.

(Notes to money held in trust)**1. Money held in trust classified as trading purposes***Fiscal year ended March 31, 2014*

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

2. Money held in trust classified as held-to-maturity*Fiscal year ended March 31, 2014*

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

3. Other money held in trust

March 31, 2014	Millions of yen		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥23,120	¥23,120	—

March 31, 2015	Millions of yen		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥7,087	¥7,087	—

(Notes to net unrealized gains (losses) on other securities and other money held in trust)

The breakdown of “Net unrealized gains (losses) on other securities” reported on the consolidated balance sheets is as shown below:

March 31, 2014	Millions of yen
Net unrealized gains (losses)	¥1,388,101
Other securities	1,388,101
Other money held in trust	—
(-) Deferred tax liabilities	404,307
Net unrealized gains (losses) on other securities (before following adjustments)	983,793
(-) Minority interests	35,188
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates	902
Net unrealized gains (losses) on other securities	¥ 949,508

- Notes: 1. Net unrealized gains of ¥17,031 million for the fiscal year ended March 31, 2014 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 (losses) on other securities include foreign currency translation adjustments on foreign currency denominated securities whose fair value is extremely difficult to determine.

March 31, 2015	Millions of yen
Net unrealized gains (losses)	¥2,575,489
Other securities	2,575,489
Other money held in trust	—
(-) Deferred tax liabilities	727,559
Net unrealized gains (losses) on other securities (before following adjustments)	1,847,929
(-) Minority interests	59,441
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates	2,560
Net unrealized gains (losses) on other securities	¥1,791,049

- Notes: 1. Net unrealized gains of ¥29,870 million for the fiscal year ended March 31, 2015 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 (losses) on other securities include foreign currency translation adjustments on foreign currency denominated securities whose fair value is extremely difficult to determine.

(Notes to 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 notional amount, fair value, valuation gains (losses) and fair value calculation methodologies by type of derivative 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.

(1) Interest rate derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold	¥ 28,829,810	¥ 13,631,032	¥ (8,873)	¥ (8,873)
Bought	28,567,999	13,072,376	8,388	8,388
Interest rate options:				
Sold	782,288	443,131	(66)	(66)
Bought	26,838,675	14,265,117	4,243	4,243
Over-the-counter				
Forward rate agreements:				
Sold	5,077,154	—	301	301
Bought	4,789,752	—	(224)	(224)
Interest rate swaps:				
Receivable fixed rate/payable floating rate	429,987,250	351,524,820	86,984	86,984
Receivable floating rate/payable fixed rate	201,751,044	167,035,674	4,013,795	4,013,795
Receivable floating rate/payable floating rate	201,398,583	164,390,178	(3,930,933)	(3,930,933)
Receivable floating rate/payable floating rate	26,692,561	19,955,612	(2,864)	(2,864)
Interest rate swaptions:				
Sold	2,742,490	1,537,970	5,529	5,529
Bought	1,925,738	1,418,490	12,574	12,574
Caps:				
Sold	14,761,826	10,254,207	(24,927)	(24,927)
Bought	6,463,984	4,583,241	4,137	4,137
Floors:				
Sold	578,076	328,062	(885)	(885)
Bought	158,814	48,770	2,282	2,282
Other:				
Sold	768,378	665,087	11,697	11,697
Bought	3,107,097	2,364,787	(134)	(134)
Total	/	/	¥ 101,027	¥ 101,027

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 an exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2015	Millions of yen			Valuation gains (losses)
	Contract amount		Fair value	
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 72,417,655	¥ 27,182,460	¥ (63,824)	¥ (63,824)
Bought.....	70,808,254	25,824,043	58,948	58,948
Interest rate options:				
Sold.....	345,874	36,168	(110)	(110)
Bought.....	36,305,940	16,041,662	6,990	6,990
Over-the-counter				
Forward rate agreements:				
Sold.....	6,869,797	35,565	606	606
Bought.....	6,747,669	377,473	(604)	(604)
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	449,422,723	374,591,082	124,036	124,036
Receivable floating rate/payable fixed rate.....	211,594,325	176,500,223	6,138,890	6,138,890
Receivable floating rate/payable fixed rate.....	209,580,904	175,966,222	(6,018,957)	(6,018,957)
Receivable floating rate/payable floating rate.....	28,142,407	22,028,051	(2,593)	(2,593)
Interest rate swaptions:				
Sold.....	3,595,666	2,228,852	19,802	19,802
Bought.....	2,131,049	1,590,233	(12,738)	(12,738)
Caps:				
Sold.....	21,514,098	16,330,540	(18,189)	(18,189)
Bought.....	7,165,728	5,603,385	(4,231)	(4,231)
Floors:				
Sold.....	594,392	417,517	(533)	(533)
Bought.....	98,034	98,034	2,659	2,659
Other:				
Sold.....	1,004,262	885,363	(6,496)	(6,496)
Bought.....	3,924,935	3,249,593	9,944	9,944
Total.....	/	/	¥ 116,260	¥ 116,260

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 an exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(2) Currency derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	¥ 70,439	¥ —	¥ 31	¥ 31
Bought.....	13	—	0	0
Over-the-counter				
Currency swaps.....	22,084,755	15,372,964	445,125	31,029
Currency swaptions:				
Sold.....	202,168	196,919	(101)	(101)
Bought.....	338,266	313,407	480	480
Forward foreign exchange.....	50,921,507	3,687,400	(68,956)	(68,956)
Currency options:				
Sold.....	2,567,685	1,238,886	(163,998)	(163,998)
Bought.....	2,386,911	1,096,745	121,475	121,475
Total.....	/	/	¥ 334,057	¥ (80,039)

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 price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value, option pricing models and other methodologies.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	¥ 80,931	¥ —	¥ 180	¥ 180
Bought.....	497	—	0	0
Over-the-counter				
Currency swaps.....	27,035,522	20,122,147	694,080	10,572
Currency swaptions:				
Sold.....	308,906	304,563	(559)	(559)
Bought.....	451,270	443,519	(397)	(397)
Forward foreign exchange.....	62,599,180	5,225,986	(141,028)	(141,028)
Currency options:				
Sold.....	2,723,327	1,495,074	(181,167)	(181,167)
Bought.....	2,395,875	1,248,848	121,468	121,468
Total.....	/	/	¥ 492,576	¥(190,931)

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 price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value, option pricing models and other methodologies.

(3) Equity derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥487,519	¥ —	¥ (2,819)	¥ (2,819)
Bought.....	205,511	—	920	920
Equity price index options:				
Sold.....	83,309	31,150	(4,733)	(4,733)
Bought.....	66,046	18,150	3,107	3,107
Over-the-counter				
Equity Options:				
Sold.....	220,479	220,479	(25,656)	(25,656)
Bought.....	227,041	223,876	26,751	26,751
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	14,995	381	(262)	(262)
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	9,270	9,020	(975)	(975)
Receivable short-term floating rate/payable equity index.....	22,313	20,530	1,497	1,497
Total.....	/	/	¥ (2,169)	¥ (2,169)

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥995,977	¥ —	¥(11,341)	¥(11,341)
Bought.....	278,331	—	6,718	6,718
Equity price index options:				
Sold.....	169,645	68,750	(16,412)	(16,412)
Bought.....	153,942	59,715	11,545	11,545
Over-the-counter				
Equity options:				
Sold.....	225,859	218,338	(23,558)	(23,558)
Bought.....	233,896	218,338	24,976	24,976
Equity index forward contracts:				
Sold.....	16,717	—	126	126
Bought.....	33,481	499	500	500
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	31,690	31,225	(1,262)	(1,262)
Receivable short-term floating rate/payable equity index.....	59,675	58,570	1,942	1,942
Total.....	/	/	¥ (6,764)	¥ (6,764)

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(4) Bond derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥1,347,967	¥ —	¥ 4,517	¥ 4,517
Bought.....	1,291,682	—	(4,845)	(4,845)
Bond futures options:				
Sold.....	6,172	—	(13)	(13)
Bought.....	10,172	—	7	7
Over-the-counter				
Bond forwards:				
Sold.....	302	—	2	2
Bought.....	—	—	—	—
Bond options:				
Sold.....	77,673	—	(61)	(61)
Bought.....	199,487	121,065	880	880
Total.....	/	/	¥ 487	¥ 487

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥3,261,725	¥ —	¥(23,171)	¥(23,171)
Bought.....	2,668,201	—	15,828	15,828
Bond futures options:				
Sold.....	38,448	—	(40)	(40)
Bought.....	39,048	—	107	107
Over-the-counter				
Bond options:				
Sold.....	39,607	—	(123)	(123)
Bought.....	174,030	134,394	655	655
Total.....	/	/	¥ (6,743)	¥ (6,743)

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using option pricing models.

(5) Commodity derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 6,564	¥ —	¥ (88)	¥ (88)
Bought.....	7,201	—	90	90
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	95,227	71,255	(9,702)	(9,702)
Receivable floating price/payable fixed price	86,006	58,936	19,770	19,770
Receivable floating price/payable floating price.....	7,016	5,408	(668)	(668)
Commodity options:				
Sold.....	8,771	6,631	(197)	(197)
Bought.....	2,282	1,327	47	47
Total.....	/	/	¥ 9,250	¥ 9,250

- 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 price on the New York Mercantile Exchange or other relevant exchanges. Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.
3. Underlying assets of commodity derivatives are fuels and metals.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 14,001	¥ —	¥ 1,546	¥ 1,546
Bought.....	15,703	—	(2,183)	(2,183)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	111,581	72,095	7,608	7,608
Receivable floating price/payable fixed price	87,933	62,634	(5,971)	(5,971)
Receivable floating price/payable floating price.....	3,922	3,384	(132)	(132)
Commodity options:				
Sold.....	15,529	13,787	(506)	(506)
Bought.....	9,095	7,946	(108)	(108)
Total.....	/	/	¥ 253	¥ 253

- 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 price on the New York Mercantile Exchange or other relevant exchanges. Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.
3. Underlying assets of commodity derivatives are fuels and metals.

(6) Credit derivative transactions

March 31, 2014	Millions of yen			Valuation gains (losses)
	Contract amount		Fair value	
	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold	¥810,582	¥440,541	¥ 4,484	¥ 4,484
Bought	925,268	522,885	(7,037)	(7,037)
Total	/	/	¥(2,552)	¥(2,552)

- 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.

March 31, 2015	Millions of yen			Valuation gains (losses)
	Contract amount		Fair value	
	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold	¥491,723	¥397,171	¥ 6,882	¥ 6,882
Bought	652,486	520,233	(9,456)	(9,456)
Total	/	/	¥(2,574)	¥(2,574)

- 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 notional amount, fair value and fair value calculation methodologies by type of derivative and hedge accounting method 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.

(1) Interest rate derivatives

March 31, 2014			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposit			
	Sold		¥ 823,040	¥ 823,040	¥ 24
	Bought		—	—	—
	Interest rate swaps:				
	Receivable fixed rate/payable floating rate		29,012,108	25,144,657	393,005
	Receivable floating rate/payable fixed rate		16,247,276	15,479,650	(373,123)
	Receivable floating rate/payable floating rate		10,423	—	(8)
	Interest rate swaptions:				
	Sold		11,543	11,543	154
	Bought		—	—	—
	Caps:				
	Sold		23,267	18,139	383
Bought	23,267	18,139	(383)		
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted			
	Receivable floating rate/payable fixed rate		18,475	8,581	(482)
	Receivable floating rate/payable floating rate		193,202	164,962	(4,105)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money, corporate bonds			
	Receivable floating rate/payable fixed rate		85,591	73,689	(Note 3)
	Receivable floating rate/payable floating rate		5,000	3,000	
	Total		/	/	¥ 15,464

- 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 price on the Tokyo Financial Exchange or other relevant exchanges. 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 transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

March 31, 2015		Millions of yen			
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit			
	Sold		¥ 9,431,618	¥ 6,067,453	¥ (5,029)
	Bought	1,300,300	—	(41)	
	Interest rate swaps:	Loans and bills discounted			
	Receivable fixed rate/payable floating rate		31,042,631	26,461,484	718,262
	Receivable floating rate/payable fixed rate		16,875,562	15,294,056	(666,588)
	Receivable floating rate/payable floating rate		3,604	—	4
	Interest rate swaptions:	Loans and bills discounted			
	Sold		12,344	12,344	89
	Bought	—	—	—	
	Caps:	Loans and bills discounted			
Sold	65,156		61,248	135	
Bought	65,156	61,248	(135)		
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted			
	Receivable floating rate/payable fixed rate		148,693	91,040	728
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money, corporate bonds			
	Receivable floating rate/payable fixed rate		167,412	149,076	(Note 3)
	Receivable floating rate/payable floating rate		3,000	1,000	
	Total		/	/	¥ 47,425

- 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 price on the Tokyo Financial Exchange or other relevant exchanges. 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 transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

(2) Currency derivatives

March 31, 2014			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	¥5,002,828	¥3,567,270	¥(500,931)
	Forward foreign exchange		24,659	—	208
Recognition of gain or loss on the hedged items	Currency swaps.....	Loans and bills discounted; foreign exchange	34,642	6,075	3,350
	Forward foreign exchange		309,265	14,658	910
Allocation method	Currency swaps.....	Other securities (bonds), borrowed money	28,466	24,870	(Note 3)
	Forward foreign exchange		3,720	—	
Total.....			/	/	¥(496,461)

- Notes: 1. SMFG 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).
2. Fair value is calculated using discounted present value.
3. Forward foreign exchange amounts treated by the allocation method are treated with other securities or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

March 31, 2015			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted; other securities; deposits; foreign currency exchange, etc.	¥6,727,385	¥4,770,873	¥(911,989)
	Forward foreign exchange		8,980	—	(36)
Recognition of gain or loss on the hedged items	Currency swaps.....	Loans and bills discounted; foreign exchange	100,155	84,886	16,193
	Forward foreign exchange		813,122	16,526	(173)
Allocation method	Currency swaps.....	Borrowed money	39,455	36,397	(Note 3)
	Total.....		/	/	¥(896,005)

- Notes: 1. SMFG 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).
2. Fair value is calculated using discounted present value.
3. Forward foreign exchange amounts treated by the allocation method are treated with other securities or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

(3) Equity derivatives

March 31, 2014			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Recognition of gain or loss on the hedged items	Equity price index swaps:				
	Receivable equity index/payable floating rate		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index		115,244	59,945	3,483
	Total		/	/	¥3,483

Note: Fair value is calculated using discounted present value.

March 31, 2015			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Recognition of gain or loss on the hedged items	Equity price index futures:				
	Sold		¥118,375	¥ —	¥ 1,687
	Bought		—	—	—
	Equity price index swaps:				
	Receivable equity index/payable floating rate		—	—	—
	Receivable floating rate/payable equity index		65,978	8,769	(15,013)
Total		/	/	¥(13,326)	

Note: Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value.

(Notes to employee retirement benefits)**1. Outline of employee retirement benefits**

SMFG's consolidated subsidiaries have funded and unfunded contributory defined benefit pension plans and defined-contribution pension plans for benefit payments to their employees.

Funded contributory defined benefit pension plans mainly consist of contributory funded defined benefit pension plans and lump-sum severance indemnity plans which set up employee retirement benefit trusts.

Unfunded contributory defined benefit pension plans are lump-sum severance indemnity plans which do not use such trust scheme.

Some consolidated subsidiaries adopt the simplified method in calculating the projected benefit obligation. Additional benefits may also be granted when employees retire.

2. Contributory defined benefit pension plan**(1) Reconciliation of beginning and ending balances of projected benefit obligation**

Year ended March 31	Millions of yen	
	2014	2015
Beginning balance of projected benefit obligation.....	¥1,117,085	¥1,089,286
Cumulative effects of changes in accounting policies	—	(52,699)
Restated balance	1,117,085	1,036,587
Service cost	30,713	31,681
Interest cost on projected benefit obligation	17,115	13,913
Unrecognized net actuarial gain or loss incurred	(19,815)	50,926
Payments of retirement benefits	(56,367)	(50,266)
Unrecognized prior service cost	(74)	60
Other	631	206
Ending balance of projected benefit obligation.....	¥1,089,286	¥1,083,109

(2) Reconciliation of beginning and ending balances of plan assets

Year ended March 31	Millions of yen	
	2014	2015
Beginning balance of plan assets	¥1,036,130	¥1,163,834
Expected return on plan assets	31,068	34,677
Unrecognized net actuarial gain or loss incurred	90,050	213,991
Contributions by the employer	46,496	48,937
Payments of retirement benefits.....	(41,077)	(40,973)
Other	1,165	801
Ending balance of plan assets	¥1,163,834	¥1,421,268

(3) Reconciliation of the projected benefit obligation and plan assets to net defined benefit asset and net defined benefit liability reported on the consolidated balance sheets

March 31	Millions of yen	
	2014	2015
Funded projected benefit obligation.....	¥(1,055,829)	¥(1,049,307)
Plan assets	1,163,834	1,421,268
	108,004	371,961
Unfunded projected benefit obligation.....	(33,457)	(33,802)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 74,547	¥ 338,159

March 31	Millions of yen	
	2014	2015
Net defined benefit asset	¥119,932	¥376,255
Net defined benefit liability	(45,385)	(38,096)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 74,547	¥338,159

(4) Pension expenses

Year ended March 31	Millions of yen	
	2014	2015
Service cost	¥ 30,713	¥ 31,681
Interest cost on projected benefit obligation	17,115	13,913
Expected return on plan assets	(31,068)	(34,677)
Amortization of unrecognized net actuarial gain or loss	36,294	22,763
Amortization of unrecognized prior service cost	(182)	(129)
Other (nonrecurring additional retirement allowance paid and other)	1,325	6,850
Pension expenses	¥ 54,197	¥ 40,402

Note: Pension expenses of consolidated subsidiaries which adopt the simplified method are included in "Service cost."

(5) Remeasurements of defined benefit plans

The breakdown of "Remeasurements of defined benefit plans" (before deducting tax effect) is as shown below:

Year ended March 31	Millions of yen	
	2014	2015
Prior service cost	¥—	¥ 190
Net actuarial gain or loss	—	(185,835)
Total	¥—	¥(185,645)

(6) Accumulated remeasurements of defined benefit plans

The breakdown of "Accumulated remeasurements of defined benefit plans" (before deducting tax effect) is as shown below:

March 31	Millions of yen	
	2014	2015
Unrecognized prior service cost	¥ (1,146)	¥ (956)
Unrecognized net actuarial gain or loss	116,198	(69,637)
Total	¥115,051	¥(70,594)

(7) Plan assets

1) Major asset classes of plan assets

The proportion of major asset classes to the total plan assets is as follows:

March 31	2014	2015
Stocks	59.4%	62.8%
Bonds	22.9%	21.5%
Other	17.7%	15.7%
Total	100.0%	100.0%

Note: The retirement benefit trusts set up for employee pension plans and lump-sum severance indemnity plans account for 34.1% and 37.9% of the total plan assets at March 31, 2014 and 2015, respectively.

2) Method for setting the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and expected allocation of plan assets and the current and expected long-term rates of return on various asset classes of plan assets.

(8) Actuarial assumptions

The principal assumptions used in determining benefit obligation and pension expenses are as follows:

1) Discount rate

Year ended March 31, 2014	Percentages	Year ended March 31, 2015	Percentages
Domestic consolidated subsidiaries	0.4% to 2.0%	Domestic consolidated subsidiaries	0.4% to 1.6%
Overseas consolidated subsidiaries	3.5% to 11.3%	Overseas consolidated subsidiaries	3.1% to 12.0%

2) Long-term expected rate of return on plan assets

Year ended March 31, 2014	Percentages	Year ended March 31, 2015	Percentages
Domestic consolidated subsidiaries	0% to 4.0%	Domestic consolidated subsidiaries	0% to 6.1%
Overseas consolidated subsidiaries	4.3% to 10.5%	Overseas consolidated subsidiaries	3.1% to 12.0%

3. Defined contribution plan

Fiscal year ended March 31, 2014

The amount required to be contributed by the consolidated subsidiaries is ¥5,936 million.

Fiscal year ended March 31, 2015

The amount required to be contributed by the consolidated subsidiaries is ¥6,770 million.

(Notes to stock options)**1. Amount of stock options expenses**

Stock options expenses which were accounted for as general and administrative expenses for the fiscal years ended March 31, 2014 and 2015 are as follows:

Year ended March 31	Millions of yen	
	2014	2015
General and administrative expenses.....	¥549	¥510

2. Amount of profit by non-exercise of stock acquisition rights

Profit by non-exercise of stock acquisition rights which were accounted for as other income for the fiscal years ended March 31, 2014 and 2015 are as follows:

Year ended March 31	Millions of yen	
	2014	2015
Other income	¥13	¥14

3. Outline of stock options and changes**(1) SMFG****1) Outline of stock options**

Date of resolution	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013
Title and number of grantees	Directors of SMFG 8 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 69	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 71	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 71	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 3 Directors, corporate auditors and executive officers of SMBC 67
Number of stock options*	Common shares 102,600	Common shares 268,200	Common shares 280,500	Common shares 115,700
Grant date.....	August 13, 2010	August 16, 2011	August 15, 2012	August 14, 2013
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.	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.....	From June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2011	From June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012	From June 28, 2012 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2013	From June 27, 2013 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2014
Exercise period	August 13, 2010 to August 12, 2040	August 16, 2011 to August 15, 2041	August 15, 2012 to August 14, 2042	August 14, 2013 to August 13, 2043

Date of resolution	July 30, 2014
Title and number of grantees	Directors of SMFG 10 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 67
Number of stock options*	Common shares 121,900
Grant date	August 15, 2014
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.
Requisite service period	From June 27, 2014 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2015
Exercise period	August 15, 2014 to August 14, 2044

* Number of stock options has been converted and stated as number of shares.

2) Stock options granted and changes

(a) Number of stock options

Date of resolution	Number of stock options				
	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013	July 30, 2014
Before vested					
Previous fiscal year-end	39,600	185,200	258,400	115,400	—
Granted	—	—	—	—	121,900
Forfeited	—	—	—	200	100
Vested	1,200	33,900	25,900	3,600	200
Outstanding	38,400	151,300	232,500	111,600	121,600
After vested					
Previous fiscal year-end	58,800	76,600	18,700	100	—
Vested	1,200	33,900	25,900	3,600	200
Exercised	1,200	—	—	—	—
Forfeited	—	—	—	—	—
Exercisable	58,800	110,500	44,600	3,700	200

Note: Number of stock options has been converted and stated as number of shares.

(b) Price information

Date of resolution	Yen				
	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013	July 30, 2014
Exercise price	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average exercise price	4,084	—	—	—	—
Fair value at the grant date	2,215	1,872	2,042	4,159	3,661

3) 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	July 30, 2014
Expected volatility * ¹	28.16%
Average expected life * ²	4 years
Expected dividends * ³	¥120 per share
Risk-free interest rate * ⁴	0.11%

*1. Calculated based on the actual stock prices during 4 years from August 16, 2010 to August 15, 2014.

*2. The average expected life could not be estimated rationally due to insufficient amount of data.

Therefore, it was estimated based on average assumption periods of directors of SMFG and SMBC.

*3. Expected dividends are based on the expected dividends on common stock for the fiscal year ended March 31, 2015 of the date of grant.

*4. Japanese government bond yield corresponding to the average expected life.

4) Method of estimating the 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) A consolidated subsidiary, KUBC

1) Outline of stock options

Date of resolution	June 29, 2004	June 29, 2005	June 29, 2006	June 29, 2006
Title and number of grantees	Directors and employees 174	Directors and employees 183	Directors 9	Officers not doubling as directors 14 Employees 46
Number of stock options*	Common shares 39,900	Common shares 46,400	Common shares 16,200	Common shares 11,500
Grant date	July 30, 2004	July 29, 2005	July 31, 2006	July 31, 2006
Condition for vesting	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.
Exercise period	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016

Date of resolution	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Title and number of grantees	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 17,400	Common shares 11,200	Common shares 28,900	Common shares 35,000
Grant date	July 31, 2007	July 31, 2007	July 31, 2008	July 31, 2009
Condition for vesting	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.
Exercise period	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

* Number of stock options has been converted and stated as the number of shares in consideration of the reverse stock split to combine 10 common shares as one share, performed on October 1, 2014.

- 2) Stock options granted and changes
 (a) Number of stock options

Date of resolution	Number of stock options							
	June 29, 2004	June 29, 2005	June 29, 2006	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	19,700	27,200	9,400	6,800	12,200	8,000	28,400	35,000
Vested	—	—	—	—	—	—	—	—
Exercised	—	—	—	—	—	—	—	—
Forfeited	19,700	4,600	3,200	1,100	4,400	1,000	5,700	3,100
Exercisable	—	22,600	6,200	5,700	7,800	7,000	22,700	31,900

Note: Number of stock options has been converted and stated as the number of shares in consideration of the reverse stock split to combine 10 common shares as one share, performed on October 1, 2014.

- (b) Price information

Date of resolution	Yen							
	June 29, 2004	June 29, 2005	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Exercise price	¥2,020	¥3,130	¥4,900	¥4,900	¥4,610	¥4,610	¥3,020	¥1,930
Average exercise price	—	—	—	—	—	—	—	—
Fair value at the grant date	—	—	1,380	1,380	960	960	370	510

- 3) Method of estimating the 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) A consolidated subsidiary, MINATO

- 1) Outline of stock options

Date of resolution	June 28, 2012	June 27, 2013	June 27, 2014
Title and number of grantees	Directors 7 Officers 12	Directors 7 Officers 12	Directors 7 Officers 16
Number of stock options*	Common shares 368,000	Common shares 334,000	Common shares 320,000
Grant date	July 20, 2012	July 19, 2013	July 18, 2014
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.	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.	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.	June 27, 2013 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2014.	June 27, 2014 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2015
Exercise period	July 21, 2012 to July 20, 2014	July 20, 2013 to July 19, 2014	July 19, 2014 to July 18, 2015

* Number of stock options has been converted and stated as number of shares.

2) Stock options granted and changes

(a) Number of stock options

Date of resolution	Number of stock options		
	June 28, 2012	June 27, 2013	June 27, 2014
Before vested			
Previous fiscal year-end.....	272,000	306,000	—
Granted.....	—	—	320,000
Forfeited.....	—	—	12,000
Vested.....	70,000	83,000	46,000
Outstanding.....	202,000	223,000	262,000
After vested			
Previous fiscal year-end.....	73,000	22,000	—
Vested.....	70,000	83,000	46,000
Exercised.....	—	—	—
Forfeited.....	—	—	—
Exercisable.....	143,000	105,000	46,000

Note: Number of stock options has been converted and stated as number of shares.

(b) Price information

Date of resolution	June 28, 2012	June 27, 2013	June 27, 2014
Exercise price.....	¥ 1	¥ 1	¥ 1
Average exercise price.....	—	—	—
Fair value at the grant date.....	132	166	181

3) 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 27, 2014
Expected volatility* ¹	26.49%
Average expected life* ²	2 years
Expected dividends* ³	¥5 per share
Risk-free interest rate* ⁴	0.06%

*¹ Calculated based on the actual stock prices during 2 years from July 19, 2012 to July 18, 2014.

*² The average expected life could not be estimated rationally due to insufficient amount of data. Therefore, it was estimated based on average assumption periods of directors of MINATO.

*³ Expected dividends are based on the actual dividends on common stock for the fiscal year ended March 31, 2014.

*⁴ Japanese government bond yield corresponding to the average expected life.

4) Method of estimating the 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.

(Notes to deferred tax assets and liabilities)**1. Significant components of deferred tax assets and liabilities**

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Deferred tax assets:		Deferred tax assets:	
Net operating loss carryforwards.....	¥ 380,685	Net operating loss carryforwards.....	¥ 320,680
Reserve for possible loan losses and write-off of loans	454,436	Reserve for possible loan losses and write-off of loans	290,628
Write-off of securities	148,032	Write-off of securities	113,876
Net defined benefit liability.....	63,120	Net defined benefit liability.....	35,174
Remeasurements of defined benefit plans	40,919	Deferred losses on hedges.....	14,082
Deferred losses on hedges.....	34,227	Other	248,581
Other	212,602		
Subtotal.....	1,334,023	Subtotal.....	1,023,023
Valuation allowance.....	(681,593)	Valuation allowance.....	(568,997)
Total deferred tax assets	652,429	Total deferred tax assets	454,026
Deferred tax liabilities:		Deferred tax liabilities:	
Net unrealized gains on other securities.....	(408,763)	Net unrealized gains on other securities.....	(731,045)
Gains on securities contributed to employee retirement benefits trust	(38,524)	Gains on securities contributed to employee retirement benefits trust	(35,492)
Leveraged lease	(20,378)	Remeasurements of defined benefit plans	(23,160)
Other	(114,972)	Leveraged lease	(22,513)
		Other	(115,367)
Total deferred tax liabilities	(582,640)	Total deferred tax liabilities	(927,578)
Net deferred tax assets (liabilities)	¥ 69,789	Net deferred tax assets (liabilities)	¥ (473,551)

2. Significant components of difference between the statutory tax rate used by SMFG and the effective income tax rate

March 31, 2014	Percentages	March 31, 2015	Percentages
Statutory tax rate	38.01%	Statutory tax rate	35.64%
Difference between SMFG and overseas consolidated subsidiaries.....	(2.66)	Difference between SMFG and overseas consolidated subsidiaries.....	(2.34)
Valuation allowance.....	(1.90)	Dividends exempted for income tax purposes.....	(2.05)
Dividends exempted for income tax purposes.....	(1.51)	Valuation allowance.....	(0.48)
Effects of changes in the corporate income tax rate.	0.78	Effects of changes in the corporate income tax rate.	2.10
Other	(0.47)	Other	0.84
Effective income tax rate.....	32.25%	Effective income tax rate.....	33.71%

3. Adjustments to deferred tax assets and liabilities arising from a change in the income tax rate

In accordance with the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9, 2015) and the Act for Partial Amendment of the Local Tax Act, etc. (Act No. 2, 2015) on March 31, 2015, the corporate income tax rate is lowered from fiscal years beginning on or after April 1, 2015. As a result of these changes, the effective statutory tax rate used by SMFG and its consolidated domestic subsidiaries for the calculation of deferred tax assets and liabilities was changed from the current rate of 35.64% to 33.06% for temporary differences and other items expected to be eliminated during the period beginning from the fiscal year beginning on April 1, 2015, and to 32.26% for temporary differences and other items expected to be eliminated in the fiscal year beginning on or after April 1, 2016. As a result of these changes in tax rates, “Net deferred tax assets (liabilities)” increased by ¥49,304 million, “Net unrealized gains (losses) on other securities” increased by ¥75,867 million, “Net deferred gains (losses) on hedges” decreased by ¥1,318 million, “Remeasurements of defined benefit plans” increased by ¥2,285 million, and “Income tax deferred” increased by ¥27,529 million before considering about minority interests. “Deferred tax liabilities for land revaluation excess” decreased by ¥3,604 million, while “Land revaluation excess” increased by the same amount before considering about minority interests.

(Notes to asset retirement obligations)*Fiscal year ended March 31, 2014*

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There is no significant information to be disclosed.

(Notes to real estate for rent)*Fiscal year ended March 31, 2014*

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There is no significant information to be disclosed.

(Notes to segment and other related information)

{Segment information}

1. Summary of reportable segment

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 and SMFG's Management Committee regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

Besides commercial banking, SMFG Group companies conduct businesses such as leasing, securities, consumer finance, system development and data processing. The primary businesses, "Commercial banking," "Leasing," "Securities" and "Consumer Finance," are separate reportable segments, and other businesses are aggregated as "Other business."

SMBC assesses business performance by classifying "Commercial banking" into the following 4 business units: "Wholesale banking unit," "Retail banking unit" and "International banking unit" that are based on the client segment, and "Treasury unit" that is based on the financial markets.

SMBC reviewed its domestic business units with an aim to improve its ability to meet customers' needs and provide more value-added products and services by reconstructing business model for each segment. "Customer banking unit," "Middle market banking unit" and "Corporate banking unit," which were 3 domestic business units, have changed into 2 business units; "Retail banking unit" and "Wholesale banking unit."

From the fiscal year ended March 31, 2015, the performance assessment method was changed by, for example, changing the definition of consolidated net business profit, in order to enhance the group business management.

Information for the fiscal year ended March 31, 2014 indicates profit and loss amount by reportable segment prepared based on the above-mentioned revisions.

2. Method of calculating profit and loss amount by reportable segment

Accounting methods applied to the reported business segment are the same as those described in "(Notes to significant accounting policies for preparing consolidated financial statements)."

SMFG does not assess assets by business segments.

3. Information on profit and loss amount by reportable segment

Year ended March 31, 2014	Millions of yen							Total
	Commercial banking							
	SMBC							
	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	
Gross profit	¥1,558,184	¥ 558,538	¥ 405,391	¥295,984	¥325,522	¥ (27,250)	¥ 249,055	¥1,807,239
Interest income.....	1,064,906	323,396	321,309	174,587	225,207	20,407	171,143	1,236,050
Non-interest income.....	493,277	235,142	84,082	121,397	100,315	(47,658)	77,912	571,189
Expenses, etc.	(745,745)	(200,758)	(336,413)	(89,093)	(22,901)	(96,580)	(195,566)	(941,311)
Depreciation	(81,666)	(23,550)	(31,292)	(9,745)	(4,810)	(12,269)	(10,635)	(92,302)
Consolidated net business profit.....	¥ 812,438	¥ 357,780	¥ 68,978	¥206,891	¥302,621	¥(123,831)	¥ 53,488	¥ 865,927

Year ended March 31, 2014	Millions of yen						
	Leasing			Securities			
	SMFL	Others	Total	SMBC Nikko	SMBC Friend	Others	Total
Gross profit	¥127,861	¥10,584	¥138,446	¥339,299	¥58,153	¥ 304	¥397,758
Interest income.....	29,088	6,137	35,226	229	1,329	1,083	2,642
Non-interest income.....	98,773	4,446	103,219	339,070	56,823	(778)	395,115
Expenses, etc.	(52,830)	(1,603)	(54,433)	(235,255)	(42,426)	(14,281)	(291,963)
Depreciation	(4,070)	(415)	(4,485)	(2,842)	(1,927)	(746)	(5,516)
Consolidated net business profit.....	¥ 75,031	¥ 8,981	¥ 84,012	¥104,044	¥15,726	¥(13,976)	¥105,794

Year ended March 31, 2014	Millions of yen						
	Consumer Finance				Total	Other Business	Grand Total
	SMCC	Cedyna	SMBCCF	Others			
Gross profit	¥ 189,932	¥ 167,571	¥181,806	¥ 795	¥ 540,105	¥ 14,684	¥ 2,898,233
Interest income.....	13,917	28,309	124,366	(9,947)	156,646	53,603	1,484,169
Non-interest income.....	176,014	139,621	57,439	10,743	383,459	(38,919)	1,414,064
Expenses, etc.	(139,625)	(123,614)	(72,996)	(16,521)	(352,758)	80,763	(1,559,703)
Depreciation	(10,336)	(9,607)	(3,732)	(2,180)	(25,856)	(8,379)	(136,541)
Consolidated net business profit.....	¥ 50,306	¥ 43,956	¥108,810	¥ 15,725	¥ 187,347	¥ 95,447	¥ 1,338,530

Notes: 1. Figures shown in the parenthesis represent the loss.

2. SMFL and SMBCCF represents consolidated figures of SMFL and SMBCCF.

“SMBC Nikko” represents non-consolidated figures of SMBC Nikko plus figures of the overseas incorporated securities companies.

“Cedyna” represents consolidated figures of Cedyna excluding figures of the immaterial subsidiaries.

3. “Other business” includes profit or loss to be eliminated as inter-segment transactions.

Millions of yen								
Commercial banking								
SMBC								
Year ended March 31, 2015	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	Total
Gross profit	¥1,634,284	¥555,429	¥ 386,784	¥345,332	¥353,990	¥ (7,250)	¥ 289,397	¥1,923,682
Interest income.....	1,121,428	315,796	313,171	227,808	212,361	52,292	171,222	1,292,650
Non-interest income.....	512,856	239,633	73,613	117,524	141,629	(59,542)	118,175	631,032
Expenses, etc.	(791,211)	(206,778)	(350,047)	(106,637)	(25,918)	(101,831)	(202,923)	(994,135)
Depreciation	(82,976)	(23,281)	(31,317)	(10,195)	(4,682)	(13,501)	(10,041)	(93,018)
Consolidated net business profit.....	¥ 843,073	¥348,651	¥ 36,737	¥238,695	¥328,072	¥(109,081)	¥ 86,473	¥ 929,547

Millions of yen							
Year ended March 31, 2015	Leasing			Securities			
	SMFL	Others	Total	SMBC Nikko	SMBC Friend	Others	Total
Gross profit	¥136,965	¥12,325	¥149,290	¥ 346,294	¥ 50,393	¥ (2,799)	¥ 393,888
Interest income.....	19,311	5,132	24,443	1,498	1,246	1,015	3,759
Non-interest income.....	117,654	7,193	124,847	344,796	49,146	(3,814)	390,128
Expenses, etc.	(56,497)	(4,244)	(60,742)	(248,680)	(39,993)	(13,238)	(301,913)
Depreciation.....	(3,555)	(4,720)	(8,275)	(2,720)	(1,707)	(677)	(5,105)
Consolidated net business profit.....	¥ 80,467	¥ 8,081	¥ 88,548	¥ 97,613	¥ 10,399	¥(16,037)	¥ 91,974

Millions of yen							
Year ended March 31, 2015	Consumer Finance					Other Business	Grand Total
	SMCC	Cedyna	SMBCCF	Others	Total		
Gross profit	¥ 196,462	¥ 164,205	¥215,559	¥ 661	¥ 576,889	¥(63,347)	¥ 2,980,403
Interest income.....	13,667	25,916	149,016	(9,943)	178,657	5,668	1,505,178
Non-interest income.....	182,794	138,289	66,543	10,605	398,232	(69,015)	1,475,224
Expenses, etc.	(146,087)	(121,750)	(96,123)	(17,944)	(381,906)	68,754	(1,669,942)
Depreciation.....	(11,577)	(8,686)	(5,942)	(2,178)	(28,385)	(11,423)	(146,209)
Consolidated net business profit.....	¥ 50,375	¥ 42,455	¥119,436	¥(17,283)	¥ 194,982	¥ 5,407	¥1,310,461

Notes: 1. Figures shown in the parenthesis represent the loss.

2. SMFL and SMBCCF represents consolidated figures of SMFL and SMBCCF.

“SMBC Nikko” represents non-consolidated figures of SMBC Nikko plus figures of the overseas incorporated securities companies.

“Cedyna” represents consolidated figures of Cedyna excluding figures of the immaterial subsidiaries.

3. “Other business” includes profit or loss to be eliminated as inter-segment transactions.

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, 2014	Millions of yen
Consolidated net business profit.....	¥1,338,530
Other ordinary income (excluding equity in gains of affiliates).....	296,337
Other ordinary expenses	(202,536)
Ordinary profit on consolidated statements of income.....	¥1,432,332
Year ended March 31, 2015	Millions of yen
Consolidated net business profit.....	¥1,310,461
Other ordinary income	218,008
Other ordinary expenses (excluding equity in losses of affiliates).....	(207,313)
Ordinary profit on consolidated statements of income.....	¥1,321,156

[Related information]

Fiscal year ended March 31, 2014

1. Information on each service

	Millions of yen					Total
	Commercial banking	Leasing	Securities	Consumer Finance	Other business	
Ordinary income to external customers	¥2,541,625	¥586,777	¥402,925	¥992,827	¥117,724	¥4,641,880

Note: Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Geographic information

(1) Ordinary income

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥3,762,300	¥237,908	¥354,980	¥286,690	¥4,641,880

Notes: 1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Ordinary income from transactions of SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "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.

(2) Tangible fixed assets

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥1,296,644	¥132,232	¥902,456	¥15,455	¥2,346,788

3. Information on major customers

There are no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

Fiscal year ended March 31, 2015

1. Information on each service

	Millions of yen					Total
	Commercial banking	Leasing	Securities	Consumer Finance	Other business	
Ordinary income to external customers	¥2,557,945	¥691,177	¥494,779	¥1,013,679	¥93,620	¥4,851,202

Note: Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Geographic information

(1) Ordinary income

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥3,783,696	¥294,216	¥387,251	¥386,037	¥4,851,202

Notes: 1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Ordinary income from transactions of SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "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.

(2) Tangible fixed assets

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥1,360,804	¥191,232	¥1,201,437	¥17,378	¥2,770,853

3. Information on major customers

There are no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

[Information on impairment loss for fixed assets by reportable segment]

Year ended March 31, 2014	Millions of yen					
	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Impairment loss.....	¥2,551	—	¥65	¥481	¥250	¥3,348

Year ended March 31, 2015	Millions of yen					
	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Impairment loss.....	¥4,906	—	¥173	¥29	—	¥5,109

[Information on amortization of goodwill and unamortized balance by reportable segment]

Year ended March 31, 2014	Millions of yen					
	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Amortization of goodwill	¥ 1,380	¥ 9,664	¥ 14,021	¥ 3,942	¥23	¥ 29,033
Unamortized balance	24,109	80,523	202,216	70,200	94	377,145

Year ended March 31, 2015	Millions of yen					
	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Amortization of goodwill	¥ 2,010	¥ 6,446	¥ 14,013	¥ 4,025	¥23	¥ 26,521
Unamortized balance	22,098	75,414	188,202	66,180	71	351,966

[Information on gains on negative goodwill by reportable segment]

Fiscal year ended March 31, 2014

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

[Information on total credit cost by reportable segment]

Year ended March 31, 2014	Millions of yen					
	Commercial banking	Leasing	Securities	Consumer finance	Other business	Total
Total credit cost.....	¥(116,546)	¥(889)	¥11	¥66,796	¥1,554	¥(49,073)

Notes: 1. Total credit cost = Write-off loans + Losses on sales of delinquent loans – Gains on reversal of reserve for possible loan losses – Recoveries of written-off claims.

2. "Other business" includes profit or loss to be eliminated as inter-segment transactions.

3. Figures shown in the parenthesis represent the reversal of total credit cost.

Year ended March 31, 2015	Millions of yen					
	Commercial banking	Leasing	Securities	Consumer finance	Other business	Total
Total credit cost.....	¥(68,299)	¥(6,066)	¥(212)	¥78,780	¥3,644	¥7,847

Notes: 1. Total credit cost = Write-off loans + Losses on sales of delinquent loans – Gains on reversal of reserve for possible loan losses – Recoveries of written-off claims.

2. "Other business" includes profit or loss to be eliminated as inter-segment transactions.

3. Figures shown in the parenthesis represent the reversal of total credit cost.

[Information on related parties]**Fiscal year ended March 31, 2014**

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There is no significant information to be disclosed.

(Business Combinations)

There is no significant business combination to be disclosed.

(Per Share Data)

As of and year ended March 31	Yen	
	2014	2015
Net assets	¥5,323.87	¥6,598.87
Net income per share.....	611.45	551.18
Net income per share (diluted)	611.14	550.85

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	
	2014	2015
Net income per share:		
Net income	¥ 835,357	¥ 753,610
Amount not attributable to common stockholders.....	—	—
Net income attributable to common stock.....	¥ 835,357	¥ 753,610
Average number of common stock during the fiscal year (in thousand).....	1,366,186	1,367,258
Net income per share (diluted):		
Adjustment for net income.....	¥ (0)	¥ (0)
Adjustment of dilutive shares issued by subsidiaries and affiliates.....	(0)	(0)
Increase in number of common stock (in thousand).....	698	816
Stock acquisition rights	698	816
Outline of dilutive shares which were not included in the calculation of “Net income per share (diluted)” because they do not have dilutive effect:	—	—

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

March 31	Millions of yen except number of shares	
	2014	2015
Net assets	¥9,005,019	¥10,696,271
Amounts excluded from Net assets	1,725,832	1,674,022
Stock acquisition rights	1,791	2,284
Minority interests.....	1,724,041	1,671,738
Net assets attributable to common stock at the fiscal year-end	¥7,279,186	¥ 9,022,249
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands)	1,367,273	1,367,241

3. Changes in accounting policies

As described in (Notes to significant accounting policies for preparing consolidated financial statements), SMFG has adopted Paragraph 35 of “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 issued on May 17, 2012, “Accounting Standard”) and Paragraph 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on March 26, 2015, “Guidance”) from the beginning of the fiscal year ended March 31, 2015. Accordingly, SMFG applies the transitional treatment stipulated in Paragraph 37 of the Accounting Standard.

As a result, net assets per share as of April 1, 2014 increased by ¥ 25.93.

(Significant Subsequent Events)

There is no significant subsequent event to be disclosed.

[Consolidated supplementary financial schedules]
[Schedule of bonds]

Company	Type of bonds	Date of issuance	Millions of yen		Percentages		Collateral	Date of maturity
			At the beginning of the fiscal year	At the end of the fiscal year	Interest rate (Note 1)			
SMFG	Straight bonds, payable in Yen	Sep. 12, 2014	—	99,399	0.849	None	Sep. 12, 2024	
	Subordinated bonds, payable in Yen ...	Sep. 12, 2014	—	34,800	0.61	None	Sep. 12, 2024	
	Subordinated bonds, payable in U.S. dollars (Note 3)	Apr. 2, 2014	—	209,788 (\$ 1,746,058 thousand)	4.436	None	Apr. 2, 2024	
SMBC	Short-term bonds, payable in Yen (Note 4)	Mar. 2014 ~ Mar. 2015	¥ 25,000 [25,000]	25,000 [25,000]	0.07	None	Apr. 2015	
	Straight bonds, payable in Yen (Note 4)	Aug. 2004 ~ Sep. 2004	65,000 [30,000]	35,000	0.03429 ~ 0.08143	None	Aug. 2016 ~ Sep. 2016	
	Straight bonds, payable in Yen (Note 4)	May. 2009 ~ Apr. 2014	861,808 [196,396]	729,974 [370,000]	0.254 ~ 0.69	None	Apr. 2015 ~ Apr. 2019	
	Straight bonds, payable in Euroyen (Note 4)	Mar. 2006 ~ Feb. 2007	12,900	500 [500]	0.01286	None	May 8, 2015	
	Straight bonds, payable in U.S. dollars (Notes 3 and 4)	Jul. 2010 ~ Mar. 2015	1,618,005 (\$15,727,110 thousand) [144,015]	2,562,816 (\$21,330,140 thousand) [432,540]	0.5741 ~ 4.13	None	Jul. 2015 ~ Mar. 2030	
	Straight bonds, payable in British pound sterling (Notes 3 and 4)	Mar. 18, 2013	42,805 (£250,000 thousand)	44,502 (£250,000 thousand)	1.11438	None	Mar. 18, 2016	
	Straight bonds, payable in Euro (Note 3)	Jul. 2013 ~ Jan. 2015	175,822 (€1,242,032 thousand)	259,206 (€1,989,456 thousand)	1.00 ~ 2.75	None	Dec. 2020 ~ Jul. 2023	
	Straight bonds, payable in Australian dollars (Notes 3 and 4)	Dec. 2011 ~ Mar. 2015	139,961 (A\$1,469,873 thousand) [40,942]	137,981 (A\$1,499,469 thousand) [12,882]	2.97 ~ 4.13	None	Mar. 2016 ~ Mar. 2025	
	Straight bonds, payable in Hong Kong dollars (Note 3)	Mar. 5, 2015	—	13,392 (HK\$864,000 thousand)	2.55	None	Mar. 7, 2022	
	Subordinated bonds, payable in Yen (Note 4)	Oct. 2004 ~ Dec. 2011	739,271 [49,997]	583,046 [50,000]	1.43 ~ 2.8	None	Aug. 2015 ~ Dec. 2026	
	Subordinated bonds, payable in Yen	Nov. 2011 ~ Jan. 2013	355,522	354,715	0.87 ~ 1.1	None	Nov. 2021 ~ Feb. 2023	
	Subordinated bonds, payable in Euroyen	Jun. 2005 ~ Dec. 2009	130,800	12,000	2.564 ~ 2.97	None	Jun. 2023 ~ Jun. 2035	
	Subordinated bonds, payable in U. S. dollars (Note 3)	Mar. 1, 2012	153,765 (\$1,494,609 thousand)	178,636 (\$1,486,780 thousand)	4.85	None	Mar. 1, 2022	
	Perpetual subordinated bonds, payable in U. S. dollars (Note 3)	Jul. 22, 2005	33,641 (\$327,001 thousand)	39,309 (\$327,169 thousand)	5.625	None	Perpetual	
	Subordinated bonds, payable in Euro (Note 3)	Nov. 9, 2010	105,391 (€744,503 thousand)	96,452 (€740,294 thousand)	4	None	Nov. 9, 2020	
	Perpetual subordinated bonds, payable in Euro (Note 3)	Jul. 22, 2005	46,839 (€330,881 thousand)	43,152 (€331,204 thousand)	4.375	None	Perpetual	
(*1)	Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2 and 4)	Apr. 2004 ~ Mar. 2015	458,229 [51,250]	629,682 [91,114]	0.01 ~ 13.71	None	Apr. 2015 ~ Mar. 2045	
(*2)	Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2,3 and 4)	Apr. 2014 ~ Mar. 2015	—	1,457 (\$13,000 thousand) [108]	0.01 ~ 3.8	None	Apr. 2015 ~ Feb. 2020	
(*3)	Consolidated subsidiaries, straight bonds, payable in Renminbi (Notes 2,3 and 4)	Sep. 2011 ~ Aug. 2012	14,931 (RMB900,000 thousand) [4,977]	11,616 (RMB600,000 thousand) [11,616]	4	None	Aug. 3, 2015	
(*4)	Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2 and 3)	May 5, 2014	—	19,287 (RMB996,255 thousand)	5.8	None	May 5, 2016	
(*5)	Consolidated subsidiaries, subordinated bonds, payable in Yen (Notes 2 and 4)	Mar. 1996~ Dec. 2012	136,200	126,200 [10,000]	2.19 ~ 4.5	None	Mar. 2016 ~ Perpetual	
(*6)	Consolidated subsidiaries, short-term bonds, payable in Yen (Notes 2 and 4)	Apr. 2013 ~ Mar. 2015	1,120,200 [1,120,200]	1,345,800 [1,345,800]	0.085 ~ 0.16	None	Apr. 2015 ~ Oct. 2015	
Total		—	¥ 6,236,094	¥ 7,593,718	—	—	—	

- Notes: 1. "Interest rate" indicates a nominal interest rate which is applied at respective consolidated balance sheet dates. Therefore, this rate may differ from an actual interest rate.
2. (*1) This represents an aggregate of straight bond issued in yen by SMFL, SMBC Nikko and SMBCCE, domestic consolidated subsidiaries.
(*2) This is a straight bond issued in U.S. dollar by SMBC Nikko, domestic consolidated subsidiaries.
(*3) This is a straight bond issued in Renminbi by SMFL, a domestic consolidated subsidiary.
(*4) This is a straight bond issued in Renminbi by Sumitomo Mitsui Banking Corporation (China) Limited, an overseas consolidated subsidiary.
(*5) This represents an aggregate of perpetual subordinated bonds and subordinated term bonds issued in yen by SMBC International Finance N.V., an overseas consolidated subsidiary and KUBC and MINATO, domestic consolidated subsidiaries.
(*6) This is a short-term bond issued by SMFL, SMBC Nikko and Cedyne, domestic consolidated subsidiaries.
3. Figures showed in () in "At the beginning of the fiscal year" and "At the end of the fiscal year" are in foreign currency.
4. Figures showed in [] in "At the beginning of the fiscal year" and "At the end of the fiscal year" are the amounts to be redeemed within one year.
5. The redemption schedule over the next 5 years after respective balance sheet dates of the consolidated subsidiaries was as follows:

	Millions of yen				
	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
	¥2,394,064	¥928,235	¥871,686	¥352,981	¥590,006

[Schedule of borrowings]

Classification	Millions of yen		Percentages	Repayment Term
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	
Borrowed money	¥7,020,841	¥9,778,095	0.40	—
Other borrowings	7,020,841	9,778,095	0.40	Jan. 2015 ~ Perpetual
Lease obligations	93,622	101,840	4.58	Apr. 2015 ~ Jul. 2032

Notes: 1. "Average interest rate" represents the weighted average interest rate based on the interest rates and "At the end of the fiscal year" at respective balance sheet dates of consolidated subsidiaries.

2. The redemption schedule over the next 5 years on Borrowings and Lease obligations after respective balance sheet dates of the consolidated subsidiaries was as follows:

	Millions of yen				
	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
Other borrowings	¥7,158,084	¥311,200	¥203,305	¥462,193	¥330,261
Lease obligations	20,698	17,484	15,976	14,548	13,157

Since the commercial banking business accepts deposits and raises and manages funds through the call loan and commercial paper markets as a normal course of business, the schedule of borrowings shows a breakdown of Borrowed money included in the "Liabilities" and Lease obligations included in "Other liabilities" in the consolidated balance sheet.

Reference: Commercial paper issued for funding purpose as a normal course of business is as follows:

	Millions of yen		Percentages	Repayment Term
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	
Commercial paper	¥2,374,051	¥3,351,459	0.29	Apr. 2015 ~ Feb. 2016

[Schedule of asset retirement obligations]

Since the amount of asset retirement obligations accounts for 1% or less than the total of liabilities and net assets, the schedule of asset retirement obligation is not disclosed.

[Others]

Quarterly consolidated financial information in the fiscal year ended March 31, 2015 were as follows;

	Millions of yen (except Net income per share)			
	First quarter consolidated total period	Second quarter consolidated total period	Third quarter consolidated total period	Fiscal year ended March 31, 2015
Ordinary income	¥1,118,656	¥2,360,297	¥3,556,519	¥4,851,202
Income before income taxes and minority interests	366,265	778,005	1,102,834	1,309,377
Net income	230,819	479,548	682,220	753,610
Net income per share	168.82	350.73	498.97	551.18

	Yen			
	First quarter consolidated accounting period	Second quarter consolidated accounting period	Third quarter consolidated accounting period	Fourth quarter consolidated accounting period
Net income per share	¥168.82	¥181.91	¥148.23	¥52.21

(Non-consolidated financial statements)**1. Non-consolidated balance sheets**

March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Assets:			
Current assets			
Cash and due from banks.....	¥ 79,901	¥ 201,862	\$ 1,680
Prepaid expenses.....	31	61	1
Accrued income.....	51	4,786	40
Accrued income tax refunds.....	42,244	102,966	857
Other current assets.....	1,814	2,275	19
Total current assets.....	124,042	311,951	2,596
Fixed assets			
Tangible fixed assets			
Buildings.....	0	30	0
Equipment.....	1	0	0
Total tangible fixed assets.....	1	31	0
Intangible fixed assets			
Software.....	267	265	2
Total intangible fixed assets.....	267	265	2
Investments and other assets			
Investments in subsidiaries and affiliates.....	6,155,487	6,155,487	51,232
Long-term loans receivable from subsidiaries and affiliates.....	—	376,262	3,132
Total investments and other assets.....	6,155,487	6,531,750	54,363
Total fixed assets.....	6,155,756	6,532,046	54,366
Total assets.....	¥6,279,799	¥6,843,998	\$56,962
Liabilities:			
Current liabilities			
Short-term borrowings.....	¥1,228,030	¥1,228,030	\$10,221
Accounts payable.....	916	870	7
Accrued expenses.....	3,275	7,084	59
Income taxes payable.....	17	21	0
Business office taxes payable.....	7	7	0
Reserve for employee bonuses.....	157	180	1
Reserve for executive bonuses.....	98	97	1
Other current liabilities.....	630	961	8
Total current liabilities.....	1,233,133	1,237,253	10,298
Fixed liabilities			
Bonds.....	392,900	611,962	5,093
Long-term borrowings.....	—	31,000	258
Total fixed liabilities.....	392,900	642,962	5,351
Total liabilities.....	1,626,033	1,880,215	15,649
Net assets:			
Stockholders' equity			
Capital stock.....	2,337,895	2,337,895	19,458
Capital surplus			
Capital reserve.....	1,559,374	1,559,374	12,979
Other capital surplus.....	24,347	24,349	203
Total capital surplus.....	1,583,721	1,583,723	13,181
Retained earnings			
Other retained earnings			
Voluntary reserve.....	30,420	30,420	253
Retained earnings brought forward.....	712,661	1,022,371	8,509
Total retained earnings.....	743,081	1,052,791	8,762
Treasury stock.....	(12,566)	(12,713)	(106)
Total stockholders' equity.....	4,652,131	4,961,697	41,296
Stock acquisition rights.....	1,634	2,085	17
Total net assets.....	4,653,766	4,963,782	41,313
Total liabilities and net assets.....	¥6,279,799	¥6,843,998	\$56,962

2. Non-consolidated Statements of Income

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Operating income:			
Dividends on investments in subsidiaries and affiliates	¥206,833	¥504,097	\$4,196
Fees and commissions received from subsidiaries	13,476	13,800	115
Interests on loans receivable from subsidiaries and affiliates	—	9,492	79
Total operating income	220,309	527,391	4,389
Operating expenses:			
General and administrative expenses	8,788	8,683	72
Interest on bonds	16,468	25,034	208
Interest on long term borrowings	—	20	0
Total operating expenses	25,256	33,739	281
Operating profit	195,052	493,651	4,109
Non-operating income:			
Interest income on deposits	57	163	1
Fees and commissions income	5	2	0
Other non-operating income	78	80	1
Total non-operating income	141	246	2
Non-operating expenses:			
Interest on borrowings	6,170	5,894	49
Fees and commissions payments	2	0	0
Amortization of bond issuance cost	—	2,028	17
Other non-operating expenses	—	0	0
Total non-operating expenses	6,172	7,923	66
Ordinary profit	189,021	485,974	4,045
Income before income taxes	189,021	485,974	4,045
Income taxes-current	3	3	0
Income taxes	3	3	0
Net income	¥189,018	¥485,970	\$4,045
	Yen		U.S. dollars
	2014	2015	2015
Per share data:			
Net income	¥134.04	¥344.64	\$2.87
Net income (diluted)	133.98	344.44	2.87

3. Non-consolidated Statements of changes in net assets

Year ended March 31, 2014	Millions of yen						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
	Voluntary reserve	Retained earnings brought forward					
Balance at the beginning of the fiscal year ...	¥2,337,895	¥1,559,374	¥24,343	¥1,583,717	¥30,420	¥ 699,913	¥ 730,333
Changes in the fiscal year:							
Cash dividends						(176,270)	(176,270)
Net income						189,018	189,018
Purchase of treasury stock							
Disposal of treasury stock			3	3			
Net changes in items other than stockholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	3	3	—	12,747	12,747
Balance at the end of the fiscal year	¥2,337,895	¥1,559,374	¥24,347	¥1,583,721	¥30,420	¥ 712,661	¥ 743,081

Year ended March 31, 2014	Millions of yen			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
Balance at the beginning of the fiscal year ...	¥(12,082)	¥4,639,865	¥1,140	¥4,641,005
Changes in the fiscal year:				
Cash dividends		(176,270)		(176,270)
Net income		189,018		189,018
Purchase of treasury stock	(500)	(500)		(500)
Disposal of treasury stock	16	19		19
Net changes in items other than stockholders' equity in the fiscal year			494	494
Net changes in the fiscal year	(484)	12,266	494	12,760
Balance at the end of the fiscal year	¥(12,566)	¥4,652,131	¥1,634	¥4,653,766

Year ended March 31, 2015	Millions of yen						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
Voluntary reserve					Retained earnings brought forward		
Balance at the beginning of the fiscal year ...	¥2,337,895	¥1,559,374	¥24,347	¥1,583,721	¥30,420	¥ 712,661	¥ 743,081
Changes in the fiscal year:							
Cash dividends						(176,260)	(176,260)
Net income						485,970	485,970
Purchase of treasury stock							
Disposal of treasury stock			2	2			
Net changes in items other than stockholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	2	2	—	309,709	309,709
Balance at the end of the fiscal year	¥2,337,895	¥1,559,374	¥24,349	¥1,583,723	¥30,420	¥1,022,371	¥1,052,791

Year ended March 31, 2015	Millions of yen			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
Balance at the beginning of the fiscal year ...	¥(12,566)	¥4,652,131	¥1,634	¥4,653,766
Changes in the fiscal year:				
Cash dividends		(176,260)		(176,260)
Net income		485,970		485,970
Purchase of treasury stock	(161)	(161)		(161)
Disposal of treasury stock	15	17		17
Net changes in items other than stockholders' equity in the fiscal year			451	451
Net changes in the fiscal year	(146)	309,565	451	310,016
Balance at the end of the fiscal year	¥(12,713)	¥4,961,697	¥2,085	¥4,963,782

Year ended March 31, 2015	Millions of U. S. dollars						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
	Voluntary reserve	Retained earnings brought forward					
Balance at the beginning of the fiscal year ...	\$19,458	\$12,979	\$203	\$13,181	\$253	\$ 5,931	\$ 6,185
Changes in the fiscal year:							
Cash dividends						(1,467)	(1,467)
Net income						4,045	4,045
Purchase of treasury stock							
Disposal of treasury stock			0	0			
Net changes in items other than stockholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	0	0	—	2,578	2,578
Balance at the end of the fiscal year	\$19,458	\$12,979	\$203	\$13,181	\$253	\$ 8,509	\$ 8,762

Year ended March 31, 2015	Millions of U. S. dollars			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
Balance at the beginning of the fiscal year ...	\$(105)	\$38,719	\$14	\$38,733
Changes in the fiscal year:				
Cash dividends		(1,467)		(1,467)
Net income		4,045		4,045
Purchase of treasury stock	(1)	(1)		(1)
Disposal of treasury stock	0	0		0
Net changes in items other than stockholders' equity in the fiscal year			4	4
Net changes in the fiscal year	(1)	2,576	4	2,580
Balance at the end of the fiscal year	\$(106)	\$41,296	\$17	\$41,313

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, 2014 and 2015, 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, 2014 and 2015, 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, 2015 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 basis of presentation.

KPMG AZSA LLC

June 25, 2015
Tokyo, Japan

Supplemental Information

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Assets:			
Cash and due from banks	¥ 32,826,744	¥ 39,569,276	\$ 329,332
Call loans and bills bought	1,248,235	1,326,965	11,044
Receivables under resale agreements	522,860	746,431	6,212
Receivables under securities borrowing transactions.....	3,737,208	6,447,116	53,659
Monetary claims bought	3,420,145	4,128,907	34,365
Trading assets	6,846,729	7,364,988	61,298
Money held in trust	14,572	1	0
Securities	27,092,373	29,559,334	246,020
Loans and bills discounted	69,754,391	75,119,565	625,215
Foreign exchanges	1,790,406	1,907,667	15,877
Lease receivables and investment assets	218,360	252,213	2,099
Other assets	1,703,060	3,422,970	28,489
Tangible fixed assets	976,903	1,073,206	8,932
Assets for rent	122,847	158,224	1,317
Buildings.....	277,481	287,583	2,394
Land	444,100	468,728	3,901
Lease assets	11,369	11,270	94
Construction in progress.....	55,759	75,883	632
Other tangible fixed assets	65,344	71,515	595
Intangible fixed assets.....	445,686	454,584	3,783
Software	236,775	261,433	2,176
Goodwill	168,807	157,350	1,310
Lease assets	206	140	1
Other intangible fixed assets.....	39,895	35,660	297
Net defined benefit asset	115,847	367,953	3,062
Deferred tax assets	101,929	68,265	568
Customers' liabilities for acceptances and guarantees	5,632,563	6,289,881	52,350
Reserve for possible loan losses.....	(623,876)	(540,134)	(4,495)
Total assets.....	¥155,824,141	¥177,559,197	\$1,477,813

(Continued)

March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Liabilities and net assets:			
Liabilities:			
Deposits	¥ 94,543,064	¥101,503,889	\$ 844,810
Negotiable certificates of deposit	13,973,339	14,032,798	116,794
Call money and bills sold	4,113,650	5,873,123	48,882
Payables under repurchase agreements	1,708,801	991,860	8,255
Payables under securities lending transactions	5,328,427	7,833,219	65,195
Commercial paper	2,374,051	3,352,662	27,904
Trading liabilities	4,740,484	5,636,406	46,911
Borrowed money	5,101,073	8,223,808	68,446
Foreign exchanges	451,658	1,110,822	9,245
Short-term bonds	302,500	545,700	4,542
Bonds	4,906,764	5,663,566	47,137
Due to trust account	699,329	718,133	5,977
Other liabilities	3,145,635	5,098,781	42,437
Reserve for employee bonuses	55,272	59,893	498
Reserve for executive bonuses	4,244	2,567	21
Net defined benefit liability	14,625	12,641	105
Reserve for executive retirement benefits	814	759	6
Reserve for point service program	2,025	1,798	15
Reserve for reimbursement of deposits	14,858	20,870	174
Reserve for losses on interest repayment	774	632	5
Reserve under the special laws	402	755	6
Deferred tax liabilities	30,739	514,070	4,279
Deferred tax liabilities for land revaluation excess	38,276	34,550	288
Acceptances and guarantees	5,632,563	6,289,881	52,350
Total liabilities	147,183,378	167,523,193	1,394,284
Net assets :			
Capital stock	1,770,996	1,770,996	14,740
Capital surplus	2,717,397	2,717,421	22,617
Retained earnings	2,468,427	2,751,080	22,897
Treasury stock	(210,003)	(210,003)	(1,748)
Total stockholders' equity	6,746,818	7,029,494	58,506
Net unrealized gains (losses) on other securities	938,235	1,756,894	14,623
Net deferred gains (losses) on hedges	(59,626)	(27,049)	(225)
Land revaluation excess	35,675	38,943	324
Foreign currency translation adjustments	6,779	114,413	952
Accumulated remeasurements of defined benefit plans	(74,755)	44,216	368
Total accumulated other comprehensive income	846,308	1,927,419	16,042
Stock acquisition rights	157	198	2
Minority interests	1,047,479	1,078,891	8,980
Total net assets	8,640,763	10,036,003	83,529
Total liabilities and net assets	¥155,824,141	¥177,559,197	\$1,477,813

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
	2014	2015	2015
Ordinary income	¥3,105,992	¥3,199,409	\$26,628
Interest income	1,606,106	1,690,086	14,066
Interest on loans and discounts	1,107,862	1,170,833	9,745
Interest and dividends on securities	344,851	335,694	2,794
Interest on call loans and bills bought	18,351	19,600	163
Interest on receivables under resale agreements	7,749	9,640	80
Interest on receivables under securities borrowing transactions	7,266	7,813	65
Interest on deposits with banks	37,798	42,649	355
Interest on lease transactions	6,260	7,494	62
Other interest income	75,965	96,359	802
Trust fees	2,393	2,795	23
Fees and commissions	778,343	782,349	6,511
Trading income	189,085	235,239	1,958
Other operating income	225,360	279,857	2,329
Lease-related income	855	13,882	116
Installment-related income	18,550	18,956	158
Other	205,954	247,018	2,056
Other income	304,702	209,080	1,740
Gains on reversal of reserve for possible loan losses	136,457	73,566	612
Recoveries of written-off claims	475	6,619	55
Other	167,769	128,894	1,073
Ordinary expenses	1,807,254	2,000,453	16,650
Interest expenses	296,861	365,074	3,038
Interest on deposits	105,561	126,966	1,057
Interest on negotiable certificates of deposit	39,142	44,065	367
Interest on call money and bills sold	3,505	4,200	35
Interest on payables under repurchase agreements	4,105	4,921	41
Interest on payables under securities lending transactions	3,486	5,029	42
Interest on commercial paper	6,606	8,047	67
Interest on borrowed money	16,622	29,312	244
Interest on short-term bonds	231	433	4
Interest on bonds	89,190	99,581	829
Other interest expenses	28,409	42,516	354
Fees and commissions payments	144,131	145,171	1,208
Trading losses	—	57,856	482
Other operating expenses	93,907	94,424	786
Lease-related expenses	881	2,022	17
Installment-related expenses	10,819	11,148	93
Other	82,206	81,253	676
General and administrative expenses	1,195,499	1,261,746	10,501
Other expenses	76,853	76,179	634
Ordinary profit	1,298,738	1,198,955	9,979
Extraordinary gains	2,626	452	4
Gains on disposal of fixed assets	2,626	452	4
Extraordinary losses	9,427	11,326	94
Losses on disposal of fixed assets	6,544	5,893	49
Losses on impairment of fixed assets	2,640	5,080	42
Provision for reserve for eventual future operating losses from financial instruments transactions	243	353	3
Income before income taxes and minority interests	1,291,937	1,188,081	9,888
Income taxes-current	233,528	276,257	2,299
Income taxes-deferred	188,880	106,233	884
Income taxes	422,408	382,490	3,183
Income before minority interests	869,529	805,591	6,705
Minority interests in net income	83,841	68,686	572
Net income	¥ 785,687	¥ 736,904	\$ 6,133

(Continued)

(Consolidated Statements of Comprehensive Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Income before minority interests	¥ 869,529	¥ 805,591	\$ 6,705
Other comprehensive income	304,763	1,131,783	9,420
Net unrealized gains (losses) on other securities.....	182,873	829,208	6,901
Net deferred gains (losses) on hedges	(29,034)	32,956	274
Land revaluation excess	18	3,604	30
Foreign currency translation adjustments.....	155,374	145,730	1,213
Remeasurements of defined benefit plans	—	120,738	1,005
Share of other comprehensive income of affiliates	(4,468)	(454)	(4)
Total comprehensive income	1,174,292	1,937,374	16,125
Comprehensive income attributable to shareholders of the parent.....	1,055,195	1,818,350	15,134
Comprehensive income attributable to minority interests	119,096	119,024	991

Nonconsolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation

March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Assets:			
Cash and due from banks	¥ 30,133,257	¥ 37,008,665	\$ 308,021
Call loans	557,619	539,916	4,494
Receivables under resale agreements	455,595	417,473	3,475
Receivables under securities borrowing transactions	643,127	2,012,795	16,752
Bills bought	20,091	—	—
Monetary claims bought	873,331	1,047,498	8,718
Trading assets	3,220,669	3,627,862	30,194
Money held in trust	2,060	—	—
Securities	27,317,549	29,985,267	249,565
Loans and bills discounted	63,370,678	68,274,308	568,242
Foreign exchanges	1,698,141	1,798,843	14,972
Other assets	1,298,327	2,460,344	20,477
Tangible fixed assets	753,279	812,383	6,761
Intangible fixed assets	182,351	200,966	1,673
Prepaid pension cost	226,615	293,082	2,439
Customers' liabilities for acceptances and guarantees	5,767,068	6,721,131	55,940
Reserve for possible loan losses	(472,548)	(394,140)	(3,280)
Reserve for possible losses on investments	(80,785)	(82,321)	(685)
Total assets	¥135,966,434	¥154,724,079	\$1,287,758
Liabilities and net assets:			
Liabilities:			
Deposits	¥ 84,137,339	¥ 91,337,714	\$ 760,197
Negotiable certificates of deposit	14,020,505	14,022,064	116,705
Call money	3,265,929	4,579,940	38,119
Payables under repurchase agreements	1,126,120	350,010	2,913
Payables under securities lending transactions	3,390,533	5,113,896	42,563
Commercial paper	1,806,866	2,551,652	21,237
Trading liabilities	2,400,057	2,754,739	22,927
Borrowed money	5,091,006	8,096,070	67,383
Foreign exchanges	490,873	1,172,969	9,763
Short-term bonds	25,000	25,000	208
Bonds	4,501,843	5,095,577	42,410
Due to trust account	698,953	717,529	5,972
Other liabilities	2,071,738	3,672,970	30,570
Reserve for employee bonuses	12,112	13,738	114
Reserve for executive bonuses	610	644	5
Reserve for point service program	1,338	1,119	9
Reserve for reimbursement of deposits	13,650	19,589	163
Deferred tax liabilities	29,744	444,863	3,703
Deferred tax liabilities for land revaluation	37,782	34,141	284
Acceptances and guarantees	5,767,068	6,721,131	55,940
Total liabilities	128,889,073	146,725,363	1,221,185
Net assets:			
Capital stock	1,770,996	1,770,996	14,740
Capital surplus	2,481,273	2,481,273	20,651
Retained earnings	2,137,235	2,327,186	19,369
Treasury stock	(210,003)	(210,003)	(1,748)
Total stockholders' equity	6,179,502	6,369,453	53,013
Net unrealized gains (losses) on other securities	926,836	1,726,573	14,370
Net deferred gains (losses) on hedges	(53,158)	(124,906)	(1,040)
Land revaluation excess	24,180	27,593	230
Total valuation and translation adjustments	897,858	1,629,261	13,560
Total net assets	7,077,360	7,998,715	66,573
Total liabilities and net assets	¥135,966,434	¥154,724,079	\$1,287,758

Nonconsolidated Statements of Income (Unaudited)

Sumitomo Mitsui Banking Corporation

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Ordinary income.....	¥2,342,582	¥2,370,998	\$19,734
Interest income.....	1,367,602	1,455,992	12,118
Interest on loans and discounts.....	945,454	990,485	8,244
Interest and dividends on securities.....	334,755	356,754	2,969
Trust fees.....	1,972	1,872	16
Fees and commissions.....	513,309	517,528	4,307
Trading income.....	37,059	12,799	107
Other operating income.....	142,006	194,059	1,615
Other Income.....	280,632	188,745	1,571
Ordinary expenses.....	1,390,065	1,415,005	11,777
Interest expenses.....	302,697	334,564	2,785
Interest on deposits.....	62,784	71,588	596
Fees and commissions payments.....	155,957	167,548	1,394
Trading losses.....	280	—	—
Other operating expenses.....	44,833	45,855	382
General and administrative expenses.....	780,534	820,216	6,827
Other expenses.....	105,763	46,820	390
Ordinary profit.....	952,516	955,992	7,957
Extraordinary gains.....	2,365	356	3
Extraordinary losses.....	8,399	8,700	72
Net income before taxes.....	946,483	947,648	7,887
Income taxes - current.....	182,869	224,845	1,871
Income taxes - deferred.....	158,358	79,787	664
Net income.....	¥ 605,255	¥ 643,015	\$ 5,352

Per share data:	Yen		U.S. dollars
	2014	2015	2015
Net income.....	¥5,696.60	¥6,052.00	\$50.37
Net income (diluted).....	—	—	—

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							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,288,486	¥707,196	¥(103,750)	¥1,891,932	¥1,337,864	¥568,440	¥(101,289)	¥1,805,015
Interest expenses.....	254,843	209,420	(77,510)	386,753	256,650	165,058	(100,864)	320,844
Net interest income.....	1,033,643	497,775	(26,240)	1,505,178	1,081,214	403,382	(425)	1,484,170
Trust fees	2,890	—	—	2,890	2,472	—	—	2,472
Fees and commissions	934,396	206,274	(14,385)	1,126,285	953,323	170,874	(11,767)	1,112,429
Fees and commissions payments	92,048	40,906	(3,346)	129,609	98,250	30,644	(1,055)	127,840
Net fees and commissions.....	842,347	165,367	(11,039)	996,676	855,072	140,229	(10,712)	984,589
Trading income.....	297,967	44,531	(89,522)	252,976	196,441	46,359	(30,919)	211,881
Trading losses	95,388	51,990	(89,522)	57,856	13,067	17,851	(30,919)	—
Net trading income.....	202,578	(7,459)	—	195,119	183,373	28,508	—	211,881
Other operating income	1,106,301	253,900	(1,092)	1,359,109	974,229	230,382	(1,112)	1,203,500
Other operating expenses.....	924,058	155,049	(536)	1,078,570	842,022	146,747	(390)	988,380
Net other operating income.....	182,242	98,850	(555)	280,538	132,207	83,634	(721)	215,120

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. Inter-segment transactions are reported in the "Elimination" column.

Average Balance, Interest and Average Rate of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥ 84,712,912	¥1,288,486	1.52%	¥ 85,744,061	¥1,337,864	1.56%
Loans and bills discounted	51,247,709	861,937	1.68	50,859,655	903,500	1.78
Securities	23,023,102	297,680	1.29	25,598,818	316,444	1.24
Call loans and bills bought.....	226,408	1,176	0.52	273,758	1,582	0.58
Receivables under resale agreements.....	22,061	48	0.22	34,087	45	0.13
Receivables under securities borrowing transactions	4,745,783	7,826	0.16	3,662,001	7,293	0.20
Deposits with banks.....	792,696	4,942	0.62	683,307	3,210	0.47
Lease receivables and investment assets	1,444,682	41,751	2.89	1,423,778	43,019	3.02
Interest-bearing liabilities	¥111,286,366	¥ 254,843	0.23%	¥102,794,497	¥ 256,650	0.25%
Deposits	80,783,198	43,595	0.05	79,070,243	44,986	0.06
Negotiable certificates of deposit	5,969,372	5,375	0.09	5,385,616	5,756	0.11
Call money and bills sold	2,040,724	1,503	0.07	1,497,244	1,221	0.08
Payables under repurchase agreements	782,571	1,314	0.17	1,115,757	1,126	0.10
Payables under securities lending transactions	5,278,677	5,036	0.10	3,132,130	3,494	0.11
Commercial paper.....	192,088	282	0.15	196,192	329	0.17
Borrowed money.....	8,830,463	76,433	0.87	5,784,828	89,013	1.54
Short-term bonds.....	1,255,740	1,393	0.11	1,049,438	1,240	0.12
Bonds.....	5,647,401	113,814	2.02	5,265,783	105,977	2.01

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries.
2. In principle, average balances are calculated by using daily balances. However, some consolidated subsidiaries use weekly, monthly or quarterly balances instead.
3. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2015, ¥22,049,623 million; 2014, ¥12,500,991 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥36,521,313	¥707,196	1.94%	¥30,993,810	¥568,440	1.83%
Loans and bills discounted.....	21,676,966	519,030	2.39	17,432,627	411,318	2.36
Securities.....	3,328,456	54,772	1.65	2,543,975	44,396	1.75
Call loans and bills bought.....	1,046,258	18,423	1.76	1,195,387	16,769	1.40
Receivables under resale agreements.....	921,297	9,888	1.07	491,481	7,772	1.58
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Deposits with banks.....	5,918,336	38,765	0.66	6,072,127	35,413	0.58
Lease receivables and investment assets.....	400,645	20,345	5.08	353,530	17,526	4.96
Interest-bearing liabilities.....	¥28,006,363	¥209,420	0.75%	¥22,288,609	¥165,058	0.74%
Deposits.....	13,367,188	83,631	0.63	10,451,742	60,606	0.58
Negotiable certificates of deposit.....	8,945,965	38,528	0.43	7,223,402	33,278	0.46
Call money and bills sold.....	925,341	2,697	0.29	664,741	2,281	0.34
Payables under repurchase agreements.....	1,165,238	3,902	0.33	981,930	3,047	0.31
Payables under securities lending transactions ...	—	—	—	—	—	—
Commercial paper.....	2,744,976	7,764	0.28	2,192,106	6,276	0.29
Borrowed money.....	662,081	10,376	1.57	663,554	11,401	1.72
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	58,407	2,736	4.69	40,094	1,672	4.17

- 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 (2015, ¥1,519,693 million; 2014, ¥83,675 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥119,166,662	¥1,891,932	1.59%	¥114,688,959	¥1,805,015	1.57%
Loans and bills discounted.....	71,417,716	1,312,629	1.84	66,783,840	1,249,216	1.87
Securities.....	26,030,785	336,345	1.29	27,798,204	343,905	1.24
Call loans and bills bought.....	1,272,667	19,599	1.54	1,469,146	18,351	1.25
Receivables under resale agreements.....	776,681	9,640	1.24	456,907	7,749	1.70
Receivables under securities borrowing transactions.....	4,745,783	7,826	0.16	3,662,001	7,293	0.20
Deposits with banks.....	6,645,194	43,147	0.65	6,641,939	38,162	0.57
Lease receivables and investment assets.....	1,845,302	62,097	3.37	1,777,309	60,545	3.41
Interest-bearing liabilities.....	¥138,047,887	¥ 386,753	0.28%	¥123,314,389	¥ 320,844	0.26%
Deposits.....	94,110,334	126,371	0.13	89,392,487	105,111	0.12
Negotiable certificates of deposit.....	14,915,337	43,904	0.29	12,609,018	39,035	0.31
Call money and bills sold.....	2,966,065	4,201	0.14	2,161,985	3,503	0.16
Payables under repurchase agreements.....	1,781,132	4,921	0.28	2,029,025	4,106	0.20
Payables under securities lending transactions ...	5,278,677	5,036	0.10	3,132,130	3,494	0.11
Commercial paper.....	2,937,065	8,047	0.27	2,388,298	6,606	0.28
Borrowed money.....	8,624,212	34,814	0.40	5,279,349	34,804	0.66
Short-term bonds.....	1,255,740	1,393	0.11	1,049,438	1,240	0.12
Bonds.....	5,588,700	110,461	1.98	4,912,978	91,182	1.86

- Notes: 1. The figures above comprise totals for domestic and overseas operations after inter-segment 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 (2015, ¥23,551,730 million; 2014, ¥12,574,142 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥934,396	¥206,274	¥(14,385)	¥1,126,285	¥953,323	¥170,874	¥(11,767)	¥1,112,429
Deposits and loans	20,893	110,261	(4,711)	126,444	22,988	97,728	(3,823)	116,893
Remittances and transfers.....	113,596	17,143	(15)	130,723	116,936	14,314	(10)	131,239
Securities-related business.....	109,754	41,832	(5,124)	146,462	125,814	28,626	(4,440)	150,000
Agency	16,905	—	—	16,905	17,968	—	—	17,968
Safe deposits	5,746	2	—	5,749	5,830	2	—	5,833
Guarantees.....	70,065	15,275	(768)	84,572	63,818	13,029	(161)	76,687
Credit card business.....	243,633	3	—	243,636	236,229	0	—	236,230
Investment trusts	145,016	2,009	(1)	147,024	157,909	1,516	—	159,425
Fees and commissions payments.....	¥ 92,048	¥ 40,906	¥ (3,346)	¥ 129,609	¥ 98,250	¥ 30,644	¥ (1,055)	¥ 127,840
Remittances and transfers	28,219	9,335	(236)	37,318	28,658	8,135	(95)	36,698

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. Inter-segment transactions are reported in the "Elimination" column.

Trading Income

Year ended March 31	Millions of yen							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥297,967	¥44,531	¥(89,522)	¥252,976	¥196,441	¥46,359	¥(30,919)	¥211,881
Gains on trading securities	264,068	—	(14,189)	249,878	172,918	—	(11,016)	161,901
Gains on securities related to trading transactions.....	3,054	—	(109)	2,944	20,396	—	(118)	20,277
Gains on trading-related financial derivatives.....	30,691	44,531	(75,222)	—	2,915	46,359	(19,784)	29,491
Others	153	—	—	153	210	—	—	210
Trading losses.....	95,388	51,990	(89,522)	57,856	13,067	17,851	(30,919)	—
Losses on trading securities	—	14,189	(14,189)	—	—	11,016	(11,016)	—
Losses on securities related to trading transactions.....	—	109	(109)	—	—	118	(118)	—
Losses on trading-related financial derivatives.....	95,388	37,691	(75,222)	57,856	13,067	6,716	(19,784)	—
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. Inter-segment 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	
	2015	2014
Domestic operations:		
Liquid deposits	¥ 55,897,677	¥ 53,687,039
Fixed-term deposits	24,167,542	24,124,219
Others	5,724,501	5,007,436
Subtotal	85,789,720	82,818,695
Negotiable certificates of deposit	5,705,861	5,458,722
Total	¥ 91,495,582	¥ 88,277,417
Overseas operations:		
Liquid deposits	¥ 10,243,488	¥ 8,226,849
Fixed-term deposits	4,897,880	3,200,420
Others	116,829	85,958
Subtotal	15,258,197	11,513,229
Negotiable certificates of deposit	8,120,036	8,254,817
Total	¥ 23,378,233	¥ 19,768,047
Grand total	¥114,873,816	¥108,045,465

- 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			
	2015		2014	
Domestic operations:				
Manufacturing	¥ 5,975,126	11.52%	¥ 5,940,556	11.62%
Agriculture, forestry, fisheries and mining	135,284	0.26	162,373	0.32
Construction	913,596	1.76	895,433	1.75
Transportation, communications and public enterprises	4,606,952	8.89	4,593,900	8.98
Wholesale and retail	4,429,816	8.54	4,288,114	8.38
Finance and insurance	2,721,873	5.25	2,610,429	5.10
Real estate, goods rental and leasing	7,642,781	14.74	7,328,682	14.33
Services	4,232,714	8.16	4,282,649	8.37
Municipalities	1,243,108	2.40	1,169,119	2.29
Others	19,949,501	38.48	19,878,636	38.86
Subtotal	¥51,850,756	100.00%	¥51,149,896	100.00%
Overseas operations:				
Public sector	¥ 71,691	0.34%	¥ 78,915	0.46%
Financial institutions	1,348,888	6.36	1,062,245	6.22
Commerce and industry	17,224,073	81.18	13,863,631	81.18
Others	2,572,829	12.12	2,072,999	12.14
Subtotal	¥21,217,483	100.00%	¥17,077,791	100.00%
Total	¥73,068,240	—	¥68,227,688	—

- 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	
	2015	2014
General reserve	¥387,047	¥473,159
Specific reserve	283,481	273,629
Loan loss reserve for specific overseas countries	719	747
Reserve for possible loan losses	¥671,248	¥747,536
Amount of direct reduction	¥363,585	¥511,043

Risk-Monitored Loans

March 31	Millions of yen	
	2015	2014
Bankrupt loans	¥ 35,861	¥ 39,601
Non-accrual loans	774,058	877,325
Past due loans (3 months or more)	13,714	14,679
Restructured loans	278,622	389,089
Total	¥1,102,256	¥1,320,695
Amount of direct reduction	¥ 325,980	¥ 454,610

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	
	2015	2014
Bankrupt and quasi-bankrupt assets	¥ 152,036	¥ 203,581
Doubtful assets	727,986	762,276
Substandard loans	294,756	407,473
Total of problem assets	1,174,779	1,373,330
Normal assets	83,475,568	77,398,976
Total	¥84,650,348	¥78,772,307
Amount of direct reduction	¥ 363,585	¥ 511,043

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	
	2015	2014
Domestic operations:		
Japanese government bonds.....	¥14,290,051	¥14,242,395
Japanese local government bonds	119,993	227,128
Japanese corporate bonds	2,634,119	2,956,229
Japanese stocks.....	4,248,281	3,342,375
Others.....	5,103,864	3,354,287
Subtotal	¥26,396,309	¥24,122,416
Overseas operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	52,548	—
Japanese stocks.....	—	—
Others.....	3,133,532	2,981,039
Subtotal	¥ 3,186,081	¥ 2,981,039
Unallocated corporate assets:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	51,276	49,325
Others.....	—	—
Subtotal	¥ 51,276	¥ 49,325
Total.....	¥29,633,667	¥27,152,781

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							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥6,752,166	¥787,124	¥(55,609)	¥7,483,681	¥6,350,237	¥667,207	¥(60,025)	¥6,957,419
Trading securities	3,057,436	76,279	—	3,133,716	3,276,722	73,520	—	3,350,242
Derivatives of trading securities.....	16,803	—	—	16,803	6,462	—	—	6,462
Securities related to trading transactions	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	24,343	293	—	24,637	5,912	173	—	6,086
Trading-related financial derivatives	3,551,598	710,550	(55,609)	4,206,539	2,944,158	593,513	(60,025)	3,477,646
Other trading assets.....	101,984	—	—	101,984	116,981	—	—	116,981
Trading liabilities	¥5,038,136	¥682,161	¥(55,609)	¥5,664,688	¥4,295,896	¥544,098	¥(60,025)	¥4,779,969
Trading securities sold for short sales	2,169,647	23,752	—	2,193,399	1,857,197	8,045	—	1,865,242
Derivatives of trading securities.....	25,816	—	—	25,816	7,547	—	—	7,547
Securities related to trading transactions sold for short sales	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	26,580	298	—	26,878	7,332	245	—	7,578
Trading-related financial derivatives	2,816,092	658,109	(55,609)	3,418,593	2,423,819	535,807	(60,025)	2,899,601
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. Inter-segment 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 1, 2011*	(70,001)	1,414,055,625	—	2,337,895	—	1,559,374

Remarks:

* 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, 2015	Number of shares issued
Common stock	1,414,055,625
Total	1,414,055,625

Stock Exchange Listings

Tokyo Stock 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, 2015	Number of shareholders	Number of units	Percentage of total
Japanese government and local government	7	4,774	0.03%
Financial institutions	342	3,874,196	27.44
Securities companies	97	560,765	3.97
Other institutions	7,046	1,339,857	9.49
Foreign institutions	1,127	6,877,858	48.72
Foreign individuals	253	2,784	0.02
Individuals and others	257,878	1,458,537	10.33
Total	266,750	14,118,771	100.00%
Fractional shares (shares).....	—	2,178,525	—

Notes: 1. Of 3,993,337 shares in treasury stock, 39,933 units are included in "Individuals and others" and the remaining 37 shares are included in "Fractional shares."

2. "Other institutions" and "Fractional shares" includes 29 units and 48 shares, held at Japan Securities Depository Center, Incorporated.

3. In the row "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.

Principal Shareholders

March 31, 2015	Number of shares	Percentage of shares outstanding
Japan Trustee Services Bank, Ltd. (Trust Account).....	62,360,718	4.41%
The Master Trust Bank of Japan, Ltd. (Trust Account).....	55,116,000	3.89
Sumitomo Mitsui Banking Corporation	42,820,924	3.02
NATSCUMCO*	32,725,584	2.31
THE BANK OF NEW YORK MELLON SA/NV 10**	26,405,825	1.86
JP MORGAN CHASE BANK 380055***	25,338,302	1.79
Japan Trustee Services Bank, Ltd. (Trust Account 9).....	21,712,300	1.53
CBNY-GOVERNMENT OF NORWAY****	19,704,600	1.39
STATE STREET BANK AND TRUST COMPANY 505225*****	18,109,699	1.28
STATE STREET BANK WEST CLIENT - TREATY 505234*****	16,848,201	1.19
Total	321,142,153	22.71%

* Standing agent: Sumitomo Mitsui Banking Corporation

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

*** Standing agent: Mizuho Bank, Ltd.

**** Standing agent: Citibank Japan Ltd.

***** Standing agent: Mizuho Bank, Ltd.

***** Standing agent: Mizuho Bank, Ltd.

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 July 4, 2014 and an amendment report regarding the above-mentioned as of July 30, 2014. It stated that Sumitomo Mitsui Trust Bank, Limited and two other shareholders hold common shares in SMFG as of June 30, 2014. 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 holders)

Number of share held: 64,652,500 shares (including joint ownership)

Shareholding ratio: 4.57%

3. BlackRock Japan Co., Ltd. has submitted a Report of Possession of Large Volume regarding its shareholding as of January 21, 2015. It stated that BlackRock Japan Co., Ltd. and eight other shareholders hold common shares in SMFG as of January 15, 2015. But these nine 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: BlackRock Japan Co., Ltd. (and eight other joint holders)

Number of share held: 70,812,990 shares (including joint ownership)

Shareholding ratio: 5.01%

Stock Options

March 31	2015
Number of shares granted.....	97,200 shares
Type of stock.....	Common stock
Issue price.....	¥2,216 per share
Amount capitalized when shares are issued.....	¥1,108 per share
Exercise period of stock options.....	From August 13, 2010 to August 12, 2040

Date of resolution: Meeting of the Board of Directors held on July 28, 2010

March 31	2015
Number of shares granted.....	261,800 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	2015
Number of shares granted.....	277,100 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

March 31	2015
Number of shares granted.....	115,300 shares
Type of stock.....	Common stock
Issue price.....	¥4,160 per share
Amount capitalized when shares are issued.....	¥2,080 per share
Exercise period of stock options.....	From August 14, 2013 to August 13, 2043

Date of resolution: Meeting of the Board of Directors held on July 29, 2013

March 31	2015
Number of shares granted.....	121,800 shares
Type of stock.....	Common stock
Issue price.....	¥3,662 per share
Amount capitalized when shares are issued.....	¥1,831 per share
Exercise period of stock options.....	From August 15, 2014 to August 14, 2044

Date of resolution: Meeting of the Board of Directors held on July 30, 2014

Common Stock Price Range

Stock Price Performance

Year ended March 31	Yen				
	2015	2014	2013	2012	2011
High.....	¥4,915	¥5,470	¥4,255	¥2,933	¥3,355
Low.....	3,800	3,545	2,231	2,003	2,235

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

Six-Month Performance

	Yen					
	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015
High.....	¥4,567.0	¥4,699.0	¥4,531.0	¥4,349.5	¥4,788.0	¥4,915.0
Low.....	3,823.0	4,350.5	4,086.0	3,952.0	3,902.0	4,560.0

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							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,098,229	¥667,869	¥(76,011)	¥1,690,086	¥1,154,829	¥539,437	¥(88,160)	¥1,606,106
Interest expenses	238,131	202,461	(75,518)	365,074	227,173	157,418	(87,732)	296,859
Net interest income	860,097	465,407	(493)	1,325,011	927,655	382,018	(427)	1,309,246
Trust fees	2,795	—	—	2,795	2,393	—	—	2,393
Fees and commissions	589,311	206,271	(13,233)	782,349	619,047	170,873	(11,577)	778,343
Fees and commissions payments	107,477	40,906	(3,212)	145,171	114,542	30,644	(1,055)	144,131
Net fees and commissions	481,834	165,364	(10,021)	637,178	504,505	140,228	(10,522)	634,211
Trading income	280,230	44,531	(89,522)	235,239	173,645	46,359	(30,919)	189,085
Trading losses	95,388	51,990	(89,522)	57,856	13,067	17,851	(30,919)	—
Net trading income	184,842	(7,459)	—	177,382	160,577	28,508	—	189,085
Other operating income	246,129	34,401	(673)	279,857	190,982	34,612	(233)	225,360
Other operating expenses	85,867	8,946	(389)	94,424	88,267	5,869	(229)	93,907
Net other operating income	160,262	25,455	(284)	185,433	102,714	28,742	(3)	131,453

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. Inter-segment transactions are reported in the "Elimination" column.

Average Balance, Interest and Average Rate of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets	¥ 84,231,395	¥1,098,229	1.30%	¥ 85,178,209	¥1,154,829	1.36%
Loans and bills discounted	52,422,192	711,603	1.36	51,910,367	759,725	1.46
Securities	22,967,038	297,093	1.29	25,569,649	317,429	1.24
Call loans and bills bought	226,408	1,177	0.52	273,799	1,582	0.58
Receivables under resale agreements	22,061	48	0.22	34,087	45	0.13
Receivables under securities borrowing transactions	4,712,301	7,813	0.17	3,623,081	7,266	0.20
Deposits with banks	761,822	4,818	0.63	625,160	3,068	0.49
Interest-bearing liabilities	¥109,010,312	¥ 238,131	0.22%	¥100,137,796	¥ 227,173	0.23%
Deposits	80,981,456	43,657	0.05	79,237,323	45,019	0.06
Negotiable certificates of deposit	6,207,049	5,536	0.09	5,554,290	5,864	0.11
Call money and bills sold	2,040,532	1,503	0.07	1,497,107	1,221	0.08
Payables under repurchase agreements	782,372	1,314	0.17	1,114,596	1,125	0.10
Payables under securities lending transactions	5,267,621	5,029	0.10	3,122,796	3,486	0.11
Commercial paper	192,088	282	0.15	196,192	329	0.17
Borrowed money	7,529,796	77,864	1.03	4,194,658	78,827	1.88
Short-term bonds	430,553	433	0.10	215,910	231	0.11
Bonds	5,064,906	96,844	1.91	4,699,431	87,518	1.86

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 (2015, ¥21,948,242 million; 2014, ¥12,410,570 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥35,770,885	¥667,869	1.87%	¥30,258,278	¥539,437	1.78%
Loans and bills discounted.....	21,538,900	512,068	2.38	17,300,619	413,735	2.39
Securities.....	2,957,732	39,150	1.32	2,138,265	27,889	1.30
Call loans and bills bought.....	1,046,258	18,423	1.76	1,195,387	16,769	1.40
Receivables under resale agreements.....	921,297	9,888	1.07	491,481	7,772	1.58
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Deposits with banks.....	5,874,640	38,325	0.65	6,051,947	35,174	0.58
Interest-bearing liabilities.....	¥27,687,592	¥202,461	0.73%	¥21,898,497	¥157,418	0.72%
Deposits.....	13,447,542	83,859	0.62	10,494,439	61,036	0.58
Negotiable certificates of deposit.....	8,945,965	38,528	0.43	7,223,402	33,278	0.46
Call money and bills sold.....	925,341	2,697	0.29	665,985	2,283	0.34
Payables under repurchase agreements.....	1,165,238	3,902	0.33	981,930	3,047	0.31
Payables under securities lending transactions.....	—	—	—	—	—	—
Commercial paper.....	2,744,976	7,764	0.28	2,192,106	6,276	0.29
Borrowed money.....	263,837	4,284	1.62	229,501	3,381	1.47
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	57,527	2,736	4.76	40,094	1,672	4.17

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 (2015, ¥1,518,716 million; 2014, ¥82,018 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥118,839,156	¥1,690,086	1.42%	¥114,068,822	¥1,606,106	1.41%
Loans and bills discounted.....	73,051,387	1,170,833	1.60	68,042,417	1,107,862	1.63
Securities.....	25,924,771	335,694	1.29	27,707,915	344,851	1.24
Call loans and bills bought.....	1,272,667	19,600	1.54	1,469,187	18,351	1.25
Receivables under resale agreements.....	776,681	9,640	1.24	456,907	7,749	1.70
Receivables under securities borrowing transactions.....	4,712,301	7,813	0.17	3,623,081	7,266	0.20
Deposits with banks.....	6,556,848	42,649	0.65	6,560,395	37,798	0.58
Interest-bearing liabilities.....	¥135,572,201	¥ 365,074	0.27%	¥120,671,195	¥ 296,859	0.25%
Deposits.....	94,391,674	126,966	0.13	89,612,608	105,561	0.12
Negotiable certificates of deposit.....	15,153,014	44,065	0.29	12,777,692	39,142	0.31
Call money and bills sold.....	2,965,873	4,200	0.14	2,163,092	3,505	0.16
Payables under repurchase agreements.....	1,780,933	4,921	0.28	2,027,865	4,105	0.20
Payables under securities lending transactions.....	5,267,621	5,029	0.10	3,122,796	3,486	0.11
Commercial paper.....	2,937,065	8,047	0.27	2,388,298	6,606	0.28
Borrowed money.....	6,924,199	29,312	0.42	3,255,502	16,622	0.51
Short-term bonds.....	430,553	433	0.10	215,910	231	0.11
Bonds.....	5,122,433	99,581	1.94	4,739,525	89,190	1.88

Notes: 1. The figures above comprise totals for domestic and overseas operations after inter-segment 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 (2015, ¥23,464,258 million; 2014, ¥12,492,218 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥589,311	¥206,271	¥(13,233)	¥782,349	¥619,047	¥170,873	¥(11,577)	¥778,343
Deposits and loans	20,902	110,261	(4,413)	126,751	23,013	97,728	(3,810)	116,931
Remittances and transfers	114,823	17,143	(1)	131,965	118,482	14,314	(1)	132,795
Securities-related business.....	95,244	41,832	(5,124)	131,952	105,758	28,626	(4,440)	129,944
Agency	15,605	—	—	15,605	16,596	—	—	16,596
Safe deposits	5,746	2	—	5,749	5,830	2	—	5,833
Guarantees.....	36,373	15,275	(211)	51,438	36,965	13,029	(155)	49,839
Credit card business.....	6,536	—	—	6,536	6,745	—	—	6,745
Investment trusts	128,829	2,009	(1)	130,837	144,090	1,516	—	145,607
Fees and commissions payments.....	¥107,477	¥ 40,906	¥ (3,212)	¥145,171	¥114,542	¥ 30,644	¥ (1,055)	¥144,131
Remittances and transfers	28,219	9,335	(236)	37,318	28,658	8,135	(95)	36,698

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. Inter-segment transactions are reported in the "Elimination" column.

Trading Income

Year ended March 31	Millions of yen							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥280,230	¥44,531	¥(89,522)	¥235,239	¥173,645	¥46,359	¥(30,919)	¥189,085
Gains on trading securities	246,331	—	(14,189)	232,141	150,121	—	(11,016)	139,105
Gains on securities related to trading transactions	3,054	—	(109)	2,944	20,396	—	(118)	20,277
Gains on trading-related financial derivatives.....	30,691	44,531	(75,222)	—	2,915	46,359	(19,784)	29,491
Others	153	—	—	153	210	—	—	210
Trading losses.....	¥ 95,388	¥51,990	¥(89,522)	¥ 57,856	¥ 13,067	¥17,851	¥(30,919)	¥ —
Losses on trading securities	—	14,189	(14,189)	—	—	11,016	(11,016)	—
Losses on securities related to trading transactions	—	109	(109)	—	—	118	(118)	—
Losses on trading-related financial derivatives.....	95,388	37,691	(75,222)	57,856	13,067	6,716	(19,784)	—
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. Inter-segment 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	
	2015	2014
Domestic operations:		
Liquid deposits	¥ 56,265,737	¥ 53,827,765
Fixed-term deposits	24,177,202	24,133,089
Others	5,731,119	5,010,342
Subtotal	86,174,059	82,971,197
Negotiable certificates of deposit	5,912,761	5,718,522
Total	¥ 92,086,821	¥ 88,689,719
Overseas operations:		
Liquid deposits	¥ 10,296,949	¥ 8,274,686
Fixed-term deposits	4,916,051	3,211,221
Others	116,829	85,958
Subtotal	15,329,830	11,571,866
Negotiable certificates of deposit	8,120,036	8,254,817
Total	¥ 23,449,866	¥ 19,826,684
Grand total	¥115,536,687	¥108,516,404

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			
	2015		2014	
Domestic operations:				
Manufacturing	¥ 5,968,319	11.18%	¥ 5,934,989	11.34%
Agriculture, forestry, fisheries and mining	134,045	0.25	161,015	0.31
Construction	913,596	1.71	894,811	1.71
Transportation, communications and public enterprises	4,588,546	8.59	4,573,834	8.74
Wholesale and retail	4,423,655	8.29	4,267,679	8.15
Finance and insurance	5,387,024	10.09	5,018,049	9.58
Real estate, goods rental and leasing	7,770,408	14.55	7,440,672	14.21
Services	4,214,981	7.90	4,251,649	8.12
Municipalities	1,243,108	2.33	1,169,119	2.23
Others	18,742,690	35.11	18,643,774	35.61
Subtotal	¥53,386,375	100.00%	¥52,355,596	100.00%
Overseas operations:				
Public sector	¥ 71,691	0.33%	¥ 78,915	0.45%
Financial institutions	1,354,146	6.23	1,092,827	6.28
Commerce and industry	17,805,942	81.93	14,202,756	81.63
Others	2,501,409	11.51	2,024,296	11.64
Subtotal	¥21,733,190	100.00%	¥17,398,795	100.00%
Total	¥75,119,565	—	¥69,754,391	—

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	
	2015	2014
Bankrupt loans	¥ 35,630	¥ 38,949
Non-accrual loans	710,773	788,485
Past due loans (3 months or more)	6,071	7,546
Restructured loans	224,707	331,782
Total	¥977,183	¥1,166,764
Amount of direct reduction	¥307,412	¥ 422,009

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	
	2015	2014
Domestic operations:		
Japanese government bonds	¥14,290,030	¥14,242,373
Japanese local government bonds	119,993	227,128
Japanese corporate bonds	2,634,819	2,939,730
Japanese stocks	4,337,096	3,434,174
Others	4,991,120	3,267,922
Subtotal	¥26,373,060	¥24,111,328
Overseas operations:		
Japanese government bonds	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	52,548	—
Japanese stocks	—	—
Others	3,133,725	2,981,044
Subtotal	¥ 3,186,274	¥ 2,981,044
Total	¥29,559,334	¥27,092,373

- 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							
	2015				2014			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥6,633,222	¥787,375	¥(55,609)	¥7,364,988	¥6,238,736	¥668,018	¥(60,025)	¥6,846,729
Trading securities	2,938,860	76,279	—	3,015,139	3,163,102	73,520	—	3,236,622
Derivatives of trading securities	16,429	—	—	16,429	6,437	—	—	6,437
Securities related to trading transactions	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	24,343	293	—	24,637	5,912	173	—	6,086
Trading-related financial derivatives	3,551,604	710,801	(55,609)	4,206,797	2,946,302	594,324	(60,025)	3,480,601
Other trading assets	101,984	—	—	101,984	116,981	—	—	116,981
Trading liabilities	¥5,009,602	¥682,412	¥(55,609)	¥5,636,406	¥4,255,600	¥544,909	¥(60,025)	¥4,740,484
Trading securities sold for short sales	2,141,153	23,752	—	2,164,905	1,815,126	8,045	—	1,823,171
Derivatives of trading securities	25,770	—	—	25,770	7,178	—	—	7,178
Securities related to trading transactions sold for short sales	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	26,580	298	—	26,878	7,332	245	—	7,578
Trading-related financial derivatives	2,816,098	658,361	(55,609)	3,418,850	2,425,963	536,618	(60,025)	2,902,555
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. Inter-segment 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					
	2015			2014		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥ 926,308	¥542,110	¥1,455,992	¥ 948,945	¥441,597	¥1,367,602
			[12,426]			[22,941]
Interest expenses	62,770	284,220	334,564	68,297	257,338	302,695
			[12,426]			[22,941]
Net interest income	863,538	257,890	1,121,428	880,647	184,258	1,064,906
Trust fees	1,841	31	1,872	1,945	27	1,972
Fees and commissions	337,140	180,387	517,528	350,020	163,288	513,309
Fees and commissions payments	121,569	45,978	167,548	119,579	36,377	155,957
Net fees and commissions	215,570	134,409	349,979	230,441	126,910	357,351
Trading income	3,380	9,418	12,799	206	36,852	37,059
Trading losses	—	—	—	280	—	280
Net trading income	3,380	9,418	12,799	(73)	36,852	36,779
Other operating income	27,321	166,738	194,059	24,886	117,475	142,006
Other operating expenses	13,928	31,927	45,855	25,839	19,349	44,833
Net other operating income	13,393	134,810	148,204	(952)	98,125	97,172
Gross banking profit	¥1,097,724	¥536,560	¥1,634,284	¥1,112,008	¥446,175	¥1,558,184
Gross banking profit rate (%)	1.55%	1.41%	1.56%	1.53%	1.42%	1.55%

- 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 (2014, ¥1 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. The figures in the total column of "Other operating income" and "Other operating expenses" are less than the combined total for "Domestic operations" and "International operations" (2014, ¥355 million) due to the presentation of net amounts for gains (losses) from derivative transactions.
5. Gross banking profit rate = Gross banking profit / Average balance of interest-earning assets × 100

Average Balance, Interest and Average Rate of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets	¥70,641,557	¥926,308	1.31%	¥72,442,213	¥948,945	1.30%
	[4,225,764]	[12,426]		[3,577,815]	[22,941]	
Loans and bills discounted	45,297,845	593,408	1.31	45,370,735	637,488	1.40
Securities	20,185,808	289,726	1.43	22,616,380	268,083	1.18
Call loans	99,639	259	0.26	69,790	216	0.31
Receivables under resale agreements	—	—	—	—	—	—
Receivables under securities borrowing transactions	456,748	957	0.20	420,070	1,023	0.24
Bills bought	14,850	390	2.62	28,469	764	2.68
Deposits with banks	7,757	1	0.01	6,699	1	0.01
Interest-bearing liabilities	¥87,716,915	¥ 62,770	0.07%	¥80,855,505	¥ 68,297	0.08%
Deposits	70,404,105	23,868	0.03	68,817,306	26,409	0.03
Negotiable certificates of deposit	6,486,838	5,788	0.08	5,847,365	6,234	0.10
Call money	1,398,849	683	0.04	973,696	490	0.05
Payables under repurchase agreements	53,749	47	0.08	37,359	35	0.09
Payables under securities lending transactions	1,767,038	961	0.05	569,069	355	0.06
Borrowed money	4,946,776	10,570	0.21	1,583,166	7,123	0.44
Short-term bonds	24,999	17	0.07	23,819	16	0.07
Bonds	1,824,687	19,811	1.08	2,272,425	26,548	1.16

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2015, ¥20,982,578 million; 2014, ¥11,857,804 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 (2014, ¥2,269 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2014, ¥2,269 million) and corresponding interest (2014, ¥1 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					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥37,906,621	¥542,110	1.43%	¥31,405,213	¥441,597	1.40%
Loans and bills discounted.....	20,797,386	397,077	1.90	16,584,726	307,966	1.85
Securities.....	6,338,457	67,027	1.05	5,710,389	66,671	1.16
Call loans.....	369,455	5,272	1.42	390,688	4,675	1.19
Receivables under resale agreements.....	412,957	4,760	1.15	332,774	4,646	1.39
Receivables under securities borrowing transactions.....	294,806	1,407	0.47	197,496	895	0.45
Deposits with banks.....	6,538,186	27,241	0.41	5,670,327	23,786	0.41
Interest-bearing liabilities.....	¥36,790,634	¥284,220	0.77%	¥30,729,027	¥257,338	0.83%
	[4,225,764]	[12,426]		[3,577,815]	[22,941]	
Deposits.....	13,603,482	47,719	0.35	11,261,215	36,375	0.32
Negotiable certificates of deposit.....	8,671,748	37,351	0.43	6,983,225	32,301	0.46
Call money.....	608,136	1,947	0.32	594,332	1,879	0.31
Payables under repurchase agreements....	1,260,612	3,248	0.25	1,321,602	3,081	0.23
Payables under securities lending transactions.....	904,212	1,592	0.17	772,910	1,201	0.15
Borrowed money.....	1,987,396	66,250	3.33	1,970,189	71,238	3.61
Bonds.....	2,795,189	74,317	2.65	2,101,155	58,142	2.76

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2015, ¥93,568 million; 2014, ¥60,515 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					
	2015			2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥104,322,413	¥1,455,992	1.39%	¥100,269,611	¥1,367,602	1.36%
Loans and bills discounted.....	66,095,232	990,485	1.49	61,955,462	945,454	1.52
Securities.....	26,524,265	356,754	1.34	28,326,769	334,755	1.18
Call loans.....	469,094	5,532	1.17	460,479	4,892	1.06
Receivables under resale agreements.....	412,957	4,760	1.15	332,774	4,646	1.39
Receivables under securities borrowing transactions.....	751,554	2,365	0.31	617,566	1,918	0.31
Bills bought.....	14,850	390	2.62	28,469	764	2.68
Deposits with banks.....	6,545,943	27,242	0.41	5,677,026	23,788	0.41
Interest-bearing liabilities.....	¥120,281,785	¥ 334,564	0.27%	¥108,006,718	¥ 302,695	0.28%
Deposits.....	84,007,587	71,588	0.08	80,078,521	62,784	0.07
Negotiable certificates of deposit.....	15,158,586	43,140	0.28	12,830,590	38,536	0.30
Call money.....	2,006,986	2,630	0.13	1,568,029	2,370	0.15
Payables under repurchase agreements....	1,314,362	3,295	0.25	1,358,961	3,117	0.22
Payables under securities lending transactions.....	2,671,250	2,554	0.09	1,341,979	1,557	0.11
Borrowed money.....	6,934,173	76,821	1.10	3,553,356	78,361	2.20
Short-term bonds.....	24,999	17	0.07	23,819	16	0.07
Bonds.....	4,619,876	94,128	2.03	4,373,580	84,690	1.93

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2015, ¥21,076,146 million; 2014, ¥11,918,319 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 (2014, ¥2,269 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2014, ¥2,269 million) and corresponding interest (2014, ¥1 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					
	2015			2014		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(23,587)	¥ 950	¥(22,636)	¥(94,385)	¥145,396	¥ 51,011
Loans and bills discounted.....	(1,022)	(43,057)	(44,080)	12,958	(55,726)	(42,767)
Securities.....	(28,810)	50,454	21,643	(57,690)	143,049	85,359
Call loans.....	77	(34)	43	65	(99)	(33)
Receivables under resale agreements.....	—	—	—	—	—	—
Receivables under securities borrowing transactions.....	76	(142)	(66)	(81)	3	(78)
Bills bought.....	(358)	(15)	(374)	169	(185)	(16)
Deposits with banks.....	0	0	0	0	(0)	0
Interest expenses.....	¥ 4,910	¥(10,437)	¥ (5,527)	¥ 1,157	¥ (17,157)	¥(15,999)
Deposits.....	538	(3,078)	(2,540)	927	(3,972)	(3,045)
Negotiable certificates of deposit.....	570	(1,016)	(445)	(1,107)	(2,347)	(3,455)
Call money.....	207	(15)	192	(1)	(96)	(97)
Payables under repurchase agreements....	14	(2)	11	(16)	(3)	(20)
Payables under securities lending transactions.....	651	(46)	605	(147)	(188)	(336)
Borrowed money.....	7,187	(3,740)	3,447	1,093	(2,057)	(963)
Short-term bonds.....	0	(0)	0	3	(1)	1
Bonds.....	(4,958)	(1,778)	(6,736)	(5,031)	(3,060)	(8,092)

International Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥92,859	¥ 7,653	¥100,512	¥68,080	¥(21,767)	¥46,313
Loans and bills discounted.....	80,210	8,900	89,111	53,179	(19,073)	34,105
Securities.....	6,641	(6,285)	356	(5,079)	8,556	3,477
Call loans.....	(254)	850	596	(315)	1,225	910
Receivables under resale agreements.....	924	(810)	114	1,127	(1,490)	(362)
Receivables under securities borrowing transactions.....	462	50	512	406	(11)	395
Deposits with banks.....	3,615	(161)	3,454	6,741	(2,393)	4,347
Interest expenses.....	¥46,828	¥(19,946)	¥ 26,881	¥45,970	¥(26,350)	¥19,620
Deposits.....	8,026	3,318	11,344	7,607	(2,268)	5,338
Negotiable certificates of deposit.....	7,272	(2,223)	5,049	9,248	(8,287)	961
Call money.....	44	23	67	161	(538)	(376)
Payables under repurchase agreements....	(142)	309	166	(93)	(2,080)	(2,174)
Payables under securities lending transactions.....	219	171	391	(1,707)	(1,087)	(2,795)
Borrowed money.....	573	(5,561)	(4,987)	1,785	(11,607)	(9,822)
Bonds.....	18,452	(2,277)	16,175	17,452	(3,554)	13,897

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2015			2014		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥56,094	¥ 32,295	¥88,390	¥(56,782)	¥153,710	¥96,928
Loans and bills discounted.....	62,037	(17,006)	45,031	57,777	(66,439)	(8,662)
Securities.....	(21,301)	43,300	21,999	(68,488)	157,325	88,837
Call loans.....	92	547	639	(122)	999	876
Receivables under resale agreements.....	924	(810)	114	1,127	(1,490)	(362)
Receivables under securities borrowing transactions.....	421	25	446	168	149	317
Bills bought.....	(358)	(15)	(374)	169	(185)	(16)
Deposits with banks.....	3,616	(161)	3,454	6,735	(2,387)	4,347
Interest expenses.....	¥34,143	¥ (2,274)	¥31,869	¥ 16,356	¥ (13,131)	¥ 3,224
Deposits.....	3,177	5,626	8,803	3,741	(1,448)	2,293
Negotiable certificates of deposit.....	6,625	(2,021)	4,603	3,497	(5,991)	(2,494)
Call money.....	575	(315)	260	74	(548)	(474)
Payables under repurchase agreements....	(102)	281	178	(151)	(2,042)	(2,194)
Payables under securities lending transactions.....	1,270	(274)	996	(1,666)	(1,465)	(3,131)
Borrowed money.....	37,454	(38,995)	(1,540)	6,449	(17,235)	(10,786)
Short-term bonds.....	0	(0)	0	3	(1)	1
Bonds.....	4,898	4,539	9,438	4,163	1,642	5,805

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

Fees and Commissions

Year ended March 31	Millions of yen					
	2015			2014		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥337,140	¥180,387	¥517,528	¥350,020	¥163,288	¥513,309
Deposits and loans.....	11,806	96,126	107,933	11,780	87,990	99,771
Remittances and transfers.....	91,204	34,602	125,806	90,852	31,316	122,168
Securities-related business.....	12,485	2,620	15,105	11,893	2,287	14,181
Agency.....	11,955	—	11,955	12,767	—	12,767
Safe deposits.....	5,325	—	5,325	5,404	—	5,404
Guarantees.....	17,212	22,160	39,373	17,871	19,599	37,471
Fees and commissions payments.....	¥121,569	¥ 45,978	¥167,548	¥119,579	¥ 36,377	¥155,957
Remittances and transfers.....	22,532	13,505	36,037	22,037	11,739	33,777

Trading Income

Year ended March 31	Millions of yen					
	2015			2014		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥3,380	¥9,418	¥12,799	¥206	¥36,852	¥37,059
Gains on trading securities.....	3,227	—	3,227	—	—	—
Gains on securities related to trading transactions.....	—	2,944	2,944	—	20,277	20,277
Gains on trading-related financial derivatives.....	—	6,474	6,474	—	16,570	16,570
Others.....	153	—	153	206	3	210
Trading losses.....	¥ —	¥ —	¥ —	¥280	¥ —	¥ 280
Losses on trading securities.....	—	—	—	280	—	280
Losses on securities related to trading transactions.....	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	—	—	—	—	—	—
Others.....	—	—	—	—	—	—

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

Net Other Operating Income (Expenses)

Year ended March 31	Millions of yen					
	2015			2014		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses).....	¥13,393	¥134,810	¥148,204	¥ (952)	¥98,125	¥97,172
Gains (losses) on bonds.....	3,341	44,558	47,899	(4,862)	5,596	734
Gains (losses) on derivatives.....	(3,596)	(16,342)	(19,939)	(2,984)	355	(2,629)
Gains on foreign exchange transactions....	—	107,262	107,262	—	90,117	90,117

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2015	2014
	Salaries and related expenses.....	¥270,814
Retirement benefit cost.....	4,162	8,651
Welfare expenses.....	42,902	37,597
Depreciation.....	82,976	81,666
Rent and lease expenses.....	64,934	64,188
Building and maintenance expenses.....	5,405	4,179
Supplies expenses.....	5,202	5,275
Water, lighting, and heating expenses.....	5,757	5,524
Traveling expenses.....	6,005	4,968
Communication expenses.....	7,117	7,248
Publicity and advertising expenses.....	12,522	7,171
Taxes, other than income taxes.....	42,859	37,368
Deposit insurance.....	49,063	47,202
Others.....	191,487	192,538
Total.....	¥791,211	¥745,745

Deposits (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	Millions of yen			
	2015		2014	
Domestic operations:				
Liquid deposits	¥ 53,460,725	65.7%	¥50,668,662	64.9%
Fixed-term deposits	20,328,986	25.0	20,165,417	25.8
Others	1,424,917	1.7	1,231,639	1.6
Subtotal	75,214,629	92.4	72,065,720	92.3
Negotiable certificates of deposit	6,186,789	7.6	6,009,098	7.7
Total	¥ 81,401,419	100.0%	¥78,074,818	100.0%
International operations:				
Liquid deposits	¥ 8,026,383	33.5%	¥ 6,171,074	30.7%
Fixed-term deposits	3,743,876	15.6	2,184,444	10.9
Others	4,352,824	18.2	3,716,100	18.5
Subtotal	16,123,085	67.3	12,071,618	60.1
Negotiable certificates of deposit	7,835,274	32.7	8,011,407	39.9
Total	¥ 23,958,359	100.0%	¥20,083,026	100.0%
Grand total	¥105,359,778	—	¥98,157,844	—

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	Millions of yen	
	2015	2014
Domestic operations:		
Liquid deposits	¥49,585,981	¥47,384,674
Fixed-term deposits	20,305,098	20,929,837
Others	513,025	502,794
Subtotal	70,404,105	68,817,306
Negotiable certificates of deposit	6,486,838	5,847,365
Total	¥76,890,943	¥74,664,671
International operations:		
Liquid deposits	¥ 7,022,248	¥ 5,941,383
Fixed-term deposits	2,599,982	1,878,532
Others	3,981,250	3,441,299
Subtotal	13,603,482	11,261,215
Negotiable certificates of deposit	8,671,748	6,983,225
Total	¥22,275,230	¥18,244,440
Grand total	¥99,166,173	¥92,909,112

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			
	2015		2014	
Individual	¥41,768,103	53.7%	¥40,159,579	53.8%
Corporate	36,020,995	46.3	34,493,475	46.2
Total	¥77,789,098	100.0%	¥74,653,054	100.0%

Note: The figures above exclude negotiable certificates of deposit and Japan offshore banking accounts.

Balance of Investment Trusts, Classified by Type of Customer

March 31	Millions of yen	
	2015	2014
Individual	¥2,689,700	¥2,893,374
Corporate	390,369	352,831
Total	¥3,080,069	¥3,246,205

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	
	2015	2014
Less than three months	¥ 9,789,514	¥ 8,298,857
Fixed interest rates	6,780,000	6,349,549
Floating interest rates	71,389	61,422
Others	2,938,125	1,887,885
Three — six months	4,302,602	4,031,487
Fixed interest rates	3,755,675	3,824,179
Floating interest rates	180,469	70,796
Others	366,457	136,512
Six months — one year	5,467,537	5,826,686
Fixed interest rates	5,195,839	5,515,582
Floating interest rates	125,714	187,162
Others	145,983	123,940
One — two years	1,822,536	1,878,684
Fixed interest rates	1,719,362	1,699,107
Floating interest rates	79,026	167,422
Others	24,146	12,154
Two — three years	1,221,641	1,071,956
Fixed interest rates	977,282	1,004,377
Floating interest rates	26,424	67,573
Others	217,934	5
Three years or more	1,468,992	1,242,150
Fixed interest rates	666,721	544,645
Floating interest rates	796,859	690,513
Others	5,412	6,990
Total	¥24,072,824	¥22,349,822
Fixed interest rates	19,094,881	18,937,442
Floating interest rates	1,279,883	1,244,890
Others	3,698,059	2,167,489

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	
	2015	2014
Domestic operations:		
Loans on notes	¥ 675,286	¥ 767,034
Loans on deeds	35,669,028	35,557,487
Overdrafts	9,704,976	9,180,238
Bills discounted	106,324	120,421
Subtotal	¥46,155,615	¥45,625,181
International operations:		
Loans on notes	¥ 1,127,209	¥ 919,133
Loans on deeds	20,845,536	16,690,933
Overdrafts	145,946	135,430
Bills discounted	—	—
Subtotal	¥22,118,693	¥17,745,496
Total	¥68,274,308	¥63,370,678

Average Balance

Year ended March 31	Millions of yen	
	2015	2014
Domestic operations:		
Loans on notes	¥ 739,344	¥ 862,023
Loans on deeds	35,366,084	35,667,404
Overdrafts	9,090,851	8,730,765
Bills discounted	101,565	108,502
Subtotal	¥45,297,845	¥45,370,735
International operations:		
Loans on notes	¥ 1,139,269	¥ 860,604
Loans on deeds	19,492,102	15,562,953
Overdrafts	166,013	161,169
Bills discounted	—	—
Subtotal	¥20,797,386	¥16,584,726
Total	¥66,095,232	¥61,955,462

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			
	2015		2014	
Funds for capital investment	¥21,002,318	30.8%	¥20,854,059	32.9%
Funds for working capital	47,271,990	69.2	42,516,619	67.1
Total	¥68,274,308	100.0%	¥63,370,678	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2015	2014
Securities	¥ 614,963	¥ 625,687
Commercial claims	1,096,237	1,056,461
Commercial goods	—	—
Real estate	6,579,256	6,545,000
Others	1,260,709	1,069,055
Subtotal	9,551,166	9,296,206
Guaranteed	23,562,770	22,888,977
Unsecured	35,160,371	31,185,495
Total	¥68,274,308	¥63,370,678

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2015	2014
One year or less	¥10,629,695	¥ 9,010,734
One — three years	10,834,296	10,352,290
Floating interest rates	8,580,386	8,220,488
Fixed interest rates	2,253,910	2,131,802
Three — five years	11,700,384	9,888,388
Floating interest rates	9,349,175	8,198,133
Fixed interest rates	2,351,208	1,690,255
Five — seven years	5,030,127	4,957,410
Floating interest rates	4,314,552	4,293,891
Fixed interest rates	715,574	663,519
More than seven years	20,228,880	19,846,185
Floating interest rates	19,038,738	18,883,021
Fixed interest rates	1,190,142	963,163
No designated term	9,850,923	9,315,668
Floating interest rates	9,850,923	9,315,668
Fixed interest rates	—	—
Total	¥68,274,308	¥63,370,678

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			
	2015		2014	
Domestic operations:				
Manufacturing	¥ 5,622,478	11.4%	¥ 5,576,738	11.6%
Agriculture, forestry, fisheries and mining	129,596	0.3	157,355	0.3
Construction	713,769	1.4	703,298	1.5
Transportation, communications and public enterprises	4,322,866	8.8	4,319,089	9.0
Wholesale and retail	4,015,619	8.1	3,871,723	8.0
Finance and insurance	7,284,507	14.8	6,727,681	14.0
Real estate, goods rental and leasing	6,524,281	13.2	6,229,315	12.9
Services	3,634,027	7.4	3,685,128	7.6
Municipalities	1,070,825	2.2	1,022,817	2.1
Others	16,028,577	32.4	15,898,175	33.0
Subtotal	¥49,346,549	100.0%	¥48,191,322	100.0%
Overseas operations:				
Public sector	¥ 52,598	0.3%	¥ 45,614	0.3%
Financial institutions	1,557,891	8.2	1,252,313	8.3
Commerce and industry	15,603,083	82.4	12,497,387	82.3
Others	1,714,185	9.1	1,384,040	9.1
Subtotal	¥18,927,759	100.0%	¥15,179,355	100.0%
Total	¥68,274,308	—	¥63,370,678	—

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	
	2015	2014
Total domestic loans (A)	¥49,346,549	¥48,191,322
Loans to individuals, and small and medium-sized enterprises (B)	33,498,552	33,090,555
(B) / (A)	67.9%	68.7%

Notes: 1. The figures above exclude the outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized enterprises are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

Consumer Loans Outstanding

March 31	Millions of yen	
	2015	2014
Consumer loans	¥14,347,459	¥14,722,233
Housing loans	13,437,910	13,841,388
Residential purpose	10,788,338	11,089,976
Others	909,548	880,844

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, 2015	Millions of yen				Balance at end of the fiscal year
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		
			Objectives	Others	
General reserve for possible loan losses	¥322,558	¥231,030	¥ —	¥322,558*	¥231,030
	[(9,782)]				
Specific reserve for possible loan losses	159,423	162,390	9,579	149,843*	162,390
	[(397)]				
For nonresident loans	32,106	37,099	24	32,082*	37,099
	[(394)]				
Loan loss reserve for specific overseas countries ...	747	719	—	747*	719
Total	¥482,729	¥394,140	¥9,579	¥473,149	¥394,140
	[(10,180)]				

* Transfer from reserves by reversal or origination method

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

Year ended March 31, 2014	Millions of yen				Balance at end of the fiscal year
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		
			Objectives	Others	
General reserve for possible loan losses	¥379,403	¥312,775	¥ —	¥379,403*	¥312,775
	[(4,241)]				
Specific reserve for possible loan losses	242,152	159,025	16,227	225,924*	159,025
	[(725)]				
For nonresident loans	66,198	31,711	2,174	64,023*	31,711
	[(699)]				
Loan loss reserve for specific overseas countries ...	5	747	—	5*	747
Total	¥621,560	¥472,548	¥16,227	¥605,333	¥472,548
	[(4,966)]				

* 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	
	2015	2014
Write-off of loans	¥417	¥4,520

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

Specific Overseas Loans

March 31	Millions of yen	
	2015	2014
Egypt	¥11,552	¥10,999
Cyprus	—	55
Argentina	5	5
Total	¥11,557	¥11,060
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	2	3

Risk-Monitored Loans

March 31	Millions of yen	
	2015	2014
Bankrupt loans	¥ 30,122	¥ 29,827
Non-accrual loans	552,933	614,678
Past due loans (3 months or more)	4,932	6,520
Restructured loans	115,919	186,194
Total	¥703,907	¥837,221
Amount of direct reduction	¥149,442	¥231,407

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

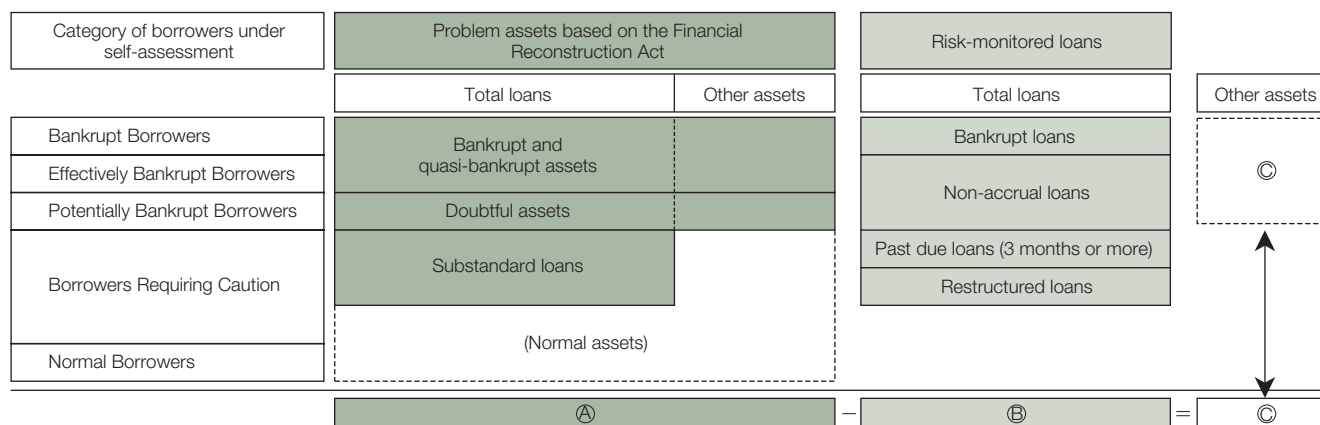
March 31	Millions of yen	
	2015	2014
Bankrupt and quasi-bankrupt assets	¥ 92,996	¥ 114,268
Doubtful assets	555,150	574,429
Substandard loans	120,851	192,715
Total of problem assets	768,998	881,413
Normal assets	78,132,366	71,907,016
Total	¥78,901,365	¥72,788,430
Amount of direct reduction	¥ 160,661	¥ 255,268

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, 2015		Classification under self-assessment				(Billions of yen)	
Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Act	Classification I	Classification II	Classification III	Classification IV	Reserve for possible loan losses	Reserve ratio
		Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥93.0	Portion of claims secured by collateral or guarantees, etc. (5) ¥87.7	Fully reserved ¥5.3		
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥555.1	Portion of claims secured by collateral or guarantees, etc. (6) ¥348.3	Necessary amount reserved ¥206.8		¥154.1 (Note 2)	74.48% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥120.9	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥44.9			General reserve for substandard loans ¥31.7	41.76% (Note 3)	
	(Claims to substandard borrowers)						
Normal Borrowers	Normal assets ¥78,132.4	Claims to borrowers requiring caution, excluding claims to substandard borrowers	Claims to normal borrowers		General reserve ¥231.8 (Note 6)	4.16% (9.68%) (Note 4)	
					Loan loss reserve for specific overseas countries ¥0.7		
NPL ratio (A) / (4) 0.97% (Note 5)	Total (4) ¥78,901.4				Total reserve for possible loan losses ¥394.1	Reserve ratio (B) / (D) 67.10% (Note 7)	
	(A) = (1) + (2) + (3) ¥769.0	Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥480.9	Unsecured portion (D) = (A) - (C) ¥288.1	(B) Specific reserve + General reserve for substandard loans ¥193.3			
			Coverage ratio {(B) + (C)} / (A)		87.67%		

- Notes: 1. Includes amount of direct reduction totaling ¥160.7 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥2.2 billion; Potentially Bankrupt Borrowers: ¥4.3 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. Includes Specific reserve for Borrowers Requiring Caution totaling ¥0.8 billion.
7. Reserve ratio = (Specific reserve + General reserve for substandard loans) / (Bankrupt and quasi-bankrupt assets + Doubtful assets + Substandard loans - Portion secured by collateral or guarantees, etc.)

Off-Balancing Problem Assets

	Billions of yen						
	March 31, 2013 ①	Fiscal 2013		March 31, 2014 ②	Fiscal 2014		March 31, 2015 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥145.5	¥ 23.9	¥ (55.1)	¥114.3	¥ 23.3	¥ (44.6)	¥ 93.0
Doubtful assets	691.4	146.0	(263.0)	574.4	167.3	(186.6)	555.1
Total	¥836.9	¥169.9	¥(318.1)	¥688.7	¥190.6	¥(231.2)	¥648.1
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥ (31.2)			¥(21.3)
Doubtful assets				(117.0)			(19.3)
Total				¥(148.2)			¥(40.6)

- 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 fiscal 2014. Amount of ¥28.6 billion in fiscal 2014, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.

Securities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Securities

Year-End Balance

March 31	Millions of yen	
	2015	2014
Domestic operations:		
Japanese government bonds.....	¥13,970,107	¥13,822,947
Japanese local government bonds	32,589	46,830
Japanese corporate bonds	2,386,604	2,398,284
Japanese stocks.....	5,180,246	4,287,847
Others.....	1,319,934	1,003,621
Foreign bonds.....	/	/
Foreign stocks	/	/
Subtotal	¥22,889,483	¥21,559,531
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others.....	7,095,783	5,758,018
Foreign bonds.....	4,238,647	3,178,906
Foreign stocks	2,857,136	2,579,111
Subtotal	¥ 7,095,783	¥ 5,758,018
Total	¥29,985,267	¥27,317,549

Average Balance

Year ended March 31	Millions of yen	
	2015	2014
Domestic operations:		
Japanese government bonds.....	¥13,479,162	¥16,063,121
Japanese local government bonds	43,599	80,789
Japanese corporate bonds	2,378,427	2,365,242
Japanese stocks.....	3,227,368	3,181,987
Others.....	1,057,250	925,239
Foreign bonds.....	/	/
Foreign stocks	/	/
Subtotal	¥20,185,808	¥22,616,380
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	—	—
Others.....	6,338,457	5,710,389
Foreign bonds.....	3,739,007	3,411,872
Foreign stocks	2,599,449	2,298,516
Subtotal	¥ 6,338,457	¥ 5,710,389
Total	¥26,524,265	¥28,326,769

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	
	2015	2014
One year or less		
Japanese government bonds.....	¥ 2,988,136	¥ 4,689,108
Japanese local government bonds	31,944	12,392
Japanese corporate bonds	253,859	639,242
Others.....	1,163,927	768,566
Foreign bonds.....	1,153,064	752,318
Foreign stocks	—	—
One — three years		
Japanese government bonds.....	6,769,101	6,216,136
Japanese local government bonds	—	33,753
Japanese corporate bonds	761,548	872,091
Others.....	852,950	882,013
Foreign bonds.....	713,223	809,276
Foreign stocks	—	—
Three — five years		
Japanese government bonds.....	3,872,810	1,516,897
Japanese local government bonds	125	160
Japanese corporate bonds	796,838	568,760
Others.....	858,640	1,045,134
Foreign bonds.....	706,363	941,937
Foreign stocks	77	—
Five — seven years		
Japanese government bonds.....	340,059	1,400,805
Japanese local government bonds	478	481
Japanese corporate bonds	262,889	142,921
Others.....	506,117	471,718
Foreign bonds.....	484,599	436,100
Foreign stocks	5,932	252
Seven — 10 years		
Japanese government bonds.....	—	—
Japanese local government bonds	—	—
Japanese corporate bonds	244,804	99,379
Others.....	790,603	93,300
Foreign bonds.....	641,970	10,569
Foreign stocks	—	3,530
More than 10 years		
Japanese government bonds.....	—	—
Japanese local government bonds	40	42
Japanese corporate bonds	66,664	75,888
Others.....	715,754	384,958
Foreign bonds.....	539,425	228,703
Foreign stocks	134,782	154,888
No designated term		
Japanese government bonds.....	—	—
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks.....	5,180,246	4,287,847
Others.....	3,527,724	3,115,946
Foreign bonds.....	—	—
Foreign stocks	2,716,343	2,420,440
Total		
Japanese government bonds.....	¥13,970,107	¥13,822,947
Japanese local government bonds	32,589	46,830
Japanese corporate bonds	2,386,604	2,398,284
Japanese stocks.....	5,180,246	4,287,847
Others.....	8,415,718	6,761,639
Foreign bonds.....	4,238,647	3,178,906
Foreign stocks	2,857,136	2,579,111

Ratios (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Income Ratio

Year ended March 31	Percentage	
	2015	2014
Ordinary profit to total assets.....	0.67%	0.74%
Ordinary profit to stockholders' equity.....	12.65	13.97
Net income to total assets	0.45	0.47
Net income to stockholders' equity	8.51	8.88

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	
	2015	2014
Domestic operations:		
Interest-earning assets (A).....	1.31%	1.30%
Interest-bearing liabilities (B)	0.79	0.86
(A) – (B)	0.52	0.44
International operations:		
Interest-earning assets (A).....	1.43%	1.40%
Interest-bearing liabilities (B)	1.18	1.19
(A) – (B)	0.25	0.21
Total:		
Interest-earning assets (A).....	1.39%	1.36%
Interest-bearing liabilities (B)	0.93	0.96
(A) – (B)	0.46	0.40

Loan-Deposit Ratio

March 31	Millions of yen	
	2015	2014
Domestic operations:		
Loans and bills discounted (A)	¥ 46,155,615	¥45,625,181
Deposits (B)	81,401,419	78,074,818
Loan-deposit ratio (%)		
(A) / (B)	56.70%	58.43%
Ratio by average balance for the fiscal year.....	58.91	60.76
International operations:		
Loans and bills discounted (A)	¥ 22,118,693	¥17,745,496
Deposits (B)	23,958,359	20,083,026
Loan-deposit ratio (%)		
(A) / (B)	92.32%	88.36%
Ratio by average balance for the fiscal year.....	93.36	90.90
Total:		
Loans and bills discounted (A)	¥ 68,274,308	¥63,370,678
Deposits (B)	105,359,778	98,157,844
Loan-deposit ratio (%)		
(A) / (B)	64.80%	64.55%
Ratio by average balance for the fiscal year.....	66.65	66.68

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

March 31	Millions of yen	
	2015	2014
Domestic operations:		
Securities (A).....	¥ 22,889,483	¥21,559,531
Deposits (B).....	81,401,419	78,074,818
Securities-deposit ratio (%)		
(A) / (B).....	28.11%	27.61%
Ratio by average balance for the fiscal year.....	26.25	30.29
International operations:		
Securities (A).....	¥ 7,095,783	¥ 5,758,018
Deposits (B).....	23,958,359	20,083,026
Securities-deposit ratio (%)		
(A) / (B).....	29.61%	28.67%
Ratio by average balance for the fiscal year.....	28.45	31.29
Total:		
Securities (A).....	¥ 29,985,267	¥27,317,549
Deposits (B).....	105,359,778	98,157,844
Securities-deposit ratio (%)		
(A) / (B).....	28.45%	27.83%
Ratio by average balance for the fiscal year.....	26.74	30.48

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
February 16, 2010*	20,016,015	106,318,401	484,037	1,770,996	484,037	1,771,043

Remarks:

* Allotment to third parties: Common stock: 20,016,015 shares

Issue price: ¥48,365

Capitalization: ¥24,182.5

Number of Shares Issued

March 31, 2015	Number of shares issued
Common stock	106,248,400
Preferred stock (1st series Type 6)	70,001
Total	<u>106,318,401</u>

Note: The shares above are not listed on any stock exchange.

Principal Shareholders

a. Common Stock

March 31, 2015	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, 2015	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Banking Corporation	70,001	100.00%

Others (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Employees

March 31	2015	2014
Number of employees	26,416	22,915
Average age (years–months)	36-5	36-0
Average length of employment (years–months)	13-4	12-11
Average annual salary (thousands of yen)	¥8,437	¥8,318

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	2015	2014
Domestic network:		
Main offices and branches	507	505
Subbranches	475	150
Agency	2	4
Overseas network:		
Branches	15	16
Subbranches	17	17
Representative offices	7	8
Total	1,023	700

Notes: 1. "Main offices and branches" includes the International Business Operations Dept. (2015, 2 branches; 2014, 2 branches), specialized deposit account branches (2015, 46 branches; 2014, 46 branches) and ATM administration branches (2015, 17 branches; 2014, 17 branches).
 2. "Subbranches" includes Corporate Business Office, etc. from beginning of the fiscal year ended March 31, 2015.

Number of Automated Service Centers

March 31	2015	2014
Automated service centers	44,232	42,500

Domestic Exchange Transactions

Year ended March 31	Millions of yen	
	2015	2014
Exchange for remittance:		
Destined for various parts of the country:		
Number of accounts (thousands)	367,767	359,895
Amount	¥ 577,687,912	¥ 591,307,589
Received from various parts of the country:		
Number of accounts (thousands)	300,453	299,198
Amount	¥ 989,403,191	¥ 977,507,315
Collection:		
Destined for various parts of the country:		
Number of accounts (thousands)	2,366	2,427
Amount	¥ 6,137,295	¥ 6,275,225
Received from various parts of the country:		
Number of accounts (thousands)	901	916
Amount	¥ 2,166,712	¥ 1,977,062
Total	¥1,575,395,111	¥1,577,067,193

Foreign Exchange Transactions

Year ended March 31	Millions of U.S. dollars	
	2015	2014
Outward exchanges:		
Foreign bills sold.....	\$2,225,773	\$2,279,378
Foreign bills bought.....	1,836,710	2,002,238
Incoming exchanges:		
Foreign bills payable.....	\$ 963,513	\$ 960,770
Foreign bills receivable.....	37,385	46,107
Total.....	\$5,063,382	\$5,288,495

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	
	2015	2014
Securities.....	¥ 23,399	¥ 7,664
Commercial claims.....	40,391	27,875
Commercial goods.....	—	—
Real estate.....	64,614	55,626
Others.....	14,405	8,789
Subtotal.....	¥ 142,810	¥ 99,956
Guaranteed.....	898,719	623,553
Unsecured.....	5,679,600	5,043,559
Total.....	¥6,721,131	¥5,767,068

Trust Assets and Liabilities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Statements of Trust Assets and Liabilities

March 31	Millions of yen	
	2015	2014
Assets:		
Loans and bills discounted.....	¥ 373,230	¥ 143,469
Loans on deeds	373,230	143,469
Securities	1,451,206	1,420,372
Japanese government bonds	320,619	392,975
Corporate bonds.....	1,055,893	956,208
Japanese stocks.....	1,931	2,623
Foreign securities.....	72,762	68,565
Trust beneficiary right	42,402	37,977
Monetary claims	552,911	561,473
Monetary claims for housing loans.....	9,690	6,432
Other monetary claims	543,220	555,041
Other claims	1,579	566
Call loans	244,248	173,585
Due from banking account	716,289	698,147
Cash and due from banks	161,090	72,421
Deposits with banks	161,090	72,421
Total assets.....	¥3,542,957	¥3,108,012
Liabilities:		
Designated money trusts.....	¥1,217,532	¥1,122,512
Specified money trusts.....	1,671,868	1,324,977
Money in trusts other than money trusts.....	100,000	100,000
Monetary claims trusts	552,391	558,412
Composite trusts	1,165	2,110
Total liabilities	¥3,542,957	¥3,108,012

Notes: 1. Amounts less than 1 million yen have been rounded down.

2. SMBC has no co-operative trusts under any other trust bank's administration as of the year-end.

3. 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: 317
Please refer to “Principal Subsidiaries and Affiliates” on page 264 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.

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,909,010		6,312,342	
1a	of which: capital and capital surplus	3,095,225		3,096,244	
2	of which: retained earnings	4,098,425		3,480,085	
1c	of which: treasury stock (-)	175,261		175,115	
26	of which: cash dividends to be paid (-)	109,379		88,872	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,085		1,634	
3	Accumulated other comprehensive income and other disclosed reserves	801,543	1,202,315	175,594	702,376
5	Adjusted minority interests, etc. (amount allowed to be included in group Common Equity Tier 1)	153,863		150,155	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	70,451		104,846	
	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)	70,451		104,846	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,936,954		6,744,573	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	303,449	455,174	153,911	615,647
8	of which: goodwill (including those equivalent)	174,118	261,177	95,584	382,338
9	of which: other intangible assets other than goodwill and mortgage servicing rights	129,330	193,996	58,327	233,309
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,003	3,004	2,617	10,470
11	Net deferred losses on hedges	(11,477)	(17,216)	(11,761)	(47,047)
12	Shortfall of eligible provisions to expected losses	12,822	19,233	-	-
13	Gain on sale on securitization transactions	18,683	28,025	8,136	32,545
14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,597	3,896	1,106	4,424
15	Net defined benefit asset	102,160	153,241	15,465	61,860
16	Investments in own shares (excluding those reported in the Net assets section)	3,954	5,931	1,518	6,074
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	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)	26,239	39,359	22,783	91,133
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	460,433		193,776	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,476,520		6,550,796	

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
Additional Tier 1 capital: instruments						
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—		—	
	31b	Stock acquisition rights to Additional Tier 1 instruments	—		—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		—	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—	
34-35	Adjusted minority interests, etc. (amount allowed to be included in group Additional Tier 1)	182,251		145,035		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	1,124,296		1,212,074		
33	of which: instrument issued by bank holding companies and their special purpose vehicles	1,124,296		1,212,074		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	—		—		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	93,785		21,791		
	of which: foreign currency translation adjustments	93,785		21,791		
36	Additional Tier 1 capital: instruments (D)	1,400,333		1,378,900		
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	—	—	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—	
39	Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	203	304	212	848	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	63,453	95,180	31,729	126,916	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	284,571		383,420		
	of which: goodwill and others	246,929		350,875		
	of which: gain on sale on securitization transactions	28,025		32,545		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	9,616		—		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	348,227		415,361		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,052,105		963,538		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,528,626		7,514,335		
Tier 2 capital: instruments and provisions						
46		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	374,988		—	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—	
48-49	Adjusted minority interests, etc. (amount allowed to be included in group Tier 2)	39,348		34,422		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,423,997		1,627,426		
47	of which: instruments issued by bank holding companies and their special purpose vehicles	—		—		
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	1,423,997		1,627,426		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	64,776		60,709		
50a	of which: general reserve for possible loan losses	64,776		53,383		
50b	of which: eligible provisions	—		7,325		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	699,394		506,578		
	of which: unrealized gains on other securities after 55% discount	679,578		480,004		
	of which: land revaluation excess after 55% discount	19,816		26,574		
51	Tier 2 capital: instruments and provisions (H)	2,602,505		2,229,136		

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	—	—	—	—
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	4,043	6,065	6,402	25,611
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,023	75,034	25,000	100,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	111,149		150,650	
	of which: Tier 2 and deductions under Basel II	111,149		150,650	
57	Tier 2 capital: regulatory adjustments (I)	165,216		182,052	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,437,289		2,047,083	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,965,916		9,561,418	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	210,891		284,115	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	32,434		15,718	
	of which: net defined benefit asset	33,867		5,795	
	of which: Non-significant Investments in the capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	64,835		151,410	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	52,936		70,582	
60	Risk weighted assets (L)	66,136,801		61,623,294	
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	11.30%		10.63%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	12.89%		12.19%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	16.58%		15.51%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	798,335		648,713	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	477,320		226,344	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	5,285		247,009	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	64,776		53,383	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	84,065		77,702	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		7,325	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	312,347		291,554	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	1,138,100		1,300,686	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	—		—	
84	Current cap on Tier 2 instruments subject to transitional arrangements	1,423,997		1,627,426	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	43,258		126,722	

(Millions of yen)

Items	Year ended March 31, 2015	Year ended March 31, 2014
Required capital ((L) × 8%)	5,290,944	4,929,863

■ Capital Requirements

March 31	Billions of yen	
	2015	2014
Capital requirements for credit risk:		
Internal ratings-based approach	¥5,093.8	¥5,032.1
Corporate exposures:	3,091.1	2,968.5
Corporate exposures (excluding specialized lending)	2,588.4	2,441.7
Sovereign exposures	42.1	43.6
Bank exposures	183.2	162.4
Specialized lending	277.4	320.9
Retail exposures:	661.2	841.9
Residential mortgage exposures	404.9	451.4
Qualifying revolving retail exposures	127.4	117.5
Other retail exposures	128.9	273.0
Equity exposures:	498.3	433.3
Grandfathered equity exposures	/	208.1
PD/LGD approach	374.7	80.9
Market-based approach	123.6	144.4
Simple risk weight method	87.7	68.7
Internal models method	35.9	75.7
Credit risk-weighted assets under Article 145 of the Notification	324.0	346.8
Securitization exposures	75.5	81.8
Other exposures	443.6	359.8
Standardized approach	519.6	475.1
Amount corresponding to CVA risk	179.5	149.0
CCP-related exposures	8.2	6.3
Total capital requirements for credit risk	5,801.1	5,662.5
Capital requirements for market risk:		
Standardized measurement method	74.6	50.6
Interest rate risk	42.0	34.1
Equity position risk	26.0	10.2
Foreign exchange risk	1.9	1.7
Commodities risk	1.4	3.2
Options	3.3	1.5
Internal models method	82.7	88.7
Securitization exposures	—	—
Total capital requirements for market risk	157.3	139.3
Capital requirements for operational risk:		
Advanced measurement approach	193.3	186.5
Basic indicator approach	33.1	41.4
Total capital requirements for operational risk	226.4	227.9
Total amount of capital requirements	¥6,184.8	¥6,029.6

Notes: 1. Capital requirements for credit risk are capital equivalents to "credit risk-weighted assets × 8%" under the standardized approach and "credit risk-weighted assets × 8% + expected loss amount" under the Internal-Ratings Based (IRB) approach.
 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 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 36). Different rating series are used for domestic and overseas obligors — J1 ~ J10 for domestic obligors and G1 ~ G10 for overseas obligors — as shown in the table 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 and business 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) and exposure at default (EAD) 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, 2015										
J1-J3	¥24,669.4	¥19,660.6	¥5,008.8	¥4,323.8	50.41%	0.07%	34.52%	—%	19.82%	
J4-J6	16,265.1	14,077.4	2,187.7	844.1	50.85	0.78	33.10	—	49.61	
J7 (excluding J7R)	936.5	894.2	42.2	9.8	50.72	15.42	33.77	—	146.52	
Japanese government and local municipal corporations	47,942.0	47,447.1	494.9	237.9	50.32	0.00	35.31	—	0.03	
Others	5,070.3	4,575.3	495.1	158.7	50.41	0.84	43.50	—	50.10	
Default (J7R, J8-J10)	914.4	873.8	40.7	1.3	98.50	100.00	46.88	45.98	11.21	
Total	¥95,797.7	¥87,528.3	¥8,269.4	¥5,575.6	—	—	—	—	—	

	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, 2014										
J1-J3	¥22,177.3	¥18,077.9	¥4,099.4	¥4,016.6	50.35%	0.06%	35.62%	—%	18.85%	
J4-J6	15,096.5	13,023.1	2,073.4	784.2	50.63	0.71	31.26	—	46.05	
J7 (excluding J7R)	1,082.1	1,009.0	73.1	20.7	50.66	12.85	29.73	—	125.89	
Japanese government and local municipal corporations	41,396.6	41,080.5	316.1	138.2	50.25	0.00	35.35	—	0.03	
Others	4,972.4	4,597.9	374.5	64.4	50.25	0.96	38.55	—	52.84	
Default (J7R, J8-J10)	1,158.2	1,129.8	28.4	0.2	100.00	100.00	46.93	46.48	5.60	
Total	¥85,883.0	¥78,918.1	¥6,964.9	¥5,024.3	—	—	—	—	—	

Note: "Others" as of March 31, 2014 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. Following implementation of our domestic business structure revision started in April 2014, "Others" as of March 31, 2015 does not include exposures to standardized SME Loans.

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, 2015										
G1-G3	¥36,212.6	¥26,970.0	¥ 9,242.7	¥8,406.7	50.32%	0.13%	30.44%	—%	17.93%	
G4-G6	2,610.0	1,255.5	1,354.5	383.2	50.32	3.07	18.42	—	50.47	
G7 (excluding G7R)	396.6	355.2	41.4	58.1	50.32	13.98	27.59	—	132.48	
Others	341.8	143.3	198.5	49.0	50.32	2.44	31.65	—	92.25	
Default (G7R, G8-G10)	114.6	86.7	27.8	25.4	100.00	100.00	48.94	44.68	53.25	
Total	¥39,675.6	¥28,810.6	¥10,865.0	¥8,922.4	—	—	—	—	—	

	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, 2014										
G1-G3	¥30,581.7	¥23,079.9	¥7,501.9	¥6,675.6	50.25%	0.16%	30.92%	—%	21.49%	
G4-G6	1,132.6	777.2	355.5	229.5	50.25	2.49	24.06	—	61.93	
G7 (excluding G7R)	169.2	140.6	28.5	27.5	50.25	23.65	23.58	—	124.43	
Others	104.4	44.7	59.7	28.5	50.25	1.91	35.46	—	85.55	
Default (G7R, G8-G10)	69.6	63.3	6.3	1.3	100.00	100.00	66.10	61.86	53.00	
Total	¥32,057.5	¥24,105.7	¥7,951.8	¥6,962.5	—	—	—	—	—	

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, 2015.
- 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					
		2015			2014		
		Project finance	Object finance	IPRE	Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	¥ 0.0	¥ —	¥ 0.3	¥ 174.1	¥—	¥ 3.3
Residual term 2.5 years or more	70%	15.5	3.0	12.2	890.5	—	5.2
Good:							
Residual term less than 2.5 years	70%	35.9	—	2.7	124.6	—	3.0
Residual term 2.5 years or more	90%	27.8	—	4.7	886.5	—	2.0
Satisfactory	115%	29.2	—	10.3	156.1	—	21.1
Weak.....	250%	—	—	—	70.4	—	1.2
Default	—	3.8	—	1.6	6.8	—	2.0
Total		¥112.4	¥3.0	¥31.7	¥2,308.9	¥—	¥37.8

(b) High-Volatility Commercial Real Estate (HVCRE)

March 31	Risk weight	Billions of yen	
		2015	2014
Strong:			
Residual term less than 2.5 years	70%	¥ 3.6	¥ 0.1
Residual term 2.5 years or more	95%	6.6	6.3
Good:			
Residual term less than 2.5 years	95%	94.9	54.3
Residual term 2.5 years or more	120%	48.7	125.4
Satisfactory	140%	103.0	77.8
Weak.....	250%	—	8.0
Default	—	—	—
Total		¥256.7	¥272.0

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Project 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, 2015									
G1-G3.....	¥3,069.8	¥2,184.3	¥885.5	¥914.9	50.32%	0.29%	29.91%	—%	41.97%
G4-G6.....	210.5	178.8	31.7	41.8	50.32	2.46	22.83	—	74.63
G7 (excluding G7R)	33.0	30.9	2.1	0.1	50.32	17.45	45.64	—	254.13
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	15.1	15.1	—	—	—	100.00	62.68	58.42	53.25
Total	¥3,328.3	¥2,409.0	¥919.3	¥956.8	—	—	—	—	—

	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, 2014									
G1-G3.....	¥165.0	¥118.5	¥46.5	¥49.3	50.25%	0.39%	33.62%	—%	60.45%
G4-G6.....	33.3	30.3	3.0	0.8	50.25	3.42	10.85	—	37.06
G7 (excluding G7R)	11.7	11.7	—	—	—	35.01	88.86	—	523.88
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	—	—	—	—	—	—	—	—	—
Total	¥210.0	¥160.6	¥49.4	¥50.1	—	—	—	—	—

(b) 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, 2015									
G1-G3.....	¥198.9	¥151.0	¥47.9	¥42.0	50.32%	0.26%	17.70%	—%	25.08%
G4-G6.....	11.0	11.0	—	—	—	4.05	14.31	—	50.86
G7 (excluding G7R)	0.7	0.7	—	—	—	13.71	5.00	—	22.09
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	1.3	1.3	—	—	—	100.00	62.77	58.51	53.25
Total	¥211.8	¥163.9	¥47.9	¥42.0	—	—	—	—	—

	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, 2014									
G1-G3.....	¥127.6	¥101.5	¥26.1	¥29.9	50.25%	0.33%	15.46%	—%	25.53%
G4-G6.....	18.1	14.1	4.0	—	—	3.01	24.06	—	81.65
G7 (excluding G7R)	3.2	3.2	—	—	—	27.78	18.80	—	103.34
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	0.7	0.7	—	—	—	100.00	66.10	61.86	53.00
Total	¥149.6	¥119.5	¥30.1	¥29.9	—	—	—	—	—

(c) 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, 2015									
J1-J3	¥ 504.9	¥ 459.1	¥ 45.8	¥ 2.2	50.32%	0.05%	29.91%	—%	14.12%
J4-J6	859.5	717.1	142.4	—	—	1.20	33.11	—	76.26
J7 (excluding J7R)	5.5	5.5	—	—	—	10.38	1.00	—	4.45
Others.....	250.1	242.6	7.5	11.7	50.32	1.18	33.84	—	30.59
Default (J7R, J8-J10)	27.0	0.7	26.3	—	—	100.00	37.73	36.55	14.75
Total	¥1,647.0	¥1,425.0	¥222.0	¥13.9	—	—	—	—	—

	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, 2014										
J1-J3	¥ 534.8	¥ 466.7	¥ 68.1	¥ 2.1	50.25%	0.06%	27.10%	—%	14.30%	
J4-J6	674.9	578.9	96.1	0.6	50.25	1.20	30.71	—	66.88	
J7 (excluding J7R)	18.6	18.6	—	—	—	12.65	33.32	—	145.17	
Others	121.3	112.9	8.4	16.2	50.25	3.51	36.87	—	45.59	
Default (J7R, J8-J10)	37.0	8.8	28.2	—	—	100.00	36.10	35.54	7.00	
Total	¥1,386.7	¥1,185.9	¥200.8	¥18.9	—	—	—	—	—	

(2) Retail Exposures

A. Residential Mortgage Exposures

(A) Rating Procedures

- “Residential mortgage exposures” includes mortgage loans to individuals and some real estate loans in which the property consists of both residential and commercial facilities such as a store or rental apartment units, but excludes apartment construction loans.
- Mortgage loans are rated as follows.

Mortgage loans are allocated to a portfolio segment with similar risk characteristics in terms of (a) default risk determined using loan contract information, results of an exclusive grading model and a borrower category under self-assessment executed in accordance with the financial inspection manual of the Japanese FSA, and (b) recovery risk at the time of default determined using Loan To Value (LTV) calculated based on the assessment value of collateral real estate. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the portfolio is subdivided based on the lapse of years from the contract date, and the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(B) Portfolio

	Billions of yen						
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets				
March 31, 2015							
Mortgage loans							
PD segment:							
Not delinquent							
Use model	¥12,134.0	¥12,104.3	¥29.8	0.45%	35.37%	—%	24.77%
Others	473.2	473.2	—	1.07	53.26	—	73.55
Delinquent	97.2	92.4	4.8	20.59	38.08	—	202.39
Default	201.0	200.8	0.2	100.00	36.70	34.86	22.99
Total	¥12,905.4	¥12,870.6	¥34.8	—	—	—	—

	Billions of yen						
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets				
March 31, 2014							
Mortgage loans							
PD segment:							
Not delinquent							
Use model	¥12,370.6	¥12,335.1	¥35.5	0.47%	36.70%	—%	26.51%
Others	522.5	522.5	—	1.07	54.67	—	75.56
Delinquent	113.5	108.2	5.4	21.75	39.92	—	216.01
Default	221.0	220.8	0.2	100.00	38.07	36.18	23.73
Total	¥13,227.7	¥13,186.6	¥41.1	—	—	—	—

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
March 31, 2015										
Card loans										
PD segment:										
Not delinquent	¥ 789.4	¥ 683.5	¥103.9	¥ 2.0	¥ 221.3	46.97%	2.49%	83.32%	—%	59.90%
Delinquent.....	15.0	14.4	0.6	—	3.1	19.50	26.61	77.40	—	210.88
Credit card balances										
PD segment:										
Not delinquent	1,506.1	845.6	333.8	326.7	4,243.4	7.87	0.99	72.92	—	22.93
Delinquent.....	6.8	5.7	1.1	—	—	—	76.40	72.98	—	126.20
Default	24.6	21.7	2.9	—	—	—	100.00	80.99	74.75	77.94
Total	¥2,341.9	¥1,570.9	¥442.3	¥328.7	¥4,467.8	—	—	—	—	—

	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, 2014										
Card loans										
PD segment:										
Not delinquent	¥ 713.3	¥ 630.2	¥ 80.9	¥ 2.2	¥ 207.7	38.97%	2.34%	83.41%	—%	57.62%
Delinquent.....	15.1	14.6	0.5	—	3.3	16.07	23.47	76.74	—	206.45
Credit card balances										
PD segment:										
Not delinquent	1,352.0	779.1	320.5	252.3	4,099.0	7.82	1.03	73.39	—	23.56
Delinquent.....	5.0	4.1	0.8	—	—	—	75.94	73.70	—	129.05
Default	27.4	24.4	3.0	—	—	—	100.00	81.65	75.34	78.86
Total	¥2,112.7	¥1,452.4	¥405.8	¥254.5	¥4,310.0	—	—	—	—	—

Notes: 1. The on-balance sheet exposure amount is estimated by estimating the amount of increase in each transaction balance and not by multiplying the undrawn amount by the CCF.

2. “Weighted average CCF” is “On-balance sheet exposure amount ÷ Undrawn amount” and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.

3. Past due loans of less than three months are recorded in “Delinquent.”

C. Other Retail Exposures

(A) Rating Procedures

- “Other retail exposures” includes business loans such as apartment construction loans and consumer loans such as My Car Loan.
- Business loans and consumer loans are rated as follows.
 - a. Business 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 LTV for business loans.

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						
	Total	On-balance sheet assets	Off-balance sheet assets				
March 31, 2015							
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥1,029.5	¥1,012.5	¥17.0	0.99%	47.87%	—%	43.26%
Others	210.5	209.2	1.3	0.82	42.77	—	35.64
Delinquent.....	111.0	109.6	1.4	6.50	43.40	—	69.19
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	324.2	323.5	0.7	0.87	43.25	—	36.25
Others	138.5	136.8	1.7	1.67	55.52	—	67.59
Delinquent.....	30.6	30.5	0.2	16.69	46.73	—	95.47
Default	80.1	79.9	0.2	100.00	53.54	49.81	46.69
Total	¥1,924.3	¥1,901.9	¥22.5	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
March 31, 2014							
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥1,413.4	¥1,395.5	¥17.9	0.96%	55.10%	—%	49.12%
Others	346.9	345.7	1.2	0.58	54.00	—	24.66
Delinquent.....	253.3	251.3	2.0	23.62	58.93	—	106.55
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	324.6	323.6	0.9	0.93	43.94	—	38.18
Others	144.7	142.9	1.9	1.73	56.49	—	69.52
Delinquent.....	39.4	38.9	0.5	17.41	47.51	—	98.71
Default	165.1	164.8	0.3	100.00	63.39	58.91	56.06
Total	¥2,687.3	¥2,662.7	¥24.6	—	—	—	—

- Notes: 1. “Business loans” as of March 31, 2014 includes apartment construction loans and standardized SME loans. Following implementation of our domestic business structure revision started in April 2014, “Business loans” as of March 31, 2015 include apartment construction loans. Domestic Corporate Exposures include standardized SME loans because the grading system of them are integrated into that of Corporate loans.
2. “Others” includes loans guaranteed by employers.
3. “Delinquent” loans are past due loans and loans to obligors categorized as “Borrowers Requiring Caution” that do not satisfy the definition of default stipulated in the Notification.

(3) Equity Exposures and Credit Risk-Weighted Assets under Article 145 of the Notification

A. Equity Exposures

(A) Rating Procedures

When acquiring equities subject to the PD/LGD approach, issuers are assigned obligor grades using the same rules as those of general credits to C&I companies, sovereigns and financial institutions. The obligors are monitored (for details, please refer to page 37) and their grades are revised if necessary (credit risk-weighted asset amount is set to 1.5 times when they are not monitored individually). In the case there is no credit transaction with the issuer or it is difficult to obtain financial information, internal grades are assigned using ratings of external rating agencies if it is a qualifying investment.

In the case it is difficult to obtain financial information and it is not a qualifying investment, the simple risk weight method under the market-based approach is applied.

(B) Portfolio

a. Equity Exposure Amounts

March 31	Billions of yen	
	2015	2014
Market-based approach.....	¥ 809.1	¥ 503.3
Simple risk weight method.....	305.2	238.5
Listed equities (300%).....	185.9	144.1
Unlisted equities (400%).....	119.3	94.4
Internal models method.....	503.9	264.9
PD/LGD approach.....	4,093.4	802.2
Grandfathered equity exposures.....	/	2,453.5
Total.....	¥4,902.5	¥3,759.1

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					
	2015			2014		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3.....	¥3,687.2	0.06%	100.55%	¥565.1	0.05%	103.83%
J4-J6.....	240.5	0.47	166.81	48.1	0.73	193.66
J7 (excluding J7R).....	5.0	10.88	570.39	2.0	9.04	543.57
Others.....	160.4	0.36	172.78	186.8	0.25	139.26
Default (J7R, J8-J10).....	0.3	100.00	1,125.00	0.2	100.00	1125.00
Total.....	¥4,093.4	—	—	¥802.2	—	—

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 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	
	2015	2014
Exposures under Article 145 of the Notification.....	¥1,763.4	¥1,378.4

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded an increase of ¥56.9 billion in total credit costs (the total of the general reserve, non-performing loan write-offs and gains on collection of written-off claims) compared to the previous fiscal year, amounting to ¥7.8 billion on a consolidated basis for fiscal year 2014.

SMBC recorded an increase of ¥43.8 billion in total credit costs compared to the previous fiscal year, which resulted in a gain on reversal of allowance for loan losses of ¥80.1 billion on a non-consolidated basis in fiscal year 2014. This is due primarily to a decrease in the loan provision ratio, attributable to improved business conditions of obligors and a downward trend in loan losses, in a continuously favorable economic environment.

Total Credit Costs

	Billions of yen			Increase (decrease) (A) – (B)
	Fiscal 2014 (A)	Fiscal 2013 (B)	Fiscal 2012	
SMFG (consolidated) total.....	¥ 7.8	¥ (49.1)	¥173.1	¥56.9
SMBC (consolidated) total	(65.4)	(113.3)	70.6	47.9
SMBC (nonconsolidated) total	(80.1)	(123.9)	19.5	43.8
Corporate exposures.....	(40.6)	(122.8)	10.7	82.2
Sovereign exposures.....	(6.0)	0.3	(0.3)	(6.4)
Bank exposures.....	(0.7)	(0.9)	(0.4)	0.2
Residential mortgage exposures.....	(0.3)	(0.1)	0.2	(0.2)
QRRE.....	(0.1)	(0.0)	0.1	0.0
Other retail exposures	(2.6)	(0.5)	9.7	(2.1)

- 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 2014			Fiscal 2013		
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts
		After deduction of reserves			After deduction of reserves	
SMFG (consolidated) total.....	¥ —	¥ —	¥ 7.8	¥ —	¥ —	¥ (49.1)
SMBC (consolidated) total	—	—	(65.4)	—	—	(113.3)
SMBC (nonconsolidated) total	642.5	171.1	(80.1)	871.2	171.2	(123.9)
Corporate exposures.....	523.6	128.1	(40.6)	734.0	123.6	(122.8)
Sovereign exposures.....	12.7	1.4	(6.0)	5.6	4.1	0.3
Bank exposures.....	8.5	4.2	(0.7)	11.4	6.1	(0.9)
Residential mortgage exposures.....	2.9	2.3	(0.3)	5.2	4.3	(0.1)
QRRE.....	0.0	(0.0)	(0.1)	0.0	(0.0)	(0.0)
Other retail exposures	94.8	40.7	(2.6)	114.9	38.2	(0.5)

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

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, 2015 (i.e. consolidated subsidiaries not listed in the “Internal Ratings-Based (IRB) Approach: 1. Scope” on page 190).

(1) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the IRB Approach

Cedyna Financial Corporation, SMBC Aviation Capital Limited

(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

March 31	Billions of yen			
	2015	Of which assigned country risk score	2014	Of which assigned country risk score
0%	¥ 6,992.0	¥ 639.0	¥ 6,367.9	¥144.0
10%	0.1	—	187.0	—
20%	1,189.6	639.6	1,184.2	610.4
35%	0.5	—	0.7	—
50%	99.5	20.2	88.9	8.6
75%	3,231.1	—	3,134.1	—
100%	3,446.3	2.2	2,912.5	0.8
150%	93.1	0.0	106.6	0.0
250%	97.5	—	106.5	—
1250%	0.1	—	0.0	—
Others	0.0	—	0.0	—
Total	¥15,149.7	¥1,300.9	¥14,088.4	¥763.8

Notes: 1. The above amounts are exposures after CRM (but before deduction of direct write-offs). Please note that for off-balance sheet assets the credit equivalent amount has been included.

2. “Securitization exposures” have not been included.

■ Credit Risk Mitigation (CRM) Techniques

1. Risk Management Policy and Procedures

In calculating credit risk-weighted asset amounts, SMFG takes into account credit risk mitigation (CRM) techniques. Specifically, amounts are adjusted for eligible financial or real estate collateral, guarantees, and credit derivatives. 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 large exposure limit lines, risk concentration monitoring, and reporting to the Credit Risk Committee (please refer to pages 34 to 39). 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			
	2015		2014	
	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.....	84.3	55.0	66.9	60.3
Corporate exposures.....	44.9	55.0	41.5	60.3
Sovereign exposures.....	—	—	—	0.0
Bank exposures.....	39.5	—	25.4	—
Standardized approach.....	5,040.9	—	4,309.1	—
Total.....	¥5,125.2	¥55.0	¥4,376.0	¥60.3

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			
	2015		2014	
	Guarantee	Credit derivative	Guarantee	Credit derivative
March 31				
Internal Ratings-Based (IRB) approach.....	¥8,966.1	¥374.2	¥8,780.2	¥271.0
Corporate exposures.....	8,083.1	374.2	7,899.5	271.0
Sovereign exposures.....	522.7	—	475.4	—
Bank exposures.....	242.1	—	270.8	—
Residential mortgage exposures.....	118.3	—	134.5	—
QRRE.....	—	—	—	—
Other retail exposures.....	—	—	—	—
Standardized approach.....	43.3	—	31.4	—
Total.....	¥9,009.4	¥374.2	¥8,811.6	¥271.0

■ 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	
	2015	2014
Gross replacement cost	¥ 6,629.6	¥4,807.0
Gross add-on amount	4,718.7	4,012.4
Gross credit equivalent amount	11,348.4	8,819.4
Foreign exchange related transactions	3,365.0	2,190.2
Interest rate related transactions.....	7,680.5	6,377.2
Gold related transactions	—	—
Equities related transactions	194.5	117.7
Precious metals (excluding gold) related transactions.....	—	—
Other commodity related transactions.....	74.6	67.9
Credit default swaps.....	33.8	66.4
Reduction in credit equivalent amount due to netting	5,869.0	5,109.6
Net credit equivalent amount	5,479.3	3,709.8
Collateral amount	35.2	14.4
Eligible financial collateral	35.2	14.4
Other eligible IRB collateral	—	—
Net credit equivalent amount (after taking into account the CRM effect of collateral).....	¥ 5,444.1	¥3,695.3

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

March 31	Billions of yen			
	2015		2014	
	Notional principal amount		Notional principal amount	
	Total	Of which for CRM	Total	Of which for CRM
Protection purchased	¥605.4	¥370.2	¥835.3	¥271.0
Protection provided.....	332.9	—	684.5	—

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. Particularly, with respect to securitization transactions backed by retail loans whose creditworthiness is relatively inferior, such as subprime loans in the U.S., the Group deals only with transactions that are sufficiently structured by taking into account not only the above policies, but others such as the underlying asset selection criteria of the originator and the average life.

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

The recognition of the generation and extinguishment of financial assets and financial liabilities associated with securitization transactions and the valuation and accounting treatment thereof are mainly governed by the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10).

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, 2015			Fiscal 2014			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 10.8	¥ 0.1	¥10.7	¥ —	¥4.9	¥24.1	¥ —
Mortgage loans	1,277.6	1,277.6	—	182.6	1.4	0.3	14.5
Retail loans (excluding mortgage loans)	—	—	—	—	—	—	—
Other claims	87.6	2.5	85.1	—	—	—	—
Total	¥1,376.0	¥1,280.2	¥95.8	¥182.6	¥6.3	¥24.4	¥14.5

	Billions of yen						
	March 31, 2014			Fiscal 2013			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 2.5	¥ 2.5	¥ —	¥ —	¥ 0.8	¥ 0.8	¥ —
Mortgage loans	1,259.5	1,259.5	—	159.9	1.6	0.4	10.8
Retail loans (excluding mortgage loans)	14.9	—	14.9	—	10.3	19.6	—
Other claims	146.1	3.8	142.3	—	—	—	—
Total	¥1,423.0	¥1,265.9	¥157.2	¥159.9	¥12.7	¥20.9	¥10.8

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. 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									
	2015					2014				
	Term-end balance		Amounts subject to a 1250% risk weight			Term-end balance		Amounts subject to a 1250% risk weight		
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	¥ 4.9	¥ 1.6	¥ 3.4	¥ 2.3	¥ —	¥ 4.9	¥ 4.9	¥ —	¥ 0.7	¥ —
Mortgage loans	272.7	272.7	—	25.7	46.7	229.7	229.7	—	27.4	40.7
Retail loans (excluding mortgage loans)	—	—	—	—	—	4.7	—	4.7	3.6	—
Other claims	36.1	0.5	35.6	0.7	—	87.3	0.5	86.8	2.2	—
Total	¥313.8	¥274.8	¥39.0	¥28.7	¥46.7	¥326.6	¥235.1	¥91.5	¥33.9	¥40.7

b. Risk Weights

	Billions of yen								
	2015				2014				
	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	¥ 34.6	¥ —	¥34.6	¥ 0.1	¥ 51.4	¥ 0.7	¥50.7	¥ 0.5	
100% or less	0.3	—	0.3	0.0	33.9	—	33.9	1.0	
650% or less	1.1	—	1.1	0.2	1.1	—	1.1	0.1	
Less than 1250%	—	—	—	—	—	—	—	—	
1250%	277.7	274.8	3.0	30.4	240.2	234.4	5.8	35.9	
Total	¥313.8	¥274.8	¥39.0	¥30.7	¥326.6	¥235.1	¥91.5	¥37.5	

(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	
	2015	2014
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	/	¥—

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	March 31, 2015			Fiscal 2014		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥1,059.5	¥1,059.5	¥—	¥7,849.0	¥63.3	¥91.4
Mortgage loans	—	—	—	—	—	—
Retail loans (excluding mortgage loans)....	404.5	404.5	—	300.2	0.6	3.0
Other claims	31.8	31.8	—	10.7	1.2	0.3
Total	¥1,495.8	¥1,495.8	¥—	¥8,160.0	¥65.2	¥94.7

	Billions of yen					
	March 31, 2014			Fiscal 2013		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥ 818.1	¥ 818.1	¥—	¥5,021.8	¥74.0	¥70.8
Mortgage loans	—	—	—	—	—	—
Retail loans (excluding mortgage loans)....	267.1	267.1	—	404.0	1.2	2.3
Other claims	46.0	46.0	—	23.7	1.0	0.8
Total	¥1,131.2	¥1,131.2	¥—	¥5,449.4	¥76.2	¥73.9

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									
	2015					2014				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent	Term-end balance			Amounts subject to a 1250% risk weight	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	¥ 826.3	¥ 826.3	¥—	¥0.3	¥—	¥641.3	¥641.3	¥—	¥—	¥—
Mortgage loans	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans)	375.0	375.0	—	—	—	247.2	247.2	—	—	—
Other claims	25.1	25.1	—	—	—	38.0	38.0	—	—	—
Total	¥1,226.4	¥1,226.4	¥—	¥0.3	¥—	¥926.4	¥926.4	¥—	¥—	¥—

b. Risk Weights

	Billions of yen							
	2015				2014			
	Term-end balance				Term-end balance			
March 31	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	¥1,218.7	¥1,218.7	—	¥7.3	¥920.3	¥920.3	¥—	¥5.5
100% or less	7.5	7.5	—	0.4	6.1	6.1	—	0.3
650% or less	—	—	—	—	—	—	—	—
Less than 1250%	—	—	—	—	—	—	—	—
1250%	0.3	0.3	—	0.3	—	—	—	—
Total	¥1,226.4	¥1,226.4	—	¥8.0	¥926.4	¥926.4	¥—	¥5.8

(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	
	2015	2014
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	/	¥—

(2) Securitization Transactions in which the Group is the Investor

(A) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2015					2014				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent
March 31	Total	On-balance sheet assets	Off-balance sheet assets			Total	On-balance sheet assets	Off-balance sheet assets		
Claims on corporates	¥533.6	¥201.0	¥332.6	¥30.9	¥—	¥430.9	¥150.3	¥280.6	¥32.3	¥—
Mortgage loans	76.9	76.9	—	—	—	93.5	93.5	—	—	—
Retail loans (excluding mortgage loans)	192.4	190.0	2.4	—	—	143.4	142.6	0.8	—	—
Other claims	—	—	—	—	—	—	—	—	—	—
Total	¥802.9	¥467.9	¥335.0	¥30.9	¥—	¥667.7	¥386.4	¥281.4	¥32.3	¥—

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.

2. "Retail loans (excluding mortgage loans)" includes balances of ¥3.6 billion as of March 31, 2015 and ¥3.1 billion as of March 31, 2014 for the securitization exposures which includes loans whose credit risk are relatively high, such as U.S. subprime loans.

b. Risk Weights

	Billions of yen							
	2015				2014			
	Term-end balance				Term-end balance			
March 31	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	¥682.7	¥462.4	¥220.3	¥ 3.4	¥530.6	¥347.4	¥183.2	¥ 2.5
100% or less	5.5	5.5	—	0.3	38.2	38.2	—	1.3
650% or less	—	—	—	—	—	—	—	—
Less than 1250%	—	—	—	—	—	—	—	—
1250%	114.7	—	114.7	32.8	99.0	0.7	98.2	34.2
Total	¥802.9	¥467.9	¥335.0	¥36.4	¥667.7	¥386.4	¥281.4	¥38.0

Note: The risk weight of "100% or less" includes balances of ¥3.6 billion as of March 31, 2015 and ¥3.1 billion as of March 31, 2014 for the securitization exposures which includes loans whose credit risk are relatively high, such as U.S. subprime loans.

(B) Resecuritization Exposures

a. Underlying Assets by Asset Type

	Billions of yen									
	2015					2014				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent
Total	On-balance sheet assets	Off-balance sheet assets	Total			On-balance sheet assets	Off-balance sheet assets			
March 31										
Claims on corporates	¥0.5	¥0.5	¥—	¥0.1	¥—	¥0.6	¥0.6	¥—	¥0.1	¥—
Mortgage loans	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans)	—	—	—	—	—	—	—	—	—	—
Other claims	0.7	0.3	0.4	0.3	—	1.0	0.4	0.6	0.4	—
Total	¥1.2	¥0.9	¥0.4	¥0.4	¥—	¥1.6	¥1.0	¥0.6	¥0.5	¥—

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								
	2015				2014				
	Term-end balance			Required capital	Term-end balance			Required capital	
Total	On-balance sheet assets	Off-balance sheet assets	Total		On-balance sheet assets	Off-balance sheet assets			
March 31									
20% or less	¥0.7	¥0.5	¥0.2	¥0.0	¥1.0	¥0.5	¥0.5	¥0.0	
100% or less	0.1	—	0.1	0.0	0.1	—	0.1	0.0	
650% or less	0.1	—	0.1	0.0	—	—	—	—	
Less than 1250%	—	—	—	—	—	—	—	—	
1250%	0.4	0.4	—	0.4	0.5	0.5	—	0.5	
Total	¥1.2	¥0.9	¥0.4	¥0.5	¥1.6	¥1.0	¥0.6	¥0.5	

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

March 31	Billions of yen	
	2015	2014
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 as Investor

There are no amounts that represent "securitization transactions where the Group serves as the investor."

■ 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			
	2015		2014	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures	¥4,383.7	¥4,383.7	¥3,456.8	¥3,456.8
Equity exposures other than above.....	276.9	—	293.6	—
Total	¥4,660.6	¥ —	¥3,750.4	¥ —

4. Gains (Losses) on Sale and Devaluation of Equity Exposures

	Billions of yen	
	Fiscal 2014	Fiscal 2013
Gains (losses)	¥66.7	¥ 89.2
Gains on sale	83.5	108.2
Losses on sale	4.0	8.7
Devaluation	12.8	10.2

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	
	2015	2014
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income.....	¥2,259.1	¥1,250.6

Note: The above amount is for stocks of Japanese companies and foreign stocks with market prices.

6. Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

March 31	Billions of yen	
	2015	2014
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income.....	¥(50.1)	¥(57.1)

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, 2015	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,095.1	¥ 143.2	¥ 204.1	¥ 2,980.0	¥ 12,422.4
Agriculture, forestry, fishery and mining	189.5	3.7	8.1	36.7	238.1
Construction.....	1,217.2	18.3	2.9	221.6	1,460.0
Transport, information, communications and utilities.....	6,018.7	54.6	115.6	1,052.6	7,241.5
Wholesale and retail	6,119.0	37.5	148.1	859.8	7,164.4
Financial and insurance.....	39,834.8	358.6	1,919.6	1,804.0	43,917.1
Real estate, goods rental and leasing	8,784.0	394.0	47.8	442.6	9,668.4
Services	5,244.2	36.4	63.5	668.0	6,012.1
Local municipal corporations	1,864.7	156.0	10.4	18.4	2,049.5
Other industries.....	27,552.6	16,690.0	189.7	6,115.3	50,547.6
Subtotal	¥105,919.6	¥17,892.4	¥2,709.9	¥14,199.2	¥140,721.1
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 7,453.1	¥ 1,080.3	¥ 22.7	¥ 22.7	¥ 8,578.7
Financial institutions	6,008.0	429.3	1,762.6	801.3	9,001.2
C&I companies	21,393.5	233.1	850.2	841.1	23,317.8
Others.....	5,050.7	879.7	98.3	2,447.9	8,476.6
Subtotal	¥ 39,905.3	¥ 2,622.4	¥2,733.7	¥ 4,113.0	¥ 49,374.4
Total	¥145,824.9	¥20,514.9	¥5,443.6	¥18,312.2	¥190,095.6

March 31, 2014	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 8,908.0	¥ 235.4	¥ 195.6	¥ 2,388.8	¥ 11,727.9
Agriculture, forestry, fishery and mining	198.7	4.3	4.3	30.2	237.5
Construction.....	1,185.8	50.6	3.9	197.8	1,438.2
Transport, information, communications and utilities.....	5,835.1	154.9	97.0	852.0	6,938.9
Wholesale and retail	5,798.8	38.8	143.0	814.6	6,795.2
Financial and insurance.....	31,229.7	524.7	1,477.2	1,564.5	34,796.1
Real estate, goods rental and leasing	8,324.5	318.1	42.4	390.0	9,074.9
Services	5,214.4	68.8	37.9	605.2	5,926.4
Local municipal corporations	1,804.5	282.5	9.6	14.7	2,111.4
Other industries.....	27,108.7	15,598.9	125.4	5,261.4	48,094.4
Subtotal	¥ 95,608.3	¥17,277.0	¥2,136.2	¥12,119.2	¥127,140.7
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 6,418.0	¥ 1,162.0	¥ 8.7	¥ 8.4	¥ 7,597.1
Financial institutions	5,159.1	310.3	1,077.7	773.7	7,320.9
C&I companies	17,394.6	216.1	437.2	428.8	18,476.6
Others.....	4,699.1	411.9	34.5	1,885.2	7,030.7
Subtotal	¥ 33,670.8	¥ 2,100.3	¥1,558.1	¥ 3,096.2	¥ 40,425.4
Total	¥129,279.1	¥19,377.3	¥3,694.3	¥15,215.3	¥167,566.0

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, 2015	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥ 40,443.4	¥ 4,621.5	¥ 750.0	¥ 891.5	¥ 46,706.4
More than 1 year to 3 years.....	16,895.6	7,981.9	1,494.2	1,660.5	28,032.1
More than 3 years to 5 years.....	16,656.4	4,787.3	1,364.7	1,314.0	24,122.4
More than 5 years to 7 years.....	6,652.4	1,006.1	512.6	524.3	8,695.4
More than 7 years.....	25,508.1	2,117.9	1,322.3	1,134.6	30,082.9
No fixed maturity	39,669.0	—	—	12,787.3	52,456.3
Total	¥145,824.9	¥20,514.9	¥5,443.6	¥18,312.2	¥190,095.6

March 31, 2014	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥ 35,233.1	¥ 5,978.7	¥ 491.3	¥ 663.1	¥ 42,366.2
More than 1 year to 3 years.....	14,914.7	7,701.2	834.3	1,138.9	24,589.1
More than 3 years to 5 years.....	14,976.0	2,856.5	1,446.7	1,648.4	20,927.7
More than 5 years to 7 years.....	6,246.6	2,114.4	361.3	454.6	9,176.8
More than 7 years.....	24,773.9	726.5	560.7	745.6	26,806.7
No fixed maturity	33,134.7	—	—	10,564.8	43,699.6
Total	¥129,279.1	¥19,377.3	¥3,694.3	¥15,215.3	¥167,566.0

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	
	2015	2014
Domestic operations (excluding offshore banking accounts)	¥1,526.4	¥1,904.5
Overseas operations and offshore banking accounts.....	171.5	92.8
Asia.....	46.8	26.5
North America.....	42.9	3.4
Other regions.....	81.8	62.9
Total.....	¥1,697.9	¥1,997.3

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

March 31	Billions of yen	
	2015	2014
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 190.0	¥ 241.1
Agriculture, forestry, fishery and mining	7.4	3.9
Construction	44.5	82.2
Transport, information, communications and utilities.....	185.7	165.9
Wholesale and retail	191.1	244.2
Financial and insurance.....	10.4	14.4
Real estate, goods rental and leasing	304.1	477.1
Services	169.0	207.4
Other industries	424.2	468.3
Subtotal	¥1,526.4	¥1,904.5
Overseas operations and offshore banking accounts		
Financial institutions.....	¥ 1.0	¥ 4.5
C&I companies	152.5	85.6
Others.....	18.0	2.7
Subtotal	¥ 171.5	¥ 92.8
Total.....	¥1,697.9	¥1,997.3

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

4. Term-End Balances of General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and Loan Loss Reserve for Specific Overseas Countries

(1) By Geographic Region

March 31	Billions of yen			Increase (decrease) (A) – (B)
	2015 (A)	2014 (B)	2013	
General reserve for possible loan losses.....	¥ 387.0	¥ 473.2	¥ 539.3	¥ (86.2)
Loan loss reserve for specific overseas countries	0.7	0.7	0.0	—
Specific reserve for possible loan losses	647.1	784.6	1,042.7	(137.5)
Domestic operations (excluding offshore banking accounts)	590.0	745.6	990.7	(155.6)
Overseas operations and offshore banking accounts.....	57.1	39.0	52.0	18.1
Asia	28.6	14.3	15.0	14.3
North America.....	5.4	3.3	12.2	2.1
Other regions	23.1	21.4	24.8	1.7
Total	¥1,034.8	¥1,258.5	¥1,582.0	¥(223.7)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

March 31	Billions of yen			Increase (decrease) (A) – (B)
	2015 (A)	2014 (B)	2013	
General reserve for possible loan losses.....	¥ 387.0	¥ 473.2	¥ 539.3	¥ (86.2)
Loan loss reserve for specific overseas countries	0.7	0.7	0.0	—
Specific reserve for possible loan losses	647.1	784.6	1,042.7	(137.5)
Domestic operations (excluding offshore banking accounts)	590.0	745.6	990.7	(155.6)
Manufacturing.....	83.7	110.0	133.2	(26.3)
Agriculture, forestry, fishery and mining	2.9	3.0	3.5	(0.1)
Construction	20.0	38.4	60.5	(18.4)
Transport, information, communications and utilities.....	81.9	63.7	98.4	18.2
Wholesale and retail.....	79.2	115.1	145.8	(35.9)
Financial and insurance	8.2	10.9	12.2	(2.7)
Real estate, goods rental and leasing	109.1	173.0	262.1	(63.9)
Services	68.1	89.9	123.0	(21.8)
Other industries	136.9	141.6	152.0	(4.7)
Overseas operations and offshore banking accounts.....	57.1	39.0	52.0	18.1
Financial institutions	0.3	2.9	5.6	(2.6)
C&I companies	43.7	34.1	44.8	9.6
Others	13.1	2.0	1.6	11.1
Total	¥1,034.8	¥1,258.5	¥1,582.0	¥(223.7)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

5. Loan Write-Offs by Industry

	Billions of yen	
	Fiscal 2014	Fiscal 2013
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ (0.3)	¥ 4.1
Agriculture, forestry, fishery and mining	(0.0)	0.1
Construction	(0.1)	(0.1)
Transport, information, communications and utilities.....	0.1	1.2
Wholesale and retail	(0.9)	1.5
Financial and insurance.....	0.0	(1.0)
Real estate, goods rental and leasing	0.1	0.3
Services	0.2	(1.3)
Other industries	74.5	78.2
Subtotal	¥73.6	¥83.0
Overseas operations and offshore banking accounts		
Financial institutions.....	¥ —	¥ (0.0)
C&I companies	0.0	(1.3)
Others	3.4	3.2
Subtotal	¥ 3.4	¥ 1.9
Total	¥77.0	¥84.9

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 2014		Fiscal 2013	
	VaR	Stressed VaR	VaR	Stressed VaR
Fiscal year-end	¥2.7	¥ 3.5	¥1.5	¥ 2.3
Maximum	5.6	13.2	8.5	17.8
Minimum	1.7	2.3	1.3	2.3
Average	3.2	7.1	3.9	8.4

- 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 2014	Fiscal 2013
Fiscal year-end	¥39.0	¥41.5
Maximum	46.1	49.2
Minimum	36.6	29.9
Average	41.7	40.2

- 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, 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 Loan Business Service Co., Ltd., SMBC Loan Administration and Operations Service Co., Ltd., Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, SMBC Nikko Securities Inc., Cedyna Financial Corporation and SMBC Consumer Finance Co., Ltd.

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, 2015)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions 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	39,748,979		
Call loans and bills bought	1,326,965		
Receivables under resale agreements	746,431		
Receivables under securities borrowing transactions	6,477,063		
Monetary claims bought	4,286,592		
Trading assets	7,483,681	7-a	
Money held in trust	7,087		
Securities	29,633,667	3-b, 7-b	
Loans and bills discounted	73,068,240	7-c	
Foreign exchanges	1,907,667		
Lease receivables and investment assets	1,909,143		
Other assets	6,156,091		
Tangible fixed assets	2,770,853		
Intangible fixed assets	819,560	3-a	
Net defined benefit asset	376,255	4	
Deferred tax assets	127,841	5-a	
Customers' liabilities for acceptances and guarantees	7,267,713		
Reserve for possible loan losses	(671,248)		
Total assets	183,442,585		
(Liabilities)			
Deposits	101,047,918		
Negotiable certificates of deposit	13,825,898		
Call money and bills sold	5,873,123		
Payables under repurchase agreements	991,860		
Payables under securities lending transactions	7,833,219		
Commercial paper	3,351,459		
Trading liabilities	5,664,688	7-d	
Borrowed money	9,778,095	9-a	
Foreign exchanges	1,110,822		
Short-term bonds	1,370,800		
Bonds	6,222,918	9-b	
Due to trust account	718,133		
Other liabilities	6,728,951		
Reserve for employee bonuses	73,359		
Reserve for executive bonuses	3,344		
Net defined benefit liability	38,096		
Reserve for executive retirement benefits	2,128		
Reserve for point service program	19,050		
Reserve for reimbursement of deposits	20,870		
Reserve for losses on interest repayment	166,793		
Reserve under the special laws	1,124		
Deferred tax liabilities	601,393	5-b	
Deferred tax liabilities for land revaluation	34,550	5-c	
Acceptances and guarantees	7,267,713		
Total liabilities	172,746,314		
(Net assets)			
Capital stock	2,337,895	1-a	
Capital surplus	757,329	1-b	
Retained earnings	4,098,425	1-c	
Treasury stock	(175,261)	1-d	
Total stockholders' equity	7,018,389		
Net unrealized gains on other securities	1,791,049		
Net deferred losses on hedges	(30,180)	6	
Land revaluation excess	39,014		
Foreign currency translation adjustments	156,309		
Remeasurements of defined benefit plans	47,667		
Total accumulated other comprehensive income	2,005,859		
Stock acquisition rights	2,284	2, 8-a	3
Minority interests	1,671,738	8-b	
Total net assets	10,696,271		
Total liabilities and net assets	183,442,585		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	2,337,895		1-a
Capital surplus	757,329		1-b
Retained earnings	4,098,425		1-c
Treasury stock	(175,261)		1-d
Total stockholders' equity	7,018,389		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,018,389	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,095,225		1a
of which: retained earnings	4,098,425		2
of which: treasury stock (-)	175,261		1c
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	31a

2. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Stock acquisition rights	2,284		2
of which: Stock acquisition rights issued by bank holding company	2,085		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,085		1b
Stock acquisition rights to Additional Tier 1 instruments	—		31b
Stock acquisition rights to Tier 2 instruments	—		46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	819,560		3-a
Securities	29,633,667		3-b
of which: goodwill attributable to equity-method investees	92,771		

Income taxes related to above

153,707

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	435,296		8
Other intangible assets other than goodwill and mortgage servicing rights	323,327	Software and other	9
Mortgage servicing rights	—		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net defined benefit asset	376,255		4

Income taxes related to above

120,853

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net defined benefit asset	255,401		15

5. Deferred tax assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	127,841		5-a
Deferred tax liabilities	601,393		5-b
Deferred tax liabilities for land revaluation	34,550		5-c
Tax effects on other intangible assets	153,707		
Tax effects on net defined benefit asset	120,853		

(2) Composition of capital (Millions 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)	5,008	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)	5,285	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)	5,285		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(30,180)		6

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(28,694)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

7. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Trading assets	7,483,681	Including trading account securities and derivatives for trading assets	7-a
Securities	29,633,667		7-b
Loans and bills discounted	73,068,240	Including subordinated loans	7-c
Trading liabilities	5,664,688	Including trading account securities sold and derivatives for trading liabilities	7-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	9,886		
Common Equity Tier 1 capital	9,886		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)	874,552		
Common Equity Tier 1 capital	65,599		18
Additional Tier 1 capital	507		39
Tier 2 capital	10,109		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	798,335		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	761,011		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	158,633		40
Tier 2 capital	125,057		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	477,320		73

8. Minority interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Stock acquisition rights	2,284		8-a
Minority interests	1,671,738		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	153,863		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	182,251		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	39,348		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	9,778,095		9-a
Bonds	6,222,918		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	374,988		46

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.

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2014)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Consolidated balance sheet as in published financial statements	Amount		
(Assets)				
Cash and due from banks		32,991,113		
Call loans and bills bought		1,248,235		
Receivables under resale agreements		522,860		
Receivables under securities borrowing transactions		3,780,260		
Monetary claims bought		3,552,658		
Trading assets		6,957,419	7-a	
Money held in trust		23,120		
Securities		27,152,781	3-b, 7-b	
Loans and bills discounted		68,227,688	7-c	
Foreign exchanges		1,790,406		
Lease receivables and investment assets		1,827,251		
Other assets		4,181,512		
Tangible fixed assets		2,346,788		
Intangible fixed assets		819,895	3-a	
Net defined benefit asset		119,932	4	
Deferred tax assets		173,180	5-a	
Customers' liabilities for acceptances and guarantees		6,566,818		
Reserve for possible loan losses		(747,536)		
Total assets		161,534,387		
(Liabilities)				
Deposits		94,331,925		
Negotiable certificates of deposit		13,713,539		
Call money and bills sold		4,112,428		
Payables under repurchase agreements		1,710,101		
Payables under securities lending transactions		5,330,974		
Commercial paper		2,374,051		
Trading liabilities		4,779,969	7-d	
Borrowed money		7,020,841		
Foreign exchanges		451,658		
Short-term bonds		1,145,200		
Bonds		5,090,894		
Due to trust account		699,329		
Other liabilities		4,712,069		
Reserve for employee bonuses		69,419		
Reserve for executive bonuses		4,921		
Net defined benefit liability		45,385		
Reserve for executive retirement benefits		2,004		
Reserve for point service program		20,355		
Reserve for reimbursement of deposits		14,858		
Reserve for losses on interest repayment		190,182		
Reserve under the special laws		771		
Deferred tax liabilities		103,390	5-b	
Deferred tax liabilities for land revaluation		38,276	5-c	
Acceptances and guarantees		6,566,818		
Total liabilities		152,529,368		
(Net assets)				
Capital stock		2,337,895	1-a	
Capital surplus		758,349	1-b	
Retained earnings		3,480,085	1-c	
Treasury stock		(175,115)	1-d	
Total stockholders' equity		6,401,215		
Net unrealized gains on other securities		949,508		
Net deferred losses on hedges		(60,946)	6	
Land revaluation excess		35,749		
Foreign currency translation adjustments		27,239		
Remeasurements of defined benefit plans		(73,579)		
Total accumulated other comprehensive income		877,971		
Stock acquisition rights		1,791	2, 8-a	3
Minority interests		1,724,041	8-b	
Total net assets		9,005,019		
Total liabilities and net assets		161,534,387		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	2,337,895		1-a
Capital surplus	758,349		1-b
Retained earnings	3,480,085		1-c
Treasury stock	(175,115)		1-d
Total stockholders' equity	6,401,215		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,401,215	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,096,244		1a
of which: retained earnings	3,480,085		2
of which: treasury stock (-)	175,115		1c
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 absorber clause upon entering into effectively bankruptcy	31a

2. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Stock acquisition rights	1,791		2
of which: Stock acquisition rights issued by bank holding company	1,634		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Stock acquisition rights to common shares	1,634		1b
Stock acquisition rights to Additional Tier 1 instruments	—		31b
Stock acquisition rights to Tier 2 instruments	—		46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	819,895		3-a
Securities	27,152,781		3-b
of which: goodwill attributable to equity-method investees	110,898		

Income taxes related to above

161,233

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	477,922		8
Other intangible assets other than goodwill and mortgage servicing rights	291,636	Software and other	9
Mortgage servicing rights	—		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net defined benefit asset	119,932		4

Income taxes related to above

42,607

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net defined benefit asset	77,325		15

5. Deferred tax assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	173,180		5-a
Deferred tax liabilities	103,390		5-b
Deferred tax liabilities for land revaluation	38,276		5-c
Tax effects on other intangible assets	161,233		
Tax effects on net defined benefit asset	42,607		

(2) Composition of capital (Millions 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)	13,087	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)	247,009	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)	247,009		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(60,946)		6

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(58,809)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

7. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Trading assets	6,957,419	Including trading account securities and derivatives for trading assets	7-a
Securities	27,152,781		7-b
Loans and bills discounted	68,227,688	Including subordinated loans	7-c
Trading liabilities	4,779,969	Including trading account securities sold and derivatives for trading liabilities	7-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	7,592		
Common Equity Tier 1 capital	7,592		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)	795,704		
Common Equity Tier 1 capital	113,916		18
Additional Tier 1 capital	1,060		39
Tier 2 capital	32,014		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	648,713		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	509,990		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	158,645		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)	226,344		73

8. Minority interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Stock acquisition rights	1,791		8-a
Minority interests	1,724,041		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	150,155		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	145,035		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	34,422		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.

■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of March 31, 2015	As of March 31, 2014
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	160,371,631	
1a	1	Total assets reported in the consolidated balance sheet	183,442,585	
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	23,070,954	
2	7	The amount of adjustment items pertaining to Tier1 capital (-)	514,287	
3		Total on-balance sheet exposures (a)	159,857,344	
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	2,197,309	
5		Add-on amount associated with derivatives transactions, etc.	3,322,792	
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc..	615,854	
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	615,854	
8		The amount of client-cleared trade exposures for which a bank or bank holding company acting as clearing member is not obliged to make any indemnification (-)		
9		Adjusted effective notional amount of written credit derivatives	491,723	
10		The amount of deductions from effective notional amount of written credit derivatives (-)	294,754	
11	4	Total exposures related to derivative transactions (b)	5,717,070	
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc	7,223,495	
13		The amount of deductions from the assets above (line 12) (-)	—	
14		The exposures for counterparty credit risk for repo transactions, etc	59,050	
15		The exposures for agent repo transaction		
16	5	The Total exposures related to repo transactions, etc. (c)	7,282,545	
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	56,677,029	
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	38,217,588	
19	6	Total exposures related to off-balance sheet transactions (d)	18,459,440	
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier1 capital) (e)	8,528,626	
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	191,316,401	
22		Leverage ratio on a consolidated basis ((e)/(f))	4.45%	

■ Indicators for assessing Global Systemically Important Banks (G-SIBs)

(In 0.1 billion yen)

Item No.	Description	As of March 31, 2015
1	Total exposures (a + b + c + d): a. Counterparty exposure of derivatives contracts b. Gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs c. Other assets (other than assets specifically identified above and regulatory adjustments to Tier 1 and CET 1 capital under the fully phased-in Basel III framework) d. Notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	1,911,845
2	Intra-financial system assets (a + b + c + d): a. Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions b. Holdings of securities issued by other financial institutions (Note 1) c. Net positive current exposure of SFTs with other financial institutions d. Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	298,339
3	Intra-financial system liabilities (a + b + c): a. Deposits due to, and undrawn committed lines obtained from, other financial institutions b. Net negative current exposure of SFTs with other financial institutions c. OTC derivatives with other financial institutions that have a net negative fair value	216,396
4	Securities outstanding (Note 1)	312,779
5	Assets under custody	128,754
6	Notional amount of OTC derivatives	6,569,083
7	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	118,027
8	Level 3 assets (Note 3)	10,938
9	Cross-jurisdictional claims	424,438
10	Cross-jurisdictional liabilities	213,958

Item No.	Description	FY ended March 31, 2015
11	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	27,326,202
12	Underwritten transactions in debt and equity markets (Note 4)	47,619

- Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and common equities.
2. Level 1 and Level 2 assets with haircuts are defined in the Basel III Liquidity Coverage Ratio (LCR).
3. The amount is calculated in accordance with the International Financial Reporting Standards (or U.S. GAAP).
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

Capital Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,697,893		6,426,054	
1a	of which: capital and capital surplus	4,278,414		4,278,391	
2	of which: retained earnings	2,751,080		2,468,427	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	331,601		320,763	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	770,967	1,156,451	169,261	677,046
5	Adjusted minority interests, etc. (amount allowed to be included in group Common Equity Tier 1)	163,992		158,494	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	7,344		26,782	
	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)	7,344		26,782	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,640,198		6,780,594	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	175,288	262,932	88,561	354,245
8	of which: goodwill (including those equivalent)	92,138	138,208	51,629	206,519
9	of which: other intangible assets other than goodwill and mortgage servicing rights	83,149	124,724	36,931	147,726
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,048	1,572	1,235	4,940
11	Net deferred losses on hedges	(10,225)	(15,338)	(11,497)	(45,991)
12	Shortfall of eligible provisions to expected losses	887	1,330	-	-
13	Gain on sale on securitization transactions	18,683	28,025	8,136	32,545
14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,597	3,896	1,106	4,424
15	Net defined benefit asset	99,911	149,866	14,937	59,750
16	Investments in own shares (excluding those reported in the Net assets section)	55	83	15	61
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	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)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	288,245		102,493	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,351,952		6,678,100	

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
Additional Tier 1 capital: instruments						
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—		—	
	31b	Stock acquisition rights to Additional Tier 1 instruments	—		—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		—	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—	
34-35	Adjusted minority interests, etc. (amount allowed to be included in group Additional Tier 1)	25,321		13,846		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	860,796		824,074		
33	of which: instrument issued by banks and their special purpose vehicles	860,796		824,074		
35	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		—		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	68,648		5,423		
	of which: foreign currency translation adjustments	68,648		5,423		
36	Additional Tier 1 capital: instruments (D)	954,766		843,344		
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	—	—	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—	
39	Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	—	—	—	—	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	63,453	95,180	31,729	126,916	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	131,540		179,796		
	of which: goodwill and others	102,850		147,250		
	of which: gain on sale on securitization transactions	28,025		32,545		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	665		—		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	194,994		211,525		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	759,772		631,819		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,111,724		7,309,919		
Tier 2 capital: instruments and provisions						
46	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	374,988		—		
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—		
48-49	Adjusted minority interests, etc. (amount allowed to be included in group Tier 2)	2,359		3,171		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,424,169		1,627,622		
47	of which: instruments issued by banks and their special purpose vehicles	1,424,169		1,614,634		
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		12,988		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	9,848		35,546		
50a	of which: general reserve for possible loan losses	9,848		10,179		
50b	of which: eligible provisions	—		25,367		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	671,467		488,099		
	of which: unrealized gains on other securities after 55% discount	651,680		461,566		
	of which: land revaluation excess after 55% discount	19,787		26,532		
51	Tier 2 capital: instruments and provisions (H)	2,482,833		2,154,439		

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	—	—	—	—
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	—	—	—	—
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,000	75,000	25,000	100,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	95,379		139,896	
	of which: Tier 2 and deductions under Basel II	95,379		139,896	
57	Tier 2 capital: regulatory adjustments (I)	145,379		164,896	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,337,454		1,989,543	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,449,179		9,299,462	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	132,839		119,239	
	of which: intangible assets other than mortgage servicing rights	25,478		13,457	
	of which: net defined benefit asset	32,903		5,422	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	52,936		70,582	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	17,835		20,068	
60	Risk weighted assets (L)	58,277,062		54,418,600	
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.61%		12.27%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.91%		13.43%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.93%		17.08%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	691,075		666,349	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	748,706		463,953	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	6,443		182,664	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	9,848		10,179	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	22,831		22,830	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		25,367	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	299,355		279,517	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	866,500		990,286	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	—		—	
84	Current cap on Tier 2 instruments subject to transitional arrangements	1,424,169		1,627,622	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	44,040		126,725	

(Millions of yen)

Items	Year ended March 31, 2015	Year ended March 31, 2014
Required capital ((L) × 8%)	4,662,165	4,353,488

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2015)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Consolidated balance sheet as in published financial statements	Amount		
(Assets)				
Cash and due from banks		39,569,276		
Call loans and bills bought		1,326,965		
Receivables under resale agreements		746,431		
Receivables under securities borrowing transactions		6,447,116		
Monetary claims bought		4,128,907		
Trading assets		7,364,988	6-a	
Money held in trust		1		
Securities		29,559,334	2-b, 6-b	
Loans and bills discounted		75,119,565	6-c	
Foreign exchanges		1,907,667		
Lease receivables and investment assets		252,213		
Other assets		3,422,970		
Tangible fixed assets		1,073,206		
Intangible fixed assets		454,584	2-a	
Net defined benefit asset		367,953	3	
Deferred tax assets		68,265	4-a	
Customers' liabilities for acceptances and guarantees		6,289,881		
Reserve for possible loan losses		(540,134)		
Total assets		177,559,197		
(Liabilities)				
Deposits		101,503,889		
Negotiable certificates of deposit		14,032,798		
Call money and bills sold		5,873,123		
Payables under repurchase agreements		991,860		
Payables under securities lending transactions		7,833,219		
Commercial paper		3,352,662		
Trading liabilities		5,636,406	6-d	
Borrowed money		8,223,808	8	
Foreign exchanges		1,110,822		
Short-term bonds		545,700		
Bonds		5,663,566		
Due to trust account		718,133		
Other liabilities		5,098,781		
Reserve for employee bonuses		59,893		
Reserve for executive bonuses		2,567		
Net defined benefit liability		12,641		
Reserve for executive retirement benefits		759		
Reserve for point service program		1,798		
Reserve for reimbursement of deposits		20,870		
Reserve for losses on interest repayment		632		
Reserve under the special laws		755		
Deferred tax liabilities		514,070	4-b	
Deferred tax liabilities for land revaluation		34,550	4-c	
Acceptances and guarantees		6,289,881		
Total liabilities		167,523,193		
(Net assets)				
Capital stock		1,770,996	1-a	
Capital surplus		2,717,421	1-b	
Retained earnings		2,751,080	1-c	
Treasury stock		(210,003)	1-d	
Total stockholders' equity		7,029,494		
Net unrealized gains on other securities		1,756,894		
Net deferred losses on hedges		(27,049)	5	
Land revaluation excess		38,943		
Foreign currency translation adjustments		114,413		
Remeasurements of defined benefit plans		44,216		
Total accumulated other comprehensive income		1,927,419		3
Stock acquisition rights		198	7-a	
Minority interests		1,078,891	7-b	
Total net assets		10,036,003		
Total liabilities and net assets		177,559,197		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,717,421	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,751,080		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,029,494		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,029,494	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,278,414		1a
of which: retained earnings	2,751,080		2
of which: treasury stock (→)	—		1c
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	31a

2. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	454,584		2-a
Securities	29,559,334		2-b
of which: goodwill attributable to equity-method investees	82,257		
Income taxes related to above	98,622		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	230,346		8
Other intangible assets other than goodwill and mortgage servicing rights	207,873	Software and other	9
Mortgage servicing rights	—		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74

3. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net defined benefit asset	367,953		3
Income taxes related to above	118,175		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net defined benefit asset	249,777		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	68,265		4-a
Deferred tax liabilities	514,070		4-b
Deferred tax liabilities for land revaluation	34,550		4-c
Tax effects on other intangible assets	98,622		
Tax effects on net defined benefit asset	118,175		

(2) Composition of capital

(Millions 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)	2,620	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)	6,443	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)	6,443		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(27,049)		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(25,563)	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

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Trading assets	7,364,988	Including trading account securities and derivatives for trading assets	6-a
Securities	29,559,334		6-b
Loans and bills discounted	75,119,565	Including subordinated loans	6-c
Trading liabilities	5,636,406	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	139		
Common Equity Tier 1 capital	139		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)	691,075		
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)	691,075		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	1,032,340		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	158,633		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)	748,706		73

7. Minority interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Stock acquisition rights	198		7-a
Minority interests	1,078,891		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	163,992		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	25,321		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	2,359		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	8,223,808		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	374,988		46

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.

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2014)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Consolidated balance sheet as in published financial statements	Amount		
(Assets)				
Cash and due from banks		32,826,744		
Call loans and bills bought		1,248,235		
Receivables under resale agreements		522,860		
Receivables under securities borrowing transactions		3,737,208		
Monetary claims bought		3,420,145		
Trading assets		6,846,729	6-a	
Money held in trust		14,572		
Securities		27,092,373	2-b, 6-b	
Loans and bills discounted		69,754,391	6-c	
Foreign exchanges		1,790,406		
Lease receivables and investment assets		218,360		
Other assets		1,703,060		
Tangible fixed assets		976,903		
Intangible fixed assets		445,686	2-a	
Net defined benefit asset		115,847	3	
Deferred tax assets		101,929	4-a	
Customers' liabilities for acceptances and guarantees		5,632,563		
Reserve for possible loan losses		(623,876)		
Total assets		155,824,141		
(Liabilities)				
Deposits		94,543,064		
Negotiable certificates of deposit		13,973,339		
Call money and bills sold		4,113,650		
Payables under repurchase agreements		1,708,801		
Payables under securities lending transactions		5,328,427		
Commercial paper		2,374,051		
Trading liabilities		4,740,484	6-d	
Borrowed money		5,101,073		
Foreign exchanges		451,658		
Short-term bonds		302,500		
Bonds		4,906,764		
Due to trust account		699,329		
Other liabilities		3,145,635		
Reserve for employee bonuses		55,272		
Reserve for executive bonuses		4,244		
Net defined benefit liability		14,625		
Reserve for executive retirement benefits		814		
Reserve for point service program		2,025		
Reserve for reimbursement of deposits		14,858		
Reserve for losses on interest repayment		774		
Reserve under the special laws		402		
Deferred tax liabilities		30,739	4-b	
Deferred tax liabilities for land revaluation		38,276	4-c	
Acceptances and guarantees		5,632,563		
Total liabilities		147,183,378		
(Net assets)				
Capital stock		1,770,996	1-a	
Capital surplus		2,717,397	1-b	
Retained earnings		2,468,427	1-c	
Treasury stock		(210,003)	1-d	
Total stockholders' equity		6,746,818		
Net unrealized gains on other securities		938,235		
Net deferred losses on hedges		(59,626)	5	
Land revaluation excess		35,675		
Foreign currency translation adjustments		6,779		
Remeasurements of defined benefit plans		(74,755)		
Total accumulated other comprehensive income		846,308		3
Stock acquisition rights		157	7-a	
Minority interests		1,047,479	7-b	
Total net assets		8,640,763		
Total liabilities and net assets		155,824,141		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,717,397	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,468,427		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,746,818		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,746,818	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		1a
of which: retained earnings	2,468,427		2
of which: treasury stock (-)	—		1c
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 absorber clause upon entering into effectively bankruptcy	31a

2. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	445,686		2-a
Securities	27,092,373		2-b
of which: goodwill attributable to equity-method investees	99,260		
Income taxes related to above	102,138		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	258,148		8
Other intangible assets other than goodwill and mortgage servicing rights	184,658	Software and other	9
Mortgage servicing rights	—		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74

3. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net defined benefit asset	115,847		3
Income taxes related to above	41,159		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net defined benefit asset	74,687		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	101,929		4-a
Deferred tax liabilities	30,739		4-b
Deferred tax liabilities for land revaluation	38,276		4-c
Tax effects on other intangible assets	102,138		
Tax effects on net defined benefit asset	41,159		

(2) Composition of capital

(Millions 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)	6,175	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)	182,664	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)	182,664		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(59,626)		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(57,489)	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

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Trading assets	6,846,729	Including trading account securities and derivatives for trading assets	6-a
Securities	27,092,373		6-b
Loans and bills discounted	69,754,391	Including subordinated loans	6-c
Trading liabilities	4,740,484	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	77		
Common Equity Tier 1 capital	77		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)	666,349		
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)	666,349		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	747,599		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	158,645		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)	463,953		73

7. Minority interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Stock acquisition rights	157		7-a
Minority interests	1,047,479		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	158,494		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	13,846		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	3,171		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.

■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of March 31, 2015	As of March 31, 2014
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	155,497,153	
1a	1	Total assets reported in the consolidated balance sheet	177,559,197	
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	22,062,043	
2	7	The amount of adjustment items pertaining to Tier1 capital (-)	340,643	
3		Total on-balance sheet exposures (a)	155,156,510	
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	2,208,431	
5		Add-on amount associated with derivatives transactions, etc.	3,326,000	
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	615,854	
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	615,854	
8		The amount of client-cleared trade exposures for which a bank acting as clearing member is not obliged to make any indemnification (-)		
9		Adjusted effective notional amount of written credit derivatives	491,723	
10		The amount of deductions from effective notional amount of written credit derivatives (-)	294,754	
11	4	Total exposures related to derivative transactions (b)	5,731,400	
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc	7,193,548	
13		The amount of deductions from the assets above (line 12) (-)	—	
14		The exposures for counterparty credit risk for repo transactions, etc	58,999	
15		The exposures for agent repo transaction		
16	5	The Total exposures related to repo transactions, etc. (c)	7,252,547	
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	51,113,302	
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	34,046,090	
19	6	Total exposures related to off-balance sheet transactions (d)	17,067,211	
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier1 capital) (e)	8,111,724	
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	185,207,669	
22		Leverage ratio on a consolidated basis ((e)/(f))	4.37%	

Capital Ratio Information (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,038,295		5,859,721	
1a	of which: capital and capital surplus	4,042,266		4,042,266	
2	of which: retained earnings	2,327,629		2,138,218	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	331,601		320,763	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Valuation and translation adjustment and other disclosed reserves	651,493	977,239	179,267	717,069
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	-		-	
6	Common Equity Tier 1 capital: instruments and reserves (A)	6,689,788		6,038,989	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	54,502	81,753	23,497	93,991
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	54,502	81,753	23,497	93,991
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
11	Net deferred losses on hedges	(49,439)	(74,159)	(10,324)	(41,299)
12	Shortfall of eligible provisions to expected losses	25,304	37,957	7,659	30,639
13	Gain on sale on securitization transactions	18,683	28,025	8,136	32,545
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Prepaid pension cost	79,484	119,226	29,201	116,806
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	-	-
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	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)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	2,040	3,060	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	2,040	3,060	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	130,575		58,170	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,559,212		5,980,818	

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
Additional Tier 1 capital: instruments						
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	/	—	/
	31b	Stock acquisition rights to Additional Tier 1 instruments	—	/	—	/
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—	/	—	/
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	/	—	/
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	860,796	/	824,074	/	
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	(210)	/	(735)	/	
	of which: foreign currency translation adjustments	(210)	/	(735)	/	
36	Additional Tier 1 capital: instruments (D)	860,586	/	823,339	/	
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	—	—	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—	
39	Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	—	—	—	—	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	63,692	95,538	31,846	127,384	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	47,003	/	47,865	/	
	of which: gain on sale on securitization transactions	28,025	/	32,545	/	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	18,978	/	15,319	/	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	/	—	/	
43	Additional Tier 1 capital: regulatory adjustments (E)	110,695	/	79,711	/	
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	749,890	/	743,627	/	
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	7,309,102	/	6,724,445	/	
Tier 2 capital: instruments and provisions						
46		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	376,262	/	—	/
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	/	—	/
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,412,068	/	1,613,792	/	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	—	/	—	/	
50a	of which: general reserve for possible loan losses	—	/	—	/	
50b	of which: eligible provisions	—	/	—	/	
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	654,063	/	477,926	/	
	of which: unrealized gains on other securities after 55% discount	637,394	/	455,620	/	
	of which: land revaluation excess after 55% discount	16,668	/	22,306	/	
51	Tier 2 capital: instruments and provisions (H)	2,442,394	/	2,091,719	/	

(Millions of yen, except percentages)

Basel III Template No.	Items	Year ended March 31, 2015		Year ended March 31, 2014	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	—	—	—	—
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	—	—	—	—
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,000	75,000	25,000	100,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	18,978		15,319	
	of which: Tier 2 and deductions under Basel II	18,978		15,319	
57	Tier 2 capital: regulatory adjustments (I)	68,978		40,319	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,373,415		2,051,399	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	9,682,518		8,775,845	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	252,584		377,653	
	of which: prepaid pension cost	25,797		10,405	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	183,151		338,806	
60	Risk weighted assets (L)	51,232,836		47,940,672	
Capital ratio					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	12.80%		12.47%	
62	Tier 1 risk-weighted capital ratio ((G)/(L))	14.26%		14.02%	
63	Total risk-weighted capital ratio ((K)/(L))	18.89%		18.30%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	524,368		569,683	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	734,569		475,035	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—		77,942	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	—		—	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	2,386		2,363	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	278,163		258,200	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	866,150		989,886	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	—		—	
84	Current cap on Tier 2 instruments subject to transitional arrangements	1,412,068		1,613,792	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	60,062		128,412	

(Millions of yen)

Items	Year ended March 31, 2015	Year ended March 31, 2014
Required capital ((L) × 8%)	4,098,626	3,835,253

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2015)

Sumitomo Mitsui Banking Corporation

(Millions 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	37,008,665		
Call loans	539,916		
Receivables under resale agreements	417,473		
Receivables under securities borrowing transactions	2,012,795		
Monetary claims bought	1,047,498		
Trading assets	3,627,862	6-a	
Securities	29,985,267		
Loans and bills discounted	68,274,308	6-c	
Foreign exchanges	1,798,843		
Other assets	2,460,344		
Tangible fixed assets	812,383		
Intangible fixed assets	200,966	2	
Prepaid pension cost	293,082	3	
Customers' liabilities for acceptances and guarantees	6,721,131		
Reserve for possible loan losses	(394,140)		
Reserve for possible losses on investments	(82,321)		
Total assets	154,724,079		
(Liabilities)			
Deposits	91,337,714		
Negotiable certificates of deposit	14,022,064		
Call money	4,579,940		
Payables under repurchase agreements	350,010		
Payables under securities lending transactions	5,113,896		
Commercial paper	2,551,652		
Trading liabilities	2,754,739	6-d	
Borrowed money	8,096,070		
Foreign exchanges	1,172,969		
Short-term bonds	25,000		
Bonds	5,095,577		
Due to trust account	717,529		
Other liabilities	3,672,970		
Reserve for employee bonuses	13,738		
Reserve for executive bonuses	644		
Reserve for point service program	1,119		
Reserve for reimbursement of deposits	19,589		
Deferred tax liabilities	444,863	4-a	
Deferred tax liabilities for land revaluation	34,141	4-b	
Acceptances and guarantees	6,721,131		
Total liabilities	146,725,363		
(Net assets)			
Capital stock	1,770,996	1-a	
Capital surplus	2,481,273	1-b	
Retained earnings	2,327,186		
Treasury stock	(210,003)	1-d	
Total stockholders' equity	6,369,453		
Net unrealized gains on other securities	1,726,573		
Net deferred losses on hedges	(124,906)		
Land revaluation excess	27,593		
Total valuation and translation adjustments	1,629,261		
Total net assets	7,998,715		
Total liabilities and net assets	154,724,079		

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.

(Millions of yen)			
Balance sheet account	Amount reported on the consolidated financial statements	Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
Securities	29,971,688	6-b	
Borrowed money	7,226,652	7	
Retained earnings	2,327,629	1-c	
Net deferred losses on hedges	(125,084)	5	
Total valuation and translation adjustments	1,628,732		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,481,273	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,327,629		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,369,896		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,369,896	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		1a
of which: retained earnings	2,327,629		2
of which: treasury stock (→)	—		1c
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	31a

2. Intangible assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	200,966		2
Income taxes related to above	64,711		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	—		8
Other intangible assets other than goodwill and mortgage servicing rights	136,255	Software and other	9
Mortgage servicing rights	—		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Prepaid pension cost	293,082		3
Income taxes related to above	94,372		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Prepaid pension cost	198,710		15

4. Deferred tax assets

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	444,863		4-a
Deferred tax liabilities for land revaluation	34,141		4-b
Tax effects on other intangible assets	64,711		
Tax effects on prepaid pension cost	94,372		

(2) Composition of capital (Millions 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)	—	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)	—	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)	—		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(125,084)		5

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(123,598)	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 (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Trading assets	3,627,862	Including trading account securities and derivatives for trading assets	6-a
Securities	29,971,688		6-b
Loans and bills discounted	68,274,308	Including subordinated loans	6-c
Trading liabilities	2,754,739	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions 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)	524,368		
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)	524,368		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	1,023,901		
Amount exceeding the 10% threshold on specified items	5,101		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)	734,569		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	7,226,652		7

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	376,262		46

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.

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2014)

Sumitomo Mitsui Banking Corporation

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Balance sheet as in published financial statements	Amount		
(Assets)				
Cash and due from banks	30,133,257			
Call loans	557,619			
Receivables under resale agreements	455,595			
Receivables under securities borrowing transactions	643,127			
Bills bought	20,091			
Monetary claims bought	873,331			
Trading assets	3,220,669		6-a	
Money held in trust	2,060			
Securities	27,317,549			
Loans and bills discounted	63,370,678		6-c	
Foreign exchanges	1,698,141			
Other assets	1,298,327			
Tangible fixed assets	753,279			
Intangible fixed assets	182,351		2	
Prepaid pension cost	226,615		3	
Customers' liabilities for acceptances and guarantees	5,767,068			
Reserve for possible loan losses	(472,548)			
Reserve for possible losses on investments	(80,785)			
Total assets	135,966,434			
(Liabilities)				
Deposits	84,137,339			
Negotiable certificates of deposit	14,020,505			
Call money	3,265,929			
Payables under repurchase agreements	1,126,120			
Payables under securities lending transactions	3,390,533			
Commercial paper	1,806,866			
Trading liabilities	2,400,057		6-d	
Borrowed money	5,091,006			
Foreign exchanges	490,873			
Short-term bonds	25,000			
Bonds	4,501,843			
Due to trust account	698,953			
Other liabilities	2,071,738			
Reserve for employee bonuses	12,112			
Reserve for executive bonuses	610			
Reserve for point service program	1,338			
Reserve for reimbursement of deposits	13,650			
Deferred tax liabilities	29,744		4-a	
Deferred tax liabilities for land revaluation	37,782		4-b	
Acceptances and guarantees	5,767,068			
Total liabilities	128,889,073			
(Net assets)				
Capital stock	1,770,996		1-a	
Capital surplus	2,481,273		1-b	
Retained earnings	2,137,235			
Treasury stock	(210,003)		1-d	
Total stockholders' equity	6,179,502			
Net unrealized gains on other securities	926,836			
Net deferred losses on hedges	(53,158)			
Land revaluation excess	24,180			
Total valuation and translation adjustments	897,858			
Total net assets	7,077,360			
Total liabilities and net assets	135,966,434			

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.

(Millions of yen)			
Balance sheet account	Amount reported on the consolidated financial statements	Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
Securities	27,303,971	6-b	
Retained earnings	2,138,218	1-c	
Net deferred losses on hedges	(53,761)	5	
Total valuation and translation adjustments	896,337		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,481,273	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,138,218		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,180,485		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,180,485	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		1a
of which: retained earnings	2,138,218		2
of which: treasury stock (-)	—		1c
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 absorber clause upon entering into effectively bankruptcy	31a

2. Intangible assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	182,351		2
Income taxes related to above	64,862		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	—		8
Other intangible assets other than goodwill and mortgage servicing rights	117,488	Software and other	9
Mortgage servicing rights	—		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Prepaid pension cost	226,615		3
Income taxes related to above	80,607		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Prepaid pension cost	146,008		15

4. Deferred tax assets

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	29,744		4-a
Deferred tax liabilities for land revaluation	37,782		4-b

Tax effects on other intangible assets	64,862		
Tax effects on prepaid pension cost	80,607		

(2) Composition of capital (Millions 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)	—	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)	77,942	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)	77,942	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(53,761)		5

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(51,624)	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 (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Trading assets	3,220,669	Including trading account securities and derivatives for trading assets	6-a
Securities	27,303,971		6-b
Loans and bills discounted	63,370,678	Including subordinated loans	6-c
Trading liabilities	2,400,057	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions 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)	569,683		
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)	569,683		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	759,266		
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)	475,035		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%.

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.

CCP-related exposure

Exposure to a central counterparty (CCP) that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts.

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")

Administrative action or written ordinance by which the Financial Services Agency officially informs Japanese banks of regulations regarding capital adequacy ratio.

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.

CVA (credit value adjustment) amount

Capital charges for market-price fluctuation of derivatives transaction due to deteriorated creditworthiness of a counterparty.

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 approach

Methods of measuring market risk equivalent amount as the value at risk (VaR) calculated with models determined by each bank.

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.

Standardized method

Method of calculating market risk using formula determined by the Financial Services Agency.

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, 2014 to March 31, 2015)
Compensation Committee (SMFG)	1
Compensation Committee (SMBC Nikko Securities Inc.)	2

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 in accordance with its management plan based on its vision for the next decade of becoming a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region 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 assessment of business results for the fiscal year and the performance status of job responsibilities in the short term as well as the medium to long term for individual officers. 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, 2014 to March 31, 2015)

	Number of officers/employees and others	Amount of compensation								
		Amount of fixed compensation						Amount of variable compensation		
		Total	Total	Base salary	Stock options	Other benefits	Total	Bonuses	Retirement allowance	Other benefits
Officers (excluding outside directors and corporate auditors).....	14	1,062	882	769	106	7	175	175	6	—
Employees and others.....	96	7,997	4,064	3,979	83	2	3,661	3,661	—	272

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥189 million in deferred compensation accrued during the fiscal year (officers: ¥106 million; employees and others: ¥83 million).

3. The total amount of variable compensation includes ¥709 million in deferred compensation accrued during the fiscal year (officers: ¥- million; employees and others: ¥709 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:

Company name	Stock option rights 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
4th series of stock acquisition rights of SMFG	August 14, 2013 to August 13, 2043
5th series of stock acquisition rights of SMFG	August 15, 2014 to August 14, 2044

6. Payment of the following compensation, including the above, has been deferred:

Type of compensation, etc.	Millions of yen	
	March 31, 2015	Payment during the fiscal year
1st series of stock acquisition rights of SMFG.....	77	—
2nd series of stock acquisition rights of SMFG	133	—
3rd series of stock acquisition rights of SMFG	180	—
4th series of stock acquisition rights of SMFG	145	—

■ 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, 2014 to March 31, 2015)
Compensation Committee (SMFG)	1
Compensation Committee (SMBC Nikko Securities Inc.)	2

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 in accordance with SMFG's management plan based on its vision for the next decade of becoming a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region 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 assessment of business results for the fiscal year and the performance status of job responsibilities in the short term as well as the medium to long term for individual officers. 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, 2014 to March 31, 2015)

	Number of officers/employees and others	Millions of yen									
		Amount of compensation									
		Total	Amount of fixed compensation					Amount of variable compensation			
			Total	Base salary	Stock options	Other benefits	Total	Bonuses	Retirement allowance	Other benefits	
Officers (excluding outside directors and corporate auditors).....	20	1,633	1,345	1,190	148	7	288	288	—	—	
Employees and others.....	88	7,281	3,489	3,473	15	1	3,521	3,521	—	272	

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥163 million in deferred compensation accrued during the fiscal year (officers: ¥148 million; employees and others: ¥15 million).

3. The total amount of variable compensation includes ¥709 million in deferred compensation accrued during the fiscal year (officers: ¥- million; employees and others: ¥709 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:

Company name	Stock option rights 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
4th series of stock acquisition rights of SMFG	August 14, 2013 to August 13, 2043
5th series of stock acquisition rights of SMFG	August 15, 2014 to August 14, 2044

6. Payment of the following compensation, including the above, has been deferred:

Type of compensation, etc.	Millions of yen	
	March 31, 2015	Payment during the fiscal year
1st series of stock acquisition rights of SMFG.....	67	—
2nd series of stock acquisition rights of SMFG	105	—
3rd series of stock acquisition rights of SMFG	191	—
4th series of stock acquisition rights of SMFG	135	—

2. Total Amount of Compensation Paid to Officers, Employees and Others (SMBC non-consolidated, April 1, 2014 to March 31, 2015)

	Number of officers/employees and others	Millions of yen									
		Amount of compensation									
		Total	Amount of fixed compensation					Amount of variable compensation			
			Total	Base salary	Stock options	Other benefits	Total	Bonuses	Retirement allowance	Other benefits	
Officers (excluding outside directors and corporate auditors).....	20	1,633	1,345	1,190	148	7	288	288	—	—	
Employees and others.....	74	5,950	2,951	2,936	15	0	2,727	2,727	—	272	

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. The total amount of fixed compensation includes ¥163 million in deferred compensation accrued during the fiscal year (officers: ¥148 million; employees and others: ¥15 million).

3. The total amount of variable compensation includes ¥509 million in deferred compensation accrued during the fiscal year (officers: ¥- million; employees and others: ¥509 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:

Company name	Stock option rights 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
4th series of stock acquisition rights of SMFG	August 14, 2013 to August 13, 2043
5th series of stock acquisition rights of SMFG	August 15, 2014 to August 14, 2044

6. Payment of the following compensation, including the above, has been deferred:

Type of compensation, etc.	Millions of yen	
	March 31, 2015	Payment during the fiscal year
1st series of stock acquisition rights of SMFG.....	67	—
2nd series of stock acquisition rights of SMFG	105	—
3rd series of stock acquisition rights of SMFG	191	—
4th series of stock acquisition rights of SMFG	135	—

■ 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, 2015)

BOARD OF DIRECTORS

Masayuki Oku

Chairman of the Board

Koichi Miyata

President

Takeshi Kunibe

Director

Yujiro Ito

Director General Affairs Dept., Human Resources Dept.

Kozo Ogino

Director Audit Dept.

Toshiyuki Teramoto

Director Corporate Risk Management Dept.

Jun Ohta

Director

Public Relations Dept., Corporate Planning Dept.,
Financial Accounting Dept., Subsidiaries & Affiliates Dept.

Katsunori Tanizaki

Director IT Planning Dept.

Yoshinori Yokoyama

Director (outside)

Kuniaki Nomura

Director (outside)

Arthur M. Mitchell

Director (outside)

Masaharu Kohno

Director (outside)

Eriko Sakurai

Director (outside)

CORPORATE AUDITORS

Koichi Minami

Corporate Auditor

Kazuhiko Nakao

Corporate Auditor

Toru Mikami

Corporate Auditor

Ikuo Uno

Corporate Auditor (outside)

Satoshi Itoh

Corporate Auditor (outside)

Rokuro Tsuruta

Corporate Auditor (outside)

EXECUTIVE OFFICERS

Nobuaki Kurumatani

Deputy President Securities Business Dept.

Yasuyuki Kawasaki

Senior Managing Director Global Business Planning Dept.

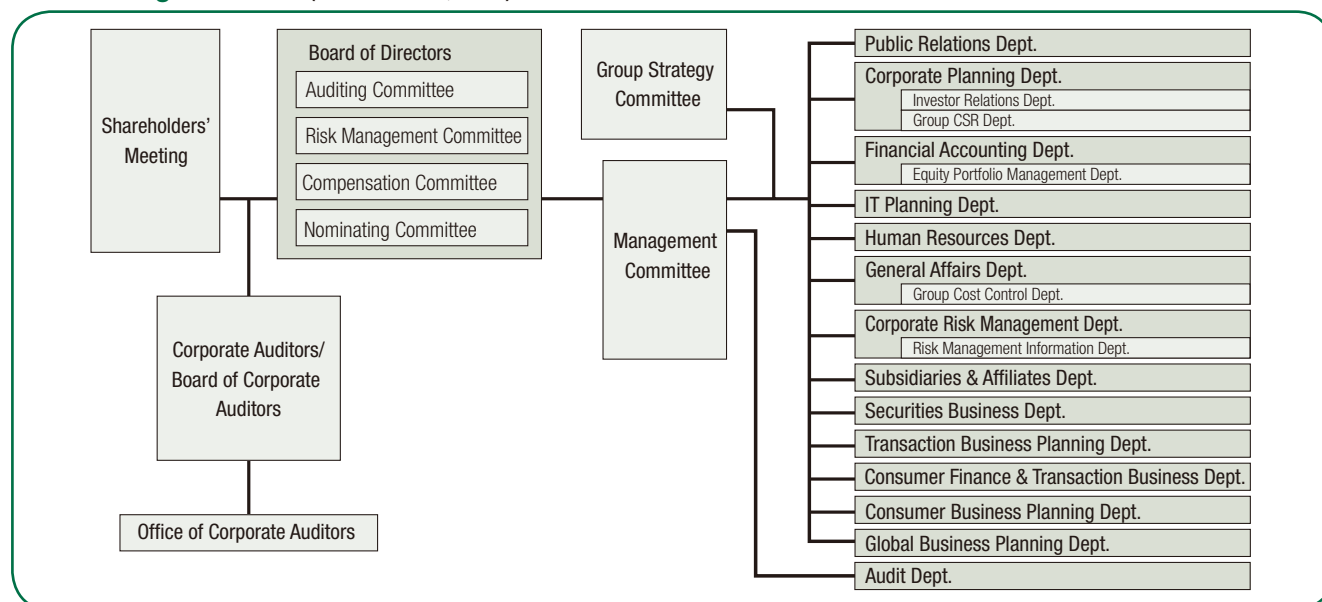
Yukihiko Onishi

Senior Managing Director
Consumer Business Planning Dept.,
Consumer Finance & Transaction Business Dept.

Masayuki Shimura

Senior Managing Director Transaction Business Planning Dept.

SMFG Organization (as of June 30, 2015)



■ Board of Directors, Corporate Auditors, and Executive Officers (as of June 30, 2015)

BOARD OF DIRECTORS

Chairman of the Board

Teisuke Kitayama

President and CEO

Takeshi Kunibe*

Director

Koichi Miyata

Vice Chairman of the Board

Shuichi Kageyama

Located at Osaka

Deputy Presidents

Yujiro Ito*

Human Resources Dept., Human Resources Development Dept., Quality Management Dept., General Affairs Dept., Legal Dept., Administrative Services Dept.

Seiichiro Takahashi*

Head of Treasury Unit

Nobuaki Kurumatani*

Head of Investment Banking Unit
Securities Business Dept.

Masaki Tachibana*

Co-Head of Wholesale Banking Unit (Planning Dept., Wholesale Banking Unit, Strategic Corporate Business Dept., Public & Financial Institutions Banking Dept., Wholesale Banking Unit)
Head of Corporate Banking Division

Senior Managing Directors

Kozo Ogino*

Internal Audit Dept., Credit Review Dept.
Human Resources Dept., Human Resources Development Dept.

Toshiyuki Teramoto*

Risk Management Unit (Corporate Risk Management Dept., Credit & Investment Planning Dept.)

Jun Ohta*

Public Relations Dept., Corporate Planning Dept., Financial Accounting Dept., Subsidiaries & Affiliates Dept.

Yasuyuki Kawasaki*

Co-Head of International Banking Unit (Planning Dept., International Banking Unit, Emerging Markets Business Division, Asia Pacific, East Asia)

Katsunori Tanizaki*

IT Planning Dept., Operations Planning Dept., Operations Support Dept., Inter-Market Settlement Dept.

Yukihiko Onishi*

Head of Retail Banking Unit

Directors (outside)

Shigeru Iwamoto

Masayuki Matsumoto

Yuko Nakahira

CORPORATE AUDITORS

Makoto Hiura

Corporate Auditor

Mitsuru Ono

Corporate Auditor

Hiroshi Takahashi

Corporate Auditor (outside)

Katsuyoshi Shinbo

Corporate Auditor (outside)

Masaaki Oka

Corporate Auditor (outside)

Koichi Minami

Corporate Auditor (part-time)

EXECUTIVE OFFICERS

Senior Managing Directors

Atsuhiko Inoue

Deputy Head of Wholesale Banking Unit (Credit Administration Dept., Corporate Credit Dept.)
Corporate Research Dept.
Deputy Head of Investment Banking Unit (Trust Services Dept.)

Manabu Narita

Head of Private Advisory Division and Corporate Advisory Division
Deputy Head of Wholesale Banking Unit (Strategic Corporate Business Dept.)

Fumiaki Kurahara

Co-Head of Wholesale Banking Unit, Head of Global Corporate Banking Division

Makoto Takashima

Co-Head of International Banking Unit (Europe, Middle East and Africa, Americas)

Masayuki Shimura

Transaction Business Division

Managing Directors

Hitoshi Ishii

Deputy Head of Retail Banking Unit, Wholesale Banking Unit
Head of Small and Medium Enterprises Banking Division

Takehisa Ikeda

Deputy Head of Wholesale Banking Unit (in charge of East Japan)
Head of Higashinohon Daiichi Middle Market Banking Division

Gotaro Michihiro

Osaka Corporate Banking Division (Osaka Corporate Banking Depts. I, II, and III)

Takafumi Yamahiro

Deputy Head of Wholesale Banking Unit (in charge of West Japan)
Head of Chushikoku Middle Market Banking Division

Noboru Rachi

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. II, III, X, and XI)

Koichi Noda

Head of The Americas Division

Shosuke Mori

Head of The Asia Pacific Division and Emerging Markets Business Division

Masahiko Oshima

Head of Europe, Middle East and Africa Division
CEO of Sumitomo Mitsui Banking Corporation Europe Limited

Naoki Ono

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. I, VIII, IX, and XI)

Kimio Matsuura

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. IV, V, VI and VII)

Toshikazu Yaku

General Affairs Dept., Legal Dept., Administrative Services Dept., Quality Management Dept.

Ryohei Kaneko

Deputy Head of Retail Banking Unit (in charge of East Japan)

Hajime Kunisaki

Deputy Head of Retail Banking Unit (in charge of West Japan)

Hisanori Kokuga

Deputy Head of International Banking Unit, Wholesale Banking Unit (in charge of East Asia)
Global Advisory Dept.
Chairman of Sumitomo Mitsui Banking Corporation (China) Limited

Atsushi Oku

Deputy Head of Retail Banking Unit (in charge of East Japan)

Naoki Tamura

(Special Appointive Director)

Toshihiro Isshiki

General Manager, Operations Planning Dept.

Haruyuki Nagata

General Manager, Financial Accounting Dept.

Ryuji Nishisaki

Deputy Head of Emerging Markets Business Division

Akihiro Fukutome

Nagoya Corporate Banking Division (Nagoya Corporate Banking Dept.)
Head of Nagoya Middle Market Banking Division

Hiroshi Munemasa

Deputy Head of Treasury Unit

*Directors***Takashi Inagaki**

Deputy Head of Wholesale Banking Unit (Credit Dept. I, Wholesale Banking Unit)

Deputy Head of Retail Banking Unit (Credit Dept., Retail Banking Unit)

Toshikazu Takeichi

Head of Kobe Middle Market Banking Division

Mitsuhiro Akiyama

General Manager, Tokyo Corporate Banking Dept. XI

Keiji Kakumoto

Head of Kyoto Hokuiku Middle Market Banking Division and General Manager, Kyoto Corporate Business Office-I

Atsushi Takada

Head of Osaka Daini Middle Market Banking Division

Hitoshi Minami

General Manager, Tokyo Corporate Banking Dept. III

CHOW Ying Hoong

Deputy Head of Emerging Markets Business Division and The Asia Pacific Division

Akira Ochiai

Head of Higashinohon Daini Middle Market Banking Division

Akio Koizumi

Head of Shibuya Middle Market Banking Division and Yokohama Middle Market Banking Division

Eiji Omori

Head of Shinjuku Middle Market Banking Division and Saitama Ikebukuro Middle Market Banking Division

Noburu Kato

General Manager, Investment Banking Dept., Asia

Toshiyuki Tatsuta

President of Sumitomo Mitsui Banking Corporation (China) Limited

Kenichi Hosomi

General Manager, Planning Dept., International Banking Unit

Tetsuro Imaeda

General Manager, Singapore Branch

Nobuyuki Kawabata

General Manager, Planning Dept., Americas Division

Toru Sawada

General Manager, General Affairs Dept.

Kengo Nakagawa

Head of Osaka Daiichi Middle Market Banking Division

Toru Nakashima

General Manager, Corporate Planning Dept.

Teiko Kudo

Unit Leader, Growth Industry Cluster Dept.

William Karl

General Manager, Real Estate Finance Dept., Americas Division

Stanislas Roger

Deputy Head of Europe, Middle East and Africa Division,
General Manager, Maritime Asset Finance Dept., Europe,
Middle East and Africa Division and Co-General Manager, Global Aircraft Finance Department

Kiyoshi Kageyama

Deputy Head of Wholesale Banking Unit (Credit Dept. II, Wholesale Banking Unit)

Deputy Head of Retail Banking Unit (Credit Dept., Retail Banking Unit)

Yozo Takigawa

Deputy Head of International Banking Unit (Credit Depts., Americas Division and Europe, Middle East and Africa Division, Asia Pacific Division, Credit Management Dept., International Banking Unit)

Ryo Suzuki

Deputy Head of The Americas Division and General Manager, Finance Strategy Dept., Americas Division

Toshiaki Nakai

General Manager, Credit & Investment Planning Dept.

Takashi Arima

General Manager, Tokyo Corporate Banking Dept. VIII

Iwao Kawaharada

Head of Kyushu Middle Market Banking Division and General Manager, Fukuoka Corporate Business Office

Fumiharu Kozuka

General Manager, Corporate Credit Dept.

Hiroyoshi Korosue

Country Head of Thailand and General Manager, Bangkok Branch

Masaaki Sasai

Deputy Head of Europe, Middle East and Africa Division

Eiichi Sekiguchi

General Manager, Planning Dept., Wholesale Banking Unit

Reiji Domoto

General Manager, Osaka Corporate Banking Dept. I

Nobuyuki Nakatsuji

Deputy Head of Retail Banking Unit (in charge of West Japan)
Deputy Head of Wholesale Banking Unit (in charge of West Japan)
Deputy Head of Small and Medium Enterprises Banking Division

Yusuke Hirako

General Manager, Tokyo Corporate Banking Dept. VII

Narumitsu Yoshioka

General Manager, Seoul Branch and Global Korea Corporate Banking Department

Rie Asayama

General Manager, Quality Management Dept.

Akira Ueda

General Manager, Tokyo Corporate Banking Dept. IV

Muneo Kanamaru

General Manager, Human Resources Dept.

Masamichi Koike

General Manager, Trading Dept.

Hideo Goto

General Manager, Planning Dept., Investment Banking Unit

Toshihiro Sato

General Manager, Planning Dept., Treasury Unit

Rajeev Kannan

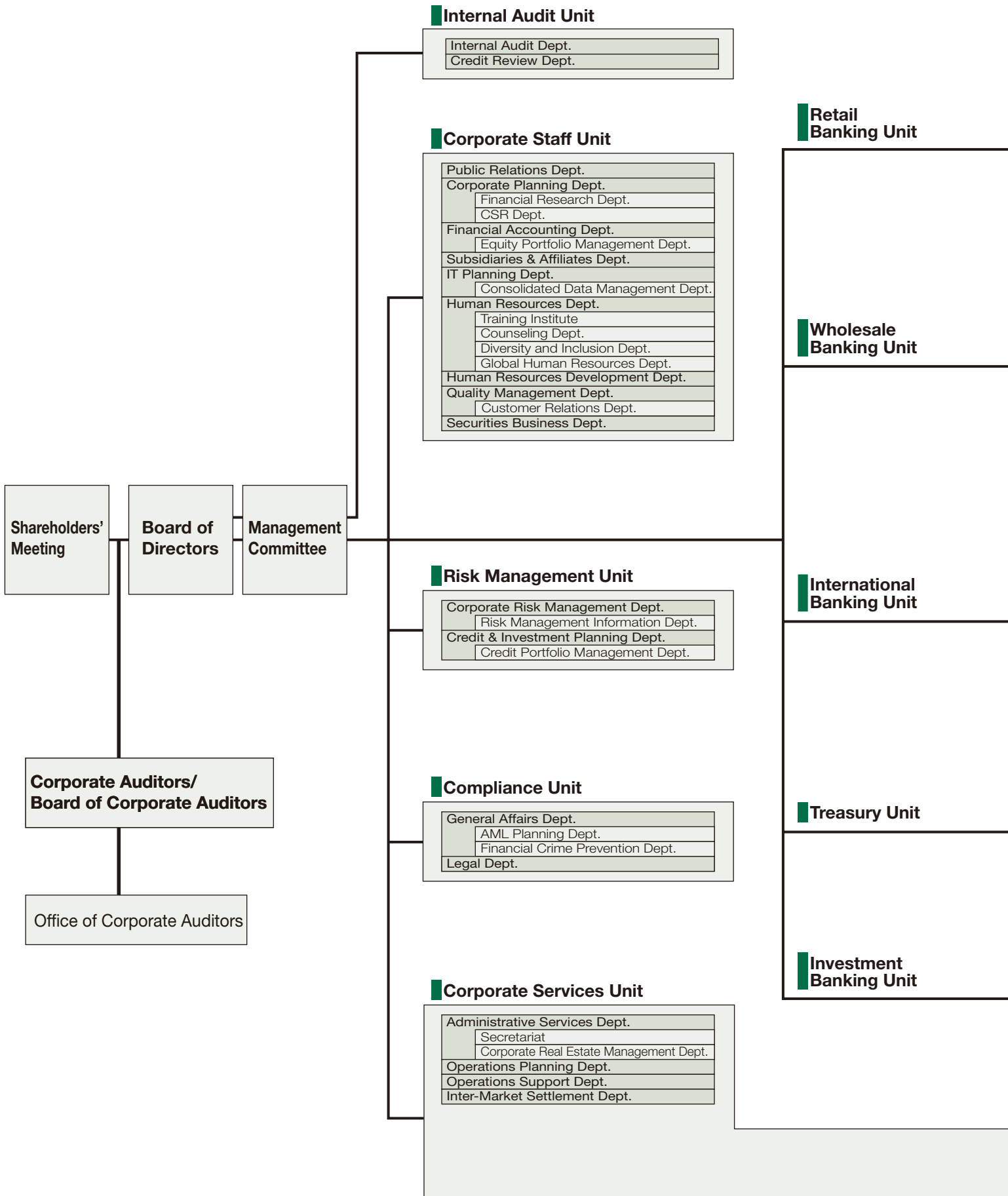
General Manager, Structured Finance Dept.

Isaac Deutsch

General Manager, Specialized Finance Dept., Americas Division

John Ferreira

Deputy Head of The Asia Pacific Division



Planning Dept., Retail Banking Unit Retail Compliance Dept. Next W-ing Project Dept. Retail Facilitating Financing Dept. Retail Human Resources Dept. Business Promotion Dept., Retail Banking Unit Small and Medium Enterprises Planning Dept. Financial Consulting Dept., Retail Banking Unit Area Support Dept. Retail Marketing Dept., Retail Banking Unit IT Strategy Dept. Loan Dept. Area Support Dept. Loan Business Promotion Dept. Consumer Finance & Transaction Business Dept., Retail Banking Unit. Credit Dept., Retail Banking Unit Strategic Corporate Business Dept.*1	Small and Medium Enterprises Banking Division	Area Main Office	Branch Consumer Loan Promotion Office Loan Promotion Office Loan Support Office Business Support Office Private Banking Dept. Remote marketing Dept. Call Center Consumer Finance Promotion Office Global Transaction Office*7 E-Transaction Business Center*7 Business Promotion Office*1
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Planning Dept., Wholesale Banking Unit Middle Market Facilitating Financing Dept. South China Dept. Global Corporate Banking Dept. Public & Financial Institutions Banking Dept., Wholesale Banking Unit Real Estate Finance Dept.*2 Corporate Credit Dept. Structured Finance Credit Dept. Credit Dept. I, Wholesale Banking Unit Credit Dept. II, Wholesale Banking Unit Credit Administration Dept. Strategic Corporate Business Dept.*1	Corporate Banking Division	Middle Market Banking Division	Corporate Business Office Financial Development Office Credit Business Office Real Estate Corporate Business Office Public Institutions Business Office Global Transaction Office*7 E-Transaction Business Center*7
	Global Corporate Banking Division	Tokyo Corporate Banking Division Osaka Corporate Banking Division Nagoya Corporate Banking Division	Corporate Banking Dept. Business Promotion Office *1

Planning Dept., International Banking Unit IT & Business Administration Planning Dept. Asia Pacific Training Dept. Aviation Capital Dept. Asia Strategy Dept. Planning Dept., Americas Division Credit Dept., Americas Division Risk Management Dept., Americas Division Compliance Dept., Americas Division Planning Dept., Europe, Middle East and Africa Division Legal and Compliance Dept., Europe, Middle East and Africa Division Credit Dept., Europe, Middle East and Africa Division Global Aircraft Credit Dept. Risk Management Dept., Europe, Middle East and Africa Division Planning Dept., Asia Pacific Division Legal and Compliance Dept., Asia Pacific Division Credit Dept., Asia Pacific Division Risk Management Dept., Asia Pacific Division Emerging Markets Business Division Corporate Solutions Dept., Asia*8 Credit Management Dept., International Banking Unit Credit Dept., East Asia, International Banking Unit Environment Analysis Dept., International Banking Unit	Americas Division	Europe, Middle East and Africa Division	Asia Pacific Division	Global Institutional Banking Dept. Global Client Business Dept. Global Corporate Investment Dept. Global Trade Finance Dept. Global Supply Chain Finance Dept. Global Aircraft Finance Dept. Branches/Representative Offices in East Asia Departments of Americas Division Departments of Europe, Middle East and Africa Division Branches/Representative Offices in Asia Pacific Division Global Transaction Office*7 E-Transaction Business Center*7
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Planning Dept., Treasury Unit Treasury Dept. International Treasury Dept. Trading Dept. Treasury Marketing Dept. Treasury Dept., Asia Pacific Division

Planning Dept., Investment Banking Unit Syndication Dept. Growth Industry Cluster Dept.*3 Structured Finance Dept. Shipping Finance Dept. Global Securities Business Dept. Financial Solution Dept. Real Estate Finance Dept.*2 M&A Advisory Services Dept. Merchant Banking Dept. Financial Products Dept. Securities Direct Sales Dept. Trust Services Dept. Trust Business Operations Dept. Stock Execution Dept. Investment Banking Dept., Asia Corporate Solutions Dept., Asia *8

- *1 Belongs to both Retail Banking Unit and Wholesale Banking Unit.
- *2 Belongs to both Investment Banking Unit and Wholesale Banking Unit.
- *3 Belongs to both Investment Banking Unit and Wholesale Banking Unit. (Corporate Advisory Division)
- *4 • Corporate Advisory Division
 - Advisory Dept. I
 - Advisory Dept. II
 - Advisory Dept. III
 - Corporate Research Dept.
 - Growth Industry Cluster Dept.*3
- *5 • Private Advisory Division
 - Private Advisory Business Dept.
 - Testamentary Trust Dept.
 - Private Banking Planning Dept.
 - Corporate Employees Business Dept.
 - Defined Contribution Dept.
- *6 • Transaction Business Division
 - Transaction Business Planning Dept.
 - Asset Finance Dept.
 - Transaction Banking Dept.
 - Global Transaction Banking Dept.
 - Global Advisory Dept.
 - Global Business Promotion Dept.
 - Global Transaction Support Dept.
 - Foreign Exchange Insourcing Business Dept.
- *7 • Belongs to Retail Banking Unit, Wholesale Banking Unit and International Banking Unit.
- *8 • Belongs to both International Banking Unit and Investment Banking Unit.

Branch Service Office Head/Main Service Office Public Institutions Operations Office Souzoku-office Sub-Branch

Principal Subsidiaries and Affiliates (as of March 31, 2015)

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, installment
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
THE MINATO BANK, LTD.	27,484	0 (46.43)	45.09 (1.33)	Sep. 6, 1949	Commercial banking
Kansai Urban Banking Corporation	47,039	0 (60.17)	49.37 (0.35)	Jul. 1, 1922	Commercial banking
SMBC Trust Bank Ltd.	27,550	0 (100)	100	Feb. 25, 1986	Trust service and commercial banking
SMBC Guarantee Co., Ltd.	187,720	0 (100)	0 (99.99)	Jul. 14, 1976	Credit guarantee
SMFG Card & Credit, Inc.	49,859	100	—	Oct. 1, 2008	Business management
SAKURA CARD CO., LTD.	7,438	0 (100)	100	Feb. 23, 1983	Credit card services
SMM Auto Finance, Inc.	7,700	0 (51)	41	Sep. 17, 1993	Automotive financing
SMBC Finance Service Co., Ltd.	71,705	0 (100)	—	Dec. 5, 1972	Collecting agent and factoring
SAKURA KCS Corporation	2,054	0 (50.21)	27.53 (5.00)	Mar. 29, 1969	System engineering and data processing
JAIS, Limited	450	0 (100)	—	Oct. 16, 1990	System engineering and data processing
Financial Link Co., Ltd.	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
Japan Pension Navigator Co., Ltd.	1,600	0 (69.71)	69.71	Sep. 21, 2000	Defined contribution plan administrator
SMBC Loan Business Planning Co., Ltd.	100,010	0 (100)	100	Apr. 1, 2004	Management support services
SMBC Servicer Co., Ltd.	1,000	0 (100)	100	Mar. 11, 1999	Servicer
SMBC Electronic Monetary Claims Recording Co., Ltd.	500	0 (100)	100	Apr. 16, 2009	Electronic monetary claims recording
SMBC Principal Finance Co., Ltd.	100	0 (100)	100	Mar. 8, 2010	Investments for corporate revitalization and other related investments
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 Loan Business Service Co., Ltd.	70	0 (100)	100	Sep. 24, 1976	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

■ 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\$3,200 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\$344 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
JSC 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 Aviation Capital Limited	Ireland	US\$187 million	0 (90)	30	Aug. 14, 1997	Leasing
SMBC Rail Services, LLC	U.S.A.	US\$40.911 million	0 (100)	0 (100)	May 11, 2011	Leasing
SMBC Nikko Securities America, Inc.	U.S.A.	US\$216	0 (100)	76.05 (23.95)	Aug. 8, 1990	Securities, investments
SMBC Nikko Capital Markets Limited	U.K.	US\$654 million	0 (100)	100	Mar. 13, 1990	Derivatives and investments, securities services
SMBC Capital Markets, Inc.	U.S.A.	US\$100	0 (100)	90 (10)	Dec. 4, 1986	Derivatives
SMBC Financial Services, Inc.	U.S.A.	US\$300	0 (100)	100	Aug. 8, 1990	Investments, investment advisor
SMBC Cayman LC Limited*	Cayman Islands	US\$500	0 (100)	100	Feb. 7, 2003	Credit guarantee, bond investment
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
SFVI Limited	British Virgin Islands	US\$3,000	0 (100)	100	Jul. 30, 1997	Investments
SMBC, S.A.P.I. DE C.V., SOFOM, E.N.R.	Mexico	MXN360 million	0 (100)	100	Sep. 18, 2014	Money lending business
SMBC International Finance N.V.	Curaçao	US\$200,000	0 (100)	100	Jun. 25, 1990	Finance
SMFG Preferred Capital USD 1 Limited	Cayman Islands	US\$649.491 million	100	—	Nov. 28, 2006	Finance
SMFG Preferred Capital GBP 1 Limited	Cayman Islands	£73.676 million	100	—	Nov. 28, 2006	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 GBP 2 Limited	Cayman Islands	£250 million	100	—	Oct. 25, 2007	Finance
SMFG Preferred Capital JPY 2 Limited	Cayman Islands	¥428,000 million	100	—	Nov. 3, 2008	Finance
SMFG Preferred Capital JPY 3 Limited	Cayman Islands	¥268,400 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 JPY 1 Limited	Cayman Islands	¥137,000 million	0 (100)	100	Jan. 11, 2008	Finance

* 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
SMBC Preferred Capital USD 3 Limited	Cayman Islands	US\$1,358 million	0 (100)	100	Jul. 8, 2008	Finance
SMBC Preferred Capital GBP 2 Limited	Cayman Islands	£251.5 million	0 (100)	100	Oct. 25, 2007	Finance
SMBC Preferred Capital JPY 2 Limited	Cayman Islands	¥435,600 million	0 (100)	100	Nov. 19, 2008	Finance
Sumitomo Mitsui Finance Dublin Limited	Ireland	US\$18 million	0 (100)	100	Sep. 19, 1989	Finance
Sakura Finance Asia Limited	Hong Kong	US\$65.5 million	0 (100)	100	Oct. 17, 1977	Investments
SMBC Capital India Private Limited	India	Rs400 million	0 (100)	99.99 (0.00)	Apr. 3, 2008	Advisory services
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 Derivative Products Limited	U.K.	US\$200 million	0 (100)	0 (100)	Apr. 18, 1995	Derivatives and investments

■ 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
The Japan Net Bank, Limited	37,250	0 (41.16)	41.16	Sep. 19, 2000	Commercial banking
PT Bank Tabungan Pensiunan Nasional Tbk	Rp116,805 million	0 (40.00)	40.00	Feb. 5, 1958	Commercial banking
Vietnam Export Import Commercial Joint Stock Bank	VND12,526.947 billion	0 (15.07)	15.07	May 24, 1989	Commercial banking
The Bank of East Asia, Limited	HKD33,068 million	0 (17.42)	17.42	Nov. 14, 1918	Commercial banking
Sumitomo Mitsui Auto Service Company, Limited	6,950	33.99	—	Feb. 21, 1981	Leasing
POCKET CARD CO., LTD.	14,374	0 (35.54)	35.54	May 25, 1982	Credit card services
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
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
China Post & Capital Fund Management Co., Ltd.	CNY100 million	0 (24)	24	Apr. 24, 2012	Investment management
Daiwa Securities SMBC Principal Investments Co., Ltd.	100	0 (40)	40	Feb. 1, 2010	Investments, fund management

International Directory (as of June 30, 2015)

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- 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
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- Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Puxi Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Pilot Free Trade Zone Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Kunshan Sub-Branch
- Dalian Representative Office
- Hong Kong Branch
- SMBC Capital Markets (Asia) Limited
- The Bank of East Asia, Limited
- Taipei Branch
- Seoul Branch
- Ulaanbaatar Representative Office
- Singapore Branch
- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- Labuan Branch

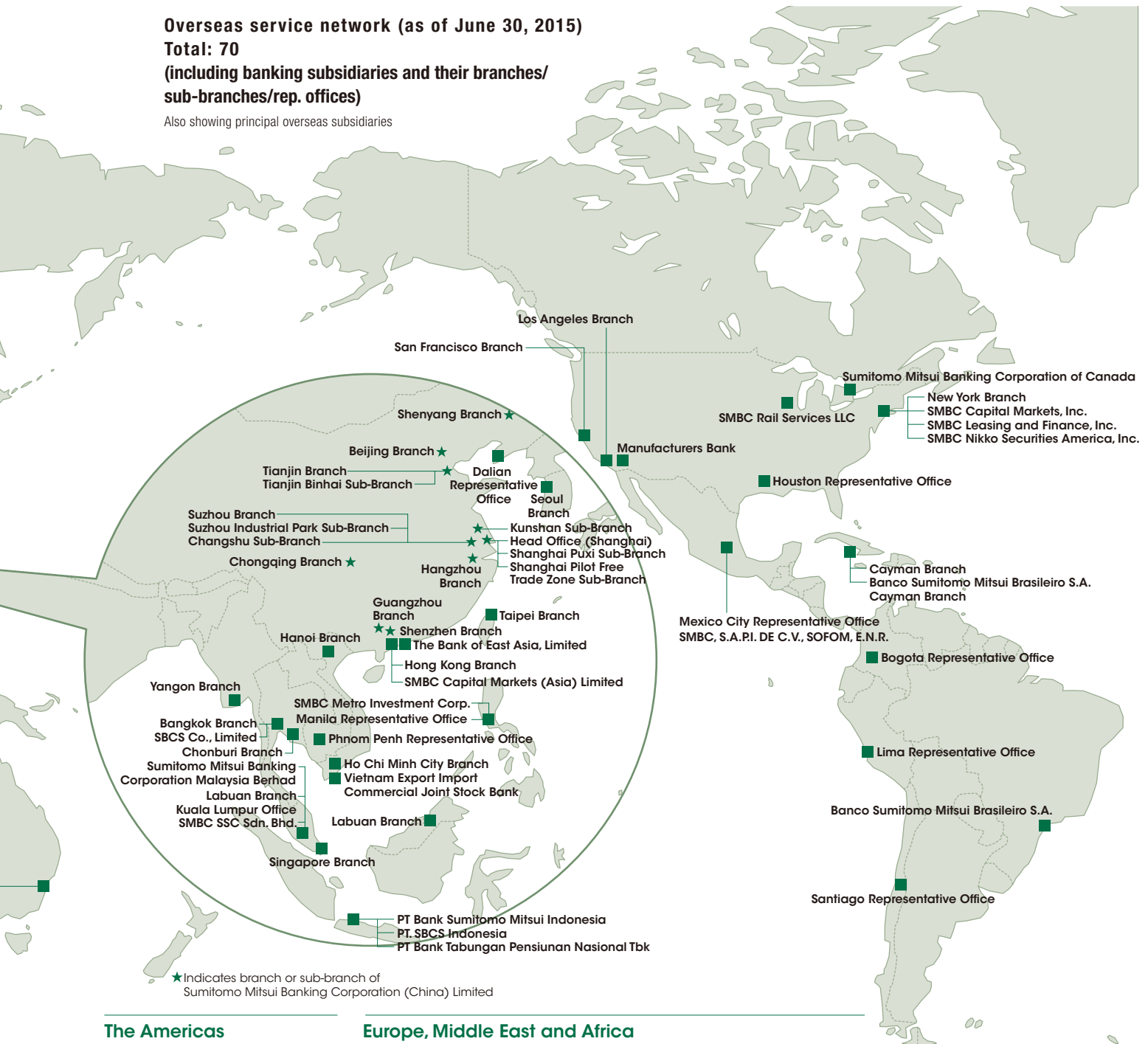
- Labuan Branch Kuala Lumpur Office
SMBC SSC Sdn. Bhd.
- Ho Chi Minh City Branch
- Hanoi Branch
- Vietnam Export Import Commercial Joint Stock Bank
- Yangon Branch
- Phnom Penh Representative Office
- Bangkok Branch
SBSC Co., Limited
- Chonburi Branch
- Manila Representative Office
SMBC Metro Investment Corporation
- Sydney Branch
SMBC Nikko Capital Markets Limited (Sydney Office)
- Perth Branch
- PT Bank Sumitomo Mitsui Indonesia
PT. SBSC Indonesia
- PT Bank Tabungan Pensiunan Nasional Tbk
- New Delhi Branch

Overseas service network (as of June 30, 2015)

Total: 70

**(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
- SMBC, S.A.P.I. DE C.V., SOFOM, E.N.R.
- 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
- SMBC Rail Services LLC

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
- Sumitomo Mitsui Banking Corporation Europe Limited Dublin Branch
- Sumitomo Mitsui Banking Corporation Europe Limited Prague Branch
- Sumitomo Mitsui Banking Corporation Europe Limited Madrid Branch
- Düsseldorf Branch
- Brussels Branch
- JSC Sumitomo Mitsui Rus Bank
- Sumitomo Mitsui Finance Dublin Limited
- SMBC Aviation Capital Limited
- Dubai Branch
- Abu Dhabi Representative Office
- Istanbul Representative Office
- Doha QFC Office
- Bahrain Representative Office
- Johannesburg Representative Office
- Tehran Representative Office
- Cairo Representative Office

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