

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

As of March 31, 2009, securitized products after write-offs and provisions (excluding Government Sponsored Enterprises ("GSE") etc.; likewise below) held by the Group totaled ¥0.3 billion in sub-prime related assets and ¥36.6

billion in non-sub-prime exposures. In fiscal 2008, realized losses on securitized products (write-offs and provisions) totaled ¥4.6 billion including sub-prime exposures and ¥4.2 billion excluding sub-prime related assets.

Sub-prime Related Products

(Billions of yen)

	March 31, 2009						March 31, 2008			Ratings of underlying assets, etc.
	Balances (after provisions and write-offs)	Change from Mar. 2008	Overseas	Change from Mar. 2008	Net unrealized gains/losses (after write-offs)	Change from Mar. 2008	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)	
Investments to securitized products	¥0.3	¥(4.6)	¥0.3	¥(4.6)	¥—	¥—	¥4.9	¥4.9	¥—	Speculative ratings
Warehousing Loans etc.	—	(0.6)	—	(0.6)	—	—	0.6	0.6	—	
Total	¥0.3	¥(5.2)	¥0.3	¥(5.2)	¥—	¥—	¥5.5	¥5.5	¥—	

Notes: 1. Warehousing loans are loans made based on collateral consisting of securitized investment products held by a special-purpose company established for the purpose of securitization.

2. Credit ratings are in principle indicated by the lower of Standard & Poor's ("S&P") ratings and Moody's Investors Service ("Moody's") ratings. Notation of credit ratings follows the notation system of S&P.

Products Other Than Sub-prime Related (Excludes GSE etc.)

(Billions of yen)

	March 31, 2009						March 31, 2008			Ratings of underlying assets, etc.
	Balances (after provisions and write-offs)	Change from Mar. 2008	Overseas	Change from Mar. 2008	Net unrealized gains/losses (after write-offs)	Change from Mar. 2008	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)	
Cards	¥ 4.1	¥ (8.4)	¥ 4.1	¥ (8.4)	¥(0.4)	¥0.2	¥12.5	¥12.5	¥(0.6)	BBB
CLO	5.1	(18.8)	5.1	(18.8)	(1.1)	1.9	23.9	23.9	(3.0)	
Senior	5.0	(17.0)	5.0	(17.0)	(1.1)	1.3	22.0	22.0	(2.4)	AAA
Equity	0.1	(1.8)	0.1	(1.8)	—	0.6	1.9	1.9	(0.6)	No ratings
CMBS	20.8	14.8	—	—	(0.2)	(0.2)	6.0	—	0.0	AAA~BBB
Investments to securitized products	30.0	(12.4)	9.2	(27.2)	(1.7)	1.9	42.4	36.4	(3.6)	
Warehousing Loans etc.	6.6	0.7	6.6	0.7	—	—	5.9	5.9	—	
Total	¥36.6	¥(11.7)	¥15.8	¥(26.5)	¥(1.7)	¥1.9	¥48.3	¥42.3	¥(3.6)	

Notes: 1. "Senior" means the upper tranche under senior-subordinate structure.

2. Credit ratings are in principle indicated by the lower of S&P ratings and Moody's ratings. Notation of credit ratings follows the notation system of S&P.

3. There is no amount of RMBS (excludes GSE etc.) and ABCP.

4. Excludes GSE etc. (see below) and SMBC's exposure to subordinated beneficiaries owned through the securitization of SMBC's loan receivables (see next page).

<Reference 1>

Government Sponsored Enterprises ("GSE") etc.

(Billions of yen)

	March 31, 2009						March 31, 2008			Ratings, etc.
	Balances	Change from Mar. 2008	Overseas	Change from Mar. 2008	Net unrealized gains/losses	Change from Mar. 2008	Balances	Overseas	Net unrealized gains/losses	
GSE etc.	¥275.2	¥55.4	¥275.2	¥55.4	¥3.1	¥4.7	¥219.8	¥219.8	¥(1.6)	AAA

Notes: 1. GSE etc. includes GNMA, FNMA and FHLMC.

Besides RMBS, SMFG held bonds issued by GSEs (FNMA and Federal Home Loan Banks) of ¥3.3 billion.

2. Credit ratings are in principle indicated by the lower of S&P ratings and Moody's ratings. Notation of credit ratings follows the notation system of S&P.

3. The amount of losses on sales related to GSE etc. in the fiscal year ended March 31, 2009 was ¥3.1 billion.

<Reference 2>

Subordinated Beneficiaries in Securitization of SMBC's Loans

SMBC holds a part of its securitized loan receivables as subordinated beneficiaries. As of March 31, 2009, SMBC held approximately ¥260 billion in those subordinated beneficiaries.

Most of the securitized assets are domestic residential

mortgage loans with low default rates. SMBC properly conducts self-assessment and has made the necessary write-offs and provisions for the subordinated beneficiaries. No subsidiary other than SMBC has those subordinated beneficiaries mentioned above.

(Billions of yen)

	March 31, 2009					March 31, 2008				
	Balances	Change from Mar. 2008	Overseas	Sub-prime related	Reserve for possible loan losses	Balances	Overseas	Sub-prime related	Reserve for possible loan losses	
Receivables of residential mortgage loans	¥250.8	¥5.3	¥—	¥—	¥—	¥245.5	¥—	¥—	¥—	
Receivables of loans to corporations	7.1	(0.8)	—	—	1.5	7.9	—	—	1.5	
Total	¥257.9	¥4.5	¥—	¥—	¥1.5	¥253.4	¥—	¥—	¥1.5	

Note: Reserves do not include general reserve for possible loan losses for normal borrowers.

2. Transactions with Monoline Insurance Companies

Monoline insurance companies guarantee payment on underlying or reference assets. Our recognition of profit or loss on the transactions with monoline insurance companies is basically affected by the credit conditions of monoline insurance companies, after taking into account the credit conditions and prices of underlying or reference assets.

As of March 31, 2009, the Group's exposure** to monoline insurance companies totaled approximately ¥130 billion. Please note that reference assets of these CDS transactions are rated investment grade or equivalent, and do not include sub-prime related assets.

In fiscal 2008, realized losses totaled ¥4.6 billion.

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

In CDS* brokerage transactions, positions are covered through transactions with monoline insurance companies.

* Derivatives used to hedge against credit risk

** Mark-to-market value claimable to monoline insurance companies for net loss of reference assets on the settlement

(Billions of yen)

	March 31, 2009			March 31, 2008			March 31, 2009		March 31, 2008
	Net exposure	Change from Mar. 2008	Reserve for possible loan losses	Net exposure	Reserve for possible loan losses		Amount of reference assets	Change from Mar. 2008	
Exposure to CDS transactions with monoline insurance companies	¥132.0	¥100.9	¥5.0	¥31.1	¥1.9		¥536.7	¥(22.4)	¥559.1

Loans and Investments Guaranteed by Monoline Insurance Companies, etc.

As of March 31, 2009, the Group held approximately ¥12 billion of exposure in loans and investments guaranteed by monoline insurance companies. Underlying assets include

those of project finance rated investment grade or equivalent, and include no sub-prime related assets. We conduct self-assessment on these loans and investments.

(Billions of yen)

	March 31, 2009			March 31, 2008	
	Exposure	Change from Mar. 2008	Reserve for possible loan losses	Exposure	Reserve for possible loan losses
Loans and investments guaranteed or insured by monoline insurance companies	¥12.3	¥(29.4)	¥0.0	¥41.7	¥0.0

Reference: In addition, we had ¥1.5 billion in commitment contracts (undrawn) to insurance companies with monoline insurance as group members.

3. Leveraged Loans

As of March 31, 2009, the Group's balance of financing for mergers and acquisitions of whole or part of companies was approximately ¥740 billion and undrawn commitments for them was approximately ¥140 billion.

In providing loans and commitment lines for mergers and acquisitions, we carefully scrutinize stability of cash flow of

the borrowers, and, diversify the exposure especially for overseas portfolio in order to reduce concentration risk. At the same time, in credit risk management, we monitor each of such transactions individually, making loss provisions as needed, thereby maintaining the quality of both domestic and overseas portfolios.

(Billions of yen)

	March 31, 2009					March 31, 2008		
	Loans	Change from Mar. 2008	Undrawn commitments	Change from Mar. 2008	Reserve for possible loan losses	Loans	Undrawn commitments	Reserve for possible loan losses
Europe	¥306.0	¥(19.4)	¥ 34.2	¥23.2	¥ 2.8	¥325.4	¥ 11.0	¥ —
Japan	179.9	(52.4)	29.2	11.3	13.4	232.3	17.9	13.7
United States	179.0	(16.4)	70.0	(11.2)	4.1	195.4	81.2	1.3
Asia (excluding Japan)	78.8	(10.8)	3.9	(4.1)	2.3	89.6	8.0	0.5
Total	¥743.7	¥(99.0)	¥137.3	¥19.2	¥22.6	¥842.7	¥118.1	¥15.5

Notes: 1. Above figures include the amount to be sold of approximately ¥9 billion.

In the fiscal year ended March 31, 2009, we sold leveraged loans of approximately ¥90 billion, and loss on the sale amounted to approximately ¥20 billion.

2. Above figures do not include leveraged loans which are included in underlying assets of "1. Securitized Products."

3. Reserves do not include general reserve for possible loan losses for normal borrowers.

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

To fulfill clients' financing needs, the Group sponsors issuance of ABCPs, whose reference assets include particular clients' receivables or other claims. Specifically, as a sponsor, we provide services to special purpose vehicles, which are set up for clients' financing needs, for purchase of claims, financing, issuance and sales of ABCPs. We also provide liquidity and credit supports for such special purpose vehicles.

As of March 31, 2009, the total notional amount of reference assets of sponsored ABCP programs was approximately ¥710 billion. Most of the reference assets are high-grade claims of corporate clients and do not include sub-prime loan related assets. In addition, regarding the exposure of liquidity and credit supports, we properly conduct self-assessment, making appropriate provisions and write-offs as needed.

(Billions of yen)

Types of reference assets	March 31, 2009					March 31, 2008			Support for programs	
	Notional amount of reference assets	Change from Mar. 2008	Overseas	Change from Mar. 2008	Reserve for possible loan losses	Notional amount of reference assets	Overseas	Reserve for possible loan losses	Liquidity support	Credit support
Claims on corporations	¥659.9	¥(168.7)	¥212.3	¥20.0	¥—	¥828.6	¥192.3	¥0.1	yes	yes
	—	(65.4)	—	—	—	65.4	—	—	no	no
Claims on financial institutions	19.7	(20.4)	19.7	(20.4)	—	40.1	40.1	—	yes	yes
Retail loan claims	28.4	3.3	28.4	3.3	—	25.1	25.1	—	yes	yes
Other claims	0.6	(1.5)	0.6	(1.5)	—	2.1	2.1	—	yes	yes
Total	¥708.6	¥(252.7)	¥261.0	¥ 1.4	¥—	¥961.3	¥259.6	¥0.1		

Note: Reserves do not include general reserve for possible loan losses for normal borrowers.

Reference: In addition, we provide liquidity and credit supports for ABCP programs which are sponsored by other banks.

Total notional amount of reference assets of such programs is approximately ¥100 billion.

5. Others

We have no securities issued by structured investment vehicles.