




SMFG SUMITOMO MITSUI
FINANCIAL GROUP

FISCAL YEAR **2009** INTERIM FINANCIAL REPORT

APRIL 1 — SEPTEMBER 30, 2009

SUMITOMO MITSUI FINANCIAL GROUP
SUMITOMO MITSUI BANKING CORPORATION



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

LEAD THE VALUE

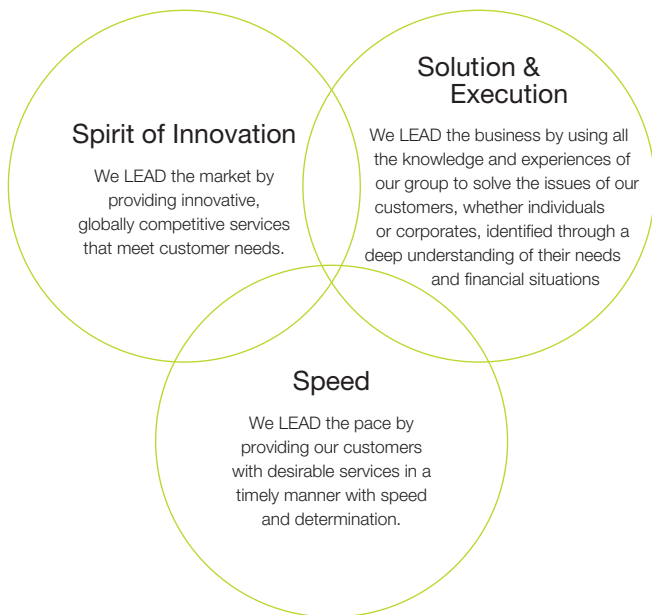
We are a group of highly qualified professionals that can provide truly valuable financial services to our customers. Each of us thinks and acts with pride as experts in each business area in order to LEAD the competition in creating and delivering customer VALUE in a continually changing business environment.

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, those economic conditions referred to in this material as assumptions.

In addition, the following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.



These activities are supported by our three core strengths:



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

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Our Mission

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

Company Name: Sumitomo Mitsui Financial Group, Inc.

Business Description:

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

Establishment: December 2, 2002

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

Chairman of the Board: Masayuki Oku
(Concurrent President at Sumitomo Mitsui Banking Corporation)

President: Teisuke Kitayama

(Concurrent Chairman of the Board of Directors at Sumitomo Mitsui Banking Corporation)

Capital: ¥1,851.4 billion (as of September 30, 2009)

Stock Exchange Listings:

Tokyo Stock Exchange (First Section)

Osaka Securities Exchange (First Section)

Nagoya Stock Exchange (First Section)

Sumitomo Mitsui Financial Group, Inc.

Public Relations Department

1-2, Yurakucho 1-chome, Chiyoda-ku,

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TEL: +81-3-5512-3411

Sumitomo Mitsui Banking Corporation

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Tokyo 100-0006, Japan

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February 2010

Message from the Management

First, we would like to express our sincere gratitude for your support and patronage. In this message, we explain the operating environment and our strategic initiatives during the first half of fiscal 2009, and our management policies for the second half.

Strategic Initiatives during the First Half

Having designated fiscal 2009 as the year for establishing the next foundation for future growth, while continuing to strengthen businesses consistent with our philosophy of "Follow the Basics," we have been striving to control expenses, credit costs and risk-adjusted assets in the core operations of our group companies. Additionally, to achieve growth over the medium and long term, we have been concentrating on two initiatives: "realizing a solid financial base as a global player" and "fortifying targeted growth business areas."

Consolidated gross profit in the first half of fiscal 2009 was ¥1,066.0 billion, broadly in line with the performance in the first half of fiscal 2008. The result was due in part to gains on bonds at SMBC as the bank responded quickly to fluctuation in market interest rates. General and administrative expenses were down ¥5.9 billion year over year to ¥533.0 billion as we stepped up measures to cut costs. Consolidated total credit costs decreased ¥33.6 billion to ¥268.4 billion mainly because of a ¥67.2 billion decline year over year at SMBC. As a result, consolidated ordinary profit increased ¥31.2 billion to ¥222.2 billion and consolidated net income increased ¥40.2 billion to ¥123.5 billion; we are making steady progress toward achieving sustainable growth.

We also improved the quantity and quality of our capital base through a common equity offering and other measures. In addition, in order to fortify targeted growth business areas, we have been steadily taking various initiatives such as

purchasing and making Nikko Cordial Securities into a wholly-owned subsidiary of SMBC in October, 2009.

Management Policies for the Second Half

In the second half of fiscal 2009, we will move forward toward the goal of achieving medium- to long-term growth by continuing to place priority on controlling expenses, credit costs and risk-adjusted assets, realizing a solid financial base as a global player and fortifying targeted growth business areas.

(1) Controlling expenses, credit costs and risk-adjusted assets

With the outlook for the economy still uncertain, we will continue to work on controlling expenses in order to maintain SMBC's non-consolidated overhead ratio at below 50%. To control credit costs, we will further enhance our ability to identify and quantify risks and rectify potential problems, and conduct business with a thorough focus on the bottom-line profit. In controlling risk-adjusted assets, we are continuing to make efforts to ensure an appropriate risk-return profile. Supplying sufficient funds to customers is the social responsibility of financial institutions, and we are dedicated to fulfilling our role as a financial intermediary in an appropriate and proactive manner.

(2) Realizing a solid financial base as a global player

We have been focusing on continuously maintaining a consolidated Tier I ratio of around 8%, which was targeted in our Lead the Value medium-term management plan announced in April 2007. At the same time, enhancement of our capital base, both in terms of quality and quantity, is required to maintain competitiveness and realize sustainable growth in a new global financial order that will emerge in the future. This is why we decided in May 2009 to issue new common shares. By July, we had raised ¥861.0 billion in total through common equity offerings. In addition, we issued preferred securities in Japan through an overseas special-purpose subsidiary of SMFG in September and October. The issuance of these securities completed refinancing of the preferred securities that were issued about ten years ago.

Meanwhile, the recent financial crisis has sparked a global discussion about financial regulatory and supervisory reform to prevent another crisis. In September 2009, a "comprehensive response to the global banking crisis" was announced by the Group of Central Bank Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision. In December, this committee released its paper "Strengthening the resilience of the banking sector — consultative document."



Teisuke Kitayama

President

Sumitomo Mitsui
Financial Group, Inc.

As these developments shed light on the framework that will be used to impose tighter international capital adequacy requirements, we are determined to remain competitive and achieve sustainable growth under the new regulatory and competitive landscape by quickly establishing a resilient capital base and reinforcing our business portfolio. One of the activities in the roadmap was the January 2010 offering of common shares. We also decided to conduct tender offers in overseas markets to repurchase and retire non-cumulative perpetual preferred securities issued by special-purpose subsidiaries of SMFG, and perpetual subordinated bonds issued by SMBC in order to optimize our capital structure and improve its quality. We will also review the status of our outstanding preferred shares. Furthermore, we are examining measures to make our capital less vulnerable to market risk.

All of these measures are expected to enable SMFG to secure a consolidated Tier I ratio of around 10% by fiscal 2012, the current target year for enforcing the new capital standards. Moreover, we will enhance medium- to long-term shareholder value by further strengthening the targeted growth business areas, the drivers of growth, as well as the capital base, the underpinning of growth.

We will also continue to examine the listing of SMFG stock on the New York Stock Exchange to strengthen our corporate base for globalizing operations and other purposes.

(3) Fortifying targeted growth business areas

● Solution providing for corporations / Investment banking, trust business

We are dedicated to fulfilling our role as a financial intermediary — supplying sufficient funds to customers — in an appropriate and proactive manner.

SMBC is dedicated to helping small and medium-sized enterprises (SMEs) grow and prosper, and has always worked hard on supplying best-fit products and services to SMEs that reflect a thorough understanding of their needs and issues. Further, pursuant to the law on temporary measures to facilitate the smoothly supply funds to SMEs, which was enacted in November 2009, we are enhancing our capability to meet their needs, including establishing consulting desks for SMEs and individuals to address their funding concerns.

Beyond these initiatives, we remain strongly committed to delivering our corporate clients high-quality solutions that precisely target a broad range of management issues. SMBC's Corporate Advisory Division, Private Advisory Department and Global Advisory Department are three specialized departments that operate across business segments — consumer, corporate and overseas. This structure facilitates the pooling of value, knowledge, information and profits among these departments. As a result, we can deliver more tailored support to corporate clients and upgrade our ability to provide outstanding solutions.

We are also taking measures to draw on the resources of Group companies to formulate solutions. Sumitomo Mitsui Finance and Leasing is promoting an aircraft operating lease business, which was added to the strategic joint business in leasing with Sumitomo Corporation in December 2008, as well

as a variety of other leasing services that offer financial and sales solutions for both users and suppliers. In addition, The Japan Research Institute offers a lineup of high value-added services by continuously strengthening existing services that range from consulting for management reforms and IT utilization to the planning and creation of strategic IT systems.

In October 2009, Nikko Cordial Securities became a wholly-owned subsidiary of SMBC. This reflects the enormous changes taking place in the financial services industry. Banks and securities companies worldwide are integrating operations. In Japan, firewall regulations separating banking and securities businesses were relaxed. Collaboration between SMBC and Nikko Cordial Securities will form the basis for establishing an integrated business model for both banking and securities activities. We plan to use this model to supply superior services that draw on banking and securities operations in order to serve customers from global corporations to SMEs. One aspect of this collaboration has already started. In January 2010, SMBC began serving as a financial products intermediary for corporate clients in cooperation with Nikko Cordial Securities. Leveraging the product lineup and strong securities business infrastructure of Nikko Cordial Securities will better enable SMBC to provide products and services that match customers' investment requirements.

● Financial consulting for individuals

SMBC is continually upgrading its financial consulting services for individuals to meet a diverse spectrum of needs. The objective is to realize "total consulting services" which offer customers a wide range of one-stop financial services. Specifically, our aim is to enhance our lineup of products and services such as level-premium insurances that all SMBC branches started selling in August 2009, pension-type

Masayuki Oku
President
Sumitomo Mitsui
Banking Corporation



insurances, the discretionary asset management service of SMBC Friend Securities, and investment trusts, including those jointly developed by SMBC and Nikko Cordial Securities. We are also upgrading employees' consulting skills through training programs and other activities.

Adding Nikko Cordial Securities to our Group has dramatically expanded our retail platform — ¥67 trillion in financial assets under account, and a staff of about 9,800 at approximately 600 offices nationwide. We can further strengthen our retail financial services operations and meet an even wider array of customer needs by combining the proprietary consulting know-how and products and services of SMBC and Nikko Cordial Securities and building on this powerful platform.

● Payment & settlement services, and Consumer finance

In the credit card business, we have established a two-company system within the Group, centered on Sumitomo Mitsui Card and Cedyna Financial. Our aim is to become "the number one credit card business entity in Japan," and we will continue to pursue economies of scale while leveraging the strengths of each company to maximize top-line synergy.

Cedyna Financial is now implementing initiatives for investments in new businesses and system development to increase enterprise value and cost restructuring. To accelerate and ensure these initiatives, as well as to further clarify the positioning of Cedyna Financial as one of the Group's core business entities in the credit card business and enhance Cedyna Financial's capital base, the intermediate holding company SMFG Card & Credit will acquire new shares to be issued by Cedyna Financial through a third-party placement in May 2010 (note).

In the consumer finance business, our goal is to create an even better foundation for meeting the sound financing needs of individual consumers, capitalizing on strategic alliances of Group companies to capture market shares and thereby become more efficient. ORIX Credit Corporation became a consolidated subsidiary in July 2009, further raising our profile in Japan's evolving consumer finance market. With this company, we can target an even broader array of customer needs.

(Note) Subject to approval at an extraordinary general shareholders' meeting of Cedyna Financial and of regulatory authorities.

● Focused business areas in global markets

In global markets, we will continue to bolster our competitive edge products, including project finance. In addition, we view Asia as one of the regions with excellent prospects for strong economic growth. In China, SMBC established a wholly-owned subsidiary, Sumitomo Mitsui Banking Corporation (China) Limited, in April 2009, in a move to better respond to our

customers' needs in this country. Furthermore, the Asia Pacific Division has enabled us to get closer to our customers in this region and meet their needs more flexibly. Alliances are another means of business expansion in Asia. SMBC has formed alliances with The Bank of East Asia in Hong Kong, Kookmin Bank in Korea, First Commercial Bank in Taiwan, Bank Central Asia in Indonesia, and other Asian banks. With Barclays PLC, a major British financial institution, we are exploring avenues of cooperation in wealth management, operations in South Africa and other business fields.

Fiscal 2009 outlook and policies going forward

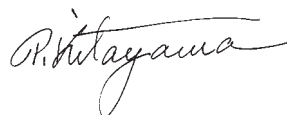
● Outlook for fiscal 2009

We expect consolidated ordinary profit of ¥490 billion, ¥20 billion below the May forecast as shortfalls are anticipated at some Group companies although SMBC is expected to exceed its May non-consolidated net income forecast. On the other hand, we expect consolidated net income to be in line with our May forecast of ¥220 billion. We are planning an annual dividend of ¥90 per share of common stock. Shareholders received an interim dividend of ¥45 per share, which is half of the dividend forecast for the full fiscal year.

● Dedicated to medium- to long-term growth in enterprise value

Although economic conditions remain extremely challenging, our fundamental strategy remains unchanged. We intend to maximize our strength in core commercial banking business to become "a globally competitive financial service group based on the highest level of trust." We will continue to aim for sustainable growth in enterprise value through a well-balanced growth cycle linking profitability, capital base, risk-adjusted assets and investment for growth. Through these initiatives, we are determined to meet the expectations of all stakeholders. We ask for your support and understanding as we continue to take the steps needed to reach our goals.

February 2010



Teisuke Kitayama
President

Sumitomo Mitsui
Financial Group, Inc.

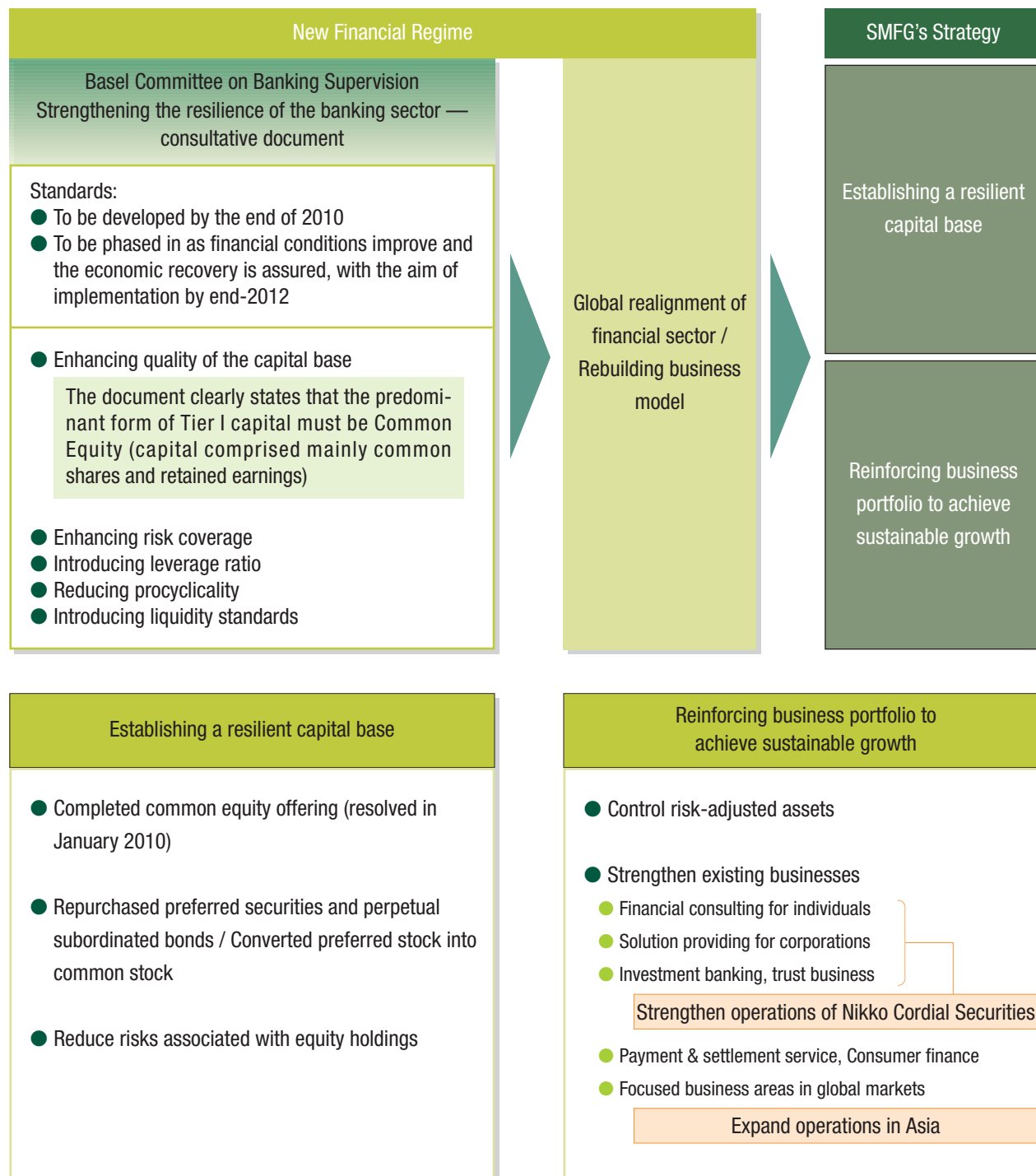


Masayuki Oku
President

Sumitomo Mitsui
Banking Corporation

Supplementary Information Initiatives for a New Financial Regime

Quickly build the platform which allows us to achieve sustainable growth under the new regulatory and competitive environment as the new capital adequacy framework emerges.



■ Consumer Banking

The Group companies of SMFG are collaborating to enhance the financial services they provide to consumers. Reflecting the high esteem customers have for our services, key indicators of SMBC's performance for the first half of fiscal 2009 include an outstanding balance of investment trusts under management of ¥2,417.6 billion (September 30, 2009); sales of foreign bonds and structured bonds of ¥98.1 billion; pension-type insurance sales of ¥189.1 billion; sales of single premium full life insurance of ¥14.1 billion; and mortgage loans outstanding of ¥14,239.9 billion (September 30, 2009).

Financial Consulting Business



In the first half of fiscal 2009, SMBC continued to broaden its product lineup of investment trusts, annuity insurance for individuals, life insurance policies and other financial products.

Our lineup of investment trusts meets a broad range of customer needs. One example is a capital-protected fund introduced in July 2009: the Global Constant Fund, credit enhanced by Deutsche Bank, which aims to provide customers with a low-risk return.

In the individual annuity insurance category, we started selling a new annuity product with higher payout levels in the initial years, making available more money for hobbies and other interests while recipients are in the active early period of retirement.

As part of our "total consulting services" offering our customers one-stop-shopping for all types of financial services, we began steadily expanding level-premium insurance product marketing in December 2007. In August 2009, we launched over-the-counter sales of these policies at all our domestic branches. By offering 20 different insurance policies (September 30, 2009), including whole-life, term and medical, we can now meet a still broader range of customer needs.

It is important to support customers after they have bought our products. As part of this commitment, we take many measures to keep customers up-to-date with developments — for example, holding seminars about fund performance, issuing monthly and special market reports, and sending customers statements detailing assets via direct mailing.

In a further move, we opened a third call center in June 2009, in Fukuoka, to serve individual customers, along with existing facilities in Tokyo and Kobe. Operating three centers positions us better to offer telephone consulting on asset management and loans, as well as other information services, and tailor financial services to the lifestyle and needs of each customer.

Loan Business

To enable us to respond to the wide-ranging needs of our customers, we have developed new products, and expanded and improved services.

In December 2008, we introduced a new type of educational loan. Customers can apply for it to the Consumer Finance Promotion Office, every day (except January 1) until 21:00, using automated loan contract machines installed within SMBC branches, the Internet, or other channels. In most cases, applicants receive a response on the same day. Such advantages mean this loan offers much greater convenience than conventional educational loans. As of the end of September 2009, nine and a half months after its introduction, this loan had been extended to over 2,000 customers.



For customers having difficulty repaying a housing loan, SMBC provides consulting and other forms of finely focused assistance at branch offices and nine Loan Support Offices located nationwide. We are strongly positioned to offer the services needed by borrowers facing increased repayment burdens and other loan issues due to the prolonged economic downturn.

Settlement and Consumer Finance Business

The iD* credit service, which is based on a strategic alliance between SMFG and NTT DoCoMo, Inc., continues to grow. As of September 30, 2009, about 12.88 million individuals had subscribed to this service and there were about 420,000 terminals installed on the premises of affiliated merchants.

* iD is a trademark of NTT DoCoMo, Inc.

In the consumer finance business collaboratively launched in April 2005 by SMBC, Promise Co., Ltd., and At-Loan Co., Ltd., the number of automated contract machines had grown to 715 as of September 30, 2009. The balance of loans made by SMBC and At-Loan together had increased to about ¥420.0 billion.



Transaction Channels

In the first half of fiscal 2009, SMBC opened six new branches (Hiyoshi and Shonandai in Kanagawa Prefecture, Tsukuba in Ibaraki Prefecture, Tenpaku-Ueda and Okazaki in Aichi Prefecture, and Izumi-Chuo in Osaka Prefecture).

Also, in the Tokai region centered on Aichi Prefecture, in addition to opening conventional staffed offices, we are installing ATMs at or near stations of the Nagoya municipal subway system, for increased customer convenience.



Tsukuba Branch



Izumi-Chuo Branch

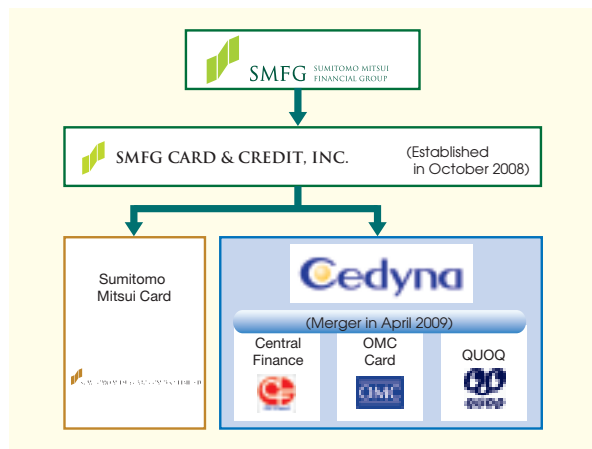
For the *SMBC Direct* online banking service, we are constantly adding services to meet customer needs and deliver greater convenience. In addition, we are introducing highly advanced services and reinforcing security. On April 1, 2008, we reduced our foreign exchange handling fees for foreign currency deposits made online or by mobile phone to half the fee at our branches. Such measures make online banking even more attractive as a convenient and low-cost service channel for our customers.

SMBC Direct has come first for seven consecutive years in the ranking of Internet banking by e-commerce website rating firm Gomez Consulting, Co., Ltd. As of September 30, 2009, approximately 9.71 million customers had registered for this service.

SMFG Credit Card Business Strategy

On April 1, 2009, three credit card companies — Central Finance Co., Ltd., OMC Card, Inc., and QUOQ Inc. — merged to form the credit card company Cedyne Financial Corporation. Along with Sumitomo Mitsui Card Company, Limited, the new company is one of Japan's largest credit card companies. With the establishment of this two-company system, SMFG has concentrated its credit card business on Cedyne Financial and Sumitomo Mitsui Card, two companies with different strengths.

Going forward, our goal is to capture top-line synergies by combining the expertise, customer bases and networks of group companies. Another objective is to benefit from cost synergies made possible by the enormous scale of the group. Through these initiatives, we are determined to become the leading credit card entity in Japan.



Topics

◆ Businesses Operated Jointly with Nikko Cordial Securities

Nikko Cordial Securities became a subsidiary of SMBC on October 1, 2009, in a move that further enhanced the ability of all Group companies to supply competitive products and services.

One result was the launch of two investment trusts developed jointly by the two companies: the *SMBC Nikko New World Stock Fund* and the *SMBC Nikko New World Bond Fund*. In addition, the two companies held joint seminars in Tokyo, Yokohama, Nagoya and Osaka. SMBC and Nikko Cordial Securities also introduce customers to each other when either one is better suited to deal with their specific requirements.

Further joint activities that combine banking and securities transactions are planned to leverage the collective strengths of all group companies.



A joint seminar held with Nikko Cordial Securities

◆ Funds Launched Exclusively for Internet and Mobile Banking Customers

In October 2009, SMBC started selling investment trusts that are available only to customers who use the Internet or mobile phone banking services. SMBC has long placed emphasis on offering consulting services when selling investment trusts and other financial products. Introducing funds solely for Internet and mobile banking customers allows it to further enlarge the lineup of financial products and ensure they match customers' investment objectives and risk tolerance.



■ Corporate Banking

Improving Products and Services for Midsized Companies and SMEs

●Initiatives to provide easier access to financing for SMEs

With companies facing growing challenges caused by the global financial crisis, SMBC believes that the smooth and efficient supply of funds to customers is its main social responsibility as a financial institution. This is why we are working even harder to serve as an intermediary for financing in a manner that is both responsible and proactive.

To help customers expand their businesses, we will continue to focus on offering products and services that reflect a thorough understanding of their needs and issues.

●Products and services to meet fund-raising needs

Amid the economic uncertainty, a broad range of fund-raising needs is emerging. To meet these needs, SMBC is continually expanding its lineup of loans for corporate clients.

In April 2008, we introduced the *Asset Value Truck & Bus Loan*, which uses commercial vehicles as collateral, and the *Certified Company Support Loan*, offered to corporate customers who have received official certifications or awards specified by SMBC from national or local government entities. Companies that have earned certification recognized by SMBC for their management systems are also eligible.

In June 2008, we started offering the *Web Report Loan* to customers that use online tax reporting services to transmit electronically to SMBC their tax return data and certificates of tax payment made using the Japanese national tax authorities' "e-Tax" service.

●Environmentally responsible products and services

Since October 2008, SMBC has offered the *SMBC Environmental Friendliness Assessment Loan*. To be eligible, an applicant company must undergo an environmental evaluation using The Japan Research Institute, Limited's own assessment standards. Loan terms depend on the results of this evaluation.

The environmental assessment was expanded to include private placement bonds in 2009. About 25 companies were using this product as of the end of September 2009 for loans and bonds totaling approximately ¥85 billion. Customers appreciate receiving our press releases publicizing their environmental initiatives, and our proposals for future areas of activity.

Another initiative was the *SMBC-ECO Loan*, "Fight Global Warming Campaign" from May to July 2009. During the campaign period, part of earnings from *SMBC-ECO Loans* were used to purchase carbon credits equivalent to five tons of CO₂ emissions per borrower. SMBC then wrote off the credits, enabling the borrowers to play a part in combating global warming.

In addition, SMBC has started handling interest-free loans

for supporting initiatives aimed at reaching the goals of the Kyoto Protocol. A program overseen by Japan's Ministry of the Environment, these loans are provided to part-fund capital expenditures for facilities that reduce greenhouse gas emissions. In October 2009, SMBC extended the first loan in Japan under this program. The Japanese government has established the ambitious goal of cutting greenhouse gas emissions by 25%. Providing funding under this program is one way to help companies to take the actions needed to achieve it.



●Information services

Assistance in locating suitable business partners is a field where demand is very strong. To provide even better services, SMBC is expanding its "all-in one matching" program enabling multiple customers to be tapped by the purchasing departments of major companies. The Trade Consultant Program, launched in February 2008, has also impressed customers with its finely focused and unfailingly appropriate advice service for customers with trade issues and needs.

Through activities like these, we will continue to expand our range of value-added services that target the diversifying needs of customers.

Reinforcing Services for Globalizing Corporations

Recently, many companies have deepened their commitment to globalization by working to increase their proportion of overseas sales.

As these companies develop their businesses more internationally, they must resolve fund-raising issues as well as face hurdles arising from foreign business practices, cultures, legal and political systems, and interpretation of these systems.

SMBC established the Global Advisory Department in April 2008 specifically to help devise solutions for cross-border issues of customers with overseas operations. In April 2009, we combined this department with the International Business Promotion Department so that we will be able to further support our customers' overseas businesses from both Japan and abroad.

This department straddles the three units of SMBC that do business with corporate clients — Middle Market Banking Unit, Corporate Banking Unit, and International Banking Unit — to support seamlessly the foreign operations of client companies. Based in Tokyo, the Global Advisory Department has staff members at overseas SMBC offices, chiefly in Asia. With a staff of about 200 professionals in foreign trade and global business operations, the department maximizes synergies by integrating issue-solving skills in Japan, expertise in collecting and analyzing information, and relationships with customers and business partners worldwide. With this

infrastructure, we can put together customized solutions from a global perspective to serve companies in Japan and their overseas subsidiaries.

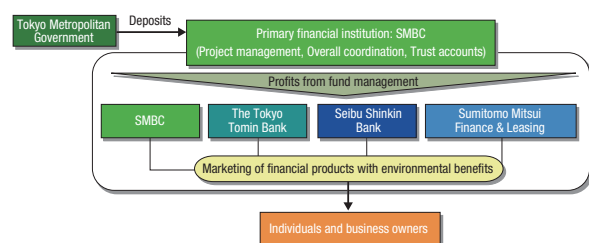
We hold overseas business-related seminars with themes of particular interest to our customers, and distribute the latest information on overseas markets including economic outlooks for specific countries, enabling companies considering launch of an overseas business to gain insight into local conditions, regulations, industry trends and other matters. Our services are useful for companies with established overseas operations too. They can count on SMBC for valuable assistance in areas such as business growth and reorganization.

Intensifying Initiatives in the Public and Financial Sectors

SMBC is working to create solutions for issues at regional governments, public corporations and financial institutions. Moreover, to upgrade services for regional customers, it undertakes joint initiatives with regional governments and financial institutions.

In October 2009, the Tokyo Metropolitan Government established the Eco Finance Project, designed to provide citizens and companies of Tokyo with new opportunities to protect the environment, and selected SMBC as its primary financial institution. In partnership with the Tokyo Tomin Bank, Ltd., Seibu Shinkin Bank and Sumitomo Mitsui Finance & Leasing, SMBC has created a number of new financing programs for individuals and business owners, including housing loans, auto loans, financing for environmental activities, time deposits, leases and other environment-friendly financial products.

Tokyo Metropolitan Government Eco Finance Project



In July 2008, SMBC signed a Cooperative Agreement for Promotion of Industry with the Miyagi Prefectural Government and The 77 Bank, Ltd. In the third venture under this agreement, SMBC, the Miyagi Prefectural Government and The 77 Bank, initiated a project to help companies in the prefecture become more environmentally responsible as well as cut costs. Subsidies provided by the prefectural government are used to help companies purchase environmental and cost-cutting equipment and support the growth of industry.

Moving forward, we will continue to step up initiatives that contribute to regional economic growth, while delivering high value-added services to customers throughout Japan.

Topics

◆ The SMFG Environmental Business Forum in Eco-Products 2009

In December 2009, SMFG took part in Eco-Products 2009, one of Japan's largest environmental business exhibitions, by organizing the SMFG Environmental Business Forum. Holding this forum, which included environment-related business-matching services and seminars, and setting up of booths of SMFG client companies, allowed SMFG to support environmental activities through its core financial service operations.

The business-matching service in particular helped to bring together large corporations seeking more environmentally responsible procurement, one of their management priorities, and smaller companies needing to expand sales channels for their high-quality environmental products, materials and services. Approximately 400 companies participated in this event, leading to business discussions in some 500 cases.

With the cooperation of Group companies, the forum allowed participants to learn about a diverse array of environmental solutions, and served as a source of much valuable information through seminars arranged by environmentally advanced companies and government agencies, which provided information about environmental initiatives and current trends in the field. Overall, about 1,000 people took part in the two-day seminars held at the SMFG Environmental Business Forum on December 11 and 12.



SMFG Environmental Business Forum



The business-matching event attracted hundreds of companies

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

Private Advisory Department

The Private Advisory Department specializes in products and services that meet the diverse requirements of business owners and high-net-worth individuals. Activities of the department span three areas. The first is preparing carefully tailored proposals for business and asset succession. To create these proposals, we combine our know-how accumulated from long experience in this area with the input of outside specialists. The second is private banking services that include comprehensive financial services for managing customers' monetary assets. The third area is workplace banking services to support the personnel strategies of corporate clients. This service category includes providing assistance from a financial perspective for employee benefit programs and defined-contribution pension plans.

By working with other Group companies and alliance partners, the Private Advisory Department uses its "One Bank" approach for the seamless provision of a broad range of products and services. This allows the department to cover many types of needs involving both individual and corporate clients.

• Support for Business and Asset Succession

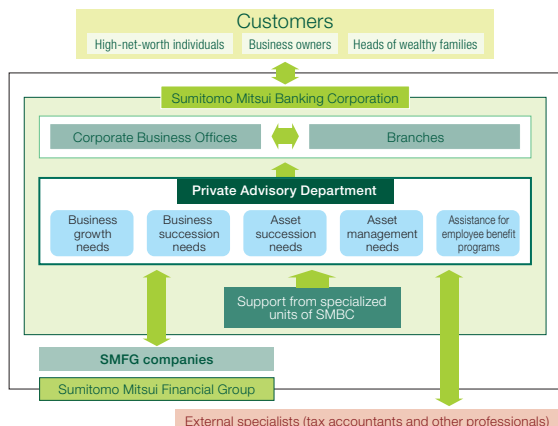
SMBC specialists prepare tailored proposals for customers with concerns about business and asset succession. We hold a variety of seminars to supply timely information, and advise business owners on a wide range of matters. Our consulting services cover issues of all types involving both individuals and companies.

• Private Banking

Customers can rely on SMBC for all-inclusive financial advice concerning financial assets. We hold discussions to share and understand each customer's attitude toward his or her financial assets. After agreeing on goals, we create proposals for asset allocation and management.

• Workplace Banking

Recruiting and retaining talented employees is a major issue at all corporate clients. SMBC can help create employee benefit programs, such as housing loans and defined-contribution pension plans. In addition, they have access through their employers to SMBC products and services for achieving financial and other goals in their lives.



■ Investment Banking

SMFG has a large investment banking business based on both conventional and more advanced commercial banking activities. Underpinning our investment banking operations is our large and diversified customer base established over many years of commercial banking.

These operations draw on the capabilities of SMBC's Investment Banking Unit and the strengths of other Group companies. Such skills allow us to supply the best solutions for fund raising and management, M&A activities, risk hedging, payment settlement between companies and other customer needs. Providing this assistance allows us to help client companies expand their business and increase their enterprise value.

Along with activities in Japan, the unit relies on collaboration with overseas networks and the SMBC Global Advisory Department in serving customers outside Japan. The primary focus is regions of Asia with rapidly growing economies. As a result, we have earned an excellent global reputation for the quality of its investment banking business.

Topics

◆ Nikko Cordial Securities Becomes a Wholly Owned Subsidiary

On October 1, 2009, SMBC acquired all operations of the former Nikko Cordial Securities Inc. along with some businesses of the former Nikko Citigroup Limited (now Citigroup Global Markets Japan Inc.). This acquisition created a new Nikko Cordial Securities Inc., a full-line securities company that is a wholly owned subsidiary of SMBC.

As a full-line securities company with retail and wholesale operations, Nikko Cordial Securities is positioned as the nucleus of our securities strategy. We plan to create a new "leading financial services" business that combines the customer base, stability and trust built up by the commercial bank with the highly specialized services of Nikko Cordial Securities. The goal is to provide further value-added products and optimal services supported by our three core strengths—Spirit of Innovation, Speed, and Solution & Execution—to all our individual and corporate customers.



From left: Nikko Cordial Securities Chairman Kazuyoshi Kimura and President Eiji Watanabe, SMBC President Masayuki Oku, and SMFG President Teisuke Kitayama

International Banking

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

We have regional divisions for Europe, the Americas and the Asia-Pacific region and subsidiaries in the growth centers of China, Russia and Brazil. With this network, we have the speed and flexibility to respond to differing needs in each region. We strive to become a global commercial bank, capable of delivering our strengths in various business opportunities in this vast international market.

Topics

◆ Strategic Alliances with Prominent Asian Financial Institutions

Over the years, SMBC has forged alliances with a number of highly respected Asian financial institutions with deep roots in their respective countries. In July 2009, it established an alliance with PT Bank Central Asia Tbk, the largest privately owned commercial bank in Indonesia. Forming this partnership positions SMBC to better provide its customers with solutions that include local-currency financing, cash management services, and corporate finance activities.

In the same month, SMBC signed a technical service agreement with Vietnam Export Import Commercial Joint Stock Bank ("Eximbank"), having established a strategic alliance in 2007. The aim is to generate even more benefits from this alliance by providing concrete forms of technical assistance, such as provision of SMBC's risk management knowhow.

SMBC will continue to broaden its operations, while expanding its business in Asia multilaterally.



Representatives of SMBC and PT Bank Central Asia Tbk at an alliance-signing ceremony

◆ Operations Begin at Subsidiary Bank in Russia

ZAO Sumitomo Mitsui Rus Bank, an SMBC subsidiary located in Moscow, commenced operations on December 1, 2009. This new base in the Russian Federation joins SMBC's well-established network in Europe, the Middle East and Africa, giving it an even stronger infrastructure for supplying customers with outstanding products and services.

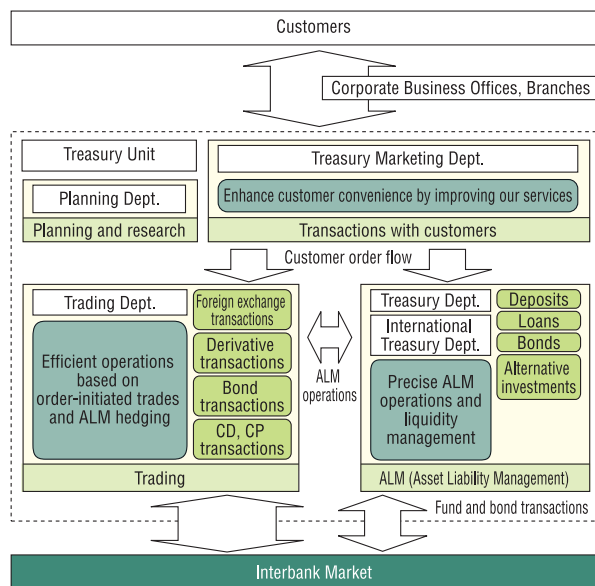


Treasury Markets

Through the Treasury Unit of SMBC, SMFG aims to offer superior value-added services to meet the ever more sophisticated and diverse needs of our customers for transactions in the money, foreign exchange, bond and derivatives markets.

To maintain and further strengthen profitability by properly managing risks and accurately capturing domestic and overseas market trends, we focus on three objectives: (a) growing customer transaction volume; (b) strengthening asset-liability management (ALM) framework and trading skills; and (c) closely monitoring and proactively managing assets on a portfolio basis.

Fully satisfying our customers' market transaction needs by delivering the highest-level of full support services in the industry is our mission. Generating a consistent stream of earnings by properly controlling market and liquidity risk through banking, including ALM, and trading operations, and allocating risk according to market conditions is another core mission.



Topics

◆ Solutions that Meet Customers' Market Transaction Needs

SMBC's *i-Deal* system for concluding foreign exchange contracts over the Internet delivers greater convenience for our customers. To address the specific requirements of each customer, we also offer a variety of proposals for hedging and other activities based on information gained from discussions with our customers.

◆ Sound Market Operations that Reflect Shifts in Market Conditions

Even amid the recent volatility in financial markets, we have been able to realize appropriate market operations by accurately capturing trends in interest rates and foreign exchange rates, and other market factors.

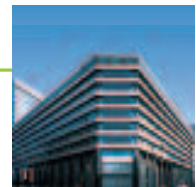


Group Companies (as of September 30, 2009)



SUMITOMO MITSUI BANKING CORPORATION

www.smbc.co.jp/english/



Sumitomo Mitsui Banking Corporation (SMBC) was established in April 2001 through the merger of two leading banks: The Sakura Bank, Limited, and The Sumitomo Bank, Limited. Sumitomo Mitsui Financial Group, Inc., was established in December 2002 through a stock transfer as a bank holding company, and SMBC became a wholly owned subsidiary of SMFG. In March 2003, SMBC merged with the Wakashio Bank, Ltd. SMBC's competitive advantages include a strong customer base, the quick implementation of strategies, and an extensive lineup of financial products and services that leverage the expertise of strategic Group companies in specialized areas. SMBC, as a core member of SMFG, works together with other members of the Group to offer customers highly sophisticated, comprehensive financial services.

Company Name: Sumitomo Mitsui Banking Corporation
Business Profile: Banking
Establishment: June 6, 1996
Head Office: 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
President: Masayuki Oku
Number of Employees: 22,913
Number of branches and other business locations:
 In Japan: 1,533*
 Branches: 486
 (Including 38 specialized deposit account branches)
 Subbranches: 162
 Agency: 1
 Offices handling non-banking business: 23
 Automated service centers: 861
 Overseas: 34
 Branches: 15
 Subbranches: 5
 Representative offices: 14

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

Credit Ratings (as of December 31, 2009)

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

Financial Information (Consolidated basis)

	Billions of yen			
	Sept. 30, 2009	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007
For the Interim Period (Year):				
Ordinary income	¥ 1,267.9	¥ 2,989.6	¥ 3,411.0	¥ 2,925.6
Ordinary profit	215.3	59.2	734.9	716.6
Net income (loss).....	134.4	(317.3)	351.8	401.7
At Interim Period- (Year-) End:				
Net assets.....	¥ 5,998.9	¥ 4,518.6	¥ 5,080.7	¥ 5,412.4
Total assets.....	114,295.9	115,849.3	108,637.7	98,570.6

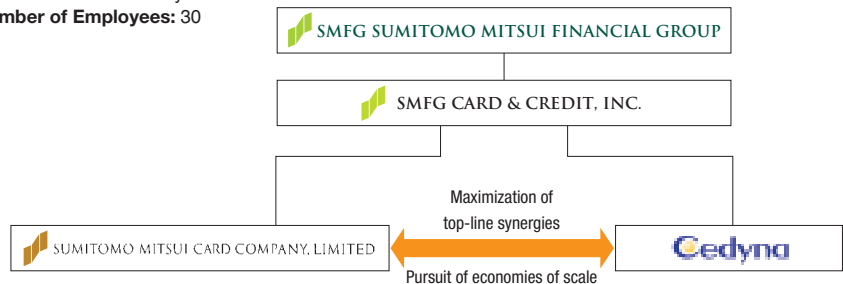


SMFG CARD & CREDIT, INC.

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

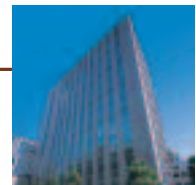
* Cedyna Financial Corporation was formed in April 2009 through the merger of three companies: Central Finance Co., Ltd., OMC Card, Inc., and QUOQ Inc., and has become one of the largest consumer finance companies in Japan.

Company Name: SMFG Card & Credit, Inc.
Business Profile: Management of subsidiaries and affiliates
Establishment: October 1, 2008
Head Office: 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
President & CEO: Kazuya Jono
Number of Employees: 30



SUMITOMO MITSUI CARD COMPANY, LIMITED

www.smbc-card.com
 (Japanese only)



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

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

affluent consumer lifestyles and make further dramatic advances as a leading brand in its industry sector.

Company Name: Sumitomo Mitsui Card Company, Limited
Business Profile: Credit card services
Establishment: December 26, 1967
Head Office:
 Tokyo Head Office: 1-2-20, Kaigan, Minato-ku, Tokyo
 Osaka Head Office: 4-5-15, Imabashi, Chuo-ku, Osaka
President & CEO: Koichi Tsukihara
Number of Employees: 2,240

Credit Ratings (as of December 31, 2009)

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

Financial Information

	Billions of yen			
	Sept. 30, 2009	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007
For the Interim Period (Year):				
Revenue from credit				
card operations.....	¥3,031.4	¥5,858.6	¥5,375.2	¥4,753.8
Operating revenue.....	90.9	180.1	168.4	157.6
Operating profit.....	12.3	22.2	16.9	14.1
At Interim Period- (Year-) End:				
Number of cardholders (in thousands).....	19,831	18,656	16,406	14,951



Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL) was created from the merger of SMBC Leasing Company, Limited, and Sumisho Lease Co., Ltd., in October 2007. SMFL aims to become the top leasing company in Japan in terms of both quantity and quality by combining (a) the customer base and know-how of SMBC Leasing, as a bank-affiliated leasing company that can draw on the financial solutions offered by other subsidiaries of SMFG, and (b) the customer base and know-how of Sumisho Lease, as an affiliate of the Sumitomo Corporation Group, one of Japan's leading trading houses, which has business relationships along the value chains in a wide range of industries.

SMFL is one of the leading companies in the leasing industry because of its strong marketing position based on its access to channels to users of

leased equipment and to suppliers of equipment, its capabilities for offering high-value-added products and services, and its close ties with one of its shareholders in the aircraft operating lease field. Through anticipating future needs and offering top-quality leasing services, SMFL is working to contribute to society as a leading company in the leasing industry.

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

Business Profile: Leasing

Establishment: February 4, 1963

Head Office:

Tokyo Head Office: 3-9-4, Nishi-Shimbashi, Minato-ku, Tokyo

Osaka Head Office: 3-10-19, Minami-Semba, Chuo-ku, Osaka

President & CEO: Koji Ishida

Number of Employees: 1,641

Credit Ratings (as of December 31, 2009)

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

Financial Information

	Billions of yen			
	Sept. 30, 2009	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007*
For the Interim Period (Year):				
Revenue from leasing operations...	¥364.7	¥895.7	¥1,054.1	¥599.4 516.8
Operating revenue...	448.1	947.6	708.4	630.0 379.9
Operating profit.....	20.3	36.4	36.2	31.5 24.7

*The upper row of figures for 2007 are for SMBC Leasing and the lower row of figures are for Sumisho Lease.



The Japan Research Institute, Limited



The Japan Research Institute, Limited (JRI) is a "knowledge engineering" company that offers comprehensive information services through three functions: information systems integration, consulting, and think-tank services. All activities are guided by the fundamental philosophy of "creating new value for the client." By organically linking these three functions, JRI uses a unified approach to identify problems, devise specific proposals for solutions and assist in implementing the solutions. Activities based on "knowledge engineering," which creates linkage of new broadbased economic and social value enabled by such solutions, form the basis of JRI's business.

JRI leverages IT expertise gained over more than four decades of operations to plan and assemble strategic data systems and provide outsourcing services. Additionally, its activities span consulting for corporate

management strategies and governmental administrative reform, research and analysis on both domestic and foreign economic issues, and policy recommendation, as well as formulation of, and support for, start-up incubation in new markets and industries.

Company Name: The Japan Research Institute, Limited

Business Profile: Systems engineering, data processing, management consulting, think-tank services

Establishment: November 1, 2002

Head Office:

Tokyo Head Office: 16, Ichibancho, Chiyoda-ku, Tokyo

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

President & CEO: Yasuyuki Kimoto

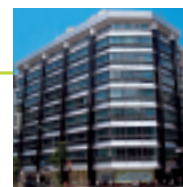
Number of Employees: 2,087

Financial Information

	Billions of yen			
	Sept. 30, 2009	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007
For the Interim Period (Year):				
Operating revenue...	¥38.8	¥88.0	¥88.1	¥84.6
Operating profit.....	0.0	1.0	3.8	3.0



SMBC FRIEND SECURITIES CO., LTD.



Providing a full range of securities services, focused mainly on retail customers, SMBC Friend Securities Co., Ltd. has one of the strongest financial positions among Japanese securities companies and boasts highly efficient operations with a nationwide network of 75 offices. SMBC Friend Securities offers services closely tailored to the needs of its customers and the communities it serves. SMBC Friend Securities became a wholly owned subsidiary of SMFG through a share transfer in September 2006, and is developing business operations jointly with SMBC and other Group members by strengthening its ties with these companies.

Going forward, SMBC Friend Securities is aiming to be "a leading Japanese securities company serving the retail market," and, by offering high-quality products and services matching the needs of its customers, will continue to build strong bonds of trust with its customers.

Company Name: SMBC Friend Securities Co., Ltd.

Business Profile: Securities services

Establishment: March 2, 1948

Head Office: 7-12, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo

President & CEO: Osamu Endo

Number of Employees: 2,258

Financial Information

	Billions of yen			
	Sept. 30, 2009	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007
For the Interim Period (Year):				
Operating revenue...	¥37.3	¥43.2	¥60.5	¥58.7
Operating profit.....	14.8	2.3	19.0	21.2



Financial Highlights

Sumitomo Mitsui Financial Group

Six months ended September 30, 2009, 2008 and 2007, and years ended March 31, 2009 and 2008

Consolidated

	Millions of yen				
	2009	September 30		March 31	
		2008	2007	2009	2008
For the Interim Period (Year):					
Total income	¥ 1,577,806	¥ 1,819,631	¥ 2,079,102	¥ 3,556,536	¥ 4,739,040
Total expenses	1,347,729	1,629,076	1,728,767	3,527,040	3,810,084
Net income (loss)	123,540	83,281	170,592	(373,456)	461,536
At Interim Period- (Year-) End:					
Total net assets	¥ 6,102,967	¥ 5,257,748	¥ 5,268,853	¥ 4,611,764	¥ 5,224,076
Total assets	117,531,379	111,033,760	105,927,629	119,637,224	111,955,918
Risk-monitored loans	1,649,873	1,415,443	1,066,944	1,586,317	1,092,661
Reserve for possible loan losses	1,086,187	899,914	930,577	1,077,852	894,702
Net unrealized gains (losses) on other securities	604,611	619,540	1,524,864	(33,176)	745,420
Capital ratio	13.13%	10.25%	10.60%	11.47%	10.56%
Number of employees	50,382	49,841	46,442	48,079	46,429
Per Share (Yen):					
Net assets	¥3,645.47	¥404,976.05	¥460,168.95	¥2,790.27	¥424,546.01
Net income (loss)	128.05	10,092.43	21,694.19	(497.39)	59,298.24
Net income — diluted	125.97	9,964.41	20,840.67	—	56,657.41

- Notes: 1. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." In principle, the values of stocks are calculated using the average market prices during the final month. For details, please refer to page 19.
2. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees and temporary staff.
3. The consolidated capital ratio has been calculated according to the formula specified in the Financial Services Agency ("FSA") Notification No. 20 issued in fiscal 2006, which is based on Article 52-25 of the Banking Act of Japan. The consolidated capital ratio of SMFG is calculated under Basel II.
4. "Net income — diluted" per share for the fiscal year ended March 31, 2009 is not reported due to a net loss.
5. SMFG implemented a 100-for-1 stock split of common stock on January 4, 2009. If the stock split had been implemented in the prior years, per share information would be as follows:

	Yen		
	September 30		March 31
	2008	2007	2008
Net assets	¥4,049.76	¥4,601.69	¥4,245.46
Net income	100.92	216.94	592.98
Net income — diluted	99.64	208.41	566.57

◆ Nonconsolidated

	Millions of yen				
	September 30			March 31	
	2009	2008	2007	2009	2008
For the Interim Period (Year):					
Operating income	¥ 32,594	¥ 49,659	¥ 23,936	¥ 134,772	¥ 111,637
Operating expenses	3,535	3,466	3,333	8,790	6,246
Net income	18,309	32,074	9,366	103,468	82,975
At Interim Period- (Year-) End:					
Total net assets	¥3,835,717	¥2,940,370	¥2,940,122	¥2,977,547	¥2,968,749
Total assets	5,263,574	3,991,957	4,001,470	4,057,313	4,021,217
Capital stock	1,851,389	1,420,877	1,420,877	1,420,877	1,420,877
Number of shares issued					
Preferred stock	103,401	103,401	120,101	103,401	120,101
Common stock	1,017,711,777	7,890,804	7,733,653	789,080,477	7,733,653
Number of employees	176	165	137	167	136
Per Share (Yen):					
Net assets	¥3,471.58	¥335,572.77	¥335,711.01	¥3,389.38	¥339,454.71
Dividends:					
Common stock	45	7,000	5,000	90	12,000
Preferred stock (1st series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (2nd series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (3rd series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (4th series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (5th series Type 4)	/	/	67,500	/	135,000
Preferred stock (6th series Type 4)	/	/	67,500	/	135,000
Preferred stock (7th series Type 4)	/	/	67,500	/	135,000
Preferred stock (8th series Type 4)	/	/	67,500	/	135,000
Preferred stock (9th series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (10th series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (11th series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (12th series Type 4)	67,500	67,500	67,500	135,000	135,000
Preferred stock (1st series Type 6)	44,250	44,250	44,250	88,500	88,500
Net income	13.84	3,416.32	376.60	118.43	9,134.13

- Notes: 1. All SMFG employees are on secondment assignment from SMBC, etc.
2. SMFG implemented a 100-for-1 stock split of common stock on January 4, 2009. If the stock split had been implemented in the prior years, per share information would be as follows:

	Yen		
	September 30		March 31
	2008	2007	2008
Net assets	¥3,355.73	¥3,357.11	¥3,394.55
Dividends:			
Common stock	70	50	120
Net income	34.16	3.77	91.34

Sumitomo Mitsui Banking Corporation

Six months ended September 30, 2009, 2008 and 2007, and years ended March 31, 2009 and 2008

◆ Consolidated

	Millions of yen				
	2009	September 30		March 31	
		2008	2007	2009	2008
For the Interim Period (Year):					
Total income	¥ 1,278,589	¥ 1,544,107	¥ 1,556,051	¥ 2,991,839	¥ 3,417,611
Total expenses	1,055,500	1,367,218	1,242,520	2,941,009	2,691,606
Net income (loss)	134,469	94,960	171,308	(317,306)	351,820
At Interim Period- (Year-) End:					
Total net assets	¥ 5,998,976	¥ 5,203,322	¥ 5,410,538	¥ 4,518,647	¥ 5,080,747
Total assets	114,295,928	107,872,150	103,722,670	115,849,385	108,637,791
Risk-monitored loans	1,622,298	1,393,840	1,051,206	1,561,824	1,073,471
Reserve for possible loan losses	1,027,953	854,581	898,698	1,011,845	848,031
Net unrealized gains (losses) on other securities	566,335	622,854	1,530,310	(59,758)	754,456
Capital ratio	15.05%	11.90%	12.05%	13.54%	12.19%
Number of employees	40,103	40,929	36,103	37,345	36,085
Per Share (Yen):					
Net assets	¥48,813.03	¥59,077.75	¥67,409.07	¥41,492.54	¥60,442.81
Net income (loss)	2,147.67	1,630.06	2,984.80	(5,740.34)	6,132.91
Net income — diluted	2,144.07	1,628.13	2,984.74	—	6,132.75

- Notes: 1. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." In principle, the values of stocks are calculated using the average market prices during the final month.
2. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees and temporary staff.
3. The consolidated capital ratio has been calculated according to the formula specified in the FSA Notification No. 19 issued in fiscal 2006, which is based on Article 14-2 of the Banking Act of Japan. The consolidated capital ratio of SMBC is calculated under Basel II.
4. "Net income — diluted" per share for the fiscal year ended March 31, 2009 is not reported due to a net loss.

◆ Nonconsolidated

	Millions of yen				
	September 30			March 31	
	2009	2008	2007	2009	2008
For the Interim Period (Year):					
Total income.....	¥ 1,077,817	¥ 1,304,029	¥ 1,308,588	¥ 2,548,073	¥ 2,944,677
Total expenses.....	932,711	1,183,149	1,153,378	2,520,286	2,437,222
Net income (loss).....	112,628	80,394	63,798	(301,116)	205,742
(Appendix)					
Gross banking profit (A).....	719,348	735,053	718,492	1,524,856	1,484,783
Banking profit.....	425,285	374,757	383,119	747,647	819,691
Banking profit (before provision for general reserve for possible loan losses).....	377,637	378,486	390,904	823,377	819,691
Expenses (excluding nonrecurring losses)(B).....	341,710	356,566	327,587	701,479	665,091
Expense ratio (B)/(A).....	47.5%	48.5%	45.6%	46.0%	44.8%
At Interim Period- (Year-) End:					
Total net assets.....	¥ 4,335,714	¥ 3,418,892	¥ 3,856,300	¥ 2,546,493	¥ 3,493,249
Total assets.....	105,029,480	98,159,845	94,307,182	107,478,218	100,033,020
Deposits.....	77,301,690	70,143,714	68,841,461	76,905,708	69,382,834
Loans and bills discounted.....	58,898,698	58,541,953	55,025,706	60,241,266	56,957,813
Securities.....	27,659,892	20,982,446	19,860,123	28,000,515	22,758,241
Risk-monitored loans.....	1,177,107	1,029,713	748,924	1,137,058	770,587
Problem assets based on the Financial Reconstruction Law.....	1,241,938	1,076,881	773,649	1,194,170	803,939
Reserve for possible loan losses.....	780,014	638,978	688,148	791,885	620,004
Net unrealized gains (losses) on other securities.....	563,666	629,812	1,517,691	(42,701)	755,749
Trust assets and liabilities.....	1,147,370	1,333,644	1,027,818	1,262,993	1,175,711
Loans and bills discounted.....	221,900	222,540	4,150	222,030	223,740
Securities.....	357,836	349,145	285,533	392,812	273,504
Capital stock.....	1,262,959	664,986	664,986	664,986	664,986
Number of shares issued (in thousands)					
Preferred stock.....	70	70	70	70	70
Common stock.....	85,239	56,355	56,355	56,355	56,355
Number of employees.....	22,913	22,113	17,945	21,816	17,886
Selected Ratios:					
Capital ratio.....	15.73%	12.50%	12.65%	13.85%	12.67%
Return on Equity.....	6.76%	4.81%	3.25%	—%	5.64%
Per Share (Yen):					
Net assets.....	¥48,364.81	¥56,884.80	¥64,646.35	¥41,404.62	¥58,204.22
Dividends:					
Common stock.....	0	1,339	1,269	1,638	1,487
Preferred stock (1st series Type 6).....	44,250	44,250	44,250	88,500	88,500
Net income (loss).....	1,790.60	1,371.59	1,077.10	(5,453.06)	3,540.84
Net income — diluted.....	—	—	—	—	—

- Notes: 1. Please refer to page 75 for the definitions of risk-monitored loans and problem assets based on the Financial Reconstruction Law.
2. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." The values of stocks are calculated using the average market prices during the final month. For details, please refer to page 23.
3. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees, temporary staff, and executive officers who are not also Board members.
4. From the fiscal year ended March 31, 2007 (fiscal 2006), the nonconsolidated capital ratio has been calculated according to the formula specified in the FSA Notification No. 19 issued in fiscal 2006, which is based on Article 14-2 of the Banking Act of Japan. The nonconsolidated capital ratio of SMBC is calculated under Basel II.
5. "Net income — diluted" per share for the six months ended September 30, 2009, 2008 and 2007 and the fiscal year ended March 31, 2008 is not reported because no potentially dilutive shares have been issued. For the fiscal year ended March 31, 2009, it is not reported due to a net loss.



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 first half of fiscal 2009, the six-month period ended September 30, 2009.

1. Operating Results

Operating results for the first half of fiscal 2009 include the results of 293 consolidated subsidiaries (168 in Japan and 125 overseas) and 80 subsidiaries and affiliates accounted for by the equity method (45 in Japan and 35 overseas).

In the first half of fiscal 2009, SMFG recorded consolidated gross profit of ¥1,066.0 billion, almost the same as a year earlier as a result of an increase in gains on bonds by quickly responding to fluctuations in market interest rates. After adjusting for general and administrative expenses,

credit cost, net losses on stocks and equity in losses of affiliates, ordinary profit increased ¥31.2 billion to ¥222.2 billion. The chief factor here was a decrease in credit cost at SMBC, resulting from the Japanese government's economic stimulus package, measures tailored to borrowers' business and financial conditions, and improvement in overseas markets. After adjusting ordinary profit for extraordinary gains and losses, income taxes, and other items, net income was ¥123.5 billion, a year-on-year increase of ¥40.2 billion.

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

September 30, 2009 and 2008, and March 31, 2009

	September 30		March 31
	2009	2008	2009
Consolidated subsidiaries.....	293	282	288
Subsidiaries and affiliates accounted for by the equity method.....	80	76	79

Income Summary

Six months ended September 30, 2009 and 2008, and year ended March 31, 2009

	Millions of yen		
	Six months ended September 30		Year ended March 31
	2009	2008	2009
Consolidated gross profit.....	¥1,066,026	¥1,068,130	¥2,165,880
Net interest income.....	683,164	678,514	1,338,453
Trust fees.....	540	1,268	2,122
Net fees and commissions	259,528	283,999	557,178
Net trading income (losses).....	140,586	(342)	211,738
Net other operating income (expenses)	(17,794)	104,690	56,386
General and administrative expenses	(533,021)	(538,960)	(1,063,419)
Credit cost (A).....	(268,985)	(303,048)	(769,484)
Write-off of loans	(118,308)	(153,570)	(302,353)
Provision for specific reserve for possible loan losses	(142,974)	(109,697)	(297,400)
Provision for general reserve for possible loan losses	30,253	(24,232)	(104,145)
Others.....	(37,955)	(15,546)	(65,585)
Net gains (losses) on stocks.....	(8,928)	(19,777)	(183,677)
Equity in earnings (losses) of affiliates	(20,042)	(6,138)	(94,876)
Net other income (expenses)	(12,822)	(9,243)	(9,111)
Ordinary profit.....	222,225	190,962	45,311
Extraordinary gains (losses)	7,851	(407)	(15,815)
Losses on impairment of fixed assets	(1,763)	(1,331)	(7,363)
Gains on recoveries of written-off claims (B).....	526	924	1,708
Income before income taxes and minority interests	230,076	190,555	29,495
Income taxes:			
Current	(64,943)	(46,433)	(72,238)
Deferred.....	14,720	(15,790)	(262,405)
Minority interests in net income	(56,313)	(45,051)	(68,308)
Net income (loss).....	¥ 123,540	¥ 83,281	¥ (373,456)
Total credit cost (A) + (B).....	¥ (268,458)	¥ (302,124)	¥ (767,775)
[Reference]			
Consolidated banking profit (Billions of yen)	¥ 400.4	¥ 410.0	¥ 728.7

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

Deposits (excluding negotiable certificates of deposit) as of September 30, 2009, totaled ¥75,967.9 billion, a ¥398.4 billion increase compared with the previous fiscal year-end. Negotiable certificates of deposit totaled ¥8,330.1 billion, an increase of ¥868.8 billion over the same period.

Loans and bills discounted decreased ¥579.1 billion to

¥64,556.1 billion, while securities decreased ¥342.7 billion to ¥28,355.4 billion.

Net assets increased ¥1,491.2 billion to ¥6,102.9 billion, due mainly to issuance of new common shares and posting of net income for the interim period.

Assets, Liabilities and Net Assets

September 30, 2009 and 2008, and March 31, 2009

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Assets.....	¥117,531,379	¥111,033,760	¥119,637,224
Securities.....	28,355,428	21,795,888	28,698,164
Loans and bills discounted.....	64,556,160	63,477,758	65,135,319
Liabilities.....	111,428,411	105,776,012	115,025,460
Deposits.....	75,967,958	73,583,098	75,569,497
Negotiable certificates of deposit.....	8,330,122	3,254,678	7,461,284
Net assets.....	6,102,967	5,257,748	4,611,764

2. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of September 30, 2009 amounted to ¥659.4 billion, an improvement of ¥666.1 billion from the previous fiscal year-end. Of this total, net unrealized gains on other securities including “other money

held in trust,” which are directly credited to net assets, totaled ¥604.4 billion, an improvement of ¥637.8 billion, mainly because of an increase in unrealized gains on stocks due to rising market prices.

Unrealized Gains (Losses) on Securities

September 30, 2009 and March 31, 2009

	Millions of yen						
	September 30, 2009				March 31, 2009		
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 55,028	¥ 28,287	¥ 55,215	¥ 186	¥26,741	¥ 28,155	¥ 1,414
Other securities.....	604,611	637,787	794,962	190,350	(33,176)	356,834	390,011
Stocks.....	527,824	520,762	648,399	120,575	7,062	287,380	280,317
Bonds.....	63,294	66,120	64,052	758	(2,826)	21,534	24,360
Others.....	13,493	50,905	82,510	69,017	(37,412)	47,920	85,332
Other money held in trust.....	(172)	90	16	188	(262)	—	262
Total.....	659,468	666,165	850,194	190,726	(6,697)	384,990	391,688
Stocks.....	527,824	520,762	648,399	120,575	7,062	287,380	280,317
Bonds.....	118,474	94,055	119,259	785	24,419	49,690	25,270
Others.....	13,169	51,349	82,535	69,366	(38,180)	47,920	86,100

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in “Cash and due from banks” and “Deposits with banks” and beneficiary claims on loan trusts in “Monetary claims bought,” etc.
2. Unrealized gains (losses) on stocks (including foreign stocks) are mainly calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price as of the balance sheet date.
3. “Other securities” and “Other money held in trust” are valued and recorded on the consolidated balance sheet at market prices. The figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.
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 of Financial Assets” (Accounting Standards Board of Japan Practical Issues Task Force No. 25).

3. Consolidated Capital Ratio

SMFG's consolidated capital ratio (BIS guidelines) as of September 30, 2009 was 13.13%, chiefly reflecting an increase in total capital due to issuance of new common shares and posting of net income.

Total capital, which is the numerator in the capital ratio calculation equation, amounted to ¥7,281.4 billion. Meanwhile, risk-adjusted assets, the denominator in the equation, amounted to ¥55,423.2 billion.

Consolidated Capital Ratio

September 30, 2009 and 2008, and March 31, 2009

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Tier I capital	¥ 5,295,152	¥ 4,491,317	¥ 4,335,085
Tier II capital included as qualifying capital	2,765,486	2,746,760	2,420,968
Deductions	(779,160)	(730,976)	(708,241)
Total capital	7,281,479	6,507,101	6,047,812
Risk-adjusted assets	55,423,266	63,432,507	52,726,507
Consolidated capital ratio	13.13%	10.25%	11.47%
Tier I capital ratio	9.55%	7.08%	8.22%

4. Deferred Tax Assets

Net deferred tax assets, which are deferred tax assets minus deferred tax liabilities, decreased ¥158.3 billion from the previous fiscal year-end, to ¥671.9 billion. This decrease was attributable to an increase in unrealized gains on other

securities. SMFG has been adopting a conservative stance on the recording of deferred tax assets in consideration of the need to secure a sound financial position.

Deferred Tax Assets

September 30, 2009 and 2008, and March 31, 2009

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Net deferred tax assets	¥671,977	¥1,003,197	¥830,370
Net deferred tax assets / Tier I capital × 100	12.7%	22.3%	19.2%

Sumitomo Mitsui Banking Corporation (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

The following is a summary of SMBC's nonconsolidated financial results for the first half of fiscal 2009, the six-month period ended September 30, 2009.

1. Operating Results

Gross banking profit in the first half of fiscal 2009 decreased ¥15.7 billion year on year to ¥719.3 billion, and expenses (excluding nonrecurring losses) decreased ¥14.8 billion to ¥341.7 billion. As a consequence, banking profit (before provision for general reserve for possible loan losses) slightly decreased year on year to ¥377.6 billion.

Ordinary profit, calculated by adjusting banking profit (before provision for general reserve for possible loan losses) for nonrecurring items, such as total credit cost and net losses on stocks, increased ¥24.9 billion to ¥147.0 billion.

After adjustment of ordinary profit for extraordinary losses and income taxes, net income was ¥112.6 billion, a year-on-year increase of ¥32.2 billion.

2. Income Analysis

Gross Banking Profit

Gross banking profit decreased ¥15.7 billion year on year to ¥719.3 billion. The principal reasons for this were a decrease in loan-related fees in overseas operations and lower forex-related income due to lower export and import volumes.

Expenses

Expenses (excluding nonrecurring losses) decreased ¥14.8 billion to ¥341.7 billion, attributable mainly to greater efforts to reduce expenses.

Banking Profit

Banking profit (before provision for general reserve for possible loan losses) as of September 30, 2009 slightly decreased year on year to ¥377.6 billion.

Banking Profit

Six months ended September 30, 2009 and 2008, and year ended March 31, 2009

	Millions of yen		
	Six months ended September 30		Year ended March 31
	2009	2008	2009
Gross banking profit	¥719,348	¥735,053	¥1,524,856
[Gross domestic banking profit]	[551,522]	[566,042]	[1,147,202]
[Gross international banking profit]	[167,825]	[169,010]	[377,654]
Net interest income	517,781	512,941	1,018,389
Trust fees	518	1,244	2,074
Net fees and commissions	130,701	147,081	293,824
Net trading income (losses)	107,525	(14,707)	175,038
Net other operating income (expenses)	(37,178)	88,494	35,530
[Gross banking profit (excluding gains (losses) on bonds)]	[680,458]	[739,613]	[1,498,728]
Expenses (excluding nonrecurring losses)	(341,710)	(356,566)	(701,479)
Personnel expenses	(124,114)	(121,669)	(236,966)
Nonpersonnel expenses	(199,802)	(216,070)	(426,231)
Taxes	(17,793)	(18,825)	(38,282)
Banking profit (before provision for general reserve for possible loan losses)	377,637	378,486	823,377
[Banking profit (before provision for general reserve for possible loan losses and gains (losses) on bonds)]	[338,748]	[383,047]	[797,248]
Provision for general reserve for possible loan losses	47,647	(3,729)	(75,730)
Banking profit	425,285	374,757	747,647

<Reference>

Banking Profit by Business Unit

Six months ended September 30, 2009

	Billions of yen						
	Consumer Banking Unit	Middle Market Banking Unit	Corporate Banking Unit	International Banking Unit	Treasury Unit	Others	Total
Banking profit (before provision for general reserve for possible loan losses)	¥48.1	¥122.2	¥80.6	¥56.9	¥158.8	¥(89.0)	¥377.6
Year-on-year increase (decrease)	(4.9)	(32.2)	19.3	20.5	78.8	(82.4)	(0.9)

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

Nonrecurring Losses (Credit Cost, etc.)

Nonrecurring losses amounted to ¥278.1 billion, a year-on-year increase of ¥25.5 billion. The main factor was a rise in net losses on stocks due to an increase in losses on devaluation of stocks. Total credit cost amounted to ¥156.9 billion, a year-on-year decrease of ¥67.2 billion. This primarily reflects the impact of the Japanese government's economic stimulus package, measures tailored to borrowers' business and financial conditions, and improvement in overseas markets.

Ordinary Profit

As a result of the foregoing, ordinary profit increased ¥24.9 billion year on year to ¥147.0 billion.

Extraordinary Gains (Losses)

Extraordinary losses amounted to ¥1.9 billion, an increase of ¥0.7 billion from the previous year.

Net Income

Current income taxes amounted to ¥21.6 billion, and deferred income taxes were ¥10.8 billion. As a result, net income increased ¥32.2 billion to ¥112.6 billion year on year.

Ordinary Profit and Net Income (Loss)

Six months ended September 30, 2009 and 2008, and year ended March 31, 2009

	Millions of yen		
	Six months ended September 30 2009	2008	Year ended March 31 2009
Banking profit (before provision for general reserve for possible loan losses)	¥ 377,637	¥ 378,486	¥ 823,377
Provision for general reserve for possible loan losses (A)	47,647	(3,729)	(75,730)
Banking profit.....	425,285	374,757	747,647
Nonrecurring gains (losses).....	(278,196)	(252,649)	(711,591)
Credit cost (B).....	(204,622)	(220,414)	(474,358)
Net gains (losses) on stocks.....	(36,850)	(17,184)	(220,429)
Gains on sale of stocks	4,230	5,412	7,066
Losses on sale of stocks	(348)	(587)	(4,348)
Losses on devaluation of stocks	(40,731)	(22,009)	(223,147)
Others.....	(36,724)	(15,049)	(16,803)
Ordinary profit.....	147,089	122,108	36,055
Extraordinary gains (losses)	(1,982)	(1,228)	(8,269)
Losses on disposal of fixed assets	(656)	(60)	(2,139)
Losses on impairment of fixed assets	(1,397)	(1,168)	(6,138)
Gains on recoveries of written-off claims (C).....	70	0	8
Income taxes:			
Current.....	(21,637)	(7,152)	(23,748)
Deferred.....	(10,839)	(33,332)	(305,154)
Net income (loss).....	¥ 112,628	¥ 80,394	¥(301,116)
Total credit cost (A) + (B) + (C)	¥(156,903)	¥(224,143)	¥(550,079)
Provision for general reserve for possible loan losses	47,647	(3,729)	(75,730)
Write-off of loans	(82,501)	(119,444)	(231,412)
Provision for specific reserve for possible loan losses	(89,504)	(86,407)	(182,346)
Losses on sales of delinquent loans.....	(32,770)	(14,563)	(60,182)
Provision for loan loss reserve for specific overseas countries	153	(0)	(417)
Gains on recoveries of written-off claims.....	70	0	8

3. Assets, Liabilities and Net Assets

Assets

SMBC's total assets as of September 30, 2009 amounted to ¥105,029.4 billion, ¥2,448.7 billion lower than at the previous fiscal year-end. The principal factor was a ¥1,342.5 billion decrease in loans and bills discounted, due to a

conservative stance on asset operations overseas and the transfer of most of its branches in China to a newly established subsidiary.

Liabilities

Liabilities as of September 30, 2009 decreased ¥4,237.9 billion to ¥100,693.7 billion from the previous fiscal year-end. This was mainly attributable to a decrease in funding in view of expected decline in loans and other assets.

Net Assets

Net assets as of September 30, 2009 amounted to ¥4,335.7 billion. Of this total, stockholders' equity was ¥3,820.8 billion, ¥1,288.6 billion higher than at the previous fiscal year-end, due mainly to issuance of new common shares and posting of net income. Stockholders' equity comprised ¥1,262.9 billion in capital stock, ¥1,965.5 billion in capital surplus (including ¥702.5 billion in other capital surplus) and ¥592.3 billion in retained earnings.

Valuation and translation adjustments were ¥514.8 billion, which included ¥413.2 billion in net unrealized gains on other securities, ¥79.9 billion in net deferred gains on hedges and ¥21.6 billion in land revaluation excess.

Assets, Liabilities and Net Assets

September 30, 2009 and 2008, and March 31, 2009

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Assets.....	¥105,029,480	¥98,159,845	¥107,478,218
Securities.....	27,659,892	20,982,446	28,000,515
Loans and bills discounted.....	58,898,698	58,541,953	60,241,266
Liabilities.....	100,693,766	94,740,953	104,931,725
Deposits.....	68,846,649	66,918,037	69,499,997
Negotiable certificates of deposit.....	8,455,041	3,225,677	7,405,710
Net assets.....	4,335,714	3,418,892	2,546,493

4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of September 30, 2009 amounted to ¥603.4 billion, which represented an improvement of ¥622.0 billion from the previous fiscal year-end. Net unrealized gains on other securities, including "other money

held in trust," which is directly credited to net assets, amounted to ¥563.4 billion, an improvement of ¥606.4 billion over the same period, mainly because of an increase in unrealized gains on stocks due to rising market prices.

Unrealized Gains (Losses) on Securities

September 30, 2009 and March 31, 2009

	Millions of yen						
	September 30, 2009				March 31, 2009		
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 54,876	¥ 27,025	¥ 54,876	¥ —	¥27,851	¥ 28,155	¥ 304
Stocks of subsidiaries and affiliates	(14,959)	(11,423)	—	14,959	(3,536)	—	3,536
Other securities	563,666	606,367	756,182	192,516	(42,701)	337,535	380,237
Stocks	496,029	512,574	626,822	130,793	(16,545)	273,058	289,604
Bonds	55,519	56,760	56,050	531	(1,241)	16,910	18,152
Others	12,117	37,031	73,309	61,191	(24,914)	47,566	72,480
Other money held in trust.....	(172)	90	16	188	(262)	—	262
Total	603,410	622,059	811,074	207,663	(18,649)	365,691	384,341
Stocks	481,070	501,152	626,822	145,752	(20,082)	273,058	293,140
Bonds	110,395	83,786	110,926	531	26,609	45,066	18,456
Others	11,945	37,121	73,325	61,380	(25,176)	47,566	72,743

- 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 and including foreign stocks) are calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price as of the balance sheet date.
3. "Other securities" and "Other money held in trust" are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.
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 of Financial Assets" (Accounting Standards Board of Japan Practical Issues Task Force No. 25).

Asset Quality

I. Self-Assessment, Write-Offs, and Provisions

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 Guidelines* 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 the efforts to bolster risk management throughout the Group, all 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

Asset Write-Offs and Provisions

In cases where claims have been determined 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 "direct write-off," or else by the recognition of a loan loss provision on a contra-asset account in the amount deemed uncollectible, referred to as "indirect

write-off." Recognition of indirect write-offs is generally known as "provision for reserve for possible loan losses."

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

Self-Assessment Borrower Categories		Standards for Write-Offs and Provisions
Normal Borrowers		The expected loss amount for the next 12 months is calculated for each grade based on the grade's historical bankruptcy rate, and the total amount is recorded as "provision for the general reserve for possible loan losses."
Borrowers Requiring Caution		These assets are divided into groups according to the level of default risk. Amounts are recorded as provisions for the general reserve in proportion to the expected losses based on the historical bankruptcy rate of each group. The groups are "claims on Substandard Borrowers" and "claims on other Borrowers Requiring Caution." The latter group is further subdivided according to the borrower's financial position, credit situation, and other factors. Further, when cash flows can be estimated reasonably accurately, the discount 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 the repayment of principal and interest received can be reasonably estimated. 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 DCF formula input values, such as the discount rate and the probability of the borrower going into bankruptcy, SMBC uses the best available data to calculate the estimates.

II. Credit Cost

Credit cost, with respect to provisioning, is the total amount of provisions newly made, and in the case of write-offs, it is the amount of provisions already made deducted from the uncollectible amount.

The credit cost for the first half of fiscal 2009 for SMBC was ¥156.9 billion, a year-on-year decrease of ¥67.2 billion.

This improvement was attributable mainly through in-depth approaches suiting to our clients' conditions and the improvement of overseas markets, in addition to the effect of Japanese government's stimulus package such as the emergency credit guarantee program through credit guarantee corporations.

◆ Credit Cost (SMBC Nonconsolidated; six months ended September 30, 2009)

(Billions of yen)

Credit cost	¥156.9
Provision for general reserve for possible loan losses	(47.6)
Write-off of loans	82.5
Provision for specific reserve for possible loan losses	89.5
Losses on sale of loans	32.8
Provision for loan loss reserve for specific overseas countries	(0.2)
Gains on collection of written-off claims	(0.1)
Reserve for possible loan losses	¥780.0
Amount of direct reduction	¥536.3

Note: Bracketed amount indicates gains.

◆ Credit Cost (SMFG Consolidated; six months ended September 30, 2009)

(Billions of yen)

Total credit cost	¥ 268.5
Reserve for possible loan losses	¥1,086.2
Amount of direct reduction	¥ 809.8

◆ Reserve for Possible Loan Losses (September 30, 2009)

(Billions of yen)

	SMBC (Nonconsolidated)	SMFG (Consolidated)
Reserve for possible loan losses	¥780.0	¥1,086.2
General reserve	457.1	649.5
Specific reserve	322.6	435.9
Loan loss reserve for specific overseas countries	0.3	0.8
Amount of direct reduction	¥536.3	¥ 809.8

III. Disclosure of Problem Assets and Off-Balancing

Disclosure of Problem Assets

Problem assets are loans and other claims which recovery of either principal or interest appears doubtful, and are disclosed in accordance with the Banking Law (in which they are referred to as “risk-monitored loans”) and the Financial Reconstruction Law (where they are referred to as “problem assets”). Problem assets are classified based on the borrower categories assigned during self-assessment. The following tables explain the asset classification stipulated by the Financial Reconstruction Law and the differences between risk-monitored loans and problem assets.

The disclosure of risk-monitored loans under the Banking Law corresponds exactly to the disclosure of problem assets

based on the Financial Reconstruction Law, except for such non-loan assets as those related to securities lending and foreign exchanges, accrued interest, suspense payments, customers’ liabilities for acceptances and guarantees, and bank-guaranteed bonds sold through private placements, none of which are subject to disclosure.

Since overdue interest from borrowers classified under self-assessment as Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, and Bankrupt Borrowers is, as a rule, not recognized as accrued interest, the amount is not included in the problem assets disclosed on the basis of the Financial Reconstruction Law.

Classification of Problem Assets Based on the Financial Reconstruction Law	
Bankrupt and quasi-bankrupt assets	This category is defined as the sum of claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers under self-assessment, excluding Classification IV assets, which are fully written off. Classification III assets are fully covered by reserves, and Classification I and II assets, the collectible portion, are secured by collateral, guarantees, or other means.
Doubtful assets	This category is defined as claims on Potentially Bankrupt Borrowers under self-assessment. Specific reserves are set aside for Classification III assets, and Classification I and II assets, the collectible portion, are secured by collateral, guarantees, or other means.
Substandard loans	This category is defined as claims on Borrowers Requiring Caution under self-assessment. This category comprises past due loans (three months or more) and restructured loans.
Normal assets	This category is defined as the term-end sum of loans, securities lending, import and export, accrued interest, suspense payments, customers’ liabilities for acceptances and guarantees, and bank-guaranteed bonds sold through private placements that are not included in the other three categories.

Problem Assets Based on the Financial Reconstruction Law and Risk-Monitored Loans				
Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law		Risk-monitored loans	
	Total loans	Other assets	Total loans	Other assets
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets		Bankrupt loans	(C)
Effectively Bankrupt Borrowers			Non-accrual loans	
Potentially Bankrupt Borrowers	Doubtful assets	Past due loans (3 months or more)		
Borrowers Requiring Caution	Substandard loans	Restructured loans		
	(Normal assets)			
Normal Borrowers				
		(A)	(B)	= (C)

Problem Asset Disclosure Amounts

The amounts of problem assets and risk-monitored loans, as of September 30, 2009, are shown in the table below. The balance of problem assets held by SMBC was ¥1,241.9

billion, an increase of ¥47.7 billion from the previous fiscal year-end amount of ¥1,194.2 billion.

◆ Problem Assets Based on the Financial Reconstruction Law (September 30, 2009)

(Billions of yen)

	SMBC (Nonconsolidated)	Compared with March 31, 2009	SMFG (Consolidated)
Bankrupt and quasi-bankrupt assets	¥ 289.0	¥ (30.6)	¥ 472.2
Doubtful assets	767.2	88.9	969.4
Substandard loans	185.7	(10.6)	281.0
Subtotal	¥ 1,241.9	¥ 47.7	¥ 1,722.6
Normal assets	64,242.2	(1,786.3)	70,357.5
Total	¥65,484.1	¥(1,738.6)	¥72,080.1
Amount of direct reduction	¥ 536.3		¥ 809.8

◆ Risk-Monitored Loans (September 30, 2009)

(Billions of yen)

	SMBC (Nonconsolidated)	Compared with March 31, 2009	SMFG (Consolidated)
Bankrupt loans	¥ 163.7	¥(32.4)	¥ 245.1
Non-accrual loans	827.7	83.0	1,132.4
Past due loans (3 months or more)	38.7	6.2	52.0
Restructured loans	147.0	(16.8)	220.4
Total	¥1,177.1	¥ 40.0	¥1,649.9
Amount of direct reduction	¥ 459.9		¥ 685.5

◆ Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs/Reserves (SMBC Nonconsolidated; September 30, 2009)

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law	Classification under self-assessment				Reserve for possible loan losses	Reserve ratio
		Classification I	Classification II	Classification III	Classification IV		
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥289.0	Portion of claims secured by collateral or guarantees, etc. (5) ¥263.3	Fully reserved ¥25.7	Direct write-offs (Note 1)	Specific reserve ¥31.0 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥767.2	Portion of claims secured by collateral or guarantees, etc. (6) ¥411.0	Necessary amount reserved ¥356.2		General reserve ¥285.6 (Note 2)	80.18% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥185.7	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥100.9			General reserve ¥48.3	57.19% (Note 3)	
	(Claims to substandard borrowers)					5.94% [10.90%] (Note 4)	13.14% (Note 3)
Normal Borrowers	Normal assets ¥64,242.2	Claims to normal borrowers			General reserve ¥463.1 (Note 5)	0.25% (Note 4)	
					Loan loss reserve for specific overseas countries ¥0.3		
Total (4) ¥65,484.1		NPL ratio (A) / (4) 1.90%		Total reserve for possible loan losses ¥780.0		Reserve ratio (B) / (D) 78.17% (Note 6)	
(A) = (1) + (2) + (3) ¥1,241.9		Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥775.2	Unsecured portion (D) = (A) - (C) ¥466.7	(B) Specific reserve + General reserve for substandard loans ¥364.9			
						Coverage ratio { (B) + (C) } / (A) 91.80%	

Notes: 1. Includes amount of direct reduction totaling ¥536.3 billion.

2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law. (Bankrupt/Effectively Bankrupt Borrowers: ¥5.3 billion; Potentially Bankrupt Borrowers: ¥13.6 billion)

3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution: The proportion of each category's total unsecured claims covered by the reserve for possible loan losses.

4. Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.

5. Includes amount of ¥6.0 billion allocated to the specific reserve for Borrowers Requiring Caution

6. Reserve ratio = (Specific reserve + General reserve for substandard loans) ÷ (Bankrupt and quasi-bankrupt assets + Doubtful assets + Substandard loans - Portion secured by collateral guarantees, etc.)

Off-Balancing Problem Assets

The off-balancing (also known as “final disposal”) of problem assets refers to the removal of such assets from SMBC's balance sheet by way of sale, direct write-offs, or other means.

SMBC off-balanced ¥289.7 billion in problem assets during the period under review.

◆ Breakdown of Off-Balancing (SMBC Nonconsolidated; September 30, 2009)

	March 31, 2008 ①	Fiscal 2008		March 31, 2009 ②	First half of fiscal 2009		September 30, 2009 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets	¥117.8	¥265.7	¥ (63.9)	¥319.6	¥ 51.7	¥ (82.3)	¥ 289.0
Doubtful assets	402.0	659.0	(382.7)	678.3	296.3	(207.4)	767.2
Total	¥519.8	¥924.7	¥(446.6)	¥997.9	¥348.0	¥(289.7)	¥1,056.2
				Increase/Decrease (②-①)			Increase/Decrease (③-②)
Bankrupt and quasi-bankrupt assets				¥201.8			¥(30.6)
Doubtful assets				276.3			88.9
Total				¥478.1			¥ 58.3

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 September 30, 2009, the Group held ¥0.1 billion in sub-prime related securitized products and ¥31.0 billion other than sub-prime related products after write-offs and provisions. Those figures exclude Government Sponsored

Enterprises (“GSE”) etc. The amount of loss on securitized products for the first half of fiscal 2009 was ¥0.1 billion for sub-prime related products and no amount of loss for other than sub-prime related products.

Sub-prime Related Products

(Billions of yen)

	September 30, 2009						March 31, 2009			Ratings of underlying assets, etc.
	Balances (after provisions and write-offs)	Change from Mar. 31, 2009	Overseas	Change from Mar. 31, 2009	Net unrealized gains/losses (after write-offs)	Change from Mar. 31, 2009	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)	
Investments to securitized products	¥0.1	¥(0.2)	¥0.1	¥(0.2)	¥—	¥—	¥0.3	¥0.3	¥—	Speculative ratings
Total	¥0.1	¥(0.2)	¥0.1	¥(0.2)	¥—	¥—	¥0.3	¥0.3	¥—	

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

(Billions of yen)

	September 30, 2009						March 31, 2009			Ratings of underlying assets, etc.
	Balances (after provisions and write-offs)	Change from Mar. 31, 2009	Overseas	Change from Mar. 31, 2009	Net unrealized gains/losses (after write-offs)	Change from Mar. 31, 2009	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)	
Cards	¥—	¥(4.1)	¥—	¥(4.1)	¥—	¥0.4	¥4.1	¥4.1	¥(0.4)	
CLO	3.2	(1.9)	3.2	(1.9)	0.0	1.1	5.1	5.1	(1.1)	
Senior	3.1	(1.9)	3.1	(1.9)	(0.3)	0.8	5.0	5.0	(1.1)	AAA
Equity	0.1	(0.0)	0.1	(0.0)	0.3	0.3	0.1	0.1	—	No ratings
CMBS	20.2	(0.6)	—	—	(0.4)	(0.2)	20.8	—	(0.2)	AAA~B
Investments to securitized products	23.4	(6.6)	3.2	(6.0)	(0.4)	1.3	30.0	9.2	(1.7)	
Warehousing loans, etc.	7.6	1.0	7.6	1.0	—	—	6.6	6.6	—	
Total	¥31.0	¥(5.6)	¥10.8	¥(5.0)	¥(0.4)	¥1.3	¥36.6	¥15.8	¥(1.7)	

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

2. 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.

3. 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.

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

5. Excludes GSE and SMBC’s exposure to subordinated beneficiaries owned through the securitization of SMBC’s loan receivables (see below).

<Reference 1>

Government Sponsored Enterprises etc.

(Billions of yen)

	September 30, 2009						March 31, 2009			Ratings, etc.
	Balances	Change from Mar. 31, 2009	Overseas	Change from Mar. 31, 2009	Net unrealized gains/losses	Change from Mar. 31, 2009	Balances	Overseas	Net unrealized gains/losses	
GSE etc.	¥54.0	¥(221.2)	¥54.0	¥(221.2)	¥(0.4)	¥(3.5)	¥275.2	¥275.2	¥3.1	AAA

Notes: 1. GSE etc. includes GNMA, FNMA and FHLMC. Besides RMBS, SMFG held bonds issued by GSEs (FNMA, FHLMC and Federal Home Loan Banks) of ¥183.4 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 gains on sales related to GSE etc. in the first half of fiscal 2009 was ¥2.9 billion.

<Reference 2>

Subordinated Beneficiaries in Securitization of SMBC’s Loans

(Billions of yen)

	September 30, 2009					March 31, 2009			
	Balances	Change from Mar. 31, 2009	Overseas	Sub-prime related	Reserve for possible loan losses	Balances	Overseas	Sub-prime related	Reserve for possible loan losses
Receivables of residential mortgage loans	¥253.1	¥2.3	¥—	¥—	¥—	¥250.8	¥—	¥—	¥—
Receivables of loans to corporations	6.9	(0.2)	—	—	2.7	7.1	—	—	1.5
Total	¥260.0	¥2.1	¥—	¥—	¥2.7	¥257.9	¥—	¥—	¥1.5

Notes: 1. No subsidiary other than SMBC has those subordinated beneficiaries mentioned above.

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

2. Transactions with Monoline Insurance Companies

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

(Billions of yen)

	September 30, 2009			March 31, 2009		September 30, 2009		March 31, 2009
	Net exposure	Change from Mar. 31, 2009	Reserve for possible loan losses	Net exposure	Reserve for possible loan losses	Amount of reference assets	Change from Mar. 31, 2009	Amount of reference assets
Exposure to CDS transactions with monoline insurance companies	¥42.2	¥(89.8)	¥1.9	¥132.0	¥5.0	¥487.8	¥(48.9)	¥536.7

Loans and Investments Guaranteed by Monoline Insurance Companies, etc.

(Billions of yen)

	September 30, 2009			March 31, 2009	
	Exposure	Change from Mar. 31, 2009	Reserve for possible loan losses	Exposure	Reserve for possible loan losses
Loans and investments guaranteed or insured by monoline insurance companies	¥14.7	¥2.4	¥0.0	¥12.3	¥0.0

Reference: In addition, we had ¥0.7 billion in commitment contracts (fully-drawn) to insurance companies with monoline insurance as group members.

3. Leveraged Loans

(Billions of yen)

	September 30, 2009					March 31, 2009		
	Loans	Change from Mar. 31, 2009	Undrawn commitments	Change from Mar. 31, 2009	Reserve for possible loan losses	Loans	Undrawn commitments	Reserve for possible loan losses
Europe	¥296.1	¥ (9.9)	¥ 32.8	¥ (1.4)	¥ 1.9	¥306.0	¥ 34.2	¥ 2.8
Japan	177.3	(2.6)	8.3	(20.9)	14.1	179.9	29.2	13.4
United States	133.7	(45.3)	64.2	(5.8)	3.1	179.0	70.0	4.1
Asia (excluding Japan)	80.0	1.2	5.2	1.3	0.1	78.8	3.9	2.3
Total	¥687.1	¥(56.6)	¥110.5	¥(26.8)	¥19.2	¥743.7	¥137.3	¥22.6

Notes: 1. Above figures include the amount to be sold of approximately ¥10 billion.
 In the first half of fiscal 2009, we sold leveraged loans of approximately ¥20 billion, and loss on the sale amounted to approximately ¥7 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

(Billions of yen)

Types of reference assets	September 30, 2009					March 31, 2009			Support for programs	
	Notional amount of reference assets	Change from Mar. 31, 2009	Overseas	Change from Mar. 31, 2009	Reserve for possible loan losses	Notional amount of reference assets	Overseas	Reserve for possible loan losses	Liquidity support	Credit support
Claims on corporations	¥390.2	¥(269.7)	¥163.1	¥(49.2)	¥—	¥659.9	¥212.3	¥—	Yes	Yes
Claims on financial institutions	18.1	(1.6)	18.1	(1.6)	—	19.7	19.7	—	Yes	Yes
Retail loan claims	20.5	(7.9)	20.5	(7.9)	—	28.4	28.4	—	Yes	Yes
Other claims	0.2	(0.4)	0.2	(0.4)	—	0.6	0.6	—	Yes	Yes
Total	¥429.0	¥(279.6)	¥201.9	¥(59.1)	¥—	¥708.6	¥261.0	¥—		

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 ¥51 billion.

5. Others

We have no securities issued by structured investment vehicles.

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Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

September 30, 2009 and 2008, and March 31, 2009	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2009	2008	2009	2009
Assets				
Cash and due from banks	¥ 2,936,596	¥ 3,643,014	¥ 3,800,890	\$ 32,549
Deposits with banks	1,949,697	2,148,245	1,440,804	21,610
Call loans and bills bought	893,872	785,543	633,655	9,908
Receivables under resale agreements	10,155	11,555	10,487	113
Receivables under securities borrowing transactions	1,313,881	394,967	1,820,228	14,563
Monetary claims bought	929,646	1,149,942	1,024,050	10,304
Trading assets	4,879,268	3,850,732	4,924,961	54,082
Money held in trust	9,177	8,983	8,985	102
Securities	28,355,428	21,795,888	28,698,164	314,292
Loans and bills discounted	64,556,160	63,477,758	65,135,319	715,542
Foreign exchanges	919,025	1,125,449	885,082	10,186
Lease receivables and investment assets	1,913,518	2,039,354	1,968,347	21,209
Other assets	4,265,791	4,071,695	4,257,251	47,282
Tangible fixed assets	1,032,632	988,508	1,008,801	11,446
Intangible fixed assets	365,906	361,608	361,884	4,056
Deferred tax assets	697,042	1,033,015	857,658	7,726
Customers' liabilities for acceptances and guarantees	3,589,763	5,047,411	3,878,504	39,789
Reserve for possible loan losses	(1,086,187)	(899,914)	(1,077,852)	(12,039)
Total assets	¥117,531,379	¥111,033,760	¥119,637,224	\$1,302,720

(Continued)

September 30, 2009 and 2008, and March 31, 2009	Millions of yen			Millions of U.S. dollars
	September 30	March 31	September 30	September 30
	2009	2008	2009	2009
Liabilities and net assets				
Liabilities				
Deposits	¥ 84,298,081	¥ 76,837,776	¥ 83,030,782	\$ 934,361
Call money and bills sold	2,962,996	2,263,875	2,499,113	32,842
Payables under repurchase agreements	1,092,568	995,644	778,993	12,110
Payables under securities lending transactions	2,935,045	4,029,144	7,589,283	32,532
Trading liabilities	3,479,169	2,301,836	3,597,658	38,563
Borrowed money	4,250,827	4,343,253	4,644,699	47,116
Foreign exchanges	216,545	325,254	281,145	2,400
Short-term bonds	1,060,264	792,000	1,019,342	11,752
Bonds	3,655,779	3,836,959	3,683,483	40,521
Due to trust account	111,667	106,932	60,918	1,238
Other liabilities	3,624,623	4,737,517	3,803,046	40,176
Reserve for employee bonuses	26,066	28,427	27,659	289
Reserve for executive bonuses	—	—	513	—
Reserve for employee retirement benefits	35,314	37,270	35,643	392
Reserve for executive retirement benefits	7,523	7,419	7,965	83
Reserve for reimbursement of deposits	9,600	7,818	11,767	106
Reserve under the special laws	358	432	432	4
Deferred tax liabilities	25,065	29,818	27,287	278
Deferred tax liabilities for land revaluation	47,151	47,218	47,217	523
Acceptances and guarantees	3,589,763	5,047,411	3,878,504	39,789
Total liabilities	111,428,411	105,776,012	115,025,460	1,235,075
Net assets				
Capital stock	1,851,389	1,420,877	1,420,877	20,521
Capital surplus	492,070	57,759	57,245	5,454
Retained earnings	1,347,826	1,761,220	1,245,085	14,939
Treasury stock	(124,054)	(124,240)	(124,024)	(1,375)
Total stockholders' equity	3,567,232	3,115,616	2,599,183	39,539
Net unrealized gains (losses) on other securities	468,762	463,137	(14,649)	5,196
Net deferred losses on hedges	(21,614)	(114,154)	(20,835)	(240)
Land revaluation excess	35,169	35,052	35,159	390
Foreign currency translation adjustments	(86,132)	(57,108)	(129,068)	(955)
Total valuation and translation adjustments	396,185	326,926	(129,394)	4,391
Stock acquisition rights	74	56	66	1
Minority interests	2,139,474	1,815,148	2,141,908	23,714
Total net assets	6,102,967	5,257,748	4,611,764	67,645
Total liabilities and net assets	¥117,531,379	¥111,033,760	¥119,637,224	\$1,302,720

See accompanying notes to interim consolidated financial statements.

Consolidated Statements of Operations (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2008	Year ended March 31 2009	Six months ended September 30 2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Income				
Interest income	¥ 858,852	¥1,116,721	¥2,087,348	\$ 9,520
Interest on loans and discounts	658,247	807,739	1,564,768	7,296
Interest and dividends on securities	126,234	182,855	299,616	1,399
Trust fees	540	1,268	2,122	6
Fees and commissions	321,694	345,903	672,752	3,565
Trading income	140,586	13,458	211,738	1,558
Other operating income	236,399	327,158	529,599	2,620
Other income	19,731	15,121	52,973	219
Total income	1,577,806	1,819,631	3,556,536	17,488
Expenses				
Interest expenses	175,688	438,206	748,894	1,947
Interest on deposits	98,407	228,772	374,359	1,091
Fees and commissions payments	62,165	61,903	115,574	689
Trading losses	—	13,800	—	—
Other operating expenses	254,194	222,468	473,212	2,818
General and administrative expenses	533,021	538,960	1,063,419	5,908
Provision for reserve for possible loan losses	112,330	133,930	402,807	1,245
Other expenses	210,329	219,805	723,131	2,331
Total expenses	1,347,729	1,629,076	3,527,040	14,938
Income before income taxes and minority interests	230,076	190,555	29,495	2,550
Income taxes:				
Current	64,943	46,433	72,238	720
Deferred	(14,720)	15,790	262,405	(163)
Minority interests in net income	56,313	45,051	68,308	624
Net income (loss)	¥ 123,540	¥ 83,281	¥ (373,456)	\$ 1,369

See accompanying notes to interim consolidated financial statements.

Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen		Millions of U.S. dollars	
	Six months ended September 30	Year ended March 31	Six months ended September 30	Year ended March 31
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Stockholders' equity				
Capital stock				
Balance at the end of the previous fiscal year	¥1,420,877	¥1,420,877	¥1,420,877	\$15,749
Changes in the period:				
Issuance of new shares	430,512	—	—	4,772
Net changes in the period	430,512	—	—	4,772
Balance at the end of the period	¥1,851,389	¥1,420,877	¥1,420,877	\$20,521
Capital surplus				
Balance at the end of the previous fiscal year	57,245	57,826	57,826	635
Changes in the period:				
Issuance of new shares	434,900	—	—	4,820
Disposal of treasury stock	(75)	(67)	(580)	(1)
Net changes in the period	434,825	(67)	(580)	4,819
Balance at the end of the period	¥ 492,070	¥ 57,759	¥ 57,245	\$ 5,454
Retained earnings				
Balance at the end of the previous fiscal year	1,245,085	1,740,610	1,740,610	13,800
Decrease in retained earnings at the beginning of the period due to accounting change of overseas subsidiaries	—	(3,132)	(3,132)	—
Changes in the period:				
Cash dividends	(20,793)	(59,431)	(118,833)	(230)
Net income (loss)	123,540	83,281	(373,456)	1,369
Increase due to increase in subsidiaries	3	2	19	0
Increase due to decrease in subsidiaries	0	6	8	0
Decrease due to increase in subsidiaries	(5)	(7)	(14)	(0)
Decrease due to decrease in subsidiaries	(0)	(0)	(1)	(0)
Reversal of land revaluation excess	(5)	(108)	(114)	(0)
Net changes in the period	102,740	23,742	(492,392)	1,139
Balance at the end of the period	¥1,347,826	¥1,761,220	¥1,245,085	\$14,939
Treasury stock				
Balance at the end of the previous fiscal year	(124,024)	(123,989)	(123,989)	(1,375)
Changes in the period:				
Purchase of treasury stock	(137)	(423)	(943)	(1)
Disposal of treasury stock	107	172	907	1
Net changes in the period	(29)	(251)	(35)	(0)
Balance at the end of the period	¥ (124,054)	¥ (124,240)	¥ (124,024)	\$ (1,375)
Total stockholders' equity				
Balance at the end of the previous fiscal year	2,599,183	3,095,324	3,095,324	28,809
Decrease in retained earnings at the beginning of the period due to accounting change of overseas subsidiaries	—	(3,132)	(3,132)	—
Changes in the period:				
Issuance of new shares	865,413	—	—	9,592
Cash dividends	(20,793)	(59,431)	(118,833)	(230)
Net income (loss)	123,540	83,281	(373,456)	1,369
Purchase of treasury stock	(137)	(423)	(943)	(1)
Disposal of treasury stock	32	105	326	0
Increase due to increase in subsidiaries	3	2	19	0
Increase due to decrease in subsidiaries	0	6	8	0
Decrease due to increase in subsidiaries	(5)	(7)	(14)	(0)
Decrease due to decrease in subsidiaries	(0)	(0)	(1)	(0)
Reversal of land revaluation excess	(5)	(108)	(114)	(0)
Net changes in the period	968,049	23,424	(493,008)	10,730
Balance at the end of the period	¥3,567,232	¥3,115,616	¥2,599,183	\$39,539

See accompanying notes to interim consolidated financial statements.

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2008	Year ended March 31 2009	Six months ended September 30 2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Valuation and translation adjustments				
Net unrealized gains (losses) on other securities				
Balance at the end of the previous fiscal year	¥ (14,649)	¥ 550,648	¥ 550,648	\$ (162)
Changes in the period:				
Net changes in items other than stockholders' equity in the period	483,412	(87,511)	(565,298)	5,358
Net changes in the period	483,412	(87,511)	(565,298)	5,358
Balance at the end of the period	¥ 468,762	¥ 463,137	¥ (14,649)	\$ 5,196
Net deferred losses on hedges				
Balance at the end of the previous fiscal year	(20,835)	(75,233)	(75,233)	(231)
Changes in the period:				
Net changes in items other than stockholders' equity in the period	(778)	(38,921)	54,397	(9)
Net changes in the period	(778)	(38,921)	54,397	(9)
Balance at the end of the period	¥ (21,614)	¥ (114,154)	¥ (20,835)	\$ (240)
Land revaluation excess				
Balance at the end of the previous fiscal year	35,159	34,910	34,910	390
Changes in the period:				
Net changes in items other than stockholders' equity in the period	9	141	248	0
Net changes in the period	9	141	248	0
Balance at the end of the period	¥ 35,169	¥ 35,052	¥ 35,159	\$ 390
Foreign currency translation adjustments				
Balance at the end of the previous fiscal year	(129,068)	(27,323)	(27,323)	(1,431)
Changes in the period:				
Net changes in items other than stockholders' equity in the period	42,936	(29,784)	(101,744)	476
Net changes in the period	42,936	(29,784)	(101,744)	476
Balance at the end of the period	¥ (86,132)	¥ (57,108)	¥ (129,068)	\$ (955)
Total valuation and translation adjustments				
Balance at the end of the previous fiscal year	(129,394)	483,002	483,002	(1,434)
Changes in the period:				
Net changes in items other than stockholders' equity in the period	525,579	(156,075)	(612,396)	5,825
Net changes in the period	525,579	(156,075)	(612,396)	5,825
Balance at the end of the period	¥ 396,185	¥ 326,926	¥ (129,394)	\$ 4,391
Stock acquisition rights				
Balance at the end of the previous fiscal year	66	43	43	1
Changes in the period:				
Net changes in items other than stockholders' equity in the period	8	12	22	0
Net changes in the period	8	12	22	0
Balance at the end of the period	¥ 74	¥ 56	¥ 66	\$ 1
Minority interests				
Balance at the end of the previous fiscal year	2,141,908	1,645,705	1,645,705	23,741
Changes in the period:				
Net changes in items other than stockholders' equity in the period	(2,434)	169,442	496,202	(27)
Net changes in the period	(2,434)	169,442	496,202	(27)
Balance at the end of the period	¥2,139,474	¥1,815,148	¥2,141,908	\$23,714
Total net assets				
Balance at the end of the previous fiscal year	4,611,764	5,224,076	5,224,076	51,117
Decrease in retained earnings at the beginning of the period due to accounting change of overseas subsidiaries	—	(3,132)	(3,132)	—
Changes in the period:				
Issuance of new shares	865,413	—	—	9,592
Cash dividends	(20,793)	(59,431)	(118,833)	(230)
Net income (loss)	123,540	83,281	(373,456)	1,369
Purchase of treasury stock	(137)	(423)	(943)	(1)
Disposal of treasury stock	32	105	326	0
Increase due to increase in subsidiaries	3	2	19	0
Increase due to decrease in subsidiaries	0	6	8	0
Decrease due to increase in subsidiaries	(5)	(7)	(14)	(0)
Decrease due to decrease in subsidiaries	(0)	(0)	(1)	(0)
Reversal of land revaluation excess	(5)	(108)	(114)	(0)
Net changes in items other than stockholders' equity in the period	523,154	13,379	(116,171)	5,798
Net changes in the period	1,491,203	36,804	(609,180)	16,528
Balance at the end of the period	¥6,102,967	¥5,257,748	¥4,611,764	\$67,645

See accompanying notes to interim consolidated financial statements.

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009				
	2009	2008	2009	
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 230,076	¥ 190,555	¥ 29,495	\$ 2,550
Depreciation	63,449	58,235	123,025	703
Losses on impairment of fixed assets	1,763	1,331	7,363	20
Amortization of goodwill.....	9,037	6,285	8,388	100
Equity in losses of affiliates	20,042	6,138	94,876	222
Net change in reserve for possible loan losses	31,386	6,043	191,190	348
Net change in reserve for employee bonuses	(1,007)	(169)	102	(11)
Net change in reserve for executive bonuses	(513)	(1,171)	(630)	(6)
Net change in reserve for employee retirement benefits.....	1,764	529	2,273	20
Net change in reserve for executive retirement benefits	(475)	(528)	58	(5)
Net change in reserve for reimbursement of deposits	(2,167)	(2,598)	1,350	(24)
Interest income	(858,852)	(1,116,721)	(2,087,348)	(9,520)
Interest expenses	175,688	438,206	748,894	1,947
Net (gains) losses on securities.....	(35,140)	22,916	155,831	(389)
Net (gains) losses from money held in trust	71	(73)	134	1
Net exchange losses	162,524	79,578	184,195	1,801
Net (gains) losses from disposal of fixed assets	(9,014)	686	10,847	(100)
Net change in trading assets.....	103,515	235,921	(912,601)	1,147
Net change in trading liabilities.....	(173,608)	(335,661)	1,028,101	(1,924)
Net change in loans and bills discounted	942,489	(1,614,687)	(3,439,852)	10,447
Net change in deposits	414,421	863,036	3,031,427	4,593
Net change in negotiable certificates of deposit	874,292	174,126	4,384,033	9,691
Net change in borrowed money (excluding subordinated borrowings) ...	(392,066)	63,808	475,829	(4,346)
Net change in deposits with banks	(521,488)	131,845	764,080	(5,780)
Net change in call loans and bills bought and others	(139,234)	160,603	409,341	(1,543)
Net change in receivables under securities borrowing transactions	506,347	1,545,202	119,941	5,612
Net change in call money and bills sold and others	770,214	(1,209,619)	(1,186,720)	8,537
Net change in payables under securities lending transactions.....	(4,654,237)	(1,702,897)	1,857,241	(51,588)
Net change in foreign exchanges (assets)	(37,906)	(230,208)	2,261	(420)
Net change in foreign exchanges (liabilities)	(64,836)	24,004	(19,280)	(719)
Net change in lease receivables and investment assets.....	125,969	(218)	46,904	1,396
Net change in short-term bonds (liabilities)	40,921	16,900	244,242	454
Issuance and redemption of bonds (excluding subordinated bonds)	(76,950)	(95,369)	(283,810)	(853)
Net change in due to trust account.....	50,748	26,136	(19,878)	563
Interest received.....	900,996	1,124,780	2,132,561	9,987
Interest paid.....	(181,357)	(424,919)	(765,686)	(2,010)
Other, net.....	(1,095,415)	(32,672)	137,137	(12,142)
Subtotal	(2,818,554)	(1,590,644)	7,475,320	(31,241)
Income taxes paid	(31,796)	(39,584)	(107,266)	(352)
Net cash provided by (used in) operating activities	(2,850,350)	(1,630,228)	7,368,053	(31,593)

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2008	Year ended March 31 2009	Six months ended September 30 2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Cash flows from investing activities:				
Purchases of securities	¥(23,171,622)	¥(21,349,839)	¥(53,213,459)	\$(256,835)
Proceeds from sale of securities	16,187,876	16,455,015	34,674,690	179,427
Proceeds from maturity of securities	8,304,496	7,584,824	12,176,246	92,047
Purchases of money held in trust	(238)	(1,778)	(2,135)	(3)
Proceeds from sale of money held in trust	—	0	0	—
Purchases of tangible fixed assets	(82,527)	(100,698)	(175,632)	(915)
Proceeds from sale of tangible fixed assets	25,663	8,389	12,081	285
Purchases of intangible fixed assets	(35,692)	(38,625)	(74,489)	(396)
Proceeds from sale of intangible fixed assets	53	31	58	1
Purchases of stocks of subsidiaries	—	(21,925)	(21,925)	—
Proceeds from sale of stocks of subsidiaries	—	363	363	—
Purchases of treasury stocks of subsidiaries	—	(20,000)	(20,000)	—
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	—	—	355	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(27,153)	(6,352)	(8,675)	(301)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	—	1,725	13,264	—
Net cash provided by (used in) investing activities	1,200,855	2,511,133	(6,639,254)	13,310
Cash flows from financing activities:				
Proceeds from issuance of subordinated borrowings	—	—	5,000	—
Repayment of subordinated borrowings	(58,000)	(20,500)	(92,500)	(643)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	251,160	149,600	380,600	2,784
Repayment of subordinated bonds and bonds with stock acquisition rights	(181,220)	(180,885)	(316,874)	(2,009)
Proceeds from issuance of stocks	856,496	—	—	9,493
Dividends paid	(20,822)	(59,396)	(118,758)	(231)
Proceeds from contributions paid by minority stockholders	343,000	376,319	1,046,529	3,802
Repayment to minority stockholders	(340,000)	(186,534)	(460,564)	(3,768)
Dividends paid to minority stockholders	(47,664)	(49,990)	(90,162)	(528)
Purchases of treasury stock	(137)	(423)	(943)	(1)
Proceeds from disposal of treasury stock	32	105	326	0
Net cash provided by financing activities	802,845	28,294	352,652	8,899
Effect of exchange rate changes on cash and due from banks	(236)	(2,936)	(17,315)	(3)
Net change in cash and due from banks	(846,885)	906,261	1,064,136	(9,387)
Cash and due from banks at the beginning of the period	3,800,890	2,736,752	2,736,752	42,129
Change in cash and due from banks due to merger of consolidated subsidiary	(17,407)	—	—	(193)
Change in cash and due from banks due to newly consolidated subsidiaries	—	0	0	—
Cash and due from banks at the end of the period	¥ 2,936,596	¥ 3,643,014	¥ 3,800,890	\$ 32,549

See accompanying notes to interim consolidated financial statements.

Notes to Interim Consolidated Financial Statements (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Six months ended September 30, 2009

I. Significant Accounting Policies

1. Scope of consolidation

(1) Consolidated subsidiaries: 293 companies

Principal companies:

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

Changes in the consolidated subsidiaries in the six months ended September 30, 2009 are as follows:

21 companies including Sumitomo Mitsui Banking Corporation (China) Limited were newly consolidated due mainly to an establishment.

12 companies including QUOQ Inc. were excluded from the scope of consolidation because they were no longer subsidiaries due mainly to merger.

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

(2) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

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

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial, and as such, they do not hinder a rational judgment of the financial position and results of operations of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) when excluded from the scope of consolidation.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method: 4 companies

Principal company:

SBCS Co., Ltd.

(2) Affiliates accounted for by the equity method: 76 companies

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited

Promise Co., Ltd.

Cedyna Financial Corporation

Daiwa Securities SMBC Co. Ltd.

Daiwa SMBC Capital Co., Ltd.

Daiwa SB Investments Ltd.

Sumitomo Mitsui Asset Management Company, Limited

Changes in the affiliates accounted for by the equity method in the six months ended September 30, 2009 are as follows:

QUOQ Business Support Inc. was excluded from the scope of consolidated subsidiaries and became an affiliated company accounted for by the equity method due to a decrease in shareholding ratio. Other 8 companies became affiliated companies accounted for by the equity method due to acquisition of shares.

AJCC CORPORATION was excluded from the scope of affiliated companies accounted for by the equity method because it became a consolidated subsidiary due to an increase in shareholding ratio. 7 companies including Central Finance Co., Ltd. were also excluded due mainly to merger.

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

219 subsidiaries including SMLC MAHOGANY CO., LTD. are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have not been accounted for by the equity method pursuant to Article 7, Paragraph 1, Item 2 of the Interim Consolidated Financial Statements Regulations.

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

3. The interim balance sheet dates of consolidated subsidiaries

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

September 30, 2009	
November 30.....	1
December 31	4
January 31	2
March 31	6
April 30.....	2
May 31	4
June 30.....	129
July 31	17
August 31	8
September 30.....	120

(2) The financial statements of subsidiaries with interim balance sheets dated November 30, December 31, January 31, March 31 and May 31 are consolidated after the accounts are provisionally closed as of September 30 for the purpose of consolidation. The financial statements of subsidiaries with interim balance sheets dated April 30 are consolidated after the accounts are provisionally closed as of July 31 or September 30. For certain subsidiaries with interim balance sheets dated June 30 and July 31, financial statements are consolidated based on the provisional financial statements closed as of September 30. Other subsidiaries are consolidated on the basis of their respective interim balance sheet dates.

Appropriate adjustments are made for material transactions during the periods between their respective interim balance sheet dates and interim consolidated balance sheet dates.

(3) Special purpose entities

(a) Outline of special purpose entities and transactions

SMBC provides loans, credit lines and liquidity lines to 13 special purpose entities (“SPEs”) for their funding needs and issuing of commercial paper. The SPEs are engaged in purchases of monetary claims such as receivables from SMBC customers and incorporated under the laws of the Cayman Islands or as intermediate corporations with limited liabilities. SMBC has no voting rights in the SPEs and sends no directors or employees. Accordingly, SMFG does not consolidate these SPEs.

The combined assets and liabilities of the 13 SPEs as of their most recent closing dates of September 2009 were ¥2,874,012 million (\$31,856 million) and ¥2,874,287 million (\$31,859 million), respectively.

(b) Principal transactions with the SPEs as of and for the six months ended September 30, 2009

September 30, 2009	Millions of yen	Millions of U.S. dollars
Loans and bills discounted	¥1,635,735	\$18,131
Credit lines	534,194	5,921
Liquidity lines	297,386	3,296

Six months ended September 30, 2009	Millions of yen	Millions of U.S. dollars
Interest on loans and discounts	¥9,015	\$100
Fees and commissions	1,129	13

4. Accounting methods

(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 interim consolidated balance sheet on a trade date basis. Income and losses on trading-purpose transactions are recognized on a trade date basis and recorded as “Trading income” and “Trading losses.”

Securities and monetary claims purchased for trading purposes are stated at the interim period-end fair value, and

financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated on the interim consolidated balance sheet date.

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

(2) Standards for recognition and measurement of securities

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

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

Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as “other securities” (available-for-sale securities). Stocks (including foreign stocks) in other securities that have market prices are carried at their average market prices during the final month of the interim period, and bonds and others that have market prices are carried at their interim period-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities with no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in “Net assets.”

(b) Securities included in money held in trust are carried using the same method used for securities mentioned above.

(3) Standards for recognition and measurement of derivative transactions

Derivative transactions, other than those classified as trading derivatives, are carried at fair value, with revaluation gain or loss included in the income or loss, unless they are designated as effective hedging instruments.

(4) Depreciation

(a) Tangible fixed assets

Tangible fixed assets owned by SMFG and SMBC are depreciated using the straight-line method over the estimated useful lives of the respective assets. Others are depreciated using the declining-balance method. The depreciation cost for the interim period is calculated by proportionally allocating the estimated annual cost to the interim period. The estimated useful lives of major items are as follows:

- Buildings: 7 to 50 years
- Others: 2 to 20 years

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

(b) Intangible fixed assets

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

(c) Lease assets

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

(5) Reserve for possible loan losses

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

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

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

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

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

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

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the Credit Review Department, independent from these operating sections, reviews their assessment. The reserves are provided for based on the results of these assessments.

The reserve for possible loan losses of other consolidated

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

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was ¥809,835 million (\$8,976 million) at September 30, 2009.

(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 interim period.

(7) Reserve for employee retirement benefits

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

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

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

(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 interim period-end based on the internal regulations.

(9) Reserve for reimbursement of deposits

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

(10) Reserve under the special laws

The reserve under the special laws is a reserve for eventual future operating losses from financial instruments transactions pursuant to Articles 46-5 and 48-3 of the Financial Instruments and Exchange Act.

(11) Translation of foreign currency assets and liabilities

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

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

(12) Lease transactions

(a) Recognition of income on finance leases

Interest income is allocated to each period.

(b) Recognition of income on operating leases

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

(c) Recognition of income and expenses on installment sales

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

(13) Hedge accounting

(a) Hedging against interest rate changes

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

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

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

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

As a result of the application of JICPA Industry Audit Committee Report No. 24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using "macro hedge," which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to "Interest income" or "Interest expenses" over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. Gross amounts of deferred hedge losses and gains on "macro hedge" (before deducting tax effect) at September 30, 2009 were ¥4,206 million (\$47 million) and ¥3,567 million (\$40 million), respectively.

(b) Hedging against currency fluctuations

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

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

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

(c) Transactions between consolidated subsidiaries

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

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

(14) Consumption tax

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

(15) Tax effect accounting

On the premise that transfer to and from the reserve for losses on overseas investments will be conducted through appropriation of retained earnings (deficit) at the end of the fiscal year of SMFG and its consolidated domestic subsidiaries, current and deferred income taxes are recorded in the amount corresponding to the interim consolidated period.

(16) Amortization of goodwill

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

(17) Issuance of new shares

On June 22, 2009, SMFG issued 219,700 thousand new shares of common stock at ¥3,766 per share (issue price) for final allocation by underwriters at ¥3,928 per share (offer price). Furthermore, in connection with the over-allotment of 15,300 thousand shares of common stock offered for sale at ¥3,928 per share (sales price) in the public offering, SMFG issued 8,931 thousand new shares of common stock at ¥3,766 per share (issue price) through third-party allocation to the underwriter who conducted the over-allotment on July 27, 2009. The purchase agreement for the offering prescribes that the total amount of issue price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, other expenses do not include the amount equivalent to the underwriting commission for the offering in the amount of ¥37,038 million. Out of the issue price per share, ¥1,883 is accounted for as capital stock and ¥1,883 as capital surplus.

Equity of ¥4,387 million attributable to SMFG, which a consolidated subsidiary and an equity method affiliated company of SMFG recorded as earnings under the purchase agreement for the offering, was accounted for as "Capital surplus."

5. Statements of cash flows

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

6. Others

Amounts less than one million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at September 30, 2009, which was ¥90.22 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.

II. Notes to Consolidated Balance Sheet

1. Securities include ¥490,709 million (\$5,439 million) of stocks of unconsolidated subsidiaries and affiliates and ¥5,816 million (\$64 million) of investments.
2. Japanese government bonds as sub-accounts of Securities include ¥33,565 million (\$372 million) of unsecured loaned securities for which borrowers have the right to sell or pledge.

As for the unsecured borrowed securities for which SMBC has the right to sell or pledge and the securities which SMBC purchased under resale agreements and borrowed with cash collateral, that are permitted to be sold or pledged without restrictions, ¥1,201,607 million (\$13,319 million) of securities are pledged, and ¥126,387 million (\$1,401 million) of securities are held in hand as of the interim consolidated balance sheet date.

3. Bankrupt loans and Non-accrual loans were ¥245,109 million (\$2,717 million) and ¥1,132,394 million (\$12,551 million), respectively.

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

"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) totaled ¥51,983 million (\$576 million).

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

5. Restructured loans totaled ¥220,384 million (\$2,443 million).

"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. The total amount of "Bankrupt loans," "Non-accrual loans," "Past due loans (3 months or more)" and "Restructured loans" was ¥1,649,873 million (\$18,287 million).

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

7. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value was ¥533,069 million (\$5,909 million).

8. Assets pledged as collateral were as follows:

September 30, 2009	Millions of yen	Millions of U.S. dollars
Assets pledged as collateral:		
Cash and due from banks and		
Deposits with banks.....	¥ 223,777	\$ 2,480
Call loans and bills bought.....	198,937	2,205
Monetary claims bought.....	1,834	20
Trading assets	910,516	10,092
Securities	4,786,414	53,053
Loans and bills discounted.....	2,775,843	30,767
Lease receivables and		
investment assets.....	32,291	358
Tangible fixed assets	17,326	192
Other assets (installment account		
receivable, etc.)	2,430	27
Liabilities corresponding to		
assets pledged as collateral:		
Deposits.....	25,171	279
Call money and bills sold	1,504,590	16,677
Payables under repurchase		
agreements.....	1,047,080	11,606
Payables under securities		
lending transactions	2,909,465	32,249
Trading liabilities	403,073	4,468
Borrowed money	1,792,122	19,864
Other liabilities.....	13,760	153
Acceptances and guarantees.....	121,859	1,351

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, variation margins of futures market transactions and certain other purposes at September 30, 2009:

September 30, 2009	Millions of yen	Millions of U.S. dollars
Cash and due from banks and		
Deposits with banks.....	¥ 24,118	\$ 267
Trading assets	98,518	1,092
Securities	12,994,550	144,032
Loans and bills discounted	1,930,012	21,392

At September 30, 2009, other assets included surety deposits of ¥86,798 million (\$962 million) and variation margins of futures market transactions of ¥8,695 million (\$96 million).

9. 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 amount of unused commitments at September 30, 2009 was ¥41,975,553 million (\$465,258 million), and the amount of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time at September 30, 2009 was ¥36,251,251 million (\$401,809 million).

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. SMBC and another consolidated subsidiary revaluated their own land for business activities in accordance with the "Law Concerning Land Revaluation" (the "Law") effective March 31, 1998 and the law concerning amendment of the Law effective March 31, 2001. The income taxes corresponding to the net unrealized gains are reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

A certain affiliate revaluated its own land for business activities in accordance with the Law. 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 Law)

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 the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance No. 119) effective 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 the Enforcement Ordinance No. 119.

11. Accumulated depreciation on tangible fixed assets amounted to ¥634,004 million (\$7,027 million).
12. The balance of subordinated borrowings included in "Borrowed money" was ¥378,000 million (\$4,190 million).
13. The balance of subordinated bonds included in "Bonds" was ¥2,330,453 million (\$25,831 million).
14. The amount guaranteed by banking subsidiaries to privately placed bonds (stipulated by Article 2-3 of Financial Instruments and Exchange Act) in "Securities" was ¥2,218,942 million (\$24,595 million).

III. Notes to Consolidated Statement of Operations

1. "Other income" included gains on sale of stocks and other securities of ¥4,325 million (\$48 million), gains on disposal of fixed assets of ¥10,294 million (\$114 million) and gains on recoveries of written-off claims of ¥526 million (\$6 million).
2. "Other expenses" included write-off of loans of ¥118,308 million (\$1,311 million), losses on devaluation of stocks and other securities of ¥10,597 million (\$117 million), losses on sale of delinquent loans of ¥23,914 million (\$265 million), equity in losses of affiliates of ¥20,042 million (\$222 million), losses on impairment of fixed assets of ¥1,763 million (\$20 million) and losses on disposal of fixed assets of ¥1,279 million (\$14 million).

3. The difference between the recoverable amount and the book value of the following assets is recognized as “Losses on impairment of fixed assets” and included in “Other expenses” in the interim period.

Six months ended September 30, 2009

Area	Purpose of use	Type	Millions of yen	Millions of U.S. dollars
Tokyo metropolitan area...	Branch (1 branch)	Land and buildings, etc.	¥ 13	\$ 0
	Corporate assets (1 item)		17	0
	Idle assets (23 items)		403	5
Kinki area.....	Idle assets (22 items)	Land and buildings, etc.	1,107	12
Other	Idle assets (9 items)	Land and buildings, etc.	222	3

At SMBC, a branch, which continuously manages and determines its income and expenses, is the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Assets such as corporate headquarters facilities, training

facilities, data and system centers, and health and recreational facilities which do not produce cash flows that can be attributed to individual assets are treated as corporate assets. As for idle assets, impairment loss is measured individually. At other consolidated subsidiaries, a branch or other group is the smallest asset grouping unit as well.

SMBC and other subsidiaries reduced the carrying amounts of long-lived assets of which investments are not expected to be fully recovered to their recoverable amounts, and recognized the losses as “losses on impairment of fixed assets,” which is included in “Other expenses.” SMBC reduced the carrying amounts of corporate assets and idle assets, and other consolidated subsidiaries reduced the carrying amounts of long-lived assets 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.

IV. Notes to Consolidated Statement of Changes in Net Assets

1. Type and number of shares issued and treasury shares

Six months ended September 30, 2009	Number of shares			September 30, 2009
	March 31, 2009	Increase	Decrease	
Shares issued				
Common stock	789,080,477	228,631,300*1	—	1,017,711,777
Preferred stock (1st series Type 4).....	4,175	—	—	4,175
Preferred stock (2nd series Type 4)	4,175	—	—	4,175
Preferred stock (3rd series Type 4).....	4,175	—	—	4,175
Preferred stock (4th series Type 4).....	4,175	—	—	4,175
Preferred stock (9th series Type 4).....	4,175	—	—	4,175
Preferred stock (10th series Type 4).....	4,175	—	—	4,175
Preferred stock (11th series Type 4).....	4,175	—	—	4,175
Preferred stock (12th series Type 4).....	4,175	—	—	4,175
Preferred stock (1st series Type 6).....	70,001	—	—	70,001
Total	789,183,878	228,631,300	—	1,017,815,178
Treasury shares				
Common stock	17,028,466	36,845*2	9,159*2	17,056,152
Total	17,028,466	36,845	9,159	17,056,152

*1 Increase in number of common shares issued:

- 219,700,000 shares due to issuance of new shares by way of public offering on June 22, 2009
- 8,931,300 shares due to issuance of new shares by way of third-party allotment on July 27, 2009

*2 Increase in number of treasury common shares:

- 36,845 shares due to purchase of fractional shares

Decrease in number of treasury common shares:

- 9,159 shares due to sale of fractional shares

2. Information on stock acquisition rights

Six months ended September 30, 2009	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of U.S. dollars	
			March 31, 2009	Increase	Decrease	September 30, 2009	September 30, 2009
SMFG	Stock options	—	—	—	—	¥—	\$—
Consolidated subsidiary	—	—	—	—	—	74	1
Total						¥74	\$ 1

3. Information on dividends

(1) Dividends paid in the six months ended September 30, 2009

Type of shares	Millions of yen	Yen
	Cash dividends	Cash dividends per share
Common stock	¥15,707	¥ 20
Preferred stock (1st series Type 4).....	281	67,500
Preferred stock (2nd series Type 4)	281	67,500
Preferred stock (3rd series Type 4)	281	67,500
Preferred stock (4th series Type 4)	281	67,500
Preferred stock (9th series Type 4)	281	67,500
Preferred stock (10th series Type 4)	281	67,500
Preferred stock (11th series Type 4)	281	67,500
Preferred stock (12th series Type 4)	281	67,500
Preferred stock (1st series Type 6).....	3,097	44,250

Notes: 1. The date of the resolution of the ordinary general meeting of shareholders was June 26, 2009.

2. The record date of all types of stock was March 31, 2009.

3. The effective date of all types of stock was June 26, 2009.

(2) Dividends to be paid in the second half of the fiscal year ending March 31, 2010

Type of shares	Source of dividends	Millions of yen	Yen
		Cash dividends	Cash dividends per share
Common stock.....	Retained earnings	¥45,629	¥ 45
Preferred stock (1st series Type 4).....	Retained earnings	281	67,500
Preferred stock (2nd series Type 4).....	Retained earnings	281	67,500
Preferred stock (3rd series Type 4)	Retained earnings	281	67,500
Preferred stock (4th series Type 4)	Retained earnings	281	67,500
Preferred stock (9th series Type 4)	Retained earnings	281	67,500
Preferred stock (10th series Type 4)	Retained earnings	281	67,500
Preferred stock (11th series Type 4)	Retained earnings	281	67,500
Preferred stock (12th series Type 4)	Retained earnings	281	67,500
Preferred stock (1st series Type 6).....	Retained earnings	3,097	44,250

Notes: 1. The date of the resolution of the meeting of the Board of Directors was November 13, 2009.

2. The record date of all types of stock was September 30, 2009.

3. The effective date of all types of stock was December 4, 2009.

V. Lease Transactions

1. Financing leases

(1) Lessee side

(a) Lease assets

Tangible fixed assets mainly consisted of branches and equipment. Intangible fixed assets are software.

(b) Depreciation method of lease assets

Depreciation method of lease assets is reported in Note I. 4. (4) Depreciation.

(2) Lessor side

(a) Breakdown of lease investment assets

September 30, 2009	Millions of yen	Millions of U.S. dollars
Lease receivables	¥1,426,508	\$15,811
Residual value	105,249	1,167
Unearned interest income	(245,894)	(2,725)
Total	¥1,285,862	\$14,253

(b) The scheduled collections of lease receivables and investment assets are as follows:

Lease payments receivable related to lease receivables

September 30, 2009	Millions of yen	Millions of U.S. dollars
Within 1 year	¥243,031	\$2,694
More than 1 year to 2 years	175,763	1,948
More than 2 years to 3 years	109,427	1,213
More than 3 years to 4 years	77,085	854
More than 4 years to 5 years	36,809	408
More than 5 years	61,328	680
Total	¥703,444	\$7,797

Lease payments receivable related to investment assets

September 30, 2009	Millions of yen	Millions of U.S. dollars
Within 1 year	¥ 439,785	\$ 4,875
More than 1 year to 2 years	321,542	3,564
More than 2 years to 3 years	231,046	2,561
More than 3 years to 4 years	165,667	1,836
More than 4 years to 5 years	87,896	974
More than 5 years	180,570	2,001
Total	¥1,426,508	\$15,811

(c) Non-transfer ownership finance leases, which commenced in fiscal years beginning before April 1, 2008, are valued at their appropriate book value, net of accumulated depreciation, as of March 31, 2008, and recorded as the beginning balance of fiscal 2008 of "Lease receivables and investment assets."

Moreover, interest on such non-transfer ownership finance leases during the remaining term of the leases is allocated over the lease term using the straight-line method.

As a result of this accounting treatment, "Income before income taxes and minority interests" for the six months ended September 30, 2009 was ¥8,975 million (\$99 million) more than it would have been if such transactions had been treated in a similar way to sales of the underlying assets.

2. Operating leases

(1) Lessee side

Future minimum lease payments on operating leases which were not cancelable at September 30, 2009 were as follows:

September 30, 2009	Millions of yen	Millions of U.S. dollars
Due within 1 year	¥14,656	\$163
Due after 1 year	50,638	561
Total	¥65,295	\$724

(2) Lessor side

Future minimum lease payments on operating leases which were not cancelable at September 30, 2009 were as follows:

September 30, 2009	Millions of yen	Millions of U.S. dollars
Due within 1 year	¥ 21,612	\$ 239
Due after 1 year	105,003	1,164
Total	¥126,616	\$1,403

Future lease payments receivable on operating leases which were not cancelable amounting to ¥1,375 million (\$15 million) on the lessor side were pledged as collateral for borrowings.

VI. Fair Value Information

1. Securities

The amounts shown in the following tables include negotiable certificates of deposit bought classified as “Deposits with banks,” and beneficiary claims on loan trusts classified as “Monetary claims bought,” in addition to “Securities” stated in the interim consolidated balance sheets.

(1) Bonds classified as held-to-maturity with fair value

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Japanese government bonds.....	¥2,391,671	¥2,437,413	¥45,741	\$26,509	\$27,016	\$507
Japanese local government bonds	121,019	123,581	2,562	1,341	1,370	29
Japanese corporate bonds.....	405,936	412,813	6,876	4,500	4,576	76
Other	7,684	7,533	(151)	85	83	(2)
Total	¥2,926,313	¥2,981,342	¥55,028	\$32,435	\$33,045	\$610

Note: Fair value is calculated using market prices at the interim period-end.

(2) Other securities with fair value

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)
Stocks	¥ 1,975,255	¥ 2,503,079	¥527,824	\$ 21,894	\$ 27,744	\$5,850
Bonds.....	14,486,839	14,550,133	63,294	160,572	161,274	702
Japanese government bonds.....	13,850,164	13,908,090	57,925	153,515	154,157	642
Japanese local government bonds ...	199,568	201,521	1,953	2,212	2,234	22
Japanese corporate bonds.....	437,106	440,521	3,415	4,845	4,883	38
Other	3,773,966	3,787,459	13,493	41,831	41,981	150
Total	¥20,236,061	¥20,840,673	¥604,611	\$224,297	\$230,999	\$6,702

Notes: 1. Interim consolidated balance sheet amount is calculated as follows:

Stocks (including foreign stocks): Average market prices during one month before the interim period-end

Bonds and other: Market prices at the interim period-end or fair value based on the DCF method on certain Japanese government bonds

2. Floating-rate Japanese government bonds which SMFG held as “Other securities — AFS securities” have been carried at their reasonably estimated amounts in accordance with the “Practical Solution on Measurement of Fair Value of Financial Assets” (ASBJ Practical Issues Task Force No. 25).

SMFG has rationally calculated the fair values of floating-rate Japanese government bonds by discounting future cash flows estimated from their yields and other factors, using discount rates determined based on their yields. Yield and volatility are the main parameters for calculating the fair value.

3. Other securities with fair value are considered as impaired if the fair value declines materially below the acquisition cost and such decline is not considered as recoverable. In such a case, the fair value is recognized as the interim consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the period. Valuation loss for the interim period was ¥2,520 million (\$28 million). The rule for determining “material decline” is as follows and is based on the classification of issuers under self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers: Fair value is lower than acquisition cost.

Issuers requiring caution: Fair value is 30% or more lower than acquisition cost.

Normal issuers: Fair value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.

Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.

Issuers requiring caution: Issuers that are identified for close monitoring.

Normal issuers: Issuers other than the above four categories of issuers.

(3) Securities with no available market value

September 30, 2009	Millions of yen	Millions of U.S. dollars
	Consolidated balance sheet amount	Consolidated balance sheet amount
Bonds classified as held-to-maturity:		
Beneficiary claims on accounts receivable, etc.	¥ 16,188	\$ 179
Other securities:		
Unlisted stocks (excluding OTC stocks).....	325,285	3,605
Unlisted bonds	2,903,498	32,182
Unlisted foreign securities	732,798	8,122
Other.....	621,792	6,892

2. Money held in trust

(1) Money held in trust classified as held-to-maturity

There are no corresponding transactions.

(2) Other money held in trust

September 30, 2009	Millions of yen	Millions of U.S. dollars
Acquisition cost	¥7,890	\$87
Consolidated balance sheet amount	7,717	85
Net unrealized gains (losses)	(172)	(2)

Note: Interim consolidated balance sheet amount is calculated using market prices at the interim period-end.

3. Net unrealized gains on other securities and other money held in trust

September 30, 2009	Millions of yen	Millions of U.S. dollars
Net unrealized gains	¥603,233	\$6,686
Other securities	603,405	6,688
Other money held in trust	(172)	(2)
(-) Deferred tax liabilities	164,562	1,824
Net unrealized gains on other securities (before adjustment)	438,670	4,862
(-) Minority interests	5,398	60
(+) SMFG's interest in net unrealized gains on valuation of other securities held by affiliates accounted for by the equity method	35,490	394
Net unrealized gains on other securities	¥468,762	\$5,196

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

4. Derivative transactions

(1) Interest rate derivatives

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Contract amount	Fair value	Valuation gains (losses)	Contract amount	Fair value	Valuation gains (losses)
Listed:						
Interest rate futures	¥ 48,707,503	¥ 6,188	¥ 6,188	\$ 539,875	\$ 69	\$ 69
Interest rate options	631,540	40	40	7,000	0	0
Over-the-counter:						
Forward rate agreements	22,968,000	616	616	254,578	7	7
Interest rate swaps	377,219,181	152,331	152,331	4,181,104	1,688	1,688
Interest rate swaptions	4,555,154	6,162	6,162	50,489	68	68
Caps	41,006,963	(7,087)	(7,087)	454,522	(78)	(78)
Floors	6,789,459	(9,732)	(9,732)	75,254	(108)	(108)
Other	3,990,673	73,219	73,219	44,233	812	812
Total	/	¥221,738	¥221,738	/	\$2,458	\$2,458

Note: The transactions above are valued at fair value and the valuation gains (losses) are accounted for in the interim consolidated statements of operations. Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

(2) Currency derivatives

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Contract amount	Fair value	Valuation gains (losses)	Contract amount	Fair value	Valuation gains (losses)
Over-the-counter:						
Currency swaps	¥23,224,715	¥(220,728)	¥ 58,717	\$257,423	\$(2,447)	\$ 651
Currency swaptions	1,781,424	18,278	18,278	19,745	203	202
Forward foreign exchange	35,234,842	179,615	179,615	390,544	1,991	1,991
Currency options	7,733,653	93,736	93,736	85,720	1,039	1,039
Total	/	¥ 70,901	¥350,347	/	\$ 786	\$3,883

Note: The transactions above are valued at fair value and the valuation gains (losses) are accounted for in the interim consolidated statements of operations. The amounts above do not include the following:

- Derivative transactions to which the deferred hedge accounting method is applied;
- Those that are allotted to financial assets/liabilities denominated in foreign currencies and whose fair values are already reflected in the interim consolidated balance sheets; and
- Those that are allotted to financial assets/liabilities denominated in foreign currencies, and the financial assets/liabilities are eliminated in the process of consolidation.

(3) Equity derivatives

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Contract amount	Fair value	Valuation gains (losses)	Contract amount	Fair value	Valuation gains (losses)
Listed:						
Equity price index futures	¥ 50,372	¥ 55	¥ 55	\$ 558	\$ 0	\$ 0
Equity price index options	18,675	(115)	(115)	207	(1)	(1)
Over-the-counter:						
Equity options	451,611	0	0	5,006	0	0
Total	/	¥ (60)	¥ (60)	/	\$(1)	\$(1)

Note: The transactions above are valued at fair value and the valuation gains (losses) are accounted for in the interim consolidated statements of operations. Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

(4) Bond derivatives

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Contract amount	Fair value	Valuation gains (losses)	Contract amount	Fair value	Valuation gains (losses)
Listed:						
Bond futures	¥2,460,834	¥(130)	¥(130)	\$27,276	\$(2)	\$(2)
Bond futures options	139,687	(311)	(311)	1,548	(3)	(3)
Over-the-counter:						
Forward bond agreements	46,449	844	844	515	9	9
Total	/	¥ 402	¥ 402	/	\$ 4	\$ 4

Note: The transactions above are valued at fair value and the valuation gains (losses) are accounted for in the interim consolidated statements of operations. Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

(5) Commodity derivatives

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Contract amount	Fair value	Valuation gains (losses)	Contract amount	Fair value	Valuation gains (losses)
Listed:						
Commodity futures	¥ 445	¥ 2	¥ 2	\$ 5	\$ 0	\$ 0
Over-the-counter:						
Commodity swaps	442,801	58,899	58,899	4,908	653	653
Commodity options	38,162	1,294	1,294	423	14	14
Total	/	¥60,197	¥60,197	/	\$667	\$667

Notes: 1. The transactions above are valued at fair value and the valuation gains (losses) are accounted for in the interim consolidated statements of operations. Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Commodity derivatives are transactions on fuel and metal.

(6) Credit derivative transactions

September 30, 2009	Millions of yen			Millions of U.S. dollars		
	Contract amount	Fair value	Valuation gains (losses)	Contract amount	Fair value	Valuation gains (losses)
Over-the-counter:						
Credit default options	¥2,729,621	¥3,995	¥3,995	\$30,255	\$44	\$44
Total	/	¥3,995	¥3,995	/	\$44	\$44

Note: The transactions above are valued at fair value and the valuation gains (losses) are accounted for in the interim consolidated statements of operations. Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

VII. Stock Option

SMFG recorded stock option expenses in "General and administrative expenses" of ¥8 million (\$0 million) in the six months ended September 30, 2009.

VIII. Segment Information

1. Business segment information

Six months ended September 30, 2009	Millions of yen					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
Ordinary income						
(1) External customers	¥1,180,892	¥159,518	¥226,499	¥1,566,910	¥ —	¥1,566,910
(2) Intersegment	26,600	1,391	128,424	156,416	(156,416)	—
Total	1,207,493	160,910	354,923	1,723,326	(156,416)	1,566,910
Ordinary expenses.....	1,033,568	141,390	307,026	1,481,985	(137,300)	1,344,685
Ordinary profit	¥ 173,924	¥ 19,519	¥ 47,897	¥ 241,341	¥ (19,116)	¥ 222,225

Six months ended September 30, 2009	Millions of U.S. dollars					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
Ordinary income						
(1) External customers	\$13,089	\$1,768	\$2,511	\$17,368	\$ —	\$17,368
(2) Intersegment	295	16	1,423	1,734	(1,734)	—
Total	13,384	1,784	3,934	19,102	(1,734)	17,368
Ordinary expenses.....	11,456	1,568	3,403	16,427	(1,522)	14,905
Ordinary profit	\$ 1,928	\$ 216	\$ 531	\$ 2,675	\$ (212)	\$ 2,463

- Notes: 1. The business segmentation is classified based on SMFG's internal management purpose. Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. "Other business" includes securities, credit card, investment banking, loans, venture capital, system development and information processing.
3. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and other extraordinary gains. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and other extraordinary expenses.

2. Geographic segment information

Six months ended September 30, 2009	Millions of yen						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
Ordinary income							
(1) External customers	¥1,331,661	¥108,327	¥66,217	¥60,703	¥1,566,910	¥ —	¥1,566,910
(2) Intersegment	13,652	54,438	1,621	2,428	72,140	(72,140)	—
Total	1,345,314	162,765	67,838	63,131	1,639,050	(72,140)	1,566,910
Ordinary expenses.....	1,203,227	103,661	65,505	34,798	1,407,193	(62,507)	1,344,685
Ordinary profit	¥ 142,087	¥ 59,104	¥ 2,333	¥28,333	¥ 231,857	¥ (9,632)	¥ 222,225

Six months ended September 30, 2009	Millions of U.S. dollars						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
Ordinary income							
(1) External customers	\$14,760	\$1,201	\$734	\$673	\$17,368	\$ —	\$17,368
(2) Intersegment	152	603	18	27	800	(800)	—
Total	14,912	1,804	752	700	18,168	(800)	17,368
Ordinary expenses.....	13,337	1,149	726	386	15,598	(693)	14,905
Ordinary profit	\$ 1,575	\$ 655	\$ 26	\$314	\$ 2,570	\$(107)	\$ 2,463

- Notes: 1. The geographic segmentation is classified based on the degrees of the following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions. Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.
3. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and other extraordinary gains. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and other extraordinary expenses.

3. Ordinary income from overseas operations

Six months ended September 30, 2009	Millions of yen	Millions of U.S. dollars
Consolidated ordinary income from overseas operations (A).....	¥ 235,248	\$ 2,607
Consolidated ordinary income (B)	1,566,910	17,368
(A) / (B)	15.0%	15.0%

- Notes: 1. Consolidated ordinary income from overseas operations is presented as a counterpart of overseas sales of companies in other industries.
2. The table above shows ordinary income from transactions of overseas branches of SMBC and transactions of overseas consolidated subsidiaries, excluding internal income. These extensive transactions are not categorized by transaction party and the geographic segment information is not presented because such information is not available.

IX. Business Combinations

Business combinations of subsidiaries: Merger of credit card companies

A consolidated subsidiary, QUOQ Inc. (“QUOQ”) and equity method affiliates, Central Finance Co., Ltd. (“CF”) and OMC Card, Inc. (“OMC Card”) merged on April 1, 2009. The new company was named Cedyne Financial Corporation and became an equity method affiliate of SMFG. The outline of the merger is as follows:

1. Outline of the merger

(1) Company profiles

Surviving company: OMC Card (Credit card business)

Merged company: CF (Shopping credit business and general credit business)

Merged company: QUOQ (Shopping credit business and general credit business)

(2) Reasons for the merger

The credit card market is growing steadily, propelled by the expansion into new areas of settlement, such as for small purchases, the growing popularity of reward point programs, and other developments. Further substantial growth of the industry is anticipated with the greater use of credit cards to pay for public services charges and in other fields. At the same time, the business environment surrounding the industry is changing dramatically — development of new technologies and new services, such as electronic money; investment in systems that can respond to customers’ needs for more in-depth, sophisticated and diverse services; enactment of laws on money lending business; etc. — and the industry is at a major turning point. In the shopping credit business, the Installment Sales Act is being revised amid the trend to strengthen consumer protection.

Under these circumstances, the companies need to restructure

their operations in order to establish new business models.

On April 1, 2009, CF, OMC Card and QUOQ merged to create one of the largest consumer finance companies in Japan with a high level of specialization and flexibility in its core businesses of credit cards and shopping credit by combining the customer bases, marketing capabilities, know-how and other resources of the 3 companies.

(3) Date of merger

April 1, 2009

(4) Legal form of the business combinations

The merger was a merger procedure by absorption with OMC Card as the surviving company. (New name of the company: Cedyne Financial Corporation)

2. Outline of accounting method

SMFG applies the accounting procedures stipulated by Articles 39, 42 and 48 of the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7).

3. Name of the business segment, in which the subsidiary was included, in the segment information

Other business

4. Approximate amounts of the subsidiary’s earnings included in the interim consolidated statement of operations for the six months ended September 30, 2009

SMFG did not record profit or loss of QUOQ and its subsidiaries because they were excluded from the scope of consolidation at the beginning of the fiscal year.

5. Status after the business combination

QUOQ and its subsidiaries are excluded from the scope of consolidation, and Cedyne Financial Corporation has become an affiliated company accounted for by the equity method.

X. Per Share Data

September 30, 2009

	Yen	U.S. dollars
Net assets per share	¥3,645.47	\$40.41

Six months ended September 30, 2009

	Yen	U.S. dollars
Net income per share	¥128.05	\$1.42
Net income per share (diluted)	125.97	1.40

Notes: 1. Net income per share and Net income per share (diluted) are calculated based on the following:

Six months ended September 30, 2009	Millions of yen, except number of shares	Millions of U.S. dollars
Net income per share:		
Net income	¥123,540	\$1,369
Amount not attributable to common stockholders	5,352	59
Dividends on preferred stock	5,352	59
Net income attributable to common stock	¥118,188	\$1,310
Average number of common stock during the six months (in thousands)	922,966	/
Net income per share (diluted):		
Adjustment for net income	¥ 2,034	\$ 23
Dividends on preferred stock	2,254	25
Stock acquisition rights issued by subsidiaries and affiliates	(220)	(2)
Increase in number of common stock (in thousands)	31,430	/
Preferred stock	31,430	/
Stock acquisition rights	—	/

Outline of dilutive securities which were not included in the calculation of "Net income per share (diluted)" for the six months ended September 30, 2009 because they do not have dilutive effect:

Stock acquisition rights: 1 type
(Number of stock acquisition rights: 1,081 units)

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

September 30, 2009	Millions of yen, except number of shares	Millions of U.S. dollars
Net assets	¥6,102,967	\$67,645
Amounts excluded from Net assets	2,455,104	27,212
Preferred stock	310,203	3,438
Dividends on preferred stock	5,352	59
Stock acquisition rights	74	1
Minority interests	2,139,474	23,714
Net assets attributable to common stock at the interim period-end	¥3,647,863	\$40,433
Number of common stock at the interim period-end used for the calculation of Net assets per share (in thousands)	1,000,655	/

XI. Subsequent Events (up to November 26, 2009)

Pursuant to the agreement reached on May 1, 2009 among SMBC, Nikko Citi Holdings, Inc., a wholly-owned subsidiary of Citigroup Inc. ("Citi"), and other affiliates of Citi, SMBC has acquired all of the shares of Nikko Cordial De-merger Preparatory Company Ltd. (the "Acquisition of Target Shares") on October 1, 2009. Nikko Cordial De-merger Preparatory Company succeeded to all of the operations (excluding selected assets and liabilities) of Nikko Cordial Securities Inc. ("Former Nikko Cordial"), which was engaged mainly in the retail securities business (the "Retail Business"), and certain businesses, including the domestic debt and equity underwriting businesses, of Nikko Citigroup Ltd. ("Former Nikko Citi"), which was engaged mainly in the wholesale securities business (the "Wholesale Business" and with the Retail Business, collectively, the "Target Businesses"), through a corporate de-merger (the "De-merger").

As of October 1, 2009, Nikko Cordial De-merger Preparatory Company Ltd.'s name has been changed to Nikko Cordial Securities Inc.

1. Overview of the transaction

(1) Overview

SMBC acquired the following Target Businesses and assets from Citi, etc.

- The entire business (excluding certain assets and liabilities) of Former Nikko Cordial
- Certain businesses of Former Nikko Citi (including its domestic equity and debt underwriting business)
- Other subsidiaries and affiliates related to the Target Businesses (Nikko System Solutions, Ltd., Nikko Global Wrap, Ltd., Nikko Business Systems Co., Ltd., etc.) (hereinafter the "Affiliates")
- Strategic shareholdings
- Other assets including the "Nikko" brand and related trademarks

The Acquisition of Target Shares was implemented in a manner by which SMBC obtained Nikko Cordial Securities' shares from Former Nikko Cordial immediately after the succession to the Target Businesses by Nikko Cordial Securities as a result of the De-merger from Former Nikko Cordial and Former Nikko Citi.

In addition, the acquisition of the shares of the Affiliates, strategic shareholdings or other assets was implemented in a manner by which Nikko Cordial Securities either (i) succeeded to such shares or other assets which had been assigned or transferred to Former Nikko Cordial from related companies of Citi prior to the De-merger, or (ii) acquired such shares or other assets after the De-merger.

(2) Final acquisition price

(a) The acquisition price for the Target Shares, etc.
¥545.0 billion (note that this figure will be adjusted by the end of December 2009, based on the net assets, etc. of Nikko Cordial Securities as of the effective date of the De-merger.)

(b) Strategic shareholdings (listed stocks)
¥29.8 billion

2. Outline of Nikko Cordial Securities Inc.

- (1) Company name
Nikko Cordial Securities Inc.
(The company name changed from "Nikko Cordial De-merger Preparatory Company Ltd." on October 1, 2009)
- (2) Description of principal business
Financial instruments business, etc.

(3) Location of head office

3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(4) Representative

Representative Director and President, Eiji Watanabe

(5) Amount of capital

¥10.0 billion

(6) Date of incorporation

June 15, 2009

(7) Major shareholders and shareholding ratio

Sumitomo Mitsui Banking Corporation
100%

(8) Operating results and financial condition of Former Nikko Cordial (Non-consolidated basis)

	Millions of yen		Millions of U.S. dollars
	Year ended March 31, 2009	Six months ended September 30, 2009	Six months ended September 30, 2009
Operating revenues	¥ 164,135	¥ 85,632	\$ 949
Net operating revenues	158,942	84,418	936
Operating income	19,685	20,932	232
Ordinary income	22,158	21,223	235
Net income (loss)	(3,626)	31,574	350
Net assets (period-end)....	393,392	522,774	5,794
Total assets (period-end)...	1,466,956	1,911,167	21,183

XII. Parent Company

1. Nonconsolidated balance sheets (unaudited)

Sumitomo Mitsui Financial Group, Inc.

September 30, 2009 and 2008, and March 31, 2009	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2009	2008	2009	2009
Assets				
Current assets	¥ 27,377	¥ 15,524	¥ 23,730	\$ 304
Cash and due from banks	22,441	10,153	1,281	249
Other current assets	4,936	5,371	22,449	55
Fixed assets	5,236,196	3,976,432	4,033,583	58,038
Tangible fixed assets	2	3	2	0
Intangible fixed assets	10	5	11	0
Investments and other assets	5,236,183	3,976,422	4,033,568	58,038
Investments in subsidiaries and affiliates	5,228,339	3,972,567	4,028,093	57,951
Other	7,844	3,854	5,475	87
Total assets	¥5,263,574	¥3,991,957	¥4,057,313	\$58,342
Liabilities and net assets				
Liabilities				
Current liabilities	¥1,080,372	¥1,051,424	¥1,079,566	\$11,975
Short-term borrowings	1,078,030	1,049,030	1,078,030	11,949
Income taxes payable	371	785	372	4
Reserve for employees bonuses	98	97	102	1
Other current liabilities	1,872	1,511	1,061	21
Fixed liabilities	347,483	162	199	3,852
Bonds	347,300	—	—	3,850
Reserve for executive retirement benefits	183	162	199	2
Total liabilities	1,427,856	1,051,587	1,079,766	15,827
Net assets				
Stockholders' equity				
Capital stock	1,851,389	1,420,877	1,420,877	20,521
Capital surplus	1,346,601	930,319	916,163	14,926
Capital reserve	1,072,868	642,355	642,355	11,892
Other capital surplus	273,732	287,963	273,808	3,034
Retained earnings	681,156	672,619	683,907	7,550
Other retained earnings				
Voluntary reserve	30,420	30,420	30,420	337
Retained earnings brought forward	650,736	642,199	653,487	7,213
Treasury stock	(43,430)	(83,445)	(43,400)	(482)
Total stockholders' equity	3,835,717	2,940,370	2,977,547	42,515
Total net assets	3,835,717	2,940,370	2,977,547	42,515
Total liabilities and net assets	¥5,263,574	¥3,991,957	¥4,057,313	\$58,342

2. Nonconsolidated statements of income (unaudited)

Sumitomo Mitsui Financial Group, Inc.

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2008	Year ended March 31 2009	Six months ended September 30 2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Operating income	¥32,594	¥49,659	¥134,772	\$361
Dividends on investments in subsidiaries and affiliates	25,451	38,493	117,051	282
Fees and commissions received from subsidiaries.....	7,142	11,166	17,721	79
Operating expenses	3,535	3,466	8,790	39
General and administrative expenses.....	3,413	3,466	8,790	38
Interest on bonds.....	122	—	—	1
Operating profit	29,058	46,193	125,982	322
Nonoperating income	253	142	151	3
Nonoperating expenses	12,244	12,563	23,824	136
Ordinary profit	17,067	33,771	102,309	189
Income before income taxes	17,067	33,771	102,309	189
Income taxes:				
Current.....	1,227	3,850	2,393	13
Deferred	(2,469)	(2,153)	(3,552)	(27)
Net income	¥18,309	¥32,074	¥103,468	\$203

3. Nonconsolidated statements of changes in net assets (unaudited)

Sumitomo Mitsui Financial Group, Inc.

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2008	Year ended March 31 2009	Six months ended September 30 2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Stockholders' equity				
Capital stock				
Balance at the end of the previous fiscal year.....	¥1,420,877	¥1,420,877	¥1,420,877	\$15,749
Changes in the period:				
Issuance of new shares.....	430,512	—	—	4,772
Net changes in the period.....	430,512	—	—	4,772
Balance at the end of the period.....	¥1,851,389	¥1,420,877	¥1,420,877	\$20,521
Capital surplus				
Capital reserve				
Balance at the end of the previous fiscal year.....	642,355	642,355	642,355	7,120
Changes in the period:				
Issuance of new shares.....	430,512	—	—	4,772
Net changes in the period.....	430,512	—	—	4,772
Balance at the end of the period.....	¥1,072,868	¥ 642,355	¥ 642,355	\$11,892
Other capital surplus				
Balance at the end of the previous fiscal year.....	273,808	288,031	288,031	3,035
Changes in the period:				
Disposal of treasury stock.....	(75)	(67)	(14,222)	(1)
Net changes in the period.....	(75)	(67)	(14,222)	(1)
Balance at the end of the period.....	¥ 273,732	¥ 287,963	¥ 273,808	\$ 3,034
Total capital surplus				
Balance at the end of the previous fiscal year.....	916,163	930,386	930,386	10,155
Changes in the period:				
Issuance of new shares.....	430,512	—	—	4,772
Disposal of treasury stock.....	(75)	(67)	(14,222)	(1)
Net changes in the period.....	430,437	(67)	(14,222)	4,771
Balance at the end of the period.....	¥1,346,601	¥ 930,319	¥ 916,163	\$14,926

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Stockholders' equity				
Retained earnings				
Other retained earnings				
Voluntary reserve				
Balance at the end of the previous fiscal year	¥ 30,420	¥ 30,420	¥ 30,420	\$ 337
Changes in the period:				
Net changes in the period.....	—	—	—	—
Balance at the end of the period	¥ 30,420	¥ 30,420	¥ 30,420	\$ 337
Retained earnings brought forward				
Balance at the end of the previous fiscal year	653,487	670,259	670,259	7,243
Changes in the period:				
Cash dividends	(21,059)	(60,135)	(120,240)	(233)
Net income	18,309	32,074	103,468	203
Net changes in the period.....	(2,750)	(28,060)	(16,772)	(30)
Balance at the end of the period	¥ 650,736	¥ 642,199	¥ 653,487	\$ 7,213
Total retained earnings				
Balance at the end of the previous fiscal year	683,907	700,679	700,679	7,580
Changes in the period:				
Cash dividends	(21,059)	(60,135)	(120,240)	(233)
Net income	18,309	32,074	103,468	203
Net changes in the period	(2,750)	(28,060)	(16,772)	(30)
Balance at the end of the period	¥ 681,156	¥ 672,619	¥ 683,907	\$ 7,550
Treasury stock				
Balance at the end of the previous fiscal year	(43,400)	(83,194)	(83,194)	(481)
Changes in the period:				
Purchase of treasury stock	(137)	(423)	(943)	(2)
Disposal of treasury stock.....	107	172	40,736	1
Net changes in the period	(29)	(251)	39,793	(1)
Balance at the end of the period	¥ (43,430)	¥ (83,445)	¥ (43,400)	\$ (482)
Total stockholders' equity				
Balance at the end of the previous fiscal year	2,977,547	2,968,749	2,968,749	33,003
Changes in the period:				
Issuance of new shares	861,025	—	—	9,544
Cash dividends.....	(21,059)	(60,135)	(120,240)	(233)
Net income	18,309	32,074	103,468	203
Purchase of treasury stock	(137)	(423)	(943)	(2)
Disposal of treasury stock.....	32	105	26,513	0
Net changes in the period	858,169	(28,378)	8,798	9,512
Balance at the end of the period	¥3,835,717	¥2,940,370	¥2,977,547	\$42,515
Total net assets				
Balance at the end of the previous fiscal year	2,977,547	2,968,749	2,968,749	33,003
Changes in the period:				
Issuance of new shares	861,025	—	—	9,544
Cash dividends.....	(21,059)	(60,135)	(120,240)	(233)
Net income	18,309	32,074	103,468	203
Purchase of treasury stock	(137)	(423)	(943)	(2)
Disposal of treasury stock.....	32	105	26,513	0
Net changes in the period	858,169	(28,378)	8,798	9,512
Balance at the end of the period	¥3,835,717	¥2,940,370	¥2,977,547	\$42,515

Supplemental Information

Nonconsolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation

	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2009	2008	2009	2009
September 30, 2009 and 2008, and March 31, 2009				
Assets				
Cash and due from banks	¥ 2,720,544	¥ 3,399,286	¥ 2,597,429	\$ 30,155
Deposits with banks	2,140,155	2,113,567	2,697,579	23,721
Call loans and bills bought	299,389	477,032	255,095	3,318
Receivables under resale agreements	44,199	52,689	48,113	490
Receivables under securities borrowing transactions	1,303,187	394,967	1,815,195	14,445
Monetary claims bought	410,339	464,819	396,183	4,548
Trading assets	4,020,630	3,160,927	3,885,704	44,565
Money held in trust	9,177	8,983	8,985	102
Securities	27,659,892	20,982,446	28,000,515	306,583
Loans and bills discounted	58,898,698	58,541,953	60,241,266	652,834
Foreign exchanges	646,550	1,047,501	748,149	7,166
Other assets	2,664,934	1,995,678	2,259,982	29,538
Tangible fixed assets	706,900	683,073	696,680	7,835
Intangible fixed assets	129,819	118,430	126,070	1,439
Deferred tax assets	517,755	858,453	668,343	5,739
Customers' liabilities for acceptances and guarantees	3,639,618	4,513,532	3,826,694	40,342
Reserve for possible loan losses	(780,014)	(638,978)	(791,885)	(8,646)
Reserve for possible losses on investments	(2,300)	(14,521)	(1,888)	(25)
Total assets	¥105,029,480	¥98,159,845	¥107,478,218	\$1,164,149
Liabilities and net assets				
Liabilities				
Deposits	¥ 77,301,690	¥70,143,714	¥ 76,905,708	\$ 856,813
Call money and bills sold	2,745,552	2,136,313	2,479,743	30,432
Payables under repurchase agreements	1,058,696	979,331	773,534	11,735
Payables under securities lending transactions	2,925,047	4,024,211	7,561,013	32,421
Trading liabilities	2,813,822	1,759,392	2,705,478	31,188
Borrowed money	3,854,764	4,060,600	4,663,553	42,726
Foreign exchanges	231,652	319,072	282,360	2,568
Short-term bonds	198,164	—	114,242	2,196
Bonds	3,443,196	3,408,919	3,319,693	38,164
Due to trust account	111,667	106,932	60,918	1,238
Other liabilities	2,299,125	3,217,389	2,163,237	25,484
Reserve for employee bonuses	9,688	10,968	10,720	107
Reserve for executive retirement benefits	4,842	4,711	4,992	54
Reserve for point service program	1,171	2,238	2,359	13
Reserve for reimbursement of deposits	8,532	7,023	10,873	95
Reserve under the special laws	0	0	0	0
Deferred tax liabilities for land revaluation	46,533	46,599	46,599	516
Acceptances and guarantees	3,639,618	4,513,532	3,826,694	40,342
Total liabilities	100,693,766	94,740,953	104,931,725	1,116,092
Net assets				
Capital stock	1,262,959	664,986	664,986	13,999
Capital surplus	1,965,521	1,367,548	1,367,548	21,786
Retained earnings	592,342	959,742	499,666	6,565
Total stockholders' equity	3,820,822	2,992,277	2,532,201	42,350
Net unrealized gains (losses) on other securities	413,290	474,219	(52,741)	4,581
Net deferred gains (losses) on hedges	79,921	(69,272)	45,359	886
Land revaluation excess	21,679	21,667	21,673	240
Total valuation and translation adjustments	514,891	426,614	14,291	5,707
Total net assets	4,335,714	3,418,892	2,546,493	48,057
Total liabilities and net assets	¥105,029,480	¥98,159,845	¥107,478,218	\$1,164,149

Notes: 1. Amounts less than one million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥90.22 to US\$1, the exchange rate prevailing at September 30, 2009.

Nonconsolidated Statements of Operations (Unaudited)

Sumitomo Mitsui Banking Corporation

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Income				
Interest income	¥ 706,355	¥ 937,566	¥1,758,423	\$ 7,829
Trust fees	518	1,244	2,074	6
Fees and commissions	196,019	211,260	415,228	2,172
Trading income	107,525	3,889	175,038	1,192
Other operating income	59,020	140,303	163,277	654
Other income	8,377	9,766	34,029	93
Total income	1,077,817	1,304,029	2,548,073	11,946
Expenses				
Interest expenses.....	188,584	424,641	740,065	2,090
Fees and commissions payments.....	65,318	64,178	121,404	724
Trading losses.....	—	18,596	—	—
Other operating expenses.....	96,199	51,808	127,747	1,066
General and administrative expenses.....	366,698	367,244	722,285	4,064
Provision for reserve for possible loan losses.....	46,243	89,224	260,749	513
Other expenses.....	169,665	167,454	548,033	1,881
Total expenses	932,711	1,183,149	2,520,286	10,338
Income before income taxes	145,106	120,879	27,786	1,608
Income taxes:				
Current	21,637	7,152	23,748	240
Deferred	10,839	33,332	305,154	120
Net income (loss)	¥ 112,628	¥ 80,394	¥ (301,116)	\$ 1,248

Notes: 1. Amounts less than one million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥90.22 to US\$1, the exchange rate prevailing at September 30, 2009.

Income Analysis (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Operating Income, Classified by Domestic and Overseas Operations

Six months ended September 30	Millions of yen							
	2009				2008			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥701,059	¥210,458	¥(52,664)	¥858,852	¥814,902	¥344,163	¥(42,344)	¥1,116,721
Interest expenses	157,983	69,186	(51,492)	175,677	266,244	208,430	(36,483)	438,190
Net interest income.....	543,076	141,271	(1,172)	683,175	548,658	135,733	(5,860)	678,530
Trust fees.....	540	—	—	540	1,268	—	—	1,268
Fees and commissions	284,405	37,896	(607)	321,694	299,085	47,354	(536)	345,903
Fees and commissions payments	58,905	3,851	(591)	62,165	56,878	5,250	(225)	61,903
Net fees and commissions	225,499	34,045	(16)	259,528	242,206	42,103	(311)	283,999
Trading income	135,035	20,869	(15,319)	140,586	18,360	5,546	(10,448)	13,458
Trading losses	7,520	7,798	(15,319)	—	22,471	1,778	(10,448)	13,800
Net trading income (losses).....	127,514	13,071	—	140,586	(4,110)	3,767	—	(342)
Other operating income	211,467	24,932	—	236,399	315,349	11,836	(27)	327,158
Other operating expenses	231,672	22,521	—	254,194	201,305	21,262	(98)	222,468
Net other operating income (expenses)	(20,205)	2,410	—	(17,794)	114,044	(9,425)	70	104,690

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest expenses" are shown after deduction of expenses (first half of fiscal 2009, ¥10 million; first half of fiscal 2008, ¥15 million) related to the management of money held in trust.
3. Intersegment transactions are reported in the "Elimination" column.

Fees and Commissions

Six months ended September 30	Millions of yen							
	2009				2008			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions	¥284,405	¥37,896	¥(607)	¥321,694	¥299,085	¥47,354	¥(536)	¥345,903
Deposits and loans	10,266	23,875	(5)	34,135	11,223	34,484	—	45,708
Remittances and transfers.....	57,440	3,665	(1)	61,105	62,104	4,833	(0)	66,937
Securities-related business.....	17,188	0	—	17,188	17,245	0	—	17,245
Agency.....	7,444	—	—	7,444	7,616	—	—	7,616
Safe deposits.....	3,575	1	—	3,577	3,701	2	—	3,704
Guarantees	19,980	5,960	(126)	25,814	21,980	2,791	(150)	24,620
Credit card business.....	70,978	—	—	70,978	71,584	—	—	71,584
Fees and commissions payments	¥ 58,905	¥ 3,851	¥(591)	¥ 62,165	¥ 56,878	¥ 5,250	¥(225)	¥ 61,903
Remittances and transfers.....	12,917	1,910	(62)	14,764	13,470	1,746	(71)	15,144

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.

Trading Income

Six months ended September 30	Millions of yen							
	2009				2008			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥135,035	¥20,869	¥(15,319)	¥140,586	¥18,360	¥5,546	¥(10,448)	¥13,458
Gains on trading securities	22,053	—	—	22,053	9,857	96	—	9,953
Gains on securities related to trading transactions	1,627	70	—	1,697	—	—	—	—
Gains on trading-related financial derivatives.....	111,040	20,799	(15,319)	116,520	4,998	5,450	(10,448)	—
Others.....	314	—	—	314	3,504	—	—	3,504
Trading losses	¥ 7,520	¥ 7,798	¥(15,319)	¥ —	¥22,471	¥1,778	¥(10,448)	¥13,800
Losses on trading securities	—	—	—	—	—	—	—	—
Losses on securities related to trading transactions	—	—	—	—	646	—	—	646
Losses on trading-related financial derivatives.....	7,520	7,798	(15,319)	—	21,824	1,778	(10,448)	13,154
Others.....	—	—	—	—	—	—	—	—

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.

Assets and Liabilities (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Deposits and Negotiable Certificates of Deposit

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Liquid deposits	¥41,648,259	¥39,760,729
Fixed-term deposits	23,893,267	22,392,965
Others	3,517,979	4,131,089
Subtotal	69,059,506	66,284,785
Negotiable certificates of deposit	6,404,366	2,412,912
Total	¥75,463,873	¥68,697,697
Overseas operations:		
Liquid deposits	¥ 5,212,179	¥ 5,829,922
Fixed-term deposits	1,690,174	1,462,005
Others	6,098	6,384
Subtotal	6,908,452	7,298,313
Negotiable certificates of deposit	1,925,755	841,765
Total	¥ 8,834,208	¥ 8,140,078
Grand total	¥84,298,081	¥76,837,776

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

September 30	Millions of yen		September 30	Millions of yen	
	2009			2008	
Domestic operations:			Domestic operations:		
Manufacturing	¥ 6,804,427	12.27%	Manufacturing	¥ 5,763,094	11.09%
Agriculture, forestry, fisheries and mining	128,076	0.23	Agriculture, forestry, fisheries and mining	111,428	0.21
Construction	1,191,770	2.15	Construction	1,220,961	2.35
Transportation, communications and public enterprises	3,292,411	5.94	Transportation, communications and public enterprises	3,212,055	6.18
Wholesale and retail	4,693,774	8.46	Wholesale and retail	5,167,969	9.94
Finance and insurance	4,524,480	8.16	Finance and insurance	4,466,908	8.59
Real estate, goods rental and leasing	8,477,748	15.28	Real estate	7,624,749	14.67
Services	4,185,584	7.55	Services	5,714,636	10.99
Municipalities	1,110,144	2.00	Municipalities	781,875	1.50
Others	21,051,928	37.96	Others	17,923,729	34.48
Subtotal	¥55,460,347	100.00%	Subtotal	¥51,987,409	100.00%
Overseas operations:			Overseas operations:		
Public sector	¥ 30,733	0.34%	Public sector	¥ 31,509	0.27%
Financial institutions	519,845	5.71	Financial institutions	959,845	8.35
Commerce and industry	7,639,207	83.99	Commerce and industry	9,383,700	81.67
Others	906,027	9.96	Others	1,115,292	9.71
Subtotal	¥ 9,095,813	100.00%	Subtotal	¥11,490,348	100.00%
Total	¥64,556,160	—	Total	¥63,477,758	—

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.
3. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from the fiscal year beginning on April 1, 2009, the sector classification has been partly changed. "Goods rental and leasing" is included in others in fiscal 2008.

Risk-Monitored Loans

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Bankrupt loans.....	¥ 245,109	¥ 235,546	¥ 292,088
Non-accrual loans.....	1,132,394	771,896	1,019,352
Past due loans (3 months or more).....	51,983	41,703	36,162
Restructured loans.....	220,384	366,295	238,713
Total.....	¥1,649,873	¥1,415,443	¥1,586,317
Amount of direct reduction.....	¥ 685,500	¥ 543,651	¥ 607,936

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

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Japanese government bonds.....	¥16,299,762	¥ 8,500,140
Japanese local government bonds.....	322,541	395,022
Japanese corporate bonds.....	3,749,956	3,829,093
Japanese stocks.....	3,041,337	3,390,517
Others.....	3,136,609	3,809,689
Subtotal.....	¥26,550,207	¥19,924,463
Overseas operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds.....	—	—
Japanese corporate bonds.....	—	—
Japanese stocks.....	—	—
Others.....	1,553,439	1,640,658
Subtotal.....	¥ 1,553,439	¥ 1,640,658
Unallocated corporate assets:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds.....	—	—
Japanese corporate bonds.....	—	—
Japanese stocks.....	251,781	230,766
Others.....	—	—
Subtotal.....	¥ 251,781	¥ 230,766
Total.....	¥28,355,428	¥21,795,888

- 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

September 30	Millions of yen							
	2009				2008			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets	¥4,125,591	¥785,703	¥(32,026)	¥4,879,268	¥3,182,924	¥697,310	¥(29,501)	¥3,850,732
Trading securities	800,604	47,688	—	848,292	130,085	12,489	—	142,575
Derivatives of trading securities.....	844	—	—	844	256	—	—	256
Securities related to trading transactions.....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	8,296	—	—	8,296	12,098	—	—	12,098
Trading-related financial derivatives	2,977,893	730,629	(32,026)	3,676,495	1,982,241	684,820	(29,501)	2,637,559
Other trading assets	337,953	7,386	—	345,339	1,058,241	—	—	1,058,241
Trading liabilities.....	¥2,828,131	¥683,064	¥(32,026)	¥3,479,169	¥1,751,927	¥579,410	¥(29,501)	¥2,301,836
Trading securities sold for short sales	15,286	1,010	—	16,297	16,639	6,025	—	22,665
Derivatives of trading securities.....	695	—	—	695	138	—	—	138
Securities related to trading transactions sold for short sales.....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions	8,398	—	—	8,398	12,236	—	—	12,236
Trading-related financial derivatives	2,803,751	682,053	(32,026)	3,453,778	1,722,913	573,385	(29,501)	2,266,797
Other trading liabilities	—	—	—	—	—	—	—	—

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
 2. Intersegment transactions are reported in the "Elimination" column.

Capital (Nonconsolidated)

Sumitomo Mitsui Financial Group, Inc.

Capital Stock (as of September 30, 2009)

¥1,851,389 million

Number of Shares Issued

September 30, 2009	Number of shares issued
Common stock.....	1,017,711,777
Preferred stock (1st series Type 4).....	4,175
Preferred stock (2nd series Type 4).....	4,175
Preferred stock (3rd series Type 4).....	4,175
Preferred stock (4th series Type 4).....	4,175
Preferred stock (9th series Type 4).....	4,175
Preferred stock (10th series Type 4).....	4,175
Preferred stock (11th series Type 4).....	4,175
Preferred stock (12th series Type 4).....	4,175
Preferred stock (1st series Type 6).....	70,001
Total.....	<u>1,017,815,178</u>

Stock Exchange Listings

Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)
Nagoya Stock Exchange (First Section)

Principal Shareholders

a. Common Stock

September 30, 2009	Number of shares	Percentage of shares outstanding
Japan Trustee Services Bank, Ltd. (Trust Account).....	67,466,073	6.62%
The Master Trust Bank of Japan, Ltd. (Trust Account).....	53,175,733	5.22
Japan Trustee Services Bank, Ltd. (Trust Account 9).....	20,250,200	1.98
Nippon Life Insurance Company.....	15,466,682	1.51
The Chase Manhattan Bank, N.A. London SECS Lending Omnibus Account*.....	13,706,598	1.34
Sumitomo Mitsui Banking Corporation.....	13,340,000	1.31
The Chase Manhattan Bank 385036*.....	12,492,200	1.22
SSBT OD05 Omnibus Account China Treaty Clients**.....	10,835,391	1.06
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension*.....	9,884,810	0.97
State Street Bank and Trust Company 505223*.....	9,557,428	0.93
Total.....	<u>226,175,115</u>	<u>22.22%</u>

* Standing agent: Mizuho Corporate Bank, Ltd.

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

b. Preferred Stock (1st series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
The Goldman Sachs Group, Inc. (Standing agent: Goldman Sachs Japan Co., Ltd.).....	<u>4,175</u>	<u>100.00%</u>

d. Preferred Stock (3rd series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
The Goldman Sachs Group, Inc. (Standing agent: Goldman Sachs Japan Co., Ltd.).....	<u>4,175</u>	<u>100.00%</u>

c. Preferred Stock (2nd series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
The Goldman Sachs Group, Inc. (Standing agent: Goldman Sachs Japan Co., Ltd.).....	<u>4,175</u>	<u>100.00%</u>

e. Preferred Stock (4th series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
The Goldman Sachs Group, Inc. (Standing agent: Goldman Sachs Japan Co., Ltd.).....	<u>4,175</u>	<u>100.00%</u>

f. Preferred Stock (9th series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
<hr/>		
GSSM Holding II Corp. (Standing agent: Goldman Sachs Japan Co., Ltd.)	4,175	100.00%
	<hr/>	

g. Preferred Stock (10th series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
<hr/>		
GSSM Holding II Corp. (Standing agent: Goldman Sachs Japan Co., Ltd.)	4,175	100.00%
	<hr/>	

h. Preferred Stock (11th series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
<hr/>		
GSSM Holding II Corp. (Standing agent: Goldman Sachs Japan Co., Ltd.)	4,175	100.00%
	<hr/>	

i. Preferred Stock (12th series Type 4)

September 30, 2009	Number of shares	Percentage of shares outstanding
<hr/>		
GSSM Holding II Corp. (Standing agent: Goldman Sachs Japan Co., Ltd.)	4,175	100.00%
	<hr/>	

j. Preferred Stock (1st series Type 6)

September 30, 2009	Number of shares	Percentage of shares outstanding
<hr/>		
Sumitomo Life Insurance Company....	23,334	33.33%
Nippon Life Insurance Company	20,000	28.57
MITSUI LIFE INSURANCE COMPANY LIMITED	16,667	23.81
Mitsui Sumitomo Insurance Company, Limited	10,000	14.29
Total	70,001	100.00%

Note: Pursuant to Article 67 of the Enforcement Ordinance of the Company Act, the exercise of voting rights of common shares held by our subsidiary SMBC is restricted.

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥544,710	¥164,223	¥706,355	¥598,193	¥345,171	¥937,566
			[2,579]			[5,798]
Interest expenses.....	85,330	105,822	188,574	138,201	292,222	424,625
			[2,579]			[5,798]
Net interest income	459,380	58,400	517,781	459,991	52,949	512,941
Trust fees	518	—	518	1,244	—	1,244
Fees and commissions	153,056	42,963	196,019	159,194	52,065	211,260
Fees and commissions payments.....	57,081	8,236	65,318	54,006	10,172	64,178
Net fees and commissions	95,975	34,726	130,701	105,187	41,893	147,081
Trading income	1,588	105,936	107,525	3,889	—	3,889
Trading losses.....	—	—	—	—	18,596	18,596
Net trading income (losses)	1,588	105,936	107,525	3,889	(18,596)	(14,707)
Other operating income	17,210	42,655	59,020	11,490	128,976	140,303
Other operating expenses.....	23,151	73,893	96,199	15,760	36,211	51,808
Net other operating income (expenses)	(5,940)	(31,237)	(37,178)	(4,269)	92,764	88,494
Gross banking profit	¥551,522	¥167,825	¥719,348	¥566,042	¥169,010	¥735,053
Gross banking profit rate (%)	1.48%	1.97%	1.58%	1.66%	1.70%	1.72%

- 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. "Interest expenses" are shown after deduction of amounts equivalent to interest expenses on money held in trust (first half of fiscal 2009, ¥10 million; first half of fiscal 2008, ¥15 million).
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 total amounts for "Other operating income" and "Other operating expenses" for the first half of fiscal 2009 are lower than the total amounts of "Domestic operations" and "International operations" by ¥845 million each. The relevant amount for the first half of fiscal 2008 is ¥163 million. This is attributable to record gains and losses on financial derivatives on a net basis.
5. Gross banking profit rate = Gross banking profit / Days in the interim period × Days in the fiscal year / Average balance of interest-earning assets × 100

Average Balance, Interest and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Six months ended September 30	Millions of yen					
	2009			2008		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥74,198,755	¥544,710	1.46%	¥67,678,059	¥598,193	1.76%
	[374,155]	[591]		[2,491,335]	[5,798]	
Loans and bills discounted.....	50,055,903	443,872	1.76	47,702,930	480,173	2.00
Securities	21,683,068	89,841	0.82	16,733,333	101,327	1.20
Call loans	62,540	217	0.69	113,387	465	0.81
Receivables under resale agreements	191	0	0.13	109	0	0.60
Receivables under securities borrowing transactions	1,608,022	2,081	0.25	317,965	1,778	1.11
Bills bought	29,390	464	3.15	49,117	669	2.71
Deposits with banks	106,376	474	0.88	6,180	6	0.19
Interest-bearing liabilities	¥75,346,410	¥ 85,330	0.22%	¥69,396,925	¥138,201	0.39%
		[1,988]				
Deposits	59,625,502	42,496	0.14	57,317,365	70,326	0.24
Negotiable certificates of deposit	7,579,472	10,930	0.28	2,751,183	8,677	0.62
Call money	1,709,927	1,051	0.12	2,881,840	7,121	0.49
Payables under repurchase agreements	374,048	234	0.12	203,193	608	0.59
Payables under securities lending transactions	1,180,379	1,007	0.17	2,139,543	5,933	0.55
Borrowed money	2,423,773	6,446	0.53	1,965,475	10,277	1.04
Short-term bonds	150,121	173	0.23	—	—	—
Bonds	2,181,441	16,936	1.54	2,028,984	13,474	1.32

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2009, ¥818,130 million; first half of fiscal 2008, ¥749,508 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2009, ¥9,410 million; first half of fiscal 2008, ¥7,810 million) and corresponding interest (first half of fiscal 2009, ¥10 million; first half of fiscal 2008, ¥15 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.

International Operations

Six months ended September 30	Millions of yen					
	2009			2008		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥16,975,551	¥164,223 [1,988]	1.92%	¥19,745,167	¥345,171	3.48%
Loans and bills discounted.....	9,530,345	105,985	2.21	10,072,928	202,997	4.01
Securities	4,280,506	32,882	1.53	5,317,036	75,820	2.84
Call loans	207,687	1,078	1.03	322,170	4,533	2.80
Receivables under resale agreements	44,187	130	0.59	189,412	923	0.97
Receivables under securities borrowing transactions	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	2,059,095	6,591	0.63	2,523,377	26,403	2.08
Interest-bearing liabilities	¥16,831,426 [374,155]	¥105,822 [591]	1.25%	¥19,737,026 [2,491,335]	¥292,222 [5,798]	2.95%
Deposits	8,723,784	20,472	0.46	9,302,284	100,314	2.15
Negotiable certificates of deposit	1,544,770	7,558	0.97	728,996	16,310	4.46
Call money	729,747	1,360	0.37	658,602	8,339	2.52
Payables under repurchase agreements ...	402,652	358	0.17	478,549	4,340	1.80
Payables under securities lending transactions	1,572,954	3,034	0.38	2,556,165	38,606	3.01
Borrowed money	2,113,107	49,655	4.68	1,891,412	50,779	5.35
Short-term bonds	—	—	—	—	—	—
Bonds.....	1,173,245	17,742	3.01	1,419,852	23,217	3.26

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2009, ¥149,668 million; first half of fiscal 2008, ¥87,259 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

Six months ended September 30	Millions of yen					
	2009			2008		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥90,800,151	¥706,355	1.55%	¥84,931,891	¥937,566	2.20%
Loans and bills discounted.....	59,586,248	549,857	1.84	57,775,858	683,171	2.35
Securities	25,963,575	122,723	0.94	22,050,370	177,147	1.60
Call loans	270,228	1,295	0.95	435,558	4,999	2.28
Receivables under resale agreements	44,378	130	0.58	189,521	924	0.97
Receivables under securities borrowing transactions	1,608,022	2,081	0.25	317,965	1,778	1.11
Bills bought	29,390	464	3.15	49,117	669	2.71
Deposits with banks	2,165,471	7,065	0.65	2,529,557	26,409	2.08
Interest-bearing liabilities	¥91,803,682	¥188,574	0.40%	¥86,642,616	¥424,625	0.97%
Deposits	68,349,287	62,968	0.18	66,619,650	170,640	0.51
Negotiable certificates of deposit	9,124,242	18,489	0.40	3,480,180	24,987	1.43
Call money	2,439,675	2,411	0.19	3,540,442	15,461	0.87
Payables under repurchase agreements ...	776,701	592	0.15	681,743	4,949	1.44
Payables under securities lending transactions	2,753,333	4,042	0.29	4,695,708	44,539	1.89
Borrowed money	4,536,880	56,101	2.46	3,856,887	61,056	3.15
Short-term bonds	150,121	173	0.23	—	—	—
Bonds.....	3,354,686	34,678	2.06	3,448,836	36,692	2.12

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2009, ¥967,798 million; first half of fiscal 2008, ¥836,768 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2009, ¥9,410 million; first half of fiscal 2008, ¥7,810 million) and corresponding interest (first half of fiscal 2009, ¥10 million; first half of fiscal 2008, ¥15 million).
2. 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

	Millions of yen					
	2009			2008		
Six months ended September 30	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥47,870	¥(101,352)	¥(53,482)	¥22,940	¥(6,516)	¥16,424
Loans and bills discounted.....	20,865	(57,166)	(36,301)	14,140	5,749	19,890
Securities.....	20,508	(31,994)	(11,486)	10,176	(12,623)	(2,447)
Call loans.....	(185)	(63)	(248)	(1,124)	71	(1,053)
Receivables under resale agreements.....	0	(0)	(0)	(42)	0	(42)
Receivables under securities borrowing transactions.....	1,670	(1,366)	303	(2,998)	694	(2,304)
Bills bought.....	(269)	63	(205)	229	168	397
Deposits with banks.....	384	83	468	(10)	(11)	(22)
Interest expenses.....	¥ 6,737	¥ (59,609)	¥(52,871)	¥ 4,916	¥12,257	¥17,173
Deposits.....	1,645	(29,474)	(27,829)	(170)	9,051	8,881
Negotiable certificates of deposit.....	6,963	(4,709)	2,253	1,003	959	1,963
Call money.....	(2,132)	(3,938)	(6,070)	2,687	124	2,812
Payables under repurchase agreements.....	106	(481)	(374)	448	15	464
Payables under securities lending transactions.....	(1,936)	(2,989)	(4,925)	3,149	223	3,373
Bills sold.....	—	—	—	—	—	—
Borrowed money.....	1,218	(5,049)	(3,831)	1,032	(248)	783
Short-term bonds.....	173	—	173	—	—	—
Bonds.....	1,065	2,396	3,461	(619)	1,753	1,134

International Operations

	Millions of yen					
	2009			2008		
Six months ended September 30	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(43,248)	¥(137,699)	¥(180,948)	¥64,751	¥(81,333)	¥(16,582)
Loans and bills discounted.....	(10,408)	(86,603)	(97,012)	56,981	(45,361)	11,619
Securities.....	(12,755)	(30,182)	(42,937)	30,182	(14,600)	15,581
Call loans.....	(1,244)	(2,210)	(3,455)	(2,911)	(4,166)	(7,077)
Receivables under resale agreements.....	(524)	(268)	(793)	(232)	(1,014)	(1,246)
Deposits with banks.....	(4,151)	(15,660)	(19,811)	(15,902)	(16,545)	(32,448)
Interest expenses.....	¥(37,976)	¥(148,422)	¥(186,399)	¥57,301	¥(110,031)	¥(52,730)
Deposits.....	(5,879)	(73,963)	(79,842)	3,352	(80,588)	(77,236)
Negotiable certificates of deposit.....	3,991	(12,743)	(8,751)	2,185	(3,478)	(1,292)
Call money.....	132	(7,111)	(6,978)	4,146	(3,352)	793
Payables under repurchase agreements.....	(595)	(3,385)	(3,981)	3,591	(1,254)	2,336
Payables under securities lending transactions.....	(10,885)	(24,686)	(35,572)	28,964	(6,191)	22,772
Borrowed money.....	5,209	(6,333)	(1,123)	6,531	662	7,194
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	(3,820)	(1,653)	(5,474)	(1,254)	(2,048)	(3,303)

Total of Domestic and International Operations

	Millions of yen					
	2009			2008		
Six months ended September 30	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥45,650	¥(276,861)	¥(231,211)	¥62,019	¥(64,504)	¥(2,485)
Loans and bills discounted.....	16,706	(150,020)	(133,313)	50,104	(18,593)	31,510
Securities.....	18,496	(72,920)	(54,424)	30,504	(17,370)	13,134
Call loans.....	(1,461)	(2,242)	(3,704)	(5,758)	(2,372)	(8,131)
Receivables under resale agreements.....	(523)	(269)	(793)	(341)	(946)	(1,288)
Receivables under securities borrowing transactions.....	1,670	(1,366)	303	(2,998)	694	(2,304)
Bills bought.....	(269)	63	(205)	229	168	397
Deposits with banks.....	(3,348)	(15,994)	(19,343)	(15,944)	(16,526)	(32,470)
Interest expenses.....	¥10,601	¥(246,652)	¥(236,051)	¥28,554	¥(66,438)	¥(37,884)
Deposits.....	1,593	(109,266)	(107,672)	387	(68,742)	(68,354)
Negotiable certificates of deposit.....	11,437	(17,934)	(6,497)	3,125	(2,454)	670
Call money.....	(3,740)	(9,308)	(13,049)	6,185	(2,579)	3,605
Payables under repurchase agreements.....	72	(4,428)	(4,356)	3,964	(1,163)	2,800
Payables under securities lending transactions.....	(13,306)	(27,190)	(40,497)	29,018	(2,872)	26,145
Bills sold.....	—	—	—	—	—	—
Borrowed money.....	8,408	(13,363)	(4,954)	6,965	1,012	7,978
Short-term bonds.....	173	—	173	—	—	—
Bonds.....	(987)	(1,025)	(2,013)	(1,916)	(252)	(2,168)

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

Fees and Commissions

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions	¥153,056	¥42,963	¥196,019	¥159,194	¥52,065	¥211,260
Deposits and loans	5,267	17,504	22,772	5,390	25,957	31,347
Remittances and transfers	45,011	11,775	56,786	48,147	14,478	62,626
Securities-related business	6,640	776	7,417	7,720	1,568	9,288
Agency	5,901	—	5,901	6,139	—	6,139
Safe deposits	3,148	—	3,148	3,264	—	3,264
Guarantees	10,536	7,001	17,537	10,445	4,016	14,461
Fees and commissions payments	¥ 57,081	¥ 8,236	¥ 65,318	¥ 54,006	¥10,172	¥ 64,178
Remittances and transfers	10,082	3,529	13,611	10,157	4,075	14,233

Trading Income

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income	¥1,588	¥105,936	¥107,525	¥3,889	¥ —	¥ 3,889
Gains on trading securities	872	—	872	197	—	197
Gains on securities related to trading transactions	—	1,697	1,697	—	—	—
Gains on trading-related financial derivatives	—	104,238	104,238	—	—	—
Others	716	—	716	3,691	—	3,691
Trading losses	¥ —	¥ —	¥ —	¥ —	¥18,596	¥18,596
Losses on trading securities	—	—	—	—	—	—
Losses on securities related to trading transactions	—	—	—	—	646	646
Losses on trading-related financial derivatives	—	—	—	—	17,950	17,950
Others	—	—	—	—	—	—

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

Net Other Operating Income (Expenses)

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses)	¥ (5,940)	¥(31,237)	¥(37,178)	¥(4,269)	¥92,764	¥88,494
Gains (losses) on bonds	8,831	30,057	38,889	(7,245)	2,684	(4,560)
Gains (losses) on financial derivatives	(14,799)	845	(13,954)	1,510	(163)	1,347
Gains (losses) on foreign exchange transactions	—	(60,557)	(60,557)	—	93,726	93,726

Deposits (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Deposits and Negotiable Certificates of Deposit

Period-End Balance

September 30	Millions of yen			
	2009		2008	
Domestic operations:				
Liquid deposits	¥39,508,411	58.5%	¥37,677,516	62.5%
Fixed-term deposits	20,370,400	30.2	18,955,057	31.5
Others	983,801	1.5	1,198,125	2.0
Subtotal	60,862,614	90.2	57,830,699	96.0
Negotiable certificates of deposit	6,594,951	9.8	2,402,148	4.0
Total	¥67,457,565	100.0%	¥60,232,847	100.0%
International operations:				
Liquid deposits	¥ 4,082,751	41.5%	¥ 4,987,517	50.3%
Fixed-term deposits	1,351,986	13.7	1,186,259	12.0
Others	2,549,296	25.9	2,913,560	29.4
Subtotal	7,984,035	81.1	9,087,337	91.7
Negotiable certificates of deposit	1,860,090	18.9	823,529	8.3
Total	¥ 9,844,125	100.0%	¥ 9,910,867	100.0%
Grand total	¥77,301,690	—	¥70,143,714	—

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice
2. Fixed-term deposits = Time deposits + Installment savings

Average Balance

Six months ended September 30	Millions of yen			
	2009		2008	
Domestic operations:				
Liquid deposits	¥38,748,357		¥37,976,699	
Fixed-term deposits	20,408,044		18,846,091	
Others	469,100		494,574	
Subtotal	59,625,502		57,317,365	
Negotiable certificates of deposit	7,579,472		2,751,183	
Total	¥67,204,974		¥60,068,549	
International operations:				
Liquid deposits	¥ 4,473,952		¥ 4,987,425	
Fixed-term deposits	1,280,181		1,098,676	
Others	2,969,650		3,216,182	
Subtotal	8,723,784		9,302,284	
Negotiable certificates of deposit	1,544,770		728,996	
Total	¥10,268,555		¥10,031,280	
Grand total	¥77,473,530		¥70,099,830	

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

September 30	Millions of yen			
	2009		2008	
Individual	¥35,172,161	53.5%	¥34,299,041	54.0%
Corporate	30,578,362	46.5	29,256,628	46.0
Total	¥65,750,523	100.0%	¥63,555,669	100.0%

Notes: 1. Figures are before adjustment on interoffice accounts in transit.
2. Negotiable certificates of deposit are excluded.
3. Accounts at overseas branches and Japan offshore banking accounts are excluded.

Balance of Investment Trusts, Classified by Type of Customer

September 30	Millions of yen	
	2009	2008
Individual	¥2,417,620	¥2,685,146
Corporate	273,963	197,673
Total	¥2,691,583	¥2,882,819

Note: Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the period-end.

Balance of Time Deposits, Classified by Maturity

September 30	Millions of yen	
	2009	2008
Less than three months.....	¥ 7,736,581	¥ 6,734,146
Fixed interest rates	6,485,826	5,663,698
Floating interest rates	100	1,000
Others	1,250,655	1,069,447
Three — six months.....	4,156,352	3,750,253
Fixed interest rates	4,080,573	3,634,378
Floating interest rates	16,410	39,550
Others	59,367	76,324
Six months — one year.....	5,852,346	5,300,546
Fixed interest rates	5,814,775	5,269,988
Floating interest rates	10,023	5,200
Others	27,548	25,357
One — two years	1,512,017	1,660,230
Fixed interest rates	1,498,009	1,644,605
Floating interest rates	12,212	15,347
Others	1,796	277
Two — three years.....	1,254,159	1,347,396
Fixed interest rates	1,220,735	1,277,217
Floating interest rates	26,660	68,812
Others	6,762	1,366
Three years or more.....	1,210,884	1,348,697
Fixed interest rates	775,533	820,646
Floating interest rates	429,496	514,566
Others	5,855	13,484
Total	¥21,722,342	¥20,141,271
Fixed interest rates	19,875,453	18,310,535
Floating interest rates	494,902	644,476
Others	1,351,986	1,186,259

Note: The figures above do not include installment savings.

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Period-End Balance

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Loans on notes	¥ 1,669,789	¥ 1,666,176
Loans on deeds	39,436,664	35,304,971
Overdrafts	8,763,923	9,863,538
Bills discounted	156,307	246,841
Subtotal	¥50,026,684	¥47,081,526
International operations:		
Loans on notes	¥ 430,267	¥ 576,224
Loans on deeds	8,354,233	10,758,375
Overdrafts	87,512	123,808
Bills discounted	—	2,018
Subtotal	¥ 8,872,014	¥11,460,426
Total	¥58,898,698	¥58,541,953

Average Balance

Six months ended September 30	Millions of yen	
	2009	2008
Domestic operations:		
Loans on notes	¥ 1,829,649	¥ 1,859,582
Loans on deeds	38,946,584	36,011,115
Overdrafts	9,107,690	9,582,964
Bills discounted	171,978	249,268
Subtotal	¥50,055,903	¥47,702,930
International operations:		
Loans on notes	¥ 437,798	¥ 499,134
Loans on deeds	8,999,940	9,433,987
Overdrafts	92,404	134,529
Bills discounted	201	5,276
Subtotal	¥ 9,530,345	¥10,072,928
Total	¥59,586,248	¥57,775,858

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

September 30	Millions of yen			
	2009		2008	
Funds for capital investment	¥21,362,390	36.3%	¥21,083,991	36.0%
Funds for working capital	37,536,308	63.7	37,457,962	64.0
Total	¥58,898,698	100.0%	¥58,541,953	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

September 30	Millions of yen	
	2009	2008
Securities	¥ 547,036	¥ 458,659
Commercial claims	984,584	1,268,649
Commercial goods	—	—
Real estate	6,609,594	6,792,368
Others	555,664	699,523
Subtotal	8,696,879	9,219,200
Guaranteed	21,155,429	20,619,651
Unsecured	29,046,389	28,703,102
Total	¥58,898,698	¥58,541,953

Balance of Loans and Bills Discounted, Classified by Maturity

September 30	Millions of yen	
	2009	2008
One year or less.....	¥ 9,773,694	¥ 9,631,922
One — three years.....	10,216,528	9,038,303
Floating interest rates	7,737,369	7,158,074
Fixed interest rates	2,479,158	1,880,228
Three — five years.....	8,267,616	8,563,728
Floating interest rates	6,227,357	6,664,669
Fixed interest rates	2,040,259	1,899,059
Five — seven years	3,038,611	3,551,007
Floating interest rates	2,331,443	2,790,970
Fixed interest rates	707,167	760,036
More than seven years.....	18,750,811	17,769,645
Floating interest rates	17,541,883	16,743,332
Fixed interest rates	1,208,928	1,026,313
No designated term.....	8,851,436	9,987,346
Floating interest rates	8,851,436	9,987,346
Fixed interest rates	—	—
Total	¥58,898,698	¥58,541,953

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

September 30	Millions of yen		September 30	Millions of yen	
	2009			2008	
Domestic operations:			Domestic operations:		
Manufacturing	¥ 6,446,898	12.5%	Manufacturing	¥ 5,389,440	11.2%
Agriculture, forestry, fisheries and mining	121,834	0.2	Agriculture, forestry, fisheries and mining	104,658	0.2
Construction.....	1,018,918	2.0	Construction.....	1,031,071	2.1
Transportation, communications and public enterprises.....	3,107,002	6.0	Transportation, communications and public enterprises.....	3,029,450	6.3
Wholesale and retail	4,291,667	8.3	Wholesale and retail	4,738,085	9.8
Finance and insurance	5,989,995	11.6	Finance and insurance	6,134,985	12.7
Real estate, goods rental and leasing.....	7,091,260	13.8	Real estate.....	6,136,716	12.7
Services	3,966,256	7.7	Services	5,318,838	11.0
Municipalities	977,131	2.0	Municipalities	725,924	1.5
Others	18,449,610	35.9	Others	15,697,622	32.5
Subtotal.....	¥51,460,576	100.0%	Subtotal.....	¥48,306,794	100.0%
Overseas operations:			Overseas operations:		
Public sector	¥ 20,060	0.3%	Public sector	¥ 27,433	0.3%
Financial institutions	467,123	6.3	Financial institutions	1,005,682	9.8
Commerce and industry.....	6,393,743	85.9	Commerce and industry.....	8,450,456	82.6
Others	557,195	7.5	Others	751,587	7.3
Subtotal.....	¥ 7,438,122	100.0%	Subtotal.....	¥10,235,159	100.0%
Total	¥58,898,698	—	Total	¥58,541,953	—

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.
3. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from the fiscal year beginning on April 1, 2009, the sector classification has been partly changed. "Goods rental and leasing" is included in others in fiscal 2008.

Loans to Individuals/Small and Medium-Sized Enterprises

September 30	Millions of yen	
	2009	2008
Total domestic loans (A)	¥51,460,576	¥48,306,794
Loans to individuals, and small and medium-sized enterprises (B)	34,682,344	35,648,677
(B) / (A).....	67.4%	73.8%

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

September 30	Millions of yen	
	2009	2008
Consumer loans	¥15,156,150	¥14,688,739
Housing loans	14,239,885	13,759,387
Residential purpose	10,719,544	10,168,610
Others	916,264	929,351

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

Six months ended September 30, 2009	Millions of yen				
	Balance at the beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at the end of the interim period
			Objectives	Others	
General reserve for possible loan losses	¥502,108 [4,541]	¥459,001	¥ —	¥503,980^{*1,2}	¥457,129
Specific reserve for possible loan losses	284,756 [61]	327,493	46,767	242,860^{*1,2}	322,622
Reserve for possible losses on specific overseas loans	417	263	—	417^{*1}	263
Total	¥787,281 [4,603]	¥786,758	¥46,767	¥747,258	¥780,014
Amount of direct reduction	¥476,317 [3,166]				¥536,266

*1 Transfer from reserves by reversal or origination method

*2 "Others" under "Decrease during the interim period" include the amount transferred to Sumitomo Mitsui Banking Corporation (China) Limited in connection with a business transfer. The transferred amount comprises ¥1,872 million for the general reserve for possible loan losses and ¥4,871 million for the specific reserve for possible loan losses.

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Six months ended September 30, 2008	Millions of yen				
	Balance at the beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at the end of the interim period
			Objectives	Others	
General reserve for possible loan losses	¥431,831 [(912)]	¥434,649	¥ —	¥431,831*	¥434,649
Specific reserve for possible loan losses	189,110 [(26)]	204,328	71,188	117,921*	204,328
Reserve for possible losses on specific overseas loans	0	0	—	0*	0
Total	¥620,942 [(938)]	¥638,978	¥71,188	¥549,754	¥638,978
Amount of direct reduction	¥334,549 [(737)]				¥446,096

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Write-Off of Loans

Six months ended September 30	Millions of yen	
	2009	2008
Write-off of loans	¥82,501	¥119,444

Note: Write-off of loans includes amount of direct reduction.

Specific Overseas Loans

September 30	Millions of yen	
	2009	2008
Ukraine	¥1,818	¥ —
Iceland	927	—
Pakistan	51	—
Argentina	4	4
Total	¥2,801	¥ 4
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries	4	1

Risk-Monitored Loans

Consolidated

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Bankrupt loans.....	¥ 242,722	¥ 234,497	¥ 290,237
Non-accrual loans.....	1,107,915	752,264	997,888
Past due loans (3 months or more)	51,983	41,703	36,119
Restructured loans	219,676	365,374	237,579
Total.....	¥1,622,298	¥1,393,840	¥1,561,824
Amount of direct reduction.....	¥ 666,314	¥ 526,714	¥ 590,174

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Bankrupt loans.....	¥ 163,747	¥ 166,708	¥ 196,062
Non-accrual loans.....	827,649	580,968	744,692
Past due loans (3 months or more)	38,678	37,655	32,549
Restructured loans	147,031	244,379	163,753
Total.....	¥1,177,107	¥1,029,713	¥1,137,058
Amount of direct reduction.....	¥ 459,876	¥ 393,452	¥ 419,511

Notes: **Definition of risk-monitored loan categories**

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

Problem Assets Based on the Financial Reconstruction Law

Nonconsolidated

	Millions of yen		
	September 30		March 31
	2009	2008	2009
Bankrupt and quasi-bankrupt assets	¥ 289,059	¥ 269,084	¥ 319,627
Doubtful assets	767,168	525,760	678,240
Substandard loans.....	185,710	282,035	196,303
Total of problem assets	1,241,938	1,076,881	1,194,170
Normal assets.....	64,242,117	65,343,453	66,028,576
Total.....	¥65,484,055	¥66,420,334	¥67,222,747
Amount of direct reduction.....	¥ 536,266	¥ 446,096	¥ 479,484

Notes: **Definition of problem asset categories**

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law No. 132 of 1998) and classified into the four categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include private placement bonds, loans and bills discounted, foreign exchanges, accrued interest, and advance 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 three categories above

Securities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Securities

Period-End Balance

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Japanese government bonds.....	¥15,748,378	¥ 7,911,989
Japanese local government bonds	169,156	288,935
Japanese corporate bonds	3,308,059	3,412,694
Japanese stocks	3,185,243	3,555,386
Others	299,651	397,737
Foreign bonds.....	/	/
Foreign stocks.....	/	/
Subtotal	¥22,710,489	¥15,566,743
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks	—	—
Others	4,949,402	5,415,702
Foreign bonds.....	3,530,796	4,064,770
Foreign stocks.....	1,418,605	1,350,931
Subtotal	¥ 4,949,402	¥ 5,415,702
Total	¥27,659,892	¥20,982,446

Average Balance

Six months ended September 30	Millions of yen	
	2009	2008
Domestic operations:		
Japanese government bonds.....	¥15,060,133	¥ 9,760,818
Japanese local government bonds	186,394	308,937
Japanese corporate bonds	3,364,037	3,413,833
Japanese stocks	2,708,147	2,773,028
Others	364,355	476,715
Foreign bonds.....	/	/
Foreign stocks.....	/	/
Subtotal	¥21,683,068	¥16,733,333
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks	—	—
Others	4,280,506	5,317,036
Foreign bonds.....	2,917,457	4,020,306
Foreign stocks.....	1,363,048	1,296,729
Subtotal	¥ 4,280,506	¥ 5,317,036
Total	¥25,963,575	¥22,050,370

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

September 30	Millions of yen	
	2009	2008
One year or less		
Japanese government bonds	¥ 4,534,425	¥1,512,185
Japanese local government bonds	8,801	25,016
Japanese corporate bonds	424,444	354,768
Others	544,604	420,416
Foreign bonds	518,168	403,922
Foreign stocks.....	12	146
One — three years		
Japanese government bonds.....	3,943,894	1,343,596
Japanese local government bonds	1,234	43,209
Japanese corporate bonds	809,829	1,004,580
Others	1,311,414	1,583,808
Foreign bonds	1,258,726	1,525,542
Foreign stocks.....	—	—
Three — five years		
Japanese government bonds.....	4,220,434	2,834,640
Japanese local government bonds	85,104	142,527
Japanese corporate bonds	1,269,404	1,270,792
Others	739,404	1,488,700
Foreign bonds	707,905	1,449,418
Foreign stocks.....	—	—
Five — seven years		
Japanese government bonds.....	290,256	399,138
Japanese local government bonds	65,103	77,802
Japanese corporate bonds	396,721	365,295
Others	442,774	293,732
Foreign bonds	425,852	246,962
Foreign stocks.....	—	1,539
Seven — 10 years		
Japanese government bonds.....	1,762,437	212,076
Japanese local government bonds	8,861	329
Japanese corporate bonds	320,748	375,246
Others	575,968	295,807
Foreign bonds	552,543	261,780
Foreign stocks.....	—	—
More than 10 years		
Japanese government bonds.....	996,931	1,610,352
Japanese local government bonds	50	50
Japanese corporate bonds	86,911	42,011
Others	183,378	363,680
Foreign bonds	67,600	177,143
Foreign stocks.....	115,777	186,536
No designated term		
Japanese government bonds.....	—	—
Japanese local government bonds	—	—
Japanese corporate bonds	—	—
Japanese stocks	3,185,243	3,555,386
Others	1,451,510	1,367,293
Foreign bonds	—	—
Foreign stocks.....	1,302,816	1,162,709
Total		
Japanese government bonds.....	¥15,748,378	¥7,911,989
Japanese local government bonds	169,156	288,935
Japanese corporate bonds	3,308,059	3,412,694
Japanese stocks	3,185,243	3,555,386
Others	5,249,054	5,813,439
Foreign bonds	3,530,796	4,064,770
Foreign stocks.....	1,418,605	1,350,931

Ratios (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Income Ratio

Six months ended September 30	Percentage	
	2009	2008
Ordinary profit to total assets	0.27%	0.24%
Ordinary profit to net assets	8.88	7.31
Net income to total assets	0.21	0.16
Net income to net assets	6.76	4.74

Notes: 1. Ordinary profit (net income) to total assets = Ordinary profit (net income) / Days in the interim period × Days in the fiscal year / Average balance of total assets excluding customers' liabilities for acceptances and guarantees × 100
 2. Ordinary profit (net income) to net assets = (Ordinary profit (net income) – Preferred dividends) / Days in the interim period × Days in the fiscal year / ((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 interim period – Number of shares of preferred stock outstanding at the end of the interim period × Issue price)) divided by 2 × 100

Yield/Interest Rate

Six months ended September 30	Percentage	
	2009	2008
Domestic operations:		
Interest-earning assets (A)	1.46%	1.76%
Interest-bearing liabilities (B)	1.03	1.29
(A) – (B)	0.43	0.47
International operations:		
Interest-earning assets (A)	1.92%	3.48%
Interest-bearing liabilities (B)	1.67	3.38
(A) – (B)	0.25	0.10
Total:		
Interest-earning assets (A)	1.55%	2.20%
Interest-bearing liabilities (B)	1.15	1.79
(A) – (B)	0.40	0.41

Loan-Deposit Ratio

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Loans and bills discounted (A)	¥50,026,684	¥47,081,526
Deposits (B)	67,457,565	60,232,847
Loan-deposit ratio (%)		
(A) / (B)	74.16%	78.16%
Ratio by average balance for the interim period	74.48	79.41
International operations:		
Loans and bills discounted (A)	¥ 8,872,014	¥11,460,426
Deposits (B)	9,844,125	9,910,867
Loan-deposit ratio (%)		
(A) / (B)	90.12%	115.63%
Ratio by average balance for the interim period	92.81	100.41
Total:		
Loans and bills discounted (A)	¥58,898,698	¥58,541,953
Deposits (B)	77,301,690	70,143,714
Loan-deposit ratio (%)		
(A) / (B)	76.19%	83.46%
Ratio by average balance for the interim period	76.91	82.41

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

September 30	Millions of yen	
	2009	2008
Domestic operations:		
Securities (A)	¥22,710,489	¥15,566,743
Deposits (B)	67,457,565	60,232,847
Securities-deposit ratio (%)		
(A) / (B)	33.66%	25.84%
Ratio by average balance for the interim period	32.26	27.85
International operations:		
Securities (A)	¥ 4,949,402	¥ 5,415,702
Deposits (B)	9,844,125	9,910,867
Securities-deposit ratio (%)		
(A) / (B)	50.27%	54.64%
Ratio by average balance for the interim period	41.68	53.00
Total:		
Securities (A)	¥27,659,892	¥20,982,446
Deposits (B)	77,301,690	70,143,714
Securities-deposit ratio (%)		
(A) / (B)	35.78%	29.91%
Ratio by average balance for the interim period	33.51	31.45

Note: Deposits include negotiable certificates of deposit.

Capital (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Capital Stock (as of September 30, 2009)

¥1,262,959 million

Number of Shares Issued

September 30, 2009	Number of shares issued
Common stock.....	85,239,932
Preferred stock (1st series Type 6).....	70,001
Total.....	<u>85,309,933</u>

Note: The shares above are not listed on any stock exchange.

Principal Shareholders

a. Common Stock

September 30, 2009	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Financial Group, Inc.	85,239,932	100.00%

b. Preferred Stock (1st series Type 6)

September 30, 2009	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Financial Group, Inc.	70,001	100.00%

Others (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

September 30	Millions of yen	
	2009	2008
Securities	¥ 20,635	¥ 107,198
Commercial claims.....	12,766	29,992
Commercial goods	1,331	58,389
Real estate.....	53,475	59,959
Others	8,338	9,057
Subtotal.....	¥ 96,546	¥ 264,597
Guaranteed	468,858	508,201
Unsecured.....	3,074,214	3,740,733
Total	<u>¥3,639,618</u>	<u>¥4,513,532</u>

Trust Assets and Liabilities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Statements of Trust Assets and Liabilities

September 30	Millions of yen	
	2009	2008
Assets:		
Loans and bills discounted.....	¥ 221,900	¥ 222,540
Loans on deeds	221,900	222,540
Securities	357,836	349,145
Japanese government bonds	204,036	209,405
Corporate bonds	23,784	12,000
Japanese stocks	2,999	—
Foreign securities.....	126,765	127,439
Other securities.....	250	300
Securities held in custody accounts.....	3,126	3,412
Monetary claims.....	387,698	620,628
Monetary claims for housing loans	20,498	78,604
Other monetary claims.....	367,200	542,024
Tangible fixed assets	35	—
Equipment.....	35	—
Intangible fixed assets	32	126
Other intangible fixed assets.....	32	126
Other claims.....	3,310	2,703
Call loans	30,647	225
Due from banking account.....	111,667	106,932
Cash and due from banks.....	31,117	26,467
Deposits with banks.....	31,117	26,467
Others	—	1,462
Others	—	1,462
Total assets.....	¥1,147,370	¥1,333,644
Liabilities:		
Designated money trusts	¥ 377,940	¥ 334,953
Specified money trusts.....	145,056	130,520
Money in trusts other than money trusts.....	220,012	220,150
Security trusts	3,138	3,428
Monetary claims trusts	378,002	553,396
Equipment trusts	81	—
Composite trusts	23,117	89,732
Other trusts	21	1,462
Total liabilities	¥1,147,370	¥1,333,644

Notes: 1. Amounts less than one million yen have been omitted.

2. SMBC has no co-operative trusts under any other trust bank's administration as of the interim period-end.

3. SMBC does not deal with any trusts with principal indemnification.

4. Excludes trusts whose monetary values are difficult to calculate.

Capital Ratio Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Law” (Notification 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as “the Notification”).

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “First Standard” in the Notification), SMFG has adopted the advanced internal ratings-based (IRB) approach for calculating credit risk-weighted asset amounts at the end of March 2009. The foundation IRB approach was used for the prior fiscal year ended on March 31, 2008. Further, SMFG has implemented market risk controls, and, in calculating the amount corresponding to operational risk, the Advanced Measurement Approach (AMA).

“Capital Ratio Information” was prepared based on the Notification, and the terms and details in the section may differ from the terms and details in other sections of this report.

■ Scope of Consolidation

Companies Subject to Deduction from Capital, with Capital below Basel II Required Amount and Total Shortfall Amount

Not applicable.

■ Capital Structure Information (Consolidated Capital Ratio (First Standard))

Regarding the calculation of the capital ratio, certain procedures were performed by KPMG AZSA & Co. pursuant to “Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures” (JICPA Industry Committee Report No. 30). The certain procedures performed by the external auditor are not part of the audit of consolidated financial statements. The certain procedures performed on our internal control framework for calculating the capital ratio are based on procedures agreed upon by SMFG and the external auditor and are not a validation of appropriateness of the capital ratio itself or opinion on the internal controls related to the capital ratio calculation.

		Millions of yen		
		September 30		March 31
		2009	2008	2009
Tier I capital:	Capital stock.....	¥ 1,851,389	¥ 1,420,877	¥ 1,420,877
	Capital surplus	492,070	57,759	57,245
	Retained earnings	1,347,826	1,761,220	1,245,085
	Treasury stock.....	(124,054)	(124,240)	(124,024)
	Cash dividends to be paid	(50,981)	(60,105)	(21,059)
	Unrealized losses on other securities	—	—	(14,649)
	Foreign currency translation adjustments	(86,132)	(57,108)	(129,068)
	Stock acquisition rights	74	56	66
	Minority interests	2,133,861	1,814,874	2,147,100
	Goodwill and others	(181,610)	(191,969)	(186,792)
	Gain on sale on securitization transactions.....	(40,146)	(42,602)	(42,102)
	Amount equivalent to 50% of expected losses in excess of provision	(47,143)	—	(17,590)
	Deductions of deferred tax assets.....	—	(87,444)	—
	Total Tier I capital (A).....	5,295,152	4,491,317	4,335,085
Tier II capital:	Unrealized gains on other securities after 55% discount	307,602	263,958	—
	Land revaluation excess after 55% discount.....	37,183	37,209	37,211
	General reserve for possible loan losses	79,536	64,131	80,374
	Excess amount of provision	—	13,070	—
	Subordinated debt.....	2,341,164	2,368,389	2,303,382
	Total Tier II capital.....	2,765,486	2,746,760	2,420,968
	Tier II capital included as qualifying capital (B)	2,765,486	2,746,760	2,420,968
Deductions*:	(C)	779,160	730,976	708,241
Total qualifying capital:	(D) = (A) + (B) – (C).....	¥ 7,281,479	¥ 6,507,101	¥ 6,047,812
Risk-weighted assets:	On-balance sheet items	¥44,133,383	¥50,088,982	¥41,703,547
	Off-balance sheet items	8,037,569	9,917,595	7,693,647
	Market risk items	235,832	291,765	265,723
	Operational risk	3,016,479	3,134,164	3,063,589
	Total risk-weighted assets (E).....	¥55,423,266	¥63,432,507	¥52,726,507
Tier I risk-weighted capital ratio:	(A) / (E) × 100.....	9.55%	7.08%	8.22%
Total risk-weighted capital ratio:	(D) / (E) × 100	13.13%	10.25%	11.47%
Required capital:	(E) × 8%	¥ 4,433,861	¥ 5,074,600	¥ 4,218,120

* “Deductions” refers to deductions stipulated in Article 8-1 of the Notification and includes willful holding of securities issued by other financial institutions and securities stipulated in Clause 2.

■ Capital Requirements

September 30	Billions of yen	
	2009	2008
Capital requirements for credit risk:		
Internal ratings-based approach	¥5,314.2	¥5,485.7
Corporate exposures:	3,459.5	3,579.4
Corporate exposures (excluding specialized lending)	3,040.9	3,093.9
Sovereign exposures	25.8	37.6
Bank exposures	150.6	197.6
Specialized lending	242.3	250.2
Retail exposures:	918.0	851.2
Residential mortgage exposures	392.1	338.3
Qualifying revolving retail exposures	110.5	133.4
Other retail exposures	415.5	379.5
Equity exposures:	366.5	365.9
Grandfathered equity exposures.....	194.1	231.8
PD/LGD approach.....	75.2	63.9
Market-based approach	97.2	70.1
Simple risk weight method	95.0	57.7
Internal models method	2.3	12.4
Credit risk-weighted assets under Article 145 of the Notification	179.0	231.1
Securitization exposures	125.5	144.0
Other exposures.....	265.7	314.1
Standardized approach	635.8	682.6
Total capital requirements for credit risk	5,950.0	6,168.2
Capital requirements for market risk:		
Standardized measurement method	4.1	5.4
Interest rate risk	3.1	3.7
Equity position risk	0.3	0.5
Foreign exchange risk	0.6	1.1
Commodities risk	—	—
Options	0.0	0.0
Internal models method	14.8	18.0
Total capital requirements for market risk	18.9	23.3
Capital requirements for operational risk	241.3	250.7
Total amount of capital requirements	¥6,210.1	¥6,442.3

- Notes: 1. Capital requirements for credit risk are capital equivalents to “credit risk-weighted assets × 8%” under the standardized approach and “credit risk-weighted assets × 8% + expected loss amount” under the IRB approach. Regarding exposures to be deducted from capital, the deduction amount is added to the amount of required capital.
2. The above amounts are 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

Exposures by Asset Class

(1) Corporate Exposures

A. Corporate, Sovereign and Bank Exposures

(A) Obligor Grading System

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

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2009									
J1-J3	¥18,597.7	¥13,143.4	¥ 5,454.2	¥4,104.9	75.00%	0.07%	34.39%	—%	16.86%
J4-J6	15,046.0	11,670.3	3,375.8	984.3	75.00	1.65	31.36	—	58.64
J7 (excluding J7R)	2,244.2	1,953.8	290.4	59.8	75.00	15.17	30.37	—	134.01
Japanese government and local municipal corporations.....	23,564.0	22,824.0	739.9	11.5	75.00	0.00	34.07	—	0.10
Other	5,096.0	4,608.1	487.8	77.9	75.00	1.35	38.65	—	61.23
Default (J7R, J8-J10)	1,447.0	1,359.6	87.4	6.6	100.00	100.00	54.57	52.93	20.51
Total	¥65,994.9	¥55,559.3	¥10,435.6	¥5,245.1	—	—	—	—	—

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2008									
J1-J3	¥19,928.2	¥14,413.1	¥5,515.1	¥ —	—%	0.10%	44.04%	—%	23.98%
J4-J6	12,740.1	9,984.3	2,755.8	—	—	1.39	41.64	—	74.00
J7 (excluding J7R)	1,805.1	1,602.2	202.9	—	—	11.65	42.08	—	173.11
Japanese government and local municipal corporations.....	13,648.0	13,194.2	453.8	—	—	0.00	43.66	—	0.62
Other	5,599.5	4,998.3	601.2	—	—	1.67	43.43	—	77.38
Default (J7R, J8-J10)	1,147.7	1,082.8	64.8	—	—	100.00	42.94	—	—
Total	¥54,868.6	¥45,274.9	¥9,593.7	¥ —	—	—	—	—	—

Notes: 1. In line with the adoption of the advanced IRB approach on March 31, 2009, CCF and ELdefault information is now disclosed.

2. "Other" includes exposures guaranteed by credit guarantee corporations, exposures to public sector entities and voluntary organizations, and exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies), as well as business loans and standardized SME loans of more than ¥100 million.

b. Overseas Corporate, Sovereign and Bank Exposures

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2009									
G1-G3	¥17,674.1	¥11,295.3	¥6,378.8	¥2,955.2	75.00%	0.18%	31.94%	—%	20.22%
G4-G6	1,133.5	896.8	236.8	172.3	75.00	2.46	33.63	—	86.19
G7 (excluding G7R)	525.8	323.9	201.9	106.8	75.00	20.36	31.46	—	167.94
Other	145.2	96.8	48.3	6.9	75.00	1.56	41.37	—	87.19
Default (G7R, G8-G10)	231.6	222.9	8.7	2.1	100.00	100.00	74.45	66.91	94.25
Total	¥19,710.2	¥12,835.7	¥6,874.5	¥3,243.3	—	—	—	—	—

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2008									
G1-G3	¥21,100.1	¥13,745.0	¥7,355.2	¥—	—%	0.18%	42.32%	—%	28.96%
G4-G6	1,062.8	847.0	215.8	—	—	1.71	44.48	—	104.07
G7 (excluding G7R)	259.4	152.4	107.0	—	—	21.61	44.85	—	235.75
Other	87.7	27.7	60.0	—	—	0.96	44.98	—	69.98
Default (G7R, G8-G10)	155.7	137.9	17.8	—	—	100.00	45.00	—	—
Total	¥22,665.7	¥14,909.9	¥7,755.8	¥—	—	—	—	—	—

B. Specialized Lending (SL)

Portfolio

a. Slotting Criteria Applicable Portion

(a) Project Finance, Object Finance and IPRE

September 30	Risk weight	Billions of yen					
		2009			2008		
		Project finance	Object finance	IPRE	Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	¥ 82.8	¥ 0.0	¥—	¥ 120.9	¥ 19.6	¥ 565.0
Residual term 2.5 years or more	70%	726.6	50.3	—	892.1	146.7	672.6
Good:							
Residual term less than 2.5 years	70%	21.7	—	—	36.1	1.1	36.0
Residual term 2.5 years or more	90%	169.6	4.1	—	200.0	7.5	97.6
Satisfactory	115%	40.3	—	—	19.6	9.8	35.2
Weak	250%	76.9	—	—	9.4	22.1	25.3
Default	—	6.3	—	—	4.1	6.2	—
Total		¥1,124.1	¥54.4	¥—	¥1,282.2	¥213.0	¥1,431.8

Note: Since March 31, 2009, a portion of object finance and IPRE have been calculated using the PD/LGD approach.

(b) HVCRE

September 30	Risk weight	Billions of yen	
		2009	2008
Strong:			
Residual term less than 2.5 years	70%	¥ —	¥ 4.0
Residual term 2.5 years or more	95%	—	—
Good:			
Residual term less than 2.5 years	95%	53.3	75.2
Residual term 2.5 years or more	120%	46.2	89.8
Satisfactory	140%	88.6	229.7
Weak	250%	9.8	0.8
Default	—	3.0	3.2
Total		¥200.9	¥402.8

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Object Finance

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2009									
G1-G3	¥ 98.3	¥ 95.6	¥ 2.7	¥ 0.4	75.00%	0.53%	20.28%	—%	40.07%
G4-G6	50.9	38.9	12.0	14.2	75.00	1.67	14.19	—	38.17
G7 (excluding G7R)	8.3	8.3	0.1	0.1	75.00	20.21	43.21	—	247.29
Other	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	3.0	2.9	0.0	—	—	100.00	71.97	64.42	94.41
Total	¥160.5	¥145.8	¥14.7	¥14.7	—	—	—	—	—

Note: Since March 31, 2009, a portion of object finance has been calculated using the PD/LGD approach.

(b) IPRE

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2009									
J1-J3	¥ 431.4	¥ 417.5	¥ 13.9	¥ —	—%	0.05%	39.20%	—%	13.81%
J4-J6	1,021.4	874.7	146.7	4.2	75.00	2.23	33.19	—	83.78
J7 (excluding J7R)	72.1	68.6	3.5	—	—	19.51	27.21	—	134.12
Other	71.5	69.9	1.5	2.0	75.00	8.26	36.92	—	76.88
Default (J7R, J8-J10)	—	—	—	—	—	—	—	—	—
Total	¥1,596.4	¥1,430.7	¥165.7	¥6.3	—	—	—	—	—

Note: Since March 31, 2009, IPRE has been calculated using the PD/LGD approach.

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Exposure amount		Undrawn amount				
	Total	On-balance sheet assets					
September 30, 2009							
Mortgage loans							
PD segment:							
Not delinquent							
Use model	¥ 9,769.2	¥ 9,694.9	¥74.3	0.37%	43.89%	—%	27.04%
Other	803.9	803.9	—	0.83	60.43	—	73.14
Delinquent	81.9	75.6	6.3	34.57	47.17	—	268.54
Default	130.6	130.0	0.6	100.00	50.04	47.15	36.16
Total	¥10,785.6	¥10,704.3	¥81.2	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Exposure amount		Undrawn amount				
	Total	On-balance sheet assets					
September 30, 2008							
Mortgage loans							
PD segment:							
Not delinquent							
Use model	¥ 9,238.1	¥ 9,151.8	¥86.4	0.39%	38.96%	—%	24.59%
Other	820.9	820.9	—	0.80	59.77	—	70.09
Delinquent	60.0	53.6	6.5	36.26	42.52	—	241.08
Default	123.4	122.7	0.7	100.00	46.09	43.25	35.51
Total	¥10,242.5	¥10,148.9	¥93.5	—	—	—	—

Notes: 1. "Other" 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)

Portfolio

September 30, 2009	Billions of yen									
	Exposure amount					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Total	On-balance sheet assets		Off-balance sheet assets	Undrawn amount					
Card loans										
PD segment:										
Not delinquent...	¥ 549.7	¥ 492.7	¥ 57.0	¥ —	¥ 176.6	32.28%	2.14%	85.47%	—%	54.89%
Delinquent	13.2	12.8	0.4	—	3.6	11.09	22.39	76.43	—	206.84
Credit card balances										
PD segment:										
Not delinquent...	1,004.8	662.7	342.1	—	4,134.7	8.27	1.42	77.95	—	29.86
Delinquent	9.1	7.6	1.4	—	—	—	85.67	80.68	—	89.37
Default	30.0	26.1	3.8	—	—	—	100.00	86.86	80.65	77.68
Total	¥1,606.7	¥1,201.9	¥404.8	¥ —	¥4,314.8	—	—	—	—	—

September 30, 2008	Billions of yen									
	Exposure amount					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Total	On-balance sheet assets		Off-balance sheet assets	Undrawn amount					
Card loans										
PD segment:										
Not delinquent...	¥ 434.9	¥ 380.3	¥ 54.7	¥ —	¥ 154.7	35.32%	2.11%	83.48%	—%	53.64%
Delinquent	87.7	86.2	1.5	—	13.8	10.87	31.02	91.41	—	272.31
Credit card balances										
PD segment:										
Not delinquent...	984.8	656.7	328.0	—	3,930.6	8.35	1.12	80.00	—	26.46
Delinquent	7.7	6.4	1.3	—	—	—	78.57	82.64	—	126.51
Default	25.9	22.6	3.3	—	—	—	100.00	89.34	82.40	86.72
Total	¥1,541.0	¥1,152.2	¥388.8	¥ —	¥4,099.1	—	—	—	—	—

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

Portfolio

September 30, 2009	Billions of yen							
	Exposure amount				Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Total	On-balance sheet assets		Off-balance sheet assets				
Business loans								
PD segment:								
Not delinquent								
Use model	¥1,205.8	¥1,190.8	¥ 15.0	—	1.10%	58.25%	—%	55.71%
Other	367.3	366.3	0.9	—	0.63	61.05	—	27.87
Delinquent	487.4	484.3	3.2	—	31.61	66.81	—	98.06
Consumer loans								
PD segment:								
Not delinquent								
Use model	453.3	239.7	213.6	—	1.22	66.13	—	69.14
Other	200.5	198.7	1.8	—	1.77	63.46	—	78.96
Delinquent	47.7	47.6	0.1	—	22.27	54.30	—	124.45
Default	166.0	165.9	0.1	—	100.00	74.86	69.03	72.84
Total	¥2,928.1	¥2,693.4	¥234.7	—	—	—	—	—

September 30, 2008	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model	¥1,392.9	¥1,372.9	¥20.0	1.14%	59.43%	—%	57.07%
Other	235.6	235.1	0.5	1.18	50.24	—	50.10
Delinquent	429.5	426.2	3.3	11.03	64.19	—	103.16
Consumer loans							
PD segment:							
Not delinquent							
Use model	325.9	279.8	46.1	1.44	47.83	—	53.19
Other	228.2	226.2	2.0	1.82	63.21	—	79.14
Delinquent	38.7	38.3	0.4	24.91	46.16	—	110.67
Default	249.5	245.7	3.9	100.00	70.16	64.64	69.04
Total	¥2,900.3	¥2,824.2	¥76.1	—	—	—	—

Notes: 1. "Business loans" includes apartment construction loans and standardized SME loans.
2. "Other" 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

Portfolio

a. Equity Exposure Amounts

September 30	Billions of yen	
	2009	2008
Market-based approach	¥ 297.3	¥ 236.1
Simple risk weight method	288.2	182.9
Listed equities (300%)	33.0	51.8
Unlisted equities (400%)	255.2	131.2
Internal models method	9.1	53.2
PD/LGD approach	657.4	640.1
Grandfathered equity exposures	2,289.2	2,734.0
Total	¥3,243.8	¥3,610.2

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.
2. The "Grandfathered equity exposures" amount was calculated in accordance with Supplementary Provision 13 of the Notification.

b. PD/LGD Approach

September 30	Billions of yen					
	2009			2008		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3	¥465.9	0.05%	107.52%	¥513.9	0.05%	112.59%
J4-J6	73.8	1.42	247.01	15.8	0.70	197.76
J7 (excluding J7R)	1.3	13.20	470.57	6.2	9.81	440.67
Other	110.7	0.12	108.54	104.1	0.06	101.51
Default (J7R, J8-J10)	5.7	100.00	—	0.0	100.00	—
Total	¥657.4	—	—	¥640.1	—	—

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. "Other" includes exposures to overseas corporate entities.

B. Credit Risk-Weighted Assets under Article 145 of the Notification

Portfolio

September 30	Billions of yen	
	2009	2008
Exposures under Article 145 of the Notification	¥1,208.2	¥986.4

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded total credit costs (the total of the general provisions, non-performing loan write-offs, and gains on collection of written-off claims) of ¥268.5 billion on a consolidated basis for the first half of fiscal 2009, a year-on-year decrease of ¥33.7 billion.

SMBC recorded ¥156.9 billion in total credit costs on a nonconsolidated basis for the first half of fiscal 2009, a year-on-year decrease of ¥67.2 billion. In terms of exposure category, the credit cost for corporate exposures decreased ¥10.0 billion year-on-year, to ¥144.8 billion. The credit cost for bank exposures decreased ¥18.4 billion for a year-on-year improvement of ¥5.6 billion. The principal factor for these decreases is the effect of the Japanese government's economic stimulus measures, primarily the introduction of an emergency credit guarantee system implemented through credit guarantee corporations. Other contributing factors are our tailor-made supports for borrowers, as well as a recovery in overseas markets, which resulted in smaller-than-expected expenditures on write-offs and loan-loss reserves.

Total Credit Costs

	Billions of yen					
	First half of fiscal 2009 (A)	First half of fiscal 2008 (B)	First half of fiscal 2007	Increase (decrease) (A) – (B)	Fiscal 2008	Fiscal 2007
SMFG (consolidated) total	¥268.5	¥302.1	¥143.1	¥(33.7)	¥767.8	¥248.6
SMBC (consolidated) total	238.8	282.8	131.5	(44.0)	724.4	221.6
SMBC (nonconsolidated) total	156.9	224.1	114.2	(67.2)	550.1	147.8
Corporate exposures	144.8	154.8	61.9	(10.0)	411.4	143.2
Sovereign exposures	(0.1)	(0.4)	0.0	0.4	(0.4)	0.4
Bank exposures	(5.6)	12.8	0.0	(18.4)	22.7	0.0
Residential mortgage exposures	0.8	0.1	(0.0)	0.7	0.5	0.1
QRRE	0.0	0.0	0.0	0.0	0.0	0.0
Other retail exposures	36.0	38.8	23.6	(2.8)	68.1	59.8

- Notes: 1. The above amounts do not include gains/losses on equity exposures, exposures on capital market-driven transactions (such as bonds) and exposures under Article 145 of the Notification that were recognized as gains/losses on bonds and stocks in the statements of operations.
2. Exposure category amounts do not include general provisions for Normal Borrowers.
3. Bracketed fiscal year amounts indicate gains generated by the reversal of provisions, 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 2009			Fiscal 2008				
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts		
	After deduction of reserves	(First half of fiscal 2009)	After deduction of reserves	(First half of fiscal 2008)	(Fiscal 2008)			
SMFG (consolidated) total	¥ —	¥ —	¥268.5	¥ —	¥ —	¥302.1	¥767.8	
SMBC (consolidated) total	—	—	238.8	—	—	282.8	724.4	
SMBC (nonconsolidated) total	1,197.2	354.0	156.9	954.2	323.9	224.1	550.1	
Corporate exposures	984.0	210.0	144.8	806.7	278.6	154.8	411.4	
Sovereign exposures	5.8	4.3	(0.1)	9.0	7.5	(0.4)	(0.4)	
Bank exposures	52.1	34.4	(5.6)	6.1	5.9	12.8	22.7	
Residential mortgage exposures	4.0	3.4	0.8	4.0	3.6	0.1	0.5	
QRRE	0.1	0.1	0.0	0.1	0.1	0.0	0.0	
Other retail exposures	151.2	107.5	36.0	128.3	65.9	38.8	68.1	

	Billions of yen			
	Fiscal 2007			
	Estimated loss amounts		Actual loss amounts	
	After deduction of reserves	(First half of fiscal 2007)	(Fiscal 2007)	
SMFG (consolidated) total	¥ —	¥ —	¥143.1	¥248.6
SMBC (consolidated) total	—	—	131.5	221.6
SMBC (nonconsolidated) total	887.7	311.4	114.2	147.8
Corporate exposures	778.6	252.6	61.9	143.2
Sovereign exposures	11.2	9.6	0.0	0.4
Bank exposures	5.1	4.9	0.0	0.0
Residential mortgage exposures	4.6	4.1	(0.0)	0.1
QRRE	0.1	0.1	0.0	0.0
Other retail exposures	88.2	53.1	23.6	59.8

- Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on equity exposures and other exposures subject to Article 145 of the Notification are excluded.
2. The "Estimated loss amounts" are the EL at the beginning of the term.
3. Representing the estimated loss amount "After deduction of reserves" for possible losses on substandard loans or below.

■ Standardized Approach

Exposure Balance by Risk Weight Segment

September 30	Billions of yen			
	2009		2008	
		Assigned country risk score		Assigned country risk score
0%	¥ 1,718.3	¥ 69.8	¥ 1,360.7	¥ 68.8
10%	478.6	—	557.9	—
20%	669.5	270.2	768.6	360.4
35%	1,337.2	—	1,385.8	—
50%	223.1	1.9	162.8	2.4
75%	1,515.1	—	1,705.3	—
100%	6,043.1	0.0	6,536.5	0.1
150%	98.6	—	32.8	—
Total	¥12,083.6	¥342.0	¥12,510.3	¥431.7

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 amount of exposure has been included.
2. Securitization exposures have not been included.

■ Credit Risk Mitigation Techniques

Exposure Balance after CRM

September 30	Billions of yen			
	2009		2008	
	Eligible financial collateral	Eligible real estate collateral	Eligible financial collateral	Eligible real estate collateral
Advanced IRB approach	¥ —	¥ —	¥ —	¥ —
Foundation IRB approach	0.0	76.4	3,033.9	3,046.2
Corporate exposures	0.0	76.4	787.5	3,044.6
Sovereign exposures	—	—	397.9	1.4
Bank exposures	—	—	1,848.5	0.1
Standardized approach	64.0	—	212.7	—
Total	¥64.0	¥76.4	¥3,246.6	¥3,046.2

Note: In line with the shift to the advanced IRB approach on March 31, 2009, most qualified collateral is taken into account in the LGD calculation. As a result, there exist no exposures after CRM, with the exception of certain consolidated subsidiaries which have adopted the foundation IRB approach.

September 30	Billions of yen	
	2009	
	Guarantee	Credit derivative
Advanced IRB approach	¥7,068.2	¥269.2
Corporate exposures	6,355.3	269.2
Sovereign exposures	310.5	—
Bank exposures	190.4	—
Residential mortgage exposures	211.8	—
QRRE	—	—
Other retail exposures	0.1	—
Standardized approach	166.7	—
Total	¥7,234.9	¥269.2

September 30	Billions of yen	
	2008	
	Guarantee	Credit derivative
Foundation IRB approach	¥5,460.3	¥258.5
Corporate exposures	4,686.1	258.5
Sovereign exposures	252.9	—
Bank exposures	286.9	—
Residential mortgage exposures	234.2	—
QRRE	—	—
Other retail exposures	0.2	—
Standardized approach	134.9	—
Total	¥5,595.2	¥258.5

Note: In line with the shift to the advanced IRB approach on March 31, 2009, the scope of qualified collateral has expanded and guarantee-based exposures after CRM have greatly increased.

■ Derivative Transactions and Long Settlement Transactions

Credit Equivalent Amounts

(1) Derivative Transactions and Long Settlement Transactions

A. Calculation Method

Current exposure method

B. Credit Equivalent Amounts

September 30	Billions of yen	
	2009	2008
Gross replacement cost.....	¥5,387.4	¥4,024.1
Gross add-on amount.....	3,381.7	3,993.0
Gross credit equivalent amount.....	8,769.2	8,017.1
Foreign exchange related transactions	3,509.0	3,951.2
Interest rate related transactions	4,787.8	3,657.7
Gold related transactions.....	—	—
Equities related transactions	69.3	1.7
Precious metals (excluding gold) related transactions	—	—
Other commodity related transactions.....	165.8	293.4
Credit default swaps.....	237.2	113.1
Reduction in credit equivalent amount due to netting.....	4,689.6	3,722.0
Net credit equivalent amount.....	4,079.5	4,295.1
Collateral amount	—	233.4
Qualifying financial collateral	—	132.4
Qualifying real estate collateral	—	101.0
Net credit equivalent amount (after taking into account the CRM effect of collateral).....	¥4,079.5	¥4,295.1

Note: The net credit equivalent amount was the same before and after taking into account the CRM effect of collateral as the IRB approach and simple approach of the standardized approach have been adopted.

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

September 30	Billions of yen			
	2009		2008	
	Notional principal amount	Of which for CRM	Notional principal amount	Of which for CRM
Protection purchased	¥ 872.8	¥269.2	¥1,109.2	¥258.5
Protection provided	1,194.3	—	951.3	—

Note: The "Notional principal amount" is defined as the total of "amounts subject to calculation of credit equivalents" and "amounts employed for CRM."

■ Securitization Exposures

Portfolio

(1) Securitization Transactions as Originator

A. As Originator (excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	September 30, 2009			First half of fiscal 2009			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 124.3	¥ 124.3	¥ —	¥ —	¥10.3	¥1.3	¥ —
Mortgage loans	1,677.5	1,677.5	—	43.0	1.0	0.2	2.5
Retail loans (excluding mortgage loans).....	90.4	—	90.4	—	14.6	1.9	—
Other claims.....	260.5	69.9	190.6	—	0.2	0.3	—
Total	¥2,152.6	¥1,871.7	¥281.0	¥43.0	¥26.1	¥3.8	¥2.5

	Billions of yen						
	September 30, 2008			First half of fiscal 2008			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 241.0	¥ 154.7	¥ 86.3	¥230.0	¥11.2	¥0.5	¥ —
Mortgage loans	1,731.0	1,731.0	—	—	—	—	2.0
Retail loans (excluding mortgage loans).....	167.5	9.3	158.2	1.3	35.5	6.3	—
Other claims	229.1	94.9	134.2	—	0.3	0.6	—
Total	¥2,368.5	¥1,989.9	¥378.7	¥231.3	¥47.0	¥7.3	¥2.0

- Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing securitization exposure.
2. The "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.
3. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and lease fees.
4. Following Articles 230 and 248 of the Notification, there were no amounts that represent exposure to products subject to early call provisions to investors.
5. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2009			2008		
September 30	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates.....	¥ 50.7	¥ 2.0	¥ —	¥122.2	¥ 2.9	¥ —
Mortgage loans.....	182.5	39.2	40.1	174.4	34.6	42.6
Retail loans (excluding mortgage loans)	30.6	10.1	—	62.1	14.1	—
Other claims	140.6	9.1	—	75.9	11.1	—
Total.....	¥404.4	¥60.5	¥40.1	¥434.6	¥62.8	¥42.6

b. Risk Weights

	Billions of yen			
	2009		2008	
September 30	Term-end balance	Required capital	Term-end balance	Required capital
20% or less.....	¥175.8	¥ 1.1	¥234.1	¥ 0.9
100% or less.....	19.9	0.6	—	—
650% or less.....	2.0	0.7	2.0	0.7
Less than 1250%.....	—	—	—	—
Capital deduction.....	206.7	60.5	198.6	62.8
Total	¥404.4	¥62.9	¥434.6	¥64.4

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	September 30, 2009			First half of fiscal 2009		
	Underlying asset amount			Securitized amount	Default amount	Loss amount
Total	Asset transfer type	Synthetic type				
Claims on corporates.....	¥534.7	¥534.7	¥ —	¥2,138.2	¥61.4	¥60.1
Mortgage loans.....	—	—	—	—	0.8	0.8
Retail loans (excluding mortgage loans)	179.8	179.8	—	362.8	3.6	4.0
Other claims	91.1	91.1	—	35.2	2.9	2.5
Total.....	¥805.5	¥805.5	¥ —	¥2,536.3	¥68.8	¥67.4

	Billions of yen					
	September 30, 2008			First half of fiscal 2008		
	Underlying asset amount			Securitized amount	Default amount	Loss amount
Total	Asset transfer type	Synthetic type				
Claims on corporates.....	¥842.1	¥842.1	¥—	¥3,731.9	¥78.7	¥77.1
Mortgage loans.....	3.6	3.6	—	—	0.4	0.4
Retail loans (excluding mortgage loans)	70.1	70.1	—	167.4	2.7	3.5
Other claims	71.9	71.9	—	30.6	0.9	0.7
Total.....	¥987.7	¥987.7	¥—	¥3,929.9	¥82.6	¥81.7

- Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing securitization exposure.
2. The "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.
3. The "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 in (1) above.
4. "Other claims" includes lease fees.
5. Following Articles 230 and 248 of the Notification, there were no amounts that represent exposure to products subject to early call provisions to investors.
6. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2009			2008		
September 30	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates.....	¥413.3	¥0.5	¥—	¥693.7	¥0.1	¥—
Mortgage loans.....	—	—	—	3.6	—	—
Retail loans (excluding mortgage loans)	153.8	—	—	67.0	—	—
Other claims	88.0	—	—	68.2	—	—
Total.....	¥655.0	¥0.5	¥—	¥832.5	¥0.1	¥—

Note: "Other claims" includes lease fees.

b. Risk Weights

	Billions of yen			
	2009		2008	
September 30	Term-end balance	Required capital	Term-end balance	Required capital
20% or less.....	¥584.6	¥4.2	¥736.9	¥4.6
100% or less.....	69.9	1.9	95.5	2.6
650% or less.....	—	—	—	—
Less than 1250%.....	—	—	—	—
Capital deduction.....	0.5	0.5	0.1	0.1
Total	¥655.0	¥6.6	¥832.5	¥7.2

(2) Securitization Transactions in which the Group is the Investor

Securitization Exposures

(A) Underlying Assets by Asset Type

September 30	Billions of yen					
	2009			2008		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates.....	¥246.0	¥52.5	¥—	¥321.7	¥66.2	¥—
Mortgage loans.....	—	—	—	—	—	—
Retail loans (excluding mortgage loans).....	0.5	—	—	11.0	—	—
Other claims.....	15.5	0.7	—	26.4	2.0	—
Total.....	¥262.0	¥53.2	¥—	¥359.2	¥68.2	¥—

Notes: 1. "Other claims" includes securitization products.

2. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Risk Weights

September 30	Billions of yen			
	2009		2008	
	Term-end balance	Required capital	Term-end balance	Required capital
20% or less.....	¥131.7	¥ 0.3	¥210.3	¥ 1.7
100% or less.....	31.4	1.6	29.0	1.4
650% or less.....	5.1	0.8	10.8	1.1
Less than 1250%.....	—	—	—	—
Capital deduction.....	93.8	53.2	109.0	68.2
Total.....	¥262.0	¥56.0	¥359.2	¥72.4

■ Equity Exposures in Banking Book

1. Consolidated Balance Sheet Amounts and Fair Values

September 30	Billions of yen			
	2009		2008	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures.....	¥2,452.7	¥2,452.7	¥2,911.6	¥2,911.6
Stocks of subsidiaries and affiliates and equity exposures other than above.....	784.3	—	647.7	—
Total.....	¥3,237.0	¥—	¥3,559.3	¥—

2. Gains (Losses) on Sale and Devaluation of Stocks of Subsidiaries and Affiliates and Equity Exposures

	Billions of yen	
	First half of fiscal 2009	First half of Fiscal 2008
Gains (losses).....	¥(8.9)	¥(19.8)
Gains on sale.....	4.3	7.6
Losses on sale.....	2.7	1.7
Devaluation.....	10.6	25.8

Note: The above amounts are gains (losses) on stocks and other securities in the consolidated statements of operations.

3. Unrealized Gains (Losses) Recognized on Consolidated Balance Sheets but Not on Consolidated Statements of Operations

September 30	Billions of yen	
	2009	2008
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of operations.....	¥598.0	¥789.4

Note: The above amount is for stocks of Japanese companies and foreign stocks with market prices.

4. Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Operations

September 30	Billions of yen	
	2009	2008
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of operations.....	¥(62.8)	¥(62.0)

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

September 30, 2009	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥10,211.6	¥ 186.8	¥ 616.5	¥2,370.1	¥ 13,385.0
Agriculture, forestry, fishery and mining.....	207.7	0.1	15.2	36.5	259.4
Construction.....	1,561.8	42.1	11.8	183.0	1,798.7
Transport, information, communications and utilities....	4,729.6	114.9	225.1	747.6	5,817.2
Wholesale and retail.....	6,198.3	83.5	671.7	620.8	7,574.4
Financial and insurance.....	9,768.4	770.0	1,158.4	312.0	12,008.8
Real estate, goods rental and leasing.....	9,142.9	367.1	61.6	442.8	10,014.3
Services.....	5,190.6	117.1	85.7	465.7	5,859.1
Local municipal corporations.....	2,568.3	421.1	5.2	227.2	3,221.8
Other industries.....	22,150.4	18,554.1	38.3	3,543.2	44,286.1
Subtotal.....	¥71,729.7	¥20,656.8	¥2,889.4	¥8,949.0	¥104,225.0
Overseas operations and offshore banking accounts					
Sovereigns.....	2,022.0	591.8	5.6	—	2,619.3
Financial institutions.....	2,628.7	311.1	829.0	0.0	3,768.8
C&I companies.....	9,544.7	208.0	349.2	—	10,101.9
Others.....	1,696.2	255.8	5.9	421.4	2,379.3
Subtotal.....	¥15,891.5	¥ 1,366.6	¥1,189.7	¥ 421.4	¥ 18,869.4
Total.....	¥87,621.3	¥22,023.4	¥4,079.2	¥9,370.5	¥123,094.4

September 30, 2008	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 8,652.8	¥ 148.7	¥ 537.5	¥ 2,270.3	¥ 11,609.3
Agriculture, forestry, fishery and mining.....	224.1	0.1	12.8	35.7	272.6
Construction.....	1,532.6	42.0	12.4	120.9	1,707.8
Transport, information, communications and utilities....	4,311.8	97.3	159.7	725.0	5,293.8
Wholesale and retail.....	6,655.5	60.1	604.3	519.3	7,839.2
Financial and insurance.....	9,849.2	879.7	1,344.4	275.4	12,348.8
Real estate.....	8,196.5	340.3	41.6	193.8	8,772.1
Services.....	6,628.5	110.8	81.7	451.2	7,272.2
Local municipal corporations.....	1,844.7	519.5	5.1	9.2	2,378.5
Other industries.....	19,217.6	11,340.5	98.6	4,376.1	35,032.7
Subtotal.....	¥67,113.2	¥13,538.9	¥2,898.0	¥ 8,976.9	¥ 92,527.0
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 480.2	¥ 586.3	¥ 9.9	¥ —	¥ 1,076.4
Financial institutions.....	4,261.6	292.9	1,013.8	0.0	5,568.4
C&I companies.....	12,640.2	222.3	345.7	—	13,208.2
Others.....	2,061.9	292.7	24.6	1,663.7	4,042.9
Subtotal.....	¥19,443.9	¥ 1,394.3	¥1,394.1	¥ 1,663.7	¥ 23,895.9
Total.....	¥86,557.1	¥14,933.2	¥4,292.1	¥10,640.5	¥116,423.0

Notes: 1. The above amounts are exposure amounts 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 other derivatives, and "Other" includes equity exposures and standardized approach applied funds.

4. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

5. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed.

2. Exposure Balance by Type of Assets and Residual Term

September 30, 2009	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
To 1 year	¥27,229.4	¥ 5,571.9	¥ 486.2	¥ 425.4	¥ 33,712.9
More than 1 year to 3 years.....	16,019.2	5,773.9	1,197.8	896.3	23,887.2
More than 3 years to 5 years.....	10,707.1	5,799.6	1,217.7	1,037.0	18,761.3
More than 5 years to 7 years.....	4,128.8	1,005.1	458.8	257.2	5,849.8
More than 7 years	22,715.0	3,872.9	718.7	204.3	27,510.9
No fixed maturity.....	6,821.8	0.1	—	6,550.4	13,372.2
Total.....	¥87,621.3	¥22,023.4	¥4,079.2	¥9,370.5	¥123,094.4

September 30, 2008	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
To 1 year	¥25,782.4	¥ 2,577.0	¥ 618.5	¥ 368.2	¥ 29,346.1
More than 1 year to 3 years.....	14,252.3	3,494.0	1,688.4	879.6	20,314.2
More than 3 years to 5 years.....	12,406.1	5,198.2	929.0	1,127.8	19,661.2
More than 5 years to 7 years.....	4,733.9	1,013.1	467.5	275.5	6,490.1
More than 7 years	22,082.6	2,650.9	588.7	237.0	25,559.1
No fixed maturity.....	7,299.8	—	—	7,752.4	15,052.3
Total.....	¥86,557.1	¥14,933.2	¥4,292.1	¥10,640.5	¥116,423.0

- Notes: 1. The above amounts are exposure amounts 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 other derivatives, and "Other" includes equity exposures and standardized approach applied funds.
4. "No fixed maturity" includes exposures not classified by residual term.

3. Term-End Balance of Exposures Past Due 3 Months or More or Defaulted and Their Breakdown

(1) By Geographic Region

September 30	Billions of yen	
	2009	2008
Domestic operations (excluding offshore banking accounts)	¥2,402.7	¥2,151.2
Overseas operations and offshore banking accounts	249.9	136.8
Asia.....	18.9	30.4
North America.....	160.7	91.4
Other regions.....	70.3	15.1
Total	¥2,652.6	¥2,288.0

- 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

September 30, 2009	Billions of yen
Domestic operations (excluding offshore banking accounts)	
Manufacturing.....	¥ 258.8
Agriculture, forestry, fishery and mining	5.1
Construction	160.7
Transport, information, communications and utilities	161.5
Wholesale and retail	300.5
Financial and insurance.....	54.5
Real estate, goods rental and leasing	817.1
Services.....	338.7
Other industries	305.8
Subtotal	¥2,402.7
Overseas operations and offshore banking accounts	
Financial institutions	¥ 62.8
C&I companies	187.1
Subtotal	¥ 249.9
Total	¥2,652.6

September 30, 2008	Billions of yen
Domestic operations (excluding offshore banking accounts)	
Manufacturing.....	¥ 206.7
Agriculture, forestry, fishery and mining	16.3
Construction	169.4
Transport, information, communications and utilities	101.9
Wholesale and retail.....	308.9
Financial and insurance.....	89.0
Real estate	552.5
Services.....	376.3
Other industries	330.4
Subtotal	¥2,151.2
Overseas operations and offshore banking accounts	
Financial institutions	¥ 39.8
C&I companies	97.0
Subtotal	¥ 136.8
Total	¥2,288.0

- 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. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed.

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

	Billions of yen				
	September 30, 2009 (A)	March 31, 2009 (B)	September 30, 2008	March 31, 2008	Increase (decrease) (A) – (B)
General reserve for possible loan losses.....	¥ 649.5	¥ 691.5	¥ 614.0	¥ 593.7	¥ (42.0)
Loan loss reserve for specific overseas countries	0.8	1.3	0.0	0.0	(0.5)
Specific reserve for possible loan losses	1,245.7	1,102.1	925.3	819.6	143.6
Domestic operations (excluding offshore banking accounts)	1,127.8	970.4	870.0	738.5	157.4
Overseas operations and offshore banking accounts	117.9	131.7	55.2	81.1	(13.8)
Asia.....	20.4	19.3	15.0	10.1	1.1
North America.....	51.7	75.8	30.1	68.1	(24.1)
Other regions.....	45.8	36.5	10.2	2.9	9.3
Total.....	¥1,896.0	¥1,794.9	¥1,539.3	¥1,413.3	¥101.1

- 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

	Billions of yen		
	September 30, 2009	March 31, 2009	Increase (decrease)
General reserve for possible loan losses.....	¥ 649.5	¥ 691.5	¥ (42.0)
Loan loss reserve for specific overseas countries.....	0.8	1.3	(0.5)
Specific reserve for possible loan losses.....	1,245.7	1,102.1	143.6
Domestic operations (excluding offshore banking accounts).....	1,127.8	970.4	157.4
Manufacturing.....	149.2	128.1	21.1
Agriculture, forestry, fishery and mining.....	1.7	1.2	0.5
Construction.....	93.9	91.2	2.7
Transport, information, communications and utilities.....	82.9	45.9	37.0
Wholesale and retail.....	182.7	173.3	9.4
Financial and insurance.....	21.0	21.1	(0.1)
Real estate, goods rental and leasing.....	306.6	225.4	81.2
Services.....	151.6	145.8	5.8
Other industries.....	138.2	138.4	(0.2)
Overseas operations and offshore banking accounts.....	117.9	131.7	(13.8)
Financial institutions.....	39.0	32.0	7.0
C&I companies.....	78.9	99.7	(20.8)
Total.....	¥1,896.0	¥1,794.9	¥101.1

	Billions of yen		
	September 30, 2008	March 31, 2008	Increase (decrease)
General reserve for possible loan losses.....	¥ 614.0	¥ 593.7	¥ 20.3
Loan loss reserve for specific overseas countries.....	0.0	0.0	0.0
Specific reserve for possible loan losses.....	925.3	819.6	105.7
Domestic operations (excluding offshore banking accounts).....	870.0	738.5	131.5
Manufacturing.....	97.8	76.3	21.5
Agriculture, forestry, fishery and mining.....	1.1	1.3	(0.1)
Construction.....	80.2	71.3	8.9
Transport, information, communications and utilities.....	52.7	49.2	3.5
Wholesale and retail.....	159.4	142.7	16.7
Financial and insurance.....	28.7	19.2	9.5
Real estate.....	156.3	110.9	45.4
Services.....	154.5	135.2	19.4
Other industries.....	139.3	132.4	6.9
Overseas operations and offshore banking accounts.....	55.2	81.1	(25.8)
Financial institutions.....	2.8	0.9	1.9
C&I companies.....	52.4	80.2	(27.7)
Total.....	¥1,539.3	¥1,413.3	¥126.0

- Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).
2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
3. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed. Accordingly, the amendments have been retroactively applied to the data of the previous term (ended March 31, 2009), so as to allow comparison.

5. Loan Write-Offs by Industry

	Billions of yen First half of fiscal 2009
Domestic operations (excluding offshore banking accounts)	
Manufacturing	¥ 13.1
Agriculture, forestry, fishery and mining	0.1
Construction	4.0
Transport, information, communications and utilities	5.4
Wholesale and retail	19.9
Financial and insurance	(0.2)
Real estate, goods rental and leasing	30.8
Services	11.5
Other industries	24.8
Subtotal	¥109.4
Overseas operations and offshore banking accounts	
Financial institutions	¥ (2.5)
C&I companies	11.4
Subtotal	¥ 8.9
Total	¥118.3

	Billions of yen First half of fiscal 2008
Domestic operations (excluding offshore banking accounts)	
Manufacturing	¥ 14.3
Agriculture, forestry, fishery and mining	0.3
Construction	25.2
Transport, information, communications and utilities	6.3
Wholesale and retail	24.0
Financial and insurance	9.7
Real estate	22.6
Services	20.0
Other industries	21.9
Subtotal	¥144.3
Overseas operations and offshore banking accounts	
Financial institutions	¥ 2.0
C&I companies	7.3
Subtotal	¥ 9.3
Total	¥153.6

Notes: 1. "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. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed.

■ Market Risk

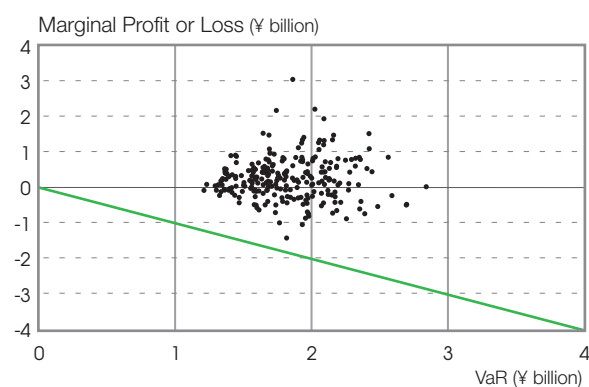
1. VaR Results (Trading Book)

	Billions of yen	
	First half of fiscal 2009	First half of fiscal 2008
September 30	¥2.0	¥2.1
Maximum	¥2.8	¥2.8
Minimum	1.2	1.5
Average	1.7	2.1

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 data collected over a four-year period.
2. Figures for the trading book exclude specific risks.
3. Includes principal consolidated subsidiaries.

2. Back-Testing Results (Trading Book)

The results of back-testing for the one-year period from October 2008 to September 2009 are shown below. As during the same period of the previous year, actual loss amounts during the said period did not exceed the predicted VaR results.



Note: A data point below the diagonal line indicates a loss in excess of the predicted VaR for that day.

Interest Rate Risk in Banking Book

1. VaR Results (Banking Book)

	Billions of yen	
	First half of fiscal 2009	First half of fiscal 2008
September 30	¥43.7	¥29.0
Maximum	¥43.7	¥34.5
Minimum	35.5	26.9
Average	39.2	31.2

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 data collected over a four-year period.
2. Includes principal consolidated subsidiaries.

2. Outlier Framework (Sumitomo Mitsui Banking Corporation and Subsidiaries)

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

As of September 30, 2009, the outlier ratio of SMBC (consolidated) was 8.1%, substantially below the 20% criterion.

	Billions of yen	
	2009	2008
September 30		
Impact of Yen interest rates	¥438.6	¥112.6
Impact of U.S. dollar interest rates	147.9	94.2
Impact of Euro interest rates	29.8	36.6
Total	¥652.4	¥251.9
Percentage of Tier I + Tier II	8.1%	3.4%

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).

Operational Risk

Required Capital by Operational Risk Measurement Method

	Billions of yen	
	2009	2008
September 30		
Advanced Measurement Approach	¥223.2	¥201.8
Basic Indicator Approach	18.2	48.9
Total	¥241.3	¥250.7

Capital Ratio Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

		Millions of yen		
		September 30		March 31
		2009	2008	2009
Tier I capital:	Capital stock.....	¥ 1,262,959	¥ 664,986	¥ 664,986
	Capital surplus	2,201,645	1,603,512	1,603,672
	Retained earnings	563,267	937,845	448,750
	Cash dividends to be paid	(93,366)	(78,558)	(19,947)
	Unrealized losses on other securities	—	—	(60,148)
	Foreign currency translation adjustments	(80,200)	(56,178)	(120,606)
	Stock acquisition rights	74	56	66
	Minority interests	1,622,453	1,664,060	1,972,044
	Goodwill and others	—	(1)	(0)
	Gain on sale on securitization transactions.....	(40,146)	(42,602)	(42,102)
	Amount equivalent to 50% of expected losses in excess of provision	(33,170)	—	(3,207)
	Total Tier I capital (A)	5,403,515	4,693,121	4,443,507
Tier II capital:	Unrealized gains on other securities after 55% discount	243,254	267,589	—
	Land revaluation excess after 55% discount.....	37,183	37,209	37,211
	General reserve for possible loan losses	63,991	50,165	58,610
	Excess amount of provision	—	35,825	—
	Subordinated debt.....	2,341,164	2,368,389	2,303,618
	Total Tier II capital.....	2,685,593	2,759,179	2,399,439
Deductions:	Tier II capital included as qualifying capital (B)	2,685,593	2,759,179	2,399,439
	(C)	334,461	364,253	284,199
Total qualifying capital:	(D) = (A) + (B) – (C).....	¥ 7,754,647	¥ 7,088,047	¥ 6,558,747
Risk-weighted assets:	On-balance sheet items	¥40,663,253	¥46,603,804	¥37,853,376
	Off-balance sheet items	7,756,615	9,842,851	7,364,078
	Market risk items	207,995	274,120	248,081
	Operational risk	2,888,972	2,798,115	2,882,871
	Amount obtained by multiplying by 12.5 the excess of the amount obtained by multiplying the old required capital by the rate prescribed by the Notification over the new required capital.....	—	—	83,273
	Total risk-weighted assets (E).....	¥51,516,837	¥59,518,891	¥48,431,681
Tier I risk-weighted capital ratio:	(A) / (E) × 100.....	10.48%	7.88%	9.17%
Total risk-weighted capital ratio:	(D) / (E) × 100	15.05%	11.90%	13.54%
Required capital:	(E) × 8%	¥ 4,121,346	¥ 4,761,511	¥ 3,874,534

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

		Millions of yen		
		September 30		March 31
		2009	2008	2009
Tier I capital:	Capital stock.....	¥ 1,262,959	¥ 664,986	¥ 664,986
	Capital reserve	1,263,006	665,033	665,033
	Other capital surplus	702,514	702,514	702,514
	Other retained earnings	594,102	960,713	501,178
	Other	1,230,971	975,468	813,353
	Cash dividends to be paid	(93,366)	(78,558)	(19,947)
	Unrealized losses on other securities	—	—	(52,741)
	Gain on sale on securitization transactions.....	(40,146)	(42,602)	(42,102)
	Amount equivalent to 50% of expected losses in excess of provision	(65,188)	(4,731)	(36,100)
	Deductions of deferred tax assets.....	—	(89,888)	(29,108)
	Total Tier I capital (A).....	4,854,852	3,752,936	3,167,065
Tier II capital:	Unrealized gains on other securities after 55% discount	242,546	271,551	—
	Land revaluation excess after 55% discount.....	30,695	30,720	30,722
	General reserve for possible loan losses	—	—	—
	Excess amount of provision	—	—	—
	Subordinated debt.....	2,421,460	2,715,287	3,171,369
	Total Tier II capital.....	2,694,702	3,017,559	3,202,092
	Tier II capital included as qualifying capital (B)	2,694,702	3,017,559	3,167,065
Deductions:	(C)	375,736	270,538	294,838
Total qualifying capital:	(D) = (A) + (B) – (C).....	¥ 7,173,817	¥ 6,499,957	¥ 6,039,292
Risk-weighted assets:	On-balance sheet items	¥36,251,440	¥41,656,319	¥34,131,307
	Off-balance sheet items	6,702,197	8,243,472	6,518,178
	Market risk items	156,655	199,528	193,298
	Operational risk	2,188,701	1,864,574	2,160,664
	Amount obtained by multiplying by 12.5 the excess of the amount obtained by multiplying the old required capital by the rate prescribed by the Notification over the new required capital.....	298,102	—	572,410
	Total risk-weighted assets (E).....	¥45,597,097	¥51,963,894	¥43,575,860
Tier I risk-weighted capital ratio:	(A) / (E) × 100.....	10.64%	7.22%	7.26%
Total risk-weighted capital ratio:	(D) / (E) × 100	15.73%	12.50%	13.85%
Required capital:	(E) × 8%	¥ 3,647,767	¥ 4,157,111	¥ 3,486,068

Guide to the SMFG Website

The SMFG Website offers a wide range of timely information on the activities of Group companies, including news releases, investor relations (IR) documents, and CSR information.

www.smfg.co.jp/english/

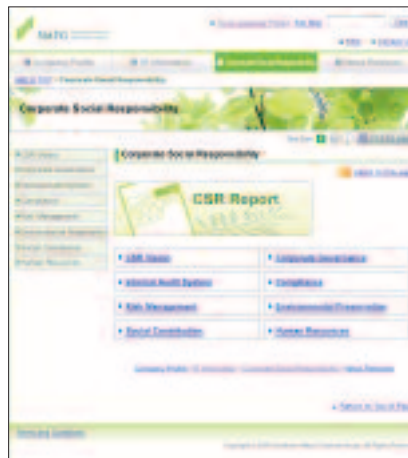
Strengths and Challenges



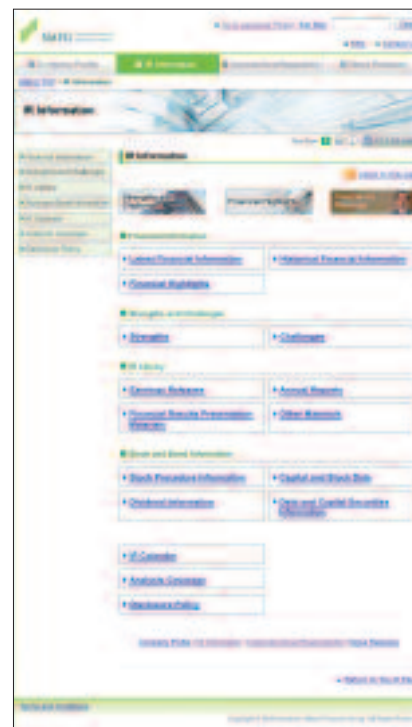
Provided is an explanation of SMFG's strengths and its challenges for further increasing corporate value.

In this section, SMFG sets out its role in ensuring a sustainable society and the measures it is taking to that end.

Corporate Social Responsibility



IR Information



This section of the Website includes messages from top management, financial statements, and other IR documents useful to investors.

www.smfg.co.jp/english



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