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Documents Attached to the Notice of Convocation of the Ordinary General Meeting of Shareholders

Business Report for the 7th Fiscal Year

April 1, 2008 to March 31, 2009

Sumitomo Mitsui Financial Group, Inc.

Business Report for the 7th Fiscal Year

(April 1, 2008 to March 31, 2009)

1. Matters regarding the Current State of the Company

(1) Business Progress and Results of the Group

Financial and Economic Environment

During the fiscal year under review, there was a marked decline in crude oil prices from their peak in July 2008, but the global financial crisis of September 2008 has produced economic contractions in the industrialized countries and caused an economic slowdown in emerging countries where a high rate of growth had previously been sustained. Against this backdrop of deteriorating foreign economies and the pressures of a rising yen, economic conditions in Japan have markedly deteriorated over the fiscal year with substantial decreases in corporate profits, particularly in export-oriented companies, having been recorded.

In the financial and capital markets, a greater desire for risk avoidance on the part of investors since September 2008 has led to a dramatic worldwide decline in share prices. Monetary easing measures have continued overseas and, in Japan too, the economic recession prompted the Bank of Japan to cut its policy interest rate to 0.1%. While long-term interest rates traced an upward trend until June 2008, by the fiscal year-end they were nearly at a year earlier level. While there was a general strengthening of the yen against other leading currencies over the turn of the year, the marked deterioration in the economic conditions in Japan since then has led to a slight weakening of the yen.

Under these circumstances, the Law for Amendment to the Financial Instruments and Exchange Law, Etc. was enacted in June 2008 to incorporate a loosening of the firewall regulations between banks and securities companies, paving the way for enhancing the competitiveness of Japan's financial and capital markets. Further, in addition to the inauguration of the Japan Finance Corporation in October 2008 from the merger of four policy-based financial institutions, the Shoko Chukin Bank and the Development Bank of Japan were privatized and the reform of policy-based finance has been implemented.

Business Progress and Results

Under these economic and financial circumstances, Sumitomo Mitsui Financial Group, Inc. (the "Company") and its subsidiaries (collectively with the Company, the "Group") conducted banking business and other financial services including credit card, leasing, system development/information processing, and securities. The Group designated the fiscal year under review as a "year for taking step forward to accomplishing the medium-term management plan, while coping with uncertainty in the business environment," and continued to implement two strategic initiatives focused on "strengthening targeted growth business areas" and "fortifying the business platform to support sustainable growth."

The Group implemented the following measures as initiatives for strengthening targeted growth business areas.

Sumitomo Mitsui Banking Corporation ("SMBC") continued with its initiative toward the development of a more sophisticated "Total Consulting" capability to provide individual customers with one-stop services for a range of financial products and services. More specifically, it further enhanced its product lineup of investment trusts, insurance products, and asset management services offered under a discretionary investment management agreement with SMBC Friend Securities Co., Ltd. It also increased the number of consultants and further upgraded their level of expertise to ensure their ability to offer optimal products and in-depth advice meeting the needs of its customers. In addition, with the aim of improving customer convenience, SMBC increased the number of branches offering level premium insurance to 165 as of March 31, 2009.

In the credit card business, in accordance with the Group's strategy to establish "the number one credit card business entity in Japan," Central Finance Co., Ltd., OMC Card, Inc, and QUOQ Inc. entered into a merger agreement in September 2008, with a merger effective date set for April 1 2009

and to be called “Cedyna Financial Corporation.” In addition, in October 2008, an intermediate holding company SMFG Card & Credit Inc. was established to set a group-wide unified strategic policy for the credit card business and to create an integrated collaboration system between the Sumitomo Mitsui Card Co., Ltd. and Cedyna.

For its corporate customers, the Group continued its efforts to enhance its solutions business and offer high value-added services. In addition to the Corporate Advisory Division, which offers business and financial strategy proposals in collaboration with the Corporate Business Offices and other marketing offices, and the Private Advisory Dept., which offers asset management and business succession proposals to business owners, in April 2008, SMBC established a “Global Advisory Dept.” to prepare overseas expansion and development proposals. Further, SMBC strengthened its partnership with Daiwa Securities SMBC Co. Ltd. in order to offer more sophisticated solutions.

Overseas, SMBC expanded its business network by opening a branch in Hanoi and through other measures, and in October 2008, it acquired the regulatory approval to start preparing for the establishment of a subsidiary bank in China. In addition, through collaborations with leading financial institutions across Asia including the Kookmin Bank (Korea) and the Bank of East Asia (Hong Kong), SMBC has further enhanced its capacity to offer its services in the Asia region. Furthermore, SMBC entered into an agreement with Barclays PLC, one of the leading financial institutions in the UK, on business collaborations of which the two organizations are exploring specific projects as in wealth management and countries such as South Africa.

In the leasing business, aggressive initiatives to expand the leasing business including the establishment by Sumitomo Mitsui Finance & Leasing Co., Ltd. in cooperation with the Sumitomo Corp. of a new company to development the aircraft operating lease business has been implemented.

To fortify the platform for sustainable growth, the Group has implemented the following initiatives.

Specifically in matters of compliance, both in Japan and overseas, every effort from the standpoint of legal compliance and customer protection has been made to improve the efficiency of monitoring and to strengthen the internal control system, including that of group companies as whole.

In the matter of CS and quality management, the Group set an initiative to establish a group-wide system to further strengthen its ability to meet customer needs. For example, SMBC, through its Quality Management Dept., has enhanced its initiatives to incorporate customer suggestions and requests in business operations and verify their effectiveness.

With regard to risk management, the Group has been making a steady progress in response to the Basel II (new BIS) regulations. Following the implementation of the Advanced Measurement Approach for operational risk in March 2009, the Advanced Internal-Ratings Based Approach was implemented to measure credit risk. Against the backdrop of the current global financial crisis, in October 2008, SMBC established a “Risk Management Dept., Americas Division” and a “Risk Management Dept., Europe Division” to reinforce the risk management system at its US and Europeans operations, and in November 2008 it established a “Credit Management Department, International Banking Unit” to reinforce its overseas credit management framework.

With regard to enhancement of capital base, the Group issued a total of US\$3.15 billion and UK£0.25 billion in preferred securities mainly to foreign institutional investors in May and July 2008 and additionally issued a total of ¥698.9 billion in preferred securities mainly to institutional investors in Japan in December 2008 and January 2009.

Further, as part of our drive to strengthen our corporate base in order to respond effectively to our globalization, the Group is continuing to consider listing our shares on the New York Stock Exchange.

In the fiscal year under review, the Group recorded an impairment loss on stocks and an increase in credit cost due to the turmoil in the financial markets, a sharp decline in stock prices and a slowdown in the global economy since 2008. Further, in order to quickly adapt to these changes in the business environment and achieve a steadily recovery of earnings from fiscal 2009, the Group made additional loss provisions for its assets in anticipation of a further economic deterioration and recorded deferred tax assets more conservatively

As a result, the Group regrettably recorded a consolidated net loss of ¥373.4 billion.

As of March 31, 2009, loans disclosed under the Financial Reconstruction Law of SMBC totaled ¥1,194.1 billion exceeding the amount for the previous year by ¥390.2 billion, and the ratio of non-performing loans was 1.8%.

Issues to be Addressed

Business environment surrounding the Group has been increasingly severe amid financial market dislocation and downturn of the global economy. 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,’” the Group will continue to implement initiatives for mid-to-long term growth.

First, the Group will reinforce its focus on strengthening targeted growth business areas. Specific measures to promote under this initiative are as follows.

For individual customers, SMBC will enhance its product lineup including its investment trusts and insurance products and offer level premium insurance at all of its domestic branches with a view to better accommodating the diversity of needs of its customers.

In the credit card business, the Group has targeted the creation of “number one credit card business entity in Japan.” Using a two-company system comprising Sumitomo Mitsui Card Co., Ltd. and Cedyna Financial Corp. established in April 2009, we will pursue scale merit and maximization of the collaborative efforts that leverage the strengths of the two companies to achieve the target.

For corporate customers, the Group will continue to press ahead with its efforts to offer high-quality fine-tuned solutions to the diversifying needs of the customers. More specifically, via the Business Promotion & Solution Dept. established in April 2009 to consolidate the headquarters’ ability to support business promotion activities for Corporate Business Offices, SMBC will further enhance the already comprehensive support it is able to offer its customers. In addition, through the collaboration between business offices such as the Corporate Business Offices and the three specialist departments of the Corporate Advisory Division, Private Advisory Dept. and Global Advisory Dept., SMBC will further upgrade its ability to prepare solutions appropriate to the needs of its customers. In its alliance with the Daiwa Securities SMBC Co., Ltd., it will create a framework based on the scheduled loosening of the firewall regulations.

Overseas, the Group will further reinforce businesses with a competitive advantage such as its project finance. For Asia and other regions in which high economic growth is forecast, we will establish a framework for reinforcing our services to local customers through the banking subsidiary of SMBC established in China in April 2009. In Australia and rapid growth South Asia, we will manage and develop business flexibly and more locally, principally through the Asia Pacific Division of SMBC.

Other group companies, including Sumitomo Mitsui Finance and Leasing Co., Ltd. and Japan Research Institute, Ltd., will also continue to collaborate in order to offer group-based solutions.

Furthermore, in May 2009 the Company reached an agreement with Citigroup Inc., subject to regulatory approval, on the acquisition of almost all the operations of Nikko Cordial Securities Inc., which engages mainly in the retail securities business, and some businesses including the domestic debt and equity underwriting of Nikko Citigroup Limited, which engages mainly in the wholesale securities business, and other assets. Through this transaction, the Group plans to create a new leading financial services group and increase potential growth by offering stable and sustainable high-quality services to our customers.

Second, the Group will fortify its platform for supporting sustainable growth. Specific measures to promote under this initiative are as follows.

The Group will continue to ensure strict adherence to laws, both in Japan and overseas, in connection with compliance, and will aim for the establishment of a solid structure. More specifically, in consideration of the amendments to the Financial Instruments and Exchange Law that will come into effect in June 2009, we will establish a conflict of interest management system pursuant to this law. In addition, in consideration of changes in the business environment and a social demand for banks to fulfill their financial intermediation function, SMBC will continue to reinforce its system for explaining risk products and credit transactions.

In the matter of risk management, in consideration of the current opaque and uncertain business environment in which a number of risks occur simultaneously, the Group will implement a centralized and comprehensive management of diverse risks via “Risk Management Unit” newly established in SMBC. This unit incorporates functions for managing the main risks inherent in financial institutions including market risk, liquidity risk, credit risk and operational risk, while continually improving its managing function through cross-sectional verification of risk management.

Further, the functions of Credit Management Department, International Banking Unit were strengthened in April 2009 to execute even more sophisticated overseas credit management and respond more finely to the global financial market turmoil and worsening real economy.

Moreover, amid such business environment, the Company regards the enhancement of capital, both qualitatively and quantitatively, as necessary if it is to maintain its competitive position and achieve its target aim of sustained growth. To that end, in April 2009 it filed a shelf registration statement for its common stock, and implemented a system for flexibly issuing new shares. Moving forward, the Company will build a solid capital base through new share issuance and more sufficiently supply funds to clients, which is one of the Group's core missions as a financial institution, and capture various business opportunities.

The Group will make every effort to respond shareholders' expectations realizing sustainable growth and steadily improving earnings through the implementation of the initiatives described above.

We look forward to the continued understanding and support of our shareholders in these endeavors.

(2) Changes in Financial Position and Results of Operations (Consolidated Basis and Non-Consolidated Basis)

a. Changes in Financial Position and Results of Operations (Consolidated Basis)

Unit: billions of yen

	FY2005 (Fiscal year ended March 31, 2006)	FY2006 (Fiscal year ended March 31, 2007)	FY2007 (Fiscal year ended March 31, 2008)	FY2008 (Fiscal year ended March 31, 2009)
Ordinary income	3,705.1	3,901.2	4,623.5	3,552.8
Ordinary profit	963.5	798.6	831.1	45.3
Net income (loss)	686.8	441.3	461.5	(373.4)
Net assets	4,454.3	5,331.2	5,224.0	4,611.7
Total assets	107,010.5	100,858.3	111,955.9	119,637.2

- (Notes)
1. Amounts less than one hundred million yen have been omitted.
 2. From the fiscal year ended March 31, 2007, the Company has applied "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8).
 3. The Company has 288 consolidated subsidiaries and 79 companies accounted for by the equity method as of March 31, 2009.

b. Changes in Financial Position and Results of Operations (Non-Consolidated Basis)

Unit: billions of yen

	FY2005 (Fiscal year ended March 31, 2006)	FY2006 (Fiscal year ended March 31, 2007)	FY2007 (Fiscal year ended March 31, 2008)	FY2008 (Fiscal year ended March 31, 2009)
Operating income	55.4	376.4	111.6	134.7
Dividends received	46.4	366.6	89.6	117.0
Dividends received from banking subsidiaries	34.4	349.2	74.6	93.9
Dividends received from other subsidiaries	2.8	5.6	4.3	22.0
Net income	(millions of yen) 73,408	(millions of yen) 363,535	(millions of yen) 82,975	(millions of yen) 103,468
Net income per share	(yen) 6,836.35	(yen) 46,326.41	(yen) 9,134.13	(yen) 118.43
Total assets	4,166.3	3,959.4	4,021.2	4,057.3
Investments in banking subsidiaries	3,165.7	3,165.7	3,165.7	3,165.7
Investments in other subsidiaries	249.0	470.6	525.7	606.4

- (Notes)
1. Amounts less than one hundred million yen have been omitted.
 2. From the fiscal year ended March 31, 2007, the Company has applied "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8).
 3. In line with the introduction of the electronic share certificate system upon the enforcement of the "Law for

Partial Amendment of the Laws related to Transfer of Bonds, etc., to Streamline Settlement with respect to Transactions of Stock, etc.” (Law No. 88, 2004), the Company implemented a 100-for-1 share split on January 4, 2009, in order to eliminate fractional shares which the system does not provide for. If the stock split had been implemented in previous fiscal years, net income per share would be adjusted as follows.

	FY2005 (Fiscal year ended March 31, 2006)	FY2006 (Fiscal year ended March 31, 2007)	FY2007 (Fiscal year ended March 31, 2008)
Net income per share	(yen) 68.36	(yen) 463.26	(yen) 91.34

(3) Employees of the Group

	March 31, 2009			March 31, 2008		
	Banking business	Leasing business	Other business	Banking business	Leasing business	Other business
Number of employees	27,221	2,149	18,709	22,955	1,995	21,479

- (Notes) 1. The number of employees is the number of persons engaged in the Group, including local staff at overseas, but not including employees on short-term contracts and temporary employees (15,816 persons as of March 31, 2009; 16,009 persons as of March 31, 2008).
2. The number of employees is the number of persons engaged in the Company and consolidated subsidiaries.

(4) Principal Offices of the Group

a. Banking Business

Sumitomo Mitsui Banking Corporation:

Domestic: Head Office, Tokyo Main Office, Osaka Main Office, Kobe Main Office, and 637 other branches and sub-branches (630 as of March 31, 2008)

Overseas: New York Branch and 26 other branches and sub-branches (25 as of March 31, 2008)

THE MINATO BANK, LTD.:

Head Office and 107 other branches (109 as of March 31, 2008)

Kansai Urban Banking Corporation:

Head Office and 102 other branches (102 as of March 31, 2008)

b. Leasing Business

Sumitomo Mitsui Finance and Leasing Company, Limited:

Tokyo Head Office, Takebashi Office, Osaka Head Office, etc.

c. Other Business

Sumitomo Mitsui Card Company, Limited:

Tokyo Head Office, Osaka Head Office, etc.

The Japan Research Institute, Limited:

Tokyo Head Office, Osaka Head Office, etc.

SMBC Friend Securities Co., Ltd.:

Head Office, etc.

(5) Capital Investment of the Group

a. Total Amount of Capital Investment

Unit: millions of yen

Business segment	Amount
Banking business	124,923
Leasing business	6,894
Other business	24,605
Total	156,423

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

2. Amount above indicates the total amount of capital investment for the Company and consolidated subsidiaries.

b. Establishment of Principal Facilities, etc.

Unit: millions of yen

Business segment	Company name	Description	Amount
Banking business	Sumitomo Mitsui Banking Corporation	Capital investment in branches	39,571
		Software	44,785
Leasing business	There are no important matters to be stated.		-
Other business	There are no important matters to be stated.		-

(Note) Amounts less than one million yen have been omitted.

(6) Principal Parent Company and Subsidiaries, etc.

a. Relationship with Parent Company

Not applicable.

b. Principal Subsidiaries, etc.

Company name	Location	Main business	Date of establishment	Capital (millions of yen)	Percentage of the Company's voting rights (%)	Other
Sumitomo Mitsui Banking Corporation	Chiyoda-ku, Tokyo	Banking	June 6, 1996	664,986	100.00	-
Sumitomo Mitsui Card Company, Limited	Chuo-ku, Osaka	Credit cards	December 26, 1967	34,000	65.99 (65.99)	-
Sumitomo Mitsui Finance and Leasing Company, Limited	Minato-ku, Tokyo	Leasing	February 4, 1963	15,000	60.00	-
The Japan Research Institute, Limited	Chiyoda-ku, Tokyo	System engineering, data processing, consulting, and think tank consulting	November 1, 2002	10,000	100.00	-
SMBC Friend Securities Co., Ltd.	Chuo-ku, Tokyo	Securities	March 2, 1948	27,270	100.00	-
QUOQ Inc.	Minato-ku, Tokyo	Credit loans	April 5, 1978	4,750	31.05 (31.05)	-
SMBC Guarantee Co., Ltd.	Minato-ku, Tokyo	Credit guarantee	July 14, 1976	187,720	100.00 (100.00)	-

SMBC Finance Service Co., Ltd.	Minato-ku, Tokyo	Loans, factoring, and collecting agent	December 5, 1972	71,705	100.00 (100.00)	-
THE MINATO BANK, LTD.	Chuo-ku, Kobe	Banking	September 6, 1949	27,484	46.34 (46.34)	-
Kansai Urban Banking Corporation	Chuo-ku, Osaka	Banking	July 1, 1922	47,039	68.26 (68.26)	-
The Japan Net Bank, Limited	Shinjuku-ku, Tokyo	Banking	September 19, 2000	37,250	59.70 (59.70)	-
Sumitomo Mitsui Banking Corporation Europe Limited	London, U.K.	Banking	March 5, 2003	157,168 [US\$1,600 million]	100.00 (100.00)	-
SMBC Capital Markets, Inc.	Wilmington, Delaware, U.S.A	Derivatives and investments	December 4, 1986	0 [US\$100]	100.00 (100.00)	-
Sumitomo Mitsui Auto Service Company, Limited	Shinjuku-ku, Tokyo	Leasing	February 21, 1981	6,950	39.99	-
Daiwa Securities SMBC Co. Ltd.	Chiyoda-ku, Tokyo	Securities and derivatives	February 5, 1999	255,700	40.00	-
Daiwa SB Investments Ltd.	Chiyoda-ku, Tokyo	Investment advisory and asset managements	June 1, 1973	2,000	43.96	-
Central Finance Co., Ltd.	Naka-ku, Nagoya-shi, Aichi	Credit loans	January 28, 1960	23,254	24.73 (24.73)	-
OMC Card, Inc.	Minato-ku, Tokyo	Credit cards	September 11, 1950	51,343	48.81 (48.81)	-
Promise Co., Ltd.	Chiyoda-ku, Tokyo	Consumer loans	March 20, 1962	80,737	22.02 (22.02)	-

- (Notes)
1. The capital has been rounded down to the nearest unit and the percentage of the Company's voting rights has been rounded down to the nearest second decimal place.
 2. The capital denominated in U.S. currency has been translated into Japanese yen at the exchange rate as of the account closing date.
 3. Figures in parentheses () in the voting rights column indicate voting rights held indirectly.
 4. QUOQ Inc., Central Finance Co., Ltd. and OMC Card, Inc. merged on April 1, 2009, and started operating as a new company named Cedyna Financial Corporation.
 5. The percentage of the Company's voting rights in subsidiaries for THE MINATO BANK, LTD. includes 40.39% of the percentage of the Company's voting rights attached to shares that SMBC contributed to the retirement benefits trust. The voting rights attached to the shares are to be exercised at the instruction of SMBC.

Significant Business Alliance

1. The Company and SMBC have formed a strategic alliance with Daiwa Securities Group Inc. in both the investment bank business and asset management business.
2. The Company and SMBC have entered into an agreement with Goldman Sachs (Japan) Ltd. on operational cooperation in areas in which the expertise of Goldman Sachs can be fruitfully utilized.
3. The Company and SMBC have formed a strategic alliance with Promise Co., Ltd. in the consumer finance business.
4. The Company, Sumitomo Mitsui Card, and SMBC have formed a business alliance with NTT DoCoMo Inc. mainly for the joint promotion of a new credit settlement service using mobile phones.

(7) Major Borrowings

Creditor	Balance of borrowings (millions of yen)	Investment in the Company	
		Number of shares held (100 shares)	Percentage of voting rights (%)
Sumitomo Mitsui Banking Corporation	1,078,030	133,400	-

- (Notes) 1. Amount less than one million yen has been omitted for the balance of borrowings, and amount less than one hundred shares has been omitted for the number of shares held.
2. There are no borrowings other than those mentioned above.

(8) Business Transfer, etc.

Not applicable.

(9) Other Important Matters regarding the Current State of the Group

- a. The Company voluntarily redeemed US\$1.8 billion and ¥283.75 billion of preferred securities in June 2008 and January 2009, respectively, which had been issued via a foreign special-purpose subsidiary. In addition, the Company raised funds through the issuance of preferred securities via a foreign special-purpose subsidiary established in Grand Cayman, Cayman Islands as described below.

May 2008	US\$1.8 billion
July 2008	US\$1.35 billion and UK£0.25 billion
December 2008	¥538.2 billion
January 2009	¥160.7 billion

- b. SMBC reached an agreement on May 1, 2009 with Nikko Citi Holdings Inc. (“Nikko Citi HD”), a wholly owned subsidiary of Citigroup Inc., and other related entities wherein SMBC would acquire 1) all shares in the new company which will succeed to all operations of Nikko Cordial Securities Inc., which engages mainly in the retail securities business (excluding selected assets and liabilities; the “Retail Business”), and some businesses including the domestic debt and equity underwriting and other businesses of Nikko Citigroup Limited, which engages mainly in the wholesale securities business (together with the Retail Business, collectively referred to hereinafter as the “Target Businesses”), 2) shares or partnership interests in affiliates and Civil Law partnerships relating to the Target Businesses and 3) other assets (such as trademarks relating to the “Nikko” brand and shares held for strategic reasons), all of which are either directly or indirectly owned by Nikko Citi HD, pursuant to approval of relevant authorities.

2. Matters regarding Directors and Corporate Auditors

(1) Directors and Corporate Auditors

(As of March 31, 2009)

Name	Position and responsibility	Significant concurrent positions	Other
Masayuki Oku	Chairman of the Board (Representative Director)	President of Sumitomo Mitsui Banking Corporation (Representative Director) Director of Panasonic Corporation Corporate Auditor of Nankai Electric Railway Co., Ltd.	-
Teisuke Kitayama	President (Representative Director)	Chairman of the Board of Sumitomo Mitsui Banking Corporation (Representative Director) Director of FUJIFILM Holdings Corporation Corporate Auditor of Isetan Mitsukoshi Holdings Ltd.	-
Hiroki Nishio	Senior Managing Director (Representative Director) Responsible for Audit Dept.	-	-
Osamu Endo	Director Responsible for Consumer Business Planning Dept.	Director of Sumitomo Mitsui Banking Corporation (Representative Director)	-
Junsuke Fujii	Director Responsible for General Affairs Dept., Human Resources Dept. and Corporate Risk Management Dept.	Managing Director of Sumitomo Mitsui Banking Corporation	-
Takeshi Kunibe	Director Responsible for Public Relations Dept., Corporate Planning Dept., Financial Accounting Dept., Strategic Financial Planning Dept., Subsidiaries & Affiliates Dept. and Card Business Dept.	Managing Director of Sumitomo Mitsui Banking Corporation Representative Director and President of SMFG Card & Credit, Inc.	-
Yoshiaki Yamauchi	Director (outside)	CPA Status of other concurrent positions shall be as described in “Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors” as described below.	-
Yoichiro Yamakawa	Director (outside)	Attorney at Law Status of other concurrent positions shall be as described in “Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors” as described below.	-

Name	Position and responsibility	Significant concurrent positions	Other
Yoshinori Yokoyama	Director (outside)	Status of concurrent positions shall be as described in “Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors” as described below.	-
Masahide Hirasawa	Standing Corporate Auditor	Corporate Auditor of Sumitomo Mitsui Banking Corporation	-
Yoji Yamaguchi	Standing Corporate Auditor	-	-
Katsuya Onishi	Corporate Auditor (outside)	Attorney at Law Status of other concurrent positions shall be as described in “Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors” as described below.	-
Hiroshi Araki	Corporate Auditor (outside)	Adviser of The Tokyo Electric Power Company, Incorporated Status of other concurrent positions shall be as described in “Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors” as described below.	-
Ikuo Uno	Corporate Auditor (outside)	Chairman of the Board and Representative Director of Nippon Life Insurance Company Status of other concurrent positions shall be as described in “Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors” as described below.	-

- (Notes) 1. Messrs. Yoshiaki Yamauchi, Yoichiro Yamakawa and Yoshinori Yokoyama are Outside Directors as provided for in Article 2, Item 15 of the Corporation Law.
2. Messrs. Katsuya Onishi, Hiroshi Araki and Ikuo Uno are Outside Corporate Auditors as provided for in Article 2, Item 16 of the Corporation Law.
3. Changes in positions and responsibilities as well as significant concurrent positions as of April 1, 2009:

Senior Managing Director (Representative Director)	Hiroki Nishio	Director No longer responsible for Audit Dept.
Director	Osamu Endo	No longer responsible for Consumer Business Planning Dept. Director of Sumitomo Mitsui Banking Corporation
Director	Junsuke Fujii	Director of Sumitomo Mitsui Banking Corporation
Director	Takeshi Kunibe	No longer responsible for Card Business Dept. Resigned as Representative Director and President of SMFG Card & Credit, Inc. Director of Sumitomo Mitsui Banking Corporation

Changes in positions and responsibilities as well as significant concurrent positions as of April 30, 2009:

Director	Osamu Endo	Resigned as Director of the Company and Director of Sumitomo Mitsui Banking Corporation
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Directors and Corporate Auditor who Resigned during the Fiscal Year

Name	Position and responsibility	Significant concurrent positions	Other
Junji Tanehashi	Director	Director of Sumitomo Mitsui Banking Corporation	He resigned as of April 30, 2008.
Shigeru Nishiyama	Director	-	He resigned as of June 27, 2008.
Sadao Kobayashi	Standing Corporate Auditor	-	He resigned as of June 27, 2008.

(Note) Position and responsibility, and significant concurrent positions are reported as of the date of resignation.

(2) Compensation, etc. for Directors and Corporate Auditors

Unit: millions of yen

Classification	Persons paid	Compensation, etc.
Directors	11	224
Corporate Auditors	6	77
Total	17	302

- (Notes)
1. Amounts less than one million yen have been omitted.
 2. In the above-written amount of Compensation, etc. for Directors, salary as employee and consideration for performance of other duties are not included.
 3. Maximum remuneration for Directors and Corporate Auditors is as per resolution at the General Meeting of Shareholders held on June 27, 2008, that is, 480 million yen per year for Directors (30 million yen for Outside Directors) and 180 million yen per year for Corporate Auditors.
 4. No expenses have been incurred in connection with the payment of Directors' and Corporate Auditors' bonuses.
 5. The above-written amounts include expenses of 64 million yen related to the payment of executive retirement benefits (50 million yen for Directors and 13 million yen for Corporate Auditors).
 6. The above-written amounts include "Compensation, etc. for Outside Directors and Outside Corporate Auditors" as mentioned below.

3. Matters regarding Outside Directors and Outside Corporate Auditors

(1) Concurrent Positions and Other Details on Outside Directors and Outside Corporate Auditors

Name	Concurrent positions and other details
Yoshiaki Yamauchi	Director of Sumitomo Mitsui Banking Corporation (outside) Director of amana holdings inc. (outside) Director of Sony Corporation (outside) Corporate Auditor of STANLEY ELECTRIC CO., LTD. (outside)
Yoichiro Yamakawa	Director of Sumitomo Mitsui Banking Corporation (outside) Director of Dai-ichi Mutual Life Insurance Company (outside) Corporate Auditor of Daio Paper Corporation (outside) Corporate Auditor of Nisshin Steel Co., Ltd. (outside)
Yoshinori Yokoyama	Director of Sumitomo Mitsui Banking Corporation (outside) Director of ORIX Corporation (outside)
Katsuya Onishi	Corporate Auditor of Sumitomo Mitsui Banking Corporation (outside)
Hiroshi Araki	Corporate Auditor of Sumitomo Mitsui Banking Corporation (outside) Corporate Auditor of KAJIMA CORPORATION (outside) Corporate Auditor of TV TOKYO Corporation (outside)
Ikuo Uno	Chairman of the Board and Representative Director of Nippon Life Insurance Company Corporate Auditor of Sumitomo Mitsui Banking Corporation (outside) Director of Panasonic Corporation (outside) Director of FUJI KYUKO CO., LTD (outside) Corporate Auditor of Odakyu Electric Railway Co., Ltd. (outside) Corporate Auditor of Tohoku Electric Power Co., Inc. (outside) Corporate Auditor of West Japan Railway Company (outside)

(Note) Corporate Auditor Ikuo Uno concurrently serves as Chairman of the Board and Representative Director of Nippon Life Insurance Company, and the company is the major shareholders of the Company.

(2) Major Activities of Outside Directors and Outside Corporate Auditors

Name	Period of service	Attendance of the Board of Directors meeting	Opinions issued at the Board of Directors meeting and other activities
Yoshiaki Yamauchi	6 years and 3 months	Attended 14 out of 15 meetings of the Board of Directors held in the 2008 fiscal year	Yamauchi mainly provides suggestions and comments based on his considerable experience as CPA and high level of insight.
Yoichiro Yamakawa	6 years and 3 months	Attended 14 out of 15 meetings of the Board of Directors held in the 2008 fiscal year	Yamakawa mainly provides suggestions and comments based on his considerable experience as an attorney at law and high level of insight.
Yoshinori Yokoyama	2 years and 9 months	Attended 10 out of 15 meetings of the Board of Directors held in the 2008 fiscal year	Yokoyama mainly provides suggestions and comments based on his broad knowledge of management and high level of insight.
Katsuya Onishi	6 years and 3 months	Attended 13 out of 15 meetings of the Board of Directors and all of 7 meetings of the Board of Corporate Auditors held in the 2008 fiscal year.	Onishi mainly provides suggestions and comments based on his considerable experience as a judge and an attorney at law and high level of insight.

Name	Period of service	Attendance of the Board of Directors meeting	Opinions issued at the Board of Directors meeting and other activities
Hiroshi Araki	4 years and 9 months	Attended 10 out of 15 meetings of the Board of Directors and 6 out of 7 meetings of the Board of Corporate Auditors held in the 2008 fiscal year.	Araki mainly provides suggestions and comments based on his considerable experience as a chief executive and high level of insight.
Ikuo Uno	3 years and 9 months	Attended 12 out of 15 meetings of the Board of Directors and 6 out of 7 meetings of the Board of Corporate Auditors held in the 2008 fiscal year.	Uno mainly provides suggestions and comments based on his considerable experience as a chief executive and high level of insight.

(Note) Period of service of Directors and Corporate Auditors above of less than one month have been discarded.

(3) Liability Limitation Agreement

Name	Summary of Liability Limitation Agreement
Yoshiaki Yamauchi	In accordance with the provisions provided for in Article 427, Paragraph 1 of the Corporation Law (the "Law"), the Company has entered into agreements with the Outside Directors and Outside Corporate Auditors stated in the left column to limit the liability provided for in Article 423, Paragraph 1 of the Law to the higher of either (i) ¥10 million or (ii) the minimum amount provided for in Article 427, Paragraph 1 of the Law.
Yoichiro Yamakawa	
Yoshinori Yokoyama	
Katsuya Onishi	
Hiroshi Araki	
Ikuo Uno	

(4) Compensation, etc. for the Outside Directors and Outside Corporate Auditors

Unit: millions of yen

	Persons paid	Compensation, etc. paid by the Company	Compensation, etc. paid by parent company, etc., of the Company
Total amount of compensation, etc.	6	42	42

- (Notes)
1. Amounts less than one million yen have been omitted.
 2. No expenses have been incurred in connection with the payment of bonuses for Outside Directors and Outside Corporate Auditors.
 3. The above-written amounts of Compensation, etc. received from the Company include expenses of 6 million yen related to the payment of executive retirement benefits (3 million yen for Outside Directors and 3 million yen for Outside Corporate Auditors).
 4. Compensation, etc. paid by parent company, etc., of the Company include the compensations and other payments from the Company's subsidiary, Sumitomo Mitsui Banking Corporation.

4. Matters regarding Shares of the Company

(1) Number of Shares

	(Number of shares)
Total number of shares authorized to be issued	
Common stock	1,500,000,000
Preferred stock (Type 4)	50,100
Preferred stock (Type 5)	167,000
Preferred stock (Type 6)	70,001
Preferred stock (Type 7)	167,000
Preferred stock (Type 8)	115,000
Preferred stock (Type 9)	115,000
Total number of shares issued	
Common stock	789,080,477
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

(2) Number of Shareholders as of March 31, 2009

	(Number of shareholders)
Common stock	252,472
Preferred stock (1st series Type 4)	1
Preferred stock (2nd series Type 4)	1
Preferred stock (3rd series Type 4)	1
Preferred stock (4th series Type 4)	1
Preferred stock (9th series Type 4)	1
Preferred stock (10th series Type 4)	1
Preferred stock (11th series Type 4)	1
Preferred stock (12th series Type 4)	1
Preferred stock (1st series Type 6)	4

(3) Major Shareholders

a. Common Stock

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (100 shares)	Percentage of shares held (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	606,451	7.68
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	506,941	6.42
The Master Trust Bank of Japan, Ltd. (Trust Account)	425,974	5.39
Nippon Life Insurance Company	154,666	1.96
Sumitomo Mitsui Banking Corporation	133,400	1.69
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	95,718	1.21
SSBT OD05 Omnibus Account China Treaty Clients	90,912	1.15
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	83,595	1.05
Japan Trustee Services Bank, Ltd. (The Sumitomo Trust & Banking Co., Ltd.'s ReTrust Account and SUMITOMO LIFE INSURANCE COMPANY Retirement Benefit Trust Account)	77,000	0.97
SUMITOMO LIFE INSURANCE COMPANY	71,400	0.90

(Notes) 1. No shareholder holds one tenth or more of the total number of shares issued.

2. Numbers of shares less than one hundred have been omitted and the percentage of shares held has been rounded down to the nearest second decimal place.

b. Preferred Stock (1st series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
The Goldman Sachs Group, Inc.	4,175	100.00

c. Preferred Stock (2nd series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
The Goldman Sachs Group, Inc.	4,175	100.00

d. Preferred Stock (3rd series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
The Goldman Sachs Group, Inc.	4,175	100.00

e. Preferred Stock (4th series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
The Goldman Sachs Group, Inc.	4,175	100.00

f. Preferred Stock (9th series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
GSSM Holding II Corp.	4,175	100.00

g. Preferred Stock (10th series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
GSSM Holding II Corp.	4,175	100.00

h. Preferred Stock (11th series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
GSSM Holding II Corp.	4,175	100.00

i. Preferred Stock (12th series Type 4)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
GSSM Holding II Corp.	4,175	100.00

j. Preferred Stock (1st series Type 6)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held (shares)	Percentage of shares held (%)
SUMITOMO LIFE INSURANCE COMPANY	23,334	33.33
Nippon Life Insurance Company	20,000	28.57
MITSUI LIFE INSURANCE COMPANY LIMITED	16,667	23.80
Mitsui Sumitomo Insurance Company, Limited	10,000	14.28

(Note) The percentage of shares held has been rounded down to the nearest second decimal place.

5. Matters regarding Stock Acquisition Rights, etc. of the Company

(1) Stock Acquisition Rights, etc. of the Company Held by the Company's Officers at the End of the Fiscal Year

Classification	Summary of the stock acquisition rights	Number of holders of the stock acquisition rights
Directors (excluding Outside Officers)	a. Date of resolution : June 27, 2002 b. Number of stock acquisition rights : 29 (Directors: 21, Corporate Auditors: 8)	5
Outside Directors	c. Type of stock subject to stock acquisition rights : Common stock d. Number of shares subject to stock acquisition rights : 2,900 shares	-
Corporate Auditors	e. Amount payable on exercise of stock acquisition rights : 6,698 yen per share (Issue price of stock acquisition rights: gratis)	2

- (Notes) 1. The stock acquisition rights were issued with approval of SMBC's 1st Ordinary General Meeting of Shareholders held on June 27, 2002. The Company decided to assume the obligations attached to 1,620 of the stock acquisition rights issued by SMBC by resolution of the General Meeting of Classified Stockholders for the first preferred stock (type 1), the second preferred stock (type 1) and preferred stock (type 5) held on September 26, 2002, and the Extraordinary General Meeting of Shareholders (doubled as the General Meeting of Classified Stockholders for common stock) held on September 27, 2002. Additionally, SMBC became the wholly owned subsidiary of the Company upon the establishment of the Company via the share transfer of December 2, 2002. SMBC also merged with The Wakashio Bank, Limited on March 17, 2003. The trade name of the company formed through the merger is SMBC.
2. The exercise period for the stock acquisition rights is from June 28, 2004 to June 27, 2012.
3. Number of shares subject to one stock acquisition right is one hundred shares of the Company's common stock.
4. Issue par of shares in the case shares are issued due to exercise of stock acquisition rights (amount to be paid in upon exercise of stock acquisition rights) shall be adjusted in accordance with the following formula in the case where the Company issues the new stock at issue par below market price after issuance of stock acquisition rights (except for the case where issuance is as a result of exercise of stock acquisition rights). However, fractional numbers arising due to adjustment of less than 1 yen shall be rounded up.

$$\text{issue par after adjustment} = \text{issue par before adjustment} \times \frac{\text{number of outstanding shares} + \frac{\text{number of shares newly issued} \times \text{issue par per share}}{\text{market price per share}}}{\text{number of outstanding shares} + \text{number of shares newly issued}}$$

Issue par shall be also adjusted as necessary upon stock split or stock reverse split.

(2) Stock Acquisition Rights, etc. of the Company Granted to Employees etc. during the Fiscal Year

Not applicable.

6. Matters regarding the Accounting Auditor

(1) Accounting Auditor

Name	Compensation, etc. for the fiscal year	Other
KPMG AZSA & Co. Masanori Sato Designated Partner Hiroshi Numano Designated Partner Hiroyuki Yamada Designated Partner	Compensation, etc. pertaining to the activities specified in Article 2, Paragraph 1 of the Certified Public Accountant Law (Law No.103 of 1948): 264 million yen Of above, compensation, etc. as Accounting Auditor: 210 million yen	The Company pays consideration to our Accounting Auditors for providing consulting services pertaining to accounting procedures and disclosure, a task which constitutes activities other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountant Law.

- (Notes)
1. Amounts less than one million yen have been omitted.
 2. The audit agreement between the Company and the Accounting Auditor does not and cannot practically distinguish between compensation, etc. for audits stipulated by the Corporation Law and those stipulated by the Financial Instruments and Exchange Law. For this reason, the “of above, compensation, etc. as Accounting Auditor” above includes the compensation, etc. amount for audits based on the Financial Instruments and Exchange Law.
 3. Total amount of moneys and other financial benefits payable by the Company and subsidiaries (excluding unconsolidated subsidiaries) to Accounting Auditor is 4,095 million yen.

(2) Liability Limitation Agreement

Not applicable.

(3) Other Matters regarding the Accounting Auditor

- a. Policy for Decisions on Dismissal or Non Re-appointment of Accounting Auditor
Apart from cases of dismissal of an Accounting Auditor by the Board of Corporate Auditors as prescribed in Article 340 of the Corporation Law, if it is determined to be difficult for an Accounting Auditor to appropriately execute his or her duty, the Company will forward a proposal for the dismissal or non re-appointment of the Accounting Auditor to the general meeting of shareholders, upon the consent or request of the Board of Corporate Auditors.
- b. From among the Company’s significant subsidiaries, Sumitomo Mitsui Banking Corporation Europe Limited, and SMBC Capital Markets, Inc. were audited by Accounting Auditor other than the Company’s (or by person(s) with equivalent qualifications in foreign countries).

7. System to Ensure Appropriate Conduct of Operations

The Board of Directors resolved to adopt systems to ensure the Company’s appropriate conduct of operations as follows:

Article 1. (System for the storage and management of information related to the execution of duties by Directors)

The Company appropriately stores and manages information related to the performance of Directors’ duties, in accordance with the standards for information management and document management.

Article 2. (Rules and other aspects of the system for managing risks of loss)

1. For the appropriate management of risks of loss to the Group, the Company has established a set of “standards for the management of risks” to set forth fundamental matters for managing risks, and each type of risk of loss is comprehensively and systematically managed by the divisions in charge of managing risks of loss in cooperation with divisions in charge of management planning.

2. The basic policy for managing risks of loss to the Group is determined by resolution of the Group Executive Management Board, a body consisting of executives appointed by the President and Director with the approval of the Board of Directors.
3. The Group Executive Management Board, related executives, and divisions in charge of managing risks of loss conduct risk management in accordance with the basic policy for managing risks of loss to the Group approved in the preceding paragraph.

Article 3. (System for ensuring that the duties of the Directors are efficiently performed)

1. To ensure that the duties of the Directors are efficiently performed, the Company formulates operating plans and manages operations and performance under the plans.
2. Each Director appropriately shares the burden of duties, defines standards for organization, defines standards for the Group companies, and delegates authority to the Directors and employees according to those standards.

Article 4. (System for ensuring that the Directors and employees perform their duties in accordance with laws, regulations, and the Articles of Incorporation)

1. To ensure that the Directors and employees perform their duties in accordance with laws, regulations, and the Articles of Incorporation, the Company draws up business ethics, draws up a common philosophy of the Company's social responsibility, formulates a compliance manual, and has the Directors and employees conform to the aforesaid.
2. To make the compliance system of the Group work more effectively, the Company has the Board of Directors formulate an annual plan for compliance calling for specific measures such as the establishment of standards and training, and improves the system by going forward with the plan.
3. To ensure propriety in accounting and reliability in financial reports, the Company formulates regulations for the evaluation of internal control over financial reports, improves and operates a system necessary for internal control for financial reports, and evaluates the effectiveness of the system.
4. To discover and correct possible violations of laws and regulations by the Company, its Directors, and its employees, the Company appropriately operates a whistle-blowing system and takes steps to improve it.
5. To review implementation as mentioned above, the division in charge of the internal audits on the independence of the divisions conducts internal audits and report the results of the audits to the Board of Directors, Group Executive Management Board, etc.

Article 5. (System for ensuring appropriate business operations within the Group)

1. The Company has established a Group Executive Management Board under the Board of Directors as a supreme decision-making body for the execution of duties and business administration over the Group. the Company executes important matters for the execution of duties after making judgments based on conferences in the Group Executive Management Board in accordance with the basic policy determined by the Board of Directors.
2. To keep a unified compliance system over the Group, the Company defines standards and prepares compliance manuals for the Group, and appropriately manages the manuals in accordance with the standards.
3. For the assurance of the fairness and propriety of transactions among companies within the Group, the Company has established a set of administrative regulations for transactions within the Group to set forth a policy on transactions among companies within the Group, and operates and manages the transactions in accordance with the regulations. Additionally, among these transactions, those likely to have significant effects on management over the Group are decided by the Group Executive Management Board with the approval of the Board of Directors.

Article 6. (Matters regarding employees appointed for the support of Corporate Auditors, and matters regarding the independence of the appointer employees from Directors)

1. To support the performance of the audits by Corporate Auditors, the Company has established an Office of Corporate Auditors.
2. To ensure the independence of the employees in the Office of Corporate Auditors from Directors, all personnel evaluations and personnel transfers for employees shall be approved by the Corporate Auditors.

Article 7. (System for reporting to the Board of Corporate Auditors or Corporate Auditors by Directors and employees)

1. If the Directors and employees discover any fact likely to significantly harm the Company or the Group, or fraud or any significant fact contrary to laws, regulations, or the Articles of Incorporation, the Directors and

employees promptly report the fact to the Corporate Auditors.

2. If the Corporate Auditors ask the Directors and employees about the execution of their respective duties, the Directors and employees promptly report to the Corporate Auditors thereon.

Article 8. (System for ensuring effective auditing by Corporate Auditors)

1. The divisions in charge of internal audits closely cooperate with the Corporate Auditors and endeavor to enable the Corporate Auditors to effectively conduct audits when the Corporate Auditors request their cooperation.
2. The Representative Director endeavors to improve the efficiency of the audit function carried by the Corporate Auditors, by ensuring opportunities for regular exchanges of opinions with Corporate Auditors and taking like measures.

Consolidated Balance Sheet

(At March 31, 2009)

Unit: millions of yen

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and due from banks	5,241,694	Deposits	75,569,497
Call loans and bills bought	633,655	Negotiable certificates of deposit	7,461,284
Receivables under resale agreements	10,487	Call money and bills sold	2,499,113
Receivables under securities borrowing transactions	1,820,228	Payables under repurchase agreements	778,993
Monetary claims bought	1,024,050	Payables under securities lending transactions	7,589,283
Trading assets	4,924,961	Trading liabilities	3,597,658
Money held in trust	8,985	Borrowed money	4,644,699
Securities	28,698,164	Foreign exchanges	281,145
Loans and bills discounted	65,135,319	Short-term bonds	1,019,342
Foreign exchanges	885,082	Bonds	3,683,483
Lease receivables and investment assets	1,968,347	Due to trust account	60,918
Other assets	4,257,251	Other liabilities	3,803,046
Tangible fixed assets	1,008,801	Reserve for employee bonuses	27,659
Buildings	296,219	Reserve for executive bonuses	513
Land	531,726	Reserve for employee retirement benefits	35,643
Lease assets	7,206	Reserve for executive retirement benefits	7,965
Construction in progress	3,527	Reserve for reimbursement of deposits	11,767
Other tangible fixed assets	170,121	Reserve under the special laws	432
Intangible fixed assets	361,884	Deferred tax liabilities	27,287
Software	163,522	Deferred tax liabilities for land revaluation	47,217
Goodwill	186,793	Acceptances and guarantees	3,878,504
Lease assets	480	Total liabilities	115,025,460
Other intangible fixed assets	11,087	(Net assets)	
Deferred tax assets	857,658	Capital stock	1,420,877
Customers' liabilities for acceptances and guarantees	3,878,504	Capital surplus	57,245
Reserve for possible loan losses	(1,077,852)	Retained earnings	1,245,085
		Treasury stock	(124,024)
		Total stockholders' equity	2,599,183
		Net unrealized losses on other securities	(14,649)
		Net deferred losses on hedges	(20,835)
		Land revaluation excess	35,159
		Foreign currency translation adjustments	(129,068)
		Total valuation and translation adjustments	(129,394)
		Stock acquisition rights	66
		Minority interests	2,141,908
		Total net assets	4,611,764
Total assets	119,637,224	Total liabilities and net assets	119,637,224

Consolidated Statement of Operations

(April 1, 2008 to March 31, 2009)

Unit: millions of yen

Account	Amount	
Ordinary income		3,552,843
Interest income	2,087,348	
Interest on loans and discounts	1,550,081	
Interest and dividends on securities	299,616	
Interest on call loans and bills bought	14,686	
Interest on receivables under resale agreements	1,750	
Interest on receivables under securities borrowing transactions	4,506	
Interest on deposits with banks	42,738	
Interest on lease transactions	77,772	
Other interest income	96,195	
Trust fees	2,122	
Fees and commissions	672,752	
Trading income	211,738	
Other operating income	529,599	
Lease-related income	46,446	
Installment-related income	201,219	
Other	281,933	
Other income	49,281	
Ordinary expenses		3,507,532
Interest expenses	748,894	
Interest on deposits	326,447	
Interest on negotiable certificates of deposit	47,911	
Interest on call money and bills sold	22,524	
Interest on payables under repurchase agreements	7,298	
Interest on payables under securities lending transactions	59,962	
Interest on borrowed money	62,750	
Interest on short-term bonds	6,678	
Interest on bonds	82,577	
Other interest expenses	132,743	
Fees and commissions payments	115,574	
Other operating expenses	473,212	
Lease-related expenses	26,473	
Installment-related expenses	164,452	
Other	282,286	
General and administrative expenses	1,063,419	
Other expenses	1,106,431	
Provision for reserve for possible loan losses	402,807	
Other	703,623	
Ordinary profit		45,311
Extraordinary gains		3,692
Gains on disposal of fixed assets	1,297	
Recoveries of written-off claims	1,708	
Transfer from reserve for financial products transaction liabilities	686	
Extraordinary losses		19,507
Losses on disposal of fixed assets	12,144	
Losses on impairment of fixed assets	7,363	
Income before income taxes and minority interests		29,495
Income taxes		
Current	72,238	
Deferred	262,405	
Total income taxes		334,644
Minority interests in net income		68,308
Net loss		(373,456)

Consolidated Statement of Changes in Net Assets

(April 1, 2008 to March 31, 2009)

Unit: millions of yen

Account	Amount	Account	Amount
Stockholders' equity		Total stockholders' equity	
Capital stock		Balance at March 31, 2008	3,095,324
Balance at March 31, 2008	1,420,877		
Changes in the year		Decrease in retained earnings at the beginning of the fiscal year due to a change in accounting procedures in overseas subsidiaries	(3,132)
Net changes in the year	-		
Balance at March 31, 2009	1,420,877	Changes in the year	
Capital surplus		Cash dividends	(118,833)
Balance at March 31, 2008	57,826	Net loss	(373,456)
Changes in the year		Purchase of treasury stock	(943)
Disposal of treasury stocks	(580)	Disposal of treasury stock	326
Net changes in the year	(580)	Increase due to increase in subsidiaries	19
Balance at March 31, 2009	57,245	Increase due to decrease in subsidiaries	8
Retained earnings		Decrease due to increase in subsidiaries	(14)
Balance at March 31, 2008	1,740,610	Decrease due to decrease in subsidiaries	(1)
Decrease in retained earnings at beginning of the fiscal year due to a change in accounting procedures in overseas subsidiaries	(3,132)	Reversal of land revaluation excess	(114)
Changes in the year		Net changes in the year	(493,008)
Cash dividends	(118,833)		
Net loss	(373,456)	Balance at March 31, 2009	2,599,183
Increase due to increase in subsidiaries	19		
Increase due to decrease in subsidiaries	8		
Decrease due to increase in subsidiaries	(14)		
Decrease due to decrease in subsidiaries	(1)		
Reversal of land revaluation excess	(114)		
Net changes in the year	(492,392)		
Balance at March 31, 2009	1,245,085		
Treasury stock			
Balance at March 31, 2008	(123,989)		
Changes in the year			
Purchase of treasury stock	(943)		
Disposal of treasury stock	907		
Net changes in the year	(35)		
Balance at March 31, 2009	(124,024)		

Unit: millions of yen

Account	Amount	Account	Amount
Valuation and translation adjustments		Stock acquisition rights	
Net unrealized losses on other securities		Balance at March 31, 2008	43
Balance at March 31, 2008	550,648	Changes in the year	
Changes in the year		Net changes in items other than stockholders' equity in the year	22
Net changes in items other than stockholders' equity in the year	(565,298)	Net changes in the year	22
Net changes in the year	(565,298)	Balance at March 31, 2009	66
Balance at March 31, 2009	(14,649)	Minority interests	
Net deferred losses on hedges		Balance at March 31, 2008	1,645,705
Balance at March 31, 2008	(75,233)	Changes in the year	
Changes in the year		Net changes in items other than stockholders' equity in the year	496,202
Net changes in items other than stockholders' equity in the year	54,397	Net changes in the year	496,202
Net changes in the year	54,397	Balance at March 31, 2009	2,141,908
Balance at March 31, 2009	(20,835)	Total net assets	
Land revaluation excess		Balance at March 31, 2008	5,224,076
Balance at March 31, 2008	34,910	Decrease in retained earnings at the beginning of the fiscal year due to a change in accounting procedures in overseas subsidiaries	(3,132)
Changes in the year		Changes in the year	
Net changes in items other than stockholders' equity in the year	248	Cash dividends	(118,833)
Net changes in the year	248	Net loss	(373,456)
Balance at March 31, 2009	35,159	Purchase of treasury stock	(943)
Foreign currency translation adjustments		Disposal of treasury stock	326
Balance at March 31, 2008	(27,323)	Increase due to increase in subsidiaries	19
Changes in the year		Increase due to decrease in subsidiaries	8
Net changes in items other than stockholders' equity in the year	(101,744)	Decrease due to increase in subsidiaries	(14)
Net changes in the year	(101,744)	Decrease due to decrease in subsidiaries	(1)
Balance at March 31, 2009	(129,068)	Reversal of land revaluation excess	(114)
Total valuation and translation adjustments		Net changes in items other than stockholders' equity in the year	(116,171)
Balance at March 31, 2008	483,002	Net changes in the year	(609,180)
Changes in the year		Balance at March 31, 2009	4,611,764
Net changes in items other than stockholders' equity in the year	(612,396)		
Net changes in the year	(612,396)		
Balance at March 31, 2009	(129,394)		

< Significant Accounting Policies for Consolidated Financial Statements >

The definitions for subsidiary companies and affiliate companies are pursuant to paragraph 8, Article 2 of the Banking Law and Article 4-2 of the Enforcement Ordinance of the Banking Law.
Amounts less than one million yen have been omitted.

1. Scope of consolidation

(1) Consolidated subsidiaries: 288 companies

Principal companies:

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

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2009 are as follows:

During the current fiscal year, 53 companies including SMM Auto Finance, Inc. were newly consolidated due mainly to an acquisition of stocks.

17 companies including Sakura Information Systems Co., Ltd. were excluded from the scope of consolidation from the current fiscal year because they were no longer subsidiaries due to a decrease in shareholding ratio as a result of the sale of shares and other reasons.

Furthermore, from the current fiscal year, 16 companies including SMFL FOMALHAUT 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.

226 companies 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 proviso 2 of paragraph 1 of Article 63 of the Corporate Calculation Regulations.

Other unconsolidated subsidiaries including SBCS Co., Ltd., are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income (corresponding to equity therein) and retained earnings (corresponding to equity therein) are immaterial, and as such, they do not hinder a rational judgment of the Company’s consolidated financial position and results of operations when excluded from the scope of consolidation.

2. Application of the equity method

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

Principal company: SBCS Co., Ltd.

Bangkok SMBC Consulting Co., Ltd. was regarded as an unconsolidated subsidiary accounted for by the equity method from the current fiscal year because it became a subsidiary due to an increase in shareholding ratio.

(2) Affiliates accounted for by the equity method 75 companies

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited
Daiwa Securities SMBC Co. Ltd.
Daiwa SB Investments Ltd.
Promise Co., Ltd.
Central Finance Co., Ltd.
OMC Card, Inc.

Changes in affiliates accounted for by the equity method in the fiscal year are as follows:

4 companies including Vietnam Export Import Commercial Joint Stock Bank newly became affiliated companies accounted for by the equity method due mainly to acquisition of shares.

5 companies including Sakura Information Systems Co., Ltd. were excluded from the scope of

consolidation from the current fiscal year due mainly to a decrease in shareholding ratio as a result of the sale of shares, and newly became affiliated companies accounted for by the equity method.

2 companies including Japan Pension Navigator Co., Ltd. were excluded from the scope of affiliated companies accounted for by the equity method from the current fiscal year because they became subsidiaries as a result of an increase in shareholding ratio. 3 companies including F Balance Inc. were excluded from the scope of affiliated companies accounted for by the equity method because they were no longer affiliates due mainly to liquidation.

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

226 companies 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 proviso 2 of paragraph 1 of Article 69 of the Corporate Calculation 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 their total amounts in terms of net income (corresponding to equity therein) and retained earnings (corresponding to equity therein) are immaterial, and as such, they do not hinder a rational judgment of the Group's financial position and results of operations when excluded from the scope of consolidation.

3. Special purpose entities

- (1) Outlines of special purpose entities that are subject to disclosure and transactions with these entities
Special purpose entities (SPEs) are engaged in purchases of monetary claims such as receivables from customers of SMBC. They are incorporated under the laws of the Cayman Islands or as a general incorporated association, etc. SMBC provides loans, credit lines and liquidity lines to 14 SPEs for their fund needs and issuing of commercial papers.

The combined assets and liabilities of the 14 SPEs (by a simple computation) as of their most recent accounting dates were 3,140,527 million yen and 3,140,894 million yen, respectively. SMBC has no voting rights in any of these SPEs and sends no directors or employees.

- (2) Amounts of major transactions with the SPEs subject to disclosure in the current fiscal year

Unit: millions of yen

Balances of principal transactions as of March 31, 2009		Principal profit or loss (April 1, 2008 to March 31, 2009)	
Item	Amount	Item	Amount
Loans and bills discounted	1,851,401	Interest on loans and discounts	26,092
Credit lines	824,149	Fees and commissions	2,133
Liquidity lines	394,533		

4. Valuation of consolidated subsidiaries' assets and liabilities

Assets and liabilities of consolidated subsidiaries including the portion attributable to minority shareholders are valued for consolidation at fair value when the Company acquires their control.

5. Amortization of goodwill

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

6. Accounting policies

- (1) Standards for recognition and measurement of trading assets/liabilities and trading income/expenses
Transactions for the purpose of 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 (hereinafter "Trading-purpose transactions") are included in "Trading assets" or "Trading liabilities" on the consolidated balance sheet on a trade date basis; income and losses on such transactions are recognized on a trade date basis and recorded as "Trading income" and "Trading losses."

In terms of the valuation of Trading assets and Trading liabilities, securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the

transactions were terminated at the consolidated balance sheet date.

Trading income and Trading losses include interest received or paid during the fiscal year. The year-on-year valuation differences of securities and money claims are also included in the above-mentioned accounts. As for derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

(2) Valuation standards and methods of securities

1) Debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method. Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method. Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as “other securities” (available-for-sale securities). Stocks in other securities that have market prices (including foreign stocks) are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Stocks, bonds and others that do not have market prices are carried at cost using the moving-average method or at amortized cost.

Net unrealized gains (losses) on other securities, net of income taxes, are included in Net assets.

2) Securities in money held in trust are carried in the same method as in (1) and (2), 1) above.

(3) Valuation standards and methods of derivatives

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

(4) Methods of depreciation

1) Tangible fixed assets (except for lease assets)

Tangible fixed assets owned by the Company and SMBC, are depreciated using the straight-line method. Assets other than buildings are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings:	7 to 50 years
Other:	2 to 20 years

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

2) Intangible fixed assets

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

3) Lease assets

Lease assets classified as “Tangible fixed assets” and traded in the non-transfer ownership finance lease transactions are depreciated using the straight-line method over the lease term of the respective assets (regarded as their estimated useful lives), with the residual value of nil.

(5) Accounting standards for Reserve for possible loan losses

Reserve for possible loan losses of major subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“potentially bankrupt borrowers”), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

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

For other claims, a reserve is provided based on the historical loan-loss ratio. For claims originated in specific overseas countries, an additional reserve is provided in the amount deemed necessary

based on the assessment of political and economic conditions.

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

Reserves for possible loan losses of the Company and its other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was 717,010 million yen.

(6) Accounting standards for Reserve for employee bonuses

Reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the fiscal year.

(7) Accounting standards for Reserve for executive bonuses

Reserve for executive bonuses is provided for payment of bonuses to executives (including executive officers, hereinafter the same), in the amount of estimated bonuses, which are attributable to the fiscal year.

(8) Accounting standards for Reserve for employee retirement benefits

Reserve for employee retirement benefits is provided for payment of retirement benefits to employees, in the amount deemed accrued at the fiscal year-end, based on the projected retirement benefit obligation and the fair value of plan assets at the fiscal year-end. Prior service costs and actuarial differences are to be charged to expenses in the following manner:

Prior service costs

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

Actuarial differences

Unrecognized net actuarial gain (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.

(9) Accounting standards for Reserve for executive retirement benefits

Reserve for executive retirement benefits is provided for payment of retirement benefits to executives, in the amount deemed accrued at the current fiscal year-end based on its internal regulations.

(10) Accounting standards for Reserve for reimbursement of deposits

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

(11) Accounting standards for Reserve under the special laws

Reserve under special laws consist of the reserve for contingent liabilities from financial instruments transactions, which has been provided to cover possible losses arising from transactions including the sales and purchase of securities, derivative transactions, and other transactions, pursuant to the provisions of Articles 46-5 and 48-3 of the Financial Instruments and Exchange Law.

(12) Conversion of foreign currency-denominated assets and liabilities

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

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

(13) Standards for recognizing lease-related income on lease transactions and income/expenses on installment sales are as follows:

1) Standard for recognizing income from finance lease transactions

Interest income equivalent amount is recognized as an income from finance lease transactions and apportioned each fiscal year.

2) Standard for recognizing income from operating lease transactions

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.

- 3) Standard for recognizing income and expenses on installment sales
Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the term of the installment sales.
- (14) Significant hedge accounting methods
 - 1) Hedging against interest rate risks
As for hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Company's consolidated subsidiary, SMBC applied deferred hedge accounting.
SMBC applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24, hereinafter "Industry Audit Committee Report No. 24") to portfolio hedges of large volume, small-value monetary claims and debts.
As for 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 the applicable 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. At the fiscal year-end, gross amounts of deferred hedge losses and gains on "macro hedge" (before deducting tax effect) were 6,921 million yen and 5,688 million yen, respectively.
 - 2) Hedging against currency fluctuations
SMBC applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25, hereinafter "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.
SMBC assess the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.
In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.
 - 3) 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 swaps and currency swaps that are designated as hedging instruments in accordance with the criteria for external transactions stipulated in the Industry Audit Committee Report No. 24 and No. 25. Therefore, SMBC accounts for 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).

(15) Accounting for consumption taxes

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

<Changes in accounting policy >

1. Standard accounting methods for the accounting of overseas subsidiaries in the consolidated financial statements

With the application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issue Task Force No.18, issued on May 17, 2006) from the fiscal year beginning April 1, 2008 and thereafter, we adopted the principle stated in the Report from this fiscal year. As a result, retained earnings at the beginning of the fiscal year decreased by 3,132 million yen compared with the former accounting method. This accounting change had no material impact on the consolidated financial statements for the current fiscal year.

2. Accounting standard for lease transactions

Prior to this fiscal year, non-transfer ownership finance lease transactions had been accounted for as operating leases. However, due to the application of the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued on March 30, 2007) from the fiscal year beginning April 1, 2008 and thereafter, we adopted them from this fiscal year.

As for the non-transfer ownership finance lease transactions that commenced prior to the fiscal year beginning April 1, 2008, we deemed the ownership of the lease assets was transferred to the lessees at the beginning of the fiscal year for the acquisition cost equivalent to the amount of unearned lease payment at the end of the fiscal 2007 (after deducting interest equivalent income) and recorded them as lease assets in either the “Tangible fixed assets” or “Intangible fixed assets” sections. On the lessor side, we recorded “Lease receivables and investment assets,” using the fair net book value of lease assets (net of accumulated depreciation amount) at the end of fiscal 2007 as their value at the beginning of this fiscal year.

Subsequently, compared with the former accounting method, “Lease receivables and investment assets,” lease assets in the “Tangible fixed assets” section and lease assets in the “Intangible fixed assets” section increased by 1,968,347 million yen, 7,206 million yen and 480 million yen, respectively, while “Loans,” “Lease assets,” “Other assets” and “Other liabilities” decreased by 138,788 million yen, 1,205,021 million yen, 662,005 million yen and 32,205 million yen, respectively. In addition, interest on lease in the “Interest income” section increased by 77,772 million yen, while interest on loans and discounts in the “Interest income” section and other interest expenses in the “Interest expenses” section decreased by 7,659 million yen and 639 million yen, respectively. Lease income, installment-related income and other, all of which are included in the “Other operating income” section, decreased by 503,389 million yen, 242,763 million yen and 810 million yen, respectively. Lease-related expenses and installment-related expenses, both within the “Other operating expenses” section, decreased by 472,005 million yen and 206,456 million yen, respectively, while “General and administrative expenses” decreased by 178 million yen. As a result, ordinary profit increased by 2,430 million yen, while income before income taxes and minority interests, after taking into account extraordinary gains and losses, increased by 2,423 million yen.

<Changes in presentation>

1. Consolidated balance sheet

Lease assets for the operating lease transaction on the lessor side (99,183 million yen for the previous fiscal year and 180,273 million yen for this fiscal year) were previously included in “Lease assets” in the previous fiscal year. However, as the importance of these assets decreased, we changed their presentations from this fiscal year. These assets are now included in the “Tangible fixed assets” section as: buildings 52,681 million yen, land 68,131 million yen and other tangible fixed assets 59,460 million yen; also in the “Intangible fixed assets” section as software 0 million yen.

<Additional information>

1. Change in part of the evaluation method for the market value of other securities

Prior to this fiscal year, we evaluated the balance sheet value of variable rate government bonds, classified as other securities of the “Securities” section, by using their market prices as of the consolidated balance sheet date. However, in light of “Practical Solution on Measurement of Fair Value for Financial Assets” (ASBJ Practical Issue Task Force No. 25, issued on October 28, 2008), we applied rationally calculated prices to the value shown on the balance sheets from this fiscal year.

As a result of this change, compared with the method of calculating balance sheet value based on their market prices, “Securities” increased by 117,757 million yen and “Deferred tax assets” decreased by 47,508 million yen, while “Net unrealized gains on other securities” and “Minority interests” increased by 67,741 million yen and 2,508 million yen, respectively.

We calculated the rationally calculated price of variable rate government bonds by discounting their future cash flows, estimated with reference to government bond yields and others, using discount rates based on such government bond yields. Therefore, government bond yields and their volatility are major pricing variables.

<Notes to Consolidated Balance Sheet>

1. Classifications of assets and liabilities in the consolidated balance sheet conform to the provisions of the Enforcement Ordinance of the Banking Law (1982 Ministry of Finance Ordinance No. 10).

2. Amounts of less than one million yen have been omitted.

3. Japanese government bonds and Other securities as a sub-account of Securities include 33,312 million yen 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, that are permitted to be sold or pledged without restrictions, 1,717,335 million yen of securities are pledged, and 188,715 million yen of securities are held in hand as of the consolidated balance sheet date.

4. Bankrupt loans and Non-accrual loans were 292,088 million yen and 1,019,352 million yen, respectively.

“Bankrupt loans” are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and Article 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 (hereinafter “loans on which accrued interest income is not recognized”).

“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.

5. Past due loans (3 months or more) totaled 36,162 million yen.

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

6. Restructured loans totaled 238,713 million yen.

“Restructure 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 borrower’s recovery from financial difficulties, excluding “Bankrupt loans,” “Non-accrual loans” and “Past due loans (3 months or more).”

7. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans was 1,586,317 million yen.

The amounts of loans presented in Notes 4 through 7 above are the amounts before deduction of reserve for possible loans losses.

8. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Company’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 686,407 million yen.

9. Assets pledged as collateral were as follows:

(Millions of yen)

Assets pledged as collateral:	
Cash and due from banks and deposits with banks	339,948
Call loans and bills bought	259,186
Monetary claims bought	2,020
Trading assets	610,146
Securities	8,049,756
Loans and bills discounted	3,062,015
Lease receivables and investment assets	41,993
Tangible fixed assets	11,153
Other assets (installment accounts receivable, etc.)	2,165
Liabilities corresponding to assets pledged as collateral:	
Deposits	27,060
Call money and bills sold	1,266,265
Payables under repurchase agreements	778,993
Payables under securities lending transactions	6,332,775
Trading liabilities	594,121
Borrowed money	1,970,209
Other liabilities	4,587
Acceptances and guarantees	134,530

In addition, Cash and due from banks and deposits with banks of 19,380 million yen, Trading assets of 52,843 million yen, Securities of 11,172,095 million yen and Loans and bills discounted of 284,157 million yen were pledged as collateral for cash settlements, variation margins of futures market transactions and certain other purposes.

Other assets include surety deposits of 85,892 million yen and variation margins of futures market transactions of 6,252 million yen.

10. 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 was 39,983,526 million yen and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was 34,012,566 million yen.

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 need arises and securing claims after contracts are made.

11. SMBC and another consolidated subsidiary revaluated their own land for business activities in accordance with the "Law Concerning Land Revaluation" (the "Law") No. 34 effective March 31, 1998 and the law concerning amendment of the Law No. 19 effective March 31, 2001. The income taxes corresponding to the net unrealized gains are reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the net unrealized gains corresponding to the proportion of the parent company's interests in these affiliates, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

In addition, a certain affiliate accounted for by the equity method revaluated its own land for business activities in accordance with the Law. Subsequently, the amount of net unrealized gains corresponding to the proportion of the parent company's interests in these affiliates, net of income tax on the gains, was recorded as "Land revaluation excess" in the "Net assets" section.

Date of 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 Article 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 Article 2-3 and 2-5 of the Enforcement Ordinance No. 119.

12. Accumulated depreciation on tangible fixed assets amounted to 616,324 million yen.
13. Deferred gain on fixed assets deductible for tax purposes amounted to 66,691 million yen.
14. The balance of subordinated debt included in "Borrowed money" was 436,000 million yen.
15. The balance of subordinated bonds included in "Bonds" was 2,281,687 million yen.
16. The amount guaranteed by banking subsidiaries to privately-placed bonds (stipulated by paragraph 3, Article 2 of the Financial Instruments and Exchange Law) in "Securities" was 2,304,890 million yen.
17. Net assets per share: 2,790.27 yen
18. Stock options
 - (1) Amount of stock options to be expensed in the fiscal year
General and administrative expenses: 22 million yen
 - (2) Outline of stock options and changes

1) The Company

a. Outline of stock options

Date of resolution	June 27, 2002
Title and number of grantees	Directors and employees of the Company and SMBC 677
Number of stock options (Notes 1 and 2)	Common shares 162,000
Grant date	August 30, 2002
Condition for vesting	N.A.
Requisite service period	N.A.
Exercise period	June 28, 2004 to June 27, 2012

Notes:

1. Number of stock options have been converted and stated as number of shares.
2. The number of stock options was adjusted, subsequent to the 100-for-1 common stock split on January 4, 2009.

b. Stock options granted and changes

Number of stock options (Note 1)

Date of resolution	June 27, 2002
Before vested	
Previous fiscal year-end	—
Granted	—
Forfeited	—
Vested	—
Outstanding	—
After vested	
Previous fiscal year-end (Note 2)	108,100
Vested	—
Exercised	—
Forfeited	—
Exercisable	108,100

Note:

1. Number of stock options have been converted and stated as number of shares.
2. The number of stock options was adjusted, subsequent to the stock split on January 4, 2009.

Price Information

Date of Resolution	June 27, 2002
Exercise price (yen)	6,698

Average exercise price (yen)	—
Fair value at the grant date (yen)	—

2) A consolidated subsidiary, Kansai Urban Banking Corporation

a. Outline of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65
Number of stock options (Note)	Common shares 238,000	Common shares 234,000	Common shares 306,000
Grant date (shares)	July 31, 2001	July 31, 2002	July 31, 2003
Condition for vesting	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.
Exercise period	June 29, 2003 to June 28, 2011	June 28, 2004 to June 27, 2012	June 28, 2005 to June 27, 2013

Date of resolution	June 29, 2004	June 29, 2005	June 29, 2006
Title and number of grantees	Directors and employees 174	Directors and employees 183	Directors 9
Number of stock options (Note)	Common shares 399,000	Common shares 464,000	Common shares 162,000
Grant date (shares)	July 30, 2004	July 29, 2005	July 31, 2006
Condition for vesting	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.
Exercise period	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007
Title and number of grantees	Officers not doubling as directors 14, Employees 46	Directors 10	Officers not doubling as directors 14, Employees 48
Number of stock options (Note)	Common shares 115,000	Common shares 174,000	Common shares 112,000
Grant date (shares)	July 31, 2006	July 31, 2007	July 31, 2007
Condition for vesting	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.
Exercise period	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017	June 29, 2009 to June 28, 2017

Date of resolution	June 27, 2008
Title and number of grantees	Directors 9, Officers not doubling as directors 16, Employees 45
Number of stock options (Note)	Common shares 289,000
Grant date (shares)	July 31, 2008
Condition for vesting	N.A.
Requisite service period	N.A.
Exercise period	June 28, 2010 to June 27, 2018

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

b. Stock options granted and changes

Number of stock options (Note)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003
Before vested (shares)			
Previous fiscal year-end	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Outstanding	—	—	—
After vested (shares)			
Previous fiscal year-end	122,000	158,000	230,000
Vested	—	—	—
Exercised	4,000	—	2,000
Forfeited	6,000	—	—
Exercisable	112,000	158,000	228,000

Date of resolution	June 29, 2004	June 29, 2005	June 29, 2006
Before vested (shares)			
Previous fiscal year-end	—	—	162,000
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	162,000
Outstanding	—	—	—
After vested (shares)			
Previous fiscal year-end	330,000	451,000	—
Vested	—	—	162,000
Exercised	1,000	—	—
Forfeited	—	—	—
Exercisable	329,000	451,000	162,000

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007
Before vested (shares)			
Previous fiscal year-end	115,000	174,000	112,000
Granted	—	—	—
Forfeited	—	—	—
Vested	115,000	—	—
Outstanding	—	174,000	112,000
After vested (shares)			
Previous fiscal year-end	—	—	—
Vested	115,000	—	—
Exercised	—	—	—
Forfeited	—	—	—
Exercisable	115,000	—	—

Date of resolution	June 27, 2008
Before vested (shares)	
Previous fiscal year-end	—
Granted	289,000
Forfeited	—
Vested	—
Outstanding	289,000
After vested (shares)	
Previous fiscal year-end	—
Vested	—
Exercised	—
Forfeited	—
Exercisable	—

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

Price information

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003
Exercise price (yen)	155	131	179
Average exercise price (yen)	317	—	313
Fair value at grant date (yen)	—	—	—

Date of resolution	June 29, 2004	June 29, 2005	June 29, 2006
Exercise price (yen)	202	313	490
Average exercise price (yen)	313	—	—
Fair value at grant date (yen)	—	—	138

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007
Exercise price (yen)	490	461	461
Average exercise price (yen)	—	—	—
Fair value at grant date (yen)	138	96	96

Date of resolution	June 27, 2008
Exercise price (yen)	302
Average exercise price (yen)	—
Fair value at grant date (yen)	37

c. Valuation technique used for valuating fair value of stock options

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

(i) Valuation technique: Black-Scholes option-pricing model

(ii) Principal parameters used in the option-pricing model

Date of resolution	June 27, 2008
Expected volatility (Note 1)	39.99%
Average expected life (Note 2)	5 years
Expected dividends (Note 3)	5 yen per share
Risk-free interest rate (Note 4)	1.13%

Notes:

1. Calculated based on the actual stock prices during the five years from June 2003 to June 2008.
2. The average expected life could not be estimated rationally due to insufficient amount of data. Therefore, it was estimated assuming that the options were exercised at the mid point of the exercise period.
3. The actual dividends on common stock for the fiscal year ended March 31, 2008.
4. Japanese government bond yield corresponding to the average expected life.

d. Method of estimating number of stock options vested

On the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

19. Business combination of a consolidated subsidiary

Merger of credit card businesses

(1) Name and business of the combining companies including a consolidated subsidiary, reason for the business combination, date of business combination, legal form of the business combination

1) Name and business of the combining companies

Combining company: OMC Card Inc. (Business: credit card business)

Combined company : Central Finance Co., Ltd. (Business: third party installment credit for particular products, third party installment credit for general products)

Combined company : QUOQ Inc. (Business: third party installment credit for particular products, third party installment credit for general products)

2) Reason for business combination

The credit card market has marked steady growth, mainly fueled by the expansion of new payment methods as typified by micropayment service, etc. and the popularization of loyalty programs. The market is expected to grow further, driven by the development of the public funds field and other factors in the future. Meanwhile, we see the credit card industry's drastically changing business environment, influenced by several factors including the development of new technologies and services such as electronic money, together with system investments and the enforcement of the Money Lending Business Law, with an eye to responding to deepening and more sophisticated diverse customer needs. Therefore the industry is at a major turning point. With regard to the business of installment credit for particular products, the amendment of the Installment Sales Law is in process, along with the promotion of stronger consumer protection, necessitating business restructuring to develop new business models. Recognizing these circumstances, Central Finance Co., Ltd. (hereinafter referred to as "CF"), an affiliate of the Company, OMC Card, Inc. ("OMC Card") and QUOQ Inc. ("QUOQ"), a subsidiary of the Company, merged on April 1, 2009, with the aim to create Japan's largest consumer finance company with high-level expertise and mobility, conducting the core business of credit card and installment credit for particular products, by combining and fusing each firm's customer base, marketing abilities, know-how, etc.

3) Date of business combination April 1, 2009

4) Legal form of business combination

Absorption-type merger with OMC Card as the surviving company

(Name of the merged company: Cedyne Financial Corporation)

(2) Outline of accounting method

Accounting procedures for non-consolidated financial statements and consolidated financial statements stipulated in Article 39, 42 and 48 of the "Accounting Standard for Business Divestures" (ASBJ Statement No. 7) have been adopted.

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

Other business

(4) The consolidated statement of income for the current fiscal year included the following earnings

(approximate amounts) of SMBC Auto Leasing:

Ordinary income: 44,596 million yen

Ordinary loss: 8,454 million yen

Net loss: 3,206 million yen

(5) Status after the business combination

QUOQ and its subsidiaries are excluded from the Company's scope of consolidation, and the newly created company after the merger, Cedyne Financial Corporation, has become the Company's affiliated company accounted for by the equity method.

20. Shelf registration statement filing

The Company resolved at the meeting of the Board of Directors held on April 9, 2009 to file a Shelf Registration Statement in relation to the issuance of new shares as set forth below.

Type of Securities	Common stock of the Company
Planned Effective Period	Within one year commencing from the effective date of the Shelf Registration Statement (From April 17, 2009 until April 16, 2010)
Planned Amount of Issuance	Up to 800 billion yen
Offering Method	Public offering
Use of Proceeds	To be invested in consolidated subsidiaries of the Company

21. Redemption of preferred securities

The Company resolved at the meeting of the Board of Directors held on April 28, 2009 to authorize the redemption in full of the preferred securities issued by its overseas special purpose subsidiary. Outline of the preferred securities to be redeemed is as follows:

- (1) Issuer: SB Equity Securities (Cayman), Limited
- (2) Type of security: Non-cumulative perpetual preferred securities
- (3) Redemption amount: 340 billion yen
- (4) Scheduled redemption date: June 30, 2009
- (5) Reason for redemption: Optional redemption

22. Acquisition of Nikko Cordial Securities Inc. and other businesses

(1) Objectives

SMBC reached an agreement on May 1, 2009 with Nikko Citi Holdings Inc. (“Nikko Citi HD”), a wholly owned subsidiary of Citigroup Inc., and other related entities wherein SMBC would acquire 1) all shares in New Nikko Securities (tentative name; the shares referred to hereinafter as “New Nikko Securities Stock”) which will succeed to all operations of Nikko Cordial Securities Inc., which engages mainly in the retail securities business (excluding selected assets and liabilities; the “Retail Business”), and some businesses including the domestic debt and equity underwriting and other businesses of Nikko Citigroup Limited, which engages mainly in the wholesale securities business (together with the Retail Business, collectively referred to hereinafter as the “Target Businesses”), 2) shares or partnership interests in affiliates and Civil Law partnerships relating to the Target Businesses (“Affiliates, etc.”; the shares referred to hereinafter as “Affiliate Stock, etc.”) and 3) other assets (such as trademarks relating to the “Nikko” brand and shares held for strategic reasons; hereafter “Other Assets”; New Nikko Securities Stock, Affiliate Stock, etc., and Other Assets collectively referred to hereinafter as “Target Shares, etc.”), all of which are either directly or indirectly owned by Nikko Citi HD, pursuant to approval of relevant authorities.

The Company’s growth principle is to offer valuable services based on “Spirit of innovation,” “Speed,” and “Solution & Execution” to expand the customer base as a financial services group centered on a commercial bank. Through this transaction, the Company plans to create a new leading financial services group and increase potential growth by combining stability and reliability that a commercial bank holds with New Nikko Securities’ high-quality customer services.

(2) Counterparties to the acquisition of New Nikko Securities Stock

Nikko Citi Holdings Inc.
Nikko Cordial Securities Inc.
Nikko Citi Business Services Inc.

(3) Overview of New Nikko Securities

1) Business line:

Securities business

2) Operating performance and financial position of New Nikko Securities:

Operating performance and financial position of New Nikko Securities are not reported because it has not yet been established. Non-consolidated operating performance and financial position of Nikko Cordial Securities Inc., which will be at the core of New Nikko Securities’ operations, are as follows:

(Millions of yen)

	Fiscal Year ended March 2008	Fiscal Year ended March 2009
Operating revenues	222,810	164,135
Net operating revenues	217,878	158,942
Operating profit	50,945	19,685
Ordinary profit	51,182	22,158
Net income (loss)	23,890	(3,626)
Net assets	420,600	393,392
Total assets	1,523,908	1,466,956

- (4) Effective date
October 1, 2009 (tentative)
- (5) Acquisition price, etc.
- 1) Acquisition price
- a. Total acquisition value for Target Shares, etc. (excluding Shares held for strategic policy reasons (listed stock))
¥545 billion (note that this figure will be adjusted based on net assets, etc. at New Nikko Securities and Affiliates, etc. at the point in time on the effective date)
- b. Shares held for strategic reasons (listed stock)
Price equivalent to 95% of the market closing price as of four business days prior to the date immediately preceding the effective date (¥28.5 billion if calculated by using 95% of the closing price as of March 31, 2009)
- 2) Shares held and shareholding ratio before and after the transaction
While the number of New Nikko Securities Stock to be acquired is unclear as New Nikko Securities is an entity which has not yet been established, SMBC plans to acquire 100% of New Nikko Securities Stock.
- (6) Fund for the acquisition
Entire amount is expected to be funds on hand.

<Notes to Consolidated Statement of Operations>

- Classifications of income and expenses in the consolidated statement of income conform to the provisions of the Enforcement Ordinance of the Banking Law (1982 Ministry of Finance Ordinance No. 10).
- Amounts of less than one million yen have been omitted.
- “Other income” includes gains on sales of stocks and other securities of 15,242 million yen.
- “Other expenses” include write-off of loans of 302,353 million yen, losses on devaluation of stocks and other securities of 191,117 million yen, losses on delinquent loans sold of 62,549 million yen, and equity in losses of affiliates of 94,876 million yen.
- The difference between recoverable amount and the book value of the following assets is recognized as “Losses on impairment of fixed assets” and included in “Extraordinary losses” in the fiscal year.

Unit: millions of yen			
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Branches 1 branch	Land and buildings, etc.	57
	Corporate assets 1 item		4,700
	Idle assets 24 items		664
	Others 6 items		444
Kinki area	Branches 5 branches	Land and buildings, etc.	389
	Idle assets 10 items		607
	Others 4 items		318
Other	Idle assets 9 items	Land and buildings, etc.	179

SMBC continuously manages every branch and determines its income and expenses. SMBC considers each branch as the smallest unit of asset group for recognition and measurement of impairment loss. Fixed assets (such as corporate headquarters, facilities, training institutes, business and system centers, and health and recreational facilities), which do not have identifiable cash flows, are grouped with other assets. As for idle assets, impairment loss on each asset is measured individually. At other

consolidated subsidiaries, a branch is generally considered as the smallest grouping unit.

In case investments in idle assets and branches (idle assets and corporate assets in the case of SMBC) are not expected to be recovered, SMBC and other consolidated subsidiaries reduced the book values to their recoverable amounts and recognized the relevant losses as “Losses on impairment of fixed assets,” which were included in “Extraordinary losses” in the fiscal year.

Recoverable amounts are calculated using net realizable value, which is based on appraisal value in accordance with the Real Estate Appraisal Standard less the expected sale costs.

6. Net loss per share: 497.39 yen.

<Notes to Consolidated Statement of Changes in Net Assets>

1. Amounts less than one million yen have been omitted.
2. Type and number of shares issued and treasury shares are as follows:

Unit: shares

	Number of shares as of the previous fiscal year-end	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares as of the fiscal year-end	Remarks
Shares issued					
Common stock	7,733,653.77	781,346,823.23	—	789,080,477	(Note 1)
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 (5th series type 4)	4,175	—	4,175	—	(Note 2)
Preferred stock (6th series type 4)	4,175	—	4,175	—	(Note 2)
Preferred stock (7th series type 4)	4,175	—	4,175	—	(Note 2)
Preferred stock (8th series type 4)	4,175	—	4,175	—	(Note 2)
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	7,853,754.77	781,346,823.23	16,700	789,183,878	
Treasury shares					
Common stock	168,997.41	16,887,475.04	28,006.45	17,028,466	(Note 3)
Preferred stock (5th series type 4)	—	4,175	4,175	—	(Note 2)
Preferred stock (6th series type 4)	—	4,175	4,175	—	(Note 2)
Preferred stock (7th series type 4)	—	4,175	4,175	—	(Note 2)
Preferred stock (8th series type 4)	—	4,175	4,175	—	(Note 2)
Total	168,997.41	16,904,175.04	44,706.45	17,028,466	

Notes:

1. Increase of 781,346,823.23 shares of common stock issued was comprised of:

157,151 shares due to the exercising of put options as to shares of 5th series Type 4 Preferred Stock, 6th series Type 4 Preferred Stock, 7th series Type 4 Preferred Stock and 8th series Type 4 Preferred Stock on April 30, 2008; and
781,189, 672.23 shares due to a stock split on January 4, 2009.

2. Increase of 4,175 shares of each treasury shares of 5th series Type 4 Preferred Stock, 6th series Type 4 Preferred Stock, 7th series Type 4 Preferred Stock and 8th series Typ4 4 Preferred Stock was due to the acquisition of own shares on April 30, 2008 as a result of the exercising of put options.
Decrease of 4,175 shares of each preferred stock issued (5th series Type 4 Preferred Stock, 6th series Type 4 Preferred Stock, 7th series Type 4 Preferred Stock and 8th series Type 4 Preferred Stock) and decrease of 4,175 shares of each treasury shares of these preferred stock were due to the cancellation of treasury shares on May 16, 2008.
3. Increase of 16,887,475.04 shares of treasury common shares was comprised of:
68,904.66 shares due to the purchase of fractional shares and shares constituting less than one unit;
539 shares due to the acquisition of own shares as a result of the purchase demand of the shareholders dissenting from the share exchange proposal; and
16,818,031.38 shares due to the stock split on January 4, 2009.
Decrease of 28,006.45 shares of treasury common shares was due to the sale of fractional shares and shares constituting less than one unit.

3. Information on stock acquisition rights

	Detail of stock acquisition rights	Type of shares	Number of shares				Balance as of the fiscal year-end (Millions of yen)	Remarks
			Previous fiscal year-end	Increase in the fiscal year	Decrease in the fiscal year	Fiscal year-end		
The Company	Stock acquisition rights as stock options						—	
Consolidated subsidiaries							66	
Total							66	

4. Information on dividends:

(1) Dividends paid in the fiscal year

Date of resolution	Type of shares	Aggregate amount of dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2008	Common stock	53,655	7,000	March 31, 2008	June 27, 2008
	Preferred stock (1st series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (2nd series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (3rd series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (4th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (5th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (6th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (7th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (8th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (9th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (10th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (11th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (12th series type 4)	281	67,500	March 31, 2008	June 27, 2008
	Preferred stock (1st series type 6)	3,097	44,250	March 31, 2008	June 27, 2008
Board of Directors Meeting held on November 14, 2008	Common stock	54,753	7,000	September 30, 2008	December 5, 2008
	Preferred stock (1st series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (2nd series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (3rd series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (4th series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (9th series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (10th series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (11th series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (12th series type 4)	281	67,500	September 30, 2008	December 5, 2008
	Preferred stock (1st series type 6)	3,097	44,250	September 30, 2008	December 5, 2008

(2) Dividends whose effective dates will be in the next fiscal year

Date of resolution	Type of shares	Aggregate amount of dividends (millions of yen)	Source of dividends	Cash dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders to be held on June 26, 2009	Common stock	15,707	Retained earnings	20	March 31, 2009	June 26, 2009
	Preferred stock (1st series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (2nd series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (3rd series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (4th series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (9th series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (10th series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (11th series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (12th series type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
	Preferred stock (1st series type 6)	3,097	Retained earnings	44,250	March 31, 2009	June 26, 2009

Non-Consolidated Balance Sheet

(At March 31, 2009)

Unit: millions of yen

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	23,730	Current liabilities	1,079,566
Cash and due from banks	1,281	Short-term borrowings	1,078,030
Prepaid expenses	22	Accounts payable	298
Deferred tax assets	39	Accrued expenses	120
Accrued income	19	Income taxes payable	372
Accrued income tax refunds	21,844	Business office taxes payable	5
Other current assets	522	Reserve for employee bonuses	102
		Other current liabilities	637
Fixed assets	4,033,583	Fixed liabilities	199
Tangible fixed assets	2	Reserve for executive retirement benefits	199
Buildings	0	Total liabilities	1,079,766
Equipment	2	(Net assets)	
Intangible fixed assets	11	Stockholders' equity	2,977,547
Software	11	Capital stock	1,420,877
Investments and other assets	4,033,568	Capital surplus	916,163
Investments in subsidiaries and affiliates	4,028,093	Capital reserve	642,355
Deferred tax assets	5,475	Other capital surplus	273,808
		Retained earnings	683,907
		Other retained earnings	683,907
		Voluntary reserve	30,420
		Retained earnings brought forward	653,487
		Treasury stock	(43,400)
		Total net assets	2,977,547
Total assets	4,057,313	Total liabilities and net assets	4,057,313

Non-Consolidated Statement of Income

(April 1, 2008 to March 31, 2009)

Unit: millions of yen

Account	Amount	
Operating income		
Dividends on investments in subsidiaries and affiliates	117,051	
Fees and commissions received from subsidiaries	17,721	134,772
Operating expenses		
General and administrative expenses	8,790	8,790
Operating profit		125,982
Non-operating income		
Interest income on deposits	110	
Fees and commissions income	14	
Other non-operating income	27	151
Non-operating expenses		
Interest on borrowings	11,910	
Fees and commissions payments	11,912	
Other	0	23,824
Ordinary profit		102,309
Income before income taxes		102,309
Income taxes		
Current	2,393	
Deferred	(3,552)	
Total income taxes		(1,158)
Net income		103,468

Non-Consolidated Statement of Changes in Net Assets

(April 1, 2008 to March 31, 2009)

Unit: millions of yen

Account	Amount	Account	Amount
Stockholders' equity		Retained earnings brought forward	
Capital stock		Balance at March 31, 2008	670,259
Balance at March 31, 2008	1,420,877	Changes in the year	
Changes in the year		Cash dividends	(120,240)
Net changes in the year	-	Net income	103,468
Balance at March 31, 2009	1,420,877	Net changes in the year	(16,772)
Capital surplus		Balance at March 31, 2009	653,487
Capital reserve		Total retained earnings	
Balance at March 31, 2008	642,355	Balance at March 31, 2008	700,679
Changes in the year		Changes in the year	
Net changes in the year	-	Cash dividends	(120,240)
Balance at March 31, 2009	642,355	Net income	103,468
Other capital surplus		Net changes in the year	(16,772)
Balance at March 31, 2008	288,031	Balance at March 31, 2009	683,907
Changes in the year		Treasury stock	
Disposal of treasury stock	(14,222)	Balance at March 31, 2008	(83,194)
Net changes in the year	(14,222)	Changes in the year	
Balance at March 31, 2009	273,808	Purchase of treasury stock	(943)
Total capital surplus		Disposal of treasury stock	40,736
Balance at March 31, 2008	930,386	Net changes in the year	39,793
Changes in the year		Balance at March 31, 2009	(43,400)
Disposal of treasury stock	(14,222)	Total stockholders' equity	
Net changes in the year	(14,222)	Balance at March 31, 2008	2,968,749
Balance at March 31, 2009	916,163	Changes in the year	
Retained earnings		Cash dividends	(120,240)
Other retained earnings		Net income	103,468
Voluntary reserve		Purchase of treasury stock	(943)
Balance at March 31, 2008	30,420	Disposal of treasury stock	26,513
Changes in the year		Net changes in the year	8,798
Net changes in the year	-	Balance at March 31, 2009	2,977,547
Balance at March 31, 2009	30,420	Total net assets	
		Balance at March 31, 2008	2,968,749
		Changes in the year	
		Cash dividends	(120,240)
		Net income	103,468
		Purchase of treasury stock	(943)
		Disposal of treasury stock	26,513
		Net changes in the year	8,798
		Balance at March 31, 2009	2,977,547

<Notes to Significant Accounting Policies for Non-Consolidated Financial Statements>

1. Valuation standards and methods of securities
Investments in subsidiaries and affiliates: Carried at cost using the moving-average method
2. Methods of depreciation
 - (1) Tangible fixed assets
Declining balance method (however, buildings are depreciated on the straight-line method)
 - (2) Intangible fixed assets
Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by the Company is depreciated over its estimated useful life (basically 5 years).
3. Conversion of foreign-currency denominated assets and liabilities into Japanese yen
Assets and liabilities denominated in foreign currencies are translated into Japanese yen mainly at the exchange rate prevailing at the balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.
4. Accounting standards for reserves
 - (1) Reserve for employee bonuses
Reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the fiscal year.
 - (2) Reserve for executive retirement benefits
Reserve for executive retirement benefits is provided for payment of retirement benefits to executives (including executive officers), in the amount deemed accrued at the current fiscal year-end based on its internal regulations.
5. Accounting for consumption taxes
National and local consumption taxes are accounted for using the tax-excluded method.

<Changes in Accounting Policies>

“Accounting standard for lease transactions”

Prior to this fiscal year, non-transfer ownership finance lease transactions had been accounted for as operating leases. However, due to the application of the “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13, issued on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued on March 30, 2007) from the fiscal year beginning April 1, 2008 and thereafter, we adopted them from this fiscal year. This change had no impact on the non-consolidated financial statements for this fiscal year.

<Notes to Non-Consolidated Balance Sheet>

1. Amounts less than one million yen have been omitted.
2. Accumulated depreciation on tangible fixed assets: 10 million yen
3. Guarantee liabilities
The Company is offering guarantees in the amount of 60,663 million yen to the Deposit Protection Fund of the Association of German Banks, in regard to customer withdrawals of deposits at SMBC’s Dusseldorf Branch.
4. Short-term monetary claims to affiliates: 1,322 million yen
Short-term monetary debts to affiliates: 1,078,117 million yen

<Notes to Non-Consolidated Statement of Income>

1. Amounts less than one million yen have been omitted.
2. Related party transactions

Operating income:	134,772 million yen
Operating expenses:	528 million yen
Transactions other than operating transactions:	17,274 million yen

<Notes to Non-Consolidated Statement of Changes in Net Assets>

1. Amounts less than one million yen have been omitted.
2. Type and number of treasury shares:

					Unit: shares
	Number of shares as of the previous fiscal year-end	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares as of the fiscal year-end	Remarks
Treasury shares					
Common stock	68,516.41	3,680,827.04	60,925.45	3,688,418	(Note) 1,2
Preferred stock (5th series type 4)	-	4,175	4,175	-	(Note) 3,4
Preferred stock (6th series type 4)	-	4,175	4,175	-	(Note) 3,4
Preferred stock (7th series type 4)	-	4,175	4,175	-	(Note) 3,4
Preferred stock (8th series type 4)	-	4,175	4,175	-	(Note) 3,4
Total	68,516.41	3,697,527.04	77,625.45	3,688,418	

(Notes:)

1. Increase of 3,680,827.04 shares of treasury common shares was comprised of:
 - 68,904.66 shares due to the purchase of fractional shares and shares constituting less than one unit;
 - 539 shares due to the acquisition of own shares as a result of the purchase demand of the shareholders dissenting from the share exchange proposal; and
 - 3,611,383.38 shares due to the stock split on January 4, 2009.
2. Decrease of 60,925.45 shares of treasury common shares was comprised of a decrease of 28,006.45 shares due to the sale of fractional shares and shares constituting less than one unit, and a decrease of 32,919 shares due to the delivery of treasury shares in connection with the share exchange on December 1, 2008.
3. Increase of 4,175 shares of each treasury shares of 5th series Type 4 Preferred Stock, 6th series Type 4 Preferred Stock, 7th series Type 4 Preferred Stock and 8th series Type 4 Preferred Stock was due to the acquisition of own shares on April 30, 2008 as a result of the exercising of put options.
4. Decrease of 4,175 shares of each treasury shares of 5th series Type 4 Preferred Stock, 6th series Type 4 Preferred Stock, 7th series Type 4 Preferred Stock and 8th series Type 4 Preferred Stock was due to the cancellation of treasury shares on May 16, 2008.

<Notes to Tax Effect Accounting>

Breakdown of major factors leading to the occurrence of deferred tax assets

		Unit: millions of yen
Deferred tax assets		
Shares of subsidiaries	1,230,951	
Others	5,596	
Subtotal deferred tax assets	1,236,547	
Valuation allowance	(1,231,033)	
Total deferred tax assets	5,514	
Net amount of deferred tax assets	5,514	

<Notes to Per Share Information>

Net asset per share:	3,389.38 yen
Net income per share:	118.43 yen

<Notes to Significant Subsequent Events>

(Shelf registration of issue of new shares)

The Company resolved at the meeting of the Board of Directors held on April 9, 2009 to file a Shelf Registration Statement in relation to the issuance of new shares as set forth below.

Details of the shelf registration concerning the new share issuance we filed with the Director General of Kanto Local Finance Bureau on the same date are as follows.

Type of Securities	Common stock of the Company
Planned Effective Period	Within one year commencing from the effective date of the Shelf Registration Statement (From April 17, 2009 until April 16, 2010)
Planned Amount of Issuance	Up to 800 billion yen
Offering Method	Public offering
Use of Proceeds	To be invested in consolidated subsidiaries of the Company

Independent Auditors' Report

May 13, 2009

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

KPMG AZSA & Co.

Masanori Sato (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroshi Numano (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroyuki Yamada (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, comprising the consolidated balance sheet, the consolidated statement of operations and the consolidated statement of changes in net assets of Sumitomo Mitsui Financial Group, Inc. ("the Company") as of March 31, 2009 and for the year from April 1, 2008 to March 31, 2009 in accordance with Article 444(4) of the Corporation Law. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of Sumitomo Mitsui Financial Group, Inc. and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in Japan.

[Supplemental information]

1. As described in Note 20 to the consolidated balance sheet, the Company resolved at the meeting of the Board of Directors held on April 9, 2009 to file a Shelf Registration Statement in relation to the issuance of new shares.
2. As described in Note 21 to the consolidated balance sheet, the Company resolved at the meeting of the Board of Directors held on April 28, 2009 to authorize the redemption in full of the preferred securities issued by its overseas special purpose subsidiary.
3. As described in Note 22 to the consolidated balance sheet, Sumitomo Mitsui Banking Corporation, a consolidated subsidiary of the Company, reached an agreement on May 1, 2009 with Nikko Citi Holdings Inc. and other related entities to acquire Nikko Cordial Securities Inc. and other businesses.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Independent Auditors' Report

May 13, 2009

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

KPMG AZSA & Co.

Masanori Sato (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroshi Numano (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroyuki Yamada (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, comprising the balance sheet, the statement of income and the statement of changes in net assets, and its supporting schedules of Sumitomo Mitsui Financial Group, Inc. ("the Company") as of March 31, 2009 and for the 7th business year from April 1, 2008 to March 31, 2009 in accordance with Article 436(2)1 of the Corporation Law. The statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statutory report and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Sumitomo Mitsui Financial Group, Inc. for the period, for which the statutory report and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

[Supplemental information]

As described in Notes to Significant Subsequent Events, the Company resolved at the meeting of the Board of Directors held on April 9, 2009 to file a Shelf Registration Statement in relation to the issuance of new shares.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit Report

The Board of Corporate Auditors, following deliberations on the reports made by each Corporate Auditor concerning the audit of performance of duties by Directors of the Company for the 7th fiscal year from April 1, 2008 to March 31, 2009, has prepared this audit report as an unanimous opinion of the Board of Corporate Auditors, consisting of five members, and hereby report as follows:

1. Auditing Method Used by Each Corporate Auditor and the Board of Corporate Auditors and Details Thereof

The Board of Corporate Auditors established auditing policies, including allocation of duties, and received reports from each Corporate Auditor regarding the progress and results of audits, as well as received reports from the Directors, other relevant personnel, and the Accounting Auditor regarding the performance of their duties, and sought explanations as necessary.

In accordance with the auditing policies, including allocation of duties for Corporate Auditors established by the Board of Corporate Auditors, each Corporate Auditor endeavored to gather information and create an improved environment for auditing through regular communication with the Directors, the Audit Department, and other relevant personnel. Corporate Auditors also attended meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and other relevant personnel regarding the performance of their duties, sought explanations as necessary, inspected important internal-approval documents, and examined the operations and financial position of the Company. In addition, Corporate Auditors monitored and examined the content of resolutions made by the Board of Directors regarding the establishment of systems to ensure that the performance of duties by the Directors will be in compliance with the laws and regulations of Japan and with the Company's Articles of Incorporation and other systems as provided for in Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Corporation Law of Japan, which systems are necessary for ensuring that the Company's business will be conducted properly. Moreover, Corporate Auditors monitored and examined the status of such systems that have been established in compliance with such resolutions (internal control systems). In regard to the Company's internal control over financial reporting, Corporate Auditors received reports on the assessment of such internal control from the Directors and other relevant personnel; reports on the status of audit thereof from KPMG AZSA & Co., and also sought their explanations as necessary. As for the subsidiaries of the Company, Corporate Auditors have shared information with the Directors and Corporate Auditors and other related persons of the subsidiaries and, when necessary, received reports from the subsidiaries regarding their businesses. Based on the foregoing method, we examined the business report and the supplementary schedules for this fiscal year.

Furthermore, the Corporate Auditors also monitored and examined whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. Corporate Auditors also received notification from the Accounting Auditor that "System for ensuring appropriate execution of the duties of the Accounting Auditor" (as enumerated in each Item of Article 131 of the Company Accounting Regulation Ordinance) has been prepared in accordance with the "Quality Control Standards for Auditing" (issued by the Business Accounting Council on October 28, 2005) and other relevant standards, and sought explanations as necessary. Based on the foregoing method, the Corporate Auditors reviewed the consolidated financial statements for this fiscal year (consolidated balance sheet, consolidated statement of income, and consolidated statement of changes in net assets) as well as the non-consolidated financial statements for this fiscal year (non-consolidated balance sheet, non-consolidated statements of income, and non-consolidated statement of changes in net assets) and supplementary schedules thereto.

2. Audit Results

- (1) Audit Results on the Business Report, etc.
 - A. In our opinion, the business report and the supplementary schedules fairly represent the Company's condition in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
 - B. We have found no evidence of misconduct or material facts in violation of the applicable laws and regulations, nor of any violation with respect to the Articles of Incorporation of the Company, related to performance of duties by the Directors.
 - C. In our opinion, the content of the resolutions of the Board of Directors regarding the internal control systems is appropriate. In addition, we have found no matters on which to remark in regard to the performance of duties by the Directors regarding the internal control systems including the internal control over financial reporting.
- (2) Results of Audit of the Consolidated Financial Statements
In our opinion, the method and the results of the audit used and conducted by KPMG AZSA & Co., the Accounting Auditor, are appropriate.
- (3) Results of Audit of the Financial Statements and Supplementary Schedules
In our opinion, the method and the results of the audit used and conducted by KPMG AZSA & Co., the Accounting Auditor, are appropriate.

May 14, 2009

The Board of Corporate Auditors of Sumitomo Mitsui Financial Group, Inc.

Standing Corporate Auditor (Full-Time)	Masahide Hirasawa (Seal)
Standing Corporate Auditor (Full-Time)	Yoji Yamaguchi (Seal)
Corporate Auditor	Katsuya Onishi (Seal)
Corporate Auditor	Hiroshi Araki (Seal)
Corporate Auditor	Ikuo Uno (Seal)

(Note) Messrs. Katsuya Onishi, Hiroshi Araki and Ikuo Uno are Outside Corporate Auditors pursuant to Article 2, Item 16 and Article 335, Paragraph 3 of the Corporation Law of Japan.