

Capital Ratio Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Act” (Notification No. 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as “the Notification”).

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “First Standard” in the Notification), SMFG has adopted the Advanced Internal Ratings-Based (AIRB) approach for calculating credit risk-weighted asset amounts and the Advanced Measurement Approach (AMA) for calculating the amount corresponding to operational risk.

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

■ Scope of Consolidation

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

Not applicable.

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

Regarding the calculation of the capital ratio, certain procedures were performed by KPMG AZSA LLC pursuant to “Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures” (JICPA Industry Committee Practical Guideline No. 30).

The certain procedures performed by the external auditor are not part of the audit of consolidated financial statements. The certain procedures performed on our internal control framework for calculating the capital ratio are based on procedures agreed upon by SMFG and the external auditor and are not a validation of appropriateness of the capital ratio itself or opinion on the internal controls related to the capital ratio calculation.

		Millions of yen		
		September 30		March 31
		2012	2011	2012
Tier I capital:	Capital stock	¥ 2,337,895	¥ 2,337,895	¥ 2,337,895
	Capital surplus	758,633	759,810	759,800
	Retained earnings	2,415,978	2,017,801	2,152,654
	Treasury stock	(227,172)	(124,562)	(236,037)
	Cash dividends to be paid	(67,697)	(70,514)	(68,230)
	Foreign currency translation adjustments	(126,111)	(109,113)	(141,382)
	Stock acquisition rights	962	441	692
	Minority interests	1,988,168	1,988,569	2,030,638
	Goodwill and others	(495,753)	(390,825)	(496,434)
	Gain on sale on securitization transactions	(39,063)	(37,682)	(38,284)
	Amount equivalent to 50% of expected losses in excess of reserve	(39,492)	—	(29,052)
	Total Tier I capital (A)	6,506,345	6,371,818	6,272,260
Tier II capital:	Unrealized gains on other securities after 55% discount	131,534	66,236	214,611
	Land revaluation excess after 55% discount	35,787	35,779	35,755
	General reserve for possible loan losses	59,334	102,566	66,695
	Excess of eligible reserves relative to expected losses	—	3,391	—
	Subordinated debt	2,361,665	2,156,445	2,454,062
	Total Tier II capital	2,588,320	2,364,419	2,771,125
	Tier II capital included as qualifying capital (B)	2,588,320	2,364,419	2,771,125
Deductions*:	(C)	390,465	345,617	399,634
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 8,704,200	¥ 8,390,621	¥ 8,643,751
Risk-weighted assets:	On-balance sheet items	¥37,005,635	¥37,386,462	¥38,150,731
	Off-balance sheet items	7,645,677	7,364,058	7,825,808
	Market risk	1,211,867	660,805	1,174,187
	Operational risk	3,481,595	3,449,271	3,892,505
	Total risk-weighted assets (E)	¥49,344,776	¥48,860,598	¥51,043,232
Tier I risk-weighted capital ratio:	(A) / (E) × 100	13.18%	13.04%	12.28%
Total risk-weighted capital ratio:	(D) / (E) × 100	17.63%	17.17%	16.93%
Required capital:	(E) × 8%	¥ 3,947,582	¥ 3,908,847	¥ 4,083,458

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

■ Capital Requirements

September 30	Billions of yen	
	2012	2011
Capital requirements for credit risk:		
Internal ratings-based approach	¥4,397.5	¥4,337.4
Corporate exposures:	2,701.6	2,637.5
Corporate exposures (excluding specialized lending)	2,283.8	2,262.3
Sovereign exposures	50.1	32.0
Bank exposures	107.3	119.5
Specialized lending	260.4	223.7
Retail exposures:	852.1	868.6
Residential mortgage exposures	425.0	436.8
Qualifying revolving retail exposures	118.1	129.3
Other retail exposures	308.9	302.6
Equity exposures:	308.9	300.8
Grandfathered equity exposures	145.5	155.9
PD/LGD approach	65.4	75.8
Market-based approach	98.0	69.2
Simple risk weight method	74.6	48.0
Internal models method	23.4	21.2
Credit risk-weighted assets under Article 145 of the Notification	134.3	141.1
Securitization exposures	115.6	138.3
Other exposures	285.1	251.1
Standardized approach	587.8	682.5
Total capital requirements for credit risk	4,985.3	5,020.0
Capital requirements for market risk:		
Standardized measurement method	44.6	35.9
Interest rate risk	37.7	30.8
Equity position risk	4.6	3.4
Foreign exchange risk	0.5	0.5
Commodities risk	1.5	0.9
Options	0.2	0.3
Internal models method	52.4	16.9
Securitization exposures	—	—
Total capital requirements for market risk	96.9	52.9
Capital requirements for operational risk:		
Advanced measurement approach	224.9	242.6
Basic indicator approach	53.6	33.3
Total capital requirements for operational risk	278.5	275.9
Total amount of capital requirements	¥5,360.8	¥5,348.8

- Notes: 1. Capital requirements for credit risk are capital equivalents to “credit risk-weighted assets × 8%” under the standardized approach and “credit risk-weighted assets × 8% + expected loss amount” under the IRB approach. Regarding exposures to be deducted from capital, the deduction amount is added to the amount of required capital.
2. Portfolio classification is after CRM.
3. “Securitization exposures” includes such exposures based on the standardized approach.
4. “Other exposures” includes estimated lease residual values, purchased receivables (including exposures to qualified corporate enterprises and others), long settlement transactions and other assets.

Internal Ratings-Based (IRB) Approach

Exposures by Asset Class

(1) Corporate Exposures

A. Corporate, Sovereign and Bank Exposures

(A) Obligor Grading System

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

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2012									
J1-J3	¥19,354.1	¥14,396.9	¥4,957.2	¥3,714.3	75.00%	0.07%	34.92%	—%	16.75%
J4-J6	14,080.3	11,475.5	2,604.8	880.5	75.00	0.75	29.90	—	42.08
J7 (excluding J7R)	1,438.8	1,224.7	214.1	63.1	75.00	12.28	28.16	—	116.58
Japanese government and local municipal corporations	32,900.3	32,672.7	227.7	75.0	75.00	0.00	35.22	—	0.03
Others	4,964.8	4,544.5	420.4	51.8	75.00	1.06	37.46	—	50.64
Default (J7R, J8-J10)	1,414.8	1,285.6	129.2	0.3	100.00	100.00	49.46	48.37	13.61
Total	¥74,153.2	¥65,599.9	¥8,553.3	¥4,785.0	—	—	—	—	—

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2011									
J1-J3	¥18,060.5	¥13,294.3	¥4,766.2	¥3,724.0	75.00%	0.07%	34.80%	—%	15.86%
J4-J6	14,194.2	11,131.3	3,062.8	966.4	75.00	0.78	29.51	—	41.60
J7 (excluding J7R)	1,551.1	1,303.0	248.1	19.5	75.00	12.51	27.60	—	111.22
Japanese government and local municipal corporations	31,783.4	31,619.8	163.6	54.2	75.00	0.00	35.28	—	0.06
Others	5,254.4	4,855.4	399.0	39.0	75.00	1.01	36.85	—	47.40
Default (J7R, J8-J10)	1,313.3	1,233.1	80.1	—	100.00	100.00	51.37	50.00	17.13
Total	¥72,156.8	¥63,437.0	¥8,719.8	¥4,803.1	—	—	—	—	—

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

b. Overseas Corporate, Sovereign and Bank Exposures

	Billions of yen									
	Exposure amount				Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets							
September 30, 2012										
G1-G3.....	¥23,476.5	¥16,857.2	¥6,619.2	¥4,093.2	75.00%	0.15%	30.68%	—%	17.36%	
G4-G6.....	1,435.2	577.6	857.6	163.8	75.00	3.49	15.69	—	41.61	
G7 (excluding G7R)	171.1	127.3	43.8	30.1	75.00	22.70	22.15	—	117.08	
Others.....	70.8	48.3	22.5	10.7	75.00	1.95	33.23	—	79.99	
Default (G7R, G8-G10)	84.9	76.0	8.9	2.0	100.00	100.00	67.80	64.08	46.44	
Total	¥25,238.5	¥17,686.4	¥7,552.0	¥4,299.9	—	—	—	—	—	

	Billions of yen									
	Exposure amount				Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets							
September 30, 2011										
G1-G3.....	¥18,202.6	¥12,427.6	¥5,775.0	¥3,714.9	75.00%	0.19%	32.51%	—%	22.02%	
G4-G6.....	657.9	514.9	143.0	130.2	75.00	2.11	28.20	—	70.19	
G7 (excluding G7R)	197.0	151.2	45.8	33.5	75.00	19.41	25.14	—	131.51	
Others.....	121.7	93.1	28.6	28.1	75.00	2.95	37.84	—	123.01	
Default (G7R, G8-G10)	126.4	113.7	12.7	5.7	100.00	100.00	67.36	60.79	82.12	
Total	¥19,305.5	¥13,300.5	¥6,005.0	¥3,912.4	—	—	—	—	—	

B. Specialized Lending (SL)

Portfolio

a. Slotting Criteria Applicable Portion

(a) Project Finance, Object Finance and Income-Producing Real Estate (IPRE)

September 30	Risk weight	Billions of yen					
		2012			2011		
		Project finance	Object finance	IPRE	Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	¥ 142.0	¥1.5	¥15.9	¥ 127.9	¥ 1.0	¥—
Residual term 2.5 years or more	70%	1,162.6	1.5	3.1	782.7	8.6	—
Good:							
Residual term less than 2.5 years	70%	35.2	1.0	—	42.4	1.4	—
Residual term 2.5 years or more	90%	187.6	—	9.1	247.0	—	—
Satisfactory	115%	41.0	—	20.3	9.9	—	—
Weak.....	250%	56.1	—	—	37.3	—	—
Default	—	20.3	—	3.6	24.2	—	—
Total		¥1,645.0	¥4.1	¥52.1	¥1,271.4	¥10.9	¥—

(b) High-Volatility Commercial Real Estate (HVCRE)

September 30	Risk weight	Billions of yen	
		2012	2011
Strong:			
Residual term less than 2.5 years	70%	¥ —	¥ —
Residual term 2.5 years or more	95%	—	—
Good:			
Residual term less than 2.5 years	95%	57.1	22.5
Residual term 2.5 years or more	120%	85.7	127.3
Satisfactory	140%	76.4	93.0
Weak.....	250%	8.2	—
Default	—	—	1.6
Total		¥227.4	¥244.4

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

(a) Object Finance

	Billions of yen								
	Exposure amount			Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2012									
G1-G3.....	¥137.1	¥ 95.8	¥41.3	¥ 6.9	75.00%	0.44%	24.57%	—%	39.10%
G4-G6.....	8.0	7.9	0.0	6.7	75.00	2.43	24.23	—	72.34
G7 (excluding G7R).....	3.4	3.4	—	—	—	25.59	11.25	—	62.41
Others.....	3.1	—	3.1	—	—	2.85	35.00	—	122.67
Default (G7R, G8-G10).....	7.2	6.6	0.6	0.0	100.00	100.00	63.98	60.27	46.44
Total.....	¥158.8	¥113.7	¥45.0	¥13.6	—	—	—	—	—

	Billions of yen								
	Exposure amount			Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2011									
G1-G3.....	¥122.6	¥ 91.6	¥31.0	¥ 7.9	75.00%	0.52%	23.74%	—%	45.69%
G4-G6.....	17.9	13.9	4.0	3.7	75.00	2.81	16.40	—	56.11
G7 (excluding G7R).....	11.3	11.3	0.0	0.1	75.00	17.29	23.10	—	127.78
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10).....	2.4	2.2	0.2	—	—	100.00	58.38	51.81	82.12
Total.....	¥154.3	¥119.0	¥35.3	¥11.7	—	—	—	—	—

(b) Income-Producing Real Estate (IPRE)

	Billions of yen								
	Exposure amount			Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2012									
J1-J3.....	¥ 464.9	¥ 440.4	¥ 24.5	¥ —	—%	0.05%	28.71%	—%	11.80%
J4-J6.....	1,056.4	927.8	128.6	—	—	1.11	30.53	—	61.16
J7 (excluding J7R).....	59.8	45.6	14.1	—	—	13.29	27.60	—	120.19
Others.....	73.9	72.0	1.9	2.4	75.00	9.19	31.35	—	54.86
Default (J7R, J8-J10).....	33.9	28.1	5.8	—	—	100.00	26.27	25.07	15.00
Total.....	¥1,688.9	¥1,513.9	¥175.0	¥2.4	—	—	—	—	—

	Billions of yen								
	Exposure amount			Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2011									
J1-J3.....	¥ 518.5	¥ 467.6	¥ 50.9	¥ —	—%	0.06%	26.32%	—%	11.16%
J4-J6.....	905.4	815.8	89.7	3.6	75.00	1.00	34.70	—	64.94
J7 (excluding J7R).....	68.7	54.6	14.1	—	—	12.48	29.33	—	128.18
Others.....	93.3	91.1	2.1	2.3	75.00	7.38	29.11	—	52.30
Default (J7R, J8-J10).....	24.8	22.6	2.2	—	—	100.00	23.57	22.09	18.53
Total.....	¥1,610.8	¥1,451.8	¥159.0	¥6.0	—	—	—	—	—

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen							
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight	
	Total	On-balance sheet assets	Off-balance sheet assets					
September 30, 2012								
Mortgage loans								
PD segment:								
Not delinquent								
Use model.....	¥10,883.0	¥10,837.7	¥45.3	0.44%	38.68%	—%	26.67%	
Others.....	605.7	605.7	—	1.13	56.87	—	82.72	
Delinquent.....	95.2	88.8	6.4	25.59	43.68	—	237.36	
Default.....	224.8	224.5	0.3	100.00	37.27	35.60	20.87	
Total.....	¥11,808.7	¥11,756.6	¥52.1	—	—	—	—	

September 30, 2011	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
Mortgage loans							
PD segment:							
Not delinquent							
Use model.....	¥10,725.9	¥10,672.7	¥53.2	0.43%	39.96%	—%	27.22%
Others	670.7	670.7	—	1.04	58.08	—	80.00
Delinquent.....	108.6	101.8	6.9	26.88	44.94	—	246.11
Default	230.2	229.8	0.5	100.00	36.93	35.44	18.57
Total	¥11,735.5	¥11,674.9	¥60.6	—	—	—	—

Notes: 1. "Others" includes loans guaranteed by employers.

2. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

B. Qualifying Revolving Retail Exposures (QRRE)

Portfolio

September 30, 2012	Billions of yen					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount									
	Total	On-balance sheet assets		Off-balance sheet assets	Undrawn amount					
Card loans										
PD segment:										
Not delinquent	¥ 628.1	¥ 565.6	¥ 60.1	¥ 2.4	¥ 191.0	31.45%	2.36%	83.71%	—%	58.54%
Delinquent.....	17.2	16.6	0.6	—	3.5	15.86	24.03	77.39	—	213.90
Credit card balances										
PD segment:										
Not delinquent	1,210.9	674.3	308.6	228.0	4,046.7	7.63	1.10	74.59	—	25.51
Delinquent.....	5.2	4.3	0.9	—	—	—	76.93	75.21	—	126.44
Default	33.9	30.4	3.5	—	—	—	100.00	82.40	76.31	76.09
Total	¥1,895.3	¥1,291.2	¥373.7	¥230.4	¥4,241.2	—	—	—	—	—

September 30, 2011	Billions of yen					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount									
	Total	On-balance sheet assets		Off-balance sheet assets	Undrawn amount					
Card loans										
PD segment:										
Not delinquent	¥ 589.3	¥ 533.2	¥ 53.5	¥ 2.7	¥ 183.9	29.07%	2.44%	84.57%	—%	60.57%
Delinquent.....	15.9	15.4	0.5	—	3.6	13.55	25.23	77.30	—	213.08
Credit card balances										
PD segment:										
Not delinquent	1,188.5	666.4	326.3	195.7	3,950.4	8.26	1.22	76.45	—	27.07
Delinquent.....	6.5	5.4	1.1	—	—	—	81.05	77.47	—	109.99
Default	44.1	39.6	4.6	—	—	—	100.00	84.16	78.10	75.77
Total	¥1,844.4	¥1,260.0	¥385.9	¥198.4	¥4,138.0	—	—	—	—	—

Notes: 1. The on-balance sheet exposure amount is estimated by estimating the amount of increase in each transaction balance and not by multiplying the undrawn amount by the CCF.

2. "Weighted average CCF" is "On-balance sheet exposure amount ÷ Undrawn amount" and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.

3. Past due loans of less than three months are recorded in "Delinquent."

C. Other Retail Exposures

Portfolio

September 30, 2012	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥1,196.4	¥1,179.4	¥17.0	0.96%	53.29%	—%	48.41%
Others	351.5	350.2	1.2	0.62	56.77	—	25.79
Delinquent.....	292.6	289.9	2.7	30.71	59.85	—	100.73
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	167.7	166.4	1.3	1.38	46.42	—	50.61
Others	153.6	152.1	1.4	1.79	57.92	—	72.10
Delinquent.....	45.8	45.5	0.3	18.24	48.80	—	103.52
Default	194.2	194.0	0.2	100.00	65.37	60.96	55.05
Total	¥2,401.8	¥2,377.6	¥24.2	—	—	—	—

September 30, 2011	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥ 885.7	¥ 876.4	¥ 9.3	0.79%	49.75%	—%	43.67%
Others	352.5	351.2	1.3	0.66	55.65	—	26.99
Delinquent.....	325.0	321.8	3.2	29.75	59.03	—	93.50
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	193.1	191.6	1.5	1.45	46.13	—	51.43
Others	164.6	162.9	1.6	2.12	59.03	—	76.95
Delinquent.....	57.0	56.6	0.3	19.01	49.31	—	106.17
Default	192.5	192.3	0.2	100.00	66.93	62.37	57.08
Total	¥2,170.3	¥2,152.9	¥17.4	—	—	—	—

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

2. "Others" includes loans guaranteed by employers.

3. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

(3) Equity Exposures and Credit Risk-Weighted Assets under Article 145 of the Notification

A. Equity Exposures

Portfolio

a. Equity Exposure Amounts

September 30	Billions of yen	
	2012	2011
Market-based approach.....	¥ 363.9	¥ 277.8
Simple risk weight method	257.5	158.6
Listed equities (300%)	150.4	68.5
Unlisted equities (400%)	107.1	90.1
Internal models method.....	106.4	119.2
PD/LGD approach	612.9	684.8
Grandfathered equity exposures.....	1,715.8	1,838.1
Total	¥2,692.7	¥2,800.7

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.

2. "Grandfathered equity exposures" amount is calculated in accordance with Supplementary Provision 13 of the Notification.

b. PD/LGD Approach

September 30	Billions of yen					
	2012			2011		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3	¥442.5	0.06%	109.42%	¥501.6	0.06%	108.39%
J4-J6	36.8	0.88	191.70	74.2	0.88	213.43
J7 (excluding J7R)	2.9	8.73	419.70	1.8	9.33	407.18
Others	130.5	0.41	142.56	106.7	0.50	152.34
Default (J7R, J8-J10)	0.3	100.00	—	0.4	100.00	—
Total	¥612.9	—	—	¥684.8	—	—

Notes: 1. The above exposures are “equity exposures” stipulated in the Notification to which the PD/LGD approach is applied and differ from “stocks” described in the consolidated financial statements.

2. “Others” includes exposures to overseas corporate entities.

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

Portfolio

September 30	Billions of yen	
	2012	2011
Exposures under Article 145 of the Notification	¥616.8	¥573.3

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded total credit costs (the total of the general reserve, non-performing loan write-offs, and gains on collection of written-off claims) of ¥48.0 billion on a consolidated basis for the first half of fiscal 2012, an increase of ¥20.0 billion compared with the corresponding period of the previous fiscal year. This result is mainly attributable to the contribution of the new consolidated subsidiary, SMBC Consumer Finance Co., Ltd.

SMBC recorded a net reversal of ¥24.4 billion in total credit costs on a non-consolidated basis for the first half of fiscal 2012, a decrease of ¥27.3 billion compared with the corresponding period of the previous fiscal year. This result is primarily due to the measures taken by SMBC to curb new costs by improving the business and financial conditions of obligors according to the circumstances of each obligor, and a partial reversal of the loan-loss reserve associated with a decline in the reserve ratio for normal borrowers following portfolio improvement.

Total Credit Costs

	Billions of yen					
	First half of fiscal 2012 (A)	First half of fiscal 2011 (B)	First half of fiscal 2010	Increase (decrease) (A) – (B)	Fiscal 2011	Fiscal 2010
SMFG (consolidated) total	¥48.0	¥28.0	¥105.8	¥20.0	¥121.3	¥217.3
SMBC (consolidated) total	(14.1)	12.1	81.1	(26.2)	91.7	159.8
SMBC (nonconsolidated) total	(24.4)	2.9	43.3	(27.3)	58.6	94.3
Corporate exposures	(17.7)	(11.7)	29.0	(6.0)	57.5	71.9
Sovereign exposures	(0.6)	(0.8)	2.6	0.2	(0.2)	5.4
Bank exposures	0.0	2.4	(5.7)	(2.4)	(0.0)	(14.0)
Residential mortgage exposures	0.3	0.1	0.1	0.2	0.2	0.3
QRRE	0.0	0.0	0.0	0.0	(0.0)	(0.1)
Other retail exposures	1.4	6.6	13.6	(5.2)	10.5	34.0

Notes: 1. The above amounts do not include gains/losses on “equity exposures,” “exposures on capital market-driven transactions (such as bonds)” and “exposures under Article 145 of the Notification” that were recognized as gains/losses on bonds and stocks in the statements of income.

2. Exposure category amounts do not include general reserve for Normal Borrowers.

3. Bracketed fiscal-year amounts indicate gains generated by the reversal of reserve, etc.

4. Credit costs for “Residential mortgage exposures” and “QRRE” guaranteed by consolidated subsidiaries are not included in the total credit costs of SMBC (nonconsolidated).

B. Comparison of Estimated and Actual Losses

	Billions of yen							
	Fiscal 2012				Fiscal 2011			
	Estimated loss amounts		Actual loss amounts		Estimated loss amounts		Actual loss amounts	
	After deduction of reserves		(First half of fiscal 2012)		After deduction of reserves		(First half of fiscal 2011)	(Fiscal 2011)
SMFG (consolidated) total.....	¥ —	¥ —	¥48.0		¥ —	¥ —	¥28.0	¥121.3
SMBC (consolidated) total	—	—	(14.1)		—	—	12.1	91.7
SMBC (nonconsolidated) total	940.1	245.4	(24.4)		1,062.7	213.9	2.9	58.6
Corporate exposures.....	765.9	164.9	(17.7)		889.3	132.2	(11.7)	57.5
Sovereign exposures.....	22.0	11.4	(0.6)		12.4	1.8	(0.8)	(0.2)
Bank exposures.....	14.9	5.5	0.0		14.9	4.7	2.4	(0.0)
Residential mortgage exposures.....	3.7	2.9	0.3		3.8	2.9	0.1	0.2
QRRE.....	0.1	(0.0)	0.0		0.1	(0.0)	0.0	(0.0)
Other retail exposures	133.5	65.6	1.4		142.3	77.4	6.6	10.5

	Billions of yen							
	Fiscal 2010				Fiscal 2009			
	Estimated loss amounts		Actual loss amounts		Estimated loss amounts		Actual loss amounts	
	After deduction of reserves		(First half of fiscal 2010)	(Fiscal 2010)	After deduction of reserves		(First half of fiscal 2009)	(Fiscal 2009)
SMFG (consolidated) total.....	¥ —	¥ —	¥105.8	¥217.3	¥ —	¥ —	¥268.5	¥473.0
SMBC (consolidated) total	—	—	81.1	159.8	—	—	238.8	419.4
SMBC (nonconsolidated) total	1,204.3	417.2	43.3	94.3	1,197.2	354.0	156.9	254.7
Corporate exposures.....	1,021.1	277.4	29.0	71.9	984.0	210.0	144.8	216.6
Sovereign exposures.....	7.8	6.3	2.6	5.4	5.8	4.3	(0.1)	3.9
Bank exposures.....	30.5	19.2	(5.7)	(14.0)	52.1	34.4	(5.6)	3.5
Residential mortgage exposures.....	4.1	3.2	0.1	0.3	4.0	3.4	0.8	0.7
QRRE.....	0.1	(0.0)	0.0	(0.1)	0.1	0.1	0.0	0.1
Other retail exposures	140.8	111.2	13.6	34.0	151.2	107.5	36.0	61.6

Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on "equity exposures" and "exposures under Article 145 of the Notification" are excluded.

2. "Estimated loss amounts" are the EL at the beginning of the term.

3. "After deduction of reserves" represents the estimated loss amounts after deduction of reserves for possible losses on substandard borrowers or below.

■ Standardized Approach

Exposure Balance by Risk Weight Segment

September 30	Billions of yen			
	2012		2011	
		Of which assigned country risk score		Of which assigned country risk score
0%	¥ 6,375.8	¥ 37.4	¥ 7,488.2	¥ 90.6
10%	263.4	—	208.2	—
20%	917.7	355.8	764.2	272.9
35%	1,067.3	—	1,033.5	—
50%	332.5	33.7	406.3	24.1
75%	3,532.1	—	3,162.8	—
100%	3,935.7	2.1	5,504.7	0.1
150%	134.2	0.0	75.4	0.0
Capital deduction	0.0	—	0.0	—
Others.....	0.0	—	0.0	—
Total	¥16,558.8	¥429.0	¥18,643.4	¥387.7

Notes: 1. The above amounts are exposures after CRM (but before deduction of direct write-offs). Please note that for off-balance sheet assets the credit equivalent amount has been included.

2. "Securitization exposures" have not been included.

■ Credit Risk Mitigation (CRM) Techniques

Exposure Balance after CRM

September 30	Billions of yen			
	2012		2011	
	Eligible financial collateral	Other eligible IRB collateral	Eligible financial collateral	Other eligible IRB collateral
IRB approach	¥ 86.4	¥25.3	¥ 77.5	¥42.2
Corporate exposures	86.4	25.3	77.5	42.2
Sovereign exposures	—	—	—	—
Bank exposures	—	—	—	—
Standardized approach	2,913.6	—	3,053.5	—
Total	¥3,000.0	¥25.3	¥3,131.0	¥42.2

September 30	Billions of yen			
	2012		2011	
	Guarantee	Credit derivative	Guarantee	Credit derivative
IRB approach	¥7,372.7	¥182.5	¥7,335.3	¥219.5
Corporate exposures	6,655.0	182.5	6,533.7	219.5
Sovereign exposures	264.3	—	327.7	—
Bank exposures	291.0	—	291.6	—
Residential mortgage exposures	162.4	—	182.3	—
QRRE	—	—	—	—
Other retail exposures	—	—	—	—
Standardized approach	59.7	—	65.0	—
Total	¥7,432.4	¥182.5	¥7,400.3	¥219.5

■ Derivative Transactions and Long Settlement Transactions

Credit Equivalent Amounts

(1) Derivative Transactions and Long Settlement Transactions

A. Calculation Method

Current exposure method

B. Credit Equivalent Amounts

September 30	Billions of yen	
	2012	2011
Gross replacement cost	¥6,094.0	¥5,640.6
Gross add-on amount	3,322.2	3,294.1
Gross credit equivalent amount	9,416.2	8,934.8
Foreign exchange related transactions	2,260.2	3,152.2
Interest rate related transactions	6,938.0	5,549.5
Gold related transactions	—	—
Equities related transactions	74.8	62.2
Precious metals (excluding gold) related transactions	—	—
Other commodity related transactions	73.6	98.3
Credit default swaps	69.5	72.5
Reduction in credit equivalent amount due to netting	5,928.0	5,130.5
Net credit equivalent amount	3,488.2	3,804.3
Collateral amount	25.6	25.0
Eligible financial collateral	25.6	25.0
Other eligible IRB collateral	—	—
Net credit equivalent amount (after taking into account the CRM effect of collateral)	¥3,462.6	¥3,779.3

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

September 30	Billions of yen			
	2012		2011	
	Notional principal amount		Notional principal amount	
	Total	Of which for CRM	Total	Of which for CRM
Protection purchased	¥757.6	¥182.5	¥750.5	¥219.5
Protection provided	702.9	—	809.4	—

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

■ Securitization Exposures

1. Portfolio (Credit Risk)

(1) Securitization Transactions as Originator

A. As Originator (Excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	September 30, 2012			First half of fiscal 2012			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 11.6	¥ 11.6	¥ —	¥ —	¥ 2.9	¥ 2.7	¥ —
Mortgage loans	1,335.7	1,335.7	—	62.9	0.6	0.2	5.5
Retail loans (excluding mortgage loans)	98.3	76.9	21.3	—	10.4	19.1	—
Other claims	199.2	15.2	184.1	—	—	—	—
Total	¥1,644.9	¥1,439.5	¥205.4	¥62.9	¥13.9	¥22.1	¥5.5

	Billions of yen						
	September 30, 2011			First half of fiscal 2011			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	¥ 28.3	¥ 28.3	¥ —	¥ —	¥ 3.9	¥ 3.2	¥ —
Mortgage loans	1,473.9	1,473.9	—	77.6	0.7	0.2	6.5
Retail loans (excluding mortgage loans)	163.6	135.3	28.4	—	12.5	18.5	—
Other claims	217.3	29.7	187.6	—	0.0	0.0	—
Total	¥1,883.0	¥1,667.1	¥215.9	¥77.6	¥17.1	¥21.9	¥6.5

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing "securitization exposures."

2. "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. Asset type classification is based on the major items in the underlying assets for each transaction.

4. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and lease fees.

5. Following Articles 230 and 248 of the Notification, there are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

6. There are no amounts that represent "assets held for securitization transactions."

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2012					2011				
	September 30	Term-end balance		To be deducted from capital	Increase in capital equivalent	Term-end balance		To be deducted from capital	Increase in capital equivalent	
Total		On-balance sheet assets	Off-balance sheet assets			Total	On-balance sheet assets			
Claims on corporates	¥ 10.6	¥ 10.6	¥ —	¥ 1.7	¥ —	¥ 23.9	¥ 23.9	¥ —	¥ 0.8	¥ —
Mortgage loans	220.6	220.6	—	31.9	39.0	204.4	204.4	—	35.3	37.4
Retail loans (excluding mortgage loans)	33.3	25.9	7.4	29.4	0.1	55.9	45.9	10.0	49.2	0.3
Other claims	138.4	1.2	137.3	1.7	—	143.6	3.5	140.1	5.0	—
Total	¥402.9	¥258.3	¥144.6	¥64.7	¥39.1	¥427.8	¥277.7	¥150.1	¥90.4	¥37.7

b. Risk Weights

	Billions of yen							
	2012				2011			
	September 30	Term-end balance		Required capital	Term-end balance		Required capital	
Total		On-balance sheet assets	Off-balance sheet assets		Total	On-balance sheet assets		
20% or less	¥115.4	¥ 5.6	¥109.8	¥ 1.3	¥131.6	¥ 18.4	¥113.2	¥ 0.9
100% or less	28.4	1.0	27.4	0.8	27.3	—	27.3	0.5
650% or less	1.0	—	1.0	0.1	2.4	—	2.4	0.2
Less than 1250%	—	—	—	—	1.8	1.8	—	1.1
Capital deduction	258.1	251.7	6.4	64.7	264.6	257.5	7.1	90.4
Total	¥402.9	¥258.3	¥144.6	¥66.9	¥427.8	¥277.7	¥150.1	¥93.1

(C) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

(D) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

September 30	Billions of yen	
	2012	2011
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥1.0	¥13.1

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	September 30, 2012			First half of fiscal 2012		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥462.2	¥462.2	¥—	¥2,313.2	¥45.5	¥42.5
Mortgage loans	—	—	—	—	1.0	1.0
Retail loans (excluding mortgage loans)...	134.0	134.0	—	207.4	6.1	6.4
Other claims	54.6	54.6	—	12.4	1.5	1.3
Total	¥650.9	¥650.9	¥—	¥2,533.0	¥54.1	¥51.2

	Billions of yen					
	September 30, 2011			First half of fiscal 2011		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥459.6	¥459.6	¥—	¥2,221.0	¥42.2	¥40.7
Mortgage loans	—	—	—	—	1.4	1.4
Retail loans (excluding mortgage loans)...	141.3	141.3	—	134.8	8.7	8.9
Other claims	64.5	64.5	—	73.3	2.5	2.4
Total	¥665.3	¥665.3	¥—	¥2,429.0	¥54.8	¥53.4

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing “securitization exposures.”

2. “Default amount” is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. “Default amount” and “Loss amount” when acting as a sponsor of securitization of customer claims are estimated using the following methods and alternative data, as in some cases it can be difficult to obtain relevant data in a timely manner because the underlying assets have been recovered by the customer.

(1) “Default amount” estimation method

• For securitization transactions subject to the ratings-based approach, the amount is estimated based on information on underlying assets obtainable from customers, etc.

• For securitization transactions subject to the supervisory formula, the amount is estimated based on obtainable information on, or default rate of, each obligor. Further, when it is difficult to estimate the amount using either method, it is conservatively estimated by assuming that the underlying asset is a default asset.

(2) “Loss amount” estimation method

• For securitization transactions subject to the ratings-based approach, the amount is the same amount as the “Default amount” estimated conservatively in (1) above.

• For securitization transactions subject to the supervisory formula, when expected loss ratios of defaulted underlying assets can be determined, the amount is estimated using the ratios. When it is difficult to determine the ratios, the amount is the same amount as the “Default amount” estimated conservatively in (1) above.

4. Asset type classification is based on the major items in the underlying assets for each transaction.

5. “Other claims” includes lease fees.

6. Following Articles 230 and 248 of the Notification, there are no amounts that represent “exposure to products subject to early amortization provisions” to investors.

7. There are no amounts that represent “assets held for securitization transactions.”

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

September 30	Billions of yen														
	2012					2011									
	Term-end balance	On-balance sheet assets		Off-balance sheet assets	To be deducted	Increase in capital equivalent	Term-end balance	On-balance sheet assets		Off-balance sheet assets	To be deducted	Increase in capital equivalent			
	Total	On-balance sheet assets	Off-balance sheet assets	To be deducted	Increase in capital equivalent	Total	On-balance sheet assets	Off-balance sheet assets	To be deducted	Increase in capital equivalent	Total	On-balance sheet assets	Off-balance sheet assets	To be deducted	Increase in capital equivalent
Claims on corporates	¥357.1	¥153.0	¥204.1	¥—	¥—	¥355.4	¥155.6	¥199.7	¥0.2	¥—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans).....	122.6	46.0	76.6	—	—	134.8	85.6	49.2	—	—	—	—	—	—	—
Other claims	49.6	36.0	13.6	—	—	60.5	44.5	16.1	—	—	—	—	—	—	—
Total	¥529.2	¥235.0	¥294.3	¥—	¥—	¥550.7	¥285.7	¥265.0	¥0.2	¥—	—	—	—	—	—

Note: “Other claims” includes lease fees.

b. Risk Weights

	Billions of yen							
	2012				2011			
	Term-end balance				Term-end balance			
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	¥523.0	¥230.3	¥292.7	¥3.3	¥523.7	¥275.1	¥248.5	¥3.3
100% or less	6.2	4.6	1.5	0.3	26.8	10.5	16.3	1.1
650% or less	—	—	—	—	—	—	—	—
Less than 1250%	—	—	—	—	—	—	—	—
Capital deduction	—	—	—	—	0.2	0.0	0.2	0.2
Total	¥529.2	¥235.0	¥294.3	¥3.6	¥550.7	¥285.7	¥265.0	¥4.6

(C) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

(D) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

September 30	Billions of yen	
	2012	2011
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥ —	¥ —

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

(A) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2012					2011				
	Term-end balance					Term-end balance				
September 30	Total	On-balance sheet assets	Off-balance sheet assets	To be deducted from capital	Increase in capital equivalent	Total	On-balance sheet assets	Off-balance sheet assets	To be deducted from capital	Increase in capital equivalent
Claims on corporates	¥269.5	¥ 81.0	¥188.5	¥40.9	¥—	¥284.3	¥124.8	¥159.5	¥36.9	¥—
Mortgage loans	62.7	62.7	—	—	—	59.9	59.9	—	—	—
Retail loans (excluding mortgage loans).....	18.0	3.9	14.1	0.4	—	2.6	2.3	0.3	—	—
Other claims	16.1	16.1	—	—	—	17.7	17.1	0.6	0.6	—
Total	¥366.4	¥163.8	¥202.6	¥41.4	¥—	¥364.5	¥204.0	¥160.4	¥37.5	¥—

Note: “Other claims” includes securitization products.

b. Risk Weights

	Billions of yen							
	2012				2011			
	Term-end balance				Term-end balance			
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	¥256.8	¥128.7	¥128.1	¥ 1.2	¥259.5	¥172.2	¥87.3	¥1.1
100% or less	34.4	34.4	—	1.7	27.1	27.1	—	1.7
650% or less	—	—	—	—	2.2	2.2	—	0.3
Less than 1250%	—	—	—	—	—	—	—	—
Capital deduction	75.2	0.7	74.5	41.4	75.7	2.5	73.2	37.5
Total	¥366.4	¥163.8	¥202.6	¥44.2	¥364.5	¥204.0	¥160.4	¥40.6

(B) Resecuritization Exposures

a. Underlying Assets by Asset Type

	Billions of yen				
	Term-end balance			To be deducted from capital	Increase in capital equivalent
	Total	On-balance sheet assets	Off-balance sheet assets		
September 30, 2012					
Claims on corporates	¥1.4	¥1.2	¥0.2	¥0.3	¥—
Mortgage loans	—	—	—	—	—
Retail loans (excluding mortgage loans).....	0.2	—	0.2	—	—
Other claims	0.8	0.5	0.2	0.5	—
Total	¥2.4	¥1.7	¥0.7	¥0.8	¥—

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.
 2. "Other claims" includes securitization products.
 3. Credit risk mitigation (CRM) techniques are not applied to the resecuritization exposures.

b. Risk Weights

	Billions of yen			
	Term-end balance			Required capital
	Total	On-balance sheet assets	Off-balance sheet assets	
September 30, 2012				
20% or less	¥1.1	¥0.4	¥0.7	¥0.0
100% or less	—	—	—	—
650% or less	—	—	—	—
Less than 1250%	—	—	—	—
Capital deduction	1.3	1.3	0.0	0.8
Total	¥2.4	¥1.7	¥0.7	¥0.8

(C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

September 30	Billions of yen	
	2012	2011
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥ —	¥ —

2. Portfolio (Market Risk)

(1) Securitization Transactions as Originator

There are no amounts that represent "securitization transactions where the Group serves as the originator."

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

There are no amounts that represent "securitization transactions where the Group serves as the investor."

■ Equity Exposures in Banking Book

1. Consolidated Balance Sheet Amounts and Fair Values

September 30	Billions of yen			
	2012		2011	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures	¥2,089.3	¥2,089.3	¥2,167.4	¥2,167.4
Stocks of subsidiaries and affiliates and equity exposures other than above.....	506.8	—	605.5	—
Total	¥2,596.0	¥ —	¥2,772.9	¥ —

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

	Billions of yen	
	First half of fiscal 2012	First half of fiscal 2011
	Gains (losses)	¥(132.9)
Gains on sale	25.1	6.4
Losses on sale	4.5	3.9
Devaluation	153.4	14.6

Note: The above amounts are gains (losses) on stocks and available-for-sale securities in the consolidated statements of income.

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

	Billions of yen	
September 30	2012	2011
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income.....	¥185.0	¥69.0

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

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

	Billions of yen	
September 30	2012	2011
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income.....	¥(25.8)	¥(10.5)

Note: The above amount is for stocks of affiliates with market prices.

■ Exposure Balance by Type of Assets, Geographic Region, Industry and Residual Term

1. Exposure Balance by Type of Assets, Geographic Region and Industry

	Billions of yen				
September 30, 2012	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,242.3	¥ 234.6	¥ 371.9	¥1,563.4	¥ 11,412.2
Agriculture, forestry, fishery and mining	198.5	3.3	9.5	24.0	235.3
Construction	1,203.0	44.5	6.4	148.5	1,402.5
Transport, information, communications and utilities.....	5,359.8	185.3	171.4	621.1	6,337.5
Wholesale and retail	5,469.5	57.7	395.6	523.9	6,446.7
Financial and insurance.....	12,267.3	503.4	1,191.1	323.7	14,285.5
Real estate, goods rental and leasing	8,026.5	279.2	53.2	315.0	8,674.0
Services	4,469.9	101.3	58.4	525.3	5,154.9
Local municipal corporations	2,306.7	493.3	13.3	6.0	2,819.3
Other industries	25,121.5	30,905.5	95.3	3,626.6	59,748.8
Subtotal	¥73,665.1	¥32,808.2	¥2,366.1	¥7,677.5	¥116,516.8
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 4,117.3	¥ 1,013.7	¥ 8.6	¥ —	¥ 5,139.6
Financial institutions	3,121.0	407.6	644.7	18.8	4,192.1
C&I companies	12,333.1	218.7	423.3	—	12,975.1
Others.....	2,466.6	235.5	18.2	1,095.6	3,815.8
Subtotal	¥22,038.1	¥ 1,875.5	¥1,094.8	¥1,114.3	¥ 26,122.7
Total.....	¥95,703.1	¥34,683.7	¥3,460.9	¥8,791.8	¥142,639.5

	Billions of yen				
September 30, 2011	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,551.5	¥ 216.2	¥ 527.4	¥1,858.1	¥ 12,153.2
Agriculture, forestry, fishery and mining	193.1	0.0	14.0	25.5	232.6
Construction	1,239.4	46.8	10.4	142.7	1,439.2
Transport, information, communications and utilities.....	5,025.4	157.9	251.0	601.2	6,035.5
Wholesale and retail	5,562.7	73.5	563.3	549.1	6,748.6
Financial and insurance.....	13,406.9	449.9	1,228.0	317.4	15,402.2
Real estate, goods rental and leasing	8,131.7	290.8	53.7	352.5	8,828.8
Services	4,628.9	94.7	75.8	401.6	5,201.0
Local municipal corporations	1,990.0	580.8	13.2	5.5	2,589.5
Other industries	25,118.8	26,379.1	59.3	3,800.8	55,358.0
Subtotal	¥74,848.5	¥28,289.7	¥2,795.9	¥8,054.5	¥113,988.6
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 2,946.5	¥ 514.1	¥ 6.3	¥ —	¥ 3,466.9
Financial institutions	3,152.5	292.2	626.3	3.6	4,074.6
C&I companies	10,722.7	230.6	332.6	—	11,286.0
Others.....	2,041.2	214.4	17.1	631.4	2,904.0
Subtotal	¥18,863.0	¥ 1,251.3	¥ 982.2	¥ 635.0	¥ 21,731.4
Total.....	¥93,711.4	¥29,541.0	¥3,778.1	¥8,689.4	¥135,720.0

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."

3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes "equity exposures" and standardized approach applied funds.

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

2. Exposure Balance by Type of Assets and Residual Term

September 30, 2012	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥31,170.0	¥10,063.7	¥ 374.9	¥ 211.4	¥ 41,820.0
More than 1 year to 3 years.....	13,868.9	9,208.2	705.3	457.5	24,239.9
More than 3 years to 5 years.....	12,018.4	10,048.0	1,407.3	586.9	24,060.6
More than 5 years to 7 years.....	4,885.6	1,840.0	232.9	156.4	7,115.0
More than 7 years.....	23,751.4	3,523.7	740.4	152.3	28,167.7
No fixed maturity	10,008.8	—	—	7,227.4	17,236.2
Total.....	¥95,703.1	¥34,683.7	¥3,460.9	¥8,791.8	¥142,639.5

September 30, 2011	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year	¥33,125.1	¥ 6,172.2	¥ 513.9	¥ 342.5	¥ 40,153.6
More than 1 year to 3 years.....	13,435.8	10,647.5	1,035.8	861.1	25,980.2
More than 3 years to 5 years.....	10,547.5	7,851.1	1,223.8	821.9	20,444.4
More than 5 years to 7 years.....	4,343.3	1,462.2	354.3	266.5	6,426.3
More than 7 years.....	23,443.8	3,408.0	650.4	221.2	27,723.4
No fixed maturity	8,815.8	—	—	6,176.2	14,992.1
Total.....	¥93,711.4	¥29,541.0	¥3,778.1	¥8,689.4	¥135,720.0

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."

3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes "equity exposures" and standardized approach applied funds.

4. "No fixed maturity" includes exposures not classified by residual term.

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

(1) By Geographic Region

September 30	Billions of yen	
	2012	2011
Domestic operations (excluding offshore banking accounts)	¥2,564.2	¥2,353.7
Overseas operations and offshore banking accounts.....	127.5	181.9
Asia	21.6	33.4
North America.....	39.5	53.7
Other regions	66.4	94.8
Total	¥2,691.7	¥2,535.6

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

September 30	Billions of yen	
	2012	2011
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 276.6	¥ 229.9
Agriculture, forestry, fishery and mining	6.8	7.5
Construction	116.0	137.6
Transport, information, communications and utilities.....	265.0	210.8
Wholesale and retail	326.3	310.9
Financial and insurance	21.9	23.7
Real estate, goods rental and leasing	665.4	694.4
Services	299.9	351.2
Other industries	586.3	387.7
Subtotal	¥2,564.2	¥2,353.7
Overseas operations and offshore banking accounts		
Financial institutions	¥ 8.9	¥ 28.6
C&I companies	118.6	153.3
Subtotal	¥ 127.5	¥ 181.9
Total	¥2,691.7	¥2,535.6

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

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

4. Term-End Balances of General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and Loan Loss Reserve for Specific Overseas Countries

(1) By Geographic Region

	Billions of yen				Increase (decrease) (A) – (B)
	September 30, 2012 (A)	March 31, 2012 (B)	September 30, 2011	March 31, 2011	
General reserve for possible loan losses.....	¥ 539.9	¥593.3	¥ 622.0	¥ 696.2	¥(53.4)
Loan loss reserve for specific overseas countries	0.0	0.2	0.5	0.6	(0.2)
Specific reserve for possible loan losses	1,056.8	1,071.3	1,164.3	1,230.0	(14.5)
Domestic operations (excluding offshore banking accounts).....	1,001.3	1,008.2	1,080.3	1,148.2	(6.9)
Overseas operations and offshore banking accounts.....	55.5	63.1	84.0	81.8	(7.6)
Asia.....	14.4	12.9	21.8	16.0	1.5
North America.....	19.2	22.3	22.1	24.3	(3.1)
Other regions	21.9	27.9	40.1	41.5	(6.0)
Total	¥1,596.7	¥1,664.8	¥1,786.8	¥1,926.8	¥(68.1)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

	Billions of yen				Increase (decrease) (A) – (B)
	September 30, 2012 (A)	March 31, 2012 (B)	September 30, 2011	March 31, 2011	
General reserve for possible loan losses.....	¥ 539.9	¥ 593.3	¥ 622.0	¥ 696.2	¥(53.4)
Loan loss reserve for specific overseas countries	0.0	0.2	0.5	0.6	(0.2)
Specific reserve for possible loan losses	1,056.8	1,071.3	1,164.3	1,230.0	(14.5)
Domestic operations (excluding offshore banking accounts).....	1,001.3	1,008.2	1,080.3	1,148.2	(6.9)
Manufacturing.....	119.9	121.3	131.9	167.3	(1.4)
Agriculture, forestry, fishery and mining	3.8	3.0	3.3	3.5	0.8
Construction	61.2	66.0	66.4	73.5	(4.8)
Transport, information, communications and utilities.....	95.1	65.5	60.5	46.3	29.6
Wholesale and retail.....	137.8	139.5	156.5	175.1	(1.7)
Financial and insurance.....	11.7	11.9	11.8	12.2	(0.2)
Real estate, goods rental and leasing	275.8	287.6	298.9	325.0	(11.8)
Services	124.1	127.2	144.4	156.4	(3.1)
Other industries	171.9	186.2	206.6	188.9	(14.3)
Overseas operations and offshore banking accounts.....	55.5	63.1	84.0	81.8	(7.6)
Financial institutions	6.7	10.6	20.1	26.1	(3.9)
C&I companies	48.8	52.5	63.9	55.7	(3.7)
Total	¥1,596.7	¥1,664.8	¥1,786.8	¥1,926.8	¥(68.1)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

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

5. Loan Write-Offs by Industry

	Billions of yen	
	First half of fiscal 2012	First half of fiscal 2011
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 4.8	¥ 1.8
Agriculture, forestry, fishery and mining.....	0.2	(0.0)
Construction.....	0.2	1.2
Transport, information, communications and utilities.....	1.4	1.5
Wholesale and retail.....	4.4	4.8
Financial and insurance.....	(0.1)	(0.5)
Real estate, goods rental and leasing.....	(4.9)	(0.8)
Services.....	3.0	3.0
Other industries.....	43.0	29.2
Subtotal.....	¥52.0	¥40.2
Overseas operations and offshore banking accounts		
Financial institutions.....	¥ 0.0	¥ 0.2
C&I companies.....	3.1	(1.4)
Subtotal.....	¥ 3.1	¥ (1.2)
Total.....	¥55.1	¥39.0

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

Market Risk

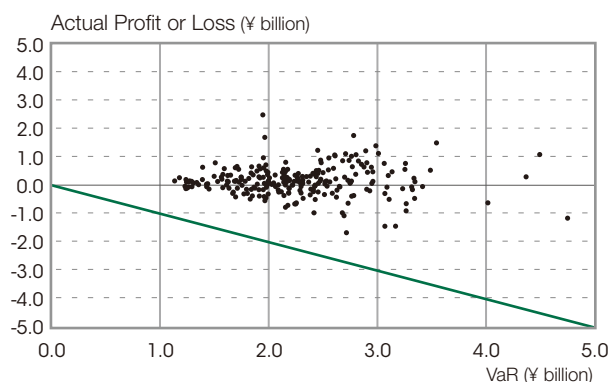
1. VaR Results (Trading Book)

	Billions of yen		
	First half of fiscal 2012		First half of fiscal 2011
	VaR	Stressed VaR	VaR
September 30.....	¥2.1	¥3.1	¥1.3
Maximum.....	3.2	4.5	3.0
Minimum.....	1.6	2.2	1.2
Average.....	2.2	3.3	1.8

Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.
 2. The stressed VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on 12 months of historical observations (including the stress period).
 3. Specific risks for the trading book are excluded.
 4. Principal consolidated subsidiaries are included.

2. Back-Testing Results (Trading Book)

The results of back-testing for the one-year period from October 2011 to September 2012 are shown below. As during the same period of the previous year, actual loss amounts during the said period did not exceed the predicted VaR results.



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

■ Interest Rate Risk in Banking Book

1. VaR Results (Banking Book)

	Billions of yen	
	First half of fiscal 2012	First half of fiscal 2011
September 30.....	¥31.2	¥38.8
Maximum.....	35.2	53.6
Minimum.....	27.3	35.9
Average	30.8	42.8

Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.

2. Principal consolidated subsidiaries are included.

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

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

As of September 30, 2012, the outlier ratio of SMBC (consolidated) was 3.0%, substantially below the 20% criterion.

September 30	Billions of yen	
	2012	2011
	Decline in economic value	Decline in economic value
Impact of Yen interest rates.....	¥112.6	¥307.0
Impact of U.S. dollar interest rates.....	142.5	153.3
Impact of Euro interest rates	4.8	1.3
Total.....	¥272.7	¥477.4
Percentage of Tier I + Tier II	3.0%	5.5%

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

Capital Ratio Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

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

		Millions of yen		
		September 30		March 31
		2012	2011	2012
Tier I capital:	Capital stock	¥ 1,770,996	¥ 1,770,996	¥ 1,770,996
	Capital surplus	2,717,397	2,717,397	2,717,397
	Retained earnings	1,564,604	1,184,262	1,299,484
	Treasury stock	(210,003)	(210,003)	(210,003)
	Cash dividends to be paid	(127,816)	(133,447)	(24,330)
	Foreign currency translation adjustments	(122,828)	(105,572)	(139,425)
	Stock acquisition rights	101	94	94
	Minority interests	1,372,500	1,397,158	1,539,385
	Goodwill and others	(194,358)	(208,134)	(301,643)
	Gain on sale on securitization transactions	(38,956)	(37,431)	(38,103)
	Amount equivalent to 50% of expected losses in excess of reserve	(29,650)	—	(15,072)
	Total Tier I capital (A)	6,701,984	6,375,318	6,598,778
Tier II capital:	Unrealized gains on other securities after 55% discount	98,564	49,890	176,804
	Land revaluation excess after 55% discount	35,787	35,779	35,755
	General reserve for possible loan losses	28,647	50,496	43,327
	Excess of eligible reserves relative to expected losses	—	39,343	—
	Subordinated debt	2,363,414	2,156,483	2,454,262
	Total Tier II capital	2,526,413	2,331,993	2,710,151
	Tier II capital included as qualifying capital (B)	2,526,413	2,331,993	2,710,151
Deductions*:	(C)	285,875	213,715	258,567
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 8,942,522	¥ 8,493,596	¥ 9,050,362
Risk-weighted assets:	On-balance sheet items	¥32,134,343	¥33,255,687	¥34,477,578
	Off-balance sheet items	6,693,493	6,494,418	6,954,799
	Market risk	1,169,104	642,039	1,134,685
	Operational risk	2,787,048	3,086,288	3,528,445
	Total risk-weighted assets (E)	¥42,783,989	¥43,478,433	¥46,095,509
Tier I risk-weighted capital ratio:	(A) / (E) × 100	15.66%	14.66%	14.31%
Total risk-weighted capital ratio:	(D) / (E) × 100	20.90%	19.53%	19.63%
Required capital:	(E) × 8%	¥ 3,422,719	¥ 3,478,274	¥ 3,687,640

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

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

		Millions of yen		
		September 30		March 31
		2012	2011	2012
Tier I capital:	Capital stock	¥ 1,770,996	¥ 1,770,996	¥ 1,770,996
	Capital reserve	1,771,043	1,771,043	1,771,043
	Other capital surplus	710,229	710,229	710,229
	Other retained earnings.....	1,472,891	1,203,796	1,257,377
	Others.....	1,181,064	1,175,298	1,198,808
	Treasury stock	(210,003)	(210,003)	(210,003)
	Cash dividends to be paid	(127,816)	(133,447)	(24,330)
	Gain on sale on securitization transactions.....	(38,956)	(37,431)	(38,103)
	Amount equivalent to 50% of expected losses in excess of reserve	(49,389)	(16,977)	(34,359)
	Total Tier I capital (A)	6,480,059	6,233,505	6,401,659
Tier II capital:	Unrealized gains on other securities after 55% discount.....	98,288	53,893	172,669
	Land revaluation excess after 55% discount.....	29,384	29,348	29,327
	Subordinated debt	2,254,900	2,046,320	2,361,431
	Total Tier II capital	2,382,573	2,129,562	2,563,429
	Tier II capital included as qualifying capital (B)	2,382,573	2,129,562	2,563,429
Deductions*:	(C)	306,193	276,245	305,528
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 8,556,439	¥ 8,086,821	¥ 8,659,560
Risk-weighted assets:	On-balance sheet items	¥28,605,223	¥29,425,918	¥30,526,896
	Off-balance sheet items	5,694,793	5,589,735	5,825,932
	Market risk.....	581,934	201,423	592,046
	Operational risk	2,229,591	2,454,734	2,574,143
	Total risk-weighted assets (E).....	¥37,111,543	¥37,671,813	¥39,519,018
Tier I risk-weighted capital ratio:	(A) / (E) × 100	17.46%	16.54%	16.19%
Total risk-weighted capital ratio:	(D) / (E) × 100	23.05%	21.46%	21.91%
Required capital:	(E) × 8%	¥ 2,968,923	¥ 3,013,745	¥ 3,161,521

* "Deductions" refers to deductions stipulated in Article 20-1 of the Notification and includes willful holding of securities issued by other financial institutions.