May 15, 2009

Sumitomo Mitsui Financial Group, Inc. (SMFG)

Financial Results for the Fiscal Year ended March 31, 2009

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Stock Exchange Listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange (code: 8316)
URL: http://www.smfg.co.jp
President: Teisuke Kitayama
Date of Ordinary General Meeting of Shareholders: June 26, 2009
Date of Payment of Year-End Dividends: June 26, 2009

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

1. Consolidated Financial Results (for the fiscal year ended March 31, 2009)

(1) Operating Results (Millions of yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Net Income (Loss)	
Fiscal Year						
ended March 31, 2009	¥ 3,552,843	(23.2) %	¥ 45,311	(94.5) %	¥ (373,456)	– %
ended March 31, 2008	4,623,545	18.5	831,160	4.1	461,536	4.6

	Net Income (Loss) per Share	Net Income per Share (Diluted)	Return on Net Assets	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
Fiscal Year					
ended March 31, 2009	¥ (497.39)	¥ –	(14.3) %	0.0 %	1.3 %
ended March 31, 2008	59,298.24	56,657.41	13.2	0.8	18.0

Notes: 1. Equity in earnings (losses) of affiliates
(a) for the fiscal year ended March 31, 2009: ¥ (94,876) million (b) for the fiscal year ended March 31, 2008: ¥ (41,760) million
2. Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the previous fiscal year.

(2) Financial Position (Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Net Assets Ratio	Net Assets per Share	Capital Ratio
March 31, 2009	¥ 119,637,224	¥ 4,611,764	2.1 %	¥ 2,790.27	(Preliminary) 11.47 %
March 31, 2008	111,955,918	5,224,076	3.2	424,546.01	10.56

Notes: 1. Stockholders' equity
(a) as of March 31, 2009: ¥ 2,469,788 million (b) as of March 31, 2008: ¥ 3,578,326 million
2. Net Assets Ratio = {(Net assets –Stock acquisition rights – Minority interests) / Total assets} X 100
3. Capital Ratio is calculated using the method stipulated in "Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Law" (Notification 20 issued by the Japanese Financial Services Agency in 2006).

(3) Cash Flows (Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at year-end
Fiscal Year				
ended March 31, 2009	¥ 7,368,053	¥ (6,639,254)	¥ 352,652	¥ 3,800,890
ended March 31, 2008	5,782,588	(5,086,559)	102,112	2,736,752

2. Dividends on Common Stock

(Millions of yen, except per share data and percentages)

	Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio	Ratio of Dividends to Net Assets
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual			
Fiscal Year								
ended March 31, 2008	¥ –	¥5,000	¥ –	¥7,000	¥12,000	¥ 91,982	20.5 %	2.7 %
ended March 31, 2009	–	7,000	–	20	–	70,461	–	2.6
ending March 31, 2010 (Forecast)	–	45	–	45	90		33.8	

Notes: 1. "Dividend Payout Ratio" and "Ratio of Dividends to Net Assets" are reported on a consolidated basis.
2. Dividends on unlisted preferred stock are reported on page 3.

3. Earnings Forecast on a Consolidated Basis (for the fiscal year ending March 31, 2010)

(Millions of yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Six Months ending September 30, 2009	¥ 1,650,000	(9.2)%	¥ 200,000	4.7%	¥ 90,000	8.1%	¥ 109.64
Fiscal Year ending March 31, 2010	3,400,000	(4.3)	510,000	–	220,000	–	271.09

Note: Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the results of the previous fiscal year.

4. Other Information

(1) Change in significant consolidated subsidiaries in the fiscal year

Newly consolidated: 6 companies (SMFG Preferred Capital USD 2 Limited and five other companies)

Excluded: None

(2) Change in significant accounting principles, policies and presentation

(a) There was a change due to revision of accounting standards.

(b) There was no change due to other reason.

(Note) The details are reported in “(7) Application of New Accounting Standards” (page 23 and 24) and “(8) Change in Presentation” (page 24).

(3) Number of common stocks issued

(a) Number of shares issued (including treasury shares)

(i) as of March 31, 2009: 789,080,477 shares (ii) as of March 31, 2008: 7,733,653 shares

(b) Number of treasury shares

(i) as of March 31, 2009: 17,028,466 shares (ii) as of March 31, 2008: 168,997 shares

(Note) Number of shares used in calculating “Net Income (Loss) per Share” (on a consolidated basis) is reported on page 37.

[Reference] Parent Company Financial Information on a Non-consolidated Basis

1. Non-consolidated Financial Results (for the fiscal year ended March 31, 2009)

(1) Operating Results (Millions of yen, except per share data and percentages)

	Operating Income		Operating Profit		Ordinary Profit		Net Income	
Fiscal Year								
ended March 31, 2009	¥ 134,772	20.7 %	¥ 125,982	19.5 %	¥ 102,309	14.9 %	¥ 103,468	24.7 %
ended March 31, 2008	111,637	(70.3)	105,391	(71.7)	89,063	(75.6)	82,975	(77.2)

	Net Income per Share	Net Income per Share (Diluted)
Fiscal Year		
ended March 31, 2009	¥ 118.43	¥ –
ended March 31, 2008	9,134.13	9,133.76

Note: Percentages shown in Operating Income, Operating Profit, Ordinary Profit and Net Income are the increase (decrease) from the previous fiscal year.

(2) Financial Position (Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Net Assets Ratio	Net Assets per Share
March 31, 2009	¥ 4,057,313	¥ 2,977,547	73.4 %	¥ 3,389.38
March 31, 2008	4,021,217	2,968,749	73.8	339,454.71

Note: Stockholders’ equity

(a) as of March 31, 2009: ¥2,977,547 million (b) as of March 31, 2008: ¥2,968,749 million

2. Earnings Forecast on a Non-consolidated Basis (for the fiscal year ending March 31, 2010)

(Millions of yen, except per share data and percentages)

	Operating Income		Operating Profit		Ordinary Profit	
Six months ending September 30, 2009	¥ 30,000	(39.6)%	¥ 25,000	(45.9)%	¥ 15,000	(55.6)%
Fiscal year ending March 31, 2010	130,000	(3.5)	120,000	(4.7)	100,000	(2.3)

	Net Income		Net Income per Share
Six months ending September 30, 2009	¥ 15,000	(53.2)%	¥ 12.28
Fiscal year ending March 31, 2010	100,000	(3.4)	113.70

Note: Percentages shown in Operating Income, Operating Profit, Ordinary Profit and Net Income are the increase (decrease) from the results of the previous fiscal year.

* On January 4, 2009, SMFG implemented a 100 for 1 stock split of common stock in order to eliminate fractional shares due to the introduction of the electronic share certificate system which was implemented in connection with the enactment 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.”

Dividends on Preferred Stock

(Millions of yen, except per share data)

Type	Record Date	Cash Dividends per Share					Total Dividends (Annual)
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual	
Preferred stock (Type 4)	Fiscal Year ended March 31, 2008	¥ –	¥ 67,500	¥ –	¥ 67,500	¥ 135,000	¥ 6,763
	Fiscal Year ended March 31, 2009	–	67,500	–	67,500	135,000	4,509
	Fiscal Year ending March 31, 2010 (Forecast)		67,500		67,500	135,000	
Preferred stock (Type 6)	Fiscal Year ended March 31, 2008	–	44,250	–	44,250	88,500	6,195
	Fiscal Year ended March 31, 2009	–	44,250	–	44,250	88,500	6,195
	Fiscal Year ending March 31, 2010 (Forecast)		44,250		44,250	88,500	

<Reference> Calculation for Indices

- Return on Net Assets (consolidated basis):

$$\frac{\text{Net income – Dividends on preferred stock}}{\begin{array}{c}\{(\text{Stockholders' equity at beginning of year – Number of preferred stocks issued at beginning of year X Issue price})\\ + (\text{Stockholders' equity at year-end – Number of preferred stocks issued at year-end X Issue price})\} / 2\end{array}} \text{ X } 100$$

- Dividend Payout Ratio (consolidated basis):

$$\frac{\text{Dividends on common stock}}{\text{Net income – Dividends on preferred stock}} \text{ X } 100$$

- Ratio of Dividends to Net Assets (consolidated basis):

$$\frac{\text{Dividends on common stock}}{\begin{array}{c}\{(\text{Stockholders' equity at beginning of year – Number of preferred stocks issued at beginning of year X Issue price})\\ + (\text{Stockholders' equity at year-end – Number of preferred stocks issued at year-end X Issue price})\} / 2\end{array}} \text{ X } 100$$

- Forecasted Net Income per Share:

$$\frac{\text{Forecasted net income – Forecasted preferred stock dividends}}{\text{Forecasted average number of common stocks during the period (excluding treasury stock)}}$$

[Retroactive Adjustment for Stock Split]

SMFG implemented a 100 for 1 stock split of common stock on January 4, 2009. If the stock split had been implemented at the beginning of the fiscal year, dividends on common stock per share and other per share information would be as follows.

(Yen)

Record Date	Cash Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Fiscal Year ended March 31, 2008	¥ —	¥ 50	¥ —	¥ 70	¥ 120
Fiscal Year ended March 31, 2009	—	70	—	20	90

	Net Income per Share	Net Income per Share (Diluted)	Net Assets per Share
Fiscal Year ended March 31, 2008 (Consolidated)	¥ 592.98	¥ 566.57	¥ 4,245.46
Fiscal Year ended March 31, 2008 (Non-consolidated)	91.34	91.34	3,394.55

I. Operating and Financial Review

1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2009 (Fiscal 2008)

(1) Operating Results

SMFG designated fiscal 2008 as the year for “taking a step forward, while coping with uncertainty in business environment” and continued to focus on implementing its two strategic initiatives: “strengthening targeted growth business areas” and “fortifying the platform for supporting sustainable growth.”

In fiscal 2008, Ordinary income decreased 23.2% year over year to ¥3,552.8 billion. This was attributable mainly to a decrease in interest income from a decrease in interest on loans and bills discounts arising from the global credit expansion. Fees and commissions declined also due to a decrease in sale of investment trusts amid the slumping stock market. In addition, other operating income decreased because of a change in lease accounting on non-transfer ownership finance lease transactions.

Ordinary expenses decreased 7.5% year over year to ¥3,507.5 billion. Although other operating expenses decreased due to the foregoing change in lease accounting, other expenses increased due to impairment loss on stocks from a sharp decline in stock prices, an increase in credit cost resulting from the rapid global economic downturn, and additional loss provisions in preparation for further economic deterioration.

As a result, Ordinary profit was ¥45.3 billion, a year-on-year decrease of ¥785.8 billion.

Net loss was ¥373.4 billion, compared with ¥461.5 billion in Net income in fiscal 2007, mainly because of recording of “gains on change in equity due to merger of subsidiaries” as extraordinary gains in fiscal 2007 and more conservative calculation of deferred tax assets in fiscal 2008.

(2) Segment Information

The breakdown of Total assets and Ordinary income before elimination of internal transactions is as follows:

By business

Ordinary income		
Banking business	72%	(up 7 points from the previous fiscal year)
Leasing business	9%	(down 11 points)
Other business	19%	(up 4 points)
Total assets		
Banking business	91%	(down 1 point from the previous fiscal year-end)
Leasing business	2%	(down 0 point)
Other business	7%	(up 1 point)

By Region

Ordinary income		
Japan	79%	(down 4 points from the previous fiscal year)
The Americas	8%	(up 1 point)
Europe and Middle East	7%	(up 2 points)
Asia and Oceania	6%	(up 1 point)
Total assets		
Japan	83%	(down 1 point from the previous fiscal year-end)
The Americas	8%	(up 1 point)
Europe and Middle East	5%	(up 1 point)
Asia and Oceania	4%	(down 1 point)

(3) Earnings Forecast

SMFG has designated fiscal 2009 as the year establishing the next foundation for future growth while continuing to strengthen businesses consistent with the principles on the keyword “follow the basics.”

As for earnings forecast on a consolidated basis, Ordinary income, Ordinary profit and Net income are expected to amount to ¥3,400 billion, ¥510 billion, and ¥220 billion, respectively.

On a non-consolidated basis, Operating income, Operating profit, Ordinary profit and Net income are expected to amount to ¥130 billion, ¥120 billion, ¥100 billion, and ¥100 billion, respectively.

2. Consolidated Financial Position as of March 31, 2009

(1) Assets and Liabilities

Deposits were ¥75,569.4 billion, an year-over-year increase of ¥2,878.8 billion and Negotiable certificates of deposit were ¥7,461.2 billion, an increase of ¥4,383.1 billion.

Loans and bills discounted were ¥65,135.3 billion, an increase of ¥2,990.4 billion mainly because of a proactive response to demand for bank loans in Japan and overseas.

Total assets were ¥119,637.2 billion, an increase of ¥7,681.3 billion.

(2) Net Assets

Stockholders' equity was to ¥2,599.1 billion, an year-over-year decrease of ¥496.1 billion, as a result of recording of net loss. In addition, net unrealized losses on other securities were ¥14.6 billion as of March 31, 2009, compared with net unrealized gains of ¥550.6 billion as of March 31, 2008. As a result, Net assets decreased ¥612.3 billion year over year to ¥4,611.7 billion.

(3) Cash Flows

SMFG generated ¥7,368.0 billion of "Cash flows from operating activities," used ¥6,639.2 billion of "Cash flows from investing activities," and generated ¥352.6 billion of "Cash flows from financing activities."

Consequently, Cash and cash equivalents amounted to ¥3,800.8 billion, an increase of ¥1,064.1 billion.

(4) Capital Ratio (preliminary)

Capital ratio was 11.47% on a consolidated basis.

3. Dividend Policy and Dividends for the Fiscal Year Ended March 31, 2009 and for the Fiscal Year Ending March 31, 2010

SMFG has a basic policy of steadily increasing returns to shareholders through the sustainable growth of its enterprise value, while enhancing its capital to maintain financial soundness in consideration of its public nature as a bank holding company. Under its "LEAD THE VALUE" medium-term management plan, SMFG aims to realize a payout ratio of over 20% on a consolidated net income basis from the viewpoint of increasing returns to shareholders.

In the fiscal year ended March 31, 2009, SMFG recorded a net loss due mainly to the turmoil in the financial markets, a sharp decline in stock markets and a rapid global economic downturn, and has regrettably decided to pay the following year-end dividends on common stock. Dividends on preferred stock will be paid as prescribed.

Common stock:			
Year-end dividends	¥20	per share	
Annual (including interim dividend of ¥70 per share) *	¥90		(year-on-year decrease by ¥30)
Preferred stock (type 4):			
Year-end dividends	¥ 67,500		
Annual (including interim dividend of ¥67,500 per share)	¥135,000		
Preferred stock (type 6):			
Year-end dividends	¥44,250		
Annual (including interim dividend of ¥44,250 per share)	¥88,500		

* Annual dividend per share reflects the January 4, 2009 100-for-1 stock split.

Based on its current earnings forecast and dividend payout ratio as well as its policy of maintaining stable dividends, SMFG expects to pay the following annual dividends on common stock for the fiscal year ending March 31, 2010. Dividends on preferred stock are expected to be paid as prescribed.

Common stock:	Annual	¥90	per share	(same as the previous year)
	Interim	¥45		
Preferred stock (type 4):	Annual	¥135,000		
	Interim	¥67,500		
Preferred stock (type 6):	Annual	¥88,500		
	Interim	¥44,250		

II. Overview of SMFG Group

SMFG group conducts primary banking business through the following financial services: leasing, securities, credit card business, investment banking, loans and venture capital. SMFG has 288 consolidated subsidiaries and 79 companies accounted for by the equity method.

* consolidated subsidiary ** equity method affiliate

Sumitomo Mitsui Financial Group, Inc.

Banking business

Principal subsidiaries

Domestic

* Sumitomo Mitsui Banking Corporation
* THE MINATO BANK, LTD. (Listed on the First Section of Tokyo Stock Exchange and Osaka Securities Exchange)
* Kansai Urban Banking Corporation (Listed on the First Section of Tokyo Stock Exchange and Osaka Securities Exchange)
* The Japan Net Bank, Limited (Internet banking)
* SMBC Guarantee Co., Ltd. (Credit guarantee)

Overseas

* Sumitomo Mitsui Banking Corporation Europe Limited
* Manufacturers Bank
* Sumitomo Mitsui Banking Corporation of Canada
* Banco Sumitomo Mitsui Brasileiro S.A.
* PT Bank Sumitomo Mitsui Indonesia
** Vietnam Export Import Commercial Joint Stock Bank

Leasing business

Principal subsidiaries and affiliated companies

Domestic

* Sumitomo Mitsui Finance and Leasing Company, Limited
** Sumitomo Mitsui Auto Service Company, Limited

Overseas

* SMBC Leasing and Finance, Inc.

Other business

Principal subsidiaries and affiliated companies

Domestic

* Sumitomo Mitsui Card Company, Limited (Credit card services)
* SAKURA CARD CO., Ltd. (Credit card services)
* QUOQ Inc. (Consumer installment credit and credit card services) (Note)
* SMBC Consulting Co., Ltd. (Management consulting and information services)
* SMBC Finance Service Co., Ltd. (Loans, factoring and collecting agent)
* Financial Link Company, Limited (Data processing service and consulting)
* SMBC Friend Securities Co., Ltd. (Securities)
* The Japan Research Institute, Limited (System development, data processing, management consulting and economic research)
* Sakura KCS Corporation (System engineering and data processing) (Listed on the Second Section of Osaka Securities Exchange)
* Japan Pension Navigator Co., Ltd. (Operational management of defined contribution pension plans)
* SMM Auto Finance, Inc. (Automobile sales finance)
** Promise Co., Ltd. (Consumer finance) (Listed on the First Section of Tokyo Stock Exchange)
** At-Loan Co., Ltd. (Consumer finance)
** SANYO SHINPAN FINANCE CO., LTD. (Consumer finance)
** POCKET CARD CO., LTD. (Credit card services) (Listed on the First Section of Tokyo Stock Exchange and Osaka Securities Exchange)
** Central Finance Co., Limited (Consumer installment credit and credit card services) (Note)
** OMC Card, Inc. (Credit card services) (Listed on the First Section of Tokyo Stock Exchange) (Note)
** Daiwa Securities SMBC Co. Ltd. (Securities and derivatives)
** Daiwa SMBC Capital Co., Ltd. (Venture capital) (Listed on the JASDAQ Securities Exchange)
** Daiwa SB Investments Ltd. (Investment advisory and investment trust management)
** Sumitomo Mitsui Asset Management Company, Limited (Investment advisory and investment trust management)
** JSOL CORPORATION (System development and data processing)
** Sakura Information Systems Co., Ltd. (System engineering and data processing)

Overseas

* SMBC Capital Markets, Inc. (Derivatives and investments)
* SMBC Capital Markets Limited (Derivatives)
* SMBC Securities, Inc. (Securities)

(Note) QUOQ Inc., Central Finance Co., Limited and OMC, Inc. merged on April 1, 2009. (New company name: Cedyna Financial Corporation) Cedyna Financial Corporation became an equity method affiliated company.

The details of changes in specific subsidiaries in the fiscal year ended March 31, 2009 are as follows:

Name	Address	Capital	Business	Percentage of Voting Rights
SMFG Preferred Capital USD 2 Limited	Cayman Islands	$1,800,000 thousand	Other business (Finance)	100%
SMFG Preferred Capital USD 3 Limited	Cayman Islands	$1,350,000 thousand	Other business (Finance)	100%
SMFG Preferred Capital JPY 2 Limited	Cayman Islands	¥ 698,900 million	Other business (Finance)	100%
SMBC Preferred Capital USD 2 Limited	Cayman Islands	$1,811,000 thousand	Other business (Finance)	100% (100%)
SMBC Preferred Capital USD 3 Limited	Cayman Islands	$1,358,000 thousand	Other business (Finance)	100% (100%)
SMBC Preferred Capital JPY 2 Limited	Cayman Islands	¥ 706,500 million	Other business (Finance)	100% (100%)

(Notes) 1. Capital amounts less than units have been omitted.
2. The figure in parenthesis indicates a voting right held indirectly via subsidiary.

III. Management Policy

1. Our Mission

SMFG's group-wide management philosophy is as follows.

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

In line with this philosophy, SMFG and its group companies put their collective energy into becoming "a globally competitive financial services group with the highest trust."

2. Targeted Management Indices

SMFG has established a medium-term management plan, "LEAD THE VALUE" Plan, spanning the three years from fiscal 2007 and has set the following four management indices as the financial targets to be achieved in fiscal 2009, the final year of the plan.

- Consolidated net income	¥650 billion
- Consolidated Tier I ratio	Approximately 8%
- Consolidated net income RORA *	Approximately 1%
- Overhead ratio (SMBC non-consolidated basis)	40 - 45%

* Return on Risk-adjusted Assets

In addition, in order to increase return to shareholders, SMFG is aiming for a dividend payout ratio of over 20% on a consolidated net income basis in fiscal 2009.

However, actual events have diverged widely from the assumptions made in fiscal 2007, regarding economic and financial environment underlying our current three-year, medium-term management plan. Accordingly, we now believe it will be difficult to attain the level of net income set for fiscal 2009 under the plan.

3. Medium- to Long-term Management Strategy

In the current medium-term management plan, "LEAD THE VALUE" Plan, SMFG's basic policy is to aim for "a globally competitive financial services group with the highest trust" by maximizing its strengths – "Spirit of Innovation," "Speed" and "Solution & Execution." Under this basic policy, SMFG has set the following three goals.

1. Aim for top quality in growth business areas.
2. Realize a solid financial base as a global player.
3. Increase returns to shareholders.

Under the plan, SMFG is implementing strategic initiatives centered on strengthening targeted growth business areas and "fortifying its platform for supporting sustainable growth.

(1) Strengthening targeted growth business areas

SMFG will focus on business areas with high growth potential and achieve top quality in those areas by creating added values that exceeds customers' expectations, thereby realizing sustainable growth. SMFG will especially strengthen the following growth areas.

A) Financial consulting for individuals.
B) Solution providing for corporations.
C) Focused business areas in global markets.
D) Payment and settlement services, consumer finance.
E) Investment banking and trust businesses.

(2) Fortifying its platform for supporting sustainable growth

SMFG will maximize its ability to provide added value by (a) implementing an internal business performance evaluation system centered on medium-term targets and strategic measures, (b) establishing a framework for developing highly qualified professionals capable of challenging and achieving top quality in growth business areas, (c) reinforcing IT and operational infrastructure to support SMFG's business in a flexible manner, (d) strengthening compliance, and (e) improving ALM and risk management system.

SMFG and its group companies will make every effort to implement these strategic measures and cope with changes in the business environment in order to realize sustainable growth and higher corporate value.

4. Issues to be Addressed

Due to financial markets turmoil and a global economic slowdown since last year, our business environment has been increasingly severe. The outlook for the business environment remains uncertain, meanwhile various initiatives and efforts to structure a new regulatory framework are being implemented globally to stabilize the financial system. Amid such circumstances SMFG has designated fiscal 2009 as a year for establishing the next foundation for its future growth while continuing to strengthen its business in a manner consistent with the philosophy of "follow the basics." SMFG is continuing to focus on strengthening its controls over expenses, credit costs and risk-adjusted assets, and on its two strategic initiatives: "realizing solid financial base as a global player" and "fortifying the platform for supporting sustainable growth."

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

In regard to controlling expenses, we prioritize expenditures based on their amount, timing and impact in order to better allocate limited managerial resources in growth business areas. We pursue business efficiency by consistently sustaining an overhead ratio of less than 50% for SMBC on a non-consolidated basis.

In regard to controlling credit costs, we improve risk sensitivity for better control in preparation for further economic deterioration to raise our bottom line. We have been using the Advanced Measurement Approach under the Basel II framework for the measurement of operational risk since the fiscal year ended March 31, 2008, and have adopted the Advanced Internal Ratings-Based Approach for the measurement of credit risk-adjusted assets since the fiscal year ended March 31, 2009. Now we have established a more sophisticated risk-adjusted asset management system. In addition, amid heightened concerns regarding the world-wide economic slowdown, SMBC revised the functions of the Credit Management Dept. in its International Banking Unit, which was newly established in Nov. 2008, in order to enhance our credit risk management on a global basis. SMBC also established a new Risk Management Unit to manage various risks in a more integrated manner and consolidate the functions for managing major risks for financial institutions – market, liquidity, credit and operational risk – and enhance our across-the-board risk monitoring ability.

In regard to controlling of risk-adjusted assets, we aim to achieve a Tier I capital ratio of around 8%, which was set as a financial targets, and to improve our risk-return profile in order to cope with uncertainty in the business environment. Meanwhile, we regard providing customers with a sufficient supply of funds as one of our missions in society as a financial institution and work to fulfill our role as a financial intermediary optimally and more actively.

As described above, SMFG is continuing to focus on strengthening its controls over expenses, credit costs and risk-adjusted assets, and establishing the next foundation for its future growth while continuing to strengthen business in a manner consistent with the philosophy of "follow the basics." We are improving our capabilities to reflect customer opinions and requests, thereby further improving customer satisfaction and service quality. Through such measures, we will fortify our platform for supporting sustainable growth.

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

SMFG considers it necessary to enhance its capital base in terms of both quantity and quality in order to maintain our competitiveness, notwithstanding any future changes that might occur in the global financial sector, and to realize sustainable growth. SMFG has thus filed a shelf registration statement for common stock which will permit it to flexibly issue new shares. SMFG believes that issuing new shares will enable it to more quickly realize "a solid financial base as a global player"; secure a more solid capital base to better withstand further financial and economic stresses; more sufficiently supply funds to clients, which is one of SMFG's core missions as a financial institution; and capture various business opportunities.

Moreover, as part of our drive to strengthen our corporate base in order to respond effectively to globalization, we will continue to consider listing our shares on the New York Stock Exchange.

(3) Strengthen targeted growth business areas

- "Solution providing for corporations" and "Investment banking and trust business"

While uncertainty regarding the future course of the global economy has not dissipated, we remain steadfast in our policy of meeting a wide range of customer needs for financing and preparing appropriate solutions to the management issues our customers confront.

First, in regard to taking initiatives to meet the financing needs of corporate customers, we believe that providing customers with a sufficient supply of funds is one of our missions in society as a financial institution. We are therefore working to fulfill our role as a financial intermediary optimally and more actively. In particular, to meet the financing needs of small and medium-sized corporate customers, we took the initiative at an early date to develop our "Business Select Loan," which we offer without collateral or third-party guarantees. So far, more than 50,000 companies have used this loan product. We have also been providing customers with diverse funding options by tapping the value of a wide range of customer assets. We have developed loan products such as "Wide Support Loan" and "Asset Value" backed by customer assets—real estate holdings and moveable assets, respectively—as collateral.

We are continuing to take initiatives to further improve our responsiveness and offer high quality, optimal solutions meeting the various needs of our customers. More specifically, in April 2009 SMBC established a new Business Promotion & Solution Dept. by consolidating the functions of business promotion from different areas in order to realize more in-depth support for our corporate customers. SMBC also offers a wide range of financing options, including syndicated loans, structured finance, and business expansion and restructuring solutions through M&A and other means via business offices such as Corporate Business Offices, which collaborate with the Corporate Advisory Division, and Daiwa Securities SMBC Co., Ltd. We will enhance our collaboration with Daiwa Securities SMBC Co., Ltd. in order to respond to the relaxing of firewall regulations in June 2009. In business areas where services for individual customers and corporate customers overlap, including customers like business owners, the Private Advisory Department works to strengthen its support capabilities. The Global Advisory Department, formed in April 2008, enhances support for the Corporate Business Offices in order to further improve our solutions for customers' international operations. In the investment banking business, fund investment resources and know-how have been integrated into the Merchant Banking Dept. and asset management related functions have been consolidated into the R&D Dept., and renamed "Strategic Products Dept." in order to enhance our ability to develop and offer investment management products. In addition, the Trust Services Dept., formerly within the Corporate Services Unit, has become a department within the Investment Banking Unit in order to further improve the quality of our trust products and services.

In the leasing business, Sumitomo Mitsui Finance and Leasing Co., Ltd., formed as part of a strategic alliance between SMFG and Sumitomo Corporation Group, will provide more value added products and services to customers by offering a variety of leasing services, including aircraft operating lease services and solutions that support both users and suppliers of leased assets in their financial and marketing activities, by blending the finance-related know-how of a bank and the products- and business distribution-related know-how of a trading firm. In September 2008, NTT DATA Corporation, SMFG and its subsidiary the Japan Research Institute, Ltd. and JRI Solutions Limited reached a basic agreement on a broad-ranging business partnership between NTT DATA and JRI Solutions in the IT services field, and on a capital arrangement underlying the alliance. JRI Solutions renamed itself JSOL Corporation in January 2009, and the company is continuing to work aggressively to further develop group-wide solution services, including system design and operating services, IT security related consulting and other services.

- "Financial consulting for individuals" and "Payment and settlement services, consumer finance"

For consumer customers, SMBC is increasing the sophistication of its financial consulting services, aiming to realize "total consulting services" which offer customers one-stop services for various financial products. Specifically, SMBC has been substantially expanding its lineup of products and services, including insurance products (e.g. whole-life insurance, term-life insurance and medical insurance), investment trusts, pension-type insurance, and discretionary asset management services offered by SMBC Friend Securities Co., Ltd., in order to meet the diversifying needs of its customers and striving to enhance its consultants' skills through training.

Next, in the credit card business, Cedyna Financial Corporation (Cedyna) was formed through the merger of Central Finance Co., Ltd., OMC Card Inc., and QUOQ Inc. in April 2009. As a result, SMFG's credit card business was consolidated into two companies; Sumitomo Mitsui Card Co., Ltd. and Cedyna. The next step will be to work toward becoming "the number one credit card business entity in Japan" by striving to realize economies of scale for the group as a whole and to maximize top-line synergies by drawing on the strengths of each company. In addition, in May, 2009, SMBC reached an agreement with ORIX on the joint business development of ORIX Credit Corporation. SMFG has focused intensively on the consumer finance business by responding sound funding needs from our customers. SMFG is now attempting to expand its market share and business efficiency through a new collaboration initiative.

- "Focused business areas in global markets"

In global markets, SMFG is continuing to bolster its financial products with a competitive edge, including project finance. In Asia, which is expected to remain a high-growth region, SMBC established a wholly-owned subsidiary, Sumitomo Mitsui Banking Corporation (China) Limited, in China in April 2009 to boost the efforts to provide more comprehensive services to customers. In April 2008, SMBC established the Asia Pacific Division in order to respond flexibly and quickly to local business requirements in the region, including South Asia and Australia. At the same time, SMBC has been taking steps to further strengthen its business in Asia by leveraging business and capital alliances with leading financial institutions in the region. For example, we have been developing businesses under alliance agreements entered into with Vietnam Eximbank and Kookmin Bank of South Korea, a capital alliance with Kookmin Bank's holding company, KB Financial Group, agreed in October 2008, business alliances with First Commercial Bank of Taiwan and Bank of East Asia of Hong Kong. In addition, SMBC has been moving ahead in discussions with a leading U.K. financial institution, Barclays plc, on the specifics of a business alliance in areas such as wealth management and businesses in South Africa.

- "Acquisition of Nikko Cordial Securities Inc. and other businesses"

SMFG has reached an agreement with Nikko Citi Holdings Inc. and other related entities that SMBC will acquire the entire operations of Nikko Cordial Securities Inc. (excluding selected assets and liabilities) and other businesses, including the domestic debt and equity underwriting businesses of Nikko Citigroup Limited, and other assets, pursuant to the approval of relevant authorities. Through this transaction, SMFG plans to create a leading financial services group and increase growth potential by combining the stability and reliability of a commercial bank with the acquired entities' high-quality customer services.

Due to turmoil in the financial markets, a sharp decline in stock prices and a slowdown in the global economy since last year, SMFG recognized an impairment loss on stocks and an increase in credit costs for fiscal 2008. In addition, in order to quickly adapt to these changes in the business environment and promote a steady recovery of earnings from the fiscal 2009, we made additional loss provisions in preparation for further economic deterioration and calculated deferred tax assets more conservatively. As a result, SMFG's consolidated ordinary profit was ¥45.3 billion, or ¥785.8 billion lower than fiscal 2007, and consolidated net loss was ¥373.4 billion, or ¥834.9 billion lower than fiscal 2007.

As our full-year financial results for fiscal 2008 were lower than fiscal 2007, we are regrettably decreasing the annual dividend on our common stock to ¥90 per share, or ¥30 lower than for fiscal 2007, in order to maintain sound financial management and enhance our retained earnings.

Dividends on common stock for fiscal 2009 are forecast to be ¥90, the same level as fiscal 2008. SMFG aims for a dividend payout ratio of over 20% on a consolidated net income basis, and expects to increase returns to shareholders by achieving a steady recovery going forward.

In fiscal 2009, through these initiatives, SMFG intends to achieve steady results, and further increase its value to its customers and shareholders and in the financial markets and society.

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
March 31,	2009	2008
Assets:		
Cash and due from banks	¥ 5,241,694	¥ 5,017,325
Call loans and bills bought	633,655	595,802
Receivables under resale agreements	10,487	357,075
Receivables under securities borrowing transactions	1,820,228	1,940,170
Monetary claims bought	1,024,050	1,153,070
Trading assets	4,924,961	4,123,611
Money held in trust	8,985	7,329
Securities	28,698,164	23,517,501
Loans and bills discounted	65,135,319	62,144,874
Foreign exchanges	885,082	893,567
Lease receivables and investment assets	1,968,347	–
Other assets	4,257,251	4,951,587
Tangible fixed assets	1,008,801	820,411
Buildings	296,219	235,729
Land	531,726	463,225
Lease assets	7,206	–
Construction in progress	3,527	3,755
Other tangible fixed assets	170,121	117,700
Intangible fixed assets	361,884	332,525
Software	163,522	141,419
Goodwill	186,793	178,645
Lease assets	480	–
Other intangible fixed assets	11,087	12,460
Lease assets	–	1,425,097
Deferred tax assets	857,658	985,528
Customers' liabilities for acceptances and guarantees	3,878,504	4,585,141
Reserve for possible loan losses	(1,077,852)	(894,702)
Total assets	¥119,637,224	¥111,955,918

(continued)

March 31,	2009	2008
	(Millions of yen)	
Liabilities:		
Deposits	¥ 75,569,497	¥ 72,690,624
Negotiable certificates of deposit	7,461,284	3,078,149
Call money and bills sold	2,499,113	2,638,142
Payables under repurchase agreements	778,993	1,832,467
Payables under securities lending transactions	7,589,283	5,732,042
Trading liabilities	3,597,658	2,671,316
Borrowed money	4,644,699	4,279,034
Foreign exchanges	281,145	301,123
Short-term bonds	1,019,342	769,100
Bonds	3,683,483	3,969,308
Due to trust account	60,918	80,796
Other liabilities	3,803,046	3,916,427
Reserve for employee bonuses	27,659	29,267
Reserve for executive bonuses	513	1,171
Reserve for employee retirement benefits	35,643	38,701
Reserve for executive retirement benefits	7,965	7,998
Reserve for reimbursement of deposits	11,767	10,417
Reserves under the special laws	432	1,118
Deferred tax liabilities	27,287	52,046
Deferred tax liabilities for land revaluation	47,217	47,446
Acceptances and guarantees	3,878,504	4,585,141
Total liabilities	115,025,460	106,731,842
Net assets:		
Capital stock	1,420,877	1,420,877
Capital surplus	57,245	57,826
Retained earnings	1,245,085	1,740,610
Treasury stock	(124,024)	(123,989)
Stockholders' equity	2,599,183	3,095,324
Net unrealized gains (losses) on other securities	(14,649)	550,648
Net deferred losses on hedges	(20,835)	(75,233)
Land revaluation excess	35,159	34,910
Foreign currency translation adjustments	(129,068)	(27,323)
Valuation and translation adjustments	(129,394)	483,002
Stock acquisition rights	66	43
Minority interests	2,141,908	1,645,705
Total net assets	4,611,764	5,224,076
Total liabilities and net assets	¥119,637,224	¥111,955,918

(2) Consolidated Statements of Operations

(Millions of yen)

Year ended March 31,	2009	2008
Ordinary income:	¥3,552,843	¥4,623,545
Interest income	2,087,348	2,145,451
Interest on loans and discounts	1,550,081	1,557,823
Interest and dividends on securities	299,616	333,255
Interest on call loans and bills bought	14,686	26,014
Interest on receivables under resale agreements	1,750	7,044
Interest on receivables under securities borrowing transactions	4,506	7,032
Interest on deposits with banks	42,738	101,120
Interest on lease transactions	77,772	–
Other interest income	96,195	113,160
Trust fees	2,122	3,752
Fees and commissions	672,752	704,283
Trading income	211,738	469,571
Other operating income	529,599	1,212,635
Lease-related income	46,446	501,481
Installment-related income	201,219	344,563
Other	281,933	366,590
Other income	49,281	87,850
Ordinary expenses:	3,507,532	3,792,384
Interest expenses	748,894	935,067
Interest on deposits	326,447	495,690
Interest on negotiable certificates of deposit	47,911	51,103
Interest on call money and bills sold	22,524	23,529
Interest on payables under repurchase agreements	7,298	7,404
Interest on payables under securities lending transactions	59,962	45,499
Interest on borrowed money	62,750	47,862
Interest on short-term bonds	6,678	4,105
Interest on bonds	82,577	90,945
Other interest expenses	132,743	168,926
Fees and commissions payments	115,574	92,289
Other operating expenses	473,212	1,392,089
Lease-related expenses	26,473	438,856
Installment-related expenses	164,452	310,644
Other	282,286	642,588
General and administrative expenses	1,063,419	978,896
Other expenses	1,106,431	394,041
Provision for reserve for possible loan losses	402,807	71,278
Other	703,623	322,763
Ordinary profit	45,311	831,160
Extraordinary gains	3,692	115,495
Gains on disposal of fixed assets	1,297	10,988
Recoveries of written-off claims	1,708	1,355
Transfer from reserve for financial products transaction liabilities	686	18
Other extraordinary income	–	103,133
Extraordinary losses	19,507	17,700
Losses on disposal of fixed assets	12,144	12,538
Losses on impairment of fixed assets	7,363	5,161
Transfer to reserve for financial products transaction liabilities	–	0
Income before income taxes and minority interests	29,495	928,955
Income taxes		
Current	72,238	103,900
Deferred	262,405	282,538
Minority interests in net income	68,308	80,980
Net income (loss)	¥ (373,456)	¥ 461,536

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

Year ended March 31,	2009	2008
Stockholders' equity		
Capital stock		
Balance at end of previous fiscal year	¥ 1,420,877	¥ 1,420,877
Changes in the period		
Net changes in the period	–	–
Balance at end of period	1,420,877	1,420,877
Capital surplus		
Balance at end of previous fiscal year	57,826	57,773
Changes in the period		
Disposal of treasury stock	(580)	53
Net changes in the period	(580)	53
Balance at end of period	57,245	57,826
Retained earnings		
Balance at end of previous fiscal year	1,740,610	1,386,436
Decrease in retained earnings at beginning of period due to accounting change of overseas subsidiary	(3,132)	–
Changes in the period		
Cash dividends	(118,833)	(110,215)
Net income (loss)	(373,456)	461,536
Increase due to increase in subsidiaries	19	268
Increase due to decrease in subsidiaries	8	7
Decrease due to increase in subsidiaries	(14)	(100)
Decrease due to decrease in subsidiaries	(1)	(3)
Reversal of land revaluation excess	(114)	2,681
Net changes in the period	(492,392)	354,173
Balance at end of period	1,245,085	1,740,610
Treasury stock		
Balance at end of previous fiscal year	(123,989)	(123,454)
Changes in the period		
Purchase of treasury stock	(943)	(901)
Disposal of treasury stock	907	367
Net changes in the period	(35)	(534)
Balance at end of period	(124,024)	(123,989)
Total stockholders' equity		
Balance at end of previous fiscal year	3,095,324	2,741,632
Decrease in retained earnings at beginning of period due to accounting change of overseas subsidiary	(3,132)	–
Changes in the period		
Cash dividends	(118,833)	(110,215)
Net income	(373,456)	461,536
Purchase of treasury stock	(943)	(901)
Disposal of treasury stock	326	420
Increase due to increase in subsidiaries	19	268
Increase due to decrease in subsidiaries	8	7
Decrease due to increase in subsidiaries	(14)	(100)
Decrease due to decrease in subsidiaries	(1)	(3)
Reversal of land revaluation excess	(114)	2,681
Net changes in the period	(493,008)	353,692
Balance at end of period	2,599,183	3,095,324

(continued)

(Millions of yen)

Year ended March 31,	2009	2008
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities		
Balance at end of previous fiscal year	550,648	1,262,135
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(565,298)	(711,486)
Net changes in the period	(565,298)	(711,486)
Balance at end of period	(14,649)	550,648
Net deferred losses on hedges		
Balance at end of previous fiscal year	(75,233)	(87,729)
Changes in the period		
Net changes in the items other than stockholders' equity in the period	54,397	12,495
Net changes in the period	54,397	12,495
Balance at end of period	(20,835)	(75,233)
Land revaluation excess		
Balance at end of previous fiscal year	34,910	37,605
Changes in the period		
Net changes in the items other than stockholders' equity in the period	248	(2,694)
Net changes in the period	248	(2,694)
Balance at end of period	35,159	34,910
Foreign currency translation adjustments		
Balance at end of previous fiscal year	(27,323)	(30,656)
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(101,744)	3,333
Net changes in the period	(101,744)	3,333
Balance at end of period	(129,068)	(27,323)
Valuation and translation adjustments		
Balance at end of previous fiscal year	483,002	1,181,353
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(612,396)	(698,351)
Net changes in the period	(612,396)	(698,351)
Balance at end of period	(129,394)	483,002
Stock acquisition rights		
Balance at end of previous fiscal year	43	14
Changes in the period		
Net changes in the items other than stockholders' equity in the period	22	29
Net changes in the period	22	29
Balance at end of period	66	43
Minority interests		
Balance at end of previous fiscal year	1,645,705	1,408,279
Changes in the period		
Net changes in the items other than stockholders' equity in the period	496,202	237,426
Net changes in the period	496,202	237,426
Balance at end of period	2,141,908	1,645,705

(continued)

(Millions of yen)

Year ended March 31,	2009	2008
Total net assets		
Balance at end of previous fiscal year	5,224,076	5,331,279
Decrease in retained earnings at beginning of period due to accounting change of overseas subsidiary	(3,132)	–
Changes in the period		
Cash dividends	(118,833)	(110,215)
Net income	(373,456)	461,536
Purchase of treasury stock	(943)	(901)
Disposal of treasury stock	326	420
Increase due to increase in subsidiaries	19	268
Increase due to decrease in subsidiaries	8	7
Decrease due to increase in subsidiaries	(14)	(100)
Decrease due to decrease in subsidiaries	(1)	(3)
Reversal of revaluation reserve for land	(114)	2,681
Net changes in the items other than stockholders' equity in the period	(116,171)	(460,895)
Net changes in the period	(609,180)	(107,203)
Balance at end of period	¥ 4,611,764	¥ 5,224,076

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31,	2009	2008
1. Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 29,495	¥ 928,955
Depreciation	123,025	–
Depreciation of fixed assets	–	83,346
Depreciation of lease assets	–	403,775
Losses on impairment of fixed assets	7,363	5,161
Amortization of goodwill	8,388	10,520
Equity in (earnings) losses of affiliates	94,876	41,760
Losses (gains) on sale of subsidiaries' shares and gains on change in equity of subsidiary	–	106
Net change in reserve for possible loan losses	191,190	(26,197)
Net change in reserve for employee bonuses	102	1,289
Net change in reserve for executive bonuses	(630)	1,146
Net change in reserve for employee retirement benefits	2,273	2,178
Net change in reserve for executive retirement benefits	58	295
Net change in reserve for reimbursement of deposits	1,350	10,417
Interest income	(2,087,348)	(2,145,451)
Interest expenses	748,894	935,067
Net (gains) losses on securities	155,831	29,146
Net (gains) losses from money held in trust	134	(227)
Net exchange (gains) losses	184,195	355,913
Net (gains) losses from disposal of fixed assets	10,847	1,550
Net (gains) losses from disposal of lease assets	–	(2,436)
Net change in trading assets	(912,601)	(864,864)
Net change in trading liabilities	1,028,101	747,776
Net change in loans and bills discounted	(3,439,852)	(3,372,601)
Net change in deposits	3,031,427	776,786
Net change in negotiable certificates of deposit	4,384,033	497,697
Net change in borrowed money (excluding subordinated debt)	475,829	333,136
Net change in deposits with banks	764,080	(241,409)
Net change in call loans and bills bought and others	409,341	34,765
Net change in receivables under securities borrowing transactions	119,941	336,724
Net change in call money and bills sold and others	(1,186,720)	2,044,633
Net change in payables under securities lending transactions	1,857,241	4,215,699
Net change in foreign exchanges (assets)	2,261	(14,713)
Net change in foreign exchanges (liabilities)	(19,280)	(22,916)
Net change in lease receivables and investment assets	46,904	–
Net change in short-term bonds (liabilities)	244,242	42,500
Issuance and redemption of bonds (excluding subordinated bonds)	(283,810)	(220,801)
Net change in due to trust account	(19,878)	15,733
Interest received	2,132,561	2,146,724
Interest paid	(765,686)	(924,191)
Other, net	137,137	(326,054)
Subtotal	7,475,320	5,840,942
Income taxes paid	(107,266)	(58,353)
Net cash provided by operating activities	7,368,053	5,782,588

(continued)

Year ended March 31,	2009	2008
	(Millions of yen)	
2. Cash flows from investing activities:		
Purchases of securities	(53,213,459)	(50,073,494)
Proceeds from sale of securities	34,674,690	35,014,774
Proceeds from maturity of securities	12,176,246	10,504,800
Purchases of money held in trust	(2,135)	(5,378)
Proceeds from sale of money held in trust	0	796
Purchases of tangible fixed assets	(175,632)	(71,301)
Proceeds from sale of tangible fixed assets	12,081	16,592
Purchases of intangible fixed assets	(74,489)	(64,918)
Proceeds from sale of intangible fixed assets	58	252
Purchases of lease assets	–	(457,070)
Proceeds from sale of lease assets	–	51,141
Purchase of stock of subsidiaries	(21,925)	–
Proceeds from sale of stocks of subsidiaries	363	198
Purchase of treasury stock of subsidiaries	(20,000)	–
Proceeds from purchase of stock of subsidiaries	355	–
Purchases of stocks of subsidiaries	(8,675)	(2,951)
Proceeds from sales of investments in subsidiaries	13,264	–
Net cash used in investing activities	(6,639,254)	(5,086,559)
3. Cash flows from financing activities:		
Proceeds from issuance of subordinated debt	5,000	40,000
Repayment of subordinated debt	(92,500)	(76,000)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	380,600	214,000
Repayment of subordinated bonds and bonds with stock acquisition rights	(316,874)	(47,000)
Dividends paid	(118,758)	(110,099)
Proceeds from minority stockholders	1,046,529	141,500
Repayments to minority stockholders	(460,564)	–
Dividends paid to minority stockholders	(90,162)	(60,239)
Purchases of treasury stock	(943)	(901)
Proceeds from disposal of treasury stock	326	853
Net cash provided by financing activities	352,652	102,112
4. Effect of exchange rate changes on cash and cash equivalents	(17,315)	(8,465)
5. Net change in cash and cash equivalents	1,064,136	789,676
6. Cash and cash equivalents at beginning of year	2,736,752	1,927,024
7. Change in cash and cash equivalents due to merger of consolidated subsidiaries	–	1,183
8. Change in cash and cash equivalents due to newly consolidated subsidiaries	0	18,870
9. Change in cash and cash equivalents due to exclusion of consolidated subsidiaries	–	(3)
10. Cash and cash equivalents at end of year	¥ 3,800,890	¥ 2,736,752

(5) Note on the Assumption as a Going Concern

Not applicable.

(6) Significant Accounting Policies for Preparing Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries 288 companies

Principal companies: Sumitomo Mitsui Banking Corporation
THE MINATO BANK, LTD.
Kansai Urban Banking Corporation
Sumitomo Mitsui Banking Corporation Europe Limited
Manufacturers Bank
Sumitomo Mitsui Finance and Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
QUOQ Inc.
SMBC Finance Service Co., Ltd.
SMBC Friend Securities Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

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

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 because they were no longer subsidiaries due to a decrease in shareholding ratio and other reasons.

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

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial that they do not hinder a rational judgment of SMFG’s financial position and results of operations when excluded from the scope of consolidation.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method 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 this 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
Promise Co., Ltd.
Central Finance Co., Ltd.
OMC Card, Inc.
Daiwa Securities SMBC Co. Ltd.
Daiwa SMBC Capital Co., Ltd.
Daiwa SB Investments Ltd.
Sumitomo Mitsui Asset Management Company, Limited

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 due to a decrease in shareholding ratio and were treated as affiliated companies accounted for by the equity method.

2 companies including Japan Pension Navigator Co., Ltd. was excluded from the scope of affiliated companies accounted for by the equity method because it became a consolidated subsidiary. 3 companies including F BALANCE Inc. were also excluded due mainly to liquidation.

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

226 subsidiaries including SMLC MAHOGANY CO., LTD. are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have not been accounted for by the equity method pursuant to Article 10 Paragraph 1 Item 2 of Consolidated Financial Statements Regulations.

(4) Affiliates that are not accounted for by the equity method

Principal company:

Daiwa SB Investments (USA) Ltd.

Affiliates that are not accounted for by the equity method are also excluded from the scope of equity method because their total amounts in terms of net income and retained earnings are immaterial that they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of equity method.

3. The balance sheet dates of consolidated subsidiaries

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

May 31	1	company
June 30	6	companies
July 31	2	companies
September 30	5	companies
October 31	2	companies
November 30	4	companies
December 31	125	companies
January 31	15	companies
February 28	7	companies
March 31	121	companies

(2) The subsidiaries whose balance sheet dates are May 31, July 31, September 30, November 30 and January 31 are consolidated after the accounts were provisionally closed as of March 31 for the purpose of consolidation. In case of the subsidiaries whose balance sheet dates are June 30, they are consolidated after the accounts were provisionally closed as of December 31 and March 31. As for the subsidiaries whose balance sheet dates are October 31, their financial statements are consolidated based on the provisional financial statements closed as of January 31 and March 31, respectively. The other companies are consolidated on the basis of their respective balance sheet dates.

Overseas consolidated subsidiaries whose balance sheet dates are December 31 were established in January and February 2009. They are consolidated after the accounts were provisionally closed as of March 31.

Appropriate adjustments are made for material transactions during the periods from their respective balance sheet dates to the consolidated balance sheet date.

4. Special purpose entities

(1) Outline of special purpose entities and transactions

SMBC, a consolidated subsidiary of SMFG, provides credit lines, liquidity lines and loans to 14 special purpose entities ("SPEs") for their fund needs and issuing of commercial paper. The SPEs are engaged in purchases of monetary claims such as receivables from SMBC customers, and incorporated under the laws of the Cayman Islands or as intermediate corporations with limited liabilities.

The combined assets and liabilities of the 14 SPEs as of their most recent closing dates were ¥3,140,527 million and ¥3,140,894 million, respectively. SMBC has no voting rights in the SPEs and sends no directors or employees.

(2) Amount of transactions with SPEs in the fiscal year ended March 31, 2009

(Millions of yen)

Balances of principal transactions as of March 31, 2009		Principal profit or loss for the fiscal year ended 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		

5. Accounting policies

(1) Standards for recognition and measurement of trading assets/liabilities and trading profits/losses

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in "Trading assets" or "Trading liabilities" on the consolidated balance sheet on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading income" and "Trading losses."

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

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

(2) Standards for recognition and measurement of securities

(a) 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 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). Other securities with no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in "Net assets."

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

(3) Standards for recognition and measurement of derivative transactions

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

(4) Depreciation

(a) Tangible fixed assets

Tangible fixed assets owned by Sumitomo Mitsui Financial Group, Inc. ("SMFG") and its consolidated subsidiary, Sumitomo Mitsui Banking Corporation ("SMBC") are depreciated using the straight-line method. Equipments are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings: 7 to 50 years
Equipment: 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.

(b) Intangible fixed assets

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

(c) Lease assets

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

(5) Reserve for possible loan losses

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

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

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

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

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

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

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

The reserve for possible loan losses of 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.

(6) Reserve for employee bonuses

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

(7) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to executives, in the amount of estimated bonuses, which are attributable to the fiscal year.

(8) Reserve for employee retirement benefits

The reserve for 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.

Unrecognized prior service cost is amortized using the straight-line method, primarily over 9 years within the employees' average remaining service period at incurrence.

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

(9) Reserve for executive retirement benefits

The reserve for executive retirement benefits is provided for payment of retirement benefits to directors, corporate auditors and other executive officers, in the amount deemed accrued at the fiscal year-end based on our internal regulations.

(10) Reserve for reimbursement of deposits

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

(11) Reserve under the special laws

The reserve under the special laws is a reserve for contingent liabilities and provided for compensation for losses from securities related transactions or derivative transactions, pursuant to Article 46-5 and Article 48-3 of the Financial Instruments and Exchange Law.

(12) Translation of foreign currency assets and liabilities

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

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

(13) Lease transactions

(a) Recognition of income on finance leases

Interest income is allocated to each period.

(b) Recognition of income on operating leases

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

(c) Recognition of income and expenses on installment sales

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

(14) Hedge accounting

(a) Hedging against interest rate changes

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

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

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

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

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 and ¥5,688 million, respectively.

(b) Hedging against currency fluctuations

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

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

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

(c) Transactions between consolidated subsidiaries

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

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

(15) Consumption tax

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

6. Valuation of consolidated subsidiaries’ assets and liabilities

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

7. Amortization of goodwill

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

8. Scope of “Cash and cash equivalents” on Consolidated Statement of Cash Flows

For the purposes of presenting the consolidated statement of cash flows, “Cash and cash equivalents” are cash on hand, non-interest earning deposits with banks and deposits paid to Bank of Japan.

(7) Application of New Accounting Standards

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, issued on May 17, 2006) became effective from the fiscal year beginning on and after April 1, 2008. Accordingly, SMFG has applied it from this fiscal year. This accounting method decreased retained earnings at the beginning of this fiscal year by ¥3,132 million, and has no material impact on the income or loss for the fiscal year ended March 31, 2009.

(Accounting Standard for Lease Transactions)

Non-transfer ownership finance leases had been accounted for using the same method as for operating leases. However, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued on March 30, 2007) and

"Implementation Guidance for Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008. Accordingly, SMFG has applied them from this fiscal year.

As for non-transfer ownership finance lease transactions which commenced before April 1, 2008, their treatment was as follows.

(i) Lessee side

Taking future minimum lease payment, excluding interest portion, at March 31, 2008 as acquisition cost, the amounts are recorded as tangible fixed assets or intangible fixed assets, assuming they had been acquired at the beginning of the fiscal year.

(ii) Lessor side

Book value (excluding depreciation) of lease assets at March 31, 2008 was recorded as the beginning balance of "Lease receivables and investment assets."

Accordingly, this accounting change has the following impact on the consolidated financial statements as compared with the previous accounting method:

	(Millions of yen)
Lease receivables and investment assets	¥ 1,968,347
Tangible fixed assets	
Lease assets	7,206
Intangible fixed assets	
Lease assets	480
Loans and bills discounted	(138,788)
Lease assets	(1,205,021)
Other assets	(662,005)
Other liabilities	(32,205)
Interest income	
Interest on lease transactions	¥ 77,772
Interest on loans and discounts	(7,659)
Interest expenses	
Other interest expenses	(639)
Other operating income	
Lease-related income	(503,389)
Installment-related income	(242,763)
Other	(810)
Other operating expenses	
Lease-related expenses	(472,005)
Installment-related expenses	(206,456)
General and administrative expenses	(178)

As a result, ordinary profit and income before income taxes and minority interests increased by ¥2,430 million and ¥2,423 million, respectively.

(8) Change in Presentation

(Consolidated Balance Sheet)

Lease assets related to operating leases on lesser side (March 31, 2008: ¥99,183 million; March 31, 2009: ¥180,273 million) had been included in "Lease assets." From this fiscal year, they are included in the following items because they have been immaterial:

	(Millions of yen)
Tangible fixed assets	
Buildings	¥ 52,681
Land	68,131
Other tangible fixed assets	59,460
Intangible fixed assets	
Software	0

(Consolidated Statement of Cash Flows)

"Losses (gains) on sale of subsidiaries' shares and gains on change in equity of subsidiary" which had been reported in "Net cash provided by operating activities" in the fiscal year ended March 31, 2008, were ¥(5,622) million in the fiscal year ended March 31, 2009. They are included in "Other" from this fiscal year because they have been immaterial.

(9) Additional Information

Floating-rate Japanese government bonds which SMFG held as "Other securities – AFS securities" had been carried on the consolidated balance sheet at market values. From the fiscal year ended March 31, 2009, such bonds have been carried at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value of Financial Assets" (Accounting Standard Board of Japan Practical Issues Task Force No. 25, issued on October 28, 2008). As a result of this accounting change, compared with the former accounting method, "Securities," "Net unrealized gains (losses) on other securities" and "Minority interests" increased by ¥117,757 million, ¥67,741 million and ¥2,508 million, respectively, and "Deferred tax assets" decreased by ¥47,508 million.

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

(10) Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheet

1. Securities included stocks of unconsolidated subsidiaries and affiliates of ¥463,939 million and investments of ¥6,025 million.

2. Japanese government bonds and other securities as a sub-account of Securities include ¥33,312 million of unsecured loan securities for which borrowers have the right to sell or pledge.
   As for the unsecured borrowed securities for which SMBC has the right to sell or pledge and the securities which SMBC purchased under resale agreements and borrowed with cash collateral, that are permitted to be sold or pledged without restrictions, ¥1,717,335 million of securities are pledged, and ¥188,715 million of securities are held in hand as of the consolidated balance sheet date.

3. Bankrupt loans and Non-accrual loans were ¥292,088 million and ¥1,019,352 million, respectively.
   "Bankrupt loans" are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.
   "Non-accrual loans" are loans on which accrued interest income is not recognized, excluding "Bankrupt loans" and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

4. Past due loans (3 months or more) totaled ¥36,162 million.
   "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."

5. Restructured loans totaled ¥238,713 million.
   "Restructured loans" are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers' recovery from financial difficulties, excluding "Bankrupt loans," "Non-accrual loans" and "Past due loans (3 months or more)."

6. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans was ¥1,586,317 million. The amounts of loans presented in Notes 3 to 6 above are the amounts before deduction of reserve for possible loan losses.

7. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value was ¥686,407 million.

8. Assets pledged as collateral were as follows:

	(Millions of yen)
Assets pledged as collateral	
Cash and due from 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 account 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 of ¥19,380 million, Trading assets of ¥52,843 million, Securities of ¥11,172,095 million and Loans and bills discounted of ¥284,157 million were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

Other assets include surety deposits and intangible of ¥85,892 million and variation margins of futures markets of ¥6,252 million.

9. Commitment line contracts on overdrafts and loans are agreements to lend to customers up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥39,983,526 million 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. 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.

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

A certain affiliate also revaluated its own land for business activities in accordance with the Law. The net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

Date of the revaluation

SMBC:

March 31, 1998 and March 31, 2002

Another consolidated subsidiary and an affiliate:

March 31, 1999 and March 31, 2002

Method of revaluation (stipulated in Article 3-3 of the Law)

SMBC:

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in 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.

11. Accumulated depreciation on tangible fixed assets amounted to ¥616,324 million.

12. Deferred gain on fixed assets deductible for tax purposes amounted to ¥66,691 million.

13. The balance of subordinated debt included in “Borrowed money” was ¥436,000 million.

14. The balance of subordinated bonds included in “Bonds” was ¥2,281,687 million.

15. The amount guaranteed by banking subsidiaries to privately-placed bonds (stipulated by Article 2-3 of Financial Instruments and Exchange Law) in “Securities” was ¥2,304,890 million.

Notes to Consolidated Statement of Operations

1. “Other income” included gains on sales of stocks and other securities of ¥15,242 million.

2. “Other expenses” included write-off of loans of ¥302,353 million, losses on devaluation of stocks and other securities of ¥191,117 million, losses on delinquent loans sold of ¥62,549 million and equity in losses of affiliates of ¥94,876 million.

3. The difference between the recoverable amount and the book value of the following assets is recognized as “Losses on impairment of fixed assets” and included in “Extraordinary losses” in the fiscal year.

(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
Others	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 branches and idle assets (corporate assets and idle 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 mainly using net realizable value which is based on appraisal value in accordance with the Real Estate Appraisal Standard less the expected sale costs.

Notes to Consolidated Statement of Changes in Net Assets

1. Type and number of shares issued and treasury shares are as follows:

	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
Shares issued				
Common stock	7,733,653.77	(*1) 781,346,823.23	–	789,080,477
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	–	(*2) 4,175	–
Preferred stock (6th series type 4)	4,175	–	(*2) 4,175	–
Preferred stock (7th series type 4)	4,175	–	(*2) 4,175	–
Preferred stock (8th series type 4)	4,175	–	(*2) 4,175	–
Preferred stock (9th series type 4)	4,175	–	–	4,175
Preferred stock (10th series type 4)	4,175	–	–	4,175
Preferred stock (11th series type 4)	4,175	–	–	4,175
Preferred stock (12th series type 4)	4,175	–	–	4,175
Preferred stock (1st series type 6)	70,001	–	–	70,001
Total	7,853,754.77	781,346,823.23	16,700	789,183,878
Treasury shares				
Common stock	168,997.41	(*3) 16,887,475.04	(*3) 28,006.45	17,028,466
Preferred stock (5th series type 4)	–	(*2) 4,175	(*2) 4,175	–
Preferred stock (6th series type 4)	–	(*2) 4,175	(*2) 4,175	–
Preferred stock (7th series type 4)	–	(*2) 4,175	(*2) 4,175	–
Preferred stock (8th series type 4)	–	(*2) 4,175	(*2) 4,175	–
Total	168,997.41	16,904,175.04	44,706.45	17,028,466

(*) 1. Increase in number of common shares issued
- 157,151 shares due to exercising of rights to request acquisition of common shares with respect to preferred stock (5th through 8th series Type 4) on April 30, 2008
- 781,189,672.23 shares due to the stock split implemented on January 4, 2009

2. Increase in number of treasury preferred shares (Type 4)
- 4,175 shares due to acquisition of own shares on April 30, 2008 as a result of exercising of rights to request acquisition of common shares

Decrease in number of shares issued and treasury shares of preferred stock (5th through 8th series Type 4)
- 4,175 shares due to retirement of treasury shares on May 16, 2008

3. Increase in number of treasury common shares
- 68,904.66 shares due to purchase of fractional shares and shares less than one unit
- 539 shares due to acquisition of shares owned by shareholders who opposed the exchange of subsidiary company shares for SMFG shares
- 16,818,031.38 shares due to the stock split implemented on January 4, 2009

Decrease in number of treasury common shares
- 28,006.45 shares due to sale of fractional shares and shares less than one unit

2. Information on stock acquisition rights is as follows:

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

3. Information on dividends is as follows:

(1) Dividends paid in the fiscal year

(Millions of yen, except per share data)

Date of resolution	Type of shares	Aggregate amount of dividends	Cash dividends per share	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
Meeting of Board of Directors 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 to be paid in the next fiscal year

(Millions of yen, except per share data)

Date of resolution	Type of shares	Aggregate amount of dividends	Source of dividends	Cash dividends per share	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

Notes to Consolidated Statement of Cash Flows

1. Reconciliation of "Cash and due from banks" of the consolidated balance sheet to "Cash and cash equivalents" at the fiscal year-end is as follows:

March 31, 2009	(Millions of yen)
Cash and due from banks	¥ 5,241,694
Interest-earning deposits, excluding deposits to Bank of Japan	(1,440,804)
Cash and cash equivalents	¥ 3,800,890

Market Value of Securities and Money Held in Trust

1. Securities

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

(1) Securities classified as trading purposes

As of March 31, 2009	(Millions of yen)
Consolidated balance sheet amount	¥ 858,134
Valuations gains (losses) included in the earnings for the fiscal year	502

(2) Bonds classified as held-to-maturity with market value

As of March 31, 2009 (Millions of yen)

	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥ 1,574,004	¥ 1,596,291	¥ 22,286	¥ 22,582	¥ 295
Japanese local government bonds	96,312	97,265	953	962	9
Japanese corporate bonds	392,209	396,215	4,006	4,611	605
Other	9,181	8,676	(504)	–	504
Total	¥ 2,071,708	¥ 2,098,449	¥ 26,741	¥ 28,155	¥ 1,414

(Note) Market value is calculated using market prices at the fiscal year-end.

(3) Other securities with market value

As of March 31, 2009 (Millions of yen)

	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 1,978,015	¥ 1,985,078	¥ 7,062	¥ 287,380	¥ 280,317
Bonds	14,010,902	14,008,076	(2,826)	21,534	24,360
Japanese government bonds	13,158,932	13,160,414	1,482	20,029	18,547
Japanese local government bonds	242,419	242,376	(43)	499	542
Japanese corporate bonds	609,550	605,286	(4,264)	1,005	5,270
Other	6,048,145	6,010,732	(37,412)	47,920	85,332
Total	¥ 22,037,063	¥ 22,003,887	¥ (33,176)	¥ 356,834	¥ 390,011

(Notes)
1. Consolidated balance sheet amount is calculated as follows:

Stocks	Average market prices during one month before the fiscal year-end
Bonds and other	Market prices at the fiscal year-end

2. Other securities with market value are considered as impaired if the market value decreases materially below the acquisition cost and such decline is not considered as recoverable. The market value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for the fiscal year was ¥156,721 million. The rule for determining "material decline" is as follows and is based on the classification of issuing company under self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	: Market value is lower than acquisition cost.
Issuers requiring caution	: Market value is 30% or more lower than acquisition cost.
Normal issuers	: Market value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.
Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.
Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.
Issuers requiring caution: Issuers that are identified for close monitoring.
Normal issuers: Issuers other than the above four categories of issuers.

(4) Held-to-maturity bonds sold during the fiscal year

There are no corresponding transactions.

(5) Other securities sold during the fiscal year

Year ended March 31, 2009			(Millions of yen)
	Sales amount	Gains on sales	Losses on sales
Other securities	¥ 34,610,449	¥ 158,285	¥ 75,997

(6) Securities not stated at market value

As of March 31, 2009	(Millions of yen)
	Consolidated balance sheet amount
Bonds classified as held-to-maturity	
Beneficiary claims on loan trusts	¥ 9,996
Other securities	
Unlisted stocks (excluding OTC stocks)	332,450
Unlisted bonds	2,901,693
Unlisted foreign securities	800,543
Other	564,348

(7) Change of classification of securities

There are no corresponding transactions.

(8) Redemption schedule of other securities with maturities and held-to-maturity bonds

As of March 31, 2009				(Millions of yen)
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	¥ 3,416,761	¥ 11,895,495	¥ 1,987,483	¥ 1,659,495
Japanese government bonds	2,802,254	9,376,045	1,133,529	1,422,588
Japanese local government bonds	32,001	232,744	73,889	52
Japanese corporate bonds	582,504	2,286,704	780,064	236,853
Other	1,077,576	4,272,647	788,691	609,101
Total	¥ 4,494,337	¥ 16,168,143	¥ 2,776,174	¥ 2,268,597

2. Money Held in Trust

(1) Money held in trust classified as trading purposes

As of March 31, 2009	(Millions of yen)
Consolidated balance sheet amount	¥ 1,416
Valuations gains (losses) included in the earnings for the fiscal year	(3)

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

There are no corresponding transactions.

(3) Other money held in trust

As of March 31, 2009 (Millions of yen)

	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	¥ 7,830	¥ 7,568	¥ (262)	¥ –	¥ 262

(Note) Consolidated balance sheet amount is calculated using market prices at the fiscal year-end.

3. Net Unrealized Gains (Losses) on Other Securities and Other Money Held in Trust

Net unrealized gains (losses) on other securities that is reported on the consolidated balance sheet is shown as follows:

As of March 31, 2009	(Millions of yen)
Net unrealized gains (losses)	¥ (34,044)
Other securities	(33,781)
Other money held in trust	(262)
(–) Deferred tax liabilities	14,428
Net unrealized gains (losses) on other securities (before following adjustment)	(48,472)
(–) Minority interests	(5,400)
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method	28,422
Net unrealized gains (losses) on other securities	¥ (14,649)

(Note)
Net unrealized gains (losses) included foreign currency translation adjustments on non-marketable securities denominated in foreign currency.

Employee Retirement Benefits

1. Outline of employee retirement benefits

Consolidated subsidiaries in Japan have contributory funded defined benefit pension plans such as employee pension plans, qualified pension plans and lump-sum severance indemnity plans. Certain domestic consolidated subsidiaries in Japan adopt defined-contribution pension plan and have general type of employee pension plans. They may grant additional benefits in case where certain requirements are met when employees retire.
Some overseas consolidated subsidiaries adopt defined-benefit pension plans and defined-contribution pension plans.
SMBC and some consolidated subsidiaries in Japan contributed some of their marketable equity securities to employee retirement benefit trusts.

2. Projected benefit obligation

As of March 31, 2009		(Millions of yen)
Projected benefit obligation	(A)	¥ (918,081)
Plan assets	(B)	742,917
Unfunded projected benefit obligation	(C) = (A)+(B)	(175,164)
Unrecognized net actuarial gain or loss	(D)	382,151
Unrecognized prior service cost	(E)	(26,420)
Net amount recorded on the consolidated balance sheet	(F) = (C)+(D)+(E)	180,566
Prepaid pension cost	(G)	216,209
Reserve for employee retirement benefits	(F)-(G)	¥ (35,643)

(Note)
Some consolidated subsidiaries adopt simple method in calculating projected benefit obligation.

3. Pension expenses

Year ended March 31, 2009	(Millions of yen)
Service cost	¥ 20,574
Interest cost on projected benefit obligation	22,445
Expected return on plan assets	(31,192)
Amortization of unrecognized net actuarial gain or loss	33,301
Amortization of unrecognized prior service cost	(11,159)
Other (nonrecurring additional retirement allowance paid and other)	3,934
Pension expenses	¥ 37,902

(Notes)
1. Pension expenses of consolidated subsidiaries which adopt simple method are included in "Service cost."
2. Premium paid to defined-contribution pension is included in "Other."

4. Assumptions

Year ended March 31, 2009	
(1) Discount rate	1.4% - 2.5%
(2) Expected rate of return on plan assets	0% - 4.1%
(3) Allocation of estimated amount of retirement benefits	Allocated to each period by the straight-line method
(4) Term to amortize unrecognized prior service cost	Mainly 9 years (amortized using the straight-line method, within the employees’ average remaining service period at incurrence)
(5)Term to amortize unrecognized net actuarial gain or loss	Mainly 9 years (amortized using the straight-line method, primarily over 9 years within the employees’ average remaining service period, commencing from the next fiscal year of incurrence)

Stock Options

1. Amount of stock options to be expensed in the fiscal year

General and administrative expenses ¥22 million

2. Outline of stock options and changes

(1) SMFG

(a) Outline of stock options

Date of resolution	June 27, 2002
Title and number of grantees	Directors and employees of SMFG and SMBC 677
Number of stock options *	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

* "Number of stock options" are reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 27, 2002
Before vested	
Previous fiscal year-end	–
Granted	–
Forfeited	–
Vested	–
Outstanding	–
After vested	
Previous fiscal year-end *	108,100
Vested	–
Exercised	–
Forfeited	–
Exercisable	108,100

* Number of stock as of the previous fiscal year-end is reported in consideration of the stock split implemented on January 4, 2009.

Price information (Yen)

Date of resolution	June 27, 2002
Exercise price	¥ 6,698
Average exercise price	–
Fair value at the grant date	–

(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	June 29, 2004	June 29, 2005
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65	Directors and employees 174	Directors and employees 183
Number of stock options	Common shares 238,000	Common shares 234,000	Common shares 306,000	Common shares 399,000	Common shares 464,000
Grant date	July 31, 2001	July 31, 2002	July 31, 2003	July 30, 2004	July 29, 2005
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	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	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008
Title and number of grantees	Directors 9	Officers not doubling as directors 14, Employees 46	Directors 10	Officers not doubling as directors 14, Employees 48	Directors 9, Officers not doubling as directors 16, Employees 45
Number of stock options	Common shares 162,000	Common shares 115,000	Common shares 174,000	Common shares 112,000	Common shares 289,000
Grant date	July 31, 2006	July 31, 2006	July 31, 2007	July 31, 2007	July 31, 2008
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017	June 29, 2009 to June 28, 2017	June 28, 2010 to June 27, 2018

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005
Before vested					
Previous fiscal year-end	–	–	–	–	–
Granted	–	–	–	–	–
Forfeited	–	–	–	–	–
Vested	–	–	–	–	–
Outstanding	–	–	–	–	–
After vested					
Previous fiscal year-end	122,000	158,000	230,000	330,000	451,000
Vested	–	–	–	–	–
Exercised	4,000	–	2,000	1,000	–
Forfeited	6,000	–	–	–	–
Exercisable	112,000	158,000	228,000	329,000	451,000

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008
Before vested					
Previous fiscal year-end	162,000	115,000	174,000	112,000	–
Granted	–	–	–	–	289,000
Forfeited	–	–	–	–	–
Vested	162,000	115,000	–	–	–
Outstanding	–	–	174,000	112,000	289,000
After vested					
Previous fiscal year-end	–	–	–	–	–
Vested	162,000	115,000	–	–	–
Exercised	–	–	–	–	–
Forfeited	–	–	–	–	–
Exercisable	162,000	115,000	–	–	–

Price information (Yen)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005
Exercise price	¥ 155	¥ 131	¥ 179	¥ 202	¥ 313
Average exercise price	317	—	313	313	—
Fair value at the grant date	—	—	—	—	—

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008
Exercise price	¥ 490	¥ 490	¥ 461	¥ 461	¥ 302
Average exercise price	—	—	—	—	—
Fair value at the grant date	138	138	96	96	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 (*1)	39.99%
Average expected life (*2)	5 years
Expected dividends (*3)	¥5 per share
Risk-free interest rate (*4)	1.13%

(*) 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. Expected dividends are based on 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

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

Segment Informatio

1. Business segment information

Year ended March 31, 2009 (Millions of yen)

	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
Ordinary income						
(1) External customers	¥2,773,183	¥332,465	¥447,194	¥3,552,843	¥ –	¥3,552,843
(2) Intersegment	65,756	5,511	306,084	377,352	(377,352)	–
Total	2,838,940	337,976	753,279	3,930,196	(377,352)	3,552,843
Ordinary expenses	2,800,453	306,585	681,077	3,788,116	(280,583)	3,507,532
Ordinary profit	¥ 38,486	¥ 31,391	¥ 72,201	¥ 142,080	¥ (96,769)	¥ 45,311
Assets	¥114,704,051	¥2,918,254	¥8,222,027	¥125,844,333	¥ (6,207,109)	¥119,637,224
Depreciation	70,803	25,491	26,722	123,017	7	123,025
Losses on impairment of fixed assets	6,541	–	821	7,363	–	7,363
Capital expenditure	124,546	102,240	23,326	250,113	7	250,121

(Notes)

1. The business segmentation is classified based on SMFG's internal administrative purpose.
   Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. "Other business" includes securities, credit card business, investment banking, loans, venture capital, system development and information processing.
3. Amount of assets that are included in "Elimination" is ¥4,117,977 million, most of which are stocks of SMFG's subsidiaries and affiliates.

2. Geographic segment information

Year ended March 31, 2009 (Millions of yen)

	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
Ordinary income							
(1) External customers	¥2,886,164	¥230,755	¥245,279	¥190,644	¥3,552,843	¥ –	¥3,552,843
(2) Intersegment	125,334	95,462	6,959	22,639	250,396	(250,396)	–
Total	3,011,499	326,218	252,238	213,284	3,803,239	(250,396)	3,552,843
Ordinary expenses	3,026,816	282,617	255,544	172,847	3,737,825	(230,293)	3,507,532
Ordinary profit	¥ (15,317)	¥ 43,600	¥ (3,305)	¥ 40,436	¥ 65,414	¥ (20,102)	¥ 45,311
Assets	¥102,162,307	¥10,054,434	¥5,537,019	¥5,157,482	¥122,911,244	¥ (3,274,020)	¥119,637,224

(Notes)

1. The geographic segmentation is classified based on the degrees of following factors:
   geographic proximity, similarity of economic activities and relationship of business activities among regions.
   Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.
3. Amount of assets that are included in "Elimination" is ¥4,117,977 million, most of which are stocks of SMFG's subsidiaries and affiliates.

3. Ordinary income from overseas operations

Year ended March 31, 2009	(Millions of yen)
Consolidated ordinary income from overseas operations (A)	¥ 666,679
Consolidated ordinary income (B)	3,552,843
(A) / (B)	18.8 %

(Notes)

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

Business Combinations

There is no material information to report on business combinations.

Per Share Data

As of and year ended March 31,	(Yen) 2009
Net assets per share	¥ 2,790.27
Net loss per share	497.39

(Notes)

1. Net loss per share is calculated based on the followings:

Year ended March 31,	(Millions of yen, except number of shares) 2009
Net loss per share	
Net loss	¥ 373,456
Amount not to attributable to common stockholders	10,704
Dividends on preferred stock	10,704
Net loss attributable to common stock	384,160
Average number of common stock during the fiscal year (in thousand)	772,348

Outline of dilutive securities which were not included in the calculation of "Net income per share (diluted)" because they do not have dilutive effect:

Preferred stock (type 4)
33 thousand shares outstanding
Subscription rights to shares: 1 type
(Number of Subscription rights to shares: 1,081 units)
* 1 unit for 100 shares of common stock

2. Net income per share (diluted) is not reported because we recorded net loss.

3. Net assets per share is calculated based on the followings:

March 31,	(Millions of yen, except number of shares) 2009
Net assets	¥ 4,611,764
Amounts excluded from Net assets	2,457,530
Preferred stock	310,203
Dividends on preferred stock	5,352
Stock acquisition rights	66
Minority interests	2,141,908
Net assets attributable to common stock at the fiscal year-end	2,154,233
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousand)	772,052

Related Party Transactions

There are no material transactions with related parties to be reported for the fiscal year ended March 31, 2009.

Subsequent Events

1. Business combinations of subsidiaries: Merger of credit card companies

(1) Outline of the merger

(a) Company profiles

Surviving company: OMC Card, Inc. (Credit card business)
Merged company: Central Finance Co., Ltd. (Shopping credit business and general credit business)
Merged company: QUOQ Inc. (Shopping credit business and general credit business)

(b) Reasons for the merger

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

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

(c) Date of merger

April 1, 2009

(d) Legal form of the business combinations

OMC Card merged with CF and QUOQ, and CF and QUOQ was dissolved.
(New name of the company: Cedyna Financial Corporation)

(2) Outline of accounting method

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

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

Other business

(4) Approximate amounts of the subsidiary's earnings included in the consolidated statement of operations for the fiscal year:

Ordinary income: ¥ 44,596 million
Ordinary profit: 8,454 million
Net loss: 3,206 million

(5) Status after the business combination

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

2. Shelf Registration Statement Filing

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

Type of Securities	Common stock of SMFG
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
Offering Method	Public offering
Use of Proceeds	To be invested in consolidated subsidiaries of SMFG

3. SMFG 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 securities issued
Non-cumulative perpetual preferred securities
(3) Redemption amount
¥340,000 million
(4) Scheduled redemption date
June 30, 2009
(5) Reason for redemption
Optional redemption

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

(1) Objectives

Sumitomo Mitsui Banking Corporation ("SMBC"), a consolidated subsidiary of SMFG, has reached an agreement with Nikko Citi Holdings Inc. ("Nikko Citi HD"), a wholly owned subsidiary of Citigroup Inc. ("Citigroup"), 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. ("Nikko Cordial"), 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 ("Nikko Citi"), which engages mainly in the wholesale securities business (the "Wholesale Business"; the Retail Business and the Wholesale 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.

SMFG'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, SMFG 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) Counterparty 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

(a) Business line
Securities business

(b) Operating performance and financial position of the company

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 31,	2008	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.

(a) Acquisition price

(i) 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)

(ii) 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)

(b) 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.

Other Notes

Please refer to EDINET system (http://info.edinet-fsa.go.jp/) on and after June 29, 2009 (available in Japanese) for information on lease transactions, tax effect accounting and derivative transactions.

SMFG will also disclose the above-mentioned financial information on the Annual Report that will be issued in August 2009. (http://www.smfg.co.jp/english/index.html)

V. Non-Consolidated Financial Statements

(1) Non-consolidated Balance Sheets

March 31,	2009	2008
	(Millions of yen)	
Assets		
Current assets		
Cash and due from banks	¥ 1,281	¥ 53,735
Prepaid expenses	22	21
Deferred tax assets	39	359
Accrued income	19	56
Accrued income tax refunds	21,844	14,267
Other current assets	522	515
Total current assets	23,730	68,956
Fixed assets		
Tangible fixed assets		
Buildings	0	0
Equipment	2	4
Total tangible fixed assets	2	4
Intangible fixed assets		
Software	11	9
Total intangible fixed assets	11	9
Investments and other assets		
Investments in subsidiaries and affiliates	4,028,093	3,950,642
Deferred tax assets	5,475	1,603
Total investments and other assets	4,033,568	3,952,246
Total fixed assets	4,033,583	3,952,260
Total assets	¥ 4,057,313	¥ 4,021,217
Liabilities		
Current liabilities		
Short-term borrowings	¥ 1,078,030	¥ 1,049,030
Accounts payable	298	223
Accrued expenses	120	173
Income taxes payable	372	1,539
Business office taxes payable	5	4
Reserve for employee bonuses	102	81
Reserve for executive bonuses	–	74
Other current liabilities	637	1,114
Total current liabilities	1,079,566	1,052,242
Fixed liabilities		
Reserve for executive retirement benefits	199	225
Total fixed liabilities	199	225
Total liabilities	1,079,766	1,052,468
Net assets		
Stockholders' equity		
Capital stock	1,420,877	1,420,877
Capital surplus		
Capital reserve	642,355	642,355
Other capital surplus	273,808	288,031
Total capital surplus	916,163	930,386
Retained earnings		
Other retained earnings		
Voluntary reserve	30,420	30,420
Retained earnings brought forward	653,487	670,259
Total retained earnings	683,907	700,679
Treasury stock	(43,400)	(83,194)
Total shareholders' equity	2,977,547	2,968,749
Total net assets	2,977,547	2,968,749
Total liabilities and net assets	¥ 4,057,313	¥ 4,021,217

(2) Non-consolidated Statements of Income

Year ended March 31,	2009	2008
	(Millions of yen)	
Operating income		
Dividends on investments in subsidiaries and affiliates	¥ 117,051	¥ 89,693
Fees and commissions received from subsidiaries	17,721	21,944
Total operating income	134,772	111,637
Operating expenses		
General and administrative expenses	8,790	6,246
Total operating expenses	8,790	6,246
Operating profit	125,982	105,391
Non-operating income		
Interest income on deposits	110	298
Fees and commissions income	14	14
Other non-operating income	27	153
Total non-operating income	151	466
Non-operating expenses		
Interest on borrowings	11,910	11,012
Fees and commissions payments	11,912	1,263
Losses on devaluation of stocks of affiliate	–	4,518
Other non-operating expenses	0	–
Total non-operating expenses	23,824	16,794
Ordinary profit	102,309	89,063
Income before income taxes	102,309	89,063
Income taxes, current	2,393	5,470
Income taxes, deferred	(3,552)	618
Income taxes	(1,158)	6,088
Net income	¥ 103,468	¥ 82,975

(3) Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

Year ended March 31,	2009	2008
Stockholders' equity		
Capital stock		
Balance at end of previous fiscal year	¥ 1,420,877	¥ 1,420,877
Changes in the period		
Net changes in the period	—	—
Balance at end of period	1,420,877	1,420,877
Capital surplus		
Capital reserve		
Balance at end of previous fiscal year	642,355	642,355
Changes in the period		
Net changes in the period	—	—
Balance at end of period	642,355	642,355
Other capital surplus		
Balance at end of previous fiscal year	288,031	288,113
Changes in the period		
Disposal of treasury stock	(14,222)	(82)
Net changes in the period	(14,222)	(82)
Balance at end of period	273,808	288,031
Total capital surplus		
Balance at end of previous fiscal year	930,386	930,469
Changes in the period		
Disposal of treasury stock	(14,222)	(82)
Net changes in the period	(14,222)	(82)
Balance at end of period	916,163	930,386
Retained earnings		
Other retained earnings		
Voluntary reserve		
Balance at end of previous fiscal year	30,420	30,420
Changes in the period		
Net changes in the period	—	—
Balance at end of period	30,420	30,420
Retained earnings brought forward		
Balance at end of previous fiscal year	670,259	698,709
Changes in the period		
Cash dividends	(120,240)	(111,425)
Net income	103,468	82,975
Net changes in the period	(16,772)	(28,450)
Balance at end of period	653,487	670,259
Total retained earnings		
Balance at end of previous fiscal year	700,679	729,129
Changes in the period		
Cash dividends	(120,240)	(111,425)
Net income	103,468	82,975
Net changes in the period	(16,772)	(28,450)
Balance at end of period	683,907	700,679

(continued)

(Millions of yen)

Year ended March 31,	2009	2008
Treasury stock		
Balance at end of previous fiscal year	(83,194)	(82,578)
Changes in the period		
Purchase of treasury stock	(943)	(901)
Disposal of treasury stock	40,736	285
Net changes in the period	39,793	(616)
Balance at end of period	(43,400)	(83,194)
Total stockholders' equity		
Balance at end of previous fiscal year	2,968,749	2,997,898
Changes in the period		
Cash dividends	(120,240)	(111,425)
Net income	103,468	82,975
Purchase of treasury stock	(943)	(901)
Disposal of treasury stock	26,513	202
Net changes in the period	8,798	(29,149)
Balance at end of period	2,977,547	2,968,749
Total net assets		
Balance at end of previous fiscal year	2,968,749	2,997,898
Changes in the period		
Cash dividends	(120,240)	(111,425)
Net income	103,468	82,975
Purchase of treasury stock	(943)	(901)
Disposal of treasury stock	26,513	202
Net changes in the period	8,798	(29,149)
Balance at end of period	¥ 2,977,547	¥ 2,968,749

(4) Note on the Assumption as a Going Concern

Not applicable.