

Sumitomo Mitsui Financial Group, Inc. (SMFG)

Financial Results for the Six Months ended September 30, 2009

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Stock Exchange Listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange (code: 8316)

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Date of Payment of Interim Dividends: December 4, 2009

Amounts less than one million yen have been omitted.

1. Consolidated Financial Results (for the six months ended September 30, 2009)

(1) Operating Results

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

	Ordinary Income	Ordinary Profit	Net Income
Six Months ended September 30, 2009	¥ 1,566,910 (13.8)%	¥ 222,225 16.4%	¥ 123,540 48.3%
Six Months ended September 30, 2008	1,817,108 (12.5)	190,962 (45.9)	83,281 (51.2)

	Net Income per Share	Net Income per Share (Diluted)
Six Months ended September 30, 2009	¥ 128.05	¥ 125.97
Six Months ended September 30, 2008	10,092.43	9,964.41

(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
September 30, 2009	¥ 117,531,379	¥ 6,102,967	3.4%	¥ 3,645.47	(Preliminary) 13.13 %
March 31, 2009	119,637,224	4,611,764	2.1	2,790.27	11.47

Notes: 1. Stockholders' equity

(a) as of September 30, 2009: ¥3,963,418 million (b) as of March 31, 2009: ¥2,469,788 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).

2. Dividends on Common Stock per Share

(Yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Fiscal Year ended March 31, 2009	¥ —	¥ 7,000	¥ —	¥ 20	¥ —
Fiscal Year ending March 31, 2010	—	45			
Fiscal Year ending March 31, 2010 (Forecast)			—	45	90

Notes: 1. Dividend forecast remains unchanged.

2. Dividends on unlisted preferred stocks 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
Fiscal Year ending March 31, 2010	¥ 3,100,000 (12.7)%	¥ 490,000 981.4%	¥ 220,000 —	¥ 217.61

Notes: 1. Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the results of the previous fiscal year.

2. Earnings forecast which was announced in May 2009 is revised.

4. Other Information

(1) Changes in material consolidated subsidiaries in the six months ended September 30, 2009

SMFG Preferred Capital JPY 3 Limited has been newly consolidated. For more details, please refer to page 5.

(2) There are no changes in accounting principles, procedures and presentation when preparing interim consolidated financial statements.

(3) Number of Shares Issued (common stock)

	As of September 30, 2009	As of March 31, 2009
(a) Number of shares issued (including treasury shares)	1,017,711,777 shares	789,080,477 shares
(b) Number of treasury shares	17,056,152 shares	17,028,466 shares
	Six Months ended September 30,	
	2009	2008
(c) Average number of shares issued in the period	922,966,966 shares	7,721,594 shares

[Reference] Parent Company Only Financial Information on a Nonconsolidated Basis

1. Non-consolidated Financial Results (for the six months ended September 30, 2009)

(1) Operating Results

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

	Operating Income		Operating Profit		Ordinary Profit		Net Income	
Six Months ended								
September 30, 2009	¥ 32,594	(34.4)%	¥ 29,058	(37.1)%	¥ 17,067	(49.5)%	¥ 18,309	(42.9)%
September 30, 2008	49,659	107.5	46,193	124.2	33,771	189.7	32,074	242.5

	Net Income per Share
Six Months ended	
September 30, 2009	¥ 13.84
September 30, 2008	3,416.32

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
September 30, 2009	¥ 5,263,574	¥ 3,835,717	72.9 %	¥ 3,471.58
March 31, 2009	4,057,313	2,977,547	73.4	3,389.38

Note: Stockholders' equity

(a) as of September 30, 2009: ¥3,835,717 million (b) as of March 31, 2009: ¥2,977,547 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	
Fiscal Year ending March 31, 2010	¥ 130,000	(3.5) %	¥ 115,000	(8.7) %	¥ 95,000	(7.1) %
	Net Income		Net Income per Share			
Fiscal Year ending March 31, 2010	¥ 80,000	(22.7) %	¥ 71.06			

Notes: 1. Percentages shown in Operating Income, Operating Profit, Ordinary Profit and Net Income are the increase (decrease) from the results of the previous fiscal year.

2. Earnings forecast which was announced in May 2009 is revised.

[Dividends Information]

Dividends on Preferred Stock per Share

(Yen)

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Preferred stock (Type 4)	Fiscal Year ended March 31, 2009	¥ —	¥ 67,500	¥ —	¥ 67,500	¥ 135,000
	Fiscal Year ending March 31, 2010	—	67,500	/	/	135,000
	Fiscal Year ending March 31, 2010 (Forecast)	/	/	—	67,500	
Preferred stock (Type 6)	Fiscal Year ended March 31, 2009	—	44,250	—	44,250	88,500
	Fiscal Year ending March 31, 2010	—	44,250	/	/	88,500
	Fiscal Year ending March 31, 2010 (Forecast)	/	/	—	44,250	

<Reference> Calculation for Indices

- Forecasted Net Income per Share:

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

(Note) The average number of common stocks used to calculate "Net Income per Share" for the fiscal year ending March 31, 2010 was 961,811,295 for consolidated basis and 975,151,343 for non-consolidated basis.

[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 previous fiscal year, dividends on common stock per share and other per share information would be as follows.

(Yen)

Record Date	Dividends on Common Stock per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Fiscal Year ended March 31, 2009	¥ —	¥ 70	¥ —	¥ 20	¥ 90

	Net Income per Share	Net Income per Share (Diluted)
Six Months ended September 30, 2008 (consolidated basis)	¥ 100.92	¥ 99.64
Six Months ended September 30, 2008 (non-consolidated basis)	34.16	/

This document contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

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

Sumitomo Mitsui Financial Group (“SMFG”) reports the financial results for the six months ended September 30, 2009.

1. Operating Results

In the six months ended September 30, 2009, SMFG recorded consolidated gross profit of ¥1,066.0 billion, almost the same as a year earlier as a result of an increase in gains on bonds by quickly responding to fluctuation in market interest rates.

General and administrative expenses decreased ¥5.9 billion year on year to ¥533.0 billion attributable mainly to the greater efforts to reduce expenses.

Credit cost decreased ¥33.7 billion year on year to ¥268.5 billion on a consolidated basis. This is mainly attributable to a decrease of ¥67.2 billion by SMBC resulting from in-depth approaches suiting to our clients’ conditions, the government’s economic stimulus package and improvement in overseas markets.

As a result of the factors mentioned above, on a consolidated basis, SMFG recorded ordinary profit of ¥222.2 billion, a year-on-year increase of ¥31.3 billion, and net income of ¥123.5 billion, a year-on-year increase of ¥40.3 billion.

<Consolidated>

(Billions of yen)

	Six months ended September 30, 2009	Change from the six months ended September 30, 2008	Year ended March 31, 2009 (reference)
Consolidated gross profit	¥ 1,066.0	¥ (2.1)	¥ 2,165.9
General and administrative expenses	(533.0)	5.9	(1,063.4)
Total credit cost	(268.5)	33.7	(767.8)
Gains (losses) on stocks, net	(8.9)	10.8	(183.7)
Ordinary profit	222.2	31.3	45.3
Net income (loss)	123.5	40.3	(373.5)

<SMBC, Non-consolidated>

Gross banking profit	¥ 719.3	¥ (15.7)	¥ 1,524.9
Expenses (excluding non-recurring losses)	(341.7)	14.9	(701.5)
Banking profit (*)	377.6	(0.8)	823.4
Gains on bonds, net	38.9	43.4	26.1
Total credit cost	(156.9)	67.2	(550.1)
Gains (losses) on stocks, net	(36.8)	(19.7)	(220.4)
Ordinary profit	147.1	25.0	36.1
Net income (loss)	112.6	32.2	(301.1)

(*) Banking profit (before provision for general reserve for possible loan losses)

2. Financial Position

On a consolidated basis, SMFG's total assets as of September 30, 2009 decreased ¥2,105.8 billion to ¥117,531.4 billion, compared with March 31, 2009. Net assets amounted to ¥6,103.0 billion, a year-on-year increase of ¥1,491.2 billion. Stockholders' equity increased ¥968.0 billion year on year to ¥3,567.2 billion as a result of the issuance of new common shares in June and July and a recording of net income.

Deposits increased ¥398.5 billion to ¥75,968.0 billion from March 31, 2009. Loans and bills discounted decreased ¥579.2 billion to ¥64,556.2 billion. Of this amount, SMBC, on a non-consolidated basis, accounted for ¥58,898.7 billion, a decrease of ¥1,342.6 billion. SMBC recorded a decrease in its overseas loan balance and this was mainly because of a conservative stance on asset operations overseas and the transfer of most of its branches in China to a newly established subsidiary.

On a consolidated basis, problem assets (non-performing loans as defined under the Financial Reconstruction Law) increased ¥69.4 billion to ¥1,722.6 billion from March 31, 2009. Problem asset ratio remained at a low level of 2.39%, an increase of 0.11% from March 31, 2009.

3. Earnings Forecasts for the fiscal year ending March 31, 2010

The consolidated earnings forecast announced on May 15, 2009 has been revised as follows due mainly to increases in credit costs of certain subsidiaries and equity method affiliates.

Ordinary income	¥ 3,100 billion	(a decrease by ¥300 billion from the previous forecast)
Ordinary profit	490 billion	(a decrease by ¥20 billion from the previous forecast)
Net income	220 billion	

The non-consolidated earnings forecast also has been revised as follows.

Operating income	¥ 130 billion	
Operating profit	115 billion	(a decrease by ¥5 billion from the previous forecast)
Ordinary profit	95 billion	(a decrease by ¥5 billion from the previous forecast)
Net income	80 billion	(a decrease by ¥20 billion from the previous forecast)

4. Other

Changes in Material Subsidiaries

The details of changes in specific subsidiaries in the six months are as follows:

Name	Address	Capital (*)	Business	Percentage of Voting Rights
SMFG Preferred Capital JPY 3 Limited	George Town, Grand Cayman, Cayman Islands	¥347,300 million	Other business (Finance)	100%

(*) Amount less than one million yen has been omitted.

5. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	(Millions of yen)	
	September 30, 2009	March 31, 2009 (condensed)
Assets:		
Cash and due from banks	¥ 4,886,294	¥ 5,241,694
Call loans and bills bought	893,872	633,655
Receivables under resale agreements	10,155	10,487
Receivables under securities borrowing transactions	1,313,881	1,820,228
Monetary claims bought	929,646	1,024,050
Trading assets	4,879,268	4,924,961
Money held in trust	9,177	8,985
Securities	28,355,428	28,698,164
Loans and bills discounted	64,556,160	65,135,319
Foreign exchanges	919,025	885,082
Lease receivables and investment assets	1,913,518	1,968,347
Other assets	4,265,791	4,257,251
Tangible fixed assets	1,032,632	1,008,801
Intangible fixed assets	365,906	361,884
Deferred tax assets	697,042	857,658
Customers' liabilities for acceptances and guarantees	3,589,763	3,878,504
Reserve for possible loan losses	(1,086,187)	(1,077,852)
Total assets	¥117,531,379	¥119,637,224
Liabilities:		
Deposits	¥ 75,967,958	¥ 75,569,497
Negotiable certificates of deposit	8,330,122	7,461,284
Call money and bills sold	2,962,996	2,499,113
Payables under repurchase agreements	1,092,568	778,993
Payables under securities lending transactions	2,935,045	7,589,283
Trading liabilities	3,479,169	3,597,658
Borrowed money	4,250,827	4,644,699
Foreign exchanges	216,545	281,145
Short-term bonds	1,060,264	1,019,342
Bonds	3,655,779	3,683,483
Due to trust account	111,667	60,918
Other liabilities	3,624,623	3,803,046
Reserve for employee bonuses	26,066	27,659
Reserve for executive bonuses	—	513
Reserve for employee retirement benefits	35,314	35,643
Reserve for executive retirement benefits	7,523	7,965
Reserve for reimbursement of deposits	9,600	11,767
Reserves under the special laws	358	432
Deferred tax liabilities	25,065	27,287
Deferred tax liabilities for land revaluation	47,151	47,217
Acceptances and guarantees	3,589,763	3,878,504
Total liabilities	111,428,411	115,025,460
Net assets:		
Capital stock	1,851,389	1,420,877
Capital surplus	492,070	57,245
Retained earnings	1,347,826	1,245,085
Treasury stock	(124,054)	(124,024)
Stockholders' equity	3,567,232	2,599,183
Net unrealized gains (losses) on other securities	468,762	(14,649)
Net deferred losses on hedges	(21,614)	(20,835)
Land revaluation excess	35,169	35,159
Foreign currency translation adjustments	(86,132)	(129,068)
Valuation and translation adjustments	396,185	(129,394)
Stock acquisition rights	74	66
Minority interests	2,139,474	2,141,908
Total net assets	6,102,967	4,611,764
Total liabilities and net assets	¥117,531,379	¥119,637,224

(2) Consolidated Statements of Income

Six months ended September 30	(Millions of yen)	
	2008	2009
Ordinary income	¥ 1,817,108	¥ 1,566,910
Interest income	1,116,721	858,852
Interest on loans and discounts	798,557	654,985
Interest and dividends on securities	182,855	126,234
Trust fees	1,268	540
Fees and commissions	345,903	321,694
Trading income	13,458	140,586
Other operating income	327,158	236,399
Other income	12,598	8,836
Ordinary expenses	1,626,145	1,344,685
Interest expenses	438,206	175,688
Interest on deposits	202,906	80,017
Fees and commissions payments	61,903	62,165
Trading losses	13,800	—
Other operating expenses	222,468	254,194
General and administrative expenses	538,960	533,021
Other expenses	350,806	319,615
Ordinary profit	190,962	222,225
Extraordinary gains	2,523	10,895
Extraordinary losses	2,930	3,043
Income before income taxes and minority interests	190,555	230,076
Income taxes-current	46,433	64,943
Income taxes-deferred	15,790	(14,720)
Income taxes	62,223	50,222
Minority interests in net income	45,051	56,313
Net income	¥ 83,281	¥ 123,540

(3) Consolidated Statements of Changes in Net Assets

Six months ended September 30	(Millions of yen)	
	2008	2009
Stockholders' equity		
Capital stock		
Balance at the end of the previous fiscal year	¥ 1,420,877	¥ 1,420,877
Changes in the period		
Issuance of new shares	—	430,512
Net changes in the period	—	430,512
Balance at the end of the period	1,420,877	1,851,389
Capital surplus		
Balance at the end of the previous fiscal year	57,826	57,245
Changes in the period		
Issuance of new shares	—	434,900
Disposal of treasury stock	(67)	(75)
Net changes in the period	(67)	434,825
Balance at the end of the period	57,759	492,070
Retained earnings		
Balance at the end of the previous fiscal year	1,740,610	1,245,085
Decrease in retained earnings at the beginning of the period due to accounting change of overseas subsidiaries	(3,132)	—
Changes in the period		
Cash dividends	(59,431)	(20,793)
Net income	83,281	123,540
Increase due to increase in subsidiaries	2	3
Increase due to decrease in subsidiaries	6	0
Decrease due to increase in subsidiaries	(7)	(5)
Decrease due to decrease in subsidiaries	(0)	(0)
Reversal of land revaluation excess	(108)	(5)
Net changes in the period	23,742	102,740
Balance at the end of the period	1,761,220	1,347,826
Treasury stock		
Balance at the end of the previous fiscal year	(123,989)	(124,024)
Changes in the period		
Purchase of treasury stock	(423)	(137)
Disposal of treasury stock	172	107
Net changes in the period	(251)	(29)
Balance at the end of the period	(124,240)	(124,054)
Total stockholders' equity		
Balance at the end of the previous fiscal year	3,095,324	2,599,183
Decrease in retained earnings at the beginning of the period due to accounting change of overseas subsidiaries	(3,132)	—
Changes in the period		
Issuance of new shares	—	865,413
Cash dividends	(59,431)	(20,793)
Net income	83,281	123,540
Purchase of treasury stock	(423)	(137)
Disposal of treasury stock	105	32
Increase due to increase in subsidiaries	2	3
Increase due to decrease in subsidiaries	6	0
Decrease due to increase in subsidiaries	(7)	(5)
Decrease due to decrease in subsidiaries	(0)	(0)
Reversal of land revaluation excess	(108)	(5)
Net changes in the period	23,424	968,049
Balance at the end of the period	3,115,616	3,567,232

(continued)

Six months ended September 30	(Millions of yen)	
	2008	2009
Valuation and translation adjustments		
Net unrealized gains on other securities		
Balance at the end of the previous fiscal year	550,648	(14,649)
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(87,511)	483,412
Net changes in the period	(87,511)	483,412
Balance at the end of the period	463,137	468,762
Net deferred losses on hedges		
Balance at the end of the previous fiscal year	(75,233)	(20,835)
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(38,921)	(778)
Net changes in the period	(38,921)	(778)
Balance at the end of the period	(114,154)	(21,614)
Land revaluation excess		
Balance at the end of the previous fiscal year	34,910	35,159
Changes in the period		
Net changes in the items other than stockholders' equity in the period	141	9
Net changes in the period	141	9
Balance at the end of the period	35,052	35,169
Foreign currency translation adjustments		
Balance at the end of the previous fiscal year	(27,323)	(129,068)
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(29,784)	42,936
Net changes in the period	(29,784)	42,936
Balance at the end of the period	(57,108)	(86,132)
Total valuation and translation adjustments		
Balance at the end of the previous fiscal year	483,002	(129,394)
Changes in the period		
Net changes in the items other than stockholders' equity in the period	(156,075)	525,579
Net changes in the period	(156,075)	525,579
Balance at the end of the period	326,926	396,185
Stock acquisition rights		
Balance at the end of the previous fiscal year	43	66
Changes in the period		
Net changes in the items other than stockholders' equity in the period	12	8
Net changes in the period	12	8
Balance at the end of the period	56	74
Minority interests		
Balance at the end of the previous fiscal year	1,645,705	2,141,908
Changes in the period		
Net changes in the items other than stockholders' equity in the period	169,442	(2,434)
Net changes in the period	169,442	(2,434)
Balance at the end of the period	1,815,148	2,139,474

(continued)

Six months ended September 30	(Millions of yen)	
	2008	2009
Total net assets		
Balance at the end of the previous fiscal year	5,224,076	4,611,764
Decrease in retained earnings at the beginning of the period due to accounting change of overseas subsidiaries	(3,132)	—
Changes in the period		
Issuance of new shares	—	865,413
Cash dividends	(59,431)	(20,793)
Net income	83,281	123,540
Purchase of treasury stock	(423)	(137)
Disposal of treasury stock	105	32
Increase due to increase in subsidiaries	2	3
Increase due to decrease in subsidiaries	6	0
Decrease due to increase in subsidiaries	(7)	(5)
Decrease due to decrease in subsidiaries	(0)	(0)
Reversal of land revaluation excess	(108)	(5)
Net changes in the items other than stockholders' equity in the period	13,379	523,154
Net changes in the period	36,804	1,491,203
Balance at the end of the period	<u>¥ 5,257,748</u>	<u>¥ 6,102,967</u>

(4) Consolidated Statements of Cash Flows

Six months ended September 30	(Millions of yen)	
	2008	2009
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 190,555	¥ 230,076
Depreciation	58,235	63,449
Losses on impairment of fixed assets	1,331	1,763
Amortization of goodwill	6,285	9,037
Equity in losses of affiliates	6,138	20,042
Net change in reserve for possible loan losses	6,043	31,386
Net change in reserve for employee bonuses	(169)	(1,007)
Net change in reserve for executive bonuses	(1,171)	(513)
Net change in reserve for employee retirement benefits	529	1,764
Net change in reserve for executive retirement benefits	(528)	(475)
Net change in reserve for reimbursement of deposits	(2,598)	(2,167)
Interest income	(1,116,721)	(858,852)
Interest expenses	438,206	175,688
Net (gains) losses on securities	22,916	(35,140)
Net (gains) losses from money held in trust	(73)	71
Net exchange losses	79,578	162,524
Net (gains) losses from disposal of fixed assets	686	(9,014)
Net change in trading assets	235,921	103,515
Net change in trading liabilities	(335,661)	(173,608)
Net change in loans and bills discounted	(1,614,687)	942,489
Net change in deposits	863,036	414,421
Net change in negotiable certificates of deposit	174,126	874,292
Net change in borrowed money (excluding subordinated borrowings)	63,808	(392,066)
Net change in deposits with banks	131,845	(521,488)
Net change in call loans and bills bought and others	160,603	(139,234)
Net change in receivables under securities borrowing transactions	1,545,202	506,347
Net change in call money and bills sold and others	(1,209,619)	770,214
Net change in payables under securities lending transactions	(1,702,897)	(4,654,237)
Net change in foreign exchanges (assets)	(230,208)	(37,906)
Net change in foreign exchanges (liabilities)	24,004	(64,836)
Net change in lease receivables and investment assets	(218)	125,969
Net change in short-term bonds (liabilities)	16,900	40,921
Issuance and redemption of bonds (excluding subordinated bonds)	(95,369)	(76,950)
Net change in due to trust account	26,136	50,748
Interest received	1,124,780	900,996
Interest paid	(424,919)	(181,357)
Other, net	(32,672)	(1,095,415)
Subtotal	<u>(1,590,644)</u>	<u>(2,818,554)</u>
Income taxes paid	<u>(39,584)</u>	<u>(31,796)</u>
Net cash used in operating activities	<u>(1,630,228)</u>	<u>(2,850,350)</u>

(continued)

Six months ended September 30	(Millions of yen)	
	2008	2009
Cash flows from investing activities:		
Purchases of securities	(21,349,839)	(23,171,622)
Proceeds from sale of securities	16,455,015	16,187,876
Proceeds from maturity-of securities	7,584,824	8,304,496
Purchases of money held in trust	(1,778)	(238)
Proceeds from sale of money held in trust	0	—
Purchases of tangible fixed assets	(100,698)	(82,527)
Proceeds from sale of tangible fixed assets	8,389	25,663
Purchases of intangible fixed assets	(38,625)	(35,692)
Proceeds from sale of intangible fixed assets	31	53
Purchase of investments in subsidiaries	(21,925)	—
Proceeds from sale of stocks of subsidiaries	363	—
Purchases of treasury stocks of subsidiaries	(20,000)	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(6,352)	(27,153)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	1,725	—
Net cash provided by investing activities	<u>2,511,133</u>	<u>1,200,855</u>
Cash flows from financing activities:		
Repayment of subordinated borrowings	(20,500)	(58,000)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	149,600	251,160
Repayment of subordinated bonds and bonds with stock acquisition rights	(180,885)	(181,220)
Proceeds from issuance of stocks	—	856,496
Dividends paid	(59,396)	(20,822)
Proceeds from contributions paid by minority stockholders	376,319	343,000
Repayment to minority stockholders	(186,534)	(340,000)
Dividends paid to minority shareholders	(49,990)	(47,664)
Purchases of treasury stock	(423)	(137)
Proceeds from disposal of treasury stock	105	32
Net cash provided by financing activities	<u>28,294</u>	<u>802,845</u>
Effect of exchange rate changes on cash and cash equivalents	(2,936)	(236)
Net change in cash and cash equivalents	<u>906,261</u>	<u>(846,885)</u>
Cash and cash equivalents at the beginning of the period	2,736,752	3,800,890
Change in cash and cash equivalents due to merger of a consolidated subsidiary	—	(17,407)
Change in cash and cash equivalents due to newly consolidated subsidiaries	0	—
Cash and cash equivalents at the end of the period	<u>¥ 3,643,014</u>	<u>¥ 2,936,596</u>

(5) Note on the Assumption as a Going Concern

Not applicable.

(6) Segment Information**(a) Business segment information**

Six months ended September 30, 2008

(Millions of yen)

	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
Ordinary income						
(1) External customers	¥ 1,426,233	¥ 173,984	¥ 216,890	¥ 1,817,108	¥ —	¥ 1,817,108
(2) Intersegment	29,757	2,767	148,535	181,060	(181,060)	—
Total	1,455,990	176,752	365,425	1,998,168	(181,060)	1,817,108
Ordinary expenses	1,312,538	154,398	306,324	1,773,261	(147,115)	1,626,145
Ordinary profit	¥ 143,451	¥ 22,354	¥ 59,101	¥ 224,907	¥ (33,944)	¥ 190,962

(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.

Six months ended September 30, 2009

(Millions of yen)

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

(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.

(b) Geographic segment information

Six months ended September 30, 2008

(Millions of yen)

	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
Ordinary income							
(1) External customers	¥ 1,453,386	¥ 120,897	¥ 132,713	¥ 110,111	¥ 1,817,108	¥ —	¥ 1,817,108
(2) Intersegment	63,688	43,385	3,820	14,111	125,006	(125,006)	—
Total	1,517,075	164,283	136,533	124,223	1,942,115	(125,006)	1,817,108
Ordinary expenses	1,345,952	146,968	137,725	106,754	1,737,401	(111,255)	1,626,145
Ordinary profit (loss)	¥ 171,122	¥ 17,314	¥ (1,192)	¥ 17,468	¥ 204,714	¥ (13,751)	¥ 190,962

(Notes)

1. The geographic segmentation is classified based on the degrees of the following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions.

Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.

2. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.

Six months ended September 30, 2009

(Millions of yen)

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

(Notes)

1. The geographic segmentation is classified based on the degrees of the following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions.

Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.

2. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.

(c) Ordinary income from overseas operations

(Millions of yen)

Six months ended September 30

	2008	2009
Consolidated ordinary income from overseas operations (A)	¥ 363,722	¥ 235,248
Consolidated ordinary income (B)	1,817,108	1,566,910
(A) / (B)	20.0%	15.0%

(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.

6. Non-consolidated Financial Statements**(1) Non-consolidated Balance Sheets**

	(Millions of yen)	
	September 30, 2009	March 31, 2009 (condensed)
Assets:		
Current assets		
Cash and due from banks	¥ 22,441	¥ 1,281
Other current assets	4,936	22,449
Total current assets	<u>27,377</u>	<u>23,730</u>
Fixed assets		
Tangible fixed assets	2	2
Intangible fixed assets	10	11
Investments and other assets	5,236,183	4,033,568
Investments in subsidiaries and affiliates	5,228,339	4,028,093
Other	7,844	5,475
Total fixed assets	<u>5,236,196</u>	<u>4,033,583</u>
Total assets	<u>¥ 5,263,574</u>	<u>¥ 4,057,313</u>
Liabilities:		
Current liabilities		
Short-term borrowings	¥ 1,078,030	¥ 1,078,030
Income taxes payable	371	372
Reserve for employee bonuses	98	102
Other current liabilities	1,872	1,061
Total current liabilities	<u>1,080,372</u>	<u>1,079,566</u>
Fixed liabilities		
Bonds	347,300	—
Reserve for executive retirement benefits	183	199
Total fixed liabilities	<u>347,483</u>	<u>199</u>
Total liabilities	<u>1,427,856</u>	<u>1,079,766</u>
Net assets:		
Stockholders' equity		
Capital stock	1,851,389	1,420,877
Capital surplus		
Capital reserve	1,072,868	642,355
Other capital surplus	273,732	273,808
Total capital surplus	<u>1,346,601</u>	<u>916,163</u>
Retained earnings		
Other retained earnings		
Voluntary reserve	30,420	30,420
Retained earnings brought forward	650,736	653,487
Total retained earnings	<u>681,156</u>	<u>683,907</u>
Treasury stock	(43,430)	(43,400)
Total stockholders' equity	<u>3,835,717</u>	<u>2,977,547</u>
Total net assets	<u>3,835,717</u>	<u>2,977,547</u>
Total liabilities and net assets	<u>¥ 5,263,574</u>	<u>¥ 4,057,313</u>

(2) Non-consolidated Statements of Income

Six months ended September 30	(Millions of yen)	
	2008	2009
Operating income		
Dividends on investments in subsidiaries and affiliates	¥ 38,493	¥ 25,451
Fees and commissions received from subsidiaries	11,166	7,142
Total operating income	49,659	32,594
Operating expenses		
General and administrative expenses	3,466	3,413
Interest on bonds	—	122
Total operating expenses	3,466	3,535
Operating profit	46,193	29,058
Nonoperating income	142	253
Nonoperating expenses	12,563	12,244
Ordinary profit	33,771	17,067
Income before income taxes	33,771	17,067
Current	3,850	1,227
Deferred	(2,153)	(2,469)
Income taxes	1,696	(1,241)
Net income	¥ 32,074	¥ 18,309

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

Six months ended September 30	(Millions of yen)	
	2008	2009
Stockholders' equity		
Capital stock		
Balance at the end of the previous fiscal year	¥ 1,420,877	¥ 1,420,877
Changes in the period		
Issuance of new shares	—	430,512
Net changes in the period	—	430,512
Balance at the end of the period	<u>1,420,877</u>	<u>1,851,389</u>
Capital surplus		
Capital reserve		
Balance at the end of the previous fiscal year	642,355	642,355
Changes in the period		
Issuance of new shares	—	430,512
Net changes in the period	—	430,512
Balance at the end of the period	<u>642,355</u>	<u>1,072,868</u>
Other capital surplus		
Balance at the end of the previous fiscal year	288,031	273,808
Changes in the period		
Disposal of treasury stock	(67)	(75)
Net changes in the period	(67)	(75)
Balance at the end of the period	<u>287,963</u>	<u>273,732</u>
Total capital surplus		
Balance at the end of the previous fiscal year	930,386	916,163
Changes in the period		
Issuance of new shares	—	430,512
Disposal of treasury stock	(67)	(75)
Net changes in the period	(67)	430,437
Balance at the end of the period	<u>930,319</u>	<u>1,346,601</u>
Retained earnings		
Other retained earnings		
Voluntary reserve		
Balance at the end of the previous fiscal year	30,420	30,420
Changes in the period		
Net changes in the period	—	—
Balance at the end of the period	<u>30,420</u>	<u>30,420</u>
Retained earnings brought forward		
Balance at the end of the previous fiscal year	670,259	653,487
Changes in the period		
Cash dividends	(60,135)	(21,059)
Net income	32,074	18,309
Net changes in the period	(28,060)	(2,750)
Balance at the end of the period	<u>642,199</u>	<u>650,736</u>
Total retained earnings		
Balance at the end of the previous fiscal year	700,679	683,907
Changes in the period		
Cash dividends	(60,135)	(21,059)
Net income	32,074	18,309
Net changes in the period	(28,060)	(2,750)
Balance at the end of the period	<u>672,619</u>	<u>681,156</u>

(continued)

Six months ended September 30	(Millions of yen)	
	2008	2009
Treasury stock		
Balance at the end of the previous fiscal year	(83,194)	(43,400)
Changes in the period		
Purchase of treasury stock	(423)	(137)
Disposal of treasury stock	172	107
Net changes in the period	<u>(251)</u>	<u>(29)</u>
Balance at the end of the period	<u>(83,445)</u>	<u>(43,430)</u>
Total stockholders' equity		
Balance at the end of the previous fiscal year	2,968,749	2,977,547
Changes in the period		
Issuance of new shares	—	861,025
Cash dividends	(60,135)	(21,059)
Net income	32,074	18,309
Purchase of treasury stock	(423)	(137)
Disposal of treasury stock	105	32
Net changes in the period	<u>(28,378)</u>	<u>858,169</u>
Balance at the end of the period	<u>2,940,370</u>	<u>3,835,717</u>
Total net assets		
Balance at the end of the previous fiscal year	2,968,749	2,977,547
Changes in the period		
Issuance of new shares	—	861,025
Cash dividends	(60,135)	(21,059)
Net income	32,074	18,309
Purchase of treasury stock	(423)	(137)
Disposal of treasury stock	105	32
Net changes in the period	<u>(28,378)</u>	<u>858,169</u>
Balance at the end of the period	<u>¥ 2,940,370</u>	<u>¥ 3,835,717</u>

(4) Note on the Assumption as a Going Concern

Not applicable.