

**(7) Application of New Accounting Standards**

(Accounting Standard for Financial Instruments)

“Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, partially revised on March 10, 2008) and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, issued on March 10, 2008) became effective from the fiscal year ending on and after March 31, 2010. SMFG has applied them from this fiscal year. Accordingly, this accounting change has the following impact on the consolidated financial statements as compared with the previous accounting method:

	(Millions of yen)
Monetary claims bought	¥ 8,710
Securities	41,914
Net unrealized gains (losses) on other securities	39,315
Deferred tax assets	(27,056)
Reserve for possible loan losses	(34,999)

As a result, ordinary profit and income before income taxes and minority interests increased by ¥19,251 million each as compared with the former method.