Notes to Consolidated Interim Balance Sheet

1. Amounts less than one million yen have been omitted.

2. 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 interim balance sheet on a contract date basis.
   Securities and monetary claims purchased for trading purposes are stated at the interim term-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 interim balance sheet date.
   A consolidated subsidiary, Sumitomo Mitsui Banking Corporation ("SMBC") formerly accounted for foreign currency translation differences arising from currency swaps for trading purposes as "Other assets" or "Other liabilities" on the balance sheet on a net basis. From this interim term, SMBC accounts for such foreign currency differences as "Trading assets" and "Trading liabilities" on a gross basis, pursuant to the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No.25). Consequently, "Other liabilities" decreased by 83,790 million yen, and increased "Trading assets" and "Trading liabilities" by 47,405 million yen and 131,196 million yen, respectively, compared with the former manner.

3. Held-to-maturity debt securities are debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity, and are carried at amortized cost (straight-line method) using the moving-average method.
   Investments in non-consolidated 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 debt securities and investments in non-consolidated subsidiaries and affiliates are classified as "other securities" (available-for-sale securities). Stocks in other securities that have market value are carried at the average market prices during the final month of the interim term, and bonds and others that have market prices are carried at their interim term-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 "Stockholders' equity," after deducting the amount that is reflected in the interim term's earnings because of application of fair value hedge accounting.

4. Securities included in "Money held in trust" are carried in the same way as in Notes 2 and 3.

5. Derivative transactions, excluding those classified as trading derivatives, are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with their local accounting standards.

6. Premises and equipment owned by Sumitomo Mitsui Financial Group, Inc. ("SMFG") and SMBC are depreciated using the straight-line method for premises and the declining-balance method for equipment. For the six months ended September 30, 2003, SMBC calculated the depreciation cost by proportionally allocating the estimated annual costs to the interim term. The estimated useful lives of major items are as follows:
   Buildings: 7 to 50 years
   Equipment: 2 to 20 years
   Other consolidated subsidiaries depreciate premises and equipment, and lease assets primarily using the straight-line method over the estimated useful lives of the respective assets and the straight-line method over the lease term based on the residual value of assets at the end of the lease term, respectively.

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

8. SMBC's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated interim balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.
   As for the accounting method of foreign currency transactions, in the previous fiscal year, domestic consolidated banking subsidiaries applied the temporary treatment stipulated in JICPA Industry Audit Committee Report No.25 to currency swaps and foreign exchange swaps for the purpose of lending or borrowing funds in different currencies. From this interim term, they apply the hedge accounting pursuant to the full treatment of JICPA Industry Audit Committee Report No.25.
   Consequently, for this interim term, the domestic consolidated banking subsidiaries valuated such foreign exchange swaps, for which profits or losses for the term were formerly accounted for, at fair value and included their fair-valued claims and debts on the consolidated interim balance sheet. As a result, "Other assets" and "Other liabilities" each increased by 2,846 million yen as compared with the former manner. On the other hand, this accounting change had no impact on profit or loss.
   Foreign currency translation differences arising from currency swaps and forward foreign exchange transactions were formerly accounted for as "Other assets" or "Other liabilities" on a net basis, but from this interim term they are

accounted for as "Other assets" or "Other liabilities" on a gross basis pursuant to JICPA Industry Audit Committee Report No.25. Consequently, "Other assets" and "Other liabilities" increased by 737,724 million yen each.

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.

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

For claims on borrowers who 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 likely to become bankrupt in the future, 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.

Of the claims on borrowers requiring close monitoring, SMBC applies the Discounted Cash Flows method ("DCF method") to the claims on borrowers whose all or some of the loans are classified as "Past due loans (3 months or more)" or "Restructured loans" and whose total loans exceed a certain amount. SMBC establishes reserve for possible loan losses using the DCF method for such claims in the amount of the differences between their present values of principals and interests (calculated by discounting the rationally estimated cash flows at the initial contractual using the interest rate) and their book values.

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

For claims originated in specific countries, an additional reserve is provided for by 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 rule for self-assessment of assets, and the Credit Review Department, independent from these operating sections, audits their assessment. The reserves are provided based on the results of these assessments.

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 ratio, 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 charged off against the total outstanding amount of the claims. The amount of write-off was 1,693,302 million yen.

10. Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, by the amount of estimated bonuses, which are attributable to this interim term.

11. Reserve for employee retirement benefits is provided, in provision for payment of retirement benefits to employees, by the amount deemed accrued at interim term-end, based on the projected retirement benefit obligation and fair value of plan assets at the fiscal year-end.

Prior service cost is amortized using the straight-line method over primarily 10 years within the employees' average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method over primarily 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Unrecognized net transition obligation from initial application of the new accounting standard for employee retirement benefits is amortized using the straight-line method over five years and is charged 50% of the annual amortized cost to its income for the six months ended September 30, 2003.

12. Reserve for possible losses on loans sold is provided for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is provided in accordance with Article 43 of the Ordinance of the Commercial Code.

13. Financing leases of SMFG and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same manner as operating leases.

14. 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 or fair value hedge accounting.

In the previous year, SMBC applied the temporary treatment stipulated in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No.24) to the "macro hedge," which is management of interest rate risk arising from huge transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives. From this interim term, SMBC applies the full treatment of JICPA Industry Audit Committee Report No.24 to hedges on groups of large-volume, small-value monetary claims and debts with similar risk characteristics. SMBC assesses the effectiveness of such hedge for offsetting changes in interest rate, by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. SMBC assesses the effectiveness of such hedges for fixing cash flows by verifying the correlation between the hedged items and the hedging instruments. SMBC also assesses the effectiveness of individual hedges.

As a result of changing the designation of hedge relationship pursuant to JICPA Industry Audit Committee Report No.24, SMBC applies fair value hedge accounting to hedging transactions for reducing the exposure to market volatility of bonds classified as other securities that are held for the purpose of Asset and Liability Management in order to more properly reflect the effectiveness of hedging transactions in the financial statements. Consequently, "Other assets" and "Net unrealized gains on other securities" decreased by 21,462 million yen and 13,521 million yen, respectively and "Deferred tax assets" increased by 8,507 million yen, compared with the former manner.

Of the deferred hedge losses and gains on macro hedge, the amounts related to hedging instruments to which SMBC discontinued applying hedge accounting or applied fair value hedge accounting as a result of the change mentioned above are allocated to "Interest income" or "Interest expenses" over a 12-year period (maximum) from this interim term according to their maturity. Gross amounts of deferred hedge losses and gains on "macro hedge" are 422,999 million yen and 410,931 million yen, respectively.

Other certain consolidated subsidiaries use 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 the Industry Audit Committee Report No.19 "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry" issued by JICPA.

15. SMBC applies deferred hedge accounting stipulated in the full treatment of 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 currency, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged security is designated in advance and that enough on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged security in foreign currency base.

16. 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.

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

18. SMBC accounts for the exhibition expenses related to "The 2005 World Exposition, Aichi, Japan" that will be held in Aichi Prefecture in 2005 as "Reserve for exhibition at World Exposition." This reserve is stipulated in the Article 43 of the Ordinance of the Commercial Code and includes the reserve that is stipulated in Article 57-2 of the Specific Taxation Measures Law.

19. Other reserves required by special laws are reserve for contingent liabilities from financial futures transaction (18 million yen) in accordance with Article 82 of the Financial Futures Transaction Law, and reserve for contingent liabilities from securities transaction (513 million yen) in accordance with Article 51 of the Securities Exchange Law.

20. Accumulated depreciation on premises and equipment and accumulated depreciation on lease assets were 604,089 million yen and 1,508,565 million yen, respectively.

21. Bankrupt loans and non-accrual loans were 179,497 million yen and 2,287,238 million yen, respectively. These amounts include trust with The Resolution and Collection Corporation, a measure regarded as off-balancing, of 38,941 million yen.

"Bankrupt loans" are loans on which consolidated subsidiaries do not currently accrue interest income, as substantial doubt is judged to exist as to the ultimate collectability of either principal or interest as they are past due for a considerable period of time or for other reasons, and meet conditions 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. "Non-accrual loans" are loans on which consolidated subsidiaries do not currently accrue interest income, excluding bankrupt loans and loans for which consolidated subsidiaries are forbearing interest payments to support the borrowers' recovery from financial difficulties.

22. Past due loans (3 months or more) totaled 101,630 million yen.

Past due loans (3 months or more) are loans other than "Bankrupt loans" and "Non-accrual loans" on which the principal or interest is past due for three months or more.

23. Restructured loans totaled 1,853,890 million yen.

Restructured loans are loans other than "Bankrupt loans," "Non-accrual loans" and "Past due loans (3 months or more)" for which consolidated subsidiaries have relaxed lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments or has made agreements in favor of borrowers such as debt forgiveness, to support the borrowers' recovery from financial difficulties.

24. The total amount of bankrupt loans, non-accrual loans, past due loans (3 months or more) and restructured loans was 4,422,255 million yen. This amount includes trust with The Resolution and Collection Corporation, a measure regarded as off-balancing, of 38,941 million yen.
The amounts of loans presented in Notes 21 to 24 are amounts before deduction of reserve for possible loan losses.

25. 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 966,761 million yen.

26. Assets pledged as collateral were as follows:

	(Millions of yen)
Assets pledged	
Cash and due from banks	124,638
Trading assets	570,857
Securities	9,794,664
Loans and bills discounted	3,760,959
Other assets (installment account receivable etc.)	1,180
Premises and equipment	529
Liabilities corresponding to assets pledged	
Deposits	14,910
Call money and bills sold	7,054,900
Payables under repurchase agreements	1,857,026
Payables under securities lending transactions	4,355,513
Trading liabilities	144,062
Borrowed money	4,216
Other liabilities	10,979
Acceptances and guarantees	149,297

In addition, cash and due from banks of 44,798 million yen, trading assets of 4,204 million yen, securities of 3,966,901 million yen, loans and bills discounted of 968,383 million yen were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.
Premises and equipment include surety deposits and intangible of 118,028 million yen, and other assets include initial margins of futures markets of 7,036 million yen.

27. Net amount of deferred unrealized gains (losses) on hedging instruments to which deferred hedge accounting is applied is reported as deferred loss on hedge and are included in "Other assets." Gross deferred unrealized losses and gross deferred unrealized gains on hedging instruments were 1,735,996 million yen and 1,609,388 million yen, respectively.

28. SMBC revaluated its 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 "Stockholders' equity."
Certain consolidated subsidiaries revaluated their own land for business activities in accordance with the Law. The income taxes corresponding to the net unrealized gains (losses) are deferred and reported in "Liabilities" or "Assets" as "Deferred tax liabilities for land revaluation" or "Deferred tax assets for land revaluation," and the net unrealized gains (losses), net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

Date of the revaluation

SMBC	March 31, 1998 and March 31, 2002
Certain consolidated subsidiaries	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.

Certain consolidated subsidiaries: Fair values were determined based on the values specified in Article 2-3 and 2-5 of the Enforcement Ordinance No.119.

29. The balance of subordinated debt included in "Borrowed money" was 811,510 million yen.

30. The balance of subordinated bonds included in "Bonds" was 1,583,839 million yen.

31. Stockholders' equity per share was 165,291.87 yen.

32. Market value and unrealized gains (losses) on securities are shown as below:
In addition to "Securities" in the consolidated interim balance sheet, trading securities, commercial paper and short-term corporate bonds (electronic commercial paper) classified as "Trading assets," negotiable certificates of deposit bought classified as "Cash and due from banks," and commercial paper and beneficiary claim on loan trust classified as "Commercial paper and other debt purchased" are also included in the amounts of the following tables. This definition is applied up to Notes 37.

(1) Securities classified as trading purposes

As of and the six months ended September 30, 2003	(Millions of yen)
Consolidated interim balance sheet amount	1,205,895
Valuations gains (losses) included in profit/loss during the interim term	(1,705)

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

As of September 30, 2003 (Millions of yen)

	Consolidated balance sheet amount	Market Value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	510,142	498,990	(11,152)	884	12,037
Other	21,329	22,379	1,049	1,166	117
Total	531,472	521,369	(10,103)	2,051	12,155

(3) Other securities with market value

As of September 30, 2003 (Millions of yen)

	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	2,606,121	3,077,101	470,979	578,166	107,187
Bonds	12,436,715	12,281,842	(154,872)	6,597	161,470
Japanese government bonds	11,240,557	11,103,803	(136,754)	2,865	139,619
Japanese local government bonds	413,692	403,548	(10,143)	924	11,067
Japanese corporate bonds	782,465	774,489	(7,975)	2,808	10,783
Other	4,187,030	4,174,553	(12,477)	20,171	32,649
Total	19,229,867	19,533,496	303,629	604,936	301,307

Of the total net unrealized gains shown above, 22,029 million yen is included in this term's profit because of the application of fair value hedge accounting.

"Net unrealized gains on other securities" includes 176,269 million yen that is the sum of the following items:

		(Millions of yen)
	Net unrealized gains to be included in stockholders' equity, as a result of applying fair value hedge accounting (a)	281,599
(–)	Deferred tax liabilities (b)	110,395
	(c) = (a) – (b)	171,203
(–)	Minority interests corresponding to (c)	(4,343)
(+)	SMFG's interests of net unrealized gains (losses) on other securities held by affiliates accounted for by the equity method	722
	Total	176,269

Other securities with market value are considered as impaired if the market value decreases significantly below the acquisition cost and such decline is not considered as recoverable. The market value is recognized as the consolidated interim balance sheet amount and the amount of write-down is accounted for as valuation loss (impaired) for this interim term. Valuation loss for this interim term was 530 million yen. The rule for determining "significant 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

33. Held-to-maturity bonds sold during the interim term is as follows:

Six months ended September 30, 2003 (Millions of yen)

	Acquisition Cost	Sales Amount	Gains on sales	Reason for sales
Japanese government bonds	21,063	21,709	645	A consolidated subsidiary, THE MINATO BANK, LTD. ("Minato") changed its investment policy
Japanese local government bonds	23,060	23,796	736	
Total	44,123	45,506	1,382	

34. The amount of other securities sold during the interim term is as follows:

Six months ended September 30, 2003 (Millions of yen)

Sales amount	Gains on sales	Losses on sales
15,761,524	145,995	95,693

35. Summary information on securities that do not have market value is as follows:

As of September 30, 2003 (Millions of yen)

	Consolidated balance sheet amount
Bonds classified as held-to-maturity	
Unlisted foreign securities	5,411
Other	10,112
Other securities	
Unlisted stocks (except for OTC stocks)	338,389
Unlisted bonds	1,457,321
Unlisted foreign securities	325,123
Other	109,236

36. Minato changed its investment policy and sold some of the held-to-maturity bonds during this interim term. As a result, Minato changed the classification of the remaining bonds that Minato holds, 28,281 million yen, from "held-to-maturity" to "other securities" pursuant to Article 83 of the "Practical Guidelines for Accounting for Financial Instruments" (JICPA Accounting Committee Report No.14). According to this change of classification, "Securities" increased by 66 million yen and "Deferred tax assets" decreased by 26 million yen, and "Minority interests" and "Net unrealized gains on other securities" increased by 36 million yen and 2 million yen, respectively, compared with the former classification of bonds.

37. Redemption schedule of other securities that have maturities and bonds classified as held-to-maturity is as follows:

As of September 30, 2003 (Millions of yen)

	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	Over 10 years
Bonds	2,916,076	6,936,933	3,780,495	615,803
Japanese government bonds	2,717,215	5,160,392	3,125,480	610,858
Japanese local government bonds	6,726	197,435	198,853	533
Japanese corporate bonds	192,133	1,579,106	456,162	4,411
Other	471,659	2,977,811	434,399	606,081
Total	3,387,735	9,914,745	4,214,895	1,221,884

38. Information on money held in trust is as follows:

Money held in trust classified as trading purposes

As of and the six months ended September 30, 2003 (Millions of yen)

Consolidated interim balance sheet amount	7,443
Valuation gains included in profit/loss during the interim term	–

Other money held in trust

As of September 30, 2003 (Millions of yen)

Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
20,070	20,054	(16)	249	265

Net unrealized losses of 9 million yen (after the deduction of 6 million yen in deferred tax assets from the above 16 million yen in net unrealized losses) are included in "Net unrealized gains on other securities."

39. "Japanese Government Bonds" as a sub-account of "Securities" include 6,002 million yen of unsecured loaned securities for which borrowers have the rights to sell or pledge and loaned securities of 119 million yen for which borrowers only have the rights to pledge and not to sell.

As for the unsecured borrowed securities for which SMBC has the rights to sell or pledge and the securities which SMBC purchased under resale agreements, that are permitted to sell or pledge without restrictions, 654,394 million yen of securities are pledged, 136,090 million yen of securities are held in hand as of the consolidated interim balance sheet date.

40. Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 29,801,082 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was 27,261,498 million yen. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in case economic conditions are changed, SMBC and other consolidated subsidiaries need to secure claims or other events occur. In addition, SMBC and other consolidated subsidiaries request the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after the conclusion of the contracts.