

Capital Ratio Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio at the end of March 2007 and thereafter 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; hereinafter referred to as “the Notification”).

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “First Standard” in the Notification), SMFG has adopted the foundation internal ratings-based approach for calculating credit risk-weighted asset amounts and implemented market risk controls. In calculating the amount corresponding to operational risk, SMFG has used the advanced measurement approaches. Please note that the basic indicator approach was employed for the prior fiscal year ended March 31, 2007.

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

■ Scope of Consolidation

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

Not applicable.

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

Regarding the calculation of the capital ratio as of March 31, 2007, certain procedures were performed by KPMG AZSA & Co. pursuant to “Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures” (JICPA Industry Committee Report No. 30). The certain procedures performed by the external auditor are not part of the audit of consolidated financial statements. The certain procedures performed on our internal control framework for calculating the capital ratio are based on procedures agreed upon by SMFG and the external auditor and are not a validation of appropriateness of the capital ratio itself or opinion on the internal controls related to the capital ratio calculation.

		Millions of yen		
		September 30		March 31
		2008	2007	2008
Tier I capital:	Capital stock	¥ 1,420,877	¥ 1,420,877	¥ 1,420,877
	Capital surplus	57,759	57,869	57,826
	Retained earnings	1,761,220	1,491,378	1,740,610
	Treasury stock	(124,240)	(123,855)	(123,989)
	Cash dividends to be paid	(60,105)	(44,806)	(60,135)
	Foreign currency translation adjustments	(57,108)	(8,428)	(27,323)
	Stock acquisition rights	56	27	43
	Minority interests	1,814,874	1,414,273	1,643,903
	Goodwill and others	(191,969)	(96,685)	(178,645)
	Gain on sale on securitization transactions	(42,602)	(41,372)	(44,045)
	Deductions of deferred tax assets	(87,444)	—	(47,657)
	Total Tier I capital (A)	4,491,317	4,069,277	4,381,464
Tier II capital:	Unrealized gains on other securities after 55% discount	263,958	693,073	334,313
	Land revaluation excess after 55% discount	37,209	39,163	37,220
	General reserve for possible loan losses	64,131	48,889	59,517
	Excess amount of provision	13,070	193,061	67,758
	Subordinated debt	2,368,389	2,507,177	2,523,062
	Total Tier II capital	2,746,760	3,481,365	3,021,872
	Tier II capital included as qualifying capital (B)	2,746,760	3,481,365	3,021,872
Deductions*:	(C)	730,976	738,262	737,792
Total qualifying capital:	(D) = (A) + (B) - (C)	¥ 6,507,101	¥ 6,812,380	¥ 6,665,543
Risk-adjusted assets:	On-balance sheet items	¥50,088,982	¥49,351,076	¥49,095,397
	Off-balance sheet items	9,917,595	10,487,217	10,239,755
	Market risk items	291,765	378,136	430,220
	Operational risk	3,134,164	4,034,689	3,351,976
	Total risk-adjusted assets (E)	¥63,432,507	¥64,251,120	¥63,117,349
Tier I risk-adjusted capital ratio:	(A) / (E) x 100	7.08%	6.33%	6.94%
Total risk-adjusted capital ratio:	(D) / (E) x 100	10.25%	10.60%	10.56%
Required capital:	(E) x 8%	¥ 5,074,600	¥ 5,140,089	¥ 5,049,387

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

■ Capital Requirements

September 30	Billions of yen	
	2008	2007
Capital requirements for credit risk:		
Internal ratings-based approach.....	¥5,485.7	¥5,383.9
Corporate exposures:.....	3,579.4	3,335.1
Corporate exposures (excluding specialized lending).....	3,093.9	2,926.5
Sovereign exposures	37.6	61.2
Bank exposures.....	197.6	143.4
Specialized lending	250.2	204.0
Retail exposures:.....	851.2	784.2
Residential mortgage exposures	338.3	333.4
Qualifying revolving retail exposures	133.4	90.7
Other retail exposures	379.5	360.2
Equity exposures:.....	365.9	438.0
Grandfathered equity exposures	231.8	314.0
PD/LGD approach	63.9	48.9
Market-based approach	70.1	75.0
Simple risk weight method	57.7	64.8
Internal models method.....	12.4	10.2
Credit risk-weighted assets under Article 145 of the Notification.....	231.1	317.7
Securitization exposures.....	144.0	163.8
Other exposures	314.1	345.1
Standardized approach.....	682.6	586.0
Total capital requirements for credit risk.....	6,168.2	5,969.9
Capital requirements for market risk:		
Standardized measurement method	5.4	5.0
Interest rate risk.....	3.7	3.1
Equity position risk	0.5	1.0
Foreign exchange risk	1.1	0.9
Commodities risk	—	—
Options	0.0	—
Internal models method	18.0	25.2
Total capital requirements for market risk	23.3	30.3
Capital requirements for operational risk	250.7	322.8
Total amount of capital requirements.....	¥6,442.3	¥6,322.9

Notes: 1. Capital requirements for credit risk are capital equivalents to “credit risk-weighted assets x 8%” under the standardized approach and “credit risk-weighted assets x 8% + expected loss amount” under the internal ratings-based approach. Regarding exposures to be deducted from capital, the deduction amount is added to the amount of required capital.

2. The above amounts are after credit risk mitigation.

3. Securitization exposures include such exposure based on the standardized approach.

4. “Other exposures” includes estimated lease residual values, purchased receivables (including exposure to qualified corporate enterprises and others), and other assets.

■ Internal Ratings-Based (IRB) Approach

Exposures by Asset Class

(1) Corporate Exposures

A. Corporate, Sovereign and Bank Exposures

(A) Obligor Grading System

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

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

	Billions of yen					
	Exposure amount					Weighted average risk weight
September 30, 2008	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	
J1-J3	¥19,928.2	¥14,413.1	¥5,515.1	0.10%	44.04%	23.98%
J4-J6	12,740.1	9,984.3	2,755.8	1.39	41.64	74.00
J7 (excluding J7R).....	1,805.1	1,602.2	202.9	11.65	42.08	173.11
Japanese government and local municipal corporations	13,648.0	13,194.2	453.8	0.00	43.66	0.62
Other.....	5,599.5	4,998.3	601.2	1.67	43.43	77.38
Default (J7R, J8-J10).....	1,147.7	1,082.8	64.8	100.00	42.94	—
Total	¥54,868.6	¥45,274.9	¥9,593.7	—	—	—

September 30, 2007	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average risk weight
	Exposure amount					
	Total	On-balance sheet assets	Off-balance sheet assets			
J1-J3	¥19,662.1	¥14,783.5	¥4,878.5	0.09%	44.79%	21.68%
J4-J6	13,603.7	10,677.8	2,925.9	1.12	41.52	69.44
J7 (excluding J7R).....	2,018.1	1,814.0	204.1	11.20	41.03	167.75
Japanese government and local municipal corporations	10,780.2	10,736.7	43.4	0.00	44.96	0.47
Other.....	6,467.2	5,373.5	1,093.7	1.41	43.33	71.79
Default (J7R, J8-J10).....	911.2	881.0	30.2	100.00	42.99	—
Total	¥53,442.4	¥44,266.6	¥9,175.8	—	—	—

Notes: 1. “LGD” stands for loss given default.

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

b. Overseas Corporate, Sovereign and Bank Exposures

September 30, 2008	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average risk weight
	Exposure amount					
	Total	On-balance sheet assets	Off-balance sheet assets			
G1-G3.....	¥21,100.1	¥13,745.0	¥7,355.2	0.18%	42.32%	28.96%
G4-G6.....	1,062.8	847.0	215.8	1.71	44.48	104.07
G7 (excluding G7R)	259.4	152.4	107.0	21.61	44.85	235.75
Other.....	87.7	27.7	60.0	0.96	44.98	69.98
Default (G7R, G8-G10)	155.7	137.9	17.8	100.00	45.00	—
Total	¥22,665.7	¥14,909.9	¥7,755.8	—	—	—

September 30, 2007	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average risk weight
	Exposure amount					
	Total	On-balance sheet assets	Off-balance sheet assets			
G1-G3.....	¥18,435.4	¥11,044.4	¥7,391.0	0.20%	42.06%	32.39%
G4-G6.....	957.1	725.2	231.8	1.89	44.59	111.40
G7 (excluding G7R)	144.3	68.7	75.5	27.01	44.64	241.75
Other.....	92.5	57.9	34.5	1.45	44.97	98.47
Default (G7R, G8-G10).....	32.0	24.8	7.3	100.00	44.91	—
Total	¥19,661.2	¥11,921.1	¥7,740.1	—	—	—

Note: “Other” includes exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies).

B. Specialized Lending (SL)

Portfolio

a. Project Finance, Object Finance and IPRE

September 30	Risk weight	Billions of yen					
		2008			2007		
		Project finance	Object finance	IPRE	Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	¥ 120.9	¥ 19.6	¥ 565.0	¥109.1	¥ 3.6	¥ 410.7
Residual term 2.5 years or more	70%	892.1	146.7	672.6	589.5	76.8	662.9
Good:							
Residual term less than 2.5 years	70%	36.1	1.1	36.0	38.6	1.7	47.6
Residual term 2.5 years or more	90%	200.0	7.5	97.6	197.9	18.1	126.9
Satisfactory	115%	19.6	9.8	35.2	30.4	7.7	29.9
Weak	250%	9.4	22.1	25.3	11.5	7.7	6.7
Default	—	4.1	6.2	—	5.8	3.1	—
Total		¥1,282.2	¥213.0	¥1,431.8	¥982.9	¥118.6	¥1,284.7

b. HVCRE

September 30	Risk weight	Billions of yen	
		2008	2007
Strong:			
Residual term less than 2.5 years.....	70%	¥ 4.0	¥ 3.8
Residual term 2.5 years or more.....	95%	—	0.8
Good:			
Residual term less than 2.5 years.....	95%	75.2	93.5
Residual term 2.5 years or more.....	120%	89.8	86.7
Satisfactory.....	140%	229.7	163.1
Weak.....	250%	0.8	4.3
Default.....	—	3.2	—
Total.....		¥402.8	¥352.3

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen					
	Exposure amount					
September 30, 2008	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average risk weight
Mortgage loans						
PD segment:						
Not delinquent						
Use model	¥ 9,238.1	¥ 9,151.8	¥86.4	0.39%	38.96%	24.59%
Other	820.9	820.9	—	0.80	59.77	70.09
Delinquent	60.0	53.6	6.5	36.26	42.52	241.08
Default	123.4	122.7	0.7	100.00	43.25	35.51
Total.....	¥10,242.5	¥10,148.9	¥93.5	—	—	—

	Billions of yen					
	Exposure amount					
September 30, 2007	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average risk weight
Mortgage loans						
PD segment:						
Not delinquent						
Use model	¥8,914.9	¥8,816.2	¥ 98.7	0.32%	45.95%	25.09%
Other	877.3	877.3	—	0.61	67.04	67.68
Delinquent	54.0	46.8	7.2	25.42	50.24	281.07
Default	117.5	116.7	0.8	100.00	46.11	25.03
Total	¥9,963.7	¥9,857.0	¥106.7	—	—	—

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

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

3. The EL default weighted average is included in the LGD weighted average for default. Please note that the LGD weighted average for default as of September 30, 2007 was 48.11% and as of September 30, 2008 was 46.09%.

B. Qualifying Revolving Retail Exposures (QRRE)

Portfolio

September 30, 2008	Billions of yen					Average CCF	Weighted average PD	Weighted average LGD	Weighted average risk weight
	Exposure amount			Off-balance sheet assets	Undrawn amount				
	Total	Balance	Increase						
Card loans									
PD segment:									
Not delinquent.....	¥ 434.9	¥ 380.3	¥ 54.7	¥—	¥ 154.7	35.32%	2.11%	83.48%	53.64%
Delinquent	87.7	86.2	1.5	—	13.8	10.87	31.02	91.41	272.31
Credit card balances									
PD segment:									
Not delinquent.....	984.8	656.7	328.0	—	3,930.6	8.35	1.12	80.00	26.46
Delinquent	7.7	6.4	1.3	—	—	—	78.57	82.64	126.51
Default	25.9	22.6	3.3	—	—	—	100.00	82.40	86.72
Total.....	¥1,541.0	¥1,152.2	¥388.8	¥—	¥4,099.1	—	—	—	—

September 30, 2007	Billions of yen					Average CCF	Weighted average PD	Weighted average LGD	Weighted average risk weight
	Exposure amount			Off-balance sheet assets	Undrawn amount				
	Total	On-balance sheet assets							
		Balance	Increase						
Card loans									
PD segment:									
Not delinquent.....	¥ 438.2	¥ 372.6	¥ 65.6	¥—	¥ 145.9	44.98%	2.60%	79.53%	62.07%
Delinquent	38.3	37.2	1.1	—	4.4	25.20	9.27	81.98	120.53
Credit card balances									
PD segment:									
Not delinquent.....	944.2	626.5	317.7	—	3,676.7	8.64	1.15	79.82	26.83
Delinquent	6.6	5.4	1.2	—	—	—	74.69	82.52	139.25
Default	18.7	16.0	2.8	—	—	—	100.00	82.55	48.93
Total.....	¥1,446.0	¥1,057.6	¥388.4	¥—	¥3,827.0	—	—	—	—

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

2. "Average CCF" is the "on-balance sheet exposure amount ÷ undrawn amount" and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.

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

4. The EL default weighted average is included in the LGD weighted average for default. Please note that the LGD weighted average for default as of September 30, 2007 was 86.46% and as of September 30, 2008 was 89.34%.

C. Other Retail Exposures

Portfolio

	Billions of yen					
	Exposure amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average risk weight
September 30, 2008						
Business loans						
PD segment:						
Not delinquent						
Use model	¥1,392.9	¥1,372.9	¥20.0	1.14%	59.43%	57.07%
Other	235.6	235.1	0.5	1.18	50.24	50.10
Delinquent	429.5	426.2	3.3	11.03	64.19	103.16
Consumer loans						
PD segment:						
Not delinquent						
Use model	325.9	279.8	46.1	1.44	47.83	53.19
Other	228.2	226.2	2.0	1.82	63.21	79.14
Delinquent	38.7	38.3	0.4	24.91	46.16	110.67
Default	249.5	245.7	3.9	100.00	64.64	69.04
Total	¥2,900.3	¥2,824.2	¥76.1	—	—	—

	Billions of yen					
	Exposure amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average risk weight
September 30, 2007						
Business loans						
PD segment:						
Not delinquent						
Use model	¥1,705.7	¥1,683.9	¥21.8	1.66%	62.18%	63.36%
Other	221.0	220.8	0.2	1.34	56.58	58.09
Delinquent	329.1	325.5	3.5	11.08	62.32	100.03
Consumer loans						
PD segment:						
Not delinquent						
Use model	387.5	369.5	18.1	1.55	51.33	46.16
Other	206.8	204.6	2.2	1.63	59.73	71.78
Delinquent	38.8	38.5	0.3	25.04	48.88	115.25
Default	221.4	221.1	0.4	100.00	59.90	48.44
Total	¥3,110.4	¥3,064.0	¥46.4	—	—	—

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

2. "Other" includes loans guaranteed by employers.

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

4. The EL default weighted average is included in the LGD weighted average for default. Please note that the LGD weighted average for default as of September 30, 2007 was 63.78% and as of September 30, 2008 was 70.16%.

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

A. Equity Exposures

Portfolio

a. Equity Exposure Amounts

		Billions of yen	
September 30		2008	2007
Market-based approach		¥ 236.1	¥ 256.7
Simple risk weight method		182.9	208.7
Listed equities (300%)		51.8	70.4
Unlisted equities (400%)		131.2	138.2
Internal models method.....		53.2	48.0
PD/LGD approach		640.1	391.1
Grandfathered equity exposures		2,734.0	3,703.1
Total.....		¥3,610.2	¥4,350.9

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

2. The “Grandfathered equity exposures” amount was calculated in accordance with Supplementary Provision No. 15 of the Notification.

b. PD/LGD Approach

	Billions of yen					
	2008			2007		
September 30	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3	¥513.9	0.05%	112.59%	¥343.7	0.05%	103.74%
J4-J6	15.8	0.70	197.76	11.2	0.55	187.78
J7 (excluding J7R)	6.2	9.81	440.67	36.0	9.88	441.62
Other	104.1	0.06	101.51	0.2	0.58	137.58
Default (J7R, J8-J10)	0.0	100.00	—	—	—	—
Total.....	¥640.1	—	—	¥391.1	—	—

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

2. “Other” includes exposures to public sector entities.

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

Portfolio

		Billions of yen	
September 30		2008	2007
Exposures under Article 145 of the Notification		¥986.4	¥1,659.6

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded total credit costs (the total of the general provisions, nonperforming loan write-offs, and gains on collection of written-off claims) of ¥302.1 billion on a consolidated basis for the first half of fiscal 2008, a year-on-year increase of ¥159.0 billion.

SMBC recorded ¥224.1 billion in total credit costs on a nonconsolidated basis for the first half of fiscal 2008, a year-on-year increase of ¥109.9 billion. In terms of exposure category, the credit cost for corporate exposures increased ¥92.9 billion year on year, to ¥154.8 billion. This increase was due to deterioration in the business environment for borrowers owing to the slowdown in the Japanese and overseas economies. The credit cost for sovereign and bank exposures rose ¥12.3 billion year on year, to ¥12.4 billion. Factors accounting for this increase included the incurring of credit cost in connection with certain claims on overseas financial institutions caused by the turmoil in financial markets. The credit cost for other retail exposures rose ¥15.2 billion year on year, to ¥38.8 billion, principally due to higher default rates.

Total Credit Costs

Billions of yen						
	First half of fiscal 2008 (A)	First half of fiscal 2007 (B)	First half of fiscal 2006	Increase (decrease) (A) - (B)	Fiscal 2007	Fiscal 2006
SMFG (consolidated) total.....	¥302.1	¥143.1	¥58.0	¥159.0	¥248.6	¥145.0
SMBC (consolidated) total	282.8	131.5	47.9	151.3	221.6	122.9
SMBC (nonconsolidated) total	224.1	114.2	33.2	109.9	147.8	89.5
Corporate exposures	154.8	61.9	(7.5)	92.9	143.2	58.7
Sovereign and bank exposures	12.4	0.1	0.7	12.3	0.5	(0.7)
Residential mortgage exposures	0.1	(0.0)	0.3	0.2	0.1	0.5
QRRE.....	0.0	0.0	(0.1)	0.0	0.0	(0.1)
Other retail exposures	38.8	23.6	19.2	15.2	59.8	43.9

- Notes: 1. The above amounts do not include gains/losses on equity exposures, exposures on capital market-driven transactions (such as bonds) and exposures under Article 145 of the Notification that were recognized as gains/losses on bonds and stocks in the income statement.
2. Exposure category amounts do not include general provisions for Normal Borrowers.
3. Bracketed fiscal year amounts indicate gains generated by the reversal of provisions, etc.
4. Credit costs for residential mortgages and QRRE guaranteed by consolidated subsidiaries are not included in the total credit costs of SMBC (nonconsolidated).

B. Comparison of Estimated and Actual Losses

	Billions of yen							
	2008			2007				
	Estimated loss amounts		Actual loss amounts (First half of fiscal 2008)	Estimated loss amounts		Actual loss amounts (First half of fiscal 2007)	Actual loss amounts (Fiscal 2007)	
	After deduction of reserves			After deduction of reserves				
SMFG (consolidated) total.....	¥ —	¥ —	¥302.1	¥ —	¥ —	¥143.1	¥248.6	
SMBC (consolidated) total	—	—	282.8	—	—	131.5	221.6	
SMBC (nonconsolidated) total	761.7	185.4	224.1	741.1	164.8	114.2	147.8	
Corporate exposures	620.1	92.1	154.8	637.4	111.5	61.9	143.2	
Sovereign and bank exposures	9.2	7.5	12.4	10.8	9.0	0.1	0.5	
Residential mortgage exposures	4.0	3.6	0.1	4.5	4.0	(0.0)	0.1	
QRRE.....	0.1	0.1	0.0	0.1	0.1	0.0	0.0	
Other retail exposures	128.3	65.9	38.8	88.3	53.3	23.6	59.8	

- Notes: 1. Amounts on consumer loans guaranteed by SMBC's consolidated subsidiaries or its affiliates as well as on equity exposures and other exposures subject to Article 145 of the Notification are excluded.
2. The "Estimated loss amounts" are the estimate losses (EL) at the beginning of the term.
3. Representing the estimated loss amount "After deduction of reserves" for possible losses on substandard loans or below.

■ Standardized Approach

Exposure Balance by Risk Weight Segment

Billions of yen				
September 30	2008		2007	
	Assigned country risk score		Assigned country risk score	
0%	¥ 1,360.7	¥ 68.8	¥ 1,297.9	¥ 76.3
10%	557.9	—	553.8	—
20%	768.6	360.4	643.1	313.2
35%	1,385.8	—	1,296.5	—
50%	162.8	2.4	141.3	0.8
75%	1,705.3	—	1,874.2	—
100%	6,536.5	0.1	5,260.7	0.1
150%	32.8	—	24.1	—
Total	¥12,510.3	¥431.7	¥11,091.7	¥390.4

- Notes: 1. The above amounts are exposures after credit risk mitigation (but before deduction of direct write-offs). Please note that for off-balance sheet assets the amount of exposure has been included.
2. Securitization exposures have not been included.

■ Credit Risk Mitigation Techniques

Exposure Balance after CRM

September 30	Billions of yen			
	2008		2007	
	Eligible financial collateral	Eligible real estate collateral	Eligible financial collateral	Eligible real estate collateral
Foundation IRB approach	¥3,033.9	¥3,046.2	¥2,091.7	¥2,765.6
Corporate exposures	787.5	3,044.6	795.5	2,764.1
Sovereign exposures	397.9	1.4	0.1	1.4
Bank exposures	1,848.5	0.1	1,296.0	0.1
Standardized approach	212.7	—	138.2	—
Total	¥3,246.6	¥3,046.2	¥2,229.9	¥2,765.6

September 30	Billions of yen			
	2008		2007	
	Guarantee	Credit derivative	Guarantee	Credit derivative
Foundation IRB approach	¥5,460.3	¥258.5	¥4,112.7	¥293.5
Corporate exposures	4,686.1	258.5	3,417.8	293.5
Sovereign exposures	252.9	—	63.0	—
Bank exposures	286.9	—	376.8	—
Residential mortgage exposures	234.2	—	254.5	—
QRRE	—	—	—	—
Other retail exposures	0.2	—	0.6	—
Standardized approach	134.9	—	84.2	—
Total	¥5,595.2	¥258.5	¥4,197.0	¥293.5

■ Derivative Transactions and Long Settlement Transactions

Credit Equivalent Amounts

(1) Derivative Transactions and Long Settlement Transactions

A. Calculation Method

Current exposure method

B. Credit Equivalent Amounts

September 30	Billions of yen	
	2008	2007
Gross replacement cost	¥4,024.1	¥3,124.4
Gross add-on amount	3,993.0	3,989.5
Gross credit equivalent amount	8,017.1	7,113.9
Foreign exchange related transactions	3,951.2	3,150.1
Interest rate related transactions	3,657.7	3,648.8
Gold related transactions	—	—
Equities related transactions	1.7	2.1
Precious metals (excluding gold) related transactions	—	—
Other commodity related transactions	293.4	248.1
Credit default swaps	113.1	64.8
Reduction in credit equivalent amount due to netting	3,722.0	3,556.1
Net credit equivalent amount	4,295.1	3,557.7
Collateral amount	233.4	138.7
Qualifying financial collateral	132.4	50.1
Qualifying real estate collateral	101.0	88.6
Net credit equivalent amount (after taking into account credit risk mitigation effect of collateral)	¥4,295.1	¥3,557.7

Note: The net credit equivalent amount was the same before and after taking into account the CRM effect of collateral as the foundation IRB approach and simple approach of the standardized approach have been adopted.

(2) Notional Principal Amounts of Credit Derivatives

September 30	Billions of yen			
	2008		2007	
	Notional principal amount	Of which for CRM	Notional principal amount	Of which for CRM
Protection purchased.....	¥1,109.2	¥258.5	¥1,538.0	¥293.5
Protection provided.....	951.3	—	1,266.5	—

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

■ Securitization Exposures

Portfolio

(1) Securitization Transactions as Originator

A. As Originator (excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	September 30, 2008			First half of fiscal 2008			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
	Total	Asset transfer type	Synthetic type				
Claims on corporates.....	¥ 241.0	¥ 154.7	¥ 86.3	¥230.0	¥11.2	¥0.5	¥ —
Mortgage loans.....	1,731.0	1,731.0	—	—	—	—	2.0
Retail loans (excluding mortgage loans)	167.5	9.3	158.2	1.3	35.5	6.3	—
Other claims	229.1	94.9	134.2	—	0.3	0.6	—
Total.....	¥2,368.5	¥1,989.9	¥378.7	¥231.3	¥47.0	¥7.3	¥2.0

	Billions of yen						
	September 30, 2007			First half of fiscal 2007			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
	Total	Asset transfer type	Synthetic type				
Claims on corporates.....	¥ 364.8	¥ 120.4	¥244.3	¥374.3	¥ 8.2	¥0.2	¥ —
Mortgage loans.....	1,662.1	1,662.1	—	166.0	0.2	0.0	7.1
Retail loans (excluding mortgage loans)	569.0	92.7	476.4	123.2	30.0	2.2	—
Other claims	183.1	7.4	175.8	91.1	0.2	0.1	—
Total.....	¥2,779.0	¥1,882.5	¥896.4	¥754.6	¥38.6	¥2.5	¥7.1

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

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

3. “Other claims” includes claims on PFI (Private Finance Initiative) businesses and lease fees.

4. Following Articles 230 and 248 of the Notification, there were no amounts that represent exposure to products subject to early call provisions to investors.

5. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

September 30	Billions of yen					
	2008			2007		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates	¥122.2	¥ 2.9	¥ —	¥231.6	¥16.7	¥ —
Mortgage loans	174.4	34.6	42.6	157.7	32.5	41.4
Retail loans (excluding mortgage loans)	62.1	14.1	—	96.7	12.7	—
Other claims.....	75.9	11.1	—	89.3	7.1	—
Total	¥434.6	¥62.8	¥42.6	¥575.3	¥69.0	¥41.4

b. Risk Weights

	Billions of yen			
	2008		2007	
	Term-end balance	Required capital	Term-end balance	Required capital
September 30				
20% or less	¥234.1	¥ 0.9	¥278.9	¥ 2.2
100% or less	—	—	—	—
650% or less	2.0	0.7	2.0	0.7
1250% or less	—	—	—	—
Capital deduction	198.6	62.8	294.4	69.0
Total	¥434.6	¥64.4	¥575.3	¥71.9

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	September 30, 2008			First half of fiscal 2008		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates.....	¥842.1	¥842.1	¥—	¥3,731.9	¥78.7	¥77.1
Mortgage loans.....	3.6	3.6	—	—	0.4	0.4
Retail loans (excluding mortgage loans)	70.1	70.1	—	167.4	2.7	3.5
Other claims	71.9	71.9	—	30.6	0.9	0.7
Total.....	¥987.7	¥987.7	¥—	¥3,929.9	¥82.6	¥81.7

	Billions of yen					
	September 30, 2007			First half of fiscal 2007		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates.....	¥ 882.4	¥ 882.4	¥—	¥3,148.4	¥104.4	¥102.8
Mortgage loans.....	4.2	4.2	—	—	—	—
Retail loans (excluding mortgage loans)	52.1	52.1	—	—	0.3	0.7
Other claims	124.1	124.1	—	260.1	0.5	0.2
Total.....	¥1,062.8	¥1,062.8	¥—	¥3,408.5	¥105.2	¥103.6

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

2. The “Default amount” is the amount of defaulted underlying assets and those past due three months or more.

3. The “Default amount” and “Loss amount” when acting as a sponsor of securitization of customer claims are estimated using the following methods and alternative data are used as it is difficult to obtain relevant data in a timely manner because the underlying assets are recovered by the customer.

(1) “Default amount” estimation method

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

(2) “Loss amount” estimation method

- For securitization transactions subject to the external ratings-based approach, the amount is the same amount as the default amount estimated conservatively in (1) above.
- For securitization transactions subject to the supervisory formula, when expected loss ratios of defaulted underlying assets can be determined, the amount is estimated using the ratios. When it is difficult to determine the ratios, the amount is the same amount as the default amount estimated in (1) above.

4. “Other claims” includes lease fees.

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

6. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2008			2007		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
September 30						
Claims on corporates	¥693.7	¥0.1	¥—	¥719.6	¥2.6	¥—
Mortgage loans	3.6	—	—	4.2	—	—
Retail loans (excluding mortgage loans)	67.0	—	—	52.1	—	—
Other claims	68.2	—	—	94.8	—	—
Total	¥832.5	¥0.1	¥—	¥870.7	¥2.6	¥—

Note: "Other claims" includes lease fees.

b. Risk Weights

	Billions of yen			
	2008		2007	
	Term-end balance	Required capital	Term-end balance	Required capital
September 30				
20% or less	¥736.9	¥4.6	¥739.8	¥ 5.0
100% or less	95.5	2.6	128.4	4.0
650% or less	—	—	—	—
1250% or less	—	—	—	—
Capital deduction	0.1	0.1	2.6	2.6
Total	¥832.5	¥7.2	¥870.7	¥11.6

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

A. Securitization Exposures

(A) Underlying Assets by Asset Type

	Billions of yen					
	2008			2007		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
September 30						
Claims on corporates.....	¥321.7	¥66.2	¥—	¥308.0	¥70.7	¥—
Mortgage loans.....	—	—	—	37.2	—	—
Retail loans (excluding mortgage loans)	11.0	—	—	17.2	—	—
Other claims	26.4	2.0	—	58.1	4.5	—
Total.....	¥359.2	¥68.2	¥—	¥420.6	¥75.2	¥—

Notes: 1. "Other claims" includes securitization products.

2. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Risk Weights

	Billions of yen			
	2008		2007	
	Term-end balance	Required capital	Term-end balance	Required capital
September 30				
20% or less	¥210.3	¥ 1.7	¥318.7	¥ 2.4
100% or less	29.0	1.4	16.3	1.0
650% or less	10.8	1.1	10.4	1.6
Less than 1250%	—	—	—	—
Capital deduction.....	109.0	68.2	75.2	75.2
Total.....	¥359.2	¥72.4	¥420.6	¥80.2

■ Equity Exposures in Banking Book

1. Consolidated Balance Sheet Amounts and Fair Values

September 30	Billions of yen			
	2008		2007	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures	¥2,911.6	¥2,911.6	¥3,626.2	¥3,626.2
Stocks of subsidiaries and affiliates and equity exposures other than above.....	647.7	—	519.2	—
Total	¥3,559.3	¥ —	¥4,145.4	¥ —

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

	Billions of yen	
	First half of fiscal 2008	First half of fiscal 2007
Gains (losses)	¥(19.8)	¥(47.4)
Gains on sale.....	7.6	14.3
Losses on sale	1.7	1.4
Devaluation	25.8	60.4

Note: The above amounts are “gains (losses) on stocks and other securities” in the consolidated statements of income.

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

September 30	Billions of yen	
	2008	2007
Unrealized gains (losses) recognized on consolidated balance sheet but not on consolidated statements of income.....	¥789.4	¥1,738.0

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

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

September 30	Billions of yen	
	2008	2007
Unrealized gains (losses) not recognized on consolidated balance sheet or consolidated statements of income.....	¥(62.0)	¥(23.3)

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

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

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

September 30, 2008	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing	¥ 8,652.8	¥ 148.7	¥ 537.5	¥ 2,270.3	¥ 11,609.3
Agriculture, forestry, fishery and mining	224.1	0.1	12.8	35.7	272.6
Construction	1,532.6	42.0	12.4	120.9	1,707.8
Transport, information, communications and utilities	4,311.8	97.3	159.7	725.0	5,293.8
Wholesale and retail	6,655.5	60.1	604.3	519.3	7,839.2
Financial and insurance	9,849.2	879.7	1,344.4	275.4	12,348.8
Real estate	8,196.5	340.3	41.6	193.8	8,772.1
Services	6,628.5	110.8	81.7	451.2	7,272.2
Local municipal corporations	1,844.7	519.5	5.1	9.2	2,378.5
Other industries	19,217.6	11,340.5	98.6	4,376.1	35,032.7
Subtotal	¥67,113.2	¥13,538.9	¥2,898.0	¥ 8,976.9	¥ 92,527.0
Overseas operations and offshore banking accounts					
Sovereigns	¥ 480.2	¥ 586.3	¥ 9.9	¥ —	¥ 1,076.4
Financial institutions	4,261.6	292.9	1,013.8	0.0	5,568.4
C&I companies	12,640.2	222.3	345.7	—	13,208.2
Others	2,061.9	292.7	24.6	1,663.7	4,042.9
Subtotal	¥19,443.9	¥ 1,394.3	¥1,394.1	¥ 1,663.7	¥ 23,895.9
Total	¥86,557.1	¥14,933.2	¥4,292.1	¥10,640.5	¥116,423.0

September 30, 2007	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing	¥ 8,191.9	¥ 125.8	¥ 415.2	¥ 2,719.0	¥ 11,451.9
Agriculture, forestry, fishery and mining	180.3	0.1	9.3	64.2	253.8
Construction	1,696.5	51.1	11.1	162.2	1,920.9
Transport, information, communications and utilities	3,884.6	129.2	103.1	787.6	4,904.6
Wholesale and retail	6,571.4	53.1	429.4	683.9	7,737.9
Financial and insurance	9,002.1	1,008.7	1,257.2	268.9	11,537.0
Real estate	8,419.1	120.8	36.0	254.6	8,830.5
Services	6,629.2	61.3	72.9	546.2	7,309.6
Local municipal corporations	1,219.4	637.7	2.0	3.6	1,862.7
Other industries	20,683.4	9,008.4	86.0	4,590.8	34,368.6
Subtotal	¥66,478.0	¥11,196.4	¥2,422.2	¥10,081.0	¥ 90,177.6
Overseas operations and offshore banking accounts					
Sovereigns	¥ 250.3	¥ 337.6	¥ 10.3	¥ —	¥ 598.1
Financial institutions	4,682.1	340.3	814.5	0.0	5,836.9
C&I companies	9,802.4	159.1	286.8	—	10,248.3
Others	3,146.2	319.6	24.0	366.3	3,856.1
Subtotal	¥17,881.0	¥ 1,156.5	¥1,135.6	¥ 366.3	¥ 20,539.4
Total	¥84,359.0	¥12,352.9	¥3,557.7	¥10,447.4	¥110,717.0

Notes: 1. The above amounts are exposure amounts after credit risk mitigation.

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

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

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

2. Exposure Balance by Type of Asset and Residual Term

September 30, 2008	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
To 1 year	¥25,782.4	¥ 2,577.0	¥ 618.5	¥ 368.2	¥ 29,346.1
More than 1 year to 3 years	14,252.3	3,494.0	1,688.4	879.6	20,314.2
More than 3 years to 5 years	12,406.1	5,198.2	929.0	1,127.8	19,661.2
More than 5 years to 7 years	4,733.9	1,013.1	467.5	275.5	6,490.1
More than 7 years	22,082.6	2,650.9	588.7	237.0	25,559.1
No fixed maturity	7,299.8	—	—	7,752.4	15,052.3
Total	¥86,557.1	¥14,933.2	¥4,292.1	¥10,640.5	¥116,423.0

September 30, 2007	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
To 1 year	¥26,649.6	¥ 3,148.0	¥ 414.6	¥ 233.3	¥ 30,445.5
More than 1 year to 3 years	12,852.4	1,943.3	1,329.1	511.0	16,635.9
More than 3 years to 5 years	13,009.9	1,938.7	986.6	621.5	16,556.7
More than 5 years to 7 years	4,635.5	1,054.3	384.7	180.6	6,255.1
More than 7 years	20,366.1	4,268.5	442.8	127.8	25,205.1
No fixed maturity	6,845.5	—	—	8,773.1	15,618.7
Total	¥84,359.0	¥12,352.9	¥3,557.7	¥10,447.4	¥110,717.0

Notes: 1. The above amounts are exposure amounts after credit risk mitigation.

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

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

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

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

(1) By Geographic Region

September 30	Billions of yen	
	2008	2007
Domestic operations (excluding offshore banking accounts)	¥2,151.2	¥1,627.8
Overseas operations and offshore banking accounts	136.8	131.7
Asia	30.4	51.4
North America	91.4	66.7
Other regions	15.1	13.6
Total	¥2,288.0	¥1,759.5

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

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

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

(2) By Industry

September 30	Billions of yen	
	2008	2007
Domestic operations (excluding offshore banking accounts)		
Manufacturing	¥ 206.7	¥ 138.7
Agriculture, forestry, fishery and mining	16.3	6.1
Construction	169.4	110.9
Transport, information, communications and utilities	101.9	114.8
Wholesale and retail	308.9	238.0
Financial and insurance	89.0	23.8
Real estate	552.5	345.6
Services	376.3	323.5
Other industries	330.4	326.4
Subtotal	¥2,151.2	¥1,627.8
Overseas operations and offshore banking accounts		
Financial institutions	¥ 39.8	¥ 5.6
C&I companies	97.0	126.1
Others	—	—
Subtotal	¥ 136.8	¥ 131.7
Total	¥2,288.0	¥1,759.5

- Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as “Substandard Borrowers” or lower under self-assessment.
2. The above amounts include partial direct write-offs (direct reductions).
3. “Domestic operations” comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. “Overseas operations” comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

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

(1) By Geographic Region

	Billions of yen				
	September 30, 2008 (A)	March 31, 2008 (B)	September 30, 2007	March 31, 2007	Increase (decrease) (A) - (B)
General reserve for possible loan losses	¥ 614.0	¥ 593.7	¥ 706.5	¥ 683.6	¥ 20.3
Loan loss reserve for specific overseas countries	0.0	0.0	0.0	1.9	0.0
Specific reserve for possible loan losses	925.3	819.6	741.5	693.7	105.7
Domestic operations (excluding offshore banking accounts)	870.0	738.5	713.1	661.0	131.5
Overseas operations and offshore banking accounts	55.2	81.1	28.4	32.7	(25.8)
Asia	15.0	10.1	13.2	14.1	4.9
North America	30.1	68.1	10.9	12.9	(38.0)
Other regions	10.2	2.9	4.3	5.7	7.3
Total	¥1,539.3	¥1,413.3	¥1,448.0	¥1,379.2	¥126.0

- Notes: 1. “Specific reserve for possible loan losses” includes partial direct write-offs (direct reductions).
2. “Domestic operations” comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. “Overseas operations” comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor’s domicile country.

(2) By Industry

	Billions of yen				Increase (decrease) (A) - (B)
	September 30, 2008 (A)	March 31, 2008 (B)	September 30, 2007	March 31, 2007	
General reserve for possible loan losses.....	¥ 614.0	¥ 593.7	¥ 706.5	¥ 683.6	¥ 20.3
Loan loss reserve for specific overseas countries	0.0	0.0	0.0	1.9	0.0
Specific reserve for possible loan losses.....	925.3	819.6	741.5	693.7	105.7
Domestic operations					
(excluding offshore banking accounts)	870.0	738.5	713.1	661.0	131.5
Manufacturing.....	97.8	76.3	65.0	43.6	21.5
Agriculture, forestry, fishery and mining	1.1	1.3	1.0	0.4	(0.1)
Construction.....	80.2	71.3	49.5	37.5	8.9
Transport, information, communications and utilities	52.7	49.2	61.6	48.7	3.5
Wholesale and retail.....	159.4	142.7	112.0	82.7	16.7
Financial and insurance.....	28.7	19.2	9.1	8.7	9.5
Real estate.....	156.3	110.9	130.3	157.7	45.4
Services.....	154.5	135.2	130.9	154.6	19.4
Other industries	139.3	132.4	153.7	127.1	6.9
Overseas operations and offshore banking accounts.....	55.2	81.1	28.4	32.7	(25.8)
Financial institutions.....	2.8	0.9	0.6	0.9	1.9
C&I companies	52.4	80.2	27.8	31.8	(27.7)
Others	—	—	—	—	—
Total.....	¥1,539.3	¥1,413.3	¥1,448.0	¥1,379.2	¥126.0

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

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

5. Loan Write-Offs by Industry

	Billions of yen	
	First half of fiscal 2008	First half of fiscal 2007
Domestic operations (excluding offshore banking accounts)		
Manufacturing	¥ 14.3	¥18.3
Agriculture, forestry, fishery and mining	0.3	0.1
Construction.....	25.2	7.8
Transport, information, communications and utilities	6.3	6.0
Wholesale and retail.....	24.0	25.6
Financial and insurance	9.7	(0.3)
Real estate	22.6	(4.3)
Services	20.0	7.8
Other industries	21.9	5.9
Subtotal.....	¥144.3	¥66.9
Overseas operations and offshore banking accounts		
Financial institutions.....	¥ 2.0	¥ 0.0
C&I companies.....	7.3	(1.9)
Others.....	—	—
Subtotal.....	¥ 9.3	¥ (1.9)
Total.....	¥153.6	¥65.0

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

■ Market Risk

1. VaR Results (Trading Book)

	Billions of yen	
	First half of fiscal 2008	First half of fiscal 2007
September 30.....	¥2.1	¥2.2
Maximum.....	¥2.8	¥4.3
Minimum.....	1.5	2.1
Average	2.1	2.9

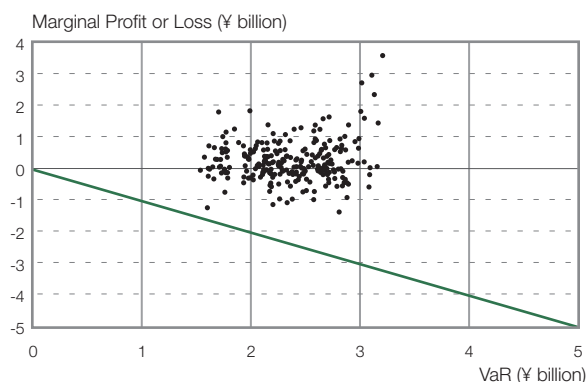
Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on data collected over a four-year period.

2. Figures for the trading book exclude specific risks.

3. Includes principal consolidated subsidiaries.

2. Back-Testing Result (Trading Book)

The results of back-testing for the one-year period from October 2007 to September 2008 are shown below. As during the same period of the previous year, actual loss amounts during the said period did not exceed the predicted VaR results.



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

■ Interest Rate Risk in Banking Book

1. VaR Results

	Billions of yen	
	First half of fiscal 2008	First half of fiscal 2007
September 30.....	¥29.0	¥27.6
Maximum.....	¥34.5	¥59.3
Minimum.....	26.9	20.9
Average	31.2	35.8

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

2. Includes principal consolidated subsidiaries.

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

In the event the economic value of a bank declines by more than 20% of the sum of Tier I and Tier II capital (“outlier ratio”) as a result of a standardized interest rate shock (200 basis points) or its equivalent, the bank falls into the category of “outlier bank,” as stipulated in the Basel II framework.

As of September 30, 2008, the outlier ratio of SMBC was 3.4%, which is substantially below the maximum ratio of 20%.

	Billions of yen	
	2008	2007
September 30	Decline in economic value	Decline in economic value
Impact of yen interest rate.....	¥112.6	¥170.6
Impact of US dollar interest rate.....	94.2	86.7
Impact of Euro interest rate.....	36.6	6.9
Total.....	¥251.9	¥284.4
Total / (Tier I + Tier II).....	3.4%	3.7%

Note: “Decline in economic value” is the decline of present value after a standardized interest rate shock (1st and 99th percentile of observed interest rate changes using a 1-year holding period and 5 years of observations).

■ Operational Risk

Required Capital by Measurement Method

	Billions of yen	
	September 30, 2008	March 31, 2008
Advanced Measurement Approaches.....	¥201.8	¥224.5
Basic Indicator Approach.....	48.9	43.7
Total.....	¥250.7	¥268.2