

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Years ended March 31, 2010 and 2009

1. Basis of Presentation

Sumitomo Mitsui Financial Group, Inc. ("SMFG") was established on December 2, 2002 as a holding company for the SMFG group through a statutory share transfer (*kabushiki iten*) of all of the outstanding equity securities of Sumitomo Mitsui Banking Corporation ("SMBC") in exchange for SMFG's newly issued securities. SMFG is a joint stock corporation with limited liability (*Kabushiki Kaisha*) incorporated under the Company Act of Japan. Upon formation of SMFG and completion of the statutory share transfer, SMBC became a direct wholly owned subsidiary of SMFG.

SMFG has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of overseas subsidiaries and affiliated companies were based on accounting records maintained in conformity with generally accepted accounting principles ("GAAP") prevailing in the respective countries of their domicile. Effective as from the fiscal year starting April 1, 2008, their accounting principles are in principle integrated with those of SMFG's accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or International Financial Reporting Standards in which case a certain limited number of items are adjusted based on their materiality. This change did not result in significant differences or impact on the consolidated financial statements of SMFG.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of SMFG prepared in accordance with Japanese GAAP.

Some supplementary information included in the statutory Japanese language consolidated financial statements, but not necessarily required for fair presentation, is not presented in the accompanying consolidated financial statements.

Amounts less than 1 million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2010, which was ¥93.05 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

2. Significant Accounting Policies

(1) Consolidation and equity method

(a) Scope of consolidation

Japanese accounting standards on consolidated financial statements require a company to consolidate any subsidiary when the company substantially controls the operations of the enterprise, even if it is not a majority owned subsidiary. Control is defined as the power to govern the decision-making body of an enterprise.

(i) Consolidated subsidiaries

The number of consolidated subsidiaries is as follows:

March 31	2010	2009
Consolidated subsidiaries.....	307	288

Principal companies:

Sumitomo Mitsui Banking Corporation
THE MINATO BANK, LTD.
Kansai Urban Banking Corporation
Sumitomo Mitsui Banking Corporation Europe Limited
Sumitomo Mitsui Banking Corporation (China) Limited
Manufacturers Bank
Sumitomo Mitsui Finance and Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
SMBC Finance Service Co., Ltd.
SMBC Friend Securities Co., Ltd.
Nikko Cordial Securities Inc.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2010 are as follows:

62 companies including Nikko Cordial Securities Inc. were newly consolidated due mainly to acquisition of shares.

35 companies including QUOQ Inc. were excluded from the scope of consolidation because they were no longer subsidiaries due to merger and other reasons.

Furthermore, 8 companies including Apricot Navigation Co., Ltd. were excluded from the scope of consolidation and became unconsolidated subsidiaries that are not accounted for by the equity method because they became operators of silent partnerships for lease transactions.

(ii) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

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

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

(b) Application of the equity method

Japanese accounting standards also require that any unconsolidated subsidiaries and affiliates which SMFG is able to exercise material influence over their financial and operating policies be accounted for by the equity method.

(i) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method is as follows:

March 31	2010	2009
Unconsolidated subsidiaries.....	4	4

Principal company:

SBCS Co., Ltd.

(ii) Affiliates accounted for by the equity method

The number of affiliates accounted for by the equity method is as follows:

March 31	2010	2009
Affiliates.....	54	75

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited
 Promise Co., Ltd.
 Cedyne Financial Corporation
 Daiwa SMBC Capital Co., Ltd.
 Daiwa SB Investments Ltd.
 Sumitomo Mitsui Asset Management Company, Limited

Changes in the affiliates accounted for by the equity method in the fiscal year ended March 31, 2010 are as follows:

16 companies including P.T. Nikko Securities Indonesia newly became affiliated companies accounted for by the equity method due mainly to acquisition of shares.

2 companies including AJCC CORPORATION were excluded from the scope of affiliated companies accounted for by the equity method because they became consolidated subsidiaries due to an increase in shareholding ratio.

35 companies including Daiwa Securities SMBC Co. Ltd. were also excluded due to a sale of stocks and other reasons.

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

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

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

Principal company:

Daiwa SB Investments (USA) Ltd.

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

(c) The balance sheet dates of consolidated subsidiaries

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

March 31	2010	2009
May 31	—	1
June 30	4	6
July 31	2	2
September 30	5	5
October 31	2	2
November 30	5	4
December 31	120	125
January 31	18	15
February 28	8	7
March 31	143	121

(ii) The financial statements of subsidiaries with balance sheets dated May 31, June 30, July 31, September 30, November 30 and January 31 are consolidated after the accounts are provisionally closed as of March 31 for the purpose of consolidation. For subsidiaries with balance sheets dated October 31, financial statements are consolidated based on the provisional financial statements closed as of January 31 or March 31. Other subsidiaries are consolidated on the basis of their respective balance sheet dates.

Overseas consolidated subsidiaries with balance sheets dated December 31 were established in March 2010. Their financial statements are consolidated after the accounts are provisionally closed as of March 31.

Appropriate adjustments are made for material transactions during the periods between their respective balance sheet dates and consolidated balance sheet dates.

(d) Special purpose entities

(i) Outline of special purpose entities and transactions
 SMBC provides loans, credit lines and liquidity lines to 12 special purpose entities ("SPEs") for their funding needs and issuing of commercial paper. The SPEs are engaged in purchases of monetary claims such as receivables from SMBC customers and incorporated under the laws of the Cayman Islands or as intermediate corporations with limited liabilities. SMBC has no voting rights in the SPEs and sends no directors or employees. Accordingly, SMFG does not consolidate these SPEs.

The combined assets and liabilities of the 12 SPEs as of their most recent closing dates of 2010 were ¥2,261,647 million (\$24,306 million) and ¥2,261,476 million (\$24,304 million), respectively. The respective amounts of 2009 were ¥3,140,527 million and ¥3,140,894 million.

(ii) The amount of principal transactions with the SPEs as of and for the fiscal years ended March 31, 2010 and 2009 were as follows:

	Millions of yen		Millions of U.S. dollars
March 31	2010	2009	2010
Loans and bills discounted	¥1,630,152	¥1,851,401	\$17,519
Credit lines	670,385	824,149	7,205
Liquidity lines	279,947	394,533	3,009

	Millions of yen		Millions of U.S. dollars
Year ended March 31	2010	2009	2010
Interest on loans and discounts	¥17,520	¥26,092	\$188
Fees and commissions	2,288	2,133	25

(2) Trading assets/liabilities and trading income/losses

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

Securities and monetary claims purchased for trading

purposes are stated at the fiscal year-end fair value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated on the consolidated balance sheet date.

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

(3) Securities

(a) Other than securities classified for trading purposes, debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method.

Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as “other securities” (available-for-sale securities). Stocks (including foreign stocks) in other securities that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities, for which it is extremely difficult to determine fair value, are carried at cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in “Net assets,” after deducting the amount that is reflected in the fiscal year’s earnings by applying fair value hedge accounting.

(b) Securities included in money held in trust are carried using the same method used for securities mentioned above.

(4) Derivative transactions

Derivative transactions, other than those classified as trading derivatives, are carried at fair value, with revaluation gain or loss included in the income or loss, unless they are designated as effective hedging instruments.

(5) Depreciation

(a) Tangible fixed assets

Buildings owned by SMFG and SMBC are depreciated using the straight-line method over the estimated useful lives of the respective assets. Assets other than buildings are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings: 7 to 50 years

Others: 2 to 20 years

Other consolidated subsidiaries depreciate their tangible fixed assets primarily using the straight-line method over the estimated useful lives of the respective assets.

(b) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned

by SMFG and its consolidated domestic subsidiaries is depreciated over its estimated useful life (basically 5 years).

(c) Lease assets

Lease assets with respect to non-transfer ownership finance leases, which are recorded in “Tangible fixed assets,” are depreciated using the straight-line method, assuming that lease term is its expected lifetime and salvage value is 0.

(6) Reserve for possible loan losses

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

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

For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“potentially bankrupt borrowers”), a reserve is provided for 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.

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

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

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

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

The reserve for possible loan losses of other consolidated subsidiaries for general claims is provided for in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding

amount of the claims. The amount of write-off was ¥843,781 million (\$9,068 million) and ¥717,010 million at March 31, 2010 and 2009, respectively.

(7) Reserve for employee bonuses

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

(8) Reserve for executive bonuses

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

(9) Reserve for employee retirement benefits

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

Unrecognized prior service cost is amortized using the straight-line method, primarily over 9 years, over the employees' estimated average remaining service period from the fiscal year of its incurrence.

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

"Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (Accounting Standard Board of Japan ("ASBJ") Statement No. 19, issued on July 31, 2008) became effective from the fiscal year beginning on and after April 1, 2009. Accordingly, SMFG has applied them from the fiscal year ended March 31, 2010. This accounting method has no impact on the consolidated financial statements for the fiscal year ended March 31, 2010.

(10) Reserve for executive retirement benefits

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

(11) Reserve for reimbursement of deposits

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

(12) Reserve under the special laws

The reserve under the special laws is a reserve for eventual future operating losses from financial instruments transactions pursuant to Article 46-5 of the Financial Instruments and Exchange Act.

(13) Translation of foreign currency assets and liabilities

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

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

(14) Lease transactions

(a) Recognition of income on finance leases

Interest income is allocated to each period.

(b) Recognition of income on operating leases

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

(c) Recognition of income and expenses on installment sales

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

(15) Hedge accounting

(a) Hedging against interest rate changes

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

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

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

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

As a result of the application of JICPA Industry Audit Committee Report No. 24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using "macro hedge," which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to "Interest income" or "Interest expenses" over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. Gross amounts of deferred hedge losses on "macro hedge" (before deducting tax effect) at March 31, 2010 and 2009 were ¥2,470 million (\$27 million) and ¥6,921 million, respectively. Gross amounts of deferred hedge gains on "macro hedge" (before deducting tax effect) at March 31, 2010 and 2009 were ¥2,416 million (\$26 million) and ¥5,688 million, respectively.

(b) Hedging against currency fluctuations

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

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

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

(c) Hedging against share price fluctuations

SMBC applies fair value hedge accounting to individual hedges offsetting the price fluctuation of the shares that are classified under other securities, and that are held for the purpose of strategic investment, and accordingly evaluates the effectiveness of such individual hedges.

(d) Transactions between consolidated subsidiaries

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

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

(16) Consumption taxes

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

(17) Valuation of consolidated subsidiaries' assets and liabilities

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

(18) Amortization of goodwill

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

(19) Statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, cash and cash equivalents represent cash and due from banks.

(20) Application of new accounting standards

(a) 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 the fiscal year ended March 31, 2010. Accordingly, this accounting change has the following impact on the consolidated financial statements as compared with the previous accounting method:

	Millions of yen	Millions of U.S. dollars
Monetary claims bought	¥ 8,710	\$ 94
Securities	41,914	450
Net unrealized gains (losses) on other securities	39,315	423
Deferred tax assets	(27,056)	(291)
Reserve for possible loan losses ...	(34,999)	(376)

As a result, income before income taxes and minority interests increased by ¥19,251 million (\$207 million) as compared with the former method.

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

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

(c) Accounting Standard for Lease Transactions

Non-transfer ownership finance leases had been accounted for using the same method as for operating leases. However, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued on March 30, 2007) and “Implementation Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008. Accordingly, SMFG has applied them from the fiscal year ended March 31, 2009.

The treatment of non-transfer ownership finance lease transactions which commenced before April 1, 2008 was as follows:

(i) Lessee side

Future minimum lease payments, excluding the interest portion, at March 31, 2008 are considered as acquisition cost and recorded as lease assets in either "Tangible fixed assets" or "Intangible fixed assets," assuming they had been acquired at the beginning of the fiscal year.

(ii) Lessor side

Appropriate book value, net of accumulated depreciation, of lease assets at March 31, 2008 was recorded as the beginning balance of "Lease receivables and investment assets."

Accordingly, this accounting change has the following impact on the consolidated financial statements as of and for the fiscal year ended March 31, 2009 as compared with the previous accounting method:

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

As a result, income before income taxes and minority interests for the fiscal year ended March 31, 2009 increased by ¥2,423 million.

(21) Changes in presentation

- (a) Lease assets related to operating leases on lessor side (March 31, 2009: ¥180,273 million) had been included in "Lease assets." From the fiscal year ended March 31, 2009, they are included in the following items because they have been immaterial:

	Millions of yen
March 31	2009
Tangible fixed assets:	
Buildings	¥52,681
Land	68,131
Other tangible fixed assets	59,460
Intangible fixed assets:	
Software	0

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

(22) Issuance of new shares

On June 22, 2009, SMFG issued 219,700 thousand new shares of common stock at ¥3,766 per share (issue price) for final allocation by underwriters at ¥3,928 per share (offer price). Furthermore, in connection with the over-allotment of 15,300 thousand shares of common stock offered for sale at ¥3,928 per share (sales price) in the public offering, SMFG issued 8,931 thousand new shares of common stock at ¥3,766 per share (issue price) through third-party allocation to the underwriter who conducted the over-allotment on July 27, 2009. The purchase agreement for the offering prescribes that the total amount of issue price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, other expenses do not include the amount equivalent to the underwriting commission for the offering in the amount of ¥37,038 million. Out of the issue price per share, ¥1,883 is accounted for as capital stock and ¥1,883 as capital surplus.

On January 27, 2010, SMFG issued 340,000 thousand new shares of common stock at ¥2,702.81 per share (issue price) for final allocation by underwriters at ¥2,804 per share (offer price). Furthermore, in connection with the over-allotment of 20,000 thousand shares of common stock offered for sale at ¥2,804 per share (sales price) in the public offering, SMFG issued 20,000 thousand new shares of common stock at ¥2,702.81 per share (issue price) through third-party allocation to the underwriter who conducted the over-allotment on February 10, 2010. The purchase agreement for the offering prescribes that the total amount of issue price be treated as the total amount of subscription price and no underwriting commission be paid. Accordingly, other expenses do not include the amount equivalent to the underwriting commission for the offering in the amount of ¥36,428 million. Out of the issue price per share, ¥1,351.405 is accounted for as capital stock and ¥1,351.405 as capital surplus.

Equity of ¥11,075 million attributable to SMFG, which a consolidated subsidiary and an equity method affiliated company of SMFG recorded as earnings under the purchase agreement for the offering, was accounted for as "Capital surplus."

(23) Change in method of valuation of certain securities

Floating-rate Japanese government bonds which SMFG Group held as "Other securities — AFS securities" had been carried on the consolidated balance sheet at market values. From the fiscal year ended March 31, 2009, such bonds have been carried at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issues Task Force No. 25, issued on October 28, 2008). As a result of this accounting change, compared with the former accounting method at March 31, 2009, "Securities," "Net unrealized gains on other

securities” and “Minority interests” increased by ¥117,757 million, ¥67,741 million and ¥2,508 million, respectively, and “Deferred tax assets” decreased by ¥47,508 million.

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

(24) Transactions with related parties

SMFG has applied “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11, issued on October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, issued on October 17, 2006) from the fiscal year ended March 31, 2009. There are no material transactions with related parties to be reported in the fiscal years ended March 31, 2010 and 2009.

3. Trading Assets

Trading assets at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Trading securities	¥2,779,725	¥ 293,956	\$29,874
Derivatives of trading securities	1,246	470	13
Derivatives of securities related to trading transactions	6,931	13,428	75
Trading-related financial derivatives	3,642,477	4,052,928	39,145
Other trading assets	278,307	564,178	2,991
	¥6,708,688	¥4,924,961	\$72,098

4. Securities

Securities at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Japanese government bonds*1	¥16,738,321	¥14,734,419	\$179,885
Japanese local government bonds	422,648	338,688	4,542
Japanese corporate bonds*2	3,548,359	3,899,189	38,134
Japanese stocks*1, 3, 4	2,967,641	2,755,683	31,893
Other*1, 3, 4	4,946,997	6,970,184	53,165
	¥28,623,968	¥28,698,164	\$307,619

*1 Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥41,826 million (\$450 million) are included in Japanese government bonds in Securities and in trading securities in Trading assets at March 31, 2010 and such securities in the amount of ¥33,312 million are included in Japanese government bonds and other in Securities at March 31, 2009.

SMBC has the right to sell or pledge, some of the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral. Of these securities, ¥3,840,308 million (\$41,271 million) are pledged, and ¥133,566 million (\$1,435 million) are held in hand at March 31, 2010. The respective amounts at March 31, 2009 were ¥1,717,335 million and ¥188,715 million.

*2 Japanese corporate bonds include privately placed bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) which are guaranteed by banking subsidiaries in the amount of ¥2,136,145 million (\$22,957 million) and ¥2,304,890 million at March 31, 2010 and 2009, respectively.

*3 Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥321,897 million (\$3,459 million) and ¥469,965 million at March 31, 2010 and 2009, respectively.

*4 Japanese stocks and other include investments in jointly controlled entities of ¥94,369 million (\$1,014 million) and ¥14,756 million at March 31, 2010 and 2009, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Bills discounted	¥ 196,382	¥ 257,759	\$ 2,111
Loans on notes	2,324,520	2,852,998	24,981
Loans on deeds	52,839,032	53,489,947	567,856
Overdrafts	7,341,097	8,534,613	78,894
	¥62,701,033	¥65,135,319	\$673,842

(2) Loans and bills discounted included the following “Risk-monitored loans” stipulated in the Banking Act:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Risk-monitored loans:			
Bankrupt loans* ¹	¥ 165,131	¥ 292,088	\$ 1,775
Non-accrual loans* ²	1,075,782	1,019,352	11,561
Past due loans (3 months or more)* ³	38,315	36,162	412
Restructured loans* ⁴	250,256	238,713	2,689
	¥1,529,484	¥1,586,317	\$16,437

*¹ “Bankrupt loans” are loans, after write-off, to legally bankrupt borrowers as defined in Articles 96-1-3 and 96-1-4 of the Enforcement Ordinance No. 97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.

*² “Non-accrual loans” are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.

*³ “Past due loans (3 months or more)” are loans on which the principal or interest is past due for 3 months or more, excluding “Bankrupt loans” and “Non-accrual loans.”

*⁴ “Restructured loans” are loans on which terms and conditions have been amended in favor of the borrowers (e.g., reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers’ recovery from financial difficulties, excluding “Bankrupt loans,” “Non-accrual loans” and “Past due loans (3 months or more).”

(3) 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 at March 31, 2010 and 2009 was ¥617,381 million (\$6,635 million) and ¥686,407 million, respectively.

(4) Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2010 and 2009 were ¥41,957,592 million (\$450,914 million) and ¥39,983,526 million, respectively, and the amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time at March 31, 2010 and 2009 were ¥36,373,235 million (\$390,900 million) and ¥34,012,566 million, respectively.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in the event that economic conditions change, SMBC and other consolidated subsidiaries need to secure claims, or other events occur. In addition, SMBC and other consolidated subsidiaries may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers’ financial positions, revising contracts when such need arises and securing claims after the contracts are made.

6. Other Assets

Other assets at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Prepaid expenses	¥ 30,643	¥ 35,305	\$ 329
Accrued income	239,422	265,015	2,573
Deferred assets	488,712	868,188	5,252
Financial derivatives*	1,079,708	1,406,092	11,604
Other	1,771,559	1,682,648	19,039
	¥3,610,046	¥4,257,251	\$38,797

* Referred to in Note 30

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Buildings	¥ 314,461	¥ 296,219	\$ 3,380
Land*	544,075	531,726	5,847
Lease assets	8,159	7,206	88
Construction in progress	8,206	3,527	88
Other tangible fixed assets	206,222	170,121	2,216
Total	¥1,081,125	¥1,008,801	\$11,619
Accumulated depreciation	¥ 671,298	¥ 616,324	\$ 7,214

* Includes land revaluation excess referred to in Note 15.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Software	¥215,563	¥163,522	\$2,317
Goodwill	363,507	186,793	3,906
Lease assets	367	480	4
Other intangible fixed assets	46,809	11,087	503
	¥626,248	¥361,884	\$6,730

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	¥ 703	¥ 339,948	\$ 8
Call loans and bills bought	367,035	259,186	3,944
Monetary claims bought	1,870	2,020	20
Trading assets	2,337,389	610,146	25,120
Securities	4,649,170	8,049,756	49,964
Loans and bills discounted	1,631,290	3,062,015	17,531
Lease receivables and investment assets	15,478	41,993	166
Tangible fixed assets	16,165	11,153	174
Other assets (installment account receivable, etc.)	3,087	2,165	33
Liabilities corresponding to assets pledged as collateral:			
Deposits	24,992	27,060	269
Call money and bills sold	642,100	1,266,265	6,901
Payables under repurchase agreements	1,120,860	778,993	12,046
Payables under securities lending transactions	3,664,591	6,332,775	39,383
Trading liabilities	365,974	594,121	3,933
Borrowed money	1,468,005	1,970,209	15,777
Other liabilities	14,611	4,587	157
Acceptances and guarantees	123,733	134,530	1,330

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, variation margins of futures market transactions and certain other purposes at March 31, 2010 and 2009:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Cash and due from banks and Deposits with banks	¥ 25,804	¥ 19,380	\$ 277
Trading assets	111,283	52,843	1,196
Securities	14,233,542	11,172,095	152,967
Loans and bills discounted	1,171,863	284,157	12,594

At March 31, 2010, other assets included surety deposits of ¥102,085 million (\$1,097 million), variation margins of futures market transactions of ¥8,457 million (\$91 million) and other variation margins of ¥83,768 million (\$900 million). At March 31, 2009, other assets included surety deposits of ¥85,892 million and variation margins of futures market transactions of ¥6,252 million.

10. Deposits

Deposits at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Current deposits	¥ 6,871,401	¥ 6,588,074	\$ 73,846
Ordinary deposits	35,153,531	34,078,361	377,792
Savings deposits	750,961	815,336	8,071
Deposits at notice	5,363,534	5,162,137	57,642
Time deposits	26,888,129	25,039,089	288,964
Negotiable certificates of deposit	6,995,619	7,461,284	75,181
Other deposits	3,621,037	3,886,497	38,915
	¥85,644,215	¥83,030,782	\$920,411

11. Trading Liabilities

Trading liabilities at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Trading securities sold for short sales	¥1,582,808	¥ 7,473	\$17,010
Derivatives of trading securities	2,367	407	26
Derivatives of securities related to trading transactions	6,961	13,997	75
Trading-related financial derivatives	3,474,589	3,575,780	37,341
	¥5,066,727	¥3,597,658	\$54,452

12. Borrowed Money

Borrowed money at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars	Average interest rate*1	Due
	2010	2009	2010		
Borrowed money*2	¥5,470,578	¥4,644,699	\$58,792	0.65%	Jan. 2010 — Perpetual

*1 Average interest rate represents the weighted average interest rate based on the balances and rates at respective year-end of SMBC and other consolidated subsidiaries.

*2 Includes subordinated borrowings of ¥378,729 million (\$4,070 million) and ¥436,000 million at March 31, 2010 and 2009, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2010 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2010	2010
Within 1 year	¥4,156,807	\$44,673
After 1 year through 2 years	325,880	3,502
After 2 years through 3 years	262,602	2,822
After 3 years through 4 years	140,698	1,512
After 4 years through 5 years	263,870	2,836

13. Bonds

Bonds at March 31, 2010 and 2009 consisted of the following:

March 31

Issuer	Millions of yen*1		Millions of U.S. dollars	Interest rate*2 (%)	
Description	2010	2009	2010	2010	Due
SMBC:					
Short-term bonds, payable in Yen	¥ 164,678	¥ 114,242	\$ 1,770	0.105–0.14	Apr. 2010–Jun. 2010
	[164,678]	[114,242]			
Straight bonds, payable in Yen	1,032,907	1,249,142	11,101	0.10–2.60	Apr. 2010–May 2025
	[149,198]	[398,291]			
Straight bonds, payable in Euroyen.....	20,900	25,400	225	0.00–4.55944	Mar. 2012–Feb. 2037
Straight bonds, payable in Australian dollars.....	46,031	—	495	5.76	Mar. 2013
	(A\$539,895 thousand)				
Subordinated bonds, payable in Yen	1,383,521	885,875	14,869	1.15–2.80	Jun. 2010–Jul. 2019
	[149,798]				
Subordinated bonds, payable in Euroyen.....	593,800	690,800	6,381	0.50313–2.97	May 2015–Perpetual
Subordinated bonds, payable in U.S. dollars.....	102,371	207,782	1,100	5.625–8.00	Nov. 2011–Perpetual
	(\$1,100,179 thousand)	(\$2,115,273 thousand)			
Subordinated bonds, payable in Euro	41,162	90,312	442	4.375	Perpetual
	(€329,591 thousand)	(€695,570 thousand)			
Subordinated bonds, payable in Euro	—	162,234	—	—	—
		(€1,249,496 thousand)			
Other consolidated subsidiaries:					
Straight bonds, payable in Yen	89,738	126,342	964	0.26868–3.50	Mar. 2010–Jul. 2017
	[62,842]	[65,621]			
Straight bonds, payable in U.S. dollars	—	910	—	—	—
		(\$10,000 thousand)			
		[910]			
Subordinated bonds, payable in Yen	112,239	146,451	1,206	1.0475–4.95	Mar. 2011–Perpetual
	[140]	[23,815]			
Subordinated bonds, payable in U.S. dollars.....	—	98,230	—	—	—
		(\$1,000,000 thousand)			
		[98,230]			
Short-term bonds, payable in Yen	1,047,500	905,100	11,257	0.112–0.79367	Apr. 2010–Dec. 2010
	[1,047,500]	[905,100]			
	¥4,634,851	¥4,702,826	\$49,810		

*¹ Figures in () are the balances in the original currency of the foreign currency denominated bonds, and figures in [] are the amounts to be redeemed within 1 year.

*² Interest rates indicate nominal interest rates which are applied at the consolidated balance sheet dates. Therefore, they may differ from actual interest rates.

The redemption schedule over the next 5 years on bonds at March 31, 2010 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2010	2010
Within 1 year	¥1,574,202	\$16,918
After 1 year through 2 years	261,143	2,806
After 2 years through 3 years	383,327	4,120
After 3 years through 4 years	267,070	2,870
After 4 years through 5 years	269,494	2,896

14. Other Liabilities

Other liabilities at March 31, 2010 and 2009 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Accrued expenses.....	¥ 144,338	¥ 268,050	\$ 1,551
Unearned income.....	174,931	177,998	1,880
Income taxes payable.....	56,708	45,105	610
Financial derivatives*1	818,105	1,317,303	8,792
Lease liabilities*2	58,742	23,594	631
Other	1,940,320	1,970,993	20,852
	¥3,193,146	¥3,803,046	\$34,316

*1 Referred to in Note 30

*2 Average interest rate on lease liabilities for the year ended March 31, 2010 was 3.52%. Non-transfer ownership finance lease with the lease term commenced before April 1, 2008 is excluded from calculations of average interest rate.

The repayment schedule over the next 5 years on lease liabilities at March 31, 2010 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2010	2010
Within 1 year.....	¥18,371	\$197
After 1 year through 2 years	14,033	151
After 2 years through 3 years	10,175	109
After 3 years through 4 years	6,327	68
After 4 years through 5 years	3,510	38

15. Land Revaluation Excess

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

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

Date of the revaluation

SMBC:

March 31, 1998 and March 31, 2002

Another consolidated subsidiary and an affiliate:

March 31, 1999 and March 31, 2002

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

SMBC:

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Articles 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance No. 119) effective March 31, 1998.

Another consolidated subsidiary and an affiliate:

Fair values were determined based on the values stipulated in Articles 2-3 and 2-5 of the Enforcement Ordinance No. 119.

16. Capital Stock

Capital stock consists of common stock and preferred stock. Common stock and preferred stock at March 31, 2010 and 2009 were as follows:

March 31	Number of shares			
	2010		2009*	
	Authorized	Issued	Authorized	Issued
Common stock	1,500,000,000	1,414,055,625	1,500,000,000	789,080,477
Preferred stock (Type 4).....	50,100	—	50,100	33,400
Preferred stock (Type 5).....	167,000	—	167,000	—
Preferred stock (Type 6).....	70,001	70,001	70,001	70,001
Preferred stock (Type 7).....	167,000	—	167,000	—
Preferred stock (Type 8).....	115,000	—	115,000	—
Preferred stock (Type 9).....	115,000	—	115,000	—
Total	1,500,684,101	1,414,125,626	1,500,684,101	789,183,878

* SMFG implemented a 100-for-1 stock split of shares of common stock effective on January 4, 2009.

All of the preferred stock is noncumulative and nonparticipating for dividend payments, and shareholders of the preferred stock are not entitled to vote at a general meeting of shareholders except when the proposal to pay the prescribed dividends to shareholders is not submitted to the general meeting of shareholders or is rejected at the general meeting of shareholders.

In the event that SMFG pays dividends, SMFG shall pay to holders of shares of its preferred stock, in preference to the holders of its common stock, cash dividends in the amounts as described below. If preferred interim dividends stipulated in the Articles of Incorporation of SMFG were paid during the relevant fiscal year, the amount of such preferred interim dividends shall be subtracted from such amount of annual preferred dividends. Preferred stock (Type 6) bears an annual noncumulative dividend of ¥88,500 per share and, in the event SMFG pays an interim dividend, holders are entitled to receive ¥44,250 in preference to common shareholders. Holders of preferred stock are not entitled to any further dividends in excess of

the amount as described above.

In the event of SMFG's voluntary or involuntary liquidation, holders of its preferred stock will be entitled, equally in rank as among themselves and in preference over shares of its common stock, to receive out of SMFG's residual assets upon liquidation a distribution of ¥3,000,000 per share in the case of Type 6 preferred stock. Holders of preferred stock are not entitled to any further dividends or other participation or distribution of SMFG's residual assets upon SMFG's liquidation.

SMFG may, subject to the requirements provided in the Company Act, purchase any shares of the preferred stock then outstanding at any time and retire such preferred stock out of distributable amounts of SMFG. SMFG may also, subject to the requirements provided in the Company Act, redeem all or some of preferred stock (Type 6) out of distributable amounts of SMFG at any time on and after March 31, 2011 at a price of ¥3,000,000 per share.

Preferred stock (Type 6) is non-convertible.

17. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2010 and 2009 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Fees and commissions:			
Deposits and loans	¥ 70,592	¥ 77,840	\$ 759
Remittances and transfers	125,792	131,455	1,352
Securities-related business.....	54,363	33,872	584
Agency	14,763	14,673	159
Safe deposits	6,684	6,914	72
Guarantees.....	49,365	50,852	530
Credit card business.....	143,770	141,117	1,545
Investment trusts.....	96,243	37,370	1,034
Other.....	167,789	178,654	1,803
	¥729,364	¥672,752	\$7,838
Fees and commissions payments:			
Remittances and transfers	¥ 31,050	¥ 30,211	\$ 334
Other.....	89,697	85,362	964
	¥120,748	¥115,574	\$1,298

18. Trading Income

Trading income for the fiscal years ended March 31, 2010 and 2009 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Gains on trading securities	¥ 63,424	¥ 23,876	\$ 682
Gains on securities related to trading transactions.....	2,254	1,221	24
Gains on trading-related financial derivatives	127,833	179,255	1,374
Other	576	7,386	6
	¥194,087	¥211,738	\$2,086

19. Other Operating Income

Other operating income for the fiscal years ended March 31, 2010 and 2009 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Gains on sale of bonds	¥ 90,942	¥149,037	\$ 978
Gains on redemption of bonds	10	57	0
Lease-related income.....	243,237	252,966	2,614
Gains on financial derivatives	—	7,142	—
Other	118,823	120,396	1,277
	¥453,012	¥529,599	\$4,869

20. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2010 and 2009 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Losses on sale of bonds.....	¥ 30,122	¥ 68,882	\$ 324
Losses on redemption of bonds.....	17,401	45,852	187
Losses on devaluation of bonds.....	331	7,049	3
Bond issuance costs.....	1,197	606	13
Lease-related expenses.....	201,932	194,349	2,170
Losses on foreign exchange transactions	1,591	14,984	17
Losses on financial derivatives	17,011	—	183
Other	132,186	141,487	1,421
	¥401,773	¥473,212	\$4,318

21. Other Income

Other income for the fiscal years ended March 31, 2010 and 2009 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Gains on sale of stocks and other securities	¥ 57,231	¥15,242	\$ 615
Gains on money held in trust.....	130	98	1
Gains on disposal of fixed assets.....	17,179	1,297	185
Recoveries of written-off claims	968	1,708	10
Other	35,128	34,627	378
	¥110,638	¥52,973	\$1,189

22. Other Expenses

Other expenses for the fiscal years ended March 31, 2010 and 2009 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Write-off of loans.....	¥176,672	¥302,353	\$1,899
Losses on sale of stocks and other securities.....	34,814	7,802	374
Losses on devaluation of stocks and other securities.....	32,495	191,117	349
Losses on money held in trust	375	232	4
Losses on sale of delinquent loans.....	76,439	62,549	821
Equity in losses of affiliates.....	21,542	94,876	232
Losses on disposal of fixed assets	6,003	12,144	65
Losses on impairment of fixed assets*	12,856	7,363	138
Other	65,052	44,692	699
	¥426,252	¥723,131	\$4,581

*Losses on impairment of fixed assets consisted of the following:

Year ended		Purpose of use		Millions of yen		Millions of U.S. dollars
March 31	Area	2010	Type	2010	2009	2010
Tokyo metropolitan area		Branch (1 branch)	Land and buildings, etc.	¥ 13	¥ 57	\$ 0
		Corporate assets (6 items)		8,295	4,700	89
		Idle assets (31 items)		1,511	664	16
		Other (4 items)		335	444	4
Kinki area		Branch (1 branch)	Land and buildings, etc.	164	389	2
		Corporate assets (2 items)		35	—	0
		Idle assets (38 items)		1,436	607	15
		Other (2 items)		256	318	3
Other		Corporate assets (3 items)	Land and buildings, etc.	21	—	0
		Idle assets (10 items)		281	179	3
		Other (2 items)		503	—	5

At SMBC, a branch, which continuously manages and determines its income and expenses, is the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Assets such as corporate headquarters facilities, training facilities, data and system centers, and health and recreational facilities which do not produce cash flows that can be attributed to individual assets are treated as corporate assets. As for idle assets, impairment loss is measured individually. At other consolidated subsidiaries, a branch or other group is the smallest asset grouping unit as well.

SMBC and other subsidiaries reduced the carrying amounts of long-lived assets of which investments are not expected to be fully recovered to their recoverable amounts, and recognized the losses as “losses on impairment of fixed assets,” which is included in “Other expenses.” SMBC reduced the carrying amounts of corporate assets and idle assets, and other consolidated subsidiaries reduced the carrying amounts of long-lived assets of their branches, corporate assets and idle assets. The recoverable amount is calculated using net realizable value which is basically determined by subtracting the expected disposal cost from the appraisal value based on the Real Estate Appraisal Standard.

23. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2010 and 2009 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Deferred tax assets:			
Net operating loss carryforwards	¥ 485,533	¥ 718,553	\$ 5,218
Write-off of securities	282,386	354,168	3,035
Reserve for possible loan losses	438,537	307,586	4,713
Write-off of loans	140,597	141,102	1,511
Net unrealized gains (losses) on other securities	20,707	72,185	223
Reserve for employee retirement benefits	74,489	64,968	800
Net deferred losses on hedges	27,290	14,125	293
Depreciation	12,392	9,058	133
Other	245,743	132,911	2,641
Subtotal	1,727,678	1,814,660	18,567
Valuation allowance	(739,555)	(851,725)	(7,948)
Total deferred tax assets	988,123	962,935	10,619
Deferred tax liabilities:			
Net unrealized gains (losses) on other securities	(169,312)	(26,133)	(1,820)
Leveraged lease	(28,392)	(29,167)	(305)
Gains on securities contributed to employee retirement benefits trust....	(42,261)	(42,263)	(454)
Securities returned from employee retirement benefits trust	(13,956)	(14,711)	(150)
Undistributed earnings of overseas subsidiaries	(3,388)	(2,206)	(36)
Other	(28,746)	(18,082)	(309)
Total deferred tax liabilities	(286,057)	(132,564)	(3,074)
Net deferred tax assets	¥ 702,065	¥ 830,370	\$ 7,545

(2) SMFG and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, would result in an effective statutory tax rate of approximately 40.69% for the years ended March 31, 2010 and 2009. A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of operations to the statutory tax rate for the years ended March 31, 2010 and 2009 was as follows:

	2010	2009
Statutory tax rate	40.69%	40.69%
Valuation allowance	(10.81)	1,033.93
Equity in losses of affiliates	1.91	130.88
Undistributed earnings of overseas subsidiaries	—	(34.92)
Dividends exempted for income tax purposes	—	(6.24)
Other	0.26	(29.80)
Effective income tax rate	32.05%	1,134.54%

24. Changes in Net Assets

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

	Number of shares			
Year ended March 31, 2010	March 31, 2009	Increase	Decrease	March 31, 2010
Shares issued				
Common stock.....	789,080,477	624,975,148* ¹	—	1,414,055,625
Preferred stock (1st series Type 4)	4,175	—	4,175* ²	—
Preferred stock (2nd series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (3rd series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (4th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (9th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (10th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (11th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (12th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (1st series Type 6)	70,001	—	—	70,001
Total	789,183,878	624,975,148	33,400	1,414,125,626
Treasury shares				
Common stock.....	17,028,466	54,672* ³	13,038* ³	17,070,100
Preferred stock (1st series Type 4)	—	4,175* ²	4,175* ²	—
Preferred stock (2nd series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (3rd series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (4th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (9th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (10th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (11th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (12th series Type 4).....	—	4,175* ²	4,175* ²	—
Total	17,028,466	88,072	46,438	17,070,100

*¹ Increase in number of common shares issued:

- 559,700,000 shares due to issuance of new shares by way of public offering on June 22, 2009 and January 27, 2010
- 28,931,300 shares due to issuance of new shares by way of third-party allotment on July 27, 2009 and February 10, 2010
- 36,343,848 shares due to exercising of rights to request acquisition of common shares with respect to preferred stock (1st through 4th and 9th through 12th series Type 4) on January 28, 2010

*² Increase in number of treasury preferred shares (Type 4):

- 4,175 shares due to acquisition of own shares on January 28, 2010 as a result of exercising of rights to request acquisition of common shares
- Decrease in number of shares issued and treasury shares of preferred stock (1st through 4th and 9th through 12th series Type 4):
- 4,175 shares due to retirement of treasury shares on February 8, 2010

*³ Increase in number of treasury common shares:

- 54,672 shares due to purchase of fractional shares

Decrease in number of treasury common shares:

- 12,990 shares due to sale of fractional shares
- 48 shares due to sale by affiliates accounted for by the equity method

	Number of shares			
Year ended March 31, 2009	March 31, 2008	Increase	Decrease	March 31, 2009
Shares issued				
Common stock.....	7,733,653.77	781,346,823.23* ¹	—	789,080,477
Preferred stock (1st series Type 4).....	4,175	—	—	4,175
Preferred stock (2nd series Type 4).....	4,175	—	—	4,175
Preferred stock (3rd series Type 4).....	4,175	—	—	4,175
Preferred stock (4th series Type 4).....	4,175	—	—	4,175
Preferred stock (5th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (6th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (7th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (8th series Type 4).....	4,175	—	4,175* ²	—
Preferred stock (9th series Type 4).....	4,175	—	—	4,175
Preferred stock (10th series Type 4).....	4,175	—	—	4,175
Preferred stock (11th series Type 4).....	4,175	—	—	4,175
Preferred stock (12th series Type 4).....	4,175	—	—	4,175
Preferred stock (1st series Type 6)	70,001	—	—	70,001
Total	7,853,754.77	781,346,823.23	16,700	789,183,878
Treasury shares				
Common stock.....	168,997.41	16,887,475.04* ³	28,006.45* ³	17,028,466
Preferred stock (5th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (6th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (7th series Type 4).....	—	4,175* ²	4,175* ²	—
Preferred stock (8th series Type 4).....	—	4,175* ²	4,175* ²	—
Total	168,997.41	16,904,175.04	44,706.45	17,028,466

*¹ Increase in number of common shares issued:

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

*² Increase in number of treasury preferred shares (Type 4):

- 4,175 shares due to acquisition of own shares on April 30, 2008 as a result of exercising of rights to request acquisition of common shares

Decrease in number of shares issued and treasury shares of preferred stock (5th through 8th series Type 4):

- 4,175 shares due to retirement of treasury shares on May 16, 2008

*³ Increase in number of treasury common shares:

- 68,904.66 shares due to purchase of fractional shares and shares less than 1 unit
- 539 shares due to acquisition of shares owned by shareholders who opposed the exchange of subsidiary company shares for SMFG shares
- 16,818,031.38 shares due to the stock split implemented on January 4, 2009

Decrease in number of treasury common shares:

- 28,006.45 shares due to sale of fractional shares and shares less than 1 unit

(2) Information on stock acquisition rights is as follows:

Year ended March 31, 2010	Detail of stock acquisition rights	Type of shares	Number of shares			March 31, 2010	Millions of yen	Millions of U.S. dollars
			March 31, 2009	Increase	Decrease		March 31, 2010	March 31, 2010
SMFG.....	Stock options	—	—	—	—	—	¥—	\$—
Consolidated subsidiary ...	—	—	—	—	—	—	81	1
Total.....							¥81	\$ 1

Year ended March 31, 2009	Detail of stock acquisition rights	Type of shares	Number of shares			March 31, 2009	Millions of yen
			March 31, 2008	Increase	Decrease		March 31, 2009
SMFG.....	Stock options	—	—	—	—	—	¥—
Consolidated subsidiary ...	—	—	—	—	—	—	66
Total.....							¥66

(3) Information on dividends is as follows:

(a) Dividends paid in the fiscal year ended March 31, 2009

Type of shares	Millions of yen, except per share amount			
	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥53,655	¥ 7,000	March 31, 2008	June 27, 2008
Preferred stock (1st series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (2nd series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (3rd series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (4th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (5th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (6th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (7th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (8th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (9th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (10th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (11th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (12th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (1st series Type 6)	3,097	44,250	March 31, 2008	June 27, 2008

Date of resolution: Ordinary general meeting of shareholders held on June 27, 2008

Type of shares	Millions of yen, except per share amount			
	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥54,753	¥ 7,000	September 30, 2008	December 5, 2008
Preferred stock (1st series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (2nd series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (3rd series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (4th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (9th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (10th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (11th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (12th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (1st series Type 6)	3,097	44,250	September 30, 2008	December 5, 2008

Date of resolution: Meeting of the Board of Directors held on November 14, 2008

(b) Dividends paid in the fiscal year ended March 31, 2010

Type of shares	Millions of yen, except per share amount			
	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥15,707	¥ 20	March 31, 2009	June 26, 2009
Preferred stock (1st series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (2nd series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (3rd series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (4th series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (9th series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (10th series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (11th series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (12th series Type 4)	281	67,500	March 31, 2009	June 26, 2009
Preferred stock (1st series Type 6)	3,097	44,250	March 31, 2009	June 26, 2009

Date of resolution: Ordinary general meeting of shareholders held on June 26, 2009

Type of shares	Millions of yen, except per share amount			
	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥45,629	¥ 45	September 30, 2009	December 4, 2009
Preferred stock (1st series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (2nd series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (3rd series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (4th series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (9th series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (10th series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (11th series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (12th series Type 4)	281	67,500	September 30, 2009	December 4, 2009
Preferred stock (1st series Type 6)	3,097	44,250	September 30, 2009	December 4, 2009

Date of resolution: Meeting of the Board of Directors held on November 13, 2009

(c) Dividends to be paid in the fiscal year ending March 31, 2011

Type of shares	Millions of yen, except per share amount				
	Aggregate amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥77,567	Retained earnings	¥ 55	March 31, 2010	June 29, 2010
Preferred stock (1st series Type 6)	3,097	Retained earnings	44,250	March 31, 2010	June 29, 2010

Date of resolution: Ordinary general meeting of shareholders held on June 29, 2010

25. Cash Flows

Fiscal year ended March 31, 2010

- (1) Reconciliation of the opening balance and the net cash payment for acquisition with respect to acquisition of 18 companies including Nikko Cordial Securities Inc. is as follows:

	Millions of yen	Millions of U.S. dollars
Assets	¥ 1,953,475	\$ 20,994
Trading assets	786,535	8,453
Liabilities	¥(1,552,271)	\$(16,682)
Call money and bills sold	(321,000)	(3,450)
Borrowed money	(295,020)	(3,171)
Minority interests	(711)	(8)
Goodwill	167,607	1,801
Acquisition costs for the 18 companies' stocks	568,099	6,105
The 18 companies' cash and due from banks	(58,246)	(626)
Net cash payment for acquisition of the 18 companies	¥ (509,853)	\$ (5,479)

- (2) The major assets and liabilities which were acquired due to a merger between Kansai Urban Banking Corporation and The Biwako Bank, Limited are as follows:

	Millions of yen	Millions of U.S. dollars
Assets	¥1,113,801	\$11,970
Loans and bills discounted	795,445	8,549
Securities	89,968	967
Liabilities	¥1,078,769	\$11,593
Deposits	1,033,256	11,104

- (3) QUOQ Inc. and 1 other company were excluded from the scope of consolidation due to a merger with OMC Card, Inc. Their major assets and liabilities are as follows:

	Millions of yen	Millions of U.S. dollars
Assets	¥730,001	\$7,845
Other assets	401,031	4,310
Customers' liabilities for acceptances and guarantees	258,620	2,779
Liabilities	¥714,850	\$7,682
Borrowed money	343,002	3,686
Acceptances and guarantees	258,620	2,779

26. Employee Retirement Benefits

(1) Outline of employee retirement benefits

Consolidated subsidiaries in Japan have contributory funded defined benefit pension plans such as employee pension plans, qualified pension plans and lump-sum severance indemnity plans. Consolidated subsidiaries in Japan have adopted the defined-contribution pension plan. Certain domestic consolidated subsidiaries have a general type of employee pension plans. They may grant additional benefits in cases where certain requirements are met when employees retire.

Some overseas consolidated subsidiaries adopt defined benefit pension plans and defined-contribution pension plans. SMBC and some consolidated subsidiaries in Japan contributed some of their marketable equity securities to employee retirement benefits trusts.

(2) Projected benefit obligation

		Millions of yen		Millions of U.S. dollars
March 31		2010	2009	2010
Projected benefit obligation	(A).....	¥(938,161)	¥(918,081)	\$(10,082)
Plan assets	(B).....	891,366	742,917	9,579
Unfunded projected benefit obligation	(C)=(A)+(B).....	(46,794)	(175,164)	(503)
Unrecognized net actuarial gain or loss	(D).....	226,268	382,151	2,432
Unrecognized prior service cost	(E).....	(15,234)	(26,420)	(164)
Net amount recorded on the consolidated balance sheet	(F)=(C)+(D)+(E).....	164,240	180,566	1,765
Prepaid pension cost	(G).....	205,931	216,209	2,213
Reserve for employee retirement benefits	(F)-(G).....	¥ (41,691)	¥ (35,643)	\$ (448)

Note: Some consolidated subsidiaries adopt the simple method in calculating the projected benefit obligation.

(3) Pension expenses

		Millions of yen		Millions of U.S. dollars
Year ended March 31		2010	2009	2010
Service cost.....		¥21,052	¥20,574	\$226
Interest cost on projected benefit obligation.....		22,459	22,445	241
Expected return on plan assets.....		(23,883)	(31,192)	(257)
Amortization of unrecognized net actuarial gain or loss.....		60,456	33,301	650
Amortization of unrecognized prior service cost.....		(11,167)	(11,159)	(120)
Other (nonrecurring additional retirement allowance paid and other).....		4,229	3,934	46
Total.....		¥73,146	¥37,902	\$786

Notes: 1. Pension expenses of consolidated subsidiaries which adopt the simple method are included in "Service cost."

2. Premium paid to defined-contribution pension is included in "Other."

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the fiscal years ended March 31, 2010 and 2009 were as follows:

Year ended March 31	2010	2009
Discount rate.....	1.4% to 2.5%	1.4% to 2.5%
Expected rate of return on plan assets.....	0% to 4.0%	0% to 4.1%

Estimated amounts of retirement benefits are allocated to each period by the straight-line method.

Unrecognized prior service cost is amortized using the straight-line method within the employees' average remaining service period from the fiscal year of its incurrence, over mainly 9 years for the fiscal years ended March 31, 2010 and 2009.

Unrecognized net actuarial gain or loss is amortized using the straight-line method within the employees' average remaining service period, commencing from the next fiscal year of incurrence, over mainly 9 years for the fiscal years ended March 31, 2010 and 2009.

27. Lease Transactions

(1) Financing leases

(a) Lessee side

(i) Lease assets

Tangible fixed assets mainly consisted of branches and equipment. Intangible fixed assets are software.

(ii) Depreciation method of lease assets

Depreciation method of lease assets is reported in Note 2. (5) Depreciation.

(b) Lessor side

(i) Breakdown of lease investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Lease receivables	¥1,343,868	¥1,444,731	\$14,442
Residual value	103,095	111,273	1,108
Unearned interest income	(233,640)	(247,788)	(2,511)
Total	¥1,213,323	¥1,308,216	\$13,039

(ii) The scheduled collections of lease receivables and investment assets are as follows:

Lease payments receivable related to lease receivables

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Within 1 year	¥242,087	¥244,758	\$2,602
More than 1 year to 2 years	173,269	179,297	1,862
More than 2 years to 3 years	109,219	129,660	1,174
More than 3 years to 4 years	75,511	79,425	811
More than 4 years to 5 years	32,981	49,624	354
More than 5 years	73,660	56,683	792
Total	¥706,728	¥739,450	\$7,595

Lease payments receivable related to investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Within 1 year	¥ 407,746	¥ 445,841	\$ 4,382
More than 1 year to 2 years	306,937	324,231	3,299
More than 2 years to 3 years	220,648	232,671	2,371
More than 3 years to 4 years	152,399	155,177	1,638
More than 4 years to 5 years	79,417	91,276	853
More than 5 years	176,720	195,533	1,899
Total	¥1,343,868	¥1,444,731	\$14,442

(iii) Non-transfer ownership finance leases, which commenced in fiscal years beginning before April 1, 2008, are valued at their appropriate book value, net of accumulated depreciation, as of March 31, 2008, and recorded as the beginning balance of fiscal 2008 of "Lease receivables and investment assets." Moreover, interest on such non-transfer ownership finance leases during the remaining term of the leases is allocated over the lease term using the straight-line method. As a result of this accounting treatment, "Income before income taxes and minority interests" for the fiscal year ended March 31, 2010 was ¥13,282 million (\$143 million) more than it would have been if such transactions had been treated in a similar way to sales of the underlying assets.

(2) Operating leases

(a) Lessee side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2010 and 2009 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Due within 1 year	¥17,153	¥13,122	\$184
Due after 1 year	69,742	52,925	750
Total	¥86,895	¥66,047	\$934

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2010 and 2009 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Due within 1 year	¥ 23,585	¥18,435	\$ 253
Due after 1 year	122,599	79,007	1,318
Total	¥146,185	¥97,442	\$1,571

Future lease payments receivable on operating leases which were not cancelable amounting to ¥0 million (\$0 million) on the lessor side were pledged as collateral for borrowings.

28. Financial Instruments

(1) Status of financial instruments

(a) Policies on financial instruments

SMFG conducts banking and other financial services such as leasing, securities, credit card, asset management and venture capital. Its banking business includes deposit taking, lending, securities trading and investment, remittance, foreign exchange, custody of funds and other assets related to financial futures transactions, bond subscription agent, trust business, over-the-counter sales of securities investment trusts and insurance products, and securities intermediation.

These services entail holding of financial assets such as loans and bills discounted, bonds, and stocks. Meanwhile, SMFG raises funds through deposit taking, borrowing, bond offering, etc. Furthermore, it undertakes derivative transactions to meet customers' hedging needs, to control market risk associated with deposit taking and lending ("ALM purposes"), and to make profit on short-term fluctuations in interest rates, foreign exchange rates, etc. ("trading purposes").

(b) Details of financial instruments and associated risks

i) Financial assets

The main financial assets held by SMFG include loans to foreign and domestic companies and domestic individuals, and securities such as bonds (government and corporate bonds) and stocks (foreign and domestic stocks), etc. Bonds such as government bonds are held for both trading and ALM purposes, and certain bonds are held as held-to-maturity securities. Stocks are held mainly for strategic purposes. These assets expose SMFG to credit risk, market risk and liquidity risk. Credit risk is the risk of loss arising from nonperformance of obligations by the borrower or issuer due to factors such as deterioration in the borrower's/issuer's financial conditions. Market risk is the risk stemming from fluctuations in interest rates, exchange rates, or share prices. Liquidity risk is the risk arising from difficulty executing transactions in desired quantities at appropriate prices due to low market liquidity. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

ii) Financial liabilities

Financial liabilities of SMFG include borrowed money and bonds, etc. in addition to deposits. Deposits mainly comprise deposits of domestic and foreign companies and domestic individuals. Borrowed money and bonds include subordinated borrowings and subordinated bonds. Also, financial liabilities, like financial assets, expose SMFG to not only market risk but also funding liquidity risk: the risk of SMFG not being able to raise funds due to market turmoil, deterioration in its creditworthiness or other factors. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

iii) Derivative transactions

Derivatives handled by SMFG include foreign exchange futures; futures, forwards, swaps and options related to interest rates, currencies, equities, bonds and commodities; and credit and weather derivatives.

Major risks associated with derivatives include market risk, liquidity risk, and credit risk arising from nonperformance of contractual obligations due to deterioration in the counterparty's financial conditions. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

Hedge accounting is applied to derivative transactions executed for ALM purposes, as necessary. Hedging instruments, hedged items, hedging policy and the method to assess the effectiveness of hedging are described in "2. Significant Accounting Policies, (15) Hedge accounting."

(c) Risk management framework for financial instruments

The fundamental matters on risk management for SMFG are set forth in "Risk Management Regulations." SMFG's Management Committee establishes the basic risk management policy, based on the Regulations, which is then approved by the Board of Directors. SMFG has a risk management system based on the basic policy. The Corporate Risk Management Department, which, together with the Corporate Planning Department, controls risk management across SMFG by monitoring the development and implementation of SMFG's risk management system, and gives appropriate guidance as needed. Under this framework, SMFG comprehensively and systematically manages risks.

i) Management of credit risk

SMFG conducts integrated management of credit risk according to its operational characteristics, and the credit risk inherent in its entire portfolio as well as the risk in individual credits are managed quantitatively and continuously.

i. Credit risk management system

At SMBC, basic policies on credit risk management and other significant matters require the resolution of the Management Committee and the approval of the Board of Directors.

The Credit & Investment Planning Department of the Risk Management Unit is responsible for the comprehensive management of credit risk. This department establishes, revises or abolishes credit policies, the internal rating system, credit authority regulations, credit application regulations, and manages nonperforming loans and other aspects of credit portfolio management. The department also controls SMBC's total credit risk by quantifying credit risk (i.e. calculating risk capital and risk-weighted assets) in cooperation with the Corporate Risk Management Department. The department also monitors risk situations and regularly reports to the Management Committee and the Board of Directors.

Moreover, the Credit Portfolio Management Department within the Credit & Investment Planning Department works to stabilize SMBC's overall credit portfolio through market transactions such as loan securitization. In the Corporate Services Unit, the Corporate Research Department analyzes industries as well as investigates the borrower's business situation to detect early signs of problems. The Credit Administration Department is responsible for formulating and implementing measures to reduce SMBC's exposures mainly to borrowers classified as potentially bankrupt or lower.

The Credit Departments of Consumer Banking Unit, Middle Market Banking Unit and other business units play a central role in credit screening and managing their units' credit portfolios. Each business unit establishes its credit limits based on the baseline amounts for each borrower grading category. Borrowers or loans perceived to have high credit risk undergo intensive evaluation and administration by the unit's Credit Department.

Moreover, the Credit Risk Committee, a consultative body straddling the business units, rounds out SMBC's oversight system for undertaking flexible and efficient control of credit risk and ensuring the overall soundness of the bank's loan operations.

In addition to these, the Internal Audit Unit, operating independently from the business units, audits asset quality, grading accuracy, self-assessment, and appropriateness of credit risk management system, and reports the results directly to the Board of Directors and the Management Committee.

ii. Method of credit risk management

SMBC properly manages the credit risk inherent in individual loans and the entire portfolio by assessing and quantifying the credit risk of each borrower/loan using the internal rating system. In addition to management of individual loans through credit screening and monitoring, it manages the credit portfolio as described below in order to secure and improve the credit portfolio's soundness and medium-term profitability.

— Appropriate risk-taking within the scope of capital
To limit credit risks to a permissible level relative to capital, "credit risk capital limit" has been established for internal control purposes. Under this limit, a general guideline and designated guidelines for real estate finance, investment in funds and securitization products, etc. are set for each business unit. Regular monitoring is conducted to ensure that these guidelines are being followed.

— Controlling concentration risk

Concentration of risk in specific borrowers/industries/countries could severely reduce a bank's capital should it materialize. SMBC therefore implements measures to prevent concentration of credit risk in specific industries, and control large exposures to individual borrowers by setting guidelines for maximum loan amounts and conducting thorough loan reviews. To

manage country risk, SMBC also has credit limit guidelines based on each country's creditworthiness.

— Greater understanding of actual corporate conditions and balancing returns and risks

SMBC runs credit operations on the basic principle of thoroughly understanding actual corporate conditions and gaining profit commensurate with the level of credit risk entailed, and makes every effort to improve profit at after-cost (credit cost, capital cost and overhead) level.

— Reduction and prevention of non-performing loans

On non-performing loans and potential non-performing loans, SMBC carries out loan reviews to clarify credit policies and action plans, enabling it to swiftly implement measures to prevent deterioration of borrowers' business situations, support business recoveries, collect on loans, and enhance loan security.

— Approaches to active portfolio management

SMBC is committed to agile portfolio management, such as using credit derivatives and selling loan claims, to stabilize its credit portfolio.

In regards to financial instruments such as investments in certain funds, securitized products and credit derivatives that indirectly retain risks related to assets such as corporate bonds and loan claims (underlying assets), such instruments entail market and liquidity risks in addition to credit risk, since such instruments are traded on the market. Credit risk management for these instruments involving detailed analysis and evaluation of characteristics of underlying assets is performed while market risk is comprehensively managed within the framework for managing market and liquidity risks. Moreover, guidelines have been established based on the characteristics of each type of risk.

In regards to credit risk of derivative transactions, the potential exposure based on the market price is regularly calculated and properly managed. When the counterparty is a financial institution with whom SMBC frequently conducts derivative transactions, measures such as a close-out netting provision, which provide that offsetting credit exposures between the 2 parties will be combined into a single net payment from 1 party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

ii) Management of market and liquidity risks

SMFG manages market and liquidity risks by setting allowable risk limits; ensuring the transparency of the risk management process; and clearly separating front-office, middle-office, and back-office operations for a highly efficient system of mutual checks and balances.

i. Market and liquidity risk management systems

At SMBC, important matters such as basic policies for managing market and liquidity risks and risk management framework are determined by the Management Committee and then approved by the Board of Directors.

The aforementioned Corporate Risk Management Department, which is independent from the business

units that directly handle business transactions, manages market and liquidity risks in an integrated manner. The department also monitors market and liquidity risk situations and regularly reports to the Management Committee and the Board of Directors.

Furthermore, SMBC's cross-departmental "ALM Committee" reports on the state of observance of market risk capital and liquidity risk capital limits, and deliberates on administration of ALM policies. SMBC also has a system whereby front-office departments, middle-office departments and back-office departments check each other's work in order to prevent clerical errors, unauthorized transactions, etc.

In addition, SMBC's Internal Audit Unit, which is independent from other departments, periodically performs comprehensive internal audits to verify that the risk management framework is properly functioning and reports the audit results to the Management Committee, the Board of Directors and other concerned committees and departments.

ii. Market and liquidity risk management methodology
— Market risk management

SMBC manages market risk by setting maximum loss and VaR (value at risk: maximum potential loss for a given probability) within the market risk capital limit that is set taking into account stockholders' equity and other factors and in accordance with the market transaction policies.

SMBC uses the historical simulation method (a method for estimating the maximum loss by running simulations of changes in profit and loss on market fluctuation scenarios based on historical data) to measure VaR.

Regarding risks associated with foreign exchange rates, interest rates, equity risk, option prices and

other market risk factors, SMBC manages such risks by setting a maximum limit on the indicator suited for each market risk factor such as BPV (basis point value: denotes the change in value of a financial instrument resulting from a 0.01 percentage-point change in the yield).

— Liquidity risk management

At SMBC, funding liquidity risk is managed based on a framework consisting of setting funding gap limits and guidelines, maintaining a system of highly liquid supplementary funding sources, and establishing contingency plans. SMBC tries to avoid excessive reliance on short-term funds by managing funding gap limits and guidelines and has established a contingency plan covering emergency action plans such as reducing funding gap limits and guidelines. In addition, to ensure smooth fulfillment of transactions in face of market turmoil, SMBC holds assets such as U.S. treasuries that can be sold immediately and emergency committed lines as supplemental liquidity.

Moreover, to manage the liquidity risk of marketable instruments, derivative transactions, etc., SMBC has trading limits for each business office classified by currency, instrument, transaction period, etc. As for financial futures, etc., risks are managed by restricting positions within a certain percentage of open interest in the entire market.

(d) Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments are based on their market prices and, in cases where market prices are not available, reasonably calculated prices. Such prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

(2) Fair value of financial instruments

(a) Consolidated balance sheet amounts, fair values and net unrealized gains (losses) of financial instruments as of March 31, 2010 are as follows. The amounts shown in the following table do not include financial instruments whose fair values are extremely difficult to determine, such as unlisted stocks classified as "other securities," and stocks of subsidiaries and affiliates.

March 31	Millions of yen		
	2010		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	¥ 5,838,781	¥ 5,839,844	¥ 1,063
2) Call loans and bills bought*1.....	1,119,705	1,121,304	1,598
3) Receivables under resale agreements.....	25,226	25,226	—
4) Receivables under securities borrowing transactions.....	5,440,622	5,440,622	—
5) Monetary claims bought*1.....	997,290	1,010,523	13,233
6) Trading assets			
Securities classified as trading purposes.....	3,058,033	3,058,033	—
7) Money held in trust.....	18,734	18,734	—
8) Securities			
Bond classified as held-to-maturity.....	3,272,012	3,330,623	58,610
Other securities.....	24,383,712	24,383,712	—
9) Loans and bills discounted.....	62,701,033		
Reserve for possible loan losses*1.....	(801,234)		
	61,899,799	62,891,684	991,885
10) Foreign exchanges*1.....	1,101,719	1,105,607	3,888
11) Lease receivables and investment assets*1.....	1,824,961	1,933,129	108,168
Total assets.....	¥108,980,596	¥110,159,045	¥1,178,449
1) Deposits.....	¥ 78,648,595	¥ 78,674,772	¥ 26,176
2) Negotiable certificates of deposit.....	6,995,619	6,995,575	(43)
3) Call money and bills sold.....	2,119,557	2,119,557	(0)
4) Payables under repurchase agreements.....	1,120,860	1,120,860	—
5) Payables under securities lending transactions.....	4,315,774	4,315,774	—
6) Commercial paper.....	310,787	310,787	—
7) Trading liabilities			
Trading securities sold for short sales.....	1,582,808	1,582,808	—
8) Borrowed money.....	5,470,578	5,489,347	18,768
9) Foreign exchanges.....	192,299	192,299	—
10) Short-term bonds.....	1,212,178	1,212,178	—
11) Bonds.....	3,422,672	3,514,970	92,298
12) Due to trust account.....	159,554	159,554	—
Total liabilities.....	¥105,551,287	¥105,688,486	¥ 137,199
Derivative transactions*2			
Hedge accounting not applied.....	¥ 245,128	¥ 245,128	¥ —
Hedge accounting applied.....	183,211	183,211	—
Total.....	¥ 428,339	¥ 428,339	¥ —

March 31	Millions of U.S. dollars		
	2010		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1	\$ 62,749	\$ 62,760	\$ 11
2) Call loans and bills bought*1	12,033	12,051	18
3) Receivables under resale agreements	271	271	—
4) Receivables under securities borrowing transactions	58,470	58,470	—
5) Monetary claims bought*1	10,718	10,860	142
6) Trading assets			
Securities classified as trading purposes	32,864	32,864	—
7) Money held in trust	201	201	—
8) Securities			
Bond classified as held-to-maturity	35,164	35,794	630
Other securities	262,050	262,050	—
9) Loans and bills discounted	673,842		
Reserve for possible loan losses*1	(8,610)		
	665,232	675,891	10,659
10) Foreign exchanges*1	11,840	11,882	42
11) Lease receivables and investment assets*1	19,613	20,775	1,162
Total assets	\$1,171,205	\$1,183,869	\$12,664
1) Deposits	\$ 845,229	\$ 845,511	\$ 282
2) Negotiable certificates of deposit	75,181	75,181	(0)
3) Call money and bills sold	22,779	22,779	(0)
4) Payables under repurchase agreements	12,046	12,046	—
5) Payables under securities lending transactions	46,381	46,381	—
6) Commercial paper	3,340	3,340	—
7) Trading liabilities			
Trading securities sold for short sales	17,010	17,010	—
8) Borrowed money	58,792	58,994	202
9) Foreign exchanges	2,067	2,067	—
10) Short-term bonds	13,027	13,027	—
11) Bonds	36,783	37,775	992
12) Due to trust account	1,715	1,715	—
Total liabilities	\$1,134,350	\$1,135,825	\$ 1,475
Derivative transactions*2			
Hedge accounting not applied	\$ 2,634	\$ 2,634	\$ —
Hedge accounting applied	1,969	1,969	—
Total	\$ 4,603	\$ 4,603	\$ —

*1 Loans and bills discounted do not include general reserve for possible loan losses and specific reserve for possible loan losses. The reserves for possible losses on "Cash and due from banks," "Call loans and bills bought," "Monetary claims bought," "Foreign exchanges," and "Lease receivables and investment assets" are deducted directly from "Consolidated balance sheet amount" since they are immaterial.

*2 The amounts collectively represent the derivative transactions which are recorded on "Trading assets," "Trading liabilities," "Other assets" and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis.

(b) Fair value calculation methodology for financial instruments

Assets

1) Cash and due from banks, 2) Call loans and bills bought, 3) Receivables under resale agreements, 4) Receivables under securities borrowing transactions, 9) Loans and bills discounted, 10) Foreign exchanges, and 11) Lease receivables and investment assets:

Of these transactions, the book values of dues from banks without maturity and overdrafts with no specified repayment dates are regarded to approximate their fair values; thus, their fair values are their book values.

For short-term transactions with remaining life as of the end of the fiscal year not exceeding 6 months, their fair

values are, in principle, their book value as book values are regarded to approximate fair values.

The fair value of those with a remaining life of more than 6 months is, in principle, the present value of future cash flows (calculated by discounting estimated future cash flows, taking into account factors such as the borrower's internal rating and pledged collateral, using a rate comprising of a risk-free interest rate and an overhead ratio). Certain consolidated subsidiaries of SMFG calculate the present value by discounting the estimated future cash flows computed based on the contractual interest rate, using a rate comprising a risk-free rate and a credit risk premium.

Regarding claims on bankrupt borrowers, effectively

bankrupt borrowers and potentially bankrupt borrowers, expected losses on such claims are calculated based on either the present value of expected future cash flows or the expected recoverable amount from collateral or guarantees. Since the claims' balance sheet amounts at the closing date minus the current expected amount of loan losses approximate their fair values, such amounts are regarded as their fair values.

5) Monetary claims bought:

The fair values of monetary claims bought with market prices, such as beneficial interests in commodities investment trusts, are based on their market prices as of the end of the fiscal year. The fair values of subordinated trust beneficiary interests related to securitized housing loans are based on the assessed value of underlying assets minus the assessed value of senior beneficial interests, etc. The fair values of other transactions are, in principle, based on prices calculated using methods similar to the methods applied to 9) Loans and bills discounted.

6) Trading assets:

The fair values of bonds and other securities held for trading purposes are, in principle, based on their market price at the final date of the fiscal year.

7) Money held in trust:

The fair values of money held in trust are, in principle, based on the market prices of securities held in trust calculated using methods similar to the methods applied to 8) Securities.

8) Securities:

In principle, the fair values of stocks (including foreign stocks) are based on the average market price during 1 month before the end of the fiscal year. The fair values of bonds and securities with market prices other than stocks are prices calculated based on their market prices on the final date of the fiscal year.

In light of the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issue Task Force No. 25), the fair values of floating-rate Japanese government bonds are based on the present value of future cash flows (the government bond yield is used to discount and estimate future cash flows). Bond yield and yield volatility are the main price parameters. The fair values of those without market prices, such as private-placement bonds, are based on the present value of future cash flows calculated by discounting estimated future cash flows taking into account the borrower's internal rating and pledged collateral by a rate comprising a risk-free interest rate and an overhead ratio. However, the fair values of bonds issued by bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers are based on the bond's face value after the deduction of the expected amount of a loss on the bond computed by using the same method applied to the estimation of a loan loss. Meanwhile, the fair values of publicly offered investment trusts are calculated based on the published net asset value (NAV) per share, while those of private placement investment trusts are calculated based on the NAV published by securities firms and other financial institutions.

Liabilities

1) Deposits, 2) Negotiable certificates of deposit and

12) Due to trust account:

The fair values of demand deposits and deposits without maturity are based on their book values as at the end of the fiscal year. The fair values of short-term transactions with remaining life as of the end of the fiscal year not exceeding 6 months are also based on their book values, as their book values are regarded to approximate their market values.

The fair values of transactions with a remaining life of more than 6 months are, in principle, based on the present value of future cash flows calculated using the rate applied to the same type of deposits that are newly accepted until the end of the remaining life.

3) Call money and bills sold, 4) Payables under repurchase agreements, 5) Payables under securities lending transactions, 6) Commercial paper, 8) Borrowed money, 10) Short-term bonds and 11) Bonds:

The fair values of short-term transactions with remaining life as of the end of the fiscal year not exceeding 6 months are based on their book values, as their book values are regarded to approximate their fair values. For transactions with a remaining life of more than 6 months, their fair values are, in principle, based on the present value of future cash flows calculated using the refinancing rate applied to the same type of instruments for the remaining life. The fair values of bonds are based on the present value of future cash flows calculated using the rate derived from the data on the yields of benchmark bonds and publicly-offered subordinated bonds published by securities firms.

7) Trading liabilities:

The fair values of bonds sold for short sales and other securities for trading purposes are, in principle, based on their market prices on the final date of the fiscal year.

9) Foreign exchanges:

The fair values of foreign currency-denominated deposits without maturity received from other banks are based on their book values as at the end of the fiscal year.

The fair values of foreign exchange related short-term borrowings are based on their book values, as their book values are regarded to approximate their fair values.

Derivatives transactions

The fair values of exchange-traded derivatives are based on their closing prices. With regard to OTC transactions, the fair values of interest rate, currency, stock, bond and credit derivatives are based on their settlement prices as at the end of the fiscal year calculated based on the present value of the expected future cash flows or using valuation techniques such as the option pricing model. The fair values of commodity derivatives transactions are based on their settlement prices as at the end of the fiscal year, calculated based on the derivative instrument's components, including price and contract term.

(3) Consolidated balance sheet amounts of financial instruments whose fair values are extremely difficult to determine are as follows:

	Millions of yen	Millions of U.S. dollars
March 31	2010	2010
Monetary claims bought:		
Monetary claims bought without market prices*1	¥ 7,889	\$ 85
Securities:		
Unlisted stocks, etc.*2, 4	291,922	3,137
Investments in partnership, etc.*3, 4	354,422	3,809
Total	¥654,234	\$7,031

*1 Beneficiary claims that (a) behave more like equity than debt, (b) do not have market prices, and (c) for which it is difficult to rationally estimate fair values. They include commodity investments and beneficiary claims on loan trusts.

*2 Not included in the scope of fair value disclosure since there are no market prices and it is extremely difficult to determine their fair values.

*3 Capital contributions with no market prices. The above-stated amount includes the book value amount of investments in the partnership of which the SMFG records net changes in their balance sheets and statements of income.

*4 Unlisted stocks and investments in partnership totaling ¥26,770 million (\$288 million) was written-off in the fiscal year ended March 31, 2010.

(4) Redemption schedule of monetary claims bought and securities with maturities

	Millions of yen			
	2010			
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥ 4,728,741	¥ 2,685	¥ —	¥ —
Call loans and bills bought	1,120,590	555	—	—
Receivables under resale agreements	25,226	—	—	—
Receivables under securities borrowing transactions	5,440,622	—	—	—
Monetary claims bought*1	649,799	93,698	62,313	189,786
Securities*1	9,638,321	11,344,537	3,138,161	717,074
Bonds classified as held-to-maturity	69,571	2,713,680	483,955	—
Japanese government bonds	65,000	2,410,000	390,000	—
Japanese local government bonds	1,595	113,592	38,972	—
Japanese corporate bonds	2,976	188,087	50,283	—
Other	—	2,000	4,700	—
Other securities with maturity	9,568,749	8,630,856	2,654,206	717,074
Japanese government bonds	8,226,690	3,456,218	1,712,053	364,500
Japanese local government bonds	25,723	216,764	20,276	46
Japanese corporate bonds	675,629	2,130,381	363,670	60,592
Other	640,706	2,827,491	558,206	291,934
Loans and bills discounted*1, 2	13,552,411	22,297,810	7,923,621	10,884,978
Foreign exchanges*1	1,101,482	2,520	—	—
Lease receivables and investment assets*1	565,311	1,000,911	114,874	40,375
Total	¥36,822,506	¥34,742,718	¥11,238,970	¥11,832,214

March 31	Millions of U.S. dollars			
	2010			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	\$ 50,819	\$ 29	\$ —	\$ —
Call loans and bills bought	12,043	6	—	—
Receivables under resale agreements	271	—	—	—
Receivables under securities borrowing transactions	58,470	—	—	—
Monetary claims bought* ¹	6,983	1,007	670	2,040
Securities* ¹	103,582	121,919	33,725	7,706
Bonds classified as held-to-maturity	748	29,164	5,201	—
Japanese government bonds	699	25,900	4,191	—
Japanese local government bonds	17	1,221	419	—
Japanese corporate bonds	32	2,021	540	—
Other	—	22	51	—
Other securities with maturity	102,834	92,755	28,525	7,706
Japanese government bonds	88,411	37,144	18,399	3,917
Japanese local government bonds	276	2,329	219	1
Japanese corporate bonds	7,261	22,895	3,908	651
Other	6,886	30,387	5,999	3,137
Loans and bills discounted* ^{1, 2}	145,647	239,632	85,154	116,980
Foreign exchanges* ¹	11,838	27	—	—
Lease receivables and investment assets* ¹	6,075	10,757	1,235	434
Total	\$395,728	\$373,377	\$120,784	\$127,160

*¹ The amounts shown in the table above do not include amounts for claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers and other claims for which redemption is unlikely. The amounts for such claims are as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2010	2010
Monetary claims bought	¥ 3,196	\$ 34
Securities	16,989	183
Loans and bills discounted	1,213,627	13,043
Foreign exchanges	3,286	35
Lease receivables and investment assets	10,048	108

*² Does not include loans without tenure totaling ¥6,829,836 million (\$73,400 million).

(5) Redemption schedule of bonds, borrowed money and other interest-bearing debts

March 31	Millions of yen			
	2010			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥73,936,151	¥4,093,970	¥ 365,131	¥251,172
Negotiable certificates of deposit	6,959,781	35,838	—	—
Call money and bills sold	2,119,557	—	—	—
Payables under repurchase agreements	1,120,860	—	—	—
Payables under securities lending transactions	4,315,774	—	—	—
Commercial paper	310,787	—	—	—
Borrowed money	4,156,807	993,051	172,326	148,392
Foreign exchanges	192,299	—	—	—
Short-term bonds	1,212,200	—	—	—
Bonds	362,002	1,181,035	1,471,394	408,790
Due to trust account	159,554	—	—	—
Total	¥94,845,775	¥6,303,896	¥2,008,852	¥808,356

Millions of U.S. dollars				
2010				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	\$ 794,585	\$43,998	\$ 3,924	\$2,699
Negotiable certificates of deposit	74,796	385	—	—
Call money and bills sold	22,779	—	—	—
Payables under repurchase agreements	12,046	—	—	—
Payables under securities lending transactions	46,381	—	—	—
Commercial paper	3,340	—	—	—
Borrowed money	44,673	10,672	1,852	1,595
Foreign exchanges	2,067	—	—	—
Short-term bonds	13,027	—	—	—
Bonds	3,890	12,692	15,813	4,393
Due to trust account	1,715	—	—	—
Total	\$1,019,299	\$67,747	\$21,589	\$8,687

* Demand deposits are included in "Within 1 year." Deposits include current deposits.

29. Fair Value Information

(1) Securities

The amounts shown in the following tables include trading securities and short-term bonds classified as "Trading assets," negotiable certificates of deposit bought classified as "Deposits with banks," and beneficiary claims on loan trusts classified as "Monetary claims bought," in addition to "Securities" stated in the consolidated balance sheets.

Fiscal year ended March 31, 2010

(a) Securities classified as trading purposes

March 31	Millions of yen	Millions of U.S. dollars
	2010	2010
Valuation gains included in the earnings for the fiscal year	¥(2,583)	\$(28)

(b) Bonds classified as held-to-maturity

March 31	Millions of yen		
	2010		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	¥2,551,114	¥2,600,336	¥49,221
Japanese local government bonds	151,580	154,660	3,079
Japanese corporate bonds	239,417	246,457	7,039
Other	2,195	2,199	4
Subtotal	¥2,944,308	¥3,003,653	¥59,344
Bonds with unrealized losses:			
Japanese government bonds	¥ 320,098	¥ 319,472	¥ (626)
Japanese local government bonds	2,700	2,697	(2)
Japanese corporate bonds	411	410	(1)
Other	15,121	15,017	(104)
Subtotal	¥ 338,331	¥ 337,596	¥ (734)
Total	¥3,282,639	¥3,341,250	¥58,610

March 31	Millions of U.S. dollars		
	2010		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	\$27,417	\$27,946	\$529
Japanese local government bonds	1,629	1,662	33
Japanese corporate bonds	2,573	2,649	76
Other	23	23	0
Subtotal	\$31,642	\$32,280	\$638
Bonds with unrealized losses:			
Japanese government bonds	\$ 3,440	\$ 3,433	\$ (7)
Japanese local government bonds	29	29	(0)
Japanese corporate bonds	4	4	(0)
Other	163	162	(1)
Subtotal	\$ 3,636	\$ 3,628	\$ (8)
Total	\$35,278	\$35,908	\$630

(c) Other securities

March 31	Millions of yen		
	2010		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 1,604,127	¥ 1,060,381	¥ 543,745
Bonds	13,863,729	13,731,907	131,821
Japanese government bonds	10,769,980	10,707,770	62,209
Japanese local government bonds	196,170	194,047	2,123
Japanese corporate bonds	2,897,578	2,830,090	67,488
Other	2,494,792	2,371,004	123,788
Subtotal	¥17,962,649	¥17,163,293	¥ 799,355
Other securities with unrealized losses:			
Stocks	¥ 786,294	¥ 919,055	¥(132,761)
Bonds	3,580,276	3,588,439	(8,163)
Japanese government bonds	3,097,128	3,099,871	(2,743)
Japanese local government bonds	72,197	72,313	(116)
Japanese corporate bonds	410,951	416,253	(5,302)
Other	2,542,531	2,614,548	(72,017)
Subtotal	¥ 6,909,102	¥ 7,122,043	¥(212,941)
Total	¥24,871,752	¥24,285,337	¥ 586,414

March 31	Millions of U.S. dollars		
	2010		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	\$ 17,240	\$ 11,396	\$ 5,844
Bonds	148,992	147,575	1,417
Japanese government bonds	115,744	115,075	669
Japanese local government bonds	2,108	2,085	23
Japanese corporate bonds	31,140	30,415	725
Other	26,811	25,481	1,330
Subtotal	\$193,043	\$184,452	\$ 8,591
Other securities with unrealized losses:			
Stocks	\$ 8,450	\$ 9,877	\$(1,427)
Bonds	38,477	38,565	(88)
Japanese government bonds	33,285	33,314	(29)
Japanese local government bonds	776	777	(1)
Japanese corporate bonds	4,416	4,474	(58)
Other	27,324	28,098	(774)
Subtotal	\$ 74,251	\$ 76,540	\$(2,289)
Total	\$267,294	\$260,992	\$ 6,302

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥105 million (\$1 million) that are recognized in the fiscal year's earnings by applying fair value hedge accounting.

2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

	Millions of yen	Millions of U.S. dollars
March 31	2010	2010
Stocks.....	¥285,123	\$3,064
Other	369,111	3,967
Total.....	¥654,234	\$7,031

These amounts are not included in "(c) Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

(d) Held-to-maturity bonds sold during the year ended March 31, 2010

There are no corresponding transactions.

(e) Other securities sold during the year ended March 31, 2010

	Millions of yen		
	2010		
Year ended March 31	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 107,588	¥ 50,898	¥ (3,556)
Bonds.....	20,061,150	35,397	(6,154)
Japanese government bonds	19,422,804	32,937	(5,915)
Japanese local government bonds	196,472	634	(103)
Japanese corporate bonds	441,872	1,825	(136)
Other	12,193,240	61,872	(24,367)
Total.....	¥32,361,979	¥148,167	¥(34,079)

	Millions of U.S. dollars		
	2010		
Year ended March 31	Sales amount	Gains on sales	Losses on sales
Stocks.....	\$ 1,156	\$ 547	\$ (38)
Bonds.....	215,595	380	(66)
Japanese government bonds	208,735	354	(64)
Japanese local government bonds	2,111	7	(1)
Japanese corporate bonds	4,749	19	(1)
Other	131,040	665	(262)
Total.....	\$347,791	\$1,592	\$(366)

(f) Change of classification of securities

There are no corresponding transactions.

(g) Write-down of securities

Securities (excluding stocks of subsidiaries and affiliates) with fair value are considered as impaired if the fair value declines materially below the acquisition cost and such decline is not considered as recoverable. In such a case, the fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for the fiscal year was ¥19,519 million (\$210 million). The rule for determining "material decline" is as follows and is based on the classification of issuers under self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers:	Fair value is lower than acquisition cost.
Issuers requiring caution:	Fair value is 30% or more lower than acquisition cost.
Normal issuers:	Fair 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 4 categories of issuers.

Fiscal year ended March 31, 2009

(a) Securities classified as trading purposes

	Millions of yen
March 31	2009
Consolidated balance sheet amount.....	¥858,134
Valuation gains included in the earnings for the fiscal year	502

(b) Bonds classified as held-to-maturity with fair value

	Millions of yen				
	2009				
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥1,574,004	¥1,596,291	¥22,286	¥22,582	¥ 295
Japanese local government bonds	96,312	97,265	953	962	9
Japanese corporate bonds	392,209	396,215	4,006	4,611	605
Other	9,181	8,676	(504)	—	504
Total	¥2,071,708	¥2,098,449	¥26,741	¥28,155	¥1,414

Note: Fair value is calculated using market prices at the fiscal year-end.

(c) Other securities with fair value

	Millions of yen				
	2009				
March 31	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 1,978,015	¥ 1,985,078	¥ 7,062	¥287,380	¥280,317
Bonds	14,010,902	14,008,076	(2,826)	21,534	24,360
Japanese government bonds	13,158,932	13,160,414	1,482	20,029	18,547
Japanese local government bonds	242,419	242,376	(43)	499	542
Japanese corporate bonds	609,550	605,286	(4,264)	1,005	5,270
Other	6,048,145	6,010,732	(37,412)	47,920	85,332
Total	¥22,037,063	¥22,003,887	¥(33,176)	¥356,834	¥390,011

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

Stocks (including foreign stocks): Average market prices during 1 month before the fiscal year-end

Bonds and other: Market prices at the fiscal year-end or fair value based on the DCF method on certain Japanese government bonds

2. Other securities with fair value are considered as impaired if the fair value declines materially below the acquisition cost and such decline is not considered as recoverable. In such a case, the fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for the fiscal year ended March 31, 2009 was ¥156,721 million. The rule for determining "material decline" is as follows and is based on the classification of issuers under self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers: Fair value is lower than acquisition cost.

Issuers requiring caution: Fair value is 30% or more lower than acquisition cost.

Normal issuers: Fair 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 4 categories of issuers.

(d) Held-to-maturity bonds sold during the year ended March 31, 2009

There are no corresponding transactions.

(e) Other securities sold during the year ended March 31, 2009

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

(f) Securities with no available market value

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

(g) Change of classification of securities

There are no corresponding transactions.

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

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

(2) Money held in trust

(a) Money held in trust classified as trading purposes

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Consolidated balance sheet amount	¥1,483	¥1,416	\$16
Valuation gains (losses) included in the earnings for the fiscal year	13	(3)	0

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

There are no corresponding transactions.

(c) Other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Acquisition cost	¥17,188	¥7,830	\$184
Consolidated balance sheet amount	17,250	7,568	185
Net unrealized gains (losses)	62	(262)	1
Unrealized gains	157	—	2
Unrealized losses	(95)	(262)	(1)

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

(3) Net unrealized gains (losses) on other securities and other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Net unrealized gains (losses)	¥586,154	¥(34,044)	\$6,299
Other securities	586,091	(33,781)	6,299
Other money held in trust	62	(262)	0
(-) Deferred tax liabilities	168,758	14,428	1,813
Net unrealized gains (losses) on other securities (before following adjustment)	417,396	(48,472)	4,486
(-) Minority interests	7,991	(5,400)	86
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method	3,304	28,422	35
Net unrealized gains (losses) on other securities	¥412,708	¥(14,649)	\$4,435

Notes: 1. Net unrealized gains (losses) on other securities as of March 31, 2010 included gains of ¥105 million (\$1 million) that are recognized in the fiscal year's earnings by applying fair value hedge accounting.

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

30. Derivative Transactions

Fiscal year ended March 31, 2010

(1) Derivative transactions to which the hedge accounting method is not applied

The following tables set forth the contract amount or the amount equivalent to the principal, fair value, valuation gains (losses) and calculation method of the relevant commodities by category with respect to derivative transactions to which the hedge accounting method is not applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(a) Interest rate derivatives

	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 27,455,094	¥ 1,429,658	¥ (26,886)	¥ (26,886)
Bought.....	32,231,909	1,234,295	30,344	30,344
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	25,246,604	907,098	(340)	(340)
Interest rate swaps:	364,973,058	264,226,831	125,966	125,966
Receivable fixed rate/payable floating rate	168,753,817	124,132,310	4,254,072	4,254,072
Receivable floating rate/payable fixed rate	170,326,998	122,682,985	(4,118,551)	(4,118,551)
Receivable floating rate/payable floating rate.....	25,798,196	17,317,488	(6,016)	(6,016)
Interest rate swaptions:				
Sold.....	2,691,761	1,954,642	(59,016)	(59,016)
Bought.....	2,467,679	2,051,889	64,750	64,750
Caps:				
Sold.....	24,121,287	7,413,055	(13,228)	(13,228)
Bought.....	11,007,401	3,766,465	7,726	7,726
Floors:				
Sold	1,761,137	659,758	(18,523)	(18,523)
Bought.....	10,689,965	2,103,435	11,058	11,058
Other:				
Sold.....	732,102	342,078	(23,327)	(23,327)
Bought.....	2,526,134	1,235,256	81,184	81,184
Total.....	/	/	¥ 179,707	¥ 179,707

	Millions of U.S. dollars			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	\$ 295,057	\$ 15,364	\$ (289)	\$ (289)
Bought.....	346,393	13,265	326	326
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	271,323	9,749	(4)	(4)
Interest rate swaps:	3,922,333	2,839,622	1,354	1,354
Receivable fixed rate/payable floating rate	1,813,582	1,334,039	45,718	45,718
Receivable floating rate/payable fixed rate	1,830,489	1,318,463	(44,262)	(44,262)
Receivable floating rate/payable floating rate.....	277,251	186,109	(65)	(65)
Interest rate swaptions:				
Sold.....	28,928	21,006	(634)	(634)
Bought.....	26,520	22,051	696	696
Caps:				
Sold.....	259,229	79,667	(142)	(142)
Bought.....	118,296	40,478	83	83
Floors:				
Sold	18,927	7,090	(199)	(199)
Bought.....	114,884	22,605	119	119
Other:				
Sold.....	7,868	3,676	(251)	(251)
Bought.....	27,148	13,275	872	872
Total.....	/	/	\$ 1,931	\$ 1,931

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Financial Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(b) Currency derivatives

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Currency swaps.....	¥22,944,557	¥15,000,880	¥(197,861)	¥ (37,404)
Currency swaptions:				
Sold.....	812,380	787,350	(14,820)	(14,820)
Bought.....	962,113	861,923	30,552	30,552
Forward foreign exchange.....	34,515,123	3,923,138	116,047	116,047
Currency options:				
Sold.....	3,855,995	2,479,933	(313,707)	(313,707)
Bought.....	3,850,518	2,378,255	388,407	388,407
Other:				
Sold.....	51	—	1	1
Bought.....	42	—	0	0
Total	/	/	¥ 8,620	¥169,077

March 31	Millions of U.S. dollars			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Currency swaps.....	\$246,583	\$161,213	\$(2,126)	\$ (402)
Currency swaptions:				
Sold.....	8,731	8,462	(159)	(159)
Bought.....	10,340	9,263	328	328
Forward foreign exchange.....	370,931	42,162	1,247	1,247
Currency options:				
Sold.....	41,440	26,652	(3,371)	(3,371)
Bought.....	41,381	25,559	4,174	4,174
Other:				
Sold.....	1	—	0	0
Bought.....	0	—	0	0
Total	/	/	\$ 93	\$1,817

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

2. Fair value is calculated using discounted present value and option pricing models.

(c) Equity derivatives

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥ 57,478	¥ —	¥ (1,416)	¥ (1,416)
Bought.....	35,779	—	955	955
Equity price index options:				
Sold.....	1,825	—	(1)	(1)
Bought.....	225	—	1	1
Over-the-counter				
Equity options:				
Sold.....	226,398	152,641	(45,488)	(45,488)
Bought.....	233,424	225,474	45,680	45,680
Other:				
Sold.....	114	—	(0)	(0)
Bought.....	294	—	16	16
Total	/	/	¥ (253)	¥ (253)

March 31	Millions of U.S. dollars			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	\$ 618	\$ —	\$ (15)	\$ (15)
Bought.....	385	—	10	10
Equity price index options:				
Sold.....	20	—	(0)	(0)
Bought.....	2	—	0	0
Over-the-counter				
Equity options:				
Sold.....	2,433	1,640	(489)	(489)
Bought.....	2,509	2,423	491	491
Other:				
Sold.....	1	—	(0)	(0)
Bought.....	3	—	0	0
Total.....	/	/	\$ (3)	\$ (3)

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using option pricing models.

(d) Bond derivatives

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥1,320,583	¥ —	¥5,799	¥5,799
Bought.....	1,232,748	—	(6,710)	(6,710)
Bond futures options:				
Sold.....	8,652	—	5	5
Bought.....	209,652	—	256	256
Over-the-counter				
Forward bond agreements:				
Sold.....	—	—	—	—
Bought.....	42,092	39,082	919	919
Bond options:				
Sold.....	270,000	—	(247)	(247)
Bought.....	270,000	—	262	262
Total.....	/	/	¥ 285	¥ 285

March 31	Millions of U.S. dollars			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	\$14,192	\$ —	\$62	\$62
Bought.....	13,248	—	(72)	(72)
Bond futures options:				
Sold.....	93	—	0	0
Bought.....	2,253	—	3	3
Over-the-counter				
Forward bond agreements:				
Sold.....	—	—	—	—
Bought.....	452	420	10	10
Bond options:				
Sold.....	2,902	—	(3)	(3)
Bought.....	2,902	—	3	3
Total.....	/	/	\$ 3	\$ 3

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(e) Commodity derivatives

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 11,998	¥ —	¥ (160)	¥ (160)
Bought.....	12,235	—	154	154
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	213,634	199,442	(48,721)	(48,721)
Receivable floating price/payable fixed price.....	172,127	159,140	101,006	101,006
Receivable floating price/payable floating price.....	7	7	0	0
Commodity options:				
Sold.....	22,674	16,019	(198)	(198)
Bought.....	25,623	16,355	1,821	1,821
Total.....	/	/	¥ 53,902	¥ 53,902

March 31	Millions of U.S. dollars			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	\$ 129	\$ —	\$ (2)	\$ (2)
Bought.....	131	—	2	2
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	2,296	2,143	(524)	(524)
Receivable floating price/payable fixed price.....	1,850	1,710	1,086	1,086
Receivable floating price/payable floating price.....	0	0	0	0
Commodity options:				
Sold.....	244	172	(2)	(2)
Bought.....	275	176	19	19
Total.....	/	/	\$ 579	\$ 579

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the New York Mercantile Exchange and others.

Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.

3. Commodity derivatives are transactions on fuel and metal.

(f) Credit derivative transactions

March 31	Millions of yen			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold.....	¥1,174,089	¥1,079,228	¥(73,555)	¥(73,555)
Bought.....	1,362,339	1,078,463	76,421	76,421
Total.....	/	/	¥ 2,865	¥ 2,865

March 31	Millions of U.S. dollars			
	2010			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold.....	\$12,618	\$11,598	\$(790)	\$(790)
Bought.....	14,641	11,590	821	821
Total.....	/	/	\$ 31	\$ 31

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

2. Fair value is calculated using discounted present value and option pricing models.

3. "Sold" represents transactions in which the credit risk is accepted; "Bought" represents transactions in which the credit risk is transferred.

(2) Derivative transactions to which the hedge accounting method is applied

The following tables set forth the contract amount or the amount equivalent to the principal, fair value and calculation method of the relevant commodities by category with respect to derivative transactions to which the hedge accounting method is applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(a) Interest rate derivatives

			Millions of yen		
			2010		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Interest rate futures:	Interest-earning/bearing			
	Sold.....	financial assets/liabilities	¥ 687,343	¥ 372,196	¥ (126)
	Bought.....	such as loans and bills	15,799,182	—	1,862
	Interest rate swaps:	discounted, other securi-	33,670,699	27,749,612	23,415
	Receivable fixed rate/payable floating rate	ties (bonds), deposits and	22,949,812	18,482,089	321,049
	Receivable floating rate/payable fixed rate	negotiable certificates of	10,661,052	9,237,689	(298,913)
	Receivable floating rate/payable floating rate...	deposits	59,833	29,833	1,278
	Interest rate swaptions:				
	Sold.....		470,930	460,558	(605)
	Bought.....		751	—	(1)
	Caps:				
	Sold.....		—	—	—
	Bought.....		600	—	0
	Floors:				
	Sold.....		171	—	(0)
	Bought.....		7,850	7,850	0
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted;	72,655	69,368	(4,662)
	Receivable floating rate/payable fixed rate	other securities (bonds)	72,655	69,368	(4,662)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted;	9,135,218	9,105,823	
	Receivable fixed rate/payable floating rate	borrowed money;	25,500	14,500	
	Receivable floating rate/payable fixed rate	Bonds	9,077,718	9,063,623	(Note 3)
	Receivable floating rate/payable floating rate...		32,000	27,700	
Total.....			/	/	¥ 19,880

			Millions of U.S. dollars		
			2010		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Interest rate futures:	Interest-earning/bearing			
	Sold.....	financial assets/liabilities	\$ 7,387	\$ 4,000	\$ (1)
	Bought.....	such as loans and bills	169,792	—	20
	Interest rate swaps:	discounted, other securi-	361,856	298,223	252
	Receivable fixed rate/payable floating rate	ties (bonds), deposits and	246,640	198,625	3,450
	Receivable floating rate/payable fixed rate	negotiable certificates of	114,573	99,277	(3,212)
	Receivable floating rate/payable floating rate...	deposits	643	321	14
	Interest rate swaptions:				
	Sold.....		5,061	4,950	(7)
	Bought.....		8	—	(0)
	Caps:				
	Sold.....		—	—	—
	Bought.....		6	—	0
	Floors:				
	Sold.....		2	—	(0)
	Bought.....		84	84	0
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted;	781	745	(50)
	Receivable floating rate/payable fixed rate	other securities (bonds)	781	745	(50)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted;	98,175	97,859	
	Receivable fixed rate/payable floating rate	borrowed money;	274	156	
	Receivable floating rate/payable fixed rate	Bonds	97,557	97,406	(Note 3)
	Receivable floating rate/payable floating rate...		344	297	
Total.....			/	/	\$ 214

Notes: 1. SMFG applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Financial Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

3. Interest rate swap amounts measured by the special treatment for interest rate swaps are treated with the borrowed money or other transaction that is subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in "28. Financial Instruments."

(b) Currency derivatives

March 31			Millions of yen		
			2010		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	¥2,058,317	¥1,849,783	¥163,796
	Forward foreign exchange		10,152	—	111
Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	19,785	—	(301)
Allocation method	Currency swaps.....	Deposits; borrowed money	7,866	6,635	(Note 3)
	Forward foreign exchange		124,361	—	
Total.....			/	/	¥163,607

March 31			Millions of U.S. dollars		
			2010		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	\$22,121	\$19,879	\$1,760
	Forward foreign exchange		109	—	1
Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	213	—	(3)
Allocation method	Currency swaps.....	Deposits; borrowed money	85	71	(Note 3)
	Forward foreign exchange		1,336	—	
Total.....			/	/	\$1,758

Notes: 1. SMFG applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).

2. Fair value is calculated using discounted present value.

3. Foreign forward exchange amounts treated by the allocation method are treated with the deposit or other transaction that is subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in "28. Financial Instruments."

(c) Equity derivatives

			Millions of yen		
March 31			2010		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index...		9,534	9,534	(276)
	Total.....		/	/	¥(276)

			Millions of U.S. dollars		
March 31			2010		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		\$ —	\$ —	\$—
	Receivable floating rate/payable equity index...		102	102	(3)
Total.....			/	/	\$ (3)

Note: Fair value is calculated using discounted present value.

Fiscal year ended March 31, 2009

(1) Interest rate derivatives

March 31	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 17,636,094	¥ 1,254,229	¥ (41,578)	¥ (41,578)
Bought.....	19,571,966	1,557,621	51,493	51,493
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	15,742,690	97,966	114	114
Interest rate swaps:	395,948,961	283,809,494	207,729	207,729
Receivable fixed rate/payable floating rate	186,295,438	135,517,151	4,508,393	4,508,393
Receivable floating rate/payable fixed rate	186,981,391	132,487,292	(4,300,450)	(4,300,450)
Receivable floating rate/payable floating rate.....	22,579,384	15,712,303	4,399	4,399
Interest rate swaptions:				
Sold.....	2,690,323	1,789,900	(65,983)	(65,983)
Bought.....	2,802,501	2,143,328	65,627	65,627
Caps:				
Sold.....	27,834,072	12,451,630	(5,342)	(5,342)
Bought.....	13,867,378	6,122,525	3,263	3,263
Floors:				
Sold	3,351,169	1,816,123	(21,272)	(21,272)
Bought.....	5,116,400	2,810,008	8,036	8,036
Other:				
Sold.....	1,177,521	575,022	(32,707)	(32,707)
Bought.....	3,454,028	2,000,040	100,656	100,656
Total.....	/	/	¥ 270,036	¥ 270,036

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Financial Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(2) Currency derivatives

March 31	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Currency swaps.....	¥22,343,204	¥14,918,715	¥(138,309)	¥(107,046)
Currency swaptions:				
Sold.....	863,862	863,862	(13,907)	(13,907)
Bought.....	964,627	955,373	30,040	30,040
Forward foreign exchange	44,250,845	4,431,723	108,517	108,517
Currency options:				
Sold.....	4,448,659	2,475,706	(269,220)	(269,220)
Bought.....	4,356,557	2,411,169	303,847	303,847
Total	/	/	¥ 20,967	¥ 52,231

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations. The amounts above do not include the following:

(a) Derivative transactions to which the deferred hedge accounting method is applied;

(b) Those that are allotted to financial assets/liabilities denominated in foreign currencies and whose fair values are already reflected in the consolidated balance sheets; and

(c) Those that are allotted to financial assets/liabilities denominated in foreign currencies, and the financial assets/liabilities are eliminated in the process of consolidation.

2. Fair value is calculated using discounted present value and option pricing models.

(3) Equity derivatives

March 31	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥ 14,239	¥ —	¥ (632)	¥ (632)
Bought.....	14,533	—	636	636
Equity price index options:				
Sold.....	2,218	—	(17)	(17)
Bought.....	144	—	3	3
Over-the-counter				
Equity options:				
Sold.....	219,238	145,209	(63,785)	(63,785)
Bought.....	219,238	145,209	63,785	63,785
Total.....	/	/	¥ (9)	¥ (9)

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using option pricing models.

(4) Bond derivatives

March 31	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥976,285	¥ —	¥(9,158)	¥(9,158)
Bought.....	964,958	—	8,638	8,638
Bond futures options:				
Sold.....	15,000	—	1	1
Bought.....	—	—	—	—
Over-the-counter				
Forward bond agreements:				
Sold.....	—	—	—	—
Bought.....	44,076	44,059	561	561
Bond options:				
Sold.....	450,000	—	—	—
Bought.....	450,000	—	1	1
Total.....	/	/	¥ 44	¥ 44

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(5) Commodity derivatives

	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ —	¥ —	¥ —	¥ —
Bought.....	156	—	25	25
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	295,434	246,531	37,408	37,408
Receivable floating price/payable fixed price.....	243,608	194,760	27,707	27,707
Commodity options:				
Sold.....	14,335	11,786	(779)	(779)
Bought.....	39,276	33,637	2,015	2,015
Total.....	/	/	¥66,376	¥66,376

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the New York Mercantile Exchange and others.

Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.

3. Commodity derivatives are transactions on fuel and metal.

(6) Credit derivative transactions

	Millions of yen			
	2009			
	Contract amount			Valuation
March 31	Total	Over 1 year	Fair value	gains (losses)
Over-the-counter				
Credit default options:				
Sold.....	¥1,179,621	¥1,167,801	¥(209,630)	¥(209,630)
Bought.....	1,325,430	1,308,288	229,275	229,275
Total.....	/	/	¥ 19,644	¥ 19,644

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value is calculated using discounted present value and option pricing models.

3. "Sold" represents transactions in which the credit risk is accepted; "Bought" represents transactions in which the credit risk is transferred.

31. Stock Options

1. Share-based compensation expenses which were accounted for as general and administrative expenses in the fiscal years ended March 31, 2010 and 2009 are as follows:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Share-based compensation expenses	¥15	¥22	¥0

2. Outline of stock options and changes is as follows:

(1) SMFG

(a) Outline of stock options

Date of resolution	June 27, 2002
Title and number of grantees	Directors and employees of SMFG and SMBC: 677
Number of stock options*	Common shares: 162,000
Grant date	August 30, 2002
Condition for vesting	N.A.
Requisite service period	N.A.
Exercise period	June 28, 2004 to June 27, 2012

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

(b) Stock options granted and changes

Number of stock options

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

* Number of stock as of the previous fiscal year-end is reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

Price information (Yen)

Date of resolution	June 27, 2002
Exercise price	¥6,649
Average exercise price	—
Fair value at the grant date	—

(2) Kansai Urban Banking Corporation

(a) Outline of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65	Directors and employees 174	Directors and employees 183	Directors 9
Number of stock options	Common shares 238,000	Common shares 234,000	Common shares 306,000	Common shares 399,000	Common shares 464,000	Common shares 162,000
Grant date	July 31, 2001	July 31, 2002	July 31, 2003	July 30, 2004	July 29, 2005	July 31, 2006
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 29, 2003 to June 28, 2011	June 28, 2004 to June 27, 2012	June 28, 2005 to June 27, 2013	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Title and number of grantees	Officers not doubling as directors 14 Employees 46	Directors 10	Officers not doubling as directors 14 Employees 48	Directors 9 Officers not doubling as directors 16 Employees 45	Directors 11 Officers not doubling as directors 14 Employees 57
Number of stock options	Common shares 115,000	Common shares 174,000	Common shares 112,000	Common shares 289,000	Common shares 350,000
Grant date	July 31, 2006	July 31, 2007	July 31, 2007	July 31, 2008	July 31, 2009
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017	June 29, 2009 to June 28, 2017	June 28, 2010 to June 27, 2018	June 27, 2011 to June 26, 2019

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Before vested						
Previous fiscal year-end	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding	—	—	—	—	—	—
After vested						
Previous fiscal year-end	112,000	158,000	228,000	329,000	451,000	162,000
Vested	—	—	—	—	—	—
Exercised	8,000	20,000	6,000	—	—	—
Forfeited	—	—	—	4,000	—	—
Exercisable	104,000	138,000	222,000	325,000	451,000	162,000

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Before vested					
Previous fiscal year-end	—	174,000	112,000	289,000	—
Granted	—	—	—	—	350,000
Forfeited	—	—	—	—	—
Vested	—	174,000	112,000	—	—
Outstanding	—	—	—	289,000	350,000
After vested					
Previous fiscal year-end	115,000	—	—	—	—
Vested	—	174,000	112,000	—	—
Exercised	—	—	—	—	—
Forfeited	—	—	—	—	—
Exercisable	115,000	174,000	112,000	—	—

Price information (Yen)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Exercise price	¥155	¥131	¥179	¥202	¥313	¥490
Average exercise price	200	163	200	—	—	—
Fair value at the grant date	—	—	—	—	—	138

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Exercise price	¥490	¥461	¥461	¥302	¥193
Average exercise price	—	—	—	—	—
Fair value at the grant date	138	96	96	37	51

(c) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year ended March 31, 2010 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

Date of resolution	June 26, 2009
Expected volatility ^{*1}	49.10%
Average expected life ^{*2}	5 years
Expected dividends ^{*3}	¥3 per share
Risk-free interest rate ^{*4}	0.70%

^{*1} Calculated based on the actual stock prices during the 5 years from June 2004 to June 2009

^{*2} The average expected life could not be estimated rationally due to an insufficient amount of data. Therefore, it was estimated assuming that the options were exercised at the midpoint of the exercise period.

^{*3} The actual dividends on common stock for the fiscal year ended March 31, 2009

^{*4} Japanese government bond yield corresponding to the average expected life

(d) Method of estimating number of stock options vested

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

32. Segment Information

(1) Business segment information

Year ended March 31	Millions of yen					
	2010					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers.....	¥ 2,281,797	¥ 322,691	¥ 561,976	¥ 3,166,465	¥ —	¥ 3,166,465
(2) Intersegment	46,765	5,484	242,343	294,593	(294,593)	—
Total	2,328,562	328,176	804,319	3,461,058	(294,593)	3,166,465
Ordinary expenses	1,880,076	284,948	683,373	2,848,397	(240,700)	2,607,696
Ordinary profit.....	¥ 448,486	¥ 43,228	¥ 120,946	¥ 612,661	¥ (53,892)	¥ 558,769
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets	¥111,831,177	¥2,735,416	¥13,570,744	¥128,137,338	¥(4,977,824)	¥123,159,513
Depreciation	78,608	28,501	29,746	136,856	4	136,860
Losses on impairment of fixed assets...	11,396	988	470	12,856	—	12,856
Capital expenditure.....	108,434	88,583	41,424	238,441	0	238,441

Year ended March 31	Millions of yen					
	2009					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers.....	¥ 2,773,183	¥ 332,465	¥ 447,194	¥ 3,552,843	¥ —	¥ 3,552,843
(2) Intersegment	65,756	5,511	306,084	377,352	(377,352)	—
Total	2,838,940	337,976	753,279	3,930,196	(377,352)	3,552,843
Ordinary expenses	2,800,453	306,585	681,077	3,788,116	(280,583)	3,507,532
Ordinary profit.....	¥ 38,486	¥ 31,391	¥ 72,201	¥ 142,080	¥ (96,769)	¥ 45,311
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets	¥114,704,051	¥2,918,254	¥8,222,027	¥125,844,333	¥(6,207,109)	¥119,637,224
Depreciation	70,803	25,491	26,722	123,017	7	123,025
Losses on impairment of fixed assets...	6,541	—	821	7,363	—	7,363
Capital expenditure.....	124,546	102,240	23,326	250,113	7	250,121

Year ended March 31	Millions of U.S. dollars					
	2010					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers.....	\$ 24,522	\$ 3,468	\$ 6,040	\$ 34,030	\$ —	\$ 34,030
(2) Intersegment	503	59	2,604	3,166	(3,166)	—
Total	25,025	3,527	8,644	37,196	(3,166)	34,030
Ordinary expenses	20,205	3,063	7,344	30,612	(2,587)	28,025
Ordinary profit.....	\$ 4,820	\$ 464	\$ 1,300	\$ 6,584	\$ (579)	\$ 6,005
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets	\$1,201,840	\$29,397	\$145,843	\$1,377,080	\$(53,496)	\$1,323,584
Depreciation	845	306	320	1,471	0	1,471
Losses on impairment of fixed assets...	122	11	5	138	—	138
Capital expenditure.....	1,165	952	445	2,562	0	2,562

- Notes: 1. The business segmentation is classified based on SMFG's internal management 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, investment banking, loans, venture capital, system development and information processing.
3. Assets in Elimination include unallocated corporate assets of ¥6,214,065 million (\$66,782 million) and ¥4,117,977 million at March 31, 2010 and 2009, respectively, which mainly consist of investments in subsidiaries and affiliates.
4. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and other extraordinary gains. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and other extraordinary expenses.
5. As mentioned in Note 2. (20) (a), "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, and SMFG has applied them from the fiscal year ended March 31, 2010. As a result of the accounting change, Ordinary expenses of "Banking business" for the year ended March 31, 2010 decreased by ¥19,251 million (\$207 million) and Ordinary profit of "Banking business" increased by ¥19,251 million (\$207 million) as compared with the former method. Assets of "Banking business" increased by ¥59,270 million (\$637 million) and Assets of "Other business" decreased by ¥703 million (\$8 million).

6. As mentioned in Note 2. (20) (c), non-transfer ownership finance leases were formerly accounted for using the same method as for operating leases. "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued on March 30, 2007) and "Implementation Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008, and SMFG has applied them from the fiscal year ended March 31, 2009. As a result of the accounting change, Ordinary income of "Leasing business" for the year ended March 31, 2009 decreased by ¥691,719 million as compared with the former method. Ordinary expenses of "Banking business" and "Other business" increased by ¥22 million and ¥1 million, respectively, and Ordinary expenses of "Leasing business" decreased by ¥694,173 million. In terms of Ordinary profit, "Banking business" decreased by ¥22 million and "Other business" decreased by ¥1 million, while "Leasing business" increased by ¥2,453 million. Assets of "Banking business" and "Other business" increased by ¥7,447 million and ¥27,348 million, respectively, while Assets of "Leasing business" decreased by ¥36,473 million.

(2) Geographic segment information

Year ended March 31	Millions of yen						
	2010						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers.....	¥ 2,707,111	¥ 205,016	¥ 126,121	¥ 128,216	¥ 3,166,465	¥ —	¥ 3,166,465
(2) Intersegment	21,793	106,215	2,641	3,856	134,507	(134,507)	—
Total	2,728,905	311,232	128,763	132,072	3,300,973	(134,507)	3,166,465
Ordinary expenses	2,344,349	171,438	115,093	69,893	2,700,774	(93,077)	2,607,696
Ordinary profit.....	¥ 384,555	¥ 139,794	¥ 13,669	¥ 62,178	¥ 600,198	¥ (41,429)	¥ 558,769
II. Assets.....	¥107,412,125	¥8,255,658	¥4,931,900	¥5,638,760	¥126,238,444	¥(3,078,930)	¥123,159,513

Year ended March 31	Millions of yen						
	2009						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers.....	¥ 2,886,164	¥ 230,755	¥ 245,279	¥ 190,644	¥ 3,552,843	¥ —	¥ 3,552,843
(2) Intersegment	125,334	95,462	6,959	22,639	250,396	(250,396)	—
Total	3,011,499	326,218	252,238	213,284	3,803,239	(250,396)	3,552,843
Ordinary expenses	3,026,816	282,617	255,544	172,847	3,737,825	(230,293)	3,507,532
Ordinary profit (loss).....	¥ (15,317)	¥ 43,600	¥ (3,305)	¥ 40,436	¥ 65,414	¥ (20,102)	¥ 45,311
II. Assets.....	¥102,162,307	¥10,054,434	¥5,537,019	¥5,157,482	¥122,911,244	¥(3,274,020)	¥119,637,224

Year ended March 31	Millions of U.S. dollars						
	2010						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers.....	\$ 29,093	\$ 2,203	\$ 1,356	\$ 1,378	\$ 34,030	\$ —	\$ 34,030
(2) Intersegment	234	1,142	28	41	1,445	(1,445)	—
Total	29,327	3,345	1,384	1,419	35,475	(1,445)	34,030
Ordinary expenses	25,194	1,843	1,237	751	29,025	(1,000)	28,025
Ordinary profit.....	\$ 4,133	\$ 1,502	\$ 147	\$ 668	\$ 6,450	\$ (445)	\$ 6,005
II. Assets.....	\$1,154,348	\$88,723	\$53,003	\$60,599	\$1,356,673	\$(33,089)	\$1,323,584

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.

3. Assets in Elimination include unallocated corporate assets of ¥6,214,065 million (\$66,782 million) and ¥4,117,977 million at March 31, 2010 and 2009, respectively, which mainly consist of investments in subsidiaries and affiliates.

4. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and other extraordinary gains. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and other extraordinary expenses.

5. As mentioned in Note 2. (20) (a), "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, and SMFG has applied them from the fiscal year ended March 31, 2010. As a result of the accounting change, Ordinary expenses of "Japan" for the year ended March 31, 2010 decreased by ¥19,251 million (\$207 million) and Ordinary profit of "Japan" increased by ¥19,251 million (\$207 million) as compared with the former method. Assets of "Japan," "Europe and Middle East" and "Asia and Oceania" increased by ¥58,612 million (\$630 million), ¥341 million (\$4 million) and ¥181 million (\$2 million), respectively. Assets of "The Americas" decreased by ¥567 million (\$6 million).

6. As mentioned in Note 2. (20) (c), non-transfer ownership finance leases were formerly accounted for using the same method as for operating leases. "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued on March 30, 2007) and "Implementation Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008, and SMFG has applied them from the fiscal year ended March 31, 2009. As a result of the accounting change, Ordinary income of "Japan" and Ordinary expenses of "Japan" for the year ended March 31, 2009 decreased by ¥676,849 million and ¥679,279 million as compared with the former method; Ordinary profit of "Japan" increased by ¥2,430 million. Assets of "Japan" decreased by ¥29,782 million.

(3) Ordinary income from overseas operations

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2010	2009	2010
Consolidated ordinary income from overseas operations (A)	¥ 459,354	¥ 666,679	¥ 4,937
Consolidated ordinary income (B)	3,166,465	3,552,843	34,030
(A) / (B)	14.5%	18.8%	14.5%

Notes: 1. Consolidated ordinary income from overseas operations is presented as a counterpart of overseas sales of companies in other industries.

2. The table above shows ordinary income from transactions of overseas branches of SMFG 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.

33. Business Combinations

Fiscal year ended March 31, 2010

<Purchase method>

A merger of subsidiary bank

Kansai Urban Banking Corporation ("KUBC"), a consolidated subsidiary of SMFG, merged with The Biwako Bank, Limited ("Biwako Bank") on March 1, 2010. The outline of the merger is as follows:

1. Outline of the business combination

- (1) Name of the acquired company and its business
Biwako Bank (Banking business)
- (2) Reason for the business combination
KUBC and Biwako Bank merged in order to become a regional bank with top-level financial soundness and a broad operating base in the Kansai area with a view to realizing a more stable operation as a regional financial institution.
- (3) Date of the business combination
March 1, 2010
- (4) Legal form of business combination
The merger was a merger by absorption with KUBC as the surviving company. (Name of the new company: Kansai Urban Banking Corporation)
- (5) Name of the controlling entity after the business combination
Sumitomo Mitsui Financial Group, Inc.
- (6) Percentage share of voting rights SMFG has acquired
56%

2. Period of the acquired company's financial results included in the consolidated financial statements

From March 1, 2010 to March 31, 2010

3. Acquisition cost of the acquired company

	Millions of yen	Millions of U.S. dollars
SMFG's interest in KUBC's common stock	¥ 7,182	\$ 77
SMFG's interest in KUBC's preferred stock	40,000	430
Acquisition cost	¥47,182	\$507

4. Merger ratio, calculation method, number of shares delivered and valuation

- (1) Merger ratio

Common stock	KUBC 1 : Biwako Bank 0.75
Preferred stock (Type 1)	KUBC 1 : Biwako Bank 1
Preferred stock (Type 2)	KUBC 1 : Biwako Bank 1

(2) Basis for calculation of the merger ratio

(a) Common stock

In order to ensure the fairness of the merger ratio, KUBC

and Biwako Bank appointed Daiwa Securities Capital Markets Co. Ltd. and The Goldman Sachs Group, Inc., respectively, as their financial advisors and requested them to calculate the merger ratio of common stock.

After conducting negotiations and discussions taking into account factors such as their financial conditions, asset quality and future prospects, the analysis of the merger ratio provided by each financial advisor and results of due diligence they carried out on each other, the 2 banks agreed and decided on the above merger ratio of common stock as being appropriate.

(b) Preferred stocks (Type 1 and Type 2)

Market prices of preferred stocks (Type 1 and Type 2) issued by Biwako Bank were not available (in contrast to common stock which market price was available). KUBC therefore decided to set the same conditions as those of Biwako Bank's preferred stocks on KUBC's newly-issued preferred stocks, taking the merger ratio of common stock into account.

(3) Number of shares delivered and value

Number of shares delivered

Common stock of KUBC	103,532,913 shares
Preferred stock of KUBC (Type 1)	27,500,000 shares
Preferred stock of KUBC (Type 2)	23,125,000 shares

Value

Common stock of KUBC	¥12,803 million (\$138 million)
Preferred stock (Type 1) of KUBC	¥19,025 million (\$204 million)
Preferred stock (Type 2) of KUBC	¥16,500 million (\$177 million)

5. Goodwill, reason for recognizing goodwill, amortization method and amortization period

- (1) Amount of goodwill
¥11,056 million (\$119 million)
- (2) Reason for recognizing goodwill
SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Biwako Bank as goodwill.
- (3) Method and term to amortize goodwill
Straight-line method over 20 years

6. Amounts of assets and liabilities acquired on the day of the business combination

(1) Assets

	Millions of yen	Millions of U.S. dollars
Total assets	¥1,113,801	\$11,970
Loans and bills discounted	795,445	8,549
Securities	89,968	967

(2) Liabilities

	Millions of yen	Millions of U.S. dollars
Total liabilities	¥1,078,769	\$11,593
Deposits	1,033,256	11,104

7. Approximate amounts of impact on the consolidated statement of operations for the fiscal year ended March 31, 2010, assuming that the business combinations had been completed on the commencement date of the fiscal year

- (1) The difference between the ordinary income and other income data estimated, assuming that the business combinations had been completed on the commencement date of the fiscal year and the actual ordinary income and other income data that are recorded in the consolidated statement of income is as follows:

	Millions of yen	Millions of U.S. dollars
Ordinary income	¥25,832	\$278
Ordinary profit	705	8
Net income	183	2

Note: Ordinary income is presented as counterparts of sales of companies in other industries.

(2) Calculation method of the approximate amounts and material assumptions

The approximate amounts were calculated retroactively to the commencement date of the fiscal year based on the amounts stated in Biwako Bank's statement of income for the period from April 1, 2009 to February 28, 2010, including the amount of amortization of goodwill for the same period and are different from results of operation if the business combination had been completed on the commencement date of the fiscal year.

The information mentioned above has not been audited by KPMG AZSA & Co.

<Business combination of subsidiaries>

A merger of credit card companies

A consolidated subsidiary, QUOQ Inc. ("QUOQ") and equity method affiliates, Central Finance Co., Ltd. ("CF") and OMC Card, Inc. ("OMC Card") merged on April 1, 2009. The new company was named Cedyna Financial Corporation and became an equity method affiliate of SMFG. The outline of the merger is as follows:

1. Outline of the business combination

(1) Company profiles

Surviving company: OMC Card (Credit card business)

Merged company: CF (Shopping credit business and general credit business)

Merged company: QUOQ (Shopping credit business and general credit business)

(2) Reasons for the business combination

The credit card market is growing steadily, propelled by the

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

On April 1, 2009, CF, OMC Card and QUOQ merged to create one of the largest consumer finance companies in Japan with a high level of specialization and flexibility in its core businesses of credit cards and shopping credit by combining the customer bases, marketing capabilities, know-how and other resources of the 3 companies.

(3) Date of business combination

April 1, 2009

(4) Legal form of the business combination

The merger was a merger by absorption with OMC Card as the surviving company. (Name of the new company: Cedyna Financial Corporation)

2. Outline of accounting method

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

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

Other business

4. Approximate amounts of the subsidiary's earnings included in the consolidated statement of operations for the fiscal year ended March 31, 2010

SMFG did not record profit or loss of QUOQ and its subsidiaries because they were excluded from the scope of consolidation at the beginning of the fiscal year.

5. Status after the business combination

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

Fiscal year ended March 31, 2009

There is no material information to be reported.

34. Per Share Data

	Yen		U.S. dollars
March 31	2010	2009	2010
Net assets per share	¥3,391.75	¥2,790.27	\$36.45

	Yen		U.S. dollars
Year ended March 31	2010	2009	2010
Net income (loss) per share	¥248.40	¥(497.39)	\$2.67
Net income per share (diluted)	244.18	—	2.62

Notes: 1. Net income (loss) per share and Net income per share (diluted) are calculated based on the following. Net income per share (diluted) for the fiscal year ended March 31, 2009 is not reported due to a net loss.

	Millions of yen, except number of shares		Millions of U.S. dollars
Year ended March 31	2010	2009	2010
Net income (loss) per share:			
Net income (loss).....	¥271,559	¥(373,456)	\$2,919
Amount not attributable to common stockholders	8,449	10,704	91
Dividends on preferred stock.....	8,449	10,704	91
Net income (loss) attributable to common stock	¥263,109	¥(384,160)	\$2,828
Average number of common stock during the year (in thousands).....	1,059,227	772,348	/
Net income per share (diluted):			
Adjustment for net income	¥ 1,931	¥ —	\$ 21
Dividends on preferred stock.....	2,254	—	24
Stock acquisition rights issued by subsidiaries and affiliates	(322)	—	(3)
Increase in number of common stock (in thousands)	26,191	—	/
Preferred stock.....	26,191	—	/

Outline of dilutive securities which were not included in the calculation of "Net income per share (diluted)" for the fiscal year ended March 31, 2010 because they do not have dilutive effect:

Stock acquisition rights: 1 type
(Number of stock acquisition rights: 1,081 units)

2. Net assets per share is calculated based on the following:

	Millions of yen, except number of shares		Millions of U.S. dollars
March 31	2010	2009	2010
Net assets	¥7,000,805	¥4,611,764	\$75,237
Amounts excluded from Net assets	2,262,582	2,457,530	24,316
Preferred stock.....	210,003	310,203	2,257
Dividends on preferred stock	3,097	5,352	33
Stock acquisition rights	81	66	1
Minority interests	2,049,400	2,141,908	22,025
Net assets attributable to common stock at the fiscal year-end	¥4,738,223	¥2,154,233	\$50,921
Number of common stock at the fiscal year-end used for the calculation of			
Net assets per share (in thousands).....	1,396,985	772,052	/

35. Parent Company

(1) Nonconsolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc.

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	2010
Assets			
Current assets	¥ 111,033	¥ 23,730	\$ 1,193
Cash and due from banks	86,283	1,281	927
Prepaid expenses	26	22	0
Deferred tax assets	—	39	—
Accrued income	223	19	2
Accrued income tax refunds	24,065	21,844	259
Other current assets	435	522	5
Fixed assets	6,041,740	4,033,583	64,930
Tangible fixed assets	1	2	0
Buildings	0	0	0
Equipment	1	2	0
Intangible fixed assets	8	11	0
Software	8	11	0
Investments and other assets	6,041,729	4,033,568	64,930
Investments in subsidiaries and affiliates	6,041,729	4,028,093	64,930
Deferred tax assets	—	5,475	—
Total assets	¥6,152,774	¥4,057,313	\$66,123
Liabilities and net assets			
Liabilities			
Current liabilities	¥ 954,073	¥1,079,566	\$10,253
Short-term borrowings	948,030	1,078,030	10,188
Accounts payable	1,541	298	17
Accrued expenses	3,299	120	35
Income taxes payable	3	372	0
Business office taxes payable	5	5	0
Reserve for employees bonuses	101	102	1
Reserve for executive bonuses	71	—	1
Other current liabilities	1,020	637	11
Fixed liabilities	393,126	199	4,225
Bonds	392,900	—	4,223
Reserve for executive retirement benefits	226	199	2
Total liabilities	1,347,199	1,079,766	14,478
Net assets			
Stockholders' equity			
Capital stock	2,337,895	1,420,877	25,125
Capital surplus	1,833,073	916,163	19,700
Capital reserve	1,559,374	642,355	16,759
Other capital surplus	273,699	273,808	2,941
Retained earnings	678,042	683,907	7,287
Other retained earnings			
Voluntary reserve	30,420	30,420	327
Retained earnings brought forward	647,622	653,487	6,960
Treasury stock	(43,437)	(43,400)	(467)
Total stockholders' equity	4,805,574	2,977,547	51,645
Total net assets	4,805,574	2,977,547	51,645
Total liabilities and net assets	¥6,152,774	¥4,057,313	\$66,123

(2) Nonconsolidated Statements of Income
Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	2010
Operating income	¥133,379	¥134,772	\$1,434
Dividends on investments in subsidiaries and affiliates	118,818	117,051	1,277
Fees and commissions received from subsidiaries	14,560	17,721	157
Operating expenses	16,641	8,790	179
General and administrative expenses	8,353	8,790	90
Interest on bonds	8,287	—	89
Operating profit	116,737	125,982	1,255
Nonoperating income	369	151	4
Interest income on deposits	347	110	4
Fees and commissions	2	14	0
Other nonoperating income	19	27	0
Nonoperating expenses	22,572	23,824	243
Interest on borrowings	9,115	11,910	98
Fees and commissions payments	4,104	11,912	44
Amortization of stock issuance cost	9,324	—	100
Amortization of bond issuance cost	28	—	1
Other nonoperating expenses	0	0	0
Ordinary profit	94,534	102,309	1,016
Extraordinary loss	22,688	—	244
Losses on sales of stocks of affiliate	22,688	—	244
Income before income taxes	71,846	102,309	772
Income taxes:			
Current	154	2,393	2
Deferred	5,514	(3,552)	59
Net income	¥ 66,176	¥103,468	\$ 711

	Yen		U.S. dollars (Note 1)
	2010	2009	2010
Per share data:			
Net income	¥53.82	¥118.43	\$0.58
Net income — diluted	—	—	—

(3) Nonconsolidated Statements of Changes in Net Assets
Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	2010
Stockholders' equity			
Capital stock			
Balance at the end of the previous fiscal year.....	¥1,420,877	¥1,420,877	\$15,270
Changes in the fiscal year:			
Issuance of new shares	917,018	—	9,855
Net changes in the fiscal year.....	917,018	—	9,855
Balance at the end of the fiscal year	¥2,337,895	¥1,420,877	\$25,125
Capital surplus			
Capital reserve			
Balance at the end of the previous fiscal year.....	642,355	642,355	6,903
Changes in the fiscal year:			
Issuance of new shares	917,018	—	9,855
Net changes in the fiscal year.....	917,018	—	9,855
Balance at the end of the fiscal year	¥1,559,374	¥ 642,355	\$16,758
Other capital surplus			
Balance at the end of the previous fiscal year.....	273,808	288,031	2,943
Changes in the fiscal year:			
Disposal of treasury stock	(108)	(14,222)	(1)
Net changes in the fiscal year.....	(108)	(14,222)	(1)
Balance at the end of the fiscal year	¥ 273,699	¥ 273,808	\$ 2,942
Total capital surplus			
Balance at the end of the previous fiscal year.....	916,163	930,386	9,846
Changes in the fiscal year:			
Issuance of new shares	917,018	—	9,855
Disposal of treasury stock	(108)	(14,222)	(1)
Net changes in the fiscal year.....	916,909	(14,222)	9,854
Balance at the end of the fiscal year	¥1,833,073	¥ 916,163	\$19,700

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	2010
Stockholders' equity			
Retained earnings			
Other retained earnings			
Voluntary reserve			
Balance at the end of the previous fiscal year	¥ 30,420	¥ 30,420	\$ 327
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 30,420	¥ 30,420	\$ 327
Retained earnings brought forward			
Balance at the end of the previous fiscal year	653,487	670,259	7,023
Changes in the fiscal year:			
Cash dividends	(72,041)	(120,240)	(774)
Net income	66,176	103,468	711
Net changes in the fiscal year	(5,865)	(16,772)	(63)
Balance at the end of the fiscal year	¥ 647,622	¥ 653,487	\$ 6,960
Total retained earnings			
Balance at the end of the previous fiscal year	683,907	700,679	7,350
Changes in the fiscal year:			
Cash dividends	(72,041)	(120,240)	(774)
Net income	66,176	103,468	711
Net changes in the fiscal year	(5,865)	(16,772)	(63)
Balance at the end of the fiscal year	¥ 678,042	¥ 683,907	\$ 7,287
Treasury stock			
Balance at the end of the previous fiscal year	(43,400)	(83,194)	(467)
Changes in the fiscal year:			
Purchase of treasury stock	(189)	(943)	(2)
Disposal of treasury stock	152	40,736	2
Net changes in the fiscal year	(37)	39,793	(0)
Balance at the end of the fiscal year	¥ (43,437)	¥ (43,400)	\$ (467)
Total stockholders' equity			
Balance at the end of the previous fiscal year	2,977,547	2,968,749	31,999
Changes in the fiscal year:			
Issuance of new shares	1,834,037	—	19,710
Cash dividends	(72,041)	(120,240)	(774)
Net income	66,176	103,468	711
Purchase of treasury stock	(189)	(943)	(2)
Disposal of treasury stock	43	26,513	1
Net changes in the fiscal year	1,828,026	8,798	19,646
Balance at the end of the fiscal year	¥4,805,574	¥2,977,547	\$51,645
Total net assets			
Balance at the end of the previous fiscal year	2,977,547	2,968,749	31,999
Changes in the fiscal year:			
Issuance of new shares	1,834,037	—	19,710
Cash dividends	(72,041)	(120,240)	(774)
Net income	66,176	103,468	711
Purchase of treasury stock	(189)	(943)	(2)
Disposal of treasury stock	43	26,513	1
Net changes in the fiscal year	1,828,026	8,798	19,646
Balance at the end of the fiscal year	¥4,805,574	¥2,977,547	\$51,645