Capital Ratio Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio is calculated using the method stipulated in "Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Law" (Notification 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as "the Notification").

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as "First Standard" in the Notification), SMFG has adopted the advanced internal ratings-based (IRB) approach for calculating credit risk-weighted asset amounts at the end of March 2009. The foundation IRB approach was used for the prior fiscal year ended on March 31, 2008. Further, SMFG has implemented market risk controls, and, in calculating the amount corresponding to operational risk, the Advanced Measurement Approach (AMA).

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

Scope of Consolidation

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

Not applicable.

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

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

		Millions of yen		
		September 30		March 31
		2009	2008	2009
Tier I capital:	Capital stock	¥ 1,851,389	¥ 1,420,877	¥ 1,420,877
	Capital surplus	492,070	57,759	57,245
	Retained earnings	1,347,826	1,761,220	1,245,085
	Treasury stock	(124,054)	(124,240)	(124,024)
	Cash dividends to be paid	(50,981)	(60,105)	(21,059)
	Unrealized losses on other securities	—	—	(14,649)
	Foreign currency translation adjustments	(86,132)	(57,108)	(129,068)
	Stock acquisition rights	74	56	66
	Minority interests	2,133,861	1,814,874	2,147,100
	Goodwill and others	(181,610)	(191,969)	(186,792)
	Gain on sale on securitization transactions	(40,146)	(42,602)	(42,102)
	Amount equivalent to 50% of expected losses in excess of provision	(47,143)	—	(17,590)
	Deductions of deferred tax assets	—	(87,444)	—
	Total Tier I capital (A)	5,295,152	4,491,317	4,335,085
Tier II capital:	Unrealized gains on other securities after 55% discount	307,602	263,958	—
	Land revaluation excess after 55% discount	37,183	37,209	37,211
	General reserve for possible loan losses	79,536	64,131	80,374
	Excess amount of provision	—	13,070	—
	Subordinated debt	2,341,164	2,368,389	2,303,382
	Total Tier II capital	2,765,486	2,746,760	2,420,968
	Tier II capital included as qualifying capital (B)	2,765,486	2,746,760	2,420,968
Deductions*:	(C)	779,160	730,976	708,241
Total qualifying capital:	(D) = (A) + (B) – (C)	¥ 7,281,479	¥ 6,507,101	¥ 6,047,812
Risk-weighted assets:	On-balance sheet items	¥44,133,383	¥50,088,982	¥41,703,547
	Off-balance sheet items	8,037,569	9,917,595	7,693,647
	Market risk items	235,832	291,765	265,723
	Operational risk	3,016,479	3,134,164	3,063,589
	Total risk-weighted assets (E)	¥55,423,266	¥63,432,507	¥52,726,507
Tier I risk-weighted capital ratio:	(A) / (E) × 100	9.55%	7.08%	8.22%
Total risk-weighted capital ratio:	(D) / (E) × 100	13.13%	10.25%	11.47%
Required capital:	(E) × 8%	¥ 4,433,861	¥ 5,074,600	¥ 4,218,120

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

Capital Requirements

September 30	Billions of yen 2009	2008
Capital requirements for credit risk:		
Internal ratings-based approach	**¥5,314.2**	¥5,485.7
Corporate exposures:	**3,459.5**	3,579.4
Corporate exposures (excluding specialized lending)	**3,040.9**	3,093.9
Sovereign exposures	**25.8**	37.6
Bank exposures	**150.6**	197.6
Specialized lending	**242.3**	250.2
Retail exposures:	**918.0**	851.2
Residential mortgage exposures	**392.1**	338.3
Qualifying revolving retail exposures	**110.5**	133.4
Other retail exposures	**415.5**	379.5
Equity exposures:	**366.5**	365.9
Grandfathered equity exposures	**194.1**	231.8
PD/LGD approach	**75.2**	63.9
Market-based approach	**97.2**	70.1
Simple risk weight method	**95.0**	57.7
Internal models method	**2.3**	12.4
Credit risk-weighted assets under Article 145 of the Notification	**179.0**	231.1
Securitization exposures	**125.5**	144.0
Other exposures	**265.7**	314.1
Standardized approach	**635.8**	682.6
Total capital requirements for credit risk	**5,950.0**	6,168.2
Capital requirements for market risk:		
Standardized measurement method	**4.1**	5.4
Interest rate risk	**3.1**	3.7
Equity position risk	**0.3**	0.5
Foreign exchange risk	**0.6**	1.1
Commodities risk	**—**	—
Options	**0.0**	0.0
Internal models method	**14.8**	18.0
Total capital requirements for market risk	**18.9**	23.3
Capital requirements for operational risk	**241.3**	250.7
Total amount of capital requirements	**¥6,210.1**	¥6,442.3

Notes: 1. Capital requirements for credit risk are capital equivalents to "credit risk-weighted assets × 8%" under the standardized approach and "credit risk-weighted assets × 8% + expected loss amount" under the IRB approach. Regarding exposures to be deducted from capital, the deduction amount is added to the amount of required capital.
2. The above amounts are after CRM.
3. "Securitization exposures" includes such exposures based on the standardized approach.
4. "Other exposures" includes estimated lease residual values, purchased receivables (including exposures to qualified corporate enterprises and others), long settlement transactions and other assets.

Internal Ratings-Based (IRB) Approach

Exposures by Asset Class

(1) Corporate Exposures

A. Corporate, Sovereign and Bank Exposures

(A) Obligor Grading System

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

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

Billions of yen

	Exposure amount								
September 30, 2009	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average $EL_{default}$	Weighted average risk weight
J1-J3	**¥18,597.7**	**¥13,143.4**	**¥ 5,454.2**	**¥4,104.9**	**75.00%**	**0.07%**	**34.39%**	**—%**	**16.86%**
J4-J6	**15,046.0**	**11,670.3**	**3,375.8**	**984.3**	**75.00**	**1.65**	**31.36**	**—**	**58.64**
J7 (excluding J7R)	**2,244.2**	**1,953.8**	**290.4**	**59.8**	**75.00**	**15.17**	**30.37**	**—**	**134.01**
Japanese government and local municipal corporations	**23,564.0**	**22,824.0**	**739.9**	**11.5**	**75.00**	**0.00**	**34.07**	**—**	**0.10**
Other	**5,096.0**	**4,608.1**	**487.8**	**77.9**	**75.00**	**1.35**	**38.65**	**—**	**61.23**
Default (J7R, J8-J10)	**1,447.0**	**1,359.6**	**87.4**	**6.6**	**100.00**	**100.00**	**54.57**	**52.93**	**20.51**
Total	**¥65,994.9**	**¥55,559.3**	**¥10,435.6**	**¥5,245.1**	**—**	**—**	**—**	**—**	**—**

Billions of yen

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

Notes: 1. In line with the adoption of the advanced IRB approach on March 31, 2009, CCF and ELdefault information is now disclosed.
2. "Other" includes exposures guaranteed by credit guarantee corporations, exposures to public sector entities and voluntary organizations, and exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies), as well as business loans and standardized SME loans of more than ¥100 million.

b. Overseas Corporate, Sovereign and Bank Exposures

September 30, 2009	Billions of yen: Exposure amount: Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL$_{default}$	Weighted average risk weight
G1-G3	¥17,674.1	¥11,295.3	¥6,378.8	¥2,955.2	75.00%	0.18%	31.94%	—%	20.22%
G4-G6	1,133.5	896.8	236.8	172.3	75.00	2.46	33.63	—	86.19
G7 (excluding G7R)	525.8	323.9	201.9	106.8	75.00	20.36	31.46	—	167.94
Other	145.2	96.8	48.3	6.9	75.00	1.56	41.37	—	87.19
Default (G7R, G8-G10)	231.6	222.9	8.7	2.1	100.00	100.00	74.45	66.91	94.25
Total	¥19,710.2	¥12,835.7	¥6,874.5	¥3,243.3	—	—	—	—	—

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

B. Specialized Lending (SL)

Portfolio

a. Slotting Criteria Applicable Portion

(a) Project Finance, Object Finance and IPRE

September 30	Risk weight	Billions of yen: 2009: Project finance	Object finance	IPRE	2008: Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	¥ 82.8	¥ 0.0	¥ —	¥ 120.9	¥ 19.6	¥ 565.0
Residual term 2.5 years or more	70%	726.6	50.3	—	892.1	146.7	672.6
Good:							
Residual term less than 2.5 years	70%	21.7	—	—	36.1	1.1	36.0
Residual term 2.5 years or more	90%	169.6	4.1	—	200.0	7.5	97.6
Satisfactory	115%	40.3	—	—	19.6	9.8	35.2
Weak	250%	76.9	—	—	9.4	22.1	25.3
Default	—	6.3	—	—	4.1	6.2	—
Total		¥1,124.1	¥54.4	¥ —	¥1,282.2	¥213.0	¥1,431.8

Note: Since March 31, 2009, a portion of object finance and IPRE have been calculated using the PD/LGD approach.

(b) HVCRE

September 30	Risk weight	Billions of yen: 2009	2008
Strong:			
Residual term less than 2.5 years	70%	¥ —	¥ 4.0
Residual term 2.5 years or more	95%	—	—
Good:			
Residual term less than 2.5 years	95%	53.3	75.2
Residual term 2.5 years or more	120%	46.2	89.8
Satisfactory	140%	88.6	229.7
Weak	250%	9.8	0.8
Default	—	3.0	3.2
Total		¥200.9	¥402.8

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Object Finance

Billions of yen	Exposure amount								
September 30, 2009	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average $EL_{default}$	Weighted average risk weight
G1-G3	¥ 98.3	¥ 95.6	¥ 2.7	¥ 0.4	75.00%	0.53%	20.28%	—%	40.07%
G4-G6	50.9	38.9	12.0	14.2	75.00	1.67	14.19	—	38.17
G7 (excluding G7R)	8.3	8.3	0.1	0.1	75.00	20.21	43.21	—	247.29
Other	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	3.0	2.9	0.0	—	—	100.00	71.97	64.42	94.41
Total	¥160.5	¥145.8	¥14.7	¥14.7	—	—	—	—	—

Note: Since March 31, 2009, a portion of object finance has been calculated using the PD/LGD approach.

(b) IPRE

Billions of yen	Exposure amount								
September 30, 2009	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average $EL_{default}$	Weighted average risk weight
J1-J3	¥ 431.4	¥ 417.5	¥ 13.9	¥ —	—%	0.05%	39.20%	—%	13.81%
J4-J6	1,021.4	874.7	146.7	4.2	75.00	2.23	33.19	—	83.78
J7 (excluding J7R)	72.1	68.6	3.5	—	—	19.51	27.21	—	134.12
Other	71.5	69.9	1.5	2.0	75.00	8.26	36.92	—	76.88
Default (J7R, J8-J10)	—	—	—	—	—	—	—	—	—
Total	¥1,596.4	¥1,430.7	¥165.7	¥6.3	—	—	—	—	—

Note: Since March 31, 2009, IPRE has been calculated using the PD/LGD approach.

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

Billions of yen	Exposure amount						
September 30, 2009	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average $EL_{default}$	Weighted average risk weight
Mortgage loans							
PD segment:							
Not delinquent							
Use model	¥ 9,769.2	¥ 9,694.9	¥74.3	0.37%	43.89%	—%	27.04%
Other	803.9	803.9	—	0.83	60.43	—	73.14
Delinquent	81.9	75.6	6.3	34.57	47.17	—	268.54
Default	130.6	130.0	0.6	100.00	50.04	47.15	36.16
Total	¥10,785.6	¥10,704.3	¥81.2	—	—	—	—

Billions of yen	Exposure amount						
September 30, 2008	Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average $EL_{default}$	Weighted average risk weight
Mortgage loans							
PD segment:							
Not delinquent							
Use model	¥ 9,238.1	¥ 9,151.8	¥86.4	0.39%	38.96%	—%	24.59%
Other	820.9	820.9	—	0.80	59.77	—	70.09
Delinquent	60.0	53.6	6.5	36.26	42.52	—	241.08
Default	123.4	122.7	0.7	100.00	46.09	43.25	35.51
Total	¥10,242.5	¥10,148.9	¥93.5	—	—	—	—

Notes: 1. "Other" includes loans guaranteed by employers.
2. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

B. Qualifying Revolving Retail Exposures (QRRE)

Portfolio

	Billions of yen									
	Exposure amount									
		On-balance sheet assets		Off-balance sheet assets	Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL$_{default}$	Weighted average risk weight
September 30, 2009	Total	Balance	Increase							
Card loans										
PD segment:										
Not delinquent...	**¥ 549.7**	**¥ 492.7**	**¥ 57.0**	**¥ —**	**¥ 176.6**	**32.28%**	**2.14%**	**85.47%**	**—%**	**54.89%**
Delinquent.....	**13.2**	**12.8**	**0.4**	**—**	**3.6**	**11.09**	**22.39**	**76.43**	**—**	**206.84**
Credit card balances										
PD segment:										
Not delinquent...	**1,004.8**	**662.7**	**342.1**	**—**	**4,134.7**	**8.27**	**1.42**	**77.95**	**—**	**29.86**
Delinquent.....	**9.1**	**7.6**	**1.4**	**—**	**—**	**—**	**85.67**	**80.68**	**—**	**89.37**
Default	**30.0**	**26.1**	**3.8**	**—**	**—**	**—**	**100.00**	**86.86**	**80.65**	**77.68**
Total	**¥1,606.7**	**¥1,201.9**	**¥404.8**	**¥ —**	**¥4,314.8**	**—**	**—**	**—**	**—**	**—**

	Billions of yen									
	Exposure amount									
		On-balance sheet assets		Off-balance sheet assets	Undrawn amount	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL$_{default}$	Weighted average risk weight
September 30, 2008	Total	Balance	Increase							
Card loans										
PD segment:										
Not delinquent...	¥ 434.9	¥ 380.3	¥ 54.7	¥ —	¥ 154.7	35.32%	2.11%	83.48%	—%	53.64%
Delinquent.....	87.7	86.2	1.5	—	13.8	10.87	31.02	91.41	—	272.31
Credit card balances										
PD segment:										
Not delinquent...	984.8	656.7	328.0	—	3,930.6	8.35	1.12	80.00	—	26.46
Delinquent.....	7.7	6.4	1.3	—	—	—	78.57	82.64	—	126.51
Default	25.9	22.6	3.3	—	—	—	100.00	89.34	82.40	86.72
Total	¥1,541.0	¥1,152.2	¥388.8	¥ —	¥4,099.1	—	—	—	—	—

Notes: 1. The on-balance sheet exposure amount is estimated by estimating the amount of increase in each transaction balance and not by multiplying the undrawn amount by the CCF.
2. "Weighted average CCF" is "On-balance sheet exposure amount ÷ Undrawn amount" and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.
3. Past due loans of less than three months are recorded in "Delinquent."

C. Other Retail Exposures

Portfolio

	Billions of yen						
	Exposure amount						
		On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average EL$_{default}$	Weighted average risk weight
September 30, 2009	Total						
Business loans							
PD segment:							
Not delinquent							
Use model	**¥1,205.8**	**¥1,190.8**	**¥ 15.0**	**1.10%**	**58.25%**	**—%**	**55.71%**
Other	**367.3**	**366.3**	**0.9**	**0.63**	**61.05**	**—**	**27.87**
Delinquent	**487.4**	**484.3**	**3.2**	**31.61**	**66.81**	**—**	**98.06**
Consumer loans							
PD segment:							
Not delinquent							
Use model	**453.3**	**239.7**	**213.6**	**1.22**	**66.13**	**—**	**69.14**
Other	**200.5**	**198.7**	**1.8**	**1.77**	**63.46**	**—**	**78.96**
Delinquent	**47.7**	**47.6**	**0.1**	**22.27**	**54.30**	**—**	**124.45**
Default.....	**166.0**	**165.9**	**0.1**	**100.00**	**74.86**	**69.03**	**72.84**
Total	**¥2,928.1**	**¥2,693.4**	**¥234.7**	**—**	**—**	**—**	**—**

September 30, 2008	Billions of yen Exposure amount Total	On-balance sheet assets	Off-balance sheet assets	Weighted average PD	Weighted average LGD	Weighted average $EL_{default}$	Weighted average risk weight
Business loans							
PD segment:							
Not delinquent							
Use model	¥1,392.9	¥1,372.9	¥20.0	1.14%	59.43%	—%	57.07%
Other	235.6	235.1	0.5	1.18	50.24	—	50.10
Delinquent	429.5	426.2	3.3	11.03	64.19	—	103.16
Consumer loans							
PD segment:							
Not delinquent							
Use model	325.9	279.8	46.1	1.44	47.83	—	53.19
Other	228.2	226.2	2.0	1.82	63.21	—	79.14
Delinquent	38.7	38.3	0.4	24.91	46.16	—	110.67
Default	249.5	245.7	3.9	100.00	70.16	64.64	69.04
Total	¥2,900.3	¥2,824.2	¥76.1	—	—	—	—

Notes: 1. "Business loans" includes apartment construction loans and standardized SME loans.
2. "Other" includes loans guaranteed by employers.
3. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

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

A. Equity Exposures

Portfolio

a. Equity Exposure Amounts

September 30	Billions of yen 2009	2008
Market-based approach	**¥ 297.3**	¥ 236.1
Simple risk weight method	**288.2**	182.9
Listed equities (300%)	**33.0**	51.8
Unlisted equities (400%)	**255.2**	131.2
Internal models method	**9.1**	53.2
PD/LGD approach	**657.4**	640.1
Grandfathered equity exposures	**2,289.2**	2,734.0
Total	**¥3,243.8**	¥3,610.2

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.
2. The "Grandfathered equity exposures" amount was calculated in accordance with Supplementary Provision 13 of the Notification.

b. PD/LGD Approach

September 30	Billions of yen 2009 Exposure amount	Weighted average PD	Weighted average risk weight	2008 Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3	**¥465.9**	**0.05%**	**107.52%**	¥513.9	0.05%	112.59%
J4-J6	**73.8**	**1.42**	**247.01**	15.8	0.70	197.76
J7 (excluding J7R)	**1.3**	**13.20**	**470.57**	6.2	9.81	440.67
Other	**110.7**	**0.12**	**108.54**	104.1	0.06	101.51
Default (J7R, J8-J10)	**5.7**	**100.00**	**—**	0.0	100.00	—
Total	**¥657.4**	**—**	**—**	¥640.1	—	—

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification to which the PD/LGD approach is applied and differ from "stocks" described in the consolidated financial statements.
2. "Other" includes exposures to overseas corporate entities.

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

Portfolio

September 30	Billions of yen 2009	2008
Exposures under Article 145 of the Notification	**¥1,208.2**	¥986.4

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded total credit costs (the total of the general provisions, non-performing loan write-offs, and gains on collection of written-off claims) of ¥268.5 billion on a consolidated basis for the first half of fiscal 2009, a year-on-year decrease of ¥33.7 billion.

SMBC recorded ¥156.9 billion in total credit costs on a nonconsolidated basis for the first half of fiscal 2009, a year-on-year decrease of ¥67.2 billion. In terms of exposure category, the credit cost for corporate exposures decreased ¥10.0 billion year-on-year, to ¥144.8 billion. The credit cost for bank exposures decreased ¥18.4 billion for a year-on-year improvement of ¥5.6 billion. The principal factor for these decreases is the effect of the Japanese government's economic stimulus measures, primarily the introduction of an emergency credit guarantee system implemented through credit guarantee corporations. Other contributing factors are our tailor-made supports for borrowers, as well as a recovery in overseas markets, which resulted in smaller-than-expected expenditures on write-offs and loan-loss reserves.

Total Credit Costs

Billions of yen

	First half of fiscal 2009 (A)	First half of fiscal 2008 (B)	First half of fiscal 2007	Increase (decrease) (A) – (B)	Fiscal 2008	Fiscal 2007
SMFG (consolidated) total	**¥268.5**	¥302.1	¥143.1	¥(33.7)	¥767.8	¥248.6
SMBC (consolidated) total	**238.8**	282.8	131.5	(44.0)	724.4	221.6
SMBC (nonconsolidated) total	**156.9**	224.1	114.2	(67.2)	550.1	147.8
Corporate exposures	**144.8**	154.8	61.9	(10.0)	411.4	143.2
Sovereign exposures	**(0.1)**	(0.4)	0.0	0.4	(0.4)	0.4
Bank exposures	**(5.6)**	12.8	0.0	(18.4)	22.7	0.0
Residential mortgage exposures	**0.8**	0.1	(0.0)	0.7	0.5	0.1
QRRE	**0.0**	0.0	0.0	0.0	0.0	0.0
Other retail exposures	**36.0**	38.8	23.6	(2.8)	68.1	59.8

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

B. Comparison of Estimated and Actual Losses

Billions of yen

	Fiscal 2009			Fiscal 2008			
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts	
		After deduction of reserves	(First half of fiscal 2009)		After deduction of reserves	(First half of fiscal 2008)	(Fiscal 2008)
SMFG (consolidated) total	**¥ —**	**¥ —**	**¥268.5**	¥ —	¥ —	¥302.1	¥767.8
SMBC (consolidated) total	**—**	**—**	**238.8**	—	—	282.8	724.4
SMBC (nonconsolidated) total	**1,197.2**	**354.0**	**156.9**	954.2	323.9	224.1	550.1
Corporate exposures	**984.0**	**210.0**	**144.8**	806.7	278.6	154.8	411.4
Sovereign exposures	**5.8**	**4.3**	**(0.1)**	9.0	7.5	(0.4)	(0.4)
Bank exposures	**52.1**	**34.4**	**(5.6)**	6.1	5.9	12.8	22.7
Residential mortgage exposures	**4.0**	**3.4**	**0.8**	4.0	3.6	0.1	0.5
QRRE	**0.1**	**0.1**	**0.0**	0.1	0.1	0.0	0.0
Other retail exposures	**151.2**	**107.5**	**36.0**	128.3	65.9	38.8	68.1

Billions of yen

	Fiscal 2007			
	Estimated loss amounts		Actual loss amounts	
		After deduction of reserves	(First half of fiscal 2007)	(Fiscal 2007)
SMFG (consolidated) total	¥ —	¥ —	¥143.1	¥248.6
SMBC (consolidated) total	—	—	131.5	221.6
SMBC (nonconsolidated) total	887.7	311.4	114.2	147.8
Corporate exposures	778.6	252.6	61.9	143.2
Sovereign exposures	11.2	9.6	0.0	0.4
Bank exposures	5.1	4.9	0.0	0.0
Residential mortgage exposures	4.6	4.1	(0.0)	0.1
QRRE	0.1	0.1	0.0	0.0
Other retail exposures	88.2	53.1	23.6	59.8

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

■ Standardized Approach

Exposure Balance by Risk Weight Segment

Billions of yen

September 30	2009	2009 Assigned country risk score	2008	2008 Assigned country risk score
0%	¥ 1,718.3	¥ 69.8	¥ 1,360.7	¥ 68.8
10%	478.6	—	557.9	—
20%	669.5	270.2	768.6	360.4
35%	1,337.2	—	1,385.8	—
50%	223.1	1.9	162.8	2.4
75%	1,515.1	—	1,705.3	—
100%	6,043.1	0.0	6,536.5	0.1
150%	98.6	—	32.8	—
Total	¥12,083.6	¥342.0	¥12,510.3	¥431.7

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

■ Credit Risk Mitigation Techniques

Exposure Balance after CRM

Billions of yen

September 30	2009 Eligible financial collateral	2009 Eligible real estate collateral	2008 Eligible financial collateral	2008 Eligible real estate collateral
Advanced IRB approach	¥ —	¥ —	¥ —	¥ —
Foundation IRB approach	0.0	76.4	3,033.9	3,046.2
Corporate exposures	0.0	76.4	787.5	3,044.6
Sovereign exposures	—	—	397.9	1.4
Bank exposures	—	—	1,848.5	0.1
Standardized approach	64.0	—	212.7	—
Total	¥64.0	¥76.4	¥3,246.6	¥3,046.2

Note: In line with the shift to the advanced IRB approach on March 31, 2009, most qualified collateral is taken into account in the LGD calculation. As a result, there exist no exposures after CRM, with the exception of certain consolidated subsidiaries which have adopted the foundation IRB approach.

Billions of yen

September 30	2009 Guarantee	2009 Credit derivative
Advanced IRB approach	¥7,068.2	¥269.2
Corporate exposures	6,355.3	269.2
Sovereign exposures	310.5	—
Bank exposures	190.4	—
Residential mortgage exposures	211.8	—
QRRE	—	—
Other retail exposures	0.1	—
Standardized approach	166.7	—
Total	¥7,234.9	¥269.2

Billions of yen

September 30	2008 Guarantee	2008 Credit derivative
Foundation IRB approach	¥5,460.3	¥258.5
Corporate exposures	4,686.1	258.5
Sovereign exposures	252.9	—
Bank exposures	286.9	—
Residential mortgage exposures	234.2	—
QRRE	—	—
Other retail exposures	0.2	—
Standardized approach	134.9	—
Total	¥5,595.2	¥258.5

Note: In line with the shift to the advanced IRB approach on March 31, 2009, the scope of qualified collateral has expanded and guarantee-based exposures after CRM have greatly increased.

Derivative Transactions and Long Settlement Transactions

Credit Equivalent Amounts

(1) Derivative Transactions and Long Settlement Transactions

A. Calculation Method

Current exposure method

B. Credit Equivalent Amounts

	Billions of yen	
September 30	**2009**	2008
Gross replacement cost	**¥5,387.4**	¥4,024.1
Gross add-on amount	**3,381.7**	3,993.0
Gross credit equivalent amount	**8,769.2**	8,017.1
Foreign exchange related transactions	**3,509.0**	3,951.2
Interest rate related transactions	**4,787.8**	3,657.7
Gold related transactions	**—**	—
Equities related transactions	**69.3**	1.7
Precious metals (excluding gold) related transactions	**—**	—
Other commodity related transactions	**165.8**	293.4
Credit default swaps	**237.2**	113.1
Reduction in credit equivalent amount due to netting	**4,689.6**	3,722.0
Net credit equivalent amount	**4,079.5**	4,295.1
Collateral amount	**—**	233.4
Qualifying financial collateral	**—**	132.4
Qualifying real estate collateral	**—**	101.0
Net credit equivalent amount (after taking into account the CRM effect of collateral)	**¥4,079.5**	¥4,295.1

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

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

	Billions of yen			
	2009		2008	
September 30	Notional principal amount	Of which for CRM	Notional principal amount	Of which for CRM
Protection purchased	**¥ 872.8**	**¥269.2**	¥1,109.2	¥258.5
Protection provided	**1,194.3**	**—**	951.3	—

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

Securitization Exposures

Portfolio

(1) Securitization Transactions as Originator

A. As Originator (excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	September 30, 2009			**First half of fiscal 2009**			
	Underlying asset amount						
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount	Gains/losses on sales
Claims on corporates	**¥ 124.3**	**¥ 124.3**	**¥ —**	**¥ —**	**¥10.3**	**¥1.3**	**¥ —**
Mortgage loans	**1,677.5**	**1,677.5**	**—**	**43.0**	**1.0**	**0.2**	**2.5**
Retail loans (excluding mortgage loans)	**90.4**	**—**	**90.4**	**—**	**14.6**	**1.9**	**—**
Other claims	**260.5**	**69.9**	**190.6**	**—**	**0.2**	**0.3**	**—**
Total	**¥2,152.6**	**¥1,871.7**	**¥281.0**	**¥43.0**	**¥26.1**	**¥3.8**	**¥2.5**

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

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing securitization exposure.
2. The "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.
3. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and lease fees.
4. Following Articles 230 and 248 of the Notification, there were no amounts that represent exposure to products subject to early call provisions to investors.
5. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2009			2008		
September 30	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates	¥ 50.7	¥ 2.0	¥ —	¥122.2	¥ 2.9	¥ —
Mortgage loans	182.5	39.2	40.1	174.4	34.6	42.6
Retail loans (excluding mortgage loans)	30.6	10.1	—	62.1	14.1	—
Other claims	140.6	9.1	—	75.9	11.1	—
Total	¥404.4	¥60.5	¥40.1	¥434.6	¥62.8	¥42.6

b. Risk Weights

	Billions of yen			
	2009		2008	
September 30	Term-end balance	Required capital	Term-end balance	Required capital
20% or less	¥175.8	¥ 1.1	¥234.1	¥ 0.9
100% or less	19.9	0.6	—	—
650% or less	2.0	0.7	2.0	0.7
Less than 1250%	—	—	—	—
Capital deduction	206.7	60.5	198.6	62.8
Total	¥404.4	¥62.9	¥434.6	¥64.4

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	September 30, 2009			First half of fiscal 2009		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates	¥534.7	¥534.7	¥ —	¥2,138.2	¥61.4	¥60.1
Mortgage loans	—	—	—	—	0.8	0.8
Retail loans (excluding mortgage loans)	179.8	179.8	—	362.8	3.6	4.0
Other claims	91.1	91.1	—	35.2	2.9	2.5
Total	¥805.5	¥805.5	¥ —	¥2,536.3	¥68.8	¥67.4

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

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing securitization exposure.
2. The "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.
3. The "Default amount" and "Loss amount" when acting as a sponsor of securitization of customer claims are estimated using the following methods and alternative data, as in some cases it can be difficult to obtain relevant data in a timely manner because the underlying assets have been recovered by the customer.
(1) "Default amount" estimation method
- For securitization transactions subject to the ratings-based approach, the amount is estimated based on information on underlying assets obtainable from customers, etc.
- For securitization transactions subject to the supervisory formula, the amount is estimated based on obtainable information on, or default rate of, each obligor. Further, when it is difficult to estimate the amount using either method, it is conservatively estimated by assuming that the underlying asset is a default asset.

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

4. "Other claims" includes lease fees.
5. Following Articles 230 and 248 of the Notification, there were no amounts that represent exposure to products subject to early call provisions to investors.
6. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2009			2008		
September 30	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates	**¥413.3**	**¥0.5**	**¥ —**	¥693.7	¥0.1	¥ —
Mortgage loans	**—**	**—**	**—**	3.6	—	—
Retail loans (excluding mortgage loans)	**153.8**	**—**	**—**	67.0	—	—
Other claims	**88.0**	**—**	**—**	68.2	—	—
Total	**¥655.0**	**¥0.5**	**¥ —**	¥832.5	¥0.1	¥ —

Note: "Other claims" includes lease fees.

b. Risk Weights

	Billions of yen			
	2009		2008	
September 30	Term-end balance	Required capital	Term-end balance	Required capital
20% or less	**¥584.6**	**¥4.2**	¥736.9	¥4.6
100% or less	**69.9**	**1.9**	95.5	2.6
650% or less	**—**	**—**	—	—
Less than 1250%	**—**	**—**	—	—
Capital deduction	**0.5**	**0.5**	0.1	0.1
Total	**¥655.0**	**¥6.6**	¥832.5	¥7.2

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

Securitization Exposures

(A) Underlying Assets by Asset Type

Billions of yen

September 30	2009 Term-end balance	2009 To be deducted from capital	2009 Increase in capital equivalent	2008 Term-end balance	2008 To be deducted from capital	2008 Increase in capital equivalent
Claims on corporates	**¥246.0**	**¥52.5**	**¥ —**	¥321.7	¥66.2	¥ —
Mortgage loans	**—**	**—**	**—**	—	—	—
Retail loans (excluding mortgage loans)	**0.5**	**—**	**—**	11.0	—	—
Other claims	**15.5**	**0.7**	**—**	26.4	2.0	—
Total	**¥262.0**	**¥53.2**	**¥ —**	¥359.2	¥68.2	¥ —

Notes: 1. "Other claims" includes securitization products.
2. There were no credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification.

(B) Risk Weights

Billions of yen

September 30	2009 Term-end balance	2009 Required capital	2008 Term-end balance	2008 Required capital
20% or less	**¥131.7**	**¥ 0.3**	¥210.3	¥ 1.7
100% or less	**31.4**	**1.6**	29.0	1.4
650% or less	**5.1**	**0.8**	10.8	1.1
Less than 1250%	**—**	**—**	—	—
Capital deduction	**93.8**	**53.2**	109.0	68.2
Total	**¥262.0**	**¥56.0**	¥359.2	¥72.4

■ Equity Exposures in Banking Book

1. Consolidated Balance Sheet Amounts and Fair Values

Billions of yen

September 30	2009 Balance sheet amount	2009 Fair value	2008 Balance sheet amount	2008 Fair value
Listed equity exposures	**¥2,452.7**	**¥2,452.7**	¥2,911.6	¥2,911.6
Stocks of subsidiaries and affiliates and equity exposures other than above	**784.3**	**—**	647.7	—
Total	**¥3,237.0**	**¥ —**	¥3,559.3	¥ —

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

Billions of yen

	First half of fiscal 2009	First half of Fiscal 2008
Gains (losses)	**¥(8.9)**	¥(19.8)
Gains on sale	**4.3**	7.6
Losses on sale	**2.7**	1.7
Devaluation	**10.6**	25.8

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

3. Unrealized Gains (Losses) Recognized on Consolidated Balance Sheets but Not on Consolidated Statements of Operations

Billions of yen

September 30	2009	2008
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of operations	**¥598.0**	¥789.4

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

4. Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Operations

	Billions of yen	
September 30	**2009**	2008
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of operations	**¥(62.8)**	¥(62.0)

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

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

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

	Billions of yen				
September 30, 2009	Loans, etc.	Bonds	Derivatives	Other	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing	**¥10,211.6**	**¥ 186.8**	**¥ 616.5**	**¥2,370.1**	**¥ 13,385.0**
Agriculture, forestry, fishery and mining	**207.7**	**0.1**	**15.2**	**36.5**	**259.4**
Construction	**1,561.8**	**42.1**	**11.8**	**183.0**	**1,798.7**
Transport, information, communications and utilities	**4,729.6**	**114.9**	**225.1**	**747.6**	**5,817.2**
Wholesale and retail	**6,198.3**	**83.5**	**671.7**	**620.8**	**7,574.4**
Financial and insurance	**9,768.4**	**770.0**	**1,158.4**	**312.0**	**12,008.8**
Real estate, goods rental and leasing	**9,142.9**	**367.1**	**61.6**	**442.8**	**10,014.3**
Services	**5,190.6**	**117.1**	**85.7**	**465.7**	**5,859.1**
Local municipal corporations	**2,568.3**	**421.1**	**5.2**	**227.2**	**3,221.8**
Other industries	**22,150.4**	**18,554.1**	**38.3**	**3,543.2**	**44,286.1**
Subtotal	**¥71,729.7**	**¥20,656.8**	**¥2,889.4**	**¥8,949.0**	**¥104,225.0**
Overseas operations and offshore banking accounts					
Sovereigns	**2,022.0**	**591.8**	**5.6**	**—**	**2,619.3**
Financial institutions	**2,628.7**	**311.1**	**829.0**	**0.0**	**3,768.8**
C&I companies	**9,544.7**	**208.0**	**349.2**	**—**	**10,101.9**
Others	**1,696.2**	**255.8**	**5.9**	**421.4**	**2,379.3**
Subtotal	**¥15,891.5**	**¥ 1,366.6**	**¥1,189.7**	**¥ 421.4**	**¥ 18,869.4**
Total	**¥87,621.3**	**¥22,023.4**	**¥4,079.2**	**¥9,370.5**	**¥123,094.4**

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

Notes: 1. The above amounts are exposure amounts after CRM.
2. The above amounts do not include securitization exposures and credit risk-weighted assets under Article 145 of the Notification.
3. "Loans, etc." includes loans, commitments and off-balance sheet assets except other derivatives, and "Other" includes equity exposures and standardized approach applied funds.
4. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
5. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed.

2. Exposure Balance by Type of Assets and Residual Term

September 30, 2009	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Other	Total
To 1 year	¥27,229.4	¥ 5,571.9	¥ 486.2	¥ 425.4	¥ 33,712.9
More than 1 year to 3 years	16,019.2	5,773.9	1,197.8	896.3	23,887.2
More than 3 years to 5 years	10,707.1	5,799.6	1,217.7	1,037.0	18,761.3
More than 5 years to 7 years	4,128.8	1,005.1	458.8	257.2	5,849.8
More than 7 years	22,715.0	3,872.9	718.7	204.3	27,510.9
No fixed maturity	6,821.8	0.1	—	6,550.4	13,372.2
Total	¥87,621.3	¥22,023.4	¥4,079.2	¥9,370.5	¥123,094.4

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

Notes: 1. The above amounts are exposure amounts after CRM.
2. The above amounts do not include securitization exposures and credit risk-weighted assets under Article 145 of the Notification.
3. "Loans, etc." includes loans, commitments and off-balance sheet assets except other derivatives, and "Other" includes equity exposures and standardized approach applied funds.
4. "No fixed maturity" includes exposures not classified by residual term.

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

(1) By Geographic Region

September 30	Billions of yen	
	2009	2008
Domestic operations (excluding offshore banking accounts)	¥2,402.7	¥2,151.2
Overseas operations and offshore banking accounts	249.9	136.8
Asia	18.9	30.4
North America	160.7	91.4
Other regions	70.3	15.1
Total	¥2,652.6	¥2,288.0

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.
2. The above amounts include partial direct write-offs (direct reductions).
3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

September 30, 2009	Billions of yen
Domestic operations (excluding offshore banking accounts)	
Manufacturing	¥ 258.8
Agriculture, forestry, fishery and mining	5.1
Construction	160.7
Transport, information, communications and utilities	161.5
Wholesale and retail	300.5
Financial and insurance	54.5
Real estate, goods rental and leasing	817.1
Services	338.7
Other industries	305.8
Subtotal	¥2,402.7
Overseas operations and offshore banking accounts	
Financial institutions	¥ 62.8
C&I companies	187.1
Subtotal	¥ 249.9
Total	¥2,652.6

September 30, 2008	Billions of yen
Domestic operations (excluding offshore banking accounts)	
Manufacturing	¥ 206.7
Agriculture, forestry, fishery and mining	16.3
Construction	169.4
Transport, information, communications and utilities	101.9
Wholesale and retail	308.9
Financial and insurance	89.0
Real estate	552.5
Services	376.3
Other industries	330.4
Subtotal	¥2,151.2
Overseas operations and offshore banking accounts	
Financial institutions	¥ 39.8
C&I companies	97.0
Subtotal	¥ 136.8
Total	¥2,288.0

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.
2. The above amounts include partial direct write-offs (direct reductions).
3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
4. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed.

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

(1) By Geographic Region

	Billions of yen				
	September 30, 2009 (A)	March 31, 2009 (B)	September 30, 2008	March 31, 2008	Increase (decrease) (A) – (B)
General reserve for possible loan losses	**¥ 649.5**	¥ 691.5	¥ 614.0	¥ 593.7	¥ (42.0)
Loan loss reserve for specific overseas countries	**0.8**	1.3	0.0	0.0	(0.5)
Specific reserve for possible loan losses	**1,245.7**	1,102.1	925.3	819.6	143.6
Domestic operations (excluding offshore banking accounts)	**1,127.8**	970.4	870.0	738.5	157.4
Overseas operations and offshore banking accounts	**117.9**	131.7	55.2	81.1	(13.8)
Asia	**20.4**	19.3	15.0	10.1	1.1
North America	**51.7**	75.8	30.1	68.1	(24.1)
Other regions	**45.8**	36.5	10.2	2.9	9.3
Total	**¥1,896.0**	¥1,794.9	¥1,539.3	¥1,413.3	¥101.1

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

(2) By Industry

	Billions of yen		
	September 30, 2009	March 31, 2009	Increase (decrease)
General reserve for possible loan losses	**¥ 649.5**	¥ 691.5	¥ (42.0)
Loan loss reserve for specific overseas countries	**0.8**	1.3	(0.5)
Specific reserve for possible loan losses	**1,245.7**	1,102.1	143.6
Domestic operations (excluding offshore banking accounts)	**1,127.8**	970.4	157.4
Manufacturing	**149.2**	128.1	21.1
Agriculture, forestry, fishery and mining	**1.7**	1.2	0.5
Construction	**93.9**	91.2	2.7
Transport, information, communications and utilities	**82.9**	45.9	37.0
Wholesale and retail	**182.7**	173.3	9.4
Financial and insurance	**21.0**	21.1	(0.1)
Real estate, goods rental and leasing	**306.6**	225.4	81.2
Services	**151.6**	145.8	5.8
Other industries	**138.2**	138.4	(0.2)
Overseas operations and offshore banking accounts	**117.9**	131.7	(13.8)
Financial institutions	**39.0**	32.0	7.0
C&I companies	**78.9**	99.7	(20.8)
Total	**¥1,896.0**	¥1,794.9	¥101.1

	Billions of yen		
	September 30, 2008	March 31, 2008	Increase (decrease)
General reserve for possible loan losses	¥ 614.0	¥ 593.7	¥ 20.3
Loan loss reserve for specific overseas countries	0.0	0.0	0.0
Specific reserve for possible loan losses	925.3	819.6	105.7
Domestic operations (excluding offshore banking accounts)	870.0	738.5	131.5
Manufacturing	97.8	76.3	21.5
Agriculture, forestry, fishery and mining	1.1	1.3	(0.1)
Construction	80.2	71.3	8.9
Transport, information, communications and utilities	52.7	49.2	3.5
Wholesale and retail	159.4	142.7	16.7
Financial and insurance	28.7	19.2	9.5
Real estate	156.3	110.9	45.4
Services	154.5	135.2	19.4
Other industries	139.3	132.4	6.9
Overseas operations and offshore banking accounts	55.2	81.1	(25.8)
Financial institutions	2.8	0.9	1.9
C&I companies	52.4	80.2	(27.7)
Total	¥1,539.3	¥1,413.3	¥126.0

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).
2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
3. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed. Accordingly, the amendments have been retroactively applied to the data of the previous term (ended March 31, 2009), so as to allow comparison.

5. Loan Write-Offs by Industry

	Billions of yen First half of fiscal 2009
Domestic operations (excluding offshore banking accounts)	
Manufacturing	¥ 13.1
Agriculture, forestry, fishery and mining	0.1
Construction	4.0
Transport, information, communications and utilities	5.4
Wholesale and retail	19.9
Financial and insurance	(0.2)
Real estate, goods rental and leasing	30.8
Services	11.5
Other industries	24.8
Subtotal	¥109.4
Overseas operations and offshore banking accounts	
Financial institutions	¥ (2.5)
C&I companies	11.4
Subtotal	¥ 8.9
Total	¥118.3

	Billions of yen First half of fiscal 2008
Domestic operations (excluding offshore banking accounts)	
Manufacturing	¥ 14.3
Agriculture, forestry, fishery and mining	0.3
Construction	25.2
Transport, information, communications and utilities	6.3
Wholesale and retail	24.0
Financial and insurance	9.7
Real estate	22.6
Services	20.0
Other industries	21.9
Subtotal	¥144.3
Overseas operations and offshore banking accounts	
Financial institutions	¥ 2.0
C&I companies	7.3
Subtotal	¥ 9.3
Total	¥153.6

Notes: 1. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. In accordance with the revision of the Japan Standard Industrial Classification (in November 2007), from September 30, 2009, the industrial classification has been partly changed.

Market Risk

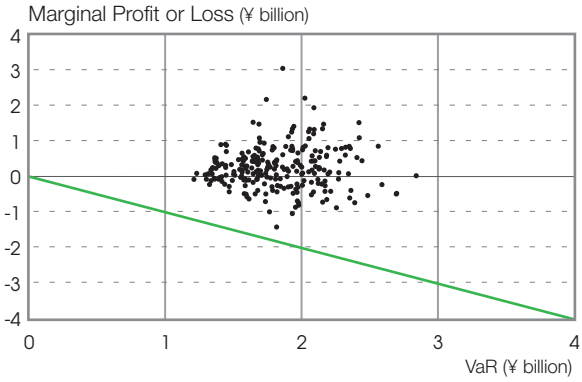
1. VaR Results (Trading Book)

	Billions of yen	
	First half of fiscal 2009	First half of fiscal 2008
September 30	¥2.0	¥2.1
Maximum	¥2.8	¥2.8
Minimum	1.2	1.5
Average	1.7	2.1

Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on data collected over a four-year period.
2. Figures for the trading book exclude specific risks.
3. Includes principal consolidated subsidiaries.

2. Back-Testing Results (Trading Book)

The results of back-testing for the one-year period from October 2008 to September 2009 are shown below. As during the same period of the previous year, actual loss amounts during the said period did not exceed the predicted VaR results.



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

■ Interest Rate Risk in Banking Book

1. VaR Results (Banking Book)

	Billions of yen	
	First half of fiscal 2009	First half of fiscal 2008
September 30	**¥43.7**	¥29.0
Maximum	**¥43.7**	¥34.5
Minimum	**35.5**	26.9
Average	**39.2**	31.2

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

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

In the event the economic value of a bank declines by more than 20% of the sum of Tier I and Tier II capital ("outlier ratio") as a result of interest rate shocks, the bank falls into the category of "outlier bank," as stipulated under the Second Pillar of Basel II.

As of September 30, 2009, the outlier ratio of SMBC (consolidated) was 8.1%, substantially below the 20% criterion.

	Billions of yen	
	2009	2008
September 30	Decline in economic value	Decline in economic value
Impact of Yen interest rates	**¥438.6**	¥112.6
Impact of U.S. dollar interest rates	**147.9**	94.2
Impact of Euro interest rates	**29.8**	36.6
Total	**¥652.4**	¥251.9
Percentage of Tier I + Tier II	**8.1%**	3.4%

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

■ Operational Risk

Required Capital by Operational Risk Measurement Method

	Billions of yen	
September 30	**2009**	2008
Advanced Measurement Approach	**¥223.2**	¥201.8
Basic Indicator Approach	**18.2**	48.9
Total	**¥241.3**	¥250.7