




SMFG SUMITOMO MITSUI  
FINANCIAL GROUP

FISCAL YEAR **2010** INTERIM FINANCIAL REPORT

---

APRIL 1 — SEPTEMBER 30, 2010

SUMITOMO MITSUI FINANCIAL GROUP  
SUMITOMO MITSUI BANKING CORPORATION



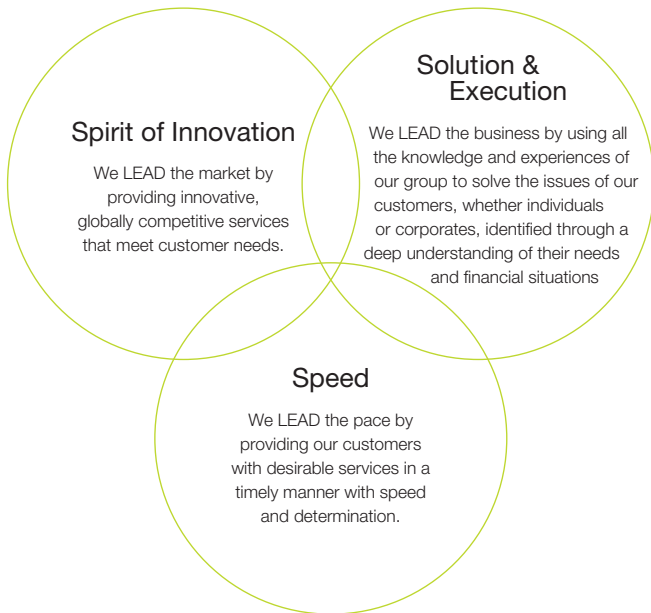
Aiming to become a globally competitive financial  
services group with the highest trust

# LEAD THE VALUE

We are a group of highly qualified professionals  
that can provide truly valuable financial services to our customers.  
Each of us thinks and acts with pride as experts in each business area  
in order to LEAD the competition in creating and delivering  
customer VALUE in a continually changing business environment.



These activities are supported by our three core strengths:



We create new VALUE by forming teams of specialists in various fields and providing optimal services to our customers through two-way communication. As a result, we will be selected as a truly trusted partner.

## CONTENTS

- Message from Management..... 2
- Topics ..... 5
- Business Overview ..... 6
  - Consumer Banking ..... 6
  - Corporate Banking..... 8
  - Services for High Net Worth Individuals, Business Owners, and Employees ..... 10
  - Investment Banking ..... 10
  - International Banking..... 11
  - Treasury Markets ..... 11
- Group Companies ..... 12
- Financial Highlights ..... 15
- Financial Review..... 19
- Financial Section ..... 33

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This material contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate”, “estimate”, “expect”, “intend”, “may”, “plan”, “probability”, “risk”, “project”, “should”, “seek”, “target” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include the fragility of any economic recovery, both globally and in Japan; our ability to successfully implement its business and capital strategy; the success of our business alliances including those in the consumer finance industry; exposure to new risks as we expand the scope of our business; significant credit-related costs; declines in the value of our securities portfolio. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this material. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report or the registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as our earnings press release for a more detailed description of the risks and uncertainties that may affect our financial conditions, our operating results, and investors’ decisions.

#### Sumitomo Mitsui Financial Group, Inc.

Public Relations Department  
1-2, Marunouchi 1-chome, Chiyoda-ku,  
Tokyo 100-0006, Japan  
TEL: +81-3-3282-8111

#### Sumitomo Mitsui Banking Corporation

Public Relations Department  
1-2, Marunouchi 1-chome, Chiyoda-ku,  
Tokyo 100-0006, Japan  
TEL: +81-3-3282-1111

February 2011

# Message from Management

We would like to thank you for your continued support and patronage. In the beginning of this interim financial report, we briefly explain the initiatives implemented in the first six months ended September 30 of the fiscal 2010, and our management policies for the remaining six months of the fiscal 2010.

## Principal Initiatives in the First Six Months

We have determined our management policies for fiscal 2010 as 1) “forward looking” — transforming our business model to grow steadily under a new regulatory and competitive environment and 2) emphasizing return on risks and costs, in order to improve asset quality and thoroughly control expenses and credit costs, and we have taken various initiatives to secure a resilient capital base and reinforce our business portfolio to achieve sustainable growth.

In the first six months of fiscal 2010, SMFG, as well as SMBC, achieved its record-high half-year net income since the formation of SMBC as a result of the merger of Sakura Bank and Sumitomo Bank in April 2001. SMFG’s consolidated ordinary profit of ¥540.6 billion and net income of ¥417.4 billion were due mainly to an increase in SMBC’s banking profit attributable to gains on bonds by quickly responding to declines in interest rates; a decrease in SMBC’s total credit costs as a result of personalized responses given to each of our borrowers to improve their business performance, and the earnings contributed by Nikko Cordial Securities. This performance represented an increase of ¥318.3 billion in ordinary profit and an increase of ¥293.9 billion in net income, compared to the corresponding period of the previous fiscal year.

We also consistently made progress to achieve mid- to long-term growth, by upgrading our organizational structure to facilitate providing continuous support and services to our clients, while integrating our operations in Japan and overseas; expanding our

business networks in Asia and other regions; strengthening our alliances with major overseas banks; enhancing the operations of Nikko Cordial Securities; and making Cedyne a wholly-owned subsidiary.

## Management Policies in the Second Six Months

The business environment surrounding financial institutions continues to be uncertain, unclear and unstable. Even under these circumstances, we will continue to focus on securing a resilient capital base and reinforcing our business portfolio to achieve sustainable growth.

### (1) Securing a resilient capital base

We strengthened our capital base in quality and quantity, mainly through the new issues of common stock in the last fiscal year. We will focus on accumulating retained earnings and reducing stock price fluctuation risks associated with our equity holdings, to maintain our consolidated Tier I ratio over around 10%.

### (2) Reinforcing our business portfolio to achieve sustainable growth

#### 1. Fortify bottom-line profit through reexamining profitability of existing business lines

Positioning facilitating loans as one of our priorities, we have taken various measures for our financial operations including establishing consulting desks for SMEs and retail clients to address their financing needs and concerns. Meanwhile, we remain committed to controlling and reducing credit costs and expenses, and rebalancing our asset portfolio to improve our risk-return profile, in order to fortify our bottom-line profit.

#### 2. Pursue profitability by focusing on targeted growth business areas

##### ● Overseas business especially in Asia

In May 2010, we set up the Financial Products Marketing Department for the Asia-Pacific region, consolidating certain functions previously managed by the representative unit of several departments under the Investment Banking Unit. This is part of our efforts to provide prompt and optimized solutions to clients whose financial needs are becoming more diversified and sophisticated. As for the operations in China, effective April 2010, the responsibilities to plan and manage business development with Japanese corporate clients were transferred from the Planning Department, International Banking Unit, to the Planning Department, Corporate Banking Unit & Middle Market Banking Unit. This structural change will enable us to provide even better and personal financial solutions and services to clients with global business operations. Having opened two new offices in China during the first six months of fiscal 2010, we have gained approval



**Teisuke Kitayama**  
President  
Sumitomo Mitsui  
Financial Group, Inc.

to open two additional offices. Furthermore, in June 2010, we gained approval to incorporate in Malaysia, and we are currently in the process of opening a subsidiary in the first six months of fiscal 2011. In addition to the expansion of our business networks, we are further strengthening our alliances with some of the leading banks in Asia, such as Kookmin Bank of Korea, Eximbank of Vietnam, the Bank of East Asia of Hong Kong and Kotak Mahindra Bank of India, to enable us to offer exceptional services to our clients.

In the European and American markets, we will continue to enhance our competitive products and services including project financing. In order to gain business opportunities such as project financing in Latin America, we have established a representative office in Bogota in Colombia and formed a business alliance with Banco de Bogota. In addition, in South Africa, we provide enhanced services to Japanese corporations and other clients doing business locally, through a business alliance with a subsidiary of Barclays PLC, the major British financial services provider.

Furthermore, we are currently taking steps to ensure more stable funding and investment in foreign currencies while observing the discussions on the implementation of liquidity regulations.

#### ● Nikko Cordial Securities

Nikko Cordial Securities has strengthened its wholesale business framework, including overseas operations. Since October 2010, Nikko Cordial Securities has steadily increased its business operations in the security markets in London, New York and Hong Kong. In addition, in January 2011, it began to offer advisory services to Japanese and Chinese companies in Shanghai for exploring cross-border M&A transactions. It continues to make consistent progress toward becoming a full-service securities company, while strengthening cross-selling businesses with SMBC. In April 2011, Nikko Cordial Securities will change its name to "SMBC Nikko Securities Inc.," to further emphasize its position as a member of the SMFG group while maintaining synergies with Group companies to provide exceptional financial services to our clients.

#### ● Payment & settlement services, Consumer finance

In the credit card business, we have established a "two-company" system of Cedyna and Sumitomo Mitsui Card within the Group. Cedyna became a consolidated subsidiary in May 2010 and it will become a wholly-owned subsidiary in May 2011 subject to the resolution at Cedyna's extraordinary general shareholders meeting. Our goal is to become "the number one credit card business entity in Japan," and we will strive to maximize the synergy generated by the combined strength of both companies.

As for the consumer finance business, we strive to provide our individual clients with improved services to better accommodate their financial needs while strategically working with group companies to increase efficiency. As part of this strategic plan, we re-evaluated our "cascaded" business structure of three companies of SMBC, Promise and At-Loan in March 2010. Having

re-evaluated such business structure, At-Loan is scheduled to be merged into Promise in this coming April 2011.

#### 3. Further enhance customer responsiveness by leveraging advisory functions

##### ● Solution providing for corporations, investment banking and trust businesses

We remain strongly committed to delivering to our corporate clients high-quality solutions precisely targeted for the diversified management issues. SMBC provides support and solutions to better accommodate the sensitive needs of the corporate clients. Specifically, SMBC has a group of departments, Corporate Advisory Division, Private Advisory Department and Global Advisory Department, that operate across the consumer, corporate and overseas business segments and share the concept of "V-KIP" which stands for "Value, Knowledge, Information and Profit." Sumitomo Mitsui Finance and Leasing further develops its aircraft leasing business, the strategical business operations jointly operated and managed with the Sumitomo Corporation, and it also provides financial/sales solutions to both users and suppliers while enhancing the leasing/rental businesses jointly operated and managed with Sony Corporation under the agreement in August 2010. Furthermore, Japan Research Institute will strengthen its existing businesses of providing consultations for management reforms and IT related operations; planning and building of strategic information systems; providing comprehensive economic research and analysis; and proposing of business policies and solutions, operated by the JRI Institute for International Strategy established in October 2010.

#### Masayuki Oku

President

Sumitomo Mitsui  
Banking Corporation



### ● Financial consulting for individuals

Our goal is to establish the position as one of the leading banks in providing comprehensive financial services to individual clients. To achieve this goal, we are improving user-friendliness for our clients through the enhancement of Internet related services, striving to realize the “total consulting services” to be the one and only place for the individual clients to come for diversified financial consultations and services, leveraging capabilities of the Group. In April 2010, SMBC expanded its securities intermediary business for individual clients by making Nikko Cordial Securities our securities agent in April 2010 to provide retail securities businesses to our individual clients. In June 2010, SMBC also began marketing single-premium permanent life insurance policies developed jointly with Nikko Cordial Securities.

In June 2010, SMBC, Nikko Cordial Securities, and Barclays PLC reached an agreement to begin joint operations in private banking in Japan. The individual clients of SMBC are referred to “SMBC Barclays Wealth Division,” set up within Nikko Cordial Securities to provide investment solutions taking advantage of the knowledge and information accumulated by Barclays Wealth of Barclays Group.

Furthermore, in October 2010, Nikko Cordial Securities became a bank agent of SMBC in the six prefectures located in the northeastern Honshu (Honshu is the largest island of Japan) and all of the four prefectures in Shikoku (Shikoku is the island of Japan located south of Honshu). Having the banking services and products of SMBC will enable Nikko Cordial Securities to meet a wider range of clients' diversified financial needs on a one-stop basis.

In January 2011, the securities related business for individual clients jointly managed by SMBC and SMBC Friend Securities was integrated into the services provided by Nikko Cordial Securities. Meanwhile, SMBC Friend Securities will focus on diversifying its services by expanding its product portfolio and conducting investment seminars and other events to assist and support more clients.

#### 4. Further increase productivity by improving business processes

We strive to maintain SMBC's non-consolidated ratio of expenses to gross banking profit below 50% by prioritizing expenses based on their size, timing, and effectiveness with emphasis on growth businesses, and the consolidation of head-office operations through the recent headquarters relocation.

These prioritization measures will be implemented in accordance with the laws and regulations to ensure full compliance in our business structure. We will also take measures to mitigate potential conflicts of interest, completely avoid any transactions involving anti-social organizations, and avoid being involved in any money-laundering transactions.

As for client satisfaction and the improvement of client services, we intend to enhance our services so that clients' requests are properly reflected.

In November 2010, SMFG was listed on the New York Stock Exchange. We aim to accelerate our business development as one of the global players by further pursuing financial

transparency and improving convenience for investors, expanding and diversifying our investor foundation through participation and involvement in the world's largest securities market. SMFG has submitted its consolidated financial statements based on International Financial Reporting Standards (IFRS) to the U.S. Securities and Exchange Commission.

## Outlook for Fiscal 2010 and Policies Going Forward

### ● Outlook for Fiscal 2010

In November 2010, we upwardly revised our full-term forecasts released in May 2010. We now expect consolidated ordinary profit of ¥870 billion and consolidated net income of ¥540 billion. We also forecast an annual dividend per share of ¥100, the same as the previous fiscal year and unchanged from the forecasts published in May 2010. The interim dividend of ¥50 per share, half of the forecasted annual dividend, was distributed to our shareholders. In midst of current uncertain financial market trends and economic conditions in Japan and overseas, making no change to the dividend reflects our policy of considering the necessity to build up retained earnings to comply with stricter global capital regulations and securing sufficient level of return to shareholders from the perspective of payout ratio.

### ● Improving enterprise value for mid- to long-term

Despite the continuing uncertainty, unclarity and unstableness in our business environment, we strive to continuously increase enterprise value and meet intentions of our stakeholders by securing a resilient capital base, anticipating future changes and consistently transforming our business model. We look forward to your continued understanding and support in our endeavor.

February 2011



**Teisuke Kitayama**  
President

Sumitomo Mitsui  
Financial Group, Inc.



**Masayuki Oku**  
President

Sumitomo Mitsui  
Banking Corporation

## SMFG Topics

### Listing on the New York Stock Exchange

On November 1, 2010, SMFG listed its American Depositary Receipts (ADR) on the New York Stock Exchange (NYSE). The main objectives of this decision were to build a foundation to accelerate the process of our becoming a global player and to develop further our business through the improved transparency of our financial condition and the maximization of investor convenience by directly participating in the world's largest equity market while diversifying our funding channels.



The SMFG banner hung at NYSE



SMFG President Teisuke Kitayama (fourth from left) rings the opening bell at NYSE



Being presented the listing certificate (SMFG President Kitayama, at left)

### Relocation of Head Offices

SMFG and SMBC have relocated their head offices, which were previously located at Hibiya and Otemachi districts, to the following location.

New address:

1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan

(Sumitomo Mitsui Banking Corporation Head Office Building)

Note: Some departments have been relocated to Otemachi 1-chome Mitsui Building (2-3, Otemachi 1-chome, Chiyoda-ku, Tokyo).

Consolidating the functions of the head offices to the Otemachi district of central Tokyo will enable us to manage our businesses more efficiently and effectively.



Opening ceremony for the new head office (From left, SMFG President Teisuke Kitayama, Mitsui Fudosan Co., Ltd. President and CEO Hiromichi Iwasa, and SMBC President Masayuki Oku)



Sumitomo Mitsui Banking Corporation Head Office Building

## Consumer Banking

The Group companies of SMFG are enhancing their financial services provided to our clients. Some of the key factors of SMBC's noteworthy performance in the first six months of fiscal 2010, include investment trusts outstanding of ¥2,579.2 billion (as of September 30, 2010); sales of foreign bonds and yen-denominated bonds of ¥94.9 billion; pension-type insurance sales of ¥110.2 billion; sales of single premium whole life insurance of ¥150.3 billion; and housing loans outstanding of ¥14,472.8 billion (as of September 30, 2010).

## Financial Consulting Business

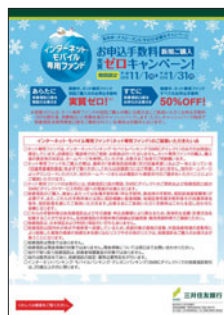


In the first six months of fiscal 2010, SMBC continued to broaden its product portfolio of investment trusts, pension-type insurance, life insurance policies and other financial products.

As for the investment trust products, the bank has expanded its portfolio of investment trust products to include emerging market bonds, high-yield Asian bonds, and Brazilian bonds, as well as global high-yield bonds denominated in Australian dollars.

SMBC increased its number of funds to the total of 33 (as of November 1, 2010) for transactions available exclusively on the Internet or for mobile phones; this particular service was launched in October 2009. The bank also conducted a campaign of charging no subscription fees, during three months of June to August 2010.

As for the insurance products, the bank responds to our clients' needs by selling level-premium life insurance products at all branches throughout Japan and enabling those clients having difficulties coming down to our branch during regular banking hours to request medical insurance information materials and application forms through ATMs. We also expanded our over-the-counter portfolio of whole life insurance policies, such as policies with guaranteed minimum death benefit that could increase depending on investment performance and policies with the options of selecting the type of coverage at the time of the last premium payment.



ATM screen image

As for the Japanese government bonds for individuals, we started offering three-year maturity products in June 2010 in addition to our existing five- and ten-year maturity products.

As for the financial products intermediation services, Nikko Cordial Securities Inc. became our agent in April 2010 further enhancing our ability to offer securities to our individual clients, including continuous offering of yen-denominated bonds, to diversify our products offered to our clients.

We consider it is important to support and follow up our clients even after they have purchased our products. As part of our fulfilling this commitment, we take numerous measures to keep our clients up-to-date with new developments — by having seminars regarding funds performances, monthly issuances of special market reports, and mailings of financial statements detailing assets performance.



## Loan Business



To enable us to respond to the diversified needs of our clients, we have developed new products and services.

In February 2010, following our introduction in December 2008 of unsecured educational loans, we began offering loans for car purchases (guaranteed by Promise Co., Ltd.) and a general-purpose unsecured loan. Clients may apply for these loans daily (except January 1) until 9 p.m. using our automated

loan contract machines installed at SMBC branches, the Internet, or other means. In most cases, applicants may receive a response within the same day, giving these new loan products greater advantages compared to the conventional loans.

In September 2010, SMBC began accepting accelerated full-sum repayments of housing loans through the SMBC Direct online banking service. With this service, over-the-counter procedures can now be completed at home or other remote locations. This service significantly contributed to maximizing convenience for our clients.

Providing this accelerated full-sum repayment service, with the existing services of partial-repayment and change of interest rate type (floating or fixed) is one of our ways to better accommodate and respond to our clients' diversified needs.

Following the enactment of the "Act Concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc.," we appointed specialists to provide consultations and assistance with clients having difficulties in repaying their mortgage at all bank branches as well as at the nine special Loan Support Offices located nationwide.

We will continue to provide more personalized and expedited support and services for such clients.



## Settlement and Consumer Finance Business

The iD\*<sup>1</sup> credit service, which was created as a result of the strategic alliance of SMFG and NTT DoCoMo, Inc., continues to further evolve. As of September 30, 2010, there are approximately 15.2 million subscribers to this service and approximately 490,000 terminals for such credit services installed on the premises of affiliated merchants.

\*<sup>1</sup> iD is a trademark of NTT DoCoMo, Inc.

As for the consumer finance business operated by the affiliation of SMBC and Promise Co., Ltd., SMBC and At-Loan Co., Ltd.\*<sup>2</sup>, together generated approximately ¥420 billion in consumer loans, and there were 714 automated contract machines, as of September 30, 2010.

\*<sup>2</sup> At-Loan is scheduled to be merged with Promise in April 2011.

## Transaction Channels

For the *SMBC Direct* online banking services, we are constantly adding highly advanced services to meet our clients' needs to improve convenience and reinforce security. In November 2010, we launched an online overseas remittance service for individual clients through *SMBC Direct*, improving the service previously offered only at our branches. This is another way for us to better accommodate our clients by simplifying the procedures, increasing their choices and maximizing convenience.

*SMBC Direct* has taken first place for seven consecutive years in the evaluation ranking for the Internet banking services assessed by e-commerce website rating firm Gomez Consulting Co., Ltd. As of September 30, 2010, there were approximately 10.5 million registered clients.

Our call centers located in Tokyo, Kobe and Fukuoka for our retail clients also take calls from our retail online clients who prefer to speak with our staff on important issues. The operation of these three call centers enhances our services by offering telephone consultations for inquiries on asset management or loans, as well as any information related to our financial services to provide the type of services best accommodated to the lifestyle and needs of our clients.



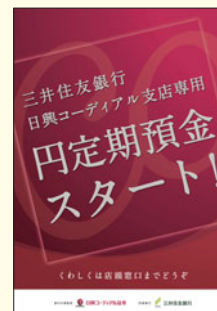
## Topics

### ◆ Businesses Jointly Operated with Nikko Cordial Securities

Nikko Cordial Securities became a wholly-owned subsidiary of SMBC on October 1, 2009, the milestone event which has further enhanced our Group to be able to offer our clients more competitive products and services.

Since October 2009, SMBC has been working with Nikko Cordial Securities to offer investment trust products, organize seminars, and provide financial products intermediary services for our individual clients.

In April 2010, SMBC designated Nikko Cordial Securities as the agent for the financial products intermediation services for individual clients, in addition to SMBC Friend Securities. In June 2010, SMBC expanded the services' portfolio to include structured bonds, and started to offer a single premium whole life insurance with variable benefit jointly developed for the first time with Nikko Cordial Securities for over-the-counter sales. In October 2010, Nikko Cordial Securities also became SMBC's banking agent. Further, in January 2011, operations of SMBC Friend Securities related to the financial products intermediation services were integrated into those of Nikko Cordial Securities. We will continue to proactively develop our both banking and securities businesses.



A joint seminar held with Nikko Cordial Securities

## ■ Corporate Banking

### Improving Products and Services for Mid-sized Companies and SMEs

#### •Initiatives to facilitate financing

SMBC believes that the continuous and efficient supply of funds to its clients is its main social responsibility as a financial institution. We are making every effort to actively facilitate more appropriate financing to our corporate clients of mid-sized companies and SMEs, who are faced with more challenges caused by the global financial crisis. In December 2009, SMBC established the Middle Market Facilitating Financing Department within the Planning Department of the Corporate Banking Unit in pursuit of its efforts to facilitate such financing.

We will continue to offer our clients more personalized and appropriate products and services in order to assist and accommodate their business development and needs while thoroughly understanding their challenges.

#### •Environmentally responsible and friendly products and services

In October 2008, SMBC started its offerings of SMBC Environmental Assessment Loan/Private Placement Bonds. The issuers of such bonds must meet the environmental assessment standards set forth by SMBC and Japan Research Institute which determine such issuers' financing terms and conditions in accordance with their assessment results. As of September 30, 2010, about 80 companies had raised approximately ¥180 billion from such loans and bonds. SMBC announces these transactions to the public through press releases and newspaper advertisements. They are well-received by our clients. The loan/bond product was awarded the "Nikkei Superior Products and Services Award for Superiority for 2009" from Nikkei Inc. in January 2010, and it was also awarded the "Grand Prize by the Ministry of Environment" at "The 7th Eco-Products Awards" in November 2010, indicating and showing the high degree of interest in the environmental issues by the Japanese society. Moreover, in October 2010, SMBC started to offer the SMBC "eco value up" Environmental Assessment Loans for mid-sized companies and SMEs, providing borrowers an environmental assessment, as well as analysis on its progress and advices on future environmental measures to be taken, conducted by an environmental assessment organization.

Furthermore, SMBC offers loans under two programs operated by the Ministry of the Environment with the government paying the interest. One of such programs supports achieving the goal agreed at the Kyoto Protocol by partially subsidizing investments in facilities for reducing greenhouse gas emissions. The other program supports the acceleration of countermeasures taken against global warming. As the Japanese government has set a high target of 25% reduction in the emission of greenhouse gas, we will support and assist the industries by participating in financing of such programs.

#### •Business Information Services

SMBC has strengthened its internal infrastructure and systems to realize a substantial increase in the number of business meetings we have arranged for our clients. In particular, our "Business-matching program," which is well-received by our

clients, brings together a large number of our clients and the purchasing departments of large corporations for business meetings.

Furthermore, the "SMFG Environmental Business Forum" was held in December 2010 during the "Eco-Products 2010" in Tokyo Big Sight, for promoting environmental business. We held business-matching events for major corporations seeking to increase suppliers with SMEs striving to expand their marketing channels for their products. A total of 660 business matchings were made.

At such events, SMFG Group companies provide a wide range of information to the public by presenting environmental solutions and organizing panel discussions.

Furthermore, in July 2010, in order to continue to provide comprehensive support for our clients considering an IPO, SMBC and Nikko Cordial Securities started their *IPO Navigator* Information Service on the Internet which is periodically updated with IPO related information, mail magazines and seminars offered free of charge to the registered subscribers.



### Enhancing Services for Global Corporations

An increasing number of our corporate clients are globalizing and faced with issues related to differences in business practices, cultures, legal systems, accounting, and taxation, as well as funding.

SMBC set up the Global Advisory Department to specifically assist and support clients' globalization strategies by providing solutions for their international issues and challenges.

We are in the process of improving our structure to provide our clients with information and seminars on high-interest global economic themes and issues not limited to China or Asia but also including countries such as Brazil. We provide the latest information on overseas markets, local circumstances and regulations to clients planning to enter overseas markets, and support and offer solutions related to business expansion or reorganization to clients who have already established their global business operations.

### Expanding Business Operations into the Chinese Market

A large number of Japanese companies have already established their business operations in China where the economy continues to grow rapidly. Japanese companies' entry into and business development in China is expected to accelerate in the coming years.

Starting with fiscal 2010, in order to more effectively meet the needs of such clients who are engaged in both at Japanese and Chinese markets, SMBC assigned a director to oversee its Chinese subsidiary Sumitomo Mitsui Banking

Corporation (China) Limited (SMBC (China)). It also transferred the responsibility for the planning, promotion and management of transactions between SMBC (China) and Japanese companies from the International Banking Unit to a domestic banking unit.

Having this organizational change, SMBC has become more responsive to the Chinese deregulation measures, and started offering RMB non-resident deposits at SMBC (China). Its domestic and overseas operations will continue to work together to offer improved and personalized services to our clients, both their head office in Japan and their subsidiaries in China.

### Enhancing Services for the Public and Financial Sectors

SMBC is committed to providing business solutions to diverse issues of governmental agencies, public organizations and regional financial institutions. We assertively present proposals to our regional public organization clients for financing for public facilities, and for improving efficiency in administration of public funds.

Public-interest corporations are now faced with challenges of creating business plans, and efficient and effective management of funds, following the major amendment to the regulations for the public-interest corporations in 2008. We are further strengthening our support for such clients by periodically organizing and offering seminars for public-interest corporations, and offering personalized services to better accommodate their needs.

SMBC is working to enhance services for our regional clients through alliances with regional public organizations and local financial institutions.

SMBC entered into business alliances with Kansai Urban Banking Corporation in November 2010 and The Mie Bank, Ltd. in December 2010, for supporting their clients' overseas business expansions. We offer our high-quality services utilizing our international business networks and knowledge to their clients.

We will continue to strive to support regional economic growth while continuing to provide our value-added services to our regional clients.

### Topics

#### ◆“The 7th Eco-Products Awards”

SMBC's “Environmental Assessment Loan/Private Placement Bonds” was presented with the Minister's Prize in the eco-services division for “The 7th Annual Eco-Products Awards for 2010,” sponsored by the Eco-Products Awards Steering Committee. SMBC has become the first city bank in Japan to receive such an award. SMBC continues to provide solutions to global environmental problems and challenges by supporting clients who pursue environmentally responsible and friendly business management.



Accepting the “The 7th Eco-Products Awards” (Shusuke Kurose, SMBC Managing Director, second from right)

#### ◆Environmental Business Information Section Up on the Website

On SMBC's website, an Environmental Business Information section has been added. This site consists of a broad range of information related to the environmental business, articles featuring environmentally responsible and conscientious companies, reports on SMBC's own environmental endeavors and the latest environmental topics. Through this site, SMBC plans to proactively report to the public the environmental business information and issues.



Newly added Environmental Business Information section on our website

## Services for High Net Worth Individuals, Business Owners and Employees

### Private Advisory Department

The Private Advisory Department ("PAD") of SMBC specializes in products and services that meet the diverse requirements of business owners and high net worth individuals.

Operations of this department consist of three services. One is our personalized support services for Business and Asset Transfers. We combine the extensive knowledge of our own staff, accumulated over the years of experience, with the professional input of our alliance partners, including major tax accountancy firms. The next service is our Private Banking Services which includes comprehensive financial services for managing clients' financial assets. These services are also offered in cooperation with our alliance partners. The last service is our Workplace Banking Services to support the HR strategies of our corporate clients. This particular service consists of providing assistance with the creation of employees' savings plan; other employees financial benefit programs; and the Defined-Contribution Pension Plan.

In working with other SMBC Group companies and alliance partners, PAD provides consistently diversified products and services by serving our clients as "One Bank." This allows PAD to cover numerous types of needs involving both individual and corporate clients.

- **Support for Business and Asset Transfers**

PAD specialists prepare personalized proposals for clients having concerns associated with business and asset transfers. We hold various seminars to provide timely information and advices to business owners on diverse issues.

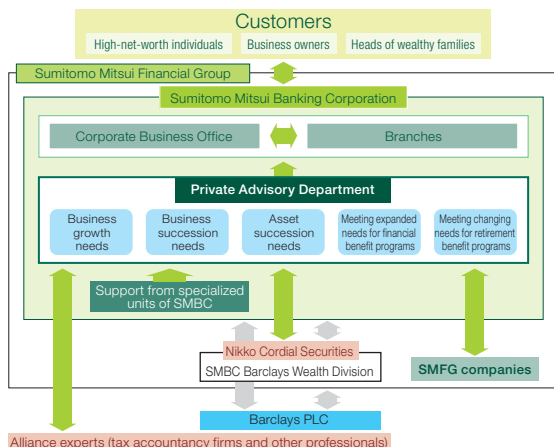
- **Private Banking**

PAD offers our clients all-inclusive financial advisory services concerning their financial assets, according to their financial goals and needs, by offering comprehensive financial services such as making proposals for their asset allocation or personalized asset management.

In June 2010, SMBC began offering new services in alliance with Nikko Cordial Securities and Barclays PLC.

- **Workplace Banking**

In order to assist our corporate clients on issues related to HR strategy, PAD offers the diversified financial products and



services offered by SMBC to support out corporate clients with the creation of employee financial benefit programs and Defined-Contribution Pension Plan. Employers may offer to their employees SMBC products and services to support their financial goals or life plan.

## Investment Banking

On October 1, 2009, Nikko Cordial Securities Inc. became a wholly-owned subsidiary of SMBC. SMFG thereby promotes a business model integrating banking and securities businesses based on the business affiliation with Nikko Cordial Securities which, at the same time, is strengthening its whole-sale securities business.

SMFG offers and provides optimized solutions for capital management, M&A, hedge transactions, settlement and other services by leveraging the combined capabilities of the Investment Banking Unit of SMBC with the Group companies, including Nikko Cordial Securities. SMFG assists its customers in developing their businesses and enhancing their corporate valuation.

In May 2010, SMBC set up the Financial Products Marketing Department for the Asia-Pacific region, consolidating various departments of the Investment Banking Unit. SMBC provides prompt and optimized solutions by offering a wide range of investment banking products and services, such as securitization of receivables and derivatives to meet its customers' increasingly diversified and sophisticated needs.

### Topics

#### ◆ Environmental Businesses

SMBC has supported the sewage sludge dehydration and incineration project in Singapore in line with the Clean Development Mechanism (CDM). The CDM Executive Board of the United Nations has now registered this project as one of the official CDM projects.

Since the creation of the Environmental Products Department in October 2007 to manage the carbon emission trading businesses, SMBC has worked to recognize potential CDM projects and introduce such projects to governmental agencies and corporations in Japan and overseas that are willing to participate and support the carbon emission trading business. It further supported projects in emerging countries for the development of renewable energies by applying Japanese technology.

Furthermore, in July 2010, SMBC organized the Growing Industrial Cluster Project Team which strives to eliminate organizational boundaries to focus its initiatives on the water related business, one of the four growing industrial clusters\*, endorsed by SMBC. The team provides comprehensive support for the project development and a wide range of financial services through cooperation with the departments in charge.

\*The prioritized four clusters are environment, new energy, water and natural resources.

## International Banking

SMFG offers value-added services to domestic and overseas clients (corporations, financial institutions, governmental organizations and public entities) operating globally by creating tailor-made solutions to meet various local needs, mainly through SMBC's International Banking Unit.

SMBC has three regional headquarters — Europe, the Americas and the Asia-Pacific region — and subsidiaries in the fast-growing markets in China, Russia and Brazil. Having this network, we have the speed and flexibility to respond to the diversified needs in each region. We will continue to be a global commercial bank, capable of leveraging our strengths to generate new business opportunities in the international market.

### Topics

#### ◆ Expansion of Overseas Network

In terms of strengthening its network in emerging countries, in September 2010, SMBC opened its Bogota representative office in Republic of Colombia. The Latin American region is the area, where feasible, in which to acquire favorable prospects for further developing business opportunities such as project financing and other services in which SMBC surpasses. SMBC is enhancing its presence with the establishment of its representative office to meet its customers' financial needs.

Furthermore, having opened its Shenyang Branch and the Shanghai Puxi Sub-Branch in June and July 2010, respectively, Sumitomo Mitsui Banking Corporation (China) Limited, a wholly-owned subsidiary of SMBC, is now able to provide a broader range of financial services by utilizing the comprehensive network of 14 locations throughout the People's Republic of China.



#### ◆ Alliance Strategy with Major Private Indian Bank

In June 2010, SMBC executed a Memorandum of Understanding for the business alliance with one of the major Indian banks, Kotak Mahindra Bank Limited ("Kotak"). In August, SMBC acquired 4.5% of Kotak's outstanding shares by way of the private placement of a preferential allotment of new shares to SMBC by Kotak. While developing economic growth in India through this business alliance and capital investment, SMBC will pursue new business opportunities by providing asset management, securities and investment banking services and commercial banking services to non-Japanese companies doing business in India.



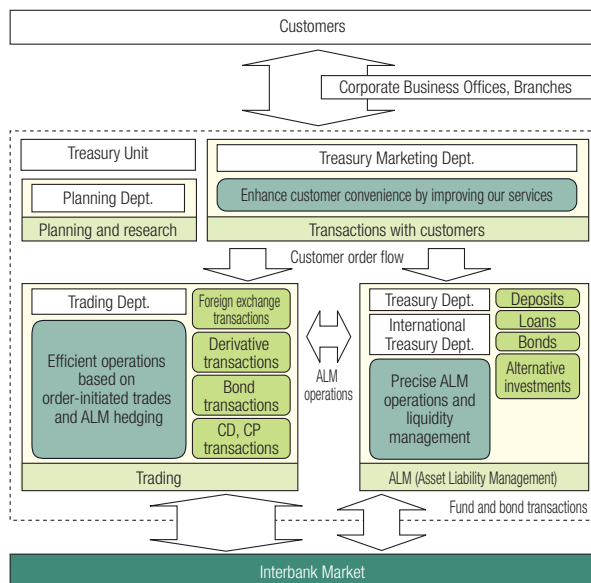
Signing ceremony for the alliance agreement with Kotak

## Treasury Markets

Through the Treasury Unit of SMBC, SMFG aims to offer increasingly higher value-added services to meet the ever more sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivatives markets.

To maintain and further increase profitability, while managing risks appropriately, the Treasury Unit focuses on the following three goals: (a) expanding transaction volume generated from its clients; (b) strengthening its asset-liability management (ALM) system and trading skills; and (c) clearly focusing on the portfolio management.

The Treasury Unit will continue working to fulfill all our clients' market transaction needs by offering full support services of the highest quality in the industry. At the same time, by pursuing its ALM and trading operations while controlling market and liquidity risks, the Unit will seek to generate a consistent stream of earnings by ensuring appropriate risk allocation in changing market conditions.



### Topics

#### ◆ Issuance of US Dollar-denominated Straight Bonds in the Global Markets

In anticipation of changes in the operating environment, the Group is taking measures to diversify mid- to long-term fund procurement channels. In July 2010, SMFG issued U.S. dollar-denominated straight bonds in the global market, in addition to the United States.

#### ◆ Expanded Offering of Asian and Other Emerging-market Currencies

To meet our clients' needs, we are expanding our offering of emerging-market currencies particularly for Asia. We are also committed to keeping clients fully informed of currency developments through seminars featuring economists who specialize in Asian markets and through providing informational materials related to foreign-exchange trading.

# Group Companies (as of September 30, 2010)



[www.smfg.co.jp/english/](http://www.smfg.co.jp/english/)

The companies of the Sumitomo Mitsui Financial Group (SMFG) offer a diverse range of financial services, centered on banking operations, and including credit card services, leasing, information services, and securities.

## Our Mission

- To provide optimum added value to our customers and together with them achieve growth
- To create sustainable shareholder value through business growth
- To provide a challenging and professionally rewarding work environment for our dedicated employees

**Company Name:** Sumitomo Mitsui Financial Group, Inc.

**Business Description:**

Management of banking subsidiaries (under the stipulations of Japan's Banking Law) and of non-bank subsidiaries, as well as performance of ancillary functions

**Establishment:** December 2, 2002

**Head Office:** 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan  
(as of October 18, 2010)

**Chairman of the Board:** Masayuki Oku

(Concurrent President at Sumitomo Mitsui Banking Corporation)

**President:** Teisuke Kitayama

(Concurrent Chairman of the Board of Directors at Sumitomo Mitsui Banking Corporation)

**Capital:** ¥2,337.8 billion

**Stock Exchange Listings:**

Tokyo Stock Exchange (First Section)

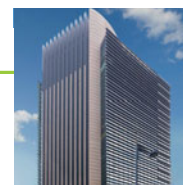
Osaka Securities Exchange (First Section)

Nagoya Stock Exchange (First Section)



## SUMITOMO MITSUI BANKING CORPORATION

[www.smbc.co.jp/english/](http://www.smbc.co.jp/english/)



Sumitomo Mitsui Banking Corporation (SMBC) was established in April 2001 through the merger of two leading banks: The Sakura Bank, Limited, and The Sumitomo Bank, Limited. Sumitomo Mitsui Financial Group, Inc., was established in December 2002 through a stock transfer as a bank holding company, and SMBC became a wholly owned subsidiary of SMFG. In March 2003, SMBC merged with the Wakashio Bank, Ltd. SMBC's competitive advantages include a strong customer base, the quick implementation of strategies, and an extensive lineup of financial products and services that leverage the expertise of strategic Group companies in specialized areas. SMBC, as a core member of SMFG, works together with other members of the Group to offer customers highly sophisticated, comprehensive financial services.

**Company Name:** Sumitomo Mitsui Banking Corporation

**Business Profile:** Banking

**Establishment:** June 6, 1996

**Head Office:** 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan (as of October 18, 2010)

**President:** Masayuki Oku

**Number of Employees:** 22,961

**Number of branches and other business locations:**

In Japan:	1,549*
Branches:	493
(Including 38 specialized deposit account branches)	
Subbranches:	164
Agency:	1
Offices handling non-banking business:	22
Automated service centers:	869
Overseas:	34
Branches:	15
Subbranches:	7
Representative offices:	12

\*The number of domestic branches excludes ATMs located at the business sites of companies and at retail convenience stores.

**Credit Ratings** (as of December 31, 2010)

	Long-term	Short-term
Moody's	Aa2	P-1
Standard & Poor's	A+	A-1
Fitch Ratings	A	F1
R&I	A+	a-1
JCR	AA-	J-1+

**Financial Information** (Consolidated basis)

	Billions of yen			
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2008
For the Interim Period (Year):				
Ordinary income .....	¥1,486.2	¥2,579.9	¥2,989.6	¥3,411.0
Ordinary profit .....	492.0	557.7	59.2	734.9
Net income (loss).....	389.9	332.4	(317.3)	351.8
At Interim Period- (Year-) End:				
Net assets.....	¥7,060.0	¥6,894.5	¥4,518.6	¥5,080.7
Total assets.....	125,967.2	120,041.3	115,849.3	108,637.7



## SMFG CARD & CREDIT, INC.

SMFG Card & Credit, Inc. ("FGCC"), was established in October 2008 as an intermediate holding company of SMFG to hold shares of Sumitomo Mitsui Card Co., Ltd., and Cedyna Financial Corporation. FGCC is the core company responsible for implementing SMFG's credit card strategy and establishing uniform business policies. FGCC will also create a framework for promoting a solid partnership between Sumitomo Mitsui Card and Cedyna Financial Corporation, seek to realize economies of scale for the Group as a whole, and maximize top-line synergy by leveraging each party's strengths.

\* Cedyna Financial Corporation was formed in April 2009 through the merger of three companies: OMC Card, Inc., Central Finance Co., Ltd., and QUOQ Inc., and has become one of the largest consumer finance companies in Japan.

**Company Name:** SMFG Card & Credit, Inc.

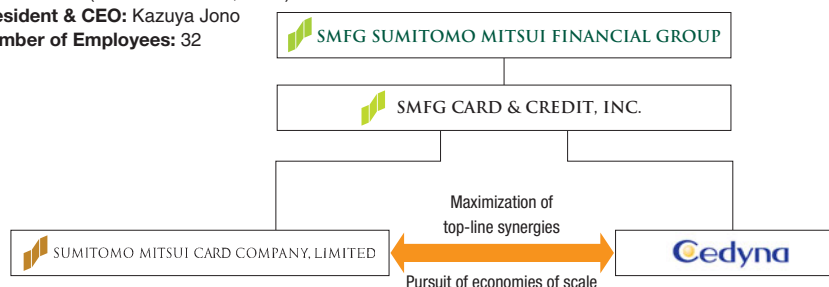
**Business Profile:** Management of subsidiaries and affiliates

**Establishment:** October 1, 2008

**Head Office:** 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan  
(as of October 18, 2010)

**President & CEO:** Kazuya Jono

**Number of Employees:** 32

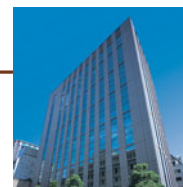




## SUMITOMO MITSUI CARD COMPANY, LIMITED

[www.smbc-card.com](http://www.smbc-card.com)

(Japanese only)



As the pioneer in the issuance of the VISA Card in Japan and a leader in the domestic credit card industry, Sumitomo Mitsui Card Company, Limited, enjoys the strong support of its many customers and plays a major role as one of the strategic businesses of SMFG.

Leveraging its strong brand image and its excellent capabilities across a wide range of card-related services, the company provides settlement and financing services focused around providing credit services that meet customer needs. Through its credit card business operations, the company aims to actively contribute to the realization of comfortable and

affluent consumer lifestyles and make further dramatic advances as a leading brand in its industry sector.

**Company Name:** Sumitomo Mitsui Card Company, Limited

**Business Profile:** Credit card services

**Establishment:** December 26, 1967

**Head Office:**

**Tokyo Head Office:** 1-2-20, Kaigan, Minato-ku, Tokyo

**Osaka Head Office:** 4-5-15, Imabashi, Chuo-ku, Osaka

**President & CEO:** Koichi Tsukihara

**Number of Employees:** 2,322

**Credit Ratings** (as of December 31, 2010)

	Long-term	Short-term
JCR	A+	J-1+

**Financial Information**

	Billions of yen			
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2008
For the Interim Period (Year):				
Revenue from credit card operations.....	¥3,383.7	¥6,209.0	¥5,858.6	¥5,375.2
Operating revenue.....	91.6	183.5	180.1	168.3
Operating profit.....	14.2	24.3	22.2	16.8
At Interim Period - (Year-) End:				
Number of cardholders (in thousands).....	20,588	20,504	18,655	16,406



[www.cedyna.co.jp/english/](http://www.cedyna.co.jp/english/)



Cedyna Financial Corporation was formed in April 2009 through the merger of OMC Card, Inc., Central Finance Co., Ltd. and QUOQ Inc., bringing together the customer bases, marketing capabilities and proprietary know-how of these credit card companies. It aims, in alliance with fellow SMFG Group member Sumitomo Mitsui Card, to become "the number one credit card business entity in Japan." As one of Japan's largest consumer finance companies offering a fusion of the credit card, consumer credit and solutions businesses, Cedyna provides products and services of great value to its customers.

**Company Name:** Cedyna Financial Corporation  
**Business Profile:** Credit card services, consumer credit

**Establishment:** September 11, 1950

**Head Office:**

**Head Office:** 3-23-20 Marunouchi, Naka-ku, Nagoya

**Tokyo Head Office:** 2-16-4 Konan, Minato-ku, Tokyo

**President & CEO:** Hajime Yamashita

**Number of Employees:** 3,157

**Credit Ratings** (as of December 31, 2010)

	Long-term	Short-term
Standard & Poor's	A-	A-2
JCR	A	J-1

**Financial Information**

	Billions of yen				
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	CF*	QQ*
For the Year:					
Operating revenue.....	¥104.3	¥223.9	¥137.7	¥80.6	¥44.8
Operating profit.....	6.2	(40.8)	6.9	(1.4)	(5.2)
At Year-End:					
Number of cardholders (in thousands).....	24,885	24,933			

\*OMC: OMC Card, Inc.  
CF: Central Finance Co., Ltd.  
QQ: QUOQ Inc.



## Sumitomo Mitsui Finance and Leasing

[www.smfl.co.jp/english/](http://www.smfl.co.jp/english/)



Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL) was formed by the merger of SMBC Leasing Company, Limited, and Sumisho Lease Co., Ltd., in October 2007. SMFL strives to become one of the top leasing companies in Japan in terms of both quantity and quality by combining SMBC Leasing Company's client portfolio and know-how that leverages the financial solutions capability of other SMFG subsidiaries, and Sumisho Lease Company's relationships built based on its industrial association with the Sumitomo Corporation Group, one of Japan's leading trading companies.

SMFL meets diversifying clients' needs by providing highly valued types of services

going beyond the regular leasing company, and taking advantage of its decades of experiences based on the above-mentioned two different backgrounds and characteristics. SMFL is working toward becoming one of the leading leasing companies to contribute to society by offering quality services.

**Company Name:** Sumitomo Mitsui Finance and Leasing Co., Ltd.

**Business Profile:** Leasing

**Establishment:** February 4, 1963

**Head Office:**

**Tokyo Head Office:** 3-9-4, Nishi-Shimbashi, Minato-ku, Tokyo  
**Osaka Head Office:** 3-10-19, Minami-Semba, Chuo-ku, Osaka

**President & CEO:** Koji Ishida

**Number of Employees:** 1,540

**Credit Ratings** (as of December 31, 2010)

	Long-term	Short-term
R&I	A+	a-1
JCR	AA-	J-1+

**Financial Information**

	Billions of yen			
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2008
For the Interim Period (Year):				
Revenue from leasing operations ...	¥310.2	¥733.6	¥895.8	¥1,054.1
Operating revenue....	412.5	894.7	947.6	708.4
Operating profit.....	27.5	43.8	36.4	36.2



## The Japan Research Institute, Limited

[www.jri.co.jp/english/](http://www.jri.co.jp/english/)



The Japan Research Institute, Limited (JRI) is a comprehensive information services company with three functions of providing information system integration, consultation, and think-tank services. JRI's operations are based on the philosophy of "creating added-value for our clients." Effectively having these functions, JRI offers distinctive proposals for specific issues to identify and resolve problems. While supporting clients by providing the personalized solutions, JRI fundamentally functions as the "engineer of knowledge" to create new values and ideas for the economy and society.

JRI conducts a wide range of business operations based on its IT expertise accumulated over the last 40 years to plan and build strategic data systems and provide outsourcing services. Additionally, its operations include consultation services for corporate management strategies

and governmental administrative reforms, research and analysis on both domestic and foreign economic issues, and policy recommendation, as well as the diversified corporate activities including the support and assistance with creating new businesses.

**Company Name:** The Japan Research Institute, Limited

**Business Profile:** Systems engineering, data processing, management consulting, think-tank services

**Establishment:** November 1, 2002

**Head Office:**

**Tokyo Head Office:** 16, Ichibancho, Chiyoda-ku, Tokyo

**Osaka Head Office:** 2-2-4, Tosabori, Nishi-ku, Osaka

**President & CEO:** Yasuyuki Kimoto

**Number of Employees:** 2,091

### Financial Information

	Billions of yen			
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2008
For the Interim Period (Year):				
Operating revenue....	¥39.9	¥81.7	¥88.0	¥88.1
Operating profit.....	0.3	0.9	1.0	3.8



## SMBC FRIEND SECURITIES CO., LTD.

[www.smbc-friend.co.jp](http://www.smbc-friend.co.jp)  
(Japanese only)



SMBC Friend Securities Co., Ltd. is a securities company with one of the best financial foundations and efficient operations in the industry, and provides a full range of securities services focusing mainly on retail clients. SMBC Friend Securities provides highly efficient nationwide network operations to offer services closely tailored to the needs of its clients and the communities while operating a new business model of online financial consulting services. SMBC Friend Securities will continue to develop consistently toward its goal of becoming "one of the leading Japanese securities

companies in the retail securities market," offering high-quality products and services accommodating the needs of its clients and building trust for its clients.

**Company Name:** SMBC Friend Securities Co., Ltd.

**Business Profile:** Securities services

**Establishment:** March 2, 1948

**Head Office:** 7-12, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo

**President & CEO:** Osamu Endo

**Number of Employees:** 2,219

### Financial Information

	Billions of yen			
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2008
For the Interim Period (Year):				
Operating revenue....	¥26.4	¥67.4	¥43.2	¥60.5
Operating profit.....	4.7	22.7	2.3	19.0



## Nikko Cordial Securities Inc.

[www.nikko.co.jp/SEC/e-home.html](http://www.nikko.co.jp/SEC/e-home.html)



Nikko Cordial Securities Inc. is a comprehensive securities company which serves both retail and wholesale clients as the main securities company of SMFG. Since its establishment in July 1918, Nikko Cordial Securities Inc., formerly known as Kawashimaya Shoten, has grown and developed with the support of its clients for over 90 years.

The name of the company will be changed to SMBC Nikko Securities Inc. as of April 1, 2011. As one of the largest full-service securities firms in Japan, it is committed to working even more closely with SMBC to achieve further growth. It aims to

become the number one comprehensive securities company in Japan by delivering still more value to its clients.

**Company Name:** Nikko Cordial Securities Inc.

**Business Profile:** Securities services

**Establishment:** June 15, 2009

**Head Office:** 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

**President & CEO:** Eiji Watanabe

**Number of Employees:** 6,903

### Credit Ratings (as of December 31, 2010)

	Long-term	Short-term
Moody's	Aa3	P-1
Standard & Poor's	A	A-1
R&I	A+	a-1
JCR	AA-	

### Financial Information

	Billions of yen			
	Sept. 30, 2010	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2009
		*1	*2	*3
For the Year:				
Operating revenue....	¥111.3	¥85.6	¥104.9	¥164.1
Operating profit.....	23.0	20.9	23.5	19.6

\*1 1H Former Nikko Cordial Securities

\*2 Nikko Cordial Securities from June 2009 (started operating under this trade name in October) (Expenses related to preparatory costs prior to the start of operations were posted during the period from June to September.)

\*3 Former Nikko Cordial Securities





# Financial Highlights



## Sumitomo Mitsui Financial Group

Six months ended September 30, 2010, 2009 and 2008, and years ended March 31, 2010 and 2009

### ◆ Consolidated

	Millions of yen				
	September 30			March 31	
	2010	2009	2008	2010	2009
For the Interim Period (Year):					
Total income.....	¥ 1,994,603	¥ 1,577,806	¥ 1,819,631	¥ 3,184,688	¥ 3,556,536
Total expenses.....	1,446,416	1,347,729	1,629,076	2,626,590	3,527,040
Net income (loss).....	417,493	123,540	83,281	271,559	(373,456)
At Interim Period- (Year-) End:					
Total net assets.....	¥ 7,198,610	¥ 6,102,967	¥ 5,257,748	¥ 7,000,805	¥ 4,611,764
Total assets.....	131,409,208	117,531,379	111,033,760	123,159,513	119,637,224
Risk-monitored loans.....	1,570,004	1,649,873	1,415,443	1,529,484	1,586,317
Reserve for possible loan losses.....	1,062,938	1,086,187	899,914	1,068,329	1,077,852
Net unrealized gains (losses) on other securities.....	376,412	604,611	619,540	586,414	(33,176)
Capital ratio.....	16.02%	13.13%	10.25%	15.02%	11.47%
Number of employees.....	62,243	50,382	49,841	57,888	48,079
Per Share (Yen):					
Net assets.....	¥3,547.89	¥3,645.47	¥404,976.05	¥3,391.75	¥2,790.27
Net income (loss).....	296.64	128.05	10,092.43	248.40	(497.39)
Net income — diluted.....	296.63	125.97	9,964.41	244.18	—

- Notes: 1. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." In principle, the values of stocks are calculated using the average market prices during the final month. For details, please refer to page 20.
2. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees and temporary staff.
3. The consolidated capital ratio has been calculated according to the formula specified in the Financial Services Agency ("FSA") Notification No. 20 issued in fiscal 2006, which is based on Article 52-25 of the Banking Act of Japan. The consolidated capital ratio of SMFG is calculated under Basel II.
4. "Net income — diluted" per share for the fiscal year ended March 31, 2009 is not reported due to a net loss.
5. SMFG implemented a 100-for-1 stock split of common stock on January 4, 2009. If the stock split had been implemented in the prior years, per share information would be as follows:

September 30	Yen 2008
Net assets.....	¥4,049.76
Net income.....	100.92
Net income — diluted.....	99.64

◆ Nonconsolidated

Millions of yen

	September 30			March 31	
	2010	2009	2008	2010	2009
For the Interim Period (Year):					
Operating income.....	¥ 85,600	¥ 32,594	¥ 49,659	¥ 133,379	¥ 134,772
Operating expenses.....	11,242	3,535	3,466	16,641	8,790
Net income.....	71,099	18,309	32,074	66,176	103,468
At Interim Period- (Year-) End:					
Total net assets.....	¥4,796,034	¥3,835,717	¥2,940,370	¥4,805,574	¥2,977,547
Total assets.....	6,141,632	5,263,574	3,991,957	6,152,774	4,057,313
Capital stock.....	2,337,895	1,851,389	1,420,877	2,337,895	1,420,877
Number of shares issued					
Preferred stock.....	70,001	103,401	103,401	70,001	103,401
Common stock.....	1,414,055,625	1,017,711,777	7,890,804	1,414,055,625	789,080,477
Number of employees.....	193	176	165	183	167
Per Share (Yen):					
Net assets.....	¥3,249.54	¥3,471.58	¥335,572.77	¥3,256.32	¥3,389.38
Dividends:					
Common stock.....	50	45	7,000	100	90
Preferred stock (1st series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (2nd series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (3rd series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (4th series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (9th series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (10th series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (11th series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (12th series Type 4).....	/	67,500	67,500	67,500	135,000
Preferred stock (1st series Type 6).....	44,250	44,250	44,250	88,500	88,500
Net income.....	48.22	13.84	3,416.32	53.82	118.43

Notes: 1. All SMFG employees are on secondment assignment from SMBC, etc.

2. SMFG implemented a 100-for-1 stock split of common stock on January 4, 2009. If the stock split had been implemented in the prior years, per share information would be as follows:

September 30	Yen 2008
Net assets.....	¥3,355.73
Dividends:	
Common stock.....	70
Net income.....	34.16

# Sumitomo Mitsui Banking Corporation

Six months ended September 30, 2010, 2009 and 2008, and years ended March 31, 2010 and 2009

## ◆ Consolidated

	Millions of yen				
	September 30			March 31	
	2010	2009	2008	2010	2009
For the Interim Period (Year):					
Total income.....	¥ 1,488,095	¥ 1,278,589	¥ 1,544,107	¥ 2,597,675	¥ 2,991,839
Total expenses.....	999,439	1,055,500	1,367,218	2,039,296	2,941,009
Net income (loss).....	389,937	134,469	94,960	332,497	(317,306)
At Interim Period- (Year-) End:					
Total net assets.....	¥ 7,060,038	¥ 5,998,976	¥ 5,203,322	¥ 6,894,564	¥ 4,518,647
Total assets.....	125,967,269	114,295,928	107,872,150	120,041,369	115,849,385
Risk-monitored loans.....	1,446,014	1,622,298	1,393,840	1,498,271	1,561,824
Reserve for possible loan losses.....	985,855	1,027,953	854,581	1,007,160	1,011,845
Net unrealized gains (losses) on other securities.....	318,855	566,335	622,854	523,444	(59,758)
Capital ratio.....	18.37%	15.05%	11.90%	16.68%	13.54%
Number of employees.....	48,630	40,103	40,929	47,837	37,345
Per Share (Yen):					
Net assets.....	¥51,034.84	¥48,813.03	¥59,077.75	¥49,036.12	¥41,492.54
Net income (loss).....	3,640.90	2,147.67	1,630.06	4,240.20	(5,740.34)
Net income — diluted.....	3,640.86	2,144.07	1,628.13	4,236.01	—

- Notes: 1. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." In principle, the values of stocks are calculated using the average market prices during the final month.
2. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees and temporary staff.
3. The consolidated capital ratio has been calculated according to the formula specified in the FSA Notification No. 19 issued in fiscal 2006, which is based on Article 14-2 of the Banking Act of Japan. The consolidated capital ratio of SMBC is calculated under Basel II.
4. "Net income — diluted" per share for the fiscal year ended March 31, 2009 is not reported due to a net loss.

◆ Nonconsolidated

Millions of yen

	September 30			March 31	
	2010	2009	2008	2010	2009
<b>For the Interim Period (Year):</b>					
Total income.....	¥ 1,175,212	¥ 1,077,817	¥ 1,304,029	¥ 2,087,777	¥ 2,548,073
Total expenses.....	785,185	932,711	1,183,149	1,633,026	2,520,286
Net income (loss).....	351,199	112,628	80,394	317,995	(301,116)
<b>(Appendix)</b>					
Gross banking profit (A).....	838,587	719,348	735,053	1,455,275	1,524,856
Banking profit.....	498,129	425,285	374,757	778,589	747,647
Banking profit (before provision for general reserve for possible loan losses).....	493,256	377,637	378,486	769,522	823,377
Expenses (excluding nonrecurring losses) (B).....	345,330	341,710	356,566	685,752	701,479
Overhead ratio (B)/(A).....	41.2%	47.5%	48.5%	47.1%	46.0%
<b>At Interim Period- (Year-) End:</b>					
Total net assets.....	¥ 5,615,664	¥ 4,335,714	¥ 3,418,892	¥ 5,397,949	¥ 2,546,493
Total assets.....	108,824,258	105,029,480	98,159,845	103,536,394	107,478,218
Deposits.....	79,458,921	77,301,690	70,143,714	77,630,639	76,905,708
Loans and bills discounted.....	57,392,444	58,898,698	58,541,953	56,619,058	60,241,266
Securities.....	33,436,757	27,659,892	20,982,446	28,536,200	28,000,515
Risk-monitored loans.....	1,013,788	1,177,107	1,029,713	1,068,017	1,137,058
Problem assets based on the Financial Reconstruction Law.....	1,042,648	1,241,938	1,076,881	1,100,685	1,194,170
Reserve for possible loan losses.....	747,064	780,014	638,978	758,178	791,885
Net unrealized gains (losses) on other securities.....	312,769	563,666	629,812	521,377	(42,701)
Trust assets and liabilities.....	1,472,645	1,147,370	1,333,644	1,403,236	1,262,993
Loans and bills discounted.....	222,090	221,900	222,540	221,970	222,030
Securities.....	418,381	357,836	349,145	457,585	392,812
Capital stock.....	1,770,996	1,262,959	664,986	1,770,996	664,986
Number of shares issued (in thousands)					
Preferred stock.....	70	70	70	70	70
Common stock.....	106,248	85,239	56,355	106,248	56,355
Number of employees.....	22,961	22,913	22,113	22,460	21,816
<b>Selected Ratios:</b>					
Capital ratio.....	20.53%	15.73%	12.50%	18.28%	13.85%
Return on Equity.....	13.10%	6.76%	4.81%	8.28%	—%
<b>Per Share (Yen):</b>					
Net assets.....	¥50,848.42	¥48,364.81	¥56,884.80	¥48,799.31	¥41,404.62
<b>Dividends:</b>					
Common stock.....	1,180	0	1,339	1,620	1,638
Preferred stock (1st series Type 6).....	44,250	44,250	44,250	88,500	88,500
Net income (loss).....	3,276.30	1,790.60	1,371.59	4,051.75	(5,453.06)
Net income — diluted.....	—	—	—	—	—

- Notes: 1. Please refer to page 87 for the definitions of risk-monitored loans and problem assets based on the Financial Reconstruction Law.  
2. "Net unrealized gains (losses) on other securities" represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities." The values of stocks are calculated using the average market prices during the final month. For details, please refer to page 24.  
3. "Number of employees" has been reported on the basis of full-time workers. "Number of employees" includes locally hired overseas staff members but excludes contract employees, temporary staff, and executive officers who are not also Board members.  
4. The nonconsolidated capital ratio has been calculated according to the formula specified in the FSA Notification No. 19 issued in fiscal 2006, which is based on Article 14-2 of the Banking Act of Japan. The nonconsolidated capital ratio of SMBC is calculated under Basel II.  
5. "Net income — diluted" per share for the six months ended September 30, 2010, 2009 and 2008 and the fiscal year ended March 31, 2010 is not reported because no potentially dilutive shares have been issued. For the fiscal year ended March 31, 2009, it is not reported due to a net loss.



# Financial Review

## Sumitomo Mitsui Financial Group (Consolidated)

### Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The following is a summary of SMFG's consolidated financial results for the first half of fiscal 2010, the six-month period ended September 30, 2010.

### 1. Operating Results

Operating results for the first half of fiscal 2010 include the results of 320 consolidated subsidiaries and 48 subsidiaries and affiliates accounted for by the equity method.

In the first half of fiscal 2010, consolidated gross profit increased by ¥250.7 billion year-on-year to ¥1,316.7 billion. The principal reasons for an increase were 1) an increase in gains on bonds by quickly responding to fluctuations in the market interest rates at SMBC, and 2) the earnings contribution from Nikko Cordial Securities Inc., which became a

consolidated subsidiary in October 2009. After adjusting for general and administrative expenses, credit cost, net losses on stocks and equity in earnings of affiliates, ordinary profit increased by ¥318.3 billion year-on-year to ¥540.6 billion, mainly due to a decrease in credit cost. After adjusting ordinary profit for extraordinary gains and losses, income taxes, and other items, net income increased by ¥293.9 billion year-on-year to ¥417.4 billion.

### Number of Consolidated Subsidiaries, and Subsidiaries and Affiliates Accounted for by the Equity Method

September 30, 2010 and 2009, and March 31, 2010

	September 30		March 31
	2010	2009	2010
Consolidated subsidiaries.....	320	293	307
Subsidiaries and affiliates accounted for by the equity method.....	48	80	58

### Income Summary

Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen		
	Six months ended September 30		Year ended March 31
	2010	2009	2010
Consolidated gross profit.....	¥1,316,760	¥1,066,026	¥2,236,634
Net interest income.....	660,539	683,164	1,380,912
Trust fees.....	1,052	540	1,778
Net fees and commissions.....	358,518	259,528	608,616
Net trading income.....	188,653	140,586	194,087
Net other operating income (expenses).....	107,995	(17,794)	51,238
General and administrative expenses.....	(655,630)	(533,021)	(1,161,302)
Credit cost (A).....	(107,094)	(268,985)	(473,937)
Write-off of loans.....	(60,552)	(118,308)	(176,672)
Provision for specific reserve for possible loan losses.....	(39,819)	(142,974)	(184,257)
Provision for general reserve for possible loan losses.....	(2,545)	30,253	(17,944)
Others.....	(4,175)	(37,955)	(95,063)
Net losses on stocks.....	(22,582)	(8,928)	(10,078)
Equity in earnings (losses) of affiliates.....	1,627	(20,042)	(21,542)
Net other income (expenses).....	7,528	(12,822)	(11,003)
Ordinary profit.....	540,609	222,225	558,769
Extraordinary gains (losses).....	7,578	7,851	(671)
Losses on impairment of fixed assets.....	(1,414)	(1,763)	(12,856)
Gains on recoveries of written-off claims (B).....	1,307	526	968
Income before income taxes and minority interests.....	548,187	230,076	558,097
Income taxes:			
Current.....	(46,527)	(64,943)	(104,110)
Deferred.....	(27,318)	14,720	(74,759)
Minority interests in net income.....	(56,848)	(56,313)	(107,668)
Net income.....	¥ 417,493	¥ 123,540	¥ 271,559
Total credit cost (A) + (B).....	¥ (105,787)	¥ (268,458)	¥ (472,968)
[Reference]			
Consolidated net business profit (Billions of yen).....	¥ 600.6	¥ 400.4	¥ 832.3

Notes: 1. Consolidated gross profit = (Interest income – Interest expenses) + Trust fees + (Fees and commissions – Fees and commissions payments) + (Trading income – Trading losses) + (Other operating income – Other operating expenses)

2. Consolidated net business profit = SMBC's nonconsolidated banking profit (before provision for general reserve for possible loan losses) + SMFG's ordinary profit + Other subsidiaries' ordinary profit (excluding nonrecurring factors) + Equity method affiliates' ordinary profit × Ownership ratio – Internal transactions (dividends, etc.)

Deposits (excluding negotiable certificates of deposit) as of September 30, 2010, decreased by ¥551.6 billion from March 31, 2010 to ¥78,096.9 billion. Negotiable certificates of deposit increased by ¥1,982.0 billion from March 31, 2010 to ¥8,977.7 billion.

Meanwhile, loans and bills discounted increased by

¥831.6 billion from March 31, 2010 to ¥63,532.6 billion, and securities increased by ¥4,811.7 billion from March 31, 2010 to ¥33,435.7 billion.

Net assets amounted to ¥7,198.6 billion. Of this total, stockholders' equity was ¥4,982.1 billion due mainly to posting of a net income for the interim period.

## Assets, Liabilities and Net Assets

September 30, 2010 and 2009, and March 31, 2010

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Assets.....	<b>¥131,409,208</b>	¥117,531,379	¥123,159,513
Securities.....	<b>33,435,725</b>	28,355,428	28,623,968
Loans and bills discounted.....	<b>63,532,671</b>	64,556,160	62,701,033
Liabilities.....	<b>124,210,597</b>	111,428,411	116,158,708
Deposits.....	<b>78,096,908</b>	75,967,958	78,648,595
Negotiable certificates of deposit.....	<b>8,977,715</b>	8,330,122	6,995,619
Net assets.....	<b>7,198,610</b>	6,102,967	7,000,805

## 2. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of September 30, 2010 amounted to ¥464.9 billion, a decrease of ¥180.1 billion from March 31, 2010, reflecting a decrease in the value of equities and other factors. Of this total, net unrealized gains

on other securities, including "other money held in trust," which are directly credited to net assets, amounted to ¥376.3 billion, a decrease of ¥210.1 billion from March 31, 2010.

### Unrealized Gains (Losses) on Securities

September 30, 2010 and March 31, 2010

	Millions of yen						
	September 30, 2010				March 31, 2010		
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 88,644	¥ 30,034	¥ 88,685	¥ 40	¥ 58,610	¥ 59,344	¥ 734
Other securities.....	<b>376,412</b>	<b>(210,002)</b>	<b>654,379</b>	<b>277,966</b>	586,414	799,355	212,941
Stocks.....	<b>172,123</b>	<b>(238,861)</b>	<b>397,916</b>	<b>225,792</b>	410,984	543,745	132,761
Bonds.....	<b>134,477</b>	<b>10,819</b>	<b>138,243</b>	<b>3,765</b>	123,658	131,821	8,163
Others.....	<b>69,811</b>	<b>18,040</b>	<b>118,219</b>	<b>48,408</b>	51,771	123,788	72,017
Other money held in trust.....	<b>(83)</b>	<b>(145)</b>	—	<b>83</b>	62	157	95
Total.....	<b>464,973</b>	<b>(180,114)</b>	<b>743,064</b>	<b>278,091</b>	645,087	858,858	213,770
Stocks.....	<b>172,123</b>	<b>(238,861)</b>	<b>397,916</b>	<b>225,792</b>	410,984	543,745	132,761
Bonds.....	<b>223,153</b>	<b>40,784</b>	<b>226,919</b>	<b>3,765</b>	182,369	191,162	8,793
Others.....	<b>69,696</b>	<b>17,963</b>	<b>118,228</b>	<b>48,532</b>	51,733	123,950	72,216

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Cash and due from banks" and "Deposits with banks" and beneficiary claims on loan trusts in "Monetary claims bought," etc.
2. Unrealized gains (losses) on stocks (including foreign stocks) are mainly calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price as of the balance sheet date.
3. "Other securities" and "Other money held in trust" are valued and recorded on the consolidated balance sheet at market prices. The figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.  
Net unrealized gains (losses) on other securities, as of September 30, 2010 and March 31, 2010, included losses of ¥968 million and gains of ¥105 million, respectively, which were recognized in the statements of income by applying fair value hedge accounting. As a result, the amounts recorded in net assets, as of September 30, 2010 and March 31, 2010, were included by ¥968 million and reduced by ¥105 million, respectively.
4. Floating-rate Japanese government bonds which SMFG held as "Other securities" are carried on the consolidated balance sheet at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value for Financial Assets" (Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No. 25).

### 3. Consolidated Capital Ratio

SMFG's consolidated capital ratio as of September 30, 2010 increased by 1.00 percentage point from 15.02% at March 31, 2010 to 16.02%.

Total capital, the numerator in the capital ratio calculation equation, increased by ¥143.6 billion from March 31, 2010

to ¥8,271.8 billion, partly on an increase in retained earnings following the posting of net income. Risk-adjusted assets, the denominator in the equation, decreased by ¥2,471.6 billion from March 31, 2010 to ¥51,612.8 billion, due in part to a reduction in corporate exposures.

#### Consolidated Capital Ratio

September 30, 2010 and 2009, and March 31, 2010

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Tier I capital .....	¥ 6,362,168	¥ 5,295,152	¥ 6,032,280
Tier II capital included as qualifying capital .....	2,360,823	2,765,486	2,563,853
Deductions.....	(451,126)	(779,160)	(467,906)
Total capital.....	8,271,865	7,281,479	8,128,228
Risk-adjusted assets .....	51,612,844	55,423,266	54,084,471
Consolidated capital ratio .....	16.02%	13.13%	15.02%
Tier I capital ratio .....	12.32%	9.55%	11.15%

### 4. Deferred Tax Assets

Net deferred tax assets, which are deferred tax assets minus deferred tax liabilities, decreased by ¥10.5 billion from March 31, 2010 to ¥691.5 billion.

SMFG takes a conservative approach to recognizing deferred tax in order to secure a sound financial position.

#### Deferred Tax Assets

September 30, 2010 and 2009, and March 31, 2010

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Net deferred tax assets .....	¥691,508	¥671,977	¥702,065
Net deferred tax assets / Tier I capital × 100 .....	10.9%	12.7%	11.6%

# Sumitomo Mitsui Banking Corporation (Nonconsolidated)

## Sumitomo Mitsui Banking Corporation

The following is a summary of SMBC's nonconsolidated financial results for the first half of fiscal 2010, the six-month period ended September 30, 2010.

### 1. Operating Results

Gross banking profit in the first half of fiscal 2010 increased by ¥119.2 billion year-on-year to ¥838.5 billion, and expenses (excluding nonrecurring losses) slightly increased year-on-year to ¥345.3 billion. As a consequence, banking profit (before provision for general reserve for possible loan losses) increased by ¥115.6 billion year-on-year to ¥493.2 billion.

Ordinary profit, calculated by adjusting banking profit (before provision for general reserve for possible loan losses) for nonrecurring items, such as credit cost and net losses on stocks, increased by ¥245.8 billion year-on-year to ¥392.9 billion.

After adjustment of ordinary profit for extraordinary gains and losses and income taxes, net income increased by ¥238.5 billion year-on-year to ¥351.1 billion.

### 2. Income Analysis

#### Gross Banking Profit

Gross banking profit increased by ¥119.2 billion year-on-year to ¥838.5 billion. The principal reason was an increase in gains on bonds by quickly responding to fluctuations in the market interest rates.

#### Expenses

Expenses (excluding nonrecurring losses) slightly increased year-on-year to ¥345.3 billion.

#### Banking Profit

As a result, in the first half of fiscal 2010, banking profit (before provision for general reserve for possible loan losses) increased by ¥115.6 billion year-on-year to ¥493.2 billion.

### Banking Profit

Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen		
	Six months ended September 30	2009	Year ended March 31
	2010	2009	2010
Gross banking profit .....	<b>¥838,587</b>	¥719,348	¥1,455,275
[Gross domestic banking profit] .....	<b>[572,918]</b>	[551,522]	[1,117,224]
[Gross international banking profit] .....	<b>[265,668]</b>	[167,825]	[338,050]
Net interest income .....	<b>488,242</b>	517,781	1,046,382
Trust fees .....	<b>1,025</b>	518	1,736
Net fees and commissions .....	<b>139,681</b>	130,701	286,714
Net trading income .....	<b>135,177</b>	107,525	115,356
Net other operating income (expenses) .....	<b>74,461</b>	(37,178)	5,085
[Gross banking profit (excluding gains (losses) on bonds)] .....	<b>[687,402]</b>	[680,458]	[1,418,005]
Expenses (excluding nonrecurring losses) .....	<b>(345,330)</b>	(341,710)	(685,752)
Personnel expenses .....	<b>(125,137)</b>	(124,114)	(245,728)
Nonpersonnel expenses .....	<b>(201,250)</b>	(199,802)	(403,265)
Taxes .....	<b>(18,941)</b>	(17,793)	(36,759)
<b>Banking profit (before provision for general reserve for possible loan losses) .....</b>	<b>493,256</b>	377,637	769,522
[Banking profit (before provision for general reserve for possible loan losses and gains (losses) on bonds)] .....	<b>[342,072]</b>	[338,748]	[732,252]
Provision for general reserve for possible loan losses .....	<b>4,872</b>	47,647	9,067
<b>Banking profit .....</b>	<b>498,129</b>	425,285	778,589

<Reference>

### Banking Profit by Business Unit

Six months ended September 30, 2010

	Billions of yen						
	Consumer Banking Unit	Middle Market Banking Unit	Corporate Banking Unit	International Banking Unit	Treasury Unit	Head Office Account	Total
Banking profit (before provision for general reserve for possible loan losses) .....	¥46.8	¥111.2	¥81.3	¥59.7	¥242.8	¥(48.5)	¥493.2
Year-on-year increase (decrease) .....	3.8	(5.9)	(3.3)	8.1	84.0	29.0	115.6

Notes: 1. Year-on-year comparisons are those used for internal reporting and exclude changes due to interest rate and foreign exchange rate fluctuations.  
2. "Head Office Account" consists of (1) financing costs on preferred securities and subordinated debt, (2) profit earned on investing the Bank's own capital, and (3) adjustment of inter-unit transactions, etc.



### Nonrecurring Losses (Credit Cost, etc.)

Nonrecurring losses amounted to ¥105.1 billion, a year-on-year improvement of ¥173.0 billion. The principal reason was a reduction in credit cost, reflecting our exhaustive ongoing measures tailored to help borrowers raise their management standards.

Total credit cost — the sum of credit cost of ¥48.7 billion recorded under “Nonrecurring losses,” provision for general reserve for possible loan losses, and gains on recoveries of written-off claims — amounted to ¥43.3 billion, a year-on-year decrease of ¥113.5 billion.

### Ordinary Profit

As a result, ordinary profit increased by ¥245.8 billion year-on-year to ¥392.9 billion.

### Extraordinary Gains (Losses)

Extraordinary losses amounted to ¥2.9 billion, a year-on-year increase of ¥0.9 billion.

### Net Income

Current income taxes amounted to ¥19.8 billion, and deferred income taxes were ¥18.9 billion. As a result, net income increased by ¥238.5 billion year-on-year to ¥351.1 billion.

## Ordinary Profit and Net Income

Six months ended September 30, 2010 and 2009, and year ended March 31, 2010

	Millions of yen		
	Six months ended September 30		Year ended March 31
	2010	2009	2010
Banking profit (before provision for general reserve for possible loan losses) .....	<b>¥493,256</b>	¥ 377,637	¥ 769,522
Provision for general reserve for possible loan losses (A) .....	<b>4,872</b>	47,647	9,067
Banking profit.....	<b>498,129</b>	425,285	778,589
Nonrecurring gains (losses).....	<b>(105,176)</b>	(278,196)	(315,839)
Credit cost (B).....	<b>(48,762)</b>	(204,622)	(263,805)
Net gains (losses) on stocks.....	<b>(18,296)</b>	(36,850)	3,857
Gains on sale of stocks.....	<b>4,638</b>	4,230	56,719
Losses on sale of stocks.....	<b>(950)</b>	(348)	(886)
Losses on devaluation of stocks .....	<b>(21,984)</b>	(40,731)	(51,975)
Others .....	<b>(38,117)</b>	(36,724)	(55,892)
Ordinary profit.....	<b>392,952</b>	147,089	462,749
Extraordinary gains (losses) .....	<b>(2,926)</b>	(1,982)	(7,999)
Gains (losses) on disposal of fixed assets.....	<b>(909)</b>	(656)	2,448
Losses on impairment of fixed assets.....	<b>(1,276)</b>	(1,397)	(10,525)
Gains on recoveries of written-off claims (C).....	<b>554</b>	70	77
Income taxes:			
Current.....	<b>(19,862)</b>	(21,637)	(44,997)
Deferred.....	<b>(18,963)</b>	(10,839)	(91,757)
Net income .....	<b>¥351,199</b>	¥ 112,628	¥ 317,995
Total credit cost (A) + (B) + (C).....	<b>¥ (43,335)</b>	¥(156,903)	¥(254,660)
Provision for general reserve for possible loan losses .....	<b>4,872</b>	47,647	9,067
Write-off of loans.....	<b>(22,851)</b>	(82,501)	(102,663)
Provision for specific reserve for possible loan losses .....	<b>(23,769)</b>	(89,504)	(92,114)
Losses on sales of delinquent loans.....	<b>(2,135)</b>	(32,770)	(69,259)
Provision for loan loss reserve for specific overseas countries .....	<b>(5)</b>	153	232
Gains on recoveries of written-off claims.....	<b>554</b>	70	77

### 3. Assets, Liabilities and Net Assets

#### Assets

SMBC's total assets as of September 30, 2010 increased by ¥5,287.8 billion from March 31, 2010 to ¥108,824.2 billion. The principal reason was a ¥4,900.5 billion increase in securities, due to an increase in the balance of the government bonds.

#### Liabilities

Liabilities as of September 30, 2010 increased by ¥5,070.1 billion from March 31, 2010 to ¥103,208.5 billion. The principal factor was an increase in funding in view of expected rise in loans and other assets.

#### Net Assets

Net assets as of September 30, 2010 amounted to ¥5,615.6 billion. Of this total, stockholders' equity was ¥5,237.5 billion. Stockholders' equity comprised ¥1,770.9 billion in capital stock, ¥2,473.5 billion in capital surplus (including ¥702.5 billion in other capital surplus) and ¥993.0 billion in retained earnings.

Valuation and translation adjustments were ¥378.1 billion, which included ¥208.7 billion in net unrealized gains on other securities, ¥147.8 billion in net deferred gains on hedges and ¥21.5 billion in land revaluation excess.

### Assets, Liabilities and Net Assets

September 30, 2010 and 2009, and March 31, 2010

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Assets.....	<b>¥108,824,258</b>	¥105,029,480	¥103,536,394
Securities.....	<b>33,436,757</b>	27,659,892	28,536,200
Loans and bills discounted.....	<b>57,392,444</b>	58,898,698	56,619,058
Liabilities.....	<b>103,208,594</b>	100,693,766	98,138,445
Deposits.....	<b>70,257,529</b>	68,846,649	70,457,266
Negotiable certificates of deposit.....	<b>9,201,391</b>	8,455,041	7,173,373
Net assets.....	<b>5,615,664</b>	4,335,714	5,397,949

### 4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of September 30, 2010 amounted to ¥368.1 billion, a decrease of ¥197.7 billion from March 31, 2010, reflecting a decrease in the value of equities and other factors. Of this total, net unrealized gains

on other securities, including "other money held in trust," which are directly credited to net assets, amounted to ¥312.6 billion, a decrease of ¥208.7 billion from March 31, 2010.

### Unrealized Gains (Losses) on Securities

September 30, 2010 and March 31, 2010

	Millions of yen						
	September 30, 2010				March 31, 2010		
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 87,041	¥ 29,138	¥ 87,041	¥ —	¥ 57,903	¥ 58,530	¥ 626
Stocks of subsidiaries and affiliates...	(31,569)	(18,098)	212	31,782	(13,471)	—	13,471
Other securities.....	312,769	(208,608)	599,372	286,603	521,377	738,870	217,493
Stocks.....	137,694	(233,765)	380,584	242,889	371,459	518,132	146,672
Bonds.....	118,247	2,102	121,869	3,621	116,145	123,064	6,918
Others.....	56,827	23,055	96,918	40,091	33,772	97,674	63,901
Other money held in trust.....	(83)	(145)	—	83	62	157	95
Total.....	<b>368,157</b>	<b>(197,715)</b>	<b>686,627</b>	<b>318,469</b>	565,872	797,558	231,686
Stocks.....	<b>119,044</b>	<b>(246,935)</b>	<b>380,797</b>	<b>261,752</b>	365,979	518,132	152,153
Bonds.....	<b>205,289</b>	<b>31,240</b>	<b>208,911</b>	<b>3,621</b>	174,049	181,594	7,545
Others.....	<b>43,824</b>	<b>17,981</b>	<b>96,918</b>	<b>53,094</b>	25,843	97,831	71,987

Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Cash and due from banks" and "Deposits with banks" and beneficiary claims on loan trusts in "Monetary claims bought," etc.

2. Unrealized gains (losses) on stocks (excluding stocks of subsidiaries and affiliates and including foreign stocks) are calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price as of the balance sheet date.

3. "Other securities" and "Other money held in trust" are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.

Net unrealized gains (losses) on other securities, as of September 30, 2010 and March 31, 2010, included losses of ¥968 million and gains of ¥105 million, respectively, which were recognized in the statements of income by applying fair value hedge accounting. As a result, the amounts recorded in net assets, as of September 30, 2010 and March 31, 2010, were included by ¥968 million and reduced by ¥105 million, respectively.

4. Floating-rate Japanese government bonds which SMBC held as "Other securities" are carried on the balance sheet 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).

## Asset Quality

### I. Self-Assessment, Write-Offs, and Provisions

#### Self-Assessment

SMBC conducts rigorous self-assessment of asset quality using criteria based on the *Financial Inspection Manual* of the Financial Services Agency and the *Practical Guidelines* published by the Japanese Institute of Certified Public Accountants. Self-assessment is the latter stage of the obligor grading process for determining the borrower's ability to fulfill debt obligations, and the obligor grade criteria are consistent with the categories used in self-assessment.

At the same time, self-assessment is a preparatory task for ensuring SMBC's asset quality and calculating the appropriate level of write-offs and provisions. Each asset is assessed individually for its security and collectibility. Depending on the borrower's current situation, the borrower is assigned to one of 5 categories: Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, and Bankrupt Borrowers. Based on the borrower's category, claims on the borrower are classified into Classification I, II, III, and IV assets according to their default and impairment risk levels, taking into account such factors as collateral and guarantees. As part of the efforts to bolster risk management throughout the Group, all consolidated subsidiaries carry out self-assessment in substantially the same manner.

Borrower Categories, Defined	
Normal Borrowers	Borrowers with good earnings performances and no significant financial problems
Borrowers Requiring Caution	Borrowers identified for close monitoring
Potentially Bankrupt Borrowers	Borrowers perceived to have a high risk of falling into bankruptcy
Effectively Bankrupt Borrowers	Borrowers that may not have legally or formally declared bankruptcy but are essentially bankrupt
Bankrupt Borrowers	Borrowers that have been legally or formally declared bankrupt

Asset Classifications, Defined	
Classification I	Assets not classified under Classifications II, III, or IV
Classification II	Assets perceived to have an above-average risk of uncollectibility
Classification III	Assets for which final collection or asset value is very doubtful and which pose a high risk of incurring a loss
Classification IV	Assets assessed as uncollectible or worthless

#### Asset Write-Offs and Provisions

In cases where claims have been determined or deemed to be uncollectible, write-offs signify the recognition of losses on the account books with respect to such claims. Write-offs can be made either in the form of loss recognition by offsetting uncollectible amounts against corresponding balance sheet items, referred to as "direct write-off," or else by the recognition of a loan loss provision on a contra-asset account in the amount deemed uncollectible, referred to as "indirect write-off." Recognition of indirect write-offs is generally known as "provision for reserve for possible loan losses."

SMBC's write-off and provision standards for each self-assessment borrower category are shown in the table below. As part of our overall measures to strengthen risk management throughout the Group, all consolidated subsidiaries use substantially the same standards as SMBC for write-offs and provisions.

Self-Assessment Borrower Categories		Standards for Write-Offs and Provisions
Normal Borrowers		The expected loss amount for the next 12 months is calculated for each grade based on the grade's historical bankruptcy rate, and the total amount is recorded as "provision for the general reserve for possible loan losses."
Borrowers Requiring Caution		These assets are divided into groups according to the level of default risk. Amounts are recorded as provisions for the general reserve in proportion to the expected losses based on the historical bankruptcy rate of each group. The groups are "claims on Substandard Borrowers" and "claims on other Borrowers Requiring Caution." The latter group is further subdivided according to the borrower's financial position, credit situation, and other factors. Further, when cash flows can be estimated reasonably accurately, the discounted cash flow (DCF) method is applied mainly to large claims for calculating the provision amount.
Potentially Bankrupt Borrowers		A provision for the specific reserve for possible loan losses is made for the portion of Classification III assets (calculated for each borrower) not secured by collateral, guarantee, or other means. Further, when cash flows can be estimated reasonably accurately, the DCF method is applied mainly to large claims for calculating the provision amount.
Effectively Bankrupt/Bankrupt Borrowers		Classification III asset and Classification IV asset amounts for each borrower are calculated, and the full amount of Classification IV assets (deemed to be uncollectible or of no value) is written off in principle and provision for the specific reserve is made for the full amount of Classification III assets.
Notes	General reserve	Provisions made in accordance with general inherent default risk of loans, unrelated to specific individual loans or other claims
	Specific reserve	Provisions made for claims that have been found uncollectible in part or in total (individually evaluated claims)

### Discounted Cash Flow Method

SMBC uses the discounted cash flow (DCF) method to calculate the provision amounts for large claims on Substandard Borrowers and Potentially Bankrupt Borrowers when the cash flow from the repayment of principal and interest received can be reasonably estimated. SMBC then makes provisions equivalent to the excess of the book value of the claims over the said cash inflow discounted by the initial contractual interest rate or the effective interest rate at the time of origination. One of the major advantages of the

DCF method over conventional methods of calculating the provision amount is that it enables effective evaluation of each individual borrower. However, as the provision amount depends on the future cash flow estimated on the basis of the borrower's business reconstruction plan and the DCF formula input values, such as the discount rate and the probability of the borrower going into bankruptcy, SMBC uses the best available data to calculate the estimates.

## II. Total Credit Cost

Total credit cost, with respect to provisioning, is the total amount of provisions newly made, and in the case of write-offs, it is the amount of provisions already made deducted from the uncollectible amount.

The total credit cost for the first half of fiscal 2010 for SMBC was ¥43.3 billion, a year-on-year decrease of ¥113.6

billion. This improvement was attributable to the partial reversal of provisions due to repayments, and, in addition, to the curbing of new costs through in-depth approaches suited to our client's conditions.

### ◆ Total Credit Cost (SMBC Nonconsolidated; six months ended September 30, 2010)

(Billions of yen)

Total credit cost	¥ 43.3
Provision for general reserve for possible loan losses	(4.9)
Write-off of loans	22.9
Provision for specific reserve for possible loan losses	23.8
Losses on sales of delinquent loans	2.1
Provision for loan loss reserve for specific overseas countries	0.0
Gains on recoveries of written-off claims	(0.6)
Reserve for possible loan losses	¥747.1
Amount of direct reduction	¥477.0

Note: Bracketed amount indicates gains.

### ◆ Total Credit Cost (SMFG Consolidated; six months ended September 30, 2010)

(Billions of yen)

Total credit cost	¥ 105.8
Reserve for possible loan losses	¥1,062.9
Amount of direct reduction	¥ 858.6

### ◆ Reserve for Possible Loan Losses (September 30, 2010)

(Billions of yen)

	SMBC (Nonconsolidated)	SMFG (Consolidated)
Reserve for possible loan losses	¥747.1	¥1,062.9
General reserve	490.8	699.9
Specific reserve	256.1	362.4
Loan loss reserve for specific overseas countries	0.2	0.6
Amount of direct reduction	¥477.0	¥ 858.6

### III. Disclosure of Problem Assets and Off-Balancing

#### Disclosure of Problem Assets

Problem assets are loans and other claims which recovery of either principal or interest appears doubtful, and are disclosed in accordance with the Banking Act (in which they are referred to as “risk-monitored loans”) and the Financial Reconstruction Law (where they are referred to as “problem assets”). Problem assets are classified based on the borrower categories assigned during self-assessment. The following tables explain the asset classification stipulated by the Financial Reconstruction Law and the differences between risk-monitored loans and problem assets.

The disclosure of risk-monitored loans under the Banking Act corresponds exactly to the disclosure of problem assets

based on the Financial Reconstruction Law, except for such non-loan assets as those related to securities lending and foreign exchanges, accrued interest, suspense payments, customers’ liabilities for acceptances and guarantees, and bank-guaranteed bonds sold through private placements, none of which are subject to disclosure.

Since overdue interest from borrowers classified under self-assessment as Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, and Bankrupt Borrowers is, as a rule, not recognized as accrued interest, the amount is not included in the problem assets disclosed on the basis of the Financial Reconstruction Law.

Classification of Problem Assets Based on the Financial Reconstruction Law	
Bankrupt and quasi-bankrupt assets	This category is defined as the sum of claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers under self-assessment, excluding Classification IV assets, which are fully written off. Classification III assets are fully covered by reserves, and Classification I and II assets, the collectible portion, are secured by collateral, guarantees, or other means.
Doubtful assets	This category is defined as claims on Potentially Bankrupt Borrowers under self-assessment. Specific reserves are set aside for Classification III assets, and Classification I and II assets, the collectible portion, are secured by collateral, guarantees, or other means.
Substandard loans	This category is defined as claims on Borrowers Requiring Caution under self-assessment. This category comprises past due loans (3 months or more) and restructured loans.
Normal assets	This category is defined as the term-end sum of loans, securities lending, foreign exchanges, accrued interest, suspense payments, customers’ liabilities for acceptances and guarantees, and bank-guaranteed bonds sold through private placements that are not included in the other 3 categories.

Problem Assets Based on the Financial Reconstruction Law and Risk-Monitored Loans				
Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law		Risk-monitored loans	
	Total loans	Other assets	Total loans	Other assets
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets		Bankrupt loans	(C)
Effectively Bankrupt Borrowers				
Potentially Bankrupt Borrowers	Doubtful assets	Non-accrual loans		
Borrowers Requiring Caution	Substandard loans	Past due loans (3 months or more)		
		Restructured loans		
Normal Borrowers	(Normal assets)			
		(A)	(B)	(C)

### Problem Asset Disclosure Amounts

The amounts of problem assets and risk-monitored loans, as of September 30, 2010, are shown in the table below. The balance of problem assets held by SMBC was ¥1,042.6

billion, a decrease of ¥58.1 billion from the previous fiscal year-end amount of ¥1,100.7 billion.

#### ◆ Problem Assets Based on the Financial Reconstruction Law (September 30, 2010)

	SMBC (Nonconsolidated)		SMFG (Consolidated)
		Compared with March 31, 2010	
Bankrupt and quasi-bankrupt assets	¥ 178.6	¥ (45.7)	¥ 353.3
Doubtful assets	676.3	(21.4)	871.4
Substandard loans	187.7	9.0	383.1
<b>Subtotal</b>	<b>¥ 1,042.6</b>	<b>¥ (58.1)</b>	<b>¥ 1,607.8</b>
Normal assets	62,899.0	783.0	69,846.4
<b>Total</b>	<b>¥63,941.6</b>	<b>¥724.9</b>	<b>¥71,454.2</b>
Amount of direct reduction	¥ 477.0		¥ 858.6

#### ◆ Risk-Monitored Loans (September 30, 2010)

	SMBC (Nonconsolidated)		SMFG (Consolidated)
		Compared with March 31, 2010	
Bankrupt loans	¥ 82.2	¥(30.7)	¥ 117.1
Non-accrual loans	743.9	(32.5)	1,080.4
Past due loans (3 months or more)	11.5	(11.4)	42.0
Restructured loans	176.2	20.4	330.5
<b>Total</b>	<b>¥1,013.8</b>	<b>¥(54.2)</b>	<b>¥1,570.0</b>
Amount of direct reduction	¥ 411.4		¥ 728.5

◆ Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs/Reserves (SMBC Nonconsolidated; September 30, 2010)  
(Billions of yen)

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law	Classification under self-assessment				Reserve for possible loan losses	Reserve ratio	
		Classification I	Classification II	Classification III	Classification IV			
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥178.6	Portion of claims secured by collateral or guarantees, etc. (5) ¥164.1	Fully reserved ¥14.5	Direct write-offs (Note 1)	Specific reserve ¥19.1 (Note 2)	100% (Note 3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥676.3	Portion of claims secured by collateral or guarantees, etc. (6) ¥395.5	Necessary amount reserved ¥280.8		General reserve ¥219.4 (Note 2)	78.14% (Note 3)		
Borrowers Requiring Caution	Substandard loans (3) ¥187.7 (Claims to substandard borrowers)	Portion of substandard loans secured by collateral or guarantees, etc. (7) ¥57.0				General reserve ¥508.4 (Note 5)	58.31% (Note 3)	18.27% (Note 3)
Normal Borrowers	Normal assets ¥62,899.0	Claims to borrowers requiring caution, excluding claims to substandard borrowers			6.91% [14.33%] (Note 4)		0.25% (Note 4)	
		Claims to normal borrowers			Loan loss reserve for specific overseas countries ¥0.2			
	Total (4) ¥63,941.6	NPL ratio (A) / (4) 1.63%		Total reserve for possible loan losses ¥747.1		Reserve ratio (B) / (D) 72.64% (Note 6)		
	(A) = (1) + (2) + (3) ¥1,042.6	Portion secured by collateral or guarantees, etc. (C) = (5) + (6) + (7) ¥616.6	Unsecured portion (D) = (A) - (C) ¥426.0	(B) Specific reserve + General reserve for substandard loans ¥309.5				
		Coverage ratio { (B) + (C) } / (A)				88.82%		

Notes: 1. Includes amount of direct reduction totaling ¥477.0 billion.

2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law. (Bankrupt/Effectively Bankrupt Borrowers: ¥4.6 billion; Potentially Bankrupt Borrowers: ¥20.4 billion)

3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution: The proportion of each category's total unsecured claims covered by the reserve for possible loan losses.

4. Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.

5. Includes amount of specific reserve for Borrowers Requiring Caution totaling ¥17.6 billion.

6. Reserve ratio = (Specific reserve + General reserve for substandard loans) / (Bankrupt and quasi-bankrupt assets + Doubtful assets + Substandard loans - Portion secured by collateral or guarantees, etc.)

**Off-Balancing Problem Assets**

The off-balancing (also known as "final disposal") of problem assets refers to the removal of such assets from SMBC's balance sheet by way of sale, direct write-offs, or other means.

SMBC off-balanced ¥250.3 billion in problem assets during the period under review.

◆ Breakdown of Off-Balancing (SMBC Nonconsolidated; September 30, 2010)

	March 31, 2009 ①	Fiscal 2009		March 31, 2010 ②	First half of fiscal 2010		September 30, 2010 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets	¥319.6	¥ 86.1	¥(181.4)	¥224.3	¥ 23.4	¥ (69.1)	¥178.6
Doubtful assets	678.3	529.3	(509.9)	697.7	159.8	(181.2)	676.3
Total	¥997.9	¥615.4	¥(691.3)	¥922.0	¥183.2	¥(250.3)	¥854.9
				Increase/Decrease (②-①)			Increase/Decrease (③-②)
Bankrupt and quasi-bankrupt assets				¥(95.3)			¥(45.7)
Doubtful assets				19.4			(21.4)
Total				¥(75.9)			¥(67.1)

## ► Exposure of Securitized Products (Sumitomo Mitsui Financial Group (Consolidated))

The figures contained in this section have been compiled on a managerial accounting basis.

### 1. Securitized Products

As of September 30, 2010, the Group held ¥0.1 billion in sub-prime related securitized products and ¥27.1 billion other than sub-prime related products after write-offs and provisions. Those figures exclude Government Sponsored

Enterprises (“GSE”) etc. No amount of loss was recorded on securitized products for the first half of fiscal 2010.

#### Sub-Prime Related Products

(Billions of yen)

	September 30, 2010						March 31, 2010			Ratings of underlying assets, etc.
	Balances (after provisions and write-offs)	Change from Mar. 31, 2010	Overseas	Change from Mar. 31, 2010	Net unrealized gains/losses (after write-offs)	Change from Mar. 31, 2010	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)	
Investments to securitized products	¥0.1	¥(0.0)	¥0.1	¥(0.0)	¥0.2	¥0.2	¥0.1	¥0.1	¥0.0	Speculative ratings
<b>Total</b>	<b>¥0.1</b>	<b>¥(0.0)</b>	<b>¥0.1</b>	<b>¥(0.0)</b>	<b>¥0.2</b>	<b>¥0.2</b>	<b>¥0.1</b>	<b>¥0.1</b>	<b>¥0.0</b>	

#### Products Other Than Sub-Prime Related (Excludes GSE etc.)

(Billions of yen)

	September 30, 2010						March 31, 2010			Ratings of underlying assets, etc.
	Balances (after provisions and write-offs)	Change from Mar. 31, 2010	Overseas	Change from Mar. 31, 2010	Net unrealized gains/losses (after write-offs)	Change from Mar. 31, 2010	Balances (after provisions and write-offs)	Overseas	Net unrealized gains/losses (after write-offs)	
Cards	¥ 2.6	¥ 2.6	¥2.6	¥2.6	¥0.0	¥0.0	¥ —	¥ —	¥ —	BBB
CLO	2.1	(0.8)	2.1	(0.8)	0.6	0.1	2.9	2.9	0.5	
Senior	2.0	(0.8)	2.0	(0.8)	(0.1)	0.1	2.8	2.8	(0.2)	AAA-AA
Equity	0.1	(0.0)	0.1	(0.0)	0.7	0.0	0.1	0.1	0.7	No ratings
CMBS	12.8	(0.8)	—	—	0.1	0.1	13.6	—	0.0	AAA-BBB
RMBS	9.6	9.6	—	—	0.0	0.0	—	—	—	AAA
Investments to securitized products	27.1	10.6	4.7	1.8	0.7	0.2	16.5	2.9	0.5	
<b>Total</b>	<b>¥27.1</b>	<b>¥10.6</b>	<b>¥4.7</b>	<b>¥1.8</b>	<b>¥0.7</b>	<b>¥0.2</b>	<b>¥16.5</b>	<b>¥2.9</b>	<b>¥0.5</b>	

Notes: 1. “Senior” means the upper tranche under senior-subordinate structure.

2. Credit ratings are in principle indicated by the lower of Standard & Poor’s (“S&P”) ratings and Moody’s Investors Service (“Moody’s”) ratings. Notation of credit ratings follows the notation system of S&P.

3. There is no amount of ABCP.

4. Excludes GSE and SMBC’s exposure to subordinated beneficiaries owned through the securitization of SMBC’s loan receivables (see below).

#### <Reference 1>

##### Government Sponsored Enterprises etc.

(Billions of yen)

	September 30, 2010						March 31, 2010			Ratings, etc.
	Balances	Change from Mar. 31, 2010	Overseas	Change from Mar. 31, 2010	Net unrealized gains/losses	Change from Mar. 31, 2010	Balances	Overseas	Net unrealized gains/losses	
GSE etc.	¥79.1	¥43.2	¥79.1	¥43.2	¥0.5	¥0.3	¥35.9	¥35.9	¥0.2	AAA

Notes: 1. GSE etc. includes GNMA, FNMA and FHLMC. Besides RMBS, SMFG held bonds issued by GSEs (FNMA and FHLMC) of ¥0.1 billion.

2. Credit ratings are in principle indicated by the lower of S&P ratings and Moody’s ratings. Notation of credit ratings follows the notation system of S&P.

#### <Reference 2>

##### Subordinated Beneficiaries in Securitization of SMBC’s Loans

(Billions of yen)

	September 30, 2010					March 31, 2010			
	Balances	Change from Mar. 31, 2010	Overseas	Sub-prime related	Reserve for possible loan losses	Balances	Overseas	Sub-prime related	Reserve for possible loan losses
Receivables of residential mortgage loans	¥253.7	¥4.9	¥ —	¥ —	¥ —	¥248.8	¥ —	¥ —	¥ —
Receivables of loans to corporations	7.8	(0.0)	—	—	2.9	7.8	—	—	3.0
<b>Total</b>	<b>¥261.5</b>	<b>¥4.9</b>	<b>¥ —</b>	<b>¥ —</b>	<b>¥2.9</b>	<b>¥256.6</b>	<b>¥ —</b>	<b>¥ —</b>	<b>¥3.0</b>

Notes: 1. No subsidiary other than SMBC has those subordinated beneficiaries mentioned above.

2. Reserves do not include general reserve for possible loan losses for normal borrowers.



## 2. Transactions with Monoline Insurance Companies

### Credit Derivatives (Credit Default Swap ["CDS"]) Transactions with Monoline Insurance Companies

(Billions of yen)

	September 30, 2010			March 31, 2010		September 30, 2010		March 31, 2010
	Net exposure	Change from Mar. 31, 2010	Reserve for possible loan losses	Net exposure	Reserve for possible loan losses	Amount of reference assets	Change from Mar. 31, 2010	Amount of reference assets
Exposure to CDS transactions with monoline insurance companies	¥31.8	¥(16.7)	¥8.7	¥48.5	¥13.6	¥453.1	¥(50.0)	¥503.1

### Loans and Investments Guaranteed by Monoline Insurance Companies, etc.

(Billions of yen)

	September 30, 2010			March 31, 2010	
	Exposure	Change from Mar. 31, 2010	Reserve for possible loan losses	Exposure	Reserve for possible loan losses
Loans and investments guaranteed or insured by monoline insurance companies	¥9.0	¥(0.5)	¥0.0	¥9.5	¥0.0

Reference: In addition, we had ¥0.3 billion in commitment contracts (fully-drawn) to insurance companies with monoline insurance as group members.

## 3. Leveraged Loans

(Billions of yen)

	September 30, 2010					March 31, 2010		
	Loans	Change from Mar. 31, 2010	Undrawn commitments	Change from Mar. 31, 2010	Reserve for possible loan losses	Loans	Undrawn commitments	Reserve for possible loan losses
Europe	¥215.9	¥(45.2)	¥ 26.5	¥ (2.3)	¥ 8.3	¥261.1	¥ 28.8	¥ 6.2
Japan	223.4	47.2	10.0	(1.8)	13.9	176.2	11.8	12.7
United States	94.8	(18.4)	67.3	(6.2)	12.8	113.2	73.5	12.2
Asia (excluding Japan)	51.7	(7.9)	6.4	(3.0)	4.1	59.6	9.4	2.3
Total	¥585.8	¥(24.3)	¥110.2	¥(13.3)	¥39.1	¥610.1	¥123.5	¥33.4

Notes: 1. Above figures include the amount to be sold of approximately ¥6 billion.

In the first half of fiscal 2010, we sold leveraged loans of approximately ¥5 billion, and loss on the sale amounted to approximately ¥0.3 billion.

2. Above figures do not include leveraged loans which are included in underlying assets of "1. Securitized Products."

3. Reserves do not include general reserve for possible loan losses for normal borrowers.

## 4. Asset Backed Commercial Paper (ABCP) Programs as Sponsor

(Billions of yen)

Types of reference assets	September 30, 2010					March 31, 2010			Support for programs	
	Notional amount of reference assets	Change from Mar. 31, 2010	Overseas	Change from Mar. 31, 2010	Reserve for possible loan losses	Notional amount of reference assets	Overseas	Reserve for possible loan losses	Liquidity support	Credit support
Claims on corporations	¥321.4	¥(146.4)	¥ 88.2	¥(16.9)	¥—	¥467.8	¥105.1	¥—	Yes	Yes
Claims on financial institutions	14.3	(3.4)	14.3	(3.4)	—	17.7	17.7	—	Yes	Yes
Retail loan claims	16.4	0.6	16.4	0.6	—	15.8	15.8	—	Yes	Yes
Total	¥352.1	¥(149.2)	¥118.9	¥(19.7)	¥—	¥501.3	¥138.6	¥—		

Note: Reserves do not include general reserve for possible loan losses for normal borrowers.

Reference: In addition, we provide liquidity and credit supports for ABCP programs which are sponsored by other banks.

Total notional amount of reference assets of such programs is approximately ¥47 billion.

## 5. Others

We have no securities issued by structured investment vehicles.



## Financial Data

### SMFG

---

Consolidated Balance Sheets .....	34
Consolidated Statements of Income .....	36
Consolidated Statements of Changes in Net Assets.....	37
Consolidated Statements of Cash Flows .....	39
Notes to Interim Consolidated Financial Statements....	41

### SMBC

---

Supplemental Information.....	71
-------------------------------	----

### SMFG

---

Income Analysis (Consolidated) .....	73
Assets and Liabilities (Consolidated) .....	74
Capital (Nonconsolidated) .....	77

### SMBC

---

Income Analysis (Nonconsolidated) .....	78
Deposits (Nonconsolidated) .....	82
Loans (Nonconsolidated) .....	84
Securities (Nonconsolidated).....	88
Ratios (Nonconsolidated).....	90
Capital (Nonconsolidated) .....	92
Others (Nonconsolidated) .....	92
Trust Assets and Liabilities (Nonconsolidated).....	93

## Capital Ratio Information

### SMFG

---

Capital Ratio Information (Consolidated).....	94
---	----

### SMBC

---

Capital Ratio Information .....	112
---------------------------------	-----

# Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

September 30, 2010 and 2009, and March 31, 2010	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>Assets</b>				
Cash and due from banks .....	¥ 2,404,601	¥ 2,936,596	¥ 3,371,193	\$ 28,695
Deposits with banks .....	2,488,852	1,949,697	2,468,478	29,700
Call loans and bills bought .....	849,184	893,872	1,121,145	10,134
Receivables under resale agreements .....	63,038	10,155	25,226	752
Receivables under securities borrowing transactions.....	4,975,505	1,313,881	5,440,622	59,374
Monetary claims bought.....	1,077,846	929,646	1,006,738	12,862
Trading assets .....	8,771,403	4,879,268	6,708,688	104,671
Money held in trust.....	22,457	9,177	18,734	268
Securities.....	33,435,725	28,355,428	28,623,968	398,994
Loans and bills discounted .....	63,532,671	64,556,160	62,701,033	758,146
Foreign exchanges .....	980,245	919,025	1,107,289	11,697
Lease receivables and investment assets.....	1,761,258	1,913,518	1,839,662	21,017
Other assets .....	5,021,784	4,265,791	3,610,046	59,926
Tangible fixed assets .....	1,088,390	1,032,632	1,081,125	12,988
Intangible fixed assets.....	660,590	365,906	626,248	7,883
Deferred tax assets .....	715,973	697,042	728,586	8,544
Customers' liabilities for acceptances and guarantees .....	4,622,617	3,589,763	3,749,056	55,162
Reserve for possible loan losses.....	(1,062,938)	(1,086,187)	(1,068,329)	(12,684)
<b>Total assets.....</b>	<b>¥131,409,208</b>	<b>¥117,531,379</b>	<b>¥123,159,513</b>	<b>\$1,568,129</b>

(Continued)

September 30, 2010 and 2009, and March 31, 2010	Millions of yen		Millions of U.S. dollars	
	September 30 2010	2009	March 31 2010	September 30 2010
<b>Liabilities and net assets</b>				
<b>Liabilities</b>				
Deposits .....	¥ 87,074,624	¥ 84,298,081	¥ 85,644,215	\$1,039,077
Call money and bills sold .....	2,236,437	2,962,996	2,119,557	26,688
Payables under repurchase agreements.....	1,135,743	1,092,568	1,120,860	13,553
Payables under securities lending transactions.....	3,703,652	2,935,045	4,315,774	44,196
Commercial paper.....	351,205	—	310,787	4,191
Trading liabilities.....	6,587,071	3,479,169	5,066,727	78,605
Borrowed money.....	7,719,322	4,250,827	5,470,578	92,116
Foreign exchanges.....	264,723	216,545	192,299	3,159
Short-term bonds.....	1,150,585	1,060,264	1,212,178	13,730
Bonds.....	3,489,479	3,655,779	3,422,672	41,641
Due to trust account.....	187,298	111,667	159,554	2,235
Other liabilities.....	5,432,762	3,624,623	3,193,146	64,830
Reserve for employee bonuses.....	36,670	26,066	43,443	438
Reserve for executive bonuses.....	—	—	2,333	—
Reserve for employee retirement benefits.....	47,800	35,314	41,691	570
Reserve for executive retirement benefits.....	2,307	7,523	8,216	28
Reserve for point service program.....	20,416	—	—	244
Reserve for reimbursement of deposits.....	9,697	9,600	11,734	116
Reserve for loss on interest repayment.....	66,399	—	—	792
Reserve under the special laws.....	365	358	393	4
Deferred tax liabilities.....	24,464	25,065	26,520	292
Deferred tax liabilities for land revaluation.....	46,949	47,151	46,966	560
Acceptances and guarantees.....	4,622,617	3,589,763	3,749,056	55,162
<b>Total liabilities</b> .....	<b>124,210,597</b>	<b>111,428,411</b>	<b>116,158,708</b>	<b>1,482,227</b>
<b>Net assets</b>				
Capital stock .....	2,337,895	1,851,389	2,337,895	27,898
Capital surplus .....	978,866	492,070	978,897	11,681
Retained earnings .....	1,789,404	1,347,826	1,451,945	21,353
Treasury stock .....	(124,060)	(124,054)	(124,061)	(1,480)
<b>Total stockholders' equity</b> .....	<b>4,982,105</b>	<b>3,567,232</b>	<b>4,644,677</b>	<b>59,452</b>
Net unrealized gains on other securities.....	235,442	468,762	412,708	2,809
Net deferred gains (losses) on hedges.....	17,081	(21,614)	(39,367)	204
Land revaluation excess.....	34,937	35,169	34,955	417
Foreign currency translation adjustments.....	(100,154)	(86,132)	(101,650)	(1,195)
<b>Total valuation and translation adjustments</b> .....	<b>187,307</b>	<b>396,185</b>	<b>306,646</b>	<b>2,235</b>
Stock acquisition rights.....	144	74	81	2
Minority interests.....	2,029,052	2,139,474	2,049,400	24,213
<b>Total net assets</b> .....	<b>7,198,610</b>	<b>6,102,967</b>	<b>7,000,805</b>	<b>85,902</b>
<b>Total liabilities and net assets</b> .....	<b>¥131,409,208</b>	<b>¥117,531,379</b>	<b>¥123,159,513</b>	<b>\$1,568,129</b>

See accompanying notes to interim consolidated financial statements.

# Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	2010	2009	2010	2010
<b>Income</b>				
Interest income.....	¥ 818,685	¥ 858,852	¥1,695,805	\$ 9,770
Interest on loans and discounts .....	607,641	658,247	1,287,955	7,251
Interest and dividends on securities.....	134,630	126,234	241,216	1,607
Trust fees .....	1,052	540	1,778	13
Fees and commissions.....	428,506	321,694	729,364	5,113
Trading income.....	188,653	140,586	194,087	2,251
Other operating income .....	524,289	236,399	453,012	6,256
Other income.....	33,415	19,731	110,638	399
<b>Total income .....</b>	<b>1,994,603</b>	<b>1,577,806</b>	<b>3,184,688</b>	<b>23,802</b>
<b>Expenses</b>				
Interest expenses .....	158,146	175,688	314,893	1,887
Interest on deposits.....	73,124	98,407	180,021	873
Fees and commissions payments.....	69,987	62,165	120,748	835
Other operating expenses.....	416,294	254,194	401,773	4,968
General and administrative expenses .....	655,630	533,021	1,161,302	7,824
Provision for reserve for possible loan losses.....	42,362	112,330	201,620	505
Other expenses .....	103,995	210,329	426,252	1,241
<b>Total expenses.....</b>	<b>1,446,416</b>	<b>1,347,729</b>	<b>2,626,590</b>	<b>17,260</b>
<b>Income before income taxes and minority interests .....</b>	<b>548,187</b>	<b>230,076</b>	<b>558,097</b>	<b>6,542</b>
Income taxes:				
Current.....	46,527	64,943	104,110	556
Deferred.....	27,318	(14,720)	74,759	326
<b>Income before minority interests.....</b>	<b>474,341</b>			<b>5,660</b>
Minority interests in net income .....	56,848	56,313	107,668	678
<b>Net income.....</b>	<b>¥ 417,493</b>	<b>¥ 123,540</b>	<b>¥ 271,559</b>	<b>\$ 4,982</b>

See accompanying notes to interim consolidated financial statements.

# Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	<b>2010</b>	2009	2010	<b>2010</b>
<b>Stockholders' equity</b>				
<b>Capital stock</b>				
Balance at the end of the previous fiscal year.....	<b>¥2,337,895</b>	¥1,420,877	¥1,420,877	<b>\$27,898</b>
Changes in the period:				
Issuance of new shares .....	—	430,512	917,018	—
Net changes in the period .....	—	430,512	917,018	—
Balance at the end of the period .....	<b>¥2,337,895</b>	¥1,851,389	¥2,337,895	<b>\$27,898</b>
<b>Capital surplus</b>				
Balance at the end of the previous fiscal year.....	<b>978,897</b>	57,245	57,245	<b>11,681</b>
Changes in the period:				
Issuance of new shares .....	—	434,900	928,094	—
Disposal of treasury stock .....	(31)	(75)	(108)	(0)
Decrease due to decrease in affiliates.....	—	—	(6,333)	—
Net changes in the period .....	(31)	434,825	921,652	(0)
Balance at the end of the period .....	<b>¥ 978,866</b>	¥ 492,070	¥ 978,897	<b>\$11,681</b>
<b>Retained earnings</b>				
Balance at the end of the previous fiscal year.....	<b>1,451,945</b>	1,245,085	1,245,085	<b>17,327</b>
Changes in the period:				
Cash dividends .....	(79,931)	(20,793)	(71,174)	(954)
Net income .....	<b>417,493</b>	123,540	271,559	<b>4,982</b>
Increase due to increase in subsidiaries.....	5	3	8	0
Increase due to decrease in subsidiaries .....	2	0	3	0
Decrease due to increase in subsidiaries .....	(4)	(5)	(11)	(0)
Decrease due to decrease in subsidiaries .....	(2)	(0)	(1)	(0)
Increase due to decrease in affiliates .....	—	—	6,333	—
Decrease due to decrease in affiliates.....	(126)	—	—	(2)
Reversal of land revaluation excess .....	24	(5)	141	0
Net changes in the period .....	<b>337,459</b>	102,740	206,859	<b>4,026</b>
Balance at the end of the period .....	<b>¥1,789,404</b>	¥1,347,826	¥1,451,945	<b>\$21,353</b>
<b>Treasury stock</b>				
Balance at the end of the previous fiscal year.....	<b>(124,061)</b>	(124,024)	(124,024)	<b>(1,480)</b>
Changes in the period:				
Purchase of treasury stock .....	(40)	(137)	(189)	(0)
Disposal of treasury stock .....	40	107	152	0
Net changes in the period .....	0	(29)	(36)	0
Balance at the end of the period .....	<b>¥ (124,060)</b>	¥ (124,054)	¥ (124,061)	<b>\$ (1,480)</b>
<b>Total stockholders' equity</b>				
Balance at the end of the previous fiscal year.....	<b>4,644,677</b>	2,599,183	2,599,183	<b>55,426</b>
Changes in the period:				
Issuance of new shares .....	—	865,413	1,845,113	—
Cash dividends .....	(79,931)	(20,793)	(71,174)	(954)
Net income .....	<b>417,493</b>	123,540	271,559	<b>4,982</b>
Purchase of treasury stock .....	(40)	(137)	(189)	(0)
Disposal of treasury stock .....	9	32	43	0
Increase due to increase in subsidiaries.....	5	3	8	0
Increase due to decrease in subsidiaries .....	2	0	3	0
Decrease due to increase in subsidiaries .....	(4)	(5)	(11)	(0)
Decrease due to decrease in subsidiaries .....	(2)	(0)	(1)	(0)
Increase due to decrease in affiliates .....	—	—	6,333	—
Decrease due to decrease in affiliates.....	(126)	—	(6,333)	(2)
Reversal of land revaluation excess .....	24	(5)	141	0
Net changes in the period .....	<b>337,428</b>	968,049	2,045,493	<b>4,026</b>
Balance at the end of the period .....	<b>¥4,982,105</b>	¥3,567,232	¥4,644,677	<b>\$59,452</b>

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	<b>2010</b>	2009	2010	<b>2010</b>
<b>Valuation and translation adjustments</b>				
Net unrealized gains (losses) on other securities				
Balance at the end of the previous fiscal year.....	¥ 412,708	¥ (14,649)	¥ (14,649)	\$ 4,924
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	(177,265)	483,412	427,358	(2,115)
Net changes in the period .....	(177,265)	483,412	427,358	(2,115)
Balance at the end of the period .....	¥ 235,442	¥ 468,762	¥ 412,708	\$ 2,809
Net deferred gains (losses) on hedges				
Balance at the end of the previous fiscal year.....	(39,367)	(20,835)	(20,835)	(469)
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	56,448	(778)	(18,531)	673
Net changes in the period .....	56,448	(778)	(18,531)	673
Balance at the end of the period .....	¥ 17,081	¥ (21,614)	¥ (39,367)	\$ 204
Land revaluation excess				
Balance at the end of the previous fiscal year.....	34,955	35,159	35,159	417
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	(17)	9	(204)	(0)
Net changes in the period .....	(17)	9	(204)	(0)
Balance at the end of the period .....	¥ 34,937	¥ 35,169	¥ 34,955	\$ 417
Foreign currency translation adjustments				
Balance at the end of the previous fiscal year.....	(101,650)	(129,068)	(129,068)	(1,213)
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	1,495	42,936	27,418	18
Net changes in the period .....	1,495	42,936	27,418	18
Balance at the end of the period .....	¥ (100,154)	¥ (86,132)	¥ (101,650)	\$ (1,195)
Total valuation and translation adjustments				
Balance at the end of the previous fiscal year.....	306,646	(129,394)	(129,394)	3,659
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	(119,338)	525,579	436,040	(1,424)
Net changes in the period .....	(119,338)	525,579	436,040	(1,424)
Balance at the end of the period .....	¥ 187,307	¥ 396,185	¥ 306,646	\$ 2,235
Stock acquisition rights				
Balance at the end of the previous fiscal year.....	81	66	66	1
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	62	8	15	1
Net changes in the period .....	62	8	15	1
Balance at the end of the period .....	¥ 144	¥ 74	¥ 81	\$ 2
Minority interests				
Balance at the end of the previous fiscal year.....	2,049,400	2,141,908	2,141,908	24,456
Changes in the period:				
Net changes in items other than stockholders' equity in the period.....	(20,347)	(2,434)	(92,508)	(243)
Net changes in the period .....	(20,347)	(2,434)	(92,508)	(243)
Balance at the end of the period .....	¥2,029,052	¥2,139,474	¥2,049,400	\$24,213
Total net assets				
Balance at the end of the previous fiscal year.....	7,000,805	4,611,764	4,611,764	83,542
Changes in the period:				
Issuance of new shares .....	—	865,413	1,845,113	—
Cash dividends .....	(79,931)	(20,793)	(71,174)	(954)
Net income .....	417,493	123,540	271,559	4,982
Purchase of treasury stock .....	(40)	(137)	(189)	(0)
Disposal of treasury stock .....	9	32	43	0
Increase due to increase in subsidiaries.....	5	3	8	0
Increase due to decrease in subsidiaries .....	2	0	3	0
Decrease due to increase in subsidiaries .....	(4)	(5)	(11)	(0)
Decrease due to decrease in subsidiaries.....	(2)	(0)	(1)	(0)
Increase due to decrease in affiliates .....	—	—	6,333	—
Decrease due to decrease in affiliates.....	(126)	—	(6,333)	(2)
Reversal of land revaluation excess .....	24	(5)	141	0
Net changes in items other than stockholders' equity in the period.....	(139,623)	523,154	343,547	(1,666)
Net changes in the period .....	197,805	1,491,203	2,389,041	2,360
Balance at the end of the period .....	¥7,198,610	¥6,102,967	¥7,000,805	\$85,902

See accompanying notes to interim consolidated financial statements.



# Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2010	2009	2010	2010
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010				
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests .....	¥ 548,187	¥ 230,076	¥ 558,097	\$ 6,542
Depreciation .....	73,441	63,449	136,860	876
Losses on impairment of fixed assets.....	1,414	1,763	12,856	17
Amortization of goodwill.....	12,682	9,037	18,634	151
Gains on negative goodwill .....	(90)	—	—	(1)
Gains on step acquisitions .....	(12,655)	—	—	(151)
Equity in (earnings) losses of affiliates.....	(1,627)	20,042	21,542	(19)
Net change in reserve for possible loan losses.....	(8,121)	31,386	(1,419)	(97)
Net change in reserve for employee bonuses .....	(7,396)	(1,007)	7,543	(88)
Net change in reserve for executive bonuses .....	(2,333)	(513)	813	(28)
Net change in reserve for employee retirement benefits.....	190	1,764	903	2
Net change in reserve for executive retirement benefits.....	(5,929)	(475)	204	(71)
Net change in reserve for point service program .....	68	—	—	1
Net change in reserve for reimbursement of deposits .....	(2,036)	(2,167)	(43)	(24)
Net change in reserve for loss on interest repayment.....	(10,979)	—	—	(131)
Interest income .....	(818,685)	(858,852)	(1,695,805)	(9,769)
Interest expenses .....	158,146	175,688	314,893	1,887
Net gains on securities .....	(134,858)	(35,140)	(19,837)	(1,609)
Net losses from money held in trust.....	257	71	245	3
Net exchange losses .....	274,867	162,524	83,038	3,280
Net (gains) losses from disposal of fixed assets .....	1,534	(9,014)	(11,176)	18
Net change in trading assets.....	(2,085,621)	103,515	(983,770)	(24,888)
Net change in trading liabilities .....	1,545,460	(173,608)	1,195,098	18,442
Net change in loans and bills discounted .....	(762,014)	942,489	3,591,071	(9,093)
Net change in deposits.....	(252,309)	414,421	1,918,359	(3,011)
Net change in negotiable certificates of deposit.....	1,990,785	874,292	(462,243)	23,756
Net change in borrowed money (excluding subordinated borrowings) .....	1,513,802	(392,066)	541,021	18,065
Net change in deposits with banks .....	(84,806)	(521,488)	(770,291)	(1,012)
Net change in call loans and bills bought and others .....	122,862	(139,234)	(474,477)	1,466
Net change in receivables under securities borrowing transactions....	465,116	506,347	(3,226,847)	5,550
Net change in call money and bills sold and others.....	157,326	770,214	(473,642)	1,878
Net change in commercial paper .....	40,418	—	310,787	482
Net change in payables under securities lending transactions.....	(612,122)	(4,654,237)	(3,409,463)	(7,305)
Net change in foreign exchanges (assets).....	91,651	(37,906)	(220,622)	1,094
Net change in foreign exchanges (liabilities) .....	72,631	(64,836)	(89,277)	867
Net change in lease receivables and investment assets.....	84,979	125,969	202,531	1,014
Net change in short-term bonds (liabilities).....	(134,393)	40,921	168,836	(1,604)
Issuance and redemption of bonds (excluding subordinated bonds) .....	234,471	(76,950)	(211,844)	2,798
Net change in due to trust account.....	27,744	50,748	98,635	331
Interest received .....	822,602	900,996	1,760,370	9,816
Interest paid.....	(163,964)	(181,357)	(341,821)	(1,957)
Other, net.....	(322,802)	(1,095,415)	(321,815)	(3,852)
<b>Subtotal.....</b>	<b>2,817,896</b>	<b>(2,818,554)</b>	<b>(1,772,056)</b>	<b>33,626</b>
Income taxes paid .....	(43,745)	(31,796)	(108,864)	(522)
<b>Net cash provided by (used in) operating activities .....</b>	<b>2,774,150</b>	<b>(2,850,350)</b>	<b>(1,880,921)</b>	<b>33,104</b>

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	<b>2010</b>	2009	2010	<b>2010</b>
<b>Cash flows from investing activities:</b>				
Purchases of securities .....	¥(35,998,349)	¥(23,171,622)	¥(46,300,009)	\$(429,575)
Proceeds from sale of securities .....	25,330,499	16,187,876	32,626,376	302,273
Proceeds from maturity of securities.....	7,270,257	8,304,496	14,263,916	86,757
Purchases of money held in trust.....	(727)	(238)	(9,748)	(9)
Proceeds from sale of money held in trust.....	500	—	27	6
Purchases of tangible fixed assets.....	(46,007)	(82,527)	(156,154)	(549)
Proceeds from sale of tangible fixed assets.....	2,597	25,663	37,114	31
Purchases of intangible fixed assets.....	(35,405)	(35,692)	(82,287)	(422)
Proceeds from sale of intangible fixed assets.....	43	53	111	1
Proceeds from sale of stocks of subsidiaries.....	314	—	—	4
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation.....	55,729	—	—	665
Purchases of stocks of subsidiaries resulting in change in scope of consolidation .....	(10,756)	(27,153)	(537,007)	(128)
<b>Net cash provided by (used in) investing activities .....</b>	<b>(3,431,305)</b>	1,200,855	(157,661)	<b>(40,946)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of subordinated borrowings.....	10,000	—	8,000	119
Repayment of subordinated borrowings.....	(25,000)	(58,000)	(78,000)	(298)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	93,193	251,160	611,172	1,112
Repayment of subordinated bonds and bonds with stock acquisition rights.....	(246,878)	(181,220)	(639,981)	(2,946)
Proceeds from issuance of stocks .....	—	856,496	1,824,896	—
Dividends paid.....	(79,710)	(20,822)	(71,063)	(951)
Proceeds from contributions paid by minority stockholders.....	—	343,000	388,000	—
Repayment to minority stockholders.....	(309)	(340,000)	(492,987)	(4)
Dividends paid to minority stockholders.....	(52,486)	(47,664)	(98,791)	(626)
Purchases of treasury stock.....	(40)	(137)	(189)	(0)
Proceeds from disposal of treasury stock.....	9	32	43	0
<b>Net cash provided by (used in) financing activities .....</b>	<b>(301,222)</b>	802,845	1,451,099	<b>(3,594)</b>
<b>Effect of exchange rate changes on cash and due from banks.....</b>	<b>(8,213)</b>	(236)	(302)	<b>(98)</b>
<b>Net change in cash and due from banks .....</b>	<b>(966,591)</b>	(846,885)	(587,786)	<b>(11,534)</b>
<b>Cash and due from banks at the beginning of the period.....</b>	<b>3,371,193</b>	3,800,890	3,800,890	<b>40,229</b>
<b>Change in cash and due from banks due to merger of consolidated subsidiary.....</b>	<b>—</b>	(17,407)	158,089	<b>—</b>
<b>Cash and due from banks at the end of the period.....</b>	<b>¥ 2,404,601</b>	¥ 2,936,596	¥ 3,371,193	<b>\$ 28,695</b>

See accompanying notes to interim consolidated financial statements.

# Notes to Interim Consolidated Financial Statements (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries  
Six months ended September 30, 2010

## I. Significant Accounting Policies

### 1. Scope of consolidation

(1) Consolidated subsidiaries: 320 companies

Principal companies:

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

Changes in the consolidated subsidiaries in the six months ended September 30, 2010 are as follows:

9 companies including Cedyna Financial Corporation were newly consolidated through a third-party allotment of new shares issued by the company. 16 companies including SMBC Venture Capital Co., Ltd. were newly consolidated due mainly to acquisition of stocks.

5 companies including Beatle Pte Ltd. were excluded from the scope of consolidation because they were no longer subsidiaries due to liquidation.

7 companies including Soir Leasing 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.

(2) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

213 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 Interim 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 the financial position and results of operations of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) when excluded from the scope of consolidation.

### 2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method: 4 companies

Principal company:

SBCS Co., Ltd.

(2) Equity method affiliates: 44 companies

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited  
Promise Co., Ltd.  
Daiwa SB Investments Ltd.

Changes in the equity method affiliates in the six months ended September 30, 2010 are as follows:

3 companies including NIFSMBC-B2007-B Toshi Jigyō Kumiai became equity method affiliates due mainly to an establishment.

6 companies including Cedyna Financial Corporation were excluded from the scope of equity method affiliates because they became consolidated subsidiaries through a third-party allotment of new shares issued by the company. 7 companies including Daiwa SMBC Capital Co., Ltd. were also excluded due mainly to sales of stocks.

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

213 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 7, Paragraph 1, Item 2 of the Interim Consolidated Financial Statements Regulations.

(4) 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.

### 3. The interim balance sheet dates of consolidated subsidiaries

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

September 30, 2010	
December 31 .....	4
January 31 .....	2
March 31 .....	4
April 30 .....	2
May 31 .....	6
June 30 .....	119
July 31 .....	19
August 31 .....	8
September 30 .....	156

(2) The subsidiaries with interim balance sheets dated December 31, January 31, March 31 and May 31 are consolidated using the financial statements as of September 30 for the purpose of consolidation. The subsidiaries with interim balance sheets dated April 30 are consolidated using the financial

statements as of July 31 or September 30. Certain subsidiaries with interim balance sheets dated June 30 and July 31 are consolidated using the financial statements as of September 30. Other subsidiaries are consolidated using the financial statements on their respective interim balance sheet dates.

The subsidiary established in August 2010 with interim balance sheet dated June 30 is consolidated using the financial statements as of September 30.

Appropriate adjustments were made for material transactions during the periods between their respective interim balance sheet dates and the interim consolidated closing date.

#### 4. Special purpose entities

##### (1) 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 September 2010 were ¥2,265,665 million (\$27,037 million) and ¥2,265,437 million (\$27,034 million), respectively.

##### (2) The amount of principal transactions with the SPEs as of and for the six months ended September 30, 2010 was as follows:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Loans and bills discounted .....	¥1,651,358	\$19,706
Credit lines .....	494,261	5,898
Liquidity lines .....	232,441	2,774
<hr/>		
Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Interest on loans and discounts .....	¥8,373	\$100
Fees and commissions .....	815	10

#### 5. Accounting methods

##### (1) 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 interim 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 interim period-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 interim consolidated balance sheet date.

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

##### (2) 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 interim period, and bonds and others that have market prices are carried at their interim period-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 with no available market prices 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 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.

##### (3) 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.

##### (4) 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. Others are depreciated using the declining-balance method. The depreciation cost for the interim period is calculated by proportionally allocating the estimated annual cost to the interim period. 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.

(5) 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 ¥858,642 million (\$10,246 million) at September 30, 2010.

(6) 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 interim period.

(7) 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 interim period-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.

(8) 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 interim period-end based on the internal regulations.

(9) Reserve for point service program

The reserve for point service program is provided for the potential future redemption of points awarded to customers under the “SMBC Point Pack,” credit card points programs, and other customer points award programs. The amount is calculated by converting the outstanding points into a monetary amount, and rationally estimating and recognizing the amount that will be redeemed in the future.

(10) 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.

(11) Reserve for loss on interest repayment

The reserve for loss on interest repayment is provided for the possible losses on future claims of repayment of interest based on historical interest repayment experience.

(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 interim 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 interim 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 and gains on "macro hedge" (before deducting tax effect) at September 30, 2010 were ¥1,503 million (\$18 million) and ¥1,506 million (\$18 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, 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) Amortization of goodwill  
Goodwill on SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Finance and Leasing Company, Limited, Nikko Cordial Securities Inc., Kansai Urban Banking Corporation and Cedyne Financial Corporation is amortized using the straight-line method over 20 years. Goodwill on other companies is charged or credited to income directly when incurred or benefited.
- (17) Statements of cash flows  
For the purposes of presenting the interim consolidated statements of cash flows, cash and cash equivalents represent cash and due from banks.
- (18) Consumption tax  
National and local consumption taxes of SMFG and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.
- (19) Tax effect accounting  
On the premise that transfer to and from the reserve for losses on overseas investments will be conducted through appropriation of retained earnings (deficit) at the end of the fiscal year of SMFG and its consolidated domestic subsidiaries, current and deferred income taxes are recorded in the amount corresponding to the interim consolidated period.
- (20) Accounting Standard for Asset Retirement Obligations  
“Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 18, issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008) became effective for fiscal years beginning on or after April 1, 2010. Accordingly, income before income taxes and minority interests decreased by ¥3,851 million (\$46 million) compared with the previous accounting method.
- (21) Accounting Standard for Business Combinations  
“Accounting Standard for Business Combinations” (ASBJ Statement No. 21, revised on December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008), “Partial amendment to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, issued on December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, revised on December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, announced on December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, revised on December 26, 2008) became effective for fiscal years beginning on or after April 1, 2010, and SMFG has been applying them from the six months ended September 30, 2010.
- (22) Changes in presentation
- (a) Interim consolidated balance sheets  
“Other liabilities” as of September 30, 2009, included

“Reserve for point service program” of ¥14,073 million and “Reserve for loss on interest repayment” of ¥8,471 million. From the six months ended September 30, 2010, they are presented individually because the amounts have become significant.

- (b) Interim consolidated statements of income  
SMFG presents “Income before minority interests” on the interim consolidated statements of income from the six months ended September 30, 2010 because “Cabinet Office Ordinance of Partial Amendment to Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) became effective for fiscal years beginning on or after April 1, 2010.
- (c) Interim consolidated statements of cash flows  
In the six months ended September 30, 2009, “Other, net” included “Net change in reserve for point service program” and “Net change in reserve for loss on interest repayment,” a decrease of ¥896 million and ¥351 million, respectively. From the six months ended September 30, 2010, they are presented individually because the amounts have become significant.
- (23) Accounting Standard for Equity Method of Accounting for Investments  
SMFG has applied “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, issued on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force No. 24, issued on March 10, 2008) because they became effective for the fiscal years beginning on or after April 1, 2010. This accounting change has no impact on the interim consolidated financial statements.

## 6. Others

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 September 30, 2010, which was ¥83.80 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.

## II. Notes to Consolidated Balance Sheet

1. Securities include ¥271,470 million (\$3,239 million) of stocks of unconsolidated subsidiaries and affiliates and ¥1,449 million (\$17 million) of investments.
2. Japanese government bonds as sub-accounts of Securities and trading securities as sub-accounts of Trading assets include ¥42,581 million (\$508 million) of unsecured loaned securities for which borrowers have the right to sell or pledge.

As for the unsecured borrowed securities for which SMBC has the right to sell or pledge and the securities which SMBC purchased under resale agreements and borrowed with cash collateral, that are permitted to be sold or pledged without restrictions, ¥2,906,377 million (\$34,682 million) of securities are pledged, and ¥169,074 million (\$2,018 million) of securities are held in hand as of the interim consolidated balance sheet date.

3. Bankrupt loans and Non-accrual loans were ¥117,082 million (\$1,397 million) and ¥1,080,363 million (\$12,892 million), respectively.

“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.

“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.

4. Past due loans (3 months or more) totaled ¥42,043 million (\$502 million).

“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.”

5. Restructured loans totaled ¥330,516 million (\$3,944 million).

“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).”

6. The total amount of “Bankrupt loans,” “Non-accrual loans,” “Past due loans (3 months or more)” and “Restructured loans” was ¥1,570,004 million (\$18,735 million).

The amounts of loans presented in 3. to 6. above are the amounts before deduction of the reserve for possible loan losses.

7. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. SMFG’s banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value was ¥636,952 million (\$7,601 million).

8. Assets pledged as collateral were as follows:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Assets pledged as collateral:		
Cash and due from banks and		
Deposits with banks .....	¥ 3,551	\$ 42
Call loans and bills bought .....	406,577	4,852
Monetary claims bought .....	4,367	52
Trading assets .....	3,216,635	38,385
Securities .....	3,808,607	45,449
Loans and bills discounted .....	1,782,802	21,274
Lease receivables and		
investment assets .....	11,356	136
Tangible fixed assets .....	15,458	184
Other assets (installment account		
receivable, etc.) .....	10,065	120
Liabilities corresponding to		
assets pledged as collateral:		
Deposits .....	24,504	292
Call money and bills sold .....	735,000	8,771
Payables under repurchase		
agreements .....	1,135,743	13,553
Payables under securities		
lending transactions .....	2,374,874	28,340
Trading liabilities .....	418,612	4,995
Borrowed money .....	2,985,463	35,626
Other liabilities .....	16,091	192
Acceptances and guarantees .....	111,433	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 September 30, 2010:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Cash and due from banks and		
Deposits with banks .....	¥ 27,103	\$ 323
Trading assets .....	296,281	3,536
Securities .....	16,540,440	197,380
Loans and bills discounted .....	3,034,650	36,213

At September 30, 2010, other assets included surety deposits of ¥121,270 million (\$1,447 million), variation margins of futures market transactions of ¥10,139 million (\$121 million) and other variation margins of ¥97,720 million (\$1,166 million).

9. 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 amount of unused commitments at September 30, 2010 was ¥45,192,899 million (\$539,295 million), and the amount of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time at September 30, 2010 was ¥39,478,529 million (\$471,104 million).

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.

10. 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.

11. Accumulated depreciation on tangible fixed assets amounted to ¥694,183 million (\$8,284 million).
12. The balance of subordinated borrowings included in "Borrowed money" was ¥363,731 million (\$4,340 million).
13. The balance of subordinated bonds included in "Bonds" was ¥2,065,497 million (\$24,648 million).
14. The amount guaranteed by banking subsidiaries to private placement bonds (stipulated by Article 2-3 of Financial Instruments and Exchange Act) in "Securities" was ¥2,066,769 million (\$24,663 million).

### III. Notes to Consolidated Statement of Income

1. "Other income" included gains on sale of stocks and other securities of ¥5,572 million (\$66 million), equity in earnings of affiliates of ¥1,627 million (\$19 million), gains on negative goodwill of ¥90 million (\$1 million), gains on recoveries of written-off claims of ¥1,307 million (\$16 million) and gains on step acquisitions of ¥12,655 million (\$151 million).
2. "Other expenses" included write-off of loans of ¥60,552 million (\$723 million), losses on devaluation of stocks and other securities of ¥26,075 million (\$311 million), losses on impairment of fixed assets of ¥1,414 million (\$17 million), losses on disposal of fixed assets of ¥1,542 million (\$18 million) and the amount affected of ¥3,552 million (\$42 million) associated with the application of the Accounting Standard for Asset Retirement Obligations.
3. The difference between the recoverable amount and the book value of the following assets is recognized as "Losses on impairment of fixed assets" and included in "Other expenses" in the interim period.

Six months ended September 30, 2010

Area	Purpose of use	Type	Millions of yen	Millions of U.S. dollars
Tokyo metropolitan area ...	Corporate assets	Land and buildings, etc.	¥ 39	\$0
	(3 items)			
	Idle assets		529	6
	(23 items)			
Kinki area .....	Other		115	1
	(2 items)			
	Idle assets	Land and buildings, etc.	716	9
Other .....	(25 items)			
	Idle assets	Land and buildings, etc.	13	0
	(5 items)			

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 their corporate assets, idle assets and others. 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.

#### IV. Notes to Consolidated Statement of Changes in Net Assets

##### 1. Type and number of shares issued and treasury shares

Six months ended September 30, 2010	Number of shares			September 30, 2010
	March 31, 2010	Increase	Decrease	
<b>Shares issued</b>				
Common stock.....	1,414,055,625	—	—	1,414,055,625
Preferred stock (1st series Type 6) .....	70,001	—	—	70,001
Total .....	1,414,125,626	—	—	1,414,125,626
<b>Treasury shares</b>				
Common stock.....	17,070,100	14,376*	3,522*	17,080,954
Total .....	17,070,100	14,376	3,522	17,080,954

\* Increase in number of treasury common shares:

- 14,376 shares due to purchase of fractional shares

Decrease in number of treasury common shares:

- 3,522 shares due to sale of fractional shares

##### 2. Information on stock acquisition rights

Six months ended September 30, 2010	Detail of stock acquisition rights	Type of shares	Number of shares			September 30, 2010	Millions of yen	Millions of U.S. dollars
			March 31, 2010	Increase	Decrease		September 30, 2010	September 30, 2010
SMFG.....	Stock options	—	—	—	—	¥ 56	\$1	
Consolidated subsidiary ...	—	—	—	—	—	87	1	
Total.....						¥144	\$2	

##### 3. Information on dividends

###### (1) Dividends paid in the six months ended September 30, 2010

Type of shares	Millions of yen	Yen
	Cash dividends	Cash dividends per share
Common stock .....	¥77,567	¥ 55
Preferred stock (1st series Type 6).....	3,097	44,250

Notes: 1. The date of the resolution of the ordinary general meeting of shareholders was June 29, 2010.

2. The record date of all types of stock was March 31, 2010.

3. The effective date of all types of stock was June 29, 2010.

###### (2) Dividends to be paid in the second half of the fiscal year ending March 31, 2011

Type of shares	Source of dividends	Millions of yen	Yen
		Cash dividends	Cash dividends per share
Common stock .....	Retained earnings	¥70,515	¥ 50
Preferred stock (1st series Type 6).....	Retained earnings	3,097	44,250

Notes: 1. The date of the resolution of the meeting of the Board of Directors was November 12, 2010.

2. The record date of all types of stock was September 30, 2010.

3. The effective date of all types of stock was December 3, 2010.

#### V. Lease Transactions

##### 1. Financing leases

###### (1) Lessee side

###### (a) Lease assets

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

###### (b) Depreciation method of lease assets

Depreciation method of lease assets is reported in Note I. 5. (4) Depreciation.

(2) Lessor side

(a) Breakdown of lease investment assets

September 30, 2010	Millions of yen	Millions of U.S. dollars
Lease receivables .....	¥1,270,970	\$15,166
Residual value .....	99,949	1,193
Unearned interest income .....	(218,241)	(2,604)
Total .....	¥1,152,678	\$13,755

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

Lease payments receivable related to lease receivables

September 30, 2010	Millions of yen	Millions of U.S. dollars
Within 1 year .....	¥241,878	\$2,886
More than 1 year to 2 years .....	155,539	1,856
More than 2 years to 3 years .....	110,867	1,323
More than 3 years to 4 years .....	65,916	787
More than 4 years to 5 years .....	34,014	406
More than 5 years .....	78,772	940
Total .....	¥686,988	\$8,198

Lease payments receivable related to investment assets

September 30, 2010	Millions of yen	Millions of U.S. dollars
Within 1 year .....	¥ 384,914	\$ 4,593
More than 1 year to 2 years .....	293,413	3,501
More than 2 years to 3 years .....	216,532	2,584
More than 3 years to 4 years .....	134,316	1,603
More than 4 years to 5 years .....	82,031	979
More than 5 years .....	159,762	1,907
Total .....	¥1,270,970	\$15,167

(c) 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 six months ended September 30, 2010 was ¥4,900 million (\$58 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

(1) Lessee side

Future minimum lease payments on operating leases which were not cancelable at September 30, 2010 were as follows:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Due within 1 year .....	¥ 32,919	\$ 393
Due after 1 year .....	273,744	3,266
Total .....	¥306,664	\$3,659

(2) Lessor side

Future minimum lease payments on operating leases which were not cancelable at September 30, 2010 were as follows:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Due within 1 year .....	¥ 23,924	\$ 286
Due after 1 year .....	101,331	1,209
Total .....	¥125,255	\$1,495

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.

## VI. Financial Instruments

### 1. Fair value of financial instruments

(1) Interim consolidated balance sheet amounts, fair values and net unrealized gains (losses) of financial instruments as of September 30, 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.

September 30, 2010	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	¥ 4,888,582	¥ 4,892,452	¥ 3,870
2) Call loans and bills bought*1.....	848,455	849,100	645
3) Receivables under resale agreements.....	63,038	63,038	—
4) Receivables under securities borrowing transactions.....	4,975,505	4,975,505	—
5) Monetary claims bought*1.....	1,065,670	1,073,506	7,836
6) Trading assets			
Securities classified as trading purposes.....	4,245,794	4,245,794	—
7) Money held in trust.....	22,457	22,457	—
8) Securities			
Bond classified as held-to-maturity.....	3,639,265	3,727,909	88,644
Other securities.....	28,884,782	28,884,782	—
9) Loans and bills discounted.....	63,532,671		
Reserve for possible loan losses*1.....	(788,554)		
	62,744,116	64,049,250	1,305,133
10) Foreign exchanges*1.....	975,432	979,772	4,339
11) Lease receivables and investment assets*1.....	1,747,719	1,859,369	111,650
Total assets.....	¥114,100,821	¥115,622,940	¥1,522,119
1) Deposits.....	¥ 78,096,908	¥ 78,114,165	¥ 17,257
2) Negotiable certificates of deposit.....	8,977,715	8,977,014	(700)
3) Call money and bills sold.....	2,236,437	2,236,435	(1)
4) Payables under repurchase agreements.....	1,135,743	1,135,743	—
5) Payables under securities lending transactions.....	3,703,652	3,703,652	—
6) Commercial paper.....	351,205	351,205	—
7) Trading liabilities			
Trading securities sold for short sales.....	2,043,156	2,043,156	—
8) Borrowed money.....	7,719,322	7,743,134	23,812
9) Foreign exchanges.....	264,723	264,723	—
10) Short-term bonds.....	1,150,585	1,150,548	(36)
11) Bonds.....	3,489,479	3,639,073	149,594
12) Due to trust account.....	187,298	187,298	—
Total liabilities.....	¥109,356,228	¥109,546,153	¥ 189,924
Derivative transactions*2			
Hedge accounting not applied.....	¥ 98,212	¥ 98,212	¥ —
Hedge accounting applied.....	421,299	421,299	—
Total.....	¥ 519,511	¥ 519,511	¥ —

September 30, 2010	Millions of U.S. dollars		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	\$ 58,336	\$ 58,383	\$ 46
2) Call loans and bills bought*1.....	10,125	10,132	8
3) Receivables under resale agreements.....	752	752	—
4) Receivables under securities borrowing transactions.....	59,374	59,374	—
5) Monetary claims bought*1.....	12,717	12,810	94
6) Trading assets			
Securities classified as trading purposes.....	50,666	50,666	—
7) Money held in trust.....	268	268	—
8) Securities			
Bond classified as held-to-maturity.....	43,428	44,486	1,058
Other securities.....	344,687	344,687	—
9) Loans and bills discounted.....	758,146		
Reserve for possible loan losses*1.....	(9,410)		
	748,736	764,311	15,574
10) Foreign exchanges*1.....	11,640	11,692	52
11) Lease receivables and investment assets*1.....	20,856	22,188	1,332
Total assets.....	\$1,361,585	\$1,379,749	\$18,164
1) Deposits.....	\$ 931,944	\$ 932,150	\$ 206
2) Negotiable certificates of deposit.....	107,133	107,124	(8)
3) Call money and bills sold.....	26,688	26,688	(0)
4) Payables under repurchase agreements.....	13,553	13,553	—
5) Payables under securities lending transactions.....	44,196	44,196	—
6) Commercial paper.....	4,191	4,191	—
7) Trading liabilities			
Trading securities sold for short sales.....	24,381	24,381	—
8) Borrowed money.....	92,116	92,400	284
9) Foreign exchanges.....	3,159	3,159	—
10) Short-term bonds.....	13,730	13,730	(1)
11) Bonds.....	41,641	43,426	1,785
12) Due to trust account.....	2,235	2,235	—
Total liabilities.....	\$1,304,967	\$1,307,233	\$ 2,266
Derivative transactions*2			
Hedge accounting not applied.....	\$ 1,172	\$ 1,172	\$ —
Hedge accounting applied.....	5,027	5,027	—
Total.....	\$ 6,199	\$ 6,199	\$ —

\*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 and Deposits with 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.

## (2) Fair value calculation methodology for financial instruments

### Assets

- 1) Cash and due from banks and Deposits with 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 interim period 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 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 interest 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 interim period. 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 interim period.

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 interim period. 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 interim period.

In light of the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issues 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. 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 interim period. The fair values of short-term transactions with remaining life as of the end of the interim period not exceeding 6 months are also based on their book values, as their book values are regarded to approximate their fair 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 interim period 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 interim period.

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 interim period.

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 interim period 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 interim period, 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:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Monetary claims bought:		
Monetary claims bought without market prices*1 .....	¥ 7,829	\$ 93
Securities:		
Unlisted stocks, etc.*2, 4 .....	283,393	3,382
Investments in partnership, etc.*3, 4 .....	355,364	4,241
<b>Total</b> .....	<b>¥646,586</b>	<b>\$7,716</b>

\*1 Beneficiary claims on loan trusts 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.

\*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 ¥16,001 million (\$191 million) was written-down in the six months ended September 30, 2010.

## VII. Fair Value Information

### 1. Securities

The amounts shown in the following tables include 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 interim consolidated balance sheets.

(1) Bonds classified as held-to-maturity

September 30, 2010	Millions of yen			Millions of U.S. dollars		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:						
Japanese government bonds .....	¥3,230,628	¥3,307,142	¥76,514	\$38,552	\$39,465	\$ 913
Japanese local government bonds .....	161,328	165,452	4,124	1,925	1,974	49
Japanese corporate bonds .....	240,160	248,197	8,037	2,866	2,962	96
Other .....	2,694	2,704	9	32	32	0
Subtotal .....	¥3,634,812	¥3,723,497	¥88,685	\$43,375	\$44,433	\$1,058
Bonds with unrealized losses:						
Japanese government bonds .....	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —
Japanese local government bonds .....	250	250	(0)	3	3	(0)
Japanese corporate bonds .....	207	206	(0)	2	2	(0)
Other .....	11,995	11,954	(40)	143	143	(0)
Subtotal .....	¥ 12,452	¥ 12,412	¥ (40)	\$ 148	\$ 148	\$ (0)
<b>Total</b> .....	<b>¥3,647,264</b>	<b>¥3,735,909</b>	<b>¥88,644</b>	<b>\$43,523</b>	<b>\$44,581</b>	<b>\$1,058</b>

(2) Other securities

September 30, 2010	Millions of yen			Millions of U.S. dollars		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:						
Stocks .....	¥ 1,259,177	¥ 861,260	¥ 397,916	\$ 15,026	\$ 10,278	\$ 4,748
Bonds .....	16,632,389	16,494,146	138,243	198,477	196,827	1,650
Japanese government bonds .....	13,286,213	13,227,867	58,345	158,547	157,850	696
Japanese local government bonds .....	367,685	362,997	4,687	4,387	4,332	56
Japanese corporate bonds .....	2,978,490	2,903,280	75,209	35,543	34,645	898
Other .....	4,468,436	4,350,217	118,219	53,323	51,912	1,411
Subtotal .....	¥22,360,003	¥21,705,624	¥ 654,379	\$266,826	\$259,017	\$ 7,809
Other securities with unrealized losses:						
Stocks .....	¥ 915,247	¥ 1,141,040	¥(225,792)	\$ 10,922	\$ 13,616	\$(2,694)
Bonds .....	4,390,032	4,393,798	(3,765)	52,387	52,432	(45)
Japanese government bonds .....	4,101,723	4,102,155	(431)	48,947	48,952	(5)
Japanese local government bonds .....	4,965	4,968	(3)	59	59	(0)
Japanese corporate bonds .....	283,343	286,673	(3,330)	3,381	3,421	(40)
Other .....	1,673,316	1,721,725	(48,408)	19,968	20,546	(578)
Subtotal .....	¥ 6,978,596	¥ 7,256,563	¥(277,966)	\$ 83,277	\$ 86,594	\$(3,317)
<b>Total</b> .....	<b>¥29,338,600</b>	<b>¥28,962,187</b>	<b>¥ 376,412</b>	<b>\$350,103</b>	<b>\$345,611</b>	<b>\$ 4,492</b>

Notes: 1. Net unrealized gains (losses) on other securities shown above include losses of ¥968 million (\$12 million) that are recognized in the six months' 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:

September 30, 2010	Millions of yen	Millions of U.S. dollars
Stocks.....	¥276,051	\$3,294
Other .....	370,535	4,422
Total.....	¥646,586	\$7,716

These amounts are not included in "(2) Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

## 2. 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 balance sheet amount and the amount of write-down is accounted for as valuation loss for the interim period. Valuation loss for the interim period was ¥15,248 million (\$182 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.

## 3. Money held in trust

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

There are no corresponding transactions.

(2) Other money held in trust

September 30, 2010	Millions of yen	Millions of U.S. dollars
Consolidated balance sheet amount.....	¥21,018	\$251
Acquisition cost.....	21,102	252
Net unrealized gains (losses).....	(83)	(1)
Unrealized gains.....	—	—
Unrealized losses.....	(83)	(1)

Notes: 1. Consolidated balance sheet amount is calculated using market prices at the interim period-end.

2. "Unrealized gains" and "Unrealized losses" are breakdowns of "Net unrealized gains (losses)" respectively.

## 4. Net unrealized gains on other securities and other money held in trust

September 30, 2010	Millions of yen	Millions of U.S. dollars
Net unrealized gains.....	¥377,472	\$4,504
Other securities .....	377,556	4,505
Other money held in trust .....	(83)	(1)
(-) Deferred tax liabilities.....	131,937	1,574
Net unrealized gains on other securities (before adjustment).....	245,535	2,930
(-) Minority interests.....	8,996	107
(+) SMFG's interest in net unrealized gains on valuation of other securities held by equity method affiliates .....	(1,095)	(13)
Net unrealized gains on other securities.....	¥235,442	\$2,810

Notes: 1. Net unrealized gains on other securities as of September 30, 2010 included losses of ¥968 million (\$12 million) that are recognized in the six months' earnings by applying fair value hedge accounting.

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

## 5. Derivative transactions

(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 interim period. Contract amount does not indicate the market risk relating to derivative transactions.



## (a) Interest rate derivatives

September 30, 2010	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Interest rate futures:				
Sold.....	¥ 37,287,715	¥ 1,469,288	¥ (27,535)	¥ (27,535)
Bought.....	39,239,082	1,738,574	28,643	28,643
Interest rate options:				
Sold.....	—	—	—	—
Bought.....	25,130	—	4	4
<b>Over-the-counter</b>				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	34,484,936	1,389,661	(189)	(189)
Interest rate swaps:	346,256,803	250,577,224	151,141	151,141
Receivable fixed rate/payable floating rate.....	157,047,249	117,579,947	5,496,098	5,496,098
Receivable floating rate/payable fixed rate.....	159,377,618	114,886,999	(5,340,307)	(5,340,307)
Receivable floating rate/payable floating rate.....	29,722,268	18,000,612	(3,237)	(3,237)
Interest rate swaptions:				
Sold.....	3,215,511	2,279,141	(57,748)	(57,748)
Bought.....	2,670,742	2,049,025	41,724	41,724
Caps:				
Sold.....	23,713,752	5,600,198	(3,763)	(3,763)
Bought.....	10,212,453	2,674,078	2,640	2,640
Floors:				
Sold.....	571,494	431,235	(14,811)	(14,811)
Bought.....	6,815,406	6,622,415	9,877	9,877
Other:				
Sold.....	707,465	331,576	(17,929)	(17,929)
Bought.....	2,058,058	863,198	58,180	58,180
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>¥ 170,233</b>	<b>¥ 170,233</b>

September 30, 2010	Millions of U.S. dollars			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Interest rate futures:				
Sold.....	\$ 444,961	\$ 17,533	\$ (329)	\$ (329)
Bought.....	468,247	20,747	342	342
Interest rate options:				
Sold.....	—	—	—	—
Bought.....	300	—	0	0
<b>Over-the-counter</b>				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	411,515	16,583	(2)	(2)
Interest rate swaps:	4,131,943	2,990,182	1,804	1,804
Receivable fixed rate/payable floating rate.....	1,874,072	1,403,102	65,586	65,586
Receivable floating rate/payable fixed rate.....	1,901,881	1,370,967	(63,727)	(63,727)
Receivable floating rate/payable floating rate.....	354,681	214,804	(39)	(39)
Interest rate swaptions:				
Sold.....	38,371	27,197	(689)	(689)
Bought.....	31,870	24,451	498	498
Caps:				
Sold.....	282,980	66,828	(45)	(45)
Bought.....	121,867	31,910	31	31
Floors:				
Sold.....	6,820	5,146	(177)	(177)
Bought.....	81,329	79,026	118	118
Other:				
Sold.....	8,442	3,957	(214)	(214)
Bought.....	24,559	10,301	694	694
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>\$ 2,031</b>	<b>\$ 2,031</b>

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

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

September 30, 2010	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Over-the-counter</b>				
Currency swaps.....	¥20,850,061	¥13,797,538	¥(376,342)	¥ (2,690)
Currency swaptions:				
Sold.....	736,849	699,115	(24,058)	(24,058)
Bought.....	960,942	796,368	40,272	40,272
Forward foreign exchange.....	38,658,022	3,561,329	122,997	122,997
Currency options:				
Sold.....	3,263,208	2,127,818	(329,348)	(329,348)
Bought.....	3,247,639	2,006,103	447,751	447,751
<b>Total</b> .....	<b>/</b>	<b>/</b>	<b>¥(118,728)</b>	<b>¥254,923</b>

September 30, 2010	Millions of U.S. dollars			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Over-the-counter</b>				
Currency swaps.....	\$248,807	\$164,648	\$(4,491)	\$ (32)
Currency swaptions:				
Sold.....	8,793	8,343	(287)	(287)
Bought.....	11,467	9,503	480	480
Forward foreign exchange.....	461,313	42,498	1,468	1,468
Currency options:				
Sold.....	38,940	25,392	(3,930)	(3,930)
Bought.....	38,755	23,939	5,343	5,343
<b>Total</b> .....	<b>/</b>	<b>/</b>	<b>\$(1,417)</b>	<b>\$3,042</b>

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

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

## (c) Equity derivatives

September 30, 2010	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Equity price index futures:				
Sold.....	¥ 81,574	¥ —	¥ (757)	¥ (757)
Bought.....	58,249	—	307	307
<b>Over-the-counter</b>				
Equity options:				
Sold.....	200,934	18,304	(49,717)	(49,717)
Bought.....	207,727	18,304	49,788	49,788
<b>Total</b> .....	<b>/</b>	<b>/</b>	<b>¥ (378)</b>	<b>¥ (378)</b>

September 30, 2010	Millions of U.S. dollars			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Equity price index futures:				
Sold.....	\$ 973	\$ —	\$ (9)	\$ (9)
Bought.....	695	—	3	3
<b>Over-the-counter</b>				
Equity options:				
Sold.....	2,398	218	(593)	(593)
Bought.....	2,479	218	594	594
<b>Total</b> .....	<b>/</b>	<b>/</b>	<b>\$ (5)</b>	<b>\$ (5)</b>

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

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

September 30, 2010	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Bond futures:				
Sold.....	¥1,588,099	¥ —	¥(16,745)	¥(16,745)
Bought.....	1,462,379	—	16,213	16,213
Bond futures options:				
Sold.....	26,162	—	(54)	(54)
Bought.....	46,500	—	91	91
<b>Over-the-counter</b>				
Forward bond agreements:				
Sold.....	9,646	—	63	63
Bought.....	40,234	37,188	736	736
Bond options:				
Sold.....	109,837	—	(1,106)	(1,106)
Bought.....	114,917	—	58	58
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>¥ (742)</b>	<b>¥ (742)</b>

September 30, 2010	Millions of U.S. dollars			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Bond futures:				
Sold.....	\$18,951	\$ —	\$(200)	\$(200)
Bought.....	17,451	—	193	193
Bond futures options:				
Sold.....	312	—	(1)	(1)
Bought.....	555	—	1	1
<b>Over-the-counter</b>				
Forward bond agreements:				
Sold.....	115	—	1	1
Bought.....	480	444	9	9
Bond options:				
Sold.....	1,311	—	(13)	(13)
Bought.....	1,371	—	1	1
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>\$ (9)</b>	<b>\$ (9)</b>

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

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

September 30, 2010	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Commodity futures:				
Sold.....	¥ 73,430	¥ —	¥ (3,445)	¥ (3,445)
Bought.....	73,880	—	3,556	3,556
<b>Over-the-counter</b>				
Commodity swaps:				
Receivable fixed price/payable floating price.....	200,389	183,981	(30,231)	(30,231)
Receivable floating price/payable fixed price.....	142,007	122,350	75,085	75,085
Receivable floating price/payable floating price.....	41	27	0	0
Commodity options:				
Sold.....	16,147	14,913	(428)	(428)
Bought.....	9,746	5,596	962	962
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>¥45,498</b>	<b>¥45,498</b>

September 30, 2010	Millions of U.S. dollars			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Commodity futures:				
Sold.....	\$ 876	\$ —	\$ (41)	\$ (41)
Bought.....	882	—	42	42
<b>Over-the-counter</b>				
Commodity swaps:				
Receivable fixed price/payable floating price.....	2,391	2,195	(361)	(361)
Receivable floating price/payable fixed price.....	1,695	1,460	896	896
Receivable floating price/payable floating price.....	0	0	0	0
Commodity options:				
Sold.....	193	178	(5)	(5)
Bought.....	116	67	12	12
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>\$543</b>	<b>\$543</b>

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

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

September 30, 2010	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Over-the-counter</b>				
Credit default options:				
Sold.....	¥1,158,375	¥1,002,799	¥(63,076)	¥(63,076)
Bought.....	1,260,045	848,224	65,406	65,406
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>¥ 2,329</b>	<b>¥ 2,329</b>

September 30, 2010	Millions of U.S. dollars			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Over-the-counter</b>				
Credit default options:				
Sold.....	\$13,823	\$11,967	\$(753)	\$(753)
Bought.....	15,036	10,122	781	781
<b>Total.....</b>	<b>/</b>	<b>/</b>	<b>\$ 28</b>	<b>\$ 28</b>

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

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 interim period. Contract amount does not indicate the market risk relating to derivative transactions.

## (a) Interest rate derivatives

September 30, 2010

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen		
			Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposit			
	Sold.....		¥ 83,800	¥ —	¥ 3
	Bought.....		18,299,726	1,790,011	3,226
	Interest rate swaps: .....		33,798,826	28,588,797	73,114
	Receivable fixed rate/payable floating rate .....		23,906,954	19,801,738	507,270
	Receivable floating rate/payable fixed rate .....		9,862,465	8,758,152	(434,805)
	Receivable floating rate/payable floating rate.....		29,406	28,906	649
	Interest rate swaptions:				
	Sold.....		471,073	460,905	5,824
	Bought.....		676	—	(0)
	Caps:				
	Sold.....		—	—	—
	Bought.....		300	—	0
	Floors:				
Sold.....	42	—	(0)		
Bought.....	7,850	7,850	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps: .....	Loans and bills discounted; other securities (bonds)	66,384	43,762	(5,255)
	Receivable floating rate/payable fixed rate .....		66,384	43,762	(5,255)
Special treatment for interest rate swaps	Interest rate swaps: .....	Loans and bills discounted; borrowed money; bonds	7,716,939	6,866,175	
	Receivable fixed rate/payable floating rate .....		20,500	11,000	(Note 3)
	Receivable floating rate/payable fixed rate .....		7,668,239	6,831,675	
	Receivable floating rate/payable floating rate.....		28,200	23,500	
Total.....		/	/	¥ 76,912	

September 30, 2010

Hedge accounting method	Type of derivative	Principal items hedged	Millions of U.S. dollars		
			Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposit			
	Sold.....		\$ 1,000	\$ —	\$ 0
	Bought.....		218,374	21,361	39
	Interest rate swaps: .....		403,327	341,155	872
	Receivable fixed rate/payable floating rate .....		285,286	236,298	6,053
	Receivable floating rate/payable fixed rate .....		117,691	104,513	(5,189)
	Receivable floating rate/payable floating rate.....		351	345	8
	Interest rate swaptions:				
	Sold.....		5,621	5,500	70
	Bought.....		8	—	(0)
	Caps:				
	Sold.....		—	—	—
	Bought.....		4	—	0
	Floors:				
Sold.....	1	—	(0)		
Bought.....	94	94	0		
Recognition of gain or loss on the hedging instrument	Interest rate swaps: .....	Loans and bills discounted; other securities (bonds)	792	522	(63)
	Receivable floating rate/payable fixed rate .....		792	522	(63)
Special treatment for interest rate swaps	Interest rate swaps: .....	Loans and bills discounted; borrowed money; bonds	92,088	81,935	
	Receivable fixed rate/payable floating rate .....		245	131	(Note 3)
	Receivable floating rate/payable fixed rate .....		91,506	81,524	
	Receivable floating rate/payable floating rate.....		337	280	
Total.....		/	/	\$ 918	

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 "VI. Financial Instruments."

## (b) Currency derivatives

September 30, 2010

			Millions of yen		
			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.	¥2,111,498	¥1,847,315	¥342,914
	Forward foreign exchange.....		4,922	4,750	234
Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	29,852	—	1,910
Allocation method	Currency swaps.....	Deposits; borrowed money; other securities (bonds)	8,118	7,167	(Note 3)
	Forward foreign exchange.....		103,027	3,179	
	Total.....		/	/	

September 30, 2010

			Millions of U.S. dollars		
			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.	\$25,197	\$22,044	\$4,092
	Forward foreign exchange.....		59	57	3
Recognition of gain or loss on the hedging instrument	Currency swaps.....	Deposits	356	—	23
Allocation method	Currency swaps.....	Deposits; borrowed money; other securities (bonds)	97	86	(Note 3)
	Forward foreign exchange.....		1,229	38	
	Total.....		/	/	

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. Forward foreign 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 "VI. Financial Instruments."

## (c) Equity derivatives

September 30, 2010

			Millions of yen		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Recognition of gain or loss on the hedging instrument	Equity price index swaps:				
	Receiveable equity index/payable floating rate...	Other securities (equity)	¥ —	¥ —	¥ —
	Receiveable floating rate/payable equity index...		8,067	8,067	(673)
Total.....			/	/	¥(673)

September 30, 2010

			Millions of U.S. dollars		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Recognition of gain or loss on the hedging instrument	Equity price index swaps:				
	Receiveable equity index/payable floating rate...	Other securities (equity)	\$—	\$—	\$—
	Receiveable floating rate/payable equity index...		96	96	(8)
Total.....			/	/	\$ (8)

Note: Fair value is calculated using discounted present value.

## VIII. Stock Option

1. Share-based compensation expenses which were accounted for as general and administrative expenses in the six months ended September 30, 2010 are as follows:

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Share-based compensation expenses .....	¥62	\$1

2. Outline of stock options is as follows:

Date of resolution .....	July 28, 2010
Title and number of grantees .....	Directors of SMFG: 8 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 69 Common shares: 102,600
Number of stock options .....	Common shares: 102,600
Grant date .....	August 13, 2010
Condition for vesting .....	A stock acquisition right holder may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC (hereinafter referred to as the "Start of Exercise Date"). Provided, however, the stock acquisition right holder may exercise his/her stock acquisition right only before 20 years have passed from the Start of Exercise Date.
Requisite service period .....	June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ending March 31, 2011.
Exercise period .....	August 13, 2010 to August 12, 2040
Exercise price .....	¥ 1
Fair value at the grant date .....	¥2,215

## IX. Segment Information

### 1. Outline of reportable segments

SMFG Group's reportable segment is defined as an operating segment for which discrete financial information is available and reviewed by the Board of Directors regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

Besides banking business, SMFG Group companies conduct businesses such as securities, leasing, credit card, invest banking, consumer finance, and venture capital. The primary businesses, "Banking business," "Securities services," "Leasing," and "Credit card services," are separate, reportable segments, and other businesses are aggregated as "Other business."

"Banking business" includes deposit taking, lending, securities trading, securities investment, domestic and foreign exchange transactions, brokerage, etc. of financial futures transactions, etc., corporate bond trust services, trust business, sale of securities investment trusts, sale of insurance products, and securities intermediary services. SMBC assesses business performance by classifying businesses into 5 business units based on client segment: Consumer banking unit, Middle market banking unit, Corporate banking unit, International banking unit and Treasury unit.

### 2. Method of calculating profit and loss amount by reportable segment

Accounting method applied to the reported business segment is the same as described in "Significant Accounting Policies." However, profit or loss of the equity method affiliates is recorded in "Other profit or loss" in the amount of ordinary profit multiplied by the ownership ratio.

SMFG does not assess assets by business segment.

### 3. Information on profit and loss amount by reportable segment

Six months ended September 30, 2010	Millions of yen								
	Banking business								
	SMBC						Subtotal	Others	Total
Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account				
Gross profit .....	¥190,191	¥220,720	¥98,963	¥88,826	¥251,717	¥(11,829)	¥838,587	¥117,008	¥955,595
Interest income .....	169,983	138,114	65,413	53,674	73,896	(12,837)	488,242	73,036	561,278
Non-interest income .....	20,208	82,606	33,550	35,152	177,821	1,007	350,344	43,972	394,316
Expenses .....	(143,393)	(109,540)	(17,660)	(29,060)	(8,936)	(36,741)	(345,330)	(67,799)	(413,129)
Depreciation .....	(12,726)	(10,645)	(2,489)	(2,896)	(1,571)	(3,780)	(34,107)	(4,926)	(39,033)
Other profit or loss .....	—	—	—	—	—	—	—	(19,238)	(19,238)
Consolidated net business profit .....	¥ 46,798	¥111,180	¥81,303	¥59,766	¥242,781	¥(48,571)	¥493,256	¥ 29,970	¥523,227

Six months ended September 30, 2010	Millions of yen						
	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	Nikko Cordial Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit .....	¥26,282	¥104,661	¥ 611	¥131,555	¥49,719	¥ 587	¥50,306
Interest income .....	380	(1,433)	434	(618)	31,291	(2,252)	29,038
Non-interest income .....	25,902	106,095	176	132,174	18,428	2,840	21,268
Expenses .....	(21,487)	(81,567)	(776)	(103,831)	(14,157)	(4,458)	(18,615)
Depreciation .....	(1,041)	(1,028)	(729)	(2,799)	(1,547)	(300)	(1,848)
Other profit or loss .....	—	(45)	(2,664)	(2,709)	(7,980)	7,686	(293)
Consolidated net business profit .....	¥ 4,795	¥ 23,048	¥(2,828)	¥ 25,015	¥27,582	¥3,815	¥31,397

Six months ended September 30, 2010	Millions of yen						
	Credit card services					Other business	Grand total
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total			
Gross profit .....	¥90,151	¥45,630	¥3,459	¥139,241	¥ 6,122	¥1,282,822	
Interest income .....	12,106	13,201	1,411	26,719	5,932	622,350	
Non-interest income .....	78,045	32,428	2,047	112,521	189	660,471	
Expenses .....	(64,255)	(33,425)	(143)	(97,824)	5,761	(627,639)	
Depreciation .....	(3,679)	(2,434)	(1,549)	(7,663)	(6,083)	(57,427)	
Other profit or loss .....	(11,636)	(7,356)	119	(18,873)	(13,426)	(54,542)	
Consolidated net business profit .....	¥14,259	¥ 4,847	¥3,435	¥ 22,542	¥ (1,542)	¥ 600,640	



Millions of U.S. dollars									
Banking business									
SMBC									
Six months ended September 30, 2010	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit .....	\$2,269	\$2,634	\$1,181	\$1,060	\$3,004	\$(141)	\$10,007	\$1,396	\$11,403
Interest income.....	2,028	1,648	781	641	882	(153)	5,827	871	6,698
Non-interest income.....	241	986	400	419	2,122	12	4,180	525	4,705
Expenses.....	(1,711)	(1,307)	(211)	(347)	(107)	(438)	(4,121)	(809)	(4,930)
Depreciation.....	(152)	(127)	(30)	(34)	(19)	(45)	(407)	(59)	(466)
Other profit or loss .....	—	—	—	—	—	—	—	(230)	(230)
Consolidated net business profit .....	\$ 558	\$1,327	\$ 970	\$ 713	\$2,897	\$(579)	\$ 5,886	\$ 357	\$ 6,243

Millions of U.S. dollars							
	Securities services				Leasing		
Six months ended September 30, 2010	SMBC Friend Securities Co., Ltd.	Nikko Cordial Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit .....	\$314	\$1,249	\$ 7	\$1,570	\$593	\$ 7	\$600
Interest income.....	5	(17)	5	(7)	373	(27)	346
Non-interest income.....	309	1,266	2	1,577	220	34	254
Expenses.....	(257)	(973)	(9)	(1,239)	(169)	(53)	(222)
Depreciation.....	(12)	(12)	(9)	(33)	(18)	(4)	(22)
Other profit or loss .....	—	(1)	(31)	(32)	(95)	92	(3)
Consolidated net business profit .....	\$ 57	\$ 275	\$(33)	\$ 299	\$329	\$46	\$375

Millions of U.S. dollars						
	Credit card services					
Six months ended September 30, 2010	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit .....	\$1,076	\$545	\$41	\$1,662	\$ 73	\$15,308
Interest income.....	144	158	17	319	71	7,427
Non-interest income.....	932	387	24	1,343	2	7,881
Expenses.....	(767)	(399)	(1)	(1,167)	69	(7,489)
Depreciation.....	(44)	(29)	(18)	(91)	(73)	(685)
Other profit or loss .....	(139)	(88)	1	(226)	(160)	(651)
Consolidated net business profit .....	\$ 170	\$ 58	\$41	\$ 269	\$(18)	\$ 7,168

- Notes: 1. Consolidated net business profit = SMBC's nonconsolidated banking profit + SMFG's ordinary profit + Other subsidiaries' ordinary profit (excluding nonrecurring factors) + Equity method affiliates' ordinary profit × Ownership ratio – Internal transactions (dividends, etc.)
2. Other profit or loss = Nonoperating profit or loss of consolidated subsidiaries except SMBC + Equity method affiliates' ordinary profit × Ownership ratio, etc.
3. Consolidated net business profit of SMBC Friend Securities Co., Ltd., Nikko Cordial Securities Inc., Sumitomo Mitsui Finance and Leasing Company, Limited, Sumitomo Mitsui Card Company, Limited, and Cedyna Financial Corporation is operating profit of each company, and nonoperating profits or losses of the companies are classified into "Others" in each segment. For the figures on Cedyna Financial Corporation which became a consolidated subsidiary in the 1st quarter of this fiscal year, consolidated net business profit amount is sum of Operating profit in the 1st quarter × Ownership ratio + Operating profit in the 2nd quarter.
4. "Other business" includes profit or loss to be offset as internal transactions between segments.

#### 4. Difference between total amount of consolidated net business profit by reportable segment and ordinary profit on interim consolidated statements of income (adjustment of difference)

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Profit		
Consolidated net business profit .....	¥600,640	\$7,168
Credit costs of SMBC.....	(43,889)	(524)
Losses on stocks of SMBC .....	(18,296)	(218)
Amortization of unrecognized retirement benefit obligation of SMBC.....	(18,999)	(227)
Ordinary profit of consolidated subsidiaries other than reportable segment.....	39,670	473
Amortization of goodwill other than reportable segment .....	(9,336)	(111)
Adjustment of profit or loss of equity method affiliates.....	(4,588)	(55)
Others .....	(4,590)	(55)
Ordinary profit on interim consolidated statements of income .....	¥540,609	\$6,451

Notes: 1. Credit cost = Provision for reserve for possible loan losses (excluding adjustment of general reserve for possible loan losses) + Write-off of loans + Losses on sales of delinquent loans  
2. Losses on stocks = Gains on sale of stocks – Losses on sale of stocks – Losses on devaluation of stocks  
3. Adjustment of profit or loss of equity method affiliates = Equity method affiliates' net income × Ownership ratio – Equity method affiliates' ordinary profit × Ownership ratio

#### 5. Additional information

SMFG has applied “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, issued on March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008) from the six-month ended September 30, 2010.

#### 6. Related information

##### (1) Business segment information

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Ordinary income to external customers		
Banking Business.....	¥1,286,147	\$15,348
Securities Services .....	137,583	1,642
Leasing .....	152,487	1,820
Credit Card Services.....	298,213	3,558
Other Business.....	106,075	1,266
Total .....	¥1,980,507	\$23,634

Notes: 1. Ordinary income is presented as a counterpart of sales of companies in other industries.  
2. Ordinary income represents total income excluding gains on disposal of fixed assets, gains on recoveries of written-off claims and other extraordinary gains.

##### (2) Geographic segment information

###### (a) Ordinary income

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Japan.....	¥1,762,372	\$21,031
The Americas .....	84,387	1,007
Europe and Middle East.....	50,401	601
Asia and Oceania .....	83,346	995
Total.....	¥1,980,507	\$23,634

Notes: 1. Ordinary income is presented as a counterpart of sales of companies in other industries.  
2. Ordinary income from transactions by SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is categorized as Japan. Ordinary income from transactions by overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is categorized as The Americas, Europe and Middle East, or Asia and Oceania, based on their locations and in consideration of their geographic proximity and other factors.  
3. 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.  
4. Ordinary income represents total income excluding gains on disposal of fixed assets, gains on recoveries of written-off claims and other extraordinary gains.

(b) Tangible fixed assets

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Japan .....	¥1,050,746	\$12,539
The Americas .....	10,438	124
Europe and Middle East.....	24,130	288
Asia and Oceania .....	3,075	37
Total.....	¥1,088,390	\$12,988

(3) Information by major customer

There are no major customers individually accounting for 10% or more of ordinary income.

7. Information on losses on impairment of fixed assets by reportable segment

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Banking Business .....	¥1,299	\$16
Securities Services.....	—	—
Leasing .....	—	—
Credit Card Services .....	—	—
Other Business .....	115	1
Total.....	¥1,414	\$17

8. Information on amortization of goodwill and unamortized balance by reportable segment

Six months ended September 30, 2010	Millions of yen		Millions of U.S. dollars	
	Amortization of goodwill	Unamortized balance	Amortization of goodwill	Unamortized balance
Banking Business .....	¥ 277	¥ 10,733	\$ 3	\$ 128
Securities Services.....	7,067	251,509	84	3,001
Leasing .....	2,662	91,135	32	1,088
Credit Card Services .....	149	9,666	2	115
Other Business .....	2,525	—	30	—
Total.....	¥12,682	¥363,045	\$151	\$4,332

9. Information on gains on negative goodwill by reportable segment

There is no material information to be reported for the interim period ended September 30, 2010.

10. Information on total credit cost by reportable segment

Six months ended September 30, 2010	Millions of yen	Millions of U.S. dollars
Banking Business .....	¥ 71,826	\$ 857
Securities Services.....	78	1
Leasing .....	3,188	38
Credit Card Services .....	20,048	239
Other Business .....	10,645	127
Total.....	¥105,787	\$1,262

Notes: 1. Total credit cost = Provision for reserve for possible loan losses + Write-off of loans + Losses on sales of delinquent loans + Gains on recoveries of written-off claims

2. "Other business" includes profit or loss to be offset as internal transactions between segments.

## X. Business Combinations

<Business combination through acquisition>

Cedyna Financial Corporation consolidated as a subsidiary through a third-party allotment of new shares

SMFG Card & Credit, Inc. ("FGCC"), a wholly-owned subsidiary of SMFG, subscribed all the new shares issued by way of a third-party allotment by Cedyna Financial Corporation ("Cedyna"), an equity method affiliate of SMFG, on May 31, 2010. Cedyna became a consolidated subsidiary of SMFG. The outline of the business combination is as follows:

### 1. Outline of the business combination

#### (1) Name of the acquired company and its business

Cedyna (Credit Card Services)

#### (2) Main reasons for the business combination

FGCC subscribed new shares issued by way of a third-party allotment by Cedyna and made Cedyna a consolidated subsidiary of SMFG in order to accelerate and ensure Cedyna's management restructuring including its investments in new businesses and systems developments to increase the corporate value as well as its cost restructuring, to further clarify the positioning of Cedyna as a core business entity, together with Sumitomo Mitsui Card Company, Limited of SMFG Group's credit card services and further to enhance Cedyna's capital base.

#### (3) Date of business combination

May 31, 2010

#### (4) Legal form of the business combinations

Consolidated as a subsidiary through a third-party allotment of new shares

#### (5) Name of the controlling entity after the business combination

Sumitomo Mitsui Financial Group, Inc.

#### (6) Percentage share of voting rights SMFG has acquired

Percentage share of voting rights owned before business combination..... 48%

Percentage share of voting rights additionally acquired at the date of business combination ..... 21%

Percentage share of voting rights after acquisition ... 69%

#### (7) Main reason for deciding to acquire the company

It is because SMFG acquired a majority of voting rights of Cedyna and consolidated it as a subsidiary.

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

From April 1, 2010 to September 30, 2010

Note that as the deemed acquisition date is June 30, 2010, gain or loss related to the acquired company for the period from April 1, 2010 to June 30, 2010 is presented as gain or loss from investments by the equity method in the interim consolidated statements of income.

### 3. Acquisition cost of the acquired company

	Millions of yen	Millions of U.S. dollars
Fair value of common stock of Cedyna owned before business combination.....	¥35,901	\$ 428
Fair value of common stock of Cedyna additionally acquired at the date of business combination.....	49,999	597
Expenses directly required for acquisition .....	203	2
Acquisition cost of the acquired company.....	¥86,104	\$1,027

### 4. Difference between acquisition cost of the acquired company and total acquisition cost of individual transactions leading to acquisition

	Millions of yen	Millions of U.S. dollars
Acquisition cost of the acquired company.....	¥86,104	\$1,027
Total acquisition cost of individual transactions leading to acquisition .....	74,437	888
Difference (gains on step acquisitions)...	¥11,667	\$ 139

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

#### (1) Amount of goodwill

¥9,671 million (\$115 million)

#### (2) Reason for recognizing goodwill

SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Cedyna 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 .....	¥2,631,525	\$31,402
Loans and bills discounted .....	438,497	5,233
Other assets .....	803,639	9,590
Customer's liabilities for acceptances and guarantees ...	1,124,290	13,416

#### (2) Liabilities

	Millions of yen	Millions of U.S. dollars
Total liabilities .....	¥2,520,313	\$30,075
Borrowed money .....	989,790	11,811
Acceptances and guarantees ...	1,124,290	13,416

7. Approximate amounts of impact on the interim consolidated statements of income for the interim period ended September 30, 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 interim consolidated statements of income is as follows:

	Millions of yen	Millions of U.S. dollars
Ordinary income .....	¥213,686	\$2,550
Ordinary profit .....	(5,584)	(67)
Net income .....	(2,257)	(27)

Note: Ordinary income is presented as a counterpart 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 Cedyna and its consolidated subsidiaries' statements of income for the period from April 1, 2010 to June 30, 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 LLC.

## XI. Per Share Data

September 30, 2010

	Yen	U.S. dollars
Net assets per share .....	¥3,547.89	\$42.34

Six months ended September 30, 2010

	Yen	U.S. dollars
Net income per share .....	¥296.64	\$3.54
Net income per share (diluted) .....	296.63	3.54

Notes: 1. Net income per share and Net income per share (diluted) are calculated based on the following:

Six months ended September 30, 2010	Millions of yen, except number of shares	Millions of U.S. dollars
Net income per share:		
Net income .....	¥417,493	\$4,982
Amount not attributable to common stockholders .....	3,097	37
Dividends on preferred stock .....	3,097	37
Net income attributable to common stock .....	¥414,395	\$4,945
Average number of common stock during the six months (in thousands) .....	1,396,978	/
Net income per share (diluted):		
Adjustment for net income .....	¥ (6)	\$ (0)
Adjustment for dilutive shares issued by subsidiaries and affiliates .....	(6)	(0)
Increase in number of common stock (in thousands) .....	34	/
Stock acquisition rights .....	34	/

Outline of dilutive shares which were not included in the calculation of "Net income per share (diluted)" for the six months ended September 30, 2010 because they do not have dilutive effect:

Stock acquisition rights: 1 type  
(Number of stock acquisition rights issued by resolution at the general shareholder's meeting on June 27, 2002: 1,081 units)

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

September 30, 2010	Millions of yen, except number of shares	Millions of U.S. dollars
Net assets .....	¥7,198,610	\$85,902
Amounts excluded from Net assets .....	2,242,297	26,758
Preferred stock .....	210,003	2,506
Dividends on preferred stock .....	3,097	37
Stock acquisition rights .....	144	2
Minority interests .....	2,029,052	24,213
Net assets attributable to common stock at the interim period-end .....	¥4,956,312	\$59,144
Number of common stock at the interim period-end used for the calculation of Net assets per share (in thousands) .....	1,396,974	/

## XII. Parent Company

### 1. Nonconsolidated balance sheets (unaudited)

Sumitomo Mitsui Financial Group, Inc.

September 30, 2010 and 2009, and March 31, 2010	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>Assets</b>				
Current assets .....	¥ 49,479	¥ 27,377	¥ 111,033	\$ 590
Cash and due from banks .....	33,175	22,441	86,283	396
Other current assets .....	16,304	4,936	24,749	194
Fixed assets .....	6,092,153	5,236,196	6,041,740	72,699
Tangible fixed assets .....	1	2	1	0
Intangible fixed assets .....	7	10	8	0
Investments and other assets .....	6,092,144	5,236,183	6,041,729	72,699
Investments in subsidiaries and affiliates .....	6,092,144	5,228,339	6,041,729	72,699
Other .....	—	7,844	—	—
<b>Total assets .....</b>	<b>¥6,141,632</b>	<b>¥5,263,574</b>	<b>¥6,152,774</b>	<b>\$73,289</b>
<b>Liabilities and net assets</b>				
<b>Liabilities</b>				
Current liabilities .....	¥ 952,698	¥1,080,372	¥ 954,073	\$11,368
Short-term borrowings .....	948,030	1,078,030	948,030	11,313
Income taxes payable .....	18	371	3	0
Reserve for employees bonuses .....	106	98	101	1
Reserve for executive bonuses .....	—	—	71	—
Other current liabilities .....	4,542	1,872	5,867	54
Fixed liabilities .....	392,900	347,483	393,126	4,689
Bonds .....	392,900	347,300	392,900	4,689
Reserve for executive retirement benefits .....	—	183	226	—
<b>Total liabilities .....</b>	<b>1,345,598</b>	<b>1,427,856</b>	<b>1,347,199</b>	<b>16,057</b>
<b>Net assets</b>				
<b>Stockholders' equity</b>				
Capital stock .....	2,337,895	1,851,389	2,337,895	27,898
Capital surplus .....	1,833,041	1,346,601	1,833,073	21,874
Capital reserve .....	1,559,374	1,072,868	1,559,374	18,608
Other capital surplus .....	273,667	273,732	273,699	3,266
Retained earnings .....	668,476	681,156	678,042	7,977
Other retained earnings				
Voluntary reserve .....	30,420	30,420	30,420	363
Retained earnings brought forward .....	638,056	650,736	647,622	7,614
Treasury stock .....	(43,436)	(43,430)	(43,437)	(518)
<b>Total stockholders' equity .....</b>	<b>4,795,977</b>	<b>3,835,717</b>	<b>4,805,574</b>	<b>57,231</b>
Stock acquisition rights .....	56	—	—	1
<b>Total net assets .....</b>	<b>4,796,034</b>	<b>3,835,717</b>	<b>4,805,574</b>	<b>57,232</b>
<b>Total liabilities and net assets .....</b>	<b>¥6,141,632</b>	<b>¥5,263,574</b>	<b>¥6,152,774</b>	<b>\$73,289</b>

## 2. Nonconsolidated statements of income (unaudited)

Sumitomo Mitsui Financial Group, Inc.

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Year ended March 31	Six months ended September 30
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	2010	2009	2010	2010
<b>Operating income</b> .....	<b>¥85,600</b>	¥32,594	¥133,379	<b>\$1,021</b>
Dividends on investments in subsidiaries and affiliates .....	78,394	25,451	118,818	935
Fees and commissions received from subsidiaries.....	7,206	7,142	14,560	86
<b>Operating expenses</b> .....	<b>11,242</b>	3,535	16,641	<b>134</b>
General and administrative expenses.....	3,008	3,413	8,353	36
Interest on bonds .....	8,234	122	8,287	98
<b>Operating profit</b> .....	<b>74,357</b>	29,058	116,737	<b>887</b>
<b>Nonoperating income</b> .....	<b>68</b>	253	369	<b>1</b>
<b>Nonoperating expenses</b> .....	<b>3,325</b>	12,244	22,572	<b>40</b>
<b>Ordinary profit</b> .....	<b>71,101</b>	17,067	94,534	<b>848</b>
<b>Extraordinary loss</b> .....	<b>—</b>	—	22,688	<b>—</b>
<b>Income before income taxes</b> .....	<b>71,101</b>	17,067	71,846	<b>848</b>
Income taxes:				
Current.....	1	1,227	154	0
Deferred .....	—	(2,469)	5,514	—
<b>Net income</b> .....	<b>¥71,099</b>	¥18,309	¥ 66,176	<b>\$ 848</b>

## 3. Nonconsolidated statements of changes in net assets (unaudited)

Sumitomo Mitsui Financial Group, Inc.

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Year ended March 31	Six months ended September 30
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	2010	2009	2010	2010
<b>Stockholders' equity</b>				
<b>Capital stock</b>				
Balance at the end of the previous fiscal year .....	<b>¥2,337,895</b>	¥1,420,877	¥1,420,877	<b>\$27,898</b>
Changes in the period:				
Issuance of new shares .....	—	430,512	917,018	—
Net changes in the period .....	—	430,512	917,018	—
Balance at the end of the period .....	<b>¥2,337,895</b>	¥1,851,389	¥2,337,895	<b>\$27,898</b>
<b>Capital surplus</b>				
<b>Capital reserve</b>				
Balance at the end of the previous fiscal year .....	<b>1,559,374</b>	642,355	642,355	<b>18,608</b>
Changes in the period:				
Issuance of new shares .....	—	430,512	917,018	—
Net changes in the period .....	—	430,512	917,018	—
Balance at the end of the period .....	<b>¥1,559,374</b>	¥1,072,868	¥1,559,374	<b>\$18,608</b>
<b>Other capital surplus</b>				
Balance at the end of the previous fiscal year .....	<b>273,699</b>	273,808	273,808	<b>3,266</b>
Changes in the period:				
Disposal of treasury stock .....	(31)	(75)	(108)	(0)
Net changes in the period .....	(31)	(75)	(108)	(0)
Balance at the end of the period .....	<b>¥ 273,667</b>	¥ 273,732	¥ 273,699	<b>\$ 3,266</b>
<b>Total capital surplus</b>				
Balance at the end of the previous fiscal year .....	<b>1,833,073</b>	916,163	916,163	<b>21,874</b>
Changes in the period:				
Issuance of new shares .....	—	430,512	917,018	—
Disposal of treasury stock .....	(31)	(75)	(108)	(0)
Net changes in the period .....	(31)	430,437	916,909	(0)
Balance at the end of the period .....	<b>¥1,833,041</b>	¥1,346,601	¥1,833,073	<b>\$21,874</b>

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2009	Year ended March 31 2010	Six months ended September 30 2010
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	2010	2009	2010	2010
<b>Stockholders' equity</b>				
Retained earnings				
Other retained earnings				
Voluntary reserve				
Balance at the end of the previous fiscal year .....	¥ 30,420	¥ 30,420	¥ 30,420	\$ 363
Changes in the period:				
Net changes in the period.....	—	—	—	—
Balance at the end of the period.....	¥ 30,420	¥ 30,420	¥ 30,420	\$ 363
Retained earnings brought forward				
Balance at the end of the previous fiscal year .....	647,622	653,487	653,487	7,728
Changes in the period:				
Cash dividends .....	(80,665)	(21,059)	(72,041)	(962)
Net income .....	71,099	18,309	66,176	848
Net changes in the period.....	(9,565)	(2,750)	(5,865)	(114)
Balance at the end of the period.....	¥ 638,056	¥ 650,736	¥ 647,622	\$ 7,614
Total retained earnings				
Balance at the end of the previous fiscal year .....	678,042	683,907	683,907	8,091
Changes in the period:				
Cash dividends.....	(80,665)	(21,059)	(72,041)	(962)
Net income .....	71,099	18,309	66,176	848
Net changes in the period .....	(9,565)	(2,750)	(5,865)	(114)
Balance at the end of the period .....	¥ 668,476	¥ 681,156	¥ 678,042	\$ 7,977
Treasury stock				
Balance at the end of the previous fiscal year .....	(43,437)	(43,400)	(43,400)	(518)
Changes in the period:				
Purchase of treasury stock .....	(40)	(137)	(189)	(0)
Disposal of treasury stock.....	40	107	152	0
Net changes in the period .....	0	(29)	(37)	0
Balance at the end of the period .....	¥ (43,436)	¥ (43,430)	¥ (43,437)	\$ (518)
Total stockholders' equity				
Balance at the end of the previous fiscal year .....	4,805,574	2,977,547	2,977,547	57,345
Changes in the period:				
Issuance of new shares .....	—	861,025	1,834,037	—
Cash dividends.....	(80,665)	(21,059)	(72,041)	(962)
Net income.....	71,099	18,309	66,176	848
Purchase of treasury stock .....	(40)	(137)	(189)	(0)
Disposal of treasury stock.....	9	32	43	0
Net changes in the period .....	(9,596)	858,169	1,828,026	(114)
Balance at the end of the period .....	¥4,795,977	¥3,835,717	¥4,805,574	\$57,231
Stock acquisition rights				
Balance at the end of the previous fiscal year .....	—	—	—	—
Changes in the period:				
Net changes in the items other than stockholders' equity in the period.....	56	—	—	1
Net changes in the period .....	56	—	—	1
Balance at the end of the period .....	¥ 56	¥ —	¥ —	\$ 1
Total net assets				
Balance at the end of the previous fiscal year .....	4,805,574	2,977,547	2,977,547	57,345
Changes in the period:				
Issuance of new shares .....	—	861,025	1,834,037	—
Cash dividends.....	(80,665)	(21,059)	(72,041)	(962)
Net income.....	71,099	18,309	66,176	848
Purchase of treasury stock .....	(40)	(137)	(189)	(0)
Disposal of treasury stock.....	9	32	43	0
Net changes in the items other than stockholders' equity in the period .....	56	—	—	1
Net changes in the period .....	(9,539)	858,169	1,828,026	(113)
Balance at the end of the period .....	¥4,796,034	¥3,835,717	¥4,805,574	\$57,232



# Supplemental Information

## Nonconsolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation

September 30, 2010 and 2009, and March 31, 2010	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>Assets</b>				
Cash and due from banks .....	¥ 2,096,409	¥ 2,720,544	¥ 2,863,985	\$ 25,017
Deposits with banks .....	2,274,919	2,140,155	2,408,004	27,147
Call loans and bills bought .....	301,556	299,389	514,179	3,598
Receivables under resale agreements .....	42,152	44,199	45,594	503
Receivables under securities borrowing transactions .....	985,113	1,303,187	1,703,828	11,755
Monetary claims bought .....	509,735	410,339	435,027	6,083
Trading assets .....	4,572,346	4,020,630	3,670,091	54,563
Money held in trust .....	10,241	9,177	10,724	122
Securities .....	33,436,757	27,659,892	28,536,200	399,007
Loans and bills discounted .....	57,392,444	58,898,698	56,619,058	684,874
Foreign exchanges .....	866,496	646,550	743,446	10,340
Other assets .....	2,308,024	2,664,934	1,823,647	27,542
Tangible fixed assets .....	706,656	706,900	705,036	8,433
Intangible fixed assets .....	131,262	129,819	133,323	1,566
Deferred tax assets .....	435,749	517,755	456,556	5,200
Customers' liabilities for acceptances and guarantees .....	3,514,376	3,639,618	3,625,868	41,938
Reserve for possible loan losses .....	(747,064)	(780,014)	(758,178)	(8,915)
Reserve for possible losses on investments .....	(12,919)	(2,300)	—	(154)
<b>Total assets .....</b>	<b>¥108,824,258</b>	<b>¥105,029,480</b>	<b>¥103,536,394</b>	<b>\$1,298,619</b>
<b>Liabilities and net assets</b>				
<b>Liabilities</b>				
Deposits .....	¥ 79,458,921	¥ 77,301,690	¥ 77,630,639	\$ 948,197
Call money and bills sold .....	1,841,321	2,745,552	1,554,374	21,973
Payables under repurchase agreements .....	910,690	1,058,696	492,311	10,867
Payables under securities lending transactions .....	2,602,018	2,925,047	3,407,301	31,050
Commercial paper .....	351,205	—	310,787	4,191
Trading liabilities .....	3,774,112	2,813,822	2,909,131	45,037
Borrowed money .....	3,121,630	3,854,764	2,747,767	37,251
Foreign exchanges .....	280,184	231,652	214,526	3,343
Short-term bonds .....	41,999	198,164	164,678	501
Bonds .....	3,336,711	3,443,196	3,245,992	39,818
Due to trust account .....	187,298	111,667	159,554	2,235
Other liabilities .....	3,721,975	2,299,125	1,600,879	44,415
Reserve for employee bonuses .....	9,902	9,688	10,207	118
Reserve for executive bonuses .....	—	—	426	—
Reserve for executive retirement benefits .....	—	4,842	5,147	—
Reserve for point service program .....	1,300	1,171	1,862	16
Reserve for reimbursement of deposits .....	8,610	8,532	10,634	103
Reserve under the special laws .....	—	0	—	—
Deferred tax liabilities for land revaluation .....	46,335	46,533	46,352	553
Acceptances and guarantees .....	3,514,376	3,639,618	3,625,868	41,938
<b>Total liabilities .....</b>	<b>103,208,594</b>	<b>100,693,766</b>	<b>98,138,445</b>	<b>1,231,606</b>
<b>Net assets</b>				
Capital stock .....	1,770,996	1,262,959	1,770,996	21,134
Capital surplus .....	2,473,558	1,965,521	2,473,558	29,517
Retained earnings .....	993,006	592,342	704,485	11,850
<b>Total stockholders' equity .....</b>	<b>5,237,561</b>	<b>3,820,822</b>	<b>4,949,040</b>	<b>62,501</b>
Net unrealized gains on other securities .....	208,756	413,290	379,353	2,491
Net deferred gains on hedges .....	147,834	79,921	48,020	1,764
Land revaluation excess .....	21,511	21,679	21,535	257
<b>Total valuation and translation adjustments .....</b>	<b>378,102</b>	<b>514,891</b>	<b>448,909</b>	<b>4,512</b>
<b>Total net assets .....</b>	<b>5,615,664</b>	<b>4,335,714</b>	<b>5,397,949</b>	<b>67,013</b>
<b>Total liabilities and net assets .....</b>	<b>¥108,824,258</b>	<b>¥105,029,480</b>	<b>¥103,536,394</b>	<b>\$1,298,619</b>

Notes: 1. Amounts less than 1 million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥83.80 to US\$1, the exchange rate prevailing at September 30, 2010.

## Nonconsolidated Statements of Income (Unaudited)

Sumitomo Mitsui Banking Corporation

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Year ended March 31	Six months ended September 30
Six months ended September 30, 2010 and 2009, and year ended March 31, 2010	<b>2010</b>	2009	2010	<b>2010</b>
<b>Income</b>				
Interest income.....	¥ 644,005	¥ 706,355	¥1,380,280	\$ 7,685
Interest on loans and discounts .....	487,505	551,617	1,067,390	5,817
Interest and dividends on securities.....	128,763	122,723	229,411	1,537
Interest on receivables under resale agreements.....	77	130	193	1
Interest on receivables under securities borrowing transactions.....	1,269	2,081	4,061	15
Interest on deposits with banks .....	6,416	7,065	13,863	77
Other interest income .....	19,973	22,735	65,360	238
Trust fees .....	1,025	518	1,736	12
Fees and commissions.....	211,621	196,019	412,960	2,526
Trading income.....	135,177	107,525	115,356	1,613
Other operating income .....	174,399	59,020	85,788	2,081
Other income.....	8,983	8,377	91,654	107
<b>Total income .....</b>	<b>1,175,212</b>	<b>1,077,817</b>	<b>2,087,777</b>	<b>14,024</b>
<b>Expenses</b>				
Interest expenses .....	155,774	188,584	333,919	1,859
Interest on deposits.....	58,272	81,457	146,198	695
Interest on borrowings and rediscounts.....	44,730	58,513	107,927	534
Interest on payables under repurchase agreements.....	629	592	982	8
Interest on payables under securities lending transactions .....	2,755	4,042	6,103	33
Interest on bonds and short-term bonds .....	30,294	34,852	64,598	361
Other interest expenses .....	19,090	9,126	8,107	228
Fees and commissions payments.....	71,940	65,318	126,246	858
Other operating expenses.....	99,937	96,199	80,703	1,193
General and administrative expenses .....	364,930	366,698	735,181	4,355
Provision for reserve for possible loan losses.....	23,498	46,243	85,084	280
Other expenses .....	69,104	169,665	271,891	825
<b>Total expenses.....</b>	<b>785,185</b>	<b>932,711</b>	<b>1,633,026</b>	<b>9,370</b>
<b>Income before income taxes .....</b>	<b>390,026</b>	<b>145,106</b>	<b>454,750</b>	<b>4,654</b>
Income taxes:				
Current.....	19,862	21,637	44,997	237
Deferred.....	18,963	10,839	91,757	226
<b>Net income.....</b>	<b>¥ 351,199</b>	<b>¥ 112,628</b>	<b>¥ 317,995</b>	<b>\$ 4,191</b>

Notes: 1. Amounts less than 1 million yen have been omitted.

2. For the convenience of readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥83.80 to US\$1, the exchange rate prevailing at September 30, 2010.

# Income Analysis (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

## Operating Income, Classified by Domestic and Overseas Operations

Six months ended September 30	Millions of yen							
	2010				2009			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income .....	¥691,401	¥172,774	¥(45,490)	¥818,685	¥701,059	¥210,458	¥(52,664)	¥858,852
Interest expenses.....	153,753	49,278	(44,895)	158,135	157,983	69,186	(51,492)	175,677
Net interest income .....	537,648	123,495	(594)	660,550	543,076	141,271	(1,172)	683,175
Trust fees.....	1,052	—	—	1,052	540	—	—	540
Fees and commissions .....	388,344	41,088	(927)	428,506	284,405	37,896	(607)	321,694
Fees and commissions payments .....	64,870	5,292	(175)	69,987	58,905	3,851	(591)	62,165
Net fees and commissions.....	323,474	35,795	(751)	358,518	225,499	34,045	(16)	259,528
Trading income.....	192,500	22,797	(26,643)	188,653	135,035	20,869	(15,319)	140,586
Trading losses .....	11,956	14,686	(26,643)	—	7,520	7,798	(15,319)	—
Net trading income.....	180,543	8,110	—	188,653	127,514	13,071	—	140,586
Other operating income .....	477,292	47,118	(120)	524,289	211,467	24,932	—	236,399
Other operating expenses.....	396,172	20,212	(90)	416,294	231,672	22,521	—	254,194
Net other operating income (expenses) .....	81,119	26,905	(30)	107,995	(20,205)	2,410	—	(17,794)

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest expenses" are shown after deduction of expenses (first half of fiscal 2010, ¥10 million; first half of fiscal 2009, ¥10 million) related to the management of money held in trust.
3. Intersegment transactions are reported in the "Elimination" column.

## Fees and Commissions

Six months ended September 30	Millions of yen							
	2010				2009			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions.....	¥388,344	¥41,088	¥(927)	¥428,506	¥284,405	¥37,896	¥(607)	¥321,694
Deposits and loans .....	10,377	26,803	(6)	37,174	10,266	23,875	(5)	34,135
Remittances and transfers.....	59,819	3,982	(1)	63,801	57,440	3,665	(1)	61,105
Securities-related business.....	32,714	20	—	32,734	17,188	0	—	17,188
Agency .....	8,763	—	—	8,763	7,444	—	—	7,444
Safe deposits .....	3,502	1	—	3,503	3,575	1	—	3,577
Guarantees.....	24,445	4,866	(118)	29,193	19,980	5,960	(126)	25,814
Credit card business .....	85,425	—	—	85,425	70,978	—	—	70,978
Investment trusts .....	80,220	1,023	—	81,244	—	—	—	—
Fees and commissions payments.....	¥ 64,870	¥ 5,292	¥(175)	¥ 69,987	¥ 58,905	¥ 3,851	¥(591)	¥ 62,165
Remittances and transfers.....	14,108	2,993	(76)	17,025	12,917	1,910	(62)	14,764

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.
3. "Investment trusts" are reported as sub-account of "Fees and commissions" from the six months ended September 30, 2010, because their significance increased.

## Trading Income

Six months ended September 30	Millions of yen							
	2010				2009			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading income.....	¥192,500	¥22,797	¥(26,643)	¥188,653	¥135,035	¥20,869	¥(15,319)	¥140,586
Gains on trading securities .....	48,931	1,961	—	50,893	22,053	—	—	22,053
Gains on securities related to trading transactions .....	2,861	286	—	3,147	1,627	70	—	1,697
Gains on trading-related financial derivatives.....	140,274	20,548	(26,643)	134,179	111,040	20,799	(15,319)	116,520
Others .....	433	—	—	433	314	—	—	314
Trading losses.....	¥ 11,956	¥14,686	¥(26,643)	¥ —	¥ 7,520	¥ 7,798	¥(15,319)	¥ —
Losses on trading securities .....	—	—	—	—	—	—	—	—
Losses on securities related to trading transactions .....	—	—	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	11,956	14,686	(26,643)	—	7,520	7,798	(15,319)	—
Others .....	—	—	—	—	—	—	—	—

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Intersegment transactions are reported in the "Elimination" column.

# Assets and Liabilities (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

## Deposits and Negotiable Certificates of Deposit

September 30	Millions of yen	
	2010	2009
Domestic operations:		
Liquid deposits .....	¥42,861,721	¥41,648,259
Fixed-term deposits .....	25,249,745	23,893,267
Others .....	3,703,238	3,517,979
Subtotal .....	71,814,705	69,059,506
Negotiable certificates of deposit .....	6,902,212	6,404,366
Total .....	¥78,716,917	¥75,463,873
Overseas operations:		
Liquid deposits .....	¥ 4,653,058	¥ 5,212,179
Fixed-term deposits .....	1,527,405	1,690,174
Others .....	101,738	6,098
Subtotal .....	6,282,203	6,908,452
Negotiable certificates of deposit .....	2,075,503	1,925,755
Total .....	¥ 8,357,706	¥ 8,834,208
Grand total .....	¥87,074,624	¥84,298,081

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.  
2. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice  
3. Fixed-term deposits = Time deposits + Installment savings

## Balance of Loan Portfolio, Classified by Industry

September 30	Millions of yen			
	2010		2009	
Domestic operations:				
Manufacturing .....	¥ 6,431,680	11.64%	¥ 6,804,427	12.27%
Agriculture, forestry, fisheries and mining .....	122,881	0.22	128,076	0.23
Construction .....	1,038,333	1.88	1,191,770	2.15
Transportation, communications and public enterprises .....	3,250,652	5.89	3,292,411	5.94
Wholesale and retail .....	4,332,824	7.85	4,693,774	8.46
Finance and insurance .....	3,971,643	7.19	4,524,480	8.16
Real estate, goods rental and leasing .....	7,942,643	14.38	8,477,748	15.28
Services .....	3,961,976	7.17	4,185,584	7.55
Municipalities .....	1,157,500	2.10	1,110,144	2.00
Others .....	23,018,035	41.68	21,051,928	37.96
Subtotal .....	¥55,228,171	100.00%	¥55,460,347	100.00%
Overseas operations:				
Public sector .....	¥ 42,171	0.51%	¥ 30,733	0.34%
Financial institutions .....	515,150	6.20	519,845	5.71
Commerce and industry .....	6,986,115	84.13	7,639,207	83.99
Others .....	761,063	9.16	906,027	9.96
Subtotal .....	¥ 8,304,499	100.00%	¥ 9,095,813	100.00%
Total .....	¥63,532,671	—	¥64,556,160	—

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.  
2. Japan offshore banking accounts are included in overseas operations' accounts.

## Risk-Monitored Loans

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt loans .....	¥ 117,082	¥ 245,109	¥ 165,131
Non-accrual loans .....	1,080,363	1,132,394	1,075,782
Past due loans (3 months or more) .....	42,043	51,983	38,315
Restructured loans .....	330,516	220,384	250,256
Total .....	¥1,570,004	¥1,649,873	¥1,529,484
Amount of direct reduction .....	¥ 728,534	¥ 685,500	¥ 727,633

### Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

## Securities

September 30	Millions of yen	
	2010	2009
<b>Domestic operations:</b>		
Japanese government bonds .....	¥20,618,565	¥16,299,762
Japanese local government bonds .....	534,230	322,541
Japanese corporate bonds .....	3,502,201	3,749,956
Japanese stocks .....	2,656,097	3,041,337
Others .....	4,059,731	3,136,609
Subtotal .....	¥31,370,826	¥26,550,207
<b>Overseas operations:</b>		
Japanese government bonds .....	¥ —	¥ —
Japanese local government bonds .....	—	—
Japanese corporate bonds .....	—	—
Japanese stocks .....	—	—
Others .....	2,021,434	1,553,439
Subtotal .....	¥ 2,021,434	¥ 1,553,439
<b>Unallocated corporate assets:</b>		
Japanese government bonds .....	¥ —	¥ —
Japanese local government bonds .....	—	—
Japanese corporate bonds .....	—	—
Japanese stocks .....	43,464	251,781
Others .....	—	—
Subtotal .....	¥ 43,464	¥ 251,781
<b>Total .....</b>	<b>¥33,435,725</b>	<b>¥28,355,428</b>

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. "Others" include foreign bonds and foreign stocks.

## Trading Assets and Liabilities

Millions of yen

September 30	2010				2009			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets .....	¥8,146,608	¥676,949	¥(52,154)	¥8,771,403	¥4,125,591	¥785,703	¥(32,026)	¥4,879,268
Trading securities .....	3,779,037	61,809	—	3,840,847	800,604	47,688	—	848,292
Derivatives of trading securities .....	5,335	—	—	5,335	844	—	—	844
Securities related to trading transactions .....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions .....	12,112	103	—	12,216	8,296	—	—	8,296
Trading-related financial derivatives .....	3,945,174	615,036	(52,154)	4,508,057	2,977,893	730,629	(32,026)	3,676,495
Other trading assets .....	404,946	—	—	404,946	337,953	7,386	—	345,339
Trading liabilities .....	¥5,914,710	¥724,515	¥(52,154)	¥6,587,071	¥2,828,131	¥683,064	¥(32,026)	¥3,479,169
Trading securities sold for short sales .....	2,041,831	1,324	—	2,043,156	15,286	1,010	—	16,297
Derivatives of trading securities .....	7,814	—	—	7,814	695	—	—	695
Securities related to trading transactions sold for short sales .....	—	—	—	—	—	—	—	—
Derivatives of securities related to trading transactions .....	11,514	48	—	11,563	8,398	—	—	8,398
Trading-related financial derivatives .....	3,853,549	723,142	(52,154)	4,524,538	2,803,751	682,053	(32,026)	3,453,778
Other trading liabilities .....	—	—	—	—	—	—	—	—

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Intersegment transactions are reported in the "Elimination" column.

# Capital (Nonconsolidated)

Sumitomo Mitsui Financial Group, Inc.

Capital Stock (as of September 30, 2010)

¥2,337,895 million

## Number of Shares Issued

September 30, 2010	Number of shares issued
Common stock .....	1,414,055,625
Preferred stock (1st series Type 6) .....	70,001
Total .....	1,414,125,626

## Stock Exchange Listings

Tokyo Stock Exchange (First Section)  
Osaka Securities Exchange (First Section)  
Nagoya Stock Exchange (First Section)

## Principal Shareholders

### a. Common Stock

September 30, 2010	Number of shares	Percentage of shares outstanding
Japan Trustee Services Bank, Ltd. (Trust Account).....	93,254,018	6.59%
The Master Trust Bank of Japan, Ltd. (Trust Account).....	78,148,600	5.52
Japan Trustee Services Bank, Ltd. (Trust Account 9).....	28,551,500	2.01
SSBT OD05 Omnibus Account — Treaty Clients*.....	23,786,329	1.68
State Street Bank and Trust Company 505225**.....	17,594,811	1.24
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension**.....	16,845,483	1.19
The Chase Manhattan Bank 385036**.....	15,734,300	1.11
Nippon Life Insurance Company.....	15,466,682	1.09
Rabobank Nederland, Tokyo Branch***.....	15,334,000	1.08
NT RE GOVT OF SPORE INVT CORP P.LTD*.....	14,326,978	1.01
Total .....	319,042,701	22.56%

\* Standing agent: The Hongkong and Shanghai Banking Corporation Limited's Tokyo Branch

\*\* Standing agent: Mizuho Corporate Bank, Ltd.

\*\*\* Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

### b. Preferred Stock (1st series Type 6)

September 30, 2010	Number of shares	Percentage of shares outstanding
Sumitomo Life Insurance Company.....	23,334	33.33%
Nippon Life Insurance Company.....	20,000	28.57
MITSUI LIFE INSURANCE COMPANY LIMITED.....	16,667	23.81
Mitsui Sumitomo Insurance Company, Limited.....	10,000	14.29
Total .....	70,001	100.00%

# Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Gross Banking Profit, Classified by Domestic and International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	¥505,941	¥139,219	¥644,005	¥544,710	¥164,223	¥706,355
			[1,155]			[2,579]
Interest expenses .....	72,993	83,925	155,763	85,330	105,822	188,574
			[1,155]			[2,579]
Net interest income .....	432,948	55,293	488,242	459,380	58,400	517,781
Trust fees .....	1,025	—	1,025	518	—	518
Fees and commissions .....	161,177	50,443	211,621	153,056	42,963	196,019
Fees and commissions payments .....	62,955	8,985	71,940	57,081	8,236	65,318
Net fees and commissions .....	98,222	41,458	139,681	95,975	34,726	130,701
Trading income .....	651	134,525	135,177	1,588	105,936	107,525
Trading losses .....	—	—	—	—	—	—
Net trading income .....	651	134,525	135,177	1,588	105,936	107,525
Other operating income .....	58,627	118,041	174,399	17,210	42,655	59,020
Other operating expenses .....	18,557	83,650	99,937	23,151	73,893	96,199
Net other operating income (expenses) .....	40,070	34,391	74,461	(5,940)	(31,237)	(37,178)
Gross banking profit .....	¥572,918	¥265,668	¥838,587	¥551,522	¥167,825	¥719,348
Gross banking profit rate (%) .....	1.50%	3.16%	1.82%	1.48%	1.97%	1.58%

- Notes: 1. Domestic operations include yen-denominated transactions by domestic branches, while international operations include foreign-currency-denominated transactions by domestic branches and operations by overseas branches. Yen-denominated nonresident transactions and Japan offshore banking accounts are included in international operations.
2. "Interest expenses" are shown after deduction of amounts equivalent to interest expenses on money held in trust (first half of fiscal 2010, ¥10 million; first half of fiscal 2009, ¥10 million).
3. Figures in brackets [ ] indicate interest payments between domestic and international operations. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
4. The total amounts for "Other operating income" and "Other operating expenses" for the first half of fiscal 2010 are lower than the total amounts of "Domestic operations" and "International operations" by ¥2,270 million each. The relevant amount for the first half of fiscal 2009 is ¥845 million. This is attributable to record gains and losses on financial derivatives on a net basis.
5. Gross banking profit rate = Gross banking profit / Days in the interim period × Days in the fiscal year / Average balance of interest-earning assets × 100

## Average Balance, Interest and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

### Domestic Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	¥75,777,863	¥505,941	1.33%	¥74,198,755	¥544,710	1.46%
	[1,112,657]	[1,155]		[374,155]	[591]	
Loans and bills discounted .....	47,859,784	401,609	1.67	50,055,903	443,872	1.76
Securities .....	25,766,308	93,773	0.72	21,683,068	89,841	0.82
Call loans .....	59,892	161	0.53	62,540	217	0.69
Receivables under resale agreements .....	—	—	—	191	0	0.13
Receivables under securities borrowing transactions .....	574,769	1,251	0.43	1,608,022	2,081	0.25
Bills bought .....	30,815	700	4.53	29,390	464	3.15
Deposits with banks .....	99,747	261	0.52	106,376	474	0.88
Interest-bearing liabilities .....	¥74,934,344	¥ 72,993	0.19%	¥75,346,410	¥ 85,330	0.22%
					[1,988]	
Deposits .....	61,134,266	29,607	0.09	59,625,502	42,496	0.14
Negotiable certificates of deposit .....	7,087,942	6,914	0.19	7,579,472	10,930	0.28
Call money .....	1,338,838	589	0.08	1,709,927	1,051	0.12
Payables under repurchase agreements .....	104,851	60	0.11	374,048	234	0.12
Payables under securities lending transactions .....	1,140,213	523	0.09	1,180,379	1,007	0.17
Borrowed money .....	1,368,543	4,782	0.69	2,423,773	6,446	0.53
Short-term bonds .....	80,549	47	0.11	150,121	173	0.23
Bonds .....	2,463,903	19,848	1.60	2,181,441	16,936	1.54

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2010, ¥842,363 million; first half of fiscal 2009, ¥818,130 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2010, ¥10,645 million; first half of fiscal 2009, ¥9,410 million) and corresponding interest (first half of fiscal 2010, ¥10 million; first half of fiscal 2009, ¥10 million).
2. Figures in brackets [ ] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.



## International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥16,761,818	¥139,219	1.65%	¥16,975,551	¥164,223	1.92%
					[1,988]	
Loans and bills discounted.....	8,411,928	83,421	1.97	9,530,345	105,985	2.21
Securities.....	4,911,113	34,990	1.42	4,280,506	32,882	1.53
Call loans.....	384,464	1,612	0.83	207,687	1,078	1.03
Receivables under resale agreements.....	15,115	77	1.02	44,187	130	0.59
Receivables under securities borrowing transactions.....	4,579	17	0.77	—	—	—
Deposits with banks.....	1,971,967	6,154	0.62	2,059,095	6,591	0.63
Interest-bearing liabilities.....	¥16,238,077	¥ 83,925	1.03%	¥16,831,426	¥105,822	1.25%
	[1,112,657]	[1,155]		[374,155]	[591]	
Deposits.....	7,673,079	13,069	0.33	8,723,784	20,472	0.46
Negotiable certificates of deposit.....	1,789,340	8,680	0.96	1,544,770	7,558	0.97
Call money.....	285,872	769	0.53	729,747	1,360	0.37
Payables under repurchase agreements.....	538,213	569	0.21	402,652	358	0.17
Payables under securities lending transactions.....	1,858,821	2,232	0.23	1,572,954	3,034	0.38
Borrowed money.....	1,693,485	37,996	4.47	2,113,107	49,655	4.68
Bonds.....	794,319	10,399	2.61	1,173,245	17,742	3.01

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2010, ¥58,928 million; first half of fiscal 2009, ¥149,668 million).

2. Figures in brackets [ ] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.

3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method, under which the TT middle rate at the end of the previous month is applied to nonexchange transactions of the month concerned.

## Total of Domestic and International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥91,427,024	¥644,005	1.40%	¥90,800,151	¥706,355	1.55%
Loans and bills discounted.....	56,271,712	485,030	1.71	59,586,248	549,857	1.84
Securities.....	30,677,421	128,763	0.83	25,963,575	122,723	0.94
Call loans.....	444,357	1,773	0.79	270,228	1,295	0.95
Receivables under resale agreements.....	15,115	77	1.02	44,378	130	0.58
Receivables under securities borrowing transactions.....	579,348	1,269	0.43	1,608,022	2,081	0.25
Bills bought.....	30,815	700	4.53	29,390	464	3.15
Deposits with banks.....	2,071,715	6,416	0.61	2,165,471	7,065	0.65
Interest-bearing liabilities.....	¥90,059,764	¥155,763	0.34%	¥91,803,682	¥188,574	0.40%
Deposits.....	68,807,345	42,676	0.12	68,349,287	62,968	0.18
Negotiable certificates of deposit.....	8,877,283	15,595	0.35	9,124,242	18,489	0.40
Call money.....	1,624,710	1,358	0.16	2,439,675	2,411	0.19
Payables under repurchase agreements.....	643,065	629	0.19	776,701	592	0.15
Payables under securities lending transactions.....	2,999,035	2,755	0.18	2,753,333	4,042	0.29
Borrowed money.....	3,062,028	42,779	2.78	4,536,880	56,101	2.46
Short-term bonds.....	80,549	47	0.11	150,121	173	0.23
Bonds.....	3,258,222	30,247	1.85	3,354,686	34,678	2.06

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2010, ¥901,291 million; first half of fiscal 2009, ¥967,798 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2010, ¥10,645 million; first half of fiscal 2009, ¥9,410 million) and corresponding interest (first half of fiscal 2010, ¥10 million; first half of fiscal 2009, ¥10 million).

2. Figures in the table above indicate the net average balances of amounts adjusted for interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.

## Breakdown of Interest Income and Interest Expenses

### Domestic Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥10,543	¥(49,312)	¥(38,769)	¥47,870	¥(101,352)	¥(53,482)
Loans and bills discounted.....	(19,003)	(23,259)	(42,263)	20,865	(57,166)	(36,301)
Securities.....	14,860	(10,928)	3,931	20,508	(31,994)	(11,486)
Call loans.....	(8)	(47)	(56)	(185)	(63)	(248)
Receivables under resale agreements.....	(0)	(0)	(0)	0	(0)	(0)
Receivables under securities borrowing transactions.....	(1,337)	507	(830)	1,670	(1,366)	303
Bills bought.....	23	212	236	(269)	63	(205)
Deposits with banks.....	(27)	(184)	(212)	384	83	468
Interest expenses.....	¥ (464)	¥(11,872)	¥(12,336)	¥ 6,737	¥ (59,609)	¥(52,871)
Deposits.....	730	(13,619)	(12,888)	1,645	(29,474)	(27,829)
Negotiable certificates of deposit.....	(670)	(3,345)	(4,015)	6,963	(4,709)	2,253
Call money.....	(200)	(261)	(461)	(2,132)	(3,938)	(6,070)
Payables under repurchase agreements.....	(157)	(15)	(173)	106	(481)	(374)
Payables under securities lending transactions.....	(33)	(450)	(484)	(1,936)	(2,989)	(4,925)
Borrowed money.....	(2,806)	1,142	(1,663)	1,218	(5,049)	(3,831)
Short-term bonds.....	(61)	(65)	(126)	173	—	173
Bonds.....	2,256	655	2,912	1,065	2,396	3,461

### International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ (2,043)	¥(22,960)	¥(25,003)	¥(43,248)	¥(137,699)	¥(180,948)
Loans and bills discounted.....	(11,737)	(10,826)	(22,563)	(10,408)	(86,603)	(97,012)
Securities.....	4,492	(2,384)	2,108	(12,755)	(30,182)	(42,937)
Call loans.....	741	(207)	534	(1,244)	(2,210)	(3,455)
Receivables under resale agreements.....	(86)	32	(53)	(524)	(268)	(793)
Receivables under securities borrowing transactions.....	17	—	17	—	—	—
Deposits with banks.....	(274)	(162)	(437)	(4,151)	(15,660)	(19,811)
Interest expenses.....	¥ (3,620)	¥(18,276)	¥(21,896)	¥(37,976)	¥(148,422)	¥(186,399)
Deposits.....	(2,259)	(5,143)	(7,402)	(5,879)	(73,963)	(79,842)
Negotiable certificates of deposit.....	1,186	(64)	1,122	3,991	(12,743)	(8,751)
Call money.....	(827)	236	(591)	132	(7,111)	(6,978)
Payables under repurchase agreements.....	135	74	210	(595)	(3,385)	(3,981)
Payables under securities lending transactions.....	343	(1,145)	(802)	(10,885)	(24,686)	(35,572)
Borrowed money.....	(9,497)	(2,161)	(11,658)	5,209	(6,333)	(1,123)
Bonds.....	(5,186)	(2,156)	(7,343)	(3,820)	(1,653)	(5,474)

### Total of Domestic and International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 4,415	¥(66,765)	¥(62,349)	¥45,650	¥(276,861)	¥(231,211)
Loans and bills discounted.....	(29,663)	(35,163)	(64,826)	16,706	(150,020)	(133,313)
Securities.....	19,785	(13,745)	6,039	18,496	(72,920)	(54,424)
Call loans.....	695	(217)	478	(1,461)	(2,242)	(3,704)
Receivables under resale agreements.....	(86)	32	(53)	(523)	(269)	(793)
Receivables under securities borrowing transactions.....	(1,331)	519	(812)	1,670	(1,366)	303
Bills bought.....	23	212	236	(269)	63	(205)
Deposits with banks.....	(298)	(350)	(649)	(3,348)	(15,994)	(19,343)
Interest expenses.....	¥ (3,521)	¥(29,288)	¥(32,810)	¥10,601	¥(246,652)	¥(236,051)
Deposits.....	283	(20,575)	(20,291)	1,593	(109,266)	(107,672)
Negotiable certificates of deposit.....	(489)	(2,404)	(2,893)	11,437	(17,934)	(6,497)
Call money.....	(720)	(332)	(1,053)	(3,740)	(9,308)	(13,049)
Payables under repurchase agreements.....	(102)	139	37	72	(4,428)	(4,356)
Payables under securities lending transactions.....	225	(1,511)	(1,286)	(13,306)	(27,190)	(40,497)
Borrowed money.....	(18,237)	4,915	(13,322)	8,408	(13,363)	(4,954)
Short-term bonds.....	(61)	(65)	(126)	173	—	173
Bonds.....	(974)	(3,456)	(4,431)	(987)	(1,025)	(2,013)

Note: Volume/rate variance is prorated according to changes in volume and rate.

## Fees and Commissions

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥161,177	¥50,443	¥211,621	¥153,056	¥42,963	¥196,019
Deposits and loans.....	5,649	21,639	27,288	5,267	17,504	22,772
Remittances and transfers .....	46,292	12,907	59,200	45,011	11,775	56,786
Securities-related business .....	5,787	297	6,084	6,640	776	7,417
Agency.....	6,103	—	6,103	5,901	—	5,901
Safe deposits.....	3,047	—	3,047	3,148	—	3,148
Guarantees .....	10,418	6,926	17,345	10,536	7,001	17,537
Fees and commissions payments.....	¥ 62,955	¥ 8,985	¥ 71,940	¥ 57,081	¥ 8,236	¥ 65,318
Remittances and transfers .....	10,692	5,113	15,806	10,082	3,529	13,611

## Trading Income

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥651	¥134,525	¥135,177	¥1,588	¥105,936	¥107,525
Gains on trading securities.....	294	—	294	872	—	872
Gains on securities related to trading transactions.....	—	3,147	3,147	—	1,697	1,697
Gains on trading-related financial derivatives .....	—	131,301	131,301	—	104,238	104,238
Others .....	357	75	433	716	—	716
Trading losses .....	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Losses on trading securities.....	—	—	—	—	—	—
Losses on securities related to trading transactions.....	—	—	—	—	—	—
Losses on trading-related financial derivatives .....	—	—	—	—	—	—
Others .....	—	—	—	—	—	—

Note: Figures represent net gains after offsetting income against expenses.

## Net Other Operating Income (Expenses)

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses) .....	¥40,070	¥ 34,391	¥ 74,461	¥ (5,940)	¥(31,237)	¥(37,178)
Gains on bonds .....	39,010	112,173	151,184	8,831	30,057	38,889
Gains (losses) on financial derivatives.....	(2,270)	5,312	3,042	(14,799)	845	(13,954)
Losses on foreign exchange transactions.....	—	(83,091)	(83,091)	—	(60,557)	(60,557)

# Deposits (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Deposits and Negotiable Certificates of Deposit

### Period-End Balance

September 30	Millions of yen			
	2010		2009	
Domestic operations:				
Liquid deposits .....	¥40,440,462	57.9%	¥39,508,411	58.5%
Fixed-term deposits .....	21,232,652	30.4	20,370,400	30.2
Others .....	1,009,952	1.4	983,801	1.5
Subtotal .....	62,683,067	89.7	60,862,614	90.2
Negotiable certificates of deposit .....	7,190,236	10.3	6,594,951	9.8
Total .....	¥69,873,303	100.0%	¥67,457,565	100.0%
International operations:				
Liquid deposits .....	¥ 3,737,612	39.0%	¥ 4,082,751	41.5%
Fixed-term deposits .....	1,178,239	12.3	1,351,986	13.7
Others .....	2,658,610	27.7	2,549,296	25.9
Subtotal .....	7,574,462	79.0	7,984,035	81.1
Negotiable certificates of deposit .....	2,011,155	21.0	1,860,090	18.9
Total .....	¥ 9,585,617	100.0%	¥ 9,844,125	100.0%
Grand total .....	¥79,458,921	—	¥77,301,690	—

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice  
2. Fixed-term deposits = Time deposits + Installment savings

### Average Balance

Six months ended September 30	2010		2009	
	Millions of yen			
Domestic operations:				
Liquid deposits .....	¥39,562,458		¥38,748,357	
Fixed-term deposits .....	21,103,640		20,408,044	
Others .....	468,166		469,100	
Subtotal .....	61,134,266		59,625,502	
Negotiable certificates of deposit .....	7,087,942		7,579,472	
Total .....	¥68,222,208		¥67,204,974	
International operations:				
Liquid deposits .....	¥ 3,732,636		¥ 4,473,952	
Fixed-term deposits .....	1,201,447		1,280,181	
Others .....	2,738,995		2,969,650	
Subtotal .....	7,673,079		8,723,784	
Negotiable certificates of deposit .....	1,789,340		1,544,770	
Total .....	¥ 9,462,420		¥10,268,555	
Grand total .....	¥77,684,628		¥77,473,530	

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice  
2. Fixed-term deposits = Time deposits + Installment savings  
3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

## Balance of Deposits, Classified by Type of Depositor

September 30	Millions of yen			
	2010		2009	
Individual .....	¥35,811,996	52.4%	¥35,172,161	53.5%
Corporate .....	32,534,358	47.6	30,578,362	46.5
Total .....	¥68,346,354	100.0%	¥65,750,523	100.0%

Notes: 1. Figures are before adjustment on interoffice accounts in transit.  
2. Negotiable certificates of deposit are excluded.  
3. Accounts at overseas branches and Japan offshore banking accounts are excluded.

## Balance of Investment Trusts, Classified by Type of Customer

September 30	2010		2009	
	Millions of yen			
Individual .....	¥2,579,176		¥2,417,620	
Corporate .....	303,983		273,963	
Total .....	¥2,883,159		¥2,691,583	

Note: Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the period-end.

## Balance of Time Deposits, Classified by Maturity

September 30	Millions of yen	
	2010	2009
Less than three months.....	¥ 8,132,062	¥ 7,736,581
Fixed interest rates .....	7,054,883	6,485,826
Floating interest rates .....	28,492	100
Others .....	1,048,687	1,250,655
Three — six months .....	4,395,564	4,156,352
Fixed interest rates .....	4,284,568	4,080,573
Floating interest rates .....	19,688	16,410
Others .....	91,306	59,367
Six months — one year .....	6,032,451	5,852,346
Fixed interest rates .....	5,970,477	5,814,775
Floating interest rates .....	35,918	10,023
Others .....	26,055	27,548
One — two years.....	1,612,068	1,512,017
Fixed interest rates .....	1,548,118	1,498,009
Floating interest rates .....	57,865	12,212
Others .....	6,084	1,796
Two — three years.....	1,090,220	1,254,159
Fixed interest rates .....	1,031,600	1,220,735
Floating interest rates .....	54,709	26,660
Others .....	3,910	6,762
Three years or more .....	1,148,480	1,210,884
Fixed interest rates .....	504,520	775,533
Floating interest rates .....	640,992	429,496
Others .....	2,966	5,855
Total .....	¥22,410,847	¥21,722,342
Fixed interest rates .....	20,394,170	19,875,453
Floating interest rates .....	837,666	494,902
Others .....	1,179,010	1,351,986

Note: The figures above do not include installment savings.

# Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Balance of Loans and Bills Discounted

### Period-End Balance

September 30	Millions of yen	
	2010	2009
Domestic operations:		
Loans on notes .....	¥ 1,400,406	¥ 1,669,789
Loans on deeds .....	39,236,487	39,436,664
Overdrafts .....	8,087,295	8,763,923
Bills discounted .....	130,786	156,307
Subtotal .....	¥48,854,975	¥50,026,684
International operations:		
Loans on notes .....	¥ 399,331	¥ 430,267
Loans on deeds .....	8,046,152	8,354,233
Overdrafts .....	91,984	87,512
Bills discounted .....	—	—
Subtotal .....	¥ 8,537,468	¥ 8,872,014
Total .....	¥57,392,444	¥58,898,698

### Average Balance

Six months ended September 30	Millions of yen	
	2010	2009
Domestic operations:		
Loans on notes .....	¥ 1,445,714	¥ 1,829,649
Loans on deeds .....	38,214,724	38,946,584
Overdrafts .....	8,064,442	9,107,690
Bills discounted .....	134,902	171,978
Subtotal .....	¥47,859,784	¥50,055,903
International operations:		
Loans on notes .....	¥ 420,600	¥ 437,798
Loans on deeds .....	7,889,121	8,999,940
Overdrafts .....	102,206	92,404
Bills discounted .....	—	201
Subtotal .....	¥ 8,411,928	¥ 9,530,345
Total .....	¥56,271,712	¥59,586,248

Note: The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

## Balance of Loans and Bills Discounted, Classified by Purpose

September 30	Millions of yen			
	2010		2009	
Funds for capital investment .....	¥21,300,828	37.1%	¥21,362,390	36.3%
Funds for working capital .....	36,091,615	62.9	37,536,308	63.7
Total .....	¥57,392,444	100.0%	¥58,898,698	100.0%

## Balance of Loans and Bills Discounted, Classified by Collateral

September 30	Millions of yen	
	2010	2009
Securities .....	¥ 519,481	¥ 547,036
Commercial claims .....	975,652	984,584
Commercial goods .....	—	—
Real estate .....	6,837,450	6,609,594
Others .....	648,398	555,664
Subtotal .....	8,980,983	8,696,879
Guaranteed .....	20,914,949	21,155,429
Unsecured .....	27,496,511	29,046,389
Total .....	¥57,392,444	¥58,898,698

## Balance of Loans and Bills Discounted, Classified by Maturity

September 30	Millions of yen	
	2010	2009
One year or less .....	¥11,105,929	¥ 9,773,694
One — three years .....	9,367,836	10,216,528
Floating interest rates .....	7,329,159	7,737,369
Fixed interest rates .....	2,038,677	2,479,158
Three — five years .....	7,271,919	8,267,616
Floating interest rates .....	5,486,187	6,227,357
Fixed interest rates .....	1,785,732	2,040,259
Five — seven years .....	2,450,630	3,038,611
Floating interest rates .....	2,013,584	2,331,443
Fixed interest rates .....	437,046	707,167
More than seven years .....	19,016,847	18,750,811
Floating interest rates .....	18,023,935	17,541,883
Fixed interest rates .....	992,911	1,208,928
No designated term .....	8,179,279	8,851,436
Floating interest rates .....	8,179,279	8,851,436
Fixed interest rates .....	—	—
Total .....	¥57,392,444	¥58,898,698

Note: Loans with a maturity of one year or less are not classified by floating or fixed interest rates.

## Balance of Loan Portfolio, Classified by Industry

September 30	Millions of yen			
	2010		2009	
Domestic operations:				
Manufacturing .....	¥ 6,056,497	12.0%	¥ 6,446,898	12.5%
Agriculture, forestry, fisheries and mining .....	117,398	0.2	121,834	0.2
Construction .....	842,617	1.7	1,018,918	2.0
Transportation, communications and public enterprises .....	3,048,258	6.0	3,107,002	6.0
Wholesale and retail .....	3,902,705	7.7	4,291,667	8.3
Finance and insurance .....	5,759,083	11.4	5,989,995	11.6
Real estate, goods rental and leasing .....	6,552,915	13.0	7,091,260	13.8
Services .....	3,619,545	7.2	3,966,256	7.7
Municipalities .....	1,041,730	2.0	977,131	2.0
Others .....	19,575,467	38.8	18,449,610	35.9
Subtotal .....	¥50,516,218	100.0%	¥51,460,576	100.0%
Overseas operations:				
Public sector .....	¥ 26,588	0.4%	¥ 20,060	0.3%
Financial institutions .....	507,889	7.4	467,123	6.3
Commerce and industry .....	5,849,983	85.1	6,393,743	85.9
Others .....	491,763	7.1	557,195	7.5
Subtotal .....	¥ 6,876,225	100.0%	¥ 7,438,122	100.0%
Total .....	¥57,392,444	—	¥58,898,698	—

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches). Overseas operations comprise the operations of SMBC's overseas branches.

2. Japan offshore banking accounts are included in overseas operations' accounts.

## Loans to Individuals/Small and Medium-Sized Enterprises

September 30	Millions of yen	
	2010	2009
Total domestic loans (A) .....	¥50,516,218	¥51,460,576
Loans to individuals, and small and medium-sized enterprises (B) .....	33,908,478	34,682,344
(B) / (A) .....	67.1%	67.4%

Notes: 1. The figures above exclude the outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized enterprises are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

## Consumer Loans Outstanding

September 30	Millions of yen	
	2010	2009
Consumer loans .....	¥15,360,685	¥15,156,150
Housing loans .....	14,472,781	14,239,885
Residential purpose .....	11,050,254	10,719,544
Others .....	887,903	916,264

Note: Housing loans include general-purpose loans used for housing purposes as well as housing loans and apartment house acquisition loans.

## Breakdown of Reserve for Possible Loan Losses

Six months ended September 30, 2010	Millions of yen				Balance at the end of the interim period
	Balance at the beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		
			Objectives	Others	
General reserve for possible loan losses .....	¥491,054 [4,596]	¥490,778	¥ —	¥491,054*	¥490,778
Specific reserve for possible loan losses .....	260,678 [1,664]	256,096	28,351	232,327*	256,096
Loan loss reserve for specific overseas countries .....	184	190	—	184*	190
Total .....	¥751,917 [6,261]	¥747,064	¥28,351	¥723,566	¥747,064
Amount of direct reduction .....	¥475,586 [2,455]				¥477,022

\* Transfer from reserves by reversal or origination method

Note: Figures in brackets [ ] indicate foreign exchange translation adjustments.

Six months ended September 30, 2009	Millions of yen				Balance at the end of the interim period
	Balance at the beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		
			Objectives	Others	
General reserve for possible loan losses .....	¥502,108 [4,541]	¥459,001	¥ —	¥503,980* <sup>1,2</sup>	¥457,129
Specific reserve for possible loan losses .....	284,756 [61]	327,493	46,767	242,860* <sup>1,2</sup>	322,622
Loan loss reserve for specific overseas countries .....	417	263	—	417* <sup>1</sup>	263
Total .....	¥787,281 [4,603]	¥786,758	¥46,767	¥747,258	¥780,014
Amount of direct reduction .....	¥476,317 [3,166]				¥536,266

\*<sup>1</sup> Transfer from reserves by reversal or origination method

\*<sup>2</sup> "Others" under "Decrease during the interim period" include the amount transferred to Sumitomo Mitsui Banking Corporation (China) Limited in connection with a business transfer. The transferred amount comprises ¥1,872 million for the general reserve for possible loan losses and ¥4,871 million for the specific reserve for possible loan losses.

Note: Figures in brackets [ ] indicate foreign exchange translation adjustments.

## Write-Off of Loans

Six months ended September 30	Millions of yen	
	2010	2009
Write-off of loans .....	¥22,851	¥82,501

Note: Write-off of loans includes amount of direct reduction.

## Specific Overseas Loans

September 30	Millions of yen	
	2010	2009
Iceland .....	¥1,046	¥ 927
Ukraine .....	355	1,818
Pakistan .....	57	51
Argentina .....	5	4
Total .....	¥1,464	¥2,801
Ratio of the total amounts to total assets .....	0.00%	0.00%
Number of countries .....	4	4



## Risk-Monitored Loans

### Consolidated

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt loans .....	¥ 116,253	¥ 242,722	¥ 162,969
Non-accrual loans .....	994,471	1,107,915	1,047,913
Past due loans (3 months or more) .....	29,642	51,983	38,249
Restructured loans .....	305,648	219,676	249,139
Total .....	¥1,446,014	¥1,622,298	¥1,498,271
Amount of direct reduction.....	¥ 710,911	¥ 666,314	¥ 710,815

### Nonconsolidated

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt loans .....	¥ 82,128	¥ 163,747	¥ 112,973
Non-accrual loans .....	743,894	827,649	776,364
Past due loans (3 months or more) .....	11,564	38,678	22,889
Restructured loans .....	176,201	147,031	155,790
Total .....	¥1,013,788	¥1,177,107	¥1,068,017
Amount of direct reduction.....	¥ 411,356	¥ 459,876	¥ 411,715

Notes: **Definition of risk-monitored loan categories**

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

## Problem Assets Based on the Financial Reconstruction Law

### Nonconsolidated

	Millions of yen		
	September 30		March 31
	2010	2009	2010
Bankrupt and quasi-bankrupt assets .....	¥ 178,605	¥ 289,059	¥ 224,335
Doubtful assets .....	676,277	767,168	697,670
Substandard loans .....	187,766	185,710	178,679
Total of problem assets .....	1,042,648	1,241,938	1,100,685
Normal assets .....	62,898,942	64,242,117	62,116,059
Total .....	¥63,941,591	¥65,484,055	¥63,216,745
Amount of direct reduction.....	¥ 477,022	¥ 536,266	¥ 478,042

Notes: **Definition of problem asset categories**

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law No. 132 of 1998) and classified into the 4 categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include private placement bonds, loans and bills discounted, foreign exchanges, accrued interest, and suspense payment in "other assets," customers' liabilities for acceptances and guarantees, and securities lent under the loan for consumption or leasing agreements.

Private placement bonds guaranteed by SMBC have been recorded with fair value since March 31, 2010, in accordance with the revision of "Accounting Standard for Financial Instruments."

1. Bankrupt and quasi-bankrupt assets: Credits to borrowers undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings, as well as claims of a similar nature
2. Doubtful assets: Credits for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower
3. Substandard loans: Past due loans (3 months or more) and restructured loans, excluding 1. and 2.
4. Normal assets: Credits to borrowers with good business performance and in financial standing without identified problems and not classified into the 3 categories above

# Securities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Balance of Securities

### Period-End Balance

September 30	Millions of yen	
	2010	2009
Domestic operations:		
Japanese government bonds.....	¥20,006,774	¥15,748,378
Japanese local government bonds .....	308,222	169,156
Japanese corporate bonds .....	3,070,392	3,308,059
Japanese stocks.....	3,435,967	3,185,243
Others.....	283,263	299,651
Foreign bonds.....	/	/
Foreign stocks .....	/	/
Subtotal .....	¥27,104,619	¥22,710,489
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds .....	—	—
Japanese corporate bonds .....	—	—
Japanese stocks.....	—	—
Others.....	6,332,137	4,949,402
Foreign bonds.....	4,838,392	3,530,796
Foreign stocks .....	1,493,744	1,418,605
Subtotal .....	¥ 6,332,137	¥ 4,949,402
Total.....	¥33,436,757	¥27,659,892

### Average Balance

Six months ended September 30	Millions of yen	
	2010	2009
Domestic operations:		
Japanese government bonds.....	¥18,841,953	¥15,060,133
Japanese local government bonds .....	246,344	186,394
Japanese corporate bonds .....	3,038,974	3,364,037
Japanese stocks.....	3,313,781	2,708,147
Others.....	325,254	364,355
Foreign bonds.....	/	/
Foreign stocks .....	/	/
Subtotal .....	¥25,766,308	¥21,683,068
International operations:		
Japanese government bonds.....	¥ —	¥ —
Japanese local government bonds .....	—	—
Japanese corporate bonds .....	—	—
Japanese stocks.....	—	—
Others.....	4,911,113	4,280,506
Foreign bonds.....	3,484,382	2,917,457
Foreign stocks .....	1,426,730	1,363,048
Subtotal .....	¥ 4,911,113	¥ 4,280,506
Total.....	¥30,677,421	¥25,963,575

Note: The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

## Balance of Securities Held, Classified by Maturity

September 30	Millions of yen	
	2010	2009
One year or less		
Japanese government bonds.....	¥11,384,312	¥ 4,534,425
Japanese local government bonds .....	1,095	8,801
Japanese corporate bonds .....	218,751	424,444
Others .....	470,584	544,604
Foreign bonds.....	455,573	518,168
Foreign stocks .....	—	12
One — three years		
Japanese government bonds.....	2,154,926	3,943,894
Japanese local government bonds .....	75,454	1,234
Japanese corporate bonds .....	1,191,533	809,829
Others .....	1,802,482	1,311,414
Foreign bonds.....	1,750,108	1,258,726
Foreign stocks .....	—	—
Three — five years		
Japanese government bonds.....	3,233,207	4,220,434
Japanese local government bonds .....	178,126	85,104
Japanese corporate bonds .....	955,431	1,269,404
Others .....	1,133,481	739,404
Foreign bonds.....	1,108,657	707,905
Foreign stocks .....	—	—
Five — seven years		
Japanese government bonds.....	358,956	290,256
Japanese local government bonds .....	12,892	65,103
Japanese corporate bonds .....	368,729	396,721
Others .....	986,665	442,774
Foreign bonds.....	946,876	425,852
Foreign stocks .....	—	—
Seven — 10 years		
Japanese government bonds.....	2,875,371	1,762,437
Japanese local government bonds .....	40,602	8,861
Japanese corporate bonds .....	255,190	320,748
Others .....	526,055	575,968
Foreign bonds.....	523,939	552,543
Foreign stocks .....	—	—
More than 10 years		
Japanese government bonds.....	—	996,931
Japanese local government bonds .....	49	50
Japanese corporate bonds .....	80,756	86,911
Others .....	228,951	183,378
Foreign bonds.....	53,237	67,600
Foreign stocks .....	165,631	115,777
No designated term		
Japanese government bonds.....	—	—
Japanese local government bonds .....	—	—
Japanese corporate bonds .....	—	—
Japanese stocks.....	3,435,967	3,185,243
Others .....	1,467,180	1,451,510
Foreign bonds.....	—	—
Foreign stocks .....	1,328,113	1,302,816
Total		
Japanese government bonds.....	¥20,006,774	¥15,748,378
Japanese local government bonds .....	308,222	169,156
Japanese corporate bonds .....	3,070,392	3,308,059
Japanese stocks.....	3,435,967	3,185,243
Others .....	6,615,400	5,249,054
Foreign bonds.....	4,838,392	3,530,796
Foreign stocks .....	1,493,744	1,418,605

# Ratios (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Income Ratio

Six months ended September 30	Percentage	
	2010	2009
Ordinary profit to total assets.....	0.74%	0.27%
Ordinary profit to stockholders' equity.....	14.68	8.88
Net income to total assets .....	0.66	0.21
Net income to stockholders' equity .....	13.10	6.76

Notes: 1. Ordinary profit (net income) to total assets = Ordinary profit (net income) / Days in the interim period × Days in the fiscal year / Average balance of total assets excluding customers' liabilities for acceptances and guarantees × 100  
 2. Ordinary profit (net income) to stockholders' equity = (Ordinary profit (net income) – Preferred dividends) / Days in the interim period × Days in the fiscal year / {(Net assets at the beginning of the fiscal year – Number of shares of preferred stock outstanding at the beginning of the fiscal year × Issue price) + (Net assets at the end of the interim period – Number of shares of preferred stock outstanding at the end of the interim period × Issue price)} divided by 2 × 100

## Yield/Interest Rate

Six months ended September 30	Percentage	
	2010	2009
Domestic operations:		
Interest-earning assets (A).....	1.33%	1.46%
Interest-bearing liabilities (B) .....	1.01	1.03
(A) – (B) .....	0.32	0.43
International operations:		
Interest-earning assets (A).....	1.65%	1.92%
Interest-bearing liabilities (B) .....	1.47	1.67
(A) – (B) .....	0.18	0.25
Total:		
Interest-earning assets (A).....	1.40%	1.55%
Interest-bearing liabilities (B) .....	1.10	1.15
(A) – (B) .....	0.30	0.40

## Loan-Deposit Ratio

September 30	Millions of yen	
	2010	2009
Domestic operations:		
Loans and bills discounted (A) .....	¥48,854,975	¥50,026,684
Deposits (B) .....	69,873,303	67,457,565
Loan-deposit ratio (%)		
(A) / (B) .....	69.91%	74.16%
Ratio by average balance for the interim period.....	70.15	74.48
International operations:		
Loans and bills discounted (A) .....	¥ 8,537,468	¥ 8,872,014
Deposits (B) .....	9,585,617	9,844,125
Loan-deposit ratio (%)		
(A) / (B) .....	89.06%	90.12%
Ratio by average balance for the interim period.....	88.89	92.81
Total:		
Loans and bills discounted (A) .....	¥57,392,444	¥58,898,698
Deposits (B) .....	79,458,921	77,301,690
Loan-deposit ratio (%)		
(A) / (B) .....	72.22%	76.19%
Ratio by average balance for the interim period.....	72.43	76.91

Note: Deposits include negotiable certificates of deposit.

## Securities-Deposit Ratio

September 30	Millions of yen	
	2010	2009
Domestic operations:		
Securities (A).....	¥27,104,619	¥22,710,489
Deposits (B).....	69,873,303	67,457,565
Securities-deposit ratio (%)		
(A) / (B).....	38.79%	33.66%
Ratio by average balance for the interim period.....	37.76	32.26
International operations:		
Securities (A).....	¥ 6,332,137	¥ 4,949,402
Deposits (B).....	9,585,617	9,844,125
Securities-deposit ratio (%)		
(A) / (B).....	66.05%	50.27%
Ratio by average balance for the interim period.....	51.90	41.68
Total:		
Securities (A).....	¥33,436,757	¥27,659,892
Deposits (B).....	79,458,921	77,301,690
Securities-deposit ratio (%)		
(A) / (B).....	42.08%	35.78%
Ratio by average balance for the interim period.....	39.48	33.51

Note: Deposits include negotiable certificates of deposit.

# Capital (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Capital Stock (as of September 30, 2010)

¥1,770,996 million

## Number of Shares Issued

September 30, 2010	Number of shares issued
Common stock .....	106,248,400
Preferred stock (1st series Type 6) .....	70,001
<b>Total .....</b>	<b>106,318,401</b>

Note: The shares above are not listed on any stock exchange.

## Principal Shareholders

### a. Common Stock

September 30, 2010	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Financial Group, Inc. ....	106,248,400	100.00%

### b. Preferred Stock (1st series Type 6)

September 30, 2010	Number of shares	Percentage of shares outstanding
Sumitomo Mitsui Financial Group, Inc. ....	70,001	100.00%

# Others (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

September 30	Millions of yen	
	2010	2009
Securities .....	¥ 19,611	¥ 20,635
Commercial claims .....	20,981	12,766
Commercial goods .....	—	1,331
Real estate .....	46,862	53,475
Others .....	15,260	8,338
Subtotal .....	¥ 102,716	¥ 96,546
Guaranteed .....	547,530	468,858
Unsecured .....	2,864,128	3,074,214
<b>Total .....</b>	<b>¥3,514,376</b>	<b>¥3,639,618</b>

# Trust Assets and Liabilities (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Statements of Trust Assets and Liabilities

September 30	Millions of yen	
	2010	2009
<b>Assets:</b>		
Loans and bills discounted.....	¥ 222,090	¥ 221,900
Loans on deeds.....	222,090	221,900
Securities.....	418,381	357,836
Japanese government bonds.....	284,576	204,036
Corporate bonds.....	13,033	23,784
Japanese stocks.....	4,365	2,999
Foreign securities.....	116,155	126,765
Other securities.....	250	250
Securities held in custody accounts.....	3,069	3,126
Monetary claims.....	506,567	387,698
Monetary claims for housing loans.....	21,500	20,498
Other monetary claims.....	485,066	367,200
Tangible fixed assets.....	25	35
Equipment.....	25	35
Intangible fixed assets.....	15	32
Other intangible fixed assets.....	15	32
Other claims.....	2,275	3,310
Call loans.....	94,352	30,647
Due from banking account.....	187,298	111,667
Cash and due from banks.....	38,569	31,117
Deposits with banks.....	38,569	31,117
<b>Total assets.....</b>	<b>¥1,472,645</b>	<b>¥1,147,370</b>
<b>Liabilities:</b>		
Designated money trusts.....	¥ 582,171	¥ 377,940
Specified money trusts.....	148,154	145,056
Money in trusts other than money trusts.....	220,018	220,012
Security trusts.....	3,226	3,138
Monetary claims trusts.....	500,596	378,002
Equipment trusts.....	55	81
Composite trusts.....	18,422	23,117
Other trusts.....	—	21
<b>Total liabilities.....</b>	<b>¥1,472,645</b>	<b>¥1,147,370</b>

Notes: 1. Amounts less than 1 million yen have been omitted.

2. SMBC has no co-operative trusts under any other trust bank's administration as of the interim period-end.

3. SMBC does not deal with any trusts with principal indemnification.

4. Balance of self-declaration of trust, which is not included in the table above, was ¥32,500 million on September 30, 2010. SMBC had no balance of self-declaration of trust on September 30, 2009.

5. Excludes trusts whose monetary values are difficult to calculate.

# 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 Act” (Notification No. 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. 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 LLC 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
		2010	2009	2010
Tier I capital:	Capital stock .....	¥ 2,337,895	¥ 1,851,389	¥ 2,337,895
	Capital surplus .....	978,866	492,070	978,897
	Retained earnings .....	1,789,404	1,347,826	1,451,945
	Treasury stock .....	(124,060)	(124,054)	(124,061)
	Cash dividends to be paid .....	(73,613)	(50,981)	(80,665)
	Foreign currency translation adjustments .....	(100,154)	(86,132)	(101,650)
	Stock acquisition rights .....	144	74	81
	Minority interests .....	2,019,459	2,133,861	2,042,251
	Goodwill and others .....	(406,757)	(181,610)	(398,709)
	Gain on sale on securitization transactions .....	(38,902)	(40,146)	(37,453)
	Amount equivalent to 50% of expected losses in excess of reserve .....	(20,111)	(47,143)	(36,249)
	Total Tier I capital (A) .....	6,362,168	5,295,152	6,032,280
Tier II capital:	Unrealized gains on other securities after 55% discount .....	165,137	307,602	254,032
	Land revaluation excess after 55% discount .....	37,015	37,183	37,033
	General reserve for possible loan losses .....	89,160	79,536	69,371
	Subordinated debt .....	2,069,510	2,341,164	2,203,415
	Total Tier II capital .....	2,360,823	2,765,486	2,563,853
	Tier II capital included as qualifying capital (B) .....	2,360,823	2,765,486	2,563,853
	(C) .....	451,126	779,160	467,906
Total qualifying capital:	(D) = (A) + (B) - (C) .....	¥ 8,271,865	¥ 7,281,479	¥ 8,128,228
Risk-weighted assets:	On-balance sheet items .....	¥39,497,737	¥44,133,383	¥42,684,693
	Off-balance sheet items .....	8,048,319	8,037,569	7,833,411
	Market risk items .....	650,159	235,832	448,397
	Operational risk .....	3,416,627	3,016,479	3,117,968
	Total risk-weighted assets (E) .....	¥51,612,844	¥55,423,266	¥54,084,471
Tier I risk-weighted capital ratio:	(A) / (E) × 100 .....	12.32%	9.55%	11.15%
Total risk-weighted capital ratio:	(D) / (E) × 100 .....	16.02%	13.13%	15.02%
Required capital:	(E) × 8% .....	¥ 4,129,027	¥ 4,433,861	¥ 4,326,757

\* “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	
	2010	2009
<b>Capital requirements for credit risk:</b>		
Internal ratings-based approach .....	¥4,797.2	¥5,314.2
Corporate exposures: .....	2,935.7	3,459.5
Corporate exposures (excluding specialized lending) .....	2,549.0	3,040.9
Sovereign exposures .....	34.0	25.8
Bank exposures .....	120.6	150.6
Specialized lending .....	232.0	242.3
Retail exposures: .....	942.3	918.0
Residential mortgage exposures .....	442.1	392.1
Qualifying revolving retail exposures .....	134.3	110.5
Other retail exposures .....	365.8	415.5
Equity exposures: .....	324.6	366.5
Grandfathered equity exposures .....	172.8	194.1
PD/LGD approach .....	81.2	75.2
Market-based approach .....	70.6	97.2
Simple risk weight method .....	44.3	95.0
Internal models method .....	26.3	2.3
Credit risk-weighted assets under Article 145 of the Notification .....	171.4	179.0
Securitization exposures .....	158.9	125.5
Other exposures .....	264.2	265.7
Standardized approach .....	708.7	635.8
<b>Total capital requirements for credit risk .....</b>	<b>5,505.9</b>	<b>5,950.0</b>
<b>Capital requirements for market risk:</b>		
Standardized measurement method .....	34.5	4.1
Interest rate risk .....	27.0	3.1
Equity position risk .....	3.8	0.3
Foreign exchange risk .....	2.5	0.6
Commodities risk .....	1.1	—
Options .....	0.1	0.0
Internal models method .....	17.5	14.8
<b>Total capital requirements for market risk .....</b>	<b>52.0</b>	<b>18.9</b>
<b>Capital requirements for operational risk:</b>		
Advanced measurement approach .....	225.2	223.2
Basic indicator approach .....	48.2	18.2
<b>Total capital requirements for operational risk .....</b>	<b>273.3</b>	<b>241.3</b>
<b>Total amount of capital requirements .....</b>	<b>¥5,831.2</b>	<b>¥6,210.1</b>

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. Portfolio classification is 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		Definition	Borrower Category
Domestic Corporate	Overseas Corporate		
J1	G1	Very high certainty of debt repayment	Normal Borrowers
J2	G2	High certainty of debt repayment	
J3	G3	Satisfactory certainty of debt repayment	
J4	G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	
J5	G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of significant changes in economic trends or business environment	Borrowers Requiring Caution
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	
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				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2010</b>									
J1-J3 .....	¥18,452.5	¥12,932.1	¥5,520.4	¥4,025.2	75.00%	0.06%	35.04%	—%	14.99%
J4-J6 .....	14,363.3	11,020.4	3,342.9	959.8	75.00	0.94	30.77	—	45.16
J7 (excluding J7R) .....	1,850.7	1,618.0	232.7	17.3	75.00	16.68	29.35	—	130.74
Japanese government and local municipal corporations ....	27,924.8	27,812.5	112.3	16.6	75.00	0.00	35.25	—	0.08
Others .....	5,370.7	4,939.9	430.8	91.2	75.00	1.11	36.93	—	50.51
Default (J7R, J8-J10) .....	1,389.3	1,343.0	46.3	0.3	100.00	100.00	54.01	53.24	9.61
<b>Total .....</b>	<b>¥69,351.3</b>	<b>¥59,666.0</b>	<b>¥9,685.4</b>	<b>¥5,110.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2009</b>									
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
Others .....	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
<b>Total .....</b>	<b>¥65,994.9</b>	<b>¥55,559.3</b>	<b>¥10,435.6</b>	<b>¥5,245.1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Note: "Others" 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

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2010</b>									
G1-G3.....	¥18,453.4	¥12,245.7	¥6,207.8	¥3,244.0	75.00%	0.17%	31.04%	—%	17.93%
G4-G6.....	860.1	645.8	214.3	198.1	75.00	2.42	29.01	—	73.79
G7 (excluding G7R) .....	385.1	234.3	150.8	89.7	75.00	24.66	29.87	—	162.08
Others.....	131.5	80.9	50.6	6.5	75.00	1.42	41.97	—	79.95
Default (G7R, G8-G10) .....	214.6	180.9	33.8	26.5	100.00	100.00	68.87	61.67	89.94
<b>Total.....</b>	<b>¥20,044.8</b>	<b>¥13,387.6</b>	<b>¥6,657.2</b>	<b>¥3,564.9</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2009</b>									
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
Others.....	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
<b>Total.....</b>	<b>¥19,710.2</b>	<b>¥12,835.7</b>	<b>¥6,874.5</b>	<b>¥3,243.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## B. Specialized Lending (SL)

### Portfolio

#### a. Slotting Criteria Applicable Portion

##### (a) Project Finance and Object Finance

September 30	Risk weight	Billions of yen			
		2010		2009	
		Project finance	Object finance	Project finance	Object finance
<b>Strong:</b>					
Residual term less than 2.5 years .....	50%	¥ 114.1	¥ 1.6	¥ 82.8	¥ 0.0
Residual term 2.5 years or more .....	70%	722.2	23.3	726.6	50.3
<b>Good:</b>					
Residual term less than 2.5 years .....	70%	28.9	—	21.7	—
Residual term 2.5 years or more .....	90%	181.7	3.4	169.6	4.1
Satisfactory .....	115%	36.6	—	40.3	—
Weak.....	250%	68.3	—	76.9	—
Default .....	—	15.7	—	6.3	—
<b>Total.....</b>		<b>¥1,167.6</b>	<b>¥28.3</b>	<b>¥1,124.1</b>	<b>¥54.4</b>

Note: A portion of "Object finance" is calculated using the PD/LGD approach.

##### (b) High-Volatility Commercial Real Estate (HVCRE)

September 30	Risk weight	Billions of yen	
		2010	2009
<b>Strong:</b>			
Residual term less than 2.5 years .....	70%	¥ —	¥ —
Residual term 2.5 years or more .....	95%	—	—
<b>Good:</b>			
Residual term less than 2.5 years .....	95%	22.0	53.3
Residual term 2.5 years or more .....	120%	33.9	46.2
Satisfactory .....	140%	113.8	88.6
Weak.....	250%	28.9	9.8
Default .....	—	6.0	3.0
<b>Total.....</b>		<b>¥204.7</b>	<b>¥200.9</b>

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

(a) Object Finance

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2010</b>									
G1-G3.....	¥128.4	¥ 96.7	¥31.7	¥ 0.3	75.00%	0.38%	22.74%	—%	36.58%
G4-G6.....	42.2	33.1	9.2	9.9	75.00	3.48	19.70	—	58.12
G7 (excluding G7R).....	9.2	9.2	0.1	0.1	75.00	18.75	31.95	—	184.04
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10).....	5.6	5.5	0.0	—	—	100.00	65.09	57.89	89.94
<b>Total.....</b>	<b>¥185.5</b>	<b>¥144.5</b>	<b>¥41.0</b>	<b>¥10.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2009</b>									
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
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10).....	3.0	2.9	0.0	—	—	100.00	71.97	64.42	94.41
<b>Total.....</b>	<b>¥160.5</b>	<b>¥145.8</b>	<b>¥14.7</b>	<b>¥14.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

(b) Income-Producing Real Estate (IPRE)

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2010</b>									
J1-J3.....	¥ 526.9	¥ 496.7	¥ 30.2	¥ —	—%	0.05%	30.92%	—%	10.96%
J4-J6.....	955.4	819.7	135.7	4.2	75.00	1.14	33.71	—	63.32
J7 (excluding J7R).....	54.9	54.4	0.5	—	—	13.15	33.21	—	155.02
Others.....	70.1	68.2	1.9	2.4	75.00	10.55	37.34	—	68.60
Default (J7R, J8-J10).....	16.8	16.8	—	—	—	100.00	39.68	38.81	10.92
<b>Total.....</b>	<b>¥1,624.1</b>	<b>¥1,455.8</b>	<b>¥168.3</b>	<b>¥6.6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

	Billions of yen								
	Exposure amount				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
<b>September 30, 2009</b>									
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
Others.....	71.5	69.9	1.5	2.0	75.00	8.26	36.92	—	76.88
Default (J7R, J8-J10).....	—	—	—	—	—	—	—	—	—
<b>Total.....</b>	<b>¥1,596.4</b>	<b>¥1,430.7</b>	<b>¥165.7</b>	<b>¥6.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen						
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets				
<b>September 30, 2010</b>							
Mortgage loans							
PD segment:							
Not delinquent							
Use model.....	¥10,660.7	¥10,598.0	¥62.8	0.40%	42.19%	—%	27.47%
Others.....	736.4	736.4	—	0.92	58.89	—	75.80
Delinquent.....	112.9	106.0	6.9	30.39	46.62	—	264.13
Default.....	200.2	199.7	0.6	100.00	41.16	38.95	27.66
<b>Total.....</b>	<b>¥11,710.3</b>	<b>¥11,640.1</b>	<b>¥70.2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

September 30, 2009	Billions of yen						Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount				Total	Off-balance sheet assets				
	On-balance sheet assets		Off-balance sheet assets							
Mortgage loans										
PD segment:										
Not delinquent										
Use model.....	¥ 9,769.2	¥ 9,694.9	¥74.3			0.37%	43.89%	—%	27.04%	
Others .....	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			—	—	—	—	

Notes: 1. "Others" 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

September 30, 2010	Billions of yen						Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount					Total					
	On-balance sheet assets		Off-balance sheet assets	Undrawn amount	Balance						
Card loans											
PD segment:											
Not delinquent .....	¥ 566.3	¥ 512.5	¥ 53.8	¥ —	¥ 181.2	29.70%	3.09%	85.07%	—%	71.72%	
Delinquent.....	15.4	14.9	0.5	—	3.8	12.41	27.06	78.11	—	215.24	
Credit card balances											
PD segment:											
Not delinquent .....	1,001.3	667.4	333.9	—	3,993.4	8.36	1.77	76.98	—	33.98	
Delinquent.....	9.0	7.6	1.4	—	—	—	95.66	79.50	—	24.84	
Default .....	33.0	29.0	3.9	—	—	—	100.00	85.72	79.68	75.50	
Total.....	¥1,625.0	¥1,231.5	¥393.5	¥ —	¥4,178.3	—	—	—	—	—	

September 30, 2009	Billions of yen						Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount					Total					
	On-balance sheet assets		Off-balance sheet assets	Undrawn amount	Balance						
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	—	—	—	—	—	

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			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount						
September 30, 2010	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥ 905.1	¥ 894.6	¥ 10.5	0.70%	49.36%	—%	40.49%
Others .....	366.9	365.9	1.0	0.75	56.33	—	27.77
Delinquent.....	501.9	497.7	4.2	32.00	64.71	—	88.32
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	577.3	225.3	352.1	1.16	68.58	—	71.08
Others .....	182.1	180.3	1.7	2.14	60.90	—	79.53
Delinquent.....	53.5	53.3	0.1	20.31	51.06	—	113.15
Default .....	152.8	152.5	0.3	100.00	65.44	61.29	51.85
Total .....	¥2,739.6	¥2,369.5	¥370.0	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount						
September 30, 2009	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	¥1,205.8	¥1,190.8	¥ 15.0	1.10%	58.25%	—%	55.71%
Others .....	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
Others .....	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	—	—	—	—

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

2. "Others" 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

	Billions of yen	
	2010	2009
September 30		
Market-based approach.....	¥ 222.1	¥ 297.3
Simple risk weight method .....	142.2	288.2
Listed equities (300%) .....	46.4	33.0
Unlisted equities (400%).....	95.8	255.2
Internal models method.....	79.9	9.1
PD/LGD approach.....	737.7	657.4
Grandfathered equity exposures.....	2,037.8	2,289.2
Total .....	¥2,997.6	¥3,243.8

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

2. "Grandfathered equity exposures" amount is calculated in accordance with Supplementary Provision 13 of the Notification.

## b. PD/LGD Approach

September 30	Billions of yen					
	2010			2009		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3 .....	¥512.3	0.05%	108.73%	¥465.9	0.05%	107.52%
J4-J6 .....	76.5	0.86	211.52	73.8	1.42	247.01
J7 (excluding J7R) .....	2.2	12.89	446.25	1.3	13.20	470.57
Others .....	146.2	0.42	140.22	110.7	0.12	108.54
Default (J7R, J8-J10) .....	0.4	100.00	—	5.7	100.00	—
Total .....	¥737.7	—	—	¥657.4	—	—

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. “Others” includes exposures to overseas corporate entities.

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

### Portfolio

September 30	Billions of yen	
	2010	2009
Exposures under Article 145 of the Notification .....	¥633.5	¥1,208.2

## (4) Analysis of Actual Losses

### A. Year-on-Year Comparison of Actual Losses

SMFG recorded total credit costs (the total of the general reserve, non-performing loan write-offs, and gains on collection of written-off claims) of ¥105.8 billion on a consolidated basis for the first half of fiscal 2010, a year-on-year decrease of ¥162.7 billion.

SMBC recorded ¥43.3 billion in total credit costs on a nonconsolidated basis for the first half of fiscal 2010, a year-on-year decrease of ¥113.6 billion. This decrease reflected a ¥115.8 billion year-on-year decline in credit cost for “corporate exposures,” following partial reversal of reserve for repayments, in addition to SMBC’s measures to curb new costs through a responsive approach to corporate borrowers tailored to each company’s financial position.

### Total Credit Costs

	Billions of yen					
	First half of fiscal 2010 (A)	First half of fiscal 2009 (B)	First half of fiscal 2008	Increase (decrease) (A) – (B)	Fiscal 2009	Fiscal 2008
SMFG (consolidated) total .....	¥105.8	¥268.5	¥302.1	¥(162.7)	¥473.0	¥767.8
SMBC (consolidated) total .....	81.1	238.8	282.8	(157.7)	419.4	724.4
SMBC (nonconsolidated) total .....	43.3	156.9	224.1	(113.6)	254.7	550.1
Corporate exposures .....	29.0	144.8	154.8	(115.8)	216.6	411.4
Sovereign exposures .....	2.6	(0.1)	(0.4)	2.7	3.9	(0.4)
Bank exposures .....	(5.7)	(5.6)	12.8	(0.1)	3.5	22.7
Residential mortgage exposures .....	0.1	0.8	0.1	(0.7)	0.7	0.5
QRRE .....	0.0	0.0	0.0	0.0	0.1	0.0
Other retail exposures .....	13.6	36.0	38.8	(22.4)	61.6	68.1

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 income.

2. Exposure category amounts do not include general reserve for Normal Borrowers.

3. Bracketed amounts indicate gains generated by the reversal of reserve, 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 2010			Fiscal 2009				
	Estimated loss amounts		Actual loss amounts	Estimated loss amounts		Actual loss amounts		
	After deduction of reserves	(First half of fiscal 2010)	After deduction of reserves	After deduction of reserves	(First half of fiscal 2009)	(Fiscal 2009)		
SMFG (consolidated) total.....	¥ —	¥ —	¥105.8	¥ —	¥ —	¥268.5	¥473.0	
SMBC (consolidated) total .....	—	—	81.1	—	—	238.8	419.4	
SMBC (nonconsolidated) total .....	1,204.3	417.2	43.3	1,197.2	354.0	156.9	254.7	
Corporate exposures.....	1,021.1	277.4	29.0	984.0	210.0	144.8	216.6	
Sovereign exposures.....	7.8	6.3	2.6	5.8	4.3	(0.1)	3.9	
Bank exposures.....	30.5	19.2	(5.7)	52.1	34.4	(5.6)	3.5	
Residential mortgage exposures.....	4.1	3.2	0.1	4.0	3.4	0.8	0.7	
QRRE.....	0.1	(0.0)	0.0	0.1	0.1	0.0	0.1	
Other retail exposures .....	140.8	111.2	13.6	151.2	107.5	36.0	61.6	

	Billions of yen			
	Fiscal 2008			
	Estimated loss amounts		Actual loss amounts	
	After deduction of reserves	(First half of fiscal 2008)	(Fiscal 2008)	
SMFG (consolidated) total.....	¥ —	¥ —	¥302.1	¥767.8
SMBC (consolidated) total .....	—	—	282.8	724.4
SMBC (nonconsolidated) total .....	954.2	323.9	224.1	550.1
Corporate exposures.....	806.7	278.6	154.8	411.4
Sovereign exposures.....	9.0	7.5	(0.4)	(0.4)
Bank exposures.....	6.1	5.9	12.8	22.7
Residential mortgage exposures.....	4.0	3.6	0.1	0.5
QRRE.....	0.1	0.1	0.0	0.0
Other retail exposures .....	128.3	65.9	38.8	68.1

Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on "equity exposures" and "exposures under Article 145 of the Notification" are excluded.

2. "Estimated loss amounts" are the EL at the beginning of the term.

3. "After deduction of reserves" represents the estimated loss amounts after deduction of reserves for possible losses on substandard borrowers or below.

## ■ Standardized Approach

### Exposure Balance by Risk Weight Segment

September 30	Billions of yen			
	2010		2009	
		Of which assigned country risk score		Of which assigned country risk score
0% .....	¥ 7,470.5	¥ 77.2	¥ 1,718.3	¥ 69.8
10% .....	261.3	—	478.6	—
20% .....	873.4	351.2	669.5	270.2
35% .....	1,075.6	—	1,337.2	—
50% .....	314.5	2.9	223.1	1.9
75% .....	3,344.7	—	1,515.1	—
100% .....	5,727.6	0.1	6,043.1	0.0
150% .....	84.2	—	98.6	—
Capital deduction .....	0.0	—	—	—
Others.....	0.0	—	—	—
Total.....	¥19,151.7	¥431.4	¥12,083.6	¥342.0

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 credit equivalent amount has been included.

2. "Securitization exposures" have not been included.



## ■ Credit Risk Mitigation (CRM) Techniques

### Exposure Balance after CRM

September 30	Billions of yen			
	2010		2009	
	Eligible financial collateral	Other eligible IRB collateral	Eligible financial collateral	Other eligible IRB collateral
IRB approach .....	¥ 69.1	¥51.0	¥ 0.0	¥76.4
Corporate exposures .....	69.1	51.0	0.0	76.4
Sovereign exposures .....	—	—	—	—
Bank exposures .....	—	—	—	—
Standardized approach .....	2,658.7	—	64.0	—
Total .....	¥2,727.8	¥51.0	¥64.0	¥76.4

September 30	Billions of yen			
	2010		2009	
	Guarantee	Credit derivative	Guarantee	Credit derivative
IRB approach .....	¥6,819.8	¥255.5	¥7,068.2	¥269.2
Corporate exposures .....	6,193.2	255.5	6,355.3	269.2
Sovereign exposures .....	289.5	—	310.5	—
Bank exposures .....	139.4	—	190.4	—
Residential mortgage exposures .....	197.7	—	211.8	—
QRRE .....	—	—	—	—
Other retail exposures .....	—	—	0.1	—
Standardized approach .....	85.5	—	166.7	—
Total .....	¥6,905.3	¥255.5	¥7,234.9	¥269.2

## ■ Derivative Transactions and Long Settlement Transactions

### Credit Equivalent Amounts

#### (1) Derivative Transactions and Long Settlement Transactions

##### A. Calculation Method

Current exposure method

##### B. Credit Equivalent Amounts

September 30	Billions of yen	
	2010	2009
Gross replacement cost .....	¥6,191.0	¥5,387.4
Gross add-on amount .....	3,213.6	3,381.7
Gross credit equivalent amount .....	9,404.6	8,769.2
Foreign exchange related transactions .....	3,445.4	3,509.0
Interest rate related transactions .....	5,607.8	4,787.8
Gold related transactions .....	—	—
Equities related transactions .....	71.7	69.3
Precious metals (excluding gold) related transactions .....	—	—
Other commodity related transactions .....	134.8	165.8
Credit default swaps .....	144.9	237.2
Reduction in credit equivalent amount due to netting .....	5,339.9	4,689.6
Net credit equivalent amount .....	4,064.6	4,079.5
Collateral amount .....	24.8	—
Eligible financial collateral .....	24.8	—
Other eligible IRB collateral .....	—	—
Net credit equivalent amount (after taking into account the CRM effect of collateral) .....	¥4,039.8	¥4,079.5

#### (2) Notional Principal Amounts of Credit Derivatives

##### Credit Default Swaps

September 30	Billions of yen			
	2010		2009	
	Notional principal amount		Notional principal amount	
	Total	Of which for CRM	Total	Of which for CRM
Protection purchased .....	¥ 811.2	¥255.5	¥ 872.8	¥269.2
Protection provided .....	1,097.5	—	1,194.3	—

Note: "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, 2010			First half of fiscal 2010			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates .....	¥ 65.1	¥ 65.1	¥ 0.0	¥ —	¥ 5.3	¥ 2.9	¥ —
Mortgage loans .....	1,581.1	1,581.1	—	51.4	0.7	0.2	4.1
Retail loans (excluding mortgage loans) .....	283.0	239.0	44.0	—	9.4	17.6	—
Other claims .....	253.3	49.2	204.1	31.0	0.1	0.1	—
<b>Total .....</b>	<b>¥2,182.6</b>	<b>¥1,934.4</b>	<b>¥248.1</b>	<b>¥82.3</b>	<b>¥15.4</b>	<b>¥20.8</b>	<b>¥4.1</b>

	Billions of yen						
	September 30, 2009			First half of fiscal 2009			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
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	—
<b>Total .....</b>	<b>¥2,152.6</b>	<b>¥1,871.7</b>	<b>¥281.0</b>	<b>¥43.0</b>	<b>¥26.1</b>	<b>¥3.8</b>	<b>¥2.5</b>

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

2. "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 are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

#### (B) Securitization Exposures

##### a. Underlying Assets by Asset Type

	Billions of yen					
	2010			2009		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
September 30						
Claims on corporates .....	¥ 39.3	¥ 2.0	¥ —	¥ 50.7	¥ 2.0	¥ —
Mortgage loans .....	206.1	36.6	38.4	182.5	39.2	40.1
Retail loans (excluding mortgage loans)...	81.0	65.3	0.5	30.6	10.1	—
Other claims .....	157.1	8.2	—	140.6	9.1	—
<b>Total .....</b>	<b>¥483.5</b>	<b>¥112.0</b>	<b>¥38.9</b>	<b>¥404.4</b>	<b>¥60.5</b>	<b>¥40.1</b>

##### b. Risk Weights

	Billions of yen			
	2010		2009	
	Term-end balance	Required capital	Term-end balance	Required capital
September 30				
20% or less .....	¥152.9	¥ 1.0	¥175.8	¥ 1.1
100% or less .....	40.7	1.1	19.9	0.6
650% or less .....	1.2	0.3	2.0	0.7
Less than 1250% .....	1.8	1.0	—	—
Capital deduction .....	286.9	112.0	206.7	60.5
<b>Total .....</b>	<b>¥483.5</b>	<b>¥115.5</b>	<b>¥404.4</b>	<b>¥62.9</b>

#### (C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

	Billions of yen	
	2010	2009
September 30		
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥16.9	¥ —

B. As Sponsor  
(A) Underlying Assets

	Billions of yen					
	September 30, 2010			First half of fiscal 2010		
	Underlying asset amount					
	Total	Asset transfer type	Synthetic type	Securitized amount	Default amount	Loss amount
Claims on corporates .....	¥448.3	¥448.3	¥—	¥1,911.4	¥50.3	¥48.9
Mortgage loans .....	—	—	—	—	1.4	1.4
Retail loans (excluding mortgage loans)...	141.3	141.3	—	166.1	10.4	10.6
Other claims .....	72.5	72.5	—	66.2	3.0	3.0
Total .....	¥662.1	¥662.1	¥—	¥2,143.7	¥65.1	¥63.7

	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

- Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing "securitization exposures."  
2. "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.  
3. "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 conservatively in (1) above.  
4. "Other claims" includes lease fees.  
5. Following Articles 230 and 248 of the Notification, there are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

(B) Securitization Exposures

a. Underlying Assets by Asset Type

	Billions of yen					
	2010			2009		
	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
September 30						
Claims on corporates .....	¥350.2	¥0.8	¥—	¥413.3	¥0.5	¥—
Mortgage loans .....	—	—	—	—	—	—
Retail loans (excluding mortgage loans)...	133.1	—	—	153.8	—	—
Other claims .....	69.8	—	—	88.0	—	—
Total .....	¥553.1	¥0.8	¥—	¥655.0	¥0.5	¥—

Note: "Other claims" includes lease fees.

b. Risk Weights

	Billions of yen			
	2010		2009	
	Term-end balance	Required capital	Term-end balance	Required capital
September 30				
20% or less .....	¥504.9	¥3.3	¥584.6	¥4.2
100% or less .....	47.4	2.1	69.9	1.9
650% or less .....	—	—	—	—
Less than 1250% .....	—	—	—	—
Capital deduction .....	0.8	0.8	0.5	0.5
Total .....	¥553.1	¥6.2	¥655.0	¥6.6

## (C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

September 30	Billions of yen	
	2010	2009
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥—	¥—

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

## Securitization Exposures

## (A) Underlying Assets by Asset Type

September 30	Billions of yen					
	2010			2009		
	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 .....	¥235.7	¥34.1	¥—	¥246.0	¥52.5	¥—
Mortgage loans .....	—	—	—	—	—	—
Retail loans (excluding mortgage loans)...	2.9	—	—	0.5	—	—
Other claims .....	16.1	0.7	—	15.5	0.7	—
Total .....	¥254.7	¥34.8	¥—	¥262.0	¥53.2	¥—

Note: "Other claims" includes securitization products.

## (B) Risk Weights

September 30	Billions of yen			
	2010		2009	
	Term-end balance	Required capital	Term-end balance	Required capital
20% or less .....	¥146.1	¥ 0.4	¥131.7	¥ 0.3
100% or less .....	21.9	1.5	31.4	1.6
650% or less .....	3.5	0.5	5.1	0.8
Less than 1250% .....	—	—	—	—
Capital deduction .....	83.2	34.8	93.8	53.2
Total .....	¥254.7	¥37.3	¥262.0	¥56.0

## (C) Amount of Credit Risk-Weighted Assets Calculated Using Supplementary Provision 15 of the Notification

September 30	Billions of yen	
	2010	2009
Amount of credit risk-weighted assets calculated using Supplementary Provision 15 of the Notification...	¥—	¥—

## ■ Equity Exposures in Banking Book

## 1. Consolidated Balance Sheet Amounts and Fair Values

September 30	Billions of yen			
	2010		2009	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures .....	¥2,383.2	¥2,383.2	¥2,452.7	¥2,452.7
Stocks of subsidiaries and affiliates and equity exposures other than above .....	614.4	—	784.3	—
Total .....	¥2,997.5	¥—	¥3,237.0	¥—

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

	Billions of yen	
	First half of fiscal 2010	First half of fiscal 2009
Gains (losses) .....	¥(22.6)	¥ (8.9)
Gains on sale .....	5.6	4.3
Losses on sale .....	2.1	2.7
Devaluation .....	26.1	10.6

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

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

September 30	Billions of yen	
	2010	2009
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income .....	¥232.4	¥598.0

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

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

September 30	Billions of yen	
	2010	2009
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income.....	¥(56.6)	¥(62.8)

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

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

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

September 30, 2010	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	¥ 9,502.2	¥ 207.9	¥ 580.8	¥1,982.2	¥ 12,273.0
Agriculture, forestry, fishery and mining .....	183.1	0.0	13.0	24.5	220.6
Construction .....	1,362.5	31.0	10.5	140.9	1,544.9
Transport, information, communications and utilities.....	4,576.5	178.8	259.1	731.6	5,746.0
Wholesale and retail .....	5,746.5	73.2	628.3	564.5	7,012.4
Financial and insurance.....	14,941.1	494.7	1,312.9	445.0	17,193.8
Real estate, goods rental and leasing .....	8,516.0	378.1	70.1	384.4	9,348.6
Services .....	4,966.8	114.3	82.6	420.4	5,584.1
Local municipal corporations .....	1,702.5	636.2	5.8	5.7	2,350.2
Other industries .....	26,586.0	23,754.5	42.7	3,973.9	54,357.0
Subtotal .....	¥78,083.3	¥25,868.7	¥3,005.7	¥8,673.0	¥115,630.7
Overseas operations and offshore banking accounts					
Sovereigns.....	¥ 1,810.5	¥ 832.9	¥ 5.4	¥ —	¥ 2,648.8
Financial institutions .....	2,972.3	567.9	647.8	0.0	4,188.1
C&I companies .....	9,074.6	229.2	370.9	—	9,674.6
Others.....	1,763.1	220.6	7.3	564.7	2,555.8
Subtotal .....	¥15,620.5	¥ 1,850.6	¥1,031.5	¥ 564.7	¥ 19,067.3
Total .....	¥93,703.7	¥27,719.2	¥4,037.2	¥9,237.7	¥134,697.9

September 30, 2009	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	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

Notes: 1. The above amounts are exposures 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 derivatives, and "Others" includes "equity exposures" and standardized approach applied funds.

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

## 2. Exposure Balance by Type of Assets and Residual Term

September 30, 2010	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year .....	¥33,479.2	¥12,108.0	¥ 499.5	¥ 315.5	¥ 46,402.2
More than 1 year to 3 years.....	14,985.8	4,727.7	1,098.2	850.3	21,662.0
More than 3 years to 5 years.....	9,616.5	5,013.9	1,224.8	874.6	16,729.9
More than 5 years to 7 years.....	3,864.2	1,528.9	388.7	248.9	6,030.7
More than 7 years.....	23,280.7	4,340.8	826.0	212.2	28,659.6
No fixed maturity .....	8,477.4	—	—	6,736.2	15,213.6
<b>Total .....</b>	<b>¥93,703.7</b>	<b>¥27,719.2</b>	<b>¥4,037.2</b>	<b>¥9,237.7</b>	<b>¥134,697.9</b>

September 30, 2009	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	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
<b>Total .....</b>	<b>¥87,621.3</b>	<b>¥22,023.4</b>	<b>¥4,079.2</b>	<b>¥9,370.5</b>	<b>¥123,094.4</b>

Notes: 1. The above amounts are exposures 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 derivatives, and "Others" 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	
	2010	2009
Domestic operations (excluding offshore banking accounts) .....	¥2,275.8	¥2,402.7
Overseas operations and offshore banking accounts.....	280.3	249.9
Asia.....	23.0	18.9
North America.....	100.8	160.7
Other regions.....	156.5	70.3
<b>Total .....</b>	<b>¥2,556.1</b>	<b>¥2,652.6</b>

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

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

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

## (2) By Industry

September 30	Billions of yen	
	2010	2009
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 233.5	¥ 258.8
Agriculture, forestry, fishery and mining .....	7.9	5.1
Construction .....	132.4	160.7
Transport, information, communications and utilities.....	139.7	161.5
Wholesale and retail .....	280.3	300.5
Financial and insurance.....	23.5	54.5
Real estate, goods rental and leasing .....	767.1	817.1
Services .....	332.4	338.7
Other industries .....	359.0	305.8
Subtotal .....	¥2,275.8	¥2,402.7
Overseas operations and offshore banking accounts		
Financial institutions .....	¥ 41.1	¥ 62.8
C&I companies .....	239.2	187.1
Subtotal .....	¥ 280.3	¥ 249.9
Total .....	¥2,556.1	¥2,652.6

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

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

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

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

## (1) By Geographic Region

	Billions of yen				Increase (decrease) (A) - (B)
	September 30, 2010 (A)	March 31, 2010 (B)	September 30, 2009	March 31, 2009	
General reserve for possible loan losses.....	¥ 700.0	¥ 702.6	¥ 649.5	¥ 691.5	¥ (2.6)
Loan loss reserve for specific overseas countries .....	0.6	0.6	0.8	1.3	(0.0)
Specific reserve for possible loan losses .....	1,221.0	1,208.9	1,245.7	1,102.1	12.1
Domestic operations (excluding offshore banking accounts).....	1,144.7	1,126.3	1,127.8	970.4	18.4
Overseas operations and offshore banking accounts.....	76.3	82.6	117.9	131.7	(6.3)
Asia .....	15.4	20.0	20.4	19.3	(4.6)
North America.....	26.7	25.1	51.7	75.8	1.6
Other regions .....	34.3	37.5	45.8	36.5	(3.2)
Total .....	¥1,921.6	¥1,912.1	¥1,896.0	¥1,794.9	¥ 9.5

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, 2010 (A)	March 31, 2010 (B)	September 30, 2009	March 31, 2009	Increase (decrease) (A) – (B)
General reserve for possible loan losses.....	¥ 700.0	¥ 702.6	¥ 649.5	¥ 691.5	¥ (2.6)
Loan loss reserve for specific overseas countries .....	0.6	0.6	0.8	1.3	(0.0)
Specific reserve for possible loan losses .....	1,221.0	1,208.9	1,245.7	1,102.1	12.1
Domestic operations (excluding offshore banking accounts).....	1,144.7	1,126.3	1,127.8	970.4	18.4
Manufacturing.....	150.5	143.5	149.2	128.1	7.0
Agriculture, forestry, fishery and mining .....	3.6	3.3	1.7	1.2	0.3
Construction .....	83.0	86.0	93.9	91.2	(3.0)
Transport, information, communications and utilities.....	71.1	74.7	82.9	45.9	(3.6)
Wholesale and retail.....	178.4	169.3	182.7	173.3	9.1
Financial and insurance .....	13.4	14.8	21.0	21.1	(1.4)
Real estate, goods rental and leasing .....	321.6	336.7	306.6	225.4	(15.1)
Services .....	158.0	161.0	151.6	145.8	(3.0)
Other industries .....	165.1	137.0	138.2	138.4	28.1
Overseas operations and offshore banking accounts.....	76.3	82.6	117.9	131.7	(6.3)
Financial institutions .....	26.6	36.7	39.0	32.0	(10.1)
C&I companies .....	49.7	45.9	78.9	99.7	3.8
<b>Total .....</b>	<b>¥1,921.6</b>	<b>¥1,912.1</b>	<b>¥1,896.0</b>	<b>¥1,794.9</b>	<b>¥ 9.5</b>

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

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

## 5. Loan Write-Offs by Industry

	Billions of yen	
	First half of fiscal 2010	First half of fiscal 2009
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	¥ 6.4	¥ 13.1
Agriculture, forestry, fishery and mining .....	0.0	0.1
Construction .....	1.2	4.0
Transport, information, communications and utilities.....	2.7	5.4
Wholesale and retail .....	8.4	19.9
Financial and insurance.....	0.0	(0.2)
Real estate, goods rental and leasing .....	1.3	30.8
Services .....	3.8	11.5
Other industries .....	36.2	24.8
Subtotal .....	¥60.0	¥109.4
Overseas operations and offshore banking accounts		
Financial institutions .....	¥ 1.1	¥ (2.5)
C&I companies .....	(0.5)	11.4
Subtotal .....	¥ 0.6	¥ 8.9
<b>Total .....</b>	<b>¥60.6</b>	<b>¥118.3</b>

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

## Market Risk

### 1. VaR Results (Trading Book)

	Billions of yen	
	First half of fiscal 2010	First half of fiscal 2009
September 30.....	¥2.0	¥2.0
Maximum.....	2.7	2.8
Minimum.....	1.1	1.2
Average .....	1.8	1.7

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 four years of historical observations.

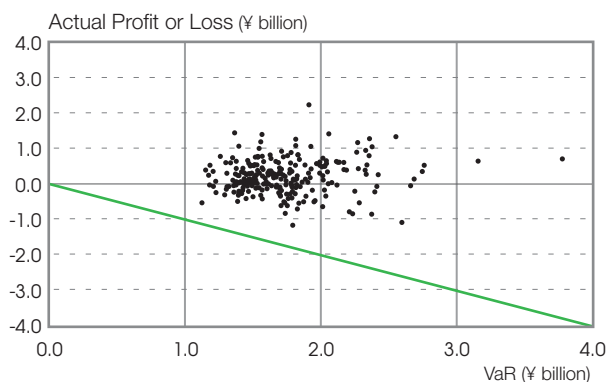
2. Specific risks for the trading book are excluded.

3. Principal consolidated subsidiaries are included.



## 2. Back-Testing Results (Trading Book)

The results of back-testing for the one-year period from October 2009 to September 2010 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 2010	First half of fiscal 2009
September 30.....	¥39.8	¥43.7
Maximum.....	42.0	43.7
Minimum.....	29.7	35.5
Average.....	36.2	39.2

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 four years of historical observations.

2. Principal consolidated subsidiaries are included.

### 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, 2010, the outlier ratio of SMBC (consolidated) was 9.6%, substantially below the 20% criterion.

	Billions of yen	
	2010	2009
September 30	Decline in economic value	Decline in economic value
Impact of Yen interest rates.....	¥539.2	¥438.6
Impact of U.S. dollar interest rates.....	255.7	147.9
Impact of Euro interest rates.....	38.6	29.8
Total.....	¥838.1	¥652.4
Percentage of Tier I + Tier II.....	9.6%	8.1%

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 one-year holding period and five years of observations).

# Capital Ratio Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

## ■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

		Millions of yen		
		September 30		March 31
		2010	2009	2010
Tier I capital:	Capital stock .....	¥ 1,770,996	¥ 1,262,959	¥ 1,770,996
	Capital surplus .....	2,709,682	2,201,645	2,709,682
	Retained earnings .....	995,333	563,267	668,074
	Cash dividends to be paid .....	(128,470)	(93,366)	(62,702)
	Foreign currency translation adjustments .....	(97,459)	(80,200)	(99,481)
	Stock acquisition rights .....	87	74	81
	Minority interests .....	1,419,459	1,622,453	1,470,612
	Goodwill and others .....	(214,327)	—	(220,978)
	Gain on sale on securitization transactions .....	(38,391)	(40,146)	(37,453)
	Amount equivalent to 50% of expected losses in excess of reserve .....	(794)	(33,170)	(21,336)
	<b>Total Tier I capital (A) .....</b>	<b>6,416,114</b>	<b>5,403,515</b>	<b>6,177,492</b>
Tier II capital:	Unrealized gains on other securities after 55% discount .....	138,638	243,254	224,106
	Land revaluation excess after 55% discount .....	37,015	37,183	37,033
	General reserve for possible loan losses .....	52,785	63,991	49,937
	Subordinated debt .....	2,069,591	2,341,164	2,203,415
	<b>Total Tier II capital .....</b>	<b>2,298,029</b>	<b>2,685,593</b>	<b>2,514,493</b>
	<b>Tier II capital included as qualifying capital (B) .....</b>	<b>2,298,029</b>	<b>2,685,593</b>	<b>2,514,493</b>
Deductions:	(C) .....	288,385	334,461	339,212
Total qualifying capital:	(D) = (A) + (B) - (C) .....	¥ 8,425,759	¥ 7,754,647	¥ 8,352,773
Risk-weighted assets:	On-balance sheet items .....	¥35,222,088	¥40,663,253	¥39,030,287
	Off-balance sheet items .....	6,873,737	7,756,615	7,583,421
	Market risk items .....	600,414	207,995	426,799
	Operational risk .....	3,159,877	2,888,972	3,032,531
	<b>Total risk-weighted assets (E) .....</b>	<b>¥45,856,118</b>	<b>¥51,516,837</b>	<b>¥50,073,039</b>
Tier I risk-weighted capital ratio:	(A) / (E) × 100 .....	13.99%	10.48%	12.33%
Total risk-weighted capital ratio:	(D) / (E) × 100 .....	18.37%	15.05%	16.68%
Required capital:	(E) × 8% .....	¥ 3,668,489	¥ 4,121,346	¥ 4,005,843

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

		Millions of yen		
		September 30		March 31
		2010	2009	2010
Tier I capital:	Capital stock .....	¥ 1,770,996	¥ 1,262,959	¥ 1,770,996
	Capital reserve .....	1,771,043	1,263,006	1,771,043
	Other capital surplus .....	702,514	702,514	702,514
	Other retained earnings .....	995,121	594,102	705,991
	Others .....	1,207,814	1,230,971	1,244,635
	Cash dividends to be paid .....	(128,470)	(93,366)	(62,702)
	Gain on sale on securitization transactions .....	(38,391)	(40,146)	(37,453)
	Amount equivalent to 50% of expected losses in excess of reserve .....	(40,356)	(65,188)	(60,919)
	<b>6,240,272</b>	<b>4,854,852</b>	<b>6,034,105</b>	
Tier II capital:	Unrealized gains on other securities after 55% discount .....	136,749	242,546	222,975
	Land revaluation excess after 55% discount .....	30,531	30,695	30,549
	Subordinated debt .....	1,980,890	2,421,460	2,105,726
	Total Tier II capital .....	<b>2,148,170</b>	<b>2,694,702</b>	<b>2,359,251</b>
	<b>2,148,170</b>	<b>2,694,702</b>	<b>2,359,251</b>	
Deductions:	(C) .....	323,046	375,736	371,646
Total qualifying capital:	(D) = (A) + (B) - (C) .....	<b>¥ 8,065,397</b>	<b>¥ 7,173,817</b>	<b>¥ 8,021,710</b>
Risk-weighted assets:	On-balance sheet items .....	¥31,018,265	¥36,251,440	¥34,820,309
	Off-balance sheet items .....	5,846,701	6,702,197	6,529,273
	Market risk items .....	220,205	156,655	169,170
	Operational risk .....	2,182,123	2,188,701	2,351,082
	Amount obtained by multiplying by 12.5 the excess of the amount obtained by multiplying the old required capital by the rate prescribed by the Notification over the new required capital .....	—	298,102	—
	Total risk-weighted assets (E) .....	<b>¥39,267,296</b>	<b>¥45,597,097</b>	<b>¥43,869,835</b>
Tier I risk-weighted capital ratio:	(A) / (E) × 100 .....	<b>15.89%</b>	10.64%	13.75%
Total risk-weighted capital ratio:	(D) / (E) × 100 .....	<b>20.53%</b>	15.73%	18.28%
Required capital:	(E) × 8% .....	<b>¥ 3,141,383</b>	¥ 3,647,767	¥ 3,509,586





[www.smfg.co.jp/english](http://www.smfg.co.jp/english)



**SMFG** SUMITOMO MITSUI  
FINANCIAL GROUP