

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
Deductions*:				
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
Capital requirements for credit risk:		
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
Total capital requirements for credit risk	5,505.9	5,950.0
Capital requirements for market risk:		
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
Total capital requirements for market risk	52.0	18.9
Capital requirements for operational risk:		
Advanced measurement approach	225.2	223.2
Basic indicator approach	48.2	18.2
Total capital requirements for operational risk	273.3	241.3
Total amount of capital requirements	¥5,831.2	¥6,210.1

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	
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 _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2010									
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
Total.....	¥69,351.3	¥59,666.0	¥9,685.4	¥5,110.4	—	—	—	—	—

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2009									
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
Total	¥65,994.9	¥55,559.3	¥10,435.6	¥5,245.1	—	—	—	—	—

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				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2010									
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
Total.....	¥20,044.8	¥13,387.6	¥6,657.2	¥3,564.9	—	—	—	—	—

September 30, 2009	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
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
Total	¥19,710.2	¥12,835.7	¥6,874.5	¥3,243.3	—	—	—	—	—

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
Strong:					
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
Good:					
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	—
Total		¥1,167.6	¥28.3	¥1,124.1	¥54.4

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
Strong:			
Residual term less than 2.5 years	70%	¥ —	¥ —
Residual term 2.5 years or more	95%	—	—
Good:			
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
Total		¥204.7	¥200.9

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

(a) Object Finance

September 30, 2010	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
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
Total	¥185.5	¥144.5	¥41.0	¥10.3	—	—	—	—	—

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
September 30, 2009									
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
Total	¥160.5	¥145.8	¥14.7	¥14.7	—	—	—	—	—

(b) Income-Producing Real Estate (IPRE)

	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets						
September 30, 2010									
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
Total	¥1,624.1	¥1,455.8	¥168.3	¥6.6	—	—	—	—	—

September 30, 2009	Billions of yen				Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount								
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount					
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).....	—	—	—	—	—	—	—	—	—
Total	¥1,596.4	¥1,430.7	¥165.7	¥6.3	—	—	—	—	—

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
September 30, 2010	Total	On-balance sheet assets	Off-balance sheet assets				
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
Total	¥11,710.3	¥11,640.1	¥70.2	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average ELdefault	Weighted average risk weight
	Exposure amount						
September 30, 2009	Total	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

	Billions of yen					Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount									
	Total	On-balance sheet assets	Off-balance sheet assets	Undrawn amount						
September 30, 2010		Balance	Increase							
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	—	—	—	—	—

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

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 _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
September 30, 2010							
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 _{default}	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

	Billions of yen					
	2010			2009		
September 30	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

	Billions of yen	
September 30	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	(First half of fiscal 2010)	Estimated loss amounts		Actual loss amounts	
		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

	Billions of yen			
	2010		2009	
	Eligible financial collateral	Other eligible IRB collateral	Eligible financial collateral	Other eligible IRB collateral
September 30				
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

	Billions of yen			
	2010		2009	
	Guarantee	Credit derivative	Guarantee	Credit derivative
September 30				
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

	Billions of yen	
	2010	2009
September 30		
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

	Billions of yen			
	2010		2009	
	Notional principal amount		Notional principal amount	
September 30	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	—
Total	¥2,182.6	¥1,934.4	¥248.1	¥82.3	¥15.4	¥20.8	¥4.1

	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	—
Total	¥2,152.6	¥1,871.7	¥281.0	¥43.0	¥26.1	¥3.8	¥2.5

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	—
Total	¥483.5	¥112.0	¥38.9	¥404.4	¥60.5	¥40.1

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
Total	¥483.5	¥115.5	¥404.4	¥62.9

(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...	¥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

	Billions of yen	
September 30	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

	Billions of yen					
	2010			2009		
September 30	Term-end balance	To be deducted from capital	Increase in capital equivalent	Term-end balance	To be deducted from capital	Increase in capital equivalent
Claims on corporates	¥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

	Billions of yen			
	2010		2009	
September 30	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

	Billions of yen	
September 30	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

	Billions of yen			
	2010		2009	
September 30	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

	Billions of yen	
September 30	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

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

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
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, 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				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
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
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.

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
Total	¥60.6	¥118.3

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

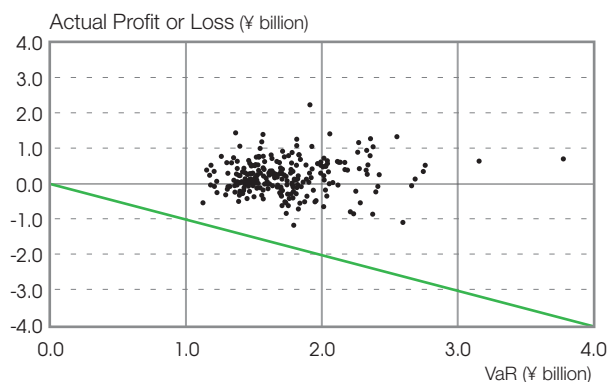
Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.

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 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).