

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Years ended March 31, 2012 and 2011

1. Basis of Presentation

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

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

The accounts of overseas subsidiaries and affiliated companies are in principle integrated with those of SMFG's accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or International Financial Reporting Standards in which case a certain limited number of items are adjusted based on their materiality.

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

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

Amounts less than 1 million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2012, which was ¥82.13 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

2. Significant Accounting Policies

(1) Consolidation and equity method

(a) Scope of consolidation

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

(i) Consolidated subsidiaries

337 companies

Principal companies:

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

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2012 are as follows:

7 companies including Promise were included in the scope of consolidated subsidiaries as a result of a tender offer for shares of Promise by SMBC and a subscription by SMFG for new shares issued by Promise by way of third-party allotment. 30 companies including Minato Equity Support Investment Limited Partnership were also newly consolidated due to establishment and other reasons.

18 companies including SMBC Support & Solution Co., Ltd. were excluded from the scope of consolidated subsidiaries because they were no longer subsidiaries due mainly to mergers.

9 companies including Rouge 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.

(ii) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

193 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 Consolidated Financial Statements Regulations.

Other unconsolidated subsidiaries including SBCS Co., Ltd. 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, as such, they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of consolidation.

(b) Application of the equity method

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

(i) Unconsolidated subsidiaries accounted for by the equity method

4 companies

Principal company:

SBCS Co., Ltd.

(ii) Equity method affiliates

39 companies

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited

Daiwa SB Investments Ltd.

Changes in the equity method affiliates in the fiscal year ended March 31, 2012 are as follows:

Hitachi Capital Auto Lease Corporation became equity method affiliates through acquisition of shares by Sumitomo Mitsui Auto Service Company, Limited. 5 other companies also became equity method affiliates due to increase of significance and other reasons.

6 companies including Promise were excluded from the scope of equity method affiliates because they were no longer equity method affiliates through a tender offer for shares of Promise by SMBC and a subscription by SMFG for new shares issued by Promise by way of third-party allotment. 4 companies including At-Loan Co., Ltd. were excluded from the scope of equity method affiliates because they were no longer equity method affiliates due mainly to mergers.

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

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

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

Principal company:

Daiwa SB Investments (USA) Ltd.

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

(c) The balance sheet dates of consolidated subsidiaries

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

May 31	1 company
June 30	5 companies
July 31	2 companies
September 30	3 companies
October 31	1 company
November 30	8 companies
December 31	122 companies
January 31	19 companies
February 29	9 companies
March 31	167 companies

(ii) The subsidiaries with balance sheets dated May 31, June 30, July 31, September 30, November 30 are consolidated using the financial statements as of March 31 for the purpose of consolidation. The subsidiaries with balance sheets dated October 31 are consolidated using the financial statements as of January 31. Certain subsidiaries with balance sheets dated December 31 and January 31 are consolidated using the financial statements as of March 31. Other subsidiaries are consolidated using them on their respective balance sheet dates.

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

(d) Special purpose entities

(i) Outline of special purpose entities and transactions
SMBC, a consolidated subsidiary of SMFG, provides credit lines, liquidity lines and loans to 13 special purpose entities ("SPEs") for their fund 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.

The combined assets and liabilities of the 13 SPEs as of their most recent closing dates of 2012 were ¥2,175,773 million (\$26,492 million) and ¥2,175,548 million (\$26,489 million), respectively. SMBC has no voting rights in the SPEs and sends no directors or employees.

(ii) The amount of principal transactions with the SPEs as of and for the fiscal years ended March 31, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Loans and bills discounted	¥1,486,284	¥1,592,714	\$18,097
Credit lines	723,383	593,578	8,808
Liquidity lines	352,547	291,991	4,293

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Interest on loans and discounts	¥13,388	¥15,978	\$163
Fees and commissions ...	1,842	1,665	22

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

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

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

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

(3) Securities

(a) 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 in other securities that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities which are 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 fiscal year’s earnings by applying fair value hedge accounting.

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

(4) Derivative transactions

Derivative transactions, excluding those for trading purposes, are carried at fair value.

(5) Depreciation

(a) Tangible fixed assets (excluding lease assets)

Buildings owned by SMFG and SMBC are depreciated using the straight-line method. Others are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings: 7 to 50 years

Others: 2 to 20 years

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

(b) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by SMFG and its consolidated domestic subsidiaries is depreciated over its estimated useful life (basically 5 years).

(c) Lease assets

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

(6) Reserve for possible loan losses

The reserve for possible loan losses of major consolidated subsidiaries is provided as detailed 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 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 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.

Discounted cash flows (“DCF”) method is used for claims on borrowers whose cash flows from collection of principals 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 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 based on the historical loan-loss ratio.

For claims originated in specific overseas countries, an additional reserve is provided 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, audits their assessment. The reserve is provided based on the results of these assessments.

The reserve for possible loan losses of SMFG and other consolidated subsidiaries for general claims is provided 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 ¥685,871 million (\$8,351 million) and ¥867,866 million at March 31, 2012 and 2011, respectively.

(7) Reserve for employee bonuses

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

(8) Reserve for executive bonuses

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

(9) Reserve for employee retirement benefits

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

Unrecognized prior service cost is amortized using the straight-line method, primarily over 9 years within the employees' average remaining service period at incurrence.

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

(10) Reserve for executive retirement benefits

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

(11) Reserve for 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.

(12) 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.

(13) Reserve for losses on interest repayment

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

(14) Reserve under the special laws

The reserve under the special laws is a reserve for contingent liabilities and provided for compensation for losses from securities related transactions or derivative transactions, pursuant to Article 46-5 of the Financial Instruments and Exchange Act.

(15) Translation of foreign currency assets and liabilities

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

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

(16) Lease transactions

(a) Recognition of income on finance leases

Interest income is allocated to each period, based on the interest method.

(b) Recognition of income on operating leases

Primarily, lease-related income is recognized on a straight-line basis over the full 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 basis over the full period of the installment sales.

(17) 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 also assesses the effectiveness of such individual hedges.

As a result of the application of JICPA Industry Audit Committee Report No. 24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using “macro hedge,” which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to “Interest income” or “Interest expenses” over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. Gross amounts of deferred hedge losses on “macro hedge” (before deducting tax effect) at March 31, 2012 and 2011 were ¥309 million (\$4 million) and ¥999 million, respectively. Gross amounts of deferred hedge gains on “macro hedge” (before deducting tax effect) at March 31, 2012 and 2011 were ¥188 million (\$2 million) and ¥960 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 strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries apply the deferred hedge accounting or fair value hedge accounting or the special treatment for interest rate swaps.

(18) Amortization of goodwill

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

(19) Statements of cash flows

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

(20) Consumption taxes

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

(21) Unapplied Accounting Standards, etc.

(Revisions of Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, revised on March 25, 2011), etc.)

A special purpose entity (“SPE”) that meets certain requirements was previously assumed not to be regarded as a subsidiary of the entity that either had invested in the SPE or assigned assets to the SPE. Following the revisions of the aforementioned accounting standard, etc., the treatment is only applied to a case where a company has assigned assets to an SPE. SMFG intends to adopt the revised accounting standard, etc. from the beginning of the fiscal year commencing on April 1, 2013.

As a result of the adoption of the revised accounting standard, etc., SPEs that have previously not been regarded as a subsidiary of SMFG but whose assets have not been assigned by SMFG will be additionally included in the scope of consolidation, resulting in inclusion of assets, liabilities, profits and losses of the SPEs in the consolidated financial statements of SMFG. Effects of adoption of the revised accounting standard, etc. are currently examined.

(22) Additional Information

(a) Changes of Accounting Procedures and Presentation

SMFG has adopted “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, issued on December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, issued on December 4, 2009) for changes in accounting policies and corrections of figures from the fiscal year ended March 31, 2012.

(b) Effects of changes in the corporate income tax rate

Following the promulgation of the “Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114,

2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from fiscal years beginning on or after April 1, 2012. Additionally, the act for the use of tax loss carryforwards has been amended and, from fiscal years beginning on or after April 1, 2012, the use of tax loss carryforwards will be limited to the equivalent of 80% of taxable income before deducting tax loss carryforwards. As a result of this change, net income decreased by ¥39,589 million (\$482 million) for the year ended March 31, 2012.

3. Trading Assets

Trading assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Trading securities	¥4,027,609	¥2,817,536	\$49,039
Derivatives of trading securities	3,419	3,857	42
Derivatives of securities related to trading transactions	19,503	5,338	237
Trading-related financial derivatives	3,888,692	3,514,859	47,348
Other trading assets	257,718	291,305	3,138
	¥8,196,944	¥6,632,898	\$99,804

4. Securities

Securities at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Japanese government bonds*1	¥29,327,057	¥25,934,346	\$357,081
Japanese local government bonds	474,884	544,409	5,782
Japanese corporate bonds*2	3,155,712	3,256,034	38,423
Japanese stocks*1, 3, 4	2,615,168	2,741,796	31,842
Other*1, 3, 4	6,957,128	7,475,535	84,709
	¥42,529,950	¥39,952,123	\$517,837

*1 Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥51,022 million (\$621 million) and ¥50,935 million are included in Japanese government bonds in Securities and in trading securities in Trading assets at March 31, 2012 and 2011, respectively.

SMBC has the right to sell or pledge, some of the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral. Of these securities, ¥1,961,135 million (\$23,878 million) are pledged, and ¥378,167 million (\$4,604 million) are held in hand at March 31, 2012. The respective amounts at March 31, 2011 were ¥3,032,285 million and ¥232,420 million.

*2 Japanese corporate bonds include private placement bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) which are guaranteed by banking subsidiaries in the amount of ¥1,851,841 million (\$22,548 million) and ¥1,969,902 million at March 31, 2012 and 2011, respectively.

*3 Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥231,200 million (\$2,815 million) and ¥279,829 million at March 31, 2012 and 2011, respectively.

*4 Japanese stocks and other include investments in jointly controlled entities of ¥107,866 million (\$1,313 million) and ¥97,868 million at March 31, 2012 and 2011, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Bills discounted.....	¥ 202,971	¥ 184,822	\$ 2,471
Loans on notes	2,070,729	2,176,918	25,213
Loans on deeds.....	53,647,541	51,925,319	653,203
Overdrafts	6,799,356	7,061,295	82,787
	¥62,720,599	¥61,348,355	\$763,674

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

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Risk-monitored loans:			
Bankrupt loans* ¹	¥ 74,218	¥ 90,777	\$ 904
Non-accrual loans* ²	1,145,347	1,031,828	13,945
Past due loans (3 months or more)* ³	22,502	25,438	274
Restructured loans* ⁴	562,882	498,323	6,854
	¥1,804,951	¥1,646,369	\$21,977

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

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

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

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

(3) Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value at March 31, 2012 and 2011 was ¥754,204 million (\$9,183 million) and ¥667,310 million, respectively.

(4) Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2012 and 2011 were ¥47,220,313 million (\$574,946 million) and ¥45,842,366 million, respectively, and the amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time at March 31, 2012 and 2011 were ¥39,753,611 million (\$484,033 million) and ¥39,563,617 million, respectively.

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

6. Other Assets

Other assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Prepaid expenses.....	¥ 35,779	¥ 34,563	\$ 436
Accrued income.....	259,380	236,357	3,158
Deferred assets.....	779,599	821,139	9,492
Financial derivatives*	1,264,676	1,294,264	15,399
Other	2,283,320	2,218,407	27,801
	¥4,622,756	¥4,604,732	\$56,286

* Referred to in Note 31

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Buildings	¥ 361,205	¥ 350,494	\$ 4,398
Land*	555,179	551,839	6,760
Lease assets	9,063	10,527	110
Construction in progress	12,585	4,464	153
Other tangible fixed assets	242,488	251,583	2,953
Total	¥1,180,522	¥1,168,908	\$14,374
Accumulated depreciation	¥ 750,082	¥ 717,073	\$ 9,133

* Includes land revaluation excess referred to in Note 15.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Software	¥282,797	¥262,068	\$3,443
Goodwill	397,537	352,790	4,840
Lease assets	200	361	3
Other intangible fixed assets	119,237	58,995	1,452
	¥799,773	¥674,216	\$9,738

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	¥ 294,382	¥ 2,859	\$ 3,584
Call loans and bills bought	490,255	327,259	5,969
Monetary claims bought	7,096	1,926	86
Trading assets	3,715,510	2,565,106	45,239
Securities	7,281,341	8,586,487	88,656
Loans and bills discounted	2,572,382	2,149,928	31,321
Lease receivables and investment assets	7,740	10,436	94
Tangible fixed assets	14,336	15,019	175
Other assets (installment account receivable, etc.)	4,412	5,102	54
Liabilities corresponding to assets pledged as collateral:			
Deposits	19,144	26,053	233
Call money and bills sold	825,000	955,000	10,045
Payables under repurchase agreements	1,676,902	726,365	20,418
Payables under securities lending transactions	5,180,034	5,078,535	63,071
Trading liabilities	513,941	356,577	6,258
Borrowed money	4,312,097	5,119,245	52,503
Other liabilities	10,149	11,140	124
Acceptances and guarantees	109,212	110,568	1,330

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, variation margins of futures market transactions and certain other purposes at March 31, 2012 and 2011:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Cash and due from banks and Deposits with banks	¥ 23,993	¥ 32,987	\$ 292
Trading assets	86,879	177,403	1,058
Securities	24,367,992	20,790,338	296,700

At March 31, 2012, other assets included surety deposits of ¥124,516 million (\$1,516 million), variation margins of futures market transactions of ¥17,906 million (\$218 million) and other variation margins of ¥66,197 million (\$806 million). At March 31, 2011, other assets included surety deposits of ¥119,299 million, variation margins of futures market transactions of ¥18,029 million and other variation margins of ¥84,382 million.

10. Deposits

Deposits at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Current deposits	¥ 7,685,782	¥ 7,046,031	\$ 93,581
Ordinary deposits	40,474,217	38,444,302	492,807
Savings deposits	690,036	721,677	8,402
Deposits at notice	4,497,785	4,931,391	54,764
Time deposits	26,866,418	26,891,477	327,121
Negotiable certificates of deposit	8,593,638	8,366,323	104,634
Other deposits	3,914,321	3,964,058	47,660
	¥92,722,199	¥90,365,263	\$1,128,969

11. Trading Liabilities

Trading liabilities at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Trading securities sold for short sales	¥2,172,857	¥1,623,046	\$26,456
Derivatives of trading securities	7,453	1,803	91
Derivatives of securities related to trading transactions	17,455	5,639	212
Trading-related financial derivatives	4,050,294	3,617,812	49,316
	¥6,248,061	¥5,248,302	\$76,075

12. Borrowed Money

Borrowed money at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars	Average interest rate*1	Due
	2012	2011	2012	2012	
Borrowed money*2	¥8,839,648	¥10,769,668	\$107,630	0.57%	Jan. 2012–Perpetual

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

*2 Includes subordinated borrowings of ¥374,250 million (\$4,557 million) and ¥371,232 million at March 31, 2012 and 2011, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2012 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Within 1 year	¥6,931,770	\$84,400
After 1 year through 2 years	427,578	5,206
After 2 years through 3 years	518,920	6,318
After 3 years through 4 years	284,518	3,464
After 4 years through 5 years	118,829	1,447

13. Bonds

Bonds at March 31, 2012 and 2011 consisted of the following:

March 31

Issuer	Millions of yen*1		Millions of U.S. dollars	Interest rate*2 (%)	
Description	2012	2011	2012	2012	Due
SMBC:					
Short-term bonds, payable in Yen	¥ 19,999	¥ 40,999	\$ 243	0.08	Apr. 2012
	[19,999]	{40,999}			
Straight bonds, payable in Yen	1,233,795	1,233,898	15,023	0.12571–1.716	Apr. 2012–May 2025
	[216,897]	{197,793}			
Straight bonds, payable in Euroyen.....	15,900	20,900	194	0.00–4.58546	Mar. 2036–Feb. 2037
		{5,000}			
Straight bonds, payable in U.S. dollars	574,424	290,823	6,994	1.5112–3.95	Jul. 2013–Jan. 2022
	(\$6,994,089 thousand)	(\$3,497,576 thousand)			
Straight bonds, payable in Australian dollars.....	82,799	46,444	1,008	4.28–5.76	Mar. 2013–Dec. 2014
	(A\$969,891 thousand)	(A\$539,931 thousand)			
	[46,096]				
Subordinated bonds, payable in Yen	1,586,411	1,373,255	19,316	1.03586–2.80	Jun. 2012–Dec. 2026
	[39,999]	{49,999}			
Subordinated bonds, payable in Euroyen.....	346,494	447,494	4,219	0.44571–2.97	May 2017–Perpetual
Subordinated bonds, payable in U.S. dollars.....	209,352	88,182	2,549	4.85–8.00	Jun. 2012–Perpetual
	(\$2,549,037 thousand)	(\$1,060,522 thousand)			
	[61,341]	{1,995}			
Subordinated bonds, payable in Euro	117,717	125,885	1,433	4.00–4.375	Nov. 2020–Perpetual
	(€1,072,787 thousand)	(€1,071,181 thousand)			
Other consolidated subsidiaries:					
Straight bonds, payable in Yen	265,916	113,411	3,238	0.31938–8.15	Apr. 2012–Mar. 2042
	[49,700]	{26,010}			
Straight bonds, payable in U.S. dollars	60,496	—	737	5.95	Jun. 2012
	(\$500,000 thousand)				
	[60,496]				
Straight bonds, payable in Renminbi.....	6,520	—	79	2.50–3.00	Sep. 2013–Sep. 2014
	(RMB¥500,000 thousand)				
Subordinated bonds, payable in Yen	142,099	125,798	1,730	2.01–4.50	Mar. 2018–Perpetual
Short-term bonds, payable in Yen	929,388	1,142,198	11,316	0.112–0.3000002	Apr. 2012–Dec. 2012
	[929,388]	{1,142,198}			
	¥5,591,316	¥5,049,293	\$68,079		

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

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

The redemption schedule over the next 5 years on bonds at March 31, 2012 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Within 1 year	¥1,423,939	\$17,338
After 1 year through 2 years	454,897	5,539
After 2 years through 3 years	446,103	5,432
After 3 years through 4 years	607,538	7,397
After 4 years through 5 years	487,148	5,931

14. Other Liabilities

Other liabilities at March 31, 2012 and 2011 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Accrued expenses.....	¥ 137,287	¥ 132,089	\$ 1,672
Unearned income.....	154,480	167,880	1,881
Income taxes payable.....	59,789	47,431	728
Financial derivatives*1.....	895,750	818,962	10,906
Lease liabilities*2.....	54,169	64,436	660
Other.....	3,461,483	2,957,458	42,146
	¥4,762,961	¥4,188,259	\$57,993

*1 Referred to in Note 31

*2 Average interest rate on lease liabilities for the year ended March 31, 2012 was 7.00%. Non-transfer ownership finance lease with the lease term commenced before April 1, 2008 is excluded from calculations of average interest rate.

The repayment schedule over the next 5 years on lease liabilities at March 31, 2012 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Within 1 year.....	¥18,382	\$224
After 1 year through 2 years.....	12,926	157
After 2 years through 3 years.....	8,994	110
After 3 years through 4 years.....	6,279	76
After 4 years through 5 years.....	2,704	33

15. Land Revaluation Excess

SMBC and another consolidated subsidiary revaluated their own land for business activities in accordance with “Act on Revaluation of Land” (the “Act”) (Act No. 34, effective March 31, 1998) and “Act for Partial Revision of Act on Revaluation of Land” (Act No. 19, 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 Act. 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 Act)

SMBC:

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of “Order for Enforcement of Act on Revaluation of Land” (Cabinet Order No. 119 of 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 “Order for Enforcement of Act on Revaluation of Land” (Cabinet Order No. 119 of March 31, 1998).

16. Capital Stock

Capital stock consists of common stock and preferred stock. Common stock and preferred stock at March 31, 2012 and 2011 were as follows:

March 31	Number of shares			
	2012		2011	
	Authorized	Issued	Authorized	Issued
Common stock.....	3,000,000,000	1,414,055,625	3,000,000,000	1,414,055,625
Preferred stock (Type 5).....	167,000	—	167,000	—
Preferred stock (Type 6).....	70,001	—	70,001	70,001
Preferred stock (Type 7).....	167,000	—	167,000	—
Preferred stock (Type 8).....	115,000	—	115,000	—
Preferred stock (Type 9).....	115,000	—	115,000	—
Total.....	3,000,634,001	1,414,055,625	3,000,634,001	1,414,125,626

17. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Fees and commissions:			
Deposits and loans	¥ 92,397	¥ 82,604	\$ 1,125
Remittances and transfers	126,984	127,856	1,546
Securities-related business.....	90,350	71,277	1,100
Agency	18,896	18,054	230
Safe deposits	6,325	6,507	77
Guarantees.....	71,066	62,762	865
Credit card business.....	208,853	185,970	2,543
Investment trusts.....	142,940	163,706	1,741
Other.....	197,865	178,720	2,409
	¥955,680	¥897,461	\$11,636
Fees and commissions payments:			
Remittances and transfers	¥ 33,301	¥ 33,958	\$ 405
Other.....	98,797	97,272	1,203
	¥132,099	¥131,230	\$ 1,608

18. Trading Income

Trading income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Gains on trading securities	¥114,978	¥ 94,234	\$1,400
Gains on securities related to trading transactions.....	7,634	1,538	93
Gains on trading-related financial derivatives	74,328	140,157	905
Other	1,251	1,162	15
	¥198,192	¥237,093	\$2,413

19. Other Operating Income

Other operating income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Gains on sale of bonds	¥ 176,344	¥ 209,496	\$ 2,147
Gains on redemption of bonds.....	119	105	2
Lease-related income.....	789,509	693,492	9,613
Gains on foreign exchange transactions.....	23,270	—	283
Gains on financial derivatives	—	11,336	—
Other	121,322	125,231	1,477
	¥1,110,566	¥1,039,662	\$13,522

20. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Losses on sale of bonds	¥ 13,616	¥ 47,874	\$ 166
Losses on redemption of bonds.....	5,692	7,194	69
Losses on devaluation of bonds.....	—	984	—
Bond issuance costs.....	2,528	2,701	31
Lease-related expenses.....	718,104	627,378	8,743
Losses on foreign exchange transactions	—	44,556	—
Losses on financial derivatives	2,537	—	31
Other	138,518	127,554	1,687
	¥880,998	¥858,243	\$10,727

21. Other Income

Other income for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Gains on sale of stocks and other securities	¥15,654	¥27,523	\$191
Gains on money held in trust.....	10	203	0
Gains on disposal of fixed assets.....	2,741	884	33
Recoveries of written-off claims	4,800	2,813	58
Gains on step acquisitions	25,050	12,655	305
Other	27,014	29,427	329
	¥75,272	¥73,507	\$916

22. Other Expenses

Other expenses for the fiscal years ended March 31, 2012 and 2011 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Write-off of loans.....	¥ 90,305	¥156,571	\$1,099
Losses on sale of stocks and other securities.....	11,659	4,551	142
Losses on devaluation of stocks and other securities.....	31,875	114,921	388
Losses on money held in trust	1,474	352	18
Losses on sale of delinquent loans.....	25,364	6,834	309
Equity in losses of affiliates.....	31,122	13,319	379
Losses on disposal of fixed assets	6,507	5,914	79
Losses on impairment of fixed assets*	3,861	5,411	47
Provision for reserve for loss on interest repayment	—	14,530	—
Influence amount as a result of the application of Accounting Standard for Asset Retirement Obligations.....	—	3,552	—
Other	89,008	20,921	1,084
	¥291,179	¥346,881	\$3,545

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

					Millions of U.S. dollars
Year ended		Purpose of use	Millions of yen		
March 31	Area	2012	Type	2012	2011
Tokyo metropolitan area	Branches (11 branches)	Land and buildings, etc.	¥ 198	¥ —	\$ 2
	Corporate assets (—)		—	254	—
	Idle assets (38 items)		1,168	1,070	14
	Other (4 items)		58	461	1
Kinki area	Branches (31 branches)	Land and buildings, etc.	393	69	5
	Idle assets (41 items)		1,630	3,542	20
	Other (1 item)		2	—	0
Other	Branch (1 branch)	Land and buildings, etc.	27	—	0
	Idle assets (16 items)		381	13	5

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

SMBC and other consolidated 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 branches, 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.

23. Other Comprehensive Income

Fiscal year ended March 31, 2012

Reclassification adjustment and tax effect of other comprehensive income

March 31	Millions of yen 2012	Millions of U.S. dollars 2012
Net unrealized gains on other securities:		
Amount arising during the fiscal year	¥241,713	\$2,943
Reclassification adjustment.....	(136,762)	(1,665)
Before adjustment to tax effect.....	104,950	1,278
Tax effect	(35,846)	(437)
Net unrealized gains on other securities	69,103	841
Deferred losses on hedges:		
Amount arising during the fiscal year	(26,643)	(324)
Reclassification adjustment.....	(7,882)	(96)
Adjustment on the cost of the assets	(16)	(0)
Before adjustment to tax effect.....	(34,543)	(420)
Tax effect	11,578	141
Deferred losses on hedges.....	(22,964)	(279)
Revaluation reserve for land:		
Amount arising during the fiscal year	—	—
Reclassification adjustment.....	—	—
Before adjustment to tax effect.....	—	—
Tax effect	5,613	68
Revaluation reserve for land	5,613	68
Foreign currency translation adjustment:		
Amount arising during the fiscal year	(24,429)	(297)
Reclassification adjustment.....	1,059	13
Before adjustment to tax effect.....	(23,369)	(284)
Tax effect	(126)	(2)
Foreign currency translation adjustment	(23,496)	(286)
Share of other comprehensive income of associates accounted for by equity method		
Amount arising during the fiscal year	(7,105)	(87)
Reclassification adjustment.....	2,453	30
Before adjustment to tax effect.....	(4,651)	(57)
Tax effect	—	—
Share of other comprehensive income of associates accounted for by equity method.....	(4,651)	(57)
Total other comprehensive income.....	¥ 23,605	\$ 287

24. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Reserve for possible loan losses.....	¥ 506,971	¥ 454,603	\$ 6,173
Net operating loss carryforwards.....	383,270	273,415	4,667
Write-off of securities.....	224,012	316,010	2,727
Write-off of loans.....	115,438	161,174	1,405
Reserve for employee retirement benefits.....	68,402	77,284	833
Net unrealized gains on other securities.....	39,485	33,236	481
Net deferred losses on hedges.....	18,425	6,848	224
Depreciation.....	12,554	10,857	153
Other.....	212,036	249,420	2,582
Subtotal.....	1,580,597	1,582,851	19,245
Valuation allowance.....	(942,722)	(739,055)	(11,478)
Total deferred tax assets.....	637,874	843,795	7,767
Deferred tax liabilities:			
Net unrealized losses on other securities.....	(146,715)	(101,791)	(1,787)
Leveraged lease.....	(19,692)	(23,459)	(240)
Gains on securities contributed to employee retirement benefits trust....	(38,524)	(44,015)	(469)
Securities returned from employee retirement benefits trust.....	(9,298)	(12,967)	(113)
Undistributed earnings of subsidiaries.....	(5,684)	(4,502)	(69)
Other.....	(67,776)	(32,840)	(825)
Total deferred tax liabilities.....	(287,692)	(219,576)	(3,503)
Net deferred tax assets.....	¥ 350,182	¥ 624,219	\$ 4,264

(2) SMFG and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, would result in an effective statutory tax rate of approximately 40.69% for the years ended March 31, 2012 and 2011. A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of income to the statutory tax rate for the years ended March 31, 2012 and 2011 was as follows:

	2012	2011
Statutory tax rate.....	40.69%	40.69%
Valuation allowance.....	(11.76)	(11.53)
Dividends exempted for income tax purposes.....	(1.15)	(1.17)
Gains on step acquisitions.....	(1.07)	(0.62)
Effects of changes in the corporate income tax rate.....	4.42	—
Equity in losses of affiliates.....	1.33	0.66
Other.....	0.21	1.07
Effective income tax rate.....	32.67%	29.10%

(3) Reversal of deferred tax assets and liabilities from changes in the corporate income tax rate

Following the promulgation of the “Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114, 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from fiscal years beginning on or after April 1, 2012.

In line with these changes the effective statutory tax rate in fiscal 2012 and after used by SMFG's domestic consolidated subsidiaries in Japan for the calculation of deferred tax assets and deferred tax liabilities has consequently been revised. As a result, “Deferred tax assets” decreased by 21,119 million (\$257 million), “Net unrealized gains (losses) on other securities” increased by ¥19,290 million (\$235 million), “Net deferred gains (losses) on hedges” decreased by ¥2,587 million (\$31 million), and “Income tax adjustments” recorded during the fiscal year ended March 31, 2012 increased by ¥42,119 million (\$513 million). Similarly, “Deferred tax liabilities for land revaluation” decreased by ¥5,613 million (\$68 million), while “Land revaluation excess” increased by the same amount.

The effective statutory tax rate used by Sumitomo Mitsui Banking Corporation (“SMBC”), a consolidated subsidiary of SMFG, for the calculation of deferred tax assets and deferred tax liabilities was reduced from the current rate of 40.63% to 37.94% for temporary differences and other items expected to be eliminated during the period beginning from the consolidated fiscal year beginning on April 1, 2012 through the consolidated fiscal year beginning on April 1, 2014, and to 35.57% for temporary differences and other items expected to be eliminated in the fiscal year beginning on April 1, 2015 and thereafter.

As a result of these changes in tax rates, “Deferred tax assets” decreased by ¥6,592 million (\$80 million), “Net unrealized gains (losses) on other securities” increased by ¥16,479 million (\$201 million), “Net deferred gains (losses) on hedges” decreased by ¥2,417 million (\$29 million), and “Income tax adjustments” recorded during the fiscal year ended March 31, 2012 increased by ¥20,655 million (\$251 million). Moreover, “Deferred tax liabilities for land revaluation” decreased by ¥5,538 million (\$67 million), and “Land revaluation excess” increased by the same amount.

25. Changes in Net Assets

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

Year ended March 31, 2012	Number of shares			March 31, 2012
	March 31, 2011	Increase	Decrease	
Shares issued				
Common stock.....	1,414,055,625	—	—	1,414,055,625
Preferred stock (First series Type 6).....	70,001	—	70,001* ¹	—
Total	1,414,125,626	—	70,001	1,414,055,625
Treasury stock				
Common stock.....	32,581,914	45,686,368* ²	15,328,723* ²	62,939,559
Preferred stock (First series Type 6).....	—	70,001* ¹	70,001* ¹	—
Total	32,581,914	45,756,369	15,398,724	62,939,559

*¹ Increase in number of treasury stock of the First Series Type 6 Preferred Stock:

- 70,001 shares due to acquisition of the treasury stock that was executed on April 1, 2011 in accordance with the provision of Article 18 of the Articles of Incorporation of SMFG

Decrease in number of both treasury stock and shares issued of the First Series Type 6 Preferred Stock:

- 70,001 shares respectively due to cancellation of those shares that was executed on April 1, 2011

*² Increase in number of treasury common shares issued:

- 45,686,368 shares due to purchase of fractional shares and also acquisition of SMFG shares through market purchases in accordance with the provision of Article 8 of the Articles of Incorporation of SMFG that were subsequently delivered to the shareholders of Promise Co., Ltd. in consideration for a share exchange

Decrease in number of treasury common shares issued:

- 15,328,723 shares due to reduction of 7,363 shares through sale of fractional shares and exercise of stock options and reduction of 15,321,360 shares through the allocation of SMFG shares held by SMFG Card & Credit, Inc., a consolidated subsidiary of SMFG for the purpose of acquiring 100% stake of Cedyna Financial Corporation, to the shareholders of Cedyna Financial Corporation on May 1, 2011, and sale of SMFG shares by consolidated subsidiaries

Year ended March 31, 2011	Number of shares			March 31, 2011
	March 31, 2010	Increase	Decrease	
Shares issued				
Common stock.....	1,414,055,625	—	—	1,414,055,625
Preferred stock (First series Type 6).....	70,001	—	—	70,001
Total	1,414,125,626	—	—	1,414,125,626
Treasury stock				
Common stock.....	17,070,100	15,516,991*	5,177*	32,581,914
Total	17,070,100	15,516,991	5,177	32,581,914

* Increase in number of treasury common shares issued:

- 37,591 shares due to purchase of fractional shares
- 15,479,400 shares due to acquisition of SMFG shares by SMFG Card & Credit, Inc., a wholly-owned subsidiary of SMFG, in connection with making Cedyna Financial Corporation a wholly-owned subsidiary of SMFG Card & Credit through the share exchange

Decrease in number of treasury common shares issued:

- 5,177 shares due to sale of fractional shares

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

Year ended March 31, 2012	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Millions of U.S. dollars
			March 31, 2011	Increase	Decrease	March 31, 2012	March 31, 2012	March 31, 2012
SMFG.....	Stock options	—	—	—	—	—	¥598	\$7
Consolidated subsidiary ...	—	—	—	—	—	—	94	1
Total.....							¥692	\$8

Year ended March 31, 2011	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen	
			March 31, 2010	Increase	Decrease	March 31, 2011	March 31, 2011
SMFG.....	Stock options	—	—	—	—	—	¥170
Consolidated subsidiary ...	—	—	—	—	—	—	91
Total.....							¥262

(3) Information on dividends is as follows:

(a) Dividends paid in the fiscal year ended March 31, 2011

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

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

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥70,515	¥ 50	September 30, 2010	December 3, 2010
Preferred stock (First series Type 6).....	3,097	44,250	September 30, 2010	December 3, 2010

Date of resolution: Meeting of the Board of Directors held on November 12, 2010

(b) Dividends paid in the fiscal year ended March 31, 2012

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥70,514	¥ 50	March 31, 2011	June 29, 2011
Preferred stock (First series Type 6).....	3,097	44,250	March 31, 2011	June 29, 2011

Date of resolution: Ordinary general meeting of shareholders held on June 29, 2011

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount		
		Cash dividends per share	Record date	Effective date
Common stock	¥70,514	¥50	September 30, 2011	December 2, 2011

Date of resolution: Meeting of the Board of Directors held on November 14, 2011

(c) Dividends to be paid in the fiscal year ending March 31, 2013

Type of shares	Aggregate amount of dividends	Millions of yen, except per share amount			
		Source of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥68,230	Retained earnings	¥50	March 31, 2012	June 28, 2012

Date of resolution: Ordinary general meeting of shareholders held on June 28, 2012

26. Cash Flows

Fiscal year ended March 31, 2012

7 companies including Promise Co., Ltd. were newly consolidated following a tender offer by SMBC for shares and a subscription by SMFG for new shares by way of a third-party allotment. Major assets and liabilities as of the beginning of consolidation and a summary of share acquisition cost and net expenses for the acquisition are as follows:

	Millions of yen	Millions of U.S. dollars
Assets	¥1,671,681	\$20,354
[Loans and bills discounted].....	795,148	9,682
[Customers' liabilities for acceptances and guarantees].....	564,528	6,874
Liabilities	(1,511,980)	(18,410)
[Borrowed money].....	(300,884)	(3,664)
[Reserve for losses on interest repayment].....	(367,220)	(4,471)
[Acceptances and guarantees].....	(564,528)	(6,874)
Stock acquisition rights	(56)	(1)
Minority interests	(3,576)	(43)
Goodwill	57,300	698
Stock acquisition cost of the 7 companies	213,369	2,598
Cash and cash equivalents of the 7 companies	(4,300)	(53)
Fair value of common stock of Promise owned before business combination.....	(21,699)	(264)
Fair value of common stock of Promise additionally acquired through subscription for shares issued by way of third-party allotment	(119,999)	(1,461)
Difference: Expenses required for acquisition of the 7 companies	¥ 67,369	\$ 820

Fiscal year ended March 31, 2011

Significant non-money transactions

Cedyna Financial Corporation and 8 other companies were newly consolidated through a third-party allotment of new shares issued by the company. Their major assets and liabilities are as follows:

	Millions of yen
Assets	¥2,631,525
Loans and bills discounted	438,497
Other assets	803,639
Customers' liabilities for acceptances and guarantees.....	1,124,290
Liabilities	¥2,520,313
Borrowed money.....	989,790
Acceptances and guarantees	1,124,290

27. Employee Retirement Benefits

(1) Outline of employee retirement benefits

Consolidated subsidiaries in Japan have contributory funded defined-benefit pension plans such as employee pension plans and lump-sum severance indemnity plans. Certain domestic consolidated subsidiaries in Japan adopt the defined-contribution pension plan and have a general type of employee pension plans. They may grant additional benefits when employees retire.

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

(2) Projected benefit obligation

		Millions of yen		Millions of U.S. dollars
March 31		2012	2011	2012
Projected benefit obligation	(A).....	¥(990,449)	¥(976,271)	\$(12,060)
Plan assets	(B).....	902,254	883,255	10,986
Unfunded projected benefit obligation	(C)=(A)+(B).....	(88,194)	(93,016)	(1,074)
Unrecognized net actuarial gain or loss	(D).....	261,128	266,775	3,180
Unrecognized prior service cost	(E).....	(6,624)	(10,365)	(81)
Net amount recorded on the consolidated balance sheet	(F)=(C)+(D)+(E).....	166,309	163,393	2,025
Prepaid pension cost	(G).....	212,221	207,997	2,584
Reserve for employee retirement benefits	(F)–(G).....	¥ (45,911)	¥ (44,604)	\$ (559)

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

(3) Pension expenses

		Millions of yen		Millions of U.S. dollars
Year ended March 31		2012	2011	2012
Service cost.....		¥24,646	¥23,505	\$300
Interest cost on projected benefit obligation.....		24,013	23,621	292
Expected return on plan assets.....		(27,169)	(27,624)	(331)
Amortization of unrecognized net actuarial gain or loss.....		38,736	45,902	472
Amortization of unrecognized prior service cost.....		(6,542)	(6,229)	(80)
Other (nonrecurring additional retirement allowance paid and other).....		5,136	4,812	63
Total.....		¥58,820	¥63,988	\$716

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

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

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the fiscal years ended March 31, 2012 and 2011 were as follows:

Year ended March 31		2012	2011
Discount rate.....	Domestic consolidated subsidiaries	1.15% to 2.5%	1.4% to 2.5%
	Overseas consolidated subsidiaries	4.7% to 7.0%	5.4% to 9.0%
Expected rate of return on plan assets.....	Domestic consolidated subsidiaries	0% to 4.1%	0% to 4.0%
	Overseas consolidated subsidiaries	3.8% to 5.5%	5.5% to 5.6%

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

Unrecognized prior service cost is amortized using the straight-line method within the employees' average remaining service period from the fiscal year of its incurrence, over mainly 9 years for the fiscal years ended March 31, 2012 and 2011.

Unrecognized net actuarial gain or loss is amortized using the straight-line method within the employees' average remaining service period, commencing from the next fiscal year of incurrence, over mainly 9 years for the fiscal years ended March 31, 2012 and 2011.

28. Lease Transactions

(1) Financing leases

(a) Lessee side

(i) Lease assets

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

(ii) Depreciation method of lease assets

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

(b) Lessor side

(i) Breakdown of lease investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Lease receivables	¥1,172,940	¥1,241,757	\$14,282
Residual value	89,463	95,359	1,089
Unearned interest income	(179,638)	(206,317)	(2,187)
Total	¥1,082,766	¥1,130,799	\$13,184

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

Lease payments receivable related to lease receivables

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Within 1 year	¥229,520	¥230,050	\$2,795
More than 1 year to 2 years	172,714	160,632	2,103
More than 2 years to 3 years	95,022	111,555	1,157
More than 3 years to 4 years	60,591	53,371	738
More than 4 years to 5 years	46,063	40,555	561
More than 5 years	93,592	84,682	1,139
Total	¥697,504	¥680,846	\$8,493

Lease payments receivable related to investment assets

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Within 1 year	¥ 365,967	¥ 389,029	\$ 4,456
More than 1 year to 2 years	283,506	288,064	3,452
More than 2 years to 3 years	185,126	210,604	2,254
More than 3 years to 4 years	126,973	129,630	1,546
More than 4 years to 5 years	73,022	77,517	889
More than 5 years	138,342	146,911	1,685
Total	¥1,172,940	¥1,241,757	\$14,282

(iii) Non-transfer ownership finance leases, which commenced in fiscal years beginning before April 1, 2008, are valued at their appropriate book value, net of accumulated depreciation, as of March 31, 2008, and recorded as the beginning balance of fiscal 2008 of "Lease receivables and investment assets." Moreover, interest on such non-transfer ownership finance leases during the remaining term of the leases is allocated over the lease term using the straight-line method. As a result of this accounting treatment, "Income before income taxes and minority interests" for the fiscal year ended March 31, 2012 was ¥8,849 million (\$108 million) more than it would have been if such transactions had been treated in a similar way to sales of the underlying assets.

(2) Operating leases

(a) Lessee side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2012 and 2011 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Due within 1 year	¥ 42,247	¥ 34,804	\$ 514
Due after 1 year	294,411	267,049	3,585
Total	¥336,658	¥301,854	\$4,099

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2012 and 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
March 31	2012	2011	2012
Due within 1 year.....	¥ 35,329	¥ 36,995	\$ 430
Due after 1 year.....	158,814	156,549	1,934
Total.....	¥194,143	¥193,545	\$2,364

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.

29. Financial Instruments

(1) Status of financial instruments

(a) Policies on financial instruments

SMFG conducts banking and other financial services such as securities, leasing, credit card, consumer finance, and system development and information processing. Its 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, and sale of insurance products.

These services entail holding of financial assets such as loans and bills discounted, bonds, and stocks. Meanwhile, SMFG raises funds through deposit taking, borrowing, bond offering, etc. Furthermore, it undertakes derivative transactions to meet customers' hedging needs, to control market risk associated with deposit taking and lending ("ALM purposes"), and to make profit on short-term fluctuations in interest rates, foreign exchange rates, etc. ("trading purposes"). At SMBC, SMFG's major consolidated subsidiary, derivative transactions for ALM purposes are undertaken by the Treasury Department and the International Treasury Department of the Treasury Unit, while derivative transactions for trading purposes are undertaken by the Trading Department of the Treasury Unit.

(b) Details of financial instruments and associated risks

(i) Financial assets

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

at appropriate prices due to low market liquidity. These risks are properly monitored and managed based on "(c) Risk management framework for financial instruments" below.

(ii) Financial liabilities

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

(iii) Derivative transactions

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

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

Hedge accounting is applied to derivative transactions executed for ALM purposes, as necessary. Hedging instruments, hedged items, hedging policy and the method to assess the effectiveness of hedging are described in Note 2. (17) Hedge accounting.

(c) Risk management framework for financial instruments

The fundamental matters on risk management for SMFG are set forth in "Risk Management Regulations." SMFG's Management Committee establishes the basic risk management policy, based on the Regulations, which is then approved by the Board of Directors. SMFG has a risk management system based on the basic policy. The Corporate Risk Management Department, which, together with the Corporate Planning Department, controls risk management across SMFG by monitoring the development

and implementation of SMFG's risk management system, and gives appropriate guidance as needed. Under this framework, SMFG comprehensively and systematically manages risks.

(i) Management of credit risk

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

i. Credit risk management system

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

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

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

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

Moreover, Credit Portfolio Management Department within the Credit & Investment Planning Department works to stabilize SMBC's overall credit portfolio through using credit derivatives and selling loan claims.

In addition to these, the Internal Audit Unit, operating independently from the business units, audits asset

quality, credit grading accuracy, self-assessment, and appropriateness of credit risk management system, and reports the results directly to the Board of Directors and the Management Committee.

ii. Method of credit risk management

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

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

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

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

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

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

In regards to financial instruments such as investments in certain funds, securitized products and credit derivatives that indirectly retain risks related to assets such as corporate bonds and loan claims (underlying assets), such instruments entail market and liquidity

risks in addition to credit risk, since such instruments are traded on the market. Credit risk management for these instruments involving detailed analysis and evaluation of characteristics of underlying assets is performed while market risk is comprehensively managed within the framework for managing market and liquidity risks. Moreover, guidelines have been established based on the characteristics of each type of risk.

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

(ii) Management of market and liquidity risks

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

i. Market and liquidity risk management systems

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

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

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

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

ii. Market and liquidity risk management methodology

— Market risk management

SMBC manages market risk by setting maximum loss and VaR (value at risk: maximum potential loss for a

given probability) within the risk capital limit that is set taking into account stockholders' equity and other factors and in accordance with the market transaction policies.

SMBC uses the historical simulation method (a method for estimating the maximum loss by running simulations of changes in profit and loss on market fluctuation scenarios based on historical data) to measure VaR. Regarding banking book (market operations for generating profit through management of interest rates, terms, and other aspects of assets (loans, bonds, etc.) and liabilities (deposits, etc.)) and trading book (market operations for generating profit by taking advantage of short-term fluctuations in market values and differences in value among markets), SMBC calculates the maximum loss that may occur as a result of market fluctuations in one day with a probability of 1% based on four years of historical observation. Concerning the holding of shares (listed shares) for the purpose of strategic investment, SMBC calculated the maximum loss based on the same method as used for banking book and trading book as of March 31, 2011. From the fiscal year ended March 31, 2012, SMBC calculates the maximum loss that may occur as a result of market fluctuation in one year with a probability of 1% based on ten years of historical observation.

Regarding risks associated with foreign exchange rates, interest rates, equity risk, option prices and other market risk factors, SMBC manages such risks by setting a maximum limit on the indicator suited for each market risk factor such as BPV (basis point value: denotes the change in value of a financial instrument resulting from a 0.01 percentage-point change in the yield).

— Quantitative information on market risks

As of March 31, 2012, total VaR of SMBC and other major consolidated subsidiaries was ¥32.0 billion in the banking book, ¥10.0 billion in the trading book and ¥897.9 billion in the holding of shares for the purpose of strategic investment.

However, it should be noted that these figures are statistical figures that change according to changes in the assumptions and the calculation methods, and may not cover the risk of future market conditions fluctuating drastically compared to market fluctuations of the past.

— Liquidity risk management

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

can be sold immediately and emergency committed lines as supplemental liquidity.

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

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

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

(2) Fair value of financial instruments

(a) "Consolidated balance sheet amount," "Fair value" and "Net unrealized gains (losses)" of financial instruments as of March 31, 2012 and 2011 are as follows. The amounts shown in the following table do not include financial instruments whose fair values are extremely difficult to determine, such as unlisted stocks classified as "other securities," and stocks of subsidiaries and affiliates.

March 31	Millions of yen		
	2012		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	¥ 7,711,078	¥ 7,715,673	¥ 4,594
2) Call loans and bills bought*1.....	1,290,685	1,291,614	928
3) Receivables under resale agreements.....	227,749	228,471	722
4) Receivables under securities borrowing transactions.....	4,539,555	4,539,555	—
5) Monetary claims bought*1.....	1,354,400	1,360,792	6,391
6) Trading assets			
Securities classified as trading purposes.....	4,285,328	4,285,328	—
7) Money held in trust.....	23,878	23,878	—
8) Securities			
Bond classified as held-to-maturity.....	5,277,668	5,346,853	69,184
Other securities.....	36,403,944	36,403,944	—
9) Loans and bills discounted.....	62,720,599		
Reserve for possible loan losses*1.....	(757,820)		
	61,962,778	63,076,899	1,114,120
10) Foreign exchanges*1.....	1,276,510	1,281,154	4,643
11) Lease receivables and investment assets*1.....	1,690,977	1,771,120	80,143
Total assets.....	¥126,044,556	¥127,325,285	¥1,280,729
1) Deposits.....	¥ 84,128,561	¥ 84,136,544	¥ 7,982
2) Negotiable certificates of deposit.....	8,593,638	8,593,118	(519)
3) Call money and bills sold.....	2,144,599	2,144,599	(0)
4) Payables under repurchase agreements.....	1,676,902	1,676,902	—
5) Payables under securities lending transactions.....	5,810,730	5,810,730	—
6) Commercial paper.....	1,193,249	1,193,249	—
7) Trading liabilities			
Trading securities sold for short sales.....	2,172,857	2,172,857	—
8) Borrowed money.....	8,839,648	8,856,720	17,072
9) Foreign exchanges.....	302,580	302,580	—
10) Short-term bonds.....	949,388	949,385	(3)
11) Bonds.....	4,641,927	4,771,814	129,886
12) Due to trust account.....	443,723	443,723	—
Total liabilities.....	¥120,897,808	¥121,052,227	¥ 154,418
Derivative transactions*2			
Hedge accounting not applied.....	¥ (102,744)	¥ (102,744)	¥ —
Hedge accounting applied.....	308,082	308,082	—
Total.....	¥ 205,338	¥ 205,338	¥ —

March 31	Millions of yen		
	2011		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1	¥ 9,227,272	¥ 9,233,629	¥ 6,357
2) Call loans and bills bought*1	850,997	851,482	484
3) Receivables under resale agreements	131,104	131,145	40
4) Receivables under securities borrowing transactions	4,740,410	4,740,410	—
5) Monetary claims bought*1	1,110,692	1,117,128	6,435
6) Trading assets			
Securities classified as trading purposes	3,108,841	3,108,841	—
7) Money held in trust	24,011	24,011	—
8) Securities			
Bond classified as held-to-maturity	4,182,273	4,242,131	59,857
Other securities	34,871,036	34,871,036	—
9) Loans and bills discounted	61,348,355		
Reserve for possible loan losses*1	(812,542)		
	60,535,813	61,586,792	1,050,978
10) Foreign exchanges*1	1,072,850	1,076,542	3,692
11) Lease receivables and investment assets*1	1,719,905	1,816,390	96,485
Total assets	¥121,575,209	¥122,799,543	¥1,224,333
1) Deposits	¥ 81,998,940	¥ 82,015,066	¥ 16,126
2) Negotiable certificates of deposit	8,366,323	8,365,839	(484)
3) Call money and bills sold	2,629,407	2,629,406	(0)
4) Payables under repurchase agreements	726,365	726,365	—
5) Payables under securities lending transactions	5,713,233	5,713,233	—
6) Commercial paper	337,120	337,120	—
7) Trading liabilities			
Trading securities sold for short sales	1,623,046	1,623,046	—
8) Borrowed money	10,769,668	10,780,649	10,981
9) Foreign exchanges	256,160	256,160	—
10) Short-term bonds	1,183,198	1,183,198	—
11) Bonds	3,866,095	3,952,658	86,563
12) Due to trust account	216,171	216,171	—
Total liabilities	¥117,685,729	¥117,798,915	¥ 113,186
Derivative transactions*2			
Hedge accounting not applied	¥ 16,149	¥ 16,149	¥ —
Hedge accounting applied	357,952	357,952	—
Total	¥ 374,101	¥ 374,101	¥ —

March 31	Millions of U.S. dollars		
	2012		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	\$ 93,889	\$ 93,945	\$ 56
2) Call loans and bills bought*1.....	15,715	15,726	11
3) Receivables under resale agreements.....	2,773	2,782	9
4) Receivables under securities borrowing transactions.....	55,273	55,273	—
5) Monetary claims bought*1.....	16,491	16,569	78
6) Trading assets			
Securities classified as trading purposes.....	52,177	52,177	—
7) Money held in trust.....	291	291	—
8) Securities			
Bond classified as held-to-maturity.....	64,260	65,102	842
Other securities.....	443,248	443,248	—
9) Loans and bills discounted.....	763,675		
Reserve for possible loan losses*1.....	(9,227)		
	754,448	768,013	13,565
10) Foreign exchanges*1.....	15,542	15,599	57
11) Lease receivables and investment assets*1.....	20,589	21,565	976
Total assets.....	\$1,534,696	\$1,550,290	\$15,594
1) Deposits.....	\$1,024,334	\$1,024,431	\$ 97
2) Negotiable certificates of deposit.....	104,635	104,628	(7)
3) Call money and bills sold.....	26,112	26,112	(0)
4) Payables under repurchase agreements.....	20,418	20,418	—
5) Payables under securities lending transactions.....	70,750	70,750	—
6) Commercial paper.....	14,529	14,529	—
7) Trading liabilities			
Trading securities sold for short sales.....	26,456	26,456	—
8) Borrowed money.....	107,630	107,838	208
9) Foreign exchanges.....	3,684	3,684	—
10) Short-term bonds.....	11,560	11,560	(0)
11) Bonds.....	56,519	58,101	1,582
12) Due to trust account.....	5,403	5,403	—
Total liabilities.....	\$1,472,030	\$1,473,910	\$ 1,880
Derivative transactions*2			
Hedge accounting not applied.....	\$ (1,251)	\$ (1,251)	\$ —
Hedge accounting applied.....	3,751	3,751	—
Total.....	\$ 2,500	\$ 2,500	\$ —

*1 The amounts 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. Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in square brackets.

(b) 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 fiscal year not exceeding 6 months, their fair

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

The fair value of those with a remaining life of more than 6 months is, in principle, the present value of future cash flows (calculated by discounting estimated future cash flows, taking into account factors such as the borrower's internal rating and pledged collateral, using a rate comprising 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 fiscal year. The fair values of subordinated trust beneficiary interests related to securitized housing loans are based on the assessed value of underlying assets minus the assessed value of senior beneficial interests, etc. The fair values of other transactions are, in principle, based on prices calculated using methods similar to the methods applied to 9) Loans and bills discounted.

6) Trading assets:

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

7) Money held in trust:

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

8) Securities:

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

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

7) Trading liabilities:

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

9) Foreign exchanges:

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

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

Derivatives transactions

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

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

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Monetary claims bought:			
Monetary claims bought without market prices*1	¥ 6,062	¥ 7,606	\$ 74
Securities:			
Unlisted stocks, etc.*2, 4	271,149	278,869	3,301
Investments in partnership, etc.*3, 4	345,987	340,113	4,213
Total	¥623,198	¥626,589	\$7,588

*1 They are beneficiary claims that (a) behave more like equity than debt, (b) do not have market prices, and (c) it is difficult to rationally estimate fair values.

*2 They are 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 They are 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 ¥9,292 million (\$113 million) and ¥15,076 million were written-down in the fiscal years ended March 31, 2012 and 2011, respectively.

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

March 31	Millions of yen			
	2012			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥ 6,723,816	¥ 3,166	¥ —	¥ —
Call loans and bills bought	1,264,667	27,150	—	—
Receivables under resale agreements	168,028	59,721	—	—
Receivables under securities borrowing transactions	4,539,555	—	—	—
Monetary claims bought*1	950,515	129,125	69,604	194,114
Securities*1	8,586,192	26,436,600	3,252,686	629,654
Bonds classified as held-to-maturity	310,255	4,773,397	181,500	—
Japanese government bonds	210,000	4,465,000	170,000	—
Japanese local government bonds	17,934	159,310	—	—
Japanese corporate bonds	81,321	149,086	8,000	—
Other	1,000	—	3,500	—
Other securities with maturity	8,275,936	21,663,203	3,071,186	629,654
Japanese government bonds	7,128,558	14,798,646	2,399,100	—
Japanese local government bonds	44,336	233,668	12,738	42
Japanese corporate bonds	551,651	1,893,545	348,066	58,126
Other	551,389	4,737,343	311,281	571,486
Loans and bills discounted*1, 2	13,712,810	23,762,958	8,932,653	8,445,738
Foreign exchanges*1	1,276,515	1,276	—	—
Lease receivables and investment assets*1	522,191	919,013	114,458	40,969
Total	¥37,744,292	¥51,339,012	¥12,369,403	¥9,310,476

	Millions of yen			
	2011			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
March 31				
Deposits with banks	¥ 7,945,095	¥ 2,938	¥ —	¥ —
Call loans and bills bought	842,638	8,998	—	—
Receivables under resale agreements	131,104	—	—	—
Receivables under securities borrowing transactions	4,740,410	—	—	—
Monetary claims bought* ^{1,2}	751,345	98,873	58,080	193,178
Securities* ¹	13,702,861	16,893,389	5,309,448	547,556
Bonds classified as held-to-maturity	165,782	3,708,714	304,400	—
Japanese government bonds	155,000	3,315,000	290,000	—
Japanese local government bonds	5,032	166,107	100	—
Japanese corporate bonds	4,750	226,607	8,800	—
Other	1,000	1,000	5,500	—
Other securities with maturity	13,537,079	13,184,674	5,005,048	547,556
Japanese government bonds	11,517,890	7,620,372	2,944,300	—
Japanese local government bonds	18,033	278,781	69,793	44
Japanese corporate bonds	642,634	1,835,259	405,417	58,833
Other	1,358,521	3,450,261	1,585,536	488,678
Loans and bills discounted* ^{1, 2}	13,013,773	21,474,032	7,911,639	11,235,643
Foreign exchanges* ¹	1,074,722	1,685	—	—
Lease receivables and investment assets* ¹	540,645	938,489	106,288	39,086
Total	¥42,742,597	¥39,418,406	¥13,385,457	¥12,015,464

	Millions of U.S. dollars			
	2012			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
March 31				
Deposits with banks	\$ 81,868	\$ 39	\$ —	\$ —
Call loans and bills bought	15,398	331	—	—
Receivables under resale agreements	2,046	727	—	—
Receivables under securities borrowing transactions	55,273	—	—	—
Monetary claims bought* ^{1, 2}	11,573	1,572	848	2,363
Securities* ¹	104,544	321,887	39,604	7,667
Bonds classified as held-to-maturity	3,778	58,120	2,210	—
Japanese government bonds	2,557	54,365	2,070	—
Japanese local government bonds	219	1,940	—	—
Japanese corporate bonds	990	1,815	97	—
Other	12	—	43	—
Other securities with maturity	100,766	263,767	37,394	7,667
Japanese government bonds	86,796	180,186	29,211	—
Japanese local government bonds	540	2,845	155	1
Japanese corporate bonds	6,717	23,055	4,238	708
Other	6,713	57,681	3,790	6,958
Loans and bills discounted* ^{1, 2}	166,965	289,333	108,762	102,834
Foreign exchanges* ¹	15,543	16	—	—
Lease receivables and investment assets* ¹	6,358	11,190	1,394	499
Total	459,568	625,095	150,608	113,363

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

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Monetary claims bought	¥ —	¥ 2,043	\$ —
Securities	28,667	27,402	349
Loans and bills discounted	1,116,378	998,936	13,593
Foreign exchanges	2,845	616	35
Lease receivables and investment assets	5,960	8,685	73

*² Does not include “Monetary claims bought” and “Loans and bills discounted” without tenure totaling ¥1,789 million (\$22 million) and ¥6,750,883 million (\$82,198 million) at March 31, 2012, respectively. Does not include “Monetary claims bought” and “Loans and bills discounted” without tenure totaling ¥4,047 million and ¥6,717,074 million at March 31, 2011, respectively.

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

Millions of yen				
2012				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 79,446,175	¥4,052,815	¥ 362,805	¥266,577
Negotiable certificates of deposit	8,535,575	58,062	—	—
Call money and bills sold	2,144,599	—	—	—
Payables under repurchase agreements	1,676,902	—	—	—
Payables under securities lending transactions	5,810,730	—	—	—
Commercial paper	1,193,249	—	—	—
Borrowed money	6,931,770	1,349,848	323,272	234,757
Foreign exchanges	302,580	—	—	—
Short-term bonds	949,400	—	—	—
Bonds	474,539	1,995,686	1,912,623	260,837
Due to trust account	443,723	—	—	—
Total	¥107,909,247	¥7,456,413	¥2,598,701	¥762,172

Millions of yen				
2011				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 76,809,748	¥4,611,848	¥ 348,749	¥227,549
Negotiable certificates of deposit	8,197,688	168,634	—	—
Call money and bills sold	2,629,407	—	—	—
Payables under repurchase agreements	726,365	—	—	—
Payables under securities lending transactions	5,713,233	—	—	—
Commercial paper	337,120	—	—	—
Borrowed money	8,948,213	1,403,977	259,433	158,043
Foreign exchanges	256,160	—	—	—
Short-term bonds	1,183,210	—	—	—
Bonds	280,805	1,660,338	1,633,465	293,153
Due to trust account	216,171	—	—	—
Total	¥105,298,124	¥7,844,799	¥2,241,648	¥678,746

Millions of U.S. dollars				
2012				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	\$ 967,322	\$49,346	\$ 4,417	\$3,246
Negotiable certificates of deposit	103,927	707	—	—
Call money and bills sold	26,112	—	—	—
Payables under repurchase agreements	20,418	—	—	—
Payables under securities lending transactions	70,750	—	—	—
Commercial paper	14,529	—	—	—
Borrowed money	84,400	16,436	3,936	2,858
Foreign exchanges	3,684	—	—	—
Short-term bonds	11,560	—	—	—
Bonds	5,778	24,299	23,288	3,176
Due to trust account	5,403	—	—	—
Total	\$1,313,883	\$90,788	\$31,641	\$9,280

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

30. Fair Value Information

(1) Securities

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

(a) Securities classified as trading purposes

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Valuation gains (losses) included in the earnings for the fiscal year.....	¥16,879	¥(6,863)	\$206

(b) Bonds classified as held-to-maturity

	Millions of yen		
	2012		
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	¥4,787,498	¥4,849,443	¥61,944
Japanese local government bonds	175,423	178,243	2,819
Japanese corporate bonds	237,210	241,726	4,515
Other.....	2,695	2,703	8
Subtotal	¥5,202,828	¥5,272,117	¥69,288
Bonds with unrealized losses:			
Japanese government bonds	¥ 70,020	¥ 69,930	¥ (90)
Japanese local government bonds	2,302	2,298	(3)
Japanese corporate bonds	713	710	(3)
Other.....	10,402	10,396	(6)
Subtotal	¥ 83,438	¥ 83,335	¥ (103)
Total	¥5,286,267	¥5,355,452	¥69,184

	Millions of yen		
	2011		
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	¥3,384,266	¥3,437,088	¥52,821
Japanese local government bonds	159,618	162,339	2,721
Japanese corporate bonds	237,233	243,070	5,837
Other	4,193	4,201	8
Subtotal	¥3,785,310	¥3,846,700	¥61,389
Bonds with unrealized losses:			
Japanese government bonds	¥ 379,873	¥ 378,410	¥ (1,463)
Japanese local government bonds	11,899	11,860	(39)
Japanese corporate bonds	1,887	1,878	(9)
Other	10,301	10,282	(19)
Subtotal	¥ 403,962	¥ 402,430	¥ (1,531)
Total	¥4,189,272	¥4,249,130	¥59,857

March 31	Millions of U.S. dollars		
	2012		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	\$58,292	\$59,046	\$754
Japanese local government bonds	2,136	2,170	34
Japanese corporate bonds	2,888	2,943	55
Other	33	33	0
Subtotal	\$63,349	\$64,192	\$843
Bonds with unrealized losses:			
Japanese government bonds	\$ 852	\$ 851	\$ (1)
Japanese local government bonds	28	28	(0)
Japanese corporate bonds	9	9	(0)
Other	127	127	(0)
Subtotal	\$ 1,016	\$ 1,015	\$ (1)
Total	\$64,365	\$65,207	\$842

(c) Other securities

March 31	Millions of yen		
	2012		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 1,193,663	¥ 703,589	¥ 490,074
Bonds	24,475,020	24,356,856	118,164
Japanese government bonds	21,717,683	21,654,331	63,351
Japanese local government bonds	289,456	287,307	2,149
Japanese corporate bonds	2,467,880	2,415,217	52,663
Other	4,649,021	4,510,332	138,689
Subtotal	¥30,317,706	¥29,570,777	¥ 746,928
Other securities with unrealized losses:			
Stocks	¥ 946,993	¥ 1,165,606	¥(218,613)
Bonds	3,209,463	3,215,812	(6,348)
Japanese government bonds	2,751,854	2,752,509	(654)
Japanese local government bonds	7,702	7,717	(15)
Japanese corporate bonds	449,906	455,585	(5,678)
Other	2,461,368	2,508,349	(46,981)
Subtotal	¥ 6,617,825	¥ 6,889,769	¥(271,943)
Total	¥36,935,531	¥36,460,546	¥ 474,984

March 31	Millions of yen		
	2011		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 1,341,992	¥ 854,218	¥ 487,773
Bonds	12,365,024	12,256,383	108,640
Japanese government bonds	9,468,315	9,423,084	45,230
Japanese local government bonds	199,005	197,609	1,395
Japanese corporate bonds	2,697,703	2,635,688	62,014
Other	3,125,508	3,001,059	124,449
Subtotal	¥16,832,525	¥16,111,661	¥ 720,864
Other securities with unrealized losses:			
Stocks	¥ 869,937	¥ 1,045,754	¥(175,817)
Bonds	13,194,988	13,226,858	(31,870)
Japanese government bonds	12,701,891	12,729,163	(27,271)
Japanese local government bonds	173,886	175,423	(1,536)
Japanese corporate bonds	319,210	322,272	(3,062)
Other	4,448,401	4,590,679	(142,277)
Subtotal	¥18,513,327	¥18,863,292	¥(349,965)
Total	¥35,345,852	¥34,974,953	¥ 370,899

	Millions of U.S. dollars		
	2012		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31			
Other securities with unrealized gains:			
Stocks	\$ 14,534	\$ 8,567	\$ 5,967
Bonds	298,003	296,565	1,438
Japanese government bonds	264,431	263,660	771
Japanese local government bonds	3,524	3,498	26
Japanese corporate bonds	30,048	29,407	641
Other	56,606	54,917	1,689
Subtotal	\$369,143	\$360,049	\$ 9,094
Other securities with unrealized losses:			
Stocks	\$ 11,530	\$ 14,192	\$(2,662)
Bonds	39,078	39,155	(77)
Japanese government bonds	33,506	33,514	(8)
Japanese local government bonds	94	94	(0)
Japanese corporate bonds	5,478	5,547	(69)
Other	29,969	30,541	(572)
Subtotal	\$ 80,577	\$ 83,888	\$(3,311)
Total	\$449,720	\$443,937	\$ 5,783

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥196 million (\$2 million) for the fiscal year ended March 31, 2012 and ¥1,153 million for the fiscal year ended March 31, 2011 that are recognized in the fiscal year's earnings by applying fair value hedge accounting.

2. Other securities whose fair values are extremely difficult to determine are as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Stocks	¥265,512	¥274,329	\$3,233
Other	357,686	352,260	4,355
Total	¥623,198	¥626,589	\$7,588

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

(d) Held-to-maturity bonds sold during the fiscal year ended March 31, 2012 and 2011

There are no corresponding transactions.

(e) Consolidated balance sheet amounts of other securities sold during the fiscal year ended March 31, 2012 and 2011

Year ended March 31	Millions of yen		
	2012		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 33,752	¥ 8,921	¥ (3,221)
Bonds	16,676,636	39,724	(2,586)
Japanese government bonds	16,261,807	38,204	(2,115)
Japanese local government bonds	178,423	553	(256)
Japanese corporate bonds	236,405	966	(214)
Other	15,598,701	143,163	(16,788)
Total	¥32,309,090	¥191,809	¥(22,596)

Year ended March 31	Millions of yen		
	2011		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 47,019	¥ 11,371	¥ (3,203)
Bonds	18,058,502	71,653	(32,572)
Japanese government bonds	17,690,062	69,180	(31,297)
Japanese local government bonds	137,365	907	(633)
Japanese corporate bonds	231,074	1,566	(641)
Other	18,652,000	152,588	(16,204)
Total	¥36,757,522	¥235,613	¥(51,980)

Year ended March 31	Millions of U.S. dollars		
	2012		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	\$ 411	\$ 108	\$ (39)
Bonds.....	203,052	484	(32)
Japanese government bonds.....	198,001	465	(26)
Japanese local government bonds.....	2,173	7	(3)
Japanese corporate bonds.....	2,878	12	(3)
Other.....	189,927	1,743	(204)
Total.....	\$393,390	\$2,335	\$(275)

(f) Change of classification of securities

There are no corresponding transactions.

(g) Write-down of securities

Other securities with fair value are considered as impaired if the fair value decreases materially below the acquisition cost and such decline is not considered as recoverable. The fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2012 and 2011 were ¥27,988 million (\$341 million) and ¥109,921 million, respectively. The rule for determining "material decline" is as follows and is based on the classification of issuers under the rules of 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.

(2) Money held in trust

(a) Money held in trust classified as trading purposes

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Valuation gains (losses) included in the earnings for the fiscal year.....	¥(2)	¥1	\$(0)

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

There are no corresponding transactions.

(c) Other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Consolidated balance sheet amount.....	¥22,430	¥22,569	\$273
Acquisition cost.....	22,477	22,527	274
Net unrealized gains (losses).....	(46)	42	(1)
Unrealized gains.....	—	42	—
Unrealized losses.....	(46)	—	(1)

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

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

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

March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Net unrealized gains.....	¥474,803	¥369,852	\$5,781
Other securities	474,849	369,810	5,782
Other money held in trust	(46)	42	(1)
(-) Deferred tax liabilities	138,439	102,593	1,686
Net unrealized gains on other securities (before adjustment).....	336,363	267,259	4,095
(-) Minority interests.....	13,124	7,125	160
(+) SMFG's interest in net unrealized gains on valuation of other securities held by the equity method affiliates	7,194	12,172	88
Net unrealized gains on other securities.....	¥330,433	¥272,306	\$4,023

Notes: 1. Gains of ¥196 million (\$2 million) for the fiscal year ended March 31, 2012 and ¥1,153 million for the fiscal year ended March 31, 2011 recognized in the fiscal year's earnings by applying fair value hedge accounting are deducted from net unrealized gains on other securities.

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

31. 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 fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(a) Interest rate derivatives

March 31	Millions of yen			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 13,701,646	¥ 2,323,383	¥ (9,067)	¥ (9,067)
Bought.....	12,963,619	1,931,357	9,046	9,046
Interest rate options:				
Sold.....	16,413	—	(1)	(1)
Bought.....	49,239	—	5	5
Over-the-counter				
Forward rate agreements:				
Sold.....	4,433,489	37,687	(166)	(166)
Bought.....	4,386,457	68,390	(148)	(148)
Interest rate swaps:	369,468,218	281,215,701	75,045	75,045
Receivable fixed rate/payable floating rate	169,758,863	132,573,198	5,648,845	5,648,845
Receivable floating rate/payable fixed rate	173,687,207	132,110,404	(5,573,527)	(5,573,527)
Receivable floating rate/payable floating rate.....	25,888,092	16,402,974	(3,475)	(3,475)
Interest rate swaptions:				
Sold.....	4,070,533	2,032,320	(56,297)	(56,297)
Bought.....	3,114,421	1,987,178	49,318	49,318
Caps:				
Sold.....	15,725,631	11,272,029	(6,675)	(6,675)
Bought.....	6,947,188	3,066,687	6,717	6,717
Floors:				
Sold	877,557	250,823	(4,549)	(4,549)
Bought.....	7,991,968	1,984,956	4,192	4,192
Other:				
Sold.....	—	—	—	—
Bought.....	3,589,273	1,798,757	19,137	19,137
Total.....	/	/	¥ 86,557	¥ 86,557

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 36,061,333	¥ 2,080,554	¥ (13,057)	¥ (13,057)
Bought.....	33,791,946	2,088,859	12,150	12,150
Interest rate options:				
Sold.....	16,628	—	(1)	(1)
Bought.....	420,747	—	(12)	(12)
Over-the-counter				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	19,504,719	314,376	(704)	(704)
Interest rate swaps:	356,885,048	267,296,032	95,050	95,050
Receivable fixed rate/payable floating rate	158,333,988	120,027,611	3,822,736	3,822,736
Receivable floating rate/payable fixed rate	170,756,972	129,214,787	(3,725,094)	(3,725,094)
Receivable floating rate/payable floating rate.....	27,653,869	17,913,499	(1,507)	(1,507)
Interest rate swaptions:				
Sold.....	3,391,868	2,347,307	(75,573)	(75,573)
Bought.....	2,924,852	2,076,786	72,362	72,362
Caps:				
Sold.....	20,895,278	5,852,048	(10,084)	(10,084)
Bought.....	9,178,858	2,985,925	7,603	7,603
Floors:				
Sold	882,481	278,959	(10,006)	(10,006)
Bought.....	8,551,945	8,419,741	7,460	7,460
Other:				
Sold.....	578,528	333,204	(14,089)	(14,089)
Bought.....	1,678,256	937,592	42,041	42,041
Total.....	/	/	¥ 113,136	¥ 113,136

March 31	Millions of U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	\$ 166,829	\$ 28,289	\$ (110)	\$ (110)
Bought.....	157,843	23,516	110	110
Interest rate options:				
Sold.....	200	—	(0)	(0)
Bought.....	600	—	0	0
Over-the-counter				
Forward rate agreements:				
Sold.....	53,981	459	(2)	(2)
Bought.....	53,409	833	(2)	(2)
Interest rate swaps:	4,498,578	3,424,031	913	913
Receivable fixed rate/payable floating rate	2,066,953	1,614,187	68,779	68,779
Receivable floating rate/payable fixed rate	2,114,784	1,608,552	(67,862)	(67,862)
Receivable floating rate/payable floating rate.....	315,209	199,720	(42)	(42)
Interest rate swaptions:				
Sold.....	49,562	24,745	(685)	(685)
Bought.....	37,921	24,196	600	600
Caps:				
Sold.....	191,472	137,246	(81)	(81)
Bought.....	84,588	37,339	82	82
Floors:				
Sold	10,685	3,054	(55)	(55)
Bought.....	97,309	24,168	51	51
Other:				
Sold.....	—	—	—	—
Bought.....	43,702	21,901	233	233
Total.....	/	/	\$ 1,054	\$ 1,054

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

Millions of yen				
2012				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	¥ 295,297	¥ —	¥ —	¥ —
Bought.....	1,119,349	—	—	—
Over-the-counter				
Currency swaps.....	19,742,032	12,527,350	(396,973)	(38,094)
Currency swaptions:				
Sold.....	654,616	473,930	(16,082)	(16,082)
Bought.....	702,295	530,318	27,032	27,032
Forward foreign exchange.....	36,189,143	2,989,559	84,518	84,518
Currency options:				
Sold.....	2,904,319	1,623,064	(229,554)	(229,554)
Bought.....	2,744,179	1,504,605	315,643	315,643
Total	/	/	¥(215,415)	¥143,463

Millions of yen				
2011				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Currency swaps.....	¥20,597,671	¥12,937,360	¥(392,609)	¥ (28,299)
Currency swaptions:				
Sold.....	711,681	672,001	(23,439)	(23,439)
Bought.....	948,904	695,468	38,789	38,789
Forward foreign exchange.....	50,708,557	19,400,525	114,272	114,272
Currency options:				
Sold.....	3,054,155	1,996,329	(300,544)	(300,544)
Bought.....	2,935,419	1,894,947	420,803	420,803
Total	/	/	¥(142,728)	¥221,581

Millions of U.S. dollars				
2012				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	\$ 3,595	\$ —	\$ —	\$ —
Bought.....	13,629	—	—	—
Over-the-counter				
Currency swaps.....	240,375	152,531	(4,833)	(463)
Currency swaptions:				
Sold.....	7,970	5,770	(196)	(196)
Bought.....	8,551	6,457	329	329
Forward foreign exchange.....	440,632	36,400	1,029	1,029
Currency options:				
Sold.....	35,362	19,762	(2,795)	(2,795)
Bought.....	33,413	18,320	3,843	3,843
Total	/	/	\$(2,623)	\$1,747

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

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

(c) Equity derivatives

March 31	Millions of yen			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥298,239	¥ —	¥ (6,384)	¥ (6,384)
Bought.....	71,550	—	913	913
Equity price index options:				
Sold.....	390	—	(1)	(1)
Bought.....	240	—	2	2
Over-the-counter				
Equity options:				
Sold.....	194,646	192,842	(49,023)	(49,023)
Bought.....	197,500	191,432	49,205	49,205
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	21,965	—	822	822
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	8,795	7,295	(154)	(154)
Receivable short-term floating rate/payable equity index.....	9,495	7,895	152	152
Total.....	/	/	¥ (4,467)	¥ (4,467)
March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥129,122	¥ —	¥ 1,689	¥ 1,689
Bought.....	46,212	—	283	283
Equity price index options:				
Sold.....	6,200	—	(203)	(203)
Bought.....	4,456	—	116	116
Over-the-counter				
Equity options:				
Sold.....	201,781	200,642	(41,359)	(41,359)
Bought.....	203,957	200,642	41,430	41,430
Total.....	/	/	¥ 1,956	¥ 1,956
March 31	Millions of U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	\$3,631	\$ —	\$ (77)	\$ (77)
Bought.....	871	—	11	11
Equity price index options:				
Sold.....	5	—	(0)	(0)
Bought.....	3	—	0	0
Over-the-counter				
Equity options:				
Sold.....	2,370	2,348	(597)	(597)
Bought.....	2,405	2,331	599	599
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	267	—	10	10
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	107	89	(2)	(2)
Receivable short-term floating rate/payable equity index.....	116	96	2	2
Total.....	/	/	\$ (54)	\$ (54)

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

March 31	Millions of yen			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥2,804,083	¥—	¥(1,426)	¥(1,426)
Bought.....	2,565,575	—	1,791	1,791
Bond futures options:				
Sold.....	92,483	—	35	35
Bought.....	181,010	—	(53)	(53)
Over-the-counter				
Forward bond agreements:				
Sold.....	1,150	—	126	126
Bought.....	2,924	—	30	30
Bond options:				
Sold.....	38,894	—	(53)	(53)
Bought.....	38,894	—	115	115
Total.....	/	/	¥ 566	¥ 566
March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥1,227,129	¥ —	¥(1,601)	¥(1,601)
Bought.....	1,141,914	—	388	388
Bond futures options:				
Sold.....	29,100	—	27	27
Bought.....	58,800	—	(31)	(31)
Over-the-counter				
Forward bond agreements:				
Sold.....	2,994	—	48	48
Bought.....	33,313	32,096	739	739
Bond options:				
Sold.....	24,843	—	(162)	(162)
Bought.....	24,843	—	129	129
Total.....	/	/	¥ (461)	¥ (461)
March 31	Millions of U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	\$34,142	\$—	\$(17)	\$(17)
Bought.....	31,238	—	22	22
Bond futures options:				
Sold.....	1,126	—	0	0
Bought.....	2,204	—	(0)	(0)
Over-the-counter				
Forward bond agreements:				
Sold.....	14	—	2	2
Bought.....	36	—	0	0
Bond options:				
Sold.....	474	—	(1)	(1)
Bought.....	474	—	1	1
Total.....	/	/	\$ 7	\$ 7

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

March 31	Millions of yen			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 5,949	¥ —	¥ 107	¥ 107
Bought.....	5,788	—	(116)	(116)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	139,982	117,754	(29,523)	(29,523)
Receivable floating price/payable fixed price.....	111,479	91,310	57,246	57,246
Receivable floating price/payable floating price	13,822	13,014	1,500	1,500
Commodity options:				
Sold.....	12,779	10,821	(223)	(223)
Bought.....	4,929	4,177	58	58
Total.....	/	/	¥29,049	¥29,049

March 31	Millions of yen			
	2011			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 4,566	¥ —	¥ 19	¥ 19
Bought.....	5,573	—	(24)	(24)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	197,189	167,741	(52,883)	(52,883)
Receivable floating price/payable fixed price.....	143,052	115,341	94,816	94,816
Receivable floating price/payable floating price	25	—	0	0
Commodity options:				
Sold.....	18,952	14,871	(43)	(43)
Bought.....	7,742	6,067	308	308
Total.....	/	/	¥42,194	¥42,194

March 31	Millions of U.S. dollars			
	2012			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	\$ 72	\$ —	\$ 1	\$ 1
Bought.....	70	—	(1)	(1)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	1,704	1,434	(359)	(359)
Receivable floating price/payable fixed price.....	1,357	1,112	697	697
Receivable floating price/payable floating price	168	158	18	18
Commodity options:				
Sold.....	156	132	(3)	(3)
Bought.....	60	51	1	1
Total.....	/	/	\$354	\$354

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

Millions of yen				
2012				
Contract amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
March 31				
Over-the-counter				
Credit default options:				
Sold.....	¥793,663	¥649,116	¥(18,420)	¥(18,420)
Bought.....	783,152	575,684	19,385	19,385
Total.....	/	/	¥ 964	¥ 964
Millions of yen				
2011				
Contract amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
March 31				
Over-the-counter				
Credit default options:				
Sold.....	¥1,004,667	¥695,622	¥(12,098)	¥(12,098)
Bought.....	1,107,470	602,404	14,148	14,148
Total.....	/	/	¥ 2,049	¥ 2,049
Millions of U.S. dollars				
2012				
Contract amount		Fair value	Valuation gains (losses)	
Total	Over 1 year			
March 31				
Over-the-counter				
Credit default options:				
Sold.....	\$9,663	\$7,904	\$(224)	\$(224)
Bought.....	9,536	7,009	236	236
Total.....	/	/	\$ 12	\$ 12

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the 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 fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(a) Interest rate derivatives

			Millions of yen		
			2012		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Deferral hedge method	Interest futures:	Interest-earning/bearing			
	Sold.....	financial assets/liabilities	¥ 739,170	¥ —	¥ (146)
	Bought.....	such as loans and bills	7,306,784	356,484	(96)
	Interest rate swaps:	discounted, other securi-	36,107,314	29,296,886	27,467
	Receivable fixed rate/payable floating rate	ties (bonds), deposits and	24,074,085	18,722,477	443,546
	Receivable floating rate/payable fixed rate	negotiable certificates of	12,003,883	10,565,063	(416,369)
	Receivable floating rate/payable floating rate...	deposits	29,345	9,345	290
	Interest rate swaptions:				
	Sold.....		330,000	330,000	2,719
	Bought.....		—	—	—
	Caps:				
	Sold.....		3,340	3,340	265
	Bought.....		3,340	3,340	(265)
	Floors:				
	Sold.....		—	—	—
	Bought.....		7,850	—	0
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	1,641	—	(43)
	Receivable floating rate/payable fixed rate		1,361	—	(39)
	Receivable floating rate/payable floating rate...		280	—	(3)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted;	218,688	137,515	
	Receivable fixed rate/payable fixed rate.....	borrowed money; bonds	3,000	1,000	
	Receivable floating rate/payable fixed rate	payable	193,688	125,515	(Note 3)
	Receivable floating rate/payable floating rate...		22,000	11,000	
Total.....			/	/	¥ 29,900

			Millions of yen		
March 31			2011		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills			
	Sold.....		¥ 1,080,929	¥ 1,080,929	¥ (421)
	Bought.....		9,861,263	—	(223)
	Interest rate swaps:	discounted, other securities (bonds), deposits and negotiable certificates of deposit	36,637,577	30,969,355	20,313
	Receivable fixed rate/payable floating rate		24,170,619	19,172,729	314,269
	Receivable floating rate/payable fixed rate		12,437,041	11,767,209	(294,567)
	Receivable floating rate/payable floating rate...		29,916	29,416	611
	Interest rate swaptions:				
	Sold.....		460,983	460,899	1,085
	Bought.....		—	—	—
	Caps:				
	Sold.....		2,562	2,562	410
	Bought.....		2,562	2,562	(410)
	Floors:				
	Sold.....		—	—	—
	Bought.....		7,850	7,850	0
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	3,832	2,354	(108)
	Receivable floating rate/payable fixed rate		3,832	2,354	(108)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds payable	190,477	162,237	(Note 3)
	Receivable fixed rate/payable floating rate		13,500	4,000	
	Receivable floating rate/payable fixed rate		152,777	136,237	
	Receivable floating rate/payable floating rate...		24,200	22,000	
	Total.....		/	/	¥ 20,644

			Millions of U.S. dollars		
March 31			2012		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills			
	Sold.....		\$ 9,000	\$ —	\$ (2)
	Bought.....		88,966	4,340	(1)
	Interest rate swaps:	discounted, other securities (bonds), deposits and negotiable certificates of deposits	439,636	356,714	334
	Receivable fixed rate/payable floating rate		293,122	227,962	5,401
	Receivable floating rate/payable fixed rate		146,157	128,638	(5,070)
	Receivable floating rate/payable floating rate...		357	114	3
	Interest rate swaptions:				
	Sold.....		4,018	4,018	33
	Bought.....		—	—	—
	Caps:				
	Sold.....		41	41	3
	Bought.....		41	41	(3)
	Floors:				
	Sold.....		—	—	—
	Bought.....		96	—	0
Recognition of gain or loss on the hedging instrument	Interest rate swaps:	Loans and bills discounted	20	—	(0)
	Receivable floating rate/payable fixed rate		17	—	(0)
	Receivable floating rate/payable floating rate...		3	—	(0)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money; bonds payable	2,663	1,674	(Note 3)
	Receivable fixed rate/payable fixed rate.....		37	12	
	Receivable floating rate/payable fixed rate		2,358	1,528	
	Receivable floating rate/payable floating rate...		268	134	
	Total.....		/	/	\$ 364

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 “29. Financial Instruments.”

(b) Currency derivatives

			Millions of yen		
March 31			2012		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denominated loans and bills	¥3,315,230	¥2,666,423	¥278,690
	Forward foreign exchange	discounted; other securities (bonds); deposits; foreign currency exchange, etc.	244,547	—	211
Recognition of gain or loss on the hedging instrument	Currency swaps	Deposits; borrowed money; bonds payable	36,306	32,133	(383)
Allocation method	Currency swap	Other securities (bonds);	70,320	8,465	(Note 3)
	Forward foreign exchange	borrowed money	3,179	3,179	
Total			/	/	¥278,518

			Millions of yen		
March 31			2011		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denominated loans and bills	¥2,776,330	¥1,882,407	¥338,351
	Forward foreign exchange	discounted; other securities (bonds); deposits; foreign currency exchange, etc.	9,615	—	(172)
Recognition of gain or loss on the hedging instrument	Currency swap	Deposits	12,038	11,139	(248)
Allocation method	Currency swap	Deposits; borrowed money	11,739	11,405	(Note 3)
	Forward foreign exchange		103,553	3,179	
Total			/	/	¥337,930

			Millions of U.S. dollars		
March 31			2012		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denominated loans and bills	\$40,366	\$32,466	\$3,393
	Forward foreign exchange	discounted; other securities (bonds); deposits; foreign currency exchange, etc.	2,978	—	3
Recognition of gain or loss on the hedging instrument	Currency swap	Deposits; borrowed money; bonds payable	442	391	(5)
Allocation method	Currency swap	Other securities (bonds);	856	103	(Note 3)
	Forward foreign exchange	borrowed money	39	39	
Total			/	/	\$3,391

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 "29. Financial Instruments."

(c) Equity derivatives

			Millions of yen		
March 31			2012		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index...		13,056	9,175	(335)
	Total.....		/	/	¥(335)

			Millions of yen		
March 31			2011		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index...		21,521	11,078	(623)
	Total.....		/	/	¥(623)

			Millions of U.S. dollars		
March 31			2012		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Recognition of gain or loss on the hedging instrument	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate...		\$ —	\$ —	\$—
	Receivable floating rate/payable equity index...		159	112	(4)
	Total.....		/	/	\$ (4)

Note: Fair value is calculated using discounted present value.

32. Stock Options

1. Share-based compensation expenses which were accounted for as general and administrative expenses in the fiscal years ended March 31, 2012 and 2011 are as follows:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Share-based compensation expenses	¥431	¥180	\$5

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

(1) SMFG

(a) Outline of stock options

Date of resolution	June 27, 2002	July 28, 2010	July 29, 2011
Title and number of grantees	Directors and employees of SMFG and SMBC: 677	Directors of SMFG: 8 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 69	Directors of SMFG: 9 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 71
Number of stock options*1.....	Common shares: 162,000*2	Common shares: 102,600	Common shares: 268,200
Grant date	August 30, 2002	August 13, 2010	August 16, 2011
Condition for vesting.....	N.A.	Stock acquisition right holders 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.	Stock acquisition right holders 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.
Requisite service period.....	N.A.	June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2011.	June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012.
Exercise period	June 28, 2004 to June 27, 2012	August 13, 2010 to August 12, 2040	August 16, 2011 to August 15, 2041

*1 Reported in terms of shares of stock.

*2 Reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 27, 2002	July 28, 2010	July 29, 2011
Before vested			
Previous fiscal year-end	—	102,600	—
Granted	—	—	268,200
Forfeited	—	1,900	2,000
Vested	—	26,300	5,900
Outstanding	—	74,400	260,300
After vested			
Previous fiscal year-end	108,100	—	—
Vested	—	26,300	5,900
Exercised	—	500	—
Forfeited	—	—	—
Exercisable	108,100	25,800	5,900

Price information (Yen)

Date of resolution	June 27, 2002	July 28, 2010	July 29, 2011
Exercise price	¥6,649	¥ 1	¥ 1
Average exercise price	—	2,336	—
Fair value at the grant date	—	2,215	1,872

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

Stock options granted in the fiscal year ended March 31, 2012 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

Date of resolution	July 29, 2011
Expected volatility ^{*1}	51.64%
Average expected life ^{*2}	4 years
Expected dividends ^{*3}	¥100 per share
Risk-free interest rate ^{*4}	0.30%

^{*1} Expected volatility is calculated based on the closing price of common shares of SMFG on each trading day in the 4 years between August 17, 2007 and August 16, 2011.

^{*2} The average expected life could not be estimated rationally due to insufficient amount of data.

Therefore, it was estimated based on average assumption periods of directors of SMFG and SMBC.

^{*3} Expected dividends are based on the actual dividends on common stock for the fiscal year ended March 31, 2012.

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

(d) Method of estimating number of stock options vested

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

(2) Kansai Urban Banking Corporation

(a) Outline of stock options

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

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

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Before vested						
Previous fiscal year-end	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding	—	—	—	—	—	—
After vested						
Previous fiscal year-end	94,000	126,000	210,000	302,000	431,000	162,000
Vested	—	—	—	—	—	—
Exercised	10,000	14,000	—	—	—	—
Forfeited	84,000	6,000	18,000	17,000	39,000	—
Exercisable	—	106,000	192,000	285,000	392,000	162,000

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

Price information (Yen)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Exercise price	¥155	¥131	¥179	¥202	¥313	¥490
Average exercise price	143	145	—	—	—	—
Fair value at the grant date	—	—	—	—	—	138

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

(c) Method of estimating number of stock options vested

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

33. Segment Information

Fiscal years ended March 31, 2012 and 2011

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, consumer finance, and system development and information processing. 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

Year ended March 31, 2012	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	¥383,666	¥422,825	¥212,650	¥197,436	¥319,333	¥ (3,398)	¥1,532,511	¥231,326	¥1,763,837
Interest income	326,923	256,800	136,592	111,625	123,120	1,818	956,878	156,627	1,113,505
Non-interest income	56,743	166,025	76,058	85,811	196,213	(5,217)	575,632	74,698	650,331
Expenses	(289,506)	(222,756)	(38,214)	(64,941)	(19,206)	(84,872)	(719,495)	(131,761)	(851,257)
Depreciation	(27,400)	(23,177)	(5,558)	(7,102)	(3,443)	(8,823)	(75,503)	(10,354)	(85,858)
Other profit or loss	—	—	—	—	—	—	—	(20,529)	(20,529)
Consolidated net business profit	¥ 94,160	¥200,069	¥174,436	¥132,495	¥300,127	¥(88,271)	¥ 813,015	¥ 79,035	¥ 892,050

Year ended March 31, 2012	Millions of yen							
	Securities services				Leasing			Total
	SMBC Friend Securities Co., Ltd.	SMBC Nikko Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total	
Gross profit	¥47,395	¥221,254	¥9,219	¥277,869	¥88,546	¥ 5,215	¥93,761	
Interest income	503	(2,536)	1,285	(747)	55,791	(1,062)	54,728	
Non-interest income	46,891	223,790	7,934	278,617	32,755	6,277	39,032	
Expenses	(39,083)	(180,076)	(5,356)	(224,516)	(28,100)	(11,429)	(39,529)	
Depreciation	(1,862)	(3,044)	(655)	(5,561)	(3,136)	(785)	(3,921)	
Other profit or loss	(7)	(1,206)	(1,327)	(2,541)	(1,027)	9,212	8,185	
Consolidated net business profit	¥ 8,305	¥ 39,970	¥2,535	¥ 50,811	¥59,419	¥ 2,998	¥62,417	

Year ended March 31, 2012	Millions of yen						
	Credit card services						Grand total
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business		
Gross profit	¥179,322	¥160,083	¥6,527	¥345,933	¥128,680		¥2,610,082
Interest income	18,544	36,379	1,939	56,863	125,160		1,349,510
Non-interest income	160,777	123,704	4,588	289,070	3,520		1,260,572
Expenses	(126,589)	(120,545)	(5,096)	(252,232)	(6,992)		(1,374,526)
Depreciation	(8,839)	(9,888)	(1,229)	(19,958)	(14,103)		(129,403)
Other profit or loss	(9,587)	(67,201)	2,889	(73,899)	(132,824)		(221,609)
Consolidated net business profit	¥ 43,144	¥ (27,662)	¥4,320	¥ 19,802	¥ (11,136)		¥1,013,946

Millions of yen									
Banking business									
SMBC									
Year ended March 31, 2011	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	¥387,790	¥443,862	¥201,244	¥186,503	¥330,720	¥(18,359)	¥1,531,759	¥241,752	¥1,773,512
Interest income	337,529	272,866	131,355	107,708	136,318	(17,950)	967,825	149,761	1,117,586
Non-interest income	50,261	170,996	69,889	78,795	194,402	(408)	563,934	91,990	655,925
Expenses	(290,292)	(221,725)	(35,986)	(57,935)	(17,897)	(75,362)	(699,197)	(135,030)	(834,227)
Depreciation	(26,343)	(22,209)	(5,252)	(6,148)	(3,220)	(7,858)	(71,030)	(10,249)	(81,279)
Other profit or loss	—	—	—	—	—	—	—	(34,428)	(34,428)
Consolidated net business profit	¥ 97,498	¥222,137	¥165,258	¥128,568	¥312,823	¥(93,721)	¥ 832,562	¥ 72,294	¥ 904,856

Millions of yen							
Securities services				Leasing			
Year ended March 31, 2011	SMBC Friend Securities Co., Ltd.	Nikko Cordial Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	¥52,989	¥205,188	¥ 3,423	¥261,600	¥95,260	¥4,130	¥99,390
Interest income	626	(2,722)	778	(1,317)	60,059	(3,407)	56,651
Non-interest income	52,362	207,911	2,644	262,918	35,201	7,538	42,739
Expenses	(42,728)	(166,645)	(3,029)	(212,404)	(28,125)	(9,851)	(37,976)
Depreciation	(2,089)	(2,439)	(1,202)	(5,732)	(3,098)	(567)	(3,665)
Other profit or loss	—	—	(5,596)	(5,596)	(16,911)	13,082	(3,828)
Consolidated net business profit	¥10,260	¥ 38,542	¥(5,203)	¥ 43,599	¥50,224	¥7,361	¥57,585

Millions of yen						
Credit card services						
Year ended March 31, 2011	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit	¥182,307	¥134,402	¥5,795	¥322,506	¥ 75,611	¥2,532,622
Interest income	22,941	36,802	2,550	62,293	100,369	1,335,583
Non-interest income	159,366	97,600	3,245	260,213	(24,757)	1,197,039
Expenses	(129,823)	(97,517)	(2,086)	(229,426)	12,952	(1,301,083)
Depreciation	(8,078)	(7,547)	(2,767)	(18,393)	(12,639)	(121,710)
Other profit or loss	(19,880)	(37,514)	4	(57,389)	(128,301)	(229,544)
Consolidated net business profit	¥ 32,604	¥ (628)	¥3,714	¥ 35,690	¥ (39,737)	¥1,001,994

Millions of U.S. dollars									
Banking business									
SMBC									
Year ended March 31, 2012	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	\$4,671	\$5,148	\$2,589	\$2,404	\$3,888	\$ (41)	\$18,659	\$2,817	\$21,476
Interest income	3,981	3,127	1,663	1,359	1,499	22	11,651	1,907	13,558
Non-interest income	690	2,021	926	1,045	2,389	(63)	7,008	910	7,918
Expenses	(3,525)	(2,712)	(465)	(791)	(234)	(1,033)	(8,760)	(1,605)	(10,365)
Depreciation	(334)	(282)	(68)	(86)	(42)	(107)	(919)	(126)	(1,045)
Other profit or loss	—	—	—	—	—	—	—	(250)	(250)
Consolidated net business profit	\$1,146	\$2,436	\$2,124	\$1,613	\$3,654	\$(1,074)	\$ 9,899	\$ 962	\$10,861

Millions of U.S. dollars

Year ended March 31, 2012	Securities services				Leasing		
	SMBC Friend Securities Co., Ltd.	SMBC Nikko Securities Inc.	Others	Total	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total
Gross profit	\$577	\$2,694	\$112	\$3,383	\$1,078	\$ 64	\$1,142
Interest income	6	(31)	16	(9)	679	(13)	666
Non-interest income	571	2,725	96	3,392	399	77	476
Expenses	(476)	(2,193)	(65)	(2,734)	(342)	(139)	(481)
Depreciation	(23)	(37)	(8)	(68)	(38)	(10)	(48)
Other profit or loss	(0)	(15)	(16)	(31)	(12)	112	100
Consolidated net business profit	\$101	\$ 486	\$ 31	\$ 618	\$ 724	\$ 37	\$ 761

Millions of U.S. dollars

Year ended March 31, 2012	Credit card services					
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit	\$2,183	\$1,949	\$80	\$4,212	\$1,567	\$31,780
Interest income	225	443	24	692	1,524	16,431
Non-interest income	1,958	1,506	56	3,520	43	15,349
Expenses	(1,541)	(1,468)	(62)	(3,071)	(85)	(16,736)
Depreciation	(108)	(120)	(15)	(243)	(172)	(1,576)
Other profit or loss	(117)	(818)	35	(900)	(1,617)	(2,698)
Consolidated net business profit	\$ 525	\$ (337)	\$53	\$ 241	\$ (135)	\$12,346

- Notes: 1. Consolidated net business profit = SMBC's nonconsolidated banking profit + SMFG's nonconsolidated 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., SMBC Nikko 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 the fiscal year ended March 31, 2011, consolidated net business profit amount is sum of Operating profit in the 1st quarter × Ownership ratio + Operating profit from the 2nd quarter through the 4th quarter of the fiscal year ended March 31, 2011.
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 consolidated statements of income (adjustment of difference)

Year ended March 31	Millions of yen	Millions of U.S. dollars
	2012	2012
Profit		
Consolidated net business profit	¥1,013,946	\$12,346
Total credit cost of SMBC	(58,647)	(714)
Losses on stocks of SMBC	(15,153)	(185)
Amortization of unrecognized retirement benefit obligation of SMBC	(31,632)	(385)
Ordinary profit of consolidated subsidiaries other than reportable segment	81,398	991
Amortization of goodwill other than reportable segment	(14,996)	(183)
Adjustment of profit or loss of equity method affiliates	(5,553)	(68)
Others	(33,790)	(411)
Ordinary profit on consolidated statements of income	¥ 935,571	\$11,391

Notes: 1. Total Credit cost = Provision for reserve for possible loan losses (excluding translation adjustment of general reserve for possible loan losses) + Write-off of loans + Losses on sales of delinquent loans – Recoveries of written-off claims

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

Year ended March 31	Millions of yen
	2011
Profit	
Consolidated net business profit	¥1,001,994
Credit costs of SMBC	(95,324)
Losses on stocks of SMBC	(87,285)
Amortization of unrecognized retirement benefit obligation of SMBC	(38,019)
Ordinary profit of consolidated subsidiaries other than reportable segment	81,530
Amortization of goodwill other than reportable segment	(16,268)
Adjustment of profit or loss of equity method affiliates	(11,841)
Others	(9,355)
Ordinary profit on consolidated statements of income	¥ 825,428

Notes: 1. Credit cost = Provision for reserve for possible loan losses (excluding translation 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. Related information

(1) Business segment information

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Ordinary income to external customers		
Banking Business.....	¥2,245,549	\$27,342
Securities Services.....	285,252	3,473
Leasing.....	326,814	3,979
Credit Card Services.....	852,577	10,381
Other Business.....	235,088	2,862
Total.....	¥3,945,282	\$48,037

Year ended March 31, 2011	Millions of yen
Ordinary income to external customers	
Banking Business.....	¥2,329,933
Securities Services.....	270,861
Leasing.....	305,165
Credit Card Services.....	755,444
Other Business.....	184,455
Total.....	¥3,845,861

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

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Japan.....	¥3,400,848	\$41,408
The Americas.....	169,271	2,061
Europe and Middle East.....	138,987	1,692
Asia and Oceania.....	236,175	2,876
Total.....	¥3,945,282	\$48,037

Year ended March 31, 2011	Millions of yen
Japan.....	¥3,433,235
The Americas.....	158,377
Europe and Middle East.....	88,061
Asia and Oceania.....	166,186
Total.....	¥3,845,861

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

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Japan	¥1,100,866	\$13,404
The Americas	14,333	175
Europe and Middle East	57,842	704
Asia and Oceania	7,479	91
Total	¥1,180,522	\$14,374

Year ended March 31, 2011	Millions of yen
Japan	¥1,093,077
The Americas	12,639
Europe and Middle East	59,557
Asia and Oceania	3,634
Total	¥1,168,908

(3) Information by major customer

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

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

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Banking Business	¥3,264	\$40
Securities Services	383	5
Leasing	—	—
Credit Card Services	108	1
Other Business	104	1
Total	¥3,861	\$47

Year ended March 31, 2011	Millions of yen
Banking Business	¥4,739
Securities Services	306
Leasing	—
Credit Card Services	—
Other Business	365
Total	¥5,411

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

Year ended March 31, 2012	Millions of yen		Millions of U.S. dollars	
	Amortization of goodwill	Unamortized balance	Amortization of goodwill	Unamortized balance
Banking Business	¥ 545	¥ 9,904	\$ 6	\$ 120
Securities Services	14,108	230,347	172	2,805
Leasing	5,307	83,173	65	1,013
Credit Card Services	956	17,527	12	213
Other Business	762	56,584	9	689
Total	¥21,681	¥397,537	\$264	\$4,840

Year ended March 31, 2011	Millions of yen	
	Amortization of goodwill	Unamortized balance
Banking Business	¥ 555	¥ 10,457
Securities Services	14,122	244,455
Leasing	5,316	88,481
Credit Card Services	419	9,396
Other Business	2,525	—
Total	¥22,938	¥352,790

8. Information on gains on negative goodwill by reportable segment

There is no material information to be reported for the fiscal year ended March 31, 2012 and 2011.

9. Information on total credit cost by reportable segment

Year ended March 31, 2012	Millions of yen	Millions of U.S. dollars
Banking Business	¥ 83,903	\$1,022
Securities Services	1,213	15
Leasing	(3,611)	(44)
Credit Card Services	36,830	448
Other Business	2,919	35
Total	¥121,255	\$1,476

Year ended March 31, 2011	Millions of yen
Banking Business	¥144,601
Securities Services	(21)
Leasing	7,979
Credit Card Services	46,573
Other Business	18,216
Total	¥217,348

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

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

34. Business Combinations

Fiscal year ended March 31, 2012

<Business combination through acquisition>

Promise Co., Ltd. consolidated as a subsidiary through a tender offer for shares and a subscription for new shares issued by way of third-party allotment

Sumitomo Mitsui Banking Corporation ("SMBC"), a consolidated subsidiary of SMFG, implemented a tender offer for the purpose of acquiring the shares of common stock, the first series of stock acquisition rights for the stock compensation-type stock options, the second series of stock acquisition rights for the stock compensation-type stock options, the third series of stock acquisition rights for the stock compensation-type stock options and the euro yen callable bonds with stock acquisition rights due 2015 issued by Promise Co., Ltd. ("Promise"). In addition, SMFG fully subscribed shares issued by Promise through the third-party allotment executed on December 26, 2011. As a result of the above, SMFG consolidated Promise as a subsidiary, which had been formerly an equity method affiliates of SMFG. The outline of the business combination through acquisition is as follows:

1. Outline of the business combination

(1) Name of the acquired company and its business

Promise (Consumer finance)

(2) Main reasons for the business combination

Our basic policy is to acquire 100% stake of Promise aiming for strengthening financial base of Promise and to building up a corporate infrastructure accommodating group-wide prompt and flexible decision making. Through the initiatives, we aim to strengthen the collaboration between Promise and SMFG group companies, and expand consumer finance business centering on Promise which has a competitive advantage in the industry. To this end, we made Promise our consolidated subsidiary through a tender offer by SMBC and a subscription of third-party allotment by SMFG in fiscal 2011.

(3) Date of business combination

December 7, 2011

(4) Legal form of the business combination

Consolidated as a subsidiary through a tender offer for shares of Promise by SMBC and a subscription by SMFG for new shares issued by Promise by way of third-party allotment

(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..... 22%

Percentage share of voting rights additionally acquired through tender offer 72%

Percentage share of voting rights additionally acquired through subscription for shares issued by way of third-party allotment 4%

Percentage share of voting rights after acquisition ... 98%

(7) Main reason the company was acquired

SMFG acquired a majority of voting rights of Promise and consolidated it as a subsidiary.

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

From April 1, 2011 to March 31, 2012

Note that as the deemed acquisition date is December 31, 2011, gain or loss related to the acquired company for the period from April 1, 2011 to December 31, 2011 is presented as gain or loss from investments by the equity method in the 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 Promise owned before business combination.....	¥ 21,699	\$ 264
Fair value of common stock of Promise additionally acquired through tender offer	70,995	865
Fair value of common stock of Promise additionally acquired through subscription for shares issued by way of third-party allotment	119,999	1,461
Expenses directly required for acquisition	674	8
Acquisition cost of the acquired company.....	¥213,369	\$2,598

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.....	¥213,369	\$2,598
Total acquisition cost of individual transactions leading to acquisition	188,318	2,293
Difference (gains on step acquisitions)	¥ 25,050	\$ 305

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

- (1) Amount of goodwill
¥57,300 million (\$698 million)
- (2) Reason for recognizing goodwill
SMFG accounted for the difference between the acquisition cost and the equivalent amount of SMFG's interests in Promise as goodwill.
- (3) Method and term to amortize goodwill
Straight-line method over 20 years

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

(1) Assets

	Millions of yen	Millions of U.S. dollars
Total assets	¥1,671,681	\$20,354
Loans and bills discounted	795,148	9,682
Customers' liabilities for acceptances and guarantees...	564,528	6,874

(2) Liabilities

	Millions of yen	Millions of U.S. dollars
Total liabilities	¥1,511,980	\$18,410
Borrowed money.....	300,884	3,664
Reserve for losses on interest repayment	367,220	4,471
Acceptances and guarantees ...	564,528	6,874

7. Approximate amounts and their calculation method of impact on the consolidated statements of income for the fiscal year ended March 31, 2012, assuming that the business combinations had been completed on the commencement date of the fiscal year

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

	Millions of yen	Millions of U.S. dollars
Ordinary income	¥143,349	\$1,745
Ordinary profit	(152,690)	(1,859)
Net income	(186,332)	(2,269)

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 Promise and its consolidated subsidiaries' statements of income for the period from April 1, 2011 to December 31, 2011, 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.

<Transactions under common control>

Making Cedyna Financial Corporation a wholly-owned subsidiary SMFG Card & Credit, Inc. ("FGCC") made Cedyna Financial Corporation ("Cedyna") a wholly-owned subsidiary by a share exchange with an effective date of May 1, 2011 (the "Share Exchange"). The outline of transactions under common control is as follows:

1. Outline of the transactions

- (1) Name and business of combined entities
Acquisition company: FGCC (Management of subsidiaries and affiliates)
Acquired company: Cedyna (Credit card services)
- (2) Date of business combination
May 1, 2011
- (3) Form of reorganization
Exchange of shares
- (4) Name of the entity after the reorganization
Sumitomo Mitsui Financial Group, Inc.
- (5) Outline and purpose of the transaction
SMFG and FGCC decided that they needed to establish a system which allowed more timely and flexible decision-making in order to take various measures to "establish the number one credit card business entity in Japan." Therefore, SMFG made Cedyna a wholly-owned subsidiary of FGCC.

2. Accounting methods

SMFG applies the accounting procedures stipulated by Articles 45 and 46 of the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21).

3. Acquisition cost of the additionally acquired stocks of subsidiaries

	Millions of yen	Millions of U.S. dollars
Fair value of common stock of Cedyna additionally acquired...	¥37,535	\$457
Expenses directly required for acquisition.....	80	1
Acquisition cost of the additionally acquired stocks of subsidiaries.....	¥37,616	\$458

4. Share exchange ratio, its basis for determination, number of shares delivered

- (1) Type of shares and share exchange ratio
Common shares
SMFG 1: Cedyna 0.06
Note: 0.06 shares of SMFG common stock was allotted and delivered per share of Cedyna common stock.
- (2) Basis for determination of share exchange ratio
Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.) and Nomura Securities Co., Ltd. were appointed by FGCC and Cedyna, respectively, as third party valuation institutions in order to ensure the fairness and appropriateness in determining the share exchange ratio for

the Share Exchange. FGCC and Cedyna engaged in negotiations and discussions with reference to the share exchange ratio analysis provided by the above third party valuation institutions and with consideration for SMFG's and Cedyna's financial conditions, performance trends and stock price movements. As a result, FGCC and Cedyna each determined that the share exchange ratio set forth in (1) above was beneficial to the shareholders of both SMFG and Cedyna, and SMFG, FGCC and Cedyna agreed and decided.

- (3) Number of shares delivered
14,702 thousand common shares of SMFG

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

- (1) Amount of goodwill
¥9,087 million (\$111 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

35. Per Share Data

	Yen		U.S. dollars
March 31	2012	2011	2012
Net assets per share	¥3,856.37	¥3,533.47	\$46.95

	Yen		U.S. dollars
Year ended March 31	2012	2011	2012
Net income per share.....	¥374.26	¥336.85	\$4.56
Net income per share (diluted)	373.99	336.78	4.55

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

	Millions of yen, except number of shares		Millions of U.S. dollars
Year ended March 31	2012	2011	2012
Net income per share:			
Net income.....	¥518,536	¥475,895	\$6,314
Amount not attributable to common stockholders.....	—	6,195	—
Dividends on preferred stock.....	—	6,195	—
Net income attributable to common stock.....	¥518,536	¥469,700	\$6,314
Average number of common stock during the year (in thousands).....	1,385,505	1,394,390	/
Net income per share (diluted):			
Adjustment for net income	¥ (278)	¥ (73)	\$ (3)
Adjustment for dilutive shares issued by subsidiaries and affiliates.....	(278)	(73)	(3)
Increase in number of common stock (in thousands)	243	54	/
Stock acquisition rights	243	54	/

Outline of dilutive shares which were not included in the calculation of "Net income per share (diluted)" for the fiscal years ended March 31, 2012 and 2011 because they do not have dilutive effect:

Stock acquisition rights: 1 type

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

*The number of shares to be issued upon exercise of each stock acquisition right is 100 common shares of SMFG.

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

March 31	Millions of yen, except number of shares		Millions of U.S. dollars
	2012	2011	2012
Net assets	¥7,254,976	¥7,132,073	\$88,335
Amounts excluded from Net assets	2,044,575	2,250,681	24,894
Preferred stock	—	210,003	—
Dividends on preferred stock	—	3,097	—
Stock acquisition rights	692	262	8
Minority interests	2,043,883	2,037,318	24,886
Net assets attributable to common stock at the fiscal year-end	¥5,210,400	¥4,881,392	\$63,441
Number of common stock at the fiscal year-end used for the calculation of			
Net assets per share (in thousands)	1,351,116	1,381,473	/

(Application of New Accounting Standards)

SMFG has adopted the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan ("ASBJ") Statement No.2), "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No.4) and "Practical Solution on Accounting for Earnings Per Share" (ASBJ PITF No.9) starting from the fiscal year beginning on April 1, 2011. This change has a little impact on the calculation of diluted net income per share.

36. Subsequent Events

<Transactions under common control>

Making Promise Co., Ltd. a wholly-owned subsidiary
SMFG made Promise Co., Ltd. ("Promise") a wholly-owned subsidiary by a share exchange with an effective date of April 1, 2012 (the "Share Exchange"). The outline of transactions under common controls is as follows:

1. Outline of the transactions

- (1) Name and business of combined entities
Acquisition company: Sumitomo Mitsui Financial Group, Inc. (Bank holding company)
Acquired company: Promise (Consumer finance)
- (2) Date of business combination
April 1, 2012
- (3) Form of reorganization
Exchange of shares
- (4) Name of the entity after the reorganization
Sumitomo Mitsui Financial Group, Inc.
- (5) Outline and purpose of the transaction
SMFG has considered it as our basic policy to wholly-own Promise in order to i) strengthen Promise's financial base to effectively achieve expansion of the consumer finance business with Promise acting at its core in SMFG through further enforcement of cooperation between Promise and SMFG group companies and the establishment of a competitive advantage in the industry of Promise as the initiative, and ii) build up an infrastructure accommodating more timely and flexible group-wide decision making. In line with this policy, SMFG made Promise a wholly-owned subsidiary.

2. Share exchange ratio, its basis for determination, number of shares delivered

- (1) Type of shares and share exchange ratio
Common shares
SMFG 1: Promise 0.36
* 0.36 shares of SMFG common stock was allotted and delivered per share of Promise common stock.
- (2) Basis for determination of share exchange ratio
SMFG and Promise separately appointed a financial advisor or third party valuation institution, both independent of the two companies, in order to ensure fairness and appropriateness in determining the share exchange ratio for the Share Exchange. SMFG appointed Goldman Sachs Japan Co. Ltd. as the financial advisor while Promise appointed Houlihan Lokey K.K. as the third party valuation institution. To determine the share exchange ratio, SMFG and Promise separately considered it carefully with reference to the share exchange ratio provided by the above financial advisor and third party valuation institution, with which they also engaged in discussions and negotiations. With regard to the valuation of Promise's share price, SMFG and Promise took account of the tender offer price for Promise's common stocks, undertaken by SMBC prior to the Share Exchange as a bench mark in addition to the conditions and results of the tender offer, SMFG's share price movements and other factors.
As a result, SMFG and Promise concluded that the share exchange ratio set forth in (1) above was reasonable and beneficial to the shareholders of the two companies, subsequently agreeing and accepting it for the transaction.
- (3) Number of shares delivered
45,660 thousand common shares of SMFG

37. Parent Company

(1) Nonconsolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc.

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Assets			
Current assets	¥ 101,852	¥ 96,397	\$ 1,240
Cash and due from banks	67,323	54,154	820
Prepaid expenses	29	29	0
Accrued income	17	32	0
Accrued income tax refunds	33,266	41,382	405
Other current assets	1,216	798	15
Fixed assets	6,051,608	6,141,258	73,683
Tangible fixed assets	0	0	0
Buildings	0	0	0
Equipment	0	0	0
Intangible fixed assets	16	8	0
Software	16	8	0
Investments and other assets	6,051,591	6,141,248	73,683
Investments in subsidiaries and affiliates	6,051,591	6,141,248	73,683
Total assets	¥6,153,461	¥6,237,655	\$74,923
Liabilities and net assets			
Liabilities			
Current liabilities	¥1,232,931	¥1,001,841	\$15,012
Short-term borrowings	1,228,030	997,030	14,952
Accounts payable	990	940	12
Accrued expenses	3,082	3,054	38
Income taxes payable	16	25	0
Business office taxes payable	6	5	0
Reserve for employees bonuses	127	107	2
Reserve for executive bonuses	83	91	1
Other current liabilities	594	586	7
Fixed liabilities	392,900	392,900	4,784
Bonds	392,900	392,900	4,784
Total liabilities	1,625,831	1,394,741	19,796
Net assets			
Stockholders' equity			
Capital stock	2,337,895	2,337,895	28,465
Capital surplus	1,622,966	1,833,027	19,761
Capital reserve	1,559,374	1,559,374	18,987
Other capital surplus	63,592	273,652	774
Retained earnings	721,096	715,303	8,780
Other retained earnings			
Voluntary reserve	30,420	30,420	370
Retained earnings brought forward	690,676	684,883	8,410
Treasury stock	(154,926)	(43,482)	(1,886)
Total stockholders' equity	4,527,031	4,842,743	55,120
Stock acquisition rights	598	170	7
Total net assets	4,527,629	4,842,914	55,127
Total liabilities and net assets	¥6,153,461	¥6,237,655	\$74,923

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

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Operating income	¥181,372	¥222,217	\$2,208
Dividends on investments in subsidiaries and affiliates.....	166,272	206,865	2,024
Fees and commissions received from subsidiaries.....	15,100	15,352	184
Operating expenses	24,902	24,467	303
General and administrative expenses.....	8,434	7,999	103
Interest on bonds.....	16,468	16,468	200
Operating profit	156,470	197,750	1,905
Nonoperating income	109	110	1
Interest income on deposits.....	88	68	1
Fees and commissions income.....	0	1	0
Other nonoperating income.....	19	40	0
Nonoperating expenses	6,657	6,317	81
Interest on borrowings.....	6,485	6,290	79
Fees and commissions payments.....	163	26	2
Other nonoperating expenses.....	8	0	0
Ordinary profit	149,922	191,543	1,825
Income before income taxes	149,922	191,543	1,825
Income taxes:			
Current.....	3	3	0
Net income	¥149,919	¥191,539	\$1,825

	Yen		U.S. dollars (Note 1)
	2012	2011	2012
Per share data:			
Net income.....	¥107.06	¥131.42	\$1.30
Net income — diluted.....	107.04	131.42	1.30

(3) Nonconsolidated Statements of Changes in Net Assets

Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Stockholders' equity			
Capital stock			
Balance at the beginning of the fiscal year	¥2,337,895	¥2,337,895	\$28,465
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥2,337,895	¥2,337,895	\$28,465
Capital surplus			
Capital reserve			
Balance at the beginning of the fiscal year	1,559,374	1,559,374	18,987
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥1,559,374	¥1,559,374	\$18,987
Other capital surplus			
Balance at the beginning of the fiscal year	273,652	273,699	3,332
Changes in the fiscal year:			
Disposal of treasury stock	(57)	(46)	(1)
Cancellation of treasury stock	(210,003)	—	(2,557)
Net changes in the fiscal year	(210,060)	(46)	(2,558)
Balance at the end of the fiscal year	¥ 63,592	¥ 273,652	\$ 774
Total capital surplus			
Balance at the beginning of the fiscal year	1,833,027	1,833,073	22,319
Changes in the fiscal year:			
Disposal of treasury stock	(57)	(46)	(1)
Cancellation of treasury stock	(210,003)	—	(2,557)
Net changes in the fiscal year	(210,060)	(46)	(2,558)
Balance at the end of the fiscal year	¥1,622,966	¥1,833,027	\$19,761
Retained earnings			
Other retained earnings			
Voluntary reserve			
Balance at the beginning of the fiscal year	30,420	30,420	370
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 30,420	¥ 30,420	\$ 370
Retained earnings brought forward			
Balance at the beginning of the fiscal year	684,883	647,622	8,339
Changes in the fiscal year:			
Cash dividends	(144,126)	(154,278)	(1,754)
Net income	149,919	191,539	1,825
Net changes in the fiscal year	5,792	37,260	71
Balance at the end of the fiscal year	¥ 690,676	¥ 684,883	\$ 8,410
Total retained earnings			
Balance at the beginning of the fiscal year	715,303	678,042	8,709
Changes in the fiscal year:			
Cash dividends	(144,126)	(154,278)	(1,754)
Net income	149,919	191,539	1,825
Net changes in the fiscal year	5,792	37,260	71
Balance at the end of the fiscal year	¥ 721,096	¥ 715,303	\$ 8,780

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Stockholders' equity			
Treasury stock			
Balance at the end of the previous fiscal year.....	¥ (43,482)	¥ (43,437)	\$ (529)
Changes in the fiscal year:			
Purchase of treasury stock.....	(321,521)	(105)	(3,915)
Disposal of treasury stock.....	74	60	1
Cancellation of treasury stock.....	210,003	—	2,557
Net changes in the fiscal year.....	(111,444)	(45)	(1,357)
Balance at the end of the fiscal year.....	¥ (154,926)	¥ (43,482)	\$ (1,886)
Total stockholders' equity			
Balance at the end of the previous fiscal year.....	4,842,743	4,805,574	58,964
Changes in the fiscal year:			
Cash dividends.....	(144,126)	(154,278)	(1,754)
Net income.....	149,919	191,539	1,825
Purchase of treasury stock.....	(321,521)	(105)	(3,915)
Disposal of treasury stock.....	17	13	0
Cancellation of treasury stock.....	—	—	—
Net changes in the fiscal year.....	(315,711)	37,169	(3,844)
Balance at the end of the fiscal year.....	¥4,527,031	¥4,842,743	\$55,120
Stock acquisition rights			
Balance at the end of the previous fiscal year.....	170	—	2
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year.....	427	170	5
Net changes in the fiscal year.....	427	170	5
Balance at the end of the fiscal year.....	¥ 598	¥ 170	\$ 7
Total net assets			
Balance at the end of the previous fiscal year.....	4,842,914	4,805,574	58,966
Changes in the fiscal year:			
Cash dividends.....	(144,126)	(154,278)	(1,754)
Net income.....	149,919	191,539	1,825
Purchase of treasury stock.....	(321,521)	(105)	(3,915)
Disposal of treasury stock.....	17	13	0
Cancellation of treasury stock.....	—	—	—
Net changes in items other than stockholders' equity in the fiscal year.....	427	170	5
Net changes in the fiscal year.....	(315,284)	37,340	(3,839)
Balance at the end of the fiscal year.....	¥4,527,629	¥4,842,914	\$55,127