

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Years ended March 31, 2013 and 2012

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, 2013, which was ¥94.01 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

323 companies

Principal companies:

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

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2013 are as follows:

43 companies including SMBC Aviation Capital Limited were included in the scope of consolidated subsidiaries as a result of acquisitions of stocks and other reasons.

50 companies including ORIX Credit Corporation were excluded from the scope of consolidated subsidiaries because they were no longer subsidiaries as a result of sale of stocks and other reasons.

7 companies including SMFL Speed 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.

186 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

5 companies

Principal company:

SBCS Co., Ltd.

PT. SBCS INDONESIA became an unconsolidated subsidiary accounted for by the equity method from the fiscal year ended March 31, 2013 because it became a subsidiary due to establishment.

(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, 2013 are as follows:

2 companies including China Post & Capital Fund Management Co., Ltd. became equity method affiliates due mainly to acquisitions of equity interest.

2 companies including Famima Credit Corporation 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

186 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:

June 30	4 companies
September 30	1 company
October 31	1 company
November 30	2 companies
December 31	107 companies
January 31	51 companies
February 28	7 companies
March 31	150 companies

(ii) The subsidiaries with balance sheets dated June 30, 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 2013 were ¥1,994,975 million (\$21,221 million) and ¥1,994,812 million (\$21,219 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, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
March 31	2013	2012	2013
Loans and bills			
discounted	¥1,361,877	¥1,486,284	\$14,487
Credit lines	715,809	723,383	7,614
Liquidity lines	460,059	352,547	4,894

	Millions of yen		Millions of U.S. dollars
Year ended March 31	2013	2012	2013
Interest on loans and discounts	¥10,786	¥13,388	\$115
Fees and commissions ...	1,811	1,842	19

(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 (including foreign stocks) in other securities are carried at their average market prices during the final month of the fiscal year, and bonds and others are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). However, 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 assets for rent and 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.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment of the Corporation Tax Act, effective from the fiscal year ended March 31, 2013, SMFG and its consolidated domestic subsidiaries have changed their depreciation method for those tangible fixed assets acquired on or after April 1, 2012. This change has little impact on income before income taxes and minority interests for the fiscal year ended March 31, 2013.

(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) Assets for rent

Assets for rent are depreciated using the straight-line method, over the rental period or expected lifetime of assets as the depreciation period and estimated disposal values at the expiration date as salvage values.

(d) 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 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 ¥653,146 million (\$6,948 million) and ¥685,871 million for the years ended March 31, 2013 and 2012, 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 provided for compensation for future eventual operational 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, 2013 and 2012 were ¥70 million (\$1 million) and ¥309 million, respectively. Gross amounts of deferred hedge gains on “macro hedge” (before deducting tax effect) at March 31, 2013 and 2012 were ¥17 million (\$0 million) and ¥188 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 SMBC Consumer Finance Co., Ltd. is amortized using the straight-line method over 20 years. Goodwill related to SMBC Aviation Capital is amortized using the straight-line method over 10 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.

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

(i) Outline

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, the treatment is only applied to a case where a company has assigned assets to an SPE.

(ii) Date of application

SMFG intends to adopt the revised accounting standard from the fiscal year beginning on April 1, 2013.

(iii) Effects of adoption of the revised accounting standard
Effects of adoption of the revised accounting standard are immaterial.

(b) Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, revised on May 17, 2012)

(i) Outline

The accounting standard has been revised in light of improving financial reporting and trend toward international convergence, mainly on i) changes in accounting methods for unrecognized net actuarial gains or loss and unrecognized prior service cost, and enhancement of disclosure items; as well as ii) changes of calculation methods for projected benefit obligation and service cost.

(ii) Date of application

SMFG intends to adopt i) to consolidated financial statements as of the end of the fiscal year beginning on April 1, 2013, and to adopt ii) from the fiscal year beginning on

April 1, 2014.

(iii) Effects of adoption of the revised accounting standard
Effects of adoption of the revised accounting standard are currently examined.

3. Trading Assets

Trading assets at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Trading securities	¥3,220,858	¥4,027,609	\$34,261
Derivatives of trading securities	3,614	3,419	38
Derivatives of securities related to trading transactions	26,044	19,503	277
Trading-related financial derivatives	4,327,085	3,888,692	46,028
Other trading assets	187,952	257,718	1,999
	¥7,765,554	¥8,196,944	\$82,603

4. Securities

Securities at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Japanese government bonds*1	¥26,994,438	¥29,327,057	\$287,144
Japanese local government bonds	355,883	474,884	3,786
Japanese corporate bonds*2	3,015,019	3,155,712	32,071
Japanese stocks*1, 3, 4	3,035,072	2,615,168	32,285
Other*1, 3, 4	7,906,318	6,957,128	84,101
	¥41,306,731	¥42,529,950	\$439,387

*1 Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥50,716 million (\$539 million) and ¥51,022 million are included in Japanese government bonds and Japanese stocks in Securities and in trading securities in Trading assets at March 31, 2013 and 2012, 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, ¥1,238,199 million (\$13,171 million) are pledged, and ¥821,378 million (\$8,737 million) are held in hand at March 31, 2013. The respective amounts at March 31, 2012 were ¥1,961,135 million and ¥378,167 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 ¥1,823,931 million (\$19,401 million) and ¥1,851,841 million at March 31, 2013 and 2012, respectively.

*3 Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥257,871 million (\$2,743 million) and ¥231,200 million at March 31, 2013 and 2012, respectively.

*4 Japanese stocks and other include investments in jointly controlled entities of ¥125,057 million (\$1,330 million) and ¥107,866 million at March 31, 2013 and 2012, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Bills discounted	¥ 199,057	¥ 202,971	\$ 2,117
Loans on notes	2,163,861	2,070,729	23,017
Loans on deeds	56,620,452	53,647,541	602,281
Overdrafts	6,648,720	6,799,356	70,724
	¥65,632,091	¥62,720,599	\$698,139

(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
	2013	2012	2013
Risk-monitored loans:			
Bankrupt loans*1	¥ 55,479	¥ 74,218	\$ 590
Non-accrual loans*2	1,130,562	1,145,347	12,026
Past due loans (3 months or more)*3	16,044	22,502	171
Restructured loans*4	484,963	562,882	5,159
	¥1,687,049	¥1,804,951	\$17,945

^{*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, 2013 and 2012 was ¥887,690 million (\$9,443 million) and ¥754,204 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, 2013 and 2012 were ¥49,706,886 million (\$528,740 million) and ¥47,220,313 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, 2013 and 2012 were ¥40,403,061 million (\$429,774 million) and ¥39,753,611 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, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Prepaid expenses.....	¥ 38,273	¥ 35,779	\$ 407
Accrued income.....	290,923	259,380	3,095
Deferred assets.....	819,984	779,599	8,722
Financial derivatives*.....	785,820	1,264,676	8,359
Other	2,432,633	2,283,320	25,876
	¥4,367,634	¥4,622,756	\$46,459

* Referred to in Note 31

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Assets for rent*1.....	¥1,102,755	¥ 298,167	\$11,730
Buildings	298,620	297,067	3,176
Land*2	455,420	462,428	4,844
Lease assets	9,065	9,063	96
Construction in progress.....	20,123	12,585	214
Other tangible fixed assets.....	97,786	101,210	1,040
Total.....	¥1,983,772	¥1,180,522	\$21,102
Accumulated depreciation	¥ 857,513	¥ 750,082	\$ 9,122

^{*1} "Assets for rent," which was included in "Buildings," "Land" and "Other tangible fixed assets" in the previous fiscal year, has been separately presented for the fiscal year ended March 31, 2013, since its materiality has been increased. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥64,137 million, which was included in "Buildings," ¥92,751 million, which was included in "Land," and ¥141,278 million, which was included in "Other tangible fixed assets" in the consolidated balance sheets for the previous fiscal year have been reclassified as "Assets for rent" of ¥298,167 million.

^{*2} Includes land revaluation excess referred to in Note 15.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Software	¥296,770	¥282,797	\$3,157
Goodwill	385,625	397,537	4,102
Lease assets	104	200	1
Other intangible fixed assets.....	108,359	119,237	1,153
	¥790,860	¥799,773	\$8,413

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	¥ 207,675	¥ 294,382	\$ 2,209
Call loans and bills bought	496,342	490,255	5,280
Monetary claims bought	1,744	7,096	19
Trading assets	2,528,418	3,715,510	26,895
Securities	5,343,900	7,281,341	56,844
Loans and bills discounted	1,649,598	2,572,382	17,547
Lease receivables and investment assets	5,463	7,740	58
Tangible fixed assets	12,496	14,336	133
Other assets (installment account receivable, etc.)	790	4,412	8
Liabilities corresponding to assets pledged as collateral:			
Deposits	20,968	19,144	223
Call money and bills sold	1,045,000	825,000	11,116
Payables under repurchase agreements	2,067,392	1,676,902	21,991
Payables under securities lending transactions.....	3,520,709	5,180,034	37,450
Trading liabilities	502,841	513,941	5,349
Borrowed money.....	1,202,622	4,312,097	12,792
Other liabilities	41,407	10,149	440
Acceptances and guarantees	125,009	109,212	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, 2013 and 2012:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Cash and due from banks and Deposits with banks	¥ 17,766	¥ 23,993	\$ 189
Trading assets	28,128	86,879	299
Securities.....	24,871,082	24,367,992	264,558
Loans and bills discounted	735,230	—	7,821

Moreover, other assets included surety deposits, variation margins of futures market transactions, collateral money deposited for financial instruments, and other variation margins, and the amount of at March 31, 2013 and 2012 is as follows.

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Surety deposits	¥120,705	¥124,516	\$1,284
Variation margins of futures market transactions	17,507	17,906	186
Collateral money deposited for financial instruments	255,863	—	2,722
Other variation margins.....	2,414	66,197	26

10. Deposits

Deposits at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Current deposits	¥ 8,232,048	¥ 7,685,782	\$ 87,566
Ordinary deposits	42,424,870	40,474,217	451,280
Savings deposits.....	704,081	690,036	7,489
Deposits at notice	6,106,278	4,497,785	64,953
Time deposits	27,687,948	26,866,418	294,521
Negotiable certificates of deposit	11,755,654	8,593,638	125,047
Other deposits	3,926,583	3,914,321	41,768
	¥100,837,465	¥92,722,199	\$1,072,625

11. Trading Liabilities

Trading liabilities at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Trading securities sold for short sales	¥1,910,129	¥2,172,857	\$20,318
Derivatives of trading securities.....	11,727	7,453	125
Derivatives of securities related to trading transactions	29,396	17,455	313
Trading-related financial derivatives	4,168,379	4,050,294	44,340
	¥6,119,631	¥6,248,061	\$65,096

12. Borrowed Money

Borrowed money at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars	Average interest rate*1	Due
	2013	2012	2013	2013	
Borrowed money*2	¥4,979,460	¥8,839,648	\$52,967	0.73%	Jan. 2013–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 ¥314,450 million (\$3,345 million) and ¥374,250 million at March 31, 2013 and 2012, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2013 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2013	2013
Within 1 year	¥2,845,802	\$30,271
After 1 year through 2 years	541,508	5,760
After 2 years through 3 years	406,249	4,321
After 3 years through 4 years	157,702	1,678
After 4 years through 5 years	118,887	1,265

13. Bonds

Bonds at March 31, 2013 and 2012 consisted of the following:

March 31

Issuer	Millions of yen*1		Millions of U.S. dollars	Interest rate*2 (%)	
Description	2013	2012	2013	2013	Due
SMBC:					
Short-term bonds, payable in Yen	¥ 20,000 [20,000]	¥ 19,999 [19,999]	\$ 213	0.08	Apr. 2013
Straight bonds, payable in Yen	1,070,929 [187,091]	1,233,795 [216,897]	11,392	0.09571–1.36	Apr. 2013–Sep. 2024
Straight bonds, payable in Euroyen.....	12,900	15,900	137	0.00–1.57789	Mar. 2036–Feb. 2037
Straight bonds, payable in U.S. dollars	1,138,357 (\$12,108,898 thousand) [155,095]	574,424 (\$6,994,089 thousand)	12,109	0.9–3.95	Jul. 2013–Jan. 2023
Straight bonds, payable in British pound sterling	35,772 (£250,000 thousand)	—	381	1.05688	Mar. 2016
Straight bonds, payable in Australian dollars.....	116,439 (A\$1,189,854 thousand)	82,799 (A\$969,891 thousand)	1,239	3.29–4.28	Dec. 2014–Dec. 2016
		[46,096]			
Subordinated bonds, payable in Yen	1,339,476 [109,491]	1,586,411 [39,999]	14,248	0.87–2.8	Aug. 2013–Dec. 2026
Subordinated bonds, payable in Euroyen.....	229,400	346,494	2,440	0.71–2.97	Jun. 2018–Perpetual
Subordinated bonds, payable in U.S. dollars.....	169,904 (\$1,807,298 thousand)	209,352 (\$2,549,037 thousand) [61,341]	1,807	4.85–5.625	Mar. 2022–Perpetual
Subordinated bonds, payable in Euro.....	129,375 (€1,072,231 thousand)	117,717 (€1,072,787 thousand)	1,376	4–4.375	Nov. 2020–Perpetual
Other consolidated subsidiaries:					
Straight bonds, payable in Yen	349,386 [58,950]	265,916 [49,700]	3,716	0.23446–16.6	Apr. 2013–Mar. 2043
Straight bonds, payable in U.S. dollars	—	60,496 (\$500,000 thousand) [60,496]	—	—	—
Straight bonds, payable in Renminbi.....	16,665 (RMB¥1,100,000 thousand) [3,030]	6,520 (RMB¥500,000 thousand)	177	2.5–4	Sep. 2013–Aug. 2015
Subordinated bonds, payable in Yen	142,200	142,099	1,513	2.19–4.5	Aug. 2018–Perpetual
Short-term bonds, payable in Yen	1,106,300 [1,106,300]	929,388 [929,388]	11,768	0.1–0.43	Apr. 2013–Dec. 2013
	¥5,877,106	¥5,591,316	\$62,516		

*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, 2013 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2013	2013
Within 1 year	¥1,639,996	\$17,445
After 1 year through 2 years	470,638	5,006
After 2 years through 3 years	876,578	9,324
After 3 years through 4 years	566,214	6,023
After 4 years through 5 years	401,556	4,271

14. Other Liabilities

Other liabilities at March 31, 2013 and 2012 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Accrued expenses.....	¥ 155,892	¥ 137,287	\$ 1,658
Unearned income.....	148,938	154,480	1,584
Income taxes payable.....	206,968	59,789	2,202
Financial derivatives*1.....	932,404	895,750	9,918
Lease liabilities*2.....	97,954	54,169	1,042
Other.....	2,447,635	3,461,483	26,036
	¥3,989,794	¥4,762,961	\$42,440

*1 Referred to in Note 31

*2 Average interest rate on lease liabilities for the year ended March 31, 2013 was 4.25%. 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, 2013 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2013	2013
Within 1 year.....	¥19,801	\$211
After 1 year through 2 years.....	16,224	173
After 2 years through 3 years.....	13,440	143
After 3 years through 4 years.....	9,865	105
After 4 years through 5 years.....	8,310	88

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, 2013 and 2012 were as follows:

March 31	Number of shares			
	2013		2012	
	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	—
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	1,414,055,625

17. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Fees and commissions:			
Deposits and loans	¥ 112,723	¥ 92,397	\$ 1,199
Remittances and transfers	130,742	126,984	1,391
Securities-related business.....	91,999	90,350	979
Agency	18,172	18,896	193
Safe deposits	5,991	6,325	64
Guarantees.....	79,376	71,066	844
Credit card business.....	225,444	208,853	2,398
Investment trusts.....	162,951	142,940	1,733
Other.....	212,725	197,865	2,263
	¥1,040,126	¥955,680	\$11,064
Fees and commissions payments:			
Remittances and transfers	¥ 44,244	¥ 33,301	\$ 471
Other.....	87,712	98,797	933
	¥ 131,957	¥132,099	\$ 1,404

18. Trading Income

Trading income for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Gains on trading securities	¥202,087	¥114,978	\$2,150
Gains on securities related to trading transactions.....	4,286	7,634	46
Gains on trading-related financial derivatives	—	74,328	—
Other	367	1,251	4
	¥206,741	¥198,192	\$2,199

19. Other Operating Income

Other operating income for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Gains on sale of bonds	¥ 161,423	¥ 176,344	\$ 1,717
Gains on redemption of bonds.....	114	119	1
Lease-related income.....	879,822	789,509	9,359
Gains on foreign exchange transactions.....	125,348	23,270	1,333
Other	117,068	121,322	1,245
	¥1,283,776	¥1,110,566	\$13,656

20. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Losses on sale of bonds.....	¥ 34,825	¥ 13,616	\$ 370
Losses on redemption of bonds.....	6,614	5,692	70
Losses on devaluation of bonds.....	12	—	0
Bond issuance costs.....	3,235	2,528	34
Lease-related expenses.....	781,211	718,104	8,310
Losses on financial derivatives.....	6,040	2,537	64
Other	128,239	138,518	1,364
	¥960,179	¥880,998	\$10,214

21. Other Income

Other income for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Gains on sale of stocks and other securities	¥38,412	¥15,654	\$409
Gains on money held in trust.....	71	10	1
Equity in gains of affiliates	5,309	—	56
Gains on disposal of fixed assets.....	240	2,741	3
Recoveries of written-off claims	10,436	4,800	111
Gains on step acquisitions	140	25,050	1
Other	32,168	27,014	342
	¥86,780	¥75,272	\$923

22. Other Expenses

Other expenses for the fiscal years ended March 31, 2013 and 2012 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Write-off of loans.....	¥133,639	¥ 90,305	\$1,422
Losses on sale of stocks and other securities.....	29,440	11,659	313
Losses on devaluation of stocks and other securities.....	29,944	31,875	319
Losses on money held in trust	1,659	1,474	18
Losses on sale of delinquent loans.....	10,532	25,364	112
Equity in losses of affiliates.....	—	31,122	—
Losses on disposal of fixed assets	5,721	6,507	61
Losses on impairment of fixed assets*	4,314	3,861	46
Other	67,614	89,008	719
	¥282,867	¥291,179	\$3,009

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

Year ended March 31	Area	Purpose of use		Millions of yen		Millions of U.S. dollars
		2013	Type	2013	2012	2013
Tokyo metropolitan area	Branches (—)		Land and buildings, etc.	¥ —	¥ 198	\$—
	Idle assets (47 items)			2,523	1,168	27
	Other (2 items)			55	58	1
Kinki area	Branches (5 branches)		Land and buildings, etc.	206	393	2
	Idle assets (34 items)			1,169	1,630	12
	Other (2 items)			22	2	0
Other	Branches (—)		Land and buildings, etc.	—	27	—
	Idle assets (12 items)			274	381	3
	Other (1 item)			62	—	1

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 idle assets, and other consolidated subsidiaries reduced the carrying amounts of their branches and idle assets. The recoverable amount is calculated using net realizable value which is basically determined by subtracting the expected disposal cost from the appraisal value based on the Real Estate Appraisal Standard.

23. Other Comprehensive Income

Reclassification adjustment and tax effect of other comprehensive income

Years ended March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Net unrealized gains on other securities:			
Amount arising during the fiscal year	¥696,090	¥241,713	\$7,404
Reclassification adjustment	(78,619)	(136,762)	(836)
Before adjustment to tax effect	617,471	104,950	6,568
Tax effect	(171,793)	(35,846)	(1,827)
Net unrealized gains on other securities	445,678	69,103	4,741
Net deferred losses on hedges:			
Amount arising during the fiscal year	(4,728)	(26,643)	(50)
Reclassification adjustment	3,658	(7,882)	39
Adjustment on the cost of the assets	(260)	(16)	(3)
Before adjustment to tax effect	(1,329)	(34,543)	(14)
Tax effect	253	11,578	3
Net deferred losses on hedges	(1,076)	(22,964)	(11)
Land revaluation excess:			
Amount arising during the fiscal year	—	—	—
Reclassification adjustment	—	—	—
Before adjustment to tax effect	—	—	—
Tax effect	—	5,613	—
Land revaluation excess	—	5,613	—
Foreign currency translation adjustments:			
Amount arising during the fiscal year	99,611	(24,429)	1,060
Reclassification adjustment	15	1,059	0
Before adjustment to tax effect	99,626	(23,369)	1,060
Tax effect	—	(126)	—
Foreign currency translation adjustments	99,626	(23,496)	1,060
Share of other comprehensive income of affiliates			
Amount arising during the fiscal year	(1,135)	(7,105)	(12)
Reclassification adjustment	(3,051)	2,453	(32)
Before adjustment to tax effect	(4,187)	(4,651)	(45)
Tax effect	—	—	—
Share of other comprehensive income of affiliates	(4,187)	(4,651)	(45)
Total other comprehensive income	¥540,041	¥ 23,605	\$5,745

24. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2013 and 2012 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Reserve for possible loan losses.....	¥ 483,074	¥ 506,971	\$ 5,139
Net operating loss carryforwards.....	364,406	383,270	3,876
Write-off of securities.....	211,445	224,012	2,249
Write-off of loans.....	127,601	115,438	1,357
Reserve for employee retirement benefits.....	65,743	68,402	699
Net unrealized gains on other securities.....	20,182	39,485	215
Net deferred losses on hedges.....	18,667	18,425	199
Depreciation.....	15,346	12,554	163
Other.....	207,499	212,036	2,207
Subtotal.....	1,513,968	1,580,597	16,104
Valuation allowance.....	(735,017)	(942,722)	(7,818)
Total deferred tax assets.....	778,950	637,874	8,286
Deferred tax liabilities:			
Net unrealized losses on other securities.....	(313,945)	(146,715)	(3,339)
Gains on securities contributed to employee retirement benefits trust....	(38,524)	(38,524)	(410)
Leveraged lease.....	(18,725)	(19,692)	(199)
Securities returned from employee retirement benefits trust.....	(10,708)	(9,298)	(114)
Undistributed earnings of subsidiaries.....	(9,232)	(5,684)	(98)
Other.....	(81,676)	(67,776)	(869)
Total deferred tax liabilities.....	(472,812)	(287,692)	(5,029)
Net deferred tax assets.....	¥ 306,137	¥ 350,182	\$ 3,256

(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 38.01 and 40.69% for the years ended March 31, 2013 and 2012, respectively. 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, 2013 and 2012 was as follows:

March 31	2013	2012
Statutory tax rate.....	38.01%	40.69%
Valuation allowance.....	(20.06)	(11.76)
Difference in the effective statutory tax rate between SMFG and consolidated overseas subsidiaries.....	(3.61)	—
Dividends exempted for income tax purposes.....	(0.99)	(1.15)
Gains on step acquisitions.....	—	(1.07)
Equity in (gains) losses of affiliates.....	(0.19)	1.33
Effects of changes in the corporate income tax rate.....	1.19	4.42
Other.....	(0.63)	0.21
Effective income tax rate.....	13.72%	32.67%

25. Changes in Net Assets

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

Year ended March 31, 2013	Number of shares			March 31, 2013
	March 31, 2012	Increase	Decrease	
Shares issued				
Common stock.....	1,414,055,625	—	—	1,414,055,625
Total	1,414,055,625	—	—	1,414,055,625
Treasury stock				
Common stock.....	62,939,559	88,729* ¹	2,848,912* ²	60,179,376
Total	62,939,559	88,729	2,848,912	60,179,376

*¹ Increase of 88,729 shares in the number of treasury common stock due to increase of 85,533 shares through purchase of fractional shares, increase of 396 shares through acquisition of fractional shares incurred as a result of a share exchange associated with SMBC Consumer Finance Co., Ltd. (formerly Promise Co., Ltd.) becoming a wholly-owned subsidiary and increase of 2,800 shares through acquisition of treasury stock associated with dissenting shareholders' share purchase demand against such share exchange.

*² Decrease of 2,848,912 shares in number of treasury common stock due to sale of fractional shares, reduction of 8,836 shares through exercise of stock options and reduction of 2,840,076 shares through the issuance of treasury stock as a result of a share exchange associated with SMBC Consumer Finance Co., Ltd. (formerly Promise Co., Ltd.) becoming a wholly-owned subsidiary.

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 SMBC Consumer Finance Co., Ltd. (formerly 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

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

Year ended March 31, 2013	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Millions of U.S. dollars
			March 31, 2012	Increase	Decrease	March 31, 2013	March 31, 2013	March 31, 2013
SMFG.....	Stock options	—	—	—	—	—	¥1,140	\$12
Consolidated subsidiaries...	—	—	—	—	—	—	120	1
Total.....							¥1,260	\$13

Year ended March 31, 2012	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen	
			March 31, 2011	Increase	Decrease	March 31, 2012	March 31, 2012
SMFG.....	Stock options	—	—	—	—	—	¥598
Consolidated subsidiary...	—	—	—	—	—	—	94
Total.....							¥692

(3) Information on dividends is as follows:

(a) 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

(b) Dividends paid in the fiscal year ended March 31, 2013

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

Date of resolution: Ordinary general meeting of shareholders held on June 28, 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	¥70,513	¥50	September 30, 2012	December 4, 2012

Date of resolution: Meeting of the Board of Directors held on November 14, 2012

(c) Dividends to be paid in the fiscal year ending March 31, 2014

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	¥98,713	Retained earnings	¥70*	March 31, 2013	June 27, 2013

Date of resolution: Ordinary general meeting of shareholders held on June 27, 2013

* Cash dividends per share of ¥70 includes ¥10 of the commemorative dividend.

26. Cash Flows

Fiscal year ended March 31, 2013

8 companies including SMBC Aviation Capital Limited were newly consolidated following the acquisition of shares by SMBC and Sumitomo Mitsui Finance and Leasing Company, Limited. 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	¥668,091	\$7,107
[Tangible fixed assets].....	568,479	6,047
Liabilities	(571,377)	(6,078)
[Borrowed money].....	(478,581)	(5,091)
Minority interests.....	(9,453)	(101)
Goodwill	7,484	80
Stock acquisition cost of the 8 companies	94,745	1,008
Cash and cash equivalents of the 8 companies	—	—
Difference: Expenses required for acquisition of the 8 companies	¥ 94,745	\$1,008

Fiscal year ended March 31, 2012

7 companies including SMBC Consumer Finance Co., Ltd. (formerly 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
Assets	¥1,671,681
[Loans and bills discounted].....	795,148
[Customers' liabilities for acceptances and guarantees].....	564,528
Liabilities	(1,511,980)
[Borrowed money].....	(300,884)
[Reserve for losses on interest repayment]	(367,220)
[Acceptances and guarantees].....	(564,528)
Stock acquisition rights	(56)
Minority interests.....	(3,576)
Goodwill	57,300
Stock acquisition cost of the 7 companies	213,369
Cash and cash equivalents of the 7 companies	(4,300)
Fair value of common stock of SMBC Consumer Finance Co., Ltd. owned before business combination	(21,699)
Fair value of common stock of SMBC Consumer Finance Co., Ltd. additionally acquired through subscription for shares issued by way of third-party allotment	(119,999)
Difference: Expenses required for acquisition of the 7 companies	¥ 67,369

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		2013	2012	2013
Projected benefit obligation	(A).....	¥(1,117,085)	¥(990,449)	\$(11,883)
Plan assets	(B).....	1,036,130	902,254	11,021
Unfunded projected benefit obligation	(C)=(A)+(B).....	(80,955)	(88,194)	(861)
Unrecognized net actuarial gain or loss	(D).....	262,349	261,128	2,791
Unrecognized prior service cost	(E).....	(1,254)	(6,624)	(13)
Net amount recorded on the consolidated balance sheet	(F)=(C)+(D)+(E).....	180,139	166,309	1,916
Prepaid pension cost	(G).....	224,719	212,221	2,390
Reserve for employee retirement benefits	(F)–(G).....	¥ (44,579)	¥ (45,911)	\$ (474)

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		2013	2012	2013
Service cost.....		¥25,350	¥24,646	\$270
Interest cost on projected benefit obligation		23,988	24,013	255
Expected return on plan assets		(27,788)	(27,169)	(296)
Amortization of unrecognized net actuarial gain or loss		29,296	38,736	312
Amortization of unrecognized prior service cost.....		(4,773)	(6,542)	(51)
Other (nonrecurring additional retirement allowance paid and other)		6,201	5,136	66
Total.....		¥52,274	¥58,820	\$556

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, 2013 and 2012 were as follows:

Year ended March 31		2013	2012
Discount rate.....	Domestic consolidated subsidiaries	0.9% to 2.0%	1.15% to 2.5%
	Overseas consolidated subsidiaries	4.1% to 6.0%	4.7% to 7.0%
Expected rate of return on plan assets	Domestic consolidated subsidiaries	0% to 4.3%	0% to 4.1%
	Overseas consolidated subsidiaries	3.8% to 4.5%	3.8% to 5.5%

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, 2013 and 2012.

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, 2013 and 2012.

28. Lease Transactions

(1) Financing leases

(a) Lessee side

(i) Lease assets

Tangible fixed assets mainly consisted of branches, data centers 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

	Millions of yen		Millions of U.S. dollars
March 31	2013	2012	2013
Lease receivables	¥1,123,573	¥1,172,940	\$11,952
Residual value	88,530	89,463	942
Unearned interest income	(164,413)	(179,638)	(1,749)
Total	¥1,047,691	¥1,082,766	\$11,144

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

Lease payments receivable related to lease receivables

	Millions of yen		Millions of U.S. dollars
March 31	2013	2012	2013
Within 1 year	¥244,425	¥229,520	\$2,600
More than 1 year to 2 years	153,383	172,714	1,632
More than 2 years to 3 years	101,441	95,022	1,079
More than 3 years to 4 years	73,707	60,591	784
More than 4 years to 5 years	37,667	46,063	401
More than 5 years	111,437	93,592	1,185
Total	¥722,062	¥697,504	\$7,681

Lease payments receivable related to investment assets

	Millions of yen		Millions of U.S. dollars
March 31	2013	2012	2013
Within 1 year	¥ 355,846	¥ 365,967	\$ 3,785
More than 1 year to 2 years	246,504	283,506	2,622
More than 2 years to 3 years	186,131	185,126	1,980
More than 3 years to 4 years	127,014	126,973	1,351
More than 4 years to 5 years	73,846	73,022	786
More than 5 years	134,230	138,342	1,428
Total	¥1,123,573	¥1,172,940	\$11,952

(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, 2013 and 2012 were ¥5,940 million (\$63 million) and ¥8,849 million, respectively, 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, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
March 31	2013	2012	2013
Due within 1 year	¥ 45,180	¥ 42,247	\$ 481
Due after 1 year	286,516	294,411	3,048
Total	¥331,697	¥336,658	\$3,528

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2013 and 2012 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Due within 1 year.....	¥113,679	¥ 35,329	\$1,209
Due after 1 year.....	467,799	158,814	4,976
Total.....	¥581,478	¥194,143	\$6,185

Future lease payments receivable on operating leases which were not cancelable at March 31, 2013 and 2012 amounting to ¥0 million (\$0 million) and ¥0 million, respectively, on the lessor side were pledged as collateral for borrowings.

29. Financial Instruments

(1) Status of financial instruments

(a) Policies on financial instruments

The Group conducts banking and other financial services such as leasing, securities, consumer finance, and system development and information processing. Its banking business includes deposit taking, lending, securities trading and investment, remittance, foreign exchange, bond subscription agent, trust business, and over-the-counter sales of securities investment trusts and 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, the Credit Risk Committee, a consultative body straddling the business units, rounds out SMBC's oversight system for undertaking flexible and efficient control of credit risk and ensuring the overall soundness of the bank's loan operations.

In addition to these, the Internal Audit Unit, operating independently from the business units, audits asset quality, 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 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, 2013, total VaR of SMBC and other major consolidated subsidiaries was ¥31.1 billion in the banking book, ¥15.0 billion in the trading book and ¥977.4 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, 2013 and 2012 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		
	2013		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	¥ 10,790,611	¥ 10,798,156	¥ 7,544
2) Call loans and bills bought*1.....	1,352,783	1,354,011	1,228
3) Receivables under resale agreements.....	273,217	274,216	998
4) Receivables under securities borrowing transactions.....	3,494,398	3,494,398	—
5) Monetary claims bought*1.....	1,533,638	1,545,517	11,879
6) Trading assets			
Securities classified as trading purposes.....	3,408,810	3,408,810	—
7) Money held in trust.....	22,789	22,789	—
8) Securities			
Bond classified as held-to-maturity.....	5,840,512	5,901,662	61,150
Other securities.....	34,597,867	34,597,867	—
9) Loans and bills discounted.....	65,632,091		
Reserve for possible loan losses*1.....	(695,077)		
	64,937,014	66,306,879	1,369,865
10) Foreign exchanges*1.....	2,220,409	2,224,866	4,457
11) Lease receivables and investment assets*1.....	1,674,220	1,742,524	68,303
Total assets.....	¥130,146,271	¥131,671,699	¥1,525,427
1) Deposits.....	¥ 89,081,811	¥ 89,084,089	¥ 2,277
2) Negotiable certificates of deposit.....	11,755,654	11,755,929	275
3) Call money and bills sold.....	2,954,051	2,954,050	(0)
4) Payables under repurchase agreements.....	2,076,791	2,076,791	—
5) Payables under securities lending transactions.....	4,433,835	4,433,835	—
6) Commercial paper.....	1,499,499	1,499,503	4
7) Trading liabilities			
Trading securities sold for short sales.....	1,910,129	1,910,129	—
8) Borrowed money.....	4,979,460	5,016,127	36,666
9) Foreign exchanges.....	337,901	337,901	—
10) Short-term bonds.....	1,126,300	1,126,291	(8)
11) Bonds.....	4,750,806	4,920,741	169,935
12) Due to trust account.....	643,350	643,350	—
Total liabilities.....	¥125,549,591	¥125,758,742	¥ 209,150
Derivative transactions*2			
Hedge accounting not applied.....	¥ 167,039	¥ 167,039	¥ —
Hedge accounting applied.....	[166,382]	[166,382]	—
Total.....	¥ 657	¥ 657	¥ —

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 U.S. dollars		
	2013		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks and Deposits with banks*1.....	\$ 114,782	\$ 114,862	\$ 80
2) Call loans and bills bought*1.....	14,390	14,403	13
3) Receivables under resale agreements.....	2,906	2,917	11
4) Receivables under securities borrowing transactions.....	37,170	37,170	—
5) Monetary claims bought*1.....	16,314	16,440	126
6) Trading assets			
Securities classified as trading purposes.....	36,260	36,260	—
7) Money held in trust.....	242	242	—
8) Securities			
Bond classified as held-to-maturity.....	62,126	62,777	650
Other securities.....	368,023	368,023	—
9) Loans and bills discounted.....	698,139		
Reserve for possible loan losses*1.....	(7,394)		
	690,746	705,317	14,571
10) Foreign exchanges*1.....	23,619	23,666	47
11) Lease receivables and investment assets*1.....	17,809	18,536	727
Total assets.....	\$1,384,388	\$1,400,614	\$16,226
1) Deposits.....	\$ 947,578	\$ 947,602	\$ 24
2) Negotiable certificates of deposit.....	125,047	125,050	3
3) Call money and bills sold.....	31,423	31,423	(0)
4) Payables under repurchase agreements.....	22,091	22,091	—
5) Payables under securities lending transactions.....	47,163	47,163	—
6) Commercial paper.....	15,950	15,950	0
7) Trading liabilities			
Trading securities sold for short sales.....	20,318	20,318	—
8) Borrowed money.....	52,967	53,357	390
9) Foreign exchanges.....	3,594	3,594	—
10) Short-term bonds.....	11,981	11,981	(0)
11) Bonds.....	50,535	52,343	1,808
12) Due to trust account.....	6,843	6,843	—
Total liabilities.....	\$1,335,492	\$1,337,717	\$ 2,225
Derivative transactions*2			
Hedge accounting not applied.....	\$ 1,777	\$ 1,777	\$ —
Hedge accounting applied.....	[1,769]	[1,769]	—
Total.....	\$ 7	\$ 7	\$ —

*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
	2013	2012	2013
Monetary claims bought:			
Monetary claims bought without market prices*1	¥ 5,845	¥ 6,062	\$ 62
Securities:			
Unlisted stocks, etc.*2, 4	268,535	271,149	2,856
Investments in partnership, etc.*3, 4	341,945	345,987	3,637
Total	¥616,326	¥623,198	\$6,556

*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 ¥5,603 million (\$60 million) and ¥9,292 million were written-down in the fiscal years ended March 31, 2013 and 2012, respectively.

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

March 31	Millions of yen			
	2013			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥ 9,772,670	¥ 11,211	¥ —	¥ —
Call loans and bills bought	1,333,721	20,024	—	—
Receivables under resale agreements	205,025	68,192	—	—
Receivables under securities borrowing transactions	3,494,398	—	—	—
Monetary claims bought*1, 2	1,013,317	216,129	86,143	200,559
Securities*1	9,733,436	23,314,246	3,146,358	635,641
Bonds classified as held-to-maturity	1,314,759	4,403,679	112,000	—
Japanese government bonds	1,180,000	4,215,000	110,000	—
Japanese local government bonds	57,477	101,175	—	—
Japanese corporate bonds	77,282	87,504	1,500	—
Other	—	—	500	—
Other securities with maturity	8,418,676	18,910,566	3,034,358	635,641
Japanese government bonds	6,935,299	12,023,326	2,381,700	5,000
Japanese local government bonds	28,145	163,468	1,289	40
Japanese corporate bonds	527,501	1,908,257	287,634	61,081
Other	927,729	4,815,515	363,734	569,519
Loans and bills discounted*1, 2	14,162,034	25,421,519	9,822,057	8,662,488
Foreign exchanges*1	2,221,938	1,868	—	—
Lease receivables and investment assets*1	529,689	877,062	122,531	36,684
Total	¥42,466,232	¥49,930,255	¥13,177,090	¥9,535,374

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 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* ²	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 U.S. dollars				
2013				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	\$103,954	\$ 119	\$ —	\$ —
Call loans and bills bought	14,187	213	—	—
Receivables under resale agreements	2,181	725	—	—
Receivables under securities borrowing transactions	37,170	—	—	—
Monetary claims bought* ^{1, 2}	10,779	2,299	916	2,133
Securities* ¹	103,536	247,998	33,468	6,761
Bonds classified as held-to-maturity	13,985	46,843	1,191	—
Japanese government bonds	12,552	44,836	1,170	—
Japanese local government bonds	611	1,076	—	—
Japanese corporate bonds	822	931	16	—
Other	—	—	5	—
Other securities with maturity	89,551	201,155	32,277	6,761
Japanese government bonds	73,772	127,894	25,335	53
Japanese local government bonds	299	1,739	14	0
Japanese corporate bonds	5,611	20,298	3,060	650
Other	9,868	51,223	3,869	6,058
Loans and bills discounted* ^{1, 2}	150,644	270,413	104,479	92,144
Foreign exchanges* ¹	23,635	20	—	—
Lease receivables and investment assets* ¹	5,634	9,329	1,303	390
Total	\$451,720	\$531,116	\$140,167	\$101,429

*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
	2013	2012	2013
Monetary claims bought	¥ 69	¥ —	\$ 1
Securities	33,995	28,667	362
Loans and bills discounted	1,080,983	1,116,378	11,499
Foreign exchanges	2,620	2,845	28
Lease receivables and investment assets	20,513	5,960	218

*² Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥8,277 million (\$88 million) and ¥6,482,020 million (\$68,950 million) at March 31, 2013, respectively. Does not include "Monetary claims bought" and "Loans and bills discounted" without tenure totaling ¥1,789 million and ¥6,750,883 million at March 31, 2012, respectively.

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

Millions of yen				
2013				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 84,003,627	¥4,504,407	¥ 310,546	¥263,230
Negotiable certificates of deposit	11,266,119	489,535	—	—
Call money and bills sold	2,954,051	—	—	—
Payables under repurchase agreements	2,076,791	—	—	—
Payables under securities lending transactions	4,433,835	—	—	—
Commercial paper	1,499,499	—	—	—
Borrowed money	2,845,802	1,224,348	573,101	336,207
Foreign exchanges	337,901	—	—	—
Short-term bonds	1,126,300	—	—	—
Bonds	513,696	2,314,988	1,615,690	308,847
Due to trust account	643,350	—	—	—
Total	¥111,700,975	¥8,533,279	¥2,499,338	¥908,285

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 U.S. dollars				
2013				
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	\$ 893,561	\$47,914	\$ 3,303	\$2,800
Negotiable certificates of deposit	119,840	5,207	—	—
Call money and bills sold	31,423	—	—	—
Payables under repurchase agreements	22,091	—	—	—
Payables under securities lending transactions	47,163	—	—	—
Commercial paper	15,950	—	—	—
Borrowed money	30,271	13,024	6,096	3,576
Foreign exchanges	3,594	—	—	—
Short-term bonds	11,981	—	—	—
Bonds	5,464	24,625	17,186	3,285
Due to trust account	6,843	—	—	—
Total	\$1,188,182	\$90,770	\$26,586	\$9,662

* 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
	2013	2012	2013
Valuation gains included in the earnings for the fiscal year	¥36,731	¥16,879	\$391

(b) Bonds classified as held-to-maturity

	Millions of yen		
	2013		
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	¥5,244,786	¥5,301,500	¥56,714
Japanese local government bonds	158,758	160,657	1,899
Japanese corporate bonds	165,154	167,728	2,574
Other.....	500	503	3
Subtotal	¥5,569,198	¥5,630,390	¥61,191
Bonds with unrealized losses:			
Japanese government bonds	¥ 269,713	¥ 269,676	¥ (37)
Japanese local government bonds	373	372	(0)
Japanese corporate bonds	1,227	1,223	(3)
Other.....	11,599	11,599	—
Subtotal	¥ 282,913	¥ 282,871	¥ (41)
Total	¥5,852,111	¥5,913,262	¥61,150

	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

March 31	Millions of U.S. dollars		
	2013		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds	\$55,790	\$56,393	\$603
Japanese local government bonds	1,689	1,709	20
Japanese corporate bonds	1,757	1,784	27
Other	5	5	0
Subtotal	\$59,240	\$59,891	\$651
Bonds with unrealized losses:			
Japanese government bonds	\$ 2,869	\$ 2,869	\$ (0)
Japanese local government bonds	4	4	(0)
Japanese corporate bonds	13	13	(0)
Other	123	123	—
Subtotal	\$ 3,009	\$ 3,009	\$ (0)
Total	\$62,250	\$62,900	\$650

(c) Other securities

March 31	Millions of yen		
	2013		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:			
Stocks	¥ 2,143,981	¥ 1,276,872	¥ 867,109
Bonds	22,538,258	22,426,056	112,202
Japanese government bonds	19,823,867	19,759,082	64,785
Japanese local government bonds	194,380	192,766	1,614
Japanese corporate bonds	2,520,010	2,474,207	45,802
Other	5,705,192	5,427,931	277,260
Subtotal	¥30,387,433	¥29,130,860	¥1,256,572
Other securities with unrealized losses:			
Stocks	¥ 403,579	¥ 499,451	¥ (95,872)
Bonds	1,987,069	1,990,951	(3,881)
Japanese government bonds	1,656,071	1,656,285	(214)
Japanese local government bonds	2,371	2,384	(13)
Japanese corporate bonds	328,627	332,281	(3,653)
Other	2,382,377	2,417,597	(35,220)
Subtotal	¥ 4,773,026	¥ 4,908,000	¥ (134,973)
Total	¥35,160,459	¥34,038,861	¥1,121,598

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

	Millions of U.S. dollars		
	2013		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31			
Other securities with unrealized gains:			
Stocks	\$ 22,806	\$ 13,582	\$ 9,224
Bonds	239,743	238,550	1,194
Japanese government bonds	210,870	210,181	689
Japanese local government bonds	2,068	2,050	17
Japanese corporate bonds	26,806	26,319	487
Other	60,687	57,738	2,949
Subtotal	\$323,236	\$309,870	\$13,366
Other securities with unrealized losses:			
Stocks	\$ 4,293	\$ 5,313	\$ (1,020)
Bonds	21,137	21,178	(41)
Japanese government bonds	17,616	17,618	(2)
Japanese local government bonds	25	25	(0)
Japanese corporate bonds	3,496	3,535	(39)
Other	25,342	25,716	(375)
Subtotal	\$ 50,771	\$ 52,207	\$ (1,436)
Total	\$374,008	\$362,077	\$11,931

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥29,831 million (\$317 million) for the fiscal year ended March 31, 2013 and ¥196 million for the fiscal year ended March 31, 2012 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
	2013	2012	2013
Stocks	¥259,145	¥265,512	\$2,757
Other	357,180	357,686	3,799
Total	¥616,326	¥623,198	\$6,556

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, 2013 and 2012

There are no corresponding transactions.

(e) Consolidated balance sheet amounts of other securities sold during the fiscal year ended March 31, 2013 and 2012

Year ended March 31	Millions of yen		
	2013		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 85,334	¥ 19,436	¥(25,912)
Bonds	26,982,437	60,772	(7,845)
Japanese government bonds	26,558,059	59,471	(7,730)
Japanese local government bonds	140,003	542	(85)
Japanese corporate bonds	284,375	758	(29)
Other	19,715,537	110,118	(29,874)
Total	¥46,783,309	¥190,326	¥(63,632)

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 U.S. dollars		
	2013		
	Sales amount	Gains on sales	Losses on sales
Stocks	\$ 908	\$ 207	\$(276)
Bonds	287,017	646	(83)
Japanese government bonds	282,502	633	(82)
Japanese local government bonds	1,489	6	(1)
Japanese corporate bonds	3,025	8	(0)
Other	209,717	1,171	(318)
Total	\$497,642	\$2,025	\$(677)

(f) Change of classification of securities

There are no corresponding transactions.

(g) Write-down of securities

Securities other than those classified as trading purpose, stocks of subsidiaries and affiliates (excluding securities whose fair value are extremely difficult to determine) are considered as impaired if the fair value of the securities decreases materially below the acquisition cost and such decline is not considered to be recoverable. The securities are recognized at fair value on the consolidated balance sheet and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for the fiscal year ended March 31, 2013 and 2012 were ¥34,340 million (\$365 million) and ¥27,988 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
	2013	2012	2013
Valuation gains (losses) included in the earnings for the fiscal year.....	¥—	¥(2)	\$—

(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
	2013	2012	2013
Consolidated balance sheet amount.....	¥22,789	¥22,430	\$242
Acquisition cost.....	22,778	22,477	242
Net unrealized gains (losses).....	10	(46)	0
Unrealized gains	10	—	0
Unrealized losses.....	—	(46)	—

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
	2013	2012	2013
Net unrealized gains.....	¥1,092,274	¥474,803	\$11,619
Other securities	1,092,264	474,849	11,619
Other money held in trust	10	(46)	0
(-) Deferred tax liabilities	310,233	138,439	3,300
Net unrealized gains on other securities (before adjustment).....	782,041	336,363	8,319
(-) Minority interests.....	29,086	13,124	309
(+) SMFG's interest in net unrealized gains on valuation of other securities held by the equity method affiliates	2,798	7,194	30
Net unrealized gains on other securities.....	¥ 755,753	¥330,433	\$ 8,039

Notes: 1. Gains of ¥29,831 million (\$317 million) for the fiscal year ended March 31, 2013 and ¥196 million for the fiscal year ended March 31, 2012 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			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 21,572,140	¥ 4,963,621	¥ (5,339)	¥ (5,339)
Bought.....	20,511,203	4,707,254	4,575	4,575
Interest rate options:				
Sold.....	254,486	123,780	(65)	(65)
Bought.....	11,402,713	4,063,212	450	450
Over-the-counter				
Forward rate agreements:				
Sold.....	3,097,651	—	461	461
Bought.....	2,649,874	—	(507)	(507)
Interest rate swaps:	396,830,384	316,834,888	68,978	68,978
Receivable fixed rate/payable floating rate	184,255,645	150,002,766	6,851,752	6,851,752
Receivable floating rate/payable fixed rate	186,042,853	148,516,797	(6,780,304)	(6,780,304)
Receivable floating rate/payable floating rate.....	26,416,803	18,223,607	(7,528)	(7,528)
Interest rate swaptions:				
Sold.....	2,921,053	1,712,745	711	711
Bought.....	2,404,120	1,656,899	11,641	11,641
Caps:				
Sold.....	13,771,179	7,555,232	(624)	(624)
Bought.....	7,023,311	4,411,178	(2,553)	(2,553)
Floors:				
Sold	212,166	143,963	(3,534)	(3,534)
Bought.....	154,884	133,779	4,009	4,009
Other:				
Sold.....	171,867	139,814	22,927	22,927
Bought.....	2,310,792	1,698,266	(6,433)	(6,433)
Total.....	/	/	¥ 94,697	¥ 94,697

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 U.S. dollars			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	\$ 229,466	\$ 52,799	\$ (57)	\$ (57)
Bought.....	218,181	50,072	49	49
Interest rate options:				
Sold.....	2,707	1,317	(1)	(1)
Bought.....	121,293	43,221	5	5
Over-the-counter				
Forward rate agreements:				
Sold.....	32,950	—	5	5
Bought.....	28,187	—	(5)	(5)
Interest rate swaps:	4,221,151	3,370,225	734	734
Receivable fixed rate/payable floating rate.....	1,959,958	1,595,604	72,883	72,883
Receivable floating rate/payable fixed rate.....	1,978,969	1,579,798	(72,123)	(72,123)
Receivable floating rate/payable floating rate.....	281,000	193,848	(80)	(80)
Interest rate swaptions:				
Sold.....	31,072	18,219	8	8
Bought.....	25,573	17,625	124	124
Caps:				
Sold.....	146,486	80,366	(7)	(7)
Bought.....	74,708	46,922	(27)	(27)
Floors:				
Sold.....	2,257	1,531	(38)	(38)
Bought.....	1,648	1,423	43	43
Other:				
Sold.....	1,828	1,487	244	244
Bought.....	24,580	18,065	(68)	(68)
Total.....	/	/	\$ 1,007	\$ 1,007

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				
2013				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	¥ 47,549	¥ —	¥ 45	¥ 45
Bought.....	21	—	0	0
Over-the-counter				
Currency swaps.....	21,453,976	14,141,154	(4,479)	(21,243)
Currency swaptions:				
Sold.....	422,405	271,989	(3,142)	(3,142)
Bought.....	809,571	478,117	8,197	8,197
Forward foreign exchange.....	42,212,725	3,549,857	64,824	64,824
Currency options:				
Sold.....	2,770,832	1,481,667	(179,925)	(179,925)
Bought.....	2,651,869	1,363,754	181,758	181,758
Total	/	/	¥ 67,277	¥ 50,513
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 U.S. dollars				
2013				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	\$ 506	\$ —	\$ 0	\$ 0
Bought.....	0	—	0	0
Over-the-counter				
Currency swaps.....	228,210	150,422	(48)	(226)
Currency swaptions:				
Sold.....	4,493	2,893	(33)	(33)
Bought.....	8,612	5,086	87	87
Forward foreign exchange.....	449,024	37,760	690	690
Currency options:				
Sold.....	29,474	15,761	(1,914)	(1,914)
Bought.....	28,208	14,506	1,933	1,933
Total	/	/	\$ 716	\$ 537

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			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥302,369	¥ —	¥ (9,376)	¥ (9,376)
Bought.....	94,137	—	1,391	1,391
Equity price index options:				
Sold.....	24,887	4,350	(860)	(860)
Bought.....	17,906	1,250	436	436
Over-the-counter				
Equity options:				
Sold.....	206,603	206,351	(47,769)	(47,769)
Bought.....	210,013	204,754	47,653	47,653
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	16,984	—	745	745
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	13,650	12,000	(101)	(101)
Receivable short-term floating rate/payable equity index.....	21,885	19,485	84	84
Total.....	/	/	¥ (7,796)	¥ (7,796)
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 U.S. dollars			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	\$3,216	\$ —	\$(100)	\$(100)
Bought.....	1,001	—	15	15
Equity price index options:				
Sold.....	265	46	(9)	(9)
Bought.....	190	13	5	5
Over-the-counter				
Equity options:				
Sold.....	2,198	2,195	(508)	(508)
Bought.....	2,234	2,178	507	507
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	181	—	8	8
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	145	128	(1)	(1)
Receivable short-term floating rate/payable equity index.....	233	207	1	1
Total.....	/	/	\$ (83)	\$ (83)

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			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥4,093,218	¥ —	¥(28,436)	¥(28,436)
Bought.....	3,875,544	—	23,993	23,993
Bond futures options:				
Sold.....	57,278	—	(145)	(145)
Bought.....	26,980	—	2	2
Over-the-counter				
Bond options:				
Sold.....	138,870	—	(102)	(102)
Bought.....	198,900	104,126	558	558
Total.....	/	/	¥ (4,130)	¥ (4,130)

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 U.S. dollars			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	\$43,540	\$ —	\$(302)	\$(302)
Bought.....	41,225	—	255	255
Bond futures options:				
Sold.....	609	—	(2)	(2)
Bought.....	287	—	0	0
Over-the-counter				
Bond options:				
Sold.....	1,477	—	(1)	(1)
Bought.....	2,116	1,108	6	6
Total.....	/	/	\$ (44)	\$ (44)

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of 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			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 2,472	¥ —	¥ (84)	¥ (84)
Bought.....	913	—	43	43
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	115,493	85,791	(18,951)	(18,951)
Receivable floating price/payable fixed price.....	95,861	69,325	37,496	37,496
Receivable floating price/payable floating price.....	11,303	9,556	(333)	(333)
Commodity options:				
Sold.....	12,132	9,191	(99)	(99)
Bought.....	3,559	2,832	109	109
Total.....	/	/	¥18,181	¥18,181

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

	Millions of U.S. dollars			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	\$ 26	\$ —	\$ (1)	\$ (1)
Bought.....	10	—	0	0
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price.....	1,229	913	(202)	(202)
Receivable floating price/payable fixed price.....	1,020	737	399	399
Receivable floating price/payable floating price	120	102	(4)	(4)
Commodity options:				
Sold.....	129	98	(1)	(1)
Bought.....	38	30	1	1
Total.....	/	/	\$193	\$193

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				
2013				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold.....	¥876,007	¥622,577	¥ (744)	¥ (744)
Bought.....	930,144	668,544	(444)	(444)
Total.....	/	/	¥(1,189)	¥(1,189)

	Millions of yen			
	2012			
	Contract amount			Valuation
March 31	Total	Over 1 year	Fair value	gains (losses)
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 U.S. dollars			
	2013			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold.....	\$9,318	\$6,622	\$ (8)	\$ (8)
Bought.....	9,894	7,111	(5)	(5)
Total.....	/	/	\$(13)	\$(13)

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		
			2013		
			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			
	Sold.....	financial assets/liabilities	¥ 94,056	¥ 94,056	¥ (18)
	Bought.....	such as loans and bills	1,985,000	—	675
	Interest rate swaps:	discounted, other securi-	39,492,082	36,189,984	49,356
	Receivable fixed rate/payable floating rate	ties (bonds), deposits and	25,598,136	23,250,742	601,178
	Receivable floating rate/payable fixed rate	negotiable certificates of	13,877,319	12,922,615	(551,782)
	Receivable floating rate/payable floating rate...	deposits	16,626	16,626	(39)
	Interest rate swaptions:				
	Sold.....		11,222	11,222	262
	Bought.....		—	—	—
	Caps:				
	Sold.....		4,112	4,112	251
	Bought.....		4,112	4,112	(251)
	Recognition of gain or loss on the hedging instrument	Loans and bills discounted	83,607	76,029	(6,879)
	Receivable floating rate/payable fixed rate		83,607	76,029	(6,879)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted;	98,437	51,391	
	Receivable fixed rate/payable floating rate	borrowed money; bonds	1,000	—	
	Receivable floating rate/payable fixed rate	payable	89,437	46,391	(Note 3)
	Receivable floating rate/payable floating rate...		8,000	5,000	
	Total.....		/	/	¥ 43,395

			Millions of yen		
			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			
	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 floating 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

March 31

			Millions of U.S. dollars		
			2013		
			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			
	Sold.....	financial assets/liabilities	\$ 1,000	\$ 1,000	\$ (0)
	Bought.....	such as loans and bills	21,115	—	7
	Interest rate swaps:	discounted, other securi-	420,084	384,959	525
	Receivable fixed rate/payable floating rate	ties (bonds), deposits and	272,292	247,322	6,395
	Receivable floating rate/payable fixed rate	negotiable certificates of	147,615	137,460	(5,869)
	Receivable floating rate/payable floating rate...	deposits	177	177	(0)
	Interest rate swaptions:				
	Sold.....		119	119	3
	Bought.....		—	—	—
	Caps:				
Recognition of gain or loss on the hedging instrument	Sold.....		44	44	3
	Bought.....		44	44	(3)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted	889	809	(73)
	Receivable floating rate/payable fixed rate		889	809	(73)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted;	1,047	547	
	Receivable fixed rate/payable floating rate	borrowed money; bonds	11	—	
	Receivable floating rate/payable fixed rate	payable	951	493	(Note 3)
	Receivable floating rate/payable floating rate...		85	53	
Total.....			/	/	\$ 462

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

March 31

			Millions of yen		
			2013		
			Contract amount		Fair value
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	
Deferral hedge method	Currency swap	Foreign currency denomi-	¥4,439,554	¥2,856,987	¥(180,171)
	Forward foreign exchange	nated loans and bills	18,153	—	(492)
Recognition of gain or loss on the hedging instrument		discounted; other securities			
	Currency swaps.....	(bonds); deposits; foreign	31,665	28,208	(2,342)
	Forward foreign exchange	currency exchange, etc.	277,155	—	(2,671)
Allocation method	Currency swap	Other securities (bonds);	10,897	9,087	
	Forward foreign exchange	borrowed money	3,179	3,179	(Note 3)
	Total.....		/	/	¥(185,677)

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

			Millions of U.S. dollars		
March 31			2013		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Deferral hedge method	Currency swap.....	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	\$47,224	\$30,390	\$(1,917)
	Forward foreign exchange.....		193	—	(5)
Recognition of gain or loss on the hedging instrument	Currency swap.....	Loans and bills discounted; foreign currency exchange	337	300	(25)
	Forward foreign exchange.....		2,948	—	(28)
Allocation method	Currency swap.....	Other securities (bonds); borrowed money	116	97	(Note 3)
	Forward foreign exchange.....		34	34	
	Total.....		/	/	

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

2. Fair value is calculated using discounted present value.

3. Forward foreign exchange amounts treated by the allocation method are treated with the other securities 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			2013		
			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...		158,716	66,668	(24,100)
Total			/	/	¥(24,100)

			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 U.S. dollars		
March 31			2013		
			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...		1,688	709	(256)
Total			/	/	\$(256)

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, 2013 and 2012 are as follows:

	Millions of yen		Millions of U.S. dollars
Year ended March 31	2013	2012	2013
Share-based compensation expenses	¥584	¥431	\$6

2. Amount of profit by non-exercise of stock options in the fiscal year

	Millions of yen		Millions of U.S. dollars
Year ended March 31	2013	2012	2013
Other income	¥10	¥—	\$0

3. 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
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 Common shares: 102,600
Number of stock options*1	Common shares: 162,000*2	Common shares: 102,600
Grant date	August 30, 2002	August 13, 2010
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.
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.
Exercise period	June 28, 2004 to June 27, 2012	August 13, 2010 to August 12, 2040
Date of resolution	July 29, 2011	July 30, 2012
Title and number of grantees	Directors of SMFG: 9 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 71 Common shares: 268,200	Directors of SMFG: 9 Corporate auditors of SMFG: 3 Executive officers of SMFG: 2 Directors, corporate auditors, executive officers of SMBC: 71 Common shares: 280,500
Number of stock options*1	Common shares: 268,200	Common shares: 280,500
Grant date	August 16, 2011	August 15, 2012
Condition for vesting	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	June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012.	June 28, 2012 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2013.
Exercise period	August 16, 2011 to August 15, 2041	August 15, 2012 to August 14, 2042

*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	July 30, 2012
Before vested				
Previous fiscal year-end	—	74,400	260,300	—
Granted	—	—	—	280,500
Forfeited	—	—	1,600	1,100
Vested	—	23,600	14,000	2,200
Outstanding	—	50,800	244,700	277,200
After vested				
Previous fiscal year-end	108,100	25,800	5,900	—
Vested	—	23,600	14,000	2,200
Exercised	—	1,200	1,900	—
Forfeited	108,100	—	—	—
Exercisable	—	48,200	18,000	2,200

* Reported in terms of shares of stock.

Price information (Yen)

Date of resolution	June 27, 2002	July 28, 2010	July 29, 2011	July 30, 2012
Exercise price	¥6,649	¥ 1	¥ 1	¥ 1
Average exercise price	—	3,235	2,986	—
Fair value at the grant date	—	2,215	1,872	2,042

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

Stock options granted in the fiscal year ended March 31, 2013 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

Date of resolution	July 30, 2012
Expected volatility * ¹	46.26%
Average expected life * ²	4 years
Expected dividends * ³	¥100 per share
Risk-free interest rate * ⁴	0.14%

*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 16, 2008 and August 15, 2012.*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 officers of SMFG and SMBC.

*³ Expected dividends are based on the expected dividends on common stock for the fiscal year ended March 31, 2013 of the date of grant.*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 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Title and number of grantees	Directors and employees 44	Directors and employees 65	Directors and employees 174	Directors and employees 183	Directors 9
Number of stock options*	Common shares 234,000	Common shares 306,000	Common shares 399,000	Common shares 464,000	Common shares 162,000
Grant date	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.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	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

* Reported in terms of shares of stock.

(b) Stock options granted and changes

Number of stock options*

Date of resolution	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	106,000	192,000	285,000	392,000	162,000
Vested	—	—	—	—	—
Exercised	—	—	—	—	—
Forfeited	106,000	26,000	40,000	58,000	32,000
Exercisable	—	166,000	245,000	334,000	130,000

Date of resolution	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Before vested					
Previous fiscal year-end	—	—	—	—	—
Granted	—	—	—	—	—
Forfeited	—	—	—	—	—
Vested	—	—	—	—	—
Outstanding	—	—	—	—	—
After vested					
Previous fiscal year-end	115,000	174,000	112,000	289,000	350,000
Vested	—	—	—	—	—
Exercised	—	—	—	—	—
Forfeited	29,000	16,000	7,000	—	—
Exercisable	86,000	158,000	105,000	289,000	350,000

* Reported in terms of shares of stock.

Price information (Yen)

Date of resolution	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006
Exercise price	¥131	¥179	¥202	¥313	¥490
Average exercise price	—	—	—	—	—
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.

(3) THE MINATO BANK, LTD. ("MINATO")

(a) Outline of stock options

Date of resolution	June 28, 2012
Title and number of grantees	Directors: 7, Officers: 12
Number of stock options*	Common shares: 368,000
Grant date	July 20, 2012
Condition for vesting	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director or executive officer of MINATO.
Requisite service period	June 28, 2012 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2013.
Exercise period	July 21, 2012 to July 20, 2042

* Reported in terms of shares of stock.

(b) Stock options granted and changes

Number of stock options*

Date of resolution	June 28, 2012
Before vested	
Previous fiscal year-end	—
Granted	368,000
Forfeited	12,000
Vested	44,000
Outstanding	312,000
After vested	
Previous fiscal year-end	—
Vested	44,000
Exercised	—
Forfeited	—
Exercisable	44,000

* Reported in terms of shares of stock.

Price information (Yen)

Date of resolution	June 28, 2012
Exercise price	¥ 1
Average exercise price	—
Fair value at the grant date	132

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

Stock options granted in the fiscal year were valuated using the following valuation technique.

- Valuation technique: Black-Scholes option-pricing model
- Principal parameters used in the option-pricing model

Date of resolution	June 28, 2012
Expected volatility *1	34.34%
Average expected life *2	2 years
Expected dividends *3	¥5 per share
Risk-free interest rate *4	0.10%

*1 Calculated based on the actual stock prices during 2 years from July 21, 2010 to July 20, 2012.

*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 officers of MINATO.

*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.

33. Segment Information

Fiscal years ended March 31, 2013 and 2012

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 leasing, securities, consumer finance, and system development and information processing. The primary businesses, "Banking business," "Leasing," "Securities services," and "Consumer finance," are separate, reportable segments, and other businesses are aggregated as "Other business."

"Banking business" includes deposit taking, lending, securities trading and investment, remittance, foreign exchange, bond subscription agent, trust business, and over-the-counter sales of securities investment trusts and insurance products. 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.

SMFG's consolidated subsidiary, SMBC Consumer Finance Co., Ltd. (formerly Promise Co., Ltd.), became a wholly owned subsidiary following a share exchange that went into effect on April 1, 2012. As a result, certain reportable segment changed during the fiscal year ended March 31, 2013. Specifically, Consumer finance has been established as a new reportable segment, which includes the formerly Credit card services segment.

From the fiscal year ended March 31, 2013 onward, the column designating consolidated net business profit for major SMFG Group companies, excluding SMBC, has been moved from operating income to ordinary profit, and the column designating consolidated net business profit for Sumitomo Mitsui Finance and Leasing Co., Ltd. is listed under consolidated operating profit for Sumitomo Mitsui Finance and Leasing Co., Ltd.

Information on profit and loss amount by reportable segment for the fiscal year ended March 31, 2012 has been formulated based on the above changes.

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, 2013	Millions of yen								
	Banking business								
	SMBC								
	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	¥374,927	¥412,200	¥208,013	¥240,516	¥295,304	¥ 9,135	¥1,540,095	¥258,466	¥1,798,561
Interest income	307,746	236,170	128,212	141,958	125,485	31,631	971,202	155,956	1,127,159
Non-interest income	67,181	176,030	79,801	98,558	169,819	(22,496)	568,892	102,509	671,402
Expenses	(284,389)	(216,726)	(39,616)	(72,920)	(20,997)	(93,088)	(727,736)	(149,207)	(876,944)
Depreciation	(26,893)	(22,625)	(5,603)	(8,928)	(3,972)	(11,219)	(79,240)	(10,462)	(89,702)
Other profit or loss	—	—	—	—	—	—	—	(30,334)	(30,334)
Consolidated net business profit	¥ 90,538	¥195,474	¥168,397	¥167,596	¥274,307	¥(83,953)	¥ 812,358	¥ 78,923	¥ 891,282

Year ended March 31, 2013	Millions of yen						
	Leasing			Securities services			
	Sumitomo Mitsui Finance and Leasing Company, Limited			SMBC Nikko Securities Inc.	SMBC Friend Securities Co., Ltd.	Others	Total
	Limited	Others	Total	Inc.	Co., Ltd.		
Gross profit	¥114,814	¥ 5,544	¥120,358	¥268,913	¥59,409	¥13,130	¥341,452
Interest income	40,825	5,372	46,198	(720)	432	232	(55)
Non-interest income	73,988	171	74,160	269,634	58,976	12,897	341,508
Expenses	(51,722)	908	(50,813)	(194,920)	(41,415)	(10,933)	(247,269)
Depreciation	(4,003)	(561)	(4,565)	(2,826)	(1,861)	(1,249)	(5,937)
Other profit or loss	(4,086)	3,857	(228)	(557)	(3)	(1,470)	(2,030)
Consolidated net business profit	¥ 59,006	¥10,310	¥ 69,316	¥ 73,435	¥17,990	¥ 726	¥ 92,152

Millions of yen

Year ended March 31, 2013	Consumer finance						Grand total
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	SMBC Consumer Finance Co., Ltd.	Others	Total	Other business	
Gross profit	¥183,050	¥153,542	¥165,777	¥24,132	¥526,503	¥15,525	¥2,802,402
Interest income	15,477	29,422	117,628	1,486	164,014	61,584	1,398,901
Non-interest income	167,573	124,120	48,148	22,645	362,488	(46,058)	1,403,501
Expenses	(132,594)	(118,184)	(66,198)	(14,252)	(331,229)	61,799	(1,444,457)
Depreciation	(9,796)	(9,221)	(2,720)	(1,733)	(23,471)	(10,964)	(134,641)
Other profit or loss	(5,657)	(21,704)	(47,715)	1,996	(73,081)	(86,095)	(191,770)
Consolidated net business profit	¥ 44,799	¥ 13,653	¥ 51,863	¥11,876	¥122,192	¥ (8,770)	¥1,166,174

Millions of yen

Banking business

Year ended March 31, 2012	SMBC								Total
	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	
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

Millions of yen

Year ended March 31, 2012	Leasing			Securities services			
	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total	SMBC Nikko Securities Inc.	SMBC Friend Securities Co., Ltd.	Others	Total
Gross profit	¥99,062	¥3,059	¥102,122	¥222,116	¥47,981	¥7,771	¥277,869
Interest income	58,813	3,477	62,290	(1,674)	503	423	(747)
Non-interest income	40,249	(417)	39,831	223,790	47,477	7,348	278,617
Expenses	(43,208)	611	(42,597)	(180,076)	(39,083)	(5,356)	(224,516)
Depreciation	(3,486)	(410)	(3,896)	(3,044)	(1,862)	(655)	(5,561)
Other profit or loss	7,011	1,289	8,300	(1,736)	(7)	(797)	(2,541)
Consolidated net business profit	¥62,865	¥4,960	¥ 67,825	¥ 40,303	¥ 8,890	¥1,617	¥ 50,811

Millions of yen

Year ended March 31, 2012	Consumer finance					
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	Others	Total	Other business	Grand total
Gross profit	¥179,328	¥160,083	¥96,787	¥436,199	¥30,053	¥2,610,082
Interest income	18,544	36,379	56,710	111,634	62,827	1,349,510
Non-interest income	160,784	123,704	40,076	324,564	(32,773)	1,260,572
Expenses	(126,589)	(120,545)	(44,726)	(291,861)	35,705	(1,374,526)
Depreciation	(8,839)	(9,888)	(4,325)	(23,053)	(11,032)	(129,403)
Other profit or loss	(9,587)	(67,198)	(57,836)	(134,622)	(72,217)	(221,609)
Consolidated net business profit	¥ 43,151	¥ (27,660)	¥ (5,774)	¥ 9,715	¥ (6,457)	¥1,013,946

Millions of U.S. dollars									
Banking business									
SMBC									
Year ended March 31, 2013	Consumer banking unit	Middle market banking unit	Corporate banking unit	International banking unit	Treasury unit	Head office account	Subtotal	Others	Total
Gross profit	\$3,988	\$4,385	\$2,213	\$2,558	\$3,141	\$ 97	\$16,382	\$2,749	\$19,132
Interest income	3,274	2,512	1,364	1,510	1,335	336	10,331	1,659	11,990
Non-interest income	715	1,872	849	1,048	1,806	(239)	6,051	1,090	7,142
Expenses	(3,025)	(2,305)	(421)	(776)	(223)	(990)	(7,741)	(1,587)	(9,328)
Depreciation	(286)	(241)	(60)	(95)	(42)	(119)	(843)	(111)	(954)
Other profit or loss	—	—	—	—	—	—	—	(323)	(323)
Consolidated net business profit	\$ 963	\$2,079	\$1,791	\$1,783	\$2,918	\$(893)	\$ 8,641	\$ 840	\$ 9,481

Millions of U.S. dollars							
Leasing				Securities services			
Year ended March 31, 2013	Sumitomo Mitsui Finance and Leasing Company, Limited	Others	Total	SMBC Nikko Securities Inc.	SMBC Friend Securities Co., Ltd.	Others	Total
Gross profit	\$1,221	\$ 59	\$1,280	\$2,860	\$632	\$140	\$3,632
Interest income	434	57	491	(8)	5	2	(1)
Non-interest income	787	2	789	2,868	627	137	3,633
Expenses	(550)	10	(541)	(2,073)	(441)	(116)	(2,630)
Depreciation	(43)	(6)	(49)	(30)	(20)	(13)	(63)
Other profit or loss	(43)	41	(2)	(6)	(0)	(16)	(22)
Consolidated net business profit	\$ 628	\$110	\$ 737	\$ 781	\$191	\$ 8	\$ 980

Millions of U.S. dollars							
Consumer finance							
Year ended March 31, 2013	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation	SMBC Consumer Finance Co., Ltd.	Others	Total	Other business	Grand total
Gross profit	\$1,947	\$1,633	\$1,763	\$257	\$5,600	\$165	\$29,810
Interest income	165	313	1,251	16	1,745	655	14,880
Non-interest income	1,783	1,320	512	241	3,856	(490)	14,929
Expenses	(1,410)	(1,257)	(704)	(152)	(3,523)	657	(15,365)
Depreciation	(104)	(98)	(29)	(18)	(250)	(117)	(1,432)
Other profit or loss	(60)	(231)	(508)	21	(777)	(916)	(2,040)
Consolidated net business profit	\$ 477	\$ 145	\$ 552	\$126	\$1,300	\$(93)	\$12,405

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. For the fiscal year ended March 31, 2013, Consolidated net business profit = Consolidated operating profit of each company for Sumitomo Mitsui Finance and Leasing Company, Limited and SMBC Consumer Finance Co., Ltd., and Consolidated net business profit = Operating profit of each company for SMBC Nikko Securities Inc., SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Card Company, Limited, and Cedyna Financial Corporation.

For the fiscal year ended March 31, 2012, Consolidated net business profit = Consolidated operating profit of Sumitomo Mitsui Finance and Leasing Company, Limited and Consolidated net business profit = Operating profit of each company for SMBC Nikko Securities Inc., SMBC Friend Securities Co., Ltd., Sumitomo Mitsui Card Company, Limited, and Cedyna Financial Corporation.

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 2013	Millions of U.S. dollars 2013
Profit		
Consolidated net business profit	¥1,166,174	\$12,405
Total credit cost of SMBC	(19,523)	(208)
Losses on stocks of SMBC	(35,662)	(379)
Amortization of unrecognized retirement benefit obligation of SMBC	(23,303)	(248)
Ordinary profit of consolidated subsidiaries other than reportable segment	89,523	952
Amortization of goodwill other than reportable segment	(17,964)	(191)
Adjustment of profit or loss of equity method affiliates	(3,952)	(42)
Others	(81,545)	(867)
Ordinary profit on consolidated statements of income	¥1,073,745	\$11,422

Notes: 1. Total credit cost = Write-off of loans + Losses on sales of delinquent loans – Gains on reversal of reserve for possible loan losses – 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 2012
Profit	
Consolidated net business profit	¥1,013,946
Total credit costs of SMBC	(58,647)
Losses on stocks of SMBC	(15,153)
Amortization of unrecognized retirement benefit obligation of SMBC	(31,632)
Ordinary profit of consolidated subsidiaries other than reportable segment	81,398
Amortization of goodwill other than reportable segment	(14,996)
Adjustment of profit or loss of equity method affiliates	(5,553)
Others	(33,790)
Ordinary profit on consolidated statements of income	¥ 935,571

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

5. Related information

(1) Business segment information

Year ended March 31, 2013	Millions of yen	Millions of U.S. dollars
Ordinary income to external customers		
Banking business	¥2,349,835	\$24,996
Leasing	506,267	5,385
Securities services	396,531	4,218
Consumer finance	1,021,137	10,862
Other business	52,654	560
Total	¥4,326,424	\$46,021

Year ended March 31, 2012	Millions of yen
Ordinary income to external customers	
Banking business	¥2,245,549
Leasing	380,053
Securities services	285,252
Consumer finance	957,514
Other business	76,912
Total	¥3,945,282

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, 2013	Millions of yen	Millions of U.S. dollars
Japan	¥3,555,350	\$37,819
The Americas	198,817	2,115
Europe and Middle East	284,686	3,028
Asia and Oceania	287,570	3,059
Total	¥4,326,424	\$46,021

Year ended March 31, 2012	Millions of yen
Japan	¥3,400,848
The Americas	169,271
Europe and Middle East	138,987
Asia and Oceania	236,175
Total	¥3,945,282

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, 2013	Millions of yen	Millions of U.S. dollars
Japan	¥1,186,126	\$12,617
The Americas	17,913	191
Europe and Middle East	763,870	8,125
Asia and Oceania	15,861	169
Total	¥1,983,772	\$21,102

Year ended March 31, 2012	Millions of yen
Japan	¥1,100,866
The Americas	14,333
Europe and Middle East	57,842
Asia and Oceania	7,479
Total	¥1,180,522

(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, 2013	Millions of yen	Millions of U.S. dollars
Banking business	¥3,591	\$38
Leasing	—	—
Securities services	537	6
Consumer finance	107	1
Other business	78	1
Total	¥4,314	\$46

Year ended March 31, 2012	Millions of yen
Banking business	¥3,264
Leasing	—
Securities services	383
Consumer finance	202
Other business	11
Total	¥3,861

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

Year ended March 31, 2013	Millions of yen		Millions of U.S. dollars	
	Amortization of goodwill	Unamortized balance	Amortization of goodwill	Unamortized balance
Banking business.....	¥ 554	¥ 9,351	\$ 6	\$ 99
Leasing	6,388	86,036	68	915
Securities services	14,112	216,238	150	2,300
Consumer finance	4,274	73,999	45	787
Other business.....	—	—	—	—
Total.....	¥25,329	¥385,625	\$269	\$4,102

Year ended March 31, 2012	Millions of yen	
	Amortization of goodwill	Unamortized balance
Banking business.....	¥ 545	¥ 9,904
Leasing	5,307	83,173
Securities services	14,108	230,347
Consumer finance	1,718	74,111
Other business.....	—	—
Total.....	¥21,681	¥397,537

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, 2013 and 2012.

9. Information on total credit cost by reportable segment

Year ended March 31, 2013	Millions of yen	Millions of U.S. dollars
Banking business.....	¥ 63,693	\$ 678
Leasing	5,289	56
Securities services	315	3
Consumer finance	69,342	738
Other business.....	34,473	367
Total.....	¥173,115	\$1,841

Year ended March 31, 2012	Millions of yen
Banking business.....	¥ 83,903
Leasing	(3,977)
Securities services	1,213
Consumer finance	46,199
Other business.....	(6,083)
Total.....	¥121,255

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, 2013

<Business combination through acquisition>

Joint acquisition of the aircraft leasing business from The Royal Bank of Scotland Group plc

SMBC and Sumitomo Mitsui Finance and Leasing Company, Limited ("SMFL"), both are consolidated subsidiaries of SMFG, and Sumitomo Corporation ("SC"), through the consortium composed of these three companies, completed the joint acquisition of the aircraft leasing business under The Royal Bank of Scotland Group plc ("RBS"), a major financial institution in the UK, on June 1, 2012, pursuant to the agreement with RBS on January 16, 2012. The outline of the business combination through acquisition is as follows:

1. Outline of the business combination

(1) Name of the acquired companies and their business

- (a) Name of the acquired company: RBS Aerospace Limited
(Renamed as SMBC Aviation Capital Limited in June 2012)
Content of its business: Leasing
- (b) Name of the acquired company: RBS Aerospace (UK) Limited
(Renamed as SMBC Aviation Capital (UK) Limited in June 2012)
Content of its business: Leasing
- (c) Name of the acquired company: RBS Australia Leasing Pty Limited
(Renamed as SMBC Aviation Capital Australia Leasing Pty Limited in June 2012)
Content of its business: Leasing

(2) Main reasons for the business combination

The aircraft leasing industry expects the demand for commercial aircraft to continue to grow steadily, underpinned by the increasing number of passengers associated with the growth of emerging markets, especially in Asia, and the rapid growth of low cost carriers (LCC). In this perspective, the consortium jointly acquired RBS's aircraft leasing business, one of the market leaders and the fourth largest player in the world in terms of asset size, aiming to further expand the existing aircraft leasing business jointly developed by SMFL and SC.

(3) Date of business combination

June 1, 2012

(4) Legal form of the business combination

Acquisition of shares

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

Sumitomo Mitsui Financial Group, Inc.

(6) Percentage share of voting rights SMFG has acquired

- (a) RBS Aerospace Limited 90%
- (b) RBS Aerospace (UK) Limited 90%
- (c) RBS Australia Leasing Pty Limited 100%*

* Acquisition through a consolidated subsidiary (percentage share of voting rights: 90%) newly established by the consortium composed of the three companies

(7) Main reason SMFG became the controlling entity

SMFG acquired a majority of voting rights of the companies above (1) and consolidated it as subsidiaries.

2. Period of the acquired companies' financial results included in the consolidated financial statements of SMFG

From June 1, 2012 to March 31, 2013

3. Acquisition cost of the acquired companies

Total acquisition cost of the companies above 1. (1) is as follows:

	Millions of yen	Millions of U.S. dollars
Consideration for acquisition	¥93,325	\$ 993
Expenses directly required for acquisition	1,419	15
Acquisition cost of the acquired companies	¥94,745	\$1,008

4. Amount of goodwill, reason for recognizing goodwill, amortization method and the period

- (1) Amount of goodwill
¥7,484 million (\$80 million)
- (2) Reason for recognizing goodwill
SMFG accounted for the difference between the acquisition cost and the amount of SMFG's interests in the company above 1. (1) as goodwill.
- (3) Amortization method and the period
Straight-line method over 10 years

5. 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	¥668,091	\$7,107
Tangible fixed assets	568,479	6,047

(2) Liabilities

	Millions of yen	Millions of U.S. dollars
Total liabilities	¥571,377	\$6,078
Borrowed money	478,581	5,091

6. Approximate amounts and their calculation method of impact on the consolidated statements of income for the fiscal year ended March 31, 2013, assuming that the business combination had been completed at the beginning of the fiscal year

- (1) Estimates of the differences between the ordinary income and other income data, assuming that the business combination had been completed at the beginning 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	¥11,365	\$121
Ordinary profit	3,220	34
Net income	1,326	14

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 beginning of the fiscal year based on the amounts stated in the company above 1. (1) and its consolidated subsidiaries' statements of income for the period from April 1, 2012 to May 31, 2012, 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 at the beginning of the fiscal year.

The information mentioned in (1) above has not been audited by KPMG AZSA LLC.

<Transactions under common control>

Making SMBC Consumer Finance Co., Ltd. a wholly-owned subsidiary

SMFG made SMBC Consumer Finance Co., Ltd. (formerly 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 control 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. 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 subsidiary

	Millions of yen	Millions of U.S. dollars
Fair value of common stock of Promise additionally acquired..	¥7,733	\$82
Expenses directly required for acquisition.....	60	1
Acquisition cost of the additionally acquired stocks of subsidiary	¥7,794	\$83

4. 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

Note: 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 stock, undertaken by SMBC prior to the Share Exchange as a benchmark 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 shares of common stock of SMFG

5. Amount of goodwill, reason for recognizing goodwill, amortization method and the period

(1) Amount of goodwill

¥3,916 million (\$42 million)

(2) Reason for recognizing goodwill

SMFG accounted for the difference between the acquisition cost and the amount of SMFG's interests in Promise as goodwill.

(3) Amortization method and the period

Straight-line method over 20 years

35. Per Share Data

	Yen		U.S. dollars
March 31	2013	2012	2013
Net assets per share	¥4,686.69	¥3,856.37	\$49.85

	Yen		U.S. dollars
Year ended March 31	2013	2012	2013
Net income per share	¥586.49	¥374.26	\$6.24
Net income per share (diluted)	585.94	373.99	6.23

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	2013	2012	2013
Net income per share:			
Net income	¥794,059	¥518,536	\$8,447
Amount not attributable to common stockholders	—	—	—
Net income attributable to common stock	¥794,059	¥518,536	\$8,447
Average number of common stock during the year (in thousands)	1,353,925	1,385,505	/
Net income per share (diluted):			
Adjustment for net income	¥ (437)	¥ (278)	\$ (5)
Adjustment for dilutive shares issued by subsidiaries	(437)	(278)	(5)
Increase in number of common stock (in thousands)	519	243	/
Stock acquisition rights	519	243	/

Outline of dilutive shares which were not included in the calculation of "Net income per share (diluted)" for the fiscal years ended March 31, 2013 and 2012 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)

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

	Millions of yen, except number of shares		Millions of U.S. dollars
March 31	2013	2012	2013
Net assets	¥8,443,218	¥7,254,976	\$89,812
Amounts excluded from Net assets	2,098,020	2,044,575	22,317
Stock acquisition rights	1,260	692	13
Minority interests	2,096,760	2,043,883	22,304
Net assets attributable to common stock at the fiscal year-end	¥6,345,197	¥5,210,400	\$67,495
Number of common stock at the fiscal year-end used for the calculation of			
Net assets per share (in thousands)	1,353,876	1,351,116	/

36. Subsequent Events

Not applicable.

37. Parent Company

(1) Nonconsolidated Balance Sheets

Sumitomo Mitsui Financial Group, Inc.

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Assets			
Current assets	¥ 111,290	¥ 101,852	\$ 1,184
Cash and due from banks	76,692	67,323	816
Prepaid expenses	29	29	0
Accrued income	15	17	0
Accrued income tax refunds	33,100	33,266	352
Other current assets	1,452	1,216	15
Fixed assets	6,155,573	6,051,608	65,478
Tangible fixed assets	2	0	0
Buildings	0	0	0
Equipment	2	0	0
Intangible fixed assets	83	16	1
Software	83	16	1
Investments and other assets	6,155,487	6,051,591	65,477
Investments in subsidiaries and affiliates	6,155,487	6,051,591	65,477
Total assets	¥6,266,864	¥6,153,461	\$66,662
Liabilities and net assets			
Liabilities			
Current liabilities	¥1,232,959	¥1,232,931	\$13,115
Short-term borrowings	1,228,030	1,228,030	13,063
Accounts payable	939	990	10
Accrued expenses	3,102	3,082	33
Income taxes payable	15	16	0
Business office taxes payable	7	6	0
Reserve for employees bonuses	133	127	1
Reserve for executive bonuses	97	83	1
Other current liabilities	634	594	7
Fixed liabilities	392,900	392,900	4,179
Bonds	392,900	392,900	4,179
Total liabilities	1,625,859	1,625,831	17,295
Net assets			
Stockholders' equity			
Capital stock	2,337,895	2,337,895	24,869
Capital surplus	1,583,717	1,622,966	16,846
Capital reserve	1,559,374	1,559,374	16,587
Other capital surplus	24,343	63,592	259
Retained earnings	730,333	721,096	7,769
Other retained earnings			
Voluntary reserve	30,420	30,420	324
Retained earnings brought forward	699,913	690,676	7,445
Treasury stock	(12,082)	(154,926)	(129)
Total stockholders' equity	4,639,865	4,527,031	49,355
Stock acquisition rights	1,140	598	12
Total net assets	4,641,005	4,527,629	49,367
Total liabilities and net assets	¥6,266,864	¥6,153,461	\$66,662

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

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Operating income	¥179,560	¥181,372	\$1,910
Dividends on investments in subsidiaries and affiliates.....	165,441	166,272	1,760
Fees and commissions received from subsidiaries.....	14,119	15,100	150
Operating expenses	24,341	24,902	259
General and administrative expenses.....	7,873	8,434	84
Interest on bonds.....	16,468	16,468	175
Operating profit	155,219	156,470	1,651
Nonoperating income	144	109	2
Interest income on deposits.....	83	88	1
Fees and commissions income.....	3	0	0
Other nonoperating income.....	57	19	1
Nonoperating expenses	7,378	6,657	78
Interest on borrowings.....	7,362	6,485	78
Fees and commissions payments.....	15	163	0
Other nonoperating expenses.....	0	8	0
Ordinary profit	147,985	149,922	1,574
Income before income taxes	147,985	149,922	1,574
Income taxes:			
Current.....	3	3	0
Net income	¥147,981	¥149,919	\$1,574

	Yen		U.S. dollars (Note 1)
	2013	2012	2013
Per share data:			
Net income.....	¥104.93	¥107.06	\$1.12
Net income — diluted.....	104.89	107.04	1.12

(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)
	2013	2012	2013
Stockholders' equity			
Capital stock			
Balance at the beginning of the fiscal year	¥2,337,895	¥2,337,895	\$24,869
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	\$24,869
Capital surplus			
Capital reserve			
Balance at the beginning of the fiscal year	1,559,374	1,559,374	16,587
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	\$16,587
Other capital surplus			
Balance at the beginning of the fiscal year	63,592	273,652	676
Changes in the fiscal year:			
Disposal of treasury stock	(39,249)	(57)	(417)
Cancellation of treasury stock	—	(210,003)	—
Net changes in the fiscal year	(39,249)	(210,060)	(417)
Balance at the end of the fiscal year	¥ 24,343	¥ 63,592	\$ 259
Total capital surplus			
Balance at the beginning of the fiscal year	1,622,966	1,833,027	17,264
Changes in the fiscal year:			
Disposal of treasury stock	(39,249)	(57)	(417)
Cancellation of treasury stock	—	(210,003)	—
Net changes in the fiscal year	(39,249)	(210,060)	(417)
Balance at the end of the fiscal year	¥1,583,717	¥1,622,966	\$16,846
Retained earnings			
Other retained earnings			
Voluntary reserve			
Balance at the beginning of the fiscal year	30,420	30,420	324
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 30,420	¥ 30,420	\$ 324
Retained earnings brought forward			
Balance at the beginning of the fiscal year	690,676	684,883	7,347
Changes in the fiscal year:			
Cash dividends	(138,743)	(144,126)	(1,476)
Net income	147,981	149,919	1,574
Net changes in the fiscal year	9,237	5,792	98
Balance at the end of the fiscal year	¥ 699,913	¥ 690,676	\$ 7,445
Total retained earnings			
Balance at the beginning of the fiscal year	721,096	715,303	7,670
Changes in the fiscal year:			
Cash dividends	(138,743)	(144,126)	(1,476)
Net income	147,981	149,919	1,574
Net changes in the fiscal year	9,237	5,792	98
Balance at the end of the fiscal year	¥ 730,333	¥ 721,096	\$ 7,769

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Stockholders' equity			
Treasury stock			
Balance at the beginning of the fiscal year	¥ (154,926)	¥ (43,482)	\$ (1,648)
Changes in the fiscal year:			
Purchase of treasury stock	(263)	(321,521)	(3)
Disposal of treasury stock	143,107	74	1,522
Cancellation of treasury stock	—	210,003	—
Net changes in the fiscal year	142,844	(111,444)	1,519
Balance at the end of the fiscal year	¥ (12,082)	¥ (154,926)	\$ (129)
Total stockholders' equity			
Balance at the beginning of the fiscal year	4,527,031	4,842,743	48,155
Changes in the fiscal year:			
Cash dividends	(138,743)	(144,126)	(1,476)
Net income	147,981	149,919	1,574
Purchase of treasury stock	(263)	(321,521)	(3)
Disposal of treasury stock	103,858	17	1,105
Cancellation of treasury stock	—	—	—
Net changes in the fiscal year	112,833	(315,711)	1,200
Balance at the end of the fiscal year	¥4,639,865	¥4,527,031	\$49,355
Stock acquisition rights			
Balance at the beginning of the fiscal year	598	170	6
Changes in the fiscal year:			
Net changes in items other than stockholders' equity in the fiscal year	542	427	6
Net changes in the fiscal year	542	427	6
Balance at the end of the fiscal year	¥ 1,140	¥ 598	\$ 12
Total net assets			
Balance at the beginning of the fiscal year	4,527,629	4,842,914	48,161
Changes in the fiscal year:			
Cash dividends	(138,743)	(144,126)	(1,476)
Net income	147,981	149,919	1,574
Purchase of treasury stock	(263)	(321,521)	(3)
Disposal of treasury stock	103,858	17	1,105
Cancellation of treasury stock	—	—	—
Net changes in items other than stockholders' equity in the fiscal year	542	427	6
Net changes in the fiscal year	113,375	(315,284)	1,206
Balance at the end of the fiscal year	¥4,641,005	¥4,527,629	\$49,367