

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(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 ("IFRS").

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 IFRS, in which case a certain limited number of items are adjusted based on their materiality.

These consolidated financial statements are translated from the consolidated financial statements contained in the annual securities report filed under the Financial Instrument and Exchange Act of Japan ("FIEA based financial statements") except for the addition of the non-consolidated financial statements and US dollar figures.

Amounts less than 1 million yen have been rounded down. 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, 2015 which was ¥120.15 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.

The consolidated financial statements released in previous fiscal years were restructured from the FIEA based financial statements by making several adjustments and reclassifications that are no longer made in these consolidated financial statements.

As of and for the years ended March 31, 2014 and 2015

(Notes to significant accounting policies for preparing consolidated financial statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

The number of consolidated subsidiaries at March 31, 2015 is 317.

Principal companies: Sumitomo Mitsui Banking Corporation ("SMBC")
 Sumitomo Mitsui Finance and Leasing Company, Limited ("SMFL")
 SMBC Nikko Securities Inc. ("SMBC Nikko")
 SMBC Friend Securities Co., Ltd. ("SMBC Friend")
 Sumitomo Mitsui Card Company, Limited ("SMCC")
 Cedyna Financial Corporation ("Cedyna")
 SMBC Consumer Finance Co., Ltd. ("SMBCCF")
 The Japan Research Institute, Limited
 THE MINATO BANK, LTD. ("MINATO")
 Kansai Urban Banking Corporation ("KUBC")
 Sumitomo Mitsui Banking Corporation Europe Limited
 Sumitomo Mitsui Banking Corporation (China) Limited
 SMBC Guarantee Co., Ltd.
 SMBC Capital Markets, Inc.

36 companies were newly included in the scope of consolidation as a result of the establishment and for other reasons.

The Japan Net Bank, Limited was excluded from the scope of consolidation because it became an equity method affiliate due to a decrease in the ratio of voting rights. Other 42 companies were also excluded from the scope of consolidation due to liquidation and for other reasons.

(2) Unconsolidated subsidiaries

Principal company: SBCS Co., Ltd.

195 unconsolidated subsidiaries 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 Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial, 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.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method at March 31, 2015 is 5.

Principal company: SBCS Co., Ltd.

(2) Affiliates accounted for by the equity method 45 companies

Principal companies: PT Bank Tabungan Pensiunan Nasional Tbk
 Sumitomo Mitsui Auto Service Company, Limited
 Daiwa SB Investments Ltd.

The Japan Net Bank, Limited newly became an equity method affiliate due to a decrease in the ratio of voting rights. 3 companies including The Bank of East Asia, Limited also became equity method affiliates due to the acquisition of stocks and for other reasons.

- (3) Unconsolidated subsidiaries that are not accounted for by the equity method
195 subsidiaries 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 Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.
- (4) Affiliates that are not accounted for by the equity method
Principal company: Daiwa SB Investments (USA) Ltd.
Affiliates that are not accounted for by the equity method are 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.

3. The balance sheet dates of consolidated subsidiaries

- (1) The balance sheet dates of the consolidated subsidiaries at March 31, 2015 are as follows:
- | | |
|-------------------|-----|
| April 30 | 1 |
| May 31 | 1 |
| June 30 | 6 |
| October 31 | 3 |
| November 30 | 2 |
| December 31 | 136 |
| January 31 | 16 |
| February 28 | 3 |
| March 31 | 149 |
- (2) The subsidiaries with balance sheets dated April 30, May 31, June 30 and November 30 are consolidated using the financial statements as of March 31. 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 the financial statements as of their respective balance sheet dates.
Appropriate adjustments were made to material transactions during the periods between their respective balance sheet dates and the consolidated closing date.

4. Accounting policies

- (1) Standards for recognition and measurement of 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 sheets on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading income" and "Trading losses."
Securities and monetary claims purchased for trading purposes are stated at the 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.
- (2) Standards for recognition and measurement of securities
- 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 (based on 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). Other securities which are extremely difficult to determine fair value 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.
 - Securities included in money held in trust are carried in the same method as in (1) and (2) 1) above.
- (3) Standards for recognition and measurement of derivative transactions
Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

(4) Depreciation

1) 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.

2) 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).

3) Assets for rent

Assets for rent are depreciated using the straight-line method, assuming that lease terms are, in principle, their depreciation period and the salvage is the estimated disposal value when the lease period expires.

4) 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 zero.

(5) 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 as of ended March 31, 2014 and 2015 were ¥511,043 million and ¥363,585 million.

(6) Reserve for employee bonuses

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

(7) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to directors, corporate auditors and other executive officers, in the amount of estimated bonuses, which are attributable to the fiscal year.

(8) Reserve for executive retirement benefits

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

(9) Reserve for point service program

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

(10) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits which were derecognized from liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on historical reimbursements.

(11) 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.

(12) Reserve under the special laws

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

(13) Employee retirement benefits

In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit attributable to the respective fiscal year.

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

Unrecognized net actuarial gain (loss) is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

(14) 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 rate 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 rate prevailing at their respective balance sheet dates.

(15) Lease transactions

1) Recognition of income on finance leases

Interest income is allocated to each period.

2) 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.

3) Recognition of income and expenses on installment sales

Primarily, installment-sales-related income and expenses are recognized on a due-date basis over the full period of the installment sales.

(16) Hedge accounting

1) 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" (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.

2) 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.

3) 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 accordingly evaluates the effectiveness of such individual hedges.

4) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the non-arbitrary and strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

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

(17) Amortization of goodwill

Goodwill is amortized using the straight-line method over a period in which its benefit is expected to be realized, not to exceed 20 years. Immaterial goodwill is charged or credited when incurred.

(18) Scope of "Cash and cash equivalents" on consolidated statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, "Cash and cash equivalents" are cash on hand, non-interest earning deposits with banks and deposits with the Bank of Japan.

(19) Consumption taxes

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

(Changes in accounting policies due to application of new or revised accounting standards)

1. Accounting Standard for Retirement Benefits and related guidance

SMFG has adopted Paragraph 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012, "Accounting Standard") and Paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015, "Guidance") from the beginning of the fiscal year ended March 31, 2015. Accordingly, SMFG has reviewed its calculation methods for the projected benefit obligation and service cost, and changed the method for attributing the expected benefit to periods of service from a straight-line basis to a benefit formula basis.

The Accounting Standard and Guidance are applied in accordance with the transitional treatment stipulated in Paragraph 37 of the Accounting Standard. The effect, arising from the change in calculation method for the projected benefit obligation and service cost, is reflected in retained earnings as of the beginning of the fiscal year ended March 31, 2015.

As a result, net defined benefit asset increased by ¥49,052 million, net defined benefit liability decreased by ¥3,646 million and retained earnings increased by ¥35,459 million as of the beginning of the fiscal year ended March 31, 2015. The effect of these changes on profit and loss for the fiscal year ended March 31, 2015 is considered to be immaterial.

The effect of this change on net assets per share is disclosed in "(Per Share Data)."

2. Revision of Accounting Standard for Business Combinations and related rules

"Accounting Standard for Business Combinations" (ASBJ Statement No. 21), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7) and other related standards and implementation guidance were revised on September 13, 2013, and became effective from fiscal years beginning on or after April 1, 2014. SMFG has prospectively adopted these revised accounting standards and implementation guidance from the beginning of the fiscal year ended March 31, 2015 (excluding the provisions defined in Paragraph 39 of Accounting Standard for Consolidated Financial Statements), in accordance with the transitional treatment set forth in Paragraph 58-2 (4) of Accounting Standard for Business Combinations, Paragraph 44-5 (4) of Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of Accounting Standard for Business Divestitures.

In accordance with these revisions, SMFG's accounting policies have been changed as follows:

- the difference arising from a change in SMFG's ownership interest in a subsidiary over which SMFG continues to have control is recognized in capital surplus, and acquisition costs are expensed in the period incurred, and
- for a business combination occurring on or after April 1, 2014, an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the purchase price allocation is retrospectively recognized in the consolidated financial statements for the accounting period in which the combination occurs.

The effect of these changes on profit and loss for the fiscal year ended March 31, 2015 is considered to be immaterial.

(Additional information)

Effect of a change in the corporate income tax rule

In accordance with the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9, 2015) and the "Act to Amend the Local Taxation Act, etc." (Act No. 2, 2015) promulgated on March 31, 2015, the corporate income tax rate will be lowered from fiscal years beginning on or after April 1, 2015. Additionally, beginning from fiscal years starting on or after April 1, 2015, the use of tax loss carryforwards will be limited to the equivalent of 65% of taxable income before deducting tax loss carryforwards, and beginning from fiscal years starting on or after April 1, 2017, the use of tax loss carryforwards will be limited to the equivalent of 50% of taxable income before deducting tax loss carryforwards.

As a result of these changes, net income decreased by ¥30,248 million and total accumulated other comprehensive income increased by ¥77,813 million.

(Notes to consolidated balance sheets)***1 Japanese stocks and investments in unconsolidated subsidiaries and affiliates**

Japanese stocks and investments in unconsolidated subsidiaries and affiliates at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Japanese stocks	¥372,127	¥583,382
Investments	249	336

Japanese stocks of jointly controlled entities were as follows:

March 31	Millions of yen	
	2014	2015
Japanese stocks of jointly controlled entities	¥99,691	¥100,102

***2 Unsecured loaned securities for which borrowers have the right to sell or pledge**

The amount of unsecured loaned securities for which borrowers have the right to sell or pledge at March 31, 2014 and 2015 were as follows:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Japanese government bonds in "Securities"	¥28,995	Japanese government bonds and other securities in "Securities"	¥1,540

As for the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral with rights to sell or pledge without restrictions, those securities pledged and those securities held without being disposed at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Securities borrowed with cash collateral	¥1,462,265	¥3,181,553
Unsecured borrowed securities, securities under resale agreements	2,482,406	3,087,292

***3 Bankrupt loans and non-accrual loans**

Bankrupt loans and non-accrual loans at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Bankrupt loans	¥ 39,601	¥ 35,861
Non-accrual loans	877,325	774,058

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

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

***4 Past due loans (3 months or more)**

Past due loans (3 months or more) at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Past due loans (3 months or more)	¥14,679	¥13,714

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

***5 Restructured loans**

Restructured loans at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Restructured loans	¥389,089	¥278,622

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

***6 Risk-monitored loans**

The total amount of bankrupt loans, non-accrual loans, past due loans (3 months or more) and restructured loans at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Risk-monitored loans	¥1,320,695	¥1,102,256

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

***7 Bills discounted**

Bills discounted are included in "Loans and bills discounted" and "Foreign exchanges" accounts depending on the type of the bills. Bills discounted are accounted for as financial transactions in accordance with the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24). SMBC and its banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, etc. The total face value at March 31, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
Bills discounted	¥1,019,215	¥950,790

***8 Assets pledged as collateral**

Assets pledged as collateral at March 31, 2014 and 2015 consisted of the following:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Assets pledged as collateral:		Assets pledged as collateral:	
Cash and due from banks	¥ 98,101	Cash and due from banks	¥ 61,093
Call loans and bills bought	347,681	Call loans and bills bought	478,457
Monetary claims bought	76,437	Monetary claims bought	75,556
Trading assets	2,245,525	Trading assets	1,712,885
Securities	7,431,341	Securities	10,445,190
Loans and bills discounted	2,278,931	Loans and bills discounted	2,803,237
Lease receivables and investment assets	4,036	Lease receivables and investment assets	3,163
Tangible fixed assets	10,411	Tangible fixed assets	9,969
Other assets (installment account receivable, etc.)	276	Other assets (installment account receivable, etc.)	172
Liabilities corresponding to assets pledged as collateral:		Liabilities corresponding to assets pledged as collateral:	
Deposits	29,933	Deposits	33,800
Call money and bills sold	745,000	Call money and bills sold	1,095,000
Payables under repurchase agreements	1,664,002	Payables under repurchase agreements	406,212
Payables under securities lending transactions	5,317,793	Payables under securities lending transactions	4,121,603
Trading liabilities	350,379	Trading liabilities	480,464
Borrowed money	3,561,623	Borrowed money	6,099,726
Other liabilities	35,014	Other liabilities	35,952
Acceptances and guarantees	187,730	Acceptances and guarantees	207,009

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, and substitution for margins of futures transactions and certain other purposes at March 31, 2014 and 2015:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Cash and due from banks	¥ 11,658	Cash and due from banks	¥ 13,580
Trading assets	21,939	Trading assets	2,271
Securities	8,018,590	Securities	6,067,851

Other assets include collateral money deposited for financial instruments, surety deposits, margin of futures markets and other margins. The amounts for such assets were as follows:

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Collateral money deposited for financial instruments	¥152,163	Collateral money deposited for financial instruments	¥410,317
Surety deposits	121,613	Surety deposits	119,525
Margins of futures markets	22,677	Margins of futures markets	63,433
Other margins	1,362	Other margins	27,819

*9 Commitment line contracts on overdrafts and loans

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, 2014 and 2015 were as follows:

March 31	Millions of yen	
	2014	2015
The amounts of unused commitments	¥49,167,754	¥53,473,427
The amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time.....	38,010,372	40,386,315

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

*10 Land revaluation excess

SMBC and another consolidated subsidiary revaluated their own land for business activities in accordance with the "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 excess," and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

A certain affiliate also 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 Articles 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).

*11 Accumulated depreciation on tangible fixed assets

Accumulated depreciation on tangible fixed assets at March 31, 2014 and 2015 are as follows:

March 31	Millions of yen	
	2014	2015
Accumulated depreciation	¥884,257	¥944,545

***12 Deferred gain on tangible fixed assets deductible for tax purposes**

Deferred gain on tangible fixed assets deductible for tax purposes at March 31, 2014 and 2015 were as follows:

	Millions of yen	
March 31	2014	2015
Deferred gain on tangible fixed assets deductible for tax purposes	¥62,791	¥62,704
[The consolidated fiscal year concerned].....	[4,471]	[145]

***13 Subordinated borrowings**

The balance of subordinated borrowings with the special clause specifying that the repayment order of the borrowing subordinates to other borrowings included in "Borrowed money" at March 31, 2014 and 2015 were as follows:

	Millions of yen	
March 31	2014	2015
Subordinated borrowings.....	¥282,449	¥317,461

***14 Subordinated bonds**

The balance of subordinated bonds included in "Bonds" at March 31, 2014 and 2015 were as follows:

	Millions of yen	
March 31	2014	2015
Subordinated bonds	¥1,701,431	¥1,777,502

***15 Guaranteed amount to privately-placed bonds**

The amounts guaranteed by SMBC and its banking subsidiaries to privately-placed bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) in "Securities" at March 31, 2014 and 2015 were as follows:

	Millions of yen	
March 31	2014	2015
Guaranteed amount to privately-placed bonds	¥1,885,300	¥2,030,463

(Notes to consolidated statements of income)***1 Other income**

“Other” in “Other income” for the fiscal years ended March 31, 2014 and 2015 included the following:

Year ended March 31, 2014	Millions of yen	Year ended March 31, 2015	Millions of yen
Gains on sales of stocks.....	¥108,183	Gains on sales of stocks.....	¥ 83,503
Equity in gains of affiliates	10,241		

***2 General and administrative expenses**

“General and administrative expenses” for the fiscal years ended March 31, 2014 and 2015 included the following:

Year ended March 31, 2014	Millions of yen	Year ended March 31, 2015	Millions of yen
Salaries and related expenses	¥573,418	Salaries and related expenses	¥610,998
Research and development costs	159	Research and development costs	171

***3 Other expenses**

“Other expenses” for the fiscal years ended March 31, 2014 and 2015 included the following:

Year ended March 31, 2014	Millions of yen	Year ended March 31, 2015	Millions of yen
Write-off of loans.....	¥84,933	Write-off of loans.....	¥76,997
Provision for reserve for losses on interest repayment	50,200	Provision for reserve for losses on interest repayment	64,836

***4 Other extraordinary gains**

“Other extraordinary gains” for the fiscal years ended March 31, 2014 represented gains on step acquisitions of ¥1,564 million

*5 Losses on impairment of fixed assets

The differences between the recoverable amounts and the book value of the following asset is recognized as “Losses on impairment of fixed assets,” and included in “Extraordinary losses” for the fiscal year ended March 31, 2014 and 2015.

Year ended March 31, 2014			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Corporate assets (3 items)	Land and buildings, etc.	¥ 146
	Idle assets (38 items)		1,836
	Other (1 item)		23
Kinki area	Idle assets(37 items)	Land and buildings, etc.	965
Other	Corporate asset (1 item)	Land and buildings, etc.	37
	Idle assets (10 items)		232
	Other (1 item)		107
Year ended March 31, 2015			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Branches (3 items)	Land and buildings, etc.	¥ 77
	Idle assets (36 items)		3,019
	Other (1 item)		0
Kinki area	Branches (4 items)	Land and buildings, etc.	137
	Corporate assets (2 items)		12
	Idle assets (29 items)		1,802
Other	Corporate asset (1 item)	Land and buildings, etc.	0
	Idle assets (11 items)		59

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 “Extraordinary losses.” 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.

(Notes to consolidated statements of comprehensive income)

*1 Reclassification adjustment and tax effect of other comprehensive income

Year ended March 31	Millions of yen	
	2014	2015
Net unrealized gains (losses) on other securities:		
Amount arising during the fiscal year	¥ 518,567	¥1,403,111
Reclassification adjustments	(223,029)	(215,162)
Before adjustments to tax effect	295,537	1,187,948
Tax effect	(93,971)	(323,451)
Net unrealized gains (losses) on other securities	201,566	864,496
Net deferred gains (losses) on hedges:		
Amount arising during the fiscal year	(59,541)	26,574
Reclassification adjustments	17,840	23,028
Adjustment on the cost of the assets	(1,332)	0
Before adjustments to tax effect	(43,032)	49,603
Tax effect	15,559	(20,144)
Net deferred gains (losses) on hedges	(27,473)	29,458
Land revaluation excess:		
Amount arising during the fiscal year	—	—
Reclassification adjustments	—	—
Before adjustments to tax effect	—	—
Tax effect	18	3,604
Land revaluation excess	18	3,604
Foreign currency translation adjustments:		
Amount arising during the fiscal year	170,926	178,283
Reclassification adjustments	(863)	(2,443)
Before adjustments to tax effect	170,062	175,840
Tax effect	—	—
Foreign currency translation adjustments	170,062	175,840
Remeasurements of defined benefit plans:		
Amount arising during the fiscal year	—	163,011
Reclassification adjustments	—	22,633
Before adjustments to tax effect	—	185,645
Tax effect	—	(63,093)
Remeasurements of defined benefit plans	—	122,552
Share of other comprehensive income of affiliates:		
Amount arising during the fiscal year	(1,349)	952
Reclassification adjustments	(3,418)	(1,410)
Before adjustments to tax effect	(4,768)	(458)
Tax effect	—	—
Share of other comprehensive income of affiliates	(4,768)	(458)
Total other comprehensive income	¥ 339,405	¥1,195,494

(Notes to consolidated statements of changes in net assets)

Fiscal year ended March 31, 2014

1. Type and number of shares issued and treasury stock

Year ended March 31, 2014	Number of shares			At the end of the fiscal year	Notes
	At the beginning of the fiscal year	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	60,179,376	105,441	13,503,148	46,781,669	1,2
Total.....	60,179,376	105,441	13,503,148	46,781,669	

Notes: 1. Increase of 105,441 shares in the number of treasury common stock was due to the purchases of fractional shares.

2. Decrease of 13,503,148 shares in the number of treasury common stock was due to reduction of 5,108 shares through the sales of fractional shares and exercise of stock options, and reduction of 13,498,040 shares through the sale of SMFG shares held by SMBC and other subsidiaries.

2. Information on stock acquisition rights

Year ended March 31, 2014	Details of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Notes
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	At the end of the fiscal year	
SMFG	Stock acquisition rights as stock options	—	—	—	—	—	¥1,634	
Consolidated subsidiaries.....	—			—			157	
Total.....							¥1,791	

3. Information on dividends

(1) Dividends paid in the fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				Record date	Effective date
		Cash dividends	Cash dividends per share				
Ordinary general meeting of shareholders held on June 27, 2013	Common stock	¥98,713	¥70			March 31, 2013	June 27, 2013
Meeting of the board of Directors held on November 12, 2013	Common stock	77,556	55			September 30, 2013	December 3, 2013

Note: Cash dividends per share of ¥70 resolved at the ordinary general meeting of shareholders held on June 27, 2013 includes of ¥10 of the commemorative dividend.

(2) Dividends to be paid in the next fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				Record date	Effective date
		Cash dividends	Source of dividends	Cash dividends per share			
Ordinary general meeting of shareholders held on June 27, 2014	Common stock	¥91,656	Retained earnings	¥65		March 31, 2014	June 27, 2014

Fiscal year ended March 31, 2015

1. Type and number of shares issued and treasury stock

Year ended March 31, 2015	Number of shares			At the end of the fiscal year	Notes
	At the beginning of the fiscal year	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	46,781,669	37,310	4,778	46,814,201	1,2
Total.....	46,781,669	37,310	4,778	46,814,201	

Notes: 1. Increase of 37,310 shares in the number of treasury common stock was due to purchases of fractional shares.

2. Decrease of 4,778 shares in the number of treasury common stock was due to sales of fractional shares and exercise of stock options.

2. Information on stock acquisition rights

Year ended March 31, 2015	Details of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Notes
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	At the end of the fiscal year	
SMFG	Stock acquisition rights as stock options	—	—	—	—	—	¥2,085	
Consolidated subsidiaries.....	—			—			198	
Total.....							¥2,284	

3. Information on dividends

(1) Dividends paid in the fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Cash dividends per share	Record date	Effective date	
Ordinary general meeting of shareholders held on June 27, 2014	Common stock	¥91,656	¥65	March 31, 2014	June 27, 2014	
Meeting of the board of Directors held on November 13, 2014	Common stock	84,604	60	September 30, 2014	December 3, 2014	

(2) Dividends to be paid in the next fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 26, 2015	Common stock	¥112,804	Retained earnings	¥80	March 31, 2015	June 26, 2015

(Notes to consolidated statements of cash flows)

*1 The relation between the amounts of accounts listed on the consolidated financial statements and “Cash and cash equivalents”

Year ended March 31, 2015	Millions of yen	
	2014	2015
Cash and due from banks	¥32,991,113	¥39,748,979
Interest earning deposits with banks (excluding the deposit with the bank of Japan)	(5,997,949)	(6,150,298)
Cash and cash equivalents	¥26,993,164	¥33,598,680

(Notes to lease transactions)**1. Financing leases****(1) Lessee side****1) Lease assets****(a) Tangible fixed assets**

Tangible fixed assets mainly consisted of branches and equipment.

(b) Intangible fixed assets

Intangible fixed assets are software.

2) Depreciation method of lease assets

Depreciation method of lease assets is reported in 4. Accounting policies (4) Depreciation.

(2) Lessor side**1) Breakdown of lease investment assets**

March 31	Millions of yen	
	2014	2015
Lease receivables	¥1,174,517	¥1,187,853
Residual value	102,853	107,078
Unearned interest income	(169,452)	(167,407)
Total	¥1,107,918	¥1,127,525

2) The scheduled collections of lease payments receivables related to lease receivables and investment assets are as follows:

March 31	Millions of yen			
	2014		2015	
	Lease payments receivable related to lease receivables	Lease payments receivable related to investment assets	Lease payments receivable related to lease receivables	Lease payments receivable related to investment assets
Within 1 year	¥266,118	¥ 332,508	¥295,756	¥ 337,777
More than 1 year to 2 years	191,627	264,101	205,864	258,682
More than 2 years to 3 years	129,777	194,146	127,113	194,449
More than 3 years to 4 years	66,044	134,726	82,174	138,694
More than 4 years to 5 years	46,480	86,255	47,544	99,092
More than 5 years	123,437	162,778	135,539	159,157
Total	¥823,487	¥1,174,517	¥893,993	¥1,187,853

3) 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 "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 years ended March 31, 2014 and 2015 were ¥2,988 million and ¥2,347 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**(1) Lessee side**

Future minimum lease payments on operating leases which were not cancelable were as follows:

March 31	Millions of yen	
	2014	2015
Due within 1 year	¥ 43,498	¥ 44,637
Due after 1 year	265,182	239,659
Total	¥308,681	¥284,296

(2) Lessor side

Future minimum lease payments on operating leases which were not cancelable were as follows:

March 31	Millions of yen	
	2014	2015
Due within 1 year	¥140,569	¥ 165,897
Due after 1 year	790,238	1,027,007
Total	¥930,807	¥1,192,904

Future lease payments receivable on operating leases which were not cancelable at March 31, 2014 and 2015 amounting to ¥0 million and ¥0 million, respectively, on the lessor side were pledged as collateral for borrowings.

(Notes to financial instruments)

1. Status of financial instruments

(1) Policies on financial instruments

SMFG 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 and transfer, 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 Group 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, derivative transactions for ALM purposes are undertaken by the Treasury Dept. and the International Treasury Dept. of the Treasury Unit, while derivative transactions for trading purposes are undertaken by the Trading Dept. of the Treasury Unit.

(2) Details of financial instruments and associated risks

1) Financial assets

The main financial assets held by SMFG Group 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 "(3) Risk management framework for financial instruments" below.

2) Financial liabilities

Financial liabilities of SMFG Group 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 "(3) Risk management framework for financial instruments" below.

3) Derivative transactions

Derivatives handled by SMFG Group 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 "(3) 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 "(Notes to significant accounting policies for preparing consolidated financial statements), 4. Accounting policies, (16) Hedge accounting."

(3) Risk management framework for financial instruments

The fundamental matters on risk management for the entire SMFG Group are set forth in "Regulations on Risk Management." 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 Dept., which, together with the Corporate Planning Dept., controls risk management across SMFG Group by monitoring the development and implementation of SMFG Group's risk management system, and gives appropriate guidance as needed. Under this framework, SMFG comprehensively and systematically manages risks.

1) 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.

(a) 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 Dept. 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 Dept. The department also monitors risk situations and regularly reports to the Management Committee and the Board of Directors.

Moreover, the Credit Portfolio Management Dept. within the Credit & Investment Planning Dept. works to stabilize SMBC's

overall credit portfolio through using credit derivatives and selling loan claims.

The Credit Departments of Wholesale Banking Unit, Retail Banking Unit and other business units play a central role in credit screening and managing their units' credit portfolios. In the Wholesale Banking Unit, the Credit Administration Dept. is responsible for formulating and implementing measures to reduce SMBC's exposures mainly to borrowers classified as potentially bankrupt or lower. Each business unit establishes its credit limits based on the baseline amounts for each borrower grading category. Borrowers or loans perceived to have high credit risk undergo intensive evaluation and administration by the unit's Credit Department. The Corporate Research Dept. analyzes industries as well as investigates individual borrowers' business situations to detect early signs of problems.

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

(b) 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. Based on this limit, guidelines are set for each business unit. Regular monitoring is conducted to ensure that these guidelines are being followed.

- Controlling concentration of 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 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

For 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.

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 to appropriately manage risks of incurring losses.

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 1 party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

2) 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.

(a) 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 Dept., 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.

(b) 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 that may be incurred to a specific financial instrument for a given probability) within the market risk capital limit, which is set taking into account stockholders' equity and other factors 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 fluctuations scenarios based on historical data) to measure VaR. Regarding banking activities (activities for generating profit through management of interest rates, terms, and other aspects of assets such as loans and bonds and liabilities such as deposits) and trading activities (activities 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 1 day with a probability of 1% based on 4 years of historical observation. With regard to the holding of shares (such as listed shares) for the purpose of strategic investment, SMBC calculates the maximum loss that may occur as a result of market fluctuations in 1 year with a probability of 1% based on 10 years of historical observation.

Regarding risks associated with foreign exchange rates, interest rates, share price, 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, 2015, total VaR of SMBC and its major consolidated subsidiaries was ¥39.0 billion for the banking activities, ¥14.5 billion for the trading activities, and ¥1,447.7 billion for the holding of shares (such as listed shares) for the purpose of strategic investment.

However, it should be noted that these figures are statistical figures that change according to changes in assumptions and 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, maintaining a system of highly liquid supplementary funding sources, and establishing contingency plans. A funding gap is the amount of funds needed in the future to cover duration mismatch between required investments and funding resources. SMBC tries to avoid excessive reliance on short-term funds by managing funding gap limits and has established a contingency plan covering emergency action plans such as reducing funding gap limits. 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 to within a certain percentage of open interest in the entire market.

(4) 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, on reasonably calculated prices. These prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

2. Fair value of financial instruments

- (1) Consolidated balance sheet amount, fair value and net unrealized gains (losses) of financial instruments as of March 31, 2014 and 2015 are as follows:

The amounts shown in the following tables do not include financial instruments whose fair values are extremely difficult to determine, such as unlisted stocks classified as “Other securities” (see (3) below), and stocks of subsidiaries and affiliates.

March 31, 2014	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks *1	¥ 32,980,901	¥ 32,988,091	¥ 7,189
2) Call loans and bills bought *1	1,247,326	1,248,436	1,110
3) Receivables under resale agreements	522,860	528,406	5,545
4) Receivables under securities borrowing transactions	3,780,260	3,780,887	627
5) Monetary claims bought *1	3,545,953	3,559,390	13,437
6) Trading assets			
Securities classified as trading purpose	3,467,223	3,467,223	—
7) Money held in trust	23,120	23,120	—
8) Securities			
Bonds classified as held-to-maturity	4,528,549	4,562,347	33,797
Other securities	21,656,818	21,656,818	—
9) Loans and bills discounted	68,227,688		
Reserve for possible loan losses *1	(538,691)		
	67,688,996	69,440,340	1,751,343
10) Foreign exchanges *1	1,786,063	1,790,855	4,792
11) Lease receivables and investment assets *1	1,816,624	1,893,207	76,582
Total assets	¥143,044,698	¥144,939,126	¥1,894,428
1) Deposits	¥ 94,331,925	¥ 94,334,169	¥ 2,244
2) Negotiable certificates of deposit	13,713,539	13,716,899	3,359
3) Call money and bills sold	4,112,428	4,112,428	(0)
4) Payables under repurchase agreements	1,710,101	1,710,101	—
5) Payables under securities lending transactions	5,330,974	5,330,974	—
6) Commercial paper	2,374,051	2,374,049	(2)
7) Trading liabilities			
Trading securities sold for short sales	1,865,242	1,865,242	—
8) Borrowed money	7,020,841	7,050,354	29,513
9) Foreign exchanges	451,658	451,658	—
10) Short-term bonds	1,145,200	1,145,195	(4)
11) Bonds	5,090,894	5,240,321	149,426
12) Due to trust account	699,329	699,329	—
Total liabilities	¥137,846,188	¥138,030,724	¥ 184,536
Derivative transactions *2			
Hedge accounting not applied	¥ 440,101	¥ 440,101	¥ —
Hedge accounting applied	{477,513}	{477,513}	—
Total	¥ {37,411}	¥ {37,411}	¥ —

*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,” “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, with a net debt presented in square brackets.

March 31, 2015	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks * ¹	¥ 39,739,777	¥ 39,746,763	¥ 6,986
2) Call loans and bills bought * ¹	1,326,280	1,327,080	800
3) Receivables under resale agreements	746,431	747,509	1,077
4) Receivables under securities borrowing transactions	6,477,063	6,477,657	593
5) Monetary claims bought * ¹	4,282,392	4,293,764	11,371
6) Trading assets			
Securities classified as trading purpose	3,235,701	3,235,701	—
7) Money held in trust	7,087	7,087	—
8) Securities			
Bonds classified as held-to-maturity	3,397,151	3,417,732	20,580
Other securities	25,031,810	25,031,810	—
9) Loans and bills discounted	73,068,240		
Reserve for possible loan losses * ¹	(461,747)		
	72,606,492	74,598,557	1,992,064
10) Foreign exchanges * ¹	1,903,702	1,907,769	4,066
11) Lease receivables and investment assets * ¹	1,899,760	1,974,558	74,798
Total assets	¥160,653,651	¥162,765,990	¥2,112,338
1) Deposits	¥101,047,918	¥101,053,137	¥ 5,219
2) Negotiable certificates of deposit	13,825,898	13,829,279	3,381
3) Call money and bills sold	5,873,123	5,873,118	(5)
4) Payables under repurchase agreements	991,860	991,860	—
5) Payables under securities lending transactions	7,833,219	7,833,219	—
6) Commercial paper	3,351,459	3,351,431	(27)
7) Trading liabilities			
Trading securities sold for short sales	2,193,399	2,193,399	—
8) Borrowed money	9,778,095	9,828,014	49,918
9) Foreign exchanges	1,110,822	1,110,822	—
10) Short-term bonds	1,370,800	1,370,799	(0)
11) Bonds	6,222,918	6,437,691	214,772
12) Due to trust account	718,133	718,133	—
Total liabilities	¥154,317,650	¥154,590,909	¥ 273,259
Derivative transactions * ²			
Hedge accounting not applied	¥ 593,008	¥ 593,008	¥ —
Hedge accounting applied	[861,906]	[861,906]	—
Total	¥ [268,898]	¥ [268,898]	¥ —

*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," "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, with a net debt presented in square brackets.

(2) Fair value calculation methodology for financial instruments

Assets

1) Cash and due from 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, for dues from banks without maturity and overdrafts with no specified repayment dates, the book values are used as fair value as they are considered to approximate their fair value.

For short-term transactions with remaining maturity not exceeding 6 months, in principle, the book values are used as fair value as they are considered to approximate their fair value.

The fair value of those with a remaining maturity 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 of a risk-free interest rate and an adjustment). 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 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 expected recoverable amount from disposal of collateral or guarantees, or the present value of expected future cash flows. Since the claims' balance sheet amounts minus the expected amount of loan losses approximate their fair values, such amounts are considered to be their fair values.

5) Monetary claims bought:

The fair values of monetary claims bought, such as subordinated trust beneficiary interests related to securitized housing loans, are based on the assessed value of underlying housing loans securitized through the trust scheme 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 end 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 as of the end of the fiscal year.

In light of the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issue Task Force No. 25), the fair values of floating rate 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 adjustment. However, the fair values of bonds, such as private placement bonds issued by bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers are based on the bond's book value after the deduction of the expected amount of a loss on the bond computed by using the same method applied to the estimation of a loan loss. Meanwhile, 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. The fair values of short-term transactions with remaining maturity not exceeding 6 months are also based on their book values, as their book values are considered to approximate their fair values. The fair values of transactions with a remaining maturity of more than 6 months are, in principle, based on the present value of estimated future cash flows calculated using the rate applied to the same type of deposits that are newly accepted until the end of the remaining maturity.

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 maturity not exceeding 6 months are based on their book values, as their book values are considered to approximate their fair values. For transactions with a remaining maturity of more than 6 months, their fair values are, in principle, based on the present value of estimated future cash flows calculated using the refinancing rate applied to the same type of instruments for the remaining maturity. 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 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 as of the end 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.

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 prices calculated based on the present value of the future cash flows, option valuation models, etc. The fair values of commodity derivatives transactions are based on their prices 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	
	2014	2015
Monetary claims bought:		
Monetary claims bought without market prices *1	¥ 5,168	¥ 2,537
Securities:		
Unlisted stocks, etc. *2 *4	261,627	361,541
Investments in partnership, etc. *3 *4	333,409	259,445
Total	¥600,204	¥623,523

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

*2 They are not included in the scope of fair value disclosure since there are no market prices and it is extremely difficult to determine their fair values.

*3 They are capital contributions with no market prices. The above-stated amount includes the book value amount of investments in the partnership of which the SMFG records net changes in their balance sheets and statements of income.

*4 Unlisted stocks and investments in partnership totaling ¥9,781 million and ¥12,762 million were written-off in the fiscal year ended March 31, 2014 and 2015, respectively.

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

March 31, 2014	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥31,693,895	¥ 33,586	¥ 24,359	¥ 841
Call loans and bills bought	1,189,456	57,267	1,511	—
Receivables under resale agreements	360,564	162,296	—	—
Receivables under securities borrowing transactions ...	3,726,510	53,750	—	—
Monetary claims bought*1	2,799,998	466,522	62,526	213,170
Securities*1	6,951,602	11,799,348	2,863,479	544,298
Bonds classified as held-to-maturity	1,105,218	3,394,784	22,000	—
Japanese government bonds	1,045,000	3,260,000	20,000	—
Japanese local government bonds	32,783	69,504	—	—
Japanese corporate bonds	27,434	65,280	1,500	—
Other	—	—	500	—
Other securities with maturity	5,846,384	8,404,564	2,841,479	544,298
Japanese government bonds	3,672,565	4,740,788	1,429,700	30,000
Japanese local government bonds	45,454	58,074	5,323	13,688
Japanese corporate bonds	584,032	1,680,106	479,465	68,137
Other	1,544,332	1,925,594	926,991	432,472
Loans and bills discounted*1 *2	14,389,526	28,161,118	10,388,550	9,118,951
Foreign exchanges*1	1,777,457	10,651	—	—
Lease receivables and investment assets*1	522,275	972,413	151,545	42,117
Total	¥63,411,286	¥41,716,955	¥13,491,972	¥9,919,379

*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 Monetary claims bought: ¥ 924 million, Securities: ¥18,145 million, Loans and bills discounted: ¥891,610 million, Foreign exchanges: ¥2,297 million and Lease receivables and investment assets: ¥20,595 million.

*2 "Loans and bills discounted" without the maturity dates are not included. Such amount is totaled to ¥5,272,610 million at March 31, 2014.

March 31, 2015	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks	¥38,506,416	¥ 46,508	¥ 20,911	¥ 1,241
Call loans and bills bought	1,272,265	51,242	3,456	—
Receivables under resale agreements	674,341	72,090	—	—
Receivables under securities borrowing transactions ...	6,427,273	49,790	—	—
Monetary claims bought*1	3,378,992	597,974	48,832	221,903
Securities*1	5,656,240	14,446,962	2,311,100	758,126
Bonds classified as held-to-maturity	1,392,417	2,001,567	—	—
Japanese government bonds	1,300,000	1,980,000	—	—
Japanese local government bonds	51,347	16,356	—	—
Japanese corporate bonds	41,070	5,210	—	—
Other	—	—	—	—
Other securities with maturity	4,263,823	12,445,395	2,311,100	758,126
Japanese government bonds	1,715,975	8,893,500	369,500	—
Japanese local government bonds	28,278	21,904	1,224	35
Japanese corporate bonds	452,917	1,584,554	503,625	31,767
Other	2,066,652	1,945,436	1,436,750	726,322
Loans and bills discounted*1 *2	16,197,047	30,706,918	10,754,197	9,205,773
Foreign exchanges*1	1,883,491	21,463	—	—
Lease receivables and investment assets*1	547,109	1,005,281	156,851	50,521
Total	¥74,543,178	¥46,998,231	¥13,295,349	¥10,237,565

*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 Monetary claims bought: ¥21 million, Securities: ¥44,760 million, Loans and bills discounted: ¥756,824 million, Foreign exchanges: ¥2,712 million, Lease receivables and investment assets: ¥19,460 million.

*2 "Loans and bills discounted" without the maturity dates are not included. Such amount is totaled to ¥5,445,535 million at March 31, 2015.

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

March 31, 2014	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits *	¥ 89,294,943	¥4,255,371	¥ 469,026	¥ 312,583
Negotiable certificates of deposit	12,969,724	739,755	3,948	111
Call money and bills sold	4,112,428	—	—	—
Payables under repurchase agreements	1,710,101	—	—	—
Payables under securities lending transactions	5,330,974	—	—	—
Commercial paper	2,374,051	—	—	—
Borrowed money	4,825,675	1,047,801	795,200	352,164
Foreign exchanges	451,658	—	—	—
Short-term bonds	1,145,200	—	—	—
Bonds	517,603	2,474,114	1,742,962	359,825
Due to trust account	699,329	—	—	—
Total	¥123,431,691	¥8,517,041	¥3,011,137	¥1,024,684

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

March 31, 2015	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits *	¥ 95,917,733	¥4,284,380	¥ 497,816	¥347,987
Negotiable certificates of deposit	13,518,726	304,980	2,170	20
Call money and bills sold	5,873,123	—	—	—
Payables under repurchase agreements	991,860	—	—	—
Payables under securities lending transactions	7,833,219	—	—	—
Commercial paper	3,351,459	—	—	—
Borrowed money	7,158,084	1,306,961	824,115	488,932
Foreign exchanges	1,110,822	—	—	—
Short-term bonds	1,370,800	—	—	—
Bonds	1,023,264	2,742,910	2,034,764	426,306
Due to trust account	718,133	—	—	—
Total	¥138,867,230	¥8,639,233	¥3,358,866	¥1,263,246

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

(Notes to securities)

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

1. Securities classified as trading purposes

March 31	Millions of yen	
	2014	2015
Valuation gains (losses) included in the earnings for the fiscal year.....	¥(14,077)	¥72,389

2. Bonds classified as held-to-maturity

March 31, 2014		Millions of yen		
		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds	¥4,061,397	¥4,093,197	¥31,800
	Japanese local government bonds	100,697	101,543	845
	Japanese corporate bonds	86,478	87,781	1,303
	Other	500	501	1
	Subtotal.....	4,249,072	4,283,023	33,950
Bonds with unrealized losses:	Japanese government bonds	269,773	269,649	(124)
	Japanese local government bonds	1,883	1,881	(1)
	Japanese corporate bonds	7,820	7,793	(26)
	Other	8,300	8,300	—
	Subtotal.....	287,777	287,623	(153)
Total.....		¥4,536,849	¥4,570,647	¥33,797

March 31, 2015		Millions of yen		
		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds	¥3,283,044	¥3,303,228	¥20,183
	Japanese local government bonds	67,843	68,065	221
	Japanese corporate bonds	46,263	46,438	175
	Other	—	—	—
	Subtotal.....	3,397,151	3,417,732	20,580
Bonds with unrealized losses:	Japanese government bonds	—	—	—
	Japanese local government bonds	—	—	—
	Japanese corporate bonds	—	—	—
	Other	—	—	—
	Subtotal.....	—	—	—
Total.....		¥3,397,151	¥3,417,732	¥20,580

3. Other securities

		Millions of yen		
March 31, 2014		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks.....	¥ 2,578,401	¥ 1,392,250	¥1,186,150
	Bonds.....	11,619,291	11,549,452	69,838
	Japanese government bonds.....	8,875,576	8,852,077	23,499
	Japanese local government bonds.....	117,529	116,816	713
	Japanese corporate bonds.....	2,626,184	2,580,558	45,625
	Other.....	3,743,438	3,475,716	267,722
	Subtotal.....	17,941,130	16,417,419	1,523,711
Other securities with unrealized losses:	Stocks.....	359,736	414,743	(55,006)
	Bonds.....	1,278,413	1,282,658	(4,245)
	Japanese government bonds.....	1,035,648	1,036,692	(1,044)
	Japanese local government bonds.....	7,017	7,045	(27)
	Japanese corporate bonds.....	235,747	238,920	(3,173)
	Other.....	2,686,803	2,746,270	(59,466)
	Subtotal.....	4,324,953	4,443,672	(118,718)
Total.....		¥22,266,083	¥20,861,091	¥1,404,992

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥17,031 million for the fiscal year ended March 31, 2014 that are recognized in the earnings by applying fair value hedge accounting.

2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

March 31, 2014	Millions of yen
Stocks.....	¥247,357
Other.....	352,847
Total.....	¥600,204

These amounts are not included in "3. Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

		Millions of yen		
March 31, 2015		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks.....	¥ 3,726,432	¥ 1,653,065	¥2,073,367
	Bonds.....	11,259,951	11,199,114	60,837
	Japanese government bonds.....	8,953,781	8,935,132	18,649
	Japanese local government bonds.....	49,123	48,842	281
	Japanese corporate bonds.....	2,257,045	2,215,139	41,905
	Other.....	6,024,855	5,505,092	519,762
	Subtotal.....	21,011,239	18,357,271	2,653,967
Other securities with unrealized losses:	Stocks.....	119,767	138,826	(19,059)
	Bonds.....	2,439,610	2,450,418	(10,808)
	Japanese government bonds.....	2,053,225	2,058,905	(5,680)
	Japanese local government bonds.....	3,026	3,039	(12)
	Japanese corporate bonds.....	383,358	388,473	(5,114)
	Other.....	2,069,284	2,088,398	(19,113)
	Subtotal.....	4,628,662	4,677,644	(48,981)
Total.....		¥25,639,901	¥23,034,915	¥2,604,985

Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥29,870 million for the fiscal year ended March 31, 2015 that are recognized in the earnings by applying fair value hedge accounting.

2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

March 31, 2015	Millions of yen
Stocks.....	¥219,799
Other.....	403,724
Total.....	¥623,523

These amounts are not included in "3. Other securities" since there are no market prices and it is extremely difficult to determine their fair values.

4. Held-to-maturity bonds sold during the fiscal year

Fiscal year ended March 31, 2014

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

5. Other securities sold during the fiscal year

Year ended March 31, 2014	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 95,368	¥ 40,211	¥ (6,797)
Bonds.....	16,975,280	14,767	(8,338)
Japanese government bonds.....	16,603,340	13,195	(7,591)
Japanese local government bonds.....	139,552	350	(294)
Japanese corporate bonds.....	232,386	1,220	(453)
Other.....	9,561,019	93,937	(19,319)
Total.....	¥26,631,667	¥148,915	¥(34,455)

Year ended March 31, 2015	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 113,544	¥ 45,455	¥ (1,890)
Bonds.....	13,407,655	9,406	(5,699)
Japanese government bonds.....	13,142,974	8,939	(5,593)
Japanese local government bonds.....	63,699	37	(94)
Japanese corporate bonds.....	200,981	429	(11)
Other.....	14,275,561	98,168	(16,739)
Total.....	¥27,796,760	¥153,030	¥(24,329)

6. Change of classification of securities

Fiscal year ended March 31, 2014

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no significant corresponding transactions to be disclosed.

7. Write-down of securities

Bonds classified as held-to-maturity and other securities (excluding securities whose fair values are extremely difficult to determine) are considered as impaired if the fair value decreases materially below the acquisition cost and such decline is not considered as recoverable. The fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2014 and 2015 were ¥7,250 million and ¥5,992 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 lower than acquisition cost.
Normal issuers:	Fair value is 50% or 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.

(Notes to money held in trust)**1. Money held in trust classified as trading purposes***Fiscal year ended March 31, 2014*

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

2. Money held in trust classified as held-to-maturity*Fiscal year ended March 31, 2014*

There are no corresponding transactions.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

3. Other money held in trust

March 31, 2014	Millions of yen		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥23,120	¥23,120	—

March 31, 2015	Millions of yen		
	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥7,087	¥7,087	—

(Notes to net unrealized gains (losses) on other securities and other money held in trust)

The breakdown of “Net unrealized gains (losses) on other securities” reported on the consolidated balance sheets is as shown below:

March 31, 2014	Millions of yen
Net unrealized gains (losses)	¥1,388,101
Other securities	1,388,101
Other money held in trust	—
(-) Deferred tax liabilities	404,307
Net unrealized gains (losses) on other securities (before following adjustments)	983,793
(-) Minority interests	35,188
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates	902
Net unrealized gains (losses) on other securities	¥ 949,508

- Notes: 1. Net unrealized gains of ¥17,031 million for the fiscal year ended March 31, 2014 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 (losses) on other securities include foreign currency translation adjustments on foreign currency denominated securities whose fair value is extremely difficult to determine.

March 31, 2015	Millions of yen
Net unrealized gains (losses)	¥2,575,489
Other securities	2,575,489
Other money held in trust	—
(-) Deferred tax liabilities	727,559
Net unrealized gains (losses) on other securities (before following adjustments)	1,847,929
(-) Minority interests	59,441
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates	2,560
Net unrealized gains (losses) on other securities	¥1,791,049

- Notes: 1. Net unrealized gains of ¥29,870 million for the fiscal year ended March 31, 2015 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 (losses) on other securities include foreign currency translation adjustments on foreign currency denominated securities whose fair value is extremely difficult to determine.

(Notes to 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 notional amount, fair value, valuation gains (losses) and fair value calculation methodologies by type of derivative 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.

(1) Interest rate derivatives

	Millions of yen			
	Contract amount			Valuation
March 31, 2014	Total	Over 1 year	Fair value	gains (losses)
Listed				
Interest rate futures:				
Sold.....	¥ 28,829,810	¥ 13,631,032	¥ (8,873)	¥ (8,873)
Bought.....	28,567,999	13,072,376	8,388	8,388
Interest rate options:				
Sold.....	782,288	443,131	(66)	(66)
Bought.....	26,838,675	14,265,117	4,243	4,243
Over-the-counter				
Forward rate agreements:				
Sold.....	5,077,154	—	301	301
Bought.....	4,789,752	—	(224)	(224)
Interest rate swaps:	429,987,250	351,524,820	86,984	86,984
Receivable fixed rate/payable floating rate.....	201,751,044	167,035,674	4,013,795	4,013,795
Receivable floating rate/payable fixed rate.....	201,398,583	164,390,178	(3,930,933)	(3,930,933)
Receivable floating rate/payable floating rate	26,692,561	19,955,612	(2,864)	(2,864)
Interest rate swaptions:				
Sold.....	2,742,490	1,537,970	5,529	5,529
Bought.....	1,925,738	1,418,490	12,574	12,574
Caps:				
Sold.....	14,761,826	10,254,207	(24,927)	(24,927)
Bought.....	6,463,984	4,583,241	4,137	4,137
Floors:				
Sold.....	578,076	328,062	(885)	(885)
Bought.....	158,814	48,770	2,282	2,282
Other:				
Sold.....	768,378	665,087	11,697	11,697
Bought.....	3,107,097	2,364,787	(134)	(134)
Total.....	/	/	¥ 101,027	¥ 101,027

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 an exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Interest rate futures:				
Sold.....	¥ 72,417,655	¥ 27,182,460	¥ (63,824)	¥ (63,824)
Bought.....	70,808,254	25,824,043	58,948	58,948
Interest rate options:				
Sold.....	345,874	36,168	(110)	(110)
Bought.....	36,305,940	16,041,662	6,990	6,990
Over-the-counter				
Forward rate agreements:				
Sold.....	6,869,797	35,565	606	606
Bought.....	6,747,669	377,473	(604)	(604)
Interest rate swaps:	449,422,723	374,591,082	124,036	124,036
Receivable fixed rate/payable floating rate.....	211,594,325	176,500,223	6,138,890	6,138,890
Receivable floating rate/payable fixed rate.....	209,580,904	175,966,222	(6,018,957)	(6,018,957)
Receivable floating rate/payable floating rate.....	28,142,407	22,028,051	(2,593)	(2,593)
Interest rate swaptions:				
Sold.....	3,595,666	2,228,852	19,802	19,802
Bought.....	2,131,049	1,590,233	(12,738)	(12,738)
Caps:				
Sold.....	21,514,098	16,330,540	(18,189)	(18,189)
Bought.....	7,165,728	5,603,385	(4,231)	(4,231)
Floors:				
Sold.....	594,392	417,517	(533)	(533)
Bought.....	98,034	98,034	2,659	2,659
Other:				
Sold.....	1,004,262	885,363	(6,496)	(6,496)
Bought.....	3,924,935	3,249,593	9,944	9,944
Total.....	/	/	¥ 116,260	¥ 116,260

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 an exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(2) Currency derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	¥ 70,439	¥ —	¥ 31	¥ 31
Bought.....	13	—	0	0
Over-the-counter				
Currency swaps.....	22,084,755	15,372,964	445,125	31,029
Currency swaptions:				
Sold.....	202,168	196,919	(101)	(101)
Bought.....	338,266	313,407	480	480
Forward foreign exchange.....	50,921,507	3,687,400	(68,956)	(68,956)
Currency options:				
Sold.....	2,567,685	1,238,886	(163,998)	(163,998)
Bought.....	2,386,911	1,096,745	121,475	121,475
Total.....	/	/	¥ 334,057	¥ (80,039)

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 price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value, option pricing models and other methodologies.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Currency futures:				
Sold.....	¥ 80,931	¥ —	¥ 180	¥ 180
Bought.....	497	—	0	0
Over-the-counter				
Currency swaps.....	27,035,522	20,122,147	694,080	10,572
Currency swaptions:				
Sold.....	308,906	304,563	(559)	(559)
Bought.....	451,270	443,519	(397)	(397)
Forward foreign exchange.....	62,599,180	5,225,986	(141,028)	(141,028)
Currency options:				
Sold.....	2,723,327	1,495,074	(181,167)	(181,167)
Bought.....	2,395,875	1,248,848	121,468	121,468
Total.....	/	/	¥ 492,576	¥(190,931)

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 price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value, option pricing models and other methodologies.

(3) Equity derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥487,519	¥ —	¥ (2,819)	¥ (2,819)
Bought.....	205,511	—	920	920
Equity price index options:				
Sold.....	83,309	31,150	(4,733)	(4,733)
Bought.....	66,046	18,150	3,107	3,107
Over-the-counter				
Equity Options:				
Sold.....	220,479	220,479	(25,656)	(25,656)
Bought.....	227,041	223,876	26,751	26,751
Equity index forward contracts:				
Sold.....	—	—	—	—
Bought.....	14,995	381	(262)	(262)
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	9,270	9,020	(975)	(975)
Receivable short-term floating rate/payable equity index.....	22,313	20,530	1,497	1,497
Total.....	/	/	¥ (2,169)	¥ (2,169)

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Equity price index futures:				
Sold.....	¥995,977	¥ —	¥(11,341)	¥(11,341)
Bought.....	278,331	—	6,718	6,718
Equity price index options:				
Sold.....	169,645	68,750	(16,412)	(16,412)
Bought.....	153,942	59,715	11,545	11,545
Over-the-counter				
Equity options:				
Sold.....	225,859	218,338	(23,558)	(23,558)
Bought.....	233,896	218,338	24,976	24,976
Equity index forward contracts:				
Sold.....	16,717	—	126	126
Bought.....	33,481	499	500	500
Equity index swaps:				
Receivable equity index/payable short-term floating rate.....	31,690	31,225	(1,262)	(1,262)
Receivable short-term floating rate/payable equity index.....	59,675	58,570	1,942	1,942
Total.....	/	/	¥ (6,764)	¥ (6,764)

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(4) Bond derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold	¥1,347,967	¥ —	¥ 4,517	¥ 4,517
Bought	1,291,682	—	(4,845)	(4,845)
Bond futures options:				
Sold	6,172	—	(13)	(13)
Bought	10,172	—	7	7
Over-the-counter				
Bond forwards:				
Sold	302	—	2	2
Bought	—	—	—	—
Bond options:				
Sold	77,673	—	(61)	(61)
Bought	199,487	121,065	880	880
Total	/	/	¥ 487	¥ 487

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Bond futures:				
Sold.....	¥3,261,725	¥ —	¥(23,171)	¥(23,171)
Bought.....	2,668,201	—	15,828	15,828
Bond futures options:				
Sold.....	38,448	—	(40)	(40)
Bought.....	39,048	—	107	107
Over-the-counter				
Bond options:				
Sold.....	39,607	—	(123)	(123)
Bought.....	174,030	134,394	655	655
Total.....	/	/	¥ (6,743)	¥ (6,743)

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 price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using option pricing models.

(5) Commodity derivatives

March 31, 2014	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 6,564	¥ —	¥ (88)	¥ (88)
Bought.....	7,201	—	90	90
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	95,227	71,255	(9,702)	(9,702)
Receivable floating price/payable fixed price	86,006	58,936	19,770	19,770
Receivable floating price/payable floating price.....	7,016	5,408	(668)	(668)
Commodity options:				
Sold.....	8,771	6,631	(197)	(197)
Bought.....	2,282	1,327	47	47
Total.....	/	/	¥ 9,250	¥ 9,250

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 price on the New York Mercantile Exchange or other relevant exchanges. Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.

3. Underlying assets of commodity derivatives are fuels and metals.

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Listed				
Commodity futures:				
Sold.....	¥ 14,001	¥ —	¥ 1,546	¥ 1,546
Bought.....	15,703	—	(2,183)	(2,183)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	111,581	72,095	7,608	7,608
Receivable floating price/payable fixed price	87,933	62,634	(5,971)	(5,971)
Receivable floating price/payable floating price.....	3,922	3,384	(132)	(132)
Commodity options:				
Sold.....	15,529	13,787	(506)	(506)
Bought.....	9,095	7,946	(108)	(108)
Total.....	/	/	¥ 253	¥ 253

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 price on the New York Mercantile Exchange or other relevant exchanges. Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.

3. Underlying assets of commodity derivatives are fuels and metals.

(6) Credit derivative transactions

	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
March 31, 2014	Total	Over 1 year		
Over-the-counter				
Credit default options:				
Sold.....	¥810,582	¥440,541	¥ 4,484	¥ 4,484
Bought	925,268	522,885	(7,037)	(7,037)
Total.....	/	/	¥(2,552)	¥(2,552)

- 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.

	Millions of yen			
	Contract amount			Valuation
March 31, 2015	Total	Over 1 year	Fair value	gains (losses)
Over-the-counter				
Credit default options:				
Sold.....	¥491,723	¥397,171	¥ 6,882	¥ 6,882
Bought.....	652,486	520,233	(9,456)	(9,456)
Total.....	/	/	¥(2,574)	¥(2,574)

- 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 notional amount, fair value and fair value calculation methodologies by type of derivative and hedge accounting method 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.

(1) Interest rate derivatives

March 31, 2014			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities (bonds), deposits and negotiable certificates of deposit			
	Sold		¥ 823,040	¥ 823,040	¥ 24
	Bought		—	—	—
	Interest rate swaps:				
	Receivable fixed rate/payable floating rate		29,012,108	25,144,657	393,005
	Receivable floating rate/payable fixed rate		16,247,276	15,479,650	(373,123)
	Receivable floating rate/payable floating rate		10,423	—	(8)
	Interest rate swaptions:				
	Sold		11,543	11,543	154
	Bought		—	—	—
	Caps:				
	Sold		23,267	18,139	383
	Bought		23,267	18,139	(383)
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted			
	Receivable floating rate/payable fixed rate		18,475	8,581	(482)
	Receivable floating rate/payable floating rate		193,202	164,962	(4,105)
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money, corporate bonds			
	Receivable floating rate/payable fixed rate		85,591	73,689	(Note 3)
	Receivable floating rate/payable floating rate		5,000	3,000	
	Total		/	/	¥ 15,464

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 price on the Tokyo Financial Exchange or other relevant exchanges. 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 transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

March 31, 2015		Millions of yen			
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit			
	Sold		¥ 9,431,618	¥ 6,067,453	¥ (5,029)
	Bought		1,300,300	—	(41)
	Interest rate swaps:				
	Receivable fixed rate/payable floating rate		31,042,631	26,461,484	718,262
	Receivable floating rate/payable fixed rate		16,875,562	15,294,056	(666,588)
	Receivable floating rate/payable floating rate		3,604	—	4
	Interest rate swaptions:				
	Sold		12,344	12,344	89
	Bought		—	—	—
	Caps:				
	Sold		65,156	61,248	135
	Bought		65,156	61,248	(135)
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted			
	Receivable floating rate/payable fixed rate		148,693	91,040	728
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money, corporate bonds			
	Receivable floating rate/payable fixed rate		167,412	149,076	(Note 3)
	Receivable floating rate/payable floating rate		3,000	1,000	
	Total		/	/	¥ 47,425

- 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 price on the Tokyo Financial Exchange or other relevant exchanges. 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 transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

(2) Currency derivatives

March 31, 2014

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen		
			Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted; other securities (bonds); deposits; foreign currency exchange, etc.	¥5,002,828	¥3,567,270	¥(500,931)
	Forward foreign exchange		24,659	—	208
Recognition of gain or loss on the hedged items	Currency swaps.....	Loans and bills discounted; foreign exchange	34,642	6,075	3,350
	Forward foreign exchange		309,265	14,658	910
Allocation method	Currency swaps.....	Other securities (bonds), borrowed money	28,466	24,870	(Note 3)
	Forward foreign exchange		3,720	—	
Total			/	/	¥(496,461)

Notes: 1. SMFG 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).
 2. Fair value is calculated using discounted present value.
 3. Forward foreign exchange amounts treated by the allocation method are treated with other securities or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

March 31, 2015

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen		
			Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted; other securities; deposits; foreign currency exchange, etc.	¥6,727,385	¥4,770,873	¥(911,989)
	Forward foreign exchange		8,980	—	(36)
Recognition of gain or loss on the hedged items	Currency swaps.....	Loans and bills discounted; foreign exchange	100,155	84,886	16,193
	Forward foreign exchange		813,122	16,526	(173)
Allocation method	Currency swaps.....	Borrowed money	39,455	36,397	(Note 3)
	Forward foreign exchange				
Total			/	/	¥(896,005)

Notes: 1. SMFG 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).
 2. Fair value is calculated using discounted present value.
 3. Forward foreign exchange amounts treated by the allocation method are treated with other securities or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the "(Notes to financial instruments) 2. Fair value of financial instruments."

(3) Equity derivatives

March 31, 2014			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Recognition of gain or loss on the hedged items	Equity price index swaps:	Other securities (equity)			
	Receivable equity index/payable floating rate		¥ —	¥ —	¥ —
	Receivable floating rate/payable equity index		115,244	59,945	3,483
	Total		/	/	¥3,483

Note: Fair value is calculated using discounted present value.

March 31, 2015			Millions of yen		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Recognition of gain or loss on the hedged items	Equity price index futures:	Other securities			
	Sold		¥118,375	¥ —	¥ 1,687
	Bought		—	—	—
	Equity price index swaps:				
	Receivable equity index/payable floating rate		—	—	—
	Receivable floating rate/payable equity index		65,978	8,769	(15,013)
	Total		/	/	¥(13,326)

Note: Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value.

(Notes to employee retirement benefits)**1. Outline of employee retirement benefits**

SMFG's consolidated subsidiaries have funded and unfunded contributory defined benefit pension plans and defined-contribution pension plans for benefit payments to their employees.

Funded contributory defined benefit pension plans mainly consist of contributory funded defined benefit pension plans and lump-sum severance indemnity plans which set up employee retirement benefit trusts.

Unfunded contributory defined benefit pension plans are lump-sum severance indemnity plans which do not use such trust scheme.

Some consolidated subsidiaries adopt the simplified method in calculating the projected benefit obligation. Additional benefits may also be granted when employees retire.

2. Contributory defined benefit pension plan**(1) Reconciliation of beginning and ending balances of projected benefit obligation**

Year ended March 31	Millions of yen	
	2014	2015
Beginning balance of projected benefit obligation.....	¥1,117,085	¥1,089,286
Cumulative effects of changes in accounting policies	—	(52,699)
Restated balance	1,117,085	1,036,587
Service cost	30,713	31,681
Interest cost on projected benefit obligation	17,115	13,913
Unrecognized net actuarial gain or loss incurred	(19,815)	50,926
Payments of retirement benefits	(56,367)	(50,266)
Unrecognized prior service cost	(74)	60
Other	631	206
Ending balance of projected benefit obligation.....	¥1,089,286	¥1,083,109

(2) Reconciliation of beginning and ending balances of plan assets

Year ended March 31	Millions of yen	
	2014	2015
Beginning balance of plan assets	¥1,036,130	¥1,163,834
Expected return on plan assets	31,068	34,677
Unrecognized net actuarial gain or loss incurred	90,050	213,991
Contributions by the employer	46,496	48,937
Payments of retirement benefits.....	(41,077)	(40,973)
Other	1,165	801
Ending balance of plan assets	¥1,163,834	¥1,421,268

(3) Reconciliation of the projected benefit obligation and plan assets to net defined benefit asset and net defined benefit liability reported on the consolidated balance sheets

March 31	Millions of yen	
	2014	2015
Funded projected benefit obligation.....	¥(1,055,829)	¥(1,049,307)
Plan assets	1,163,834	1,421,268
	108,004	371,961
Unfunded projected benefit obligation.....	(33,457)	(33,802)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 74,547	¥ 338,159

March 31	Millions of yen	
	2014	2015
Net defined benefit asset	¥119,932	¥376,255
Net defined benefit liability	(45,385)	(38,096)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 74,547	¥338,159

(4) Pension expenses

Year ended March 31	Millions of yen	
	2014	2015
Service cost	¥ 30,713	¥ 31,681
Interest cost on projected benefit obligation	17,115	13,913
Expected return on plan assets	(31,068)	(34,677)
Amortization of unrecognized net actuarial gain or loss	36,294	22,763
Amortization of unrecognized prior service cost	(182)	(129)
Other (nonrecurring additional retirement allowance paid and other)	1,325	6,850
Pension expenses	¥ 54,197	¥ 40,402

Note: Pension expenses of consolidated subsidiaries which adopt the simplified method are included in "Service cost."

(5) Remeasurements of defined benefit plans

The breakdown of "Remeasurements of defined benefit plans" (before deducting tax effect) is as shown below:

Year ended March 31	Millions of yen	
	2014	2015
Prior service cost	¥—	¥ 190
Net actuarial gain or loss	—	(185,835)
Total	¥—	¥(185,645)

(6) Accumulated remeasurements of defined benefit plans

The breakdown of "Accumulated remeasurements of defined benefit plans" (before deducting tax effect) is as shown below:

March 31	Millions of yen	
	2014	2015
Unrecognized prior service cost	¥ (1,146)	¥ (956)
Unrecognized net actuarial gain or loss	116,198	(69,637)
Total	¥115,051	¥(70,594)

(7) Plan assets

1) Major asset classes of plan assets

The proportion of major asset classes to the total plan assets is as follows:

March 31	2014	2015
Stocks	59.4%	62.8%
Bonds	22.9%	21.5%
Other	17.7%	15.7%
Total	100.0%	100.0%

Note: The retirement benefit trusts set up for employee pension plans and lump-sum severance indemnity plans account for 34.1% and 37.9% of the total plan assets at March 31, 2014 and 2015, respectively.

2) Method for setting the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and expected allocation of plan assets and the current and expected long-term rates of return on various asset classes of plan assets.

(8) Actuarial assumptions

The principal assumptions used in determining benefit obligation and pension expenses are as follows:

1) Discount rate

Year ended March 31, 2014	Percentages	Year ended March 31, 2015	Percentages
Domestic consolidated subsidiaries	0.4% to 2.0%	Domestic consolidated subsidiaries	0.4% to 1.6%
Overseas consolidated subsidiaries	3.5% to 11.3%	Overseas consolidated subsidiaries	3.1% to 12.0%

2) Long-term expected rate of return on plan assets

Year ended March 31, 2014	Percentages	Year ended March 31, 2015	Percentages
Domestic consolidated subsidiaries	0% to 4.0%	Domestic consolidated subsidiaries.....	0% to 6.1%
Overseas consolidated subsidiaries	4.3% to 10.5%	Overseas consolidated subsidiaries	3.1% to 12.0%

3. Defined contribution plan

Fiscal year ended March 31, 2014

The amount required to be contributed by the consolidated subsidiaries is ¥5,936 million.

Fiscal year ended March 31, 2015

The amount required to be contributed by the consolidated subsidiaries is ¥6,770 million.

(Notes to stock options)**1. Amount of stock options expenses**

Stock options expenses which were accounted for as general and administrative expenses for the fiscal years ended March 31, 2014 and 2015 are as follows:

Year ended March 31	Millions of yen	
	2014	2015
General and administrative expenses.....	¥549	¥510

2. Amount of profit by non-exercise of stock acquisition rights

Profit by non-exercise of stock acquisition rights which were accounted for as other income for the fiscal years ended March 31, 2014 and 2015 are as follows:

Year ended March 31	Millions of yen	
	2014	2015
Other income	¥13	¥14

3. Outline of stock options and changes**(1) SMFG****1) Outline of stock options**

Date of resolution	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013
Title and number of grantees	Directors of SMFG 8 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 69	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 71	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 71	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 3 Directors, corporate auditors and executive officers of SMBC 67
Number of stock options*	Common shares 102,600	Common shares 268,200	Common shares 280,500	Common shares 115,700
Grant date.....	August 13, 2010	August 16, 2011	August 15, 2012	August 14, 2013
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.	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.....	From June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2011	From June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012	From June 28, 2012 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2013	From June 27, 2013 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2014
Exercise period	August 13, 2010 to August 12, 2040	August 16, 2011 to August 15, 2041	August 15, 2012 to August 14, 2042	August 14, 2013 to August 13, 2043

Date of resolution	July 30, 2014
Title and number of grantees	Directors of SMFG 10 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 67
Number of stock options*	Common shares 121,900
Grant date	August 15, 2014
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.
Requisite service period	From June 27, 2014 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2015
Exercise period	August 15, 2014 to August 14, 2044

* Number of stock options has been converted and stated as number of shares.

2) Stock options granted and changes

(a) Number of stock options

Date of resolution	Number of stock options				
	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013	July 30, 2014
Before vested					
Previous fiscal year-end	39,600	185,200	258,400	115,400	—
Granted	—	—	—	—	121,900
Forfeited	—	—	—	200	100
Vested	1,200	33,900	25,900	3,600	200
Outstanding	38,400	151,300	232,500	111,600	121,600
After vested					
Previous fiscal year-end	58,800	76,600	18,700	100	—
Vested	1,200	33,900	25,900	3,600	200
Exercised	1,200	—	—	—	—
Forfeited	—	—	—	—	—
Exercisable	58,800	110,500	44,600	3,700	200

Note: Number of stock options has been converted and stated as number of shares.

(b) Price information

Date of resolution	Yen				
	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013	July 30, 2014
Exercise price	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average exercise price	4,084	—	—	—	—
Fair value at the grant date	2,215	1,872	2,042	4,159	3,661

3) 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	July 30, 2014
Expected volatility * ¹	28.16%
Average expected life * ²	4 years
Expected dividends * ³	¥120 per share
Risk-free interest rate * ⁴	0.11%

*1. Calculated based on the actual stock prices during 4 years from August 16, 2010 to August 15, 2014.

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

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

*3. Expected dividends are based on the expected dividends on common stock for the fiscal year ended March 31, 2015 of the date of grant.

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

4) Method of estimating the 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) A consolidated subsidiary, KUBC

1) Outline of stock options

Date of resolution	June 29, 2004	June 29, 2005	June 29, 2006	June 29, 2006
Title and number of grantees	Directors and employees 174	Directors and employees 183	Directors 9	Officers not doubling as directors 14 Employees 46
Number of stock options*	Common shares 39,900	Common shares 46,400	Common shares 16,200	Common shares 11,500
Grant date	July 30, 2004	July 29, 2005	July 31, 2006	July 31, 2006
Condition for vesting	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.
Exercise period	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016

Date of resolution	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Title and number of grantees	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 17,400	Common shares 11,200	Common shares 28,900	Common shares 35,000
Grant date	July 31, 2007	July 31, 2007	July 31, 2008	July 31, 2009
Condition for vesting	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.
Exercise period	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

* Number of stock options has been converted and stated as the number of shares in consideration of the reverse stock split to combine 10 common shares as one share, performed on October 1, 2014.

2) Stock options granted and changes

(a) Number of stock options

Date of resolution	Number of stock options							
	June 29, 2004	June 29, 2005	June 29, 2006	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	19,700	27,200	9,400	6,800	12,200	8,000	28,400	35,000
Vested	—	—	—	—	—	—	—	—
Exercised	—	—	—	—	—	—	—	—
Forfeited	19,700	4,600	3,200	1,100	4,400	1,000	5,700	3,100
Exercisable	—	22,600	6,200	5,700	7,800	7,000	22,700	31,900

Note: Number of stock options has been converted and stated as the number of shares in consideration of the reverse stock split to combine 10 common shares as one share, performed on October 1, 2014.

(b) Price information

Date of resolution	Yen							
	June 29, 2004	June 29, 2005	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008	June 26, 2009
Exercise price	¥2,020	¥3,130	¥4,900	¥4,900	¥4,610	¥4,610	¥3,020	¥1,930
Average exercise price	—	—	—	—	—	—	—	—
Fair value at the grant date	—	—	1,380	1,380	960	960	370	510

3) Method of estimating the 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) A consolidated subsidiary, MINATO

1) Outline of stock options

Date of resolution	June 28, 2012	June 27, 2013	June 27, 2014
Title and number of grantees	Directors 7 Officers 12	Directors 7 Officers 12	Directors 7 Officers 16
Number of stock options*	Common shares 368,000	Common shares 334,000	Common shares 320,000
Grant date	July 20, 2012	July 19, 2013	July 18, 2014
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.	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.	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.	June 27, 2013 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2014.	June 27, 2014 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2015
Exercise period	July 21, 2012 to July 20, 2042	July 20, 2013 to July 19, 2043	July 19, 2014 to July 18, 2044

* Number of stock options has been converted and stated as number of shares.

2) Stock options granted and changes

(a) Number of stock options

Date of resolution	Number of stock options		
	June 28, 2012	June 27, 2013	June 27, 2014
Before vested			
Previous fiscal year-end	272,000	306,000	—
Granted	—	—	320,000
Forfeited	—	—	12,000
Vested	70,000	83,000	46,000
Outstanding	202,000	223,000	262,000
After vested			
Previous fiscal year-end	73,000	22,000	—
Vested	70,000	83,000	46,000
Exercised	—	—	—
Forfeited	—	—	—
Exercisable	143,000	105,000	46,000

Note: Number of stock options has been converted and stated as number of shares.

(b) Price information

Date of resolution	June 28, 2012	June 27, 2013	June 27, 2014
Exercise price	¥ 1	¥ 1	¥ 1
Average exercise price	—	—	—
Fair value at the grant date	132	166	181

3) 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 27, 2014
Expected volatility* ¹	26.49%
Average expected life* ²	2 years
Expected dividends* ³	¥5 per share
Risk-free interest rate* ⁴	0.06%

*¹ Calculated based on the actual stock prices during 2 years from July 19, 2012 to July 18, 2014.

*² The average expected life could not be estimated rationally due to insufficient amount of data. Therefore, it was estimated based on average assumption periods of directors of MINATO.

*³ Expected dividends are based on the actual dividends on common stock for the fiscal year ended March 31, 2014.

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

4) Method of estimating the 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.

(Notes to deferred tax assets and liabilities)**1. Significant components of deferred tax assets and liabilities**

March 31, 2014	Millions of yen	March 31, 2015	Millions of yen
Deferred tax assets:		Deferred tax assets:	
Net operating loss carryforwards.....	¥ 380,685	Net operating loss carryforwards.....	¥ 320,680
Reserve for possible loan losses and write-off of loans.....	454,436	Reserve for possible loan losses and write-off of loans.....	290,628
Write-off of securities.....	148,032	Write-off of securities.....	113,876
Net defined benefit liability.....	63,120	Net defined benefit liability.....	35,174
Remeasurements of defined benefit plans.....	40,919	Deferred losses on hedges.....	14,082
Deferred losses on hedges.....	34,227	Other.....	248,581
Other.....	212,602		
Subtotal.....	1,334,023	Subtotal.....	1,023,023
Valuation allowance.....	(681,593)	Valuation allowance.....	(568,997)
Total deferred tax assets.....	652,429	Total deferred tax assets.....	454,026
Deferred tax liabilities:		Deferred tax liabilities:	
Net unrealized gains on other securities.....	(408,763)	Net unrealized gains on other securities.....	(731,045)
Gains on securities contributed to employee retirement benefits trust.....	(38,524)	Gains on securities contributed to employee retirement benefits trust.....	(35,492)
Leveraged lease.....	(20,378)	Remeasurements of defined benefit plans.....	(23,160)
Other.....	(114,972)	Leveraged lease.....	(22,513)
		Other.....	(115,367)
Total deferred tax liabilities.....	(582,640)	Total deferred tax liabilities.....	(927,578)
Net deferred tax assets (liabilities).....	¥ 69,789	Net deferred tax assets (liabilities).....	¥ (473,551)

2. Significant components of difference between the statutory tax rate used by SMFG and the effective income tax rate

March 31, 2014	Percentages	March 31, 2015	Percentages
Statutory tax rate.....	38.01%	Statutory tax rate.....	35.64%
Difference between SMFG and overseas consolidated subsidiaries.....	(2.66)	Difference between SMFG and overseas consolidated subsidiaries.....	(2.34)
Valuation allowance.....	(1.90)	Dividends exempted for income tax purposes.....	(2.05)
Dividends exempted for income tax purposes.....	(1.51)	Valuation allowance.....	(0.48)
Effects of changes in the corporate income tax rate.....	0.78	Effects of changes in the corporate income tax rate.....	2.10
Other.....	(0.47)	Other.....	0.84
Effective income tax rate.....	32.25%	Effective income tax rate.....	33.71%

3. Adjustments to deferred tax assets and liabilities arising from a change in the income tax rate

In accordance with the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9, 2015) and the Act for Partial Amendment of the Local Tax Act, etc. (Act No. 2, 2015) on March 31, 2015, the corporate income tax rate is lowered from fiscal years beginning on or after April 1, 2015. As a result of these changes, the effective statutory tax rate used by SMFG and its consolidated domestic subsidiaries for the calculation of deferred tax assets and liabilities was changed from the current rate of 35.64% to 33.06% for temporary differences and other items expected to be eliminated during the period beginning from the fiscal year beginning on April 1, 2015, and to 32.26% for temporary differences and other items expected to be eliminated in the fiscal year beginning on or after April 1, 2016. As a result of these changes in tax rates, “Net deferred tax assets (liabilities)” increased by ¥49,304 million, “Net unrealized gains (losses) on other securities” increased by ¥75,867 million, “Net deferred gains (losses) on hedges” decreased by ¥1,318 million, “Remeasurements of defined benefit plans” increased by ¥2,285 million, and “Income tax deferred” increased by ¥27,529 million before considering about minority interests. “Deferred tax liabilities for land revaluation excess” decreased by ¥3,604 million, while “Land revaluation excess” increased by the same amount before considering about minority interests.

(Notes to asset retirement obligations)*Fiscal year ended March 31, 2014*

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There is no significant information to be disclosed.

(Notes to real estate for rent)*Fiscal year ended March 31, 2014*

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There is no significant information to be disclosed.

(Notes to segment and other related information)

[Segment information]

1. Summary of reportable segment

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 and SMFG's Management Committee regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

Besides commercial banking, SMFG Group companies conduct businesses such as leasing, securities, consumer finance, system development and data processing. The primary businesses, "Commercial banking," "Leasing," "Securities" and "Consumer Finance," are separate reportable segments, and other businesses are aggregated as "Other business."

SMBC assesses business performance by classifying "Commercial banking" into the following 4 business units: "Wholesale banking unit," "Retail banking unit" and "International banking unit" that are based on the client segment, and "Treasury unit" that is based on the financial markets.

SMBC reviewed its domestic business units with an aim to improve its ability to meet customers' needs and provide more value-added products and services by reconstructing business model for each segment. "Customer banking unit," "Middle market banking unit" and "Corporate banking unit," which were 3 domestic business units, have changed into 2 business units; "Retail banking unit" and "Wholesale banking unit."

From the fiscal year ended March 31, 2015, the performance assessment method was changed by, for example, changing the definition of consolidated net business profit, in order to enhance the group business management.

Information for the fiscal year ended March 31, 2014 indicates profit and loss amount by reportable segment prepared based on the above-mentioned revisions.

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

Accounting methods applied to the reported business segment are the same as those described in "(Notes to significant accounting policies for preparing consolidated financial statements)."

SMFG does not assess assets by business segments.

3. Information on profit and loss amount by reportable segment

Year ended March 31, 2014	Millions of yen							
	Commercial banking							
	SMBC							
	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	Total
Gross profit	¥1,558,184	¥ 558,538	¥ 405,391	¥295,984	¥325,522	¥ (27,250)	¥ 249,055	¥1,807,239
Interest income.....	1,064,906	323,396	321,309	174,587	225,207	20,407	171,143	1,236,050
Non-interest income.....	493,277	235,142	84,082	121,397	100,315	(47,658)	77,912	571,189
Expenses, etc.	(745,745)	(200,758)	(336,413)	(89,093)	(22,901)	(96,580)	(195,566)	(941,311)
Depreciation	(81,666)	(23,550)	(31,292)	(9,745)	(4,810)	(12,269)	(10,635)	(92,302)
Consolidated net business profit.....	¥ 812,438	¥ 357,780	¥ 68,978	¥206,891	¥302,621	¥(123,831)	¥ 53,488	¥ 865,927

Year ended March 31, 2014	Millions of yen							
	Leasing							
	Securities							
	SMFL	Others	Total	SMBC Nikko	SMBC Friend	Others	Total	
Gross profit	¥127,861	¥10,584	¥138,446	¥339,299	¥58,153	¥ 304	¥397,758	
Interest income.....	29,088	6,137	35,226	229	1,329	1,083	2,642	
Non-interest income.....	98,773	4,446	103,219	339,070	56,823	(778)	395,115	
Expenses, etc.	(52,830)	(1,603)	(54,433)	(235,255)	(42,426)	(14,281)	(291,963)	
Depreciation	(4,070)	(415)	(4,485)	(2,842)	(1,927)	(746)	(5,516)	
Consolidated net business profit.....	¥ 75,031	¥ 8,981	¥ 84,012	¥104,044	¥15,726	¥(13,976)	¥105,794	

Year ended March 31, 2014	Millions of yen							
	Consumer Finance							
	Other Business							
	SMCC	Cedyna	SMBCCF	Others	Total	Other Business	Grand Total	
Gross profit	¥ 189,932	¥ 167,571	¥181,806	¥ 795	¥ 540,105	¥ 14,684	¥ 2,898,233	
Interest income.....	13,917	28,309	124,366	(9,947)	156,646	53,603	1,484,169	
Non-interest income.....	176,014	139,621	57,439	10,743	383,459	(38,919)	1,414,064	
Expenses, etc.	(139,625)	(123,614)	(72,996)	(16,521)	(352,758)	80,763	(1,559,703)	
Depreciation	(10,336)	(9,607)	(3,732)	(2,180)	(25,856)	(8,379)	(136,541)	
Consolidated net business profit.....	¥ 50,306	¥ 43,956	¥108,810	¥ 15,725	¥ 187,347	¥ 95,447	¥ 1,338,530	

Notes: 1. Figures shown in the parenthesis represent the loss.

2. SMFL and SMBCCF represents consolidated figures of SMFL and SMBCCF.

"SMBC Nikko" represents non-consolidated figures of SMBC Nikko plus figures of the overseas incorporated securities companies.

"Cedyna" represents consolidated figures of Cedyna excluding figures of the immaterial subsidiaries.

3. "Other business" includes profit or loss to be eliminated as inter-segment transactions.

Millions of yen								
Commercial banking								
SMBC								
Year ended March 31, 2015	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	Total
Gross profit	¥1,634,284	¥555,429	¥ 386,784	¥345,332	¥353,990	¥ (7,250)	¥ 289,397	¥1,923,682
Interest income.....	1,121,428	315,796	313,171	227,808	212,361	52,292	171,222	1,292,650
Non-interest income.....	512,856	239,633	73,613	117,524	141,629	(59,542)	118,175	631,032
Expenses, etc.	(791,211)	(206,778)	(350,047)	(106,637)	(25,918)	(101,831)	(202,923)	(994,135)
Depreciation	(82,976)	(23,281)	(31,317)	(10,195)	(4,682)	(13,501)	(10,041)	(93,018)
Consolidated net business profit.....	¥ 843,073	¥348,651	¥ 36,737	¥238,695	¥328,072	¥(109,081)	¥ 86,473	¥ 929,547

Millions of yen							
Leasing				Securities			
Year ended March 31, 2015	SMFL	Others	Total	SMBC Nikko	SMBC Friend	Others	Total
Gross profit	¥136,965	¥12,325	¥149,290	¥ 346,294	¥ 50,393	¥ (2,799)	¥ 393,888
Interest income.....	19,311	5,132	24,443	1,498	1,246	1,015	3,759
Non-interest income.....	117,654	7,193	124,847	344,796	49,146	(3,814)	390,128
Expenses, etc.	(56,497)	(4,244)	(60,742)	(248,680)	(39,993)	(13,238)	(301,913)
Depreciation.....	(3,555)	(4,720)	(8,275)	(2,720)	(1,707)	(677)	(5,105)
Consolidated net business profit.....	¥ 80,467	¥ 8,081	¥ 88,548	¥ 97,613	¥ 10,399	¥(16,037)	¥ 91,974

Millions of yen							
Consumer Finance						Other Business	Grand Total
Year ended March 31, 2015	SMCC	Cedyna	SMBCCF	Others	Total		
Gross profit	¥ 196,462	¥ 164,205	¥215,559	¥ 661	¥ 576,889	¥(63,347)	¥ 2,980,403
Interest income.....	13,667	25,916	149,016	(9,943)	178,657	5,668	1,505,178
Non-interest income.....	182,794	138,289	66,543	10,605	398,232	(69,015)	1,475,224
Expenses, etc.	(146,087)	(121,750)	(96,123)	(17,944)	(381,906)	68,754	(1,669,942)
Depreciation.....	(11,577)	(8,686)	(5,942)	(2,178)	(28,385)	(11,423)	(146,209)
Consolidated net business profit	¥ 50,375	¥ 42,455	¥119,436	¥(17,283)	¥ 194,982	¥ 5,407	¥1,310,461

Notes: 1. Figures shown in the parenthesis represent the loss.

2. SMFL and SMBCCF represents consolidated figures of SMFL and SMBCCF.

“SMBC Nikko” represents non-consolidated figures of SMBC Nikko plus figures of the overseas incorporated securities companies.

“Cedyna” represents consolidated figures of Cedyna excluding figures of the immaterial subsidiaries.

3. “Other business” includes profit or loss to be eliminated as inter-segment transactions.

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, 2014	Millions of yen
Consolidated net business profit.....	¥1,338,530
Other ordinary income (excluding equity in gains of affiliates).....	296,337
Other ordinary expenses	(202,536)
Ordinary profit on consolidated statements of income.....	¥1,432,332
Year ended March 31, 2015	Millions of yen
Consolidated net business profit.....	¥1,310,461
Other ordinary income	218,008
Other ordinary expenses (excluding equity in losses of affiliates)	(207,313)
Ordinary profit on consolidated statements of income.....	¥1,321,156

[Related information]

Fiscal year ended March 31, 2014

1. Information on each service

	Millions of yen					Total
	Commercial banking	Leasing	Securities	Consumer Finance	Other business	
Ordinary income to external customers	¥2,541,625	¥586,777	¥402,925	¥992,827	¥117,724	¥4,641,880

Note: Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Geographic information

(1) Ordinary income

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥3,762,300	¥237,908	¥354,980	¥286,690	¥4,641,880

Notes: 1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Ordinary income from transactions of SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "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.

(2) Tangible fixed assets

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥1,296,644	¥132,232	¥902,456	¥15,455	¥2,346,788

3. Information on major customers

There are no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

Fiscal year ended March 31, 2015

1. Information on each service

	Millions of yen					Total
	Commercial banking	Leasing	Securities	Consumer Finance	Other business	
Ordinary income to external customers	¥2,557,945	¥691,177	¥494,779	¥1,013,679	¥93,620	¥4,851,202

Note: Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Geographic information

(1) Ordinary income

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥3,783,696	¥294,216	¥387,251	¥386,037	¥4,851,202

Notes: 1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Ordinary income from transactions of SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "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.

(2) Tangible fixed assets

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥1,360,804	¥191,232	¥1,201,437	¥17,378	¥2,770,853

3. Information on major customers

There are no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

[Information on impairment loss for fixed assets by reportable segment]

Millions of yen						
Year ended March 31, 2014	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Impairment loss.....	¥2,551	—	¥65	¥481	¥250	¥3,348

Millions of yen						
Year ended March 31, 2015	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Impairment loss.....	¥4,906	—	¥173	¥29	—	¥5,109

[Information on amortization of goodwill and unamortized balance by reportable segment]

Millions of yen						
Year ended March 31, 2014	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Amortization of goodwill	¥ 1,380	¥ 9,664	¥ 14,021	¥ 3,942	¥23	¥ 29,033
Unamortized balance	24,109	80,523	202,216	70,200	94	377,145

Millions of yen						
Year ended March 31, 2015	Commercial Banking	Leasing	Securities	Consumer finance	Other business	Total
Amortization of goodwill	¥ 2,010	¥ 6,446	¥ 14,013	¥ 4,025	¥23	¥ 26,521
Unamortized balance	22,098	75,414	188,202	66,180	71	351,966

[Information on gains on negative goodwill by reportable segment]

Fiscal year ended March 31, 2014

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There are no corresponding transactions.

[Information on total credit cost by reportable segment]

Millions of yen						
Year ended March 31, 2014	Commercial banking	Leasing	Securities	Consumer finance	Other business	Total
Total credit cost.....	¥(116,546)	¥(889)	¥11	¥66,796	¥1,554	¥(49,073)

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

2. "Other business" includes profit or loss to be eliminated as inter-segment transactions.

3. Figures shown in the parenthesis represent the reversal of total credit cost.

Millions of yen						
Year ended March 31, 2015	Commercial banking	Leasing	Securities	Consumer finance	Other business	Total
Total credit cost.....	¥(68,299)	¥(6,066)	¥(212)	¥78,780	¥3,644	¥7,847

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

2. "Other business" includes profit or loss to be eliminated as inter-segment transactions.

3. Figures shown in the parenthesis represent the reversal of total credit cost.

[Information on related parties]**Fiscal year ended March 31, 2014**

There is no significant information to be disclosed.

Fiscal year ended March 31, 2015

There is no significant information to be disclosed.

(Business Combinations)

There is no significant business combination to be disclosed.

(Per Share Data)

As of and year ended March 31	Yen	
	2014	2015
Net assets	¥5,323.87	¥6,598.87
Net income per share.....	611.45	551.18
Net income per share (diluted)	611.14	550.85

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

Year ended March 31	Millions of yen except number of shares	
	2014	2015
Net income per share:		
Net income	¥ 835,357	¥ 753,610
Amount not attributable to common stockholders.....	—	—
Net income attributable to common stock.....	¥ 835,357	¥ 753,610
Average number of common stock during the fiscal year (in thousand).....	1,366,186	1,367,258
Net income per share (diluted):		
Adjustment for net income.....	¥ (0)	¥ (0)
Adjustment of dilutive shares issued by subsidiaries and affiliates.....	(0)	(0)
Increase in number of common stock (in thousand).....	698	816
Stock acquisition rights	698	816
Outline of dilutive shares which were not included in the calculation of "Net income per share (diluted)" because they do not have dilutive effect:	—	—

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

March 31	Millions of yen except number of shares	
	2014	2015
Net assets	¥9,005,019	¥10,696,271
Amounts excluded from Net assets	1,725,832	1,674,022
Stock acquisition rights	1,791	2,284
Minority interests.....	1,724,041	1,671,738
Net assets attributable to common stock at the fiscal year-end	¥7,279,186	¥ 9,022,249
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands)	1,367,273	1,367,241

3. Changes in accounting policies

As described in (Notes to significant accounting policies for preparing consolidated financial statements), SMFG has adopted Paragraph 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012, "Accounting Standard") and Paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015, "Guidance") from the beginning of the fiscal year ended March 31, 2015. Accordingly, SMFG applies the transitional treatment stipulated in Paragraph 37 of the Accounting Standard.

As a result, net assets per share as of April 1, 2014 increased by ¥ 25.93.

(Significant Subsequent Events)

There is no significant subsequent event to be disclosed.

[Consolidated supplementary financial schedules]
[Schedule of bonds]

Company	Type of bonds	Date of issuance	Millions of yen		Percentages		Collateral	Date of maturity
			At the beginning of the fiscal year	At the end of the fiscal year	Interest rate (Note 1)			
SMFG	Straight bonds, payable in Yen	Sep. 12, 2014	—	99,399	0.849		None	Sep. 12, 2024
	Subordinated bonds, payable in Yen ...	Sep. 12, 2014	—	34,800	0.61		None	Sep. 12, 2024
	Subordinated bonds, payable in U.S. dollars (Note 3)	Apr. 2, 2014	—	209,788 (\$ 1,746,058 thousand)	4.436		None	Apr. 2, 2024
SMBC	Short-term bonds, payable in Yen (Note 4)	Mar. 2014 ~ Mar. 2015	¥ 25,000 [25,000]	25,000 [25,000]	0.07		None	Apr. 2015
	Straight bonds, payable in Yen (Note 4)	Aug. 2004 ~ Sep. 2004	65,000 [30,000]	35,000	0.03429 ~ 0.08143		None	Aug. 2016 ~ Sep. 2016
	Straight bonds, payable in Yen (Note 4)	May. 2009 ~ Apr. 2014	861,808 [196,396]	729,974 [370,000]	0.254 ~ 0.69		None	Apr. 2015 ~ Apr. 2019
	Straight bonds, payable in Euroyen (Note 4)	Mar. 2006 ~ Feb. 2007	12,900	500 [500]	0.01286		None	May 8, 2015
	Straight bonds, payable in U.S. dollars (Notes 3 and 4)	Jul. 2010 ~ Mar. 2015	1,618,005 (\$15,727,110 thousand) [144,015]	2,562,816 (\$21,330,140 thousand) [432,540]	0.5741 ~ 4.13		None	Jul. 2015 ~ Mar. 2030
	Straight bonds, payable in British pound sterling (Notes 3 and 4)	Mar. 18, 2013	42,805 (£250,000 thousand)	44,502 (£250,000 thousand)	1.11438		None	Mar. 18, 2016
	Straight bonds, payable in Euro (Note 3)	Jul. 2013 ~ Jan. 2015	175,822 (£1,242,032 thousand)	259,206 (£1,989,456 thousand)	1.00 ~ 2.75		None	Dec. 2020 ~ Jul. 2023
	Straight bonds, payable in Australian dollars (Notes 3 and 4)	Dec. 2011 ~ Mar. 2015	139,961 (A\$1,469,873 thousand) [40,942]	137,981 (A\$1,499,469 thousand) [12,882]	2.97 ~ 4.13		None	Mar. 2016 ~ Mar. 2025
	Straight bonds, payable in Hong Kong dollars (Note 3)	Mar. 5, 2015	—	13,392 (HK\$864,000 thousand)	2.55		None	Mar. 7, 2022
	Subordinated bonds, payable in Yen (Note 4)	Oct. 2004 ~ Dec. 2011	739,271 [49,997]	583,046 [50,000]	1.43 ~ 2.8		None	Aug. 2015 ~ Dec. 2026
	Subordinated bonds, payable in Yen	Nov. 2011 ~ Jan. 2013	355,522	354,715	0.87 ~ 1.1		None	Nov. 2021 ~ Feb. 2023
	Subordinated bonds, payable in Euroyen	Jun. 2005 ~ Dec. 2009	130,800	12,000	2.564 ~ 2.97		None	Jun. 2023 ~ Jun. 2035
	Subordinated bonds, payable in U. S. dollars (Note 3)	Mar. 1, 2012	153,765 (\$1,494,609 thousand)	178,636 (\$1,486,780 thousand)	4.85		None	Mar. 1, 2022
	Perpetual subordinated bonds, payable in U. S. dollars (Note 3)	Jul. 22, 2005	33,641 (\$327,001 thousand)	39,309 (\$327,169 thousand)	5.625		None	Perpetual
	Subordinated bonds, payable in Euro (Note 3)	Nov. 9, 2010	105,391 (€744,503 thousand)	96,452 (€740,294 thousand)	4		None	Nov. 9, 2020
	Perpetual subordinated bonds, payable in Euro (Note 3)	Jul. 22, 2005	46,839 (€330,881 thousand)	43,152 (€331,204 thousand)	4.375		None	Perpetual
	(*1) Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2 and 4)	Apr. 2004 ~ Mar. 2015	458,229 [51,250]	629,682 [91,114]	0.01 ~ 13.71		None	Apr. 2015 ~ Mar. 2045
	(*2) Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2,3 and 4)	Apr. 2014 ~ Mar. 2015	—	1,457 (\$13,000 thousand) [108]	0.01 ~ 3.8		None	Apr. 2015 ~ Feb. 2020
	(*3) Consolidated subsidiaries, straight bonds, payable in Renminbi (Notes 2,3 and 4)	Sep. 2011 ~ Aug. 2012	14,931 (RMB900,000 thousand) [4,977]	11,616 (RMB600,000 thousand) [11,616]	4		None	Aug. 3, 2015
	(*4) Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2 and 3)	May 5, 2014	—	19,287 (RMB996,255 thousand)	5.8		None	May 5, 2016
	(*5) Consolidated subsidiaries, subordinated bonds, payable in Yen (Notes 2 and 4)	Mar. 1996 ~ Dec. 2012	136,200	126,200 [10,000]	2.19 ~ 4.5		None	Mar. 2016 ~ Perpetual
	(*6) Consolidated subsidiaries, short-term bonds, payable in Yen (Notes 2 and 4)	Apr. 2013 ~ Mar. 2015	1,120,200 [1,120,200]	1,345,800 [1,345,800]	0.085 ~ 0.16		None	Apr. 2015 ~ Oct. 2015
Total			¥ 6,236,094	¥ 7,593,718	—		—	—

Notes: 1. "Interest rate" indicates a nominal interest rate which is applied at respective consolidated balance sheet dates. Therefore, this rate may differ from an actual interest rate.

2. (*1) This represents an aggregate of straight bond issued in yen by SMFL, SMBC Nikko and SMCCE, domestic consolidated subsidiaries.

(*2) This is a straight bond issued in U.S. dollar by SMBC Nikko, domestic consolidated subsidiaries.

(*3) This is a straight bond issued in Renminbi by SMFL, a domestic consolidated subsidiary.

(*4) This is a straight bond issued in Renminbi by Sumitomo Mitsui Banking Corporation (China) Limited, an overseas consolidated subsidiary.

(*5) This represents an aggregate of perpetual subordinated bonds and subordinated term bonds issued in yen by SMBC International Finance N.V., an overseas consolidated subsidiary and KUBC and MINATO, domestic consolidated subsidiaries.

(*6) This is a short-term bond issued by SMFL, SMBC Nikko and Cedyne, domestic consolidated subsidiaries.

3. Figures showed in () in "At the beginning of the fiscal year" and "At the end of the fiscal year" are in foreign currency.

4. Figures showed in [] in "At the beginning of the fiscal year" and "At the end of the fiscal year" are the amounts to be redeemed within one year.

5. The redemption schedule over the next 5 years after respective balance sheet dates of the consolidated subsidiaries was as follows:

Millions of yen				
Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
¥2,394,064	¥928,235	¥871,686	¥352,981	¥590,006

[Schedule of borrowings]

Classification	Millions of yen		Percentages	Repayment Term
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	
Borrowed money	¥7,020,841	¥9,778,095	0.40	—
Other borrowings	7,020,841	9,778,095	0.40	Jan. 2015 ~ Perpetual
Lease obligations	93,622	101,840	4.58	Apr. 2015 ~ Jul. 2032

Notes: 1. "Average interest rate" represents the weighted average interest rate based on the interest rates and "At the end of the fiscal year" at respective balance sheet dates of consolidated subsidiaries.

2. The redemption schedule over the next 5 years on Borrowings and Lease obligations after respective balance sheet dates of the consolidated subsidiaries was as follows:

	Millions of yen				
	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
Other borrowings	¥7,158,084	¥311,200	¥203,305	¥462,193	¥330,261
Lease obligations	20,698	17,484	15,976	14,548	13,157

Since the commercial banking business accepts deposits and raises and manages funds through the call loan and commercial paper markets as a normal course of business, the schedule of borrowings shows a breakdown of Borrowed money included in the "Liabilities" and Lease obligations included in "Other liabilities" in the consolidated balance sheet.

Reference: Commercial paper issued for funding purpose as a normal course of business is as follows:

	Millions of yen		Percentages	Repayment Term
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	
Commercial paper	¥2,374,051	¥3,351,459	0.29	Apr. 2015 ~ Feb. 2016

[Schedule of asset retirement obligations]

Since the amount of asset retirement obligations accounts for 1% or less than the total of liabilities and net assets, the schedule of asset retirement obligation is not disclosed.

[Others]

Quarterly consolidated financial information in the fiscal year ended March 31, 2015 were as follows;

	Millions of yen (except Net income per share)			
	First quarter consolidated total period	Second quarter consolidated total period	Third quarter consolidated total period	Fiscal year ended March 31, 2015
Ordinary income	¥1,118,656	¥2,360,297	¥3,556,519	¥4,851,202
Income before income taxes and minority interests	366,265	778,005	1,102,834	1,309,377
Net income	230,819	479,548	682,220	753,610
Net income per share	168.82	350.73	498.97	551.18

	Yen			
	First quarter consolidated accounting period	Second quarter consolidated accounting period	Third quarter consolidated accounting period	Fourth quarter consolidated accounting period
Net income per share	¥168.82	¥181.91	¥148.23	¥52.21

(Non-consolidated financial statements)

1. Non-consolidated balance sheets

March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Assets:			
Current assets			
Cash and due from banks.....	¥ 79,901	¥ 201,862	\$ 1,680
Prepaid expenses.....	31	61	1
Accrued income.....	51	4,786	40
Accrued income tax refunds.....	42,244	102,966	857
Other current assets.....	1,814	2,275	19
Total current assets.....	124,042	311,951	2,596
Fixed assets			
Tangible fixed assets			
Buildings.....	0	30	0
Equipment.....	1	0	0
Total tangible fixed assets.....	1	31	0
Intangible fixed assets			
Software.....	267	265	2
Total intangible fixed assets.....	267	265	2
Investments and other assets			
Investments in subsidiaries and affiliates.....	6,155,487	6,155,487	51,232
Long-term loans receivable from subsidiaries and affiliates.....	—	376,262	3,132
Total investments and other assets.....	6,155,487	6,531,750	54,363
Total fixed assets.....	6,155,756	6,532,046	54,366
Total assets	¥6,279,799	¥6,843,998	\$56,962
Liabilities:			
Current liabilities			
Short-term borrowings.....	¥1,228,030	¥1,228,030	\$10,221
Accounts payable.....	916	870	7
Accrued expenses.....	3,275	7,084	59
Income taxes payable.....	17	21	0
Business office taxes payable.....	7	7	0
Reserve for employee bonuses.....	157	180	1
Reserve for executive bonuses.....	98	97	1
Other current liabilities.....	630	961	8
Total current liabilities.....	1,233,133	1,237,253	10,298
Fixed liabilities			
Bonds.....	392,900	611,962	5,093
Long-term borrowings.....	—	31,000	258
Total fixed liabilities.....	392,900	642,962	5,351
Total liabilities	1,626,033	1,880,215	15,649
Net assets:			
Stockholders' equity			
Capital stock.....	2,337,895	2,337,895	19,458
Capital surplus			
Capital reserve.....	1,559,374	1,559,374	12,979
Other capital surplus.....	24,347	24,349	203
Total capital surplus.....	1,583,721	1,583,723	13,181
Retained earnings			
Other retained earnings			
Voluntary reserve.....	30,420	30,420	253
Retained earnings brought forward.....	712,661	1,022,371	8,509
Total retained earnings.....	743,081	1,052,791	8,762
Treasury stock.....	(12,566)	(12,713)	(106)
Total stockholders' equity.....	4,652,131	4,961,697	41,296
Stock acquisition rights.....	1,634	2,085	17
Total net assets	4,653,766	4,963,782	41,313
Total liabilities and net assets	¥6,279,799	¥6,843,998	\$56,962

2. Non-consolidated Statements of Income

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2014	2015	2015
Operating income:			
Dividends on investments in subsidiaries and affiliates	¥206,833	¥504,097	\$4,196
Fees and commissions received from subsidiaries	13,476	13,800	115
Interests on loans receivable from subsidiaries and affiliates	—	9,492	79
Total operating income	220,309	527,391	4,389
Operating expenses:			
General and administrative expenses	8,788	8,683	72
Interest on bonds	16,468	25,034	208
Interest on long term borrowings	—	20	0
Total operating expenses	25,256	33,739	281
Operating profit	195,052	493,651	4,109
Non-operating income:			
Interest income on deposits	57	163	1
Fees and commissions income	5	2	0
Other non-operating income	78	80	1
Total non-operating income	141	246	2
Non-operating expenses:			
Interest on borrowings	6,170	5,894	49
Fees and commissions payments	2	0	0
Amortization of bond issuance cost	—	2,028	17
Other non-operating expenses	—	0	0
Total non-operating expenses	6,172	7,923	66
Ordinary profit	189,021	485,974	4,045
Income before income taxes	189,021	485,974	4,045
Income taxes-current	3	3	0
Income taxes	3	3	0
Net income	¥189,018	¥485,970	\$4,045

	Yen		U.S. dollars
	2014	2015	2015
Per share data:			
Net income	¥134.04	¥344.64	\$2.87
Net income (diluted)	133.98	344.44	2.87

3. Non-consolidated Statements of changes in net assets

	Millions of yen						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
Year ended March 31, 2014					Voluntary reserve	Retained earnings brought forward	
Balance at the beginning of the fiscal year ...	¥2,337,895	¥1,559,374	¥24,343	¥1,583,717	¥30,420	¥ 699,913	¥ 730,333
Changes in the fiscal year:							
Cash dividends						(176,270)	(176,270)
Net income						189,018	189,018
Purchase of treasury stock							
Disposal of treasury stock			3	3			
Net changes in items other than stockholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	3	3	—	12,747	12,747
Balance at the end of the fiscal year	¥2,337,895	¥1,559,374	¥24,347	¥1,583,721	¥30,420	¥ 712,661	¥ 743,081

	Millions of yen			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
Year ended March 31, 2014				
Balance at the beginning of the fiscal year ...	¥(12,082)	¥4,639,865	¥1,140	¥4,641,005
Changes in the fiscal year:				
Cash dividends		(176,270)		(176,270)
Net income		189,018		189,018
Purchase of treasury stock	(500)	(500)		(500)
Disposal of treasury stock	16	19		19
Net changes in items other than stockholders' equity in the fiscal year			494	494
Net changes in the fiscal year	(484)	12,266	494	12,760
Balance at the end of the fiscal year	¥(12,566)	¥4,652,131	¥1,634	¥4,653,766

	Millions of yen						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
Year ended March 31, 2015					Voluntary reserve	Retained earnings brought forward	
Balance at the beginning of the fiscal year ...	¥2,337,895	¥1,559,374	¥24,347	¥1,583,721	¥30,420	¥ 712,661	¥ 743,081
Changes in the fiscal year:							
Cash dividends						(176,260)	(176,260)
Net income						485,970	485,970
Purchase of treasury stock							
Disposal of treasury stock			2	2			
Net changes in items other than stockholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	2	2	—	309,709	309,709
Balance at the end of the fiscal year	¥2,337,895	¥1,559,374	¥24,349	¥1,583,723	¥30,420	¥1,022,371	¥1,052,791

	Millions of yen			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
Year ended March 31, 2015				
Balance at the beginning of the fiscal year ...	¥(12,566)	¥4,652,131	¥1,634	¥4,653,766
Changes in the fiscal year:				
Cash dividends		(176,260)		(176,260)
Net income		485,970		485,970
Purchase of treasury stock	(161)	(161)		(161)
Disposal of treasury stock	15	17		17
Net changes in items other than stockholders' equity in the fiscal year			451	451
Net changes in the fiscal year	(146)	309,565	451	310,016
Balance at the end of the fiscal year	¥(12,713)	¥4,961,697	¥2,085	¥4,963,782

	Millions of U. S. dollars						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
Year ended March 31, 2015					Voluntary reserve	Retained earnings brought forward	
Balance at the beginning of the fiscal year ...	\$19,458	\$12,979	\$203	\$13,181	\$253	\$ 5,931	\$ 6,185
Changes in the fiscal year:							
Cash dividends						(1,467)	(1,467)
Net income						4,045	4,045
Purchase of treasury stock							
Disposal of treasury stock			0	0			
Net changes in items other than stockholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	0	0	—	2,578	2,578
Balance at the end of the fiscal year	\$19,458	\$12,979	\$203	\$13,181	\$253	\$ 8,509	\$ 8,762

	Millions of U. S. dollars			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
Year ended March 31, 2015				
Balance at the beginning of the fiscal year ...	\$(105)	\$38,719	\$14	\$38,733
Changes in the fiscal year:				
Cash dividends		(1,467)		(1,467)
Net income		4,045		4,045
Purchase of treasury stock	(1)	(1)		(1)
Disposal of treasury stock	0	0		0
Net changes in items other than stockholders' equity in the fiscal year			4	4
Net changes in the fiscal year	(1)	2,576	4	2,580
Balance at the end of the fiscal year	\$(106)	\$41,296	\$17	\$41,313