

**Financial Results**  
for the Six Months  
ended September 30, 2007  
-Supplementary Information-

Sumitomo Mitsui Financial Group, Inc.  
Sumitomo Mitsui Banking Corporation

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(Notes) 1. <Consolidated>: Consolidated figures of Sumitomo Mitsui Financial Group, Inc. ("SMFG")

2. <Non-consolidated>: Non-consolidated figures of Sumitomo Mitsui Banking Corporation ("SMBC")

This document contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

## Financial Highlights for the Six Months ended September 30, 2007

### 1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2006
		Sep. 30, 2007	Change	
Gross banking profit	1	718,492	109,372	609,120
<i>Excluding gains (losses) on bonds</i>	2	724,741	53,928	670,813
Gross domestic profit	3	601,219	61,163	540,056
<i>Excluding gains (losses) on bonds</i>	4	595,331	5,279	590,052
Net interest income	5	460,740	9,226	451,514
Trust fees	6	2,239	835	1,404
Net fees and commissions	7	123,513	(5,879)	129,392
Net trading income	8	4,674	3,703	971
Net other operating income	9	10,051	53,277	(43,226)
<i>Gains (losses) on bonds</i>	10	5,887	55,883	(49,996)
Gross international profit	11	117,272	48,208	69,064
<i>Excluding gains (losses) on bonds</i>	12	129,409	48,649	80,760
Net interest income	13	16,801	24,504	(7,703)
Net fees and commissions	14	33,643	3,547	30,096
Net trading income	15	98,602	59,448	39,154
Net other operating income	16	(31,775)	(39,291)	7,516
<i>Gains (losses) on bonds</i>	17	(12,137)	(441)	(11,696)
Expenses (excluding non-recurring losses)	18	(327,587)	(30,076)	(297,511)
Personnel expenses	19	(107,258)	(10,390)	(96,868)
Non-personnel expenses	20	(200,867)	(16,974)	(183,893)
Taxes	21	(19,462)	(2,713)	(16,749)
Banking profit (before provision for general reserve for possible loan losses)	22	390,904	79,295	311,609
<i>Excluding gains (losses) on bonds</i>	23	397,153	23,852	373,301
Provision for general reserve for possible loan losses	24	(7,784)	(7,784)	-
Banking profit	25	383,119	71,510	311,609
Gains (losses) on bonds	26	(6,249)	55,443	(61,692)
Non-recurring gains (losses)	27	(225,270)	(182,739)	(42,531)
Credit related costs	28	(106,441)	(59,740)	(46,701)
Gains (losses) on stocks	29	(103,816)	(112,536)	8,720
Gains on sale of stocks	30	8,224	(6,518)	14,742
Losses on sale of stocks	31	(546)	(449)	(97)
Losses on devaluation of stocks	32	(111,494)	(105,570)	(5,924)
Other non-recurring gains (losses)	33	(15,012)	(10,462)	(4,550)
Ordinary profit	34	157,849	(111,229)	269,078
Extraordinary gains (losses)	35	(2,639)	(31,911)	29,272
Gains (losses) on disposal of fixed assets	36	450	1,314	(864)
Losses on impairment of fixed assets	37	(3,095)	(1,638)	(1,457)
Gains on reversal of reserve for possible loan losses	38	-	(13,330)	13,330
Gains on collection of written-off claims	39	6	(131)	137
Gains on return of securities from retirement benefits trust	40	-	(36,330)	36,330
Losses on liquidation of subsidiary	41	-	18,203	(18,203)
Income before income taxes	42	155,209	(143,142)	298,351
Income taxes, current	43	(7,210)	543	(7,753)
Income taxes, deferred	44	(84,200)	22,751	(106,951)
Net income	45	63,798	(119,848)	183,646
Total credit cost (24+28+38+39)	46	(114,220)	(80,987)	(33,233)
Provision for general reserve for possible loan losses	47	(7,784)	(27,333)	19,549
Write-off of loans	48	(59,177)	(19,240)	(39,937)
Provision for specific reserve for possible loan losses	49	(44,500)	(38,235)	(6,265)
Losses on sales of delinquent loans	50	(4,703)	2,061	(6,764)
Provision for loan loss reserve for specific overseas countries	51	1,941	1,895	46
Gains on collection of written-off claims	52	6	(131)	137

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## &lt;Consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2006
		Sep. 30, 2007	Change	
Consolidated gross profit	1	1,022,551	136,742	885,809
Net interest income	2	599,574	39,959	559,615
Trust fees	3	2,262	846	1,416
Net fees and commissions	4	293,439	10,045	283,394
Net trading income	5	118,362	66,749	51,613
Net other operating income	6	8,912	19,142	(10,230)
General and administrative expenses	7	(477,357)	(44,652)	(432,705)
Credit related costs	8	(143,490)	(78,513)	(64,977)
Write-off of loans	9	(65,014)	(7,388)	(57,626)
Provision for specific reserve for possible loan losses	10	(62,470)	(62,470)	-
Provision for general reserve for possible loan losses	11	(12,584)	(12,584)	-
Other credit cost	12	(3,421)	3,929	(7,350)
Gains (losses) on stocks	13	(47,423)	(57,793)	10,370
Equity in earnings (losses) of affiliates	14	19,030	51,374	(32,344)
Other income (expenses)	15	(20,072)	(11,056)	(9,016)
<b>Ordinary profit</b>	<b>16</b>	<b>353,237</b>	<b>(3,899)</b>	<b>357,136</b>
Extraordinary gains (losses)	17	(2,903)	(47,068)	44,165
Losses on impairment of fixed assets	18	(3,205)	(1,199)	(2,006)
Gains on reversal of reserve for possible loan losses	19	-	(6,470)	6,470
Gains on collection of written-off claims	20	386	(156)	542
Gains on return of securities from retirement benefits trust	21	-	(36,330)	36,330
Income before income taxes and minority interests	22	350,334	(50,968)	401,302
Income taxes, current	23	(53,951)	(11,678)	(42,273)
Income taxes, deferred	24	(89,270)	(3,052)	(86,218)
Minority interests in net income	25	(36,519)	(7,370)	(29,149)
<b>Net income</b>	<b>26</b>	<b>170,592</b>	<b>(73,068)</b>	<b>243,660</b>

(Note) Consolidated gross profit = (Interest income - interest expenses) + Trust fees + (Fees and commissions (income) - Fees and commissions (expenses)) + (Trading profits - Trading losses) + (Other operating income - Other operating expenses)

Total credit cost (8+19+20)	27	(143,104)	(85,141)	(57,963)
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(Note) Gains on collection of written-off claims are included in Total credit cost in six months ended Sep. 30, 2007.

## (Reference)

(Billions of yen)

Consolidated net business profit	28	499.6	73.2	426.4
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(Note) Consolidated net business profit = (SMBC Non-consolidated banking profit (before provision for general reserve for possible loan losses)) + (Other consolidated subsidiaries' ordinary profit (excluding non-recurring items)) + (Affiliates' ordinary profit) X (Ownership ratio) - (Internal transaction (dividends, etc.))

## (Number of consolidated subsidiaries and affiliates)

		Sep. 30, 2007		Mar. 31, 2007
			Change	
Consolidated subsidiaries	29	185	4	181
Affiliated companies accounted for by equity method	30	66	4	62

## 2. Banking Profit per Employee / Overhead Ratio &lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Six months ended		Six months ended Sep. 30, 2006
	Sep. 30, 2007	Change	
(1)Banking profit (before provision for general reserve for possible loan losses)	390,904	79,295	311,609
Per employee (thousands of yen)	21,805	3,313	18,492
(2)Banking profit	383,119	71,510	311,609
Per employee (thousands of yen)	21,371	2,879	18,492
(3)Banking profit (before provision for general reserve for possible loan losses, excluding gains (losses) on bonds)	397,153	23,852	373,301
Per employee (thousands of yen)	22,153	0	22,153
<b>Overhead ratio</b>	<b>45.6</b>	<b>(3.2)</b>	<b>48.8</b>

(Notes) 1. Employees include executive officers (who are not board members) and overseas local staff, and exclude temporary staff, employees temporarily transferred from other companies, and transferred staff to other companies.

2. Banking profit per employee is calculated on the basis of the average number of employees during the period.

3. Overhead ratio = Expenses (excluding non-recurring losses) / Gross banking profit

## 3. Interest Spread (Domestic) &lt;SMBC Non-consolidated&gt;

(%)

	Six months ended				Six months ended Sep. 30, 2006
	Three months ended Jun. 30, 2007	Three months ended Sep. 30, 2007	Sep. 30, 2007	Change	
			Sep. 30, 2007	Change	
Yield on interest earning assets (A)			1.78	0.31	1.47
Interest earned on loans and bills discounted (C)	1.96	2.03	2.00	0.35	1.65
Interest earned on securities			1.37	0.37	1.00
Total cost of funding (including expenses) (B)			1.21	0.33	0.88
Cost of interest bearing liabilities			0.36	0.25	0.11
Interest paid on deposits, etc. (D)	0.22	0.23	0.22	0.16	0.06
Interest paid on other liabilities			0.71	0.40	0.31
Expense ratio			0.85	0.08	0.77
Overall interest spread (A) - (B)			0.57	(0.02)	0.59
Interest spread (C) - (D)	1.74	1.80	1.78	0.19	1.59

## 4. Gains (Losses) on Securities &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Six months ended		Six months ended Sep. 30, 2006
	Sep. 30, 2007	Change	
Gains (losses) on bonds	(6,249)	55,443	(61,692)
Gains on sales	20,854	9,070	11,784
Losses on sales	(6,183)	61,863	(68,046)
Gains on redemption	12	(31)	43
Losses on redemption	(4,982)	491	(5,473)
Losses on devaluation	(15,948)	(15,948)	-
Gains (losses) on stocks	(103,816)	(112,536)	8,720
Gains on sales	8,224	(6,518)	14,742
Losses on sales	(546)	(449)	(97)
Losses on devaluation	(111,494)	(105,570)	(5,924)

## 5. Unrealized Gains (Losses) on Securities

## (1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) are recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses) are directly included in Net assets)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

## (Reference) Securities in money held in trust

Investment purpose		Fair value method (net valuation gains (losses) are recognized in income statement)
Other money held in trust	With market value	Fair value method (net valuation gains (losses) are directly included in Net assets)
	Without market value	Cost method or amortized cost method

## (2) Unrealized gains (losses)

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2007				Mar. 31, 2007		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(9,137)	3,927	423	(9,560)	(13,064)	200	(13,265)
Stocks of subsidiaries and affiliates	32,329	24,371	34,289	(1,959)	7,958	85,505	(77,547)
Other securities	1,517,691	(315,200)	1,767,064	(249,373)	1,832,891	2,028,694	(195,802)
Stocks	1,716,282	(262,467)	1,735,100	(18,817)	1,978,749	1,990,476	(11,727)
Bonds	(157,704)	(6,260)	969	(158,674)	(151,444)	748	(152,193)
Others	(40,886)	(46,473)	30,994	(71,881)	5,587	37,469	(31,882)
Other money held in trust	78	(244)	78	-	322	322	-
Total	1,540,962	(287,145)	1,801,855	(260,893)	1,828,107	2,114,723	(286,615)
Stocks	1,748,612	(238,095)	1,769,389	(20,777)	1,986,707	2,075,981	(89,274)
Bonds	(166,846)	(2,156)	1,388	(168,235)	(164,690)	768	(165,458)
Others	(40,803)	(46,893)	31,078	(71,881)	6,090	37,972	(31,882)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' and on beneficiary claims on loan trust and commodity investment trusts in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

&lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2007				Mar. 31, 2007		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(9,179)	3,886	423	(9,603)	(13,065)	200	(13,266)
Other securities	1,524,864	(300,304)	1,787,556	(262,692)	1,825,168	2,032,120	(206,952)
Stocks	1,729,068	(243,579)	1,752,060	(22,991)	1,972,647	1,987,337	(14,689)
Bonds	(163,239)	(5,872)	1,679	(164,918)	(157,367)	1,805	(159,173)
Others	(40,964)	(50,852)	33,816	(74,781)	9,888	42,977	(33,089)
Other money held in trust	78	(244)	78	-	322	322	-
Total	1,515,762	(296,662)	1,788,058	(272,295)	1,812,424	2,032,643	(220,218)
Stocks	1,729,068	(243,579)	1,752,060	(22,991)	1,972,647	1,987,337	(14,689)
Bonds	(172,421)	(1,808)	2,097	(174,519)	(170,613)	1,825	(172,439)
Others	(40,884)	(51,275)	33,899	(74,784)	10,391	43,480	(33,089)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' and on beneficiary claims on loan trust in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks are mainly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

## 6. Redemption Schedule of Other Securities &lt;SMBC Non-consolidated&gt;

Redemption schedule of other securities with maturities and bonds classified as held-to-maturity

(Billions of yen)

	Sep. 30, 2007					Mar. 31, 2007				
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total
Bonds	2,488.5	3,305.2	2,783.3	1,943.0	10,520.2	3,423.9	3,593.2	2,261.9	2,000.8	11,280.0
Japanese government bonds	1,968.0	1,244.4	1,436.4	1,852.1	6,501.0	2,784.9	1,353.7	884.5	1,904.0	6,927.3
Japanese local government bonds	99.7	88.1	282.8	0.4	471.1	83.7	132.4	304.0	0.4	520.7
Japanese corporate bonds	420.7	1,972.7	1,064.0	90.4	3,547.9	555.1	2,107.0	1,073.3	96.3	3,831.9
Other	578.6	1,616.2	561.7	760.4	3,517.0	501.5	422.8	678.1	783.9	2,386.5
Total	3,067.2	4,921.4	3,345.0	2,703.4	14,037.2	3,925.5	4,016.1	2,940.0	2,784.8	13,666.5

## 7. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)

&lt;SMBC Non-consolidated&gt;

(Billions of yen)

	Sep. 30, 2007				Mar. 31, 2007			
	Assets (a)	Liabilities (b)	Net assets (a) - (b)	Net deferred gains (losses)	Assets (c)	Liabilities (d)	Net assets (c) - (d)	Net deferred gains (losses)
Interest rate swaps	33.8	97.5	(63.7)	(150.4)	49.6	78.1	(28.5)	(143.1)
Currency swaps	4.9	3.2	1.7	0.7	7.1	6.4	0.7	0.6
Others	0.2	0.3	(0.1)	3.8	0.4	0.5	(0.1)	(2.0)
Total	38.9	101.0	(62.1)	(145.9)	57.1	85.0	(27.9)	(144.5)

(Notes) 1. Derivative transactions are valued at fair value on the balance sheet.

2. SMBC applied deferred hedge or fair value hedge accounting based on Practical Guidelines for Accounting Standard for Financial Instrument as well as deferred hedge accounting for banking industry based on JICPA Industry Audit Committee Report No.24 and No.25.

3. Figures for Net deferred gains (losses) are those before application of tax effect accounting.

(Appendix) Contract amount of interest rate swaps (on deferred hedge accounting basis), classified by maturity

(Billions of yen)

	Sep. 30, 2007				Mar. 31, 2007			
	1 year or less	More than 1 year to 5 years	More than 5 years	Total	1 year or less	More than 1 year to 5 years	More than 5 years	Total
Receivable fixed rate /payable floating rate	5,360.5	10,580.8	3,778.0	19,719.3	7,118.7	11,868.4	4,429.8	23,416.9
Receivable floating rate /payable fixed rate	986.7	5,193.7	5,196.9	11,377.3	1,103.2	5,191.6	5,218.6	11,513.4
Receivable floating rate /payable floating rate	-	30.8	20.0	50.8	200.0	30.5	20.3	250.8
Total contract amount	6,347.2	15,805.3	8,994.9	31,147.4	8,421.9	17,090.5	9,668.7	35,181.1

## 8. Employee Retirement Benefits

## (1) Projected benefit obligation

		Six months ended		Six months ended Sep. 30, 2006
		Sep. 30, 2007	Change	
<SMBC Non-consolidated>		(Millions of yen)		
Projected benefit obligation*	(A)	841,484	(960)	842,444
<Discount rate>		<2.5%>	< - >	<2.5%>
Fair value of plan assets*	(B)	1,150,023	(57,269)	1,207,292
Reserve for employee retirement benefits*	(C)	-	-	-
Prepaid pension cost*	(D)	175,844	(1,132)	176,976
Unrecognized prior service cost (deductible from the obligation)*	(E)	(47,915)	11,084	(58,999)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E)	(84,779)	44,092	(128,871)

\*As of the beginning of the term

		Six months ended		Six months ended Sep. 30, 2006
		Sep. 30, 2007	Change	
(Reference) <Consolidated>		(Millions of yen)		
Projected benefit obligation*	(A)	910,139	337	909,802
Fair value of plan assets*	(B)	1,186,060	(50,475)	1,236,535
Reserve for employee retirement benefits*	(C)	34,424	(2,362)	36,786
Prepaid pension cost*	(D)	178,182	1,206	176,976
Unrecognized prior service cost (deductible from the obligation)*	(E)	(48,257)	11,470	(59,727)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E)	(83,905)	42,911	(126,816)

\*As of the beginning of the term

## (2) Cost for employee retirement benefits

		Six months ended		Six months ended Sep. 30, 2006
		Sep. 30, 2007	Change	
<SMBC Non-consolidated>		(Millions of yen)		
Cost for employee retirement benefits	(A)	(714)	(573)	(141)
Service cost		7,686	(170)	7,856
Interest cost on projected benefit obligation		10,518	(12)	10,530
Expected returns on plan assets		(15,754)	(922)	(14,832)
Amortization of unrecognized prior service cost		(5,542)	-	(5,542)
Amortization of unrecognized actuarial net gain (loss)		1,944	583	1,361
Others		432	(51)	483
Gains on return of securities from retirement benefits trust	(B)	-	36,330	(36,330)
Total	(A+B)	(714)	35,757	(36,471)

		Six months ended		Six months ended Sep. 30, 2006
		Sep. 30, 2007	Change	
(Reference) <Consolidated>		(Millions of yen)		
Pension expenses	(A)	3,088	(111)	3,199
Gains on return of securities from retirement benefits trust	(B)	-	36,330	(36,330)
Total	(A+B)	3,088	36,218	(33,130)

## 9. Capital Ratio

&lt;Consolidated&gt;

(Billions of yen, %)

	Sep. 30, 2007 (a)		Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	[Preliminary]	(a) - (b)		
(1) Capital ratio	10.60	(0.71)	11.31	10.07
Tier I ratio	6.33	(0.11)	6.44	5.50
(2) Tier I	4,069.3	166.0	3,903.3	3,737.7
(3) Tier II	3,481.4	(158.8)	3,640.2	3,737.7
(4) Subtraction items	738.3	47.5	690.8	630.6
(5) Total capital (2) + (3) - (4)	6,812.4	(40.3)	6,852.7	6,844.9
(6) Risk-adjusted assets	64,251.1	3,710.8	60,540.3	67,945.9
(7) Required Capital (6)X8%	5,140.1	296.9	4,843.2	

(Note) The consolidated capital ratio at the end of March 2007 and thereafter is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Law” (Notification 20 issued by the Japanese Financial Services Agency in 2006).

&lt;SMBC consolidated&gt;

(%)

	12.05	(0.90)	12.95	10.86
Capital ratio (BIS Guidelines)				

&lt;SMBC Non-consolidated&gt;

(%)

	12.65	(0.80)	13.45	11.48
Capital ratio (BIS Guidelines)				

(Note) The Non-consolidated capital ratio at the end of March 2007 and thereafter is calculated using the method stipulated in “Standards for Bank to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It Pursuant to Article 14-2 of the Banking Law” (Notification 19 issued by the Japanese Financial Services Agency in 2006).

## 10. ROE &lt;Consolidated&gt;

(%)

	Six months ended Sep. 30, 2007			FY2006 (b)	Six months ended Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
ROE (numerator: Net income)	9.3	(3.8)	(6.9)	13.1	16.2

(Note)

$$\text{ROE} = \frac{(\text{Net income} - \text{Dividends on preferred stocks}) \times (\text{number of days in a year}) / (\text{number of days in the six-month period})}{\{(\text{Stockholders' equity at the beginning of the term}) - (\text{Number of preferred shares outstanding at the beginning of the term}) \times (\text{Issue price}) + (\text{Net assets at the end of the term}) - (\text{Number of preferred shares outstanding at the end of the term}) \times (\text{Issue price}) - (\text{Stock acquisition rights at the end of the term}) - (\text{Minority interests at the end of the term})\} / 2} \times 100$$

(%)

	Six months ended Sep. 30, 2007			FY2006 (b)	Six months ended Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Diluted ROE (numerator: Net income)	8.8	(1.7)	(3.3)	10.5	12.1

(Note)

$$\text{Diluted ROE} = \frac{(\text{Net income}) \times (\text{number of days in a year}) / (\text{number of days in the six-month period})}{\{(\text{Stockholders' equity at the beginning of the term}) + (\text{Net assets at the end of the term}) - (\text{Stock acquisition rights at the end of the term}) - (\text{Minority interests at the end of the term})\} / 2} \times 100$$

11. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs / Reserves  
 <SMBC Non-consolidated>

		<As of Sep. 30, 2007>				(Billions of yen)	
Category of Borrowers under Self-Assessment	Problem Assets based on the Financial Reconstruction Law	Classification under Self-Assessment				Reserve for possible loan losses	Reserve Ratio
		Classification I	Classification II	Classification III	Classification IV		
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets	Portion of claims secured by collateral or guarantees, etc.	Fully reserved	Direct Write-offs (*1)		Specific Reserve	100% (*3)
Effectively Bankrupt Borrowers	109.3 (i) (Change from Mar. 31, 2007: +0.4)	99.4 (a)	9.9				
Potentially Bankrupt Borrowers	Doubtful Assets 340.4 (ii) (Change from Mar. 31, 2007: +40.3)	Portion of claims secured by collateral or guarantees, etc.	Necessary amount reserved			135.4 (*2)	79.6% (*3)
Borrowers Requiring Caution	Substandard Loans 323.9 (iii) (Change from Mar. 31, 2007: -5.8) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc.			General Reserve	General Reserve for Substandard Loans 102.9	45.5% (*3)
	Normal Assets 61,964.6	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers				538.6	6.3% [10.8%] (*4)
Normal Borrowers		Claims to Normal Borrowers				0.3% (*4)	
Total 62,738.2 (iv)					Loan Loss Reserve for Specific Overseas Countries 0.0		
A=(i)+(ii)+(iii) 773.6 (v) (Change from Mar. 31, 2007: +34.9) <Problem asset ratio ((v)/(iv)) 1.2%>		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 368.1	C: Unsecured portion (A - B) 405.5		D: Specific Reserve + General Reserve for Substandard Loans (*2) 252.4		Reserve Ratio (*5) $\frac{D}{C}$ 62.3%

$$\text{Coverage Ratio} = (B+D)/A \quad 80.2\%$$

(\*1) Includes amount of direct reduction totaling JPY 319.5 billion.

(\*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.

(Bankrupt/Effectively Bankrupt Borrowers: JPY 4.2 billion, Potentially Bankrupt Borrowers: JPY 9.4 billion)

(\*3) Reserve ratios for claims on Bankrupt Borrowers, Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers and Borrowers Requiring Caution including Substandard Borrowers are the proportion of reserve for the possible loan losses to each category's total unsecured claims.

(\*4) Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers) are the proportion of the reserve for possible loan losses to the respective claims of each category.

The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in [ ].

(\*5) The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

## 12. Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	37,531	3,777	(4,598)	33,754	42,129
	Non-accrual loans	387,442	29,810	(98,322)	357,632	485,764
	Past due loans (3 months or more)	24,825	4,282	(8,823)	20,543	33,648
	Restructured loans	299,124	(10,009)	27,164	309,133	271,960
	Total	748,924	27,860	(84,579)	721,064	833,503

Amount of direct reduction                      284,253                      17,380                      (233,543)                      266,873                      517,796

Total loans (term-end balance)	55,025,706	1,269,266	1,123,229	53,756,440	53,902,477
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					(%)	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Ratio to total loans	Bankrupt loans	0.1	0.0	0.0	0.1	0.1
	Non-accrual loans	0.7	0.0	(0.2)	0.7	0.9
	Past due loans (3 months or more)	0.0	0.0	(0.1)	0.0	0.1
	Restructured loans	0.5	(0.1)	0.0	0.6	0.5
	Total	1.4	0.1	(0.1)	1.3	1.5

&lt;Consolidated&gt;

(Millions of yen)

		Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	59,904	(811)	(4,953)	60,715	64,857
	Non-accrual loans	533,325	26,036	(105,060)	507,289	638,385
	Past due loans (3 months or more)	31,769	9,751	(5,096)	22,018	36,865
	Restructured loans	441,944	(35,418)	34,017	477,362	407,927
	Total	1,066,944	(442)	(81,092)	1,067,386	1,148,036

Amount of direct reduction                      434,461                      4,126                      (266,885)                      430,335                      701,346

Total loans (term-end balance)	60,193,566	1,504,244	1,009,109	58,689,322	59,184,457
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					(%)	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Ratio to total loans	Bankrupt loans	0.1	0.0	0.0	0.1	0.1
	Non-accrual loans	0.9	0.0	(0.2)	0.9	1.1
	Past due loans (3 months or more)	0.1	0.1	0.0	0.0	0.1
	Restructured loans	0.7	(0.1)	0.0	0.8	0.7
	Total	1.8	0.0	(0.1)	1.8	1.9

## 13. Reserve for Possible Loan Losses

<SMBC Non-consolidated> (Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Reserve for possible loan losses	688,148	10,575	(83,674)	677,573	771,822
General reserve	538,592	7,785	(14,866)	530,807	553,458
Specific reserve	149,555	4,731	(66,501)	144,824	216,056
Loan loss reserve for specific overseas countries	0	(1,941)	(2,307)	1,941	2,307
Amount of direct reduction	319,472	21,158	(217,520)	298,314	536,992

<Consolidated> (Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Reserve for possible loan losses	930,577	41,484	(48,422)	889,093	978,999
General reserve	706,455	22,866	(6,362)	683,589	712,817
Specific reserve	224,121	20,559	(39,753)	203,562	263,874
Loan loss reserve for specific overseas countries	0	(1,941)	(2,307)	1,941	2,307
Amount of direct reduction	517,426	27,303	(233,120)	490,123	750,546

## 14. Reserve Ratio to Risk-Monitored Loans

<SMBC Non-consolidated> (%)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Before direct reduction	97.5	(1.3)	0.6	98.8	96.9
After direct reduction	91.9	(2.1)	(0.7)	94.0	92.6

<Consolidated> (%)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Before direct reduction	96.4	4.3	2.9	92.1	93.5
After direct reduction	87.2	3.9	1.9	83.3	85.3

(Note) Reserve ratio to risk-monitored loans = (Reserve for possible loan losses) / (Risk-monitored loans)



## 16. Progress in Off-Balancing of Problem Assets &lt;SMBC Non-consolidated&gt;

(Billions of yen)

	Mar. 31, 2007	Change in the six months ended Sep. 30, 2007	Problem assets newly classified during the six months ended Sep. 30, 2007	Amount of off-balancing	Sep. 30, 2007
Bankrupt and quasi-bankrupt assets	108.9	0.4	34.1	(33.7)	109.3
Doubtful assets	300.1	40.3	141.2	(100.9)	340.4
Total	409.0	40.7	175.3	(134.6)	449.7
Result of measures connected to off-balancing*1	80.9				94.7

Breakdown of off-balancing by factor*2		
	Disposition by borrowers' liquidation	(9.7)
Reconstructive disposition --- (a)	(27.4)	
Improvement in debtors' performance due to (a)	-	
Loan sales to market	(46.0)	
Direct write-offs	38.9	
Others	(90.4)	
	Collection/repayment, etc.	(78.5)
	Improvement in debtors' performance	(11.9)
Total	(134.6)	

(\*1) The measures connected to off-balancing are legal reorganizations, measures associated with legal reorganizations, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

(\*2) 1. "Disposition by borrowers' liquidation" refers to abandonment or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations).  
2. "Reconstructive disposition" refers to abandonment of loans involved in rehabilitative bankruptcy proceedings (corporate reorganization, civil rehabilitation, composition and arrangement), debt forgiveness involved in special mediation or other types of civil mediation, or debt forgiveness for restructuring involved in private reorganization.

## 17. Loan Portfolio, Classified by Industry &lt;SMBC Non-consolidated&gt;

## (1) Loans and bills discounted, classified by industry

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	48,045,111	(145,398)	(453,118)	48,190,509	48,498,229
Manufacturing	5,261,991	25,894	46,124	5,236,097	5,215,867
Agriculture, forestry, fisheries, and mining	131,141	(1,055)	(904)	132,196	132,045
Construction	1,210,515	(14,436)	1,153	1,224,951	1,209,362
Transportation, communications and public enterprises	2,789,203	(96,965)	2,455	2,886,168	2,786,748
Wholesale and retail	5,000,850	(88,447)	(59,723)	5,089,297	5,060,573
Finance and insurance	6,140,831	464,926	617,361	5,675,905	5,523,470
Real estate	6,639,329	270,086	232,243	6,369,243	6,407,086
Various services	5,435,176	(307,200)	(508,743)	5,742,376	5,943,919
Municipalities	574,422	(17,816)	51,750	592,238	522,672
Others	14,861,648	(380,385)	(834,835)	15,242,033	15,696,483
Overseas offices and offshore banking accounts	6,980,595	1,414,664	1,576,348	5,565,931	5,404,247
Public sector	28,296	9,267	2,910	19,029	25,386
Financial institutions	351,068	63,170	53,912	287,898	297,156
Commerce and industry	6,236,774	1,197,966	1,423,328	5,038,808	4,813,446
Others	364,455	144,260	96,198	220,195	268,257
Total	55,025,706	1,269,266	1,123,229	53,756,440	53,902,477

## Risk-Monitored Loans

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	670,090	(9,404)	(113,215)	679,494	783,305
Manufacturing	53,371	(5,380)	(9,010)	58,751	62,381
Agriculture, forestry, fisheries, and mining	2,881	63	(332)	2,818	3,213
Construction	41,241	6,914	3,370	34,327	37,871
Transportation, communications and public enterprises	70,116	(33,864)	(22,090)	103,980	92,206
Wholesale and retail	102,686	11,222	21,402	91,464	81,284
Finance and insurance	9,090	7,786	3,869	1,304	5,221
Real estate	154,319	(15,764)	(74,803)	170,083	229,122
Various services	159,213	9,235	(45,973)	149,978	205,186
Municipalities	-	-	-	-	-
Others	77,170	10,384	10,353	66,786	66,817
Overseas offices and offshore banking accounts	78,834	37,264	28,636	41,570	50,198
Public sector	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	78,834	37,264	28,636	41,570	50,198
Others	-	-	-	-	-
Total	748,924	27,860	(84,579)	721,064	833,503

## (2) Problem assets based on the Financial Reconstruction Law classified by industry, and reserve ratio

(Millions of yen, %)

	Sep. 30, 2007				Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	Reserve ratio	(a) - (b)	(a) - (c)		
Domestic offices (excluding offshore banking account)	693,218	63.7	(1,971)	(119,387)	695,189	812,605
Manufacturing	56,678	56.4	(4,087)	(8,127)	60,765	64,805
Agriculture, forestry, fisheries, and mining	2,881	70.4	63	(332)	2,818	3,213
Construction	41,404	60.2	6,890	2,648	34,514	38,756
Transportation, communications and public enterprises	70,693	68.4	(34,156)	(21,756)	104,849	92,449
Wholesale and retail	106,181	58.1	9,909	22,836	96,272	83,345
Finance and insurance	10,200	48.2	7,759	3,860	2,441	6,340
Real estate	156,522	58.8	(13,590)	(89,435)	170,112	245,957
Various services	169,661	61.4	14,877	(39,309)	154,784	208,970
Municipalities	-	-	-	-	-	-
Others	78,995	100.0	10,365	10,229	68,630	68,766
Overseas offices and offshore banking accounts	80,430	54.3	36,952	26,302	43,478	54,128
Public sector	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-
Commerce and industry	80,430	54.3	36,952	26,302	43,478	54,128
Others	-	-	-	-	-	-
Total	773,649	62.3	34,982	(93,085)	738,667	866,734

(Notes) 1. Problem assets based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others)

Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

## (3) Consumer loans outstanding

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	14,442,717	(50,097)	(88,953)	14,492,814	14,531,670
Housing loans	13,507,255	(50,266)	(76,564)	13,557,521	13,583,819
Residential purpose	9,890,492	(28,392)	(24,712)	9,918,884	9,915,204
Other consumer loans	935,461	169	(12,390)	935,292	947,851

## (4) Loans to small- and medium-sized enterprises, etc.

(Millions of yen, %)

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Outstanding balance	36,338,166	61,928	223,649	36,276,238	36,114,517
Ratio to total loans	75.6	0.3	1.1	75.3	74.5

(Note) Outstanding balance does not include loans at overseas offices and offshore banking accounts.

## 18. Loan Portfolio, Classified by Country &lt;SMBC Non-consolidated&gt;

## (1) Loans to specific overseas countries

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Loan balance	3	(32,575)	(34,803)	32,578	34,806
Number of countries	1	(1)	(1)	2	2

## (2) Loans to Asian, Central American, and South American countries

## (i) Loans to major Asian countries

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Indonesia	55,841	3,952	(15,239)	51,889	71,080
Thailand	389,531	3,498	5,019	386,033	384,512
Korea	175,480	(92,680)	(92,718)	268,160	268,198
Hong Kong	509,384	108,834	110,526	400,550	398,858
China	426,977	39,514	38,687	387,463	388,290
Singapore	411,500	63,036	56,093	348,464	355,407
India	124,004	75,068	75,722	48,936	48,282
Malaysia	57,225	(18,603)	(20,690)	75,828	77,915
Pakistan	1,428	(60)	(148)	1,488	1,576
Others	145,446	47,027	52,253	98,419	93,193
Total	2,296,822	229,587	209,506	2,067,235	2,087,316

(Notes) Classified by domicile of debtors (same for the following tables).

## (ii) Loans to major Central and South American countries

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Chile	6,465	5,285	1,749	1,180	4,716
Columbia	184	184	(36)	-	220
Mexico	36,548	(87)	(8,660)	36,635	45,208
Argentina	14	0	0	14	14
Brazil	94,329	64,106	40,607	30,223	53,722
Venezuela	3,885	50	(1,071)	3,835	4,956
Panama	391,639	(425)	132,881	392,064	258,758
Others	2,558	(95)	(1,418)	2,653	3,976
Total	535,626	69,019	164,053	466,607	371,573

## (3) Problem assets based on the Financial Reconstruction Law, classified by domicile

(Millions of yen, %)

	Sep. 30, 2007				Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	Reserve ratio	(a) - (b)	(a) - (c)		
Overseas offices and Japan offshore banking accounts	80,430	54.3	36,952	26,302	43,478	54,128
Asia	31,084	44.2	(1,814)	(10,111)	32,898	41,195
Indonesia	268	43.0	(214)	(711)	482	979
Hong Kong	18,890	41.1	(498)	(363)	19,388	19,253
Thailand	517	56.2	(54)	(1,163)	571	1,680
China	1,910	43.0	(1,634)	(1,071)	3,544	2,981
Others	9,496	49.8	585	(6,803)	8,911	16,299
North America	49,166	64.9	38,765	36,403	10,401	12,763
Central and South America	-	-	-	-	-	-
Western Europe	179	73.8	2	10	177	169
Eastern Europe	-	-	-	-	-	-

(Notes) 1. Problem assets based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve ratio

= (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others)

Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

3. Classified by domicile of debtors.

## 19. Deposits and Loans &lt;SMBC Non-consolidated&gt;

## (1) Deposits and loans outstanding

(Millions of yen, %)

	Six months ended Sep. 30, 2007			FY2006	Six months ended Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits (term-end balance)	66,379,291	144,289	232,049	66,235,002	66,147,242
Deposits (average balance)	66,468,256	618,110	1,114,922	65,850,146	65,353,334
Domestic units	57,476,843	102,541	(62,040)	57,374,302	57,538,883
Average yield	0.21	0.11	0.16	0.10	0.05
Loans (term-end balance)	55,025,706	1,269,266	1,123,229	53,756,440	53,902,477
Loans (average balance)	53,538,562	(21,039)	948,179	53,559,601	52,590,383
Domestic units	46,293,116	(895,441)	(419,607)	47,188,557	46,712,723
Average yield	2.00	0.27	0.35	1.73	1.65

(Note) Deposits do not include "negotiable certificates of deposit."

## (2) Deposits outstanding, classified by type of depositor

(Millions of yen)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic deposits	62,119,992	(560,772)	(579,430)	62,680,764	62,699,422
Individual	33,582,089	(41,623)	(233,882)	33,623,712	33,815,971
Corporate	28,537,903	(519,149)	(345,548)	29,057,052	28,883,451

(Note) Figures are before adjustment on interoffice accounts in transit.

Excludes "negotiable certificates of deposit" and Japan offshore banking accounts.

## (Reference)

(Billions of yen)

	Sep. 30, 2007			Mar. 31, 2007	Sep. 30, 2006
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Outstanding balance of investment trusts	3,777.7	232.3	697.5	3,545.4	3,080.2
Balance to individuals	3,622.6	201.1	659.2	3,421.5	2,963.4

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

(Billions of yen)

	Six months ended Sep. 30, 2007		Six months ended Sep. 30, 2006	FY2006
	(a)	(a) - (b)	(b)	
Sales of investment trusts to individuals	739.4	223.7	515.7	1,350.2
Sales of Pension-type insurance	210.9	(24.6)	235.5	461.7

## 20. Other Financial Data &lt;SMBC Non-consolidated&gt;

## (1) Debt Forgiveness

(Billions of yen)

	Six months ended Sep. 30, 2007
Number of companies whose debts have been forgiven	-
Principal amount forgiven	-

(Note) Debt forgiveness associated with legal settlement is not included.

## (2) Outstanding Balance and the Amount Sold of Stocks in Other Securities

(Billions of yen)

	Sep. 30, 2007
Balance sheet amount	3,989.7
Acquisition cost	2,273.4

(Billions of yen)

	Six months ended Sep. 30, 2007
Amount sold	approx. (17.0)

## 21. Number of Directors and Employees &lt;SMBC Non-consolidated&gt;

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Directors and auditors <sup>*1</sup>	21	(1)	(1)	22	22
Executive officers <sup>*2</sup>	62	3	3	59	59
Employees <sup>*3</sup>	17,945	1,538	1,259	16,407	16,686

<sup>\*1</sup> Include those of SMFG.<sup>\*2</sup> Who are not board members<sup>\*3</sup> Include overseas local staff but exclude executive officers, contract employees, and temporary staff.

Number of employees is reported on the basis of full-time workers.

## 22. Number of Offices &lt;SMBC Non-consolidated&gt;

	Sep. 30, 2007			Mar. 31, 2007 (b)	Sep. 30, 2006 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic branches*	413	7	6	406	407
Domestic sub-branches and agents	156	(1)	5	157	151
Overseas branches	18	-	1	18	17
Overseas sub-branches	6	1	2	5	4
Overseas representative offices	13	-	-	13	13

(Reference)

Number of offices of SMBC Europe	4	-	1	4	3
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(\*) Branches specialized in receiving money transfers, branches specialized in controlling ATMs in convenience stores, and International Business Operations Department are excluded.

## 23. Deferred Tax Assets

## (1) Deferred Tax Assets on the Balance Sheet

(Billions of yen)

(Reference)  
Temporary  
differences

&lt;SMBC Non-consolidated&gt;

			Sep. 30, 2007	Change from Mar. 31, 2007	Change from Sep. 30, 2006	Mar. 31, 2007	Sep. 30, 2007
(a) Total deferred tax assets	(b-c)	1	1,307.3	(82.0)	(227.5)	1,389.3	
(b) Subtotal of deferred tax assets		2	1,875.2	(49.8)	(158.0)	1,925.0	4,586.4
Reserve for possible loan losses		3	129.8	50.3	14.2	79.5	319.5
Write-off of loans		4	101.9	0.4	(52.4)	101.5	250.7
Write-off of securities		5	503.5	77.6	78.6	425.9	1,239.3
Reserve for employee retirement benefits		6	52.2	(5.6)	(12.5)	57.8	128.5
Depreciation		7	6.6	(0.2)	0.1	6.8	16.3
Reserve for possible losses on investments		8	-	(31.5)	-	31.5	-
Net unrealized losses on other securities		9	-	-	-	-	-
Net deferred losses on hedges		10	63.5	3.7	3.6	59.8	156.3
Net operating loss carryforwards		11	961.7	(150.6)	(201.9)	1,112.3	2,338.0
Other		12	56.0	6.1	12.3	49.9	137.8
(c) Valuation allowance		13	567.9	32.2	69.5	535.7	
(d) Total deferred tax liabilities		14	531.6	(114.1)	(114.0)	645.7	1,692.5
Gains on securities contributed to employee retirement benefits trust		15	41.7	-	-	41.7	102.7
Net unrealized gains on other securities		16	460.7	(112.7)	(115.3)	573.4	1,517.8
Net deferred gains on hedges		17	-	-	-	-	-
Other		18	29.2	(1.4)	1.3	30.6	72.0
Net deferred tax assets (Balance sheet amount)	(a-d)	19	775.7	32.1	(113.5)	743.6	
Amount corresponding to the deferred tax assets shown in line 10	(Note1)	20	63.5	3.7	3.6	59.8	156.3
Amount corresponding to the deferred tax liabilities shown in line 16	(Note2)	21	(460.7)	112.7	115.3	(573.4)	(1,517.8)
Net deferred tax assets excluding the amount shown in line 20 and 21		22	1,172.9	(84.3)	(232.4)	1,257.2	2,857.7
Effective income tax rate		23	40.63%	-	-	40.63%	

&lt;Consolidated&gt;

(e) Net deferred tax assets		24	860.3	24.0	(113.1)	836.3	
(f) Tier I		25	4,069.3	166.0	331.6	3,903.3	
Net deferred tax assets/Tier I	(e/f)	26	21.1%	(0.3%)	(4.9%)	21.4%	

(Notes) 1. Companies may consider net deferred losses on hedges to be collectable, in case they assess the collectability of deferred tax assets on the basis of their future taxable income as stipulated in examples (4) proviso of the practical guidelines on assessing the collectability of deferred tax assets issued by the JICPA. ["Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8)].

2. Deferred tax assets are recognized on the balance sheet on a net basis after offsetting against deferred tax liabilities arising from net unrealized gains on other securities. But the collectability is assessed for the gross deferred tax assets, before offsetting against deferred tax liabilities.

(JICPA Auditing Committee Report No.70 "Auditing Treatment Regarding Application of Tax Effect Accounting to Valuation Differences on Other Securities and Losses on Impairment of Fixed Assets")

## (2) Reason for Recognition of Deferred Tax Assets

## (a) Recognition Criteria

Practical Guideline, examples (4) proviso

(1) SMBC has significant tax loss carryforwards resulting from taking the measures described below in order to quickly strengthen its financial base under the prolonged deflationary pressure, and are accordingly judged to be attributable to extraordinary factors. As a result, with regard to temporary differences which are considered to be reversible, SMBC recognized deferred tax assets within the limits of the estimated future taxable income for the period (approximately 5 years) pursuant to the practical guidelines on assessing the collectability of deferred tax assets issued by the JICPA ("Practical Guidelines") (\*).

## (a) Disposal of Non-performing Loans

SMBC established internal standards for write-offs and provisions based on self-assessment in accordance with the "Prompt Corrective Action" adopted in fiscal 1998 pursuant to the law concerning the maintenance of sound management of financial institutions (June 1996). SMBC has been aggressively disposing of non-performing loans and bolstering provisions against the risk of asset deterioration under the severe business environment of a prolonged sluggish economy

In addition, pursuant to the government's "Program for Financial Revival" of October 2002, SMBC accelerated the disposal of non-performing loans in order to reduce the problem asset ratio to half by the end of fiscal 2004. As a result, SMBC achieved this target 6 months ahead of schedule, in the first half of fiscal 2004.

In these processes, the amount of taxable disposals of non-performing loans(\*\*) increased and accumulated. Afterwards, despite of the increased amount of the taxable disposal due to the credit cost, the realized amount of taxable disposals also increased steadily.

## (b) Disposal of Unrealized Losses on Stocks

SMBC has been accelerating its effort to reduce stockholdings in order to lower the risk of stock price fluctuations, and to comply, at an early date, with the regulation limiting stockholdings that was adopted in fiscal 2001.

During fiscal 2002, SMBC sold stocks and reduced the balance by approximately ¥1.1 trillion, and also disposed in lump sum unrealized losses on stocks of approximately ¥1.2 trillion by writing off impaired stocks and using the gains on the March 2003 merger. Consequently, SMBC complied with the regulation limiting stockholdings at the end of fiscal 2002, before the deadline.

As a result, the outstanding balance of taxable write-offs on securities (\*\*) increased temporarily (from approximately ¥0.1 trillion as of March 31, 1999 to approximately ¥1.5 trillion as of March 31, 2003). Afterwards, despite of the increased amount of the taxable disposal resulting from the reducing the balance of the stocks and securities, taxable write-offs of securities carried out in the past are realized through the sales of the securities stocks.

(2) Consequently, tax loss carryforwards (\*\*) amounted to approximately ¥2.3 trillion as of September 30, 2007, but they are certain to be offset by the end of their carry-over period by the taxable income that will be generated in the future. No material tax loss carryforwards have expired in the past.

(\*) JICPA Auditing Committee Report No.66 "Auditing Treatment Regarding Judgment of Realizability of Deferred Tax Assets"

(\*\*) Corresponds to "Temporary differences" in the table on the previous page.

## (b) Period for Future Taxable Income to be estimated

5 years

## (c) Accumulated Amount of Estimated Future Taxable Income before Adjustments for the Next 5 Years

(Billions of yen)		
		Estimates of next 5 years
Banking profit (before provision for general reserve for possible loan losses)	1	4,348.0
A Income before income taxes	2	2,702.0
B Adjustments to taxable income (excluding reversal of temporary differences as of Sep. 30, 2007)	3	533.9
C Taxable income before adjustments (A+B)	4	3,235.9
Deferred tax assets corresponding to taxable income before adjustments	5	1,314.7

## [Basic Policy]

- (1) Estimate when the temporary differences will be reversed
- (2) Conservatively estimate the taxable income before adjustments for the next 5 years
  - (a) Rationally make earnings projection for up to the ended March 31, 2012 based on the medium-term management plan, "LEAD THE VALUE Plan (up to fiscal 2009)", launched in April 2007.
  - (b) Reduce the earnings projection by reasonable amount, reflecting the uncertainty of the projection.
  - (c) Add the necessary adjustments if any.
- (3) Calculate and record the amount of "deferred tax assets" by multiplying effective tax rate and the taxable income before adjustments estimated above.

## (Reference) Income of final return (before deducting operating loss carryforwards) for the last 5 years

(Billions of yen)

	FY2002	FY2003	FY2004	FY2005	FY2006	1st half FY2007
Income of final return (before deducting operating loss carryforwards)	(745.5)	(1,437.8)	317.2	(652.4)	(67.0)	373.3

(Notes) 1. (Income of final return before deduction of operating loss carryforwards)

= (Taxable income before adjustments for each fiscal year) - (Temporary differences to be reversed for each fiscal year)

2. The figures above include amounts arising from "extraordinary factors" that are specified in the Practical Guideline. Taxable income has been reported each year when these amounts are excluded.

3. The figures for September 30, 2007 were estimated in interim closing.

## 24. Earnings Forecast for FY2007

Sumitomo Mitsui Financial Group, Inc.

&lt;Non-consolidated&gt;

(Billions of yen)

	FY2007		FY2006
	Forecast	Change	Result
Operating income	110.0	(266.5)	376.5
Operating profit	105.0	(267.9)	372.9
Ordinary profit	90.0	(274.5)	364.5
Net income	80.0	(283.6)	363.6

Dividend per share forecast

(Yen)

	FY2007		FY2006
	Interim	Annual Forecast	Annual Result
Common stock	5,000	10,000	7,000
1st - 12th series type 4 preferred stock	67,500	135,000	135,000
1st series type 6 preferred stock	44,250	88,500	88,500

(Reference)

(Billions of yen)

Total dividend planned	44.8	89.6	66.6
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&lt;Consolidated&gt;

(Billions of yen)

	FY2007		FY2006
	Forecast	Change	Result
Ordinary income	4,300.0	398.7	3,901.3
Ordinary profit	940.0	141.4	798.6
Net income	570.0	128.6	441.4

(Reference)

Sumitomo Mitsui Banking Corporation

&lt;Non-consolidated&gt;

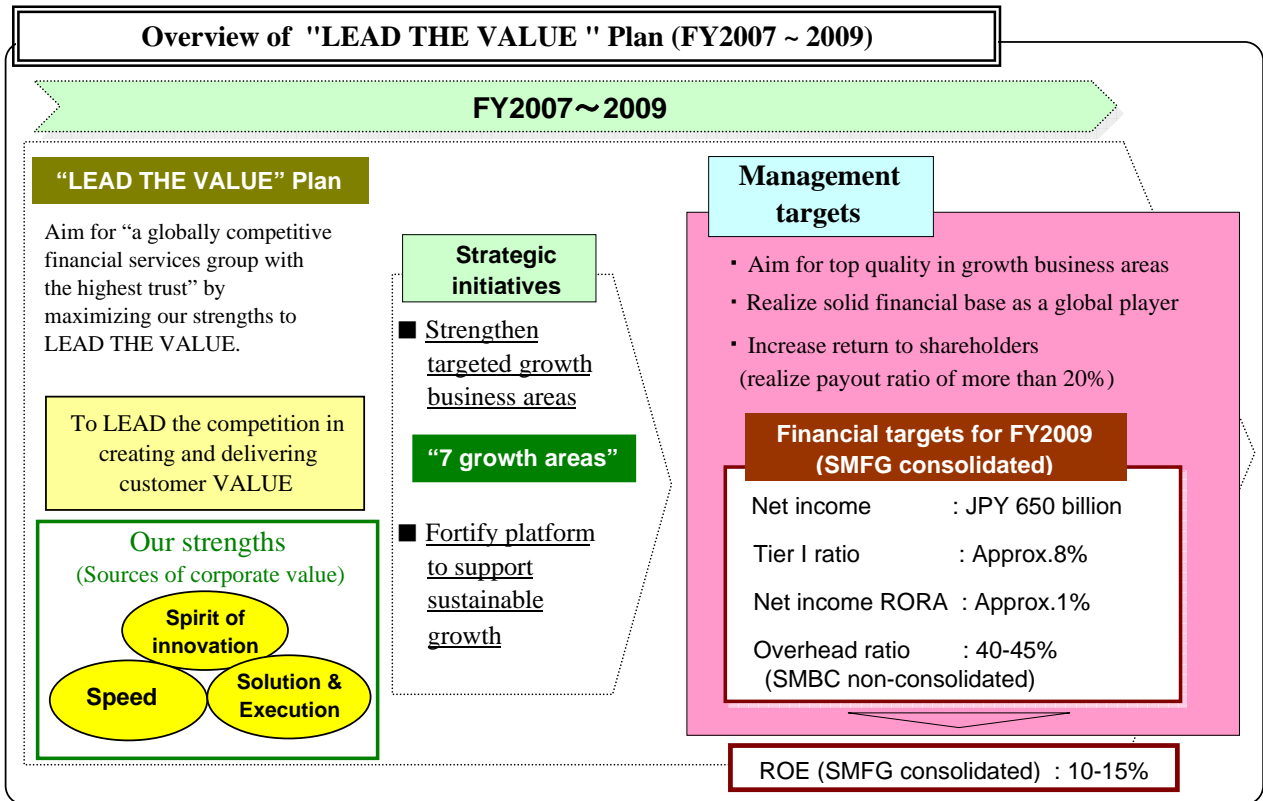
(Billions of yen)

	FY2007		FY2006
	Forecast	Change	Result
Gross banking profit	1,490.0	145.5	1,344.5
Expenses	(660.0)	(56.1)	(603.9)
Banking profit (before provision for general reserve for possible loan losses)	830.0	89.4	740.6
Ordinary profit	600.0	26.7	573.3
Net income	315.0	(0.7)	315.7
Total credit cost (*)	(110.0)	(20.5)	(89.5)

(\*) (Provision for general reserve for possible loan losses) + (Credit cost included in non-recurring losses)

+ (Gains on collection of written-off claims included in Extraordinary gains)

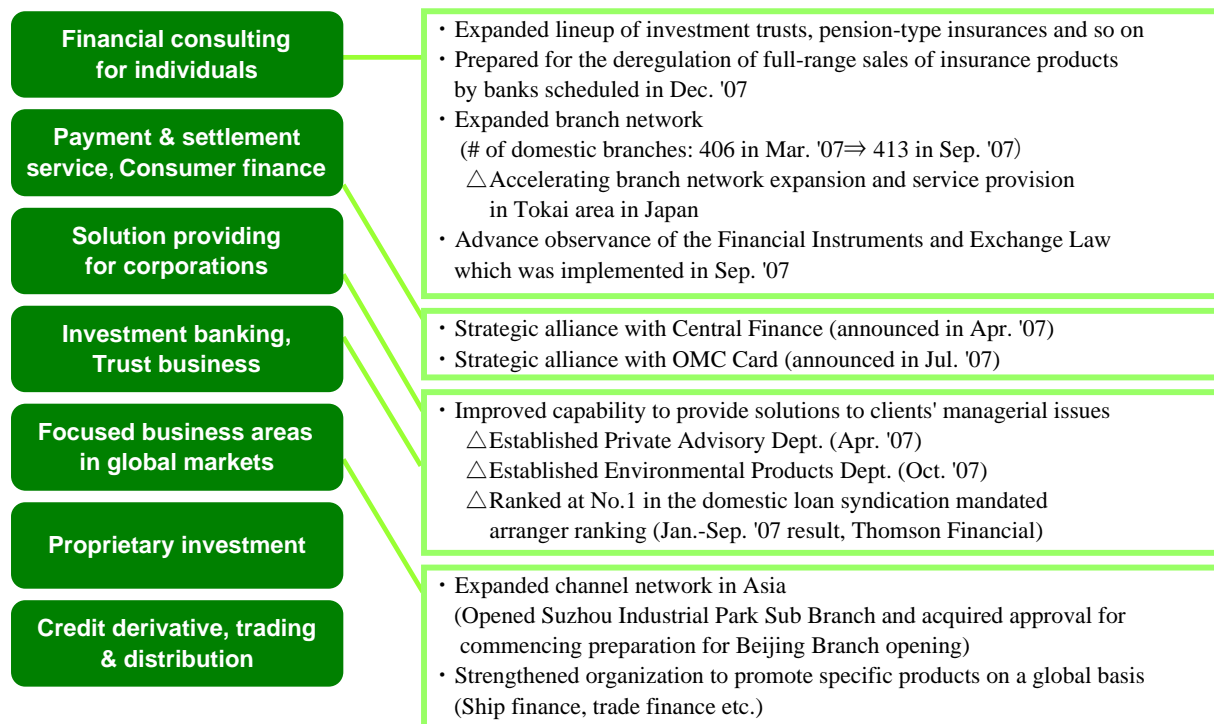
**(Reference 1) Overview of Medium-term Management Plan and FY2007 Management Policy**



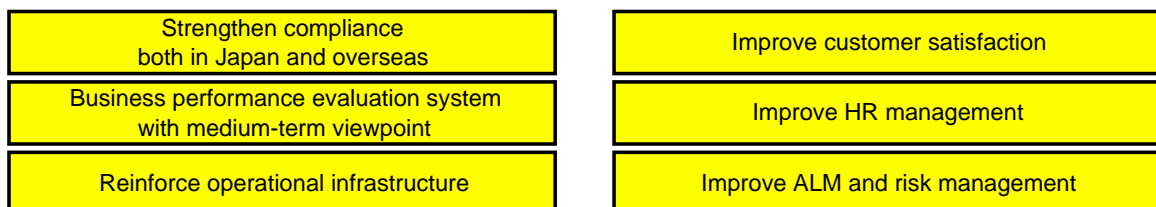
**FY2007 Management Policy : "The first step towards accomplishing the medium-term plan"**

■ **Strengthen targeted growth business areas**

< Initiatives implemented so far >



■ **Fortify platform to support sustainable growth**



**(Reference 2) Subprime-related exposure and its impact  
on the business results for the first half of FY2007**

1. SMBC had approximately 95 billion yen in exposure related to subprime mortgage loans in the United States as of September 30, 2007, about 0.1% of total investments and loans.
2. SMBC sold securitized products such as RMBSs and ABSCDOs of approximately 350 billion yen and recorded a loss on sale of these products of approximately 4 billion yen in the first half of FY 2007. SMBC wrote off some of the remaining products with fair value below 50% of face value as of September 30, 2007. Write-offs totaled approximately 17 billion yen and the book value after the write-offs was approximately 70 billion yen as of September 30, 2007.

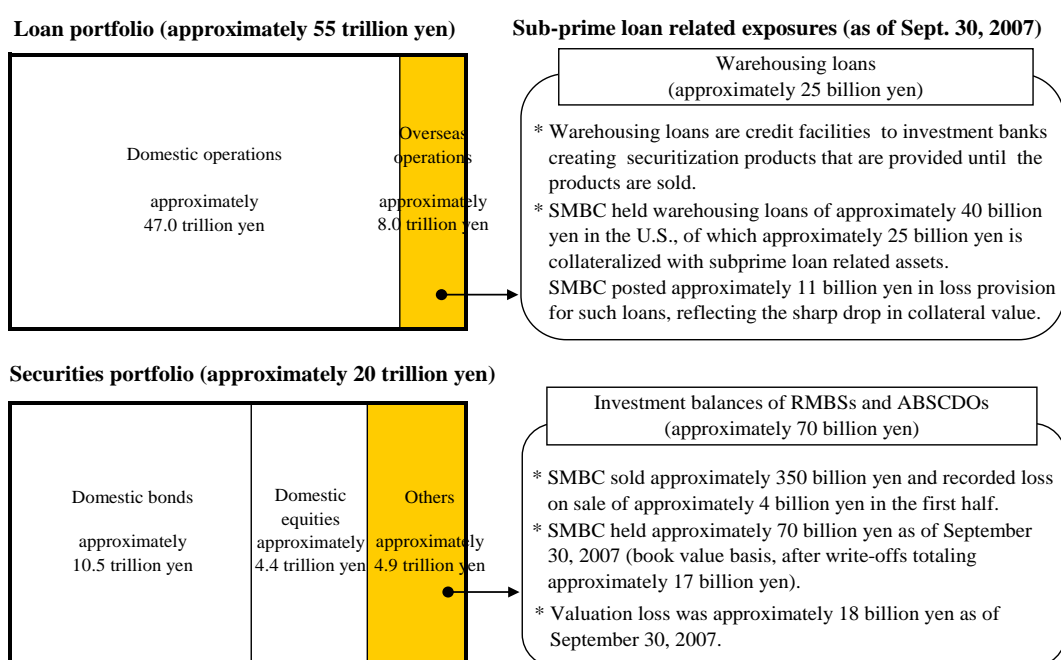
SMBC provided warehousing loans of approximately 40 billion yen in the United States as of September 30, 2007, and approximately 25 billion yen of this amount is collateralized with subprime loan related assets. Consequently, SMBC has established loss provisions for such loans in the amount of approximately 11 billion yen, using the discounted cash flow method.

However, the above loss on sale and credit cost totaling approximately 32 billion yen was offset by an increase in Treasury Unit's profits including bond related gains amid declining interest rates in domestic and overseas markets arising from the subprime loans issues.

SMBC held net unrealized losses on securitized products such as RMBSs and ABSCDOs, etc. of approximately 18 billion yen against book value of approximately 70 billion yen as of September 30, 2007, while it held net unrealized losses on total "Other Securities" of approximately 1,500 billion yen.

More recently, as of November 8, 2007, SMBC reflected the deterioration of the subprime related bonds due to the massive downgrading by rating agencies and held net unrealized losses on RMBSs and ABSCDOs, etc. of approximately 50 billion yen, an approximately 32 billion yen increase in losses compared with September 30, 2007. In addition, related to warehousing loans, the fair value of underlying subprime loan related assets declined by approximately 5 billion yen compared with September 30, 2007. On the other hand, SMBC held net unrealized gains on total "Other Securities" of approximately 1,600 billion yen as of October 31, 2007.

3. Subsidiaries other than SMBC (including subsidiaries of SMBC) had no subprime-related exposure as of September 30, 2007. Also, most of the assets held by ABCP programs which SMBC sponsors are receivables of corporate clients and do not include subprime loan related assets as of September 30, 2007.



(Note) Balances of SMBC on a non-consolidated basis as of Sept. 30, 2007

**(Reference 3) Financial Statements of SMBC**

## 1. Balance Sheet (Condensed) &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	September 30, 2007 (A)	September 30, 2006 (B)	Change (A-B)	March 31, 2007 (C)	Change (A-C)
<b>Assets</b>					
Cash and due from banks and Deposits with banks	5,689,816	3,844,197	1,845,619	3,999,561	1,690,255
Call loans	943,504	1,275,484	(331,980)	1,003,796	(60,292)
Receivables under resale agreements	340,745	81,686	259,059	39,725	301,020
Receivables under securities borrowing transactions	1,014,715	1,067,359	(52,644)	2,213,314	(1,198,599)
Bills bought	309,253	1,761	307,492	2,861	306,392
Commercial paper and other debt purchased	468,404	360,065	108,339	333,524	134,880
Trading assets	2,957,227	3,085,593	(128,366)	2,914,023	43,204
Money held in trust	2,627	2,820	(193)	2,924	(297)
Securities	19,860,123	22,047,445	(2,187,322)	20,060,873	(200,750)
Loans and bills discounted	55,025,706	53,902,477	1,123,229	53,756,440	1,269,266
Foreign exchanges	876,042	868,028	8,014	835,617	40,425
Other assets	1,496,635	1,432,776	63,859	1,442,066	54,569
Tangible fixed assets	671,833	553,697	118,136	678,581	(6,748)
Intangible fixed assets	92,013	73,251	18,762	87,615	4,398
Deferred tax assets	775,698	889,187	(113,489)	743,605	32,093
Customers' liabilities for acceptances and guarantees	4,470,981	4,435,152	35,829	4,177,816	293,165
Reserve for possible loan losses	(688,148)	(771,822)	83,674	(677,573)	(10,575)
Reserve for possible losses on investments	-	-	-	(77,547)	77,547
<b>Total assets</b>	<b>94,307,182</b>	<b>93,149,162</b>	<b>1,158,020</b>	<b>91,537,228</b>	<b>2,769,954</b>
<b>Liabilities</b>					
Deposits	66,379,291	66,147,242	232,049	66,235,002	144,289
Negotiable certificates of deposit	2,462,170	2,393,807	68,363	2,574,335	(112,165)
Call money	2,210,169	2,547,399	(337,230)	2,291,128	(80,959)
Payables under repurchase agreements	121,012	790,836	(669,824)	104,640	16,372
Payables under securities lending transactions	2,727,484	3,141,635	(414,151)	1,516,342	1,211,142
Trading liabilities	1,683,577	1,635,612	47,965	1,578,730	104,847
Borrowed money	4,222,916	2,909,422	1,313,494	3,371,846	851,070
Foreign exchanges	339,119	333,041	6,078	329,695	9,424
Bonds	3,591,901	3,710,437	(118,536)	3,647,483	(55,582)
Due to trust account	45,893	50,733	(4,840)	65,062	(19,169)
Other liabilities	2,121,978	1,503,085	618,893	1,588,683	533,295
Reserve for employee bonuses	8,654	8,277	377	8,892	(238)
Reserve for executive retirement benefits	4,527	-	4,527	4,757	(230)
Reserve for point service program	1,615	792	823	990	625
Reserve for reimbursement of deposits	10,839	-	10,839	-	10,839
Reserve under special law	18	18	-	18	-
Deferred tax liabilities for land revaluation	48,728	49,276	(548)	48,917	(189)
Acceptances and guarantees	4,470,981	4,435,152	35,829	4,177,816	293,165
<b>Total liabilities</b>	<b>90,450,881</b>	<b>89,656,772</b>	<b>794,109</b>	<b>87,544,344</b>	<b>2,906,537</b>
<b>Net assets</b>					
Capital stock	664,986	664,986	-	664,986	-
Capital surplus	1,367,548	1,367,548	-	1,367,548	-
Capital reserve	665,033	665,033	-	665,033	-
Other capital surplus	702,514	702,514	-	702,514	-
Retained earnings	825,090	677,810	147,280	761,028	64,062
Other retained earnings	825,090	677,810	147,280	761,028	64,062
Reserve for losses on overseas investments	0	0	(0)	0	-
Voluntary reserve for retirement allowances	1,656	1,656	-	1,656	-
Voluntary reserve	219,845	219,845	-	219,845	-
Retained earnings brought forward	603,589	456,308	147,281	539,526	64,063
Total stockholders' equity	2,857,625	2,710,345	147,280	2,793,563	64,062
Net unrealized gains on other securities	1,057,093	841,657	215,436	1,259,814	(202,721)
Net deferred losses on hedges	(82,394)	(84,171)	1,777	(84,733)	2,339
Land revaluation excess	23,976	24,558	(582)	24,240	(264)
Total valuation and translation adjustments	998,675	782,045	216,630	1,199,320	(200,645)
<b>Total net assets</b>	<b>3,856,300</b>	<b>3,492,390</b>	<b>363,910</b>	<b>3,992,884</b>	<b>(136,584)</b>
<b>Total liabilities and net assets</b>	<b>94,307,182</b>	<b>93,149,162</b>	<b>1,158,020</b>	<b>91,537,228</b>	<b>2,769,954</b>

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## 2. Income Statement (Condensed) &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Six months ended Sep. 30, 2007 (A)	Six months ended Sep. 30, 2006 (B)	Change (A-B)	FY2006
Ordinary income	1,307,652	1,115,678	191,974	2,451,351
Interest income	940,051	777,964	162,087	1,706,170
<i>Interest on loans and discounts</i>	651,660	536,196	115,464	1,143,361
<i>Interest and dividends on securities</i>	164,013	155,120	8,893	369,039
Trust fees	2,239	1,407	832	3,482
Fees and commissions	221,285	219,239	2,046	465,171
Trading profits	103,277	43,432	59,845	103,719
Other operating income	28,602	55,870	(27,268)	106,725
Other income	12,196	17,763	(5,567)	66,082
Ordinary expenses	1,149,803	846,600	303,203	1,878,037
Interest expenses	462,514	334,155	128,359	768,722
<i>Interest on deposits</i>	238,995	172,533	66,462	396,300
Fees and commissions	64,128	59,752	4,376	111,754
Trading losses	-	3,307	(3,307)	2,098
Other operating expenses	50,325	91,580	(41,255)	158,207
General and administrative expenses	325,372	294,617	30,755	609,816
Other expenses	247,462	63,187	184,275	227,438
Ordinary profit	157,849	269,078	(111,229)	573,313
Extraordinary gains	935	50,368	(49,433)	41,226
Extraordinary losses	3,574	21,095	(17,521)	27,610
Income before income taxes	155,209	298,351	(143,142)	586,928
Income taxes, current	7,210	7,753	(543)	16,507
Income taxes, deferred	84,200	106,951	(22,751)	254,680
Net income	63,798	183,646	(119,848)	315,740

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## 3. Statement of Changes in Net Assets &lt;SMBC Non-consolidated&gt;

Six months ended September 30, 2007

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2007	664,986	665,033	702,514	-	1,656	219,845	539,526	2,793,563
Changes in the six months								
Net income							63,798	63,798
Transfer from land revaluation excess							263	263
Net changes in the items other than stockholders' equity in the six months								
Net changes in the six months	-	-	-	-	-	-	64,062	64,062
Balance at September 30, 2007	664,986	665,033	702,514	0	1,656	219,845	603,589	2,857,625

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gains on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2007	1,259,814	(84,733)	24,240	1,199,320	3,992,884
Changes in the six months					
Net income					63,798
Transfer from land revaluation excess					263
Net changes in the items other than stockholders' equity in the six months	(202,720)	2,339	(263)	(200,645)	(200,645)
Net changes in the six months	(202,720)	2,339	(263)	(200,645)	(136,583)
Balance at September 30, 2007	1,057,093	(82,394)	23,976	988,675	3,856,300

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

Six months ended September 30, 2006

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2006	664,986	665,033	702,514	1	1,656	219,845	572,531	2,826,568
Changes in the six months								
Transfer from reserve for losses on overseas investments				(0)			0	-
Cash dividends							(300,027)	(300,027)
Net income							183,646	183,646
Transfer from land revaluation excess							157	157
Net changes in the items other than stockholders' equity in the six months								
Net changes in the six months	-	-	-	(0)	-	-	(116,222)	(116,223)
Balance at September 30, 2006	664,986	665,033	702,514	0	1,656	219,845	456,308	2,710,345

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gains on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2006	783,491	-	24,716	808,207	3,634,776
Changes in the six months					
Transfer from reserve for losses on overseas investments					-
Cash dividends					(300,027)
Net income					183,646
Transfer from land revaluation excess					157
Net changes in the items other than stockholders' equity in the six months	58,166	(84,171)	(157)	(26,162)	(26,162)
Net changes in the six months	58,166	(84,171)	(157)	(26,162)	(142,385)
Balance at September 30, 2006	841,657	(84,171)	24,558	782,045	3,492,390

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

Year ended March 31, 2007

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2006	664,986	665,033	702,514	1	1,656	219,845	572,531	2,826,568
Changes in the year								
Transfer from reserve for losses on overseas investments				(1)			1	-
Cash dividends							(349,221)	(349,221)
Net income							315,740	315,740
Transfer from land revaluation excess							475	475
Net changes in the items other than stockholders' equity in the six months								
Net changes in the year	-	-	-	(1)	-	-	(33,004)	(33,005)
Balance at March 31, 2007	664,986	665,033	702,514	0	1,656	219,845	539,526	2,793,563

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gains on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2006	783,491	-	24,716	808,207	3,634,776
Changes in the year					
Transfer from reserve for losses on overseas investments					-
Cash dividends					(349,221)
Net income					315,740
Transfer from land revaluation excess					475
Net changes in the items other than stockholders' equity in the six months	476,323	(84,733)	(475)	391,113	391,113
Net changes in the year	476,323	(84,733)	(475)	391,113	358,108
Balance at March 31, 2007	1,259,814	(84,733)	21,240	1,199,320	3,992,884

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## 4. Market Value Information on Securities &lt;SMBC Non-consolidated&gt;

## [1] Securities

In addition to "Securities" stated in the non-consolidated balance sheet, negotiable certificates of deposit classified as "Cash and due from banks & Deposits with banks" and beneficiary claims on loan trust classified as "Commercial paper and other debt purchased" is included in the amount below.

## (1) Bonds classified as held-to-maturity with market value

(Millions of yen)

	September 30, 2007				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	629,320	624,035	(5,285)	417	5,702
Japanese local government bonds	97,206	95,885	(1,321)	-	1,321
Japanese corporate bonds	380,456	377,921	(2,535)	1	2,536
Other	1,638	1,643	4	4	-
<b>Total</b>	<b>1,108,622</b>	<b>1,099,485</b>	<b>(9,137)</b>	<b>423</b>	<b>9,560</b>

## (2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	September 30, 2007		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	43,699	77,900	34,200
Stocks of affiliates	110,781	108,910	(1,870)
<b>Total</b>	<b>154,481</b>	<b>186,811</b>	<b>32,329</b>

## (3) Other securities with market value

(Millions of yen)

	September 30, 2007				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,923,599	3,639,881	1,716,282	1,735,100	18,817
Bonds	6,887,618	6,729,914	(157,704)	969	158,674
Japanese government bonds	6,016,292	5,871,764	(144,527)	738	145,266
Japanese local government bonds	380,200	373,937	(6,262)	63	6,326
Japanese corporate bonds	491,125	484,211	(6,913)	167	7,081
Other	3,428,733	3,387,847	(40,886)	30,994	71,881
<b>Total</b>	<b>12,239,951</b>	<b>13,757,643</b>	<b>1,517,691</b>	<b>1,767,064</b>	<b>249,373</b>

(Notes)

- Of the amount of net unrealized gains (losses) on other securities with market value, JPY 1,057,047 million (after deducting JPY 460,644 million in deferred tax liabilities from net unrealized gains) are included in the Net assets under 'Net unrealized gains on other securities.'
- Other securities with market value are considered impaired if the market value declines materially below the acquisition cost, and such decline is not considered recoverable. The market value is recognized as the balance sheet amount and the amount of write-down is accounted for as valuation loss (impaired) for this term. Valuation loss (impaired) for this term is JPY 69,229 million. 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	Market value is lower than acquisition cost.
Issuers requiring caution	Market value is 30% or more lower than acquisition cost.
Normal issuers	Market value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt

Potentially bankrupt issuers: Issuers that are not currently bankrupt but 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 four categories of issuers

## (4) Securities with no available market value

(Millions of yen)	
September 30, 2007	
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,138,882
Stocks of affiliates	9,696
Other	54,277
Other securities	
Unlisted stocks (excluding OTC stocks)	349,759
Unlisted bonds	2,683,305
Unlisted foreign securities	515,802
Other	554,378

## [2] Money Held in Trust

Other money held in trust (Other than classified as trading or held-to-maturity purpose)

(Millions of yen)					
September 30, 2007					
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	2,549	2,627	78	78	-

(Note) Net unrealized gains of 46 million yen (after deducting 31 million yen in deferred tax liabilities from 78 million yen in net unrealized gains) are included in the Net assets under 'Net unrealized gains on other securities.'

## 5. Statements of Trust Assets and Liabilities &lt;SMBC Non-consolidated&gt;

(Millions of yen)					
	September 30, 2007 (A)	September 30, 2006 (B)	Change (A-B)	March 31, 2007 (C)	Change (A-C)
Loans and bills discounted	4,150	8,080	(3,930)	5,350	(1,200)
Securities	285,533	241,904	43,629	267,110	18,423
Securities held in custody accounts	3,274	33,297	(30,023)	3,000	274
Monetary claims	660,147	708,378	(48,231)	703,199	(43,052)
Premises and equipment	84	-	84	25	59
Other claims	1,332	1,009	323	1,245	87
Due from banking account	45,893	50,733	(4,840)	65,062	(19,169)
Cash and due from banks	27,401	245,401	(218,000)	129,401	(102,000)
<b>Total assets</b>	<b>1,027,818</b>	<b>1,288,805</b>	<b>(260,987)</b>	<b>1,174,396</b>	<b>(146,578)</b>
Designated money trusts	262,943	430,714	(167,771)	358,058	(95,115)
Specified money trusts	88,254	98,973	(10,719)	91,741	(3,487)
Money in trusts other than money trusts	45	-	45	-	45
Security trusts	3,274	33,297	(30,023)	3,000	274
Monetary claims trusts	560,068	595,876	(35,808)	598,236	(38,168)
Composite trusts	113,230	129,944	(16,714)	123,359	(10,129)
<b>Total liabilities</b>	<b>1,027,818</b>	<b>1,288,805</b>	<b>(260,987)</b>	<b>1,174,396</b>	<b>(146,578)</b>

- (Notes) 1. Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.  
 2. SMBC has no co-operative trusts under other trust bank's administration.  
 3. SMBC does not handle any trusts with principal indemnification.