Notes to Interim Consolidated Financial Statements (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries
Six months ended September 30, 2005

I. Significant Accounting Policies

1. Scope of consolidation

(1) Consolidated subsidiaries: 166 companies

Principal companies:

Sumitomo Mitsui Banking Corporation (SMBC)
THE MINATO BANK, LTD.
Kansai Urban Banking Corporation
Sumitomo Mitsui Banking Corporation Europe Limited
Manufacturers Bank
SMBC Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
SMBC Capital Co., Ltd.
SMBC Finance Service Co., Ltd.
SMBC Friend Securities Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

Changes in consolidated subsidiaries in the six months ended September 30, 2005 are as follows:

Nine companies including NS Capital Co., Ltd. were newly consolidated due to establishment and other reason.

Four companies including WAKASHIO OFFICE SERVICE Co., Ltd. were excluded from the scope of consolidation because they were no longer subsidiaries due to liquidation and other reason. Six companies including SMLC CENTAURUS CO., LTD. became unconsolidated subsidiaries that are not accounted for by the equity method because they became silent partnerships for lease transactions.

(2) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

One hundred and twenty-one subsidiaries including S.B.L. Mercury Co., Ltd. are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they were excluded from the scope of consolidation pursuant to Article 5 Paragraph 1 Item 2 of Interim Consolidated Financial Statements Regulations.

Total assets, ordinary income, net income and retained earnings of other unconsolidated subsidiaries have no material impact on the interim consolidated financial statements.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method: 3 companies

Principal company:

SBCS Co., Ltd.

In the six months ended September 30, 2005, SBL Holdings Limited was excluded from the scope of unconsolidated subsidiaries accounted for by the equity method because it was no longer a subsidiary due to liquidation.

(2) Affiliates accounted for by the equity method: 56 companies

Principal companies:

Promise Co., Ltd.
Daiwa Securities SMBC Co. Ltd.
NIF Ventures Co., Ltd.
Daiwa SB Investments Ltd.
Sumitomo Mitsui Asset Management Company, Limited
QUOQ Inc.

Changes in affiliates in the six months ended September 30, 2005 are as follows:

Eight companies including NIF Ventures Co., Ltd. newly became affiliated companies accounted for by the equity method due to acquirement of shares.

P.T. Perjahl Leasing Indonesia was excluded from the scope of affiliated companies accounted for by the equity method because it was no longer an affiliated company due to sale of shares.

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

One hundred and twenty-one subsidiaries including S.B.L. Mercury Co., Ltd. are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they are not treated as affiliated companies accounted for by the equity method pursuant to Article 7 Paragraph 1 Item 2 of Interim Consolidated Financial Statements Regulations.

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

Principal company:

Daiwa SB Investments (USA) Ltd.

Net income and retained earnings of other unconsolidated subsidiaries and affiliates that are not accounted for by the equity method have no material impact on the interim consolidated financial statements.

3. The interim balance sheet dates of consolidated subsidiaries

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

March 31:	5 Companies
April 30:	1 Company
June 30:	68 Companies
July 31:	3 Companies
September 30:	89 Companies

(2) As for the companies whose interim balance sheet dates are March 31 and April 30, the accounts are provisionally closed for the purpose of consolidation as of September 30 and July 31, respectively. The other companies are consolidated on the basis of their respective interim balance sheet dates.

Appropriate adjustments were made for material transactions during the periods from their respective interim balance sheet dates to the interim consolidated closing date.

4. Accounting methods

(1) **Standards for recognition and measurement of trading assets/liabilities and trading profits/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 interim consolidated balance sheet on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading profits" and "Trading losses."

Securities and monetary claims purchased for trading purposes are stated at the interim term-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 interim consolidated balance sheet date.

"Trading profits" and "Trading losses" include interest received or paid during the interim term. The valuation differences of securities and money claims between the previous fiscal year-end and this interim term-end are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the valuation differences between the previous fiscal year-end and this interim term-end are also recorded in the above-mentioned accounts.

(2) **Standards for recognition and measurement of securities**

(a) Debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method.

Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as "other securities" (available-for-sale securities). Stocks in other securities that have market prices are carried at their average market prices during the final month of the interim term, and bonds and others that have market prices are carried at their interim term-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities with no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in "Stockholders' equity," after deducting the amount that is reflected in the interim term's earnings by applying fair value hedge accounting.

(b) Securities included in money held in trust are carried in the same method as in Notes I. 4. (1) and (2) (a).

(3) **Standards for recognition and measurement of derivative transactions**

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with their local accounting standards.

(4) **Depreciation**

(a) Depreciation of premises, equipment and lease assets

Premises and equipment owned by Sumitomo Mitsui Financial Group, Inc. (SMFG) and SMBC are depreciated using the straight-line method for premises and the declining-balance method for equipment. They calculated the depreciation cost for the interim term by proportionally allocating the estimated annual cost to the interim term. The estimated useful lives of major items are as follows:

Buildings:	7 to 50 years
Equipment:	2 to 20 years

Other consolidated subsidiaries depreciate premises and equipment, and lease assets primarily using the straight-line method over the estimated useful lives of the respective assets and the straight-line method over the lease term based on the residual value of assets at the end of the lease term, respectively.

(b) Depreciation of capitalized software

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

(5) **Reserve for possible loan losses**

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 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 reserves are provided based on the results of these assessments.

Reserve for possible loan losses of other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was ¥1,367,602 million ($12,080 million).

(6) Reserve for employee bonuses

Reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to this interim term.

(7) Reserve for employee retirement benefits

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

Unrecognized prior service cost is amortized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

(8) Reserve for expenses related to EXPO 2005 Japan

SMBC accounts for the exhibition expenses related to "The 2005 World Exposition, Aichi, Japan" as "Reserve for expenses related to EXPO 2005 Japan." This reserve is stipulated in Article 43 of the Ordinance of the Commercial Code and includes the reserve that is stipulated in Article 57-2 of the Specific Taxation Measures Law.

(9) Other reserves required by special laws

Other reserves required by special laws are reserve for contingent liabilities from financial futures transactions in accordance with Article 81 of the Financial Futures Transaction Law of ¥18 million ($0 million), and reserve for contingent liabilities from securities transactions in accordance with Article 51 of the Securities and Exchange Law of ¥1,074 million ($9 million).

(10) Translation of foreign currency assets and liabilities

SMBC's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen mainly at the exchange rate prevailing at the interim 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 interim balance sheet dates.

(11) Accounting method for lease transactions

Financing leases of SMFG and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same method as operating leases.

Standards for recognizing lease-related income on lease transactions and income/expenses on installment sales are as follows:

(a) Recognition of lease-related income on lease transactions
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.

(b) Recognition of income and expenses on installment sales
Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the full term of the installment sales.

(12) Hedge accounting

(a) Hedging against interest rate changes
As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting or fair value 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 basically applies deferred hedge accounting. But, SMBC applies fair value hedge accounting to hedging transactions for reducing the market volatility of bonds classified as other securities that are held for the purpose of Asset and Liability Management.

As a result of the application of JICPA Industry Audit Committee Report No. 24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using "macro hedge," which had been applied in order to manage interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to "Interest income" or "Interest expenses" over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. At this interim term-end, gross amounts of deferred hedge losses and gains on "macro hedge" were ¥146,070 million ($1,290 million) and ¥119,788 million ($1,058 million), respectively.

(b) Hedging against currency fluctuations

SMBC applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No. 25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

(c) Transactions between consolidated subsidiaries

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

Certain other consolidated subsidiaries use the deferred hedge accounting or the special treatment for interest rate swaps. A consolidated domestic subsidiary (a leasing company) partly applies the accounting method that is permitted by "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry" (JICPA Industry Audit Committee Report No. 19).

(13) Consumption tax

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

(14) Tax effect accounting

On the premise that transfer to and from the reserve for losses on overseas investments will be conducted through appropriation of retained earnings (deficit) at the end of this fiscal year of SMFG and its consolidated domestic subsidiaries, current and deferred income taxes are recorded in the amount corresponding to the interim consolidated term.

(15) Application of new accounting standard for impairment of fixed assets

Effective on April 1, 2005, SMFG applied "Accounting Standards for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment on Fixed Assets," issued by Business Accounting Deliberation Council on August 9, 2002) and "Guidelines on Implementation of Accounting Standard for Impairment of Fixed Assets" (Guidelines on Implementation of Business Accounting Standard No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003). As a result, net income before income taxes and minority interests decreased by ¥9,997 million ($88 million). In the banking industry, fixed assets are stated at cost less accumulated depreciation pursuant to the Enforcement Ordinance of the Banking Law and the accumulated impairment loss is also deducted from the book value of each asset.

5. Statements of cash flows

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

II. Notes to Consolidated Balance Sheet

1. Securities include ¥425,992 million ($3,763 million) of stocks of unconsolidated subsidiaries and affiliates and ¥1,475 million ($13 million) of investments.
2. Japanese government bonds as a sub-account of Securities include ¥9,921 million ($88 million) of unsecured loaned securities for which borrowers have the right to sell or pledge.

   As for the unsecured borrowed securities for which SMBC has the right to sell or pledge and the securities which SMBC purchased under resale agreements, that are permitted to be sold or pledged without restrictions, ¥2,002,583 million ($17,689 million) of securities are pledged, and ¥217,437 million ($1,921 million) of securities are held in hand as of the interim consolidated balance sheet date.
3. Bankrupt loans and Non-accrual loans were ¥89,680 million ($792 million) and ¥1,084,678 million ($9,581 million), respectively.

   "Bankrupt loans" are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No. 97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons. "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) totaled ¥53,845 million ($476 million).

   "Past due loans (3 months or more)" are loans on which the principal or interest is past due for three months or more, excluding "Bankrupt loans" and "Non-accrual loans."
5. Restructured loans totaled ¥560,295 million ($4,949 million).

   "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. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans was ¥1,788,499 million ($15,798 million).

   The amounts of loans presented in 3. to 6. above are the amounts before deduction of reserve for possible loan losses.
7. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value was ¥863,193 million ($7,625 million), and bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought that were rediscounted by the banking subsidiaries accounted for ¥881 million ($8 million) of the total amount.
8. Assets pledged as collateral were as follows:

September 30, 2005	Millions of yen	Millions of U.S. dollars
Assets pledged as collateral		
Cash and due from banks and Deposits with banks	¥ 85,183	$ 752
Trading assets	326,547	2,884
Securities	8,202,692	72,456
Loans and bills discounted	1,707,149	15,079
Other assets (installment account receivable, etc.)	1,206	11
Liabilities corresponding to assets pledged as collateral		
Deposits	¥ 13,599	$ 120
Call money and bills sold	5,279,499	46,635
Payables under repurchase agreements	498,622	4,404
Payables under securities lending transactions	3,443,828	30,420
Trading liabilities	190,640	1,684
Borrowed money	14,675	130
Other liabilities	20,808	184
Acceptances and guarantees	151,927	1,342

   In addition, Cash and due from banks and Deposits with banks of ¥5,919 million ($52 million), Trading assets of ¥495,451 million ($4,376 million), and Securities of ¥4,107,162 million ($36,279 million) were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

   Premises and equipment included surety deposits and intangible of ¥98,602 million ($871 million), and Other assets included initial margins of futures markets of ¥8,099 million ($72 million).
9. 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 amount of unused commitments was ¥37,859,678 million ($334,420 million), and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was ¥33,042,642 million ($291,870 million).

   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 need arises and securing claims after contracts are made.

10. Net amount of deferred unrealized losses on hedging instruments to which deferred hedge accounting is applied is reported as deferred losses on hedge and is included in "Other assets." Gross deferred unrealized losses and gains on hedging instruments were ¥465,676 million ($4,113 million) and ¥351,915 million ($3,109 million), respectively.

11. SMBC revaluated its own land for business activities in accordance with the "Law Concerning Land Revaluation" (the "Law") effective March 31, 1998 and the law concerning amendment of the Law effective March 31, 2001. The income taxes corresponding to the net unrealized gains are deferred and reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

    Certain other consolidated subsidiaries revaluated their own land for business activities in accordance with the Law. The income taxes corresponding to the net unrealized gains are deferred and reported in "Liabilities" as "Deferred tax liabilities for land revaluation" and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

    Date of the revaluation:

    SMBC: March 31, 1998 and March 31, 2002

    Certain other consolidated subsidiaries: March 31, 1999 and March 31, 2002

    Method of revaluation (stipulated in Article 3-3 of the Law):

    SMBC: Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance No. 119) effective March 31, 1998.

    Certain other consolidated subsidiaries: Fair values were determined based on the values stipulated in Article 2-3 and 2-5 of the Enforcement Ordinance No. 119.

12. Accumulated depreciation on premises and equipment and accumulated depreciation on lease assets amounted to ¥537,597 million ($4,749 million) and ¥1,553,475 million ($13,722 million), respectively.

13. Deferred gain on real property deductible for tax purposes amounted to ¥66,094 million ($584 million).

14. The balance of subordinated debt included in "Borrowed money" was ¥685,500 million ($6,055 million).

15. The balance of subordinated bonds included in "Bonds" was ¥2,125,016 million ($18,771 million).

III. Notes to Consolidated Statement of Operations

1. "Other income" includes gains on sales of stocks and other securities of ¥46,383 million ($410 million), gains on sale of a subsidiary's shares and change in equity of the subsidiary of ¥57,509 million ($508 million) and gains on disposal of fixed assets of ¥3,514 million ($31 million).

2. "Other expenses" includes write-off of loans of ¥42,681 million ($377 million), losses on delinquent loans sold of ¥29,725 million ($263 million), losses on impairment of fixed assets of ¥10,580 million ($93 million) and losses on disposal of premises and equipment of ¥3,239 million ($29 million).

3. The difference between the recoverable amount and the book value of the following assets is recognized as "Losses on impairment of fixed assets" and included in "Other expenses" in this interim term.

Six months ended September 30, 2005

Area	Purpose of use	Type	Millions of yen	Millions of U.S. dollars
Tokyo metropolitan area ...	Idle assets (41 items)	Land and premises etc.	¥4,388	$39
Kinki area.........................	Branches (12 branches)	Land and premises etc.	3,985	35
	Idle assets (23 items)		1,966	17
Other................................	Idle assets (13 items)	Land and premises etc.	240	2

At the consolidated subsidiary, SMBC, every branch, which continuously manages and determines income and expenses, is the smallest unit of asset group for recognition and measurement of impairment loss. Fixed assets which do not have identifiable cash flows (such as corporate headquarters facilities, training institutes, business and system centers, and health and recreational facilities) are grouped with other assets. As for idle assets, impairment loss on each asset is measured individually. At other consolidated subsidiaries, a branch is generally considered as the smallest grouping unit.

On assets which investments are not expected to be recovered, SMBC and other consolidated subsidiaries reduced the carrying amounts of idle assets, in the case of SMBC, and those of idle assets and branches, in the case of SMFG and other consolidated subsidiaries, to their recoverable amounts and recognized the relevant losses as "losses on impairment of fixed assets," which is included in "Other expenses." Recoverable amounts of some of the branches are calculated based on future cash flows using a discount rate of 5–6%. Recoverable amounts of other assets are calculated using net realizable value which is based on appraisal value in accordance with the Real Estate Appraisal Standard less the expected sale costs.

IV. Lease Transactions

1. Financing leases

A summary of assumed amounts of acquisition cost, accumulated depreciation and net book value for financing leases without transfer of ownership at September 30, 2005 was as follows:

(1) Lessee side

	Millions of yen		
September 30, 2005	Equipment	Other	Total
Acquisition cost	¥4,974	¥312	¥5,287
Accumulated depreciation	2,462	165	2,627
Net book value	¥2,512	¥146	¥2,659

September 30, 2005	Millions of U.S. dollars Equipment	Other	Total
Acquisition cost	$44	$3	$47
Accumulated depreciation	22	1	23
Net book value	$22	$2	$24

Future minimum lease payments excluding interests at September 30, 2005 were as follows:

September 30, 2005	Millions of yen	Millions of U.S. dollars
Due within one year	¥ 936	$ 8
Due after one year	1,812	16
Total	¥2,749	$24

Total lease expenses for this interim term were ¥587 million ($5 million).

Assumed depreciation for this interim term amounted to ¥526 million ($5 million).

Assumed depreciation is calculated using the straight-line method over the lease term of the respective assets without salvage values.

The difference between the minimum lease payments and the acquisition costs of the lease assets represents interest expenses. The allocation of such interest expenses over the lease term is calculated using the effective interest method. Interest expenses for this interim term amounted to ¥59 million ($1 million).

(2) Lessor side

September 30, 2005	Millions of yen Equipment	Other	Total
Acquisition cost	¥1,861,808	¥649,657	¥2,511,465
Accumulated depreciation	1,176,193	365,318	1,541,512
Net book value	¥ 685,614	¥284,338	¥ 969,953

September 30, 2005	Millions of U.S. dollars Equipment	Other	Total
Acquisition cost	$16,445	$5,739	$22,184
Accumulated depreciation	10,389	3,227	13,616
Net book value	$ 6,056	$2,512	$ 8,568

Future lease payments receivable excluding interests at September 30, 2005 were as follows:

September 30, 2005	Millions of yen	Millions of U.S. dollars
Due within one year	¥308,553	$2,725
Due after one year	673,573	5,950
Total	¥982,126	$8,675

Total lease income for this interim term was ¥207,237 million ($1,831 million).

Depreciation for this interim term amounted to ¥162,262 million ($1,433 million).

Interest income represents the difference between the sum of the lease payments receivable and estimated salvage values, and the acquisition costs of the lease assets.

The allocation of such interest income over the lease term is calculated using the effective interest method. Interest income for this interim term amounted to ¥30,002 million ($265 million).

2. Operating leases

(1) Lessee side

Future minimum lease payments at September 30, 2005 were as follows:

September 30, 2005	Millions of yen	Millions of U.S. dollars
Due within one year	¥17,752	$157
Due after one year	74,436	657
Total	¥92,188	$814

(2) Lessor side

Future lease payments receivable at September 30, 2005 were as follows:

September 30, 2005	Millions of yen	Millions of U.S. dollars
Due within one year	¥ 9,259	$ 82
Due after one year	21,100	186
Total	¥30,359	$268

Future lease payments receivable amounting to ¥67,727 million ($598 million) on the lessor side referred to above 1. and 2. were pledged as collateral for borrowings.

V. Per Share Data

September 30, 2005	Yen	U.S. dollars
Stockholders' equity per share	¥261,250.37	$2,307.66
Net income per share	57,635.50	509.10
Net income per share — diluted	44,223.65	390.63

1. Stockholders' equity per share is calculated by deducting from stockholders' equity the number of preferred stocks issued as of the end of the interim term multiplied by the issue price, divided by the number of common stocks issued at the interim term-end (excluding "treasury stock").
2. Net income per share is calculated by deducting dividends for preferred stock from net income, divided by the weighted average number of shares of common stock, excluding treasury stock outstanding during the interim term.
3. Net income per share (diluted) reflects the potential dilution that could occur if preferred stocks and other contracts to issue common stocks were exercised.

VI. Others

Amounts less than one million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts. The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at September 30, 2005, which was ¥113.21 to US$1. The convenience 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.

Ⅶ. Market Value Information

1. Securities

Note: The amounts shown in the following tables include trading securities, commercial paper and short-term corporate bonds classified as "Trading assets," negotiable certificates of deposit bought classified as "Deposits with banks," and beneficiary claims on loan trusts classified as "Commercial paper and other debt purchased," in addition to "Securities" stated in the interim consolidated balance sheet.

(1) Securities classified as trading purposes

September 30, 2005	Millions of yen	Millions of U.S. dollars
Consolidated balance sheet amount	¥1,589,914	$14,044
Valuation losses included in the earnings for the interim term	1,296	11

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

September 30, 2005	Millions of yen: Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥659,835	¥653,970	¥(5,865)	¥ 948	¥6,813
Japanese local government bonds	58,545	57,397	(1,148)	—	1,148
Japanese corporate bonds	69,747	68,907	(840)	—	840
Other	27,678	28,120	441	441	—
Total	¥815,806	¥808,394	¥(7,411)	¥1,390	¥8,802

September 30, 2005	Millions of U.S. dollars: Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	$5,829	$5,777	$(52)	$ 8	$60
Japanese local government bonds	517	507	(10)	—	10
Japanese corporate bonds	616	609	(7)	—	7
Other	244	248	4	4	—
Total	$7,206	$7,141	$(65)	$12	$77

Note: Market value is calculated using market prices at the interim term-end.

(3) Other securities with market value

September 30, 2005	Millions of yen: Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 1,904,528	¥ 2,897,259	¥992,730	¥1,031,519	¥ 38,788
Bonds	12,400,547	12,317,414	(83,132)	4,822	87,955
Japanese government bonds	10,723,139	10,649,794	(73,345)	1,207	74,552
Japanese local government bonds	540,423	534,633	(5,790)	939	6,729
Japanese corporate bonds	1,136,983	1,132,986	(3,997)	2,676	6,673
Other	3,878,943	3,866,998	(11,944)	34,002	45,947
Total	¥18,184,018	¥19,081,672	¥897,653	¥1,070,345	¥172,691

September 30, 2005	Millions of U.S. dollars: Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	$ 16,823	$ 25,592	$8,769	$9,112	$ 343
Bonds	109,535	108,801	(734)	43	777
Japanese government bonds	94,719	94,071	(648)	11	659
Japanese local government bonds	4,773	4,722	(51)	8	59
Japanese corporate bonds	10,043	10,008	(35)	24	59
Other	34,264	34,158	(106)	300	406
Total	$160,622	$168,551	$7,929	$9,455	$1,526

Notes: 1. Net unrealized gains include losses of ¥557 million ($5 million) that is recognized in the interim term's earnings by applying fair value hedge accounting and losses of ¥400 million ($4 million) on embedded financial instruments in their entirety that are recognized in the earnings because their embedded derivatives are not measured separately.

2. Consolidated balance sheet amount is calculated as follows:

Stocks	Average market prices during one month before the interim term-end
Bonds and other	Market prices at the interim term-end

3. Other securities with market value are considered as impaired if the market value decreases materially below the acquisition cost and such decline is not considered as recoverable. The market value is recognized as the interim consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for this interim term. Valuation loss for this interim term was ¥212 million ($2 million). The rule for determining "material decline" is as follows and is based on the classification of issuing company under 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 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 four categories of issuers.

(4) Held-to-maturity bonds sold during the interim term

There are no corresponding transactions.

(5) Other securities sold during the interim term

Six months ended September 30, 2005	Millions of yen	Millions of U.S. dollars
Sales amount	¥24,077,266	$212,678
Gains on sales	88,639	783
Losses on sales	13,991	124

(6) Securities with no available market value

	Millions of yen	Millions of U.S. dollars
September 30, 2005	Consolidated balance sheet amount	Consolidated balance sheet amount
Bonds classified as held-to-maturity		
Unlisted foreign securities	¥ 2,531	$ 22
Other	5,271	47
Other securities		
Unlisted stocks (excluding OTC stocks)	417,028	3,684
Unlisted bonds	2,264,800	20,005
Unlisted foreign securities	425,527	3,759
Other	267,941	2,367

(7) Change of classification of securities

There are no corresponding transactions.

(8) Redemption schedule of other securities with maturities and held-to-maturity bonds

	Millions of yen			
September 30, 2005	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	¥2,338,479	¥7,357,651	¥2,618,161	¥3,056,053
Japanese government bonds	1,968,207	4,729,637	1,621,591	2,990,192
Japanese local government bonds	26,564	277,662	288,476	475
Japanese corporate bonds	343,707	2,350,350	708,093	65,385
Other	453,001	2,087,818	565,488	802,079
Total	¥2,791,480	¥9,445,469	¥3,183,649	¥3,858,132

	Millions of U.S. dollars			
September 30, 2005	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	$20,656	$64,991	$23,127	$26,994
Japanese government bonds	17,385	41,777	14,324	26,413
Japanese local government bonds	235	2,453	2,548	4
Japanese corporate bonds	3,036	20,761	6,255	577
Other	4,002	18,442	4,995	7,085
Total	$24,658	$83,433	$28,122	$34,079

2. Money held in trust

(1) Money held in trust classified as trading purposes

There are no corresponding transactions.

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

There are no corresponding transactions.

(3) Other money held in trust

	Millions of yen				
September 30, 2005	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	¥602	¥811	¥209	¥209	¥—

	Millions of U.S. dollars				
September 30, 2005	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	$5	$7	$2	$2	$—

Note: Interim consolidated balance sheet amount is calculated using market prices at the interim term-end.

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

September 30, 2005	Millions of yen	Millions of U.S. dollars
Net unrealized gains	¥898,836	$7,940
Other securities	898,626	7,938
Other money held in trust	209	2
(–) Deferred tax liabilities	364,380	3,219
Net unrealized gains on other securities (before following adjustment)	534,455	4,721
(–) Minority interests	10,029	88
(+) SMFG's interest in net unrealized gains on valuation of other securities held by affiliates accounted for by the equity method	8,645	76
Net unrealized gains on other securities	¥533,070	$4,709

Notes: 1. Net unrealized gains on other securities include losses of ¥557 million ($5 million) that is recognized in the interim term's earnings by applying fair value hedge accounting and valuation losses of ¥400 million ($4 million) on embedded financial instruments in their entirety that are recognized in the earnings because their embedded derivatives are not measured separately.

2. Net unrealized gains included foreign currency translation adjustments on nonmarketable securities denominated in foreign currency.

4. Derivative transactions

(1) Interest rate derivatives

	Millions of yen			Millions of U.S. dollars		
September 30, 2005	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Interest rate futures	¥116,138,624	¥ (6,184)	¥ (6,184)	$1,025,869	$ (55)	$ (55)
Interest rate options	1,082,176	20	20	9,559	0	0
Over-the-counter transactions:						
Forward rate agreements	6,215,118	111	111	54,899	1	1
Interest rate swaps	411,106,356	151,231	151,231	3,631,361	1,336	1,336
Interest rate swaptions	5,201,157	17,173	17,173	45,943	152	152
Caps	24,906,956	(4,840)	(4,840)	220,007	(43)	(43)
Floors	726,587	650	650	6,418	6	6
Other	930,361	5,305	5,305	8,218	47	47
Total	/	¥163,467	¥163,467	/	$1,444	$1,444

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of operations.

Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the amounts above. Net unrealized losses amounted to ¥243 million ($2 million).

(2) Currency derivatives

September 30, 2005	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Currency swaps	¥19,821,747	¥158,980	¥110,433	$175,088	$1,404	$976
Currency swaptions	2,271,416	13,409	13,409	20,064	118	118
Forward foreign exchange	45,519,103	(64,545)	(64,545)	402,077	(570)	(570)
Currency options	5,989,932	(20,629)	(20,629)	52,910	(182)	(182)
Other	—	—	—	—	—	—
Total	/	¥ 87,214	¥ 38,668	/	$ 770	$342

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of operations. The amounts above do not include the following:
(a) Derivative transactions to which deferred hedge accounting method is applied;
(b) Those that are allotted to financial assets/liabilities denominated in foreign currency and whose market values are already reflected to the consolidated balance sheet; and
(c) Those that are allotted to financial assets/liabilities denominated in foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.
Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the amounts above. Net unrealized losses amounted to ¥347 million ($3 million).

(3) Equity derivatives

September 30, 2005	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Equity price index futures	¥148,101	¥ 23	¥ 23	$1,308	$ 0	$ 0
Equity price index options	1,370	2	2	12	0	0
Over-the-counter transactions:						
Equity options	37,365	152	152	330	2	2
Equity price index swaps	—	—	—	—	—	—
Total	/	¥178	¥178	/	$ 2	$ 2

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of operations.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

(4) Bond derivatives

September 30, 2005	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Bond futures	¥1,141,471	¥(4,279)	¥(4,279)	$10,083	$(38)	$(38)
Bond futures options	51,012	40	40	451	1	1
Over-the-counter transactions:						
Forward bond agreements	269,191	1,393	1,393	2,378	12	12
Bond options	1,131,734	3,265	3,265	9,997	29	29
Total	/	¥ 420	¥ 420	/	$ 4	$ 4

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of operations.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

(5) Commodity derivatives

September 30, 2005	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Commodity swaps	¥356,081	¥12,781	¥12,781	$3,145	$113	$113
Commodity options	10,240	(117)	(117)	90	(1)	(1)
Total	/	¥12,664	¥12,664	/	$112	$112

Notes: 1. The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of operations.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.
2. Commodity derivatives are transactions on fuel and metal.

(6) Credit derivative transactions

September 30, 2005	Millions of yen Contract amount	Market value	Valuation gains (losses)	Millions of U.S. dollars Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Credit default options	¥192,332	¥871	¥871	$1,699	$8	$8
Other	1,944	(4)	(4)	17	(0)	(0)
Total	⁄	¥866	¥866	⁄	$8	$8

Note: The above transactions are valuated at market value and the valuation gains (losses) are accounted for in the consolidated statement of operations.
Derivative transactions to which deferred hedge accounting method is applied are not included in the amounts above.

VIII. Segment Information

1. Business segment information

Six months ended September 30, 2005	Millions of yen Banking business	Leasing business	Other business	Total	Elimination	Consolidated
Ordinary income						
(1) External customers	¥1,183,343	¥367,078	¥207,456	¥1,757,879	¥ —	¥1,757,879
(2) Intersegment	20,798	9,443	97,699	127,940	(127,940)	—
Total	1,204,141	376,522	305,155	1,885,819	(127,940)	1,757,879
Ordinary expenses	824,108	355,085	228,575	1,407,770	(113,658)	1,294,111
Ordinary profit	¥ 380,033	¥ 21,436	¥ 76,579	¥ 478,049	¥ (14,281)	¥ 463,768

Six months ended September 30, 2005	Millions of U.S. dollars Banking business	Leasing business	Other business	Total	Elimination	Consolidated
Ordinary income						
(1) External customers	$10,453	$3,242	$1,833	$15,528	$ —	$15,528
(2) Intersegment	183	84	863	1,130	(1,130)	—
Total	10,636	3,326	2,696	16,658	(1,130)	15,528
Ordinary expenses	7,279	3,137	2,019	12,435	(1,004)	11,431
Ordinary profit	$ 3,357	$ 189	$ 677	$ 4,223	$ (126)	$ 4,097

Notes: 1. The business segmentation is classified based on SMFG's internal administrative purpose.
Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. "Other business" includes securities, credit card, investment banking, loans, venture capital, system development and information processing.
3. Ordinary income represents total income excluding gains on disposal of premises and equipment, collection of written-off claims and reversals of other reserves.
Ordinary expenses represent total expenses excluding losses on disposal of premises and equipment, amortization of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

2. Geographic segment information

Six months ended September 30, 2005	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
	Millions of yen						
Ordinary income							
(1) External customers	¥1,579,894	¥77,007	¥46,224	¥54,752	¥1,757,879	¥ —	¥1,757,879
(2) Intersegment	29,904	20,784	1,724	16,207	68,621	(68,621)	—
Total	1,609,798	97,792	47,949	70,960	1,826,501	(68,621)	1,757,879
Ordinary expenses	1,208,124	68,063	40,756	38,992	1,355,936	(61,825)	1,294,111
Ordinary profit	¥ 401,674	¥29,728	¥ 7,192	¥31,968	¥ 470,564	¥ (6,795)	¥ 463,768

Six months ended September 30, 2005	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
	Millions of U.S. dollars						
Ordinary income							
(1) External customers	$13,955	$680	$409	$484	$15,528	$ —	$15,528
(2) Intersegment	264	184	15	143	606	(606)	—
Total	14,219	864	424	627	16,134	(606)	15,528
Ordinary expenses	10,671	601	360	345	11,977	(546)	11,431
Ordinary profit	$ 3,548	$263	$ 64	$282	$ 4,157	$ (60)	$ 4,097

Notes: 1. The geographic segmentation is classified based on the degrees of following factors:
geographic proximity, similarity of economic activities and relationship of business activities among regions.
Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. The Americas includes the United States, Brazil, Canada and others; Europe includes the United Kingdom, Germany, France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.
3. Ordinary income represents total income excluding gains on disposal of premises and equipment, collection of written-off claims and reversals of other reserves.
Ordinary expenses represent total expenses excluding losses on disposal of premises and equipment, amortization of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

3. Ordinary income from overseas operations

Six months ended September 30, 2005	Millions of yen	Millions of U.S. dollars
Consolidated ordinary income from overseas operations (A)	¥ 177,984	$ 1,572
Consolidated ordinary income (B)	1,757,879	15,528
(A) / (B)	10.1%	10.1%

Notes: 1. Consolidated ordinary income from overseas operations are presented as counterparts of overseas sales of companies in other industries.
2. The above table shows ordinary income from transactions of overseas branches of SMBC and transactions of overseas consolidated subsidiaries, excluding internal income. These extensive transactions are not categorized by transaction party and the geographic segment information is not presented because such information is not available.

IX. Parent Company

1. Nonconsolidated balance sheets (unaudited)

Sumitomo Mitsui Financial Group, Inc.
September 30, 2005 and 2004, and March 31, 2005

	Millions of yen			Millions of U.S. dollars
	September 30		March 31	September 30
	2005	2004	2005	2005
Assets				
Current assets	¥ 65,176	¥ 108,191	¥ 134,989	$ 576
Cash and due from banks	54,252	27,259	44,021	479
Current portion of long-term loans to subsidiaries and affiliates	—	40,000	40,000	—
Other current assets	10,923	40,931	50,968	97
Fixed assets	3,587,526	3,449,854	3,659,517	31,689
Premises and equipment	2	3	2	0
Intangible assets	34	48	41	0
Investments and other assets	3,587,489	3,449,803	3,659,472	31,689
Investments in subsidiaries and affiliates	3,586,045	3,446,462	3,656,465	31,676
Other	1,443	3,340	3,007	13
Deferred charges	452	754	603	4
Total assets	¥3,653,155	¥3,558,800	¥3,795,110	$32,269
Liabilities				
Current liabilities	¥ 340,469	¥ 230,761	¥ 475,494	$ 3,007
Short-term borrowings	340,000	230,000	475,000	3,003
Reserve for employees bonuses	61	54	66	0
Other current liabilities	407	706	428	4
Total liabilities	340,469	230,761	475,494	3,007
Stockholders' equity				
Capital stock	1,352,651	1,247,650	1,352,651	11,948
Capital surplus	1,852,296	1,747,286	1,852,293	16,362
Capital reserve	1,352,764	1,247,762	1,352,764	11,949
Other capital surplus	499,532	499,524	499,529	4,413
Retained earnings	378,572	334,493	384,527	3,344
Voluntary reserve	30,420	30,420	30,420	269
Unappropriated retained earnings	348,152	304,073	354,107	3,075
Treasury stock	(270,834)	(1,390)	(269,857)	(2,392)
Total stockholders' equity	3,312,686	3,328,039	3,319,615	29,262
Total liabilities and stockholders' equity	¥3,653,155	¥3,558,800	¥3,795,110	$32,269

2. Nonconsolidated statements of income (unaudited)

Sumitomo Mitsui Financial Group, Inc.
Six months ended September 30, 2005 and 2004, and year ended March 31, 2005

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2005	2004	2005	2005
Operating income	¥16,206	¥205,265	¥258,866	$143
Dividends on investments in subsidiaries and affiliates	12,039	201,285	251,735	106
Fees and commissions received from subsidiaries	4,155	3,558	6,289	37
Interest income on loans to subsidiaries and affiliates	11	420	841	0
Operating expenses	1,737	1,312	2,644	15
General and administrative expenses	1,737	1,312	2,644	15
Operating profit	14,468	203,953	256,222	128
Nonoperating income	66	113	134	1
Nonoperating expenses	2,111	947	2,908	19
Ordinary profit	12,424	203,119	253,448	110
Extraordinary profit	27,579	—	—	244
Income before income taxes	40,004	203,119	253,448	354
Income taxes:				
Current	1	1	3	0
Refund	—	(329)	(329)	—
Deferred	1,567	1,252	1,545	14
Net income	¥38,435	¥202,194	¥252,228	$340