

**Financial Results**  
for the Six Months  
ended September 30, 2005  
-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, 2005

### 1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2004
		Sep. 30, 2005	Change	
Gross banking profit	1	766,648	3,932	762,716
<i>Excluding gains (losses) on bonds</i>	2	738,282	2,229	736,053
Gross domestic profit	3	626,576	36,459	590,117
<i>Excluding gains (losses) on bonds</i>	4	608,887	38,669	570,218
Net interest income	5	459,046	(3,387)	462,433
Trust fees	6	4,284	3,556	728
Net fees and commissions	7	130,683	30,132	100,551
Net trading income	8	(1,038)	(1,763)	725
Net other operating income	9	33,600	7,922	25,678
<i>Gains (losses) on bonds</i>	10	17,689	(2,210)	19,899
Gross international profit	11	140,071	(32,527)	172,598
<i>Excluding gains (losses) on bonds</i>	12	129,395	(36,439)	165,834
Net interest income	13	(4,695)	(33,130)	28,435
Net fees and commissions	14	32,750	6,280	26,470
Net trading income	15	4,608	(15,816)	20,424
Net other operating income	16	107,408	10,140	97,268
<i>Gains (losses) on bonds</i>	17	10,675	3,911	6,764
Expenses (excluding non-recurring losses)	18	(292,415)	(1,279)	(291,136)
Personnel expenses	19	(98,888)	5,432	(104,320)
Non-personnel expenses	20	(177,046)	(8,497)	(168,549)
Taxes	21	(16,480)	1,786	(18,266)
Banking profit (before provision for general reserve for possible loan losses)	22	474,233	2,653	471,580
<i>Excluding gains (losses) on bonds</i>	23	445,867	950	444,917
Provision for general reserve for possible loan losses	24	24,335	(325,399)	349,734
Banking profit	25	498,568	(322,746)	821,314
Gains (losses) on bonds	26	28,365	1,702	26,663
Non-recurring gains (losses)	27	(138,790)	557,326	(696,116)
Credit related costs	28	(153,994)	651,511	(805,505)
Write-off of loans	29	(16,804)	331,965	(348,769)
Provision for specific reserve for possible loan losses	30	(122,647)	281,219	(403,866)
Losses on sales of delinquent loans	31	(14,746)	40,961	(55,707)
Provision for loan loss reserve for specific overseas countries	32	202	(2,636)	2,838
Gains (losses) on stocks	33	24,942	(19,877)	44,819
Gains on sale of stocks	34	34,137	(25,868)	60,005
Losses on sale of stocks	35	(360)	74	(434)
Losses on devaluation of stocks	36	(8,833)	5,918	(14,751)
Other non-recurring gains (losses)	37	(9,738)	(74,308)	64,570
Ordinary profit	38	359,778	234,580	125,198
Extraordinary gains (losses)	39	(4,662)	7,465	(12,127)
Gains (losses) on disposal of premises and equipment	40	665	4,656	(3,991)
Gains on disposal of premises and equipment	41	2,446	1,819	627
Losses on disposal of premises and equipment	42	(1,781)	2,838	(4,619)
Losses on impairment of fixed assets	43	(5,288)	(5,288)	
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	44	-	8,000	(8,000)
Income before income taxes	45	355,115	242,045	113,070
Income taxes, current	46	(5,081)	(3,436)	(1,645)
Income taxes, refund	47	-	(7,405)	7,405
Income taxes, deferred	48	(51,267)	(50,991)	(276)
Net income	49	298,766	180,212	118,554
Total credit cost (24+28)	50	(129,659)	326,112	(455,771)

(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, 2004
		Sep. 30, 2005	Change	
Consolidated gross profit	1	1,021,916	1,961	1,019,955
Net interest income	2	553,715	(42,075)	595,790
Trust fees	3	4,285	3,556	729
Net fees and commissions	4	278,707	43,328	235,379
Net trading income	5	12,259	(18,063)	30,322
Net other operating income	6	172,948	15,216	157,732
General and administrative expenses	7	(421,626)	1,986	(423,612)
Credit related costs	8	(176,525)	436,301	(612,826)
Write-off of loans	9	(42,681)	348,555	(391,236)
Provision for specific reserve for possible loan losses	10	(143,816)	264,505	(408,321)
Provision for general reserve for possible loan losses	11	39,495	(200,720)	240,215
Other credit cost	12	(29,522)	23,960	(53,482)
Gains (losses) on stocks	13	35,265	(13,552)	48,817
Equity in earnings of affiliates	14	14,081	1,188	12,893
Other income (expenses)	15	(9,342)	(78,215)	68,873
<b>Ordinary profit</b>	<b>16</b>	<b>463,768</b>	<b>349,668</b>	<b>114,100</b>
Extraordinary gains (losses)	17	47,524	64,909	(17,385)
Losses on impairment of fixed assets	18	(10,580)	(10,580)	
Income before income taxes and minority interests	19	511,293	414,578	96,715
Income taxes, current	20	(32,367)	(15,288)	(17,079)
Income taxes, refund	21	-	(8,104)	8,104
Income taxes, deferred	22	(60,672)	(55,395)	(5,277)
Minority interests in net income	23	(25,925)	3,165	(29,090)
<b>Net income</b>	<b>24</b>	<b>392,327</b>	<b>338,955</b>	<b>53,372</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)

## (Reference)

(Billions of yen)

		Sep. 30, 2005	Change	Mar. 31, 2005
Consolidated net business profit	25	579.6	34.7	544.9

(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, 2005	Change	Mar. 31, 2005
Consolidated subsidiaries	26	166	(1)	167
Affiliated companies accounted for by equity method	27	59	6	53

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

(Millions of yen, %)

	Six months ended	Change	Six months ended
	Sep. 30, 2005		Sep. 30, 2004
(1) Banking profit (before provision for general reserve for possible loan losses)	474,233	2,653	471,580
Per employee (thousands of yen)	27,731	1,528	26,203
(2) Banking profit	498,568	(322,746)	821,314
Per employee (thousands of yen)	29,154	(16,482)	45,636
(3) Banking profit (before provision for general reserve for possible loan losses, excluding gains (losses) on bonds)	445,867	950	444,917
Per employee (thousands of yen)	26,072	1,351	24,721
Overhead ratio	38.1	(0.1)	38.2

(Notes) 1. Employees include executive officers (who are not board members) and overseas local staffs, and exclude temporary staffs, employees temporarily transferred from other companies, and transferred staffs 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	Change	Six months ended
	Sep. 30, 2005		Sep. 30, 2004
Yield on interest earning assets (A)	1.47	0.01	1.46
Interest earned on loans and bills discounted (C)	1.75	(0.04)	1.79
Interest earned on securities	0.77	0.12	0.65
Total cost of funding (including expenses) (B)	0.83	0.00	0.83
Cost of interest bearing liabilities	0.08	(0.01)	0.09
Interest paid on deposits, etc. (D)	0.02	0.00	0.02
Interest paid on other liabilities	0.24	(0.04)	0.28
Expense ratio	0.75	0.01	0.74
Overall interest spread (A) - (B)	0.64	0.01	0.63
Interest spread (C) - (D)	1.73	(0.04)	1.77

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

(Millions of yen)

	Six months ended	Change	Six months ended
	Sep. 30, 2005		Sep. 30, 2004
Gains (losses) on bonds	28,365	1,702	26,663
Gains on sales	39,827	(11,595)	51,422
Losses on sales	(11,252)	13,629	(24,881)
Gains on redemption	72	(61)	133
Losses on redemption	(280)	(269)	(11)
Losses on devaluation	-	-	-
Gains (losses) on stocks	24,942	(19,877)	44,819
Gains on sales	34,137	(25,868)	60,005
Losses on sales	(360)	74	(434)
Losses on devaluation	(8,833)	5,918	(14,751)

## 5. Unrealized Gains (Losses) on Securities

## (1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) 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 Stockholders' equity)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

\*The amount recognized in income statement by application of fair value hedge accounting is excluded from the amount directly included in Stockholders' equity.

## (Reference) Securities in money held in trust

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

## (2) Unrealized gains (losses)

## &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2005				Mar. 31, 2005		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(7,434)	(5,590)	1,367	(8,801)	(1,844)	2,089	(3,933)
Stocks of subsidiaries and affiliates	116,899	56,556	116,899	-	60,343	60,690	(347)
Other securities	851,571	200,186	1,013,885	(162,314)	651,385	750,143	(98,757)
Stocks	945,387	278,061	980,079	(34,692)	667,326	708,643	(41,317)
Bonds	(80,253)	(87,953)	2,917	(83,171)	7,700	27,343	(19,642)
Others	(13,562)	10,079	30,888	(44,450)	(23,641)	14,155	(37,797)
Other money held in trust	209	5	209	-	204	300	(95)
Total	961,246	251,158	1,132,362	(171,115)	710,088	813,222	(103,133)
Stocks	1,062,286	334,617	1,096,979	(34,692)	727,669	769,333	(41,664)
Bonds	(88,106)	(93,466)	3,866	(91,972)	5,360	28,925	(23,565)
Others	(12,933)	10,008	31,517	(44,450)	(22,941)	14,963	(37,904)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks'.

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 cost (or amortized costs) and the balance sheet amounts.

Net unrealized gains on other securities as of Sep. 30, 2005 include losses of JPY 557 million that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 400 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 957 million is added to the amount to be directly included in stockholders' equity. Unrealized gains on other securities for Mar. 31, 2005 include gains of JPY 469 million recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 82 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 551 million is excluded from the amount to be directly included in stockholders' equity.

## &lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2005				Mar. 31, 2005		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(7,411)	(5,593)	1,390	(8,802)	(1,818)	2,114	(3,933)
Other securities	897,653	201,314	1,070,345	(172,691)	696,339	801,356	(105,017)
Stocks	992,730	287,677	1,031,519	(38,788)	705,053	750,480	(45,426)
Bonds	(83,132)	(98,093)	4,822	(87,955)	14,961	34,971	(20,010)
Others	(11,944)	11,731	34,002	(45,947)	(23,675)	15,903	(39,579)
Other money held in trust	209	5	209	-	204	300	(95)
Total	890,450	195,726	1,071,944	(181,493)	694,724	803,771	(109,046)
Stocks	992,730	287,677	1,031,519	(38,788)	705,053	750,480	(45,426)
Bonds	(90,986)	(103,607)	5,771	(96,757)	12,621	36,554	(23,932)
Others	(11,293)	11,657	34,654	(45,947)	(22,950)	16,735	(39,686)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and beneficiary claims on trust such as receivables 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 cost (or amortized costs) and the balance sheet amounts.

Net unrealized gains on other securities as of Sep. 30, 2005 include losses of JPY 557 million that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 400 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 957 million is added to the amount to be directly included in stockholders' equity. Unrealized gains on other securities for Mar. 31, 2005 include gains of JPY 469 million recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 82 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 551 million is excluded from the amount to be directly included in stockholders' equity.

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

&lt;SMBC Non-consolidated&gt;

(Billions of yen)

	Sep. 30, 2005				Mar. 31, 2005			
	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	48.3	35.6	12.7	(94.1)	57.7	52.9	4.8	(74.2)
Currency swaps	2.0	13.3	(11.3)	1.9	1.1	9.7	(8.6)	2.8
Others	4.7	5.8	(1.1)	(1.3)	7.5	5.7	1.8	12.1
Total	55.0	54.7	0.3	(93.5)	66.3	68.3	(2.0)	(59.3)

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

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

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

(Billions of yen)

	Sep. 30, 2005				Mar. 31, 2005			
	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	5,259.7	16,567.5	4,713.7	26,540.9	7,304.7	16,947.2	3,170.8	27,422.7
Receivable floating rate /payable fixed rate	649.7	4,901.1	3,968.6	9,519.4	949.8	5,995.4	3,270.3	10,215.5
Receivable floating rate /payable floating rate	121.6	482.3	20.8	624.7	155.0	452.0	50.8	657.8
Total contract amount	6,031.0	21,950.9	8,703.1	36,685.0	8,409.5	23,394.6	6,491.9	38,296.0

## 7. Employee Retirement Benefits

## (1) Projected benefit obligation

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2004
		Sep. 30, 2005	Change	
Projected benefit obligation*	(A)	828,560	754	827,806
	<Discount rate>	<2.5%>	< - >	<2.5%>
Fair value of plan assets*	(B)	885,410	200,661	684,749
Reserve for employee retirement benefits*	(C)	-	(11,748)	11,748
Prepaid pension cost*	(D)	157,463	145,069	12,394
Unrecognized net transition obligation from change of accounting standard*	(E)	-	(16,001)	16,001
Unrecognized prior service cost (deductible from the obligation)*	(F)	(68,239)	9,240	(77,479)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E-F)	168,853	(36,327)	205,180

\*As of the beginning of the term

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2004
		Sep. 30, 2005	Change	
Projected benefit obligation*	(A)	891,311	(1,110)	892,421
Fair value of plan assets*	(B)	908,453	199,100	709,353
Reserve for employee retirement benefits*	(C)	34,792	(6,050)	40,842
Prepaid pension cost*	(D)	157,924	144,875	13,049
Unrecognized net transition obligation from change of accounting standard*	(E)	-	(17,876)	17,876
Unrecognized prior service cost (deductible from the obligation)*	(F)	(69,163)	8,859	(78,022)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E-F)	175,153	(40,267)	215,420

\*As of the beginning of the term

## (2) Cost for employee retirement benefits

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Six months ended		Six months ended Sep. 30, 2004
	Sep. 30, 2005	Change	
Cost for employee retirement benefits	14,529	(10,727)	25,256
Service cost	8,133	(664)	8,797
Interest cost on projected benefit obligation	10,357	10	10,347
Expected returns on plan assets	(12,040)	(1,716)	(10,324)
Amortization of net obligation from change of accounting standard (amortized using the straight-line method over 5 years)	-	(8,000)	8,000
Amortization of unrecognized prior service cost	(4,619)	-	(4,619)
Amortization of unrecognized actuarial net gain (loss)	12,095	(551)	12,646
Others	603	196	407

(Reference) &lt;Consolidated&gt;

(Millions of yen)

	Six months ended		Six months ended Sep. 30, 2004
	Sep. 30, 2005	Change	
Pension expenses	18,589	(12,336)	30,925



## 8. Capital Ratio &lt;Consolidated&gt;

(Billions of yen, %)

	Sep. 30, 2005 (a)			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	[Preliminary]	(a) - (b)	(a) - (c)		
(1) Capital ratio	11.00	1.06	0.07	9.94	10.93
(2) Tier I	3,746.1	483.8	100.5	3,262.3	3,645.6
Net unrealized losses on other securities	-	-	-	-	-
(3) Tier II	3,746.1	483.8	326.7	3,262.3	3,419.4
(a) Unrealized gains on securities	410.9	93.8	202.0	317.1	208.9
(b) Land revaluation excess	39.9	(27.2)	(31.2)	67.1	71.1
(c) General reserve for possible loan losses	597.4	(36.1)	(4.3)	633.5	601.7
(d) Subordinated debt	2,697.9	453.3	160.2	2,244.6	2,537.7
(4) Subtraction items	548.0	43.6	104.4	504.4	443.6
(5) Total capital (2) + (3) - (4)	6,944.2	924.1	322.8	6,020.1	6,621.4
(6) Risk-adjusted assets	63,127.9	2,575.3	2,588.8	60,552.6	60,539.1

## 9. ROE

&lt;SMBC Non-consolidated&gt;

(%)

	Six months ended Sep. 30, 2005 (a)			FY2004 (b)	Six months ended Sep. 30, 2004 (c)
	(a) - (b)	(a) - (c)			
ROE (numerator: Banking profit*)	57.3	(4.3)	(1.0)	61.6	58.3
ROE (numerator: Banking profit)	60.2	(24.7)	(41.3)	84.9	101.5
ROE (numerator: Net income)	36.1	46.0	21.4	(9.9)	14.7

\*Banking profit before provision for general reserve for possible loan losses

&lt;Consolidated&gt;

(%)

	Six months ended Sep. 30, 2005 (a)			FY2004 (b)	Six months ended Sep. 30, 2004 (c)
	(a) - (b)	(a) - (c)			
ROE (numerator: Net income)	56.0	79.0	48.1	(23.0)	7.9

(Note)

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

(%)

	Six months ended Sep. 30, 2005 (a)			FY2004 (b)	Six months ended Sep. 30, 2004 (c)
	(a) - (b)	(a) - (c)			
Fully-diluted ROE (numerator: Net income)	25.9	33.9	22.4	(8.0)	3.5

(Note)

$$\text{Fully-diluted ROE} = \frac{(\text{Net income}) \times (\text{number of days in a year}) / (\text{number of days in the six-month period})}{\{(\text{Stockholders' equity at the beginning of the term}) + (\text{Stockholders' equity at the end of the term})\} / 2} \times 100$$

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

<As of Sep. 30, 2005>		(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 301.7 (i) (Change from Mar. 31, 2005: -146.6)	Portion of claims secured by collateral or guarantees, etc. 286.1 (a)	Fully reserved 15.6	Direct Write-offs (*1)	Specific Reserve	21.3 (*2)	100% (*3)	
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful Assets 723.8 (ii) (Change from Mar. 31, 2005: -200.6)	Portion of claims secured by collateral or guarantees, etc. 329.5 (b)	Necessary amount reserved 394.3		Specific Reserve	353.9 (*2)	89.8% (*3)	
Borrowers Requiring Caution	Substandard Loans 380.5 (iii) (Change from Mar. 31, 2005: -71.4) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 158.3 (c)						
	Normal Assets 54,970.7	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve 393.2	4.7% [10.1%] (*4)		
Normal Borrowers		Claims to Normal Borrowers					0.2% (*4)	
Total 56,376.7 (iv)					Loan Loss Reserve for Specific Overseas Countries 3.7			
A=(i)+(ii)+(iii) 1,406.0 (v) (Change from Mar. 31, 2005: -418.6) <Problem asset ratio ((v)/(iv)) 2.5%>		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 773.9		C: Unsecured portion (A - B) 632.1		D: Specific Reserve + General Reserve for Substandard Loans (*2) 493.9		Reserve Ratio (*5) $\frac{D}{C}$ 78.1%
Coverage Ratio = (B+D)/A 90.2%								

(\*1) Includes amount of direct reduction totaling JPY 1,113.0 billion.

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

(Bankrupt/Effectively Bankrupt Borrowers: JPY 5.7 billion, Potentially Bankrupt Borrowers: JPY 8.0 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.



## 11. Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	72,184	26,253	12,955	45,931	59,229
	Non-accrual loans	898,868	(339,154)	(653,542)	1,238,022	1,552,410
	Past due loans (3 months or more)	51,310	24,408	4,498	26,902	46,812
	Restructured loans	329,258	(95,748)	(403,059)	425,006	732,317
	Total	1,351,621	(384,242)	(1,039,147)	1,735,863	2,390,768

Amount of direct reduction                      1,091,620                      (412,981)                      (291,921)                      1,504,601                      1,383,541

Total loans (term-end balance)	50,949,158	881,572	225,551	50,067,586	50,723,607
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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	1.8	(0.7)	(1.3)	2.5	3.1
	Past due loans (3 months or more)	0.1	0.0	0.0	0.1	0.1
	Restructured loans	0.7	(0.1)	(0.7)	0.8	1.4
	Total	2.7	(0.8)	(2.0)	3.5	4.7

&lt;Consolidated&gt;

(Millions of yen)

		Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	89,680	21,343	2,708	68,337	86,972
	Non-accrual loans	1,084,678	(314,286)	(759,383)	1,398,964	1,844,061
	Past due loans (3 months or more)	53,845	24,404	927	29,441	52,918
	Restructured loans	560,295	(170,406)	(324,450)	730,701	884,745
	Total	1,788,499	(438,946)	(1,080,197)	2,227,445	2,868,696

Amount of direct reduction                      1,316,942                      (406,856)                      (398,830)                      1,723,798                      1,715,772

Total loans (term-end balance)	56,095,034	1,295,229	673,000	54,799,805	55,422,034
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					(%)	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Ratio to total loans	Bankrupt loans	0.2	0.1	0.0	0.1	0.2
	Non-accrual loans	1.9	(0.7)	(1.4)	2.6	3.3
	Past due loans (3 months or more)	0.1	0.0	0.0	0.1	0.1
	Restructured loans	1.0	(0.3)	(0.6)	1.3	1.6
	Total	3.2	(0.9)	(2.0)	4.1	5.2

## 12. Reserve for Possible Loan Losses

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Reserve for possible loan losses	772,141	(216,980)	(190,442)	989,121	962,583
General reserve	393,220	(24,335)	(26,079)	417,555	419,299
Specific reserve	375,193	(192,443)	(163,172)	567,636	538,365
Loan loss reserve for specific overseas countries	3,727	(203)	(1,192)	3,930	4,919
Amount of direct reduction	1,113,028	(418,818)	(296,148)	1,531,846	1,409,176

&lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Reserve for possible loan losses	1,037,217	(236,343)	(185,174)	1,273,560	1,222,391
General reserve	597,385	(36,130)	(4,299)	633,515	601,684
Specific reserve	436,104	(200,010)	(179,682)	636,114	615,786
Loan loss reserve for specific overseas countries	3,727	(203)	(1,192)	3,930	4,919
Amount of direct reduction	1,367,602	(414,642)	(406,441)	1,782,244	1,774,043

## 13. Reserve Ratio to Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(%)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Before direct reduction	77.2	(0.6)	14.4	77.8	62.8
After direct reduction	57.1	0.1	16.8	57.0	40.3

&lt;Consolidated&gt;

(%)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Before direct reduction	77.4	0.1	12.0	77.3	65.4
After direct reduction	58.0	0.8	15.4	57.2	42.6

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

## 14. Problem Assets Based on the Financial Reconstruction Law and the Coverage

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	301,689	(146,572)	(279,383)	448,261	581,072
Doubtful assets	723,768	(200,683)	(400,381)	924,451	1,124,149
Substandard loans	380,568	(71,341)	(398,561)	451,909	779,129
Total (A)	1,406,027	(418,595)	(1,078,323)	1,824,622	2,484,350
Normal assets	54,970,710	1,518,163	1,297,259	53,452,547	53,673,451
Total (B)	56,376,737	1,099,568	218,936	55,277,169	56,157,801
Problem asset ratio (A/B)	2.5	(0.8)	(1.9)	3.3	4.4

Amount of direct reduction 1,113,028 (418,818) (296,148) 1,531,846 1,409,176

(Note) Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	1,267,855	(384,087)	(836,283)	1,651,942	2,104,138
Reserve for possible loan losses* (D)	493,944	(198,238)	(205,023)	692,182	698,967
Amount recoverable due to guarantees, collateral and others (E)	773,910	(185,850)	(631,261)	959,760	1,405,171

\* Sum of general reserve for Substandard loans and specific reserve.

	(%)				
Coverage ratio (C) / (A)	90.2	(0.3)	5.5	90.5	84.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	110.0	3.2	14.7	106.8	95.3

	(%)				
Reserve ratio to unsecured assets (D) / (A - E)	78.1	(1.9)	13.3	80.0	64.8
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	122.2	7.8	33.0	114.4	89.2

&lt;Consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	394,066	(86,902)	(313,258)	480,968	707,324
Doubtful assets	830,112	(244,128)	(483,184)	1,074,240	1,313,296
Substandard loans	622,097	(145,700)	(322,841)	767,797	944,938
Total (A)	1,846,277	(476,729)	(1,119,281)	2,323,006	2,965,558
Normal assets	59,145,155	2,050,380	2,077,332	57,094,775	57,067,823
Total (B)	60,991,432	1,573,651	958,051	59,417,781	60,033,381
Problem asset ratio (A/B)	3.0	(0.9)	(1.9)	3.9	4.9

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	1,623,818	(419,224)	(813,495)	2,043,042	2,437,313
Reserve for possible loan losses (D)	543,794	(217,404)	(222,467)	761,198	766,261
Amount recoverable due to guarantees, collateral and others (E)	1,080,024	(201,820)	(591,028)	1,281,844	1,671,052

	(%)				
Coverage ratio (C) / (A)	88.0	0.1	5.8	87.9	82.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	114.7	4.7	17.1	110.0	97.6

	(%)				
Reserve ratio to unsecured assets (D) / (A - E)	71.0	(2.1)	11.8	73.1	59.2
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	135.4	13.1	41.0	122.3	94.4

## (Reference) Progress in Off-Balancing of Problem Assets &lt;SMBC Non-consolidated&gt;

## 1. Problem assets classified prior to or during the six months ended Sep. 30, 2000

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2000	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	653.0	475.2	379.5	283.3	240.3	144.5	99.6	28.9	32.6	17.9	13.3	(4.6)
Doubtful assets	2,594.8	1,361.6	1,055.7	848.3	661.1	255.6	192.3	43.3	14.0	9.3	7.8	(1.5)
Total	3,247.8	1,836.8	1,435.2	1,131.6	901.4	400.1	291.9	72.2	46.6	27.2	21.1	(6.1)

The result of measures connected to Off-balancing

151.2	120.0	29.7	20.5	10.3	7.7
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(Note) 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) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(1.3)
Reconstructive disposition --- (a)	(0.5)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(27.6)
Direct write-offs	28.5
Others	(5.2)
Collection/repayment, etc.	(5.1)
Improvement in debtors' performance	(0.1)
Total	(6.1)

(Notes) 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.  
3. "Improvement in debtors' performance due to reconstructive disposition" was categorized as "Others" in FY2000 financial results published in May 2001.

## 2. Problem assets classified during the six-months ended Mar. 31, 2001

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	118.8	142.2	57.7	52.1	29.0	22.7	5.5	4.0	5.7	3.4	(2.3)
Doubtful assets	592.6	269.7	145.2	112.7	81.9	53.8	20.2	15.4	6.3	4.5	(1.8)
Total	711.4	411.9	202.9	164.8	110.9	76.5	25.7	19.4	12.0	7.9	(4.1)

The result of measures connected to Off-balancing

23.4	18.4	4.3	3.1	5.5	3.2
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## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(1.7)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(5.4)
Direct write-offs	4.8
Others	(1.8)
Collection/repayment, etc.	(1.8)
Improvement in debtors' performance	(0.0)
Total	(4.1)

## 3. Problem assets classified during the six months ended Sep. 30, 2001

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	56.6	76.6	66.0	41.7	32.5	19.1	12.0	8.4	5.8	(2.6)
Doubtful assets	332.5	236.9	163.1	99.5	68.7	17.6	10.3	3.7	2.3	(1.4)
Total	389.1	313.5	229.1	141.2	101.2	36.7	22.3	12.1	8.1	(4.0)

The result of measures connected to Off-balancing

31.9	25.5	16.1	10.3	7.0	4.8
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## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(0.0)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(6.3)
Direct write-offs	4.2
Others	(1.9)
Collection/repayment, etc.	(1.3)
Improvement in debtors' performance	(0.6)
Total	(4.0)

## 4. Problem assets classified during the six months ended Mar. 31, 2002

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	80.6	96.4	60.5	98.4	59.3	52.8	16.6	10.8	(5.8)
Doubtful assets	1,751.9	1,131.5	729.5	372.1	200.6	87.6	5.2	4.9	(0.3)
Total	1,832.5	1,227.9	790.0	470.5	259.9	140.4	21.8	15.7	(6.1)

The result of measures connected to Off-balancing	56.1	30.6	16.0	7.7	6.4	3.4
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## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(9.6)
Reconstructive disposition --- (a)	(0.0)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(10.8)
Direct write-offs	17.3
Others	(3.0)
Collection/repayment, etc.	(3.0)
Improvement in debtors' performance	-
Total	(6.1)

## 5. Problem assets classified during the six months ended Sep. 30, 2002

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	64.5	204.8	95.8	48.2	21.5	17.6	7.4	(10.2)
Doubtful assets	483.9	153.6	111.9	44.0	19.2	8.3	4.0	(4.3)
Total	548.4	358.4	207.7	92.2	40.7	25.9	11.4	(14.5)

The result of measures connected to Off-balancing	107.7	52.0	17.6	14.3	9.3	6.2
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## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(0.1)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(17.3)
Direct write-offs	8.0
Others	(5.1)
Collection/repayment, etc.	(3.7)
Improvement in debtors' performance	(1.4)
Total	(14.5)

## 6. Problem assets classified during the six months ended Mar. 31, 2003

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	44.4	89.3	41.5	22.7	20.6	13.2	(7.4)
Doubtful assets	809.4	230.4	78.3	25.2	9.0	7.0	(2.0)
Total	853.8	319.7	119.8	47.9	29.6	20.2	(9.4)

The result of measures connected to Off-balancing	40.7	80.3	29.4	8.9	8.4	3.8
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## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	-
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(18.4)
Direct write-offs	12.0
Others	(3.0)
Collection/repayment, etc.	(2.3)
Improvement in debtors' performance	(0.7)
Total	(9.4)



## 7. Problem assets classified during the six months ended Sep. 30, 2003

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	67.8	101.2	105.7	30.8	24.4	(6.4)
Doubtful assets	602.0	172.8	30.4	12.5	9.2	(3.3)
Total	669.8	274.0	136.1	43.3	33.6	(9.7)

The result of measures connected to Off-balancing

44.1	66.3	53.1	14.2	12.7
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(2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(2.8)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(16.6)
Direct write-offs	16.7
Others	(7.0)
Collection/repayment, etc.	(5.7)
Improvement in debtors' performance	(1.3)
Total	(9.7)

## 8. Problem assets classified during the six months ended Mar. 31, 2004

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	57.9	160.1	104.5	63.7	(40.8)
Doubtful assets	625.9	46.8	12.3	10.8	(1.5)
Total	683.8	206.9	116.8	74.5	(42.3)

The result of measures connected to Off-balancing

53.2	80.6	54.3	23.0
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(2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(1.8)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(20.8)
Direct write-offs	17.4
Others	(37.1)
Collection/repayment, etc.	(30.9)
Improvement in debtors' performance	(6.2)
Total	(42.3)

## 9. Problem assets classified during the six months ended Sep. 30, 2004

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	169.7	84.0	60.0	(24.0)
Doubtful assets	875.2	474.1	224.3	(249.8)
Total	1,044.9	558.1	284.3	(273.8)

The result of measures connected to Off-balancing

56.8	67.9	50.4
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(2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(1.1)
Reconstructive disposition --- (a)	(234.7)
Improvement in debtors' performance due to (a)	(24.6)
Loan sales to market	(29.2)
Direct write-offs	28.6
Others	(12.8)
Collection/repayment, etc.	(10.5)
Improvement in debtors' performance	(2.3)
Total	(273.8)

## 10. Problem assets classified during the six months ended Mar. 31, 2005

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Mar. 31,	Sep. 30,	Change
	2005	2005	
Bankrupt and quasi-bankrupt assets	142.2	61.0	(81.2)
Doubtful assets	383.7	172.6	(211.1)
Total	525.9	233.6	(292.3) (J)

The result of measures connected to Off-balancing 

18.8	48.1
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## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(0.2)
Reconstructive disposition --- (a)	(1.9)
Improvement in debtors' performance due to (a)	(1.0)
Loan sales to market	(95.9)
Direct write-offs	(32.2)
Others	(161.1)
Collection/repayment, etc.	(143.3)
Improvement in debtors' performance	(17.8)
Total	(292.3) (J)

## 11. Problem assets classified during the six months ended Sep. 30, 2005

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Sep. 30, 2005
Bankrupt and quasi-bankrupt assets	38.7
Doubtful assets	276.4
Total	315.1

The result of measures connected to Off-balancing 

33.8
------

## (Reference) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2000	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005	Change
Bankrupt and quasi-bankrupt assets	653.0	594.0	578.3	498.2	519.3	524.9	506.1	361.6	581.1	448.3	301.7	(146.6)
Doubtful assets	2,594.8	1,954.1	1,657.9	2,982.3	2,552.3	2,129.5	1,631.2	1,202.7	1,124.1	924.4	723.8	(200.6)
Total	3,247.8	2,548.1	2,236.2	3,480.5	3,071.6	2,654.4	2,137.3	1,564.3	1,705.2	1,372.7	1,025.5	(347.2)

The result of measures connected to Off-balancing 

411.0	370.9	232.6	255.3	202.1	197.1
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## (Reference) Progress of Off-balancing (Six months ended Sep. 30, 2005 total)

(Billions of yen)

	Six months ended Sep. 30, 2005
Disposition by borrowers' liquidation	(18.6)
Reconstructive disposition --- (a)	(237.1)
Improvement in debtors' performance due to (a)	(25.6)
Loan sales to market	(248.3)
Direct write-offs	105.3
Others	(238.0)
Collection/repayment, etc.	(207.6)
Improvement in debtors' performance	(30.4)
Total	(A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J) (662.3)

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

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

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	46,865,161	191,514	(654,815)	46,673,647	47,519,976
Manufacturing	5,154,015	(167,700)	(428,327)	5,321,715	5,582,342
Agriculture, forestry, fisheries, and mining	136,050	10,476	15,430	125,574	120,620
Construction	1,351,155	(267,217)	(303,799)	1,618,372	1,654,954
Transportation, communications and public enterprises	2,671,461	(65,925)	(409,506)	2,737,386	3,080,967
Wholesale and retail	5,301,410	(9,471)	(122,198)	5,310,881	5,423,608
Finance and insurance	4,855,505	(303,249)	(210,089)	5,158,754	5,065,594
Real estate	6,597,016	614,056	256,412	5,982,960	6,340,604
Various services	5,797,297	91,396	255,798	5,705,901	5,541,499
Municipalities	483,328	(100,187)	44,828	583,515	438,500
Others	14,517,921	389,337	246,637	14,128,584	14,271,284
Overseas offices and offshore banking accounts	4,083,996	690,058	880,365	3,393,938	3,203,631
Public sector	82,923	7,099	44,702	75,824	38,221
Financial institutions	248,563	11,287	(8,555)	237,276	257,118
Commerce and industry	3,581,686	587,668	777,706	2,994,018	2,803,980
Others	170,822	84,003	66,512	86,819	104,310
Total	50,949,158	881,572	225,551	50,067,586	50,723,607

## Risk-Monitored Loans

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	1,324,938	(378,653)	(1,018,422)	1,703,591	2,343,360
Manufacturing	75,381	(5,902)	(4,919)	81,283	80,300
Agriculture, forestry, fisheries, and mining	3,155	2,430	2,246	725	909
Construction	119,353	(222,799)	(184,178)	342,152	303,531
Transportation, communications and public enterprises	35,648	2,275	(48,736)	33,373	84,384
Wholesale and retail	136,781	33,440	(161,648)	103,341	298,429
Finance and insurance	43,923	(50,586)	(2,168)	94,509	46,091
Real estate	451,855	55,313	(434,059)	396,542	885,914
Various services	356,678	(93,523)	(57,205)	450,201	413,883
Municipalities	-	-	-	-	-
Others	102,161	(99,301)	(127,758)	201,462	229,919
Overseas offices and offshore banking accounts	26,683	(5,589)	(20,725)	32,272	47,408
Public sector	117	6	3	111	114
Financial institutions	-	(267)	(277)	267	277
Commerce and industry	26,566	(5,328)	(20,451)	31,894	47,017
Others	-	-	-	-	-
Total	1,351,621	(384,242)	(1,039,147)	1,735,863	2,390,768

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

(Millions of yen, %)

	Sep. 30, 2005				Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	Reserve ratio	(a) - (b)	(a) - (c)		
Domestic offices (excluding offshore banking account)	1,373,977	77.9	(413,838)	(1,055,032)	1,787,815	2,429,009
Manufacturing	79,021	70.4	(6,433)	(2,489)	85,454	81,510
Agriculture, forestry, fisheries, and mining	3,155	61.1	2,430	2,245	725	910
Construction	149,079	80.1	(247,219)	(212,237)	396,298	361,316
Transportation, communications and public enterprises	38,234	67.5	2,030	(49,187)	36,204	87,421
Wholesale and retail	139,850	72.7	34,838	(160,994)	105,012	300,844
Finance and insurance	45,179	89.9	(50,658)	(2,381)	95,837	47,560
Real estate	456,846	69.3	48,295	(442,726)	408,551	899,572
Various services	358,433	83.3	(97,590)	(58,988)	456,023	417,421
Municipalities	-	-	-	-	-	-
Others	104,176	100.0	(99,529)	(128,279)	203,705	232,455
Overseas offices and offshore banking accounts	32,050	87.0	(4,757)	(23,291)	36,807	55,341
Public sector	117	89.8	6	3	111	114
Financial institutions	-	-	(462)	(2,442)	462	2,442
Commerce and industry	31,933	87.0	(4,301)	(20,852)	36,234	52,785
Others	-	-	-	-	-	-
<b>Total</b>	<b>1,406,027</b>	<b>78.1</b>	<b>(418,595)</b>	<b>(1,078,323)</b>	<b>1,824,622</b>	<b>2,484,350</b>

(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, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	14,426,158	195,510	517,813	14,230,648	13,908,345
Mortgage loans	13,454,572	214,123	612,340	13,240,449	12,842,232
Residential purpose	9,663,175	211,845	647,547	9,451,330	9,015,628
Other consumer loans	971,585	(18,613)	(94,528)	990,198	1,066,113

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

(Millions of yen, %)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Outstanding balance	34,859,483	(431,667)	(33,822)	35,291,150	34,893,305
Ratio to total loans	74.4	(1.2)	1.0	75.6	73.4

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

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

## (1) Loans to specific overseas countries

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Loan balance	38,104	(2,060)	(9,257)	40,164	47,361
Number of countries	5	-	(1)	5	6

## (2) Loans classified by country

## (i) Loans to major Asian countries

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Indonesia	56,785	(7,228)	(5,685)	64,013	62,470
Risk-monitored loans	4,956	1,639	1,892	3,317	3,064
Thailand	281,566	58,591	64,308	222,975	217,258
Risk-monitored loans	228	(517)	(966)	745	1,194
Korea	229,313	34,400	20,512	194,913	208,801
Risk-monitored loans	1,141	52	27	1,089	1,114
Hong Kong	269,663	49,759	44,300	219,904	225,363
Risk-monitored loans	99	(223)	(2,756)	322	2,855
China	300,878	45,988	98,261	254,890	202,617
Risk-monitored loans	-	(198)	(375)	198	375
Singapore	250,166	3,425	13,322	246,741	236,844
Risk-monitored loans	872	34	208	838	664
India	23,982	7,217	345	16,765	23,637
Risk-monitored loans	234	(825)	(1,464)	1,059	1,698
Malaysia	137,068	49,994	66,009	87,074	71,059
Risk-monitored loans	492	(10)	321	502	171
Pakistan	1,741	(283)	(642)	2,024	2,383
Risk-monitored loans	1,286	67	25	1,219	1,261
Others	93,099	9,970	23,974	83,129	69,125
Risk-monitored loans	-	-	-	-	-
Total	1,644,266	251,834	324,706	1,392,432	1,319,560
Risk-monitored loans	9,308	19	(3,088)	9,289	12,396

(Notes) 1. Classified by domicile of debtors (same for the following tables).

2. Risk-monitored loans are calculated based on the ones in overseas offices and Japan offshore banking accounts (same for the following tables).

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

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Chile	1,132	(1,020)	(2,723)	2,152	3,855
Risk-monitored loans	-	-	-	-	-
Columbia	976	(3,557)	(4,159)	4,533	5,135
Risk-monitored loans	342	(30)	(97)	372	439
Mexico	46,878	12,751	14,975	34,127	31,903
Risk-monitored loans	-	-	-	-	-
Argentina	14	(42)	(171)	56	185
Risk-monitored loans	-	-	-	-	-
Brazil	47,832	(2,941)	(8,025)	50,773	55,857
Risk-monitored loans	-	-	-	-	-
Venezuela	5,702	(560)	(1,055)	6,262	6,757
Risk-monitored loans	-	-	-	-	-
Panama	206,383	38,621	33,478	167,762	172,905
Risk-monitored loans	-	-	-	-	-
Others	3,120	(549)	(792)	3,669	3,912
Risk-monitored loans	117	6	3	111	114
Total	312,040	42,704	31,526	269,336	280,514
Risk-monitored loans	459	(24)	(94)	483	553

## (iii) Loans to Russia

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	(a) - (b)	(a) - (c)		
Russia	25,632	13,898	20,709	11,734	4,923
Risk-monitored loans	-	-	-	-	-

## (3) Problem Assets Based on the Financial Reconstruction Law, classified by domicile

(Millions of yen, %)

	Sep. 30, 2005				Mar. 31, 2005 (b)	Sep. 30, 2004 (c)
	(a)	Reserve ratio	(a) - (b)	(a) - (c)		
Overseas offices and Japan offshore banking accounts	32,050	87.0	(4,757)	(23,291)	36,807	55,341
Asia	12,286	69.0	(529)	(4,716)	12,815	17,002
Indonesia	4,956	54.6	1,639	1,892	3,317	3,064
Hong Kong	99	100.0	(312)	(2,823)	411	2,922
India	234	100.0	(846)	(2,090)	1,080	2,324
China	-	-	(198)	(410)	198	410
Others	6,997	67.5	(812)	(1,285)	7,809	8,282
North America	18,839	100.0	(3,919)	(9,969)	22,758	28,808
Central and South America	459	89.8	(219)	(2,259)	678	2,718
Western Europe	466	54.5	(90)	(6,347)	556	6,813
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.

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

## (1) Deposits and loans outstanding

(Millions of yen, %)

	Six months ended Sep. 30, 2005			FY2004	Six months ended Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits (term-end balance)	63,380,886	592,558	1,369,281	62,788,328	62,011,605
Deposits (average balance)	62,985,016	1,573,735	2,318,346	61,411,281	60,666,670
Domestic units	55,876,909	1,255,016	1,888,700	54,621,893	53,988,209
Average yield	0.02	0.00	0.00	0.02	0.02
Loans (term-end balance)	50,949,158	881,572	225,551	50,067,586	50,723,607
Loans (average balance)	50,180,493	(628,415)	(447,181)	50,808,908	50,627,674
Domestic units	45,561,055	(1,298,290)	(1,256,914)	46,859,345	46,817,969
Average yield	1.75	(0.03)	(0.04)	1.78	1.79

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

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

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic deposits	60,872,620	262,990	1,999,424	60,609,630	58,873,196
Individual	32,484,694	330,680	391,363	32,154,014	32,093,331
Corporate	28,387,926	(67,690)	1,608,061	28,455,616	26,779,865

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

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

## (Reference)

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Outstanding balance of investment trusts	2,590,176	241,949	448,073	2,348,227	2,142,103
Balance to individuals	2,505,745	240,901	443,488	2,264,844	2,062,257

(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.

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

## (1) Debt Forgiveness

(Billions of yen)

	Six months ended Sep 30, 2005
Number of companies whose debts have been forgiven	5
Principal amount forgiven	236.4

(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, 2005
Balance sheet amount	3,165.2
Acquisition cost	2,219.8

(Billions of yen)

	Six months ended Sep 30, 2005
Amount sold	approx. 100.0

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

	Sep. 30, 2005		Mar. 31, 2005	Mar. 31, 2006
		Change		"The Plan"*3
Directors and auditors*1	22	(3)	25	23
Employees*2	21,290	270	21,020	20,900

(\*1) Including directors and auditors of SMFG.

(\*2) Registered employees including employees temporarily transferred to other companies but excluding directors, executive officers, contract employees, temporary recruited, and overseas local staffs.

(\*3) The Plan for Strengthening the Financial Base.

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

	Sep. 30, 2005		Mar. 31, 2005	Mar. 31, 2006
		Change		"The Plan"*4
Domestic branches*1	412	(13)	425	415
Overseas branches*2	17	-	17	19
Overseas subsidiaries*3	27	-	27	28

(\*1) Sub-branches, agencies, branches specialized in receiving money transfers, branches specialized in controlling ATMs in convenience stores, and International Business Operations Department are excluded.

(\*2) Sub-branches and representative offices are excluded.

(\*3) Excluding affiliates, of which SMBC has 50% or less than 50% equity interest.

(\*4) The Plan for Strengthening the Financial Base.

## 21. Deferred Tax Assets &lt;SMBC Non-consolidated&gt;

(1) Deferred Tax Assets on the Balance Sheet		(Billions of yen)					(Reference)
		Sep. 30, 2005	Change from Mar. 31, 2005	Change from Sep. 30, 2004	Mar. 31, 2005	Temporary differences Sep. 30, 2005	
(a) Total deferred tax assets	(b-c)	1	1,732.2	(93.6)	(134.1)	1,825.8	
(b) Subtotal of deferred tax assets		2	2,223.6	(155.5)	(68.7)	2,379.1	5,452.9
Reserve for possible loan losses		3	233.3	(82.1)	(71.4)	315.4	574.2
Write-off of loans		4	368.5	(193.6)	(142.8)	562.1	907.0
Write-off of securities		5	444.5	(88.5)	(21.7)	533.0	1,094.1
Reserve for employee retirement benefits		6	71.7	(5.2)	(8.2)	76.9	176.4
Depreciation		7	6.8	0.7	0.1	6.1	16.7
Net unrealized losses on other securities		8	-	-	-	-	-
Net operating loss carryforwards		9	1,056.1	233.3	193.8	822.8	2,579.5
Other		10	42.7	(20.1)	(18.5)	62.8	105.0
(c) Valuation allowance		11	491.4	(61.9)	65.4	553.3	
(d) Total deferred tax liabilities		12	403.7	80.1	169.0	323.6	993.7
Gains on securities contributed to employee retirement benefits trust		13	51.7	-	(1.3)	51.7	127.2
Net unrealized gains on other securities		14	346.5	82.0	169.6	264.5	852.8
Other		15	5.5	(1.9)	0.7	7.4	13.7
Net deferred tax assets (Balance sheet amount)	(a-d)	16	1,328.5	(173.7)	(303.1)	1,502.2	
Amount corresponding to the deferred tax liabilities shown in line 14	(Note)	17	(346.5)	(82.0)	(169.6)	(264.5)	(852.8)
Net deferred tax assets excluding the amount shown in line 17		18	1,675.0	(91.7)	(133.5)	1,766.7	4,125.6
Effective income tax rate		19	40.63%	-	-	40.63%	

(Notes) 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 operating loss carryforwards on the tax base. These operating loss carryforwards are due to SMBC taking the below measures 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, SMBC recognized deferred tax assets to the limit of the estimated future taxable income for the period (approximately 5 years) pursuant to the practical guideline on assessing the collectability of deferred tax assets issued by JICPA ("Practical Guideline")(\*).

## (a) Disposal of Non-performing Loans

SMBC established internal standards for write-offs and reserves 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 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 "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 fiscal 2004. As a result, SMBC achieved this target 6 months ahead of schedule, in the 1st half of fiscal 2004. In the process, taxable disposals that were made in the past were realized, while taxable disposals(\*\*) were newly recognized (taxable disposal of non-performing loans as of September 30, 2005 amounted to approximately 1,480 billion yen).

## (b) Disposal of Unrealized Losses on Stocks

SMBC has been accelerating its effort to reduce stockholdings in order to reduce the risk of stock price fluctuations, and early meet 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 yen and also disposed all at once unrealized losses on stocks of approximately 1.2 trillion yen by writing off impaired stocks and using the gains on the March 2003 merger. Consequently, SMBC met the regulation limiting stockholdings at the end of fiscal 2002, before the deadline.

As a result, the outstanding balance of taxable write-off on securities(\*\*) increased temporarily (from approximately 0.1 trillion yen as of March 31, 1999 to approximately 1.5 trillion yen as of March 31, 2003). On the other hand, taxable write-off of securities carried out in the past is now being realized through accelerated selling of stocks (the balance of taxable write-off on securities as of September 30, 2005 amounted to approximately 1.1 trillion yen).

(2) Consequently, operating loss carryforwards on the tax base amounted to approximately 2.58 trillion yen as of September 30, 2005, 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 operating loss carryforwards on the tax base have expired in the past.

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

(\*\*) Corresponds to "(Reference) Temporary differences" of 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	5,376.0
A Income before income taxes	2	3,181.0
B Adjustments to taxable income (excluding reversal of temporary differences as of Sep. 30, 2005)	3	988.6
C Taxable income before adjustments (A+B)	4	4,169.6
Deferred tax assets corresponding to taxable income before adjustments	5	1,694.1

## [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 six months ended September 30, 2010 based on the "Plan for strengthening the financial base (up to fiscal 2008)"
  - (b) Reduce an amount reflecting the uncertainty of the projected amount from the projected amount.
  - (c) Add the adjustments to the above amount
- (3) Apply the effective tax rate to the above amount and record the amount as "deferred tax assets"

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

(Billions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004	1st half FY2005
Income of final return (before deducting operating loss carryforwards)	(176.0)	241.9	(745.5)	(1,437.8)	317.2	(571.0)

(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, 2005 were estimated in interim closing.

## 22. Earnings Forecast for FY2005

Sumitomo Mitsui Financial Group, Inc.

&lt;Non-consolidated&gt;

(Billions of yen)

	FY2005		FY2004
	Forecast	Change	Result
Operating income	54.0	(204.8)	258.8
Ordinary profit	48.0	(205.4)	253.4
Net income	70.0	(182.2)	252.2

Dividend per share forecast for the fiscal year end

(Yen)

Common stock	3,000	-	3,000
Type 1 Preferred stock	10,500	-	10,500
Type 2 Preferred stock	28,500	-	28,500
Type 3 Preferred stock	13,700	-	13,700
Type 4 Preferred stock	1st - 12th series	135,000	135,000
	13th series		67,500
1st Series Type 6 Preferred stock	88,500	87,772	728

(Reference)

(Billions of yen)

Total dividend planned	46.4	2.0	44.4
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&lt;Consolidated&gt;

(Billions of yen)

	FY2005		FY2004
	Forecast	Change	Result
Ordinary income	3,500.0	(80.8)	3,580.8
Ordinary profit	850.0	880.3	(30.3)
Net income	550.0	784.2	(234.2)

(Reference)

Sumitomo Mitsui Banking Corporation

&lt;Non-consolidated&gt;

(Billions of yen)

	FY2005		FY2004
	Forecast	Change	Result
Gross banking profit	1,545.0	22.1	1,522.9
Expenses	(595.0)	(12.6)	(582.4)
Banking profit (before provision for general reserve for possible loan losses)	950.0	9.5	940.5
Ordinary profit	660.0	731.7	(71.7)
Net income	430.0	566.8	(136.8)
Total credit cost (*)	(300.0)	654.8	(954.8)

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

## (Reference 1) Management Policy in FY2005 and the Progress

## Secure solid profit level in the first year of Mid-term Plan

- Further strengthen profitability through aggressive allocation of resources to strategic businesses

	<05/3 result>	<05/9 result>	<06/3 forecast>
Net income <SMFG consolidated>	(JPY 234.2 billion)	JPY 392.3 billion	JPY 550.0 billion
Net income <SMBC non-consolidated>	(JPY 136.8 billion)	JPY 298.7 billion	JPY 430.0 billion

- Decrease credit cost to a normalized level

<SMBC non-consolidated>	<05/3 result>	<05/9 result>	<06/3 forecast>
Total credit cost	JPY 954.8 billion	JPY 129.7 billion	JPY 300.0 billion
Problem assets based on the Financial Reconstruction Law	JPY 1,824.6 billion	JPY 1,406.0 billion	Approximately JPY 1 trillion
Problem asset ratio	3.3%	2.5%	Approximately 2% } Target

## Strategy in the Mid-term Plan (FY2005-2008)

**Become a globally competitive top bank with the highest trust of our customers, our shareholders, the market and society**

## Strategic allocation of resources

Aggressive allocation of resources to strategic businesses  
Improve efficiency of existing businesses

## Business growth strategy

Challenge new types of risks, new regions and new business areas

Proactively seek strategic alliances

## Improve capital efficiency

Improve risk-return profile of each business  
Reallocate risk capital and risk-weighted assets

## Focal areas of Marketing Units

## Consumer finance

Alliance with Promise

Consumer loans

Alliance with NTT DoCoMo

New credit-payment service using mobile phones

## Financial consulting for individuals

Reinforce promotion to "mass affluent" segment

Asset management consulting

Provide expanded line-up of products

Securities intermediary business  
Testamentary trust business

## Financial consulting for corporations

Reinforce solution providing capability

Investment banking business

Improve risk-taking capability

New type unsecured loans to SMEs

## Overseas businesses

Reinforce Asian market

Asian business centered on China

Expand business focused on improving capital efficiency in the U.S. and European market

Continue to develop and reinforce corporate governance in order to raise corporate value and fulfill corporate social responsibility

Early repayment of public funds

<FY2008 Target>

Consolidated ROE:  
More than 15%

Consolidated net income:  
More than JPY 650.0 billion

Consolidated capital ratio:  
Consolidated TierI ratio:

Approximately 11%  
Approximately 7%

**(Reference 2) Financial Statements of SMBC**1. Highlights of SMBC's Financial Results for the six months ended  
September 30, 2005

## &lt;SMBC Non-consolidated&gt;

Ordinary income	1,091,687 million yen
Ordinary profit	359,778 million yen
Net income	298,766 million yen
Total assets	93,293,761 million yen
Stockholders' equity	3,171,235 million yen
Stockholders' equity to Total assets	3.39 %
Capital ratio (BIS Guidelines) [preliminary]	12.00 %
Number of shares outstanding as of term-end	56,112,948 shares
Common stock	55,212,947 shares
Type 1 Preferred stock	35,000 shares
Type 2 Preferred stock	100,000 shares
Type 3 Preferred stock	695,000 shares
First Series Type 6 Preferred stock	70,001 shares
Number of treasury stock as of term-end	- shares
Average number of shares outstanding during the term	56,112,948 shares
Common stock	55,212,947 shares
Type 1 Preferred stock	35,000 shares
Type 2 Preferred stock	100,000 shares
Type 3 Preferred stock	695,000 shares
First Series Type 6 Preferred stock	70,001 shares
Net income per share	5,411.16 yen
Net income per share (diluted)	5,267.66 yen
Stockholders' equity per share	33,710.06 yen
Interim dividends (maximum payable amounts scheduled (Note 1))	34.4 billion yen
Common stock	280 yen per share
Type 1 Preferred stock	10,500 yen per share
Type 2 Preferred stock	28,500 yen per share
Type 3 Preferred stock	13,700 yen per share
First Series Type 6 Preferred stock	88,500 yen per share
Increase of net assets by recognizing at fair value (Note 2)	652,063 million yen

(Notes) 1. The interim dividends (Record date: December 31) will be paid to SMFG (parent company).

The payment will be resolved at the Board of Directors' meeting to be held after January 2006.

2. In case Article 124-3 of the Ordinance of the Commercial Code of Japan is applied.

## &lt;SMBC Consolidated&gt;

Capital ratio (BIS Guidelines) [preliminary]	11.19 %
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## 2. Balance Sheet (Condensed) &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	September 30, 2005 (A)	September 30, 2004 (B)	Change (A-B)	March 31, 2005 (C)	Change (A-C)
<b>Assets</b>					
Cash and due from banks & Deposits with banks	4,661,738	5,280,483	(618,745)	4,524,830	136,908
Call loans	607,319	296,119	311,200	373,397	233,922
Receivables under resale agreements	80,057	106,419	(26,362)	88,021	(7,964)
Receivables under securities borrowing transactions	2,165,749	1,621,384	544,365	568,340	1,597,409
Bills bought	100,000	-	100,000	573,000	(473,000)
Commercial paper and other debt purchased	138,907	120,322	18,585	126,682	12,225
Trading assets	3,368,665	2,986,863	381,802	3,363,376	5,289
Money held in trust	811	3,783	(2,972)	3,832	(3,021)
Securities	23,039,486	23,524,899	(485,413)	23,676,696	(637,210)
Loans and bills discounted	50,949,158	50,723,607	225,551	50,067,586	881,572
Foreign exchanges	823,751	910,803	(87,052)	840,923	(17,172)
Other assets	1,647,867	1,365,753	282,114	1,446,439	201,428
Premises and equipment	640,700	671,495	(30,795)	660,469	(19,769)
Deferred tax assets	1,328,517	1,631,561	(303,044)	1,502,153	(173,636)
Customers' liabilities for acceptances and guarantees	4,513,173	4,462,028	51,145	4,303,148	210,025
Reserve for possible loan losses	(772,141)	(962,583)	190,442	(989,121)	216,980
<b>Total assets</b>	<b>93,293,761</b>	<b>92,742,940</b>	<b>550,821</b>	<b>91,129,776</b>	<b>2,163,985</b>
<b>Liabilities</b>					
Deposits	63,380,886	62,011,605	1,369,281	62,788,328	592,558
Negotiable certificates of deposit	2,602,639	3,239,176	(636,537)	2,803,299	(200,660)
Call money	2,172,456	3,043,178	(870,722)	2,232,507	(60,051)
Payables under repurchase agreements	469,130	704,384	(235,254)	365,127	104,003
Payables under securities lending transactions	3,612,024	4,571,110	(959,086)	3,838,031	(226,007)
Bills sold	3,795,800	1,588,400	2,207,400	2,578,700	1,217,100
Trading liabilities	1,533,711	1,505,855	27,856	1,711,030	(177,319)
Borrowed money	2,067,062	2,441,850	(374,788)	2,267,602	(200,540)
Foreign exchanges	431,622	534,408	(102,786)	477,845	(46,223)
Bonds	3,872,570	3,699,055	173,515	3,718,372	154,198
Due to trust account	42,260	42,202	58	50,457	(8,197)
Other liabilities	1,571,010	2,076,868	(505,858)	1,143,206	427,804
Reserve for employee bonuses	8,239	8,598	(359)	9,092	(853)
Reserve for expenses related to EXPO 2005 Japan	284	172	112	231	53
Other reserves	18	18	-	18	-
Deferred tax liabilities for land revaluation	49,637	57,250	(7,613)	90,043	(40,406)
Acceptances and guarantees	4,513,173	4,462,028	51,145	4,303,148	210,025
<b>Total liabilities</b>	<b>90,122,526</b>	<b>89,986,163</b>	<b>136,363</b>	<b>88,377,041</b>	<b>1,745,485</b>
<b>Stockholders' equity</b>					
Capital stock	664,986	559,985	105,001	664,986	-
Capital surplus	1,367,548	1,262,546	105,002	1,367,548	-
Capital reserve	665,033	904,932	(239,899)	1,009,933	(344,900)
Other capital surplus	702,514	357,614	344,900	357,614	344,900
Retained earnings	607,900	592,112	15,788	291,311	316,589
Voluntary reserves	221,502	221,532	(30)	221,532	(30)
Unappropriated retained earnings at end of term (year)	386,398	370,579	15,819	69,779	316,619
Land revaluation excess	24,488	83,656	(59,168)	42,345	(17,857)
Net unrealized gains on other securities	506,310	258,476	247,834	386,543	119,767
<b>Total stockholders' equity</b>	<b>3,171,235</b>	<b>2,756,776</b>	<b>414,459</b>	<b>2,752,735</b>	<b>418,500</b>
<b>Total liabilities and stockholders' equity</b>	<b>93,293,761</b>	<b>92,742,940</b>	<b>550,821</b>	<b>91,129,776</b>	<b>2,163,985</b>

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

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

(Millions of yen)

	Six months ended Sep. 30, 2005 (A)	Six months ended Sep. 30, 2004 (B)	Change (A-B)	FY2004
Ordinary income	1,091,687	1,140,066	(48,379)	2,289,372
Interest income	663,008	646,974	16,034	1,318,698
<i>Interest on loans and discounts</i>	482,842	464,162	18,680	934,892
<i>Interest and dividends on securities</i>	120,742	119,916	826	262,640
Trust fees	4,284	729	3,555	2,609
Fees and commissions	220,503	181,243	39,260	399,434
Trading profits	5,055	21,755	(16,700)	131,779
Other operating income	158,767	150,886	7,881	228,005
Other income	40,067	138,476	(98,409)	208,845
Ordinary expenses	731,908	1,014,868	(282,960)	2,361,053
Interest expenses	208,658	156,108	52,550	346,195
<i>Interest on deposits</i>	96,313	42,412	53,901	107,718
Fees and commissions	57,070	54,221	2,849	101,358
Trading losses	1,485	605	880	199
Other operating expenses	17,757	27,939	(10,182)	109,916
General and administrative expenses	301,739	300,276	1,463	603,477
Other expenses	145,197	475,717	(330,520)	1,199,906
Ordinary profit (loss)	359,778	125,198	234,580	(71,680)
Extraordinary gains	2,459	678	1,781	1,562
Extraordinary losses	7,122	12,806	(5,684)	29,961
Income (loss) before income taxes	355,115	113,070	242,045	(100,079)
Income taxes, current	5,081	1,645	3,436	6,379
Income taxes, refund	-	7,405	(7,405)	8,184
Income taxes, deferred	51,267	276	50,991	38,579
Net income (loss)	298,766	118,554	180,212	(136,854)
Unappropriated retained earnings carried forward	69,774	254,523	(184,749)	254,523
Transfer from land revaluation excess	17,856	(2,497)	20,353	2,559
Interim dividends	-	-	-	50,449
Unappropriated retained earnings at end of term	386,398	370,579	15,819	69,779

(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 bought classified as "Cash and due from banks" is included in the amount below.

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

(Millions of yen)

	September 30, 2005				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese Government bonds	659,635	653,770	(5,864)	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	9,485	9,904	419	419	-
Total	797,413	789,979	(7,434)	1,367	8,801

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

(Millions of yen)

	September 30, 2005		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	84,400	168,115	83,714
Stocks of affiliates	177,883	211,068	33,185
Total	262,284	379,184	116,899

## (3) Other securities with market value

(Millions of yen)

	September 30, 2005				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,837,822	2,783,210	945,387	980,079	34,692
Bonds	11,459,843	11,379,590	(80,253)	2,917	83,171
Japanese Government bonds	10,136,504	10,066,181	(70,322)	136	70,459
Japanese Local Government bonds	457,006	451,521	(5,485)	853	6,338
Japanese corporate bonds	866,332	861,887	(4,445)	1,927	6,372
Other	3,629,035	3,615,472	(13,562)	30,888	44,450
Change of purpose of holding	-	-	66	66	-
Total	16,926,702	17,778,273	851,637	1,013,952	162,314

(Notes)

1. Unrealized gains (losses) for other securities include losses of JPY 557 million that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 400 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately.

As a result, the amount subject to inclusion in the stockholders' equity is 852,595 million yen and the actual amount included in the stockholder's equity under "Net unrealized gains on other securities" is 506,186 million yen (calculated by deducting deferred tax liabilities of 346,409 million yen).

2. 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. 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, 2005	
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,145,831
Stocks of affiliates	34,043
Other	34,902
Other securities	
Unlisted stocks (excluding OTC stocks)	381,951
Unlisted bonds	2,244,748
Unlisted foreign securities	235,717
Other	247,502

## (5) Redemption schedule of other securities with maturities and bonds classified as held-to-maturity

(Millions of yen)

	September 30, 2005			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years
Bonds	2,182,596	6,969,777	2,427,934	2,831,959
Japanese Government bonds	1,895,970	4,613,181	1,450,069	2,766,595
Japanese Local Government bonds	9,889	217,942	281,759	475
Japanese corporate bonds	276,736	2,138,653	696,105	64,888
Other	347,444	1,961,790	530,657	626,189
<b>Total</b>	<b>2,530,040</b>	<b>8,931,568</b>	<b>2,958,592</b>	<b>3,458,148</b>

## [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, 2005				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	602	811	209	209	-

(Note) Net unrealized gains of 124 million yen (after deducting 85 million yen in deferred tax liabilities from 209 million yen in net unrealized gains) are included in 'Net unrealized gains on other securities.'

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

(Millions of yen)

	September 30, 2005 (A)	September 30, 2004 (B)	Change (A-B)	March 31, 2005 (C)	Change (A-C)
Loans and bills discounted	9,880	5,490	4,390	9,780	100
Securities	150,999	27,788	123,211	81,840	69,159
Securities held in custody accounts	33,880	3,000	30,880	34,166	(286)
Monetary claims	642,431	481,436	160,995	600,618	41,813
Other claims	1,133	171	962	315	818
Due from banking account	42,260	42,202	58	50,457	(8,197)
<b>Total assets</b>	<b>880,586</b>	<b>560,087</b>	<b>320,499</b>	<b>777,177</b>	<b>103,409</b>
Monetary trusts	167,354	35,478	131,876	101,323	66,031
Securities trusts	33,880	3,000	30,880	34,166	(286)
Monetary claims trusts	529,859	478,590	51,269	480,147	49,712
Composite trusts	149,491	43,019	106,472	161,539	(12,048)
<b>Total liabilities</b>	<b>880,586</b>	<b>560,087</b>	<b>320,499</b>	<b>777,177</b>	<b>103,409</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.