

Sumitomo Mitsui Financial Group, Inc. (SMFG)

Nonconsolidated Financial Results for the Six Months ended September 30, 2005

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Stock Exchange Listings: Tokyo, Osaka, Nagoya (code: 8316)

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President: Teisuke Kitayama

Date of Approval of Financial Results by the Board of Directors: November 22, 2005

1. Financial Results (for the six months ended September 30, 2005)

(1) Operating Results

Amounts less than one million yen have been omitted.

	Operating Income		Operating Profit		Ordinary Profit		Net Income		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six Months ended September 30, 2005	16,206	(92.1)	14,468	(92.9)	12,424	(93.9)	38,435	(81.0)	5,646.36
ended September 30, 2004	205,265	-	203,953	-	203,119	-	202,194	-	34,489.13
Fiscal Year ended March 31, 2005	258,866		256,222		253,448		252,228		38,302.88

Notes: 1. Average number of common stocks outstanding

(a) for the six months ended September 30, 2005: 6,807,052 shares (b) for the six months ended September 30, 2004: 5,862,553 shares

(c) for the fiscal year ended March 31, 2005 : 5,885,899 shares

2. There is no change in accounting methods.

3. Percentages shown in Operating Income, Operating Profit, Ordinary Profit and Net Income are the increase (decrease) from the previous interim term.

(2) Dividends (common stock) Please see the next page for information of the preferred stock.

	Interim Dividends per Share	Annual Dividends per Share
Six Months ended September 30, 2005	¥ 0	-
ended September 30, 2004	¥ 0	-
Fiscal Year ended March 31, 2005	-	¥ 3,000

(3) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share
	¥ million	¥ million	%	¥
September 30, 2005	3,653,155	3,312,686	90.7	268,549.24
September 30, 2004	3,558,800	3,328,039	93.5	279,738.68
March 31, 2005	3,795,110	3,319,615	87.5	257,487.78

Notes: 1. Number of common stocks outstanding

(a) as of September 30, 2005: 6,897,741 shares (b) as of September 30, 2004: 6,202,692 shares (c) as of March 31, 2005: 5,869,288 shares

2. Number of treasury stocks

(a) as of September 30, 2005: 405,731 shares (b) as of September 30, 2004: 2,686 shares (c) as of March 31, 2005: 404,503 shares

2. Earnings Forecast (for the fiscal year ending March 31, 2006)

	Operating Income	Ordinary Profit	Net Income	Dividends per Share (Annual)	
				Year-end	
Fiscal Year ending March 31, 2006	¥ million	¥ million	¥ million	¥	¥
	54,000	48,000	70,000	3,000	3,000

(Reference) Forecasted net income per share for the fiscal year ending March 31, 2006 is 6,422.74 yen.

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.

Average number of shares outstanding during the term (year)

	For the Six Months ended September 30, 2005	For the Six Months ended September 30, 2004	For the Fiscal Year ended March 31, 2005
Common stock	6,807,052	5,862,553	5,885,899
Preferred stock (type 1)	35,000	61,666	48,333
Preferred stock (type 2)	100,000	100,000	100,000
Preferred stock (type 3)	695,000	782,500	738,750
Preferred stock (1st to 12th series type 4)	50,100	50,100	50,100
Preferred stock (13th series type 4)	9,496	114,783	112,352
Preferred stock (1st series type 6)	70,001	–	575

Number of shares outstanding as of term (year)-end

	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005
Common stock	6,897,741	6,202,692	5,869,288
Preferred stock (type 1)	35,000	35,000	35,000
Preferred stock (type 2)	100,000	100,000	100,000
Preferred stock (type 3)	695,000	695,000	695,000
Preferred stock (1st to 12th series type 4)	50,100	50,100	50,100
Preferred stock (13th series type 4)	–	114,202	107,087
Preferred stock (1st series type 6)	70,001	–	70,001

(Note) Change in the number of shares outstanding during the interim term is as follows:

		Number of shares issued	Issue price	Capitalized amount
Conversion of preferred stock (13th series type 4) to common stock	Common stock	1,029,680.28	–	–
	Preferred stock (13th series type 4)	(107,087)	–	–

Dividends per share

	For the Six Months ended September 30, 2005	For the Six Months ended September 30, 2004	For the Fiscal Year ended March 31, 2005
	Interim dividends	Interim dividends	Annual dividends
Common stock	¥ 0	¥ 0	¥ 3,000
Preferred stock (type 1)	¥ 0	¥ 0	¥ 10,500
Preferred stock (type 2)	¥ 0	¥ 0	¥ 28,500
Preferred stock (type 3)	¥ 0	¥ 0	¥ 13,700
Preferred stock (1st to 12th series type 4)	¥ 0	¥ 0	¥ 135,000
Preferred stock (13th series type 4)	–	¥ 0	¥ 67,500
Preferred stock (1st series type 6)	¥ 0	–	¥ 728

Forecast of dividends per share

	Dividends per Share (Annual)	
	Year-end	
Common stock	¥ 3,000	¥ 3,000
Preferred stock (type 1)	¥ 10,500	¥ 10,500
Preferred stock (type 2)	¥ 28,500	¥ 28,500
Preferred stock (type 3)	¥ 13,700	¥ 13,700
Preferred stock (1st to 12th series type 4)	¥ 135,000	¥ 135,000
Preferred stock (1st series type 6)	¥ 88,500	¥ 88,500

Calculation for Index

- Forecasted Net Income per Share:

$$\frac{\text{Forecasted net income} - \text{Forecasted preferred stock dividends}}{\text{Number of common stocks outstanding as of the interim term-end (excluding treasury stock)}}$$

NONCONSOLIDATED BALANCE SHEETS

September 30, 2005 and 2004, and March 31, 2005	September 30		(Millions of yen, %) March 31, 2005 (Condensed)			
	2005	2004				
Assets			%	%		%
Current assets						
Cash and due from banks	54,252	27,259			44,021	
Current portion of long-term loans to subsidiaries and affiliates	–	40,000			40,000	
Other current assets	10,923	40,931			50,968	
Total current assets	<u>65,176</u>	<u>108,191</u>	1.8	3.1	<u>134,989</u>	3.6
Fixed assets						
Premises and equipment	2	3			2	
Intangible assets	34	48			41	
Investments and other assets	3,587,489	3,449,803			3,659,472	
Investments in subsidiaries and affiliates	3,586,045	3,446,462			3,656,465	
Other	1,443	3,340			3,007	
Total fixed assets	<u>3,587,526</u>	<u>3,449,854</u>	98.2	96.9	<u>3,659,517</u>	96.4
Deferred charges	<u>452</u>	<u>754</u>	0.0	0.0	<u>603</u>	0.0
Total assets	<u><u>3,653,155</u></u>	<u><u>3,558,800</u></u>	100.0	100.0	<u><u>3,795,110</u></u>	100.0
Liabilities						
Current liabilities						
Short-term borrowings	340,000	230,000			475,000	
Reserve for employees bonuses	61	54			66	
Other current liabilities	407	706			428	
Total current liabilities	<u>340,469</u>	<u>230,761</u>	9.3	6.5	<u>475,494</u>	12.5
Total liabilities	<u>340,469</u>	<u>230,761</u>	9.3	6.5	<u>475,494</u>	12.5
Stockholders' equity						
Capital stock	1,352,651	1,247,650	37.0	35.0	1,352,651	35.7
Capital surplus						
Capital reserve	1,352,764	1,247,762			1,352,764	
Other capital surplus	499,532	499,524			499,529	
Total capital surplus	<u>1,852,296</u>	<u>1,747,286</u>	50.7	49.1	<u>1,852,293</u>	48.8
Retained earnings						
Voluntary reserve	30,420	30,420			30,420	
Unappropriated retained earnings	348,152	304,073			354,107	
Total retained earnings	<u>378,572</u>	<u>334,493</u>	10.4	9.4	<u>384,527</u>	10.1
Treasury stock	<u>(270,834)</u>	<u>(1,390)</u>	(7.4)	(0.0)	<u>(269,857)</u>	(7.1)
Total stockholders' equity	<u>3,312,686</u>	<u>3,328,039</u>	90.7	93.5	<u>3,319,615</u>	87.5
Total liabilities and stockholders' equity	<u><u>3,653,155</u></u>	<u><u>3,558,800</u></u>	100.0	100.0	<u><u>3,795,110</u></u>	100.0

NONCONSOLIDATED STATEMENTS OF INCOMESix months ended September 30, 2005 and 2004, and
Year ended March 31, 2005

	Six months ended						(Millions of yen, %)		
	September 30						Year ended		
	2005			2004			March 31, 2005 (Condensed)		
			%			%			%
Operating income									
Dividends on investments in subsidiaries and affiliates	12,039			201,285			251,735		
Fees and commissions received from subsidiaries	4,155			3,558			6,289		
Interest income on loans to subsidiaries and affiliates	11	16,206	100.0	420	205,265	100.0	841	258,866	100.0
Operating expenses									
General and administrative expenses	1,737	1,737	10.7	1,312	1,312	0.6	2,644	2,644	1.0
Operating profit		14,468	89.3		203,953	99.4		256,222	99.0
Nonoperating income		66	0.4		113	0.1		134	0.0
Nonoperating expenses		2,111	13.0		947	0.5		2,908	1.1
Ordinary profit		12,424	76.7		203,119	99.0		253,448	97.9
Extraordinary gains		27,579	170.2		—	—		—	—
Income before income taxes		40,004	246.9		203,119	99.0		253,448	97.9
Income taxes:									
Current	1			1			3		
Refund	—			329			329		
Deferred	1,567	1,569	9.7	1,252	924	0.5	1,545	1,219	0.5
Net income		38,435	237.2		202,194	98.5		252,228	97.4
Unappropriated retained earnings carried forward		309,717			101,878			101,878	
Unappropriated retained earnings at end of term (year)		348,152			304,073			354,107	

Significant Accounting Policies for Nonconsolidated Financial Statements

1. Valuation of securities
Investments in subsidiaries and affiliates, and other securities without market value are carried at cost using the moving-average method.
2. Depreciation of fixed assets
 - (1) Premises and equipment
Premises and equipment owned by Sumitomo Mitsui Financial Group, Inc. (SMFG) are depreciated using the straight-line method for premises and the declining-balance method for equipment.
 - (2) Intangible assets
SMFG computes depreciation for capitalized software for internal use using the straight-line method over its estimated useful life (five years).
3. Reserve for employee bonuses
Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, in the amount of estimated bonuses attributable to this interim term.
4. Lease transactions
Financing leases, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same manner as operating leases.
5. Consumption taxes
National and local consumption taxes are accounted for using the tax-excluded method.

Change in Significant Accounting Policy

Effective 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 the Business Accounting 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 on October 31, 2003). This accounting change has no impact on profit and loss account.

Notes to Nonconsolidated Balance Sheet

1. Amounts less than one million yen have been omitted.
2. Accumulated depreciation of premises and equipment was 1 million yen.
3. Contingent liabilities
SMFG has guaranteed the Deposit Protection Fund within the Association of German Banks for the return of up to 46,753 million yen in customers' deposits at SMBC's Düsseldorf Branch.

Notes to Nonconsolidated Statement of Income

1. Amounts less than one million yen have been omitted.
2. Nonoperating expenses include fees and commissions of 1,038 million yen, interest on borrowings of 811 million yen and amortization of organization costs of 150 million yen.
3. Extraordinary gains include gains on sale of a subsidiary's shares of 27,579 million yen.
4. Depreciation cost is as follows:

Premises and equipment	0 million yen
Intangible assets	6 million yen

Securities

SMFG has no investments in subsidiaries and affiliates that have market value.