

Financial Results
Fiscal Year 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 FY2005

1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		FY2005		FY2004
			Change	
Gross banking profit	1	1,552,033	29,172	1,522,861
<i>Excluding gains (losses) on bonds</i>	2	1,562,354	17,902	1,544,452
Gross domestic profit	3	1,266,488	83,677	1,182,811
<i>Excluding gains (losses) on bonds</i>	4	1,277,794	88,882	1,188,912
Net interest income	5	943,870	29,298	914,572
Trust fees	6	8,625	6,018	2,607
Net fees and commissions	7	299,415	52,617	246,798
Net trading income	8	(234)	(2,021)	1,787
Net other operating income	9	14,811	(2,234)	17,045
<i>Gains (losses) on bonds</i>	10	(11,305)	(5,205)	(6,100)
Gross international profit	11	285,545	(54,504)	340,049
<i>Excluding gains (losses) on bonds</i>	12	284,559	(70,981)	355,540
Net interest income	13	10,674	(47,259)	57,933
Net fees and commissions	14	67,261	15,982	51,279
Net trading income	15	12,172	(117,620)	129,792
Net other operating income	16	195,436	94,393	101,043
<i>Gains (losses) on bonds</i>	17	985	16,475	(15,490)
Expenses (excluding non-recurring losses)	18	(586,459)	(4,094)	(582,365)
Personnel expenses	19	(192,359)	11,787	(204,146)
Non-personnel expenses	20	(360,720)	(19,186)	(341,534)
Taxes	21	(33,379)	3,305	(36,684)
Banking profit (before provision for general reserve for possible loan losses)	22	965,573	25,078	940,495
<i>Excluding gains (losses) on bonds</i>	23	975,894	13,808	962,086
Provision for general reserve for possible loan losses	24	(154,980)	(506,457)	351,477
Banking profit	25	810,593	(481,379)	1,291,972
Gains (losses) on bonds	26	(10,320)	11,270	(21,590)
Non-recurring gains (losses)	27	(89,659)	1,273,994	(1,363,653)
Credit related costs	28	(106,560)	1,199,760	(1,306,320)
Write-off of loans	29	(12,650)	685,291	(697,941)
Provision for specific reserve for possible loan losses	30	(15,825)	458,330	(474,155)
Losses on sales of delinquent loans	31	(79,659)	58,393	(138,052)
Provision for loan loss reserve for specific overseas countries	32	1,575	(2,253)	3,828
Gains (losses) on stocks	33	25,460	144,187	(118,727)
Gains on sale of stocks	34	70,085	(42,974)	113,059
Losses on sale of stocks	35	(13,367)	(9,161)	(4,206)
Losses on devaluation of stocks	36	(31,257)	196,323	(227,580)
Other non-recurring gains (losses)	37	(8,559)	(69,953)	61,394
Ordinary profit (loss)	38	720,933	792,613	(71,680)
Extraordinary gains (losses)	39	25,739	54,137	(28,398)
Gains (losses) on disposal of premises and equipment	40	1,457	13,952	(12,495)
Gains on disposal of premises and equipment	41	4,157	2,776	1,381
Losses on disposal of premises and equipment	42	(2,699)	11,178	(13,877)
Losses on impairment of fixed assets	43	(6,300)	(6,300)	
Gains on collection of written-off claims	44	30,605	30,424	181
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	45	-	16,001	(16,001)
Income (loss) before income taxes	46	746,672	846,751	(100,079)
Income taxes, current	47	(13,512)	(7,133)	(6,379)
Income taxes, refund	48	-	(8,184)	8,184
Income taxes, deferred	49	(213,639)	(175,060)	(38,579)
Net income (loss)	50	519,520	656,374	(136,854)
Total credit cost (24+28+44)	51	(230,935)	723,908	(954,843)

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

2. Gains on collection of written-off claims are included in Total credit cost in FY2005.

<Consolidated>

(Millions of yen)

		FY2005		FY2004
			Change	
Consolidated gross profit	1	2,090,149	65,159	2,024,990
Net interest income	2	1,161,607	(9,735)	1,171,342
Trust fees	3	8,631	6,022	2,609
Net fees and commissions	4	619,591	103,482	516,109
Net trading income	5	32,807	(111,580)	144,387
Net other operating income	6	267,511	76,971	190,540
General and administrative expenses	7	(853,796)	(1,081)	(852,715)
Credit related costs	8	(333,571)	863,226	(1,196,797)
Write-off of loans	9	(69,355)	690,044	(759,399)
Provision for specific reserve for possible loan losses	10	(45,047)	448,900	(493,947)
Provision for general reserve for possible loan losses	11	(120,078)	(321,294)	201,216
Other credit cost	12	(99,091)	45,575	(144,666)
Gains (losses) on stocks	13	47,119	149,037	(101,918)
Equity in earnings of affiliates	14	31,887	4,745	27,142
Other income (expenses)	15	(18,233)	(87,238)	69,005
Ordinary profit (loss)	16	963,554	993,847	(30,293)
Extraordinary gains (losses)	17	79,807	158,049	(78,242)
Losses on impairment of fixed assets	18	(12,303)	(12,303)	
Gains on collection of written-off claims	19	31,584	30,552	1,032
Income (loss) before income taxes and minority interests	20	1,043,362	1,151,897	(108,535)
Income taxes, current	21	(69,818)	(39,180)	(30,638)
Income taxes, refund	22	-	(8,869)	8,869
Income taxes, deferred	23	(226,901)	(173,989)	(52,912)
Minority interests in net income (loss)	24	(59,800)	(8,817)	(50,983)
Net income (loss)	25	686,841	921,042	(234,201)

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

Total credit cost (8+19)	26	(301,987)	894,810	(1,196,797)
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(Note) Gains on collection of written-off claims are included in Total credit cost in FY2005.

(Reference)

(Billions of yen)

Consolidated net business profit	27	1,225.4	211.0	1,014.4
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(Note) Consolidated net business profit = (SMBC Non-consolidated banking profit (before provision for general reserve for possible loan losses)) + (Other consolidated subsidiaries' ordinary profit (excluding non-recurring items)) + (Affiliates' ordinary profit) X (Ownership ratio) - (Internal transaction (dividends, etc.))

(Number of consolidated subsidiaries and affiliates)

		Mar. 31, 2006	Change	Mar. 31, 2005
Consolidated subsidiaries	28	162	(5)	167
Affiliated companies accounted for by equity method	29	63	10	53

2. Banking Profit per Employee / Overhead Ratio <SMBC Non-consolidated>

(Millions of yen, %)

	FY2005		FY2004
		Change	
(1) Banking profit (before provision for general reserve for possible loan losses)	965,573	25,078	940,495
Per employee (thousands of yen)	57,739	3,985	53,754
(2) Banking profit	810,593	(481,379)	1,291,972
Per employee (thousands of yen)	48,471	(25,372)	73,843
(3) Banking profit (before provision for general reserve for possible loan losses, excluding gains (losses) on bonds)	975,894	13,808	962,086
Per employee (thousands of yen)	58,356	3,368	54,988
Overhead ratio	37.8	(0.4)	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) <SMBC Non-consolidated>

(%)

	FY2005		FY2004
		Change	
Yield on interest earning assets (A)	1.51	0.06	1.45
Interest earned on loans and bills discounted (C)	1.71	(0.07)	1.78
Interest earned on securities	1.03	0.35	0.68
Total cost of funding (including expenses) (B)	0.82	(0.02)	0.84
Cost of interest bearing liabilities	0.07	(0.02)	0.09
Interest paid on deposits, etc. (D)	0.02	0.00	0.02
Interest paid on other liabilities	0.22	(0.05)	0.27
Expense ratio	0.75	0.00	0.75
Overall interest spread (A) - (B)	0.69	0.08	0.61
Interest spread (C) - (D)	1.69	(0.07)	1.76

4. Gains (Losses) on Securities <SMBC Non-consolidated>

(Millions of yen)

	FY2005		FY2004
		Change	
Gains (losses) on bonds	(10,320)	11,270	(21,590)
Gains on sales	43,102	(37,692)	80,794
Losses on sales	(53,317)	49,026	(102,343)
Gains on redemption	90	(173)	263
Losses on redemption	(195)	(134)	(61)
Losses on devaluation	-	243	(243)
Gains (losses) on stocks	25,460	144,187	(118,727)
Gains on sales	70,085	(42,974)	113,059
Losses on sales	(13,367)	(9,161)	(4,206)
Losses on devaluation	(31,257)	196,323	(227,580)

5. Unrealized Gains (Losses) on Securities

(1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) are recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses)* are directly included in 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) are recognized in income statement)
Other money held in trust	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

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

	Mar. 31, 2006				Mar. 31, 2005		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(30,782)	(28,938)	577	(31,359)	(1,844)	2,089	(3,933)
Stocks of subsidiaries and affiliates	267,575	207,232	270,285	(2,710)	60,343	60,690	(347)
Other securities	1,316,206	664,821	1,695,589	(379,383)	651,385	750,143	(98,757)
Stocks	1,632,404	965,078	1,649,881	(17,476)	667,326	708,643	(41,317)
Bonds	(282,254)	(289,954)	727	(282,981)	7,700	27,343	(19,642)
Others	(33,943)	(10,302)	44,980	(78,924)	(23,641)	14,155	(37,797)
Other money held in trust	209	5	209	-	204	300	(95)
Total	1,553,208	843,120	1,966,661	(413,453)	710,088	813,222	(103,133)
Stocks	1,899,979	1,172,310	1,920,166	(20,186)	727,669	769,333	(41,664)
Bonds	(313,307)	(318,667)	1,033	(314,341)	5,360	28,925	(23,565)
Others	(33,463)	(10,522)	45,460	(78,924)	(22,941)	14,963	(37,904)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' and on beneficiary claims on commodity investment trusts in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the fiscal year. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.
- Net unrealized gains on other securities as of Mar. 31, 2006 include losses of JPY 3,193 million that were recognized in income statement by applying fair value hedge accounting, which are included in 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.

<Consolidated>

(Millions of yen)

	Mar. 31, 2006				Mar. 31, 2005		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(30,781)	(28,963)	580	(31,361)	(1,818)	2,114	(3,933)
Other securities	1,373,337	676,998	1,771,170	(397,833)	696,339	801,356	(105,017)
Stocks	1,702,690	997,637	1,722,129	(19,438)	705,053	750,480	(45,426)
Bonds	(297,233)	(312,194)	988	(298,222)	14,961	34,971	(20,010)
Others	(32,120)	(8,445)	48,052	(80,172)	(23,675)	15,903	(39,579)
Other money held in trust	209	5	209	-	204	300	(95)
Total	1,342,765	648,041	1,771,960	(429,195)	694,724	803,771	(109,046)
Stocks	1,702,690	997,637	1,722,129	(19,438)	705,053	750,480	(45,426)
Bonds	(328,288)	(340,909)	1,294	(329,583)	12,621	36,554	(23,932)
Others	(31,636)	(8,686)	48,535	(80,172)	(22,950)	16,735	(39,686)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' and on beneficiary claims on commodity investment trusts 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 fiscal year. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.
- Net unrealized gains on other securities as of Mar. 31, 2006 include losses of JPY 3,193 million that were recognized in income statement by applying fair value hedge accounting, which are included in 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)

<SMBC Non-consolidated>

(Billions of yen)

	Mar. 31, 2006				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	46.5	101.0	(54.5)	(170.4)	57.7	52.9	4.8	(74.2)
Currency swaps	3.3	5.6	(2.3)	0.8	1.1	9.7	(8.6)	2.8
Others	6.4	3.3	3.1	2.4	7.5	5.7	1.8	12.1
Total	56.2	109.9	(53.7)	(167.2)	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)

	Mar. 31, 2006				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	5,587.5	16,061.5	5,045.3	26,694.3	7,304.7	16,947.2	3,170.8	27,422.7
Receivable floating rate /payable fixed rate	903.4	5,564.3	5,635.5	12,103.2	949.8	5,995.4	3,270.3	10,215.5
Receivable floating rate /payable floating rate	253.8	230.7	20.8	505.3	155.0	452.0	50.8	657.8
Total contract amount	6,744.7	21,856.5	10,701.6	39,302.8	8,409.5	23,394.6	6,491.9	38,296.0

7. Employee Retirement Benefits

(1) Projected benefit obligation

<SMBC Non-consolidated>		(Millions of yen)		
		Mar. 31, 2006	Change	Mar. 31, 2005
Projected benefit obligation	(A)	842,444	13,884	828,560
<Discount rate>		<2.5%>	< - >	<2.5%>
Fair value of plan assets	(B)	1,207,292	321,882	885,410
Reserve for employee retirement benefits	(C)	-	-	-
Prepaid pension cost	(D)	176,976	19,513	157,463
Unrecognized prior service cost (deductible from the obligation)	(E)	(58,999)	9,240	(68,239)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E)	(128,871)	(297,724)	168,853

(Reference) <Consolidated>		(Millions of yen)		
		Mar. 31, 2006	Change	Mar. 31, 2005
Projected benefit obligation	(A)	909,802	18,491	891,311
Fair value of plan assets	(B)	1,236,535	328,082	908,453
Reserve for employee retirement benefits	(C)	36,786	1,994	34,792
Prepaid pension cost	(D)	176,976	19,052	157,924
Unrecognized prior service cost (deductible from the obligation)	(E)	(59,727)	9,436	(69,163)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E)	(126,816)	(301,969)	175,153

(2) Cost for employee retirement benefits

<SMBC Non-consolidated>		(Millions of yen)		
		FY2005	Change	FY2004
Cost for employee retirement benefits		28,952	(24,726)	53,678
Service cost		16,277	(1,344)	17,621
Interest cost on projected benefit obligation		20,714	19	20,695
Expected returns on plan assets		(24,080)	(3,432)	(20,648)
Amortization of net obligation from change of accounting standard (amortized using the straight-line method over 5 years)		-	(16,001)	16,001
Amortization of unrecognized prior service cost		(9,239)	-	(9,239)
Amortization of unrecognized actuarial net gain (loss)		24,190	(1,103)	25,293
Others		1,091	(2,864)	3,955

(Reference) <Consolidated>		(Millions of yen)		
		FY2005	Change	FY2004
Pension expenses		35,419	(31,369)	66,788

8. Capital Ratio <Consolidated>

(Billions of yen, %)

	Mar. 31, 2006		Mar. 31, 2005
	[Preliminary]	Change	
(1) Capital ratio	12.39	2.45	9.94
(2) Tier I	4,645.9	1,383.6	3,262.3
Net unrealized losses on other securities	-	-	-
(3) Tier II	4,067.7	805.4	3,262.3
(a) Unrealized gains on securities	627.8	310.7	317.1
(b) Land revaluation excess	39.9	(27.2)	67.1
(c) General reserve for possible loan losses	742.6	109.1	633.5
(d) Subordinated debt	2,657.4	412.8	2,244.6
(4) Subtraction items	619.3	114.9	504.4
(5) Total capital (2) + (3) - (4)	8,094.4	2,074.3	6,020.1
(6) Risk-adjusted assets	65,322.3	4,769.7	60,552.6

(Note) Risk-adjusted assets as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005, were reported greater than they really were, since since part of transaction data concerning market risk was recorded twice at a consolidated subsidiary, SMBC.

Accordingly, capital ratios as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005, were reported smaller than they really were.

However, the impact on the level of risk-adjusted assets and capital ratio for each date were small.

For further information, please refer to page 23.

9. ROE

<SMBC Non-consolidated>

(%)

	FY2005		FY2004
		Change	
ROE (numerator: Banking profit*)	50.3	(11.3)	61.6
ROE (numerator: Banking profit)	42.0	(42.9)	84.9
ROE (numerator: Net income)	26.6	36.5	(9.9)

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

<Consolidated>

(%)

	FY2005		FY2004
		Change	
ROE (numerator: Net income)	33.2	56.2	(23.0)

(Note)

$$\text{ROE} = \frac{(\text{Net income} - \text{Dividends on preferred stocks})}{\frac{\{(\text{Stockholders' equity at the beginning of the term}) - (\text{Number of preferred shares outstanding at the beginning of the term}) \times (\text{Issue price}) + (\text{Stockholders' equity at the end of the term}) - (\text{Number of preferred shares outstanding at the end of the term}) \times (\text{Issue price})\}}{2}} \times 100$$

(%)

	FY2005		FY2004
		Change	
Fully-diluted ROE (numerator: Net income)	19.0	27.0	(8.0)

(Note)

$$\text{Fully-diluted ROE} = \frac{(\text{Net income})}{\frac{\{(\text{Stockholders' equity at the beginning of the term}) + (\text{Stockholders' equity at the end of the term})\}}{2}} \times 100$$

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

		<As of Mar. 31, 2006>				(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 164.5 (i) (Change from Mar. 31, 2005: -283.8)	Portion of claims secured by collateral or guarantees, etc. 148.5 (a)	Fully reserved 16.0	Direct Write-offs (*1)	Specific Reserve	20.2 (*2)	100% (*3)
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful Assets 473.4 (ii) (Change from Mar. 31, 2005: -451.0)	Portion of claims secured by collateral or guarantees, etc. 266.7 (b)	Necessary amount reserved 206.7		General Reserve for Substandard Loans 114.6	221.3 (*2)	100% (*3)
Borrowers Requiring Caution	Substandard Loans 322.2 (iii) (Change from Mar. 31, 2005: -129.7) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 102.1 (c)					
	Normal Assets 55,984.9	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers					
Normal Borrowers		Claims to Normal Borrowers					0.4% (*4)
Total					Loan Loss Reserve for Specific Overseas Countries 2.4		
56,945.0 (iv)		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c)		C: Unsecured portion (A - B)		Reserve Ratio (*5)	
A=(i)+(ii)+(iii) 960.1 (v) (Change from Mar. 31, 2005: -864.5) <Problem asset ratio ((v)/(iv)) 1.7%>		517.3		442.8		D: Specific Reserve + General Reserve for Substandard Loans (*2) 356.1 $\frac{D}{C}$ 80.4%	
Coverage Ratio = (B+D)/A 91.0%							

(*1) Includes amount of direct reduction totaling JPY 603.6 billion.

(*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.
(Bankrupt/Effectively Bankrupt Borrowers: JPY 4.2 billion, Potentially Bankrupt Borrowers: JPY 9.6 billion)

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

(*4) Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers) are the proportion of the reserve for possible loan losses to the respective claims of each category.
The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in [].

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

12. Reserve for Possible Loan Losses

<SMBC Non-consolidated> (Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Reserve for possible loan losses	816,437	(172,684)	989,121
General reserve	572,536	154,981	417,555
Specific reserve	241,546	(326,090)	567,636
Loan loss reserve for specific overseas countries	2,354	(1,576)	3,930
Amount of direct reduction	603,622	(928,224)	1,531,846

<Consolidated> (Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Reserve for possible loan losses	1,035,468	(238,092)	1,273,560
General reserve	742,614	109,099	633,515
Specific reserve	290,499	(345,615)	636,114
Loan loss reserve for specific overseas countries	2,354	(1,576)	3,930
Amount of direct reduction	799,144	(983,100)	1,782,244

13. Reserve Ratio to Risk-Monitored Loans

<SMBC Non-consolidated> (%)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Before direct reduction	94.6	16.8	77.8
After direct reduction	89.3	32.3	57.0

<Consolidated> (%)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Before direct reduction	91.9	14.6	77.3
After direct reduction	83.3	26.1	57.2

(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

<SMBC Non-consolidated>

(Millions of yen, %)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Bankrupt and quasi-bankrupt assets	164,510	(283,751)	448,261
Doubtful assets	473,409	(451,042)	924,451
Substandard loans	322,175	(129,734)	451,909
Total (A)	960,095	(864,527)	1,824,622
Normal assets	55,984,937	2,532,390	53,452,547
Total (B)	56,945,032	1,667,863	55,277,169
Problem asset ratio (A/B)	1.7	(1.6)	3.3

Amount of direct reduction 603,622 (928,224) 1,531,846

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

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Total coverage (C)	873,464	(778,478)	1,651,942
Reserve for possible loan losses* (D)	356,137	(336,045)	692,182
Amount recoverable due to guarantees, collateral and others (E)	517,327	(442,433)	959,760

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

(%)

Coverage ratio (C) / (A)	91.0	0.5	90.5
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	138.9	32.1	106.8

(%)

Reserve ratio to unsecured assets (D) / (A - E)	80.4	0.4	80.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	184.4	70.0	114.4

<Consolidated>

(Millions of yen, %)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Bankrupt and quasi-bankrupt assets	250,101	(230,867)	480,968
Doubtful assets	564,949	(509,291)	1,074,240
Substandard loans	477,405	(290,392)	767,797
Total (A)	1,292,457	(1,030,549)	2,323,006
Normal assets	60,731,094	3,636,319	57,094,775
Total (B)	62,023,551	2,605,770	59,417,781
Problem asset ratio (A/B)	2.1	(1.8)	3.9

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Total coverage (C)	1,132,921	(910,121)	2,043,042
Reserve for possible loan losses (D)	398,879	(362,319)	761,198
Amount recoverable due to guarantees, collateral and others (E)	734,042	(547,802)	1,281,844

(%)

Coverage ratio (C) / (A)	87.7	(0.2)	87.9
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	136.9	26.9	110.0

(%)

Reserve ratio to unsecured assets (D) / (A - E)	71.4	(1.7)	73.1
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	185.4	63.1	122.3

15. Progress in Off-Balancing of Problem Assets <SMBC Non-consolidated>

<Progress in the six months ended Sep. 30, 2005>

(Billions of yen)

	Mar. 31, 2005	Change in the six months ended Sep. 30, 2005	Problem assets newly classified during the six months ended Sep. 30, 2005	Amount of off-balancing	Sep. 30, 2005
Bankrupt and quasi-bankrupt assets	448.3	(146.6)	38.7	(185.3)	301.7
Doubtful assets	924.4	(200.6)	276.4	(477.0)	723.8
Total	1,372.7	(347.2)	*1 315.1	(662.3)	1,025.5
Result of measures connected to off-balancing*2	202.1				197.1

Breakdown of off-balancing by factor*3		
	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	(662.3)	

<Progress in the six months ended Mar. 31, 2006>

(Billions of yen)

	Sep. 30, 2005	Change in the six months ended Mar. 31, 2006	Problem assets newly classified during the six months ended Mar. 31, 2006	Amount of off-balancing	Mar. 31, 2006
Bankrupt and quasi-bankrupt assets	301.7	(137.2)	31.8	(169.0)	164.5
Doubtful assets	723.8	(250.4)	205.4	(455.8)	473.4
Total	1,025.5	(387.6)	237.2	*1 (624.8)	637.9
Result of measures connected to off-balancing*2	197.1				112.9

Breakdown of off-balancing by factor*3		
	Disposition by borrowers' liquidation	(56.4)
Reconstructive disposition --- (a)	(278.7)	
Improvement in debtors' performance due to (a)	(2.5)	
Loan sales to market	(482.8)	
Direct write-offs	532.5	
Others	(336.9)	
	Collection/repayment, etc.	(210.6)
	Improvement in debtors' performance	(126.3)
Total	(624.8)	

(*1) The amount of Problem assets newly classified during the six months ended Sep. 30, 2005 and off-balanced in the six months ended Mar. 31, 2006 was JPY 231.4 billion. The amount is respectively recorded in each period.

(*2) 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.

(*3) 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.

16. Loan Portfolio, Classified by Industry <SMBC Non-consolidated>

(1) Loans and bills discounted, classified by industry

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Domestic offices (excluding offshore banking account)	47,461,252	787,605	46,673,647
Manufacturing	5,172,704	(149,011)	5,321,715
Agriculture, forestry, fisheries, and mining	133,756	8,182	125,574
Construction	1,283,199	(335,173)	1,618,372
Transportation, communications and public enterprises	2,658,362	(79,024)	2,737,386
Wholesale and retail	5,170,601	(140,280)	5,310,881
Finance and insurance	5,072,348	(86,406)	5,158,754
Real estate	6,316,865	333,905	5,982,960
Various services	5,731,622	25,721	5,705,901
Municipalities	657,755	74,240	583,515
Others	15,264,035	1,135,451	14,128,584
Overseas offices and offshore banking accounts	4,396,307	1,002,369	3,393,938
Public sector	38,992	(36,832)	75,824
Financial institutions	348,464	111,188	237,276
Commerce and industry	3,815,783	821,765	2,994,018
Others	193,066	106,247	86,819
Total	51,857,559	1,789,973	50,067,586

Risk-Monitored Loans

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Domestic offices (excluding offshore banking account)	866,798	(836,793)	1,703,591
Manufacturing	64,620	(16,663)	81,283
Agriculture, forestry, fisheries, and mining	3,177	2,452	725
Construction	39,910	(302,242)	342,152
Transportation, communications and public enterprises	79,399	46,026	33,373
Wholesale and retail	91,046	(12,295)	103,341
Finance and insurance	13,527	(80,982)	94,509
Real estate	257,207	(139,335)	396,542
Various services	254,606	(195,595)	450,201
Municipalities	-	-	-
Others	63,301	(138,161)	201,462
Overseas offices and offshore banking accounts	47,375	15,103	32,272
Public sector	-	(111)	111
Financial institutions	-	(267)	267
Commerce and industry	47,375	15,481	31,894
Others	-	-	-
Total	914,173	(821,690)	1,735,863

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

(Millions of yen, %)

	Mar. 31, 2006			Mar. 31, 2005 (b)
	(a)	Reserve ratio	(a) - (b)	
Domestic offices (excluding offshore banking account)	908,854	81.7	(878,961)	1,787,815
Manufacturing	68,019	67.0	(17,435)	85,454
Agriculture, forestry, fisheries, and mining	3,177	59.0	2,452	725
Construction	41,079	63.0	(355,219)	396,298
Transportation, communications and public enterprises	86,958	71.2	50,754	36,204
Wholesale and retail	93,657	64.6	(11,355)	105,012
Finance and insurance	14,706	88.5	(81,131)	95,837
Real estate	274,159	91.3	(134,392)	408,551
Various services	261,856	88.1	(194,167)	456,023
Municipalities	-	-	-	-
Others	65,237	100.0	(138,468)	203,705
Overseas offices and offshore banking accounts	51,241	67.4	14,434	36,807
Public sector	-	-	(111)	111
Financial institutions	-	-	(462)	462
Commerce and industry	51,241	67.4	15,007	36,234
Others	-	-	-	-
Total	960,095	80.4	(864,527)	1,824,622

(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)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Consumer loans	14,725,514	494,866	14,230,648
Mortgage loans	13,771,812	531,363	13,240,449
Residential purpose	10,044,534	593,204	9,451,330
Other consumer loans	953,701	(36,497)	990,198

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

(Millions of yen, %)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Outstanding balance	35,496,058	204,908	35,291,150
Ratio to total loans	74.8	(0.8)	75.6

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

17. Loan Portfolio, Classified by Country <SMBC Non-consolidated>

(1) Loans to specific overseas countries

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Loan balance	35,511	(4,653)	40,164
Number of countries	2	(3)	5

(2) Loans classified by country

(i) Loans to major Asian countries

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Indonesia	66,342	2,329	64,013
Risk-monitored loans	2,213	(1,104)	3,317
Thailand	352,781	129,806	222,975
Risk-monitored loans	455	(290)	745
Korea	258,907	63,994	194,913
Risk-monitored loans	1,184	95	1,089
Hong Kong	291,867	71,963	219,904
Risk-monitored loans	13,732	13,410	322
China	342,652	87,762	254,890
Risk-monitored loans	1,748	1,550	198
Singapore	292,271	45,530	246,741
Risk-monitored loans	7,757	6,919	838
India	32,762	15,997	16,765
Risk-monitored loans	-	(1,059)	1,059
Malaysia	68,063	(19,011)	87,074
Risk-monitored loans	5,213	4,711	502
Pakistan	1,622	(402)	2,024
Risk-monitored loans	1,334	115	1,219
Others	90,254	7,125	83,129
Risk-monitored loans	505	505	-
Total	1,797,523	405,091	1,392,432
Risk-monitored loans	34,141	24,852	9,289

(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)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Chile	3,288	1,136	2,152
Risk-monitored loans	-	-	-
Columbia	935	(3,598)	4,533
Risk-monitored loans	-	(372)	372
Mexico	37,609	3,482	34,127
Risk-monitored loans	-	-	-
Argentina	14	(42)	56
Risk-monitored loans	-	-	-
Brazil	56,305	5,532	50,773
Risk-monitored loans	-	-	-
Venezuela	5,315	(947)	6,262
Risk-monitored loans	-	-	-
Panama	240,279	72,517	167,762
Risk-monitored loans	-	-	-
Others	3,257	(412)	3,669
Risk-monitored loans	-	(111)	111
Total	347,004	77,668	269,336
Risk-monitored loans	-	(483)	483

(iii) Loans to Russia

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Russia	37,007	25,273	11,734
Risk-monitored loans	-	-	-

(3) Problem Assets Based on the Financial Reconstruction Law, classified by domicile
(Millions of yen, %)

	Mar. 31, 2006			Mar. 31, 2005
	(a)	Reserve ratio	(a) - (b)	(b)
Overseas offices and Japan offshore banking accounts	51,241	67.4	14,434	36,807
Asia	35,647	62.0	22,832	12,815
Indonesia	2,213	50.0	(1,104)	3,317
Hong Kong	13,732	50.7	13,321	411
India	-	-	(1,080)	1,080
China	1,748	50.2	1,550	198
Others	17,954	70.8	10,145	7,809
North America	15,237	99.3	(7,521)	22,758
Central and South America	-	-	(678)	678
Western Europe	357	49.9	(199)	556
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.

18. Deposits and Loans <SMBC Non-consolidated>

(1) Deposits and loans outstanding

(Millions of yen, %)

	FY2005		FY2004
		Change	
Deposits (term-end balance)	65,070,784	2,282,456	62,788,328
Deposits (average balance)	63,825,633	2,414,352	61,411,281
Domestic units	56,437,539	1,815,646	54,621,893
Average yield	0.02	0.00	0.02
Loans (term-end balance)	51,857,559	1,789,973	50,067,586
Loans (average balance)	51,150,685	341,777	50,808,908
Domestic units	46,007,295	(852,050)	46,859,345
Average yield	1.71	(0.07)	1.78

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

(2) Deposits outstanding, classified by type of depositor

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Domestic deposits	63,107,711	2,498,081	60,609,630
Individual	32,760,329	606,315	32,154,014
Corporate	30,347,382	1,891,766	28,455,616

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

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

(Reference)

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Outstanding balance of investment trusts	2,923,609	575,382	2,348,227
Balance to individuals	2,803,120	538,276	2,264,844

(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.

19. Other Financial Data <SMBC Non-consolidated>

(1) Debt Forgiveness

(Billions of yen)

	FY2005
Number of companies whose debts have been forgiven	9
Principal amount forgiven	245.8

(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)

	Mar. 31, 2006
Balance sheet amount	3,841.6
Acquisition cost	2,209.2

(Billions of yen)

	FY2005
Amount sold	approx. 180.0

20. Number of Directors and Employees <SMBC Non-consolidated>

	Mar. 31, 2006		Mar. 31, 2005	Mar. 31, 2006 "The Plan"*3
		Change		
Directors and auditors*1	22	(3)	25	23
Employees*2	20,322	(698)	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.

21. Number of Offices <SMBC Non-consolidated>

	Mar. 31, 2006		Mar. 31, 2005	Mar. 31, 2006 "The Plan"*4
		Change		
Domestic branches*1	411	(14)	425	415
Overseas branches*2	15	(2)	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.

22. Deferred Tax Assets <SMBC Non-consolidated>

(1) Deferred Tax Assets on the Balance Sheet			(Billions of yen)			(Reference)
			Mar. 31, 2006	Change	Mar. 31, 2005	Temporary differences Mar. 31, 2006
(a) Total deferred tax assets	(b-c)	1	1,572.7	(253.1)	1,825.8	
(b) Subtotal of deferred tax assets		2	2,077.3	(301.8)	2,379.1	5,090.5
Reserve for possible loan losses		3	250.7	(64.7)	315.4	617.0
Write-off of loans		4	170.2	(391.9)	562.1	418.9
Write-off of securities		5	447.7	(85.3)	533.0	1,101.9
Reserve for employee retirement benefits		6	74.4	(2.5)	76.9	183.2
Depreciation		7	6.5	0.4	6.1	16.0
Net unrealized losses on other securities		8	-	-	-	-
Net operating loss carryforwards		9	1,087.4	264.6	822.8	2,654.2
Other		10	40.4	(22.4)	62.8	99.3
(c) Valuation allowance		11	504.6	(48.7)	553.3	
(d) Total deferred tax liabilities		12	596.5	272.9	323.6	1,468.0
Gains on securities contributed to employee retirement benefits trust		13	51.6	(0.1)	51.7	127.1
Net unrealized gains on other securities		14	536.2	271.7	264.5	1,319.7
Other		15	8.7	1.3	7.4	21.2
Net deferred tax assets (Balance sheet amount)	(a-d)	16	976.2	(526.0)	1,502.2	
Amount corresponding to the deferred tax liabilities shown in line 14	(Note)	17	(536.2)	(271.7)	(264.5)	(1,319.7)
Net deferred tax assets excluding the amount shown in line 17		18	1,512.4	(254.3)	1,766.7	3,700.0
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 tax loss carryforwards resulting from taking the measures described below in order to quickly strengthen its financial base under the prolonged deflationary pressure, and are accordingly judged to be attributable to extraordinary factors. As a result, SMBC recognized deferred tax assets to the limit of the estimated future taxable income for the period (approximately 5 years) pursuant to the practical guidelines on assessing the collectability of deferred tax assets issued by the JICPA ("Practical Guidelines") (*)

(a) Disposal of Non-performing Loans

SMBC established internal standards for write-offs and provisions based on self-assessment in accordance with the "Prompt Corrective Action" adopted in fiscal 1998 pursuant to the law concerning the maintenance of sound management of financial institutions (June 1996).

SMBC has been aggressively disposing of non-performing loans and bolstering provisions against the risk of asset deterioration under the severe business environment of a prolonged sluggish economy.

In addition, pursuant to the government's "Program for Financial Revival" of October 2002, SMBC accelerated the disposal of non-performing loans in order to reduce the problem asset ratio to half by the end of fiscal 2004. As a result, SMBC achieved this target 6 months ahead of schedule, in the first half of fiscal 2004. In 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 March 31, 2006 amounted to approximately ¥1.04 trillion).

(b) Disposal of Unrealized Losses on Stocks

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

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

As a result, the outstanding balance of taxable write-offs on securities (**) increased temporarily (from approximately ¥0.1 trillion as of March 31, 1999 to approximately ¥1.5 trillion as of March 31, 2003). On the other hand, taxable write-offs of securities carried out in the past are now being realized through accelerated selling of stocks (the balance of taxable write-offs on securities as of March 31, 2006 amounted to approximately ¥1.1 trillion).

(2) Consequently, tax loss carryforwards (**) amounted to approximately ¥2.65 trillion as of March 31, 2006, but they are certain to be offset by the end of their carry-over period by the taxable income that will be generated in the future. No material tax loss carryforwards have expired in the past.

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

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

(b) Period for Future Taxable Income to be estimated

5 years

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

		(Billions of yen)	
		Estimates of next 5 years	
	Banking profit (before provision for general reserve for possible loan losses)	1	5,205.0
A	Income before income taxes	2	3,385.8
B	Adjustments to taxable income (excluding reversal of temporary differences as of Mar. 31, 2006)	3	680.5
C	Taxable income before adjustments (A+B)	4	4,066.3
	Deferred tax assets corresponding to taxable income before adjustments	5	1,652.1

[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 by 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)

	FY2001	FY2002	FY2003	FY2004	FY2005
Income of final return (before deducting operating loss carryforwards)	241.9	(745.5)	(1,437.8)	317.2	(652.8)

- (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. Since the final declaration for the corporate income tax is being done in the end of June, the figures for March 31, 2006 are estimated income of final return as of March 31, 2006.
3. 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.

23. Earnings Forecast for FY2006

Sumitomo Mitsui Financial Group, Inc.

<Non-consolidated>

(Billions of yen)

	FY2006		FY2005
	Six-month period ending Sep. 30, 2006	Forecast	Result
Operating income	320.0	360.0	55.4
Ordinary profit	315.0	355.0	48.2
Net income	315.0	355.0	73.4

(Billions of yen)

	FY2006		FY2005
	Six-month period ending Sep. 30, 2006	Forecast	Result
Total dividend	-	55.1	48.0

Dividend per share forecast

(Yen)

	FY2006		FY2005
	Six-month period ending Sep. 30, 2006	Forecast	Result
Common stock	-	4,000	3,000
Type 1 Preferred stock	-	-	10,500
Type 2 Preferred stock	-	28,500	28,500
Type 3 Preferred stock	-	13,700	13,700
1st - 12th series Type 4 Preferred stock	-	135,000	135,000
1st Series Type 6 Preferred stock	-	88,500	88,500

<Consolidated>

(Billions of yen)

	FY2006		FY2005
	Six-month period ending Sep. 30, 2006	Forecast	Result
Ordinary income	1,750.0	3,700.0	3,705.1
Ordinary profit	440.0	1,010.0	963.6
Net income	260.0	570.0	686.8

(Reference)

Sumitomo Mitsui Banking Corporation

<Non-consolidated>

(Billions of yen)

	FY2006		FY2005
	Six-month period ending Sep. 30, 2006	Forecast	Result
Gross banking profit	720.0	1,540.0	1,552.1
Expenses	(300.0)	(600.0)	(586.5)
Banking profit (before provision for general reserve for possible loan losses)	420.0	940.0	965.6
Ordinary profit	340.0	780.0	720.9
Net income	210.0	460.0	519.5

Total credit cost (*)	(85.0)	(170.0)	(230.9)
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(*) (Provision for general reserve for possible loan losses) + (Credit cost included in non-recurring losses)

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

(Reference 1) FY2005 Achievements and FY2006 Management Policy

FY2005 Achievements

Management Policy: "Secure solid profit level"

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

Net income <SMFG consolidated>	<FY2004 result> (JPY 234.2 billion)	⇒	<FY2005 forecast*> JPY 460.0 billion	△	<FY2005 result> JPY 686.8 billion
Net income <SMBC non-consolidated>	(JPY 136.8 billion)		JPY 350.0 billion		JPY 519.5 billion

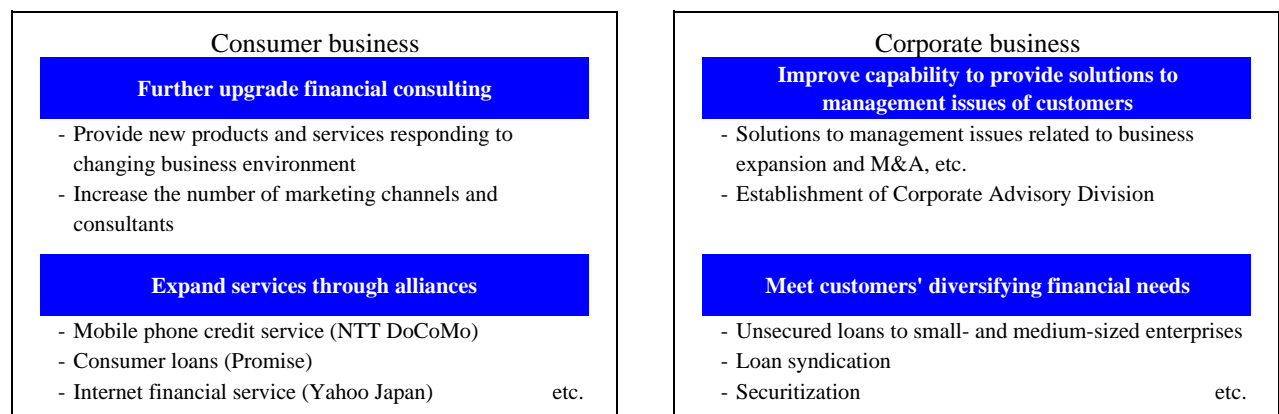
- Decrease credit cost to a normalized level

<SMBC non-consolidated> Total credit cost	<FY2004 result> JPY 954.8 billion	⇒	<FY2005 forecast*> JPY 300.0 billion	△	<FY2005 result> JPY 230.9 billion
Problem assets based on the Financial Reconstruction Law	JPY 1,824.6 billion		Approximately JPY 1 trillion		JPY 960.1 billion
Problem asset ratio	3.3%		Approximately 2%		1.7%

*Announced in May 2005 when SMFG released its financial results for FY2004

FY2006 Management Policy: "Establish a solid framework for realizing sustainable growth"

-Further provide value-added products and services to our customers on a group basis

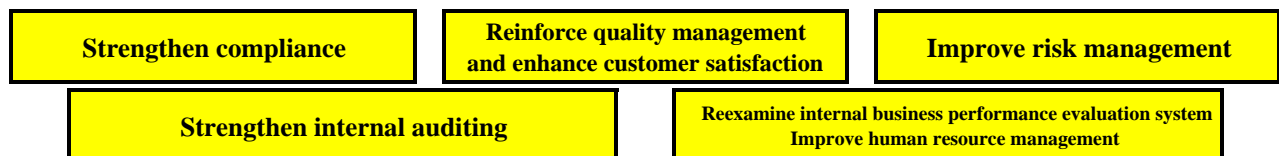


Expand customer base

Establish a sustainable earnings structure

-Establish solid platform to support business growth

(1) Further improve internal control systems



(2) Further strengthen financial base

Fortify capital both in terms of quality and quantity

<FY2006 forecast>

**SMFG consolidated net income:
JPY 570.0 billion**

**SMBC non-consolidated net income:
JPY 460.0 billion**

Early repayment of public funds

(Reference 2) Financial Statements of SMBC1. Highlights of SMBC's Financial Results for the fiscal year ended
March 31, 2005

<SMBC Non-consolidated>

Ordinary income	2,287,935 million yen
Ordinary profit	720,933 million yen
Net income	519,520 million yen
Total assets	97,443,428 million yen
Stockholders' equity	3,634,776 million yen
Stockholders' equity to Total assets	3.73 %
Capital ratio (BIS Guidelines) [preliminary]	11.35 %
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	9,066.46 yen
Net income per share (diluted)	9,050.63 yen
Stockholders' equity per share	42,105.57 yen
Total Dividends (annual)	334,420 million yen
Common stock	5,714 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	893,900 million yen

<SMBC Consolidated>

Capital ratio (BIS Guidelines) [preliminary]	10.77 %
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(Note) Risk-adjusted assets as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005, were reported greater than they really were, since part of transaction data concerning market risk was recorded twice at a consolidated subsidiary, SMBC. Accordingly, capital ratios as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005, were reported smaller than they really were. However, the impact on the level of risk-adjusted assets and capital ratio for each date were small. For further information, please refer to page 23.

Risk-adjusted assets as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005, were reported greater than they really were, since part of transaction data concerning market risk was recorded twice at a consolidated subsidiary, SMBC. Accordingly, capital ratios as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005, were reported smaller than they really were.

Although, mainly due to a constraint of data retention period, it is impossible to retrospectively recalculate exact VaR* necessary to compute risk-adjusted assets, an trial computation based on certain assumptions showed that the impacts on the level of capital ratio for each date were small; they were within the range of approximately 0.00 to 0.02%.

For your reference, the capital ratios as of Sep. 30, 2004, Mar. 31, 2005 and Sep. 30, 2005 were disclosed as follows in the past.

* Value-at-risk: maximum potential loss on market transactions for a given probability

<Reference>

SMFG Consolidated Capital ratio

(Millions of yen, %)

		Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005
Capital ratio	(A)/(B)	10.93	9.94	11.00
Total capital	(A)	6,621,422	6,020,069	6,944,161
Risk-adjusted assets	(B)	60,539,127	60,552,620	63,127,899
Asset equivalent of market risk		285,650	358,876	413,074

SMBC Consolidated Capital ratio

(Millions of yen, %)

		Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005
Capital ratio	(A)/(B)	11.03	10.60	11.19
Total capital	(A)	6,428,635	6,175,605	6,800,093
Risk-adjusted assets	(B)	58,233,832	58,244,521	60,769,116
Asset equivalent of market risk		282,759	351,964	411,599

SMBC Non-consolidated Capital ratio

(Millions of yen, %)

		Sep. 30, 2004	Mar. 31, 2005	Sep. 30, 2005
Capital ratio	(A)/(B)	11.35	11.32	12.00
Total capital	(A)	6,157,741	6,118,047	6,761,532
Risk-adjusted assets	(B)	54,224,522	54,034,487	56,303,976
Asset equivalent of market risk		200,978	304,929	343,555

2. Balance Sheet (Condensed) <SMBC Non-consolidated>

(Millions of yen)

	March 31, 2006 (A)	March 31, 2005 (B)	Change (A-B)
Assets			
Cash and due from banks & Deposits with banks	6,589,967	4,524,830	2,065,137
Call loans	576,909	373,397	203,512
Receivables under resale agreements	81,470	88,021	(6,551)
Receivables under securities borrowing transactions	1,956,650	568,340	1,388,310
Bills bought	-	573,000	(573,000)
Commercial paper and other debt purchased	115,637	126,682	(11,045)
Trading assets	3,694,791	3,363,376	331,415
Money held in trust	2,912	3,832	(920)
Securities	25,202,541	23,676,696	1,525,845
Loans and bills discounted	51,857,559	50,067,586	1,789,973
Foreign exchanges	877,570	840,923	36,647
Other assets	1,567,812	1,446,439	121,373
Premises and equipment	639,538	660,469	(20,931)
Deferred tax assets	976,203	1,502,153	(525,950)
Customers' liabilities for acceptances and guarantees	4,120,300	4,303,148	(182,848)
Reserve for possible loan losses	(816,437)	(989,121)	172,684
Total assets	97,443,428	91,129,776	6,313,652
Liabilities			
Deposits	65,070,784	62,788,328	2,282,456
Negotiable certificates of deposit	3,151,382	2,803,299	348,083
Call money	2,833,865	2,232,507	601,358
Payables under repurchase agreements	382,082	365,127	16,955
Payables under securities lending transactions	2,709,084	3,838,031	(1,128,947)
Bills sold	5,104,100	2,578,700	2,525,400
Trading liabilities	2,515,932	1,711,030	804,902
Borrowed money	2,023,023	2,267,602	(244,579)
Foreign exchanges	449,560	477,845	(28,285)
Bonds	3,776,707	3,718,372	58,335
Due to trust account	318,597	50,457	268,140
Other liabilities	1,295,135	1,143,206	151,929
Reserve for employee bonuses	8,691	9,092	(401)
Reserve for expenses related to EXPO 2005 Japan	-	231	(231)
Other reserves	18	18	-
Deferred tax liabilities for land revaluation	49,384	90,043	(40,659)
Acceptances and guarantees	4,120,300	4,303,148	(182,848)
Total liabilities	93,808,652	88,377,041	5,431,611
Stockholders' equity			
Capital stock	664,986	664,986	-
Capital surplus	1,367,548	1,367,548	-
Capital reserve	665,033	1,009,933	(344,900)
Other capital surplus	702,514	357,614	344,900
Retained earnings	794,033	291,311	502,722
Voluntary reserves	221,502	221,532	(30)
Unappropriated retained earnings at end of year	572,531	69,779	502,752
Land revaluation excess	24,716	42,345	(17,629)
Net unrealized gains on other securities	783,491	386,543	396,948
Total stockholders' equity	3,634,776	2,752,735	882,041
Total liabilities and stockholders' equity	97,443,428	91,129,776	6,313,652

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

3. Income Statement (Condensed) <SMBC Non-consolidated>

(Millions of yen)

	FY2005 (A)	FY2004 (B)	Change (A-B)
Ordinary income	2,287,935	2,289,372	(1,437)
Interest income	1,426,546	1,318,698	107,848
<i>Interest on loans and discounts</i>	990,853	934,892	55,961
<i>Interest and dividends on securities</i>	317,180	262,640	54,540
Trust fees	8,626	2,609	6,017
Fees and commissions	474,972	399,434	75,538
Trading profits	13,250	131,779	(118,529)
Other operating income	273,861	228,005	45,856
Other income	90,678	208,845	(118,167)
Ordinary expenses	1,567,002	2,361,053	(794,051)
Interest expenses	472,002	346,195	125,807
<i>Interest on deposits</i>	226,926	107,718	119,208
Fees and commissions	108,296	101,358	6,938
Trading losses	1,312	199	1,113
Other operating expenses	63,613	109,916	(46,303)
General and administrative expenses	604,098	603,477	621
Other expenses	317,679	1,199,906	(882,227)
Ordinary profit (loss)	720,933	(71,680)	792,613
Extraordinary gains	34,763	1,562	33,201
Extraordinary losses	9,024	29,961	(20,937)
Income (loss) before income taxes	746,672	(100,079)	846,751
Income taxes, current	13,512	6,379	7,133
Income taxes, refund	-	8,184	(8,184)
Income taxes, deferred	213,639	38,579	175,060
Net income (loss)	519,520	(136,854)	656,374
Unappropriated retained earnings carried forward	69,774	254,523	(184,749)
Transfer from land revaluation excess	17,629	2,559	15,070
Interim dividends	34,393	50,449	(16,056)
Unappropriated retained earnings at end of year	572,531	69,779	502,752

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

4. Statement of Appropriation of Retained Earnings (Proposal) <SMBC Non-consolidated>

(Millions of yen)

	FY2005 (A)	FY2004 (B)	Change (A-B)
<u>Appropriation of unappropriated retained earnings</u>			
Unappropriated retained earnings at end of year	572,531	69,779	502,752
Transfer from voluntary reserves	0	29	(29)
Transfer from reserve for possible losses on overseas investments	0	29	(29)
Total	572,531	69,808	502,723
Retained earnings to be appropriated	300,027	33	299,994
Dividends on First Series Type 6 Preferred stock	-	33	(33)
Dividends on common stock	300,027	-	300,027
Retained earnings carried forward to next year	272,504	69,774	202,730
<u>Appropriation of other capital surplus</u>			
Other capital surplus at end of year	702,514	357,614	344,900
Other capital surplus to be appropriated	-	-	-
Other capital surplus carried forward to next year	702,514	357,614	344,900

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

5. Market Value Information on Securities <SMBC Non-consolidated>

[1] Securities

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

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

(Millions of yen)

	March 31, 2006				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	750,004	730,370	(19,634)	306	19,940
Japanese local government bonds	96,892	93,527	(3,365)	-	3,365
Japanese corporate bonds	379,514	371,461	(8,053)	-	8,053
Other	9,654	9,924	270	270	-
Total	1,236,065	1,205,283	(30,782)	577	31,359

(2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	March 31, 2006		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	84,400	253,120	168,720
Stocks of affiliates	223,660	322,516	98,855
Total	308,061	575,637	267,575

(3) Other securities with market value

(Millions of yen)

	March 31, 2006				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,835,627	3,468,031	1,632,404	1,649,881	17,476
Bonds	11,968,327	11,686,073	(282,254)	727	282,981
Japanese government bonds	10,642,352	10,387,617	(254,735)	43	254,778
Japanese local government bonds	462,486	449,305	(13,181)	272	13,453
Japanese corporate bonds	863,488	849,151	(14,337)	411	14,749
Other	3,954,859	3,920,915	(33,943)	44,980	78,924
Change of purpose of holding	-	-	66	66	-
Total	17,758,814	19,075,020	1,316,272	1,695,655	379,383

(Notes)

1. Unrealized gains (losses) for other securities include losses of JPY 3,193 million that were recognized in income statement by applying fair value hedge accounting.

As a result of applying fair value hedge accounting, the amount subject to inclusion in the stockholders' equity is JPY 1,319,465 million and the actual amount included in the stockholder's equity under "Net unrealized gains on other securities" is JPY 783,366 million (calculated by deducting deferred tax liabilities of JPY 536,098 million).

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. Valuation loss (impaired) for this term is JPY 21 million. The rule for determining "material decline" is as follows and is based on the classification of issuers under the rules of self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	Market value is lower than acquisition cost.
Issuers requiring caution	Market value is 30% or more lower than acquisition cost.
Normal issuers	Market value is 50% or more lower than acquisition cost.

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

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

Potentially bankrupt issuers: Issuers that are not currently bankrupt but perceived to have a high risk of falling into bankruptcy

Issuers requiring caution: Issuers that are identified for close monitoring

Normal issuers: Issuers other than the above four categories of issuers

(4) Securities with no available market value

(Millions of yen)

March 31, 2006	
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,151,077
Stocks of affiliates	34,043
Other	35,569
Other securities	
Unlisted stocks (excluding OTC stocks)	373,558
Unlisted bonds	2,488,496
Unlisted foreign securities	293,177
Other	290,158

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

(Millions of yen)

	March 31, 2006			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years
Bonds	5,684,097	4,501,578	2,297,157	2,918,147
Japanese government bonds	5,284,223	1,961,984	1,084,424	2,806,988
Japanese local government bonds	21,010	207,340	317,401	445
Japanese corporate bonds	378,863	2,332,253	895,331	110,713
Other	720,694	1,508,411	666,401	671,792
Total	6,404,791	6,009,989	2,963,558	3,589,940

[2] Money Held in Trust

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

(Millions of yen)

	March 31, 2006				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	2,703	2,912	209	209	-

(Note) Net unrealized gains of 124 million yen (after deducting 84 million yen in deferred tax liabilities from 209 million yen in net unrealized gains) are included in 'Net unrealized gains on other securities.'

6. Statements of Trust Assets and Liabilities <SMBC Non-consolidated>

(Millions of yen)

	March 31, 2006 (A)	March 31, 2005 (B)	Change (A-B)
Loans and bills discounted	7,870	9,780	(1,910)
Securities	238,205	81,840	156,365
Securities held in custody accounts	33,590	34,166	(576)
Monetary claims	706,349	600,618	105,731
Premises and equipment	85	-	85
Other claims	1,216	315	901
Due from banking account	318,597	50,457	268,140
Total assets	1,305,915	777,177	528,738
Monetary trusts	530,255	101,323	428,932
Securities trusts	33,590	34,166	(576)
Monetary claims trusts	603,656	480,147	123,509
Composite trusts	138,413	161,539	(23,126)
Total liabilities	1,305,915	777,177	528,738

(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.