

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)

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