

(Reference 2) Financial Statements of SMBC**1. 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.

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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)

- 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).
- 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.