

Financial Results
for the Six Months
ended September 30, 2006
-Supplementary Information-

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

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(Notes) 1. <Consolidated>: Consolidated figures of Sumitomo Mitsui Financial Group, Inc. ("SMFG")

2. <Non-consolidated>: Non-consolidated figures of Sumitomo Mitsui Banking Corporation ("SMBC")

This document contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

Financial Highlights for the Six Months ended September 30, 2006

1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
Gross banking profit	1	609,120	(157,528)	766,648
<i>Excluding gains (losses) on bonds</i>	2	<i>670,813</i>	<i>(67,469)</i>	<i>738,282</i>
Gross domestic profit	3	540,056	(86,520)	626,576
<i>Excluding gains (losses) on bonds</i>	4	<i>590,052</i>	<i>(18,835)</i>	<i>608,887</i>
Net interest income	5	451,514	(7,532)	459,046
Trust fees	6	1,404	(2,880)	4,284
Net fees and commissions	7	129,392	(1,291)	130,683
Net trading income	8	971	2,009	(1,038)
Net other operating income	9	(43,226)	(76,826)	33,600
<i>Gains (losses) on bonds</i>	10	<i>(49,996)</i>	<i>(67,685)</i>	<i>17,689</i>
Gross international profit	11	69,064	(71,007)	140,071
<i>Excluding gains (losses) on bonds</i>	12	<i>80,760</i>	<i>(48,635)</i>	<i>129,395</i>
Net interest income	13	(7,703)	(3,008)	(4,695)
Net fees and commissions	14	30,096	(2,654)	32,750
Net trading income	15	39,154	34,546	4,608
Net other operating income	16	7,516	(99,892)	107,408
<i>Gains (losses) on bonds</i>	17	<i>(11,696)</i>	<i>(22,371)</i>	<i>10,675</i>
Expenses (excluding non-recurring losses)	18	(297,511)	(5,096)	(292,415)
Personnel expenses	19	(96,868)	2,020	(98,888)
Non-personnel expenses	20	(183,893)	(6,847)	(177,046)
Taxes	21	(16,749)	(269)	(16,480)
Banking profit (before provision for general reserve for possible loan losses)	22	311,609	(162,624)	474,233
<i>Excluding gains (losses) on bonds</i>	23	<i>373,301</i>	<i>(72,566)</i>	<i>445,867</i>
Provision for general reserve for possible loan losses	24	-	(24,335)	24,335
Banking profit	25	311,609	(186,959)	498,568
Gains (losses) on bonds	26	(61,692)	(90,057)	28,365
Non-recurring gains (losses)	27	(42,531)	96,259	(138,790)
Credit related costs	28	(46,701)	107,293	(153,994)
Gains (losses) on stocks	29	8,720	(16,222)	24,942
Gains on sale of stocks	30	14,742	(19,395)	34,137
Losses on sale of stocks	31	(97)	263	(360)
Losses on devaluation of stocks	32	(5,924)	2,909	(8,833)
Other non-recurring gains (losses)	33	(4,550)	5,188	(9,738)
Ordinary profit	34	269,078	(90,700)	359,778
Extraordinary gains (losses)	35	29,272	33,934	(4,662)
Gains (losses) on disposal of premises and equipment	36	-	(665)	665
Gains (losses) on disposal of fixed assets	37	(864)	(864)	-
Losses on impairment of fixed assets	38	(1,457)	3,831	(5,288)
Gains on reversal of reserve for possible loan losses	39	13,330	13,330	-
Gains on collection of written-off claims	40	137	125	12
Gains on return of securities from retirement benefits trust	41	36,330	36,330	-
Losses on liquidation of subsidiary	42	(18,203)	(18,203)	-
Income before income taxes	43	298,351	(56,764)	355,115
Income taxes, current	44	(7,753)	(2,672)	(5,081)
Income taxes, deferred	45	(106,951)	(55,684)	(51,267)
Net income	46	183,646	(115,120)	298,766
Total credit cost (24+28+39+40)	47	(33,233)	96,426	(129,659)
Provision for general reserve for possible loan losses	48	19,549	(4,786)	24,335
Write-off of loans	49	(39,937)	(23,133)	(16,804)
Provision for specific reserve for possible loan losses	50	(6,265)	116,382	(122,647)
Losses on sales of delinquent loans	51	(6,764)	7,982	(14,746)
Provision for loan loss reserve for specific overseas countries	52	46	(156)	202
Gains on collection of written-off claims	53	137	137	-

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

<Consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
Consolidated gross profit	1	885,809	(136,107)	1,021,916
Net interest income	2	559,615	5,900	553,715
Trust fees	3	1,416	(2,869)	4,285
Net fees and commissions	4	283,394	4,687	278,707
Net trading income	5	51,613	39,354	12,259
Net other operating income	6	(10,230)	(183,178)	172,948
General and administrative expenses	7	(432,705)	(11,079)	(421,626)
Credit related costs	8	(64,977)	111,548	(176,525)
Write-off of loans	9	(57,626)	(14,945)	(42,681)
Provision for specific reserve for possible loan losses	10	-	143,816	(143,816)
Provision for general reserve for possible loan losses	11	-	(39,495)	39,495
Other credit cost	12	(7,350)	22,172	(29,522)
Gains (losses) on stocks	13	10,370	(24,895)	35,265
Equity in earnings (losses) of affiliates	14	(32,344)	(46,425)	14,081
Other income (expenses)	15	(9,016)	326	(9,342)
Ordinary profit	16	357,136	(106,632)	463,768
Extraordinary gains (losses)	17	44,165	(3,359)	47,524
Losses on impairment of fixed assets	18	(2,006)	8,574	(10,580)
Gains on reversal of reserve for possible loan losses	19	6,470	6,470	-
Gains on collection of written-off claims	20	542	171	371
Gains on return of securities from retirement benefits trust	21	36,330	36,330	-
Income before income taxes and minority interests	22	401,302	(109,991)	511,293
Income taxes, current	23	(42,273)	(9,906)	(32,367)
Income taxes, deferred	24	(86,218)	(25,546)	(60,672)
Minority interests in net income	25	(29,149)	(3,224)	(25,925)
Net income	26	243,660	(148,667)	392,327

(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+20)	27	(57,963)	118,562	(176,525)
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(Note) Gains on collection of written-off claims are included in Total credit cost in six months ended Sep. 30, 2006.

(Reference)

(Billions of yen)

Consolidated net business profit	28	426.4	(153.2)	579.6
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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)

		Sep. 30, 2006		Mar. 31, 2006
		Sep. 30, 2006	Change	
Consolidated subsidiaries	29	176	14	162
Affiliated companies accounted for by equity method	30	61	(2)	63

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

(Millions of yen, %)

	Six months ended	Change	Six months ended
	Sep. 30, 2006		Sep. 30, 2005
(1) Banking profit (before provision for general reserve for possible loan losses)	311,609	(162,624)	474,233
Per employee (thousands of yen)	18,492	(9,239)	27,731
(2) Banking profit	311,609	(186,959)	498,568
Per employee (thousands of yen)	18,492	(10,662)	29,154
(3) Banking profit (before provision for general reserve for possible loan losses, excluding gains (losses) on bonds)	373,301	(72,566)	445,867
Per employee (thousands of yen)	22,153	(3,919)	26,072
Overhead ratio	48.8	10.7	38.1

(Notes) 1. Employees include executive officers (who are not board members) and overseas local staff, and exclude temporary staff, employees temporarily transferred from other companies, and transferred staff 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>

(%)

	Six months ended	Change	Six months ended
	Sep. 30, 2006		Sep. 30, 2005
Yield on interest earning assets (A)	1.47	0.00	1.47
Interest earned on loans and bills discounted (C)	1.65	(0.10)	1.75
Interest earned on securities	1.00	0.23	0.77
Total cost of funding (including expenses) (B)	0.88	0.05	0.83
Cost of interest bearing liabilities	0.11	0.03	0.08
Interest paid on deposits, etc. (D)	0.06	0.04	0.02
Interest paid on other liabilities	0.31	0.07	0.24
Expense ratio	0.77	0.02	0.75
Overall interest spread (A) - (B)	0.59	(0.05)	0.64
Interest spread (C) - (D)	1.59	(0.14)	1.73

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

(Millions of yen)

	Six months ended	Change	Six months ended
	Sep. 30, 2006		Sep. 30, 2005
Gains (losses) on bonds	(61,692)	(90,057)	28,365
Gains on sales	11,784	(28,043)	39,827
Losses on sales	(68,046)	(56,794)	(11,252)
Gains on redemption	43	(29)	72
Losses on redemption	(5,473)	(5,193)	(280)
Losses on devaluation	-	-	-
Gains (losses) on stocks	8,720	(16,222)	24,942
Gains on sales	14,742	(19,395)	34,137
Losses on sales	(97)	263	(360)
Losses on devaluation	(5,924)	2,909	(8,833)

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 Net assets)
	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 Net assets.

(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 Net assets)
	Without market value	Cost method or amortized cost method

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

	Sep. 30, 2006				Mar. 31, 2006		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(16,195)	14,587	374	(16,570)	(30,782)	577	(31,359)
Stocks of subsidiaries and affiliates	32,776	(234,799)	103,063	(70,286)	267,575	270,285	(2,710)
Other securities	1,417,430	101,224	1,669,272	(251,841)	1,316,206	1,695,589	(379,383)
Stocks	1,622,075	(10,329)	1,639,651	(17,575)	1,632,404	1,649,881	(17,476)
Bonds	(169,151)	113,103	618	(169,770)	(282,254)	727	(282,981)
Others	(35,493)	(1,550)	29,002	(64,495)	(33,943)	44,980	(78,924)
Other money held in trust	217	8	236	(18)	209	209	-
Total	1,434,229	(118,979)	1,772,946	(338,716)	1,553,208	1,966,661	(413,453)
Stocks	1,654,852	(245,127)	1,742,714	(87,862)	1,899,979	1,920,166	(20,186)
Bonds	(185,568)	127,739	771	(186,340)	(313,307)	1,033	(314,341)
Others	(35,053)	(1,590)	29,460	(64,514)	(33,463)	45,460	(78,924)

- (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 loan trust and 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 interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition 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.

<Consolidated>

(Millions of yen)

	Sep. 30, 2006				Mar. 31, 2006		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(16,195)	14,586	375	(16,571)	(30,781)	580	(31,361)
Other securities	1,387,933	14,596	1,652,324	(264,391)	1,373,337	1,771,170	(397,833)
Stocks	1,598,922	(103,768)	1,619,410	(20,487)	1,702,690	1,722,129	(19,438)
Bonds	(176,252)	120,981	1,354	(177,607)	(297,233)	988	(298,222)
Others	(34,736)	(2,616)	31,558	(66,295)	(32,120)	48,052	(80,172)
Other money held in trust	217	8	236	(18)	209	209	-
Total	1,371,955	29,190	1,652,936	(280,980)	1,342,765	1,771,960	(429,195)
Stocks	1,598,922	(103,768)	1,619,410	(20,487)	1,702,690	1,722,129	(19,438)
Bonds	(192,670)	135,618	1,508	(194,178)	(328,288)	1,294	(329,583)
Others	(34,296)	(2,660)	32,017	(66,314)	(31,636)	48,535	(80,172)

- (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 loan trust in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks are mainly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition 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.

6. Redemption Schedule of Other Securities <SMBC Non-consolidated>

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

(Billions of yen)

	Sep. 30, 2006					Mar. 31, 2006				
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total
Bonds	4,267.4	3,440.5	2,125.9	2,505.6	12,339.6	5,684.0	4,501.5	2,297.1	2,918.1	15,400.9
Japanese government bonds	3,719.6	1,056.8	808.6	2,400.8	7,985.9	5,284.2	1,961.9	1,084.4	2,806.9	11,137.6
Japanese local government bonds	38.5	187.6	314.7	0.4	541.4	21.0	207.3	317.4	0.4	546.1
Japanese corporate bonds	509.2	2,196.0	1,002.6	104.3	3,812.3	378.8	2,332.2	895.3	110.7	3,717.1
Other	1,104.7	1,066.2	810.1	517.2	3,498.3	720.6	1,508.4	666.4	671.7	3,567.2
Total	5,372.2	4,506.7	2,936.1	3,022.9	15,838.0	6,404.7	6,009.9	2,963.5	3,589.9	18,968.2

7. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)
<SMBC Non-consolidated>

(Billions of yen)

	Sep. 30, 2006				Mar. 31, 2006			
	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	42.5	74.5	(32.0)	(145.2)	46.5	101.0	(54.5)	(170.4)
Currency swaps	9.3	7.2	2.1	0.4	3.3	5.6	(2.3)	0.8
Others	0.4	2.8	(2.4)	0.8	6.4	3.3	3.1	2.4
Total	52.2	84.5	(32.3)	(144.0)	56.2	109.9	(53.7)	(167.2)

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

2. SMBC applied 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.

3. Figures for Net deferred gains (losses) are those before application of tax effect accounting.

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

(Billions of yen)

	Sep. 30, 2006				Mar. 31, 2006			
	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	7,361.0	12,568.5	4,008.6	23,938.1	5,587.5	16,061.5	5,045.3	26,694.3
Receivable floating rate /payable fixed rate	972.4	4,100.1	5,636.9	10,709.4	903.4	5,564.3	5,635.5	12,103.2
Receivable floating rate /payable floating rate	452.0	30.5	20.3	502.8	253.8	230.7	20.8	505.3
Total contract amount	8,785.4	16,699.1	9,665.8	35,150.3	6,744.7	21,856.5	10,701.6	39,302.8

8. Employee Retirement Benefits

(1) Projected benefit obligation

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
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

*As of the beginning of the term

(Reference) <Consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
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

*As of the beginning of the term

(2) Cost for employee retirement benefits

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
Cost for employee retirement benefits	(A)	(141)	(14,670)	14,529
Service cost		7,856	(277)	8,133
Interest cost on projected benefit obligation		10,530	173	10,357
Expected returns on plan assets		(14,832)	(2,792)	(12,040)
Amortization of unrecognized prior service cost		(5,542)	(923)	(4,619)
Amortization of unrecognized actuarial net gain (loss)		1,361	(10,734)	12,095
Others		483	(120)	603
Gains on return of securities from retirement benefits trust	(B)	(36,330)	(36,330)	-
Total	(A+B)	(36,471)	(51,000)	14,529

(Reference) <Consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
Pension expenses	(A)	3,199	(15,390)	18,589
Gains on return of securities from retirement benefits trust	(B)	(36,330)	(36,330)	-
Total	(A+B)	(33,130)	(51,719)	18,589

9. Capital Ratio

<Consolidated>

(Billions of yen, %)

	Sep. 30, 2006 (a)			Mar. 31, 2006	Sep. 30, 2005
	[Preliminary]	(a) - (b)	(a) - (c)	(b)	(c)
(1) Capital ratio	10.07	(2.32)	(0.93)	12.39	11.00
Tier I ratio	5.50	(1.61)	(0.43)	7.11	5.93
(2) Tier I	3,737.7	(908.2)	(8.4)	4,645.9	3,746.1
Net unrealized losses on other securities	-	-	-	-	-
(3) Tier II	3,737.7	(330.0)	(8.4)	4,067.7	3,746.1
(a) Unrealized gains on securities	629.1	1.3	218.2	627.8	410.9
(b) Land revaluation excess	39.7	(0.2)	(0.2)	39.9	39.9
(c) General reserve for possible loan losses	712.8	(29.8)	115.4	742.6	597.4
(d) Subordinated debt	2,356.1	(301.3)	(341.8)	2,657.4	2,697.9
(4) Subtraction items	630.6	11.3	82.6	619.3	548.0
(5) Total capital (2) + (3) - (4)	6,844.9	(1,249.5)	(99.3)	8,094.4	6,944.2
(6) Risk-adjusted assets	67,945.9	2,623.6	4,818.0	65,322.3	63,127.9

<SMBC consolidated>

Capital ratio (BIS Guidelines)	10.86	0.09	(0.33)	10.77	11.19
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<SMBC Non-consolidated>

Capital ratio (BIS Guidelines)	11.48	0.13	(0.52)	11.35	12.00
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10. ROE <Consolidated>

(%)

	Six months ended Sep. 30, 2006			FY2005	Six months ended Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
ROE (numerator: Net income)	16.2	(17.0)	(39.8)	33.2	56.0

(Note)

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

(%)

	Six months ended Sep. 30, 2006			FY2005	Six months ended Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Diluted ROE (numerator: Net income)	12.1	(6.9)	(13.8)	19.0	25.9

(Note)

$$\text{Diluted ROE} = \frac{(\text{Net income}) \times (\text{number of days in a year}) / (\text{number of days in the six-month period})}{\{(\text{Stockholders' equity at the beginning of the term}) + (\text{Net assets at the end of the term}) - (\text{Stock acquisition rights at the end of the term}) - (\text{Minority interests at the end of the term})\} / 2} \times 100$$

11. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs / Reserves

<SMBC Non-consolidated>

<As of Sep. 30, 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 136.0 (i) (Change from Mar. 31, 2006: -28.5)	Portion of claims secured by collateral or guarantees, etc. 124.2 (a)	Fully reserved 11.8	Direct Write-offs (*1)	Specific Reserve	16.4 (*2)	100% (*3)	
Effectively Bankrupt Borrowers							Potentially Bankrupt Borrowers	Necessary amount reserved 201.8
Borrowers Requiring Caution	Substandard Loans 305.6 (iii) (Change from Mar. 31, 2006: -16.6) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 102.8 (c)	General Reserve for Substandard Loans 91.9	General Reserve	553.5	46.1% (*3)		
	Normal Assets 58,442.1	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers				General Reserve	553.5	7.5% (*4) [16.9%] (*4)
Normal Borrowers		Claims to Normal Borrowers						0.4% (*4)
Total 59,308.8 (iv)		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 450.3		C: Unsecured portion (A - B) 416.4		Reserve Ratio (*5) D/C 74.0%		
A=(i)+(ii)+(iii) 866.7 (v) (Change from Mar. 31, 2006: -93.4) <Problem asset ratio ((v)/(iv)) 1.5%>				D: Specific Reserve + General Reserve for Substandard Loans (*2) 308.0				
				Loan Loss Reserve for Specific Overseas Countries 2.3				
				Coverage Ratio = (B+D)/A 87.5%				

(*1) Includes amount of direct reduction totaling JPY 537.0 billion.

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

(Bankrupt/Effectively Bankrupt Borrowers: JPY 4.6 billion, Potentially Bankrupt Borrowers: JPY 5.8 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. Risk-Monitored Loans

<SMBC Non-consolidated>

(Millions of yen)

		Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	42,129	1,215	(30,055)	40,914	72,184
	Non-accrual loans	485,764	(65,319)	(413,104)	551,083	898,868
	Past due loans (3 months or more)	33,648	10,202	(17,662)	23,446	51,310
	Restructured loans	271,960	(26,768)	(57,298)	298,728	329,258
	Total	833,503	(80,670)	(518,118)	914,173	1,351,621

Amount of direct reduction 517,796 (69,820) (573,824) 587,616 1,091,620

Total loans (term-end balance)	53,902,477	2,044,918	2,953,319	51,857,559	50,949,158
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		(%)				
Ratio to total loans	Bankrupt loans	0.1	0.0	0.0	0.1	0.1
	Non-accrual loans	0.9	(0.2)	(0.9)	1.1	1.8
	Past due loans (3 months or more)	0.1	0.1	0.0	0.0	0.1
	Restructured loans	0.5	(0.1)	(0.2)	0.6	0.7
	Total	1.5	(0.3)	(1.2)	1.8	2.7

<Consolidated>

(Millions of yen)

		Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	64,857	5,525	(24,823)	59,332	89,680
	Non-accrual loans	638,385	(75,981)	(446,293)	714,366	1,084,678
	Past due loans (3 months or more)	36,865	12,294	(16,980)	24,571	53,845
	Restructured loans	407,927	(36,962)	(152,368)	444,889	560,295
	Total	1,148,036	(95,124)	(640,463)	1,243,160	1,788,499

Amount of direct reduction 701,346 (52,773) (615,596) 754,119 1,316,942

Total loans (term-end balance)	59,184,457	1,917,254	3,089,423	57,267,203	56,095,034
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		(%)				
Ratio to total loans	Bankrupt loans	0.1	0.0	(0.1)	0.1	0.2
	Non-accrual loans	1.1	(0.1)	(0.8)	1.2	1.9
	Past due loans (3 months or more)	0.1	0.1	0.0	0.0	0.1
	Restructured loans	0.7	(0.1)	(0.3)	0.8	1.0
	Total	1.9	(0.3)	(1.3)	2.2	3.2

13. Reserve for Possible Loan Losses

<SMBC Non-consolidated> (Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Reserve for possible loan losses	771,822	(44,615)	(319)	816,437	772,141
General reserve	553,458	(19,078)	160,238	572,536	393,220
Specific reserve	216,056	(25,490)	(159,137)	241,546	375,193
Loan loss reserve for specific overseas countries	2,307	(47)	(1,420)	2,354	3,727
Amount of direct reduction	536,992	(66,630)	(576,036)	603,622	1,113,028

<Consolidated> (Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Reserve for possible loan losses	978,999	(56,469)	(58,218)	1,035,468	1,037,217
General reserve	712,817	(29,797)	115,432	742,614	597,385
Specific reserve	263,874	(26,625)	(172,230)	290,499	436,104
Loan loss reserve for specific overseas countries	2,307	(47)	(1,420)	2,354	3,727
Amount of direct reduction	750,546	(48,598)	(617,056)	799,144	1,367,602

14. Reserve Ratio to Risk-Monitored Loans

<SMBC Non-consolidated> (%)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Before direct reduction	96.9	2.3	19.7	94.6	77.2
After direct reduction	92.6	3.3	35.5	89.3	57.1

<Consolidated> (%)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Before direct reduction	93.5	1.6	16.1	91.9	77.4
After direct reduction	85.3	2.0	27.3	83.3	58.0

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

15. Problem Assets Based on the Financial Reconstruction Law and the Coverage

<SMBC Non-consolidated>

(Millions of yen, %)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	135,964	(28,546)	(165,725)	164,510	301,689
Doubtful assets	425,160	(48,249)	(298,608)	473,409	723,768
Substandard loans	305,609	(16,566)	(74,959)	322,175	380,568
Total (A)	866,734	(93,361)	(539,293)	960,095	1,406,027
Normal assets	58,442,069	2,457,132	3,471,359	55,984,937	54,970,710
Total (B)	59,308,803	2,363,771	2,932,066	56,945,032	56,376,737
Problem asset ratio (A/B)	1.5	(0.2)	(1.0)	1.7	2.5

Amount of direct reduction 536,992 (66,630) (576,036) 603,622 1,113,028

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

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	758,261	(115,203)	(509,594)	873,464	1,267,855
Reserve for possible loan losses* (D)	308,001	(48,136)	(185,943)	356,137	493,944
Amount recoverable due to guarantees, collateral and others (E)	450,260	(67,067)	(323,650)	517,327	773,910

* Sum of general reserve for Substandard loans and specific reserve

(%)

Coverage ratio (C) / (A)	87.5	(3.5)	(2.7)	91.0	90.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	141.0	2.1	31.0	138.9	110.0

(%)

Reserve ratio to unsecured assets (D) / (A - E)	74.0	(6.4)	(4.1)	80.4	78.1
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	185.3	0.9	63.1	184.4	122.2

<Consolidated>

(Millions of yen, %)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	217,452	(32,649)	(176,614)	250,101	394,066
Doubtful assets	515,626	(49,323)	(314,486)	564,949	830,112
Substandard loans	451,650	(25,755)	(170,447)	477,405	622,097
Total (A)	1,184,728	(107,729)	(661,549)	1,292,457	1,846,277
Normal assets	62,978,721	2,247,627	3,833,566	60,731,094	59,145,155
Total (B)	64,163,449	2,139,898	3,172,017	62,023,551	60,991,432
Problem asset ratio (A/B)	1.8	(0.3)	(1.2)	2.1	3.0

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	1,016,790	(116,131)	(607,028)	1,132,921	1,623,818
Reserve for possible loan losses (D)	350,915	(47,964)	(192,879)	398,879	543,794
Amount recoverable due to guarantees, collateral and others (E)	665,875	(68,167)	(414,149)	734,042	1,080,024

(%)

Coverage ratio (C) / (A)	85.8	(1.9)	(2.2)	87.7	88.0
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	138.8	1.9	24.1	136.9	114.7

(%)

Reserve ratio to unsecured assets (D) / (A - E)	67.6	(3.8)	(3.4)	71.4	71.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	188.7	3.3	53.3	185.4	135.4

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

(Billions of yen)

	Mar. 31, 2006	Change in the six months ended Sep. 30, 2006	Problem assets newly classified during the six months ended Sep. 30, 2006	Amount of off-balancing	Sep. 30, 2006
Bankrupt and quasi-bankrupt assets	164.5	(28.5)	27.2	(55.7)	136.0
Doubtful assets	473.4	(48.3)	96.7	(145.0)	425.1
Total	637.9	(76.8)	123.9	(200.7)	561.1
Result of measures connected to off-balancing*1	112.9				97.0

Breakdown of off-balancing by factor*2		
	Disposition by borrowers' liquidation	(53.2)
	Reconstructive disposition --- (a)	(20.1)
	Improvement in debtors' performance due to (a)	(12.2)
	Loan sales to market	(60.5)
	Direct write-offs	64.6
	Others	(119.3)
	Collection/repayment, etc.	(93.6)
	Improvement in debtors' performance	(25.7)
	Total	(200.7)

(*1) The measures connected to off-balancing are legal reorganizations, measures associated with legal reorganizations, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

(*2) 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.

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

(1) Loans and bills discounted, classified by industry

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	48,498,229	1,036,977	1,633,068	47,461,252	46,865,161
Manufacturing	5,215,867	43,163	61,852	5,172,704	5,154,015
Agriculture, forestry, fisheries, and mining	132,045	(1,711)	(4,005)	133,756	136,050
Construction	1,209,362	(73,837)	(141,793)	1,283,199	1,351,155
Transportation, communications and public enterprises	2,786,748	128,386	115,287	2,658,362	2,671,461
Wholesale and retail	5,060,573	(110,028)	(240,837)	5,170,601	5,301,410
Finance and insurance	5,523,470	451,122	667,965	5,072,348	4,855,505
Real estate	6,407,086	90,221	(189,930)	6,316,865	6,597,016
Various services	5,943,919	212,297	146,622	5,731,622	5,797,297
Municipalities	522,672	(135,083)	39,344	657,755	483,328
Others	15,696,483	432,448	1,178,562	15,264,035	14,517,921
Overseas offices and offshore banking accounts	5,404,247	1,007,940	1,320,251	4,396,307	4,083,996
Public sector	25,386	(13,606)	(57,537)	38,992	82,923
Financial institutions	297,156	(51,308)	48,593	348,464	248,563
Commerce and industry	4,813,446	997,663	1,231,760	3,815,783	3,581,686
Others	268,257	75,191	97,435	193,066	170,822
Total	53,902,477	2,044,918	2,953,319	51,857,559	50,949,158

Risk-Monitored Loans

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	783,305	(83,493)	(541,633)	866,798	1,324,938
Manufacturing	62,381	(2,239)	(13,000)	64,620	75,381
Agriculture, forestry, fisheries, and mining	3,213	36	58	3,177	3,155
Construction	37,871	(2,039)	(81,482)	39,910	119,353
Transportation, communications and public enterprises	92,206	12,807	56,558	79,399	35,648
Wholesale and retail	81,284	(9,762)	(55,497)	91,046	136,781
Finance and insurance	5,221	(8,306)	(38,702)	13,527	43,923
Real estate	229,122	(28,085)	(222,733)	257,207	451,855
Various services	205,186	(49,420)	(151,492)	254,606	356,678
Municipalities	-	-	-	-	-
Others	66,817	3,516	(35,344)	63,301	102,161
Overseas offices and offshore banking accounts	50,198	2,823	23,515	47,375	26,683
Public sector	-	-	(117)	-	117
Financial institutions	-	-	-	-	-
Commerce and industry	50,198	2,823	23,632	47,375	26,566
Others	-	-	-	-	-
Total	833,503	(80,670)	(518,118)	914,173	1,351,621

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

(Millions of yen, %)

	Sep. 30, 2006				Mar. 31, 2006	Sep. 30, 2005
	(a)	Reserve ratio	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	812,605	76.0	(96,249)	(561,372)	908,854	1,373,977
Manufacturing	64,805	64.0	(3,214)	(14,216)	68,019	79,021
Agriculture, forestry, fisheries, and mining	3,213	51.5	36	58	3,177	3,155
Construction	38,756	58.4	(2,323)	(110,323)	41,079	149,079
Transportation, communications and public enterprises	92,449	81.1	5,491	54,215	86,958	38,234
Wholesale and retail	83,345	60.6	(10,312)	(56,505)	93,657	139,850
Finance and insurance	6,340	88.7	(8,366)	(38,839)	14,706	45,179
Real estate	245,957	83.4	(28,202)	(210,889)	274,159	456,846
Various services	208,970	79.2	(52,886)	(149,463)	261,856	358,433
Municipalities	-	-	-	-	-	-
Others	68,766	100.0	3,529	(35,410)	65,237	104,176
Overseas offices and offshore banking accounts	54,128	55.4	2,887	22,078	51,241	32,050
Public sector	-	-	-	(117)	-	117
Financial institutions	-	-	-	-	-	-
Commerce and industry	54,128	55.4	2,887	22,195	51,241	31,933
Others	-	-	-	-	-	-
Total	866,734	74.0	(93,361)	(539,293)	960,095	1,406,027

(Notes) 1. Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve Ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others)

Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

(3) Consumer loans outstanding

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	14,531,670	(193,844)	105,512	14,725,514	14,426,158
Housing loans	13,583,819	(187,993)	129,247	13,771,812	13,454,572
Residential purpose	9,915,204	(129,330)	252,029	10,044,534	9,663,175
Other consumer loans	947,851	(5,850)	(23,734)	953,701	971,585

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

(Millions of yen, %)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Outstanding balance	36,114,517	618,459	1,255,034	35,496,058	34,859,483
Ratio to total loans	74.5	(0.3)	0.1	74.8	74.4

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

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

(1) Loans to specific overseas countries

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Loan balance	34,806	(705)	(3,298)	35,511	38,104
Number of countries	2	-	(3)	2	5

(2) Loans to Asian, Central American, and South American countries

(i) Loans to major Asian countries

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Indonesia	71,080	4,738	14,295	66,342	56,785
Thailand	384,512	31,731	102,946	352,781	281,566
Korea	268,198	9,291	38,885	258,907	229,313
Hong Kong	398,858	106,991	129,195	291,867	269,663
China	388,290	45,638	87,412	342,652	300,878
Singapore	355,407	63,136	105,241	292,271	250,166
India	48,282	15,520	24,300	32,762	23,982
Malaysia	77,915	9,852	(59,153)	68,063	137,068
Pakistan	1,576	(46)	(165)	1,622	1,741
Others	93,193	2,939	94	90,254	93,099
Total	2,087,316	289,793	443,050	1,797,523	1,644,266

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

(ii) Loans to major Central and South American countries

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Chile	4,716	1,428	3,584	3,288	1,132
Columbia	220	(715)	(756)	935	976
Mexico	45,208	7,599	(1,670)	37,609	46,878
Argentina	14	-	-	14	14
Brazil	53,722	(2,583)	5,890	56,305	47,832
Venezuela	4,956	(359)	(746)	5,315	5,702
Panama	258,758	18,479	52,375	240,279	206,383
Others	3,976	719	856	3,257	3,120
Total	371,573	24,569	59,533	347,004	312,040

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

(Millions of yen, %)

	Sep. 30, 2006				Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	Reserve ratio	(a) - (b)	(a) - (c)		
Overseas offices and Japan offshore banking accounts	54,128	55.4	2,887	22,078	51,241	32,050
Asia	41,195	51.1	5,548	28,909	35,647	12,286
Indonesia	979	46.9	(1,234)	(3,977)	2,213	4,956
Hong Kong	19,253	46.2	5,521	19,154	13,732	99
India	1,680	73.3	(28)	377	1,708	1,303
China	2,981	47.3	1,233	2,981	1,748	-
Others	16,299	56.6	53	10,371	16,246	5,928
North America	12,763	98.1	(2,474)	(6,076)	15,237	18,839
Central and South America	-	-	-	(459)	-	459
Western Europe	169	79.6	(188)	(297)	357	466
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.

19. Deposits and Loans <SMBC Non-consolidated>

(1) Deposits and loans outstanding

(Millions of yen, %)

	Six months ended Sep. 30, 2006			FY2005	Six months ended Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits (term-end balance)	66,147,242	1,076,458	2,766,356	65,070,784	63,380,886
Deposits (average balance)	65,353,334	1,527,701	2,368,318	63,825,633	62,985,016
Domestic units	57,538,883	1,101,344	1,661,974	56,437,539	55,876,909
Average yield	0.05	0.03	0.03	0.02	0.02
Loans (term-end balance)	53,902,477	2,044,918	2,953,319	51,857,559	50,949,158
Loans (average balance)	52,590,383	1,439,698	2,409,890	51,150,685	50,180,493
Domestic units	46,712,723	705,428	1,151,668	46,007,295	45,561,055
Average yield	1.65	(0.06)	(0.10)	1.71	1.75

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

(2) Deposits outstanding, classified by type of depositor

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic deposits	62,699,422	(408,289)	1,826,802	63,107,711	60,872,620
Individual	33,815,971	1,055,642	1,331,277	32,760,329	32,484,694
Corporate	28,883,451	(1,463,931)	495,525	30,347,382	28,387,926

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

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

(Reference)

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Outstanding balance of investment trusts	3,080,234	156,625	490,058	2,923,609	2,590,176
Balance to individuals	2,963,395	160,275	457,650	2,803,120	2,505,745

(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.

20. Other Financial Data <SMBC Non-consolidated>

(1) Debt Forgiveness

(Billions of yen)

	Six months ended Sep 30, 2006
Number of companies whose debts have been forgiven	-
Principal amount forgiven	-

(Note) Debt forgiveness associated with legal settlement is not included.

(2) Outstanding Balance and the Amount Sold of Stocks in Other Securities

(Billions of yen)

	Sep. 30, 2006
Balance sheet amount	3,948.1
Acquisition cost	2,326.0

(Billions of yen)

	Six months ended Sep 30, 2006
Amount sold	approx. (20.0)

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

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Directors and auditors ^{*1}	22	-	-	22	22
Executive officers ^{*2}	59	1	1	58	58
Employees ^{*3}	16,686	636	(120)	16,050	16,806

^{*1} Include those of SMFG.^{*2} Who are not board members^{*3} Include overseas local staff but exclude executive officers, contract employees, and temporary staff.

Number of employees is reported on the basis of full-time workers. (In the past, it had been reported on the basis of enrolled employees.)

22. Number of Offices <SMBC Non-consolidated>

	Sep. 30, 2006			Mar. 31, 2006	Sep. 30, 2005
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic branches*	407	(4)	(5)	411	412
Domestic sub-branches and agents	151	3	11	148	140
Overseas branches	17	2	-	15	17
Overseas sub-branches	4	1	1	3	3
Overseas representative offices	13	(1)	(1)	14	14

(Reference)

Number of offices of SMBC Europe	3	-	-	3	3
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(*) Branches specialized in receiving money transfers, branches specialized in controlling ATMs in convenience stores, and International Business Operations Department are excluded.

23. Deferred Tax Assets

(1) Deferred Tax Assets on the Balance Sheet		(Billions of yen)					(Reference)
		Sep. 30, 2006	Change from Mar. 31, 2006	Change from Sep. 30, 2005	Mar. 31, 2006	Temporary differences Sep. 30, 2006	
<SMBC Non-consolidated>							
(a) Total deferred tax assets	(b-c)	1	1,534.8	(37.9)	(197.4)	1,572.7	
(b) Subtotal of deferred tax assets		2	2,033.2	(44.1)	(190.4)	2,077.3	4,984.7
Reserve for possible loan losses		3	115.6	(135.1)	(117.7)	250.7	284.5
Write-off of loans		4	154.3	(15.9)	(214.2)	170.2	379.7
Write-off of securities		5	424.9	(22.8)	(19.6)	447.7	1,045.8
Reserve for employee retirement benefits		6	64.7	(9.7)	(7.0)	74.4	159.2
Depreciation		7	6.5	-	(0.3)	6.5	16.0
Net unrealized losses on other securities		8	-	-	-	-	-
Net deferred losses on hedges		9	59.9	59.9	59.9	-	147.3
Net operating loss carryforwards		10	1,163.6	76.2	107.5	1,087.4	2,844.3
Other		11	43.7	3.3	1.0	40.4	107.9
(c) Valuation allowance		12	498.4	(6.2)	7.0	504.6	
(d) Total deferred tax liabilities		13	645.6	49.1	241.9	596.5	1,589.1
Gains on securities contributed to employee retirement benefits trust		14	41.7	(9.9)	(10.0)	51.6	102.7
Net unrealized gains on other securities		15	576.0	39.8	229.5	536.2	1,417.6
Net deferred gains on hedges		16	-	-	-	-	-
Other		17	27.9	19.2	22.4	8.7	68.8
Net deferred tax assets (Balance sheet amount)	(a-d)	18	889.2	(87.0)	(439.3)	976.2	
Amount corresponding to the deferred tax assets shown in line 9	(Note1)	19	59.9	59.9	59.9	-	147.3
Amount corresponding to the deferred tax liabilities shown in line 15	(Note2)	20	(576.0)	(39.8)	(229.5)	(536.2)	(1,417.6)
Net deferred tax assets excluding the amount shown in line 19 and 20		21	1,405.3	(107.1)	(269.7)	1,512.4	3,439.3
Effective income tax rate		22	40.63%	-	-	40.63%	
<Consolidated>							
(e) Net deferred tax assets		23	973.4	(28.7)	(393.8)	1,002.1	
(f) Tier I		24	3,737.7	(908.2)	(8.4)	4,645.9	
Net deferred tax assets/Tier I	(e/f)	25	26.0%	4.4%	(10.5%)	21.6%	

(Notes) 1. Companies may consider net deferred losses on hedges to be collectable, in case they assess the collectability of deferred tax assets on the basis of their future taxable income as stipulated in examples (4) proviso of the practical guidelines on assessing the collectability of deferred tax assets issued by the JICPA. ["Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8)].

2. 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, with regard to temporary differences which are considered to be reversible, SMBC recognized deferred tax assets within the limits 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 (***) are newly recognized.

(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). Afterwards, taxable write-offs of securities carried out in the past are now being realized through accelerated selling of stocks.

(2) Consequently, tax loss carryforwards (***) amounted to approximately ¥2.84 trillion as of September 30, 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	4,559.9
A Income before income taxes	2	3,053.6
B Adjustments to taxable income (excluding reversal of temporary differences as of Sep. 30, 2006)	3	639.3
C Taxable income before adjustments (A+B)	4	3,692.9
Deferred tax assets corresponding to taxable income before adjustments	5	1,500.4

[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, 2011 based on the "Plan for strengthening the financial base (up to fiscal 2008)", etc.
 - (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	1st half FY2006
Income of final return (before deducting operating loss carryforwards)	241.9	(745.5)	(1,437.8)	317.2	(652.4)	(190.5)

- (Notes) 1. (Income of final return before deduction of operating loss carryforwards)
= (Taxable income before adjustments for each fiscal year) - (Temporary differences to be reversed for each fiscal year)
2. The figures above include amounts arising from "extraordinary factors" that are specified in the Practical Guideline. Taxable income has been reported each year when these amounts are excluded.
3. The figures for September 30, 2006 were estimated in interim closing.

24. Earnings Forecast for FY2006

Sumitomo Mitsui Financial Group, Inc.

<Non-consolidated>

(Billions of yen)

	FY2006		FY2005
	Forecast	Change	Result
Operating income	370.0	314.6	55.4
Ordinary profit	365.0	316.8	48.2
Net income	365.0	291.6	73.4

Dividend per share forecast for the fiscal year end

(Yen)

	FY2006		FY2005
	Forecast	Change	Result
Common stock	7,000	4,000	3,000
Type 1 Preferred stock			10,500
Type 2 Preferred stock			28,500
Type 3 Preferred stock			13,700
1st - 12th series Type 4 Preferred stock	135,000	-	135,000
1st Series Type 6 Preferred stock	88,500	-	88,500

(Reference)

(Billions of yen)

Total dividend planned	66.6	18.6	48.0
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<Consolidated>

(Billions of yen)

	FY2006		FY2005
	Forecast	Change	Result
Ordinary income	3,700.0	(5.1)	3,705.1
Ordinary profit	950.0	(13.6)	963.6
Net income	570.0	(116.8)	686.8

(Reference)

Sumitomo Mitsui Banking Corporation

<Non-consolidated>

(Billions of yen)

	FY2006		FY2005
	Forecast	Change	Result
Gross banking profit	1,445.0	(107.1)	1,552.1
Expenses	(600.0)	(13.5)	(586.5)
Banking profit (before provision for general reserve for possible loan losses)	845.0	(120.6)	965.6
Ordinary profit	760.0	39.1	720.9
Net income	460.0	(59.5)	519.5

Total credit cost (*)	(100.0)	130.9	(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) Management Policy in FY2006 and the Progress

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

(1) Consumer business

Further upgrade financial consulting capability

Expand product-lineups and services

- Expand lineup of asset management products
- Improved product characteristics of "housing loan with loan repayment insurance in cases of serious diseases"

Increase the number of marketing channels specialized in financial consulting

- Increase the number of "SMBC Consulting Plazas and Offices"

Expand services through alliances

- Mobile phone credit services (NTT DoCoMo)
- Consumer loans (Promise)
- Internet financial services (Yahoo Japan)
- Walk-in insurance agency services (with Mitsui Life Insurance and Sumitomo Life Insurance)

(2) Corporate business

Improve capability to provide solutions to management issues of customers

- Established Corporate Advisory Division (Apr, 2006)
- Further promoted collaboration with Daiwa Securities SMBC

Further promote group-wide solution providing

- Promote collaboration with group companies such as SMBC Leasing and Japan Research Institute
- Reached a basic agreement with the Sumitomo Corporation group to pursue strategic joint business in leasing and auto leasing

Meet customers' diversifying financial needs

- Promote syndicate loans, structured finance, and unsecured loans to small and medium-sized enterprises

Strengthen overseas business

- Established new branches (Ho Chi Minh, Houston, Sydney, etc.)
- Further enhance businesses with competitive advantages such as project finance

-Establish solid platform to support business growth

(1) Further improve internal control systems

Strengthen compliance**Reinforce quality management and enhance customer satisfaction****Improve risk management****Strengthen internal auditing****Reexamine internal business performance evaluation system****Improve human resource management**

- Established Compliance Unit (April, 2006)
- Established Quality Management Dept. (April, 2006)
- Reinforce control systems in response to the Basel II Accord scheduled to be implemented at the end of this fiscal year
- Further enhance internal auditing to verify more thoroughly that the initiatives are effective
- Introduce a better balanced business performance evaluation system including customer's standpoint and medium- to long-term view
- Take initiatives to improve human resources management to realize an organization in which employees can exercise their abilities even more

Established Business Monitoring Committee

(2) Further strengthen financial base

Fortify capital both in terms of quality and quantity

- Completed repayment of public funds in October
- Continuously fortifying capital both in terms of quality and quantity

1st Half Results in FY2006

Net income
<SMFG consolidated >

<FY2005 result >
JPY686.8 billion

<1st half result in FY2006 >

JPY243.7 billion

<FY2006 forecast >

JPY570.0 billion

Net income
<SMBC non-consolidated >

JPY519.5 billion

JPY183.6 billion

JPY460.0 billion

(Reference 2) Financial Statements of SMBC

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

(Millions of yen)

	September 30, 2006 (A)	September 30, 2005 (B)	Change (A-B)	March 31, 2006 (C)	Change (A-C)
Assets					
Cash and due from banks and Deposits with banks	3,844,197	4,661,738	(817,541)	6,589,967	(2,745,770)
Call loans	1,275,484	607,319	668,165	576,909	698,575
Receivables under resale agreements	81,686	80,057	1,629	81,470	216
Receivables under securities borrowing transactions	1,067,359	2,165,749	(1,098,390)	1,956,650	(889,291)
Bills bought	1,761	100,000	(98,239)	-	1,761
Commercial paper and other debt purchased	360,065	138,907	221,158	115,637	244,428
Trading assets	3,085,593	3,368,665	(283,072)	3,694,791	(609,198)
Money held in trust	2,820	811	2,009	2,912	(92)
Securities	22,047,445	23,039,486	(992,041)	25,202,541	(3,155,096)
Loans and bills discounted	53,902,477	50,949,158	2,953,319	51,857,559	2,044,918
Foreign exchanges	868,028	823,751	44,277	877,570	(9,542)
Other assets	1,432,776	1,647,867	(215,091)	1,567,812	(135,036)
Premises and equipment	-	640,700	(640,700)	639,538	(639,538)
Tangible fixed assets	553,697	-	553,697	-	553,697
Intangible fixed assets	73,251	-	73,251	-	73,251
Deferred tax assets	889,187	1,328,517	(439,330)	976,203	(87,016)
Customers' liabilities for acceptances and guarantees	4,435,152	4,513,173	(78,021)	4,120,300	314,852
Reserve for possible loan losses	(771,822)	(772,141)	319	(816,437)	44,615
Total assets	93,149,162	93,293,761	(144,599)	97,443,428	(4,294,266)
Liabilities					
Deposits	66,147,242	63,380,886	2,766,356	65,070,784	1,076,458
Negotiable certificates of deposit	2,393,807	2,602,639	(208,832)	3,151,382	(757,575)
Call money	2,547,399	2,172,456	374,943	2,833,865	(286,466)
Payables under repurchase agreements	790,836	469,130	321,706	382,082	408,754
Payables under securities lending transactions	3,141,635	3,612,024	(470,389)	2,709,084	432,551
Bills sold	-	3,795,800	(3,795,800)	5,104,100	(5,104,100)
Trading liabilities	1,635,612	1,533,711	101,901	2,515,932	(880,320)
Borrowed money	2,909,422	2,067,062	842,360	2,023,023	886,399
Foreign exchanges	333,041	431,622	(98,581)	449,560	(116,519)
Bonds	3,710,437	3,872,570	(162,133)	3,776,707	(66,270)
Due to trust account	50,733	42,260	8,473	318,597	(267,864)
Other liabilities	1,503,085	1,571,010	(67,925)	1,295,135	207,950
Reserve for employee bonuses	8,277	8,239	38	8,691	(414)
Reserve for point service program	792	-	792	-	792
Reserve for expenses related to EXPO 2005 Japan	-	284	(284)	-	-
Other reserves	18	18	-	18	-
Deferred tax liabilities for land revaluation	49,276	49,637	(361)	49,384	(108)
Acceptances and guarantees	4,435,152	4,513,173	(78,021)	4,120,300	314,852
Total liabilities	89,656,772	90,122,526	(465,754)	93,808,652	(4,151,880)

(Millions of yen)

	September 30, 2006 (A)	September 30, 2005 (B)	Change (A-B)	March 31, 2006 (C)	Change (A-C)
Stockholders' equity					
Capital stock	-	664,986	(664,986)	664,986	(664,986)
Capital surplus	-	1,367,548	(1,367,548)	1,367,548	(1,367,548)
Capital reserve	-	665,033	(665,033)	665,033	(665,033)
Other capital surplus	-	702,514	(702,514)	702,514	(702,514)
Retained earnings	-	607,900	(607,900)	794,033	(794,033)
Voluntary reserves	-	221,502	(221,502)	221,502	(221,502)
Unappropriated retained earnings at end of term (year)	-	386,398	(386,398)	572,531	(572,531)
Land revaluation excess	-	24,488	(24,488)	24,716	(24,716)
Net unrealized gains on other securities	-	506,310	(506,310)	783,491	(783,491)
Total stockholders' equity	-	3,171,235	(3,171,235)	3,634,776	(3,634,776)
Total liabilities and stockholders' equity	-	93,293,761	(93,293,761)	97,443,428	(97,443,428)
Net assets					
Capital stock	664,986	-	664,986	-	664,986
Capital surplus	1,367,548	-	1,367,548	-	1,367,548
Capital reserve	665,033	-	665,033	-	665,033
Other capital surplus	702,514	-	702,514	-	702,514
Retained earnings	677,810	-	677,810	-	677,810
Other retained earnings	677,810	-	677,810	-	677,810
Reserve for losses on overseas investments	-	-	0	-	0
Voluntary reserve for retirement allowances	1,656	-	1,656	-	1,656
Voluntary reserve	219,845	-	219,845	-	219,845
Retained earnings brought forward	456,308	-	456,308	-	456,308
Total stockholders' equity	2,710,345	-	2,710,345	-	2,710,345
Net unrealized gains on other securities	841,657	-	841,657	-	841,657
Net deferred losses on hedges	(84,171)	-	(84,171)	-	(84,171)
Land revaluation excess	24,558	-	24,558	-	24,558
Total valuation and translation adjustments	782,045	-	782,045	-	782,045
Total net assets	3,492,390	-	3,492,390	-	3,492,390
Total liabilities and net assets	93,149,162	-	93,149,162	-	93,149,162

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

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

(Millions of yen)

	Six months ended Sep. 30, 2006 (A)	Six months ended Sep. 30, 2005 (B)	Change (A-B)	FY2005
Ordinary income	1,115,678	1,091,687	23,991	2,287,935
Interest income	777,964	663,008	114,956	1,426,546
<i>Interest on loans and discounts</i>	536,196	482,842	53,354	990,853
<i>Interest and dividends on securities</i>	155,120	120,742	34,378	317,180
Trust fees	1,407	4,284	(2,877)	8,626
Fees and commissions	219,239	220,503	(1,264)	474,972
Trading profits	43,432	5,055	38,377	13,250
Other operating income	55,870	158,767	(102,897)	273,861
Other income	17,763	40,067	(22,304)	90,678
Ordinary expenses	846,600	731,908	114,692	1,567,002
Interest expenses	334,155	208,658	125,497	472,002
<i>Interest on deposits</i>	172,533	96,313	76,220	226,926
Fees and commissions	59,752	57,070	2,682	108,296
Trading losses	3,307	1,485	1,822	1,312
Other operating expenses	91,580	17,757	73,823	63,613
General and administrative expenses	294,617	301,739	(7,122)	604,098
Other expenses	63,187	145,197	(82,010)	317,679
Ordinary profit	269,078	359,778	(90,700)	720,933
Extraordinary gains	50,368	2,459	47,909	34,763
Extraordinary losses	21,095	7,122	13,973	9,024
Income before income taxes	298,351	355,115	(56,764)	746,672
Income taxes, current	7,753	5,081	2,672	13,512
Income taxes, deferred	106,951	51,267	55,684	213,639
Net income	183,646	298,766	(115,120)	519,520
Unappropriated retained earnings carried forward	-	69,774	(69,774)	69,774
Transfer from land revaluation excess	-	17,856	(17,856)	17,629
Interim dividends	-	-	-	34,393
Unappropriated retained earnings at end of term (year)	-	386,398	(386,398)	572,531

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

3. Statement of Changes in Net Assets <SMBC Non-consolidated>

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital reserve	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2006	664,986	665,033	702,514	1	1,656	219,845	572,531	2,826,568
Change in the six months								
Transfer of reserve for losses on overseas investments				(0)			0	-
Cash dividends							(300,027)	(300,027)
Net income							183,646	183,646
Transfer from land revaluation excess							157	157
Net change in the items other than stockholder's equity in the six months								
Total	-	-	-	(0)	-	-	(116,222)	(116,223)
Balance at September 30, 2006	664,986	665,033	702,514	0	1,656	219,845	456,308	2,710,345

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gains on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2006	783,491	-	24,716	808,207	3,634,776
Change in the six months					
Transfer of reserve for losses on overseas investments					-
Cash dividends					(300,027)
Net income					183,646
Transfer from land revaluation excess					157
Net change in the items other than stockholder's equity in the six months	58,166	(84,171)	(157)	(26,162)	(26,162)
Total	58,166	(84,171)	(157)	(26,162)	(142,385)
Balance at September 30, 2006	841,657	(84,171)	24,558	782,045	3,492,390

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

4. Market Value Information on Securities <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 loan trust 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)

	September 30, 2006				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	749,783	739,869	(9,914)	153	10,067
Japanese local government bonds	96,997	94,594	(2,403)	-	2,403
Japanese corporate bonds	379,828	375,729	(4,099)	-	4,099
Other	9,687	9,908	221	221	-
Total	1,236,297	1,220,101	(16,195)	374	16,570

(2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	September 30, 2006		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	43,569	111,894	68,325
Stocks of affiliates	228,334	192,785	(35,549)
Total	271,903	304,679	32,776

(3) Other securities with market value

(Millions of yen)

	September 30, 2006				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,942,381	3,564,457	1,622,075	1,639,651	17,575
Bonds	8,584,151	8,414,999	(169,151)	618	169,770
Japanese government bonds	7,385,376	7,236,136	(149,240)	30	149,270
Japanese local government bonds	454,442	444,430	(10,011)	213	10,224
Japanese corporate bonds	744,332	734,432	(9,899)	375	10,274
Other	3,862,211	3,826,718	(35,493)	29,002	64,495
Total	14,388,744	15,806,175	1,417,430	1,669,272	251,841

(Notes)

- Net unrealized gains of JPY 841,528 million (after deducting JPY 575,902 million in deferred tax liabilities from JPY 1,417,430 million in net unrealized gains) are included in the Net assets under 'Net unrealized gains on other securities.'
- 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 809 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)

	September 30, 2006
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,148,319
Stocks of affiliates	34,043
Other	47,689
Other securities	
Unlisted stocks (excluding OTC stocks)	383,671
Unlisted bonds	2,698,066
Unlisted foreign securities	309,834
Other	385,291

[2] Money Held in Trust

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

(Millions of yen)

	September 30, 2006				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	2,602	2,820	217	236	18

(Note) Net unrealized gains of 129 million yen (after deducting 88 million yen in deferred tax liabilities from 217 million yen in net unrealized gains) are included in the Net assets under 'Net unrealized gains on other securities.'

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

(Millions of yen)

	September 30, 2006 (A)	September 30, 2005 (B)	Change (A-B)	March 31, 2006 (C)	Change (A-C)
Loans and bills discounted	8,080	9,880	(1,800)	7,870	210
Securities	241,904	150,999	90,905	238,205	3,699
Securities held in custody accounts	33,297	33,880	(583)	33,590	(293)
Monetary claims	708,378	642,431	65,947	706,349	2,029
Premises and equipment	-	-	-	85	(85)
Other claims	1,009	1,133	(124)	1,216	(207)
Due from banking account	50,733	42,260	8,473	318,597	(267,864)
Cash and due from banks and Deposits with banks	245,401	-	245,401	-	245,401
Total assets	1,288,805	880,586	408,219	1,305,915	(17,110)
Monetary trusts	529,687	167,354	362,333	530,255	(568)
Securities trusts	33,297	33,880	(583)	33,590	(293)
Monetary claims trusts	595,876	529,859	66,017	603,656	(7,780)
Composite trusts	129,944	149,491	(19,547)	138,413	(8,469)
Total liabilities	1,288,805	880,586	408,219	1,305,915	(17,110)

(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.