

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	670,813	(67,469)	738,282
Gross domestic profit	3	540,056	(86,520)	626,576
<i>Excluding gains (losses) on bonds</i>	4	590,052	(18,835)	608,887
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	(49,996)	(67,685)	17,689
Gross international profit	11	69,064	(71,007)	140,071
<i>Excluding gains (losses) on bonds</i>	12	80,760	(48,635)	129,395
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	(11,696)	(22,371)	10,675
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	373,301	(72,566)	445,867
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