

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

## 1. Balance Sheet (Condensed) &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	September 30, 2006 (A)	September 30, 2005 (B)	Change (A-B)	March 31, 2006 (C)	Change (A-C)
<b>Assets</b>					
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
<b>Total assets</b>	<b>93,149,162</b>	<b>93,293,761</b>	<b>(144,599)</b>	<b>97,443,428</b>	<b>(4,294,266)</b>
<b>Liabilities</b>					
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
<b>Total liabilities</b>	<b>89,656,772</b>	<b>90,122,526</b>	<b>(465,754)</b>	<b>93,808,652</b>	<b>(4,151,880)</b>

(Millions of yen)

	September 30, 2006 (A)	September 30, 2005 (B)	Change (A-B)	March 31, 2006 (C)	Change (A-C)
<b>Stockholders' equity</b>					
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)
<b>Total stockholders' equity</b>	-	3,171,235	(3,171,235)	3,634,776	(3,634,776)
<b>Total liabilities and stockholders' equity</b>	-	93,293,761	(93,293,761)	97,443,428	(97,443,428)
<b>Net assets</b>					
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
<b>Total net assets</b>	3,492,390	-	3,492,390	-	3,492,390
<b>Total liabilities and net assets</b>	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) &lt;SMBC Non-consolidated&gt;

(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 &lt;SMBC Non-consolidated&gt;

(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 &lt;SMBC Non-consolidated&gt;

## [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 &lt;SMBC Non-consolidated&gt;

(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
<b>Total assets</b>	<b>1,288,805</b>	<b>880,586</b>	<b>408,219</b>	<b>1,305,915</b>	<b>(17,110)</b>
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)
<b>Total liabilities</b>	<b>1,288,805</b>	<b>880,586</b>	<b>408,219</b>	<b>1,305,915</b>	<b>(17,110)</b>

(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.