

Financial Highlights for FY2006

1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		FY2006		FY2005
			Change	
Gross banking profit	1	1,344,490	(207,543)	1,552,033
<i>Excluding gains (losses) on bonds</i>	2	<i>1,456,903</i>	<i>(105,451)</i>	<i>1,562,354</i>
Gross domestic profit	3	1,149,941	(116,547)	1,266,488
<i>Excluding gains (losses) on bonds</i>	4	<i>1,224,645</i>	<i>(53,149)</i>	<i>1,277,794</i>
Net interest income	5	904,189	(39,681)	943,870
Trust fees	6	3,479	(5,146)	8,625
Net fees and commissions	7	289,878	(9,537)	299,415
Net trading income	8	3,885	4,119	(234)
Net other operating income	9	(51,491)	(66,302)	14,811
<i>Gains (losses) on bonds</i>	10	<i>(74,703)</i>	<i>(63,398)</i>	<i>(11,305)</i>
Gross international profit	11	194,548	(90,997)	285,545
<i>Excluding gains (losses) on bonds</i>	12	<i>232,258</i>	<i>(52,301)</i>	<i>284,559</i>
Net interest income	13	33,263	22,589	10,674
Net fees and commissions	14	63,540	(3,721)	67,261
Net trading income	15	97,735	85,563	12,172
Net other operating income	16	9	(195,427)	195,436
<i>Gains (losses) on bonds</i>	17	<i>(37,709)</i>	<i>(38,694)</i>	<i>985</i>
Expenses (excluding non-recurring losses)	18	(603,888)	(17,429)	(586,459)
Personnel expenses	19	(190,630)	1,729	(192,359)
Non-personnel expenses	20	(378,240)	(17,520)	(360,720)
Taxes	21	(35,017)	(1,638)	(33,379)
Banking profit (before provision for general reserve for possible loan losses)	22	740,601	(224,972)	965,573
<i>Excluding gains (losses) on bonds</i>	23	<i>853,015</i>	<i>(122,879)</i>	<i>975,894</i>
Provision for general reserve for possible loan losses	24	41,728	196,708	(154,980)
Banking profit	25	782,330	(28,263)	810,593
<i>Gains (losses) on bonds</i>	26	<i>(112,413)</i>	<i>(102,093)</i>	<i>(10,320)</i>
Non-recurring gains (losses)	27	(209,017)	(119,358)	(89,659)
Credit related costs	28	(131,676)	(25,116)	(106,560)
Gains (losses) on stocks	29	11,098	(14,362)	25,460
Gains on sale of stocks	30	50,204	(19,881)	70,085
Losses on sale of stocks	31	(546)	12,821	(13,367)
Losses on devaluation of stocks	32	(38,559)	(7,302)	(31,257)
Other non-recurring gains (losses)	33	(88,439)	(79,880)	(8,559)
Ordinary profit	34	573,313	(147,620)	720,933
Extraordinary gains (losses)	35	13,615	(12,124)	25,739
Gains (losses) on disposal of premises and equipment	36	-	(1,457)	1,457
Gains (losses) on disposal of fixed assets	37	(1,680)	(1,680)	-
Losses on impairment of fixed assets	38	(3,680)	2,620	(6,300)
Gains on collection of written-off claims	39	455	(30,150)	30,605
Gains on return of securities from retirement benefits trust	40	36,330	36,330	-
Losses on liquidation of subsidiary	41	(17,809)	(17,809)	-
Income before income taxes	42	586,928	(159,744)	746,672
Income taxes, current	43	(16,507)	(2,995)	(13,512)
Income taxes, deferred	44	(254,680)	(41,041)	(213,639)
Net income	45	315,740	(203,780)	519,520
Total credit cost (24+28+39)	46	(89,491)	141,444	(230,935)
Provision for general reserve for possible loan losses	47	41,728	196,708	(154,980)
Write-off of loans	48	(50,468)	(37,818)	(12,650)
Provision for specific reserve for possible loan losses	49	(44,358)	(28,533)	(15,825)
Losses on sales of delinquent loans	50	(37,262)	42,397	(79,659)
Provision for loan loss reserve for specific overseas countries	51	412	(1,163)	1,575
Gains on collection of written-off claims	52	455	(30,150)	30,605

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

<Consolidated>

(Millions of yen)

		FY2006		FY2005
			Change	
Consolidated gross profit	1	1,906,173	(183,976)	2,090,149
Net interest income	2	1,168,592	6,985	1,161,607
Trust fees	3	3,508	(5,123)	8,631
Net fees and commissions	4	609,185	(10,406)	619,591
Net trading income	5	125,625	92,818	32,807
Net other operating income	6	(738)	(268,249)	267,511
General and administrative expenses	7	(888,561)	(34,765)	(853,796)
Credit related costs	8	(146,186)	187,385	(333,571)
Write-off of loans	9	(81,415)	(12,060)	(69,355)
Provision for specific reserve for possible loan losses	10	(77,446)	(32,399)	(45,047)
Provision for general reserve for possible loan losses	11	53,370	173,448	(120,078)
Other credit cost	12	(40,695)	58,396	(99,091)
Gains (losses) on stocks	13	44,730	(2,389)	47,119
Equity in earnings (losses) of affiliates	14	(104,170)	(136,057)	31,887
Other income (expenses)	15	(13,374)	4,859	(18,233)
Ordinary profit	16	798,610	(164,944)	963,554
Extraordinary gains (losses)	17	8,180	(71,627)	79,807
Losses on impairment of fixed assets	18	(30,548)	(18,245)	(12,303)
Gains on collection of written-off claims	19	1,236	(30,348)	31,584
Gains on return of securities from retirement benefits trust	20	36,330	36,330	-
Income before income taxes and minority interests	21	806,790	(236,572)	1,043,362
Income taxes, current	22	(87,818)	(18,000)	(69,818)
Income taxes, deferred	23	(218,770)	8,131	(226,901)
Minority interests in net income	24	(58,850)	950	(59,800)
Net income	25	441,351	(245,490)	686,841

(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)	26	(144,950)	157,037	(301,987)
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(Reference)

(Billions of yen)

Consolidated net business profit	27	9,242	(3,012)	12,254
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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)

		Mar. 31, 2007	Change	Mar. 31, 2006
Consolidated subsidiaries	28	181	19	162
Affiliated companies accounted for by equity method	29	62	(1)	63