

(Reference 2) Financial Statements of SMBC

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

(Millions of yen)

| | March 31, 2007 (A) | March 31, 2006 (B) | Change (A-B) |
|---|-----------------------|-----------------------|--------------------|
| Assets | | | |
| Cash and due from banks and Deposits with banks | 3,999,561 | 6,589,967 | (2,590,406) |
| Call loans | 1,003,796 | 576,909 | 426,887 |
| Receivables under resale agreements | 39,725 | 81,470 | (41,745) |
| Receivables under securities borrowing transactions | 2,213,314 | 1,956,650 | 256,664 |
| Bills bought | 2,861 | - | 2,861 |
| Commercial paper and other debt purchased | 333,524 | 115,637 | 217,887 |
| Trading assets | 2,914,023 | 3,694,791 | (780,768) |
| Money held in trust | 2,924 | 2,912 | 12 |
| Securities | 20,060,873 | 25,202,541 | (5,141,668) |
| Loans and bills discounted | 53,756,440 | 51,857,559 | 1,898,881 |
| Foreign exchanges | 835,617 | 877,570 | (41,953) |
| Other assets | 1,442,066 | 1,567,812 | (125,746) |
| Premises and equipment | - | 639,538 | (639,538) |
| Tangible fixed assets | 678,581 | - | 678,581 |
| Intangible fixed assets | 87,615 | - | 87,615 |
| Deferred tax assets | 743,605 | 976,203 | (232,598) |
| Customers' liabilities for acceptances and guarantees | 4,177,816 | 4,120,300 | 57,516 |
| Reserve for possible loan losses | (677,573) | (816,437) | 138,864 |
| Reserve for possible losses on investments | (77,547) | - | (77,547) |
| Total assets | 91,537,228 | 97,443,428 | (5,906,200) |
| Liabilities | | | |
| Deposits | 66,235,002 | 65,070,784 | 1,164,218 |
| Negotiable certificates of deposit | 2,574,335 | 3,151,382 | (577,047) |
| Call money | 2,291,128 | 2,833,865 | (542,737) |
| Payables under repurchase agreements | 104,640 | 382,082 | (277,442) |
| Payables under securities lending transactions | 1,516,342 | 2,709,084 | (1,192,742) |
| Bills sold | - | 5,104,100 | (5,104,100) |
| Trading liabilities | 1,578,730 | 2,515,932 | (937,202) |
| Borrowed money | 3,371,846 | 2,023,023 | 1,348,823 |
| Foreign exchanges | 329,695 | 449,560 | (119,865) |
| Bonds | 3,647,483 | 3,776,707 | (129,224) |
| Due to trust account | 65,062 | 318,597 | (253,535) |
| Other liabilities | 1,588,683 | 1,295,135 | 293,548 |
| Reserve for employee bonuses | 8,892 | 8,691 | 201 |
| Reserve for executive retirement benefits | 4,757 | - | 4,757 |
| Reserve for point service program | 990 | - | 990 |
| Other reserves | 18 | 18 | - |
| Deferred tax liabilities for land revaluation | 48,917 | 49,384 | (467) |
| Acceptances and guarantees | 4,177,816 | 4,120,300 | 57,516 |
| Total liabilities | 87,544,344 | 93,808,652 | (6,264,308) |

(Millions of yen)

| | March 31, 2007 (A) | March 31, 2006 (B) | Change (A-B) |
|--|-----------------------|-----------------------|-----------------|
| Stockholders' equity | | | |
| Capital stock | - | 664,986 | (664,986) |
| Capital surplus | - | 1,367,548 | (1,367,548) |
| Capital reserve | - | 665,033 | (665,033) |
| Other capital surplus | - | 702,514 | (702,514) |
| Retained earnings | - | 794,033 | (794,033) |
| Voluntary reserves | - | 221,502 | (221,502) |
| Unappropriated retained earnings at end of term (year) | - | 572,531 | (572,531) |
| Land revaluation excess | - | 24,716 | (24,716) |
| Net unrealized gains on other securities | - | 783,491 | (783,491) |
| Total stockholders' equity | - | 3,634,776 | (3,634,776) |
| Total liabilities and stockholders' equity | - | 97,443,428 | (97,443,428) |
| Net assets | | | |
| Capital stock | 664,986 | - | 664,986 |
| Capital surplus | 1,367,548 | - | 1,367,548 |
| Capital reserve | 665,033 | - | 665,033 |
| Other capital surplus | 702,514 | - | 702,514 |
| Retained earnings | 761,028 | - | 761,028 |
| Other retained earnings | 761,028 | - | 761,028 |
| Reserve for losses on overseas investments | 0 | - | - |
| Voluntary reserve for retirement allowances | 1,656 | - | 1,656 |
| Voluntary reserve | 219,845 | - | 219,845 |
| Retained earnings brought forward | 539,526 | - | 539,526 |
| Total stockholders' equity | 2,793,563 | - | 2,793,563 |
| | | | - |
| Net unrealized gains on other securities | 1,259,814 | - | 1,259,814 |
| Net deferred losses on hedges | (84,733) | - | (84,733) |
| Land revaluation excess | 24,240 | - | 24,240 |
| Total valuation and translation adjustments | 1,199,320 | - | 1,199,320 |
| Total net assets | 3,992,884 | - | 3,992,884 |
| Total liabilities and net assets | 91,537,228 | - | 91,537,228 |

(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)

| | FY2006 (A) | FY2005 (B) | Change (A-B) |
|--|---------------|---------------|-----------------|
| Ordinary income | 2,451,351 | 2,287,935 | 163,416 |
| Interest income | 1,706,170 | 1,426,546 | 279,624 |
| <i>Interest on loans and discounts</i> | 1,143,361 | 990,853 | 152,508 |
| <i>Interest and dividends on securities</i> | 369,039 | 317,180 | 51,859 |
| Trust fees | 3,482 | 8,626 | (5,144) |
| Fees and commissions | 465,171 | 474,972 | (9,801) |
| Trading profits | 103,719 | 13,250 | 90,469 |
| Other operating income | 106,725 | 273,861 | (167,136) |
| Other income | 66,082 | 90,678 | (24,596) |
| Ordinary expenses | 1,878,037 | 1,567,002 | 311,035 |
| Interest expenses | 768,722 | 472,002 | 296,720 |
| <i>Interest on deposits</i> | 396,300 | 226,926 | 169,374 |
| Fees and commissions | 111,754 | 108,296 | 3,458 |
| Trading losses | 2,098 | 1,312 | 786 |
| Other operating expenses | 158,207 | 63,613 | 94,594 |
| General and administrative expenses | 609,816 | 604,098 | 5,718 |
| Other expenses | 227,438 | 317,679 | (90,241) |
| Ordinary profit | 573,313 | 720,933 | (147,620) |
| Extraordinary gains | 41,226 | 34,763 | 6,463 |
| Extraordinary losses | 27,610 | 9,024 | 18,586 |
| Income before income taxes | 586,928 | 746,672 | (159,744) |
| Income taxes, current | 16,507 | 13,512 | 2,995 |
| Income taxes, deferred | 254,680 | 213,639 | 41,041 |
| Net income | 315,740 | 519,520 | (203,780) |
| Unappropriated retained earnings carried forward | - | 69,774 | (69,774) |
| Transfer from land revaluation excess | - | 17,629 | (17,629) |
| Interim dividends | - | 34,393 | (34,393) |
| Unappropriated retained earnings at end of term | - | 572,531 | (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>

(From Apr. 1, 2006 to Mar. 31, 2007)

(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 FY2006 | | | | | | | | |
| Transfer of reserve for losses on overseas investments | | | | (1) | | | 1 | - |
| Cash dividends | | | | | | | (349,221) | (349,221) |
| Net income | | | | | | | 315,740 | 315,740 |
| Transfer from land revaluation excess | | | | | | | 475 | 475 |
| Net change in the items other than stockholder's equity in FY2006 | | | | | | | | |
| Total | - | - | - | (1) | - | - | (33,004) | (33,005) |
| Balance at March 31, 2007 | 664,986 | 665,033 | 702,514 | 0 | 1,656 | 219,845 | 539,526 | 2,793,563 |

(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 FY2006 | | | | | |
| Transfer of reserve for losses on overseas investments | | | | | - |
| Cash dividends | | | | | (349,221) |
| Net income | | | | | 315,740 |
| Transfer from land revaluation excess | | | | | 475 |
| Net change in the items other than stockholder's equity in FY2006 | 476,323 | (84,733) | (475) | 391,113 | 391,113 |
| Total | 476,323 | (84,733) | (475) | 391,113 | 358,108 |
| Balance at March 31, 2007 | 1,259,814 | (84,733) | 24,240 | 1,199,320 | 3,992,884 |

(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", are included in the amount below, as well as beneficiary claims on loan trust and beneficiary claims on commodity investment trusts classified as "Commercial paper and other debt purchased."

(1) Bonds classified as held-to-maturity with market value

(Millions of yen)

| | March 31, 2007 | | | | |
|---------------------------------|----------------------|--------------|-------------------------------|------------------|-------------------|
| | Balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Japanese government bonds | 629,562 | 621,518 | (8,044) | 20 | 8,064 |
| Japanese local government bonds | 97,102 | 95,307 | (1,794) | - | 1,794 |
| Japanese corporate bonds | 380,142 | 376,735 | (3,406) | - | 3,406 |
| Other | 5,326 | 5,507 | 180 | 180 | - |
| Total | 1,112,133 | 1,099,069 | (13,064) | 200 | 13,265 |

(2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

| | March 31, 2007 | | |
|------------------------|----------------------|--------------|-------------------------------|
| | Balance sheet amount | Market value | Net unrealized gains (losses) |
| Stocks of subsidiaries | 43,569 | 102,243 | 58,674 |
| Stocks of affiliates | 228,334 | 177,618 | (50,716) |
| Total | 271,903 | 279,861 | 7,958 |

(3) Other securities with market value

(Millions of yen)

| | March 31, 2007 | | | | |
|---------------------------------|------------------|----------------------|-------------------------------|------------------|-------------------|
| | Acquisition cost | Balance sheet amount | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Stocks | 1,924,707 | 3,903,456 | 1,978,749 | 1,990,476 | 11,727 |
| Bonds | 7,511,158 | 7,359,713 | (151,444) | 748 | 152,193 |
| Japanese government bonds | 6,433,016 | 6,297,790 | (135,225) | 367 | 135,593 |
| Japanese local government bonds | 431,667 | 423,605 | (8,062) | 112 | 8,175 |
| Japanese corporate bonds | 646,474 | 638,317 | (8,157) | 267 | 8,425 |
| Other | 2,478,521 | 2,484,108 | 5,587 | 37,469 | 31,882 |
| Total | 11,914,387 | 13,747,279 | 1,832,891 | 2,028,694 | 195,802 |

(Notes)

- Net unrealized gains of JPY 1,259,623 million (after deducting JPY 573,268 million of deferred tax liabilities from JPY 1,832,891 million of net unrealized gains shown in the above table) are included in 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 6,453 million. The rule for determining "material decline" is as follows and is based on the classification of issuers under the rules of self-assessment of assets.

| | |
|--|--|
| Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers | Market value is lower than acquisition cost. |
| Issuers requiring caution | Market value is 30% or more lower than acquisition cost. |
| Normal issuers | Market value is 50% or more lower than acquisition cost. |

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt

Potentially bankrupt issuers: Issuers that are not currently bankrupt but perceived to have a high risk of falling into bankruptcy

Issuers requiring caution: Issuers that are identified for close monitoring

Normal issuers: Issuers other than the above four categories of issuers

(4) Securities with no available market value

| (Millions of yen) | |
|--|-----------|
| March 31, 2007 | |
| Investments in subsidiaries and affiliates | |
| Stocks of subsidiaries | 1,164,526 |
| Stocks of affiliates | 10,417 |
| Other | 46,711 |
| Other securities | |
| Unlisted stocks (excluding OTC stocks) | 358,692 |
| Unlisted bonds | 2,813,486 |
| Unlisted foreign securities | 428,635 |
| Other | 447,546 |

[2] Money Held in Trust

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

| (Millions of yen) | | | | | |
|---------------------------|------------------|----------------------|-------------------------------|------------------|-------------------|
| March 31, 2007 | | | | | |
| | Acquisition cost | Balance sheet amount | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Other money held in trust | 2,602 | 2,924 | 322 | 322 | - |

(Note) Net unrealized gains of 191 million yen (after deducting 130 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) | | | |
|---|-----------------------|-----------------------|------------------|
| | March 31, 2007 (A) | March 31, 2006 (B) | Change (A-B) |
| Loans and bills discounted | 5,350 | 7,870 | (2,520) |
| Securities | 267,110 | 238,205 | 28,905 |
| Securities held in custody accounts | 3,000 | 33,590 | (30,590) |
| Monetary claims | 703,199 | 706,349 | (3,150) |
| Premises and equipment | 25 | 85 | (60) |
| Other claims | 1,245 | 1,216 | 29 |
| Due from banking account | 65,062 | 318,597 | (253,535) |
| Cash and due from banks and Deposits with banks | 129,401 | - | 129,401 |
| Total assets | 1,174,396 | 1,305,915 | (131,519) |
| designated money in trusts | 358,058 | 445,346 | (87,288) |
| specified monetary trusts | 91,741 | 84,908 | 6,833 |
| Securities trusts | 3,000 | 33,590 | (30,590) |
| Monetary claims trusts | 598,236 | 603,656 | (5,420) |
| Composite trusts | 123,359 | 138,413 | (15,054) |
| Total liabilities | 1,174,396 | 1,305,915 | (131,519) |

- (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.