

Financial Highlights for the Six Months ended September 30, 2007

1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended
		Sep. 30, 2007	Change	Sep. 30, 2006
Gross banking profit	1	718,492	109,372	609,120
Excluding gains (losses) on bonds	2	724,741	53,928	670,813
Gross domestic profit	3	601,219	61,163	540,056
Excluding gains (losses) on bonds	4	595,331	5,279	590,052
Net interest income	5	460,740	9,226	451,514
Trust fees	6	2,239	835	1,404
Net fees and commissions	7	123,513	(5,879)	129,392
Net trading income	8	4,674	3,703	971
Net other operating income	9	10,051	53,277	(43,226)
Gains (losses) on bonds	10	5,887	55,883	(49,996)
Gross international profit	11	117,272	48,208	69,064
Excluding gains (losses) on bonds	12	129,409	48,649	80,760
Net interest income	13	16,801	24,504	(7,703)
Net fees and commissions	14	33,643	3,547	30,096
Net trading income	15	98,602	59,448	39,154
Net other operating income	16	(31,775)	(39,291)	7,516
Gains (losses) on bonds	17	(12,137)	(441)	(11,696)
Expenses (excluding non-recurring losses)	18	(327,587)	(30,076)	(297,511)
Personnel expenses	19	(107,258)	(10,390)	(96,868)
Non-personnel expenses	20	(200,867)	(16,974)	(183,893)
Taxes	21	(19,462)	(2,713)	(16,749)
Banking profit (before provision for general reserve for possible loan losses)	22	390,904	79,295	311,609
Excluding gains (losses) on bonds	23	397,153	23,852	373,301
Provision for general reserve for possible loan losses	24	(7,784)	(7,784)	-
Banking profit	25	383,119	71,510	311,609
Gains (losses) on bonds	26	(6,249)	55,443	(61,692)
Non-recurring gains (losses)	27	(225,270)	(182,739)	(42,531)
Credit related costs	28	(106,441)	(59,740)	(46,701)
Gains (losses) on stocks	29	(103,816)	(112,536)	8,720
Gains on sale of stocks	30	8,224	(6,518)	14,742
Losses on sale of stocks	31	(546)	(449)	(97)
Losses on devaluation of stocks	32	(111,494)	(105,570)	(5,924)
Other non-recurring gains (losses)	33	(15,012)	(10,462)	(4,550)
Ordinary profit	34	157,849	(111,229)	269,078
Extraordinary gains (losses)	35	(2,639)	(31,911)	29,272
Gains (losses) on disposal of fixed assets	36	450	1,314	(864)
Losses on impairment of fixed assets	37	(3,095)	(1,638)	(1,457)
Gains on reversal of reserve for possible loan losses	38	-	(13,330)	13,330
Gains on collection of written-off claims	39	6	(131)	137
Gains on return of securities from retirement benefits trust	40	-	(36,330)	36,330
Losses on liquidation of subsidiary	41	-	18,203	(18,203)
Income before income taxes	42	155,209	(143,142)	298,351
Income taxes, current	43	(7,210)	543	(7,753)
Income taxes, deferred	44	(84,200)	22,751	(106,951)
Net income	45	63,798	(119,848)	183,646
Total credit cost (24+28+38+39)	46	(114,220)	(80,987)	(33,233)
Provision for general reserve for possible loan losses	47	(7,784)	(27,333)	19,549
Write-off of loans	48	(59,177)	(19,240)	(39,937)
Provision for specific reserve for possible loan losses	49	(44,500)	(38,235)	(6,265)
Losses on sales of delinquent loans	50	(4,703)	2,061	(6,764)
Provision for loan loss reserve for specific overseas countries	51	1,941	1,895	46
Gains on collection of written-off claims	52	6	(131)	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, 2007	Change	Sep. 30, 2006
Consolidated gross profit	1	1,022,551	136,742	885,809
Net interest income	2	599,574	39,959	559,615
Trust fees	3	2,262	846	1,416
Net fees and commissions	4	293,439	10,045	283,394
Net trading income	5	118,362	66,749	51,613
Net other operating income	6	8,912	19,142	(10,230)
General and administrative expenses	7	(477,357)	(44,652)	(432,705)
Credit related costs	8	(143,490)	(78,513)	(64,977)
Write-off of loans	9	(65,014)	(7,388)	(57,626)
Provision for specific reserve for possible loan losses	10	(62,470)	(62,470)	-
Provision for general reserve for possible loan losses	11	(12,584)	(12,584)	-
Other credit cost	12	(3,421)	3,929	(7,350)
Gains (losses) on stocks	13	(47,423)	(57,793)	10,370
Equity in earnings (losses) of affiliates	14	19,030	51,374	(32,344)
Other income (expenses)	15	(20,072)	(11,056)	(9,016)
Ordinary profit	16	353,237	(3,899)	357,136
Extraordinary gains (losses)	17	(2,903)	(47,068)	44,165
Losses on impairment of fixed assets	18	(3,205)	(1,199)	(2,006)
Gains on reversal of reserve for possible loan losses	19	-	(6,470)	6,470
Gains on collection of written-off claims	20	386	(156)	542
Gains on return of securities from retirement benefits trust	21	-	(36,330)	36,330
Income before income taxes and minority interests	22	350,334	(50,968)	401,302
Income taxes, current	23	(53,951)	(11,678)	(42,273)
Income taxes, deferred	24	(89,270)	(3,052)	(86,218)
Minority interests in net income	25	(36,519)	(7,370)	(29,149)
Net income	26	170,592	(73,068)	243,660

(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	(143,104)	(85,141)	(57,963)
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(Note) Gains on collection of written-off claims are included in Total credit cost in six months ended Sep. 30, 2007.

(Reference)

(Billions of yen)

Consolidated net business profit	28	499.6	73.2	426.4
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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, 2007	Change	Mar. 31, 2007
Consolidated subsidiaries	29	185	4	181
Affiliated companies accounted for by equity method	30	66	4	62