

Financial Results
Fiscal Year 2007
-Supplementary Information-

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

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(Notes) 1. <Consolidated>: Consolidated figures of Sumitomo Mitsui Financial Group, Inc. ("SMFG")

2. <Non-consolidated>: Non-consolidated figures of Sumitomo Mitsui Banking Corporation ("SMBC")

This document contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

Financial Highlights for FY2007

1. Income Analysis

<SMBC Non-consolidated>

(Millions of yen)

		FY2007		FY2006
			Change	
Gross banking profit	1	1,484,783	140,293	1,344,490
<i>Excluding gains (losses) on bonds</i>	2	<i>1,514,841</i>	<i>57,938</i>	<i>1,456,903</i>
Gross domestic profit	3	1,198,285	48,344	1,149,941
<i>Excluding gains (losses) on bonds</i>	4	<i>1,208,293</i>	<i>(16,352)</i>	<i>1,224,645</i>
Net interest income	5	914,625	10,436	904,189
Trust fees	6	3,710	231	3,479
Net fees and commissions	7	263,035	(26,843)	289,878
Net trading income	8	8,531	4,646	3,885
Net other operating income	9	8,383	59,874	(51,491)
<i>Gains (losses) on bonds</i>	10	<i>(10,007)</i>	<i>64,696</i>	<i>(74,703)</i>
Gross international profit	11	286,497	91,949	194,548
<i>Excluding gains (losses) on bonds</i>	12	<i>(306,548)</i>	<i>74,290</i>	<i>232,258</i>
Net interest income	13	56,193	22,930	33,263
Net fees and commissions	14	69,327	5,787	63,540
Net trading income	15	432,454	334,719	97,735
Net other operating income	16	(271,477)	(271,486)	9
<i>Gains (losses) on bonds</i>	17	<i>(20,051)</i>	<i>17,658</i>	<i>(37,709)</i>
Expenses (excluding non-recurring losses)	18	(665,091)	(61,203)	(603,888)
Personnel expenses	19	(211,681)	(21,051)	(190,630)
Non-personnel expenses	20	(413,317)	(35,077)	(378,240)
Taxes	21	(40,092)	(5,075)	(35,017)
Banking profit (before provision for general reserve for possible loan losses)	22	819,691	79,090	740,601
<i>Excluding gains (losses) on bonds</i>	23	<i>(849,750)</i>	<i>(3,265)</i>	<i>853,015</i>
Provision for general reserve for possible loan losses	24	-	(41,728)	41,728
Banking profit	25	819,691	37,361	782,330
Gains (losses) on bonds	26	(30,058)	82,355	(112,413)
Non-recurring gains (losses)	27	(308,952)	(99,935)	(209,017)
Credit related costs	28	(155,011)	(23,335)	(131,676)
Gains (losses) on stocks	29	(141,002)	(152,100)	11,098
Gains on sale of stocks	30	26,718	(23,486)	50,204
Losses on sale of stocks	31	(2,311)	(1,765)	(546)
Losses on devaluation of stocks	32	(165,409)	(126,850)	(38,559)
Other non-recurring gains (losses)	33	(12,937)	75,502	(88,439)
Ordinary profit	34	510,739	(62,574)	573,313
Extraordinary gains (losses)	35	(3,284)	(16,899)	13,615
Gains (losses) on disposal of fixed assets	36	(5,849)	(4,169)	(1,680)
Losses on impairment of fixed assets	37	(4,700)	(1,020)	(3,680)
Gains on reversal of reserve for possible loan losses	38	7,238	7,238	-
Gains on collection of written-off claims	39	7	(448)	455
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	507,454	(79,474)	586,928
Income taxes, current	43	(16,031)	476	(16,507)
Income taxes, deferred	44	(285,680)	(31,000)	(254,680)
Net income	45	205,742	(109,998)	315,740
Total credit cost (24+28+38+39)	46	(147,765)	(58,274)	(89,491)
Provision for general reserve for possible loan losses	47	96,900	55,172	41,728
Write-off of loans	48	(121,801)	(71,333)	(50,468)
Provision for specific reserve for possible loan losses	49	(91,603)	(47,245)	(44,358)
Losses on sales of delinquent loans	50	(33,209)	4,053	(37,262)
Provision for loan loss reserve for specific overseas countries	51	1,941	1,529	412
Gains on collection of written-off claims	52	7	(448)	455

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

<Consolidated>

(Millions of yen)

		FY2007		FY2006
			Change	
Consolidated gross profit	1	2,116,248	210,075	1,906,173
Net interest income	2	1,210,383	41,791	1,168,592
Trust fees	3	3,752	244	3,508
Net fees and commissions	4	611,993	2,808	609,185
Net trading income	5	469,571	343,946	125,625
Net other operating income	6	(179,453)	(178,715)	(738)
General and administrative expenses	7	(978,896)	(90,335)	(888,561)
Credit related costs	8	(249,922)	(103,736)	(146,186)
Write-off of loans	9	(141,750)	(60,335)	(81,415)
Provision for specific reserve for possible loan losses	10	(172,570)	(95,124)	(77,446)
Provision for general reserve for possible loan losses	11	99,350	45,980	53,370
Other credit cost	12	(34,952)	5,743	(40,695)
Gains (losses) on stocks	13	(7,063)	(51,793)	44,730
Equity in earnings (losses) of affiliates	14	(41,760)	62,410	(104,170)
Other income (expenses)	15	(7,444)	5,930	(13,374)
Ordinary profit	16	831,160	32,550	798,610
Extraordinary gains (losses)	17	97,795	89,615	8,180
Losses on impairment of fixed assets	18	(5,161)	25,387	(30,548)
Gains on collection of written-off claims	19	1,355	119	1,236
Gains on return of securities from retirement benefits trust	20	-	(36,330)	36,330
Gains on change in equity	21	103,133	103,133	-
Income before income taxes and minority interests	22	928,955	122,165	806,790
Income taxes, current	23	(103,900)	(16,082)	(87,818)
Income taxes, deferred	24	(282,538)	(63,768)	(218,770)
Minority interests in net income	25	(80,980)	(22,130)	(58,850)
Net income	26	461,536	20,185	441,351

(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)	27	(248,566)	(103,616)	(144,950)
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(Reference)

(Billions of yen)

Consolidated net business profit	28	1,022.9	98.7	924.2
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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, 2008	Change	Mar. 31, 2007
Consolidated subsidiaries	29	268	87	181
Affiliated companies accounted for by equity method	30	74	12	62

2. Banking Profit per Employee / Overhead Ratio <SMBC Non-consolidated>

(Millions of yen, %)

	FY2007		FY2006
		Change	
(1) Banking profit (before provision for general reserve for possible loan losses)	819,691	79,090	740,601
Per employee (thousands of yen)	45,583	1,300	44,283
(2) Banking profit	819,691	37,361	782,330
Per employee (thousands of yen)	45,583	(1,195)	46,778
(3) Banking profit (before provision for general reserve for possible loan losses, excluding gains (losses) on bonds)	849,750	(3,265)	853,015
Per employee (thousands of yen)	47,255	(3,750)	51,005
Overhead ratio	44.8	(0.1)	44.9

(Notes) 1. Employees include executive officers (who are not board members) and overseas local staff, and exclude temporary staff, employees temporarily transferred from other companies, and transferred staff to other companies.

2. Banking profit per employee is calculated on the basis of the average number of employees during the period.

3. Overhead ratio = Expenses (excluding non-recurring losses) / Gross banking profit

3. Interest Spread (Domestic) <SMBC Non-consolidated>

(%)

	FY2007					FY2006
		Six Months ended Sep. 30, 2007	Six Months ended Mar. 31, 2008	Three months ended Dec. 31, 2007	Three months ended Mar. 31, 2008	
Yield on interest earning assets (A)	1.78	1.78	1.79			1.56
Interest earned on loans and bills discounted (C)	2.04	2.00	2.07	2.06	2.09	1.73
Interest earned on securities	1.27	1.37	1.16			1.17
Total cost of funding (including expenses) (B)	1.25	1.21	1.29			0.98
Cost of interest bearing liabilities	0.38	0.36	0.40			0.19
Interest paid on deposits, etc. (D)	0.23	0.22	0.24	0.23	0.25	0.10
Interest paid on other liabilities	0.69	0.71	0.68			0.42
Expense ratio	0.87	0.85	0.89			0.79
Overall interest spread (A) - (B)	0.53	0.57	0.50			0.58
Interest spread (C) - (D)	1.81	1.78	1.83	1.83	1.84	1.63

4. Gains (Losses) on Securities <SMBC Non-consolidated>

(Millions of yen)

	FY2007		FY2006
		Change	
Gains (losses) on bonds	(30,058)	82,355	(112,413)
Gains on sales	97,996	77,137	20,859
Losses on sales	(25,861)	105,042	(130,903)
Gains on redemption	23	(1,096)	1,119
Losses on redemption	(35,624)	(32,136)	(3,488)
Losses on devaluation	(66,592)	(66,592)	-
Gains (losses) on stocks	(141,002)	(152,100)	11,098
Gains on sales	26,718	(23,486)	50,204
Losses on sales	(2,311)	(1,765)	(546)
Losses on devaluation	(165,409)	(126,850)	(38,559)

5. Unrealized Gains (Losses) on Securities

(1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) are recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses) are directly included in Net assets)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

(Reference) Securities in money held in trust

Investment purpose		Fair value method (net valuation gains (losses) are recognized in income statement)
Other money held in trust	With market value	Fair value method (net valuation gains (losses) are directly included in Net assets)
	Without market value	Cost method or amortized cost method

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

	Mar. 31, 2008				Mar. 31, 2007		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	17,075	30,139	18,373	(1,298)	(13,064)	200	(13,265)
Stocks of subsidiaries and affiliates	1,054	(6,904)	14,885	(13,831)	7,958	85,505	(77,547)
Other securities	755,749	(1,077,142)	1,030,778	(275,029)	1,832,891	2,028,694	(195,802)
Stocks	936,324	(1,042,425)	992,665	(56,341)	1,978,749	1,990,476	(11,727)
Bonds	(129,508)	21,936	15,579	(145,087)	(151,444)	748	(152,193)
Others	(51,067)	(56,654)	22,533	(73,600)	5,587	37,469	(31,882)
Other money held in trust	(29)	(351)	-	(29)	322	322	-
Total	773,849	(1,054,258)	1,064,037	(290,188)	1,828,107	2,114,723	(286,615)
Stocks	937,378	(1,049,329)	1,007,551	(70,172)	1,986,707	2,075,981	(89,274)
Bonds	(112,432)	52,258	33,952	(146,385)	(164,690)	768	(165,458)
Others	(51,096)	(57,186)	22,533	(73,630)	6,090	37,972	(31,882)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' and on beneficiary claims on loan trust and commodity investment trusts in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the fiscal year. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

<Consolidated>

(Millions of yen)

	Mar. 31, 2008				Mar. 31, 2007		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	16,755	29,820	18,379	(1,623)	(13,065)	200	(13,266)
Other securities	745,420	(1,079,748)	1,042,530	(297,109)	1,825,168	2,032,120	(206,952)
Stocks	936,228	(1,036,419)	999,414	(63,186)	1,972,647	1,987,337	(14,689)
Bonds	(132,892)	24,475	18,645	(151,537)	(157,367)	1,805	(159,173)
Others	(57,915)	(67,803)	24,469	(82,385)	9,888	42,977	(33,089)
Other money held in trust	(29)	(351)	-	(29)	322	322	-
Total	762,146	(1,050,278)	1,060,909	(298,763)	1,812,424	2,032,643	(220,218)
Stocks	936,228	(1,036,419)	999,414	(63,186)	1,972,647	1,987,337	(14,689)
Bonds	(115,944)	54,669	37,025	(152,969)	(170,613)	1,825	(172,439)
Others	(58,137)	(68,528)	24,469	(82,607)	10,391	43,480	(33,089)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' and on beneficiary claims on loan trust in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks are mainly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

6. Redemption Schedule of Other Securities <SMBC Non-consolidated>

Redemption schedule of other securities with maturities and bonds classified as held-to-maturity

(Billions of yen)

	Mar. 31, 2008					Mar. 31, 2007				
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total
Bonds	2,051.0	7,334.1	1,569.8	1,681.5	12,636.6	3,423.9	3,593.2	2,261.9	2,000.8	11,280.0
Japanese government bonds	1,637.3	5,087.7	439.0	1,635.0	8,799.2	2,784.9	1,353.7	884.5	1,904.0	6,927.3
Japanese local government bonds	64.0	114.0	152.6	0.3	331.1	83.7	132.4	304.0	0.4	520.7
Japanese corporate bonds	349.5	2,132.4	978.0	46.1	3,506.1	555.1	2,107.0	1,073.3	96.3	3,831.9
Other	579.5	3,755.9	560.5	386.5	5,282.5	501.5	422.8	678.1	783.9	2,386.5
Total	2,630.5	11,090.0	2,130.3	2,068.1	17,919.1	3,925.5	4,016.1	2,940.0	2,784.8	13,666.5

7. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)
<SMBC Non-consolidated>

(Billions of yen)

	Mar. 31, 2008				Mar. 31, 2007			
	Assets (a)	Liabilities (b)	Net assets (a) - (b)	Net deferred gains (losses)	Assets (c)	Liabilities (d)	Net assets (c) - (d)	Net deferred gains (losses)
Interest rate swaps	17.9	62.4	(44.5)	(131.2)	49.6	78.1	(28.5)	(143.1)
Currency swaps	26.3	1.3	25.0	0.4	7.1	6.4	0.7	0.6
Others	3.1	0.8	2.3	65.6	0.4	0.5	(0.1)	(2.0)
Total	47.3	64.5	(17.2)	(65.2)	57.1	85.0	(27.9)	(144.5)

(Notes) 1. Derivative transactions are valued at fair value on the balance sheet.

2. SMBC applied deferred hedge or fair value hedge accounting based on Practical Guidelines for Accounting Standard for Financial Instrument as well as deferred hedge accounting for banking industry based on JICPA Industry Audit Committee Report No. 24 and No. 25.

3. Figures for Net deferred gains (losses) are those before application of tax effect accounting.

(Appendix) Contract amount of interest rate swaps (on deferred hedge accounting basis), classified by maturity

(Billions of yen)

	Mar. 31, 2008				Mar. 31, 2007			
	1 year or less	More than 1 year to 5 years	More than 5 years	Total	1 year or less	More than 1 year to 5 years	More than 5 years	Total
Receivable fixed rate /payable floating rate	6,090.1	10,350.3	3,289.7	19,730.1	7,118.7	11,868.4	4,429.8	23,416.9
Receivable floating rate /payable fixed rate	938.3	5,668.6	4,440.6	11,047.5	1,103.2	5,191.6	5,218.6	11,513.4
Receivable floating rate /payable floating rate	0.2	50.5	-	50.7	200.0	30.5	20.3	250.8
Total contract amount	7,028.6	16,069.4	7,730.3	30,828.3	8,421.9	17,090.5	9,668.7	35,181.1

8. Employee Retirement Benefits

(1) Projected benefit obligation

<SMBC Non-consolidated>		(Millions of yen)		
		Mar. 31, 2008		Mar. 31, 2007
		Change		
Projected benefit obligation	(A)	839,583	(1,901)	841,484
<Discount rate>		<2.5%>	< - >	<2.5%>
Fair value of plan assets	(B)	938,244	(211,779)	1,150,023
Reserve for employee retirement benefits	(C)	-	-	-
Prepaid pension cost	(D)	209,071	33,227	175,844
Unrecognized prior service cost (deductible from the obligation)	(E)	(36,831)	11,084	(47,915)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E)	147,241	232,020	(84,779)

(Reference) <Consolidated>		(Millions of yen)		
		Mar. 31, 2008		Mar. 31, 2007
		Change		
Projected benefit obligation	(A)	919,082	8,943	910,139
Fair value of plan assets	(B)	975,920	(210,140)	1,186,060
Reserve for employee retirement benefits	(C)	38,701	4,277	34,424
Prepaid pension cost	(D)	212,370	34,188	178,182
Unrecognized prior service cost (deductible from the obligation)	(E)	(37,118)	11,139	(48,257)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E)	153,949	237,854	(83,905)

(2) Cost for employee retirement benefits

<SMBC Non-consolidated>		(Millions of yen)		
		FY2007		FY2006
		Change		
Cost for employee retirement benefits	(A)	(1,610)	(1,301)	(309)
Service cost		15,374	(341)	15,715
Interest cost on projected benefit obligation		21,037	(24)	21,061
Expected returns on plan assets		(31,509)	(1,844)	(29,665)
Amortization of unrecognized prior service cost		(11,084)	-	(11,084)
Amortization of unrecognized actuarial net gain (loss)		3,889	1,166	2,723
Others		682	(257)	939
Gains on return of securities from retirement benefits trust	(B)	-	36,330	(36,330)
Total	(A+B)	(1,610)	35,029	(36,639)

(Reference) <Consolidated>		(Millions of yen)		
		FY2007		FY2006
		Change		
Pension expenses	(A)	5,863	(1,744)	7,607
Gains on return of securities from retirement benefits trust	(B)	-	36,330	(36,330)
Total	(A+B)	5,863	34,585	(28,722)

9. Capital Ratio <Consolidated>

(Billions of yen, %)

	Mar. 31, 2008		Mar. 31, 2007
	[Preliminary]	Change	
(1) Capital ratio	10.56	(0.75)	11.31
Tier I ratio	6.94	0.50	6.44
(2) Tier I	4,381.5	478.2	3,903.3
(3) Tier II	3,021.9	(618.3)	3,640.2
(4) Subtraction items	737.8	47.0	690.8
(5) Total capital (2) + (3) - (4)	6,665.5	(187.2)	6,852.7
(6) Risk-adjusted assets	63,117.3	2,577.0	60,540.3
(7) Required Capital (6)X8%	5,049.4	206.2	4,843.2

<SMBC consolidated>

(%)

Capital ratio (BIS Guidelines)	12.19	(0.76)	12.95

<SMBC Non-consolidated>

(%)

Capital ratio (BIS Guidelines)	12.67	(0.78)	13.45

10. ROE <Consolidated>

(%)

	FY2007		FY2006
		change	
ROE (numerator: Net income)	13.2	0.1	13.1

(Note)

$$\text{ROE} = \frac{(\text{Net income} - \text{Dividends on preferred stocks})}{\frac{\{(\text{Net assets at the beginning of the term}) - (\text{Number of preferred shares outstanding at the beginning of the term}) \times (\text{Issue price}) - (\text{Stock acquisition rights at the beginning of the term}) - (\text{Minority interests at the beginning of the term}) + (\text{Net assets at the end of the term}) - (\text{Number of preferred shares outstanding at the end of the term}) \times (\text{Issue price}) - (\text{Stock acquisition rights at the end of the term}) - (\text{Minority interests at the end of the term})\}}{2}} \times 100$$

(%)

	FY2007		FY2006
		change	
Diluted ROE (numerator: Net income)	12.3	1.8	10.5

(Note)

$$\text{Diluted ROE} = \frac{\text{Net income}}{\frac{\{(\text{Net assets at the beginning of the term}) - (\text{Stock acquisition rights at the beginning of the term}) - (\text{Minority interests at the beginning of the term}) + (\text{Net assets at the end of the term}) - (\text{Stock acquisition rights at the end of the term}) - (\text{Minority interests at the end of the term})\}}{2}} \times 100$$

11. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs / Reserves <SMBC Non-consolidated>

< As of Mar. 31, 2008 >

(Billion of yen)

Category of Borrowers under Self-Assessment	Problem Assets based on the Financial Reconstruction Law	Classification under Self-Assessment				Reserve for possible loan losses	Reserve Ratio	
		Classification I	Classification II	Classification III	Classification IV			
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets 117.8 (i) (Change from Mar. 31, 2007: + 8.9)	Portion of claims secured by collateral or guarantees, etc. 104.3 (a)	Fully reserved 13.5	Direct Write-Offs (*1)	Specific Reserve 18.3 (*2)	100% (*3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful Assets 402.0 (ii) (Change from Mar. 31, 2007: +101.9)	Portion of claims secured by collateral or guarantees, etc. 180.8 (b)	Necessary amount reserved 221.2		Specific Reserve 170.8 (*2)	77.21% (*3)		
Borrowers Requiring Caution	Substandard Loans 284.1 (iii) (Change from Mar. 31, 2007: - 45.6) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 85.2 (c)			General Reserve for Substandard Loans 88.5	44.57% (*3)	14.56% (*3)	
	Normal Assets 63,928.2	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve 430.9	6.25% [10.38%] (*4)		
Normal Borrowers		Claims to Normal Borrowers				0.20% (*4)		
					Loan loss Reserve for Specific Overseas Countries	0.0		
Total 64,732.1 (iv)		Problem asset ratio ((v)/(iv)) 1.24% (Change from Mar. 31, 2007: +0.03%)		Total Reserve for possible loan losses 620.0		Reserve Ratio (*5) (D/C) 64.02%		
A=(i)+(ii)+(iii) 803.9 (v) (Change from Mar. 31, 2007: + 65.2)		B: Portion secured by collateral or guaranteed, etc. (a)+(b)+(c) 370.3		C: Unsecured portion (A - B) 433.6		Coverage Ratio ((B+D)/A) 80.60%		
					D: Specific Reserve + General Reserve for Substandard Loans (*2) 277.6			

(*1) Includes amount of direct reduction totaling JPY 333.8 billion.

(*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.
(Bankrupt/Effectively Bankrupt Borrowers: JPY 4.8 billion, Potentially Bankrupt Borrowers: JPY 6.6 billion)

(*3) Reserve ratios for claims on Bankrupt Borrowers, Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers and Borrowers Requiring Caution including Substandard Borrowers are the proportion of reserve for the possible loan losses to each category's total unsecured claims.

(*4) Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers) are the proportion of the reserve for possible loan losses to the respective claims of each category.

The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in [].

(*5) The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

12. Risk-Monitored Loans

<SMBC Non-consolidated>

(Millions of yen)

		Mar. 31, 2008		Mar. 31, 2007
		(a)	(a) - (b)	(b)
Risk-monitored loans	Bankrupt loans	48,734	14,980	33,754
	Non-accrual loans	437,699	80,067	357,632
	Past due loans (3 months or more)	23,747	3,204	20,543
	Restructured loans	260,405	(48,728)	309,133
	Total	770,587	49,523	721,064

Amount of direct reduction 291,246 24,373 266,873

Total loans (term-end balance)	56,957,813	3,201,373	53,756,440
--------------------------------	------------	-----------	------------

(%)

Ratio to total loans	Bankrupt loans	0.1	0.0	0.1
	Non-accrual loans	0.8	0.1	0.7
	Past due loans (3 months or more)	0.0	0.0	0.0
	Restructured loans	0.5	(0.1)	0.6
	Total	1.4	0.1	1.3

<Consolidated>

(Millions of yen)

		Mar. 31, 2008		Mar. 31, 2007
		(a)	(a) - (b)	(b)
Risk-monitored loans	Bankrupt loans	73,472	12,757	60,715
	Non-accrual loans	607,226	99,937	507,289
	Past due loans (3 months or more)	26,625	4,607	22,018
	Restructured loans	385,336	(92,026)	477,362
	Total	1,092,661	25,275	1,067,386

Amount of direct reduction 433,447 3,112 430,335

Total loans (term-end balance)	62,144,874	3,455,552	58,689,322
--------------------------------	------------	-----------	------------

(%)

Ratio to total loans	Bankrupt loans	0.1	0.0	0.1
	Non-accrual loans	1.0	0.1	0.9
	Past due loans (3 months or more)	0.0	0.0	0.0
	Restructured loans	0.6	(0.2)	0.8
	Total	1.8	0.0	1.8

13. Reserve for Possible Loan Losses

<SMBC Non-consolidated> (Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Reserve for possible loan losses	620,004	(57,569)	677,573
General reserve	430,919	(99,888)	530,807
Specific reserve	189,084	44,260	144,824
Loan loss reserve for specific overseas countries	0	(1,941)	1,941
Amount of direct reduction	333,811	35,497	298,314

<Consolidated> (Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Reserve for possible loan losses	894,702	5,609	889,093
General reserve	593,714	(89,875)	683,589
Specific reserve	300,987	97,425	203,562
Loan loss reserve for specific overseas countries	0	(1,941)	1,941
Amount of direct reduction	518,594	28,471	490,123

14. Reserve Ratio to Risk-Monitored Loans

<SMBC Non-consolidated> (%)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Before direct reduction	89.8	(9.0)	98.8
After direct reduction	80.5	(13.5)	94.0

<Consolidated> (%)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Before direct reduction	92.6	0.5	92.1
After direct reduction	81.9	(1.4)	83.3

(Note) Reserve ratio to risk-monitored loans = (Reserve for possible loan losses) / (Risk-monitored loans)

15. Problem Assets Based on the Financial Reconstruction Law and the Coverage

<SMBC Non-consolidated>

(Millions of yen, %)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Bankrupt and quasi-bankrupt assets	117,757	8,864	108,893
Doubtful assets	402,028	101,931	300,097
Substandard loans	284,153	(45,524)	329,677
Total (A)	803,939	65,272	738,667
Normal assets	63,928,140	3,385,902	60,542,238
Total (B)	64,732,080	3,451,174	61,280,906
Problem asset ratio (A/B)	1.24	0.03	1.21

Amount of direct reduction 333,811 35,497 298,314

(Note) Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Total coverage (C)	647,950	61,269	586,681
Reserve for possible loan losses* (D)	277,591	33,888	243,703
Amount recoverable due to guarantees, collateral and others (E)	370,359	27,382	342,977

* Sum of general reserve for Substandard loans and specific reserve.

(%)

Coverage ratio (C) / (A)	80.60	1.18	79.42
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	123.19	(14.97)	138.16

(%)

Reserve ratio to unsecured assets (D) / (A - E)	64.02	2.43	61.59
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	143.00	(28.24)	171.24

<Consolidated>

(Millions of yen, %)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Bankrupt and quasi-bankrupt assets	206,634	12,842	193,792
Doubtful assets	507,167	122,350	384,817
Substandard loans	418,841	(87,183)	506,024
Total (A)	1,132,643	48,011	1,084,632
Normal assets	69,001,954	4,186,347	64,815,607
Total (B)	70,134,597	4,234,357	65,900,240
Problem asset ratio (A/B)	1.61	(0.04)	1.65

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Total coverage (C)	915,910	34,409	881,501
Reserve for possible loan losses (D)	319,935	38,277	281,658
Amount recoverable due to guarantees, collateral and others (E)	595,975	(3,868)	599,843

(%)

Coverage ratio (C) / (A)	80.86	(0.41)	81.27
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	131.61	(5.67)	137.28

(%)

Reserve ratio to unsecured assets (D) / (A - E)	59.62	1.52	58.10
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	166.71	(16.69)	183.40

16. Progress in Off-Balancing of Problem Assets <SMBC Non-consolidated>
(Performance of the first half-year)

(Billions of yen)

	Mar. 31, 2007	Change in the six months ended Sep. 30, 2007	Problem assets newly classified during the six months ended Sep. 30, 2007	Amount of off-balancing	Sep. 30, 2007
Bankrupt and quasi-bankrupt assets	108.9	0.4	34.1	(33.7)	109.3
Doubtful assets	300.1	40.3	141.2	(100.9)	340.4
Total	409.0	40.7	175.3 (*1)	(134.6)	449.7
Result of measures connected to off-balancing (*2)	80.9				94.7

Breakdown of off-balancing by factor (*3)		
	Disposition by borrowers' liquidation	(9.7)
Reconstructive disposition --- (a)	(27.4)	
Improvement in debtors' performance due to (a)	-	
Loan sales to market	(46.0)	
Direct write-offs	38.9	
Others	(90.4)	
	Collection/repayment, etc.	(78.5)
	Improvement in debtors' performance	(11.9)
Total	(134.6)	

(Performance of the second half-year)

(Billions of yen)

	Sep. 30, 2007	Change in the six months ended Mar. 31, 2008	Problem assets newly classified during the six months ended Mar. 31, 2008	Amount of off-balancing	Mar. 31, 2008
Bankrupt and quasi-bankrupt assets	109.3	8.5	37.7	(29.2)	117.8
Doubtful assets	340.4	61.6	241.7	(180.1)	402.0
Total	449.7	70.1	279.4	(209.3) (*1)	519.8
Result of measures connected to off-balancing (*2)	94.7				102.8

Breakdown of off-balancing by factor (*3)		
	Disposition by borrowers' liquidation	(22.1)
Reconstructive disposition --- (a)	(6.5)	
Improvement in debtors' performance due to (a)	-	
Loan sales to market	(33.0)	
Direct write-offs	46.0	
Others	(193.7)	
	Collection/repayment, etc.	(115.3)
	Improvement in debtors' performance	(78.4)
Total	(209.3)	

(*1) The amount of Problem assets newly classified during the six months ended Sep. 30, 2007 and off-balanced in the six months ended Mar. 31, 2008 was JPY 84.7 billion.

(*2) The measures connected to off-balancing are legal reorganizations, measures associated with legal reorganizations, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

(*3) 1. "Disposition by borrowers' liquidation" refers to abandonment or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations).

2. "Reconstructive disposition" refers to abandonment of loans involved in rehabilitative bankruptcy proceedings (corporate reorganization, civil rehabilitation, composition and arrangement), debt forgiveness involved in special mediation or other types of civil mediation, or debt forgiveness for restructuring involved in private reorganization.

17. Loan Portfolio, Classified by Industry <SMBC Non-consolidated>

(1) Loans and bills discounted, classified by industry

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Domestic offices (excluding offshore banking account)	48,877,589	687,080	48,190,509
Manufacturing	5,284,513	48,416	5,236,097
Agriculture, forestry, fisheries, and mining	138,440	6,244	132,196
Construction	1,153,752	(71,199)	1,224,951
Transportation, communications and public enterprises	2,891,612	5,444	2,886,168
Wholesale and retail	4,902,333	(186,964)	5,089,297
Finance and insurance	6,083,560	407,655	5,675,905
Real estate	6,310,993	(58,250)	6,369,243
Various services	5,453,700	(288,676)	5,742,376
Municipalities	780,942	188,704	592,238
Others	15,877,739	635,706	15,242,033
Overseas offices and offshore banking accounts	8,080,224	2,514,293	5,565,931
Public sector	19,835	806	19,029
Financial institutions	679,195	391,297	287,898
Commerce and industry	6,790,929	1,752,121	5,038,808
Others	590,262	370,067	220,195
Total	56,957,813	3,201,373	53,756,440

Risk-Monitored Loans

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Domestic offices (excluding offshore banking account)	702,780	23,286	679,494
Manufacturing	66,580	7,829	58,751
Agriculture, forestry, fisheries, and mining	3,883	1,065	2,818
Construction	74,590	40,263	34,327
Transportation, communications and public enterprises	39,356	(64,624)	103,980
Wholesale and retail	120,530	29,066	91,464
Finance and insurance	16,159	14,855	1,304
Real estate	153,962	(16,121)	170,083
Various services	159,333	9,355	149,978
Municipalities	-	-	-
Others	68,382	1,596	66,786
Overseas offices and offshore banking accounts	67,807	26,237	41,570
Public sector	-	-	-
Financial institutions	-	-	-
Commerce and industry	67,807	26,237	41,570
Others	-	-	-
Total	770,587	49,523	721,064

(2) Problem assets based on the Financial Reconstruction Law classified by industry, and reserve ratio

(Millions of yen, %)

	Mar. 31, 2008			Mar. 31, 2007
	(a)	Reserve ratio	(a) - (b)	(b)
Domestic offices (excluding offshore banking account)	735,572	63.9	40,383	695,189
Manufacturing	70,794	60.1	10,029	60,765
Agriculture, forestry, fisheries, and mining	3,883	56.4	1,065	2,818
Construction	79,065	64.1	44,551	34,514
Transportation, communications and public enterprises	40,500	59.5	(64,349)	104,849
Wholesale and retail	127,584	61.3	31,312	96,272
Finance and insurance	17,190	69.2	14,749	2,441
Real estate	157,331	70.7	(12,781)	170,112
Various services	168,951	59.2	14,167	154,784
Municipalities	-	-	-	-
Others	70,270	100.0	1,640	68,630
Overseas offices and offshore banking accounts	68,366	64.6	24,888	43,478
Public sector	-	-	-	-
Financial institutions	-	-	-	-
Commerce and industry	68,366	64.6	24,888	43,478
Others	-	-	-	-
Total	803,939	64.0	65,272	738,667

(Notes) 1. Problem assets based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others) X 100

Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

(3) Consumer loans outstanding

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Consumer loans	14,581,772	88,958	14,492,814
Housing loans	13,647,753	90,232	13,557,521
Residential purpose	10,033,842	114,958	9,918,884
Other consumer loans	934,018	(1,274)	935,292

(4) Loans to small- and medium-sized enterprises, etc.

(Millions of yen, %)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Outstanding balance	36,129,519	(146,719)	36,276,238
Ratio to total loans	73.9	(1.4)	75.3

(Note) Outstanding balance does not include loans at overseas offices and offshore banking accounts.

18. Loan Portfolio, Classified by Country <SMBC Non-consolidated>

(1) Loans to specific overseas countries

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Loan balance	4	(32,574)	32,578
Number of countries	1	(1)	2

(2) Loans outstanding, classified by major domicile

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Asia	2,416,212	348,977	2,067,235
Indonesia	57,370	5,481	51,889
Thailand	350,342	(35,691)	386,033
Korea	119,688	(148,472)	268,160
Hong Kong	501,635	101,085	400,550
China	503,115	115,652	387,463
Singapore	549,866	201,402	348,464
India	121,300	72,364	48,936
Others	212,893	37,158	175,735
North America	2,616,800	863,185	1,753,615
Central and South America	614,952	148,345	466,607
Mexico	30,220	(6,415)	36,635
Argentina	14	-	14
Brazil	80,235	50,012	30,223
Panama	479,967	87,903	392,064
Others	24,515	16,847	7,668
Western Europe	1,580,643	608,076	972,567
Eastern Europe	338,562	250,428	88,134
Others	892,348	352,596	539,752
Total	8,459,521	2,571,611	5,887,910

(Notes) Classified by domicile of debtors.

(3) Problem assets based on the Financial Reconstruction Law, classified by domicile

(Millions of yen, %)

	Mar. 31, 2008			Mar.31, 2007
	(a)	Reserve ratio	(a) - (b)	(b)
Overseas offices and Japan offshore banking accounts	68,366	64.6	24,888	43,478
Asia	25,717	39.5	(7,181)	32,898
Indonesia	750	44.8	268	482
Hong Kong	15,362	34.1	(4,026)	19,388
Thailand	287	49.6	(284)	571
China	1,849	45.9	(1,695)	3,544
Others	7,468	48.5	(1,443)	8,911
North America	32,498	98.4	22,097	10,401
Central and South America	-	-	-	-
Western Europe	153	69.3	(24)	177
Eastern Europe	-	-	-	-
Others	9,996	44.8	9,996	-

(Notes) 1. Problem assets based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve ratio

= (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others) X 100

Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

3. Classified by domicile of debtors.

19. Deposits and Loans <SMBC Non-consolidated>

(1) Deposits and loans outstanding

(Millions of yen, %)

	FY2007		FY2006
	(a)	(a) - (b)	(b)
Deposits (term-end balance)	66,417,260	182,258	66,235,002
Deposits (average balance)	65,980,237	130,091	65,850,146
Domestic units	57,309,691	(64,611)	57,374,302
Average yield	0.22	0.12	0.10
Loans (term-end balance)	56,957,813	3,201,373	53,756,440
Loans (average balance)	54,248,936	689,335	53,559,601
Domestic units	46,675,889	(512,668)	47,188,557
Average yield	2.04	0.31	1.73

(Note) Deposits do not include "negotiable certificates of deposit".

(2) Deposits outstanding, classified by type of depositor

(Millions of yen)

	Mar. 31, 2008		Mar.31, 2007
	(a)	(a) - (b)	(b)
Domestic deposits	64,526,149	1,845,385	62,680,764
Individual	33,987,919	364,207	33,623,712
Corporate	30,538,230	1,481,178	29,057,052

(Note) Figures are before adjustment on interoffice accounts in transit.

Excludes "negotiable certificates of deposit" and Japan offshore banking accounts.

(Reference)

(Billions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Outstanding balance of investment trusts	3,150.6	(394.8)	3,545.4
Balance to individuals	2,974.0	(447.5)	3,421.5

(Note) Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the term-end.

(Billions of yen)

	FY2007		FY2006
	(a)	(a) - (b)	(b)
Sales of investment trusts to individuals	1,151.9	(198.3)	1,350.2
Sales of Pension-type insurance	389.4	(72.3)	461.7

20. Other Financial Data <SMBC Non-consolidated>

(1) Debt Forgiveness

(Billions of yen)

	FY2007
Number of companies whose debts have been forgiven	-
Principal amount forgiven	-

(Note) Debt forgiveness associated with legal settlement is not included.

(2) Outstanding Balance and the Amount Sold of Stocks in Other Securities

(Billions of yen)

	Mar. 31, 2008	Mar. 31, 2007
Balance sheet amount	3,190.2	4,262.1
Acquisition cost	2,253.9	2,283.4

(Billions of yen)

	FY2007
Amount sold	approx. (40.0)

21. Number of Directors and Employees <SMBC Non-consolidated>

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Directors and auditors (*1)	20	(2)	22
Executive officers (*2)	61	2	59
Employees (*3)	17,886	1,479	16,407

(*1) Include those of SMFG.

(*2) Who are not board members

(*3) Include overseas local staff but exclude executive officers, contract employees, and temporary staff.

Number of employees is reported on the basis of full-time workers.

22. Number of Offices <SMBC Non-consolidated>

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Domestic branches (*)	416	10	406
Domestic sub-branches and agents	158	1	157
Overseas branches	19	1	18
Overseas sub-branches	6	1	5
Overseas representative offices	15	2	13

(Reference)

Number of offices of SMBC Europe	4	-	4
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(*) Branches specialized in receiving money transfers, branches specialized in controlling ATMs in grocery stores, and International Business Operations Department are excluded.

23. Deferred Tax Assets

(1) Deferred Tax Assets on the Balance Sheet

(Billions of yen)

(Reference)
Temporary
differences

<SMBC Non-consolidated>

			Mar. 31, 2008	Change from Mar. 31, 2007	Mar. 31, 2007	Mar. 31, 2008
(a) Total deferred tax assets	(b-c)	1	1,094.1	(295.2)	1,389.3	
(b) Subtotal of deferred tax assets		2	1,763.5	(161.5)	1,925.0	4,303.7
Reserve for possible loan losses		3	99.3	19.8	79.5	244.4
Write-off of loans		4	104.6	3.1	101.5	257.5
Write-off of securities		5	576.8	150.9	425.9	1,419.6
Reserve for employee retirement benefits		6	47.1	(10.7)	57.8	115.8
Depreciation		7	6.3	(0.5)	6.8	15.5
Reserve for possible losses on investments		8	5.2	(26.3)	31.5	12.8
Net unrealized losses on other securities		9	-	-	-	-
Net deferred losses on hedges		10	51.4	(8.4)	59.8	126.5
Net operating loss carryforwards		11	813.5	(298.8)	1,112.3	1,965.6
Other		12	59.3	9.4	49.9	146.0
(c) Valuation allowance		13	669.4	133.7	535.7	
(d) Total deferred tax liabilities		14	270.8	(374.9)	645.7	935.9
Gains on securities contributed to employee retirement benefits trust		15	41.6	(0.1)	41.7	102.3
Net unrealized gains on other securities		16	197.6	(375.8)	573.4	755.7
Net deferred gains on hedges		17	-	-	-	-
Other		18	31.6	1.0	30.6	77.9
Net deferred tax assets (Balance sheet amount)	(a-d)	19	823.3	79.7	743.6	
Amount corresponding to the deferred tax assets shown in line 10	(*1)	20	51.4	(8.4)	59.8	126.5
Amount corresponding to the deferred tax liabilities shown in line 16	(*2)	21	(197.6)	375.8	(573.4)	(755.7)
Net deferred tax assets excluding the amount shown in line 20 and 21		22	969.5	(287.7)	1,257.2	2,390.3

Effective income tax rate	23	40.63%	-	40.63%
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<Consolidated>

(e) Net deferred tax assets	24	933.5	97.2	836.3	
(f) Tier I	25	4,381.5	478.2	3,903.3	
Net deferred tax assets/Tier I	(e/f)	26	21.3%	(0.1%)	21.4%

(*1) Companies may consider net deferred losses on hedges to be collectable, in case they assess the collectability of deferred tax assets on the basis of their future taxable income as stipulated in examples (4) proviso of the practical guidelines on assessing the collectability of deferred tax assets issued by the JICPA. ["Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8)].

(*2) Deferred tax assets are recognized on the balance sheet on a net basis after offsetting against deferred tax liabilities arising from net unrealized gains on other securities. But the collectability is assessed for the gross deferred tax assets, before offsetting against deferred tax liabilities.

(JICPA Auditing Committee Report No.70 "Auditing Treatment Regarding Application of Tax Effect Accounting to Valuation Differences on Other Securities and Losses on Impairment of Fixed Assets")

(2) Reason for Recognition of Deferred Tax Assets

(a) Recognition Criteria

Practical Guideline, examples (4) proviso

(1) SMBC has significant tax loss carryforwards resulting from taking the measures described below in order to quickly strengthen its financial base, and are accordingly judged to be attributable to extraordinary factors. As a result, with regard to temporary differences which are considered to be reversible, SMBC recognized deferred tax assets within the limits of the estimated future taxable income for the period (approximately 5 years) pursuant to the practical guidelines on assessing the collectability of deferred tax assets issued by the JICPA ("Practical Guidelines") (*1).

(a) Disposal of Non-performing Loans

SMBC established internal standards for write-offs and provisions based on self-assessment in accordance with the "Prompt Corrective Action" adopted in fiscal 1998 pursuant to the law concerning the maintenance of sound management of financial institutions (June 1996). SMBC has been aggressively disposing of non-performing loans and bolstering provisions against the risk of asset deterioration under the severe business environment of a prolonged sluggish economy

In addition, pursuant to the government's "Program for Financial Revival" of October 2002, SMBC accelerated the disposal of non-performing loans in order to reduce the problem asset ratio to half by the end of fiscal 2004. As a result, SMBC achieved this target 6 months ahead of schedule, in the first half of fiscal 2004.

In these processes, the amount of taxable disposals of non-performing loans(*2) increased and accumulated. Afterwards, despite partial increase in taxable disposals led by incurrence of credit cost, taxable disposals have been realized as a whole.

(b) Disposal of Unrealized Losses on Stocks

SMBC has been accelerating its effort to reduce stockholdings in order to lower the risk of stock price fluctuations, and to comply, at an early date, with the regulation limiting stockholdings that was adopted in fiscal 2001.

During fiscal 2002, SMBC sold stocks and reduced the balance by approximately ¥1.1 trillion, and also disposed in lump sum unrealized losses on stocks of approximately ¥1.2 trillion by writing off impaired stocks and using the gains on the March 2003 merger. Consequently, SMBC complied with the regulation limiting stockholdings at the end of fiscal 2002, before the deadline.

As a result, the outstanding balance of taxable write-offs on securities (*2) increased temporarily (from approximately ¥0.1 trillion as of March 31, 1999 to approximately ¥1.5 trillion as of March 31, 2003). Afterwards, while the amount of the taxable disposal resulting from reduction of stocks etc. was added, taxable write-offs of securities carried out in the past were realized through the sales of stocks

(2) Consequently, tax loss carryforwards of corporate income tax amounted to approximately ¥1.97 trillion as of March 31, 2008, but they are to be offset by the end of their carry-over period by the taxable income that will be generated in the future. No material tax loss carryforwards have expired in the past.

(*1) JICPA Auditing Committee Report No.66 "Auditing Treatment Regarding Judgment of Realizability of Deferred Tax Assets"

(*2) Corresponds to "Temporary differences" in the table on the previous page.

(b) Period for Future Taxable Income to be estimated

5 years

(c) Accumulated Amount of Estimated Future Taxable Income before Adjustments for the Next 5 Years

		(Billions of yen)	
		Estimates of next 5 years	
Banking profit (before provision for general reserve for possible loan losses)	1		3,740.3
A Income before income taxes	2		2,110.9
B Adjustments to taxable income (excluding reversal of temporary differences as of Mar. 31, 2008)	3		455.3
C Taxable income before adjustments (A+B)	4		2,566.2
Deferred tax assets corresponding to taxable income before adjustments	5		1,042.6

[Basic Policy]

- (1) Estimate when the temporary differences will be reversed
- (2) Conservatively estimate the taxable income before adjustments for the next 5 years
 - (a) Rationally make earnings projection for up to the ended March 31, 2012 based on the medium-term management plan (up to fiscal 2009), launched in April 2007.
 - (b) Reduce the earnings projection by reasonable amount, reflecting the uncertainty of the projection.
 - (c) Add the necessary adjustments if any.
- (3) Calculate and record the amount of "deferred tax assets" by multiplying effective tax rate and the taxable income before adjustments estimated above.

(Reference) Income of final return (before deducting operating loss carryforwards) for the last 5 years

	(Billions of yen)				
	FY2003	FY2004	FY2005	FY2006	FY2007
Income of final return (before deducting operating loss carryforwards)	(1,437.8)	317.2	(652.4)	(67.0)	744.8

(Notes) 1. (Income of final return before deduction of operating loss carryforwards)

= (Taxable income before adjustments for each fiscal year) - (Temporary differences to be reversed for each fiscal year)

2. Since the final declaration for the corporate income tax is done by the end of June, the figures for FY2007 is estimated.

3. The figures above include amounts arising from "extraordinary factors" that are specified in the Practical Guideline.

Taxable income has been reported each year when these amounts are excluded.

24. Earnings Forecast for FY2008

Sumitomo Mitsui Financial Group, Inc.

<Non-consolidated>

(Billions of yen)

	FY2008 Forecast		FY2007 Result
	1H FY2008		
Operating income	49.0	150.0	111.6
Operating profit	46.0	145.0	105.4
Ordinary profit	36.0	130.0	89.1
Net income	35.0	125.0	83.0

Dividend per share forecast

(Yen)

	FY2008 Forecast		FY2007 Annual Result
	Interim	Annual	
Common stock (*)	7,000	14,000	12,000
Type 4 preferred stock	67,500	135,000	135,000
Type 6 preferred stock	44,250	88,500	88,500

(*) As announced on May 16, 2008, a 100 for 1 split of common stock will be implemented on the previous day of the enforcement of the "Law Partially Amending the Law Concerning Book-Entry Transfer of Corporate Bonds, Etc. and other Laws for Streamlining the Settlement for Trade in Stocks and Other Securities" (Law No. 88 of 2004).

Assuming that the stock split had been implemented at the beginning of the fiscal year, interim and year-end common stock dividend per share for the fiscal year ending March 31, 2009 would be JPY 70 each, and total annual dividends per share would be JPY 140.

(Reference)

(Billions of yen)

Total dividend planned	60.1	120.2	104.9
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<Consolidated>

(Billions of yen)

	FY2008 Forecast		FY2007 Result
	1H FY2008		
Ordinary income	1,850.0	3,900.0	4,623.5
Ordinary profit	380.0	850.0	831.2
Net income	210.0	480.0	461.5

(Reference)

Sumitomo Mitsui Banking Corporation

<Non-consolidated>

(Billions of yen)

	FY2008 Forecast		FY2007 Result
	1H FY2008		
Gross banking profit	740.0	1,540.0	1,484.8
Expenses	(350.0)	(710.0)	(665.1)
Banking profit (before provision for general reserve for possible loan losses)	390.0	830.0	819.7
Ordinary profit	270.0	610.0	510.7
Net income	180.0	390.0	205.7

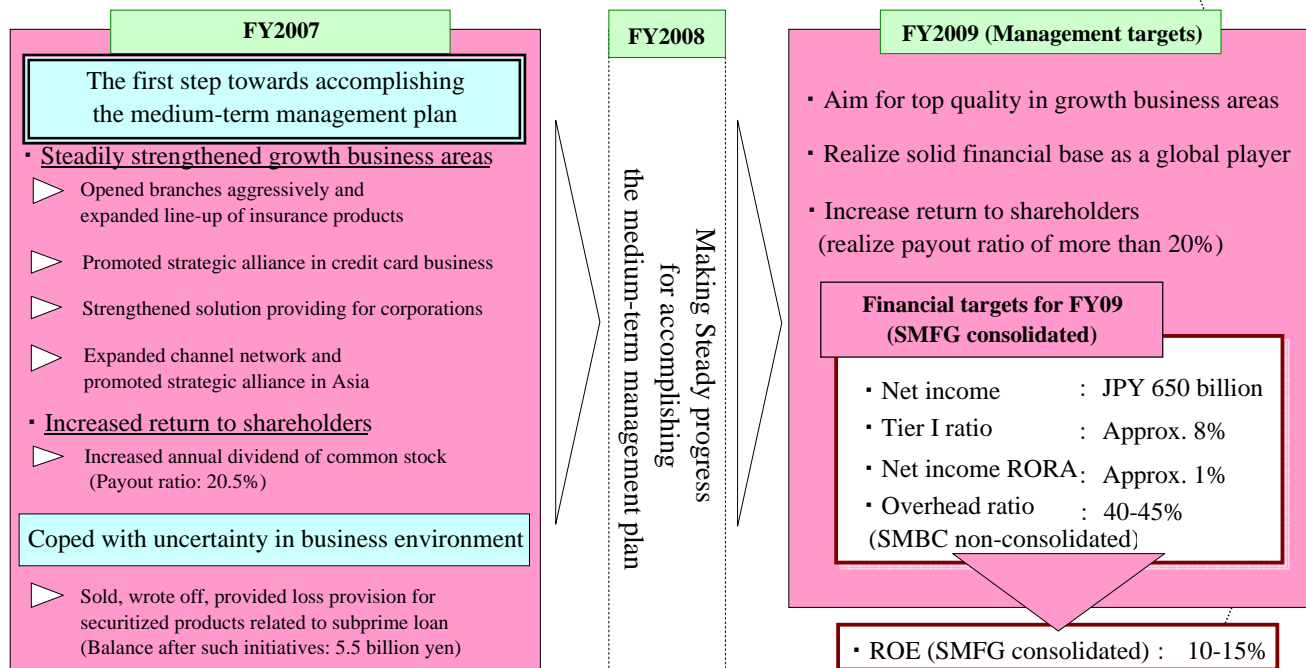
Total credit cost (*)	(90.0)	(180.0)	(147.8)
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(*) (Provision for general reserve for possible loan losses) + (Credit cost included in non-recurring losses)

+ (Gains on collection of written-off claims included in Extraordinary gains)

(Reference 1) Overview of Medium-term Management Plan and Management Policy in FY2008

Overview of Medium-term Management Plan (FY2007 ~ 2009) and initiatives taken in FY2007



FY2008 Management Policy:

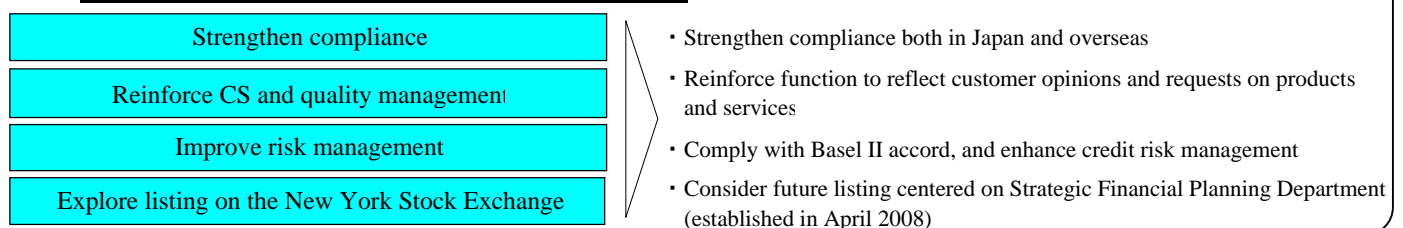
"Taking a step forward to accomplishing the medium-term management plan, while coping with uncertainty in business environment"

■ **Strengthen targeted growth business areas**

<Examples of major initiatives>



■ **Fortify platform for supporting sustainable growth**



(Reference 2) SMFG's exposure of securitized products

• Managerial accounting basis
 • Provisions do not include provisions for general reserve for possible loan losses.

1. Securitized products

- (1) As of March 31, 2008, SMFG held approx. 270 billion yen in securitized products after write-offs and provisions. Most parts of SMFG's exposure of securitized products is those to Government Sponsored Enterprises ("GSE") etc. with higher credit ratings. (Approx. 220 billion yen)
- (2) SMFG substantially reduced subprime-related exposure to approx. 5.5 billion yen after write-offs and provisions. The amount of loss through the reduction for FY2007 was approx. 93 billion yen (89.1 billion yen of provisions and write-offs, loss on sale of 3.9 billion yen).

<Consolidated>

(Billions of yen)

	March 31, 2008											Ratings of underlying assets, etc.
	Balances (before write-offs) ¹	Overseas	Subprime-related	Net unrealized gains / losses (before write-offs)	Provisions and write-offs	Subprime-related	Balances (after provisions and write-offs) (a.-b.)	Overseas	Subprime-related	Net unrealized gains / losses (after write-offs)	Subprime-related	
	(a.)				(b.)							
RMBS	219.8	219.8	-	(1.6)	-	-	219.8	219.8	-	(1.6)	-	
Guaranteed by GSE etc.	219.8	219.8	-	(1.6)	-	-	219.8	219.8	-	(1.6)	-	AAA
Cards	12.5	12.5	-	(0.6)	-	-	12.5	12.5	-	(0.6)	-	A~BBB
CLO	24.3	24.3	-	(3.4)	0.4	-	23.9	23.9	-	(3.0)	-	
Senior (*4)	22.0	22.0	-	(2.4)	-	-	22.0	22.0	-	(2.4)	-	AAA~A
Equity	2.3	2.3	-	(1.0)	0.4	-	1.9	1.9	-	(0.6)	-	No ratings
CMBS	6.0	-	-	0.0	-	-	6.0	-	-	0.0	-	BBB
ABS-CDO	73.5	73.5	73.5	(68.6)	68.6	68.6	4.9	4.9	4.9	-	-	
Senior (*4)	66.1	66.1	66.1	(61.2)	61.2	61.2	4.9	4.9	4.9	-	-	Speculative ratings
Mezzanine (*5)	5.3	5.3	5.3	(5.3)	5.3	5.3	-	-	-	-	-	Speculative ratings, No ratings
Equity	2.1	2.1	2.1	(2.1)	2.1	2.1	-	-	-	-	-	No ratings
Investments to securitized products (A)	336.1	330.1	73.5	(74.2)	69.0	68.6	267.1	261.1	4.9	(5.2)	-	
Warehousing Loans etc. (B)	35.4	35.4	21.1	/	28.9	20.5	6.5	6.5	0.6	/	/	
Total (A+B)	371.5	365.5	94.6	/	97.9	89.1	273.6	267.6	5.5	/	/	

(*1) Aside from above mentioned provisions and write-offs of approx. 89.1 billion yen, SMBC sold subprime-related products of approx. 350 billion yen and recorded loss on sale of approx. 3.9 billion yen.

(*2) SMBC's exposure to subordinated beneficiaries owned through the securitization of SMBC's loan receivables (see next page for details) isn't included.

(*3) "Senior" means the upper tranche with credit rating of A or above on securitization.

(*4) "Mezzanine" means junior to "Senior" but not "Equity".

(*5) Warehousing loans represent lendings to SPV established for the securitization with collateral of SPV's assets.

(*6) Credit ratings are in principle indicated by the lower of S&P ratings and Moody's Investors Services ("Moody's") ratings.

Notation of credit ratings is followed by the notation system of S&P.

(Note) Subordinated beneficiaries in securitization of SMBC's loan receivables

- (1) Through securitization of SMBC's loan receivables, SMBC holds a part of loan receivables which constitute subordinated beneficiaries in securitization.
- (2) As of March 31, 2008, SMBC holds approx. 250 billion yen of those subordinated beneficiaries. Most of the securitized assets are domestic residential mortgage loans with low default rate. SMBC properly enforced self-assessment and adequately established provisions and write-offs for the subordinated beneficiaries.

No subsidiary other than SMBC has those subordinated beneficiaries mentioned above.

(Billions of yen)

	March 31, 2008			
	Balances	Overseas	Subprime-related	Loan loss reserve
Receivables of residential mortgage loans	245.5	-	-	-
Receivables of loans to corporations	7.9	-	-	1.5
Total	253.4	-	-	1.5

2. Transactions with monoline insurance companies

Monoline insurance companies guarantee payment when underlying or reference assets become unpaid. Our recognition of profit or loss on the transactions with monoline insurance companies is basically affected by the credit conditions and prices of underlying or reference assets, and is also affected by the credit conditions of monoline insurance companies.

(1) Credit derivatives ("Credit Default Swap, CDS") transactions with monoline insurance companies

- ① Through cover transactions in CDS* brokerage with monoline insurance companies, SMFG holds, as of March 31, 2008, approx. 30 billion yen of net exposure** after net of reserve. All of these exposure are to companies with high credit ratings. Reference assets of these CDS transactions are investment grade equivalent, and do not include subprime-related assets.
- ② SMFG enforces self-assessment to these exposures and in fiscal year ended March 31, 2008, since the creditworthiness of a part of monoline insurance companies was substantially deteriorated, SMFG provisioned full amount of reserves for the exposure to the particular company and conducted a series of transactions (realized loss of 30 billion of yen) to set the upper limit of loss amount associated to the remaining exposure in order to avoid any additional losses.
- (* Derivatives to hedge credit risks
** Mark-to-market value claimable to monoline insurance companies for net loss of reference assets on the settlement)

<Consolidated>

(Billion of yen)

	March 31, 2008		Amount of reference assets As of Mar. 31
	Net exposure	Loan loss reserve	
Exposure to CDS transactions with monoline insurance companies	31.1	1.9	559.1

- (Note) 1. Excluding figures related to the portion to which SMFG already realized losses (30 billion of yen) through write-off
2. The credit ratings of counterparty monoline insurance companies (excluding those to which SMFG realized losses) are equal to or above AA rank, most of them are ranked to AAA by S&P or Moody's.

(2) Loans and investments guaranteed by monoline insurance companies etc.

- ① As of March 31, 2008, SMFG holds approx. 40 billion yen of exposure in loans and investments guaranteed by monoline insurance companies.
- ② Underlying assets are those of project finance and local government bonds with investment grade equivalent, no subprime-related assets. SMFG properly enforces self-assessment to these loans and investments.

<Consolidated>

(Billion of yen)

	March 31, 2008	
	Exposure	Loss provisions
Loans and investments guaranteed or insured by monoline insurance companies	41.7	-

- (Reference) In addition, we had approx. 16 billion yen in commitment contracts (withdrew amount: 10 million yen) to insurance companies with monoline insurance companies as group members. There are no indications so far that the creditworthiness of these monoline insurance companies are at issue.

3. Leveraged loans

- (1) As of March 31, 2008, SMFG's balance of financing for mergers and acquisitions of whole or part of companies, was approx. 840 billion yen and undrawn commitments for them was approx. 120 billion yen.
- (2) In providing loan and credit line for mergers and acquisitions, SMFG carefully scrutinizes stability of cash-flow of the borrowers, and, especially in overseas, diversifying especially for overseas portfolio in order to reduce concentration risk.
At the same time, in credit risk management, SMFG monitors each of such transactions individually, making loss provisions properly, thereby maintaining quality of portfolio both in domestic and overseas.

<Consolidated>

(Billions of yen)

	March 31, 2008		
	Loans	Undrawn commitments	Loss provisions
Europe	325.4	11.0	-
Japan	232.3	17.9	13.7
United States	195.4	81.2	1.3
Asia (excluding Japan)	89.6	8.0	0.5
Total	842.7	118.1	15.5

*1 Above figures include the amount to be sold of approx. 80 billion yen.

Loss on sales is expected to be below 10% to its face value, currently.

*2 Above figures do not include leveraged loans which are collaterals of included in securitized products exposure shown on page 21.

4. ABCP programs as Sponsor

- (1) SMFG sponsors issuance of ABCP, whose reference assets are such as clients' receivables, in order to fulfill clients' financing needs.
Specifically, SMFG, as a sponsor, provides services to special purpose vehicles, which are set up for clients' financing needs, for purchase of claims, financing, issuance and sales of ABCP. SMFG also provides liquidity and credit supports for such special purpose vehicles.
- (2) As of March 31, 2008, the total notional amount of reference assets of sponsored ABCP programs is approx. 960 billion yen. Most of the reference assets are credible claims of corporate clients and do not include subprime loan related assets.
In addition, regarding the exposure of liquidity and credit supports, SMFG properly conducts self-assessment, and there is no need to prepare reserves so far.

(Billions of yen)

Types of reference assets	March 31, 2008				Support for programs	
	Notional amount of reference assets	Overseas	Subprime loan related assets	Loss provisions	Liquidity support	Credit support
Claims on corporations	828.6	192.3	-	0.1	yes	yes
	65.4	-	-	-	no	no
Claims on financial institutions	40.1	40.1	-	-	yes	yes
Retail loan claims	25.1	25.1	-	-	yes	yes
Other claims	2.1	2.1	-	-	yes	yes
Total	961.3	259.6	-	0.1		

(Note) The maximum amount of credit supports provided for overseas ABCP program is limited to 10% of the balance of reference assets.
On the other hand, the maximum amount of credit supports provided for domestic ABCP programs are limited to the balance of 100% of reference assets.

(Reference) In addition, SMFG provides liquidity and credit supports for ABCP programs which are sponsored by other banks. Total notional amount of reference assets of such programs are approx. 110 billion yen.

5. Others

SMFG has no securities issued by Structured Investment Vehicles.

(Reference 3) Financial Statements of SMBC

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

	(Millions of yen)		
	March 31, 2008 (A)	March 31, 2007 (B)	Change (A-B)
Assets			
Cash and due from banks and Deposits with banks	4,948,530	3,999,561	948,969
Call loans	362,988	1,003,796	(640,808)
Receivables under resale agreements	328,544	39,725	288,819
Receivables under securities borrowing transactions	1,900,294	2,213,314	(313,020)
Bills bought	11,094	2,861	8,233
Commercial paper and other debt purchased	447,538	333,524	114,014
Trading assets	3,638,676	2,914,023	724,653
Money held in trust	7,329	2,924	4,405
Securities	22,758,241	20,060,873	2,697,368
Loans and bills discounted	56,957,813	53,756,440	3,201,373
Foreign exchanges	836,917	835,617	1,300
Other assets	2,196,999	1,442,066	754,933
Tangible fixed assets	676,072	678,581	(2,509)
Intangible fixed assets	106,469	87,615	18,854
Deferred tax assets	823,251	743,605	79,646
Customers' liabilities for acceptances and guarantees	4,665,062	4,177,816	487,246
Reserve for possible loan losses	(620,004)	(677,573)	57,569
Reserve for possible losses on investments	(12,801)	(77,547)	64,746
Total assets	100,033,020	91,537,228	8,495,792
Liabilities			
Deposits	66,417,260	66,235,002	182,258
Negotiable certificates of deposit	2,965,574	2,574,335	391,239
Call money	2,656,142	2,291,128	365,014
Payables under repurchase agreements	1,825,481	104,640	1,720,841
Payables under securities lending transactions	5,732,042	1,516,342	4,215,700
Trading liabilities	2,307,304	1,578,730	728,574
Borrowed money	3,798,333	3,371,846	426,487
Foreign exchanges	301,958	329,695	(27,737)
Bonds	3,539,110	3,647,483	(108,373)
Due to trust account	80,796	65,062	15,734
Other liabilities	2,178,263	1,588,683	589,580
Reserve for employee bonuses	8,857	8,892	(35)
Reserve for executive bonuses	496	-	496
Reserve for executive retirement benefits	4,800	4,757	43
Reserve for point service program	1,870	990	880
Reserve for reimbursement of deposits	9,587	-	9,587
Reserve under special law	0	18	(18)
Deferred tax liabilities for land revaluation	46,827	48,917	(2,090)
Acceptances and guarantees	4,665,062	4,177,816	487,246
Total liabilities	96,539,771	87,544,344	8,995,427
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	894,839	761,028	133,811
Other retained earnings	894,839	761,028	133,811
Reserve for losses on overseas investments	0	0	(0)
Voluntary reserve for retirement allowances	1,656	1,656	-
Voluntary reserve	219,845	219,845	-
Retained earnings brought forward	673,337	539,526	133,811
Total stockholders' equity	2,927,374	2,793,563	133,811
Net unrealized gains on other securities	558,103	1,259,814	(701,711)
Net deferred losses on hedges	(13,787)	(84,733)	70,946
Land revaluation excess	21,558	24,240	(2,682)
Total valuation and translation adjustments	565,874	1,199,320	(633,446)
Total net assets	3,493,249	3,992,884	(499,635)
Total liabilities and net assets	100,033,020	91,537,228	8,495,792

(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)

	FY2007 (A)	FY2006 (B)	Change (A-B)
Ordinary income	2,933,626	2,451,351	482,275
Interest income	1,866,277	1,706,170	160,107
<i>Interest on loans and discounts</i>	1,326,278	1,143,361	182,917
<i>Interest and dividends on securities</i>	322,287	369,039	(46,752)
Trust fees	3,710	3,482	228
Fees and commissions	452,527	465,171	(12,644)
Trading profits	440,985	103,719	337,266
Other operating income	121,812	106,725	15,087
Other income	48,313	66,082	(17,769)
Ordinary expenses	2,422,886	1,878,037	544,849
Interest expenses	895,469	768,722	126,747
<i>Interest on deposits</i>	426,846	396,300	30,546
Fees and commissions	120,165	111,754	8,411
Trading losses	-	2,098	(2,098)
Other operating expenses	384,906	158,207	226,699
General and administrative expenses	659,992	609,816	50,176
Other expenses	362,353	227,438	134,915
Ordinary profit	510,739	573,313	(62,574)
Extraordinary gains	11,051	41,226	(30,175)
Extraordinary losses	14,336	27,610	(13,274)
Income before income taxes	507,454	586,928	(79,474)
Income taxes, current	16,031	16,507	(476)
Income taxes, deferred	285,680	254,680	31,000
Net income	205,742	315,740	(109,998)

(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>

Year ended March 31, 2008

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2007	664,986	665,033	702,514	0	1,656	219,845	539,526	2,793,563
Changes in FY2007								
Transfer from reserve for losses on overseas investments				(0)			0	-
Cash dividends							(74,613)	(74,613)
Net income							205,742	205,742
Transfer from land revaluation excess							2,681	2,681
Net changes in the items other than stockholders' equity in FY2007								
Net changes in the year	-	-	-	(0)	-	-	133,810	133,810
Balance at March 31, 2008	664,986	665,033	702,514	0	1,656	219,845	673,337	2,927,374

(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, 2007	1,259,814	(84,733)	24,240	1,199,320	3,992,884
Changes in FY2007					
Transfer from reserve for losses on overseas investments					-
Cash dividends					(74,613)
Net income					205,742
Transfer from land revaluation excess					2,681
Net changes in the items other than stockholders' equity in FY2007	(701,711)	70,946	(2,681)	(633,445)	(633,445)
Net changes in the year	(701,711)	70,946	(2,681)	(633,445)	(499,635)
Balance at March 31, 2008	558,103	(13,787)	21,558	565,874	3,493,249

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

Year ended March 31, 2007

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	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
Changes in FY2006								
Transfer from 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 changes in the items other than stockholders' equity in FY2006								
Net changes in the year	-	-	-	(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
Changes in FY2006					
Transfer from reserve for losses on overseas investments					-
Cash dividends					(349,221)
Net income					315,740
Transfer from land revaluation excess					475
Net changes in the items other than stockholders' equity in FY2006	476,323	(84,733)	(475)	391,113	391,113
Net changes in the year	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" and beneficiary claims on loan trust and commodity investment trusts 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)

	March 31, 2008				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	614,081	624,829	10,747	12,035	1,287
Japanese local government bonds	97,311	98,903	1,591	1,591	-
Japanese corporate bonds	380,770	385,506	4,736	4,746	10
Total	1,092,163	1,109,238	17,075	18,373	1,298

(2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	March 31, 2008		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	43,699	57,576	13,876
Stocks of affiliates	133,048	120,225	(12,822)
Total	176,748	177,802	1,054

(3) Other securities with market value

(Millions of yen)

	March 31, 2008				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,924,016	2,860,340	936,324	992,665	56,341
Bonds	8,882,540	8,753,032	(129,508)	15,579	145,087
Japanese government bonds	8,313,837	8,185,168	(128,669)	14,857	143,526
Japanese local government bonds	234,612	233,867	(745)	207	952
Japanese corporate bonds	334,090	333,997	(93)	514	607
Other	4,980,968	4,929,901	(51,067)	22,533	73,600
Total	15,787,525	16,543,274	755,749	1,030,778	275,029

(Notes)

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 93,194 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, 2008	
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,119,810
Stocks of affiliates	11,696
Other	53,764
Other securities	
Unlisted stocks (excluding OTC stocks)	329,891
Unlisted bonds	2,791,413
Unlisted foreign securities	559,964
Other	472,470

[2] Money Held in Trust

(1) Money held in trust for trading purpose

(Millions of yen)

March 31, 2008		
	Balance sheet amount	Net unrealized gains (losses)*
Money held in trust for trading purpose	1,488	3

* The amount is those which are recognized in the Income Statement of FY2007

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

(Millions of yen)

March 31, 2008					
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized	
				gains	losses
Other money held in trust	5,870	5,841	(29)	-	29

5. Statements of Trust Assets and Liabilities <SMBC Non-consolidated>

(Millions of yen)

	March 31, 2008 (A)	March 31, 2007 (B)	Change (A-B)
Loans and bills discounted	223,740	5,350	218,390
Securities	273,504	267,110	6,394
Securities held in custody accounts	3,451	3,000	451
Monetary claims	571,072	703,199	(132,127)
Premises and equipment	25	25	(0)
Other claims	1,318	1,245	73
Call Loans	263	-	263
Due from banking account	80,796	65,062	15,734
Cash and due from banks	20,000	129,401	(109,401)
Other assets	1,540	-	1,540
Total assets	1,175,711	1,174,396	1,315
Designated money trusts	292,193	358,058	(65,865)
Specified money trusts	61,864	91,741	(29,877)
Money in trusts other than money trusts	223,130	-	223,130
Security trusts	3,462	3,000	462
Monetary claims trusts	501,920	598,236	(96,316)
Composite trusts	91,600	123,359	(31,759)
Other liabilities	1,540	-	1,540
Total liabilities	1,175,711	1,174,396	1,315

(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.