

(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)	
				Unrealized gains	Unrealized 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.