

Sumitomo Mitsui Financial Group, Inc. (SMFG)

Consolidated Financial Results for the Third Quarter (Nine Months) ended December 31, 2004 (Unaudited)

Head Office: 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
 Stock Exchange Listings : Tokyo, Osaka, Nagoya (code: 8316)
 URL: <http://www.smfg.co.jp>
 President & CEO: Yoshifumi Nishikawa
 Meeting of the Board of Directors: January 31, 2005

1. Accounting Policy

- (1) Simplified accounting method is not applied.
- (2) There is no change in accounting methods.
- (3) Changes in Scope of Consolidation and Application of the Equity Method (change from September 2004)
 Consolidation: Newly consolidated 14, Excluded 13 Equity method: Newly applied 7, Excluded 3

2. Financial Results

Amounts less than one million yen have been omitted.

(1) Operating Results (for the nine months ended December 31, 2004)

	Ordinary Income		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%
Nine Months ended December 31, 2004	2,614,461	—	236,274	—	142,880	—
ended December 31, 2003	—	—	—	—	—	—
(Ref.) Fiscal year ended March 31, 2004	3,552,510		342,844		330,414	

	Net Income Per Share	Net Income Per Share (Diluted)
	¥	¥
Nine Months ended December 31, 2004	24,268.31	14,163.50
ended December 31, 2003	—	—
(Ref.) Fiscal year ended March 31, 2004	52,314.76	35,865.20

Notes:

1. Operating results for the previous third quarter and percentage changes are not shown because SMFG did not prepare consolidated financial statements for the third quarter (nine months) ended December 31, 2003.
2. Equity in earnings of affiliates
 for the nine months ended December 31, 2004: 17,644 million yen (Ref.) for the fiscal year ended March 31, 2004: 15,700 million yen
3. Average number of common stocks outstanding (consolidated)
 for the nine months ended December 31, 2004: 5,887,551 shares (Ref.) for the fiscal year ended March 31, 2004: 5,760,808 shares

(2) Financial Position (as of December 31, 2004)

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share
	¥ million	¥ million	%	¥
December 31, 2004	101,271,934	2,843,062	2.8	216,084.81
December 31, 2003	—	—	—	—
(Ref.) March 31, 2004	102,215,172	3,070,942	3.0	215,454.84

Notes:

1. Financial position as of December 31, 2003 is not shown because SMFG did not prepare consolidated financial statements as of December 31, 2003.
2. Number of common stocks outstanding (consolidated)
 as of December 31, 2004: 5,836,860 shares (Ref.) as of March 31, 2004: 5,781,284 shares

3. Earnings Forecast (Fiscal Year ending March 31, 2005)

Earnings forecast previously announced on November 22, 2004 remains unchanged.

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 document: 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.

SMFG reports the financial results for the third quarter ended December 31, 2004. Comparison with the third quarter results of the previous fiscal year is not reported because SMFG did not prepare quarterly consolidated financial statements in the previous fiscal year.

1. Operating Results

In the third quarter of fiscal 2004, SMFG made further progress in enhancing profitability by “accelerating the offensive in strategic businesses.” Sumitomo Mitsui Banking Corporation (SMBC) achieved growth in new-type unsecured loans to small and medium-sized enterprises (“SMEs”) such as “Business Select Loan” and reinforced the financial consulting business for individuals mainly by establishing additional SMBC Consulting Plazas.

In order to accelerate the offensive in strategic businesses on a group basis, SMFG further promoted collaboration among group companies and strengthening of group profitability through initiatives such as reinforcement of credit card business by Sumitomo Mitsui Card, development of SME customers by SMBC Leasing and development of IT business opportunities utilizing financial system know-how by Japan Research Institute.

Furthermore, SMFG advanced its alliance strategy. For example, in investment banking business, SMFG further strengthened the partnership with Daiwa Securities Group through securities intermediary business for corporate customers. In consumer finance business, SMFG formed a capital and business alliance with Promise Co., Ltd. for offering new types of consumer loans.

On a consolidated basis, SMFG recorded gross banking profit for the nine months of ¥1,525.0 billion, general and administrative expenses of ¥637.3 billion and total credit cost of ¥753.1 billion. As a result, SMFG recorded ordinary profit of ¥236.3 billion and net income of ¥142.9 billion.

On a non-consolidated basis, SMBC recorded gross banking profit of ¥1,140.1 billion and expenses (excluding non-recurring losses) of ¥437.4 billion. As a result, banking profit (before provision for general reserve for possible loan losses) amounted to ¥702.7 billion. Ordinary profit and net income amounted to ¥205.3 billion and ¥191.9 billion, respectively. Total credit cost was ¥565.5 billion.

2. Financial Position

SMFG’s consolidated total assets as of December 31, 2004 decreased ¥943.2 billion to ¥101,271.9 billion and total stockholders’ equity decreased ¥227.9 billion to ¥2,843.1 billion, compared with March 31, 2004.

Deposits increased ¥2,792.3 billion to ¥68,125.8 billion. Loans and bills discounted also increased ¥785.5 billion to ¥56,168.3 billion. BIS capital ratio was 10.47% on a consolidated basis.

Changes in problem assets and net unrealized gains on other securities are as follows:

(1) Problem assets

On a consolidated basis, problem assets based on the Financial Reconstruction Law decreased ¥211.2 billion to ¥2,754.4 billion compared with September 30, 2004.

SMBC’s non-consolidated problem assets totaled ¥2,294.2 billion, a decrease of ¥190.2 billion. Problem asset ratio was 4.0%.

In order to “complete intensive improvement in asset quality,” SMBC further reduced non-performing loans through greater efforts for corporate recoveries, prevention of deterioration of borrowers’ financial conditions and off-balancing.

(2) Net unrealized gains on other securities

On a consolidated basis, net unrealized gains on other securities decreased ¥118.8 billion to ¥456.8 billion compared with March 31, 2004.

SMBC’s non-consolidated net unrealized gains on other securities decreased ¥128.3 billion to ¥427.8 billion compared with March 31, 2004. This is mainly because net unrealized gains on stocks decreased by ¥158.0 billion compared with March 31, 2004, though valuation losses on bonds decreased by ¥65.2 billion.

[Appendix]

1. Consolidated Balance Sheets

(Millions of yen)

	December 31, 2004 (A)	March 31, 2004 (B)	Change (A) - (B)	December 31, 2003
Assets:				
Cash and due from banks	5,163,965	5,328,950	(164,985)	
Call loans and bills bought	452,650	360,509	92,141	
Receivables under resale agreements	194,336	152,070	42,266	
Receivables under securities borrowing transactions	1,232,430	1,009,328	223,102	
Commercial paper and other debt purchased	596,552	480,847	115,705	
Trading assets	3,422,953	3,306,780	116,173	
Money held in trust	3,811	3,749	62	
Securities	23,365,832	27,049,901	(3,684,069)	
Loans and bills discounted	56,168,320	55,382,800	785,520	
Foreign exchanges	1,045,263	743,957	301,306	
Other assets	3,655,565	3,034,182	621,383	
Premises and equipment	934,471	984,060	(49,589)	
Lease assets	990,405	991,781	(1,376)	
Deferred tax assets	1,752,817	1,706,586	46,231	
Deferred tax assets for land revaluation	75	706	(631)	
Goodwill	27,763	21,706	6,057	
Customers' liabilities for acceptances and guarantees	3,506,833	3,079,738	427,095	
Reserve for possible loan losses	(1,242,117)	(1,422,486)	180,369	
Total assets	101,271,934	102,215,172	(943,238)	
Liabilities:				
Deposits	68,125,760	65,333,426	2,792,334	
Negotiable certificates of deposit	3,332,478	3,519,464	(186,986)	
Call money and bills sold	4,680,288	6,292,495	(1,612,207)	
Payables under repurchase agreements	663,686	1,098,449	(434,763)	
Payables under securities lending transactions	4,794,608	5,946,346	(1,151,738)	
Commercial paper	374,900	282,700	92,200	
Trading liabilities	1,902,108	1,873,245	28,863	
Borrowed money	2,202,309	2,360,474	(158,165)	
Foreign exchanges	508,096	572,755	(64,659)	
Bonds	4,504,849	4,002,965	501,884	
Due to trust account	22,789	36,032	(13,243)	
Other liabilities	2,648,603	3,591,818	(943,215)	
Reserve for employee bonuses	7,144	22,226	(15,082)	
Reserve for employee retirement benefits	32,319	40,842	(8,523)	
Reserve for expenses related to EXPO 2005 Japan	201	116	85	
Other reserves	1,093	862	231	
Deferred tax liabilities	48,217	40,181	8,036	
Deferred tax liabilities for land revaluation	54,422	56,391	(1,969)	
Acceptances and guarantees	3,506,833	3,079,738	427,095	
Total liabilities	97,410,713	98,150,534	(739,821)	
Minority interests	1,018,158	993,696	24,462	
Stockholders' equity:				
Capital stock	1,247,650	1,247,650	-	
Capital surplus	869,344	865,282	4,062	
Retained earnings	707,323	611,189	96,134	
Land revaluation excess	94,138	96,527	(2,389)	
Net unrealized gains on other securities	251,645	325,013	(73,368)	
Foreign currency translation adjustments	(57,481)	(71,764)	14,283	
Treasury stock	(269,558)	(2,956)	(266,602)	
Total stockholders' equity	2,843,062	3,070,942	(227,880)	
Total liabilities, minority interests and stockholders' equity	101,271,934	102,215,172	(943,238)	

(Notes)

1. Amounts less than one million yen have been omitted.
2. SMFG did not prepare consolidated financial statements as of December 31, 2003.

2. Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2004 (A)	Nine months ended December 31, 2003 (B)	Change (A) - (B)	Year ended March 31, 2004 (Condensed)
Ordinary income	2,614,461			3,552,510
Interest income	1,121,932			1,591,338
Interest on loans and discounts	854,528			1,167,622
Interest and dividends on securities	175,997			256,600
Trust fees	1,294			334
Fees and commissions	426,275			501,028
Trading profits	148,241			305,011
Other operating income	736,429			946,474
Other income	180,288			208,323
Ordinary expenses	2,378,187			3,209,665
Interest expenses	250,110			310,267
Interest on deposits	87,526			104,644
Fees and commissions	68,351			76,851
Trading losses	539			916
Other operating expenses	590,137			886,649
General and administrative expenses	637,324			866,549
Other expenses	831,724			1,068,430
Ordinary profit	236,274			342,844
Extraordinary gains	3,634			117,020
Extraordinary losses	30,541			54,971
Income before income taxes and minority interests	209,367			404,894
Income taxes, Current	28,788			24,289
Income taxes, Refund	8,598			-
Income taxes, Deferred	4,981			8,593
Minority interests in net income	41,315			41,596
Net income	142,880			330,414

(Notes)

1. Amounts less than one million yen have been omitted.
2. Figures for the previous third quarter and changes are not reported because SMFG did not prepare consolidated financial statements for the nine months ended December 31, 2003.

3. Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of yen)

	Nine months ended December 31, 2004 (A)	Nine months ended December 31, 2003 (B)	Change (A) - (B)	Year ended March 31, 2004
<u>Capital surplus</u>				
Capital surplus at beginning of term (year)	865,282			856,237
Increase of capital surplus	4,062			9,044
Gains on disposal of treasury stock	4,062			9,044
Capital surplus at end of term	869,344			865,282
<u>Retained earnings</u>				
Retained earnings at beginning of term (year)	611,189			311,664
Increase of retained earnings	147,021			334,898
Net income	142,880			330,414
Increase due to decrease of consolidated subsidiaries	4			-
Increase due to decrease of affiliates accounted for by the equity method	1,747			54
Increase due to transfer of land revaluation excess	2,389			4,428
Decrease of retained earnings	50,887			35,373
Dividends paid	46,421			33,306
Decrease due to merger of consolidated subsidiaries	-			2,066
Decrease due to decrease of consolidated subsidiaries	0			-
Decrease due to decrease of affiliates accounted for by the equity method	4,466			-
Retained earnings at end of term (year)	707,323			611,189

(Notes)

1. Amounts less than one million yen have been omitted.
2. Figures for the previous third quarter and changes are not reported because SMFG did not prepare consolidated financial statements for the nine months ended December 31, 2003.

4. Segment Information

Business segment information

(Millions of yen)

	Nine months ended December 31, 2004 (A)	Nine months ended December 31, 2003 (B)	Change (A) - (B)	Year ended March 31, 2004
Ordinary profit				
Banking Business	117,578			223,627
Leasing	31,442			34,616
Other	98,139			96,317
Subtotal	247,159			354,562
Elimination and unallocated corporate assets	(10,884)			(11,717)
Consolidated	236,274			342,844

(Notes)

1. Amounts less than one million yen have been omitted.
2. Figures for the previous third quarter and changes are not reported because SMFG did not prepare consolidated financial statements for the nine months ended December 31, 2003.
3. "Other" includes securities, credit card, investment banking, loans, venture capital, system development and data processing business.

Third Quarter Financial Results for the Nine Months ended December 31, 2004 - Supplementary Information -

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Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Highlights of the Financial Results for the Nine Months ended December 31, 2004

(1) Operating Results for the Nine Months ended December 31, 2004

<Consolidated>

		Nine months ended December 31, 2004
Ordinary profit	1	236.3
Net income	2	142.9

<Reference>

(Billions of yen)

Year ended Mar.2005 (Forecast)		Year ended Mar.2004 (Results)	
1st Half (Results)	(Note)	1st Half	(Results)
114.1	470.0	165.5	342.8
53.4	180.0	143.5	330.4

<SMBC Non-consolidated>

		Nine months ended December 31, 2004
Banking profit (before provision for general reserve for possible loan losses)	3	702.7
Ordinary profit	4	205.3
Net income	5	191.9

<Reference>

(Billions of yen)

Year ended Mar.2005 (Forecast)		Year ended Mar.2004 (Results)	
1st Half (Results)	(Note)	1st Half	(Results)
471.6	980.0	499.3	1,000.1
125.2	440.0	105.2	185.1
118.6	250.0	139.6	301.1

Total credit cost	6	(565.5)
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(455.8)	(650.0)	(359.4)	(803.4)
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(Note) Earnings forecast for the year ending March 31, 2005 was announced on November 22, 2004.

(2) Capital Ratio (BIS)

<Consolidated>

		Dec. 31, 2004
Capital Ratio	7	10.47%
Tier I Ratio	8	5.60%

<Reference>

Sept. 30, 2004	Mar. 31, 2004
10.93%	11.37%
6.02%	6.03%

(3) Problem Assets Based on the Financial Reconstruction Law

<Consolidated>

		Dec.31, 2004
Bankrupt and quasi-bankrupt assets	9	556.2
Doubtful assets	10	1,313.0
Substandard loans	11	885.2
Total	12	2,754.4

<Reference> (Billions of yen)

Sep.30, 2004	Mar.31, 2004
707.3	485.9
1,313.3	1,409.1
945.0	1,441.2
2,965.6	3,336.2

<SMBC Non-consolidated>

		Dec.31, 2004
Bankrupt and quasi-bankrupt assets	13	438.7
Doubtful assets	14	1,134.7
Substandard loans	15	720.8
Total	16	2,294.2

<Reference> (Billions of yen)

Sep.30, 2004	Mar.31, 2004
581.1	361.6
1,124.1	1,202.7
779.2	1,246.9
2,484.4	2,811.2

(4) Net Unrealized Gains on Other Securities

<Consolidated>

		Dec. 31, 2004			
		Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Other securities	17	22,524.2	456.8	624.5	(167.7)
Stocks	18	3,067.5	514.8	579.4	(64.6)
Bonds	19	14,811.5	(30.2)	29.0	(59.2)
Others	20	4,645.2	(27.8)	16.1	(43.9)

<Reference>

(Billions of yen)

		Mar. 31, 2004			
		Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
		26,358.6	575.6	787.5	(211.9)
		3,436.8	669.8	736.9	(67.1)
		17,097.7	(103.3)	18.6	(121.9)
		5,824.1	9.1	32.0	(22.9)

1. Operating Results <Consolidated>

		<Reference>			(Millions of yen)
		Nine months ended December 31, 2004	Six months ended Sept. 30, 2004	Year ended March 31, 2004	
Consolidated gross profit	1	1,525,034	1,019,955	2,069,501	
Net interest income	2	871,822	595,790	1,281,070	
Trust fees	3	1,294	729	334	
Net fees and commissions	4	357,923	235,379	424,176	
Net trading income	5	147,701	30,322	304,094	
Net other operating income	6	146,292	157,732	59,825	
General and administrative expenses	7	(637,324)	(423,612)	(866,549)	
Credit related costs	8	(753,115)	(612,826)	(971,455)	
Write-off of loans	9	(461,971)	(391,236)	(660,382)	
Provision for specific reserve for possible loan losses	10	(430,625)	(408,321)	-	
Provision for general reserve for possible loan losses	11	224,163	240,215	-	
Other credit cost	12	(84,682)	(53,482)	(311,072)	
Gains (losses) on stocks	13	20,398	48,817	101,496	
Equity in earnings of affiliates	14	17,644	12,893	15,700	
Other income (expenses)	15	63,636	68,873	(5,848)	
Ordinary profit	16	236,274	114,100	342,844	
Extraordinary gains (losses)	17	(26,907)	(17,385)	62,049	
Reversal of reserve for possible loan losses	18	-	-	14,378	
Provision for specific reserve for possible loan losses	19	-	-	(320,653)	
Reversal of general reserve for possible loan losses	20	-	-	331,225	
Reversal of reserve for losses on loans sold	21	-	-	489	
Income before income taxes and minority interests	22	209,367	96,715	404,894	
Income taxes, current	23	(28,788)	(17,079)	(24,289)	
Income taxes, refund	24	8,598	8,104	-	
Income taxes, deferred	25	(4,981)	(5,277)	(8,593)	
Minority interests in net income	26	(41,315)	(29,090)	(41,596)	
Net income	27	142,880	53,372	330,414	

(Notes)

- Amounts less than one million yen have been omitted. Figures in parenthesis indicate the amount of loss or decrease.
- Consolidated gross profit = (Interest income - interest expenses) + Trust fees + (Fees and commissions (income) - Fees and commissions (expenses)) + (Trading profits - Trading losses) + (Other income - Other expenses)

Total credit cost (8+18+21)	28	(753,115)	(612,826)	(956,586)
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(Reference)

(Billions of yen)

Consolidated net business profit	29	818.0	544.9	1,090.6
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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)

		Dec. 31, 2004	Sept. 30, 2004	Mar. 31, 2004
Consolidated subsidiaries	30	166	166	165
Affiliates accounted for by the equity method	31	52	50	48

2. Operating Results <SMBC, Nonconsolidated>

<Reference> (Millions of yen)

		Nine months ended December 31, 2004	Six months ended Sept. 30, 2004	Year ended Mar. 31, 2004
Gross banking profit	1	1,140,175	762,716	1,584,127
<i>Excluding gains (losses) on bonds</i>	2	1,098,546	736,053	1,561,386
Net interest income	3	714,103	490,868	1,087,060
Trust fees	4	1,294	729	334
Net fees and commissions	5	196,458	127,021	226,568
Net trading income	6	134,512	21,150	280,729
Net other operating income	7	93,806	122,946	(10,565)
<i>Gains (losses) on bonds</i>	8	41,629	26,663	22,741
Expenses (excluding non-recurring losses)	9	(437,443)	(291,136)	(583,995)
Personnel expenses	10	(156,597)	(104,320)	(221,284)
Non-personnel expenses	11	(253,272)	(168,549)	(332,238)
Taxes	12	(27,572)	(18,266)	(30,472)
Banking profit (before provision for general reserve for possible loan losses)	13	702,732	471,580	1,000,132
<i>Excluding gains (losses) on bonds</i>	14	661,103	444,917	977,391
Provision for general reserve for possible loan losses	15	337,581	349,734	-
Banking profit	16	1,040,314	821,314	1,000,132
Non-recurring gains (losses)	17	(835,064)	(696,116)	(814,994)
Credit related costs	18	(903,034)	(805,505)	(869,234)
Write-off of loans	19	(398,641)	(348,769)	(566,344)
Provision for specific reserve for possible loan losses	20	(420,558)	(403,866)	-
Losses on loans sold to CCPC	21			(806)
Losses on sale of delinquent loans	22	(87,209)	(55,707)	(302,083)
Provision for loan loss reserve for specific overseas countries	23	3,374	2,838	-
Gains (losses) on stocks	24	13,990	44,819	103,867
Gains on sale of stocks	25	71,560	60,005	151,170
Losses on sale of stocks	26	(975)	(434)	(36,577)
Losses on devaluation of stocks	27	(56,594)	(14,751)	(10,724)
Other non-recurring gains (losses)	28	53,980	64,570	(49,627)
Ordinary profit	29	205,250	125,198	185,138
Extraordinary gains (losses)	30	(20,360)	(12,127)	133,707
Gains (losses) on disposal of premises and equipment	31	(8,495)	(3,991)	(11,853)
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	32	(12,001)	(8,000)	(19,473)
Reversal of loan loss reserves	33	-	-	65,342
Provision for specific reserve for possible loan losses	34	-	-	(276,402)
Reversal of general reserve for possible loan losses	35	-	-	337,937
Reversal of loan loss reserve for specific overseas countries	36	-	-	3,807
Reversal of reserve for losses on loans sold	37			488
Refund of enterprise tax from Tokyo Government and interest on the refund	38			40,363
Gains on return of the entrusted portion of employee pension fund	39			59,095
Income before income taxes	40	184,890	113,070	318,846
Income taxes, current	41	(2,884)	(1,645)	(12,752)
Income taxes, refund	42	7,890	7,405	-
Income taxes, deferred	43	1,961	(276)	(4,980)
Net income	44	191,857	118,554	301,113
Total credit cost (15+18+33+37)	45	(565,452)	(455,771)	(803,403)

(Note) Amounts less than one million yen have been omitted. Figures in parenthesis indicate the amount of loss or decrease.

3. Capital Ratio (BIS)

<Consolidated>

<Reference> (Billions of yen)

		December 31, 2004	September 30, 2004	March 31, 2004
(1) Capital ratio	1	10.47%	10.93%	11.37%
(2) Tier I	2	3,481.6	3,645.6	3,571.6
(3) Tier II	3	3,481.6	3,419.4	3,416.5
(a) Unrealized gains on securities	4	195.1	208.9	249.4
(b) Land revaluation excess	5	67.0	71.1	68.5
(c) General reserve for possible loan losses	6	615.9	601.7	740.1
(d) Subordinated debt	7	2,603.5	2,537.7	2,358.6
(4) Subtraction items	8	456.2	443.6	250.8
(5) Total capital (2)+(3)-(4)	9	6,506.9	6,621.4	6,737.4
(6) Risk-adjusted assets	10	62,140.7	60,539.1	59,204.0

4. Problem Assets Based on the Financial Reconstruction Law

<Consolidated>

<Reference> (Billions of yen)

		December 31, 2004	Change from Sept. 30, 2004	September 30, 2004	March 31, 2004
Bankrupt and quasi-bankrupt assets	11	556.2	(151.1)	707.3	485.9
Doubtful assets	12	1,313.0	(0.3)	1,313.3	1,409.1
Substandard loans	13	885.2	(59.8)	945.0	1,441.2
Total (A)	14	2,754.4	(211.2)	2,965.6	3,336.2
Normal assets	15	58,084.3	1,016.5	57,067.8	56,127.5
Total (B)	16	60,838.7	805.3	60,033.4	59,463.7
Problem asset ratio (A/B)	17	4.5%	(0.4)%	4.9%	5.6%
Amount of direct reduction		1,811.2	37.2	1,774.0	1,236.1

(Note) In addition to loans, acceptances and guarantees, suspense payments, and other credit-type assets are included in the "Problem Assets Based on the Financial Reconstruction Law."

<SMBC Non-consolidated>

<Reference> (Billions of yen)

		December 31, 2004	Change from Sept. 30, 2004	September 30, 2004	March 31, 2004
Bankrupt and quasi-bankrupt assets	18	438.7	(142.4)	581.1	361.6
Doubtful assets	19	1,134.7	10.6	1,124.1	1,202.7
Substandard loans	20	720.8	(58.4)	779.2	1,246.9
Total (A)	21	2,294.2	(190.2)	2,484.4	2,811.2
Normal assets	22	54,764.3	1,090.9	53,673.4	52,874.4
Total (B)	23	57,058.5	900.7	56,157.8	55,685.6
Problem asset ratio (A/B)	24	4.0%	(0.4)%	4.4%	5.0%
Amount of direct reduction		1,425.7	16.5	1,409.2	889.4

5. Unrealized Gains (Losses) on Other Securities

<Consolidated>

<Reference> (Billions of yen)

		December 31, 2004					March 31, 2004			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2004	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	1	548.9	(3.5)	3.9	2.4	(5.9)	539.8	(7.4)	2.9	(10.3)
Other securities	2	22,524.2	456.8	(118.8)	624.5	(167.7)	26,358.6	575.6	787.5	(211.9)
Stocks	3	3,067.5	514.8	(155.0)	579.4	(64.6)	3,436.8	669.8	736.9	(67.1)
Bonds	4	14,811.5	(30.2)	73.1	29.0	(59.2)	17,097.7	(103.3)	18.6	(121.9)
Others	5	4,645.2	(27.8)	(36.9)	16.1	(43.9)	5,824.1	9.1	32.0	(22.9)
Other money held in trust	6	3.8	0.2	0.1	0.3	(0.1)	3.7	0.1	0.2	(0.1)
Total	7	23,076.9	453.5	(114.8)	627.2	(173.7)	26,902.1	568.3	790.6	(222.3)
Stocks	8	3,067.5	514.8	(155.0)	579.4	(64.6)	3,436.8	669.8	736.9	(67.1)
Bonds	9	15,319.4	(34.3)	77.5	30.8	(65.1)	17,607.2	(111.8)	20.3	(132.1)
Others	10	4,690.0	(27.0)	(37.3)	17.0	(44.0)	5,858.1	10.3	33.4	(23.1)

(Notes)

- The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Deposits with banks" and beneficiary claims on loan trust in "Commercial paper and other debt purchased."
- Unrealized gains (losses) on stocks are mainly calculated with the average market prices during the final month of the corresponding period. Rest of the securities is valued at the market prices as of the balance sheet date.
- 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 cost (or amortized costs) and the balance sheet amounts.

Unrecognized gains on other securities as of December 31, 2004 include gains of JPY 26.2 billion that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 0 billion on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 26.1 billion is excluded from stockholders' equity. Unrealized gains on other securities for March 31, 2004 include gains of JPY 23.5 billion recognized in income statement by application of fair value hedge accounting, which are excluded from the amount for Stockholders' equity.

<SMBC Non-consolidated>

<Reference> (Billions of yen)

		December 31, 2004					March 31, 2004			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2004	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	11	518.7	(3.6)	4.0	2.3	(5.9)	518.9	(7.6)	2.7	(10.3)
Stocks of subsidiaries and affiliates	12	1,429.3	56.1	14.4	56.5	(0.4)	1,231.1	41.7	41.7	-
Other securities	13	20,877.5	427.8	(128.3)	586.5	(158.7)	24,888.5	556.1	757.0	(200.9)
Stocks	14	2,930.7	493.1	(158.0)	550.6	(57.5)	3,300.7	651.1	711.5	(60.4)
Bonds	15	13,724.9	(36.7)	65.2	22.0	(58.7)	16,178.1	(101.9)	16.2	(118.1)
Others	16	4,221.9	(28.6)	(35.5)	13.9	(42.5)	5,409.7	6.9	29.3	(22.4)
Other money held in trust	17	3.8	0.2	0.1	0.3	(0.1)	3.7	0.1	0.2	(0.1)
Total	18	22,829.3	480.5	(109.8)	645.6	(165.1)	26,642.2	590.3	801.6	(211.3)
Stocks	19	3,477.0	549.2	(143.6)	607.1	(57.9)	3,660.5	692.8	753.2	(60.4)
Bonds	20	14,231.9	(40.9)	69.5	23.7	(64.6)	16,686.6	(110.4)	18.0	(128.4)
Others	21	5,120.4	(27.8)	(35.7)	14.8	(42.6)	6,295.1	7.9	30.4	(22.5)

(Notes)

- The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Deposits with banks."
- Unrealized gains (losses) on stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market prices during the final month of the corresponding period. Rest of the securities is valued at the market prices as of the balance sheet date.
- 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 cost (or amortized costs) and the balance sheet amounts.

Unrecognized gains on other securities as of December 31, 2004 include gains of JPY 26.2 billion that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 0 billion on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 26.1 billion is excluded from stockholders' equity. Unrealized gains on other securities for March 31, 2004 include gains of JPY 23.5 billion recognized in income statement by application of fair value hedge accounting, which are excluded from the amount for Stockholders' equity.

6. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)

<SMBC Non-consolidated>

<Reference>

(Billions of yen)

	December 31, 2004				March 31, 2004			
	Assets	Liabilities	Net assets	Net deferred gains(losses)	Assets	Liabilities	Net assets	Net deferred gains(losses)
Interest rate swaps	56.7	71.6	(14.9)	(67.3)	99.0	106.5	(7.5)	(59.1)
Currency swaps	1.8	6.5	(4.7)	3.3	1.5	3.9	(2.4)	4.7
Others	5.1	10.7	(5.6)	7.9	2.3	7.3	(5.0)	1.6
Total	63.6	88.8	(25.2)	(56.1)	102.8	117.7	(14.9)	(52.8)

(Notes)

- Derivative transactions are valued at fair value in the balance sheet.
- SMBC applies individual deferred hedge or fair value hedge accounting based on Practical Guidelines for Accounting Standard for Financial Instruments as well as deferred hedge accounting for banking industry based on JICPA Industry Audit Committee Report No.24 and No.25.

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

<Reference>

(Billions of yen)

	December 31, 2004				March 31, 2004			
	1 year or less	1-5 years	Over 5 years	Total	1 year or less	1-5 years	Over 5 years	Total
Receivable fixed rate /payable floating rate	7,988.1	17,250.8	3,548.4	28,787.3	3,768.9	20,168.0	4,307.6	28,244.5
Receivable floating rate /payable fixed rate	1,702.3	6,067.4	3,450.4	11,220.1	865.0	3,089.9	4,460.4	8,415.3
Receivable floating rate /payable floating rate	155.0	452.0	50.8	657.8	1.0	613.0	50.8	664.8
Total contract amount	9,845.4	23,770.2	7,049.6	40,665.2	4,634.9	23,870.9	8,818.8	37,324.6

7. Deposits and Loans

<SMBC Non-consolidated>

<Reference>

(Billions of yen)

	Dec. 31, 2004	Sept. 30, 2004	Mar. 31, 2004
Domestic deposits	59,380.5	58,873.2	58,679.2
Individual	32,853.4	32,093.3	31,631.8

(Note) Calculation based on the numbers before elimination of temporary inter-office accounts, excluding "negotiable certificates of deposit" and offshore banking accounts.

Loans and discounted	51,560.5	50,723.6	50,810.1
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