



Sumitomo Mitsui Financial Group, Inc. (SMFG)

Consolidated Financial Results for the First Quarter ended June 30, 2005 (Unaudited)

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 Stock Exchange Listings: Tokyo, Osaka, Nagoya (code: 8316)
 URL: <http://www.smfg.co.jp>
 President: Teisuke Kitayama
 Date of Approval of the Consolidated Financial Statements by the Board of Directors: July 29, 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 March 2005)
 Consolidation: Newly consolidated 1, Excluded 4 Equity method: Newly applied 0, Excluded 2

2. Financial Results (for the three months ended June 30, 2005) Amounts less than one million yen have been omitted.

(1) Operating Results

	Ordinary Income		Ordinary Profit (Loss)		Net Income (Loss)	
Three Months	¥ million	%	¥ million	%	¥ million	%
ended June 30, 2005	828,753	2.7	221,906	9.3	187,789	10.5
ended June 30, 2004	807,088	–	203,030	–	169,929	–
(Ref.) Fiscal year ended March 31, 2005	3,580,796		(30,293)		(234,201)	

	Net Income (Loss) Per Share	Net Income Per Share (Diluted)
Three Months	¥	¥
ended June 30, 2005	27,961.24	21,167.15
ended June 30, 2004	29,392.28	16,707.02
(Ref.) Fiscal year ended March 31, 2005	(44,388.07)	–

Notes:

1. Equity in earnings of affiliates
 for the three months ended June 30, 2005: 3,470 million yen
 for the three months ended June 30, 2004: 6,758 million yen (Ref.) for the fiscal year ended March 31, 2005: 27,142 million yen
2. Average number of common stocks outstanding (consolidated)
 for the three months ended June 30, 2005: 6,716,080 shares
 for the three months ended June 30, 2004: 5,781,431 shares (Ref.) for the fiscal year ended March 31, 2005: 5,879,572 shares

(2) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share
June 30, 2005	¥ million	¥ million	%	¥
June 30, 2005	100,570,490	2,910,562	2.9	209,436.50
June 30, 2004	100,755,435	3,186,959	3.2	240,568.89
(Ref.) March 31, 2005	99,731,858	2,775,728	2.8	164,821.09

Note: Number of common stocks outstanding (consolidated)

as of June 30, 2005: 6,845,409 shares as of June 30, 2004: 5,781,547 shares (Ref.) as of March 31, 2005: 5,869,288 shares

3. Earnings Forecast (for the fiscal year ending March 31, 2006)

Earnings forecast shown below that was previously announced on May 24, 2005 remains unchanged.

(Millions of yen)

	Ordinary Income	Ordinary Profit	Net Income
Six months ending September 30, 2005	1,600,000	320,000	210,000
Fiscal year ending March 31, 2006	3,300,000	780,000	460,000

(Reference) Forecasted net income per share for the fiscal year ending March 31, 2006 is 63,374.66 yen.

(*) All of preferred stock (13th series type 4) was mandatorily converted in July 2005. Forecasted net income per share is calculated assuming that average number of common stocks outstanding is 6,852,935.

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 first quarter ended June 30, 2005.

1. Operating Results

In the first quarter of fiscal 2005, SMFG took the following measures in the strategic business fields in order to “secure a solid profit level.”

Firstly, on consumer finance business, SMFG accelerated efforts to establish a strong earnings base: for example, three types of consumer loans developed under the strategic alliance with Promise were launched this April.

Secondly, on credit card business mainly operated by Sumitomo Mitsui Card, SMFG and group companies agreed to form business and capital alliances with NTT DoCoMo, aimed at creating a new credit card market using mobile phones.

In addition, SMFG also promoted the following measures in the first quarter:

- (a) Financial consulting for individuals: Additional opening of SMBC Consulting Plazas, a dedicated marketing channel which is open also on holidays, to boost sales of investment trust and pension-type insurance, and mortgage loans
- (b) Financial consulting for corporations: Enhancement of new type-unsecured loans to small and medium-sized enterprises
- (c) Overseas business: Reinforcement of Asian business centered on China
- (d) Treasury market business: Increasing foreign exchange transaction volume

<Income Analysis>

Consolidated gross banking profit decreased ¥14.6 billion year over year to ¥471.2 billion mainly because interest income generated by the Treasury Unit of Sumitomo Mitsui Banking Corporation (SMBC) decreased, though there were increases in fees and commissions arising from sales of investment trust and other operating income, such as gains on Japanese government bonds. General and administrative expenses basically remained unchanged compared with a year earlier.

Total credit cost decreased ¥43.3 billion year over year to ¥46.6 billion thanks to the previous fiscal year’s additional provisioning for possible loan losses to reduce future risk factors.

As a result, on a consolidated basis, SMFG recorded ordinary profit of ¥221.9 billion, a year-over-year increase of ¥18.9 billion and net income of ¥187.8 billion, an year-over-year increase of ¥17.9 billion.

2. Financial Position

Compared with March 31, 2005, SMFG’s consolidated total assets as of June 30, 2005 increased ¥838.6 billion to ¥100,570.5 billion and total stockholders’ equity increased ¥134.8 billion to ¥2,910.6 billion thanks to recording of net income in the first quarter.

Deposits increased ¥1,074.4 billion to ¥69,549.2 billion. Loans and bills discounted also increased ¥72.9 billion to ¥54,872.8 billion.

Changes in capital ratio, problem assets and net unrealized gains on other securities, on a consolidated basis and compared with March 31, 2005, are as follows:

(1) Capital ratio

Capital ratio as of June 30, 2005 was 10.35%, an improvement of 0.41%, mainly attributable to a capital increase of ¥401.8 billion from recording of net income in the first quarter.

(2) Problem assets

Problem assets (nonperforming loans as defined under the Financial Reconstruction Law) decreased ¥149.6 billion to ¥2,173.4 billion, mainly due to off-balance of nonperforming loans.

SMFG will further reduce nonperforming loans through greater efforts for corporate revitalization, prevention of deterioration of borrowers’ financial conditions and off-balancing.

SMBC’s non-consolidated problem assets totaled ¥1,694.7 billion, a decrease of ¥129.9 billion. Problem asset ratio was 3.0%, an improvement of 0.3%.

(3) Net unrealized gains on other securities

Net unrealized gains on other securities decreased ¥27.0 billion to ¥669.4 billion. This is mainly due to a decrease in net unrealized gains on stocks of ¥57.1 billion, reflecting the weaker stock market.

[Appendix]

1. Consolidated Balance Sheets

(Millions of yen)

	June 30, 2005	March 31, 2005	Change	June 30, 2004
	(A)	(B)	(A) - (B)	
Assets:				
Cash and due from banks	4,574,300	4,989,814	(415,514)	4,476,560
Call loans and bills bought	441,684	1,004,512	(562,828)	574,882
Receivables under resale agreements	265,867	124,856	141,011	179,873
Receivables under securities borrowing transactions	1,851,912	568,340	1,283,572	488,376
Commercial paper and other debt purchased	599,072	606,032	(6,960)	484,940
Trading assets	4,188,225	3,769,073	419,152	3,332,140
Money held in trust	1,556	3,832	(2,276)	3,755
Securities	22,724,900	24,233,701	(1,508,801)	26,685,496
Loans and bills discounted	54,872,753	54,799,805	72,948	54,790,479
Foreign exchanges	968,288	895,586	72,702	939,575
Other assets	4,149,660	3,110,454	1,039,206	3,227,014
Premises and equipment	812,862	836,053	(23,191)	963,675
Lease assets	1,001,907	1,007,015	(5,108)	985,175
Deferred tax assets	1,570,431	1,598,158	(27,727)	1,705,479
Deferred tax assets for land revaluation	-	-	-	75
Goodwill	11,689	13,381	(1,692)	19,625
Customers' liabilities for acceptances and guarantees	3,754,553	3,444,799	309,754	3,299,474
Reserve for possible loan losses	(1,219,177)	(1,273,560)	54,383	(1,401,165)
Total assets	100,570,490	99,731,858	838,632	100,755,435
Liabilities:				
Deposits	69,549,235	68,474,861	1,074,374	66,015,770
Negotiable certificates of deposit	3,413,181	2,713,270	699,911	3,497,605
Call money and bills sold	4,019,595	4,971,462	(951,867)	5,557,403
Payables under repurchase agreements	216,713	405,671	(188,958)	1,225,297
Payables under securities lending transactions	3,464,631	3,868,001	(403,370)	4,518,508
Commercial paper	52,800	374,100	(321,300)	312,800
Trading liabilities	2,381,603	2,110,473	271,130	2,053,818
Borrowed money	2,145,343	2,142,873	2,470	2,326,631
Foreign exchanges	521,273	478,482	42,791	692,539
Short-term bonds	361,400	1,000	360,400	-
Bonds	4,216,442	4,339,497	(123,055)	4,105,663
Due to trust account	40,761	50,457	(9,696)	393,100
Other liabilities	2,345,126	2,363,786	(18,660)	2,399,159
Reserve for employee bonuses	7,371	23,816	(16,445)	7,334
Reserve for employee retirement benefits	35,302	34,792	510	43,905
Reserve for expenses related to EXPO 2005 Japan	255	231	24	144
Other reserves	1,092	1,093	(1)	1,093
Deferred tax liabilities	45,306	45,259	47	39,592
Deferred tax liabilities for land revaluation	50,728	90,994	(40,266)	57,159
Acceptances and guarantees	3,754,553	3,444,799	309,754	3,299,474
Total liabilities	96,622,717	95,934,927	687,790	96,547,003
Minority interests	1,037,210	1,021,203	16,007	1,021,473
Stockholders' equity:				
Capital stock	1,352,651	1,352,651	-	1,247,650
Capital surplus	974,347	974,346	1	865,287
Retained earnings	491,021	329,963	161,058	733,915
Land revaluation excess	40,195	57,853	(17,658)	98,138
Net unrealized gains on other securities	394,932	410,653	(15,721)	323,089
Foreign currency translation adjustments	(72,436)	(79,883)	7,447	(77,869)
Treasury stock	(270,150)	(269,857)	(293)	(3,252)
Total stockholders' equity	2,910,562	2,775,728	134,834	3,186,959
Total liabilities, minority interests and stockholders' equity	100,570,490	99,731,858	838,632	100,755,435

(Note) Amounts less than one million yen have been omitted.

2. Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2005 (A)	Three months ended June 30, 2004 (B)	Change (A) - (B)	Year ended March 31, 2005 (Condensed)
Ordinary income	828,753	807,088	21,665	3,580,796
Interest income	372,573	375,941	(3,368)	1,521,728
Interest on loans and discounts	289,657	279,733	9,924	1,145,653
Interest and dividends on securities	49,141	58,172	(9,031)	256,396
Trust fees	443	133	310	2,609
Fees and commissions	144,411	130,152	14,259	596,086
Trading profits	2,365	2,911	(546)	144,587
Other operating income	280,445	268,524	11,921	1,058,289
Other income	28,513	29,425	(912)	257,495
Ordinary expenses	606,846	604,058	2,788	3,611,089
Interest expenses	103,557	68,649	34,908	350,385
Interest on deposits	51,551	23,423	28,128	131,498
Fees and commissions	24,245	22,909	1,336	79,976
Trading losses	5,812	5,562	250	199
Other operating expenses	195,430	194,773	657	867,748
General and administrative expenses	218,387	215,453	2,934	852,715
Other expenses	59,412	96,708	(37,296)	1,460,064
Ordinary profit (loss)	221,906	203,030	18,876	(30,293)
Extraordinary gains	3,153	1,932	1,221	9,074
Extraordinary losses	11,656	9,468	2,188	87,316
Income (loss) before income taxes and minority interests	213,403	195,494	17,909	(108,535)
Income taxes, Current	14,593	4,300	10,293	30,638
Income taxes, Refund	-	-	-	8,869
Income taxes, Deferred	(1,329)	5,544	(6,873)	52,912
Minority interests in net income (loss)	12,349	15,719	(3,370)	50,983
Net income (loss)	187,789	169,929	17,860	(234,201)

(Note) Amounts less than one million yen have been omitted.

3. Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of yen)

	Three months ended June 30, 2005 (A)	Three months ended June 30, 2004 (B)	Change (A) - (B)	Year ended March 31, 2005
Capital surplus				
Capital surplus at beginning of term (year)	974,346	865,282	109,064	865,282
Increase of capital surplus	0	5	(5)	109,064
Issuance of preferred stocks	-	-	-	105,001
Gains on disposal of treasury stock	0	5	(5)	4,063
Capital surplus at end of term	974,347	865,287	109,060	974,346
Retained earnings				
Retained earnings at beginning of term (year)	329,963	611,189	(281,226)	611,189
Increase of retained earnings	205,448	171,677	33,771	3,863
Net income	187,789	169,929	17,860	-
Increase due to decrease of consolidated subsidiaries	0	0	(0)	4
Increase due to decrease of affiliates accounted for by the equity method	-	1,747	(1,747)	1,747
Increase due to transfer of land revaluation excess	17,657	-	17,657	2,111
Decrease of retained earnings	44,389	48,950	(4,561)	285,088
Net loss	-	-	-	234,201
Dividends paid	44,389	46,421	(2,032)	46,421
Decrease due to decrease of consolidated subsidiaries	-	-	-	0
Decrease due to decrease of affiliates accounted for by the equity method	-	918	(918)	4,466
Decrease due to transfer of land revaluation excess	-	1,610	(1,610)	-
Retained earnings at end of term (year)	491,021	733,915	(242,894)	329,963

(Note) Amounts less than one million yen have been omitted.

4. Segment Information

Business segment information

(Millions of yen)

	Three months ended June 30, 2005 (A)	Three months ended June 30, 2004 (B)	Change (A) - (B)	Year ended March 31, 2005
Ordinary profit				
Banking Business	181,895	160,713	21,182	(154,548)
Leasing	11,572	9,478	2,094	41,931
Other	36,265	38,706	(2,441)	111,246
Subtotal	229,733	208,899	20,834	(1,370)
Elimination and unallocated corporate assets	(7,826)	(5,868)	(1,958)	(28,922)
Consolidated	221,906	203,030	18,876	(30,293)

(Notes)

1. Amounts less than one million yen have been omitted.
2. "Other" includes securities, credit card, investment banking, loans, venture capital, system development and data processing business.

First Quarter Financial Results for the Three Months ended June 30, 2005 - Supplementary Information -

<Table of Contents>

Highlights of the First Quarter Financial Results for the Three Months ended June 30, 2005	<Consolidated> <Non-consolidated>	... 1
1. Operating Results [SMFG]	<Consolidated>	... 2
2. Operating Results [SMBC]	<Non-consolidated>	... 3
3. Capital Ratio (BIS)	<Consolidated>	... 4
4. Problem Assets Based on the Financial Reconstruction Law	<Consolidated> <Non-consolidated>	... 4
5. Unrealized Gains (Losses) on Other Securities	<Consolidated> <Non-consolidated>	... 5
6. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)	<Non-consolidated>	... 6
7. Deposits and Loans	<Non-consolidated>	... 6

<Consolidated> ... SMFG's consolidated figures

<Non-consolidated> ... SMBC's non-consolidated figures

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Highlights of the Financial Results for the Three Months ended June 30, 2005

(1) Operating Results for the Three Months ended June 30, 2005

<Consolidated>

		Three months ended June 30, 2005
Ordinary profit (loss)	1	221.9
Net income (loss)	2	187.8

<Reference>

(Billions of yen)

Year ended Mar.2006 (Forecast)		Year ended Mar.2005 (Results)	
1st Half	(Note)	1st Half	
320.0	780.0	114.1	(30.3)
210.0	460.0	53.4	(234.2)

<SMBC Non-consolidated>

		Three months ended June 30, 2005
Banking profit (before provision for general reserve for possible loan losses)	3	193.9
Ordinary profit (loss)	4	169.0
Net income (loss)	5	169.7

<Reference>

(Billions of yen)

Year ended Mar.2006 (Forecast)		Year ended Mar.2005 (Results)	
1st Half	(Note)	1st Half	
430.0	950.0	471.6	940.5
240.0	610.0	125.2	(71.7)
130.0	350.0	118.6	(136.8)

Total credit cost	6	(30.0)
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(160.0)	(300.0)	(455.8)	(954.8)
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(Note) Earnings forecast for the year ending March 31, 2006 was announced on May 24, 2005.

(2) Capital Ratio

<Consolidated>

		June 30, 2005
Capital Ratio	7	10.35%
Tier I Ratio	8	5.62%

<Reference>

Mar. 31, 2005	
9.94%	
5.38%	

(3) Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

<Consolidated>

		June 30, 2005
Bankrupt and quasi-bankrupt assets	9	433.8
Doubtful assets	10	1,051.6
Substandard loans	11	688.0
Total	12	2,173.4

<Reference>

Mar. 31, 2005	
481.0	
1,074.2	
767.8	
2,323.0	

<SMBC Non-consolidated>

		June 30, 2005
Bankrupt and quasi-bankrupt assets	13	342.9
Doubtful assets	14	922.1
Substandard loans	15	429.7
Total	16	1,694.7

<Reference>

Mar. 31, 2005	
448.3	
924.4	
451.9	
1,824.6	

(4) Net Unrealized Gains on Other Securities

<Consolidated>

		June 30, 2005			
		Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Other securities	17	21,911.3	669.4	775.6	(106.2)
Stocks	18	3,011.8	648.0	712.8	(64.8)
Bonds	19	14,964.4	30.2	44.0	(13.8)
Others	20	3,935.1	(8.8)	18.8	(27.6)

<Reference>

(Billions of yen)

		March 31, 2005			
		Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
		23,377.4	696.4	801.4	(105.0)
		3,127.4	705.1	750.5	(45.4)
		16,859.6	15.0	35.0	(20.0)
		3,390.4	(23.7)	15.9	(39.6)

1. Operating Results <Consolidated>

(Millions of yen)

<Reference>

		Three months ended June 30, 2005 (A)	Change (A) - (B)	Three months ended June 30, 2004 (B)	Year ended Mar.31, 2005
Consolidated gross profit	1	471,193	(14,574)	485,767	2,024,990
Net interest income	2	269,016	(38,275)	307,291	1,171,342
Trust fees	3	443	310	133	2,609
Net fees and commissions	4	120,165	12,923	107,242	516,109
Net trading income	5	(3,447)	(796)	(2,651)	144,387
Net other operating income	6	85,015	11,265	73,750	190,540
General and administrative expenses	7	(218,387)	(2,934)	(215,453)	(852,715)
Total credit costs	8	(46,633)	43,341	(89,974)	(1,196,797)
Write-off of loans	9	(16,376)	30,321	(46,697)	(759,399)
Provision for specific reserve for possible loan losses	10	(48,012)	11,971	(59,983)	(493,947)
Provision for general reserve for possible loan losses	11	33,374	16,106	17,268	201,216
Other credit cost	12	(15,619)	(15,058)	(561)	(144,666)
Gains (losses) on stocks	13	17,614	378	17,236	(101,918)
Equity in earnings of affiliates	14	3,470	(3,288)	6,758	27,142
Other income (expenses)	15	(5,351)	(4,047)	(1,304)	69,005
Ordinary profit (loss)	16	221,906	18,876	203,030	(30,293)
Extraordinary gains (losses)	17	(8,502)	(966)	(7,536)	(78,242)
Losses on impairment of fixed assets	18	(9,411)	(9,411)	-	-
Income (loss) before income taxes and minority interests	19	213,403	17,909	195,494	(108,535)
Income taxes, current	20	(14,593)	(10,293)	(4,300)	(30,638)
Income taxes, refund	21	-	-	-	8,869
Income taxes, deferred	22	1,329	6,873	(5,544)	(52,912)
Minority interests in net income (loss)	23	(12,349)	3,370	(15,719)	(50,983)
Net income (loss)	24	187,789	17,860	169,929	(234,201)

(Notes)

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

2. 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)

<Reference>

(Billions of yen)

Consolidated net business profit	25	247.1	(3.3)	250.4	1,014.4
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(Note) Consolidated net business profit = (SMBC Non-consolidated banking profit (before provision for general reserve for possible loan losses))

+ (Other consolidated subsidiaries' ordinary profit (excluding non-recurring items) + (Affiliates' ordinary profit) X (Ownership ratio))

- (Internal transaction (dividends, etc.))

(Number of consolidated subsidiaries and affiliates)

<Reference>

		June 30, 2005	Change	Mar. 31, 2005	June 30, 2004
Consolidated subsidiaries	26	164	(3)	167	167
Affiliates accounted for by the equity method	27	51	(2)	53	46

2. Operating Results <SMBC, Nonconsolidated>

(Millions of yen)

<Reference>

		Three months ended June 30, 2005 (A)	Change (A) - (B)	Three months ended June 30, 2004 (B)	Year ended Mar.31, 2005
Gross banking profit	1	343,648	(15,266)	358,914	1,522,861
<i>Excluding gains (losses) on bonds</i>	2	317,247	(41,751)	358,998	1,544,452
Net interest income	3	220,972	(34,668)	255,640	972,506
Trust fees	4	443	310	133	2,609
Net fees and commissions	5	65,050	13,745	51,305	298,076
Net trading income	6	(8,569)	(1,679)	(6,890)	131,579
Net other operating income	7	65,752	7,027	58,725	118,088
<i>Gains (losses) on bonds</i>	8	26,400	26,484	(84)	(21,590)
Expenses (excluding non-recurring losses)	9	(149,761)	(2,359)	(147,402)	(582,365)
Personnel expenses	10	(53,147)	2,021	(55,168)	(204,146)
Non-personnel expenses	11	(88,613)	(4,905)	(83,708)	(341,534)
Taxes	12	(8,000)	525	(8,525)	(36,684)
Banking profit (before provision for general reserve for possible loan losses)	13	193,887	(17,625)	211,512	940,495
<i>Excluding gains (losses) on bonds</i>	14	167,486	(44,110)	211,596	962,086
Provision for general reserve for possible loan losses	15	20,448	4,403	16,045	351,477
Banking profit	16	214,335	(13,222)	227,557	1,291,972
Non-recurring gains (losses)	17	(45,374)	26,157	(71,531)	(1,363,653)
Credit related costs	18	(50,428)	30,005	(80,433)	(1,306,320)
Write-off of loans	19	(7,054)	22,857	(29,911)	(697,941)
Provision for specific reserve for possible loan losses	20	(41,739)	8,272	(50,011)	(474,155)
Losses on sale of delinquent loans	21	(1,863)	1,037	(2,900)	(138,052)
Provision for loan loss reserve for specific overseas countries	22	229	(2,160)	2,389	3,828
Gains (losses) on stocks	23	11,440	(3,144)	14,584	(118,727)
Gains on sale of stocks	24	15,641	(2)	15,643	113,059
Losses on sale of stocks	25	(152)	96	(248)	(4,206)
Losses on devaluation of stocks	26	(4,048)	(3,238)	(810)	(227,580)
Other non-recurring gains (losses)	27	(6,386)	(704)	(5,682)	61,394
Ordinary profit (loss)	28	168,961	12,936	156,025	(71,680)
Extraordinary gains (losses)	29	(3,583)	3,297	(6,880)	(28,398)
Gains (losses) on disposal of premises and equipment	30	665	2,881	(2,216)	(12,495)
Losses on impairment of fixed assets	31	(4,259)	(4,259)	-	-
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	32	-	4,000	(4,000)	(16,001)
Income (loss) before income taxes	33	165,377	16,232	149,145	(100,079)
Income taxes, current	34	(1,428)	(2,763)	1,335	(6,379)
Income taxes, refund	35	-	-	-	8,184
Income taxes, deferred	36	5,713	6,886	(1,173)	(38,579)
Net income (loss)	37	169,663	20,356	149,307	(136,854)
Total credit cost (15+18)	38	(29,980)	34,408	(64,388)	(954,843)

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

3. Capital Ratio (BIS)

(Billions of yen)

<Consolidated>

<Reference>

		June 30, 2005	Change from Mar. 31, 2005	March 31, 2005
(1) Capital ratio	1	10.35%	0.41%	9.94%
(2) Tier I capital	2	3,492.6	230.3	3,262.3
(3) Tier II capital included as qualifying capital	3	3,440.7	178.4	3,262.3
(a) Unrealized gains on securities	4	305.2	(11.9)	317.1
(b) Land revaluation excess	5	41.0	(26.1)	67.1
(c) General reserve for possible loan losses	6	601.4	(32.1)	633.5
(d) Subordinated debt	7	2,493.1	248.5	2,244.6
(4) Subtraction items	8	511.4	7.0	504.4
(5) Total capital (2)+(3)-(4)	9	6,421.9	401.8	6,020.1
(6) Risk-adjusted assets	10	62,044.2	1,491.6	60,552.6

4. Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

<Consolidated>

<Reference>

<Reference>

		June 30, 2005	Change from Mar. 31, 2005	March 31, 2005	June 30, 2004
Bankrupt and quasi-bankrupt assets	11	433.8	(47.2)	481.0	453.4
Doubtful assets	12	1,051.6	(22.6)	1,074.2	1,454.2
Substandard loans	13	688.0	(79.8)	767.8	1,360.0
Total (A)	14	2,173.4	(149.6)	2,323.0	3,267.6
Normal assets	15	57,563.7	468.9	57,094.8	55,872.3
Total (B)	16	59,737.1	319.3	59,417.8	59,139.9
Problem asset ratio (A/B)	17	3.6%	(0.3)%	3.9%	5.5%
Amount of direct reduction		1,527.9	(254.3)	1,782.2	1,332.1

(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."

(Billions of yen)

<SMBC Non-consolidated>

<Reference>

<Reference>

		June 30, 2005	Change from Mar. 31, 2005	March 31, 2005	June 30, 2004
Bankrupt and quasi-bankrupt assets	18	342.9	(105.4)	448.3	334.8
Doubtful assets	19	922.1	(2.3)	924.4	1,248.2
Substandard loans	20	429.7	(22.2)	451.9	1,172.2
Total (A)	21	1,694.7	(129.9)	1,824.6	2,755.2
Normal assets	22	53,883.8	431.2	53,452.6	52,685.3
Total (B)	23	55,578.5	301.3	55,277.2	55,440.5
Problem asset ratio (A/B)	24	3.0%	(0.3)%	3.3%	5.0%
Amount of direct reduction		1,274.7	(257.1)	1,531.8	970.6

5. Unrealized Gains (Losses) on Securities

<Consolidated>

<Reference> (Billions of yen)

		June 30, 2005					March 31, 2005			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2005	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	1	541.7	0.7	2.5	2.0	(1.3)	547.2	(1.8)	2.1	(3.9)
Other securities	2	21,911.3	669.4	(27.0)	775.6	(106.2)	23,377.4	696.4	801.4	(105.0)
Stocks	3	3,011.8	648.0	(57.1)	712.8	(64.8)	3,127.4	705.1	750.5	(45.4)
Bonds	4	14,964.4	30.2	15.2	44.0	(13.8)	16,859.6	15.0	35.0	(20.0)
Others	5	3,935.1	(8.8)	14.9	18.8	(27.6)	3,390.4	(23.7)	15.9	(39.6)
Other money held in trust	6	1.6	0.2	(0.0)	0.2	-	3.8	0.2	0.3	(0.1)
Total	7	22,454.6	670.3	(24.5)	777.8	(107.5)	23,928.4	694.8	803.8	(109.0)
Stocks	8	3,011.8	648.0	(57.1)	712.8	(64.8)	3,127.4	705.1	750.5	(45.4)
Bonds	9	15,470.7	30.4	17.7	45.5	(15.1)	17,366.9	12.7	36.6	(23.9)
Others	10	3,972.1	(8.1)	14.9	19.5	(27.6)	3,434.1	(23.0)	16.7	(39.7)

(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. Net unrealized gains (losses) in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.

Net unrecognized gains on other securities as of June 30, 2005 include gains of JPY 2.2 billion that were recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 0.1 billion on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 2.3 billion is excluded from the amount to be directly included in stockholders' equity. As for March 31, 2005, respective amount was JPY 0.5 billion, JPY 0.1 billion and JPY 0.6 billion.

<SMBC Non-consolidated>

<Reference> (Billions of yen)

		June 30, 2005					March 31, 2005			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2005	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	11	515.9	0.6	2.4	1.9	(1.3)	516.3	(1.8)	2.1	(3.9)
Stocks of subsidiaries and affiliates	12	1,443.5	49.6	(10.7)	50.6	(1.0)	1,436.7	60.3	60.7	(0.4)
Other securities	13	20,388.5	630.4	(21.0)	728.8	(98.4)	21,802.0	651.4	750.1	(98.7)
Stocks	14	2,880.4	616.3	(51.0)	676.0	(59.7)	2,987.2	667.3	708.6	(41.3)
Bonds	15	14,012.6	23.9	16.2	37.1	(13.2)	15,870.7	7.7	27.3	(19.6)
Others	16	3,495.5	(9.8)	13.8	15.7	(25.5)	2,944.1	(23.6)	14.2	(37.8)
Other money held in trust	17	1.6	0.2	(0.0)	0.2	-	3.8	0.2	0.3	(0.1)
Total	18	22,349.5	680.8	(29.3)	781.5	(100.7)	23,758.8	710.1	813.2	(103.1)
Stocks	19	3,429.4	665.9	(61.7)	726.6	(60.7)	3,536.9	727.6	769.3	(41.7)
Bonds	20	14,518.5	24.1	18.7	38.6	(14.5)	16,377.1	5.4	28.9	(23.5)
Others	21	4,401.6	(9.2)	13.7	16.3	(25.5)	3,844.8	(22.9)	15.0	(37.9)

(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. Net unrealized gains (losses) in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.

Net unrecognized gains on other securities as of June 30, 2005 include gains of JPY 2.2 billion that were recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 0.1 billion on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 2.3 billion is excluded from the amount to be directly included in stockholders' equity. As for March 31, 2005, respective amount was JPY 0.5 billion, JPY 0.1 billion and JPY 0.6 billion.

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

<SMBC Non-consolidated>

<Reference>

(Billions of yen)

	June 30, 2005				March 31, 2005			
	Assets	Liabilities	Net assets	Net deferred gains(losses)	Assets	Liabilities	Net assets	Net deferred gains(losses)
Interest rate swaps	70.9	16.7	54.2	(17.2)	57.7	52.9	4.8	(74.2)
Currency swaps	1.3	7.7	(6.4)	2.3	1.1	9.7	(8.6)	2.8
Others	3.4	7.4	(4.0)	(1.1)	7.5	5.7	1.8	12.1
Total	75.6	31.8	43.8	(16.0)	66.3	68.3	(2.0)	(59.3)

(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)

	June 30, 2005				March 31, 2005			
	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	5,531.0	16,198.0	4,311.1	26,040.1	7,304.7	16,947.2	3,170.8	27,422.7
Receivable floating rate /payable fixed rate	658.6	4,660.1	3,699.0	9,017.7	949.8	5,995.4	3,270.3	10,215.5
Receivable floating rate /payable floating rate	121.0	472.0	30.8	623.8	155.0	452.0	50.8	657.8
Total contract amount	6,310.6	21,330.1	8,040.9	35,681.6	8,409.5	23,394.6	6,491.9	38,296.0

7. Deposits and Loans

(Billions of yen)

<SMBC Non-consolidated>

<Reference>

<Reference>

	June 30, 2005	Change from Mar. 2005	March 31, 2005	June 30, 2004
	Domestic deposits	60,358.1	(251.5)	60,609.6
Individual	32,700.2	546.2	32,154.0	32,249.0

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

Loans and bills discounted	50,039.1	(28.5)	50,067.6	50,230.6
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