

Sumitomo Mitsui Financial Group, Inc. (SMFG)

Consolidated Financial Results for the First Quarter ended June 30, 2006 (Unaudited)

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 Stock Exchange Listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange (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 28, 2006

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 2006)
 Consolidation: Newly consolidated 5, Excluded 5 Equity method: Newly applied 1, Excluded 1

2. Financial Results (for the three months ended June 30, 2006)

Amounts less than one million yen have been omitted.

(1) Operating Results

(Millions of yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Net Income	
Three months ended June 30, 2006	¥ 859,754	3.7%	¥ 131,683	(40.7) %	¥ 120,077	(36.1) %
Three months ended June 30, 2005	828,753	2.7	221,906	9.3	187,789	10.5
(Ref.) Fiscal year ended March 31, 2006	3,705,136	3.5	963,554	-	686,841	-

	Net Income Per Share	Net Income Per Share (Diluted)
Three months ended June 30, 2006	¥ 16,187.99	¥ 13,322.27
Three months ended June 30, 2005	27,961.24	21,167.15
(Ref.) Fiscal year ended March 31, 2006	94,733.62	75,642.94

Notes:

1. Equity in earnings of affiliates
 for the three months ended June 30, 2006: 3,591 million yen
 for the three months ended June 30, 2005: 3,470 million yen (Ref.) for the fiscal year ended March 31, 2006: 31,887 million yen
2. Average number of common stocks outstanding (consolidated)
 for the three months ended June 30, 2006: 7,417,697 shares
 for the three months ended June 30, 2005: 6,716,080 shares (Ref.) for the fiscal year ended March 31, 2006: 6,978,978 shares

(2) Financial Position

(Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Net Assets Ratio	Net Assets per Share	Capital Ratio
June 30, 2006	¥ 103,111,967	¥ 5,123,093	3.9%	¥ 371,063.62	11.57%
June 30, 2005	100,570,490	2,910,562	2.9	209,436.50	10.35
(Ref.) March 31, 2006	107,010,575	4,454,399	4.2	400,168.90	12.39

Notes:

1. Number of common stocks outstanding (consolidated)
 as of June 30, 2006: 7,417,675 shares as of June 30, 2005: 6,845,409 shares (Ref.) as of March 31, 2006: 7,417,865 shares
2. Net assets ratio = (Net assets at period-end - Minority interests at period-end) / Total assets at period-end

3. Earnings Forecast (for the fiscal year ending March 31, 2007)

Earnings forecast shown below that was announced on May 23, 2006 remains unchanged.

(Millions of yen)

	Ordinary Income	Ordinary Profit	Net Income
Six months ending September 30, 2006	¥ 1,750,000	¥ 440,000	¥ 260,000
Fiscal year ending March 31, 2007	3,700,000	1,010,000	570,000

(Reference) Forecasted net income per share for the fiscal year ending March 31, 2007 is 72,746.62 yen.

(*)Number of common stock is expected to increase by 249,015 due to the share exchange scheduled in September 2006. Therefore, the forecasted net income per share is calculated assuming that forecasted average number of common stocks issued is 7,500,148.

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.

Sumitomo Mitsui Financial Group (SMFG) reports the financial results for the three months ended June 30, 2006.

Operating Results

Gross banking profit of Sumitomo Mitsui Banking Corporation (SMBC), a major subsidiary of SMFG, decreased ¥88.8 billion year on year to ¥254.8 mainly because SMBC recorded losses on bonds of ¥70.4 billion, versus gains of ¥26.4 billion a year earlier, due to reduction in bond portfolio under rising interest rates. Gross banking profit (excluding losses on bonds) increased ¥7.9 billion mainly due to the good performance in fees and commissions from sales of investment trust and pension-type insurance, securities intermediary services. Other subsidiaries also increased their gross profits steadily as a result of continuous efforts to strengthen each subsidiary's business and promote collaboration among these companies. Accordingly, SMFG's consolidated gross profit decreased ¥86.0 billion year on year to ¥385.2 billion.

We continued to seek higher efficiency in the existing operations while actively allocating resources into strategic areas. Consequently, general and administrative expenses remained almost unchanged compared with a year earlier.

Credit cost decreased ¥6.9 billion year on year to ¥39.7 billion.

As a result of the factors mentioned above, on a consolidated basis, SMFG recorded ordinary profit of ¥131.7 billion, a year-on-year decrease of ¥90.2 billion and net income of ¥120.1 billion, a year-on-year decrease of ¥67.7 billion.

<Consolidated>

(Billions of yen)

	Three months ended June 30, 2006	Change from the three months ended June 30, 2005	Year ended March 31, 2006 (reference)
Gross profit	385.2	(86.0)	2,090.1
General and administrative expenses	(217.1)	+ 1.3	(853.8)
Credit cost	(39.7)	+ 6.9	(302.0)
Ordinary profit	131.7	(90.2)	963.6
Net income	120.1	(67.7)	686.8

<SMBC, Non-consolidated>

Gross banking profit	254.8	(88.8)	1,552.0
<i>[Excluding gains (losses) on bonds]</i>	<i>[325.2]</i>	<i>[+ 7.9]</i>	<i>[1,562.4]</i>
Expenses (excluding non-recurring losses)	(151.3)	(1.6)	(586.5)
Banking profit (*)	103.5	(90.4)	965.6
Credit cost	(30.3)	(0.4)	(230.9)
Ordinary profit	73.4	(95.6)	720.9
Net income	76.4	(93.3)	519.5

(*) Banking profit (before provision for general reserve for possible loan losses)

Changes in Financial Position

On a consolidated basis, SMFG's total assets as of June 30, 2006 decreased ¥3,898.6 billion to ¥103,112.0 billion, compared with March 31, 2006. Net assets amounted to ¥5,123.1 billion. Stockholders' equity was ¥3,434.0 billion as a result of repurchasing and retiring own shares and recording net income.

Deposits increased ¥1,219.7 billion to ¥72,053.8 billion. Loans and bills discounted also increased ¥1,277.7 billion to ¥58,544.9 billion. On a non-consolidated basis, SMBC increased the balance of loans and bills discounted to ¥52,935.2 billion, an increase of ¥1,077.6 billion from March 31, 2006, as a result of active promotion to meet customers' needs domestically and internationally.

Changes in capital ratio and problem assets in the first quarter are as follows:

(1) Capital ratio

SMFG's consolidated capital ratio as of June 30, 2006 was 11.57%, a decrease of 0.82% from March 31, 2006 due mainly to a decrease in capital resulting from partially repaying public funds. Consolidated Tier I capital ratio was 6.71%. The ratio of net deferred tax assets to consolidated Tier I capital was 25.7%.

<Consolidated>

	June 30, 2006	Change from March 31, 2006	March 31, 2006 (reference)
Capital ratio	11.57%	(0.82)%	12.39%
Tier I capital ratio	6.71%	(0.40)%	7.11%
Net deferred tax assets / Tier I capital	25.7%	4.1%	21.6%

(2) Problem assets

On a consolidated basis, problem assets (non-performing loans as defined under the Financial Reconstruction Law) decreased ¥7.3 billion to ¥1,285.2 billion from March 31, 2006 due mainly to off-balancing of non-performing loans.

SMBC's non-consolidated problem assets totaled ¥951.3 billion, a decrease of ¥8.8 billion compared with March 31, 2006. Problem asset ratio was 1.6%, an improvement of 0.1% from March 31, 2006.

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

<Consolidated>

	June 30, 2006	Change from March 31, 2006	March 31, 2006 (reference)
Bankrupt and quasi-bankrupt assets	238.8	(11.3)	250.1
Doubtful assets	582.5	17.5	565.0
Substandard loans	463.9	(13.5)	477.4
Total	1,285.2	(7.3)	1,292.5
Problem asset ratio (*)	2.0%	(0.1)%	2.1%

(Billions of yen)

<SMBC, Non-consolidated>

	June 30, 2006	Change from March 31, 2006	March 31, 2006 (reference)
Bankrupt and quasi-bankrupt assets	155.2	(9.3)	164.5
Doubtful assets	489.2	15.8	473.4
Substandard loans	306.9	(15.3)	322.2
Total	951.3	(8.8)	960.1
Problem asset ratio (*)	1.6%	(0.1)%	1.7%

(*) Problem asset ratio = Problem asset / (Problem asset + Normal asset)

Further Strengthening Financial Base

SMFG repurchased and retired all of type 1 preferred shares and part of type 2 preferred shares in the total principal amount of ¥204 billion. SMFG aims to early repay the remaining public fund preferred shares (outstanding balance: ¥896 billion) by the end of this fiscal year, subject to approval of regulatory authorities, taking into consideration our financial position, stock price and economic conditions and other factors.

Financial Outlook

SMFG does not change its earnings forecast for the first half 2006 and the full year 2006, despite the fact that consolidated ordinary profit for the first quarter 2006 is only approximately 30% of the earnings forecast for the first half 2006. This is mainly because:

- (1) the business performance is almost in line with the initial plan, excluding the losses on bonds resulting from a reduction in bond portfolio,
- (2) the impact of rise in interest rates on our performance hereafter is uncertain.

1. Consolidated Balance Sheets

(Millions of yen)

	June 30, 2006	March 31, 2006	Change	June 30, 2005
	(A)	(B)	(A) - (B)	
Assets:				
Cash and due from banks	4,086,055	7,107,469	(3,021,414)	4,574,300
Call loans and bills bought	721,582	651,905	69,677	441,684
Receivables under resale agreements	171,220	117,474	53,746	265,867
Receivables under securities borrowing transactions	1,682,269	1,956,650	(274,381)	1,851,912
Commercial paper and other debt purchased	838,517	633,760	204,757	599,072
Trading assets	4,137,551	4,078,025	59,526	4,188,225
Money held in trust	2,796	2,912	(116)	1,556
Securities	22,803,762	25,505,861	(2,702,099)	22,724,900
Loans and bills discounted	58,544,893	57,267,203	1,277,690	54,872,753
Foreign exchanges	1,067,585	947,744	119,841	968,288
Other assets	3,251,411	3,403,832	(152,421)	4,149,660
Premises and equipment	—	806,369	(806,369)	812,862
Tangible fixed assets	704,356	—	704,356	—
Intangible fixed assets	197,450	—	197,450	—
Lease assets	992,175	999,915	(7,740)	1,001,907
Deferred tax assets	1,206,376	1,051,609	154,767	1,570,431
Goodwill	—	6,612	(6,612)	11,689
Customers' liabilities for acceptances and guarantees	3,736,342	3,508,695	227,647	3,754,553
Reserve for possible loan losses	(1,032,381)	(1,035,468)	3,087	(1,219,177)
Total assets	103,111,967	107,010,575	(3,898,608)	100,570,490
Liabilities:				
Deposits	72,053,800	70,834,125	1,219,675	69,549,235
Negotiable certificates of deposit	3,277,646	2,708,643	569,003	3,413,181
Call money and bills sold	2,875,419	8,016,410	(5,140,991)	4,019,595
Payables under repurchase agreements	593,533	396,205	197,328	216,713
Payables under securities lending transactions	2,340,561	2,747,125	(406,564)	3,464,631
Commercial paper	—	10,000	(10,000)	52,800
Trading liabilities	2,960,197	2,908,158	52,039	2,381,603
Borrowed money	2,168,423	2,133,707	34,716	2,145,343
Foreign exchanges	491,036	447,722	43,314	521,273
Short-term bonds	364,200	383,900	(19,700)	361,400
Bonds	4,198,982	4,241,417	(42,435)	4,216,442
Due to trust account	300,998	318,597	(17,599)	40,761
Other liabilities	2,483,618	2,625,594	(141,976)	2,345,126
Reserve for employee bonuses	7,181	25,300	(18,119)	7,371
Reserve for employee retirement benefits	36,595	36,786	(191)	35,302
Reserve for expenses related to EXPO 2005 Japan	—	—	—	255
Other reserves	1,136	1,141	(5)	1,092
Deferred tax liabilities	49,268	49,484	(216)	45,306
Deferred tax liabilities for land revaluation	49,929	50,133	(204)	50,728
Acceptances and guarantees	3,736,341	3,508,695	227,646	3,754,553
Total liabilities	97,988,874	101,443,151	(3,454,277)	96,622,717
Minority interests	—	1,113,025	(1,113,025)	1,037,210

(Continued)

(Millions of yen)

	June 30, 2006 (A)	March 31, 2006 (B)	Change (A) - (B)	June 30, 2005
Stockholders' equity:				
Capital stock	—	1,420,877	(1,420,877)	1,352,651
Capital surplus	—	1,229,225	(1,229,225)	974,347
Retained earnings	—	992,064	(992,064)	491,021
Land revaluation excess	—	38,173	(38,173)	40,195
Net unrealized gains on other securities	—	819,927	(819,927)	394,932
Foreign currency translation adjustments	—	(41,475)	41,475	(72,436)
Treasury stock	—	(4,393)	4,393	(270,150)
Total stockholders' equity	—	4,454,399	(4,454,399)	2,910,562
Total liabilities, minority interests and stockholders' equity	—	107,010,575	(107,010,575)	100,570,490
Net assets:				
Capital stock	1,420,877	—	1,420,877	—
Capital surplus	953,317	—	953,317	—
Retained earnings	1,064,428	—	1,064,428	—
Treasury stock	(4,658)	—	(4,658)	—
Total stockholders' equity	3,433,965	—	3,433,965	—
Net unrealized gains on other securities	678,820	—	678,820	—
Gains on deferred hedge	(102,673)	—	(102,673)	—
Land revaluation excess	37,933	—	37,933	—
Foreign currency translation adjustments	(39,313)	—	(39,313)	—
Total valuation and translation adjustments	574,767	—	574,767	—
Minority interests	1,114,361	—	1,114,361	—
Total net assets	5,123,093	—	5,123,093	—
Total liabilities and net assets	103,111,967	—	103,111,967	—

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

2. Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2006 (A)	Three months ended June 30, 2005 (B)	Change (A) - (B)	Year ended March 31, 2006 (Condensed)
Ordinary income	859,754	828,753	31,001	3,705,136
Interest income	427,936	372,573	55,363	1,662,600
Interest on loans and discounts	313,341	289,657	23,684	1,214,142
Interest and dividends on securities	69,430	49,141	20,289	317,352
Trust fees	703	443	260	8,631
Fees and commissions	158,188	144,411	13,777	703,928
Trading profits	54,444	2,365	52,079	32,807
Other operating income	207,288	280,445	(73,157)	1,144,147
Other income	11,192	28,513	(17,321)	153,021
Ordinary expenses	728,070	606,846	121,224	2,741,582
Interest expenses	152,623	103,557	49,066	500,993
Interest on deposits	84,295	51,551	32,744	266,648
Fees and commissions	26,216	24,245	1,971	84,336
Trading losses	2,265	5,812	(3,547)	—
Other operating expenses	282,297	195,430	86,867	876,635
General and administrative expenses	217,129	218,387	(1,258)	853,796
Other expenses	47,537	59,412	(11,875)	425,819
Ordinary profit	131,683	221,906	(90,223)	963,554
Extraordinary gains	36,665	3,153	33,512	97,952
Extraordinary losses	2,199	11,656	(9,457)	18,144
Income before income taxes and minority interests	166,150	213,403	(47,253)	1,043,362
Income taxes, Current	20,673	14,593	6,080	69,818
Income taxes, Deferred	10,612	(1,329)	11,941	226,901
Minority interests in net income	14,786	12,349	2,437	59,800
Net income	120,077	187,789	(67,712)	686,841

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

3. Consolidated Statements of Stockholders' Equity

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at March 31, 2006	1,420,877	1,229,225	992,064	(4,393)	3,637,773
Change in the three months					
Cash dividends			(47,951)		(47,951)
Net income			120,077		120,077
Repurchase of own shares				(276,210)	(276,210)
Disposal of treasury shares		9		28	37
Retirement of treasury shares		(275,916)		275,916	—
Increase due to increase of subsidiaries			0		0
Increase due to decrease of subsidiaries			8		8
Decrease due to decrease of subsidiaries			(2)		(2)
Transfer from land revaluation excess			231		231
Net change in the items other than stockholder's equity in the three months					
Total	—	(275,907)	72,364	(264)	(203,808)
Balance at June 30, 2006	1,420,877	953,317	1,064,428	(4,658)	3,433,965

(Millions of yen)

	Valuation and translation adjustments					Minority interests	Total net assets
	Net unrealized gains on other securities	Gains on deferred hedge	Land revaluation excess	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	819,927	—	38,173	(41,475)	816,625	1,113,025	5,567,424
Change in the three months							
Cash dividends							(47,951)
Net income							120,077
Repurchase of own shares							(276,210)
Disposal of treasury shares							37
Retirement of treasury shares							—
Increase due to increase of subsidiaries							0
Increase due to decrease of subsidiaries							8
Decrease due to decrease of subsidiaries							(2)
Transfer from land revaluation excess							231
Net change in the items other than stockholder's equity in the three months	(141,106)	(102,673)	(240)	2,161	(241,858)	1,335	(240,522)
Total	(141,106)	(102,673)	(240)	2,161	(241,858)	1,335	(444,331)
Balance at June 30, 2006	678,820	(102,673)	37,933	(39,313)	574,767	1,114,361	5,123,093

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

4. Segment Information

Business segment information

(Millions of yen)

	Three months ended June 30, 2006 (A)	Three months ended June 30, 2005 (B)	Change (A) - (B)	Year ended March 31, 2006
Ordinary profit				
Banking Business	92,647	181,895	(89,248)	766,278
Leasing business	9,878	11,572	(1,694)	45,277
Other business	38,874	36,265	2,609	181,130
Subtotal	141,400	229,733	(88,333)	992,686
Elimination and unallocated corporate assets	(9,716)	(7,826)	(1,890)	(29,131)
Consolidated	131,683	221,906	(90,223)	963,554

(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.

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Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

1. Operating Results <Consolidated>

(Millions of yen)

<Reference>

		Three months ended June 30, 2006 (A)	Change (A) - (B)	Three months ended June 30, 2005 (B)	Year ended Mar.31, 2006
Consolidated gross profit	1	385,158	(86,035)	471,193	2,090,149
Net interest income	2	275,312	6,296	269,016	1,161,607
Trust fees	3	703	260	443	8,631
Net fees and commissions	4	131,972	11,807	120,165	619,591
Net trading income	5	52,179	55,626	(3,447)	32,807
Net other operating income	6	(75,009)	(160,024)	85,015	267,511
General and administrative expenses	7	(217,129)	1,258	(218,387)	(853,796)
Total credit costs	8	(39,915)	6,718	(46,633)	(333,571)
Write-off of loans	9	(21,687)	(5,311)	(16,376)	(69,355)
Provision for specific reserve for possible loan losses	10	(22,530)	25,482	(48,012)	(45,047)
Provision for general reserve for possible loan losses	11	5,952	(27,422)	33,374	(120,078)
Other credit cost	12	(1,650)	13,969	(15,619)	(99,091)
Gains (losses) on stocks	13	3,999	(13,615)	17,614	47,119
Equity in earnings of affiliates	14	3,591	121	3,470	31,887
Other income (expenses)	15	(4,020)	1,331	(5,351)	(18,233)
Ordinary profit	16	131,683	(90,223)	221,906	963,554
Extraordinary gains (losses)	17	34,466	42,968	(8,502)	79,807
Losses on impairment of fixed assets	18	(1,399)	8,012	(9,411)	(12,303)
Gains on collection of written-off claims	19	197	(31)	228	31,584
Gains on return of securities from employee retirement benefits trust	20	36,330	36,330	—	—
Income before income taxes and minority interests	21	166,150	(47,253)	213,403	1,043,362
Income taxes, current	22	(20,673)	(6,080)	(14,593)	(69,818)
Income taxes, deferred	23	(10,612)	(11,941)	1,329	(226,901)
Minority interests in net income	24	(14,786)	(2,437)	(12,349)	(59,800)
Net income	25	120,077	(67,712)	187,789	686,841

(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)

Total credit cost (8)+(19)	26	(39,717)	6,916	(46,633)	(301,987)
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(Note) Total credit cost for the three months ended June 30, 2006 and the year ended March 31, 2006 includes gains on collection of written-off claims.

<Reference>

(Billions of yen)

Consolidated net business profit	27	161.1	(86.0)	247.1	1,225.4
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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, 2006	Change	Mar. 31, 2006	June 30, 2005
Consolidated subsidiaries	28	162	—	162	164
Affiliates accounted for by the equity method	29	63	—	63	51

2. Operating Results <SMBC, Nonconsolidated>

(Millions of yen)

<Reference>

		Three months ended June 30, 2006 (A)	Change (A) - (B)	Three months ended June 30, 2005 (B)	Year ended Mar.31, 2006
Gross banking profit	1	254,828	(88,820)	343,648	1,552,033
<i>Excluding gains (losses) on bonds</i>	2	325,195	7,948	317,247	1,562,354
Net interest income	3	222,714	1,742	220,972	954,544
Trust fees	4	700	257	443	8,626
Net fees and commissions	5	69,029	3,979	65,050	366,675
Net trading income	6	45,679	54,248	(8,569)	11,937
Net other operating income	7	(83,294)	(149,046)	65,752	210,248
<i>Gains (losses) on bonds</i>	8	(70,366)	(96,766)	26,400	(10,320)
Expenses (excluding non-recurring losses)	9	(151,327)	(1,566)	(149,761)	(586,459)
Personnel expenses	10	(51,896)	1,251	(53,147)	(192,359)
Non-personnel expenses	11	(92,436)	(3,823)	(88,613)	(360,720)
Taxes	12	(6,994)	1,006	(8,000)	(33,379)
Banking profit (before provision for general reserve for possible loan losses)	13	103,501	(90,386)	193,887	965,573
<i>Excluding gains (losses) on bonds</i>	14	173,868	6,382	167,486	975,894
Provision for general reserve for possible loan losses	15	4,161	(16,287)	20,448	(154,980)
Banking profit	16	107,663	(106,672)	214,335	810,593
Non-recurring gains (losses)	17	(34,279)	11,095	(45,374)	(89,659)
Credit related costs	18	(34,521)	15,907	(50,428)	(106,560)
Write-off of loans	19	(15,322)	(8,268)	(7,054)	(12,650)
Provision for specific reserve for possible loan losses	20	(17,553)	24,186	(41,739)	(15,825)
Losses on sale of delinquent loans	21	(1,757)	106	(1,863)	(79,659)
Provision for loan loss reserve for specific overseas countries	22	111	(118)	229	1,575
Gains (losses) on stocks	23	2,996	(8,444)	11,440	25,460
Gains on sale of stocks	24	4,086	(11,555)	15,641	70,085
Losses on sale of stocks	25	(48)	104	(152)	(13,367)
Losses on devaluation of stocks	26	(1,041)	3,007	(4,048)	(31,257)
Other non-recurring gains (losses)	27	(2,754)	3,632	(6,386)	(8,559)
Ordinary profit	28	73,384	(95,577)	168,961	720,933
Extraordinary gains (losses)	29	34,704	38,287	(3,583)	25,739
Gains (losses) on disposal of premises and equipment	30	-	(665)	665	1,457
Gains (losses) on disposal of fixed assets	31	(471)	(471)	-	-
Losses on impairment of fixed assets	32	(1,173)	3,086	(4,259)	(6,300)
Gains on collection of written-off claims	33	19	9	10	30,605
Gains on return of securities from employee retirement benefits trust	34	36,330	36,330	-	-
Income before income taxes	35	108,088	(57,289)	165,377	746,672
Income taxes, current	36	(3,175)	(1,747)	(1,428)	(13,512)
Income taxes, deferred	37	(28,509)	(34,222)	5,713	(213,639)
Net income	38	76,403	(93,260)	169,663	519,520
Total credit cost (15)+(18)+(33)	39	(30,340)	(360)	(29,980)	(230,935)

(Notes)

1. Amounts less than one million yen have been omitted. Figures in parenthesis indicate the amount of loss or decrease.
2. Total credit cost for the three months ended June 30, 2006 and the year ended March 31, 2006 includes gains on collection of written-off claims.

3. Capital Ratio

(Billions of yen)

<Consolidated>

<Reference>

		June 30, 2006	Change from Mar. 31, 2006	March 31, 2006
(1) Capital ratio	1	11.57%	(0.82)%	12.39%
(2) Tier I capital	2	4,497.1	(148.8)	4,645.9
(3) Tier II capital included as qualifying capital	3	3,926.4	(141.3)	4,067.7
(a) Unrealized gains on securities	4	519.0	(108.8)	627.8
(b) Land revaluation excess	5	39.7	(0.2)	39.9
(c) General reserve for possible loan losses	6	736.0	(6.6)	742.6
(d) Subordinated debt	7	2,631.8	(25.6)	2,657.4
(4) Subtraction items	8	669.7	50.4	619.3
(5) Total capital (2)+(3)-(4)	9	7,753.8	(340.6)	8,094.4
(6) Risk-adjusted assets	10	66,981.1	1,658.8	65,322.3

4. Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

<Consolidated>

<Reference>

<Reference>

		June 30, 2006	Change from Mar. 31, 2006	March 31, 2006	June 30, 2005
Bankrupt and quasi-bankrupt assets	11	238.8	(11.3)	250.1	433.8
Doubtful assets	12	582.5	17.5	565.0	1,051.6
Substandard loans	13	463.9	(13.5)	477.4	688.0
Total (A)	14	1,285.2	(7.3)	1,292.5	2,173.4
Normal assets	15	62,390.2	1,659.1	60,731.1	57,563.7
Total (B)	16	63,675.4	1,651.8	62,023.6	59,737.1
Problem asset ratio (A/B)	17	2.0%	(0.1)%	2.1%	3.6%
Amount of direct reduction		828.9	29.8	799.1	1,527.9

(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, 2006	Change from Mar. 31, 2006	March 31, 2006	June 30, 2005
Bankrupt and quasi-bankrupt assets	18	155.2	(9.3)	164.5	342.9
Doubtful assets	19	489.2	15.8	473.4	922.1
Substandard loans	20	306.9	(15.3)	322.2	429.7
Total (A)	21	951.3	(8.8)	960.1	1,694.7
Normal assets	22	57,473.1	1,488.2	55,984.9	53,883.8
Total (B)	23	58,424.4	1,479.4	56,945.0	55,578.5
Problem asset ratio (A/B)	24	1.6%	(0.1)%	1.7%	3.0%
Amount of direct reduction		625.9	22.3	603.6	1,274.7

5. Unrealized Gains (Losses) on Securities

<Consolidated>

<Reference> (Billions of yen)

		June 30, 2006					March 31, 2006			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2006	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	1	1,246.4	(37.2)	(6.4)	0.3	(37.5)	1,250.4	(30.8)	0.6	(31.4)
Other securities	2	21,265.6	1,142.2	(231.2)	1,503.8	(361.6)	23,843.3	1,373.4	1,771.2	(397.8)
Stocks	3	3,832.6	1,439.6	(263.1)	1,466.2	(26.6)	4,008.6	1,702.7	1,722.1	(19.4)
Bonds	4	13,117.9	(235.0)	62.2	0.7	(235.7)	14,905.4	(297.2)	1.0	(298.2)
Others	5	4,315.1	(62.4)	(30.3)	36.9	(99.3)	4,929.3	(32.1)	48.1	(80.2)
Other money held in trust	6	2.8	0.2	(0.0)	0.2	(0.0)	2.9	0.2	0.2	-
Total	7	22,514.8	1,105.2	(237.6)	1,504.3	(399.1)	25,096.6	1,342.8	1,772.0	(429.2)
Stocks	8	3,832.6	1,439.6	(263.1)	1,466.2	(26.6)	4,008.6	1,702.7	1,722.1	(19.4)
Bonds	9	14,344.7	(272.5)	55.8	0.7	(273.2)	16,132.1	(328.3)	1.3	(329.6)
Others	10	4,337.5	(61.9)	(30.3)	37.4	(99.3)	4,955.9	(31.6)	48.6	(80.2)

(Notes)

- The figures above include unrealized gains (losses) on negotiable certificates of deposit bought in "Deposits with banks" and beneficiary claims on commodity investment trust and 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 unrealized gains on other securities as of March 31, 2006 include losses of JPY 3.2 billion that were recognized in income statement by applying fair value hedge accounting, which are included in the amount to be directly included in Total net assets.

<SMBC Non-consolidated>

<Reference> (Billions of yen)

		June 30, 2006					March 31, 2006			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2006	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	11	1,236.1	(37.2)	(6.4)	0.3	(37.5)	1,236.1	(30.8)	0.6	(31.4)
Stocks of subsidiaries and affiliates	12	1,535.6	181.1	(86.5)	197.5	(16.4)	1,528.8	267.6	270.3	(2.7)
Other securities	13	19,934.9	1,097.0	(219.3)	1,439.2	(342.2)	22,520.4	1,316.3	1,695.7	(379.4)
Stocks	14	3,672.2	1,381.6	(250.8)	1,404.5	(22.9)	3,841.6	1,632.4	1,649.9	(17.5)
Bonds	15	12,363.4	(221.7)	60.5	0.5	(222.2)	14,174.6	(282.2)	0.8	(283.0)
Others	16	3,899.3	(62.9)	(29.0)	34.2	(97.1)	4,504.2	(33.9)	45.0	(78.9)
Other money held in trust	17	2.8	0.2	(0.0)	0.2	(0.0)	2.9	0.2	0.2	-
Total	18	22,709.4	1,241.1	(312.2)	1,637.2	(396.1)	25,288.2	1,553.3	1,966.8	(413.5)
Stocks	19	4,293.6	1,562.7	(337.3)	1,602.0	(39.3)	4,457.9	1,900.0	1,920.2	(20.2)
Bonds	20	13,589.9	(259.1)	54.2	0.6	(259.7)	15,401.0	(313.3)	1.0	(314.3)
Others	21	4,825.9	(62.5)	(29.1)	34.6	(97.1)	5,429.3	(33.4)	45.6	(79.0)

(Notes)

- The figures above include unrealized gains (losses) on negotiable certificates of deposit bought in "Deposits with banks" and beneficiary claims on commodity investment trust and loan trust in "Commercial paper and other debt purchased."
- 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 unrealized gains on other securities as of March 31, 2006 include losses of JPY 3.2 billion that were recognized in income statement by applying fair value hedge accounting, which are included in the amount to be directly included in Total net assets.

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

<SMBC Non-consolidated>

<Reference>

(Billions of yen)

	June 30, 2006				March 31, 2006			
	Assets	Liabilities	Net assets	Net deferred gains(losses)	Assets	Liabilities	Net assets	Net deferred gains(losses)
Interest rate swaps	37.7	109.0	(71.3)	(174.7)	46.5	101.0	(54.5)	(170.4)
Currency swaps	6.0	5.7	0.3	0.6	3.3	5.6	(2.3)	0.8
Others	2.4	2.2	0.2	11.9	6.4	3.3	3.1	2.4
Total	46.1	116.9	(70.8)	(162.2)	56.2	109.9	(53.7)	(167.2)

(Notes)

1. Derivative transactions are valued at fair value in the balance sheet.
2. 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.
3. Net deferred gains (losses) show the amounts before applying tax effect accounting.

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

<Reference>

(Billions of yen)

	June 30, 2006				March 31, 2006			
	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	5,509.2	14,058.6	4,657.5	24,225.3	5,587.5	16,061.5	5,045.3	26,694.3
Receivable floating rate /payable fixed rate	553.9	3,857.6	5,939.4	10,350.9	903.4	5,564.3	5,635.5	12,103.2
Receivable floating rate /payable floating rate	254.5	230.8	20.8	506.1	253.8	230.7	20.8	505.3
Total contract amount	6,317.6	18,147.0	10,617.7	35,082.3	6,744.7	21,856.5	10,701.6	39,302.8

7. Deposits and Loans

(Billions of yen)

<SMBC Non-consolidated>

<Reference>

<Reference>

	June 30, 2006	Change from Mar. 2006	March 31, 2006	June 30, 2005
Domestic deposits	62,638.6	(469.1)	63,107.7	60,358.1
Individual	33,227.8	467.5	32,760.3	32,700.2

(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	52,935.2	1,077.6	51,857.6	50,039.1
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8. Return on Equity

<Consolidated>

	Three months ended June 30, 2006 (Note)	Change from the year ended March 31, 2006	Year ended March 31, 2006
Fully-diluted ROE	11.4%	(7.6)%	19.0%

(Note)

$$\text{Fully-diluted ROE} = \frac{(\text{Net income}) \times (\text{number of days in a year}) / (\text{number of days in the relevant period})}{\{(\text{Stockholders' equity at previous fiscal year-end}) + (\text{Total net assets at end of period} - \text{Minority interests at end of period})\}} \times 100$$