

## Sumitomo Mitsui Financial Group, Inc. (SMFG)

### Consolidated Financial Results for the Third Quarter ended December 31, 2007 (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

#### 1. Financial Results (for the nine months ended December 31, 2007)

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	
Nine Months ended December 31, 2007	¥ 3,242,196	15.6%	¥ 525,615	(13.0)%	¥ 319,485	(19.3)%
Nine Months ended December 31, 2006	2,803,491	3.1	604,087	(23.4)	396,054	(33.9)
(Ref.) Fiscal Year ended March 31, 2007	3,901,259	–	798,610	–	441,351	–

	Net Income per Share	Net Income per Share (Diluted)
Nine Months ended December 31, 2007	¥ 41,376.56	¥ 39,366.90
Nine Months ended December 31, 2006	52,941.38	46,127.37
(Ref.) Fiscal Year ended March 31, 2007	57,085.83	51,494.17

##### Notes:

- Equity in earnings (losses) of affiliates  
 for the nine months ended December 31, 2007: ¥ 26,402 million  
 for the nine months ended December 31, 2006: ¥ (29,525) million (Ref.) for the fiscal year ended March 31, 2007: ¥ (104,170) million
- Average number of common stocks outstanding (consolidated)  
 for the nine months ended December 31, 2007: 7,564,811 shares  
 for the nine months ended December 31, 2006: 7,481,003 shares (Ref.) for the fiscal year ended March 31, 2007: 7,504,367 shares

##### (2) Financial Position

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

	Total Assets	Net Assets	Stockholders' Equity to Total Assets	Net Assets per Share
December 31, 2007	¥ 109,372,727	¥ 5,423,511	3.5%	¥ 459,743.81
December 31, 2006	104,025,839	4,918,034	3.4	417,697.64
(Ref.) March 31, 2007	100,858,309	5,331,279	3.9	469,228.59

##### Notes:

- Stockholders' equity  
 as of December 31, 2007: ¥3,838,139 million as of December 31, 2006: ¥3,518,161 million (Ref.) as of March 31, 2007: ¥3,922,986 million
- Number of common stocks outstanding (consolidated)  
 as of December 31, 2007: 7,564,727 shares as of December 31, 2006: 7,560,154 shares (Ref.) as of March 31, 2007: 7,565,022 shares

#### 2. Dividends on Common Stock

Dividend information is not reported because SMFG did not pay quarterly dividend in the fiscal years 2006 and 2007.

#### 3. Earnings Forecast (for the fiscal year ending March 31, 2008)

Earnings forecast shown below that was announced on November 19, 2007 remains unchanged.

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

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Fiscal Year ending March 31, 2008	¥ 4,300,000	10.2%	¥ 940,000	17.7%	¥ 570,000	29.1%	¥ 73,636.68

##### Notes:

- Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the results of the previous fiscal year.
- Net income per share is calculated using the number of common shares outstanding as of December 31, 2007.

#### 4. Other Information

- (1) There was no material change in consolidated subsidiaries in the nine months ended December 31, 2007.
- (2) Simplified accounting method is not applied.
- (3) There were changes in accounting methodology from the previous fiscal year. For more details, please refer to “4. Other” on page 6.

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 as of and for the nine months ended December 31, 2007.

## 1. Operating Results

Consolidated gross profit increased ¥175.8 billion year on year to ¥1,543.0 billion, mainly because Sumitomo Mitsui Banking Corporation (“SMBC”), a major subsidiary of SMFG, reduced losses on bonds ¥37.6 billion, led by a reduction of bond exposure, aiming for reducing risks on the portfolio in the previous fiscal year, due to gains on sale of bonds in this fiscal year, and increased interest income ¥46.8 billion on better interest spreads.

General and administrative expenses increased ¥85.4 billion year on year to ¥732.8 billion as SMFG actively allocated resources to focal business areas to improve convenience for customers and enhance competitiveness.

Credit cost amounted to ¥238.0 billion, an increase of ¥149.3 billion compared with a year earlier due mainly to an unanticipated loss provision for loans to certain borrowers. In addition, net losses on stocks amounted to ¥53.8 billion, a deterioration of ¥76.9 billion from a year earlier, due to lower stock markets. Equity in earnings of affiliates was ¥26.4 billion, an improvement of ¥55.9 billion from a year earlier, resulting from an improvement in business performance of affiliated companies.

As a result of these factors, on a consolidated basis, SMFG recorded ordinary profit of ¥525.6 billion, a year-on-year decrease of ¥78.5 billion. Net income, including extraordinary gains on change in equity of ¥103.1 billion as a result of mergers of leasing subsidiaries, amounted to ¥319.5 billion, a year-on-year decrease of ¥76.6 billion.

### <Consolidated>

	Nine months ended December 31, 2007		Year ended March 31, 2007 (reference)
		Year-on-year change	(Billions of yen)
Gross profit	¥ 1,543.0	¥ 175.8	¥ 1,906.2
General and administrative expenses	(732.8)	(85.4)	(888.6)
Credit cost	(238.0)	(149.3)	(145.0)
Ordinary profit	525.6	(78.5)	798.6
Net income	319.5	(76.6)	441.4

### <SMBC, Non-consolidated>

Gross banking profit	¥ 1,064.4	¥ 115.8	¥ 1,344.5
Expenses (excluding non-recurring losses)	(497.9)	(48.7)	(603.9)
Banking profit (*)	566.5	67.1	740.6
Gains (losses) on bonds	(22.8)	37.6	(112.4)
Credit cost	(187.3)	(133.2)	(89.5)
Ordinary profit	255.6	(185.3)	573.3
Net income	87.5	(216.0)	315.7

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

**<Reference> Sub-prime and monoline related exposure****(Sub-prime related exposure)**

SMBC had approximately ¥15 billion, net of provisions and write-offs, in exposures related to sub-prime mortgage loans in the United States as of December 31, 2007, which consisted of the following:

- securitized products such as RMBSs and ABSCDOs (book value: after write-offs approximately ¥10 billion)
- warehousing loans with sub-prime related assets as collateral (book value: after write-offs approximately ¥17 billion, and after provisions approximately ¥5 billion).

The details of the provisions and write-offs are as follows.

- Of approximately ¥85 billion in securitized products at December-end, SMBC wrote off and realized losses on securitized products of approximately ¥75 billion due to a decline in fair value, and the book value after the write-offs amounted to approximately ¥10 billion. SMBC had no unrealized losses as of December 31, 2007.
- Of approximately ¥25 billion in warehousing loans collateralized with sub-prime related assets at December-end, SMBC wrote off and made loss provisions for approximately ¥20 billion using the discounted cash flow method.

As a result of the above measures, at December-end, SMBC recorded impairment of approximately 90% of the sub-prime loan related exposures in terms of acquisition cost.

Sub-prime related losses mentioned above in the total amount of approximately ¥99 billion (provisions and write-offs totaling approximately ¥95 billion and losses on sale during the period of approximately ¥4 billion) were offset by an increase in profit of Treasury Unit such as gains on sales of bonds etc., utilizing interest rates declining trend in domestic and overseas markets led by sub-prime loan problems.

(Billions of yen)					
	As of Dec. 31, 2007 (acquisition cost)	Provisions and write-offs in the		Balances after provisions and	
		three months ended Dec. 31, 2007	nine months ended Dec. 31, 2007	write-offs as of Dec. 31, 2007	Change from Sept. 30, 2007
Securitized products	¥ 85	¥ (58)	¥ (75)	¥ 10	¥ (60)
Warehousing loans etc.	25	(9)	(20)	5	(9)
<b>Subtotal (a)</b>	<b>110</b>	<b>(67)</b>	<b>(95)</b>	<b>15</b>	<b>(69)</b>
Loss on sale in the period (b)		0	(4)	(sales amount: ¥ 350)	
<b>Impact on profit (a) + (b)</b>		<b>¥ (67)</b>	<b>¥ (99)</b>		

\* Approximate amounts. Includes foreign exchange translation adjustments.

Most of the assets held by ABCP programs which SMBC sponsors are receivables of corporate clients and do not include sub-prime loan related assets. Further, SMBC had no securities issued by Structured Investment Vehicles.

Subsidiaries other than SMBC had no sub-prime related exposures as of December 31, 2007.

**(Monoline related exposure)**

As of December 31, 2007, SMBC and other subsidiaries had the following transactions with monoline insurance companies and made loss provisions of approximately ¥10 billion for the ¥20 billion in exposures described in (b) due to downgrades of certain monoline insurance companies:

- (a) exposures guaranteed or insured by monoline insurance companies: approximately ¥50 billion, and
- (b) credit derivatives traded with monoline insurance companies: mark-to-market value of approximately ¥20 billion (notional amount of reference assets: approximately ¥900 billion).

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

We believe that impact on transactions described above will be limited based on the following consideration: the underlying and reference assets of our transactions\* are investment grade assets, and we do not always suffer losses due to rating downgrades of monoline insurance companies, while most monoline insurance companies, with some exceptions, have retained their high credit ratings.

\* Sub-prime related assets are not included.

In addition, we had about ¥25 billion in commitment contracts to insurance companies with monoline insurance companies as group members. However, we believe the impact of such transactions will be limited also.

**2. Financial Position**

On a consolidated basis, SMFG's total assets as of December 31, 2007 increased ¥8,514.4 billion to ¥109,372.7 billion, compared with March 31, 2007. Total net assets amounted to ¥5,423.5 billion, an increase of ¥92.2 billion from March 31, 2007, mainly because stockholders' equity increased ¥209.3 billion to ¥2,951.0 billion as a result of recording of net income for the nine months, while net unrealized gains on other securities decreased ¥294.0 billion to ¥968.1 billion.

Deposits increased ¥1,414.2 billion to ¥73,570.5 billion. Loans and bills discounted also increased ¥3,961.0 billion to ¥62,650.3 billion. SMBC increased its loan balance on a non-consolidated basis to ¥57,379.8 billion, an increase of ¥3,623.4 billion from March 31, 2007, due mainly to increases in overseas lending to companies with high credit ratings and overseas project finance.

On a consolidated basis, problem assets (non-performing loans as defined under the Financial Reconstruction Law) increased ¥65.0 billion to ¥1,149.6 billion from March 31, 2007. Problem asset ratio was 1.6%, unchanged from the previous fiscal year-end.

**3. Earnings Forecast for the Fiscal Year Ending March 31, 2008**

Net income for the nine months was approximately 60% of the earnings forecast for the fiscal year ending March 31, 2008 announced on November 19, 2007. However, SMFG expects to record gains on reversal of reserve for possible loan losses of approximately ¥100 billion in the fourth quarter due to a decrease in our historical loan loss ratio, and does not change the earnings forecast.

#### 4. Other

Changes in accounting policy from the previous fiscal year are as follows:

(1) Depreciation

In accordance with the revision of Corporation Tax Law, tangible fixed assets acquired on and after April 1, 2007 are depreciated under the depreciation method stipulated in the revised Corporation Tax Law. This accounting change had no material impact on the consolidated financial statements.

(2) Reserve for reimbursement of deposits

Formerly, deposits which were derecognized as liabilities were expensed when they were actually reimbursed. However, from the six months period ended September 30, 2007, reserve for reimbursement of deposits is provided for the possible losses on the future claims of withdrawal based on the historical reimbursement experience in accordance with the “Treatment for Auditing of Reserve under Special Taxation Measures Law, Reserve under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors” (JICPA Audit and Assurance Practice Committee Report No.42) of April 13, 2007.

As a result, Ordinary profit and Income before income taxes and minority interests decreased by ¥7,683 million each as compared with the former method.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	December 31, 2007 (A)	March 31, 2007 (B)	Change (A) - (B)	(Millions of yen) December 31, 2006 (Reference)
December 31, 2007 and 2006, and March 31, 2007				
<b>Assets:</b>				
Cash and due from banks	6,285,339	4,036,856	2,248,483	3,672,665
Call loans and bills bought	630,771	1,107,078	(476,307)	739,534
Receivables under resale agreements	378,170	76,551	301,619	103,533
Receivables under securities borrowing transactions	734,007	2,276,894	(1,542,887)	2,098,117
Commercial paper and other debt purchased	1,217,758	963,916	253,842	994,360
Trading assets	4,120,288	3,277,885	842,403	3,744,496
Money held in trust	2,879	2,924	(45)	2,858
Securities	20,217,374	20,537,500	(320,126)	22,356,695
Loans and bills discounted	62,650,285	58,689,322	3,960,963	60,009,269
Foreign exchanges	1,164,201	881,436	282,765	1,046,526
Other assets	4,341,078	3,349,949	991,129	3,546,846
Tangible fixed assets	820,601	817,567	3,034	706,821
Intangible fixed assets	322,970	234,896	88,074	222,696
Lease assets	1,427,180	1,001,346	425,834	986,869
Deferred tax assets	881,424	887,224	(5,800)	913,095
Customers' liabilities for acceptances and guarantees	5,154,544	3,606,050	1,548,494	3,852,110
Reserve for possible loan losses	(976,148)	(889,093)	(87,055)	(970,658)
<b>Total assets</b>	<u>109,372,727</u>	<u>100,858,309</u>	<u>8,514,418</u>	<u>104,025,839</u>
<b>Liabilities:</b>				
Deposits	73,570,471	72,156,224	1,414,247	72,460,481
Negotiable certificates of deposit	2,958,406	2,589,217	369,189	2,795,868
Call money and bills sold	3,211,555	2,286,698	924,857	2,795,793
Payables under repurchase agreements	730,666	140,654	590,012	572,837
Payables under securities lending transactions	2,398,847	1,516,342	882,505	2,402,191
Trading liabilities	2,138,192	1,942,973	195,219	2,082,157
Borrowed money	4,946,726	3,214,137	1,732,589	4,161,101
Foreign exchanges	522,380	323,890	198,490	364,136
Short-term bonds	752,120	439,600	312,520	468,500
Bonds	4,061,124	4,093,525	(32,401)	4,068,078
Due to trust account	73,615	65,062	8,553	102,303
Other liabilities	3,266,667	2,981,714	284,953	2,838,697
Reserve for employee bonuses	8,782	27,513	(18,731)	7,906
Reserve for employee retirement benefits	38,664	34,424	4,240	34,143
Reserve for executive retirement benefits	7,643	7,371	272	—
Reserve for reimbursement of deposits	7,683	—	7,683	—
Reserve under special law	1,137	1,137	(0)	1,136
Deferred tax liabilities	50,649	50,953	(304)	50,786
Deferred tax liabilities for land revaluation	49,337	49,536	(199)	49,572
Acceptances and guarantees	5,154,544	3,606,050	1,548,494	3,852,110
<b>Total liabilities</b>	<u>103,949,215</u>	<u>95,527,029</u>	<u>8,422,186</u>	<u>99,107,804</u>
<b>Net assets:</b>				
Capital stock	1,420,877	1,420,877	—	1,420,877
Capital surplus	57,853	57,773	80	55,885
Retained earnings	1,596,207	1,386,436	209,771	1,341,298
Treasury stock	(123,959)	(123,454)	(505)	(125,625)
<b>Total stockholders' equity</b>	2,950,978	2,741,632	209,346	2,692,436
Net unrealized gains on other securities	968,128	1,262,135	(294,007)	923,662
Net deferred losses on hedges	(86,731)	(87,729)	998	(97,884)
Land revaluation excess	37,312	37,605	(293)	37,450
Foreign currency translation adjustments	(31,549)	(30,656)	(893)	(37,503)
<b>Total valuation and translation adjustments</b>	887,160	1,181,353	(294,193)	825,725
Stock acquisition rights	35	14	21	9
Minority interests	1,585,336	1,408,279	177,057	1,399,863
<b>Total net assets</b>	<u>5,423,511</u>	<u>5,331,279</u>	<u>92,232</u>	<u>4,918,034</u>
<b>Total liabilities and net assets</b>	<u>109,372,727</u>	<u>100,858,309</u>	<u>8,514,418</u>	<u>104,025,839</u>

(Notes) 1. Amounts less than one million yen have been omitted.

2. As announced on July 30, 2007, SMBC Leasing Company, Limited and Sumisho Lease Co., Ltd. merged on October 1, 2007, and goodwill of 88,090 million yen was recognized and will be amortized over 20 years. Intangible fixed assets as of December 31, 2007 included goodwill on the merger after amortization of 86,989 million yen.

## (2) Consolidated Statements of Income

Nine months ended December 31, 2007 and 2006, and Year ended March 31, 2007	(Millions of yen)			
	Nine months ended December 31,			[ Condensed ] Year ended March 31,
	<b>2007</b> (A)	2006 (B)	Change (A) - (B)	2007 (Reference)
Ordinary income	3,242,196	2,803,491	438,705	3,901,259
Interest income	1,636,925	1,419,922	217,003	1,979,069
Interest on loans and discounts	1,189,110	1,022,911	166,199	1,375,851
Interest and dividends on securities	240,175	238,246	1,929	369,770
Trust fees	3,078	2,182	896	3,508
Fees and commissions	526,501	511,150	15,351	705,998
Trading profits	190,008	69,171	120,837	127,561
Other operating income	827,489	756,650	70,839	1,003,632
Other income	58,192	44,414	13,778	81,489
Ordinary expenses	2,716,580	2,199,404	517,176	3,102,649
Interest expenses	744,774	586,354	158,420	810,476
Interest on deposits	409,708	326,679	83,029	457,078
Fees and commissions	79,697	77,134	2,563	96,812
Trading losses	—	2,160	(2,160)	1,936
Other operating expenses	816,535	726,195	90,340	1,004,370
General and administrative expenses	732,838	647,369	85,469	888,561
Other expenses	342,734	160,189	182,545	300,491
Ordinary profit	525,615	604,087	(78,472)	798,610
Extraordinary gains	104,884	49,296	55,588	46,527
Extraordinary losses	5,247	5,903	(656)	38,347
Income before income taxes and minority interests	625,252	647,481	(22,229)	806,790
Income taxes, current	75,868	64,468	11,400	87,818
Income taxes, deferred	169,414	141,629	27,785	218,770
Minority interests in net income	60,485	45,328	15,157	58,850
Net income	<u>319,485</u>	<u>396,054</u>	<u>(76,569)</u>	<u>441,351</u>

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



## (3) Consolidated Statement of Changes in Net Assets

Nine months ended December 31, 2007

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at March 31, 2007	1,420,877	57,773	1,386,436	(123,454)	2,741,632
Changes in the nine months					
Cash dividends			(110,215)		(110,215)
Net income			319,485		319,485
Acquisition of own shares				(796)	(796)
Disposal of treasury shares		80		291	372
Increase due to increase in subsidiaries			258		258
Increase due to decrease in subsidiaries			4		4
Decrease due to increase in subsidiaries			(38)		(38)
Decrease due to decrease in subsidiaries			(3)		(3)
Transfer from land revaluation excess			279		279
Net changes in the items other than stockholders' equity in the nine months					
Net changes in the nine months	—	80	209,770	(504)	209,346
Balance at December 31, 2007	1,420,877	57,853	1,596,207	(123,959)	2,950,978

(Millions of yen)

	Valuation and translation adjustments					Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gains on other securities	Net deferred losses on hedges	Land revaluation excess	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2007	1,262,135	(87,729)	37,605	(30,656)	1,181,353	14	1,408,279	5,331,279
Changes in the nine months								
Cash dividends								(110,215)
Net income								319,485
Acquisition of own shares								(796)
Disposal of treasury shares								372
Increase due to increase in subsidiaries								258
Increase due to decrease in subsidiaries								4
Decrease due to increase in subsidiaries								(38)
Decrease due to decrease in subsidiaries								(3)
Transfer from land revaluation excess								279
Net changes in the items other than stockholders' equity in the nine months	(294,006)	998	(292)	(892)	(294,192)	21	177,057	(117,114)
Net changes in the nine months	(294,006)	998	(292)	(892)	(294,192)	21	177,057	92,231
Balance at December 31, 2007	968,128	(86,731)	37,312	(31,549)	887,160	35	1,585,336	5,423,511

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

## (4) Segment Information

## Business segment information

Nine months ended December 31, 2007 and 2006, and Year ended March 31, 2007	Nine months ended December 31,			(Millions of yen) Year ended March 31,
	2007	2006	Change	2007
	(A)	(B)	(A) - (B)	(Reference)
Ordinary profit				
Banking business	389,180	515,858	(126,678)	748,907
Leasing business	31,971	30,533	1,438	44,847
Other business	129,952	80,702	49,250	39,640
Subtotal	551,105	627,094	(75,989)	833,394
Elimination and unallocated corporate assets	(25,489)	(23,006)	(2,483)	(34,784)
Consolidated	525,615	604,087	(78,472)	798,610

## (Notes)

1. Amounts less than one million yen have been omitted.
2. "Other business" 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, 2007 - Supplementary Information -

## <Table of Contents>

1. Operating Results [SMFG]	<Consolidated>	...	1
2. Operating Results [SMBC]	<Non-consolidated>	...	2
3. Interest Spread (Domestic)	<Non-consolidated>	...	3
4. Problem Assets Based on the Financial Reconstruction Law	<Consolidated> <Non-consolidated>	...	3
5. Unrealized Gains (Losses) on Securities	<Consolidated> <Non-consolidated>	...	4
6. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)	<Non-consolidated>	...	5
7. Deposits and Loans	<Non-consolidated>	...	5
8. Return on Equity	<Consolidated>	...	5

<Consolidated> ..... SMFG's consolidated figures

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

**Sumitomo Mitsui Financial Group, Inc.**

**Sumitomo Mitsui Banking Corporation**

**1. Operating Results <Consolidated>**

(Millions of yen)

		Nine months ended Dec. 31, 2007 (A)	Change (A) - (B)	Nine months ended Dec. 31, 2006 (B)	Year ended Mar. 31, 2007 (Reference)
Consolidated gross profit	1	1,542,995	175,763	1,367,232	1,906,173
Net interest income	2	892,150	58,582	833,568	1,168,592
Trust fees	3	3,078	896	2,182	3,508
Net fees and commissions	4	446,804	12,789	434,015	609,185
Net trading income	5	190,008	122,998	67,010	125,625
Net other operating income	6	10,954	(19,500)	30,454	(738)
General and administrative expenses	7	(732,838)	(85,469)	(647,369)	(888,561)
Credit related costs	8	(238,607)	(144,794)	(93,813)	(146,186)
Write-off of loans	9	(101,920)	(21,782)	(80,138)	(81,415)
Provision for specific reserve for possible loan losses	10	(120,400)	(120,400)	—	(77,446)
Provision for general reserve for possible loan losses	11	(4,128)	(4,128)	—	53,370
Other credit cost	12	(12,157)	1,517	(13,674)	(40,695)
Gains (losses) on stocks	13	(53,785)	(76,923)	23,138	44,730
Equity in earnings (losses) of affiliates	14	26,402	55,927	(29,525)	(104,170)
Other income (expenses)	15	(18,551)	(2,977)	(15,574)	(13,374)
<b>Ordinary profit</b>	<b>16</b>	<b>525,615</b>	<b>(78,472)</b>	<b>604,087</b>	<b>798,610</b>
Extraordinary gains (losses)	17	99,637	56,244	43,393	8,180
Losses on impairment of fixed assets	18	(3,270)	(1,098)	(2,172)	(30,548)
Gains on reversal of reserve for possible loan losses	19	—	(4,328)	4,328	—
Gains on collection of written-off claims	20	565	(228)	793	1,236
Gains on return of securities from employee retirement benefits trust	21	—	(36,330)	36,330	36,330
Gains on change in equity	22	103,133	103,133	—	—
Income before income taxes and minority interests	23	625,252	(22,229)	647,481	806,790
Income taxes, current	24	(75,868)	(11,400)	(64,468)	(87,818)
Income taxes, deferred	25	(169,414)	(27,785)	(141,629)	(218,770)
Minority interests in net income	26	(60,485)	(15,157)	(45,328)	(58,850)
<b>Net income</b>	<b>27</b>	<b>319,485</b>	<b>(76,569)</b>	<b>396,054</b>	<b>441,351</b>

(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+19+20)	28	(238,042)	(149,350)	(88,692)	(144,950)
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&lt;Reference&gt;

(Billions of yen)

Consolidated net business profit	29	737.6	58.3	679.3	924.2
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(Note) Consolidated net business profit = (SMBC Non-consolidated banking profit (before provision for general reserve for possible loan losses)) + (Other consolidated subsidiaries' ordinary profit (excluding non-recurring items) + (Affiliates' ordinary profit) X (Ownership ratio) - (Internal transaction (dividends, etc.))

(Number of consolidated subsidiaries and affiliates)

&lt;Reference&gt;

		Dec. 31, 2007	Change	Mar. 31, 2007	Sept. 30, 2007
Consolidated subsidiaries	30	264	83	181	185
Affiliates accounted for by the equity method	31	74	12	62	66

## 2. Operating Results &lt;SMBC, Nonconsolidated&gt;

(Millions of yen)

		Nine months ended Dec. 31, 2007 (A)	Change (A) - (B)	Nine months ended Dec. 31, 2006 (B)	Year ended Mar. 31, 2007 (Reference)
Gross banking profit	1	1,064,358	115,801	948,557	1,344,490
<i>Excluding gains (losses) on bonds</i>	2	<i>1,087,190</i>	<i>78,238</i>	<i>1,008,952</i>	<i>1,456,903</i>
Net interest income	3	707,226	46,773	660,453	937,452
Trust fees	4	3,049	880	2,169	3,482
Net fees and commissions	5	236,414	(8,117)	244,531	353,416
Net trading income	6	167,205	118,031	49,174	101,620
Net other operating income	7	(49,537)	(41,767)	(7,770)	(51,482)
<i>Gains (losses) on bonds</i>	8	<i>(22,832)</i>	<i>37,562</i>	<i>(60,394)</i>	<i>(112,413)</i>
Expenses (excluding non-recurring losses)	9	(497,863)	(48,696)	(449,167)	(603,888)
Personnel expenses	10	(162,290)	(16,978)	(145,312)	(190,630)
Non-personnel expenses	11	(305,920)	(27,257)	(278,663)	(378,240)
Taxes	12	(29,652)	(4,461)	(25,191)	(35,017)
Banking profit (before provision for general reserve for possible loan losses)	13	566,494	67,104	499,390	740,601
<i>Excluding gains (losses) on bonds</i>	14	<i>589,326</i>	<i>29,541</i>	<i>559,785</i>	<i>853,015</i>
Provision for general reserve for possible loan losses	15	(6,530)	(6,530)	—	41,728
Banking profit	16	559,964	60,574	499,390	782,330
Non-recurring gains (losses)	17	(304,334)	(245,885)	(58,449)	(209,017)
Credit related costs	18	(180,740)	(109,509)	(71,231)	(131,676)
Gains (losses) on stocks	19	(112,897)	(131,626)	18,729	11,098
Gains on sale of stocks	20	15,511	(17,451)	32,962	50,204
Losses on sale of stocks	21	(630)	(299)	(331)	(546)
Losses on devaluation of stocks	22	(127,778)	(113,877)	(13,901)	(38,559)
Other non-recurring gains (losses)	23	(10,696)	(4,749)	(5,947)	(88,439)
Ordinary profit	24	255,630	(185,311)	440,941	573,313
Extraordinary gains (losses)	25	(2,862)	(37,713)	34,851	13,615
Gains (losses) on disposal of fixed assets	26	283	(860)	1,143	(1,680)
Losses on impairment of fixed assets	27	(3,157)	(1,677)	(1,480)	(3,680)
Gains on reversal of reserve for possible loan losses	28	—	(16,885)	16,885	—
Gains on collection of written-off claims	29	12	(215)	227	455
Gains on return of securities from retirement benefits trust	30	—	(36,330)	36,330	36,330
Losses on liquidation of subsidiary	31	—	18,254	(18,254)	(17,809)
Income before income taxes	32	252,768	(223,024)	475,792	586,928
Income taxes, current	33	(13,984)	(1,240)	(12,744)	(16,507)
Income taxes, deferred	34	(151,316)	8,278	(159,594)	(254,680)
Net income	35	87,466	(215,988)	303,454	315,740
Total credit cost (15+18+28+29)	36	(187,258)	(133,140)	(54,118)	(89,491)
Provision for general reserve for possible loan losses	37	(6,530)	(28,449)	21,919	41,728
Write-off of loans	38	(92,683)	(34,155)	(58,528)	(50,468)
Provision for specific reserve for possible loan losses	39	(77,349)	(72,230)	(5,119)	(44,358)
Losses on sales of delinquent loans	40	(12,648)	54	(12,702)	(37,262)
Provision for loan loss reserve for specific overseas countries	41	1,941	1,857	84	412
Gains on collection of written-off claims	42	12	(215)	227	455

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

**3. Interest Spread (Domestic)**

(%)

**<SMBC, Non-consolidated>**

&lt;Reference&gt;

	Nine months ended				Year ended March 31, 2007
	December 31, 2007	1st Quarter	2nd Quarter	3rd Quarter	
Interest earned on loans and bills discounted (A)	2.02	1.96	2.03	2.06	1.73
Interest paid on deposits, etc. (B)	0.23	0.22	0.23	0.23	0.10
Interest spread (A) - (B)	1.79	1.74	1.80	1.83	1.63

**4. Problem Assets Based on the Financial Reconstruction Law**

(Billions of yen)

**<Consolidated>**

&lt;Reference&gt;

&lt;Reference&gt;

		December 31, 2007		March 31, 2007		September 30, 2007
			Change from March 31, 2007		Change from March 31, 2007	
Bankrupt and quasi-bankrupt assets	1	189.1	(4.7)	193.8		184.6
Doubtful assets	2	504.8	120.0	384.8		437.3
Substandard loans	3	455.7	(50.3)	506.0		480.4
Total (A)	4	1,149.6	65.0	1,084.6		1,102.3
Normal assets	5	70,423.1	5,607.5	64,815.6		67,502.1
Total (B)	6	71,572.7	5,672.5	65,900.2		68,604.4
Problem asset ratio (A/B)	7	1.6%	0.0%	1.6%		1.6%
Amount of direct reduction		554.4	64.3	490.1		517.4

(Billions of yen)

**<SMBC, Non-consolidated>**

&lt;Reference&gt;

&lt;Reference&gt;

		December 31, 2007		March 31, 2007		September 30, 2007
			Change from March 31, 2007		Change from March 31, 2007	
Bankrupt and quasi-bankrupt assets	8	115.8	6.9	108.9		109.3
Doubtful assets	9	392.2	92.1	300.1		340.4
Substandard loans	10	297.6	(32.1)	329.7		323.9
Total (A)	11	805.6	66.9	738.7		773.6
Normal assets	12	64,890.5	4,348.3	60,542.2		61,964.6
Total (B)	13	65,696.1	4,415.2	61,280.9		62,738.2
Problem asset ratio (A/B)	14	1.2%	0.0%	1.2%		1.2%
Amount of direct reduction		352.0	53.7	298.3		319.5

## 5. Unrealized Gains (Losses) on Securities

&lt;Consolidated&gt;

&lt;Reference&gt;

(Billions of yen)

		December 31, 2007					March 31, 2007			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2007	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	1	1,109.8	2.6	15.7	6.1	(3.5)	1,117.9	(13.1)	0.2	(13.3)
Other securities	2	19,046.0	1,387.7	(437.5)	1,600.2	(212.5)	19,335.4	1,825.2	2,032.1	(206.9)
Stocks	3	3,908.6	1,545.1	(427.5)	1,569.1	(24.0)	4,328.5	1,972.6	1,987.3	(14.7)
Bonds	4	10,905.6	(121.8)	35.5	3.9	(125.7)	11,170.7	(157.3)	1.8	(159.1)
Others	5	4,231.8	(35.6)	(45.5)	27.2	(62.8)	3,836.2	9.9	43.0	(33.1)
Other money held in trust	6	2.9	0.1	(0.2)	0.1	—	2.9	0.3	0.3	—
Total	7	20,158.7	1,390.4	(422.0)	1,606.4	(216.0)	20,456.2	1,812.4	2,032.6	(220.2)
Stocks	8	3,908.6	1,545.1	(427.5)	1,569.1	(24.0)	4,328.5	1,972.6	1,987.3	(14.7)
Bonds	9	12,005.1	(119.1)	51.5	10.0	(129.1)	12,277.7	(170.6)	1.8	(172.4)
Others	10	4,245.0	(35.6)	(46.0)	27.3	(62.9)	3,850.0	10.4	43.5	(33.1)

(Notes)

- The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Cash and due from banks" and beneficiary claims on loan trust in "Commercial paper and other debt purchased."
- Unrealized gains (losses) on stocks are mainly calculated using 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.

&lt;SMBC, Non-consolidated&gt;

&lt;Reference&gt;

(Billions of yen)

		December 31, 2007					March 31, 2007			
		Balance sheet amount	Net unrealized gains (losses)	Change from Mar.2007	Gains	Losses	Balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Held-to-maturity securities	11	1,093.8	2.7	15.8	6.1	(3.4)	1,112.1	(13.1)	0.2	(13.3)
Stocks of subsidiaries and affiliates	12	1,356.4	27.3	19.3	34.3	(7.0)	1,493.6	8.0	85.5	(77.5)
Other securities	13	17,359.1	1,392.8	(440.1)	1,590.9	(198.1)	17,795.6	1,832.9	2,028.7	(195.8)
Stocks	14	3,827.3	1,545.8	(432.9)	1,564.5	(18.7)	4,262.1	1,978.7	1,990.4	(11.7)
Bonds	15	9,853.1	(119.4)	32.0	1.6	(121.0)	10,173.2	(151.4)	0.8	(152.2)
Others	16	3,678.7	(33.6)	(39.2)	24.8	(58.4)	3,360.3	5.6	37.5	(31.9)
Other money held in trust	17	2.9	0.1	(0.2)	0.1	—	2.9	0.3	0.3	—
Total	18	19,812.2	1,422.9	(405.2)	1,631.4	(208.5)	20,404.2	1,828.1	2,114.7	(286.6)
Stocks	19	4,281.1	1,573.1	(413.6)	1,598.8	(25.7)	4,830.2	1,986.7	2,075.9	(89.2)
Bonds	20	10,945.2	(116.7)	48.0	7.7	(124.4)	11,280.0	(164.7)	0.8	(165.5)
Others	21	4,585.9	(33.5)	(39.6)	24.9	(58.4)	4,294.0	6.1	38.0	(31.9)

(Notes)

- The figures above include unrealized gains (losses) on negotiable certificates of deposit in "Cash and due from 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 using 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.

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

<SMBC, Non-consolidated>

<Reference>

(Billions of yen)

	December 31, 2007				March 31, 2007			
	Assets	Liabilities	Net assets	Net deferred gains(losses)	Assets	Liabilities	Net assets	Net deferred gains(losses)
Interest rate swaps	29.5	109.2	(79.7)	(143.0)	49.6	78.1	(28.5)	(143.1)
Currency swaps	5.2	26.6	(21.4)	1.0	7.1	6.4	0.7	0.6
Others	1.5	0.5	1.0	10.9	0.4	0.5	(0.1)	(2.0)
Total	36.2	136.3	(100.1)	(131.1)	57.1	85.0	(27.9)	(144.5)

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

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

<Reference>

(Billions of yen)

	December 31, 2007				March 31, 2007			
	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	6,400.6	9,440.7	3,697.1	19,538.4	7,118.7	11,868.4	4,429.8	23,416.9
Receivable floating rate /payable fixed rate	1,033.9	5,340.9	4,648.1	11,022.9	1,103.2	5,191.6	5,218.6	11,513.4
Receivable floating rate /payable floating rate	—	30.8	20.0	50.8	200.0	30.5	20.3	250.8
Total contract amount	7,434.5	14,812.4	8,365.2	30,612.1	8,421.9	17,090.5	9,668.7	35,181.1

## 7. Deposits and Loans

(Billions of yen)

<SMBC, Non-consolidated>

<Reference>

	December 31, 2007	Change from March 31, 2007	March 31, 2007	September 30, 2007
Domestic deposits	62,442.5	(238.3)	62,680.8	62,120.0
Individual	34,459.8	836.1	33,623.7	33,582.1

(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	57,379.8	3,623.4	53,756.4	55,025.7
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## 8. Return on Equity

<Consolidated>

<Reference>

	Nine months ended December 31, 2007	Change from the year ended March 31, 2007	Year ended March 31, 2007	Six months ended September 30, 2007
Fully-diluted ROE	10.9%	0.4%	10.5%	8.8%

(Note) Fully-diluted ROE = 
$$\frac{(\text{Net income}) \times (\text{number of days in a year}) / (\text{number of days in the relevant period})}{\{(\text{Net assets at beginning of period} - \text{Stock acquisition rights at beginning of period} - \text{Minority interests at beginning of period}) + (\text{Net assets at end of period} - \text{Stock acquisition rights at end of period} - \text{Minority interests at end of period})\} / 2} \times 100$$