

**Financial Results**  
for the Six Months  
ended September 30, 2004  
-Supplementary Information-

Sumitomo Mitsui Financial Group, Inc.  
Sumitomo Mitsui Banking Corporation

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(Notes) <Consolidated>: Consolidated figures of Sumitomo Mitsui Financial Group, Inc. ("SMFG")

**Financial Highlights for the Six Months ended September 30, 2004**

## 1. Income Analysis

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2003
		Sep. 30, 2004	Change	
Gross banking profit	1	762,716	(32,623)	795,339
<i>Excluding gains (losses) on bonds</i>	2	736,053	(40,514)	776,567
Gross domestic profit	3	590,117	31,150	558,967
<i>Excluding gains (losses) on bonds</i>	4	570,218	13,638	556,580
Net interest income	5	462,433	(19,255)	481,688
Trust fees	6	728	644	84
Net fees and commissions	7	100,551	22,374	78,177
Net trading income	8	725	2,588	(1,863)
Net other operating income	9	25,678	24,798	880
<i>Gains (losses) on bonds</i>	10	19,899	17,513	2,386
Gross international profit	11	172,598	(63,773)	236,371
<i>Excluding gains (losses) on bonds</i>	12	165,834	(54,152)	219,986
Net interest income	13	28,435	(58,473)	86,908
Net fees and commissions	14	26,470	5,318	21,152
Net trading income	15	20,424	(131,264)	151,688
Net other operating income	16	97,268	120,645	(23,377)
<i>Gains (losses) on bonds</i>	17	6,764	(9,621)	16,385
Expenses (excluding non-recurring losses)	18	(291,136)	4,894	(296,030)
Personnel expenses	19	(104,320)	9,647	(113,967)
Non-personnel expenses	20	(168,549)	(1,852)	(166,697)
Taxes	21	(18,266)	(2,901)	(15,365)
Banking profit (excluding transfer to general reserve for possible loan losses)	22	471,580	(27,728)	499,308
<i>Excluding gains (losses) on bonds</i>	23	444,917	(35,619)	480,536
Transfer to general reserve for possible loan losses	24	349,734	349,734	-
Banking profit	25	821,314	322,006	499,308
<i>Gains (losses) on bonds</i>	26	26,663	7,892	18,771
Non-recurring gains (losses)	27	(696,116)	(301,983)	(394,133)
Credit related costs	28	(805,505)	(431,908)	(373,597)
Write-off of loans	29	(348,769)	(10,868)	(337,901)
Transfer to specific reserve for possible loan losses	30	(403,866)	(403,866)	-
Losses on loans sold to CCPC	31	-	740	(740)
Losses on delinquent loans sold	32	(55,707)	(20,752)	(34,955)
Transfer to loan loss reserve for specific overseas countries	33	2,838	2,838	-
Gains (losses) on stocks	34	44,819	26,036	18,783
Gains on sale of stocks	35	60,005	9,095	50,910
Losses on sale of stocks	36	(434)	24,286	(24,720)
Losses on devaluation of stocks	37	(14,751)	(7,345)	(7,406)
Other non-recurring gains (losses)	38	64,570	103,889	(39,319)
Ordinary profit	39	125,198	20,023	105,175
Extraordinary gains (losses)	40	(12,127)	(49,940)	37,813
Gains (losses) on disposal of premises and equipment	41	(3,991)	2,413	(6,404)
Gains on disposal of premises and equipment	42	627	245	382
Losses on disposal of premises and equipment	43	(4,619)	2,168	(6,787)
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	44	(8,000)	2,083	(10,083)
Reversal of loan loss reserves	45	-	(13,787)	13,787
Transfer to specific reserve for possible loan losses	46	-	217,330	(217,330)
Reversal of general reserve for possible loan losses	47	-	(229,089)	229,089
Reversal of loan loss reserve for specific overseas countries	48	-	(2,028)	2,028
Reversal of reserve for losses on loans sold	49	-	(393)	393
Refund of enterprise tax from Tokyo Government and interest on the refund	50	-	(40,333)	40,333
Income before income taxes	51	113,070	(29,918)	142,988
Income taxes, current	52	(1,645)	10,928	(12,573)
Income taxes, refund	53	7,405	7,405	-
Income taxes, deferred	54	(276)	(9,520)	9,244
Net income	55	118,554	(21,105)	139,659
Total credit cost (24+28+45+49)	56	(455,771)	(96,356)	(359,415)

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## &lt;Consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended
		Sep. 30, 2004	Change	Sep. 30, 2003
Consolidated gross profit	1	1,019,955	(29,166)	1,049,121
Net interest income	2	595,790	(67,447)	663,237
Trust fees	3	729	645	84
Net fees and commissions	4	235,379	40,189	195,190
Net trading income	5	30,322	(133,582)	163,904
Net other operating income	6	157,732	131,028	26,704
General and administrative expenses	7	(423,612)	24,482	(448,094)
Credit related costs	8	(612,826)	(171,304)	(441,522)
Write-off of loans	9	(391,236)	(2,312)	(388,924)
Transfer to specific reserve for possible loan losses	10	(408,321)	(163,461)	(244,860)
Transfer to general reserve for possible loan losses	11	240,215	11,913	228,302
Other credit cost	12	(53,482)	(17,441)	(36,041)
Gains (losses) on stocks	13	48,817	28,213	20,604
Equity in earnings of affiliates	14	12,893	4,849	8,044
Other income (expenses)	15	68,873	91,517	(22,644)
Ordinary profit	16	114,100	(51,408)	165,508
Extraordinary gains (losses)	17	(17,385)	(38,756)	21,371
Income before income taxes and minority interests	18	96,715	(90,165)	186,880
Income taxes, current	19	(17,079)	5,357	(22,436)
Income taxes, refund	20	8,104	8,104	-
Income taxes, deferred	21	(5,277)	(10,414)	5,137
Minority interests in net income	22	(29,090)	(3,003)	(26,087)
Net income	23	53,372	(90,120)	143,492

(Note) Consolidated gross profit = (Interest income - interest expenses) + Trust fees + (Fees and commissions (income) - Fees and commissions (expenses))  
+ (Trading profits - Trading losses) + (Other operating income - Other operating expenses)

## (Reference)

(Billions of yen)

Consolidated net business profit	24	544.9	12.2	532.7
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(Note) Consolidated net business profit = (SMBC Non-consolidated banking profit (excluding transfer to 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)

		Sep. 30, 2004		Mar. 31, 2004
		Sep. 30, 2004	Change	Mar. 31, 2004
Consolidated subsidiaries	25	166	1	165
Affiliated companies accounted for by equity method	26	50	2	48

## 2. Banking Profit per Employee / Overhead Ratio &lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Six months ended		Six months ended Sep. 30, 2003
	Sep. 30, 2004	Change	
(1) Banking profit (excluding transfer to general reserve for possible loan losses)	471,580	(27,728)	499,308
Per employee (thousands of yen)	26,203	319	25,884
(2) Banking profit	821,314	322,006	499,308
Per employee (thousands of yen)	45,636	19,752	25,884
(3) Banking profit (excluding transfer to general reserve for possible loan losses and gains (losses) on bonds)	444,917	(35,619)	480,536
Per employee (thousands of yen)	24,721	(190)	24,911
<b>Overhead ratio</b>	<b>38.2</b>	<b>1.0</b>	<b>37.2</b>

(Notes) 1. Employees include executive officers (who are not board members) and overseas local staffs, and exclude temporary staffs, employees temporarily transferred from other companies, and transferred staffs to other companies.

2. Banking profit per employee is calculated on the basis of the average number of employees during the period.

3. Overhead ratio = Expenses (excluding non-recurring losses) / Gross banking profit

## 3. Interest Spread (Domestic) &lt;SMBC Non-consolidated&gt;

(%)

	Six months ended			Six months ended Sep. 30, 2003
	Sep. 30, 2004	Change from the six months ended Mar. 31, 2004	Change from the six months ended Sep. 30, 2003	
Yield on interest earning assets (A)	1.46	+ 0.01	+ 0.01	1.45
Interest earned on loans and bills discounted (C)	1.79	+ 0.03	+ 0.06	1.73
Interest earned on securities	0.65	+ 0.05	+ 0.07	0.58
Total cost of funding (including expenses) (B)	0.83	0.00	0.00	0.83
Cost of interest bearing liabilities	0.09	0.00	0.00	0.09
Interest paid on deposits, etc. (D)	0.02	0.00	0.00	0.02
Interest paid on other liabilities	0.28	+ 0.03	+ 0.06	0.22
Expense ratio	0.74	0.00	0.00	0.74
Overall interest spread (A) - (B)	0.63	+ 0.01	+ 0.01	0.62
Interest spread (C) - (D)	1.77	+ 0.03	+ 0.06	1.71

## 4. Gains (Losses) on Securities &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Six months ended		Six months ended Sep. 30, 2003
	Sep. 30, 2004	Change	
Gains (losses) on bonds	26,663	7,892	18,771
Gains on sales	51,422	(36,175)	87,597
Losses on sales	(24,881)	43,872	(68,753)
Gains on redemption	133	133	-
Losses on redemption	(11)	(11)	-
Losses on devaluation	-	71	(71)
Gains (losses) on stocks	44,819	26,036	18,783
Gains on sales	60,005	9,095	50,910
Losses on sales	(434)	24,286	(24,720)
Losses on devaluation	(14,751)	(7,345)	(7,406)

## 5. Unrealized Gains (Losses) on Securities

## (1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses))* directly charged to Stockholders' equity)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

\*Fair value hedge accounting is applied to hedge transactions which off-set the fluctuation of the market value of bonds held for ALM purpose.

\*The amount recognized in income statement by application of fair value hedge accounting is excluded from the amount directly charged to Stockholders' equity.

## (Reference) Securities in money held in trust

Investment purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Other money held in trust	With market value	Fair value method (net valuation gains (losses) directly charged to Stockholders' equity)
	Without market value	Cost method or amortized cost method

## (2) Unrealized gains (losses)

## &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2004				Mar. 31, 2004		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(5,174)	2,472	2,360	(7,534)	(7,646)	2,618	(10,265)
Stocks of subsidiaries and affiliates	36,574	(5,122)	37,269	(694)	41,696	41,696	-
Other securities	457,372	(98,774)	628,287	(170,915)	556,146	757,072	(200,925)
Stocks	558,882	(92,219)	607,708	(48,826)	651,101	711,514	(60,413)
Bonds	(62,191)	39,699	13,255	(75,446)	(101,890)	16,211	(118,101)
Others	(39,318)	(46,253)	7,323	(46,642)	6,935	29,346	(22,410)
Other money held in trust	154	33	271	(116)	121	222	(100)
Total	488,927	(101,391)	668,188	(179,261)	590,318	801,610	(211,291)
Stocks	595,456	(97,342)	644,977	(49,521)	692,798	753,211	(60,413)
Bonds	(68,040)	42,376	14,938	(82,978)	(110,416)	17,950	(128,366)
Others	(38,488)	(46,425)	8,272	(46,761)	7,937	30,448	(22,510)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and commercial papers in 'Commercial paper and other debt purchased'.

2. Unrealized gains (losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.

3. 'Other securities' and 'Other money held in trust' are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.

'Unrealized gains (losses) for other securities' as of Sep. 30, 2004 include JPY 22,199 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.

'Unrealized gains (losses) for other securities' as of Mar. 31, 2004 include JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.

## &lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2004				Mar. 31, 2004		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(5,289)	2,136	2,365	(7,655)	(7,425)	2,840	(10,266)
Other securities	484,076	(91,536)	664,737	(180,661)	575,612	787,517	(211,904)
Stocks	581,686	(88,098)	637,425	(55,738)	669,784	736,878	(67,094)
Bonds	(58,118)	45,138	18,409	(76,527)	(103,256)	18,590	(121,847)
Others	(39,492)	(48,576)	8,902	(48,395)	9,084	32,047	(22,963)
Other money held in trust	154	33	271	(116)	121	222	(100)
Total	478,941	(89,367)	667,374	(188,433)	568,308	790,580	(222,271)
Stocks	581,686	(88,098)	637,425	(55,738)	669,784	736,878	(67,094)
Bonds	(63,966)	47,817	20,093	(84,060)	(111,783)	20,330	(132,113)
Others	(38,778)	(49,085)	9,855	(48,634)	10,307	33,371	(23,063)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and commercial papers as well as claims on loan trust in 'Commercial paper and other debt purchased'.

2. Unrealized gains (losses) of stocks are mainly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.

3. 'Other securities' and 'Other money held in trust' are valued and recorded on the consolidated balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the consolidated balance sheet amounts.

'Unrealized gains (losses) for other securities' as of Sep. 30, 2004 include JPY 22,199 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.

'Unrealized gains (losses) for other securities' as of Mar. 31, 2004 include JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.

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

&lt;SMBC Non-consolidated&gt;

(Billions of yen)

	Sep. 30, 2004				Mar. 31, 2004			
	Assets (a)	Liabilities (b)	Net	Net	Assets (c)	Liabilities (d)	Net	Net
			assets (a) - (b)	deferred gains (losses)			assets (c) - (d)	deferred gains (losses)
Interest rate swaps	66.5	78.0	(11.5)	(71.2)	99.0	106.5	(7.5)	(59.1)
Currency swaps	1.5	1.2	0.3	3.4	1.5	3.9	(2.4)	4.7
Others	3.9	10.8	(6.9)	(19.1)	2.3	7.3	(5.0)	1.6
Total	71.9	90.0	(18.1)	(86.9)	102.8	117.7	(14.9)	(52.8)

(Notes) 1. Derivative transactions are valued at fair value in the balance sheet.

2. SMBC applied 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

(Billions of yen)

	Sep. 30, 2004				Mar. 31, 2004			
	1 year or less	More than 1 year to 5 years	More than 5 years	Total	1 year or less	More than 1 year to 5 years	More than 5 years	Total
Receivable fixed rate /payable floating rate	7,278.8	17,384.4	3,598.8	28,262.0	3,768.9	20,168.0	4,307.6	28,244.5
Receivable floating rate /payable fixed rate	1,717.6	4,805.5	3,575.5	10,098.6	865.0	3,089.9	4,460.4	8,415.3
Receivable floating rate /payable floating rate	35.0	572.0	50.8	657.8	1.0	613.0	50.8	664.8
Total contract amount	9,031.4	22,761.9	7,225.1	39,018.4	4,634.9	23,870.9	8,818.8	37,324.6

## 7. Employee Retirement Benefits

## (1) Balance of the retirement benefit liability

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended
		Sep. 30, 2004	Change	Sep. 30, 2003
Balance of the retirement benefit liability*	(A)	827,806	(276,449)	1,104,255
	<Discount rate>	<2.5%>	<-0.5%>	<3.0%>
Fair value of plan assets*	(B)	684,749	(21,753)	706,502
Reserve for employee retirement benefits*	(C)	11,748	(61,068)	72,816
Prepaid pension cost*	(D)	12,394	12,394	-
Unrecognized net obligation from change of accounting method*	(E)	16,001	(24,334)	40,335
Unrecognized prior service cost (deductible from the obligation)*	(F)	(77,479)	(24,778)	(52,701)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E-F)	205,180	(132,122)	337,302

\* As of the beginning of the term

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended
		Sep. 30, 2004	Change	Sep. 30, 2003
Balance of the retirement benefit liability*	(A)	892,421	(272,149)	1,164,570
Fair value of plan assets*	(B)	709,353	(13,822)	723,175
Reserve for employee retirement benefits*	(C)	40,842	(60,566)	101,408
Prepaid pension cost*	(D)	13,049	13,049	-
Unrecognized net obligation from change of accounting method*	(E)	17,876	(26,211)	44,087
Unrecognized prior service cost (deductible from the obligation)*	(F)	(78,022)	(24,804)	(53,218)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E-F)	215,420	(133,698)	349,118

\* As of the beginning of the term

## (2) Cost for employee retirement benefits

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six months ended		Six-months ended
		Sep. 30, 2004	Change	Sep. 30, 2003
Cost for employee retirement benefits		25,256	(16,158)	41,414
Service cost		8,797	(2,052)	10,849
Interest cost		10,347	(6,216)	16,563
Expected returns on plan assets		(10,324)	1,360	(11,684)
Amortization of net obligation from change of accounting method (amortized using the straight-line method over 5 years)		8,000	(2,083)	10,083
Amortization of prior service cost		(4,619)	(1,422)	(3,197)
Amortization of actuarial net gain (loss)		12,646	(5,617)	18,263
Others		407	(127)	534

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Six months ended		Six months ended
		Sep. 30, 2004	Change	Sep. 30, 2003
Cost for employee retirement benefits		30,925	(15,767)	46,692



## 8. Capital Ratio &lt;Consolidated&gt;

(Billions of yen, %)

	Sep. 30, 2004 (a)			Mar. 31, 2004	Sep. 30, 2003
	[Preliminary]	(a) - (b)	(a) - (c)	(b)	(c)
(1) Capital ratio	10.93	(0.44)	(0.02)	11.37	10.95
(2) Tier I	3,645.6	74.0	176.8	3,571.6	3,468.8
Net unrealized losses on other securities	-	-	-	-	-
(3) Tier II	3,419.4	2.9	184.1	3,416.5	3,235.3
(a) Unrealized gains on securities	208.9	(40.5)	81.7	249.4	127.2
(b) Land revaluation excess	71.1	2.6	1.9	68.5	69.2
(c) General reserve for possible loan losses	601.7	(138.4)	(135.7)	740.1	737.4
(d) Subordinated debt	2,537.7	179.1	236.2	2,358.6	2,301.5
(4) Subtraction items	443.6	192.8	199.5	250.8	244.1
(5) Total capital (2) + (3) - (4)	6,621.4	(116.0)	161.3	6,737.4	6,460.1
(6) Risk-adjusted assets	60,539.1	1,335.1	1,547.1	59,204.0	58,992.0

## 9. ROE

&lt;SMBC Non-consolidated&gt;

(%)

	Six months ended Sep. 30, 2004			FY2003	Six months ended Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
ROE (numerator: Banking profit*)	58.3	(19.1)	(28.7)	77.4	87.0
ROE (numerator: Banking profit)	101.5	24.1	14.5	77.4	87.0
ROE (numerator: Net income)	14.7	(7.8)	(9.6)	22.5	24.3

\*Excluding transfer to general reserve for possible loan losses

&lt;Consolidated&gt;

(%)

	Six months ended Sep. 30, 2004			FY2003	Six months ended Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
ROE (numerator: Net income)	7.9	(23.8)	(28.4)	31.7	36.3

(Note) ROE =  $\frac{(\text{Net income} - \text{Dividends on preferred stocks}) \times (\text{number of days in a year}) / (\text{number of days in the six-month period})}{\{(\text{Stockholders' equity at the beginning of the term}) - (\text{Number of preferred stocks at the beginning of the term}) \times (\text{Issue price}) + (\text{Stockholders' equity at the end of the term}) - (\text{Number of preferred stocks at the end of the term}) \times (\text{Issue price})\} / 2}$  X 100

(%)

	Six months ended Sep. 30, 2004			FY2003	Six months ended Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Fully-diluted ROE (numerator: Net income)	3.5	(8.5)	(7.6)	12.0	11.1

(Note) Fully-diluted basis: Common stock + Convertible preferred stock

10. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs / Reserves  
 <SMBC Non-consolidated>

<As of Sep. 30, 2004>		(Billions of yen)						
Category of Borrowers under Self-Assessment	Problem Assets based on the Financial Reconstruction Law	Classification under Self-Assessment				Reserve for possible loan losses	Reserve Ratio	
		Classification I	Classification II	Classification III	Classification IV			
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets 581.1 (i) (Change from Mar. 31, 2004: +219.5)	Portion of claims secured by collateral or guarantees, etc. 561.6 (a)	Fully reserved 19.5	Direct Write-offs (*1)	Specific Reserve 26.1 (*2)	100% (*3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful Assets 1,124.1 (ii) (Change from Mar. 31, 2004: -78.6)	Portion of claims secured by collateral or guarantees, etc. 461.6 (b)	Necessary amount reserved 662.5		512.3 (*2)	77.3% (*3)		
Borrowers Requiring Caution	Substandard Loans 779.2 (iii) (Change from Mar. 31, 2004: -467.7) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 381.9 (c)			General Reserve for Substandard Loans 160.6	38.7% (*3)	19.1% (*3)	
	Normal Assets 53,673.4	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve 419.3	3.8% [10.1%] (*4)		
Normal Borrowers		Claims to Normal Borrowers				0.1% (*4)		
Total 56,157.8 (iv)					Loan Loss Reserve for Specific Overseas Countries 4.9			
A=(i)+(ii)+(iii) 2,484.4 (v) (Change from Mar. 31, 2004: -326.8) <Problem asset ratio (v)/(iv) 4.4%>		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 1,405.1		C: Unsecured portion ( A - B ) 1,079.3		Reserve Ratio (*5) $\frac{D}{C}$ 64.8%		
				D: Specific Reserve + General Reserve for Substandard Loans (*2) 699.0				

$$\text{Coverage Ratio} = (B+D)/A \quad 84.7\%$$

(\*1) Includes amount of direct reduction totaling JPY 1,409.2 billion.

(\*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.  
 (Bankrupt/Effectively Bankrupt Borrowers: JPY 6.6 billion, Potentially Bankrupt Borrowers: JPY 10.0 billion)

(\*3) Reserve ratios for claims on Bankrupt Borrowers, Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers and Borrowers Requiring Caution including Substandard Borrowers are the proportion of reserve for the possible loan losses to each category's total unsecured claims.

(\*4) Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers) are the proportion of the reserve for possible loan losses to the respective claims of each category.  
 The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in [ ].

(\*5) The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

## 11. Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	59,229	(7,954)	(86,718)	67,183	145,947
	Non-accrual loans	1,552,410	91,623	(405,336)	1,460,787	1,957,746
	Past due loans (3 months or more)	46,812	(806)	(47,701)	47,618	94,513
	Restructured loans	732,317	(466,984)	(902,509)	1,199,301	1,634,826
	Total	2,390,768	(384,121)	(1,442,264)	2,774,889	3,833,032

Amount of direct reduction

	1,383,541	517,747	92,284	865,794	1,291,257
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Total loans (term-end balance)	50,723,607	(86,537)	(4,429,915)	50,810,144	55,153,522
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(%)

Ratio to total loans	Bankrupt loans	0.1	0.0	(0.2)	0.1	0.3
	Non-accrual loans	3.1	0.2	(0.4)	2.9	3.5
	Past due loans (3 months or more)	0.1	0.0	(0.1)	0.1	0.2
	Restructured loans	1.4	(1.0)	(1.6)	2.4	3.0
	Total	4.7	(0.8)	(2.2)	5.5	6.9

&lt;Consolidated&gt;

(Millions of yen)

		Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	86,972	(9,441)	(92,525)	96,413	179,497
	Non-accrual loans	1,844,061	76,199	(443,177)	1,767,862	2,287,238
	Past due loans (3 months or more)	52,918	1,380	(48,712)	51,538	101,630
	Restructured loans	884,745	(497,423)	(969,145)	1,382,168	1,853,890
	Total	2,868,696	(429,285)	(1,553,559)	3,297,981	4,422,255

Amount of direct reduction

	1,715,772	537,517	81,505	1,178,255	1,634,267
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Total loans (term-end balance)	55,422,034	39,234	(4,244,329)	55,382,800	59,666,363
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(%)

Ratio to total loans	Bankrupt loans	0.2	0.0	(0.1)	0.2	0.3
	Non-accrual loans	3.3	0.1	(0.5)	3.2	3.8
	Past due loans (3 months or more)	0.1	0.0	(0.1)	0.1	0.2
	Restructured loans	1.6	(0.9)	(1.5)	2.5	3.1
	Total	5.2	(0.8)	(2.2)	6.0	7.4

## 12. Reserve for Possible Loan Losses

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004	Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Reserve for possible loan losses	962,583	(288,168)	(556,405)	1,250,751	1,518,988
General reserve	419,299	(349,734)	(460,966)	769,033	880,265
Specific reserve	538,365	64,406	(90,820)	473,959	629,185
Loan loss reserve for specific overseas countries	4,919	(2,839)	(4,618)	7,758	9,537
Amount of direct reduction	1,409,176	519,815	88,328	889,361	1,320,848

Reserve for possible losses on loans sold	-	-	(222)	-	222
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&lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004	Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Reserve for possible loan losses	1,222,391	(200,095)	(477,040)	1,422,486	1,699,431
General reserve	601,684	(235,995)	(343,768)	837,679	945,452
Specific reserve	615,786	38,739	(128,654)	577,047	744,440
Loan loss reserve for specific overseas countries	4,919	(2,839)	(4,618)	7,758	9,537
Amount of direct reduction	1,774,043	537,895	80,741	1,236,148	1,693,302

Reserve for possible losses on loans sold	-	-	(2,628)	-	2,628
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## 13. Reserve Ratio to Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(%)

	Sep. 30, 2004			Mar. 31, 2004	Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Before direct reduction	62.8	4.0	7.4	58.8	55.4
After direct reduction	40.3	(4.8)	0.7	45.1	39.6

&lt;Consolidated&gt;

(%)

	Sep. 30, 2004			Mar. 31, 2004	Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Before direct reduction	65.4	6.0	9.4	59.4	56.0
After direct reduction	42.6	(0.5)	4.2	43.1	38.4

(Note) Reserve ratio to risk-monitored loans = (Reserve for possible loan losses) / (Risk-monitored loans)



## (Reference) Progress in Off-Balancing of Problem Assets &lt;SMBC Non-consolidated&gt;

## 1. Problem assets existing prior to and classified during the six months ended Sep. 30, 2000

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2000	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change
Bankrupt and quasi-bankrupt assets	653.0	475.2	379.5	283.3	240.3	144.5	99.6	28.9	32.6	3.7
Doubtful assets	2,594.8	1,361.6	1,055.7	848.3	661.1	255.6	192.3	43.3	14.0	(29.3)
Total	3,247.8	1,836.8	1,435.2	1,131.6	901.4	400.1	291.9	72.2	46.6	(25.6)
The result of measures connected to Off-balancing						151.2	120.0	29.7	20.5	

(Note) The measures connected to "Off-balancing" are legal reorganizations, measures associated with legal reorganizations, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	(1.6)
Reconstructive disposition --- (a)	(0.2)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(6.6)
Direct write-offs	(3.7)
Others	(13.5)
Collection/repayment, etc.	(12.9)
Improvement in debtors' performance	(0.6)
Total	(25.6)

(Notes) 1. "Disposition by borrowers' liquidation" refers to abandonment or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations).  
2. "Reconstructive disposition" refers to abandonment of loans involved in rehabilitative bankruptcy proceedings (corporate reorganization, civil rehabilitation, composition and arrangement), debt forgiveness involved in special mediation or other types of civil mediation, or debt forgiveness for restructuring involved in private reorganization.  
3. "Improvement in debtors' performance due to reconstructive disposition" was categorized as "Others" in FY2000 financial results published in May 2001.

## 2. Problem assets classified during the six-months ended Mar. 31, 2001

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change
Bankrupt and quasi-bankrupt assets	118.8	142.2	57.7	52.1	29.0	22.7	5.5	4.0	(1.5)
Doubtful assets	592.6	269.7	145.2	112.7	81.9	53.8	20.2	15.4	(4.8)
Total	711.4	411.9	202.9	164.8	110.9	76.5	25.7	19.4	(6.3)
The result of measures connected to Off-balancing						23.4	18.4	4.3	3.1

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	-
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(2.0)
Direct write-offs	(0.4)
Others	(3.9)
Collection/repayment, etc.	(3.7)
Improvement in debtors' performance	(0.2)
Total	(6.3)

## 3. Problem assets classified during the six months ended Sep. 30, 2001

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change
Bankrupt and quasi-bankrupt assets	56.6	76.6	66.0	41.7	32.5	19.1	12.0	(7.1)
Doubtful assets	332.5	236.9	163.1	99.5	68.7	17.6	10.3	(7.3)
Total	389.1	313.5	229.1	141.2	101.2	36.7	22.3	(14.4)
The result of measures connected to Off-balancing				31.9	25.5	16.1	10.3	

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	(3.0)
Reconstructive disposition --- (a)	0.0
Improvement in debtors' performance due to (a)	-
Loan sales to market	(7.9)
Direct write-offs	5.2
Others	(8.7)
Collection/repayment, etc.	(8.3)
Improvement in debtors' performance	(0.4)
Total	(14.4)

## 4. Problem assets classified during the six months ended Mar. 31, 2002

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change
Bankrupt and quasi-bankrupt assets	80.6	96.4	60.5	98.4	59.3	52.8	(6.5)
Doubtful assets	1,751.9	1,131.5	729.5	372.1	200.6	87.6	(113.0)
Total	1,832.5	1,227.9	790.0	470.5	259.9	140.4	(119.5)
The result of measures connected to Off-balancing							
			56.1	30.6	16.0	7.7	

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	(1.6)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(9.9)
Direct write-offs	(73.6)
Others	(34.4)
Collection/repayment, etc.	(33.2)
Improvement in debtors' performance	(1.2)
Total	(119.5)

## 5. Problem assets classified during the six months ended Sep. 30, 2002

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2002	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change	
Bankrupt and quasi-bankrupt assets	64.5	204.8	95.8	48.2	21.5	(26.7)	
Doubtful assets	483.9	153.6	111.9	44.0	19.2	(24.8)	
Total	548.4	358.4	207.7	92.2	40.7	(51.5)	
The result of measures connected to Off-balancing							
			107.7	52.0	17.6	14.3	

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	0.0
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(4.3)
Direct write-offs	(12.7)
Others	(34.5)
Collection/repayment, etc.	(31.1)
Improvement in debtors' performance	(3.4)
Total	(51.5)

## 6. Problem assets classified during the six months ended Mar. 31, 2003

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2003	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change
Bankrupt and quasi-bankrupt assets	44.4	89.3	41.5	22.7	(18.8)
Doubtful assets	809.4	230.4	78.3	25.2	(53.1)
Total	853.8	319.7	119.8	47.9	(71.9)
The result of measures connected to Off-balancing					
		40.7	80.3	29.4	8.9

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	(0.3)
Reconstructive disposition --- (a)	(0.2)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(4.0)
Direct write-offs	(27.4)
Others	(40.0)
Collection/repayment, etc.	(34.5)
Improvement in debtors' performance	(5.5)
Total	(71.9)

## 7. Problem assets classified during the six months ended Sep. 30, 2003

## (1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004	Change
Bankrupt and quasi-bankrupt assets	67.8	101.2	105.7	4.5
Doubtful assets	602.0	172.8	30.4	(142.4)
Total	669.8	274.0	136.1	(137.9)
The result of measures connected to Off-balancing				
		44.1	66.3	53.1

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	(0.2)
Reconstructive disposition --- (a)	(1.3)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(14.9)
Direct write-offs	(59.3)
Others	(62.2)
Collection/repayment, etc.	(57.3)
Improvement in debtors' performance	(4.9)
Total	(137.9)

## 8. Problem assets classified during the six months ended Mar. 31, 2004

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Mar. 31,	Sep. 30,	Change
	2004	2004	
Bankrupt and quasi-bankrupt assets	57.9	160.1	102.2
Doubtful assets	625.9	46.8	(579.1)
Total	683.8	206.9	(476.9) (H)
The result of measures connected to Off-balancing	53.2	80.6	

## (2) Progress of Off-balancing

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	0.0
Reconstructive disposition --- (a)	(46.0)
Improvement in debtors' performance due to (a)	(107.7)
Loan sales to market	(20.1)
Direct write-offs	(142.2)
Others	(160.9)
Collection/repayment, etc.	(148.7)
Improvement in debtors' performance	(12.2)
Total	(476.9) (H)

## 9. Problem assets classified during the six months ended Sep. 30, 2004

(1) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law  
(Billions of yen)

	Sep. 30, 2004
Bankrupt and quasi-bankrupt assets	169.7
Doubtful assets	875.2
Total	1,044.9
The result of measures connected to Off-balancing	56.8

## (Reference) Balance of Bankrupt and quasi-bankrupt assets, and Doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30,	Mar. 31,	Sep. 30,	Mar. 31,	Sep. 30,	Mar. 31,	Sep. 30,	Mar. 31,	Sep. 30,	Change
	2000	2001	2001	2002	2002	2003	2003	2004	2004	
Bankrupt and quasi-bankrupt assets	653.0	594.0	578.3	498.2	519.3	524.9	506.1	361.6	581.1	219.5
Doubtful assets	2,594.8	1,954.1	1,657.9	2,982.3	2,552.3	2,129.5	1,631.2	1,202.7	1,124.1	(78.6)
Total	3,247.8	2,548.1	2,236.2	3,480.5	3,071.6	2,654.4	2,137.3	1,564.3	1,705.2	140.9
The result of measures connected to Off-balancing					411.0	370.9	232.6	255.3		

## (Reference) Progress of Off-balancing (Six months ended Sep. 30, 2004 total)

(Billions of yen)

	Six months ended Sep. 30, 2004
Disposition by borrowers' liquidation	(6.7)
Reconstructive disposition --- (a)	(47.7)
Improvement in debtors' performance due to (a)	(107.7)
Loan sales to market	(69.7)
Direct write-offs	(314.1)
Others	(358.1)
Collection/repayment, etc.	(329.7)
Improvement in debtors' performance	(28.4)
Total	(A)+(B)+(C)+(D)+(E)+(F)+(G)+(H) (904.0)



## 15. Loan Portfolio, Classified by Industry &lt;SMBC Non-consolidated&gt;

## (1) Loans and bills discounted, classified by industry

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding offshore banking account)	47,519,976	(431,546)	(4,559,987)	47,951,522	52,079,963
Manufacturing	5,582,342	(211,849)	(336,159)	5,794,191	5,918,501
Agriculture, forestry, fisheries, and mining	120,620	(13,213)	(38,465)	133,833	159,085
Construction	1,654,954	(62,230)	(356,767)	1,717,184	2,011,721
Transportation, communications and public enterprises	3,080,967	(53,746)	(119,072)	3,134,713	3,200,039
Wholesale and retail	5,423,608	(68,560)	(235,635)	5,492,168	5,659,243
Finance and insurance	5,065,594	173,068	6,687	4,892,526	5,058,907
Real estate	6,340,604	(654,456)	(1,082,260)	6,995,060	7,422,864
Various services	5,541,499	70,612	(40,140)	5,470,887	5,581,639
Municipalities	438,500	(249,659)	43,916	688,159	394,584
Others	14,271,284	638,488	(2,402,091)	13,632,796	16,673,375
Overseas offices and offshore banking accounts	3,203,631	345,009	130,072	2,858,622	3,073,559
Public sector	38,221	(25,433)	(50,260)	63,654	88,481
Financial institutions	257,118	29,725	16,937	227,393	240,181
Commerce and industry	2,803,980	407,991	227,482	2,395,989	2,576,498
Others	104,310	(67,273)	(64,088)	171,583	168,398
<b>Total</b>	<b>50,723,607</b>	<b>(86,537)</b>	<b>(4,429,915)</b>	<b>50,810,144</b>	<b>55,153,522</b>

## Risk-Monitored Loans

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding offshore banking account)	2,343,360	(366,453)	(1,373,535)	2,709,813	3,716,895
Manufacturing	80,300	(245,640)	(90,607)	325,940	170,907
Agriculture, forestry, fisheries, and mining	909	(215)	(2,662)	1,124	3,571
Construction	303,531	196,437	(14,021)	107,094	317,552
Transportation, communications and public enterprises	84,384	58	(26,964)	84,326	111,348
Wholesale and retail	298,429	(67,612)	(232,406)	366,041	530,835
Finance and insurance	46,091	(6,917)	(43,763)	53,008	89,854
Real estate	885,914	(111,717)	(505,053)	997,631	1,390,967
Various services	413,883	(119,996)	(415,790)	533,879	829,673
Municipalities	-	-	-	-	-
Others	229,919	(10,851)	(42,269)	240,770	272,188
Overseas offices and offshore banking accounts	47,408	(17,668)	(68,729)	65,076	116,137
Public sector	114	(11,305)	(11,294)	11,419	11,408
Financial institutions	277	(446)	(486)	723	763
Commerce and industry	47,017	(5,917)	(56,949)	52,934	103,966
Others	-	-	-	-	-
<b>Total</b>	<b>2,390,768</b>	<b>(384,121)</b>	<b>(1,442,264)</b>	<b>2,774,889</b>	<b>3,833,032</b>

## (2) Problem Assets Based on the Financial Reconstruction Law classified by industry, and reserve ratio

(Millions of yen, %)

	Sep. 30, 2004				Mar. 31, 2004	Sep. 30, 2003
	(a)	Reserve ratio	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding offshore banking account)	2,429,009	64.0	(311,273)	(1,312,278)	2,740,282	3,741,287
Manufacturing	81,510	73.1	(246,955)	(90,099)	328,465	171,609
Agriculture, forestry, fisheries, and mining	910	79.3	(216)	(2,662)	1,126	3,572
Construction	361,316	59.8	254,049	43,173	107,267	318,143
Transportation, communications and public enterprises	87,421	62.6	2,008	(24,449)	85,413	111,870
Wholesale and retail	300,844	77.9	(67,973)	(235,793)	368,817	536,637
Finance and insurance	47,560	74.9	(7,150)	(44,150)	54,710	91,710
Real estate	899,572	57.0	(117,156)	(496,607)	1,016,728	1,396,179
Various services	417,421	61.7	(117,037)	(419,509)	534,458	836,930
Municipalities	-	-	-	-	-	-
Others	232,455	100.0	(10,843)	(42,182)	243,298	274,637
Overseas offices and offshore banking accounts	55,341	87.2	(15,611)	(69,983)	70,952	125,324
Public sector	114	87.7	(11,305)	(11,294)	11,419	11,408
Financial institutions	2,442	87.1	1,719	1,679	723	763
Commerce and industry	52,785	87.2	(6,025)	(60,368)	58,810	113,153
Others	-	-	-	-	-	-
Total	2,484,350	64.8	(326,884)	(1,382,261)	2,811,234	3,866,611

(Notes) 1. Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve Ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others)

Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

## (3) Consumer loans outstanding

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004	Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	13,908,345	32,467	(48,326)	13,875,878	13,956,671
Mortgage loans	12,842,232	117,191	124,255	12,725,041	12,717,977
Residential purpose	9,015,628	124,053	258,536	8,891,575	8,757,092
Other consumer loans	1,066,113	(84,724)	(172,580)	1,150,837	1,238,693

## (4) Loans to small- and medium-sized enterprises, etc.

(Millions of yen, %)

	Sep. 30, 2004			Mar. 31, 2004	Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Outstanding balance	34,893,305	(534,529)	(1,043,755)	35,427,834	35,937,060
Ratio to total loans	73.4	(0.5)	4.4	73.9	69.0

(Note) Outstanding balance does not include loans at overseas offices and offshore banking accounts.

## 16. Loan Portfolio, Classified by Country &lt;SMBC Non-consolidated&gt;

## (1) Loans to specific overseas countries

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Loan balance	47,361	(27,327)	(41,332)	74,688	88,693
Number of countries	6	-	(2)	6	8

## (2) Loans classified by country

## (i) Loans to major Asian countries

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Indonesia	62,470	(18,707)	(31,699)	81,177	94,169
Risk-monitored loans	3,064	(15,201)	(24,090)	18,265	27,154
Thailand	217,258	2,671	313	214,587	216,945
Risk-monitored loans	1,194	(783)	(17,417)	1,977	18,611
Korea	208,801	15,854	27,283	192,947	181,518
Risk-monitored loans	1,114	(331)	1,114	1,445	-
Hong Kong	225,363	15,823	8,045	209,540	217,318
Risk-monitored loans	2,855	(389)	(1,024)	3,244	3,879
China	202,617	53,944	70,048	148,673	132,569
Risk-monitored loans	375	(47)	(1,863)	422	2,238
Singapore	236,844	20,621	35,642	216,223	201,202
Risk-monitored loans	664	36	(34)	628	698
India	23,637	(1,048)	(4,209)	24,685	27,846
Risk-monitored loans	1,698	(1,404)	(1,553)	3,102	3,251
Malaysia	71,059	15,098	5,024	55,961	66,035
Risk-monitored loans	171	(286)	(434)	457	605
Pakistan	2,383	(468)	(897)	2,851	3,280
Risk-monitored loans	1,261	61	(2)	1,200	1,263
Others	69,125	3,943	14,646	65,182	54,479
Risk-monitored loans	-	-	-	-	-
Total	1,319,560	107,730	124,195	1,211,830	1,195,365
Risk-monitored loans	12,396	(18,344)	(45,303)	30,740	57,699

(Notes) Classified by domicile of debtors (same for the following tables).

## (ii) Loans to major Central and South American countries

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Chile	3,855	(269)	(1,118)	4,124	4,973
Risk-monitored loans	-	-	-	-	-
Columbia	5,135	(1,139)	(3,539)	6,274	8,674
Risk-monitored loans	439	(46)	(202)	485	641
Mexico	31,903	11,806	15,679	20,097	16,224
Risk-monitored loans	-	(634)	(667)	634	667
Argentina	185	(508)	(926)	693	1,111
Risk-monitored loans	-	-	-	-	-
Brazil	55,857	11,397	12,385	44,460	43,472
Risk-monitored loans	-	-	-	-	-
Venezuela	6,757	(198)	(1,006)	6,955	7,763
Risk-monitored loans	-	-	-	-	-
Panama	172,905	(6,303)	(159)	179,208	173,064
Risk-monitored loans	-	-	-	-	-
Others	3,912	2,939	2,908	973	1,004
Risk-monitored loans	114	5	-	109	114
Total	280,514	17,727	24,227	262,787	256,287
Risk-monitored loans	553	(675)	(869)	1,228	1,422

## (iii) Loans to Russia

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Russia	4,923	201	(74)	4,722	4,997
Risk-monitored loans	-	-	-	-	-

## (3) Problem Assets Based on the Financial Reconstruction Law, classified by domicile

(Millions of yen, %)

	Sep. 30, 2004				Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	Reserve ratio	(a) - (b)	(a) - (c)		
Overseas offices and Japan offshore banking accounts	55,341	87.2	(15,611)	(69,983)	70,952	125,324
Asia	17,002	82.0	(15,530)	(44,083)	32,532	61,085
Indonesia	3,064	59.2	(15,201)	(24,090)	18,265	27,154
Hong Kong	2,922	88.6	(322)	(957)	3,244	3,879
India	2,324	100.0	(1,271)	(2,261)	3,595	4,585
China	410	94.7	(12)	(1,845)	422	2,255
Others	8,282	74.6	1,276	(14,930)	7,006	23,212
North America	28,808	100.0	1,404	(25,006)	27,404	53,814
Central and South America	2,718	87.0	(1,224)	(2,874)	3,942	5,592
Western Europe	6,813	43.9	(261)	1,980	7,074	4,833
Eastern Europe	-	-	-	-	-	-

(Notes) 1. Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve Ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to guarantees, collateral and others)  
Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

3. Classified by domicile of debtors.

## 17. Deposits and Loans &lt;SMBC Non-consolidated&gt;

## (1) Deposits and loans outstanding

(Millions of yen, %)

	Six months ended Sep. 30, 2004			FY2003	Six months ended Sep. 30, 2003
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits (term-end balance)	62,011,605	1,944,188	4,265,352	60,067,417	57,746,253
Deposits (average balance)	60,666,670	2,502,256	2,313,868	58,164,414	58,352,802
Domestic units	53,988,209	1,502,258	1,398,913	52,485,951	52,589,296
Average yield	0.02	0.00	(0.01)	0.02	0.03
Loans (term-end balance)	50,723,607	(86,537)	(4,429,915)	50,810,144	55,153,522
Loans (average balance)	50,627,674	(3,617,275)	(4,164,479)	54,244,949	54,792,153
Domestic units	46,817,969	(3,657,264)	(3,984,704)	50,475,233	50,802,673
Average yield	1.79	0.04	0.06	1.75	1.73

(Note) Deposits do not include "negotiable certificates of deposit."

## (2) Deposits outstanding, classified by type of depositor

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Domestic deposits	58,873,196	193,994	2,710,234	58,679,202	56,162,962
Individual	32,093,331	461,497	668,700	31,631,834	31,424,631
Corporate	26,779,865	(267,503)	2,041,534	27,047,368	24,738,331

(Note) Figures are before adjustment on interoffice accounts in transit.

Excluding "negotiable certificates of deposit" and Japan offshore banking accounts.

## (Reference)

(Millions of yen)

	Sep. 30, 2004			Mar. 31, 2004 (b)	Sep. 30, 2003 (c)
	(a)	(a) - (b)	(a) - (c)		
Outstanding balance of investment trusts	2,142,103	136,419	321,936	2,005,684	1,820,167
Balance to individuals	2,062,257	142,233	321,253	1,920,024	1,741,004

(Note) Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the term-end.

## 18. Other Financial Data &lt;SMBC Non-consolidated&gt;

## (1) Debt Forgiveness

(Billions of yen)

	Six months ended Sep. 30, 2004
Number of companies whose debts have been forgiven	4
Principal amount forgiven	45.8

(Note) Debt forgiveness associated with legal settlement is not included.

## (2) Outstanding Balance and the Amount Sold of Stocks in Other Securities

(Billions of yen)

	Sep. 30, 2004
Balance sheet amount	3,057.4
Acquisition cost	2,498.5

(Billions of yen)

	Six months ended Sep. 30, 2004
Amount sold	approx. 200.0

## 19. Number of Directors and Employees &lt;SMBC Non-consolidated&gt;

	Sep. 30, 2004		Mar. 31, 2004	Mar. 31, 2005 "The Plan"*3
		Change		
Directors and auditors*1	25	1	24	28
Employees*2	22,431	83	22,348	21,300

(\*1) Including directors and auditors of SMFG.

(\*2) Registered employees including employees temporarily transferred to other companies but excluding directors, executive officers, contract employees, temporary recruited, and overseas local staffs.

(\*3) The Plan for Strengthening the Financial Base.

## 20. Number of Offices &lt;SMBC Non-consolidated&gt;

	Sep. 30, 2004		Mar. 31, 2004	Mar. 31, 2005 "The Plan"*4
		Change		
Domestic branches*1	430	(5)	435	435
Overseas branches*2	20	-	20	19
Overseas subsidiaries*3	25	-	25	26

(\*1) Sub-branches, agencies, branches specialized in receiving money transfers, branches specialized in controlling ATMs in convenience stores, and International Business Operations Department are excluded.

(\*2) Sub-branches and representative offices are excluded.

(\*3) Excluding affiliates, of which SMBC has 50% or less than 50% equity interest.

(\*4) The Plan for Strengthening the Financial Base.

## 21. Deferred Tax Assets &lt;SMBC Non-consolidated&gt;

## (1) Deferred Tax Assets on the Balance Sheet

(Billions of yen)

(Reference)  
Temporary  
differences

			Sep. 30, 2004	Change from Mar. 31, 2004	Change from Sep. 30, 2003	Mar. 31, 2004	Sep. 30, 2004
(a) Total deferred tax assets	(b-c)	1	1,866.3	26.7	13.8	1,839.6	
(b) Subtotal of deferred tax assets		2	2,292.3	95.4	41.2	2,196.9	5,638.1
Reserve for possible loan losses		3	304.7	(124.6)	(228.9)	429.3	749.9
Write-off of loans		4	511.3	228.5	23.5	282.8	1,258.4
Reserve for possible losses on loans sold		5	-	-	(0.1)	-	-
Write-off of securities		6	466.2	87.6	30.8	378.6	1,147.4
Reserve for employee retirement benefits		7	79.9	(2.4)	(26.9)	82.3	196.6
Depreciation		8	6.7	(0.4)	(0.9)	7.1	16.4
Net unrealized losses on other securities		9	-	-	-	-	-
Net operating loss carryforwards		10	862.3	(89.1)	233.0	951.4	2,105.1
Other		11	61.2	(4.2)	10.8	65.4	164.3
(c) Valuation allowance		12	426.0	68.7	27.4	357.3	
(d) Total deferred tax liabilities		13	234.7	(14.4)	93.9	249.1	577.6
Gains on securities contributed to employee retirement benefits trust		14	53.0	27.5	27.4	25.5	130.6
Net unrealized gains on other securities		15	176.9	(39.6)	66.9	216.5	435.4
Other		16	4.8	(2.3)	(0.4)	7.1	11.6
Net deferred tax assets (Balance sheet amount)	(a-d)	17	1,631.6	41.1	(80.1)	1,590.5	
Amounts corresponding to the estimated taxable income before adjustments		18	1,733.4	3.8	1.7	1,729.6	
Amounts to be realized after more than a certain period	(Note 1)	19	75.1	(2.3)	(14.9)	77.4	
Amount corresponding to the deferred tax liabilities shown in line 15	(Note 2)	20	(176.9)	39.6	(66.9)	(216.5)	
Effective income tax rate		21	40.63%	-	0.17%	40.63%	

## (Notes)

- Deferred tax assets arising from temporary differences that are expected to be reversed after more than five years (such as reserve for employee retirement benefits and depreciation of buildings) may be recognized if there is a high likelihood of such tax benefits being realized. (JICPA Auditing Committee Report No.66 "Auditing Treatment Regarding Judgment of Realizability of Deferred Tax Assets")
- Deferred tax assets are recognized on the balance sheet on a net basis after offsetting against deferred tax liabilities arising from net unrealized gains on other securities. But the collectability is assessed for the gross deferred tax assets, before offsetting against deferred tax liabilities. (JICPA Auditing Committee Report No.70 "Auditing Treatment Regarding Application of Tax Effect Accounting to Valuation Differences on Other Securities and Losses on Impairment of Fixed Assets")

## (2) Reason for Recognition of Deferred Tax Assets

## (a) Recognition Criteria

Practical Guideline, examples (4) proviso

(1) SMBC has significant operating loss carryforwards on the tax base. These operating loss carryforwards are due to SMBC taking the below measures in order to quickly strengthen its financial base under the prolonged deflationary pressure, and are accordingly judged to be attributable to extraordinary factors. As a result, SMBC recognized deferred tax assets to the limit of the estimated future taxable income for the period (approximately 5 years) pursuant to the practical guideline on assessing the collectability of deferred tax assets issued by JICPA ("Practical Guideline")(\*).

## (a) Disposal of Non-performing Loans

SMBC established internal standards for write-offs and reserves based on self assessment in accordance with the "Prompt Corrective Action" adopted in Fiscal 1998 pursuant to the law concerning the maintenance of sound management of financial institutions (June

SMBC has been aggressively disposing non-performing loans and bolstering provisions in order to reduce the risk of asset deterioration under the severe business environment of a prolonged sluggish economy. As a result, taxable disposal of non-performing loans(\*\*) amounted to approximately 2 trillion yen as of September 30, 2004.

In addition, pursuant to the "Program for Financial Revival" of October 2002, SMBC has accelerated disposal of non-performing loans in order to reduce the problem asset ratio to half by Fiscal 2004. As a result, SMBC has achieved this target earlier than planned in the six months ended September 30, 2004. In the process, taxable disposals that were made in the past have been realized, while taxable disposals have been newly recognized.

## (b) Disposal of Unrealized Losses on Stocks

SMBC has been accelerating its effort to reduce stockholdings in order to reduce the risk of stock price fluctuations, and early meet the regulation limiting stockholdings that was adopted in Fiscal 2001.

During Fiscal 2002, SMBC reduced the balance of stocks by approximately 1.1 trillion yen through stocks sales and also disposed all at once unrealized losses on stocks of approximately 1.2 trillion yen by writing off impaired stocks and using the gains on the merger. Consequently, SMBC met the regulation limiting stockholdings at the end of Fiscal 2002, before the deadline.

As a result, balances of taxable write-off on securities(\*\*) increased temporarily (approximately 1.5 trillion yen as of March 31, 2003; approximately 0.1 trillion yen as of March 31, 1999). On the other hand, taxable write-off of securities carried out in the past is now being realized through accelerated selling of stocks (result for the six months ended September 30, 2004 was approximately 70 billion yen).

(2) Consequently, operating loss carryforwards on the tax base amounted to approximately 2.1 trillion yen as of September 30, 2004 and they are certain to be offset by their carry-over period by the taxable income that will be generated in the future. No material operating loss carryforwards on the tax base have expired in the past.

(\*) JICPA Auditing Committee Report No.66 "Auditing Treatment Regarding Judgment of Realizability of Deferred Tax Assets"

(\*\*) Corresponds to "(Reference) Temporary differences" (upper right corner) of the previous page's table.

## (b) Period for Future Taxable Income to be estimated

5 years

## (c) Accumulated Amount of Estimated Future Taxable Income before Adjustments for the Next 5 Years

		(Billions of yen)	
		Estimates of next 5 years	
	Banking profit (excluding transfer to general reserve for possible loan losses)	1	5,572.0
A	Income before income taxes	2	3,424.8
B	Adjustments to taxable income (excluding reversal of temporary differences as of Sep. 30, 2004)	3	841.5
C	Taxable income before adjustments (A+B)	4	4,266.3
	Deferred tax assets corresponding to taxable income before adjustments	5	1,733.4

(corresponding to line 18 of the table on the previous page)

[Basic Policy]

(1) Estimate when the temporary differences will be reversed

(2) Conservatively estimate the taxable income before adjustments for the next 5 years

(a) Rationally make earnings projection for up to the six months ended September 30, 2009 based on the "Plan for strengthening the financial base (up to Fiscal 2006)"

(b) Reduce an amount reflecting the uncertainty of the projected amount from the projected amount.

(c) Add the adjustments to the above amount

(3) Apply the effective tax rate to the above amount and record the amount as "deferred tax assets"

## (Reference 1) Income of final return (before deducting operating loss carryforwards) for the last 5 years

(Billions of yen)

	FY1999	FY2000	FY2001	FY2002	FY2003	1st half FY2004
Income of final return (before deducting operating loss carryforwards)	327.3	(176.0)	241.9	(745.5)	(1,437.8)	224.2

(Notes) 1. (Income of final return before deduction of operating loss carryforwards)

= (Taxable income before adjustments for each fiscal year) - (Temporary differences to be reversed for each fiscal year)

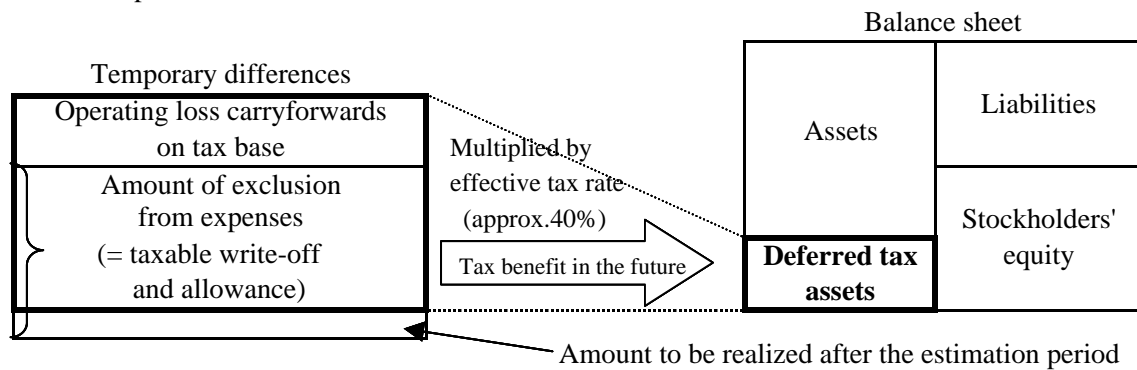
2. The figures above include amounts arising from "extraordinary factors" that are specified in the Practical Guideline.

Taxable income has been reported each year when these amounts are excluded.

3. The figures for Sep. 30, 2004 were estimated in interim closing.

## (Reference 2) Explanatory Example of Deferred Tax Asset Estimation

## 1. Basic Concept



## 2. Example

## [Assumption]

- (1) Temporary differences as of the term-end: 6,000 (Balance to be reversed: 5,000 over 5 years and 6,000 over 7 years)
- (2) Estimated future taxable income before adjustments: 5,000 over 5 years and 7,000 over 7 years
- (3) A company described in the proviso of sample (4) of the Practical Guidelines issued by JICPA

(Remark) The figures in the chart below are just examples for explanation and not actual figures of SMBC.

		1 year	2 years	3 years	4 years	5 years	Total (5 years)	6 years	7 years	Total (7 years)
		later	later	later	later	later		later	later	
<b>Taxable income before adjustments</b>	a	1,000	1,000	1,000	1,000	1,000	5,000	1,000	1,000	7,000
Reversal of temporary differences	b	(2,000)	(1,000)	(800)	(700)	(500)	(5,000)	(500)	(500)	(6,000)
<b>Income of final return (before deducting operating loss carryforwards)</b>	c	(1,000)	0	200	300	500	0	500	500	1,000
Operating loss carryforwards on the tax base	d	1,000	1,000	800	500	0	/	0	0	/
Increase (decrease)	e	1,000	0	(200)	(300)	(500)	/	0	0	/
Income subject to taxation (c+e)	f	0	0	0	0	0	/	500	500	/
Reversal of temporary differences (b+e)	g	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(5,000)	(500)	(500)	(6,000)
Before accounting for reversal (a*40%)	h	(400)	(400)	(400)	(400)	(400)	(2,000)	(400)	(400)	(2,800)
After accounting for reversal (f*40%)	i	0	0	0	0	0	0	(200)	(200)	(400)
Tax benefits (i-h)	j	400	400	400	400	400	2,000	200	200	2,400

**Total of tax benefits +2,400 (7 years)**

(\*)

**Deferred tax assets (Balance sheet amount) +2,000 (5 years)**

**+400 (2 years,\*\*)**

(\*) Given the uncertainty of estimations, JICPA restricts the extent to which deferred tax assets may be recognized.

Outline of Practical Guideline, examples (4) proviso

- a In principle, only the deferred tax assets relating to temporary differences expected to be reversed in the next fiscal year may be considered collectable within the range of an estimated taxable income for the next fiscal year, when a company has material operating loss carryforwards on the tax base as of term-end.
- b However, when operating loss carry forwards are due to the company's restructuring efforts, changes in laws, and/or other extraordinary factors, only the deferred tax assets relating to the temporary differences expected to be reversed over the estimation period may be considered collectable within the limits of estimated taxable income for the estimation period (approximately 5 years).

(\*\*) The difference of 400 is entered as valuation allowance and not recognized as deferred tax assets. But the tax benefits will be realized as long as the company exists and generates taxable income.



## 22. Earnings Forecast for FY2004

Sumitomo Mitsui Financial Group, Inc.

&lt;Non-consolidated&gt;

(Billions of yen)

	FY2004		FY2003
	Forecast	Change	Result
Operating income	260.0	204.5	55.5
Ordinary profit	255.0	203.8	51.2
Net income	255.0	204.5	50.5

Dividend per share forecast for the fiscal year end

(Yen)

Common stock	4,000	1,000	3,000
Type 1 Preferred stock	10,500	-	10,500
Type 2 Preferred stock	28,500	-	28,500
Type 3 Preferred stock	13,700	-	13,700
Type 4 Preferred stock	1st - 12th series	135,000	135,000
	13th series	67,500	67,500

(Reference)

(Billions of yen)

Total dividend planned	50.4	4.0	46.4
------------------------	------	-----	------

&lt;Consolidated&gt;

(Billions of yen)

	FY2004		FY2003
	Forecast	Change	Result
Ordinary income	3,450.0	(102.5)	3,552.5
Ordinary profit	470.0	127.2	342.8
Net income	180.0	(150.4)	330.4

(Reference)

Sumitomo Mitsui Banking Corporation

&lt;Non-consolidated&gt;

(Billions of yen)

	FY2004		FY2003
	Forecast	Change	Result
Gross banking profit	1,565.0	(19.1)	1,584.1
Expenses	(585.0)	(1.0)	(584.0)
Banking profit (excluding transfer to general reserve for possible loan losses)	980.0	(20.1)	1,000.1
Ordinary profit	440.0	254.9	185.1
Net income	250.0	(51.1)	301.1

Total credit cost (*)	(650.0)	153.4	(803.4)
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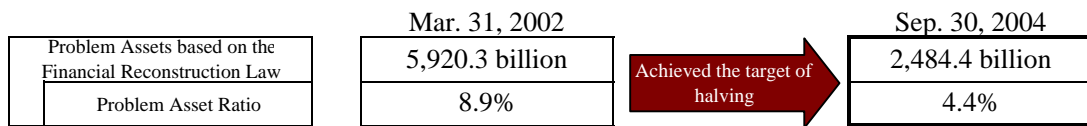
(\*) (Transfer to general reserve for possible loan losses) + (Credit cost included in non-recurring losses)

# (Reference) Progress in the Management Policy in FY2004

## 1. Completion of Intensive Improvement in Asset Quality

### Putting behind the NPL problem

- \* Achieved the target of halving the problem asset ratio six months ahead of the original schedule



=> Planning to reduce the balance to less than 2 trillion yen (and the Problem Asset Ratio to less than 4.0%) by the end of March 2005

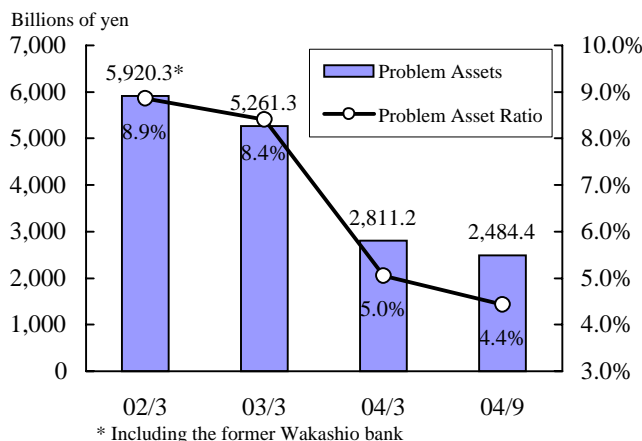
- \* Increased loan loss reserves to prepare better for future credit risks
- \* Additionally provided reserve for possible loan losses at the subsidiaries engaged in loan guarantees, in order to improve SMFG's financial soundness on a consolidated basis

Leading to a situation where credit costs is generated at "cruising speed" after FY2004, due to the reduction of future credit risk exposures

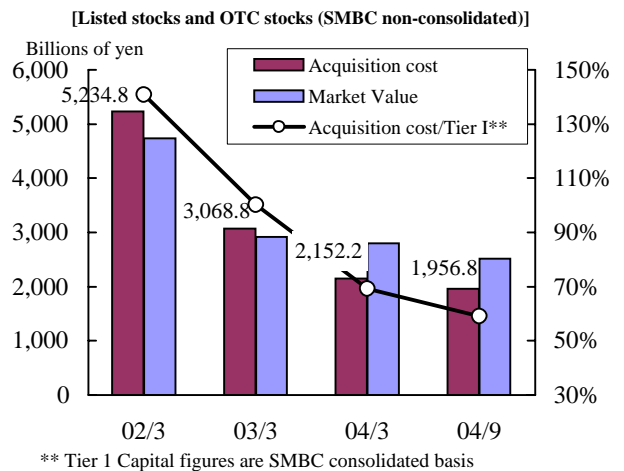
### Further reduction of stockholdings

- \* Sold approximately 200 billion yen during the first half of FY2004 => Planning to reduce further

(Ref. 1) Problem Assets Based on the Financial Reconstruction Law and Problem Asset Ratio



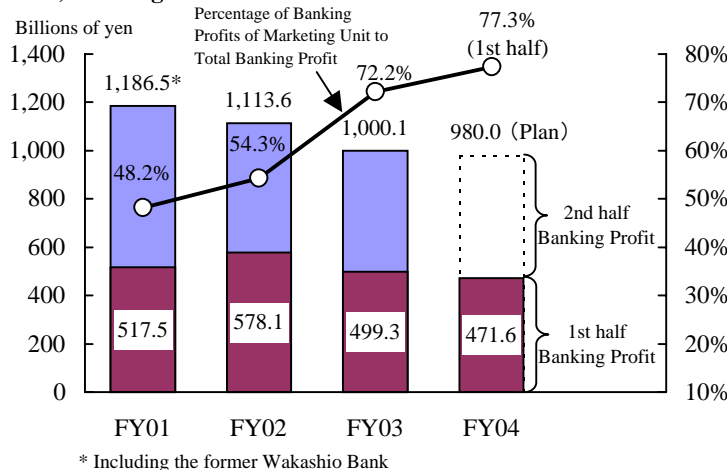
(Ref. 2) Stockholdings



## 2. Accelerating the Offensive in Strategic Businesses

- \* Banking profit (excluding transfer to general reserve for possible loan losses) in the first half of FY2004 reached 471.6 billion yen, exceeding the original plan (460.0 billion), mainly due to the increase in marketing units' profits

(Ref. 3) Banking Profits



### Further reinforcement of competitive advantages

- Loans to SMEs
- Financial consulting for individuals
- Investment banking business

Steadily expanding

### Early establishment of revenue base

- Consumer Finance
  - => Strategic alliance with Promise Co., Ltd.
- Asian Business
  - => Strengthening and reorganizing marketing channels in Asia

This material 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.

**(Reference) Financial Statements of SMBC**1. Highlights of SMBC's Financial Results for the Six Months ended  
September 30, 2004**<SMBC Non-consolidated>**

Ordinary income	1,140,066 million yen
Ordinary profit	125,198 million yen
Net income	118,554 million yen
Total assets	92,742,940 million yen
Stockholders' equity	2,756,776 million yen
Stockholders' equity to Total assets	2.97 %
Capital ratio (BIS Guidelines) [preliminary]	11.35 %
Number of shares outstanding as of term-end	56,042,947 shares
Common stock	55,212,947 shares
Type 1 Preferred stock	35,000 shares
Type 2 Preferred stock	100,000 shares
Type 3 Preferred stock	695,000 shares
Number of treasury stock as of term-end	- shares
Average number of shares outstanding during the term	55,822,828 shares
Common stock	54,878,662 shares
Type 1 Preferred stock	61,666 shares
Type 2 Preferred stock	100,000 shares
Type 3 Preferred stock	782,500 shares
Net income per share	2,160.29 yen
Net income per share (diluted)	2,057.29 yen
Stockholders' equity per share	30,007.03 yen
Interim dividends (maximum payable amounts scheduled (Note1))	50.5 billion yen
Common stock	683 yen per share
Type 1 Preferred stock	10,500 yen per share
Type 2 Preferred stock	28,500 yen per share
Type 3 Preferred stock	13,700 yen per share
Increase of net assets by recognizing at fair value (Note 2)	457,901 million yen

- (Notes) 1. The interim dividends (Record date: December 31) will be paid to SMFG (parent company).  
The payment will be resolved at the Board of Directors' meeting to be held after January 2005.
2. In case Article 124-3 of the Ordinance of the Commercial Code of Japan is applied.

**<SMBC Consolidated>**

Capital ratio (BIS Guidelines) [preliminary]	11.03 %
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## 2. Balance Sheet (Condensed) &lt;SMBC Non-consolidated&gt;

(millions of yen)

	September 30, 2004 (A)	September 30, 2003 (B)	Change (A-B)	March 31, 2004 (C)	Change (A-C)
<b>Assets</b>					
Cash and due from banks & Deposits with banks	5,280,483	3,423,380	1,857,103	4,866,920	413,563
Call loans	296,119	232,136	63,983	287,262	8,857
Receivables under resale agreements	106,419	61,204	45,215	130,337	(23,918)
Receivables under securities borrowing transactions	1,621,384	625,010	996,374	1,009,328	612,056
Bills bought	-	327,500	(327,500)	-	-
Commercial paper and other debt purchased	120,322	103,627	16,695	133,081	(12,759)
Trading assets	2,986,863	2,984,076	2,787	2,958,990	27,873
Money held in trust	3,783	27,493	(23,710)	3,749	34
Securities	23,524,899	21,847,113	1,677,786	26,592,584	(3,067,685)
Loans and bills discounted	50,723,607	55,153,522	(4,429,915)	50,810,144	(86,537)
Foreign exchanges	910,803	755,924	154,879	720,840	189,963
Other assets	1,365,753	1,865,874	(500,121)	1,480,776	(115,023)
Premises and equipment	671,495	681,442	(9,947)	688,325	(16,830)
Deferred tax assets	1,631,561	1,711,738	(80,177)	1,590,518	41,043
Customers' liabilities for acceptances and guarantees	4,462,028	4,498,916	(36,888)	4,086,964	375,064
Reserve for possible loan losses	(962,583)	(1,518,988)	556,405	(1,250,751)	288,168
<b>Total assets</b>	<b>92,742,940</b>	<b>92,779,975</b>	<b>(37,035)</b>	<b>94,109,074</b>	<b>(1,366,134)</b>
<b>Liabilities</b>					
Deposits	62,011,605	57,746,253	4,265,352	60,067,417	1,944,188
Negotiable certificates of deposit	3,239,176	3,454,958	(215,782)	3,589,354	(350,178)
Call money	3,043,178	2,202,679	840,499	2,479,233	563,945
Payables under repurchase agreements	704,384	1,868,451	(1,164,067)	1,071,114	(366,730)
Payables under securities lending transactions	4,571,110	4,624,779	(53,669)	5,946,346	(1,375,236)
Bills sold	1,588,400	5,715,900	(4,127,500)	3,725,600	(2,137,200)
Trading liabilities	1,505,855	1,608,728	(102,873)	1,504,465	1,390
Borrowed money	2,441,850	2,648,173	(206,323)	2,531,973	(90,123)
Foreign exchanges	534,408	449,941	84,467	576,958	(42,550)
Bonds	3,699,055	2,884,076	814,979	3,177,741	521,314
Due to trust account	42,202	24,944	17,258	36,032	6,170
Other liabilities	2,076,868	2,309,751	(232,883)	2,368,824	(291,956)
Reserve for employee bonuses	8,598	8,569	29	8,752	(154)
Reserve for employee retirement benefits	-	66,096	(66,096)	11,748	(11,748)
Reserve for possible losses on loans sold	-	222	(222)	-	-
Reserve for expenses related to EXPO 2005 Japan	172	57	115	116	56
Other reserves	18	18	-	18	-
Deferred tax liabilities for land revaluation	57,250	55,835	1,415	55,541	1,709
Acceptances and guarantees	4,462,028	4,498,916	(36,888)	4,086,964	375,064
<b>Total liabilities</b>	<b>89,986,163</b>	<b>90,168,353</b>	<b>(182,190)</b>	<b>91,238,204</b>	<b>(1,252,041)</b>
<b>Stockholders' equity</b>					
Capital stock	559,985	559,985	-	559,985	-
Capital surplus	1,262,546	1,237,307	25,239	1,237,307	25,239
Capital reserve	904,932	879,693	25,239	879,693	25,239
Other capital surplus	357,614	357,614	-	357,614	-
Retained earnings	592,112	557,289	34,823	676,064	(83,952)
Voluntary reserves	221,532	221,540	(8)	221,540	(8)
Unappropriated retained earnings at end of term (year)	370,579	335,749	34,830	454,523	(83,944)
Land revaluation excess	83,656	82,165	1,491	81,158	2,498
Net unrealized gains (losses) on other securities	258,476	174,873	83,603	316,354	(57,878)
<b>Total stockholders' equity</b>	<b>2,756,776</b>	<b>2,611,621</b>	<b>145,155</b>	<b>2,870,870</b>	<b>(114,094)</b>
<b>Total liabilities and stockholders' equity</b>	<b>92,742,940</b>	<b>92,779,975</b>	<b>(37,035)</b>	<b>94,109,074</b>	<b>(1,366,134)</b>

(Note) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## 3. Income Statement (Condensed) &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Six months ended Sep. 30, 2004 (A)	Six months ended Sep. 30, 2003 (B)	Change (A-B)	FY2003
Ordinary income:	1,140,066	1,177,035	(36,969)	2,322,363
Interest income	646,974	729,620	(82,646)	1,392,322
Interest on loans and discounts	464,162	491,865	(27,703)	972,891
Interest and dividends on securities	119,916	132,204	(12,288)	249,594
Trust fees	729	84	645	334
Fees and commissions	181,243	150,162	31,081	322,075
Trading profits	21,755	152,104	(130,349)	283,611
Other operating income	150,886	88,276	62,610	149,209
Other income	138,476	56,787	81,689	174,809
Ordinary expenses:	1,014,868	1,071,859	(56,991)	2,137,225
Interest expenses	156,108	161,039	(4,931)	305,284
Interest on deposits	42,412	47,083	(4,671)	85,133
Fees and commissions	54,221	50,831	3,390	95,506
Trading losses	605	2,279	(1,674)	2,881
Other operating expenses	27,939	110,774	(82,835)	159,774
General and administrative expenses	300,276	315,168	(14,892)	623,098
Other expenses	475,717	431,765	43,952	950,679
Ordinary profit	125,198	105,175	20,023	185,138
Extraordinary gains	678	55,035	(54,357)	166,823
Extraordinary losses	12,806	17,222	(4,416)	33,115
Income before income taxes	113,070	142,988	(29,918)	318,846
Income taxes, current	1,645	12,573	(10,928)	12,752
Income taxes, refund	7,405	-	7,405	-
Income taxes, deferred	276	(9,244)	9,520	4,980
Net income	118,554	139,659	(21,105)	301,113
Unappropriated retained earnings carried forward	254,523	192,995	61,528	192,995
Transfer from land revaluation excess	(2,497)	3,094	(5,591)	3,868
Interim dividends	-	-	-	43,454
Unappropriated retained earnings at end of term (year)	370,579	335,749	34,830	454,523

(Notes) Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

## 4. Market Value Information on Securities &lt;SMBC Non-consolidated&gt;

## [1] Securities

In addition to "Securities" stated in the non-consolidated balance sheet, negotiable certificates of deposit bought classified as "Cash and due from banks" and commercial paper classified as "Commercial paper and other debt purchased" are included in the amount below.

## (1) Bonds classified as held-to-maturity with market value

(Millions of yen)

	September 30, 2004				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese Government bonds	507,501	501,652	(5,848)	1,683	7,532
Other	9,979	10,653	674	676	2
<b>Total</b>	<b>517,480</b>	<b>512,306</b>	<b>(5,174)</b>	<b>2,360</b>	<b>7,534</b>

## (2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	September 30, 2004		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	81,629	117,147	35,518
Stocks of affiliates	145,379	146,435	1,055
<b>Total</b>	<b>227,008</b>	<b>263,583</b>	<b>36,574</b>

## (3) Other securities with market value

(Millions of yen)

	September 30, 2004				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	1,956,759	2,515,642	558,882	607,708	48,826
Bonds	12,762,191	12,700,000	(62,191)	13,255	75,446
Japanese Government bonds	11,796,891	11,743,549	(53,342)	10,005	63,348
Japanese Local Government bonds	412,402	406,572	(5,829)	980	6,810
Japanese corporate bonds	552,898	549,879	(3,018)	2,268	5,287
Other	3,815,075	3,775,757	(39,318)	7,323	46,642
Change of purpose of holding	-	-	36	36	-
<b>Total</b>	<b>18,534,027</b>	<b>18,991,400</b>	<b>457,409</b>	<b>628,324</b>	<b>170,915</b>

(Notes)

1. 'Unrealized gains (losses) for other securities' include 22,199 million yen recognized in income statement by application of fair value hedge accounting.

As a result of applying fair value hedge accounting, the amount subject to inclusion in the stockholders' equity is 435,210 million yen and the actual amount included in the stockholder's equity under "Net unrealized gains on other securities" is 258,384 million yen (calculated by deducting deferred tax liabilities of 176,825 million yen from the 435,210 million yen).

2. Other securities with market value are considered impaired if the market value declines materially below the acquisition cost, and such decline is not considered recoverable. The market value is recognized as the balance sheet amount and the amount of write-down is accounted for as valuation loss (impaired) for this term. Valuation loss for this term was 39 million yen. The rule for determining "material decline" is as follows and is based on the classification of issuers under the rules of self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	Market value is lower than acquisition cost.
Issuers requiring caution	Market value is 30% or more lower than acquisition cost.
Normal issuers	Market value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt

Potentially bankrupt issuers: Issuers that are perceived to have a high risk of falling into bankruptcy

Issuers requiring caution: Issuers that are identified for close monitoring

Normal issuers: Issuers other than the above four categories of issuers

## (4) Securities with no available market value

(Millions of yen)

September 30, 2004	
Bonds classified as held-to-maturity	
Negotiable certificates of deposit	5,137
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,147,907
Stocks of affiliates	7,442
Other	30,324
Other securities	
Unlisted stocks (excluding OTC stocks)	541,796
Unlisted bonds	1,754,691
Unlisted foreign securities	239,046
Other	133,002

## (5) Redemption schedule of other securities with maturities and bonds classified as held-to-maturity

(Millions of yen)

	September 30, 2004			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years
Bonds	2,753,592	7,370,482	2,872,173	1,965,944
Japanese Government bonds	2,582,260	5,566,569	2,143,316	1,958,903
Japanese Local Government bonds	938	183,602	221,527	503
Japanese corporate bonds	170,393	1,620,310	507,329	6,537
Other	262,149	2,831,349	386,731	343,751
Total	3,015,742	10,201,832	3,258,905	2,309,695

## [2] Money Held in Trust

Other money held in trust (Other than classified as trading or held-to-maturity purpose)

(Millions of yen)

	September 30, 2004				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	3,628	3,783	154	271	116

(Note) Net unrealized gains of 92 million yen (after deducting 62 million yen in deferred tax liabilities from 154 million yen in net unrealized gains) are included in 'Net unrealized gains on other securities.'

## 5. Statements of Trust Assets and Liabilities &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	September 30, 2004 (A)	September 30, 2003 (B)	Change (A-B)	March 31, 2004 (C)	Change (A-C)
Loans and bills discounted	5,490	19,100	(13,610)	10,000	(4,510)
Securities	27,788	3,001	24,787	4,645	23,143
Securities held in custody accounts	3,000	-	3,000	-	3,000
Monetary claims	481,436	219,966	261,470	378,710	102,726
Other claims	171	0	171	0	171
Due from banking account	42,202	24,944	17,258	36,032	6,170
<b>Total assets</b>	<b>560,087</b>	<b>267,013</b>	<b>293,074</b>	<b>429,388</b>	<b>130,699</b>
Monetary trusts	35,478	22,127	13,351	17,007	18,471
Securities trusts	3,000	-	3,000	-	3,000
Monetary claims trusts	478,590	209,545	269,045	371,476	107,114
Composite trusts	43,019	35,340	7,679	40,904	2,115
<b>Total liabilities</b>	<b>560,087</b>	<b>267,013</b>	<b>293,074</b>	<b>429,388</b>	<b>130,699</b>

(Notes)

1. Amounts less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.
2. SMBC has no co-operative trusts under other trust bank's administration.
3. SMBC does not handle any trusts with principal indemnification.