

9. ROE

<SMBC Non-consolidated>

(%)

	FY2004		FY2003
		Change	
ROE (numerator: Banking profit*)	61.6	(15.8)	77.4
ROE (numerator: Banking profit)	84.9	7.5	77.4
ROE (numerator: Net income)	(9.9)	(32.4)	22.5

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

<Consolidated>

(%)

	FY2004		FY2003
		Change	
ROE (numerator: Net income)	(23.0)	(54.7)	31.7

(Note)

$$\text{ROE} = \frac{(\text{Net income} - \text{Dividends on preferred stocks})}{\frac{\{(\text{Stockholders' equity at the beginning of the term}) - (\text{Number of preferred shares outstanding at the beginning of the term}) \times (\text{Issue price}) + (\text{Stockholders' equity at the end of the term}) - (\text{Number of preferred shares outstanding at the end of the term}) \times (\text{Issue price})\}}{2}} \times 100$$

(%)

	FY2004		FY2003
		Change	
Fully-diluted ROE (numerator: Net income)	(8.0)	(20.0)	12.0

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