

(Reference 3) Financial Statements of SMBC

1. Balance Sheet (Condensed) <SMBC Non-consolidated>

(Millions of yen)

	September 30, 2008 (A)	September 30, 2007 (B)	Change (A-B)	March 31, 2008 (C)	Change (A-C)
Assets					
Cash and due from banks and Deposits with banks	5,512,854	5,689,816	(176,962)	4,948,530	564,324
Call loans	465,680	943,504	(477,824)	362,988	102,692
Receivables under resale agreements	52,689	340,745	(288,056)	328,544	(275,855)
Receivables under securities borrowing transactions	394,967	1,014,715	(619,748)	1,900,294	(1,505,327)
Bills bought	11,351	309,253	(297,902)	11,094	257
Commercial paper and other debt purchased	464,819	468,404	(3,585)	447,538	17,281
Trading assets	3,160,927	2,957,227	203,700	3,638,676	(477,749)
Money held in trust	8,983	2,627	6,356	7,329	1,654
Securities	20,982,446	19,860,123	1,122,323	22,758,241	(1,775,795)
Loans and bills discounted	58,541,953	55,025,706	3,516,247	56,957,813	1,584,140
Foreign exchanges	1,047,501	876,042	171,459	836,917	210,584
Other assets	1,995,678	1,496,635	499,043	2,196,999	(201,321)
Tangible fixed assets	683,073	671,833	11,240	676,072	7,001
Intangible fixed assets	118,430	92,013	26,417	106,469	11,961
Deferred tax assets	858,453	775,698	82,755	823,251	35,202
Customers' liabilities for acceptances and guarantees	4,513,532	4,470,981	42,551	4,665,062	(151,530)
Reserve for possible loan losses	(638,978)	(688,148)	49,170	(620,004)	(18,974)
Reserve for possible losses on investments	(14,521)	-	(14,521)	(12,801)	(1,720)
Total assets	98,159,845	94,307,182	3,852,663	100,033,020	(1,873,175)
Liabilities					
Deposits	66,918,037	66,379,291	538,746	66,417,260	500,777
Negotiable certificates of deposit	3,225,677	2,462,170	763,507	2,965,574	260,103
Call money	2,136,313	2,210,169	(73,856)	2,656,142	(519,829)
Payables under repurchase agreements	979,331	121,012	858,319	1,825,481	(846,150)
Payables under securities lending transactions	4,024,211	2,727,484	1,296,727	5,732,042	(1,707,831)
Trading liabilities	1,759,392	1,683,577	75,815	2,307,304	(547,912)
Borrowed money	4,060,600	4,222,916	(162,316)	3,798,333	262,267
Foreign exchanges	319,072	339,119	(20,047)	301,958	17,114
Bonds	3,408,919	3,591,901	(182,982)	3,539,110	(130,191)
Due to trust account	106,932	45,893	61,039	80,796	26,136
Other liabilities	3,217,389	2,121,978	1,095,411	2,178,263	1,039,126
Reserve for employee bonuses	10,968	8,654	2,314	8,857	2,111
Reserve for executive bonuses	-	-	-	496	(496)
Reserve for executive retirement benefits	4,711	4,527	184	4,800	(89)
Reserve for point service program	2,238	1,615	623	1,870	368
Reserve for reimbursement of deposits	7,023	10,839	(3,816)	9,587	(2,564)
Reserve under special law	0	18	(18)	0	-
Deferred tax liabilities for land revaluation	46,599	48,728	(2,129)	46,827	(228)
Acceptances and guarantees	4,513,532	4,470,981	42,551	4,665,062	(151,530)
Total liabilities	94,740,953	90,450,881	4,290,072	96,539,771	(1,798,818)
Net assets					
Capital stock	664,986	664,986	-	664,986	-
Capital surplus	1,367,548	1,367,548	-	1,367,548	-
Capital reserve	665,033	665,033	-	665,033	-
Other capital surplus	702,514	702,514	-	702,514	-
Retained earnings	959,742	825,090	134,652	894,839	64,903
Other retained earnings	959,742	825,090	134,652	894,839	64,903
Reserve for losses on overseas investments	0	0	(0)	0	-
Voluntary reserve for retirement allowances	1,656	1,656	-	1,656	-
Voluntary reserve	219,845	219,845	-	219,845	-
Retained earnings brought forward	738,241	603,589	134,652	673,337	64,904
Total stockholders' equity	2,992,277	2,857,625	134,652	2,927,374	64,903
Valuation difference on available-for-sale securities	474,219	1,057,093	(582,874)	558,103	(83,884)
Net deferred losses on hedges	(69,272)	(82,394)	13,122	(13,787)	(55,485)
Land revaluation excess	21,667	23,976	(2,309)	21,558	109
Total valuation and translation adjustments	426,614	998,675	(572,061)	565,874	(139,260)
Total net assets	3,418,892	3,856,300	(437,408)	3,493,249	(74,357)
Total liabilities and net assets	98,159,845	94,307,182	3,852,663	100,033,020	(1,873,175)

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

2. Income Statement (Condensed) <SMBC Non-consolidated>

(Millions of yen)

	Six months ended Sep. 30, 2008 (A)	Six months ended Sep. 30, 2007 (B)	Change (A-B)	FY2007
Ordinary income	1,303,146	1,307,652	(4,506)	2,933,626
Interest income	937,566	940,051	(2,485)	1,866,277
<i>Interest on loans and discounts</i>	683,171	651,660	31,511	1,326,278
<i>Interest and dividends on securities</i>	177,147	164,013	13,134	322,287
Trust fees	1,244	2,239	(995)	3,710
Fees and commissions	211,260	221,285	(10,025)	452,527
Trading profits	3,889	103,277	(99,388)	440,985
Other operating income	140,303	28,602	111,701	121,812
Other income	8,882	12,196	(3,314)	48,313
Ordinary expenses	1,181,038	1,149,803	31,235	2,422,886
Interest expenses	424,641	462,514	(37,873)	895,469
<i>Interest on deposits</i>	170,640	238,995	(68,355)	426,846
Fees and commissions	64,178	64,128	50	120,165
Trading losses	18,596	-	18,596	-
Other operating expenses	51,808	50,325	1,483	384,906
General and administrative expenses	367,244	325,372	41,872	659,992
Other expenses	254,568	247,462	7,106	362,353
Ordinary profit	122,108	157,849	(35,741)	510,739
Extraordinary income	883	935	(52)	11,051
Extraordinary losses	2,111	3,574	(1,463)	14,336
Income before income taxes	120,879	155,209	(34,330)	507,454
Income taxes, current	7,152	7,210	(58)	16,031
Income taxes, deferred	33,332	84,200	(50,868)	285,680
Net income	80,394	63,798	16,596	205,742

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

3. Statement of Changes in Net Assets <SMBC Non-consolidated>

Six months ended September 30, 2008

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2008	664,986	665,033	702,514	0	1,656	219,845	673,337	2,927,374
Changes in the six months								
Cash dividends							(15,383)	(15,383)
Net income							80,394	80,394
Transfer from land revaluation excess							(108)	(108)
Net changes in the items other than stockholders' equity in the six months								
Net changes in the six months	-	-	-	-	-	-	64,903	64,903
Balance at September 30, 2008	664,986	665,033	702,514	0	1,656	219,845	738,241	2,992,277

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gain on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2008	558,103	(13,787)	21,558	565,874	3,493,249
Changes in the six months					
Cash dividends					(15,383)
Net income					80,394
Transfer from land revaluation excess					(108)
Net changes in the items other than stockholders' equity in the six months	(83,883)	(55,485)	108	(139,260)	(139,260)
Net changes in the six months	(83,883)	(55,485)	108	(139,260)	(74,356)
Balance at September 30, 2008	474,219	(69,272)	21,667	426,614	3,418,892

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

Six months ended September 30, 2007

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2007	664,986	665,033	702,514	0	1,656	219,845	539,526	2,793,563
Changes in the six months								
Net income							63,798	63,798
Transfer from land revaluation excess							263	263
Net changes in the items other than stockholders' equity in the six months								
Net changes in the six months	-	-	-	-	-	-	64,062	64,062
Balance at September 30, 2007	664,986	665,033	702,514	0	1,656	219,845	603,589	2,857,625

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gain on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2007	1,259,814	(84,733)	24,240	1,199,320	3,992,884
Changes in the six months					
Net income					63,798
Transfer from land revaluation excess					263
Net changes in the items other than stockholders' equity in the six months	(202,720)	2,339	(263)	(200,645)	(200,645)
Net changes in the six months	(202,720)	2,339	(263)	(200,645)	(136,583)
Balance at September 30, 2007	1,057,093	(82,394)	23,976	998,675	3,856,300

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

Year ended March 31, 2008

(Millions of yen)

	Capital stock	Capital surplus		Retained earnings				Total stockholders' equity
		Capital reserve	Other capital surplus	Other retained earnings				
				Reserve for losses on overseas investments	Voluntary reserve for retirement allowances	Voluntary reserve	Retained earnings brought forward	
Balance at March 31, 2007	664,986	665,033	702,514	0	1,656	219,845	539,526	2,793,563
Changes in FY2007								
Transfer from reserve for losses on overseas investments				(0)			0	-
Cash dividends							(74,613)	(74,613)
Net income							205,742	205,742
Transfer from land revaluation excess							2,681	2,681
Net changes in the items other than stockholders' equity in FY2007								
Net changes in the year	-	-	-	(0)	-	-	133,810	133,810
Balance at March 31, 2008	664,986	665,033	702,514	0	1,656	219,845	673,337	2,927,374

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gain on other securities	Net deferred losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance at March 31, 2007	1,259,814	(84,733)	24,240	1,199,320	3,992,884
Changes in FY2007					
Transfer from reserve for losses on overseas investments					-
Cash dividends					(74,613)
Net income					205,742
Transfer from land revaluation excess					2,681
Net changes in the items other than stockholders' equity in FY2007	(701,711)	70,946	(2,681)	(633,445)	(633,445)
Net changes in the year	(701,711)	70,946	(2,681)	(633,445)	(499,635)
Balance at March 31, 2008	558,103	(13,787)	21,558	565,874	3,493,249

(Note) 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 <SMBC Non-consolidated>

[1] Securities

In addition to "Securities" stated in the non-consolidated balance sheet, negotiable certificates of deposit classified as "Cash and due from banks & Deposits with banks" and beneficiary claims on loan trust and commodity investment trusts classified as "Commercial paper and other debt purchased" is included in the amount below.

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

(Millions of yen)

	September 30, 2008				
	Balance sheet amount	Market value	Net unrealized gain (losses)	Unrealized gain	Unrealized losses
Japanese government bonds	1,093,660	1,099,428	5,768	8,850	3,082
Japanese local government bonds	97,262	97,314	51	324	273
Japanese corporate bonds	381,084	382,363	1,278	1,378	100
Total	1,572,007	1,579,106	7,098	10,554	3,455

(2) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	September 30, 2008		
	Balance sheet amount	Market value	Net unrealized gain (losses)
Stocks of subsidiaries	43,699	36,795	(6,904)
Stocks of affiliates	133,065	90,979	(42,086)
Total	176,765	127,774	(48,991)

(3) Other securities with market value

(Millions of yen)

	September 30, 2008				
	Acquisition cost	Balance sheet amount	Net unrealized gain (losses)	Unrealized gain	Unrealized losses
Stocks	1,970,387	2,752,840	782,453	844,586	62,133
Bonds	7,288,522	7,232,054	(56,468)	629	57,098
Japanese government bonds	6,871,260	6,818,329	(52,930)	488	53,419
Japanese local government bonds	193,760	191,672	(2,087)	35	2,122
Japanese corporate bonds	223,502	222,052	(1,450)	106	1,556
Other	4,243,642	4,147,470	(96,172)	14,283	110,455
Total	13,502,552	14,132,365	629,812	859,499	229,686

(Notes)

- 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 (impaired) for this term is JPY 11,764 million. 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 not currently bankrupt but 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

- Floating-rate Japanese government bonds which SMFG held as Other securities had been carried on the balance sheet at market values. From the six months ended September 30, 2008, such bonds have been carried at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value of Financial Assets" (Accounting Standard Board of Japan Practical Issues Task Force No. 25, issued on October 28, 2008). As a result of this accounting change, compared with the former accounting method, "Securities" and "Valuation difference on available-for-sale securities" increased by JPY 147,919 million and JPY 87,819 million, respectively, and "Deferred tax assets" decreased by JPY 60,099 million.

(4) Securities with no available market value

(Millions of yen)

September 30, 2008	
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,114,883
Stocks of affiliates	36,389
Other	56,279
Other securities	
Unlisted stocks (excluding OTC stocks)	319,845
Unlisted bonds	2,809,558
Unlisted foreign securities	698,945
Other	464,332

[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, 2008					
	Acquisition cost	Balance sheet amount	Net unrealized gain (losses)	Unrealized gain	Unrealized losses
Other money held in trust	7,655	7,519	(136)	-	(136)

5. Statements of Trust Assets and Liabilities <SMBC Non-consolidated>

(Millions of yen)

	September 30, 2008 (A)	September 30, 2007 (B)	Change (A-B)	March 31, 2008 (C)	Change (A-C)
Loans and bills discounted	222,540	4,150	218,390	223,740	(1,200)
Securities	349,145	285,533	63,612	273,504	75,641
Securities held in custody accounts	3,412	3,274	138	3,451	(39)
Monetary claims	620,628	660,147	(39,519)	571,072	49,556
Tangible fixed assets	-	84	(84)	25	(25)
Intangible fixed assets	126	-	126	-	126
Other claims	2,703	1,332	1,371	1,318	1,385
Call loans	225	-	225	263	(38)
Due from banking account	106,932	45,893	61,039	80,796	26,136
Cash and due from banks	26,467	27,401	(934)	20,000	6,467
Others	1,462	-	1,462	1,540	(78)
Total assets	1,333,644	1,027,818	305,826	1,175,711	157,933
Designated money trusts	334,953	262,943	72,010	292,193	42,760
Specified money trusts	130,520	88,254	42,266	61,864	68,656
Money in trusts other than money trusts	220,150	45	220,105	223,130	(2,980)
Security trusts	3,428	3,274	154	3,462	(34)
Monetary claims trusts	553,396	560,068	(6,672)	501,920	51,476
Composite trusts	89,732	113,230	(23,498)	91,600	(1,868)
Other trusts	1,462	-	1,462	1,540	(78)
Total liabilities	1,333,644	1,027,818	305,826	1,175,711	157,933

(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.