

Sumitomo Mitsui Financial Group, Inc.

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Merrill Lynch Japan Conference Presentation
September 6, 2006



SMFG



Today's Agenda:

Ten Most Frequently Asked Questions on SMFG

Q 1 : What is the update on financial performance?	P 2
Q 2 : What about profitability?	P 5
Q 3 : What are the major drivers of growth in the fee business?	P 8
Q 4 : What are the major drivers of growth in the loan business?	P10
Q 5 : What is the impact of short-term interest rate rise?	P12
Q 6 : What are the major drivers of growth in consumer banking?	P14
Q 7 : What is the update on initiatives in the consumer finance business?	P22
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Q 9 : What is the update on public funds?	P34
Q10: What are the objectives after the full repayment of public funds?	P37

Appendices	P39
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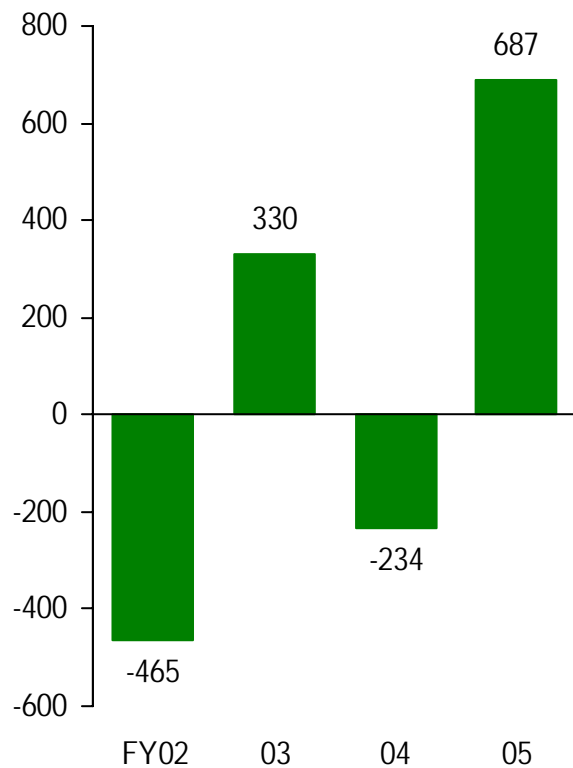
Q 1 : What is the update on financial performance?



A1-1. SMFG achieved a V-shaped recovery in net income in FY2005

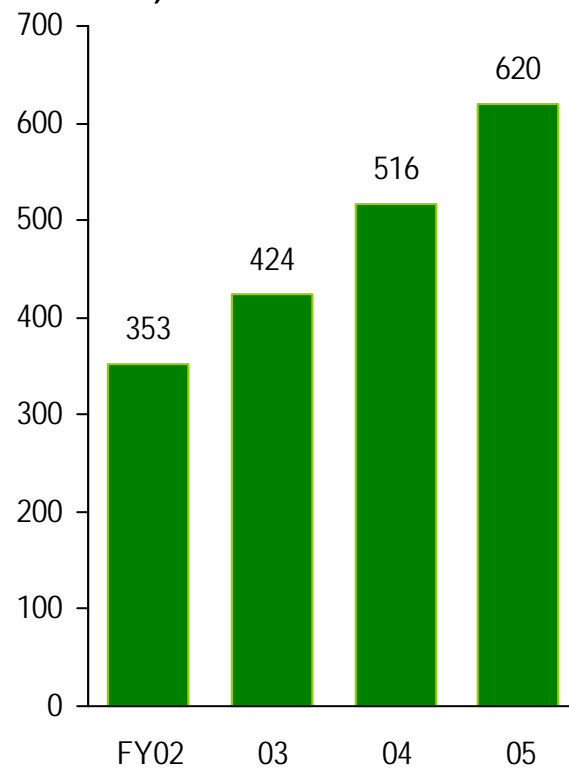
Net Income

(Billions of Yen)



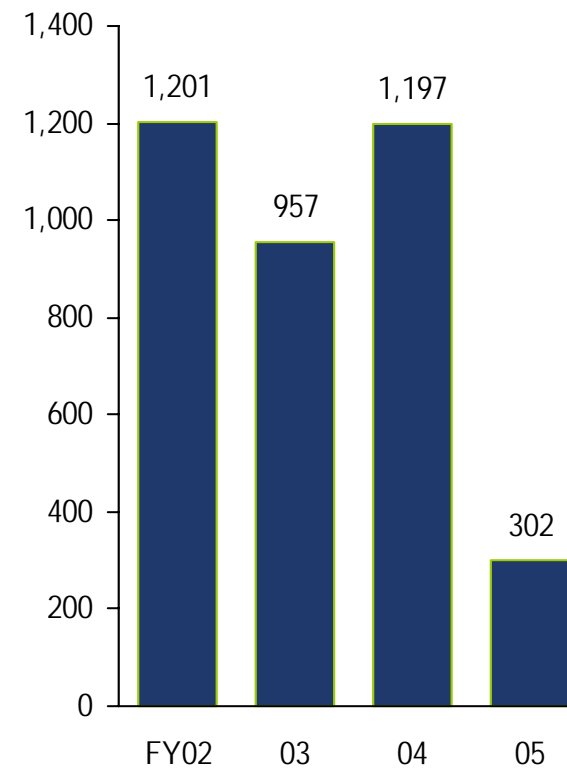
Net Fees and Commissions

(Billions of Yen)



Credit Cost

(Billions of Yen)



(Figures are on SMFG consolidated basis)



A1-2: SMFG targeting JPY 570 billion in consolidated net income in FY2006

(Billions of Yen)	FY05 Result	FY06 Forecast	FY05-06 change	1Q06 Result	1Q06- 1Q05 change	
SMFG Consolidated	Ordinary income	3,705.1	3,700.0	(0.1%)	859.8	+3.7%
	Ordinary profit	963.6	1,010.0	+4.8%	131.7	(40.7%)
	Net income	686.8	570.0	(17.0%)	120.1	(36.1%)
SMBC Non- consolidated	Gross banking profit	1,552.0	1,540.0	(0.8%)	254.8	(25.8%)
	(excluding bond gains/losses)	1,562.4	-	-	325.2	+2.5%
	Expenses	586.5	600.0	+2.3%	151.3	+1.0%
	<Overhead ratio>	<37.8%>	< 39.0% >	< +1.2% >		
	Banking profit ¹	965.6	940.0	(2.7%)	103.5	(46.6%)
	Total credit cost	230.9	170.0	(26.4%)	30.3	+1.2%
	Ordinary profit	720.9	780.0	+8.2%	73.4	(56.6%)
	Net income ²	519.5	460.0	(11.5%)	76.4	(55.0%)

1 Before provision for general reserve for possible loan losses.

2 (Assumptions) Income tax rate: FY05: 30% => FY06: Approx. 40% (Effective tax rate).

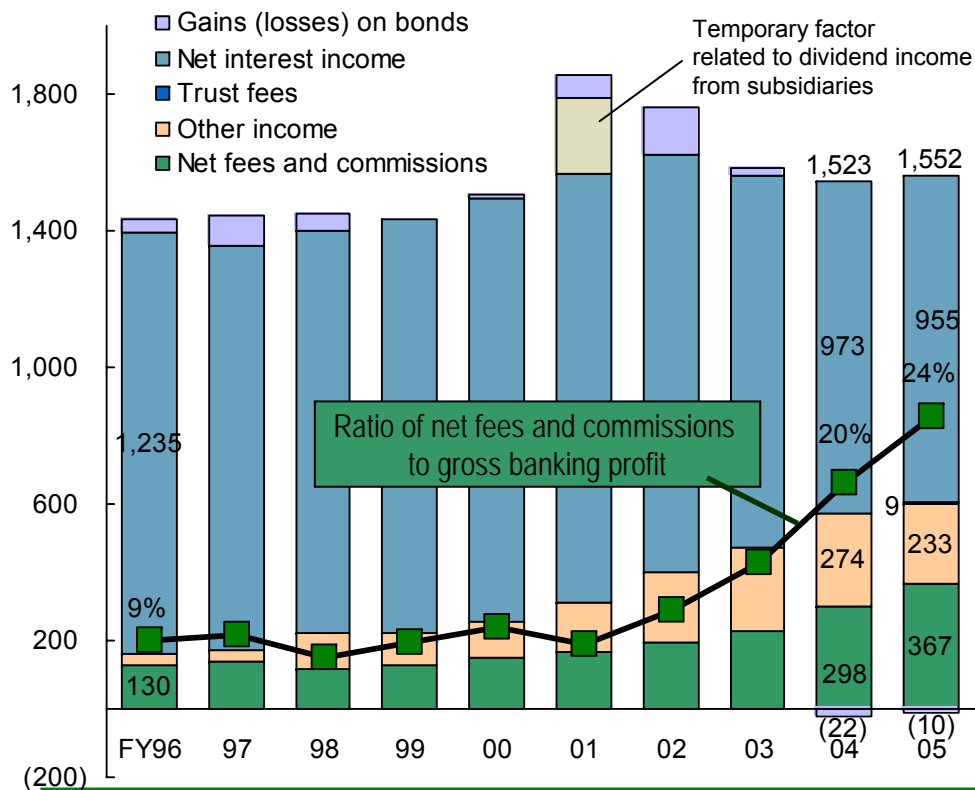
Q 2 : What about profitability?



A2-1: Quality of earnings is improving and costs are strictly controlled

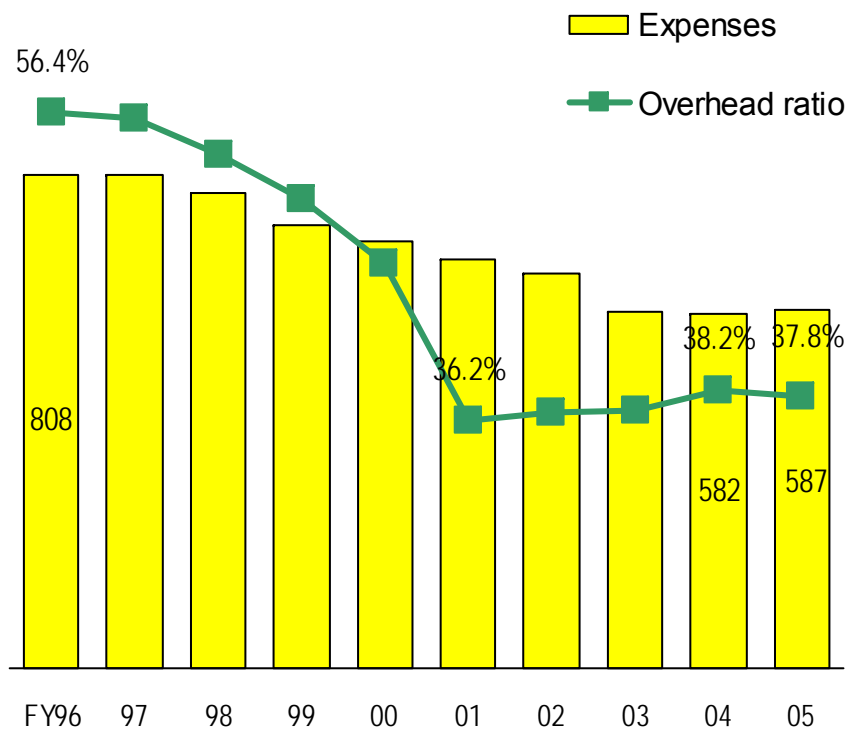
Gross Banking Profit (SMBC)

(Billions of yen)



Expenses (SMBC)

(Billions of yen)



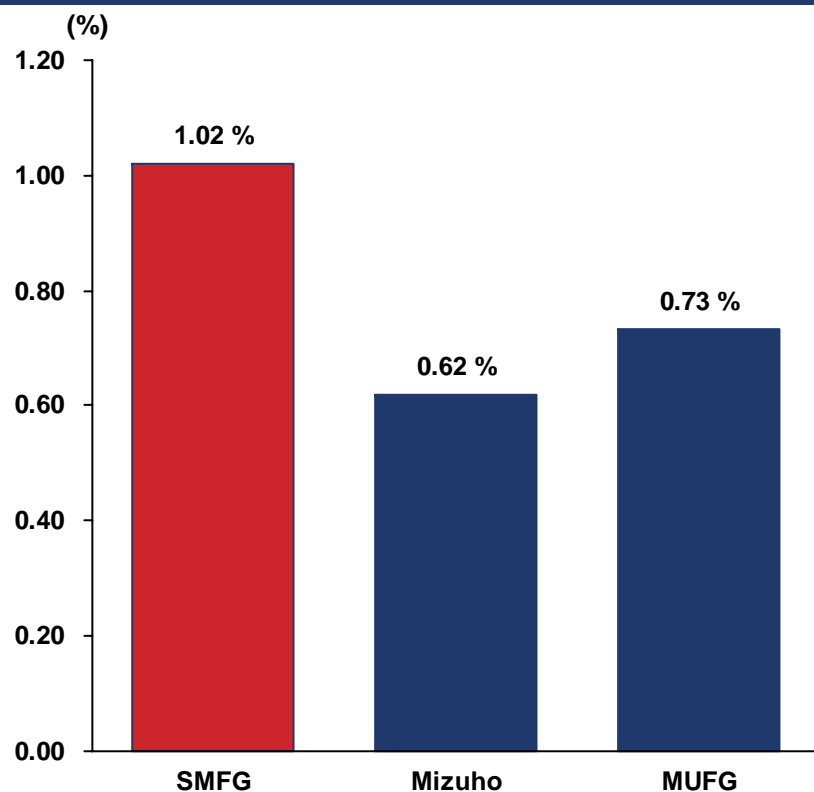
(Note) Figures for FY2000 and before are the combined figures of the former Sakura Bank and the former Sumitomo Bank
Other income = Net trading income + Net other operating income - Gains (losses) on bonds

(Figures are on SMBC non-consolidated basis)

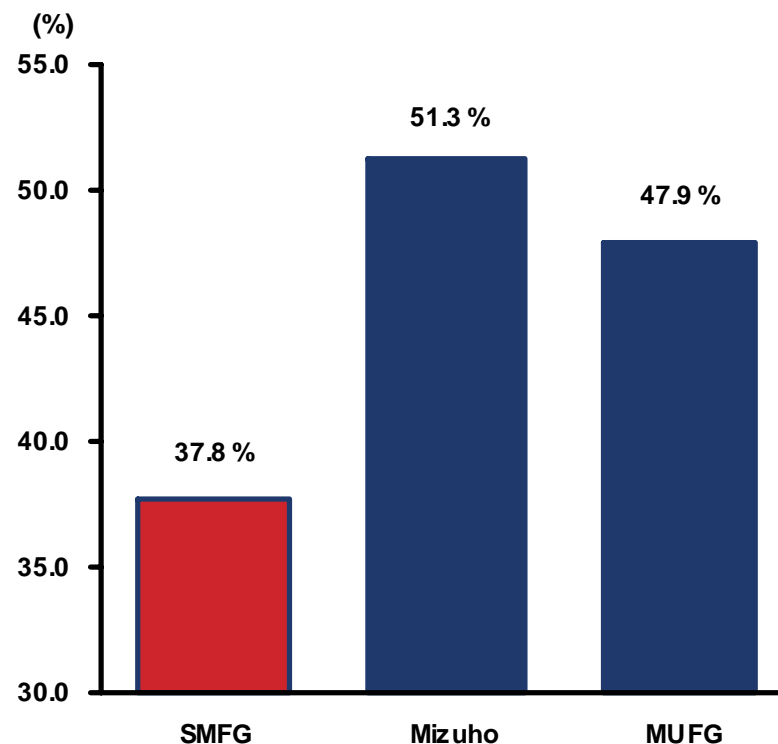


A2-2: Achieved higher ROA and lower overhead ratio

FY2005 ROA^{1,2,3} (in terms of banking profit)



FY2005 overhead ratio^{1,2,4}



Source: Based on unaudited disclosure of peers

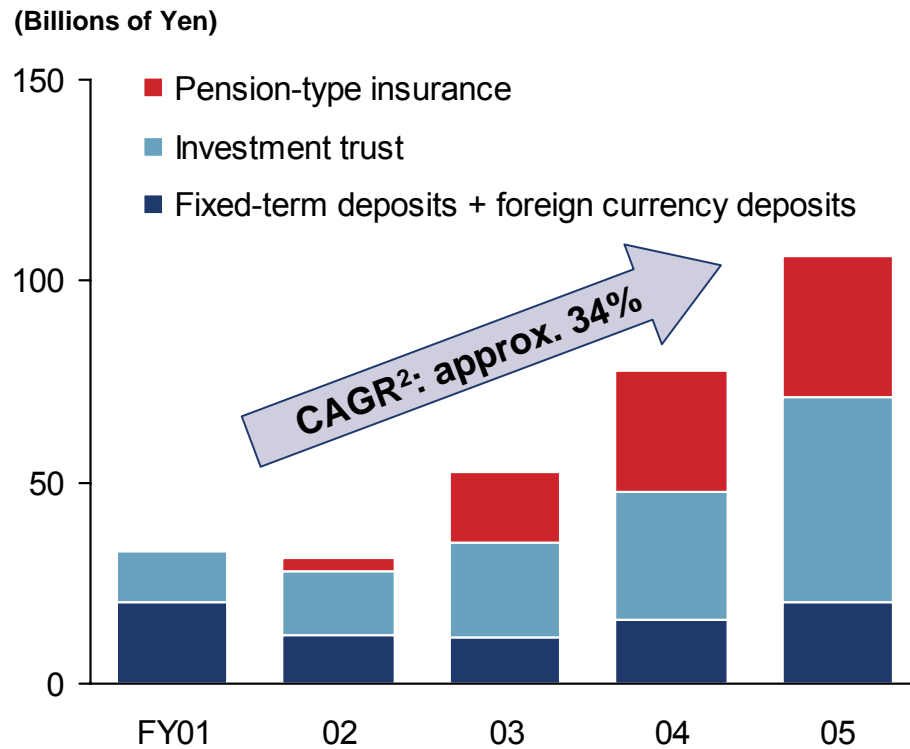
- 1 Combined non-consolidated banking profit/assets of banking subsidiaries; excludes trust accounts.
- 2 Banking profit before provision for general reserve for possible loan losses. Mizuho's banking profit includes JPY 120 billion of one time dividends from liquidated corporate revitalization subsidiaries.
- 3 ROAs are calculated based on the average of beginning and ending balance of total assets.
- 4 Mizuho's overhead ratio is calculated based on combined basis of non-consolidated figures of subsidiary banks and liquidated corporate revitalization subsidiaries.

Q 3 : What are the major drivers of growth
in the fee business?

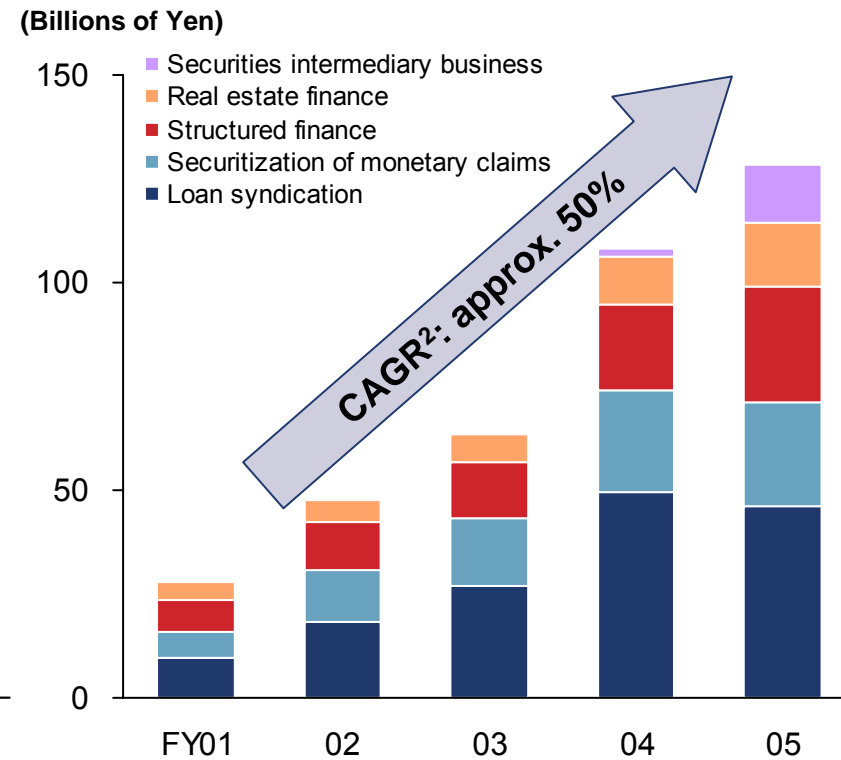


A3: Asset management consulting for individuals and investment banking for corporations

Profits related to asset management consulting (SMBC)¹



Profits related to investment banking (SMBC)¹



1 Managerial accounting basis

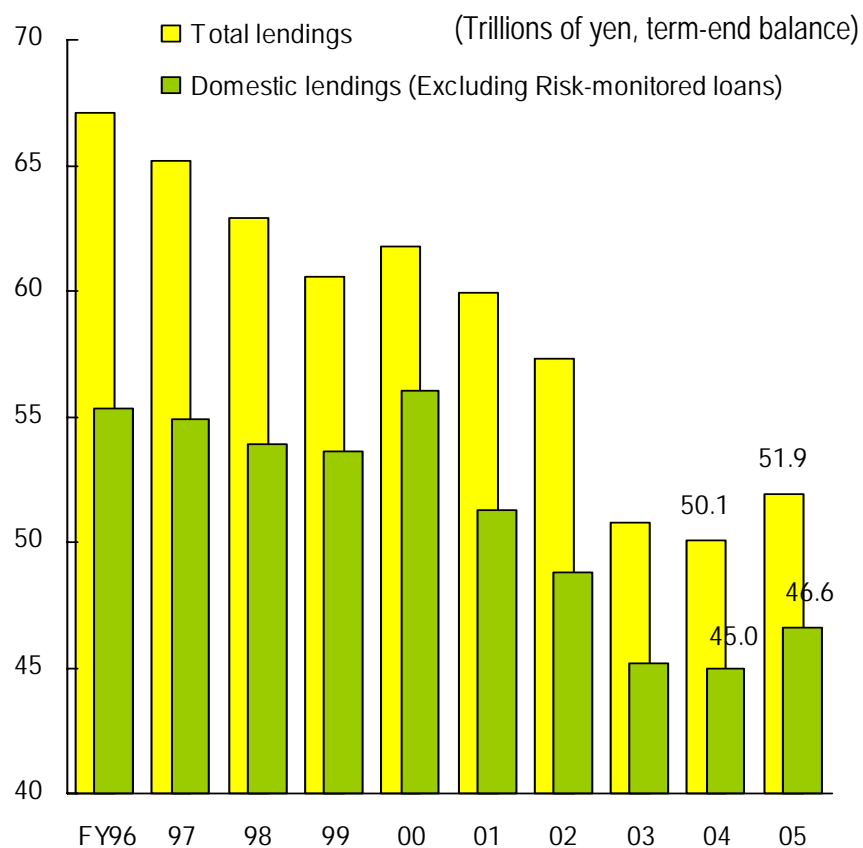
2 CAGR = Compound Annual Growth Rate

Q 4 : What are the major drivers of growth
in the loan business?



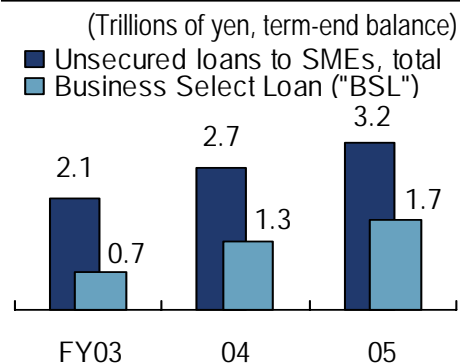
A4: Domestic loan balance has bottomed out mainly due to growth in focus areas

Loan balance

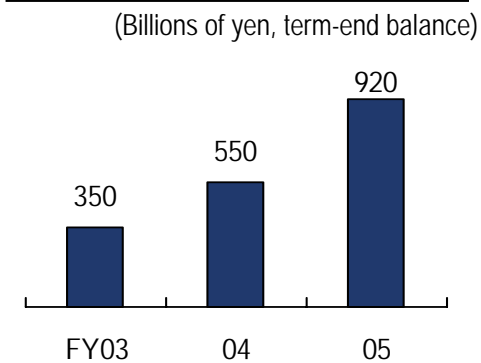


Major factors for change in domestic loan balance (excluding risk-monitored loans)

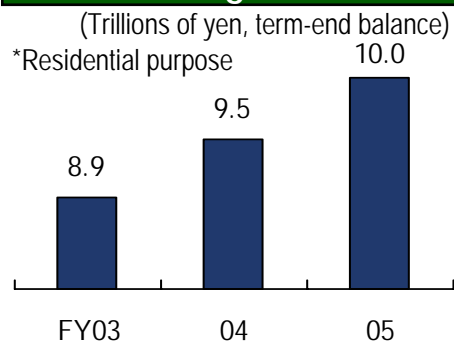
Unsecured loans to SMEs, total



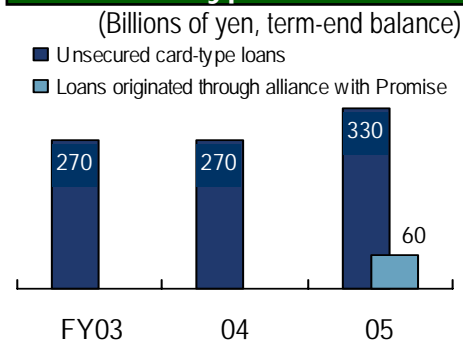
Real estate non-recourse loans



Housing loans*



Card-type loans



(Note) Figures for FY2000 and before are the combined figures of the former Sakura Bank and the former Sumitomo Bank

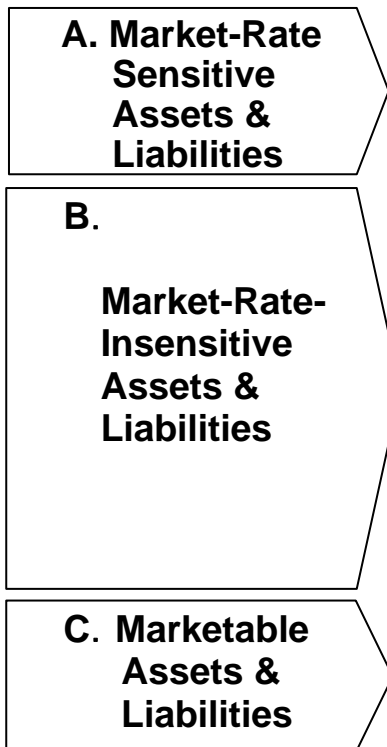
(Figures are on SMBC non-consolidated basis)

Q 5 : What is the impact of short-term interest rate rise?



A5: Positive spread effect on liquid deposits can be theoretically expected in the medium term

Excerpted B/S (as of 3/2006, trillions of yen)	
Loans and Bonds	Deposits
Domestic Lendings 47	Domestic Deposits 61
Floating Rate Lendings (LIBOR / TIBOR) Floating Rate Lendings (STPR ^{*1}) Loans with more than 1yr Repricing Period Yen Bond Portfolio 15	Time Deposits 17 Liquid Deposits 40 Others 4
Treasury Dept. (ALM operations)	



Possible Change in Net Interest Income	
Loans and Bonds	Deposits
Neutral assuming no change in credit spread	Spread Effect (TIBOR - Time Deposit Yield)
Basis Effect ^{*2} (STPR ^{*1} - TIBOR)	Spread Effect (TIBOR - Liquid Deposit Yield)
Assuming interest rate risks of Fixed Rate Lendings are hedged	
Dependent on Yen Bond Portfolio Structure	

<SMBC's managerial accounting basis>

*1 STPR

:Short Term Prime Rate

*2 Basis Effect

:Basis effect arises when reprice of STPR differs from reprice of TIBOR in terms of timing, magnitude, etc..

Spread effect arises when the spread between TIBOR and deposit yield becomes wider as interest rate rises.

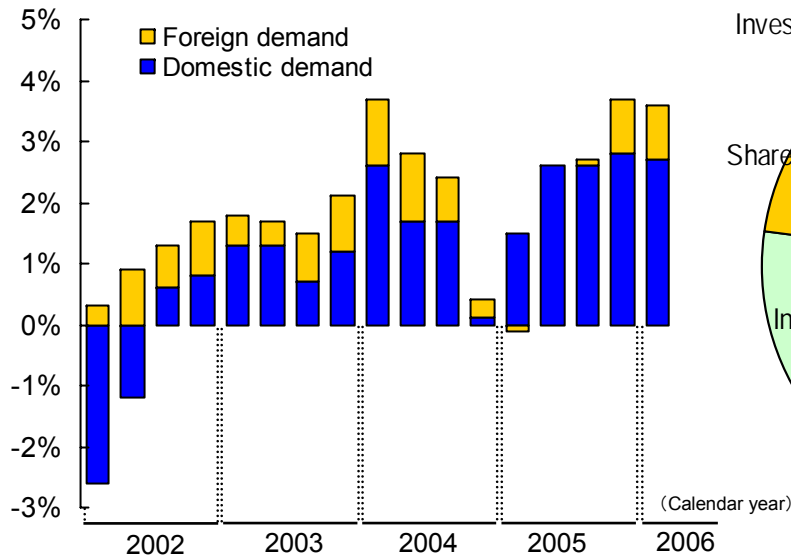
Q 6 : What are the major drivers of growth
in consumer banking?



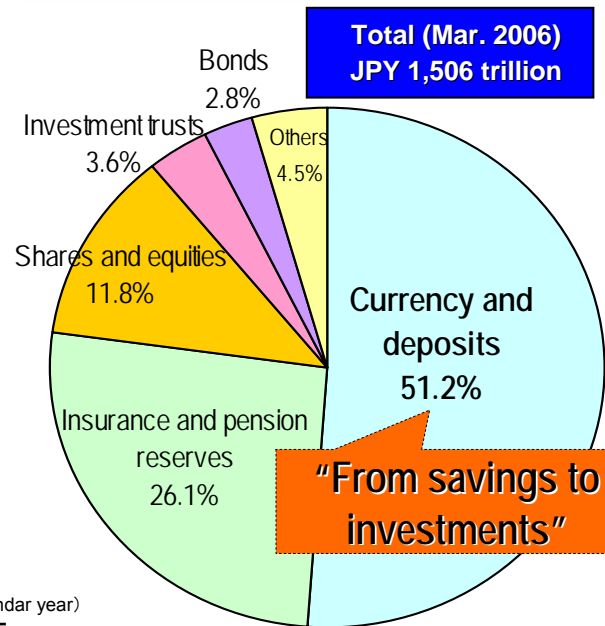
A6. Capture opportunities presented by changes in Japanese business environment with solid, competitive business model

GDP growth¹

Growth rate (YOY)

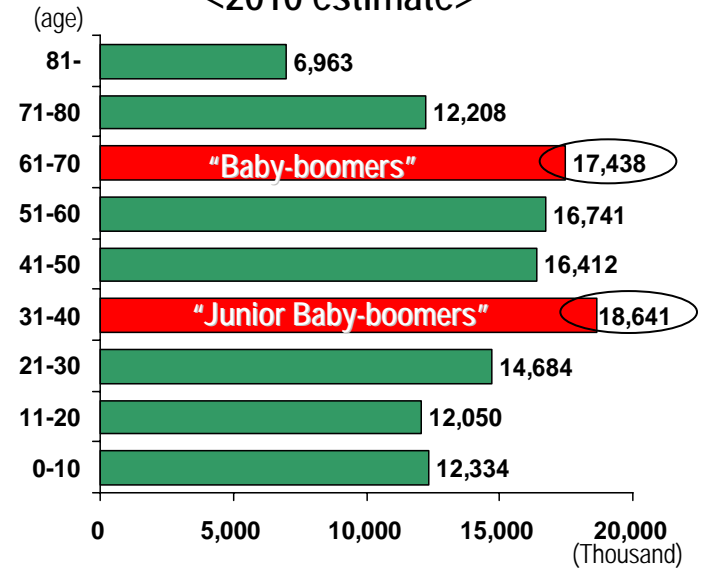


Financial assets (household)²



Demographic change³

<2010 estimate>



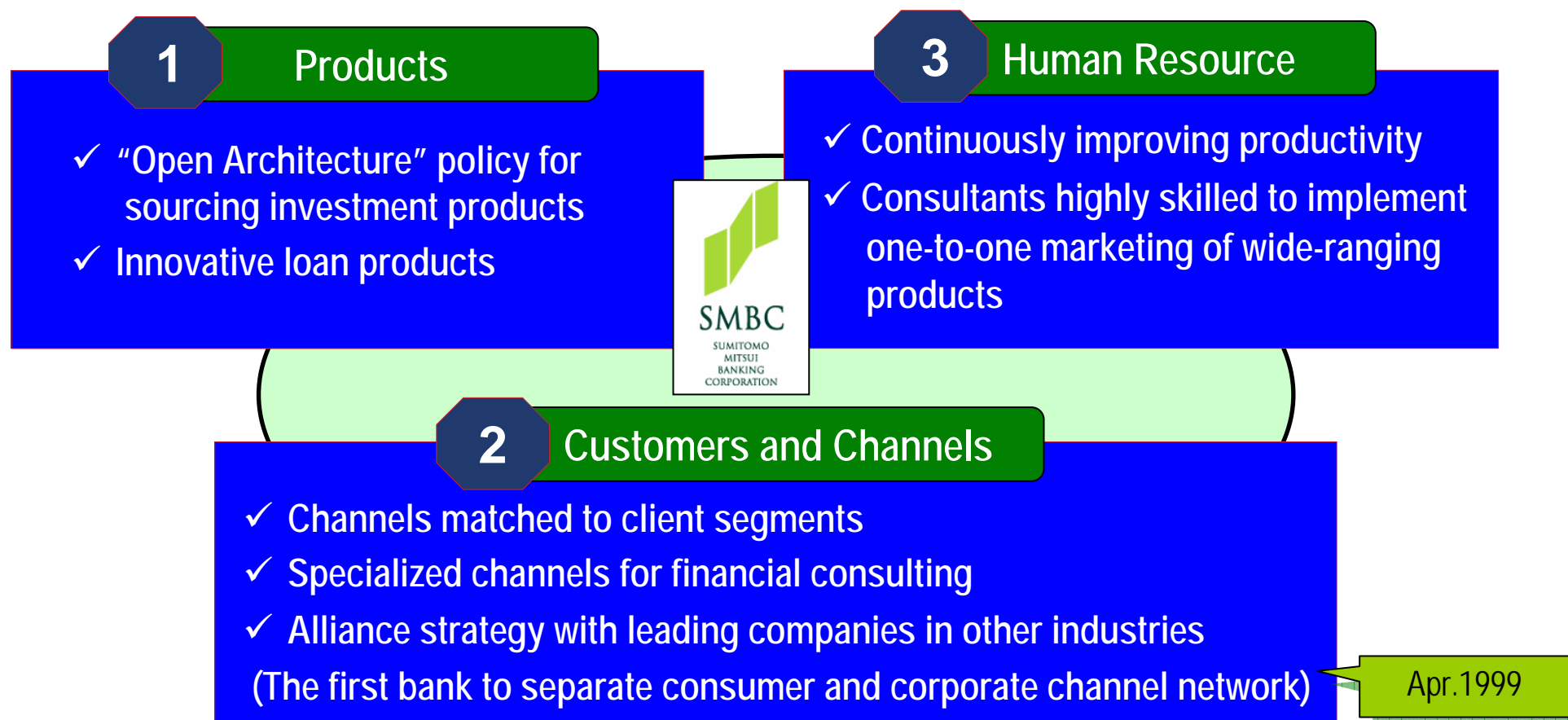
Major deregulation in consumer banking market



1 Source: Cabinet Office. Real GDP growth rate based on the chain-linking method.
 2 Source: Bank of Japan
 3 Source: National Institute of Population and Social Research



A6. Capture opportunities presented by changes in Japanese business environment with solid, competitive business model



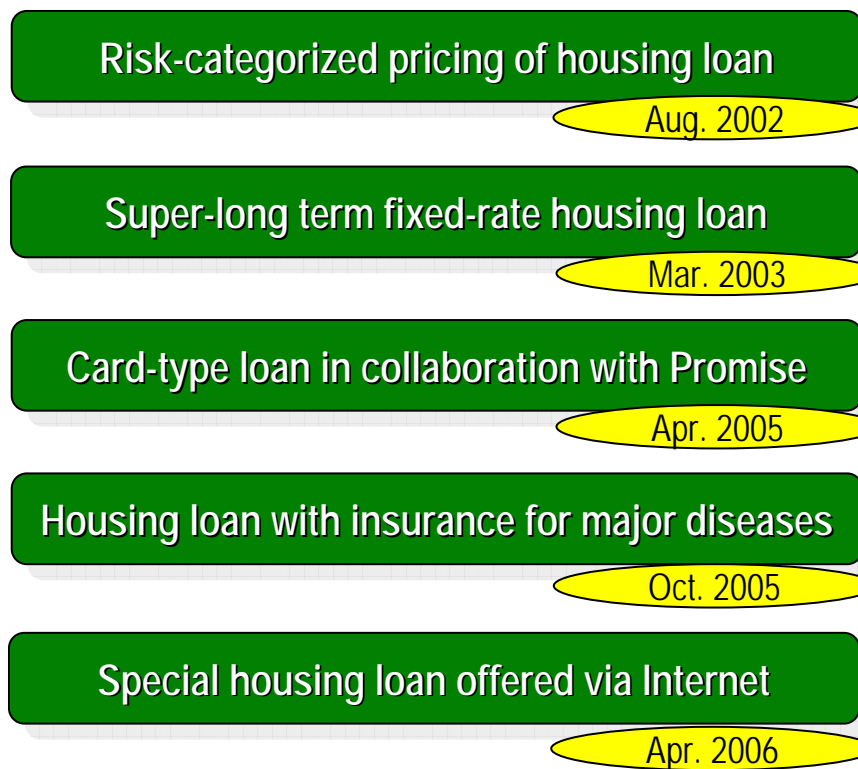
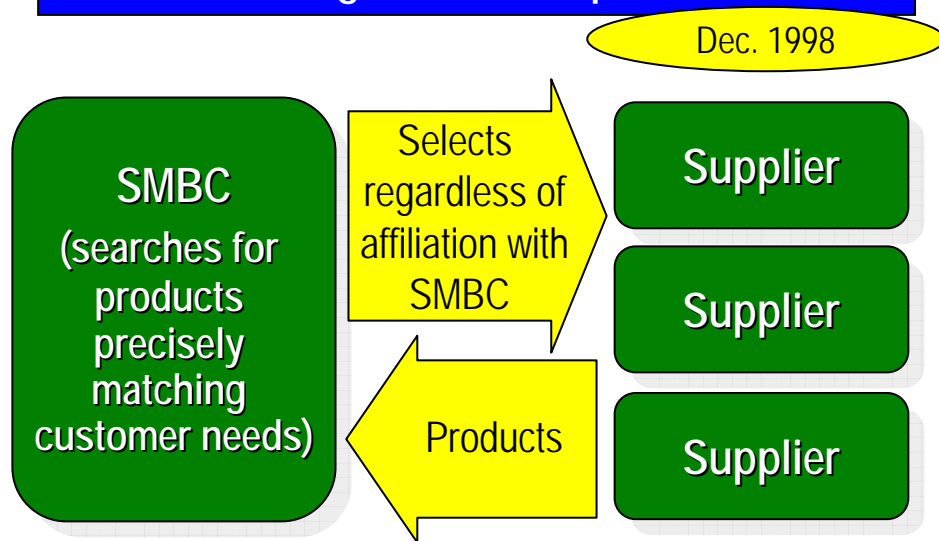


1

Frontrunner in innovative products matching customer needs

"Open Architecture" policy for sourcing investment products

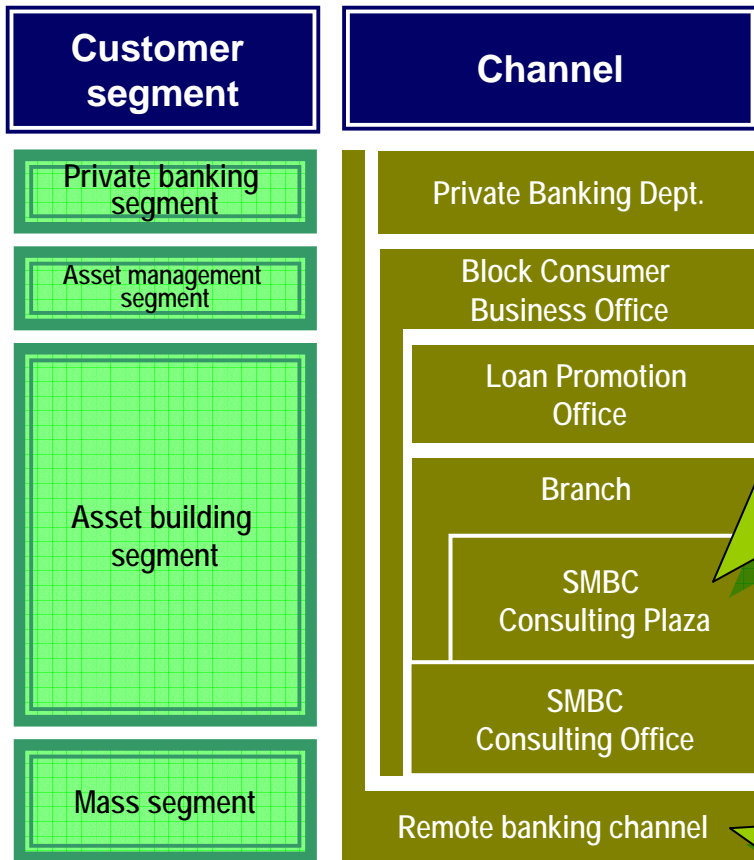
Innovative loan products



- 51 investment trusts
 - 10 pension-type insurances
 - 22 intermediated securities
- (as of July 2006)

2

Marketing channels set to match customer activity patterns



SMBC Consulting Plaza / Office

- Specialized in consulting
- Launched in Mar. 2004. Expanded to 82 (Aug. 2006)
- Locations and business hours are set to match activity patterns of customers.
 - ▶ Open also on weeknights and weekends



Internet banking

- Housing loan and asset management transactions
- Covers, 24 hours a day, customers' expanding needs for Internet transaction

3

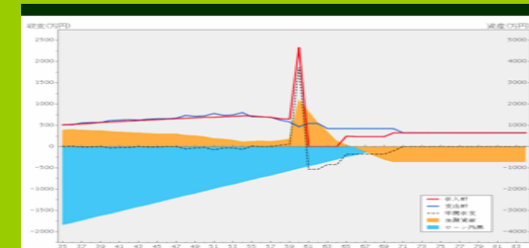
Continuous improvement in productivity of consultants

Upgrade of CRM systems

- Further strengthen data-based marketing to improve success ratio



(Image of client's database)



(Image of client's future B/S & cash-flow simulation)

More than 150 productivity improvement projects in FY2005 and FY2006

Based on opinions and requests from consultants and employees

Constant knowledge sharing

- Sales know-how shared through continuous training
- Refined sales tools provided via intranet

Minimization of clerical load

- Concentration of back-office function to newly established Branch Service Offices to increase time for marketing



(Reference) Alliance strategy with leading companies in consumer services infrastructure industries

Tele-communication



Transportation

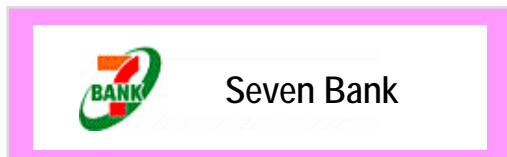


Number of "Suica" card:
approx. 16 million

Internet portal site



Retail



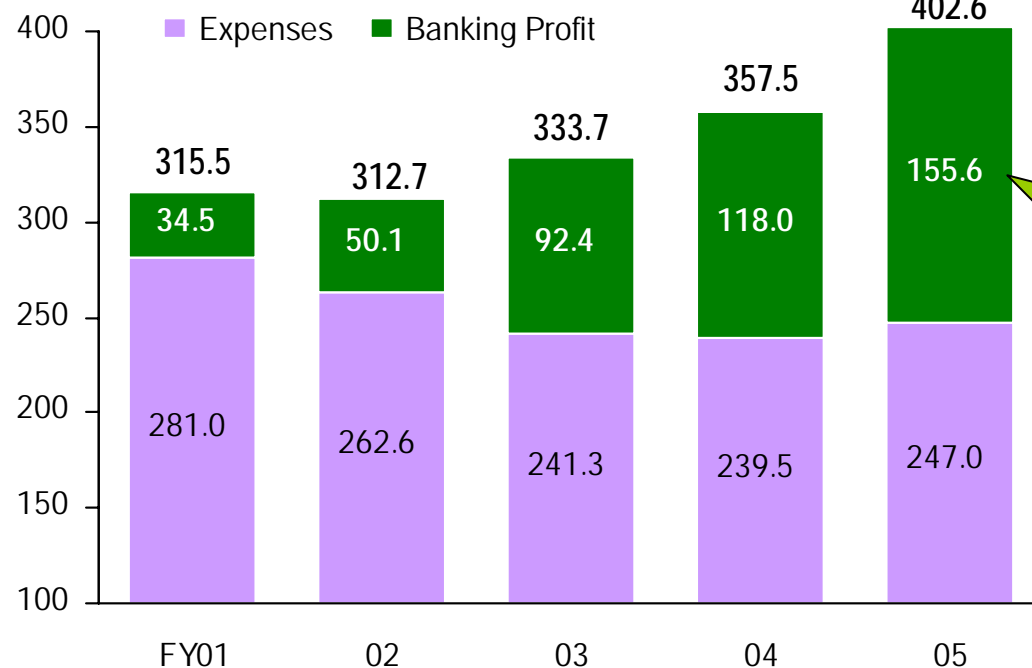
- Access to NTT DoCoMo mobile phone users (approx. 50 million)
 - Started collaborative business using NTT DoCoMo "Mobile-wallet" handset in Dec. 2005.
 - Number of users and reader/writer machines are increasing steadily. (Number of reader machines slated to be introduced: 320 thousand (Apr. 2006))
- <Sumitomo Mitsui Card>

- Access to Yahoo! Japan users (approx. 34 million registered)
 - Agreed business and capital alliance in June 2006, and plan to start collaborative business in Nov. 2006.
- < Japan Net Bank >



(Reference) Gross profit of SMBC's Consumer Banking Unit

(Billions of Yen)



Banking profit increased by more than JPY 100 billion in the past 5 years

Portion in SMBC's total gross profit (%)	17.0	17.8	21.1	23.5	25.9
Overhead ratio (%)	89.1	84.0	72.3	67.0	61.4

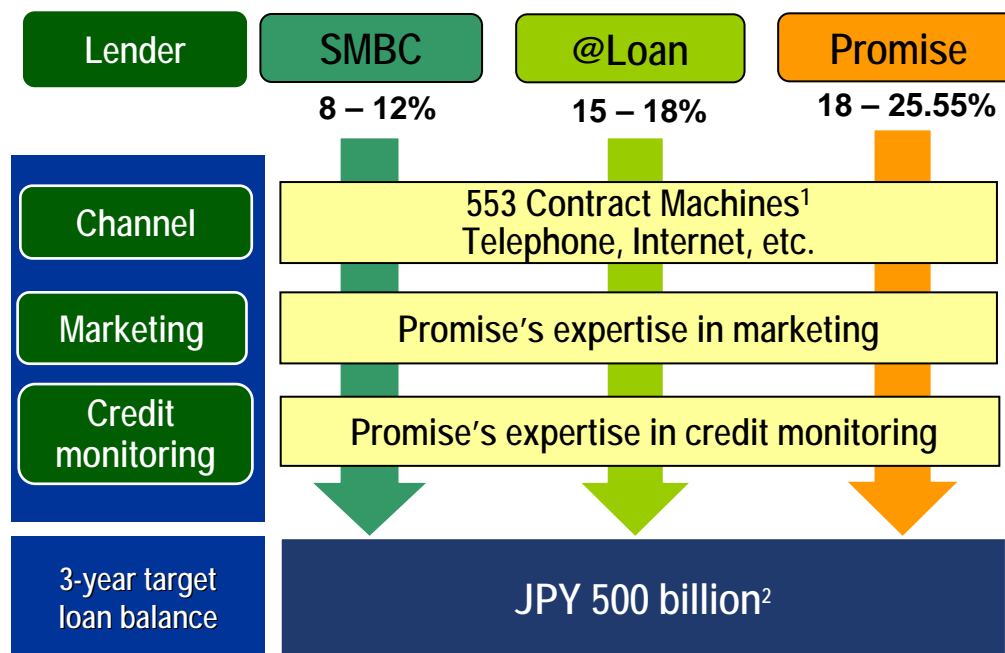
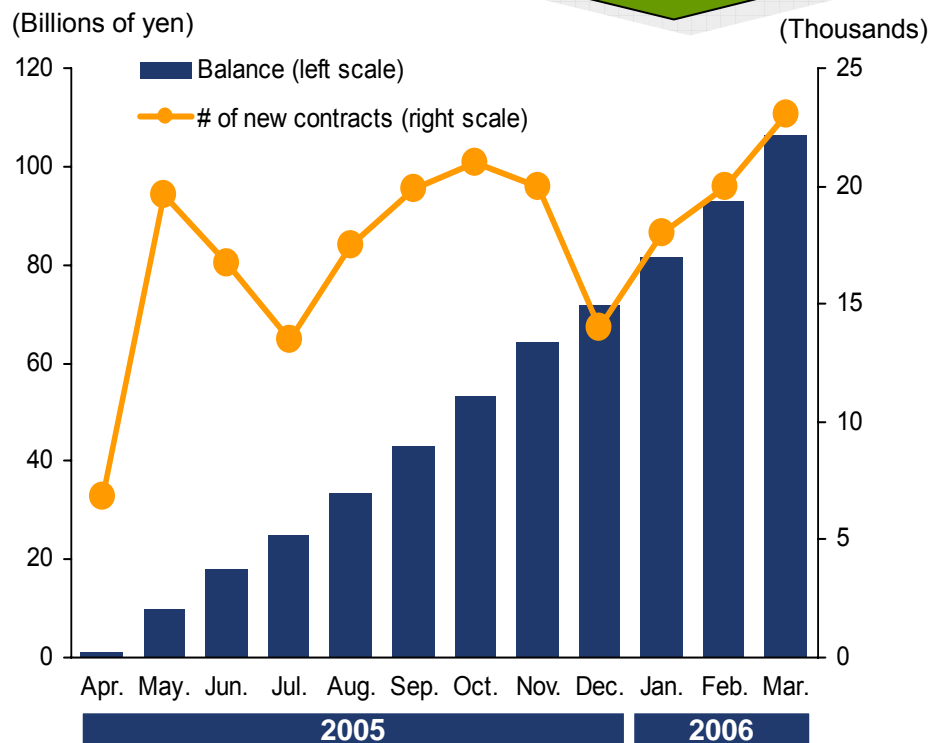
**Q 7 : What is the update on initiatives
in the consumer finance business?**



A7: Joint venture with Promise progressing steadily. New loan balance JPY 106.4 billion in just one year (as of March 2006)

- Applicants without a SMBC account : approx. 40%
- Applicants with no borrowings : approx. 20%

▶ Confirmed existence of "new market" in consumer finance



¹As of March 31, 2006.

²Including loans originally booked by @Loan before the start of the joint venture

**Q 8 : What are the major drivers of growth
in corporate banking?**



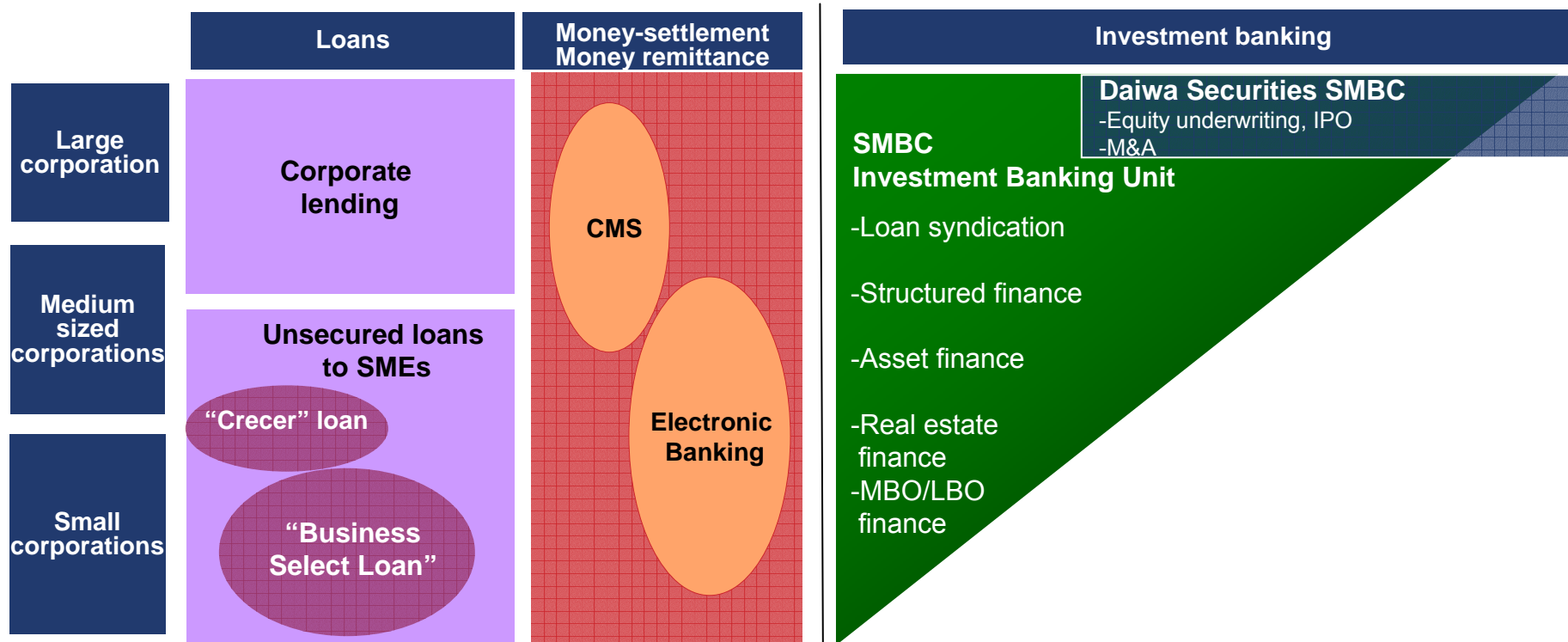
A8: Investment Banking (organic growth & alliance with Daiwa Securities SMBC) and commercial banking (SME lending & settlement business)

Commercial Banking

- Foundation of all businesses
- Stable profit source

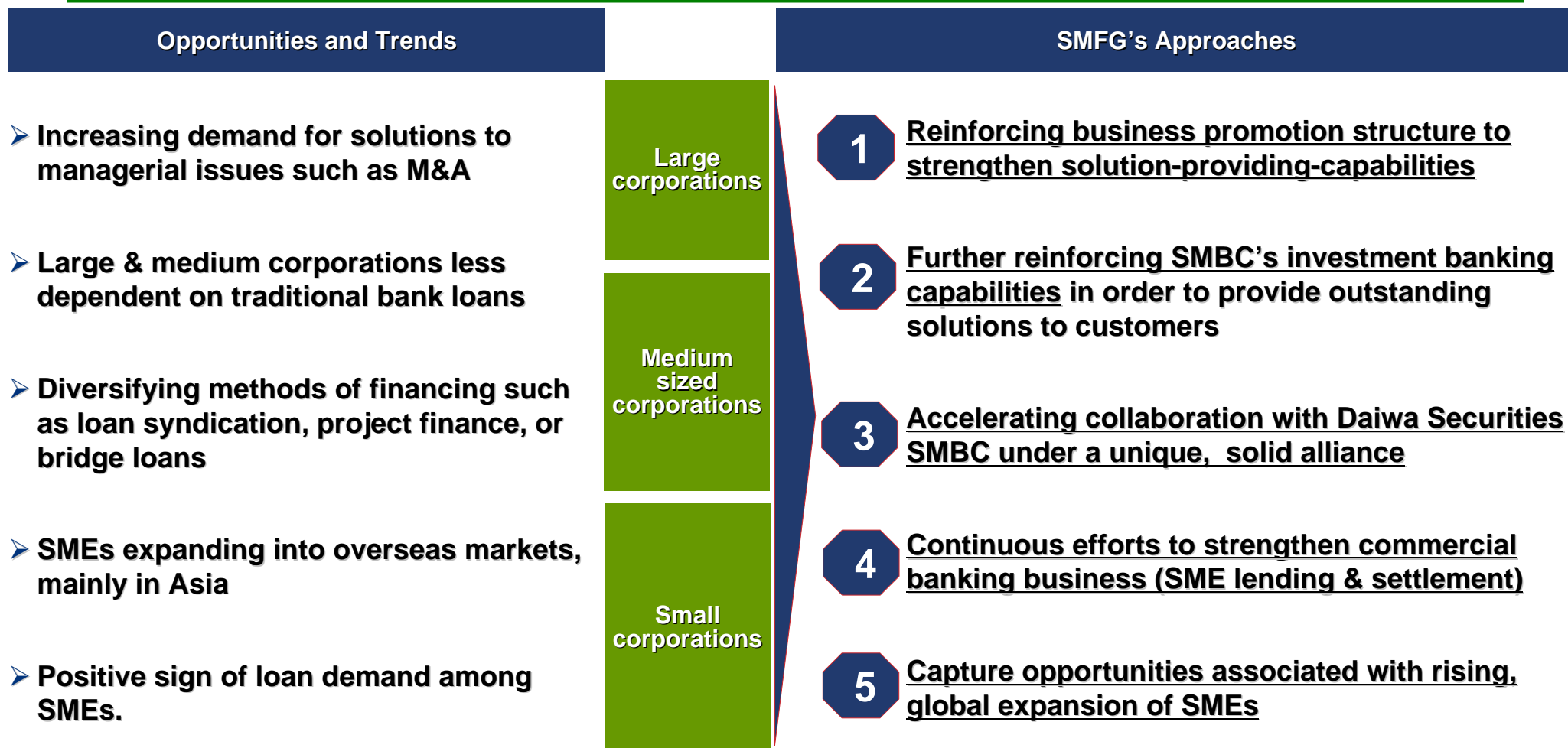
Investment banking

- Creation of value-added solutions
- Growth driver in recent years





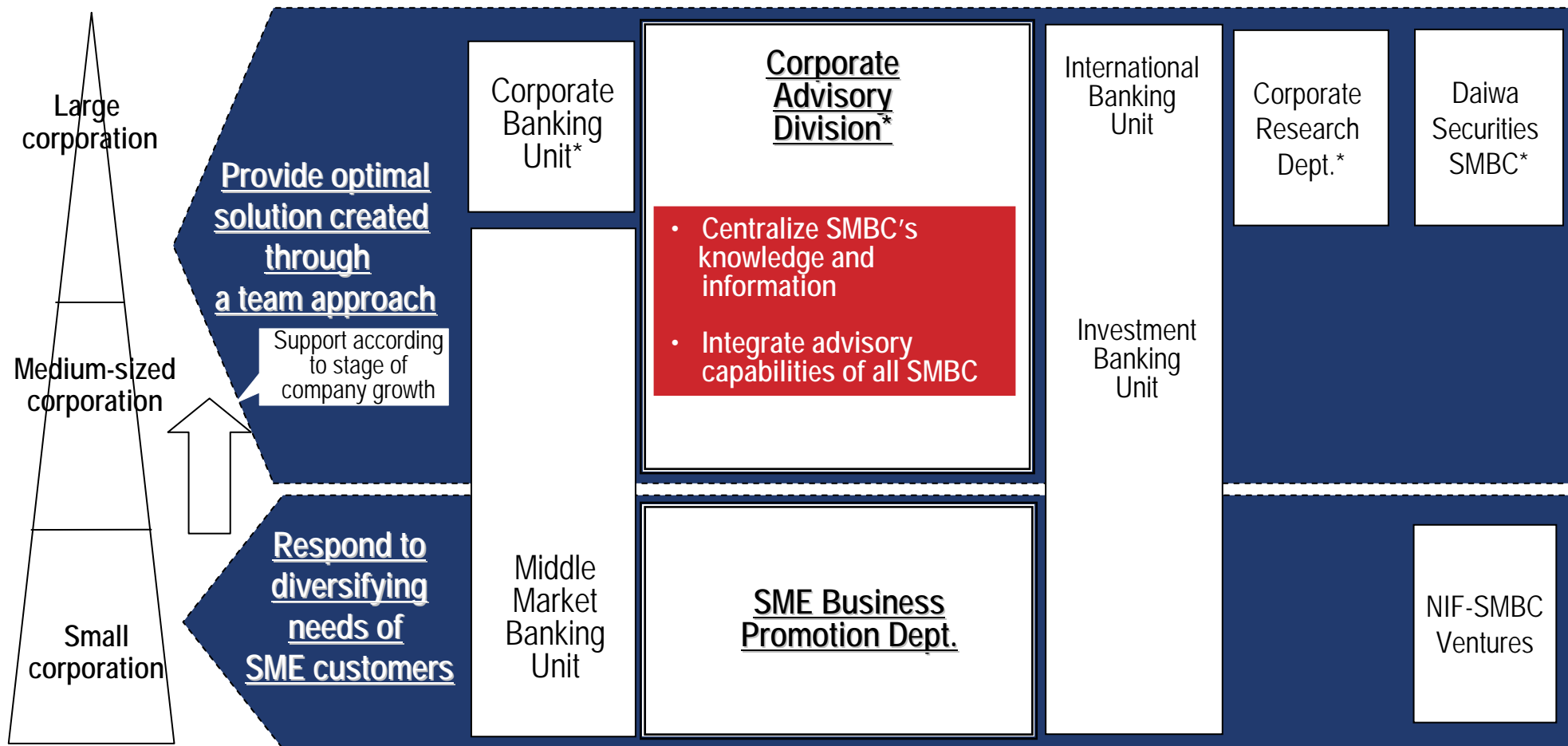
SMFG's approaches in corporate banking





SMFG's approaches in corporate banking

1 Reinforcing business promotion structure to strengthen solution-providing-capabilities



*Comprising teams grouped by industry



SMFG's approaches in corporate banking

2 Further reinforcing SMBC's investment banking capabilities

■ Outstanding financial solutions requiring advanced know-how

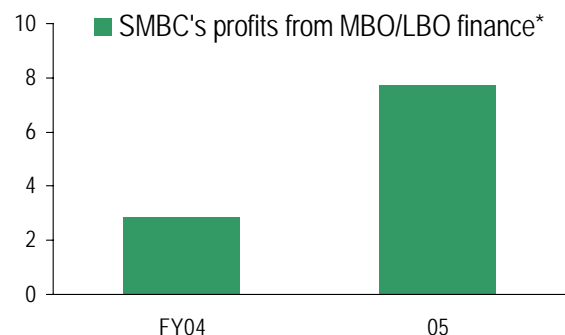
➤ MBO/LBO finance

- ◆ Successfully carried out several big MBO/LBO financing deals in Japan as the lead arranger

SMBC's major deals in MBO and LBO finance in FY2005

Company	Type
World Co., Ltd.	MBO
Pokka Corporation	MBO
Shionogi Qualicaps Inc.	LBO

(Billions of Yen)



* Managerial accounting basis

➤ Project Financing for Rabigh Complex

- ◆ Acted as the financial advisor to Sumitomo Chemical Co., Ltd. and the Saudi Arabian state-run oil company Saudi Aramco, helping to facilitate financing of approx. \$5.9 billion for an oil refinery and petrochemical project, one of the largest project financing deals
- ◆ Acted also as one of the Lead Arrangers



Project finance mandated lead arrangers ranking(Global)*

Jan. - Dec. 2005		(USDm)
1	RBS	5,956
2	BNP Paribas	5,076
3	SG	4,798
4	Calyon	4,664
5	Credit Suisse	3,488
6	Dexia	3,183
7	WestLB	3,173
8	HSBC	3,084
9	Citigroup	2,701
10	SMBC	2,676

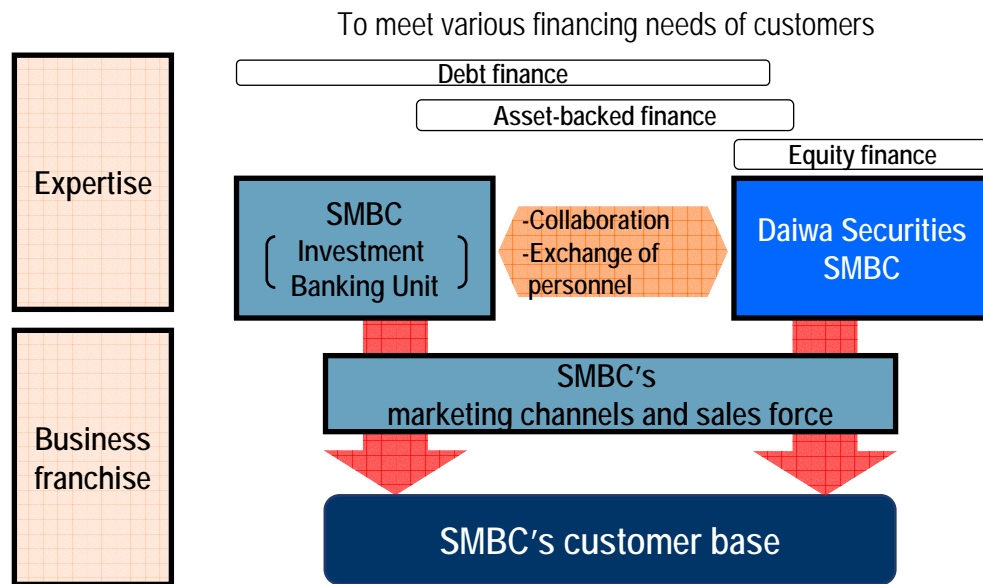
* Source: Dealogic Global Project Finance Review



SMFG's approaches in corporate banking

3 Accelerating collaboration with Daiwa Securities SMBC

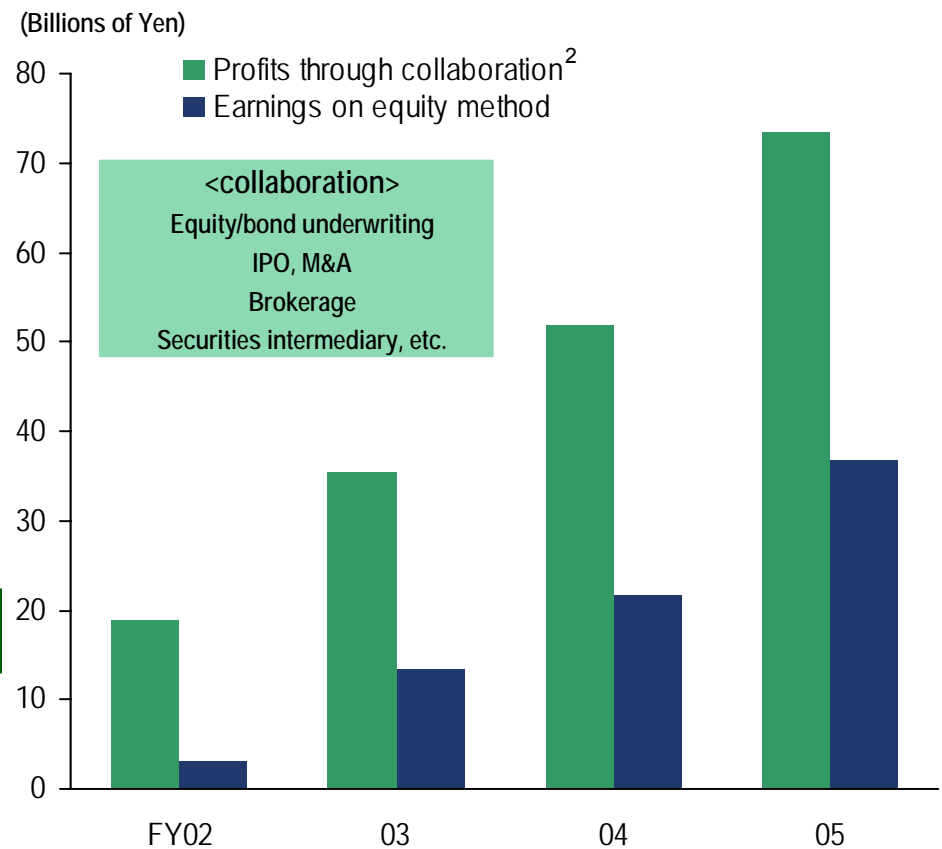
Collaboration under a unique, solid alliance



Daiwa Securities SMBC rankings ¹

	Ranking	Underwritten (Billions of yen)	Share
Straight bond lead manager	1	1,791.0	18.9%
Book runner: IPO of stocks	1	214.2	30.9%

Profits through collaboration with Daiwa Securities SMBC



¹ Source: Thomson Financial (Apr. 2005 - Mar. 2006 results)

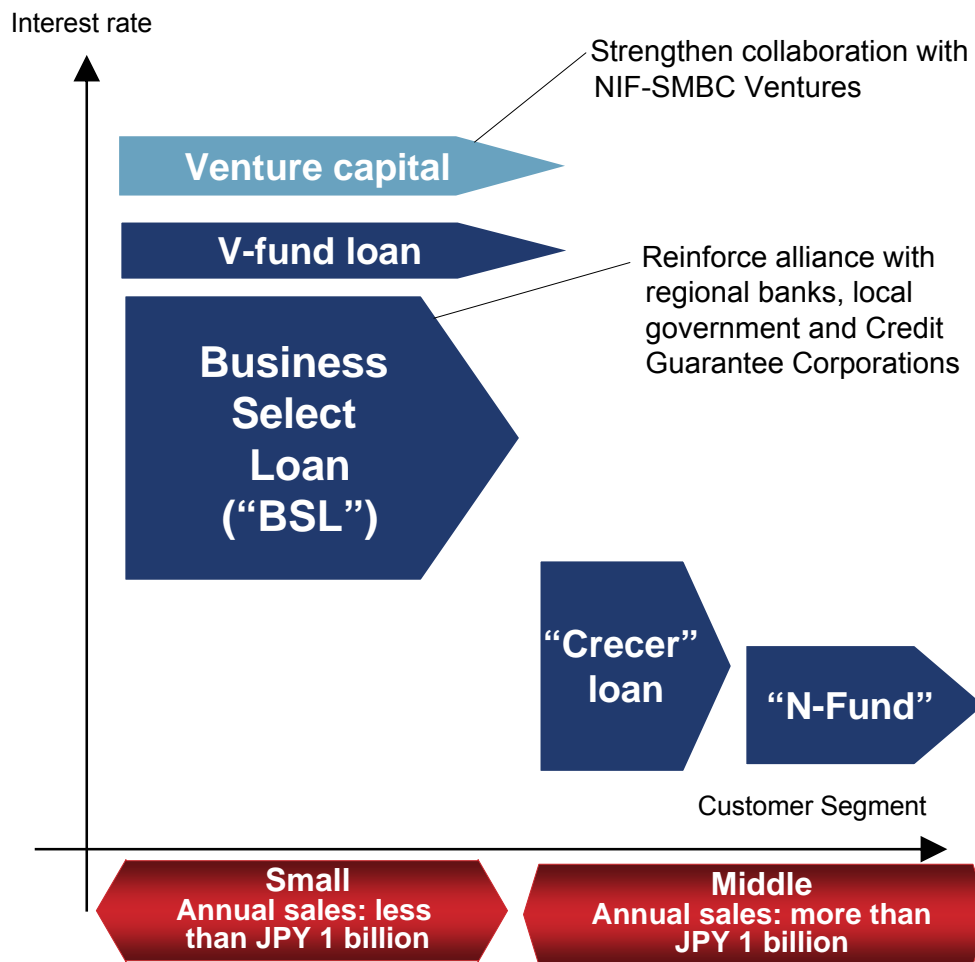
² Profits of SMBC and Daiwa Securities SMBC through collaboration



SMFG's approaches in corporate banking

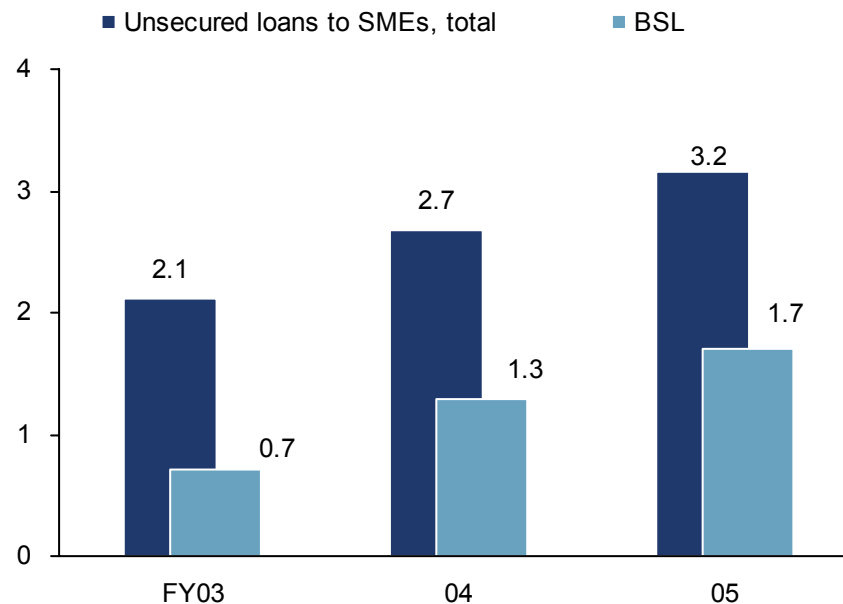
4

Continuous efforts to strengthen commercial banking (SME lending)



Unsecured loans to SMEs, total

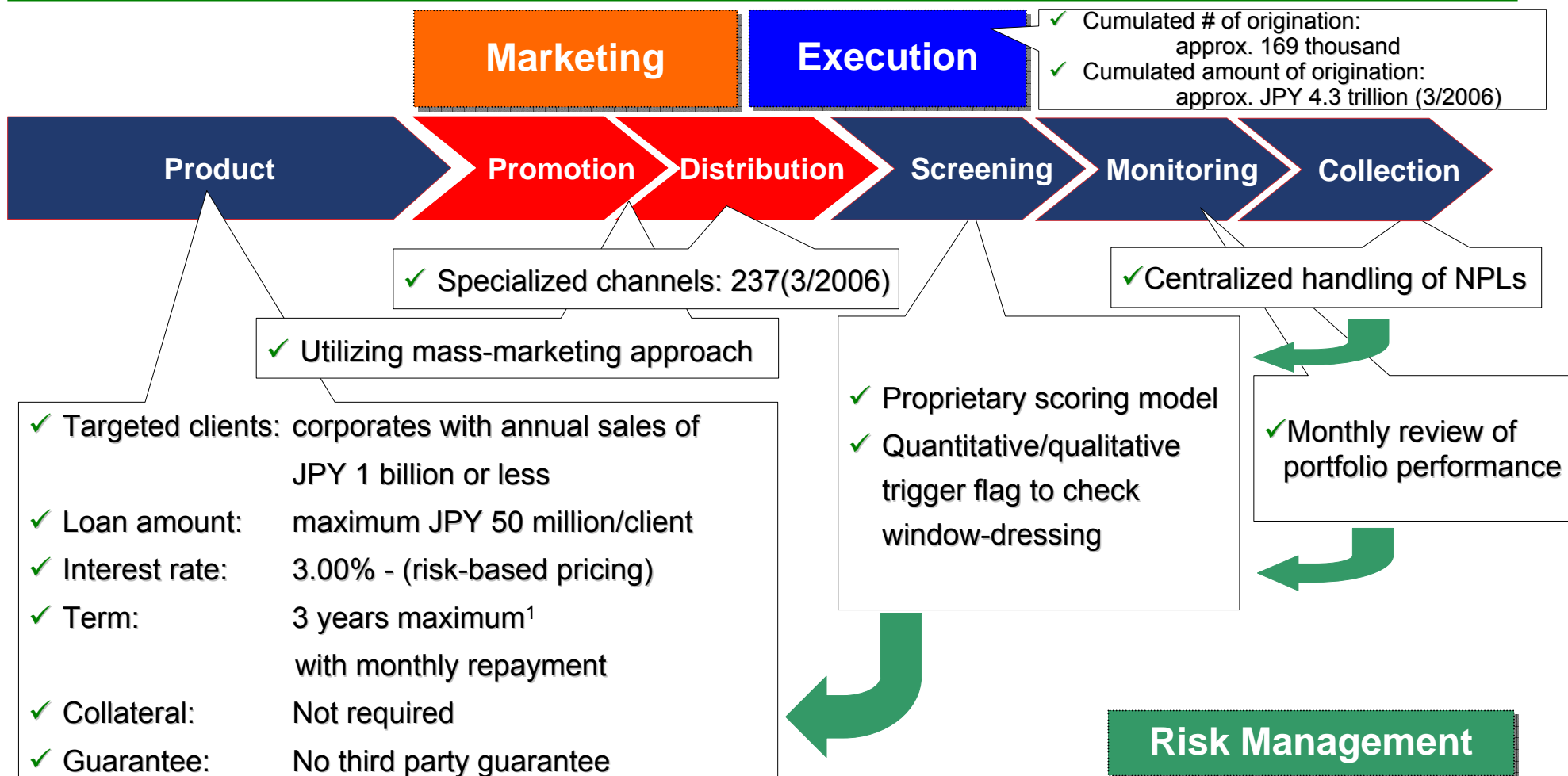
(Trillions of Yen, term-end balance)



(Figures are on SMBC non-consolidated basis)



(Reference) Business model of Business Select Loan



1: Five years loans available with collaterals.



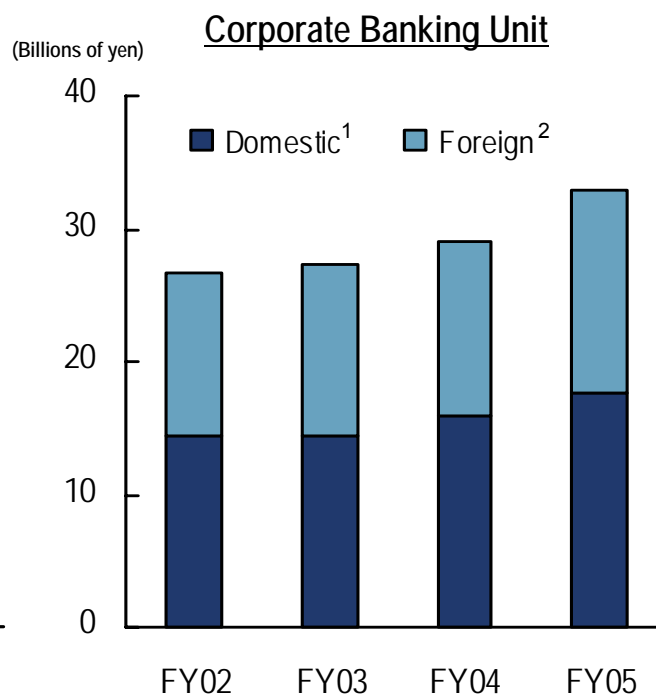
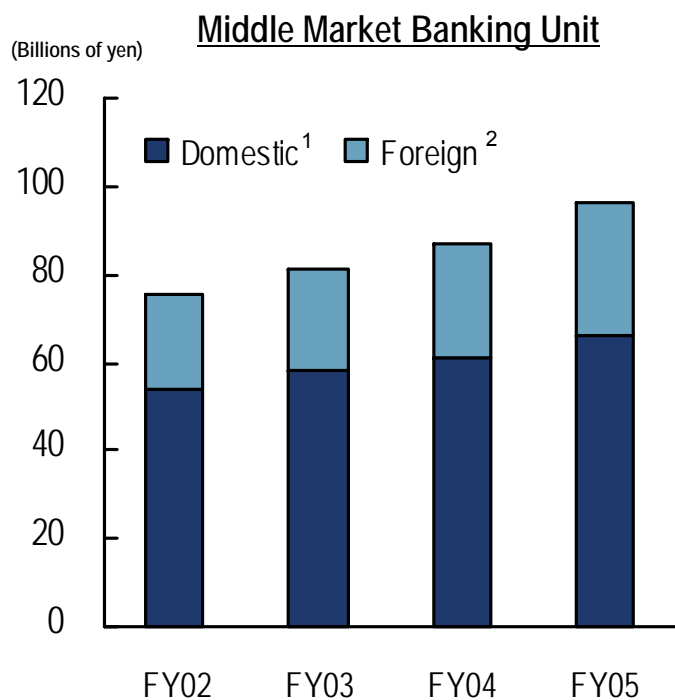
SMFG's approaches in corporate banking

4

Continuous efforts to strengthen commercial banking (settlement related business)

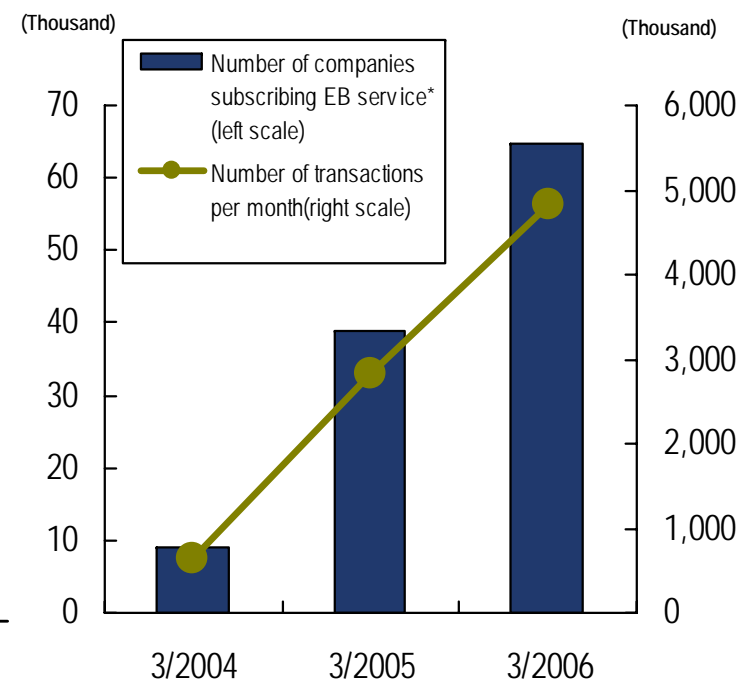
Further reinforcing fee business related to money settlement/transfer as a stable profit source

Income related to money settlement/transfer



Growth in Electronic Banking*

*SMBC's Internet-based service named "Web 21"



1 SMBC managerial accounting basis. Fee income related to domestic money settlement/transfer.

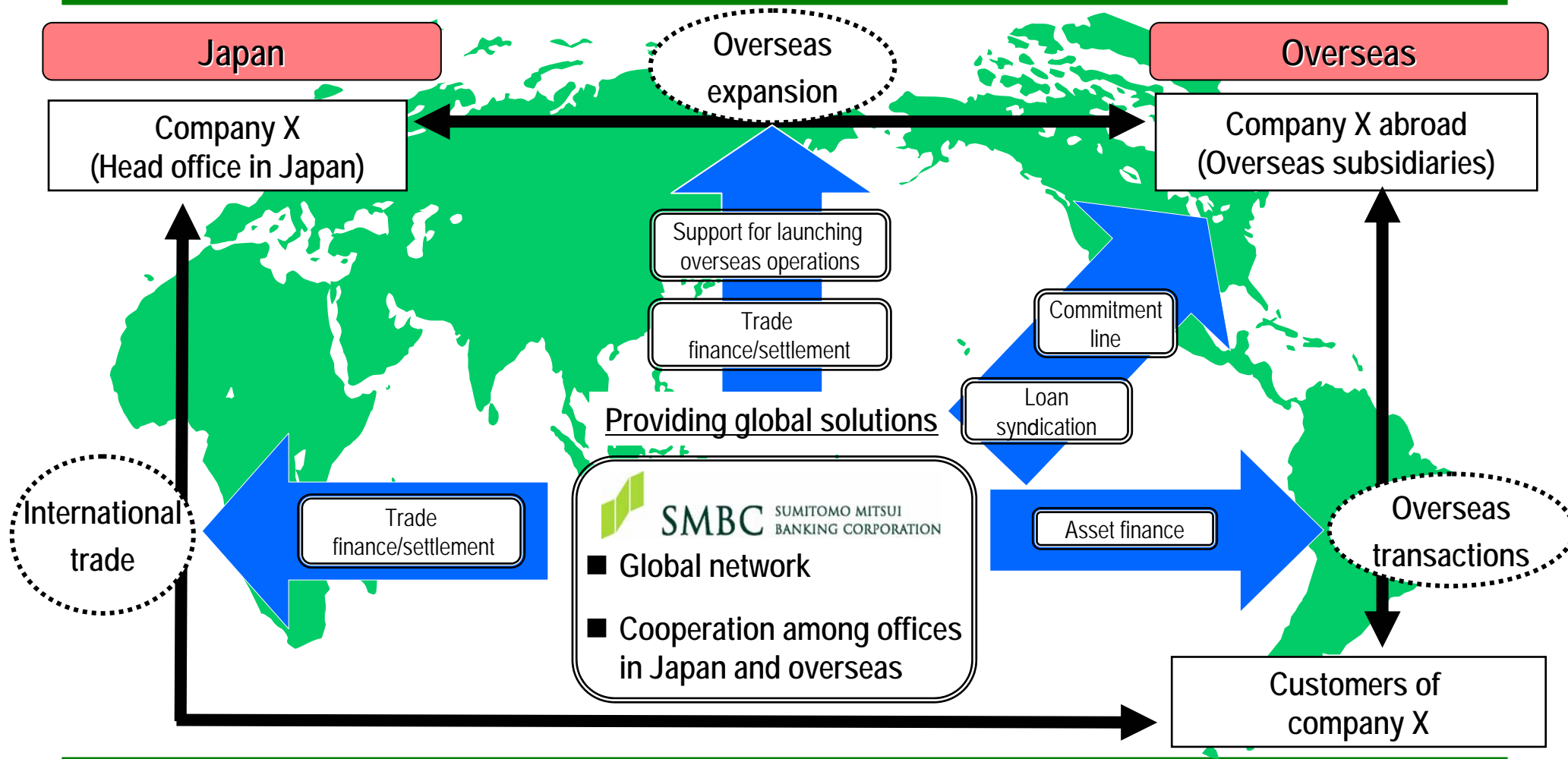
2 SMBC managerial accounting basis. Income related to foreign currency transactions.



SMFG's approaches in corporate banking

5

Capture opportunities associated with rising, global expansion of SMEs



Q 9 : What is the update on public funds?



A9: Target to repay all the public funds outstanding of JPY 695 billion (in face value) in FY2006

Balance of Public Funds

(Billions of Yen)

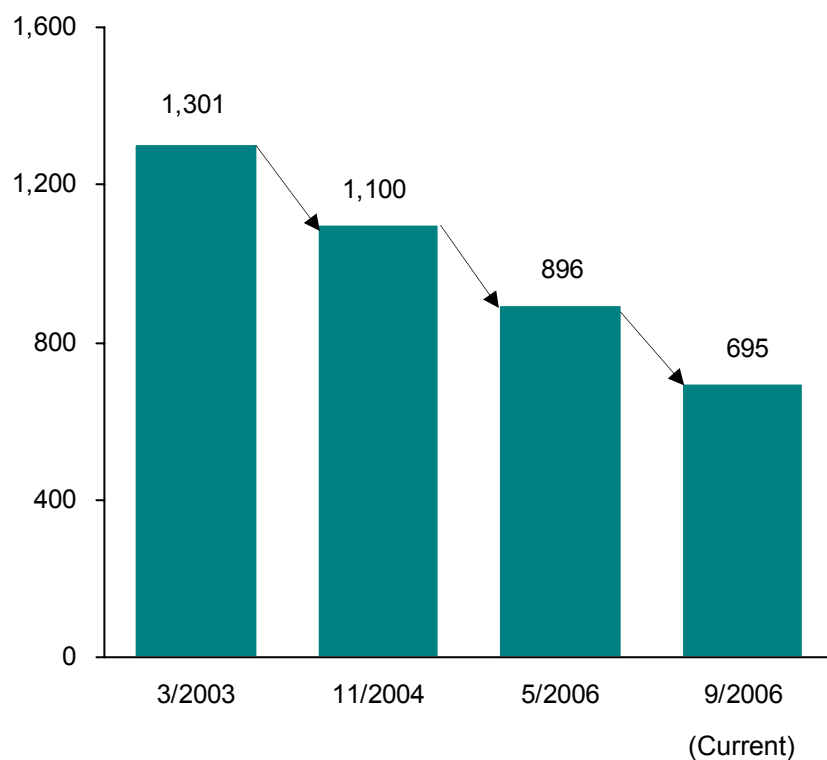
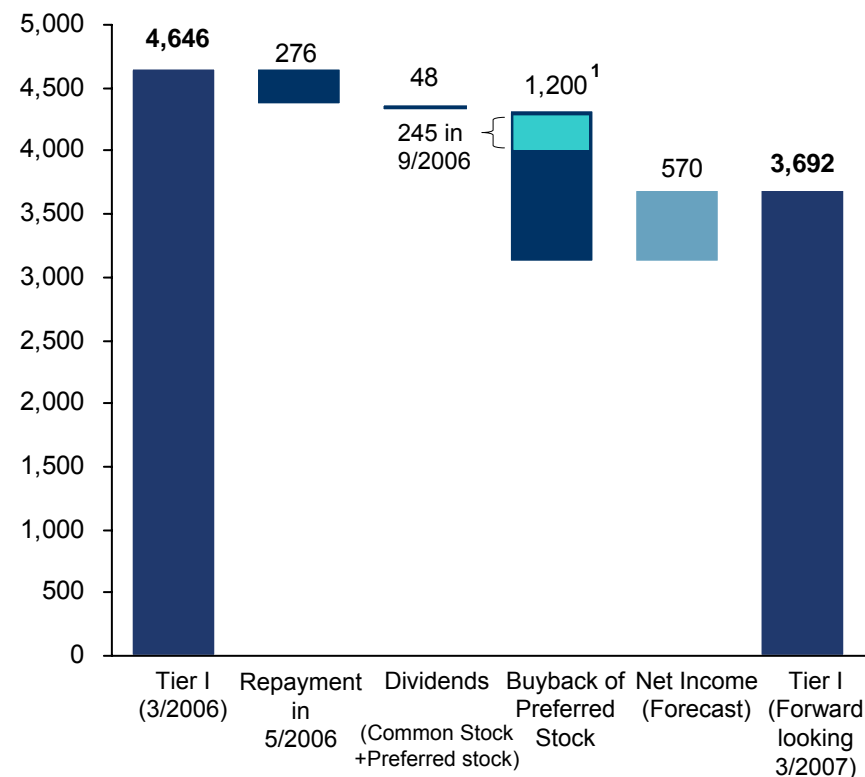


Illustration of Change in Tier I in FY2006

(Billions of Yen)



¹ Assume SMFG repays the existing public preferred stock for JPY 1.2 trillion.



(Reference) List of preferred stocks

	Public fund preferred stocks				Goldman Sachs preferred stock	Non-dilutive preferred stock
	Type 1 Preferred stock	Type 2 Preferred stock	Type 3 Preferred stock	Total	1st - 12th series Type 4 Preferred stock	1st series Type 6 Preferred stock
Aggregate amount of issue	JPY 201.0 billion	JPY 300.0 billion	JPY 800.0 billion	JPY 1,301.0 billion	JPY 150.3 billion	JPY 210.0 billion
Outstanding balance as of Mar. 31, 2006	JPY 105.0 billion	JPY 300.0 billion	JPY 695.0 billion	JPY 1,100.0 billion	JPY 150.3 billion	JPY 210.0 billion
Outstanding balance as of Sep. 6, 2006	JPY 0 billion	JPY 0 billion	JPY 695.0 billion	JPY 695.0 billion	JPY 150.3 billion	JPY 210.0 billion
Acquisition price as of Sep. 6, 2006	-	-	JPY 826,900		JPY 320,700	Non-dilutive
Reset of acquisition price (to be reset to market price)	-	-	On Oct. 1, 2006 (Upward and downward)		Each date on which the acquisition is requested (Downward only)	
Acquisition request period	-	-	Dec. 2, 2002-Sep. 30, 2009		Feb. 8, 2003-Feb. 7, 2028	
Mandatory acquisition date	-	-	Oct. 1, 2009		Feb. 8, 2028	

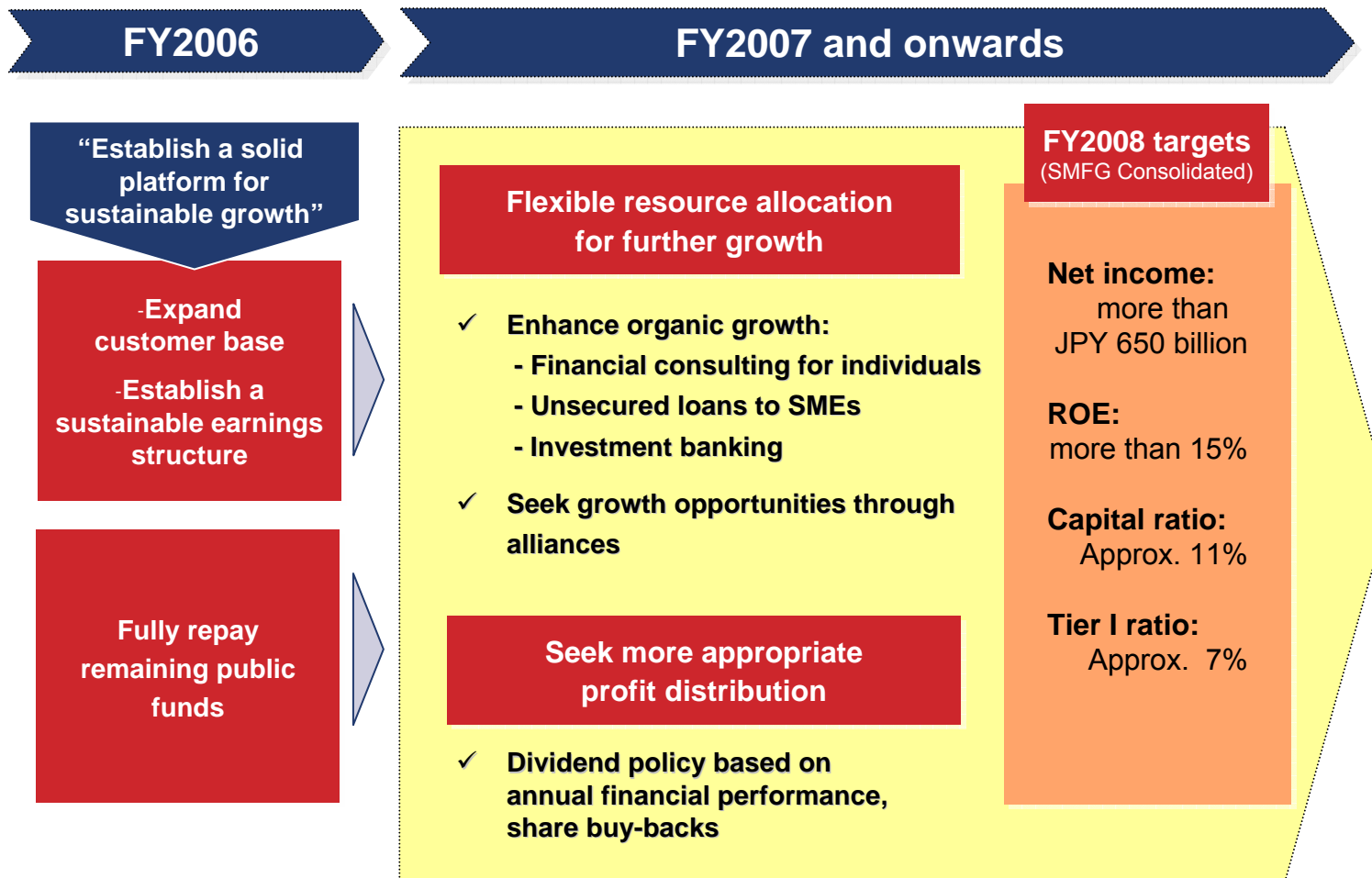
Acquisition can be requested from Feb. 2005, subject to the following transfer restrictions:

- Goldman Sachs preferred stock is generally nontransferable. The underlying common stock is subject to certain transfer restrictions as well as hedge restrictions that will lapse in equal installments on the second, third and fourth anniversaries of the issue date.

Q10: What are the objectives after the full repayment of public funds?



A10: Our objective is to realize sustainable growth, with targeted ROE of more than 15% in FY2008



Appendices



(Appendix 1) Financial highlights in FY2005

Financial Highlights, SMFG / SMBC

<SMFG consolidated> (Billions of Yen)	FY03	FY04	FY05	Change FY05-06	
■ Consolidated gross profit ¹	2,070	2,025	2,090	+65	+3.2%
— Net interest income	1,281	1,171	1,162	(9)	(0.8)%
— Net fees and commissions	424	516	620	+104	+20.1%
— Net trading income & Net other operating income	364	335	300	(35)	(10.3)%
■ Expenses	867	853	854	+1	+0.1%
■ Total credit cost	957	1,197	302	(895)	(74.8)%
■ Gains (losses) on stocks	101	(102)	47	+149	NM
■ Net income	330	(234)	687	+921	NM
<SMBC non-consolidated>					
■ Banking profit ²	1,000	940	966	+26	+2.7%
■ Overhead ratio	36.9%	38.2%	37.8%		(0.4)%point
■ Net income	301	(137)	520	+657	NM

¹ 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).

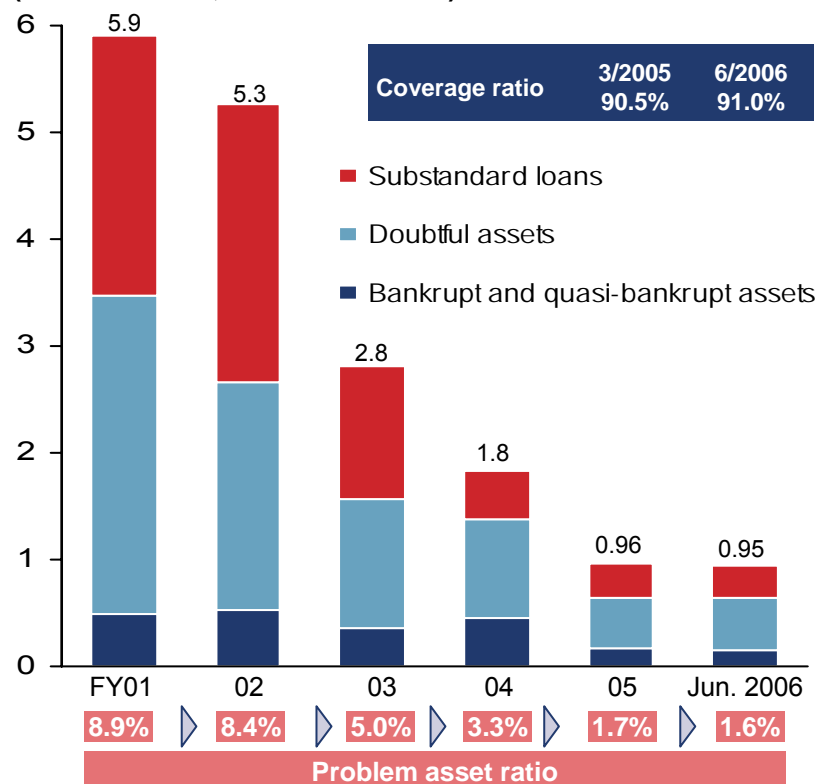
² Before provision for general reserve for possible loan losses.



(Appendix 2) Improvement in asset quality (SMBC)

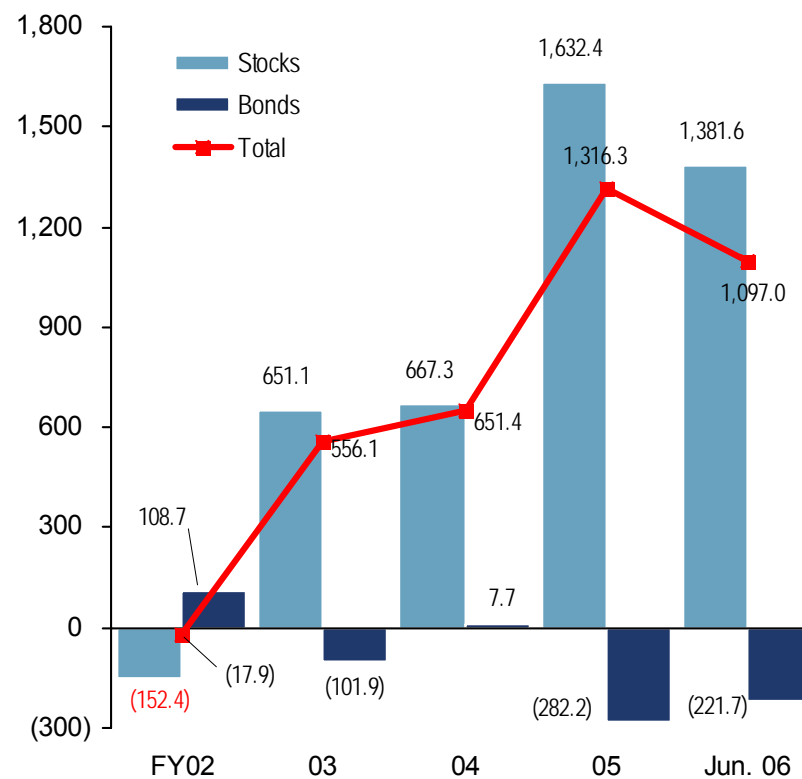
Balance of non-performing loans

(Trillions of Yen, term-end balance)



Unrealized gains (losses) on securities portfolio¹

(Billions of Yen, term-end balance)



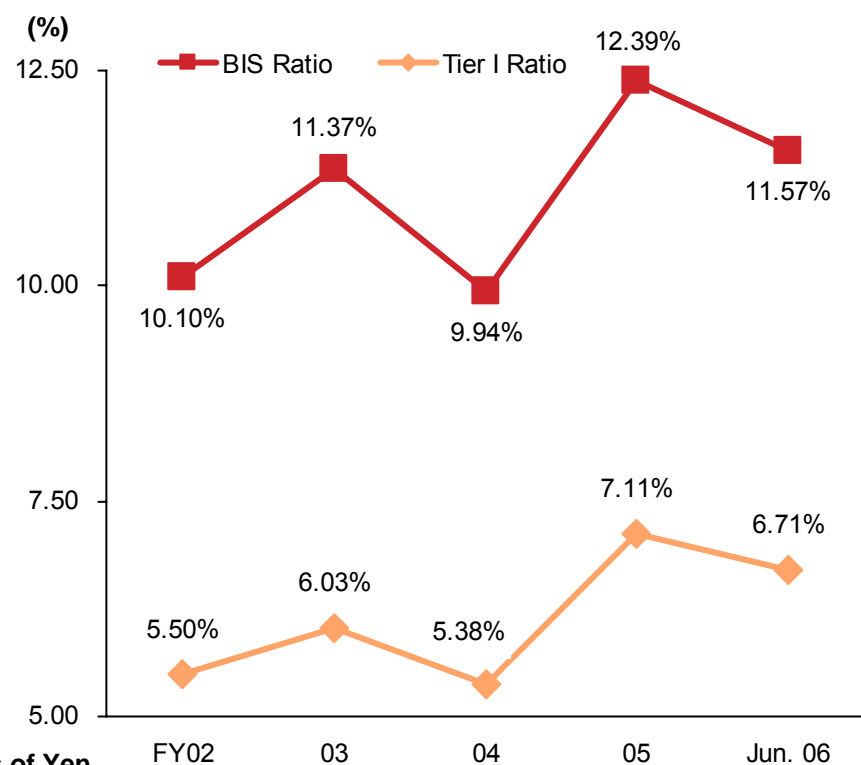
1 Securities classified as "Other Securities"

(Figures are on SMBC non-consolidated basis)

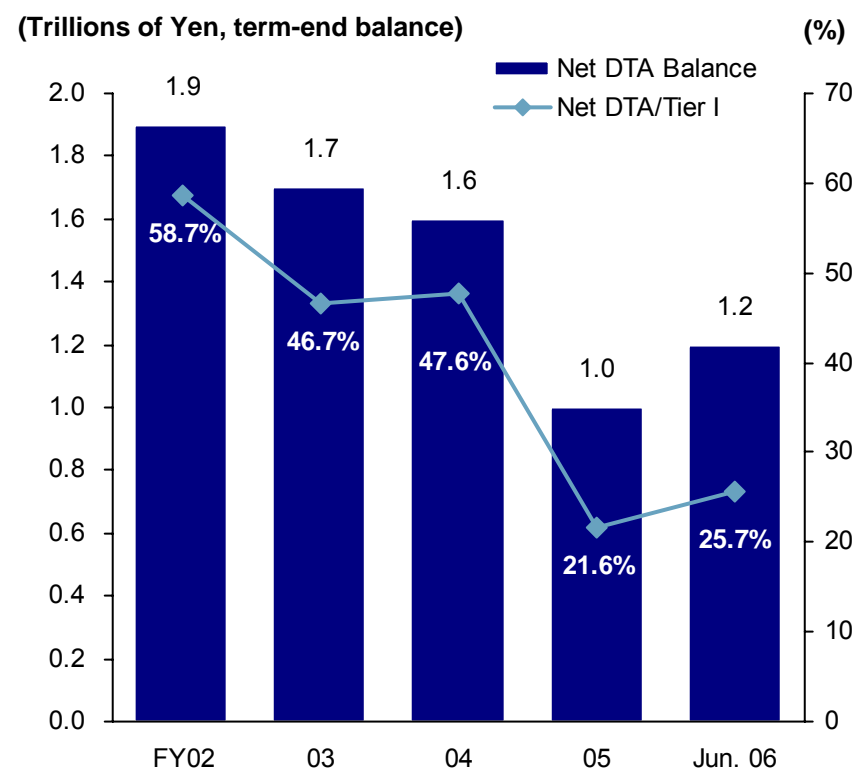


(Appendix 3) Stronger Capital with Improved Quality

Capital



Deferred Tax Assets (DTAs)



(Trillions of Yen, term end balance)



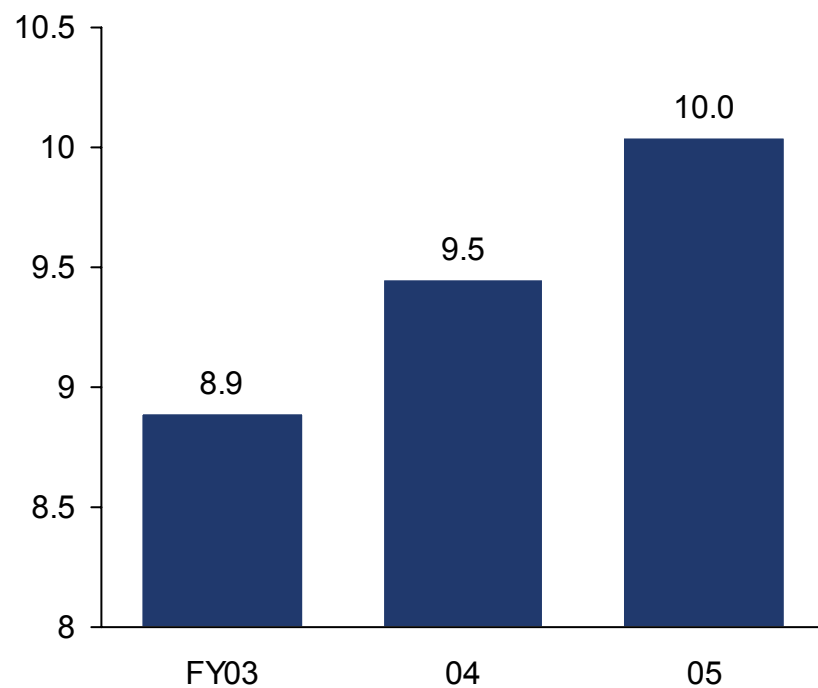
(Figures are on SMFG consolidated basis)



(Appendix 4) Housing loan and consumer finance (SMBC)

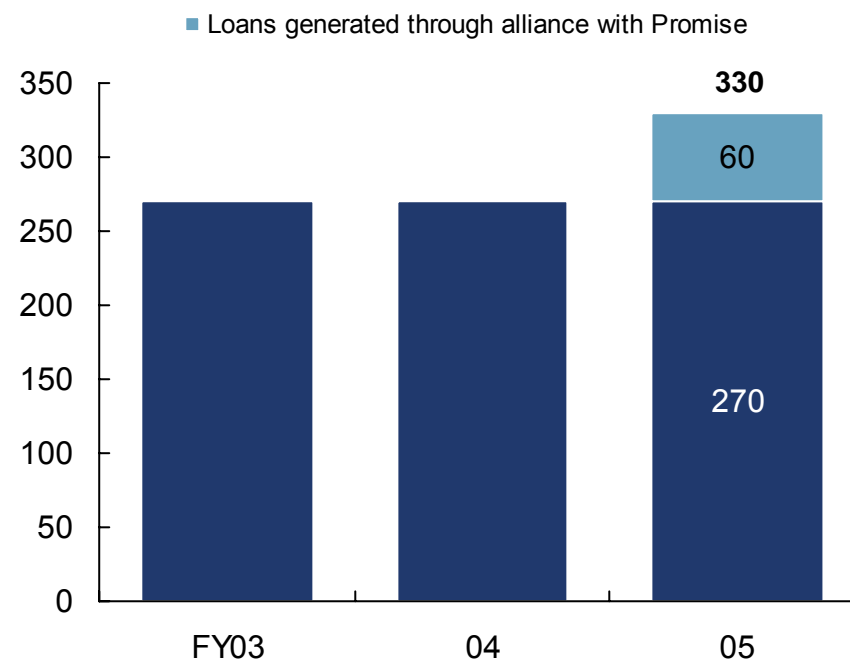
Housing loan¹

(Trillions of Yen, term-end balance)



Card-type loan

(Billions of Yen, term-end balance)



1 Residential purpose.

(Figures are on SMBC non-consolidated basis)



(Appendix 5) Loan balance and spread by business unit (SMBC)

Loan balance					Average loan balance and yield (domestic) (Financial accounting basis)				
	FY05		FY05		Average balance		Average yield		
	Term-end	Year change	Average	Year change	FY05	Year change	FY05	Year change	
Total lendings	51.9	+1.8	51.1	+0.3	44.9	(0.8)	1.71	(0.07)	
Overseas	4.4	+1.0	4.3	+1.1	0.2	(0.1)	0.05	+0.02	
Domestic	47.5	+0.8	46.8	(0.8)	18.1	(1.0)	1.03	+0.35	
Excluding risk-monitored loans	46.6	+1.6	-	-	60.1	+1.7	0.02	0.00	
					Loan to deposit spread	-	-	1.69	(0.07)
					* Excluding loans to financial institutions				
Term-end loan balance and spread by business unit (Managerial accounting basis)					Average loan balance and spread by business unit (Managerial accounting basis)				
	Term-end balance		Term-end spread		Average balance		Average spread		
	FY05	Year change	FY05	Year change	FY05	Year change	FY05	Year change	
Middle Market Banking Unit	21.9	+0.2	1.45	(0.11)	21.5	+0.1	1.51	(0.08)	
Corporate Banking Unit	9.5	+0.0	0.68	(0.09)	9.6	(1.2)	0.74	(0.10)	

(Figures are on SMBC non-consolidated basis, Trillions of yen)



(Appendix 6) Performance by business unit in FY2005 (SMBC)

Composition of Gross banking profit		FY05	Year change*	
Consumer Banking Unit		Gross banking profit	402.6	+36.0
		Expenses	(247.0)	(6.7)
		Banking profit	155.6	+29.3
Middle Market Banking Unit		Gross banking profit	673.1	(8.8)
		Expenses	(185.6)	(0.4)
		Banking profit	487.5	(9.2)
Corporate Banking Unit		Gross banking profit	194.6	(13.6)
		Expenses	(29.2)	+0.7
		Banking profit	165.4	(12.9)
International Banking Unit		Gross banking profit	106.8	+19.0
		Expenses	(41.3)	(1.1)
		Banking profit	65.5	+17.9
Marketing Units		Gross banking profit	1,377.1	+32.6
		Expenses	(503.1)	(7.5)
		Banking profit	874.0	+25.1
Treasury Unit		Gross banking profit	219.8	(3.0)
		Expenses	(18.5)	(0.6)
		Banking profit	201.3	(3.6)
Headquarters		Gross banking profit	(44.8)	(0.4)
		Expenses	(64.9)	+4.0
		Banking profit	(109.7)	+3.6
Total		Gross banking profit	1,552.1	+29.2
		Expenses	(586.5)	(4.1)
		Banking profit	965.6	+25.1

Major factors for year-over-year change in Gross banking profit*	
(1) Consumer Banking Unit:	+36.0
Investment trusts, pension-type insurance	+27.0
Consumer loan	+3.4
Deposits (foreign currency)	+2.8
Liquid deposits	+1.5
(2) Middle Market Banking Unit:	(8.8)
Securities intermediary business	+8.6
Money remittance, EB & foreign exchange	+8.2
Investment banking businesses	+4.3
Derivatives products sales	(30.5)
(3) Corporate Banking Unit:	(13.6)
Loans	(11.1)
Money remittance, EB & foreign exchange	+3.0
(4) International Banking Unit:	+19.0
Fees, etc.	+6.5
Deposits of clients	+6.1
(5) Treasury Unit:	(3.0)
ALM operations	(6.3)
(Including gains (losses) related to bond portfolio)	
Trading	+2.1

* Managerial accounting basis on which fluctuations in interest rates and foreign exchange rates are adjusted. Those changes are included in the Headquarters' account.

(Figures are on SMBC non-consolidated basis, Billions of yen)



(Appendix 7) Stock portfolio (SMBC)

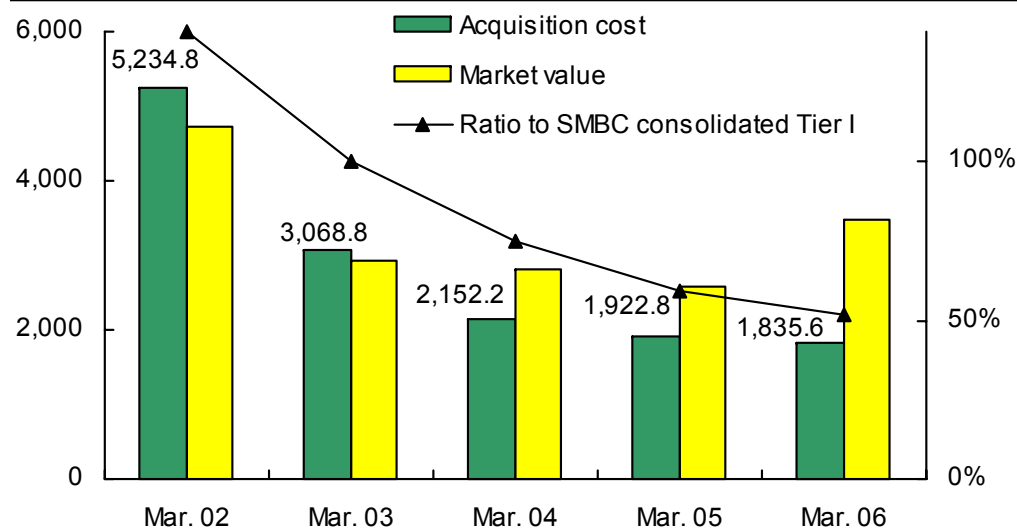
Gains (losses) on stocks

	FY04	FY05	Year change
Total	(118.7)	25.5	+144.2
Gains on sales of stocks	113.1	70.1	(43.0)
Losses on sales of stocks	(4.2)	(13.4)	(9.2)
Losses on devaluation of stocks	(227.6)	(31.2)	+196.4

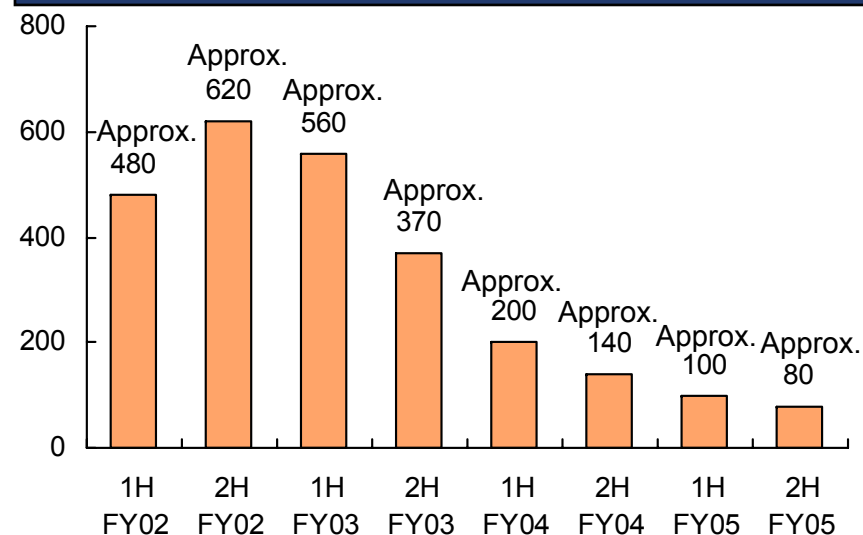
Unrealized gains (losses) on Other securities

	Mar. 05	Mar. 06
Total	651.4	1,316.3
Stocks	667.3	1,632.4
Bonds	7.7	(282.2)
Others	(23.6)	(33.9)

Balance of listed and OTC stocks classified as Other securities



Sales of stockholdings



(Figures are on SMBC non-consolidated basis, Billions of yen)



(Appendix 8) Bond portfolio (SMBC)

Gains (losses) on bonds			Unrealized gains (losses) on Other securities			Average duration of bond portfolio*	
	FY04	FY05		Mar. 05	Mar. 06	<p>(years)</p> <p>Mar. 04: 3.4 Mar. 05: 2.3 Mar. 06: 1.5</p> <p>* Yen-denominated bonds excluding bonds held to maturity and bonds for which fair value hedge accounting is applied. Also excludes private placement bonds.</p>	
Total	(21.6)	(10.3)	Total	651.4	1,316.3		
Gains on sales	80.8	43.1	Stocks	667.3	1,632.4		
Losses on sales	(102.3)	(53.3)	Bonds	7.7	(282.2)		
Gains on redemption	0.2	0.1	Others	(23.6)	(33.9)		
Losses on redemption	(0.1)	(0.2)					
Losses on devaluation	(0.2)	-					

Balance of other securities with maturities and held-to-maturity bonds, classified by maturity										
As of Mar. 06	1 year or less		More than 1 year to 5 years		More than 5 years to 10 years		More than 10 years		Total	
		Change from Mar. 05		Change from Mar. 05		Change from Mar. 05		Change from Mar. 05		Change from Mar. 05
Bonds	5,684.1	+2,697.8	4,501.6	(4,038.5)	2,297.2	+181.4	2,918.1	+183.1	15,401.0	(976.2)
JGBs	5,284.2	+2,524.7	1,962.0	(4,192.5)	1,084.4	(299.5)	2,807.0	+104.5	11,137.6	(1,862.8)
Japanese local government bonds	21.0	+18.5	207.3	+3.0	317.5	+124.1	0.4	(0.1)	546.2	+145.5
Japanese corporate bonds	378.9	+154.6	2,332.3	+151.0	895.3	+356.8	110.7	+78.7	3,717.2	+741.1
Others	720.7	+227.8	1,508.4	+21.1	666.4	+436.0	671.8	+110.0	3,567.3	+794.9
Total	6,404.8	+2,925.6	6,010.0	(4,017.4)	2,963.6	+617.4	3,589.9	+293.1	18,968.3	(181.3)

(Figures are on SMBC non-consolidated basis, Billions of yen)



(Appendix 9) Capital

	Mar. 05	Mar. 06	Change from Mar. 05	
Tier I	3,262.3	4,645.9	+1,383.7	
Capital stock & Capital surplus	2,327.0	2,650.1	+323.1	(1)
<Preferred stock>	<1,781.6>	< 1,460.3 >	<(321.3)>	(2)
Retained earnings	285.6	944.1	+658.5	(3)
Preferred securities issued by overseas SPCs	816.9	835.2	+18.3	
Treasury stock	(269.9)	(4.4)	+265.5	(1)
Tier II*	3,262.3	4,067.7	+805.5	
45% of unrealized gains on other securities	317.1	627.8	+310.8	
45% of land revaluation excess	67.1	39.9	(27.2)	
General reserve for possible loan losses	633.5	742.6	+109.1	
Perpetual subordinated debt	880.0	1,035.8	+155.8	(4)
Dated subordinated debt	1,657.3	1,621.6	(35.7)	
Sub total	3,555.0	4,067.7	+512.7	
Deduction	(504.4)	(619.3)	(114.8)	(5)
Total capital	6,020.1	8,094.4	+2,074.3	
Risk-adjusted assets	60,552.6	65,322.3	+4,769.7	(6)
Capital ratio	9.94%	12.39%	+2.45%	
Tier I ratio	5.38%	7.11%	+1.73%	

Tier I	
(1)	Capital raising (common stock) in Jan.-Feb. 06 +588.6
(2)	All the overseas SPV preferred stock (total: 345.0) were converted into common stock by Jul. 05 (Accumulated amount converted into common stock as of Mar. 05 was approx. 23.8.)
(3)	Net income +686.8
	*Net deferred tax assets / Tier I (SMFG consolidated) Mar. 06: 21.6% (26 percentage points decrease year over year)

Tier II	
(4)	Issuance of perpetual subordinated bonds in overseas market USD1.35 billion, EUR 0.7 billion, (=Total JPY 248.1 billion*) *as of the date of issuance

Deduction	
(5)	Acquisition of share of Promise Investment in NIF SMBC Ventures, etc.

Risk-adjusted assets	
(6)	Loans to domestic clients: +1.6 trillion (excluding Risk-monitored loans)
	Overseas and treasury operation: +1.4 trillion
	Stocks +0.5 trillion
	Foreign exchange +0.7 trillion

*Amount counted as capital

(Figures are on SMFG consolidated basis, Billions of yen)



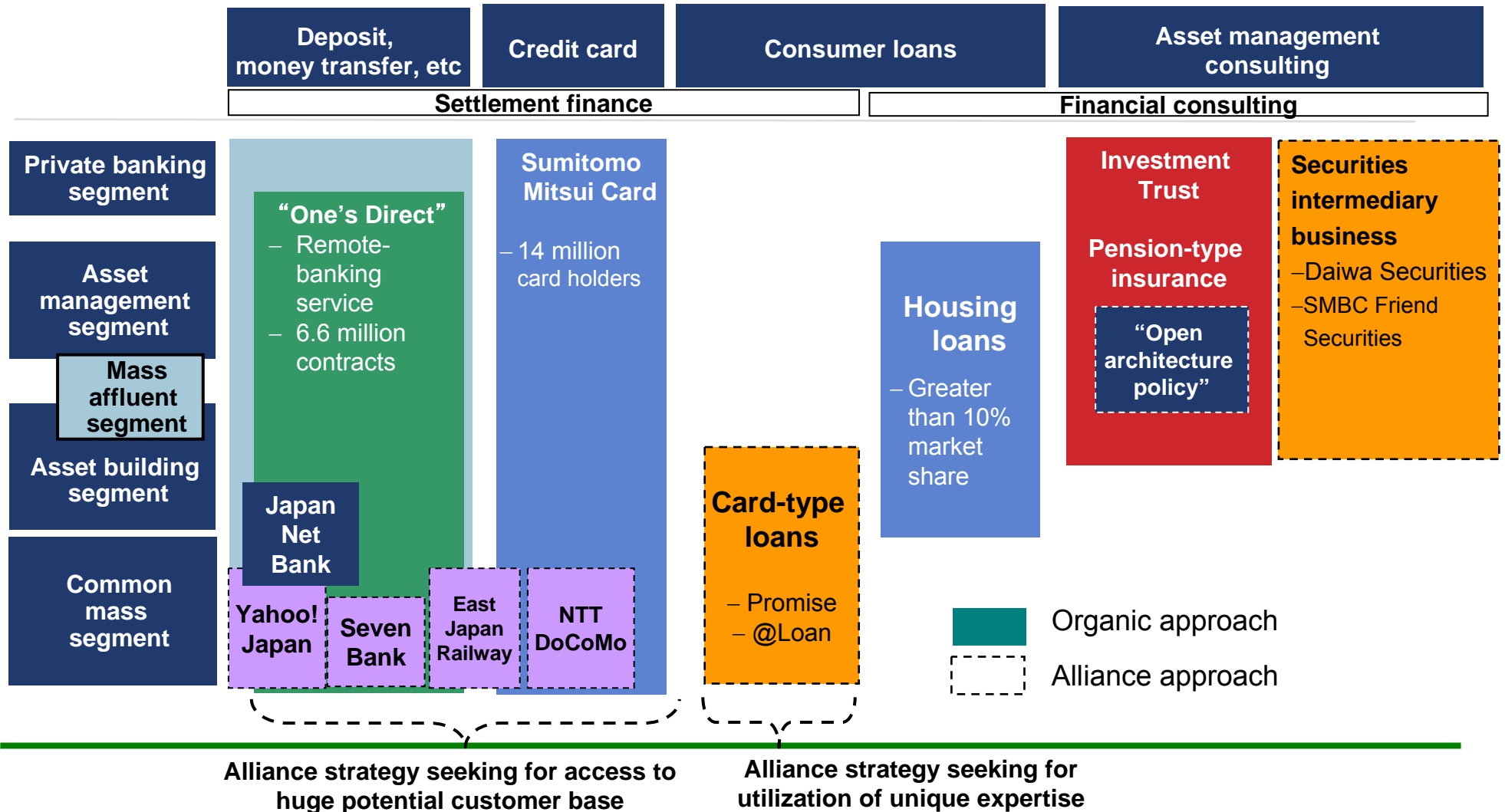
(Appendix 10) Customer segmentation, channels and HRs (SMBC)

Consumers			Corporations			
Customer segment	Channel	HR	Customer segment	Channel	HR	
Private banking segment	Private Banking Dept.	Private banker	Upper Middle	Corporate Business Office	Bank officers Ex-employees External workforces	
Asset management segment	Block Consumer Business Office	Financial consultant	Middle			Corporate Business Office providing Business Select Loan
Asset building segment	Loan Promotion Office	Loan planner	Lower Middle			Corporate Sales Office
	Branch	"Money-Life" consultant & Low-counter teller	Small	Business Support Office		
	SMBC Consulting Plaza	"Money-Life" consultant		Sub-office & Corporate Sales Desk		
Mass segment	SMBC Consulting Office			Remote banking channel		
	Remote banking channel	TSR*				

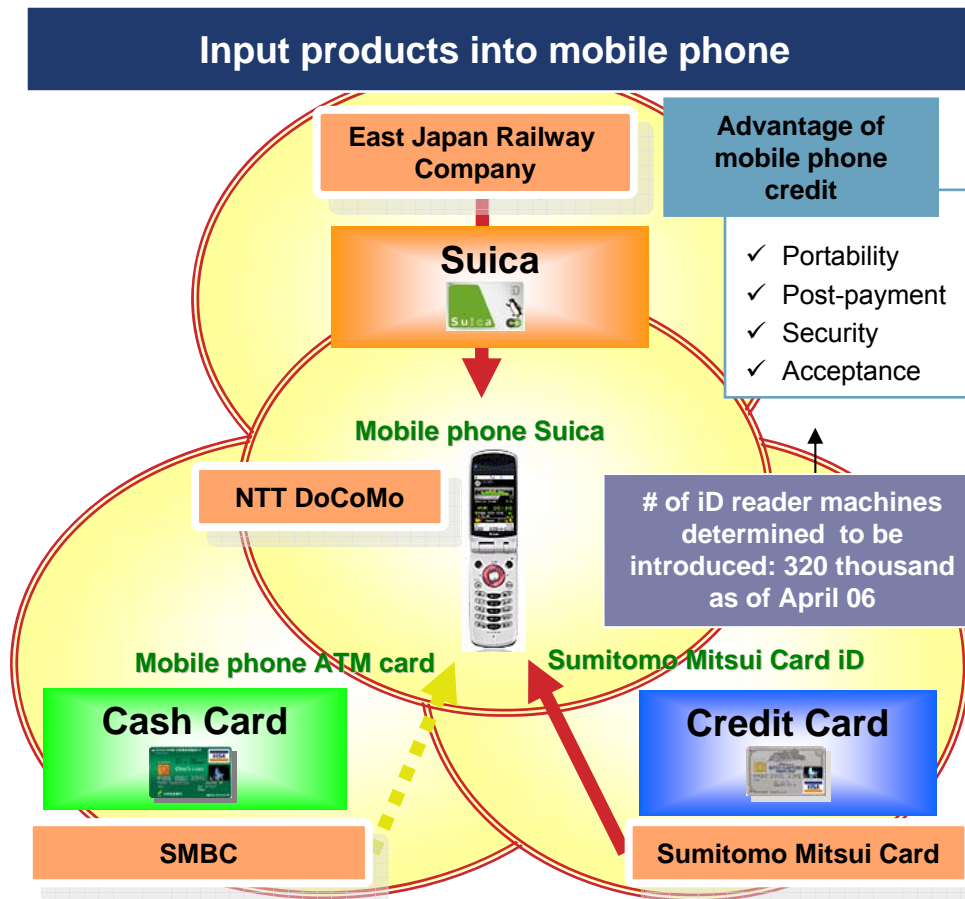
* Telephone sales representative



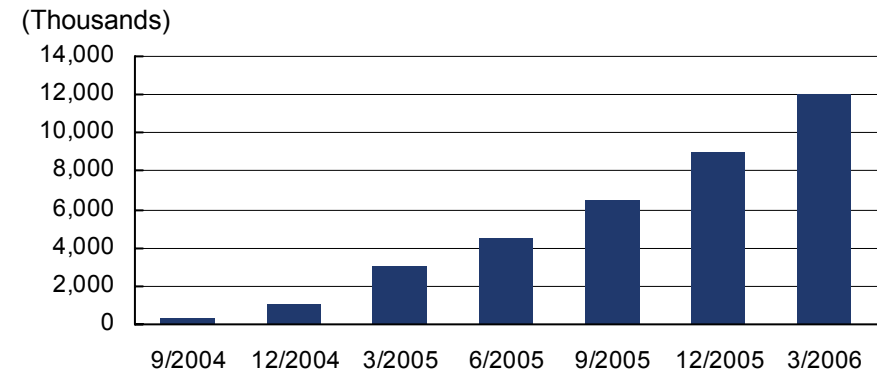
(Appendix 11) Overview of consumer banking strategy



(Appendix 12) Alliance with NTT DoCoMo



Number of contracts of NTT DoCoMo "Mobile-wallet" phones



Domestic small amount cash settlement market

Private consumption expenditures in Japan amount to approximately JPY 300 trillion

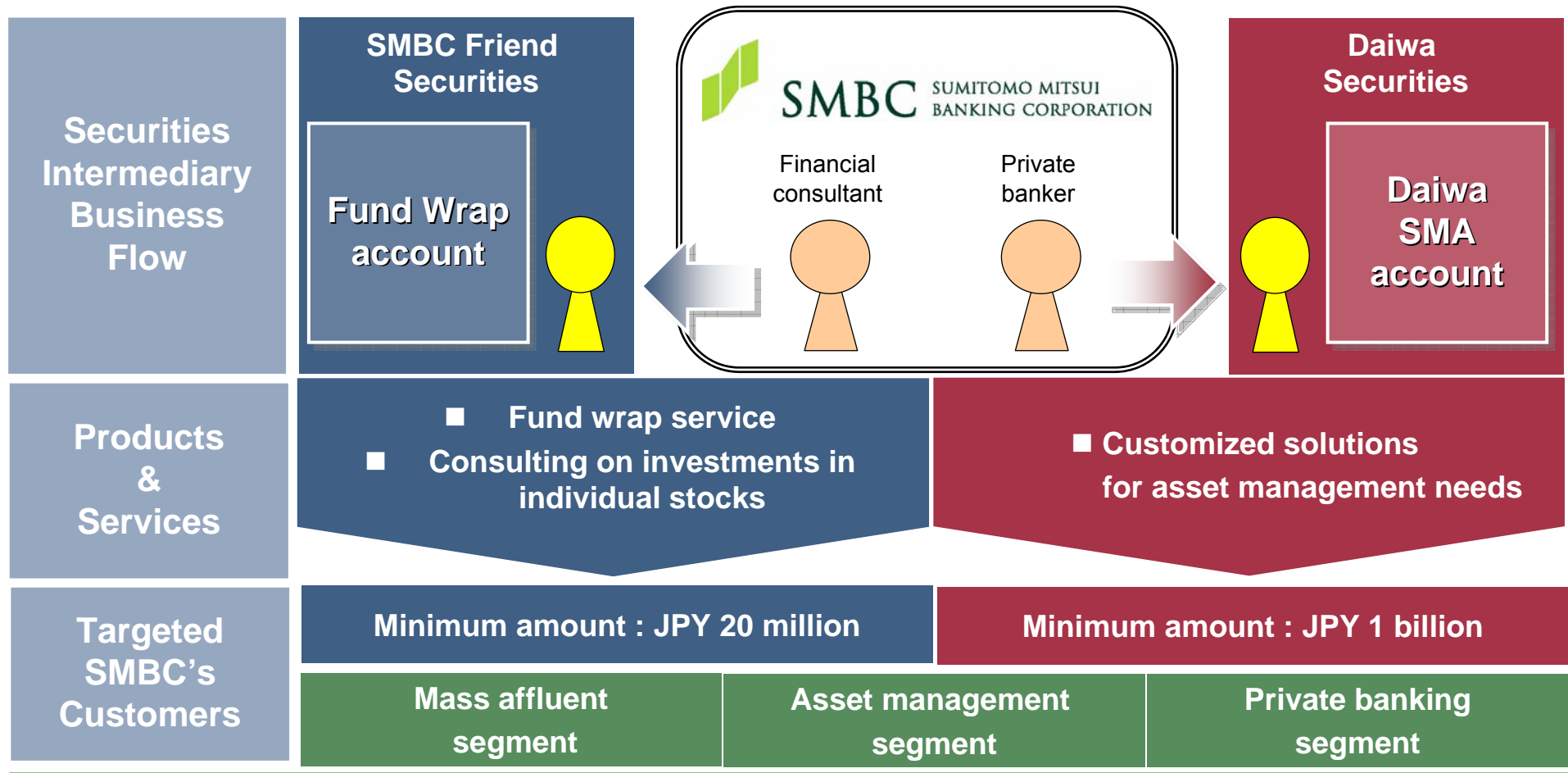
JPY 29 trillion in credit card sales handled

JPY 60 trillion small amount cash settlements



(Appendix 13)

Collaboration with Daiwa Securities & SMBC Friend Securities





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.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.