

# Progress Report on the Plan for Strengthening the Financial Base

(Selected tables from the original Japanese report)

December 2004

Sumitomo Mitsui Financial Group, Inc.

(Table 1-1) Trend and Plan of Income [Sumitomo Mitsui Financial Group]

Holding company established in December '02

	FY02 Actual	FY03 Actual	1st half, FY04 Actual		FY04 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' equity>					(Billions of yen)
Total assets	2,786.2	3,360.6	3,454.3		3,391.2
Loans and bills discounted	19.0	40.0	40.0		40.0
Securities	2,717.2	3,250.0	3,288.1		3,246.1
Total liabilities	131.9	231.9	233.1		250.0
Total stockholders' equity	3,156.1	3,172.7	3,328.0		3,154.3
Capital stock	1,247.7	1,247.7	1,247.7		1,247.7
Capital reserve	1,747.3	1,247.8	1,247.8		1,247.8
Other capital surplus	-	499.5	499.5		499.5
Earned surplus reserve	0.5	-	-		-
Retained earnings*	161.0	178.7	334.5		159.7
Treasury stock	(0.4)	(1.0)	(1.5)		(0.4)
(Income)					(Billions of yen)
Ordinary profit	119.6	51.2	203.1		55.7
Dividends on investments in subsidiaries and affiliates	128.3	47.3	201.3		52.2
Expenses	1.0	3.0	1.3		3.5
Personnel expenses	0.4	1.7	0.6		1.8
Non-personnel expenses	0.6	1.3	0.7		1.7
Extraordinary gains	-	-	-		-
Extraordinary losses	-	-	-		-
Income before income taxes	119.6	51.2	203.1		55.7
Income taxes, current	0.2	0.0	(0.3)		1.7
Income taxes, deferred	(5.3)	0.7	1.2		
Net income	124.7	50.5	202.2		54.0
(Dividend)					(Billions of yen, yen, %)
Distributable profit	160.6	677.3			658.8
Dividend (including interim dividend)	33.3	46.4	-		52.2
Dividend of common stock	17.4	17.4	-		23.2
Dividend of preferred stock <public funds>	14.5	14.5	-		14.5
Dividend of preferred stock <others>	1.4	14.5	-		14.5
Dividend per share (common stock) (yen)	3,000	3,000	-		4,000
Dividend per share (Type 1 preferred stock) (yen)	10,500	10,500	-		10,500
Dividend per share (Type 2 preferred stock) (yen)	28,500	28,500	-		28,500
Dividend per share (Type 3 preferred stock) (yen)	13,700	13,700	-		13,700
Dividend per share (Type 4 preferred stock 1st to 12th Series) (yen)	19,500	135,000	-		135,000
Dividend per share (Type 4 preferred stock 13th Series) (yen)	3,750	67,500	-		67,500
Dividend rate (preferred stock <public funds>)	1.11	1.11	-		1.11
Dividend rate (preferred stock <others>)	0.28	2.93	-		2.93
Payout ratio	15.99	80.97	-		92.80
(Financial indicators)					(%)
ROE (Net income / Stockholders' equity <average balance>)	4.69	1.59	12.40		1.70
ROA (Net income / Total assets <average balance>)	4.47	1.50	11.67		1.59

\*Retained earnings excluding Earned surplus reserve.

(Table 1-1) Trend and Plan of Income [Sumitomo Mitsui Banking Corporation (Non-consolidated) ]

	FY02 Actual*1	FY03 Actual	1st half, FY04 Actual		FY04 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' equity>					(Billions of yen)
Total assets	98,922.7	94,506.6	95,627.1		91,300.0
Loans and bills discounted	59,391.4	54,244.9	50,627.7		55,700.0
Securities	23,130.4	23,815.1	24,058.1		20,100.0
Trading assets	1,185.6	2,993.7	4,894.0		1,200.0
Deferred tax assets <term-end balance>	1,814.6	1,590.5	1,631.6		1,640.0
Total liabilities	95,396.2	92,362.4	93,499.5		89,000.0
Deposits, NCD	64,576.5	62,553.4	64,446.4		58,900.0
Bonds	-	-	-		-
Trading liabilities	242.4	1,842.5	3,869.1		200.0
Deferred tax liabilities <term-end balance>	-	-	-		-
Deferred tax liabilities for Land revaluation <term-end balance>	57.9	55.5	57.3		53.6
Total stockholders' equity	2,279.2	2,870.9	2,756.8		2,496.4
Capital stock	560.0	560.0	560.0		560.0
Capital reserve	879.7	879.7	904.9		879.7
Other capital surplus	357.6	357.6	357.6		357.6
Earned surplus reserve	-	-	-		-
Retained earnings*2	414.5	676.1	592.1		672.4
Land revaluation excess	85.3	81.1	83.7		78.8
Net unrealized gains (losses) on other securities	(17.9)	316.4	258.5		(52.1)
Treasury stock	-	-	-		-
(Income)					(Billions of yen)
Gross banking profit	1,760.6	1,584.1	762.7		1,600.0
Interest income	1,647.1	1,392.3	647.0		1,840.0
Interest expenses	423.8	305.3	156.1		680.0
Net fees and commissions	194.7	226.9	127.8		260.0
Net trading income	196.0	280.7	21.1		170.0
Net other operating income (loss)	146.6	(10.5)	122.9		10.0
Gains (losses) on bonds	135.7	22.7	26.7		0.0
Banking profit (excluding transfer to general reserve for possible loan losses)	1,113.6	1,000.1	471.6		1,000.0
Banking profit	875.5	1,000.1	821.3		1,000.0
Transfer to general reserve for possible loan losses	238.1	-	(349.7)		0.0
Expenses	647.0	584.0	291.1		600.0
Personnel expenses	253.9	221.3	104.3		234.0
Non-personnel expenses	357.7	332.2	168.5		333.0
Credit related costs*3	836.4	869.2	805.5		450.0
Gains (losses) on stocks	(635.7)	103.9	44.8		0.0
Losses on devaluation of stocks	527.5	10.7	14.8		
Ordinary profit (loss)	(597.2)	185.1	125.2		480.0
Extraordinary gains*3	6.0	166.8	0.7		(30.0)
Extraordinary losses	79.8	33.1	12.8		
Income taxes, current	40.3	12.7	(5.7)		200.0
Income taxes, deferred	(233.0)	5.0	0.2		
Net income (loss)	(478.3)	301.1	118.6		250.0
(Dividend)					(Billions of yen, yen, %)
Distributable profit	629.5	793.0			853.1
Dividend (including interim dividend)					
Dividend of common stock					
Dividend of preferred stock <public funds>					
Dividend of preferred stock <others>					
Dividend per share (common stock) (yen)					
Dividend rate (preferred stock <public funds>)					
Dividend rate (preferred stock <others>)					
Payout ratio					

	FY02 Actual*1	FY03 Actual	1st half, FY04 Actual		FY04 Plan
(Financial indicator)					(%)
Yield on interest earning assets (A)	1.86	1.71	1.63		2.25
Interest earned on loans (B)	1.84	1.79	1.83		2.30
Interest earned on securities	1.11	1.04	0.99		1.33
Total cost of funding (including expenses) (C)	1.22	1.07	1.08		1.37
Interest paid on deposits (including NCD) (D)	0.23	0.14	0.13		0.34
Expense ratio (E)	0.99	0.93	0.89		1.01
Personnel expense ratio	0.39	0.35	0.32		0.39
Non-personnel expense ratio	0.55	0.52	0.52		0.56
Overall interest spread (A) - (C)	0.64	0.64	0.54		0.88
Interest spread (B) - (D) - (E)	0.61	0.72	0.80		0.95
Non-interest income ratio	11.05	14.32	16.74		16.25
OHR (Expenses / Gross banking profit)	36.74	36.86	38.17		37.50
ROE (Banking profit*5 / Stockholders' equity <average balance>)	40.52	38.83	33.42		41.71
ROA*4	1.12	1.12	1.04		1.15

\*1 The figures for Income and Average balance include those for the former Sumitomo Mitsui Banking Corporation before merger.  
(From April 1, '02 to March 16, '03).

\*2 The figures are combined figures for Voluntary reserves and Unappropriated retained earnings.

\*3 For FY03, Extraordinary gains include JPY 65.8 billion of Reversal of loan loss reserves and Reversal of reserve for losses on loans sold.

Accordingly, Total credit cost for FY03 (Credit related costs + Reversal of loan loss reserves + Reversal of reserve for losses on loans sold) was JPY 803.4 billion.

\*4 FY02: Banking profit (excluding transfer to general reserve for possible loan losses) / Total assets <average balance>  
FY03 and after: Banking profit (excluding transfer to general reserve for possible loan losses) /  
(Total assets - Customers' liabilities for acceptances and guarantees) <average balance>

\*5 Excluding transfer to general reserve for possible loan losses.

(Reference) Trend and Plan of Income [Sumitomo Mitsui Banking Corporation + Sumitomo Mitsui Card Company, Ltd.  
+ SMBC Leasing Company, Ltd. + The Japan Research Institute, Ltd.]

	FY02 Actual	FY03 Actual	1st half, FY04 Actual		FY04 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' equity>					(Billions of yen)
Total assets	101,326.1	96,902.8	98,090.6		93,860.0
Total liabilities	97,528.0	94,488.6	95,679.5		91,280.0
Total stockholders' equity	2,541.7	3,148.5	3,046.0		2,787.0
Capital stock	662.6	662.6	662.6		662.6
Capital reserve	961.2	961.2	986.4		961.2
Other capital surplus	413.8	399.0	399.0		398.9
Earned surplus reserve	1.0	1.0	1.0		1.0
Retained earnings*1	436.6	718.2	646.7		739.1
Land revaluation excess	85.3	81.1	83.7		78.8
Net unrealized gains (losses) on other securities	(18.8)	325.3	266.6		(54.6)
Treasury stock	-	-	-		-
(Income)					(Billions of yen)
Total net business profits*2	1,157.8	1,049.6	495.9		1,058.0
Ordinary profit (loss)	(563.7)	225.9	147.1		531.0
Extraordinary gains (losses)	(66.3)	134.4	(9.9)		(30.0)
Income taxes, current		36.2	3.7		222.0
Income taxes, deferred	(176.7)				
Net income (loss)	(453.3)	324.2	133.5		279.0
(Dividend)					(Billions of yen, %)
Distributable profit <including the holding company>	866.8	1,553.8			1,617.6
Payout ratio (for Common stock of the holding company)	-	5.89	-		9.28
(Financial indicator)					(%)
ROE (Total net business profits / Stockholders' equity <average balance>)	45.55	36.89	32.02		39.54
ROA (Total net business profits / Total assets <average balance>)	1.14	1.08	1.01		1.12

\*1 Retained earnings excluding Earned surplus reserve.

\*2 The figures are combined figures for Banking profit of Sumitomo Mitsui Banking Corporation and Operating profit of other three companies

(Reference) Retained Earnings [Sumitomo Mitsui Financial Group, Inc. + Sumitomo Mitsui Banking Corporation  
+ Sumitomo Mitsui Card Company, Ltd. + SMBC Leasing Company, Ltd. + The Japan Research Institute, Ltd.]

(Billions of yen)

	FY03 Actual	1st half, FY04 Actual	FY04 Plan
Retained earnings*	1,796.4	1,880.8	1,798.3
Other capital surplus	898.5	898.5	898.5

\* The sum of Retained earnings of Sumitomo Mitsui Financial Group, Inc., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card Company, Ltd., SMBC Leasing Company, Ltd., and The Japan Research Institute, Ltd.

(Table 1-2) Trend of Income [Sumitomo Mitsui Financial Group (Consolidated)]

	FY03 Actual	1st half, FY04 Actual	FY04 Forecast
(Scale)<term-end balance>			(Billions of yen)
Total assets	102,215.2	101,054.2	
Loans and bills discounted	55,382.8	55,422.0	
Securities	27,049.9	24,073.1	
Trading assets	3,306.8	3,274.7	
Deferred tax assets	1,706.6	1,743.2	
Total liabilities	98,150.5	97,015.8	
Deposits, NCD	68,852.9	70,658.3	
Bonds	-	-	
Trading liabilities	1,873.2	1,780.1	
Deferred tax liabilities	40.2	46.8	
Deferred tax liabilities for land revaluation	56.4	58.1	
Minority interests	993.7	1,017.6	
Total stockholders' equity	3,070.9	3,020.9	
Capital stock	1,247.7	1,247.7	
Capital surplus	865.3	866.9	
Retained earnings	611.2	612.4	
Land revaluation excess	96.5	99.5	
Net unrealized gains (losses) on other securities	325.0	270.3	
Foreign currency translation adjustments	(71.8)	(73.5)	
Treasury stock	(3.0)	(2.3)	

			(Billions of yen)
(Income)			
Ordinary income	3,552.5	1,778.2	3,450.0
Interest income	1,591.3	752.5	
Fees and commissions	501.4	282.7	
Trading profits	305.0	30.9	
Other operating income	946.5	551.8	
Other income	208.3	160.3	
Ordinary expenses	3,209.7	1,664.1	
Interest expenses	310.3	156.7	
Fees and commissions	76.9	46.6	
Trading losses	0.9	0.6	
Other operating expenses	886.6	394.1	
General and administrative expenses	866.5	423.6	
Other expenses	1,068.4	642.5	
Write-off of loans	660.4	391.2	
Transfer to reserve for possible loan losses	-	165.3	
Transfer to general reserve for possible loan losses	-	(240.2)	
Transfer to specific reserve for possible loan losses	-	408.3	
Ordinary profit	342.8	114.1	470.0
Extraordinary gains*	117.0	2.7	
Extraordinary losses	55.0	20.1	
Income before income taxes	404.9	96.7	
Income taxes, current	24.3	9.0	
Income taxes, deferred	8.6	5.3	
Minority interests in net income	41.6	29.1	
Net income	330.4	53.4	180.0

\* For FY03, Extraordinary gains include JPY 14.8 billion of Reversal of loan loss reserves and Reversal of reserve for losses on loans sold.

(Table 2) Capital Ratio (BIS Guidelines)

&lt;Sumitomo Mitsui Financial Group (Consolidated)&gt;

(Billions of yen)

	FY02 Actual	FY03 Actual	1st half, FY04 Actual		FY04 Plan
Capital stock	1,247.7	1,247.7	1,247.7		1,247.7
Noncumulative perpetual preferred stock	-	-	-		-
Capital surplus	856.2	865.3	866.9		858.4
Retained earnings*2	278.4	564.8	612.4		651.3
Minority interests in consolidated subsidiaries	996.9	990.4	1,012.1		1,017.2
Preferred securities	840.1	814.0	823.6		839.8
Net unrealized losses on other securities	(24.2)	-	-		(58.4)
Treasury stock	(15.2)	(3.0)	(2.3)		0.0
Foreign currency translation adjustments	(53.5)	(71.8)	(73.5)		(53.5)
Goodwill	(0.3)	(0.1)	(0.1)		(0.3)
Consolidated adjustment account	(30.0)	(21.7)	(17.5)		(17.8)
Others	-	-	-		-
Total Tier I <Tax effect>	3,255.9 <1,912.2>	3,571.6 <1,666.4>	3,645.6 <1,696.4>		3,644.6 <1,720.0>
Unrealized gains on securities	-	249.4	208.9		-
Land revaluation excess	71.7	68.5	71.1		66.8
General reserve for possible loan losses	739.6	740.1	601.7		731.3
Perpetual subordinated liabilities	569.1	755.6	826.1		601.4
Others	-	-	-		-
Total upper Tier II	1,380.4	1,813.6	1,707.8		1,399.5
Dated subordinated liabilities, preferred stock	1,581.3	1,603.0	1,711.6		1,563.5
Others	-	-	-		-
Total lower Tier II	1,581.3	1,603.0	1,711.6		1,563.5
Total Tier II <Tier II capital included as qualifying capital>	2,961.6 <2,961.6>	3,416.5 <3,416.5>	3,419.4 <3,419.4>		2,962.9 <2,962.9>
Tier III	-	-	-		-
Deductions	(238.6)	(250.8)	(443.6)		(260.7)
Total capital	5,978.9	6,737.4	6,621.4		6,346.8

(Billions of yen)

Risk-adjusted assets	59,166.9	59,204.1	60,539.1		58,500.0
On-balance-sheet items	55,417.7	54,649.9	55,088.4		54,700.0
Off-balance-sheet items	3,525.4	4,283.3	5,165.1		3,550.0
Others*3	223.8	270.8	285.7		250.0

(% )

Capital ratio	10.10	11.37	10.93		10.84
Tier I ratio	5.50	6.03	6.02		6.23

\*1 Assumptions on yen / dollar exchange rate for FY04: \$1=120.00 yen.

\*2 Expected outflows are excluded from the stated figures.

\*3 Obtained by dividing amounts equivalent to market risk by 8%.

(Table 2) Capital Ratio (BIS Guidelines)

&lt;Sumitomo Mitsui Banking Corporation (Non-consolidated)&gt;

(Billions of yen)

	FY02 Actual	FY03 Actual	1st half, FY04 Actual		FY04 Plan
Capital stock	560.0	560.0	560.0		560.0
Noncumulative perpetual preferred stock	-	-	-		-
Capital reserve	879.7	879.7	904.9		879.7
Other capital surplus	357.6	357.6	357.6		357.6
Earned surplus reserve*2	-	-	-		-
Voluntary reserves*2	221.5	221.5	221.5		221.5
Profit brought forward to next year*3	191.5	253.1	318.7		449.4
Others*4	738.9	764.5	791.1		813.5
Preferred securities	732.8	759.1	788.5		807.4
Net unrealized losses on other securities	(17.9)	-	-		(52.1)
Treasury stock	-	-	-		-
Goodwill	-	-	-		-
Total Tier I	2,931.4	3,036.4	3,153.9		3,229.6
<Tax effect>	<1,814.6>	<1,590.5>	<1,631.6>		<1,640.0>
Unrealized gains on securities	-	239.8	195.9		-
Land revaluation excess	64.4	61.5	63.4		59.5
General reserve for possible loan losses	672.6	661.7	419.3		660.0
Perpetual subordinated liabilities	569.1	755.6	861.3		601.4
Others	-	-	-		-
Total upper Tier II	1,306.1	1,718.7	1,539.9		1,320.9
Dated subordinated liabilities, preferred stock	1,557.6	1,565.6	1,671.2		1,544.7
Others	-	-	-		-
Total lower Tier II	1,557.6	1,565.6	1,671.2		1,544.7
Total Tier II	2,863.7	3,284.2	3,211.1		2,865.6
<Tier II capital included as qualifying capital>	<2,771.8>	<3,036.4>	<3,116.8>		<2,865.6>
Tier III	-	-	-		-
Deductions	(55.4)	(55.7)	(113.0)		(55.4)
Total capital	5,647.8	6,017.2	6,157.7		6,039.8

(Billions of yen)

Risk-adjusted assets	53,807.1	52,939.7	54,224.5		52,800.0
On-balance-sheet items	50,297.7	48,816.7	49,181.0		49,300.0
Off-balance-sheet items	3,322.5	3,925.4	4,842.6		3,300.0
Others*5	187.0	197.6	201.0		200.0

(% )

Capital ratio	10.49	11.36	11.35		11.43
Tier I ratio	5.44	5.73	5.81		6.11

\*1 Assumptions on yen / dollar exchange rate for FY04: \$1=120.00 yen.

\*2 The figures are those excluding profits to be appropriated.

\*3 The figures are Unappropriated retained earnings minus expected outflows.

\*4 Amounts of Minority interests in consolidated subsidiaries and Foreign currency translation adjustments.

\*5 Obtained by dividing amounts equivalent to market risk by 8%.



(Table 5) Earnings by Business Unit

(Billions of yen)

	FY03 Actual	1st half, FY04 Actual	FY04 Forecast
Net interest income	277.8	135.0	273.0
Fees and commissions + Foreign exchange	55.9	32.2	82.0
Consumer Banking Unit	333.7	167.2	355.0
Net interest income	322.4	154.1	320.0
Fees and commissions + Foreign exchange	281.8	152.1	325.0
Middle Market Banking Unit	604.2	306.2	645.0
Net interest income	104.3	47.3	98.0
Fees and commissions + Foreign exchange	70.9	38.3	95.0
Corporate Banking Unit	175.2	85.6	193.0
Marketing business	88.8	40.0	83.0
Treasury business	1.7	0.9	2.0
International Banking Unit	92.7	41.2	85.0
Net interest income	10.2	5.3	11.0
Fees and commissions + Foreign exchange	0.6	0.6	1.0
Community Banking Unit	10.8	5.9	12.0
Treasury Unit	375.8	151.2	265.0
Headquarters	(8.3)	5.4	10.0
Gross banking profit	1,584.1	762.7	1,565.0
Expenses	(584.0)	(291.1)	(585.0)
Banking profit (excluding transfer to general reserve for possible loan losses)	1,000.1	471.6	980.0

(Table 6) Restructuring Plan [Sumitomo Mitsui Financial Group + Sumitomo Mitsui Banking Corporation]

	Mar. 31, '03 Actual	Mar. 31, '04 Actual	Sep. 30, '04 Actual		Mar. 31, '05 Plan
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(Number of employees and directors)

Directors	24	24	25		28
Board of directors*1	17(2)	17(2)	18(2)		21(2)
Auditors*1	7(3)	7(3)	7(3)		7(3)
Employees*2	24,024	22,348	22,431		21,300

\*1 Figures in the brackets indicate the number of those who are not full-time attendants.

\*2 Registered employees, excluding executive officers, contract employees and temporary recruited.

(Number of offices)

Domestic branches*1	437	435	430		435
Overseas branches*2	20	20	20		19
(Reference) Overseas subsidiaries*3	26	25	25		26

\*1 Excluding sub-branches, agencies, specialized branches for receiving money transfers, specialized branches for controlling ATMs in convenience stores and International Business Operations Department.

\*2 Excluding sub-branches and representative offices.

\*3 Excluding overseas subsidiaries with ownership of 50% or less.

	FY02 Actual	FY03 Actual	1st half, FY04 Actual		FY04 Plan
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(Personnel expenses)

Personnel expenses (Millions of yen)	254,346	222,969	104,863		235,800
Salary and remuneration (Millions of yen)	205,602	172,562	85,098		181,000
Average monthly salary (Thousands of yen)	508	496	488		502

(Note) Average age of the employees is 38.5 years (as of September 30, '04)

(Remuneration and bonus of directors)

(Millions of yen)

Remuneration and bonus of directors*1	763	512	282		760
Remuneration	763	512	282		760
Bonus	0	0	0		0
Average remuneration and bonus of full-time directors	(*2) 27	25	26		31
Average retirement allowances of directors	63	(*2) 43	33		87

\*1 Sum of those included in personnel expenses and profit appropriation, including rewards as executive officers in case concurrently appointed.

\*2 Excluding those of former Wakashio Bank.

(Non-personnel expenses)

(Millions of yen)

Non-personnel expenses*1	355,248	328,764	166,994		329,800
System related cost*2	90,486	76,929	38,399		82,800
Other than system related cost	264,762	251,835	128,595		247,000

\*1 Excluding the fees for management guidance from subsidiaries to parent.

\*2 Including leasing expenses and other related costs.

(Personnel expenses + Non-personnel expenses)

(Millions of yen)

Personnel expenses + Non-personnel expenses	609,594	551,733	271,857		565,600
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(Table 7) Domestic Subsidiaries and Affiliates (\*1)

(Billions of yen)

Company Name	Main Business	Latest Fiscal Term	Total Asset	(*2) Total Borrowing	(*3,*4) SMFG, SMBC portion	Stockholder's Equity	(*4) SMFG, SMBC portion	Operating Profit	Net Income	(*5) Consolidated / Equity Method
[Sumitomo Mitsui Financial Group]										
Sumitomo Mitsui Card Company, Limited	Credit card services	Sep. '04	840.3	325.0	19.0	110.5	155.7	12.9	8.0	Consolidated
SMBC Leasing Company, Limited	Leasing	Sep. '04	1,744.4	1,241.8	109.5	150.6	143.4	10.8	6.5	Consolidated
The Japan Research Institute, Limited	System engineering, data processing, management consulting, and economic research	Sep. '04	69.9	21.2	13.8	28.1	20.0	1.1	0.4	Consolidated
SMFG Corporate Recovery Servicer Co., Ltd.	Corporate recovery consulting and servicer	Sep. '04	0.7	-	-	0.6	0.4	(0.0)	(0.0)	Consolidated
Daiwa Securities SMBC Co. Ltd.	Securities	Sep. '04	9,196.1	5,457.5	62.2	393.7	163.2	36.6	22.3	Equity Method
Daiwa SB Investments Ltd.	Investment advisory and investment trust management	Sep. '04	13.1	-	-	9.0	8.0	1.0	0.6	Equity Method
[Sumitomo Mitsui Banking Corporation]										
THE MINATO BANK, LTD.	Commercial banking	Sep. '04	2,769.6	78.3	37.0	81.7	4.8	3.1	1.4	Consolidated
Kansai Urban Banking Corporation	Commercial banking	Sep. '04	2,226.3	28.0	23.0	70.0	37.1	7.2	4.8	Consolidated
The Kangin Lease Company, Limited	Leasing	Sep. '04	32.1	26.1	15.3	3.8	-	0.3	0.2	Consolidated
The Japan Net Bank, Limited	Commercial banking via Internet	Sep. '04	312.1	129.9	-	7.7	11.4	0.4	0.4	Consolidated
SMBC Guarantee Co., Ltd.	Credit guarantee	Sep. '04	8,238.4	-	-	162.8	-	(108.6)	(109.8)	Consolidated
The SC Card Business Company, Limited	Service for credit card members	Sep. '04	3.5	0.8	0.8	0.8	-	0.4	0.2	Consolidated
SAKURA CARD CO., Ltd.	Credit card services	Sep. '04	187.2	38.2	18.1	16.2	10.7	0.7	0.5	Consolidated
At-Loan Co., Ltd.	Personal loans	Sep. '04	117.7	98.0	98.0	0.7	13.0	0.0	0.1	Consolidated
SMBC Capital Co., Ltd.	Venture capital	Sep. '04	16.0	11.3	11.3	3.6	1.7	1.1	0.5	Consolidated
SMBC Consulting Co., Ltd.	Management consulting and information service	Sep. '04	4.2	-	-	2.6	1.8	0.5	0.2	Consolidated
SMBC Finance Service Co., Ltd.	Factoring, loans and collecting agent	Sep. '04	679.3	324.0	258.5	70.9	-	5.8	4.8	Consolidated
SMBC Mortgage Co., Ltd.	Loans	Sep. '04	268.8	248.3	248.3	16.2	4.1	0.1	2.2	Consolidated
Financial Link Company, Limited	Data processing service and e-trading consulting	Sep. '04	0.1	-	-	0.0	-	0.0	0.0	Consolidated
SMBC Friend Securities Co., Ltd.	Securities	Sep. '04	209.9	-	-	119.9	39.6	10.4	9.3	Consolidated
Sakura KCS Corporation	System engineering and data processing	Sep. '04	18.2	0.2	0.2	12.7	0.2	0.2	0.2	Consolidated
Sakura Information Systems Co., Ltd.	System engineering and data processing	Sep. '04	13.4	1.5	1.5	7.5	0.0	1.0	(0.0)	Consolidated
Global Factoring Co., Ltd.	Factoring	Sep. '04	321.4	241.5	241.5	0.1	-	0.0	0.0	Consolidated
Promise Co., Ltd.	Consumer finance	Sep. '04	1,663.8	867.9	1.8	749.4	145.4	62.2	37.0	Equity Method
Sumitomo Mitsui Asset Management Company, Limited	Investment advisory and investment trust management	Sep. '04	19.6	-	-	13.7	3.4	1.1	1.1	Equity Method
Japan Pension Navigator Co., Ltd.	Operation and administration of defined contribution pension plans	Sep. '04	1.6	-	-	1.4	0.5	(0.3)	(0.3)	Equity Method
QUOQ Inc.	Shopping credit and credit card services	Sep. '04	911.1	472.5	109.0	39.2	2.9	2.8	1.4	Equity Method
[ SMBC Leasing Company, Limited ]										
SMBC Auto Leasing Company, Limited	Leasing	Sep. '04	213.1	151.8	12.4	12.1	-	1.8	0.8	Consolidated
Mazda Auto Leasing Company, Limited	Leasing	Sep. '04	13.3	10.3	2.0	1.8	-	0.4	0.2	Consolidated
Space Service LLC.	Leasing	Sep. '04	5.4	4.3	2.8	(0.0)	-	(0.0)	(0.0)	Consolidated
SBL Partners LLC.	Factoring	Jun. '04	16.1	15.4	15.4	0.0	-	0.0	0.0	Consolidated
The San-in General Lease Company Limited	Leasing	Sep. '04	48.1	39.8	2.7	5.3	0.2	0.8	0.5	Equity Method
Miegin General Leasing Co.Ltd.	Leasing	Sep. '04	12.3	9.7	0.7	1.5	0.1	0.1	0.1	Equity Method
[ Daiwa Securities SMBC Co. Ltd. ]										
Daiwa Securities SMBC Principal Investments Co. Ltd.	Investments	Sep. '04	82.0	66.8	10.0	13.0	-	2.2	1.3	Equity Method

(Table 7) Overseas Subsidiaries and Affiliates (\*1)

(Millions of local currency, except Indonesia (in Billions))

Company Name	Main Business	Currency	Latest Fiscal Term	Total Asset	(*2) Total Borrowing	(*3,*4) SMFG, SMBC portion	Stockholder's Equity	(*4) SMFG, SMBC portion	Operating Profit	Net Income	(*5) Consolidated / Equity Method
[Sumitomo Mitsui Banking Corporation]											
Sumitomo Mitsui Banking Corporation Europe Limited	Commercial banking	US\$	Sep. '04	13,091	10	4,523	1,744	1,700	19	22	Consolidated
Manufacturers Bank	Commercial banking	US\$	Jun. '04	1,679	11	4	201	283	11	11	Consolidated
Sumitomo Mitsui Banking Corporation of Canada	Commercial banking	CAN\$	Jul. '04	1,327	27	27	156	122	1	1	Consolidated
Banco Sumitomo Mitsui Brasileiro S.A.	Commercial banking	R\$	Jun. '04	1,261	585	472	342	302	41	29	Consolidated
PT Bank Sumitomo Mitsui Indonesia	Commercial banking	RPIAH	Jun. '04	6,182	1,051	2,241	1,062	982	(15)	(12)	Consolidated
SMBC Leasing and Finance, Inc.	Leasing	US\$	Jun. '04	1,445	212	263	742	690	37	16	Consolidated
SMBC Capital Markets, Inc.	Investment and derivatives	US\$	Jun. '04	4,005	333	1,972	958	609	38	29	Consolidated
SMBC Capital Markets Limited	Investment and derivatives	US\$	Jun. '04	1,052	161	-	344	300	4	4	Consolidated
Sumitomo Mitsui Finance Australia Limited	Finance	A\$	Jun. '04	2,312	1,875	2,020	174	159	14	10	Consolidated
SMBC Securities, Inc.	Securities	US\$	Jun. '04	81	31	25	43	40	2	1	Consolidated
Sakura Capital Funding (Cayman) Limited	Finance	US\$	Jun. '04	93	92	90	0	0	0	0	Consolidated
Sakura Finance (Cayman) Limited	Finance	US\$	Jun. '04	2,108	2,102	1,792	0	0	0	0	Consolidated
Sumitomo Finance International plc	Investments	STG	Jun. '04	239	8	8	125	200	(2)	(2)	Consolidated
SMBC International Finance N.V.	Finance	US\$	Jun. '04	3,665	3,630	3,570	1	0	0	0	Consolidated
BSL Leasing Co., Ltd.	Leasing	TBAH	Jun. '04	2,360	1,627	418	209	6	14	10	Equity Method
SBCS Company Limited	Investments and consulting	TBAH	Jun. '04	474	198	198	273	14	21	21	Equity Method
[ SMBC Leasing Company, Limited ]											
SMBC Leasing (Singapore) Pte. Ltd.	Leasing	S\$	Jun. '04	136	111	88	4	-	0	0	Consolidated
SMBC Leasing (Hong Kong) Limited	Leasing	HK\$	Jun. '04	552	460	325	52	-	1	1	Consolidated
SMBC Leasing (Thailand) Co., Ltd.	Leasing	TBAH	Jun. '04	4,156	1,985	1,891	211	-	23	16	Consolidated
SMBC Leasing (Malaysia) Sdn. Bhd.	Leasing	RM	Jun. '04	141	122	112	7	-	1	0	Consolidated
P.T. EXIM SB Leasing	Leasing	RPIAH	Jun. '04	194	243	160	(143)	0	(13)	(13)	Consolidated

(\*1) Only the subsidiaries and affiliates which borrowed over one hundred million yen from Sumitomo Mitsui Financial Group or Sumitomo Mitsui Banking Corporation are indicated in the table.

Financial data of foreign subsidiaries and affiliates are denoted by local currency (in millions, except Indonesia (in billions)).

(\*2) Including bonds and commercial papers.

(\*3) Including guarantees.

(\*4) Indicated as the combined basis of Sumitomo Mitsui Financial Group (SMFG) and Sumitomo Mitsui Banking Corporation (SMBC).

(\*5) Based on Sumitomo Mitsui Financial Group's consolidated financial results.

(\*6) For the companies reporting Operating losses, Net losses or Retained losses, projection of income and position in the group strategy of SMFG and SMBC are described in the next page.

(\*7) <Scope of consolidation>

-From this interim term, eight companies including SMBC Finance Business Planning Co., Ltd. were newly consolidated due to establishment.

-From this interim term, former Minato Card Co., Ltd. was excluded from the scope of consolidation because it was no longer a subsidiary due to merger.

-From this interim term, six companies including SMLC Indus Co., Ltd. became non-consolidated subsidiaries that are not accounted for by the equity method because they became silent partnerships for lease transactions.

-From this interim term, five companies including Promise Co., Ltd. newly became affiliated companies accounted for by the equity method due to acquirement of shares.

-From this interim term, three companies including Sony Bank Incorporated were excluded from the scope of affiliated companies due to decrease in ratio of voting share ownership and other reasons.

Details of (\*6)

Company name	Earnings projections	Strategic position within the Group
SMFG Corporate Recovery Servicer Co., Ltd.	Secure positive bottom line in FY04.	Joint venture company for corporate recovery with Goldman Sachs (Japan) Ltd., Daiwa Securities SMBC Principal Investments Co. Ltd. and Development Bank of Japan
The Japan Net Bank, Limited	Expected to be in the black in FY04.	Internet specialized bank
SMBC Guarantee Co., Ltd.	Sumigin Guarantee Company, Limited became a wholly-owned subsidiary of SMBC Guarantee Co., Ltd. in Mar. 2002. Expected to be in the black on consolidated basis in FY05.	SMBC's housing loan guarantee subsidiary
The SC Card Business Company, Limited	Secure positive bottom line in FY04.	Company providing services to Sumitomo Mitsui Card Company' card holders
At-loan Co., Ltd.	Expected to be in the black in FY04.	Strategic subsidiary specialized in consumer loans
SMBC Finance Service Co., Ltd.	Secure positive bottom line in FY04.	Subsidiary to provide finance, factoring and collecting services
SMBC Mortgage Co., Ltd.	Secure positive bottom line in FY04.	Finance subsidiary
Financial Link Company, Limited	Expected to be in the black in FY04.	Strategic subsidiary that coordinates financial services such as outsourcing of settlement operations and fund administration with SMBC and group companies
Sakura Information System Co., Ltd.	Secure positive bottom line in FY04.	System engineering and data processing business
Japan Pension Navigator Co., Ltd.	Financial condition is recovering thanks to rapid growth in the defined contribution pension plan market, but expected to remain in the red because depreciation of initial systems investment will be a burden on earnings.	Core company in defined contribution pension plan business
Space Service LLC.	Secure positive bottom line in the fiscal year ended Sep. 2005.	SPC of SMBC Leasing Company
PT Bank Sumitomo Mitsui Indonesia	Expected to secure positive bottom line in the fiscal year ended Dec. 2004.	Subsidiary bank in Indonesia
Sumitomo Finance International plc	Secured positive bottom line in the fiscal year ended Dec. 2003, aiming at securing positive bottom line in the consecutive fiscal year ended Dec. 2004.	Investment company
SMBC Leasing (Singapore) Pte. Ltd.	Secure positive bottom line in the fiscal year ended Dec. 2004.	Overseas subsidiary of SMBC Leasing Company
SMBC Leasing (Hong Kong) Limited	Secure positive bottom line in the fiscal year ended Dec. 2004.	Overseas subsidiary of SMBC Leasing Company
P.T.EXIM SB Leasing	Concentrate on collecting loans with a view of liquidation of the company	Overseas subsidiary of SMBC Leasing Company

(Table 10) Loans and Bills Discounted [Sumitomo Mitsui Banking Corporation (Non-consolidated)]

(Balance)		(Billions of yen)		
		Mar. 31, '04 Actual (A)	Sep. 30, '04 Actual (B)	Mar. 31, '05 Plan (C)
Domestic	including Impact loans	48,182.6	47,838.9	48,282.6
	excluding Impact loans	47,502.4	47,213.6	47,602.4
Small- and medium-sized enterprises*	including Impact loans	18,954.4	17,872.9	18,574.4
	excluding Impact loans	18,675.7	17,613.4	18,295.7
	Loans with guarantee of credit guarantee corporation	1,718.1	1,597.5	1,518.1
	Individuals (excluding business loans)	13,130.8	13,249.8	13,930.8
	Housing loans	11,716.3	11,901.5	12,516.3
	Others	16,097.4	16,716.2	15,777.4
Overseas		2,627.5	2,884.7	2,627.5
Total		50,810.1	50,723.6	50,910.1

- \* Small and Medium-sized enterprises = Loans to following enterprises excluding subsidiaries and affiliates
- Wholesaling enterprise whose capital is JPY 100 million or less or number of employees is 100 or less
  - Services enterprise whose capital is JPY 50 million or less or number of employees is 100 or less
  - Retailing and catering enterprise whose capital is JPY 50 million or less or number of employees is 50 or less
  - Other enterprise whose capital is JPY 300 million or less or number of employees is 300 or less
  - Unincorporated enterprise

[Excerpt from the original Japanese report]

As a result of the review based on the purpose of the Financial Function Early Strengthening Law, SMFG herewith revises its results and plan concerning the balance of loans to small- and medium-sized enterprises as follows.

(Billions of yen)			
	Before	After	Revision
Mar. 31, 2003	21,291.3	21,229.9	(61.4)
Change* from Mar. 31, 2002	(729.7)	(791.1)	(61.4)
Sep. 30, 2003	20,227.2	20,163.2	(64.0)
Change* from Mar. 31, 2003	+5.8	+3.2	(2.6)
Mar. 31, 2004	18,705.7	18,675.7	(30.0)
Change* from Mar. 31, 2003	+261.9	+293.3	+31.4
Mar. 31, 2005 (Plan)	18,325.7	18,295.7	(30.0)

(Note) "Impact loans" are not included in the table above.

\*Change of balance reflecting such factors as shown on the next page.

(Balance reflecting the factors shown on the next page)

		(Billions of yen)	
		1st half, FY04 Actual (B)-(A)+(a)	FY04 Plan (C)-(A)+(b)
Domestic	including Impact loans	1,238.1	900.0
	excluding Impact loans	1,293.0	900.0
Small- and medium-sized enterprises	including Impact loans	83.3	70.0
	excluding Impact loans	102.5	70.0

(Factors for reduction in loans)

(Billions of yen)

	1st half, FY04 Actual (a)		FY04 Plan (b)	
		Small and medium-sized enterprises		Small and medium-sized enterprises
Loan losses	1,317.8	1,066.4		
Direct write-offs*1	61.2	18.8		
Direct reduction*2	606.5	591.1		
Secondary losses on loans sold to CCPC*3	0.0	0.0		
Sales of loans to RCC*4	1.5	1.5		
Sales of problem assets to others	113.1	80.7		
Others*5	535.5	374.3		
Sales and securitization of loans*6	(26.6)	(115.3)		
Private placement of bonds, etc.*7	290.6	213.7		
Subsidiaries etc.*8	0.0	0.0		
Total	1,581.8	1,164.8	800.0	450.0

(Note) "Impact loans" are not included in the table above.

\*1 Direct write-offs which are allowed to be tax deductible.

\*2 Direct reduction reduced in this fiscal year.

\*3 Losses due to the disposition of collaterals of loans sold to CCPC, etc.

\*4 Losses due to the sales of loans to the specific bank defined in Article 53 of Financial Reconstruction Law.

\*5 Decrease through other measures of disposing non-performing loans

\*6 Mainly sales and securitization of normal loans.

\*7 Amount of credits that are virtually equivalent to loans, such as private placement of bonds, etc.

\*8 Loans to consolidated subsidiaries and subsidiaries under equity method which contribute to encouraging smooth provision of credit to small and medium-sized enterprises.

(Table 13) Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, '04 Actual Non-consolidated	Mar. 31, '04 Actual Consolidated	Sep. 30, '04 Actual Non-consolidated	Sep. 30, '04 Actual Consolidated
Bankrupt and quasi- bankrupt assets	361.6	485.9	581.1	707.3
Doubtful assets	1,202.7	1,409.1	1,124.1	1,313.3
Substandard loans	1,246.9	1,441.2	779.2	945.0
Sub-total	2,811.2	3,336.2	2,484.4	2,965.6
Normal assets	52,874.4	56,127.5	53,673.4	57,067.8
Total	55,685.6	59,463.7	56,157.8	60,033.4

(Note) Non-consolidated figures: Non-consolidated figures of Sumitomo Mitsui Banking Corporation.

## Reserve for Possible Loan Losses

(Billions of yen)

	Mar. 31, '04 Actual Non-consolidated	Mar. 31, '04 Actual Consolidated	Sep. 30, '04 Actual Non-consolidated	Sep. 30, '04 Actual Consolidated
General reserve	769.0	837.7	419.3	601.7
Specific reserve	474.0	577.0	538.4	615.8
Loan loss reserve for specific overseas countries	7.8	7.8	4.9	4.9
Sub-total	1,250.8	1,422.5	962.6	1,222.4
Reserve for possible losses on loans sold to CCPC	-	-	-	-
Total	1,250.8	1,422.5	962.6	1,222.4

(Note) Non-consolidated figures: Non-consolidated figures of Sumitomo Mitsui Banking Corporation.



(Table 14) Risk-Monitored Loans

(Billions of yen)

	Mar. 31, '04 Actual Non-consolidated	Mar. 31, '04 Actual Consolidated	Sep. 30, '04 Actual Non-consolidated	Sep. 30, '04 Actual Consolidated
Bankrupt loans (A)	67.2	96.4	59.2	87.0
Non-accrual loans (B)	1,460.8	1,767.9	1,552.4	1,844.1
Past due loans (3 months or more) (C)	47.6	51.5	46.8	52.9
Restructured loans (D)	1,199.3	1,382.2	732.4	884.7
(1) Reduction of the original interest rate	118.9	126.6	90.3	97.1
(2) Forbearance of interest payments	4.4	4.7	3.9	4.1
(3) Loans to supported companies	190.7	190.7	-	-
(4) Forbearance of principal repayments	885.1	1,056.8	637.7	779.5
(5) Others	0.2	3.4	0.5	4.0
Total (E)=(A)+(B)+(C)+(D)	2,774.9	3,298.0	2,390.8	2,868.7
Direct reduction	865.8	1,178.3	1,383.5	1,715.8
Ratio <(E) / Total loans>	5.5%	6.0%	4.7%	5.2%

(Note) Non-consolidated figures: Non-consolidated figures of Sumitomo Mitsui Banking Corporation.

(Table 15) Disposition of Problem Assets

&lt;Sumitomo Mitsui Banking Corporation (Non-consolidated)&gt;

(Billions of yen)

	FY03 Actual	1st half, FY04 Actual	FY04 Forecast
Credit related costs (A)	1,141.3	805.5	
Transfer to specific reserve for possible loan losses	276.4	403.8	
Write-off of loans and other related losses (C)	869.2	404.5	
Write-off of loans	501.1	347.8	
Losses on sales of loans to CCPC	0.8	-	
Losses on sales of loans to RCC*1	9.3	0.2	
Losses on bulk sales	292.8	55.5	
Losses on debt forgiveness	65.2	1.0	
Transfer to reserve for possible losses from loans sold to CCPC	(0.5)	-	
Transfer to reserve for supporting specific borrowers	-	-	
Transfer to loan loss reserve for specific overseas countries	(3.8)	(2.8)	
Transfer to general reserve for possible loan losses (B)	(337.9)	(349.7)	
Total (A) + (B)	803.4	455.8	650.0

&lt;Reference&gt;

Direct write-off of loans already reserved (D)	1,243.7	367.7	-
Gross direct write-offs (C) + (D)	2,112.9	772.1	-

&lt;Sumitomo Mitsui Financial Group (Consolidated)&gt;

(Billions of yen)

	FY03 Actual	1st half, FY04 Actual	FY04 Forecast
Credit related costs (A)	1,287.8	853.0	
Transfer to specific reserve for possible loan losses	320.7	408.3	
Write-off of loans and other related losses (C)	971.4	447.5	
Write-off of loans	595.2	390.2	
Losses on sales of loans to CCPC	1.3	-	
Losses on sales of loans to RCC*1	9.4	0.2	
Losses on bulk sales	300.3	56.1	
Losses on debt forgiveness	65.2	1.0	
Transfer to reserve for possible losses from loans sold to CCPC	(0.5)	-	
Transfer to reserve for supporting specific borrowers	-	-	
Transfer to loan loss reserve for specific overseas countries	(3.8)	(2.8)	
Transfer to general reserve for possible loan losses (B)	(331.2)	(240.2)	
Total (A) + (B)	956.6	612.8	

&lt;Reference&gt;

Direct write-off of loans already reserved (D)	1,367.2	403.1	-
Gross direct write-offs (C) + (D)	2,338.6	850.6	-

\*1 Losses due to the sales of loans to the specific bank defined in Article 53 of Financial Reconstruction Law.

(Table 17) Bankruptcies in 1st half, FY04

[Sumitomo Mitsui Banking Corporation (Non-consolidated)]

(Billions of yen)

Internal grading	Internal grading one year before the bankruptcy		Internal grading six month before the bankruptcy	
	Number of bankruptcies	Outstanding exposure	Number of bankruptcies	Outstanding exposure
1	0	0.0	0	0.0
2	0	0.0	0	0.0
3	1	0.9	1	0.9
4A	1	0.7	0	0.0
4B	0	0.0	1	0.7
4C	5	5.9	4	5.9
5A	6	2.0	5	2.3
5B	14	6.4	12	2.8
5C	17	5.0	17	3.0
6	11	1.1	7	0.9
7	28	14.2	30	9.6
8	14	26.8	17	30.1
9	11	5.2	27	13.7
No grading	48	4.9	35	3.2
<b>Total</b>	<b>156</b>	<b>73.1</b>	<b>156</b>	<b>73.1</b>

(Notes) 1. Bankruptcies with credit amount less than JPY 50 million are excluded.

2. "No grading" includes individuals and companies without financial data.

(Reference) Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, '04
Bankrupt and quasi-bankrupt assets	581.1
Doubtful assets	1,124.1
Substandard loans	779.2
Normal assets	53,673.4
<b>Total</b>	<b>56,157.8</b>

(Table 18) Unrealized Gains (Losses) (as of Sep. 30, '04)

[Sumitomo Mitsui Banking Corporation (Non-consolidated)]

Securities

(Billions of yen)

		Outstanding balance	Net unrealized gains (losses)		
			Gains	Losses	
Held-to- maturity purpose	Securities*1,*2	522.6	(5.2)	2.4	7.6
	Bond	507.5	(5.9)	1.7	7.6
	Stock	-	-	-	-
	Other	15.1	0.7	0.7	0.0
	Money held in trust*1	-	-	-	-
Subsidiaries, etc.	Securities*1,*2	1,412.7	36.6	37.3	0.7
	Bond	-	-	-	-
	Stock	524.2	36.6	37.3	0.7
	Other	888.5	-	-	-
	Money held in trust*1	-	-	-	-
Other securities	Securities*1,*2	21,659.9	457.4	628.3	170.9
	Bond	14,454.7	(62.2)	13.3	75.5
	Stock	3,057.4	558.9	607.7	48.8
	Other	4,147.8	(39.3)	7.3	46.6
	Money held in trust*1	3.8	0.2	0.3	0.1

Others

(Billions of yen)

	Book value	Market value	Net unrealized gains (losses)		
			Gains	Losses	
Premises used in business*3	319.5	302.0	(17.5)	11.3	28.8
Other premises	-	-	-	-	-
Other assets	-	-	-	-	-

\*1 Unrealized gains (losses) are calculated as follows:

Securities and Money held in trust with market value: Market prices as of balance sheet date.

However, unrealized gains (losses) of stocks in "Other securities" are based on the average market price during the final month of the interim term.

\*2 Securities include a following item, which are not categorized as "Securities" in the balance sheet.

Negotiable certificates of deposit included in item "Deposits with banks"

Commercial paper included in item "Commercial paper and other debt purchased"

\*3 Based on revaluation of land at fair value as of Mar. 31, '98 and Mar. 31, '02 under the Revaluation Act of Land Properties and the law concerning amendment of the Law.

Book value: Book value after the revaluation.

Market value: Market value as of Sep. 30, '04.

(Table 18) Unrealized Gains (Losses) (as of Sep. 30, '04)

[Sumitomo Mitsui Financial Group (Consolidated)]

## Securities

(Billions of yen)

		Outstanding balance	Net unrealized gains (losses)		
			Gains	Losses	
Held-to- maturity purpose	Securities*1,*2	559.4	(5.3)	2.4	7.7
	Bond	508.4	(5.9)	1.7	7.6
	Stock	-	-	-	-
	Other	51.0	0.6	0.7	0.1
	Money held in trust*1	-	-	-	-
Subsidiaries, etc.	Securities*1,*2	353.7	-	-	-
	Bond	-	-	-	-
	Stock	346.4	1.1	1.1	-
	Other	7.3	-	-	-
	Money held in trust*1	-	-	-	-
Other securities	Securities*1,*2	23,237.5	484.1	664.7	180.6
	Bond	15,455.2	(58.1)	18.4	76.5
	Stock	3,197.7	581.7	637.4	55.7
	Other	4,584.6	(39.5)	8.9	48.4
	Money held in trust*1	3.8	0.2	0.3	0.1

## Others

(Billions of yen)

	Book value	Market value	Net unrealized gains (losses)		
			Gains	Losses	
Premises used in business*3	324.1	305.1	(19.0)	11.3	30.3
Other premises	-	-	-	-	-
Other assets	-	-	-	-	-

\*1 Unrealized gains (losses) are calculated as follows;

Securities and Money held in trust with market value: Market prices as of balance sheet date.

However, unrealized gains (losses) of stocks in "Other securities" are based on the average market price during the final month of the interim term.

\*2 Securities include following items, which are not categorized as "Securities" in the balance sheet:

-Negotiable certificates of deposit included in item "Deposits with banks"

-Commercial paper and claims on loan trust included in item "Commercial papers and other debt purchased"

\*3 Based on revaluation of land at fair value as of Mar. 31, '98, Mar. 31, '99 and Mar. 31, '02 under the Revaluation Act of Land Properties and the law concerning amendment of the Law.

Book value: Book value after the revaluation.

Market value: Market value as of Sep. 30, '04.

(Table 19) Derivatives and Foreign Forward Contracts

[Sumitomo Mitsui Financial Group (Consolidated)]

(Billions of yen)

	Contract amount or notional amount		Credit risk equivalent amount	
	Mar. 31, '04	Sep. 30, '04	Mar. 31, '04	Sep. 30, '04
Financial futures contracts	201,054.5	146,076.0	-	-
Interest rate swaps	260,592.2	277,050.9	3,534.3	3,475.3
Currency swaps	15,400.0	16,656.2	1,178.7	1,152.4
Foreign exchange forward contracts	32,436.8	44,232.3	889.3	846.6
Interest rate options (buy)	7,373.2	6,389.5	93.5	102.3
Currency options (buy)	2,823.9	2,386.6	172.0	137.5
Other derivative instruments	29,510.8	21,925.0	57.6	94.2
Effect of Master Netting agreements	-	-	(2,942.4)	(2,872.8)
Total	549,191.4	514,716.5	2,983.1	2,935.6

(Note) Figures given above were computed according to capital adequacy guidelines set by the BIS.

Followings were also added.

- Listed transactions
- Options (sell)
- Transactions for which the original contracts have maturity of 14 days or less

(Table 20) Credit Portfolio (as of Sep. 30, '04)  
 [Sumitomo Mitsui Banking Corporation (Non-consolidated)]

(Billions of yen)

	Counter party with rating equivalent to BBB/Baa or higher	Counter party with rating equivalent to BB/Ba or lower	Others*	Total
Credit risk equivalent	244.7	0.0	4.8	249.5
Credit cost	0.1	0.0	0.1	0.2
Amount of credit risk	0.8	0.0	0.2	1.0

(Note) Tentative calculation for interest rate and foreign currency related derivative transactions with financial institutions located in Tokyo, New York, Hong Kong and Singapore by the Treasury Unit.

\*Corporations without credit ratings by rating agencies.