

Plan for Strengthening the Financial Base

(Selected tables from the original Japanese report)

September 2005

Sumitomo Mitsui Financial Group, Inc.

Major Economic Assumptions on the Plan

		FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Real GDP Growth	(%)	1.9	1.2	1.8	2.1	1.6
O / N (Over night)*	(%)	0.001	0.001	0.001	0.001	0.001
3 month TIBOR*	(%)	0.08	0.08	0.08	0.08	0.08
10 Years JGB*	(%)	1.5	1.3	1.3	1.3	1.3
Yen/Dollar Exchange Rate**	(yen)	107.32	105.00	105.00	105.00	105.00
Nikkei Average Stock Price***	(yen)	11,809	11,009	11,009	11,009	11,009

*Average rate during each fiscal year

**Rate at the end of each term

***Average price during the last month of each term

Outline of the Preferred Stocks issued by Sumitomo Mitsui Financial Group

	Type 1	Type 2	Type 3
Original Amount Issued	201 billion yen	300 billion yen	800 billion yen
Outstanding Balance	105 billion yen	300 billion yen	695 billion yen
Liquidation Preference per Share	3,000,000 yen	3,000,000 yen	1,000,000 yen
Preferred Dividend Amount	10,500 yen	28,500 yen	13,700 yen
Preferred Dividend Rate	0.35%	0.95%	1.37%
Preferred Interim Dividend	5,250 yen	14,250 yen	6,850 yen
Conversion Price	947,100 yen	947,100 yen	644,200 yen
Conversion Period	From December 2, 2002 to February 26, 2009	From August 1, 2005 to February 26, 2009	From December 2, 2002 to September 30, 2009
Reset of Conversion Price	Reset to the market price* as of August 1 every year from December 2, 2002 to August 1, 2008 (both upward and downward)	Reset to the market price* as of August 1 every year from August 1, 2006 to August 1, 2008 (both upward and downward)	Reset to the market price* as of October 1 every year from October 1, 2003 to October 1, 2006 (both upward and downward)
Floor Conversion Price during the Conversion Period	947,100 yen	947,100 yen	249,700 yen
Mandatory Conversion Date	February 27, 2009	February 27, 2009	October 1, 2009
Floor Conversion Price upon Mandatory Conversion	500,000 yen	500,000 yen	258,330 yen
Original Issuer and Original Name of Preferred Stock	Sumitomo Bank First Series Type 1	Sumitomo Bank Second Series Type 1	Sakura Bank Series 3 (Type 2)
Name under SMBC	First Series Type 1	Second Series Type 1	Type 5

(*) The market price is the average of the closing prices for 30-consecutive-trading-days at the Tokyo Stock Exchange commencing on the 45th trading day prior to the relevant date.

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

Holding company established in December '02

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' equity> (Billions of yen)					
Total assets	3,478.4	3,680.0	3,610.0	3,610.0	3,610.0
Loans and bills discounted	40.0	0.7	-	-	-
Securities	3,368.2	3,600.0	3,580.0	3,580.0	3,580.0
Total liabilities	332.8	370.0	340.0	340.0	340.0
Total stockholders' equity	3,319.6	3,345.1	3,352.7	3,359.9	3,360.2
Capital stock	1,352.7	1,352.7	1,352.7	1,352.7	1,352.7
Capital reserve	1,352.8	1,352.8	1,352.8	1,352.8	1,352.8
Other capital surplus	499.5	499.5	499.5	499.5	499.5
Earned surplus reserve	-	-	-	-	-
Retained earnings*	384.5	410.1	417.7	424.9	425.2
Treasury stock	(269.9)	(270.0)	(270.0)	(270.0)	(270.0)
(Income) (Billions of yen)					
Ordinary profit	253.4	48.0	55.0	62.0	62.0
Dividends on investments in subsidiaries and affiliates	251.7	46.4	53.3	60.2	60.2
Expenses	2.6	2.8	2.8	2.8	2.8
Personnel expenses	1.2	1.3	1.3	1.3	1.3
Non-personnel expenses	1.4	1.4	1.4	1.4	1.4
Extraordinary gains	-	25.0	-	-	-
Extraordinary losses	-	-	-	-	-
Income before income taxes	253.4	73.0	55.0	62.0	62.0
Income taxes, current	(0.3)	3.0	1.0	1.5	1.5
Income taxes, deferred	1.5				
Net income	252.2	70.0	54.0	60.5	60.5
(Dividend) (Billions of yen, yen, %)					
Distributable profit	614.1	639.6	647.2	654.4	654.7
Dividend (including interim dividend)	44.4	46.4	53.3	60.2	60.2
Dividend of common stock	17.6	20.7	27.6	34.5	34.5
Dividend of preferred stock <public funds>	12.7	12.7	12.7	12.7	12.7
Dividend of preferred stock <others>	14.1	13.0	13.0	13.0	13.0
Dividend per share (common stock) (yen)	3,000	3,000	4,000	5,000	5,000
Dividend per share (Type 1 preferred stock) (yen)	10,500	10,500	10,500	10,500	10,500
Dividend per share (Type 2 preferred stock) (yen)	28,500	28,500	28,500	28,500	28,500
Dividend per share (Type 3 preferred stock) (yen)	13,700	13,700	13,700	13,700	13,700
Dividend per share (Type 4 preferred stock 1st to 12th Series) (yen)	135,000	135,000	135,000	135,000	135,000
Dividend per share (Type 4 preferred stock 13th Series) (yen)	67,500	-	-	-	-
Dividend per share (Type 6 preferred stock) (yen)	728	88,500	88,500	88,500	88,500
Dividend rate (preferred stock <public funds>)	1.15	1.15	1.15	1.15	1.15
Dividend rate (preferred stock <others>)	2.96	3.59	3.59	3.59	3.59
Payout ratio	7.81	46.77	97.53	99.14	99.14
(Financial indicators) (%)					
ROE (Net income / Stockholders' equity <average balance>)	7.77	2.09	1.61	1.80	1.80
ROA (Net income / Total assets <average balance>)	7.25	1.90	1.49	1.67	1.67

*Retained earnings excluding Earned surplus reserve.

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

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' equity> (Billions of yen)					
Total assets	96,029.8	92,600.0	94,100.0	96,200.0	98,500.0
Loans and bills discounted	50,808.9	50,400.0	51,600.0	53,600.0	55,900.0
Securities	23,703.0	23,400.0	23,800.0	24,100.0	24,500.0
Trading assets	5,128.8	3,400.0	3,400.0	3,400.0	3,400.0
Deferred tax assets <term-end balance>	1,502.2	1,330.0	1,030.0	690.0	290.0
Total liabilities	93,844.9	89,800.0	91,000.0	92,700.0	94,700.0
Deposits, NCD	65,227.6	66,500.0	68,000.0	68,700.0	69,400.0
Bonds	-	-	-	-	-
Trading liabilities	4,006.4	1,700.0	1,700.0	1,700.0	1,700.0
Deferred tax liabilities <term-end balance>	-	-	-	-	-
Deferred tax liabilities for Land revaluation <term-end balance>	90.0	50.0	50.0	50.0	50.0
Total stockholders' equity	2,752.7	3,004.4	3,381.1	3,810.9	4,320.7
Capital stock	665.0	665.0	665.0	665.0	665.0
Capital reserve	1,009.9	665.0	665.0	665.0	665.0
Other capital surplus	357.6	702.5	702.5	702.5	702.5
Earned surplus reserve	-	-	-	-	-
Retained earnings*1	291.3	624.9	1,001.6	1,431.4	1,941.2
Revaluation excess	42.3	24.0	24.0	24.0	24.0
Net unrealized gains (losses) on other securities	386.6	323.0	323.0	323.0	323.0
Treasury stock	-	-	-	-	-
(Income) (Billions of yen)					
Gross banking profit	1,522.9	1,545.0	1,650.0	1,745.0	1,860.0
Interest income	1,318.7				
Interest expenses	346.2	945.0	1,000.0	1,055.0	1,115.0
Net fees and commissions	300.7	340.0	380.0	415.0	455.0
Net trading income	131.6	125.0	120.0	115.0	115.0
Net other operating income (loss)	118.1	135.0	150.0	160.0	175.0
Gains (losses) on bonds	(21.6)	-	-	-	-
Banking profit (before provision for general reserve for possible loan losses)	940.5	950.0	1,050.0	1,140.0	1,245.0
Banking profit	1,292.0	950.0	1,050.0	1,140.0	1,245.0
Provision for general reserve for possible loan losses	(351.5)	-	-	-	-
Expenses	582.4	595.0	600.0	605.0	615.0
Personnel expenses	204.1	206.0	212.0	215.0	213.0
Non-personnel expenses	341.5	354.0	353.0	355.0	367.0
Credit related costs	1,306.3	300.0	250.0	230.0	180.0
Gains (losses) on stocks	(118.7)				
Losses on devaluation of stocks	227.6	(10.0)	-	-	-
Ordinary profit (loss)	(71.7)	610.0	760.0	865.0	1,015.0
Extraordinary gains	1.6				
Extraordinary losses	30.0	(10.0)	(10.0)	(10.0)	(10.0)
Income taxes, current	(1.8)				
Income taxes, deferred	38.5	250.0	320.0	365.0	435.0
Net income (loss)	(136.8)	350.0	430.0	490.0	570.0
(Dividend) (Billions of yen, yen, %)					
Distributable profit	442.4	1,120.9	1,497.6	1,927.4	2,437.2
Dividend (including interim dividend)					
Payout ratio					
(Financial indicator) (%)					
Yield on interest earning assets (A)	1.66	1.66	1.67	1.68	1.70
Interest earned on loans (B)	1.85	1.82	1.81	1.83	1.84
Interest earned on securities	1.10	1.17	1.24	1.25	1.26
Total cost of funding (including expenses) (C)	1.12	1.17	1.16	1.17	1.18
Interest paid on deposits (including NCD) (D)	0.16	0.19	0.20	0.20	0.20
Expense ratio (E)	0.89	0.89	0.88	0.88	0.88
Personnel expense ratio	0.31	0.30	0.31	0.31	0.30
Non-personnel expense ratio	0.52	0.53	0.51	0.51	0.52
Overall interest spread (A) - (C)	0.54	0.49	0.51	0.51	0.52
Interest spread (B) - (D) - (E)	0.79	0.74	0.73	0.75	0.76
Non-interest income ratio	19.74	22.00	23.03	23.78	24.46
OHR (Expenses / Gross banking profit)	38.24	38.51	36.36	34.67	33.06
ROE*2	33.44	33.00	32.88	31.70	30.62
ROA*3	1.04	1.09	1.19	1.26	1.35

*1 Retained earnings excluding Earned surplus reserve.

*2 Banking profit before provision for general reserve for possible loan losses / Stockholders' equity <average balance>

*3 Banking profit (before provision for general reserve for possible loan losses) /

(Total assets - Customers' liabilities for acceptances and guarantees) <average balance>

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

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' equity> (Billions of yen)					
Total assets	98,520.0	95,200.0	96,860.0	99,150.0	101,650.0
Total liabilities	96,040.2	92,040.0	93,350.0	95,210.0	97,370.0
Total stockholders' equity	3,065.0	3,393.2	3,805.7	4,278.3	4,836.9
Capital stock	767.6	791.6	791.6	791.6	791.6
Capital reserve	1,091.4	770.4	770.4	770.4	770.4
Other capital surplus	399.0	743.9	743.9	743.9	743.9
Earned surplus reserve	1.0	1.0	1.0	1.0	1.0
Retained earnings*1	364.7	727.3	1,139.8	1,612.4	2,171.0
Land revaluation excess	42.3	24.0	24.0	24.0	24.0
Net unrealized gains (losses) on other securities	399.0	335.0	335.0	335.0	335.0
Treasury stock	-	-	-	-	-
(Income) (Billions of yen)					
Total net business profits*2	998.0	1,012.6	1,120.1	1,220.0	1,335.0
Ordinary profit (loss)	(22.1)	666.8	824.2	940.3	1,100.0
Extraordinary gains (losses)	(23.2)	(10.8)	(10.7)	(10.7)	(10.7)
Income taxes, current	57.8	273.0	346.5	395.6	469.3
Income taxes, deferred					
Net income (loss)	(103.1)	383.0	467.0	534.0	620.0
(Dividend) (Billions of yen, %)					
Distributable profit <including the holding company>	1,171.4	1,869.8	2,283.4	2,755.4	3,305.4
Payout ratio (for Common stock of the holding company)	-	5.79	6.25	6.79	5.81
(Financial indicator) (%)					
ROE (Total net business profits / Stockholders' equity <average balance>)	32.12	31.35	31.11	30.18	29.29
ROA (Total net business profits / Total assets <average balance>)	1.01	1.06	1.15	1.23	1.31

*1 Retained earnings excluding Earned surplus reserve.

*2 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.]

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
(Billions of yen)					
Retained earnings*	1,648.8	2,347.2	2,760.7	3,232.8	3,782.7
Other capital surplus	898.5	1,229.3	1,229.3	1,229.3	1,229.3

* 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.

(Retained earnings of Sumitomo Mitsui Card Company, Ltd. are included in the figures according to the ownership ratio of Sumitomo Mitsui Financial Group)

Sumitomo Mitsui Banking Corporation transferred 344.9 billion yen from its Capital reserve to Retained earnings in FY05.

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

	FY03 Actual	FY04 Actual	FY05 Forecast
(Scale)<term-end balance>			(Billions of yen)
Total assets	102,215.2	99,731.9	
Loans and bills discounted	55,382.8	54,799.8	
Securities	27,049.9	24,233.7	
Trading assets	3,306.8	3,769.1	
Deferred tax assets	1,706.6	1,598.2	
Total liabilities	98,150.5	95,934.9	
Deposits, NCD	68,852.9	71,188.1	
Bonds	-	-	
Trading liabilities	1,873.2	2,110.5	
Deferred tax liabilities	40.2	45.3	
Deferred tax liabilities for land revaluation	56.4	91.0	
Minority interests	993.7	1,021.2	
Total stockholders' equity	3,070.9	2,775.7	
Capital stock	1,247.7	1,352.7	
Capital surplus	865.3	974.3	
Retained earnings	611.2	330.0	
Land revaluation excess	96.5	57.9	
Net unrealized gains (losses) on other securities	325.0	410.7	
Foreign currency translation adjustments	(71.8)	(79.9)	
Treasury stock	(3.0)	(269.9)	
(Income)			(Billions of yen)
Ordinary income	3,552.5	3,580.8	3,300.0
Interest income	1,591.3	1,521.7	
Fees and commissions	501.4	598.7	
Trading profits	305.0	144.6	
Other operating income	946.5	1,058.3	
Other income	208.3	257.5	
Ordinary expenses	3,209.7	3,611.1	
Interest expenses	310.3	350.4	
Fees and commissions	76.9	80.0	
Trading losses	0.9	0.2	
Other operating expenses	886.6	867.7	
General and administrative expenses	866.5	852.7	
Other expenses	1,068.4	1,460.1	
Write-off of loans	660.4	759.4	
Transfer to reserve for possible loan losses	-	288.9	
Transfer to general reserve for possible loan losses	-	(201.2)	
Transfer to specific reserve for possible loan losses	-	493.9	
Ordinary profit	342.8	(30.3)	780.0
Extraordinary gains*	117.0	9.1	
Extraordinary losses	55.0	87.3	
Income before income taxes	404.9	(108.5)	
Income taxes, current	24.3	21.8	
Income taxes, deferred	8.6	52.9	
Minority interests in net income	41.6	51.0	
Net income	330.4	(234.2)	460.0

* 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)

<Sumitomo Mitsui Financial Group (Consolidated)>

(Billions of yen)

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Capital stock	1,352.7	1,352.7	1,352.7	1,352.7	1,352.7
Noncumulative perpetual preferred stock	-	-	-	-	-
Capital surplus	974.3	974.3	974.3	974.3	974.3
Retained earnings	285.6	717.2	1,173.9	1,693.7	2,303.5
Minority interests in consolidated subsidiaries	1,012.9	1,059.4	1,082.7	1,108.4	1,136.5
Preferred securities	816.9	812.7	812.7	812.7	812.7
Net unrealized losses on other securities	-	-	-	-	-
Treasury stock	(269.9)	(270.0)	(270.0)	(270.0)	(270.0)
Foreign currency translation adjustments	(79.9)	(76.0)	(76.0)	(76.0)	(76.0)
Goodwill	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Consolidated adjustment account	(13.4)	(6.5)	(3.5)	-	-
Others	-	-	-	-	-
Total Tier I	3,262.3	3,751.0	4,234.0	4,783.0	5,421.0
<Tax effect>	<1,552.9>	<1,380.0>	<1,080.0>	<740.0>	<340.0>
Unrealized gains on securities	317.1	269.0	269.0	269.0	269.0
Land revaluation excess	67.1	41.0	41.0	41.0	41.0
General reserve for possible loan losses	633.5	633.5	633.5	633.5	633.5
Perpetual subordinated liabilities	880.0	987.3	1,108.3	1,182.3	1,204.3
Others	-	-	-	-	-
Total upper Tier II	1,897.6	1,930.8	2,051.8	2,125.8	2,147.8
Dated subordinated liabilities, preferred stock	1,657.3	1,616.2	1,508.2	1,551.2	1,421.2
Others	-	-	-	-	-
Total lower Tier II	1,657.3	1,616.2	1,508.2	1,551.2	1,421.2
Total Tier II	3,555.0	3,547.0	3,560.0	3,677.0	3,569.0
<Amounts counted as qualifying capital>	<3,262.3>	<3,547.0>	<3,560.0>	<3,677.0>	<3,569.0>
Tier III	-	-	-	-	-
Deductions	(504.4)	(584.0)	(610.0)	(639.0)	(670.0)
Total capital	6,020.1	6,714.0	7,184.0	7,821.0	8,320.0

(Billions of yen)

Risk-adjusted assets	60,552.6	62,700.0	64,700.0	66,600.0	69,600.0
On-balance-sheet items	54,897.9	57,050.0	59,050.0	60,950.0	63,950.0
Off-balance-sheet items	5,300.9	5,300.0	5,300.0	5,300.0	5,300.0
Others*2	353.9	350.0	350.0	350.0	350.0

(%)

Capital ratio	9.94	10.70	11.10	11.74	11.95
Tier I ratio	5.38	5.98	6.54	7.18	7.78

*1 Assumptions on yen / dollar exchange rate: \$1=105.00 yen.

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

*3 Capital ratio is calculated based on the current BIS guideline, although "Basel II" is expected to apply from FY06 onward.

Capital ratio based on the new guideline will be disclosed in "Progress Report on the Plan for Strengthening the Financial Base."

(Table 2) Capital Ratio (BIS Guidelines)

<Sumitomo Mitsui Banking Corporation (Consolidated)>

(Billions of yen)

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Capital stock	665.0	665.0	665.0	665.0	665.0
Noncumulative perpetual preferred stock	-	-	-	-	-
Capital surplus	1,603.5	1,603.5	1,603.5	1,603.5	1,603.5
Retained earnings	(6.3)	337.3	734.0	1,193.8	1,733.6
Minority interests in consolidated subsidiaries	1,026.1	1,029.1	1,045.4	1,063.6	1,082.8
Preferred securities	816.9	812.7	812.7	812.7	812.7
Net unrealized losses on other securities	-	-	-	-	-
Treasury stock	-	-	-	-	-
Foreign currency translation adjustments	(81.1)	(78.0)	(78.0)	(78.0)	(78.0)
Goodwill	-	-	-	-	-
Consolidated adjustment account	-	-	-	-	-
Others	-	-	-	-	-
Total Tier I	3,207.3	3,557.0	3,970.0	4,448.0	5,007.0
<Tax effect>	<1,505.1>	<1,330.0>	<1,030.0>	<690.0>	<290.0>
Unrealized gains on securities	305.4	257.0	257.0	257.0	257.0
Land revaluation excess	67.1	41.0	41.0	41.0	41.0
General reserve for possible loan losses	612.0	612.0	612.0	612.0	612.0
Perpetual subordinated liabilities	880.0	987.3	1,108.3	1,182.3	1,204.3
Others	-	-	-	-	-
Total upper Tier II	1,864.5	1,897.3	2,018.3	2,092.3	2,114.3
Dated subordinated liabilities, preferred stock	1,657.3	1,616.2	1,508.2	1,551.2	1,421.2
Others	-	-	-	-	-
Total lower Tier II	1,657.3	1,616.2	1,508.2	1,551.2	1,421.2
Total Tier II	3,521.8	3,513.5	3,526.5	3,643.5	3,535.5
<Amounts counted as qualifying capital>	<3,207.3>	<3,513.5>	<3,526.5>	<3,643.5>	<3,535.5>
Tier III	-	-	-	-	-
Deductions	(238.9)	(295.0)	(301.0)	(311.0)	(325.0)
Total capital	6,175.6	6,775.5	7,195.5	7,780.5	8,217.5

(Billions of yen)

Risk-adjusted assets	58,244.5	60,400.0	62,400.0	64,300.0	67,300.0
On-balance-sheet items	52,589.4	54,750.0	56,750.0	58,650.0	61,650.0
Off-balance-sheet items	5,303.1	5,300.0	5,300.0	5,300.0	5,300.0
Others*2	352.0	350.0	350.0	350.0	350.0

(%)

Capital ratio	10.60	11.21	11.53	12.10	12.21
Tier I ratio	5.50	5.88	6.36	6.91	7.43

*1 Assumptions on yen / dollar exchange rate: \$1=105.00 yen.

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

*3 Capital ratio is calculated based on the current BIS guideline, although "Basel II" is expected to apply from FY06 onward.

Capital ratio based on the new guideline will be disclosed in "Progress Report on the Plan for Strengthening the Financial Base."

(Table 2) Capital Ratio (BIS Guidelines)

<Sumitomo Mitsui Banking Corporation (Non-consolidated)>

(Billions of yen)

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Capital stock	665.0	665.0	665.0	665.0	665.0
Noncumulative perpetual preferred stock	-	-	-	-	-
Capital reserve	1,009.9	665.0	665.0	665.0	665.0
Other capital surplus	357.6	702.5	702.5	702.5	702.5
Earned surplus reserve	-	-	-	-	-
Voluntary reserves	221.5	221.5	221.5	221.5	221.5
Profit brought forward to next year	68.5	402.1	778.8	1,208.6	1,718.4
Others*2	784.3	818.9	819.2	818.4	818.6
Preferred securities	776.7	812.7	812.7	812.7	812.7
Net unrealized losses on other securities	-	-	-	-	-
Treasury stock	-	-	-	-	-
Goodwill	-	-	-	-	-
Total Tier I	3,106.8	3,475.0	3,852.0	4,281.0	4,791.0
<Tax effect>	<1,502.2>	<1,330.0>	<1,030.0>	<690.0>	<290.0>
Unrealized gains on securities	293.0	245.0	245.0	245.0	245.0
Land revaluation excess	59.6	33.5	33.5	33.5	33.5
General reserve for possible loan losses	417.6	417.5	417.5	417.5	417.5
Perpetual subordinated liabilities	880.0	987.3	1,108.3	1,182.3	1,204.3
Others	-	-	-	-	-
Total upper Tier II	1,650.1	1,683.3	1,804.3	1,878.3	1,900.3
Dated subordinated liabilities, preferred stock	1,618.3	1,577.2	1,469.2	1,512.2	1,392.2
Others	-	-	-	-	-
Total lower Tier II	1,618.3	1,577.2	1,469.2	1,512.2	1,392.2
Total Tier II	3,268.4	3,260.5	3,273.5	3,390.5	3,292.5
<Amounts counted as qualifying capital>	<3,106.8>	<3,260.5>	<3,273.5>	<3,390.5>	<3,292.5>
Tier III	-	-	-	-	-
Deductions	(95.6)	(156.0)	(156.0)	(156.0)	(156.0)
Total capital	6,118.0	6,579.5	6,969.5	7,515.5	7,927.5

(Billions of yen)

Risk-adjusted assets	54,034.5	56,100.0	58,100.0	60,000.0	63,000.0
On-balance-sheet items	48,910.7	51,000.0	53,000.0	54,900.0	57,900.0
Off-balance-sheet items	4,818.9	4,800.0	4,800.0	4,800.0	4,800.0
Others*3	304.9	300.0	300.0	300.0	300.0

(%)

Capital ratio	11.32	11.72	11.99	12.52	12.58
Tier I ratio	5.74	6.19	6.63	7.13	7.60

*1 Assumptions on yen / dollar exchange rate: \$1=105.00 yen.

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

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

*4 Capital ratio is calculated based on the current BIS guideline, although "Basel II" is expected to apply from FY06 onward.

Capital ratio based on the new guideline will be disclosed in "Progress Report on the Plan for Strengthening the Financial Base."

(Table 5) Earnings by Business Unit

<Sumitomo Mitsui Banking Corporation (Non-consolidated)>

(Billions of yen)

	FY03 Actual	FY04 Actual	FY05 Forecast
Net interest income	277.8	271.5	293.0
Fees and commissions + Foreign exchange	55.9	86.0	99.0
Consumer Banking Unit	333.7	357.5	392.0
Net interest income	322.4	323.6	363.0
Fees and commissions + Foreign exchange	281.8	330.6	329.0
Middle Market Banking Unit	604.2	654.2	692.0
Net interest income	104.3	97.0	99.0
Fees and commissions + Foreign exchange	70.9	89.8	94.0
Corporate Banking Unit	175.2	186.8	193.0
Marketing business	88.8	82.0	90.0
Treasury business	1.7	1.6	1.0
International Banking Unit	92.7	84.4	91.0
Net interest income	10.2	10.5	-
Fees and commissions + Foreign exchange	0.6	1.4	-
Community Banking Unit	10.8	11.9	-
Treasury Unit	375.8	222.8	230.0
Headquarters	(8.3)	5.3	(53.0)
Gross banking profit	1,584.1	1,522.9	1,545.0
Expenses	(584.0)	(582.4)	(595.0)
Banking profit (before provision for general reserve for possible loan losses)	1,000.1	940.5	950.0

(Note) FY03 result and FY04 result of Headquarters include earnings of Asset Restructuring Unit.
FY05 forecast reflect organizational revision of April 2005 (dissolution of Community Banking Unit and Asset Restructuring Unit)

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

	Mar. 31, '05 Actual	Mar. 31, '06 Plan	Mar. 31, '07 Plan	Mar. 31, '08 Plan	Mar. 31, '09 Plan
(Number of employees and directors)					
Directors	25	23	27	27	27
Board of directors*1	18(2)	15(2)	19(3)	19(3)	19(3)
Corporate auditors*1	7(3)	8(4)	8(4)	8(4)	8(4)
Employees*2	21,020	20,900	20,900	20,900	20,900

*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	425	415	420	425	435
Overseas branches*2	17	19	19	19	19
(Reference) Overseas subsidiaries*3	27	28	27	26	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.

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
(Personnel expenses)					
Personnel expenses (Millions of yen)	205,305	207,300	213,300	216,300	214,300
Salary and remuneration (Millions of yen)	165,878	166,100	171,100	173,300	171,400
Average monthly salary (Thousands of yen)	494	494	502	502	502

(Note) Average age of the employees is 39.0 years (as of March 31, '05)

(Remuneration and bonus of directors)

(Millions of yen)

Remuneration and bonus of directors*1	552	490	650	650	650
Remuneration	552	490	650	650	650
Bonus	0	0	0	0	0
Average remuneration and bonus of full-time directors	25	25	29	29	29
Average retirement allowances of directors	33	73	70	70	70

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

(Non-personnel expenses)

(Millions of yen)

Non-personnel expenses*1	339,149	349,900	349,800	352,200	364,300
System related cost*2	79,536	82,000	82,000	82,000	82,000
Other than system related cost	259,613	267,900	267,800	270,200	282,300

*1 Excluding 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	544,454	557,200	563,100	568,500	578,600
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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	Mar. '05	855.9	257.5	19.0	120.7	155.7		30.4	18.6	Consolidated
SMBC Leasing Company, Limited	Leasing	Mar. '05	1,766.4	1,278.1	119.4	159.3	143.4		21.8	12.5	Consolidated
The Japan Research Institute, Limited	System engineering, data processing management consulting, and economic research	Mar. '05	79.5	17.9	11.4	32.3	20.0		6.3	2.6	Consolidated
SMFG Corporate Recovery Servicer Co., Ltd.	Corporate recovery consulting and servicer	Mar. '05	0.8	-	-	0.8	0.4		0.1	0.1	Consolidated
Daiwa Securities SMBC Co. Ltd.	Securities and derivatives	Mar. '05	9,039.2	5,118.7	262.2	420.4	163.2		73.8	46.5	Equity Method
Daiwa SB Investments Ltd.	Investment advisory and investment trust management	Mar. '05	17.7	-	-	9.9	8.0		2.4	1.4	Equity Method
[Sumitomo Mitsui Banking Corporation]											
THE MINATO BANK, LTD.	Commercial banking	Mar. '05	2,720.9	58.9	37.0	87.8	4.8		8.1	3.3	Consolidated
Kansai Urban Banking Corporation	Commercial banking	Mar. '05	2,418.6	172.9	23.1	72.0	37.1		9.7	6.1	Consolidated
The Kangin Lease Company, Limited	Leasing	Mar. '05	31.4	25.0	15.2	4.2	-		0.8	0.6	Consolidated
The Japan Net Bank, Limited	Commercial banking via Internet	Mar. '05	348.5	130.1	-	8.6	11.4		1.2	1.1	Consolidated
SMBC Guarantee Co., Ltd.	Credit guarantee	Mar. '05	8,703.2	-	-	114.9	-	(156.8)	(157.9)		Consolidated
SAKURA CARD CO., Ltd.	Credit card services	Mar. '05	194.9	37.2	18.1	16.9	12.2		1.8	1.1	Consolidated
SMBC Capital Co., Ltd.	Venture capital	Mar. '05	16.8	10.1	10.1	5.3	1.7		3.2	1.7	Consolidated
SMBC Consulting Co., Ltd.	Management consulting and information service	Mar. '05	4.5	-	-	2.8	1.8		0.9	0.4	Consolidated
SMBC Finance Service Co., Ltd.	Factoring, loans and collecting agent	Mar. '05	610.8	281.4	273.7	72.4	-		7.9	5.9	Consolidated
SMBC Mortgage Co., Ltd.	Loans	Mar. '05	81.7	124.1	124.1	(45.2)	0.0	(11.9)	(59.3)		Consolidated
Financial Link Company, Limited	Data processing service and consulting	Mar. '05	0.1	-	-	0.1	-		0.1	0.1	Consolidated
SMBC Friend Securities Co., Ltd.	Securities	Mar. '05	207.4	-	-	124.7	41.9		18.3	13.2	Consolidated
Sakura KCS Corporation	System engineering and data processing	Mar. '05	18.8	0.2	0.2	13.0	1.8		0.7	0.5	Consolidated
Sakura Information Systems Co., Ltd.	System engineering and data processing	Mar. '05	13.0	1.2	1.2	7.1	2.2		1.1	(0.6)	Consolidated
Global Factoring Co., Ltd.	Factoring	Mar. '05	392.2	280.7	280.7	0.0	-		0.0	0.0	Consolidated
Promise Co., Ltd.	Consumer finance	Mar. '05	1,653.1	822.0	21.4	774.5	154.3		118.2	68.2	Equity Method
At-Loan Co., Ltd.	Consumer loans	Mar. '05	120.7	79.0	79.0	22.2	26.3		0.4	0.5	Equity Method
Sumitomo Mitsui Asset Management Company, Limited	Investment advisory and investment trust management	Mar. '05	26.9	-	-	15.1	3.4		3.0	2.5	Equity Method
Japan Pension Navigator Co., Ltd.	Operational management of defined contribution pension plans	Mar. '05	1.5	-	-	1.3	0.4		(0.4)	(0.4)	Equity Method
QUOO Inc.	Shopping credit and credit card business	Mar. '05	916.1	482.2	100.5	40.7	2.9		2.6	1.4	Equity Method
[SMBC Leasing Company, Limited]											
SMBC Auto Leasing Company, Limited	Leasing	Mar. '05	223.3	166.0	12.7	12.8	-		3.5	1.5	Consolidated
Mazda Auto Leasing Company, Limited	Leasing	Mar. '05	14.5	11.0	2.0	2.0	-		0.8	0.4	Consolidated
Space Service LLC.	Leasing	Mar. '05	5.3	4.2	2.8	0.0	-		0.0	0.0	Consolidated
SBL Partners LLC.	Factoring	Dec. '04	15.3	14.6	14.6	0.0	-		0.0	(0.0)	Consolidated
The San-in General Lease Company Limited	Leasing	Mar. '05	46.9	32.3	2.3	5.4	0.2		1.0	0.6	Equity Method
Miegin General Leasing Co.Ltd.	Leasing	Mar. '05	12.4	9.9	0.7	1.6	0.1		0.2	0.1	Equity Method
[Daiwa Securities SMBC Co. Ltd.]											
Daiwa Securities SMBC Principal Investments Co. Ltd.	Investments	Mar. '05	108.3	82.1	5.0	18.1	-		9.4	5.5	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\$	Mar. '05	14,298	36	4,251	1,762	1,700	40	49	Consolidated
Manufacturers Bank	Commercial banking	US\$	Dec. '04	1,534	47	1	211	283	17	15	Consolidated
Sumitomo Mitsui Banking Corporation of Canada	Commercial banking	CAN\$	Jan. '05	1,182	46	46	159	122	5	4	Consolidated
Banco Sumitomo Mitsui Brasileiro S.A.	Commercial banking	R\$	Dec. '04	970	330	261	304	302	(7)	(9)	Consolidated
PT Bank Sumitomo Mitsui Indonesia	Commercial banking	RPIAH	Dec. '04	5,270	709	2,104	1,167	982	133	94	Consolidated
SMBC Leasing and Finance, Inc.	Leasing	US\$	Dec. '04	1,481	212	297	742	690	53	24	Consolidated
SMBC Capital Markets, Inc.	Investment and derivatives	US\$	Dec. '04	5,368	496	2,086	962	609	31	29	Consolidated
SMBC Capital Markets Limited	Investment and derivatives	US\$	Dec. '04	1,195	68	-	345	300	6	5	Consolidated
Sumitomo Mitsui Finance Australia Limited	Investments	A\$	Dec. '04	2,643	2,045	2,361	177	159	20	13	Consolidated
SMBC Securities, Inc.	Securities	US\$	Dec. '04	172	125	25	44	40	4	2	Consolidated
SMBC MVI SPC	Investments	US\$	Mar. '05	152	122	122	29	30	(1)	(1)	Consolidated
Sakura Capital Funding (Cayman) Limited	Finance	US\$	Dec. '04	99	98	93	0	0	0	0	Consolidated
Sakura Finance (Cayman) Limited	Finance	US\$	Dec. '04	1,577	1,571	1,127	0	0	0	0	Consolidated
Sumitomo Finance International plc	Investments	STG	Dec. '04	245	8	8	116	200	(11)	(11)	Consolidated
SMBC International Finance N.V.	Finance	US\$	Dec. '04	3,337	3,297	2,755	1	0	0	0	Consolidated
BSL Leasing Co., Ltd.	Leasing	TBAH	Dec. '04	2,665	2,086	163	222	6	31	23	Equity Method
SBCS Company Limited	Investments and consulting	TBAH	Dec. '04	455	180	180	272	14	24	21	Equity Method
[SMBC Leasing Company, Limited]											
SMBC Leasing (Singapore) Pte. Ltd.	Leasing	S\$	Dec. '04	204	177	148	4	-	1	1	Consolidated
SMBC Leasing (Hong Kong) Limited	Leasing	HK\$	Dec. '04	578	471	348	54	-	3	3	Consolidated
SMBC Leasing (Thailand) Co., Ltd.	Leasing	TBAH	Dec. '04	3,000	2,126	1,995	231	-	52	36	Consolidated
SMBC Leasing (Malaysia) Sdn. Bhd.	Leasing	RM	Dec. '04	143	122	134	7	-	1	1	Consolidated
P.T. EXIM SB Leasing	Leasing	RPIAH	Dec. '04	170	222	149	(148)	0	(19)	(19)	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) Combined figures 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 fiscal year, twenty-one companies including SMBC Finance Business Planning Co., Ltd. were newly consolidated due to establishment and other reasons.

-From this fiscal year, At-Loan Co., Ltd. was excluded from the scope of consolidation and treated as an affiliated company accounted for by the equity method because it became a subsidiary of Promise Co., Ltd.

-From this fiscal year, five companies including former Minato Card Co., Ltd. were excluded from the scope of consolidation because they were no longer subsidiaries due to merger.

-From this fiscal year, thirteen companies including SMLC Indus Co., Ltd. became unconsolidated subsidiaries that are not accounted for by the equity method because they became silent partnerships for lease transactions.

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

-From this fiscal year, 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
The Japan Net Bank, Limited	Secure positive bottom line in FY05.	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
SMBC Finance Service Co., Ltd.	Secure positive bottom line in FY05.	Subsidiary to provide finance, factoring and collecting services
SMBC Mortgage Co., Ltd.	Dissolved in Jun. 2005.	Finance subsidiary
Financial Link Company, Limited	Operating loss carryforwards are expected to be offset in FY06 as originally planned.	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.	Expected to be in the black in FY05.	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
SBL Partners LLC.	Expected to be in the black in the fiscal year ended Dec. 2005.	SPC of SMBC Leasing Company
Banco Sumitomo Mitsui Brasileiro S.A.	Expected to be in the black in the fiscal year ended Dec. 2005. As a result, operating loss carryforwards are expected to be reduced.	SMBC's subsidiary engaged in lending to multinational companies (including Japanese, global companies) in Brazil.
SMBC MVI SPC	Expected to be in the black in FY05. As a result, operating loss carryforwards are expected to be offset.	SMBC's subsidiary engaged in investment in syndicated loan markets for non-investment grade companies in the U.S.
Sumitomo Finance International plc	Aim at securing positive bottom line in the fiscal year ended Dec. 2006, while expected to be in the red in the fiscal year ended Dec. 2005.	Investment company
SMBC Leasing (Singapore) Pte. Ltd.	Secure positive bottom line in the fiscal year ended Dec. 2005.	Overseas subsidiary of SMBC Leasing Company
SMBC Leasing (Hong Kong) Limited	Secure positive bottom line in the fiscal year ended Dec. 2005.	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, '05 Actual (A)	Mar. 31, '06 Plan (B)
Domestic	including Impact loans	46,827.8	47,727.8
	excluding Impact loans	46,222.4	47,122.4
Small- and medium-sized enterprises*	including Impact loans	17,296.3	17,046.3
	excluding Impact loans	17,054.4	16,804.4
Loans with guarantee of credit guarantee corporation		1,479.5	1,279.5
Individuals (excluding business loans)		13,647.5	14,347.5
Housing loans		12,363.8	13,063.8
Others		15,884.0	16,334.0
Overseas		3,239.8	3,339.8
Total		50,067.6	51,067.6

* 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

(Increase / decrease of balance considering the factors shown below)

		(Billions of yen)	
		FY04 Actual	FY05 Plan (B)-(A)+(a)
Domestic	including Impact loans	1,966.8	1,500.0
	excluding Impact loans	2,041.6	1,500.0
Small- and medium-sized enterprises	including Impact loans	495.7	50.0
	excluding Impact loans	532.5	50.0

(Decreasing factors to be considered)

		(Billions of yen)	
		FY05 Plan (a)	
		Small and medium-sized enterprises	
Loan losses			
Direct write-offs*1			
Direct reduction*2			
Sales of loans to RCC*3			
Sales of problem assets to others			
Others*4			
Sales and securitization of loans*5			
Private placement of bonds, etc.*6			
Subsidiaries etc.*7			
Total		600.0	300.0

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

- *1 Direct write-offs which are allowed to be tax deductible.
- *2 Direct reduction in this fiscal year.
- *3 Sales of loans to the specific bank defined in Article 53 of Financial Reconstruction Law.
- *4 Decrease through other measures of disposing non-performing loans
- *5 Mainly sales and securitization of normal loans.
- *6 Amount of credits that are virtually equivalent to loans, such as private placement of bonds, etc.
- *7 Loans to consolidated subsidiaries and affiliates under equity method which contribute to encouraging smooth provision of credit to small and medium-sized enterprises.

(Table 11) Earnings Outlook (Sumitomo Mitsui Banking Corporation)

Main Scenario (Banking Profit) (Billions of yen)

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Main Scenario (A)	940.5	950.0	1,050.0	1,140.0	1,245.0

Major Economic Assumptions (%)

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Real GDP Growth	+1.9	+1.2	+1.8	+2.1	+1.6
3 month TIBOR	0.08	0.08	0.08	0.08	0.08
10 years JGB	1.5	1.3	1.3	1.3	1.3

Fluctuations from Main Scenario (Billions of yen)

	FY04 Actual	FY05 Plan	FY06 Plan	FY07 Plan	FY08 Plan
Optimistic Scenario (B)		980.0	1,090.0	1,200.0	1,345.0
Change (B)-(A)		+30.0	+40.0	+60.0	+100.0
Pessimistic Scenario (C)		920.0	1,010.0	1,080.0	1,175.0
Change (C)-(A)		(30.0)	(40.0)	(60.0)	(70.0)

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

(Billions of yen)

	Mar. 31, '04 Actual Non-consolidated	Mar. 31, '04 Actual Consolidated	Mar. 31, '05 Actual Non-consolidated	Mar. 31, '05 Actual Consolidated
Bankrupt and quasi- bankrupt assets	361.6	485.9	448.3	481.0
Doubtful assets	1,202.7	1,409.1	924.4	1,074.2
Substandard loans	1,246.9	1,441.2	451.9	767.8
Sub-total	2,811.2	3,336.2	1,824.6	2,323.0
Normal assets	52,874.4	56,127.5	53,452.6	57,094.8
Total	55,685.6	59,463.7	55,277.2	59,417.8

(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	Mar. 31, '05 Actual Non-consolidated	Mar. 31, '05 Actual Consolidated
General reserve	769.0	837.7	417.6	633.6
Specific reserve	474.0	577.0	567.6	636.1
Loan loss reserve for specific overseas countries	7.8	7.8	3.9	3.9
Sub-total	1,250.8	1,422.5	989.1	1,273.6
Reserve for possible losses on loans sold to CCPC	-	-	-	-
Total	1,250.8	1,422.5	989.1	1,273.6

(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	Mar. 31, '05 Actual Non-consolidated	Mar. 31, '05 Actual Consolidated
Bankrupt loans (A)	67.2	96.4	46.0	68.3
Non-accrual loans (B)	1,460.8	1,767.9	1,238.0	1,399.0
Past due loans (3 months or more) (C)	47.6	51.5	26.9	29.4
Restructured loans (D)	1,199.3	1,382.2	425.0	730.7
(1) Reduction of the original interest rate	118.9	126.6	54.4	61.4
(2) Forbearance of interest payments	4.4	4.7	0.0	0.3
(3) Loans to supported companies	190.7	190.7	-	-
(4) Forbearance of principal repayments	885.1	1,056.8	363.4	661.0
(5) Others	0.2	3.4	7.2	8.0
Total (E)=(A)+(B)+(C)+(D)	2,774.9	3,298.0	1,735.9	2,227.4
Direct reduction	865.8	1,178.3	1,504.6	1,723.8
Ratio <(E) / Total loans>	5.5%	6.0%	3.5%	4.1%

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

(Table 15) Disposition of Problem Assets

<Sumitomo Mitsui Banking Corporation (Non-consolidated)>

(Billions of yen)

	FY03 Actual	FY04 Actual	FY05 Forecast
Credit related costs (A)	1,141.3	1,306.3	
Provision for specific reserve for possible loan losses	276.4	474.1	
Write-off of loans and other related losses (C)	869.2	836.0	
Write-off of loans	501.1	605.8	
Losses on sales of loans to CCPC	0.8	-	
Losses on sales of loans to RCC*1	9.3	0.5	
Losses on bulk sales	292.8	137.5	
Losses on debt forgiveness	65.2	92.2	
Provision for reserve for possible losses from loans sold to CCPC	(0.5)	-	
Provision for reserve for supporting specific borrowers	-	-	
Provision for loan loss reserve for specific overseas countries	(3.8)	(3.8)	
Provision for general reserve for possible loan losses (B)	(337.9)	(351.5)	
Total (A) + (B)	803.4	954.8	300.0

<Reference>

Direct write-off of loans already reserved (D)	1,243.7	443.6	-
Gross direct write-offs (C) + (D)	2,112.9	1,279.6	-

<Sumitomo Mitsui Financial Group (Consolidated)>

(Billions of yen)

	FY03 Actual	FY04 Actual	FY05 Forecast
Credit related costs (A)	1,287.8	1,398.0	
Provision for specific reserve for possible loan losses	320.7	493.9	
Write-off of loans and other related losses (C)	971.4	907.9	
Write-off of loans	595.2	667.2	
Losses on sales of loans to CCPC	1.3	-	
Losses on sales of loans to RCC*1	9.4	0.6	
Losses on bulk sales	300.3	147.9	
Losses on debt forgiveness	65.2	92.2	
Provision for reserve for possible losses from loans sold to CCPC	(0.5)	-	
Provision for reserve for supporting specific borrowers	-	-	
Provision for loan loss reserve for specific overseas countries	(3.8)	(3.8)	
Provision for general reserve for possible loan losses (B)	(331.2)	(201.2)	
Total (A) + (B)	956.6	1,196.8	

<Reference>

Direct write-off of loans already reserved (D)	1,367.2	540.9	-
Gross direct write-offs (C) + (D)	2,338.6	1,448.8	-

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

(Table 17) Bankruptcies in 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	1	0.1	1	0.7
4C	9	7.3	8	6.7
5A	16	5.2	13	4.5
5B	22	7.7	16	3.7
5C	34	7.2	33	5.5
6	19	2.2	18	2.7
7	63	32.8	65	23.7
8	26	72.2	36	35.6
9	17	7.2	47	62.9
No grading	100	9.6	71	6.2
Total	309	153.1	309	153.1

(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)

	Mar. 31, '05
Bankrupt and quasi-bankrupt assets	448.3
Doubtful assets	924.4
Substandard loans	451.9
Normal assets	53,452.6
Total	55,277.2

(Table 18) Unrealized Gains (Losses) (as of Mar. 31, '05)

[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	516.3	(1.8)	2.1	3.9
	Bond	506.5	(2.3)	1.6	3.9
	Stock	-	-	-	-
	Other	9.8	0.5	0.5	0.0
	Money held in trust*1	-	-	-	-
Subsidiaries, etc.	Securities*1,*2	1,436.7	60.3	60.7	0.4
	Bond	-	-	-	-
	Stock	549.7	60.3	60.7	0.4
	Other	887.0	-	-	-
	Money held in trust*1	-	-	-	-
Other securities	Securities*1,*2	21,802.0	651.4	750.1	98.7
	Bond	15,870.7	7.7	27.3	19.6
	Stock	2,987.2	667.3	708.6	41.3
	Other	2,944.1	(23.6)	14.2	37.8
	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	312.1	292.4	(19.7)	11.3	31.0
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 fiscal year.

*2 Securities include a following item, which is not categorized as "Securities" in the balance sheet:

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

*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 Mar. 31, '05.

(Table 18) Unrealized Gains (Losses) (as of Mar. 31, '05)

[Sumitomo Mitsui Financial Group (Consolidated)]

Securities

(Billions of yen)

		Outstanding balance	Net unrealized gains (losses)		
			Gains	Losses	
Held-to- maturity purpose	Securities*1,*2	547.2	(1.8)	2.1	3.9
	Bond	507.4	(2.3)	1.6	3.9
	Stock	-	-	-	-
	Other	39.8	0.5	0.5	0.0
	Money held in trust*1	-	-	-	-
Subsidiaries, etc.	Securities*1,*2	396.0	2.5	2.5	-
	Bond	-	-	-	-
	Stock	388.9	2.5	2.5	-
	Other	7.1	-	-	-
	Money held in trust*1	-	-	-	-
Other securities	Securities*1,*2	23,377.4	696.4	801.4	105.0
	Bond	16,859.6	15.0	35.0	20.0
	Stock	3,127.4	705.1	750.5	45.4
	Other	3,390.4	(23.7)	15.9	39.6
	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	316.2	295.2	(21.0)	11.3	32.3
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 fiscal year.

*2 Securities include a following item, which is not categorized as "Securities" in the balance sheet:

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

Claims on loan trust etc. 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 Mar. 31, '05.

(Table 19) Off balance sheet transaction

[Sumitomo Mitsui Financial Group (Consolidated)]

(Billions of yen)

	Contract amount or notional amount		Credit risk equivalent amount	
	Mar. 31, '04	Mar. 31, '05	Mar. 31, '04	Mar. 31, '05
Financial futures contracts	201,054.5	126,102.5	-	-
Interest rate swaps	260,592.2	283,342.9	3,534.3	3,625.8
Currency swaps	15,400.0	18,098.4	1,178.7	1,440.2
Foreign exchange forward contracts	32,436.8	40,194.7	889.3	936.1
Interest rate options (buy)	7,373.2	5,635.6	93.5	74.0
Currency options (buy)	2,823.9	2,564.9	172.0	181.8
Other derivative instruments	29,510.8	21,186.5	57.6	134.0
Effect of Master Netting agreements	-	-	(2,942.4)	(3,136.2)
Total	549,191.4	497,125.5	2,983.1	3,255.6

(Note) Figures shown 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 Composition (as of Mar. 31, '05)
 [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	112.7	0.0	9.7	122.4
Credit cost	0.1	0.0	0.2	0.3
Amount of credit risk	0.4	0.0	0.4	0.8

(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.