

Reasons for the differences between the plan and the results

[Sumitomo Mitsui Financial Group]

(Table 1-1: non-consolidated)

- (#1) Capital stock: 68.2 billion yen above the plan
- Capital reserve: 68.2 billion yen above the plan
- Other capital surplus: 184.9 billion yen above the plan
- Treasury stock: 265.6 billion yen above the plan

Mainly due to the capital raising in January – February, 2006.

[Sumitomo Mitsui Banking Corporation]

(Table 1-1: non-consolidated)

- (#1) Net unrealized gains (losses) on other securities: 460.5 billion yen above the plan

Due to the greater-than-expected rise in the stock prices in the market.

- (#2) Net trading income: 113.0 billion yen below the plan
- Net other operating income: 75.2 billion yen above the plan

Due to the accounting procedure in which profits (losses) from trading transactions in foreign currencies (currency swaps, etc.) and profits (losses) from foreign exchange transactions for hedging purpose are separately accounted for as Net trading income and Net other operating income (Gains (losses) on foreign exchange transactions) respectively.

- (#3) Gains (losses) on stocks: 35.5 billion yen above the plan

Due to the greater-than-expected rise in the stock prices in the market.

- (#4) Extraordinary gains (loss): 35.7 billion yen above the plan

Mainly due to 30.6 billion yen of Gains on collection of written-off claims. Meanwhile, Gains on collection of written-off claims were included in total credit cost in FY2005. As a result, total credit cost was 230.9 billion yen.

- (#5) Net income (loss): 169.5 billion yen above the plan

Mainly due to the higher-than-expected Gains (losses) on stocks and the lower-than-expected total credit costs and tax expenses.

- (#6) Yield on interest earning assets: 0.14% above the plan
- Interest paid on deposits: 0.15% above the plan

Mainly due to the rise in US dollar interest rates.

- (#7) ROE: 2.77% below the plan

Due to the greater-than-expected stockholders' equity mainly because of the increase in Net unrealized gains (losses) on other securities.

(Table 6)

(#1) Non-personnel expenses: 6,303 million yen above the plan for FY05 (349,900 million yen)

Non-personnel expenses excluding system related cost:

8,799 million yen above the plan for FY05 (267,900 million yen)

Due to the weaker-than-expected yen/dollar exchange rate (\$1=117.48 yen) compared with the assumption of the plan (\$1=105.00 yen) and the increase in consignment expenses as a result of outsourcing of back-office operations in “Service Offices.”