

Sumitomo Mitsui Banking Corporation (SMBC)
(Former The Sumitomo Bank, Limited)

Nonconsolidated Financial Results for Fiscal 2000 ended March 31, 2001

Head Office : 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan

Date of Approval by the Board of Directors : May 24, 2001

Date of Ordinary General Meeting of Shareholders : June 28, 2001

Listing : Tokyo, Osaka, Nagoya, Sapporo, London

1. Performance (for Fiscal 2000 ended March 31, 2001)

(1) Financial Results Amounts less than one million have been omitted.

	Operating Income		Operating Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%
March 2001	1,849,600	(15.2)	168,421	(4.6)	55,675	14.0
March 2000	2,182,305	13.4	176,477	-	48,818	-

	Net Income per Share	Net Income per Share (Diluted)	Return on Stockholders' Equity	Expenses to Income Ratio	Deposits
	¥	¥	%	%	¥ million
March 2001	16.59	16.25	3.7	90.9	30,169,065
March 2000	14.41	14.12	3.3	91.9	27,388,205

Notes: 1. Average number of shares outstanding during the year

	Common Share	Preferred Share (First Series Type I)	Preferred Share (Second Series Type I)
March 2001	3,141,062,101	67,000,000	100,000,000
March 2000	3,141,062,101	67,000,000	100,000,000

2. There is no change in accounting methods.

3. Expenses to Income Ratio = Operating expenses / Operating income X 100

4. Percent (%) of Operating Income, Operating Profit and Net Income means the ratio of increase/(decrease) from previous year.

(2) Dividends

	Dividends per Share (Annual)			Dividends (Annual) ¥ million	Dividend Payout Ratio %	Ratio of Dividends to Stockholders' Equity %
	¥	Interim ¥	Year End ¥			
March 2001	6.00	3.00	3.00	18,846	36.2	1.3
March 2000	6.00	3.00	3.00	18,846	41.6	1.4

(3) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio (BIS Guidelines)
	¥ million	¥ million	%	¥	%
March 2001	65,265,680	1,918,707	2.9	451.35	11.80 (Preliminary)
March 2000	51,089,338	1,880,637	3.7	439.23	12.46

Notes: Number of shares outstanding at year end

	Common Share	Preferred Share (First Series Type I)	Preferred Share (Second Series Type I)
March 2001	3,141,062,101	67,000,000	100,000,000
March 2000	3,141,062,101	67,000,000	100,000,000

2. Performance Forecast (for Fiscal 2001 ended March 31, 2002)

	Operating Income	Operating Profit	Net Income	Dividends per Share (Annual)		
				Interim	Year end	
	¥ million	¥ million	¥ million	¥	¥	¥
First Half (Sept. 2001)	1,300,000	145,000	75,000	3.00	-	-
Annual (Mar. 2002)	2,650,000	295,000	150,000	-	3.00	6.00

(Reference) Forecasted net income per share for FY2001 is 23.82 yen.

The amount is calculated under the condition that average number of forecasted common shares outstanding is 5,688,012,368.

Calculation for Index

(1) Financial Results for Fiscal 2000

- Net Income per Share :

$$\frac{\text{Net income} - \text{Preferred share dividends}}{\text{Average number of common shares outstanding during Fiscal 2000}}$$

- Return on Stockholders' Equity

$$\frac{\text{Net income} - \text{Preferred share dividends}}{\{(\text{Stockholders' equity at beginning of year} - \text{Number of preferred shares outstanding at beginning of year} \times \text{Issue price}) + (\text{Stockholders' equity at year end} - \text{Number of preferred shares outstanding at year end} \times \text{Issue price})\} / 2} \times 100$$

- Dividend Payout Ratio :

$$\frac{\text{Common share dividends}}{\text{Net income} - \text{Preferred share dividends}} \times 100$$

- Ratio of Dividends to Stockholders' Equity :

$$\frac{\text{Common share dividends}}{\text{Stockholders' equity at year end} - \text{Number of preferred shares outstanding at year end} \times \text{Issue price}} \times 100$$

- Stockholders' Equity per Share :

$$\frac{\text{Stockholders' equity at year end} - \text{Number of preferred shares outstanding at year end} \times \text{Issue price}}{\text{Number of common shares outstanding at year end}}$$

(2) Forecasted Financial Results for FY2001

- Forecasted Net Income per Share :

$$\frac{\text{Forecasted net income} - \text{Forecasted preferred share dividends}}{\text{Average number of forecasted common shares outstanding}}$$

**NONCONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2001**

(Millions of yen)

Assets	Liabilities
Cash and due from banks	Deposits
Cash	Current deposits
Due from banks	Ordinary deposits
Call loans	Savings deposits
Receivables under resale agreements	Deposits at notice
Debt purchased	Time deposits
Trading assets	Other deposits
Trading securities	Negotiable certificates of deposit
Derivatives of trading securities	Call money
Derivatives of securities related to trading transactions	Payables under repurchase agreements
Trading-related financial derivatives	Bills sold
Other trading assets	Commercial paper
Money held in trust	Trading liabilities
Securities	Trading securities sold for short sales
Japanese government bonds	Derivatives of trading securities
Japanese local government bonds	Derivatives of securities related to trading transactions
Corporate bonds	Trading-related financial derivatives
Stocks	Borrowed money
Other securities	Bills rediscounted
Loans and bills discounted	Borrowings from finance companies
Bills discounted	Foreign exchanges
Loans on bills	Due to foreign banks, credit
Loans on deeds	Due to foreign banks, debit
Overdrafts	Foreign bills sold
Foreign exchanges	Foreign bills payable
Due from foreign bank, credit	Bonds
Due from foreign bank, debit	Convertible bonds
Foreign bills bought	Other liabilities
Foreign bills receivable	Domestic exchange settlement account, credit
Other assets	Income taxes payable
Domestic exchange settlement account, debit	Accrued expenses
Prepaid expenses	Unearned income
Accrued income	Employees' deposits
Initial margins of futures markets	Initial margins of futures markets
Variation margins of futures markets	Variation margins of futures markets
Securities in custody	Trading account securities borrowed
Financial derivatives	Securities borrowed
Discount of bonds	Financial derivatives
Pledged money for securities borrowing transactions	Deferred profit on hedge
Other	Pledged money for securities lending transactions
Premises and equipment	Other
Land, building and equipment	Reserve for possible losses on loans sold
Construction in progress	Other reserves
Surety deposits and intangible	Reserve for financial futures transaction liabilities
Deferred tax assets	Deferred tax liabilities for land revaluation
Customers' liabilities for acceptances and guarantees	Acceptances and guarantees
Reserve for possible loan losses	Total liabilities
	63,346,972
	Stockholders' equity
	Capital stock
	Legal reserves
	Capital surplus
	Earned surplus reserve
	Land revaluation excess
	Retained earnings
	Voluntary reserves
	Reserve for losses on overseas investments
	Voluntary earned reserve for retirement allowances
	Special voluntary earned reserves
	Unappropriated profit at end of year
	Net income
	1,918,707
Total assets	Total stockholders' equity
65,265,680	65,265,680
	Total liabilities and stockholders' equity
	65,265,680

Notes to Nonconsolidated Balance Sheet

1. Amounts less than one million have been omitted.
2. Standards for recognition and measurement of trading assets and liabilities are as follows:
Recognition:
Trading account positions relating to trades made for the purposes of seeking gains arising from short-term changes in interest rate, currency exchange rate, or market prices of securities and other market related indices or from variation among markets, are included in Trading assets and Trading liabilities on the balance sheet on a contract date basis.
Measurement:
Trading securities and monetary claims purchased for trading purposes are stated at market value, and financial derivatives such as swaps, futures and options, are at the amounts that would be settled if the transactions were terminated at the balance sheet date.
3. As for securities other than those of trading portfolio, debt securities which the Bank has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost, using the moving-average method.
Investments in subsidiaries and affiliates are carried at cost, using the moving-average method.
Securities excluding those classified as trading securities, held-to-maturity or investments in subsidiaries and affiliates are defined as *other securities*. Debt securities in *other securities* are carried at amortized cost, using the moving-average method. Equity securities in *other securities* are carried at cost, using the moving-average method.
4. Securities included in money held in trust account are carried in the same way as 2 and 3.
5. Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.
6. Depreciation for premises and equipment is computed by the straight-line method (the declining-balance method is used as for equipment). The estimated useful lives of major items are as follows:
Buildings 7 to 50 years
Equipment 3 to 20 years
7. Capitalized software for internal use is depreciated using the straight-line method over its estimated useful lives (five years).
8. Issuance cost of bonds is expensed when incurred. Discount on bonds is included in Other assets and amortized using the straight-line method over the redeemable period of the bonds.
9. Foreign currency assets and liabilities and the accounts of overseas branches of the Bank are mainly translated into Japanese yen at the exchange rate prevailing at the balance sheet date.
10. Reserves for possible loan losses are provided as detailed below, in accordance with the internal standards for write-offs and reserves.
For claims on borrowers who are legally bankrupt ('bankrupt borrowers') or borrowers who are regarded as substantially in the same situation ('effectively bankrupt borrowers'), a reserve is provided based on the amount of claims net of the expected amount of recoveries from collateral and guarantees and net of deducted amount mentioned below .

For claims on borrowers who are not currently in the status of bankrupt but are likely to become bankrupt in future, a reserve is provided by the amount deemed necessary based on overall solvency assessment, out of the amount of claims net of the expected amount of recoveries from collateral and guarantees.

For other claims, a reserve is provided based on the historical loan-loss ratio.

For claims originated in certain countries, an additional reserve (including a reserve for losses on overseas investments prescribed in Article 55-2 of Specific Taxation Measures Law) is provided by the amount deemed necessary based on assessment of political and economic conditions in such countries.

All claims are assessed by business units and credit supervision departments in accordance with the internal rule for self-assessment of assets. Subsequently, the Credit Review Department, independent from these operating sections, audits their assessment. The reserve is provided based on these layers of review.

For claims on 'bankrupt' or 'effectively bankrupt' borrowers, the amount exceeding the estimated value of collateral and guarantees is deducted, as deemed uncollectible, directly from those claims. The deducted amount is 682,093 million yen.

11. Reserve for employee retirement benefit (prepaid pension cost) is recorded based on an actuarial computation, which uses the present value of the projected benefit obligation and pension assets, due to employee's credited years of services at the balance sheet date. Unrecognized net actuarial gain or loss are amortized from the next fiscal year using the straight-line method over certain years (10 years) within the average remaining service period of active employees. Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit in Japan of 100,837 million yen is amortized using the straight -line method over 5 years.
12. Reserve for possible losses on loans sold provides for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is established in accordance with Article 287-2 of the Commercial Code.
13. Finance leases, except for those which transfer the ownership of the property to the lessee, are accounted for in the same manner as operating leases.
14. In accordance with the Industry Audit Committee Report No.15 "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" issued by JICPA in 2000, the Bank decided to apply hedge accounting, abiding by the following requirements:
 - (1) Loans, deposits and other interest bearing assets and liabilities as a whole shall be recognized as the hedged portfolio.
 - (2) Derivatives as the hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
 - (3) Eligibility of hedging activities shall be evaluated on a quarterly basis.
 Certain derivatives managed by some of foreign branches are recorded on a cost basis using the short-cut method for interest rate swaps in view of consistency with the risk management policy.
15. Consumption tax and local consumption tax are accounted for using the tax-excluded method.
16. The Other reserves required by Special Law is as follows:

Reserve for financial futures transaction liabilities is recorded at 8 million yen.

This reserve was established in accordance with Article 82 of the Financial Futures Transaction Law.
17. Stocks includes 4 million yen of treasury stock. Treasury stock defined defined by Article 210-2-2-3 of the Commercial Code is not held.
18. Total value of the stock of subsidiaries held by the Bank amounts to 583,047 million yen.

19. Total value of claims on subsidiaries of the Bank amounts to 351,548 million yen.
20. Total value of claims of subsidiaries on the parent bank amounts to 1,832,230 million yen.
21. Accumulated depreciation of the Bank's premises and equipment amounts to 282,759 million yen.
22. Advanced depreciation of the Bank's premises and equipment amounts to 52,199 million yen.
23. In addition to the Bank's premises and equipment on the balance sheet, a part of the Bank's electronic computer systems is in use by lease.
24. Bankrupt loans and Non-accrual loans are 60,840 million yen and 1,357,573 million yen, respectively. 'Bankrupt loans' consist of loans on which the Bank does not currently accrue interest income due to the nonpayment status or other credit conditions of the borrower and which meet certain conditions defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 for the Japanese Corporate Tax Law, issued in 1965. 'Non-accrual loans' is defined as loans for which the Bank does not currently accrue interest income but excluding 'Bankrupt loans' and loans for which the Bank is forbearing interest payments to support the borrowers' recovery from financial difficulty.
25. Past due loans (3 months or more) are 37,489 million yen. 'Past due loans (3 months or more)' consist of loans of which principal and/or interest is past due for three months or more but exclude Bankrupt loans and Non-accrual loans.
26. Restructured loans are 61,606 million yen. 'Restructured loans' are loans for which the Bank relaxes lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments to support the borrowers' recovery from financial difficulty but excluding Bankrupt loans, Non-accrual loans and Past due loans (3 months or more).
27. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans is 1,517,508 million yen as of March 31, 2001.
The amounts of loans presented above from 24 to 27 are amounts before deduction of reserve for possible loan losses.
28. The total face value of bills discounted which consists of bank acceptance bought, commercial bills discounted and documentary bills is 649,521 million yen.

29. Assets pledged as collateral at the year end date are as follows:

Assets pledged	(Millions of yen)
Cash and due from banks	42,373
Trading assets	734,362
Securities	7,097,272
Loans and bills discounted	1,671,141

Liabilities corresponding to assets pledged	(Millions of yen)
Call money	1,200,000
Payables under repurchase agreements	4,857,211
Bills sold	2,744,800
Borrowed money	99,864
Acceptances and guarantees	42,373

In addition, Cash and due from banks of 62,978 million yen, Securities of 3,515,442 million yen, Loans and bills discounted of 120,089 million yen, and Other assets (Securities in custody) of 263,540 million yen were pledged as collateral for cash settlements, variation margins of futures markets and certain other purpose.

30. Net of deferred unrealized gains and losses from hedging instruments is reported in deferred profit on hedge. Gross unrealized losses and gross unrealized gains from hedging instruments are 652,998 million yen and 679,896 million yen, respectively.
31. On June 9, 2000, the Osaka Prefecture Government promulgated the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Osaka Prefecture (Osaka Prefectural Ordinance 131 of Fiscal year 2000). Owing to it, the effective statutory tax rate used by the Bank to calculate deferred tax assets and deferred tax liabilities has been changed from 39.83% in the previous accounting period to 38.05%. As a result of this change, Deferred tax assets decreased by 26,422 million yen and Income taxes, Deferred increased by the equivalent amount. Further, as Deferred tax liabilities for land revaluation decreased by 4,795 million yen due to this change, Land revaluation excess increased by the same amount.
32. Pursuant to Enforcement Ordinance for the Law concerning Revaluation Reserve for Land (the "Law"), effective March 31, 1998, the Bank recorded its own land for business activities at fair value at March 31, 1998. The Bank determined the fair value basically using nearest value on the Revaluation Act of Land Properties published by the Government with certain appropriate adjustment for land shape, timing of the Revaluation Act of Land Properties. According to the Law, net unrealized gains are reported in a separate component of shareholders' equity net of applicable income taxes as 'Land revaluation excess', and the related deferred tax liabilities are reported in liabilities as 'Deferred tax liabilities for land revaluation.' The total amount of fair value at this fiscal year end of the revaluated land is 71,433 million yen lower than the total amount of book value after revaluation.
33. The balance of subordinated debt included in Borrowings from finance companies is 2,194,896 million yen.
34. The balance of subordinated bonds included in Bonds is 273,487 million yen.
35. Outline of stock options in accordance with Article 280-19-1 of the Commercial Code that are granted to directors and employees is as follows:
- (1) Stock option that was granted at July 31, 1998
- | | |
|--|--|
| Type of share | Common stock of the Bank, with a par value of 50 yen |
| Number of shares issued | 296 thousand shares |
| Issue price of new shares (Exercise price) | 1,432 yen per share |
- (2) Stock option that was granted at July 30, 1999
- | | |
|--|--|
| Type of share | Common stock of the Bank, with a par value of 50 yen |
| Number of shares issued | 393 thousand shares |
| Issue price of new shares (Exercise price) | 1,628 yen per share |
- (3) Stock option that was granted at July 31, 2000
- | | |
|--|--|
| Type of share | Common stock of the Bank, with a par value of 50 yen |
| Number of shares issued | 353 thousand shares |
| Issue price of new shares (Exercise price) | 1,361 yen per share |
36. Net income per share is 16.59 yen.

37. Market value and unrealized gain/loss on securities are shown as below:

These amounts include Japanese government bonds, Japanese local government bonds, Corporate bonds, Stocks, Other securities, Trading securities, negotiable certificates of deposit and commercial paper within Other trading assets, negotiable certificates of deposit within Due from banks, and commercial paper and beneficiary claim on loan trust within Debt purchased. This definition is applied up to note 40.

(1) Securities classified as trading	(Millions of yen)
Balance sheet amount	896,682
Gains included in profit/loss during this fiscal year	1,946

(2) Bonds classified as held-to-maturity that have market value	(Millions of yen)				
	Balance sheet amount	Market value	Net unrealized gain/(loss)	Gain	Loss
Listed foreign securities	13,117	13,056	(60)	1	61
Total	13,117	13,056	(60)	1	61

(3) Investments in subsidiaries or affiliates that have market value	(Millions of yen)		
	Balance sheet amount	Market value	Net unrealized gain/(loss)
Stocks of subsidiaries	37,426	30,618	(6,807)
Stocks of affiliates	8,800	9,287	486
Total	46,226	39,905	(6,320)

(4) *Other securities* that have market value

Other securities that have market value are not stated at market value. Summary information on them based on Ordinance of Ministry of Finance 8-4 in 2000 is shown in the following table.

	(Millions of yen)
Balance sheet amount	14,955,114
Market value	14,871,897
Difference	(83,216)
Net unrealized gain/(loss) on valuation	(51,552)
Deferred tax assets	31,663

38. The amount of *other securities* sold during this fiscal year is as follows:

	(Millions of yen)		
	Sales amount	Gains on sales	Losses on sales
	11,735,840	357,234	38,344

39. Summary information on securities that have no market value is shown in the following table.

	(Millions of yen)
	Balance sheet Amount
Bonds classified as held-to-maturity	
Non-listed foreign securities	15,443
Other	5,091
Investments in subsidiaries or affiliates	
Stocks of subsidiaries	653,372
Stocks of affiliates	170,937

Other	10,959
<i>Other securities</i>	
Non-listed foreign securities	663,185
Non-listed bonds	225,371
Non-listed stocks (except OTC stocks)	97,877
Other	132,130

40. Redemption schedule on *other securities* that have maturities and bonds classified as held-to-maturity is shown in the following table.

	(Millions of yen)			
	1 year or less	1 to 5 years	5 to 10 years	over 10 years
Bonds	4,808,798	4,487,028	2,157,961	3,563
Japanese government bonds	4,676,556	4,169,864	1,755,646	–
Japanese local government bonds	22,532	54,534	240,235	563
Japanese corporate bonds	109,709	262,629	162,079	3,000
Other	230,320	867,351	128,263	351,412
Total	5,039,119	5,354,380	2,286,225	354,975

41. Information on money held in trust is shown as follows:

Money held in trust classified as trading

	(Millions of yen)
Balance sheet amount	2,467
Gains included in profit/loss during this fiscal year	–

Other money held in trust

Market value is not reflected in financial statements. Summary information on other money held in trust is shown in the following table.

(Millions of yen)				
Balance sheet amount	Market value	Difference	Net unrealized gains/(losses)	Deferred tax assets
50,444	46,335	(4,108)	(2,545)	1,563

42. 1,956,646 million yen of securities, which are used for securities lending transactions for consumption, are included in Securities, Other assets and Trading assets.

9 million yen of securities, which are used for securities lending transactions for use, are included in 'Japanese Government Bonds' as a sub-account of Securities. Due to the revision of accounting rule, the presentation of this kind of securities is changed from 'Securities loaned' as a sub-account of Securities to 'Japanese Government Bonds'.

43. Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to the prescribed amount as long as there is no violation of any condition established in the contracts. The amount of unused commitments upon is 15,631,346 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time is 13,845,590 million yen. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that the Bank can reject the application from customers or reduce the contract amounts in case economic conditions are changed, the Bank needs to secure claims and others occur. In addition, the Bank requests the customers to pledge collateral such as premises and securities at

conclusion of the contracts, and takes necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after conclusion of the contracts.

44. Reserve for employee retirement benefit, prepaid pension cost, and pension assets in trust (excluding unrecognized actuarial net gain or loss) that were deducted from reserve for employee retirement benefit or added to prepaid pension cost are shown as follows:

	(Millions of yen)		
	Lump-sum Payment Plan	Employee Pension Fund	Total
Reserve for employee retirement benefit (before deducting Pension assets in trust)	(50,004)	-	(50,004)
Prepaid pension cost (before adding Pension assets in trust)	-	16,259	16,259
Pension assets (except unrecognized actuarial net gain or loss)	65,231	27,953	93,184
Prepaid pension cost (after adding Pension assets in trust)	15,226	44,212	59,438

Information on projected benefit obligation and others at fiscal year end is shown as follows:

	(Millions of yen)
Projected benefit obligation	(465,413)
Pension assets (fair value)	394,682
Unfunded projected benefit obligation	(70,731)
Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit	80,670
Unrecognized actuarial net gain or loss	49,500
Net amount recorded on the balance sheet	59,438
Prepaid pension cost	59,438

45. Effective April 1, 2000, two new accounting standards for financial instruments and employees retirement benefit are adopted in Japan. According to these new accounting standards, the Enforcement Ordinance for the Banking Law has been revised and the disclosure requirements for balance sheet has been changed as follows:
- (1) Certain transactions under resale agreements and repurchase agreements are recognized as financing activities, not as purchasing or selling activities, and reported in 'Receivables under resale agreements' and 'Payables under repurchase agreements.' As a result, the amount of 'Japanese government bonds' increased by 1,610,677 million yen compared with the prior treatment as purchasing or selling activities.
 - (2) 'Reserve for retirement allowances' was transferred to 'Reserve for employee retirement benefit' at beginning of this fiscal year. It is recognized as prepaid pension cost and included in 'Other' in Other assets at this fiscal year end.
46. Till the last fiscal year pledge money that was pledged in securities borrowing transactions was included 'Other' in Other assets, and from this fiscal year it is presented as Pledged money for securities borrowing transactions on the balance sheet.
47. Till the last fiscal year net payable amount for trading transactions which were recognized or derecognized on a contract date basis was reported as Accounts payable for trading transaction, but from this fiscal year it is included in Other in Other liabilities.

Notes to Nonconsolidated Statement of Income

1. Amounts less than one million have been omitted.
2. Income on transactions with subsidiaries is 43,105 million yen.
Expenses on transactions with subsidiaries is 148,580 million yen.
3. Trading profits and trading losses are recognized on a contract date basis, and includes interest received/paid, the amount of change in valuation gains/losses for securities, monetary claims and derivatives as of the term end date compared with that at the end of the previous term. The amounts of change of valuation gains/losses for derivatives are measured using the estimated settlement price assuming settlement in cash at the year end date.
4. 'Other' in Other income includes gains on establishment of retirement benefit trust of 23,300 million yen.
5. Other extraordinary loss represents amortized cost of unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit in Japan.
6. Effective April 1, 2000, a new accounting standard of employees retirement benefit is adopted in Japan. Accordingly, Operating profit and Income before income taxes have increased compared with prior accounting method by 10,513 million yen and 12,309 million yen, respectively.
7. Effective April 1, 2000, a new accounting standard for financial instruments is adopted in Japan. Accordingly, the valuation methods of securities and derivatives excluding those in trading portfolio have been changed, and the hedge accounting has been applied. As a result, both Operating profit and Income before income taxes have increased compared with prior accounting by 21,524 million yen. Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented by net by each account, which has been changed from prior accounting that presented net by each transaction. Operating profit and Income before income taxes have not been affected by this change, but Operating income and Operating expenses have decreased by 473,585 million yen respectively, because Interest on interest rate swaps were offset between income and expenses by 388,872 million yen, Other interest income and Other interest expenses were by 77,885 million yen, and Gains on sales of bonds and Losses on sales of bonds were by 6,827 million yen.
8. Enterprise taxes other than relating to income are included in 'Other' in Other expenses. Effective April 1, 2000, the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) is enacted, and the enterprise taxes in Tokyo, which were included in Income taxes, Current for prior period, are now included in Other in Other expenses by the amount of 8,100 million yen.

**NONCONSOLIDATED STATEMENT OF APPROPRIATION OF
PROFIT FOR FISCAL 2000 (PROPOSAL)**

	(Yen)
Unappropriated profit at end of year	82,490,547,267
Transfer from voluntary reserves	4,225,981
Transfer from reserve for losses on overseas investments	4,225,981
Total	82,494,773,248
Profit to be appropriated	13,500,772,288
Transfer to earned surplus reserve	2,300,000,000
Dividends on preferred share (first series type I) (5.25 yen per share)	351,750,000
Dividends on preferred share (second series type I) (14.25 yen per share)	1,425,000,000
Dividends on common share (3.00 yen per share)	9,423,172,800
Transfer to voluntary reserves	849,488
Transfer to reserve for losses on overseas investments	849,488
Profit brought forward to next year	68,994,000,960

COMPARATIVE NONCONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2001 AND MARCH 31, 2000

	(Millions of yen)		
	2001	2000	Difference
	(A)	(B)	(A) – (B)
Assets:			
Cash and due from banks	4,538,057	3,782,920	755,137
Call loans	125,531	91,115	34,416
Receivables under resale agreements	2,597,816	–	2,597,816
Bills bought	–	111,500	(111,500)
Debt purchased	77,362	84,494	(7,132)
Trading assets	1,842,889	1,445,843	397,046
Money held in trust	52,912	108,888	(55,976)
Securities	16,860,309	8,982,244	7,878,065
Loans and bills discounted	31,172,382	31,358,560	(186,178)
Foreign exchanges	460,908	352,971	107,937
Other assets	3,417,288	1,540,495	1,876,793
Premises and equipment	585,395	591,187	(5,792)
Deferred tax assets	550,472	624,585	(74,113)
Customers' liabilities for acceptances and guarantees	3,655,396	2,923,570	731,826
Reserve for possible loan losses	(671,042)	(909,039)	237,997
Total assets	<u>65,265,680</u>	<u>51,089,338</u>	<u>14,176,342</u>
Liabilities:			
Deposits	30,169,065	27,388,205	2,780,860
Negotiable certificates of deposit	7,026,628	6,841,626	185,002
Call money	2,585,719	2,648,815	(63,096)
Payables under repurchase agreements	4,857,211	–	4,857,211
Bills sold	2,744,800	90,547	2,654,253
Commercial paper	500,400	110,200	390,200
Trading liabilities	1,008,330	603,424	404,906
Borrowed money	2,388,329	2,461,252	(72,923)
Foreign exchanges	212,344	165,145	47,199
Bonds	1,000,607	432,343	568,264
Convertible bonds	101,106	101,106	–
Other liabilities	6,923,707	5,173,303	1,750,404
Reserve for retirement allowances	–	46,764	(46,764)
Reserve for possible losses on loans sold	70,809	111,588	(40,779)
Other reserves	8	8	–
Deferred tax liabilities for land revaluation	102,506	110,798	(8,292)
Acceptances and guarantees	3,655,396	2,923,570	731,826
Total liabilities	<u>63,346,972</u>	<u>49,208,701</u>	<u>14,138,271</u>
Stockholders' equity:			
Capital stock	752,848	752,848	–
Legal reserves	750,939	746,399	4,540
Land revaluation excess	166,893	167,379	(486)
Retained earnings	248,026	214,008	34,018
Voluntary reserves	165,535	145,539	19,996
Unappropriated profit at end of year	82,490	68,469	14,021
Net income	55,675	48,818	6,857
Total stockholders' equity	<u>1,918,707</u>	<u>1,880,637</u>	<u>38,070</u>
Total liabilities and stockholders' equity	<u>65,265,680</u>	<u>51,089,338</u>	<u>14,176,342</u>

**COMPARATIVE NONCONSOLIDATED STATEMENT OF INCOME
FOR YEAR ENDED MARCH 31, 2001 AND MARCH 31, 2000**

	(Millions of yen)		
	As of March 31		
	2001	2000	Difference
	(A)	(B)	(A) – (B)
Operating income	1,849,600	2,182,305	(332,705)
Interest income	1,259,171	1,416,579	(157,408)
Interest on loans and discounts	772,492	761,170	11,322
Interest and dividends on securities	218,173	142,745	75,428
Fees and commissions	119,990	106,565	13,425
Trading profits	74,609	34,227	40,382
Other operating income	24,021	61,072	(37,051)
Other income	371,807	563,860	(192,053)
 Operating expenses	 1,681,179	 2,005,828	 (324,649)
Interest expenses	617,697	813,101	(195,404)
Interest on deposits	375,271	264,425	110,846
Fees and commissions	38,575	37,306	1,269
Trading losses	–	944	(944)
Other operating expenses	49,272	49,091	181
General and administrative expenses	331,467	350,791	(19,324)
Other expenses	644,164	754,592	(110,428)
Operating profit	<u>168,421</u>	<u>176,477</u>	<u>(8,056)</u>
Extraordinary profit	1,234	2,042	(808)
Extraordinary loss	<u>35,604</u>	<u>30,019</u>	<u>5,585</u>
Income before income taxes	<u>134,051</u>	<u>148,500</u>	<u>(14,449)</u>
Income taxes, Current	7,759	6,634	1,125
Deferred	<u>70,616</u>	<u>93,047</u>	<u>(22,431)</u>
Net income	<u>55,675</u>	<u>48,818</u>	<u>6,857</u>
Unappropriated profit brought forward	34,973	29,938	5,035
Transfer from land revaluation excess	5,281	3,152	2,129
Interim dividends	11,199	11,199	(0)
Transfer to earned surplus reserve	<u>2,239</u>	<u>2,239</u>	<u>(0)</u>
Unappropriated profit at end of year	<u><u>82,490</u></u>	<u><u>68,469</u></u>	<u><u>14,021</u></u>

COMPARATIVE NONCONSOLIDATED STATEMENTS OF APPROPRIATION FOR YEAR ENDED MARCH 31, 2001 (PROPOSAL) AND MARCH 31, 2000

	(Millions of yen)		
	2001	2000	Difference
	(A)	(B)	(A) – (B)
Unappropriated profit at end of year	82,490	68,469	14,021
Transfer from voluntary reserves	4	4	(0)
Transfer from reserve for losses on overseas investments	4	4	(0)
Total	82,494	68,474	14,020
Profit to be appropriated	13,500	33,501	(20,001)
Transfer to earned surplus reserve	2,300	2,300	–
Dividends on preferred share (first series type I)	351	351	–
Dividends on preferred share (second series type I)	1,425	1,425	–
Dividends on common share	9,423	9,423	0
Transfer to voluntary reserves	0	20,001	(20,001)
Transfer to reserve for losses on overseas investments	0	1	(1)
Transfer to special voluntary earned reserves	–	20,000	(20,000)
Profit brought forward to next year	<u>68,994</u>	<u>34,973</u>	<u>34,021</u>

(Note) Interim dividends and interim transfer to earned surplus reserve are stated in the nonconsolidated statement of income.

Dividends per Share

	Fiscal 2000 ended March 2001			Fiscal 1999 ended March 2000		
	Annual	Interim	Year End	Annual	Interim	Year End
Preferred Share (First Series Type I)	10.50	5.25	5.25	10.50	5.25	5.25
Preferred Share (Second Series Type I)	28.50	14.25	14.25	28.50	14.25	14.25
Common Share	6.00	3.00	3.00	6.00	3.00	3.00

Forecasted Dividends per Share for Fiscal 2001 ended March 2002

	Fiscal 2001 ended March 2002		
	Annual	Interim	Year End
Preferred Share (First Series Type I)	10.50	5.25	5.25
Preferred Share (Second Series Type I)	28.50	14.25	14.25
Preferred Share (Type V)	13.70	6.85	6.85
Preferred Share (Type VI)	7.50	7.50	-
Common Share	6.00	3.00	3.00