

Sumitomo Mitsui Banking Corporation (SMBC)

Consolidated Financial Results for Fiscal 2001 ended March 31, 2002

Head Office : 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
Date of Approval by the Board of Directors: May 24, 2002
Stock Exchange Listings: Tokyo, Osaka, Nagoya, Sapporo and London
URL: <http://www.smbc.co.jp>

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

(1) Financial Results Amounts for March 31, 2001 are prepared for Sakura Bank and Sumitomo Bank on a combined basis.
Amounts less than one million yen have been omitted.

Fiscal year	Operating Income		Operating Profit (Loss)		Net Income (Loss)	
	¥ million	%	¥ million	%	¥ million	%
ended March 31, 2002	3,779,702	(15.0)	(580,628)	-	(463,887)	-
ended March 31, 2001	4,449,177	(13.6)	494,617	32.3	132,408	6.4

Fiscal year	Net Income (Loss) per Share	Net Income(Loss) per Share(diluted)	Return on Stockholders' Equity	Operating Profit on Total Assets	Operating Profit on Operating Income
	¥	¥	%	%	%
ended March 31, 2002	(84.12)	-	(22.2)	(0.5)	(15.4)
ended March 31, 2001	Sakura 9.23 Sumitomo 25.50	Sakura 9.21 Sumitomo 24.93	2.7 6.1	0.4 0.5	10.7 11.4

Notes: 1. Net income (loss) from unconsolidated entities accounted for by the equity method

(a) Fiscal year ended March 31, 2002: 2,964 million yen (b) Fiscal year ended March 31, 2001: 44,362 million yen

2. Average number of shares outstanding (consolidated)

for the fiscal year ended March 31, 2002: 5,687,010,775

for the fiscal year ended March 31, 2001: (Sakura) 4,112,540,880 (Sumitomo) 3,134,457,110

3. There is no change in accounting methods.

4. Percentages (%) of Operating Income, Operating Profit and Net Income mean the ratio of increase (decrease) from previous year.

(2) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio (BIS Guidelines)
	¥ million	¥ million	%	¥	%
March 31, 2002	108,005,001	2,912,619	2.7	282.85	(Preliminary) 10.45
March 31, 2001	119,242,661	4,012,960	3.4	Sakura 333.46 Sumitomo 426.32	Sakura 11.31 Sumitomo 10.94

Note: Number of shares outstanding (consolidated) as of March 31, 2002: 5,697,737,528

as of March 31, 2001: (Sakura) 4,110,377,885 (Sumitomo) 3,134,135,352

(3) Cash Flows

Fiscal Year	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at year-end
	¥ million	¥ million	¥ million	¥ million
ended March 31, 2002	(5,381,510)	5,732,808	(268,813)	2,128,742
ended March 31, 2001	6,776,178	(6,973,889)	(523,666)	2,015,501

(4) Scope of Consolidation and Application of the Equity Method

(a) Number of consolidated subsidiaries : 144

(b) Number of unconsolidated subsidiaries accounted for by the equity method: 5

(c) Number of affiliated companies accounted for by the equity method : 33

(5) Changes of Scope of Consolidation and Application of the Equity Method

Consolidation: Newly consolidated 78, Excluded 18

Equity method: Newly applied 12, Excluded 3

2. Performance Forecast (for Fiscal 2002 ending March 31, 2003)

(Millions of yen)

	Operating Income	Operating Profit	Net Income
For the six months ending September 30, 2002	1,700,000	150,000	50,000
For the fiscal year ending March 31, 2003	3,400,000	320,000	100,000

(Reference) Forecasted net income per share for Fiscal 2002 is 15.00 yen.

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. The following items are among the factors that could cause actual results to differ materially from the forward looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

I. Overview of SMBC Group

Sumitomo Mitsui Banking Corporation (SMBC) Group provides mainly banking service and other financial services such as leasing business, securities business, credit card business, investment banking, loan business, factoring business and venture capital etc. The Group is composed of Sumitomo Mitsui Banking Corporation and its 144 consolidated subsidiaries and 38 affiliated companies accounted for by the equity method.

Sumitomo Mitsui Banking Corporation	Banking Business	<p>590 domestic branches and 21 overseas branches</p> <p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> * THE MINATO BANK, LTD. (Listed on the First Section of Tokyo Stock Exchange and Osaka Securities Exchange) * The Bank of Kansai, Ltd. (Listed on the First Section of Osaka Securities Exchange) * THE WAKASHIO BANK, LTD * The Japan Net Bank, Limited (Commercial banking via internet) * SMBC GUARANTEE COMPANY, LIMITED (Credit guarantee) [Sakura Guarantee Co., Ltd.] <p>Overseas</p> <ul style="list-style-type: none"> * Manufactures Bank * Sumitomo Mitsui Banking Corporation of Canada [Sakura Bank (Canada), The Sumitomo Bank of Canada] * Banco Sumitomo Mitsui Brasileiro S.A. [Banco Sumitomo Brasileiro S.A.] * PT Bank Sumitomo Mitsui Indonesia [PT Bank Sumitomo Indonesia, P.T. Bank Sakura Swadharma]
	Leasing	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> * SMBC Leasing Company, Limited [SB Leasing Company, Limited] <p>Overseas</p> <ul style="list-style-type: none"> * SMBC Leasing and Finance, Inc. [Sumitomo Bank Leasing and Finance, Inc., Sakura Business Finance Inc.]
	Other	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> * Sumitomo Mitsui Card Company, Limited (Credit card services) [The Sumitomo Credit Service Company, Limited] * SAKURA CARD CO., Ltd. (Credit card services) * At-Loan Co., Ltd. (Personal loans) [Sakura Loan Partner, Limited] * SMBC Capital Co., Ltd. (Venture capital) [SB Investment Co., Ltd., Sakura Capital Co., Ltd.] * SMBC Consulting Co., Ltd. (Management consulting) [Sakura Institute of Research Inc., The JRI Business Consulting, Limited] * SMBC Factors Co., Ltd. (Factoring) [Sakura Factors Co., Ltd.] * SMBC Finance Co., Ltd. (Mortgage securities, loans and factoring) [Sumigin General Finance Company, Limited] * Mitsui Finance Service Co., Ltd. (Collecting agent and factoring) * Sakura Friend Securities Co., Ltd. (Securities) (Listed on the First Section of Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange) * SAKURA INVESTMENT MANAGEMENT CO., LTD. (Investment advisory and investment trust management) * The Japan Research Institute, Limited (Economic research, system engineering, data processing and management consulting) * Sakura KCS Corporation (System engineering and data processing) (Listed on the Second Section of Osaka Securities Exchange) * Sakura Information Systems Co., Ltd. (System engineering and data processing) ** Daiwa Securities SMBC Co. Ltd. (Wholesale securities) [Daiwa Securities SB Capital Markets Co. Ltd.] ** Meiko National Securities Co., Ltd. (Securities) (Listed on the First Section of Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange) ** DLJ direct SFG Securities Inc. (Securities via internet) ** Daiwa SB Investments Ltd. (Investment advisory and investment trust) ** Japan Pension Navigator Co., Ltd. (Operation and administration of defined contribution pension plans) ** QUOQ Inc. (Purchase of monetary assets and credit guarantee) <p>Overseas</p> <ul style="list-style-type: none"> * SMBC Capital Markets, Inc. (Investments and derivatives) [Sumitomo Bank Capital Markets, Inc., Sakura Global Capital, Inc.] * SMBC Capital Markets Limited (Derivatives) [SBCM Limited] * Sumitomo Mitsui Finance Australia Limited (Finance) [Sumitomo International Finance Australia Limited]

(*) means a consolidated subsidiary and (**) means an affiliated company accounted for by the equity method.
Square bracket shows old names of the companies or the names before the merger.

II. Principles and Management

1. Basic Principles of Management

The Bank's basic management principles are as follows:

- To provide higher value-added services to our customers and together with them achieve growth.
- To create sustainable shareholder value through business growth.
- To provide a challenging and professionally rewarding work environment for our dedicated employees.

Under these principles, the Bank will endeavor to meet customer and market expectations and its economic and social responsibilities in order to acquire solid customer credibility and market credibility.

2. Dividend Policy

With respect to the interest of shareholders, the Bank subscribes to a fundamental policy of conducting appropriate dividends, with certain outlook for enriching capital and preserving sound management basis.

The Bank will pay dividends on common stock for the year-end of Fiscal 2001 by 4.00 yen per share (4.00 of annual dividends, a decrease by 2.00 yen compared as the previous year) because the Bank examined the level of retained earnings and determined to give a priority to preserving appropriate retained earnings by restraining outflow of profit.

The dividend on preferred stock will be kept as prescribed: 10.50 yen annually per share for First Series Type 1, 28.50 yen annually per share for Second Series Type 1, 13.70 yen annually per share for Type 5.

3. Policy concerning the Reduction of Investing Unit

The Bank recognizes that stock market participation of personal investors is necessary to establish the stable and active market. Therefore, the Bank is trying to improve both the quality and quantity of our information sent to personal investors by utilizing our homepage, annual report and so on.

The Bank will examine the reduction of the investment unit with giving careful attention to the stock market conditions.

4. Management Strategy

The business environment has changed remarkably for banks in recent years with the implementation of various regulatory reforms, the globalization of the financial sector and other parts of the economy, and the changes in the structure of industry and society. In order to achieve further growth by capturing various business chances amid these environmental changes, the Bank will concentrate on the following courses of action:

- (1) Improving profitability in consumer banking through refined customer segmentation, increased sales of profitable products and services, and a lower cost structure.
- (2) Achieving higher asset efficiency in the transactions with domestic and overseas corporations.
- (3) Renewed initiatives in international banking business based on a selective regional focus and targeted strategies.
- (4) Strategic investment in IT in order to heighten competitiveness in database marketing and providing network platforms to serve small and medium-sized corporate customers.

(5) Establishing a leading position in Internet-related financial business.

5. Issues to be Addressed

Japanese banks are facing very tough business environment, the Bank is making concerted efforts to build strong operating and financial foundations capable of withstanding even the most difficult business conditions. To meet these challenges head on, the Bank has been undertaking the following action plans.

(1) Improving asset quality

The Bank has been further accelerating the improvement of asset quality. In this fiscal year, the Bank implemented the work-out of non-performing loans and at the same time made sufficient reserves to deal with future deterioration in its loan portfolio. The Bank has been tailoring its plans toward each borrower as part of its effort to deal with problem loans in a proactive and uncompromising manner.

(2) Bolstering capability to withstand stock market volatility

The Bank has been further bolstering its ability to absorb risks associated with stock market volatility. The Bank has already been selling holdings to reduce the size of its stock portfolio, in preparation for the limit on bank stockholdings that will take effect in fiscal 2004.

(3) Additional restructuring initiatives

The Bank has implemented additional restructuring initiatives. The Bank has been speeding up the integration of overlapping branches and reexamining its branch network strategy. In addition, the Bank has further reduced the head count by streamlining administrative sections and also improved administrative efficiency by realizing the post-merger benefits in system investment.

(4) Reengineering business practices

In order to build a more robust profit structure, the Bank has been reengineering business practices. To achieve its sustained growth, the Bank will shape an organization that can maintain high profitability as well as excellent asset and capital efficiency by radically altering its envisioned approach to all major businesses.

6. Financial Targets

The Bank aims to achieve banking profit (excluding transfer to general reserve) of 950.0 billion yen and consolidated ROE of more than 10% in FY2004 through business restructuring and strengthening of earning power.

7. Pursuit of Enlightened Corporate Governance

The Bank has two principle institutions for corporate governance: the Board of Directors and Executive Officers. The Executive Officer system aims to clearly divide the responsibility for policy implementation and the responsibility for providing strategic direction and oversight for the Bank's operations. The role of the Board of Directors to supervise the Bank's operation on behalf of shareholders has come to be more emphasized than before, and the day-to-day running of the Bank is in the Executive Officers' charge.

In addition, the Risk Management Committee, Compensation Committee, and Nominating Committee have been

constituted from within the Board of Directors. These committees include outside directors and have been established in order to objectively deliberate from a broad and objective perspective matters such as risk management, compliance, and compensation and personnel affairs of members of the Board of Directors and Executive Officers.

And as the supplemental council to the Chairman of the Board and the President, the Bank has an Advisory Board consisting of members such as top executives of blue-chip companies and leading management consultants to provide wide-ranging and unhindered management advice.

III. Performance and Financial Position

(Notes) Amounts for Fiscal 2000 ended March 31, 2001 are prepared for Sakura Bank and Sumitomo Bank on a combined basis.

1. Overview of Consolidated Performance for Fiscal 2001 Ended March 31, 2002

(1) Profit and Loss

The Bank has aimed to early realize the much benefits of merger synergies more than expected at the beginning and endeavored to strengthen its profitability and pare down expenses thorough business restructuring during the fiscal year ended March 31, 2002. The Bank has been further accelerating the improvement of asset quality. In this fiscal year, the Bank implemented the work-out of non-performing loans and at the same time made sufficient reserves to deal with future deterioration in its loan portfolio.

As a result, Operating income amounted to 3,779.7 billion yen (down 15.0% from the previous year ended March 31, 2001) and Operating expense amounted to 4,360.3 billion yen (up 10.3%) mainly due to decrease of interest income and expenses, decrease of gains on sale of stocks and the drastic disposal of non-performing loans.

Consequently, Operating loss amounted to 580.6 billion yen and Net loss (after adjusting Extraordinary gains/losses) amounted to 463.8 billion yen.

(2) Assets and Liabilities

Deposits amounted to 64,985.9 billion yen (up 1,936.9 billion yen from the previous year ended March 31, 2001) and Negotiable certificates of deposit amounted to 6,662.0 billion yen (down 4,984.8 billion yen).

Loans and bills discounted amounted to 63,645.5 billion yen (down 1,891.5 billion yen).

Total assets amounted to 108,005.0 billion yen (down 11,237.6 billion yen).

(3) Stockholders' Equity

Other securities and other money held in trust that have market value are carried at market value and net unrealized losses on *other securities* of 304.8 billion yen are newly recognized on Stockholders' equity from this fiscal year and Net loss amounted to 463.8 billion yen for this fiscal year. Consequently, Stockholders' equity amounted to 2,912.6 billion yen.

(4) Cash Flows

The Bank used 5,381.5 billion yen of Cash flows from operating activities, generated 5,732.8 billion yen of Cash flows from investing activities and used 268.8 billion yen of Cash flows from financing activities.

Consequently, Cash and cash equivalents as of March 31, 2002 amounted to 2,128.7 billion yen.

(5) Segments

As for business segments, the share of total assets before elimination of internal transactions was 93% for banking business, 1% for leasing business, and 6% for other business. The share of operating income before elimination of internal transactions was 70% for banking business, 14% for leasing business, and 16% for other business.

As for geographic segments, the share of total assets before elimination of internal transactions was 87% (up 0 points

from the previous year ended March 31, 2001) for Japan, 6% (up 0 point) for the Americas, 3% (down 0 points) for Europe, and 4% (down 0 point) for Asia and Oceania. The share of operating income before elimination of internal transactions becomes 74% (down 0 points from the previous year ended March 31, 2001) for Japan, 11% (down 2 point) for the Americas, 8% (up 2 points) for Europe, and 7% (up 0 point) for Asia and Oceania.

(6) Capital Ratio (BIS Guideline) (preliminary)

Capital ratio becomes 10.45% on consolidated basis, and 11.50% on nonconsolidated basis.

2. Forecast for Fiscal 2002 ending March 31, 2003

(1) Performance Forecast

Through the fiscal 2002, the Bank will aim to enhance its profitability by efficient management of assets and liabilities in domestic and international market and by restructuring of every aspect of business, and take comprehensive action for resolution of problem assets, aiming to ensure clear recovery in its earnings for the following years.

As for performance forecast on consolidated basis, Operating income, Operating profit and Net income is forecasted to amount to 3,400 billion yen, 320 billion yen, and 100 billion yen, respectively. On nonconsolidated basis, Operating income, Operating profit and Net income is forecasted to amount to 2,400 billion yen, 230 billion yen, and 80 billion yen, respectively.

(2) Forecast of Dividends

The Bank will not pay the interim dividends on common stock and preferred stock for Fiscal 2002 ending March 31, 2003 mainly because outlook of stock market is uncertain.

The Bank will pay the year-end dividend on common stock of 4.00 yen (annual dividend of 4.00 yen) as the same amount as Fiscal 2001. The dividend on preferred stock will be kept as prescribed: 10.50 yen annually per share for First Series Type 1, 28.50 yen annually per share for Second Series Type 1, 13.70 yen annually per share for Type 5.

IV. Consolidated Financial Statements

Significant Accounting Policies

1. Scope of consolidation

(1) Consolidated subsidiaries 144 companies

Principal companies

THE MINATO BANK, LTD.
The Bank of Kansai, Ltd.
Manufacturers Bank
SMBC Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
SMBC Capital Co., Ltd.
SMBC Finance Co., Ltd.
Sakura Friend Securities Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

Due to merger with The Sakura Bank, Limited, seventy-three companies (including THE MINATO BANK, LTD.) are consolidated from this fiscal year. Also, due to capital investments, five companies (including Sansei Guarantee Co., Ltd.) are consolidated from this fiscal year. Eighteen companies including Sakura Securities Co., Ltd. are excluded from consolidation due to liquidation from this fiscal year.

(2) Nonconsolidated subsidiaries

Principal company

SBCS Co., Ltd.

112 subsidiaries such as S.B.L. Management Company Limited are anonymous partnerships for lease transactions and their assets and profits (losses) do not belong to them substantially. Therefore, in accordance with the Article 5 Paragraph 1 Item 2 of Consolidated Financial Statements Regulation, they are not treated as consolidated subsidiaries.

Assets, operating income, net income and retained earnings of other nonconsolidated subsidiaries have no significant impact on the consolidated financial statements.

2. Application of the equity method

(1) Nonconsolidated subsidiaries accounted for by the equity method 5 companies

Principal company

SBCS Co., Ltd.

Five companies including SBCS Co., Ltd. are newly included in subsidiaries accounted for by the equity method due to merger with The Sakura Bank, Limited.

(2) Affiliates accounted for by the equity method 33 companies

Principal companies

Daiwa Securities SMBC Co. Ltd.
QUOQ Inc.

Two companies including Sony Bank Inc. and five companies including BSL Leasing Company, Ltd. (former name: Bangkok SMBC Leasing Co., Ltd.) are newly included in affiliates accounted for by the equity method from this fiscal year, due to acquirement of shares and merger with The Sakura Bank, Limited, respectively.

Three affiliates, including Daiwa Securities SMBC Capital Markets Europe Investment Services (Jersey) Ltd. (former name: Daiwa Securities SB Capital Markets Europe Investment Services (Jersey) Ltd.), that were accounted for by the equity method are excluded from affiliates accounted for by the equity method due to liquidation.

(3) Nonconsolidated subsidiaries and affiliates that are not accounted for by the equity method

112 subsidiaries such as S.B.L.Management are anonymous partnerships for lease transactions and their assets and profits (losses) do not belong to them substantially. Therefore, in accordance with the Article 10 Paragraph 1 Item 2 of Consolidated Financial Statements Regulation, they were not treated as affiliates accounted for by the equity method.

Net income and retained earnings of other non-consolidated subsidiaries and affiliates that are not accounted for by the equity method have no significant impact on the consolidated financial statements.

3. The balance sheet dates of consolidated subsidiaries

(1) The dates of accounts closing of consolidated subsidiaries are as follows:

September 30	5	Companies
October 31	1	Company
December 31	54	Companies
January 31	1	Company
March 31	83	Companies

From the current year ended March 31, 2002, a consolidated overseas subsidiary changed its closing date from January 31 to March 31 and the profit and loss for 14 months (from February 1, 2001 to March 31, 2002) of the subsidiary was recognized on the consolidated financial statements. This treatment has little impact on the consolidated financial statements.

(2) As for the companies whose balance sheet dates are September 30 and October 31, the account closing was done provisionally as of March 31 and January 31 for consolidation, respectively. The other companies are consolidated on the basis of their respective balance sheet date.

Appropriate adjustment was made for any significant transactions during the periods from their respective balance sheet dates to the consolidated closing date.

4. Accounting policies

Please refer to the Notes to Consolidated Balance Sheet and Consolidated Statement of Income.

5. Evaluation of consolidated subsidiaries' assets and liabilities

All assets and liabilities of consolidated subsidiaries are evaluated for consolidation at fair value when the Bank acquires their control.

6. Amortization of goodwill

Goodwill on Sumitomo Mitsui Card Company, Limited is amortized using the straight-line method over five years and other goodwill is charged or credited to income directly when incurred.

7. Appropriation of profit

The consolidated statement of retained earnings reflects the appropriation of profit made during the consolidated fiscal year.

8. Scope of 'Cash and cash equivalents' on Consolidated Statements of Cash Flows

Please refer to the Notes to Consolidated Statement of Cash Flows.

(Reference)

- Net Income per Share:

$$\frac{\text{Net income} - \text{Preferred stock dividends}}{\text{Average number of common stocks outstanding during Fiscal 2001 (*)}}$$

- Return on Stockholders' Equity:

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

- Stockholders' Equity per Share:

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

- Forecasted Net Income per Share:

$$\frac{\text{Forecasted net income} - \text{Forecasted preferred stock dividends}}{\text{Number of common stocks outstanding at year end (*)}}$$

(Notes)

1. As for the average number of common stocks outstanding and the number of common stocks as of the year-end, Treasury stock and the Bank's stock held by consolidated subsidiaries are excluded.
2. As for the average number of preferred stocks outstanding and the number of preferred stocks as of the year-end, see 'Nonconsolidated Financial Results for Fiscal 2001 ended March 31, 2002.'

CONSOLIDATED BALANCE SHEET

March 31, 2002	(Millions of yen)
Assets:	
Cash and due from banks	5,632,296
Call loans and bills bought	720,154
Receivables under resale agreements	793,266
Commercial paper and other debt purchased	461,879
Trading assets	3,278,105
Money held in trust	33,860
Securities	20,694,632
Loans and bills discounted	63,645,586
Foreign exchanges	795,755
Other assets	6,447,644
Premises and equipment	1,207,589
Lease assets	927,120
Deferred tax assets	1,882,464
Deferred tax assets for land revaluation	726
Goodwill	18,518
Customers' liabilities for acceptances and guarantees	3,625,047
Reserve for possible loan losses	(2,159,649)
Total assets	108,005,001
Liabilities:	
Deposits	64,985,976
Negotiable certificates of deposit	6,662,097
Call money and bills sold	10,775,484
Payables under repurchase agreements	1,468,504
Commercial paper	1,167,500
Trading liabilities	2,331,500
Borrowed money	2,889,907
Foreign exchanges	299,610
Bonds	3,505,820
Convertible bonds	1,106
Pledged money for securities lending transactions	3,174,799
Other liabilities	2,861,669
Reserve for employee bonuses	21,606
Reserve for employee retirement benefits	147,972
Reserve for possible losses on loans sold	86,371
Other reserves	336
Deferred tax liabilities	39,206
Deferred tax liabilities for land revaluation	64,015
Acceptances and guarantees	3,625,047
Total liabilities	104,108,534
Minority interests	983,847
Stockholders' equity:	
Capital stock	1,326,746
Capital surplus	1,326,758
Land revaluation excess	121,244
Retained earnings	475,357
Net unrealized losses on other securities	(304,837)
Foreign currency translation adjustments	(15,174)
Subtotal	2,930,095
Treasury Stock	(283)
Parent bank stock held by subsidiaries	(17,191)
Total stockholders' equity	2,912,619
Total liabilities, minority interests and stockholders' equity	108,005,001

Notes to Consolidated Balance Sheet

1. Amounts less than one million yen have been omitted.
2. Standards for recognition and measurement of trading assets and liabilities are as follows:
Recognition:
Trading account positions relating to transactions made for the purposes of seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets, are included in Trading assets or Trading liabilities on the consolidated 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 consolidated balance sheet date.
3. As for securities other than those in trading portfolio, debt securities that Sumitomo Mitsui Banking Corporation (the 'Bank') and its consolidated subsidiaries have the positive intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost, using the moving-average method.
Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost, using the moving-average method.
Securities excluding those classified as trading securities, held-to-maturity securities or investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are defined as '*other securities*.' Stocks classified as *other securities* that have market value are carried at the average market value during the final month of the fiscal year, and *other securities* excluding the marketable stocks that have market value are carried at market value at the consolidated balance sheet date (cost of product sold is calculated mainly by moving-average method). *Other securities* that do not have market value are carried at cost or amortized cost, using the moving-average method. Net unrealized gains (losses) on *other securities* are recognized, net of applicable income taxes, as a separate component of stockholders' equity.
4. Securities included in money held in trust account are carried in the same way as mentioned in Notes 2 and 3.
5. Derivative transactions excluding those classified as trading derivatives are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with local accounting standards.
6. Depreciation of premises and equipment owned by the Bank 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
As for consolidated subsidiaries, depreciation for premises and equipment is computed mainly using the straight-line method over the estimated useful lives of the respective assets and depreciation of lease assets is computed mainly using the straight-line method over the lease term based on the residual value of assets at the end of the lease term.
7. Capitalized software for internal use is depreciated using the straight-line method over its estimated useful life (mainly five years) at the Bank and its consolidated domestic subsidiaries.
8. The Bank's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.
Formerly, the Bank applied 'the accounting standards for foreign currency transactions in banking industry' introduced in 1990. From this fiscal year, the Bank applies the revised accounting standards for foreign currency transactions ('Opinion Concerning Revision of Accounting Standard for Foreign Currency Transactions' issued by Business Accounting Deliberation Council on October 22, 1999) with the exception of when 'Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.20) is applied.
Financial swap transactions are accounted for pursuant to the JICPA Industry Audit Committee Report No.20 as follows:
 - (1) Initial exchange cash flows are assumed as principal of claim and debt and are reported on the consolidated balance sheet at the exchange rate prevailing at the consolidated balance sheet date in the net amount.
 - (2) The difference of the initial and final exchange cash flows by currency, which are the reflection of the difference in the yield between the currencies, are assumed as interest and are accounted for on an accrual basis on the consolidated balance sheet and the consolidated statement of income.Financial swap transactions are foreign exchange transactions that are contracted for the purpose of lending or borrowing funds in different currencies. These transactions consist of spot foreign exchange either bought or sold and forward foreign exchange either bought or sold. The spot foreign exchange bought or sold is the swap transaction for borrowing or lending the principal equivalent of the fund. The forward foreign exchange bought or sold is the swap

transaction of the foreign currency equivalent including the principal and corresponding interest to be paid or received, the amount and due date of which are predetermined.

Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective balance sheet date.

9. Reserve for possible loan losses of the Bank and major consolidated subsidiaries is provided as detailed below, in accordance with the internal standards for write-offs and reserves.
- For claims on borrowers that are legally bankrupt ('bankrupt borrowers') or borrowers that 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 net of the deducted amount mentioned below.
- For claims on borrowers that 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 under the name of 'loan loss reserve for specific overseas countries' as a component of reserve for possible loan losses.
- Branches and credit supervision departments assess all claims in accordance with the internal rule for self-assessment of assets. Subsequently, Credit Review Department, independent from these operating sections, audits their assessment. The reserves are provided based on the results of these assessment procedures.
- Reserve for possible loan losses of other consolidated subsidiaries is provided for general claims by the amount deemed necessary based on the historical loan-loss ratio, and for doubtful claims by the amount deemed uncollectible based on respective assessment.
- For claims on 'bankrupt borrowers' and '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 1,824,274 million yen.
10. Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, by the amount of estimated bonuses, which are attributable to this consolidated fiscal year. Accrued bonuses to employees were formerly recognized on accrued expenses in 'Other liabilities,' but 'Reserve for employee bonuses' is reported from this consolidated fiscal year in accordance with 'Concerning Financial Statement Titles to be used for Accrued Bonuses for Employees' (Research Center Review Information No.15 issued by JICPA). Consequently, accrued expenses in 'Other liabilities' decreased by 21,606 million yen and 'Reserve for employee bonuses' increased by the same amount.
11. Reserve for employee retirement benefits (prepaid pension cost) is provided, in provision for payment of retirement benefits to employees, by the amount deemed necessary, based on the projected retirement benefit obligation and plan assets at the consolidated balance sheet date.
- Prior service cost is amortized using the straight-line method over the certain years (10 years) within the employees' average remaining service period at the incurrence.
- Unrecognized net actuarial gain (loss) is amortized using the straight-line method over the certain years (10 years) within the employees' average remaining service period, commencing from the next consolidated fiscal year of incurrence.
- Unrecognized net transition obligation is amortized using the straight-line method mainly over 5 years.
12. Reserve for possible losses on loans sold is provided 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 provided in accordance with Article 287-2 of the Commercial Code.
13. Financing leases of the Bank and consolidated domestic subsidiaries, 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, the Bank applies 'the risk adjustment approach' as a hedge accounting (Macro hedge), abiding by the following requirements:
- (1) Loans, deposits and other interest-earning assets and interest-bearing 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.
- The Bank applies deferred hedge accounting.
- In order to hedge the risk arising from the volatility of exchange rates for the stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currency, the Bank applies deferred hedge accounting on the conditions that the hedged security is specified in advance and that enough on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged security pursuant to 'Temporary Treatment of Accounting and

Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.20).

Certain derivatives for the purpose of hedging are recorded on a cost basis using the short-cut method (exceptional treatment for interest rate swaps) in view of consistency with the risk management policy.

Some consolidated subsidiaries use the deferred hedge accounting or the short-cut method (exceptional treatment for interest rate swaps) and one of the consolidated domestic subsidiaries in leasing industry partly applies the accounting method that are permitted by the Industry Audit Committee Report No.19 'Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry' issued by JICPA.

15. Consumption tax and local consumption tax of the Bank and consolidated domestic subsidiaries are accounted for using the tax-excluded method.
16. 'Other reserve' required by Special Law is stated as follows:
Reserve for contingent liabilities from financial futures transaction that was provided in accordance with Article 82 of the Financial Futures Transaction Law is recorded at 18 million yen.
Reserve for contingent liabilities from securities transaction that was provided in accordance with Article 51 of Securities Exchange Law is recorded at 318 million yen.
17. Accumulated depreciation of premises and equipment amounts to 661,047 million yen.
Accumulated depreciation of lease assets amounts to 1,403,481 million yen.
18. Bankrupt loans and Non-accrual loans are 227,484 million yen and 3,599,750 million yen respectively.
'Bankrupt loans' consist of loans on which the Bank and/or its consolidated subsidiaries do 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 or 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law, issued in 1965.
'Non-accrual loans' is defined as loans on which the Bank and/or its consolidated subsidiaries do not currently accrue interest income but excluding 'Bankrupt loans' and loans for which the Bank and/or its consolidated subsidiaries are forbearing interest payments to support the borrowers' recovery from financial difficulty.
19. 'Past due loans (3 months or more)' are 102,762 million yen.
'Past due loans (3 months or more)' consist of loans of which the principal and/or interest is past due for three months or more but exclude Bankrupt loans and Non-accrual loans.
20. Restructured loans are 2,554,371 million yen.
'Restructured loans' are loans for which the Bank and its consolidated subsidiaries relax 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).
21. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans is 6,484,367 million yen as of the consolidated balance sheet date.
The amounts of loans presented in Notes 18 to 21 are amounts before reserve for possible loan losses is deducted.
22. The total face value of Bank acceptance bought, Commercial bills discounted and Documentary bills is 1,300,264 million yen.
23. Assets pledged as collateral as of the consolidated balance sheet date are as follows:

	(Millions of yen)
Assets pledged	
Cash and due from banks	63,325
Trading assets	621,047
Securities	9,062,227
Loans and bills discounted	3,239,033
Other assets (installment account receivable etc.)	1,311
Premises and equipment	547
Liabilities corresponding to assets pledged	
Deposits	9,621
Call money and Bills sold	8,394,800
Payables under repurchase agreements	1,118,531
Trading liabilities	39,986
Borrowed money	117,463
Pledged money for securities lending transactions	2,517,123
Other liabilities	10,888
Acceptances and guarantees	45,571

In addition, Cash and due from banks of 101,722 million yen, Trading assets of 296 million yen, Securities of 2,880,100 million yen and Loans and bills discounted of 58,095 million yen were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

Premises and equipment include Surety deposits and intangible of 125,258 million yen, and Other assets include Initial margins of futures markets of 20,984 million yen.

24. Net amount of deferred unrealized gains (losses) on hedging instruments to which hedge accounting is applied is reported as deferred profit on hedge which are included in Other liabilities. Gross deferred unrealized losses and gross deferred unrealized gains on hedging instruments are 1,071,749 million yen and 1,156,384 million yen respectively.
25. Pursuant to the Law concerning Land Revaluation (the Law) effective March 31, 1998, the Bank and some of its consolidated subsidiaries revaluated their own land for business activities. The income taxes corresponding to the net unrealized gains are deferred and reported in liabilities as 'Deferred tax liabilities for land revaluation,' and the net unrealized gains, net of deferred taxes, are reported as 'Land revaluation excess' in stockholders' equity.

Date of the revaluation

The Bank March 31, 1998

Some of consolidated subsidiaries March 31, 1999

Method of revaluation (provided in Article 3-3 of the Law)

The Bank:

The fair values are determined by applying appropriate adjustments for land shape and timing of appraisal to the values specified in any of the Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law concerning Land Revaluation (the Enforcement Ordinance) effective March 31, 1998.

Some consolidated subsidiaries:

The fair values are determined based on the values specified in the Article 2-5 of the Enforcement Ordinance.

The total amount of values of the land for business activities, as of the consolidated balance sheet date, which were revaluated pursuant to the Article 10 of the Law, is lower by 91,507 million yen than the total amount of book value after the land revaluation.

Pursuant to the Law and the law concerning amendment of the Law effective March 31, 2001, the Bank revaluated the land for business activities that was succeeded due to merger with SMBC Property Management Service Co., Ltd. The equivalent of income taxes corresponding to the revaluated losses is deducted from 'Deferred tax liabilities for land revaluation' and the revaluated losses, net of the corresponding taxes, are deducted from 'Land revaluation excess.' In addition, a consolidated subsidiary revaluated its land for business activities and the the equivalent amount of income taxes corresponding to the revaluated losses is recognized as 'Deferred tax assets for land revaluation' and the revaluated losses, net of the corresponding taxes, are deducted from 'Land revaluation excess.'

Date of the revaluation: March 31, 2002

Book value of the land for business activities before revaluation:

The Bank 248,659 million yen

Some of consolidated subsidiaries 4,280 million yen

Book value of the land for business activities after revaluation:

The Bank 169,520 million yen

Some of consolidated subsidiaries 2,541 million yen

Method of revaluation (provided in Article 3-3 of the Law):

The Bank ----- The fair values are determined by applying appropriate adjustments for land shape and analysis on the appraisal specified in any of the Article 2-3 or 2-4 of the Enforcement Ordinance of the Law concerning Land Revaluation (the Enforcement Ordinance) effective March 31, 1998.

Some of consolidated subsidiaries ----- The fair values are determined based on the values specified in the Article 2-5 of the Enforcement Ordinance.

26. The balance of subordinated debt included in Borrowed money is 1,001,047 million yen.
27. The balance of subordinated bonds included in Bonds is 1,780,041 million yen.
28. Stockholders' equity per share is 282.85 yen.

29. Market value and unrealized gains (losses) on securities are shown as below:

These amounts include 'Securities,' trading securities, negotiable certificates of deposit bought and commercial paper within 'Trading assets,' negotiable certificates of deposit bought within 'Due from banks,' and commercial paper and beneficiary claim on loan trust within 'Commercial paper and other debt purchased.' This definition is applied up to Note 32.

(1) Securities classified as trading

	(Millions of yen)
Consolidated balance sheet amount	986,563
Gains included in profit/loss during this fiscal year	(15,011)

(2) Bonds classified as held-to-maturity that have market value

	(Millions of yen)				
	Consolidated balance sheet amount	Market Value	Net unrealized gains (losses)	Gains	Losses
Japanese government bonds	157,807	158,223	415	493	77
Japanese local government bonds	23,330	23,089	(240)	-	240
Other	32,980	33,697	717	769	52
Total	214,118	215,011	892	1,262	370

(3) *Other securities* that have market value

	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Stocks	5,364,801	4,855,495	(509,305)	192,620	701,926
Bonds	11,265,202	11,301,661	36,459	58,810	22,351
Japanese government bonds	9,919,406	9,956,064	36,658	41,284	4,626
Japanese local government bonds	468,707	476,721	8,013	9,887	1,873
Corporate bonds	877,088	868,875	(8,212)	7,638	15,851
Other	3,039,987	3,017,326	(22,661)	8,610	31,271
Total	19,669,991	19,174,483	(495,507)	260,042	755,549

The total amount of 302,541 million yen consisted of the followings is included in 'Net unrealized losses on other securities.'

Net unrealized losses (a)	(495,507) million yen
(+) Deferred tax assets (b)	189,538 million yen
(c) = (a) + (b)	(305,968) million yen
(-) Minority interests corresponding to (c)	(4,225) million yen
(+) Parent company's interests of net unrealized gain (losses) on other securities held by affiliated companies accounted for by the equity method	(797) million yen
Total	(302,541) million yen

Other securities with market value, whose market value extremely declines as compared with its acquisition cost, are, in principle, considered that their market value will not recover to the acquisition cost. The market value is recognized as the balance sheet amount and the valuation loss is charged off (impaired) for the current fiscal year. The amount of impairment for this fiscal year is 114,804 million yen. The rule to determine that market value 'extremely declines' is regulated by the classification of securities' issuers based on the self-assessment of assets as follows:

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	Market value is lower than acquisition cost
Issuers requiring caution	Market value has decreased 30% or more of the acquisition cost
Normal issuers	Market value has decreased 50% or more of the acquisition cost
Bankrupt issuers: issuers that are legally bankrupt or formally declared bankrupt	
Effectively bankrupt issuers: issuers that are not legally bankrupt but regarded as substantially bankrupt	
Potentially bankrupt issuers: issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy	
Issuers requiring caution: issuers that are identified for close monitoring	
Normal issuers: issuers excluding Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers and Issuers requiring caution	

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

	(Millions of yen)	
	Sales amount	Gains on sales
	32,067,887	321,317
		Losses on sales
		95,118

31. Summary information on securities that have no market value is shown as follows:

	(Millions of yen) Consolidated balance sheet amount
Bonds classified as held-to-maturity	
Unlisted foreign securities	13,080
Other	18,246
Other securities	
Unlisted bonds	561,512
Unlisted foreign securities	349,227
Unlisted stocks (except for OTC stocks)	179,961
Other	109,478

32. Redemption schedule on *other securities* that have maturities and bonds classified as held-to-maturity is shown as follows:

	(Millions of yen)			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years
Bonds	2,315,514	7,488,398	1,966,674	273,699
Japanese government bonds	2,179,224	6,340,438	1,324,773	269,435
Japanese local government bonds	25,647	130,937	342,159	1,307
Japanese corporate bonds	110,643	1,017,022	299,741	2,956
Other	469,356	2,044,658	153,680	517,756
Total	2,784,871	9,533,057	2,120,354	791,456

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

Money held in trust classified as trading

	(Millions of yen)
Balance sheet amount	3,715
Gains included in profit/loss during this fiscal year	-

Other money held in trust

(Millions of yen)				
Acquisition Cost	Consolidated balance sheet amount	Net unrealized gains (loss)	Gains	Losses
33,969	30,144	(3,825)	135	3,960

'Net unrealized losses on *other securities*' include the total amount of (2,348) million yen, which is consisted of the net unrealized losses shown above of (3,825) million yen and deferred tax assets of 1,477 million yen.

34. 'Japanese Government Bonds' as a sub-account of 'Securities' includes 999 million yen of unsecured loans of securities for which borrowers have rights of sale or pledge. 'Japanese Government Bonds' as a sub-account of 'Securities' includes 827 million yen of loaned securities for which borrowers have rights of pledge but no rights of sale.

As for the unsecured borrowed securities for which the Bank have rights of sale or pledge and the securities which the Bank purchased under resale agreements, that are permitted to sell or pledge without restrictions, 3,534,532 million yen of securities are pledged, 533,241 million yen of securities are held in hand as of the balance sheet date. The Bank may pledge the borrowed securities as well.

Unsecured loaned securities and securities under repurchase agreements were recognized as 'Securities in custody' in Other assets and 'Trading account securities borrowed' or 'Securities borrowed' in Other liabilities by the same amounts. From this fiscal year, they are not reported on the consolidated balance sheet in accordance with the revision of the accounting standards for financial instruments. Consequently, Other assets and Other liabilities decreased by 3,098,200 million yen as compared with the former manner.

35. 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 27,038,063 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time is 24,508,364 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 and consolidated subsidiaries can reject the application from customers or reduce the contract amounts in case economic conditions are changed, the Bank and consolidated subsidiaries need to secure claims or others occur. In addition, the

Bank and consolidated subsidiaries request the customers to pledge collateral such as premises and securities at conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after conclusion of the contracts.

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

	(Millions of yen)
Projected benefit obligation	(1,175,959)
Pension assets (fair value)	777,088
Unfunded projected benefit obligation	(398,871)
Unrecognized net transition obligation	70,280
Unrecognized net actuarial differences	241,353
Unrecognized prior service cost (net)	(60,707)
Net amount recorded on the consolidated balance sheet	(147,944)
Prepaid pension cost	27
Reserve for employee retirement benefits	(147,972)

37. Pursuant to the Article 289-2 of the Commercial Code and the Article 18-2 of the Banking Law, the Bank transferred legal reserves to retained earnings during this fiscal year. Consequently, Capital surplus decreased by 357,614 million yen and Retained earnings increased by the same amount.

38. In accordance with the application of accounting standards for financial instruments, from this fiscal year 'Net unrealized losses on *other securities*' is reported by the amount of valuation losses, net of taxes, which is arising from evaluating *other securities* and other money held in trust at the fair value.

39. With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No.145, April 1, 2000) ('the metropolitan ordinance'), enterprise taxes which were hitherto levied on income are now levied on gross banking profit.

On October 18, 2000 the Bank filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the metropolitan ordinance. The Bank won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in the Bank's favor, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to the Bank advance tax payments of 16,633 million yen and also awarded to the Bank damages of 200 million yen. On March 29, 2002 the metropolitan government lodged an appeal with the Tokyo High Court against the decision.

It is the opinion of the Bank that the metropolitan ordinance is both unconstitutional and illegal. The Bank has asserted this opinion in the courts and the matter is still in litigation. The fact that during this fiscal year the Bank has applied the same treatment as in the previous year, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, is because the Bank has deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of the Bank either of the constitutionality or of the legality of the metropolitan ordinance.

With the implementation of the metropolitan ordinance, enterprise taxes relating to banks in Tokyo were recorded in 'Other expenses' in the amounts of 8,100 million yen (16,833 million yen if the amount that Sakura Bank recorded for the year ended March 31, 2001 is added) in the previous year, and 19,862 million yen this year. As a result, Operating income for the previous year decreased and Operating loss for this year increased by the corresponding amount as compared with the previous standards under which enterprise taxes were levied on income. There is no impact on Current income tax expenses as compared with the previous standards under which enterprise taxes were levied on income. Consequently, stockholders' equity decreased by 21,694 million yen. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects there was a decrease in Deferred tax assets of 96,420 million yen as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits. There was also a decrease in 'Deferred tax liabilities for land revaluation' of 3,694 million yen, and consequently stockholders' equity decreased by 92,726 million yen.

With the implementation of the 'Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka' (Osaka Municipal Ordinance No.131, June 9, 2000) ('the municipal ordinance'), enterprise taxes which were hitherto levied on income are now levied on gross banking profit.

On April 4, 2002, the Bank filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance.

It is the opinion of the Bank that the municipal ordinance is both unconstitutional and illegal. The Bank has asserted this opinion in the Osaka District Court and the matter is still in litigation. The fact that during this year the Bank has

applied the accounting treatment for enterprise taxes through external standards taxation on banks in Osaka in accordance with the municipal ordinance, is because the Bank has deemed it appropriate at this stage to apply the same accounting treatment to Osaka as to Tokyo. This accounting treatment does not constitute in any way an admission on the part of the Bank either of the constitutionality or of the legality of the municipal ordinance.

With the implementation of the municipal ordinance, enterprise taxes relating to banks in Osaka were recorded in 'Other expenses' in the amounts of 10,137 million yen. As a result, Operating loss for this year increased by the same amount as compared with the previous standards under which enterprise taxes were levied on income. There is no impact on Current income tax expenses as compared with the previous standards under which enterprise taxes were levied on income. Consequently, stockholders' equity decreased by 5,478 million yen. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects there was a decrease in Deferred tax assets of 46,396 million yen as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits. There was also a decrease in Deferred tax liabilities for land revaluation of 1,798 million yen, and consequently stockholders' equity decreased by 44,597 million yen.

CONSOLIDATED STATEMENT OF INCOME

Year ended March 31, 2002	(Millions of yen)
Operating income:	3,779,702
Interest income	2,176,685
Interest on loans and discounts	1,420,950
Interest and dividends on securities	318,508
Interest on call loans and bills bought	5,189
Interest on receivables under resale agreements	8,399
Interest on deposits with banks	186,892
Other interest income	236,745
Fees and commissions	387,280
Trading profits	129,450
Other operating income	845,583
Lease-related income	380,904
Installment-related income	154,934
Other	309,744
Other income	240,702
 Operating expenses:	 4,360,330
Interest expenses	726,901
Interest on deposits	331,670
Interest on negotiable certificates of deposit	15,406
Interest on call money and bills sold	10,378
Interest on payables under repurchase agreements	29,238
Interest on commercial paper	1,590
Interest on borrowed money	64,020
Interest on bonds	86,829
Interest on convertible bonds	97
Other interest expenses	187,670
Fees and commissions	67,747
Trading losses	17
Other operating expenses	666,651
Lease-related expenses	328,670
Installment-related expenses	139,197
Other	198,783
General and administrative expenses	935,553
Other expenses	1,963,458
Transfer to reserve for possible loan losses	1,204,335
Other	759,123
 Operating loss	 580,628
 Extraordinary gains	 29,428
Gains on disposition of premises and equipment	4,426
Collection of written-off claims	1,305
Transfer from reserve for contingent liabilities from securities transaction	315
Other extraordinary gains	23,381
Extraordinary losses	53,138
Losses on disposition of premises and equipment	27,478
Other extraordinary losses	25,659
 Loss before income taxes and minority interests	 604,338
 Income taxes, Current	 101,860
Income taxes, Deferred	(289,305)
Minority interests in net income	46,993
Net loss	463,887

Notes to Consolidated Statement of Income

1. Amounts less than one million yen have been omitted.
2. Net loss per share is 84.12 yen.
3. Trading profits and trading losses are recognized on a contract date basis, and include interest received/paid, and the amount of change in valuation gains (losses) for securities, monetary claims and derivatives as of the consolidated term end date compared with that at the end of the previous term. The amount of change of valuation gains (losses) for derivatives is measured using the estimated settlement price assuming settlement in cash at the consolidated year-end date.
4. Standards for recognizing rental income on lease transactions and income/expenses on installment sales are as follows:
 - (1) Recognition of Lease-related income on lease transactions
Basically, Lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.
 - (2) Recognition of income and expenses on installment sales
Basically, Installment-related income and Installment-related expenses are recognized on a due-date basis over the full term of the installment.
5. Other income includes gains on sales of stocks and other securities of 191,487 million yen.
6. Other expenses include write-off of loans of 391,923 million yen and losses on devaluation of stocks of 148,537 million yen.
7. Extraordinary gains represent gain on liquidation of a subsidiary of 18,381 million yen and gain on sale of business operation of 5,000 million yen.
8. Extraordinary losses represent amortized cost of unrecognized net obligation from initial application of the new accounting standard for employee retirement benefits in Japan of 23,493 million yen and losses on disposals of software of 2,166 million yen.

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Year ended March 31, 2002	(Millions of yen)
Retained earnings:	
Balance at beginning of year	319,924
Increase of retained earnings:	741,468
Increase of retained earnings due to merger	309,177
Increase of retained earnings due to merger of consolidated subsidiaries	2,778
Increase of retained earnings due to increase of consolidated subsidiaries	10,936
Increase of retained earnings due to increase of affiliates accounted for by the equity method	828
Increase of retained earnings due to transfer of land revaluation excess	60,132
Increase of retained earnings due to transfer of capital surplus	357,614
Decrease of retained earnings:	122,148
Dividends paid	11,199
Decrease of retained earnings due to merger of consolidated subsidiaries	4,465
Decrease of retained earnings due to increase of consolidated subsidiaries	106,479
Decrease of retained earnings due to increase of affiliates accounted for by the equity method	3
Net loss	463,887
Balance at end of year	475,357

Note : Amounts less than one million yen have been omitted.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2002	(Millions of yen)
1. Cash flows from operating activities:	
Loss before income taxes and minority interests	(604,338)
Depreciation of premises, equipment and others	96,374
Depreciation of lease assets	306,044
Amortization of goodwill	4,806
Net (income) loss from unconsolidated entities accounted for by the equity method	(2,964)
Net change in reserve for possible loan losses	884,174
Net change in reserve for possible losses on loans sold	(58,895)
Net change in reserve for employee bonuses	21,606
Net change in reserve for employee retirement benefits	(42,469)
Interest income	(2,176,685)
Interest expenses	726,901
Net (gains) losses on securities	(64,057)
Net (income) loss from money held in trust	56
Net exchange (gains) losses	(160,717)
Net (gains) losses from disposition of premises and equipment	23,052
Net (gains) losses from disposition of lease assets	995
Gain on sale of business operation	(5,000)
Net change in trading assets	(757,328)
Net change in trading liabilities	1,030,514
Net change in loans and bills discounted	1,794,503
Net change in deposits	1,887,932
Net change in negotiable certificates of deposit	(4,989,141)
Net change in borrowed money (excluding subordinated debt)	(456,519)
Net change in deposits with banks	2,018,942
Net change in call loans, bills bought and receivables under resale agreements	1,904,425
Net change in pledged money for securities borrowing transactions	(2,196,808)
Net change in call money, bills sold and payables under repurchase agreements	(3,020,667)
Net change in commercial paper	(569,827)
Net change in pledged money for securities lending transactions	(1,715,984)
Net change in foreign exchanges (Assets)	(56,299)
Net change in foreign exchanges (Liabilities)	48,749
Issuance and redemption of bonds (excluding subordinated bonds)	359,901
Interest received	2,342,208
Interest paid	(829,888)
Other, net	(1,070,901)
Subtotal	(5,327,304)
Income taxes paid	(54,205)
Net cash used in operating activities	(5,381,510)
2. Cash flows from investing activities:	
Purchases of securities	(39,722,661)
Proceeds from sale of securities	32,828,672
Proceeds from maturity of securities	12,828,207
Purchases of money held in trust	(5,011)
Proceeds from sale of money held in trust	42,663
Purchases of premises and equipment	(73,354)
Proceeds from sale of premises and equipment	134,704
Purchases of lease assets	(342,964)
Proceeds from sale of lease assets	37,736
Purchases of stocks of subsidiaries	(599)
Proceeds from sale of stocks of subsidiaries	416
Proceeds from sale of business operation	5,000
Net cash provided by investing activities	5,732,808
3. Cash flows from financing activities:	
Proceeds from issuance of subordinated debt	128,000
Repayment of subordinated debt	(278,000)
Proceeds from issuance of subordinated bonds and convertible bonds and notes	201,198
Repayment of subordinated bonds and convertible bonds and notes	(262,361)
Dividends paid	(11,101)
Payment of delivered money due to merger	(17,839)
Income from minority stockholders	9,000
Dividends paid to minority stockholders	(39,064)
Purchases of treasury stock	(8,539)
Proceeds from sale of treasury stock	8,286
Proceeds from sale of parent bank stocks held by subsidiaries	1,607
Net cash used in financing activities	(268,813)
4. Foreign currency translation adjustments on cash and cash equivalents	3,595
5. Net change in cash and cash equivalents	86,079
6. Cash and cash equivalents at beginning of year	868,132
7. Change in cash and cash equivalents due to merger	1,075,527
8. Change in cash and cash equivalents due to merger of consolidated subsidiaries	2,544
9. Change in cash and cash equivalents due to newly consolidated subsidiaries	96,459
10. Cash and cash equivalents at end of year	2,128,742

Notes to Consolidated Statement of Cash Flows

1. Amounts less than one million yen have been omitted.
2. For the purposes of the consolidated statements of cash flows, 'Cash and cash equivalents' represents cash on hand and non-interest earning deposits with banks.
3. Reconciliation of 'Cash and due from banks' in the consolidated balance sheet to 'Cash and cash equivalents' at the fiscal year-end is as follows:

	(Millions of yen)
Cash and due from banks	5,632,296
<u>Interest-earning deposits</u>	<u>(3,503,554)</u>
Cash and cash equivalents	<u>2,128,742</u>
(= Cash on hand and non-interest earning deposits with banks)	

4. Significant non-money transactions consisted of the followings.

- (1) Merger with The Sakura Bank, Limited

Assets and liabilities that were succeeded due to the merger with The Sakura Bank, Limited consisted of the followings:

Assets	48,245,020 million yen
Securities	9,743,394 million yen
Loans and bills discounted	30,575,498 million yen
Liabilities	46,390,838 million yen
Deposits	28,872,248 million yen
Negotiable certificates of deposits	4,661,831 million yen

- (2) Conversion of convertible bonds

Increase of capital stock due to conversion of convertible bonds	50,045 million yen
<u>Increase of capital surplus due to conversion of convertible bonds</u>	<u>49,954 million yen</u>
Decrease of convertible bonds due to conversion	100,000 million yen

5. 'Depreciation of premises and equipment' (59,459 million yen for the fiscal year ended March 31, 2002) and 'Depreciation of other assets' (36,914 million yen) included in 'Other' in operating activities for the year ended March 31, 2001 are included in 'Depreciation of premises, equipment and others' from this fiscal year.

COMPARATIVE CONSOLIDATED BALANCE SHEETS

	March 31		(Millions of yen)
	2002	2001	Difference
	(A)	(B)	(A-B)
Assets:			
Cash and due from banks	5,632,296	7,519,865	(1,887,569)
Call loans and bills bought	720,154	507,614	212,540
Receivables under resale agreements	793,266	2,905,306	(2,112,040)
Commercial paper and other debt purchased	461,879	259,016	202,863
Trading assets	3,278,105	2,490,982	787,123
Money held in trust	33,860	75,120	(41,260)
Securities	20,694,632	27,312,498	(6,617,866)
Loans and bills discounted	63,645,586	65,537,091	(1,891,505)
Foreign exchanges	795,755	738,761	56,994
Other assets	6,447,644	5,657,250	790,394
Premises and equipment	1,207,589	1,566,892	(359,303)
Lease assets	927,120	827,134	99,986
Deferred tax assets	1,882,464	1,156,514	725,950
Deferred tax assets for land revaluation	726	-	726
Goodwill	18,518	6,224	12,294
Customers' liabilities for acceptances and guarantees	3,625,047	3,951,237	(326,190)
Reserve for possible loan losses	(2,159,649)	(1,268,853)	(890,796)
Total assets	108,005,001	119,242,661	(11,237,660)
Liabilities:			
Deposits	64,985,976	63,049,051	1,936,925
Negotiable certificates of deposit	6,662,097	11,646,971	(4,984,874)
Call money and bills sold	10,775,484	9,941,070	834,414
Payables under repurchase agreements	1,468,504	5,262,187	(3,793,683)
Commercial paper	1,167,500	1,736,153	(568,653)
Trading liabilities	2,331,500	1,270,014	1,061,486
Borrowed money	2,889,907	3,460,782	(570,875)
Foreign exchanges	299,610	250,907	48,703
Bonds	3,505,820	3,195,061	310,759
Convertible bonds	1,106	101,106	(100,000)
Pledged money for securities lending transactions	3,174,799	4,607,098	(1,432,299)
Other liabilities	2,861,669	5,413,152	(2,551,483)
Reserve for employee bonuses	21,606	-	21,606
Reserve for employee retirement benefit	147,972	39,688	108,284
Reserve for possible losses on loans sold	86,371	145,266	(58,895)
Other reserves	336	651	(315)
Deferred tax liabilities	39,206	24,640	14,566
Deferred tax liabilities for land revaluation	64,015	144,055	(80,040)
Acceptances and guarantees	3,625,047	3,951,237	(326,190)
Total liabilities	104,108,534	114,239,104	(10,130,570)
Minority interests	983,847	990,595	(6,748)
Total stockholders' equity	2,912,619	4,012,960	(1,100,341)
Total liabilities, minority interests and stockholders' equity	108,005,001	119,242,661	(11,237,660)

(Notes)

1. Amounts less than one million yen have been omitted.
2. Amounts at March 2001 are prepared for Sakura Bank and the Sumitomo Bank on a combined basis.

COMPARATIVE CONSOLIDATED STATEMENTS OF INCOME

	Year ended March 31,		(Millions of yen)
	2002 (A)	2001 (B)	Difference (A-B)
Operating income:	3,779,702	4,449,177	(669,475)
Interest income	2,176,685	2,435,884	(259,199)
Interest on loans and discounts	1,420,950	1,647,263	(226,313)
Interest and dividends on securities	318,508	328,449	(9,941)
Fees and commissions	387,280	412,097	(24,817)
Trading profits	129,450	111,183	18,267
Other operating income	845,583	649,681	195,902
Other income	240,702	840,328	(599,626)
Operating expenses:	4,360,330	3,954,560	405,770
Interest expenses	726,901	1,112,348	(385,447)
Interest on deposits	331,670	607,985	(276,315)
Fees and commissions	67,747	95,781	(28,034)
Trading losses	17	2,146	(2,129)
Other operating expenses	666,651	560,664	105,987
General and administrative expenses	935,553	940,889	(5,336)
Other expenses	1,963,458	1,242,727	720,731
Operating profit (loss)	(580,628)	494,617	(1,075,245)
Extraordinary gains	29,428	52,021	(22,593)
Extraordinary losses	53,138	141,124	(87,986)
Income (Loss) before income taxes and minority interests	(604,338)	405,514	(1,009,852)
Income taxes, Current	101,860	65,530	36,330
Income taxes, Deferred	(289,305)	198,227	(487,532)
Minority interests in net income	46,993	9,346	37,647
Net income (loss)	(463,887)	132,408	(596,295)

(Notes)

1. Amounts less than one million yen have been omitted.
2. Amounts at March 2001 are prepared for Sakura Bank and the Sumitomo Bank on a combined basis.

COMPARATIVE CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Year ended March 31,		(Millions of yen)
	2002	2001	Difference
	(A)	(B)	(A-B)
Retained earnings:			
Balance at beginning of year	319,924	451,734	(131,810)
Increase of retained earnings:	741,468	12,978	728,490
Decrease of retained earnings:	122,148	81,136	41,012
Net income (loss)	(463,887)	132,408	(596,295)
Balance at end of year	475,357	515,984	(40,627)

(Notes)

1. Amounts less than one million yen have been omitted.
2. Amounts at March 2001 are prepared for Sakura Bank and the Sumitomo Bank on a combined basis.

COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended March 31,		(Millions of yen)
	2002 (A)	2001 (B)	Difference (A-B)
1. Cash flows from operating activities:			
Income (Loss) before income taxes and minority interests	(604,338)	405,514	(1,009,852)
Depreciation of premises and equipment	-	26,140	(26,140)
Depreciation	-	35,123	(35,123)
Depreciation of premises, equipment and others	96,374	-	96,374
Depreciation of lease assets	306,044	268,700	37,344
Amortization of goodwill	4,806	8,648	(3,842)
Net (income) loss from unconsolidated entities accounted for by the equity method	(2,964)	(44,362)	41,398
Net change in reserve for possible loan losses	884,174	(423,540)	1,307,714
Net change in reserve for possible losses on loans sold	(58,895)	(68,606)	9,711
Net change in reserve for employee bonuses	21,606	-	21,606
Net change in reserve for retirement allowances	-	(41,371)	41,371
Net change in reserve for employee retirement benefit	(42,469)	(20,303)	(22,166)
Interest income	(2,176,685)	(2,435,884)	259,199
Interest expenses	726,901	1,112,348	(385,447)
Net (gains) losses on securities	(64,057)	(500,932)	436,875
Net (income) loss from money held in trust	56	(804)	860
Net exchange (gains) losses	(160,717)	(152,074)	(8,643)
Net (gains) losses from disposition of premises and equipment	23,052	33,907	(10,855)
Net (gains) losses from disposition of lease assets	995	3,575	(2,580)
Gain on sale of business operation	(5,000)	-	(5,000)
Net change in trading assets	(757,328)	569,421	(1,326,749)
Net change in trading liabilities	1,030,514	243,931	786,583
Net change in payable on trading contracts	-	(588,359)	588,359
Net change in loans and bills discounted	1,794,503	1,740,915	53,588
Net change in deposits	1,887,932	2,005,338	(117,406)
Net change in negotiable certificates of deposit	(4,989,141)	1,254,054	(6,243,195)
Net change in borrowed money (excluding subordinated debt)	(456,519)	(612,280)	155,761
Net change in deposits with banks	2,018,942	(1,087,125)	3,106,067
Net change in deposits with banks (except for demand deposits with the Bank of Japan)	-	(902,846)	902,846
Net change in call loans, bills bought and receivables under resale agreements	1,904,425	(2,787,443)	4,691,868
Net change in pledged money for securities borrowing transactions	(2,196,808)	27,544	(2,224,352)
Net change in call money, bills sold and payables under repurchase agreements	(3,020,667)	5,185,675	(8,206,342)
Net change in commercial paper	(569,827)	1,077,095	(1,646,922)
Net change in pledged money for securities lending transactions	(1,715,984)	521,298	(2,237,282)
Net change in foreign exchanges (Assets)	(56,299)	(45,906)	(10,393)
Net change in foreign exchanges (Liabilities)	48,749	57,307	(8,558)
Net change in bonds (excluding subordinated bonds)	359,901	679,420	(319,519)
Interest received	2,342,208	2,360,875	(18,667)
Interest paid	(829,888)	(1,277,801)	447,913
Other, net	(1,070,901)	206,821	(1,277,722)
Subtotal	(5,327,304)	6,834,014	(12,161,318)
Income taxes paid	(54,205)	(57,835)	3,630
Net cash provided by (used in) operating activities	(5,381,510)	6,776,178	(12,157,688)
2. Cash flows from investing activities:			
Purchases of securities	(39,722,661)	(45,283,928)	5,561,267
Proceeds from sale of securities	32,828,672	21,689,226	11,139,446
Proceeds from maturity of securities	12,828,207	16,875,074	(4,046,867)
Purchases of money held in trust	(5,011)	(100,471)	95,460
Proceeds from sale of money held in trust	42,663	208,777	(166,114)
Purchases of premises and equipment	(73,354)	(168,019)	94,665
Proceeds from sale of premises and equipment	134,704	81,844	52,860
Purchases of lease assets	(342,964)	(314,383)	(28,581)
Proceeds from sale of lease assets	37,736	35,590	2,146
Purchases of stocks of subsidiaries	(599)	(2,684)	2,085
Proceeds from sale of stocks of subsidiaries	416	5,083	(4,667)
Proceeds from sale of business operation	5,000	-	5,000
Net cash provided by (used in) investing activities	5,732,808	(6,973,889)	12,706,697
3. Cash flows from financing activities:			
Proceeds from issuance of subordinated debt	128,000	122,283	5,717
Repayment of subordinated debt	(278,000)	(371,774)	93,774
Proceeds from issuance of subordinated bonds, convertible bonds and notes	201,198	254,000	(52,802)
Repayment of subordinated bonds, convertible bonds and notes	(262,361)	(476,181)	213,820
Dividends paid	(11,101)	(58,111)	47,010
Payment of delivered money due to merger	(17,839)	-	(17,839)
Income from minority stockholders	9,000	14,000	(5,000)
Dividends paid to minority stockholders	(39,064)	(7,666)	(31,398)
Purchases of treasury stock	(8,539)	(1,349)	(7,190)
Proceeds from sale of treasury stock	8,286	1,134	7,152
Proceeds from sale of parent bank stocks held by subsidiaries	1,607	-	1,607
Net cash used in financing activities	(268,813)	(523,666)	254,853
4. Foreign currency translation adjustments on cash and cash equivalents	3,595	3,355	240
5. Net change in cash and cash equivalents	86,079	(718,021)	804,100
6. Cash and cash equivalents at beginning of year	868,132	2,731,303	(1,863,171)
7. Change in cash and cash equivalents due to merger	1,075,527	-	1,075,527
8. Change in cash and cash equivalents due to merger of consolidated subsidiaries	2,544	-	2,544
9. Change in cash and cash equivalents due to newly consolidated subsidiaries	96,459	2,219	94,240
10. Cash and cash equivalents at end of year	2,128,742	2,015,501	113,241

(Notes) 1. Amounts less than one million yen have been omitted.

2. Amounts at March 2001 are prepared for Sakura Bank and the Sumitomo Bank on a combined basis.

5. SEGMENT INFORMATION

(1) Business segment information

Year ended March 31, 2002	(Millions of yen)					
	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	2,698,303	585,108	496,291	3,779,702	–	3,779,702
(2) Intersegment	264,276	5,262	205,584	475,123	(475,123)	–
Total	2,962,579	590,370	701,875	4,254,825	(475,123)	3,779,702
Operating expenses	3,536,635	565,781	504,598	4,607,015	(246,684)	4,360,330
Operating profit (loss)	(574,055)	24,589	197,277	(352,189)	(228,438)	(580,628)
Assets	105,898,627	1,723,850	6,766,939	114,389,418	(6,384,416)	108,005,001
Depreciation	79,019	345,405	19,623	444,048	–	444,048
Capital expenditure	101,295	305,198	25,238	431,732	–	431,732

(Notes)

1. The business segmentation is decided based on the Bank's internal administrative purposes.
2. "Other Business" includes securities, credit card, investment banking, loans, factoring and venture capital etc.

Year ended March 31, 2001

(a) Sakura Bank

Some of the consolidated subsidiaries are engaged in securities, trust, leasing and other businesses in addition to banking business. As those activities are not deemed material, business segment information has not been disclosed.

(b) Sumitomo Bank

Year ended March 31, 2001	(Millions of yen)					
	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	1,843,146	516,850	365,998	2,725,995	–	2,725,995
(2) Intersegment	75,387	4,078	111,435	190,901	(190,901)	–
Total	1,918,534	520,929	477,434	2,916,897	(190,901)	2,725,995
Operating expenses	1,731,682	500,251	314,034	2,545,968	(130,713)	2,415,254
Operating profit	186,851	20,677	163,399	370,929	(60,187)	310,741
Assets	66,438,599	1,535,527	4,544,442	72,518,569	(5,125,594)	67,392,974
Depreciation	34,981	317,022	8,748	360,752	–	360,752
Capital expenditure	64,749	271,022	10,721	346,493	–	346,493

(2) Geographic segment information

Year ended March 31, 2002		(Millions of yen)					
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	2,934,322	418,104	210,831	216,443	3,779,702	–	3,779,702
(2) Intersegment	276,404	85,450	122,428	76,812	561,096	(561,096)	–
Total	3,210,727	503,554	333,260	293,256	4,340,799	(561,096)	3,779,702
Operating expenses	3,895,821	290,884	304,545	240,295	4,731,546	(371,215)	4,360,330
Operating profit (loss)	(685,093)	212,670	28,714	52,961	(390,746)	(189,881)	(580,628)
Assets	96,551,202	7,122,548	3,210,741	4,057,313	110,941,806	(2,936,804)	108,005,001

(Notes)

- The geographic segmentation is decided based on the degrees of following factors:
geographic proximity, similarity of economic activities and relationship of business activities among regions.
Operating income and Operating profit are presented as counterparts of sales and operating profit of companies in other industries.
- The Americas includes the United States, Brazil, Canada and others; Europe includes the United Kingdom, Germany, France and others;
Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.

Year ended March 31, 2001		(Millions of yen)					
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	3,486,279	519,525	216,216	227,154	4,449,177	–	4,449,177
(2) Intersegment	228,458	165,411	80,440	78,968	553,281	(553,281)	–
Total	3,714,738	684,938	296,658	306,123	5,002,460	(553,281)	4,449,177
Operating expenses	3,362,588	508,916	304,425	270,890	4,446,823	(492,262)	3,954,560
Operating profit	352,149	176,020	(7,767)	35,231	555,636	(61,018)	494,617
Assets	108,034,900	7,373,575	3,855,317	5,221,038	124,484,831	(5,242,169)	119,242,661

(Note) Amounts for the year ended March 31, 2001 are prepared for Sakura Bank and Sumitomo Bank on a combined basis.

(3) Operating income from overseas operations

	(Millions of yen)		
	Operating Income from Overseas Operations (A)	Consolidated Operating Income (B)	(A) / (B)
Fiscal year ended March 31, 2002	845,379	3,779,702	22.4%
Fiscal year ended March 31, 2001	962,898	4,449,177	21.6%

(Notes)

- The above table shows operating income from transactions of the Bank's overseas branches and transactions of overseas consolidated subsidiaries, excluding internal income.
- The composition of this substantial volume of transactions is not broken down by counter party, and therefore, data by region and country have not been shown.
- Amounts for the fiscal year ended March 31, 2001 are prepared for Sakura Bank and the Sumitomo Bank on a combined basis.

6. Products, Orders and Sales

This information is not available because of the specialty of banking business.

Market Value Information on Securities

Securities

1. As of March 31, 2002

- (Notes) 1. In addition to 'Securities' in consolidated balance sheet, trading securities, negotiable certificates of deposit bought and commercial paper in 'Trading assets,' negotiable certificates of deposit bought in 'Deposits with banks' and commercial paper and beneficiary certificates of trust for loan receivables in 'Commercial paper and other debt purchased' are included in the amounts below.
2. 'Stocks of subsidiaries and affiliates which have market value are presented in Notes to Nonconsolidated Financial Statements.'

(1) Securities classified as Trading

As of March 31, 2002	(Millions of yen)	
	Consolidated balance sheet amount	Gains (Losses) included in profit/loss during this fiscal year
Securities classified as trading	986,563	(15,011)

(2) Bonds classified as held to maturity

As of March 31, 2002	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	157,807	158,223	415	493	77
Japanese local government bonds	23,330	23,089	(240)	-	240
Japanese corporate bonds	-	-	-	-	-
Other	32,980	33,697	717	769	52
Total	214,118	215,011	892	1,262	370

(Note) Market value is calculated by using market prices at the year-end.

(3) *Other securities* which have market value

As of March 31, 2002	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	5,364,801	4,855,495	(509,305)	192,620	701,926
Bonds	11,265,202	11,301,661	36,459	58,810	22,351
Japanese government bonds	9,919,406	9,956,064	36,658	41,284	4,626
Japanese local government bonds	468,707	476,721	8,013	9,887	1,873
Japanese corporate bonds	877,088	868,875	(8,212)	7,638	15,851
Other	3,039,987	3,017,326	(22,661)	8,610	31,271
Total	19,669,991	19,174,483	(495,507)	260,042	755,549

(Notes) 1. Market value is calculated by using the average market price for one month before the consolidated fiscal year-end as for stocks and using the market prices at the consolidated fiscal year-end as for bonds and others.

2. Other securities with market value, whose market value extremely declines as compared with its acquisition cost, are, in principle, considered that their market value will not recover to the acquisition cost. The market value is recognized as the balance sheet amount and the valuation loss is charged off (impaired) for the current fiscal year. The amount of impairment for this fiscal year is 114,804 million yen. The rule to determine that market value 'extremely declines' is regulated by the classification of securities' issuers based on the self-assessment of assets as follows:

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	Market value is lower than acquisition cost
Issuers requiring caution	Market value has decreased 30% or more of the acquisition cost
Normal issuers	Market value has decreased 50% or more of the acquisition cost

Bankrupt issuers: issuers that are legally bankrupt or formally declared bankrupt

Effectively bankrupt issuers: issuers that are not legally bankrupt but regarded as substantially bankrupt

Potentially bankrupt issuers: issuers that are perceived to have a high risk of falling into bankruptcy

Issuers requiring caution: issuers that are identified for close monitoring

Normal issuers: issuers excluding Bankrupt/Effectively bankrupt/Potentially bankrupt issuers and Issuers requiring caution

(4) Bonds sold during this fiscal year that are classified as held-to-maturity

There are no corresponding items.

(5) *Other securities* sold during this fiscal year

Year ended March 31, 2002	(Millions of yen)		
	Sales amount	Gains on sales	Losses on sales
<i>Other securities</i>	32,067,887	321,317	95,118

(6) Securities which have no market value

As of March 31, 2002	(Millions of yen)
	Book value
Bonds classified as held to maturity	
Non-listed foreign securities	13,080
Other	18,246
<i>Other securities</i>	
Non-listed foreign securities	349,227
Non-listed bonds	561,512
Non-listed stocks (except OTC trading stocks)	179,961
Other	109,478

(7) Change of classification of securities

There are no corresponding items.

(8) Redemption schedule on *other securities* that have maturities and bonds classified as held-to-maturity

As of March 31, 2002	(Millions of yen)			
	1 year or less	1 to 5 years	5 to 10 years	over 10 years
Bonds	2,315,514	7,488,398	1,966,674	273,699
Japanese government bonds	2,179,224	6,340,438	1,324,773	269,435
Japanese local government bonds	25,647	130,937	342,159	1,307
Japanese corporate bonds	110,643	1,017,022	299,741	2,956
Other	469,356	2,044,658	153,680	517,756
Total	2,784,871	9,533,057	2,120,354	791,456

2. As of March 31, 2001

- (Notes) 1. In addition to 'Securities' in consolidated balance sheet, trading securities, negotiable certificates of deposit bought and commercial paper in 'Trading assets,' negotiable certificates of deposit bought in 'Deposits with banks' and commercial paper and beneficiary certificates of trust for loan receivables in 'Commercial paper and other debt purchased' are included in the amounts below.
2. Amounts are prepared for Sakura Bank and Sumitomo Bank on a combined basis.

(1) Bonds classified as Trading

As of March 31, 2001	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this fiscal year
Bonds classified as trading	1,468,202	957

(2) Bonds classified as held to maturity

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	14,409	14,412	2	2	0
Japanese local government bonds	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-
Other	18,451	18,367	(83)	46	130
Total	32,860	32,780	(80)	49	130

(Notes) Market value is calculated by using market prices at the fiscal year end.

(3) Other securities which have market value

Market value of *other securities* that have market value is not reflected on consolidated financial statements as of March 31, 2001.

Summary information on *other securities* that have market value are shown in the following table:

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	6,520,471	6,002,746	(517,725)	305,917	823,643
Bonds	16,636,207	16,744,058	107,850	113,651	5,799
Japanese government bonds	15,580,035	15,661,487	81,451	86,457	5,004
Japanese local government bonds	276,821	288,283	11,460	11,464	3
Japanese corporate bonds	779,349	794,287	14,937	15,728	791
Other	2,298,189	2,406,957	108,768	138,680	29,912
Total	25,454,869	25,153,762	(301,106)	558,251	859,357

(Notes) Market value is calculated by using the average market price for one month before the fiscal year end as for stocks and using the market prices at the fiscal year end as for bonds and others.

(4) Bonds sold during this fiscal year that are classified as held-to-maturity

There are no corresponding items.

(5) *Other securities* sold during this fiscal year

Year ended March 31, 2001	(Millions of yen)		
	Sales amount	Gains on sales	Losses on sales
<i>Other securities</i>	21,922,703	694,293	83,462

(6) Securities which have no market value

As of March 31, 2001	(Millions of yen)
	Consolidated balance sheet amount
Bonds classified as held to maturity	
Non-listed foreign securities	38,257
Other	5,091
Other securities	
Non-listed foreign securities	731,769
Non-listed bonds	541,897
Non-listed stocks (except OTC trading stocks)	229,732
Other	224,483

(7) Change of classification of securities

There are no corresponding items.

(8) Redemption schedule on *other securities* that have maturities and bonds classified as held-to-maturity

As of March 31, 2001	(Millions of yen)			
	1 year or less	1 to 5 years	5 to 10 years	over 10 years
Bonds	7,257,659	6,699,668	3,172,322	62,863
Japanese government bonds	7,048,701	5,860,761	2,626,181	58,800
Japanese local government bonds	25,305	101,358	260,309	563
Japanese corporate bonds	183,651	737,549	285,829	3,500
Other	852,076	1,356,669	300,383	499,447
Total	8,109,736	8,056,337	3,472,706	562,310

Money Held in Trust

1. As of March 31, 2002

(1) Money held in trust classified as trading

As of March 31, 2002	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this fiscal year
Money held in trust classified as trading	3,715	-

(2) Money held in trust classified as held to maturity

There is no corresponding transaction.

(3) Other money held in trust (Money held in trust which are classified as except for trading and held to maturity)

As of March 31, 2002	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	33,969	30,144	(3,825)	135	3,960

(Notes) Market value is calculated by using market prices at the consolidated fiscal year-end.

2. As of March 31, 2001

(1) Money held in trust classified as trading

As of March 31, 2001	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this fiscal year
Money held in trust classified as trading	2,467	-

(2) Money held in trust classified as held to maturity

There is no corresponding transaction.

(3) Other money held in trust (Money held in trust which are classified as except for trading and held to maturity)

Market value of *other money held in trust* that have market value is not reflected on the consolidated financial statements as of March 31, 2001.

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	72,652	69,012	(3,640)	811	4,451

(Notes) 1. Market value is calculated by using market prices at the consolidated fiscal year-end.
2. Amounts are prepared for Sakura Bank and Sumitomo Bank on a combined basis.

Net Unrealized Gains (Losses) on *Other Securities*

1. As of March 31, 2002

Net unrealized gains (losses) on *other securities* that is reported on the consolidated balance sheet is shown as follows:

As of March 31, 2002	(Millions of yen)
Net unrealized gains	(499,280)
Other securities	(495,455)
Other money held in trust	(3,825)
(+) Deferred tax assets	191,016
Net unrealized gains (losses) on <i>other securities</i> (before adjustment)	(308,264)
(-) Minority interests	(4,225)
(+) Parent company's share in net unrealized gains (losses) on <i>other securities</i> held by affiliates accounted for by the equity method	(797)
Net unrealized gains (losses) on <i>other securities</i>	(304,837)

(Note) Net unrealized gains (losses) included foreign currency translation adjustments on non-marketable securities denominated in foreign currency.

2. As of March 31, 2001

If *other securities* and other money held in trust were evaluated by market value, net unrealized gains (losses) on *other securities* would be shown on the following table:

As of March 31, 2001	(Millions of yen)
Net unrealized gains	(304,746)
Other securities	(301,106)
Other money held in trust	(3,640)
(+) Deferred tax liabilities	119,760
Net unrealized gains (losses) on <i>other securities</i> (before adjustment)	(184,987)
(-) Minority interests	(460)
(+) Parent company's share in net unrealized gains (losses) on <i>other securities</i> held by affiliates accounted for by the equity method	(29)
Net unrealized gains (losses) on <i>other securities</i>	(184,556)

(Note) Amounts are prepared for Sakura Bank and Sumitomo Bank on a combined basis.

Market Value Information on Derivative Transactions

1. As of March 31, 2002

(1) Interest Rate Derivatives

As of March 31, 2002	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Interest rate futures				
sold	8,943,374	542,286	3,429	3,429
bought	6,928,597	341,900	(3,190)	(3,190)
Interest rate options				
sold	574,331	-	(22)	(22)
bought	701,914	-	48	48
Over-the-counter transactions				
Forward rate agreements				
sold	9,174,207	580,000	13	13
bought	3,024,390	780,000	(248)	(248)
Interest rate swaps				
Receivable fixed rate/Payable floating rate	128,429,893	79,655,118	2,593,978	2,593,978
Receivable floating rate/Payable fixed rate	124,541,252	76,679,066	(2,548,948)	(2,548,948)
Receivable floating rate/Payable floating rate	14,722,791	12,361,681	(5,459)	(5,459)
Swaption				
sold	1,118,152	523,065	(21,895)	(21,895)
bought	952,425	592,115	19,321	19,321
Cap				
sold	5,446,040	4,319,041	(7,950)	(7,950)
bought	4,622,975	3,586,333	11,040	11,040
Floor				
sold	400,233	235,877	(9,240)	(9,240)
bought	621,113	325,744	12,622	12,622
Other				
sold	14,352	13,852	(9,170)	(9,170)
bought	188,333	62,889	2,390	2,390
Total			34,335	34,335

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.
Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 490 million yen.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(2) Currency Derivatives

As of March 31, 2002	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Over-the-counter transactions				
Currency swaps	15,732,720	8,809,028	(46,698)	(46,698)
Forward foreign exchange	1,319,768	336,625	(2,439)	(2,439)
Currency options				
sold	11,641	2,362	(877)	(877)
bought	10,956	4,209	931	931
Other				
sold	293,341	293,341	(3,163)	(3,163)
bought	457,727	457,727	6,145	6,145
Total			(46,102)	(46,102)

(Notes)

1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.

The derivative transactions to which hedge accounting method is applied and the transactions shown in Notes 3 are not included in the figures above.

Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 715 million yen.

2. Market value is calculated mainly using discounted present value.

3. Forward foreign exchange and currency options which are of the following types are not included in the figures above:

- 1) Those that are revaluated at year end and the revaluated gain (loss) is accounted for in the consolidated statement of income.
- 2) Those that were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
- 3) Those that were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.

The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

As of March 31, 2002	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	
sold	-
bought	-
Currency options	
sold	-
bought	-
Over-the-counter transactions	
Forward foreign exchange	42,123,544
Currency options	
sold	3,161,699
bought	3,736,356

(3) Equity Derivatives

As of March 31, 2002	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Equity price index futures				
sold	55	-	0	0
bought	211	-	0	0
Equity price index options				
sold	-	-	-	-
bought	-	-	-	-
Over-the-counter transactions				
Equity options				
sold	-	-	-	-
bought	-	-	-	-
Equity swaps				
Receivable equity index/Payable floating rate	-	-	-	-
Payable equity index/Receivable floating rate	11,664	-	25	25
Other				
sold	98,375	21,566	(4,531)	(4,531)
bought	69,016	-	796	796
Total			(3,709)	(3,709)

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(4) Bond Derivatives

As of March 31, 2002	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Bond futures				
sold	13,300	-	(78)	(78)
bought	13,300	-	90	90
Bond futures options				
sold	-	-	-	-
bought	5,000	-	11	11
Over-the-counter transactions				
Bond options				
sold	23,064	17,384	(11)	(11)
bought	28,155	4,953	0	0
Total			11	11

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(5) Commodity Derivatives

As of March 31, 2002		(Millions of yen)			
		Contract amount		Market value	Net valuated gains (losses)
		(Over 1 year)			
Over-the-counter transactions					
Commodity swaps					
Receive fixed rate/Pay commodity index		1,918	1,796	504	504
Pay fixed rate/Receive commodity index		1,918	1,796	(361)	(361)
Commodity options					
sold		5,026	4,469	(1,070)	(1,070)
bought		5,026	4,469	1,107	1,107
Total				180	180

(Notes)

1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value is calculated based on factors such as price of the relevant commodity and contract term.
3. All of the commodity derivatives are oil related products.

(6) Credit Derivative Transactions

As of March 31, 2002		(Millions of yen)			
		Contract amount		Market value	Net valuated gains (losses)
		(Over 1 year)			
Over-the-counter transactions					
Credit default options					
sold		51,166	43,807	(774)	(774)
bought		49,684	37,903	1,428	1,428
Other					
sold		16,354	14,514	(2,584)	(2,584)
bought		223,044	80,496	14,895	14,895
Total				12,965	12,965

(Notes)

1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value is calculated based on factors such as price of the relevant commodity and contract term.
3. 'Sold' are transactions in which the Bank accepts the credit risk, 'Bought' are transactions in which the Bank transfers the credit risk.

3. As of March 31, 2001

(Note) Amounts are prepared for Sakura Bank and Sumitomo Bank on a combined basis.

(1) Interest Rate Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Interest rate futures				
sold	1,161,100	17,858	(868)	(868)
bought	5,960,228	485,657	11,142	11,142
Interest rate options				
sold	2,278,661	-	(835)	645
bought	732,009	-	525	264
Over-the-counter transactions				
Forward rate agreements				
sold	7,924,231	10,000	(305)	(305)
bought	3,407,144	-	(748)	(748)
Interest rate swaps				
Receivable fixed rate/Payable floating rate	221,582,144	134,555,715	(105,025)	(105,025)
Receivable floating rate/Payable fixed rate	108,177,568	65,259,340	2,329,758	2,329,758
Receivable floating rate/Payable floating rate	105,439,833	64,638,603	(2,418,255)	(2,418,255)
Receivable floating rate/Payable floating rate	7,325,660	4,129,367	(19,168)	(19,168)
Other				
sold	7,059,896	5,732,536	(42,559)	(25,693)
bought	5,303,770	4,291,764	44,741	35,874
Total			(93,933)	(84,714)

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.
Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 2,848 million yen.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.
- Other in Over-the-counter transactions includes cap, floor and swaption transactions.

(2) Currency Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Over-the-counter transactions				
Currency swaps				
Currency swaps	14,883,848	7,977,865	(67,799)	(67,799)
Forward foreign exchange				
Forward foreign exchange	787,136	187,702	(13,451)	(13,451)
Currency options				
sold	19,804	6,453	(1,583)	(1,583)
bought	22,702	5,554	1,466	1,466
Total			(81,368)	(81,368)

(Notes)

- The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
The derivative transactions to which hedge accounting method is applied and the transactions shown in Notes 3 are not included in the figures above.
Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 650 million yen.
- Market value is calculated mainly using discounted present value.

3. The currency swap transactions whose profit and loss are recognized on an accrual basis in pursuant to 'Temporary treatment of auditing on continuous adoption of the accounting standards for foreign currency transactions in banking industry' (issued by JICPA on April 10, 2000) are not included in the figures above.

The currency swap transactions whose profit and loss are recognized on an accrual basis is shown as follows:

As of March 31, 2001	(Millions of yen)		
	Contract amount	Market value	Net valuated gains (losses)
Currency swaps	1,833,414	(69,269)	(69,269)

Forward foreign exchange and currency options which are of the following types are not included in the figures above:

- 1) Those that are revaluated at year end and the revaluated gain (loss) is accounted for in the consolidated statement of income.
- 2) Those that were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
- 3) Those that were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.

The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

As of March 31, 2001	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	
sold	-
bought	-
Currency options	
sold	-
bought	-
Over-the-counter transactions	
Forward foreign exchange	58,124,028
Currency options	
sold	2,571,941
bought	2,295,924

(3) Equity Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Equity price index futures				
sold	3,039	-	137	137
bought	-	-	-	-
Equity price index options				
sold	-	-	-	-
bought	-	-	-	-
Over-the-counter transactions				
Equity options				
sold	-	-	-	-
bought	-	-	-	-
Equity price index swaps	45,202	16,039	(805)	(805)
Other				
sold	79,457	61,219	10,685	10,685
bought	34,947	-	(1,072)	(1,072)
Total			8,944	8,944

(Notes)

1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(4) Bond Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Transactions listed on exchange				
Bond futures				
sold	2,188	2,000	2	2
bought	23,066	-	112	112
Bond futures options				
sold	-	-	-	-
bought	-	-	-	-
Over-the-counter transactions				
Bond options				
sold	21,981	19,850	0	0
bought	25,457	18,562	0	0
Total			114	114

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(5) Commodity Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Over-the-counter transactions				
Commodity options				
sold	2,707	2,707	56	56
bought	2,707	2,707	(4)	(4)
Total			51	51

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
- Market value is calculated based on factors such as price of the relevant commodity and contract term.

(6) Credit Derivative Transactions

As of March 31, 2001	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Net valuated gains (losses)
Over-the-counter transactions				
Credit default options				
sold	42,389	33,782	(366)	(366)
bought	55,966	43,746	465	465
Other				
sold	32,816	14,500	(8,280)	(8,280)
bought	63,089	58,978	7,340	7,340
Total			(840)	(840)

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the figures above.
- Market value is calculated based on factors such as price of the relevant commodity and contract term.
- 'Sold' are transactions in which the Bank accepts the credit risk, 'Bought' are transactions in which the Bank transfers the credit risk.

Related Party Transactions

There are no material transactions with related parties to be reported for fiscal 2001 ended March 31, 2002.

There are no material transactions with related parties to be reported for fiscal 2000 ended March 31, 2001.