



Sumitomo Mitsui Banking Corporation (SMBC)

Nonconsolidated Financial Results for the First Half of Fiscal 2001 ended September 30, 2001

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

Date of Approval by the Board of Directors : November 26, 2001

Stock Exchange Listings : Tokyo, Osaka, Nagoya, Sapporo, London

1. Performance (for the First Half of Fiscal 2001 ended September 30, 2001)

(1) Financial Results Amounts for September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.
Amounts less than one million have been omitted.

	Operating Income		Operating Profit		Net Income		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥
Six Months ended September 2001	1,337,291	(14.9)	127,148	(50.2)	79,794	(20.4)	14.03
ended September 2000	1,571,918	(8.9)	255,105	72.1	100,300	34.5	Sakura 11.28 Sumitomo 14.83
Fiscal Year ended March 2001	3,289,556		359,167		137,835		Sakura 17.28 Sumitomo 16.59

Notes: 1. Average number of common stock outstanding

for the six months ended September 30, 2001: 5,688,934,380

for the six months ended September 30, 2000: (Sakura) 4,117,413,581 (Sumitomo) 3,141,062,101

for the fiscal year ended March 31, 2001 : (Sakura) 4,117,698,482 (Sumitomo) 3,141,062,101

2. There is no change in accounting methods.

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

(2) Dividends (common stock)

	Interim Dividends per Share	Annual Dividends per Share
September 2001	¥ 0.00	—
September 2000	Sakura ¥ 3.00 Sumitomo ¥ 3.00	—
March 2001	—	Sakura ¥ 6.00 Sumitomo ¥ 6.00

Note: Annual cash dividends per share for the year ended March 31, 2001 of Sakura Bank is calculated by assuming the delivered money due to merger (equivalents of dividends per share for the year ended March 31, 2001) as year-end cash dividends.

(3) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio (BIS Guidelines)
	¥ million	¥ million	%	¥	%
September 2001	101,342,107	3,514,642	3.5	387.72	(Preliminary) 11.53
September 2000	100,774,231	4,209,415	4.2	Sakura 359.76 Sumitomo 452.62	Sakura 12.67 Sumitomo 12.14
March 2001	113,727,498	4,199,937	3.7	Sakura 358.44 Sumitomo 451.35	Sakura 11.91 Sumitomo 11.80

Notes: 1. Number of common stock outstanding

as of September 30, 2001: 5,709,392,217

as of September 30, 2000: (Sakura) 4,117,801,659 (Sumitomo) 3,141,062,101

as of March 31, 2001 : (Sakura) 4,118,077,946 (Sumitomo) 3,141,062,101

2. Number of treasury stock as of September 30, 2001: 32,178

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

	Operating Income	Operating Loss	Net Loss	Dividends per Share (Annual)	
				Year end	
Fiscal Year ending March 2002	¥ million 2,700,000	¥ million 45,000	¥ million 55,000	¥ 6.00	¥ 6.00

(Reference) Forecasted net loss per share for Fiscal 2001 is 12.18 yen.

Average number of shares outstanding during the term (year)

	For the six months ended September 2001
Common stock	5,688,934,380
Preferred stock (first series type 1)	67,000,000
Preferred stock (second series type 1)	100,000,000
Preferred stock (type 5)	800,000,000
Preferred stock (type 6)	2,147,500

Sakura Bank

	For the six months ended September 2000	For the fiscal year ended March 2001
Common stock	4,117,413,581	4,117,698,482
Preferred stock (series II)	2,742,918	2,671,767
Preferred stock (series III (type 2))	800,000,000	800,000,000

Sumitomo Bank

	For the six months ended September 2000	For the fiscal year ended March 2001
Common stock	3,141,062,101	3,141,062,101
Preferred stock (first series type 1)	67,000,000	67,000,000
Preferred stock (second series type 1)	100,000,000	100,000,000

Number of shares as of term (year) end

	As of September 2001
Common stock	5,709,392,217
Preferred stock (first series type 1)	67,000,000
Preferred stock (second series type 1)	100,000,000
Preferred stock (type 5)	800,000,000

Sakura Bank

	As of September 2000	As of March 2001
Common stock	4,117,801,659	4,118,077,946
Preferred stock (series II)	2,646,000	2,577,000
Preferred stock (series III (type 2))	800,000,000	800,000,000

Sumitomo Bank

	As of September 2000	As of March 2001
Common stock	3,141,062,101	3,141,062,101
Preferred stock (first series type 1)	67,000,000	67,000,000
Preferred stock (second series type 1)	100,000,000	100,000,000

Note: Number of shares outstanding changed during the six months ended September 2001 as follows:

		Number of shares issued	Capitalized amount
Increase due to merger	Common stock	2,470,846,767	523,851 million yen
	Preferred stock (type 5)	800,000,000	
	Preferred stock (type 6)	2,577,000	
Conversion of convertible bonds	Common stock	91,324,178	50,045 million yen
Conversion of preferred stock (type 6) into common stock	Common stock	6,191,349	–
	Preferred stock (type 6)	(2,577,000)	–

Dividends per share

	For the six months ended September 2001
	Interim dividends
Common stock	¥ 0.00
Preferred stock (first series type 1)	¥ 0.00
Preferred stock (second series type 1)	¥ 0.00
Preferred stock (type 5)	¥ 0.00

Sakura Bank

	For the six months ended September 2000	For the fiscal year ended March 2001	
	Interim dividends	Annual dividends	
Common stock	¥ 3.00	¥ 6.00	(Notes 1)
Preferred stock (series II)	¥ 7.50	¥ 15.00	(Notes 2)
Preferred stock (series III (type 2))	¥ 6.85	¥ 13.70	(Notes 3)

Notes: 1. ¥ 3.00 of delivered money due to merger is assumed as year-end dividends for the year ended March 2001.

2. ¥ 7.50 of delivered money due to merger is assumed as year-end dividends for the year ended March 2001.

3. ¥ 6.85 of delivered money due to merger is assumed as year-end dividends for the year ended March 2001.

Sumitomo Bank

	For the six months ended September 2000	For the fiscal year ended March 2001
	Interim dividends	Annual dividends
Common stock	¥ 3.00	¥ 6.00
Preferred stock (first series type 1)	¥ 5.25	¥ 10.50
Preferred stock (second series type 1)	¥ 14.25	¥ 28.50

Forecasted annual dividends per share for the year ended March 2002

	Annual dividends per share	
	Year end	
Common stock	¥ 6.00	¥ 6.00
Preferred stock (first series type 1)	¥ 10.50	¥ 10.50
Preferred stock (second series type 1)	¥ 28.50	¥ 28.50
Preferred stock (type 5)	¥ 13.70	¥ 13.70

Calculation for Index

(1) Financial Results for the First Half of Fiscal 2001

- Net Income per Share :

$$\frac{\text{Net income} - \text{Preferred share dividends}}{\text{Average number of common shares outstanding during the term (*)}}$$

- Stockholders' Equity per Share :

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

(2) Forecasted Financial Results for Fiscal 2001 ending March 31, 2002

- Forecasted Net Income per Share :

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

(*) Treasury stock is excluded from this fiscal year.

BALANCE SHEET

September 30, 2001	(Millions of yen)
Assets:	
Cash and due from banks	5,605,096
Call loans	399,742
Receivables under resale agreements	774,471
Debt purchased	78,848
Trading assets	2,689,363
Money held in trust	63,611
Securities	19,988,203
Loans and bills discounted	61,071,591
Foreign exchanges	631,330
Other assets	3,197,681
Premises and equipment	820,719
Deferred tax assets	1,589,941
Customers' liabilities for acceptances and guarantees	5,440,396
Reserve for possible loan losses	(1,008,891)
Total assets	101,342,107
Liabilities:	
Deposits	56,611,281
Negotiable certificates of deposit	11,152,501
Call money	3,802,733
Payables under repurchase agreements	1,459,293
Bills sold	4,694,400
Commercial paper	1,082,000
Trading liabilities	1,704,180
Borrowed money	3,555,666
Foreign exchanges	246,872
Bonds	1,865,205
Convertible bonds	1,106
Other liabilities	5,796,331
Reserve for employee bonuses	12,790
Reserve for employee retirement benefit	152,131
Reserve for possible losses on loans sold	119,143
Other reserves	18
Deferred tax liabilities for land revaluation	131,412
Acceptances and guarantees	5,440,396
Total liabilities	97,827,465
Stockholders' equity:	
Capital stock	1,326,746
Legal reserves	1,925,782
Land revaluation excess	208,857
Retained earnings	478,958
Voluntary reserves	221,560
Unappropriated profit	257,398
Net income	79,794
Net unrealized losses on other securities	(425,669)
Treasury stock	(33)
Total stockholders' equity	3,514,642
Total liabilities and stockholders' equity	101,342,107

Notes to Balance Sheet

1. Amounts less than one million have been omitted.
2. Standards for recognition and measurement of trading assets/liabilities are as follows:
Recognition:
Trading accounts position 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 balance sheet on a contract date basis.
Measurement:
Trading securities and monetary claims purchased for trading purposes are stated at market value, and financial derivatives such as swaps, futures and options, are at the amounts that would be settled if the transactions were terminated at the balance sheet date.
3. As for securities other than those in trading portfolio, debt securities which Sumitomo Mitsui Banking Corporation (the 'Bank') has the positive intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost (the straight-line method), using the moving-average method.
Investments in subsidiaries and affiliates are carried at cost, using the moving-average method.
Securities excluding those classified as trading securities, held-to-maturity securities or investments in subsidiaries and affiliates, are defined as '*other securities*.'
Other securities that have market value are carried at market value at the interim term end date and *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.
6. Depreciation of premises and equipment is computed by the straight-line method (the declining-balance method is used as for equipment). For the six-months ended September 30, 2001, the Bank charges 50 % of the estimated annual depreciation costs to its income. The estimated useful lives of major items are as follows:
Buildings: 7 to 50 years
Equipment: 3 to 20 years
7. Capitalized software for internal use is depreciated using the straight-line method over its estimated useful life (five years).
8. Issuance cost of bonds is expensed as they are incurred. Discount of bonds is included in other assets and amortized using straight-line method over the lives of the bonds.
9. Assets and liabilities denominated in foreign currencies or overseas branches are translated into Japanese yen mainly at the exchange rate prevailing at the balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at the original rate.
Formerly, the Bank applied 'the accounting standards for foreign currency transactions in banking industry' introduced in 1990, but 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 when 'Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.20) prevails.

Financial swap transactions are accounted for pursuant to the 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 balance sheet at the exchange rate prevailing at the interim 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 balance sheet and the statement of income.

Financial swap is a swap transaction in the foreign exchange market entered into for the purpose of lending/borrowing money in different currencies at risk free, by setting the initial and final exchange inversely in the amount of principal

and the principal plus interest respectively of the embedded money transactions with the fixed maturity and the fixed interest amount.

10. Reserve for possible loan losses is provided as detailed below, in accordance with the internal standards for write-offs and reserves.

For claims on borrowers who are legally bankrupt ('bankrupt borrowers') or borrowers who are regarded as substantially in the same situation ('effectively bankrupt borrowers'), a reserve is provided based on the amount of claims net of the expected amount of recoveries from collateral and guarantees net of the deducted amount mentioned below.

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

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

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

All claims are assessed by branches and credit supervision departments 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 these layers of review.

For claims on 'bankrupt borrowers' and 'effectively bankrupt borrowers,' the amount exceeding the estimated value of collateral and guarantees, is deducted, as deemed uncollectable, directly from those claims. The deducted amount is 1,580,785 million yen.

11. Reserve for accrued bonuses to employees are provided, in provision for payment of bonuses to employees, by the amount accrued at the interim term end based on estimated bonuses. Accrued bonuses to employees were recognized on accrued expenses in Other liabilities, but 'Reserve for employee bonuses' is reported from this 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).

12. Reserve for employee retirement benefit is recorded, in provision for payment of retirement benefit to employees, by the amount accrued at the interim term end, based on an actuarial computation, which uses the present value of the projected benefit obligation and plan assets, due to employee's credited years of services at the balance sheet date. Prior service cost is amortized using the straight-line method over 10 years.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence.

Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit is amortized using the straight-line method over 5 years and is charged 50% of the annual amortized cost to its income for the six months ended September 30, 2001.

13. Reserve for possible losses on loans sold provides for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is provided in accordance with Article 287-2 of the Commercial Code.

14. Financing leases, except for those which transfer the ownership of the property to the lessee, are accounted for in the same manner as operating leases.

15. 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 bearing assets and liabilities as a whole shall be recognized as the hedged portfolio.
- (2) Derivatives as the hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
- (3) Eligibility of hedging activities shall be evaluated on a quarterly basis.

The Bank applies deferred hedge accounting.

The Bank applies accounting for deferred hedge in relation to stocks of subsidiaries and affiliates, accounting for fair value hedge to 'other securities' other than debt securities, denominated in foreign currency but either of which conversion difference is not recognized as profit and loss by themselves.

The above accountings are applied, on the conditions that the hedged security is specified in advance and that on-balance (actual) or off-balance (forward) liability exposure exists enough to cover the cost of the hedged security, and in 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 managed by some of overseas branches are recorded on a cost basis using the short-cut method (exceptional treatment) for interest rate swaps in view of consistency with the way of risk management.

16. Consumption tax and local consumption tax are accounted for using the tax-excluded method.
17. 'Other reserve' required by Special Law is stated as follows:
Reserve for contingent liabilities from financial futures transaction is recorded at 18 million yen.
This reserve was provided in accordance with Article 82 of the Financial Futures Transaction Law.
18. Accumulated depreciation of the Bank's premises and equipment amounted to 522,852 million yen.
19. Advanced depreciation of the Bank's premises and equipment amounted to 82,324 million yen.
20. Bankrupt loans and Non-accrual loans are 217,079 million yen and 1,945,507 million yen respectively. 'Bankrupt loans' consist of loans on which the Bank does not currently accrue interest income due to the nonpayment status or other credit conditions of the borrower and which meet certain conditions defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law, issued in 1965. 'Non-accrual loans' is defined as loans on which the Bank does not currently accrue interest income but excluding 'Bankrupt loans' and loans for which the Bank is forbearing interest payments to support the borrowers' recovery from financial difficulty.
21. 'Past due loans (3 months or more)' are 105,760 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.
22. Restructured loans are 1,001,475 million yen. 'Restructured loans' are loans for which the Bank relaxes lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments to support the borrowers' recovery from financial difficulty, but excluding Bankrupt loans, Non-accrual loans and Past due loans (3 months or more).
23. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans are 3,269,821 million yen as of the interim term end date.
The amounts of loans presented through 20 to 23 are amounts before reserve for possible loan losses is deducted.
24. The total face value of Bank acceptance bought, Commercial bills discounted and Documentary bills is 1,159,156 million yen.

25. Assets pledged as collateral as of the balance sheet date are as follows:

(Millions of yen)

Assets pledged	
Cash and due from banks	49,360
Trading assets	865,984
Securities	9,215,772
Loans and bills discounted	1,728,781
Liabilities corresponding to assets pledged	
Call money	1,335,000
Payables under repurchase agreements	1,419,293
Bills sold	4,694,400
Borrowed money	94,362
Pledged money for securities lending transactions	
in Other assets	3,287,729
Acceptances and guarantees	49,312

In addition, cash and due from banks of 39,402 million yen, trading assets of 2,566 million yen, securities of 1,554,952 million yen and loans and bills discounted of 859,447 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 137,174 million yen, and other assets include initial margins of futures markets of 37,128 million yen.

26. Net of deferred unrealized gains and losses from hedging instruments is reported in deferred profit on hedge which are included in Other liabilities. Gross deferred unrealized gains and gross deferred unrealized losses from hedging instruments are 1,194,149 million yen and 1,020,256 million yen respectively.

27. Pursuant to the Law concerning Land Revaluation (the Law) effective March 31, 1998, the Bank revalued its own land for business activities. The income taxes corresponded 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: March 31, 1998
- Method of revaluation (provided in Article 3-3 of the Law):
- 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.
28. The balance of subordinated debt included in Borrowed money is 3,196,843 million yen.
29. The balance of subordinated bonds included in Bonds is 573,925 million yen.
30. 'Japanese Government Bonds' as a sub-account of 'Securities' includes 999 million yen of unsecured loans of securities without restrictions as to disposal. 'Securities' includes 1,665 million yen of lease of securities. The Bank mortgages 1,825,380 million yen and holds in hand 187,102 million yen of secondhand securities without restrictions as to disposal which are either borrowed, mortgaged under repurchase agreements or under loans of securities backed by cash. The Bank may pledge leasehold securities as well. Unsecured loans of securities and securities under repurchase agreements were recognized as 'Securities in custody' as a sub-account of 'Other assets' and 'Trading account securities borrowed' or 'Securities borrowed' as a sub-account of 'Other liabilities' by the same amounts. From this fiscal year, they are not reported on balance sheet in accordance with the revision of the accounting standards for financial instruments. Consequently, Other assets and Other liabilities decrease by 1,283,943 million yen as compared with the former manner.
31. 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 21,742,610 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time is 19,449,048 million yen. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that the Bank can reject the application from customers or reduce the contract amounts in case economic conditions are changed, the Bank needs to secure claims and others occur. In addition, the Bank requests the customers to pledge collateral such as premises and securities at conclusion of the contracts, and takes necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after conclusion of the contracts.
32. Treasury stock was included in Securities in the past. From this fiscal year, in pursuant to 'the Partial Revision of the Enforcement Ordinance for the Banking Law' issued by Cabinet Office on October 5, 2001, Treasury stock is reported in the bottom of Stockholders' equity and deducts stockholders' equity. Consequently, total assets and stockholders' equity decrease by 33 million yen respectively as compared with the former manner.
33. 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 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. Consequently, the total amount of 'Securities' and 'Money held in trust' decreases by 693,620 million yen and (425,669) million yen of 'Net unrealized losses on *other securities*' is reported on the balance sheet.

STATEMENT OF INCOME

Six months ended September 30, 2001

(Millions of yen)

Operating income:

Interest income	1,061,396
Interest on loans and discounts	651,463
Interest and dividends on securities	224,002
Fees and commissions	113,779
Trading profits	70,906
Other operating income	56,889
Other income	34,320
Total operating income	1,337,291

Operating expenses:

Interest expenses	386,960
Interest on deposits	190,777
Fees and commissions	40,494
Other operating expenses	26,379
General and administrative expenses	348,545
Other expenses	407,763
Total operating expenses	1,210,143
Operating profit	127,148
Extraordinary profit	167
Extraordinary loss	16,260
Income before income taxes	111,055
Income taxes, Current	9,762
Income taxes, Deferred	21,499
Net income	79,794
Unappropriated profit brought forward	68,994
Unappropriated profit inherited due to merger	109,023
Transfer from land revaluation excess	(413)
Unappropriated profit	257,398

Notes to Statement of Income

1. Amounts less than one million have been omitted.
2. Trading profits and trading losses are recognized by contract date basis, and include interest received/paid, the amount of change in valuation gains (losses) for securities, monetary claims and derivatives as of the consolidated interim term end date compared with that at the end of the previous term. The amounts of change of valuation gains (losses) for derivatives are measured using the estimated settlement price assuming settlement in cash at the consolidated interim term end date.
3. Other income includes gains on stocks of 28,221 million yen.
4. Other expenses include transfer to reserve for possible loan losses, write-off of loans and losses on devaluation of stocks of 129,325 million yen, 138,692 million yen and 68,908 million yen, respectively.
5. Extraordinary loss includes amortized cost of unrecognized net obligation from initial application of the new accounting standard for employees retirement benefit in fiscal 2000 of 10,083 million yen.

COMPARATIVE BALANCE SHEETS

(Millions of yen)

September 30, 2001 and 2000, and March 31, 2001	September 30			March 31	
	2001 (A)	2000 (B)	Difference (A-B)	2001 (C) (Condensed)	Difference (A-C)
Assets:					
Cash and due from banks	5,605,096	6,103,383	(498,287)	7,269,030	(1,663,934)
Call loans and bills bought	399,742	181,185	218,557	211,968	187,774
Receivables under resale agreements	774,471	60,662	713,809	2,597,816	(1,823,345)
Commercial paper and other debt purchased	78,848	83,285	(4,437)	80,459	(1,611)
Trading assets	2,689,363	2,523,450	165,913	2,408,485	280,878
Money held in trust	63,611	111,277	(47,666)	75,120	(11,509)
Securities	19,988,203	18,596,325	1,391,878	27,059,978	(7,071,775)
Loans and bills discounted	61,071,591	63,023,341	(1,951,750)	61,747,880	(676,289)
Foreign exchanges	631,330	723,424	(92,094)	723,498	(92,168)
Other assets	3,197,681	3,508,335	(310,654)	4,409,648	(1,211,967)
Premises and equipment	820,719	891,880	(71,161)	871,749	(51,030)
Deferred tax assets	1,589,941	1,111,794	478,147	1,074,671	515,270
Customers' liabilities for acceptances and guarantees	5,440,396	5,323,816	116,580	6,293,027	(852,631)
Reserve for possible loan losses	(1,008,891)	(1,467,937)	459,046	(1,095,841)	86,950
Total assets	<u>101,342,107</u>	<u>100,774,231</u>	<u>567,876</u>	<u>113,727,498</u>	<u>(12,385,391)</u>
Liabilities:					
Deposits	56,611,281	57,560,110	(948,829)	59,041,313	(2,430,032)
Negotiable certificates of deposit	11,152,501	9,241,542	1,910,959	11,688,459	(535,958)
Call money	3,802,733	7,101,988	(3,299,255)	5,898,509	(2,095,776)
Payables under repurchase agreements	1,459,293	3,062,512	(1,603,219)	4,857,211	(3,397,918)
Bills sold	4,694,400	572,087	4,122,313	4,032,500	661,900
Commercial paper	1,082,000	191,000	891,000	1,637,200	(555,200)
Trading liabilities	1,704,180	856,558	847,622	1,180,506	523,674
Borrowed money	3,555,666	4,186,312	(630,646)	3,985,126	(429,460)
Foreign exchanges	246,872	144,739	102,133	250,712	(3,840)
Bonds	1,865,205	1,153,500	711,705	1,470,607	394,598
Convertible bonds	1,106	101,201	(100,095)	101,106	(100,000)
Other liabilities	5,796,331	6,703,707	(907,376)	8,809,198	(3,012,867)
Reserve for employee bonuses	12,790	-	12,790	-	12,790
Reserve for employee retirement benefit	152,131	94,865	57,266	14,054	138,077
Reserve for possible losses on loans sold	119,143	135,648	(16,505)	137,972	(18,829)
Other reserves	18	17	1	17	1
Deferred tax liabilities for land revaluation	131,412	135,199	(3,787)	130,030	1,382
Acceptances and guarantees	5,440,396	5,323,816	116,580	6,293,027	(852,631)
Total liabilities	<u>97,827,465</u>	<u>96,564,814</u>	<u>1,262,651</u>	<u>109,527,559</u>	<u>(11,700,094)</u>
Stockholders' equity:					
Capital stock	1,326,746	1,795,554	(468,808)	1,795,554	(468,808)
Legal reserves	1,925,782	1,775,911	149,871	1,781,722	144,060
Land revaluation excess	208,857	217,773	(8,916)	209,583	(726)
Retained earnings	478,958	420,175	58,783	413,077	65,881
Voluntary reserves	221,560	221,563	(3)	221,563	(3)
Unappropriated profit	257,398	198,610	58,788	191,513	65,885
Net income	79,794	100,300	(20,506)	137,835	(58,041)
Net unrealized losses on other securities	(425,669)	-	(425,669)	-	(425,669)
Treasury stock	(33)	-	(33)	-	(33)
Total stockholders' equity	<u>3,514,642</u>	<u>4,209,415</u>	<u>(694,773)</u>	<u>4,199,937</u>	<u>(685,295)</u>
Total liabilities and stockholders' equity	<u>101,342,107</u>	<u>100,774,231</u>	<u>567,876</u>	<u>113,727,498</u>	<u>(12,385,391)</u>

Notes 1. Amounts less than millions are rounded down.

2. Amounts at September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.

COMPARATIVE STATEMENTS OF INCOME

(Millions of yen)

Six months ended September 30, 2001 and 2000, and Year ended March 31, 2001	Six months ended September 30			Year ended March 31
	2001 (A)	2000 (B)	Difference (A-B)	2001 (Condensed)
Operating income:				
Interest income	1,061,396	1,123,199	(61,803)	2,275,679
Interest on loans and discounts	651,463	723,641	(72,178)	1,501,144
Interest and dividends on securities	224,002	150,341	73,661	348,176
Fees and commissions	113,779	114,274	(495)	231,780
Trading profits	70,906	34,154	36,752	95,385
Other operating income	56,889	36,300	20,589	73,476
Other income	34,320	263,987	(229,667)	613,233
Total operating income	1,337,291	1,571,918	(234,627)	3,289,556
Operating expenses:				
Interest expenses	386,960	537,813	(150,853)	1,035,641
Interest on deposits	190,777	257,209	(66,432)	601,538
Fees and commissions	40,494	39,723	771	81,087
Other operating expenses	26,379	13,331	13,048	57,082
General and administrative expenses	348,545	354,263	(5,718)	711,987
Other expenses	407,763	371,680	36,083	1,044,585
Total operating expenses	1,210,143	1,316,812	(106,669)	2,930,388
Operating profit	127,148	255,105	(127,957)	359,167
Extraordinary profit	167	1,318	(1,151)	3,112
Extraordinary loss	16,260	39,570	(23,310)	89,169
Income before income taxes	111,055	216,853	(105,798)	273,111
Income taxes, Current	9,762	22,651	(12,889)	9,526
Income taxes, Deferred	21,499	93,898	(72,399)	125,747
Net income	79,794	100,300	(20,506)	137,835
Unappropriated profit brought forward	68,994	94,554	(25,560)	94,554
Unappropriated profit inherited due to merger	109,023	-	109,023	-
Transfer from land revaluation excess	(413)	3,754	(4,167)	11,839
Interim dividends	-	-	-	29,052
Transfer to earned surplus reserve	-	-	-	5,809
Delivered money due to merger	-	-	-	17,853
Unappropriated profit	257,398	198,610	58,788	191,513

Notes 1. Amounts less than millions are rounded down.

2. Amounts for September 2000 and March 2001 are the sum of those of the Sakura Bank and the Sumitomo Bank.