

Financial Results
Fiscal Year 2002
-Supplementary Information-

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

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(Notes) 1. <C>: Consolidated.

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 Figures for FY2001: SMBC's consolidated figures which include those for the former Wakashio Bank

2. <N>: SMBC Non-consolidated.

 Figures for FY2001: combined figures for the former SMBC and the former Wakashio Bank

 P/L items for FY2002: figures include the former SMBC's profits and losses between April 1, 2002 and March 16, 2003.

Financial Highlights for FY2002

1. Financial Results

<SMBC Non-consolidated>

(Millions of yen)

		FY2002	Change	FY2001
Gross banking profit	1	1,760,684	(104,195)	1,864,879
<Excluding gains(losses) on bonds>	2	<1,625,025>	<(172,719)>	<1,797,744>
Gross domestic profit	3	1,252,898	(14,782)	1,267,680
<Excluding gains(losses) on bonds>	4	<1,180,843>	<(30,905)>	<1,211,748>
Net interest income	5	1,025,797	(64,059)	1,089,856
Trust fees	6	7	7	-
Net fees and commissions	7	152,849	30,341	122,508
Net trading income	8	2,496	1,492	1,004
Net other operating income	9	71,747	17,439	54,308
<Gains(losses) on bonds>	10	<72,054>	<16,123>	<55,931>
Gross international profit	11	507,785	(89,413)	597,198
<Excluding gains(losses) on bonds>	12	<444,181>	<(141,815)>	<585,996>
Net interest income	13	197,539	(199,642)	397,181
Net fees and commissions	14	41,816	(1,187)	43,003
Net trading income	15	193,504	73,220	120,284
Net other operating income	16	74,925	38,198	36,727
<Gains(losses) on bonds>	17	<63,604>	<52,402>	<11,202>
Expenses (excluding non-recurring losses)	18	(647,040)	31,353	(678,393)
Personnel expenses	19	(253,907)	22,546	(276,453)
Non-personnel expenses	20	(357,682)	12,141	(369,823)
Taxes	21	(35,450)	(3,335)	(32,115)
Banking profit (excluding transfer to general reserve for possible loan losses)	22	1,113,643	(72,841)	1,186,484
<Excluding gains(losses) on bonds>	23	<977,984>	<(141,366)>	<1,119,350>
Transfer to general reserve for possible loan losses	24	(238,132)	266,531	(504,663)
Banking profit	25	875,511	193,690	681,821
Gains(losses) on bonds	26	135,659	68,526	67,133
Non-recurring gains(losses)	27	(1,472,700)	(269,251)	(1,203,449)
<Total credit cost>	28	<(1,074,517)>	<471,682>	(*2) <(1,546,199)>
Write-off of loans	29	(284,418)	945	(285,363)
Transfer to specific reserve	30	(375,359)	288,601	(663,960)
Transfer to reserve for losses on loans sold	31	(15,245)	21,789	(37,034)
Losses on loans sold to CCPC	32	(16,370)	(8,007)	(8,363)
Losses on sale of delinquent loans	33	(148,870)	(98,281)	(50,589)
Transfer to loan loss reserve for specific overseas countries	34	3,879	(667)	4,546
<Transfer to general reserve for possible loan losses>	35	<(238,132)>	<266,531>	<(504,663)>
Gains(losses) on stocks	36	(635,708)	(504,951)	(130,757)
Gains on sale of stocks	37	51,205	(3,051)	54,256
Losses on sale of stocks	38	(159,448)	(105,142)	(54,306)
Losses on devaluation of stocks	39	(527,465)	(396,757)	(130,708)
Enterprise taxes by Local Governments	40	(7,811)	22,189	(30,000)
Others	41	7,204	9,130	(1,926)
Ordinary profit(loss)	42	(597,188)	(75,559)	(521,629)
Extraordinary gains(losses)	43	(73,799)	(58,814)	(14,985)
Gains(losses) on disposition of premises and equipment	44	(26,169)	(11,835)	(14,334)
Gains on disposition of premises and equipment	45	5,498	1,129	4,369
Losses on disposition of premises and equipment	46	(31,668)	(12,964)	(18,704)
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	47	(20,167)	-	(20,167)
Income(loss) before income taxes	48	(670,988)	(134,373)	(536,615)
Income taxes, current	49	(40,299)	(7,540)	(32,759)
Income taxes, deferred	50	232,983	(13,539)	246,522
Net income(loss)	51	(478,304)	(155,452)	(322,852)

(Notes) 1. Amount less than JPY 1 million are rounded down. Figures in parenthesis indicate the amount of loss or decrease.

2. Total credit cost includes that of the former Wakashio Bank amounts to JPY 770 million, which was booked in extraordinary losses.

<Consolidated>

(Millions of yen)

		FY2002	Change	FY2001
Consolidated gross profit	1	2,184,006	106,325	2,077,681
Net interest income	2	1,399,504	(50,279)	1,449,783
Trust fees	3	7	7	-
Net fees and commissions	4	352,900	33,368	319,532
Net trading profit	5	205,770	76,338	129,432
Net other operating income	6	225,823	46,891	178,932
General and administrative expenses	7	(889,237)	46,316	(935,553)
Total credit cost	8	(1,200,904)	502,459	(1,703,363)
Write-off of loans	9	(364,605)	27,318	(391,923)
Transfer to specific reserve	10	(407,963)	273,494	(681,457)
Transfer to general reserve for possible loan losses	11	(250,636)	276,809	(527,445)
Others	12	(177,698)	(75,161)	(102,537)
Gains(losses) on stocks	13	(621,526)	(603,718)	(17,808)
Equity in earnings of affiliates	14	5,718	2,754	2,964
Other income(expenses)	15	6,193	10,740	(4,547)
Ordinary profit(loss)	16	(515,749)	64,879	(580,628)
Extraordinary gains(losses)	17	(75,164)	(51,454)	(23,710)
Income(loss) before income taxes and minority interests	18	(590,914)	13,424	(604,338)
Income taxes, current	19	(66,068)	35,792	(101,860)
Income taxes, deferred	20	225,190	(64,115)	289,305
Minority interests in net income(loss)	21	(33,567)	13,426	(46,993)
Net income(loss)	22	(465,359)	(1,472)	(463,887)

(Note) Consolidated gross profit = (Interest income - interest expenses)+ Trust fees + (Fees and commissions (income) - Fees and commissions (expenses)) + (Trading profits - Trading losses) + (Other income - Other losses)

(Reference)

(Billions of yen)

Consolidated banking profit	23	1,131.0	139.1	991.9
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(Note) Consolidated banking profit = (SMBC Non-consolidated banking profit (excl. transfer to general reserve)) + (Other subsidiaries' ordinary profit (excl. temporary factors) + (Affiliates' ordinary profit) X (Ownership ratio) - (Internal transaction (dividends, etc.))

(Number of subsidiaries and affiliates)

		Mar. 31, 2003	Change	Mar. 31, 2002
Consolidated subsidiaries	24	170	26	144
Affiliated companies accounted for by equity method	25	47	9	38

2. Banking Profit per Employee / Overhead Ratio <SMBC Non-consolidated>

(Millions of yen, %)

	FY2002		FY2001
		Change	
(1)Banking profit (excluding transfer to general reserve for possible loan losses)	1,113,643	(72,841)	1,186,484
Per employee (thousands of yen)	50,459	1,115	49,344
(2)Banking profit	875,511	193,690	681,821
Per employee (thousands of yen)	39,669	11,313	28,356
(3)Banking profit (excluding transfer to general reserve for possible loan losses and gains(losses) on bonds)	977,984	(141,366)	1,119,350
Per employee (thousands of yen)	44,312	(2,240)	46,552
Overhead ratio	36.7	0.3	36.4

(Notes) 1. Employees include executive officers (who are not also board members) and overseas local staffs, and exclude employees temporarily transferred to other companies, temporary staff, and part-time staff.

2. For per-employee calculation purpose, the average number of employees during the period is used.

3. Overhead ratio = Expenses (excluding non-recurring losses) / Gross banking profit

3. Interest Spread (Domestic) <SMBC Non-consolidated>

(%)

	FY2002			FY2001
		Second half of FY2002	Change from six-months period ended Sept.2002	
(1)Yield on interest earning assets (A)	1.47	1.49	0.02	1.54
Interest earned on loans and bills discounted (C)	1.73	1.72	(0.01)	1.84
Interest earned on securities	0.65	0.60	(0.10)	0.90
(2)Total cost of funding (including expenses) (B)	0.88	0.89	0.02	0.98
Cost of interest bearing liabilities	0.10	0.10	0.00	0.16
Interest paid on deposits, etc. (D)	0.04	0.03	(0.01)	0.08
Interest paid on other liabilities	0.20	0.22	0.03	0.27
Expense ratio	0.78	0.79	0.02	0.82
(3)Overall interest spread (A) - (B)	0.59	0.60	0.00	0.56
Interest spread (C) - (D)	1.69	1.69	0.00	1.76

(Reference) Progress in improvement of loan spread with corporate clients (managerial accounting basis)

(%)

	Improvement in FY2002
Loans to small and medium-sized corporations (Middle Market Banking Unit)	+ 0.24
Loans targeted for spread improvement	+ 0.40
Loans to large corporations (Corporate Banking Unit)	+ 0.13
Total	+ 0.22

4. Gains(Losses) on Securities <SMBC Non-consolidated>

(Millions of yen)

	FY2002		FY2001
		Change	
Gains(Losses) on bonds	135,659	68,526	67,133
Gains on sales	174,871	48,658	126,213
Losses on sales	(37,034)	13,510	(50,544)
Gains on redemption	-	(1)	1
Losses on redemption	(8)	2,823	(2,831)
Losses on devaluation	(2,169)	3,535	(5,704)
Gains(Losses) on stocks	(635,708)	(504,951)	(130,757)
Gains on sales	51,205	(3,051)	54,256
Losses on sales	(159,448)	(105,142)	(54,306)
Losses on devaluation	(527,465)	(396,757)	(130,708)

5. Unrealized Gains(Losses) on Securities

(1) Evaluation method of securities

Trading purpose	Fair value method (net evaluation gains(losses) recognized in income statement)	
Held-to-maturity purpose	Amortized cost method	
Other securities	With market value	Fair value method (net evaluation gains(losses) directly charged to stockholders' equity)
	Without market value	Cost method or amortized cost method
Stocks of subsidiaries and affiliates	Cost method	

(Reference) Securities in money held in trust

Investment purpose	Fair value method (net evaluation gains(losses) recognized in income statement)	
Other money held in trust	With market value	Fair value method (net evaluation gains(losses) directly charged to stockholders' equity)
	Without market value	Cost method or amortized cost method

(2) Unrealized gains(losses)

<SMBC Non-consolidated>

(Millions of yen)

	Mar. 31, 2003				Mar. 31, 2002		
	Unrealized gains(losses)				Unrealized gains(losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	3,803	2,657	3,909	(105)	1,146	1,165	(19)
Stocks of subsidiaries and affiliates	(20,428)	(20,327)	624	(21,052)	(101)	12,740	(12,841)
Other securities	(17,857)	464,556	257,680	(275,537)	(482,413)	244,628	(727,042)
Stocks	(152,354)	348,352	105,269	(257,624)	(500,706)	181,134	(681,841)
Bonds	108,712	71,138	112,417	(3,705)	37,574	55,768	(18,195)
Others	25,785	45,066	39,993	(14,207)	(19,281)	7,723	(27,005)
Other money held in trust	(44)	3,781	510	(555)	(3,825)	135	(3,960)
Total	(34,526)	450,667	262,725	(297,251)	(485,193)	258,669	(743,864)
Stocks	(172,782)	328,026	105,894	(278,677)	(500,808)	193,875	(694,683)
Bonds	111,528	73,523	115,234	(3,705)	38,005	56,200	(18,195)
Others	26,727	49,118	41,597	(14,869)	(22,391)	8,593	(30,985)

- (Notes) 1. The figures above include unrealized gains(losses) on negotiable certificates of deposit in 'deposits with banks' and commercial papers as well as claims on loan trust in 'commercial paper and other debt purchased'.
2. Unrealized gains(losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the fiscal year. Rest of the securities are evaluated at the market price as of the balance sheet date.
3. "Other securities" and "other money held in trust" are evaluated and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.
4. Figures of unrealized gains(losses) as of Mar. 31, 2003 are those after the write-off of unrealized losses on securities due to the merger. For the detail of the merger accounting, please see 21 (2).

<Consolidated>

(Millions of yen)

	Mar. 31, 2003				Mar. 31, 2002		
	Unrealized gains(losses)				Unrealized gains(losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	5,882	4,990	5,988	(105)	892	1,262	(370)
Other securities	(30,643)	464,864	272,943	(303,587)	(495,507)	260,042	(755,549)
Stocks	(165,442)	343,863	112,952	(278,395)	(509,305)	192,620	(701,926)
Bonds	111,164	74,705	117,093	(5,928)	36,459	58,810	(22,351)
Others	23,634	46,295	42,897	(19,263)	(22,661)	8,610	(31,271)
Other money held in trust	(44)	3,781	510	(555)	(3,825)	135	(3,960)
Total	(24,805)	473,635	279,443	(304,248)	(498,440)	261,440	(759,881)
Stocks	(165,442)	343,863	112,952	(278,395)	(509,305)	192,620	(701,926)
Bonds	116,016	79,382	121,945	(5,928)	36,634	59,303	(22,669)
Others	24,620	50,389	44,545	(19,925)	(25,769)	9,515	(35,284)

- (Notes) 1. The figures above include unrealized gains(losses) on negotiable certificates of deposit in 'deposits with banks' and commercial papers as well as claims on loan trust in 'commercial paper and other debt purchased'.
2. Unrealized gains(losses) of stocks are calculated with the average market price during the final month of the fiscal year. Rest of the securities are evaluated at the market price as of the balance sheet date.
3. "Other securities" and "other money held in trust" are evaluated and recorded on the consolidated balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.

6. Overview of (Headging purpose) Derivative Transactions <SMBC Non-consolidated>

		(Billions of yen)				(Billions of yen)			
		Mar. 31, 2003				Mar. 31, 2002			
		Assets (1)	Liabilities (2)	Net		Assets (1)	Liabilities (2)	Net	
				evaluation gains(losses) (1) - (2)	Deferred gains(losses) (3)			evaluation gains(losses) (1) - (2)	Deferred gains(losses) (3)
	Interest rate swaps	398.5	175.2	223.3	117.3	750.0	284.3	465.7	98.8
	Currency swaps	419.5	408.0	11.5	9.6	438.0	414.1	23.9	17.3
	Others	58.9	31.5	27.4	28.9	35.7	40.6	(4.9)	(23.1)
	Total	876.9	614.7	262.2	155.8	1,223.7	739.0	484.7	93.0

(Notes) 1. Derivative transactions are carried at fair value in the balance sheet except those to which 'the short-cut method for interest rate swap' is applied.

2. The Bank adopts deferred hedge accounting by applying 'the risk adjustment approach', which is one of the methods of macro hedging.

(Reference) Contact amount of interest rate swaps (to which deferred hedge accounting is applied), classified by maturity

		(Billions of yen)				(Billions of yen)			
		Mar. 31, 2003				Mar. 31, 2002			
		1 year or less	1-5 years	over 5 years	Total	1 year or less	1-5 years	over 5 years	Total
	Receivable fixed rate /payable floating rate	20,063.1	22,188.0	6,588.7	48,839.8	26,989.8	23,894.6	2,754.3	53,638.7
	Receivable floating rate /payable fixed rate	12,075.6	14,597.6	3,509.8	30,183.0	15,786.2	9,530.3	2,801.4	28,117.9
	Receivable floating rate /payable floating rate	5.2	866.6	84.5	956.3	133.5	651.5	245.1	1,030.1
	Total contract amount	32,143.9	37,652.2	10,183.0	79,979.1	42,909.5	34,076.4	5,800.8	82,786.7

7. Employee Retirement Benefits

(1) Balance of the retirement benefit liability

<SMBC Non-consolidated>		(Millions of yen)		
		Mar. 31, 2003		Mar. 31, 2002
			Change	
Balance of the retirement benefit liability	(A)	1,104,255	22,572	1,081,683
		<3.0%>	<->	<3.0%>
Market value of pension assets	(B)	706,502	(28,431)	734,933
Reserve for employee retirement benefits	(C)	72,816	(47,999)	120,815
Prepaid pension cost	(D)	-	-	-
Unrecognized net obligation from change of accounting method	(E)	40,335	(20,167)	60,502
Unrecognized prior service cost (deductable from the obligation)	(F)	(52,701)	6,394	(59,095)
Unrecognized actuarial net gain(loss)	(A-B-C+D-E-F)	337,302	112,776	224,526

(Note) Discount rate as of Mar. 31, 2002 is that for the former SMBC.

(Reference) <Consolidated>		(Millions of yen)		
		Mar. 31, 2003		Mar. 31, 2002
			Change	
Balance of the retirement benefit liability	(A)	1,164,570	(11,389)	1,175,959
Market value of pension assets	(B)	723,175	(53,913)	777,088
Reserve for employee retirement benefits	(C)	101,408	(46,564)	147,972
Prepaid pension cost	(D)	-	(27)	27
Unrecognized net obligation from change of accounting method	(E)	44,087	(26,193)	70,280
Unrecognized prior service cost (deductable from the obligation)	(F)	(53,218)	7,489	(60,707)
Unrecognized actuarial net gain(loss)	(A-B-C+D-E-F)	349,118	107,765	241,353

(2) Cost for employee retirement benefits

<SMBC Non-consolidated>		(Millions of yen)		
		FY2002	Change	FY2001
Cost for employee retirement benefits		65,248	13,020	52,228
Service cost		21,782	377	21,405
Interest cost		32,394	(2,938)	35,332
Expected returns on pension assets		(31,056)	2,077	(33,133)
Amortization of net obligation from change of accounting method (amortized using the straight-line method over 5 years)		20,167	-	20,167
Amortization of prior service cost		(6,394)	(1,542)	(4,852)
Amortization of actuarial net gain(loss)		22,954	17,937	5,017
Others		5,400	(2,890)	8,290

(Reference) <Consolidated>		(Millions of yen)		
		FY2002	Change	FY2001
Cost for employee retirement benefits		79,650	15,097	64,553

8. Capital Ratio <Consolidated>

(Billions of yen, %)

	Mar. 31, 2003		Mar. 31, 2002
	[Preliminary]	Change	
(1) Capital ratio	10.10	(0.35)	10.45
(2) Tier I	3,255.9	(463.5)	3,719.4
Net unrealized losses on other securities	(24.2)	280.6	(304.8)
(3) Tier II	2,961.6	(543.2)	3,504.8
(a) Unrealized gains on securities	-	-	-
(b) Unrealized appreciation of land	71.7	(11.2)	82.9
(c) General reserve	739.6	(104.8)	844.4
(d) Subordinated debt	2,150.3	(427.2)	2,577.5
(4) Subtraction items	238.6	75.3	163.3
(5) Total capital (2) + (3) - (4)	5,978.9	(1,081.9)	7,060.8
(6) Risk-adjusted assets	59,166.8	(8,381.2)	67,548.0

9. ROE

<SMBC Non-consolidated>

(%)

	FY2002		FY2001	
		Change	Former SMBC	Former Wakashio Bank
ROE (numerator: Banking profit*)	76.0	/	53.6	15.2
ROE (numerator: Banking profit)	59.5		30.5	14.7
ROE (numerator: Net income)	(34.1)		(15.5)	0.0

*Excluding transfer to general reserve for possible loan losses

<Consolidated>

(%)

	FY2002		FY2001
		Change	
ROE (numerator: Net income)	(43.0)	(20.8)	(22.2)

$$\text{ROE} = \frac{\text{Net income} - \text{Dividends on preferred stocks}}{\frac{\{(\text{Stockholders' equity at the beginning of the term}) - (\text{Number of preferred stocks at the beginning of the term}) \times (\text{Issue price}) + (\text{Stockholders' equity at the end of the term}) - (\text{Number of preferred stocks at the end of the term}) \times (\text{Issue price})\}}{2}} \times 100$$

(%)

	FY2002		FY2001
		Change	
Fully-diluted ROE (numerator: Net income)	(17.4)	(3.7)	(13.7)

(Note) Fully-diluted basis, including convertible preferred stocks and mandatorily exchangeable subordinated notes

10. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs/Reserves
 <SMBC Non-consolidated>

<As of Mar. 31, 2003>		(Billions of yen)						
Category of Borrowers under Self-Assessment	Disclosed Assets based on the Financial Reconstruction Law	Classification under Self-Assessment				Reserve for Possible Loan Losses	Reserve Ratio	
		Classification I	Classification II	Classification III	Classification IV			
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets 524.9 (i) (Change from Mar. 31, 2002: +26.6)	Portion of claims secured by collateral or guarantees, etc. 507.8 (a)	Fully reserved 17.1	Direct Write-offs (*1)	Specific Reserve 23.8 (*2)	100% (*3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful Assets 2,129.5 (ii) (Change from Mar. 31, 2002: -852.8)	Portion of claims secured by collateral or guarantees, etc. 959.4 (b)	Necessary amount reserved 1,170.1		Specific Reserve 926.2 (*2)	79.2% (*3)		
Borrowers Requiring Caution	Substandard Loans 2,606.9 (iii) (Change from Mar. 31, 2002: +167.2) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 1,078.4 (c)			General Reserve for Substandard Loans 540.9	33.7% (*3)	21.4% (*3)	
	Normal Assets 57,313.4	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve 1,113.2	6.0% [12.8%] (*4)		
Normal Borrowers		Claims to Normal Borrowers					0.2% (*4)	
Total 62,574.7 (iv)					Loan Loss Reserve for Specific Overseas Countries 11.6			
A=(i)+(ii)+(iii) 5,261.3 (v) (Change from Mar. 31, 2002: -659.0) <Problem asset ratio ((v)/(iv)) 8.4%>		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 2,545.6	C: Unsecured portion (A - B) 2,715.7		D: Specific Reserve + General Reserve for Substandard Loans (*2) 1,490.9	Reserve Ratio (*5) $\frac{D}{C}$ 54.9%		

$$\text{Coverage Ratio} = (B+D)/A \quad 76.7\%$$

(*1) Includes direct reduction amounts to JPY 954.0 billion.

(*2) Includes reserves for assets which are not subject to disclosure based on the Financial Reconstruction Law disclosure standards.
(Bankrupt/effectively bankrupt borrowers: JPY 6.7 billion, Potentially bankrupt borrowers: JPY 9.2 billion)

(*3) Reserve ratios to bankrupt borrowers, effectively bankrupt borrowers, potentially bankrupt borrowers, substandard borrowers and borrowers requiring caution including substandard borrowers are the proportion of the reserve to the respective claims of each category, excluding the portion secured by collateral or guarantees, etc.

(*4) Reserve ratios to normal borrowers and borrowers requiring caution excluding substandard borrowers are the proportion of the reserve to the respective claims of each category.

A figure in square brackets indicates the proportion of the reserve to the claims to borrowers requiring caution, excluding claims to substandard borrowers, excluding the portion secured by collateral or guarantees, etc.

(*5) The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

12. Reserve for Possible Loan Losses

<SMBC Non-consolidated>		(Millions of yen)	
	Mar. 31, 2003	Mar. 31, 2002	
			Change
Reserve for possible loan losses	2,074,797	98,005	1,976,792
General reserve	1,113,235	238,132	875,103
Specific reserve	949,996	(136,246)	1,086,242
Loan loss reserve for specific overseas countries	11,566	(3,879)	15,445
Amount of direct reduction	954,041	(458,173)	1,412,214
Reserve for possible losses on loans sold	17,169	(63,981)	81,150

<Consolidated>		(Millions of yen)	
	Mar. 31, 2003	Mar. 31, 2002	
			Change
Reserve for possible loan losses	2,243,542	83,893	2,159,649
General reserve	1,173,927	244,466	929,461
Specific reserve	1,058,048	(156,685)	1,214,733
Loan loss reserve for specific overseas countries	11,566	(3,888)	15,454
Amount of direct reduction	1,324,459	(499,815)	1,824,274
Reserve for possible losses on loans sold	20,665	(65,706)	86,371

13. Reserve Ratio to Risk-Monitored Loans

<SMBC Non-consolidated>		(%)	
	Mar. 31, 2003	Mar. 31, 2002	
			Change
Before direct reduction	49.7	2.7	47.0
After direct reduction	40.1	6.2	33.9

<Consolidated>		(%)	
	Mar. 31, 2003	Mar. 31, 2002	
			Change
Before direct reduction	50.7	2.4	48.3
After direct reduction	38.9	5.6	33.3

(Note) Reserve ratio to risk-monitored loans = (Reserve for possible loan losses) / (Risk-monitored loans)

14. Problem Assets Based on the Financial Reconstruction Law

<SMBC Non-consolidated>

(Millions of yen, %)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Bankrupt and quasi-bankrupt assets	524,889	26,626	498,263
Doubtful assets	2,129,501	(852,772)	2,982,273
Substandard loans	2,606,955	167,145	2,439,810
Total (A)	5,261,345	(659,002)	5,920,347
Normal assets	57,313,355	(3,600,943)	60,914,298
Total (B)	62,574,700	(4,259,945)	66,834,645
Problem asset ratio (A/B)	8.4	(0.5)	8.9

Amount of direct reduction 954,041 (458,173) 1,412,214

(Note) In addition to loans, "Problem Assets Based on the Financial Reconstruction Law" includes acceptances and guarantees, suspense payments, and other credit-type assets.

(Millions of yen)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Total coverage (C)	4,036,463	(502,763)	4,539,226
Reserve for possible loan losses* (D)	1,490,852	113,549	1,377,303
Reserve for supporting specific borrowers	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	2,545,611	(616,311)	3,161,922

* Sum of general reserve for substandard loans and specific reserve.

(%)

Coverage ratio (C) / (A)	76.7	0.0	76.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	87.8	1.0	86.8

(%)

Reserve ratio to unsecured assets (D) / (A - E)	54.9	5.0	49.9
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	76.4	4.7	71.7

<Consolidated>

(Millions of yen, %)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Bankrupt and quasi-bankrupt assets	655,976	17,740	638,236
Doubtful assets	2,340,207	(923,213)	3,263,420
Substandard loans	2,857,590	191,521	2,666,069
Total (A)	5,853,773	(713,952)	6,567,725
Normal assets	59,330,555	(2,565,869)	61,896,424
Total (B)	65,184,328	(3,279,821)	68,464,149
Problem asset ratio (A/B)	9.0	(0.6)	9.6

(Millions of yen)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Total coverage (C)	4,460,614	(482,481)	4,943,095
Reserve for possible loan losses* (D)	1,569,412	175,092	1,394,320
Reserve for supporting specific borrowers	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	2,891,202	(657,573)	3,548,775

(%)

Coverage ratio (C) / (A)	76.2	0.9	75.3
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	87.7	0.8	86.9

(%)

Reserve ratio to unsecured assets (D) / (A - E)	53.0	6.8	46.2
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	75.7	4.2	71.5

(Reference) Progress of Off-Balancing of Problem Assets <SMBC Non-consolidated>

1. Problem assets existing prior to and classified during the first half of FY2000 <SMBC Non-consolidated>

(1) Term-end balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2000	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Change
Bankrupt and quasi-bankrupt assets	653.0	475.2	379.5	283.3	240.3	144.5	(95.8)
Doubtful assets	2,594.8	1,361.6	1,055.7	848.3	661.1	255.6	(405.5)
Total	3,247.8	1,836.8	1,435.2	1,131.6	901.4	400.1	(501.3)

(A) (B)

(Note) Balance as of Mar. 31, 2003 includes JPY 151.2 billion, the result of measures connected to off-balancing. The measures connected to off-balancing are legal reorganizations, measures associated with legal reorganizations, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

(2) Progress of off-balancing

(Billions of yen)

	Second half of FY2002
Disposition by borrowers' liquidation	(48.9)
Reconstructive disposition --- (a)	(11.3)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(819.6)
Direct write-offs	513.9
Others	(135.4)
Collection/repayment, etc.	(70.3)
Improvement in debtors' performance	(65.1)
Total	(501.3)

(B)

- (Notes) 1. "Disposition by borrowers' liquidation" refers to abandonment or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations).
 2. "Reconstructive disposition" refers to abandonment of loans involved in rehabilitative bankruptcy proceedings (corporate reorganization, civil rehabilitation, composition and arrangement), loan forgiveness involved in special mediation or other types of civil mediation, or loan forgiveness for restructuring involved in private reorganization.
 3. "Improvement in debtors' performance due to re-constructive disposition" was categorized as "Others" in FY2000 financial results published in May 2001.

2. Problem assets classified during the second half of FY2000

(1) Term-end balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Change
Bankrupt and quasi-bankrupt assets	118.8	142.2	57.7	52.1	29.0	(23.1)
Doubtful assets	592.6	269.7	145.2	112.7	81.9	(30.8)
Total	711.4	411.9	202.9	164.8	110.9	(53.9)

(C) (D)

(Note) Balance as of Mar. 31, 2003 includes JPY 23.4 billion, the result of measures connected to off-balancing.

(2) Progress of off-balancing

(Billions of yen)

	Second half of FY2002
Disposition by borrowers' liquidation	(1.6)
Reconstructive disposition --- (a)	(5.6)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(75.8)
Direct write-offs	45.8
Others	(16.7)
Collection/repayment, etc.	(12.9)
Improvement in debtors' performance	(3.8)
Total	(53.9)

(D)

3. Problem assets classified during the first half of FY2001

(1) Term-end balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Change
Bankrupt and quasi-bankrupt assets	56.6	76.6	66.0	41.7	(24.3)
Doubtful assets	332.5	236.9	163.1	99.5	(63.6)
Total	389.1	313.5	229.1	141.2	(87.9)

(E) (F)

(Note) Balance as of Mar. 31, 2003 includes JPY 31.9 billion, the result of measures connected to off-balancing.

(2) Progress of off-balancing

(Billions of yen)

	Second half of FY2002
Disposition by borrowers' liquidation	(1.0)
Reconstructive disposition --- (a)	(5.8)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(14.5)
Direct write-offs	(10.5)
Others	(56.1)
Collection/repayment, etc.	(49.6)
Improvement in debtors' performance	(6.5)
Total	(87.9)

(F)

4. Problem assets classified during the second half of FY2001

(1) Term-end balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law
(Billions of yen)

	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Change
				(H)
Bankrupt and quasi-bankrupt assets	80.6	96.4	60.5	(35.9)
Doubtful assets	1,751.9	1,131.5	729.5	(402.0)
Total	1,832.5	1,227.9	790.0	(437.9)

(G) (H)

(Note) Balance as of Mar. 31, 2003 includes JPY 56.1 billion, the result of measures connected to off-balancing.

(2) Progress of off-balancing

(Billions of yen)

Second half of FY2002	
Disposition by borrowers' liquidation	(0.5)
Reconstructive disposition --- (a)	(93.8)
Improvement in debtors' performance due to (a)	(42.7)
Loan sales to market	(10.0)
Direct write-offs	(16.5)
Others	(274.4)
Collection/repayment, etc.	(111.1)
Improvement in debtors' performance	(163.3)
Total	(437.9)

(H)

5. Problem assets classified during the first half of FY2002

(1) Term-end balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law
(Billions of yen)

	Sep. 30, 2002	Mar. 31, 2003	Change
			(J)
Bankrupt and quasi-bankrupt assets	64.5	204.8	140.3
Doubtful assets	483.9	153.6	(330.3)
Total	548.4	358.4	(190.0)

(I) (J)

(Note) Balance as of Mar. 31, 2003 includes JPY 107.7 billion, the result of measures connected to off-balancing.

(2) Progress of off-balancing

(Reference) Progress of off-balancing
(Second half of FY2002 total)

(Billions of yen)	
Second half of FY2002	
Disposition by borrowers' liquidation	-
Reconstructive disposition --- (a)	(7.7)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(4.7)
Direct write-offs	(109.5)
Others	(68.1)
Collection/repayment, etc.	(62.1)
Improvement in debtors' performance	(6.0)
Total	(190.0)

(J)

(Billions of yen)	
Second half of FY2002	
Disposition by borrowers' liquidation	(52.0)
Reconstructive disposition --- (a)	(124.2)
Improvement in debtors' performance due to (a)	(42.7)
Loan sales to market	(924.6)
Direct write-offs	423.2
Others	(550.7)
Collection/repayment, etc.	(306.0)
Improvement in debtors' performance	(244.7)
Total	(1,271.0)

(B)+(D)+(F)+(H)+(J)

6. Problem assets classified during the second half of FY2002

(1) Term-end balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

Mar. 31, 2003	
Bankrupt and quasi-bankrupt assets	44.4
Doubtful assets	809.4
Total	853.8

(K)

(Note) Balance as of Mar. 31, 2003 includes JPY 40.7 billion, the result of measures connected to off-balancing.

(Reference) Balance of bankrupt and quasi-bankrupt assets, and doubtful assets based on the Financial Reconstruction Law

(Billions of yen)

	Sep. 30, 2000	Mar. 31, 2001	Sep. 30, 2001	Mar. 31, 2002	Sep. 30, 2002	Mar. 31, 2003	Change
							(L)
Bankrupt and quasi-bankrupt assets	653.0	594.0	578.3	498.2	519.3	524.9	5.6
Doubtful assets	2,594.8	1,954.1	1,657.9	2,982.3	2,552.3	2,129.5	(422.8)
Total	3,247.8	2,548.1	2,236.2	3,480.5	3,071.6	2,654.4	(417.2)

15. Loan Portfolio, Classified by Industry <SMBC Non-consolidated>

(1) Loans and bills discounted, classified by industry

(Millions of yen)

	Mar. 31, 2003	
		Risk-Monitored Loans
Domestic offices (excluding offshore banking account)	53,795,885	5,045,798
Manufacturing	6,031,262	219,954
Agriculture, forestry, fisheries, and mining	192,795	4,570
Construction	2,385,278	688,800
Transportation, communications and other public enterprises	2,968,971	134,852
Wholesale and retail	5,812,485	533,638
Finance and insurance	5,419,634	166,084
Real estate	8,240,327	2,052,350
Various services	5,622,703	949,154
Municipalities	508,144	-
Others	16,614,280	296,396
Overseas offices and offshore banking accounts	3,486,479	123,733
Public sector	119,468	11,639
Financial institutions	236,116	1,422
Commerce and industry	2,945,122	110,672
Others	185,772	-
Total	57,282,365	5,169,531

(Millions of yen)

	Mar. 31, 2002	
		Risk-Monitored Loans
Domestic offices (excluding offshore banking account)	54,863,439	5,691,294
Manufacturing	7,531,964	317,433
Agriculture, forestry, fisheries, and mining	183,762	5,215
Construction	2,871,745	1,014,604
Transportation, communications and other public enterprises	2,849,799	65,699
Wholesale, retail and restaurant	7,210,408	728,764
Finance and insurance	5,269,537	216,911
Real estate	8,612,718	2,043,461
Services	6,409,089	1,003,371
Municipalities	337,572	-
Others	13,586,834	295,836
Overseas offices and offshore banking accounts	5,438,880	145,298
Public sector	182,437	13,580
Financial institutions	372,246	2,963
Commerce and industry	4,689,758	128,755
Others	194,437	-
Total	60,302,319	5,836,592

(Note) The "Japan Standard Industrial Classification" was revised by a public notice No.139 from the Ministry of Public Management, Home Affairs, Posts and Telecommunications, which was released on Mar. 7, 2002 and took effect on Oct. 1, 2002. Consequently, loans and bills discounted, classified by industry regarding "domestic offices excluding offshore banking accounts" before Mar. 31, 2002 are based on the "Japan Standard Industrial Classification" before this revision, and those as of Mar. 31, 2003 are based on "Japan Standard Industrial Classification" after this revision.

(2) Problem Assets Based on the Financial Reconstruction Law, classified by industry and reserve ratio
(Millions of yen, %)

	Mar. 31, 2003	
		Reserve ratio
Domestic offices (excluding offshore banking account)	5,111,997	54.3
Manufacturing	222,098	46.7
Agriculture, forestry, fisheries, and mining	4,571	47.3
Construction	721,706	65.7
Transportation, communications and other public enterprises	135,717	37.5
Wholesale and retail	539,974	41.2
Finance and insurance	168,045	54.3
Real estate	2,057,619	57.3
Various services	961,731	48.6
Municipalities	-	-
Others	300,536	71.9
Overseas offices and offshore banking accounts	149,348	58.4
Public sector	11,639	27.9
Financial institutions	1,422	-
Commerce and industry	136,287	62.6
Others	-	-
Total	5,261,345	54.9

(Millions of yen, %)

	Mar. 31, 2002	
		Reserve ratio
Domestic offices (excluding offshore banking account)	5,753,026	49.9
Manufacturing	320,493	36.7
Agriculture, forestry, fisheries, and mining	5,218	64.2
Construction	1,035,509	53.9
Transportation, communications and other public enterprises	66,985	49.7
Wholesale, retail and restaurant	740,024	60.3
Finance and insurance	219,324	26.6
Real estate	2,047,293	42.7
Services	1,006,380	55.9
Municipalities	-	-
Others	311,800	76.5
Overseas offices and offshore banking accounts	167,321	51.1
Public sector	13,580	21.8
Financial institutions	2,963	65.1
Commerce and industry	150,778	55.3
Others	-	-
Total	5,920,347	49.9

(Notes) 1. In addition to loans, "Problem Assets Based on the Financial Reconstruction Law" includes acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve Ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to collaterals and guarantees)
Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

(3) Consumer loans outstanding

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Consumer loans	13,665,876	77,650	13,588,226
Housing loans	12,339,291	279,096	12,060,195
Residential purpose	8,346,632	440,959	7,905,673
Others	1,326,585	(201,446)	1,528,031

(4) Loans to small- and medium-sized enterprises

(Millions of yen, %)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Outstanding balance	36,733,241	(2,391,077)	39,124,318
Ratio to total loans	68.3	(3.0)	71.3

(Note) Outstanding balance does not include loans at overseas branches and offshore banking accounts.

16. Overseas Loans <SMBC Non-consolidated>

(1) Loans to specific overseas countries

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Loan balance	108,077	(44,223)	152,300
Number of countries	9	-	9

(2) Loans classified by country

(i) Loans to Asian countries

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Indonesia	111,459	(45,916)	157,375
Risk-monitored loans	36,181	(2,923)	39,104
Thailand	202,213	(106,409)	308,622
Risk-monitored loans	20,218	7,295	12,923
Korea	165,163	3,623	161,540
Risk-monitored loans	353	(681)	1,034
Hong Kong	246,017	(89,747)	335,764
Risk-monitored loans	8,120	(5,838)	13,958
China	129,464	(13,408)	142,872
Risk-monitored loans	2,669	(9,324)	11,993
Singapore	223,102	(7,989)	231,091
Risk-monitored loans	119	(277)	396
India	35,339	(16,520)	51,859
Risk-monitored loans	5,137	370	4,767
Malaysia	63,957	(13,219)	77,176
Risk-monitored loans	645	(2,290)	2,935
Pakistan	3,297	(1,880)	5,177
Risk-monitored loans	1,365	(815)	2,180
Others	50,133	(3,099)	53,232
Risk-monitored loans	-	-	-
Total	1,230,147	(294,566)	1,524,713
Risk-monitored loans	74,807	(14,483)	89,290

(Notes) Classified by domicile of debtors (same for the following tables).

(ii) Loans to Central and South American countries

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Chile	5,534	(1,692)	7,226
Risk-monitored loans	-	-	-
Columbia	11,087	(8,714)	19,801
Risk-monitored loans	823	(169)	992
Mexico	18,411	(1,751)	20,162
Risk-monitored loans	721	(237)	958
Argentina	1,544	(814)	2,358
Risk-monitored loans	-	-	-
Brazil	36,760	(26,362)	63,122
Risk-monitored loans	-	-	-
Venezuela	9,263	(2,083)	11,346
Risk-monitored loans	-	-	-
Panama	171,756	(42,237)	213,993
Risk-monitored loans	-	-	-
Others	1,050	(95)	1,145
Risk-monitored loans	124	(13)	137
Total	255,409	(83,747)	339,156
Risk-monitored loans	1,668	(419)	2,087

(iii) Loans to Russia

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Russia	5,423	1,648	3,775
Risk-monitored loans	-	-	-

(3) Problem Assets Based on the Financial Reconstruction Law, classified by domicile

(Millions of yen, %)

	Mar. 31, 2003			Mar. 31, 2002
		Reserve ratio	Change	
Overseas and Japan offshore banking accounts	149,348	58.4	(17,973)	167,321
Asia	89,380	49.0	(14,222)	103,602
Indonesia	36,181	42.2	(4,595)	40,776
Hong Kong	12,208	60.0	(3,759)	15,967
India	7,648	65.3	641	7,007
China	2,688	58.3	(9,614)	12,302
Others	30,655	51.2	3,105	27,550
North America	50,537	87.2	4,115	46,422
Central and South America	7,785	65.1	5,698	2,087
Western Europe	1,646	65.4	(9,735)	11,381
Eastern Europe	-	-	(3,829)	3,829

(Notes) 1. In addition to loans, "Problem Assets Based on the Financial Reconstruction Law" includes acceptances and guarantees, suspense payments, and other credit-type assets.

2. Reserve Ratio = (Reserve for possible loan losses) / (Assets excluding amounts recoverable due to collaterals and guarantees)
Reserve for possible loan losses is sum of general reserve for substandard loans and specific reserve.

3. Classified by domicile of debtors.

17. Information on Deposits and Loans <SMBC Non-consolidated>

(1) Deposits and loans outstanding

(Millions of yen, %)

	FY2002		FY2001
		Change	
Deposits (term-end balance)	58,610,731	(2,901,275)	61,512,006
Deposits (average balance)	58,674,833	540,747	58,134,086
Domestic	51,622,549	3,939,509	47,683,040
Average yield	0.04	(0.05)	0.09
Loans (term-end balance)	57,282,365	(3,019,954)	60,302,319
Loans (average balance)	59,391,403	(1,612,495)	61,003,898
Domestic	53,858,748	(85,602)	53,944,350
Average yield	1.73	(0.11)	1.84

(Note) Deposits exclude "negotiable certificates of deposit"

(2) Deposits outstanding, classified by depositor

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Domestic deposits	56,471,772	1,396,888	55,074,884
Individual	31,210,201	784,463	30,425,738
Corporate	25,261,571	612,425	24,649,146

(Note) Calculation based on the numbers before elimination of temporary inter-office accounts.

Excluding "negotiable certificates of deposit" and offshore banking accounts.

(Reference)

(Millions of yen)

	Mar. 31, 2003		Mar. 31, 2002
		Change	
Outstanding balance of investment trust sales	1,676,084	103,373	1,572,711
Sales to individuals	1,598,577	112,637	1,485,940

(Note) Contract basis, calculated from the net worth of respective funds at term-end.

18. Other Financial Data <SMBC Non-consolidated>

(1) Debt Forgiveness

(Billions of yen)	
	FY2002
Number of companies forgiven the debt	7
Principal amount forgiven	177.1

(Note) Debt forgiveness associated with legal settlement is not included.

(2) Outstanding amount and sales of cross-shareholdings

(Billions of yen)	
	FY2002
Balance sheet amount	3,161.3
Acquisition cost	3,313.9

(Note) Outstanding amount of stock in other securities (excluding stock of parent company)

(Billions of yen)	
	FY2002
Sales of cross-shareholdings	apprx. 1,100.0

19. Number of Directors and Employees <SMBC Non-consolidated>

	Mar. 31, 2003		Mar. 31, 2002	Mar. 31, 2003 "The Plan"
		Change		
Directors and auditors	18 [17]	(29)	47 [33]	38
Employees (*1)	24,024 [23,401]	(1,634)	25,658 [25,027]	23,500

(Note) 1. Employees include clerical staffs and transferred staffs, and exclude executive officers, part-timers, temporary and overseas local staffs.

2. Directors, auditors and employees as of Mar. 31, 2002 are the sum of those of SMBC and Wakashio Bank. In order to clarify the progress in the Plan for Strengthening the Financial Base of the Bank, numbers for the former SMBC are indicated in brackets. For the same purpose, directors, auditors and employees as of Mar. 31, 2003 excluding those for Community Banking Unit of SMBC are indicated in brackets.

20. Number of Offices <SMBC Non-consolidated>

	Mar. 31, 2003		Mar. 31, 2002	Mar. 31, 2003 "The Plan"
		Change		
Domestic branches*1	437 [403]	(160)	597 [564]	401
Overseas branches*2	20 [20]	(1)	21 [21]	22
Overseas subsidiaries*3	26 [26]	1	25 [25]	28

(*1) Sub-branches, agencies, branches specialized in receiving money transfers, branches specialized in controlling ATMs in convenience stores, and International Business Operations Department are excluded.

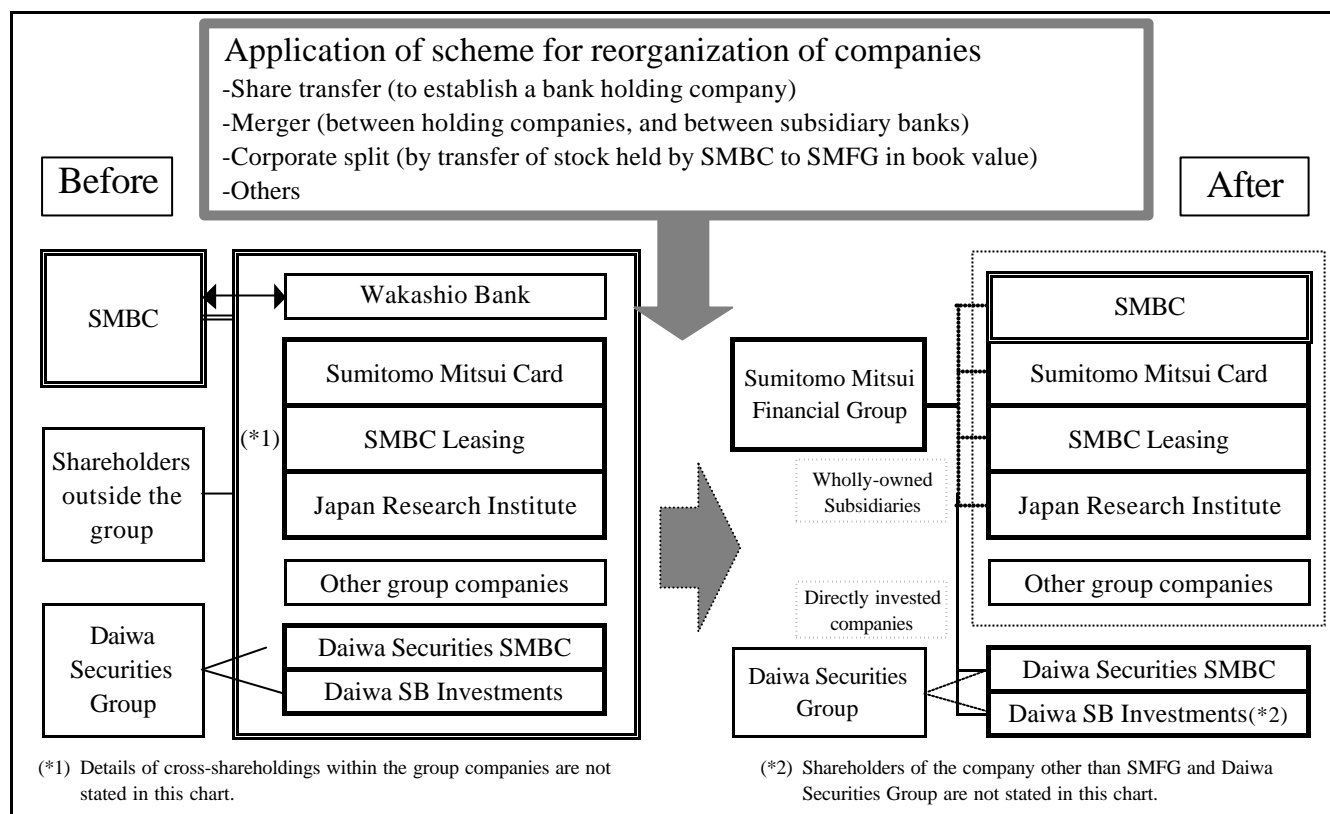
(*2) Sub-branches and representative offices are excluded.

(*3) Excluding affiliates, of which the Bank has less than 50% equity interest.

(*4) Numbers of branches and subsidiaries as of Mar. 31, 2002 are the sum of those of SMBC and Wakashio Bank. In order to clarify the progress in the Plan for Strengthening the Financial Base of the Bank, numbers for the former SMBC are indicated in []. For the same purpose, numbers of branches and subsidiaries as of Mar. 31, 2003 excluding those for Community Banking Unit of SMBC are indicated in brackets. 2 combined branches are included.

21. Reorganization of Group Companies

(1) Establishment of a financial services complex with a holding company structure



<Change of stockholders' equity of Sumitomo Mitsui Financial Group (SMFG) Non-consolidated>

(Billions of yen)

	Share transfer as of the establishment	Merger	Capital raising	Operational results for FY 2002	As of Mar 31, 2003
	(1)	(2)	(3)	(4)	(1)+(2)+(3)+(4)
Capital stock	1,000.0	-	+247.7	-	1,247.7
Capital surplus	1,496.6	+3.1	+247.6	-	1,747.3
Retained earnings	-	+36.8	-	+124.7	161.5
Treasury stock	-	-	-	(0.4)	(0.4)
Total stockholders' equity	2,496.6	+39.9	+495.3	+124.3	3,156.1

(1) Share transfer	... The amount of SMFG's net assets and book value of SMBC stock recorded on SMFG's opening balance account was equal to the amount of net assets of SMBC as of December 2, 2002, when SMBC became a wholly owned subsidiary of SMFG as a result of share transfer. Net assets of SMBC was divided into SMFG's capital stock and capital surplus, amounts to JPY 1 trillion and JPY 1,496.6 billion, respectively.
(2) Merger	... SMFG carried over the net assets of The Japan Research Institute Holdings ("JRI Holdings") amounts to JPY 39.9 billion as a result of the merger of JRI Holdings into SMFG. JRI Holdings was the former JRI, which had established the present JRI in November 2002 through corporate split, transferred its business as a whole to the present JRI, and changed its company name from JRI to JRI Holdings to become a holding company of the present JRI. The merger between SMBC and Wakashio Bank did not affect SMFG's net assets (see next page).
(3) Capital raising	... Issuance of preferred stocks to overseas investors amounts to JPY 495.3 billion.
(4) Operational results for FY 2002	... Net income amounted to JPY 124.7 billion due to interim dividends paid by SMBC etc.

(2) Overview of Merger Accounting

<Net assets succeeded after merger>

(Billions of yen)

SMBC (the dissolving entity) <Non-consolidated>	Mar 31, 2002 (After appropriation) (1)	The day before the merger (Mar 16, 2003) (2)	Adjustments for merger accounting (3)	Net assets succeeded (2)+(3)
Capital stock	1,326.7	1,058.0	(578.8)	479.2
Capital surplus	1,684.4	(a) 2,004.0	(826.7)	1,177.3
Capital reserve	1,326.8	+50.9 1,646.4	(826.7)	819.7
Other capital surplus	357.6	357.6	-	357.6
Retained earnings	345.9	(436.5)	658.4	(*) 221.9
Land revaluation excess	100.4	97.4	-	97.4
Net unrealized losses on other securities	(298.0)	(672.8)	672.8	-
Treasury stock	(0.3)	-	-	-
Total stockholders' equity	3,159.1	2,050.1	(74.3)	1,975.8
excluding net unrealized losses on other securities	3,457.1	2,722.9	(b) (747.1)	1,975.8

(*) The sum of earned surplus reserve and earnings carry-over after the appropriation of profit for FY 2001, the last fiscal year before the merger, excluding interim dividends distributed to SMFG (JPY 124 billion).

(a) Breakdown of changes in capital stock
and capital reserve

	Capital stock + Capital reserve
Mar 31, 2002	2,653.5
Reorganization of group companies	(399.4)
Capital raising	+450.3
Change	+50.9
The day before the merger	2,704.4

(b) Breakdown of write-off of unrealized losses

	Other securities	Before merger	Adjustments for merger accounting	After adjustments for merger accounting
Stocks		(798.6)	672.8	(125.8)
Unrealized gains		97.3	-	97.3
Unrealized losses		(895.9)	672.8	(223.1)
Bonds		102.9	-	102.9
Others		22.9	-	22.9
Subtotal		(672.8)	672.8	-
Net unrealized losses on lands		(110.1)	110.1	-
Total unrealized losses		(782.9)	782.9	-
Deferred tax amount recognized via merger accounting (related to net unrealized losses on lands)			(35.8)	
Amount of adjustments for merger accounting			747.1	

<Stockholders' equity of the new bank as of Mar 31, 2003>
<The surviving entity>(*1)

(Billions of yen)
<New bank after merger>

<Non-consolidated>	Wakashio Bank [The day of merger] (without operating results for FY 2002) (1)	Net assets succeeded after merger (2)	Operating results for FY 2002 (*2) (3)	SMBC as of Mar 31, 2003 (1)+(2)+(3)
Capital stock	80.8	479.2	-	560.0
Capital surplus	60.0	1,177.3	-	1,237.3
Capital reserve	60.0	819.7	-	879.7
Other capital surplus	-	357.6	-	357.6
Retained earnings	0	221.9	192.6	414.5
Land revaluation excess	-	97.4	(12.1)	85.3
Net unrealized losses on other securities	-	-	(17.9)	(17.9)
Treasury stock	-	-	-	-
Total stockholders' equity	140.8	1,975.8	162.6	2,279.2

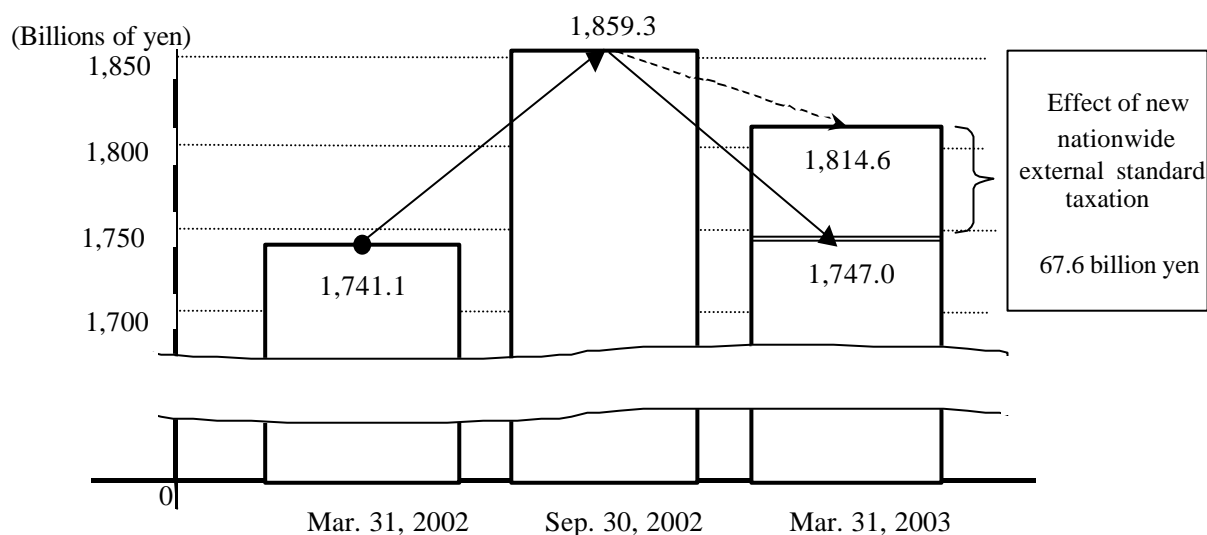
(*1) Wakashio Bank, the surviving entity, succeeded net assets of SMBC, the dissolving entity, on the day of the merger. The company name of the new bank after merger is Sumitomo Mitsui Banking Corporation.

(*2) Gains(losses) for the former Wakashio Bank from April 1, 2002 to Mar 16, 2003 and gains(losses) of the new bank after merger from Mar. 17, 2003 to Mar 31, 2003 etc.

(Reference) Deferred tax assets <SMBC Non-consolidated>

	(Billions of yen)		
	Mar. 31, 2003	Change from Sep. 30, 2002	Change from Mar. 31, 2002
Effective income tax rate	40.46%	+1.84%	+1.84%
(1) Net deferred tax assets ((2)+(5))	1,814.6	(44.7)	+73.5
<i><Excluding effect of new nationwide external standard taxation></i>	<i>< 1,747.0 ></i>	<i>< (112.3) ></i>	<i>< +5.9 ></i>
(2) Total deferred tax assets ((3)+(4))	1,849.3	(39.7)	+74.4
(3) Subtotal of deferred tax assets	2,304.0	+408.1	+522.5
<i><Excluding effect of new nationwide external standard taxation></i>	<i>< 2,236.4 ></i>	<i>< +340.5 ></i>	<i>< +454.9 ></i>
(4) Valuation allowance	(454.7)	(447.8)	(448.1)
(5) Total deferred tax liabilities	(34.7)	(5.0)	(0.9)

(Change in Deferred tax assets)



22. Earnings Forecast for FY2003

Sumitomo Mitsui Financial Group, Inc.

<Non-consolidated>

(Billions of yen)

	FY2003		FY2002
	First Half of FY2003		Result
Operating income	7.0	55.0	131.5
Ordinary profit	5.0	50.0	119.6
Net income	5.0	50.0	124.7

(Billions of yen)

	FY2003		FY2002
	Interim	Annual	Result
Total dividend	-	46.4	33.3

Dividend per share forecast

(Yen)

		FY2003		FY2002
		Interim		Result
Common stock		-	3,000	3,000
Type 1 Preferred stock		-	10,500	10,500
Type 2 Preferred stock		-	28,500	28,500
Type 3 Preferred stock		-	13,700	13,700
Type 4 Preferred stock	1st to 12th series	-	135,000	19,500
	13th series	-	67,500	3,750

<Consolidated>

(Billions of yen)

	FY2003		FY2002
	First Half of FY2003		Result
Ordinary income	1,650.0	3,300.0	3,506.4
Ordinary profit	170.0	320.0	(515.7)
Net income	80.0	150.0	(465.4)

(Reference)

Sumitomo Mitsui Banking Corporation

<Non-consolidated>

(Billions of yen)

	FY2003		FY2002
	First Half of FY2003		Result
Gross banking profit	785.0	1,600.0	1,760.6
Expenses	(305.0)	(600.0)	(647.0)
Banking profit (excluding transfer to general reserve for possible loan losses)	480.0	1,000.0	1,113.6
Ordinary profit	100.0	170.0	(597.2)
Net income	50.0	100.0	(478.3)

Total credit cost(*)	(300.0)	(650.0)	(1,074.5)
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(*) (Transfer to general reserve for possible loan losses) + (Credit cost included in non-recurring losses)

(Reference) Breakdown of Ordinary Income / Ordinary Expenses

<SMBC Non-consolidated>

(Millions of yen)

	FY2002	Change	FY2001
Ordinary income	2,418,024	(387,525)	2,805,549
Interest income	1,647,092	(557,410)	2,204,502
<Interest on loans and discounts>	< 1,099,326 >	< (168,289) >	< 1,267,615 >
<Interest and dividends on securities>	< 257,837 >	< (247,621) >	< 505,458 >
<Interest on deposits with banks>	< 34,069 >	< (151,016) >	< 185,085 >
<Interest on interest rate swaps>	< 205,733 >	< 32,290 >	< 173,443 >
Trust fees	7	7	-
Fees and commissions	278,790	38,315	240,475
<Fees and commissions on domestic and foreign exchanges>	< 108,503 >	< 7,554 >	< 100,949 >
Trading profits	196,726	75,312	121,414
Other operating income	194,653	42,302	152,351
<Gains on foreign exchanges>	< 6,822 >	< (3,639) >	< 10,461 >
<Gains on sales of bonds>	< 174,871 >	< 48,658 >	< 126,213 >
Other income	100,754	13,950	86,804
<Gains on sales of stocks>	< 51,205 >	< (3,051) >	< 54,256 >

	FY2002	Change	FY2001
Ordinary expenses	3,015,213	(311,966)	3,327,179
Interest expenses	423,804	(293,887)	717,691
<Interest on deposits>	< 145,905 >	< (178,281) >	< 324,186 >
<Interest on negotiable certificates of deposit>	< 6,350 >	< (8,082) >	< 14,432 >
<Interest on borrowed money>	< 106,891 >	< (30,009) >	< 136,900 >
Fees and commissions	84,124	9,162	74,962
<Fees and commissions on domestic and foreign exchanges>	< 21,077 >	< 349 >	< 20,728 >
Trading losses	725	600	125
Other operating expenses	47,980	(13,333)	61,313
<Losses on sales of bonds>	< 37,034 >	< (13,510) >	< 50,544 >
<Losses on redemption on bonds>	< 8 >	< (2,823) >	< 2,831 >
<Losses on devaluation on bonds>	< 2,169 >	< (3,535) >	< 5,704 >
General and administrative expenses	671,639	(33,488)	705,127
Other expenses	1,786,938	18,982	1,767,956
<Transfer to reserve for possible loan losses>	< 614,628 >	< (545,201) >	< 1,159,829 >
<Write-offs of loans>	< 284,418 >	< (945) >	< 285,363 >
<Transfer to reserve for losses on loans sold>	< 15,245 >	< (21,789) >	< 37,034 >
<Losses on sales of stocks>	< 159,448 >	< 105,142 >	< 54,306 >
<Losses on devaluation of stocks>	< 527,465 >	< 396,757 >	< 130,708 >

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

2. Figures for FY2002 include the former SMBC's profits and losses before merger, from April 1, 2002 to March 16, 2003, comparable to the figures for FY2001.

(The former SMBC was dissolved on Mar. 17, 2003 due to the merger with Wakashio Bank, therefore profits and losses before merger, from April 1, 2002 to March 16, 2003, are not included in the new SMBC's statement of income for FY2002.)