

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

	FY2002			(%)
		Second half of FY2002	Change from six- months period ended Sept.2002	FY2001
(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