

## (2) Overview of Merger Accounting

&lt;Net assets succeeded after merger&gt;

(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.