

Sumitomo Mitsui Financial Group, Inc (SMFG)

Nonconsolidated Financial Results for the Fiscal Year ended March 31, 2003

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

Date of Approval by the Board of Directors: May 26, 2003

Date of General Meeting of Shareholders: June 27, 2003

Stock Exchange Listings: Tokyo, Osaka and Nagoya

URL: <http://www.smfg.co.jp>

President: Yoshifumi Nishikawa

1. Financial Results (Fiscal Year ended March 31, 2003)

(1) Operating Results

Amounts less than one million yen have been omitted.

Fiscal Year	Operating Income		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
ended March 31, 2003	131,519	-	130,547	-	119,634	-	124,738	-
ended March 31, 2002	-	-	-	-	-	-	-	-

Fiscal Year	Net Income per Share	Net Income per Share (diluted)	Return on Common Stockholders' Equity	Ordinary Profit on Total Assets	Ordinary Profit on Operating Income
	¥	¥	%	%	%
ended March 31, 2003	18,918.33	15,691.82	8.5	4.0	91.0
ended March 31, 2002	-	-	-	-	-

Notes: 1. Average number of common stock outstanding for the fiscal year ended March 31, 2003: 5,751,902 shares

2. There is no change in accounting methods.

3. Percentage shown in Operating Income, Operating Profit, Ordinary profit and Net Income are the increase (decrease) from the previous year.

(2) Dividends (common stock)

Fiscal Year	Dividends per Share (Annual)			Dividends (Annual)	Dividend Payout Ratio	Ratio of Dividends to Stockholders' Equity
	¥	Interim	Year-End			
ended March 31, 2003	3,000	-	3,000	¥ million 17,385	% 16.0	% 1.3
ended March 31, 2002	-	-	-	-	-	-

(3) Financial Position

Fiscal Year	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share
	¥ million	¥ million	%	¥
March 31, 2003	3,413,529	3,156,086	92.5	231,899.30
March 31, 2002	-	-	-	-

Notes: 1. Number of common stock outstanding as of March 31, 2003: 5,795,037 shares

2. Number of treasury stock as of March 31, 2003: 963 shares

2. Earnings Forecast (Fiscal Year ending March 31, 2004)

Fiscal Year	Operating Income	Ordinary Profit	Net Income	Dividends per Share (Annual)		
				Interim	Year End	¥
Six months ending September 30, 2003	¥ million 7,000	¥ million 5,000	¥ million 5,000	¥ 0	¥ -	¥ -
Fiscal year ending March 31, 2004	55,000	50,000	50,000	-	3,000	3,000

Reference: Forecast ed net income per share for the fiscal year ending March 31, 2004 is 3,616.97 yen.

This document 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.

Average number of shares outstanding during the year

	For the Fiscal Year ended March, 31, 2003
Common stock	5,751,902
Preferred stock (type 1)	67,000
Preferred stock (type 2)	100,000
Preferred stock (type 3)	800,000
Preferred stock (1 st to 12th series type 4)	21,710
Preferred stock (13th series type 4)	19,166

Number of shares as of year-end

	As of March, 31, 2003
Common stock	5,795,037
Preferred stock (type 1)	67,000
Preferred stock (type 2)	100,000
Preferred stock (type 3)	800,000
Preferred stock (1st to 12th series type 4)	50,100
Preferred stock (13th series type 4)	115,000

Note: Number of shares outstanding changed during the fiscal year ended March 31, 2003 as follows:

		Number of shares issued	Issue price	Capitalized amount
Increase due to merger with The Japan Research Institute Holdings, Ltd.	Common stock	86,576 shares	¥ 460,314 per share	¥ 0
Increase due to issuance of stock	Preferred stock (1st to 12th series type 4)	50,100 shares	¥ 3,000,000 per share	¥ 1,500,000 per share
	Preferred stock (13th series type 4)	115,000 shares	¥ 3,000,000 per share	¥ 1,500,000 per share

Dividends per share and Total Dividends (For the fiscal year ended March 31, 2003)

Sumitomo Mitsui Banking Corporation	Dividends per Share (Annual)			Total Dividends (Annual) ¥ million
	¥	Interim ¥	Year-end ¥	
Common stock	3,000	–	3,000	17,385
Preferred stock (type 1)	10,500	–	10,500	703
Preferred stock (type 2)	28,500	–	28,500	2,850
Preferred stock (type 3)	13,700	–	13,700	10,960
Preferred stock (1st to 12 th series type 4)	19,500	–	19,500	976
Preferred stock (13th series type 4)	3,750	–	3,750	431

Forecasted annual dividends per share for the year ending March 31, 2004

	Dividends per Share (Annual)		
		Interim	Year-end
Common stock	3,000	0	3,000
Preferred stock (type 1)	10,500	0	10,500
Preferred stock (type 2)	28,500	0	28,500
Preferred stock (type 3)	13,700	0	13,700
Preferred stock (1st through 12th series type 4)	135,000	0	135,000
Preferred stock (13th series type 4)	67,500	0	67,500

Calculation for Indices

(1) Financial Results for the Fiscal Year ended March 31, 2003

- Net Income per Share:

$$\frac{\text{Net income} - \text{Preferred stock dividends}}{\text{Average number of common stocks outstanding during the year}}$$

- Dividend Payout Ratio:

$$\frac{\text{Common stock dividends}}{\text{Net income} - \text{Preferred stock dividends}} \times 100$$

- Ratio of Dividends to Stockholders' Equity:

$$\frac{\text{Common stock dividends}}{\text{Stockholders' equity at year end} - \text{Number of preferred stocks outstanding at year-end} \times \text{Issue price}} \times 100$$

(2) Forecasted Financial Results for the Fiscal Year ending March 31, 2004

- Forecasted Net Income per Share:

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

NONCONSOLIDATED BALANCE SHEET

March 31, 2003	(Millions of yen)	(%)
Assets		
Current assets		
Cash and due from banks	64,725	
Deferred tax assets	35	
Accrued income	315	
Accrued income tax refunds	40,976	
Other current assets	55	
Total current assets	106,108	3.1
Fixed assets		
Premises and equipment		
Buildings	0	
Total premises and equipment	0	
Intangible assets		
Software	26	
Total intangible assets	26	
Investments and other assets		
Investments in subsidiaries and affiliates	3,260,957	
Long-term loans to subsidiaries and affiliates	40,000	
Deferred tax assets	5,227	
Other investments	0	
Total investments and other assets	3,306,185	
Total fixed assets	3,306,213	96.9
Deferred charges		
Organization cost	1,207	
Total deferred charges	1,207	0.0
Total assets	<u><u>3,413,529</u></u>	100.0
Liabilities		
Current liabilities		
Short-term borrowings	256,501	
Accrued expenses	651	
Income taxes payable	1	
Business office taxes payable	1	
Consumption taxes payable	106	
Reserve for employees bonuses	83	
Other current liabilities	96	
Total current liabilities	257,442	7.5
Total liabilities	<u><u>257,442</u></u>	7.5
Stockholders' equity		
Capital stock		
	1,247,650	36.6
Capital surplus		
Capital reserve	1,747,266	
Total capital surplus	1,747,266	51.2
Retained earnings		
Earned surplus reserve	496	
Voluntary reserve	30,420	
Special voluntary earned reserves	30,420	
Unappropriated retained earnings	130,605	
Total retained earnings	161,521	4.7
Treasury stock	(351)	(0.0)
Total stockholders' equity	<u><u>3,156,086</u></u>	92.5
Total liabilities and stockholders' equity	<u><u>3,413,529</u></u>	100.0

NONCONSOLIDATED STATEMENT OF INCOME

Year ended March 31, 2003	(Millions of yen)		(%)
Operating income			
Dividends on investments in subsidiaries and affiliates	128,265		
Fees and commissions received from subsidiaries	3,124		
Interest income on loans to subsidiaries and affiliates	128	131,519	100.0
Operating expenses			
General and administrative expenses	971		
Other operating expenses	0	971	0.7
Operating profit		130,547	99.3
Non-operating income			
Interest income on deposits	9		
Fees and commissions income	4	13	0.0
Non-operating expenses			
Interest on borrowings	176		
Amortization of organization costs	301		
Stock issuance costs	9,994		
Fees and commissions expenses	73		
Other non-operating expenses	380	10,926	8.3
Ordinary profit		119,634	91.0
Income before income taxes		119,634	91.0
Income taxes, current	156		
deferred	(5,259)	(5,103)	(3.9)
Net income		124,738	94.8
Unappropriated retained earnings inherited due to merger		5,867	4.5
Unappropriated retained earnings at end of year		130,605	99.3

Significant Accounting Policies

1. Valuation of securities
Investments in subsidiaries and affiliates are carried at cost using the moving-average method.
2. Depreciation of fixed assets
 - (1) Premises and equipment
SMFG computes depreciation for buildings using the straight-line method.
 - (2) Intangible assets
SMFG computes depreciation for capitalized software for internal use using the straight-line method over its estimated useful life (five years).
3. Deferred charges
Stock issuance cost is expensed as they are incurred. Organization cost is recognized as assets and depreciated using the straight-line method over five years pursuant to the Commercial Code.
4. Reserve
Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, by the amount of estimated bonuses attributable to this fiscal year.
5. Consumption taxes
National and local consumption taxes are accounted for using the tax-excluded method.

Notes to Nonconsolidated Balance Sheet

1. Amounts less than one million yen have been omitted.
2. Accumulated depreciation of premises and equipment was 0 million yen.
3. Long-term loans to subsidiaries and affiliates are subordinated loans.
4. Assets and liabilities related to transactions with subsidiaries and affiliates are as follows:
Deposits 64,646 million yen
Short-term borrowings 256,501 million yen
5. Number of stocks authorized
Common stock: 15,000,000
Preferred stock: 1,767,000

Number of stocks issued and outstanding
Common stock: 5,796,000.92
Preferred stock: 1,132,100
6. Number of treasury stock (common stock) as of year-end is 963.57.
7. Under the Articles of Incorporation of SMFG, followings are the maximum amounts of annual cash dividends to preferred shareholders:
Preferred stock (type 1): 10,500 yen per share
Preferred stock (type 2): 28,500 yen per share
Preferred stock (type 3): 13,700 yen per share
Preferred stock (type 4): Amount to be resolved at meeting of the Board of Directors (Max. 200,000 yen per share)
Preferred stock (type 5): Amount to be resolved at meeting of the Board of Directors (Max. 200,000 yen per share)
Preferred stock (type 6): Amount to be resolved at meeting of the Board of Directors (Max. 300,000 yen per share)

Notes to Nonconsolidated Statement of Income

1. Amounts less than one million yen have been omitted.
2. Non-operating income includes interest income on deposits with subsidiaries of 9 million yen.
3. General and administrative expenses include salaries and related expenses of 396 million yen, rent and lease expenses of 112 million yen, publicity and advertising expenses of 241 million yen and outsourcing expenses of 91 million yen, respectively.

Securities

SMFG has no marketable securities.

Tax Effect Accounting

1. Major components of deferred tax assets as of March 31, 2003 were as follows:
(Millions of yen)

Deferred tax assets	
Stock of subsidiaries	1,186,226
Net operation loss carry forward	5,947
Other	35
Subtotal	<u>1,192,210</u>
Valuation allowance	<u>(1,186,947)</u>
Deferred tax assets	<u>5,263</u>
Net deferred tax assets	<u><u>5,263</u></u>

2. Reconciliation of the effective income tax rate reflected in the accompanying statement of income to the statutory tax rate for the year ended March 31, 2003 was as follows:

Statutory tax rate	42.05%
[Adjustments]	
Dividends excluded from income	(65.47%)
Valuation allowance	18.23%
Other	0.92%
Effective income tax rate	<u><u>(4.27%)</u></u>

Per Share Data

Stockholders' equity per share was 231,899.30 yen.

Net income per share was 18,918.33 yen.

Net income per share after fully diluted was 15,691.82 yen.

**NONCONSOLIDATED STATEMENT OF APPROPRIATION OF
RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2003 (PROPOSAL)**

(Yen)

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Unappropriated retained earnings at end of year	130,605,339,692
Retained earnings to be appropriated	33,306,812,050
Dividends on preferred stock (type 1)	(10,500 yen per share) 703,500,000
Dividends on preferred stock (type 2)	(28,500 yen per share) 2,850,000,000
Dividends on preferred stock (type 3)	(13,700 yen per share) 10,960,000,000
Dividends on preferred stock (first series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (second series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (third series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (fourth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (fifth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (sixth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (seventh series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (eighth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (ninth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (tenth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (eleventh series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (twelfth series type 4)	(19,500 yen per share) 81,412,500
Dividends on preferred stock (thirteenth series type 4)	(3,750 yen per share) 431,250,000
Dividends on common stock	(3,000 yen per share) 17,385,112,050
Retained earnings carried forward to next year	97,298,527,642