

**Financial Results**  
**Six-month Period**  
**ended September 30, 2003**  
**-Supplementary Information-**

Sumitomo Mitsui Financial Group, Inc.  
Sumitomo Mitsui Banking Corporation

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(Notes) 1. <C>: Consolidated.

Figures for the six-month period ended September 30, 2003: SMFG's consolidated figures

Figures for the six-month period ended September 30, 2002: SMBC's consolidated figures which include those for the former Wakashio Bank

2. <N>: SMBC Non-consolidated.

Figures for the six-month period ended September 30, 2002: combined figures for the former SMBC and the former Wakashio Bank

**Financial Highlights for the Six-month Period ended September 30, 2003**

## 1. Financial Results

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six-month Period		Six-month Period ended Sep. 30, 2002
		ended Sep. 30, 2003	Change	
Gross banking profit	1	795,339	(108,000)	903,339
<i>Excluding gains (losses) on bonds</i>	2	776,567	(50,143)	826,710
Gross domestic profit	3	558,967	(66,781)	625,748
<i>Excluding gains (losses) on bonds</i>	4	556,580	(30,099)	586,679
Net interest income	5	481,688	(40,899)	522,587
Trust fees	6	84	84	-
Net fees and commissions	7	78,177	14,733	63,444
Net trading income	8	(1,863)	(2,614)	751
Net other operating income	9	880	(38,083)	38,963
<i>Gains (losses) on bonds</i>	10	2,386	(36,682)	39,068
Gross international profit	11	236,371	(41,219)	277,590
<i>Excluding gains (losses) on bonds</i>	12	219,986	(20,043)	240,029
Net interest income	13	86,908	(31,717)	118,625
Net fees and commissions	14	21,152	(1,315)	22,467
Net trading income	15	151,688	49,032	102,656
Net other operating income	16	(23,377)	(57,215)	33,838
<i>Gains (losses) on bonds</i>	17	16,385	(21,175)	37,560
Expenses (excluding non-recurring losses)	18	(296,030)	29,248	(325,278)
Personnel expenses	19	(113,967)	17,505	(131,472)
Non-personnel expenses	20	(166,697)	10,237	(176,934)
Taxes	21	(15,365)	1,505	(16,870)
Banking profit (excluding transfer to general reserve for possible loan losses)	22	499,308	(78,753)	578,061
<i>Excluding gains (losses) on bonds</i>	23	480,536	(20,896)	501,432
Transfer to general reserve for possible loan losses	24	-	20,564	(20,564)
Banking profit	25	499,308	(58,189)	557,497
Gains (losses) on bonds	26	18,771	(57,857)	76,628
Non-recurring gains (losses)	27	(394,133)	63,477	(457,610)
<i>Credit related costs</i>	28	(373,597)	(127,115)	(246,482)
Write-off of loans	29	(337,901)	(248,214)	(89,687)
Transfer to specific reserve	30	-	140,640	(140,640)
Transfer to reserve for losses on loans sold	31	-	7,109	(7,109)
Losses on loans sold to CCPC	32	(740)	2,273	(3,013)
Losses on sale of delinquent loans	33	(34,955)	(24,949)	(10,006)
Transfer to loan loss reserve for specific overseas countries	34	-	(3,974)	3,974
Gains (losses) on stocks	35	18,783	211,010	(192,227)
Gains on sale of stocks	36	50,910	15,749	35,161
Losses on sale of stocks	37	(24,720)	26,842	(51,562)
Losses on devaluation of stocks	38	(7,406)	168,419	(175,825)
Enterprise taxes by Local Governments	39	(7,678)	(4,136)	(3,542)
Other non-recurring gains (losses)	40	(31,641)	(16,283)	(15,358)
Ordinary profit (loss)	41	105,175	5,289	99,886
Extraordinary gains (losses)	42	37,813	76,056	(38,243)
Gains (losses) on disposition of premises and equipment	43	(6,404)	3,167	(9,571)
Gains on disposition of premises and equipment	44	382	(1,236)	1,618
Losses on disposition of premises and equipment	45	(6,787)	4,403	(11,190)
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	46	(10,083)	-	(10,083)
Write-back of loan loss reserves	47	13,787	13,787	-
Transfer to specific reserve for possible loan losses	48	(217,330)	(217,330)	-
Write-back of general reserve for possible loan losses	49	229,089	229,089	-
Write-back of loan loss reserve for specific overseas countries	50	2,028	2,028	-
Write-back of reserve for losses on loans sold	51	393	393	-
Refund of enterprise tax from Tokyo government and interest on refund	52	40,333	40,333	-
Income(loss) before income taxes	53	142,988	81,346	61,642
Income taxes, current	54	(12,573)	(5,778)	(6,795)
Income taxes, deferred	55	9,244	18,552	(9,308)
Net income (loss)	56	139,659	94,121	45,538
Total credit cost ( 24 + 28 + 47 + 51 )	57	(359,415)	(92,369)	(267,046)

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

## &lt;Consolidated&gt;

(Millions of yen)

		Six-month Period ended Sep. 30, 2003		Six-month Period ended Sep. 30, 2002
			Change	
Consolidated gross profit	1	1,049,121	(67,271)	1,116,392
Net interest income	2	663,237	(70,707)	733,944
Trust fees	3	84	84	-
Net fees and commissions	4	195,190	32,767	162,423
Net trading profit	5	163,904	54,088	109,816
Net other operating income	6	26,704	(83,504)	110,208
General and administrative expenses	7	(448,094)	(1,991)	(446,103)
Total credit cost	8	(441,522)	(122,939)	(318,583)
Write-off of loans	9	(388,924)	(266,098)	(122,826)
Transfer to specific reserve	10	(244,860)	(89,947)	(154,913)
Transfer to general reserve for possible loan losses	11	228,302	250,962	(22,660)
Other credit cost	12	(36,041)	(17,859)	(18,182)
Gains (losses) on stocks	13	20,604	218,530	(197,926)
Equity in earnings of affiliates	14	8,044	5,237	2,807
Other income (expenses)	15	(22,644)	(15,914)	(6,730)
Ordinary profit (loss)	16	165,508	15,652	149,856
Extraordinary gains (losses)	17	21,371	60,877	(39,506)
Income (loss) before income taxes and minority interests	18	186,880	76,531	110,349
Income taxes, current	19	(22,436)	4,264	(26,700)
Income taxes, deferred	20	5,137	15,470	(10,333)
Minority interests in net income (loss)	21	(26,087)	(7,917)	(18,170)
Net income (loss)	22	143,492	88,347	55,145

(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 expenses)

## (Reference)

(Billions of yen)

Consolidated net business profit	23	532.7	(75.9)	608.6
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(Note) Consolidated net business profit = (SMBC Non-consolidated banking profit (excluding transfer to general reserve)) + (Other subsidiaries' ordinary profit (excluding temporary factors) + (Affiliates' ordinary profit) X (Ownership ratio) - (Internal transaction (dividends, etc.))

## (Number of consolidated subsidiaries and affiliates)

		Sep. 30, 2003	Change	Sep. 30, 2002
Consolidated subsidiaries	24	169	(1)	170
Affiliated companies accounted for by equity method	25	48	1	47

## 2. Banking Profit per Employee / Overhead Ratio &lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Six-month		Six-month Period ended Sep. 30, 2002
	Period ended Sep. 30, 2003	Change	
(1)Banking profit (excluding transfer to general reserve for possible loan losses)	499,308	(78,753)	578,061
Per employee (thousands of yen)	25,884	683	25,201
(2)Banking profit	499,308	(58,189)	557,497
Per employee (thousands of yen)	25,884	1,580	24,304
(3)Banking profit (excluding transfer to general reserve for possible loan losses and gains(losses) on bonds)	480,536	(20,896)	501,432
Per employee (thousands of yen)	24,911	3,051	21,860
<b>Overhead ratio</b>	<b>37.2</b>	<b>1.2</b>	<b>36.0</b>

(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) &lt;SMBC Non-consolidated&gt;

(%)

	Six-month Period ended Sep. 30, 2003	Change from		Six-month Period ended Sep. 30, 2002
		Six-month Period ended Mar. 31, 2003	Six-month Period ended Sep. 30, 2002	
(1)Yield on interest earning assets (A)	1.45	(0.04)	(0.02)	1.47
Interest earned on loans and bills discounted (C)	1.73	0.01	0.01	1.72
Interest earned on securities	0.58	(0.02)	(0.12)	0.70
(2)Total cost of funding (including expenses) (B)	0.83	(0.06)	(0.04)	0.87
Cost of interest bearing liabilities	0.09	(0.01)	(0.01)	0.10
Interest paid on deposits, etc. (D)	0.02	(0.01)	(0.02)	0.04
Interest paid on other liabilities	0.22	0.00	0.03	0.19
Expense ratio	0.74	(0.05)	(0.03)	0.77
(3)Overall interest spread (A) - (B)	0.62	0.02	0.02	0.60
Interest spread (C) - (D)	1.71	0.02	0.03	1.68

## 4. Gains (Losses) on Securities &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Six-month		Six-month Period ended Sep. 30, 2002
	Period ended Sep. 30, 2003	Change	
Gains (losses) on bonds	18,771	(57,857)	76,628
Gains on sales	87,597	(10,176)	97,773
Losses on sales	(68,753)	(49,385)	(19,368)
Gains on redemption	-	(0)	0
Losses on redemption	-	17	(17)
Losses on devaluation	(71)	1,687	(1,758)
Gains (losses) on stocks	18,783	211,010	(192,227)
Gains on sales	50,910	15,749	35,161
Losses on sales	(24,720)	26,842	(51,562)
Losses on devaluation	(7,406)	168,419	(175,825)

## 5. Unrealized Gains (Losses) on Securities

## (1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses))* directly charged to Stockholders' equity
	With no market value	Cost method or amortized cost method
Stocks of subsidiaries and affiliates		Cost method

\*Excluding the amount recognized in income statement by application of fair value hedge accounting

## (Reference) Securities in money held in trust

Investment purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Other money held in trust	With market value	Fair value method (net valuation gains (losses) directly charged to Stockholders' equity)
	With no market value	Cost method or amortized cost method

## (2) Unrealized gains (losses)

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2003				Mar. 31, 2003		
	Unrealized gains (losses)				Unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(10,338)	(14,141)	1,813	(12,152)	3,803	3,909	(105)
Stocks of subsidiaries and affiliates	11,734	32,162	11,734	-	(20,428)	624	(21,052)
Other securities	306,912	324,769	585,142	(278,230)	(17,857)	257,680	(275,537)
Stocks	469,067	621,421	562,844	(93,776)	(152,354)	105,269	(257,624)
Bonds	(148,852)	(257,564)	4,997	(153,849)	108,712	112,417	(3,705)
Others	(13,303)	(39,088)	17,301	(30,604)	25,785	39,993	(14,207)
Other money held in trust	(16)	28	249	(265)	(44)	510	(555)
Total	308,291	342,817	598,939	(290,648)	(34,526)	262,725	(297,251)
Stocks	480,802	653,584	574,578	(93,776)	(172,782)	105,894	(278,677)
Bonds	(160,002)	(271,530)	5,882	(165,884)	111,528	115,234	(3,705)
Others	(12,508)	(39,235)	18,478	(30,987)	26,727	41,597	(14,869)

- (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) on stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the interim period. Rest of the securities are valued at the market price as of the balance sheet date.
3. 'Other securities' and 'Other money held in trust' are valued 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.
- Of 'Unrealized gains (losses) on other securities' shown above, JPY 22,029 million is included in this interim term's profit because of the application of fair value hedge accounting. Consequently, the amount to be included in stockholders' equity decreased by JPY 22,029 million yen.

&lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2003				Mar. 31, 2003		
	Unrealized gains (losses)				Unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(10,103)	(15,985)	2,051	(12,155)	5,882	5,988	(105)
Other securities	303,629	334,272	604,936	(301,307)	(30,643)	272,943	(303,587)
Stocks	470,979	636,421	578,166	(107,187)	(165,442)	112,952	(278,395)
Bonds	(154,872)	(266,036)	6,597	(161,470)	111,164	117,093	(5,928)
Others	(12,477)	(36,111)	20,171	(32,649)	23,634	42,897	(19,263)
Other money held in trust	(16)	28	249	(265)	(44)	510	(555)
Total	293,509	318,314	607,237	(313,727)	(24,805)	279,443	(304,248)
Stocks	470,979	636,421	578,166	(107,187)	(165,442)	112,952	(278,395)
Bonds	(166,025)	(282,041)	7,482	(173,508)	116,016	121,945	(5,928)
Others	(11,444)	(36,064)	21,587	(33,032)	24,620	44,545	(19,925)

- (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) on stocks are mostly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at the market price as of the balance sheet date.
3. 'Other securities' and 'Other money held in trust' are valued 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.
- Of 'Unrealized gains (losses) on other securities' shown above, JPY 22,029 million is included in this interim term's profit because of the application of fair value hedge accounting. Consequently, the amount to be included in stockholders' equity decreased by JPY 22,029 million yen.

## 6. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)

&lt;SMBC Non-consolidated&gt;

(Billions of yen)

	Sep. 30, 2003				Mar. 31, 2003			
	Assets (a)	Liabilities (b)	Net	Net	Assets (c)	Liabilities (d)	Net	Net
			assets (a) - (b)	deferred gains(losses)			assets (c) - (d)	deferred gains(losses)
Interest rate swaps	112.3	176.0	(63.7)	(109.3)	398.5	175.2	223.3	117.3
Currency swaps	139.3	143.4	(4.1)	6.1	419.5	408.0	11.5	9.6
Others	2.8	3.1	(0.3)	10.1	58.9	31.5	27.4	28.9
Total	254.4	322.5	(68.1)	(93.1)	876.9	614.7	262.2	155.8

(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. As for the six-month period ended Sep. 30, 2003, SMBC applied individual deferred hedge accounting or fair value hedge accounting based on Practical Guidelines for Accounting Standard for Financial Instruments as well as deferred hedge accounting for banking industry based on JICPA Industry Audit Committee Report No.24 and No.25.

As for the year ended Mar. 31, 2003, SMBC mainly applied deferred hedge accounting based on 'the risk adjustment approach', which is one of the methods of macro hedging.

(Appendix) Contact amount of interest rate swaps (on deferred hedge accounting basis),  
classified by maturity

(Billions of yen)

	Sep. 30, 2003				Mar. 31, 2003			
	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	7,890.5	17,554.9	5,052.4	30,497.8	20,063.1	22,188.0	6,588.7
Receivable floating rate /payable fixed rate	810.2	4,418.7	4,500.1	9,729.0	12,075.6	14,597.6	3,509.8	30,183.0
Receivable floating rate /payable floating rate	3.1	613.0	50.8	666.9	5.2	866.6	84.5	956.3
Total contract amount	8,703.8	22,586.6	9,603.3	40,893.7	32,143.9	37,652.2	10,183.0	79,979.1

## 7. Employee Retirement Benefits

## (1) Balance of the retirement benefit liability

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six-month Period ended Sep. 30, 2003		Six-month Period ended Sep. 30, 2002
			Change	
Balance of the retirement benefit liability*	(A)	1,104,255	22,572	1,081,683
<Discount rate>		<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

\*As of the beginning of the term

(Note) Discount rate for the six-month period ended September 30, 2002 is that of the former SMBC.

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Six-month Period ended Sep. 30, 2003		Six-month Period ended Sep. 30, 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

\*As of the beginning of the term

## (2) Cost for employee retirement benefits

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Six-month Period ended Sep. 30, 2003		Six-month Period ended Sep. 30, 2002
			Change	
Cost for employee retirement benefits		41,414	10,484	30,930
Service cost		10,849	(28)	10,877
Interest cost		16,563	367	16,196
Expected returns on pension assets		(11,684)	3,843	(15,527)
Amortization of net obligation from change of accounting method (amortized using the straight-line method over 5 years)		10,083	-	10,083
Amortization of prior service cost		(3,197)	-	(3,197)
Amortization of actuarial net gain (loss)		18,263	6,787	11,476
Others		534	(485)	1,019

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Six-month Period ended Sep. 30, 2003		Six-month Period ended Sep. 30, 2002
			Change	
Cost for employee retirement benefits		46,692	8,272	38,420



## 8. Capital Ratio &lt;Consolidated&gt;

(Billions of yen, %)

	Sep. 30, 2003 (a)			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	[Preliminary]	(a) - (b)	(a) - (c)		
(1) Capital ratio	10.95	0.85	0.58	10.10	10.37
(2) Tier I	3,468.8	212.9	87.5	3,255.9	3,381.3
Net unrealized losses on other securities	-	24.2	512.4	(24.2)	(512.4)
(3) Tier II	3,235.3	273.7	(80.9)	2,961.6	3,316.2
(a) Unrealized gains on securities	127.2	127.2	127.2	-	-
(b) Land revaluation excess	69.2	(2.5)	(11.7)	71.7	80.9
(c) General reserve	737.4	(2.2)	(49.9)	739.6	787.3
(d) Subordinated debt	2,301.5	151.2	(146.6)	2,150.3	2,448.1
(4) Subtraction items	244.1	5.5	80.0	238.6	164.1
(5) Total capital (2) + (3) - (4)	6,460.1	481.2	(73.4)	5,978.9	6,533.5
(6) Risk-adjusted assets	58,992.0	(174.8)	(3,989.2)	59,166.8	62,981.2

## 9. ROE

&lt;SMBC Non-consolidated&gt;

(%)

	Six-month Period ended Sep. 30, 2003			FY2002 (b)	Six-month Period ended Sep. 30, 2002 (c)	
	(a)	(a) - (b)	(a) - (c)		Former SMBC	Former Wakashio Bank
ROE (numerator: Banking profit*)	87.0	11.0		76.0	64.0	13.7
ROE (numerator: Banking profit)	87.0	27.5		59.5	61.7	13.7
ROE (numerator: Net income)	24.3	58.4		(34.1)	5.0	6.6

\*Excluding transfer to general reserve for possible loan losses

&lt;Consolidated&gt;

(%)

	Six-month Period ended Sep. 30, 2003			FY2002 (b)	Six-month Period ended Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
ROE (numerator: Net income)	36.3	79.3	29.0	(43.0)	7.3

$$\text{ROE} = \frac{(\text{Net income} - \text{Dividends on preferred stocks}) \times \text{number of days in an year} / \text{number of days in the six-month period}}{\{(\text{Stockholders' equity at the beginning of the term}) - (\text{Number of preferred stocks at the beginning of the term}) \times (\text{Issue price}) + (\text{Stockholders' equity at the end of the term}) - (\text{Number of preferred stocks at the end of the term}) \times (\text{Issue price})\} / 2} \times 100$$

(%)

	Six-month Period ended Sep. 30, 2003			FY2002 (b)	Six-month Period ended Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Fully-diluted ROE (numerator: Net income)	11.1	28.5	7.2	(17.4)	3.9

(Note) Fully-diluted basis: including convertible preferred stocks.

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

&lt;As of Sep. 30, 2003&gt;

(Billions of yen)

Category of Borrowers under Self-Assessment	Problem 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 506.1 (i) (Change from Mar. 31, 2003: -18.8)	Portion of claims secured by collateral or guarantees, etc. 491.6 (a)	Fully reserved 14.5	Direct Write-offs (*1)	Specific Reserve 20.3 (*2)	100% (*3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful Assets 1,631.2 (ii) (Change from Mar. 31, 2003: -498.3)	Portion of claims secured by collateral or guarantees, etc. 755.6 (b)	Necessary amount reserved 875.6		608.9 (*2)	69.5% (*3)		
Borrowers Requiring Caution	Substandard Loans 1,729.3 (iii) (Change from Mar. 31, 2003: -877.6) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 669.8 (c)			General Reserve for Substandard Loans 335.3	30.5% (*3)	19.3% (*3)	
	Normal Assets	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve 880.3	5.5% [12.2%] (*4)		
Normal Borrowers	56,623.8	Claims to Normal Borrowers				0.2% (*4)		
Total 60,490.4 (iv)					Loan Loss Reserve for Specific Overseas Countries 9.5			
A=(i)+(ii)+(iii) 3,866.6 (v) (Change from Mar. 31, 2003: -1,394.7) <Problem asset ratio ((v)/(iv)) 6.4%>		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 1,917.0	C: Unsecured portion (A - B) 1,949.6		D: Specific Reserve + General Reserve for Substandard Loans (*2) 964.5	Reserve Ratio (*5) $\frac{D}{C}$ 49.5%		

$$\text{Coverage Ratio} = (B+D)/A \quad 74.5\%$$

(\*1) Includes direct reduction amounts to JPY 1,320.8 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 5.8 billion, Potentially Bankrupt Borrowers: JPY 9.9 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 each category's total unsecured claims covered by reserve for possible loan losses.

(\*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.

The reserve ratio of unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.

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

## 11. Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	145,947	(26,456)	(73,294)	172,403	219,241
	Non-accrual loans	1,957,746	(432,427)	(822,300)	2,390,173	2,780,046
	Past due loans (3 months or more)	94,513	(20,243)	(1,358)	114,756	95,871
	Restructured loans	1,634,826	(857,373)	(919,399)	2,492,199	2,554,225
	Total	3,833,032	(1,336,499)	(1,816,352)	5,169,531	5,649,384

Amount of direct reduction                      1,291,257                      365,772                      (81,915)                      925,485                      1,373,172

Total loans (term-end balance)	55,153,522	(2,128,843)	(4,130,311)	57,282,365	59,283,833
--------------------------------	------------	-------------	-------------	------------	------------

(%)

Ratio to total loans	Bankrupt loans	0.3	0.0	(0.1)	0.3	0.4
	Non-accrual loans	3.5	(0.7)	(1.2)	4.2	4.7
	Past due loans (3 months or more)	0.2	0.0	0.0	0.2	0.2
	Restructured loans	3.0	(1.4)	(1.3)	4.4	4.3
	Total	6.9	(2.1)	(2.6)	9.0	9.5

&lt;Consolidated&gt;

(Millions of yen)

		Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
		(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans	Bankrupt loans	179,497	(21,895)	(70,402)	201,392	249,899
	Non-accrual loans	2,287,238	(422,926)	(829,195)	2,710,164	3,116,433
	Past due loans (3 months or more)	101,630	(28,723)	(7,758)	130,353	109,388
	Restructured loans	1,853,890	(874,901)	(905,709)	2,728,791	2,759,599
	Total	4,422,255	(1,348,445)	(1,813,064)	5,770,700	6,235,319

Amount of direct reduction                      1,634,267                      360,907                      (77,957)                      1,273,360                      1,712,224

Total loans (term-end balance)	59,666,363	(1,416,583)	(2,886,915)	61,082,946	62,553,278
--------------------------------	------------	-------------	-------------	------------	------------

(%)

Ratio to total loans	Bankrupt loans	0.3	0.0	(0.1)	0.3	0.4
	Non-accrual loans	3.8	(0.6)	(1.2)	4.4	5.0
	Past due loans (3 months or more)	0.2	0.0	0.0	0.2	0.2
	Restructured loans	3.1	(1.4)	(1.3)	4.5	4.4
	Total	7.4	(2.0)	(2.6)	9.4	10.0

## 12. Reserve for Possible Loan Losses

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Reserve for possible loan losses	1,518,988	(555,809)	(358,206)	2,074,797	1,877,194
General reserve	880,265	(232,970)	(15,230)	1,113,235	895,495
Specific reserve	629,185	(320,811)	(341,042)	949,996	970,227
Loan loss reserve for specific overseas countries	9,537	(2,029)	(1,934)	11,566	11,471
Amount of direct reduction	1,320,848	366,807	(85,626)	954,041	1,406,474
Reserve for possible losses on loans sold	222	(16,947)	(41,712)	17,169	41,934

&lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Reserve for possible loan losses	1,699,431	(544,111)	(350,041)	2,243,542	2,049,472
General reserve	945,452	(228,475)	(1,198)	1,173,927	946,650
Specific reserve	744,440	(313,608)	(346,910)	1,058,048	1,091,350
Loan loss reserve for specific overseas countries	9,537	(2,029)	(1,934)	11,566	11,471
Amount of direct reduction	1,693,302	368,843	(74,744)	1,324,459	1,768,046
Reserve for possible losses on loans sold	2,628	(18,037)	(44,562)	20,665	47,190

## 13. Reserve Ratio to Risk-Monitored Loans

&lt;SMBC Non-consolidated&gt;

(%)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Before direct reduction	55.4	5.7	8.6	49.7	46.8
After direct reduction	39.6	(0.5)	6.4	40.1	33.2

&lt;Consolidated&gt;

(%)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Before direct reduction	56.0	5.3	8.0	50.7	48.0
After direct reduction	38.4	(0.5)	5.5	38.9	32.9

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

## 14. Problem Assets Based on the Financial Reconstruction Law and the Coverage

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	506,043	(18,846)	(13,243)	524,889	519,286
Doubtful assets	1,631,229	(498,272)	(921,109)	2,129,501	2,552,338
Substandard loans	1,729,339	(877,616)	(920,757)	2,606,955	2,650,096
Total (A)	3,866,611	(1,394,734)	(1,855,111)	5,261,345	5,721,722
Normal assets	56,623,833	(689,522)	(3,274,733)	57,313,355	59,898,566
Total (B)	60,490,444	(2,084,256)	(5,129,844)	62,574,700	65,620,288
Problem asset ratio (A/B)	6.4	(2.0)	(2.3)	8.4	8.7

Amount of direct reduction 1,320,848 366,807 (85,626) 954,041 1,406,474

(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)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	2,881,410	(1,155,053)	(1,363,868)	4,036,463	4,245,278
Reserve for possible loan losses* (D)	964,470	(526,382)	(317,736)	1,490,852	1,282,206
Reserve for supporting specific borrowers	-	-	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	1,916,940	(628,671)	(1,046,131)	2,545,611	2,963,071

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

(%)

Coverage ratio (C) / (A)	74.5	(2.2)	0.3	76.7	74.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	88.9	1.1	4.3	87.8	84.6

(%)

Reserve ratio to unsecured assets (D) / (A - E)	49.5	(5.4)	3.0	54.9	46.5
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	77.9	1.5	9.9	76.4	68.0

&lt;Consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	640,949	(15,027)	(12,326)	655,976	653,275
Doubtful assets	1,851,100	(489,107)	(933,899)	2,340,207	2,784,999
Substandard loans	1,960,747	(896,843)	(917,522)	2,857,590	2,878,269
Total (A)	4,452,796	(1,400,977)	(1,863,747)	5,853,773	6,316,543
Normal assets	59,375,527	44,972	(1,523,651)	59,330,555	60,899,178
Total (B)	63,828,323	(1,356,005)	(3,387,398)	65,184,328	67,215,721
Problem asset ratio (A/B)	7.0	(2.0)	(2.4)	9.0	9.4

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	3,305,819	(1,154,795)	(1,284,934)	4,460,614	4,590,753
Reserve for possible loan losses* (D)	1,046,729	(522,683)	(253,325)	1,569,412	1,300,054
Reserve for supporting specific borrowers	-	-	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	2,259,090	(632,112)	(1,031,609)	2,891,202	3,290,699

(%)

Coverage ratio (C) / (A)	74.2	(2.0)	1.5	76.2	72.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	88.9	1.2	4.4	87.7	84.5

(%)

Reserve ratio to unsecured assets (D) / (A - E)	47.7	(5.3)	4.7	53.0	43.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	77.5	1.8	9.8	75.7	67.7

## (Reference) Progress of Off-Balancing of Problem Assets &lt;SMBC Non-consolidated&gt;

## 1. Problem assets existing prior to and classified during the six-month period ended Sep. 30, 2000

(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	Sep. 30, 2003	Change	
Bankrupt and quasi-bankrupt assets	653.0	475.2	379.5	283.3	240.3	144.5	99.6	(44.9)	
Doubtful assets	2,594.8	1,361.6	1,055.7	848.3	661.1	255.6	192.3	(63.3)	
Total	3,247.8	1,836.8	1,435.2	1,131.6	901.4	400.1	291.9	(108.2)	
The result of measures connected to off-balancing							151.2	120.0	

(Note) 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)

	Six-month period ended Sep. 30, 2003
Disposition by borrowers' liquidation	(8.6)
Reconstructive disposition --- (a)	(9.6)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(168.4)
Direct write-offs	126.7
Others	(48.3)
Collection/repayment, etc.	(39.1)
Improvement in debtors' performance	(9.2)
Total	(108.2)

(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), debt forgiveness involved in special mediation or other types of civil mediation, or debt 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 six-month period ended Mar. 31, 2001

(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	Sep. 30, 2003	Change
Bankrupt and quasi-bankrupt assets	118.8	142.2	57.7	52.1	29.0	22.7	(6.3)
Doubtful assets	592.6	269.7	145.2	112.7	81.9	53.8	(28.1)
Total	711.4	411.9	202.9	164.8	110.9	76.5	(34.4)
The result of measures connected to off-balancing						23.4	18.4

## (2) Progress of off-balancing

(Billions of yen)

	Six-month period ended Sep. 30, 2003
Disposition by borrowers' liquidation	-
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(18.3)
Direct write-offs	2.3
Others	(18.4)
Collection/repayment, etc.	(10.9)
Improvement in debtors' performance	(7.5)
Total	(34.4)

## 3. Problem assets classified during the six-month period ended Sep. 30, 2001

(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	Sep. 30, 2003	Change
Bankrupt and quasi-bankrupt assets	56.6	76.6	66.0	41.7	32.5	(9.2)
Doubtful assets	332.5	236.9	163.1	99.5	68.7	(30.8)
Total	389.1	313.5	229.1	141.2	101.2	(40.0)
The result of measures connected to off-balancing					31.9	25.5

## (2) Progress of off-balancing

(Billions of yen)

	Six-month period ended Sep. 30, 2003
Disposition by borrowers' liquidation	(0.9)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(26.7)
Direct write-offs	3.3
Others	(15.7)
Collection/repayment, etc.	(14.1)
Improvement in debtors' performance	(1.6)
Total	(40.0)

## 4. Problem assets classified during the six-month period ended Mar. 31, 2002

(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	Sep. 30, 2003	Change
Bankrupt and quasi-bankrupt assets	80.6	96.4	60.5	98.4	37.9
Doubtful assets	1,751.9	1,131.5	729.5	372.1	(357.4)
Total	1,832.5	1,227.9	790.0	470.5	(319.5)

The result of measures connected to off-balancing

	56.1	30.6
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## (2) Progress of off-balancing

(Billions of yen)

	Six-month period ended Sep. 30, 2003
Disposition by borrowers' liquidation	(13.8)
Reconstructive disposition --- (a)	-
Improvement in debtors' performance due to (a)	-
Loan sales to market	(19.1)
Direct write-offs	(218.6)
Others	(68.0)
Collection/repayment, etc.	(55.4)
Improvement in debtors' performance	(12.6)
Total	(319.5)

## 5. Problem assets classified during the six-month period ended Sep. 30, 2002

(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	Sep. 30, 2003	Change
Bankrupt and quasi-bankrupt assets	64.5	204.8	95.8	(109.0)
Doubtful assets	483.9	153.6	111.9	(41.7)
Total	548.4	358.4	207.7	(150.7)

The result of measures connected to off-balancing

	107.7	52.0
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## (2) Progress of off-balancing

(Billions of yen)

	Six-month period ended Sep. 30, 2003
Disposition by borrowers' liquidation	(2.5)
Reconstructive disposition --- (a)	(1.1)
Improvement in debtors' performance due to (a)	-
Loan sales to market	(10.5)
Direct write-offs	(24.4)
Others	(112.2)
Collection/repayment, etc.	(105.4)
Improvement in debtors' performance	(6.8)
Total	(150.7)

## 6. Problem assets classified during the six-month period ended Mar. 31, 2003

(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	Sep. 30, 2003	Change
Bankrupt and quasi-bankrupt assets	44.4	89.3	44.9
Doubtful assets	809.4	230.4	(579.0)
Total	853.8	319.7	(534.1)

The result of measures connected to off-balancing

	40.7	80.3
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## (2) Progress of off-balancing

(Billions of yen)

	Six-month period ended Sep. 30, 2003
Disposition by borrowers' liquidation	(0.4)
Reconstructive disposition --- (a)	(248.5)
Improvement in debtors' performance due to (a)	(136.3)
Loan sales to market	(52.9)
Direct write-offs	(9.1)
Others	(86.9)
Collection/repayment, etc.	(61.9)
Improvement in debtors' performance	(25.0)
Total	(534.1)

## 7. Problem assets classified during the six-month period ended Sep. 30, 2003

(Billions of yen)

	Sep. 30, 2003
Bankrupt and quasi-bankrupt assets	67.8
Doubtful assets	602.0
Total	669.8
The result of measures connected to off-balancing	44.1

(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	Sep. 30, 2003	Change
Bankrupt and quasi-bankrupt assets	653.0	594.0	578.3	498.2	519.3	524.9	506.1	(18.8)
Doubtful assets	2,594.8	1,954.1	1,657.9	2,982.3	2,552.3	2,129.5	1,631.2	(498.3)
Total	3,247.8	2,548.1	2,236.2	3,480.5	3,071.6	2,654.4	2,137.3	(517.1)
The result of measures connected to off-balancing						411.0	370.9	

## (Reference) Progress of off-balancing

(six-month period ended Sep. 30, 2003 total)

(Billions of yen)

Six-month period ended Sep. 30, 2003	
Disposition by borrowers' liquidation	(26.2)
Reconstructive disposition --- (a)	(259.2)
Improvement in debtors' performance due to (a)	(136.3)
Loan sales to market	(295.9)
Direct write-offs	(119.8)
Others	(349.5)
Collection/repayment, etc.	(286.8)
Improvement in debtors' performance	(62.7)
Total	(A)+(B)+(C)+(D)+(E)+(F) (1,186.9)



## 15. Loan Portfolio, Classified by Industry &lt;SMBC Non-consolidated&gt;

## (1) Loans and bills discounted, classified by industry

(Millions of yen)

	Sep. 30, 2003		Mar. 31, 2003
		Change	
Domestic offices (excluding offshore banking account)	52,079,963	(1,715,922)	53,795,885
Manufacturing	5,918,501	(112,761)	6,031,262
Agriculture, forestry, fisheries, and mining	159,085	(33,710)	192,795
Construction	2,011,721	(373,557)	2,385,278
Transportation, communications and public enterprises	3,200,039	231,068	2,968,971
Wholesale and retail	5,659,243	(153,242)	5,812,485
Finance and insurance	5,058,907	(360,727)	5,419,634
Real estate	7,422,864	(817,463)	8,240,327
Various services	5,581,639	(41,064)	5,622,703
Municipalities	394,584	(113,560)	508,144
Others	16,673,375	59,095	16,614,280
Overseas offices and offshore banking accounts	3,073,559	(412,920)	3,486,479
Public sector	88,481	(30,987)	119,468
Financial institutions	240,181	4,065	236,116
Commerce and industry	2,576,498	(368,624)	2,945,122
Others	168,398	(17,374)	185,772
Total	55,153,522	(2,128,843)	57,282,365

## Risk-Monitored Loans

(Millions of yen)

	Sep. 30, 2003		Mar. 31, 2003
		Change	
Domestic offices (excluding offshore banking account)	3,716,895	(1,328,903)	5,045,798
Manufacturing	170,907	(49,047)	219,954
Agriculture, forestry, fisheries, and mining	3,571	(999)	4,570
Construction	317,552	(371,248)	688,800
Transportation, communications and public enterprises	111,348	(23,504)	134,852
Wholesale and retail	530,835	(2,803)	533,638
Finance and insurance	89,854	(76,230)	166,084
Real estate	1,390,967	(661,383)	2,052,350
Various services	829,673	(119,481)	949,154
Municipalities	-	-	-
Others	272,188	(24,208)	296,396
Overseas offices and offshore banking accounts	116,137	(7,596)	123,733
Public sector	11,408	(231)	11,639
Financial institutions	763	(659)	1,422
Commerce and industry	103,966	(6,706)	110,672
Others	-	-	-
Total	3,833,032	(1,336,499)	5,169,531

(Millions of yen)

	Sep. 30, 2002	
		Risk-Monitored Loans
Domestic offices (excluding offshore banking account)	54,562,464	5,472,408
Manufacturing	6,738,042	285,089
Agriculture, forestry, fisheries, and mining	165,332	5,651
Construction	2,800,438	1,083,360
Transportation, communications and other public enterprises	2,698,280	62,003
Wholesale, retail and restaurant	6,570,238	646,727
Finance and insurance	5,097,287	151,901
Real estate	8,413,128	1,983,676
Services	6,028,094	971,079
Municipalities	475,194	-
Others	15,576,418	282,922
Overseas offices and offshore banking accounts	4,721,368	176,976
Public sector	221,313	11,602
Financial institutions	292,175	2,321
Commerce and industry	4,086,566	163,053
Others	121,313	-
Total	59,283,833	5,649,384

(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 Sep. 30, 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. (Same for the following tables.)

## (2) Problem Assets Based on the Financial Reconstruction Law classified by industry, and reserve ratio

(Millions of yen, %)

	Sep. 30, 2003			Mar. 31, 2003
	(a)	Reserve ratio	(a) - (b)	(b)
Domestic offices (excluding offshore banking account)	3,741,287	49.1	(1,370,710)	5,111,997
Manufacturing	171,609	49.5	(50,489)	222,098
Agriculture, forestry, fisheries, and mining	3,572	47.5	(999)	4,571
Construction	318,143	26.6	(403,563)	721,706
Transportation, communications and public enterprises	111,870	42.0	(23,847)	135,717
Wholesale and retail	536,637	59.0	(3,337)	539,974
Finance and insurance	91,710	62.9	(76,335)	168,045
Real estate	1,396,179	52.5	(661,440)	2,057,619
Various services	836,930	45.6	(124,801)	961,731
Municipalities	-	-	-	-
Others	274,637	83.9	(25,899)	300,536
Overseas offices and offshore banking accounts	125,324	56.7	(24,024)	149,348
Public sector	11,408	22.7	(231)	11,639
Financial institutions	763	-	(659)	1,422
Commerce and industry	113,153	61.8	(23,134)	136,287
Others	-	-	-	-
<b>Total</b>	<b>3,866,611</b>	<b>49.5</b>	<b>(1,394,734)</b>	<b>5,261,345</b>

(Millions of yen)

	Sep. 30, 2002
Domestic offices (excluding offshore banking account)	5,526,991
Manufacturing	287,518
Agriculture, forestry, fisheries, and mining	5,654
Construction	1,100,182
Transportation, communications and other public enterprises	62,082
Wholesale, retail and restaurant	655,427
Finance and insurance	154,150
Real estate	1,989,251
Services	978,212
Municipalities	-
Others	294,515
Overseas offices and offshore banking accounts	194,731
Public sector	11,602
Financial institutions	2,321
Commerce and industry	180,808
Others	-
<b>Total</b>	<b>5,721,722</b>

(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)

	Sep. 30, 2003		Mar. 31, 2003	Sep. 30, 2002
	(a)	(a) - (b)	(b)	
Consumer loans	13,956,671	290,795	13,665,876	13,462,319
Mortgage loans	12,717,977	378,686	12,339,291	12,037,048
Residential purpose	8,757,092	410,460	8,346,632	7,993,394
Other consumer loans	1,238,693	(87,892)	1,326,585	1,425,271

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

(Millions of yen, %)

	Sep. 30, 2003		Mar. 31, 2003	Sep. 30, 2002
	(a)	(a) - (b)	(b)	
Outstanding balance	35,937,060	(796,181)	36,733,241	36,791,883
Ratio to total loans	69.0	0.7	68.3	67.4

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

## 16. Overseas Loans &lt;SMBC Non-consolidated&gt;

## (1) Loans to specific overseas countries

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Loan balance	88,693	(19,384)	(25,386)	108,077	114,079
Number of countries	8	(1)	-	9	8

## (2) Loans classified by country

## (i) Loans to major Asian countries

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Indonesia	94,169	(17,290)	(28,104)	111,459	122,273
Risk-monitored loans	27,154	(9,027)	(5,020)	36,181	32,174
Thailand	216,945	14,732	(18,778)	202,213	235,723
Risk-monitored loans	18,611	(1,607)	(1,467)	20,218	20,078
Korea	181,518	16,355	33,490	165,163	148,028
Risk-monitored loans	-	(353)	(641)	353	641
Hong Kong	217,318	(28,699)	(55,726)	246,017	273,044
Risk-monitored loans	3,879	(4,241)	(7,657)	8,120	11,536
China	132,569	3,105	(1,869)	129,464	134,438
Risk-monitored loans	2,238	(431)	(2,531)	2,669	4,769
Singapore	201,202	(21,900)	(56,736)	223,102	257,938
Risk-monitored loans	698	579	515	119	183
India	27,846	(7,493)	(17,829)	35,339	45,675
Risk-monitored loans	3,251	(1,886)	(2,111)	5,137	5,362
Malaysia	66,035	2,078	(4,757)	63,957	70,792
Risk-monitored loans	605	(40)	(1,975)	645	2,580
Pakistan	3,280	(17)	(996)	3,297	4,276
Risk-monitored loans	1,263	(102)	(739)	1,365	2,002
Others	54,479	4,346	12,295	50,133	42,184
Risk-monitored loans	-	-	(6,849)	-	6,849
Total	1,195,365	(34,782)	(139,010)	1,230,147	1,334,375
Risk-monitored loans	57,699	(17,108)	(28,475)	74,807	86,174

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

## (ii) Loans to major Central and South American countries

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Chile	4,973	(561)	(1,250)	5,534	6,223
Risk-monitored loans	-	-	-	-	-
Columbia	8,674	(2,413)	(6,170)	11,087	14,844
Risk-monitored loans	641	(182)	(199)	823	840
Mexico	16,224	(2,187)	(2,714)	18,411	18,938
Risk-monitored loans	667	(54)	(69)	721	736
Argentina	1,111	(433)	(923)	1,544	2,034
Risk-monitored loans	-	-	-	-	-
Brazil	43,472	6,712	(4,959)	36,760	48,431
Risk-monitored loans	-	-	-	-	-
Venezuela	7,763	(1,500)	(2,425)	9,263	10,188
Risk-monitored loans	-	-	-	-	-
Panama	173,064	1,308	(14,145)	171,756	187,209
Risk-monitored loans	-	-	-	-	-
Others	1,004	(46)	(40)	1,050	1,044
Risk-monitored loans	114	(10)	(12)	124	126
Total	256,287	878	(32,626)	255,409	288,913
Risk-monitored loans	1,422	(246)	(280)	1,668	1,702

## (iii) Loans to Russia

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Russia	4,997	(426)	(290)	5,423	5,287
Risk-monitored loans	-	-	-	-	-

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

(Millions of yen, %)

	Sep. 30, 2003				Mar. 31, 2003	Sep. 30, 2002
	(a)	Reserve ratio	(a) - (b)	(a) - (c)	(b)	(c)
Overseas offices and Japan offshore banking accounts	125,324	56.7	(24,024)	(69,407)	149,348	194,731
Asia	61,085	53.4	(28,295)	(30,386)	89,380	91,471
Indonesia	27,154	49.9	(9,027)	(5,020)	36,181	32,174
Hong Kong	3,879	57.9	(8,329)	(7,883)	12,208	11,762
India	4,585	68.3	(3,063)	(2,666)	7,648	7,251
China	2,255	83.3	(433)	(2,538)	2,688	4,793
Others	23,212	51.9	(7,443)	(12,279)	30,655	35,491
North America	53,814	66.2	3,277	10,448	50,537	43,366
Central and South America	5,592	65.1	(2,193)	(2,485)	7,785	8,077
Western Europe	4,833	29.7	3,187	(43,582)	1,646	48,415
Eastern Europe	-	-	-	(3,402)	-	3,402

- (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. Deposits and Loans &lt;SMBC Non-consolidated&gt;

## (1) Deposits and loans outstanding

(Millions of yen, %)

	Six-month Period ended Sep. 30, 2003			FY2002	Six-month Period ended Sep. 30, 2002
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits (term-end balance)	57,746,253	(864,478)	(24,691)	58,610,731	57,770,944
Deposits (average balance)	58,352,802	(322,031)	(780,247)	58,674,833	59,133,049
Domestic units	52,589,296	966,747	1,072,115	51,622,549	51,517,181
Average yield	0.03	(0.01)	(0.01)	0.04	0.04
Loans (term-end balance)	55,153,522	(2,128,843)	(4,130,311)	57,282,365	59,283,833
Loans (average balance)	54,792,153	(4,599,250)	(5,056,251)	59,391,403	59,848,404
Domestic units	50,802,673	(3,056,075)	(3,244,295)	53,858,748	54,046,968
Average yield	1.73	0.00	0.01	1.73	1.72

(Note) Deposits exclude "negotiable certificates of deposit".

## (2) Deposits outstanding, classified by depositor

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003	Sep. 30, 2002
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic deposits	56,162,962	(308,810)	2,737,438	56,471,772	53,425,524
Individual	31,424,631	214,430	691,228	31,210,201	30,733,403
Corporate	24,738,331	(523,240)	2,046,210	25,261,571	22,692,121

(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)

	Sep. 30, 2003			Mar. 31, 2003	Sep. 30, 2002
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Outstanding balance of investment trusts	1,820,167	144,083	173,929	1,676,084	1,646,238
Balance of investment trusts to individuals	1,741,004	142,427	176,381	1,598,577	1,564,623

(Note) Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the term-end.

## 18. Other Financial Data &lt;SMBC Non-consolidated&gt;

## (1) Debt Forgiveness

(Billions of yen)

	Six-month Period ended Sep. 30, 2003
Number of companies forgiven the debt	2
Principal amount forgiven	258.0

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

## (2) Outstanding amount and the amount sold of stock in other securities (excluding stock of parent company)

(Billions of yen)

	Sep. 30, 2003
Balance sheet amount	3,284.5
Acquisition cost	2,817.0

(Billions of yen)

	Six-month Period ended Sep. 30, 2003
Amount sold	approx. 560.0

## 19. Number of Directors and Employees &lt;SMBC Non-consolidated&gt;

	Sep. 30, 2003		Mar. 31, 2003	Mar. 31, 2004 "The Plan"*3
		Change		
Directors and auditors*1	24	-	24	28
Employees*2	23,838	(186)	24,024	22,600

(\*1) Including directors and auditors of SMFG.

(\*2) Registered employees, excluding directors, executive officers, contract employees, temporary recruited, and overseas local staffs.

(\*3) The Plan for Strengthening the Financial Base.

## 20. Number of Offices &lt;SMBC Non-consolidated&gt;

	Sep. 30, 2003		Mar. 31, 2003	Mar. 31, 2004 "The Plan"*4
		Change		
Domestic branches*1	435	(2)	437	435
Overseas branches*2	20	-	20	19
Overseas subsidiaries*3	26	-	26	26

(\*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 SMBC has less than 50% equity interest.

(\*4) The Plan for Strengthening the Financial Base.

## 21. Deferred Tax Assets &lt;SMBC Non-consolidated&gt;

			(Billions of yen)			(Reference)
(1) Deferred Tax Assets on the Balance Sheet			Sep. 2003	Change from Mar. 2003	Change from Sep. 2002	Temporary differences Sep. 2003
(a) Total deferred tax assets	(b-c)	1	1,852.5	3.2	(36.5)	
(b) Subtotal of deferred tax assets		2	2,251.1	(53.0)	346.9	5,575.0
Reserve for possible loan losses		3	533.6	(286.6)	(181.2)	1,323.2
Write-off of loans		4	487.8	168.2	89.5	1,209.7
Reserve for possible losses on loans sold		5	0.1	(6.8)	(16.1)	0.2
Write-off of securities		6	435.4	(160.9)	220.7	1,079.8
Reserve for employee retirement benefits		7	106.8	4.5	6.9	264.7
Depreciation		8	7.6	(0.7)	(0.8)	19.0
Net unrealized losses on other securities		9	-	(6.9)	(316.5)	-
Net operating loss carryforwards		10	629.3	255.9	533.3	1,537.1
Other		11	50.4	(19.8)	11.1	141.3
(c) Valuation allowance		12	398.6	(56.2)	383.4	
(d) Total deferred tax liabilities		13	140.8	106.1	111.1	361.2
Gains on securities contributed to employee retirement benefits trust		14	25.6	0.3	2.2	63.5
Net unrealized gains on other securities		15	110.0	110.0	110.0	284.9
Other		16	5.2	(4.1)	(1.1)	12.8
Net deferred tax assets (Balance sheet amount)	(a+d)	17	1,711.7	(102.9)	(147.6)	
Amounts corresponding to the estimated taxable income before adjustments		18	1,731.7	5.6	(75.3)	
Amounts to be realized after more than a certain period	(Note 1)	19	90.0	1.5	37.7	
Amount corresponding to the deferred tax liabilities shown in 15 above	(Note 2)	20	(110.0)	(110.0)	(110.0)	
Effective income tax rate	(Note 3)	21	40.46%	-	1.84%	

## (Notes)

- Deferred tax assets arising from temporary differences that are expected to be reversed after more than five years (such as reserve for employee retirement benefits and depreciation of buildings) may be recognized if there is a high likelihood of such tax benefits being realized. (JICPA Auditing Committee Report No.66 "Auditing Treatment Regarding Judgment of Realizability of Deferred Tax Assets")
- Deferred tax assets are recognized on the balance sheet on a net basis after offsetting against deferred tax liabilities arising from net unrealized gains on other securities. But the gross deferred tax assets, before offsetting against deferred tax liabilities, are used to assess collectability. (JICPA Auditing Committee Report No.70 "Auditing Treatment of Application of Accounting for Tax Effects to Differences in Valuation of Other Securities")
- The effective tax rate shown in "21" is applied to the temporary differences that are expected to be reversed after Fiscal 2004, and reflect the impact of the adoption of enterprise taxes through external standards taxation in Fiscal 2004. The effective tax rate of 38.62% is applied to the temporary differences that are expected to be reversed in Fiscal 2003.

**(2) Reason for Recognition of Deferred Tax Assets on the Balance Sheet****(a) Recognition Criteria**

Practical Guideline 5 (1), examples (4) proviso

(1) SMBC has significant operating loss carryforwards on the tax base. These operating loss carryforwards are due to SMBC taking the below measures in order to quickly strengthen its financial base under the prolonged deflationary pressure, and are accordingly judged to be attributable to extraordinary factors. As a result, SMBC recognized deferred tax assets to the limit of the estimated future taxable income for the period (approximately 5 years) pursuant to the practical guideline on assessing the collectability of deferred tax assets issued by JICPA ("Practical Guideline")(\*).

**(a) Disposal of Non-performing Loans**

SMBC established internal standards for write-offs and reserves based on self assessment in accordance with the "Prompt Corrective Action" adopted in Fiscal 1998 pursuant to the law concerning the maintenance of sound management of financial institutions (June 1996).

SMBC has been aggressively disposing non-performing loans and bolstering provisions in order to reduce the risk of asset deterioration under the severe business environment of a prolonged sluggish economy. As a result, taxable disposal of non-performing loans(\*\*) amounted to approximately 2,500 billion yen as of September 30, 2003.

In addition, pursuant to the "Program for Financial Revival" of October 2002, SMBC is now accelerating disposal of non-performing loans in order to reduce the problem asset ratio to half by Fiscal 2004. In the process, taxable write-off of bad loans implemented in the past is now being realized. (Realized amount for the first half of Fiscal 2003 was approximately 900 billion yen.)

**(b) Disposal of Unrealized Losses on Stocks**

SMBC has been accelerating its effort to reduce stockholdings in order to reduce its exposure to stock price fluctuations and meet the regulation limiting stockholdings that was adopted in Fiscal 2001 and to be implemented in Fiscal 2006.

During Fiscal 2002, SMBC reduced the balance of stocks by 1.1 trillion yen through stocks sales and also disposed all at once unrealized losses on stocks of 1.2 trillion yen by writing off impaired stocks and using the gains on the merger. As a result, SMBC met the regulation limiting stockholdings before the deadline.

As a result, balances of taxable write-off on securities(\*\*) recently increased substantially (1,500 billion yen as of March 31, 2003; 100 billion yen as of March 31, 1999). On the other hand, taxable write-off of securities carried out in the past is now being realized through accelerated selling of stocks (result for the first half of Fiscal 2003 was approximately 400 billion yen).

(2) Consequently, operating loss carryforwards on the tax base amounted to approximately 1,500 billion yen as of September 30, 2003 and they are certain to be offset by their expiration period by the taxable income that will be generated in the future. No material operating loss

(\*) JICPA Auditing Committee Report No.66 "Auditing Treatment Regarding Judgment of Realizability of Deferred Tax Assets"

(\*\*) Corresponds to "(Reference) Temporary differences" (upper right corner) of the previous page's table.

**(b) Term for Future Taxable Income to be estimated**

5 years

**(c) Accumulated Amount of Estimated Future Taxable Income before Adjustments for the Next 5 Years**

(Billions of yen)

		Estimates of next 5 years	Basic Policy
	1	5,505.7	
A	2	2,958.6	(2) Conservatively estimate the taxable income for the next 5 years (a) Rationally make earnings projection for up to Fiscal 2008 based on the "Plan for strengthening the financial base (up to Fiscal 2006)" (b) Reduce the projected amount by an amount reflecting the uncertainty of the projected amount
B	3	1,332.4	(c) Add the adjustments to the above amount
C	4	4,291.0	(3) Apply the effective tax rate to the above amount and record the amount as "deferred tax assets"
	5	1,731.7	

(corresponding to 18 of the table on the previous page)

**(Reference 1) Income of final return (before deducting operating loss carryforwards) for the last 5 years**

(Billions of yen)

	Year ended March 31,				
	1999	2000	2001	2002	2003
Income of final return (before deducting operating loss carryforwards)	(554.2)	327.3	(176.0)	241.9	(745.5)

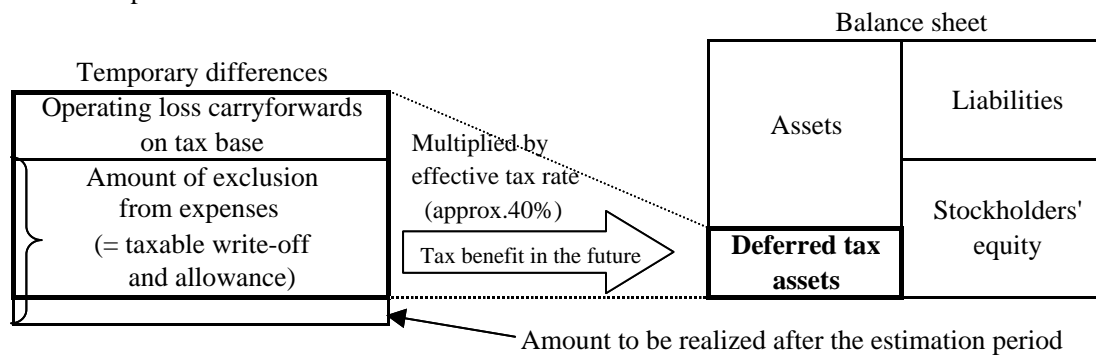
(Notes) 1. Income of final return before deduction of operating loss carryforwards

= Taxable income before adjustments for each fiscal year - Temporary differences to be reversed for each fiscal year

2. The figures above include amounts arising from "extraordinary factors" that are specified in the Practical Guideline  
SMBC has taxable income in each year when these amounts are excluded.

(Reference 2)

## 1. Basic Concept



## 2. Example

[Assumption]

- (1) Temporary differences as of the term-end: 6,000 --- 5000 will be reversed over 5 years and 6,000 over 7 years
- (2) Estimated future taxable income (pre-adjusted taxable income): 5,000 over 5 years and 7,000 over 7 years
- (3) A company described in the proviso of sample (4) of the Practical Guidelines issued by JICPA

(Remark) The below figures are just examples and not actual figures of SMBC.

		1 year	2 years	3 years	4 years	5 years	Total (5 years)	6 years	7 years	Total (7 years)
		later	later	later	later	later		later	later	
<b>Taxable income before adjustments</b>	a	1,000	1,000	1,000	1,000	1,000	5,000	1,000	1,000	7,000
Reversal of temporary differences	b	(2,000)	(1,000)	(800)	(700)	(500)	(5,000)	(500)	(500)	(6,000)
<b>Income of final return (before deducting operating loss carryforwards)</b>	c	(1,000)	0	200	300	500	0	500	500	1,000
Operating loss carryforwards on the tax base	d	1,000	1,000	800	500	0	/	0	0	/
Increase (decrease)	e	1,000	0	(200)	(300)	(500)	/	0	0	/
Income subject to taxation (c+e)	f	0	0	0	0	0	/	500	500	/
Reversal of temporary differences (b+e)	g	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(5,000)	(500)	(500)	(6,000)
Before accounting for reversal (a*40%)	h	(400)	(400)	(400)	(400)	(400)	(2,000)	(400)	(400)	(2,800)
After accounting for reversal (f*40%)	i	0	0	0	0	0	0	(200)	(200)	(400)
Tax benefits (i-h)	j	400	400	400	400	400	2,000	200	200	2,400

Total of tax benefits **+2,400** (7 years)

(\*)

Deferred tax assets (Balance sheet amount) **+2,000** (5 years)

**+400** (2 years,\*\*)

(\*) Given the uncertainty of estimations, JICPA restricts the extent to which deferred tax assets may be recognized.

Outline of Practical Guideline, examples (4) proviso

- a When a company has material operating loss carryforwards on the tax base as of term-end, deferred tax assets may be considered to be collectable to the extent of the estimated taxable income for the next fiscal year and relating to the temporary differences expected to be reversed in the next fiscal year.
- b However, when operating loss carryforwards are due to the company's restructuring efforts, changes in laws, and/or other extraordinary factors, the deferred tax assets may be considered to be collectable to the extent of the estimated taxable income for the estimation period (approximately 5 years) and relating to the temporary differences expected to be reversed over the estimation period.

(\*\*) The difference of 400 is entered as valuation allowance and not recognized as deferred tax assets. But the tax benefits are realized as long as the company exists and generates taxable income.



## 22. Earnings Forecast for FY2003

Sumitomo Mitsui Financial Group, Inc.

&lt;Non-consolidated&gt; (Billions of yen)

	<b>FY2003</b>
Operating income	55.0
Ordinary profit	50.0
Net income	50.0

Dividend per share forecast for the fiscal year end (Yen)

Common stock	3,000	
Type 1 Preferred stock	10,500	
Type 2 Preferred stock	28,500	
Type 3 Preferred stock	13,700	
Type 4 Preferred stock	1st - 12th series	135,000
	13th series	67,500

(Reference) (Billions of yen)

Total dividend planned	46.4
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&lt;Consolidated&gt; (Billions of yen)

	<b>FY2003</b>		<b>FY2002</b> Result
	<b>Forecast</b>	Change	
Ordinary income	3,500.0	(6.4)	3,506.4
Ordinary profit	320.0	835.7	(515.7)
Net income	230.0	695.4	(465.4)

(Reference)

Sumitomo Mitsui Banking Corporation

&lt;Non-consolidated&gt; (Billions of yen)

	<b>FY2003</b>		<b>FY2002</b> Result
	<b>Forecast</b>	Change	
Gross banking profit	1,595.0	(165.6)	1,760.6
Expenses	(595.0)	52.0	(647.0)
Banking profit (excluding transfer to general reserve for possible loan losses)	1,000.0	(113.6)	1,113.6
Ordinary profit	200.0	797.2	(597.2)
Net income	200.0	678.3	(478.3)
Total credit cost(*)	(700.0)	374.5	(1,074.5)

(\*) (Transfer to general reserve for possible loan losses) + (Credit cost included in non-recurring losses)

**[Reference] Financial Statements of SMBC**
**1. Financial Highlights of Sumitomo Mitsui Banking Corporation's  
Results for the Six Months ended September 30, 2003**
**[ Non-consolidated ]**

Ordinary income	1,177,035 million yen
Operating income	105,175 million yen
Net income	139,659 million yen
Total assets	92,779,975 million yen
Stockholders' equity	2,611,621 million yen
Stockholders' equity to Total assets	2.81 %
Capital ratio (BIS Guidelines) [preliminary]	11.52 %
Number of shares outstanding as of term-end	55,778,805 shares
Common stock	54,811,805 shares
Preferred stock (type 1)	67,000 shares
Preferred stock (type 2)	100,000 shares
Preferred stock (type 3)	800,000 shares
Number of treasury stock as of term-end	- shares
Average number of shares outstanding during the term	55,778,805 shares
Common stock	54,811,805 shares
Preferred stock (type 1)	67,000 shares
Preferred stock (type 2)	100,000 shares
Preferred stock (type 3)	800,000 shares
Net income per share	2,547.97 yen
Net income per share (diluted)	2,463.96 yen
Stockholders' equity per share	23,911.29 yen
Interim dividends (scheduled maximum payable amounts, Note1)	43.5 billion yen
Common stock	528 yen per share
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
Increase of net assets by recognizing at fair value (Note 2)	380,972 million yen

(Notes) 1. The interim dividends will be paid to SMFG (parent company). The amount will be resolved at the meeting of the board of directors to be held after January 2004.

2. In case Article 124-3 of the Ordinance of the Commercial Code is applied

**[ Consolidated ]**

Capital ratio (BIS Guideline) [preliminary]	11.21 %
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## 2. SMBC's Non-consolidated Balance Sheets (Condensed)

(millions of yen)

	September 30, 2003 (A)	September 30, 2002		Change (A-(B+C))	March 31, 2003 (D)	Change (A-D)
		former SMBC (B)	former Wakashio (C)			
<b>Assets</b>						
Cash and due from banks	3,423,380	2,724,248	48,016	651,116	3,288,593	134,787
Call loans	232,136	234,817	-	(2,681)	99,774	132,362
Receivables under resale agreements	61,204	54,023	-	7,181	78,679	(17,475)
Receivables under securities borrowing transactions	625,010	2,186,491	-	(1,561,481)	1,981,243	(1,356,233)
Bills bought	327,500	139,100	-	188,400	-	327,500
Commercial paper and other debt purchased	103,627	111,146	-	(7,519)	92,436	11,191
Trading assets	2,984,076	3,025,923	-	(41,847)	3,950,372	(966,296)
Trading securities	-	-	1,241	(1,241)	-	-
Money held in trust	27,493	44,104	-	(16,611)	24,628	2,865
Securities	21,847,113	22,377,416	49,607	(579,910)	23,656,385	(1,809,272)
Loans and bills discounted	55,153,522	58,902,641	381,192	(4,130,311)	57,282,365	(2,128,843)
Foreign exchanges	755,924	908,194	858	(153,128)	724,771	31,153
Other assets	1,865,874	2,077,687	1,298	(213,111)	1,848,486	17,388
Premises and equipment	681,442	855,921	10,246	(184,725)	707,303	(25,861)
Deferred tax assets	1,711,738	1,859,314	-	(147,576)	1,814,625	(102,887)
Customers' liabilities for acceptances and guarantees	4,498,916	5,272,481	1,033	(774,598)	4,416,292	82,624
Reserve for possible loan losses	(1,518,988)	(1,872,641)	(4,553)	358,206	(2,074,797)	555,809
<b>Total assets</b>	<b>92,779,975</b>	<b>98,900,873</b>	<b>488,941</b>	<b>(6,609,839)</b>	<b>97,891,161</b>	<b>(5,111,186)</b>
<b>Liabilities</b>						
Deposits	57,746,253	57,311,051	459,893	(24,691)	58,610,731	(864,478)
Negotiable certificates of deposit	3,454,958	4,856,700	-	(1,401,742)	4,913,526	(1,458,568)
Call money	2,202,679	2,504,778	-	(302,099)	2,686,456	(483,777)
Payables under repurchase agreements	1,868,451	1,914,605	-	(46,154)	4,124,094	(2,255,643)
Payables under securities lending transactions	4,624,779	3,820,124	-	804,655	4,777,187	(152,408)
Bills sold	5,715,900	10,203,400	-	(4,487,500)	6,203,300	(487,400)
Commercial paper	-	500	-	(500)	50,500	(50,500)
Trading liabilities	1,608,728	2,186,161	-	(577,433)	2,425,632	(816,904)
Borrowed money	2,648,173	3,006,739	-	(358,566)	2,795,160	(146,987)
Foreign exchanges	449,941	439,707	-	10,234	392,727	57,214
Bonds	2,884,076	2,472,142	-	411,934	2,624,099	259,977
Due to trust account	24,944	-	-	24,944	5,953	18,991
Other liabilities	2,309,751	1,684,911	2,020	622,820	1,428,432	881,319
Reserve for employee bonuses	8,569	11,119	163	(2,713)	9,898	(1,329)
Reserve for employee retirement benefits	66,096	114,308	4,139	(52,351)	72,816	(6,720)
Reserve for possible losses on loans sold	222	41,360	574	(41,712)	17,169	(16,947)
Reserve for exhibition at World Exposition	57	-	-	57	-	57
Other reserves	18	18	-	-	18	-
Deferred tax liabilities for land revaluation	55,835	61,815	-	(5,980)	57,937	(2,102)
Acceptances and guarantees	4,498,916	5,272,481	1,033	(774,598)	4,416,292	82,624
<b>Total liabilities</b>	<b>90,168,353</b>	<b>95,901,925</b>	<b>467,825</b>	<b>(6,201,397)</b>	<b>95,611,937</b>	<b>(5,443,584)</b>
<b>Stockholders' equity</b>						
Capital stock	559,985	1,326,746	20,831	(787,592)	559,985	-
Capital surplus	1,237,307	1,684,373	0	(447,066)	1,237,307	-
Capital reserve	879,693	1,326,758	0	(447,065)	879,693	-
Other capital surplus	357,614	357,614	-	-	357,614	-
Retained earnings	557,289	392,874	676	163,739	414,536	142,753
Voluntary reserves	221,540	221,548	-	(8)	221,548	(8)
Unappropriated retained earnings at end of year	335,749	171,326	676	163,747	192,987	142,762
Net income	139,659	44,862	676	94,121	183,040	(43,381)
Land revaluation excess	82,165	98,245	-	(16,080)	85,259	(3,094)
Net unrealized gains (losses) on other securities	174,873	(502,705)	(391)	677,969	(17,864)	192,737
Treasury stock	-	(586)	-	586	-	-
<b>Total stockholders' equity</b>	<b>2,611,621</b>	<b>2,998,947</b>	<b>21,116</b>	<b>(408,442)</b>	<b>2,279,223</b>	<b>332,398</b>
<b>Total liabilities and stockholders' equity</b>	<b>92,779,975</b>	<b>98,900,873</b>	<b>488,941</b>	<b>(6,609,839)</b>	<b>97,891,161</b>	<b>(5,111,186)</b>

## 3. SMBC's Non-consolidated Statements of Income (Condensed)

(Millions of yen)

	Six months ended September 30, 2003 (A)	Six months ended September 30, 2002		Change (A-(B+C))	Year ended March 31, 2003
		former SMBC (B)	former Wakashio (C)		
Ordinary income:	1,177,035	1,240,900	6,291	(70,156)	146,251
Interest income	729,620	860,493	5,467	(136,340)	82,914
Interest on loans and discounts	491,865	555,851	5,145	(69,131)	34,190
Interest and dividends on securities	132,204	127,624	292	4,288	40,074
Trust fees	84	-	-	84	5
Fees and commissions	150,162	130,980	437	18,745	31,783
Trading profits	152,104	104,126	-	47,978	11,704
Other operating income	88,276	102,559	272	(14,555)	14,702
Other income	56,787	42,739	112	13,936	5,140
Ordinary expenses:	1,071,859	1,141,205	6,098	(75,444)	77,487
Interest expenses	161,039	224,401	370	(63,732)	16,122
Interest on deposits	47,083	81,023	346	(34,286)	6,102
Fees and commissions	50,831	45,196	308	5,327	8,338
Trading losses	2,279	718	-	1,561	103
Other operating expenses	110,774	30,017	11	80,746	5,120
General and administrative expenses	315,168	332,302	4,213	(21,347)	36,549
Other expenses	431,765	508,569	1,194	(77,998)	11,253
Ordinary profit	105,175	99,694	192	5,289	68,763
Extraordinary gains	55,035	1,791	500	52,744	40,016
Extraordinary losses	17,222	40,527	8	(23,313)	2,669
Income before income taxes	142,988	60,958	684	81,346	106,109
Income taxes, Current	12,573	6,787	8	5,778	905
Income taxes, Deferred	(9,244)	9,308	-	(18,552)	(77,836)
Unappropriated retained earnings brought forward	192,995	124,362	0	68,633	0
Unappropriated retained earnings inherited due to merger	-	-	-	-	398
Transfer from land revaluation excess	3,094	2,101	-	993	9,547
Unappropriated retained earnings at end of term (year)	335,749	171,326	676	163,747	192,987

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

2. Amounts of March 31, 2003 do not include the former SMBC's profit/loss for the term from April 1, 2002 to March 16, 2003.

## 4. Market Value Information on SMBC's Securities &lt; Non-consolidated &gt;

## [1] Securities

In addition to "Securities" stated in the non-consolidated interim balance sheet, the amounts below include trading securities, commercial paper and short-term corporate bonds (electronic CP) classified as "Trading assets" and negotiable certificates of deposit bought classified as "Cash and due from banks."

## (1) Securities classified as trading purposes

(Millions of yen)

	As of and for the six months ended September 30, 2003	
	Balance sheet amount	Valuations gains (losses) included in profit/loss during the term
Securities classified as trading purposes	1,131,644	(77)

## (2) Bonds classified as held-to-maturity with market value

(Millions of yen)

	As of September 30, 2003				
	Balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	509,230	498,081	(11,149)	884	12,034
Other	14,127	14,938	810	928	117
Total	523,358	513,019	(10,338)	1,813	12,152

## (3) Investments in subsidiaries or affiliates with market value

(Millions of yen)

	As of September 30, 2003		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	80,640	92,374	11,734

## (4) Other securities with market value

(Millions of yen)

	As of September 30, 2003				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	2,515,543	2,984,611	469,067	562,844	93,776
Bonds	11,418,873	11,270,020	(148,852)	4,997	153,849
Japanese government bonds	10,578,990	10,446,499	(132,490)	2,191	134,682
Japanese local government bonds	342,924	333,930	(8,994)	880	9,874
Japanese corporate bonds	496,958	489,590	(7,367)	1,925	9,292
Other	3,917,144	3,903,841	(13,303)	17,301	30,604
Change of purpose of holding	-	-	36	36	-
Total	17,851,561	18,158,473	306,948	585,179	278,230

(Notes)

1. Of the total net unrealized gains shown above, 22,029 million yen is included in this term's profit because of the application of fair value hedge accounting.

As a result of applying fair value hedge accounting, the amount subject to inclusion in the stockholders' equity is 284,919 million yen and the actual amount included in the stockholder's equity under "Net unrealized gains on other securities" is 174,883 million yen (calculated by deducting deferred tax liabilities of 110,035 million yen from the 284,919 million yen).

2. Other securities with market value are considered as impaired if the market value decreases significantly below the acquisition cost and such decline is not considered as recoverable. The market value is recognized as the interim balance sheet amount and the amount of write-down is accounted for as valuation loss (impaired) for the this interim term. Valuation loss for this interim term was 310 million yen. The rule for determining "significant decline" is as follows and is based on the classification of issuing company under self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers  
 Issuers requiring caution  
 Normal issuers

Market value is lower than acquisition cost.  
 Market value is 30% or more lower than acquisition cost.  
 Market value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt

Potentially bankrupt issuers: Issuers that are perceived to have a high risk of falling into bankruptcy

Issuers requiring caution: Issuers that are identified for close monitoring

Normal issuers: Issuers other than the above four categories of issuers

## (5) Other securities sold during the term

(Millions of yen)

	For the six months ended September 30, 2003		
	Sales amount	Gains on sales	Losses on sales
Other securities	15,420,673	137,702	93,572

## (6) Securities with no available market value

(Millions of yen)

	As of September 30, 2003
Bonds classified as held-to-maturity	
Unlisted foreign securities	1,906
Investments in subsidiaries and affiliates	
Stocks of subsidiaries	1,079,298
Stocks of affiliates	15,402
Other	20,456
Other securities	
Unlisted stocks (except OTC stocks)	302,682
Unlisted bonds	1,448,411
Unlisted foreign securities	169,776
Other	93,871

## (7) Redemption schedule of other securities with maturities and bonds classified as held-to-maturity

(Millions of yen)

	As of September 30, 2003			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	over 10 years
Bonds	2,626,808	6,412,386	3,701,834	486,633
Japanese government bonds	2,499,426	4,889,242	3,083,952	483,108
Japanese local government bonds	1,298	151,694	180,405	533
Japanese corporate bonds	126,084	1,371,449	437,476	2,991
Other	299,542	2,889,352	398,761	444,325
Total	2,926,351	9,301,738	4,100,595	930,958

## [2] Money Held in Trust

## (1) Money held in trust classified as trading purposes

(Millions of yen)

	For the six months ended September 30, 2003	
	Balance sheet amount	Valuations gains (losses) included in profit/loss during the term
Money held in trust classified as trading purposes	7,443	-

## (2) Other money held in trust

(Millions of yen)

	As of September 30, 2003				
	Acquisition cost	Balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	20,066	20,049	(16)	249	265

(Note) Net unrealized losses of 9 million yen (after the deduction of 6 million yen in deferred tax assets from the above 16 million yen in net unrealized losses) are included in "Net unrealized gains on other securities."

## 5. SMBC's Non-consolidated Statements of Trust Assets and Liabilities

(Millions of yen)

	September 30, 2003 (A)	September 30, 2002		Change (A+(B+C))	March 31, 2003 (D)	Change (A-D)
		former SMBC (B)	former Wakashio (C)			
Loans and bills discounted	19,100	-	-	19,100	35,080	(15,980)
Securities	3,001	-	-	3,001	-	3,001
Monetary claims	219,966	-	-	219,966	125,942	94,024
Other claims	0	-	-	0	-	0
Due from banking account	24,944	-	-	24,944	5,953	18,991
Total assets	267,013	-	-	267,013	166,976	100,037
Monetary trusts	22,127	-	-	22,127	35,080	(12,953)
Monetary claims trusts	209,545	-	-	209,545	112,952	96,593
Composit trusts	35,340	-	-	35,340	18,944	16,396
Total liabilities	267,013	-	-	267,013	166,976	100,037