

# Notes to Consolidated Financial Statements

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

March 31, 2001, 2000 and 1999

## 1. Basis of Financial Statements

Sumitomo Mitsui Banking Corporation (formerly The Sumitomo Bank, Limited) (the "Bank"), a Japanese corporation, maintains its records and prepares its financial statements in Japanese yen.

The Bank and its consolidated domestic subsidiaries maintain their accounts and records in accordance with accounting principles and prevailing practices generally accepted in Japan, which are different from accounting and disclosure requirements of international accounting standards.

The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and the practices prevailing in the respective countries of domicile.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The consolidated statements of stockholders' equity for 2001, 2000 and 1999 have been prepared for the purpose of inclusion in the accompanying consolidated financial statements, although such statements were not required for domestic purposes and were not filed with the regulatory authorities.

Amounts less than one million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts.

For the convenience of the readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥123.90 to US\$1, the exchange rate prevailing at March 31, 2001. The translations should not be construed as a representation that Japanese yen have been or could have been converted into U.S. dollars at that rate.

## 2. Significant Accounting Policies

### (1) Consolidation

The consolidated financial statements include the accounts of the Bank and its significant subsidiaries. All significant intercompany balances and transactions have been eliminated.

Effective April 1, 1998, a new accounting standard on consolidated financial statements (the "New Standard") has been adopted in Japan. The New Standard requires a company to consolidate any subsidiaries of which the company substantially controls the operations, even if it is not a majority owned subsidiary. Control exists where the company has (a) the power to appoint or remove the majority of the numbers of the board of directors or equivalent governing body; or (b) the power to cast the majority votes at meetings of the board of directors or equivalent governing body, etc.

The consolidated financial statements include the accounts of consolidated subsidiaries, of which the fiscal year-ends on or after December 31. In case that these subsidiaries have a significant

transaction during the period from their fiscal year-end to March 31, the Bank makes an adjustment to the consolidated financial statements to be comprehensive.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Bank acquired control of the respective subsidiaries.

Goodwill on The Sumitomo Credit Service Company, Ltd. is amortized using the straight-line method over five years. Goodwill on the other entities is charged or credited to income directly.

Investments in major affiliates are accounted for by the equity method. Net income (loss) from such investments were ¥36,479 million (\$294 million) recorded as other income and ¥(35,549) million recorded as other expense for 2001 and 2000, respectively.

### (2) Statements of cash flows

For the purposes of the consolidated statements of cash flows, cash and cash equivalents represent cash and due from banks.

Starting from fiscal 1999, the definition of due from banks has been changed to include all non-interest bearing deposits.

The Bank prepared the 2001 and 2000 consolidated statements of cash flows as required by and in accordance with the "Standards for Preparation of Consolidated Cash Flow Statements, etc.," effective from the year ended March 31, 2000.

The 1999 consolidated statement of cash flows, which was voluntarily prepared for the purpose of inclusion in the consolidated financial statements in a form familiar to readers outside Japan, has not been restated. One of the significant differences between the consolidated statements of cash flows in 2001 and 2000 and in 1999 is the use of pretax income in 2001 and 2000 instead of net income in 1999.

Additionally, some of the classification of activities, such as loans (previously classified as investing) and deposits (previously classified as financing), were changed to operating activities.

### (3) Trading assets and liabilities

Financial instruments, such as derivatives and trading securities, which are held for the short term in anticipation of market gains, are recorded at fair value. Such gains and losses are included in trading profits or losses on the consolidated statements of income.

Trading assets and liabilities are accounted for based on trading date.

### (4) Securities

Prior to April 1, 2000, securities, including stocks, corporate bonds, and Japanese national and local government bonds, were stated at moving-average cost.

Securities included in money held in trust were also recorded at moving-average cost.

Effective April 1, 2000, as for securities other than those in trading portfolio, debt securities that the Bank and consolidated subsidiaries have the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost using the moving-average method.

Investments in nonconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in nonconsolidated subsidiaries and affiliates are defined as other securities. Debt securities in other securities are carried at amortized cost using the moving-average method. Equity securities in other securities are carried at cost using the moving-average method.

Securities held by the consolidated overseas subsidiaries are carried at cost (amortized cost) using primarily the specific identification method.

Securities included in money held in trust are carried in the same manner.

#### **(5) Derivative transactions**

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with local accounting standards.

#### **(6) Hedge accounting**

In accordance with the Industry Audit Committee Report No. 15 'Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry' issued by JICPA in 2000, the Bank applies hedge accounting, abiding by the following requirements:

- (i) Loans, deposits and other interest-bearing assets and liabilities as a whole shall be recognized as the hedged portfolio.
- (ii) Derivatives as hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
- (iii) Effectiveness of hedging activities shall be evaluated on a quarterly basis.

Certain derivatives managed by some foreign branches are recorded on a cost basis using the short-cut method for interest rate swaps in view of consistency with the risk management policy.

In accordance with the Industry Audit Committee Report No. 19 'Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry' issued by JICPA in 2000, one of the consolidated domestic subsidiaries in the leasing industry applies a deferred hedge accounting related to portfolio hedge on liabilities. Derivative transactions, such as interest rate swaps, are used in these hedging activities, and the contract amount is ¥564,560 million (\$4,557 million), the fair value is ¥(12,688) million (\$ (102) million)

and net unrealized loss is ¥(12,688) million (\$ (102) million) at March 31, 2001.

Other domestic subsidiaries use the deferred hedge accounting or the short-cut method for interest rate swaps.

Net of deferred unrealized gains and losses from hedging instruments is reported in other liabilities. Deferred unrealized losses and unrealized gains from hedging instruments at March 31, 2001 are ¥668,099 million (\$5,392 million) and ¥680,130 million (\$5,489 million), respectively.

#### **(7) Nonaccrual loans**

Loans are generally placed on nonaccrual status when such loans are classified as Bankrupt and Effectively Bankrupt and Potentially Bankrupt by the self-assessment rule (see (10) Reserve for possible loan losses).

#### **(8) Premises and equipment**

Premises and equipment are generally stated at cost less accumulated depreciation. The Bank computes depreciation for premises using the straight-line method over the estimated useful lives of the respective assets. The depreciation for equipment is computed using the declining-balance method over the estimated useful lives of the respective assets.

Depreciation of premises and equipment owned by consolidated domestic subsidiaries is mainly computed using the declining-balance method, while depreciation of those owned by consolidated overseas subsidiaries is mainly computed using the straight-line method over the estimated useful lives of respective assets.

#### **(9) Software costs**

Capitalized software for internal use is depreciated using the straight-line method over its estimated useful lives (mainly five years) at the Bank and consolidated domestic subsidiaries, and included in other assets.

#### **(10) Reserve for possible loan losses**

Reserve for possible loan losses of the Bank and its major consolidated subsidiaries is provided based on the internal rules for write-offs and reserves for loans.

Based on the self-assessment rule for the credit quality of the assets ("self-assessment rule"), the Bank and its major consolidated subsidiaries classify a borrower into one of the following five risk categories according to the borrower's credit risk: Bankrupt Borrowers who are legally bankrupt, Effectively Bankrupt Borrowers who are regarded as substantially in the same situation as legally bankrupt borrowers, Potentially Bankrupt Borrowers who are not currently in the status of bankrupt but are likely to become bankrupt in future, Borrowers Requiring Caution or Normal Borrowers.

For collateral and/or guaranteed loans of Bankrupt Borrowers and Effectively Bankrupt Borrowers, the Bank recognizes a portion exceeding the appraised value of collateral of and/or the amount

deemed collectible from guarantees of those loans as irrecoverable, and writes off the portion. For the years ended March 31, 2001 and 2000, the Bank and the consolidated subsidiaries made such write-offs of ¥887,791 million (\$7,165 million) and ¥978,443 million, respectively.

For loans of Bankrupt Borrowers and Effectively Bankrupt Borrowers, the Bank provides specific reserves. The amounts of the specific reserves are calculated by deducting the disposal value of collateral and/or the amount deemed collectible from guarantees, from the book balances of those loans which remain after the write-offs.

The Bank also provides specific reserves for loans of Potentially Bankrupt Borrowers based on the estimated amount of recoveries from the collateral and/or guarantees and other pertinent indicators specific to the borrowers.

The Bank also provides general reserves for loans of Borrowers Requiring Caution and Normal Borrowers. The ratio of the general reserves is determined based on the Bank's loan loss experiences and economic conditions.

The Bank provides additional reserve for the loans originated in certain countries based on management's assessment of economic or political conditions of such countries.

Reserve for possible loan losses of other consolidated subsidiaries is provided for general claims by the amount deemed necessary based on the historical loan-loss ratio, and for doubtful claims by the amount deemed uncollectible based on respective assessments.

### **(11) Reserve for possible losses on loans sold**

Reserve for possible losses on loans sold provides for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited.

### **(12) Reserve for employee retirement benefit**

Under the terms of the Bank's retirement plan, substantially all employees are entitled to a lump-sum payment at the time of retirement. The amount of reserve for employee retirement benefit is, in general, based on length of service, basic salary at the time of retirement and reason for retirement. Prior to April 1, 2000, the liability for lump-sum payments is stated at the amount which would be required to be paid by the Bank if all eligible employees voluntarily retired at the balance sheet date.

In addition, the Bank has defined benefit pension plans which substantially cover all employees. Annual contributions, which consist of normal costs and amortization of prior service costs, are included in general and administrative expenses.

Effective April 1, 2000, a new accounting standard for employee's severance and retirement benefits was adopted in Japan. Reserve for employee retirement benefit (prepaid pension cost) is recorded based on an actuarial computation, which uses the present value of the projected benefit obligation and pension

assets, due to employee's credited years of services at the balance sheet date. Unrecognized net actuarial gain or loss is amortized from the next fiscal year using the straight-line method over certain years (mainly 10 years) within the average remaining service period of active employees. Unrecognized net obligation from initial application of the new accounting standard of ¥105,290 million (\$850 million) is amortized using the straight-line method over five years.

Due to the new accounting standard, Income before income taxes and minority interests for the year ended March 31, 2001, has increased compared with prior accounting method by ¥11,266 million (\$91 million).

Prepaid pension cost is reported in Other assets at March 31, 2001.

### **(13) Translation of foreign currencies**

- (i) The foreign currency financial statements are translated into Japanese yen at the exchange rate prevailing at respective year-ends, except for the stockholders' equity accounts, which are translated at historical rates.
- (ii) (a) Foreign currency assets and liabilities of the Bank are translated into Japanese yen at the exchange rate prevailing at the date of the consolidated balance sheets, except for certain special investment accounts as approved by the Japanese regulatory authorities, which are translated at their historical rates.  
(b) Foreign currency accounts held by the consolidated subsidiaries are translated into the currency of the subsidiary at the exchange rate prevailing at the respective year-ends.

Effective April 1, 2000, consolidated domestic subsidiaries adopt the revised 'Accounting Standards for Foreign Currency Transactions' (issued by the Business Accounting Deliberation Council in October 1999). As a result, Income before income taxes and minority interests for 2001 has decreased compared with prior accounting method by ¥48 million.

In accordance with the revision of the accounting standard, the presentation of Foreign currency translation adjustments is changed from Assets to Stockholders' equity and Minority interests. As a result, Assets decreased by ¥32,778 million (\$264 million), Stockholders' equity decreased by ¥32,171 million (\$259 million), and Minority interests decreased by ¥607 million (\$5 million) at March 31, 2001 compared with prior accounting method.

### **(14) Lease transactions**

Financing leases where the ownership of the property is deemed to be transferred to the lessee are capitalized, while other financing leases are allowed to be accounted for in the same manner as operating leases.

Lease assets are depreciated using the straight-line method over the lease term with estimated salvage value.

Lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.

#### (15) Amounts per share

Net income (loss) per share is computed by deducting dividends for preferred stock from net income (loss), divided by the weighted average number of shares of common stock, excluding treasury stock and parent bank stock held by subsidiaries, outstanding during each fiscal year.

Declared dividends represent the cash dividends declared applicable to respective years, including dividends to be paid after the end of the year.

#### (16) Reclassifications

Certain prior year's amounts have been reclassified in conformity with the 2001 presentation. These changes had no impact on previously reported results of operations or stockholders' equity.

#### (17) New accounting standard for financial instruments

Effective April 1, 2000, a new accounting standard for financial instruments was adopted in Japan. Accordingly, the valuation methods of securities and derivatives, excluding those in the trading portfolio, have been changed, and hedge accounting has been adopted. As a result, Income before income taxes and minority interests for 2001 has increased ¥20,738 million (\$167 million) compared with the prior accounting method and Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction. As a result, income and expenses for 2001 have decreased by ¥493,177 million (\$3,980 million) though Income before income taxes and minority interests did not change.

In addition, certain transactions under resale agreements and repurchase agreements are considered as financing activities, not as purchasing or selling activities, and reported in Receivables under resale agreements and Payables under repurchase agreements. As a result, the amount of Securities increased by ¥1,610,677 million (\$13,000 million) at March 31, 2001 compared with the prior treatment as purchasing or selling activities.

### 3. Trading Assets

Trading assets at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Trading securities	¥ 247,429	¥ 301,522	\$ 1,997
Derivatives of trading securities	19	18	0
Derivatives of securities related to trading transactions	18	57	0
Trading-related financial derivatives	914,197	591,008	7,379
Other trading assets*	751,740	852,817	6,067
	<b>¥1,913,404</b>	<b>¥1,745,425</b>	<b>\$15,443</b>

\* Other trading assets includes commercial paper and other debt purchased related to trading transactions.

### 4. Securities

Securities at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Japanese government bonds	¥10,691,292	¥3,488,594	\$ 86,290
Japanese local government bonds	322,120	358,977	2,600
Japanese corporate bonds	666,286	714,032	5,378
Japanese stocks*	3,042,388	3,396,547	24,555
Other*	2,123,883	1,010,700	17,141
	<b>¥16,845,970</b>	<b>¥8,968,853</b>	<b>\$135,964</b>

\* Japanese stocks and other include investments in nonconsolidated subsidiaries and affiliates of ¥197,762 million (\$1,596 million) and ¥178,896 million at March 31, 2001 and 2000, respectively.

Securities of ¥1,956,646 million (\$15,792 million), which are used for security lending transactions for consumption, are included in the accounts of Securities, Other assets and Trading assets at March 31, 2001.

## 5. Loans and Bills Discounted

Loans and bills discounted at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Bills discounted	¥ 474,217	¥ 448,000	\$ 3,827
Loans on notes and deeds	26,332,159	24,414,229	212,528
Overdrafts	5,824,011	8,078,649	47,006
	<b>¥32,630,388</b>	<b>¥32,940,880</b>	<b>\$263,361</b>

The following summarizes the non-accrual loans of the Bank and consolidated subsidiaries at March 31, 2001 and 2000.

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Bankrupt loans	¥ 75,729	¥ 87,296	\$ 611
Non-accrual loans	1,535,566	1,661,933	12,394
Total non-accrual loans	<b>¥1,611,295</b>	<b>¥1,749,230</b>	<b>\$13,005</b>

In addition to the non-accrual loans, the Bank and consolidated subsidiaries also classify loans overdue by three months or longer as substandard loans, and such loan balances at March 31, 2001 and 2000 were ¥49,909 million (\$403 million) and ¥79,208 million, respectively.

Restructured loans are loans for which the Bank and the consolidated subsidiaries have adjusted the terms of the loans in favor of borrowers as a means of financial assistance. These restructured loans are also classified as substandard and amounted to ¥128,581 million (\$1,038 million) and ¥374,880 million at March 31, 2001 and 2000, respectively.

## 6. Other Assets

Other assets at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Accrued income and prepaid expenses	¥ 295,002	¥ 501,086	\$ 2,381
Securities in custody	1,111,612	704,390	8,972
Other	2,891,193	1,219,801	23,335
	<b>¥4,297,808</b>	<b>¥2,425,278</b>	<b>\$34,688</b>

## 7. Premises and Equipment

Premises and equipment at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Land*	¥ 416,299	¥ 428,300	\$3,360
Buildings	286,758	282,938	2,314
Equipment and others	323,721	331,076	2,613
Total	<b>¥1,026,779</b>	<b>¥1,042,315</b>	<b>\$8,287</b>
Accumulated depreciation	<b>(342,946)</b>	<b>(361,980)</b>	<b>(2,768)</b>
Net book value	<b>¥ 683,833</b>	<b>¥ 680,334</b>	<b>\$5,519</b>

\* Land includes land revaluation excess with related taxes referred to in Note 17.

## 8. Lease Assets

Lease assets at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Equipment and others	<b>¥2,131,697</b>	¥2,148,685	<b>\$17,205</b>
Accumulated depreciation	<b>(1,304,562)</b>	(1,324,826)	<b>(10,529)</b>
	<b>¥ 827,134</b>	¥ 823,859	<b>\$ 6,676</b>

## 9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	<b>¥ 60,462</b>	¥ —	<b>\$ 488</b>
Commercial paper and other debt purchased	—	10,615	—
Trading assets	<b>1,143,569</b>	—	<b>9,230</b>
Securities	<b>7,103,992</b>	803,881	<b>57,336</b>
Loans and bills discounted	<b>1,671,141</b>	1,532,634	<b>13,488</b>
Premises and equipment	—	471	—
Other assets	<b>2,255</b>	—	<b>18</b>
Liabilities corresponding to assets pledged as collateral:			
Deposits	<b>¥ 699</b>	¥ 168,240	<b>\$ 6</b>
Call money and bills sold	<b>3,944,800</b>	1,495,300	<b>31,839</b>
Payables under repurchase agreements	<b>5,262,187</b>	—	<b>42,471</b>
Trading liabilities	<b>22,740</b>	5,473	<b>184</b>
Borrowed money	<b>107,769</b>	24,354	<b>870</b>
Acceptances and guarantees	<b>42,373</b>	36,303	<b>342</b>

Premises and equipment include surety deposits and intangible of ¥70,478 million (\$569 million) and ¥72,244 million at March 31, 2001 and 2000, respectively. Other assets include initial margins of futures markets of ¥17,539 million (\$142 million) and

¥7,301 million and pledged money for securities borrowing transactions of ¥823,711 million (\$6,648 million) and ¥170,826 million at March 31, 2001 and 2000, respectively.

In addition to the assets presented above, the following assets were pledged as collateral for exchange settlements, initial margins of future markets and certain other purposes at March 31, 2001 and 2000:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Cash and due from banks and Deposits with banks	<b>¥ 62,978</b>	¥ 52,799	<b>\$ 508</b>
Trading assets	<b>3,072</b>	—	<b>25</b>
Securities	<b>3,549,337</b>	799,307	<b>28,647</b>
Loans and bills discounted	<b>120,089</b>	—	<b>969</b>
Other assets (Securities in custody)	<b>263,550</b>	26,115	<b>2,127</b>

## 10. Deposits

Deposits at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Current deposits	<b>¥ 1,983,588</b>	¥ 1,750,499	<b>\$ 16,010</b>
Savings deposits	<b>8,169,611</b>	7,721,902	<b>65,937</b>
Deposits at notice	<b>6,469,731</b>	4,397,254	<b>52,217</b>
Time deposits	<b>12,290,315</b>	12,666,726	<b>99,195</b>
Other deposits	<b>2,131,815</b>	1,825,681	<b>17,206</b>
Negotiable certificates of deposit	<b>7,025,950</b>	6,869,258	<b>56,707</b>
	<b>¥38,071,013</b>	¥35,231,324	<b>\$307,272</b>

## 11. Trading Liabilities

Trading liabilities at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Trading securities sold for short sales	¥ 14,326	¥327,165	\$ 116
Derivatives of trading securities	0	17	0
Derivatives of securities related to trading transactions	9	26	0
Trading-related financial derivatives	1,054,270	625,440	8,509
	<b>¥1,068,607</b>	<b>¥952,649</b>	<b>\$8,625</b>

## 12. Borrowed Money

Borrowed money at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Bills rediscounted	¥ 34,817	¥ 22,027	\$ 281
Subordinated debt obligation	642,315	684,151	5,184
Borrowings from the Bank of Japan and other financial institutions	1,645,344	1,812,521	13,280
	<b>¥2,322,477</b>	<b>¥2,518,700</b>	<b>\$18,745</b>

The repayment schedule within five years on borrowed money at March 31, 2001, is shown as follows:

	Millions of yen				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	<b>¥1,385,271</b>	<b>¥311,718</b>	<b>¥209,824</b>	<b>¥128,587</b>	<b>¥185,927</b>
	Millions of U.S. dollars				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	<b>\$11,181</b>	<b>\$2,516</b>	<b>\$1,693</b>	<b>\$1,038</b>	<b>\$1,501</b>

## 13. Bonds

Bonds included subordinated bonds of ¥1,082,130 million (\$8,734 million) and ¥1,067,255 million at March 31, 2001 and 2000, respectively.

The redemption schedule within five years on bonds (including convertible bonds) at March 31, 2001, is shown as follows:

	Millions of yen				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	<b>¥160,010</b>	<b>¥66,366</b>	<b>¥94,965</b>	<b>¥220,297</b>	<b>¥525,847</b>
	Millions of U.S. dollars				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	<b>\$1,291</b>	<b>\$536</b>	<b>\$766</b>	<b>\$1,778</b>	<b>\$4,244</b>

## 14. Convertible Bonds

Convertible bonds at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Convertible bonds payable in U.S. dollars:			
3 <sup>1</sup> / <sub>8</sub> % due 2004, convertible into common stock at ¥3,606.90 per share	¥ 1,106	¥ 1,106	\$ 9
Convertible bonds payable in Japanese yen:			
3 <sup>3</sup> / <sub>8</sub> % due 2001, convertible into common stock at ¥1,239.00 per share	100,000	100,000	807
	<b>¥101,106</b>	<b>¥101,106</b>	<b>\$816</b>

Convertible bonds payable in Japanese yen (3<sup>3</sup>/<sub>8</sub>% due 2001) (the "Bonds") were mandatorily converted to common stock of the Bank at May 31, 2001. Consequently, common stock and capital surplus increased by ¥50,045 million and ¥49,954 million,

respectively, and the number of common shares issued increased by 91,324 thousand. The conversion price of the Bonds was adjusted to ¥1,095 per share in accordance with the terms and conditions of the Bonds at May 31, 2001.

## 15. Other Liabilities

Other liabilities at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Accrued expenses and unearned income	¥ 216,473	¥ 283,443	\$ 1,747
Income taxes	40,110	17,206	324
Employees' deposits	41,657	43,832	336
Trading-related accounts payable	—	607,318	—
Financial derivatives	488,138	—	3,940
Other	2,329,977	1,830,310	18,805
	<b>¥3,116,359</b>	<b>¥2,782,112</b>	<b>\$25,152</b>

## 16. Acceptances and Guarantees

Acceptances and guarantees at March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Acceptances	¥ 19,941	¥ 19,276	\$ 161
Letters of credit	580,140	525,101	4,682
Guarantees	1,387,081	1,016,059	11,195
	<b>¥1,987,164</b>	<b>¥1,560,437</b>	<b>\$16,038</b>

Guarantees and standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. The Bank is obliged to pay the third party upon presentation of a claim that meets the conditions of the commitment. The Bank also issues letters of credit for import

transactions in international operations. These contingent liabilities are accounted for in acceptances and guarantees, with a corresponding amount recorded in customers' liabilities for acceptances and guarantees.

## 17. Land Revaluation Excess

Pursuant to the Enforcement Ordinance for the Law concerning land revaluation (the "Law"), effective March 31, 1998, the Bank and one of its domestic banking subsidiaries recorded their own land at fair value at March 31, 1998 and March 31, 1999, respectively. According to the Law, net unrealized gains are reported in a separate component of stockholders' equity net of applicable income taxes as Land revaluation excess, and the

related deferred tax liabilities are reported in liabilities as deferred tax liabilities for land revaluation. According to the Law, the Bank is not permitted to revalue the land at any time, even if the fair value of the land declines. Such unrecorded revaluation losses at March 31, 2001 and 2000, were ¥72,126 million (\$582 million) and ¥56,692 million, respectively.

## 18. Minority Interests

SB Treasury Company, L.L.C., a subsidiary of the Bank, issued noncumulative preferred securities, totaling \$1.8 billion in February 1998. SB Equity Securities (Cayman), Limited, a subsidiary of the Bank, issued floating noncumulative preferred securities, totaling

¥340 billion in March 1999. Both subsidiaries are consolidated and the preferred securities are accounted for as minority interests.

## 19. Stockholders' Equity

Under the Banking Law of Japan, the Bank is required to appropriate as an earned surplus reserve an amount equal to at least 20 percent of cash disbursements in each period until the earned surplus reserve equals 100 percent of the common stock. The capital

surplus and earned surplus reserve are not available for distribution as dividends but may be used to reduce a deficit by resolution of the stockholders or may be capitalized by resolution of the Board of Directors.



In accordance with a disclosure requirement effective from the year ended March 31, 1999, the earned surplus reserve is included in retained earnings.

The Commercial Code of Japan provides that at least one half of the proceeds from shares issued at prices in excess of par value be included in common stock. In conformity therewith, the Bank has divided the paid-in amount of the stock issued upon conversion of bonds and notes into common stock equally between common stock and capital surplus.

In accordance with the Law concerning Emergency Measures for the Early Strengthening of the Functions of the Financial System, the Bank issued a series of noncumulative preferred

stock in the aggregate amount of ¥501 billion (the first issuance of 67 million shares at ¥201 billion and the second issuance of 100 million shares at ¥300 billion). All of the preferred stocks were subscribed by The Resolution and Collection Bank, Limited, on March 30, 1999. The noncumulative preferred stocks are redeemable at the option of the Bank at any time. The initial ¥201 billion in Preferred stock is convertible into common stock of the Bank at any time from May 1, 2002 until February 26, 2009, while the subsequent ¥300 billion in Preferred stock is convertible into common stock of the Bank at any time from August 1, 2005 until February 26, 2009, in each case subject to certain adjustments to the conversion period.

## 20. Fees and Commissions

Fees and commissions for the years ended March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Fees and commissions (income)	<b>¥202,836</b>	¥182,637	<b>\$1,637</b>
Deposits and loans	<b>24,150</b>	20,013	<b>195</b>
Remittances and transfers	<b>51,091</b>	47,162	<b>412</b>
Securities-related business	<b>6,291</b>	6,639	<b>51</b>
Agency	<b>9,049</b>	8,351	<b>73</b>
Safe deposits	<b>2,771</b>	2,820	<b>22</b>
Guarantees	<b>12,313</b>	12,175	<b>99</b>
Credit card business	<b>66,110</b>	62,499	<b>534</b>
Other	<b>31,058</b>	22,974	<b>251</b>
Fees and commissions (expenses)	<b>¥ 33,918</b>	¥ 36,775	<b>\$ 274</b>
Remittances and transfers	<b>11,873</b>	12,033	<b>96</b>
Other	<b>22,045</b>	24,741	<b>178</b>

## 21. Trading Income

Trading income for the years ended March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Trading profits	<b>¥84,376</b>	¥69,760	<b>\$681</b>
Gains on trading securities	<b>10,358</b>	36,460	<b>84</b>
Gains on securities related to trading transactions	<b>606</b>	—	<b>5</b>
Gains on trading-related financial derivatives	<b>70,436</b>	30,063	<b>568</b>
Other	<b>2,974</b>	3,235	<b>24</b>
Trading losses	<b>¥ 2,146</b>	¥22,853	<b>\$ 17</b>
Losses on trading securities	<b>190</b>	6,839	<b>2</b>
Losses on securities related to trading transactions	<b>—</b>	944	<b>—</b>
Losses on trading-related financial derivatives	<b>1,166</b>	14,590	<b>9</b>
Other	<b>789</b>	479	<b>6</b>

## 22. Other Operating Income

Other operating income for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

	Millions of yen			Millions of U.S. dollars
	2001	2000	1999	2001
Gains on foreign exchange transactions	¥ 4,789	¥ 27,854	¥ 11,588	\$ 39
Gains on sale of bonds	29,963	38,202	110,753	242
Gains on redemption of bonds	—	4,565	3,803	—
Lease-related income	482,433	483,612	467,129	3,894
Other	34,873	35,403	22,651	281
	<b>¥552,060</b>	<b>¥589,638</b>	<b>¥615,925</b>	<b>\$4,456</b>

## 23. Other Income

Other income for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

	Millions of yen			Millions of U.S. dollars
	2001	2000	1999	2001
Gains on sale of stocks and other securities	¥475,976	¥589,185	¥ 13,265	\$3,842
Net income from nonconsolidated entities by equity method	36,479	—	—	294
Gains on securities contributed to employee retirement benefit trust	24,006	—	—	194
Gains on money held in trust	1,199	1,528	1,716	10
Gains on disposition of premises and equipment	963	1,710	69,168	8
Collection of written-off claims	627	979	2,453	5
Gains on sales of majority interest of the Sumitomo Bank of California and Banca del Gottardo	—	—	78,440	—
Gain on sale of business operation	—	8,000	—	—
Other	21,003	42,146	23,074	169
	<b>¥560,256</b>	<b>¥643,550</b>	<b>¥188,119</b>	<b>\$4,522</b>

## 24. Other Operating Expenses

Other operating expenses for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

	Millions of yen			Millions of U.S. dollars
	2001	2000	1999	2001
Losses on sale of bonds	¥ 21,835	¥ 33,793	¥ 30,654	\$ 176
Losses on redemption of bonds	1,192	15,251	8,593	10
Losses on devaluation of bonds	1,640	986	5,661	13
Lease-related expenses	417,847	421,338	402,818	3,372
Other	62,677	39,063	18,691	506
	<b>¥505,193</b>	<b>¥510,433</b>	<b>¥466,419</b>	<b>\$4,077</b>

## 25. Other Expenses

Other expenses for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

	Millions of yen			Millions of U.S. dollars
	2001	2000	1999	2001
Write-off of loans	<b>¥556,661</b>	¥439,122	¥369,481	<b>\$4,493</b>
Losses on sale of stocks and other securities	<b>39,819</b>	37,071	30,336	<b>321</b>
Losses on devaluation of stocks and other securities	<b>41,172</b>	36,522	33,891	<b>332</b>
Losses on money held in trust	<b>930</b>	2,288	5,253	<b>8</b>
Losses on disposition of premises and equipment	<b>16,060</b>	10,016	7,547	<b>130</b>
Losses on sale of loans to the Cooperative Credit Purchasing Co., Ltd.	<b>11,388</b>	7,692	60,269	<b>92</b>
Transfer to reserve for possible losses on loans sold	<b>19,409</b>	18,407	79,169	<b>157</b>
Losses on delinquent loans sold	<b>26,761</b>	23,065	105,293	<b>216</b>
Additional contribution to pension fund	<b>—</b>	21,460	22,660	<b>—</b>
Amortization of unrecognized net transition obligation for employee retirement benefit	<b>21,058</b>	—	—	<b>170</b>
Other	<b>22,717</b>	45,767	64,829	<b>183</b>
	<b>¥755,978</b>	¥641,414	¥778,729	<b>\$6,102</b>

## 26. Income Taxes

Effective April 1, 1998, a new accounting standard for income taxes accounting was adopted in Japan. According to this new standard, income taxes consist of current and deferred corporation, inhabitant and enterprise taxes.

On March 30, 2000, the Tokyo Metropolitan Government passed and established the Special Ordinance Concerning Taxation Standards for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolitan Ordinance 145 of April 1, 2000). The measure has changed the effective statutory tax rate used by the Bank to calculate deferred tax assets and liabilities from 41.98% in the year ended March 31, 1999, to 39.83%.

As a result of this change, deferred tax assets decreased by ¥34,218 million at March 31, 2000, and an equivalent increased income taxes deferred for the year ended March 31, 2000. Further, as deferred tax liabilities for land revaluation decreased by ¥5,980 million due to this change, land revaluation excess increased by the same amount.

On June 9, 2000, the Osaka Prefecture Government promulgated the Special Ordinance Concerning Taxation Standards for Enterprise Taxes in Relation to Banks in Osaka Prefecture (Osaka Prefectural Ordinance 131 of June 9, 2000), which applies in

business years starting on or after April 1, 2001. The effect of this measure is to change the effective statutory tax rate used by the Bank to calculate deferred tax assets and liabilities from 39.83% to 38.05%.

As a result of this change, deferred tax assets decreased by ¥24,802 million (\$200 million) at March 31, 2001, and an equivalent increased in income taxes deferred for the year ended March 31, 2001. Further, as deferred tax liabilities for land revaluation decreased by ¥4,795 million (\$39 million) due to this change, land revaluation excess increased by the same amount at March 31, 2001.

Enterprise taxes other than those relating to income are included in Other expenses. Effective April 1, 2000, the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolitan Ordinance 145 of April 1, 2000) was enacted, and the enterprise taxes in Tokyo, which were included in Income taxes current for prior periods, are included in Other expenses by the amount of ¥8,100 million (\$65 million) for the year ended March 31, 2001.

Significant components of deferred tax assets and liabilities at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Deferred tax assets:			
Reserve for possible loan losses	¥312,336	¥346,890	\$2,521
Write-off of loans	190,414	208,099	1,537
Net operating loss carryforwards	102,585	59,510	828
Reserve for possible losses on loans sold	28,543	46,389	230
Other	80,127	96,989	647
Subtotal	¥714,008	¥757,879	\$5,763
Valuation allowance	(40,310)	(28,744)	(326)
Total deferred tax assets	¥673,697	¥729,135	\$5,437
Deferred tax liabilities:			
Undistributed earnings of subsidiaries	¥ 44,246	¥ —	\$ 357
Leveraged lease	34,803	18,705	281
Gains on securities contributed to employee retirement benefit trust	9,153	—	74
Other	11,483	9,134	92
Total deferred tax liabilities	¥ 99,687	¥ 27,839	\$ 804
Net deferred tax assets	¥574,009	¥701,295	\$4,633

A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of income to the statutory tax rate for the years ended March 31, 2001 and 2000, was as follows:

	2001	2000
Statutory tax rate	39.83%	41.98%
Deferred tax liabilities for undistributed earnings of subsidiaries	16.77	—
Change of tax rate	9.07	15.80
Loss from unconsolidated entities by equity method	—	6.89
Other	2.26	3.31
Effective income tax rate	67.93	67.98

## 27. Employee Retirement Benefit

### (1) Outline of retirement benefit

The Bank and consolidated subsidiaries in Japan have contributory funded defined benefit pension plans such as contributory pension plans, qualified pension plans and lump-sum severance indemnity plans. They may grant additional benefits in cases where certain requirements are met when employees retire.

The Bank and a consolidated subsidiary in Japan contributed certain marketable equity securities to an employee retirement

benefit trust. Gains on securities contributed to the employee retirement benefit trust of ¥24,006 million (\$194 million) is included in Other income.

At March 31, 2001, the Bank and the Bank of Kansai, Ltd., have contributed funded defined benefit pension plans. SB Leasing, Limited and The Sumitomo Credit Service Company, Limited have qualified pension plans. The Bank and most subsidiaries in Japan have severance indemnity plans.

## (2) Projected benefit obligation

March 31	Millions of yen	Millions of U.S. dollars
	2001	2001
Projected benefit obligation	¥(495,409)	\$(3,999)
Pension assets	410,572	3,314
Unfunded projected benefit obligation	¥ (84,836)	\$ (685)
Unrecognized net transition obligation	85,988	695
Unrecognized actuarial differences	50,585	408
Net amount recorded on the consolidated balance sheet	¥ 51,737	\$ 418
Prepaid pension cost (other assets)	59,710	482
Reserve for employee retirement benefit	(7,972)	(64)

## (3) Pension expenses

Year ended March 31	Millions of yen	Millions of U.S. dollars
	2001	2001
Service cost	¥12,922	\$104
Interest cost on projected benefit obligation	16,485	133
Expected return on plan assets	(15,646)	(126)
Amortization of net transition obligation	21,058	170
Other	1,533	12
Pension expenses	¥36,352	\$293

## (4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the year ended March 31, 2001, were as follows:

	2001
Discount rate	3.5%
Expected rate of return on plan assets	1.5% to 5.0%
Term to amortize actuarial differences	Mainly 10 years
Term to amortize net transition obligation	5 years

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years.

## 28. Lease Transactions

### (1) Financing leases

Financing leases without transfer of ownership at March 31, 2001 and 2000, consisted of the following:

#### (a) Lessee side

March 31, 2001	Millions of yen			Millions of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Equipment	¥10,315	¥3,613	¥6,701	\$83	\$29	\$54
Other	4	3	0	0	0	0
	¥10,320	¥3,617	¥6,702	\$83	\$29	\$54

March 31, 2000	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Equipment	¥6,321	¥2,350	¥3,970
Other	—	—	—
	¥6,321	¥2,350	¥3,970

Future minimum lease payments excluding interests at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	<b>¥1,886</b>	¥1,144	<b>\$15</b>
Due after one year	<b>5,003</b>	2,920	<b>41</b>
	<b>¥6,890</b>	¥4,064	<b>\$56</b>

Total lease expenses for the years ended March 31, 2001 and 2000, were ¥1,332 million (\$11 million) and ¥1,190 million, respectively.

Depreciation expense for the years ended March 31, 2001 and 2000 amounted to ¥1,242 million (\$10 million) and ¥1,106 million, respectively. Depreciation is calculated using the straight-line method over the lease term of the respective assets.

The difference between the minimum lease payments and the acquisition costs of the lease assets represents interest expense. The allocation of such interest expense over the lease term is computed using the effective interest method. Interest expense for the years ended March 31, 2001 and 2000 amounted to ¥101 million (\$1 million) and ¥78 million, respectively.

(b) Lessor side

March 31, 2001	Millions of yen			Millions of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Equipment	<b>¥1,873,952</b>	<b>¥1,179,276</b>	<b>¥694,675</b>	<b>\$15,125</b>	<b>\$ 9,518</b>	<b>\$5,607</b>
Other	<b>231,447</b>	<b>120,946</b>	<b>110,500</b>	<b>1,868</b>	<b>976</b>	<b>892</b>
	<b>¥2,105,399</b>	<b>¥1,300,222</b>	<b>¥805,176</b>	<b>\$16,993</b>	<b>\$10,494</b>	<b>\$6,499</b>

March 31, 2000	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Equipment	¥1,917,876	¥1,207,576	¥710,300
Other	215,680	114,937	100,743
	<b>¥2,133,557</b>	<b>¥1,322,514</b>	<b>¥811,043</b>

Future lease payments receivable excluding interests at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	<b>¥255,827</b>	¥258,438	<b>\$2,065</b>
Due after one year	<b>580,905</b>	586,246	<b>4,688</b>
	<b>¥836,733</b>	¥844,684	<b>\$6,753</b>

Lease income for the years ended March 31, 2001 and 2000, were ¥327,731 million (\$2,645 million) and ¥334,157 million, respectively.

Depreciation expense for the years ended March 31, 2001 and 2000, amounted to ¥265,216 million (\$2,141 million) and ¥270,809 million, respectively. Depreciation is calculated using the straight-line method over the lease term of the respective assets without salvage values.

The difference between the minimum lease payments receivable and the acquisition costs of the lease assets represents interest income. The allocation of such interest income over the lease term is computed using the effective interest method. Interest income for the years ended March 31, 2001 and 2000, were ¥63,694 million (\$514 million) and ¥63,593 million, respectively.

## (2) Operating leases

Operating leases at March 31, 2001 and 2000, consisted of the following:

### (a) Lessee side

Future minimum lease payments at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	¥ 8,031	¥ 7,758	\$ 65
Due after one year	44,184	50,143	356
	<b>¥52,216</b>	¥57,901	<b>\$421</b>

### (b) Lessor side

Future lease payment receivables at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	¥ 334	¥207	\$ 3
Due after one year	990	787	8
	<b>¥1,325</b>	¥994	<b>\$11</b>

## 29. Loan Commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥17,349,040 million (\$140,025 million), and the amount of unused commitments whose original contract terms are within one year or unconditionally cancellable at any time was ¥15,538,193 million (\$125,409 million) at March 31, 2001. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements.

Many of these commitments have clauses that the Bank and consolidated subsidiaries can reject an application from customers or reduce the contract amounts in case economic conditions are changed, the Bank and consolidated subsidiaries need to secure claims or other events occur. In addition, the Bank and its consolidated subsidiaries request the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after the conclusion of the contracts.

## 30. Market Value of Marketable Securities

### (1) Securities

The market value of marketable securities at March 31, 2001, was as follows:

In addition to Securities in the consolidated balance sheets, trading securities, negotiable certificates of deposit and commercial paper within Trading assets, negotiable certificates of deposit in Deposits with banks, and commercial papers and claims on loan trust within Commercial paper and other debt purchased are included in the following amounts:

#### (a) Securities classified as trading

	Millions of yen	
	Consolidated balance sheet amount	Gains included in profit/loss
March 31, 2001		
Securities classified as trading	<b>¥998,998</b>	<b>¥713</b>
	Millions of U.S. dollars	
March 31, 2001		
Securities classified as trading	<b>\$8,063</b>	<b>\$6</b>

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

March 31, 2001	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥ 114	¥ 114	¥ 0	¥ 0	¥ 0
Japanese local government bonds	—	—	—	—	—
Japanese corporate bonds	—	—	—	—	—
Other	18,451	18,367	(83)	46	130
Total	¥18,565	¥18,482	¥(82)	¥47	¥130

March 31, 2001	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	\$ 1	\$ 1	\$ 0	\$0	\$0
Japanese local government bonds	—	—	—	—	—
Japanese corporate bonds	—	—	—	—	—
Other	149	148	(1)	0	1
Total	\$150	\$149	\$(1)	\$0	\$1

Note: Market value is calculated by using market prices at fiscal year-end.

(c) Other securities with market value

March 31, 2001	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥ 2,738,365	¥ 2,581,842	¥(156,523)	¥166,678	¥323,201
Bonds	¥11,453,252	¥11,536,374	¥ 83,122	¥ 85,908	¥ 2,785
Japanese government bonds	10,691,178	10,752,965	61,787	64,163	2,375
Japanese local government bonds	260,232	271,306	11,073	11,077	3
Japanese corporate bonds	501,842	512,103	10,261	10,667	406
Other	¥ 1,399,155	¥ 1,524,294	¥ 125,139	¥135,120	¥ 9,981
Total	¥15,590,773	¥15,642,511	¥ 51,738	¥387,707	¥335,969

March 31, 2001	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	\$ 22,101	\$ 20,838	\$(1,263)	\$1,345	\$2,608
Bonds	\$ 92,440	\$ 93,110	\$ 670	\$ 693	\$ 23
Japanese government bonds	86,289	86,787	498	518	20
Japanese local government bonds	2,101	2,190	89	89	0
Japanese corporate bonds	4,050	4,133	83	86	3
Other	\$ 11,293	\$ 12,303	\$ 1,010	\$1,091	\$ 81
Total	\$125,834	\$126,251	\$ 417	\$3,129	\$2,712

Note: Market value is calculated by using the market prices at fiscal year-end for bonds and others, and by using the average market price during one month before the fiscal year-end for stocks.

(d) Bonds sold during fiscal 2000 that are classified as held-to-maturity

There are no corresponding items.



(e) Other securities sold during fiscal 2000

Year ended March 31, 2001	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Other securities	<b>¥12,148,851</b>	<b>¥501,662</b>	<b>¥41,367</b>

  

Year ended March 31, 2001	Millions of U.S. dollars		
	Sales amount	Gains on sales	Losses on sales
Other securities	<b>\$98,054</b>	<b>\$4,049</b>	<b>\$334</b>

(f) Securities with no available market value

March 31, 2001	Millions of yen	Millions of U.S. dollars
	Consolidated balance sheet amount	Consolidated balance sheet amount
Bonds classified as held-to-maturity		
Nonlisted foreign securities	<b>¥ 31,163</b>	<b>\$ 252</b>
Other	<b>5,091</b>	<b>41</b>
Other securities		
Nonlisted foreign securities	<b>¥668,428</b>	<b>\$5,395</b>
Nonlisted bonds	<b>226,332</b>	<b>1,827</b>
Nonlisted stocks (excluding OTC stocks)	<b>112,592</b>	<b>909</b>
Other	<b>224,483</b>	<b>1,812</b>

(g) Change of classification of securities

There are no corresponding items.

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

March 31, 2001	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	<b>¥4,829,489</b>	<b>¥4,668,333</b>	<b>¥2,178,313</b>	<b>¥ 3,563</b>
Japanese government bonds	<b>4,676,663</b>	<b>4,248,153</b>	<b>1,766,475</b>	<b>—</b>
Japanese local government bonds	<b>22,556</b>	<b>54,534</b>	<b>244,466</b>	<b>563</b>
Japanese corporate bonds	<b>130,269</b>	<b>365,646</b>	<b>167,370</b>	<b>3,000</b>
Other	<b>¥ 445,721</b>	<b>¥1,079,457</b>	<b>¥ 148,466</b>	<b>¥352,019</b>
Total	<b>¥5,275,210</b>	<b>¥5,747,790</b>	<b>¥2,326,779</b>	<b>¥355,582</b>

  

March 31, 2001	Millions of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	<b>\$38,979</b>	<b>\$37,678</b>	<b>\$17,581</b>	<b>\$ 29</b>
Japanese government bonds	<b>37,746</b>	<b>34,287</b>	<b>14,257</b>	<b>—</b>
Japanese local government bonds	<b>182</b>	<b>440</b>	<b>1,973</b>	<b>5</b>
Japanese corporate bonds	<b>1,051</b>	<b>2,951</b>	<b>1,351</b>	<b>24</b>
Other	<b>\$ 3,597</b>	<b>\$ 8,713</b>	<b>\$ 1,198</b>	<b>\$2,841</b>
Total	<b>\$42,576</b>	<b>\$46,391</b>	<b>\$18,779</b>	<b>\$2,870</b>

## (2) Money held in trust

### (a) Money held in trust classified as trading

March 31, 2001	Millions of yen	
	Consolidated balance sheet amount	Gains included in profit/loss
Money held in trust	<b>¥2,467</b>	—
March 31, 2001	Millions of U.S. dollars	
	Consolidated balance sheet amount	Gains included in profit/loss
Money held in trust	<b>\$20</b>	—

### (b) Money held in trust classified as held-to-maturity

There are no corresponding items.

### (c) Other money held in trust (money held in trust that is classified neither as trading nor as held-to-maturity)

March 31, 2001	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	<b>¥50,444</b>	<b>¥46,335</b>	<b>¥(4,108)</b>	<b>¥317</b>	<b>¥4,426</b>
March 31, 2001	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	<b>\$407</b>	<b>\$374</b>	<b>\$(33)</b>	<b>\$3</b>	<b>\$36</b>

Note: Market value is calculated by using market prices at the fiscal year-end.

## (3) Net unrealized gains (losses) on other securities and other money held in trust

March 31, 2001	Millions of yen	Millions of U.S. dollars
	2001	2001
Net unrealized gains (losses)	<b>¥47,629</b>	<b>\$384</b>
Other securities	<b>51,738</b>	<b>417</b>
Other money held in trust	<b>(4,108)</b>	<b>(33)</b>
(-) Deferred tax liabilities	<b>¥18,371</b>	<b>\$148</b>
Net unrealized gains (losses), net of taxes (before following adjustments)	<b>¥29,257</b>	<b>\$236</b>
(-) Minority interests	<b>¥ 1,713</b>	<b>\$ 14</b>
(+) Parent company's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method	<b>¥ 13</b>	<b>\$ 0</b>
Net unrealized gains, net of taxes	<b>¥27,557</b>	<b>\$222</b>

Note: The above figures were not reflected in the consolidated financial statements.

## (Appendix) Previous Year's Information on Market Value of Marketable Securities

### (1) Securities

The following table represents market value and unrealized gains or losses on listed securities held by the Bank and the consolidated subsidiaries at March 31, 2000.

March 31, 2000	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Securities:					
Japanese bonds	¥ 877,620	¥ 871,538	¥ (6,081)	¥ 22,187	¥ 28,269
Japanese stocks	3,131,298	3,987,659	856,360	1,178,416	322,055
Other	521,933	786,986	265,053	274,936	9,883
<b>Total</b>	<b>¥4,530,852</b>	<b>¥5,646,185</b>	<b>¥1,115,332</b>	<b>¥1,475,540</b>	<b>¥360,208</b>

- Notes: 1. Japanese bonds include national government bonds, local government bonds and corporate bonds.  
 2. Market values for securities listed on exchanges are the closing prices on the Tokyo Stock Exchange or on other exchanges, or are calculated on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.  
 3. The estimated value of unlisted securities is summarized as follows:

March 31, 2000	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Securities:					
Japanese bonds	¥3,169,079	¥3,174,359	¥ 5,279	¥12,030	¥ 6,750
Japanese stocks	34,181	92,557	58,376	63,839	5,463
Other	66,800	67,264	464	2,331	1,867
<b>Total</b>	<b>¥3,270,060</b>	<b>¥3,334,181</b>	<b>¥64,120</b>	<b>¥78,201</b>	<b>¥14,081</b>

The estimated market value equivalents of unlisted securities are calculated as follows:

Japanese over-the-counter securities: Based on purchase prices released by the Securities Dealers Association of Japan.

Public bonds: Based on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.

Beneficial securities of securities investment trust: Based on the reference price.

U.S. over-the-counter securities: Based on NASDAQ purchasing price of the National Association of Securities Dealers.

4. The following represents the book values of major non-marketable securities, which have not been included in the market value information on marketable securities:

March 31, 2000	Millions of yen
	Consolidated balance sheet amount
Securities:	
Japanese bonds	¥514,905
Japanese stocks	231,067
Other	421,966

5. Trading securities, which are accounted for in the trading accounts, are not included in the above amounts because revaluated gains (losses) are accounted for in the consolidated statements of income.

### (2) Money held in trust

March 31, 2000	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Money held in trust	¥109,039	¥108,980	¥(59)	¥0	¥59

- Notes: 1. Market values for securities listed on exchanges are the closing prices on the Tokyo Stock Exchange or on other exchanges, or are calculated based on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.  
 2. Over-the-counter stocks are valued by the purchase prices released by the Securities Dealers Association of Japan.

## 31. Derivative Transactions

### (1) Interest Rate Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Interest rate futures:				
Sold	¥ 1,101,977	¥ 17,858	¥ (437)	¥ (437)
Bought	5,697,426	485,657	8,991	8,991
Interest rate options:				
Sold	¥ 248,680	¥ —	¥ (10)	¥ (10)
Bought	109,340	—	6	6
<b>Over-the-counter transactions</b>				
Forward rate agreements:				
Sold	¥ 6,884,618	¥ —	¥ (649)	¥ (649)
Bought	1,777,431	—	841	841
Interest rate swaps:				
Receivable fixed rate/payable floating rate	¥135,767,183	¥83,730,613	¥ (69,662)	¥ (69,662)
Receivable floating rate/payable fixed rate	65,115,663	40,064,077	1,573,923	1,573,923
Receivable floating rate/payable floating rate	64,847,289	39,778,519	(1,644,551)	(1,644,551)
Receivable floating rate/payable floating rate	5,165,148	3,359,612	(1,674)	(1,674)
Swaptions:				
Sold	¥ 400,466	¥ 248,801	¥ (12,247)	¥ (12,247)
Bought	326,828	240,727	6,547	6,547
Caps:				
Sold	¥ 3,207,128	¥ 2,358,919	¥ (4,459)	¥ (4,459)
Bought	2,107,655	1,535,957	4,673	4,673
Floors:				
Sold	¥ 151,911	¥ 140,436	¥ (2,833)	¥ (2,833)
Bought	283,412	230,219	5,098	5,098
Other:				
Sold	¥ 32,799	¥ 29,850	¥ 99	¥ 99
Bought	141,681	93,760	490	490
Total			¥ (63,553)	¥ (63,553)

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Interest rate futures:				
Sold	\$ 8,894	\$ 144	\$ (4)	\$ (4)
Bought	45,984	3,920	72	72
Interest rate options:				
Sold	\$ 2,007	\$ —	\$ (0)	\$ (0)
Bought	882	—	0	0
<b>Over-the-counter transactions</b>				
Forward rate agreements:				
Sold	\$ 55,566	\$ —	\$ (5)	\$ (5)
Bought	14,346	—	7	7
Interest rate swaps:				
Receivable fixed rate/payable floating rate	\$1,095,780	\$675,792	\$ (562)	\$ (562)
Receivable floating rate/payable fixed rate	525,550	323,358	12,703	12,703
Receivable floating rate/payable fixed rate	523,384	321,053	(13,273)	(13,273)
Receivable floating rate/payable floating rate	41,688	27,116	(14)	(14)
Swaptions:				
Sold	\$ 3,232	\$ 2,008	\$ (99)	\$ (99)
Bought	2,638	1,943	53	53
Caps:				
Sold	\$ 25,885	\$ 19,039	\$ (36)	\$ (36)
Bought	17,011	12,397	38	38
Floors:				
Sold	\$ 1,226	\$ 1,133	\$ (23)	\$ (23)
Bought	2,287	1,858	41	41
Other:				
Sold	\$ 265	\$ 241	\$ 1	\$ 1
Bought	1,144	757	4	4
Total			\$ (513)	\$ (513)

- Notes: 1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. Derivative transactions to which the hedge accounting method is applied are not included in the amounts above. Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the figures above, of which their net unrealized gains amount to ¥2,848 million (\$23 million).
2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others. Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

## (2) Currency Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Currency swaps	¥10,574,656	¥4,808,279	¥(69,281)	¥(69,281)
Forward foreign exchange	787,136	187,702	(13,451)	(13,451)
Currency options				
Sold	19,804	6,453	(1,583)	(1,583)
Bought	22,702	5,554	1,466	1,466
Other	—	—	—	—
<b>Total</b>			<b>¥(82,850)</b>	<b>¥(82,850)</b>

  

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Currency swaps	\$85,348	\$38,808	\$(559)	\$(559)
Forward foreign exchange	6,353	1,515	(109)	(109)
Currency options				
Sold	160	52	(13)	(13)
Bought	183	45	12	12
Other	—	—	—	—
<b>Total</b>			<b>\$(669)</b>	<b>\$(669)</b>

- Notes: 1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. Derivative transactions to which the hedge accounting method is applied are not included in the amounts above. Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards and such transactions are not included in the figures above, of which their net unrealized gains amount to ¥650 million (\$5 million).
2. Market value is calculated mainly using discounted present value.
3. Forward foreign exchange and currency options which are of the following types are not included in the figures above:
- 1) Those that are revaluated at fiscal year-end and the revaluated gains (losses) are accounted for in the consolidated statement of income.
  - 2) Those that are allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
  - 3) Those that are allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.

The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

March 31, 2001	Millions of yen	Millions of U.S. dollars
	Contract amount	Contract amount
<b>Transactions listed on exchange</b>		
Currency futures:		
Sold	¥ —	\$ —
Bought	—	—
Currency options:		
Sold	—	—
Bought	—	—
<b>Over-the-counter transactions:</b>		
Forward foreign exchange	¥48,193,991	\$388,975
Currency options:		
Sold	1,877,037	15,150
Bought	1,606,427	12,966
Other:		
Sold	—	—
Bought	—	—

### (3) Stock Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Stock price index futures:				
Sold	¥ 3,039	¥ —	¥ 137	¥ 137
Bought	—	—	—	—
Stock price index options:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
<b>Over-the-counter transactions</b>				
Equity options:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Stock price index swaps	¥45,202	¥16,039	¥ (805)	¥ (805)
Other:				
Sold	¥79,457	¥61,219	¥10,685	¥10,685
Bought	34,947	—	(1,072)	(1,072)
<b>Total</b>			<b>¥ 8,944</b>	<b>¥ 8,944</b>

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Stock price index futures:				
Sold	\$ 25	\$ —	\$ 1	\$ 1
Bought	—	—	—	—
Stock price index options:				
Sold	\$ —	\$ —	\$ —	\$ —
Bought	—	—	—	—
<b>Over-the-counter transactions</b>				
Equity options:				
Sold	\$ —	\$ —	\$ —	\$ —
Bought	—	—	—	—
Stock price index swaps	\$365	\$129	\$ (6)	\$ (6)
Other:				
Sold	\$641	\$494	\$86	\$86
Bought	282	—	(9)	(9)
<b>Total</b>			<b>\$72</b>	<b>\$72</b>

- Notes: 1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.
2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange. Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

#### (4) Bond Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Bond futures:				
Sold	¥ 2,000	¥ 2,000	¥ 8	¥ 8
Bought	—	—	—	—
Bond futures options:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
<b>Over-the-counter transactions</b>				
Bond options:				
Sold	¥21,981	¥19,850	¥ 0	¥ 0
Bought	25,457	18,562	0	0
Other:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Total			¥ 8	¥ 8
Millions of U.S. dollars				
March 31, 2001	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
	<b>Transactions listed on exchange</b>			
Bond futures:				
Sold	\$ 16	\$ 16	\$ 0	\$ 0
Bought	—	—	—	—
Bond futures options:				
Sold	\$ —	\$ —	\$ —	\$ —
Bought	—	—	—	—
<b>Over-the-counter transactions</b>				
Bond options:				
Sold	\$177	\$160	\$ 0	\$ 0
Bought	206	150	0	0
Other:				
Sold	\$ —	\$ —	\$ —	\$ —
Bought	—	—	—	—
Total			\$ 0	\$ 0

- Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.
2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange. Market value of OTC transactions is calculated mainly using option pricing models.



## (5) Commodity Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Commodity options:				
Sold	¥2,707	¥2,707	¥56	¥56
Bought	2,707	2,707	(4)	(4)
<b>Total</b>			<b>¥51</b>	<b>¥51</b>

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Commodity options:				
Sold	\$22	\$22	\$0	\$0
Bought	22	22	(0)	(0)
<b>Total</b>			<b>\$0</b>	<b>\$0</b>

- Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income. Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.  
2. Market value is calculated based on factors such as price of the relevant commodity and contract term.

## (6) Credit Derivative Transactions

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Credit default options:				
Sold	¥42,389	¥33,782	¥ (366)	¥ (366)
Bought	55,966	43,746	465	465
Other:				
Sold	¥32,669	¥14,500	¥(8,276)	¥(8,276)
Bought	62,942	58,978	7,334	7,334
<b>Total</b>			<b>¥ (842)</b>	<b>¥ (842)</b>

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Credit default options:				
Sold	\$342	\$273	\$ (3)	\$ (3)
Bought	452	353	4	4
Other:				
Sold	\$264	\$117	\$(67)	\$(67)
Bought	508	476	59	59
<b>Total</b>			<b>\$ (7)</b>	<b>\$ (7)</b>

- Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.  
2. Market value is calculated based on factors such as price of the relevant commodity and contract term.  
3. 'Sold' represents transactions in which the credit risk is accepted; 'Bought' represents transactions in which the credit risk is transferred.

## (Appendix) Previous Year's Information on Derivative Transactions

Notes: 1. Contract amount lists notional amount for swaps or contract value for futures, options and other derivatives. Option premiums accounted for in the consolidated balance sheets are denoted by brackets ([ ]).  
2. Market values of contracts listed on exchanges are based on the closing prices on the relevant exchanges.

### (1) Interest Rate Derivatives

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Interest rate futures:				
Sold	¥11,123,048	¥52,429	¥11,074,094	¥ 48,953
Bought	10,099,803	—	10,058,766	(41,036)
Interest rate options:				
Sold				
Call	¥ —	¥ —	¥ —	¥ —
Put	[—]	—	—	—
Bought				
Call	—	—	—	—
Put	[—]	—	—	—

(continued)

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Forward rate agreements:				
Sold	¥ 2,160	¥ —	¥ 2,111	¥ 49
Bought	1,506	—	1,510	4
Interest rate swaps:				
Receivable fixed rate/payable floating rate	¥48,250,014	¥22,256,360	¥125,780	¥125,780
Receivable floating rate/payable fixed rate	27,361,147	11,051,720	499,210	499,210
Receivable floating rate/payable floating rate	20,031,787	10,429,396	(372,856)	(372,856)
Receivable floating rate/payable floating rate	508,746	427,421	(395)	(395)
Swaptions:				
Sold				
Call	¥ 98,150	¥ 48,200		
	[3,309]		¥ 956	¥ 2,353
Put	2,546	—		
	[—]		(88)	88
Bought				
Call	19,356	11,356		
	[266]		156	(110)
Put	2,546	—		
	[—]		(68)	(68)
Caps:				
Sold	¥ 76,931	¥ 32,658		
	[67]		¥ 493	¥ (426)
Bought	249,635	200,907		
	[1,913]		1,132	(780)
Floors:				
Sold	¥ 55,026	¥ 47,088		
	[1,543]		¥ 2,025	¥ (481)
Bought	2,054	1,031		
	[5]		10	5
Other:				
Sold	¥ —	¥ —		
	[—]		¥ —	¥ —
Bought	—	—		
	[—]		—	—
Total				¥134,332

- Notes: 1. Regarding over-the-counter transactions, market value calculation is based on net present value or option pricing model.  
2. A swaption call is defined as a right to carry out an interest rate swap with a floating receivable rate and a fixed payable rate. A swaption put is defined as a right to carry out an interest rate swap with a fixed receivable rate and a floating payable rate.  
3. The market value or unrealized gains (losses) for interest rate swaps, excluding trading transactions, includes ¥205,785 million of accrued interest, which has been accounted for in the consolidated statements of income.

4. Derivative transactions, which are classified as trading transactions, are not included in the figures on the previous page because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
<b>Transactions listed on exchange</b>		
Interest rate futures:		
Sold	¥ 376,132	¥ 376,065
Bought	2,993,460	2,993,271
Interest rate options:		
Sold		
Call	¥ —	¥ —
	[—]	—
Put	—	—
	[—]	—
Bought		
Call	—	—
	[—]	—
Put	—	—
	[—]	—
<b>Over-the-counter transactions:</b>		
Forward rate agreements:		
Sold	¥ 4,459,803	¥4,459,860
Bought	463,020	462,888
Interest rate swaps:		
	¥123,131,402	¥ (5,904)
Receivable fixed rate/payable floating rate	62,619,490	705,951
Receivable floating rate/payable fixed rate	56,298,809	(708,757)
Receivable floating rate/payable floating rate	3,358,339	(1,964)
Swaptions:		
Sold		
Call	¥ 125,840	¥ (3,131)
	[1,495]	—
Put	173,210	(2,516)
	[1,623]	—
Bought		
Call	118,000	(143)
	[2,841]	—
Put	143,939	646
	[555]	—
Caps:		
Sold	¥ 3,262,039	¥ (10,897)
	[15,723]	—
Bought	1,834,494	9,546
	[7,413]	—
Floors:		
Sold	¥ 284,086	¥ (2,020)
	[3]	—
Bought	329,676	3,597
	[1,706]	—
Other:		
Sold	¥ 45,730	¥ 79
	[349]	—
Bought	125,263	(198)
	[—]	—

## (2) Currency Derivatives

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
<b>Over-the-counter transactions</b>				
Currency swaps:	¥2,854,232	¥1,541,624	¥ (883)	¥ (883)
US\$	2,207,137	1,254,151	(2,309)	(2,309)
£Stg.	86,458	59,235	1,216	1,216
Euro	5,043	—	15	15
Other	555,592	228,236	193	193
Other:				
US\$	1,092	—	68	68
<b>Total</b>				<b>¥ (815)</b>

Notes: 1. Market value calculation is based on net present value.

2. The market value or unrealized gains (losses) for currency swaps and other transactions, excluding trading transactions, includes ¥6,731 million of accrued interest, which has been accounted for in the consolidated statements of income.

3. Derivative transactions in trading account are not included in the figures above because revaluated gains (losses) are accounted for in the consolidated statements of income. Contract amounts are as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
<b>Over-the-counter transactions</b>		
Currency swaps:	¥9,046,598	¥(64,124)
US\$	7,919,579	(64,433)
Euro	343,486	39
SFr	3,171	200
Other	780,360	68
Forward foreign exchange:	¥ 565,868	¥ 16,132
Currency options:	¥ 5,557	¥ (1,321)

4. Forward foreign exchange and currency options which are revaluated at the end of fiscal year and revaluated gains (losses) are accounted for in the consolidated statements of income are not included in the figures on the previous page.

The contracts so treated are as follows:

March 31, 2000	Millions of yen
	Contract amount
<b>Transactions listed on exchange</b>	
Currency futures:	
Sold	¥ —
Bought	—
Currency options:	
Sold	
Call	¥ —
Put	[—]
Bought	
Call	—
Put	[—]
	[—]
<b>Over-the-counter transactions</b>	
Forward foreign exchange:	¥41,745,624
Currency options:	
Sold	1,179,988
	(14,341)
Bought	964,387
	(17,199)
Other:	
Sold	¥ —
Bought	—

### (3) Stock Derivatives

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Stock price index futures:				
Sold	¥—	¥—	¥—	¥—
Bought	—	—	—	—
Stock price index options:				
Sold				
Call	¥—	¥—		
	[—]		¥—	¥—
Put	—	—		
	[—]		—	—
Bought				
Call	—	—		
	[—]		—	—
Put	—	—		
	[—]		—	—
<b>Over-the-counter transactions</b>				
Equity options:				
Sold				
Call	¥—	¥—		
	[—]		¥—	¥—
Put	—	—		
	[—]		—	—
Bought				
Call	—	—		
	[—]		—	—
Put	—	—		
	[—]		—	—
Stock price index swaps:				
Stock price index receivable/interest floating rate payable	¥—	¥—	¥—	¥—
Stock price index payable/interest floating rate receivable	—	—	—	—
Other:				
Sold				
	—	—		
	[—]		—	—
Bought				
	58	—		
	[22]		9	(13)
<b>Total</b>				<b>¥(13)</b>

Notes: 1. For over-the-counter transactions, market value calculation is based on net present value or option pricing model.

2. Derivative transactions, which are classified as trading transactions, are not included in the figures on the previous page because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
<b>Transactions listed on exchange</b>		
Stock price index futures:		
Sold	¥ —	¥ —
Bought	48,554	51,294
Stock price index options:		
Sold		
Call	¥ —	¥ —
Put	[—]	—
Bought		
Call	1,858	67
Put	[—]	—
<b>Over-the-counter transactions</b>		
Equity options:		
Sold		
Call	¥ 74,558	¥ (8,824)
Put	14,135	95
Bought		
Call	36,269	1,197
Put	22,497	(170)
Stock price index swaps	¥126,759	¥ (905)
Other:		
Sold		
	—	—
Bought	[—]	—



#### (4) Bond Derivatives

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
<b>Transactions listed on exchange</b>				
Bond futures:				
Sold	¥416,719	¥ —	¥419,622	¥(2,902)
Bought	47,866	—	48,035	168
Bond futures options:				
Sold				
Call	¥ —	¥ —	¥ —	¥ —
	[—]			
Put	—	—	—	—
	[—]			
Bought				
Call	—	—	—	—
	[—]			
Put	—	—	—	—
	[—]			
<b>Over-the-counter transactions</b>				
Bond options:				
Sold				
Call	¥ —	¥ —	¥ —	¥ —
	[—]			
Put	—	—	—	—
	[—]			
Bought				
Call	—	—	—	—
	[—]			
Put	—	—	—	—
	[—]			
Other:				
Sold				
Call	¥ —	¥ —	¥ —	¥ —
	[—]			
Put	—	—	—	—
	[—]			
Bought				
Call	—	—	—	—
	[—]			
Put	—	—	—	—
	[—]			
Total				¥(2,734)

Note: Derivative transactions, which are classified as trading transactions, were not included in the figures above because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are on the following page.

March 31, 2000	Millions of yen	
	Contract amount	Market value
<b>Transactions listed on exchange</b>		
Bond futures:		
Sold	¥6,548	¥6,575
Bought	4,804	4,862
Bond futures options:		
Sold		
Call	¥ —	¥ —
Put	—	—
Bought		
Call	—	—
Put	—	—
<b>Over-the-counter transactions</b>		
Bond options:		
Sold		
Call	¥ —	¥ —
Put	—	—
Bought		
Call	—	—
Put	—	—
Other:		
Sold	¥ —	¥ —
Bought	—	—

### (5) Commodity Derivatives

There are no corresponding items.

### (6) Credit Derivative Transactions

All credit derivative transactions other than trading transactions are treated in the same way as guarantees and have been excluded from the following table.

The transactions which are classified as trading transactions are recorded at estimated market value and related gains and losses are included in trading profits or losses on the consolidated statements of income.

The contract amounts of derivative transactions included in trading transactions are as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
<b>Over-the-counter transactions</b>		
Sold	¥ 15,828	¥ (25)
Bought	117,465	9,890

Notes: 1. Market value is calculated based on the price of the reference assets or components such as the contract term.

2. "Sold" represents transactions in which the Bank accepts the credit risk, and "Bought" represents transactions in which the Bank transfers the credit risk.

## 32. Segment Information

### (1) Business segment information

Year ended March 31, 2001	Millions of yen					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
I. Operating income						
(1) External customers	¥ 1,843,146	¥ 516,850	¥ 365,998	¥ 2,725,995	¥ —	¥ 2,725,995
(2) Intersegment	75,387	4,078	111,435	190,901	(190,901)	—
Total	¥ 1,918,534	¥ 520,929	¥ 477,434	¥ 2,916,897	¥ (190,901)	¥ 2,725,995
Operating expenses	1,731,682	500,251	314,034	2,545,968	(130,713)	2,415,254
Operating profit	¥ 186,851	¥ 20,677	¥ 163,399	¥ 370,929	¥ (60,187)	¥ 310,741
II. Assets	¥66,438,599	¥1,535,527	¥4,544,442	¥72,518,569	¥(5,125,594)	¥67,392,974
Depreciation	34,981	317,022	8,748	360,752	—	360,752
Capital expenditure	64,749	271,022	10,721	346,493	—	346,493

Year ended March 31, 2000	Millions of yen					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
I. Operating income						
(1) External customers	¥ 2,208,367	¥ 522,953	¥ 271,602	¥ 3,002,923	¥ —	¥ 3,002,923
(2) Intersegment	36,596	4,869	99,933	141,398	(141,398)	—
Total	¥ 2,244,963	¥ 527,822	¥ 371,535	¥ 3,144,322	¥ (141,398)	¥ 3,002,923
Operating expenses	2,062,769	506,429	332,282	2,901,481	(135,843)	2,765,637
Operating profit	¥ 182,194	¥ 21,393	¥ 39,253	¥ 242,841	¥ (5,555)	¥ 237,285
II. Assets	¥52,348,529	¥1,479,808	¥4,548,267	¥58,376,605	¥(4,609,101)	¥53,767,504
Depreciation	45,077	329,348	4,989	379,415	—	379,415
Capital expenditure	33,033	272,749	4,581	310,363	—	310,363

Year ended March 31, 2001	Millions of U.S. dollars					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
I. Operating income						
(1) External customers	\$ 14,876	\$ 4,172	\$ 2,954	\$ 22,002	\$ —	\$ 22,002
(2) Intersegment	609	32	899	1,540	(1,540)	—
Total	\$ 15,485	\$ 4,204	\$ 3,853	\$ 23,542	\$ (1,540)	\$ 22,002
Operating expenses	13,977	4,037	2,534	20,548	(1,054)	19,494
Operating profit	\$ 1,508	\$ 167	\$ 1,319	\$ 2,994	\$ (486)	\$ 2,508
II. Assets	\$536,228	\$12,393	\$36,678	\$585,299	\$(41,369)	\$543,930
Depreciation	282	2,559	71	2,912	—	2,912
Capital expenditure	523	2,187	87	2,797	—	2,797

Notes: 1. The business segmentation is determined based on the Bank's internal administrative purposes.

2. "Other" includes securities, credit card, investment banking, loans and venture capital etc.

3. Impact on application of new accounting standards is as follows:

(a) Accounting standard for employee retirement benefit

As shown in Notes to consolidated financial statements, accounting standard for retirement benefits was applied from the fiscal year ended March 31, 2001. Consequently, operating profit increased by ¥10,533 million (\$85 million) in banking business, decreased by ¥62 million (\$1 million) in leasing, and decreased by ¥110 million (\$1 million) in other for 2001 compared with prior accounting method.

(b) Accounting standard for financial instruments

As shown in Notes to consolidated financial statements, accounting standard for financial instruments was applied from the fiscal year ended March 31, 2001, and the method to evaluate securities and derivatives and the method of hedge accounting were changed. Consequently, operating profit increased by ¥21,019 million (\$170 million) in banking business, decreased by ¥161 million (\$1 million) in leasing and by ¥119 million (\$1 million) in other for 2001 compared with prior accounting method.

Effective April 1, 2000, income and expenses relating to derivative transactions that met the criteria for hedge accounting were presented net by account, which was changed from prior accounting that presented net by transaction. As a result, operating income and expenses

decreased by ¥475,321 million (\$3,836 million) in banking business, by ¥5,864 million (\$47 million) in leasing, and by ¥11,993 million (\$97 million) in other for 2001 compared with prior accounting method.

(c) Accounting standard for foreign currency transactions

As shown in Notes to consolidated financial statements, domestic consolidated subsidiaries (excluding a domestic banking subsidiary) applied the revised accounting standard for foreign currency transactions from 2001. Consequently, operating profit decreased by ¥40 million in leasing and by ¥7 million in other for 2001 compared with prior accounting method.

(d) Taxation standard for enterprise tax

As shown in Notes to consolidated financial statements, enterprise tax other than relating to pre-tax income was included in operating expenses. Effective April 1, 2000, the Special ordinance concerning taxation standard for enterprise taxes in relation to banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and the enterprise tax in Tokyo, which was not included in operating expenses for prior period, was included in operating expenses in banking business by the amount of ¥8,100 million (\$65 million) for 2001.

4. Operating income represents total income excluding gains on disposition of premises and equipment, collection of written-off claims, gain on sale of business operation and reversals of other reserves.

Operating expenses represent total expenses excluding losses on disposition of premises and equipment, amortized cost of unrecognized net transition obligation for employee retirement benefit and other extraordinary expenses.

## (2) Geographic segment information

Year ended March 31, 2001	Millions of yen						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
I. Operating income							
(1) External customers	¥ 2,075,857	¥ 354,622	¥ 168,645	¥ 126,870	¥ 2,725,995	¥ —	¥ 2,725,995
(2) Intersegment	116,616	53,979	63,382	40,438	274,417	(274,417)	—
Total	¥ 2,192,474	¥ 408,602	¥ 232,028	¥ 167,308	¥ 3,000,413	¥ (274,417)	¥ 2,725,995
Operating expenses	2,015,569	249,594	230,040	137,464	2,632,669	(217,414)	2,415,254
Operating profit	¥ 176,904	¥ 159,007	¥ 1,988	¥ 29,843	¥ 367,744	¥ (57,002)	¥ 310,741
II. Assets	¥60,600,462	¥5,051,346	¥2,575,486	¥2,300,560	¥70,527,854	¥(3,134,879)	¥67,392,974

Year ended March 31, 2000	Millions of yen						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
I. Operating income							
(1) External customers	¥ 2,388,478	¥ 296,813	¥ 128,364	¥ 189,267	¥ 3,002,923	¥ —	¥ 3,002,923
(2) Intersegment	86,088	53,410	54,999	28,352	222,851	(222,851)	—
Total	¥ 2,474,567	¥ 350,224	¥ 183,363	¥ 217,619	¥ 3,225,775	¥ (222,851)	¥ 3,002,923
Operating expenses	2,344,476	264,258	168,449	206,969	2,984,153	(218,516)	2,765,637
Operating profit	¥ 130,090	¥ 85,966	¥ 14,914	¥ 10,650	¥ 241,621	¥ (4,335)	¥ 237,285
II. Assets	¥49,196,165	¥4,039,567	¥1,756,961	¥2,647,550	¥57,640,245	¥(3,872,740)	¥53,767,504

Year ended March 31, 2001	Millions of U.S. dollars						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
I. Operating income							
(1) External customers	\$ 16,755	\$ 2,862	\$ 1,361	\$ 1,024	\$ 22,002	\$ —	\$ 22,002
(2) Intersegment	940	436	512	326	2,214	(2,214)	—
Total	\$ 17,695	\$ 3,298	\$ 1,873	\$ 1,350	\$ 24,216	\$ (2,214)	\$ 22,002
Operating expenses	16,267	2,015	1,857	1,109	21,248	(1,754)	19,494
Operating profit	\$ 1,428	\$ 1,283	\$ 16	\$ 241	\$ 2,968	\$ (460)	\$ 2,508
II. Assets	\$489,108	\$40,769	\$20,787	\$18,568	\$569,232	\$(25,302)	\$543,930

- Notes: 1. The geographic segmentation is decided based on the degrees of following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions.
2. The Americas includes the United States, Brazil and others; Europe includes the United Kingdom, France and others; Asia and Oceania includes Hong Kong, Singapore and others except Japan.
3. (a) Accounting standard for employee retirement benefit  
As shown in Notes to consolidated financial statements, accounting standard for retirement benefits was applied from the fiscal year ended March 31, 2001. Consequently, operating profit increased by ¥10,360 million (\$84 million) in Japan for 2001 compared with prior accounting method.
- (b) Accounting standard for financial instruments  
As shown in Notes to consolidated financial statements, accounting standard for financial instruments was applied from the fiscal year ended March 31, 2001, and the method to evaluate securities and derivatives and the method of hedge accounting were changed. Consequently, operating profit increased by ¥22,556 million (\$182 million) in Japan, by ¥3,304 million (\$27 million) in the Americas, and by ¥731 million (\$6 million) in Asia and Oceania and decreased by ¥5,853 million (\$47 million) in Europe, for 2001 compared with prior accounting method. Effective April 1, 2000, income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which has been changed from prior accounting that presented net by transaction. As a result, operating income and expenses decreased by ¥220,611 million (\$1,781 million) in Japan, by ¥134,827 million (\$1,088 million) in the Americas, by ¥58,364 million (\$471 million) in Europe, and by ¥79,374 million (\$641 million) in Asia and Oceania for 2001 compared with the prior accounting method.
- (c) Accounting standard for foreign currency transactions  
As shown in Notes to consolidated financial statements, domestic consolidated subsidiaries (excluding a domestic banking subsidiary) applied the revised accounting standard for foreign currency transactions from 2001. Consequently, operating profit decreased by ¥48 million in Japan for 2001 compared with prior accounting method.
- (d) Taxation standard for enterprise tax  
As shown in Notes to consolidated financial statements, enterprise tax other than relating to pre-tax income was included in operating expenses. Effective April 1, 2000, the Special ordinance concerning taxation standard for enterprise taxes in relation to banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and the enterprise tax in Tokyo, which was not included in operating expenses for prior period, was included in operating expenses in Japan by the amount of ¥8,100 million (\$65 million) for 2001.
4. Operating income represents total income excluding gains on disposition of premises and equipment, recoveries of written-off claims, gain on sale of business operation and reversals of other reserves.  
Operating expenses represent total expenses excluding losses on disposition of premises and equipment, amortized cost of unrecognized net transition obligation for employee retirement benefit and other extraordinary expenses.

### (3) Operating income from overseas operations

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Operating income from overseas operations (A)	¥ 650,138	¥ 614,445	\$ 5,247
Consolidated operating income (B)	2,725,995	3,002,923	22,002
(A) / (B)	23.9%	20.5%	23.9%

Note: The above table shows operating income from transactions of the Bank's overseas branches and overseas consolidated subsidiaries, excluding internal income.

### 33. Subsequent Event

#### (1) Appropriations of retained earnings

The following appropriations of retained earnings of the Bank at March 31, 2001, were approved by the ordinary general meeting of shareholders held on June 28, 2001.

	Millions of yen	Millions of U.S. dollars
Cash dividends, ¥3.00 per share on common stock	¥9,423	\$76
¥5.25 per share on preferred stock (first series type 1)	351	3
¥14.25 per share on preferred stock (second series type 1)	1,425	12

#### (2) Merger with The Sakura Bank, Limited

On April 1, 2001, The Sumitomo Bank, Limited merged with The Sakura Bank, Limited ("Sakura") and succeeded its assets, liabilities, all the claims, obligations and employees, and changed its corporate name to Sumitomo Mitsui Banking Corporation.

Upon the merger;

- (a) The Bank issued 2,470,846,767 par value common stocks (par value of ¥50 per share) and allotted these common stocks to each of Sakura's shareholder listed in Sakura's final shareholders' registration on the day immediately preceding the appointed date of merger in the ratio of 1 to 0.6 of Sakura's common stock to the Bank's common stock.
- (b) The Bank issued 2,577,000 non-par-value Type VI preferred stocks and allotted these preferred stocks to each shareholder listed in Sakura's final shareholders' registration of preferred stock (Series-II) on the day immediately preceding the appointed date of merger in the ratio of 1 to 1 of Sakura's

preferred stock (Series-II) to the Bank's Type VI preferred stock.

- (c) The Bank issued 800,000,000 non-par-value Type V preferred stocks and allotted these preferred stocks to each shareholder listed in Sakura's final shareholders' registration of preferred stock (Series-III (Type 2)) on the day immediately preceding the appointed date of merger in the ratio of 1 to 1 of Sakura's preferred stock (Series-III (Type 2)) to the Bank's Type V preferred stock.
- (d) The Bank's preferred stock increased by ¥400,309 million to ¥650,809 million, common stock increased by ¥123,542 million to ¥625,890 million, capital surplus increased by ¥991,326 million to ¥1,634,407 million, earned surplus reserve increased by ¥131,261 million to ¥239,121 million, land revaluation excess increased by ¥42,690 million to ¥209,583 million and retained earnings increased by ¥165,051 million to ¥413,077 million.

### 34. Parent Company

#### Nonconsolidated Balance Sheets

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited)  
March 31, 2001 and 2000

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
<b>Assets</b>			
Cash and due from banks	¥ 835,448	¥ 1,280,533	\$ 6,743
Deposits with banks	3,702,608	2,502,386	29,884
Call loans and bills bought	125,531	202,615	1,013
Receivables under resale agreements	2,597,816	—	20,967
Commercial paper and other debt purchased	77,362	84,494	624
Trading assets	1,842,889	1,445,843	14,874
Money held in trust	52,912	108,888	427
Securities	16,860,309	8,982,244	136,080
Loans and bills discounted	31,172,382	31,358,560	251,593
Foreign exchanges	460,908	352,971	3,720
Other assets	3,417,288	1,540,495	27,581
Premises and equipment	585,395	591,187	4,725
Deferred tax assets	550,472	624,585	4,443
Customers' liabilities for acceptances and guarantees	3,655,396	2,923,570	29,503
Reserve for possible loan losses	(671,042)	(909,039)	(5,416)
<b>Total assets</b>	<b>¥65,265,680</b>	<b>¥51,089,338</b>	<b>\$526,761</b>
<b>Liabilities and stockholders' equity</b>			
<b>Liabilities</b>			
Deposits	¥37,195,694	¥34,229,831	\$300,207
Call money and bills sold	5,330,519	2,739,363	43,023
Payables under repurchase agreements	4,857,211	—	39,203
Commercial paper	500,400	110,200	4,039
Trading liabilities	1,008,330	603,424	8,138
Borrowed money	2,388,329	2,461,252	19,276
Foreign exchanges	212,344	165,145	1,714
Bonds	1,000,607	432,343	8,076
Convertible bonds	101,106	101,106	816
Other liabilities	6,923,707	5,173,303	55,881
Reserve for employee retirement benefit	—	46,764	—
Reserve for possible losses on loans sold	70,809	111,588	572
Other reserves	8	8	0
Deferred tax liabilities for land revaluation	102,506	110,798	827
Acceptances and guarantees	3,655,396	2,923,570	29,503
<b>Total liabilities</b>	<b>¥63,346,972</b>	<b>¥49,208,701</b>	<b>\$511,275</b>
<b>Stockholders' equity</b>			
Preferred stock, no par value; authorized 970,000 thousand shares and issued 167,000 thousand shares in 2001 and 2000	¥ 250,500	¥ 250,500	\$ 2,022
Common stock, par value ¥50 per share; authorized 7,500,000 thousand shares and issued 3,141,062 thousand shares in 2001 and 2000	502,348	502,348	4,054
Capital surplus	643,080	643,080	5,190
Earned surplus reserve	107,859	103,319	871
Land revaluation excess	166,893	167,379	1,347
Retained earnings	248,026	214,008	2,002
<b>Total stockholders' equity</b>	<b>¥ 1,918,707</b>	<b>¥ 1,880,637</b>	<b>\$ 15,486</b>
<b>Total liabilities and stockholders' equity</b>	<b>¥65,265,680</b>	<b>¥51,089,338</b>	<b>\$526,761</b>

Note: Translation into U.S. dollars has been made on the basis of ¥123.90 to US\$1, the effective exchange rate at March 31, 2001.

## Nonconsolidated Statements of Income

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited)

Years ended March 31, 2001, 2000 and 1999

	Millions of yen			Millions of U.S. dollars
	2001	2000	1999	2001
<b>Income</b>				
Interest income:				
Interest on loans and discounts	¥ 778,683	¥ 766,285	¥ 971,144	\$ 6,285
Interest and dividends on securities	218,173	142,745	175,223	1,761
Interest on receivables under resale agreements	1,614	—	—	13
Other interest income	260,699	507,548	499,542	2,104
Fees and commissions	119,990	106,565	104,338	968
Trading profits	74,609	34,227	37,156	602
Other operating income	24,021	61,072	115,264	194
Other income	373,042	565,902	170,659	3,011
<b>Total income</b>	<b>¥1,850,834</b>	<b>¥2,184,348</b>	<b>¥2,073,328</b>	<b>\$14,938</b>
<b>Expenses</b>				
Interest expenses:				
Interest on deposits	¥ 398,203	¥ 282,160	¥ 506,237	\$ 3,214
Interest on borrowings and rediscounts	118,481	110,299	122,861	956
Interest on payables under repurchase agreements	7,512	—	—	61
Other interest expenses	93,500	420,641	413,916	755
Fees and commissions	38,575	37,306	43,159	311
Trading losses	—	944	542	—
Other operating expenses	49,272	49,091	69,729	398
General and administrative expenses	331,467	350,791	366,369	2,675
Transfer to reserve for possible loan losses	5,653	292,209	566,279	45
Other expenses	674,115	492,402	617,656	5,441
<b>Total expenses</b>	<b>¥1,716,783</b>	<b>¥2,035,847</b>	<b>¥2,706,752</b>	<b>\$13,856</b>
Income (loss) before income taxes	¥ 134,051	¥ 148,500	¥ (633,423)	\$ 1,082
Income taxes:				
Current	¥ 7,759	¥ 6,634	¥ 20,812	\$ 63
Deferred	70,616	93,047	(280,112)	570
<b>Net income (loss)</b>	<b>¥ 55,675</b>	<b>¥ 48,818</b>	<b>¥ (374,123)</b>	<b>\$ 449</b>

	Yen			U.S. dollars
<b>Per share data:</b>				
Net income (loss)	¥ 16.59	¥ 14.41	¥ (119.11)	\$ 0.13
Net income—diluted	16.25	14.12	—	0.13
Declared dividends on common stock	6.00	6.00	6.00	0.05
Declared dividends on preferred stock (first series type I)	10.50	10.50	0.03	0.08
Declared dividends on preferred stock (second series type I)	28.50	28.50	0.08	0.23