

## Financial Section

The following is a summary of the consolidated and nonconsolidated financial results for the six months ended September 30, 2002.

### Financial Review (Consolidated)

#### 1. Operating Results

Consolidated results for the first half of fiscal 2002, the year ending March 31, 2003, include the results of 147 consolidated subsidiaries (102 in Japan and 45 overseas) and 38 subsidiaries and affiliates accounted for by the equity method (10 in Japan and 28 overseas).

Consolidated gross profit posted a year-on-year increase of ¥141.7 billion, to ¥1,116.4 billion. Operating profit after adjusting general and administrative expenses, total credit cost, and losses on stocks came to ¥149.9 billion, a year-on-year increase of ¥35.4 billion. Extraordinary losses, income taxes, and minority interests resulted in a net income of ¥55.1 billion, a year-on-year increase of ¥20.9 billion.

Deposits (excluding negotiable certificates of deposit) as of September 30, 2002, stood at ¥61,438.3 billion, a ¥3,547.6 billion decrease from the figure as of March 31, 2002. Negotiable certificates of deposit also decreased by ¥1,815.6 billion to ¥4,846.5 billion.

Loans and bills discounted declined ¥1,092.3 billion over the same period to ¥62,553.3 billion, while securities increased ¥1,956.0 billion to ¥22,650.7 billion.

Total stockholders' equity stood at ¥2,690.0 billion as of September 30, 2002, a ¥222.6 billion decline from the previous fiscal year-end, due to an increase in net unrealized losses on other securities.

#### Number of Consolidated Subsidiaries, and Subsidiaries and Affiliates Accounted for by the Equity Method

September 30, 2002 and 2001, and March 31, 2002

	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Consolidated subsidiaries.....	147	155	144
Subsidiaries and affiliates accounted for by the equity method.....	38	40	38

#### Income Summary

Six months ended September 30, 2002 and 2001, and year ended March 31, 2002

	Millions of yen		
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002
Consolidated gross profit.....	¥1,116,392	¥ 974,718	¥2,077,681
Net interest income.....	733,944	674,730	1,449,783
Net fees and commissions .....	162,423	153,547	319,532
Net trading income .....	109,816	73,656	129,432
Net other operating income .....	110,208	72,784	178,932
General and administrative expenses .....	¥ (446,103)	¥(468,382)	¥ (935,553)
Total credit cost .....	(318,583)	(356,690)	(1,703,363)
Write-off of loans .....	(122,826)	(196,816)	(391,923)
Transfer to specific reserve .....	(154,913)	(62,300)	(681,457)
Transfer to general reserve for possible loan losses.....	(22,660)	(62,814)	(527,445)
Others.....	(18,182)	(34,758)	(102,537)
Gains (losses) on stocks .....	¥ (197,926)	¥ (18,895)	¥ (17,808)
Equity in earnings of affiliates .....	2,807	(364)	2,964
Other income (expenses) .....	(6,730)	(15,935)	(4,547)
Operating profit (loss) .....	¥ 149,856	¥ 114,450	¥ (580,628)
Extraordinary gains (losses) .....	(39,506)	(15,785)	(23,710)
Income (loss) before income taxes and minority interests .....	110,349	98,665	(604,338)
Income taxes, current .....	(26,700)	(37,746)	(101,860)
deferred .....	(10,333)	(3,605)	289,305
Minority interests in net income (loss) .....	(18,170)	(23,116)	(46,993)
Net income (loss).....	¥ 55,145	¥ 34,196	¥ (463,887)
<Reference>			
Consolidated banking profit (Billions of yen) .....	¥ 608.6	¥ 447.8	¥ 991.9

Notes: 1. Consolidated gross profit = (Interest income – Interest expenses) + (Fees and commissions (income) – Fees and commissions (expenses)) + (Trading profits – Trading losses) + (Other operating income – Other operating expenses)  
 2. Consolidated banking profit = Nonconsolidated banking profit (excluding transfer to general reserve for possible loan losses) + Subsidiaries' operating profit (excluding temporary factors) + Affiliates' operating profit x Ownership ratio – Internal transactions (dividends, etc.)

## Assets, Liabilities and Stockholders' Equity

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen		
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Assets .....	<b>¥104,396,997</b>	¥107,502,027	¥108,005,001
Loans and bills discounted .....	<b>62,553,278</b>	64,727,609	63,645,586
Securities .....	<b>22,650,667</b>	20,511,560	20,694,632
Liabilities .....	<b>100,754,733</b>	103,181,928	104,108,534
Deposits (excluding negotiable certificates of deposit) .....	<b>61,438,332</b>	60,533,175	64,985,976
Negotiable certificates of deposit .....	<b>4,846,529</b>	11,291,895	6,662,097
Minority interests .....	<b>952,253</b>	967,934	983,847
Stockholders' equity .....	<b>2,690,010</b>	3,352,163	2,912,619

## 2. Unrealized Gains (Losses) on Securities

Net unrealized losses on securities as of September 30, 2002 were ¥830.9 billion, a ¥332.4 billion increase compared with the figure as of March 31, 2002. Net unrealized losses on other securities (including other money held in trust), changes in which are directly charged to stockholders' equity, amounted to ¥835.5 billion as of September 30, 2002, an increase of ¥336.2 billion over the figure as of

March 31, 2002. This increase in unrealized losses on other securities was attributable to a ¥438.0 billion decline in the aggregate market value of stock holdings over the six-month period. This drop in market value reflects Japan's persistent economic stagnation as well as the sluggishness of stock markets against the backdrop of increased economic uncertainty on a global scale.

## Unrealized Gains (Losses) on Securities

September 30, 2002, and March 31, 2002

	Millions of yen							
	Sept. 30, 2002				Mar. 31, 2002			
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses	
Held-to-maturity securities .....	¥ 4,660	¥ 3,768	¥ 4,745	¥ 85	¥ 892	¥ 1,262	¥ 370	
Other securities .....	<b>(835,048)</b>	<b>(339,541)</b>	<b>243,751</b>	<b>1,078,800</b>	(495,507)	260,042	755,549	
Stocks .....	<b>(947,255)</b>	<b>(437,950)</b>	<b>106,545</b>	<b>1,053,800</b>	(509,305)	192,620	701,926	
Bonds .....	<b>65,542</b>	<b>29,083</b>	<b>73,526</b>	<b>7,983</b>	36,459	58,810	22,351	
Others .....	<b>46,664</b>	<b>69,325</b>	<b>63,680</b>	<b>17,015</b>	(22,661)	8,610	31,271	
Other money held in trust .....	<b>(467)</b>	<b>3,358</b>	<b>371</b>	<b>838</b>	(3,825)	135	3,960	
Total .....	<b>(830,855)</b>	<b>(332,415)</b>	<b>248,868</b>	<b>1,079,724</b>	(498,440)	261,440	759,881	
Stocks .....	<b>(947,255)</b>	<b>(437,950)</b>	<b>106,545</b>	<b>1,053,800</b>	(509,305)	192,620	701,926	
Bonds .....	<b>69,108</b>	<b>32,474</b>	<b>77,092</b>	<b>7,983</b>	36,634	59,303	22,669	
Others .....	<b>47,291</b>	<b>73,060</b>	<b>65,231</b>	<b>17,939</b>	(25,769)	9,515	35,284	

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "deposits with banks" and commercial paper as well as beneficiary claims on loan trusts in "commercial paper and other debt purchased."  
2. In principle, the values of stocks are calculated using the average market prices during the final month of the respective reporting period. The values of bonds and others are calculated using market prices at the end of the respective reporting period.  
3. "Other securities" and "other money held in trust" are valued at market prices. Consequently, the figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.

### 3. Consolidated Capital Ratio (BIS Guidelines)

The Bank's consolidated capital ratio (BIS guidelines) as of September 30, 2002 was 10.37%.

Total capital, which constitutes the numerator in the capital ratio calculation equation, was ¥6,533.5 billion as of September 30, 2002, representing a ¥527.4 billion decline from the previous fiscal year-end. This decline resulted from an increase in unrealized losses on other securities and

deduction of the maximum interim dividends payable to the parent company, SMFG. On the other hand, risk-adjusted assets, which constitute the denominator in the equation, decreased ¥4,566.8 billion to ¥62,981.2 billion. This decline was mainly attributable to the accelerated disposal of non-performing loans and the sale of stock holdings, in addition to a reduction in less profitable overseas assets and sluggish fund demand in Japan.

#### Consolidated Capital Ratio (BIS Guidelines)

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen		
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Tier I capital (A) .....	<b>¥ 3,381,338</b>	¥ 4,083,690	¥ 3,719,366
Tier II capital (B) .....	<b>3,316,197</b>	3,300,859	3,504,772
Deductions (C).....	<b>(164,081)</b>	(89,665)	(163,331)
Total capital (D) = (A) + (B) – (C).....	<b>¥ 6,533,454</b>	¥ 7,294,883	¥ 7,060,807
Risk-adjusted assets (E).....	<b>¥62,981,231</b>	¥67,557,366	¥67,548,012
Capital ratio (BIS guidelines) = (D) / (E) x 100 .....	<b>10.37%</b>	10.79%	10.45%

Note: Consolidated capital ratio as of September 30, 2002 is calculated on the basis of Tier I capital after deduction of ¥124,000 million, the maximum interim dividends payable to the parent company, SMFG, established on December 2, 2002. Otherwise, the relevant ratio before the deduction is 10.58%.

## Financial Review (Nonconsolidated)

### 1. Operating Results

Banking profit (excluding transfer to general reserve for possible loan losses) for the first half of fiscal 2002, the year ending March 31, 2003, increased ¥60.9 billion to ¥576.7 billion year-on-year, as a result of a ¥48.6 billion year-on-year increase to ¥897.9 billion in gross banking profit and a ¥12.3 billion decrease in expenses (excluding nonrecurring losses).

Operating profit, calculated by adjusting banking profit (excluding transfer to general reserve for possible loan losses) for nonrecurring items including total credit cost and losses on stocks, was ¥99.7 billion.

Total credit cost (including transfer to general reserve for possible loan losses) amounted to ¥266.3 billion and losses on stocks totaled ¥191.8 billion.

After deducting extraordinary losses of ¥38.7 billion and income taxes of ¥16.1 billion, net income amounted to ¥44.9 billion, a ¥34.9 billion decrease year-on-year.

### 2. Income Analysis

#### Gross Banking Profit

Gross banking profit increased ¥48.6 billion year-on-year to ¥897.9 billion. Gross banking profit from domestic operations increased ¥4.3 billion. Although net interest income declined by ¥19.7 billion due mainly to a decline in dividend income from subsidiaries, net gains on bonds increased by a substantial ¥12.8 billion thanks to appropriate fund operations. Net fees

and commissions also increased ¥10.5 billion centered on services in investment banking including loan syndication and corporate bond trustee services through private placement.

Meanwhile, gross banking profit from international operations rose ¥44.3 billion over the corresponding period of the previous fiscal year, largely owing to a ¥33.5 billion increase in gains on U.S. Treasuries that resulted from taking advantage of the decline in U.S. interest rates, and an increase in trading income of ¥32.9 billion. However, interest income decreased by ¥18.8 billion due to a decline in dividends from overseas subsidiaries.

#### Expenses

Expenses (excluding nonrecurring losses) decreased ¥12.3 billion year-on-year, to ¥321.2 billion. This was mainly attributable to a ¥10.9 billion decline in personnel expenses, largely due to a reduction in the number of employees in addition to a ¥2.3 billion reduction in nonpersonnel expenses due to integration of branches both in Japan and overseas and improved efficiency of marketing channel networks, including ATMs.

#### Banking Profit

Banking profit (excluding transfer to general reserve for possible loan losses) increased ¥60.9 billion over the corresponding period of the previous fiscal year, to ¥576.7 billion.

#### Banking Profit

Six months ended September 30, 2002 and 2001, and year ended March 31, 2002

	Millions of yen		
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002
Gross banking profit .....	¥897,852	¥849,274	¥1,853,515
Gross banking profit (excluding gains (losses) on bonds) .....	821,460	819,142	1,786,954
Net interest income .....	636,117	674,574	1,476,512
Net fees and commissions .....	85,784	73,284	165,272
Net trading income .....	103,408	70,906	121,289
Net other operating income .....	72,542	30,509	90,440
Gross domestic banking profit .....	620,300	615,980	1,256,373
Gross international banking profit .....	277,552	233,294	597,141
Transfer to general reserve for possible loan losses .....	¥(20,564)	¥(37,402)	¥(504,558)
Expenses (excluding nonrecurring losses) .....	(321,201)	(333,470)	(670,145)
Personnel expenses .....	(129,174)	(140,090)	(271,788)
Nonpersonnel expenses .....	(175,372)	(177,730)	(366,637)
Taxes .....	(16,654)	(15,649)	(31,719)
Banking profit .....	¥556,087	¥478,401	¥678,811
Banking profit (excluding transfer to general reserve for possible loan losses) .....	576,651	515,804	1,183,369
Banking profit (excluding transfer to general reserve for possible loan losses and gains (losses) on bonds) .....	500,259	485,671	1,116,808

<Reference>

#### Banking Profit, by Business Unit

Six months ended September 30, 2002

	Billions of yen						
	Consumer Banking Unit	Middle Market Banking Unit	Corporate Banking Unit	International Banking Unit	Treasury Unit	Others	Total
Banking profit (losses) (excluding transfer to general reserve for possible loan losses) .....	¥17.8	¥190.4	¥70.1	¥19.7	¥323.2	¥(44.5)	¥576.7
Year-on-year increase (decrease) .....	6.8	25.1	9.0	3.6	118.1	(101.7)	60.9

Notes: 1. Year-on-year comparisons are those used for internal reporting and exclude changes due to interest rate and foreign exchange rate fluctuations.  
2. "Others" consists of (1) dividend income from subsidiaries and affiliates, (2) financing costs on preferred securities and subordinated debt, (3) profit earned on investing the Bank's own capital, and (4) adjustment of inter-unit transactions, etc.

### Nonrecurring Losses (Credit Costs, etc.)

Nonrecurring losses amounted to ¥456.4 billion. This was mainly attributable to credit costs of ¥245.7 billion as the main component. (Total credit cost, including transfer to general reserve for possible loan losses, amounted to ¥266.3 billion.) Other factors were net losses on the sale of stock holdings in the amount of ¥16.4 billion, and a ¥175.4 billion unrealized loss on securities under impairment accounting. (Please refer to the “Asset Quality” section beginning on page 14 for more information on problem-loan assets and progress in reducing such loans.)

### Operating Profit

As a result of the foregoing, operating profit decreased ¥27.4 billion year-on-year to ¥99.7 billion.

### Operating Profit and Net Income

Six months ended September 30, 2002 and 2001, and year ended March 31, 2002

	Millions of yen		
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002
Banking profit (excluding transfer to general reserve for possible loan losses) .....	¥576,651	¥515,804	¥1,183,369
Transfer to general reserve for possible loan losses .....	(20,564)	(37,402)	(504,558)
Banking profit .....	¥556,087	¥478,401	¥ 678,811
Nonrecurring gains (losses) .....	(456,393)	(351,253)	(1,200,917)
Total credit cost .....	(266,287)	(305,437)	(1,543,078)
Write-off of loans .....	(88,928)	(138,692)	(283,895)
Transfer to specific reserve .....	(140,640)	(98,372)	(663,184)
Transfer to reserve for losses on loans sold .....	(7,109)	(23,633)	(37,034)
Losses on loans sold to CCPC .....	(3,013)	(2,159)	(8,363)
Losses on sale of delinquent loans .....	(10,006)	(13,510)	(50,589)
Transfer to loan loss reserve for specific overseas countries .....	3,974	8,332	4,546
Gains (losses) on stocks .....	(191,842)	(52,646)	(130,689)
Gains on sale of stocks .....	35,153	28,221	54,196
Losses on sale of stocks .....	(51,543)	(11,958)	(54,300)
Losses on devaluation of stocks .....	(175,452)	(68,908)	(130,585)
Operating profit (loss) .....	¥ 99,694	¥127,148	¥ (522,106)
Extraordinary gains (losses) .....	(38,735)	(16,092)	(14,531)
Gains (losses) on disposition of premises and equipment .....	(9,570)	(4,596)	(14,201)
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits .....	(10,083)	(10,083)	(20,167)
Income taxes, current .....	(6,787)	(9,762)	(32,737)
Income taxes, deferred .....	(9,308)	(21,499)	246,522
Net income (loss) .....	¥ 44,862	¥ 79,794	¥ (322,852)

Note: Total credit cost includes transfer to general reserve for possible loan losses.

## 3. Assets, Liabilities and Stockholders' Equity

### Assets

Nonconsolidated bank assets as of September 30, 2002 stood at ¥98,900.9 billion, a ¥3,181.7 billion decrease from the figure as of March 31, 2002. Deposits with banks decreased ¥2,734.2 billion, due mainly to a reduced scale of international operations with the aim of raising the efficiency of foreign currency-denominated fund operations. Loans and bills discounted also decreased by ¥1,025.7 billion, owing to weak corporate loan demand amid the prolonged economic slump and increased efforts by the Bank to collect problem loans.

### Extraordinary Gains (Losses)

Net extraordinary losses amounted to ¥38.7 billion. The major components of extraordinary losses were a ¥9.6 billion net loss on disposition of premises and equipment and ¥10.1 billion in amortization expenses for transitional obligations on employees' retirement benefits, in addition to extraordinary expenses for branch integration due to the merger and disposal of assets resulting from systems integration.

### Net Income

Net income for the first half of fiscal 2002 decreased ¥34.9 billion year-on-year, to ¥44.9 billion. The current portion of income taxes totaled ¥6.8 billion, while the deferred portion was ¥9.3 billion under mark-to-market accounting.

### Liabilities

Liabilities as of September 30, 2002 decreased by ¥2,984.2 billion compared with the figure for March 31, 2002, to ¥95,901.9 billion. This result was mainly attributed to an increase in bills sold of ¥3,334.6 billion and a decline in deposits (excluding negotiable certificates of deposit), negotiable certificates of deposit, call money and commercial paper of ¥3,740.8 billion, ¥1,720.8 billion, ¥1,379.2 billion and ¥1,000.5 billion, respectively.

## Stockholders' Equity

Stockholders' equity decreased by ¥197.5 billion over the figure as of March 31, 2002 to ¥2,998.9 billion as of September 30, 2002. One major reason for this decline was a ¥204.8 billion expansion in unrealized losses on other securities, due to a decline in market value of stock holdings

against the backdrop of the general sluggishness of Japan's stock markets.

As of September 30, 2002, there were 5,709 million shares of common stock and 967 million shares of preferred stock of the Bank outstanding. Excluding preferred stock, stockholders' equity per share was ¥297.44.

## Assets, Liabilities and Stockholders' Equity

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen		
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Assets.....	<b>¥98,900,873</b>	¥101,342,107	¥102,082,581
Loans and bills discounted .....	<b>58,902,641</b>	61,071,591	59,928,368
Securities.....	<b>22,377,416</b>	19,988,203	20,442,996
Liabilities .....	<b>95,901,925</b>	97,827,465	98,886,088
Deposits (excluding negotiable certificates of deposit).....	<b>57,311,051</b>	56,611,281	61,051,813
Negotiable certificates of deposit.....	<b>4,856,700</b>	11,152,501	6,577,539
Stockholders' equity .....	<b>2,998,947</b>	3,514,642	3,196,492

## 4. Unrealized Gains (Losses) on Securities

Net unrealized losses on securities as of September 30, 2002 amounted to ¥828.3 billion, a ¥343.8 billion increase compared with the figure as of March 31, 2002. Unrealized losses on other securities (including other money held in trust), changes in which are directly charged to stockholders' equity, amounted to ¥819.1 billion, an increase of ¥333.6

billion over the figure as of March 31, 2002. The increase in unrealized losses on other securities was attributable to a ¥432.3 billion decline in the aggregate market value of stock holdings over the six-month period. This drop in market value reflects Japan's persistent economic stagnation as well as the sluggishness of stock markets against the backdrop of increased economic uncertainty on a global scale.

## Unrealized Gains (Losses) on Securities

September 30, 2002 and March 31, 2002

	Millions of yen							
	Sept. 30, 2002				Mar. 31, 2002			
	Net unrealized gains (losses) (A)	(A) – (B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses	
Held-to-maturity securities.....	¥ 3,571	¥ 2,425	¥ 3,655	¥ 83	¥ 1,146	¥ 1,165	¥ 19	
Stocks of subsidiaries and affiliates .....	(12,769)	(12,668)	5,830	18,599	(101)	12,740	12,841	
Other securities .....	(818,599)	(336,945)	228,470	1,047,069	(481,654)	244,238	725,892	
Stocks .....	(933,147)	(432,250)	97,487	1,030,634	(500,897)	180,943	681,841	
Bonds .....	62,349	24,566	68,587	6,238	37,783	55,597	17,814	
Others .....	52,198	70,738	62,395	10,196	(18,540)	7,696	26,236	
Other money held in trust.....	(467)	3,358	371	838	(3,825)	135	3,960	
Total .....	(828,264)	(343,830)	238,326	1,066,591	(484,434)	258,279	742,714	
Stocks .....	(945,917)	(444,918)	103,317	1,049,234	(500,999)	193,684	694,683	
Bonds .....	64,856	26,642	71,095	6,238	38,214	56,029	17,814	
Others .....	52,795	74,445	63,914	11,118	(21,650)	8,566	30,216	

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "deposits with banks" and commercial paper as well as beneficiary claims on loan trusts in "commercial paper and other debt purchased."
2. The values of stocks excluding stocks of subsidiaries and affiliates are calculated using average market prices during the final month of the respective reporting period. The values of bonds and others are calculated using market prices at the end of the respective reporting period.
3. "Other securities" and "other money held in trust" are valued at market prices. Consequently, the figures in the table above indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.



# Consolidated Interim Balance Sheets (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries  
September 30, 2002 and 2001, and March 31, 2002

	Millions of yen			Millions of U.S. dollars
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002	Sept. 30, 2002
<b>Assets</b>				
Cash and due from banks .....	¥ 1,731,413	¥ 1,764,049	¥ 2,128,742	\$ 14,117
Deposits with banks .....	1,174,238	3,972,206	3,503,554	9,574
Call loans and bills bought .....	474,150	425,289	720,154	3,866
Receivables under resale agreements .....	82,218	981,216	793,266	670
Receivables under securities borrowing transactions .....	2,186,491	—	—	17,827
Commercial paper and other debt purchased .....	307,755	330,214	461,879	2,509
Trading assets .....	3,442,097	3,225,015	3,278,105	28,064
Money held in trust .....	44,106	63,622	33,860	360
Securities .....	22,650,667	20,511,560	20,694,632	184,677
Loans and bills discounted .....	62,553,278	64,727,609	63,645,586	510,015
Foreign exchanges .....	922,640	644,896	795,755	7,523
Other assets .....	3,302,344	4,362,508	6,447,644	26,925
Premises and equipment .....	1,172,058	1,414,607	1,207,589	9,556
Lease assets .....	930,418	939,746	927,120	7,586
Deferred tax assets .....	1,999,075	1,696,347	1,882,464	16,299
Deferred tax assets for land revaluation .....	726	—	726	6
Goodwill .....	19,031	5,446	18,518	155
Customers' liabilities for acceptances and guarantees .....	3,453,755	3,601,158	3,625,047	28,159
Reserve for possible loan losses .....	(2,049,472)	(1,163,469)	(2,159,649)	(16,710)
<b>Total assets .....</b>	<b>¥104,396,997</b>	<b>¥107,502,027</b>	<b>¥108,005,001</b>	<b>\$851,178</b>

See accompanying notes to consolidated interim financial statements.

		Millions of yen		Millions of U.S. dollars
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002	Sept. 30, 2002
Liabilities, minority interests and stockholders' equity				
Liabilities				
Deposits .....	¥ 66,284,861	¥ 71,825,070	¥ 71,648,073	\$540,439
Call money and bills sold .....	12,739,570	8,541,814	10,775,484	103,869
Payables under repurchase agreements .....	1,946,489	1,808,365	1,468,504	15,870
Payables under securities lending transactions .....	3,842,595	3,906,531	3,174,799	31,330
Commercial paper.....	185,500	1,274,071	1,167,500	1,513
Trading liabilities .....	2,599,491	2,163,173	2,331,500	21,195
Borrowed money .....	2,721,278	2,938,927	2,889,907	22,187
Foreign exchanges .....	438,643	251,403	299,610	3,576
Bonds.....	3,582,598	3,398,674	3,505,820	29,210
Convertible bonds .....	—	1,106	1,106	—
Other liabilities .....	2,645,968	2,943,028	2,861,669	21,573
Reserve for employee bonuses .....	21,216	22,385	21,606	173
Reserve for employee retirement benefits .....	148,116	180,457	147,972	1,208
Reserve for possible losses on loans sold .....	47,190	126,538	86,371	385
Other reserves .....	255	637	336	2
Deferred tax liabilities .....	34,507	53,352	39,206	281
Deferred tax liabilities for land revaluation .....	62,693	145,229	64,015	511
Acceptances and guarantees .....	3,453,755	3,601,158	3,625,047	28,160
Total liabilities .....	¥100,754,733	¥103,181,928	¥104,108,534	\$821,482
Minority interests .....				
	¥ 952,253	¥ 967,934	¥ 983,847	\$ 7,764
Stockholders' equity				
Preferred stock.....	¥ 650,500	¥ 650,500	¥ 650,500	\$ 5,304
Common stock .....	676,246	676,246	676,246	5,513
Capital surplus .....	1,683,896	1,684,361	1,326,758	13,729
Retained earnings.....	138,823	541,424	475,357	1,132
Land revaluation excess .....	117,957	230,153	121,244	962
Net unrealized losses on other securities .....	(512,407)	(394,819)	(304,837)	(4,178)
Foreign currency translation adjustments .....	(53,754)	(18,479)	(15,174)	(438)
Treasury stock .....	(11,250)	(33)	(283)	(92)
Parent bank stock held by subsidiaries.....	—	(17,189)	(17,191)	—
Total stockholders' equity .....	¥ 2,690,010	¥ 3,352,163	¥ 2,912,619	\$ 21,932
Total liabilities, minority interests and stockholders' equity .....	¥104,396,997	¥107,502,027	¥108,005,001	\$851,178



# Consolidated Interim Statements of Income (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Six months ended September 30, 2002 and 2001, and year ended March 31, 2002

	Millions of yen			Millions of U.S. dollars
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002	Six months ended Sept. 30, 2002
<b>Income</b>				
Interest income: .....	¥ 954,856	¥1,067,744	¥2,176,685	\$ 7,785
Interest on loans and discounts .....	642,449	734,419	1,426,139	5,238
Interest and dividends on securities .....	140,090	147,883	318,508	1,142
Fees and commissions .....	204,619	189,936	387,280	1,669
Trading profits .....	110,534	73,656	129,450	901
Other operating income .....	444,096	394,199	845,583	3,621
Other income .....	51,371	82,132	270,130	419
<b>Total income</b> .....	<b>¥1,765,477</b>	<b>¥1,807,669</b>	<b>¥3,809,130</b>	<b>\$14,395</b>
<b>Expenses</b>				
Interest expenses: .....	¥ 220,912	¥ 393,013	¥ 726,901	\$ 1,801
Interest on deposits .....	88,586	202,980	347,077	722
Fees and commissions .....	42,195	36,388	67,747	344
Trading losses .....	718	—	17	6
Other operating expenses .....	333,888	321,415	666,651	2,722
General and administrative expenses .....	446,103	468,382	935,553	3,637
Transfer to reserve for possible loan losses .....	173,591	116,760	1,204,335	1,416
Other expenses .....	437,719	373,043	812,261	3,569
<b>Total expenses</b> .....	<b>¥1,655,128</b>	<b>¥1,709,004</b>	<b>¥4,413,469</b>	<b>\$13,495</b>
<b>Income (loss) before income taxes and minority interests</b> .....	<b>¥ 110,349</b>	<b>¥ 98,665</b>	<b>¥ (604,338)</b>	<b>\$ 900</b>
Income taxes:				
Current .....	¥ 26,700	¥ 37,746	¥ 101,860	\$ 218
Deferred .....	10,333	3,605	(289,305)	84
Minority interests in net income .....	18,170	23,116	46,993	148
<b>Net income (loss)</b> .....	<b>¥ 55,145</b>	<b>¥ 34,196</b>	<b>¥ (463,887)</b>	<b>\$ 450</b>
	Yen			U.S. dollars
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002	Six months ended Sept. 30, 2002
Per share data:				
Net income (loss) .....	¥9.67	¥6.02	¥(84.12)	\$0.08
Net income — diluted .....	7.01	6.01	—	0.06

See accompanying notes to consolidated interim financial statements.

# Consolidated Interim Statements of Stockholders' Equity (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Six months ended September 30, 2002 and year ended March 31, 2002

	Millions of yen								
	Preferred stock	Common stock	Capital surplus	Retained earnings	Land revaluation excess	Net unrealized losses on other securities	Foreign currency translation adjustments	Other*	Total
<b>Balance at March 31, 2001</b> .....	¥250,500	¥502,348	¥ 643,080	¥319,924	¥167,613	¥ —	¥(32,171)	¥(14,144)	¥1,837,151
Merger with The Sakura Bank, Limited .....	400,309	123,542	991,326	296,313	42,690			(42)	1,854,139
Change due to increase/decrease of subsidiaries and affiliates .....				(96,404)	20,366		(20,939)	(4,555)	(101,533)
Conversion of preferred stock to common stock .....	(309)	309							—
Conversion of convertible bonds to common stock .....		50,045	49,954						100,000
Change of effective tax rates and others .....					(444)				(444)
Cash dividends paid .....				(11,199)					(11,199)
Transfer from capital surplus to retained earnings .....			(357,614)	357,614					—
Revaluation of land .....					(48,848)				(48,848)
Transfer from land revaluation excess to retained earnings .....				60,132	(60,132)				—
Merger with a subsidiary .....			11	12,864					12,876
Net loss .....				(463,887)					(463,887)
Adoption of accounting standards for financial instruments .....						(304,837)			(304,837)
Change of foreign currency translation adjustments .....							37,935		37,935
Change of treasury stock and parent bank stock held by subsidiaries .....								1,267	1,267
<b>Balance at March 31, 2002</b> .....	650,500	676,246	1,326,758	475,357	121,244	(304,837)	(15,174)	(17,475)	2,912,619
Transfer of land revaluation excess .....				3,283	(3,283)				—
Change due to increase/decrease of subsidiaries .....				0					0
Change of effective tax rates and others .....					(3)				(3)
Cash dividends paid .....				(37,349)					(37,349)
Net income .....				55,145					55,145
Change of net unrealized losses on other securities .....						(207,569)			(207,569)
Change of foreign currency translation adjustments .....							(38,579)		(38,579)
Change of treasury stock .....								6,224	6,224
Losses on disposal of treasury stock .....			(476)						(476)
Change due to change of regulations .....			357,614	(357,614)					—
<b>Balance at September 30, 2002</b> .....	¥650,500	¥676,246	¥1,683,896	¥138,823	¥117,957	¥(512,407)	¥(53,754)	¥(11,250)	¥2,690,010

	Millions of U.S. dollars								
	Preferred stock	Common stock	Capital surplus	Retained earnings	Land revaluation excess	Net unrealized losses on other securities	Foreign currency translation adjustments	Other*	Total
<b>Balance at March 31, 2002</b> .....	\$5,304	\$5,513	\$10,817	\$3,876	\$989	\$(2,486)	\$(124)	\$(142)	\$23,747
Transfer of land revaluation excess .....				27	(27)				—
Change due to increase/decrease of subsidiaries .....				0					0
Change of effective tax rates and others .....					(0)				(0)
Cash dividends paid .....				(305)					(305)
Net income .....				450					450
Change of net unrealized losses on other securities .....						(1,692)			(1,692)
Change of foreign currency translation adjustments .....							(314)		(314)
Change of treasury stock .....								50	50
Losses on disposal of treasury stock .....			(4)						(4)
Change due to change of regulations .....			2,916	(2,916)					—
<b>Balance at September 30, 2002</b> .....	\$5,304	\$5,513	\$13,729	\$1,132	\$962	\$(4,178)	\$(438)	\$ (92)	\$21,932

See accompanying notes to consolidated interim financial statements.

\* Other includes treasury stock and parent bank stock held by subsidiaries.

# Consolidated Interim Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Six months ended September 30, 2002 and 2001, and year ended March 31, 2002

	Millions of yen			Millions of U.S. dollars
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002	Six months ended Sept. 30, 2002
<b>1. Cash flows from operating activities:</b>				
Income (loss) before income taxes and minority interests.....	¥ 110,349	¥ 98,665	¥ (604,338)	\$ 900
Depreciation of premises, equipment and others .....	44,208	46,712	96,374	360
Depreciation of lease assets.....	149,071	153,718	306,044	1,215
Amortization of goodwill.....	2,773	1,827	4,806	23
Equity in earnings of affiliates .....	(2,807)	364	(2,964)	(23)
Net change in reserve for possible loan losses .....	(109,670)	(104,836)	884,174	(894)
Net change in reserve for possible losses on loans sold.....	(39,180)	(18,728)	(58,895)	(319)
Net change in reserve for employee bonuses .....	(402)	22,385	21,606	(3)
Net change in reserve for employee retirement benefits .....	147	(9,984)	(42,469)	1
Interest income .....	(954,856)	(1,067,744)	(2,176,685)	(7,785)
Interest expenses .....	220,912	393,013	726,901	1,801
Net (gains) losses on securities.....	107,763	(17,951)	(64,057)	879
Net loss from money held in trust .....	3,703	349	56	30
Net exchange (gains) losses .....	154,537	9,313	(160,717)	1,260
Net losses from disposition of premises and equipment .....	11,034	8,309	23,052	90
Net losses from disposition of lease assets.....	2,020	885	995	16
Gain on sale of business operation .....	—	(5,000)	(5,000)	—
Net change in trading assets .....	(216,670)	(727,177)	(757,328)	(1,767)
Net change in trading liabilities .....	321,258	880,170	1,030,514	2,619
Net change in loans and bills discounted .....	1,008,160	658,132	1,794,503	8,220
Net change in deposits .....	(3,532,384)	(2,512,450)	1,887,932	(28,801)
Net change in negotiable certificates of deposit .....	(1,813,399)	(355,050)	(4,989,141)	(14,785)
Net change in borrowed money (excluding subordinated debt)...	(71,036)	(430,281)	(456,519)	(579)
Net change in deposits with banks .....	2,294,589	1,525,833	2,018,942	18,708
Net change in call loans, bills bought and receivables under resale agreements .....	1,071,737	2,113,527	1,904,425	8,738
Net change in receivables under securities borrowing transactions .....	834,028	(223,111)	(2,196,808)	6,800
Net change in call money, bills sold and payables under repurchase agreements.....	2,490,237	(4,881,493)	(3,020,667)	20,304
Net change in commercial paper.....	(982,000)	(462,749)	(569,827)	(8,007)
Net change in payables under securities lending transactions...	667,795	(984,252)	(1,715,984)	5,445
Net change in foreign exchanges (assets) .....	(129,163)	93,962	(56,299)	(1,053)
Net change in foreign exchanges (liabilities) .....	139,635	655	48,749	1,139
Issuance and redemption of bonds (excluding subordinated bonds).....	182,702	200,293	359,901	1,490
Interest received .....	1,049,827	1,154,603	2,342,208	8,560
Interest paid .....	(243,453)	(475,110)	(829,888)	(1,985)
Other, net.....	(171,533)	(753,281)	(1,070,901)	(1,399)
<b>Subtotal .....</b>	<b>¥2,599,937</b>	<b>¥(5,666,480)</b>	<b>¥(5,327,304)</b>	<b>\$21,198</b>
Income taxes paid.....	(37,447)	(31,808)	(54,205)	(305)
<b>Net cash provided by (used in) operating activities .....</b>	<b>¥2,562,490</b>	<b>¥(5,698,288)</b>	<b>¥(5,381,510)</b>	<b>\$20,893</b>

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002	Six months ended Sept. 30, 2002
<b>2. Cash flows from investing activities:</b>				
Purchases of securities.....	¥(27,644,498)	¥(20,323,863)	¥(39,722,661)	\$(225,393)
Proceeds from sale of securities.....	20,817,747	16,412,440	32,828,672	169,733
Proceeds from maturity of securities .....	4,256,509	9,595,326	12,828,207	34,704
Purchases of money held in trust .....	(14,621)	(1,677)	(5,011)	(119)
Proceeds from sale of money held in trust .....	4,026	8,653	42,663	33
Purchases of premises and equipment .....	(30,911)	(24,814)	(73,354)	(252)
Proceeds from sale of premises and equipment .....	28,219	4,469	134,704	230
Purchases of lease assets.....	(162,426)	(182,574)	(342,964)	(1,324)
Proceeds from sale of lease assets.....	14,875	17,289	37,736	121
Purchases of stock of subsidiaries .....	(3,924)	(599)	(599)	(32)
Proceeds from sale of stock of subsidiaries .....	53	—	416	0
Proceeds from sale of business operation.....	—	5,000	5,000	—
<b>Net cash provided by (used in) investing activities .....</b>	<b>¥ (2,734,949)</b>	<b>¥ 5,509,649</b>	<b>¥ 5,732,808</b>	<b>\$ (22,299)</b>
<b>3. Cash flows from financing activities:</b>				
Proceeds from issuance of subordinated debt .....	¥ 117,000	¥ 45,000	¥ 128,000	\$ 954
Repayment of subordinated debt.....	(204,500)	(146,000)	(278,000)	(1,667)
Proceeds from issuance of subordinated bonds, bonds with subscription rights for shares and notes .....	152,687	151,000	201,198	1,245
Repayment of subordinated bonds, bonds with subscription rights for shares and notes .....	(226,871)	(89,045)	(262,361)	(1,850)
Dividends paid .....	(37,313)	(11,084)	(11,101)	(304)
Payment of delivered money due to merger .....	—	(17,834)	(17,839)	—
Capital contributions from minority stockholders .....	220	—	9,000	2
Dividends paid to minority stockholders .....	(25,147)	(22,153)	(39,064)	(205)
Purchases of treasury stock .....	(3,588)	(8,288)	(8,539)	(29)
Proceeds from sale of treasury stock .....	4,968	8,286	8,286	40
Proceeds from sale of parent bank stocks held by subsidiaries .....	—	1,607	1,607	—
<b>Net cash used in financing activities.....</b>	<b>¥ (222,546)</b>	<b>¥ (88,511)</b>	<b>¥ (268,813)</b>	<b>\$ (1,814)</b>
<b>4. Effect of exchange rate changes on cash and due from banks .....</b>	<b>¥ (2,325)</b>	<b>¥ (1,320)</b>	<b>¥ 3,595</b>	<b>\$ (19)</b>
<b>5. Net change in cash and due from banks.....</b>	<b>¥ (397,329)</b>	<b>¥ (278,471)</b>	<b>¥ 86,079</b>	<b>\$ (3,239)</b>
<b>6. Cash and due from banks at beginning of period.....</b>	<b>¥ 2,128,742</b>	<b>¥ 868,132</b>	<b>¥ 868,132</b>	<b>\$ 17,356</b>
<b>7. Change in cash and due from banks due to merger .....</b>	<b>¥ —</b>	<b>¥ 1,075,527</b>	<b>¥ 1,075,527</b>	<b>\$ —</b>
<b>8. Change in cash and due from banks due to merger of consolidated subsidiaries .....</b>	<b>¥ 0</b>	<b>¥ 2,401</b>	<b>¥ 2,544</b>	<b>\$ 0</b>
<b>9. Change in cash and due from banks due to newly consolidated subsidiaries .....</b>	<b>¥ —</b>	<b>¥ 96,459</b>	<b>¥ 96,459</b>	<b>\$ —</b>
<b>10. Cash and due from banks at end of period.....</b>	<b>¥ 1,731,413</b>	<b>¥ 1,764,049</b>	<b>¥ 2,128,742</b>	<b>\$ 14,117</b>

See accompanying notes to consolidated interim financial statements.

# Notes to Consolidated Interim Financial Statements (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries  
Six months ended September 30, 2002

## I. Accounting Policies

### 1. Scope of consolidation

- (1) Consolidated subsidiaries: 147 companies

Principal companies:

THE MINATO BANK, LTD.  
The Bank of Kansai, Ltd.  
Manufacturers Bank  
SMBC Leasing Company, Limited  
Sumitomo Mitsui Card Company, Limited  
SMBC Capital Co., Ltd.  
SMBC Finance Co., Ltd.  
Sakura Friend Securities Co., Ltd.  
The Japan Research Institute, Limited  
SMBC Capital Markets, Inc.

Financial Link Company, Limited and MAZDA AUTO LEASING COMPANY, LIMITED are consolidated due to acquisition of shares. There are four newly established companies, including SMBC PERSONNEL SUPPORT CO., LTD., which are consolidated from this fiscal year.

Sakura Trust International Limited and a company are excluded from consolidation due to liquidation. SB Auto Service, Co., LTD. is excluded due to sale from this fiscal year.

- (2) Nonconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

One hundred and seventeen subsidiaries such as S.B.L. Management Company Limited are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on Article 5 Paragraph 1 Item 2 of the Consolidated Interim Financial Statement Regulations, they were excluded from consolidation.

Assets, income, net income and retained earnings of other nonconsolidated subsidiaries have no significant impact on the consolidated interim financial statements.

### 2. Application of the equity method

- (1) Nonconsolidated subsidiaries accounted for by the equity method: 5 companies

Principal company:

SBCS Co., Ltd.

- (2) Affiliates accounted for by the equity method: 33 companies

Principal companies:

Daiwa Securities SMBC Co. Ltd.  
QUOQ Inc.

- (3) Nonconsolidated subsidiaries and affiliates that are not accounted for by the equity method:  
One hundred and seventeen subsidiaries such as S.B.L. Management Company Limited are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on Article 7 Paragraph 1 Item 2 of the Consolidated Interim Financial Statement Regulations, they were not treated as affiliates accounted for by the equity method.

Net income and retained earnings of other nonconsolidated subsidiaries and affiliates which are not accounted for by the equity method have no significant impact on the consolidated interim financial statements.

- (4) Affiliates that are not accounted for by the equity method

Principal company:

Daiwa SB Investments (USA) Ltd.

Net income and retained earnings of other nonconsolidated subsidiaries and affiliates which are not accounted for by the equity method have no significant impact on the consolidated interim financial statements.

### 3. The interim balance sheet dates of consolidated subsidiaries

- (1) The dates of interim account closing of consolidated subsidiaries are as follows:

March 31:	5 Companies
April 30:	1 Company
June 30:	56 Companies
July 31:	1 Company
September 30:	84 Companies

- (2) As for the companies whose interim balance sheet dates are March 31 and April 30, the account closing was done provisionally as of September 30 and July 31 for consolidation, respectively. The other companies are consolidated on the basis of their respective interim balance sheet dates.

Appropriate adjustment was made for any significant transactions during the periods from their respective interim balance sheet dates to the consolidated closing dates.

### 4. Accounting methods

- (1) Standards for recognition and measurement of trading assets and liabilities

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in "Trading assets" or "Trading liabilities" on the consolidated interim balance sheet on a contract date basis. Securities and monetary claims purchased for trading purposes are stated at the term-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated interim balance sheet date.

- (2) Standards for recognition and measurement of securities

- (a) Held-to-maturity debt securities that Sumitomo Mitsui Banking Corporation ("SMBC") or its consolidated subsidiaries have the positive intent and ability to hold to maturity are carried at amortized cost using the moving-average method.

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

Securities other than trading purpose securities, held-to-maturity debt securities, and investments in nonconsolidated subsidiaries and affiliates which are not accounted for by the equity method are classified as “other securities” (available-for-sale securities). Stocks in other securities that have market value are carried at the average market prices during the final month of the interim term, and bonds and others that have market prices are carried at their interim term-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities that have no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in “Stockholders’ equity.”

Declines in the fair value of securities are charged to earnings when declines are determined to be other than temporary.

- (b) Securities included in “Money held in trust” are carried in the same way mentioned in Notes I. 4. (1) and (2) (a).

**(3) Standards for recognition and measurement of derivative transactions**

Derivatives 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.

**(4) Depreciation**

- (a) Depreciation of premises, equipment and lease assets  
Depreciation of premises and equipment owned by SMBC is computed using the straight-line method for buildings and the declining-balance method for equipment. For the six months ended September 30, 2002, SMBC calculated the depreciation costs by allocating the estimated annual costs to the interim term. The estimated useful lives of major items are as follows:

Buildings:	7 to 50 years
Equipment:	3 to 20 years

Consolidated subsidiaries depreciate premises and equipment, and lease assets primarily using the straight-line method over the estimated useful lives of the respective assets and the straight-line method over the lease term based on the residual value of assets at the end of the lease term, respectively.

- (b) Depreciation of capitalized software  
SMBC and its consolidated domestic subsidiaries depreciate capitalized software for internal use using the straight-line method over its estimated useful life (basically five years).

**(5) Reserve for possible loan losses**

Reserve for possible loan losses of SMBC and its major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and reserves.

For claims on borrowers who have entered into bankruptcy, special liquidation proceedings or similar legal

proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), a reserve is provided based on the amount of claims, after the charge-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently in the status of bankrupt but are likely to become bankrupt in the future, a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For other claims, a reserve is provided based on the historical loan-loss ratio.

For claims originated in specific countries, an additional reserve is provided for by the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rule for self-assessment of assets, and the Credit Review Department, independent from these operating sections, audits their assessment. The reserves are provided based on the results of these assessments.

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

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and charged off against the total outstanding amount of the claims. The amount of charge-off was ¥1,768,046 million (\$14,415 million) for this interim term.

**(6) Reserve for employee bonuses**

Reserve for employee bonuses is provided for by the amount of estimated bonuses attributable to this interim term.

**(7) Reserve for employee retirement benefits**

Reserve for employee retirement benefits (prepaid pension cost) is provided, in provision for payment of retirement benefits to employees, in the amount deemed accrued at the interim term-end, based on an actuarial computation, which uses the present value of the retirement benefit obligation and plan asset amount projected at the beginning of the interim term.

Prior service cost is amortized using the straight-line method over primarily 10 years within the employees’ average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method over primarily 10 years within the employees’ average remaining service period, commencing from the next fiscal year of incurrence.

Unrecognized net transition obligation from initial application of the new accounting standard for employee retirement benefits is amortized using the straight-line method over 5 years and is charged 50% of the annual amortized cost to its income for the six months ended September 30, 2002.



**(8) Reserve for possible losses on loans sold**

Reserve for possible losses on loans sold is provided for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is provided in accordance with Article 287-2 of the Commercial Code.

**(9) “Other reserves” required by special law**

Other reserves required by special laws are reserve for contingent liabilities from financial futures transactions (¥18 million (\$0.1 million)) in accordance with Article 82 of the Financial Futures Transaction Law and Article 29 of the relevant enforcement regulation, and reserve for contingent liabilities from securities transactions (¥237 million (\$2 million)) in accordance with Article 51 of the Securities Exchange Law.

**(10) Translation of foreign currency assets and liabilities**

SMBC’s assets and liabilities denominated in foreign currencies and overseas branches’ accounts are translated into Japanese yen primarily at the exchange rate prevailing at the consolidated interim balance sheet date, with the exception of stocks of subsidiaries and affiliates which are translated at rates prevailing at the time of acquisition.

Consolidated subsidiaries’ assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the interim term-end of each company.

**(11) Accounting method for lease transactions**

Financing leases of SMBC and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same manner as operating leases.

Standards for recognizing rental income on lease transactions and income/expenses on installment sales are as follows:

- (a) Recognition of lease-related income on lease transactions  
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.
- (b) Recognition of income and expenses on installment sales  
Installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the full term of the installment sales.

**(12) Hedge accounting**

Pursuant to the temporary treatment regulated by “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (Industry Audit Committee Report No.24) issued by JICPA, SMBC applies “the risk adjustment approach” to hedging (Macro hedge) 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, abiding by the following requirements:

- (a) Loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole shall be recognized as the hedged portfolio.

- (b) Derivatives as the hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
- (c) Effectiveness of hedging activities shall be evaluated on a quarterly basis.

SMBC applies deferred hedge accounting.

Certain derivatives for the purpose of hedging are recorded on a cost basis using the special treatment for interest rate swaps in view of consistency with the risk management policy.

Certain consolidated subsidiaries use the deferred hedge accounting or the special treatment for interest rate swaps. A consolidated domestic subsidiary (a leasing company) partly applies the accounting methods that are permitted by 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.

**(13) Consumption tax**

National and local consumption taxes of SMBC and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.

**(14) Tax effect accounting**

On the premise that transfer to and from the reserve for losses on overseas investments will be conducted through appropriation of retained earnings (deficit) at the end of the fiscal year of SMBC and its consolidated subsidiaries, current income taxes and deferred income taxes are recorded by the amount corresponding to the consolidated interim accounting period.

**5. Scope of “cash and cash equivalents” on consolidated statements of cash flows**

For the purpose of the consolidated statements of cash flows, cash and cash equivalents represents cash and due from banks.

**II. Change of Presentation****1. Consolidated balance sheet**

In accordance with the amendment of the Consolidated Interim Financial Statement Regulations and Banking Law ordinances, the changes in financial statement presentations are as follows:

“Pledged money for securities borrowing transactions” that was formerly included in “Other assets” is separately reported as “Receivables under securities borrowing transactions,” effective April 1, 2002. Consequently, “Other assets” decreased by ¥2,186,491 million (\$17,827 million) and “Receivables under securities borrowing transactions” increased by the same amount as compared with the former manner.

“Pledged money for securities lending transactions” is reported as “Payables under securities lending transactions” from this interim term.

## 2. Consolidated statement of cash flows

In accordance with the amendment of the Consolidated Interim Financial Statement Regulations and Banking Law ordinances, changes in presentation of financial statements are as follows:

- (1) Effective from this interim term, “Net change in pledged money for securities borrowing transactions” and “Net change in pledged money for securities lending transactions” that were formerly reported on the consolidated interim statement of cash flows are reported as “Net change in receivables under securities borrowing transactions” and “Net change in payables under securities lending transactions,” respectively.
- (2) Effective from this interim term, “Proceeds from issuance of subordinated bonds, convertible bonds and notes” and “Repayment of subordinated bonds, convertible bonds and notes” that were formerly reported on the consolidated interim statement of cash flows are reported as “Proceeds from issuance of subordinated bonds, bonds with subscription rights for shares and notes” and “Repayment of subordinated bonds, bonds with subscription rights for shares and notes,” respectively.

## III. Additional Information

### 1. Accounting standards for foreign currency transactions

Formerly, SMBC applied the revised accounting standards for foreign currency transactions (“Opinion Concerning Revision of Accounting Standard for Foreign Currency Transactions” issued by the Business Accounting Deliberation Council on October 22, 1999), except for the accounting treatment stipulated in “Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No.20 “Former report”).

Effective April 1, 2002, SMBC applies the revised accounting standards for foreign currency transactions, except for the treatment which the Former report is applied in accordance with the temporary treatment regulated by “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No.25). Pursuant to the temporary treatment, “financial swap transactions” and “treatment on internal contracts and transactions among consolidated subsidiaries” were accounted for by the former method. Foreign currency differences arising from futures currency transactions are recognized on the consolidated balance sheet on a net basis.

Financial swap transactions are accounted for as follows:

- (1) Principal amounts of credits and debts are reported on the consolidated balance sheet in the net amount converted at the exchange rate prevailing at the interim term-end.
- (2) The difference between spot and forward rates is recorded as interest income or expenses on an accrual basis for the period from the spot foreign exchange settlement date to the forward foreign exchange settlement date.

Financial swap transactions are foreign exchange transactions that are contracted for the purpose of lending or borrowing funds in different currencies. These transactions consist of spot foreign

exchange either bought or sold and forward foreign exchange either bought or sold. The spot foreign exchange bought or sold is the swap transaction for borrowing or lending the principal amount. The forward foreign exchange bought or sold is the swap transaction of the principal and corresponding interest to be paid or received, the amount and due date of which are predetermined.

There is no significant impact on the consolidated interim financial statements.

### 2. Accounting standards for treasury stock and reversal of legal reserves

Effective April 1, 2002, “Parent bank stock held by subsidiaries” is included in “Treasury stock” in accordance with the application of “Accounting Standard for Treasury Stock and Reversal of Legal Reserves” (issued by Accounting Standard Board of Japan on February 21, 2002).

Pursuant to the accounting standard, the accounting treatment for deducting parent bank stock held by subsidiaries from stockholders’ equity has been changed as follows:

Amount of SMBC’s share is deducted from stockholders’ equity.

Amount of Minority stockholders’ share is deducted from minority interests. As for SMBC’s stock held by affiliates, SMBC’s share is deducted from stockholders’ equity. Consequently, “Securities” decreased by ¥826 million (\$7 million), “Stockholders’ equity” increased by ¥3,709 million (\$30 million) and “Minority interests” decreased by ¥4,536 million (\$37 million).

There is no significant impact on the consolidated interim statements of income.

Effective from this interim term, SMBC applies the revised Consolidated Interim Financial Statement Regulations and Banking Law ordinances for “Stockholders’ equity” on the consolidated interim balance sheets and the consolidated interim statement of stockholders’ equity in accordance with the amendment of the Consolidated Interim Financial Statement Regulations and Banking Law ordinances. Consequently, “Other capital surplus” that was formerly included in “Retained earnings” is reported in “Capital surplus.”

Effective from this interim term, proceeds from sale of parent bank stocks held by subsidiaries which was formerly reported separately on the consolidated interim statement of cash flows is included in “Proceeds from sale of treasury stock.” The amount of proceeds from sale of parent bank stocks held by subsidiaries is ¥4,968 million (\$41 million) for this interim term.

## IV. Notes to Consolidated Balance Sheet

1. Securities included ¥187,006 million (\$1,525 million) of stocks of nonconsolidated subsidiaries and affiliates and ¥1,691 million (\$14 million) of investments.
2. “Japanese government bonds” as a sub-account of “Securities” included ¥999 million (\$8 million) of unsecured loans of securities for which borrowers had rights to sell or pledge. “Japanese government bonds” as a sub-account of “Securities” included ¥301 million (\$2 million) of loaned securities for which borrowers have rights to pledge but no rights to sell.

As for the unsecured borrowed securities and borrowed securities secured by cash for which SMBC has rights to sell or pledge and for the securities which SMBC purchased under resale agreements, that were permitted to sell or pledge without restrictions, ¥2,190,151 million (\$17,857 million) of securities were pledged, and ¥107,709 million (\$878 million) of securities were held in hand as of the consolidated interim balance sheet date. SMBC might also pledge the borrowing loaned securities with rights to pledge but no rights to sell.

3. "Bankrupt loans" and "Non-accrual loans" were ¥249,899 million (\$2,037 million) and ¥3,116,433 million (\$25,409 million), respectively.

"Bankrupt loans" are loans on which SMBC or its consolidated subsidiaries do not currently accrue interest income because the borrowers have legally and formally declared bankruptcy as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law, issued in 1965. "Non-accrual loans" are loans on which SMBC or its consolidated subsidiaries do not currently accrue interest income, excluding Bankrupt loans and loans for which SMBC or its consolidated subsidiaries are forbearing interest payments to support the borrowers' recovery from financial difficulties.

4. "Past due loans (3 months or more)" totaled ¥109,388 million (\$892 million).

"Past due loans (3 months or more)" are loans other than Bankrupt loans and Non-accrual loans, on which the principal or interest is past due for three months or more.

5. "Restructured loans" totaled ¥2,759,599 million (\$22,500 million).

"Restructured loans" are loans other than Bankrupt loans and Non-accrual loans, for which SMBC or its consolidated subsidiaries have relaxed lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments or have made agreements in favor of borrowers such as debt forgiveness, to support the borrowers' recovery from financial difficulties.

6. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans was ¥6,235,319 million (\$50,838 million).

The amounts of loans presented in 3. to 6. above are amounts before deduction of reserve for possible loan losses.

7. Bills discounted are accounted for as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Industry Audit Committee Report No.24), issued by JICPA. SMBC and its consolidated banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, and their total face amount was ¥1,020,775 million (\$8,323 million).

8. Assets pledged as collateral as of the consolidated interim balance sheet date were as follows:

September 30, 2002	Millions of yen	Millions of U.S. dollars
Assets pledged		
Cash and due from banks and		
Deposits with banks.....	¥ 63,895	\$ 521
Trading assets .....	562,181	4,584
Securities .....	13,180,902	107,468
Loans and bills discounted .....	3,880,182	31,636
Other assets (installment account receivable, etc.) .....		
	1,316	11
Premises and equipment .....	541	4
Liabilities corresponding to assets pledged		
Deposits.....	¥ 12,187	\$ 99
Call money and bills sold .....	11,448,400	93,342
Payables under repurchase agreements.....		
	1,931,859	15,751
Trading liabilities .....	3,584,093	29,222
Borrowed money .....	87,964	717
Payables under securities lending transactions .....		
	81,254	662
Other liabilities .....	11,095	90
Acceptances and guarantees .....	41,946	342

In addition, Cash and due from banks and Deposits with banks of ¥59,335 million (\$484 million), Trading assets of ¥171 million (\$1 million), Securities of ¥1,341,402 million (\$10,937 million), Loans and bills discounted of ¥1,702,156 million (\$13,878 million) were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

Premises and equipment include surety deposits and intangible of ¥118,734 million (\$968 million), and Other assets include initial margins of futures markets of ¥13,398 million (\$109 million).

Bills rediscounted are accounted for as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Industry Audit Committee Report No.24), issued by JICPA, and the total face amount of bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought that have been pledged was ¥53,829 million (\$439 million).

9. Commitment line contracts on overdrafts and loans are agreements to lend to customers up to a prescribed amount as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥30,213,119 million (\$246,336 million), and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was ¥27,817,213 million (\$226,802 million). 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 SMBC or its consolidated subsidiaries can reject the application from customers or reduce the contract amounts in case of the change in economic conditions, SMBC or its consolidated

subsidiaries' need to secure claims, or other circumstances. In addition, SMBC or its consolidated subsidiaries request the customers to pledge collateral such as premises and securities, and take necessary measures such as reviewing the customers' financial positions during the contract period, revising contracts when need arises, and securing claims.

10. Net amount of deferred unrealized gains (losses) on hedging instruments to which hedge accounting is applied is reported as deferred profit on hedge and was included in "Other liabilities." Gross deferred unrealized losses and gross deferred unrealized gains on hedging instruments were ¥1,145,365 million (\$9,338 million) and ¥1,283,116 million (\$10,462 million), respectively.
11. SMBC revaluated its own land for business activities in accordance with the Law Concerning Land Revaluation (the Law) effective March 31, 1998 and the law concerning amendment of the Law effective March 31, 2001. The income taxes corresponding to the net unrealized gains are deferred and reported in "Liabilities" as "Deferred tax liabilities for land revaluation." The net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

Certain consolidated subsidiaries revaluated their own land for business activities in accordance with the Law. The income taxes corresponding to the net unrealized gains (losses) are deferred and reported in "Liabilities" or "Assets" as "Deferred tax liabilities for land revaluation" or "Deferred tax assets for land revaluation," respectively. The net unrealized gains (losses), net of deferred taxes, are reported as "Land revaluation excess" in "Stockholders' equity."

Date of the revaluation:

SMBC: March 31, 1998 and March 31, 2002  
 Certain consolidated subsidiaries: March 31, 1999 and March 31, 2002

Method of revaluation (provided in Article 3-3 of the Law):

SMBC: Fair values are determined by applying appropriate adjustments for land shape and timing of appraisal to the values specified in Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance) effective March 31, 1998.

Certain consolidated subsidiaries: Fair values are determined based on the values specified in Article 2-3 and 2-5 of the Enforcement Ordinance.

12. Accumulated depreciation on premises and equipment and accumulated depreciation on lease assets were ¥661,729 million (\$5,395 million) and ¥1,404,704 million (\$11,453 million), respectively.
13. The balance of subordinated debt included in "Borrowed money" was ¥911,954 million (\$7,435 million).
14. The balance of subordinated bonds included in "Bonds" was ¥1,677,150 million (\$13,674 million).

## V. Notes to Consolidated Statement of Income

1. The amount recorded under "Other income" includes gains on sales of stocks and other securities of ¥37,123 million (\$303 million), gains on disposition of premises and equipment of ¥1,666 million (\$14 million) and collection of written-off claims of ¥1,194 million (\$10 million).
2. The amount recorded under "Other expenses" includes transfer to reserve for possible loan losses of ¥173,591 million (\$1,415 million), write-off of loans of ¥122,826 million (\$1,001 million), losses on devaluation of stocks of ¥181,734 million (\$1,482 million), amortized cost of unrecognized net obligation from initial application of the new accounting standard for employee retirement benefits of ¥11,732 million (\$96 million), losses on disposition on premises and equipment of ¥12,701 million (\$104 million) and losses on disposal of software of ¥11,059 million (\$90 million).

## VI. Lease Transactions

### 1. Financing leases

A summary of assumed amounts of acquisition cost, accumulated depreciation and net book value for financing leases without transfer of ownership at September 30, 2002 was as follows:

#### (1) Lessee side

September 30, 2002	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Equipment.....	¥16,976	¥7,572	¥9,404
Other.....	158	92	65
Total.....	¥17,134	¥7,665	¥9,469

September 30, 2002	Millions of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value
Equipment.....	\$138	\$62	\$76
Other.....	2	1	1
Total.....	\$140	\$63	\$77

Future minimum lease payments excluding interests at September 30, 2002 were as follows:

September 30, 2002	Millions of	
	yen	U.S. dollars
Due within one year.....	¥2,700	\$22
Due after one year.....	6,987	57
Total.....	¥9,688	\$79

Total lease expenses for this interim term were ¥1,822 million (\$15 million).

Assumed depreciation expenses for this interim term amounted to ¥1,686 million (\$14 million).

Assumed 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 this interim term amounted to ¥115 million (\$1 million).

## (2) Lessor side

September 30, 2002	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Equipment.....	¥2,005,781	¥1,233,096	¥772,685
Other.....	296,992	159,925	137,066
Total.....	¥2,302,774	¥1,393,022	¥909,751

September 30, 2002	Millions of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value
Equipment.....	\$16,354	\$10,054	\$6,300
Other.....	2,421	1,304	1,117
Total.....	\$18,775	\$11,358	\$7,417

Future lease payment receivables excluding interests for this interim term-end were as follows:

September 30, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year.....	¥293,112	\$2,390
Due after one year.....	666,670	5,435
Total.....	¥959,783	\$7,825

Lease income for this interim term was ¥183,181 million (\$1,494 million).

Depreciation expense for this interim term amounted to ¥147,396 million (\$1,202 million).

Assumed interest income was calculated on the basis of the allocation of excess amount of total lease income and estimated residual value over the acquisition cost of leased assets.

The allocation of such assumed interest income over the lease term is computed using the effective interest method. Assumed interest income for this interim term was ¥32,846 million (\$268 million).

## 2. Operating leases

Operating leases at September 30, 2002 consisted of the following:

## (1) Lessee side

Future minimum lease payments at September 30, 2002 were as follows:

September 30, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year.....	¥ 20,231	\$ 165
Due after one year.....	116,642	951
Total.....	¥136,873	\$1,116

## (2) Lessor side

Future lease payment receivables at September 30, 2002 were as follows:

September 30, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year.....	¥298	\$2
Due after one year.....	686	6
Total.....	¥984	\$8

Future lease payment receivables of ¥115,355 million (\$941 million) included in the amounts above 1. and 2. were pledged as collateral for borrowing transactions.

## VII. Others

Amounts less than one million yen have been omitted. As a result, the totals shown in the financial statements do not necessarily agree with the sum of the individual amounts. For the convenience of the readers, all items have been translated from Japanese yen to U.S. dollars at the rate of ¥122.65 to US\$1, the exchange rate prevailing on September 30, 2002.

## VIII. Per Share Data

September 30, 2002	Yen	U.S. dollars
Stockholders' equity per share.....	¥243.56	\$1.99
Net income per share.....	9.67	0.08
Net income per share — diluted.....	7.01	0.06

1. Consolidated stockholders' equity per share is calculated by deducting from stockholders' equity the number of preferred stocks issued as of the end of the interim term multiplied by the issue price, divided by the number of common stocks issued as of the end of the interim term (excluding "treasury stock").
2. Consolidated net income per share is calculated by deducting total preferred stock dividends from net income, divided by the average number of common stocks outstanding during the interim term (excluding "treasury stock").
3. From this fiscal year, SMBC applies "Accounting Standards for Earnings per Share" (issued by Accounting Standards Board of Japan on September 25, 2002). If calculated by the former manner, stockholders' equity per share, net income per share and net income per share — diluted for this interim term would be ¥243.69 (\$1.99), ¥9.67 (\$0.08) and ¥9.39 (\$0.08), respectively.

## IX. Subsequent Events (up to December 19, 2002)

1. Establishment of a parent holding company through the transfer of shares was approved at the class shareholders' meetings held on September 26, 2002 and the extraordinary shareholders' meeting held on September 27, 2002. SMBC established Sumitomo Mitsui Financial Group, Inc. (SMFG) with capital stock of ¥1 trillion on December 2, 2002. As a result, SMBC has become SMFG's wholly owned subsidiary.
2. SMBC and SMFG have signed a contract for a corporate split under which SMFG will succeed SMBC's business control over four companies: Sumitomo Mitsui Card Company, Limited, SMBC Leasing Company, Limited, Daiwa Securities SMBC Co. Ltd. and Daiwa SB Investments Ltd. The contract was approved by the extraordinary shareholders' meeting held on December 17, 2002. The corporate split is scheduled on February 1, 2003.
3. SMFG and The Japan Research Institute Holdings, Ltd. (JRIH) signed a contract of merger on December 2, 2002.

As a result, SMFG will merge with JRIH to become the holding company of The Japan Research Institute, Limited which is currently a wholly owned subsidiary of JRIH. The merger is scheduled on February 1, 2003.



## X. Market Value Information

### 1. Market value of marketable securities

Note: In addition to "Securities" stated in the consolidated interim balance sheets, the amounts below include trading securities, certificates of deposit bought and commercial paper classified as "Trading assets," negotiable certificates of deposit bought classified as "Cash and due from banks" and commercial paper and beneficiary claims on loan trusts classified as "Commercial paper and other debt purchased."

#### (1) Securities classified as trading

September 30, 2002	Millions of yen	Millions of U.S. dollars
Consolidated balance sheet amount .....	¥781,093	\$6,368
Losses included in profit/loss during the six-month period .....	(619)	(5)

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

September 30, 2002	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Gains	Losses
Japanese government bonds .....	¥311,667	¥314,799	¥3,132	¥3,132	¥ 0
Japanese local government bonds .....	23,207	23,641	433	433	—
Japanese corporate bonds .....	—	—	—	—	—
Other .....	29,335	30,429	1,094	1,179	85
Total .....	¥364,210	¥368,870	¥4,660	¥4,745	¥85

  

September 30, 2002	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Gains	Losses
Japanese government bonds .....	\$2,541	\$2,567	\$26	\$26	\$0
Japanese local government bonds .....	190	193	3	3	—
Japanese corporate bonds .....	—	—	—	—	—
Other .....	239	248	9	10	1
Total .....	\$2,970	\$3,008	\$38	\$39	\$1

Note: Market value is calculated by using the market prices at the interim term-end.

#### (3) Other securities with market value

September 30, 2002	Millions of yen				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Stocks .....	¥ 4,710,377	¥ 3,763,121	¥(947,255)	¥106,545	¥1,053,800
Bonds .....	¥12,839,812	¥12,905,355	¥ 65,542	¥ 73,526	¥ 7,983
Japanese government bonds .....	11,503,124	11,548,379	45,255	47,735	2,480
Japanese local government bonds .....	352,653	363,173	10,520	11,003	482
Japanese corporate bonds .....	984,035	993,801	9,766	14,787	5,020
Other .....	¥ 4,053,273	¥ 4,099,937	¥ 46,664	¥ 63,680	¥ 17,015
Total .....	¥21,603,463	¥20,768,414	¥(835,048)	¥243,751	¥1,078,800

  

September 30, 2002	Millions of U.S. dollars				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Stocks .....	\$ 38,405	\$ 30,682	\$(7,723)	\$ 869	\$8,592
Bonds .....	\$104,687	\$105,221	\$ 534	\$ 599	\$ 65
Japanese government bonds .....	93,788	94,157	369	389	20
Japanese local government bonds .....	2,875	2,961	86	90	4
Japanese corporate bonds .....	8,024	8,103	79	120	41
Other .....	\$ 33,047	\$ 33,428	\$ 381	\$ 520	\$ 139
Total .....	\$176,139	\$169,331	\$(6,808)	\$1,988	\$8,796

Note: Market value is calculated as follows:

Stocks	Average market price for one month before the interim term-end
Bonds and others	Market prices at the interim term-end



## (4) Bonds sold during the six months ended September 30, 2002 that are classified as held-to-maturity

There are no corresponding items.

## (5) Other securities sold during the six months ended September 30, 2002

Six months ended September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Sales amount	Gains on sales	Losses on sales	Sales amount	Gains on sales	Losses on sales
Other securities .....	¥20,817,747	¥136,898	¥59,169	\$169,733	\$1,116	\$482

## (6) Securities with no available market value

September 30, 2002	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.....	¥ 5,763		\$ 47	
Other.....	14,332		117	
Other securities				
Nonlisted foreign securities.....	¥261,534		\$2,132	
Nonlisted bonds.....	756,068		6,164	
Nonlisted stocks (excluding OTC stocks).....	286,939		2,339	
Other.....	92,169		751	

## (7) Change of classification of securities

There are no corresponding items.

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

September 30, 2002	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds .....	¥5,005,545	¥6,446,617	¥2,219,911	¥324,226
Japanese government bonds .....	4,833,201	5,070,304	1,671,857	284,684
Japanese local government bonds .....	25,100	152,511	200,245	8,524
Japanese corporate bonds.....	147,243	1,223,802	347,809	31,017
Other .....	¥ 246,553	¥2,951,203	¥ 651,235	¥375,709
Total.....	¥5,252,098	¥9,397,821	¥2,871,146	¥699,936

  

September 30, 2002	Millions of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds .....	\$40,812	\$52,561	\$18,099	\$2,644
Japanese government bonds .....	39,406	41,340	13,631	2,321
Japanese local government bonds .....	205	1,243	1,632	70
Japanese corporate bonds.....	1,201	9,978	2,836	253
Other .....	\$ 2,010	\$24,062	\$ 5,310	\$3,063
Total.....	\$42,822	\$76,623	\$23,409	\$5,707

## 2. Money held in trust

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

September 30, 2002	Millions of yen	Millions of U.S. dollars
Consolidated interim balance sheet amount.....	¥18,309	\$149
Gains included in profit/loss during the six-month period.....	30	0

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

There are no corresponding items.

## (3) Other money held in trust

September 30, 2002	Millions of yen				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized losses	Gains	Losses
Other money held in trust .....	¥26,264	¥25,797	¥(467)	¥371	¥838

  

September 30, 2002	Millions of U.S. dollars				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized losses	Gains	Losses
Other money held in trust .....	\$214	\$210	\$(4)	\$3	\$7

Note: Consolidated interim balance sheet amount is calculated by using the market prices at the interim term-end.

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

September 30, 2002	Millions of yen	Millions of U.S. dollars
Net unrealized gains (losses).....	¥(835,429)	\$(6,811)
Other securities.....	(834,962)	(6,807)
Other money held in trust.....	(467)	(4)
(+) Deferred tax assets.....	319,645	2,606
Net unrealized gains (losses) on other securities (before following adjustment).....	¥(515,784)	\$(4,205)
(-) Minority interests.....	¥ (3,989)	\$ (32)
(+) Parent company's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method.....	(611)	(5)
Net unrealized gains (losses) on other securities.....	¥(512,407)	\$(4,178)

Note: Net unrealized gains (losses) included foreign currency translation adjustments on non-marketable securities denominated in foreign currency.

## 4. Derivative transactions

## (1) Interest rate derivatives

September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Interest rate futures.....	¥ 47,730,166	¥ 3,798	¥ 3,798	\$ 389,157	\$ 31	\$ 31
Interest rate options.....	2,716,792	120	120	22,151	1	1
Over-the-counter transactions:						
Forward rate agreements.....	¥ 23,372,432	¥ (151)	¥ (151)	\$ 190,562	\$ (1)	\$ (1)
Interest rate swaps.....	305,873,922	162,410	162,410	2,493,876	1,324	1,324
Swaptions.....	2,531,030	(8,681)	(8,681)	20,636	(71)	(71)
Caps.....	9,899,508	1,672	1,672	80,713	14	14
Floors.....	778,929	2,816	2,816	6,351	23	23
Other.....	268,511	(2,831)	(2,831)	2,189	(23)	(23)
Total.....	/	¥159,152	¥159,152	/	\$1,298	\$1,298

Note: The above transactions are valued at market value and the valuation gains (losses) are accounted for in the consolidated interim 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 amounts above, of which their net unrealized gains amount to ¥323 million (\$3 million).

## (2) Currency derivatives

September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Currency swaps.....	¥15,871,917	¥(47,872)	¥(47,872)	\$129,408	\$(390)	\$(390)
Forward foreign exchange.....	3,337,288	2,436	2,436	27,210	20	20
Currency options.....	11,416	294	294	93	2	2
Other.....	992,078	5,966	5,966	8,089	49	49
Total.....	/	¥(39,173)	¥(39,173)	/	\$(319)	\$(319)

Notes: 1. The above transactions are valued at market value and the valuation gains (losses) are accounted for in the consolidated interim statements of income.

Derivative transactions to which the hedge accounting method is applied and the transaction referred to in Note 2 below, 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 amounts above, of which their net unrealized gains amount to ¥1,467 million (\$12 million).

2. Forward foreign exchange and currency options which are of the following types are not included in the amounts above:

(a) Those that are revaluated at interim term-end and the revaluation gains (losses) are accounted for in the consolidated interim statements of income.

(b) Those that are allotted to financial assets/liabilities denominated in foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated interim balance sheets.

(c) Those that are allotted to financial assets/liabilities denominated in 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 interim balance sheet date are as follows:

September 30, 2002	Millions of yen	Millions of U.S. dollars
	Contract amount	Contract amount
Transactions listed on exchange:		
Currency futures.....	¥ —	\$ —
Currency options.....	—	—
Over-the-counter transactions:		
Forward foreign exchange.....	¥37,056,131	\$302,129
Currency options.....	4,899,909	39,950

**(3) Equity derivatives**

September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Stock price index futures .....	¥ 1,790	¥ (7)	¥ (7)	\$ 15	\$ (0)	\$ (0)
Stock price index options .....	—	—	—	—	—	—
Over-the-counter transactions:						
Equity options .....	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —
Stock price index swaps .....	12,314	585	585	100	5	5
Other .....	130,616	(1,754)	(1,754)	1,065	(15)	(15)
Total .....	/	¥(1,176)	¥(1,176)	/	\$ (10)	\$ (10)

Note: The above transactions are valued at market value and the valuation gains (losses) are accounted for in the consolidated interim statements of income.

Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.

**(4) Bond derivatives**

September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange:						
Bond futures .....	¥264,916	¥(77)	¥(77)	\$2,160	\$(1)	\$(1)
Bond futures options .....	—	—	—	—	—	—
Over-the-counter transactions:						
Bond options .....	¥ 25,635	¥ (0)	¥ (0)	\$ 209	\$(0)	\$(0)
Total .....	/	¥(78)	¥(78)	/	\$(1)	\$(1)

Note: The above transactions are valued at market value and the valuation gains (losses) are accounted for in the consolidated interim statements of income.

Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.

**(5) Commodity derivatives**

September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Commodity swaps .....	¥31,698	¥471	¥471	\$258	\$4	\$4
Commodity options .....	9,502	33	33	77	0	0
Total .....	/	¥505	¥505	/	\$4	\$4

Notes: 1. The above transactions are valued at market value and the valuation gains (losses) are accounted for in the consolidated interim statements of income.

Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.

2. Commodity derivatives are transactions on oil.

**(6) Credit derivative transactions**

September 30, 2002	Millions of yen			Millions of U.S. dollars		
	Contract amount	Market value	Valuation gains (losses)	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions:						
Credit default options .....	¥80,159	¥538	¥538	\$654	\$4	\$4
Other .....	93,644	(13)	(13)	764	(0)	(0)
Total .....	/	¥525	¥525	/	\$4	\$4

Note: The above transactions are valued at market value and the valuation gains (losses) are accounted for in the consolidated interim statements of income.

Derivative transactions to which the hedge accounting method is applied are not included in the amounts above.

## XI. Segment Information

### 1. Business segment information

Six months ended September 30, 2002	Millions of yen					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers .....	¥1,305,946	¥294,373	¥162,215	¥1,762,535	¥ —	¥1,762,535
(2) Intersegment .....	8,788	2,774	88,547	100,110	(100,110)	—
Total .....	¥1,314,735	¥297,148	¥250,762	¥1,862,646	¥(100,110)	¥1,762,535
Operating expenses .....	1,212,810	284,870	216,456	1,714,138	(101,459)	1,612,679
Operating profit .....	¥ 101,924	¥ 12,277	¥ 34,305	¥ 148,507	¥ 1,348	¥ 149,856

  

Six months ended September 30, 2002	Millions of U.S. dollars					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers .....	\$10,648	\$2,400	\$1,323	\$14,371	\$ —	\$14,371
(2) Intersegment .....	71	23	722	816	(816)	—
Total .....	\$10,719	\$2,423	\$2,045	\$15,187	\$(816)	\$14,371
Operating expenses .....	9,888	2,323	1,765	13,976	(827)	13,149
Operating profit .....	\$ 831	\$ 100	\$ 280	\$ 1,211	\$ 11	\$ 1,222

Notes: 1. The business segmentation is classified based on the Bank's internal administrative purpose.  
2. "Other" includes securities, credit card, investment banking, loans, factoring, mortgage securities, venture capital, system development and information processing.  
3. Operating income represents total income excluding gains on disposition of premises and equipment, collection of written-off claims, and other extraordinary income.  
Operating expenses represent total expenses excluding losses on disposition of premises and equipment, amortized cost of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

### 2. Geographic segment information

Geographic Segment Information

	Millions of yen						
Six months ended September 30, 2002	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers .....	¥1,525,550	¥ 93,262	¥78,696	¥65,026	¥1,762,535	¥ —	¥1,762,535
(2) Intersegment .....	31,186	22,033	14,828	17,164	85,213	(85,213)	—
Total.....	¥1,556,736	¥115,296	¥93,525	¥82,191	¥1,847,749	¥(85,213)	¥1,762,535
Operating expenses .....	1,513,742	67,790	68,621	52,553	1,702,707	(90,028)	1,612,679
Operating profit .....	¥ 42,993	¥ 47,506	¥24,903	¥29,638	¥ 145,042	¥ 4,814	¥ 149,856

  

	Millions of U.S. dollars						
Six months ended September 30, 2002	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers .....	\$12,438	\$761	\$642	\$530	\$14,371	\$ —	\$14,371
(2) Intersegment .....	254	180	121	140	695	(695)	—
Total.....	\$12,692	\$941	\$763	\$670	\$15,066	\$(695)	\$14,371
Operating expenses .....	12,342	553	560	428	13,883	(734)	13,149
Operating profit .....	\$ 350	\$388	\$203	\$242	\$ 1,183	\$ 39	\$ 1,222

Notes: 1. The geographic segmentation is classified 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, Canada and others; Europe includes the United Kingdom, Germany, France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.  
3. Operating income represents total income excluding gains on disposition of premises and equipment, collection of written-off claims, and other extraordinary income.  
Operating expenses represent total expenses excluding losses on disposition of premises and equipment, amortized cost of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

### 3. Operating income from overseas operations

Six months ended September 30, 2002	Millions of yen	Millions of U.S. dollars
Consolidated operating income from overseas operations (A) .....	¥ 236,985	\$ 1,932
Consolidated operating income (B) .....	1,762,535	14,371
(A) / (B) .....	13.4%	13.4%

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

## XII. Parent Company

### 1. Nonconsolidated interim balance sheets (unaudited)

Sumitomo Mitsui Banking Corporation

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen			Millions of U.S. dollars
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002	Sept. 30, 2002
<b>Assets</b>				
Cash and due from banks .....	¥ 1,526,004	¥ 1,667,942	¥ 1,871,121	\$ 12,442
Deposits with banks .....	1,198,244	3,937,154	3,587,308	9,770
Call loans and bills bought .....	373,917	399,742	620,406	3,049
Receivables under resale agreements .....	54,023	774,471	432,730	440
Receivables under securities borrowing transactions.....	2,186,491	—	—	17,827
Commercial paper and other debt purchased.....	111,146	78,848	146,650	906
Trading assets.....	3,025,923	2,689,363	2,705,648	24,671
Money held in trust .....	44,104	63,611	33,858	360
Securities .....	22,377,416	19,988,203	20,442,996	182,449
Loans and bills discounted .....	58,902,641	61,071,591	59,928,368	480,250
Foreign exchanges .....	908,194	631,330	779,142	7,405
Other assets .....	2,077,687	3,197,681	5,344,106	16,940
Premises and equipment.....	855,921	820,719	890,981	6,979
Deferred tax assets .....	1,859,314	1,589,941	1,741,114	15,159
Customers' liabilities for acceptances and guarantees.....	5,272,481	5,440,396	5,529,996	42,988
Reserve for possible loan losses .....	(1,872,641)	(1,008,891)	(1,971,849)	(15,268)
<b>Total assets</b> .....	<b>¥98,900,873</b>	<b>¥101,342,107</b>	<b>¥102,082,581</b>	<b>\$806,367</b>
<b>Liabilities and stockholders' equity</b>				
<b>Liabilities</b>				
Deposits .....	¥62,167,751	¥ 67,763,782	¥ 67,629,353	\$506,871
Call money and bills sold .....	12,708,178	8,497,133	10,752,791	103,613
Payables under repurchase agreements .....	1,914,605	1,459,293	1,100,446	15,610
Payables under securities lending transactions .....	3,820,124	—	—	31,147
Commercial paper .....	500	1,082,000	1,001,000	4
Trading liabilities .....	2,186,161	1,704,180	1,797,086	17,825
Borrowed money .....	3,006,739	3,555,666	3,406,286	24,515
Foreign exchanges .....	439,707	246,872	300,162	3,585
Bonds .....	2,472,142	1,865,205	2,133,754	20,156
Convertible bonds .....	—	1,106	1,106	—
Other liabilities .....	1,684,911	5,796,331	4,962,176	13,738
Reserve for employee bonuses .....	11,119	12,790	11,342	91
Reserve for employee retirement benefits .....	114,308	152,131	116,854	932
Reserve for possible losses on loans sold .....	41,360	119,143	80,576	337
Other reserves.....	18	18	18	0
Deferred tax liabilities for land revaluation .....	61,815	131,412	63,137	504
Acceptances and guarantees .....	5,272,481	5,440,396	5,529,996	42,988
<b>Total liabilities</b> .....	<b>¥95,901,925</b>	<b>¥ 97,827,465</b>	<b>¥ 98,886,088</b>	<b>\$781,916</b>
<b>Stockholders' equity</b>				
Preferred stock.....	¥ 650,500	¥ 650,500	¥ 650,500	\$ 5,304
Common stock .....	676,246	676,246	676,246	5,513
Capital surplus .....	1,684,373	1,684,361	1,326,758	13,733
Earned surplus reserve .....	—	241,421	—	—
Retained earnings .....	392,874	478,958	740,874	3,203
Land revaluation excess.....	98,245	208,857	100,346	801
Net unrealized losses on other securities .....	(502,705)	(425,669)	(297,950)	(4,098)
Treasury stock .....	(586)	(33)	(283)	(5)
<b>Total stockholders' equity</b> .....	<b>¥ 2,998,947</b>	<b>¥ 3,514,642</b>	<b>¥ 3,196,492</b>	<b>\$ 24,451</b>
<b>Total liabilities and stockholders' equity</b> .....	<b>¥98,900,873</b>	<b>¥101,342,107</b>	<b>¥102,082,581</b>	<b>\$806,367</b>

## 2. Nonconsolidated interim statements of income (unaudited)

Sumitomo Mitsui Banking Corporation

Six months ended September 30, 2002 and 2001, and year ended March 31, 2002

	Millions of yen			Millions of U.S. dollars
	Six months ended Sept. 30, 2002	Six months ended Sept. 30, 2001	Year ended Mar. 31, 2002	Six months ended Sept. 30, 2002
<b>Income</b>				
Interest income: .....	¥ 860,493	¥1,061,396	¥2,192,961	\$ 7,016
Interest on loans and discounts .....	557,722	654,099	1,261,307	4,547
Interest and dividends on securities .....	127,624	224,002	504,732	1,041
Fees and commissions .....	130,980	113,779	239,645	1,068
Trading profits .....	104,126	70,906	121,414	849
Other operating income .....	102,559	56,889	150,886	836
Other income .....	44,531	34,488	113,281	363
<b>Total income</b> .....	<b>¥1,242,691</b>	<b>¥1,337,459</b>	<b>¥2,818,189</b>	<b>\$10,132</b>
<b>Expenses</b>				
Interest expenses: .....	¥ 224,401	¥ 386,960	¥ 716,677	\$ 1,830
Interest on deposits .....	85,019	198,509	337,679	693
Fees and commissions .....	45,196	40,494	74,373	368
Trading losses .....	718	—	125	6
Other operating expenses .....	30,017	26,379	60,445	245
General and administrative expenses .....	332,302	348,545	696,775	2,709
Transfer to reserve for possible loan losses .....	161,398	129,325	1,158,947	1,316
Other expenses .....	387,698	294,697	647,482	3,161
<b>Total expenses</b> .....	<b>¥1,181,733</b>	<b>¥1,226,403</b>	<b>¥3,354,826</b>	<b>\$ 9,635</b>
<b>Income (loss) before income taxes</b> .....	<b>¥ 60,958</b>	<b>¥ 111,055</b>	<b>¥ (536,637)</b>	<b>\$ 497</b>
Income taxes:				
Current .....	¥ 6,787	¥ 9,762	¥ 32,737	\$ 55
Deferred .....	9,308	21,499	(246,522)	76
<b>Net income (loss)</b> .....	<b>¥ 44,862</b>	<b>¥ 79,794</b>	<b>¥ (322,852)</b>	<b>\$ 366</b>



# Income Analysis (Consolidated)

## Operating Income, Classified by Domestic and Overseas Operations

Six months ended September 30, 2002 and 2001

	Millions of yen							
	Sept. 30, 2002				Sept. 30, 2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income .....	¥759,681	¥207,905	¥(12,730)	¥954,856	¥875,607	¥307,252	¥(115,116)	¥1,067,744
Interest expenses .....	124,957	113,942	(18,012)	220,887	200,730	233,626	(41,481)	392,874
Net interest income .....	634,723	93,963	5,281	733,969	674,877	73,626	(73,634)	674,869
Fees and commissions (income) .....	¥189,344	¥ 15,337	¥ (63)	¥204,619	¥175,362	¥ 14,726	¥ (152)	¥ 189,936
Fees and commissions (expenses) .....	40,388	1,882	(75)	42,195	34,233	2,319	(163)	36,388
Net fees and commissions .....	148,956	13,455	11	162,423	141,128	12,406	11	153,547
Trading profits .....	¥ 99,544	¥ 15,274	¥ (4,285)	¥110,534	¥ 49,701	¥ 25,098	¥ (1,142)	¥ 73,656
Trading losses .....	3,660	1,342	(4,285)	718	—	1,142	(1,142)	—
Net trading income .....	95,883	13,932	—	109,816	49,701	23,955	—	73,656
Other operating income .....	¥426,221	¥ 18,200	¥ (326)	¥444,096	¥385,993	¥ 8,701	¥ (496)	¥ 394,199
Other operating expenses .....	324,732	9,205	(50)	333,888	297,883	23,537	(6)	321,415
Net other operating income .....	101,489	8,995	(275)	110,208	88,109	(14,835)	(490)	72,784

Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries.

Overseas operations comprise the operations of the Bank's overseas branches and its overseas consolidated subsidiaries.

2. Income and expenses for money held in trust are included in "other operating income" and "other operating expenses." Fund-raising expenses are net of expenses (first half of fiscal 2002, ¥24 million; first half of fiscal 2001, ¥138 million) related to the management of money held in trust.

3. Intersegment transactions, that is, transactions between domestic and overseas operations are reported in the elimination column.

## Average Balance, Interest, and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Six months ended September 30, 2002 and 2001

### Domestic Operations

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	¥86,073,041	¥759,681	1.77%	¥86,942,219	¥875,607	2.01%
Loans and bills discounted .....	57,928,839	550,815	1.90	57,901,248	597,439	2.06
Securities .....	22,558,111	118,723	1.05	23,461,124	184,692	1.57
Call loans and bills bought .....	744,673	1,295	0.35	436,252	1,461	0.67
Receivables under resale agreements .....	203,451	2	0.00	1,960,838	1,265	0.13
Receivables under securities borrowing transactions .....	1,251,579	92	0.01	/	/	/
Deposits with banks .....	1,190,038	11,074	1.86	2,200,640	42,139	3.83
Interest-bearing liabilities .....	¥88,812,347	¥124,957	0.28%	¥84,780,569	¥200,730	0.47%
Deposits .....	58,582,876	36,447	0.12	53,377,936	77,160	0.29
Negotiable certificates of deposit .....	5,973,833	1,335	0.04	11,544,384	4,247	0.07
Call money and bills sold .....	11,390,362	773	0.01	8,909,595	2,711	0.06
Payables under repurchase agreements .....	444,662	14	0.01	3,524,376	787	0.04
Payables under securities lending transactions .....	4,551,555	13,239	0.58	/	/	/
Commercial paper .....	354,590	229	0.13	1,137,368	870	0.15
Borrowed money .....	3,604,263	41,622	2.31	4,160,465	50,808	2.44
Bonds .....	2,423,510	18,644	1.54	1,856,211	15,253	1.64

Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries.

2. In principle, average balances are computed by using daily balances. However, some domestic consolidated subsidiaries use weekly, monthly or semiannual balances instead.

3. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2002, ¥769,304 million; first half of fiscal 2001, ¥735,953 million).

4. Income and expenses resulting from money held in trust are included in "other income" and "other expenses." Therefore, interest-earning assets are shown after deduction of the average balance of money held in trust (first half of fiscal 2002, ¥41,752 million; first half of fiscal 2001, ¥73,929 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2002, ¥41,752 million; first half of fiscal 2001, ¥73,929 million) and corresponding interest (first half of fiscal 2002, ¥23 million; first half of fiscal 2001, ¥136 million).

## Overseas Operations

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥10,067,312	¥207,905	4.13%	¥12,304,517	¥307,252	4.99%
Loans and bills discounted.....	6,423,396	107,110	3.34	7,490,070	175,219	4.68
Securities .....	1,576,626	16,085	2.04	1,528,393	36,674	4.80
Call loans and bills bought .....	125,557	1,210	1.93	101,652	1,560	3.07
Receivables under resale agreements .....	132,242	659	1.00	193,075	3,901	4.04
Receivables under securities borrowing transactions.....	—	—	—	/	/	/
Deposits with banks .....	1,325,772	17,570	2.65	2,539,739	60,593	4.77
Interest-bearing liabilities .....	¥ 6,928,454	¥113,942	3.29%	¥10,341,648	¥233,626	4.52%
Deposits .....	4,149,786	47,487	2.29	7,664,839	116,360	3.04
Negotiable certificates of deposit .....	240,670	3,345	2.78	206,091	5,312	5.16
Call money and bills sold .....	187,853	1,548	1.65	209,632	3,373	3.22
Payables under repurchase agreements ...	964,061	8,918	1.85	588,539	13,550	4.60
Payables under securities lending transactions.....	—	—	—	/	/	/
Commercial paper.....	—	—	—	10,573	281	5.32
Borrowed money.....	216,658	2,977	2.75	196,464	4,252	4.33
Bonds.....	1,161,175	20,280	3.49	1,379,770	46,882	6.80

Notes: 1. Overseas operations comprise the operations of the Bank's overseas branches and its overseas consolidated subsidiaries.

2. In principle, average balances are computed by using daily balances. However, some overseas consolidated subsidiaries use weekly, monthly or semiannual balances instead.

3. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2002, ¥20,265 million; first half of fiscal 2001, ¥19,768 million).

4. Income and expenses resulting from money held in trust are included in "other income" and "other expenses." Therefore, interest-earning assets are shown after deduction of the average balance of money held in trust (first half of fiscal 2002, ¥137 million; first half of fiscal 2001, ¥133 million).

Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2002, ¥137 million; first half of fiscal 2001, ¥133 million) and corresponding interest (first half of fiscal 2002, ¥1 million; first half of fiscal 2001, ¥2 million).

## Total of Domestic and Overseas Operations

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥95,057,193	¥954,856	2.01%	¥97,986,517	¥1,067,744	2.18%
Loans and bills discounted.....	63,291,297	639,943	2.02	64,147,246	731,458	2.28
Securities .....	24,134,339	140,090	1.16	24,985,786	147,883	1.18
Call loans and bills bought .....	870,231	2,505	0.58	534,804	2,960	1.11
Receivables under resale agreements .....	335,694	662	0.39	2,153,914	5,166	0.48
Receivables under securities borrowing transactions.....	1,251,579	92	0.01	/	/	/
Deposits with banks .....	2,494,241	28,616	2.29	4,731,256	102,632	4.34
Interest-bearing liabilities .....	¥94,657,154	¥220,887	0.47%	¥93,861,058	¥ 392,874	0.84%
Deposits .....	62,710,606	83,905	0.27	61,032,712	193,420	0.63
Negotiable certificates of deposit .....	6,214,504	4,680	0.15	11,750,476	9,559	0.16
Call money and bills sold .....	11,578,216	2,322	0.04	9,116,188	6,024	0.13
Payables under repurchase agreements ...	1,408,724	8,932	1.27	4,112,915	14,337	0.70
Payables under securities lending transactions.....	4,551,555	13,239	0.58	/	/	/
Commercial paper.....	354,590	229	0.13	1,147,941	1,151	0.20
Borrowed money.....	2,759,983	26,628	1.93	3,112,798	13,861	0.89
Bonds.....	3,584,287	38,912	2.17	3,232,249	62,016	3.84

Notes: 1. The above figures comprise totals for domestic and overseas operations after intersegment eliminations.

2. In principle, average balances are computed by using daily balances. However, some consolidated subsidiaries use weekly, monthly or semiannual balances instead.

3. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2002, ¥789,083 million; first half of fiscal 2001, ¥754,782 million).

4. Income and expenses resulting from money held in trust are included in "other income" and "other expenses." Therefore, interest-earning assets are shown after deduction of the average balance of money held in trust (first half of fiscal 2002, ¥41,889 million; first half of fiscal 2001, ¥74,063 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2002, ¥41,889 million; first half of fiscal 2001, ¥74,063 million) and corresponding interest (first half of fiscal 2002, ¥24 million; first half of fiscal 2001, ¥138 million).

## Fees and Commissions

Six months ended September 30, 2002 and 2001

	Millions of yen							
	Sept. 30, 2002				Sept. 30, 2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions (income) .....	¥189,344	¥15,337	¥(63)	¥204,619	¥175,362	¥14,726	¥(152)	¥189,936
Deposits and loans .....	7,406	8,916	—	16,323	6,855	7,667	—	14,522
Remittances and transfers .....	52,657	2,958	(0)	55,614	49,183	2,594	(0)	51,778
Securities-related business .....	13,321	1	—	13,323	10,857	27	—	10,885
Agency .....	7,652	—	—	7,652	8,159	194	—	8,354
Safe deposits .....	2,226	3	—	2,229	4,610	3	—	4,613
Guarantees .....	13,982	1,021	(62)	14,940	12,240	869	(151)	12,958
Credit card .....	42,509	—	—	42,509	42,241	—	—	42,241
Fees and commissions (expenses) .....	¥ 40,388	¥ 1,882	¥(75)	¥ 42,195	¥ 34,233	¥ 2,319	¥(163)	¥ 36,388
Remittances and transfers .....	10,231	595	—	10,827	9,372	824	(0)	10,197

Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries.

Overseas operations comprise the operations of the Bank's overseas branches and its overseas consolidated subsidiaries.

2. Intersegment transactions, that is, transactions between domestic and overseas operations are reported in the elimination column.

## Trading Income

Six months ended September 30, 2002 and 2001

	Millions of yen							
	Sept. 30, 2002				Sept. 30, 2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading profits .....	¥99,544	¥15,274	¥(4,285)	¥110,534	¥49,701	¥25,098	¥(1,142)	¥73,656
Gains on trading securities .....	1,686	1,786	—	3,473	1,514	2,437	—	3,951
Gains on securities related to trading transactions...	—	—	—	—	6	—	—	6
Gains on trading-related financial derivatives .....	97,783	13,488	(4,285)	106,986	47,965	22,661	(1,142)	69,484
Others .....	74	—	—	74	214	—	—	214
Trading losses .....	¥ 3,660	¥ 1,342	¥(4,285)	¥ 718	¥ —	¥ 1,142	¥(1,142)	¥ —
Losses on trading securities .....	—	—	—	—	—	—	—	—
Losses on securities related to trading transactions...	718	—	—	718	—	—	—	—
Losses on trading-related financial derivatives .....	2,942	1,342	(4,285)	—	—	1,142	(1,142)	—
Others .....	—	—	—	—	—	—	—	—

Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries.

Overseas operations comprise the operations of the Bank's overseas branches and its overseas consolidated subsidiaries.

2. Intersegment transactions, that is, transactions between domestic and overseas operations are reported in the elimination column.

# Income Analysis (Nonconsolidated)

## Gross Banking Profit, Classified by Domestic and International Operations

Six months ended September 30, 2002 and 2001

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	¥558,860	¥301,741	¥860,493 [108]	¥604,615	¥457,235	¥1,061,396 [455]
Interest expenses .....	41,355	183,129	224,376 [108]	67,431	319,845	386,821 [455]
Net interest income .....	517,505	118,611	636,117	537,184	137,389	674,574
Fees and commissions (income) .....	¥102,705	¥ 28,274	¥130,980	¥ 87,768	¥ 26,010	¥ 113,779
Fees and commissions (expenses) .....	39,386	5,810	45,196	34,991	5,503	40,494
Net fees and commissions .....	63,319	22,464	85,784	52,777	20,507	73,284
Trading profits .....	¥ 751	¥103,374	¥104,126	¥ 1,124	¥ 69,781	¥ 70,906
Trading losses .....	—	718	718	—	—	—
Net trading income .....	751	102,656	103,408	1,124	69,781	70,906
Other operating income .....	¥ 51,121	¥ 51,438	¥102,559	¥ 34,314	¥ 22,574	¥ 56,889
Other operating expenses .....	12,397	17,619	30,017	9,420	16,959	26,379
Net other operating income .....	38,723	33,818	72,542	24,893	5,615	30,509
Gross banking profit .....	¥620,300	¥277,552	¥897,852	¥615,980	¥233,294	¥ 849,274

- Notes: 1. Domestic operations include yen-denominated transactions by domestic branches, while international operations include foreign currency-denominated transactions by domestic branches and operations by overseas branches.  
Yen-denominated nonresident transactions and Japan offshore banking accounts are included in international operations.
2. Interest expenses are shown after deduction of amounts equivalent to interest expenses on money held in trust (first half of fiscal 2002, ¥24 million; first half of fiscal 2001, ¥138 million).
3. Figures in brackets [ ] indicate interest payments between domestic and international operations.  
As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.

## Average Balance, Interest, and Earning Yields of Interest-Earning Assets and Interest-Bearing Liabilities

Six months ended September 30, 2002 and 2001

### Domestic Operations

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	¥76,114,754 [324,951]	¥558,860 [108]	1.46%	¥77,863,569 [695,255]	¥604,615 [455]	1.54%
Loans and bills discounted .....	53,677,862	465,319	1.72	53,552,733	504,931	1.88
Securities .....	19,976,533	70,191	0.70	21,343,691	91,982	0.85
Call loans .....	442,730	259	0.11	188,802	72	0.07
Receivables under resale agreements .....	169,595	1	0.00	1,919,219	852	0.08
Receivables under securities borrowing transactions .....	1,251,579	92	0.01	/	/	/
Bills bought .....	161,017	4	0.00	147,755	23	0.03
Deposits with banks .....	105,704	124	0.23	11,934	0	0.00
Interest-bearing liabilities .....	¥75,371,720	¥ 41,355	0.10%	¥74,222,004	¥ 67,431	0.18%
Deposits .....	51,087,552	11,903	0.04	46,267,967	25,777	0.11
Negotiable certificates of deposit .....	5,976,979	1,324	0.04	11,565,235	4,224	0.07
Call money .....	3,408,409	285	0.01	3,833,394	883	0.04
Payables under repurchase agreements ...	484,189	15	0.00	3,539,204	789	0.04
Payables under securities lending transactions .....	3,317,396	196	0.01	/	/	/
Bills sold .....	7,955,842	95	0.00	5,062,289	817	0.03
Commercial paper .....	186,459	81	0.08	1,023,883	807	0.15
Borrowed money .....	1,045,032	15,313	2.92	1,226,209	17,037	2.77
Bonds .....	1,902,836	11,841	1.24	1,682,123	14,227	1.68

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2002, ¥697,676 million; first half of fiscal 2001, ¥698,108 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2002, ¥41,728 million; first half of fiscal 2001, ¥70,500 million) and corresponding interest (first half of fiscal 2002, ¥22 million; first half of fiscal 2001, ¥64 million).
2. Figures in brackets [ ] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.  
As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. Bond interest includes amortization of discount on bonds.

## International Operations

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥14,757,595	¥301,741	4.07%	¥15,945,694	¥457,235	5.71%
Loans and bills discounted.....	5,801,435	90,532	3.11	6,806,070	146,532	4.29
Securities .....	3,880,391	57,433	2.95	3,130,072	132,020	8.41
Call loans .....	168,053	1,607	1.90	123,719	2,539	4.09
Receivables under resale agreements .....	58,027	269	0.92	53,073	509	1.91
Receivables under securities borrowing transactions.....	—	—	—	/	/	/
Bills bought .....	—	—	—	—	—	—
Deposits with banks .....	2,432,384	28,394	2.32	4,669,630	102,294	4.37
Interest-bearing liabilities .....	¥14,479,204	¥183,129	2.52%	¥15,111,431	¥319,845	4.22%
	[324,951]	[108]		[695,255]	[455]	
Deposits .....	7,615,196	69,119	1.81	10,763,841	165,000	3.05
Negotiable certificates of deposit .....	155,930	2,672	3.41	151,366	3,507	4.62
Call money .....	229,642	1,944	1.68	253,213	4,322	3.40
Payables under repurchase agreements ...	880,102	7,838	1.77	432,703	7,050	3.24
Payables under securities lending transactions.....	1,226,778	13,042	2.12	/	/	/
Bills sold.....	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money.....	2,151,872	40,636	3.76	2,483,763	52,635	4.22
Bonds .....	408,847	7,909	3.85	—	—	—

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2002, ¥25,412 million; first half of fiscal 2001, ¥26,839 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2002, ¥160 million; first half of fiscal 2001, ¥3,538 million) and corresponding interest (first half of fiscal 2002, ¥2 million; first half of fiscal 2001, ¥74 million).
2. Figures in brackets [ ] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.
- As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. The average balance of foreign currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method, under which the TT middle rate at the end of the previous month is applied to nonexchange transactions of the month concerned.

## Total of Domestic and International Operations

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥90,547,397	¥860,493	1.89%	¥93,114,008	¥1,061,396	2.27%
Loans and bills discounted.....	59,479,298	555,851	1.86	60,358,803	651,463	2.15
Securities .....	23,856,924	127,624	1.06	24,473,764	224,002	1.82
Call loans .....	610,783	1,866	0.60	312,521	2,612	1.66
Receivables under resale agreements .....	227,623	271	0.23	1,972,292	1,361	0.13
Receivables under securities borrowing transactions.....	1,251,579	92	0.01	/	/	/
Bills bought .....	161,017	4	0.00	147,755	23	0.03
Deposits with banks .....	2,538,088	28,518	2.24	4,681,564	102,295	4.36
Interest-bearing liabilities .....	¥89,525,974	¥224,376	0.49%	¥88,638,180	¥ 386,821	0.87%
Deposits .....	58,702,749	81,023	0.27	57,031,809	190,777	0.66
Negotiable certificates of deposit .....	6,132,909	3,996	0.12	11,716,602	7,731	0.13
Call money .....	3,638,051	2,229	0.12	4,086,608	5,205	0.25
Payables under repurchase agreements ...	1,364,291	7,854	1.14	3,971,908	7,839	0.39
Payables under securities lending transactions.....	4,544,175	13,239	0.58	/	/	/
Bills sold.....	7,955,842	95	0.00	5,062,289	817	0.03
Commercial paper.....	186,459	81	0.08	1,023,883	807	0.15
Borrowed money.....	3,196,905	55,949	3.49	3,709,973	69,673	3.74
Bonds .....	2,311,683	19,751	1.70	1,682,123	14,227	1.68

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2002, ¥723,089 million; first half of fiscal 2001, ¥724,947 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2002, ¥41,888 million; first half of fiscal 2001, ¥74,039 million) and corresponding interest (first half of fiscal 2002, ¥24 million; first half of fiscal 2001, ¥138 million).
2. Figures in the table above indicate the net average balances of amounts adjusted for interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.
3. Bond interest includes amortization of discount on bonds.

## Fees and Commissions

Six months ended September 30, 2002 and 2001

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income) .....	<b>¥102,705</b>	<b>¥28,274</b>	<b>¥130,980</b>	¥87,768	¥26,010	¥113,779
Deposits and loans .....	<b>5,401</b>	<b>10,208</b>	<b>15,610</b>	5,121	7,977	13,099
Remittances and transfers .....	<b>42,615</b>	<b>10,514</b>	<b>53,129</b>	39,353	9,861	49,215
Securities-related business .....	<b>8,555</b>	<b>523</b>	<b>9,078</b>	4,886	489	5,376
Agency .....	<b>6,349</b>	—	<b>6,349</b>	6,980	—	6,980
Safe deposits .....	<b>1,827</b>	—	<b>1,827</b>	4,319	—	4,319
Guarantees .....	<b>2,966</b>	<b>2,042</b>	<b>5,008</b>	1,789	1,921	3,710
Fees and commissions (expenses) .....	<b>¥ 39,386</b>	<b>¥ 5,810</b>	<b>¥ 45,196</b>	¥34,991	¥ 5,503	¥ 40,494
Remittances and transfers .....	<b>8,049</b>	<b>2,459</b>	<b>10,508</b>	7,369	2,682	10,051

## Trading Income

Six months ended September 30, 2002 and 2001

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits .....	<b>¥751</b>	<b>¥103,374</b>	<b>¥104,126</b>	¥1,124	¥69,781	¥70,906
Gains on trading securities .....	<b>430</b>	—	<b>430</b>	675	—	675
Gains on securities related to trading transactions .....	—	—	—	—	6	6
Gains on trading-related financial derivatives .....	—	<b>103,374</b>	<b>103,374</b>	—	69,775	69,775
Others .....	<b>320</b>	—	<b>320</b>	449	—	449
Trading losses .....	<b>¥ —</b>	<b>¥ 718</b>	<b>¥ 718</b>	¥ —	¥ —	¥ —
Losses on trading securities .....	—	—	—	—	—	—
Losses on securities related to trading transactions .....	—	<b>718</b>	<b>718</b>	—	—	—
Losses on trading-related financial derivatives .....	—	—	—	—	—	—
Others .....	—	—	—	—	—	—

Note: Figures represent net gains (losses) after offsetting income against expenses.

## Net Other Operating Income

Six months ended September 30, 2002 and 2001

	Millions of yen					
	Sept. 30, 2002			Sept. 30, 2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income .....	<b>¥38,723</b>	<b>¥33,818</b>	<b>¥72,542</b>	¥24,893	¥5,615	¥30,509
Gains (losses) on bonds .....	<b>38,831</b>	<b>37,560</b>	<b>76,391</b>	26,035	4,096	30,132
Gains on trading-related financial derivatives .....	—	<b>4,387</b>	<b>4,387</b>	5	9,254	9,259
Gains (losses) on foreign exchange transactions .....	—	<b>(8,078)</b>	<b>(8,078)</b>	—	(7,692)	(7,692)



# Loans

## Loan Portfolio, Classified by Industry

### Consolidated

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen		
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Domestic operations:			
Manufacturing .....	¥ 7,039,120	¥ 7,525,605	¥ 7,847,614
Agriculture, forestry, fisheries and mining .....	181,574	193,636	204,176
Construction .....	3,066,373	3,175,263	3,148,042
Transportation, communications and other public enterprises .....	2,801,158	2,907,914	2,948,100
Wholesale and retail .....	7,015,624	7,704,957	7,672,699
Finance and insurance .....	4,135,129	3,630,055	4,257,910
Real estate .....	9,216,236	9,403,556	9,401,219
Services .....	6,581,068	7,125,748	6,985,944
Municipalities .....	541,783	317,667	404,860
Others .....	16,857,927	16,735,535	14,904,395
Subtotal .....	¥57,435,996	¥58,719,941	¥57,774,965
Overseas operations:			
Public sector .....	¥ 222,066	¥ 234,226	¥ 183,344
Financial institutions .....	279,391	316,499	355,561
Commerce and industry .....	4,478,915	5,219,642	5,119,312
Others .....	136,907	237,299	212,401
Subtotal .....	¥ 5,117,281	¥ 6,007,667	¥ 5,870,621
Total .....	¥62,553,278	¥64,727,609	¥63,645,586

Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries.

2. Overseas operations comprise the operations of the Bank's overseas branches and its overseas consolidated subsidiaries.

3. Japan offshore banking accounts are included in overseas operations' accounts.

### Nonconsolidated

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen		
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Domestic offices:			
Manufacturing .....	¥ 6,698,708	¥ 7,157,942	¥ 7,493,045
Agriculture, forestry, fisheries and mining .....	165,245	172,526	183,675
Construction .....	2,771,688	2,841,548	2,841,574
Transportation, communications and other public enterprises .....	2,688,432	2,806,753	2,838,889
Wholesale and retail .....	6,519,455	7,151,844	7,161,690
Finance and insurance .....	5,071,776	4,370,465	5,244,899
Real estate .....	8,343,105	8,839,667	8,549,534
Services .....	5,983,621	6,446,636	6,364,140
Municipalities .....	474,946	250,236	337,514
Others .....	15,464,288	15,339,938	13,474,520
Subtotal .....	¥54,181,272	¥55,377,565	¥54,489,488
Overseas offices:			
Public sector .....	¥ 221,313	¥ 233,302	¥ 182,437
Financial institutions .....	292,175	332,935	372,246
Commerce and industry .....	4,086,566	4,906,847	4,689,758
Others .....	121,313	220,941	194,437
Subtotal .....	¥ 4,721,368	¥ 5,694,026	¥ 5,438,880
Total .....	¥58,902,641	¥61,071,591	¥59,928,368

Note: Japan offshore banking accounts are included in overseas offices' accounts.

## Loans to Individuals/Small and Medium-Sized Corporations (Nonconsolidated)

September 30, 2002 and 2001, and March 31, 2002

	Millions of yen		
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Loans to individuals, and small and medium-sized corporations .....	¥36,448,312	¥38,426,978	¥38,780,331
Ratio to total loans .....	67.3%	69.4%	71.2%

Notes: 1. The figures above exclude outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized corporations are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

## Consumer Loans Outstanding (Nonconsolidated)

September 30, 2002 and 2001, and March 31, 2002

		Millions of yen	
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Consumer loans .....	<b>¥13,347,036</b>	¥13,441,608	¥13,472,598
Housing loans .....	<b>11,925,394</b>	11,842,662	11,949,427
Residential purpose .....	<b>7,906,801</b>	7,612,030	7,820,305
Others .....	<b>1,421,642</b>	1,598,946	1,523,171

Note: Housing loans include general-purpose loans used for housing purposes, such as housing loans and apartment house acquisition loans.

## Risk-Monitored Loans

### Consolidated

September 30, 2002 and 2001, and March 31, 2002

		Millions of yen	
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Bankrupt loans .....	<b>¥ 249,899</b>	¥ 248,680	¥ 227,484
Non-accrual loans .....	<b>3,116,433</b>	2,294,807	3,599,750
Past due loans (3 months or more) .....	<b>109,388</b>	124,521	102,762
Restructured loans .....	<b>2,759,599</b>	1,114,939	2,554,371
Total .....	<b>¥6,235,319</b>	¥3,782,947	¥6,484,367

### Nonconsolidated

September 30, 2002 and 2001, and March 31, 2002

		Millions of yen	
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Bankrupt loans .....	<b>¥ 217,883</b>	¥ 217,079	¥ 195,653
Non-accrual loans .....	<b>2,766,157</b>	1,945,507	3,184,459
Past due loans (3 months or more) .....	<b>95,504</b>	105,760	92,324
Restructured loans .....	<b>2,551,359</b>	1,001,475	2,344,016
Total .....	<b>¥5,630,903</b>	¥3,269,821	¥5,816,452

#### Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings; or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment, to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

## Problem Assets Based on the Financial Reconstruction Law (Nonconsolidated)

September 30, 2002 and 2001, and March 31, 2002

		Billions of yen	
	Sept. 30, 2002	Sept. 30, 2001	Mar. 31, 2002
Bankrupt and quasi-bankrupt assets .....	<b>¥ 514.8</b>	¥ 574.0	¥ 493.5
Doubtful assets .....	<b>2,541.4</b>	1,645.7	2,970.2
Substandard loans .....	<b>2,646.9</b>	1,107.2	2,436.3
Total of problem assets .....	<b>5,703.1</b>	3,326.9	5,900.0
Normal assets .....	<b>59,534.5</b>	64,039.9	60,558.9
Total .....	<b>¥65,237.6</b>	¥67,366.8	¥66,458.9

#### Notes: Definition of problem asset categories

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law No. 132 of 1998) and classified into the 4 categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include loans and bills discounted, foreign exchanges, accrued interest, and advance payment in "other assets," customers' liabilities for acceptance and guarantees, and securities lent under the loan for consumption or leasing agreements.

1. Bankrupt and quasi-bankrupt assets: Credits to borrowers undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings, as well as claims of a similar nature
2. Doubtful assets: Credits for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower
3. Substandard loans: Past due loans (3 months or more) and restructured loans, excluding 1. and 2.
4. Normal assets: Credits to borrowers with good business performance and in financial standing without identified problems and not classified into the three categories above