

Notes to Consolidated Financial Statements

Sumitomo Mitsui Banking Corporation and Subsidiaries
Year ended March 31, 2002

1. Basis of Financial Statements

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

The Bank and its consolidated domestic subsidiaries maintain their official accounting records in Japanese yen and in accordance with the provisions set forth in the Japanese Commercial Code and accounting principles and practices generally accepted in Japan ("Japanese GAAP").

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

Certain accounting principles and practices generally accepted in Japan are different from International Accounting Standards and standards in other countries in certain respects as to application and disclosure requirements. Accordingly, the accompanying financial statements are intended for use by those who are informed about Japanese accounting principles and practices.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of consolidated statements of stockholders' equity) from the consolidated financial statements of the Bank prepared in accordance with Japanese GAAP.

Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation is not presented in the accompanying consolidated financial statements.

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

For the convenience of the readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥133.25 to US\$1, the exchange rate prevailing at March 31, 2002. The translations should not be construed as a representation that Japanese yen have been or could have been converted into U.S. dollars at that rate.

2. Significant Accounting Policies

(1) Consolidation

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

Japanese accounting standards on consolidated financial statements require a company to consolidate any subsidiaries of which the company substantially controls the operations, even if it is not a majority owned subsidiary. Control is defined as the power to govern the decision making body of an enterprise.

The consolidated financial statements include the accounts of consolidated subsidiaries, of which the fiscal year ends on or after December 31. In case that these subsidiaries have a significant transaction during the period from their fiscal year-end to March 31, the Bank makes certain adjustments to the consolidated financial statements to be comprehensive.

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

Goodwill on Sumitomo Mitsui Card Company, Limited, is amortized using the straight-line method over five years. Goodwill on the other entities is charged or credited to income directly.

Japanese accounting standards also require any non-consolidated subsidiaries and affiliates on which the Bank is able to exercise material influence over their financial and operating policies are to be accounted for by the equity method. Equity in earnings of affiliates was ¥2,964 million (\$22 million) recorded as other income for the year ended March 31, 2002.

(2) Statement of cash flows

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

"Depreciation of premises and equipment" and "Depreciation of other assets" in "Other" in operating activities were separately presented for the year ended March 31, 2001, but are included in "Depreciation of premises, equipment and others" from this fiscal year. Depreciation of premises and equipment was ¥59,459 million (\$446 million) and Depreciation of other assets was ¥36,914 million (\$277 million) for the year ended March 31, 2002.

Significant non-money transactions consisted of the following:

(i) Merger with The Sakura Bank, Limited

Assets and liabilities that were succeeded due to the merger with The Sakura Bank, Limited, consisted of the following:

	Millions of yen	Millions of U.S. dollars
Assets.....	¥48,245,020	\$362,064
Securities	9,743,394	73,121
Loans and bills discounted	30,575,498	229,460
Liabilities.....	¥46,390,838	\$348,149
Deposits.....	33,534,079	251,663

(ii) Conversion of convertible bonds

	Millions of yen	Millions of U.S. dollars
Increase of capital stock due to conversion of convertible bonds	¥ 50,045	\$376
Increase of capital surplus due to conversion of convertible bonds.....	49,954	375
Decrease of convertible bonds due to conversion	¥100,000	\$751

(iii) As mentioned in Note 18, the Bank transferred Capital surplus of ¥357,614 million (\$2,684 million) to Retained earnings during the year ended March 31, 2002.

(3) Trading assets and liabilities

Financial instruments, such as derivatives and trading securities, which are held for the short term in anticipation of market gains, are recorded at fair value. Such gains and losses are included in trading profits or losses on the consolidated statement of operations. Trading assets and liabilities are recorded at trade date.

(4) Securities

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

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

Securities excluding those classified as trading securities, held-to-maturity or investments in nonconsolidated subsidiaries and affiliates are defined as other securities. Prior to April 1, 2001, debt securities in other securities were carried at amortized cost using the moving-average method and equity securities classified as other securities were carried at cost using the moving-average method.

Effective April 1, 2001, the accounting standard for financial instruments was adopted on other securities. Stocks classified as other securities that have market value are carried at the average market value during the final month of the fiscal year, and other securities excluding such marketable stocks that have market value are carried at market value at the balance sheet date. Other securities that do not have market value are carried at cost or amortized cost, using the moving-average method. Net unrealized gains (losses) on other securities are recognized, net of applicable income taxes, as a separate component of stockholders' equity.

Securities included in money held in trust account are carried in the same manner as for securities mentioned above.

As a result of the adoption of the accounting standard for financial instruments on other securities, the total amount of Securities and Money held in trust decreased by ¥499,332 million (\$3,747 million) and Net unrealized losses on other securities of ¥304,837 million (\$2,288 million) is reported on the consolidated balance sheet. Declines in the fair value of other securities are charged to earnings when declines are determined to be other than temporary.

(5) Derivative transactions

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

(6) Hedge accounting

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

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

Certain derivatives for the purpose of hedging are recorded on an accrual basis using the short-cut method (exceptional treatment for interest rate swaps) in view of consistency with the risk management policy.

In accordance with the Industry Audit Committee Report No. 19 "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry," issued by JICPA in 2000, one of the consolidated domestic subsidiaries in the leasing industry applies a deferred hedge accounting related to portfolio hedge on liabilities.

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

Net amount of deferred unrealized gains on hedging instruments to which hedge accounting is applied is reported in Other liabilities. Gross deferred unrealized losses and gross deferred unrealized gains on hedging instruments at March 31, 2002, were ¥1,071,749 million (\$8,043 million) and ¥1,156,384 million (\$8,678 million), respectively.

(7) Non-accrual loans

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

(8) Premises and equipment

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

Buildings 7 to 50 years

Equipment 3 to 20 years

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

(9) Software costs

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

(10) Reserve for possible loan losses

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

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

For collateral and/or guaranteed loans to Bankrupt Borrowers and Effectively Bankrupt Borrowers, the Bank recognizes a portion exceeding the appraised value of collateral and/or the amount deemed collectible from guarantees of those loans as irrecoverable, and writes off the portion. For the year ended March 31, 2002, the Bank and the consolidated subsidiaries made such write-offs of ¥1,824,274 million (\$13,691 million).

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

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

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

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

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

(11) Reserve for possible losses on loans sold

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

(12) Reserve for employee bonuses

Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, by the amount of estimated bonuses, which are attributable to respective fiscal year. Prior to April 1, 2001, accrued bonuses to employees were included in Other liabilities, but effective April 1, 2001, Reserve for

employee bonuses is reported in accordance with "Concerning Financial Statement Titles to Be Used for Accrued Bonuses for Employees" (Research Center Review Information No. 15 issued by JICPA). Consequently, Other liabilities decreased by ¥21,606 million (\$162 million) and Reserve for employee bonuses increased by the same amount at March 31, 2002 as compared with the former manner.

Prior to April 1, 2001, change of accrued bonuses to employees was included in "Other" in the consolidated statement of cash flows, but effective April 1, 2001, Net change in reserve for employee bonuses is reported. Consequently, Other decreased by ¥21,606 million (\$162 million) and Net change in reserve for employee bonuses increased by the same amount for the year ended March 31, 2002 as compared with the former manner.

(13) Reserve for employee retirement benefits

Under the terms of the Bank's retirement plan, substantially all employees are entitled to a lump-sum payment at the time of retirement. The amount of the lump-sum payment is, in general, calculated based on length of service, basic salary at the time of retirement and reason for retirement. In addition, the Bank has defined benefit pension plans which cover substantially all employees.

Reserve for employee retirement benefits and prepaid pension cost are recorded based on an actuarial computation, which uses the present value of the projected benefit obligation and pension assets, due to employee's credited years of services at the balance sheet date. Prior service costs are amortized using the straight-line method over certain years (mainly 10 years) within the average remaining service period of active employees. Unrecognized net actuarial gain or loss is amortized from the next fiscal year using the straight-line method over certain years (mainly 10 years) within the average remaining service period of active employees. Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefits is amortized using the straight-line method over five years.

(14) Translation of foreign currencies

The Bank's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates 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 their respective balance sheet dates.

(15) Lease transactions

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

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

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

(16) Amounts per share

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

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

(17) Adoption of new accounting standards

Prior to April 1, 2001, unsecured borrowed securities and securities under resale agreements were reported on the consolidated balance sheet as Securities in custody in Other assets and Trading account securities borrowed or Securities borrowed in Other liabilities by the same amounts. Effective April 1, 2001, they are not reported on the consolidated balance sheet in accordance with the revision of the accounting standards for financial instruments. Consequently, Other assets and Other liabilities decreased by ¥3,098,200 million (\$23,251 million) at March 31, 2002, as compared with the former manner.

3. Trading Assets

Trading assets at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Trading securities	¥ 122,808	\$ 922
Derivatives on trading securities	91	1
Derivatives on securities related to trading transactions.....	12	0
Trading-related financial derivatives	2,291,438	17,196
Other trading assets	863,755	6,482
	<u>¥3,278,105</u>	<u>\$24,601</u>

4. Securities

Securities at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Japanese government bonds*	¥10,113,872	\$ 75,901
Japanese local government bonds	500,052	3,753
Japanese corporate bonds.....	1,430,388	10,735
Japanese stocks**.....	5,223,394	39,200
Other**.....	3,426,924	25,718
	<u>¥20,694,632</u>	<u>\$155,307</u>

* Includes ¥999 million (\$7 million) of unsecured loaned securities for which borrowers have rights to sell or pledge and loaned securities of ¥827 million (\$6 million) for which borrowers have rights to pledge but no rights to sell.

As for the unsecured borrowed securities for which the Bank has rights to sell or pledge and the securities which the Bank purchased under resale agreements, that are permitted to sell or pledge without restrictions, ¥3,534,532 million (\$26,526 million) of securities are pledged, ¥533,241 million (\$4,002 million) of securities are held in hand as of the consolidated balance sheet date. The Bank may pledge the borrowed securities as well.

** Japanese stocks and other include investments in nonconsolidated subsidiaries and affiliates of ¥187,937 million (\$1,410 million).

5. Loans and Bills Discounted

Loans and bills discounted at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Bills discounted	¥ 940,422	\$ 7,057
Loans on notes.....	8,408,524	63,103
Loans on deeds	42,655,561	320,117
Overdrafts.....	11,641,078	87,363
	<u>¥63,645,586</u>	<u>\$477,640</u>

The following summarizes the non-accrual loans at March 31, 2002:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Bankrupt loans.....	¥ 227,484	\$ 1,707
Non-accrual loans	3,599,750	27,015
Total non-accrual loans	<u>¥3,827,234</u>	<u>\$28,722</u>

In addition to the non-accrual loans, the Bank also classifies loans overdue by three months or longer as substandard loans, and such loan balances at March 31, 2002 were ¥102,762 million (\$771 million).

Restructured loans are loans for which the Bank has adjusted the terms of the loans in favor of borrowers as a means of financial assistance. These restructured loans are also classified as substandard and amounted to ¥2,554,371 million (\$19,170 million) at March 31, 2002.

6. Other Assets

Other assets at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Accrued income	¥ 316,826	\$ 2,378
Deferred assets	453,059	3,400
Financial derivatives.....	1,397,056	10,485
Pledged money for securities borrowing transactions.....	3,020,519	22,668
Other.....	1,260,182	9,457
	<u>¥6,447,644</u>	<u>\$48,388</u>

7. Premises and Equipment

Premises and equipment at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Land*	¥ 674,355	\$ 5,061
Buildings.....	558,503	4,192
Equipment and others.....	635,777	4,771
Total.....	¥1,868,636	\$14,024
Accumulated depreciation.....	(661,047)	(4,961)
	<u>¥1,207,589</u>	<u>\$ 9,063</u>

* Includes land revaluation excess for land referred to in Note 16.

8. Lease Assets

Lease assets at March 31, 2002 were as follows:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Equipment and others.....	¥2,330,602	\$17,491
Accumulated depreciation.....	(1,403,481)	(10,533)
	<u>¥ 927,120</u>	<u>\$ 6,958</u>

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Assets pledged as collateral		
Cash and due from banks and Deposits with banks	¥ 63,325	\$ 475
Trading assets	621,047	4,661
Securities	9,062,227	68,009
Loans and bills discounted	3,239,033	24,308
Other assets	1,311	10
Premises and equipment	547	4
Liabilities corresponding to assets pledged as collateral		
Deposits	9,621	72
Call money and bills sold	8,394,800	63,000
Payables under repurchase agreements	1,118,531	8,394
Trading liabilities	39,986	300
Borrowed money	117,463	882
Pledged money for securities lending transactions	2,517,123	18,890
Other liabilities	10,888	82
Acceptances and guarantees	45,571	342

In addition to the assets presented above, the following assets were pledged as collateral for exchange settlements, initial margins of futures markets and certain other purposes at March 31, 2002:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Cash and due from banks and Deposits with banks	¥ 101,722	\$ 763
Trading assets	296	2
Securities	2,880,100	21,614
Loans and bills discounted	58,095	436

Premises and equipment included surety deposits and intangibles of ¥125,258 million (\$940 million) at March 31, 2002. Other assets included initial margins of futures markets of ¥20,984 million (\$157 million).

13. Bonds

Bonds at March 31, 2002 consisted of the following:

March 31, 2002		Millions of yen*	Millions of U.S. dollars	Rate (%)	Due	
The Bank:	Straight bonds, payable in Yen	¥1,337,923	\$10,041	0.51—2.117	May 2003—Mar. 2013	
	Straight bonds, payable in Euro Yen	8,000	60	1.685—3.00	Nov. 2009—Mar. 2012	
	Straight bonds, payable in U.S. dollars	159,900	1,200	4.32—6.10	Nov. 2003—Sep. 2005	
		(\$1,200,000 thousand)				
	Subordinated bonds, payable in Yen	413,000	3,099	0.64063—2.36	Nov. 2007—perpetual	
	Subordinated bonds, payable in Euro Yen	193,000	1,448	0.64—2.72	Sep. 2008—Mar. 2017	
	Subordinated bonds, payable in U.S. dollars	19,854	149	5.93—8.10	Mar. 2009—Nov. 2011	
		(\$149,000 thousand)				
	Consolidated subsidiaries:	Straight bonds, payable in Yen	181,195	1,360	0.13—3.15	Mar. 2002—Dec. 2021
		Straight bonds, payable in U.S. dollars	34,273	257	0—12.00	Jan. 2002—Jun. 2021
		(\$261,300 thousand)				
		[22,801]				
Straight bonds, payable in Australian dollars		113	0	7.00	Oct. 2005	
		(A\$2,000 thousand)				
Straight bonds, payable in other foreign currency		4,373	32	5.22—6.34	Oct. 2002—Jul. 2013	
		[1,532]				
Subordinated bonds, payable in Yen		787,709	5,912	0—5.15	Feb. 2003—perpetual	
		[1,000]				
Subordinated bonds, payable in U.S. dollars	364,198	2,735	2.37—8.50	Jul. 2007—perpetual		
	(\$2,733,200 thousand)					
Subordinated bonds, payable in other foreign currency	2,279	17	5.62—7.50	Perpetual		
	¥3,505,820	\$26,310				

* Figures in () are the balances in the original currency of the foreign currency denominated bonds, and figures in [] are the amounts to be redeemed within one year.

10. Deposits

Deposits at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Current deposits	¥ 4,765,722	\$ 35,765
Ordinary deposits	25,150,251	188,745
Savings deposits	1,412,372	10,599
Deposits at notice	6,074,691	45,589
Time deposits	23,472,643	176,155
Negotiable certificates of deposit	6,662,097	49,997
Other deposits	4,110,293	30,847
	¥71,648,073	\$537,697

11. Trading Liabilities

Trading liabilities at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Trading securities	¥ 12,811	\$ 96
Derivatives on trading securities	79	1
Trading-related financial derivatives	2,318,608	17,400
	¥2,331,500	\$17,497

12. Borrowed Money

Borrowed money at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars	Average rate*
Bills rediscounted	¥ 58,784	\$ 441	3.98%
Other borrowings**	2,831,122	21,247	2.01
	¥2,889,907	\$21,688	2.05%

* Average rate represents the weighted average rate based on the balances and rates at respective year-end of the Bank and consolidated subsidiaries.

** Includes subordinated debt obligation of ¥1,001,047 million (\$7513 million).

The repayment schedule within five years on borrowed money at March 31, 2002 is shown as follows:

Millions of yen				
1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
¥1,059,676	¥228,513	¥392,209	¥252,090	¥101,658

Millions of U.S. dollars				
1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
\$7,953	\$1,715	\$2,943	\$1,892	\$763

The redemption schedule within five years on bonds at March 31, 2002 is shown as follows:

Millions of yen				
1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
¥88,723	¥127,825	¥402,580	¥643,062	¥409,522

Millions of U.S. dollars				
1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
\$666	\$959	\$3,021	\$4,826	\$3,073

14. Convertible Bonds

Convertible bonds at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Convertible bonds payable in U.S. dollars:		
3½% due 2004, convertible into common stock at ¥3,606.90 per share	¥1,106	\$8

15. Other Liabilities

Other liabilities at March 31, 2002 consisted of the following:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Accrued expenses	¥ 191,853	\$ 1,440
Unearned income	134,785	1,011
Income taxes payable	100,150	752
Financial derivatives	904,873	6,791
Other	1,530,006	11,482
	¥2,861,669	\$21,476

16. Land Revaluation Excess

Pursuant to the Enforcement Ordinance for the Law Concerning Land Revaluation (the "Law") effective March 31, 1998, the Bank and its domestic subsidiary recorded their own land for business activities at fair value at March 31, 1998 and March 31, 1999, respectively.

According to the Law, net unrealized gains are reported in a separate component of stockholders' equity net of applicable income taxes as Land revaluation excess, and the related deferred tax liabilities are reported in liabilities as Deferred tax liabilities for land revaluation. The unrecorded revaluation losses at March 31, 2002 were ¥91,507 million (\$687 million).

Pursuant to the Law, as amended, effective March 31, 2001, the Bank revalued the land for business activities that was succeeded from SMBC Property Management Service Co., Ltd. at March 31, 2002 due to the merger with it. The net unrealized losses on the land, net of applicable income taxes, was deducted from Land revaluation excess, and the related deferred tax assets were deducted from Deferred tax liabilities for land revaluation. The book value of the land of ¥248,659 million (\$1,866 million) before the revaluation was revalued at ¥169,520 million (\$1,272 million) at March 31, 2002.

In addition, a consolidated subsidiary revalued its land for business activities and the income taxes corresponding to the revalued losses is recognized as Deferred tax assets for land revaluation and the revalued losses, net of the corresponding taxes, are deducted from Land revaluation excess. The book value of the land of ¥4,280 million (\$32 million) before the revaluation was revalued at ¥2,541 million (\$19 million) at March 31, 2002.

17. Minority Interests

SB Treasury Company, L. L. C., a subsidiary of the Bank, issued floating noncumulative preferred securities, totaling \$1,800 million in February 1998. SB Equity Securities (Cayman), Limited, a subsidiary

of the Bank, issued floating noncumulative preferred securities, totaling ¥340,000 million in February and March 1999. Sakura Preferred Capital (Cayman) Limited, a subsidiary of the Bank, issued noncumulative preferred securities, totaling ¥283,750 million in December 1998 and March 1999. These subsidiaries are consolidated and the preferred securities are accounted for as minority interests.

18. Stockholders' Equity

Prior to October 1, 2001, under the Banking Law of Japan, the Bank was required to appropriate as an earned surplus reserve an amount equal to at least 20 percent of cash disbursements in each period until the earned surplus reserve equaled 100 percent of the amount of capital (total amount of preferred stock and common stock). Capital surplus and earned surplus reserve were not available for distribution as dividends but may be used to reduce a deficit by resolution of the stockholders or may be capitalized by resolution of the Board of Directors.

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

Effective October 1, 2001, pursuant to the Article 289-2 of the amended Commercial Code and the Article 18-2 of the amended Banking Law, Earned surplus reserve is appropriated until the total amount of both Earned surplus reserve and Capital surplus equals to the amount of capital. The excess of the total amount over the amount of capital may be transferred to retained earnings by resolution of stockholders. The Bank transferred Capital surplus of ¥357,614 million (\$2,684 million) to retained earnings during the year ended March 31, 2002. As for the nonconsolidated balance sheet, the Bank transferred capital surplus of ¥357,614 million (\$2,684 million) and earned surplus reserve of ¥241,421 million (\$1,812 million) to retained earnings of ¥599,035 million (\$4,496 million) during the year ended March 31, 2002.

In accordance with the Law Concerning Emergency Measures for the Early Strengthening of the Functions of the Financial System, Sumitomo and Sakura issued noncumulative preferred stock in the aggregate amount of ¥1,301,000 million (the first issuance of 67 million shares at total amount of ¥201,000 million and the second issuance of 100 million shares at total amount of ¥300,000 million by Sumitomo and the issuance of 800 million shares at total amount of ¥800,000 million by Sakura). All of the preferred stock had been subscribed by The Resolution and Collection Corporation, Limited on March 30, 1999. The noncumulative preferred stocks are redeemable at the option of the Bank at any time. ¥201,000 million of the preferred stock are convertible into common stock of the Bank at any time from May 1, 2002 until February 26, 2009, ¥300,000 million of the preferred stock are convertible into common stock of the Bank at any time from August 1, 2005 until February 26, 2009 and ¥800,000 million of the preferred stock are convertible into common stock of the Bank at any time from October 1, 2002 until September 30, 2009, in each case subject to certain adjustments to the conversion period.

19. Fees and Commissions

Fees and commissions for the year ended March 31, 2002 consisted of the following:

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Fees and commissions (income):		
Deposits and loans	¥ 30,346	\$ 228
Remittances and transfers	104,827	787
Securities-related business	24,299	182
Agency	16,100	121
Safe deposits	6,080	45
Guarantees	26,167	197
Credit card business	84,849	637
Investment trusts	17,892	134
Other	76,716	576
	<u>¥387,280</u>	<u>\$2,907</u>

Fees and commissions (expenses):

Remittances and transfers	¥ 21,052	\$ 158
Other	46,695	350
	<u>¥ 67,747</u>	<u>\$ 508</u>

20. Trading Income

Trading income for the year ended March 31, 2002 consisted of the following:

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Trading profits:		
Gains on trading securities	¥ 6,654	\$ 50
Gains on trading-related financial derivatives	121,752	913
Other	1,043	8
	<u>¥129,450</u>	<u>\$971</u>

Trading losses:

Losses on securities related to trading transactions	¥ 17	\$ 0
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21. Other Operating Income

Other operating income for the year ended March 31, 2002 consisted of the following:

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Gains on foreign exchange transactions	¥ 17,290	\$ 130
Gains on financial derivatives	14,908	112
Gains on sale of bonds	134,493	1,009
Gains on redemption of bonds	26	0
Lease-related income	567,884	4,262
Other	110,980	833
	<u>¥845,583</u>	<u>\$6,346</u>

22. Other Income

Other income for the year ended March 31, 2002 consisted of the following:

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Gains on sale of stocks and other securities	¥191,487	\$1,437
Gains on money held in trust	1,810	14
Equity in earnings of affiliates	2,964	22
Gains on disposition of premises and equipment	4,426	33
Collection of written-off claims	1,305	10
Gain on liquidation of a subsidiary	18,381	138
Gain on sale of business operation	5,000	37
Other	44,755	336
	<u>¥270,130</u>	<u>\$2,027</u>

23. Other Operating Expenses

Other operating expenses for the year ended March 31, 2002 consisted of the following:

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Losses on sale of bonds	¥ 51,270	\$ 385
Losses on redemption of bonds	3,202	24
Losses on devaluation of bonds	7,082	53
Bond issuance costs	2,161	16
Lease-related expenses	500,908	3,759
Other	102,026	766
	<u>¥666,651</u>	<u>\$5,003</u>

24. Other Expenses

Other expenses for the year ended March 31, 2002 consisted of the following:

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Write-off of loans	¥391,923	\$2,941
Losses on sale of stocks and other securities	60,759	456
Losses on devaluation of stocks and other securities	148,537	1,115
Losses on money held in trust	1,867	14
Transfer to reserve for possible losses on loans sold	38,712	291
Losses on delinquent loans sold	64,504	484
Losses on disposition of premises and equipment	27,478	206
Amortization of unrecognized net transition obligation for employee retirement benefits	23,493	176
Losses on disposal of software	2,166	16
Other	52,819	397
	<u>¥812,261</u>	<u>\$6,096</u>

25. Income Taxes

(1) Significant components of deferred tax assets and liabilities at March 31, 2002 were as follows:

March 31, 2002	Millions of yen	Millions of U.S. dollars
Deferred tax assets:		
Reserve for possible loan losses	¥ 864,823	\$ 6,490
Write-off of loans	411,374	3,087
Write-off of securities	216,211	1,623
Net unrealized losses on other securities	192,753	1,447
Net operation loss carryforwards	127,307	955
Reserve for employee retirement benefits	109,651	823
Reserve for possible losses on loans sold	33,547	252
Depreciation	11,084	83
Other	94,746	711
Subtotal	2,061,500	15,471
Valuation allowance	(110,435)	(829)
Total deferred tax assets	<u>¥1,951,065</u>	<u>\$14,642</u>
Deferred tax liabilities:		
Leveraged lease	¥ (48,644)	\$ (365)
Gains on securities contributed to employee retirement benefits trust	(23,660)	(177)
Undistributed earnings of subsidiaries	(10,209)	(77)
Other	(25,293)	(190)
Total deferred tax liabilities	<u>(107,807)</u>	<u>(809)</u>
Net deferred tax assets	<u>¥1,843,257</u>	<u>\$13,833</u>

- (2) A reconciliation of the effective income tax rate reflected in the accompanying consolidated statement of operations to the statutory tax rate for the year ended March 31, 2002 was as follows:

Statutory tax rate	38.62 %
Valuation allowance.....	(4.45)%
Dividends from overseas subsidiaries.....	(4.11)%
Other.....	0.96 %
Effective income tax rate	31.02 %

- (3) With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No. 145, April 1, 2000) ("the metropolitan ordinance"), enterprise taxes relating to banks in Tokyo which had been hitherto levied on income were changed to be levied on gross banking profit.

The Bank recorded enterprise tax of ¥19,862 million (\$149 million) in Other expenses for the year ended March 31, 2002 as a result of the metropolitan ordinance. The implementation of the metropolitan ordinance resulted in a reduction of the effective statutory tax rate used by the Bank to calculate deferred tax assets and liabilities. Consequently, Deferred tax assets, Deferred tax liabilities for land revaluation and stockholders' equity at March 31, 2002 decreased by ¥96,420 million (\$724 million), ¥3,694 million (\$28 million) and ¥92,726 million (\$696 million), respectively, as compared with the amount that would be if the metropolitan ordinance had not been implemented.

With the implementation of the "Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No. 131, June 9, 2000) ("the municipal ordinance"), enterprise taxes relating to banks in Osaka which had been hitherto levied on income were also changed to be levied on gross banking profit.

The Bank recorded enterprise tax of ¥10,137 million (\$76 million) in Other expenses for the year ended March 31, 2002 as a result of the municipal ordinance. The implementation of the municipal ordinance also resulted in a reduction of the effective statutory tax rate used by the Bank to calculate deferred tax assets and liabilities. Consequently, Deferred tax assets, Deferred tax liabilities for land revaluation and stockholders' equity at March 31, 2002 decreased by ¥46,396 million (\$348 million), ¥1,798 million (\$13 million) and ¥44,597 million (\$335 million), respectively, as compared with the amount that would be if the municipal ordinance had not been implemented.

26. Employee Retirement Benefits

- (1) Outline of employee retirement benefits

The Bank and consolidated subsidiaries in Japan have contributory funded defined benefit pension plans such as contributory pension plans, qualified pension plans and lump-sum severance indemnity plans. They may grant additional benefits in cases where certain requirements are met when employees retire. The Bank and some consolidated subsidiaries in Japan contributed certain marketable equity securities to an employee retirement benefit trust.

- (2) Projected benefit obligation

March 31, 2002		Millions of yen	Millions of U.S. dollars
Projected benefit obligation	(A)	¥(1,175,959)	\$(8,825)
Pension assets	(B)	777,088	5,832
Unfunded projected benefit obligation	(C)=(A)+(B).....	¥ (398,871)	\$(2,993)
Unrecognized net transition obligation for application of new accounting standard	(D).....	70,280	528
Unrecognized actuarial gain or loss	(E).....	241,353	1,811
Unrecognized past service liabilities	(F).....	(60,707)	(456)
Net amount recorded on the consolidated balance sheet	(G)=(C)+(D)+(E)+(F)...	¥ (147,944)	\$(1,110)
Prepaid pension cost (other assets)	(H).....	27	0
Reserve for employee retirement benefits	(G)-(H).....	¥ (147,972)	\$(1,110)

- (3) Pension expenses

March 31, 2002	Millions of yen	Millions of U.S. dollars
Service cost.....	¥26,338	\$198
Interest cost on projected benefit obligation	38,164	286
Expected return on plan assets.....	(34,633)	(260)
Amortization of net transition obligation	23,493	176
Amortization of unrecognized actuarial loss.....	5,660	43
Amortization of past service liabilities.....	(4,884)	(37)
Other (non-recurring additional retirement allowance paid and other).....	10,414	78
Pension expenses	¥64,553	\$484

- (4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the year ended March 31, 2002 were as follows:

- Discount rate: 2.5% to 3.5%
- Expected rate of return on plan assets: 0.0% to 5.3%
- Allocation of estimated amount of retirement benefits: Allocated to each period by the straight-line method
- Period of amortization of prior service costs: Mainly 10 years
- Term to amortize unrecognized net actuarial gain or loss: Mainly 10 years
- Term to amortize unrecognized net obligation from initial application of new accounting standard: Mainly 5 years

27. 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 March 31, 2002 was as follows:

(a) Lessee side

March 31, 2002	Millions of yen		
	Equipment	Other	Total
Acquisition cost.....	¥17,475	¥237	¥17,713
Accumulated depreciation ...	8,663	157	8,820
Net book value	¥ 8,812	¥ 80	¥ 8,893

March 31, 2002	Millions of U.S. dollars		
	Equipment	Other	Total
Acquisition cost.....	\$131	\$2	\$133
Accumulated depreciation ...	65	1	66
Net book value	\$ 66	\$1	\$ 67

Future minimum lease payments excluding interests at March 31, 2002 were as follows:

March 31, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year	¥3,055	\$23
Due after one year	6,130	46
	¥9,185	\$69

Total lease expenses for the year ended March 31, 2002 were ¥4,210 million (\$32 million). Assumed depreciation charges for the year ended March 31, 2002 amounted to ¥3,848 million (\$29 million). Assumed depreciation charges 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 expenses. The allocation of such interest expenses over the lease term is computed using the effective interest method. Interest expenses for the year ended March 31, 2002 amounted to ¥325 million (\$2 million).

(b) Lessor side

March 31, 2002	Millions of yen		
	Equipment	Other	Total
Acquisition cost.....	¥2,019,480	¥279,759	¥2,299,239
Accumulated depreciation ...	1,241,098	145,377	1,386,476
Net book value	¥ 778,382	¥134,381	¥ 912,763

March 31, 2002	Millions of U.S. dollars		
	Equipment	Other	Total
Acquisition cost.....	\$15,156	\$2,099	\$17,255
Accumulated depreciation ...	9,314	1,091	10,405
Net book value	\$ 5,842	\$1,008	\$ 6,850

Future lease payments receivable excluding interests at March 31, 2002 were as follows:

March 31, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year	¥286,293	\$2,148
Due after one year	654,334	4,911
	¥940,628	\$7,059

Total lease income for the year ended March 31, 2002 was ¥368,795 million (\$2,768 million). Assumed depreciation charges for the year ended March 31, 2002 amounted to ¥305,584 million (\$2,293 million). Depreciation is calculated using the straight-line method over the lease term of the respective assets without salvage values. The difference between the lease payments receivable and the acquisition costs of the lease assets represents interest income. The allocation of such interest income over the lease term is computed using the effective interest method. Interest income for the year ended March 31, 2002 was ¥60,569 million (\$455 million).

(2) Operating leases

(a) Lessee side

Future minimum lease payments at March 31, 2002 were as follows:

March 31, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year	¥ 20,698	\$ 155
Due after one year	126,186	947
	¥146,885	\$1,102

(b) Lessor side

Future lease payments receivable at March 31, 2002 were as follows:

March 31, 2002	Millions of	
	Millions of yen	U.S. dollars
Due within one year	¥ 366	\$ 3
Due after one year	900	7
	¥1,266	\$10

Future lease payments receivable of ¥117,699 million (\$883 million) on the lessor side referred to in (1) and (2) above were pledged as collateral for borrowings at March 31, 2002.

28. Loan Commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥27,038,063 million (\$202,912 million), and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was ¥24,508,364 million (\$183,928 million) at March 31, 2002. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that the Bank and consolidated subsidiaries can reject an application from customers or reduce the contract amounts in case economic conditions are changed, the Bank and consolidated subsidiaries need to secure claims or other events occur. In addition, the Bank and consolidated subsidiaries request the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after the conclusion of the contracts.

29. Market Value of Marketable Securities

(1) Securities

The market value of marketable securities at March 31, 2002 was as follows:

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

(i) Securities classified as trading

March 31, 2002	Millions of yen	Millions of U.S. dollars
Consolidated balance sheet amount	¥986,563	\$7,404
Losses included in profit/loss during the year	15,011	113

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

March 31, 2002	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Gains	Losses
Japanese government bonds	¥157,807	¥158,223	¥415	¥ 493	¥ 77
Japanese local government bonds	23,330	23,089	(240)	—	240
Corporate bonds	—	—	—	—	—
Other	32,980	33,697	717	769	52
Total	¥214,118	¥215,011	¥892	¥1,262	¥370

March 31, 2002	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Gains	Losses
Japanese government bonds	\$1,185	\$1,188	\$3	\$ 4	\$1
Japanese local government bonds	175	173	(2)	—	2
Corporate bonds	—	—	—	—	—
Other	247	253	6	6	0
Total	\$1,607	\$1,614	\$7	\$10	\$3

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

(iii) Other securities with market value

March 31, 2002	Millions of yen				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Stocks	¥ 5,364,801	¥ 4,855,495	¥(509,305)	¥192,620	¥701,926
Bonds	¥11,265,202	¥11,301,661	¥ 36,459	¥ 58,810	¥ 22,351
Japanese government bonds	9,919,406	9,956,064	36,658	41,284	4,626
Japanese local government bonds	468,707	476,721	8,013	9,887	1,873
Corporate bonds	877,088	868,875	(8,212)	7,638	15,851
Other	¥ 3,039,987	¥ 3,017,326	¥ (22,661)	¥ 8,610	¥ 31,271
Total	¥19,669,991	¥19,174,483	¥(495,507)	¥260,042	¥755,549

March 31, 2002	Millions of U.S. dollars				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Stocks	\$ 40,261	\$ 36,439	\$(3,822)	\$1,446	\$5,268
Bonds	\$ 84,542	\$ 84,816	\$ 274	\$ 441	\$ 167
Japanese government bonds	74,442	74,717	275	310	35
Japanese local government bonds	3,518	3,578	60	74	14
Corporate bonds	6,582	6,521	(61)	57	118
Other	\$ 22,814	\$ 22,644	\$ (170)	\$ 65	\$ 235
Total	\$147,617	\$143,899	\$(3,718)	\$1,952	\$5,670

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

(iv) Bonds sold during the year ended March 31, 2002 that are classified as held-to-maturity
There are no corresponding items.

(v) Other securities sold during the year ended March 31, 2002

Year ended March 31, 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	¥32,067,887	¥321,317	¥95,118	\$240,660	\$2,411	\$714

(vi) Securities with no available market value

March 31, 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.....	¥ 13,080	\$ 98
Other	18,246	137
Other securities		
Nonlisted foreign securities.....	¥349,227	\$2,621
Nonlisted bonds.....	561,512	4,214
Nonlisted stocks (excluding OTC stocks).....	179,961	1,351
Other.....	109,478	822

(vii) Change of classification of securities
There are no corresponding items.

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

March 31, 2002	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥2,315,514	¥7,488,398	¥1,966,674	¥273,699
Japanese government bonds.....	2,179,224	6,340,438	1,324,773	269,435
Japanese local government bonds	25,647	130,937	342,159	1,307
Japanese corporate bonds.....	110,643	1,017,022	299,741	2,956
Other.....	¥ 469,356	¥2,044,658	¥ 153,680	¥517,756
Total.....	¥2,784,871	¥9,533,057	¥2,120,354	¥791,456

March 31, 2002	Millions of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	\$17,377	\$56,198	\$14,759	\$2,054
Japanese government bonds.....	16,354	47,583	9,942	2,022
Japanese local government bonds	193	983	2,568	10
Japanese corporate bonds.....	830	7,632	2,249	22
Other.....	\$ 3,523	\$15,345	\$ 1,154	\$3,886
Total.....	\$20,900	\$71,543	\$15,913	\$5,940

(2) Money held in trust

(i) Money held in trust classified as trading

March 31, 2002	Millions of yen	Millions of U.S. dollars
Consolidated balance sheet amount.....	¥3,715	\$28
Gains included in profit/loss during the year	—	—

(ii) Money held in trust classified as held-to-maturity
There are no corresponding items.

(iii) Other money held in trust

March 31, 2002	Millions of yen				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Other money held in trust.....	¥33,969	¥30,144	¥(3,825)	¥135	¥3,960

March 31, 2002	Millions of U.S. dollars				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Other money held in trust.....	\$255	\$226	\$(29)	\$1	\$30

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

March 31, 2002	Millions of yen	Millions of U.S. dollars
Net unrealized gains (losses)	¥(499,280)	\$(3,747)
Other securities.....	(495,455)	(3,718)
Other money held in trust.....	(3,825)	(29)
(+) Deferred tax assets.....	191,016	1,434
Net unrealized gains (losses) on other securities (before following adjustment).....	¥(308,264)	\$(2,313)
(-) Minority interests	¥ (4,225)	\$ (31)
(+) Parent company's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method	(797)	(6)
Net unrealized gains (losses) on other securities	¥(304,837)	\$(2,288)

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

30. Derivative Transactions

(1) Interest rate derivatives

March 31, 2002	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Interest rate futures:				
Sold.....	¥ 8,943,374	¥ 542,286	¥ 3,429	¥ 3,429
Bought.....	6,928,597	341,900	(3,190)	(3,190)
Interest rate options:				
Sold.....	¥ 574,331	¥ —	¥ (22)	¥ (22)
Bought.....	701,914	—	48	48
Over-the-counter transactions				
Forward rate agreements:				
Sold.....	¥ 9,174,207	¥ 580,000	¥ 13	¥ 13
Bought.....	3,024,390	780,000	(248)	(248)
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	¥268,046,524	¥169,004,153	¥ 37,188	¥ 37,188
Receivable floating rate/payable fixed rate.....	128,429,893	79,655,118	2,593,978	2,593,978
Receivable floating rate/payable fixed rate.....	124,541,252	76,679,066	(2,548,948)	(2,548,948)
Receivable floating rate/payable floating rate.....	14,722,791	12,361,681	(5,459)	(5,459)
Swaptions:				
Sold.....	¥ 1,118,152	¥ 523,065	¥ (21,895)	¥ (21,895)
Bought.....	952,425	592,115	19,321	19,321
Caps:				
Sold.....	¥ 5,446,040	¥ 4,319,041	¥ (7,950)	¥ (7,950)
Bought.....	4,622,975	3,586,333	11,040	11,040
Floors:				
Sold.....	¥ 400,233	¥ 235,877	¥ (9,240)	¥ (9,240)
Bought.....	621,113	325,744	12,622	12,622
Other:				
Sold.....	¥ 14,352	¥ 13,852	¥ (9,170)	¥ (9,170)
Bought.....	188,333	62,889	2,390	2,390
Total.....	/	/	¥ 34,335	¥ 34,335

March 31, 2002	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Interest rate futures:				
Sold.....	\$ 67,117	\$ 4,070	\$ 26	\$ 26
Bought.....	51,997	2,566	(24)	(24)
Interest rate options:				
Sold.....	\$ 4,310	\$ —	\$ (0)	\$ (0)
Bought.....	5,268	—	0	0
Over-the-counter transactions				
Forward rate agreements:				
Sold.....	\$ 68,850	\$ 4,353	\$ 0	\$ 0
Bought.....	22,697	5,854	(2)	(2)
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	\$2,011,606	\$1,268,324	\$ 279	\$ 279
Receivable floating rate/payable fixed rate.....	963,827	597,787	19,467	19,467
Receivable floating rate/payable fixed rate.....	934,644	575,453	(19,129)	(19,129)
Receivable floating rate/payable floating rate.....	110,490	92,771	(41)	(41)
Swaptions:				
Sold.....	\$ 8,391	\$ 3,925	\$ (164)	\$ (164)
Bought.....	7,148	4,444	145	145
Caps:				
Sold.....	\$ 40,871	\$ 32,413	\$ (60)	\$ (60)
Bought.....	34,694	26,914	83	83
Floors:				
Sold.....	\$ 3,004	\$ 1,770	\$ (69)	\$ (69)
Bought.....	4,661	2,445	95	95
Other:				
Sold.....	\$ 108	\$ 104	\$ (69)	\$ (69)
Bought.....	1,413	472	18	18
Total.....	/	/	\$ 258	\$ 258

Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of operations.

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

Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the figures above, of which their net unrealized gains amount to ¥490 million (\$4 million).

2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.

Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(2) Currency derivatives

March 31, 2002	Millions of yen			
	Contract amount		Market value	Net valued gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Currency swaps	¥15,732,720	¥8,809,028	¥(46,698)	¥(46,698)
Forward foreign exchange	¥ 1,319,768	¥ 336,625	¥ (2,439)	¥ (2,439)
Currency options				
Sold.....	¥ 11,641	¥ 2,362	¥ (877)	¥ (877)
Bought.....	10,956	4,209	931	931
Other				
Sold.....	¥ 293,341	¥ 293,341	¥ (3,163)	¥ (3,163)
Bought.....	457,727	457,727	6,145	6,145
Total.....	/	/	¥(46,102)	¥(46,102)

March 31, 2002	Millions of U.S. dollars			
	Contract amount		Market value	Net valued gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Currency swaps	\$118,069	\$66,109	\$(350)	\$(350)
Forward foreign exchange	\$ 9,904	\$ 2,526	\$ (18)	\$ (18)
Currency options				
Sold.....	\$ 87	\$ 18	\$ (7)	\$ (7)
Bought.....	82	32	7	7
Other				
Sold.....	\$ 2,201	\$ 2,201	\$ (24)	\$ (24)
Bought.....	3,435	3,435	46	46
Total.....	/	/	\$(346)	\$(346)

- Notes: 1. The above transactions are valued at market value and the valued gains (losses) are accounted for in the consolidated statement of operations. Derivative transactions to which the hedge accounting method is applied and the transaction referred to in Note 3 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 figures above, of which their net unrealized gains amount to ¥715 million (\$5 million).
2. Market value is calculated mainly using discounted present value.
3. Forward foreign exchange and currency options which are of the following types are not included in the figures above:
- Those that are revaluated at fiscal year-end and the revaluated gains (losses) are accounted for in the consolidated statement of operations.
 - 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 balance sheet.
 - 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 balance sheet date are as follows:

March 31, 2002	Millions of yen	Millions of U.S. dollars
	Contract amount	Contract amount
Transactions listed on exchange		
Currency futures:		
Sold.....	¥ —	\$ —
Bought.....	—	—
Currency options:		
Sold.....	¥ —	\$ —
Bought.....	—	—
Over-the-counter transactions		
Forward foreign exchange	¥42,123,544	\$316,124
Currency options:		
Sold.....	¥ 3,161,699	\$ 23,728
Bought.....	3,736,356	28,040

(3) Equity derivatives

March 31, 2002	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Stock price index futures:				
Sold.....	¥ 55	¥ —	¥ 0	¥ 0
Bought.....	211	—	0	0
Stock price index options:				
Sold.....	¥ —	¥ —	¥ —	¥ —
Bought.....	—	—	—	—
Over-the-counter transactions				
Equity options:				
Sold.....	¥ —	¥ —	¥ —	¥ —
Bought.....	—	—	—	—
Stock price index swaps:				
Receivable equity index/payable floating rate	¥ —	¥ —	¥ —	¥ —
Receivable floating rate/payable equity index	11,664	—	25	25
Other:				
Sold.....	¥98,375	¥21,566	¥(4,531)	¥(4,531)
Bought.....	69,016	—	796	796
Total.....	/	/	¥(3,709)	¥(3,709)

March 31, 2002	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Stock price index futures:				
Sold.....	\$ 0	\$ —	\$ 0	\$ 0
Bought.....	2	—	0	0
Stock price index options:				
Sold.....	\$ —	\$ —	\$ —	\$ —
Bought.....	—	—	—	—
Over-the-counter transactions				
Equity options:				
Sold.....	\$ —	\$ —	\$ —	\$ —
Bought.....	—	—	—	—
Stock price index swaps:				
Receivable equity index/payable floating rate	\$ —	\$ —	\$ —	\$ —
Receivable floating rate/payable equity index	88	—	0	0
Other:				
Sold.....	\$738	\$162	\$(34)	\$(34)
Bought.....	518	—	6	6
Total.....	/	/	\$(28)	\$(28)

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

(4) Bond derivatives

	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
March 31, 2002				
Transactions listed on exchange				
Bond futures:				
Sold.....	¥13,300	¥ —	¥(78)	¥(78)
Bought.....	13,300	—	90	90
Bond futures options:				
Sold.....	¥ —	¥ —	¥ —	¥ —
Bought.....	5,000	—	11	11
Over-the-counter transactions				
Bond options:				
Sold.....	¥23,064	¥17,384	¥(11)	¥(11)
Bought.....	28,155	4,953	0	0
Total.....	/	/	¥ 11	¥ 11

	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
March 31, 2002				
Transactions listed on exchange				
Bond futures:				
Sold.....	\$100	\$ —	\$(1)	\$(1)
Bought.....	100	—	1	1
Bond futures options:				
Sold.....	\$ —	\$ —	\$—	\$—
Bought.....	38	—	0	0
Over-the-counter transactions				
Bond options:				
Sold.....	\$173	\$130	\$(0)	\$(0)
Bought.....	211	37	0	0
Total.....	/	/	\$ 0	\$ 0

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

(5) Commodity derivatives

	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
March 31, 2002				
Over-the-counter transactions				
Commodity swaps:				
Receivable fixed price/payable floating price	¥1,918	¥1,796	¥ 504	¥ 504
Receivable floating price/payable fixed price	1,918	1,796	(361)	(361)
Commodity options:				
Sold.....	¥5,026	¥4,469	¥(1,070)	¥(1,070)
Bought.....	5,026	4,469	1,107	1,107
Total.....	/	/	¥ 180	¥ 180

	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
March 31, 2002				
Over-the-counter transactions				
Commodity swaps:				
Receivable fixed price/payable floating price	\$14	\$13	\$ 4	\$ 4
Receivable floating price/payable fixed price	14	13	(3)	(3)
Commodity options:				
Sold.....	\$38	\$34	\$(8)	\$(8)
Bought.....	38	34	8	8
Total.....	/	/	\$ 1	\$ 1

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

(6) Credit derivative transactions

March 31, 2002	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Credit default options:				
Sold.....	¥ 51,166	¥43,807	¥ (774)	¥ (774)
Bought.....	49,684	37,903	1,428	1,428
Other:				
Sold.....	¥ 16,354	¥14,514	¥ (2,584)	¥ (2,584)
Bought.....	223,044	80,496	14,895	14,895
Total.....	/	/	¥12,965	¥12,965

March 31, 2002	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Credit default options:				
Sold.....	\$ 384	\$329	\$ (6)	\$ (6)
Bought.....	373	284	11	11
Other:				
Sold.....	\$ 123	\$109	\$ (20)	\$ (20)
Bought.....	1,674	604	112	112
Total.....	/	/	\$ 97	\$ 97

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

31. Segment Information

(1) Business segment information

Year ended March 31, 2002	Millions of yen					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
I. Operating income						
(1) External customers	¥ 2,698,303	¥ 585,108	¥ 496,291	¥ 3,779,702	¥ —	¥ 3,779,702
(2) Intersegment	264,276	5,262	205,584	475,123	(475,123)	—
Total	¥ 2,962,579	¥ 590,370	¥ 701,875	¥ 4,254,825	¥ (475,123)	¥ 3,779,702
Operating expenses	3,536,635	565,781	504,598	4,607,015	(246,684)	4,360,330
Operating profit (loss)	¥ (574,055)	¥ 24,589	¥ 197,277	¥ (352,189)	¥ (228,438)	¥ (580,628)
II. Assets, depreciation and capital expenditure						
Assets	¥105,898,627	¥1,723,850	¥6,766,939	¥114,389,418	¥(6,384,416)	¥108,005,001
Depreciation	79,019	345,405	19,623	444,048	—	444,048
Capital expenditure	101,295	305,198	25,238	431,732	—	431,732

Year ended March 31, 2002	Millions of U.S. dollars					
	Banking business	Leasing	Other	Total	Elimination	Consolidated
I. Operating income						
(1) External customers	\$ 20,250	\$ 4,391	\$ 3,724	\$ 28,365	\$ —	\$ 28,365
(2) Intersegment	1,983	39	1,543	3,565	(3,565)	—
Total	\$ 22,233	\$ 4,430	\$ 5,267	\$ 31,930	\$ (3,565)	\$ 28,365
Operating expenses	26,541	4,246	3,787	34,574	(1,851)	32,723
Operating profit (loss)	\$ (4,308)	\$ 184	\$ 1,480	\$ (2,644)	\$ (1,714)	\$ (4,358)
II. Assets, depreciation and capital expenditure						
Assets	\$794,736	\$12,937	\$50,784	\$858,457	\$(47,913)	\$810,544
Depreciation	593	2,592	147	3,332	—	3,332
Capital expenditure	760	2,291	189	3,240	—	3,240

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

2. "Other" includes securities, credit card, investment banking, loans, factoring, mortgage securities, venture capital, system development and information processing.

3. As mentioned in Note 2 (17) "Adoption of new accounting standards," prior to April 1, 2001, unsecured loaned securities and securities under repurchase agreements were recognized as "Securities in custody" in Other assets and "Trading account securities borrowed" or "Securities borrowed" in Other liabilities by the same amounts. Effective April 1, 2001, they are not reported on the consolidated balance sheet in accordance with the revision of the accounting standards for financial instruments. Consequently, Assets of "Banking business" decreased by ¥3,098,200 million (\$23,251 million) at March 31, 2002, as compared with the former manner.

4. As mentioned in Note 2 (4) "Securities," effective April 1, 2001, the method of valuation on other securities and other money held in trust complied with the accounting standards for financial instruments. Consequently, Assets of "Banking business," "Leasing" and "Other" decreased by ¥301,413 million (\$2,262 million), ¥999 million (\$7 million) and ¥4,325 million (\$32 million) at March 31, 2002, as compared with the former manner, respectively.

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

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

(2) Geographic segment information

Year ended March 31, 2002	Millions of yen						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
I. Operating income							
(1) External customers	¥ 2,934,322	¥ 418,104	¥ 210,831	¥ 216,443	¥ 3,779,702	¥ —	¥ 3,779,702
(2) Intersegment	276,404	85,450	122,428	76,812	561,096	(561,096)	—
Total	¥ 3,210,727	¥ 503,554	¥ 333,260	¥ 293,256	¥ 4,340,799	¥ (561,096)	¥ 3,779,702
Operating expenses	3,895,821	290,884	304,545	240,295	4,731,546	(371,215)	4,360,330
Operating profit (loss)	¥ (685,093)	¥ 212,670	¥ 28,714	¥ 52,961	¥ (390,746)	¥ (189,881)	¥ (580,628)
II. Assets	¥96,551,202	¥7,122,548	¥3,210,741	¥4,057,313	¥110,941,806	¥(2,936,804)	¥108,005,001

Year ended March 31, 2002	Millions of U.S. dollars						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
I. Operating income							
(1) External customers	\$ 22,021	\$ 3,138	\$ 1,582	\$ 1,624	\$ 28,365	\$ —	\$ 28,365
(2) Intersegment	2,075	641	919	576	4,211	(4,211)	—
Total	\$ 24,096	\$ 3,779	\$ 2,501	\$ 2,200	\$ 32,576	\$ (4,211)	\$ 28,365
Operating expenses	29,237	2,183	2,286	1,803	35,509	(2,786)	32,723
Operating profit (loss)	\$ (5,141)	\$ 1,596	\$ 215	\$ 397	\$ (2,933)	\$ (1,425)	\$ (4,358)
II. Assets	\$724,587	\$53,452	\$24,096	\$30,449	\$832,584	\$(22,040)	\$810,544

- Notes: 1. The geographic segmentation is decided based on the degrees of following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions.
2. The Americas includes the United States, Brazil and others; Europe includes the United Kingdom, France and others; Asia and Oceania includes Hong Kong, Singapore and others except Japan.
3. As mentioned in Note 2 (17) "Adoption of new accounting standards," prior to April 1, 2001, unsecured loaned securities and securities under repurchase agreements were recognized as "Securities in custody" in Other assets and "Trading account securities borrowed" or "Securities borrowed" in Other liabilities by the same amounts. Effective April 1, 2001, they are not reported on the consolidated balance sheet in accordance with the revision of the accounting standards for financial instruments. Consequently, Assets of "Japan" decreased by ¥3,098,200 million (\$23,251 million) at March 31, 2002, as compared with the former manner.
4. As mentioned in Note 2 (4) "Securities," effective April 1, 2001, the method of valuation on other securities and other money held in trust complied with the accounting standards for financial instruments. Consequently, Assets of "Japan," "The Americas" and "Europe" decreased by ¥307,871 million (\$2,310 million), ¥562 million (\$4 million) and ¥696 million (\$5 million) at March 31, 2002 and "Asia and Oceania" increased by ¥2,391 million (\$18 million) at March 31, 2002, as compared with the former manner, respectively.
5. Operating income represents total income excluding gains on disposition of premises and equipment, recoveries of written-off claims, gain on sale of business operation and reversals of other reserves.
- Operating expenses represent total expenses excluding losses on disposition of premises and equipment, amortized cost of unrecognized net transition obligation for employee retirement benefits and other extraordinary expenses.

(3) Operating income from overseas operations

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Operating income from overseas operations (A)	¥ 845,379	\$ 6,344
Consolidated operating income (B)	3,779,702	28,365
(A)/(B)	22.4%	22.4%

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

32. Subsequent Event

Appropriations of retained earnings

The following appropriations of retained earnings of the Bank at March 31, 2002 were approved by the ordinary general meeting of shareholders held on June 27, 2002:

	Millions of yen	Millions of U.S. dollars
Cash dividends, ¥4.00 per share on common stock	¥22,835	\$171
¥10.50 per share on preferred stock (First series Type 1)	703	5
¥28.50 per share on preferred stock (Second series Type 1)	2,850	21
¥13.70 per share on preferred stock (Type 5)	10,960	82

33. Parent Company

(1) Nonconsolidated Balance Sheet

Sumitomo Mitsui Banking Corporation

March 31, 2002

	Millions of yen	Millions of U.S. dollars
Assets		
Cash and due from banks	¥ 1,871,121	\$ 14,042
Deposits with banks	3,587,308	26,922
Call loans and bills bought	620,406	4,656
Receivables under resale agreements	432,730	3,247
Commercial paper and other debt purchased	146,650	1,101
Trading assets	2,705,648	20,305
Money held in trust	33,858	254
Securities	20,442,996	153,418
Loans and bills discounted	59,928,368	449,744
Foreign exchanges	779,142	5,847
Other assets	5,344,106	40,106
Premises and equipment	890,981	6,687
Deferred tax assets	1,741,114	13,066
Customers' liabilities for acceptances and guarantees	5,529,996	41,501
Reserve for possible loan losses	(1,971,849)	(14,798)
Total assets	¥102,082,581	\$766,098
Liabilities and stockholders' equity		
Liabilities		
Deposits	¥ 67,629,353	\$507,537
Call money and bills sold	10,752,791	80,696
Payables under repurchase agreements	1,100,446	8,258
Commercial paper	1,001,000	7,512
Trading liabilities	1,797,086	13,487
Borrowed money	3,406,286	25,563
Foreign exchanges	300,162	2,253
Bonds	2,133,754	16,013
Convertible bonds	1,106	8
Other liabilities	4,962,176	37,240
Reserve for employee bonuses	11,342	85
Reserve for employee retirement benefits	116,854	877
Reserve for possible losses on loans sold	80,576	605
Other reserves	18	0
Deferred tax liabilities for land revaluation	63,137	474
Acceptances and guarantees	5,529,996	41,501
Total liabilities	¥ 98,886,088	\$742,109
Stockholders' equity		
Preferred stock; authorized 970,000,000 shares and issued 967,000,000 shares	¥ 650,500	\$ 4,882
Common stock; authorized 15,000,000,000 shares and issued 5,709,424,395 shares	676,246	5,075
Capital surplus	1,326,758	9,957
Land revaluation excess	100,346	753
Retained earnings	740,874	5,560
Net unrealized losses on other securities	(297,950)	(2,236)
Treasury stock	(283)	(2)
Total stockholders' equity	¥ 3,196,492	\$ 23,989
Total liabilities and stockholders' equity	¥102,082,581	\$766,098

Note: For the convenience of the readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥133.25 to US\$1, the exchange rate prevailing at March 31, 2002.

(2) Nonconsolidated Statement of Operations
Sumitomo Mitsui Banking Corporation

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars
Income		
Interest income:		
Interest on loans and discounts.....	¥1,261,307	\$ 9,466
Interest and dividends on securities.....	504,732	3,788
Other interest income.....	426,920	3,204
Fees and commissions.....	239,645	1,799
Trading profits.....	121,414	911
Other operating income.....	150,886	1,132
Other income.....	113,281	850
Total income	¥2,818,189	\$21,150
Expenses		
Interest expenses:		
Interest on deposits.....	¥ 337,679	\$ 2,534
Interest on borrowings and rediscounts.....	147,932	1,110
Other interest expenses.....	231,064	1,734
Fees and commissions.....	74,373	558
Trading losses.....	125	1
Other operating expenses.....	60,445	454
General and administrative expenses.....	696,775	5,229
Transfer to reserve for possible loan losses.....	1,158,947	8,698
Other expenses.....	647,482	4,859
Total expenses	¥3,354,826	\$25,177
Loss before income taxes.....	¥ 536,637	\$ 4,027
Income taxes:		
Current.....	¥ 32,737	\$ 246
Deferred.....	(246,522)	(1,850)
Net loss	¥ 322,852	\$ 2,423

Year ended March 31, 2002	Yen	U.S. dollars
Per share data:		
Net loss.....	¥ 59.20	\$ 0.44
Declared dividends on common stock.....	4.00	0.03
Declared dividends on preferred stock (First series Type 1).....	10.50	0.08
Declared dividends on preferred stock (Second series Type 1).....	28.50	0.21
Declared dividends on preferred stock (Type 5).....	13.70	0.10

Note: For the convenience of the readers, the accompanying U.S. dollar financial statements have been translated from Japanese yen, as a matter of arithmetical computation only, at the rate of ¥133.25 to US\$1, the exchange rate prevailing at March 31, 2002.