

# Plan for Strengthening the Financial Base

(Selected tables excerpted from the original Japanese report)

September 2003

Sumitomo Mitsui Financial Group

Major Economic Assumptions on the Plan

		FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Real GDP Growth	(%)	1.6	0.6	0.9	1.3	1.5
O / N (Over night)*	(%)	0.001	0.001	0.20	0.40	0.60
3 month TIBOR*	(%)	0.09	0.10	0.30	0.50	0.70
10 Years JGB*	(%)	1.1	1.0	1.3	1.5	1.7
Yen/Dollar Exchange Rate	(yen)	120.20	120.00	120.00	120.00	120.00
Nikkei Average Stock Price	(yen)	8,170	7,831	7,831	7,831	7,831

\*Average rate during the fiscal year

Outline of the Preferred Stock issued by Sumitomo Mitsui Financial Group

	Type 1	Type 2	Type 3
Amount Issued	201 billion yen	300 billion yen	800 billion yen
Liquidation Preference per Share	3,000,000 yen	3,000,000 yen	1,000,000 yen
Preferred Dividend Amount	10,500 yen	28,500 yen	13,700 yen
Preferred Dividend Rate	0.35%	0.95%	1.37%
Preferred Interim Dividend	5,250 yen	14,250 yen	6,850 yen
Conversion Price	947,100 yen	Market price* as of August 1, 2005	592,400 yen
Conversion Period	From and including December 2, 2002 to and including February 26, 2009	From and including August 1, 2005 to and including February 26, 2009	From and including December 2, 2002 to and including September 30, 2009
Reset of Conversion Price	Reset to the market price* as of August 1 every year during the conversion period (both upward and downward)	Reset to the market price* as of August 1 every year during the conversion period (both upward and downward)	Reset to the market price* as of October 1 every year from October 1, 2003 to October 1, 2006 (both upward and downward)
Floor Conversion Price during the Conversion Period	947,100 yen	947,100 yen	249,700 yen
Mandatory Conversion Date	February 27, 2009	February 27, 2009	October 1, 2009
Floor Conversion Price upon Mandatory Conversion	500,000 yen	500,000 yen	258,330 yen
Original Issuing Company and Name	Sumitomo Bank First Series Type 1	Sumitomo Bank Second Series Type 1	Sakura Bank Series 3 (Type 2)
Name under SMBC	First Series Type 1	Second Series Type 1	Type 5

(\* ) The market price is the average of the 30-consecutive-trading-days' closing prices at the Tokyo Stock Exchange commencing on the 45<sup>th</sup> trading day prior to the relevant date.

(Table 1-1) Trend and Plan of Income [Sumitomo Mitsui Financial Group]

Holding Company established in December 2002

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' Equity> (Billions of yen)					
Total Assets	2,786.2	3,387.7	3,391.2	3,394.5	3,396.3
Loans and Bills Discounted	19.0	40.0	40.0	40.0	40.0
Securities	2,717.2	3,251.0	3,246.1	3,246.1	3,246.1
Total Liabilities	131.9	250.6	250.0	250.0	250.0
Total Stockholders' Equity	3,156.1	3,172.8	3,154.3	3,156.3	3,160.1
Capital Stock	1,247.7	1,247.7	1,247.7	1,247.7	1,247.7
Capital Reserve	1,747.3	1,247.8	1,247.8	1,247.8	1,247.8
Other Capital Surplus	---	499.5	499.5	499.5	499.5
Earned Surplus Reserve	0.5	---	---	---	---
Retained Earnings*	161.0	178.2	159.7	161.7	165.5
Treasury Stock	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
(Income) (Billions of yen)					
Ordinary Profit	119.6	50.0	55.7	58.4	65.4
Dividends on investments in subsidiaries and subsidiaries	128.3	46.4	52.2	55.8	62.7
Expenses	1.0	3.5	3.5	3.5	3.5
Personnel	0.4	1.8	1.8	1.8	1.8
Non-personnel	0.6	1.7	1.7	1.7	1.7
Extraordinary Profit	---	---	---	---	---
Extraordinary Loss	---	---	---	---	---
Income(Loss) before Income Taxes	119.6	50.0	55.7	58.4	65.4
Income Taxes (Current)	0.2	0	1.7	2.4	2.4
Income Taxes (Deferred)	(5.3)				
Net Income(Loss)	124.7	50.0	54.0	56.0	63.0
(Dividend) (Billions of yen, yen, %)					
Distributable Profit	160.6	677.3	658.8	660.8	664.6
Dividend (including Interim Dividend)	33.3	46.4	52.2	55.8	62.7
Dividend of Common Stock	17.4	17.4	23.2	34.5	41.4
Dividend of Preferred Stock <Public Funds>	14.5	14.5	14.5	14.5	14.5
Dividend of Preferred Stock <Others>	1.4	14.5	14.5	6.8	6.8
Dividend per Share (Common Stock) (yen)	3,000	3,000	4,000	5,000	6,000
Dividend per Share (Type 1 Preferred Stock) (yen)	10,500	10,500	10,500	10,500	10,500
Dividend per Share (Type 2 Preferred Stock) (yen)	28,500	28,500	28,500	28,500	28,500
Dividend per Share (Type 3 Preferred Stock) (yen)	13,700	13,700	13,700	13,700	13,700
Dividend per Share (Type 4 Preferred Stock 1st to 12th Series) (yen)	19,500	135,000	135,000	135,000	135,000
Dividend per Share (Type 4 Preferred Stock 13th Series) (yen)	3,750	67,500	67,500	-	-
Dividend Rate (Preferred Stock <Public Funds>)	1.11	1.11	1.11	1.11	1.11
Dividend Rate (Preferred Stock <Others>)	0.28	2.93	2.93	4.50	4.50
Payout ratio (Common Stock)	15.99	82.85	92.80	99.42	99.23
(Financial Indicator) (%)					
ROE (Net Income / Stockholders' Equity <average balance>)	4.69	1.58	1.70	1.77	1.99
ROA (Net Income / Total Assets <average balance>)	4.47	1.47	1.59	1.64	1.85

\*Retained Earnings excluding Earned Surplus Reserve.

(Table 1-1) Trend and Plan of Income [Sumitomo Mitsui Banking Corporation (Non-consolidated)]

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' Equity> (Billions of yen)					
Total Assets	98,922.7	93,000.0	91,300.0	90,700.0	90,500.0
Loans and Bills Discounted	59,391.4	56,700.0	55,700.0	55,700.0	55,700.0
Securities	23,130.4	20,800.0	20,100.0	19,500.0	19,400.0
Trading Assets	1,185.6	1,200.0	1,200.0	1,200.0	1,200.0
Deferred Income Taxes <term-end balance>	1,814.6	1,814.6	1,640.0	1,360.0	1,030.0
Total Liabilities	95,396.2	90,700.0	89,000.0	88,100.0	87,600.0
Deposits, NCD	64,576.5	63,900.0	58,900.0	59,400.0	60,000.0
Bonds	---	---	---	---	---
Trading Liabilities	242.4	200.0	200.0	200.0	200.0
Deferred Tax Liabilities	---	---	---	---	---
Deferred Tax Liabilities for Land Revaluation <term-end balance>	57.9	55.6	53.6	51.6	49.6
Total Stockholders' Equity	2,279.2	2,298.6	2,496.4	2,840.6	3,247.9
Capital Stock	560.0	560.0	560.0	560.0	560.0
Capital Reserve	879.7	879.7	879.7	879.7	879.7
Other Capital Surplus	357.6	357.6	357.6	357.6	357.6
Earned Surplus Reserve	---	---	---	---	---
Retained Earnings*	414.5	471.6	672.4	1,019.6	1,429.9
Land Revaluation Excess	85.3	81.8	78.8	75.8	72.8
Net Unrealized Losses on Other Securities	(17.9)	(52.1)	(52.1)	(52.1)	(52.1)
Treasury Stock	---	---	---	---	---
(Income) (Billions of yen)					
Gross Banking Profit	1,760.6	1,600.0	1,600.0	1,675.0	1,800.0
Interest Income	1,647.1	1,660.0	1,840.0	2,020.0	2,210.0
Interest Expenses	423.8	520.0	680.0	815.0	920.0
Net Fees and Commissions	194.7	230.0	260.0	290.0	330.0
Net Trading Income	196.0	170.0	170.0	170.0	170.0
Net Other Operating Income	146.6	60.0	10.0	10.0	10.0
Gains(Losses) on Bonds	135.7	50.0	0	0	0
Banking Profit (excluding transfer to general reserve for possible loan losses)	1,113.6	1,000.0	1,000.0	1,080.0	1,210.0
Banking Profit	875.5	1,000.0	1,000.0	1,080.0	1,210.0
Transfer to General Reserve for Possible Loan Losses	238.1	0	0	0	0
Expenses	647.0	600.0	600.0	595.0	590.0
Personnel	253.9	237.0	234.0	231.0	228.0
Non-personnel	357.7	333.0	333.0	331.0	329.0
Credit Cost	836.4	650.0	450.0	300.0	300.0
Gains(Losses) on Stocks	(635.7)	(110.0)	0	0	0
Losses on Devaluation of Stocks	527.5				
Ordinary Profit(Loss)	(597.2)	170.0	480.0	710.0	840.0
Extraordinary Profit	6.0				
Extraordinary Loss	79.8	(50.0)	(30.0)	(10.0)	(10.0)
Income Tax (Current)	40.3				
Income Tax (Deferred)	233.0	20.0	200.0	300.0	360.0
Net Income(Loss)	(478.3)	100.0	250.0	400.0	470.0
(Dividend) (Billions of yen, yen, %)					
Distributable Profit	629.5	652.3	853.1	1,200.3	1,610.6
Dividend (including Interim Dividend)					
Dividend of Common Stock					
Dividend of Preferred Stock <Public Funds>					
Dividend of Preferred Stock <Others>					
Dividend per Share (Common Stock) (yen)					
Dividend Rate (Preferred Stock <Public Funds>)					
Dividend Rate (Preferred Stock <Others>)					
Payout Ratio					

\*Retained Earnings excluding Earned Surplus Reserve.

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
(Financial Indicator)					(%)
Yield on Interest Earning Assets (A)	1.86	1.99	2.25	2.49	2.73
Interest Earned on Loans (B)	1.84	1.98	2.30	2.59	2.88
Interest Earned on Securities	1.11	1.18	1.33	1.47	1.60
Total Cost of Funding (including Expenses) (C)	1.22	1.18	1.37	1.50	1.60
Interest Paid on Deposits (including NCD) (D)	0.23	0.23	0.34	0.46	0.56
Expense Ratio (E)	0.99	0.93	1.01	1.00	0.98
Personnel	0.39	0.36	0.39	0.38	0.38
Non-personnel	0.55	0.52	0.56	0.55	0.54
Overall Interest Spread (A) - (C)	0.64	0.81	0.88	0.99	1.13
Interest Spread (B) - (D) - (E)	0.61	0.82	0.95	1.13	1.34
Non-interest Income Ratio	11.05	14.37	16.25	17.31	18.33
OHR (Expenses / Gross Banking Profit)	36.74	37.50	37.50	35.52	32.77
ROE (Banking Profit <sup>*1</sup> / Stockholders' Equity <average balance>)	40.52	43.68	41.71	40.47	39.74
ROA <sup>*2</sup>	1.12	1.12	1.15	1.25	1.40

\*1 Excluding transfer to general reserve for possible loan losses

\*2 FY02: Banking Profit (excluding transfer to general reserve for possible loan losses) / Total Assets <average balance>

FY03-FY06: Banking Profit (excluding transfer to general reserve for possible loan losses) / (Total Assets - Customers' Liabilities for Acceptances and Guarantees <average balance>)

(Reference) Trend and Plan of Income [Sumitomo Mitsui Banking Corporation + Sumitomo Mitsui Card Company, Ltd.  
+ SMBC Leasing Company, Ltd. + The Japan Research Institute, Ltd.]

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' Equity> (Billions of yen)					
Total Assets	101,326.1	95,410.0	93,860.0	93,400.0	93,360.0
Total Liabilities	97,528.0	92,850.0	91,280.0	90,500.0	90,120.0
Total Stockholders' Equity	2,541.7	2,563.8	2,787.0	3,163.6	3,610.3
Capital Stock	662.6	662.6	662.6	662.6	662.6
Capital Reserve	961.2	961.2	961.2	961.2	961.2
Other Capital Surplus	413.8	398.9	398.9	398.9	398.9
Earned Surplus Reserve	1.0	1.0	1.0	1.0	1.0
Retained Earnings* <sup>1</sup>	436.6	512.9	739.1	1,118.7	1,568.4
Land Revaluation Excess	85.3	81.8	78.8	75.8	72.8
Net Unrealized Losses on Other Securities	(18.8)	(54.6)	(54.6)	(54.6)	(54.6)
Treasury Stock	0	0	0	0	0
(Income) (Billions of yen)					
Total Net Business Profits* <sup>2</sup>	1,157.8	1,048.0	1,058.0	1,148.0	1,288.0
Ordinary Profit(Loss)	(563.7)	209.0	531.0	773.0	913.0
Extraordinary Profit(Loss)	(66.3)	(50.0)	(30.0)	(10.0)	(10.0)
Income Taxes (Current)	(176.7)	37.0	222.0	327.0	390.0
Income Taxes (Deferred)					
Net Income(Loss)	(453.3)	122.0	279.0	436.0	513.0
(Dividend) (Billions of yen, %)					
Distributable Profit <including the Holding Company>	866.8	1,409.9	1,617.6	1,999.1	2,452.5
Payout Ratio (Common Stock of the Holding Company)	-	18.70	9.28	8.31	8.41
(Financial Indicator) (%)					
ROE (Total Net Business Profits / Stockholders' Equity <average balance>)	45.55	41.05	39.54	38.58	38.02
ROA (Total Net Business Profits / Total Assets <average balance>)	1.14	1.09	1.12	1.22	1.37

\*1 Retained Earnings excluding Earned Surplus Reserve.

\*2 The numbers are the sum of Banking Profit of Sumitomo Mitsui Banking Corporation and Operating Profit of the other three companies

(Table 1-2) Trend of Income [Sumitomo Mitsui Financial Group (Consolidated)]

	FY01 Actual*4	FY02 Actual	FY03 Forecast
(Scale)<term-end balance>			(Billions of yen)
Total Assets	108,005.0	104,607.4	
Loans and Bills Discounted	63,645.6	61,082.9	
Securities	20,694.6	24,118.5	
Trading Assets	3,278.1	4,495.4	
Deferred Income Taxes	1,882.5	1,956.1	
Minority Interests	983.8	996.7	
Total Liabilities	104,108.5	101,186.7	
Deposits, NCD	71,648.1	67,784.0	
Bonds	---	---	
Trading Liabilities	2,331.5	2,851.4	
Deferred Tax Liabilities	39.2	43.9	
Deferred Tax Liabilities for Land Revaluation	64.0	58.8	
Total Stockholders' Equity	2,912.6	2,424.1	
Capital Stock	1,326.7	1,247.7	
Capital Surplus*1	1,684.4	856.2	
Earned Surplus Reserve*2	117.7	311.7	
Land Revaluation Excess	121.2	101.4	
Net Unrealized Losses on Other Securities	(304.8)	(24.2)	
Foreign Currency Translation Adjustments	(15.2)	(53.5)	
Treasury Stock*3	(17.5)	(15.2)	

(Income)	(Billions of yen)		
Ordinary Income	3,779.7	3,506.4	3,300.0
Interest Income	2,176.7	1,816.9	
Fees and Commissions	387.3	424.2	
Trading Income	129.5	206.5	
Other Operating Income	845.6	947.0	
Other Income	240.7	111.8	
Ordinary Expenses	4,360.3	4,022.1	
Interest Expenses	726.9	417.4	
Fees and Commissions	67.7	71.3	
Trading Losses	---	0.7	
Other Operating Expenses	666.7	721.1	
General and Administrative Expenses	935.6	889.2	
Other Expenses	1,963.5	1,922.3	
Write-off of Loans	391.9	364.6	
Transfer to Reserve for Possible Loan Losses	1,204.3	654.7	
Transfer to General Reserve for Possible Loan Losses	527.4	250.6	
Transfer to Specific Reserve	681.5	408.0	
Ordinary Profit(Loss)	(580.6)	(515.7)	320.0
Extraordinary Gains	29.4	11.9	
Extraordinary Losses	53.1	87.1	
Income(Loss) before Income Taxes	(604.3)	(590.9)	
Income Taxes (Current)	101.9	66.1	
Income Taxes (Deferred)	(289.3)	(225.2)	
Minority Interests in Net Income(Loss)	47.0	33.6	
Net Income(Loss)	(463.9)	(465.4)	150.0

\*1 The Numbers of FY01 are the sum of Capital Reserve and Capital Reserve Reduction.

\*2 The Numbers of FY01 are Retained Earnings excluding Capital Reserve Reduction.

\*3 The Numbers of FY01 include parent bank's stock held by subsidiaries.

\*4 The Numbers of the former Sumitomo Mitsui Banking Corporation (Consolidated).



(Table 2-1) Capital Ratio (BIS Guidelines)

&lt;Sumitomo Mitsui Financial Group (Consolidated)&gt;

(Billions of yen)

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Capital Stock	1,247.7	1,247.7	1,247.7	1,247.7	1,247.7
Non-accumulative Perpetual Preferred Stock	---	---	---	---	---
Capital Surplus	856.2	858.4	858.4	858.4	858.4
Retained Earnings	278.4	385.5	651.3	1,076.5	1,576.8
Minority Interests in Consolidated Subsidiaries	996.9	1,015.2	1,017.2	1,022.2	1,029.2
Preferred Securities	840.1	839.8	839.8	839.8	839.8
Net Unrealized Losses on Other Securities	(24.2)	(58.4)	(58.4)	(58.4)	(58.4)
Treasury Stock	(15.2)	(5.0)	0	0	0
Foreign Currency Translation Adjustments	(53.5)	(53.5)	(53.5)	(53.5)	(53.5)
Goodwill	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Consolidated Adjustment Account	(30.0)	(27.3)	(17.8)	(8.3)	0
Others	---	---	---	---	---
Total Tier I	3,255.9	3,362.3	3,644.6	4,084.3	4,599.9
<Tax Effect>	1,912.2	1,900.0	1,720.0	1,440.0	1,110.0
Unrealized Gains on Securities	---	---	---	---	---
Unrealized Appreciation of Land	71.7	69.1	66.8	64.5	62.2
General Reserve for Possible Loan Losses	739.6	743.8	731.3	722.5	716.3
Perpetual Subordinated Liabilities	569.1	646.4	601.4	394.9	365.9
Others	---	---	---	---	---
Total Upper Tier II	1,380.4	1,459.3	1,399.5	1,181.9	1,144.4
Subordinated Liabilities, Preferred Stock	1,581.3	1,513.7	1,563.5	1,623.5	1,612.0
Others	---	---	---	---	---
Total Lower Tier II	1,581.3	1,513.7	1,563.5	1,623.5	1,612.0
Total Tier II	2,961.6	2,972.9	2,962.9	2,805.3	2,756.3
<Tier II Capital included as Qualifying Capital>	<2,961.6>	<2,972.9>	<2,962.9>	<2,805.3>	<2,756.3>
Tier III	---	---	---	---	---
Subtraction Item	(238.6)	(248.7)	(260.7)	(272.7)	(284.7)
Total Capital	5,978.9	6,086.5	6,346.8	6,616.9	7,071.5

(Billions of yen)

Risk-Adjusted Assets	59,166.9	59,500.0	58,500.0	57,800.0	57,300.0
On-Balance-Sheet Items	55,417.7	55,700.0	54,700.0	54,000.0	53,500.0
Off-Balance-Sheet Items	3,525.4	3,550.0	3,550.0	3,550.0	3,550.0
Others*	223.8	250.0	250.0	250.0	250.0

(%)

Capital Ratio	10.10	10.22	10.84	11.44	12.34
Tier I Ratio	5.50	5.65	6.23	7.06	8.02

\*Market Risk Equivalent Assets divided by 8%

&lt;Assumptions on yen/dollar exchange rate&gt;

\$1=120.00yen

(Table 2-2) Capital Ratio (BIS Guidelines)

&lt;Sumitomo Mitsui Banking Corporation (Non-consolidated)&gt;

(Billions of yen)

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Capital Stock	560.0	560.0	560.0	560.0	560.0
Non-accumulative Perpetual Preferred Stock	---	---	---	---	---
Capital Reserve	879.7	879.7	879.7	879.7	879.7
Other Capital Surplus	357.6	357.6	357.6	357.6	357.6
Earned Surplus Reserve	---	---	---	---	---
Voluntary Reserves	221.5	221.5	221.5	221.5	221.5
Profit brought forward to next year	191.5	248.6	449.4	796.6	1,206.9
Others	739.0	746.6	813.5	845.9	845.9
Preferred Securities	732.8	740.5	807.4	839.8	839.8
Net Unrealized Losses on Other Securities	(17.9)	(52.1)	(52.1)	(52.1)	(52.1)
Treasury Stock	---	---	---	---	---
Goodwill	---	---	---	---	---
Total Tier I	2,931.4	2,961.9	3,229.6	3,609.2	4,019.5
<Tax Effect>	1,814.6	1,814.6	1,640.0	1,360.0	1,030.0
Unrealized Gains on Securities	---	---	---	---	---
Unrealized Appreciation of Land	64.4	61.8	59.5	57.2	54.9
General Reserve for Possible Loan Losses	672.6	672.5	660.0	651.3	645.0
Perpetual Subordinated Liabilities	569.1	646.4	601.4	394.9	365.9
Others	---	---	---	---	---
Total Upper Tier II	1,306.1	1,380.7	1,320.9	1,103.4	1,065.8
Subordinated Liabilities, Preferred Stock	1,557.6	1,499.3	1,544.7	1,604.7	1,583.2
Others	---	---	---	---	---
Total Lower Tier II	1,557.6	1,499.3	1,544.7	1,604.7	1,583.2
Total Tier II	2,863.7	2,880.0	2,865.6	2,708.1	2,649.0
(Tier II Capital included as Qualifying Capital)	<2,771.8>	<2,861.6>	<2,865.6>	<2,708.0>	<2,649.0>
Tier III	---	---	---	---	---
Subtraction Item	(55.4)	(55.4)	(55.4)	(55.4)	(55.4)
Total Capital	5,647.8	5,768.1	6,039.8	6,261.8	6,613.1

(Billions of yen)

Risk-Adjusted Assets	53,807.1	53,800.0	52,800.0	52,100.0	51,600.0
On-Balance-Sheet Items	50,297.7	50,300.0	49,300.0	48,600.0	48,100.0
Off-Balance-Sheet Items	3,322.5	3,300.0	3,300.0	3,300.0	3,300.0
Others*	187.0	200.0	200.0	200.0	200.0

(%)

Capital Ratio	10.49	10.72	11.43	12.01	12.81
Tier I Ratio	5.44	5.50	6.11	6.92	7.78

\*Market Risk Equivalent Assets divided by 8%

&lt;Assumptions on yen/dollar exchange rate&gt;

\$1=120.00yen

(Table 5) Earnings by Unit [Sumitomo Mitsui Banking Corporation (Non-consolidated)]  
(Billions of yen)

	FY01 Actual	FY02 Actual	FY03 Forecast
Net Interest Income	277.8	278.3	278.0
Fees and Commissions + Foreign Exchange	37.7	34.4	48.0
Consumer Banking Unit	315.5	312.7	326.0
Net Interest Income	425.4	337.2	369.0
Fees and Commissions + Foreign Exchange	158.4	231.8	212.0
Middle Market Banking Unit	583.8	569.0	581.0
Net Interest Income	115.5	101.7	105.0
Fees and Commissions + Foreign Exchange	50.8	61.1	76.0
Corporate Banking Unit	166.3	162.8	181.0
Marketing Business	88.4	87.6	91.0
Treasury Business	1.5	1.3	1.5
International Banking Unit	78.4	86.4	91.0
Net Interest Income	---	9.4	10.1
Fees and Commissions + Foreign Exchange	---	0.2	0.2
Community Banking Unit	---	9.6	10.3
Banking Operation	456.6	521.1	337.0
Trading Operation	54.3	63.8	67.0
Treasury Unit	507.7	581.5	400.0
Headquarters	201.8	38.6	10.7
Gross Banking Profit	1,853.5	1,760.6	1,600.0
Expenses	(670.1)	(647.0)	(600.0)
Banking Profit (excluding transfer to general reserve for possible loan losses)	1,183.4	1,113.6	1,000.0

(Table 6) Restructuring Plan [Sumitomo Mitsui Financial Group + Sumitomo Mitsui Banking Corporation]

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
(Number of Employees and Directors)					
Directors	24	28	28	28	28
Board of Directors *1	17(2)	21(2)	21(2)	21(2)	21(2)
Auditors *1	7(3)	7(3)	7(3)	7(3)	7(3)
Employees *2	24,024	22,600	21,300	20,900	20,500

\*1 Number in the brackets are the number of those who are not full-time attendants.

\*2 Registered employees, excluding executive officers, contract employees and temporary recruited.

\*3The actual number of employees on March 31, 2003 excluding those of former Wakasio Bank is 23,401.

(Number of Offices)

Domestic Branches *1	437	435	435	435	435
Overseas Branches *2	20	19	19	19	19
(Ref.) Overseas Subsidiaries *3	26	26	26	26	26

\*1 Excluding sub-branches, agencies, branches specialized in receiving money transfers, branches specialized in controlling ATMs in convenience stores and International Business Operations Department.

\*2 Excluding sub-branches and representative offices.

\*3Excluding Overseas Subsidiaries with ownership of less than 50%.

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
(Personnel Expenses)					
Personnel Expenses (Millions of yen)	254,346	238,800	235,800	232,800	229,800
Salary and Remuneration (Millions of yen)	205,602	184,000	181,000	176,000	173,000
Average Salary (Thousands of yen)	508	502	502	502	502

(Note) Average age of the employee is 38.6 years old (as of March 31, 2003)

(Remuneration and Bonus of Directors)

(Millions of yen)

Remuneration and Bonus of Directors *1	763	760	760	760	760
Remuneration	763	760	760	760	760
Bonus	0	0	0	0	0
Average Remuneration and Bonus of Directors	*2 27	31	31	31	31
Average Retirement Allowances of Directors	63	87	87	87	87

\*1 Sum of those included in personnel expenses and profit appropriation, including rewards as executive officers in case concurrently appointed.

\*2 Excluding those of former Wakashio Bank.

(Non-personnel Expenses)

(Millions of yen)

Non-personnel Expenses *1	355,248	329,800	329,800	327,800	325,800
System related cost *2	90,486	82,300	82,800	82,000	80,800
Excluding System related cost	264,762	247,500	247,000	245,800	245,000

\*1 Excluding the fees for management guidance from subsidiaries to parent.

\*2 Including leasing expenses and other related costs.

(Personnel Expenses + Non-personnel Expenses)

(Millions of yen)

Personnel Expenses + Non-personnel Expenses	609,594	568,600	565,600	560,600	555,600
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(Table 7) Domestic Subsidiaries and Affiliates (\*1)

( Billions of yen )

Company Name	Main Business	Latest Fiscal Term	Total Asset	(*2) Total Borrowing	(*3,*4) SMFG, SMBC portion	Stockholder's Equity	(*4) SMFG, SMBC portion	Operating Profit	Net Income	(*5) Consolidated / Equity Method
[Sumitomo Mitsui Financial Group]										
Sumitomo Mitsui Card Company, Limited	Credit card business	Mar. 03	791.7	283.6	21.4	96.6	170.6	24.8	14.0	Consolidated
SMBC Leasing Company, Limited	Leasing business	Mar. 03	1,678.1	891.2	98.6	139.9	143.4	7.4	3.1	Consolidated
The Japan Research Institute, Limited	Economic research, system engineering and management consulting business	Mar. 03	65.0	22.4	14.0	21.1	20.0	10.1	7.9	Consolidated
Daiwa Securities SMBC Co. Ltd.	Securities business and derivatives business	Mar. 03	6,222.0	1,756.3	175.0	353.8	163.2	16.6	6.4	Equity Method
Daiwa SB Investments Ltd.	Investment advisory and investment trust business	Mar. 03	10.4	-	-	8.5	8.0	0.5	(0.0)	Equity Method
[Sumitomo Mitsui Banking Corporation]										
THE MINATO BANK, LTD.	Commercial Banking business	Mar. 03	2,810.5	91.0	30.2	77.3	4.8	7.1	1.1	Consolidated
The Bank of Kansai, Ltd.	Commercial Banking business	Mar. 03	1,281.3	23.0	23.0	43.5	37.1	4.7	2.1	Consolidated
The Kangin Lease Company, Limited	Leasing business	Mar. 03	28.8	23.8	15.1	3.4	-	0.4	0.3	Consolidated
The Kangin Service Company, Limited	Management of real estate for branches	Mar. 03	17.5	7.6	7.2	6.8	-	0.4	0.2	Consolidated
The Japan Net Bank, Limited	Commercial Banking business via Internet	Mar. 03	169.8	41.3	-	8.1	11.4	(2.8)	(2.8)	Consolidated
SMBC Guarantee Co., Ltd.	Credit guarantee business	Mar. 03	7,149.1	-	-	86.2	94.7	(15.9)	(16.0)	Consolidated
The SC Card Business Company, Limited	Service for credit card members	Mar. 03	3.5	1.3	1.3	0.1	-	(2.4)	(3.4)	Consolidated
SAKURA CARD CO., Ltd.	Credit card business	Mar. 03	227.8	40.7	19.0	15.3	10.7	2.2	1.6	Consolidated
At-Loan Co., Ltd.	Loan business	Mar. 03	87.0	69.0	69.0	2.5	13.0	(8.2)	(8.2)	Consolidated
SMBC Capital Co., Ltd.	Venture capital business	Mar. 03	13.2	10.4	10.4	2.3	1.7	(0.6)	(0.5)	Consolidated
SMBC Consulting Co., Ltd.	Management Consulting business	Mar. 03	2.8	-	-	1.9	1.8	1.0	0.6	Consolidated
SMBC Finance Co. Ltd.	Factoring and loan business	Mar. 03	588.1	430.5	282.9	73.9	110.0	6.2	0.5	Consolidated
SMBC Mortgage Co., Ltd.	Mortgage Securities business	Mar. 03	316.1	305.9	302.9	9.3	4.1	4.6	3.8	Consolidated
Mitsui Finance Service Co., Ltd.	Collecting agent and factoring business	Mar. 03	112.8	34.1	30.5	3.4	-	0.8	0.8	Consolidated
Sakura Finance Co., Ltd.	Collecting agent and factoring business	Mar. 03	94.6	32.5	32.5	2.2	-	(2.3)	(1.4)	Consolidated
Financial Link Company, Limited	Data processing and management consulting	Dec. 02	0.2	-	-	0.2	0.2	(0.0)	(0.0)	Consolidated
Sakura Friend Securities Co., Ltd.	Securities business	Mar. 03	56.4	4.3	-	37.0	21.2	(1.6)	(6.3)	Consolidated
Meiko National Securities Co., Ltd.	Securities business	Mar. 03	88.0	-	-	52.1	17.5	(0.5)	(3.4)	Consolidated
Sakura KCS Corporation	System engineering and data processing business	Mar. 03	17.9	0.8	0.4	12.0	0.2	0.6	0.1	Consolidated
Sakura Information Systems Co., Ltd.	System engineering and data processing business	Mar. 03	17.6	6.0	3.8	7.3	0.0	0.5	0.1	Consolidated
SMBC Business Servicing Co., Ltd.	Servicer	Mar. 03	3.7	0.7	0.7	1.0	0.5	0.4	0.2	Consolidated
Global Factoring Co., Ltd.	Factoring business	Mar. 03	198.2	162.4	162.4	0.1	-	0.1	0.1	Consolidated
Sumitomo Mitsui Asset Management Company, Limited	Investment advisory and investment trust business	Mar. 03	16.8	-	0.0	11.7	3.4	0.8	(0.2)	Equity Method
DLJdirect SFG Securities Co. Ltd.	On-line discount securities brokerage service	Mar. 03	93.3	6.0	-	3.0	1.3	(0.1)	(0.3)	Equity Method
Japan Pension Navigator Co., Ltd.	Defined contribution pension plans	Mar. 03	2.4	-	-	2.2	1.2	(0.7)	(0.7)	Equity Method
QUOQ Inc.	Purchase of monetary assets and credit guarantee business	Mar. 03	1,057.8	138.8	132.0	33.6	2.9	4.6	1.7	Equity Method
[ SMBC Leasing Company, Limited ]										
SMBC Auto Leasing Company, Limited	Leasing business	Mar. 03	181.4	124.9	23.5	10.3	-	1.6	0.6	Consolidated
Mazda Auto Leasing Company, Limited	Leasing business	Mar. 03	10.1	7.7	1.5	1.3	-	0.3	0.6	Consolidated
SAKURA LEASING CO, LTD.	Leasing business	Mar. 03	99.5	89.2	75.8	1.2	-	2.1	1.0	Consolidated
Space Service LLC.	Leasing business	Mar. 03	5.9	4.7	2.8	0.0	-	(0.0)	(0.0)	Consolidated
SBL Partners LLC.	Factoring business	Dec. 02	14.5	14.3	14.3	0.0	-	0.0	0.0	Consolidated
The Awagin Lease Company Limited	Leasing business	Mar. 03	42.7	32.6	1.5	5.8	-	(1.0)	(1.1)	Equity Method
The San-in General Lease Company Limited	Leasing business	Mar. 03	50.7	43.1	1.5	4.1	-	0.9	0.5	Equity Method
Miegin General Leasing Co.Ltd.	Leasing business	Mar. 03	12.1	9.7	0.9	1.4	-	0.2	0.1	Equity Method
NEC Leasing, Ltd.	Leasing business	Mar. 03	706.9	638.7	77.6	34.3	-	8.1	4.8	Equity Method

(Table 7) Overseas Subsidiaries and Affiliates (\*1)

(Millions of local currency, except Indonesia (in Billions))

Company Name	Main Business	Currency	Latest Fiscal Term	Total Asset	(*2) Total Borrowing	(*3,*4) SMFG, SMBC portion	Stockholder's Equity	(*4) SMFG, SMBC portion	Operating Profit	Net Income	(*5)
											Consolidated / Equity Method
[Sumitomo Mitsui Banking Corporation]											
Sumitomo Mitsui Banking Corporation Europe Limited	Commercial Banking business	US\$	Mar.03	12,158	87	4,523	1,705	1,700	6	5	Consolidated
Manufacturers Bank	Commercial Banking business	US\$	Dec.02	1,158	15	1	188	283	12	7	Consolidated
Sumitomo Mitsui Banking Corporation of Canada	Commercial Banking business	CAN\$	Jan.03	1,533	61	31	150	122	10	5	Consolidated
Banco Sumitomo Mitsui Brasileiro S.A.	Commercial Banking business	R\$	Dec.02	1,268	502	512	312	302	181	129	Consolidated
PT Bank Sumitomo Mitsui Indonesia	Commercial Banking business	RPIAH	Dec.02	6,469	928	2,120	1,212	960	265	184	Consolidated
SMBC Leasing and Finance, Inc.	Leasing business	US\$	Dec.02	1,142	230	198	731	690	45	18	Consolidated
SMBC Capital Markets, Inc.	Investment and derivative business	US\$	Dec.02	4,987	288	2,978	850	609	676	433	Consolidated
SMBC Capital Markets Limited	Investment and derivative business	US\$	Dec.02	1,146	35	-	332	300	5	3	Consolidated
Sumitomo Mitsui Finance Australia Limited	Finance business	A\$	Dec.02	2,333	1,907	1,840	66	105	16	12	Consolidated
SMBC Securities, Inc.	Securities business	US\$	Dec.02	291	242	25	45	40	1	0	Consolidated
SFVI Limited	Investment business	US\$	Dec.02	508	-	-	508	500	20	20	Consolidated
Sakura Capital Funding (Cayman) Limited	Finance business	US\$	Dec.02	509	498	83	0	0	(0)	(0)	Consolidated
Sakura Finance (Cayman) Limited	Finance business	US\$	Dec.02	1,908	1,903	1,907	0	0	0	0	Consolidated
Sumitomo Finance International plc	Investment business	STG	Dec.02	283	118	71	125	200	12	12	Consolidated
SMBC International Finance N.V.	Finance business	US\$	Dec.02	4,553	4,513	4,383	1	0	0	0	Consolidated
BSL Leasing Co., Ltd.	Leasing business	TBAH	Dec.02	1,572	1,134	94	181	6	100	67	Equity Method
[ SMBC Leasing Company, Limited ]											
SMBC Leasing (Singapore) Pte Ltd.	Leasing business	S\$	Dec.02	166	136	103	9	-	(8)	(8)	Consolidated
SMBC Leasing (Hong Kong) Limited	Leasing business	HK\$	Dec.02	963	911	735	56	-	8	8	Consolidated
SMBC Leasing (Thailand) Co., Ltd.	Leasing business	TBAH	Dec.02	1,426	1,093	958	201	-	35	24	Consolidated
SMBC Leasing (Guangzhou) Co., Ltd.	Leasing business	RMB	Dec.02	119	35	35	74	-	2	1	Consolidated
SMBC Leasing (Malaysia) Sdn. Bhd.	Leasing business	RM	Dec.02	114	94	97	6	-	1	1	Consolidated
SMBC Leasing (UK) Limited	Leasing business	STG	Dec.02	22	17	11	4	-	0	0	Consolidated
P.T. EXIM SB Leasing	Leasing business	RPIAH	Dec.02	191	255	152	32	0	0	0	Consolidated

(\*1) Only the subsidiaries and affiliates which borrowed over one hundred million yen from Sumitomo Mitsui Financial Group or Sumitomo Mitsui Banking Corporation are indicated in these tables. Financial data of foreign subsidiaries and affiliates are denoted by local currency (in millions, except Indonesia (in billions)).

(\*2) Including bonds and commercial papers.

(\*3) Including guarantees.

(\*4) Indicated as the combined basis of SMFG and SMBC.

(\*5) Based on Sumitomo Mitsui Financial Group's consolidated financial results.

(\*6) For the companies reporting Operating Losses, Net Losses or Retained Losses, projection of income and position in the group strategy of SMFG and SMBC are described in the next page .

(\*7) Meiko National Securities Co.,Ltd and Financial Link Company, Limited and two other companies become consolidated companies through acquisition, and nine newly established companies, including Sumitomo Mitsui Banking Corporation Europe Limited are conso

Twenty three companies formerly excluded from the scope of consolidation are consolidated again from FY02 period.

SAKURA INVESTMENT MANAGEMENT CO.,LTD and four companies were merged, Sumitomo Mitsui Finance Australia (Securities) Limited and five companies were liquidated, SB AUTO SERVICE CO., LTD. was sold, and they were unconsolidated from the FY02 interim period.

SMFG Finance (Cayman) Limited and SMFC Holdings (Cayman) Limited, newly established, and NEC Leasing, Ltd, newly acquired through share acquisition, are accounted as affiliates by equity method since this consolidated fiscal year. Sumitomo Mitsui Asset M

Meiko National Securities and one other company, being consolidated subsidiaries through acquisition, is excluded from the list of affiliates under equity method. Bangkok SMBC Systems Ltd. and one other company, repudiated, has already been excluded from

Details of (\*5)

Company name	Earnings projections	Strategic position within group
Daiwa SB Investments Ltd.	100 million yen of net income in FY2003	Investment company strategically created with Daiwa Securities group
The Kangin Service Company, Limited	Secure positive bottom line in FY2003	Kansai Bank's subsidiary for holding and managing the bank's real estate
The Japan Net Bank, Limited	Net loss of 2.8 billion yen in FY2002 (year-over-year increase of 2.6 billion yen). Striving to go into black at early date.	Internet specialized bank
SMBC Guarantee Co., Ltd.	Sumigin Guarantee Company, Limited became its wholly-owned subsidiary in March 2002. Expected to be in black on consolidated basis in FY2004, and currently progressing nearly in line with targets.	SMBC's housing loan guarantee subsidiary
The SB Card Business Company, Limited	Secure positive bottom line in FY2003	Subsidiary providing services to SMBC's card holders
At-loan Co., Ltd.	Currently in red due to start-up costs. Aiming for black ink at early date by increasing outstanding loan balance.	Group's lone consumer loan specialized company
SMBC Capital Co., Ltd.	Expected to be in black in FY2003 thanks to increase in management fees from establishment of new funds, and decrease in amount of write-offs of invested stocks.	Strategic subsidiary for promoting active equity investment in growth companies
SMBC Mortgage Co., Ltd.	Secure positive bottom line in FY2003	SMBC's finance subsidiary
Sakura Finance Service Co., Ltd.	Secure positive bottom line in FY2003 (new company name SMBC Finance Service Co., Ltd. after merger on April 1, 2003)	SMBC's finance and factoring subsidiary
Financial Link Company, Limited	Expected to go into black in FY2003 thanks to contracts awarded.	Strategic subsidiary that coordinates financial services such as outsourcing of settlement operations and fund administration with SMBC and group companies
Sakura Friend Securities Co., Ltd.	Sakura Friend Securities and Meiko National Securities merged in April 2003 to form SMBC Friend Securities Co., Ltd. Net loss (but secured ordinary profit) in FY2002 due to merger-related extraordinary losses.	SMBC's retail securities subsidiary
Meiko National Securities Co., Ltd.	Aiming for net income in FY2003 as ordinary p	SMBC's retail securities subsidiary
Sumitomo Mitsui Asset Management Company, Ltd.	Created from merger of five asset management subsidiaries of SMBC, Mitsui Mutual Life Insurance Company, Sumitomo Life Insurance Company and Mitsui Sumitomo Insurance Co., Ltd in December 2002. FY2002 net loss (but achieved ordinary profit). Aiming for pos	SMBC's affiliated company in the field of asset management
DLJdirect SFG Securities Inc.	Achieved ordinary profit in FY2002 but negative bottom line. Strengthening earnings power by keeping down expenses and other measures to expand ordinary profit in order to achieve positive bottom line.	One of core players of SMBC's Internet strategy, engaged in retail securities
Japan Pension Navigator Co., Ltd.	Earnings power increasing with operation starting to move on full-scale basis and improving level of services. Aiming for positive bottom line at early date but depreciation of initial systems investment drag on earnings and expected to remain in red for s	Core company in defined contribution pension plan business
Space Service LLC.	Flat	SPC of SMBC Leasing Company
The Awagin Lease Company, Limited	Go into black in FY2003	Affiliate of SMBC Leasing Company
Sumitomo Finance International plc	Net income in fiscal year ended Dec,2002. Aiming to maintain black figure in fiscal year ended Dec,2003.	Investment company
SMBC Leasing (Singapore) Pte Ltd.	Secure positive bottom line in fiscal year ended Dec. 2003.	Overseas sbusidiary of SMBC Leasing
SMBC Leasing (Hong Kong) Limited	Secure positive bottom line in fiscal year ended Dec. 2003.	Overseas sbusidiary of SMBC Leasing
SMBC Leasing (Guangzhou) Co., Ltd.	Secure positive bottom line in fiscal year ended Dec. 2003.	Overseas sbusidiary of SMBC Leasing
P.T.EXIM SB Leasing	Concentrate on recovering loans with a view to liquidation	Overseas sbusidiary of SMBC Leasing

(Table 10-2) Loans and Bills Discounted  
[Sumitomo Mitsui Banking Corporation (Non-conconsolidated)]

(Balance)		(billions of yen)	
		Mar.31,03 actual (A)	Mar.31,04 plan (B)
Domestic	including Impact Loans	54,208.0	52,208.0
	excluding Impact Loans	53,330.9	51,330.9
Small and Medium-sized enterprises*	including Impact Loans	21,596.9	20,616.9
	excluding Impact Loans	21,291.3	20,311.3
	Loans with guarantee of Credit Guarantee Corporation	1,975.5	1,875.5
	Individuals (excluding business loans)	12,775.1	13,475.1
	Housing Loans	11,161.4	11,861.4
	Others	19,836.0	18,116.0
Overseas		3,074.4	3,074.4
Total		57,282.4	55,282.4

\* Small and Medium-sized enterprises = Loans to following enterprises excluding subsidiaries and affiliates  
 -Wholesaling enterprise whose capital is Y100 mil. or less or number of employees is 100 or less  
 -Services enterprise whose capital is Y50 mil. or less or number of employees is 100 or less  
 -Retailing enterprise whose capital is Y 50mil. or less or number of employees is 50 or less  
 -Other enterprise whose capital is Y300 mil. or less or number of employees is 300 or less  
 -Unincorporated enterprise

(Adjusted basis <excluded factors shown below>) (billions of yen)

		Mar.31,03 actual*	Mar.31,04 plan (B)-(A)+(a)
Domestic	including Impact Loans	1,698.4	(850.0)
	excluding Impact Loans	2,243.9	(850.0)
Small and Medium-sized enterprises	including Impact Loans	(866.0)	70.0
	excluding Impact Loans	(729.7)	70.0

\* Referring to Table10-1 of SMBC's Progress Report.

(Factors for reduction in loans) (billions of yen)

	FY03 Plan (a)	
		Small and Medium-sized enterprises
Loan Losses		
Direct Write-offs *1		
Direct reduction *2		
Secondary losses on loans sold to CCPC *3		
Sales of loans to RCC *4		
Sales of problem assets to others		
Others*5		
Sales and securitization of loans *6		
Private placement etc.*7		
Subsidiaries etc.*8		
Total	+ 1,150.0	+ 1,050.0

\*1 Direct write-offs which are allowed to be tax deductible.

\*2 Of those reduced in this fiscal year.

\*3 Losses due to the disposition of collaterals of loans sold to CCPC, etc.

\*4 Losses due to the sales of loans to the specific bank defined in Article 53 of Financial Reconstruction Law.

\*5 Decrease through other measures of disposing non-performing loans

\*6 Mainly sales and securitization of normal loans.

\*7 Amount of credit given that are virtually equivalent to that of loan, such as private placement etc.

\*8 Loans to consolidated subsidiaries and subsidiaries under equity method which contribute to encouraging smooth provision of credit to small- and mid-sized enterprises.



(Reference) Accumulation of Retained Earnings

(billion of yen)

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Retained Earnings*	1,013.0	1,590.6	1,798.3	2,179.9	2,633.4
Other Capital Surplus	413.9	898.5	898.5	898.5	898.5

\* Total of Retained earnings of Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card, SMBC Leasing, and Japan Research Institute.

(Table 11) Earnings Targets (Banking Profit excluding transfer to general reserve for possible loan losses  
of Sumitomo Mitsui Banking Corporation)

(billions of yen)

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Main Scenario (A)	1,113.6	1,000.0	1,000.0	1,080.0	1,210.0

Major Economic Assumptions

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Real GDP Growth (%)	1.6	0.6	0.9	1.3	1.5
3 month TIBOR (%)	0.09	0.10	0.30	0.50	0.70
10 Years JGB (%)	1.1	1.0	1.3	1.5	1.7

Fluctuations from Main Scenario

(billions of yen)

	FY02 Actual	FY03 Plan	FY04 Plan	FY05 Plan	FY06 Plan
Optimistic Scenario (B)	n.a.	1,030.0	1,050.0	1,150.0	1,300.0
Change (B)-(A)	n.a.	30.0	50.0	70.0	90.0
Pessimistic Scenario (C)	n.a.	970.0	950.0	1,010.0	1,120.0
Change (C)-(A)	n.a.	(30.0)	(50.0)	(70.0)	(90.0)

(Table 13) Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 02 *1 Non-consolidated	Mar. 31, 02 *1 Consolidated	Mar. 31, 03 *2 Non-consolidated	Mar. 31, 03 *3 Consolidated
Bankrupt and Quasi-Bankrupt Assets	493.5	638.2	524.9	656.0
Doubtful Assets	2,970.2	3,263.4	2,129.5	2,340.2
Substandard Loans	2,436.3	2,666.1	2,606.9	2,857.6
Sub-total	5,900.0	6,567.7	5,261.3	5,853.8
Normal Assets	60,558.9	61,896.4	57,313.4	59,330.5
Total	66,458.9	68,464.1	62,574.7	65,184.3

## Reserve for Possible Loan Losses

(Billions of yen)

	Mar. 31, 02 *1 Non-consolidated	Mar. 31, 02 *1 Consolidated	Mar. 31, 03 *2 Non-consolidated	Mar. 31, 03 *3 Consolidated
General Reserve	872.3	929.5	1,113.2	1,173.9
Specific Reserve	1,084.1	1,214.7	950.0	1,058.0
Loan Loss Reserve for Specific Overseas Countries	15.4	15.4	11.6	11.6
Sub-total	1,971.8	2,159.6	2,074.8	2,243.5
Reserve for Possible Losses on Loans Sold to CCPC	80.6	86.4	17.2	20.7
Total	2,052.4	2,246.0	2,092.0	2,264.2

(Table 14) Risk-Monitored Loans

	(Billions of yen)			
	Mar. 31, 02 *1 Non-consolidated	Mar. 31, 02 *1 Consolidated	Mar. 31, 03 *2 Non-consolidated	Mar. 31, 03 *3 Consolidated
Bankrupt Loans (A)	195.7	227.5	172.4	201.4
Non-Accrual Loans (B)	3,184.5	3,599.8	2,390.2	2,710.2
Past Due Loans (3 Months or more) (C)	92.3	102.8	114.7	130.3
Restructured Loans (D)	2,344.0	2,554.3	2,492.2	2,728.8
(1)Reduction of the original interest rate	506.0	510.6	523.5	559.5
(2)Forbearance of interest payments	3.5	33.5	8.0	33.2
(3)Loans to supported companies	16.2	16.2	---	---
(4)Forbearance of principal repayments	1,809.5	1,977.7	1950.6	2,121.9
(5)Others	8.8	16.3	10.1	14.2
Total (E)=(A)+(B)+(C)+(D)	5,816.5	6,484.4	5,169.5	5,770.7
Direct Reduction	1,373.7	1,768.8	925.5	1,273.4
Ratio (E)/ Total Loans	9.7%	10.2%	9.0%	9.4%

\*1 The numbers of FY01 are those of former Sumitomo Mitsui Banking Corporation.

\*2 The numbers of FY02 of non-consolidated are those of Sumitomo Mitsui Banking Corporation.

\*3 The numbers of FY02 of consolidated are those of Sumitomo Mitsui Financial Group.

(Table 15) Disposition of Problem Assets

&lt;Non-consolidated&gt;

(Billions of yen)

	FY01 Actual	FY02 Actual	FY03 Plan
Credit Cost (A)	1,038.6	836.4	
Transfer to Specific Reserve	663.2	375.4	
Write-off of loans and other related losses (C)	342.9	449.7	
Write-off of loans	271.9	259.7	
Losses on Sales of Loans to CCPC	8.4	16.4	
Losses on Sales of Loans to RCC *1	2.7	22.0	
Losses on Bulk Sales	47.9	126.9	
Losses on Debt Forgiveness	12.0	24.7	
Transfer to Reserve for Possible Losses from Loans Sold to CCPC	37.0	15.2	
Transfer to Reserve for Supporting Specific Borrowers	---	---	
Transfer to Loan Loss Reserve for Specific Overseas Countries	(4.5)	(3.9)	
Transfer to General Reserve for Possible Loan Losses (B)	504.5	238.1	
Total (A)+(B)	1,543.1	1,074.5	650.0

&lt;Reference&gt;

Direct Write-off of loans already reserved (D)	573.7	1,131.7	-
Gross Direct Write-offs (C) + (D)	916.6	1,581.4	-

\*1 Losses due to the sales of loans to the specific bank defined in Article 53 of Financial Reconstruction Law.

&lt;Consolidated&gt;

(Billions of yen)

	FY01 Actual	FY02 Actual	FY03 Plan
Credit Cost (A)	1,176.0	950.3	
Transfer to Specific Reserve	681.5	408.0	
Write-off of loans and other related losses (C)	460.4	529.5	
Write-off of loans	380.0	339.9	
Losses on Sales of Loans to CCPC	9.8	17.1	
Losses on Sales of Loans to RCC *1	3.0	22.0	
Losses on Bulk Sales	55.6	125.8	
Losses on Debt Forgiveness	12.0	24.7	
Transfer to Reserve for Possible Losses from Loans Sold to CCPC	38.7	16.7	
Transfer to Reserve for Supporting Specific Borrowers	---	---	
Transfer to Loan Loss Reserve for Specific Overseas Countries	(4.6)	(3.9)	
Transfer to General Reserve for Possible Loan Losses (B)	527.4	250.6	
Total (A)+(B)	1,703.4	1,200.9	

&lt;Reference&gt;

Direct Write-off of loans already reserved (D)	681.8	1,280.9	-
Gross Direct Write-offs (C) + (D)	1,142.2	1,810.4	-

\*1 Losses due to the sales of loans to the specific bank defined in Article 53 of Financial Reconstruction Law.

(Table 17) Bankruptcies in FY2002 \*1

[Sumitomo Mitsui Banking Corporation (Non-consolidated)]

(Billions of yen)

Internal Grading	Internal Grading One Year Before the Bankruptcy		Internal Grading Six Month Before the Bankruptcy	
	Number of Bankruptcies	Outstanding Exposure	Number of Bankruptcies	Outstanding Exposure
1	0	0.0	0	0.0
2	0	0.0	0	0.0
3	0	0.0	0	0.0
4A	0	0.0	0	0.0
4B	2	3.1	1	0.2
4C	7	2.5	6	2.3
5A	17	6.0	14	5.3
5B	23	5.1	18	3.4
5C	34	5.7	27	4.0
6	39	4.0	36	3.5
7	181	106.4	150	83.3
8	87	95.7	104	96.7
9	30	53.9	66	84.6
No Grading *2	49	5.8	47	4.9

\*1 Bankruptcies with credit amount less than 50 million yen are excluded.

\*2 "No Grading" includes individuals and companies without financial data.

(Reference) Problem Assets Based on the Financial Reconstruction Law

(Billions of yen)

	Mar. 31, 03
Bankrupt and Quasi-Bankrupt Assets	524.9
Doubtful Assets	2,129.5
Substandard Loans	2,606.9
Normal Assets	57,313.4
Total	62,574.7

(Table 18) Unrealized Gains(Losses) (as of Mar. 31, 03)

[ Sumitomo Mitsui Banking Corporation ( Non-consolidated ) ]

## Securities

(Billions of yen)

		Outstanding Balance	Net Unrealized Gains(Losses)		
				Gains	Losses
Held-to- maturity purpose	Securities *1,*2	286.2	3.8	3.9	0.1
	Bond	261.0	2.8	2.8	---
	Stock	---	---	---	---
	Other	25.2	1.0	1.1	0.1
	Money Held in Trust *1	---	---	---	---
Subsidiaries, etc.	Securities *1,*2	1,200.7	(20.4)	0.6	21.0
	Bond	---	---	---	---
	Stock	345.4	(20.4)	0.6	21.0
	Other	855.3	---	---	---
	Money Held in Trust *1	---	---	---	---
Other Securities	Securities *1,*2	22,227.7	(17.8)	257.7	275.5
	Bond	14,463.4	108.7	112.4	3.7
	Stock	3,162.8	(152.3)	105.3	257.6
	Other	4,601.5	25.8	40.0	14.2
	Money Held in Trust *1	23.0	0.0	0.5	0.5

## Others

(Billions of yen)

	Book Value	Market Value	Net Unrealized Gains(Losses)		
				Gains	Losses
Premises used in Business *3	341.1	344.9	3.8	12.6	8.8
Other Premises	---	---	---	---	---
Other Assets	---	---	---	---	---

\*1 Unrealized gains(losses) are calculated as follows;

Securities and Money Held in Trust with market value: Market prices as of balance sheet date.

But for the stocks in the "Other Securities", unrealized gains(losses) are based on the average market price during the final month of the interim period.

\*2 Securities include following items, which are not categorized as "Securities" in the balance sheet.

Negotiable certificates of deposit included in item "Deposits with Banks" and commercial papers as well as claims on loan trust included in item "Commercial Papers and Other Purchased".

\*3 Based on revaluation of land at fair value as of March 31, 1998 and March 31, 2002 under the Revaluation Act of Land Properties and the law concerning amendment of the Law.

Book Value: Book value after the revaluation.

Market Value: Market value as of March 31, 2003.

(Table 18) Unrealized Gains(Losses) (as of March 31,2003)

[ Sumitomo Mitsui Financial Group ( consolidated ) ]

## Securities

(Billions of yen)

		Outstanding Balance	Net Unrealized Gains(Losses)		
				Gains	Losses
Held-to- maturity purpose	Securities *1,*2	387.5	5.9	6.0	0.1
	Bond	334.5	4.9	4.9	---
	Stock	---	---	---	---
	Other	53.0	1.0	1.1	0.1
	Money Held in Trust *1	---	---	---	---
Subsidiaries, etc.	Securities *1,*2	196.3	---	---	---
	Bond	---	---	---	---
	Stock	188.5	---	---	---
	Other	7.8	---	---	---
	Money Held in Trust *1	---	---	---	---
Other Securities	Securities *1,*2	23,599.6	(30.6)	272.9	303.6
	Bond	15,312.1	111.2	117.1	5.9
	Stock	3,284.4	(165.4)	113.0	278.4
	Other	5,003.1	23.6	42.9	19.3
	Money Held in Trust *1	23.0	0.0	0.5	0.5

## Others

(Billions of yen)

	Book Value	Market Value	Net Unrealized Gains(Losses)		
				Gains	Losses
Premises used in Business *3	348.1	350.5	2.4	12.6	10.2
Other Premises	---	---	---	---	---
Other Assets	---	---	---	---	---

\*1 Unrealized gains(losses) are calculated as follows;

Securities and Money Held in Trust with market value: Market prices as of balance sheet date.

But for the stocks in the "Other Securities", unrealized gains(losses) are based on the average market price during the final month of the interim period.

\*2 Securities include following items, which are not categorized as "Securities" in the balance sheet.

Negotiable certificates of deposit included in item "Deposits with Banks" and commercial papers as well as claims on loan trust included in item "Commercial Papers and Other Purchased".

\*3 Based on revaluation of land at fair value as of March 31, 1998 and March 31, 1999 and March 31, 2002 under the Revaluation Act of Land Properties and the law concerning amendment of the Law.

Book Value: Book value after the revaluation.

Market Value: Market value as of March 31, 2003.



(Table 19) Derivatives and Foreign Forward Contracts

[ Sumitomo Mitsui Financial Group ( consolidated ) ]

(Billions of Yen)

	Contract Amount or Nominal Principal Amount		Credit Risk Equivalent Amount	
	Mar.31, 02 *2	Mar. 31, 03	Mar.31, 02 *2	Mar.31, 03
Financial Futures Contracts	118,364.9	203,563.1	---	---
Interest Rate Swap	202,263.5	225,782.9	3,155.1	4,004.7
Currency Swap	12,024.7	12,914.9	900.4	871.9
Foreign Exchange Forward Contracts	42,393.4	38,376.9	1,292.2	950.6
Interest Rate Options (Buy)	4,660.3	4,300.9	55.1	63.6
Currency Options (Buy)	3,745.9	3,214.5	118.1	105.8
Other Derivative Instruments	21,230.1	24,482.6	31.8	49.5
Effect of Master Netting Agreements	---	---	(2,806.5)	(2,882.5)
Total	404,682.8	512,635.8	2,746.3	3,163.6

\*1 Figures given above were computed according to capital adequacy guidelines set by the BIS. Followings were also added.

-Listed transactions

-Options (sell)

-Transactions for which the original contract has a maturity of 14 days or less

\*2 The numbers of FY01 are those of former Sumitomo Mitsui Banking Corporation (consolidated)

(Table 20) Credit Portfolio (as of Mar. 31, 03)

[ Sumitomo Mitsui Banking Corporation (Non-consolidated) ]

(Billions of Yen)

	Counterparty with rating equivalent to BBB/Baa or higher	Counterparty with rating equivalent to BB/Ba or lower	Others *2	Total
Credit Risk Equivalent	379.5	2.6	8.5	390.6
Credit Cost	0.3	0.0	0.1	0.4
Amount of Credit Risk	1.7	0.1	0.4	2.2

\*1 Tentative calculation for interest rate and foreign currency related derivative transactions with financial institutions located in Tokyo, New York, Hong Kong and Singapore by the Treasury Unit.

\*2 Corporations without credit ratings by rating agencies.