

Progress Report on Strengthening the Financial Base of the Bank

(Selected tables excerpted from the original Japanese report)

December 2001

Sumitomo Mitsui Banking Corporation

(Table 1-1)Trend and Plan of Income

	FY99 Actual	FY00 Actual	FY01 1st half Actual	FY01 Plan
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' Equity> (billions of yen)				
Total Assets	97,774.7	102,783.1	107,093.7	96,200.0
Loans and Bill Discounted	65,283.1	62,824.0	60,358.8	62,800.0
Securities	15,105.4	19,635.2	24,473.8	16,100.0
Trading assets	2,254.8	2,060.1	1,304.5	2,250.0
Deferred Income Taxes <term-end balance>	1,208.1	1,074.6	1,589.9	890.0
Total Liabilities	93,952.3	98,854.9	103,304.1	92,200.0
Deposits, NCD	68,110.1	68,038.9	68,748.4	65,800.0
Bonds	---	---	---	---
Trading Liabilities	411.1	362.0	209.2	400.0
Deferred Tax Liabilities	---	---	---	---
Deferred Tax Liabilities for Land Revaluation <term-end balance>	142.8	130.0	131.4	132.0
Total Stockholders' Equity	4,132.8	4,199.9	3,514.6	4,698.4
Capital Stock	1,795.5	1,795.5	1,326.7	1,326.6
Capital Surplus	1,542.6	1,542.6	1,684.4	2,111.5
Earned Surplus Reserve	227.4	239.1	241.4	246.1
Land Revaluation Excess	216.3	209.5	208.9	210.9
Net Unrealized Losses on Securities	---	---	(425.7)	150.0
Retained Earnings	351.0	413.0	478.9	653.3
(Income)				
Gross Banking Profit	1,433.7	1,503.2	849.3	1,428.0
Interest Income	2,755.4	2,275.6	1,061.4	2,187.0
Interest Expenses	1,541.4	1,034.9	386.8	1,017.0
Net Fees and Commissions	129.4	150.7	73.3	157.0
Net Trading Profit	41.2	95.4	70.9	53.0
Other Operating Income and Expenses	49.0	16.4	30.5	48.0
Gains / (Losses) on Bonds	(1.6)	8.7	30.1	---
Banking Profit before (a)	702.8	803.1	515.8	700.0
Banking Profit	678.6	991.7	478.4	700.0
Net addition to General Reserve for Possible Loan Losses ... (a)	24.2	(188.6)	37.4	---
Expenses	727.5	700.1	333.5	728.0
Personnel	303.7	294.1	140.1	294.0
Non-personnel	386.3	370.6	177.7	399.0
Total Credit Cost	1,106.4	1,007.7	268.0	200.0
Gains (Losses) on Stocks and Other Securities	828.4	311.4	(52.6)	---
Losses on Devaluation of Stocks	64.0	118.1	68.9	---
Operating Profit	336.4	359.1	127.1	445.0
Extraordinary Profit	2.9	3.0	0.2	---
Extraordinary Loss	36.8	89.1	16.2	71.0
Income Taxes (Current)	10.5	9.4	9.8	164.0
Income Taxes (Deferred)	*1 186.0	*2 125.7	21.5	---
Net Income	105.9	137.9	79.8	210.0
(Dividend) (billions of yen, %)				
Distributable Profit	Sakura 114.1 Sumitomo 178.3	Sakura 165.0 Sumitomo 206.7	53.2	544.5
Dividend	Sakura 35.6 Sumitomo 18.8	Sakura 35.7 Sumitomo 18.8	---	48.6
Dividend per Share (yen)	Sakura 6.0 Sumitomo 6.0	Sakura 6.0 Sumitomo 6.0	---	6.0
Dividend Rate (Preferred Stock <Public funds>)	Sakura 1.37 Sumitomo 0.70	Sakura 1.37 Sumitomo 0.70	---	---
Dividend Rate (Preferred Stock <Others>)	Sakura 0.75 Sumitomo ---	Sakura 0.75 Sumitomo ---	---	---
Payout Ratio	Sakura 53.42 Sumitomo 41.63	Sakura 34.72 Sumitomo 36.15	---	17.44
(Financial Indicator) (%)				
Yield on interest earning assets (A)	Sakura 3.34 Sumitomo 3.21	Sakura 2.50 Sumitomo 2.57	2.27	2.59
Interest Earned on Loans (B)	Sakura 2.25 Sumitomo 2.30	Sakura 2.35 Sumitomo 2.43	2.15	2.50
Interest Earned on Securities	Sakura 1.65 Sumitomo 1.70	Sakura 1.74 Sumitomo 1.79	1.82	1.64
Total Cost of Funding (including Expenses) (C)	Sakura 2.92 Sumitomo 2.77	Sakura 2.00 Sumitomo 2.06	1.61	2.17
Interest paid on Deposits (Including NCD) (D)	Sakura 0.49 Sumitomo 0.82	Sakura 0.72 Sumitomo 1.13	0.57	0.85
Expense Ratio (E)	Sakura 1.16 Sumitomo 0.95	Sakura 1.12 Sumitomo 0.92	0.96	1.09
Personnel	Sakura 0.47 Sumitomo 0.41	Sakura 0.46 Sumitomo 0.39	0.40	0.44
Non-personnel	Sakura 0.63 Sumitomo 0.49	Sakura 0.60 Sumitomo 0.48	0.51	0.60
Overall Interest Spread (A) - (C)	Sakura 0.42 Sumitomo 0.44	Sakura 0.50 Sumitomo 0.51	0.66	0.42
Interest Spread (B) - (D) - (E)	Sakura 0.60 Sumitomo 0.52	Sakura 0.50 Sumitomo 0.38	0.61	0.56
Non-interest Income Ratio	Sakura 14.33 Sumitomo 9.59	Sakura 18.03 Sumitomo 10.53	8.63	10.99
ROE (Banking Profit before (a) / Stockholders' Equity <average balance>)	Sakura 14.00 Sumitomo 20.89	Sakura 15.67 Sumitomo 23.56	28.23	15.60
ROA (Banking Profit before (a) / Total Assets <average balance>)	Sakura 0.67 Sumitomo 0.76	Sakura 0.75 Sumitomo 0.80	0.96	0.72

(Note) Basically, the numbers of FY99 and FY00 are the sum of those of former Sakura Bank and Sumitomo Bank.

*1 Effect of introduction of enterprise taxes to banking industry by Tokyo Metropolitan Government: 70.1 billion yen

*2 Effect of introduction of enterprise taxes to banking industry by Osaka Prefectural Government: 32.0 billion yen

(Table 1-2)Trend of Income (Consolidated)

	FY99 Actual	FY00 Actual	FY01 1st half Actual	FY01 Plan
(Scale)<term-end balance>				(Billions of yen)
Total Assets	102,263.1	119,242.7	107,502.0	
Loans and Bill Discounted	65,274.1	65,537.1	64,727.6	
Securities	15,897.6	27,312.5	20,511.6	
Trading Assets	3,170.4	2,491.0	3,225.0	
Deferred Income Taxes	1,316.5	1,156.5	1,696.3	
Minority Interests	898.5	990.6	967.9	
Total Liabilities	97,351.6	114,239.1	103,181.9	
Deposits, NCD	68,969.9	74,696.0	71,825.1	
Bonds	---	---	---	
Trading Liabilities	1,313.3	1,270.0	2,163.2	
Deferred Tax Liabilities	3.8	24.7	53.4	
Deferred Tax Liabilities for Land Revaluation	157.1	144.1	145.2	
Total Stockholders' Equity	4,012.9	4,013.0	3,352.2	
Capital Stock	1,795.5	1,795.5	1,326.7	
Capital Surplus	1,542.6	1,542.6	1,684.4	
Land Revaluation Excess	237.4	230.7	230.2	
Evaluation Excess of "Other Securities"	---	---	(394.8)	
Retained Earnings	451.7	516.0	541.4	
Foreign Currency Translation Adjustments	---	(53.0)	(18.5)	
Treasury Stock *1	(14.4)	(18.7)	(17.2)	

(Income)

(Billions of yen)

Operating Income	5,150.3	4,449.2	1,801.8	
Interest Income	2,926.9	2,435.9	1,067.7	
Fees and Commissions	368.8	412.1	189.9	
Trading Profits	87.2	111.2	73.7	
Other Operating Income	688.8	649.7	394.2	
Other Income	1,078.4	840.4	76.3	
Operating Expenses	4,776.5	3,954.6	1,687.4	
Interest Expenses	1,619.8	1,112.3	393.0	
Fees and Commissions	103.2	95.8	36.4	
Trading Losses	23.8	2.1	---	
Other Operating Expenses	578.2	560.7	321.4	
General and Administrative Expenses	953.5	940.9	468.4	
Other Expenses	1,497.7	1,242.7	468.2	
Write-off of Loans	585.4	814.5	196.8	
Transfer to Reserve for Possible Loan Losses	469.2	49.0	116.8	
Transfer to General Reserve for Possible Loan Losses	17.6	(209.5)	62.8	
Transfer to Specific Reserve	457.5	258.5	62.3	
Operating Profit	373.7	494.6	114.5	(70.0)
Extraordinary Profit	20.3	52.0	5.9	
Extraordinary Loss	51.4	141.2	21.7	
Income before Income Taxes	342.6	405.5	98.7	
Income Taxes (Current)	58.6	65.5	37.7	
Income Taxes (Deferred)	170.6	198.2	3.6	
Minority Interests in Net Income	(11.1)	9.3	23.1	
Net Income	124.4	132.4	34.2	(150.0)

*1 Includes parent bank stock held by subsidiaries.

*2 Basically, the numbers of FY99 and FY00 are the sum of those of former Sakura Bank and Sumitomo Bank.

(Table 2) Capital Ratio (BIS Guidelines)

<Non-consolidated> (billions of yen)

	Mar 31, 00 Actual		Mar 31, 01 Actual		Sep 30, 01	Mar 31, 02
	Sakura	Sumitomo	Sakura	Sumitomo	Actual	Plan
Capital Stock	1,042.6	752.8	1,042.6	752.8	1,326.7	1,326.6
Common Stock (*2)	639.9	502.3	640.0	502.3	676.2	676.1
Preferred Stock (Non-accumulative)	402.7	250.5	402.6	250.5	650.5	650.5
Preferred Securities	283.7	531.1	283.7	563.0	838.7	823.5
Capital Surplus	899.5	643.1	899.5	643.1	1,684.4	†1 2,111.5
Earned Surplus Reserve (*3)	127.6	105.6	131.2	110.2	241.4	251.1
Evaluation Losses on "Other Securities"	---	---	---	---	(425.7)	‡2 ---
Voluntary reserves (*3)	56.0	165.5	56.0	165.5	221.6	221.6
Profit brought forward to next year	59.5	33.0	109.0	67.3	255.7	400.6
Others (*4)	1.7	---	1.8	4.0	(1.2)	---
Total Tier I	2,470.9	2,231.1	2,524.0	2,306.0	4,141.6	5,134.9
<Tax Effect>	<583.5>	<624.5>	<524.1>	<550.4>	<1,589.9>	<890.0>
Preferred Stock (Accumulative)	---	---	---	---	---	---
Preferred Securities	---	---	---	---	---	---
Perpetual Subordinated Bonds	526.3	501.5	402.4	441.3	693.8	753.5
Perpetual Subordinated Loans	120.0	85.0	135.0	70.0	195.0	---
Unrealized Gains on Securities	---	---	---	---	---	‡2 112.5
Unrealized Appreciation of Land	36.4	125.2	31.5	121.2	153.1	153.0
Reserve for Possible Loan Losses	198.8	357.6	142.8	225.0	405.2	396.4
Others	---	---	---	---	---	---
Total Upper Tier II	881.5	1,069.2	711.8	857.5	1,447.1	1,415.4
Subordinated Bonds	640.4	1,064.7	573.5	1,140.5	1,752.1	1,663.0
Subordinated Loans	---	---	---	---	---	---
Others	---	---	---	---	---	---
Total Lower Tier II	640.4	1,064.7	573.5	1,140.5	1,752.1	1,663.0
Total Tier II	1,522.0	2,133.9	1,285.4	1,998.0	3,199.2	3,078.4
Tier III	---	---	---	---	---	---
Subtraction Item	0.9	53.8	16.9	58.8	96.7	66.8
Total Capital	3,992.0	4,311.3	3,792.5	4,245.2	7,244.1	8,146.5

(billions of yen)

Risk-Adjusted Assets	31,917.3	34,579.9	31,840.6	35,946.2	62,810.0	‡3 65,800.0
On-Balance-Sheet Items	29,627.5	31,682.5	29,547.5	32,166.3	57,813.4	60,600.0
Off-Balance-Sheet Items	2,151.8	2,787.0	2,157.6	3,654.5	4,827.7	4,950.0
Others (*5)	137.9	110.4	135.4	125.4	169.0	250.0

(%)

Capital Ratio	12.50	12.46	11.91	11.80	11.53	12.38
Tier I Ratio	7.74	6.45	7.92	6.41	6.59	7.80

(*1) Assumptions on yen/dollar exchange rate:

Mar. 31, 02: \$1=110.00yen

(*2) After deduction of treasury stocks.

(*3) Excluding profit to be appropriated.

(*4) Amount of Minority Interests in Consolidated Subsidiaries (minus Preferred Securities) and Foreign Currency Translation Adjustments

(*5) Market Risk Equivalent Assets divided by 8%.

†1 Sakura Bank's unrealized gross losses on securities, etc. were written off based on the merger accounting.

‡2 Evaluation gains/losses on "Other Securities" turned to net loss due to the decline of stock market price.

‡3 Decrease in Risk-Adjusted Assets is mainly due to the decline of loan volume caused by the weak demand of loans and the decline of fair value of securities caused by the decline of stock market price.

(Table 2) Capital Ratio (BIS Guidelines)

<Consolidated> (billions of yen)

	Mar 31, 00 Actual		Mar 31, 01 Actual		Sep 30, 01	Mar 31, 02
	Sakura	Sumitomo	Sakura	Sumitomo	Actual	
Capital Stock	1,041.5	739.6	1,038.1	738.7	1,309.5	1,312.2
Common Stock (*2)	638.7	489.1	635.5	488.2	659.0	661.7
Preferred Stock (Non-accumulative)	402.7	250.5	402.6	250.5	650.5	650.5
Preferred Securities	283.7	531.1	283.7	563.0	838.7	821.7
Capital Surplus	899.5	643.1	899.5	643.1	1,684.4	†1 2,111.5
Evaluation Losses on "Other Securities"	---	---	---	---	(394.8)	†2 ---
Foreign Currency Translation Adjustments	---	---	(20.9)	(32.2)	(18.5)	(92.0)
Retained Earnings (*3)	180.3	242.4	196.0	308.7	541.4	773.5
Others (*4)	35.4	47.7	99.9	36.9	123.0	146.3
Total Tier I	2,440.6	2,203.9	2,496.4	2,258.3	4,083.7	5,073.2
<Tax Effect>	<611.6>	<701.3>	<558.2>	<574.0>	<1,643.0>	<970.0>
Preferred Stock (Accumulative)	---	---	---	---	---	---
Preferred Securities	---	---	---	---	---	---
Perpetual Subordinated Bonds	526.3	501.5	402.4	441.3	685.5	753.5
Perpetual Subordinated Loans	120.0	85.0	135.0	70.0	195.0	---
Unrealized Gains on Securities	---	---	---	---	---	†2 189.0
Unrealized Appreciation of Land	51.6	126.1	46.6	122.2	169.2	169.2
Reserve for Possible Loan Losses	227.3	365.4	163.1	232.7	457.4	420.6
Others	---	---	---	---	---	---
Total Upper Tier II	925.3	1,078.0	747.2	866.2	1,507.0	1,532.3
Subordinated Bonds	735.9	1,066.4	604.3	1,129.1	1,793.9	1,723.6
Subordinated Loans	---	---	---	---	---	---
Others	---	---	---	---	---	---
Total Lower Tier II	735.9	1,066.4	604.3	1,129.1	1,793.9	1,723.6
Total Tier II	1,661.2	2,144.4	1,351.6	1,995.4	3,300.9	3,255.9
Tier III	---	---	---	---	---	---
Subtraction Item	0.9	---	13.7	103.6	89.7	181.1
Total Capital	4,100.8	4,348.3	3,834.3	4,150.0	7,294.9	8,148.0

(billions of yen)

Risk-Adjusted Assets	32,721.5	37,476.7	33,891.4	37,925.2	67,557.4	†3 71,000.0
On-Balance-Sheet Items	30,676.7	34,744.7	31,812.5	34,609.0	62,806.3	66,200.0
Off-Balance-Sheet Items	1,824.2	2,510.9	1,924.7	3,096.3	4,492.6	4,350.0
Others (*5)	220.6	221.1	154.0	219.9	258.4	450.0

(%)

Capital Ratio	12.53	11.60	11.31	10.94	10.79	11.47
Tier I Ratio	7.45	5.88	7.36	5.95	6.04	7.14

(*1) Assumptions on yen/dollar exchange rate:

Mar. 31, 02: \$1=110.00yen

(*2) After deduction of treasury stock and parent bank stock held by subsidiaries.

(*3) Consolidated Earned Reserve Surplus minus Expected Outflows.

(*4) Minority Interests in Consolidated Subsidiaries (minus Preferred Securities), Goodwill and Consolidated Adjustment Account.

(*5) Market Risk Equivalent Assets divided by 8%.

†1 Sakura Bank's unrealized gross losses on securities, etc. were written off based on the merger accounting.

†2 Evaluation gains/losses on "Other Securities" turned to net loss due to the decline of stock market price.

†3 Decrease in Risk-Adjusted Assets is mainly due to the decline of loan volume caused by the weak demand of loans and the decline of fair value of securities caused by the decline of stock market price.

(Table 5) Earnings by Unit

(Billion Yen)

	FY00 Actual	FY01 1st half Actual	FY01 Plan
Net Interest Income	293.0	139.2	276.0
Fees and Commissions + Foreign Exchange	34.9	16.9	38.0
Consumer Banking Unit	327.9	156.1	314.0
Net Interest Income	453.4	218.0	435.0
Fees and Commissions + Foreign Exchange	122.0	70.3	135.0
Middle Market Banking Unit	575.4	288.3	570.0
Net Interest Income	109.5	55.4	114.0
Fees and Commissions + Foreign Exchange	45.3	22.4	47.0
Corporate Banking Unit	154.8	77.8	161.0
Marketing	84.3	40.8	84.0
Treasury	3.6	0.8	1.0
International Banking Unit	86.0	38.6	82.0
Banking	228.2	192.7	399.0
Trading	47.7	26.1	47.0
Treasury Unit	268.0	217.3	441.0
Headquarters	91.1	71.2	169.0
Gross Banking Profit	1,503.2	849.3	1,737.0
Expenses	(700.1)	(333.5)	(687.0)
Banking Profit (excluding transfer to general reserve)	803.1	515.8	1,050.0

(Table 6) Restructuring Plan

	Mar 31,00 Actual	Mar 31,01 Actual	Sep 30,01 Actual		Mar 31,02 Plan
(Number of Employees and Directors)					
Directors	42	38	35		38
Board of Directors *2	31(3)	29(5)	26(2)		29(4)
Auditors *2	11(4)	9(4)	9(4)		9(4)
Employees *1	29,298	27,142	26,802	†1	26,200

*1 Registered base. Excluding executive officers, contract employees and temporary recruited.

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

†1 The number of employees increased in April 2001 as 630 employees were newly hired. No revision is necessary for the plan on Mar. 31, 2002.

(Number of Offices)

	Mar 31,00 Actual	Mar 31,01 Actual	Sep 30,01 Actual		Mar 31,02 Plan
Domestic Branches *1	653	578	577	†1	573
Overseas Branches *2	36	33	21		23
(Ref.) Overseas Subsidiaries *3	42	34	29		30

*1 Domestic Branches = Excluding sub-branches, agencies, virtual branches and International Business Operations Department

*2 Overseas Branches = Excluding sub-branches and representative offices

*3 Overseas Subsidiaries = Excluding those with ownership of less than 50%

†1 Current number of domestic branches is 564, due to the close of 13 branches since October 2001.

	Mar 31,00 Actual	Mar 31,01 Actual	Sep 30,01 Actual		Mar 31,02 Plan
(Personnel Expenses) millions of yen					
Personnel Expenses	303,697	294,004	140,090		294,000
Salary and Remuneration	253,178	242,004	116,674		244,000
Average Salary (thousands of yen)	498	510	501		502

*1 Average age of the employee is 38.1 years old (as of Sep. 30, 2001)

(Remuneration and Bonus of Directors)millions of yen

	Mar 31,00 Actual	Mar 31,01 Actual	Sep 30,01 Actual		Mar 31,02 Plan
Remuneration and Bonus of Directors *1	1,252	1,033	426		920
Remuneration	1,241	1,033	426		920
Bonus	11	0	0		0
Average Remuneration and Bonus of Directors	26	28	28		31
Average Retirement Allowances of Directors	38	112	81	†1	87

*1 Sum of those included in personnel expenses and appropriated profit.

†1 SMBC has requested the senior management who received retirement allowances after June 1999 to pay back part of their allowances, considering that they had engaged in the decision to issue preferred stock in exchange for public funds in March 1999. The amount returned is included in this period's calculation.

(Non-personnel Expenses)millions of yen

	Mar 31,00 Actual	Mar 31,01 Actual	Sep 30,01 Actual		Mar 31,02 Plan
Non-personnel Expenses	386,312	370,589	177,730		399,000
System related cost *1	88,170	86,426	44,703		104,500
Excluding System related cost	298,142	284,163	133,027		294,500

*1 Including leasing expenses and other related costs.

(Table 10) Loans and Bills Discounted

(Balance)		(billions of yen)				
		Mar 31,00 actual *4	Mar 31,01 actual *4	Sep. 30,01 actual (A)	Ratio *2	Mar 31,02 plan *4
Domestic	including Impact Loans	59,056.0	56,847.9	56,358.3	101.7%	56,397.9
	excluding Impact Loans	56,254.8	54,803.4	54,681.8	102.0%	54,503.4
Small and Medium-sized enterprises *1	including Impact Loans	29,025.6	28,164.8	26,114.6	/	27,654.8
	excluding Impact Loans	28,082.9	27,555.2	25,579.6		27,145.2
	Loans with guarantee of Credit Guarantee Corporation	3,157.4	2,793.9	2,551.5		2,743.9
	Individuals (excluding business loans)	12,884.5	12,535.0	12,492.7		12,835.0
	Housing Loan	10,719.3	10,647.2	10,700.8		10,947.2
Others	17,145.9	16,148.1	17,751.0	15,908.1		
Overseas *3		4,242.5	4,900.0	4,713.3	99.8%	4,500.0
Total		63,298.5	61,747.9	61,071.6	101.6%	60,897.9

(Adjusted basis <excluded factors shown below>)

		Mar 31,00 actual *4	Mar 31,01 actual *4	Sep. 30,01 actual (A)+(B)+(C)	Mar 31,02 plan *4
Domestic	including Impact Loans	59,056.0	58,226.3	58,123.2	58,326.3
	excluding Impact Loans	56,254.8	56,181.8	56,446.7	56,431.8
Small and Medium-sized enterprises *1	including Impact Loans	29,025.6	29,068.3	27,404.7	29,018.3
	excluding Impact Loans	28,082.9	28,458.7	26,869.7	28,508.7

*1 Small and Medium-sized enterprises = Loans to following enterprises.

- 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

*2 Ratio = Balance as of the end of the month / average balance of the month

*3 Based on the exchange rate on the balance sheet day.

*4 Figures are quoted from "Progress Report on Strengthening the Financial Base of the Bank" for FY2000.

Results are the sum of those of former Sakura Bank and Sumitomo Bank.

(Factors for reduction in loans)

(billions of yen)

	FY00 Actual (B)		FY01 1st half Actual (C)		FY01 Plan *7	
		Small and Medium-sized enterprises		Small and Medium-sized enterprises		Small and Medium-sized enterprises
Direct Write-offs *1	+ 767.6	+ 360.2	+ 163.5	+ 151.6		
Secondary losses on loans sold to CCPC *2	+ 146.1	+ 146.1	+ 38.3	+ 38.3		
Sales and securitization of loans *3	- 218.3	- 58.5	- 11.3	+ 7.8	+ 550.0	+ 460.0
Direct reduction *4	+ 251.6	+ 178.2	+ 28.2	+ 29.8		
Sales of loans to RCC *5	+ 3.9	+ 3.9	+ 0.0	+ 0.0		
Bulk-sales and others *6	+ 427.5	+ 273.6	+ 167.8	+ 159.1		
Total	+ 1,378.4	+ 903.5	+ 386.5	+ 386.6	+ 550.0	+ 460.0

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

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

*3 Mainly sales and securitization of normal loans. Figures are net of actual sales and securitization (increase), and cash inflows due to redemption (decrease).

*4 Of those reduced in this fiscal year.

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

*6 Losses due to bulk-sales of problem assets and other credit costs.

*7 Figures are quoted from "Progress Report on Strengthening the Financial Base of the Bank" for FY2000.

(Table 13) The Results of Asset Audits in compliance with Article 3.2 of the Financial Revitalization Law

(billions of yen)

	Mar. 31, 01 Non-consolidated	Mar. 31, 01 Consolidated	Sep. 30, 01 Non-consolidated	Sep. 30, 01 Consolidated
Bankrupt and Quasi-Bankrupt Assets	589.9	777.4	574.0	735.0
Doubtful Assets	1,943.1	2,166.4	1,645.7	1,858.8
Substandard Loans	289.4	411.3	1,107.2	1,249.2
Normal Assets	66,157.8	68,290.5	64,039.9	65,558.2

*The numbers of Mar. 31, 01 are the sum of those of former Sakura Bank and Sumitomo Bank.

Reserve for Possible Loan Losses

(billions of yen)

	Mar. 31, 01 Non-consolidated	Mar. 31, 01 Consolidated	Sep. 30, 01 Non-consolidated	Sep. 30, 01 Consolidated
General Reserve	367.8	395.9	405.2	457.4
Specific Reserve	708.0	852.9	592.0	694.4
Loan Loss Reserve for Specific Overseas Countries	20.0	20.0	11.7	11.7
Sub-total	1,095.8	1,268.8	1,008.9	1,163.5
Reserve for Possible Losses on Loans Sold to CCPC	138.0	145.3	119.1	126.5
Total	1,233.8	1,414.1	1,128.0	1,290.0

*The numbers of Mar. 31, 01 are the sum of those of former Sakura Bank and Sumitomo Bank.

(Table 14) Risk-Monitored Loans *1

(billions of yen)

	Mar. 31, 01 Non-consolidated	Mar. 31, 01 Consolidated	Sep. 30, 01 Non-consolidated	Sep. 30, 01 Consolidated
Bankrupt Loans (A)	235.6	273.1	217.1	248.7
Direct Reduction	565.5	673.8	600.8	716.1
Non-Accrual Loans (B)	2,207.5	2,577.6	1,945.5	2,294.8
Direct Reduction	974.8	1,262.8	949.7	1,268.7
Past Due Loans (3 Months or more) (C)	103.3	125.7	105.7	124.5
Restructured Loans (D)	186.2	280.0	1,001.5	1,114.9
(1)Reduction of the original interest rate	93.5	120.8	226.6	248.6
(2)Forbearance of interest payments	0.0	0.5	3.3	4.7
(3)Loans to supported companies	5.8	5.8	1.5	1.6
(4)Forbearance of principal repayments	72.9	133.9	755.9	842.0
(5)Others	14.0	19.0	14.2	18.0
Total (E)=(A)+(B)+(C)+(D)	2,732.6	3,256.4	3,269.8	3,782.9
Ratio (E)/ Total Loans	4.4%	5.0%	5.4%	5.8%

*1 Based on the definition of Japanese Bankers Association. Restructured loan which is applied more than two categories is included in the category which is most appropriate.

*2 The numbers of Mar. 31, 01 are the sum of those of former Sakura Bank and Sumitomo Bank.

(Table 15) Disposition of Problem Loans

<Non-consolidated>

(billions of yen)

	FY99 Actual	FY00 Actual	FY01 1st half Actual	FY01 Projection
Total Credit Cost (A)	1,106.4	1,007.7	268.0	
Transfer to Specific Reserve	447.7	156.5	98.4	
Write-off of loans and other related losses (C)	591.6	798.2	154.3	
Write-off of loans	439.2	367.7	137.0	
Losses on Sales of Loans to CCPC	44.8	31.8	2.2	
Losses on Sales of Loans to RCC *1	1.0	0.3	---	
Losses on Bulk Sales	32.7	24.7	13.4	
Losses on Debt Forgiveness	73.9	373.7	1.7	
Transfer to Reserve for Possible Losses from Loans Sold to CCPC	72.8	53.0	23.6	
Transfer to Reserve for Supporting Specific Borrowers	---	---	---	
Transfer to Loan Loss Reserve for Specific Overseas Countries	(5.7)	0.0	(8.3)	
Transfer to General Reserve for Possible Loan Losses (B)	24.2	(188.6)	37.4	
Total (A)+(B)	1,130.6	819.1	305.4	1,000.0

<Reference>

Direct Write-off of loans already reserved (D)	768.3	575.5	354.1	---
Gross Direct Write-offs (C) + (D)	1,359.9	1,373.7	508.4	---

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

*2 The numbers of FY99 and FY00 are the sum of those of former Sakura Bank and Sumitomo Bank.

<Consolidated>

(billions of yen)

	FY99 Actual	FY00 Actual	FY01 1st half Actual	FY01 Projection
Total Credit Cost (A)	1,242.6	1,202.4	293.9	
Transfer to Specific Reserve	475.8	258.5	62.3	
Write-off of loans and other related losses (C)	698.3	889.5	215.6	
Write-off of loans	539.8	433.9	195.1	
Losses on Sales of Loans to CCPC	44.8	31.9	2.7	
Losses on Sales of Loans to RCC *1	1.3	0.6	---	
Losses on Bulk Sales	73.7	42.7	16.1	
Losses on Debt Forgiveness	38.7	380.4	1.7	
Transfer to Reserve for Possible Losses from Loans Sold to CCPC	74.3	54.4	24.4	
Transfer to Reserve for Supporting Specific Borrowers	---	---	---	
Transfer to Loan Loss Reserve for Specific Overseas Countries	(5.8)	0.0	(8.4)	
Transfer to General Reserve for Possible Loan Losses (B)	17.6	(209.5)	62.8	
Total (A)+(B)	1,260.2	992.9	356.7	

<Reference>

Direct Write-off of loans already reserved (D)		648.5	378.3	
Gross Direct Write-offs (C) + (D)		1,487.6	593.9	

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

*2 The numbers of FY99 and FY00 are the sum of those of former Sakura Bank and Sumitomo Bank.

(Table 16) Resources for disposition of problem loans

<Non-consolidated> (billions of yen)

	FY99 Actual	FY00 Actual	FY01 1st half Actual	FY01 Projection
Banking Profit (excluding transfer to General Reserve for Possible Loan Losses)	702.8	803.1	515.8	1,050.0
Gains/Losses on Bonds	(1.6)	8.7	30.1	
Gains/Losses on Stocks	828.4	311.4	(52.6)	
Gains/Losses on Disposition of Premises and Equipment	(13.0)	(30.6)	(4.6)	
Retained Earnings	---	---	---	
Others	---	---	---	
Total	1,518.2	1,083.9	458.6	1,050.0

* The numbers of FY99 and FY00 are the sum of those of former Sakura Bank and Sumitomo Bank.

<Consolidated> (billions of yen)

	FY99 Actual	FY00 Actual	FY01 1st half Actual	FY01 Projection
Banking Profit (excluding transfer to General Reserve for Possible Loan Losses)	702.8	803.1	515.8	1,050.0
Gains/Losses on Bonds	(0.4)	9.8	30.1	
Gains/Losses on Stocks	858.5	468.5	(18.9)	
Gains/Losses on Disposition of Premises and Equipment	(20.5)	(33.9)	(8.3)	
Retained Earnings	---	---	---	
Others	89.9	60.5	3.9	
Total	1,630.7	1,298.2	492.5	1,050.0

*1 The numbers of FY99 and FY00 are the sum of those of former Sakura Bank and Sumitomo Bank.

*2 For expediency, Banking Profit = Non-consolidated Banking Profit

*3 "Others" include operating profit of subsidiaries.

(Table 17) Bankruptcies in 1st half FY2001

(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	1	0.7	0	0.0
4C	5	13.0	3	8.5
5A	8	7.8	3	1.8
5B	7	1.0	9	1.5
5C	17	2.0	12	1.2
6	19	2.9	18	3.0
7	86	41.4	75	39.0
8	35	26.8	55	29.4
9	9	9.8	19	22.9
No Grading	33	4.1	26	2.2
Total	220	109.5	220	109.5

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

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

(Reference)

(billions of yen)

	Sep. 30, 01
Bankrupt and Quasi-Bankrupt Assets	574.0
Doubtful Assets	1,645.7
Substandard Loans	1,107.2
Normal Assets	64,039.9
Total	67,366.8

(Table 18) Evaluation Gains and Losses (Sep. 30, 01, Non-consolidated)

Securities		Outstanding Balance	Net Gains/Losses		
					Gains
Held-to- maturity purpose	Securities *1,*2	31.6	+ 0.6	0.7	0.1
	Bond	-	-	-	-
	Stock	-	-	-	-
	Other	31.6	+ 0.6	0.7	0.1
	Money Held in Trust *1	-	-	-	-
Subsidiaries, etc.	Securities *1,*2	1,214.4	+ 3.6	19.2	15.6
	Bond	-	-	-	-
	Stock	615.8	+ 3.6	19.2	15.6
	Other	598.6	-	-	-
	Money Held in Trust *1	-	-	-	-
Other Securities	Securities *1,*2	18,837.9	- 689.5	327.5	1,017.0
	Bond	10,077.5	+ 79.2	87.3	8.1
	Stock	5,082.8	- 798.7	196.5	995.2
	Other	3,677.6	+ 30.0	43.7	13.7
	Money Held in Trust *1	60.1	- 4.0	0.3	4.3

Others

	Book Value	Market Value	Net Gains/Losses		
					Gains
Premises used in Business *3	440.6	357.7	-82.9	0.7	83.6
Other Premises	-	-	-	-	-
Other Assets	-	-	-	-	-

*1 Market value was 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", market value was based on the average market prices of September 2001.

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

Negotiable money deposited included in item "Cash and Due from Banks"

CP and Beneficiary certificates in loans trusts included in item "Debt purchased"

*3 Based on revaluation of land at fair value as of Mar. 31, 1998 under the Revaluation Act of Land Properties.

Book Value: Book value after the revaluation.

Market Value: Market value as of Sep. 30, 2001.

(Table 18) Evaluation Gains and Losses (Sep. 30, 01, Consolidated)

Securities		Outstanding Balance	Net Gains/Losses		
					Gains
Held-to- maturity purpose	Securities *1,*2	170.6	+ 0.3	0.8	0.5
	Bond	85.0	- 0.3	0.0	0.3
	Stock	-	-	-	-
	Other	85.6	+ 0.6	0.8	0.2
	Money Held in Trust *1	-	-	-	-
Subsidiaries, etc.	Securities *1,*2	182.7	- 2.1	-	2.1
	Bond	-	-	-	-
	Stock	175.2	- 2.1	-	2.1
	Other	7.5	-	-	-
	Money Held in Trust *1	-	-	-	-
Other Securities	Securities *1,*2	20,292.3	- 641.0	408.9	1,049.9
	Bond	10,862.9	+ 82.0	91.9	9.9
	Stock	5,263.2	- 806.3	214.2	1,020.5
	Other	4,166.2	+ 83.3	102.8	19.5
	Money Held in Trust *1	60.2	- 4.0	0.3	4.3

Others

	Book Value	Market Value	Net Gains/Losses		
					Gains
Premises used in Business *3	486.3	395.7	-90.6	1.9	92.5
Other Premises	-	-	-	-	-
Other Assets	-	-	-	-	-

*1 Market value was 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", market value was based mainly on the average market prices of September 2001.

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

Negotiable money deposited included in item "Cash and Due from Banks"

CP and Beneficiary certificates in loans trusts included in item "Debt purchased"

*3 Based on revaluation of land at fair value as of Mar 31, 1998 under the Revaluation Act of Land Properties.

Some of the subsidiaries made revaluation as of Mar 31, 1999.

Book Value: Book value after the revaluation.

Market Value: Mainly market value as of Sep. 30, 2001.

(Table 19) Derivatives and Foreign Forward Contracts

	Billions of Yen			
	Contract Value or Nominal Principal Amount		Credit Risk Equivalent Amount	
	Mar 31,01	Sep 30,01	Mar 31,01	Sep 30,01
Financial Futures Contracts	90,372.5	119,210.6	---	---
Interest Rate Swap	174,547.2	138,399.8	3,081.0	2,797.5
Currency Swap	10,570.3	10,713.1	843.5	780.8
Foreign Exchange Forward Contracts	57,843.7	46,641.3	3,235.7	1,115.4
Interest Rate Options (Buy)	12,171.8	4,522.8	60.6	53.2
Currency Options (Buy)	2,318.3	3,006.6	91.2	86.7
Other Derivative Instruments	39,668.4	18,638.4	30.7	30.9
Effect of Master Netting Agreements	---	---	(3,535.4)	(2,480.1)
Total	387,492.5	341,132.5	3,807.6	2,384.3

*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 Mar. 31, 01 are the sum of those of former Sakura Bank and Sumitomo Bank.

(Table 20) Credit Portfolio (as of Sep. 30, 01)

Billions of Yen

	Counterparty with rating equivalent to BBB/Baa or higher	Counterparty with rating equivalent to BB/Ba or lower	Others	Total
Credit Risk Equivalent	743.6	4.4	26.2	774.2
Credit Cost	0.3	0.0	0.3	0.6
Amount of Credit Risk	2.0	0.1	0.7	2.8

* Calculated (trial basis) for the derivative transactions with financial institutions in Tokyo, New York and London offices of Treasury Unit. Includes currency options.