

Progress Report on Strengthening the Financial Base of the Bank

(Selected explanations and tables excerpted from the original Japanese report)

December 2002

Sumitomo Mitsui Banking Corporation

Amount Issued, Conditions, etc. of Preference Shares and Other Items Succeeded by the Holding Company

1. Goals

SMBC, while it has gained a firm foothold to achieve further growth by steadily realizing the merger benefit since its inception in April 2001, established the holding company named Sumitomo Mitsui Financial Group, Inc. (SMFG) in December, 2002, in order to make a big leap toward “The New Financial Services Complex in the 21st Century.”

SMFG will consequently grow as a financial services complex with both the substantial capability of providing financial services and superior profitability and financial stability, through The Actions for Fortifying the Corporate Structure of SMBC Group to pursue the following two objectives:

- **Creation of a corporate structure fully exploiting the strengths of the Group** by establishing a group-wide corporate governance, management structure, and management systems furnished in the holding company playing a core role,
- **Substantial reinforcement of the strategic business lines on the Group basis** by redefining the corporate strategy and improving the autonomy of the businesses, by clarifying the responsibility and enhancing delegation, by enhancing the incentive system, and by aggressive resource allocation.

2. Amount Issued, Conditions, and Other Details

Regarding the public funds which SMBC has received, SMFG succeeds to the funds through SMFG's newly issued preference shares by means of share transfer. For the share transfer, one of each type of SMFG's preference shares was allotted to every one thousand of each type of SMBC's preference shares. The details of preference shares issued by SMFG are as follows and there is no material changes in terms of issuing details and conditions.

	Type 1	Type 2	Type 3
Amount Issued	201.0 billion yen	300.0 billion yen	800.0 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
Initial Conversion Price	980,000 yen	Market price* as of August 1, 2005	613,000 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	980,000 yen	980,000 yen	258,330 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, Ltd. First Series Type 1	Sumitomo Bank, Ltd. Second Series Type 1	Sakura Bank, Ltd. 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 Tokyo Stock Exchange commencing on the 45th trading day prior to the relevant date.

3. Policy for Utilizing the Shareholders' Equity

The public funds which SMFG has received will be continuously utilized mainly to strengthen the Group's loan business for small and midium-sized enterprises with financial soundness and individuals.

4. Dividend Policy

The amount of dividend for each fiscal year will be determined, as in the past, considering the payout ratio, as long as the appropriate profit level is stably realized. For the Fiscal Year of 2002, 4,000 yen of dividend per ordinary share (equivalent to 4 yen per ordinary share before the share transfer) and the stated dividend per preference share are scheduled.

(Table 1-1)Trend and Plan of Income

	FY00 Actual *1	FY01 Actual	FY02 1st half Actual		FY02 Plan *2
(Scale)<Average balance for Assets and Liabilities, term-end balance for Stockholders' Equity>					(Billions of yen)
Total Assets	102,783.1	105,465.0	101,205.4		95,500.0
Loans and Bill Discounted	62,824.0	60,635.6	59,479.3		62,800.0
Securities	19,635.2	23,426.3	23,856.9		15,600.0
Trading assets	2,060.1	1,257.0	931.8		2,250.0
Deferred Income Taxes <term-end balance>	1,074.6	1,741.1	1,859.3		730.0
Total Liabilities	98,854.9	101,512.1	97,625.3		91,200.0
Deposits, NCD	68,038.9	67,897.2	64,835.7		66,000.0
Bonds	---	---	---		---
Trading Liabilities	362.0	224.4	168.4		400.0
Deferred Tax Liabilities	---	---	---		---
Deferred Tax Liabilities for Land Revaluation <term-end balance>	130.0	63.1	61.8		126.3
Total Stockholders' Equity	4,199.9	3,196.5	2,998.9		3,281.1
Capital Stock	1,795.5	1,326.7	1,326.7		1,326.7
Capital Reserve	1,542.6	1,326.8	1,326.8		1,326.8
Other capital surplus	---	357.6	357.6		357.6
Earned Surplus Reserve	239.1	---	---		---
Retained Earnings *3	413.0	383.3	392.9		430.3
Land Revaluation Excess	209.5	100.4	98.2		96.0
Net Unrealized Losses on Other Securities	---	(298.0)	(502.7)		(256.0)
Treasury Stock	---	(0.3)	(0.6)		(0.3)
(Income)					
Gross Banking Profit	1,503.2	1,853.5	897.9		1,500.0
Interest Income	2,275.6	2,193.0	860.5		1,955.0
Interest Expenses	1,034.9	716.5	224.4		830.0
Net Fees and Commissions	150.7	165.3	85.8		190.0
Net Trading Income	95.4	121.3	103.4		140.0
Net Other Operating Income	16.4	90.4	72.6		45.0
Gains (Losses) on Bonds	8.7	66.6	76.4		20.0
Banking Profit before (a)	803.1	1,183.4	576.7		850.0
Banking Profit	991.7	678.9	556.1		850.0
Transfer to General Reserve for Possible Loan Losses ... (a)	(188.6)	504.5	20.6		---
Expenses	700.1	670.1	321.2		650.0
Personnel	294.1	271.8	129.2		258.5
Non-personnel	370.6	366.6	175.4		357.7
Total Credit Cost	1,007.7	1,038.6	245.7		500.0
Gains (Losses) on Stocks	311.4	(130.7)	(191.8)		(70.0)
Losses on Devaluation of Stocks	118.1	130.6	175.5		---
Operating Profit	359.1	(522.1)	99.7		230.0
Extraordinary Profit	3.0	26.8	1.8		---
Extraordinary Loss	89.1	41.3	40.5		80.0
Income Taxes (Current)	9.4	32.7	6.8		70.0
Income Taxes (Deferred)	* 125.7	(246.5)	9.3		
Net Income	137.9	(322.8)	44.9		80.0
(Dividend)					
Distributable Profit	Sakura 165.0 Sumitomo 206.7	442.6			531.6
Dividend (including interim dividend)	Sakura 35.7 Sumitomo 18.8	37.3	---		37.3
Dividend per Share (Common Stock) (yen)	Sakura 6.0 Sumitomo 6.0	4.0	---		4.0
Dividend Rate (Preferred Stock <Public funds>)	Sakura 1.37 Sumitomo 0.70	1.11	---		1.11
Dividend Rate (Preferred Stock <Others>)	Sakura 0.75 Sumitomo ---	---	---		---
Payout Ratio	Sakura 34.72 Sumitomo 36.15	---	---		34.81

	FY00 Actual *1	FY01 Actual	FY02 1st half Actual		FY02 Plan *2
(Financial Indicator) (%)					
Yield on interest earning assets (A)	Sakura 2.50 Sumitomo 2.57	2.39	1.89		2.74
Interest Earned on Loans (B)	Sakura 2.35 Sumitomo 2.43	2.07	1.86		2.68
Interest Earned on Securities	Sakura 1.74 Sumitomo 1.79	2.15	1.06		1.65
Total Cost of Funding (including Expenses) (C)	Sakura 2.00 Sumitomo 2.06	1.59	1.21		2.21
Interest paid on Deposits (Including NCD) (D)	Sakura 0.72 Sumitomo 1.13	0.49	0.26		0.93
Expense Ratio (E)	Sakura 1.12 Sumitomo 0.92	0.98	0.98		0.98
Personnel	Sakura 0.46 Sumitomo 0.39	0.39	0.39		0.39
Non-personnel	Sakura 0.60 Sumitomo 0.48	0.53	0.53		0.54
Overall Interest Spread (A) - (C)	Sakura 0.50 Sumitomo 0.51	0.80	0.68		0.53
Interest Spread (B) - (D) - (E)	Sakura 0.50 Sumitomo 0.38	0.59	0.61		0.77
Non-interest Income Ratio	Sakura 18.03 Sumitomo 10.53	8.91	9.55		26.24
ROE (Banking Profit before (a) / Stockholders' Equity <average balance>)	Sakura 15.67 Sumitomo 23.56	33.95	37.12		26.24
ROA (Banking Profit before (a) / Total Assets <average balance>)	Sakura 0.75 Sumitomo 0.80	1.12	1.13		0.89

*1 Basically, the numbers are the sum of those of former Sakura Bank and Sumitomo Bank.

*2 Reflects measures taken to improve profits as FY01 Net Income fell below the target by more than 30%.

*3 The numbers are the sum of Voluntary Reserves and Unappointed Profit.

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

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

	FY00 Actual *4	FY01 Actual	FY02 1st half Actual	FY02 Plan *5
(Scale)<term-end balance>				(Billions of yen)
Total Assets	119,242.7	108,005.0	104,397.0	
Loans and Bill Discounted	65,537.1	63,645.6	62,553.3	
Securities	27,312.5	20,694.6	22,650.7	
Trading Assets	2,491.0	3,278.1	3,442.1	
Deferred Income Taxes	1,156.5	1,882.5	1,999.1	
Minority Interests	990.6	983.8	952.3	
Total Liabilities	114,239.1	104,108.5	100,754.7	
Deposits, NCD	74,696.0	71,648.1	66,284.9	
Bonds	---	---	---	
Trading Liabilities	1,270.0	2,331.5	2,599.5	
Deferred Tax Liabilities	24.7	39.2	34.5	
Deferred Tax Liabilities for Land Revaluation	144.1	64.0	62.7	
Total Stockholders' Equity	4,013.0	2,912.6	2,690.0	
Capital Stock	1,795.5	1,326.7	1,326.7	
Capital Surplus*1	1,542.6	1,684.4	1,683.9	
Earned Surplus Reserve*2	516.0	117.7	138.8	
Land Revaluation Excess	230.7	121.2	118.0	
Evaluation Excess of "Other Securities"	---	(304.8)	(512.4)	
Foreign Currency Translation Adjustments	(53.0)	(15.2)	(53.8)	
Treasury Stock *3	(18.7)	(17.5)	(11.3)	

				(Billions of yen)
Operating Income	4,449.2	3,779.7	1,762.5	
Interest Income	2,435.9	2,176.7	954.9	
Fees and Commissions	412.1	387.3	204.6	
Trading Income	111.2	129.5	110.5	
Other Operating Income	649.7	845.6	444.1	
Other Income	840.4	240.7	48.4	
Operating Expenses	3,954.6	4,360.3	1,612.7	
Interest Expenses	1,112.3	726.9	220.9	
Fees and Commissions	95.8	67.7	42.2	
Trading Losses	2.1	---	0.7	
Other Operating Expenses	560.7	666.7	333.9	
General and Administrative Expenses	940.9	935.6	446.1	
Other Expenses	1,242.7	1,963.5	568.9	
Write-off of Loans	814.5	391.9	122.8	
Transfer to Reserve for Possible Loan Losses	49.0	1,204.3	173.6	
Transfer to General Reserve for Possible Loan Losses	(209.5)	527.4	22.7	
Transfer to Specific Reserve	258.5	681.5	154.9	
Operating Profit	494.6	(580.6)	149.9	200.0
Extraordinary Profit	52.0	29.4	2.9	
Extraordinary Loss	141.2	53.1	42.4	
Income before Income Taxes	405.5	(604.3)	110.3	
Income Taxes (Current)	65.5	101.9	26.7	
Income Taxes (Deferred)	198.2	(289.3)	10.3	
Minority Interests in Net Income	9.3	47.0	18.2	
Net Income	132.4	(463.9)	55.1	30.0

*1 The number of FY00 is that of Capital Reserve. The number of FY01 is the sum of that of Capital Reserve and Capital reserve reduction.

*2 The number of FY00 is that of Retained Earnings. The number of FY01 is that of Retained Earnings excluding Capital reserve reduction.

*3 The numbers of FY00 and FY01 includes parent bank stock held by subsidiaries.

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

*5 The FY02 figures are projections of Sumitomo Mitsui Financial Group, Inc.

(Table 2) Capital Ratio (BIS Guidelines)

<Non-consolidated>		(Billions of yen)				
	Mar 31, 01 Actual		Mar 31, 02	Sep 30, 02		Mar 31, 03
	Sakura	Sumitomo	Actual	Actual		Plan *6
Capital Stock	1,042.7	752.8	1,326.7	1,326.7		1,326.7
Common Stock	640.1	502.3	676.2	676.2		676.2
Preferred Stock (Non-accumulative)	402.6	250.5	650.5	650.5		650.5
Preferred Securities	283.7	563.0	863.6	844.5		863.6
Capital Reserve	899.5	643.1	1,326.8	1,326.8		1,326.8
Other Capital Surplus			357.6	357.6		357.6
Earned Surplus Reserve *2	131.2	110.2	---	---		---
Evaluation Losses on "Other Securities"	---	---	(298.0)	(502.7)		(256.0)
Voluntary reserves *2	56.0	165.5	221.5	221.5		221.5
Profit brought forward to next year *3	109.0	67.3	123.0	46.0		169.9
Treasury Stocks	0.0	0.0	(0.3)	(0.6)		(0.3)
Others *4	1.8	4.0	6.2	2.7		6.2
Total Tier I	2,524.0	2,306.0	3,927.2	3,622.6		4,016.1
<Tax Effect>	<524.1>	<550.4>	<1,741.1>	<1,859.3>		<1,660.0>
Preferred Stock (Accumulative)	---	---	---	---		---
Preferred Securities	---	---	---	---		---
Perpetual Subordinated Bonds	402.4	441.3	566.9	462.4		548.4
Perpetual Subordinated Loans	135.0	70.0	230.0	295.0		
Unrealized Gains on Securities	---	---	---	---		---
Unrealized Appreciation of Land	31.5	121.2	73.6	72.0		70.4
Reserve for Possible Loan Losses	142.8	225.0	791.2	737.3		722.5
Others	---	---	---	---		---
Total Upper Tier II	711.8	857.5	1,661.7	1,566.8		1,341.3
Subordinated Bonds	573.5	1,140.5	1,747.5	1,665.5		1,491.0
Subordinated Loans						
Others	---	---	---	---		---
Total Lower Tier II	573.5	1,140.5	1,747.5	1,665.5		1,491.0
Total Tier II	1,285.4	1,998.0	3,409.2	3,232.3		2,832.3
Tier III	---	---	---	---		---
Subtraction Item	16.9	58.8	55.3	55.4		55.3
Total Capital	3,792.5	4,245.2	7,281.0	6,799.5		6,793.1
(Billions of yen)						
Risk-Adjusted Assets	31,840.6	35,946.2	63,296.6	58,987.4		57,800.0
On-Balance-Sheet Items	29,547.5	32,166.3	57,965.0	53,500.4		52,470.0
Off-Balance-Sheet Items	2,157.6	3,654.5	5,192.3	5,326.7		5,190.0
Others *5	135.4	125.4	139.3	160.3		140.0
(%)						
Capital Ratio	11.91	11.80	11.50	11.52		11.75
Tier I Ratio	7.92	6.41	6.20	6.14		6.94

*1 Assumptions on yen/dollar exchange rate:

Mar. 31, 03: \$1=133.25yen

*2 Excluding profit to be appropriated.

*3 Unappropriated profit minus Expected Outflows.

The FY02 figure excludes the interim dividends to Sumitomo Mitsui Financial Group, Inc. established in Dec., 02, of which the amount will be maximum 124.0 billion yen.

*4 Amount of Minority Interests in Consolidated Subsidiaries (minus Preferred Securities), Foreign Currency Translation Adjustments and Capital reserve reduction.

*5 Market Risk Equivalent Assets divided by 8%.

*6 Reflects measures taken to improve profits as FY01 Net Income fell below the target by more than 30%.

(Table 2) Capital Ratio (BIS Guidelines)

<Consolidated>		(Billions of yen)				
	Mar 31, 01 Actual		Mar 31, 02	Sep 30, 02	Mar 31, 03	
	Sakura	Sumitomo	Actual	Actual	Plan *6	
Capital Stock	1,042.7	752.8	1,326.7	1,326.7	1,326.7	
Common Stock	640.1	502.3	676.2	676.2	676.2	
Preferred Stock (Non-accumulative)	402.6	250.5	650.5	650.5	650.5	
Preferred Securities	283.7	563.0	863.6	844.5	863.6	
Capital Reserve	899.5	643.1	1,326.8		1,326.8	
Capital Surplus				1,683.9		
Retained Earnings *2	196.0	308.7	438.0		501.4	
Retained Earnings *3				14.8		
Evaluation Losses on "Other Securities"	---	---	(304.8)	(512.4)	(262.8)	
Treasury Stocks	(4.6)	(14.1)	(17.5)	(11.3)	(17.5)	
Foreign Currency Translation Adjustments	(20.9)	(32.2)	(15.2)	(53.8)	(15.2)	
Others *4	99.9	36.9	101.7	88.8	108.3	
Total Tier I	2,496.4	2,258.3	3,719.4	3,381.3	3,831.4	
<Tax Effect>	<558.2>	<574.0>	<1,843.3>	<1,964.6>	<1,760.0>	
Preferred Stock (Accumulative)	---	---	---	---	---	
Preferred Securities	---	---	---	---	---	
Perpetual Subordinated Bonds	402.4	441.3	566.9	462.4	548.4	
Perpetual Subordinated Loans	135.0	70.0	230.0	295.0		
Unrealized Gains on Securities	---	---	---	---	---	
Unrealized Appreciation of Land	46.6	122.2	82.9	80.9	79.7	
Reserve for Possible Loan Losses	163.1	232.7	844.4	787.3	775.0	
Others	---	---	---	---	---	
Total Upper Tier II	747.2	866.2	1,724.2	1,625.5	1,403.1	
Subordinated Bonds	604.3	1,129.1	1,780.6	1,690.7	1,524.1	
Subordinated Loans						
Others	---	---	---	---	---	
Total Lower Tier II	604.3	1,129.1	1,780.6	1,690.7	1,524.1	
Total Tier II	1,351.6	1,995.4	3,504.8	3,316.2	2,927.2	
Tier III	---	---	---	---	---	
Subtraction Item	13.7	103.6	163.3	164.1	244.5	
Total Capital	3,834.3	4,150.0	7,060.8	6,533.5	6,514.1	
(Billions of yen)						
Risk-Adjusted Assets	33,891.4	37,925.2	67,548.0	62,981.2	62,000.0	
On-Balance-Sheet Items	31,812.5	34,609.0	62,532.2	58,053.9	56,990.0	
Off-Balance-Sheet Items	1,924.7	3,096.3	4,803.2	4,715.8	4,800.0	
Others *5	15.4	219.9	212.7	211.6	210.0	
(%)						
Capital Ratio	11.31	10.94	10.45	10.37	10.50	
Tier I Ratio	7.36	5.95	5.50	5.36	6.17	

*1 Assumptions on yen/dollar exchange rate:

Mar. 31, 03: \$1=133.25yen

*2 "Other capital surplus" that was formerly included in "Retained earnings" is reported in "Capital surplus" from this fiscal year.

Expected Outflows are excluded from the stated figures.

*3 Expected Outflows are excluded from the stated figures.

The FY02 figure excludes the interim dividends to Sumitomo Mitsui Financial Group, Inc. established in Dec., 02, of which the amount will be maximum 124.0 billion yen.

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

*5 Market Risk Equivalent Assets divided by 8%.

*6 Reflects measures taken to improve profits as FY01 Net Income fell below the target by more than 30%.

(Table 5) Earnings by Unit

(Billions of yen)

	FY00 Actual	FY01 Actual	1st half of Actual		FY02 Plan
Net Interest Income	293.0	277.8	137.6		285.0
Fees and Commissions + Foreign Exchange	34.9	37.7	13.4		41.0
Consumer Banking Unit	327.9	315.5	151.0		326.0
Net Interest Income	453.4	425.4	192.4		403.0
Fees and Commissions + Foreign Exchange	122.0	158.4	98.4		198.0
Middle Market Banking Unit	575.4	583.8	290.8		601.0
Net Interest Income	109.5	115.5	58.8		120.0
Fees and Commissions + Foreign Exchange	45.3	50.8	28.1		59.0
Corporate Banking Unit	154.8	166.3	86.9		179.0
Marketing	84.3	88.4	45.1		85.0
Treasury	3.6	1.5	0.7		2.0
International Banking Unit	86.0	78.4	43.4		83.0
Banking	228.2	456.6	310.1		489.0
Trading	47.7	54.3	27.0		56.0
Treasury Unit	268.0	507.7	335.5		540.0
Headquarters	91.1	201.8	(9.7)		(4.0)
Gross Banking Profit	1,503.2	1,853.5	897.9		1,725.0
Expenses	(700.1)	(670.1)	(321.2)		(645.0)
Banking Profit (excluding transfer to general reserve)	803.1	1,183.4	576.7		1,080.0

(Table 6) Restructuring Plan

	Mar 31,01 Actual	Mar 31,02 Actual	Sep 30,02 Actual	Mar 31,03 Plan
(Number of Employees and Directors)				
Directors	38	33	23	38
Board of Directors *2	29(5)	26(2)	16(2)	29(4)
Auditors *2	9(4)	7(4)	7(3)	9(4)
Employees *1	27,142	25,027	24,650	*3 23,500

*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.

*3 738 of new employees have joined SMBC in April, 2002. The number on March 31, 2003 is expected to be as planned.

(Number of Offices)

Domestic Branches *1	578	564	545	*4 401
Overseas Branches *2	33	21	21	22
(Ref.) Overseas Subsidiaries *3	34	25	24	28

*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%

*4 77 of joint-branches have been opened (as of September 30, 2002). The number on March 31, 2003 is expected to be as planned.

	Mar 31,01 Actual	Mar 31,02 Actual	Sep 30,02 Actual	Mar 31,03 Plan
(Personnel Expenses) (Millions of yen)				
Personnel Expenses	294,004	271,788	129,174	258,500
Salary and Remuneration	242,004	221,889	105,711	*2 209,700
Average Salary (thousands of yen)	510	496	500	502

*1 Average age of the employee is 38.2 years old (as of Sep. 30, 2002)

*2 The amount for FY2002 is expected to be as planned, through reduction of the number of employees, and so on.

(Remuneration and Bonus of Directors)

(Millions of yen)

Remuneration and Bonus of Directors *1	1,033	830	316	920
Remuneration	1,033	830	316	920
Bonus	0	0	0	0
Average Remuneration and Bonus of Directors	28	28	27	31
Average Retirement Allowances of Directors	112	81	63	87

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

(Non-personnel Expenses)

(Millions of yen)

Non-personnel Expenses	370,589	366,637	175,372	357,700
System related cost *1	86,426	96,324	45,541	94,800
Excluding System related cost	284,163	270,313	129,831	262,900

*1 Including leasing expenses and other related costs.

(Note) The whole restructuring plan reflects measures taken to improve profits as FY01 Net Income fell below the target by more than 30%.

(Table 7) Domestic Subsidiaries and Affiliates (*1)

(Billions of yen)

Company Name	Main Business	Latest Fiscal Term	Total Asset	Total Borrowing	(*)2	Stockholder's Equity	SMBC's portion	Operating Profit	Net Income	Consolidated / Equity Method
					SMBC's portion					
THE MINATO BANK, LTD.	Commercial Banking business	Sep. 02	2,854.5	87.8	30.2	78.1	45.4	3.7	1.2	Consolidated
The Bank of Kansai, Ltd.	Commercial Banking business	Sep. 02	1,254.2	23.0	23.0	42.4	37.1	2.6	1.3	Consolidated
The Kangin Lease Company, Limited	Leasing business	Sep. 02	30.5	25.4	15.2	3.4	-	0.3	0.3	Consolidated
The Kangin Service Company, Limited	Management of real estate for branches	Sep. 02	17.7	7.6	7.2	6.7	-	0.2	0.1	Consolidated
THE WAKASHIO BANK, LTD.	Commercial Banking business	Sep. 02	488.9	-	-	21.1	20.8	0.2	0.7	Consolidated
The Japan Net Bank, Limited	Commercial Banking business via Internet	Sep. 02	124.7	17.0	-	9.4	11.4	(1.4)	(1.4)	Consolidated
SMBC Guarantee Co., Ltd.	Credit guarantee business	Sep. 02	6,751.7	-	-	94.7	-	(7.5)	(7.5)	Consolidated
SMBC Leasing Company, Limited	Leasing business	Sep. 02	1,634.8	1,218.7	99.9	88.3	30.2	5.2	2.7	Consolidated
SB Auto Leasing Company	Leasing business	Sep. 02	73.8	55.4	9.6	1.2	-	0.5	0.3	Consolidated
Mazda Auto Leasing Company, Limited	Leasing business	Sep. 02	9.4	7.7	1.2	1.1	-	0	0	Consolidated
SAKURA LEASING CO., LTD.	Leasing business	Sep. 02	119.3	105.0	97.3	2.4	-	1.2	0.7	Consolidated
Space Service LLC.	Leasing business	Sep. 02	6.1	4.8	2.8	(0)	-	(0)	(0)	Consolidated
SBL Partners LLC.	Factoring business	Sep. 02	11.8	11.8	11.8	0	-	0	0	Consolidated
Sumitomo Mitsui Card Company, Limited	Credit card business	Sep. 02	910.9	362.1	20.4	161.6	188.2	4.8	2.8	Consolidated
The SC Card Business Company, Limited	Service for credit card members	Sep. 02	6.7	4.0	4.0	0.9	-	0.3	0.2	Consolidated
SAKURA CARD CO., Ltd.	Credit card business	Sep. 02	246.3	43.6	15.0	14.0	10.7	0.3	0.5	Consolidated
At-Loan Co., Ltd.	Loan business	Sep. 02	52.8	41.0	41.0	6.4	13.0	(4.3)	(4.3)	Consolidated
SMBC Capital Co., Ltd.	Venture capital business	Sep. 02	13.6	10.4	10.4	2.8	1.7	(0.4)	(0.2)	Consolidated
SMBC Consulting Co., Ltd.	Management Consulting business	Sep. 02	4.5	-	-	1.9	1.8	0.6	0.3	Consolidated
SMBC Factors Co., Ltd.	Factoring business	Sep. 02	61.4	2.5	2.5	2.9	3.0	0.5	0.3	Consolidated
SMBC Finance Co. Ltd.	Factoring and loan business	Sep. 02	532.9	396.7	264.6	73.9	110.0	2.9	0.9	Consolidated
SMBC Mortgage Co., Ltd.	Mortgage Securities business	Sep. 02	377.5	363.0	368.1	5.6	33.8	(0.8)	(0.3)	Consolidated
Mitsui Finance Service Co., Ltd.	Collecting agent and factoring business	Sep. 02	125.3	39.7	35.8	3.2	0.1	0.6	0.5	Consolidated
Sakura Finance Co., Ltd.	Collecting agent and factoring business	Sep. 02	86.6	43.1	43.0	0.8	0	(1.3)	(0.6)	Consolidated
Financial Link Company, Limited	Data processing and management consulting	June 02	0.2	-	-	0.2	0.2	(0.1)	(0.1)	Consolidated
Sakura Friend Securities Co., Ltd.	Securities business	Sep. 02	70.2	13.2	-	39.3	21.2	(0.8)	(3.6)	Consolidated
SAKURA INVESTMENT MANAGEMENT CO., LTD.	Investment trust management	Sep. 02	2.6	-	0	2.2	3.2	(0.4)	(0.4)	Consolidated
The Japan Research Institute, Limited	Economic research, system engineering and management consulting business	Sep. 02	89.0	38.4	26.8	36.9	0.2	4.3	3.5	Consolidated
Sakura KCS Corporation	System engineering and data processing business	Sep. 02	18.2	1.0	0.4	11.9	0.2	0.3	0.1	Consolidated
Sakura Information Systems Co., Ltd.	System engineering and data processing business	Sep. 02	19.0	6.4	4.2	7.6	0	0.2	0.1	Consolidated
SMBC Business Servicing Co., Ltd.	Servicer	Sep. 02	3.1	1.0	1.0	0.9	0.5	0.2	0.1	Consolidated
Global Factoring Co., Ltd.	Factoring business	Sep. 02	134.1	132.4	132.4	0	-	0.1	0	Consolidated
Daiwa Securities SMBC Co. Ltd.	Securities business and derivatives business	Sep. 02	5,984.2	1,979.4	170.0	351.7	163.2	8.0	4.3	Equity Method
Meiko National Securities Co., Ltd.	Securities business	Sep. 02	90.4	1.2	0.3	55.3	8.5	(0.1)	(0.2)	Equity Method
DLJdirect SFG Securities Co. Ltd.	On-line discount brokerage service	Sep. 02	98.8	12.0	4.5	3.3	1.3	0	(0.1)	Equity Method
Daiwa SB Investments Ltd.	Investment advisory and investment trust business	Sep. 02	11.9	-	-	8.8	5.6	0.4	0.2	Equity Method
Japan Pension Navigator Co., Ltd.	Defined contribution pension plans	Sep. 02	2.7	-	-	2.4	1.2	(0.5)	(0.5)	Equity Method
QUOQ Inc.	Purchase of monetary assets and credit guarantee business	Sep. 02	1,114.5	624.4	129.9	31.6	0.1	2.8	1.4	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	Total Borrowing	(*)2	Stockholder's Equity	SMBC's portion	Operating Profit	Net Income	Consolidated / Equity Method
						SMBC's portion					
Manufacturers Bank	Commercial Banking business	US\$	June 02	1,138	43	21	177	283	7	4	Consolidated
Sumitomo Mitsui Banking Corporation of Canada	Commercial Banking business	CAN\$	July 02	1,521	63	92	149	122	6	4	Consolidated
Banco Sumitomo Mitsui Brasileiro S.A.	Commercial Banking business	R\$	June 02	1,387	832	757	263	193	81	52	Consolidated
PT Bank Sumitomo Mitsui Indonesia	Commercial Banking business	RPIAH	June 02	6,394	970	2,073	1,113	960	119	83	Consolidated
SMBC Leasing and Finance, Inc.	Leasing business	US\$	June 02	1,173	298	197	732	690	19	11	Consolidated
SMBC Leasing (Singapore) Pte Ltd.	Leasing business	S\$	June 02	165	133	92	3	-	(8)	(8)	Consolidated
SMBC Leasing (Hong Kong) Limited	Leasing business	HK\$	June 02	958	908	696	43	-	5	5	Consolidated
SMBC Leasing (Thailand) Co., Ltd.	Leasing business	TBAH	June 02	1,245	1,022	878	163	-	15	15	Consolidated
SB Leasing (Guangzhou) Co., Ltd.	Leasing business	RMB	June 02	119	36	36	78	-	1	1	Consolidated
SMBC Leasing (Malaysia) Sdn. Bhd.	Leasing business	RM	June 02	109	90	78	6	-	1	1	Consolidated
SMBC Leasing (UK) Limited	Leasing business	STG	June 02	24	19	13	4	-	(0)	(0)	Consolidated
SMBC Capital Markets, Inc.	Investment and derivative business	US\$	June 02	5,255	415	3,401	833	609	685	414	Consolidated
SMBC Capital Markets Limited	Investment and derivative business	US\$	June 02	1,120	55	-	332	300	5	4	Consolidated
Sumitomo Mitsui Finance Australia Limited	Finance business	A\$	June 02	2,570	2,187	2,015	101	65	9	7	Consolidated
SMBC Securities, Inc.	Securities business	US\$	June 02	283	235	25	46	40	2	1	Consolidated
SFVI Limited	Investment business	US\$	June 02	506	-	-	506	500	13	13	Consolidated
Sumitomo Finance (Asia) Limited	Investment business	US\$	June 02	28	2	2	25	38	0	0	Consolidated
Sakura Capital Funding (Cayman) Limited	Finance business	US\$	June 02	1,262	1,255	489	0	0	0	0	Consolidated
Sakura Finance (Cayman) Limited	Finance business	US\$	June 02	2,063	2,055	1,934	0	0	0	0	Consolidated
Sumitomo Finance International plc	Investment business	STG	June 02	337	118	27	125	200	12	12	Consolidated
SMBC International Finance N.V.	Finance business	US\$	June 02	5,848	5,802	4,938	1	0	0	0	Consolidated
China United International Leasing Co., Ltd.	Leasing business	US\$	June 02	19	19	5	1	0	(0)	(0)	Equity Method
BSL Leasing Co., Ltd.	Leasing business	TBAH	June 02	1,320	1,003	79	128	6	21	14	Equity Method
SBCS Co., Ltd.	Consulting business	TBAH	June 02	422	188	188	232	14	4	4	Equity Method
P.T. EXIM SB Leasing	Leasing business	RPIAH	June 02	169	280	145	(91)	-	4	4	Equity Method

(*1) Financial data of foreign subsidiaries and affiliates are denoted by local currency (in millions, except Indonesia (in billions)).

(*2) Total borrowing includes bonds and commercial papers. SMBC's portion of the total borrowing includes guarantee.

(*3) Projection of income and position in SMBC's group strategy of companies who have Operating Losses, Net Losses or Retained Losses are described in the next page.

(*4) Financial Link Company, Limited and Mazda Auto Leasing Company, Limited, through acquisition, and four newly established companies, including SMBC PERSONNEL SUPPORT CO., LTD. were consolidated from the FY02 interim period.

And, Sakura Trust International Limited and another company were liquidated, SB AUTO SERVICE CO., LTD. was sold, and they were unconsolidated from the FY02 interim period.

Details of (*3)

	Projection of income	Position in SMBC's group strategy
The Kangin Service Company, Limited	Maintains the black in FY02	Owens and manages real estate for the branches of The Bank of Kansai, Ltd.
The Japan Net Bank, Limited	Projecting Net loss of 2.6 billion yen in FY02 and Net profit of 0.1 billion yen in FY03.	Internet Bank
SMBC Guarantee Co., Ltd.	SUMIGIN GUARANTEE COMPANY, LIMITED became 100% subsidiary of SMBC Guarantee Co., Ltd. in Mar. 02. It may become in the black in consolidated basis in FY04.	Credit Guarantee business subsidiary of SMBC
Space Service LLC.	The balance is at around a breakeven point. (FY02 1st half: Net loss of 2 million yen)	SPC of SMBC Leasing Company, Limited
At-Loan Co., Ltd.	Aiming at becoming in the black in FY03 through increasing the amount of loans. (Outstanding balance of loans as of Sep. 2002: approx. 42.0 billion yen)	The only consumer finance specialized company among SMBC group established in June 2000.
SMBC Capital Co., Ltd.	Hardly become in the black in FY02 owing to the decrease of gains on sales of IPO stocks under the current weak stock market.	Private equity firm investing to high-growth companies.
SMBC Factors Co., Ltd.	Disorganized as it was merged with SMBC Finance Co., Ltd. at Oct. 1, 2002.	---
SMBC Mortgage Co., Ltd.	Maintains the black in FY02	Mortgage securities business subsidiary of SMBC
Sakura Finance Co., Ltd.	Projects the red in FY02 owing to the impairment of stocks (loss of 1.2 billion yen)	Collecting agent and factoring business subsidiary of SMBC
Financial Link Company, Limited	Projects the red in FY02 as its first fiscal year, but aims to become in the black in FY03.	A strategic subsidiary that coordinate financial services such as outsourcing of settlement processing and fund administration with SMBC and group companies.
Sakura Friend Securities Co., Ltd.	Strengthens the financial base through the consolidation with Meiko National Securities Co., Ltd.	Closely related retail securities company
SAKURA INVESTMENT MANAGEMENT CO., LTD.	Merged with asset management subsidiaries of Mitsui Mutual Life Insurance Company, Sumitomo Life Insurance Company, and Mitsui Sumitomo Insurance Co., Ltd. to establish Sumitomo Mitsui Asset Management Company, Limited in Dec. 02, which projects net loss in FY02 owing to merger-related losses.	Asset management business subsidiary of SMBC (Newly established Sumitomo Mitsui Asset Management Company, Limited becomes the affiliate applying the equity method.)
MeikoNational Securities Co., Ltd.	Strengthens the financial base through the consolidation with Sakura Friend Securities Co., Ltd.	Closely related retail securities company
DLJdirect SFG Securities Co. Ltd.	Maintains the black in FY02 through expansion of customer base and reduction of expenses.	Retail securities company following SMBC's Internet business strategy.
Japan Pension Navigator Co., Ltd.	May results in net loss for the time being owing to depreciations of initial system related cost.	Core company promoting defined contribution pension plan business in SMBC group.
SMBC Leasing (Singapore) Pte Ltd.	Will become in the black in FY03	Overseas subsidiary of SMBC Leasing Company, Limited.
SMBC Leasing (Hong Kong) Limited	Maintains the black in FY02	Overseas subsidiary of SMBC Leasing Company, Limited.
SMBC Leasing (UK) Limited	Will become in the black in FY03	Overseas subsidiary of SMBC Leasing Company, Limited.
Sumitomo Finance (Asia) Limited	Maintains the black in FY02	Investment company
Sumitomo Finance International plc	Maintains the black in FY02	Investment company
China United International Leasing Co., Ltd.	Planned to be sold by Mar. 2003	Planned to be sold
P.T. EXIM SB Leasing	Concentrates in collecting loans with the condition to be liquidated.	Overseas subsidiary of SMBC Leasing Company, Limited.

(Table 10) Loans and Bills Discounted

(Balance)		(Billions of yen)		
		Mar 31,02 actual (A)	Sep 30,02 actual (B)	Mar 31,03 plan (C)
Domestic	including Impact Loans	55,302.2	54,778.6	53,942.2
	excluding Impact Loans	53,879.6	53,645.0	52,519.6
Small and Medium-sized enterprises *1	including Impact Loans	26,412.3	24,089.0	25,982.3
	excluding Impact Loans	25,970.1	23,701.0	25,540.1
	Loans with guarantee of Credit Guarantee Corporation	2,435.5	2,152.8	2,135.5
	Individuals (excluding business loans)	12,493.0	12,429.1	13,143.0
	Housing Loan	10,810.8	10,642.7	11,460.8
	Others	16,396.9	18,219.6	14,816.9
Overseas		4,626.2	4,124.0	4,126.2
Total		59,928.4	58,902.6	58,068.4

(Adjusted basis <excluded factors shown below>)		(Billions of yen)	
		Sep 30,02 actual (B)-(A)+(a)	Mar 31,03 plan (C)-(A)+(b)
Domestic	including Impact Loans	260.5	(480.0)
	excluding Impact Loans	549.5	(480.0)
Small and Medium-sized enterprises *1	including Impact Loans	(1,995.0)	70.0
	excluding Impact Loans	(1,940.8)	70.0

*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

(Factors for reduction in loans)			(Billions of yen)	
	1st half of FY02 Actual (a)		FY02 Plan (b)	
		Small and Medium-sized enterprises		Small and Medium-sized enterprises
Direct Write-offs *1	+ 104.1	+ 10.7		
Secondary losses on loans sold to CCPC *2	+ 52.5	+ 52.5		
Sales and securitization of loans *3	+ 158.8	+ 2.3	+ 880.0	+ 500.0
Direct reduction *4	+ 183.4	+ 100.3		
Sales of loans to RCC *5	+ 36.5	+ 19.3		
Bulk-sales and others *6	+ 25.3	+ 24.5		
Others *7	+ 223.5	+ 118.7		
Total	+ 784.1	+ 328.3	+ 880.0	+ 500.0

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

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

(Billions of yen)

	Mar. 31, 02 Non-consolidated	Mar. 31, 02 Consolidated	Sep. 30, 02 Non-consolidated	Sep. 30, 02 Consolidated
Bankrupt and Quasi-Bankrupt Assets	493.5	638.2	514.8	653.3
Doubtful Assets	2,970.2	3,263.4	2,541.4	2,785.0
Substandard Loans	2,436.3	2,666.1	2,646.9	2,878.3
Normal Assets	60,558.9	61,896.4	59,534.5	60,899.2

Reserve for Possible Loan Losses

(Billions of yen)

	Mar. 31, 02 Non-consolidated	Mar. 31, 02 Consolidated	Sep. 30, 02 Non-consolidated	Sep. 30, 02 Consolidated
General Reserve	872.3	929.5	892.9	946.7
Specific Reserve	1,084.1	1,214.7	968.2	1,091.4
Loan Loss Reserve for Specific Overseas Countries	15.4	15.4	11.5	11.5
Sub-total	1,971.8	2,159.6	1,872.6	2,049.5
Reserve for Possible Losses on Loans Sold to CCPC	80.6	86.4	41.4	47.2
Total	2,052.4	2,246.0	1,914.0	2,096.7

(Table 14) Risk-Monitored Loans *

(Billions of yen)

	Mar. 31, 02 Non-consolidated	Mar. 31, 02 Consolidated	Sep. 30, 02 Non-consolidated	Sep. 30, 02 Consolidated
Bankrupt Loans (A)	195.7	227.5	217.9	249.9
Direct Reduction	577.6	685.0	581.7	662.8
Non-Accrual Loans (B)	3,184.5	3,599.8	2,766.1	3,116.4
Direct Reduction	796.1	1,083.8	783.8	1,049.4
Past Due Loans (3 Months or more) (C)	92.3	102.8	95.5	109.4
Restructured Loans (D)	2,344.0	2,554.3	2,551.4	2,759.6
(1)Reduction of the original interest rate	506.0	510.6	119.6	146.5
(2)Forbearance of interest payments	3.5	33.5	42.9	76.6
(3)Loans to supported companies	16.2	16.2	-	-
(4)Forbearance of principal repayments	1,809.5	1,977.7	2,380.2	2,517.1
(5)Others	8.8	16.3	8.7	19.4
Total (E)=(A)+(B)+(C)+(D)	5,816.5	6,484.4	5,630.9	6,235.3
Ratio (E)/ Total Loans	9.7%	10.2%	9.6%	10.0%

* 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.

(Table 15) Disposition of Problem Loans

<Non-consolidated>

(Billions of yen)

	FY00 Actual	FY01 Actual	FY02 1st half Actual	FY02 Projection
Total Credit Cost (A)	1,007.7	1,038.6	245.7	
Transfer to Specific Reserve	156.5	663.2	140.6	
Write-off of loans and other related losses (C)	798.2	342.9	101.9	
Write-off of loans	367.7	271.9	88.9	
Losses on Sales of Loans to CCPC	31.8	8.4	3.0	
Losses on Sales of Loans to RCC *1	0.3	2.7	2.4	
Losses on Bulk Sales	24.7	47.9	7.6	
Losses on Debt Forgiveness	373.7	12.0	-	
Transfer to Reserve for Possible Losses from Loans Sold to CCPC	53.0	37.0	7.1	
Transfer to Reserve for Supporting Specific Borrowers	-	-	-	
Transfer to Loan Loss Reserve for Specific Overseas Countries	0.0	(4.5)	(3.9)	
Transfer to General Reserve for Possible Loan Losses (B)	(188.6)	504.5	20.6	
Total (A)+(B)	819.1	1,543.1	266.3	700.0

<Reference>

Direct Write-off of loans already reserved (D)	575.5	573.7	370.5	-
Gross Direct Write-offs (C) + (D)	1,373.7	916.6	472.4	-

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

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

<Consolidated>

(Billions of yen)

	FY00 Actual	FY01 Actual	FY02 1st half Actual	FY02 Projection
Total Credit Cost (A)	1,202.4	1,176.0	295.9	
Transfer to Specific Reserve	258.5	681.5	154.9	
Write-off of loans and other related losses (C)	889.5	460.4	137.2	
Write-off of loans	433.9	380.0	122.8	
Losses on Sales of Loans to CCPC	31.9	9.8	3.4	
Losses on Sales of Loans to RCC *1	0.6	3.0	2.4	
Losses on Bulk Sales	42.7	55.6	8.6	
Losses on Debt Forgiveness	380.4	12.0	-	
Transfer to Reserve for Possible Losses from Loans Sold to CCPC	54.4	38.7	7.8	
Transfer to Reserve for Supporting Specific Borrowers	-	-	-	
Transfer to Loan Loss Reserve for Specific Overseas Countries	0.0	(4.6)	(4.0)	
Transfer to General Reserve for Possible Loan Losses (B)	(209.5)	527.4	22.7	
Total (A)+(B)	992.9	1,703.4	318.6	

<Reference>

Direct Write-off of loans already reserved (D)	648.5	681.8	473.5	-
Gross Direct Write-offs (C) + (D)	1,538.0	1,142.2	610.7	-

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

*2 The numbers of 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)

	FY00 Actual	FY01 Actual	FY02 1st half Actual	FY02 Projection
Banking Profit (excluding transfer to General Reserve for Possible Loan Losses)	803.1	1,183.4	576.7	1,080.0
Gains/Losses on Bonds	8.7	66.6	76.4	
Gains/Losses on Stocks	311.4	(130.7)	(191.8)	
Gains/Losses on Disposition of Premises and Equipment	(30.6)	(14.2)	(9.6)	
Retained Earnings	-	673.0	624.4	
Others	-	-	-	
Total	1,083.9	1,711.5	999.7	1,080.0

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

*2 Retained Earnings after FY01 are of before-tax basis, calculated by applying the statutory tax rate to the sum of Voluntary Reserves and Unappropriated Profit as of the end of the previous fiscal year.

<Consolidated> (Billions of yen)

	FY00 Actual	FY01 Actual	FY02 1st half Actual	FY02 Projection
Banking Profit (excluding transfer to General Reserve for Possible Loan Losses)	803.1	1,183.4	5,767.0	1,080.0
Gains/Losses on Bonds	9.8	66.6	76.4	
Gains/Losses on Stocks	468.5	(17.8)	(197.9)	
Gains/Losses on Disposition of Premises and Equipment	(33.9)	(23.1)	(11.0)	
Retained Earnings	---	673.0	624.4	
Others	60.5	(18.3)	102.2	
Total	1,298.2	1,797.2	1,094.4	1,080.0

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

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

*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	0	0.0	0	0.0
4C	2	0.7	2	0.7
5A	9	4.4	9	4.3
5B	10	1.6	8	1.4
5C	18	3.5	13	2.0
6	24	2.6	24	2.3
7	101	85.2	78	63.2
8	41	49.5	55	52.2
9	13	35.1	32	57.1
No Grading	20	2.9	17	2.3

*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, 02
Bankrupt and Quasi-Bankrupt Assets	514.8
Doubtful Assets	2,541.4
Substandard Loans	2,646.9
Normal Assets	59,534.5
Total	65,237.6

(Table 18) Unrealized Gains(Losses) (Sep. 30, 02, Non-consolidated)

Securities		(Billions of yen)			
		Outstanding Balance	Net Unrealized Gains(Losses)		
			Gains	Losses	
Held-to- maturity purpose	Securities *1,*2	288.2	3.6	3.7	0.1
	Bond	261.2	2.5	2.5	---
	Stock	---	---	---	---
	Other	27.0	1.1	1.2	0.1
	Money Held in Trust *1	---	---	---	---
Subsidiaries, etc.	Securities *1,*2	1,206.4	(12.8)	58.0	18.6
	Bond	---	---	---	---
	Stock	720.2	(12.8)	5.8	18.6
	Other	486.2	---	---	---
	Money Held in Trust *1	---	---	---	---
Other Securities	Securities *1,*2	20,955.8	(818.6)	228.5	1,047.1
	Bond	12,783.5	62.3	68.6	6.3
	Stock	3,911.2	(933.1)	97.5	1,030.6
	Other	4,261.1	52.2	62.4	10.2
	Money Held in Trust *1	25.8	(0.5)	0.4	0.9

Others

	Book Value	Market Value	Net Unrealized Gains(Losses)		
			Gains	Losses	
Premises used in Business *3	478.9	381.7	(97.1)	10.0	107.1
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 Dept Purchased".

*3 Based on revaluation of land at fair value as of Mar. 31, 1998 and Mar. 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 Sep. 30, 2002.

(Table 18) Unrealized Gains(Losses) (Sep. 30, 02, Consolidated)

Securities		Outstanding Balance	Net Unrealized Gains(Losses)		
					Gains
Held-to- maturity purpose	Securities *1,*2	384.3	4.7	4.8	0.1
	Bond	334.9	3.6	3.6	0.0
	Stock	---	---	---	---
	Other	49.4	1.1	1.2	0.1
	Money Held in Trust *1	---	---	---	---
Subsidiaries, etc.	Securities *1,*2	188.7	(1.5)	---	1.5
	Bond	---	---	---	---
	Stock	180.6	(1.5)	---	1.5
	Other	8.1	---	---	---
	Money Held in Trust *1	---	---	---	---
Other Securities	Securities *1,*2	22,165.1	(835.0)	243.8	1,078.8
	Bond	13,661.4	65.5	73.5	8.0
	Stock	4,050.1	(947.3)	106.5	1,053.8
	Other	4,453.6	46.7	63.7	17.0
	Money Held in Trust *1	25.8	(0.5)	0.4	0.9

Others

	Book Value	Market Value	Net Unrealized Gains(Losses)		
					Gains
Premises used in Business *3	485.8	387.6	(98.2)	10.0	108.2
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 Dept 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.

In March, 2002, the Bank revaluated the land for business activities that was succeeded due to merger with SMBC Property Management Service Co., Ltd., pursuant to the Law concerning Land Revaluation and the law concerning amendment of the Law. Some of the subsidiaries also made revaluation as of Mar, 2002.

Book Value: Book value after the revaluation.

Market Value: Market value as of Sep. 30, 2002.

(Table 19) Derivatives and Foreign Forward Contracts

(Billions of Yen)

	Contract Value or Nominal Principal Amount		Credit Risk Equivalent Amount	
	Mar 31,02	Sep 30,02	Mar 31,02	Sep 30,02
Financial Futures Contracts	118,364.9	136,132.6	---	---
Interest Rate Swap	202,263.5	233,176.8	3,155.1	3,624.0
Currency Swap	12,024.7	11,963.8	900.4	871.1
Foreign Exchange Forward Contracts	42,393.4	39,572.6	1,292.2	1,068.1
Interest Rate Options (Buy)	4,660.3	4,806.4	55.1	51.2
Currency Options (Buy)	3,745.9	2,471.9	118.1	89.5
Other Derivative Instruments	21,230.1	33,294.0	31.8	56.1
Effect of Master Netting Agreements	---	---	(2,806.5)	(2,611.2)
Total	404,682.8	461,418.2	2,746.3	3,148.8

(Note) 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

(Table 20) Credit Portfolio (as of Sep. 30, 02)

(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	544.9	3.6	26.0	574.5
Credit Cost	0.2	0.0	0.3	0.5
Amount of Credit Risk	1.5	0.1	0.9	2.5

*1 Scope of trial calculation: Interest rate and foreign currency related derivative transactions with financial institutions located in Tokyo, New York, London, Hong Kong and Singapore by the Treasury Unit.

*2 Corporations without credit ratings by rating agencies.