



SMBC

SUMITOMO
MITSUI
BANKING
CORPORATION

ANNUAL REPORT

2002

YEAR ENDED MARCH 31, 2002

OUR MISSION

- To provide optimum added value to our customers and together with them achieve growth
- To create sustainable shareholder value through business growth
- To provide a challenging and professionally rewarding work environment for our dedicated employees

PROFILE (As of March 31, 2002)

Total Assets	¥102,082.5 billion	Number of Employees	25,027
Deposits	¥61,051.8 billion*	Network (As of June 30, 2002)	
Loans and Bills Discounted	¥59,928.3 billion	Domestic:	1,482 locations**
Capital Stock	¥1,326.7 billion	Branches	595 (including 28 specialized deposit account branches)
Consolidated Capital Ratio	10.45% (BIS Guidelines)	Subbranches	99
Shares Issued and Outstanding		Agencies	4
Ordinary Shares	5,709 million	Offices handling nonbanking business	6
Series 1 Type 1 Preference Shares	67 million	Automated service centers	778
Series 2 Type 1 Preference Shares	100 million	Overseas:	38 locations
Type 5 Preference Shares	800 million	Branches	21
Long-Term Credit Ratings (As of June 30, 2002)		Subbranches	2
	Moody's A3	Representative offices	15
	S&P BBB		
	Fitch A-		
	R&I A+		
	JCR AA-		

* Excluding negotiable certificates of deposit

** Excluding the number of ATMs installed at corporate client facilities and convenience stores

CONTENTS

Foreword	1	Individual Business Unit Strategies	30
President's Message	2	Consumer Banking Unit	32
Topics	4	Middle Market Banking Unit	36
Financial Highlights	6	Corporate Banking Unit	40
Fiscal 2001 Results		International Banking Unit	42
Asset Quality	8	Treasury Unit	44
Progress Report on the Plan for Strengthening		Investment Banking Unit	46
the Financial Base of the Bank	14	e-Business	48
Management Issues		Environmental Preservation Initiatives	50
IT Systems Integration	15	Social Contribution	52
Initiatives to Strengthen the Bank's Earnings Base ...	16	Financial Section	53
Corporate Governance	18	Corporate Data	119
Internal Audit System	19		
Compliance	20		
Risk Management	22		

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, those economic conditions referred to in this material as assumptions.

In addition, the following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

Sumitomo Mitsui Banking Corporation Public Relations Department

1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
TEL: +81-3-3501-1111



As the founding executives of Sumitomo Mitsui Banking Corporation, we are deeply honored to present this Annual Report 2002, covering the fiscal period following the Bank's inception in April 2001.

SMBC's first year of operations not only posed challenges but also paved the way for future accomplishments. We would like to express our sincere gratitude to the Bank's customers, shareholders, and other stakeholders for their support throughout the fiscal year ended March 31, 2002.

Although the business climate remains severe, we are determined to persist and prevail. To this end, we have reaffirmed our commitment to the following fundamental management precepts: (1) to provide optimum added value to our customers and together with them achieve growth, and (2) to create sustainable shareholder value through business growth. With this commitment, we pledge to remain focused on meeting the high expectations of all our stakeholders.

We look forward to your continuing support and encouragement as SMBC takes bold and decisive steps toward a future of renewed growth and prosperity.

August 2002

Handwritten signatures of Akishige Okada and Yoshifumi Nishikawa. The signature on the left is written in black ink and appears to be 'U. Okada'. The signature on the right is also in black ink and appears to be 'Y. Nishikawa'.

Akishige Okada
Chairman of the Board

Yoshifumi Nishikawa
President and Chief Executive Officer

| President's Message |

SMBC's First Year in Review

Fiscal 2001 marked the first year for SMBC during which we laid down a solid foundation and quickly reaped the benefits of the merger. Amid the continued adverse macroeconomic conditions in Japan, we resolved to quickly build a formidable institution with a sound financial base and fortitude required to meet the challenges ahead.

On this backdrop, I am pleased to report a number of achievements.

1. The former corporate cultures were unified under SMBC, and we now boast a new corporate organization of integrated Group companies and systems.
2. We reaped synergies from our substantially broadened base of customers, products, and services: a case in point was the banking profit of over ¥1 trillion contributed by our profit centers, like Treasury Unit. To maintain momentum, we set up the Business Reform Committee to revamp our former business practices across the board.
3. We posted significant cost cuts by focusing on: customer convenience, through the expansion of remote channels and the consolidation of branches; and streamlining infrastructure, especially in administrative processing and facilities.
4. We acted to revitalize our financial condition so we would post strong earnings from fiscal 2002. Our focus was on problem loans, where we instigated the reorganization of borrowers with large exposures for which reserves were raised, and also proactively reexamined the category of borrowers and elevated the reserve ratio. Therefore, our credit costs amounted to ¥1,543.1 billion, marking a significant step toward a solid resolution to loan nonperformance and protection against potential risks.

Key Issues for Fiscal 2002

I firmly believe the real magnitude of the benefits of merger will surface in fiscal 2002. Capitalizing on the former banks' speedy strategy execution, strong business base and comprehensive range of services, we will reap significant competitive advantages and realize maximum profits. Our strengths will not stop there, as we will continue to take decisive actions to further improve asset quality and enhance earnings, which I have set out as two top priorities for this year.

Improvement in Asset Quality

Here, our actions center on dealing resolutely with problem assets and reducing the risks from excessive stock price volatility. In fiscal 2001, SMBC was proactive in revitalizing financial soundness by accelerating the resolution of problem loans.

In fiscal 2002, we continue to focus on minimizing the occurrence of new problem loans, while quickly executing work-outs on existing ones. To that end, we have in place a department specifically assigned to undertake these tasks. Concurrently, in our quest for ever-greater speed, we will continue to effect and indeed accelerate the reduction in our risks from equity exposures so as to more than meet the equity investment restriction on banks due to become effective in September 2004.

Further Enhancement of Earnings

We are totally committed to building an earnings structure that can generate consistent long-term growth. To achieve this, we have set the following goals.

(1) Consistently Achieve Greater Operational Efficiency

While SMBC has benefited from the momentum of aggressive cost cutting by the two former banks, with SMBC now commanding one of the most efficient cost structures within the Japanese banking industry, we still aim much higher. For example, as we accomplished the integration of our domestic accounting system in July 2002, we will advance the schedule for consolidating branches. Therefore, we stand to reap much greater cost savings ahead.

(2) Continuously Reform Business Practices

As an ongoing process to achieve stronger earnings, we continuously reform our business practices in major fields and our actions are being reflected in our positive performance. A case in point is our corporate banking business.

Intense competition led to ingrained lending practices within the industry that tended to veer away from a profit focus and risk rationality based on total loan portfolio management, whereby margins eroded. Therefore, such legacies from the past are overdue for reform. Based on the philosophy that risk-taking is the main role of a lending institution, and a bank and a customer should together share a common recognition of credit risk, we at SMBC adopt a multilateral approach by offering financial solutions meeting the clients' fund-raising, corporate restructuring and streamlining needs in a more consultative way to enhance the corporate customers' net worth, thereby allowing us to gain rewards more commensurate with the corresponding risks. Through such initiatives, we will enhance our bottom line while developing new relationships with our customers.



In Closing

I believe one of the issues facing not only SMBC but also the whole Japanese banking industry is to quickly reform outdated business practices, and we at SMBC are taking the strong lead by challenging the status quo and offering unprecedented solutions through our innovative and dynamic approaches. Taking the wide view, it is my firm conviction that SMBC's current initiatives are conducive to consistently raising the net worth for our shareholders and contributing positively to the long-term prosperity of the Japanese economy.

All of us at SMBC stand united in our full commitment to and dedication in achieving all our goals. We respectfully continue to seek your valued support and guidance as SMBC marches forward with the changing times.

Yoshifumi Nishikawa
President and Chief Executive Officer

August 2002

2001

April

Former Sakura Bank

Former Sumitomo Bank

Inception of Sumitomo Mitsui Banking Corporation

2002

January

○Reached ATM usage agreement with IYBANK ^①

March

○Transferred legal reserves to retained earnings

○Started full-scale marketing of *Business Select Loan* ^②

April

○Launched Asset Management Plaza network ^③

○Introduced loans for newly built housing ^④

○Reached basic agreement on merger of Mitsui and Sumitomo group asset management subsidiaries ^⑤

June

○Established Business Promotion Office ^⑥

○Published disclosure pamphlet for individual depositors ^⑦

July

○Signed UNEP Statement by Financial Institutions on the Environment & Sustainable Development ^⑧

① ATM usage agreement with IYBANK

The @BANK ATM network is SMBC's core 24-hour ATM service, established and operated through a collaboration between the Bank and am/pm Japan Co., Ltd., a convenience store operator. @BANK ATMs are currently located at more than 1,100 am/pm stores.

In an effort to extend the customer convenience offered by its @BANK ATM network, SMBC has entered into various agreements to expand its convenience store based service channel. In January 2002, for example, the Bank formed an agreement with IYBANK Co., Ltd, whereby SMBC account holders can withdraw cash and check account balances 24 hours a day at ATMs located at nationwide outlets of SEVEN-ELEVEN JAPAN CO., LTD. Prior to the IYBANK agreement, SMBC had already established ATM usage agreements with convenience store operator LAWSON, INC., and with ATM provider E-net Co., Ltd.* As a result of its ATM-use agreements with LAWSON, E-net, and IYBANK, SMBC now offers customers round-the-clock cash-withdrawal convenience via a network of ATMs at more than 9,800 convenience stores.

* E-net ATMs are located at outlets of FamilyMart Co., Ltd., and other convenience store operators in Japan.

② Full-scale marketing of *Business Select Loan*

To establish and develop a greater number of relationships with small and medium-sized companies, SMBC began full-scale marketing of its *Business Select Loan* in March 2002. Rapid loan application processing is the key feature of this product, and eligible companies are allowed to borrow a maximum of ¥50 million with a repayment period of up to five years (three years for uncollateralized loans). Unlike conventional business loans of this type, where the application of funds is limited to working capital, the *Business Select Loan* may be applied also to capital expenditures. The product is one example of how SMBC is enabling managers of small and medium-sized businesses to capitalize on business opportunities in a timely manner.

③ Asset Management Plaza network

After reviewing the organization, infrastructure, and business model of its former Investment Service Plaza network, SMBC in April 2002 renamed these offices Asset Management Plazas, enhancing service capacity and expanding the network from 21 to 64 locations. These offices provide information on managing and raising funds. In addition, Asset Management Plazas offer a TV conference service that includes seminars on taxes, legal issues, and various other topics of interest to clients. Looking ahead, we intend both to add to the Bank's accumulated know-how in a wide range of fields and to keep supplying customers with increasingly higher quality asset management services.



Asset Management Plaza TV conference service

④ Loans for newly built housing

SMBC is committed to offering simple, convenient loans with rapid loan application processing to assist customers in purchasing homes. A recent example is our low-interest-rate loan limited to purchases of newly built housing introduced in April 2002. The Bank structured this product at a comparatively low cost thanks to the cooperation of real estate developers, enabling us to offer customers record-low interest rates. We also extended the marketing campaign for our housing loans with reduced interest rates for borrowers meeting certain conditions.



⑤ Basic agreement on merger of Mitsui and Sumitomo group asset management subsidiaries

In November 2001, SMBC signed an agreement with Mitsui Mutual Life Insurance Company, Sumitomo Life Insurance Company, and Mitsui Sumitomo Insurance Company, Limited, to form a comprehensive alliance to bolster the insurance businesses of the Mitsui and Sumitomo groups. The four companies agreed to merge their asset management subsidiaries into a new entity, to be named Sumitomo Mitsui Asset Management Company, Limited, by December 2002. Synergizing the various strengths of the former companies in offering high value-added asset management services with outstanding operational efficiency, the new company aims to become one of Japan's highest-ranking asset management companies with a strong customer orientation.

⑥ Business Promotion Office

Since the April 2001 merger, SMBC has been relentlessly refining its organization, optimizing operating efficiency, and building a framework that fully reflects customer needs. This effort has included the use of mass media and other means to attract potential customers. To enhance our abilities to identify the needs of such customers and take timely actions, we opened the Business Promotion Office on a trial basis in October 2001. We subsequently expanded the office's functions and made it a business department within the Middle Market Banking Unit. One of the office's main activities is handling general inquiries and responses to advertisements. Complementing the conventional marketing activities carried out by SMBC branches, the office also uses external and internal databases for customer-segmented direct marketing and telemarketing to increase our customer base.

⑦ Disclosure pamphlet for individual depositors

Following a series of financial bankruptcies in Japan in recent years, the April 2002 partial termination of full protection of deposits and other liabilities has sparked heightened concerns about the soundness of financial institutions. We strongly believe that a bank has a public responsibility to provide timely, easy-to-understand information. SMBC has published *To Increase Your Understanding of SMBC Management* for individual depositors as a supplement to the Bank's standard disclosure materials. The pamphlet explains in layman's terms the Bank's recent financial condition and management policies.

We will continue to implement proactive, comprehensive disclosure initiatives to keep customers and the public informed of our operations to further strengthen their confidence and trust.



⑧ UNEP Statement by Financial Institutions

Reflecting the growing consensus behind the need for environmental protection and the accelerating spread of environmental preservation initiatives worldwide, financial institutions are expected to play an expanding and increasingly important role in environmental preservation. To this end, SMBC has signed the United Nations Environment Programme (UNEP) Statement by Financial Institutions on the Environment & Sustainable Development, reaffirming its commitment to environmental preservation globally.

Financial Highlights

Consolidated

Sumitomo Mitsui Banking Corporation and Subsidiaries

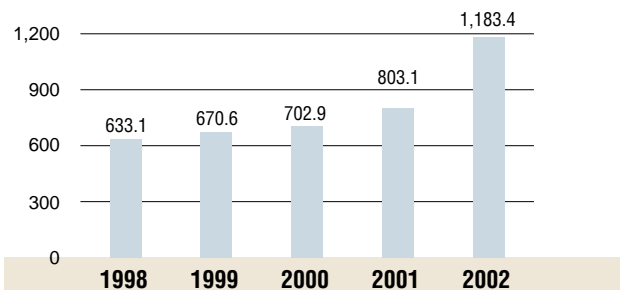
Year ended March 31	Millions of yen																																																																						
	2002	2001		2000		1999		1998																																																															
For the Year:																																																																							
Total income	¥ 3,809,130	¥ 4,501,200	¥ 5,170,720	¥ 5,042,021	¥ 5,584,031																																																																		
Total expenses.....	4,413,469	4,095,685	4,828,078	6,507,309	6,153,710																																																																		
Net income (loss).....	(463,887)	132,408	124,456	(1,048,155)	(339,597)																																																																		
At Year-End:																																																																							
Total stockholders' equity	¥ 2,912,619	¥ 4,012,960	¥ 4,012,912	¥ 3,931,609	¥ 3,398,330																																																																		
Total assets.....	108,005,001	119,242,661	102,263,112	103,988,877	117,529,874																																																																		
Risk-monitored loans.....	6,484,367	3,256,418	3,864,758	4,107,498	/																																																																		
Reserve for possible loan losses.....	2,159,649	1,268,853	1,632,687	1,934,627	2,343,038																																																																		
Net unrealized gains (losses) on securities.....	(495,507)	(301,106)	1,834,215	/	/																																																																		
<table border="1"> <thead> <tr> <th></th> <th colspan="2">Sakura Bank</th> <th colspan="2">Sumitomo Bank</th> <th colspan="2">Sakura Bank</th> <th colspan="2">Sumitomo Bank</th> <th colspan="2">Sakura Bank</th> <th colspan="2">Sumitomo Bank</th> </tr> </thead> <tbody> <tr> <td>Capital ratio (BIS guidelines)</td> <td>10.45%</td> <td>11.31%</td> <td>10.94%</td> <td>12.53%</td> <td>11.60%</td> <td>12.33%</td> <td>10.95%</td> <td>9.12%</td> <td>9.23%</td> <td>10.95%</td> <td>11.60%</td> </tr> <tr> <td>ROE.....</td> <td>—</td> <td>2.67%</td> <td>6.05%</td> <td>3.74%</td> <td>4.55%</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>PER (Times).....</td> <td>—</td> <td>62.36</td> <td>43.92</td> <td>62.08</td> <td>82.23</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> </tr> <tr> <td>Number of employees</td> <td>43,793</td> <td>24,184</td> <td>22,222</td> <td>23,837</td> <td>19,364</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> <td>/</td> </tr> </tbody> </table>												Sakura Bank		Sumitomo Bank		Sakura Bank		Sumitomo Bank		Sakura Bank		Sumitomo Bank		Capital ratio (BIS guidelines)	10.45%	11.31%	10.94%	12.53%	11.60%	12.33%	10.95%	9.12%	9.23%	10.95%	11.60%	ROE.....	—	2.67%	6.05%	3.74%	4.55%	—	—	—	—	—	—	PER (Times).....	—	62.36	43.92	62.08	82.23	/	/	/	/	/	/	Number of employees	43,793	24,184	22,222	23,837	19,364	/	/	/	/	/	/
	Sakura Bank		Sumitomo Bank		Sakura Bank		Sumitomo Bank		Sakura Bank		Sumitomo Bank																																																												
Capital ratio (BIS guidelines)	10.45%	11.31%	10.94%	12.53%	11.60%	12.33%	10.95%	9.12%	9.23%	10.95%	11.60%																																																												
ROE.....	—	2.67%	6.05%	3.74%	4.55%	—	—	—	—	—	—																																																												
PER (Times).....	—	62.36	43.92	62.08	82.23	/	/	/	/	/	/																																																												
Number of employees	43,793	24,184	22,222	23,837	19,364	/	/	/	/	/	/																																																												
Per Share (Yen):																																																																							
Stockholders' equity	¥282.85	¥333.46	¥426.32	¥340.98	¥415.77	¥331.28	¥400.71	¥446.47	¥532.18	¥532.18	—																																																												
Net income (loss).....	(84.12)	9.22	25.50	12.58	18.61	(124.72)	(181.48)	(25.51)	(80.00)	(80.00)	—																																																												
Net income – diluted.....	—	9.21	24.93	—	18.17	—	—	—	—	—	—																																																												

Notes: 1. Figures for the years ended March 31, 2001, 2000, 1999, and 1998, are combined figures for the former Sakura Bank and the former Sumitomo Bank.
 2. Total stockholders' equity as of March 31, 2002, includes net unrealized losses on "other securities" of ¥304,837 million.
 3. Unrealized gains (losses) on securities represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities" for 2002 and 2001, and of listed or over-the-counter securities for 2000, 1999, and 1998. In principle, the values of stocks are calculated using the average market prices during the final month for 2002 and 2001. For details, please refer to page 56.
 4. Number of employees for the former Sumitomo Bank has been reported on the basis of full-time workers since 2000 and for the former Sakura Bank since 2001. Number of employees includes locally hired overseas staff members but excludes contract employees, temporary staff, and executive officers who are not also Board members.

(Year ended March 31)

Banking Profit (excluding transfer to general reserve for possible loan losses) [Nonconsolidated]

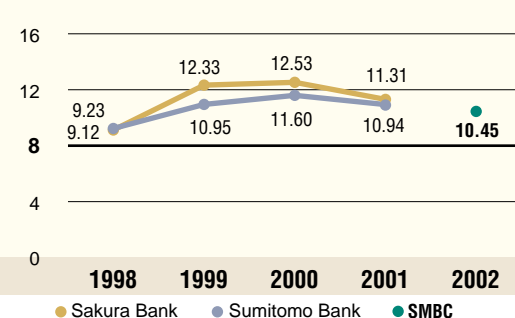
(Billions of yen)



(March 31)

Capital Ratio (BIS guidelines) [Consolidated]

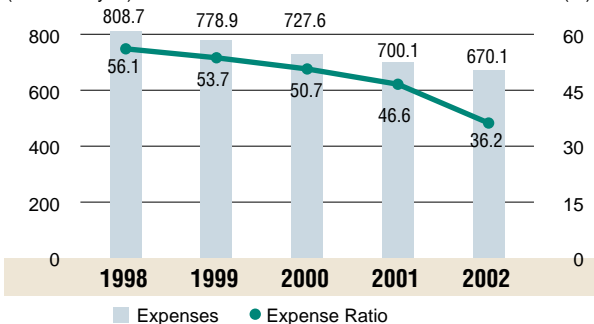
(%)



(Year ended March 31)

Expenses and Expense Ratio (excluding nonrecurring losses) [Nonconsolidated]

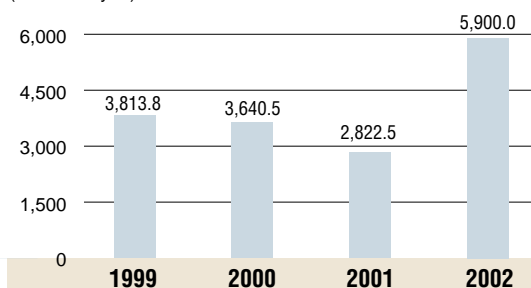
(Billions of yen)



(March 31)

Problem Assets Based on the Financial Reconstruction Law [Nonconsolidated]

(Billions of yen)



Nonconsolidated
Sumitomo Mitsui Banking Corporation

Year ended March 31	Millions of yen								
	2002	2001		2000		1999		1998	
For the Year:									
Total income	¥ 2,818,189	¥ 3,292,668		¥ 4,115,276		¥ 4,118,467		¥ 5,247,243	
Total expenses.....	3,354,826	3,019,557		3,812,705		5,400,579		5,946,472	
Net income (loss).....	(322,852)	137,835		105,935		(749,438)		(842,211)	
(Appendix)									
Gross banking profit (A).....	¥ 1,853,515	¥ 1,503,203		¥ 1,434,480		¥ 1,449,532		¥ 1,441,767	
Banking profit.....	678,811	991,670		678,662		393,104		601,855	
Banking profit (excluding transfer to general reserve for possible loan losses)	1,183,369	803,073		702,897		670,616		633,116	
Expenses (excluding nonrecurring losses) (B).....	670,145	700,128		727,556		778,915		808,650	
Expense ratio (B)/(A)	36.2%	46.6%		50.7%		53.7%		56.1%	
At Year-End:									
Total stockholders' equity.....	¥ 3,196,492	¥ 4,199,937		¥ 4,132,926		¥ 4,069,991		¥ 2,436,127	
Total assets.....	102,082,581	113,727,498		97,648,823		98,740,013		109,727,181	
Deposits.....	67,629,353	70,729,773		67,572,486		65,966,930		73,770,814	
Loans and bills discounted	59,928,368	61,747,880		63,298,512		66,008,121		71,014,073	
Securities.....	20,442,996	27,059,978		15,893,846		12,897,462		13,706,303	
Risk-monitored loans.....	5,816,452	2,732,590		3,556,458		3,720,423		2,944,524	
Problem assets based on the Financial Reconstruction Law.....	5,900,043	2,822,459		3,640,530		3,813,771		/	
Reserve for possible loan losses.....	1,971,849	1,095,841		1,569,493		1,788,520		2,301,294	
Net unrealized gains (losses) on securities	(481,654)	(429,844)		1,564,155		311,474		338,680	
				Sakura Bank	Sumitomo Bank	Sakura Bank	Sumitomo Bank	Sakura Bank	Sumitomo Bank
Preferred stock	¥ 650,500	¥402,577	¥250,500	¥402,772	¥250,500	¥411,307	¥250,500	¥ 26,883	—
Number of shares issued (Thousands).....	967,000	802,577	167,000	802,772	167,000	811,307	167,000	26,883	—
Common stock.....	¥ 676,246	¥640,129	¥502,348	¥639,934	¥502,348	¥631,399	¥502,348	¥572,562	¥502,348
Number of shares issued (Thousands).....	5,709,424	4,118,077	3,141,062	4,117,297	3,141,062	4,083,121	3,141,062	3,747,134	3,141,062
Pay-out ratio	—	34.71%	36.15%	53.42%	41.63%	—	—	—	—
Capital ratio (BIS guidelines).....	11.50%	11.91%	11.80%	12.50%	12.46%	12.38%	11.94%	/	/
ROE.....	—	4.86%	3.72%	3.23%	3.32%	—	—	—	—
PER (Times)	—	33.27	67.49	69.48	106.17	/	/	/	/
Number of employees	22,464	12,558	12,173	14,930	12,982	16,330	14,995	17,420	15,111
Per Share (Yen):									
Stockholders' equity	¥332.02	¥358.43	¥451.35	¥351.38	¥439.23	¥343.09	¥428.35	¥332.07	¥362.30
Dividends:									
Common stock.....	4.00	6.00	6.00	6.00	6.00	7.25	6.00	8.50	8.50
Preferred stock (Series I).....	/	/	/	/	/	/	/	22.50	/
Preferred stock (Series II).....	/	15.00	/	15.00	/	15.00	/	15.00	/
Preferred stock (Series III) (Type 2).....	/	13.70	/	13.70	/	0.04	/	/	/
Preferred stock (First series Type 1).....	10.50	/	10.50	/	10.50	/	0.03	/	/
Preferred stock (Second series Type 1)	28.50	/	28.50	/	28.50	/	0.08	/	/
Preferred stock (Type 5)	13.70	/	/	/	/	/	/	/	/
Net income (loss).....	(59.20)	17.28	16.59	11.24	14.41	(97.62)	(119.11)	(62.92)	(197.93)
Net income – diluted.....	—	17.24	16.25	—	14.12	—	—	—	—

- Notes: 1. Figures for the years ended March 31, 2001, 2000, 1999, and 1998, are combined figures for the former Sakura Bank and the former Sumitomo Bank.
2. As a result of the merger of the two banks, total stockholders' equity as of April 1, 2001, stood at ¥3,772,889 million.
3. Total stockholders' equity as of March 31, 2002, includes net unrealized losses on "other securities" of ¥297,950 million.
4. Please refer to page 107 for the definitions of risk-monitored loans and problem assets based on the Financial Reconstruction Law.
5. Unrealized gains (losses) on securities represent the difference between the market prices and acquisition costs (or amortized costs) of "other securities" for 2002 and 2001, and of listed or over-the-counter securities for 2000, 1999, and 1998. The values of stocks are calculated using the average market prices during the final month for 2002 and 2001. For details, please refer to page 60.
6. Number of employees for the former Sumitomo Bank has been reported on the basis of full-time workers since 2000 and for the former Sakura Bank since 2001. Number of employees includes locally hired overseas staff members but excludes contract employees, temporary staff, and executive officers who are not also Board members.
7. Money delivered due to the merger (the amount equivalent to dividends from October 1, 2000 to March 31, 2001) has been included in the former Sakura Bank's 2001 dividends.
8. Effective from the year ended March 31, 2002, treasury stock is disclosed as a deductible item from common stock. As a result, stockholders' equity per share and net income (loss) per share are calculated on the basis of the number of shares outstanding, less treasury stock.

Fiscal 2001 Results

Asset Quality

SMBC provides information about the status of its assets in three different ways. First, we conduct self-assessment to calculate appropriate write-offs and reserves by classifying borrowers according to their financial soundness. Second, disclosure based on "The Law Concerning Measures for the Reconstruction of the Functions of the Financial System" (the Financial Reconstruction Law) is used to classify problem assets. (Note: Disclosure on the basis of the Financial Reconstruction Law is related to self-assessment in terms of borrower category.) Third, we disclose the value of Risk-Monitored Loans based on the Banking Law, which excludes non-loan assets such as foreign exchange, accrued interest, and suspense payments.

Disposal of Problem Assets for Fiscal 2001

SMBC makes appropriate write-offs and reserves based on semi-annual self-assessments conducted in compliance with the *Financial Inspection Manual* prepared by the Financial Services Agency and the *Practical Guideline* published by the Japanese Institute of Certified Public Accountants.

Total credit cost for fiscal 2001, the year ended March 31, 2002, mainly reflects our preparations for coping with possible risks accompanying claims to Borrowers Requiring Caution, including raising the reserve ratio due to the prolonged economic slump, and additional reserves for the possible reorganization costs of problematic corporate borrowers. Moreover, borrowers' deteriorating financial condition, ongoing declines in collateral values, and the Bank's aggressive program of off-balancing problem assets also affected the total credit cost. As a result, nonconsolidated total credit cost amounted to ¥1,543.1 billion for fiscal 2001, bringing the total reserve for possible loan losses to ¥1,971.8 billion at the fiscal year-end.*

On a consolidated basis, total credit cost amounted to ¥1,703.4 billion for fiscal 2001, including the amount transferred to the general reserve for possible loan losses, bringing the total reserve for possible loan losses to ¥2,159.6 billion as of March 31, 2002.**

* All Classification IV assets are basically directly written off using the direct reduction method even if the assets were not classified as tax-free write-offs. The amount of direct reduction totaled ¥1,405.1 billion.

** The amount of direct reduction totaled ¥1,824.3 billion.

Self-Assessment

Self-assessment is a preparatory task prior to calculating the appropriate level of write-offs and reserves to ensure the Bank's asset quality. Each asset is assessed individually for its security and verity. Depending on its current condition, each borrower is assigned to one of five categories: Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, or Bankrupt Borrowers. The risk of default and noncollection and the risk of asset devaluation are then assessed on a scale from I to IV. As part of our efforts to bolster risk management throughout the Group, our consolidated subsidiaries, in principle, employ the same standards.

Borrower Categories, Defined	
Normal Borrowers	Borrowers with good business performance and in good financial standing without identified problems
Borrowers Requiring Caution	Borrowers identified for close monitoring
Potentially Bankrupt Borrowers	Borrowers perceived to have a high risk of falling into bankruptcy
Effectively Bankrupt Borrowers	Borrowers that may not have legally or formally declared bankruptcy but are essentially bankrupt
Bankrupt Borrowers	Borrowers that have been legally or formally declared bankrupt

Asset Classifications, Defined	
Classification I	Assets not classified under Classifications II, III, or IV
Classification II	Assets perceived to have an above-average risk of noncollectibility
Classification III	Assets for which final collection or asset value is very doubtful and which pose a high risk of incurring a loss
Classification IV	Assets assessed as uncollectible or worthless

■ Credit Cost (Nonconsolidated; year ended March 31, 2002)

(Billions of yen)

Credit cost	¥1,038.6
Write-off of loans	283.9
Transfer to specific reserve	663.2
Transfer to reserve for losses on loans sold	37.0
Losses on loans sold to CCPC	8.4
Losses on sale of delinquent loans	50.6
Transfer to loan loss reserve for specific overseas countries	(4.5)
Transfer to general reserve for possible loan losses	504.5
Total credit cost	¥1,543.1
Reserve for possible loan losses	¥1,971.8
Amount of direct reduction	¥1,405.1

■ Credit Cost (Consolidated; year ended March 31, 2002)

(Billions of yen)

Total credit cost	¥1,703.4
Reserve for possible loan losses	¥2,159.6
Amount of direct reduction	¥1,824.3

■ Reserve for Possible Loan Losses (March 31, 2002)

(Billions of yen)

	Nonconsolidated	Consolidated
Reserve for possible loan losses (a)	¥1,971.8	¥2,159.6
General reserve	872.3	929.5
Specific reserve	1,084.1	1,214.7
Loan loss reserve for specific overseas countries	15.4	15.4
Risk-monitored loans (b)	¥5,816.5	¥6,484.4
Reserve ratio (a) / (b)	33.9%	33.3%

□ Write-Offs and Reserves Assessments

Under self-assessment, each borrower is evaluated and assigned to one of five categories—Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, or Bankrupt Borrowers—and standards for write-offs and reserves are applied to each category.

Self-Assessment Borrower Categories	Standards for Write-Offs and Reserves
Normal Borrowers	Amounts are recorded as general reserves in proportion to the expected losses over the next 12 months based on the actual past bankruptcy rate for each category.
Borrowers Requiring Caution	These assets are divided into groups according to the risk of default. Amounts are recorded as general reserves in proportion to the expected losses based on the actual past bankruptcy rate for each group. The groups are "substandard borrowers" and "other." The latter group is further divided according to credit situation, etc.
Potentially Bankrupt Borrowers	The Bank sets specific reserves for possible loan losses on the portion of Classification III assets (calculated for each borrower) not secured by collateral, guarantee, or other means.
Effectively Bankrupt/Bankrupt Borrowers	Of each borrower's assets classified as Classification III or IV assets, in principle, the Bank writes off the full amount of Classification IV assets (deemed to be uncollectible or of no value) and sets aside specific reserves for possible loan losses against the full amount of Classification III assets.

As part of our overall measures to strengthen risk management throughout the Group, all consolidated subsidiaries, in principle, use the same standards as the parent Bank for write-offs and reserves.

Disclosure of Problem Assets

1. Problem Assets Based on the Financial Reconstruction Law

Under the Financial Reconstruction Law, assets are assessed and classified into four categories: Bankrupt and Quasi-Bankrupt Assets, Doubtful Assets, Substandard Loans, and Normal Assets.

On a nonconsolidated basis, the total value of assets in all categories other than Normal Assets amounted to ¥5,900.0 billion as of March 31, 2002, a ¥3,077.5 billion increase compared with March 31, 2001. This increase is mainly due to three factors: (1)

measures taken toward borrowers with large exposures accompanying their progress in restructuring, (2) the classification as Potentially Bankrupt Borrowers of certain borrowers requiring a significant amount of time to regain financial health, and (3) the expansion of the scope of restructured loans for inclusion in the Substandard Loans category. On a consolidated basis, the total value of assets in all categories other than Normal Assets was ¥6,567.7 billion.

■ Problem Assets Based on the Financial Reconstruction Law (March 31, 2002)

(Billions of yen)

	Nonconsolidated	Compared with March 31, 2001	Consolidated
Bankrupt and quasi-bankrupt assets	¥ 493.5	¥ (96.4)	¥ 638.2
Doubtful assets	2,970.2	1,027.1	3,263.4
Substandard loans	2,436.3	2,146.9	2,666.1
Subtotal	5,900.0	3,077.5	6,567.7
Normal assets	60,558.9	(5,598.9)	61,896.4
Total	¥66,458.9	¥(2,521.4)	¥68,464.1
Amount of direct reduction	¥ 1,405.1		¥ 1,803.2

■ Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs/Reserves (Nonconsolidated; March 31, 2002)

(Billions of yen)

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law	Classification under self-assessment				Reserve for possible loan losses	Reserve ratio
		Classification I	Classification II	Classification III	Classification IV		
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥493.5	Portion of claims secured by collateral or guarantees, etc. (4) ¥474.8	Fully reserved ¥18.7	Direct write-offs (Note 1)	Specific reserve ¥22.4 (Note 2)	100% (Note 3)	
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥2,970.2	Portion of claims secured by collateral or guarantees, etc. (5) ¥1,572.1	Necessary amount reserved ¥1,398.1		¥1,061.7 (Note 2)	75.9% (Note 3)	
Borrowers Requiring Caution	Substandard loans (3) ¥2,436.3 (Claims to substandard borrowers)						Portion of substandard loans secured by collateral or guarantees, etc. (6) ¥1,099.3
Normal Borrowers	Normal assets ¥60,558.9	Claims to borrowers requiring caution, excluding claims to substandard borrowers	General reserve ¥872.3	5.1% [9.4%] (Note 4)	0.2% (Note 4)		
		Claims to normal borrowers					
					Loan loss reserve for specific overseas countries ¥15.4		
	Total ¥66,458.9				Total reserve for possible loan losses ¥1,971.8		
	(A)=(1)+(2)+(3) ¥5,900.0				(B) Specific reserve + General reserve for substandard loans ¥1,374.9	Reserve ratio (Note 5) (B) / (D) 49.9%	
		Portion secured by collateral or guarantees, etc. (C)=(4)+(5)+(6) ¥3,146.2	Unsecured portion (D)=(A)-(C) ¥2,753.8				
					Coverage ratio ((B)+(C)) / (A)	76.6%	

Notes: 1. Includes amount of direct reduction totaling ¥1,405.1 billion.

2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Law disclosure standards. (Bankrupt/effectively bankrupt borrowers: ¥3.7 billion; Potentially bankrupt borrowers: ¥11.9 billion)

3. Reserve ratios for claims to Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution: The proportion of each category's total unsecured claims covered by reserve for possible loan losses.

4. Reserve ratios for claims to Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio of unsecured claims to Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.

5. Reserve ratio = (Specific reserve + General reserve for substandard loans) ÷ (Bankrupt and quasi-bankrupt assets + Doubtful assets + Substandard loans - Portion secured by collateral, guarantee, etc.)

Classification of Problem Assets Based on the Financial Reconstruction Law

Bankrupt and Quasi-Bankrupt Assets	This category is defined as the sum of assets to Bankrupt Borrowers and Effectively Bankrupt Borrowers as categorized by self-assessment, excluding Classification IV assets, which are fully written off. Classification III assets are fully covered by reserves, and Classification I and II assets, the collectible portion, are secured by collateral or guarantees, etc.
Doubtful Assets	This category is defined as the assets to Potentially Bankrupt Borrowers under self-assessment. Specific reserves are set aside for Classification III assets, and Classification I and II assets, the collectible portion, are secured by collateral or guarantees, etc.
Substandard Loans	This category is defined as the sum of the loans extended to Borrowers Requiring Caution under self-assessment. This category includes past due loans (three months or more) and restructured loans.
Normal Assets	This category is defined as the sum, as of the term-end, of loans, securities lending, foreign exchange, accrued interest, suspense payments, and customers' liabilities for acceptances and guarantees that are not included in the other three categories.

2. Risk-Monitored Loans

In addition to the disclosure of problem assets in accordance with the Financial Reconstruction Law, we separately disclose the balance of Risk-Monitored Loans in accordance with the Banking

Law. On a nonconsolidated basis, Risk-Monitored Loans amounted to ¥5,816.5 billion as of March 31, 2002, a ¥3,083.9 billion increase compared with March 31, 2001. On a consolidated basis, Risk-Monitored Loans amounted to ¥6,484.4 billion.

■ Risk-Monitored Loans (March 31, 2002)

	(Billions of yen)		
	Nonconsolidated	Ratio to total loans	Compared with March 31, 2001
Bankrupt loans	¥ 195.7	0.3%	¥ (40.0)
Non-accrual loans	3,184.5	5.3	977.0
Past due loans (3 months or more)	92.3	0.2	(10.9)
Restructured loans	2,344.0	3.9	2,157.8
Total	¥5,816.5	9.7%	¥3,083.9
Amount of direct reduction	¥1,373.7		

(Billions of yen)		
Consolidated	Ratio to total loans	Compared with March 31, 2001
¥ 227.5	0.4%	¥ (45.7)
3,599.7	5.7	1,022.2
102.8	0.2	(23.0)
2,554.4	4.0	2,274.4
¥6,484.4	10.2%	¥3,227.9
¥1,768.8		

□ Problem Assets Based on the Financial Reconstruction Law, and Risk-Monitored Loans

Category of borrowers under self-assessment	Problem assets based on the Financial Reconstruction Law		Risk-monitored loans	
	Total loans	Other assets	Total loans	Other assets
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets		Bankrupt loans	(C)
Effectively Bankrupt Borrowers			Non-accrual loans	
Potentially Bankrupt Borrowers	Doubtful assets	Past due loans (3 months or more)		
Borrowers Requiring Caution	Substandard loans	Restructured loans		
Normal Borrowers	(Normal assets)			
	(A)		(B)	(C)

The disclosure of Risk-Monitored Loans corresponds exactly to the disclosure of problem assets based on the Financial Reconstruction Law, except for such non-loan assets as securities lending, foreign exchange, accrued interest, suspense payments, and customers' liabilities for acceptances and guarantees, which are not included in the Risk-Monitored Loans category.

Since overdue interest from borrowers classified under self-assessment as Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers, and Bankrupt Borrowers is, as a rule, not recorded as accrued interest, the amount is not included in the problem assets disclosed on the basis of the Financial Reconstruction Law.

■ Problem Assets, by Domicile of Borrowers (Nonconsolidated; March 31, 2002)

(Billions of yen)

	Financial Reconstruction Law Basis	Percentage	Risk-Monitored Loans	Percentage
Domestic	¥5,732.7	97.2%	¥5,671.2	97.5%
Overseas	167.3	2.8	145.3	2.5
Asia	103.6	1.7	89.3	1.5
Indonesia	40.8	0.7	39.1	0.7
Hong Kong	16.0	0.3	13.9	0.2
India	7.0	0.1	4.8	0.1
China	12.3	0.2	12.0	0.2
Others	27.5	0.4	19.5	0.3
North America	46.4	0.8	38.9	0.7
Central and South America	2.1	0.0	2.1	0.0
Western Europe	11.4	0.2	11.2	0.2
Eastern Europe	3.8	0.1	3.8	0.1
Total	¥5,900.0	100.0%	¥5,816.5	100.0%

Note: "Domestic" means the total for domestic branches, excluding the special account for international financial transactions. "Overseas" means the total for overseas branches, including the special account for international financial transactions. The above countries and areas are categorized by the obligor's domicile.

■ Problem Assets, by Type of Borrowers (Nonconsolidated; March 31, 2002)

(Billions of yen)

	Financial Reconstruction Law Basis	Percentage	Risk-Monitored Loans	Percentage
Domestic	¥5,732.7	97.2%	¥5,671.2	97.5%
Manufacturing	317.6	5.4	314.6	5.4
Agriculture, forestry, fishery and mining	5.2	0.1	5.2	0.1
Construction	1,035.5	17.6	1,014.6	17.5
Wholesale and retail	736.6	12.5	725.4	12.5
Finance and insurance	219.3	3.7	216.9	3.7
Real estate	2,046.5	34.7	2,042.6	35.1
Transportation, communications, and other public enterprises	66.3	1.1	65.1	1.1
Services	998.5	16.9	995.5	17.1
Municipalities	—	—	—	—
Others	307.2	5.2	291.3	5.0
Overseas	¥ 167.3	2.8%	¥ 145.3	2.5%
Public sector	13.6	0.2	13.6	0.2
Financial institutions	2.9	0.0	2.9	0.1
Commerce and industry	150.8	2.6	128.8	2.2
Others	—	—	—	—
Total	¥5,900.0	100.0%	¥5,816.5	100.0%

Note: "Domestic" means the total for domestic branches, excluding the special account for international financial transactions. "Overseas" means the total for overseas branches, including the special account for international financial transactions.

Off-Balancing Problem Assets

Under the provisions of the Emergency Economic Package enacted in April 2001, we are publishing the results of measures taken for the off-balancing of problem assets, as well as the amount of assets that were newly classified as Bankrupt and Quasi-Bankrupt Assets or Doubtful Assets.

The amount of doubtful assets rose owing to higher reserves

required in line with progress in business restructurings by borrowers with large exposures, and to the classification as Potentially Bankrupt Borrowers of borrowers that are likely to take longer to regain financial soundness. As a result, we off-balanced ¥696.7 billion in the first half of fiscal 2001, and ¥584.5 billion in the second half of fiscal 2001. In this way, the Bank has adopted an aggressive program with regard to off-balancing.

Term-End Balance of Bankrupt and Quasi-Bankrupt Assets, and Doubtful Assets (Nonconsolidated)

	September 30, 2000	March 31, 2001	Off-balanced during first half of fiscal 2001	September 30, 2001	Off-balanced during second half of fiscal 2001	(Billions of yen) March 31, 2002
(1) Problem assets existing prior to and during the first half of fiscal 2000						
Bankrupt and quasi-bankrupt assets	¥ 621.7	¥ 472.7		¥ 376.9		¥ 281.1
Doubtful assets	2,567.9	1,353.1		1,049.2		843.4
Total	¥3,189.6	¥1,825.8	(399.7)	¥1,426.1	(301.6)	¥1,124.5
(2) Problem assets classified during the second half of fiscal 2000						
Bankrupt and quasi-bankrupt assets		¥ 117.2		¥ 141.6		¥ 57.3
Doubtful assets		590.1		268.7		144.2
Total		¥ 707.3	(297.0)	¥ 410.3	(208.8)	¥ 201.5
(3) Problem assets classified during the first half of fiscal 2001						
Bankrupt and quasi-bankrupt assets				¥ 55.5		¥ 76.0
Doubtful assets				327.8		233.2
Total				¥ 383.3	(74.1)	¥ 309.2
(4) Problem assets newly classified during the second half of fiscal 2001						
Bankrupt and quasi-bankrupt assets						¥ 79.1
Doubtful assets						1,749.4
Total						¥1,828.5
Total((1)+(2)+(3)+(4))						
Bankrupt and quasi-bankrupt assets	¥ 621.7	¥ 589.9		¥ 574.0		¥ 493.5
Doubtful assets	2,567.9	1,943.1		1,645.7		2,970.2
Total	¥3,189.6	¥2,533.0	(696.7)	¥2,219.7	(584.5)	¥3,463.7

Breakdown of Off-Balancing (Nonconsolidated)

	Off-balanced during first half of fiscal 2001	Off-balanced during second half of fiscal 2001
Disposition by borrowers' liquidation	(9.5)	(68.3)
Reconstructive disposition	(48.1)	(34.8)
Improvement in debtors' performance due to reconstructive disposition	—	—
Loan sales to market	(200.1)	(234.7)
Direct write-offs	(82.3)	120.2
Others	(356.7)	(366.9)
Collection/repayment, etc.	(290.8)	(281.4)
Improvement in debtors' performance	(65.9)	(85.5)
Total	(696.7)	(584.5)

Notes: 1. "Disposition by borrowers' liquidation" refers to the abandonment or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations).

2. "Reconstructive disposition" refers to the abandonment of loans involved in rehabilitative bankruptcy proceedings (corporate reorganization, civil rehabilitation, composition, and arrangement), loan forgiveness involving special mediation or other types of civil mediation, or loan forgiveness for restructuring involving a private reorganization.

Progress Report on the Plan for Strengthening the Financial Base of the Bank

SMBC has been raising its competitiveness and profitability through restructuring and rationalization based on the Plan for Strengthening the Financial Base of the Bank. The Plan was drawn up in March 1999, when the two former banks accepted infusions of public funds through subscriptions to preferred stock, and was revised in December 2000 when the merger application was filed. The following is summary of the Bank's progress in fiscal 2001, the year ended March 31, 2002, toward achieving the targets laid out in the Plan.

Earnings Plan

On a nonconsolidated basis, gross banking profit amounted to ¥1,853.5 billion, ¥425.5 billion higher than the target of ¥1,428.0 billion. Major factors contributing to this increase were strong profits from foreign-currency treasuries due to robust asset liability management (ALM) operations on declining U.S. interest rates, and higher dividends received from overseas subsidiaries, etc.

Expenses were ¥670.1 billion, ¥57.9 billion lower than the target of ¥728.0 billion. Despite the rise in IT systems integration-related expenses from the merger, SMBC achieved this reduction in expenses by various measures, including a reduction in headcount, the consolidation of both domestic and overseas branches, and a reduction of operating expenses by the revision of procurement practices through the merger. As a result, banking profit, excluding transfer to general reserve for possible loan losses, was ¥1,183.4 billion, ¥483.4 billion higher than the target of ¥700.0 billion. Return on equity (ROE; banking profit basis) was 33.95%, well above the original target of 15.60%.

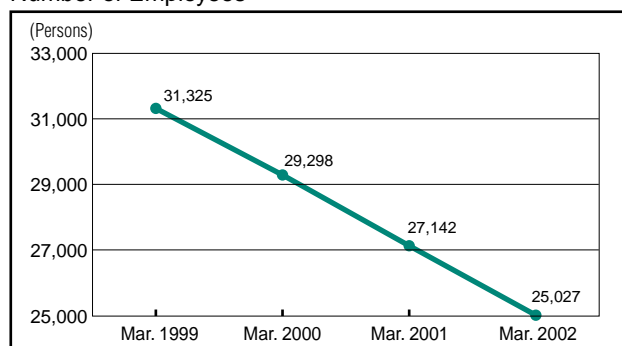
The Bank recorded a net loss of ¥322.8 billion, which fell short of the original income target of ¥210.0 billion. The primary cause was the large increase in total credit cost, including transfer to general reserve for possible loan losses. Such cost totaled ¥1,543.1 billion, or ¥1,343.1 billion higher than targeted, a result of the positive measures taken to resolve the asset quality problem.

Going forward, SMBC will increase retained earnings by expense reductions through additional restructuring, restrictions of payouts, and other measures. By these means, SMBC intends to maintain its resources for redemption of the preferred stock held by the government.

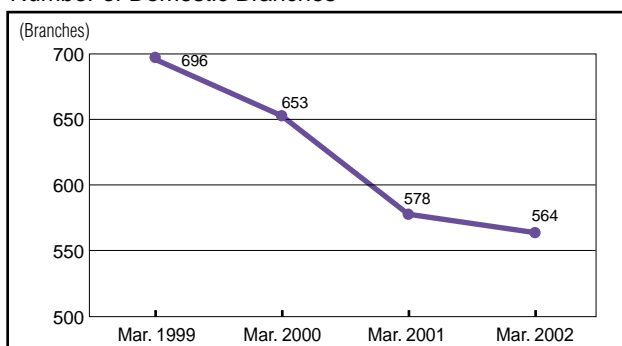
Rationalization Plan

As of March 31, 2002, SMBC employees numbered 25,027, well below the target of 26,200. Meanwhile, the number of domestic branches was reduced by 14 during fiscal 2001 to 564, exceeding our target of 573 by nine branches. To accelerate the rationalization of the domestic branch network, in an area with overlapping branches, we relocated the excess branches to a core branch, and now have joint-branches at 20 locations. Including these consolidations, the domestic branch network was reduced by a total of 34 branches during the fiscal year. Overseas, the consolidation of 12 overlapping branches was completed, thereby reducing the overseas branch network to 21 branches, exceeding the target of 23 by two branches.

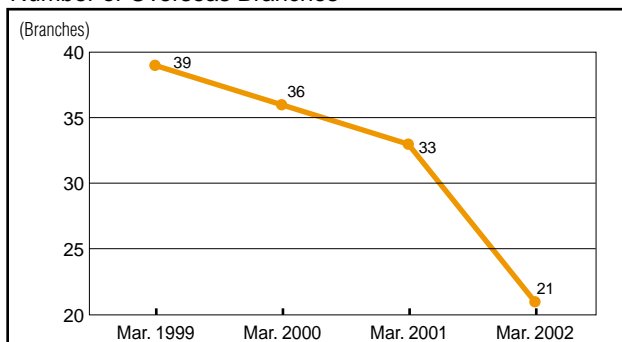
Number of Employees



Number of Domestic Branches



Number of Overseas Branches



Management Issues

IT Systems Integration

Initial Merger Date Advanced

The initial plan of the merger agreement between the two former banks called for the implementation of the merger, including the integration of the two banks' IT systems, by the beginning of April 2002. After considering the need to realize the merger benefits as quickly as possible and succeed in the competitive global financial services market, the management decided to advance the initial plan's schedule by one year, to April 1, 2001.

To implement the integration of the main systems at all domestic branches, we adopted a two-phased program: phase 1 to install a provisional computer relay system, and phase 2 to achieve full IT systems integration. Regarding the systems for international banking and treasury businesses, we had already completed their integration during the first half of fiscal 2001, the year ended March 31, 2002.

Phase 1: Provisional Connection of the Two Banks' Existing IT Systems

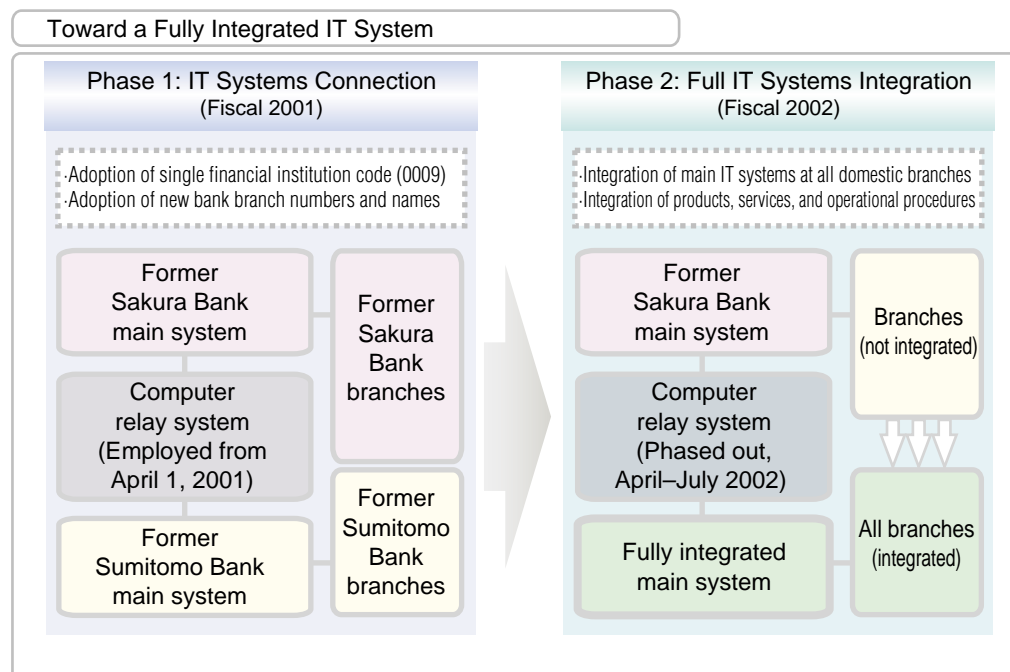
In the first phase, we configured a provisional computer relay system to connect the two former banks' existing IT systems. From the Bank's first day of operation, this relay system was up

and running smoothly at all domestic branches, supporting SMBC's seamless service and continuous convenience to all customers. After the merger and throughout fiscal 2001, we worked on systems development and on formulating plans for integrating the two former banks' operational procedures with the aim of safely and efficiently achieving full IT systems integration.

Phase 2: Full Integration

After making all necessary preparations, we then proceeded to the second phase, the full integration of the main systems at all domestic branches. With a view to minimizing the risk of disruptions to our customer service during the second phase, we followed a seven-part integration schedule, with the first integration taking place on April 8 and the last on July 22. As scheduled, we gradually phased out the relay system connecting the two former IT systems and have fully configured them into a unified system.

Systems peripheral to our main system are scheduled to be integrated in stages from August to September 2002.



Initiatives to Strengthen the Bank's Earnings Base

Reinforcing Earnings Power through Business Reforms

In December 2001, SMBC established the Business Reform Committee to fundamentally reform business practices. The primary goal of the committee, headed by the president, is to pursue bankwide reforms based on two principal initiatives: (1) reform lending practices in corporate banking to enhance profitability as well as the soundness of its loan business, and (2) firmly establish competitive advantages and improve profitability in consumer banking.

Corporate Banking Business

SMBC is aggressively implementing reforms in corporate banking. These include (1) reexamining domestic lending practices to improve its risk-return profile, (2) enhancing the capacity to take greater risks, and (3) strengthening the ability to provide financial solutions.

First, with respect to the reexamination of lending practices, SMBC is developing new relationships with customers, based on sharing a mutual recognition of the credit risk. With this common yardstick, SMBC is changing the terms and conditions and lending style, applying risk-based pricing so that both parties will mutually consent to the new terms. Here, the goal is not simply to share risk acknowledgement, but to emphasize the provision of financial solutions that will improve the customers' financial condition and enhance their corporate value. On the premise of a common recognition of credit risk, SMBC will review its lending approach to make it more suitable for the use of proceeds and source of repayment of the loan, clarify the terms and conditions of the loan agreement preparing for future changes in the customers' financial condition, and apply a loan spread reflecting the credit risk, the due date, and the source of repayment.

Second, to bolster our ability in taking greater risks, it is necessary to actively increase loan assets with better risk-return profiles. To that end, SMBC has been introducing a new type of loan product using original scoring models for small and medium-sized companies, and actively extending loans based on the cash flows generated by borrowers' business operations and assets.

Third, to strengthen the ability to provide financial solutions, SMBC will respond to clients' needs for restructuring and for fund raising by providing comprehensive financial services through debt capital market financing such as syndication and debt securitization. We will also reinforce our services related to business revitalization and M&A in order to enhance customer net worth. Furthermore, to tap new business opportunities arising from customers' needs to improve efficiency in cash management and accounting operations, SMBC will provide outsourcing services for settlement.

Consumer Banking Business

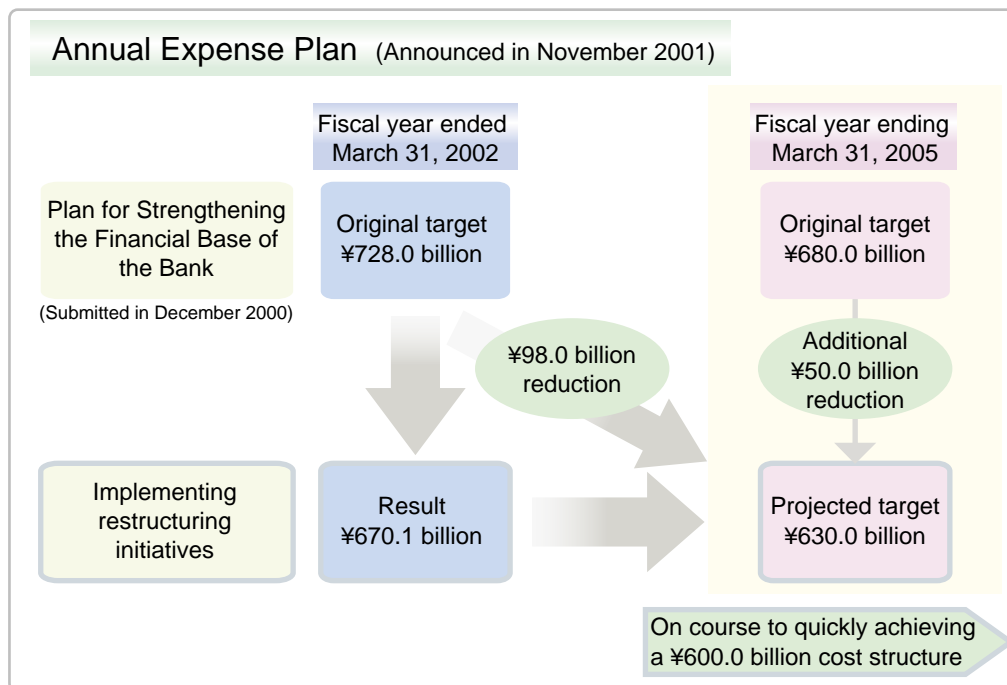
The reform initiatives in consumer banking include (1) the development of a new transaction model to support customers' changing consumption patterns, and (2) the simultaneous improvement of customer convenience and cost-performance to make the "mass-retail" business an ever-larger profit center.

SMBC is developing standardized and specialized transaction models based on the principle that customers can select the financial services they need at each stage of life and the Bank will be compensated according to the type of service provided. In addition, SMBC will continue to build a settlement infrastructure jointly with its Group firms in response to the market's need for sophisticated and complex financial services.

SMBC will also actively promote consumer-financing services to support their diversifying consumption patterns of our retail customer base. Enhancing cost-performance continues to be the central issue in consumer banking. SMBC is actively implementing several initiatives toward this goal. In addition to streamlining the internal systems, including productivity gains achieved through restructuring of human resource capabilities, SMBC is simplifying administrative procedures leading to enhanced customer convenience.

Cutting Expenses by Raising Operational Efficiency

Expense Reduction Plan



Major Restructuring Initiatives (Annual Expense Plan, announced in November 2001)

(1) Cutting distribution channel expenses by streamlining manned branch network

- To reduce by March 31, 2003 the number of domestic branches from 578 at the time of the merger (March 31, 2001) to 401 (reduction of 177 branches, or a reduction of 69 more branches than targeted in the Plan for Strengthening the Financial Base of the Bank)
- Within the reduction of 177 branches, integration of 34 branches was advanced from fiscal 2002 to fiscal 2001, the year ended March 31, 2002 (Domestic branches as of March 31, 2002: 544)

(2) Cuts in facility-related expenses

- To reduce facility-related expenses by terminating the lease of the Kudan Head Office, integrating the system and back-office centers, and selling company housing

(3) Cuts in processing system-related expenses

- To exploit merger-related opportunities to streamline our systems infrastructure and use Business Process Reengineering to rationalize processing operations

(4) Workforce streamlining

- To reduce by March 31, 2004 the headcount from 27,142 at the time of the merger (March 31, 2001) to 22,600 (a reduction of 4,542)
- Staff reductions of 2,115 were already achieved in fiscal 2001 (employees as of March 31, 2002: 25,027).

(5) Compensation

- To review remuneration of directors (SMBC plans to make further cuts in the number of directors and their compensation)
- To reduce the provision of reserve for employee bonuses

(6) Other actions

- To reduce expenses related to outsourcing services within the Group through the enhancement of management efficiency of SMBC Group companies

Corporate Governance

SMBC takes many steps to ensure that the Bank's corporate governance system is effective and transparent. By establishing an executive officer system at the operations level, we have divided functions between executive officers and the Board of Directors, resulting in a strengthened role for the Board. In addition, by establishing an Advisory Board we have ensured that we listen to the opinions of external advisors and incorporate them in our management.

Oversight System

SMBC's Board of Directors has two functions: setting policy for important management issues and overseeing the execution of business activities. At SMBC, we place particular emphasis on the latter function. We employ an executive officer system that separates decision making at the operations level from the Board's oversight functions. In particular, the Chairman of the Board is prohibited from assuming direct responsibility for operational duties and is primarily charged with their oversight.

Moreover, we have reinforced the Board's oversight functions by setting up three subcommittees: the Risk Management Committee, the Compensation Committee, and the Nominating Committee. Two outside directors, one a certified public accountant and the other a lawyer, have been appointed to each committee. In particular, an outside director has been appointed as the Chairman of the Compensation Committee. This system allows the supervision of operations to be conducted from a suitably objective perspective.

The Board has authorized the respective committees to debate the following issues and submit reports to the Board:

○ Risk Management Committee

Risk Management and Compliance

1. Issues related to comprehensive risk management policies and the risk management system
2. Issues related to market and liquidity risk management policies and the risk management system
3. Issues related to credit risk management policy and the risk management system
4. Other issues with a potential material impact on operations

○ Compensation Committee

Board Member and Executive Officer Remuneration

1. Issues related to remuneration, salaries, and incentive plans
2. Issues related to the stock option plan
3. Other remuneration issues

○ Nominating Committee

1. Issues related to the selection of candidates for Board directorships
2. Issues related to the appointment of managing directors having specific management responsibilities, and issues related to the appointment of representative directors
3. Other major personnel issues related to directors

Separate Operations System

Executive officers are selected by the Board to manage each of SMBC's businesses. As of June 30, 2002, there were 66 executive officers, including the president, 13 of whom are concurrently appointed as directors.

The Management Committee is the highest decision-making body at the operations level. The president chairs the committee and selects its members from the executive officers. The committee members debate important management issues, and the president has the authority to make final decisions after considering the committee's recommendations.

The president designates certain members of the Management Committee as Authorized Management Committee Members in charge of particular Head Office departments and particular credit departments within each business unit, and charges them with implementing the directives from the Management Committee within the businesses they oversee.

Advisory Board

SMBC requires external directors to attend meetings of the Board of Directors and its internal committees to debate issues related to the supervision of the Bank's operations system. To provide an additional forum for prominent individuals from outside SMBC to extend advice to the chairman and president on management issues of all types, we have also established the Advisory Board.

Internal Audit System

The Internal Audit Unit has the responsibility to conduct objectively internal audits for the Bank in a process separate from the oversight exercised by the Board of Directors on the shareholders' behalf. The Internal Audit Unit acts independently of the Bank's business units, the Corporate Staff Unit, and the Corporate Services Unit to ensure that the internal audit function is executed in an unbiased, objective fashion.

The Internal Audit Unit conducts internal audits to assess the soundness of banking operations and assets, as well as to verify that the Bank's internal control system, including compliance and risk management, is appropriate and effective. The results of these audits are periodically reported to the Board of Directors and the Management Committee. Based on the findings of its examination, the Internal Audit Unit also recommends improvements to the internal control systems of the concerned or related departments, branches, and Group companies.

The Internal Audit Unit comprises the Audit Department, the Audit Department for the Americas, the Audit Department for Europe, the Inspection Department, and the Credit Review

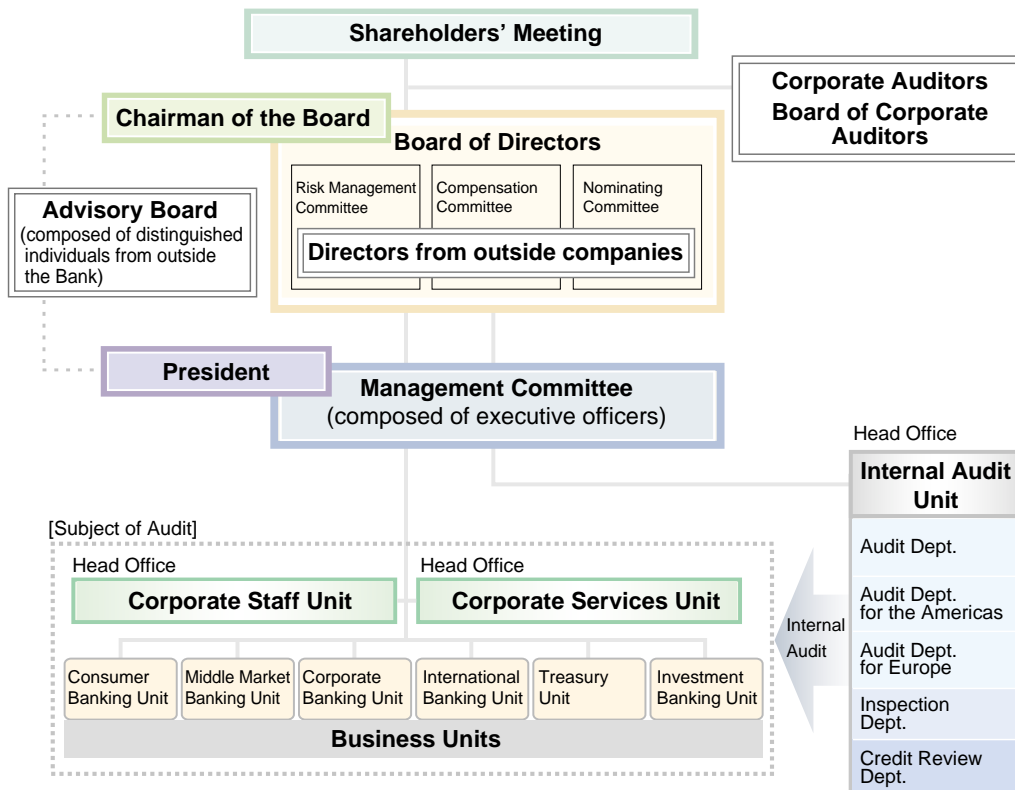
Department. Responsibility of each department is determined according to the auditee and the type of risk management under its charge.

The Audit Department audits compliance as well as the management of market risk, liquidity risk, processing risk, and systems risk at Head Office departments, domestic Group companies, and the Bank's Asian branches and Group companies.

The Audit Department for the Americas and the Audit Department for Europe audit overall compliance and risk management at the Bank's branches and Group companies in the Americas and Europe, respectively.

The Inspection Department audits compliance and processing risk management at the Bank's domestic branches.

The Credit Review Department monitors credit risk management, including the appropriateness of ratings and self-assessment, at the Bank's domestic and Asian branches and Group companies. Working closely with the Audit Department for the Americas and the Audit Department for Europe, the department globally supervises the Bank's internal audit for credit risk management.



Compliance

Strengthening the Compliance System: A Top Management Priority

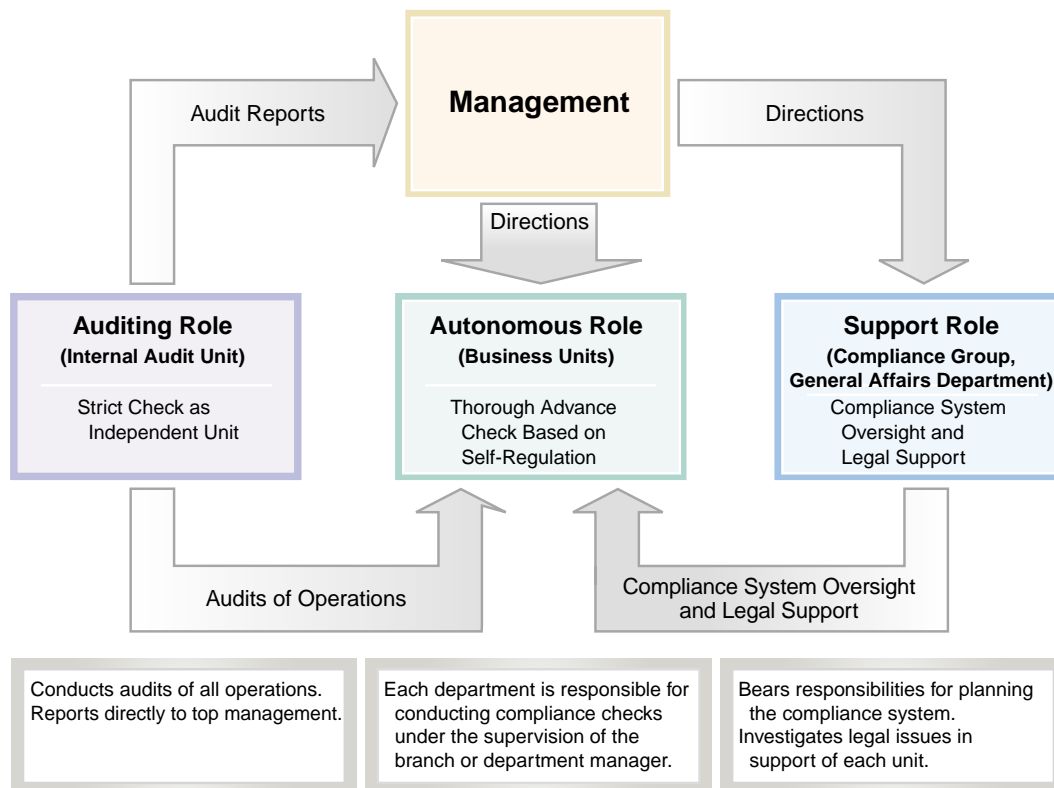
Compliance with laws, regulations, and other social standards is a matter of course for corporations. Ensuring compliance is a particularly important issue for banks because of their central role in the financial system and socioeconomic infrastructure. Moreover, demand for banks to behave responsibly and transparently has grown significantly as competition intensifies across national and industrial boundaries and the market becomes increasingly selective. Accordingly, strengthening the compliance system is one of our top management priorities at SMBC.

In this context, we expect and demand that all of our directors, officers, and other employees give utmost value to people's trust in the Bank, abide by laws and regulations, maintain a high ethical viewpoint, and act fairly and sincerely. SMBC firmly believes that adherence to these aspects of compliance in our daily operations will support our prosperity, together with that of our shareholders, customers, other stakeholders, and society in general.

SMBC's Compliance System

To implement a strict compliance system, it is first necessary to clarify the framework for observing laws and regulations.

SMBC employs a dual structure whereby, firstly, each department and office is individually responsible for ensuring that its conduct complies with laws and regulations, and secondly, our independent Internal Audit Unit conducts impartial audits of department and office compliance. To make this basic structure effective, we established a Compliance Committee that encompasses the entire organization. The Committee is chaired by the director responsible for compliance issues and includes the heads of 16 departments. In addition, with a view to enhancing objectivity, the Committee has legal advisors from outside the Bank as its council. This framework ensures that each section of the Bank is examined for compliance from an impartial, neutral perspective.



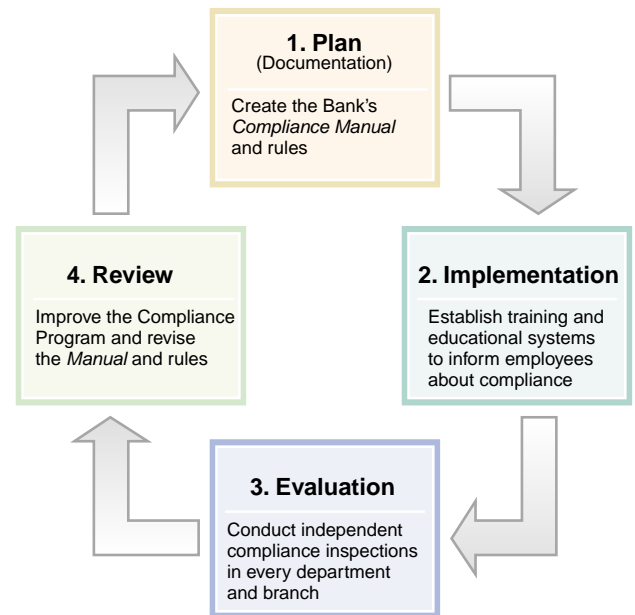
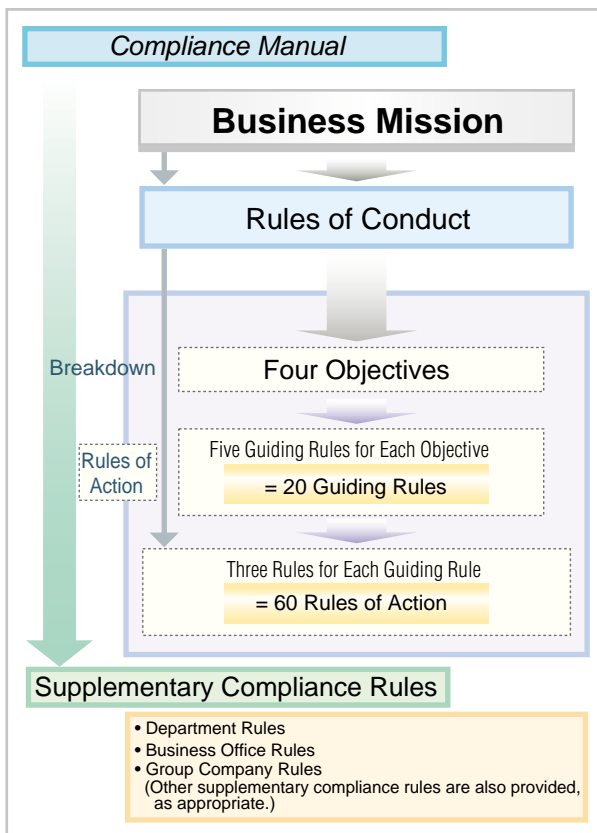
Compliance Manual

To further enhance the Bank's compliance system, we have provided each and every director, officer, and employee with a *Compliance Manual*. Set out in a resolution of the Board of Directors, this proprietary document is more than simply a list of applicable laws and regulations. Starting off with a statement of the Bank's "Business Mission," the *Compliance Manual* then lays out specific "Rules of Action." Based on "Objectives" and "Guiding Rules," these "Rules of Action" comprise 60 items describing relevant laws and regulations as well as providing procedural guidelines and specific examples of conduct.

In addition, we have established supplementary compliance rules applicable to specific organizations and operations, such as Department Rules, Business Office Rules, and Group Company Rules, in order to make sure that our operations are conducted in accordance with the *Compliance Manual*.

Compliance Program

SMBC's Compliance Program is a detailed, four-phased implementation plan formulated and resolved by the Board of Directors to strengthen the Bank's compliance system. The Program's basic objective is to get the compliance system running effectively both in the Bank and in all consolidated subsidiaries. We have made concrete plans for each phase of the Program and are currently enhancing training programs and the auditing system. In addition, a compliance officer has been assigned to each department and branch to ensure the integrity of the Bank's compliance framework, as well as to ensure that the Bank's conduct is in conformity with our *Compliance Manual*.



Risk Management

Basic Principles

Financial and economic deregulation, globalization, and advances in IT are generating new business opportunities for financial institutions. The risks accompanying these new business opportunities are not only increasing in number but also growing in diversity and complexity. Accordingly, identifying, measuring, and controlling risks have never been more important in banking.

At SMBC, we have established *Regulations on Risk Management*, encompassing all the fundamentals required of a risk management framework. In addition to specifying the types and areas of the risks that are to be managed according to our strategic objectives, these rules define the basic principles for appropriately controlling each type of risk. These principles include "risk management on a consolidated basis," "risk management based on quantification," "ensuring consistency with the business strategy," "framework for checks and balances," and "verification of the actual situation by independent audit departments."

Risk Management System

Within the Bank, we classify risk into the following categories for control purposes: (1) credit risk, (2) market risk, (3) liquidity risk, (4) processing risk, (5) systems risk, and (6) other risk (settlement risk, legal risk, reputational risk, and others). Each department is charged with the control of risks at an appropriate level within its own business line. To control the risks included in items (1)–(5) above as well as settlement risk, we have designated certain departments as risk management departments to oversee specific risk control measures within each risk category. In addition, we

established the Corporate Risk Management Department to be completely independent of the business units to manage these risks on a bankwide basis. This department works with the Corporate Planning Department to comprehensively and systematically manage risk.

The Bank's top management plays an active role in determining basic principles for risk management, reflecting the importance of risk management at SMBC. The system works as follows: The risk management departments supervising each risk category draft a principal policy for risk management for that category, which is then presented for approval by the Management Committee and considered by the Board's Risk Management Committee before being finalized by the Board. The Management Committee, the Board members, and the relevant risk management department heads perform risk management according to the principal policy.

To control market, liquidity, and credit risk, in particular, we have strengthened the decision-making system at the operating level through the Market Risk Management Committee and the Credit Risk Management Committee, which are subcommittees formed under the Management Committee that comprise the executive members of the Management Committee and the heads of the departments related to risk management.

Also, to prepare for extraordinary events with the potential to have a crucial impact on the Bank's management and financial condition (stress situation), we are improving and strengthening our risk management system throughout the Bank.



Risk Management Methodologies

The risk management departments revise the basic risk management principles for each risk category on a regular basis, and whenever necessary, to ensure that the Bank's specific risk management policies promptly and accurately reflect new developments in the operating environment. Furthermore, in order to maintain a balance between risk and return as well as ensure the soundness of the Bank from an overall perspective, we employ the risk capital-based management method, which allocates capital effectively to each department according to its role in our business strategies to keep total exposure to credit, market, processing, and systems risk within the scope of our management resources, i.e., capital. In the credit and market risk categories, in particular, the maximum risk capital that can be allocated during a period is predetermined and risk capital guidelines are set as necessary within this limit to manage these risks. Liquidity risk is managed within a framework that includes plans for money gap and treasury funding. Other risk categories are managed with procedures closely attuned to the nature of the risk, as described in the following paragraphs.

■ Correlation between Risk Management Framework and Risk Category

Framework	Category
Management Based on Risk Capital	Credit Risk
	Market Risk
	Banking Account Risk
	Trading Account Risk
	Risk of Strategic Equity Investment
	Other Market-Related Risks
	Processing Risk/Systems Risk
Money Gap/ALM	Liquidity Risk
	Other Risks (Settlement Risk, Legal Risk, and Others)

Credit Risk

Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet transactions) to lose value or become worthless. Overseas credits also include an element of country risk, which is closely related to credit risk. This is the risk that changes in currency values or political or economic situations cause a loss. Credit risk is the most significant risk to which banks are exposed. Without adequate credit risk management, the impact of the corresponding losses on a bank's operations can be overwhelming.

The purpose of credit risk management should be to avoid such credit events, to keep credit risk exposure within a bank's capital, to maintain the soundness of a bank's assets, and to ensure returns commensurate with risk. This allows a bank to build a loan portfolio that achieves highly efficient returns on capital and assets.

1. Credit Policy

SMBC's credit policy comprises clearly stated universal and basic operating concepts, policies, and standards for credit operations, in accordance with the Bank's corporate philosophy and code of conduct. By promoting the understanding of and strict adherence to our credit policy among all Bank managers and employees, we aim to achieve the global standards of credit risk management stipulated in the New Basel Capital Accord and provide high value-added financial services.

2. Credit Risk Assessment and Quantification

To effectively manage the risk of individual loans as well as the credit portfolio as a whole, we first acknowledge that every credit poses risks. We then assess the credit risk posed by each borrower and loan using our internal rating system and quantify that risk for control purposes.

3. Framework for Managing Individual Loans

(1) Credit Assessments

Credit assessments involve a variety of financial analyses, including cash flow, to predict an enterprise's capabilities for loan repayment and its growth prospects. These quantitative measures, when combined with qualitative analyses of industrial trends, the enterprise's R&D capabilities, the competitiveness of its products or services, and its management caliber, result in a comprehensive credit assessment. The loan application is also analyzed in terms of the intended utilization of the funds, the repayment schedule, and the state of its collateral. In this way, we are able to arrive at an accurate and fair credit decision based on an objective examination of all relevant factors.

Increasing the transparency of loan conditions and approval standards for specific borrowing purposes and loan categories is a part of our ongoing review of lending practices, and we are revising all loan contracts with the chief aim of clarifying the contractual conditions of the Bank's loans. We are making steady progress in rationalizing our credit assessment process. For example, our Business Support Offices now offer the highly convenient *Business Select Loan*, which employs a credit-scoring model. In this and other ways, the Bank is building a system capable of efficiently meeting the funding requirements of businesses, especially small and medium-sized enterprises.

(2) Credit Monitoring System

In addition to analyzing loans at the application stage, the Credit Monitoring System is implemented in order to reassess the obligor's grading and review self-assessment so that problems can be detected at an early stage and quick and effective action can be taken. The system includes periodic monitoring carried out each time an obligor enterprise discloses financial results, as well as continuous monitoring performed each time the credit conditions change, as indicated in the diagram below.

4. Framework for Credit Portfolio Management

In addition to managing individual loans, we apply the following basic policies to the management of the entire credit portfolio to maintain and improve its soundness and profitability over the medium- to long-term.

(1) Risk-Taking within the Scope of Capital

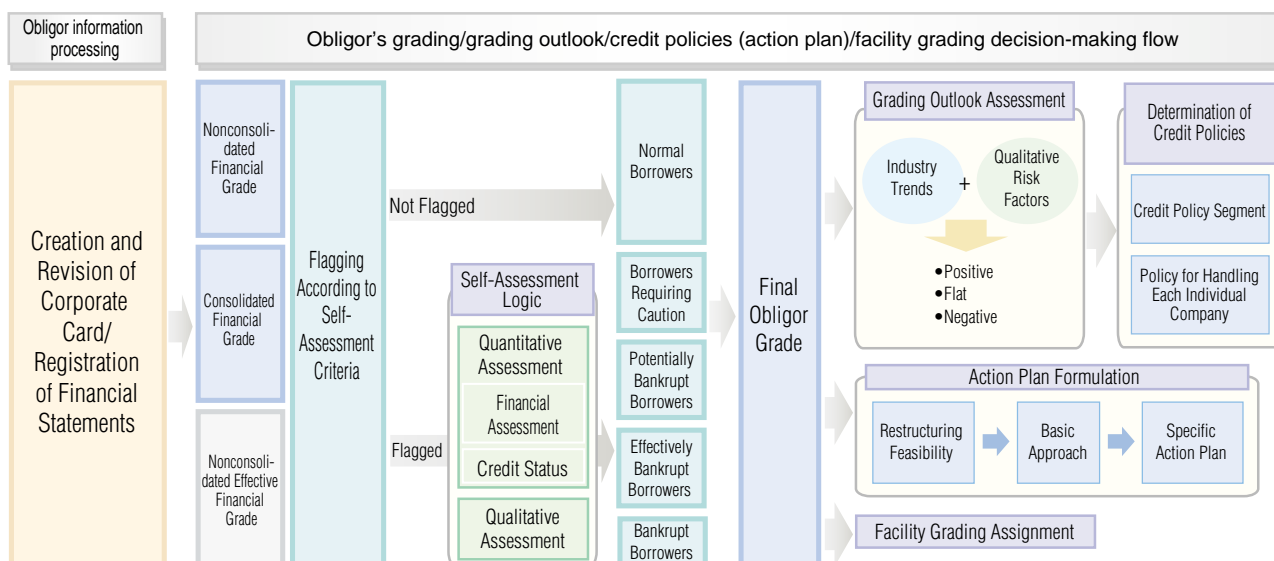
To control credit risk within the scope of our capital, we calculate the required credit risk capital through regular quantification of credit risk, and then set credit risk capital limits for internal control purposes and manage risk-taking activities within these limits.

(2) Controlling Concentration Risk

Because concentration of credit risk in an industry or corporate group has the potential to severely impact a bank's capital, SMBC implements credit control on those industries with excessive concentration risk. In addition to regular risk control and loan reviews, the Bank has also established other effective risk control methods such as credit limit guidelines for large-scale borrowers and corporate groups. To manage country risk, we also set up credit limit guidelines based on a country's creditworthiness.

(3) Balancing Risk and Return

We run our credit operations on the basic principle of earning returns that are commensurate with credit risk. From fiscal 2002, the year ending March 31, 2003, the Bank began to negotiate with borrowers to gain their acceptance of suitable interest rate spreads based on a standardized interest rate structure. This is part of the Bank's program to firmly establish a balanced risk/return management system, thereby ensuring that we are able to consistently generate an adequate profit after deducting the costs of credit and capital, as well as expenses.



(4) Reduction of Problem Loans

In order to counter concerns of increasing losses from the deterioration of existing problem loans or the appearance of new ones, we are striving to quickly reduce problem loans by conducting loan reviews to set new responses and clarify action plans, and by strengthening our recovery and asset value maintenance strategies.

(5) Toward Active Portfolio Management

In addition to controlling the individual loan approval process, we also actively manage our loan portfolio on an aggregate basis. The Portfolio Management Department spearheads the Bank's use of loan securitization in the markets to proactively manage our portfolio.

5. Credit Risk Management System

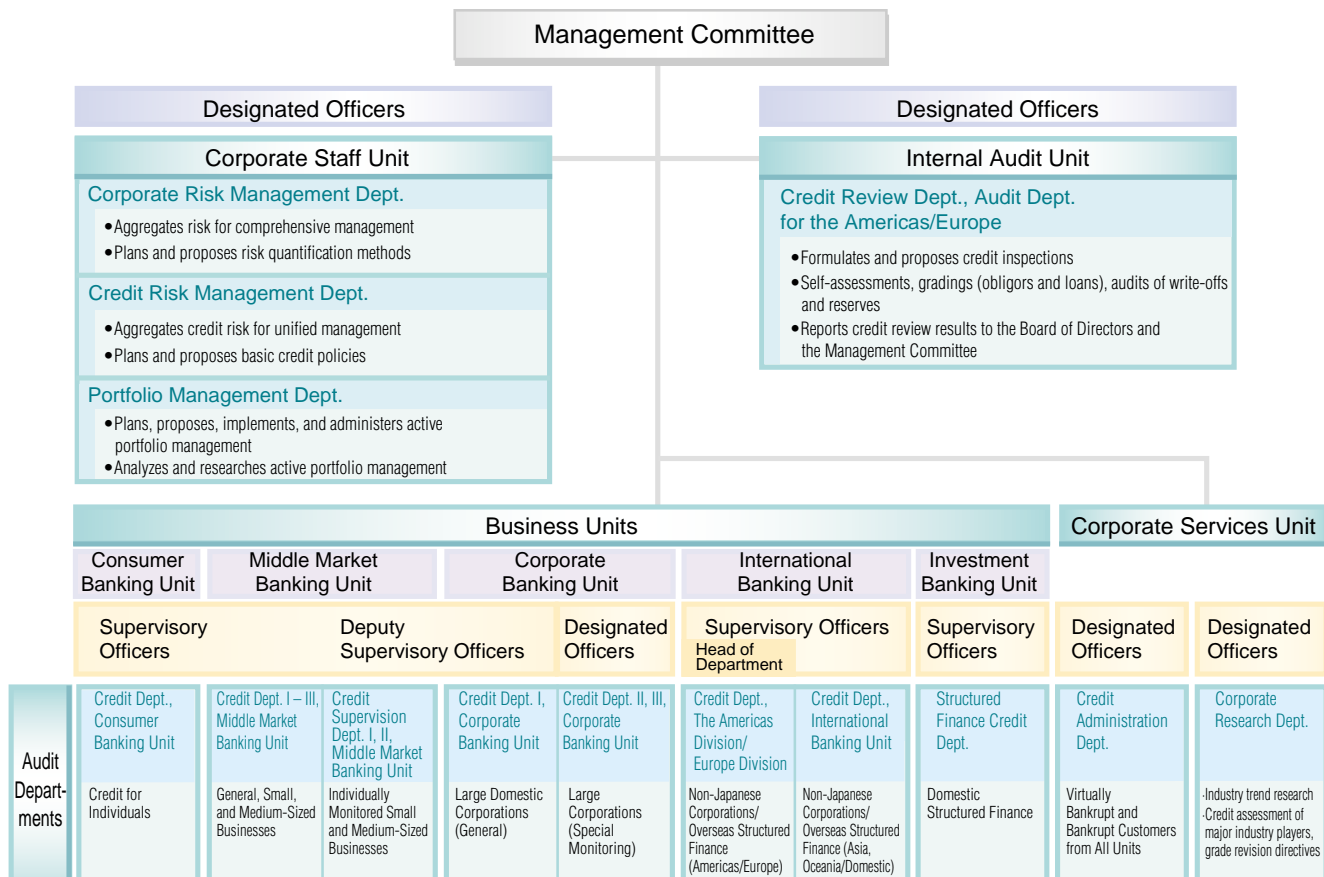
The Credit Risk Management Department within the Corporate Staff Unit is responsible for the comprehensive management of credit risk. This department determines credit policies, establishes the internal grading system, develops credit risk quantification methods, sets credit limits and approval limits, and manages problem loans and other aspects of the loan portfolio administration.

The Corporate Research Department within the Corporate Services Unit performs research on industries as well as investigates the business situations of borrower enterprises to detect early signs of problems or growth potential.

Each business unit's credit departments conduct credit risk management for loans handled by their business units and manage their business units' portfolios. The credit limits they use are based on the baseline amounts established for each grade category, with particular attention paid to evaluating and managing customers or loans perceived to have particularly high credit risk.

Bankrupt or effectively bankrupt companies are in principle handled by the Credit Administration Department, which works to recover nonperforming loans as quickly as possible.

The Credit Review Department, the Audit Department for the Americas, and the Audit Department for Europe operate independently of the business units, the Corporate Staff Unit, and the Corporate Services Unit. These departments audit the asset quality, accuracy of gradings, self-assessments, and state of credit operations, and report their audit results directly to the Board of Directors and the Management Committee.

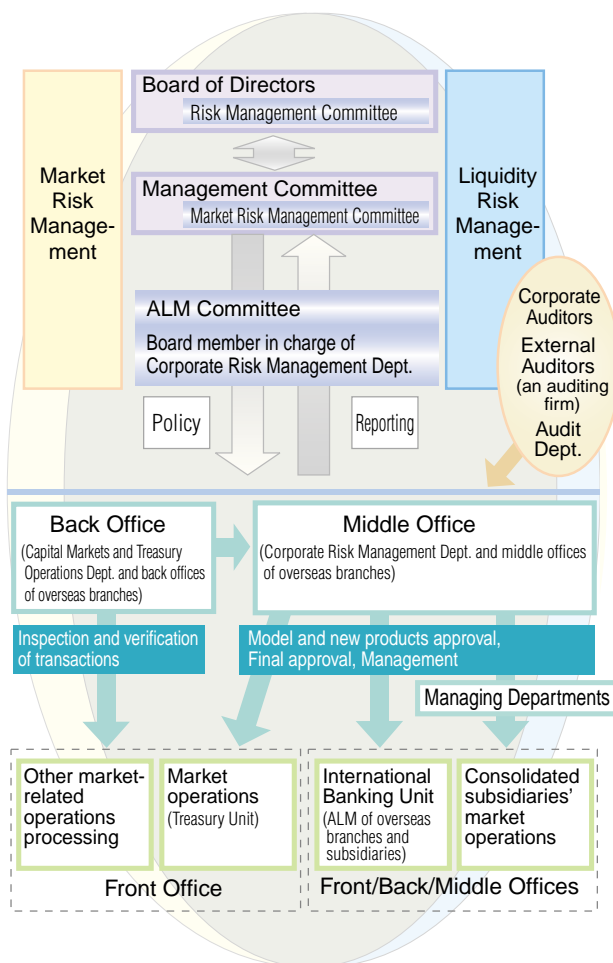


Market/Liquidity Risk

Market/Liquidity Risk Management System

The Corporate Risk Management Department, which is independent of the business units that handle market transactions, is constructing an integrated system to manage market and liquidity risk together. The department sends daily risk reports to senior management via e-mail.

To prevent operational errors or the manipulation of transaction data, it is important to establish a system of checks and balances in the business units (front office). At SMBC, both the processing departments (back office) and the administrative departments (middle office) conduct backup checks. In addition, the Bank's independent Internal Audit Unit periodically performs comprehensive internal audits to verify that our risk management system is functioning properly. To enhance our most sophisticated risk management methodologies, we adopt advanced financial theories, technologies, and infrastructures, develop systems, and hire and train experts.



Market Risk

Market risk is the possibility that fluctuations in interest rates, foreign exchange rates, or stock prices will change the market value of financial products, leading to a loss.

The value-at-risk (VaR) method has proven effective in controlling market risk. This method predicts the maximum potential loss for a given probability. The SMBC VaR model calculates the maximum loss through a Monte Carlo simulation of changes in profits and losses, i.e., 10,000 scenarios of market fluctuations based on historical data for one year. This method accurately measures the risk of products that have option risk and calculates the VaR for trading operations making active use of derivatives.

Market risk can be divided into various factors: foreign exchange rate, interest rate, equity price, and option risk. At SMBC, we achieve fine-tuned management for each risk category by employing the VaR method in conjunction with such suitable indicators for managing the risk of individual financial instruments as the basis-point-value (BPV) indicator, which measures the potential change in earnings stated at market value for every 0.01-percentage-point fluctuation in interest rates. Whenever the VaR is likely to exceed the guidelines owing to sharp changes in the markets, we put contingency plans into effect and the ALM Committee convenes extraordinary meetings.

The market risk of our strategic equity holdings held by the units not in charge of market-related activities and the market risk taken by our major subsidiaries are also included in the integrated risk measurement performed by the Corporate Risk Management Department. The VaR is regularly calculated and reported to the Board of Directors and Management Committee.

The VaR results of the trading and banking accounts on a consolidated basis for fiscal 2001 were as follows:

■ VaR Results

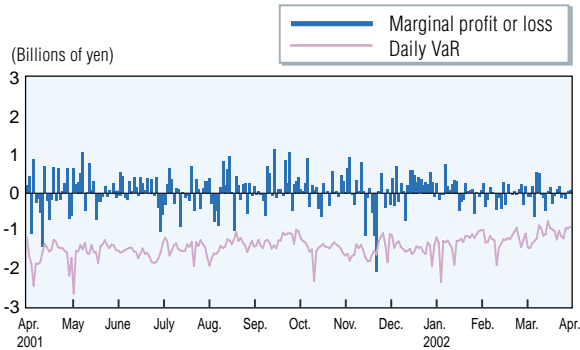
(Billions of yen)				
	Maximum	Minimum	Average	Last Day of Term
Trading Accounts	2.4	0.7	1.4	0.9
Banking Accounts	56.8	30.4	43.8	46.3

(Daily ALM risk level for the VaR model with one-sided confidence interval of 99.0%. Figures for trading exclude specific risks.)

The VaR model for trading includes major consolidated subsidiaries.

■ Marginal Profit or Loss/Daily VaR Results

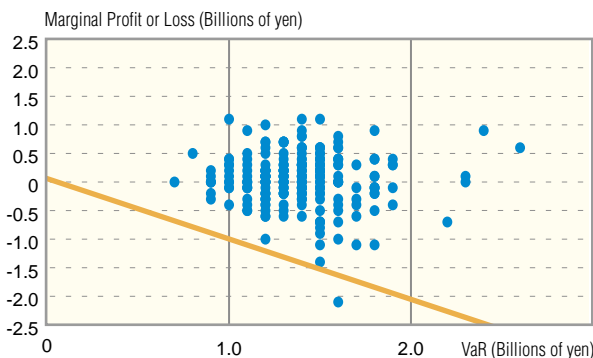
(Trading Accounts, for fiscal 2001)



The market occasionally undergoes extreme fluctuations that exceed expectations. To manage market risk, therefore, it is important to run simulations (stress tests) of situations that may occur only once in many years. At SMBC, we run periodic stress tests to prepare for unforeseeable swings.

The internal model used by the Bank (SMBC VaR) has been periodically evaluated by an independent auditing firm and certified to be appropriate. In addition, we perform back-testing on the relationship between the VaR calculated with the model and the actual profit and loss data. The back-testing results for the trading accounts for fiscal 2001 are shown below. A data point below the diagonal line indicates a loss in excess of the predicted VaR for that day. On only one day during the period did an actual loss exceed our model's predicted VaR. This fact demonstrates that our VaR model, with a one-sided confidence interval of 99%, is sufficiently reliable.

■ Back-Testing Results (Trading Accounts)



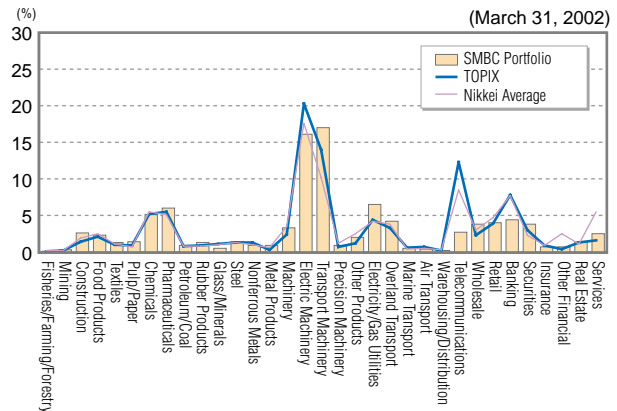
To manage the risk of our yen-denominated banking accounts, we use gap analysis employing maturity ladders and the earnings-at-risk (EaR) model, in addition to the VaR model. In the case where an external factor, such as interest rates, moves in an unfavorable direction, the EaR model can indicate the largest estimated

change in earnings (interest rate spread) for a set period at a given probability. Because strategy and budgetary planning is based on the earnings for a period, we use the EaR model to supplement the VaR model. Using Monte Carlo simulations to generate 1,000 scenarios, we test the magnitude of the effect that new deposits and loans will have on a period's earnings.

In fiscal 2001, mark-to-market accounting was introduced, and the effect of stock price fluctuations on the Bank's financial statements increased. Based on this, we recognize that strengthening the management of stock price fluctuation risk is one of the Bank's most important management goals.

To lessen the impact of stock price fluctuations, we are working to reduce strategic equity holdings to a suitable level in accordance with our financial strength, as shown by such indicators as the Bank's shareholders' equity. More precisely, the Corporate Risk Management Department strictly establishes guidelines for limits on total allowable market risk, including risk related to strategic equity holdings, and manages those guidelines.

■ Composition, by Industry, of Listed Securities Portfolio



Liquidity Risk

Liquidity risk is the possibility of encountering an obstacle to raising the funds required for settlement due either to a mismatch between the use and procurement of funds or to an unexpected outflow of funds, or being forced to borrow at higher interest rates than usual. At SMBC, we consider liquidity risk to be one of the major risks. We manage liquidity risk so that we are not overly dependent on market-based funding to cover short-term cash outflows. Our liquidity risk management is based on a framework consisting of setting limits and guidelines for funding gap, maintaining a system of highly liquid supplementary funding sources, and establishing contingency plans.

In our daily risk management operations, we avoid a gradual increase in liquidity risk by adjusting the funding gap limits and guidelines. For emergency situations, we have contingency plans in place to reduce the funding gap limits and guidelines and take other measures. To prevent the possibility of market crises interfering with funding, we carry highly liquid assets, such as U.S. Treasury bonds, and have emergency borrowing facilities in place, which also facilitates foreign-currency-denominated liquidity management.

Processing Risk

Processing risk is the possibility of losses arising from negligent administration by employees, accidents, or unauthorized activities. In our administrative regulations, the basic administrative policies are summarized as “comprehending the risks and costs of administration and transaction processing, and managing them accordingly,” and “seeking to raise the quality of administration to deliver high-quality service to customers.” We have organized the Bank’s systems to achieve these goals.

Adding new policies or making major revisions to existing ones with regard to processing risk management requires the approval of both the Management Committee and the Board of Directors.

In our operating regulations, we have also defined specific rules for processing risk management. The rules allocate processing risk management tasks among six types of departments: the Operations Planning Department, compliance departments, operations departments, transaction execution departments (primarily front-office departments and branches), the Internal Audit Department, and the Customer Relations Department. In addition, we have set up a specialized group within the Operations Planning Department to strengthen administrative procedures throughout the SMBC Group.

We include processing risk in our calculation of risk capital requirements and have allocated a certain percentage of risk capital to cover it, based on the quantification of the risk for fiscal 2002.

Settlement Risk

Settlement risk is the possibility of a loss arising from a transaction that cannot be settled as planned. Because this risk comprises elements of several types of risk, including credit risk, liquidity risk, processing risk, and systems risk, it requires interdisciplinary management. The Operations Planning Department is charged with coordinating the management of settlement risk with the Credit Risk Management Department, which oversees credit risk, and the Corporate Risk Management Department, which oversees liquidity risk. We are continuing to upgrade settlement risk management through such measures as participation in the CLS (Continuous Linked Settlement) Bank International settlement service, which aims to eliminate the settlement risk that arises from foreign exchange transactions.

Systems Risk

Systems risk is the possibility of a loss arising from the failure, malfunction, or unauthorized use of a computer system. We have instituted a number of basic policies to manage systems risk, including a security policy, usage regulations, and specific management procedures. We are further strengthening safety measures based on a needs assessment drawing on such references as the *Financial Inspection Manual* prepared by the Financial Services Agency, and the *Security Guidelines* published by the Center for Financial Industry Information Systems.

Because computer-related trouble at financial institutions now has greater potential to impact the public, and with systems risk diversifying owing to the IT revolution and the resulting expansion of networks and rise in numbers of personal computer users, we have taken the necessary steps to ensure the smooth, secure operation of our information systems. We have duplicated each system and infrastructure and fully proofed our east and west computer centers against earthquakes and other disasters. To maintain the confidentiality of customer information and prevent information leaks, we encrypt sensitive information, block unauthorized external access, and implement all known countermeasures to secure our data. We have also established contingency plans and conduct training as required to ensure that we are fully prepared in the event of an emergency. To maintain security, we will continue to revise our countermeasures as new technologies and usage patterns emerge.

We include systems risk in our calculation of risk capital requirements and have allocated a certain percentage of risk capital to cover it, based on the quantification of the risk for fiscal 2002.

Individual Business Unit Strategies

Major Accomplishments in Fiscal 2001, the Year Ended March 31, 2002, and Key Goals for Fiscal 2002, the Year Ending March 31, 2003

Consumer Banking Unit

Major Accomplishments

- Expanded our network of Money Lifestyle Consulting Desks (MC Desks) offering financial advice geared to the stage of life and lifestyle of individual customers to 240 locations as of March 31, 2002, a year-on-year increase of 122
- Introduced a full range of new and attractive products and services geared to meeting the needs of individual customers
- 2.4 million hits received on our One's Direct online service in March 2002, a year-on-year increase of 900,000

Key Goals

- Strengthen consumer banking profitability by refining customer segmentation, increasing sales of highly profitable products and services, and further improving operational efficiency
- Build the brand value of and enhance customer trust in the SMBC Group by offering the highest level of service in consumer banking
- Reduce the manned branch network from 578 branches at the time of the merger in April 2001 to 401, mainly by consolidating existing branches

Middle Market Banking Unit

Major Accomplishments

- Actively promoted the *Business Select Loan*, a financing product expressly designed for small and medium-sized enterprises
⇒ Outstanding loan balance was ¥45.9 billion as of March 31, 2002, a year-on-year increase of ¥30.8 billion
- Registered corporate users of *Perfect*, SMBC's patented reconciliation support service, increased to 3,400 as of March 31, 2002
⇒ Year-on-year increase of 1,000 companies
- Group companies' factoring and management consulting businesses recorded robust growth
⇒ In factoring, the number of customers tripled and the balance of guarantees nearly doubled to ¥53.0 billion year-on-year
⇒ SMBC Consulting Co., Ltd., became the largest bank-affiliated management consulting firm in Japan, with approximately 35,000 member companies

Key Goals

- Expand solutions-driven marketing backed by the collective resources of Head Office departments, branches, and Group companies
- Actively promote the *Business Select Loan*, backed by an in-house developed credit risk assessment model designed especially for small and medium-sized businesses, with enhanced credit risk evaluation capabilities and rapid processing of unsecured loan applications
- Spearhead the development of efficient settlement systems to meet the rationalization needs of businesses
- Further collaborate with Group companies to expand business
⇒ Promote factoring services as a solution for hedging risks associated with the collection of trade receivables

Corporate Banking Unit

Major Accomplishments

- Unified front-office operations to maximize synergies inherent in the two former banks' combined expertise
⇒ Achieved higher fee-based income, a central goal of the unit, despite the adverse economic climate
- Established an efficient operating structure, with no overlapping functions or resources
⇒ Achieved significant cost reductions as a result
- Completed work on a data management infrastructure
⇒ Introduced customer relationship management (CRM) for corporate customers immediately upon the formation of SMBC, thereby facilitating increased information-sharing

Key Goals

- Enhance our ability to offer solutions for business restructuring by bolstering cooperation with Daiwa Securities SMBC Co. Ltd. and by strengthening the operations of the Financial Solutions Department, Investment Banking Unit
- Strengthen settlement services, particularly cash management services (CMS)
- Further reinforce our prominence in the arrangement of such credit instruments as nonrecourse loans, commitment lines, and syndicated loans, fields where the two former banks already had competitive advantages

International Banking Unit

Major Accomplishments

- Reaped merger benefits at an early stage by quickly consolidating the two former banks' overseas offices and implementing other streamlining initiatives
- Increased business with the overseas offices and subsidiaries of Japanese companies through greater collaboration with the Bank's domestic operations
- Expanded CMS
- Enhanced relationships with the multinational corporations' offices and subsidiaries in Japan

Key Goals

- Further improve return on assets and increase fee-based business
- Enhance liabilities-related services
- Implement "right-sizing" to create a strategic global network

Treasury Unit

Major Accomplishments

- Increased transaction volume by establishing a Treasury Marketing Department
⇒ Significant rise in direct dealing with counterparts and in the number of customers per treasury officer
- Implemented a dynamic operating system to respond more quickly to market trends in Japan and overseas
⇒ Generated a sharp increase in earnings from foreign currency-denominated asset liability management (ALM) operations, and maintained high profitability in yen-denominated ALM and trading operations

Key Goals

- Increase convenience and speed of customer services to expand the volume of transactions
⇒ Proactive use of the Asia Sales Desks, and creation of *i-Deal*, an Internet dealing system for customers
- Manage a broad array of risks, particularly taking into account the difficult market conditions in Japan

Investment Banking Unit

Major Accomplishments

- Offered several new products that meet the demands of our customers, both in Japan and overseas
⇒ Developed quicker, computerized methods of securitizing debt
⇒ Arranged several large-scale nonrecourse loans for real estate financing transactions
⇒ Developed new types of derivatives
- Expanded loan syndications (syndicated loans, transferable loans, and others)
- Daiwa Securities SMBC placed first in the domestic straight bond league table for fiscal 2001

Key Goals

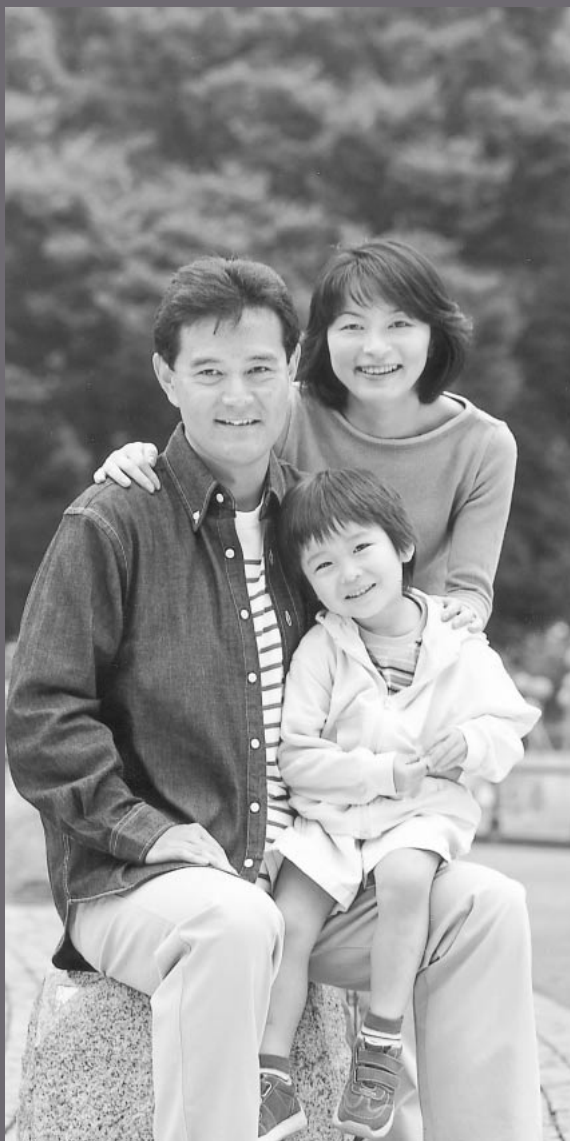
- Further strengthen existing businesses
⇒ Continue to expand loan syndications
⇒ Promote securitization as an integral part of streamlining accounting operations, using such systems as *Notes Captor*, a system that simultaneously processes multiple notes receivable
⇒ Work with other SMBC Group companies to capture more cross-border business
- Cultivate new business fields
⇒ Promote investment management services, particularly for defined contribution pension plans
⇒ Promote services that correspond to corporate restructuring requirements, including management buyout (MBO) financing

[Reference]

■ Banking Profit, by Business Unit

Year ended March 31, 2002	Billions of yen						Total
	Consumer Banking Unit	Middle Market Banking Unit	Corporate Banking Unit	International Banking Unit	Treasury Unit	Others	
Banking Profit (excluding transfer to general reserve for possible loan losses)	¥34.5	¥377.8	¥134.8	¥25.0	¥481.3	¥130.0	¥1,183.4
Year-on-year increase (decrease)	27.3	23.2	7.2	(7.7)	243.5	86.8	380.3

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



Increased opportunities to diversify and pursue new business models afforded by deregulation and advances in information technology (IT) have made consumer banking one of the most attractive markets for banks in recent years. At the same time, competition has intensified as a result of financial group mergers and entrants from other sectors. With these factors at play, it is significant that SMBC currently ranks No. 1 in consumer banking in Japan in investment trust balance, individual loan balance, and number of individual customer accounts*. We intend to leverage this advantageous position to offer higher value-added financial services. To sustain our lead, we will continue to draw upon our formidable product and service expertise, our channel development capabilities, and our highly skilled financial consultants.

Our frontline operations are positioned in line with our main customer segments: asset building, asset management, and private banking. For each of these segments, we have developed sophisticated business models. Our Block Consumer Business Offices, branch network, Consumer Loan Promotion Offices, and Call Centers provide the most appropriate channels and processes to meet each customer's needs.

* As of March 31, 2002, the investment trust balance for individuals was ¥1.4 trillion, loans to individuals stood at ¥13.5 trillion, and the number of ordinary bank accounts held by individuals was 27 million.

Brand Strategy

The central theme of SMBC's consumer banking operations is "One's Next," which refers to our goal of helping customers develop the next step of their financial plans according to stage of life. To implement a detailed brand-building strategy, in fiscal 2002, the year ending March 31, 2003, we began assigning brand managers to all branches. With a brand-value-enhancing strategy that focuses on providing individualized customer attention, we aim to make SMBC the most trusted of the leading banks.

One's Next

Strategic Transformation of the Manned Branch Network

We have been strategically transforming the Bank's branches from operational processing centers to marketing and sales bases by reviewing the branch network from the perspective of market location, nature, and scale to determine the most suitable functions and configuration. In fiscal 2001, we reduced 14 branches. In addition, prior to the completion of IT systems integration of our domestic branch network in July 2002, in an area with overlapping branches, we relocated the excess branches to a core branch, and now have joint-branches at 20 locations. By continuing our strategy of consolidating overlapping branches, we intend to reduce the number of branches from 578 as of the merger in April 2001 to 401.



Broad Lineup of Products and Services

To enhance convenience and meet the needs of customers at each stage of life, SMBC offers a wide-ranging lineup of products and services.

SMBC provides numerous savings and investment products, including the most extensive selection of investment trusts of any Japanese bank. We introduced two new trusts in fiscal 2001—one in June 2001 and another in January 2002—and enhanced our investment trust sales capabilities. As a result, investment trust sales to individuals totaled ¥1,485.3 billion as of March 31, 2002. As of June 30, 2002, our roster comprised 53 investment trusts managed by 25 companies.

We also offer a diverse array of time deposits that match individual customers' savings plans. Our introduction of a new type of time deposit, offered in combination with other financial product such as investment trust or foreign currency deposit, met with extremely favorable customer response, recording sales of approximately ¥670.0 billion in fiscal 2001. We also offer foreign currency time deposits bearing high interest rates (1.0 percentage point higher than our normal rates for such products when customers participate via SMBC's online service, and 0.8 percentage point higher when these deposits are initiated at branches) for a limited six-month campaign running through September 2002.

In July 2001, we introduced the *Comprehensive Report Service* as part of the *Monthly Voice* newsletter. These monthly reports contain all information related to individual customers' SMBC accounts, including data on the distribution of assets, account balances, deposits and withdrawals, and investment gains and losses.

Drawing on the latest advances in financial IT, the Bank provides services to increase customer convenience in day-to-day banking transactions. A highly popular example is our *One's Direct* online service, which allows registered customers to access such services as fund transfers, balance inquiries, time deposit and foreign currency deposit transactions, and investment trust transactions via the telephone, Internet, or Internet-accessible mobile phone. In March 2002, *One's Direct* logged 2.4 million hits, a year-on-year increase of 900,000 hits.

SMBC also provides a lineup of loan products corresponding to customers' changing financial requirements at different stages of life. Our Consumer Loan Promotion Office network plays a key role by matching information and loan proposals to individual requirements. As a result of our individualized approach and comprehensive offerings, the Bank's loans to individuals totaled ¥13,472.5 billion as of March 31, 2002. In April 2002, we introduced a loan for newly built housing featuring preferential interest rates, attracting a growing number of home buyers. We intend to continue offering consumer banking products and services that set SMBC apart from the competition.



Consumer Loan Promotion Office

Asset-Building Segment

The asset-building segment is primarily composed of customers with relatively long-term horizons, that is, customers accumulating assets either for down payments on housing loans or for retirement. We offer a flexible range of service delivery options to accommodate our customers' diverse lifestyles, from manned branches and Call Centers, the Bank's marketing and sales promotion hubs, to telephone banking, Internet banking, and other remote channels. To increase flexibility and promptness in meeting customers' requirements, SMBC began assigning an Area Marketing Officer to each Block Consumer Business Office in fiscal 2002.

Moreover, specially trained professionals at the Bank's Money Lifestyle Consulting Desks (MC Desks) offer financial advice geared to each individual customer's stage of life and lifestyle. As of March 31, 2002, the Bank had established 240 MC Desks, an increase of 122 compared with a year earlier. Located at selected manned branches, MC Desks are a one-stop source of financial counseling and investment and loan vehicles, including investment trusts, foreign currency deposits, and such loan products as primary and secondary mortgages, loans for home renovation, and loans for education and other needs.

By offering suitable products and services tailored to the asset-building needs of individual customers at each stage of life, we are confident of ensuring that SMBC remains the main, lifelong bank for our customers.



Money Lifestyle Consulting Desk

Asset-Management Segment

The Bank assigns highly skilled financial consultants to Block Consumer Business Offices to meet the needs of customers seeking sophisticated, objective investment advice. Our financial consultants employ the Bank's *Total Portfolio Plan for Financial Assets* to offer tailor-made solutions for comprehensive management of each customer's assets and debts.

As of June 30, 2002, SMBC had established a network of 64 Asset Management Plazas as the main channel for offering asset-management services to clients. These facilities feature private consultation spaces, seminar rooms equipped with TV conference systems, and plasma display panels providing financial and promotional information to customers.

By providing individualized service and satisfying a broad range of customer needs, we aim to establish SMBC as the leading brand for asset-management services.

Private-Banking Segment

In the private-banking segment, the Bank caters chiefly to high net worth individuals and to owners of high-growth businesses who are planning or have already completed public offerings or listings. We offer such individuals customized, long-term consulting with strategic capital planning and investment management components.

In our strategic capital planning business, we advise on public offerings, succession planning, and the many other requirements of high net worth individuals, drawing on our staff of private bankers with experience in complex corporate transactions and advanced international product knowledge. On the asset-management side, we develop and provide customized products and services based on each customer's market perspective.

Our services in all areas of the private-banking business are based on building long-term relationships and becoming each customer's trusted partner.

Payment and Settlement Services

The ways individuals settle their financial obligations are changing in line with rapid technological progress in the information and communications fields and the increasing diversification of lifestyles. In response, we have been enhancing our *One's Direct* online banking service to accommodate customer transactions via remote channels (such as the telephone, Internet, and Internet-accessible mobile phone), and strengthening and expanding remote channel functions to further complement the Bank's traditional branch network. Our customers increasingly use remote channels for everyday banking transactions. As of March 31, 2002, SMBC's remote channel service had 4.6 million registered users.

Through an alliance with convenience store operator am/pm Japan Co., Ltd., we offer our @BANK ATM service, which is now available 24 hours a day at more than 1,100 am/pm outlets throughout Japan. Moreover, as a result of alliances with E-net

Co., Ltd., LAWSON, INC., and IYBANK Co., Ltd, SMBC customers are able to access their bank accounts via a growing number of ATMs located at several convenience store chains throughout Japan. SMBC currently provides round-the-clock cash-withdrawal convenience via a network of ATMs at more than 9,800 convenience stores.

We will continue to proactively expand our ATM network and strengthen the *One's Direct* online service to firmly establish the SMBC brand as the bank offering the highest degree of convenience for everyday banking needs, while at the same time slashing costs.



Call Center

Drawing on the Financial Service Capabilities of the SMBC Group

SMBC first reorganized its credit card business in April 2001, changing the name of the Sumitomo Credit Service Company, Limited, to Sumitomo Mitsui Card Company, Limited. Then in July, we transferred the UC Card Division of Sakura Card CO., Ltd., to Sumitomo Mitsui Card. Having merged our credit card businesses, and, as Japan's pioneering Visa™ card issuer, SMBC now boasts one of the nation's leading credit card operations with its *Mitsui Sumitomo Visa Card*. By offering the most widely accepted credit card in the world, featuring safety, convenience, and reassurance, we will continue to raise the value of the *Mitsui Sumitomo Visa Card* brand.

In October 2000, we inaugurated the Japan Net Bank, Limited, Japan's first exclusively Internet-based bank. Japan Net Bank combines the convenience of 24-hour accessibility seven days a week with high interest rates on deposits and low service charges. Together with our joint-venture partners and affiliated companies, we will leverage the Internet and related IT to maximize the convenience of Japan Net Bank. As a result, we expect Japan Net Bank to become the bank of choice for Internet-based customers, as well as a key banking model for the 21st century.

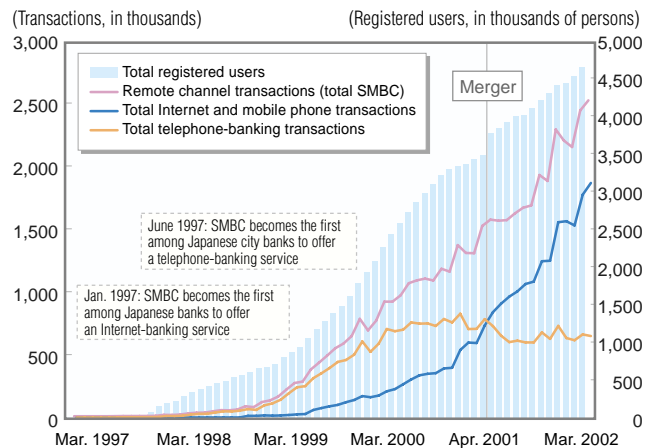
At-Loan Co., Ltd., SMBC's joint venture (founded in June 2000 and called the Sakura Loan Partner, Limited, until adopting its present name in August 2001) offers the precedent-setting *@Loan* product group of small-sum, unsecured loans for individuals, which differ from traditional bank loans in Japan. To market these loans, Japan Net Bank started deploying *@LoanBOX*, an advanced loan consultation ATM, at am/pm convenience stores in the Tokyo metropolitan area. As of June 30, 2002, the *@LoanBOX* network had expanded to 406 locations. At-Loan plans to continue promoting and enhancing customer recognition of the *@LoanBOX* network via television and other media. At the same time, the *@LoanBOX* network is being extended to the western region of Japan.

SMBC and its Group companies will continue to implement new business models for financing and settlement services, particularly in the areas of credit cards and unsecured loans.



@BANK ATM (left) and @LoanBOX ATM

Remote Channels: Registered Users and Number of Transactions





Leveraging the largest banking customer base in Japan, the Middle Market Banking Unit is focused on building a solutions-driven business capable of quickly addressing the diversifying needs of customers by deploying the resources of the Bank's Head Office departments and branches, and by further enhancing competitiveness.

Solutions-Driven Marketing

Experts at Corporate Business Offices throughout Japan and the Bank's Head Office specialists function as a unified team to offer sophisticated financial services to small and medium-sized enterprises. Our solutions-driven marketing activities respond quickly to a broad spectrum of management and financial needs, including derivatives, electronic banking (EB), overseas business support, M&A, MBO, factoring, securitization, syndication, and initial public offerings (IPO).

In fiscal 2001, the year ended March 31, 2002, the Business Reengineering Department, within the Business Promotion Department, was established to provide assistance to the rapidly growing number of small and medium-sized companies restructuring their businesses amid the protracted recession in Japan by advising them on strategies for increasing corporate net worth. To this end, in addition to our core banking services including securitization and syndication, we draw on the resources of Group companies to provide financial advice and consulting services.

SMBC's Head Office departments, branches, and Group companies will continue to focus their collective resources on solutions-driven marketing to firmly reinforce the SMBC brand.

Serving Growth Enterprises

Creating new businesses and industries is required to revitalize the Japanese economy. Within the Business Promotion Department, the New Business Promotion Department focuses on developing business with customers in such high-growth fields as IT, biotechnology, environmental services, and health care. Drawing on the Bank's extensive knowledge and experience, our staff first analyze and evaluate a company's technological capabilities, marketability, and growth prospects and then suggest appropriate sources of capital such as a new business support fund, an unsecured financing system. The Group's venture-capital wing, SMBC Capital Co., Ltd., actively supports companies in the start-up stages with their capital requirements. For clients planning to take their companies public, our IPO specialists join forces with Daiwa Securities SMBC Co. Ltd. to advise on and implement appropriate capital-raising strategies and to offer other services.

Services for Small Businesses

SMBC's Business Support Offices exclusively serve small and medium-sized companies and sole proprietorships in Japan. This focus enables us to provide products and services that accurately target the needs of these clients.

In fiscal 2001, in addition to offering loans guaranteed by credit guarantee corporations, we particularly promoted two loan products that facilitate quick responses to small and medium-sized companies' funding needs: the *Business Select Loan* and the *Business Fast Loan*.



Business Support Office

We developed an in-house credit risk assessment model designed especially for small and medium-sized businesses. Our promotion of the *Business Select Loan*, backed by enhanced credit risk evaluation capabilities and attractive features such as an increased loan ceiling of ¥50 million and a lengthened maximum repayment period of three years for unsecured loans, was particularly fruitful. During the March–May 2002 period, we conducted a promotional campaign consisting of TV commercials and newspaper advertisements aimed at increasing customer brand recognition of the *Business Select Loan*. As a result, the combined balance of the *Business Select Loan* and the *Business Fast Loan* as of March 31, 2002, stood at ¥45.9 billion, a year-on-year increase of ¥30.8 billion.

Another theme is identifying the special needs of small and medium-sized businesses and sole proprietorships participating in franchise chains. SMBC's Business Owner Banking Department offers fund-raising arrangements that are in line with the business structure of each franchising operation.

SMBC will continue to expand the services provided by Business Support Offices, as well as enhance the *Business Select Loan* to attract more small and medium-sized business clients.



Poster promoting SMBC to small and medium-sized businesses



Advertisement for *Business Select Loan*

Spearheading the Development of Efficient Settlement Systems

Our settlement and cash management professionals deliver sophisticated solutions to meet the requirements of individual businesses.

In February 2000, we were granted a patent on the business model for our *Perfect* reconciliation support service, which entails establishing incoming remittance accounts for the collection of trade receivables and using account number information instead of names to confirm incoming payments, thereby greatly expediting the account reconciliation process. This service has been well received since its launch, with the number of companies using the service rising to approximately 3,400 as of March 31, 2002, a year-on-year increase of some 1,000 companies. To facilitate further innovations, we have established the e-Business Patent Department within the Electronic Commerce Banking Department.

We also established the Global Cash Management Department within the Electronic Commerce Banking Department to enhance our cash management services for global corporate groups seeking to improve the efficiency of their cash management operations. We offer a range of solutions based on our conviction that effective group management begins with cash management.

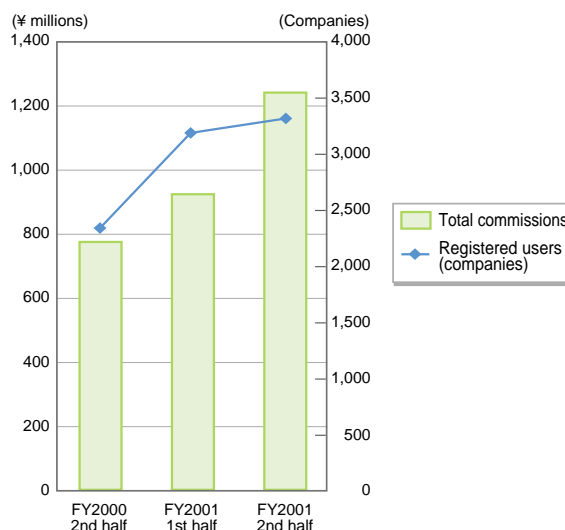
More than ever before, domestic businesses are also working to raise the efficiency of their payment systems. To tap into this demand, we have assembled a full lineup of PC-based banking services that meet the needs of various business scales.

In autumn 2001, we introduced the *PC Navi Web*, an Internet banking system that is being warmly received by the market for its 24-hour accessibility. As of March 31, 2002, approximately 9,000 companies were using this service.

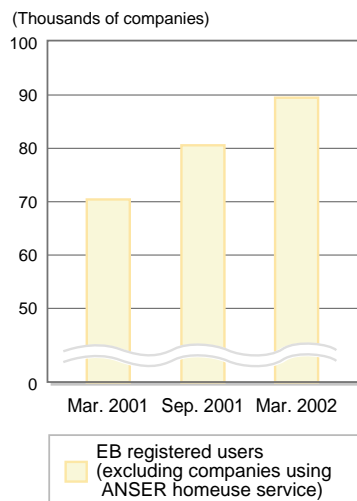
To promote business-to-business (B2B) e-commerce, SMBC in cooperation with the Japan Research Institute, Limited (JRI), set up the *SMBC Global e-Trade Consortium* in December 2001. After conducting initial field tests, we are now considering commercializing this system in cooperation with approximately 150 participating companies.

Furthermore, plans for fiscal 2002, the year ending March 31, 2003, call for the establishment of an electronic authentication bureau compliant with Identrus, an international provider of digital identities, to develop various digital certification and settlement systems for e-commerce as well as electronic data interchange services for international trade finance.

Perfect Reconciliation Support Service Performance



EB Registered Users



Leveraging the Group's Total Strengths

SMBC is strengthening cooperation among Group companies and pooling the Group's financial resources to deliver sophisticated solutions to meet customer needs and maximize the Group's consolidated income.

SMBC Finance Co., Ltd., and SMBC FACTORS CO., LTD., for instance, are enhancing their factoring services to meet the growing need among corporations for credit-enhancing instruments. Group companies showed strong performances in the factoring business in fiscal 2001, with the client base tripling and the balance of guarantees doubling to ¥53.0 billion compared with the previous fiscal year. Group companies are continuing to strive ahead in fiscal 2002 by providing quick responses to customers' factoring needs, including payment guarantees for hedging the risk of possible losses on trade receivables and debt securitization to meet their off-balancing needs.

Furthermore, we are deepening our cooperation with SMBC Consulting Co., Ltd., the largest bank-affiliated management consulting firm in Japan, with some 35,000 member clients. SMBC Consulting provides quick and value-added solutions to all problems concerning corporate management by offering management consulting and information services for everything from simple management issues to human resource development support, in addition to holding management seminars for client companies.

Close ties with SMBC Capital enable SMBC to meet growing businesses' full range of needs, from financial support to the development of IPO strategies.

Our strategic subsidiary Financial Link Company, Limited, is a one-stop source of financial services such as outsourcing services for settlement and cash management, areas taking on increasing importance in line with the growth in B2B and business-to-consumer (B2C) e-commerce. Our goal is to coordinate SMBC and Group companies' resources to provide a complete range of optimal settlement services for diverse customer needs.

In addition to the above, JRI provides management consulting services; SMBC Leasing Company, Limited, handles customers' leasing needs; and Mitsui Finance Service Co., Ltd., Sakura Finance Service Co., Ltd., and QUOQ Inc. serve as collection agents. Finally, through Daiwa Securities SMBC, the Bank provides top-flight investment banking services.

Acting as a single unit, SMBC and Group companies provide a comprehensive range of products and services for consistently meeting all of our customers' needs.



Corporate Business Office



Since SMBC's formation, the Corporate Banking Unit has focused on establishing a single point of contact where customers can gain access to all of the Bank's services. The Corporate Banking Unit's mission is to continuously extend the highest-quality solutions to Japan's leading corporations. To achieve this, it was first of all necessary to assemble an effective marketing framework. Here, the goal was the formation of a strong front-office organization freed of all barriers that separated the two former banks.

Most of the measures required to establish a new and fully integrated SMBC service platform for corporate customers were completed during fiscal 2001, the year ended March 31, 2002.

Looking ahead, we intend to carry out a dramatic revision of our asset-based businesses to make them more competitive, as well as to undertake further initiatives to increase our volume of fee-based businesses. At the same time, we will implement further cost-cutting measures to bolster SMBC's ability to compete in all markets.

Highlights of Fiscal 2001

With the inauguration of a unified front-office system during fiscal 2001, the Corporate Banking Unit concentrated on three vital strategies: (1) fostering a single corporate culture for the new bank, (2) establishing a unified transaction approach to customers toward which the two former banks had taken divergent approaches, and (3) combining synergistically the expertise in selling products and services that each of the former banks brought to SMBC.

Our main objective as a new bank was to quickly reinforce the relationships with each customer, while creating greater value and more innovation than the sum total of the two banks before the merger. We have achieved this through customer relationship management (CRM). After analyzing information on more than 10,000 prominent corporate customers, we came up with solutions drawing equally on the resources of both former banks. This approach was instrumental to many of SMBC's first-year accomplishments in asset securitization, corporate customer alliances, and other areas.

Strategic Themes for Fiscal 2002

During fiscal 2002, we will continue to focus on increasing fee-based income. At the same time, we plan to further restructure our lending business, the most fundamental element of the banking operations.

To increase income from fees and commissions, we are focusing on providing customized solutions for corporate alliances, corporate business reorganizations, and restructuring programs, a strategy we began implementing in the second half of fiscal 2001. Balance sheet management is another area where we anticipate higher fee-based income. We intend to emphasize these activities

during fiscal 2002 in an effort to extend services that offer increasing value to customers. Regarding settlement services, a core banking business, we will actively leverage our cash management services (CMS) expertise to serve more customers.

In the lending business, we aim both to set interest rates that accurately reflect the risks associated with each loan and to supply sophisticated services that match the requirements of each borrower. Our lending business entails much more than conventional loans; also included is the arrangement of such credit instruments as nonrecourse loans, commitment lines, and syndicated loans. The goal here is to provide customers with a broad selection of credit alternatives to match their needs.

With computer systems integration scheduled for completion in the first half of fiscal 2002, the front-office organization will soon become unified in every sense. We will use this base to offer products and services that precisely address the requirements of each corporate customer.

Medium-Term Strategy

The objective of the Corporate Banking Unit is the consistent and continuous creation of value for customers, not merely the provision of individual products and services on an ad hoc basis. To realize this goal, we must skillfully deploy IT. As well, we must accumulate information about each customer's needs and utilize that information to supply a large volume of highly sophisticated solutions.

Reflecting this theme, each of our strategic business initiatives in fiscal 2002 comprises more than one-off services. Rather, our integrative, proactive approach ensures that we offer comprehensive, far-sighted solutions for business reorganizations and restructurings, a full range of settlement-related services, and



income levels that are commensurate with the level of risk taken. All of these offerings imply enhanced customer services, which in turn mean increased business opportunities for the Bank in the future. This future-oriented perspective necessitates that we acquire information now even in areas where customers' needs will not soon become evident. Only by viewing each customer relationship from medium- and long-term standpoints can we extend services that cover a broadened and enhanced array of solutions.

Leveraging the Financial Power of the SMBC Group

The Corporate Banking Unit works closely with leasing, financing, and consulting companies within the SMBC Group as well as with Daiwa Securities SMBC Co. Ltd. to provide customers with solutions that cannot be developed independently.

Cooperation with various divisions of the Bank and SMBC Group companies is essential to providing solutions in those areas that we intend to emphasize, such as corporate restructuring and balance sheet management. SMBC Group companies are specialists in their respective business fields and have the know-how to provide solutions that meet the exacting demands of customers.

This does not mean that the business departments with direct contact with customers simply act as conduits to pass on customer requirements. They work closely with the Financial Solutions Department within the Investment Banking Unit and capitalize on the Bank's database to formulate optimal solutions.

Taking advantage of the total capabilities of Group companies, SMBC will continue to respond with the right solutions to meet the increasingly sophisticated needs of large corporations.



Formulating sophisticated solutions that work for customers



The International Banking Unit is responsible mainly for serving two customer segments: (1) all customers outside Japan, including Japanese and non-Japanese companies, financial institutions, sovereign governments, and public entities; and (2) the Japanese offices and subsidiaries of multinational corporations. Major accomplishments in fiscal 2001, the year ended March 31, 2002, and key goals for fiscal 2002 are outlined below.

Major Accomplishments

(1) Reaped merger benefits early on by quickly consolidating the two former banks' overseas offices and implementing other streamlining initiatives

After the merger of the two former banks, we consolidated overseas offices with overlapping functions and raised the efficiency of the resulting operations. At the same time, we consolidated offices and liquidated equity instruments with less strategic significance. As a result, we substantially reduced expenses without sacrificing the quality of our customer service.

(2) Increased business with the overseas offices and subsidiaries of Japanese companies through greater collaboration with the Bank's domestic operations

In an effort to translate SMBC's large, integrated base of blue-chip domestic companies into increased overseas business volume, we worked more closely with the Bank's domestic operations. Specifically, we established an effective information-sharing system with the Bank's Corporate Banking Unit and Middle Market Banking Unit, and created a system for obtaining the support of other business units such as the Investment Banking Unit. As a result, we were able to increase the volume of transactions with Japanese clients overseas, especially in foreign exchange and deposits.

(3) Expanded the cash management service business

In another move to expand our fee-based business, we effectively marketed services for improving corporate cash management, as well as enhanced our processing capabilities. One benefit of these efforts was a large increase in the number of international cash management service (CMS) contracts, particularly in Asia. We were also able to achieve increases in fees and commissions from clearing services and custody business.

(4) Enhanced relationships with multinationals expanding into Japan

To fully leverage our business with multinational corporations based outside Japan, we are prioritizing the promotion of closer ties with their Japanese offices and subsidiaries. The unit's Global Client Business Department, responsible for servicing these offices and subsidiaries, maintains close contact with the Bank's



The Treasury Unit operates in the domestic and international money, foreign exchange, securities, and derivatives markets to serve the hedging and dealing needs of our customers and take advantage of arbitrage opportunities, while controlling market and liquidity risk at appropriate levels.

Highlights of Fiscal 2001

The two former banks' detailed preparations for the merger, which ensured that computer systems and risk management structures were fully integrated and functional, enabled the Treasury Unit to start operating from a single dealing room immediately upon SMBC's formation at the beginning of April 2001. This positive start paved the way for the Treasury Unit's strong performance during the Bank's first year of operations.

To meet the significant increase in the number of transactions with customers, we established the Treasury Marketing Department, an organization dedicated solely to improving customer services and boosting sales activities. The new department provides an all-in-one service for market-based products, with accelerated response time and in-depth market information for customers. We also increased the number of treasury officers specializing in foreign exchange-related services and strengthened our ability to process customer requests for foreign exchange forward agreements on a 24-hour basis. In addition, we focused actively on developing new products—small-lot transactions using weather derivatives, for example—to broaden our lineup.

In our banking and trading operations, we effectively managed the increase in market and liquidity risk arising from the merger, as well as conducted trading operations on our own account to take full advantage of evolving market trends. In the banking field, this resulted in new position-taking in anticipation of falling interest rates in Japan and overseas as well as a timely shift in positions from yen to foreign currencies. Our trading operation, for its part, successfully forecast market trends and enjoyed increased profitability. As a result of these and other actions, the Treasury Unit earnings for fiscal 2001, the year ended March 31, 2002, increased more than ¥200.0 billion as compared to fiscal 2000 (the combined figure of the two former banks).

Strategic Themes for Fiscal 2002

For fiscal 2002, the Treasury Unit is totally committed to responding to the increasingly diversified and sophisticated demands of our clients. One major advance has been to offer even more value by adding new products and bolstering the unit's ability to handle a broadened array of transactions.

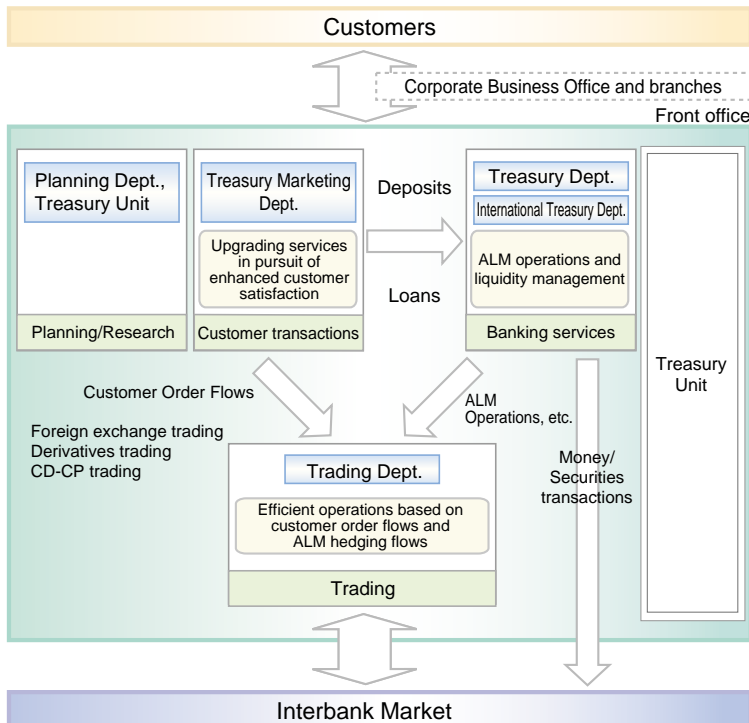
In Asia, we maintain sales desks in Tokyo, Hong Kong, and Singapore, forming a solid base for supporting customers in funding, foreign exchange, and derivatives. Our customers can rely on us to provide a wide range of information and advice on a global scale. These desks also enhance our ability to rapidly handle customer transactions. Furthermore, we plan to introduce *i-Deal*, an Internet dealing system that will allow customers to directly purchase foreign exchange forward agreements, revise the terms of certain agreements, and access a host of market data, including SMBC research reports. Much more than just a direct-trading channel, *i-Deal* offers many complementary functions that will enhance its value to customers in many aspects of their operations.

In Japan, market participants have become highly sensitive to credit risk. Accordingly, we will pay increased attention to managing market and liquidity risk in the conduct of our trading operations. In our banking operations, we will continue to maintain positions that afford adequate protection in the event of an upturn in interest rates. In trading operations, we intend to increase profit-generating opportunities presented by customer transactions and asset liability management (ALM) operations. Finally, we will continually enhance our ability to take on risk by fine-tuning our risk management framework.

Key Goals

The Treasury Unit has two basic goals: (1) to capture the No. 1 share of market-based products by supplying customers with services of the highest quality in the industry, and (2) to generate a steady flow of high-level earnings from trading activities by dynamically managing our market positions. With these goals in mind, we will continuously increase our expertise in financial engineering techniques, invest in state-of-the-art information management systems, and enhance our ability to monitor and analyze markets. Underpinning these activities is our personnel system, which enables the Bank to attract talented and motivated individuals by consistently offering remuneration packages tailored exclusively to each individual's performance. Finally, because infrastructure and our ability to deploy it are also important, we will continue to upgrade systems and refine expertise in risk management, compliance, and back-office operations.

■ Treasury Unit Operation Chart





Highlights of Fiscal 2001

Upon SMBC's inception, the Investment Banking Unit immediately embarked on building a solid foundation by integrating a highly skilled team of specialists with a lineup of advanced financial products and services. From the start, our goal has been to provide corporate customers with optimal solutions, particularly for the raising of capital, risk-hedging tools, and business restructuring.

During fiscal 2001, the year ended March 31, 2002, SMBC's name value within the investment banking business was firmly established. Of particular note was growth in syndicated loans: SMBC achieved an increase of more than 40% in the total amount of domestic arrangements as compared to fiscal 2000 (the combined figure of the two former banks).

In addition, we made progress in our services for securitizing debt by developing cutting-edge balance sheet management mechanisms. Specifically, leveraging the information-gathering capacity of the Internet we developed a mechanism that simultaneously achieves pooling of small receivables, revolving credit, and consolidation to maximize the benefits of securitization. This mechanism has been particularly well received by our customers.

Nonrecourse loans, where cash flows of a specific business are the sole source of loan repayment, is another strategic field. We are playing a leading role in financing for the Roppongi 6-chome District Redevelopment Project (photo, left), an immense undertaking in metropolitan Tokyo, which demonstrates SMBC's expertise in raising huge funds for large projects.

To meet the critical risk-management needs of clients, our derivatives sales engineers stationed at 11 major operating bases in Japan can propose sophisticated risk-hedging tools based not only on interest rates and currencies but also on weather patterns and commodities. No matter what our customers need, we stand prepared to provide optimal solutions. In the field of weather derivatives, ahead of other banks we have developed small-lot standardized products for each season of the year that meet our customers' requirements for managing weather-related risks in various types of business.

Strategic Focus on Growing Markets

We will continue to position loan syndications as one of our core businesses. In this regard, we are taking steps to achieve further growth in this area in fiscal 2002. The securitization business is another strategic market, as it offers various means to help customers use their capital as efficiently as possible. Accordingly, we will place increasing importance on developing new mechanisms and concomitant systems to bring securitization services to a broader spectrum of customers. In other market sectors where we maintain solid positions, notably, derivatives and corporate

bond trustee services, SMBC will strengthen its standing among leading financial institutions.

Business restructuring is a growing need among corporate customers. In this field, we have been pooling our resources with other Group companies to make further inroads in such areas as M&A advisory services and MBO financings. Another business that we are expanding into is cross-border transactions.

Drawing on Groupwide Resources

Daiwa Securities SMBC Co. Ltd., established through an alliance between SMBC and Daiwa Securities Group Inc., forms the nucleus of our investment banking strategy. The company's activities, ranging from wholesale securities distribution and M&A advisory services to securitization, have more recently expanded into such businesses as principal financing. During fiscal 2001, Daiwa Securities SMBC made steady progress toward firmly establishing itself as Japan's most powerful investment bank. A significant achievement in this regard was the company's first-place ranking in the domestic straight bond league table for fiscal 2001. Building deeper ties with SMBC is likely to be a key factor in Daiwa Securities SMBC's ability to further improve its stature and operating results.

We are responding quickly to opportunities arising from changes in Japan's pension systems. Dramatic changes in pension regulations are currently a pressing management issue for many Japanese companies. In response, Japan Pension Navigator Co., Ltd., formed chiefly by financial companies in the Mitsui and Sumitomo groups, is assisting companies in setting up corporate defined contribution pension plans, now attracting much attention in Japan. Meanwhile, we also serve individuals who are considering the establishment of individual defined contribution pension plans, allowed since January 4, 2002, by providing a full line of information and services, including asset management, at 99 branches throughout Japan.

Investment Banking Unit Organization

Domestic	
Planning Dept., Investment Banking Unit Structured Finance Credit Dept. Asset Management Planning Dept., Investment Banking Unit	<ul style="list-style-type: none"> • Planning for investment banking services • Inspection of investment banking transactions • Planning for defined contribution pension funds, investment management services
Structured Finance Dept. Financial Solutions Dept., Investment Banking Unit	<ul style="list-style-type: none"> • Securitization, project finance, institutional finance, lease financing, leveraged buyouts/management buyouts, nonrecourse loans • Provision of total solution services
Derivatives and Financial Engineering Dept.	<ul style="list-style-type: none"> • Development and sales of derivatives
Syndications Dept.	<ul style="list-style-type: none"> • Syndicated loan origination and placements
Corporate Finance Services Dept.	<ul style="list-style-type: none"> • Corporate bond trustee services
M&A Advisory Services Dept.	<ul style="list-style-type: none"> • Mergers and acquisitions
e-Business, Media and Telecom Dept.	<ul style="list-style-type: none"> • Business support for IT-related companies
Daiwa Securities SMBC Co. Ltd.	<ul style="list-style-type: none"> • Wholesale securities business
Sakura Friend Securities Co., Ltd. Meiko National Securities Co., Ltd.	<ul style="list-style-type: none"> • Securities retailing
DLJdirect SFG Securities Inc.	<ul style="list-style-type: none"> • Online securities retailing
SAKURA INVESTMENT MANAGEMENT CO., LTD. Daiwa SB Investments Ltd.	<ul style="list-style-type: none"> • Investment advisory services, investment trust services
Japan Pension Navigator Co., Ltd.	<ul style="list-style-type: none"> • Consulting on and administration of defined contribution pension plans
Overseas	
Structured Finance Dept. (Americas, Europe and Asia)	<ul style="list-style-type: none"> • Project finance
Syndications Dept. (Americas, Europe and Asia)	<ul style="list-style-type: none"> • Syndication
SMBC Capital Markets, Inc. SMBC Capital Markets Limited SMBC Derivative Products Limited	<ul style="list-style-type: none"> • Derivatives business
SMBC Securities, Inc. Overseas subsidiaries of Daiwa Securities SMBC Co. Ltd.	<ul style="list-style-type: none"> • Wholesale securities business
SMBC Leasing and Finance, Inc.	<ul style="list-style-type: none"> • Lease financing

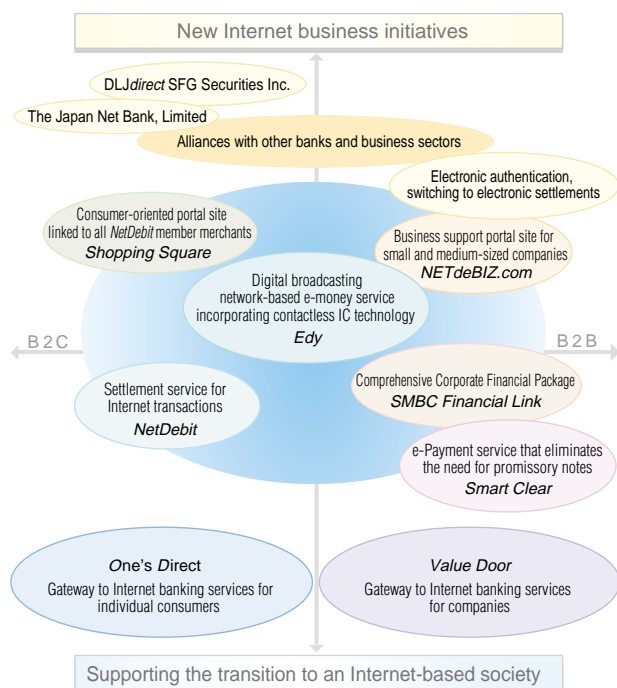
In investment management services, we have been restructuring our business with the goal of establishing an operation worthy of a leading bank. To this end, in December 2002 we will form Sumitomo Mitsui Asset Management Company, Limited, by combining our 100%-owned subsidiary SAKURA INVESTMENT MANAGEMENT CO., LTD., and four asset-management subsidiaries of Mitsui Mutual Life Insurance Company, Sumitomo Life Insurance Company, and Mitsui Sumitomo Insurance Company, Limited.

e-Business and IT Strategy

One of our chief goals is to firmly establish SMBC as Japan's leading financial institution in e-business. To this end, we are committed to providing the highest-caliber services on the Internet.

SMBC and its Group companies have moved quickly to form alliances with corporate partners with cutting-edge IT, content, intranet and extranet infrastructures, and extensive customer bases. Through these alliances, SMBC has established portal sites, e-money, an Internet bank and an Internet securities house, and many other e-business models. Moreover, our business alliances have provided access to new marketing techniques. As a result, SMBC is successfully enhancing its banking functions in step with Japan's increasingly Internet-based society.

Looking ahead, growth in the business-to-business (B2B) and business-to-consumer (B2C) e-commerce shows no signs of slowing. At the core of our current online initiatives are the Bank's two main Internet banking gateways: *One's Direct* for individual consumers, and *Value Door* for corporate clients. To meet new business requirements certain to accompany the growing role of the Internet, the Bank intends to draw on the collective resources of Group companies. Importantly, we remain poised to respond to the emergence of new kinds of e-business, in all cases committed to offering settlement, credit, and other Internet services that promise to be secure as well as user-friendly.



Initiatives for Corporate Clients

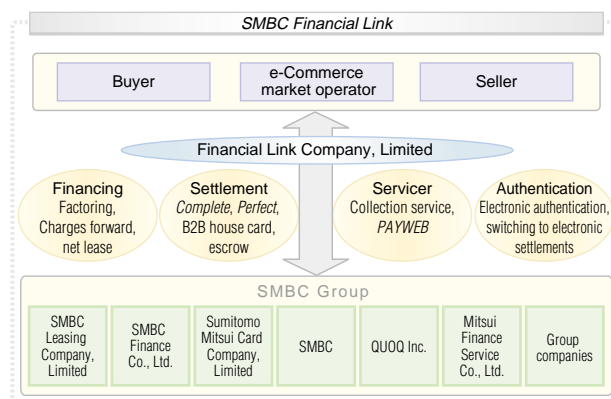
SMBC Financial Link

SMBC Financial Link is SMBC's comprehensive package of corporate financial services launched in August 2001 with the aim of creating a unified brand image for the entire range of B2B services offered by the SMBC Group. As a one-stop portal site, *SMBC Financial Link* offers a full line of financial services, including settlements, extensions of credit, authorizations, and bill collections, to corporate clients either conducting Internet-based businesses or using the Internet for specific business purposes. To establish this new brand of service package, in May 2002 SMBC founded Financial Link Company, Limited, as a strategic subsidiary.

Some selected financial products already began to be in service under the name of *SMBC Financial Link* in March 2002.* The new products employ uniform data specifications by XML in the provision of all products and services to minimize the systems development requirements of clients. This uniformity also streamlines and accelerates clearing and settlement operations. Looking forward, *SMBC Financial Link* plans to bolster ties with other SMBC Group companies to offer clients an even broader array of products and services.

* Five products currently in service are *Corporate Net Settlement Service* (EBPP; Electronic Bill Presentment and Payment), *Invoice Combining Service*, *Accounts Receivable Reconciliation Service*, *Transfer Service of Factoring Request*, and *Transfer Service of Bill Collection Request*.

SMBC Financial Link

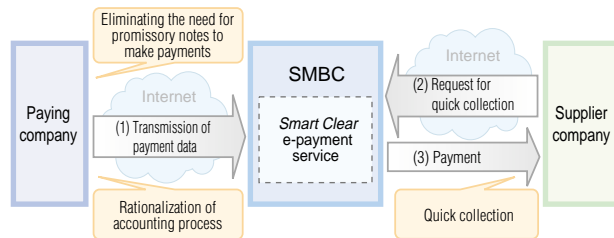


Smart Clear to Replace Bills Payable

In January 2002, SMBC became the first Japanese bank to offer *Smart Clear* service, a cash advance mechanism without bills payable and bills discounted. The service enables supplier companies to apply for cash advances on their accounts receivable to SMBC via Internet without either preparing and sending any application form via facsimile or presenting any document. This service also helps a paying company to reduce the issuance of bills payable by simply transmitting data of its accounts payable to SMBC in place of issuing the bills payable to suppliers. Furthermore, the *Smart Clear* service automatically returns trade payable data to the paying company, furthering the reengineering

of accounting operations. In addition, operating hours for accepting requests for cash advances on accounts receivable from suppliers have been extended. Thus, the convenient features of *Smart Clear* make this service extremely user-friendly.

SMBC intends to vigorously promote the *Smart Clear* service to both paying and supplier companies.

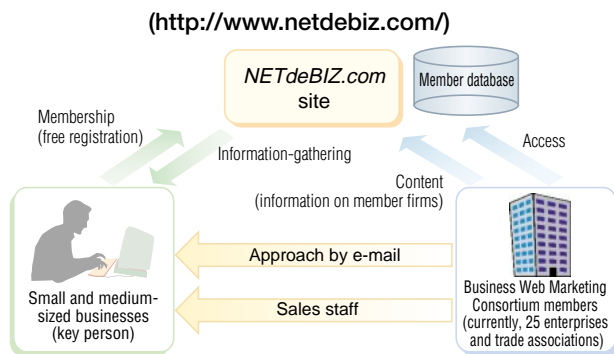


NETdeBIZ.com

As a new marketing challenge using the Internet, SMBC collaborates with prominent companies in various industries such as NEC Corporation, Mitsui Sumitomo Insurance Company, Limited, MITSUI & CO., LTD., and Nikkei Business Publications, Inc., to offer *NETdeBIZ.com*, an innovative business support site to extend assistance to small and medium-sized companies.

On the *NETdeBIZ.com* site and via e-mail, SMBC and other participating companies provide corporate clients with solutions that help to expand sales channels and support operational efficiency. The site also offers specialized information on taxation, accounting, and legal affairs.

Currently, *NETdeBIZ.com* serves approximately 20,000 registered members, chiefly company top management and executives.



B2C Market

NetDebit@Shopping Square

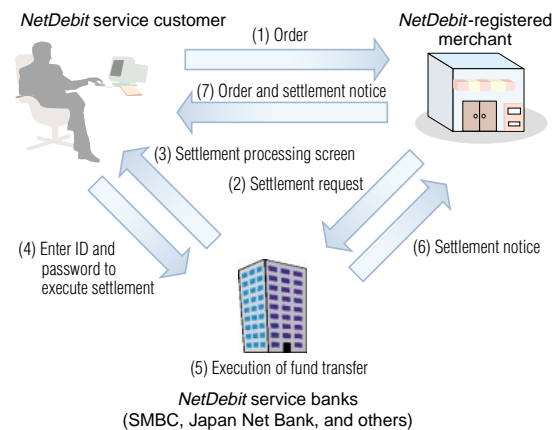
SMBC provides *NetDebit*, an Internet settlement service for consumers that enables simple and secured real-time debiting of Internet shoppers' bank accounts at the point of purchase. In fiscal 2001, the year ended March 31, 2002, SMBC widened the scope of this service to the Internet-accessible mobile phone platform. At the same time, many merchants, including major consumer electronics retailers and large travel agencies, newly joined as *NetDebit* members as a result of our effort to spur

dramatic growth in both the purchase amount and the number of transactions by *NetDebit*.

Shopping Square, the portal site of all *NetDebit* member merchants, is provided by SMBC on its Website so that consumers can enjoy Internet shopping with the convenience provided by *NetDebit*.

Drawing on the SMBC Group's strengths to fully develop *NetDebit*, we are working together with Sumitomo Mitsui Card Company, Limited, to encourage other financial institutions to join and offer this service to their customers. Through this alliance, SMBC aims to establish *NetDebit* as the de facto standard among Internet settlement services in Japan. In fiscal 2001, four banks newly began providing the *NetDebit* service.

NetDebit Internet Settlement Service for Consumers



Edy Prepaid e-Money Service

Edy is a prepaid electronic money (e-money) service incorporating a contactless IC system, which is being applied extensively in public transport tickets and passes. One of the advantages of *Edy* is that it can be used for paying for purchases not only at convenience stores and fast-food restaurant chains but also for purchases of digital contents on the Internet, such as music, games, and software. *Edy* is currently based on a contactless IC card, that has no exposed communication terminal on its surface and requires no physical contact for processing data between IC reader/writers. Contactless IC can be incorporated in devices of any shape. In Japan, for example, the mobile phone is one of the most popular consumer electronics products and is a highly promising candidate for incorporating *Edy*. Furthermore, contactless IC, with its enormous data storage and quick processing capabilities, has much room for adding functions to e-money. To exploit the technological advantages of *Edy* and contactless IC, we plan to eventually offer *Edy* as something more than just a new method of micropayment. Our goal is to create a more comprehensive and universal e-money service that also incorporates, for example, a security pass, company employee ID, points program, and many other applications that correspond to what consumers want.

Environmental Preservation Initiatives

With the enactment of SMBC's proprietary Environmental Policy, which lays out the guiding principles for our environmental initiatives, we have reaffirmed the Bank's commitment to environmental preservation. In 1998, we became the first Japanese bank to acquire ISO14001 certification for our environmental management system (EMS).* In our environmental policies, we emphasize environmental risk management and support our customers' environmental measures. With this basic policy orientation, and under the leadership of our internal Environmental Initiatives Committee, which has overall responsibility for the Bank's environmental initiatives, we conduct environmental preservation activities throughout our entire organization.

SMBC's holistic approach to preserving the environment focuses on three initiatives: (1) reducing our own environmental impact, (2) assessing environmental risks, and (3) supporting our customers' environmental measures.

*SMBC's Headquarters, Otemachi Head Office, and Kobe Head Office are ISO14001 certified.

Reducing Our Environmental Impact

1. We employ electronic record-keeping to reduce our use of paper, recycle to the extent possible the paper that we use, and vigorously implement various programs aimed at reducing our consumption of electricity, gas, and water.

Wastepaper recycling for fiscal 2001, the year ended March 31, 2002

(Headquarters and four Head Office buildings):

Quantity recycled	1,260 tons
Recycling ratio	83.2 %

2. The Bank offers an environmental education program to all employees at domestic offices, departments, and branches.

3. We participate in the Green Power certification system, whereby we purchase electricity that is derived from renewable energy sources.



ISO14001 certification



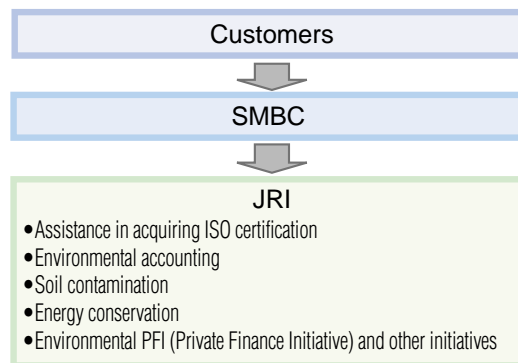
Green Power certification

Assessing Environmental Risks

SMBC actively participates in joint seminars with financial institutions and other companies to collect and study data and analyses of environmental risks such as soil contamination and other forms of environmental degradation.

Supporting Customers' Environmental Measures

1. In cooperation with the Japan Research Institute, Limited (JRI), the Bank offers consulting services on all aspects of environmental management.



2. We provide easy access to environment-related information via the bimonthly environmental magazine *SAFE*. Since March 2002, this magazine has been accessible through SMBC's Website*, where we also make available one year's worth of back issues of *SAFE*.

Starting March 2002, *SAFE* is accessible through SMBC's Website. (Back issues for one year can also be viewed.)



<http://www.smbc.co.jp/aboutus/html/kankyo/kankyo.html>

*Available on SMBC's Japanese-language Website only

3. We extend loans to fund environmental programs.

4. SMBC conducts corporate environmental seminars. Seminars held at our Otemachi Head Office and Osaka Head Office in March 2002 drew participants representing nearly 400 companies.



SMBC corporate environmental seminar

During fiscal 2002, we are focusing especially on the following activities:

Participation in Tokyo Metropolitan Government's Project to Establish a CO₂-Reduction Voucher Market

In an effort to slow the advance of global warming, the Tokyo Metropolitan Government has initiated a project to establish a market for trading CO₂-reduction certificate vouchers. We have been an active participant in this project since its inception, and we also assist the Tokyo Metropolitan Government in an advisory capacity.

Environmental Business Forum: Pursuing Environment-Related Business Opportunities

To deepen SMBC's involvement in environment-related businesses, we formed the Environmental Business Forum jointly with JRI, with whom we have also formed an advisory alliance. Under the auspices of the Bank's Public Relations Department, this in-house project team aims to examine and capitalize on opportunities arising from public- and private-sector initiatives to preserve the environment as well as from individuals' growing environmental consciousness. Specifically, the Environmental Business Forum intends to cultivate a new profit profile for the Bank. To fully realize the potential business opportunities outlined in (1) to (4), below, the Environmental Business Forum has set up investigative committees as required to study designated fields, and monthly meetings are held to facilitate information-sharing.

(1) Corporate client services

We will energetically provide information, extend credit, and offer other relevant support to those corporate clients proactively addressing environmental issues and developing proprietary environment-related businesses.

- a. Conduct surveys and other research regarding eco-businesses
- b. Develop loan products specifically geared to eco-financing
- c. Form sales strategies that prioritize environmental issues
- d. Produce an environmental awareness manual for distribution to all sales personnel

(2) Consumer services

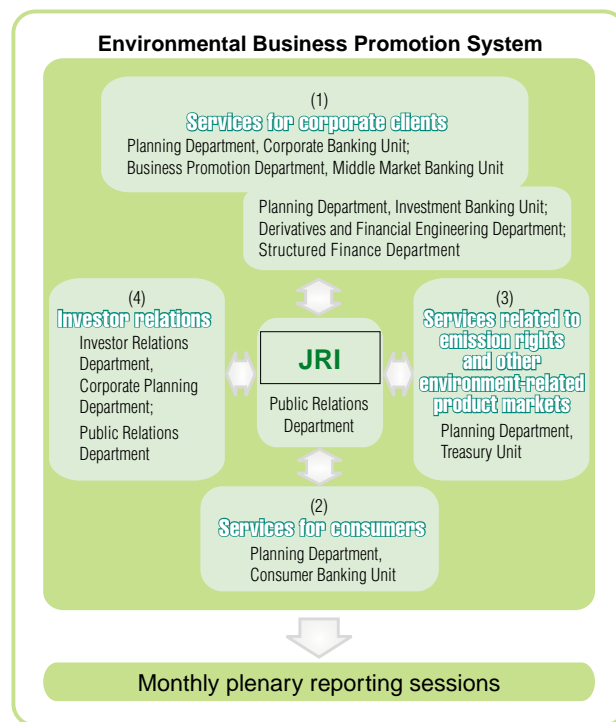
We will investigate the range of consumer-oriented financial products and services linked to environmental issues, offered by financial institutions both in Japan and overseas.

(3) Markets for environment-related financial products and services

The *Kyoto Protocol*, a 1997 agreement calling for the global-scale reduction of greenhouse gas emissions, is expected to result in the creation of new environment-related financial markets. To the Bank, such markets represent increased investment and loan opportunities. Accordingly, we will examine investment opportunities and business prospects arising from newly established markets for environment-related financial products.

(4) Investor relations

In North America and Europe, corporate environmental ratings are now commonly employed as a factor in evaluating companies. Specifically, pension funds and other institutional investors are increasingly taking into account individual companies' environmental activities when making investment decisions. In this context, the Bank will continue to pursue a proactive investor relations program targeted at investors and research organizations.



Reflecting the Bank's conviction that the environment is a key management issue, we will continue to pursue these and a range of other environment-oriented initiatives. By maintaining the focus of these initiatives on global environmental preservation, SMBC intends to reduce the economic risks associated with environmental degradation and gain society's increasing trust as a responsible corporate citizen.

| Social Contribution |

Aiming to grow and develop together with society, SMBC makes social contributions through a wide range of activities. Carried out under the leadership of the Corporate Citizenship Department, these activities encompass two main areas: social welfare and international cooperation. SMBC also encourages and supports employees' participation in volunteer activities.

Social Welfare

SMBC not only organizes and participates in a diverse range of social welfare activities, but also supports organizations devoted to social welfare causes to promote the creation of a more benevolent society.

SMBC Volunteer Fund

The SMBC Volunteer Fund makes donations both to domestic and international volunteer organizations dedicated to providing assistance in case of disasters and economic difficulties. This fund is financed by willing SMBC employees who make a voluntary contribution of ¥100 per month. In fiscal 2001, the year ended March 31, 2002, SMBC donated approximately 16,000 of the two founding banks' uniforms to African countries suffering from clothing shortages, with the shipping cost paid for out of this fund.

Volunteering for the Japan Braille Library

Under the guidance of voice-recording specialists, retired and current SMBC employees and their family members volunteer their time to make tape-recorded readings for hearing- and speech-impaired persons, which the Bank then donates to the Japan Braille Library, in Tokyo. As of April 30, 2002, SMBC had presented 669 titles, totaling 3,231 audiotapes, to the library.

Donating Voided Postcards and Unused Telephone Cards

SMBC encourages employees of the Bank and Group companies to donate voided or otherwise unusable postcards and unused telephone cards to volunteer groups.

International Cooperation

As a global financial institution, SMBC engages in a variety of international cooperation activities through its worldwide network of branches.

Aiding Victims of September 11 Terrorist Attacks

In addition to official donations made by the Bank, the members of management and employees of SMBC and other Group companies made private donations to aid victims of the September 11 terrorist attacks in the United States. Moreover, the Bank established a special account for donations from the general public.

Supporting UNICEF

The Bank is an active promoter of UNICEF Coin Aid, a foreign coin collection donation program. In cooperation with Group company SMBC Green Service Co., Ltd., we periodically collect and sort by currency the coins from the UNICEF collection boxes that



Coins collected by SMBC for UNICEF are sorted into their respective currencies.

we place at all of our branches, as well as from collection boxes at such locations as airports. SMBC also has created a UNICEF Donation Account, through which participating Bank customers donate their net interest to UNICEF and the Bank donates an amount equivalent to customer donations. In these ways, SMBC supports UNICEF's programs designed to help needy children in developing countries.

SMBC Global Foundation

The SMBC Global Foundation provides scholarships to university students in Asian countries. Currently, the foundation is providing educational support in Thailand, China, Indonesia, and Singapore. In addition, the foundation is expanding its social contribution and other activities in the United States.

SMBC Foundation

Through its education and international exchange programs, the SMBC Foundation aims to help nurture the human resources necessary to achieve sustainable development in developing countries. To this end, the foundation offers scholarships to students and provides subsidies to researchers and research institutions around the world undertaking projects related to developing countries.

Supporting Employees' Volunteer Activities

Believing that volunteer service gives employees an enhanced understanding of society, SMBC actively supports employees' participation in volunteer activities.

YUI Volunteer Organization

YUI is an SMBC volunteer organization conceived and managed collectively by member employees. The organization takes its name from "yui," a word used during the Edo period (1603 – 1868) to refer to the cooperative nature of agricultural work, which relied for success on positive, mutually supportive relations among all community members. During fiscal 2001, proceeds from bazaars and movie screenings sponsored by YUI were donated to various social welfare organizations.



Member-donated goods are sold in order to raise funds for various social welfare organizations.

Sign-Language Courses

SMBC offers annual sign-language courses to interested employees, thereby promoting communication with and enhanced understanding of persons with hearing disabilities. These courses not only contribute to improving the level of SMBC's customer service but also enable and encourage employees to engage in volunteer activities requiring the use of sign language.

Seminars for Experiencing Volunteer Activities

SMBC holds after-work seminars that allow employees to experience an array of volunteer activities, such as preparing picture books for children in developing countries and "experiencing" life as an elderly person. As a further step to encourage employees' participation in volunteer activities, the Bank provides a variety of information related to volunteering.

Financial Section

CONTENTS

Financial Review (Consolidated)	54	Summary of Significant Differences between Japanese GAAP and U.S. GAAP	89
Financial Review (Nonconsolidated)	57	Income Analysis (Consolidated)	92
Consolidated Balance Sheet	61	Assets/Liabilities (Consolidated)	95
Consolidated Statement of Operations.....	62	Income Analysis (Nonconsolidated)	97
Consolidated Statement of Stockholders' Equity	63	Deposits (Nonconsolidated)	102
Consolidated Statement of Cash Flows.....	64	Loans (Nonconsolidated)	104
Notes to Consolidated Financial Statements	66	Securities (Nonconsolidated).....	108
Report of Independent Public Accountants.....	86	Capital Ratio	110
Supplemental Information.....	87	Ratios (Nonconsolidated).....	111
Combined Consolidated Balance Sheet (Unaudited)	87	Capital (Nonconsolidated)	113
Combined Consolidated Statement of Income (Unaudited).....	88	Others (Nonconsolidated)	117

The following is a summary of the consolidated and nonconsolidated financial statements for the year ended March 31, 2002. Figures for the year ended March 31, 2001, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Financial Review (Consolidated)

1. Operating Results

Consolidated results for fiscal 2001, the year ended March 31, 2002, include the results of 144 consolidated subsidiaries (98 in Japan and 46 overseas) and 38 subsidiaries and affiliates accounted for by the equity method (10 in Japan and 28 overseas). Compared with fiscal 2000, the number of consolidated subsidiaries declined by five and that of affiliates by three.

Consolidated gross profit posted a year-on-year increase of ¥239.8 billion, to ¥2,077.7 billion. The deduction of general and administrative expenses, total credit cost, and other items resulted in an operating loss of ¥580.6 billion, a ¥1,075.2 billion decrease compared with the figure for the previous fiscal year. This loss was chiefly the result of lower nonconsolidated earnings due to an increase in credit cost, including off-balancing, or the removal of nonperforming loans from the balance sheet. Extraordinary losses, income taxes, and minority interests resulted in a net loss of ¥463.9 billion, a ¥596.3 billion decrease compared with the figure for the previous fiscal year.

Deposits (excluding negotiable certificates of deposit) as of March 31, 2002, were ¥64,986.0 billion, a ¥1,936.9 billion

increase over the figure as of March 31, 2001. Loans and bills discounted as of March 31, 2002, declined ¥1,891.5 billion from the figure at the previous fiscal year-end, to ¥63,645.6 billion, and securities decreased ¥6,617.9 billion, to ¥20,694.6 billion.

For fiscal 2001, the Bank newly adopted mark-to-market accounting for other securities and other money held in trust. (Please refer to Note 29, beginning on page 75 of the “Notes to Consolidated Financial Statements,” for more information.) As a result, other securities are valued at the market prices on the consolidated balance sheet, and the difference between acquisition costs and market values (unrealized gains or losses) is itemized as “Net unrealized losses on other securities” under “Stockholders’ equity” on the consolidated balance sheet. As of March 31, 2002, net unrealized losses on other securities and other money held in trust totaled ¥499.3 billion, and net unrealized losses on other securities was ¥304.8 billion.

Consequently, total assets as of March 31, 2002, declined ¥11,237.7 billion from the previous fiscal year-end, to ¥108,005.0 billion.

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

March 31	2002 (A)	2001 (B)	Increase (decrease) (A)–(B)
Consolidated subsidiaries.....	144	149	(5)
Subsidiaries and affiliates accounted for by the equity method.....	38	41	(3)

Income Summary

Year ended March 31	Millions of yen		
	2002 (A)	2001 (B)	Increase (decrease) (A)–(B)
Consolidated gross profit	¥2,077,681	¥1,837,905	¥ 239,776
Net interest income	1,449,783	1,323,534	126,249
Net fees and commissions	319,532	316,315	3,217
Net trading income	129,432	109,036	20,396
Net other operating income	178,932	89,016	89,916
General and administrative expenses	¥ (935,553)	¥ (940,889)	¥ 5,336
Total credit cost	(1,703,363)	(992,909)	(710,454)
Write-off of loans	(391,923)	(814,423)	422,500
Transfer to specific reserve	(681,457)	(258,539)	(422,918)
Transfer to general reserve for possible loan losses	(527,445)	209,539	(736,984)
Others	(102,537)	(129,484)	26,947
Gains (losses) on stocks	¥ (17,808)	¥ 468,467	¥ (486,275)
Equity in earnings of affiliates	2,964	44,362	(41,398)
Other income (expenses)	(4,547)	77,681	(82,228)
Operating profit (loss)	¥ (580,628)	¥ 494,617	¥(1,075,245)
Extraordinary gains (losses)	(23,710)	(89,102)	65,392
Income (loss) before income taxes and minority interests	(604,338)	405,514	(1,009,852)
Income taxes, current	(101,860)	(65,530)	(36,330)
deferred	289,305	(198,227)	487,532
Minority interests in net income	(46,993)	(9,346)	(37,647)
Net income (loss)	¥ (463,887)	¥ 132,408	¥ (596,295)
[Reference]			
Consolidated banking profit (Billions of yen)	¥ 991.9	¥ 833.2	¥ 158.7

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

Assets, Liabilities, and Stockholders' Equity

March 31	Millions of yen		
	2002 (A)	2001 (B)	Increase (decrease) (A)–(B)
Assets	¥108,005,001	¥119,242,661	¥(11,237,660)
Loans and bills discounted	63,645,586	65,537,091	(1,891,505)
Securities	20,694,632	27,312,498	(6,617,866)
Liabilities	104,108,534	114,239,104	(10,130,570)
Deposits (excluding negotiable certificates of deposit)	64,985,976	63,049,051	1,936,925
Minority interests	983,847	990,595	(6,748)
Stockholders' equity	2,912,619	4,012,960	(1,100,341)

2. Unrealized Gains (Losses) on Securities

As of March 31, 2002, net unrealized losses on securities were ¥498.4 billion, an ¥823.9 billion decline compared with the figure as of April 1, 2001, at the time of the merger. Net unrealized losses on other securities and other money held in trust amounted to ¥499.3 billion as of March 31, 2002, an ¥824.9 billion decline compared with the figure as of April 1, 2001. This significant amount of unrealized losses

on other securities is attributable to a ¥603.4 billion decline in the March 31, 2002, market value of stocks compared with their April 1, 2001, market value. This drop reflects Japan's persistent economic downturn as well as the fall in stock prices sparked by global economic uncertainty in the wake of the September 2001 terrorist attacks in the United States.

Unrealized Gains (Losses) on Securities

March 31, 2002, and April 1, 2001	Millions of yen						
	March 31, 2002				April 1, 2001*		
	Net unrealized gains (losses) (A)	(A)–(B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 892	¥ 972	¥ 1,262	¥ (370)	¥ (80)	¥ 49	¥ (130)
Other securities	(495,507)	(824,657)	260,042	(755,549)	329,150	661,071	(331,920)
Stocks.....	(509,305)	(603,394)	192,620	(701,926)	94,089	408,737	(314,648)
Bonds	36,459	(73,994)	58,810	(22,351)	110,453	113,651	(3,195)
Others.....	(22,661)	(147,266)	8,610	(31,271)	124,605	138,680	(14,074)
Other money held in trust	(3,825)	(211)	135	(3,960)	(3,614)	811	(4,426)
Total.....	(498,440)	(823,894)	261,440	(759,881)	325,454	661,931	(336,478)
Stocks.....	(509,305)	(603,394)	192,620	(701,926)	94,089	408,737	(314,648)
Bonds	36,634	(73,822)	59,303	(22,669)	110,456	113,654	(3,196)
Others.....	(25,769)	(146,676)	9,515	(35,284)	120,907	139,538	(18,630)

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "deposits with banks" and commercial papers as well as claims on loan trust in "commercial paper and other debt purchased."
2. In principle, the values of stocks as of March 31, 2002, are calculated using the average market prices during the final month of the year ended March 31, 2002. The values of bonds and others are calculated using market prices as of March 31, 2002.
3. Unrealized gains (losses) as of April 1, 2001 (after the merger), are calculated by evaluating the book values of the former Sakura Bank's other securities that had unrealized losses at the market prices as of March 31, 2001.
4. "Other securities" and "other money held in trust" as of March 31, 2002, are valued at market price. Consequently, the figures in the above table indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.

* Figures reflect adjustments for merger accounting.

3. Consolidated Capital Ratio (BIS Guidelines)

As of March 31, 2002, the Bank's consolidated capital ratio (BIS guidelines) was 10.45%. (Please refer to the "Capital Ratio" section on page 110 for more information.)

Total capital, which constitutes the numerator in the capital ratio calculation equation, was ¥7,060.8 billion as of March 31, 2002. This decline resulted from the adjustment for merger accounting and the inclusion of unrealized losses

on other securities in Tier I capital. Risk-adjusted assets, the denominator in the equation used to calculate the capital ratio, stood at ¥67,548.0 billion. This decline is mainly attributable to the adjustment for merger accounting and a decline in balance sheet assets resulting chiefly from the Bank's adoption of mark-to-market accounting for other securities.

Consolidated Capital Ratio (BIS Guidelines)

March 31	Millions of yen		
	2002	2001	
		Sakura Bank	Sumitomo Bank
Tier I capital (A).....	¥ 3,719,366	¥ 2,496,449	¥ 2,258,261
Tier II capital (B).....	3,504,772	1,351,627	1,995,364
Deductions (C)	(163,331)	(13,752)	(103,632)
Total capital (D) = (A) + (B) – (C).....	¥ 7,060,807	¥ 3,834,324	¥ 4,149,993
Risk-adjusted assets (E)	¥67,548,012	¥33,891,414	¥37,925,221
Capital ratio (BIS guidelines) = (D)/(E) × 100.....	10.45%	11.31%	10.94%

Financial Review (Nonconsolidated)

1. Operating Results

Banking profit (excluding transfer to general reserve for possible loan losses) increased ¥380.3 billion to ¥1,183.4 billion, the result of a ¥350.3 billion year-on-year increase in gross banking profit and a ¥30.0 billion decrease in expenses (excluding nonrecurring losses).

The operating loss, calculated by adjusting banking profit (excluding transfer to general reserve for possible loan losses) for nonrecurring items including total credit cost and losses on stocks, was ¥522.1 billion.

Total credit cost (including transfer to general reserve for possible loan losses) amounted to ¥1,543.1 billion, the result of accelerated off-balancing of problem assets during the period as well as a review of classifications of borrowers and associated increases in reserve ratios to prepare the Bank for possible future deterioration in asset quality. Losses on stocks totaled ¥130.7 billion.

After deducting extraordinary losses and income taxes from the operating loss, the net loss amounted to ¥322.8 billion.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased ¥350.3 billion over the previous fiscal year's figure, to ¥1,853.5 billion. Gross banking profit from domestic operations decreased ¥2.8 billion from the figure for the previous fiscal year. Although net gains on bonds increased ¥47.0 billion compared with the previous fiscal year's figure, net interest income declined ¥29.8 billion

as the loan balance fell owing to a downturn in demand for loans among corporate borrowers. Meanwhile, gross banking profit from international operations rose ¥353.1 billion over the previous fiscal year's result, largely owing to a ¥265.6 billion increase in net interest income, including favorable gains on foreign currency denominated treasuries due to the decline in U.S. dollar based interest rates and growth in dividends from overseas subsidiaries. A ¥34.1 billion increase in trading profit is also a contribution to a favorable performance in international operations.

Expenses

Expenses (excluding nonrecurring losses) decreased ¥30.0 billion compared with the figure for the previous fiscal year, to ¥670.1 billion. This was mainly attributable to a ¥22.2 billion decline in personnel expenses largely due to a reduction in employees, which offset a ¥16.6 billion rise in systems integration expenses related to the merger. The integration of branches within Japan and overseas and revisions to the procurement system led to a ¥4.0 billion decrease in nonpersonnel expenses. The remainder of the decrease in expenses was due to a ¥3.8 billion decline in taxes.

Banking Profit

Banking profit (excluding transfer to general reserve for possible loan losses) increased ¥380.3 billion over the previous fiscal year's figure, to ¥1,183.4 billion. Banking profit decreased ¥312.9 billion, to ¥678.8 billion.

Banking Profit

Year ended March 31	Millions of yen		
	2002 (A)	2001 (B)	Increase (decrease) (A)–(B)
Gross banking profit.....	¥1,853,515	¥1,503,203	¥ 350,312
Gross banking profit (excluding gains (losses) on bonds)	1,786,954	1,494,407	292,547
Net interest income.....	1,476,512	1,240,731	235,781
Net fees and commissions	165,272	150,692	14,580
Net trading income	121,289	95,385	25,904
Net other operating income	90,440	16,393	74,047
Gross domestic banking profit	1,256,373	1,259,215	(2,842)
Gross international banking profit.....	597,141	243,987	353,154
Transfer to general reserve for possible loan losses	¥ (504,558)	¥ 188,596	¥(693,154)
Expenses (excluding nonrecurring losses).....	(670,145)	(700,128)	29,983
Personnel expenses	(271,788)	(294,004)	22,216
Nonpersonnel expenses.....	(366,637)	(370,589)	3,952
Taxes	(31,719)	(35,533)	3,814
Banking profit.....	¥ 678,811	¥ 991,670	¥(312,859)
Banking profit (excluding transfer to general reserve for possible loan losses).....	1,183,369	803,073	380,296
Banking profit (excluding transfer to general reserve for possible loan losses and gains (losses) on bonds)	1,116,808	794,277	322,531

Nonrecurring Losses (Credit Costs, etc.)

Nonrecurring losses amounted to ¥1,200.9 billion, with a credit cost of ¥1,038.5 billion as the main component. (Total credit cost, including transfer to general reserve for possible loan losses, amounted to ¥1,543.1 billion.) Other nonrecurring items included losses on stocks of ¥130.7 billion, mainly attributable to the devaluation of stocks based on the Bank's self-assessment of its stock portfolio. (Please refer to the "Asset Quality" section beginning on page 8 for more information on problem-loan balances and progress in reducing such loans.)

Operating Profit (Loss)

As a result of the foregoing, the operating loss amounted to ¥522.1 billion, an ¥881.3 billion decrease compared with the figure for the previous fiscal year.

Extraordinary Gains (Losses)

The major components of extraordinary gains (losses) of ¥14.5 billion were a gain of ¥22.2 billion from distributions received from the dissolution of subsidiaries and ¥14.2 billion in losses on the disposition of premises and equipment. The loss was largely due to restructuring and merger-related measures that were implemented ahead of schedule. In particular, the Bank recorded losses on sales of closed branches and abolished employee housing, as well as losses related to their restoration or disposition. Another component of the loss was amortization of ¥20.2 billion in net transition obligations from initial application of the new accounting standard for employee retirement benefits.

Net Income (Loss)

The current portion of income taxes totaled ¥32.7 billion, while the deferred portion was ¥246.5 billion under tax-effect accounting. As a result, the net loss was ¥322.8 billion, a ¥460.7 billion decrease compared with the figure for the previous fiscal year.

Operating Profit and Net Income

Year ended March 31	Millions of yen		
	2002 (A)	2001 (B)	Increase (decrease) (A)–(B)
Banking profit (excluding transfer to general reserve for possible loan losses).....	¥ 1,183,369	¥ 803,073	¥ 380,296
Transfer to general reserve for possible loan losses	(504,558)	188,596	(693,154)
Banking profit	¥ 678,811	¥ 991,670	¥(312,859)
Nonrecurring gains (losses)	(1,200,917)	(632,502)	(568,415)
Total credit cost	(1,543,078)	(819,103)	(723,975)
Write-off of loans	(283,895)	(741,432)	457,537
Transfer to specific reserve	(663,184)	(156,496)	(506,688)
Transfer to reserve for losses on loans sold.....	(37,034)	(52,917)	15,883
Losses on loans sold to CCPC	(8,363)	(31,745)	23,382
Losses on sale of delinquent loans	(50,589)	(25,108)	(25,481)
Transfer to loan loss reserve for specific overseas countries.....	4,546	2	4,544
Gains (losses) on stocks	(130,689)	311,421	(442,110)
Gains on sale of stocks	54,196	496,241	(442,045)
Losses on sale of stocks	(54,300)	(66,761)	12,461
Losses on devaluation of stocks.....	(130,585)	(118,057)	(12,528)
Operating profit (loss)	¥ (522,106)	¥ 359,167	¥(881,273)
Extraordinary gains (losses)	(14,531)	(86,056)	71,525
Gains (losses) on disposition of premises and equipment	(14,201)	(30,533)	16,332
Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits	(20,167)	(56,528)	36,361
Income taxes, current	(32,737)	(9,526)	(23,211)
Income taxes, deferred	246,522	(125,747)	372,269
Effect of the introduction of enterprise taxes on the banking industry by the Osaka Prefectural Government	—	(32,038)	32,038
Net income (loss)	¥ (322,852)	¥ 137,835	¥(460,687)

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

3. Assets, Liabilities, and Stockholders' Equity

Assets

Nonconsolidated bank assets as of March 31, 2002, were ¥102,082.6 billion, an ¥11,644.9 billion decrease compared with the figure as of March 31, 2001. Loans and bills discounted decreased ¥1,819.5 billion, to ¥59,928.4 billion, owing to weak corporate loan demand amid the prolonged economic slump. Securities decreased ¥6,617.0 billion, to ¥20,443.0 billion, owing to the sale and redemption of short-term Japanese government bonds purchased in the second half of the year ended March 31, 2001, as interest rates declined.

Liabilities

Liabilities as of March 31, 2002, were ¥98,886.1 billion, a ¥10,641.5 billion decrease from the figure as of March 31, 2001. The termination of full deposit insurance caused deposits to increase ¥2,010.5 billion, to ¥61,051.8 billion. Negotiable certificates of deposit decreased ¥5,110.9 billion, to ¥6,577.5 billion.

Stockholders' Equity

Stockholders' equity was ¥3,196.5 billion as of March 31, 2002, a ¥1,003.4 billion decrease compared with the figure as of March 31, 2001. A partial reason for this decline was the ¥427.0 billion reduction in equity of the former Sakura Bank prior to the transfer of its equity to SMBC upon the merger. This reduction comprised two items: charges resulting from the revaluation of land used for business operations and the application of mark-to-market accounting on securities where unrealized losses existed, and the provision of a reserve for unrecognized obligation for payments of employees' prior-service retirement benefits. Also contributing to the decline in stockholders' equity were the net loss of ¥322.8 billion as well as net unrealized losses on other securities of ¥298.0 billion, the result of tax-effect accounting adjustments to net unrealized losses on other securities and other money held in trust, in accordance with the newly adopted mark-to-market accounting standard. On the other hand, the conversion of yen-denominated convertible bonds maturing in 2001 to common stock contributed ¥100.0 billion to stockholders' equity.

As of March 31, 2002, there were 5,709 million shares of common stock and 967 million shares of preferred stock of the Bank outstanding. Excluding preferred stock, stockholders' equity per share was ¥332.02.

Assets, Liabilities, and Stockholders' Equity

March 31	Millions of yen		
	2002 (A)	2001 (B)	Increase (decrease) (A)-(B)
Assets	¥102,082,581	¥113,727,498	¥(11,644,917)
Loans and bills discounted	59,928,368	61,747,880	(1,819,512)
Securities	20,442,996	27,059,978	(6,616,982)
Liabilities	98,886,088	109,527,559	(10,641,471)
Deposits	61,051,813	59,041,313	2,010,500
Negotiable certificates of deposit	6,577,539	11,688,459	(5,110,920)
Stockholders' equity	3,196,492	4,199,937	(1,003,445)

4. Unrealized Gains (Losses) on Securities

As of March 31, 2002, net unrealized losses on securities amounted to ¥484.4 billion, a ¥679.1 billion decline compared with the figure as of April 1, 2001, at the time of the merger. Net unrealized losses on other securities and on other money held in trust, which are deducted from stockholders' equity beginning from the fiscal year under review in accordance with the adoption of mark-to-market accounting, amounted to ¥485.5 billion, a ¥682.3 billion decline

compared with the figure as of April 1, 2001.

The significant amount of unrealized losses on other securities is attributable to a ¥594.7 billion decline in net unrealized gains on stocks compared with the figure as of April 1, 2001. This drop reflects Japan's persistent economic downturn as well as the fall in stock prices sparked by global economic uncertainty in the wake of the September 2001 terrorist attacks in the United States.

Unrealized Gains (Losses) on Securities

March 31, 2002, and April 1, 2001	Millions of yen						
	March 31, 2002				April 1, 2001*		
	Net unrealized gains (losses) (A)	(A)–(B)	Unrealized gains	Unrealized losses	Net unrealized gains (losses) (B)	Unrealized gains	Unrealized losses
Held-to-maturity securities.....	¥ 1,146	¥ 1,206	¥ 1,165	¥ (19)	¥ (60)	¥ 1	¥ (61)
Stocks of subsidiaries and affiliates	(101)	2,000	12,740	(12,841)	(2,101)	6,249	(8,351)
Other securities	(481,654)	(682,065)	244,238	(725,892)	200,411	505,260	(304,849)
Stocks	(500,897)	(594,680)	180,943	(681,841)	93,783	387,839	(294,056)
Bonds	37,783	(67,182)	55,597	(17,814)	104,965	107,521	(2,556)
Others	(18,540)	(20,204)	7,696	(26,236)	1,664	9,899	(8,236)
Other money held in trust.....	(3,825)	(211)	135	(3,960)	(3,614)	811	(4,426)
Total	(484,434)	(679,069)	258,279	(742,714)	194,635	512,324	(317,690)
Stocks	(500,999)	(592,680)	193,684	(694,683)	91,681	394,089	(302,408)
Bonds	38,214	(66,751)	56,029	(17,814)	104,965	107,521	(2,556)
Others	(21,650)	(19,638)	8,566	(30,216)	(2,012)	10,713	(12,725)

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in "deposits with banks" and commercial papers as well as claims on loan trust in "commercial paper and other debt purchased."
 2. The values of stocks excluding stocks of subsidiaries and affiliates as of March 31, 2002, are calculated using average market prices during the final month of the year ended March 31, 2002. The values of bonds and others are calculated using market prices at March 31, 2002.
 3. Unrealized gains (losses) as of April 1, 2001 (after the merger), are calculated by evaluating the book values of the former Sakura Bank's other securities that had unrealized losses at the market prices as of March 31, 2001.
 4. "Other securities" and "other money held in trust" as of March 31, 2002, are valued at market prices. Consequently, the figures in the above table indicate the differences between the acquisition costs (or amortized costs) and the balance sheet amounts.

* Figures reflect adjustments for merger accounting.

5. Dividend Policy

Given its public nature and respecting the interests of stockholders, the Bank subscribes to a fundamental policy of paying dividends as deemed appropriate in view of the need to increase capital and preserve sound management. After appropriating retained earnings to increase capital and in recognition of the year's large net loss, the Bank paid an

annual dividend of ¥4.00 per share of common stock, ¥2.00 less than for the previous fiscal year. Annual dividends for preferred stock were set at ¥10.50 per share for First series Type 1, ¥28.50 per share for Second series Type 1, and ¥13.70 per share for Type 5, unchanged from the previous fiscal year.

Consolidated Balance Sheet

Sumitomo Mitsui Banking Corporation and Subsidiaries

March 31, 2002	Millions of yen	Millions of U.S. dollars (Note 1)
Assets		
Cash and due from banks (Note 9)	¥ 2,128,742	\$ 15,976
Deposits with banks (Notes 9, 29)	3,503,554	26,293
Call loans and bills bought	720,154	5,405
Receivables under resale agreements	793,266	5,953
Commercial paper and other debt purchased (Note 29)	461,879	3,466
Trading assets (Notes 3, 9, 29)	3,278,105	24,601
Money held in trust (Note 29)	33,860	254
Securities (Notes 4, 9, 29)	20,694,632	155,307
Loans and bills discounted (Notes 5, 9)	63,645,586	477,640
Foreign exchanges	795,755	5,972
Other assets (Notes 6, 9)	6,447,644	48,388
Premises and equipment (Notes 7, 9, 16)	1,207,589	9,063
Lease assets (Note 8)	927,120	6,958
Deferred tax assets (Note 25)	1,882,464	14,127
Deferred tax assets for land revaluation (Note 16)	726	5
Goodwill	18,518	139
Customers' liabilities for acceptances and guarantees	3,625,047	27,205
Reserve for possible loan losses	(2,159,649)	(16,208)
Total assets	¥108,005,001	\$810,544
Liabilities, minority interests and stockholders' equity		
Liabilities		
Deposits (Notes 9, 10)	¥ 71,648,073	\$537,697
Call money and bills sold (Note 9)	10,775,484	80,867
Payables under repurchase agreements (Note 9)	1,468,504	11,021
Commercial paper	1,167,500	8,762
Trading liabilities (Notes 9, 11)	2,331,500	17,497
Borrowed money (Notes 9, 12)	2,889,907	21,688
Foreign exchanges	299,610	2,248
Bonds (Note 13)	3,505,820	26,310
Convertible bonds (Note 14)	1,106	8
Pledged money for securities lending transactions (Note 9)	3,174,799	23,826
Other liabilities (Notes 9, 15)	2,861,669	21,476
Reserve for employee bonuses	21,606	162
Reserve for employee retirement benefits (Note 26)	147,972	1,110
Reserve for possible losses on loans sold	86,371	648
Other reserves	336	3
Deferred tax liabilities (Note 25)	39,206	294
Deferred tax liabilities for land revaluation (Notes 16, 25)	64,015	480
Acceptances and guarantees (Note 9)	3,625,047	27,205
Total liabilities	¥104,108,534	\$781,302
Minority interests (Note 17)	¥ 983,847	\$ 7,384
Stockholders' equity (Note 18)		
Preferred stock; authorized 970,000,000 shares and issued 967,000,000 shares	¥ 650,500	\$ 4,882
Common stock; authorized 15,000,000,000 shares and issued 5,709,424,395 shares	676,246	5,075
Capital surplus (Note 18)	1,326,758	9,957
Land revaluation excess (Note 16)	121,244	910
Retained earnings (Note 18)	475,357	3,567
Net unrealized losses on other securities (Note 29)	(304,837)	(2,288)
Foreign currency translation adjustments	(15,174)	(114)
Treasury stock	(283)	(2)
Parent bank stock held by subsidiaries	(17,191)	(129)
Total stockholders' equity	¥ 2,912,619	\$ 21,858
Total liabilities, minority interests and stockholders' equity	¥108,005,001	\$810,544

See accompanying notes to consolidated financial statements.

Consolidated Statement of Operations

Sumitomo Mitsui Banking Corporation and Subsidiaries

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars (Note 1)
Income		
Interest income:		
Interest on loans and discounts	¥1,426,139	\$10,703
Interest and dividends on securities	318,508	2,390
Interest on receivables under resale agreements	8,399	63
Interest on deposits with banks	186,892	1,402
Other interest income	236,745	1,777
Fees and commissions (Note 19)	387,280	2,907
Trading profits (Note 20)	129,450	971
Other operating income (Note 21)	845,583	6,346
Other income (Note 22)	270,130	2,027
Total income	¥3,809,130	\$28,586
Expenses		
Interest expenses:		
Interest on deposits	¥ 347,077	\$ 2,605
Interest on borrowings and rediscounts	75,989	570
Interest on payables under repurchase agreements	29,238	219
Interest on bonds and convertible bonds	86,926	652
Other interest expenses	187,670	1,409
Fees and commissions (Note 19)	67,747	508
Trading losses (Note 20)	17	0
Other operating expenses (Note 23)	666,651	5,003
General and administrative expenses	935,553	7,021
Transfer to reserve for possible loan losses	1,204,335	9,038
Other expenses (Notes 24, 25)	812,261	6,096
Total expenses	¥4,413,469	\$33,121
Loss before income taxes and minority interests	¥ 604,338	\$ 4,535
Income taxes (Note 25):		
Current	¥ 101,860	\$ 764
Deferred	(289,305)	(2,171)
	¥ (187,445)	\$ (1,407)
Minority interests in net income	¥ 46,993	\$ 353
Net loss	¥ 463,887	\$ 3,481
	Yen	U.S. dollars (Note 1)
Per share data:		
Net loss	¥84.12	\$0.63
Declared dividends on common stock	4.00	0.03
Declared dividends on preferred stock (First series Type 1)	10.50	0.08
Declared dividends on preferred stock (Second series Type 1)	28.50	0.21
Declared dividends on preferred stock (Type 5)	13.70	0.10

See accompanying notes to consolidated financial statements.

Consolidated Statement of Stockholders' Equity

Sumitomo Mitsui Banking Corporation and Subsidiaries

Millions of yen									
Year ended March 31, 2002	Preferred stock	Common stock	Capital surplus	Land revaluation excess	Retained earnings	Net unrealized losses on other securities	Foreign currency translation adjustments	Other*	Total
Balance at March 31, 2001	¥250,500	¥502,348	¥ 643,080	¥167,613	¥319,924	¥ —	¥(32,171)	¥(14,144)	¥1,837,151
Merger with The Sakura Bank, Limited	400,309	123,542	991,326	42,690	296,313			(42)	1,854,139
Change due to increase/decrease of subsidiaries and affiliates				20,366	(96,404)		(20,939)	(4,555)	(101,533)
Conversion of preferred stock to common stock	(309)	309							—
Conversion of convertible bonds to common stock		50,045	49,954						100,000
Change of effective tax rates and others.....				(444)					(444)
Cash dividends paid					(11,199)				(11,199)
Transfer from capital surplus to retained earnings (Note 18).....			(357,614)		357,614				—
Revaluation of land.....				(48,848)					(48,848)
Transfer from land revaluation excess to retained earnings.....				(60,132)	60,132				—
Merger with a subsidiary			11		12,864				12,876
Net loss					(463,887)				(463,887)
Adoption of accounting standards for financial instruments.....						(304,837)			(304,837)
Change of foreign currency translation adjustments							37,935		37,935
Change of treasury stock and parent bank stock held by subsidiaries								1,267	1,267
Balance at March 31, 2002	¥650,500	¥676,246	¥1,326,758	¥121,244	¥475,357	¥(304,837)	¥(15,174)	¥(17,475)	¥2,912,619

Millions of U.S. dollars (Note 1)									
Year ended March 31, 2002	Preferred stock	Common stock	Capital surplus	Land revaluation excess	Retained earnings	Net unrealized losses on other securities	Foreign currency translation adjustments	Other*	Total
Balance at March 31, 2001	\$1,880	\$3,770	\$4,826	\$1,258	\$2,401	\$ —	\$(242)	\$(106)	\$13,787
Merger with The Sakura Bank, Limited	3,004	927	7,440	320	2,224			(1)	13,914
Change due to increase/decrease of subsidiaries and affiliates				153	(724)		(157)	(34)	(762)
Conversion of preferred stock to common stock	(2)	2							—
Conversion of convertible bonds to common stock		376	375						751
Change of effective tax rates and others.....				(3)					(3)
Cash dividends paid					(85)				(85)
Transfer from capital surplus to retained earnings (Note 18).....			(2,684)		2,684				—
Revaluation of land.....				(367)					(367)
Transfer from land revaluation excess to retained earnings.....				(451)	451				—
Merger with a subsidiary			0		97				97
Net loss					(3,481)				(3,481)
Adoption of accounting standards for financial instruments.....						(2,288)			(2,288)
Change of foreign currency translation adjustments							285		285
Change of treasury stock and parent bank stock held by subsidiaries								10	10
Balance at March 31, 2002	\$4,882	\$5,075	\$9,957	\$ 910	\$3,567	\$(2,288)	\$(114)	\$(131)	\$21,858

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Cash Flows

Sumitomo Mitsui Banking Corporation and Subsidiaries

Year ended March 31, 2002	Millions of yen	Millions of U.S. dollars (Note 1)
1. Cash flows from operating activities:		
Loss before income taxes and minority interests	¥ (604,338)	\$ (4,535)
Depreciation of premises, equipment and others	96,374	723
Depreciation of lease assets	306,044	2,297
Amortization of goodwill	4,806	36
Equity in earnings of affiliates	(2,964)	(22)
Net change in reserve for possible loan losses	884,174	6,635
Net change in reserve for possible losses on loans sold	(58,895)	(442)
Net change in reserve for employee bonuses	21,606	162
Net change in reserve for employee retirement benefits	(42,469)	(319)
Interest income	(2,176,685)	(16,335)
Interest expenses.....	726,901	5,455
Net gains on securities.....	(64,057)	(481)
Net loss from money held in trust	56	0
Net exchange gains	(160,717)	(1,206)
Net losses from disposition of premises and equipment.....	23,052	173
Net losses from disposition of lease assets	995	7
Gain on sale of business operation.....	(5,000)	(38)
Net change in trading assets	(757,328)	(5,684)
Net change in trading liabilities	1,030,514	7,734
Net change in loans and bills discounted.....	1,794,503	13,467
Net change in deposits	1,887,932	14,168
Net change in negotiable certificates of deposit	(4,989,141)	(37,442)
Net change in borrowed money (excluding subordinated debt).....	(456,519)	(3,426)
Net change in deposits with banks	2,018,942	15,152
Net change in call loans, bills bought and receivables under resale agreements	1,904,425	14,292
Net change in pledged money for securities borrowing transactions.....	(2,196,808)	(16,486)
Net change in call money, bills sold and payables under repurchase agreements	(3,020,667)	(22,669)
Net change in commercial paper	(569,827)	(4,276)
Net change in pledged money for securities lending transactions	(1,715,984)	(12,878)
Net change in foreign exchanges (assets).....	(56,299)	(422)
Net change in foreign exchanges (liabilities)	48,749	366
Issuance and redemption of bonds (excluding subordinated bonds).....	359,901	2,701
Interest received	2,342,208	17,578
Interest paid	(829,888)	(6,228)
Other, net	(1,070,901)	(8,037)
Subtotal.....	¥(5,327,304)	\$(39,980)
Income taxes paid.....	(54,205)	(407)
Net cash used in operating activities	¥(5,381,510)	\$(40,387)

(Continued)

	Millions of yen	Millions of U.S. dollars (Note 1)
2. Cash flows from investing activities:		
Purchases of securities.....	¥(39,722,661)	\$(298,106)
Proceeds from sale of securities.....	32,828,672	246,369
Proceeds from maturity of securities.....	12,828,207	96,272
Purchases of money held in trust.....	(5,011)	(38)
Proceeds from sale of money held in trust.....	42,663	320
Purchases of premises and equipment.....	(73,354)	(551)
Proceeds from sale of premises and equipment.....	134,704	1,011
Purchases of lease assets.....	(342,964)	(2,574)
Proceeds from sale of lease assets.....	37,736	283
Purchases of stock of subsidiaries.....	(599)	(4)
Proceeds from sale of stock of subsidiaries.....	416	3
Proceeds from sale of business operation.....	5,000	38
Net cash provided by investing activities.....	¥ 5,732,808	\$ 43,023
3. Cash flows from financing activities:		
Proceeds from issuance of subordinated debt.....	¥ 128,000	\$ 961
Repayment of subordinated debt.....	(278,000)	(2,086)
Proceeds from issuance of subordinated bonds, convertible bonds and notes.....	201,198	1,510
Repayment of subordinated bonds, convertible bonds and notes.....	(262,361)	(1,969)
Dividends paid.....	(11,101)	(83)
Payment of delivered money due to merger.....	(17,839)	(134)
Capital contributions from minority stockholders.....	9,000	67
Dividends paid to minority stockholders.....	(39,064)	(293)
Purchases of treasury stock.....	(8,539)	(64)
Proceeds from sale of treasury stock.....	8,286	62
Proceeds from sale of parent bank stocks held by subsidiaries.....	1,607	12
Net cash used in financing activities.....	¥ (268,813)	\$ (2,017)
4. Effect of exchange rate changes on cash and due from banks.....	3,595	27
5. Net change in cash and due from banks.....	¥ 86,079	\$ 646
6. Cash and due from banks at beginning of year.....	¥ 868,132	\$ 6,515
7. Change in cash and due from banks due to merger.....	1,075,527	8,072
8. Change in cash and due from banks due to merger of consolidated subsidiaries.....	2,544	19
9. Change in cash and due from banks due to newly consolidated subsidiaries.....	96,459	724
10. Cash and due from banks at end of year.....	¥ 2,128,742	\$ 15,976

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

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

1. Basis of Financial Statements

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

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

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

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

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

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

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

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

2. Significant Accounting Policies

(1) Consolidation

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

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

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

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

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

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

(2) Statement of cash flows

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

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

Significant non-money transactions consisted of the following:

(i) Merger with The Sakura Bank, Limited

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

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

(ii) Conversion of convertible bonds

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

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

(3) Trading assets and liabilities

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

(4) Securities

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

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

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

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

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

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

(5) Derivative transactions

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

(6) Hedge accounting

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

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

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

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

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

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

(7) Non-accrual loans

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

(8) Premises and equipment

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

Buildings 7 to 50 years

Equipment 3 to 20 years

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

(9) Software costs

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

(10) Reserve for possible loan losses

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

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

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

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

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

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

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

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

(11) Reserve for possible losses on loans sold

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

(12) Reserve for employee bonuses

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

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

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

(13) Reserve for employee retirement benefits

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

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

(14) Translation of foreign currencies

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

Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective balance sheet dates.

(15) Lease transactions

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

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

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

(16) Amounts per share

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

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

(17) Adoption of new accounting standards

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

3. Trading Assets

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

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

4. Securities

Securities at March 31, 2002 consisted of the following:

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

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

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

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

5. Loans and Bills Discounted

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

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

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

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

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

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

6. Other Assets

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

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

7. Premises and Equipment

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

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

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

8. Lease Assets

Lease assets at March 31, 2002 were as follows:

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

9. Assets Pledged as Collateral

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

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

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

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

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

13. Bonds

Bonds at March 31, 2002 consisted of the following:

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

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

10. Deposits

Deposits at March 31, 2002 consisted of the following:

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

11. Trading Liabilities

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

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

12. Borrowed Money

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

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

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

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

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

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

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

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

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

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

14. Convertible Bonds

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

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

15. Other Liabilities

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

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

16. Land Revaluation Excess

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

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

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

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

17. Minority Interests

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

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

18. Stockholders' Equity

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

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

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

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

19. Fees and Commissions

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

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

Fees and commissions (expenses):

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

20. Trading Income

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

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

Trading losses:

Losses on securities related to trading transactions	¥ 17	\$ 0
--	------	------

21. Other Operating Income

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

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

22. Other Income

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

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

23. Other Operating Expenses

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

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

24. Other Expenses

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

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

25. Income Taxes

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

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

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

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

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

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

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

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

26. Employee Retirement Benefits

- (1) Outline of employee retirement benefits

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

- (2) Projected benefit obligation

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

- (3) Pension expenses

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

- (4) Assumptions

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

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

27. Lease Transactions

(1) Financing leases

A summary of assumed amounts of acquisition cost, accumulated depreciation and net book value for financing leases without transfer of ownership at March 31, 2002 was as follows:

(a) Lessee side

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

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

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

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

Total lease expenses for the year ended March 31, 2002 were ¥4,210 million (\$32 million). Assumed depreciation charges for the year ended March 31, 2002 amounted to ¥3,848 million (\$29 million). Assumed depreciation charges is calculated using the straight-line method over the lease term of the respective assets. The difference between the minimum lease payments and the acquisition costs of the lease assets represents interest expenses. The allocation of such interest expenses over the lease term is computed using the effective interest method. Interest expenses for the year ended March 31, 2002 amounted to ¥325 million (\$2 million).

(b) Lessor side

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

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

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

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

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

(2) Operating leases

(a) Lessee side

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

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

(b) Lessor side

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

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

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

28. Loan Commitments

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

29. Market Value of Marketable Securities

(1) Securities

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

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

(i) Securities classified as trading

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

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

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

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

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

(iii) Other securities with market value

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

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

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

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

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

Year ended March 31, 2002	Millions of yen			Millions of U.S. dollars		
	Sales amount	Gains on sales	Losses on sales	Sales amount	Gains on sales	Losses on sales
Other securities	¥32,067,887	¥321,317	¥95,118	\$240,660	\$2,411	\$714

(vi) Securities with no available market value

March 31, 2002	Millions of yen	Millions of U.S. dollars
	Consolidated balance sheet amount	Consolidated balance sheet amount
Bonds classified as held-to-maturity		
Nonlisted foreign securities.....	¥ 13,080	\$ 98
Other	18,246	137
Other securities		
Nonlisted foreign securities.....	¥349,227	\$2,621
Nonlisted bonds.....	561,512	4,214
Nonlisted stocks (excluding OTC stocks).....	179,961	1,351
Other.....	109,478	822

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

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

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

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

(2) Money held in trust

(i) Money held in trust classified as trading

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

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

(iii) Other money held in trust

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

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

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

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

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

30. Derivative Transactions

(1) Interest rate derivatives

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

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

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

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

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

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

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

(2) Currency derivatives

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

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

- Notes: 1. The above transactions are valued at market value and the valued gains (losses) are accounted for in the consolidated statement of operations. Derivative transactions to which the hedge accounting method is applied and the transaction referred to in Note 3 below, are not included in the amounts above. Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards and such transactions are not included in the figures above, of which their net unrealized gains amount to ¥715 million (\$5 million).
2. Market value is calculated mainly using discounted present value.
3. Forward foreign exchange and currency options which are of the following types are not included in the figures above:
- Those that are revaluated at fiscal year-end and the revaluated gains (losses) are accounted for in the consolidated statement of operations.
 - Those that are allotted to financial assets/liabilities denominated in foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
 - Those that are allotted to financial assets/liabilities denominated in foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.

The contract amount of currency derivatives which are revaluated at the consolidated balance sheet date are as follows:

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

(3) Equity derivatives

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

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

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

(4) Bond derivatives

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

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

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

(5) Commodity derivatives

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

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

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

(6) Credit derivative transactions

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

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

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

31. Segment Information

(1) Business segment information

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

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

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

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

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

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

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

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

(2) Geographic segment information

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

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

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

(3) Operating income from overseas operations

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

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

32. Subsequent Event

Appropriations of retained earnings

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

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

33. Parent Company

(1) Nonconsolidated Balance Sheet

Sumitomo Mitsui Banking Corporation

March 31, 2002

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

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

(2) Nonconsolidated Statement of Operations
Sumitomo Mitsui Banking Corporation

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

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

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

Report of Independent Public Accountants

To The Board of Directors of
Sumitomo Mitsui Banking Corporation

We have audited the accompanying consolidated balance sheet of Sumitomo Mitsui Banking Corporation and subsidiaries as of March 31, 2002, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended, expressed in Japanese yen. Our audit was made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Sumitomo Mitsui Banking Corporation and subsidiaries as of March 31, 2002, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan (Note 1) applied on a basis consistent with that of the preceding year, except as noted in the following paragraph.

As explained in Note 2, effective April 1, 2001, Sumitomo Mitsui Banking Corporation and subsidiaries prospectively adopted the Japanese accounting standard for financial instruments on Other securities.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.



Tokyo, Japan
June 27, 2002

Supplemental Information

Combined Consolidated Balance Sheet (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

March 31, 2001

Millions of yen

Assets	
Cash and due from banks.....	¥ 3,764,400
Deposits with banks.....	3,755,464
Call loans and bills bought	507,614
Receivables under resale agreements	2,905,306
Commercial paper and other debt purchased	259,016
Trading assets	2,490,982
Money held in trust	75,120
Securities	27,312,498
Loans and bills discounted	65,537,091
Foreign exchanges	738,761
Other assets	5,657,250
Premises and equipment	1,566,892
Lease assets.....	827,134
Deferred tax assets.....	1,156,514
Goodwill	6,224
Customers' liabilities for acceptances and guarantees.....	3,951,237
Reserve for possible loan losses	(1,268,853)
Total assets	¥119,242,661
Liabilities, minority interests and stockholders' equity	
Liabilities	
Deposits.....	¥ 74,696,023
Call money and bills sold.....	9,941,070
Payables under repurchase agreements.....	5,262,187
Commercial paper	1,736,153
Trading liabilities	1,270,014
Borrowed money.....	3,460,782
Foreign exchanges	250,907
Bonds.....	3,195,061
Convertible bonds.....	101,106
Pledged money for securities lending transactions	4,607,098
Other liabilities	5,413,152
Reserve for employee retirement benefits.....	39,688
Reserve for possible losses on loans sold.....	145,266
Other reserves	651
Deferred tax liabilities	24,640
Deferred tax liabilities for land revaluation	144,055
Acceptances and guarantees	3,951,237
Total liabilities	¥114,239,104
Minority interests	¥ 990,595
Stockholders' equity	
Capital stock	¥ 1,795,554
Capital surplus	1,542,601
Land revaluation excess	230,669
Retained earnings.....	515,984
Foreign currency translation adjustments.....	(53,110)
Treasury stock	(46)
Parent bank stock held by subsidiaries	(18,692)
Total stockholders' equity	¥ 4,012,960
Total liabilities, minority interests and stockholders' equity	¥119,242,661

Notes: 1. Amounts less than one million yen have been omitted.

2. Amounts are prepared for the former Sakura Bank and the former Sumitomo Bank on a combined basis.

Combined Consolidated Statement of Income (Unaudited)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Year ended March 31, 2001

Millions of yen

Income	
Interest income:	
Interest on loans and discounts	¥1,659,745
Interest and dividends on securities	328,449
Interest on receivables under resale agreements	10,861
Other interest income	436,827
Fees and commissions	412,097
Trading profits	111,183
Other operating income	649,681
Other income	892,350
Total income	¥4,501,200
Expenses	
Interest expenses:	
Interest on deposits	¥ 643,840
Interest on borrowings and rediscounts	178,210
Interest on payables under repurchase agreements	22,224
Other interest expenses	268,071
Fees and commissions	95,781
Trading losses	2,146
Other operating expenses	560,664
General and administrative expenses	940,889
Transfer to reserve for possible loan losses	48,973
Other expenses	1,334,874
Transfer to other reserves	2
Total expenses	¥4,095,685
Income before income taxes and minority interests	¥ 405,514
Income taxes:	
Current	¥ 65,530
Deferred	198,227
	¥ 263,757
Minority interests in net income	¥ 9,346
Net income	¥ 132,408

Notes: 1. Amounts less than one million yen have been omitted.

2. Amounts are prepared for the former Sakura Bank and the former Sumitomo Bank on a combined basis.

Summary of Significant Differences between Japanese GAAP and U.S. GAAP

The consolidated financial statements of the Bank and its subsidiaries presented in this annual report conform with generally accepted accounting principles in Japan (“Japanese GAAP”). Such principles vary from the accounting principles generally accepted in the United States (“U.S. GAAP”). Significant differences between Japanese GAAP and U.S. GAAP are summarized as follows:

Japanese GAAP

Consolidated Subsidiaries

The consolidated financial statements include all enterprises that are controlled by the parent, irrespective of the percentage of the voting shares owned.

Control is defined as the power to govern the decision making body of an enterprise.

Equity Method of Accounting

Affiliates are enterprises over which the Bank has material influences over their financial and operating policies.

Investments in nonconsolidated subsidiaries or affiliates are accounted for by the equity method in the consolidated financial statements.

Business Combinations

Currently, there are no established accounting principles for business combinations.

Accounting treatment that is similar to the pooling-of-interest method is normally used for business combinations in accordance with the Commercial Code of Japan. Under the accounting treatment, the balance sheet items of the acquired company are combined with those of the acquiring company at their carrying amount or fair value, and the effect of such pooling shall not be reflected in prior years’ financial statements.

Securities

Prior to April 1, 2001, debt securities that the Bank has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost. Trading securities are carried at market value with gains or losses included in the current period income. Securities of subsidiaries and affiliates are carried at cost in the nonconsolidated financial statements. Other securities (available-for-sale securities) can be carried at cost.

Effective April 1, 2001, other securities (available-for-sale securities) are carried at fair value with unrealized gains or losses recorded directly to equity, net of taxes.

Accounting for Derivatives and Hedging Activities

Prior to April 1, 2000, derivative instruments for trading purposes were accounted for at fair values, while other derivative instruments were accounted for on an accrual basis.

Effective April 1, 2000, derivative instruments are carried at fair value with changes included in the current period income unless certain hedge accounting criteria are met. In general, if derivative instruments are used as hedges and meet certain hedging criteria, a company defers recognition of gains or losses resulting from changes in fair value of

U.S. GAAP

Consolidated Subsidiaries

Statement of Financial Accounting Standards (“SFAS”)

No. 94 requires, with a few exceptions, a parent company to consolidate all of its majority-owned subsidiaries with more than 50% of outstanding voting shares.

Equity Method of Accounting

Investments representing ownership of 20% to 50% of the outstanding voting shares are accounted for by the equity method.

Business Combinations

Effective July 1, 2001, SFAS No. 141, Accounting for Business Combinations, prescribes the purchase method for all business combinations. The purchase method requires the valuation of the acquired assets and liabilities based on fair market values at the time of combination. The difference between the fair market values of the net assets and the consideration paid represents goodwill.

Previously, there were two mutually exclusive methods of accounting for business combinations – purchase method and pooling-of-interests method.

Securities

Investments in marketable equity and all debt securities are classified at acquisition, according to management’s intent, into one of the following categories: trading, available-for-sale or held-to-maturity. Trading securities are marked to fair value, with the resulting unrealized gain or loss recognized to income. Available-for-sale securities should be marked to fair value, with the resulting unrealized gain or loss recorded to other comprehensive income. Held-to-maturity securities are carried at amortized cost.

Accounting for Derivatives and Hedging Activities

Effective for all fiscal years beginning after June 15, 2000, SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, requires the recognition of all derivatives as assets or liabilities in the balance sheet measured at fair value. Changes in the fair values of derivatives are included in earnings unless the derivative qualifies for hedge accounting criteria. The changes in the fair value of derivatives qualifying for hedge accounting criteria depend on the intended use.

derivative instruments as either an asset or liability until the related losses or gains on the hedged items are recognized.

Also effective April 1, 2000, a bank is permitted to adopt "Macro Hedge Accounting" as a hedge accounting method, under which the bank manages the total interest rate risk arising from various financial assets and liabilities as a whole by using financial derivative transactions.

Accounting for Sales of Loans with Recourse

Certain loan participations which meet specified criteria are allowed to be accounted for as sales, even though the loans are not legally isolated from the transferor.

Restructured Loans

Discounted present value is not usually used to measure impairment of a loan. Reserve for restructured loans is computed based on historical loss experience.

Accrued Interest on Non-Performing Loans

The Bank places into the non-accrual status the loans which management assessed as "Bankrupt," "Effectively Bankrupt" or "Potentially Bankrupt." Accrued interest related to such loans is written-off.

Impairment of Long-Lived Assets

Currently, there is no requirement for considering the impairment of long-lived assets.

Goodwill

Goodwill that is the excess of investment cost over the parent's share of the underlying equity in net assets of the subsidiary at the date of acquisition and that is created in consolidation procedures shall be amortized within 20 years.

For derivatives designated as hedging the exposure to changes in the fair value of an asset or liability or a firm commitment, the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item.

For derivatives designated as hedging the exposure to variable cash flows of a forecasted transaction, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income.

For derivatives designated as hedging the foreign currency exposure of a net investment in a foreign operation, the gain or loss is reported in other comprehensive income as part of the cumulative translation adjustment.

Such "Macro Hedge Accounting" under Japanese GAAP is not permissible.

Accounting for Sales of Loans with Recourse

Under U.S. GAAP, pursuant to SFAS No. 140, financial assets are recorded as sold and removed from the balance sheet only when legal title has passed and the purchaser obtains the asset free of conditions that constrain it from taking advantage of the right to pledge or sell the asset. Sales that are not free of such constraints are recorded as a financing. A transfer of assets qualifying as a sale under U.S. GAAP but in connection with which the seller has retained recourse would result in recording liability for the estimated recourse.

Restructured Loans

SFAS No. 114 requires that impaired loans, including troubled debt restructurings, be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as is practically expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral-dependent.

Accrued Interest on Non-Performing Loans

Loans are generally placed on non-accrual status when they become 90 days past due or when they are deemed uncollectible based on management's assessment. Accrued interest related to such loans is reversed against interest income.

Impairment of Long-Lived Assets

SFAS No. 144 requires to recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and to measure an impairment loss as the difference between the carrying amount and fair value of the long-lived assets. The impairment loss shall be included in the current period income.

Goodwill

Prior to the effective date of SFAS No. 142, goodwill was amortized over its estimated economic life, not to exceed 40 years.

Under SFAS No. 142 effective from the fiscal year beginning after December 15, 2001, goodwill shall not be

Earned Surplus Reserve

Under the Banking Law of Japan, an amount equivalent to at least 20% of cash disbursements paid was appropriated and was set aside as earned surplus reserve in the retained earnings up to the amount of common stock.

Effective October 1, 2001, such earned surplus reserve is recorded until the total of both earned surplus reserve and capital surplus equals to the amount of common stock. The excess of the total amount over the amount of common stock may be transferred to retained earnings by resolution of stockholders.

Land Revaluation Excess

Land which had been recorded at acquired cost was allowed to be revalued at fair value at one time during a fiscal year beginning after March 31, 1998. The resulting gains were recorded in land revaluation excess as a separate component in the stockholders' equity, net of tax.

The land shall not be revalued after the initial revaluation even in case that the fair value declined.

Guarantees

Guarantees, including standby letters of credit and the related reimbursement obligations of customers, are presented on the balance sheet with assets of equal amounts.

Loan Fees

Loan origination fees are recognized when income is received.

Directors' Bonuses

Directors' bonuses are charged directly to retained earnings by resolution of stockholders.

Leases

Unless transfer of ownership occurs, financing leases may be accounted for as operating leases accompanied with sufficient footnote disclosure.

Other Comprehensive Income

There are no specific accounting principles for reporting comprehensive income.

amortized but rather shall be tested at least annually for impairment.

Earned Surplus Reserve

Such earned surplus reserve is not provided for under U.S. GAAP.

Land Revaluation Excess

Such land revaluation excess is not permissible.

Guarantees

Such guarantees and reimbursement obligations are disclosed in the footnotes and not presented on the balance sheet.

Loan Fees

Loan origination fees are deferred and recognized over the life of the loan as an adjustment of yield based on the effective interest method.

Directors' Bonuses

Directors' compensation is generally expensed on an accrual basis.

Leases

Leases are classified as either capital or operating, based on specified criteria. A lease which transfers substantially all of the benefits and risks of ownership to the lessee is reported as a capital lease. Other leases are accounted for as operating leases.

Other Comprehensive Income

U.S. GAAP requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income includes all changes in stockholders' equity during an accounting period except those resulting from investments by or distributions to owners, including certain items not included in the current results of operations.

Income Analysis (Consolidated)

Figures for the year ended March 31, 2001, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Operating Income, Classified by Domestic and Overseas Operations

Year ended March 31	Millions of yen							
	2002				2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income	¥1,819,009	¥589,709	¥(232,032)	¥2,176,685	¥1,812,813	¥805,881	¥(182,811)	¥2,435,884
Interest expenses	360,290	409,743	(43,361)	726,673	529,224	703,823	(121,394)	1,111,653
Net interest income	1,458,719	179,965	(188,671)	1,450,012	1,283,588	102,058	(61,415)	1,324,231
Fees and commissions (income)	¥ 354,832	¥ 32,591	¥ (143)	¥ 387,280	¥ 374,973	¥ 37,208	¥ (84)	¥ 412,097
Fees and commissions (expenses)	63,414	4,523	(189)	67,747	86,982	8,929	(130)	95,781
Net fees and commissions	291,418	28,067	46	319,532	287,990	28,279	45	316,315
Trading profits	¥ 85,097	¥ 55,418	¥ (11,066)	¥ 129,450	¥ 66,464	¥ 49,464	¥ (4,744)	¥ 111,183
Trading losses	17	11,066	(11,066)	17	4,745	2,146	(4,744)	2,146
Net trading income	85,080	44,352	—	129,432	61,718	47,317	—	109,036
Other operating income	¥ 816,461	¥ 29,940	¥ (818)	¥ 845,583	¥ 627,753	¥ 22,087	¥ (158)	¥ 649,681
Other operating expenses	649,877	16,787	(13)	666,651	522,862	37,884	(81)	560,664
Net other operating income	166,583	13,153	(804)	178,932	104,889	(15,798)	(76)	89,016

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

2. Income and expenses for money held in trust are included in "other operating income" and "other operating expenses." Fund-raising expenses are net of expenses (2002, ¥228 million; 2001, ¥695 million) related to the management of money held in trust.

3. Intracompany transactions are transactions between domestic and international operations. These appear in "Elimination" column.

Figures for 2001 (interest income and interest expense resulting from lending and borrowing between domestic and international operations are amounts before eliminations) for the former Sakura Bank included in the total combined figures for the former Sakura Bank and the former Sumitomo Bank are inclusive of eliminations. Elimination amounts are for total combined figures. Fees and commissions income and expenses, trading profits and losses, and other operating income and expenses are amounts net of eliminations between domestic and international operations.

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

Domestic Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥84,574,993	¥1,819,009	2.15%	¥83,391,233	¥1,812,813	2.17%
Loans and bills discounted	57,973,398	1,161,518	2.00	60,184,475	1,301,637	2.16
Securities	22,156,662	433,302	1.96	19,218,107	324,707	1.69
Call loans and bills bought	336,582	2,589	0.77	569,697	6,890	1.21
Receivables under resale agreements	1,197,172	880	0.07	278,995	1,137	0.41
Deposits with banks	1,934,334	75,625	3.91	2,277,637	133,684	5.87
Interest-bearing liabilities	¥82,843,054	¥ 360,290	0.43%	¥80,360,198	¥ 529,224	0.66%
Deposits	54,312,471	125,876	0.23	53,292,606	248,589	0.47
Negotiable certificates of deposit	9,995,709	6,273	0.06	8,827,824	25,835	0.29
Call money and bills sold	9,308,952	4,320	0.05	7,156,390	20,986	0.29
Payables under repurchase agreements	2,100,808	870	0.04	2,579,529	7,512	0.29
Commercial paper	953,296	1,168	0.12	854,474	4,730	0.55
Borrowed money	3,867,103	96,919	2.51	5,655,172	139,831	2.47
Bonds	2,035,170	33,250	1.63	887,721	16,844	1.90

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

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

3. Interest-earning assets are shown after deduction of the average balances of noninterest earning deposits (2002, ¥760,008 million; 2001, ¥652,763 million).

4. Income and expenses resulting from money held in trust are included in "other income" and "other expenses." Therefore, interest-earning assets are shown after deduction of the average balances of money held in trust (2002, ¥69,400 million; 2001, ¥136,160 million), and interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of interest expenses on money held in trust (2002, ¥69,400 million; 2001, ¥136,160 million) and interest (2002, ¥223 million; 2001, ¥688 million).

Overseas Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥13,051,522	¥589,709	4.52%	¥14,004,309	¥805,881	5.75%
Loans and bills discounted.....	7,784,038	302,448	3.89	9,119,275	456,806	5.01
Securities	1,807,077	74,060	4.10	1,020,045	65,388	6.41
Call loans and bills bought	91,331	2,599	2.85	121,609	5,821	4.79
Receivables under resale agreements	290,477	7,518	2.59	249,572	9,723	3.90
Deposits with banks	2,579,922	111,428	4.32	3,044,190	190,438	6.26
Interest-bearing liabilities	¥10,748,871	¥409,743	3.81%	¥13,116,824	¥703,823	5.37%
Deposits	7,459,876	205,954	2.76	8,664,202	364,720	4.21
Negotiable certificates of deposit	242,460	9,133	3.77	202,877	10,192	5.02
Call money and bills sold	236,637	6,058	2.56	210,344	8,382	3.98
Payables under repurchase agreements ...	1,008,476	28,367	2.81	349,206	14,712	4.21
Commercial paper.....	9,365	422	4.51	18,831	1,179	6.26
Borrowed money	247,734	10,117	4.08	1,552,967	72,039	4.64
Bonds	1,474,464	53,710	3.64	1,265,359	43,501	3.44

- Notes: 1. Overseas operations comprise the operations of the Bank's overseas branches and its overseas consolidated subsidiaries.
2. As a rule, average balances are computed by using daily balances. However, some overseas consolidated subsidiaries use weekly, monthly, or semiannual balances instead.
3. Interest-earning assets are shown after deduction of the average balances of noninterest earning deposits (2002, ¥7,736 million; 2001, ¥24,925 million).
4. Income and expenses resulting from money held in trust are included in "other income" and "other expenses." Therefore, interest-earning assets are shown after deduction of the average balances of money held in trust (2002, ¥149 million; 2001, ¥139 million), and interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of interest expenses on money held in trust (2002, ¥149 million; 2001, ¥139 million) and interest (2002, ¥5 million; 2001, ¥7 million).

Total of Domestic and Overseas Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥96,453,607	¥2,176,685	2.26%	¥93,608,730	¥2,435,884	2.60%
Loans and bills discounted.....	64,597,200	1,420,950	2.20	65,933,881	1,647,263	2.50
Securities	23,960,480	318,508	1.33	20,107,211	328,449	1.63
Call loans and bills bought	427,913	5,189	1.21	673,105	12,480	1.85
Receivables under resale agreements	1,487,650	8,399	0.56	528,568	10,861	2.05
Deposits with banks	4,505,131	186,892	4.15	5,054,838	318,624	6.30
Interest-bearing liabilities	¥92,418,184	¥ 726,673	0.79%	¥89,961,701	¥1,111,653	1.24%
Deposits	61,762,389	331,670	0.54	61,741,491	607,985	0.98
Negotiable certificates of deposit	10,238,168	15,406	0.15	8,995,072	35,855	0.40
Call money and bills sold	9,545,589	10,378	0.11	7,348,243	29,138	0.40
Payables under repurchase agreements ...	3,109,284	29,238	0.94	2,928,735	22,224	0.76
Commercial paper.....	962,661	1,590	0.17	873,306	5,908	0.68
Borrowed money	2,954,602	64,020	2.17	3,970,746	100,690	2.54
Bonds	3,506,374	86,779	2.47	2,150,889	60,182	2.80

- Notes: 1. The above figures comprise totals for domestic and overseas operations after intersegment eliminations.
2. As a rule, average balances are computed by using daily balances. However, some consolidated subsidiaries use weekly, monthly, or semiannual balances instead.
3. Interest-earning assets are shown after deduction of the average balances of noninterest earning deposits (2002, ¥766,910 million; 2001, ¥676,935 million).
4. Income and expenses resulting from money held in trust are included in "other income" and "other expenses." Therefore, interest-earning assets are shown after deduction of the average balances of money held in trust (2002, ¥69,549 million; 2001, ¥136,299 million), and interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of interest expenses on money held in trust (2002, ¥69,549 million; 2001, ¥136,299 million) and interest (2002, ¥228 million; 2001, ¥695 million).

Fees and Commissions

Year ended March 31	Millions of yen							
	2002				2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions (income).....	¥354,832	¥32,591	¥(143)	¥387,280	¥374,973	¥37,208	¥ (84)	¥412,097
Deposits and loans	12,868	17,478	—	30,346	19,449	20,163	—	39,613
Remittances and transfers.....	98,857	5,970	(0)	104,827	97,888	6,120	(0)	104,009
Securities-related business.....	24,269	30	—	24,299	31,395	86	—	31,482
Agency.....	16,069	31	—	16,100	11,470	973	—	12,445
Safe deposits.....	6,073	6	—	6,080	5,731	5	—	5,738
Guarantees.....	24,176	2,133	(142)	26,167	24,534	1,675	(84)	26,126
Credit card.....	84,849	—	—	84,849	66,110	—	—	66,110
Fees and commissions (expenses).....	¥ 63,414	¥ 4,523	¥(189)	¥ 67,747	¥ 86,982	¥ 8,929	¥(130)	¥ 95,781
Remittances and transfers.....	19,359	1,693	(0)	21,052	20,923	2,355	(0)	23,280

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

2. Intracompany transactions, that is, transactions between domestic and international operations are reported in elimination column. Figures for 2001 for the former Sakura Bank included in the total combined figures for the former Sakura Bank and the former Sumitomo Bank are the amounts net of eliminations for transactions between domestic and international operations.

Trading Income

Year ended March 31	Millions of yen							
	2002				2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading profits.....	¥85,097	¥55,418	¥(11,066)	¥129,450	¥66,464	¥49,464	¥(4,744)	¥111,183
Gains on trading securities	1,272	5,382	—	6,654	7,994	9,708	—	17,703
Gains on securities related to trading transactions...	—	—	—	—	600	2,033	—	2,634
Gains on trading-related financial derivatives.....	82,782	50,036	(11,066)	121,752	53,496	37,672	(4,744)	86,424
Others.....	1,043	—	—	1,043	4,370	48	—	4,419
Trading losses.....	¥ 17	¥11,066	¥(11,066)	¥ 17	¥ 4,745	¥ 2,146	¥(4,744)	¥ 2,146
Losses on trading securities	—	—	—	—	0	190	—	190
Losses on securities related to trading transactions...	17	—	—	17	—	—	—	—
Losses on trading-related financial derivatives....	—	11,066	(11,066)	—	4,744	1,166	(4,744)	1,166
Others.....	—	—	—	—	—	789	—	789

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

2. Intracompany transactions, that is, transactions between domestic and international operations are reported in elimination column. Figures for 2001 for the former Sakura Bank included in the total combined figures for the former Sakura Bank and the former Sumitomo Bank are the amounts net of eliminations for transactions between domestic and international operations.

Assets/Liabilities (Consolidated)

Figures as of March 31, 2001 and 2000, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Liquid deposits.....	¥32,824,002	¥24,230,767	¥23,165,366
Fixed-term deposits.....	22,837,970	25,687,067	25,247,331
Others.....	4,099,619	3,860,298	3,528,595
Subtotal.....	¥59,761,592	¥53,778,134	¥51,941,294
Negotiable certificates of deposit.....	¥ 6,283,136	¥11,475,495	¥10,244,222
Total.....	¥66,044,728	¥65,253,629	¥62,185,516
Overseas operations:			
Liquid deposits.....	¥ 4,579,035	¥ 8,670,224	¥ 6,073,367
Fixed-term deposits.....	634,673	575,859	557,186
Others.....	10,674	24,830	16,198
Subtotal.....	¥ 5,224,383	¥ 9,270,916	¥ 6,646,753
Negotiable certificates of deposit.....	¥ 378,960	¥ 171,476	¥ 137,670
Total.....	¥ 5,603,344	¥ 9,442,392	¥ 6,784,424
Grand total.....	¥71,648,073	¥74,696,023	¥68,969,940

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

2. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

3. Fixed-term deposits = Time deposits + Installment savings

Balance of Loan Portfolio, Classified by Industry

Year-End Balance

March 31	2002		2001		2000	
	Millions of yen	Percent	Millions of yen	Percent	Millions of yen	Percent
Domestic operations:						
Manufacturing.....	¥ 7,847,614	13.58%	¥ 7,842,034	13.27%	¥ 7,600,339	12.93%
Agriculture, forestry, fisheries and mining...	204,176	0.36	211,637	0.36	282,521	0.48
Construction.....	3,148,042	5.45	3,279,569	5.55	3,354,636	5.71
Transportation, communications, and other public enterprises.....	2,948,100	5.10	3,084,005	5.22	2,892,707	4.92
Wholesale and retail.....	7,672,699	13.28	8,198,397	13.87	8,128,809	13.82
Finance and insurance.....	4,257,910	7.37	4,240,797	7.17	4,227,814	7.19
Real estate.....	9,401,219	16.27	9,841,488	16.65	9,166,841	15.59
Services.....	6,985,944	12.09	7,427,651	12.56	8,098,068	13.77
Municipalities.....	404,860	0.70	356,354	0.60	436,728	0.74
Others.....	14,904,395	25.80	14,629,235	24.75	14,610,658	24.85
Subtotal.....	¥57,774,965	100.00%	¥59,111,176	100.00%	¥58,799,132	100.00%
Overseas operations:						
Public sector.....	¥ 183,344	3.12%	¥ 267,485	4.16%	¥ 211,045	3.26%
Financial institutions.....	355,561	6.06	305,435	4.75	358,022	5.53
Commerce and industry.....	5,119,312	87.20	5,739,023	89.31	5,786,763	89.37
Others.....	212,401	3.62	113,967	1.78	119,125	1.84
Subtotal.....	¥ 5,870,621	100.00%	¥ 6,425,914	100.00%	¥ 6,474,958	100.00%
Total.....	¥63,645,586		¥65,537,091		¥65,274,091	

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

2. Japan offshore banking accounts are included in overseas offices' accounts.

3. Percentages indicate the composition ratio.

Risk-Monitored Loans

March 31	Millions of yen		
	2002	2001	2000
Bankrupt loans.....	¥ 227,484	¥ 273,127	¥ 263,609
Non-accrual loans.....	3,599,750	2,577,517	2,936,540
Past due loans (3 months or more).....	102,762	125,779	118,985
Restructured loans.....	2,554,371	279,994	545,621
Total.....	¥6,484,367	¥3,256,418	¥3,864,758

Notes: Definition of risk-monitored loans

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

Securities

Year-End Balance

March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Japanese government bonds.....	¥10,038,543	¥15,519,430	¥ 5,359,502
Japanese local government bonds.....	500,052	342,889	496,596
Japanese corporate bonds.....	1,430,388	1,255,179	1,161,884
Japanese stocks.....	5,216,483	6,941,634	6,908,333
Others.....	2,043,610	1,961,317	1,124,513
Securities lent.....	—	—	17,974
Subtotal.....	¥19,229,077	¥26,020,452	¥15,068,807
Overseas operations:			
Japanese government bonds.....	¥ 75,329	¥ 75,014	¥ —
Japanese local government bonds.....	—	—	—
Japanese corporate bonds.....	—	—	442
Japanese stocks.....	—	—	4,034
Others.....	1,390,225	1,217,030	824,314
Securities lent.....	—	—	—
Subtotal.....	¥ 1,465,554	¥ 1,292,045	¥ 828,791
Total.....	¥20,694,632	¥27,312,498	¥15,897,599

- Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of the Bank's overseas branches and overseas consolidated subsidiaries.
2. Other securities include foreign bonds and foreign stocks.
3. Securities lent as of March 31, 2002 and 2001, are included in each type of securities by the classification above.

Trading Assets and Liabilities

March 31	Millions of yen							
	2002				2001			
	Domestic operations	Overseas operations	Elimination	Total	Domestic operations	Overseas operations	Elimination	Total
Trading assets:	¥2,701,948	¥590,902	¥(14,745)	¥3,278,105	¥2,334,093	¥165,249	¥(8,361)	¥2,490,982
Trading securities.....	20,526	102,282	—	122,808	166,613	122,175	—	288,789
Derivatives of trading securities.....	91	—	—	91	19	—	—	19
Securities related to trading transactions ...	—	—	—	—	—	5,403	—	5,403
Derivatives of securities related to trading transactions.....	12	—	—	12	18	—	—	18
Trading-related financial derivatives.....	1,817,563	488,620	(14,745)	2,291,438	995,635	35,296	(8,361)	1,022,571
Other trading assets.....	863,755	—	—	863,755	1,171,806	2,372	—	1,174,179
Trading liabilities:	¥1,785,230	¥561,014	¥(14,745)	¥2,331,500	¥1,101,038	¥177,336	¥(8,361)	¥1,270,014
Trading securities sold for short sales.....	50	12,760	—	12,811	14,440	3,800	—	18,240
Derivatives of trading securities.....	79	—	—	79	0	—	—	0
Securities related to trading transactions ...	—	—	—	—	—	3,756	—	3,756
Derivatives of securities related to trading transactions.....	0	—	—	0	9	—	—	9
Trading-related financial derivatives.....	1,785,099	548,254	(14,745)	2,318,608	1,086,586	169,780	(8,361)	1,248,006
Other trading liabilities.....	—	—	—	—	—	—	—	—

- Notes: 1. Domestic operations comprise the operations of the Bank (excluding overseas branches) and its domestic consolidated subsidiaries. Overseas operations comprise the operations of the Bank's overseas branches and overseas consolidated subsidiaries.
2. Internal transactions between domestic operations and overseas operations are shown in "Elimination" column.
- Figures for 2001 for the former Sakura Bank included in the total combined figures for the former Sakura Bank and the former Sumitomo Bank are the amounts net of eliminations for transactions between domestic and international operations.

Income Analysis (Nonconsolidated)

Figures for the years ended March 31, 2001 and 2000, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥1,202,035	¥994,778	¥2,192,961	¥1,301,298	¥978,265	¥2,275,679
			[3,853]			[3,885]
Interest expenses.....	122,677	597,623	716,448	192,100	846,730	1,034,946
			[3,853]			[3,885]
Net interest income	1,079,358	397,154	1,476,512	1,109,197	131,534	1,240,731
Fees and commissions (income)	¥ 184,996	¥ 54,648	¥ 239,645	¥ 179,041	¥ 52,738	¥ 231,780
Fees and commissions (expenses)	62,721	11,651	74,373	66,045	15,041	81,087
Net fees and commissions	122,274	42,997	165,272	112,995	37,697	150,692
Trading profits	¥ 1,112	¥120,302	¥ 121,414	¥ 9,179	¥ 86,204	¥ 95,385
Trading losses.....	107	17	125	—	—	—
Net trading income	1,004	120,284	121,289	9,179	86,204	95,385
Other operating income	¥ 72,655	¥ 78,231	¥ 150,886	¥ 42,439	¥ 31,047	¥ 73,476
Other operating expenses.....	18,919	41,526	60,445	14,596	42,496	57,082
Net other operating income.....	53,735	36,705	90,440	27,841	(11,450)	16,393
Gross banking profit.....	¥1,256,373	¥597,141	¥1,853,515	¥1,259,215	¥243,987	¥1,503,203
Gross banking profit rate (%)	1.60%	3.57%	2.02%	1.71%	1.48%	1.68%

- Notes: 1. Domestic operations include yen-denominated transactions by domestic branches, while international operations include foreign-currency-denominated transactions by domestic branches and operations by overseas branches. Yen-denominated nonresident transactions and Japan offshore banking accounts are included in international operations.
2. Interest expenses are shown after deduction of an amount equivalent to interest expenses on money held in trust (2002, ¥228 million; 2001, ¥695 million).
3. Figures in brackets [] indicate interest payments between domestic and international operations. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
4. Gross banking profit rate = Gross banking profit/Average balance of interest-earning assets x 100

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

Domestic Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥78,080,748	¥1,202,035	1.53%	¥73,581,868	¥1,301,298	1.76%
					[2,326]	
Loans and bills discounted.....	53,576,051	983,235	1.83	55,306,043	1,103,789	1.99
Securities	19,687,304	178,027	0.90	17,488,774	185,681	1.06
Call loans	148,181	135	0.09	25,551	92	0.36
Receivables under resale agreements	1,172,550	873	0.07	277,192	1,130	0.40
Bills bought	84,967	27	0.03	282,060	878	0.31
Deposits with banks	20,383	26	0.13	11,722	30	0.26
Interest-bearing liabilities	¥72,477,777	¥ 122,677	0.16%	¥70,146,084	¥ 192,100	0.27%
	[3,387,145]	[3,853]		[591,090]	[1,559]	
Deposits	47,259,727	44,206	0.09	47,095,702	80,147	0.17
Negotiable certificates of deposit	9,972,010	6,218	0.06	8,813,953	25,801	0.29
Call money	3,691,136	1,283	0.03	6,093,793	12,667	0.20
Payables under repurchase agreements ...	2,110,550	873	0.04	2,579,529	5,368	0.20
Bills sold	5,571,248	1,253	0.02	952,300	2,041	0.21
Commercial paper.....	807,392	970	0.12	794,830	4,543	0.57
Borrowed money	1,191,746	32,969	2.76	1,695,179	39,957	2.35
Bonds	1,858,675	31,237	1.68	1,147,858	20,883	1.81

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (2002, ¥711,320 million; 2001, ¥639,633 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (2002, ¥66,057 million; 2001, ¥130,046 million) and corresponding interest (2002, ¥111 million; 2001, ¥369 million).
2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. Bond interest includes amortization of discount on bonds.

International Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥16,683,507	¥994,778	5.96%	¥16,433,417	¥978,265	5.95%
	[3,387,145]	[3,853]		[591,090]	[1,559]	
Loans and bills discounted.....	7,059,547	273,612	3.87	7,517,989	397,355	5.28
Securities	3,738,953	326,705	8.73	2,146,468	162,494	7.57
Call loans	134,124	4,296	3.20	167,690	10,135	6.04
Receivables under resale agreements	69,514	908	1.30	38,209	484	1.26
Bills bought	—	—	—	—	—	—
Deposits with banks	4,458,268	185,058	4.15	4,977,935	313,787	6.30
Interest-bearing liabilities	¥17,842,154	¥597,623	3.34%	¥15,454,388	¥846,730	5.47%
					[2,326]	
Deposits	10,450,595	279,042	2.67	11,952,437	521,390	4.36
Negotiable certificates of deposit	214,841	8,211	3.82	176,862	10,142	5.73
Call money	287,094	7,523	2.62	291,515	14,060	4.82
Payables under repurchase agreements ...	684,262	16,506	2.41	42,859	2,144	5.00
Bills sold	—	—	—	2,276	53	2.34
Commercial paper	—	—	—	—	—	—
Borrowed money	2,473,270	103,931	4.20	2,649,024	136,294	5.14
Bonds	—	—	—	—	—	—

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (2002, ¥31,353 million; 2001, ¥27,870 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (2002, ¥3,490 million; 2001, ¥6,248 million) and corresponding interest (2002, ¥116 million; 2001, ¥325 million).
2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method, under which the TT middle rate at the end of the previous month is applied to nonexchange transactions of the month concerned.

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥91,377,110	¥2,192,961	2.39%	¥89,424,194	¥2,275,679	2.54%
Loans and bills discounted.....	60,635,599	1,256,848	2.07	62,824,034	1,501,144	2.38
Securities	23,426,257	504,732	2.15	19,635,244	348,176	1.77
Call loans	282,306	4,432	1.56	193,242	10,229	5.29
Receivables under resale agreements	1,242,064	1,781	0.14	315,402	1,614	0.51
Bills bought	84,967	27	0.03	282,060	878	0.31
Deposits with banks	4,478,651	185,085	4.13	4,989,658	313,817	6.28
Interest-bearing liabilities	¥86,932,786	¥ 716,448	0.82%	¥85,009,383	¥1,034,946	1.21%
Deposits	57,710,322	323,249	0.56	59,048,140	601,538	1.01
Negotiable certificates of deposit	10,186,852	14,430	0.14	8,990,815	35,944	0.39
Call money	3,978,230	8,807	0.22	6,385,308	26,729	0.41
Payables under repurchase agreements ...	2,794,813	17,379	0.62	2,622,388	7,512	0.28
Bills sold	5,571,248	1,253	0.02	954,576	2,095	0.21
Commercial paper	807,392	970	0.12	764,830	4,543	0.57
Borrowed money	3,665,017	136,900	3.73	4,344,205	176,252	4.05
Bonds	1,858,675	31,237	1.68	1,147,858	20,883	1.81

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of noninterest earning deposits (2002, ¥742,674 million; 2001, ¥667,505 million). Interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (2002, ¥69,548 million; 2001, ¥136,294 million) and corresponding interest (2002, ¥228 million; 2001, ¥695 million).
2. Figures in the table above indicate the net average balances of amounts adjusted for interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.
3. Bond interest includes amortization of discount on bonds.

Breakdown of Interest Income and Interest Expenses

Domestic Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥76,258	¥(175,520)	¥ (99,262)	¥67,612	¥(171,556)	¥(288,456)
Loans and bills discounted.....	(33,749)	(86,803)	(120,552)	(31,492)	4,481	(27,011)
Securities	21,754	(29,408)	(7,654)	47,381	(22,459)	24,921
Call loans	156	(113)	43	(10)	7	(2)
Receivables under resale agreements	1,269	(1,526)	(257)	—	—	—
Bills bought	(372)	(477)	(850)	63	725	787
Deposits with banks	15	(19)	(3)	(1)	(1)	(3)
Effect of a change in accounting standard...	—	—	—	—	—	(184,511)
Interest expenses.....	¥ 6,190	¥ (75,614)	¥ (69,423)	¥25,955	¥(111,745)	¥(270,301)
Deposits	278	(36,219)	(35,941)	(4,341)	(9,131)	(13,474)
Negotiable certificates of deposit	3,008	(22,591)	(19,582)	322	12,525	12,848
Call money	(3,658)	(7,725)	(11,383)	1,227	4,603	5,831
Payable under repurchase agreements.....	(831)	(3,663)	(4,494)	—	—	—
Bills sold	2,419	(3,208)	(788)	737	1,120	1,858
Commercial paper.....	70	(3,642)	(3,572)	1,149	1,783	2,933
Borrowed money.....	(13,166)	6,179	(6,987)	1,271	(8,508)	(7,237)
Bonds.....	12,054	(1,700)	10,354	13,910	(54)	13,857
Effect of a change in accounting standard...	—	—	—	—	—	(184,511)

Notes: 1. Volume/rate variance is prorated according to changes in volume and rate.

2. Effect of a change in accounting standard is due to an application of a new accounting standard on financial instruments, effective April 1, 2000, which requires that income and expenses on derivatives for hedge be presented by net method instead of gross method.

3. Each figure for 2001 in the columns of volume-related increase (decrease) and rate-related increase (decrease) does not include effect of a change in accounting standard.

International Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 14,909	¥ 1,603	¥ 16,512	¥199,975	¥ 44,026	¥(187,875)
Loans and bills discounted.....	(23,027)	(100,713)	(123,741)	(40,910)	81,114	40,202
Securities	135,949	28,261	164,210	6,670	62,183	68,853
Call loans	(1,744)	(4,095)	(5,839)	1,102	1,533	2,635
Receivables under resale agreements	408	15	423	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	(30,138)	(98,589)	(128,727)	150,425	53,951	204,377
Effect of a change in accounting standard...	—	—	—	—	—	(431,879)
Interest expenses.....	¥116,360	¥(365,468)	¥(249,108)	¥168,316	¥ 30,809	¥(232,753)
Deposits	(59,295)	(183,051)	(242,347)	75,672	115,330	191,004
Negotiable certificates of deposit	1,893	(3,824)	(1,930)	(2,619)	972	(1,647)
Call money	(210)	(6,326)	(6,536)	3,925	653	4,580
Payable under repurchase agreements.....	16,028	(1,666)	14,361	—	—	—
Bills sold	(26)	(26)	(53)	33	(6)	26
Commercial paper.....	—	—	—	—	—	—
Borrowed money.....	(8,602)	(23,760)	(32,363)	(12,032)	23,661	11,629
Bonds.....	—	—	—	—	—	—
Effect of a change in accounting standard...	—	—	—	—	—	(431,879)

Notes: 1. Volume/rate variance is prorated according to changes in volume and rate.

2. Effect of a change in accounting standard is due to an application of a new accounting standard on financial instruments, effective April 1, 2000, which requires that income and expenses on derivatives for hedge be presented by net method instead of gross method.

3. Each figure for 2001 in the columns of volume-related increase (decrease) and rate-related increase (decrease) does not include effect of a change in accounting standard.

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2002			2001		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥48,913	¥(131,631)	¥ (82,718)	¥178,634	¥ (39,634)	¥(479,718)
Loans and bills discounted.....	(50,848)	(193,447)	(244,296)	(57,204)	70,396	13,190
Securities	74,062	82,493	156,555	80,262	13,513	93,776
Call loans	3,401	(9,198)	(5,797)	(960)	3,593	2,632
Receivables under resale agreements	2,000	(1,834)	166	—	—	—
Bills bought	(372)	(477)	(850)	63	725	787
Deposits with banks	(29,604)	(99,127)	(128,732)	149,750	54,622	204,374
Effect of a change in accounting standard ...	—	—	—	—	—	(618,718)
Interest expenses.....	¥22,921	¥(341,419)	¥(318,498)	¥111,713	¥ 565	¥(506,440)
Deposits	(13,334)	(264,954)	(278,289)	2,190	175,339	177,530
Negotiable certificates of deposit	4,254	(25,767)	(21,513)	1,203	9,997	11,200
Call money	(7,966)	(9,955)	(17,921)	3,005	7,405	10,412
Payable under repurchase agreements	524	9,342	9,867	—	—	—
Bills sold	2,462	(3,303)	(841)	829	1,055	1,884
Commercial paper.....	70	(3,642)	(3,572)	1,149	1,783	2,933
Borrowed money	(26,105)	(13,245)	(39,351)	(6,485)	10,878	4,391
Bonds.....	12,054	(1,700)	10,354	13,910	(54)	13,857
Effect of a change in accounting standard ...	—	—	—	—	—	(618,718)

- Notes: 1. Volume/rate variance is prorated according to changes in volume and rate.
2. Effect of a change in accounting standard is due to an application of a new accounting standard on financial instruments, effective April 1, 2000, which requires that income and expenses on derivatives for hedge be presented by net method instead of gross method.
3. Each figure for 2001 in the columns of volume-related increase (decrease) and rate-related increase (decrease) does not include effect of a change in accounting standard.

Fees and Commissions

Year ended March 31	Millions of yen					
	2002			2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income)	¥184,996	¥54,648	¥239,645	¥179,041	¥52,738	¥231,780
Deposits and loans	10,889	17,916	28,805	14,605	22,666	37,272
Remittances and transfers	80,077	20,432	100,509	80,204	21,434	101,639
Securities-related business.....	12,801	1,032	13,834	14,532	47	14,580
Agency	13,625	—	13,625	9,767	1,025	10,792
Safe deposits	5,779	—	5,779	5,600	0	5,600
Guarantees	3,427	4,204	7,631	2,233	4,356	6,590
Fees and commissions (expenses).....	¥ 62,721	¥11,651	¥ 74,373	¥ 66,045	¥15,041	¥ 81,087
Remittances and transfers	15,088	5,545	20,634	15,516	7,026	22,543

Trading Income

Year ended March 31	Millions of yen					
	2002			2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits	¥1,112	¥120,302	¥121,414	¥9,179	¥86,204	¥95,385
Gains on trading securities	—	—	—	5,267	0	5,267
Gains on securities related to trading transactions.....	—	—	—	—	606	606
Gains on trading-related financial derivatives.....	—	120,302	120,302	—	85,598	85,598
Others	1,112	—	1,112	3,911	—	3,911
Trading losses.....	¥ 107	¥ 17	¥ 125	¥ —	¥ —	¥ —
Losses on trading securities	107	—	107	—	—	—
Losses on securities related to trading transactions.....	—	17	17	—	—	—
Losses on trading-related financial derivatives.....	—	—	—	—	—	—
Others	—	—	—	—	—	—

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

Net Other Operating Income

Year ended March 31	Millions of yen					
	2002			2001		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income	¥53,735	¥36,705	¥90,440	¥27,841	¥(11,450)	¥16,393
Gains (losses) on bonds	55,358	11,202	66,560	8,368	427	8,794
Gains (losses) on foreign exchange transactions	—	10,439	10,439	—	(10,258)	(10,258)

General and Administrative Expenses

Year ended March 31	Millions of yen		
	2002	2001	2000
Salaries and related expenses	¥223,215	¥242,004	¥253,178
Retirement payment	—	—	39,124
Transfer to reserve for retirement allowance	—	—	7,186
Retirement benefit cost	31,555	31,142	—
Welfare expenses	34,705	34,851	62,765
Depreciation	65,577	41,988	44,435
Rent and lease expenses	82,134	90,716	101,188
Building and maintenance expenses	4,412	3,139	2,367
Supplies expenses	9,334	10,010	10,774
Water, lighting, and heating expenses	7,608	8,551	8,946
Traveling expenses	3,349	3,791	3,621
Communication expenses	7,730	12,751	11,822
Publicity and advertising expenses	5,404	6,838	6,374
Taxes, other than income taxes	34,237	35,533	37,546
Others	187,508	190,662	191,869
Total	¥696,775	¥711,987	¥781,208

Note: Because expenses reported on page 57 exclude nonrecurring losses, they are not reconciled with the figures reported in the above table.

Deposits (Nonconsolidated)

Figures as of and for the years ended March 31, 2001 and 2000, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Deposits and Negotiable Certificates of Deposit

Year-End Balance

March 31	2002		2001		2000	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Domestic operations:						
Liquid deposits	¥31,350,536	53.5%	¥23,168,824	40.0%	¥23,022,951	39.7%
Fixed-term deposits	19,982,869	34.1	22,518,100	38.9	23,626,565	40.8
Others	967,330	1.7	720,823	1.2	1,051,903	1.8
Subtotal	¥52,300,736	89.3	¥46,407,750	80.1	¥47,701,421	82.3
Negotiable certificates of deposit	¥ 6,267,860	10.7	¥11,508,790	19.9	¥10,233,960	17.7
Total	¥58,568,596	100.0%	¥57,916,540	100.0%	¥57,935,381	100.0%
International operations:						
Liquid deposits	¥ 4,720,017	52.1%	¥ 8,787,766	68.6%	¥ 6,049,476	62.8%
Fixed-term deposits	949,692	10.5	794,383	6.2	998,698	10.4
Others	3,081,367	34.0	3,051,409	23.8	2,442,326	25.3
Subtotal	¥ 8,751,076	96.6	¥12,633,562	98.6	¥ 9,490,503	98.5
Negotiable certificates of deposit	¥ 309,679	3.4	¥ 179,669	1.4	¥ 146,600	1.5
Total	¥ 9,060,756	100.0%	¥12,813,232	100.0%	¥ 9,637,103	100.0%
Grand total	¥67,629,353		¥70,729,773		¥67,572,486	

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice
 2. Fixed-term deposits = Time deposits + Installment savings
 3. Percentage indicates the composition ratio.

Average Balance

Year ended March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Liquid deposits	¥24,764,664	¥22,677,798	¥22,320,967
Fixed-term deposits	21,980,498	23,964,212	26,853,371
Others	514,564	453,687	444,216
Subtotal	¥47,259,727	¥47,095,702	¥49,618,558
Negotiable certificates of deposit	¥ 9,972,010	¥ 8,813,953	¥ 8,342,182
Total	¥57,231,738	¥55,909,656	¥57,960,740
International operations:			
Liquid deposits	¥ 6,856,855	¥ 7,962,793	¥ 5,933,668
Fixed-term deposits	796,962	983,544	1,099,893
Others	2,796,777	3,006,095	2,892,338
Subtotal	¥10,450,595	¥11,952,437	¥ 9,925,900
Negotiable certificates of deposit	¥ 214,841	¥ 176,862	¥ 223,458
Total	¥10,665,437	¥12,129,299	¥10,149,358
Grand total	¥67,897,175	¥68,038,955	¥68,110,098

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice
 2. Fixed-term deposits = Time deposits + Installment savings
 3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Deposits, Classified by Type of Depositor

March 31	2002		2001		2000	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Individual	¥30,110,733	55.1%	¥28,309,433	58.0%	¥28,196,230	56.5%
Corporate	24,503,958	44.9	20,473,769	42.0	21,686,841	43.5
Total	¥54,614,691	100.0%	¥48,783,202	100.0%	¥49,883,071	100.0%

Notes: 1. Figures are before adjustment on interoffice accounts in transit.
 2. Negotiable certificates of deposit are excluded.
 3. Accounts at overseas branches and Japan offshore banking accounts are excluded.
 4. Percentage indicates the composition ratio.

Balance of Investment Trusts, Classified by Type of Customer

March 31	Millions of yen		
	2002	2001	2000
Individual	¥1,485,311	¥1,192,223	¥ 878,348
Corporate.....	86,711	165,848	186,543
Total.....	¥1,572,022	¥1,358,072	¥1,064,891

Note: Balance of investment trusts is recognized on a contract basis and measured according to each fund's net asset balance at the fiscal year-end.

Balance of Time Deposits, Classified by Maturity

March 31	Millions of yen		
	2002	2001	2000
Less than three months	¥ 8,332,787	¥10,525,269	¥11,399,442
Fixed interest rates	7,924,906	10,142,426	10,499,387
Floating interest rates	—	381	1,179
Three–six months	¥ 3,604,678	¥ 4,077,739	¥ 3,993,622
Fixed interest rates	3,581,854	4,024,547	3,937,667
Floating interest rates	—	96	1,066
Six months–one year	¥ 5,599,317	¥ 5,559,685	¥ 5,804,682
Fixed interest rates	5,592,722	5,553,590	5,792,249
Floating interest rates	—	20	3,360
One–two years	¥ 1,701,294	¥ 1,623,113	¥ 1,510,935
Fixed interest rates	1,697,715	1,620,630	1,499,220
Floating interest rates	—	134	3,292
Two–three years	¥ 1,135,179	¥ 951,891	¥ 1,450,257
Fixed interest rates	1,127,185	943,425	1,445,875
Floating interest rates	1,500	5,117	3,252
Three years or more	¥ 559,304	¥ 574,761	¥ 466,302
Fixed interest rates	521,985	532,199	423,533
Floating interest rates	—	24	110
Total.....	¥20,932,561	¥23,312,465	¥24,625,244
Fixed interest rates	20,446,369	22,816,820	23,597,933
Floating interest rates	1,500	5,772	12,262

Note: The figures above do not include installment savings.

Loans (Nonconsolidated)

In principle, figures as of and for the years ended March 31, 2001 and 2000, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Loans on notes	¥ 6,895,403	¥ 6,888,732	¥ 5,500,146
Loans on deeds	34,298,736	34,780,031	35,200,257
Overdrafts	11,567,085	11,843,557	14,426,708
Bills discounted	857,189	1,104,745	1,000,692
Subtotal	¥53,618,414	¥54,617,068	¥56,127,806
International operations:			
Loans on notes	¥ 1,002,166	¥ 1,028,519	¥ 977,123
Loans on deeds	5,136,672	5,851,273	5,837,356
Overdrafts	170,476	249,081	348,098
Bills discounted	638	1,937	8,125
Subtotal	¥ 6,309,954	¥ 7,130,812	¥ 7,170,706
Total	¥59,928,368	¥61,747,880	¥63,298,512

Average Balance

Year ended March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Loans on notes	¥ 6,679,940	¥ 6,230,406	¥ 5,893,869
Loans on deeds	35,133,057	35,031,027	35,080,004
Overdrafts	10,972,299	13,098,494	14,904,142
Bills discounted	790,752	946,115	996,742
Subtotal	¥53,576,051	¥55,306,043	¥56,874,762
International operations:			
Loans on notes	¥ 1,058,147	¥ 1,052,174	¥ 1,159,438
Loans on deeds	5,785,859	6,159,610	6,683,198
Overdrafts	215,157	300,275	557,704
Bills discounted	383	5,930	8,091
Subtotal	¥ 7,059,547	¥ 7,517,989	¥ 8,408,433
Total	¥60,635,599	¥62,824,034	¥65,283,195

Note: The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Loans and Bills Discounted, Classified by Purpose

March 31	2002		2001		2000	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Funds for capital investment	¥23,277,789	38.8%	¥24,367,997	39.5%	¥24,716,409	39.0%
Funds for working capital	36,650,579	61.2	37,379,882	60.5	38,582,102	61.0
Total	¥59,928,368	100.0%	¥61,747,880	100.0%	¥63,298,512	100.0%

Note: Percentage indicates the composition ratio.

Breakdown of Loan Collateral

March 31	Millions of yen		
	2002	2001	2000
Securities	¥ 1,171,780	¥ 960,691	¥ 870,350
Commercial claims	1,098,954	1,293,632	1,398,270
Commercial goods	4,430	15,736	8,434
Real estate	9,309,699	10,419,117	11,055,583
Others	831,093	555,680	928,409
Subtotal	¥12,415,959	¥13,244,861	¥14,261,050
Guaranteed	¥23,864,117	¥24,906,661	¥25,919,435
Unsecured	23,648,291	23,596,356	23,118,025
Total	¥59,928,368	¥61,747,880	¥63,298,512

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen		
	2002	2001	2000
One year or less	¥16,085,851	¥16,357,074	¥14,053,196
Floating interest rates	/	/	/
Fixed interest rates	/	/	/
One–three years	¥10,058,898	¥10,620,614	¥ 9,304,047
Floating interest rates	7,076,540	6,493,070	4,965,513
Fixed interest rates	2,982,358	4,127,544	4,338,533
Three–five years	¥ 6,058,896	¥ 6,327,100	¥ 6,841,194
Floating interest rates	4,401,939	4,257,520	4,163,655
Fixed interest rates	1,656,956	2,069,581	2,677,537
Five–seven years	¥ 2,572,696	¥ 2,868,002	¥ 2,856,409
Floating interest rates	1,957,333	1,937,381	1,767,945
Fixed interest rates	615,363	930,620	1,088,463
More than seven years	¥13,527,762	¥13,276,286	¥15,213,736
Floating interest rates	12,854,843	11,138,333	12,738,214
Fixed interest rates	672,918	2,137,951	2,475,520
No designated term	¥11,624,262	¥12,298,801	¥15,029,927
Floating interest rates	11,624,262	12,297,681	15,029,175
Fixed interest rates	—	1,045	752
Total	¥59,928,368	¥61,747,880	¥63,298,512

Note: Loans with a maturity of one year or less are not classified by floating or fixed interest rates.

Loan Portfolio, Classified by Industry

March 31	2002		2001		2000	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Domestic offices:						
Manufacturing	¥ 7,493,045	13.8%	¥ 7,455,390	13.4%	¥ 7,418,427	13.0%
Agriculture, forestry, fisheries, and mining	183,675	0.3	188,821	0.3	271,288	0.5
Construction	2,841,574	5.2	2,929,161	5.3	3,198,134	5.6
Transportation, communications, and other public enterprises	2,838,889	5.2	2,982,196	5.4	2,848,209	5.0
Wholesale and retail	7,161,690	13.2	7,631,138	13.7	7,872,269	13.8
Finance and insurance	5,244,899	9.6	4,850,179	8.7	4,858,979	8.5
Real estate	8,549,534	15.7	9,222,242	16.6	8,715,561	15.3
Services	6,364,140	11.7	6,720,406	12.1	7,507,905	13.2
Municipalities	337,514	0.6	304,143	0.6	436,659	0.8
Others	13,474,520	24.7	13,267,524	23.9	13,863,105	24.3
Subtotal	¥54,489,488	100.0%	¥55,551,203	100.0%	¥56,990,540	100.0%
Overseas offices:						
Public sector	¥ 182,437	3.4%	¥ 264,021	4.3%	¥ 207,853	3.3%
Financial institutions	372,246	6.8	378,764	6.1	433,469	6.9
Commerce and industry	4,689,758	86.2	5,488,219	88.6	5,595,092	88.7
Others	194,437	3.6	65,669	1.0	71,554	1.1
Subtotal	¥ 5,438,880	100.0%	¥ 6,196,676	100.0%	¥ 6,307,972	100.0%
Total	¥59,928,368		¥61,747,880		¥63,298,512	

Notes: 1. Japan offshore banking accounts are included in overseas offices' accounts.
2. Percentage indicates the composition ratio.

Loans to Individuals/Small and Medium-Sized Corporations

March 31	Millions of yen		
	2002	2001	2000
Total domestic loans (A)	¥54,489,488	¥55,551,203	¥56,990,540
Loans to small and medium-sized corporations, etc. (B)	38,780,331	40,471,298	41,459,140
(B)/(A)	71.2%	72.9%	72.7%

Notes: 1. The figures above exclude outstanding balance of loans at overseas branches and of Japan offshore banking accounts.
2. Small and medium-sized corporations are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

Consumer Loans Outstanding

March 31	Millions of yen		
	2002	2001	2000
Consumer loans	¥13,472,598	¥13,484,760	¥13,683,512
Housing loans	11,949,427	11,791,249	11,829,524
Housing loans for own housing	7,820,305	7,445,152	/
Others	1,523,171	1,693,511	1,853,988

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

Breakdown of Reserve for Possible Loan Losses

Year ended March 31, 2002	Millions of yen					
	Balance at beginning of the fiscal year	Amount transferred from Sakura Bank	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
				Objectives	Others	
General reserve for possible loan losses	¥226,830 [(1,877)]	¥145,197 [(2,370)]	¥ 872,338	¥ —	¥372,027*	¥ 872,338
Specific reserve for estimated loan losses on certain doubtful loans	439,611 [(1,879)]	270,451 [(109)]	1,084,065	289,180	420,881*	1,084,065
For nonresident loans	24,327 [(1,633)]	20,137 [(109)]	39,850	10,641	33,822*	39,850
Reserve for possible losses on specific overseas loans	8,358	11,634 [(3)]	15,445	—	19,992*	15,445
Total	674,799 [(3,757)]	427,282 [(2,482)]	1,971,849	289,180	812,901	1,971,849

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

The Sakura Bank, Limited

Year ended March 31, 2001	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
			Objectives	Others	
General reserve for possible loan losses	¥197,263 [1,539]	¥142,826	¥ —	¥197,263*	¥142,826
Specific reserve for estimated loan losses on certain doubtful loans	454,002	270,342	193,454	260,548*	270,342
For nonresident loans	32,990	20,028	11,030	21,960*	20,028
Reserve for possible losses on specific overseas loans	7,660 [(10)]	11,631	—	7,660*	11,631
Total	658,926 [1,528]	424,799	193,454	465,472	424,799

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

The Sumitomo Bank, Limited

Year ended March 31, 2001	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
			Objectives	Others	
General reserve for possible loan losses	¥362,009 [(4,435)]	¥224,953	¥ —	¥362,009*	¥224,953
Specific reserve for estimated loan losses on certain doubtful loans	544,349 [(5,235)]	437,731	253,320	291,028*	437,731
For nonresident loans	40,498 [(5,027)]	22,693	16,110	24,387*	22,693
Reserve for possible losses on specific overseas loans	12,351	8,358	—	12,351*	8,358
Total	918,709 [(9,670)]	671,042	253,320	665,388	671,042

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Write-off of Loans

Year ended March 31	Millions of yen		
	2002	2001	2000
Write-off of loans	¥283,895	¥741,432	¥477,838

Note: Write-off of loans includes amount of direct reduction.

Specific Overseas Loans

March 31	Millions of yen		
	2002	2001	2000
Indonesia	¥138,482	¥184,611	¥175,999
Argentina	8,378	—	—
Algeria	4,139	4,480	4,536
Others	1,300	3,819	7,157
Total	¥152,300	¥192,911	¥187,696
Ratio of the total amounts to total assets	0.15%	0.17%	0.19%
Number of countries	9	9	14

Risk-Monitored Loans

March 31	Millions of yen		
	2002	2001	2000
Bankrupt loans	¥ 195,653	¥ 235,654	¥ 229,633
Non-accrual loans	3,184,459	2,207,504	2,503,785
Past due loans (3 months or more)	92,324	103,226	75,598
Restructured loans	2,344,016	186,206	747,441
Total	¥5,816,452	¥2,732,590	¥3,556,458

Notes: Definition of risk-monitored loans

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

Problem Assets Based on the Financial Reconstruction Law

March 31	Billions of yen		
	2002	2001	2000
Bankrupt and quasi-bankrupt assets	¥ 493.5	¥ 589.9	¥ 585.5
Doubtful assets	2,970.2	1,943.1	2,232.0
Substandard loans	2,436.3	289.4	823.0
Total of problem assets	¥ 5,900.0	¥ 2,822.5	¥ 3,640.5
Normal assets	¥60,558.9	¥66,157.8	¥66,034.7
Total	¥66,458.9	¥68,980.3	¥69,675.2

Notes: Definition of problem assets

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

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

Securities (Nonconsolidated)

Figures as of and for the years ended March 31, 2001 and 2000, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Balance of Securities

Year-End Balance

March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Japanese government bonds	¥ 9,599,109	¥15,271,104	¥ 5,291,625
Japanese local government bonds	429,412	323,252	491,698
Japanese corporate bonds	1,183,562	995,423	1,031,827
Japanese stocks	5,595,410	7,167,659	6,973,606
Securities lent	/	/	15,814
Others	21,308	128,079	160,709
Foreign bonds	/	/	/
Foreign stocks	/	/	/
Subtotal	¥16,828,804	¥23,885,523	¥13,965,283
International operations:			
Japanese government bonds	¥ —	¥ —	¥ —
Japanese local government bonds	—	—	—
Japanese corporate bonds	—	—	—
Japanese stocks	—	—	—
Others	3,614,192	3,174,454	1,928,563
Foreign bonds	2,863,638	2,253,757	1,162,239
Foreign stocks	750,553	920,696	766,323
Subtotal	¥ 3,614,192	¥ 3,174,454	¥ 1,928,563
Total	¥20,442,996	¥27,059,978	¥15,893,846

Notes: 1. Japanese stocks include treasury stocks as of March 31, 2001 and 2000.

2. Securities lent as of March 31, 2002 and 2001, are included in each type of securities by the classification above.

Average Balance

Year ended March 31	Millions of yen		
	2002	2001	2000
Domestic operations:			
Japanese government bonds	¥11,707,532	¥ 9,091,904	¥ 4,954,402
Japanese local government bonds	393,236	427,162	494,200
Japanese corporate bonds	1,061,395	1,007,948	982,547
Japanese stocks	6,494,197	6,798,958	6,457,912
Others	30,941	162,799	193,254
Foreign bonds	/	/	/
Foreign stocks	/	/	/
Subtotal	¥19,687,304	¥17,488,774	¥13,082,320
International operations:			
Japanese government bonds	¥ —	¥ —	¥ —
Japanese local government bonds	—	—	—
Japanese corporate bonds	—	—	—
Japanese stocks	—	—	—
Others	3,738,953	2,146,468	2,023,066
Foreign bonds	2,851,256	1,359,686	1,261,240
Foreign stocks	887,696	786,781	761,825
Subtotal	¥ 3,738,953	¥ 2,146,468	¥ 2,023,066
Total	¥23,426,257	¥19,635,244	¥15,105,386

Notes: 1. Japanese stocks include treasury stocks for the years ended March 31, 2001 and 2000.

2. Securities lent are included in each type of securities by the classification above.

3. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Securities Held, Classified by Maturity

March 31	Millions of yen		
	2002	2001	2000
One year or less			
Japanese government bonds	¥2,155,760	¥ 7,020,507	¥1,187,598
Japanese local government bonds	25,433	24,803	24,973
Japanese corporate bonds	87,161	132,201	310,069
Others	219,992	470,765	285,242
Foreign bonds	218,291	461,148	268,405
Securities lent	/	/	663
One–three years			
Japanese government bonds	¥3,613,404	¥ 4,135,860	¥1,515,682
Japanese local government bonds	41,395	30,372	45,987
Japanese corporate bonds	340,745	219,562	235,906
Others	1,784,002	677,665	350,292
Foreign bonds	1,783,941	658,274	317,754
Securities lent	/	/	1,023
Three–five years			
Japanese government bonds	¥2,392,875	¥ 1,507,521	¥ 986,540
Japanese local government bonds	69,013	24,187	20,311
Japanese corporate bonds	469,994	368,357	212,834
Others	160,972	443,331	145,111
Foreign bonds	160,315	414,947	122,810
Securities lent	/	/	677
Five–seven years			
Japanese government bonds	¥ 465,271	¥ 482,210	¥ 685,670
Japanese local government bonds	96,921	58,671	28,781
Japanese corporate bonds	133,812	87,960	119,113
Others	68,426	99,217	76,616
Foreign bonds	67,652	69,085	48,799
Securities lent	/	/	—
Seven–10 years			
Japanese government bonds	¥ 771,568	¥ 2,125,002	¥ 916,130
Japanese local government bonds	196,077	184,652	371,074
Japanese corporate bonds	149,948	184,339	144,896
Others	57,934	186,710	166,387
Foreign bonds	57,289	157,090	133,814
Securities lent	/	/	—
More than 10 years			
Japanese government bonds	¥ 200,230	¥ —	¥ —
Japanese local government bonds	570	563	566
Japanese corporate bonds	1,900	3,000	9,004
Others	510,543	497,940	276,408
Foreign bonds	508,912	493,209	270,650
Securities lent	/	/	—
No designated term			
Japanese government bonds	¥ —	¥ —	¥ —
Japanese local government bonds	—	—	—
Japanese corporate bonds	—	—	—
Japanese stocks	5,595,410	7,167,659	6,973,606
Others	833,629	926,900	789,209
Foreign bonds	67,236	—	—
Foreign stocks	750,553	920,696	766,323
Securities lent	/	/	13,451
Total			
Japanese government bonds	¥9,599,109	¥15,271,104	¥5,291,625
Japanese local government bonds	429,412	323,252	491,698
Japanese corporate bonds	1,183,562	995,423	1,031,827
Japanese stocks	5,595,410	7,167,659	6,973,606
Others	3,635,501	3,302,535	2,089,273
Foreign bonds	2,863,638	2,253,757	1,162,239
Foreign stocks	750,553	920,696	766,323
Securities lent	/	/	15,814

Notes: 1. Japanese stocks include treasury stocks as of March 31, 2001 and 2000.

2. Securities lent as of March 31, 2002 and 2001, are included in each type of securities by the classification above.

Capital Ratio

Consolidated Capital Ratio

Millions of yen

March 31		2002	2001		2000	
			Sakura Bank	Sumitomo Bank	Sakura Bank	Sumitomo Bank
Tier I capital:	Common stockholders' equity.....	¥ 2,735,278	¥ 2,112,528	¥ 1,652,114	¥ 2,121,368	¥ 1,625,039
	Minority interests.....	984,088	383,921	606,147	319,237	578,865
	Subtotal (A).....	¥ 3,719,366	¥ 2,496,449	¥ 2,258,261	¥ 2,440,605	¥ 2,203,904
Tier II capital:	45% of unrealized gains on land.....	¥ 82,931	¥ 46,670	¥ 122,193	¥ 51,672	¥ 126,143
	General reserve for possible loan losses.....	929,461	163,151	232,707	227,338	365,408
	Qualifying subordinated debt.....	2,577,490	1,141,806	1,653,197	1,382,246	1,652,889
	Subtotal.....	¥ 3,589,883	¥ 1,351,627	¥ 2,008,098	¥ 1,661,257	¥ 2,144,442
	Tier II capital included as qualifying capital (B).....	¥ 3,504,772	¥ 1,351,627	¥ 1,995,364	¥ 1,661,257	¥ 2,144,442
Deductions:	(C).....	¥ 163,331	¥ 13,752	¥ 103,632	¥ 999	¥ —
Total capital:	(D) = (A) + (B) - (C).....	¥ 7,060,807	¥ 3,834,324	¥ 4,149,993	¥ 4,100,864	¥ 4,348,346
Risk-adjusted assets:	On-balance-sheet	¥62,532,180	¥31,812,599	¥34,609,029	¥30,676,736	¥34,744,749
	Off-balance-sheet	4,803,181	1,924,737	3,096,291	1,824,204	2,510,855
	Asset equivalent of market risk.....	212,650	154,078	219,900	220,657	221,112
	Subtotal (E).....	¥67,548,012	¥33,891,414	¥37,925,221	¥32,721,599	¥37,476,716
	Capital ratio (BIS guidelines) = (D)/(E) × 100...	10.45%	11.31%	10.94%	12.53%	11.60%

Nonconsolidated Capital Ratio

Millions of yen

March 31		2002	2001		2000	
			Sakura Bank	Sumitomo Bank	Sakura Bank	Sumitomo Bank
Tier I capital:	Common stockholders' equity.....	¥ 3,057,390	¥ 2,238,502	¥ 1,738,916	¥ 2,185,522	¥ 1,700,055
	Others	869,793	285,575	567,059	285,453	531,070
	Subtotal (A).....	¥ 3,927,183	¥ 2,524,077	¥ 2,305,975	¥ 2,470,975	¥ 2,231,125
Tier II capital:	45% of unrealized gains on land.....	¥ 73,568	¥ 31,596	¥ 121,230	¥ 36,450	¥ 125,180
	General reserve for possible loan losses.....	872,338	142,826	224,953	198,802	357,574
	Qualifying subordinated debt.....	2,544,424	1,111,006	1,651,808	1,286,823	1,651,168
	Subtotal.....	¥ 3,490,330	¥ 1,285,429	¥ 1,997,991	¥ 1,522,076	¥ 2,133,922
	Tier II capital included as qualifying capital (B).....	¥ 3,409,200	¥ 1,285,429	¥ 1,997,991	¥ 1,522,076	¥ 2,133,922
Deductions:	(C).....	¥ 55,349	¥ 16,999	¥ 58,766	¥ 999	¥ 53,766
Total capital:	(D) = (A) + (B) - (C).....	¥ 7,281,033	¥ 3,792,507	¥ 4,245,199	¥ 3,992,051	¥ 4,311,281
Risk-adjusted assets:	On-balance-sheet	¥57,965,018	¥29,547,565	¥32,166,297	¥29,627,511	¥31,682,488
	Off-balance-sheet	5,192,299	2,157,620	3,654,538	2,151,879	2,787,025
	Asset equivalent of market risk.....	139,300	135,433	125,350	137,925	110,350
	Subtotal (E).....	¥63,296,617	¥31,840,619	¥35,946,185	¥31,917,316	¥34,579,863
	Capital ratio (BIS guidelines) = (D)/(E) × 100...	11.50%	11.91%	11.80%	12.50%	12.46%

Ratios (Nonconsolidated)

In principle, figures as of and for the year ended March 31, 2001, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Income Ratio

Year ended March 31	2002	Percentage	
		Sakura Bank	Sumitomo Bank
Operating profit to total assets.....	—	0.42%	0.32%
Operating profit to stockholders' equity	—	12.29	11.78
Net income to total assets	—	0.18	0.10
Net income to stockholders' equity	—	4.86	3.72

- Notes: 1. Operating profit (net income) to total assets = Operating profit (net income)/Average balance of total assets excluding customers' liabilities for acceptances and guarantees x 100
 2. Operating profit (net income) to stockholders' equity = (Operating profit (net income) – Preferred dividends) / {(Stockholders' equity at beginning of the fiscal year – Number of shares of preferred stock outstanding at beginning of the fiscal year x Issue price) + (Stockholders' equity at end of the fiscal year – Number of shares of preferred stock outstanding at end of the fiscal year x Issue price)} divided by 2 x 100
 3. Figures for 2002 are not shown due to operating loss (net loss).

Yield/Interest Rate

Year ended March 31	Percentage	
	2002	2001
Domestic operations		
Interest-earning assets (A)	1.53%	1.76%
Interest-bearing liabilities (B)	0.98	1.13
(A) – (B)	0.55	0.63
International operations		
Interest-earning assets (A)	5.96%	5.95%
Interest-bearing liabilities (B)	3.79	6.07
(A) – (B)	2.17	(0.12)
Total		
Interest-earning assets (A)	2.39%	2.54%
Interest-bearing liabilities (B)	1.59	2.03
(A) – (B)	0.80	0.51

Loan-Deposit Ratio

March 31	Millions of yen	
	2002	2001
Domestic operations		
Loan amount (A)	¥53,618,414	¥54,617,068
Deposit amount (B)	58,568,596	57,916,540
Loan-deposit ratio (%)		
(A)/(B)	91.54%	94.30%
Ratio by average balance for the fiscal year	93.61	98.92
International operations		
Loan amount (A)	¥ 6,309,954	¥ 7,130,812
Deposit amount (B)	9,060,756	12,813,232
Loan-deposit ratio (%)		
(A)/(B)	69.64%	55.65%
Ratio by average balance for the fiscal year	66.19	61.98
Total		
Loan amount (A)	¥59,928,368	¥61,747,880
Deposit amount (B)	67,629,353	70,729,773
Loan-deposit ratio (%)		
(A)/(B)	88.61%	87.30%
Ratio by average balance for the fiscal year	89.30	92.33

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

March 31	Millions of yen	
	2002	2001
Domestic operations		
Securities amount (A)	¥16,828,804	¥23,885,523
Deposit amount (B)	58,568,596	57,916,540
Securities-deposit ratio (%)		
(A)/(B)	28.73%	41.24%
Ratio by average balance for the fiscal year	34.39	31.28
International operations		
Securities amount (A)	¥ 3,614,192	¥ 3,174,454
Deposit amount (B)	9,060,756	12,813,232
Securities-deposit ratio (%)		
(A)/(B)	39.88%	24.77%
Ratio by average balance for the fiscal year	35.05	17.69
Total		
Securities amount (A)	¥20,442,996	¥27,059,978
Deposit amount (B)	67,629,353	70,729,773
Securities-deposit ratio (%)		
(A)/(B)	30.22%	38.25%
Ratio by average balance for the fiscal year	34.50	28.85

Note: Deposits include negotiable certificates of deposit.

Capital (Nonconsolidated)

Changes in Number of Shares Outstanding and Capital Stock

	Thousands of shares		Millions of yen			
	Number of shares outstanding		Capital stock		Capital surplus	
	Changes	Outstanding balances	Changes	Balances	Changes	Balances
March 31, 1999	167,000	3,308,062	¥250,500	¥ 752,848	¥250,500	¥ 643,080
April 2, 2001	3,273,423	6,581,485	523,851	1,276,700	991,326	1,634,407
March 9, 2002	—	6,581,485	—	1,276,700	(357,614)	1,276,792
March 15, 2002	—	6,581,485	—	1,276,700	11	1,276,804
April 1, 2001 – March 31, 2002	91,324	6,672,810	50,045	1,326,746	49,954	1,326,758
April 1, 2001 – March 31, 2002	3,614	6,676,424	—	1,326,746	—	1,326,758

Remarks:

March 31, 1999:	Allotment to third parties: Preferred stock (First series Type 1): 67,000 thousand shares Issue price: ¥3,000 Capitalization: ¥1,500 Preferred stock (Second series Type 1): 100,000 thousand shares Issue price: ¥3,000 Capitalization: ¥1,500
April 2, 2001:	Merger with The Sakura Bank, Limited (merger ratio: 1-to-0.6)
March 9, 2002:	Withdrawal from capital reserve pursuant to Article 289-2 of the Commercial Code of Japan and Article 18-2 of the Bank Law
March 15, 2002:	Merger with SMBC Property Management Service Co., Ltd., a wholly owned subsidiary of the Bank
April 1, 2001 – March 31, 2002:	Conversion of convertible bonds into common stock
April 1, 2001 – March 31, 2002:	Conversion of preferred stock into common stock

Balance of Outstanding Convertible Bonds

Type and issue date	Issue amount	Interest rate	Maturity	Outstanding balance at March 31, 2002	Conversion price (May 31, 2002)
US\$ convertible bonds					
January 30, 1989.....	US\$300 million	3.125%	March 31, 2004	US\$8,660,000	¥3,606.90

Total Outstanding Shares

March 31, 2002	Number of shares issued
Common stock	5,709,424,395
Preferred stock (First series Type 1)	67,000,000
Preferred stock (Second series Type 1)	100,000,000
Preferred stock (Type 5)	800,000,000
Total	6,676,424,395

Stock Exchange Listings

Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)
Nagoya Stock Exchange (First Section)
Sapporo Securities Exchange
London Stock Exchange

Number of Shares, Classified by Type of Shareholders

a. Common Stock

March 31, 2002	Number of shareholders	Number of share units held	Percentage of total
Japanese government and local government.....	7	4,897	0.09%
Financial institutions	449	2,199,770	38.77
Securities companies	122	95,306	1.68
Other institutions.....	8,508	2,176,809	38.36
Foreign institutions	761	642,653	11.33
Individuals.....	57	278	0.00
Individuals and others.....	137,618	554,360	9.77
Total.....	147,465	5,673,795	100.00%
Less than one unit (shares)	/	35,629,395	/

Notes: 1. Of 449,559 shares in treasury stock, 449 units are included in "individuals and others" and the remaining 559 shares are included in "less than one unit." Treasury stock (449,559 shares) is carried on the shareholders' register, and the actual number of shares as of March 31, 2002, is 434,559 shares.

2. "Other institutions" includes 200 units held by the Securities Custody Association.

3. One unit consists of 1,000 shares.

b. Preferred Stock (First series Type 1)

March 31, 2002	Number of shareholders	Number of share units held	Percentage of total
Financial institutions	1	67,000	100.00%

c. Preferred Stock (Second series Type 1)

March 31, 2002	Number of shareholders	Number of share units held	Percentage of total
Financial institutions	1	100,000	100.00%

d. Preferred Stock (Type 5)

March 31, 2002	Number of shareholders	Number of share units held	Percentage of total
Financial institutions	1	800,000	100.00%

Number of Voting Rights

Total Outstanding Shares

	Number of shares		Number of voting rights
Number of shares of nonvoting stock	Preferred stock	967,000,000	—
Number of shares of voting stock with restriction (Treasury stock, etc.)		—	—
Number of shares of voting stock with restriction (Others)		—	—
Voting stock (Treasury stock, etc.)	(Treasury stock) Common stock	434,000	—
	(Cross-holding shares) Common stock	13,620,000	
Voting stock (Others)	Common stock	5,659,741,000	5,659,741
Shares less than one unit	Common stock	35,629,395	—
Total outstanding shares		6,676,424,395	—
Total voting rights		—	5,659,741

Notes: 1. "Voting stock (Others)" includes 200,000 shares (200 voting rights) held by the Security Custody Association.

2. "Shares less than one unit" includes 559 shares of the Bank's treasury stock and cross-holding shares held by the Bank's consolidated subsidiaries, as follows:

March 31, 2002	Number of shares held
THE MINATO BANK, LTD.	97
SMBC Leasing Company, Limited	384
Sumitomo Mitsui Card Company, Limited	270
The Bank of Kansai, Ltd.	179
SMBC Mortgage Co., Ltd.	414
Sakura Friend Securities Co., Ltd.	600

Number of Shares of Treasury Stock

March 31, 2002 Holders of treasury stock	Number of shares held in the name of			Percentage of total shares outstanding
	Holder	Others	Total	
Sumitomo Mitsui Banking Corporation	434,000	—	434,000	0.00%
THE MINATO BANK, LTD.	5,260,000	—	5,260,000	0.09
Daiwa Securities SMBC Co. Ltd.	3,159,000	—	3,159,000	0.05
SMBC Leasing Company, Limited	2,276,000	—	2,276,000	0.03
Sumitomo Mitsui Card Company, Limited	1,314,000	—	1,314,000	0.02
The Bank of Kansai, Ltd.	1,114,000	—	1,114,000	0.01
SMBC Mortgage Co., Ltd.	292,000	—	292,000	0.00
Sakura Friend Securities Co., Ltd.	205,000	—	205,000	0.00
Total	14,054,000	—	14,054,000	0.24%

Notes: 1. The above figures do not include 15,000 shares (15 voting rights) held in the Bank's nominee name. They are included in "Voting stock (Others)" in the table of "Number of Voting Rights."

2. Percentage of total shares outstanding is calculated based on the total number of shares of common stock outstanding.

Principal Shareholders

a. Common Stock

March 31, 2002 Shareholders	Number of shares held (thousands)	Percentage of shares outstanding
Sumitomo Life Insurance Company	228,378	4.00%
Japan Trustee Services Bank, Ltd. (Trust Account)	210,918	3.69
Nippon Life Insurance Company	204,364	3.57
The Mitsubishi Trust and Banking Corporation (Trust Account)	184,993	3.24
The Taiyo Mutual Life Insurance Company	122,109	2.13
UFJ Trust Bank Limited (Trust Account A)	107,002	1.87
Matsushita Electric Industrial Co., Ltd.	103,570	1.81
Mitsui Mutual Life Insurance Company	76,651	1.34
The Chase Manhattan Bank, N.A. London	67,979	1.19
SANYO ELECTRIC CO., LTD.	64,113	1.12
Mitsui Sumitomo Insurance Company, Limited	60,200	1.05
The Dai-ichi Mutual Life Insurance Company	53,771	0.94
TOYOTA MOTOR CORPORATION	53,753	0.94
SUMITOMO CORPORATION	52,008	0.91
The Sumitomo Trust and Banking Company, Limited	51,203	0.89
Euroclear Bank S.A./N.V.	49,888	0.87
Mitsui Asset Trust and Banking Company, Limited (Pension Trust Account)	43,486	0.76
KUBOTA CORPORATION	39,499	0.69
Takeda Chemical Industries, Ltd.	39,074	0.68
Mitsui Fudosan Co., Ltd.	33,934	0.59
The SMBC Employee Stockholders' Association	31,927	0.55
MITSUI & CO., LTD.	30,166	0.52
Kondo Cotton Spinning Co., Ltd.	30,056	0.52
State Street Bank and Trust Company	29,290	0.51
Composite Trust Trustee Mitsui Asset Trust and Banking Company, Limited (Entrust TOSHIBA CORPORATION)	29,253	0.51
NIPPON STEEL CORPORATION	29,147	0.51
SUMITOMO CHEMICAL COMPANY, LIMITED	28,544	0.49
The Tokyo Electric Power Company, Incorporated	28,313	0.49
The Kansai Electric Power Company, Incorporated	28,026	0.49
KAJIMA CORPORATION	26,776	0.46

b. Preferred Stock (First series Type 1)

March 31, 2002 Shareholder	Number of shares held (thousands)	Percentage of shares outstanding
The Resolution and Collection Corporation	67,000	100.00%

c. Preferred Stock (Second series Type 1)

March 31, 2002 Shareholder	Number of shares held (thousands)	Percentage of shares outstanding
The Resolution and Collection Corporation	100,000	100.00%

d. Preferred Stock (Type 5)

March 31, 2002 Shareholder	Number of shares held (thousands)	Percentage of shares outstanding
The Resolution and Collection Corporation	800,000	100.00%

Common Stock Price Range

Five-Year Stock Price Performance

Year ended March 31	Yen				
	2002	2001	2000	1999	1998
High	¥1,240	¥1,640	¥1,902	¥1,710	¥1,950
Low	406	867	1,271	860	1,100

- Notes: 1. Stock prices of common shares as quoted on the Tokyo Stock Exchange (First Section).
 2. Preferred stock (First series Type 1), Preferred stock (Second series Type 1), and Preferred stock (Type 5) are neither listed on exchanges nor registered with the Securities Dealers Association of Japan as trading securities on the over-the-counter market.
 3. The former Sumitomo Bank's stock prices are shown up to the year ended March 31, 2001.
 The high and low stock prices for each year in the four-year period ended March 31, 2001, for the former Sakura Bank are as follows:

The Sakura Bank, Limited

Year ended March 31	Yen			
	2001	2000	1999	1998
High	¥858	¥1,045	¥404	¥975
Low	477	358	165	325

Six-Month Performance

	Yen					
	March 2002	February 2002	January 2002	December 2001	November 2001	October 2001
High	¥640	¥509	¥587	¥674	¥775	¥916
Low	490	406	466	479	618	699

- Notes: 1. Stock prices of common shares as quoted on the Tokyo Stock Exchange (First Section).
 2. Preferred stock (First series Type 1), Preferred stock (Second series Type 1), and Preferred stock (Type 5) are neither listed on exchanges nor registered with the Securities Dealers Association of Japan as trading securities on the over-the-counter market.

Others (Nonconsolidated)

In principle, figures as of and for the years ended March 31, 2001 and 2000, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Employees

March 31	2002	2001		2000	
		Sakura Bank	Sumitomo Bank	Sakura Bank	Sumitomo Bank
Number of employees	25,027	13,632	13,526	14,930	14,394
Average age (years–months)	38–3	38–7	37–5	37–11	36–11
Average length of employment (years–months)	16–4	16–10	15–5	16–2	14–11
Average monthly salary (thousands of yen)	¥496	¥515	¥504	¥502	¥493

Notes: 1. Temporary, part-time, and overseas local staff are excluded from the above calculations.

2. Average monthly salary includes overtime pay in March but excludes bonus.

3. Employees are required to retire at the end of the month when they reach 60.

4. Number of employees as of March 31, 2002, including locally hired overseas staff members but excluding employees temporarily transferred to other companies, totaled 22,464.

Number of Offices

March 31	2002	2001	2000
Domestic network:			
Main offices and branches	590	593	666
Subbranches	96	79	87
Agency	5	5	5
Overseas network:			
Branches	21	33	36
Subbranches	2	5	5
Representative offices	16	21	23
Total	730	736	822

Note: "Main offices and branches" includes International Business Operations Dept. (2002, 2 branches; 2001, 2 branches; 2000, 2 branches), specialized deposit account branch (2002, 23 branches; 2001, 12 branches; 2000, 10 branches), and ATM administration branch (2002, 1 branch; 2001, 1 branch; 2000, 1 branch).

Number of Automated Service Centers

March 31	2002	2001	2000
Automated service centers	11,479	3,222	1,509

Domestic Exchange Transactions

Year ended March 31	Millions of yen		
	2002	2001	2000
Exchange for remittance:			
Destined for various parts of the country:			
Number of accounts (thousands)	339,801	350,579	377,380
Amount	¥ 625,250,208	¥ 786,592,817	¥ 761,830,689
Received from various parts of the country:			
Number of accounts (thousands)	264,008	241,455	267,288
Amount	754,026,135	883,811,562	884,459,621
Collection:			
Destined for various parts of the country:			
Number of accounts (thousands)	6,376	7,293	7,866
Amount	¥ 19,552,377	¥ 19,690,632	¥ 19,930,046
Received from various parts of the country:			
Number of accounts (thousands)	2,584	2,978	2,982
Amount	7,692,390	10,502,373	9,731,710
Total	¥1,406,521,112	¥1,700,597,387	¥1,675,952,069

Foreign Exchange Transactions

Year ended March 31	Millions of U.S. dollars		
	2002	2001	2000
Outward exchanges:			
Foreign bills sold.....	\$ 529,638	\$ 822,512	\$ 756,381
Foreign bills bought.....	101,593	200,260	164,362
Incoming exchanges:			
Foreign bills payable.....	\$ 635,462	\$ 771,801	\$ 838,912
Foreign bills receivable.....	20,854	24,234	24,052
Total.....	\$1,287,548	\$1,818,810	\$1,783,712

Note: The above figures include foreign exchange transactions by overseas branches.

Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

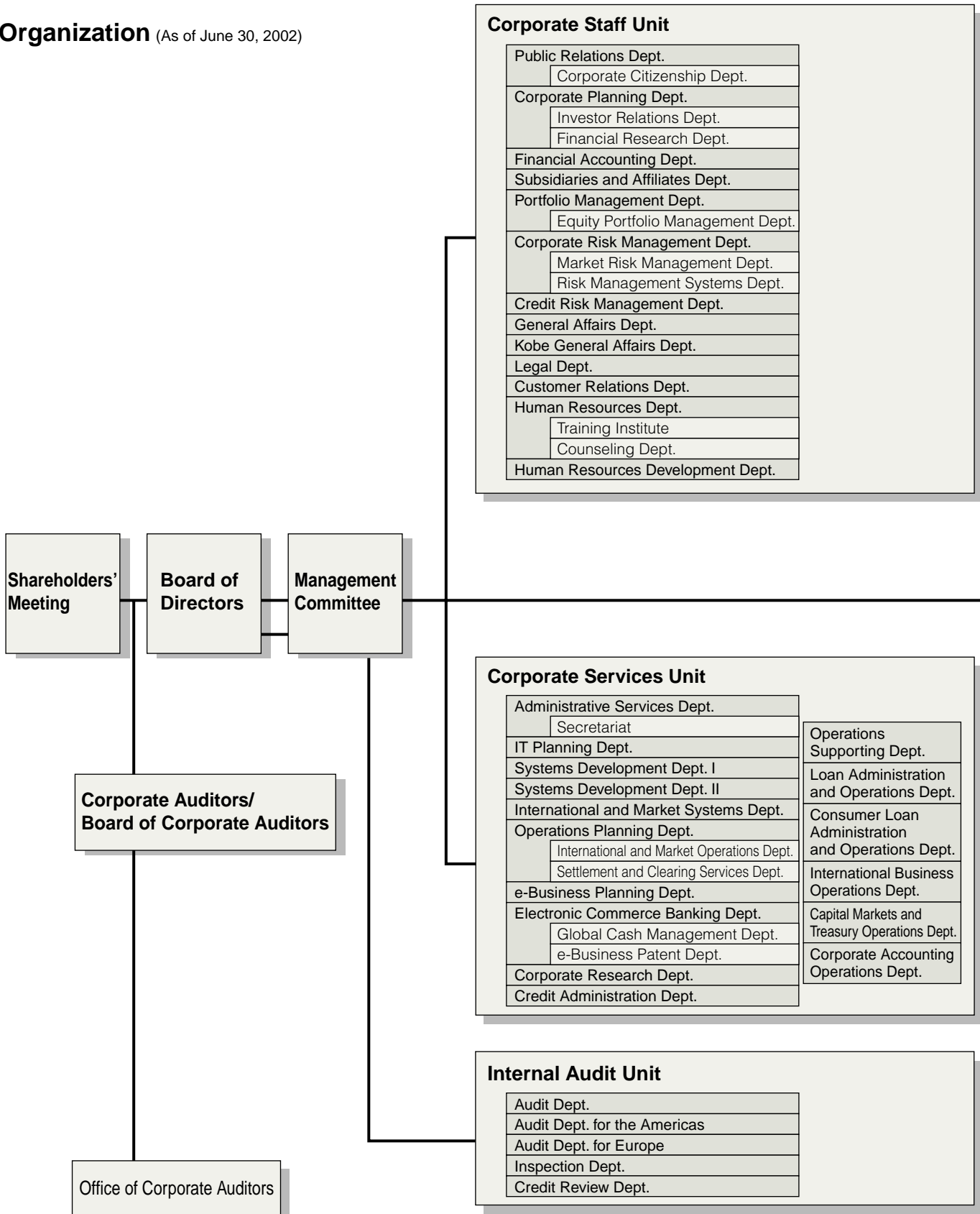
March 31	Millions of yen		
	2002	2001	2000
Securities.....	¥ 13,322	¥ 4,908	¥ 5,692
Commercial claims.....	257,213	258,005	170,088
Commercial goods.....	13,456	7,966	6,731
Real estate.....	58,580	51,828	59,661
Others.....	47,386	32,677	28,410
Subtotal.....	¥ 389,958	¥ 355,390	¥ 270,588
Guaranteed.....	571,126	584,587	1,202,691
Unsecured.....	4,568,910	5,353,048	3,974,588
Total.....	¥5,529,996	¥6,293,027	¥5,447,870

Corporate Data

Organization	120
Directors, Corporate Auditors, and Executive Officers ...	122
Principal Subsidiaries and Affiliates	124
International Directory	127

Corporate Data

Organization (As of June 30, 2002)



Corporate Staff Unit

Public Relations Dept.
Corporate Citizenship Dept.
Corporate Planning Dept.
Investor Relations Dept.
Financial Research Dept.
Financial Accounting Dept.
Subsidiaries and Affiliates Dept.
Portfolio Management Dept.
Equity Portfolio Management Dept.
Corporate Risk Management Dept.
Market Risk Management Dept.
Risk Management Systems Dept.
Credit Risk Management Dept.
General Affairs Dept.
Kobe General Affairs Dept.
Legal Dept.
Customer Relations Dept.
Human Resources Dept.
Training Institute
Counseling Dept.
Human Resources Development Dept.

Corporate Services Unit

Administrative Services Dept.
Secretariat
IT Planning Dept.
Systems Development Dept. I
Systems Development Dept. II
International and Market Systems Dept.
Operations Planning Dept.
International and Market Operations Dept.
Settlement and Clearing Services Dept.
e-Business Planning Dept.
Electronic Commerce Banking Dept.
Global Cash Management Dept.
e-Business Patent Dept.
Corporate Research Dept.
Credit Administration Dept.
Operations Supporting Dept.
Loan Administration and Operations Dept.
Consumer Loan Administration and Operations Dept.
International Business Operations Dept.
Capital Markets and Treasury Operations Dept.
Corporate Accounting Operations Dept.

Internal Audit Unit

Audit Dept.
Audit Dept. for the Americas
Audit Dept. for Europe
Inspection Dept.
Credit Review Dept.

Consumer Banking Unit

Planning Dept., Consumer Banking Unit
Sales Channel Planning Dept., Consumer Banking Unit
Branch Banking Dept., Consumer Banking Unit
Corporate Employees Business Promotion Dept.
Products and Marketing Dept., Consumer Banking Unit
Consumer Loan Business Dept.
Investment Products Business Dept., Consumer Banking Unit
Private Banking Dept.
Operations and Systems Dept., Consumer Banking Unit
Credit Dept., Consumer Banking Unit

Block Consumer Business Office

Branch
Public Institutions Operations Office
Consumer Loan Promotion Office
Call Center
Consumer Loan Servicing Center

Middle Market Banking Unit

Planning Dept., Middle Market Banking Unit
Operations and Systems Dept., Middle Market Banking Unit
Business Promotion Dept., Middle Market Banking Unit
Business Reengineering Dept.
International Business Promotion Dept., Middle Market Banking Unit
New Business Promotion Dept., Middle Market Banking Unit
Public Institutions Banking Dept.
Kobe Public Institutions Banking Dept.
Business Owner Banking Dept.
Credit Dept. I, Middle Market Banking Unit
Credit Dept. II, Middle Market Banking Unit
Credit Dept. III, Middle Market Banking Unit
Credit Supervision Dept. I, Middle Market Banking Unit
Credit Supervision Dept. II, Middle Market Banking Unit

Middle Market Banking Division

Corporate Business Office
Public Institutions Business Office
Business Support Office
Business Promotion Office

Corporate Banking Unit

Planning Dept., Corporate Banking Unit
Credit Dept. I, Corporate Banking Unit
Credit Dept. II, Corporate Banking Unit
Credit Dept. III, Corporate Banking Unit

Tokyo Corporate Banking Division I
Tokyo Corporate Banking Division II
Osaka Corporate Banking Division
Nagoya Corporate Banking Division

Corporate Banking Dept.

International Banking Unit

Planning Dept., International Banking Unit
Operations and Systems Dept., International Banking Unit
Global Institutional Banking Dept.
Global Investors Services Dept.
Credit Dept., International Banking Unit

Asia Pacific Division
Asia Pacific Dept.
The Americas Division
Planning Dept., The Americas Division
Credit Dept., The Americas Division
Europe Division
Planning Dept., Europe Division
Credit Dept., Europe Division

Global Client Business Dept.
Branch/Representative Office in Asia Pacific
Departments of the Americas Division
Departments of Europe Division

Treasury Unit

Planning Dept., Treasury Unit
Treasury Dept.
International Treasury Dept.
Trading Dept.
Treasury Marketing Dept.

Investment Banking Unit

Planning Dept., Investment Banking Unit
Structured Finance Credit Dept.
Asset Management Planning Dept., Investment Banking Unit
Structured Finance Dept.
Financial Solutions Dept., Investment Banking Unit
Derivatives and Financial Engineering Dept.
Syndications Dept.
M&A Advisory Services Dept.
Corporate Finance Services Dept.

e-Business, Media and Telecom Dept.

Directors, Corporate Auditors, and Executive Officers (As of June 30, 2002)

BOARD OF DIRECTORS

Chairman of the Board

Akishige Okada

President

Yoshifumi Nishikawa*

Deputy Presidents

Michiyoshi Kuriyama*

General Affairs Dept., Kobe General Affairs Dept., Legal Dept., Customer Relations Dept., Human Resources Dept., Human Resources Development Dept., Administrative Services Dept.

Takeharu Nagata*

Corporate Research Dept., Credit Administration Dept., Credit Dept. II, Corporate Banking Unit and Credit Dept. III, Corporate Banking Unit

Hidenori Hiramatsu*

Audit Dept., Audit Dept. for the Americas, Audit Dept. for Europe, Inspection Dept., Credit Review Dept.

Senior Managing Directors

Tadashi Inoue*

Corporate Banking Unit

Masayuki Oku*

Public Relations Dept., Corporate Planning Dept., Financial Accounting Dept., Subsidiaries and Affiliates Dept., and e-Business Planning Dept.

Hideharu Kadowaki*

Portfolio Management Dept., Corporate Risk Management Dept., and Credit Risk Management Dept.

Takemasa Tsukamoto*

IT Planning Dept., Systems Development Dept. I, Systems Development Dept. II, International and Market Systems Dept., Operations Planning Dept., and Electronic Commerce Banking Dept.

Managing Directors

Teisuke Kitayama*

International Banking Unit

Shigetada Takahashi*

Credit Dept. I, Middle Market Banking Unit, Credit Dept. II, Middle Market Banking Unit, and Credit Supervision Dept. I, Middle Market Banking Unit

Kenjiro Noda*

Treasury Unit and Investment Banking Unit

Mutsuhiko Matsumoto*

Consumer Banking Unit

Toichiro Mizushima*

Middle Market Banking Unit

Directors

Yoshiaki Yamauchi

Yoichiro Yamakawa

CORPORATE AUDITORS

Corporate Auditors

Hiroshi Kii

Toyosaburo Hirano

Tomoyuki Watanabe

Kinrou Nakamura

Shoh Nasu

Katsuya Onishi

Josei Itoh

EXECUTIVE OFFICERS

Managing Directors

Jumpei Ishii

Head of Tokyo Middle Market Banking Division V and Head of Kanagawa Middle Market Banking Division

Koji Ishida

Head of Tokyo Corporate Banking Division I

Takao Umino

Head of Nagoya Corporate Banking Division and Head of Tokai Middle Market Banking Division

Morio Kusunoki

Credit Dept. III, Middle Market Banking Unit, Credit Supervision Dept. II, Middle Market Banking Unit, and General Manager, Credit Supervision Dept. II, Middle Market Banking Unit

Koichi Tsukihara

Middle Market Banking Unit

Shinpei Nihei

Middle Market Banking Unit (stationed at Tokyo)

Masahide Hirasawa

General Affairs Dept., Kobe General Affairs Dept., Legal Dept., and Customer Relations Dept., General Manager, General Affairs Dept. and Kobe General Affairs Dept.

Mitsuaki Yahagi

Head of Tokyo Corporate Banking Division II

Yasuyuki Kimoto

Head of Europe Division

Kenjiro Nakano

Head of Osaka Corporate Banking Division

Shigeru Nishiyama

Credit Dept. I, Corporate Banking Unit

Koichi Maeda

Credit Dept. II, Corporate Banking Unit

Hitoshi Yoshimatsu

General Manager, Singapore Branch

*Executive Officers

Directors

Shiro Kawajiri

IT Planning Dept., Systems Development Dept. I, Systems Development Dept. II, International and Market Systems Dept., and Operations Planning Dept.

Shigenobu Aikyo

General Manager, Planning Dept., Middle Market Banking Unit

Hitoshi Inuga

Head of Kobe Middle Market Banking Division

Osamu Endo

Head of Tokyo Middle Market Banking Division III

Sadao Kobayashi

Head of Asia Pacific Division

Jun Suzuki

General Manager, Audit Dept.

Shuntaro Higashi

Head of The Americas Division

Kengo Miyauchi

General Manager, Credit Dept. I, Middle Market Banking Unit

Hiromichi Miyauchi

Head of Osaka Middle Market Banking Division I

Shigeo Imafuku

General Manager, Credit Dept. II, Corporate Banking Unit

Yusaku Omori

General Manager, Credit Review Dept.

Nobuyuki Kameoka

General Manager, Credit Dept. I, Corporate Banking Unit

Hiroaki Shukuzawa

Treasury Unit and General Manager, Planning Dept., Treasury Unit

Hirosumi Tsusue

Human Resources Dept. and Human Resources Development Dept.

Kohei Katsukawa

Head of Tokyo Middle Market Banking Division IV

Kazuhisa Kishikawa

General Manager, Planning Dept., Consumer Banking Unit

Hiroki Nishio

General Manager, Planning Dept., Corporate Banking Unit

Hajime Yamashita

Head of Tokyo Middle Market Banking Division I

Yoshihiro Yoshimura

General Manager, Bangkok Branch, Chonburi Branch, and Ayudhya Branch

Masato Ueda

Head of Tokyo Middle Market Banking Division II

Shunji Ono

General Manager, Public Institutions Banking Dept.

Shigeru Kawamura

General Manager, Operations Planning Dept.

Junji Tanehashi

General Manager, Corporate Planning Dept.

Mitsumasa Wada

General Manager, IT Planning Dept.

Takeshi Sawaizumi

Head of Osaka Middle Market Banking Division II

Masaaki Shimojima

Head of Regional Cities Corporate Banking Division

Masanobu Tomitaka

General Manager, Credit Dept. III, Middle Market Banking Unit

Yuji Harada

General Manager, Planning Dept., International Banking Unit

Takahiro Matsusaka

General Manager, Himeji Corporate Business Office

Takashi Yamaguchi

General Manager, Business Promotion Dept., Middle Market Banking Unit

Takashi Ueda

General Manager, Osaka Corporate Banking Division I

Wataru Ohara

General Manager, Credit Dept. II, Middle Market Banking Unit

Toshiaki Kawai

General Manager, International Treasury Dept.

Yoshinori Kawamura

General Manager, Structured Finance Dept.

Hideo Shimada

General Manager, Planning Dept., Investment Banking Unit

Hitoshi Sogabe

General Manager (Osaka), Planning Dept., Middle Market Banking Unit

Katsumi Tamai

General Manager, Branch Banking Dept., Consumer Banking Unit

Tsutomu Harata

General Manager, Osaka Corporate Banking Division II

Yasuhisa Furukawa

General Manager, Tokyo Corporate Banking Dept. VI

Fukuzo Yasuo

General Manager, Tokyo Corporate Banking Dept. II

Principal Subsidiaries and Affiliates (As of March 31, 2002)

Domestic Principal Subsidiaries

Company Name	Issued Capital (Millions of Yen)	Percentage of Bank's Voting Rights* (%)	Established	Main Business
SMBC Staff Service Co., Ltd.	90	100	July 15, 1982	Temporary manpower service
SMBC Learning Support Co., Ltd.	10	100	May 27, 1998	Seminar organizer
SMBC Center Service Co., Ltd.	100	100	October 16, 1995	Banking clerical work
SMBC Delivery Service Co., Ltd.	30	100	January 31, 1996	Banking clerical work
SMBC Business Service Co., Ltd.	40	100	September 24, 1976	Banking clerical work
SMBC Green Service Co., Ltd.	30	100	March 15, 1990	Banking clerical work
SMBC International Operations Co., Ltd.	40	100	December 21, 1994	Banking clerical work
SMBC International Business Co., Ltd.	20	100	September 28, 1983	Banking clerical work
SMBC Consumer Loan Operations Co., Ltd.	30	100	November 7, 1997	Banking clerical work
SMBC Property Research Service Co., Ltd.	30	100	February 1, 1984	Banking clerical work
SMBC Total Maintenance Co., Ltd.	450	100	October 7, 1994	Disposal of real estate collateral
Sumitomo Mitsui Card Company, Limited	79,115	46.9 (53.1)	December 26, 1967	Credit card services
SAKURA CARD CO., Ltd.	7,438	68.5 (27.3)	February 23, 1983	Credit card services
At-Loan Co., Ltd.	17,500	52.0	June 8, 2000	Loans
SMBC Loan Adviser Co., Ltd.	10	100	April 1, 1998	Consulting and agency services for consumer loans
The Japan Net Bank, Limited	20,000	57.0	September 19, 2000	Commercial banking via Internet
Sakura Guarantee Co., Ltd. **	87,720	0 (100)	July 14, 1976	Credit guarantee
Sansei Guarantee Co., Ltd.	48	100	April 1, 1974	Credit guarantee
SMBC Loan Servicer Co., Ltd.	500	0 (100)	July 28, 1999	Servicer
SMBC Leasing Company, Limited	57,600	37.5 (47.7)	September 2, 1968	Leasing
SB Auto Leasing Company	200	0 (90)	January 6, 1995	Leasing
SMBC Finance Co., Ltd.	71,705	80.7 (18.5)	December 5, 1972	Mortgage securities, factoring, and loans
SMBC FACTORS CO., LTD.	3,000	100	August 16, 2000	Factoring
SMBC Capital Co., Ltd.	2,500	39.8 (60.2)	August 1, 1995	Venture capital
SMBC Consulting Co., Ltd.	1,100	50.0 (50.0)	May 1, 1981	Management consulting and information service
SMBC Mortgage Co., Ltd.	18,182	47.0 (10.7)	October 14, 1983	Mortgage securities
Mitsui Finance Service Co., Ltd.	1,100	43.6 (34.5)	December 22, 1979	Collecting agent and factoring
Sakura Finance Service Co., Ltd.	200	40.0 (10.5)	July 12, 1979	Collecting agent and factoring
SMBC Business Servicing Co., Ltd.	500	100	March 11, 1999	Servicer
Sakura Friend Securities Co., Ltd.	26,139	37.5 (6.3)	April 20, 1932	Securities
SAKURA INVESTMENT MANAGEMENT CO., LTD.	1,280	100	September 27, 1993	Investment advisory and investment trust management
The Japan Research Institute, Limited	3,000	4.9 (49.3)	February 20, 1969	Economic research, system engineering, data processing, and management consulting
Sakura Information Systems Co., Ltd.	600	5.0 (35.0)	November 29, 1972	System engineering and data processing
SAKURA KCS Corporation	2,054	5.0 (47.9)	March 29, 1969	System engineering and data processing
THE MINATO BANK, LTD.	24,908	48.4 (1.7)	September 6, 1949	Commercial banking
The Bank of Kansai, Ltd.	32,500	49.9 (19.3)	July 1, 1922	Commercial banking
THE WAKASHIO BANK, LTD.	20,831	100	June 6, 1996	Commercial banking

* Figures in parentheses indicate voting rights held by the Bank's nonconsolidated subsidiaries and affiliates as a percentage of total voting rights.

** Sakura Guarantee Co., Ltd., changed its name to SMBC Guarantee Co., Ltd., on April 1, 2002.

Overseas Principal Subsidiaries

Company Name	Country	Issued Capital	Percentage of Bank's Voting Rights* (%)	Established	Main Business
Manufacturers Bank	U.S.A.	US\$80.78 million	100	June 26, 1962	Commercial banking
Sumitomo Mitsui Banking Corporation of Canada	Canada	C\$121.87 million	100	April 1, 2001	Commercial banking
Banco Sumitomo Mitsui Brasileiro S.A.	Brazil	R\$200.88 million	100	October 6, 1958	Commercial banking
PT Bank Sumitomo Mitsui Indonesia	Indonesia	Rp1,502.4 billion	97.6	August 22, 1989	Commercial banking
SMBC Leasing and Finance, Inc.	U.S.A.	US\$1,620	89.7 (10.3)	November 9, 1990	Leasing
Sumitomo Mitsui Finanz (Deutschland) GmbH	Germany	€25,000	100	June 14, 1985	Leasing
SMBC Capital Markets, Inc.	U.S.A.	US\$100	90.0 (10.0)	December 4, 1986	Investments and derivatives
SMBC Securities, Inc.	U.S.A.	US\$100	90.0 (10.0)	August 8, 1990	Securities
SMBC Financial Services, Inc.	U.S.A.	US\$300	100	August 8, 1990	Investments
Sumitomo Finance (Asia) Limited	British West Indies	US\$35 million	100	September 26, 1973	Investments
SBTC, Inc.	U.S.A.	US\$1	100	January 26, 1998	Investments
SB Equity Securities (Cayman), Limited	British West Indies	¥1 million	100	December 15, 1998	Finance
SFVI Limited	British Virgin Islands	US\$300	100	July 30, 1997	Investments
Sakura Finance (Cayman) Limited	British West Indies	US\$100,000	100	February 11, 1991	Finance
Sakura Capital Funding (Cayman) Limited	British West Indies	US\$100,000	100	July 15, 1992	Finance
Sakura Preferred Capital (Cayman) Limited	British West Indies	¥10 million	100	November 12, 1998	Finance
SMBC International Finance N.V.	Netherlands Antilles	US\$200,000	100	June 25, 1990	Finance
SMBC Capital Markets Limited	U.K.	US\$297 million	100	April 18, 1995	Derivatives
SMBC Derivative Products Limited	U.K.	US\$300 million	0 (100)	April 18, 1995	Derivatives
Sumitomo Finance International plc	U.K.	£200 million	100	July 1, 1991	Investments
Sakura Trust International Limited**	U.K.	£250,000	100	May 25, 1984	Trustee business and fiscal agency business
Sumitomo Mitsui Finance Dublin Limited	Ireland	US\$12 million	100	September 19, 1989	Finance
Sakura Finance Asia Limited	P.R.C.	US\$65 million	100	October 17, 1977	Finance
Sumitomo Mitsui Finance Australia Limited	Australia	A\$62 million	100	June 29, 1984	Finance
Sakura Finance Australia Limited	Australia	A\$54 million	100	March 27, 1986	Finance
Sakura Merchant Bank (Singapore) Limited	Singapore	S\$4 million	100	April 18, 1990	Finance

* Figures in parentheses indicate voting rights held by the Bank's nonconsolidated subsidiaries and affiliates as a percentage of total voting rights.

** Sakura Trust International Limited was liquidated on May 24, 2002.

Domestic Principal Affiliates

Company Name	Issued Capital (Millions of Yen)	Percentage of Bank's Voting Rights* (%)		Established	Main Business
Daiwa Securities SMBC Co. Ltd.	205,600	40.0		February 5, 1999	Wholesale securities
Daiwa Securities SMBC Principal Investment Co. Ltd.	500	—	(100)	September 4, 2001	Investments
Meiko National Securities Co., Ltd.	27,270	20.6	(7.6)	March 2, 1948	Securities
DLJdirect SFG Securities Inc.	3,000	21.3		March 24, 1999	Securities via Internet
Daiwa SB Investments Ltd.	2,000	30.4	(13.6)	April 1, 1999	Investment advisory and investment trust
Japan Pension Navigator Co., Ltd.	2,500	30.0		September 21, 2000	Operation and administration of defined contribution pension plans
QUOQ Inc.	1,000	5.0	(34.9)	April 5, 1978	Purchase of monetary assets and credit guarantee

* Figures in parentheses indicate voting rights held by the Bank's nonconsolidated subsidiaries and affiliates as a percentage of total voting rights.

International Directory (As of June 30, 2002)

Asia, Oceania

Branches and Representative Offices

Hong Kong Branch

7th & 8th Floors, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong Special Administrative Region, The People's Republic of China
Tel: 852 (2206) 2000
Fax: 852 (2206) 2888

Shanghai Branch

30F, HSBC Tower, 101 Yin Cheng East Road, Pudong New Area, Shanghai, The People's Republic of China
Tel: 86 (21) 6841-5000
Fax: 86 (21) 6841-0144

Tianjin Branch

Room No. 1210, Tianjin International Building, No. 75 Nan Jing Lu, Tianjin, The People's Republic of China
Tel: 86 (22) 2330-3334
Fax: 86 (22) 2331-3834

Guangzhou Branch

31F, Office Tower, CITIC Plaza, 233 Tianhe North Road, Guangzhou, The People's Republic of China
Tel: 86 (20) 8752-0168
Fax: 86 (20) 8752-0672

Suzhou Branch

10th Floor-D, Kings Tower, 12 Shishan Road, Suzhou New District, Suzhou, Jiangsu, The People's Republic of China
Tel: 86 (512) 825-8205
Fax: 86 (512) 825-6121

General Representative Office in China

2902, Jing Guang Centre, Hujialou, Chaoyang District, Beijing, The People's Republic of China
Tel: 86 (10) 6597-3351
Fax: 86 (10) 6597-3002

Dalian Representative Office

Room No. 703, Dalian Civil Aviation Hotel, 143 Zhong Shan Lu, Dalian, The People's Republic of China
Tel: 86 (411) 363-7611
Fax: 86 (411) 363-7615

Chongqing Representative Office

3F, Holiday Inn Yangtze Chongqing, 15 Nan Ping Bei Lu, Chongqing, The People's Republic of China
Tel: 86 (23) 6280-3394
Fax: 86 (23) 6280-3748

Shenyang Representative Office

Room No. 606, Gloria Plaza Hotel Shenyang, No. 32 Yingbin Street, Shenhe District, Shenyang, The People's Republic of China
Tel: 86 (24) 2252-8310
Fax: 86 (24) 2252-8769

Taipei Branch

Aurora International Building 9F, No. 2, Sec. 5 Hsin Yi Rd., Taipei, Taiwan
Tel: 886 (2) 2720-8100
Fax: 886 (2) 2720-8287

Seoul Branch

Young Poong Bldg. 7F, 33, Seorin-Dong, Jongno-gu, Seoul, 110-752, Korea
Tel: 82 (2) 732-1801
Fax: 82 (2) 399-6330

Singapore Branch

3 Temasek Avenue, #06-01, Centennial Tower, Singapore 039190, Singapore
Tel: 65-882-0000/0001
Fax: 65-887-0220/0330

Labuan Branch

Level 12 (B&C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, Federal Territory, Malaysia
Tel: 60 (87) 410955
Fax: 60 (87) 410959

Labuan Branch Kuala Lumpur Marketing Office

Letter Box No. 25, 29th Floor, UBN Tower, 10, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia
Tel: 60 (3) 2026-8392
Fax: 60 (3) 2026-8395

Kuala Lumpur Representative Office

Letter Box No. 25, 29th Floor, UBN Tower, 10, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia
Tel: 60 (3) 2026-8392
Fax: 60 (3) 2026-8395

Jakarta Representative Office

Summitmas II, 8th Floor, Jl. Jendral, Sudirman Kav. 61-62, Jakarta 12190, Indonesia
Tel: 62 (21) 525-1733
Fax: 62 (21) 525-1770

Ho Chi Minh Representative Office

Unit C, 4th Floor, OSIC Building, 8 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam
Tel: 84 (8) 8231244
Fax: 84 (8) 8231241

Yangon Representative Office

Room No. 603-604, 6th Floor, FMI Centre, 380 Bogyoke Aung San Street, Yangon, Myanmar
Tel: 95 (1) 248060
Fax: 95 (1) 248061

Bangkok Branch

Boon-Mitr Building, 138 Silom Road, Bangkok 10500, Thailand
Tel: 66 (2) 353-8000
Fax: 66 (2) 353-8100

Ayudhya Branch

3rd Floor, Bank of Asia Building,
5-255, Pailing, Ayudhya District,
Ayudhya Province, Thailand
Tel: 66 (35) 245842
Fax: 66 (35) 212547

Chonburi Branch

6th Floor, Bangkok Bank Building,
98, Sukhumvit Road, Sriracha
District, Chonburi Province, Thailand
Tel: 66 (38) 770584~7
Fax: 66 (38) 770588

Manila Representative Office

20th Floor, Rufino Pacific Tower,
6784 Ayala Avenue, Makati City,
Metro Manila, The Philippines
Tel: 63 (2) 841-0098/9
Fax: 63 (2) 811-0877

Mumbai Branch

Jolly Maker Chambers No. 2,
15th Floor, 225, Nariman Point,
Mumbai 400021, India
Tel: 91 (22) 288-0025
Fax: 91 (22) 288-0026

New Delhi Branch

Dr. Gopal Das Bhawan, Ground
Floor, 28 Barakhamba Road,
New Delhi 110001, India
Tel: 91 (11) 373-7637~41
Fax: 91 (11) 373-7642

Subsidiaries

Sumitomo Mitsui Finance Australia Limited

Level 40, The Chifley Tower 2,
Chifley Square, Sydney,
NSW 2000, Australia
Tel: 61 (2) 9376-1800
Fax: 61 (2) 9376-1863

PT Bank Sumitomo Mitsui Indonesia

Summitmas II, 10th Floor, Jl. Jendral,
Sudirman Kav. 61-62, Jakarta
12069, Indonesia
Tel: 62 (21) 522-7011
Fax: 62 (21) 522-7022

SMBC Metro Investment Corp.

20th Floor, Rufino Pacific Tower,
6784 Ayala Avenue, Makati City,
Metro Manila, The Philippines
Tel: 63 (2) 811-0845~52
Fax: 63 (2) 811-0876~77

Sakura Finance Asia Limited

7th & 8th Floors, One International
Finance Centre 1 Harbour View
Street, Central, Hong Kong Special
Administrative Region,
The People's Republic of China
Tel: 852 (2864) 9300
Fax: 852 (2861) 2316

Sakura Finance Australia Limited

Level 40, The Chifley Tower 2,
Chifley Square, Sydney,
NSW 2000, Australia

Sakura Merchant Bank (Singapore) Limited

3 Temasek Avenue, #07-04,
Centennial Tower, Singapore
039190, Singapore

P.T. Perjahl Leasing Indonesia

Mid Plaza Building LT 9, Jl. Jendral,
Sudirman Kav. 10-11, Jakarta
10220, Indonesia
Tel: 62 (21) 570-6221, 6225
Fax: 62 (21) 570-6199

China United International Leasing Co., Ltd.

Room 3313, Office Tower, CITIC
Plaza, 233 Tianhe North Road,
Guangzhou,
The People's Republic of China
Tel: 86 (20) 8752-0177
Fax: 86 (20) 8752-0397

China International Finance Company Limited (Shenzhen)

33F International Financial Building,
23 Jian She Road, Shenzhen,
The People's Republic of China
Tel: 86 (755) 225-1509
Fax: 86 (755) 223-7566

BSL Leasing Co., Ltd.

19th Fl. Sathorn City Tower,
175 South Sathorn Road,
Bangkok, Thailand
Tel: 66 (2) 679-6144
Fax: 66 (2) 679-6160

Bangkok SMBC Systems Ltd.

19th Floor, Q, House Sathorn
Building, 11 South Sathorn Road,
Bangkok, 10120 Thailand
Tel: 66 (2) 679-1878~80
Fax: 66 (2) 679-1882

SMBC Management Service Co., Ltd.

7th Floor Unit B6, Boon-Mitr
Building, 138 Silom Road,
Suriyawongse, Bangrak,
Bangkok 10500, Thailand
Tel: 66 (2) 632-9610
Fax: 66 (2) 632-9611

Bangkok SMBC Consulting Company Limited

Boon-Mitr Building, 138 Silom Road,
Suriyawongse, Bangrak, Bangkok
10500, Thailand
Tel: 66 (2) 632-9210

SBCS Co., Ltd.

7th Floor Unit A3 and B5-6, Boon-
Mitr Building, 138 Silom Road,
Suriyawongse, Bangrak, Bangkok
10500, Thailand
Tel: 66 (2) 237-6295~8
Fax: 66 (2) 237-6299

SMSB Co.,Ltd.

7th Floor Unit B6, Boon-Mitr
Building, 138 Silom Road,
Suriyawongse, Bangrak, Bangkok
10500, Thailand

SMBC Leasing (Singapore) Pte. Ltd.

1 Shenton Way, #19-05,
Singapore 068803, Singapore
Tel: 65-224-2955
Fax: 65-225-3570

Sumitomo Mitsui Finance Australia (Securities) Limited

Level 40, The Chifley Tower 2,
Chifley Square, Sydney,
NSW 2000, Australia

SMBC Leasing (Hong Kong) Limited

21st Floor, World-wide House,
2104B, 19 Des Voeux Road,
Central, Hong Kong Special
Administrative Region,
The People's Republic of China
Tel: 852 (2523) 4155
Fax: 852 (2845) 9246

SMBC Leasing (Thailand) Co., Ltd.

19th Floor, Ramaland Building,
952 Rama IV Road, Suriyawong,
Bangrak, Bangkok 10500, Thailand
Tel: 66 (2) 632-9250
Fax: 66 (2) 632-9258

SMBC Leasing (Guangzhou) Co., Ltd.

Room 1211-1212, Metro Plaza,
183, Tian He Bei Lu, Guangzhou,
The People's Republic of China
Tel: 86 (20) 8755-0021
Fax: 86 (20) 8755-0422

SMBC Leasing (Malaysia) Sdn. Bhd.

Letter Box No. 58, 11th Floor,
UBN Tower, 10, Jalan P. Ramlee,
50250 Kuala Lumpur, Malaysia
Tel: 60 (3) 2026-2619
Fax: 60 (3) 2026-2627

SMBC Capital Markets Limited Hong Kong Branch

7th & 8th Floors, One International
Finance Centre, 1 Harbour View
Street, Central, Hong Kong Special
Administrative Region,
The People's Republic of China
Tel: 852 (2532) 8500
Fax: 852 (2532) 8505

Americas

Branches and Representative Offices

New York Branch

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-4000
Fax: 1 (212) 593-9522

Cayman Branch

P.O. Box 694, Edward Street,
George Town, Grand Cayman,
Cayman Islands

Los Angeles Branch

777 South Figueroa Street,
Suite 2600, Los Angeles,
CA 90017, U.S.A.
Tel: 1 (213) 955-0800
Fax: 1 (213) 623-6832

San Francisco Branch

555 California Street, Suite 3350,
San Francisco, CA 94104, U.S.A.
Tel: 1 (415) 616-3000
Fax: 1 (415) 397-1475

Seattle Representative Office

1201 Third Avenue, Suite 5320,
Seattle, WA 98101, U.S.A.
Tel: 1 (206) 625-1010
Fax: 1 (206) 623-8551

Subsidiaries

Manufacturers Bank

515 South Figueroa Street,
Los Angeles, CA 90071, U.S.A.
Tel: 1 (213) 489-6200
Fax: 1 (213) 489-6254

Sumitomo Mitsui Banking Corporation of Canada

Ernst & Young Tower, Suite 1400,
P.O. Box 172, Toronto Dominion
Centre, Toronto, Ontario M5K 1H6,
Canada
Tel: 1 (416) 368-4766
Fax: 1 (416) 367-3565

Banco Sumitomo Mitsui Brasileiro S.A.

Av. Paulista, 37 São Paulo, Brazil
Tel: 55 (11) 3178-8000
Fax: 55 (11) 289-1668

SMBC Capital Markets, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5000
Fax: 1 (212) 224-5111

SMBC Leasing and Finance, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5200
Fax: 1 (212) 224-5222

SMBC Securities, Inc.

277 Park Avenue, New York,
NY 10172, U.S.A.
Tel: 1 (212) 224-5300
Fax: 1 (212) 224-5333

Europe, Middle-East, Africa

Branches and Representative Offices

London Branch

Temple Court, 11 Queen Victoria Street, London EC4N 4TA, U.K.
Tel: 44 (20) 7786-1000
Fax: 44 (20) 7236-0049

Düsseldorf Branch

Prinzenallee 7, 40549 Düsseldorf, Federal Republic of Germany
Tel: 49 (211) 3619223
Fax: 49 (211) 3619236

Brussels Branch

Avenue des Arts, 58, Bte. 18, 1000 Brussels, Belgium
Tel: 32 (2) 551-5000
Fax: 32 (2) 513-4100

Paris Branch

20, Rue de la Ville l'Evêque, 75008 Paris, France
Tel: 33 (1) 44 (71) 40-00
Fax: 33 (1) 44 (71) 40-50

Madrid Representative Office

Serrano 16, 28001 Madrid, Spain
Tel: 34 (91) 576-6196
Fax: 34 (91) 577-7525

Bahrain Representative Office

No. 406 & 407 (Entrance 3, 4th Floor) Manama Centre, Government Road, Manama, State of Bahrain
Tel: 973 223211
Fax: 973 224424

Tehran Representative Office

4th Floor, 80 Nezami Gangavi Street, Vali-e-Asr Avenue, Tehran 14348, Islamic Republic of Iran
Tel: 98 (21) 879-4586
Fax: 98 (21) 879-4569

Cairo Representative Office

12th Floor, Nile Tower Building, 21-23 Giza Street, Giza, Cairo, Arab Republic of Egypt
Tel: 20 (2) 570-3644
Fax: 20 (2) 570-3655

Johannesburg Representative Office

Suite No. 2, Ground Floor, Gleneagles Building, Fairway Office Park, 52 Grosvenor Road, Bryanston, Sandton, South Africa (Postal address: Private Bag x134 Bryanston 2021, South Africa)
Tel: 27 (11) 706-8675
Fax: 27 (11) 706-4927

Subsidiaries

Sumitomo Mitsui Finance Dublin Limited

La Touche House, International Financial Services Centre, Custom House Docks, Dublin 1, Ireland
Tel: 353 (1) 670-0066
Fax: 353 (1) 670-0353

SMBC Capital Markets Limited

Temple Court, 11 Queen Victoria Street, London EC4N 4TA, U.K.
Tel: 44 (20) 7786-1400
Fax: 44 (20) 7248-5905

SMBC Derivative Products Limited

Temple Court, 11 Queen Victoria Street, London EC4N 4TA, U.K.
Tel: 44 (20) 7786-1400
Fax: 44 (20) 7248-5905

Sakura Trust International Limited

Temple Court, 11 Queen Victoria Street, London EC4N 4TA, U.K.
Tel: 44 (20) 7248-3076
Fax: 44 (20) 7329-4934

Sumitomo Finance International plc

Temple Court, 11 Queen Victoria Street, London EC4N 4UQ, U.K.
Tel: 44 (20) 7842-3000
Fax: 44 (20) 7842-3090

Sumitomo Mitsui Finanz (Deutschland) GmbH

Prinzenallee 7, 40549 Düsseldorf, Federal Republic of Germany

Principal Affiliate

P.T. Exim SB Leasing

Summitmas I, 8th Floor, Jl. Jendral, Sudirman Kav. 61-62, Jakarta 12069, Indonesia
Tel: 62 (21) 520-1265
Fax: 62 (21) 520-0154

SMBC Website



The screenshot shows the top portion of the SMBC website. At the top left is the SMBC logo, followed by the text "SUMITOMO MITSUI BANKING CORPORATION". On the top right, there is the Japanese name "三井住友銀行" and a search bar with a "Find" button. Below the header, a navigation menu lists various sections: "About SMBC", "Investors Information", "News Release", "International Network", "Our Americas & European Website", "Asia & Pacific Regions", "Yen Clearing Service for Financial Institutions", "Custody Services", and "Supporting Your Business in Japan". The main content area features a large image of a city skyline with the SMBC logo overlaid on the left. At the bottom of the page, there is a copyright notice: "Copyright © 2001 Sumitomo Mitsui Banking Corporation. All Rights Reserved."

SUMITOMO MITSUI BANKING CORPORATION 三井住友銀行

Site Map | Search Find

Welcome to Sumitomo Mitsui Banking Corporation Website [Go to Japanese Pages](#)

- ▶ About SMBC
- ▶ Investors Information
- ▶ News Release
- ▶ International Network
- ▶ Our Americas & European Website
- ▶ Asia & Pacific Regions
- ▶ Yen Clearing Service for Financial Institutions
- ▶ Custody Services
- ▶ Supporting Your Business in Japan

Copyright © 2001 Sumitomo Mitsui Banking Corporation. All Rights Reserved.

➤ <http://www.smbc.co.jp/global/>

