



SMBC

SUMITOMO
MITSUI
BANKING
CORPORATION

ANNUAL REPORT

2001

YEAR ENDED MARCH 31, 2001

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PROFILE (As of April 1, 2001)

| | |
|----------------------------|------------------------|
| Total Assets | ¥113,451.3 billion |
| Deposits | ¥ 59,041.3 billion |
| Loans and Bills Discounted | ¥ 61,747.8 billion |
| Capital Stock | ¥ 1,276.7 billion |
| Consolidated Capital Ratio | 10.8% (BIS Guidelines) |

Shares Issued and Outstanding (As of June 29, 2001)

| | |
|-------------------------|---------------|
| Ordinary Share | 5,703 million |
| Type 1 Preference Share | 167 million |
| Type 5 Preference Share | 800 million |
| Type 6 Preference Share | 2 million |

| | | |
|---|------|-----------|
| Long-term Credit Ratings (As of June 29, 2001) | A3 | (Moody's) |
| | BBB+ | (S&P) |
| | A | (Fitch) |
| | AA- | (R&I) |
| | AA | (JCR) |

Number of Employees (As of April 1, 2001) 27,793

Network (As of June 30, 2001)
 Domestic Branches 578
 (Excluding subbranches and agencies)
 Overseas Branches 21
 (Excluding subbranches and representative offices)

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

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.

July 2001

Sumitomo Mitsui Banking Corporation

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*This annual report was printed on recycled paper.



As the founding executives, it is our great pleasure to invite shareholders and stakeholders of the newly formed Sumitomo Mitsui Banking Corporation to read the Bank's first annual report. We strive to provide complete disclosure on an impartial, timely and continuous basis in an easily understood format as part of our mission to enhance shareholder value and offer value to customers. This report outlines the strategies for SMBC and summarizes the fiscal 2000 results for the two founding banks. We hope that it will provide you with a greater understanding of where we have come from, what we have accomplished and where we are headed.

Banks will have to reinvent themselves repeatedly in the next few years to thrive amid the significant changes wrought by the various regulatory reforms, the IT revolution and the globalization of the financial industry. We are positioning SMBC to have a stronger foundation on which to heighten profitability and enhance our international profile. To accomplish this, we are putting emphasis on gaining initiatives in various businesses to keep abreast of the pace of change, and fostering creativity and originality to provide us with a leading edge.

Although economic conditions over the next few years will be daunting, we shall navigate resolutely toward a bright future. We look forward to your continued support and guidance to achieve growth.

July 2001

Akishige Okada
Chairman of the Board

Yoshifumi Nishikawa
President and Chief Executive Officer

Launch of the New Bank

I am pleased to report that SMBC began operation on April 2, 2001. This auspicious start at the dawn of the new millennium has created great expectations from our shareholders, investors and customers, as well as the general public, for the responsibilities we bear as a cornerstone of the economic infrastructure. We welcome this interest and will work hard to earn the trust of shareholders and stakeholders.

The merger has provided us with the key infrastructure—such as various delivery channels, skilled personnel and other management resources, and the competitive might of the Group in each field—to sustain SMBC in the top echelon of the Japanese banks. The crucial task now is to use this infrastructure to produce concrete results under the SMBC brand, which marries the strengths of the Mitsui and Sumitomo brands that have been built up so carefully over the years to mean reliable and innovative service.

The Economic Realities

In the domestic economy, it is abundantly clear the corporate sector faces a period of adjustment that will continue to slacken demand for financial services. As these conditions begin to be felt in corporate performances and their financial positions, the competitive environment for banks will get even tougher. Nonetheless, the companies that have restructured themselves on the basis of new business models suited to the times are growing in number and we are beginning to see the results of their strengthened capabilities. We view the industrial structuring now underway as a business opportunity and one of the ways in which we can move forward with new growth.

Critical Issues

We consider strengthening our profit base and balance sheet management to be the top two priorities at this time. We have a number of initiatives to deal directly with these issues. While achieving these targets will not be easy, we are applying bold ideas and resolute measures that will chart a steady course toward the desired outcome, executing paradigm shifts as needed.

To bolster our profit base, our primary strategy is to draw fully upon the expanded operating base created as a legacy of the merger and to approach each customer segment from the customer's perspective. In the retail market, we are taking a customer-by-customer approach to provide the most appropriate services with the goal of maximizing convenience. In the corporate segments, we are addressing operating and financing needs with a variety of services that form complete solutions. We are placing particular emphasis on expanding financial services that do not use our balance sheets, such as fee businesses. At the same time, we will be looking to further pare down expenses. We anticipate that expenses will temporarily increase as a result of computer systems integration and similar start-up costs associated with the merger, but expect to achieve the benefits of the

merger synergies early in the process. By fundamentally revising our business processes, we plan to radically reform cost structures and increase the size of the merger effect. We are also planning to operate more cohesively as a consolidated entity to boost overall Group profitability. The investment banking and credit card businesses have significant strategic value. Since the respective companies participating in these markets from both founding groups would gain significant merger synergies and strength, they integrated their operations at the same time the parents merged. We expect the newly merged companies to use their expanded operating bases and expertise to contribute to the growth of consolidated earnings.



Yoshifumi Nishikawa, President

Balance sheet management is the other focus of activities. Our first priority is to deal conclusively with non-performing loans. We are stepping up disposal and giving this issue our full attention. We are monitoring the non-performing loan measures proposed in the government's emergency economic package, while moving forward with our own initiatives to resolve each non-performing loan individually. Our initiatives include detailed dialogs with each borrower to detect potential problems early on and put preventative measures in place to avoid new outbreaks of non-performing loans. Our second priority is to reduce the potential for stock price volatility risk to impact our balance sheets, as the accounting method for the stock portfolio changes to the mark-to-market method.

In Closing

I am firmly committed to strengthening the Bank to make it a first-class player in the international financial markets at the earliest opportunity. Immediately following the merger, the entire Bank, from the directors and management to the staff, has set to work under a single system—without redundancies—toward a clearly defined set of goals. We will strive to maximize the synergies of the merger and secure a leading spot among the competition by promoting staff on a merit basis under a unified personnel system, putting the right people in the right places, instilling in them a sense of urgency and empowering them to turn plans into reality. We shall carry on fulfilling the responsibilities entrusted to us and work to make SMBC the most trusted brand in the market.



Former Sakura Bank's headquarters

Former Sakura Bank

Year 2000 October

- Joins two other Mitsui Group companies, Mitsui Marine & Fire Insurance Co., Ltd., and Mitsui Mutual Life Insurance Co., in a strategic business alliance

December

- Launches TV banking services using digital transmissions over broadcast satellites
- Partners with GE Capital Japan to offer loans to corporate clients via the Web
- Signs joint agreement for *Edy*, a prepaid

electronic money service worthy of the information age

- Delists common shares from the Swiss Stock Exchange

Year 2001 January

- Delists common shares from the Paris Stock Exchange

March

- Delists common shares from the Frankfurt Stock Exchange



Former Sumitomo Bank's headquarters

Former Sumitomo Bank

Year 2000 November

- Starts operation of *NetDebit*, a settlement service for Internet shopping
- Launches the *One's Direct* service

Year 2001 February

- Commences handling the *Complete* Internet settlement service for corporations

March

- Delists common shares from the Paris Stock Exchange

1999

2000

2001

Steps toward Merger

Year 1999 October

- The founding banks conclude the Strategic Alliance and Integration of Sakura Bank and Sumitomo Agreement on the premise of a future merger.

Year 2000 April

- The founding banks announce their merger for April 1, 2001, as the new entity, Sumitomo Mitsui Banking Corporation

June

- Shareholders approve the merger at the respective shareholders' meetings

November

- The founding banks announce the new bank's logo and corporate colors
- The founding banks announce the reorganization of Sumitomo Credit Service Co., Ltd., and Sakura Card Co., Ltd.

December

- The Financial Services Agency approves the merger

Year 2001 January

- The founding banks agree to reorganize and merge Sakura Institute of Research Inc., The Japan Research Institute, Ltd., and The JRI Business Consulting, Ltd.
- Agreement is reached on merging Sakura Capital Co., Ltd., and SB Investment Co., Ltd.

February

- The founding banks announce the agreement in principle for the merger and name change for Daiwa Securities SB Capital Markets Co., Ltd., and Sakura Securities Co., Ltd.

March

- The founding banks announce the expansion of the ATM tie-up with Sumitomo Life Insurance Company and Mitsui Mutual Life Insurance Co.

Symbol

The ascending curve of the symbol, named the “Rising Mark”, signifies the new bank’s growth through the application of the diverse skills of SMBC staff to provide progressive, value-added financial services and, through these services, to contribute to the welfare of customers, shareholders and the community at large. We have selected “fresh green” and “trad green” as the two corporate colors. Fresh green is used in the Rising Mark to express our youthful, knowledgeable and friendly approach, while trad green is used as the symbol’s background and text color to represent our tradition, reliability and stability. The symbol, color scheme and the SMBC abbreviation, collectively referred to as our “Mark Unit”, is used consistently to promote our corporate identity.



Mark Unit



Headquarters of Sumitomo Mitsui Banking Corporation
(Began operation on April 2, 2001)

Sumitomo Mitsui Banking Corporation

Year 2001

April

- Sumitomo Mitsui Banking Corporation begins operation

May

- The Bank takes over housing loans from Mitsui Mutual Life Insurance Co.
- The Bank announces the establishment of the Advisory Board

June

- The Bank transfers its Sakura Trust & Banking Co., Ltd., shares to Chuo Mitsui Trust and Banking Co., Ltd.

Financial Highlights

Former Sakura Bank

(Consolidated)

| | Millions of yen | | | | |
|---|-----------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| For the Year | | | | | |
| Total income | ¥ 1,773,614 | ¥ 2,157,102 | ¥ 2,213,222 | ¥ 2,921,528 | ¥ 2,561,157 |
| Total expenses | 1,641,567 | 2,030,963 | 2,919,480 | 3,021,878 | 2,510,976 |
| Net income (loss) | 48,939 | 62,581 | (479,266) | (88,301) | 17,746 |
| At Year-End | | | | | |
| Total stockholders' equity | ¥ 2,175,809 | ¥ 2,208,554 | ¥ 2,174,486 | ¥ 1,726,737 | ¥ 1,847,460 |
| Total assets | 51,849,687 | 48,495,608 | 49,015,005 | 53,160,330 | 54,719,655 |
| Risk-monitored loans | 1,466,633 | 1,661,440 | 1,766,867 | / | / |
| Reserve for possible loan losses | 512,023 | 682,188 | 666,692 | 1,064,355 | 842,310 |
| Net unrealized gains (losses) on securities | (352,844) | 654,763 | / | / | / |
| Capital ratio (BIS Guidelines) | 11.31% | 12.53% | 12.33% | 9.12% | 8.92% |
| ROE | 2.67% | 3.74% | /% | /% | /% |
| PER (times) | 62.36 | 62.08 | / | / | / |
| Per Share (Yen) | | | | | |
| Stockholders' equity | ¥333.46 | ¥340.98 | ¥331.28 | ¥446.47 | ¥467.28 |
| Net income (loss) | 9.22 | 12.58 | (124.72) | (25.51) | 4.38 |
| Net income—diluted | 9.21 | — | — | — | — |

(Nonconsolidated)

| | Millions of yen | | | | |
|---|-----------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| For the Year | | | | | |
| Total income | ¥ 1,441,834 | ¥ 1,930,928 | ¥ 2,045,139 | ¥ 2,833,166 | ¥ 2,538,645 |
| Total expenses | 1,302,774 | 1,776,858 | 2,693,827 | 2,948,431 | 2,480,239 |
| Net income (loss) | 82,160 | 57,117 | (375,315) | (220,516) | 51,042 |
| (Appendix) | | | | | |
| Gross banking profit (A) | ¥ 730,392 | ¥ 711,915 | ¥ 699,181 | ¥ 730,391 | ¥ 720,834 |
| Banking profit | 411,377 | 328,084 | 172,947 | 293,778 | 281,745 |
| Banking profit (excluding transfer to general reserve for possible loan losses) | 355,401 | 313,459 | 274,123 | 295,495 | 282,102 |
| Expenses (excluding non-recurring losses) (B) | 374,990 | 397,771 | 425,057 | 434,895 | 438,732 |
| Expense ratio (B)/(A) | 51.3% | 55.8% | 60.7% | 59.5% | 60.8% |
| At Year-End | | | | | |
| Preferred stock | 402,577 | 402,772 | 411,307 | 26,883 | 123,710 |
| Number of shares issued (thousands) | 802,577 | 802,772 | 811,307 | 26,883 | 123,710 |
| Common stock | 640,129 | 639,934 | 631,399 | 572,562 | 475,735 |
| Number of shares issued (thousands) | 4,118,077 | 4,117,297 | 4,083,121 | 3,747,134 | 3,424,163 |
| Total stockholders' equity | ¥ 2,281,230 | ¥ 2,252,289 | ¥ 2,223,521 | ¥ 1,298,113 | ¥ 1,551,052 |
| Total assets | 48,461,818 | 46,559,485 | 47,208,716 | 51,650,386 | 53,131,014 |
| Deposits | 33,534,079 | 33,342,655 | 32,965,621 | 36,380,770 | 38,270,539 |
| Loans and bills discounted | 30,575,498 | 31,939,952 | 32,291,263 | 35,083,771 | 36,833,937 |
| Securities | 10,199,669 | 6,911,602 | 6,217,570 | 6,449,372 | 7,062,157 |
| Risk-monitored loans | 1,215,082 | 1,672,375 | 1,760,563 | 1,475,402 | / |
| Problem assets based on Financial Reconstruction Law | 1,260,895 | 1,723,560 | 1,800,079 | / | / |
| Reserve for possible loan losses | 424,799 | 660,454 | 735,562 | 1,044,082 | 835,024 |
| Net unrealized gains (losses) on securities | (346,628) | 662,799 | (120,093) | (25,917) | 784,879 |
| Pay-out ratio | 34.71% | 53.42% | —% | —% | 60.27% |
| Capital ratio (BIS Guidelines) | 11.91% | 12.50% | 12.38% | /% | /% |
| ROE | 4.86% | 3.23% | —% | —% | 3.73% |
| PER (times) | 33.27 | 69.48 | / | / | / |
| Per Share (Yen) | | | | | |
| Stockholders' equity | ¥358.43 | ¥351.38 | ¥343.09 | ¥332.07 | ¥380.72 |
| Dividends: | | | | | |
| Common stock | 6.00 | 6.00 | 7.25 | 8.50 | 8.50 |
| Preferred stock (Series I) | — | — | — | 22.50 | 45.00 |
| Preferred stock (Series II) | 15.00 | 15.00 | 15.00 | 15.00 | 7.50 |
| Preferred stock (Series III) (Type-2) | 13.70 | 13.70 | 0.04 | — | — |
| Net income (loss) | 17.28 | 11.24 | (97.62) | (62.92) | 14.10 |
| Net income—diluted | 17.24 | — | — | — | 13.99 |

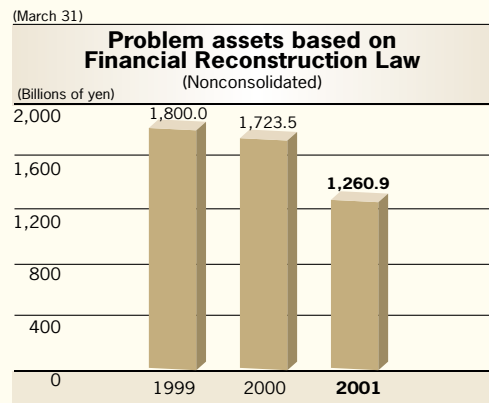
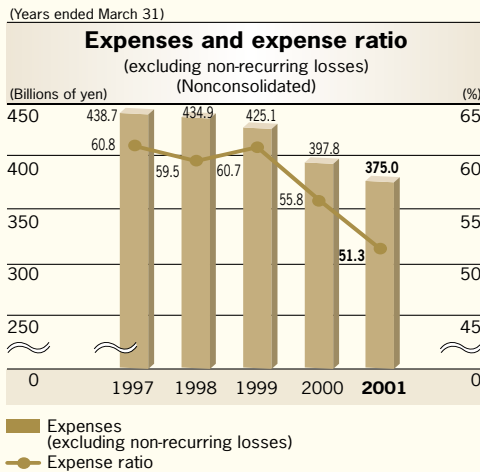
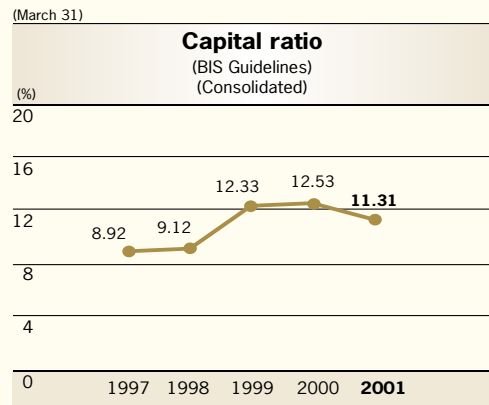
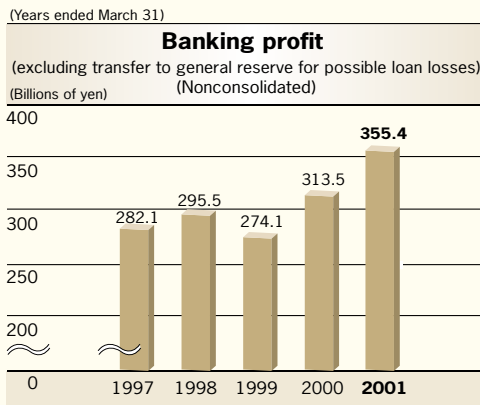
(Consolidated)

| | Millions of yen | | | | |
|------------------------------------|-----------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| For the Year | | | | | |
| Total income | ¥ 2,727,586 | ¥ 3,013,618 | ¥ 2,828,799 | ¥ 2,662,503 | ¥ 2,572,853 |
| Total expenses | 2,454,118 | 2,797,115 | 3,587,829 | 3,131,832 | 2,511,407 |
| Net income (loss) | 83,469 | 61,875 | (568,889) | (251,296) | 34,048 |
| At Year-End | | | | | |
| Total stockholders' equity | ¥ 1,837,151 | ¥ 1,804,358 | ¥ 1,757,123 | ¥ 1,671,593 | ¥ 1,949,674 |
| Total assets | 67,392,974 | 53,767,504 | 54,973,872 | 64,369,544 | 60,229,929 |
| Risk-monitored loans | 1,789,785 | 2,203,318 | 2,340,631 | / | / |
| Reserve for possible loan losses | 756,830 | 950,499 | 1,267,935 | 1,278,683 | 554,986 |
| Net unrealized gains on securities | 51,738 | 1,179,452 | — | — | — |
| Capital ratio (BIS Guidelines) | 10.94% | 11.60% | 10.95% | 9.23% | 8.75% |
| ROE | 6.05% | 4.55% | /% | /% | 1.70% |
| PER (times) | 43.92 | 82.23 | / | / | / |
| Per Share (Yen) | | | | | |
| Stockholders' equity | ¥426.32 | ¥415.77 | ¥400.71 | ¥532.18 | ¥620.71 |
| Net income (loss) | 25.50 | 18.61 | (181.48) | (80.00) | 10.84 |
| Net income—diluted | 24.93 | 18.17 | — | — | 10.77 |

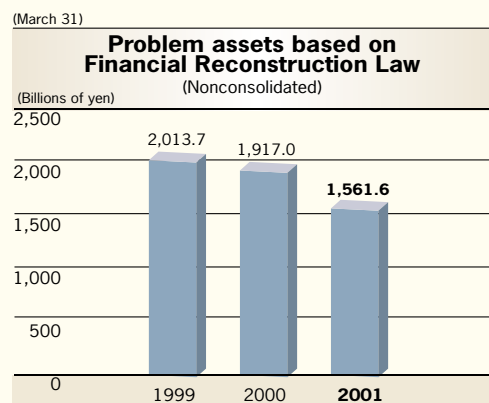
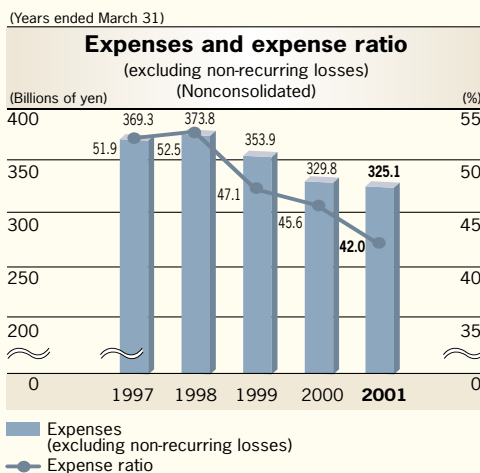
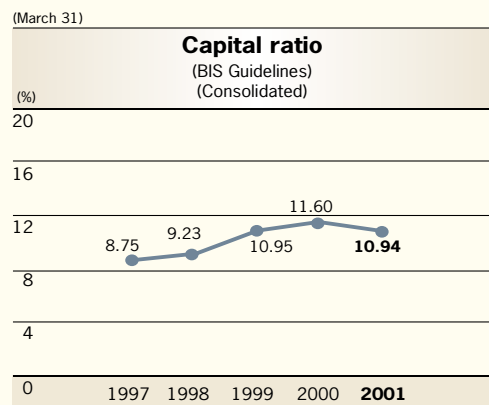
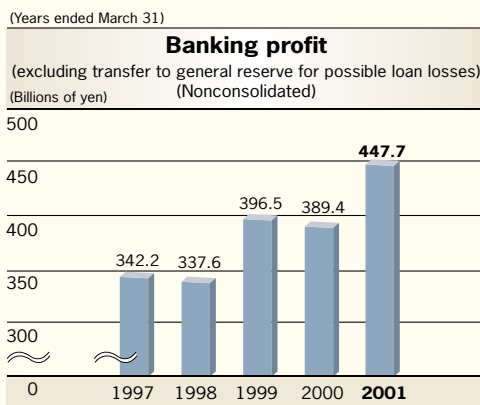
(Nonconsolidated)

| | Millions of yen | | | | |
|---|-----------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| For the Year | | | | | |
| Total income | ¥ 1,850,834 | ¥ 2,184,348 | ¥ 2,073,328 | ¥ 2,414,077 | ¥ 2,361,555 |
| Total expenses | 1,716,783 | 2,035,847 | 2,706,752 | 2,998,041 | 2,317,397 |
| Net income (loss) | 55,675 | 48,818 | (374,123) | (621,695) | 35,318 |
| (Appendix) | | | | | |
| Gross banking profit (A) | ¥ 772,811 | ¥ 722,565 | ¥ 750,351 | ¥ 711,376 | ¥ 711,483 |
| Banking profit | 580,293 | 350,578 | 220,157 | 308,077 | 338,224 |
| Banking profit (excluding transfer to general reserve for possible loan losses) | 447,672 | 389,438 | 396,493 | 337,621 | 342,220 |
| Expenses (excluding non-recurring losses) (B) | 325,138 | 329,785 | 353,858 | 373,755 | 369,263 |
| Expense ratio (B)/(A) | 42.0% | 45.6% | 47.1% | 52.5% | 51.9% |
| At Year-End | | | | | |
| Preferred stock | 250,500 | 250,500 | 250,500 | — | — |
| Number of shares issued (thousands) | 167,000 | 167,000 | 167,000 | — | — |
| Common stock | 502,348 | 502,348 | 502,348 | 502,348 | 502,348 |
| Number of shares issued (thousands) | 3,141,062 | 3,141,062 | 3,141,062 | 3,141,062 | 3,141,062 |
| Total stockholders' equity | ¥ 1,918,707 | ¥ 1,880,637 | ¥ 1,846,470 | ¥ 1,138,014 | ¥ 1,786,408 |
| Total assets | 65,265,680 | 51,089,338 | 51,531,297 | 58,076,795 | 57,149,204 |
| Deposits | 37,195,694 | 34,229,831 | 33,001,309 | 37,390,044 | 39,833,827 |
| Loans and bills discounted | 31,172,382 | 31,358,560 | 33,716,858 | 35,930,302 | 36,600,112 |
| Securities | 16,860,309 | 8,982,244 | 6,679,892 | 7,256,931 | 6,004,310 |
| Risk-monitored loans | 1,517,508 | 1,884,083 | 1,959,860 | 1,469,122 | / |
| Problem assets based on Financial Reconstruction Law | 1,561,564 | 1,916,970 | 2,013,692 | / | / |
| Reserve for possible loan losses | 671,042 | 909,039 | 1,052,958 | 1,257,212 | 535,043 |
| Net unrealized gains (losses) on securities | (83,216) | 901,356 | 431,567 | 364,597 | 670,640 |
| Pay-out ratio | 36.15% | 41.63% | —% | —% | 75.59% |
| Capital ratio (BIS Guidelines) | 11.80% | 12.46% | 11.94% | /% | /% |
| ROE | 3.72% | 3.32% | —% | —% | 1.98% |
| PER (times) | 67.49 | 106.17 | / | / | / |
| Per Share (Yen) | | | | | |
| Stockholders' equity | ¥451.35 | ¥439.23 | ¥428.35 | ¥362.30 | ¥568.73 |
| Dividends: | | | | | |
| Common stock | 6.00 | 6.00 | 6.00 | 8.50 | 8.50 |
| Preferred stock (First series Type I) | 10.50 | 10.50 | 0.03 | — | — |
| Preferred stock (Second series Type I) | 28.50 | 28.50 | 0.08 | — | — |
| Net income (loss) | 16.59 | 14.41 | (119.11) | (197.93) | 11.24 |
| Net income—diluted | 16.25 | 14.12 | — | — | 11.17 |

**Former
Sakura Bank**



**Former
Sumitomo Bank**



Progress Report on Strengthening the Financial Base of the Bank

The founding banks have worked to raise their competitiveness and profitability through restructuring and rationalization based on their respective Plan toward Soundness of Management (former Sakura) and Plan for Strengthening the Financial Base of the Bank (former Sumitomo). Both plans were formulated when the two banks accepted infusions of public funds through subscriptions to preferred shares and perpetual subordinated notes in March 1999. The following summarizes each bank's progress in fiscal 2000 toward the targets set out in the respective plans.

Sakura Bank

● In the earnings category, gross banking profit reached ¥730.4 billion, ¥16.7 billion short of the ¥747.1 billion target. Although steady progress was made toward increasing earnings from the core banking business by improving loan spreads and expanding housing loans, the shortfall occurred, primarily due to market-related earnings impacted negatively by higher-than-expected dollar and euro interest rates. Expenses were reduced to ¥375.0 billion, a cut of ¥12.6 billion more than the targeted ¥387.6 billion, owing to progress in trimming personnel expenses through staff reductions, decreased purchasing and scaled back investing. As a result, banking profit excluding transfer to general reserve for possible loan losses jumped ¥41.9 billion, to a record high of ¥355.4 billion. Net income for the period topped out at ¥82.2 billion, ¥28.7 billion less than the targeted ¥110.9 billion, largely because of increased write-offs and reserves for non-performing loans and a ¥5.6 billion impact from the introduction of enterprise taxes for banks by the Osaka Prefectural Government.

● The Bank made significant strides in its rationalization plans. It is more than a year ahead in its personnel reduction schedule. At March 31, 2001, the number of employees stood at 13,632, well below the 13,800 target for March 2002. By accelerating the elimination and integration of the domestic branch network, at March 31, 2001, the number of manned branches had fallen to 316, achieving the target of 319 two full years ahead of schedule.

● The Bank also outperformed its key lending target. The balance of new loans to small and medium-sized businesses, where we are stressing the facilitation of the smooth supply of credit, grew by ¥137.2 billion (excluding impact loans), exceeding the ¥100.0 billion target by ¥37.2 billion.

Sumitomo Bank

● The Bank surpassed its earnings target for the year. Gross banking profit climbed to ¥772.8 billion, ¥99.8 billion above the ¥673.0 billion target. This is chiefly attributable to revenue from new fee businesses, such as electronic banking, money transfer and loan syndication, and from dividends from overseas subsidiaries. Expenses were also reduced beyond the targeted level. In addition to savings on personnel costs and branch costs through reductions, system maintenance and management costs were decreased. Despite some cost increases due to the merger, expenses fell to ¥325.1 billion, ¥17.9 billion lower than the ¥343.0 billion target. As a result, banking profit excluding transfer to general reserve for possible loan losses was ¥447.7 billion, ¥117.7 billion higher than the ¥330.0 billion target. Net income was ¥55.7 billion, ¥44.3 billion lower than the targeted ¥100.0 billion, largely owing to an increase in write-offs and reserves for non-performing loans and a ¥26.4 billion impact from the introduction of enterprise taxes for banks by the Osaka Prefectural Government.

● The rationalization targets were exceeded. The number of employees at March 31, 2001, had dropped to 13,526, which compared favorably with the target of 13,600. Similarly, the targeted reduction of the branch network to 265 by March 31, 2003, was already surpassed two years ahead of schedule by March 31, 2001, when it stood at 262 branches.

● New lending to the key small and medium-sized business segment, excluding impact loans, was more than double the target. These loans grew by ¥238.6 billion, or ¥138.6 billion higher than the target of ¥100.0 billion.

Asset Quality

In the interest of disclosure of problem assets, SMBC provides information about the status of its assets in three different ways. First, self-assessment is conducted 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 the 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 exclude non-loan assets such as foreign exchange, accrued interest and advanced payments.

● Disposal of Problem Assets for Fiscal 2000

SMBC makes the appropriate write-offs and reserves arising from semi-annual self-assessments conducted in compliance with the financial inspection manual prepared by the Financial Services Agency and the practical guidelines published by the Japan Institute of Certified Public Accountants.

As a result of these self-assessments, on a nonconsolidated basis total credit cost (combined total for the two founding banks) amounted to ¥819.1 billion in fiscal 2000, including

the amounts transferred to the general reserve. These credit costs reflect three main factors. The protracted economic slump led to an increase in the number of borrowers experiencing financial difficulties or requiring fundamental restructuring. Deflation had a negative impact on some collateral value. And finally, both founding banks took precautionary measures to decrease problem assets prior to the merger.

As of March 31, 2001, the total reserve for possible loan losses (combined total for the two founding banks) stood at ¥1,095.8 billion.

On a consolidated basis, total credit cost amounted to ¥992.9 billion including the amounts transferred to the general reserve, bringing the total reserve for possible loan losses to ¥1,268.9 billion.

Write-Offs and Reserves Assessments

Under self-assessment, each borrower is evaluated and placed into a category—Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers and Bankrupt Borrowers—and standard write-offs and reserves are assessed against each category. As part of our overall measures to strengthen risk control throughout the Group, all consolidated subsidiaries basically use the same standards as the parent bank for write-offs and reserves.

| Borrower Self-Assessment Category | Rules 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 bankruptcy rate for the past for each ratings 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 bankruptcy rate for the past for each group. The groups are “Substandard Assets” and “Other” and the latter group is further divided according to credit ratings, etc. |
| Potentially Bankrupt Borrowers | The Bank sets specific reserves for possible loan losses on the portion of Classification III assets (other than those expected to be collectible by collateral or guarantees, etc.), as classified according to individual borrowers. |
| Effectively Bankrupt/Bankrupt Borrowers | The Bank fundamentally writes-off the full amount of Classification IV assets (deemed to be uncollectible or of no value) that are individually calculated by borrower. In addition, specific reserves have been set for possible loan losses against the full amount of Classification III assets. |

Self-Assessment

Self-assessment is the process used within a bank to calculate the write-offs and reserves that ensure the soundness of its assets. Each asset is assessed individually for its security and verity. Each borrower is classified into one of five categories—Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Effectively Bankrupt Borrowers and Bankrupt Borrowers—according to its current condition. A bank is further required to assess, on a scale of I to IV, the degree of the risk of default and non-collection, and the risk of asset devaluation. As a rule, our consolidated subsidiaries use the same system as part of our efforts to strengthen how risk is managed throughout the Group as a whole.

| Borrower Category | |
|---------------------------------------|---|
| Normal Borrowers | Borrowers with good business performance and in good financial standing without identified problems |
| Borrowers Requiring Caution | Borrowers marked 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 and formally declared bankrupt |

| Asset Classification | |
|---------------------------|--|
| Classification I | Assets not classified into Classification II, III or IV |
| Classification II | Assets perceived to have above-average risk for collectibility |
| Classification III | Assets for which final collection or asset value is highly doubtful and which pose a high risk of incurring a loss |
| Classification IV | Assets assessed as uncollectible or worthless |

Total Credit Cost Including General Reserve (Year ended March 31, 2001)

Nonconsolidated

(Billions of yen)

| | Combined total | Sakura Bank | Sumitomo Bank |
|---|----------------|-------------|---------------|
| Total credit cost | ¥1,007.7 | ¥317.1 | ¥ 690.6 |
| Write-off of loans | 741.4 | 240.5 | 500.9 |
| Transfer to specific reserve | 156.5 | 9.8 | 146.7 |
| Transfer to reserve for losses on loans sold | 52.9 | 33.9 | 19.1 |
| Losses on loans sold to CCPC | 31.7 | 20.4 | 11.4 |
| Losses on sale of delinquent loans | 25.1 | 8.5 | 16.6 |
| Transfer to loan loss reserve for specific overseas countries | 0.0 | 4.0 | (4.0) |
| Transfer to general reserve for possible loan losses ⁽¹⁾ | (188.6) | (56.0) | (132.6) |
| Total credit cost | ¥ 819.1 | ¥261.1 | ¥ 558.0 |
| Reserve for possible loan losses | ¥1,095.8 | ¥424.8 | ¥ 671.0 |
| Amount of direct reduction ⁽²⁾ | ¥1,570.8 | ¥888.7 | ¥ 682.1 |

(1) Banking profit includes reserve for possible loan losses.

(2) Including direct reduction for assets which do not fall under the Financial Reconstruction Law disclosure standards.

Consolidated

(Billions of yen)

| | Combined total | Sakura Bank | Sumitomo Bank |
|---|----------------|-------------|---------------|
| Total credit cost | ¥ 992.9 | ¥ 346.6 | ¥646.3 |
| Reserve for possible loan losses | ¥1,268.9 | ¥ 512.0 | ¥756.8 |
| Amount of direct reduction ⁽³⁾ | ¥2,009.5 | ¥1,121.7 | ¥887.8 |

(3) Including direct reduction for assets which do not fall under the Financial Reconstruction Law disclosure standards.

● Disclosure of Problem Assets

Assets Disclosed under 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. The total value of assets in each category is disclosed.

On a nonconsolidated basis (combined total for the two founding banks), the total value of assets in all categories other than Normal Assets amounted to ¥2,822.5 billion as of March 31, 2001, an ¥818.0 billion decrease compared with March 31, 2000.

On a consolidated basis (combined total for the two founding banks), the amount was ¥3,355.0 billion.

Classification of Disclosure Basis Assets

| | |
|---|--|
| Bankrupt and Quasi-Bankrupt Assets | This category is defined as the sum of credits to Bankrupt Borrowers and Effectively Bankrupt Borrowers as categorized by self-assessment, minus fully written-off Classification IV credits. In addition, as all Classification III credits are fully covered by reserves, the remainder consists of the collective portion of credits secured by collateral or guarantees. |
| Doubtful Assets | This is the sum of credits extended to borrowers classified as Potentially Bankrupt under self-assessment. Since the sum includes credits that are secured by collateral or guarantees, and considered to be collectible assets, specific reserves are set aside for the unsecured portions under Classification III. |
| Substandard Loans | This is the sum of the loans extended to Borrowers Requiring Caution under self-assessment. This figure includes past due loans (three months or more) or restructured loans. |
| Normal Assets | This is the sum, as of term-end, of loans, securities lending, foreign exchange, accrued interest, advanced payments and customer liabilities for acceptance and guarantees that is not included in the other three categories. Normal assets thus represent the sum of credits to Normal Borrowers and that portion of credits identified through self-assessment as Borrowers Requiring Caution, but not classified as Substandard, and on which the risk of credit losses is deemed relatively small. |

Assets Disclosed under the Financial Reconstruction Law (Combined Total of Sakura and Sumitomo Banks) (As of March 31, 2001)

(Billions of yen)

| | Nonconsolidated | Increase/decrease compared with March 31, 2000 | Consolidated |
|------------------------------------|------------------------|--|------------------------|
| Bankrupt and quasi-bankrupt assets | ¥ 589.9 ⁽¹⁾ | ¥ 4.4 | ¥ 777.3 ⁽²⁾ |
| Doubtful assets | 1,943.1 | (288.9) | 2,166.4 |
| Substandard loans | 289.4 | (533.6) | 411.2 |
| Subtotal | 2,822.5 | (818.0) | 3,355.0 |
| Normal assets | 66,157.8 | 123.2 | 68,290.6 |
| Total | ¥68,980.3 | ¥(694.9) | ¥71,645.6 |

(1) After direct reduction of ¥1,567.4 billion

(2) After direct reduction of ¥1,991.6 billion

Sakura Bank (As of March 31, 2001)

(Billions of yen)

| | Nonconsolidated | | | | | Consolidated |
|------------------------------------|----------------------------|-------------------|---|----------------------------------|---------------|----------------------------|
| | Disclosure of total assets | Increase/decrease | Claims secured by collateral and guarantees | Reserve for possible loan losses | Reserve ratio | Disclosure of total assets |
| Bankrupt and quasi-bankrupt assets | ¥ 390.9 ⁽¹⁾ | ¥ (3.8) | ¥ 368.9 | ¥ 23.6 | 100.0% | ¥ 489.6 ⁽²⁾ |
| Doubtful assets | 679.7 | (201.1) | 334.3 | 246.2 | 71.3 | 803.2 |
| Substandard loans | 190.3 | (257.7) | 73.8 | 20.3 | 17.4 | 227.3 |
| Total | ¥ 1,260.9 | ¥ (462.7) | ¥ 777.0 | ¥ 290.0 | 59.9% | ¥ 1,520.1 |

(1) After direct reduction of ¥885.2 billion

(2) After direct reduction of ¥1,118.2 billion

Sumitomo Bank (As of March 31, 2001)

(Billions of yen)

| | Nonconsolidated | | | | | Consolidated |
|------------------------------------|----------------------------|-------------------|---|----------------------------------|---------------|----------------------------|
| | Disclosure of total assets | Increase/decrease | Claims secured by collateral and guarantees | Reserve for possible loan losses | Reserve ratio | Disclosure of total assets |
| Bankrupt and quasi-bankrupt assets | ¥ 199.0 ⁽¹⁾ | ¥ 8.2 | ¥ 188.2 | ¥ 14.2 | 100.0% | ¥ 287.8 ⁽²⁾ |
| Doubtful assets | 1,263.5 | (87.7) | 494.1 | 419.2 | 54.5 | 1,363.2 |
| Substandard loans | 99.1 | (275.9) | 50.7 | 10.7 | 22.1 | 183.9 |
| Total | ¥ 1,561.6 | ¥ (355.4) | ¥ 733.0 | ¥ 444.1 | 53.6% | ¥ 1,834.9 |

(1) After direct reduction of ¥682.1 billion

(2) After direct reduction of ¥873.4 billion

**Classification under Self-Assessment, Disclosure of Problem Assets and Write-offs/Reserves
(Combined Totals of Sakura and Sumitomo Banks) (Nonconsolidated)** (As of March 31, 2001)

(Billions of yen)

| Category of borrowers under self-assessment | Disclosure of problem assets based on the Financial Reconstruction Law | Classification under self-assessment | | | | Reserve for possible loan losses | Reserve ratio (Note 3) |
|--|--|--|--------------------------------------|-------------------------------|--|--|------------------------|
| | | Classification I | Classification II | Classification III | Classification IV | | |
| Bankrupt Borrowers | Bankrupt and quasi-bankrupt assets (1) 589.9 | Claims secured by collateral and guarantees, etc. (4) 557.1 | Fully reserved 32.8 | Direct write-offs (Note 1) | Specific reserve 37.8 (Note 2) | 100% | |
| Effectively Bankrupt Borrowers | | | | | | | |
| Potentially Bankrupt Borrowers | Doubtful assets (2) 1,943.1 | Claims secured by collateral and guarantees, etc. (5) 828.4 | Necessary amount reserved 1,114.8 | | 665.4 (Note 2) | 59.7% | |
| Borrowers Requiring Caution | Substandard loans (3) 289.4 (Claims to substandard borrowers) | Substandard loans secured by collateral and guarantees, etc. (6) 124.5 Claims to borrowers requiring caution excluding claims to substandard borrowers | | | Specific reserve 4.8 General reserve for substandard loans 26.2 | 15.0% (Note 4) | |
| Normal Borrowers | Normal assets 66,157.8 | Claims to normal borrowers | | | General reserve 367.8 | Average 3.1% Average 0.2% | |
| | | | | | Loan loss reserve for specific overseas countries | 20.0 | |
| Total 68,980.3 | | Total reserve for possible loan loss | | | 1,095.8 | Reserve ratio (Note 5) (B) / (D) 55.9% | |
| (A) = (1) + (2) + (3) 2,822.5 | | (C) Portion secured by guarantees and collateral, etc. (5) + (6) + (7) 1,510.0 | | | (D) Unsecured portion (A) – (C) 1,312.5 | | |
| Coverage Ratio { (B) + (C) } / A 79.5% | | | | | | | |

Notes: 1. Including direct reduction of ¥1,567.4 billion.

2. Includes reserves for assets which do not fall under the Financial Reconstruction Law disclosure standards.

(Bankrupt/effectively bankrupt borrowers: ¥5.0 billion; Potentially bankrupt borrowers: ¥10.5 billion)

3. The reserve ratio to normal borrowers is the proportion of the reserve to the total claims to normal borrowers. Reserve ratios to other borrowers are the proportion of the reserve to the claims of each category excluding the portion secured by collateral and guarantees, etc.

4. The proportion of the reserve to the unsecured claims to substandard borrowers (excluding the claims to borrowers with specific reserves).

5. The proportion of the reserve to the claims excluding the portion secured by collateral and guarantees, etc.

Risk-Monitored Loans

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

On a nonconsolidated basis (combined total for the two founding banks), Risk-Monitored Loans amounted to ¥2,732.6 billion as of March 31, 2001, an ¥823.9 billion decrease compared with March 31, 2000.

On a consolidated basis (combined total for the two founding banks), Risk-Monitored Loans amounted to ¥3,256.4 billion.

Risk-Monitored Loans (As of March 31, 2001)

Nonconsolidated

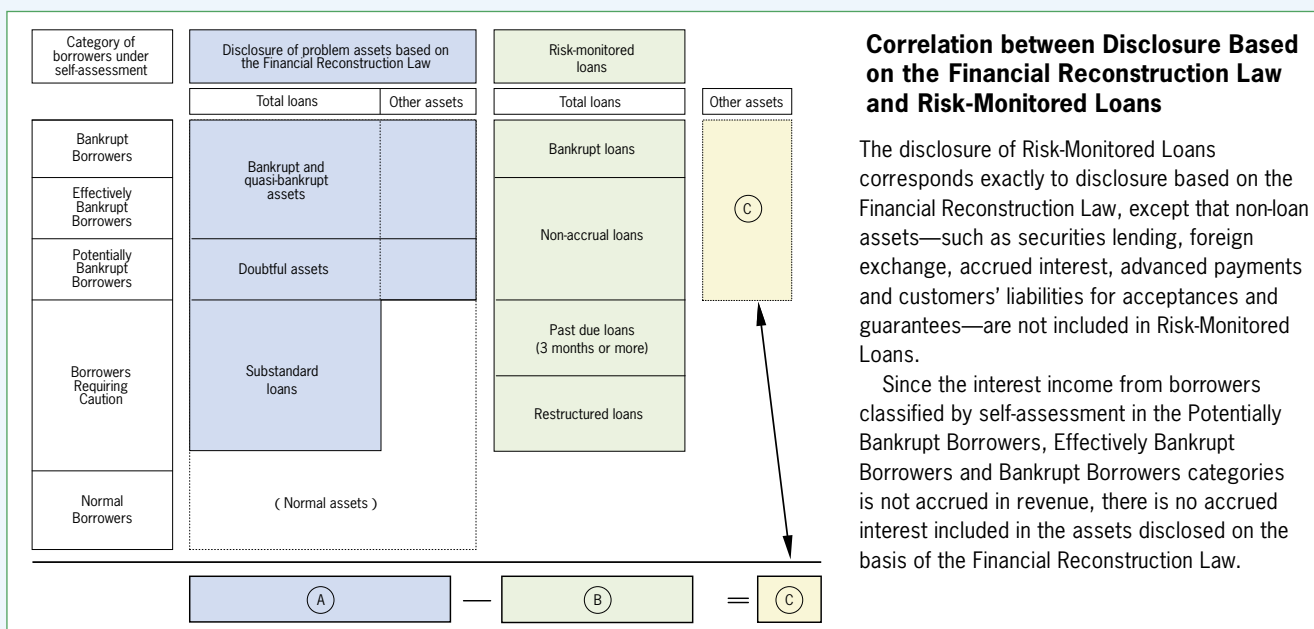
(Billions of yen)

| | Combined total | Ratio to total loans | Increase/decrease compared with March 31, 2000 | Sakura Bank | Sumitomo Bank |
|-----------------------------------|-----------------|----------------------|--|-----------------|-----------------|
| Bankrupt loans | ¥ 235.7 | 0.4% | ¥ 6.1 | ¥ 174.8 | ¥ 60.8 |
| Non-accrual loans | 2,207.5 | 3.6 | (296.3) | 849.9 | 1,357.6 |
| Past due loans (3 months or more) | 103.2 | 0.2 | 27.6 | 65.7 | 37.5 |
| Restructured loans | 186.2 | 0.3 | (561.2) | 124.6 | 61.6 |
| Total | ¥2,732.6 | 4.4% | ¥(823.9) | ¥1,215.1 | ¥1,517.5 |
| Amount of direct reduction | ¥1,540.4 | | | ¥ 877.9 | ¥ 662.5 |

Consolidated

(Billions of yen)

| | Combined total | Ratio to total loans | Increase/decrease compared with March 31, 2000 | Sakura Bank | Sumitomo Bank |
|-----------------------------------|-----------------|----------------------|--|-----------------|-----------------|
| Bankrupt loans | ¥ 273.1 | 0.4% | ¥ 9.5 | ¥ 197.4 | ¥ 75.7 |
| Non-accrual loans | 2,577.5 | 3.9 | (359.0) | 1,042.0 | 1,535.6 |
| Past due loans (3 months or more) | 125.8 | 0.2 | 6.8 | 75.9 | 49.9 |
| Restructured loans | 280.0 | 0.4 | (265.6) | 151.4 | 128.6 |
| Total | ¥3,256.4 | 5.0% | ¥(608.4) | ¥1,466.6 | ¥1,789.8 |
| Amount of direct reduction | ¥1,936.6 | | | ¥1,084.5 | ¥ 852.1 |



● Work-out of Problem Assets by Removing Them from the Balance Sheet

Under the provisions of the emergency economic program enacted in April 2001, we are publishing the results of the measures taken for the work-out of problem assets (removing them from the balance sheet), as well as the assets that were newly classified as being extended to Potentially Bankrupt Borrowers or lower categories.

At September 30, 2000, the balance of assets extended to Potentially Bankrupt Borrowers or lower categories (combined total for the two founding banks) was ¥3,189.6 billion. Of this,

¥1,363.8 billion was disposed of during the second half of fiscal 2000, leaving the balance of assets extended to existing Potentially Bankrupt Borrowers or lower categories at ¥1,825.8 billion. While the disposal of assets extended to Potentially Bankrupt Borrowers or lower categories is proceeding at a reasonable pace, the balance of assets newly classified as Potentially Bankrupt Borrowers or lower categories grew by ¥707.3 billion in the second half of fiscal 2000, bringing the final total to ¥2,533.0 billion as of March 31, 2001. This was ¥656.5 billion less than the balance as of September 30, 2000.

Credits to Potentially Bankrupt Borrowers or Lower Categories in the Financial Reconstruction Law (Combined Totals of Sakura and Sumitomo Banks)

| | Problem assets occurring prior to second half of fiscal 2000 | | | Newly occurred problem assets during second half of fiscal 2000 (C) | Problem assets as of March 31, 2001 (B) + (C) |
|------------------------------------|--|--------------------------|--------------------|---|---|
| | As of Sept. 30, 2000 (A) | As of March 31, 2001 (B) | Decrease (B) - (A) | | |
| Bankrupt and quasi-bankrupt assets | ¥ 621.7 | ¥ 472.7 | ¥ (149.0) | ¥117.2 | ¥ 589.9 |
| Doubtful assets | 2,567.9 | 1,353.1 | (1,214.8) | 590.1 | 1,943.1 |
| Total | ¥3,189.6 | ¥1,825.8 | ¥(1,363.8) | ¥707.3 | ¥2,533.0 |

Progress in Decreasing Problem Assets

| | (Billions of yen) |
|---|----------------------------|
| | Second half of fiscal 2000 |
| Disposition by borrower's liquidation | ¥ (64.3) |
| Re-constructive disposition | (348.3) |
| Loan sales to secondary market, Securitization etc. | (208.4) |
| Direct write-off | 97.7 |
| Others | (840.5) |
| Total | ¥(1,363.8) |

Disposition by borrower's liquidation:
Omission or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations)

Re-constructive disposition:
Omission of loans involved in foreclosure 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

Others:
Collection, improvement in debtors' performance

● Reserve for Possible Loan Losses (As of March 31, 2001)

Nonconsolidated

| | (Billions of yen) | | |
|---|-------------------|-------------|---------------|
| | Combined total | Sakura Bank | Sumitomo Bank |
| Reserve for possible loan losses (a) | ¥1,095.8 | ¥ 424.8 | ¥ 671.0 |
| General reserve | 367.8 | 142.8 | 225.0 |
| Specific reserve | 708.1 | 270.3 | 437.7 |
| Loan loss reserve for specific overseas countries | 20.0 | 11.6 | 8.4 |
| Risk-monitored loans (b) | ¥2,732.6 | ¥1,215.1 | ¥1,517.5 |
| Reserve ratio (a) / (b) | 40.1% | 35.0% | 44.2% |

Consolidated

| | (Billions of yen) | | |
|---|-------------------|-------------|---------------|
| | Combined total | Sakura Bank | Sumitomo Bank |
| Reserve for possible loan losses (a) | ¥1,268.9 | ¥ 512.0 | ¥ 756.8 |
| General reserve | 395.9 | 163.2 | 232.7 |
| Specific reserve | 853.0 | 337.2 | 515.7 |
| Loan loss reserve for specific overseas countries | 20.0 | 11.6 | 8.4 |
| Risk-monitored loans (b) | ¥3,256.4 | ¥1,466.6 | ¥1,789.8 |
| Reserve ratio (a) / (b) | 39.0% | 34.9% | 42.3% |

Problem Assets by Domicile of Borrower (Nonconsolidated) (As of March 31, 2001)

The Financial Reconstruction Law Standard

(Billions of yen)

| | Combined total | Percentage | Sakura Bank | Sumitomo Bank |
|---------------------------|-----------------|---------------|-----------------|-----------------|
| Domestic | ¥2,702.1 | 95.7% | ¥1,218.4 | ¥1,483.7 |
| Overseas | 120.4 | 4.3 | 42.5 | 77.9 |
| Asia | 85.6 | 3.0 | 33.1 | 52.5 |
| Indonesia | 22.6 | 0.8 | 11.6 | 11.0 |
| Hong Kong | 15.1 | 0.5 | 3.0 | 12.1 |
| Thailand | 14.6 | 0.5 | 5.3 | 9.3 |
| Malaysia | 11.4 | 0.4 | 5.9 | 5.6 |
| Other | 21.9 | 0.8 | 7.3 | 14.5 |
| North America | 28.9 | 1.0 | 5.0 | 23.9 |
| Central and South America | 0.9 | 0.0 | 0.9 | - |
| Western Europe | 2.2 | 0.1 | 2.2 | - |
| Eastern Europe | 2.7 | 0.1 | 1.3 | 1.4 |
| Middle East/Africa | - | - | - | - |
| Total | ¥2,822.5 | 100.0% | ¥1,260.9 | ¥1,561.6 |

Risk-Monitored Loans

(Billions of yen)

| | Combined total | Percentage | Sakura Bank | Sumitomo Bank |
|---------------------------|-----------------|---------------|-----------------|-----------------|
| Domestic | ¥2,632.2 | 96.3% | ¥1,178.2 | ¥1,454.0 |
| Overseas | 100.4 | 3.7 | 36.9 | 63.5 |
| Asia | 78.4 | 2.9 | 28.9 | 49.5 |
| Indonesia | 21.0 | 0.8 | 10.0 | 11.0 |
| Hong Kong | 13.1 | 0.5 | 3.0 | 10.1 |
| Thailand | 14.4 | 0.5 | 5.2 | 9.3 |
| Malaysia | 10.7 | 0.4 | 5.8 | 4.9 |
| Other | 19.2 | 0.7 | 4.9 | 14.2 |
| North America | 16.2 | 0.6 | 3.5 | 12.7 |
| Central and South America | 0.9 | 0.0 | 0.9 | - |
| Western Europe | 2.2 | 0.1 | 2.2 | - |
| Eastern Europe | 2.6 | 0.1 | 1.3 | 1.3 |
| Middle East/Africa | - | - | - | - |
| Total | ¥2,732.6 | 100.0% | ¥1,215.1 | ¥1,517.5 |

Note: "Domestic" means the total of domestic branches excluding the special account for international financial transactions.
 "Overseas" means the total of 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 Domicile and Type of Borrower (Nonconsolidated) (As of March 31, 2001)

The Financial Reconstruction Law Standard

(Billions of yen)

| | Combined total | Percentage | Sakura Bank | Sumitomo Bank |
|---|-----------------|---------------|-----------------|-----------------|
| Domestic | ¥2,702.1 | 95.7% | ¥1,218.4 | ¥1,483.7 |
| Manufacturing | 164.4 | 5.8 | 84.9 | 79.5 |
| Agriculture, forestry, fishery and mining | 7.6 | 0.3 | 5.8 | 1.9 |
| Construction | 99.8 | 3.5 | 64.9 | 34.8 |
| Wholesale and retail | 421.3 | 14.9 | 242.9 | 178.3 |
| Finance and insurance | 114.9 | 4.1 | 9.9 | 105.0 |
| Real estate | 856.8 | 30.4 | 366.2 | 490.6 |
| Transportation, communications and other public enterprises | 65.3 | 2.3 | 38.2 | 27.1 |
| Services | 780.3 | 27.6 | 302.1 | 478.2 |
| Municipalities | 0.5 | 0.0 | | 0.5 |
| Other | 191.2 | 6.8 | 103.3 | 87.8 |
| Overseas | 120.4 | 4.3 | 42.5 | 77.9 |
| Public sector | 1.1 | 0.0 | 1.1 | |
| Financial institutions | 5.0 | 0.2 | 0.0 | 5.0 |
| Commerce and industry | 114.2 | 4.0 | 41.2 | 72.9 |
| Other | 0.2 | 0.0 | 0.2 | |
| Total | ¥2,822.5 | 100.0% | ¥1,260.9 | ¥1,561.6 |

Risk-Monitored Loans

(Billions of yen)

| | Combined total | Percentage | Sakura Bank | Sumitomo Bank |
|---|-----------------|---------------|-----------------|-----------------|
| Domestic | ¥2,632.2 | 96.3% | ¥1,178.2 | ¥1,454.0 |
| Manufacturing | 162.6 | 6.0 | 83.7 | 78.9 |
| Agriculture, forestry, fishery and mining | 7.3 | 0.3 | 5.4 | 1.9 |
| Construction | 99.0 | 3.6 | 64.3 | 34.8 |
| Wholesale and retail | 404.8 | 14.8 | 233.7 | 171.0 |
| Finance and insurance | 103.0 | 3.8 | 7.5 | 95.5 |
| Real estate | 844.4 | 30.9 | 363.0 | 481.4 |
| Transportation, communications and other public enterprises | 61.4 | 2.2 | 34.3 | 27.1 |
| Services | 775.5 | 28.4 | 297.6 | 477.9 |
| Municipalities | 0.5 | 0.0 | | 0.5 |
| Other | 173.7 | 6.4 | 88.8 | 85.0 |
| Overseas | 100.4 | 3.7 | 36.9 | 63.5 |
| Public sector | 1.1 | 0.0 | 1.1 | |
| Financial institutions | 4.3 | 0.2 | | 4.3 |
| Commerce and industry | 94.8 | 3.5 | 35.6 | 59.2 |
| Other | 0.2 | 0.0 | 0.2 | |
| Total | ¥2,732.6 | 100.0% | ¥1,215.1 | ¥1,517.5 |

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

Management Issues

The SMBC Plan for Strengthening the Financial Base of the Bank

Continuing in the wake of its predecessors, SMBC is striving to strengthen its financial base by raising profitability and rationalizing operations through the merger with the objective of raising its ability to redeem the public funds it received. The Bank will draw upon the respective strengths of its two founding banks to enhance corporate and shareholder value by offering more high-value added products and services to customers. Our goal is to achieve a superior standing in profitability and soundness, becoming an internationally competitive financial institution fully capable of contributing to the stability of the financial system and to economic development.

● Operating Targets up to Fiscal 2004

To enable the Bank to redeem its public funding and continue on a growth path, we have set the fiscal 2004 target for banking profit to ¥950 billion and net income to ¥420 billion, which will be reached by rebuilding and restructuring operations.

On the expense side, we will continue to invest in strategic IT systems while bringing the beneficial effects of the merger into play early on. By fiscal 2004, we expect to achieve savings of ¥100 billion over the fiscal 1998 cost structure of the two founding banks, bringing expenses down to ¥680 billion. We will take the expense ratio, expressed as expenses divided by banking profit, from 54% in fiscal 1998 to the 42% level by fiscal 2004. The one-time expenses related to the merger will be approximately ¥23.3 billion in fiscal 2001. Over the period from fiscal 2001 to fiscal 2003, we expect to incur charges of approximately ¥51.5 billion for systems and branch dispositions, and over the period from fiscal 2001 to fiscal 2004, approximately ¥128.4 billion for system integration.

By fiscal 2004, when these one-time costs will be eliminated, we aim to secure net income of ¥420 billion and a return on equity of 10% or more (on a consolidated basis).

The efficiencies gained through the merger and heightened profitability will enable us to accumulate additional internal capital, which we will combine with more sophisticated risk management systems to keep potential risk under control and maintain adequate capital. While we will rely partly on retained earnings to improve our financial condition, it will be necessary for us to continue to liquidate and securitize existing assets, eliminate non-accrual and low-margin assets and reduce holdings of shares held for strategic purposes to maintain risk assets at appropriate levels. Specifically, we plan to reduce the two founding banks' combined ¥71,816.6 billion balance of risk-adjusted assets at March 31, 2001, to approximately ¥68,000 billion by March 31, 2005. This will enable us to maintain our BIS-defined capital adequacy ratio above the 10% level expected of internationally active banks. By fiscal 2004, we expect to take our Tier I ratio to 7% or higher and the BIS ratio to 11% or higher.

Fiscal 2004

| | |
|----------------------------|---------------|
| Banking Profit | ¥950 billion |
| Net Income | ¥420 billion |
| Consolidated ROE | 10% or higher |
| BIS Capital Adequacy Ratio | 11% or higher |

● Restructuring Plan

The business climate has changed remarkably for banks in recent years with the implementation of the financial “Big Bang” and other liberalization measures, and the globalization of the financial sector and other parts of the economy. Our response to these changes is to take a proactive and flexible stance. To provide the high standard of service demanded by customers, we will concentrate on the following courses of action until fiscal 2004: (1) expand consumer banking profits through focused customer segmentation, increased promotion of higher margin products and services, and a lower cost structure; (2) promote transactions with domestic and overseas corporations based on business models that feature high asset efficiency; (3) rebuild and expand overseas operations with reformulated strategies in each geographic area; (4) invest strategically in IT to strengthen marketing and provide network platforms to serve small and medium-sized corporate customers; and (5) establish a leading position in e-business.

In the domestic market, we have divided operations into the consumer and corporate sections and are introducing separate marketing organizations for each customer segment. Within the consumer sector, we are clearly identifying customer segments, creating specific business models for each segment and offering the most appropriate high-margin products and services based on low-cost delivery structures. In the corporate sector, we enjoy a commanding market share in the small and medium-sized business segment. The merger provides us with a balanced geographical base in both the Kanto and Kansai regions to build on this and create a solid profit base by offering complete business solutions.

● Rationalization Plan

In addition to the original restructuring plan, under the merger plan we are planning additional rationalization measures that will eliminate the duplication of functions in both the head office and branch network. We will reduce the number of employees by 3,000, close 100 branches in Japan and 12 overseas, and increase the effectiveness of IT spending by integrating the two systems. The result will be annual cost savings of approximately ¥60 billion.

By March 31, 2004, we plan to reduce our staff by a total of 9,300 employees, close 265 domestic branches and shut down 38 overseas offices as compared to the March 31, 1998 levels.

We shall continue to invest in IT to strengthen our competitive abilities. Specifically, we are investing in systems to carry out advanced database marketing for consumers, to provide a network platform to serve small and medium-sized businesses, to create the financial content and supporting infrastructure for e-business, to upgrade the sophistication of risk management and management information systems, and to upgrade the internal information system to enhance general productivity. By integrating the two founding banks' systems, we will eliminate the duplicate investment and maintenance expenses previously required. The funds freed by the merger can then be directed toward strategic IT investment.

Corporate Governance

Corporate Governance System

SMBC's corporate governance system is being strengthened to improve decision-making transparency and soundness. We are bolstering the oversight functions of the Board of Directors (the Board) and implementing a separate executive officer system at the operational level. In addition, we are incorporating opinions from outside advisors regarding the following two areas in particular.

1. Advice regarding all aspects of management
2. Operational reviews from perspectives independent of the Bank

To facilitate Item 1 above, we established an Advisory Board to the chairperson and president in July 2001. For Item 2, we have asked the Board's outside directors to focus primarily on oversight of operational reviews in Board meetings and subcommittees.

Advisory Board

The Advisory Board is a council comprised of prominent individuals from outside the Bank given the mandate to provide advice on the entire range of issues facing the Bank, including important management strategies, industry-wide problems, economic and political trends, major industry and competitive developments, the consumer mindset and social trends. The appointed members, listed below, are current or former corporate executives, management consultants or scholars.

| | |
|---------------------------|---|
| Shoichiro Toyoda | <i>Honorary Chairman, and Member of the Board, Toyota Motor Corporation</i> |
| Naohiko Kumagai | <i>Senior Advisor to the Board, Mitsui & Co., Ltd.</i> |
| Tetsuro Kawakami | <i>Senior Advisor, Sumitomo Electric Industries, Ltd.</i> |
| Toshiomi Uragami | <i>Advisor, Sumitomo Life Insurance Company</i> |
| Yoshio Tsukio | <i>Professor, Graduate School of Frontier Sciences, The University of Tokyo</i> |
| Yoshinori Yokoyama | <i>Director, McKinsey & Company, Inc., Japan</i> |

Oversight System

Under the current Commercial Code, the Board of Directors bears responsibility for “setting policy for important management issues” and “overseeing performance.” At SMBC, we place particular emphasis on the latter function. We introduced an executive officer system that separates decision making at the operational 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 reinforced the Board's oversight functions by setting up three subcommittees: the Risk Management, Compensation and Nominating Committees. Two outside directors, with respective certified public accountant and lawyer backgrounds, 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. Each of the Board subcommittees is authorized by the Board to supervise the following areas and report on them to the Board.

• Risk Management Committee

Risk Management and Compliance

1. Issues related to overall 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 Members 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

Selection of Directors, Managing Directors and Representative Directors

1. Issues related to the selection of directors
2. Issues related to the appointment of executive officers and the president
3. Other major personnel issues for the Board

● A Separate Operations System

At SMBC, the executive officers selected by the Board perform their duties under the direction of the president. As of June 30, 2001, there were 65 executive officers, including the president. Of them, 23 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 deliberate on important issues facing the Bank, and final decisions lie with the president.

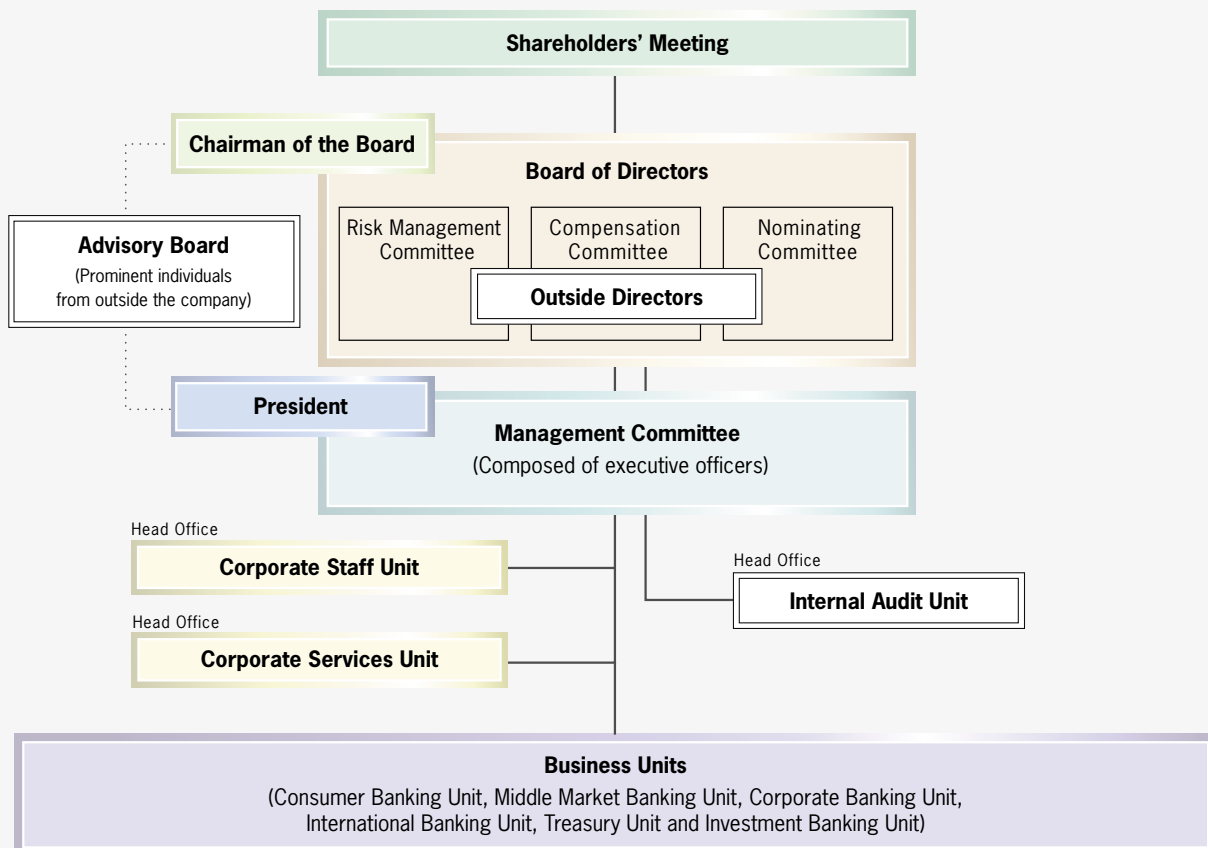
The president also designates certain executives in the Management Committee as representatives of particular departments or units, who then implement the directives from the Management Committee in that group.

The Bank adopted a stock option system to strengthen the incentives for executive officers to increase shareholder value. As part of the incentives to upgrade the long-term

performance of the Bank, we extended the scope of the stock option system to include a larger group of managers. It was resolved at the Annual General Meeting of Shareholders in June 2001 to extend stock options to a total of 432 people in the Bank.

● Internal Audit Unit

We formed the Internal Audit Unit in April 2001, giving it the responsibility to inspect the operations of the Bank in a process separate from the oversight exercised by the Board on the shareholders' behalf. The unit is charged with conducting objective audits to test compliance and the correct discharge of bank duties. The responsibility for auditing operations, administrative procedures, market transactions, information systems and assets is centralized in this unit. By operating independently of the other units, the unit is contributing to strengthening of our inspection systems and ensuring that the Bank's activities are reviewed objectively.



Compliance

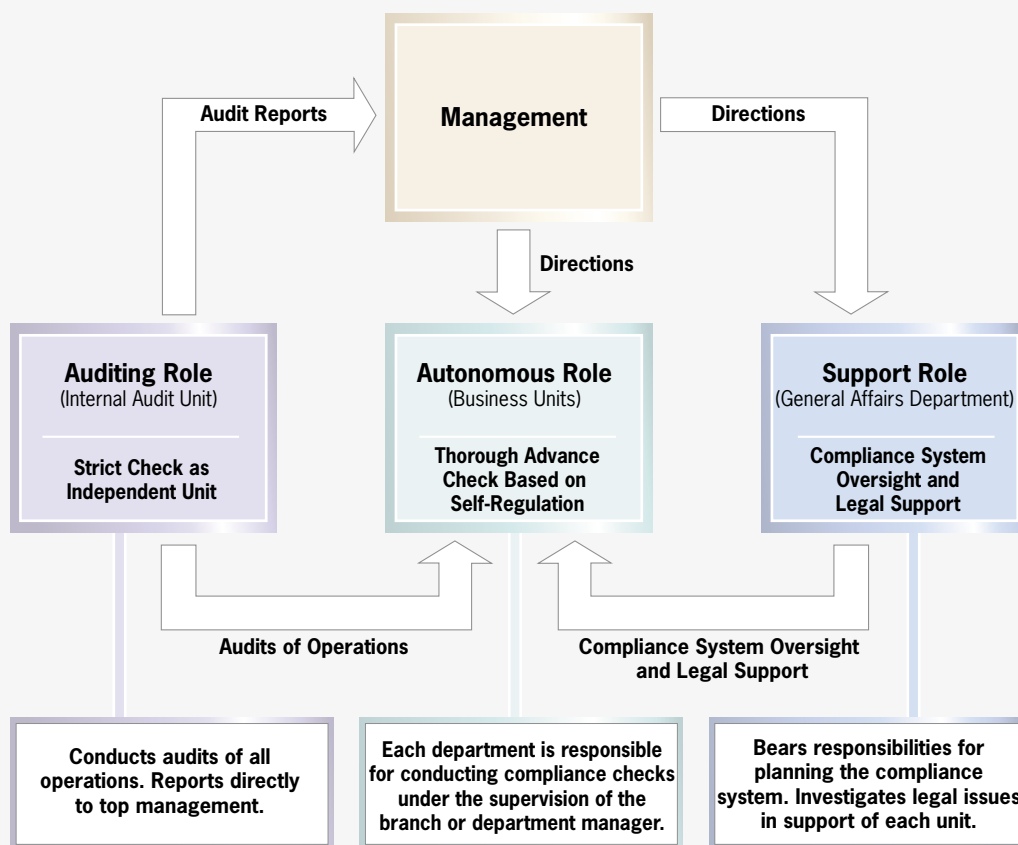
Strengthening the Compliance System

Compliance with the various laws and regulations comprising our social standards is an issue of great importance for financial institutions because of their central role in the financial system and social infrastructure. There is even greater demand for banks to behave responsibly and transparently as competition intensifies across geographic and industry boundaries and the market becomes more selective. It is in this context in which SMBC is placing high priority on the implementation of its compliance system. When we began operating as the new entity in April 2001, all employees were thoroughly instructed in the following aspects of our compliance code.

- All employees shall behave in a trustworthy manner, observe all laws and regulations, act in a highly ethical manner, and serve the public fairly and honestly.
- Employees are charged with providing value to customers and the Bank's growth must be linked to the furtherance of all stakeholder interests, including customers, shareholders and the public.

The SMBC Compliance System

To implement a compliance system, it is first necessary to clarify the framework for observing laws and regulations. At SMBC, we employ a dual system. Self-regulation by each department and branch is the primary level. Independent inspections conducted by the Internal Audit Unit constitute the secondary level.



To make this basic framework effective, in April 2001 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 15 departments and has a council with legal advisors. This structure ensures that each section of the Bank is examined for compliance from an impartial, neutral perspective.

● Compliance Manual

As a further step in our compliance regime, we distributed a compliance manual to each and every employee in April 2001. This manual, which is set out in a resolution of the Board of Directors, is not a mere list of the applicable laws and regulations. It contains control procedures and an employee code of conduct.

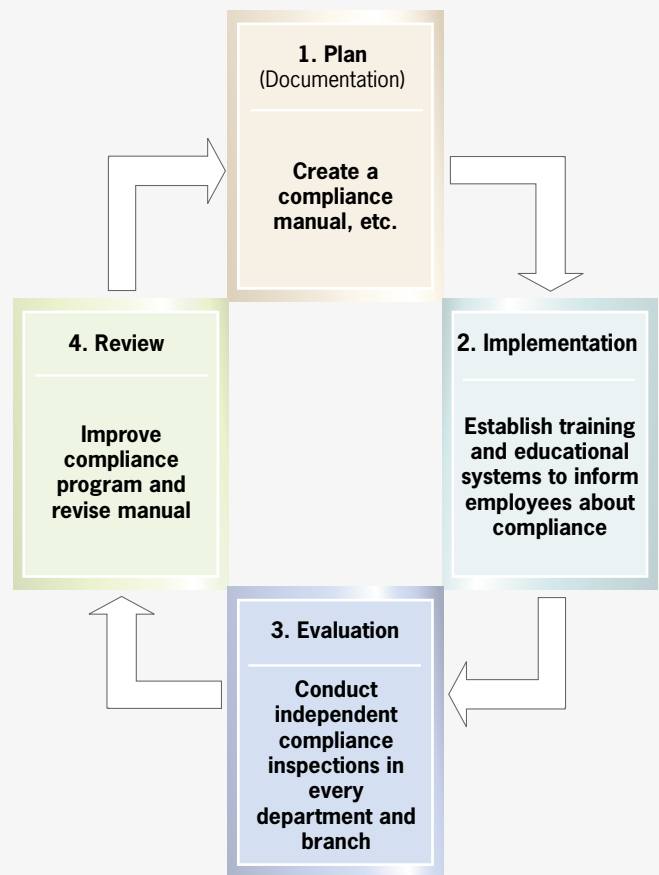
The code of conduct features 60 items that describe the related laws and regulations and provide procedural guidelines and specific examples of conduct.



Compliance manual

● Compliance Program

The Compliance Program is the detailed implementation plan formulated as resolutions by the Board of Directors to strengthen the Bank's compliance system. As the diagram shows, it is being implemented in four stages. The basic objective is to have the compliance system up and running in the Bank and consolidated subsidiaries as soon and as smoothly as possible within the 2001 fiscal year. We have made the concrete plan of the program, and have been setting up training programs and auditing systems. In addition, a compliance officer has been assigned to each department and branch to ensure that the laws and regulations are observed within the basic compliance framework according to the compliance manual.



Risk Management

Basic Principles

As financial liberalization, globalization and the rapid development of IT generate new business opportunities, financial institutions are being exposed to more diverse and complex risks than in the past. Identifying, measuring and controlling risks has never been more important in the management of a bank.

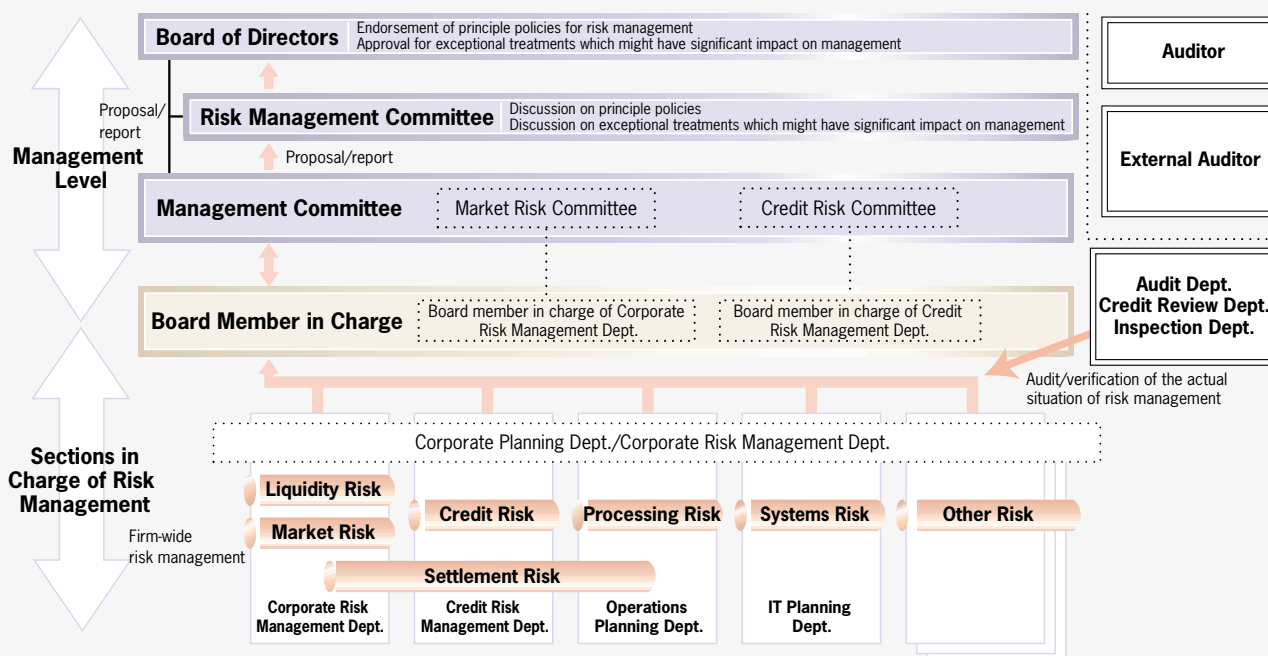
At SMBC, we have established risk management rules encompassing all the fundamentals required of a risk management framework. In addition to specifying the types and areas of risks that should be managed according to our strategic objectives, the rules define the basic principles for appropriately controlling each type of risk. The broad principles include “risk management on a consolidated basis,” “risk management based on quantification,” “consistency with business strategies,” “consistency checks and balances,” and “verification of actual situations.”

The 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 control of risks at an appropriate level within its own business line. To control the risks included in the 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 completely independent of the business units to manage these risks on a bank-wide basis. This department works with the Corporate Planning Department to comprehensively and systematically manage risk.

The control system we established at the Bank has the Board of Directors at its highest level, reflecting the importance we attribute to risk management. The system works as follows: the risk management department supervising each risk category drafts “basic principles for risk management” for that category, which are then presented for approval at the Management Committee and considered by the Board’s Risk Management Committee before being finalized by the Board. According to the basic principles for risk management, the Management Committee, board members and risk management department heads perform risk management and this process is coordinated by the risk management departments concerned.



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

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 timely and appropriate risk management. Furthermore, in order to maintain a balance between risk and return as well as ensure soundness of the Bank from an overall perspective, we have introduced the “risk capital-based management” method which allocates capital to each department according to its role in our business strategies to keep the 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 within this limit to manage these risks. Liquidity risk is managed within a framework that includes plans for money gap and treasury funding. The other risk categories

are managed with procedures closely attuned to the nature of the risk as described below.

Credit Risk

Credit risk is the chance 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 result in 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 these credit events, to keep credit risk exposure within the bank’s capital, maintain the soundness of the bank’s assets and ensure returns commensurate with risk. This allows a bank to build a loan portfolio that achieves efficient returns on capital and assets which enables a bank to fulfill its public mission and create value for its stakeholders.

Credit Policy

SMBC’s credit policy simultaneously came into effect with the establishment of the new Bank in April 2001. This policy clarifies the universal and basic operating concepts, code of conduct and standards for credit operations. By giving our employees extensive credit training, we aim to achieve the global standards of credit risk management contemplated by the Bank for International Settlements (BIS) in its January 2001 consultative papers and by the Japanese Financial Services Agency in its inspection manuals, and create a better credit management culture within the Bank.

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 | | |
| Liquidity Gap/ALM | Liquidity Risk | |
| | Other Risk (Settlement Risk, Legal Risk and Others) | |

Credit Risk Assessment and Quantification

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

The Internal Rating System

The Bank's internal rating system consists of two indicators: the obligor's grading which indicates the creditworthiness of a borrower, and the facility grading which shows the probability of collecting for each facility. Facility gradings are assigned based on the borrower's obligor's grading in consideration of transaction terms such as guarantee, tenor and collateral. Overseas credits are further subjected to analysis with the country ranking, an indicator derived from analysis of the political and economic situations, international balance of payments and the external debt burden of each country.

In order to maintain the consistency of the grading system as a whole, self-assessment is the prerequisite step to the obligor's grading process.

Quantification of Credit Risk

Quantifying credit risk is more than just calculating the probability of default for a particular obligor. It must also reflect the concentrating of risk toward a specific customer or industry and fluctuations in the values of real estate, securities and other types of collateral. This range of data must be analyzed to quantify the risk of an entire portfolio or an individual loan.

To calculate credit risk, historical data for the obligor and facility is entered into a database, the parameters are set—such as the probability of a ratings change and the recovery rate—and then the probability distribution of losses for the entire portfolio (amount of loss for what probability) is computed to determine the maximum potential loss in the future. We obtain an understanding of the risk diversification effect and concentration risk by running a simulation of approximately 10,000 iterations. The quantified credit risk results are then used to formulate business plans and provide a standard against which individual credit applications are assessed.

| Obligor's Grading | | | | Facility Grading | | Financial Reconstruction Law Based Disclosure Category (Domestic) | | | | |
|-------------------|-------------|---|--|------------------|--------------------------------|---|-------------------------------|---------------|-----------------------|------------------------------------|
| Grading | Subrating | Definition | Debtors Classification in Self Assessment System | | Grading | | Subrating | | | |
| 1 | a b c | Extremely high certainty of redemption | Normal Borrowers | | S | | a b c | Normal Assets | | |
| 2 | a b c | High certainty of redemption | | | | | | | | |
| 3 | a b c | Reasonable certainty of redemption | | | | | | | | |
| 4 | A B C | Redemption is reliable, but the debtor may be affected by large shifts in business conditions or the industry | | | | | | | | |
| 5 | A B C | No problem at present with redemption, but the future prospects are not solid and the debtor may be affected by trends in business conditions or the industry | | | | | | | | |
| 6 | | No problem at present with redemption, but there are reasons for concern about the debtor's financial condition and the possibility of future problems with recovery | | | | | | | | |
| 7 | A B C | Requires management because there are problems meeting loan conditions or with collection, the business is weak or unstable, or the financial condition is poor (Customers requiring caution among this rating) | | | Borrowers Requiring Caution A | Borrowers Requiring Caution B | Borrowers Requiring Caution C | | Substandard Borrowers | Substandard Loans |
| 8 | | Although the debtor is not bankrupt, the business is in difficulty, restructuring progress is poor and it is recognized that the business may fall into bankruptcy | | | Potentially Bankrupt Borrowers | | | | | Doubtful Assets |
| 9 | | Although the debtor is not legally or formally in a state of bankruptcy, it is virtually bankrupt because the business is in deep trouble and there are no prospects for restructuring | | | Effectively Bankrupt Borrowers | | | | | Bankrupt and Quasi-Bankrupt Assets |
| 10 | | The debtor is legally and formally bankrupt | | | Bankrupt Borrowers | | | | | |

The Framework for Managing Individual Loans

Credit Assessments

Credit assessments involve a variety of financial analyses, including cash flow analysis, to predict an enterprise's ability to repay the loan and its growth prospects. These quantitative measures are then combined with qualitative analyses of industry trends, research and development capabilities, the competitiveness of the company and its products or services, and its management capabilities. The loan application is also analyzed in terms of the intended uses of the funds, the repayment schedule and the state of its collateral. We adhere to accurate, fair and strict credit decisions based on whether the credit risk falls within our Credit Policy guidelines, there is sufficient ability to repay the debt from cash flow and a return commensurate with the risk can be obtained.

As part of our measures to enhance efficiency and speed up approvals, we have digitized and standardized the loan evaluation and approval processes to run on the Bank's IT network as the Credit Application System.

Obligor Monitoring

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 adequate action can be taken. The system includes Periodic Monitoring with receipt of the annual report, as

well as Continuous Monitoring performed when the credit conditions change.

The Framework for Credit Portfolio Management

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

1. Risk-Taking within the Scope of Capital

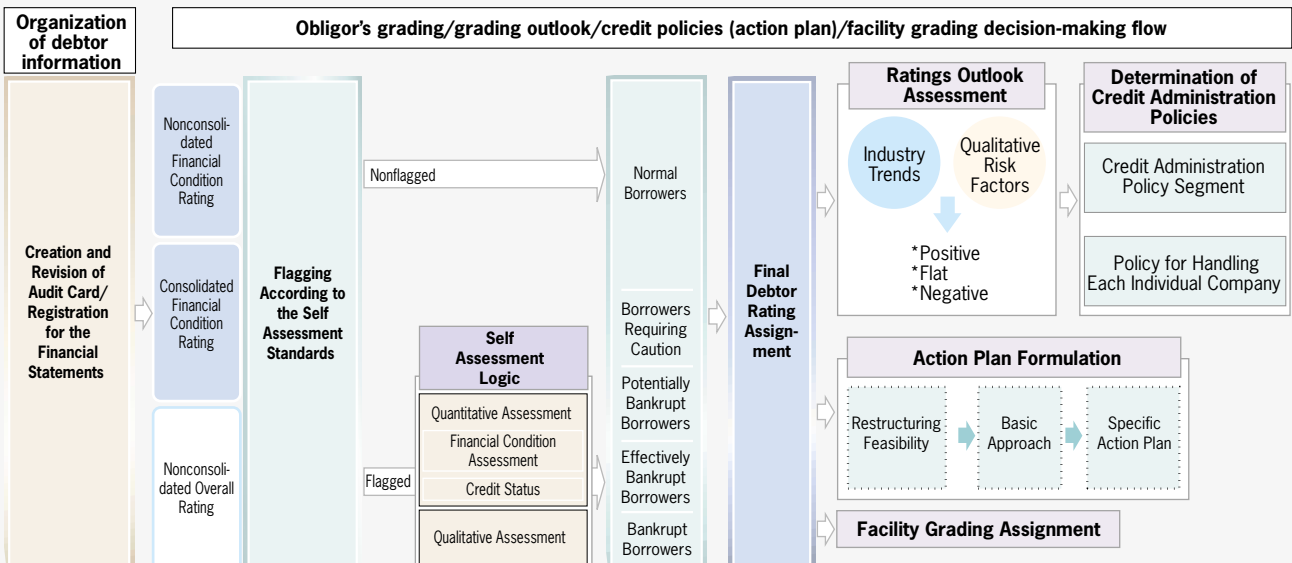
To control credit risk within the scope of our capital, we calculate the required credit risk capital through regular quantification of credit risk, and then set credit risk capital limits and manage risk-taking activities within these limits.

2. Controlling Concentration Risk

Since the concentration of credit in an industry or corporate group has the potential to severely impact a bank's capital, credit control on industries with concentration risk and loan reviews of large borrowers and their groups are implemented. We also set up credit limits for each country based on its creditworthiness to manage country risk.

3. Balancing Risk and Return

We operate on the basic principle of seeking returns commensurate with the credit risk. Loan pricing, therefore, uses our credit risk quantification calculations and the Sumitomo Mitsui Value Added (SMVA) indicator to ensure that adequate profit is generated after deducting credit cost, cost of capital and 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 problem loans, 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 newly established Portfolio Management Department spearheads our use of credit derivatives and loan securitization in the markets to proactively manage our portfolio.

The Credit Risk Management System

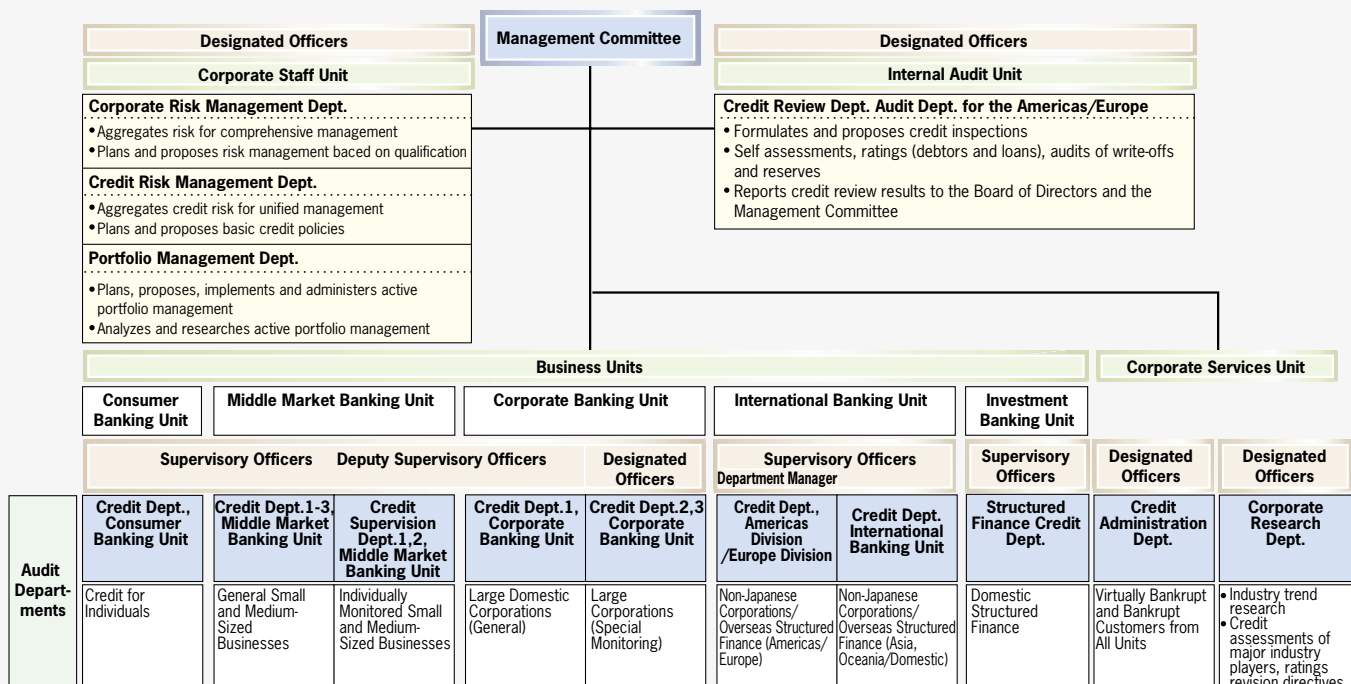
The Credit Risk Management Department within the Corporate Staff Unit is responsible for the comprehensive management of credit risk. This department determines the credit policies, establishes the internal rating system, develops credit risk quantification methods, sets credit limits and approval limits,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

The Corporate Research Department within the Corporate Staff Unit performs the basic research on industries and subsectors, and investigates individual companies to monitor early signs of problems or growth potential.

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

Bankrupt or virtually bankrupt companies are generally handled by the Credit Administration Department, which is working to recover non-performing 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 soundness of assets, accuracy of gradings, self-assessments, state of credit operation etc., and report audit results directly to the Board of Directors and the Management Committee.



Market/Liquidity Risk

The 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 that manages market and liquidity risk together. It sends risk reports on a daily basis to senior management via e-mail.

To prevent operational errors or manipulation of transaction data, it is important to establish a system of checks and balances in the business departments (front office). At SMBC, both the processing departments (back office) and the administrative departments (middle office) conduct backup checks. In addition, the independent Internal Audit Unit also performs comprehensive periodic internal audits. In support of these procedures and to offer the highest standards of service, we are making use of leading-edge financial theory and techniques and hiring and training staff with specialist knowledge of derivatives and portfolio management.

Market Risk

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

VaR Model for the Integrated Market Risk Management

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 the historical data for one year. This method is extremely effective in measuring the risk of products that have option risk and in tracking the VaR during active trading.

Market risk can be divided into its various factors: foreign exchange rate, interest rate, equity price and option risk. At SMBC, we use both the VaR method and other indicators actually used in daily operations, such as the basis point value (BPV) indicator (to measure the change in earnings for every 0.01% change in interest rates), for finely tuned risk management in each risk category.

Our policy is to set the total VaR guidelines to conservative levels relative to capital in line with our business strategies.

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 of the trading accounts of both founding banks on a consolidated basis for fiscal 2000 was as follows:

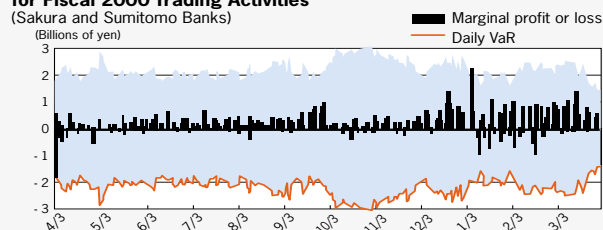
VaR Results

| Trading Account | Maximum | Minimum | Average | Last Day of Term |
|-----------------|---------|---------|---------|------------------|
| Sakura Bank | ¥2.1 | ¥0.7 | ¥1.3 | ¥0.7 |
| Sumitomo Bank | 1.6 | 0.3 | 0.9 | 0.7 |

(Billions of yen)

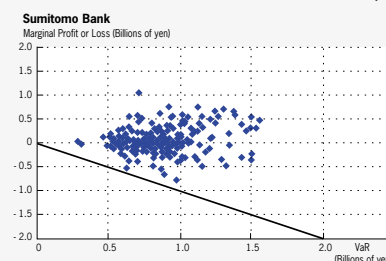
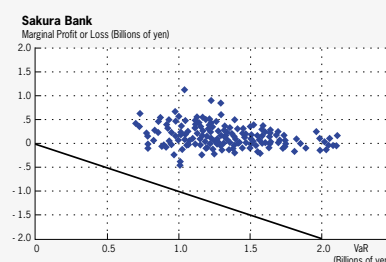
(Assumed a one-day holding period and a confidence interval of 99.0%)

Marginal Profit or Loss and Daily VaR for Fiscal 2000 Trading Activities (Sakura and Sumitomo Banks)



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.

Back Testing Results



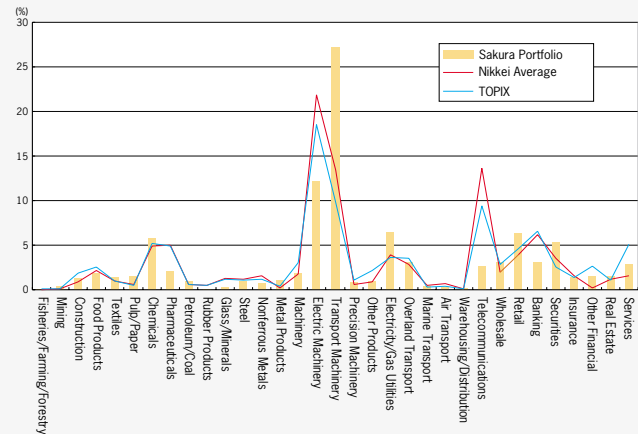
The internal model used by the Bank (SMBC VaR) has been evaluated by an independent auditing firm and certified to be appropriate. To further verify the reliability of the model, we perform back testing on the relationship between the VaR calculated with the model and the actual profit and loss data. The back testing results for fiscal 2000 for the trading accounts of the two founding banks are shown on the previous page. Any data point below the diagonal line indicates a loss that exceeded the predicted VaR for that day. Since all the losses here were within the predicted VaR range, the VaR model (with a confidence interval of 99%) has been demonstrated to be sufficiently reliable.

To manage the risk in our yen-denominated banking account, we use gap analysis employing maturity ladders and the earnings at risk (EaR) model in addition to the VaR model. If 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. Since 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 the period's earnings.

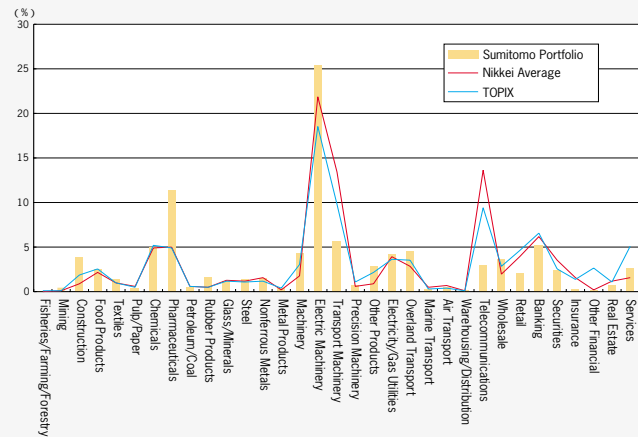
In the interests of bolstering asset soundness, we recognize maintaining strategic equity holdings at the levels appropriate to our fiscal strength and managing the price risk of these stocks is an important issue for the Bank's management. Therefore, we are actively managing these risks. Namely, we treat the entire holding of strategic equity as a portfolio and keep the maximum potential loss amount derived from the VaR model and the earnings for the period within the risk capital allocations, and maintain them at an appropriate level vis-à-vis capital.

Composition by Industry of Listed Securities Portfolio (Market Value at March 31, 2001)

(Former Sakura Bank)



(Former Sumitomo Bank)



Liquidity Risk

Liquidity risk is the chance 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 the funding gap, maintaining a system of highly liquid supplementary funding sources and establishing contingency plans.

In daily risk management operations, we avoid a gradual increase in liquidity risk by adjusting the funding gap limits

and guidelines. For an emergency situation, we have contingency plans in place to reduce the funding gap limits and guidelines and take other measures. To prevent the chance 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 chance of losses arising from negligent administration by employees, from accidents or from 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.

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

At the Bank, 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 2001.

Settlement Risk

Settlement risk is the chance of a loss arising from a transaction that cannot be settled as planned. Since this risk comprises elements of several types of risk—such as credit risk, liquidity risk, processing risk and systems risk—it requires interdisciplinary management. The Operations Planning Department is charged with coordinating the management of this

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 Continuous Linked Settlement system, which will reduce the risk inherent in settlement of foreign exchange transactions.

Systems Risk

Systems risk is the chance 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 furthering strengthening safety measures based on a needs assessment drawing on such references as the Financial Inspection Manual, approved by the Financial Services Agency, and the *Security Guidelines* published by the Financial Information Systems Center.

Since computer-related trouble at financial institutions now has greater potential to impact the public, and systems risk has increased with the IT revolution and the concomitant use of networks and personal computers, 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 Tokyo and Kansai computer centers against earthquakes and other disasters. To maintain the privacy of customer information and prevent information leaks, we are encrypting sensitive information, blocking unauthorized external access and implementing all known countermeasures to secure our data. We have also established contingency plans and conduct training as required to ensure we are fully prepared in the event of an emergency. We will continue to revise our countermeasures as new technologies and usage patterns emerge to maintain our security.

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 risk quantification results for fiscal 2001.

Individual Business Unit Strategies

Main Business Areas

Services for individual customers in the domestic market, with a focus on investment management and asset building

Key Objectives

1. Improve profitability in consumer banking through refined customer segmentation, increase sales of profitable products and services via an extensive network and enhance operational efficiency
2. Establish the SMBC Group as the market-leading financial service brand for individuals

**Consumer
Banking Unit**
p.34

**Investment
Banking Unit**
p.46

Main Business Areas

Provision of investment products to domestic and international customers

Key Objectives

1. Provide newly developed products to meet the demands of our customers
2. Offer financial services through the global network of the SMBC Group including Daiwa Securities SMBC
3. Expand the syndicated loan market
4. Make proposals related to customers' IT-based business models
5. Start defined contribution pension plan business

Heighten consumer banking profitability by identifying and targeting finely tuned customer segments, expanding sales of high-margin products and services and securing low-cost operations

Sustain a leading role in the e-business market

Main Business Areas

Yen and foreign-currency banking, trading and promotion of financial instruments of the capital markets

Key Objectives

1. Strengthen and round out the organization in pursuit of enhanced customer convenience
2. Implement proactive ALM anticipating market trends
3. Increase profit opportunities in new business areas

Treasury Unit
p.44

Middle Market Banking Unit p.37

- Strengthen marketing capabilities and make strategic IT investments to develop e-businesses for small and medium-sized businesses

Sumitomo Mitsui Banking Corporation

- Establish high ROA business models to promote business with major domestic and foreign corporations

- Rebuild and expand our overseas presence with clearly defined strategies for each region

International Banking Unit p.42

Main Business Areas

Banking services to small and medium-sized businesses in Japan

Key Objectives

1. Create an organization capable of a nimble response to business needs (establish the SMBC brand among business clients)
2. Cater to growth enterprises
3. Develop network-based services and loans for small and medium-sized enterprises
4. Lead in the development of efficient settlement systems
5. Leverage the Group's total strength

Main Business Areas

Banking services to Japanese corporations and their group companies

Key Objectives

1. Deliver solutions that enhance corporate value
2. Expand business with the affiliates of our large customers
3. Respond to changing financing and investing needs
4. Build new alliances based on partnership banking

Corporate Banking Unit p.40

Main Business Areas

Banking services to Japanese and non-Japanese corporations, financial institutions, and sovereign and public sector clients

Key Objectives

1. Realize synergies from overseas network integration early
2. Offer responsive, multifaceted services to an extensive, select clientele
3. Develop a solutions business based on leading-edge financial services and knowledge

The Group Company Networking Strategy p.48

e-Business p.50

Consumer Banking Unit

Business Strategies

Both the asset and liability sides of the Japanese consumer banking market have grown, and with the opportunities afforded by information technology (IT) to diversify and pursue new business models, this market has become one of the most attractive to 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 ranks first in consumer banking in terms of investment trust balances, loan balances and customer accounts.¹ We are starting out with an advantageous position that we will leverage to offer even higher value-added financial services. To sustain our lead, we will draw upon our already formidable product and service expertise, our channel development capabilities and our staff of highly skilled financial consultants.

Organizationally, we have the pieces in place to pursue this market. Our frontline operations are positioned around three main customer segments: private banking clients, asset management clients and long-term asset building clients.

Our Block Consumer Business Offices,² branch network, Consumer Investment Services Offices, Consumer Loan Promotion Offices and call centers provide the most appropriate channels and processes for the products and services that meet each individual's needs.

Achieving low-cost operations is a key objective in this market. While we continue to consolidate and rationalize our conventional branch network, we are also aggressively employing IT within branches to heighten teller efficiency and centralize back office administration. At our manned branches, we are concentrating on the products and services requiring in-depth consultation. We are encouraging customers to use our remote channels as the main conduit for everyday transactions to complement our manned branches.

Our call centers are a strategically important and effective channel for developing the consumer market. Utilizing large volumes of data and needs analyses, we are achieving a high rate of success by approaching customers with service and product suggestions over the telephone. In the last half of

fiscal 2000 alone, call centers logged two million outbound calls, offering customers that opened new accounts additional services or such products as investment trusts and mortgages.

We aim to secure our position as the leading bank in the consumer banking market. To this end, we are building up brand recognition with the slogan, *One's Next* (we help plan the *next* step of *one's* financial plan according to his/her life stage), expressing the underlying reliability and convenience we offer customers.



- Notes: 1. As of March 31, 2001, the investment trust balance for individuals was ¥1.2 trillion, loans to individuals reached ¥13.5 trillion and the number of ordinary bank accounts for individuals totaled 27 million.
2. A Block Consumer Business Office is a frontline operation covering several branches and Consumer Investment Services Offices in a district.

Key Objectives

1. Improve profitability in consumer banking through refined customer segmentation, increase sales of profitable products and services via an extensive network and enhance operational efficiency
2. Establish the SMBC Group as the market-leading financial service brand for individuals



Call center

● Asset Building Segment

The asset building segment is primarily composed of people with relatively long-term horizons—accumulating assets for their retirement or to use as down payments to secure housing loans. We offer a flexible range of service delivery options to accommodate their diverse lifestyles, starting with our manned branches and call centers, which form the market hub for sales promotions. These are supplemented by telephone banking, Internet banking and other remote channels.

As of June 30, 2001, we had set up 135 MC Desks (Money Lifestyle Consulting Desks) manned by consultants specializing in helping customers manage their money according to their lifestyles. They offer comprehensive one-stop financial counseling to promote sales of investment and savings products, such as investment trusts and foreign currency instruments, as well as loan products, such as primary or secondary mortgages, loans for rebuilding or renovation, and loans for education. When a customer comes to us for advice, we provide a personalized service that employs database-marketing techniques and offers the right combination of sales promotions and remote-channel access to match the customer profile and stage of life.



Money Lifestyle Consulting Desk

As measured by loan balances, we are the leader in the housing loan market. To develop this market, we have developed a large product lineup and a network of specialized Consumer Loan Promotion Offices that have direct tie-ups with real estate agencies and housing developers. As of June 30, 2001, we already had 63 offices in place and we plan to further expand this network and its functions.

With these channels serving the needs of asset builders at every stage, we are confident we can ensure SMBC is the main, lifelong bank for our customers.



Loan Plaza

● Asset Management Segment

We have positioned highly trained financial consultants in each Block Consumer Business Office and Consumer Investment Services Office, the specialized asset management service outlets that totaled 21 in number as of June 30, 2001. For customers seeking sophisticated, objective investment product consulting, these financial consultants offer tailor-made financial solutions for their assets and debts based on our *Total Portfolio Plan for Financial Assets*.

We offer one of the largest selections of investment trust units among the Japanese banks. As of June 30, 2001, our roster included 55 funds managed by 26 companies. To make it easier for customers to match funds to their needs, we grouped 26 of these funds, based on their performance, under the SMBC Fund Selection umbrella.

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



Consumer Investment Services Office

● Private Banking Segment

In the private banking segment, we cater to high-net-worth individuals and the owners of high-growth businesses, such as those that are planning or have already completed public offerings or listings. We offer these individuals business-owner-specific, long-term consulting with strategic capital plans and investment management components.

In the 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 for both private banking areas are premised on building a long-term relationship and becoming the customer's trusted partner.

● Payment and Settlement Services

The way individuals settle their financial obligations has changed with rapid technological progress in the information and communications fields and the adoption of increasingly diverse lifestyles. In response, we are bolstering our remote channels to include a full slate of telephone and Internet banking services as well as mobile banking services for mobile telephones. We are also forging ahead with convenience store ATMs to lower operating costs and enhance customer convenience.

Through our alliance with the am/pm Japan Co., Ltd., a convenience store chain operator, we have already established a network of 1,100 @BANK terminals accessible 24 hours a day. In addition, our *One's Direct* service, which bundles our remote channel banking services together, has met with enthusiastic market response, attracting 3.73 million subscribers by fiscal year-end. Our goal is to make SMBC known as the brand offering the highest degree of convenience for everyday banking.

● Drawing on the Financial Service Capabilities of the SMBC Group

SMBC reorganized its credit card business first in April 2001, changing the name of The Sumitomo Credit Service Company, Limited, to Sumitomo Mitsui Card Company, Limited. Then in July, it transferred the UC Card division of Sakura Card Co., Ltd., to Sumitomo Mitsui Card. Having now reorganized both the former Sumitomo and Sakura Banks' credit card subsidiaries, we are ready to pursue the credit card business as a central component of our consumer banking operations.

In October 2000, we inaugurated the Japan Net Bank, Ltd., the country's first exclusively Internet-based financial institution. It combines the merits of year-round, 24-hour access



Japan Net Bank

ibility with high interest rates on deposits and low service charges. Together with our joint-venture partners and other allied service providers, we will employ the advantages of the Internet and IT to make Japan Net Bank so convenient it will become the main bank of choice for Internet customers and a banking model for the 21st century.

The Sakura Loan Partner, Ltd., a joint venture founded in June 2000 with am/pm Japan Co., Ltd., Sanyo Shinpan Finance Co., Ltd., and Nippon Life Insurance Company, opened its doors in July 2000 to begin offering the precedent-setting @Loan product group of small-sum, unsecured loans for individuals. At the same time, the joint venture began deploying its highly versatile and advanced loan consultation terminals, called @Loan Boxes, at am/pm convenience stores in the Tokyo metropolitan area. By June 30, 2001, the @Loan Box network extended to 333 locations.

We will continue to implement new business models in such fields as credit cards, unsecured loans, and payment and settlements, to develop fresh opportunities and enhance the value of the SMBC Group as a whole.



@Loan Box and @BANK

Middle Market Banking Unit

● Business Strategies

SMBC has retained the organizational improvements made by both founding banks to the traditional full banking branch model. Under these changes, the frontline organization for small and medium-sized businesses was separated from that for individual clients, allowing a speedier, more appropriate response to their growing needs. We can now serve our business clientele, the largest in the country, with well-balanced teams consisting of knowledgeable branch staff and corporate finance specialists at our headquarters. This structure is allowing us to lower costs while improving service.



■ Key Objectives

1. Create an organization capable of a nimble response to business needs (establish the SMBC brand among business clients)
2. Cater to growth enterprises
3. Develop network-based services and loans for small and medium-sized enterprises
4. Lead in the development of efficient settlement systems
5. Leverage the Group's total strength

● Creating a Responsive Organization— The SMBC Keyword

To establish the SMBC brand among business clients, we are building an organization capable of responding rapidly to the changing needs of small and medium-sized enterprises under the SMBC banner. The S stands for the three Ss, representing the provision of *specialized, speedy solutions*; the M stands for a customer-driven *marketing* approach; the B is short for becoming the customer's *best partner*; and the C symbolizes *cooperation* between the Middle Market Banking Unit, headquarters and the other banking units.

To achieve these organizational goals, we have stationed specialists in derivatives, capital markets, foreign business, electronic banking and other fields in the 10 regional headquarters that manage their own Middle Market Banking divisions. In the Unit's Business Promotion Department, and in the other departments, we have also assembled experts in numerous other fields—including mergers and acquisitions (M&A), management buyouts, factoring and securitization, loan syndication, public offerings and investment management—to assist in providing first-rate customer solutions.



● Catering to Growth Enterprises

Within the Business Promotion Department, we have established the New Business Promotion Department, which comprises the New Business Promotion Group and IPO Promotion Group desks, to focus on winning more business with customers in growth fields, such as semiconductors, biotechnology, IT, environmental services and health care. Drawing on their proprietary knowledge, the seasoned staff at the New Business Promotion Group desk analyze and evaluate a company's technologies, marketability and growth prospects, and introduce to it the appropriate capital sources, such as the new business support fund, an unsecured financing system. The Group's venture capital wing, SMBC Capital Co., Ltd., also assists companies in the start-up stages with their capital requirements.

At the IPO Promotion Group desks, account executives experienced with public offerings, particularly initial public offerings, work with affiliate Daiwa Securities SMBC Co., Ltd., to advise on and help implement capital strategies.

● Developing Network-Based Services and Loans for Small and Medium-Sized Enterprises

SMBC has the largest clientele of small and medium-sized businesses in Japan. We are upgrading service to these enterprises by establishing dedicated Business Support Plazas around the country. As of June 30, 2001, the number of Business Support Plazas totaled 123.

These plazas are focusing on sales of *Value Door*, a PC-based service package that offers online settlement services, financing and business information. We are promoting *Value Door* as the flagship product of our remote channel for



Business Support Plaza

business users, with the ultimate goal of stimulating greater demand for our solutions business among small and medium-sized enterprises. In May 2001, we inaugurated the *Value Door Site* for *Value Door* subscribers. This web site allows us to offer each service to businesses on a one-to-one basis according to the company's individual circumstances.

To better serve the financing requirements of small and medium-sized businesses, we are shortening the time required for loan approvals by offering loans with credit guarantees by the Credit Guarantee Association and by offering unsecured loans based on scoring model analyses. We are also boosting our loan business by accepting applications for unsecured loans over the Internet analyzed with scoring models to complement the initiatives at our manned Business Support Plazas.

The Business Owner Banking Department is a new department within the Middle Market Banking Unit, set up to plan and promote new products and services specific to small and medium-sized businesses. In the department, the Business Development Group teams up with convenience store chains and similar businesses to offer innovative financing packages, including regular loans, to their franchisees. This is just one example of how we are tapping new demand using highly effective, low-cost methods.

● Leading the Development of Efficient Settlement Systems

Our settlement and cash management professionals deliver solutions at the appropriate level of sophistication to meet the requirements of individual businesses. In February 2000 we were granted a patent on the business model for our *Perfect* reconciliation service, which involves setting up numerous collection accounts for the receivables of a business in advance and using account number information instead of names to process incoming payments, thereby greatly expediting the account reconciliation process. Since we launched this service, it has been well received.

To facilitate innovations of this nature, we set up the e-Business Patent Department within the Electronic Commerce Banking Department.

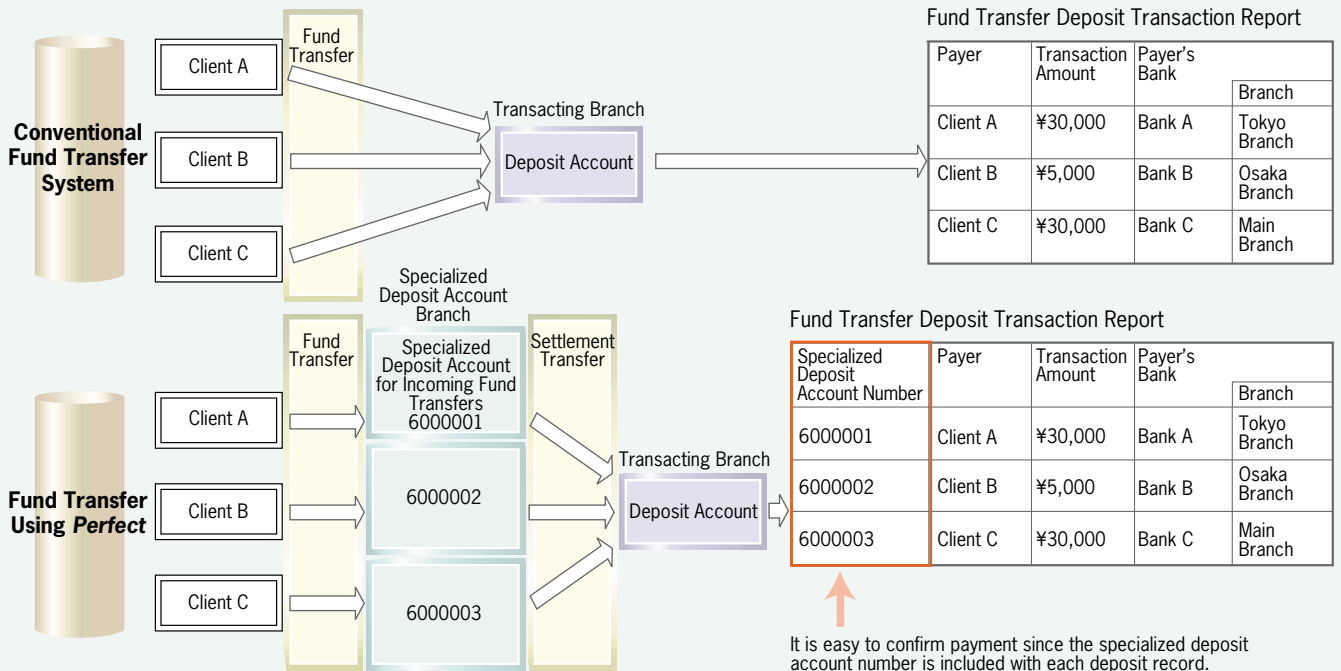
We also established the Global Cash Management Department in the Electronic Commerce Banking Department to

enhance our cash management services for global corporate groups. We offer a range of solutions based on the concept that group management begins with cash management.

Now more than ever, domestic businesses are working to make their payment systems more efficient. To tap this demand, we have assembled a full lineup of PC-based banking services, which have gained a warm market welcome for their superior functionality and easy operation.

In the burgeoning field of business-to-business (B2B) electronic commerce, SMBC was one of the originators of PAYWEB, an Internet-based settlement system encompassing bank transfers, payments at convenience stores and payments by credit cards. We are also a participant in the IDENTRUS consortium, an international provider of digital identities. We are continuing to develop various authentication and payment systems for electronic commerce as well as electronic data interchange (EDI) services for trade finance.

Perfect Reconciliation Support Service



Leveraging the Group's Total Strength

In the solutions business, it is becoming increasingly important to respond to customer needs with the entire might of the Group. In view of this, we are strengthening the cooperation between Group companies to deliver comprehensive financial services as a single unit and enhance the value provided to each customer. SMBC Capital, for instance, supports the funding requirements of fast growing enterprises, while SB Leasing Co., Ltd. (on September 1, 2001, the corporate name will become SMBC Leasing Co., Ltd.), handles their leasing demands. Sumigin General Finance Co., Ltd., and

Sakura Factors Co., Ltd., take care of their factoring needs, and SMBC Consulting Co., Ltd., and The Japan Research Institute, Ltd., provide management information consulting. Mitsui Finance Service Co., Ltd., Sakura Finance Service Co., Ltd., and QUOQ Inc. serve as collection agents. Affiliate Daiwa Securities SMBC Co., Ltd., a joint venture with Daiwa Securities Group Inc., offers top-flight investment banking services. Taken together, the Group constitutes a formidable presence in financial markets, which we are using to the greatest advantage of our clients and the Group itself.

Corporate Banking Unit

Business Strategies

The Tokyo Corporate Banking Division I and II, and the Osaka and Nagoya Corporate Banking Divisions are the core of our Corporate Banking Unit, which serves the country's largest corporations. This unit does not limit itself to the traditional lineup of investment management, capital procurement and payment services. Instead it offers multifaceted services that span the entire spectrum of finance and the operations of these companies right down to their employees, subsidiaries and commercial networks.

Management trends in recent years have focused on greater selectivity and concentration of resources aimed at increasing shareholder value, coinciding with dramatic IT developments and structural reforms. These major shifts in management thinking and methodology are also stimulating notable changes in financial needs. In the Corporate Banking Unit, we believe our mission is to go beyond the conventional customer relationships of the past and set up new business models on which customers can rely. Nurturing the human resources to achieve this goal and broadly transforming our business into a solutions business that can enhance corporate value for customers are some of our most pressing issues. Consequently, we have assigned account managers to liaise with each client company individually, discover its particular needs and work with the product departments at our headquarters and such Group companies as Daiwa Securities SMBC to create and propose solutions and product bundles. By realizing the synergies between the two founding banks and using their accumulated know-how, we intend to strengthen our ability to offer full solutions.

Key Objectives

1. Deliver solutions that enhance corporate value
2. Expand business with the affiliates of our large customers
3. Respond to changing financing and investing needs
4. Build new alliances

Delivering Solutions that Enhance Corporate Value

Many of our clients are focusing on restructuring to bolster corporate value and increasing the level of sophistication at which the groups are managed. We believe we can help customers maximize corporate value by identifying solutions with financial techniques, quickly formulating a proposal and helping implement it. The actual process involves working with the client to analyze the profitability of its operation. Then, with the assistance of Daiwa Securities SMBC, we examine the feasibility of acquiring new operations, or spinning off or divesting existing operations. We then devise a financing structure that utilizes the company's assets, such as real estate or receivables, to their maximum effect, or put together a plan to increase the liquidity of the assets with a view toward improving their balance sheets.

Expanding Business with the Affiliates of Our Large Customers

Most of the corporations in our client base are parent companies of large numbers of subsidiaries and affiliates in Japan and overseas, which, when you consider the employees and commercial networks, constitute a very broad pool of potential customers. Accordingly, the Corporate Banking Unit is banding with the International, Middle Market and Consumer Banking Units as a single marketing organization to expand our client base throughout the entire SMBC Group.



● Responding to Changing Financing and Investing Needs

To satisfy the increasingly diverse financing requirements of our clients, we supply short-, medium- and long-term financing and assist with direct capital market fundraising involving commercial paper and corporate bond issues and other instruments. We also offer commitment lines of credit to meet their cash flow needs, syndicated loans—which do not yet have a solid track record in Japan compared with the United States and Europe—and non-recourse loans.

On the investment side, we offer a full menu of products, such as tailor-made deposit products incorporating derivatives and securitized products, as well as asset-backed securities that match the customer's risk tolerance, investment budgets and time horizons.

● Building New Alliances

We have several clients who participate in the financial industry. Although the financial entities they create may compete with our commercial banking business to a certain extent, in most cases they operate in different market niches or assume complementary roles, coexisting without conflict. We are forming new alliances with these firms and starting new services that would not have been contemplated by one bank on its own. We are ahead of our contemporaries in setting up winning business models and working toward our mission of creating unconventional relationships.

● Organizational Changes to Strengthen Our Problem-Solving Abilities

The main issue facing the Corporate Banking Unit is how to transform itself into a solutions business that can enhance the corporate value of our customers. To realize this goal, we launched a series of organizational changes and improvements that coincided with the formation of SMBC. One of the key measures was to station the Investment Banking Unit's Financial Solutions Department staff within the Corporate Banking Unit and to introduce corporate finance CRM (customer relationship management) systems as marketing support tools.



We have assembled a large cohort of staff in the Financial Solutions Department that is well versed in the investment banking field. Its mandate is to get involved right from the early planning stages in creating multilayered, creative solutions to client needs. To provide these staff members with leading-edge skills on an ongoing basis, their desks are located in the Investment Banking Unit, but their responsibility is to work in teams with account managers to come up with customer solutions for the Corporate Banking Unit.

Moreover, we have introduced corporate finance CRM systems as account management support tools that allow users to exchange data and proposals in real-time. These tools were developed completely in-house from the basic concept to the system design, and are configured not only for use by the account managers but also by specialist staff in overseas offices, the Financial Solutions Department and the Investment Banking Unit, to collaborate in solving customer issues. These tools make it possible to gather and utilize the Bank's know-how at any point in time.

With the backup provided by the Financial Solutions Department and the corporate finance CRM, we are able to quickly gather complex, multifaceted information and assemble it as solutions to the ever-changing problems confronting our clients.



International Banking Unit

Business Strategies

SMBC completed the integration of the greater part of its international network by April 2, 2001, the day after the merger. By facilitating the smooth and rapid consolidation of overlapping branches, the merger is enabling the International Banking Unit to realize synergies, in terms of revenue, resulting from its expanded client base and product lineup. This, in turn, will enable the unit to strengthen and expand its business abroad.

Although the U.S. economic slowdown has drawn a veil over growth prospects in Asia and Europe, we have a solid clientele of leading companies in both regions. Our founding banks have left a legacy of highly rated products and financial-market knowledge, allowing us to compete internationally as one of the top market players. To build on the global SMBC brand created by the merger, we are operating under a three-region divisional structure—the Americas, Europe and Asia—with each division pursuing individual strategies tailored to its region.

Key Objectives

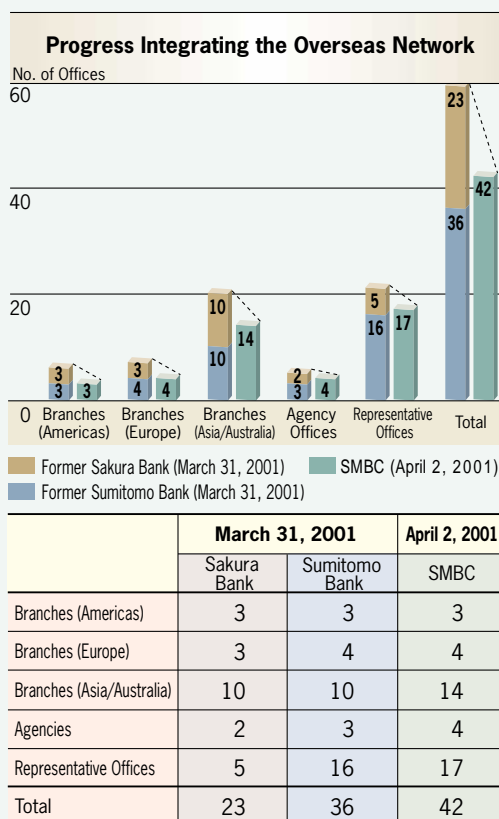
1. Realize synergies from overseas network integration early
2. Offer responsive, multifaceted services to an extensive, select clientele
3. Develop a solutions business based on leading-edge financial services and knowledge

Realizing Synergies from Overseas Network Integration Early

SMBC had essentially completed integration of its overseas network as of the merger date. This is an indication of the importance of the concept of speedy delivery in our management style. It is also a sign of our resolve to realize the benefits of the merger in international banking as early as possible by strategically allocating human resources overseas in key areas to reinforce marketing and integrating overlapping branches to enhance efficiency. In particular, we are following regionally differentiated strategies in the Americas,

Europe and Asia. This may include expanding beyond the business fields in which we are already active.

By maximizing our new structure, we are going beyond the restrictions of traditional commercial banking to offer flexible, multifaceted services. At the same time, to maximize the benefits of the merger, we are strategically allocating management resources freed by the integration of our international network to expand our presence in key markets. In Asia—where the scope of our operations places us in the top echelon of Japanese financial groups in terms of both quantity and quality—we are maximizing the geographical advantage we enjoy over our North American and European competitors to reinforce our customer base and our network. Our intent is to bolster our presence in the Asian market by expanding our existing Asian network—a fact we signaled by elevating our Beijing Representative Office to branch status—and reviewing investments, thereby positioning us to better pursue opportunities among corporations of Japanese and foreign origin active in the region.



● Offering Responsive, Multifaceted Services to an Extensive, Select Clientele

The far-reaching experience of the two founding banks in overseas markets has given us an enviable international customer base. Our extensive, select clientele overseas is centered on leading Japanese corporate groups. Many of these customers are rapidly expanding their overseas operations. Accordingly, our services are tailored to help them respond to the strategic challenges inherent in global expansion. To this end, we emphasize timely, effective response at the overseas office level, close cooperation with our domestic banking units and the provision of high value-added services.

To enhance our services to multinational corporations of foreign origin, we will continue to take steps aimed at enhancing SMBC's market presence in Europe and the Americas. At the same time, we will endeavor to support the efforts of such customers to expand into Japan and other Asian countries or to improve operations, by providing responsive, multifaceted services that ensure a high level of customer satisfaction.



● Developing a Solutions Business Based on Leading-Edge Financial Services and Knowledge

Amalgamating the experience and knowledge amassed by the two founding banks over many years abroad, we will work hand-in-hand with the Investment Banking Unit to develop as a leading-edge financial services group worldwide. With the reputations earned by our predecessors, we can continue to offer solutions incorporating the latest services and know-how in the market, such as ways to improve customer balance sheets with tax leases and securitization arrangements, and various types of non-recourse financing utilizing syndication.

SMBC enjoys healthy market shares in such fee-based businesses as global cash management services (CMS), yen custody services and yen clearing services, none of which adds asset to our balance sheet. To increase our share of these markets, we will continue to make strategic investments to deliver customer satisfaction. This will entail maintaining our ability to quickly gather and disseminate market information and our capability to match services to customer needs.



Treasury Unit

● Business Strategies

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.

To provide a superior level of service with customer convenience at the forefront, we are strengthening and rounding out the Treasury Unit structure and making full use of the latest technology and a highly trained staff. With the merger, our combined assets expanded dramatically relative to the balance sheet of each of the predecessor banks. To manage the accompanying risk dynamically, we are concentrating on upgrading our market intelligence and risk management capabilities. We are also launching into new business areas as a fresh source of revenue.

■ Key Objectives

1. Strengthen and round out the organization in pursuit of enhanced customer convenience
2. Implement proactive ALM anticipating market trends
3. Increase profit opportunities in new business areas

● Treasury Operations

Treasury operations of the new bank were unified at the start of the merger. The Treasury Unit uses an integrated computer system, a single risk management system and a single



dealing room. The operations are divided into three main segments: customer transactions, banking and trading.

Customer Transactions

The merger dramatically expanded the transaction volume handled by the Treasury Unit. To further expand our clientele and respond to its increasingly diverse and advanced needs,

we used the opportunity presented by the merger to establish a Treasury Marketing Department. To offer the highest standard of service in the industry, we are increasing the number of treasury officers engaged in foreign currency-related transactions, adding new, low-cost gateways for electronic transactions, providing rapid pricing and detailed market information, and beefing up our 24-hour foreign exchange dealing.

Banking

In our banking operations, we manage our exposure to market and liquidity risk inherent in our own assets and liabilities, such as loan assets, securities, and deposits in Japan and abroad. By managing liquidity and market positions with a careful eye on the interest rate and supply and demand environment, we strive to increase our profit opportunities from banking operations.

The Treasury Department handles yen-denominated transactions while the International Treasury Department deals with foreign currency-denominated transactions. Both departments are implementing cash flow management systems and fine-tuned simulations to increase the sophistication of our ALM techniques to manage the increased magnitude of risk arising from the merger. Their mandate is to conduct our ALM operations with an accurate understanding of interest rate trends.

For Your Reference

The Treasury Unit also issues corporate bonds for our long-term funding needs. Prior to the merger, the two former banks unified their bond issuing and were awarded the Straight Bond Deal of the Year 2000 by Rating and Investment Information, Inc. and the Issuer of the Year 2000 by Thomson DealWatch.

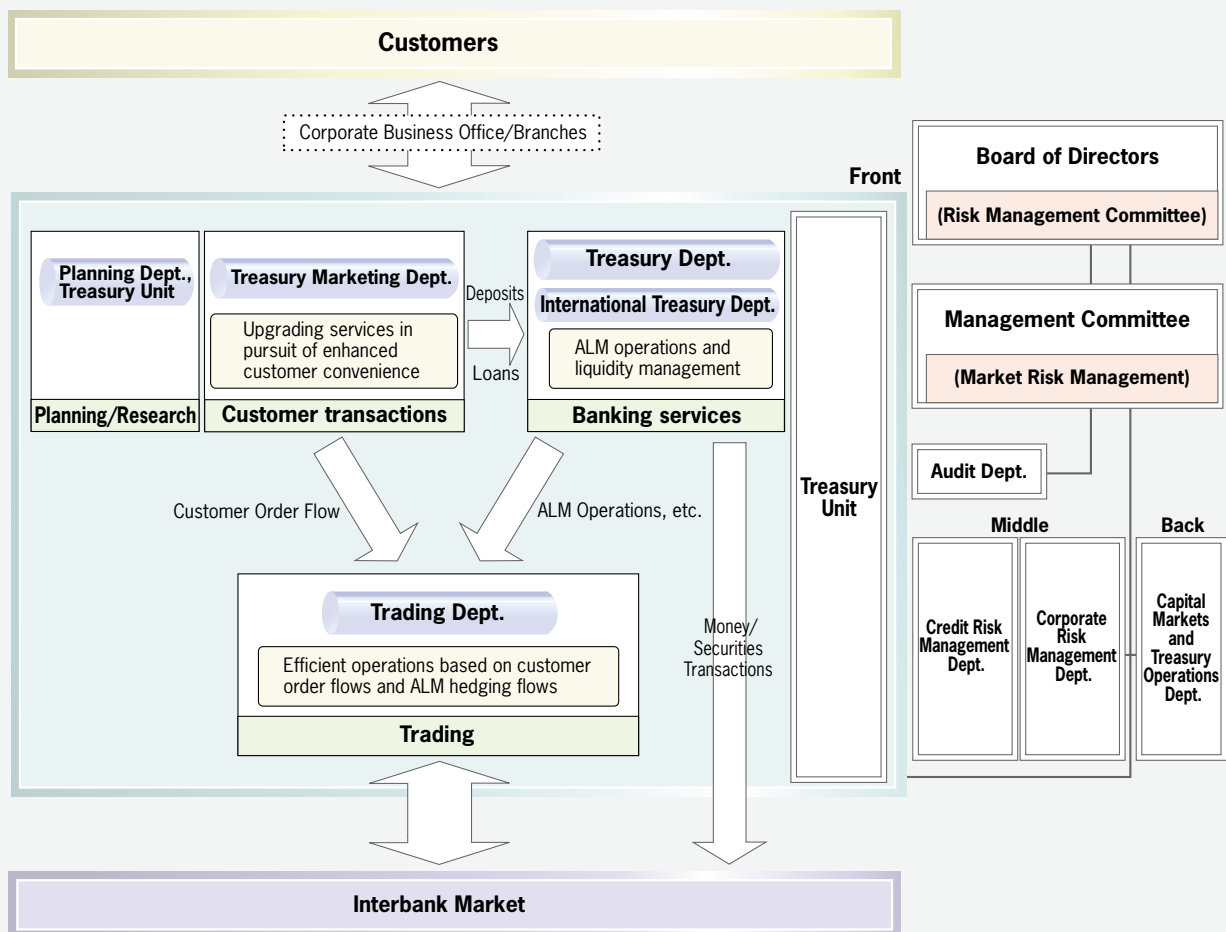


Trading

The goal of our trading operations is to maximize profit potential through market transactions taking advantage of short-term market fluctuations and intermarket arbitrage opportunities. Under the new bank structure, customer orders for foreign exchange transactions, interest rate swaps and ALM operations are handled by the Trading Department, which is charged with the efficient management of risk. To increase revenue opportunities, we are also forging into such new product areas as weather derivatives and commodity derivatives.

Risk Management

The Capital Markets and Treasury Operations Department (back office) and the Corporate Risk Management Department (middle office) are responsible for screening and checking Treasury Unit (front office) operations to prevent operating mistakes or improper transactions from occurring and to avoid transactions that deviate from risk management guidelines and limits. In addition, the Audit Department conducts comprehensive audits on a regular basis. We are also further tightening our compliance systems to ensure due diligence in the observance of market rules, regulations and laws.



Investment Banking Unit

Business Strategies

The Investment Banking Unit aims to rapidly provide sophisticated financial services to our customers and integrate SMBC's financial products, human and capital resources. Our organization makes it possible to develop advanced products and services, and to contribute to the expansion of financial markets in Japan, including the syndicated loan market.

Key Points

1. Provide newly developed products to meet the demands of our customers
2. Offer financial services through the global network of the SMBC Group including Daiwa Securities SMBC
3. Expand the syndicated loan market
4. Make proposals related to customers' IT-based business models
5. Start defined contribution pension plan business



New Product Lineup

The Investment Banking Unit provides the best-suited products to our customers through our global network. The Structured Finance Department develops advanced products concerned with the securitization business, non-recourse loans such as real estate finance and project finance, and the leasing business. Furthermore, the department features the New Products

Group, which specializes in new business models. The Derivatives and Financial Engineering Department offers currency and interest rate derivatives at sharp prices, and expands our market of new products, led by weather and commodity derivatives. The M&A Advisory Services Department is seizing an increasing number of opportunities in M&A activities, brought about by progress in legislation facilitating company reorganizations.



We provided financial services for UNIVERSAL STUDIOS JAPAN™.

Photo courtesy of:
UNIVERSAL STUDIOS JAPAN™
& Universal Studios©

Daiwa Securities SMBC

In connection with the formation of SMBC, the wholesale securities businesses of Sakura Bank and Sakura Securities Co., Ltd., were combined with Daiwa Securities SB Capital Markets Co. Ltd. The merged institution is now called Daiwa Securities SMBC Co. Ltd. Daiwa Securities SMBC was originally established in April 1999 through an alliance between the wholesale division of Daiwa Securities Co. Ltd. (now Daiwa Securities Group Inc.) and Sumitomo Bank. In fiscal 2000, Daiwa Securities SMBC was extremely successful, recording ¥123.6 billion in ordinary profit, a year-on-year increase of nearly 70%. Daiwa Securities SMBC aims to be a top-notch investment bank that satisfies our institutional and corporate clients' diversified needs by making full use of long-developed know-how in product development and marketing. In addition to the traditional service of helping clients finance their operations and improving the performance of their investments, Daiwa Securities SMBC will continue to improve its superior services in new business areas, including securitization and providing M&A advisory services.

Development of Debt Capital Markets

Debt capital markets are a new financial technique where traditional lending business (financial intermediation) is combined with loan asset trading in the market. Syndicated loans are a typical example, where a syndicate of lenders extends a loan to a borrower under a single loan agreement. The Syndications Department of SMBC is actively marketing and arranging this type of transaction to meet the advanced fund raising requirements of customers by providing them with access to markets formed by various types of financial institutions.

In line with promoting this type of business, SMBC established the Japan Syndication and Loan-trading Association (JSLA) with other major financial institutions in January 2001, and was appointed to chair the association. Through the activities of the association, SMBC leads the debt capital markets in Japan, allowing us to meet the various demands of our customers through syndicated loans.

Financial Solutions to Customers

The Financial Solutions Department, established within the Structured Finance Department, maintains close contact with customers to meet their diversified demands and present financial solutions. The e-Business, Media and Telecom Department offers unique solutions to customers requiring specialized knowledge in the IT field, with up-to-date information and global connections.


Expanding Investment Management Services

SMBC is fully engaged in the investment trust, corporate pension, public pension and defined contribution pension plan

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. | <ul style="list-style-type: none"> •Distribution, project finance, system finance, lease financing, leveraged buyouts/management buyouts, non-recourse loans |
| | Financial Solutions Dept., Investment Banking Unit | <ul style="list-style-type: none"> •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"> •Private offerings |
| | 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 distribution |
| | Sakura Friend Securities CO., LTD Meiko National Securities Co., Ltd. | <ul style="list-style-type: none"> •Securities retailing (stock, securities, etc.) |
| | 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 funds |
| 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 Ltd. SMBC Derivative Products Ltd. | <ul style="list-style-type: none"> •Derivatives dealing |
| | SMBC Securities, Inc. Overseas subsidiaries of Daiwa Securities SMBC Co. Ltd. | <ul style="list-style-type: none"> •Wholesale securities distribution |
| | SMBC Leasing and Finance, Inc. | <ul style="list-style-type: none"> •Lease financing |

businesses. Our investment management services are led by Daiwa SB Investments, Ltd., and Sakura Investment Management Co., Ltd., which have formed close alliances with leading investment managers worldwide, such as T. Rowe Price, Alliance Capital Management L.P. and State Street Bank and Trust. We are working with these companies to develop and offer investment trust products and manage the funds customers entrust to us in the global securities markets. We have been actively preparing for the defined contribution pension system that is expected to be introduced this autumn. In September 2000, we co-founded Japan Pension Navigator Co., Ltd., with six other financial companies in the Mitsui and Sumitomo Groups, to offer consulting services related to this new pension system in Japan.


 **The Wakashio Bank, Ltd.**
The Bank of Kansai, Ltd.
The Minato Bank, Limited
Commercial banking

The Group Company Networking Strategy


The SMBC Group, with SMBC at its core, is fostering cooperation among the constituent subsidiaries and affiliates to respond to increasingly diverse and advanced customer needs with complete financial solutions. Each Group member is highly specialized in its field and has secured a prominent position in its markets. We are striving to increase overall group earnings by drawing on these qualities to maximum effect and allocating resources to high-growth fields.

 **QUOQ Inc.**
Purchase of monetary assets and credit guarantee

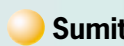
 **SMBC Loan Servicer Co., Ltd.**
Asset management and collection

 **Sakura Guarantee Co., Ltd.**
Sumigin Guarantee Company, Limited
Credit guarantee

**Consumer
Banking Unit**
p.34


 **The Sakura Loan Partner, Ltd.**
Loans

 **The Japan Net Bank, Ltd.**
Commercial banking via Internet


 **Sumitomo Mitsui Card Company, Ltd.**
Sakura Card Co., Ltd.
Credit cards


 **Daiwa Securities SMBC Co., Ltd.**
Wholesale securities

**Investment
Banking Unit**
p.46


 **Sakura Friend Securities CO., LTD.**
Meiko National Securities Co., Ltd.
Securities

 **Sakura Investment Management Co., Ltd.**
Daiwa SB Investments Ltd.
Investment advisory, investment trust management


 **DLJdirect SFG Securities Inc.**
On-line discount brokerage

 **SMBC Capital Markets, Inc.**
 **SMBC Capital Markets Limited**
Derivatives

The major Group companies are listed here.
For a more complete list, please see p.230.

 **SMBC Business Servicing Co., Ltd.**
Asset management and collection

 **SMBC Capital Co., Ltd.**
Venture capital


 **Japan Pension Navigator Co., Ltd.**
Operation and administration of defined contribution pension plans


 **Sakura Factors Co., Ltd.**
Sumigin General Finance Company, Limited
Mitsui Finance Service Co., Ltd.
Sakura Finance Service Co., Ltd.
Sakura Mortgage Co., Ltd.
Financial services for corporate customers (including factoring and collection services)

Middle Market Banking Unit
p.37

Corporate Banking Unit
p.40

Sumitomo Mitsui Banking Corporation

 **SMBC Consulting Co., Ltd.**
Consulting

 **The Japan Research Institute, Ltd.**
Economic research and systems engineering

International Banking Unit
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 **SB Leasing Company, Limited**
Sakura Leasing Co., Ltd.
Leasing

Treasury Unit
p.44

 **Sakura KCS Corporation**
Sakura Information Systems Co., Ltd.
System development, data processing

 **Manufacturers Bank**
Sumitomo Mitsui Banking Corporation of Canada
Banco Sumitomo Mitsui Brasileiro S.A.
PT Bank Sumitomo Mitsui Indonesia
Commercial banking

 **Sumitomo Mitsui Finance Australia Limited**
Merchant banking

e-Business

e-Business Strategy

With advances in IT and the increasing popularity of the Internet and mobile phones, the e-commerce market is expected to expand from ¥23 trillion in fiscal 2000, to ¥124 trillion by fiscal 2005. To respond quickly to this market growth and the structural changes it is bringing about, we are deepening our involvement in e-business.

Specifically, we are promoting our e-business operations based on three guiding principles: providing financial services suited to e-commerce, efficiently marketing the use of the Internet and building new business models through alliances with companies in other industries.

For the corporate market, we plan to offer settlement services linked to e-commerce and to work on services connected with Internet-based credit extension and approval. For consumers, we are planning to provide new settlement services that are compatible with diverse channels and introduce new marketing methods utilizing networks.

Measures for Corporate Customers

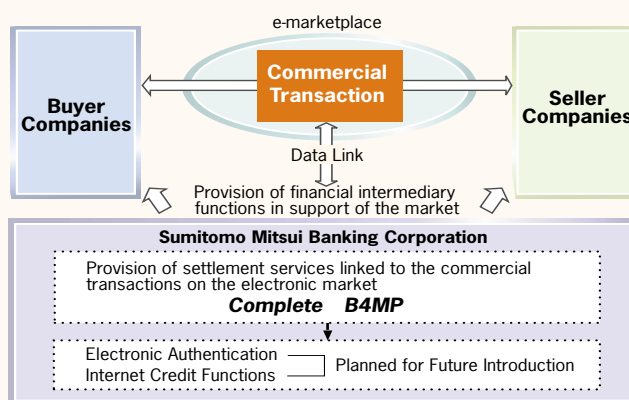
Complete/Banking Service for Market Place

Rapidly rising corporate interest in Internet-based transactions has led to the emergence of a large number of e-commerce markets, or so-called e-marketplaces. To respond to the settlement needs of an e-marketplace, we launched *Complete*, Japan's first settlement service linked to B2B e-commerce in February 2001. In addition, as a financial service capable of meeting even the most sophisticated demands, in May 2001 we began offering *Banking Service for Market Place (B4MP)*.

Both services allow buyer companies to complete payments via the Internet, rationalizing seller companies' accounting tasks through the elimination of paper invoices.

Using these services to satisfy diverse B2B financial needs, we aim to diversify and strengthen settlement services on the Internet and upgrade such functions as electronic approval and Internet-based credit.

Overview of Financial Services for Companies



NETdeBIZ.com

In April 2000, in collaboration with leading companies in an array of industries, we launched a business support site for small and medium-sized businesses called *NETdeBIZ.com*.

This site provides a range of solutions to small and medium-sized businesses in such areas as strengthening involvement in Internet business, streamlining operations and refining welfare activities. It also offers specialist information in subjects including taxation, accounting and legal matters. We plan to use this site as an efficient marketing tool.



We jointly operate this portal site with The Sumitomo Marine & Fire Insurance Co., Ltd., The Sumitomo Trust & Banking Co., Ltd., Sumitomo Life Insurance Company, and NEC Corporation

Initiatives for Consumers

NetDebit/ShoppingSquare

Since November 2000 we have been offering *NetDebit*, a new Internet settlement service. *NetDebit* is a service that enables real-time debits from a bank account for Internet shopping payments.

To make online shopping more convenient for users, we have started a linked site that brings together *NetDebit* member stores. This site is called *ShoppingSquare*.

In developing *NetDebit*, we are demonstrating the Group's overall strength through a partnership with Sumitomo Mitsui Card Co., Ltd., while encouraging other financial institutions, such as Japan Net Bank, to provide services and aim for standardization in Japan.

Prepaid Electronic Money Service (Edy!)

We plan to become involved in business applications for the prepaid electronic money service *Edy!*, which boasts considerable promise as a next-generation settlement service. *Edy!*, the e-money on which we are currently working, enables quick and easy payments through high-speed data processing with a contactless IC card and its reader/writer terminals. Since the chip runs through wireless data communication, it can be built into not only cards but also any shaped object. In the future, it will be possible to incorporate this e-money service into mobile phones and other mobile devices.

We are looking at providing *Edy!* to convenience stores, fast food restaurant chains and other outlets that have demand for small sum payments. And we plan to deploy the processing ability of IC cards in combination with point programs and other initiatives for use in marketing.

Aiming to be the first bank to provide an e-money service, we



have been conducting a monitored trial service since March 2001 with convenience store operator am/pm Japan, with which we have formed an alliance in the development of @B NK.

Money Park

In June 2000, in collaboration with leading financial companies, we launched a comprehensive financial portal site for consumers called *Money Park*. This site aims to be the one-stop provider of private banking service information for each company involved. It also provides the *My Financial* service to members, enabling customized management of their financial asset portfolio. We will continue to add highly convenient functions that we will leverage as new marketing tools for consumers.



We jointly operate this portal site with Nomura Securities Co., Ltd., Japan Life Insurance Co., Mitsui Marine & Fire Insurance Co., Ltd., Chuo Mitsui Trust and Banking Co., Ltd., and Mitsui & Co.

Broadcast Satellite TV Banking

In December 2000 we launched Japan's first TV banking service utilizing the digital broadcasting service via the broadcast satellite system. And we plan to provide a similar service compatible with the 110-degree digital broadcasting service scheduled to begin at the end of 2001 via the communications satellite system.

With the digitization of broadcasting and the addition of interactive functions, television is set to evolve into a new networking medium. We intend to use television, along with next-generation mobile phones and other broadband networks, to provide more convenient private banking services.

Activities under the Leadership of the Corporate Citizenship Department

Aiming to be a bank that develops in harmony with its customers and society, SMBC is engaged in a number of activities that aid society. These activities encompass the three key areas of welfare, contributing to the regional community and international cooperation.

Activities are conducted under the leadership of the Corporate Citizenship Department within our Public Relations Department. This office operates by giving consideration to the aspects of continuity, the characteristics of our Bank and the development of human resources, and creates a corporate foundation that enables employees to engage in socially beneficial activities.

Social Contribution Activities

Cooperation with the Small Kindness Movement

As a participating member, we take part in the Japanese Islands Clean Campaign and collect voluntary contributions from the Bank's personnel.

Cooperation with the NHK Year-End Charity Campaign

We cooperate in the NHK Year-End Charity Campaign held in December each year, focusing on the Central Community Chest of Japan. We also collect voluntary contributions from the Bank's personnel.

Contributing to the Local Community

SMBC actively participates in regional events, cooperates in promoting local art and culture and otherwise contributes to local communities.

Promenade Concert

We used the lobby of the Kobe Main Office to hold a classical concert and a performance of Beethoven's Ninth Symphony to coincide with the Kobe Festival in July and Kobe Luminarie in December last year.



Promenade Concert
(held in December 2000)

Money Museum

We have a permanent coin collection on display in the Kobe Head Office building, which we open to the general public. The collection displays in chronological order ancient Japanese coins and other coins of interest, including foreign coins as well as commemorative coins from Japan and abroad.

Kyoto Cultural Properties Exhibition Room

We have set up the Kyoto Cultural Properties Exhibition Room in our Kyoto Branch building, which is open to the general public. The permanent display includes cultural treasures from the Yayoi Period to the Edo Period, as well as information on the ethnic cultural assets of the Gion Festival.

International Cooperation

SMBC Volunteer Fund

We set up a fund with the aim of making donations to Japanese and foreign volunteer organizations that provide assistance in the event of disasters or economic difficulties.

In fiscal 2000 we made donations to four groups and countries. For example, our donation to Malaysia enabled the purchase of vans for orphanage schoolchildren, while our contribution to China financed repairs at a junior high school.

Support for UNICEF

We have been a key promoter of UNICEF Coin Aid, a foreign-coin collection program. We place collection boxes in all our branches. In cooperation with our Group companies, we also sort the collected coins by currency. The cumulative weight of the collection to March 2001 was approximately 41 tons (equivalent to approximately ¥260 million).

Moreover, every year we purchase UNICEF greetings cards, with half of the purchase price going to fund UNICEF activities, and send the cards to customers. In addition, some branches handle accounts in which total interest after tax on ordinary deposits is donated to UNICEF.

Donation of Second-Hand Clothing to African Countries

We ask the Bank's personnel to provide second-hand clothing and daily necessities, which we then donate to the Republic of Mali and other African countries via Motherland Academy International, a nongovernment organization.

Support for Kids Earth Fund

We design calendars using pictures of children from all over the world gathered by the Kids Earth Fund, a nonprofit organization that supports needy children. Part of the cost of the calendars is donated to the fund.

SMBC Global Foundation

The SMBC Global Foundation was established with an aim of providing scholarships to Asian university students. The foundation subsidizes more than 2,600 students, in Thailand, China, Indonesia and Singapore, and is planning to expand its activities into other areas in the future.

SMBC Foundation

The SMBC Foundation was founded to develop human resources to contribute to the economic development of developing regions and international exchange. In addition to holding international seminars and business seminars each year, the foundation also provides scholarships for foreign Asian students and subsidizes development aid organizations.

Support for Employees' Volunteer Activities

We use our internal electronic network to transmit volunteer information to employees and actively support participation in volunteer organizations. We are expanding the sphere of volunteer activities by holding regular sign language courses and internally recruiting volunteer staff to promote the planning of volunteer activities.

Environmental Preservation

Environmental Management

The Bank is demonstrating a comprehensive commitment to preserving the environment. For example, we have acquired ISO 14001 certification for our environmental management system (EMS), established an internal Environment Committee and a director responsible for environmental affairs. We have also enacted an environmental policy and set up the Corporate Citizenship Department within the Public Relations Department.

As a financial institution, we have classified our efforts to address environmental concerns into three main categories: social responsibility (reducing the impact on the environment in our day-to-day operations), measures to address environmental risks and customer support. Below, we describe our specific activities in each of these areas.

Social Responsibility

- Reducing waste materials and promoting recycling
- Reducing the quantity of paper used, conserving water and encouraging energy savings
- Using recycled paper
- Tackling environmental issues and promoting a strong awareness of the environment through internal education, including the production of videos

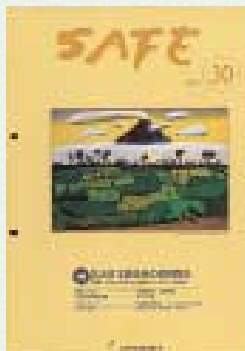


Measures to Address Environmental Risks

- Stipulating in our Credit Policy that “we shall not extend credit for projects that would have a grossly adverse effect on the environment.”

Customer Support

- Introducing environment consultants through a tie-up with SMBC Consulting Co., Ltd.
- Providing information through the environmental information magazine *SAFE* (published every other month)
- Providing information on finance for environmental measures



In addition, to promote specific measures in the course of our daily business, EMS seeks to achieve continuous improvement through a cycle of planning, implementation, evaluation and review. The principal results of the EMS in the past fiscal year are described below. These results are the achievements of the former Sakura Bank.

Paper waste recycling

(Fiscal 2000 results at our Toda Recycling Center)

- Quantity recycled 1,275 tons
- Recycling ratio 88.03%

Using recycled paper

- Using a ratio of 41.5% recycled paper in advertising materials (representing a 5.4% improvement on the previous term)
- Promoting the use of recycled paper for business cards, copier paper and other uses

Reducing paper use

- Promoting a choice in output of ATM transaction statements so that customers can choose whether or not they need a statement
- Promoting a shift to electronic processing of transfer transactions through the use of IT and reducing the use of fax paper

In fiscal 2000, the Toda Recycling Center earned special recognition for its achievements in promoting the reuse of paper. We were the only financial institution to be awarded the Chairman's Prize by the Recycling Promotion Association, which has the backing of the Prime Minister's Office.

Based on our goal to be a good corporate citizen, we intend to continue working to strengthen our EMS. Through these activities, we will channel our efforts into preserving the global environment, improving social credibility and reducing the economic risks that arise from environmental problems.



Corporate History

| | |
|------|--|
| 1876 | ● Mitsui Bank is established as a private bank. |
| 1893 | ● Mitsui Bank reorganizes itself as an unlimited partnership. |
| 1895 | ● Sumitomo Bank is established as a private enterprise. |
| 1909 | ● Mitsui Bank reorganizes into a limited company. |
| 1912 | ● Sumitomo Bank reorganizes into a limited company. |
| 1936 | ● The seven major banks of Hyogo Prefecture are merged into Kobe Bank. |
| 1940 | ● Dai Nihon Mujin is established. |
| 1943 | ● Mitsui Bank merges with Dai-Ichi Bank to form Teikoku Bank. |
| 1944 | ● Teikoku Bank merges with Jugo Bank. |
| 1945 | ● Sumitomo Bank merges with Hannan and Ikeda Jitsugyo Banks. ● Kobe Bank begins trust business. |
| 1948 | ● Dai Nihon Mujin is renamed Nihon Mujin. ● Teikoku Bank is re-established by Dai-Ichi Bank's separation. ● Sumitomo Bank is renamed Osaka Bank. |
| 1949 | ● Teikoku Bank's shares become listed on the Tokyo and Osaka stock exchanges. ● Osaka Bank's shares become listed on the Tokyo and Osaka stock exchanges. |
| 1951 | ● Nihon Mujin is renamed Nihon Sogo Bank. |
| 1952 | ● Osaka Bank's name is restored to Sumitomo Bank. |
| 1954 | ● Teikoku Bank's name is restored to Mitsui Bank. |
| 1960 | ● Kobe Bank's trust division is transferred to Toyo Trust and Banking. |
| 1965 | ● Sumitomo Bank merges with Kawachi Bank. |
| 1968 | ● Mitsui Bank merges with Toto Bank. ● Nihon Sogo Bank converts to an ordinary bank and is renamed Taiyo Bank. |
| 1973 | ● Kobe Bank and Taiyo Bank merge to form Taiyo Kobe Bank. |
| 1986 | ● Sumitomo Bank merges with Heiwa Sogo Bank. |
| 1990 | ● Mitsui Bank and Taiyo Kobe Bank merge to form Mitsui Taiyo Kobe Bank. |
| 1992 | ● Mitsui Taiyo Kobe Bank is renamed Sakura Bank. |
| 1999 | ● Sakura Bank and Sumitomo Bank develop a strategic alliance leading to future integration of the two banks. |
| 2001 | ● Sakura Bank and Sumitomo Bank merge to form Sumitomo Mitsui Banking Corporation. |

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Consolidated Financial Review

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited) and Subsidiaries

1. Financial Results

Consolidated operating results for fiscal 2000, ended March 31, 2001, include the Sakura Bank, Limited (the "Bank"), 65 consolidated subsidiaries (39 domestic and 26 overseas) and 12 affiliates that are accounted for using the equity method (four domestic and eight overseas). Compared with fiscal 1999, 14 more consolidated subsidiaries and 20 fewer affiliates accounted for by the equity method are included.

In fiscal 2000, consolidated gross profit increased ¥65.2 billion from fiscal 1999, to ¥886.3 billion. After adjustments such as general and administrative expenses and total credit costs, operating profit increased ¥47.4 billion, to ¥183.9 billion. Net income, the amount after adjusting operating profit for extraordinary gains (losses), income taxes, and minority interests in net income, decreased ¥13.7 billion, to ¥48.9 billion.

With regard to deposits (excluding negotiable certificates of deposit), the fiscal year-end balance was ¥32,004.0 billion, ¥1,778.0 billion greater than the previous fiscal year. Loans and bills discounted amounted to ¥32,906.7 billion, an increase of ¥573.5 billion, and securities increased ¥3,537.8 billion, to ¥10,466.5 billion.

As a result, total assets increased ¥3,354.1 billion from the previous fiscal year, to ¥51,849.7 billion.

Foreign currency translation adjustments arising from currency translation of financial statements of overseas subsidiaries had been recognized as assets or liabilities, but from this fiscal year they are reported as stockholders' equity and minority interests due to a revision of accounting standards for foreign currency transactions. As a result, stockholders' equity decreased ¥20.9 billion.

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

| March 31 | 2001 | 2000 | Increase/ decrease |
|--|------|------|-----------------------|
| Consolidated subsidiaries | 65 | 51 | 14 |
| Subsidiaries and affiliates accounted for by the equity method | 12 | 32 | (20) |

Income Summary

| Years ended March 31 | Billions of yen | | |
|--|-----------------|---------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Consolidated gross profit | ¥ 886.3 | ¥ 821.1 | ¥ 65.2 |
| Net interest income | 670.0 | 653.4 | 16.6 |
| Net fees and commissions | 147.4 | 119.8 | 27.6 |
| Net trading income | 26.8 | 16.5 | 10.3 |
| Net other operating income | 42.1 | 31.4 | 10.7 |
| General and administrative expenses | ¥ 490.6 | ¥ 487.5 | ¥ 3.1 |
| Total credit cost | 346.6 | 526.7 | (180.1) |
| Write-off of loans | 257.8 | 146.4 | 111.4 |
| Transfer to specific reserve | 83.7 | 238.4 | (154.7) |
| Transfer to general reserve for possible loan losses | (70.8) | (11.7) | (59.1) |
| Other | 75.9 | 153.6 | (77.7) |
| Gains (losses) on stocks | ¥ 73.5 | ¥ 342.9 | ¥(269.4) |
| Net income (loss) from nonconsolidated entities by the equity method | 7.9 | (1.5) | 9.4 |
| Other income (expenses) | 53.4 | (11.9) | 65.3 |
| Operating profit | ¥ 183.9 | ¥ 136.5 | ¥ 47.4 |
| Extraordinary gains (losses) | (51.8) | (10.4) | (41.4) |
| Income before income taxes and minority interests | 132.0 | 126.1 | 5.9 |
| Income taxes, current | 8.1 | 7.8 | 0.3 |
| deferred | 69.9 | 74.2 | (4.3) |
| Minority interests in net income | (5.1) | 18.5 | (23.6) |
| Net Income | 48.9 | 62.6 | (13.7) |

Note: 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)

Consolidated Financial Review

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

1. Financial Results

Consolidated operating results for fiscal 2000, ended March 31, 2001, include the Sumitomo Bank, Limited (the "Bank"), 84 consolidated subsidiaries (52 domestic and 32 overseas) and 29 affiliates that are accounted for using the equity method (eight domestic and 21 overseas). Compared with fiscal 1999, nine more consolidated subsidiaries and nine fewer affiliates accounted for by the equity method are included.

In fiscal 2000, consolidated gross profit increased ¥25.9 billion from fiscal 1999, to ¥951.6 billion. After adjustments such as general and administrative expenses and total credit costs, operating profit increased ¥73.4 billion, to ¥310.7 billion. Net income, the amount after adjusting operating profit for extraordinary gains (losses), income taxes, and minority interests in net income, increased ¥21.6 billion, to ¥83.5 billion.

With regard to deposits, the fiscal year-end balance was ¥31,045.1 billion, ¥2,683.0 billion greater than the previous fiscal year. Loans and bills discounted amounted to ¥32,630.4 billion, a decrease of ¥310.5 billion, and securities increased ¥7,877.1 billion, to ¥16,846.0 billion.

As a result, total assets increased ¥13,625.5 billion from the previous fiscal year, to ¥67,393.0 billion.

Foreign currency translation adjustments arising from currency translation of financial statements of overseas subsidiaries had been recognized as assets or liabilities, but from this fiscal year they are reported as stockholders' equity and minority interests due to a revision of accounting standards for foreign currency transactions. As a result, stockholders' equity decreased ¥32.2 billion.

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

| March 31 | 2001 | 2000 | Increase/ decrease |
|---|------|------|-----------------------|
| Consolidated subsidiaries | 84 | 75 | 9 |
| Affiliates accounted for by the equity method | 29 | 38 | (9) |

Income Summary

| Years ended March 31 | Billions of yen | | Increase/ decrease |
|--|-----------------|---------|-----------------------|
| | 2001 | 2000 | |
| Consolidated gross profit | ¥ 951.6 | ¥ 925.7 | ¥ 25.9 |
| Net interest income | 653.5 | 653.7 | (0.2) |
| Net fees and commissions | 168.9 | 145.9 | 23.0 |
| Net trading income | 82.2 | 46.9 | 35.3 |
| Net other operating income | 46.9 | 79.2 | (32.3) |
| General and administrative expenses | ¥ 450.3 | ¥ 466.1 | ¥ (15.8) |
| Total credit cost | 646.3 | 733.5 | (87.2) |
| Write-off of loans | 556.7 | 439.1 | 117.6 |
| Transfer to specific reserve | 174.8 | 219.1 | (44.3) |
| Transfer to general reserve for possible loan losses | (138.7) | 29.2 | (167.9) |
| Other | 53.5 | 46.0 | 7.5 |
| Gains (losses) on stocks | ¥ 395.0 | ¥ 515.6 | ¥(120.6) |
| Net income (loss) from nonconsolidated entities by the equity method | 36.5 | (35.5) | 72.0 |
| Other income (expenses) | 24.3 | 31.2 | (6.9) |
| Operating profit | ¥ 310.7 | ¥ 237.3 | ¥ 73.4 |
| Extraordinary gains (losses) | (37.3) | (20.8) | (16.5) |
| Income before income taxes and minority interests | 273.5 | 216.5 | 57.0 |
| Income taxes, current | 57.4 | 50.8 | 6.6 |
| deferred | 128.3 | 96.4 | 31.9 |
| Minority interests in net income | (4.2) | (7.4) | 3.2 |
| Net Income | 83.5 | 61.9 | 21.6 |

Note: 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)

Assets, Liabilities and Stockholders' Equity

| March 31 | Billions of yen | | |
|---|------------------|-----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Assets | ¥51,849.7 | ¥48,495.6 | ¥3,354.1 |
| Loans and bills discounted | 32,906.7 | 32,333.2 | 573.5 |
| Securities | 10,466.5 | 6,928.7 | 3,537.8 |
| Foreign currency translation adjustments | / | 30.6 | (30.6) |
| Liabilities | 49,290.0 | 45,967.8 | 3,322.2 |
| Deposits (excluding negotiable certificates of deposit) | 32,004.0 | 30,226.0 | 1,778.0 |
| Minority interests | 383.9 | 319.2 | 64.7 |
| Stockholders' equity | 2,175.8 | 2,208.6 | (32.8) |
| Foreign currency translation adjustments | (20.9) | / | (20.9) |

2. Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

With the adoption of a new accounting standard for financial instruments from fiscal 2000 in Japan, securities in consolidated financial statements have been classified by the purpose for which they are held. The classifications are: 'trading securities,' 'held-to-maturity securities' and 'other securities.'

'Trading securities' are reported at fair value on the consolidated balance sheet with unrealized holding gains and losses reported as part of net income. Securities classified as 'held-to-maturity securities' and 'other securities' are carried either at acquisition cost or at amortized cost and are reported on the consolidated balance sheet. Effective fiscal 2001, 'other securities' will be reported at fair value on the consolidated balance sheet with the difference between the fair value and acquisition cost reported on a net-of-tax basis, as 'net unrealized gains (losses) on valuation', which is a component of stockholders' equity.

Net unrealized gains (losses) on 'held-to-maturity securities' and 'other securities' are as shown in the table below. The market value of stocks held by the bank in 'other securities' is based on average market prices in the one month before the fiscal year-end.

Net unrealized gains (losses) on securities at the end of fiscal 2000 amounted to a net loss of ¥352.8 billion, a decrease of about one trillion yen compared to the previous fiscal year, reflecting the large decline in stock prices. At the time of the merger, all of gross unrealized losses on 'other securities' (including 'other money held in trust') held by the former Sakura Bank were disposed of and the net unrealized gains were transferred to Sumitomo Mitsui Banking Corporation. (For details of the transfer of unrealized gains (losses) on securities at the time of the merger, see 1. Adjustments for Merger Accounting [SMBC's Unrealized Gains (Losses) (Nonconsolidated)] on page 68.)

Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

| March 31 | Billions of yen | | | | | | |
|-----------------------------|---|-------------------|---------------------|----------------------|---|---------------------|----------------------|
| | 2001 | | | 2000 | | | |
| | Net unrealized gains (losses) (a) | (a) - (b) | Unrealized gains | Unrealized losses | Net unrealized gains (losses) (b) | Unrealized gains | Unrealized losses |
| Held-to-maturity securities | ¥ 0.0 | / | ¥ 0.0 | ¥ (0.0) | / | / | / |
| Other securities | (352.8) | / | 170.5 | (523.4) | / | / | / |
| Stocks | (361.2) | / | 139.2 | (500.4) | / | / | / |
| Bonds | 24.7 | / | 27.7 | (3.0) | / | / | / |
| Others | (16.4) | / | 3.6 | (19.9) | / | / | / |
| Total | (352.8) | ¥(1,007.6) | 170.5 | (523.4) | ¥654.8 | ¥1,109.5 | ¥(454.7) |
| Stocks | (361.2) | (1,041.7) | 139.2 | (500.4) | 680.5 | 1,083.3 | (402.8) |
| Bonds | 24.7 | 51.4 | 27.7 | (3.0) | (26.7) | 8.8 | (35.5) |
| Others | (16.4) | (17.4) | 3.6 | (19.9) | 1.0 | 17.3 | (16.3) |

Notes: 1. Fair value is calculated by using the average market price in one month before the fiscal year-end as for the Bank's stocks and by using the market price at the fiscal year-end as for the others.

2. The amount equivalent to net unrealized gains (losses) on 'other securities' (including 'other money held in trust') was a net loss of ¥212.1 billion at the fiscal year-end.

Assets, Liabilities and Stockholders' Equity

| March 31 | Billions of yen | | |
|---|------------------|-----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Assets | ¥67,393.0 | ¥53,767.5 | ¥13,625.5 |
| Loans and bills discounted | 32,630.4 | 32,940.9 | (310.5) |
| Securities | 16,846.0 | 8,968.9 | 7,877.1 |
| Foreign currency translation adjustments | / | 68.7 | (68.7) |
| Liabilities | 64,949.1 | 51,383.8 | 13,565.3 |
| Deposits (excluding negotiable certificates of deposit) | 31,045.1 | 28,362.1 | 2,683.0 |
| Minority interests | 606.7 | 579.4 | 27.3 |
| Stockholders' equity | 1,837.2 | 1,804.4 | 32.8 |
| Foreign currency translation adjustments | (32.2) | / | (32.2) |

2. Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

With the adoption of a new accounting standard for financial instruments from fiscal 2000 in Japan, securities in consolidated financial statements have been classified by the purpose for which they are held. The classifications are: 'trading securities,' 'held-to-maturity securities' and 'other securities.'

'Trading securities' are reported at fair value on the consolidated balance sheet with unrealized holding gains and losses reported as part of net income. Securities classified as 'held-to-maturity securities' and 'other securities' are carried either at acquisition cost or at amortized cost and are reported on the consolidated balance sheet. Effective fiscal 2001, 'other securities' will be reported at fair value on the consolidated balance sheet with the difference between the fair value and acquisition cost reported on a net-of-tax basis, as 'net unrealized gains (losses) on valuation,' which is a component of stockholders' equity.

Net unrealized gains (losses) on 'held-to-maturity securities' and 'other securities' are as shown in the table below. The market value of stocks held by the bank in 'other securities' is based on average market prices in the one month before the fiscal year-end.

Net unrealized gains (losses) on securities at the end of fiscal 2000 showed a net gain. This was because an unrealized loss of about one trillion yen from the end of the previous fiscal year due to the large decline in stock prices, was offset by a gain on valuation of foreign stocks, Japanese government bonds and other bonds held by subsidiaries.

(For details of the transfer of unrealized gains (losses) on securities at the time of the merger, see 1. Adjustments for Merger Accounting [SMBC's Unrealized Gains (Losses) (Nonconsolidated)] on page 68.)

Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

| March 31 | Billions of yen | | | | | | |
|-----------------------------|---|-------------------|---------------------|----------------------|---|---------------------|----------------------|
| | 2001 | | | 2000 | | | |
| | Net unrealized gains (losses) (a) | (a) - (b) | Unrealized gains | Unrealized losses | Net unrealized gains (losses) (b) | Unrealized gains | Unrealized losses |
| Held-to-maturity securities | ¥ (0.1) | / | ¥ 0.0 | ¥ (0.1) | / | / | / |
| Other securities | 51.7 | / | 387.7 | (336.0) | / | / | / |
| Stocks | (156.5) | / | 166.7 | (323.2) | / | / | / |
| Bonds | 83.1 | / | 85.9 | (2.8) | / | / | / |
| Others | 125.1 | / | 135.1 | (10.0) | / | / | / |
| Total | 51.7 | ¥(1,127.8) | 387.8 | (336.1) | ¥1,179.5 | ¥1,553.7 | ¥(374.3) |
| Stocks | (156.5) | (1,071.2) | 166.7 | (323.2) | 914.7 | 1,242.3 | (327.5) |
| Bonds | 83.1 | 83.9 | 85.9 | (2.8) | (0.8) | 34.2 | (35.0) |
| Others | 125.1 | (140.4) | 135.2 | (10.1) | 265.5 | 277.3 | (11.8) |

Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'cash and due from banks' and commercial papers as well as claims on loan trust in 'commercial paper and other debt purchased.' Net unrealized gain as well as unrealized gain on them was ¥0.1 billion.

2. Fair value is calculated by using the market price at the fiscal year-end as for bonds and others, and by using the average market price in the one month before the fiscal year-end as for stocks.

3. The amount equivalent to net unrealized gains (losses) on 'other securities' (including 'other money held in trust') was a net gain of ¥27.6 billion at the fiscal year-end.

3. Capital Ratio (BIS Guidelines)

The Bank's capital ratio (BIS Guidelines) decreased 1.22% from the end of the previous term, to 11.31%.

Total capital, which constitutes the numerator in the capital ratio calculation equation, decreased ¥266.6 billion from the previous fiscal year, to ¥3,834.3 billion, mainly because the balance of qualifying subordinated debt was reduced as part of initiatives to lower costs of capital. The denominator, risk-adjusted assets, increased ¥1,169.8 billion, to ¥33,891.4

billion, owing to several factors including an increase in the number of consolidated companies and the translation effect of a weaker yen.

In fiscal 2000, Sakura Bank did not mark 'other securities' to market. Consequently, total capital of the Bank does not take into consideration unrealized gains (losses) on valuation of 'other securities.'

Consolidated Capital Ratio

| March 31 | | Billions of yen | | |
|---|--|-----------------|-----------|-----------|
| | | 2001 | 2000 | 1999 |
| Tier I capital: | Common stockholders' equity | ¥ 2,112.5 | ¥ 2,121.4 | ¥ 2,093.3 |
| | Minority interests | 383.9 | 319.2 | 303.6 |
| | Subtotal (A) | ¥ 2,496.4 | ¥ 2,440.6 | ¥ 2,396.8 |
| Tier II capital: | 45% of unrealized gains on land | ¥ 46.7 | ¥ 51.7 | ¥ 53.2 |
| | General reserve for possible loan losses | 163.2 | 227.3 | 242.7 |
| | Qualifying subordinated debt | 1,141.8 | 1,382.2 | 1,428.9 |
| | Subtotal | ¥ 1,351.6 | ¥ 1,661.3 | ¥ 1,724.8 |
| | Tier II capital included as qualifying capital (B) | ¥ 1,351.6 | ¥ 1,661.3 | ¥ 1,724.8 |
| Deductions: | (C) | ¥ 13.8 | ¥ 1.0 | ¥ 1.0 |
| Total capital: | (A) + (B) - (C) = (D) | ¥ 3,834.3 | ¥ 4,100.9 | ¥ 4,120.6 |
| Risk-adjusted assets: | On-balance-sheet | ¥31,812.6 | ¥30,676.7 | ¥30,629.5 |
| | Off-balance-sheet | 1,924.7 | 1,824.2 | 2,518.1 |
| | Asset equivalent of market risk | 154.1 | 220.7 | 251.7 |
| | Subtotal (E) | ¥33,891.4 | ¥32,721.6 | ¥33,399.3 |
| Capital ratio (BIS guidelines) = (D) / (E) x 100 | | 11.31% | 12.53% | 12.33% |

3. Capital Ratio (BIS Guidelines)

The Bank's capital ratio (BIS Guidelines) decreased 0.66% from the end of the previous term, to 10.94%.

Total capital, which serves as the numerator in the capital ratio calculation equation, decreased ¥198.3 billion from the end of the previous fiscal year, to ¥4,150.0 billion. Contributing factors include the fact that from fiscal 2000 investments in affiliates engaged in finance business are taken as items for deductions and that the general reserve for possible loan losses

included in Tier 2 capital is decreased. The denominator, risk-adjusted assets, increased ¥448.5 billion, to ¥37,925.2 billion, owing to factors including the translation effect of a weaker yen.

In fiscal 2000, Sumitomo Bank did not mark 'other securities' to market. Consequently, total capital of the Bank does not take into consideration unrealized gains (losses) on valuation of 'other securities.'

Consolidated Capital Ratio

| March 31 | | Billions of yen | | |
|---|--|-----------------|-----------|-----------|
| | | 2001 | 2000 | 1999 |
| Tier I capital: | Common stockholders' equity | ¥ 1,652.1 | ¥ 1,625.0 | ¥ 1,582.4 |
| | Minority interests | 606.1 | 578.9 | 597.8 |
| | Subtotal (A) | ¥ 2,258.3 | ¥ 2,203.9 | ¥ 2,180.2 |
| Tier II capital: | 45% of unrealized gains on land | ¥ 122.2 | ¥ 126.1 | ¥ 128.6 |
| | General reserve for possible loan losses | 232.7 | 365.4 | 348.1 |
| | Qualifying subordinated debt | 1,653.2 | 1,652.9 | 1,625.4 |
| | Subtotal | ¥ 2,008.1 | ¥ 2,144.4 | ¥ 2,102.0 |
| | Tier II capital included as qualifying capital (B) | ¥ 1,995.4 | ¥ 2,144.4 | ¥ 2,102.0 |
| Deductions: | (C) | ¥ 103.6 | ¥ — | ¥ — |
| Total capital: | (A) + (B) – (C) = (D) | ¥ 4,150.0 | ¥ 4,348.3 | ¥ 4,282.3 |
| Risk-adjusted assets: | On-balance-sheet | ¥34,609.0 | ¥34,744.7 | ¥35,546.5 |
| | Off-balance-sheet | 3,096.3 | 2,510.9 | 3,180.3 |
| | Asset equivalent of market risk | 219.9 | 221.1 | 357.1 |
| | Subtotal (E) | ¥37,925.2 | ¥37,476.7 | ¥39,083.9 |
| Capital ratio (BIS guidelines) = (D) / (E) x 100 | | 10.94% | 11.60% | 10.95% |

Nonconsolidated Financial Review

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited)

1. Operating Results

As a result of an ¥18.5 billion increase in gross banking profit and a ¥23.5 billion decrease in expenses (excluding non-recurring losses) and bond issue costs, banking profit (excluding transfer to general reserve for possible loan losses) increased ¥41.9 billion from fiscal 1999, to ¥355.4 billion in fiscal 2000, ended March 31, 2001.

Operating profit, which is computed by adjusting banking profit by non-recurring gains (losses) such as total credit cost and gains (losses) on stocks, was ¥190.7 billion. Total credit cost, including transfer to general reserve for possible loan losses, was ¥261.1 billion. This was brought about by factors involving the continued worsening of corporate financial results amid the prolonged economic recession, the continued deterioration of assets as collateral and acceleration in the disposal of problem assets in advance of the merger. Gains (losses) on

stocks decreased ¥290.3 billion from the previous year to ¥51.5 billion.

Net income, after adjustments for operating profit, extraordinary gains (losses) and income taxes, increased ¥25.1 billion from the previous fiscal year, to ¥82.2 billion. Net income was ¥108.5 billion lower than operating profit, mainly because ¥36.4 billion was appropriated for amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits, and because ¥55.1 billion was recognized as 'income taxes, deferred' under tax-effect accounting. In particular, a ¥5.6 billion reduction in deferred tax assets was associated with the lowering of the effective statutory tax rate, affected by the establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to the banking industry.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased ¥18.5 billion from the previous fiscal year, to ¥730.4 billion. This was largely because domestic net fees and commissions rose ¥6.7 billion, due to an increase in income from investment trust sales commissions, and because international net trading income increased ¥10.1 billion, primarily attributable to improved profit on dealing.

Expenses

Expenses (excluding non-recurring losses) decreased ¥22.8 billion from the previous fiscal year, to ¥375.0 billion. This was mainly due to a wide-ranging and drastic cost review that

resulted in a ¥15.1 billion reduction in non-personnel expenses, fully absorbing merger-related costs. It was also due to the ¥6.1 billion decrease in personnel expenses resulting from the reduction in the number of employees.

Banking Profit

As a result of the above, fiscal 2000 banking profit (excluding transfer to general reserve for possible loan losses) increased ¥41.9 billion from the previous fiscal year, to ¥355.4 billion. With a ¥56.0 billion reversal of the general reserve for possible loan losses, banking profit (including transfer to general reserve for possible loan losses) increased ¥83.3 billion, to ¥411.4 billion.

Banking Profit

| Years ended March 31 | Billions of yen | | |
|---|-----------------|----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Gross banking profit | ¥730.4 | ¥711.9 | ¥ 18.5 |
| Gross banking profit (excluding net gains (losses) on bonds) | 722.4 | 709.4 | 13.0 |
| Net interest income | 598.7 | 609.3 | (10.6) |
| Net fees and commissions | 69.3 | 60.1 | 9.2 |
| Net trading income | 20.8 | 8.1 | 12.7 |
| Net other operating income | 41.6 | 34.4 | 7.2 |
| Gross domestic banking profit | 676.3 | 665.6 | 10.7 |
| Gross international banking profit | 54.1 | 46.3 | 7.8 |
| Transfer to general reserve for possible loan losses | ¥ (56.0) | ¥ (14.6) | ¥(41.4) |
| Bond issue costs | — | 0.7 | (0.7) |
| Expenses (excluding non-recurring losses) | 375.0 | 397.8 | (22.8) |
| Personnel expenses | 155.6 | 161.7 | (6.1) |
| Non-personnel expenses | 201.0 | 216.1 | (15.1) |
| Taxes | 18.3 | 19.9 | (1.6) |
| Banking profit | ¥411.4 | ¥328.1 | ¥ 83.3 |
| Banking profit (excluding transfer to general reserve for possible loan losses) | 355.4 | 313.5 | 41.9 |
| Banking profit (excluding transfer to general reserve for possible loan losses and net gains (losses) on bonds) | 347.5 | 311.0 | 36.5 |

Nonconsolidated Financial Review

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited)

1. Operating Results

As a result of a ¥50.2 billion increase in gross banking profit and an ¥8.0 billion decrease in expenses (excluding non-recurring losses) and bond issue costs, banking profit (excluding transfer to general reserve for possible loan losses) increased ¥58.3 billion from fiscal 1999, to ¥447.7 billion in fiscal 2000, ended March 31, 2001.

Operating profit, which is computed by adjusting banking profit by non-recurring gains (losses) such as total credit cost and gains (losses) on stocks, was ¥168.4 billion. Total credit cost, including transfer to general reserve for possible loan losses, amounted to ¥558.0 billion. It is partly because loan forgiveness in favor of borrowers increased, and partly because provision for workout of problem assets in the next couple of fiscal years was reserved, and also because asset qualities and collateral values deteriorated more seriously than expected.

2. Income Analysis

Gross Banking Profit

Gross banking profit increased ¥50.2 billion from the previous fiscal year, to ¥772.8 billion. This was largely because domestic net fees and commissions rose ¥6.2 billion, due to increased earnings generated from electronic banking and exchange transactions. It also reflected a ¥7.1 billion increase in net gains on bonds in other operating income. Moreover, international net interest income increased ¥33.5 billion, which was mainly attributable to dividends received from overseas subsidiaries and affiliates.

Expenses

Expenses (excluding non-recurring losses) decreased ¥4.7 billion from the previous fiscal year, to ¥325.1 billion. This was mainly due to a ¥3.6 billion decrease in personnel expenses as

Gains (losses) on stocks decreased ¥226.8 billion from the previous fiscal year to ¥259.9 billion.

Net income, after adjustments for operating profit, extraordinary gains (losses) and income taxes, increased ¥6.9 billion from the previous fiscal year, to ¥55.7 billion. Net income was ¥112.7 billion lower than operating profit, partly because ¥20.2 billion was appropriated for amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits, but mainly because ¥70.6 billion in expenses was recognized as 'income taxes, deferred' under tax-effect accounting. In particular, a ¥26.4 billion reduction in deferred tax assets was associated with the lowering of the effective statutory tax rate, affected by the establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to the banking industry.

the number of personnel was reduced. It was also due to a ¥0.6 billion reduction in non-personnel expenses, with merger-related costs fully absorbed through the integration and effective operation of domestic and overseas branches, and administration bases.

Banking Profit

As a result of the above, fiscal 2000 banking profit (excluding transfer to general reserve for possible loan losses) increased ¥58.3 billion from fiscal 1999, to ¥447.7 billion. With the ¥132.6 billion reversal of the general reserve for possible loan losses, banking profit, including transfer to general reserve for possible loan losses, increased ¥229.7 billion, to ¥580.3 billion.

Banking Profit

| Years ended March 31 | Billions of yen | | |
|---|-----------------|--------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Gross banking profit | ¥ 772.8 | ¥722.6 | ¥ 50.2 |
| Gross banking profit (excluding net gains (losses) on bonds) | 772.0 | 726.5 | 45.5 |
| Net interest income | 642.0 | 604.7 | 37.3 |
| Net fees and commissions | 81.4 | 69.3 | 12.1 |
| Net trading income | 74.6 | 33.3 | 41.3 |
| Net other operating income | (25.3) | 15.3 | (40.6) |
| ----- | ----- | ----- | ----- |
| Gross domestic banking profit | 583.0 | 565.2 | 17.8 |
| Gross international banking profit | 189.9 | 157.4 | 32.5 |
| Transfer to general reserve for possible loan losses | ¥(132.6) | ¥ 38.9 | ¥(171.5) |
| Bond issue costs | — | 3.3 | (3.3) |
| Expenses (excluding non-recurring losses) | 325.1 | 329.8 | (4.7) |
| Personnel expenses | 138.4 | 142.0 | (3.6) |
| Non-personnel expenses | 169.6 | 170.2 | (0.6) |
| Taxes | 17.2 | 17.6 | (0.4) |
| Banking profit | ¥ 580.3 | ¥350.6 | ¥ 229.7 |
| Banking profit (excluding transfer to general reserve for possible loan losses) | 447.7 | 389.4 | 58.3 |
| Banking profit (excluding transfer to general reserve for possible loan losses and net gains (losses) on bonds) | 446.8 | 393.4 | 53.4 |

Non-recurring Gains (Losses) (Including Disposal of Problem Assets)

Non-recurring losses amounted to ¥220.6 billion. This was mainly due to ¥317.1 billion disposal of problem assets (total credit cost, including transfer to general reserve for possible loan losses, was ¥261.1 billion), accompanying ¥51.5 billion gains on sale of stocks. (For the disposal and the disclosed amount of problem assets, see Asset Quality on page 10.)

Extraordinary Gains (Losses)

Extraordinary losses reached ¥51.7 billion. This primarily reflected a loss of ¥16.1 billion on disposition of premises and equipment, because of factors such as losses on the sale of idle real estate as part of restructuring, and the cost of disposing of branches as a result of integration. Another important factor was the appropriation of ¥36.4 billion for amortization of net

transition obligation from initial application of the new accounting standard for employee retirement benefits from the fiscal year.

Operating Profit and Net Income

As a result of the above, operating profit increased ¥30.8 billion from the previous fiscal year, to ¥190.7 billion. Net income, the amount after adjusting operating profit for extraordinary gains (losses) and income taxes, increased ¥25.1 billion from the previous fiscal year, to ¥82.2 billion.

Due to the establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to the banking industry in June 2000, the impact of a ¥5.6 billion decrease in deferred tax assets caused an increase in deferred income taxes and a decrease in net income by the same amount.

Operating Profit and Net Income

| Years ended March 31 | Billions of yen | | |
|--|-----------------|---------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Banking profit (excluding transfer to general reserve for possible loan losses) | ¥355.4 | ¥313.5 | ¥ 41.9 |
| Transfer to general reserve for possible loan losses | (56.0) | (14.6) | (41.4) |
| Banking profit (including transfer to general reserve for possible loan losses) | ¥411.4 | ¥328.1 | ¥ 83.3 |
| Non-recurring gains (losses) | (220.6) | (168.2) | (52.4) |
| Total credit cost | 261.1 | 449.9 | (188.8) |
| Write-off of loans | 240.5 | 130.5 | 110.0 |
| Transfer to specific reserve | 9.8 | 194.7 | (184.9) |
| Transfer to reserve for losses on loans sold | 33.9 | 55.5 | (21.6) |
| Losses on loans sold to CCPC | 20.4 | 37.1 | (16.7) |
| Losses on sale of delinquent loans | 8.5 | 14.2 | (5.7) |
| Losses on financial support for associated companies | — | 35.2 | (35.2) |
| Transfer to loan loss reserve for specific overseas countries | 4.0 | (2.6) | 6.6 |
| Gains (losses) on stocks | 51.5 | 341.8 | (290.3) |
| Gains on sale of stocks | 160.7 | 406.3 | (245.6) |
| Losses on sale of stocks | 28.9 | 29.9 | (1.0) |
| Losses on devaluation of stocks | 80.3 | 34.6 | 45.7 |
| Operating profit | ¥190.7 | ¥159.9 | ¥ 30.8 |
| Extraordinary gains (losses) | (51.7) | (5.9) | (45.8) |
| Gains (losses) on disposition of premises and equipment | (16.1) | (6.1) | (10.0) |
| Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits | 36.4 | — | 36.4 |
| Income taxes, current | 1.8 | 4.0 | (2.2) |
| Income taxes, deferred | 55.1 | 93.0 | (37.9) |
| Effect of introduction of enterprise taxes to banking industries by Tokyo Metropolitan Government | — | 35.8 | (35.8) |
| Effect of introduction of enterprise taxes to banking industries by Osaka Prefectural Government | 5.6 | — | 5.6 |
| Net income | 82.2 | 57.1 | 25.1 |

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

Non-recurring Gains (Losses) (Including Disposal of Problem Assets)

Non-recurring losses amounted to ¥411.9 billion. This was mainly due to ¥690.6 billion disposal of problem assets (total credit cost, including transfer to general reserve for possible loan losses was, ¥558.0 billion), accompanying ¥259.9 billion gains on sale of stocks. (For the disposal and the disclosed amount of problem assets, see Asset Quality on page 10.)

Extraordinary Gains (Losses)

Extraordinary losses amounted to ¥34.4 billion. This primarily reflected a loss of ¥14.5 billion on disposition of premises and equipment, such as the sale of company housing and other properties and the disposal of branches as part of restructuring. Another important factor was the appropriation of ¥20.2 billion for amortization of net transition obligation from initial

application of the new accounting standard for employee retirement benefits from the fiscal year.

Operating Profit and Net Income

As a result of the above, operating profit decreased ¥8.1 billion from the previous fiscal year, to ¥168.4 billion. Net income, the amount after adjusting operating profit for extraordinary gains (losses) and income taxes, increased ¥6.9 billion, to ¥55.7 billion.

Due to the establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to the banking industry in June 2000, the impact of a ¥26.4 billion decrease in deferred tax assets caused an increase in deferred income taxes and a decrease in net income by the same amount.

Operating Profit and Net Income

| Years ended March 31 | Billions of yen | | |
|--|-----------------|---------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Banking profit (excluding transfer to general reserve for possible loan losses) | ¥447.7 | ¥389.4 | ¥ 58.3 |
| Transfer to general reserve for possible loan losses | (132.6) | 38.9 | (171.5) |
| Banking profit (including transfer to general reserve for possible loan losses) | ¥580.3 | ¥350.6 | ¥ 229.7 |
| Non-recurring gains (losses) | (411.9) | (174.1) | (237.8) |
| Total credit cost | 558.0 | 680.7 | (122.7) |
| Write-off of loans | 500.9 | 347.4 | 153.5 |
| Transfer to specific reserve | 146.7 | 253.1 | (106.4) |
| Transfer to reserve for losses on loans sold | 19.1 | 17.3 | 1.8 |
| Losses on loans sold to CCPC | 11.4 | 7.7 | 3.7 |
| Losses on sale of delinquent loans | 16.6 | 19.6 | (3.0) |
| Transfer to loan loss reserve for specific overseas countries | (4.0) | (3.1) | (0.9) |
| Gains (losses) on stocks | 259.9 | 486.7 | (226.8) |
| Gains on sale of stocks | 335.5 | 551.2 | (215.7) |
| Losses on sale of stocks | 37.8 | 35.2 | 2.6 |
| Losses on devaluation of stocks | 37.8 | 29.4 | 8.4 |
| Operating profit | ¥168.4 | ¥176.5 | ¥ (8.1) |
| Extraordinary gains (losses) | (34.4) | (28.0) | (6.4) |
| Gains (losses) on disposition of premises and equipment | (14.5) | (6.9) | (7.6) |
| Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits | 20.2 | — | 20.2 |
| Income taxes, current | 7.8 | 6.6 | 1.2 |
| Income taxes, deferred | 70.6 | 93.0 | (22.4) |
| Effect of introduction of enterprise taxes to banking industries by Tokyo Metropolitan Government | — | 34.3 | (34.3) |
| Effect of introduction of enterprise taxes to banking industries by Osaka Prefectural Government | 26.4 | — | 26.4 |
| Net income | ¥55.7 | 48.8 | 6.9 |

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

3. Assets, Liabilities and Stockholders' Equity

Assets

Notwithstanding efforts to increase prime assets, including loans to individuals and small and medium-sized corporations, such factors as a slowdown in demand for funds by large and medium-sized enterprises and the negative effect of the disposal of problem assets led loans and bills discounted to decrease ¥1,364.5 billion from the end of the previous fiscal year, to ¥30,575.5 billion. Meanwhile, securities increased ¥3,288.1 billion, to ¥10,199.7 billion, mainly because of a purchase of bonds for additional contribution of collateral with the introduction of RTGS (real-time gross settlement).

Liabilities

Deposits decreased ¥931.5 billion from the end of the previous fiscal year, to ¥28,872.2 billion, while negotiable certificates of deposit increased ¥1,122.9 billion, to ¥4,661.8 billion under the circumstances where corporations turned sensitive to interest rates.

Stockholders' Equity

Stockholders' equity increased ¥28.9 billion from the end of the previous fiscal year, to ¥2,281.2 billion. The total number of shares issued at the end of the fiscal year consisted of 4,118 million shares of common stock and 802 million shares of preferred stock. Stockholders' equity (excluding preferred stock and accompanying capital surplus) per share increased ¥7.05, to ¥358.43.

Assets, Liabilities and Stockholders' Equity

| March 31 | Billions of yen | | |
|------------------------------------|------------------|-----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Assets | ¥48,461.8 | ¥46,559.5 | ¥ 1,902.3 |
| Loans and bills discounted | 30,575.5 | 31,940.0 | (1,364.5) |
| Securities | 10,199.7 | 6,911.6 | 3,288.1 |
| Liabilities | 46,180.6 | 44,307.2 | 1,873.4 |
| Deposits | 28,872.2 | 29,803.7 | (931.5) |
| Negotiable certificates of deposit | 4,661.8 | 3,538.9 | 1,122.9 |
| Stockholders' equity | 2,281.2 | 2,252.3 | 28.9 |

4. Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

Unrealized gains (losses) on the valuation of securities at the end of fiscal 2000 came to a net loss of ¥342.4 billion, a drop of about one trillion yen from the end of the previous fiscal year, reflecting the large decline in stock prices. For the calculation of stocks in 'other securities,' the average market price in the one month before the end of the fiscal year is used, but if calculated using fiscal year-end prices, net unrealized losses on valuation would be ¥247.5 billion. However, since all of gross unrealized

losses on the valuation of 'other securities' held by the former Sakura Bank at the time of the merger were disposed of and only the net unrealized gains were transferred to the new bank, the new bank recorded a net gain on valuation of approximately ¥200 billion at April 1, 2001. (For details, see 1. Adjustments for Merger Accounting [SMBC's Unrealized Gains (Losses) (Nonconsolidated)] on page 68.)

Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

| March 31 | Billions of yen | | | | | | |
|---------------------------------------|-----------------------------------|-------------------|------------------|-------------------|-----------------------------------|------------------|-------------------|
| | 2001 | | 2000 | | | | |
| | Net unrealized gains (losses) (a) | (a) - (b) | Unrealized gains | Unrealized losses | Net unrealized gains (losses) (b) | Unrealized gains | Unrealized losses |
| Held-to-maturity securities | ¥ — | / | ¥ — | ¥ — | / | / | / |
| Stocks of subsidiaries and affiliates | 4.2 | / | 5.8 | (1.5) | / | / | / |
| Other securities | (346.6) | / | 157.8 | (504.4) | / | / | / |
| Stocks | (355.7) | / | 130.3 | (486.0) | / | / | / |
| Bonds | 21.4 | / | 24.0 | (2.6) | / | / | / |
| Others | (12.3) | / | 3.5 | (15.8) | / | / | / |
| Total | (342.4) | ¥(1,005.2) | 163.6 | (506.0) | ¥662.8 | ¥1,103.9 | ¥(441.1) |
| Stocks | (351.5) | (1,034.4) | 136.0 | (487.5) | 682.9 | 1,075.6 | (392.7) |
| Bonds | 21.4 | 49.3 | 24.0 | (2.6) | (27.9) | 7.3 | (35.1) |
| Others | (12.3) | (20.0) | 3.5 | (15.8) | 7.7 | 21.0 | (13.3) |

5. Dividend Policy

With respect to the interest of shareholders, the Bank subscribes to a fundamental policy of issuing appropriate dividends, with the specific view of enriching capital and preserving sound management. As for year-end dividends, the Bank issued dividends per common share at ¥6.00 (including ¥3.00 of delivered money due

to the merger) and dividends per preferred share for series II at ¥15.00 (including ¥7.50 of delivered money due to the merger), and at ¥13.70 (including ¥6.85 of delivered money due to the merger) for series III (Type 2), the same as the previous term.

3. Assets, Liabilities and Stockholders' Equity

Assets

Loans and bills discounted decreased ¥186.2 billion from the end of the previous fiscal year, to ¥31,172.3 billion, under the circumstances where large corporations in domestic and overseas markets continuously reduce interest-bearing liabilities. Meanwhile, securities increased ¥7,878.1 billion, to ¥16,860.3 billion, mainly because of a purchase of bonds for additional contribution of collateral with the introduction of RTGS (real-time gross settlement) and an effect of a change in accounting of repurchase agreement transactions associated with the application of a new accounting standard for financial instruments.

Liabilities

Deposits increased ¥2,780.8 billion, from the end of the previous fiscal year, to ¥30,169.0 billion. This result reflected the string of monetary easing measures taken by the Bank of Japan since the beginning of the year, making funds of individuals and corporations flow in liquid deposits.

Stockholders' Equity

Stockholders' equity increased ¥38.1 billion from the end of the previous fiscal year, to ¥1,918.7 billion. The total number of shares issued at the end of fiscal 2000 comprised 3,141 million shares of common stock and 167 million shares of preferred stock. Stockholders' equity (excluding preferred stock and accompanying capital surplus) per share increased ¥12.12 to ¥451.35.

Assets, Liabilities and Stockholders' Equity

| March 31 | Billions of yen | | |
|------------------------------------|------------------|-----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Assets | ¥65,265.6 | ¥51,089.3 | ¥14,176.3 |
| Loans and bills discounted | 31,172.3 | 31,358.5 | (186.2) |
| Securities | 16,860.3 | 8,982.2 | 7,878.1 |
| Liabilities | 63,346.9 | 49,208.7 | 14,138.2 |
| Deposits | 30,169.0 | 27,388.2 | 2,780.8 |
| Negotiable certificates of deposit | 7,026.6 | 6,841.6 | 185.0 |
| Stockholders' equity | 1,918.7 | 1,880.6 | 38.1 |

4. Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

Unrealized gains (losses) on the valuation of securities at the end of fiscal 2000 came to a slight net loss of ¥89.6 billion, because net unrealized gains (losses) on valuation of stocks significantly dropped by about one trillion yen from the end of the previous fiscal year, reflecting the large decline in stock prices, while being offset by net unrealized gains on valuation of bonds. For the calculation of stocks in 'other securities,' the average market price in the one month before the end of the fiscal year is used, but if calculated using fiscal year-end prices, net unrealized losses

on valuation of securities would be limited to ¥10.6 billion. However, since all of gross unrealized losses on 'other securities' (including 'other money held in trust') held by the former Sakura Bank at the time of the merger were disposed of and only the net unrealized gains were transferred to the new bank, the new bank shows a net gain on valuation of approximately ¥200 billion as of April 1, 2001. (For details, see 1. Adjustments for Merger Accounting [SMBC's Unrealized Gains (Losses) (Nonconsolidated)] on page 68.)

Unrealized Gains (Losses) on Securities (Before Adjustments for the Merger Accounting)

| March 31 | Billions of yen | | | | | | | |
|---------------------------------------|---|-----------|---------------------|----------------------|---|---------------------|----------------------|---|
| | 2001 | | 2000 | | 2000 | | 2000 | |
| | Net unrealized gains (losses) (a) | (a) - (b) | Unrealized gains | Unrealized losses | Net unrealized gains (losses) (b) | Unrealized gains | Unrealized losses | |
| Held-to-maturity securities | ¥ (0.1) | / | ¥ 0.0 | ¥ (0.1) | / | / | / | / |
| Stocks of subsidiaries and affiliates | (6.3) | / | 0.5 | (6.8) | / | / | / | / |
| Other securities | (83.2) | / | 244.6 | (327.8) | / | / | / | / |
| Stocks | (162.3) | / | 154.7 | (317.1) | / | / | / | / |
| Bonds | 80.9 | / | 83.5 | (2.6) | / | / | / | / |
| Others | (1.9) | / | 6.4 | (8.2) | / | / | / | / |
| Total | (89.6) | ¥ (991.0) | 245.1 | (334.7) | ¥901.4 | ¥1,259.3 | ¥(357.9) | |
| Stocks | (168.6) | (1,073.1) | 155.2 | (323.9) | 904.5 | 1,221.9 | (317.5) | |
| Bonds | 80.9 | 81.5 | 83.5 | (2.6) | (0.6) | 33.7 | (34.3) | |
| Others | (1.9) | 0.6 | 6.4 | (8.3) | (2.5) | 3.6 | (6.2) | |

5. Dividend Policy

With respect to the interest of shareholders, the Bank subscribes to a fundamental policy of issuing appropriate dividends with the specific view of enriching capital and preserving sound management.

In view of enriching capital by appropriate retained earnings, at fiscal year-end, the Bank issued dividends per common share at ¥6.00, and dividends per preferred share for First series Type I at ¥10.50 and at ¥28.50 for Second series Type I, the same as the previous term.

Total Combined Figures of the Former Sakura Bank and Sumitomo Bank

Sumitomo Mitsui Banking Corporation

1. Adjustments for Merger Accounting

Prior to the succession of Sakura's assets, liabilities and capital accompanying the April 1 merger, the Bank applied certain accounting to strengthen the financial base of the bank.

First, the unrealized losses on Sakura's securities classified as 'other securities' (including 'other money held in trust') were revaluated at fair value and transferred to SMBC. The same treatment was applied to land, which had been revaluated at fair value before. Also, Sakura's net transition obligation on

employee retirement benefits was fully provisioned prior to the merger.

Since this accounting treatment increased deferred tax assets, the result was that ¥427.0 billion was deducted from the stockholders' equity of the former Sakura Bank before its transfer to SMBC.

The financial positions of the new bank, SMBC, on the date of the merger were as follows.

SMBC's Assets, Liabilities and Stockholders' Equity (Nonconsolidated)

| | Billions of yen | | | | |
|---|--------------------|-----------------------------------|-----------------------------|--------------------------|-------------------|
| | Former Sakura Bank | | | Former Sumitomo Bank (B) | SMBC (A) + (B) |
| | March 31, 2001 | Adjustments for merger accounting | Amounts to be succeeded (A) | March 31, 2001 | April 1, 2001 |
| Assets | ¥48,461.8 | ¥(216.8) | ¥48,245.0 | ¥65,265.7 | ¥113,451.3 |
| Securities | 10,199.7 | (456.3) | 9,743.4 | 16,860.3 | 26,603.7 |
| Premises and equipment | 286.4 | (29.2) | 257.2 | 585.4 | 842.6 |
| Deferred tax assets | 524.1 | 268.7 | 792.8 | 550.5 | 1,343.3 |
| Liabilities | 46,180.6 | 210.2 | 46,390.8 | 63,347.0 | 109,678.4 |
| Reserve for employee retirement benefit | 14.1 | 210.2 | 224.3 | (59.4) | 164.9 |
| Stockholders' equity | 2,281.2 | (427.0) | 1,854.2 | 1,918.7 | 3,772.9 |
| Capital stock | 1,042.7 | (518.8) | 523.9 | 752.8 | 1,276.7 |
| Capital surplus | 899.5 | 91.8 | 991.3 | 643.1 | 1,634.4 |
| Earned surplus reserve | 131.3 | — | 131.3 | 107.9 | 239.2 |
| Land revaluation excess | 42.7 | — | 42.7 | 166.9 | 209.6 |
| Retained earnings | 165.0 | — | 165.0 | 248.0 | 413.0 |

SMBC's Unrealized Gains (Losses) (Nonconsolidated)

| | Billions of yen | | | | | | | | | |
|---|--------------------------------------|-------|---------|-------------------------------------|--|-------|---------|------------------------------|--------------|----------------|
| | Former Sakura Bank March 31, 2001 | | | Disposal of unrealized losses | Former Sumitomo Bank March 31, 2001 | | | SMBC April 1, 2001 | | |
| | Unrealized gains (losses) | Gains | Losses | | Unrealized gains (losses) | Gains | Losses | Unrealized gains (losses) | Gains | Losses |
| Held-to-maturity securities | ¥ — | ¥ — | ¥ — | / | ¥ (0.1) | ¥ 0.0 | ¥ (0.1) | ¥ (0.1) | ¥ 0.0 | ¥ (0.1) |
| Stocks of subsidiaries and affiliates | 4.2 | 5.7 | (1.5) | / | (6.3) | 0.5 | (6.8) | (2.1) | 6.2 | (8.3) |
| Other securities | (251.7) | 204.6 | (456.3) | ¥(456.3) | (4.2) | 300.6 | (304.8) | 200.4 | 505.2 | (304.8) |
| Stocks | (260.7) | 177.1 | (437.8) | (437.8) | (83.3) | 210.7 | (294.0) | 93.8 | 387.8 | (294.0) |
| Bonds | 21.4 | 24.0 | (2.6) | (2.6) | 80.9 | 83.5 | (2.6) | 104.9 | 107.5 | (2.6) |
| Other | (12.4) | 3.5 | (15.9) | (15.9) | (1.8) | 6.4 | (8.2) | 1.7 | 9.9 | (8.2) |
| Total | (247.5) | 210.3 | (457.8) | (456.3) | (10.6) | 301.1 | (311.7) | 198.2 | 511.4 | (313.2) |
| Money held in trust | 0.5 | 0.5 | (0.0) | (0.0) | (4.1) | 0.3 | (4.4) | (3.6) | 0.8 | (4.4) |
| Land | (29.2) | / | / | (29.2) | (71.4) | / | / | (71.4) | / | / |
| Unrecognized net obligation on employee retirement benefit | (210.2) | / | / | (210.2) | (130.2) | / | / | (130.2) | / | / |
| Net obligation from change of accounting standard | (145.4) | / | / | (145.4) | (80.7) | / | / | (80.7) | / | / |
| Actuarial differences | (64.8) | / | / | (64.8) | (49.5) | / | / | (49.5) | / | / |

SMBC's Consolidated Capital Ratio (BIS Guidelines)

10.8%

2. Financial Results and Problem Assets (Combined)

Consolidated

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

| March 31 | 2001 | 2000 | Increase/ decrease |
|--|------|------|-----------------------|
| Consolidated subsidiaries | 149 | 126 | 23 |
| Subsidiaries and affiliates accounted for by the equity method | 41 | 70 | (29) |

Income Summary

| Years ended March 31 | Billions of yen | | |
|---|-----------------|----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Consolidated gross profit | ¥1,837.9 | ¥1,746.7 | ¥ 91.2 |
| Net interest income | 1,323.5 | 1,307.1 | 16.4 |
| Net fees and commissions | 316.3 | 265.7 | 50.6 |
| Net trading income | 109.0 | 63.4 | 45.6 |
| Net other operating income | 89.0 | 110.6 | (21.6) |
| General and administrative expenses | ¥ 940.9 | ¥ 953.6 | ¥ (12.7) |
| Total credit cost | 992.9 | 1,260.2 | (267.3) |
| Write-off of loans | 814.4 | 585.5 | 228.9 |
| Transfer to specific reserve | 258.5 | 457.5 | (199.0) |
| Transfer to general reserve for possible loan losses | (209.5) | 17.5 | (227.0) |
| Other | 129.5 | 199.6 | (70.1) |
| Gains (losses) on stocks | ¥ 468.5 | ¥ 858.5 | ¥(390.0) |
| Net income (loss) from unconsolidated entities by the equity method | 44.4 | (37.0) | 81.4 |
| Other income (expenses) | 77.7 | 19.3 | 58.4 |
| Operating profit | ¥ 494.6 | ¥ 373.8 | ¥ 120.8 |
| Extraordinary gains (losses) | (89.1) | (31.1) | (58.0) |
| Income before income taxes and minority interests | 405.5 | 342.6 | 62.9 |
| Income taxes, current | 65.5 | 58.6 | 6.9 |
| deferred | 198.2 | 170.6 | 27.6 |
| Minority interests in net income | (9.3) | 11.1 | (20.4) |
| Net Income | 132.4 | 124.5 | 7.9 |

Note: 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)

Assets, Liabilities and Stockholders' Equity

| March 31 | Billions of yen | | |
|---|-----------------|------------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Assets | ¥119,242.7 | ¥102,263.1 | ¥16,979.6 |
| Loans and bills discounted | 65,537.1 | 65,274.1 | 263.0 |
| Securities | 27,312.5 | 15,897.6 | 11,414.9 |
| Liabilities | 114,239.1 | 97,351.6 | 16,887.5 |
| Deposits (excluding negotiable certificates of deposit) | 63,049.1 | 58,588.0 | 4,461.1 |
| Minority interests | 990.6 | 898.6 | 92.0 |
| Stockholders' equity | 4,013.0 | 4,012.9 | 0.1 |

Note: For figures after adjustments for the merger accounting, see page 68.

Problem Assets, Risk-Monitored Loans and Reserve for Possible Loan Losses

| March 31 | Billions of yen | | |
|---|-----------------|----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Total of problem assets (based on Financial Reconstruction Law) | ¥3,355.0 | ¥ / | ¥ / |
| Bankrupt and quasi-bankrupt assets (<i>Hatan kousei tou saiken</i>) | 777.3 | / | / |
| Doubtful assets (<i>Kiken saiken</i>) | 2,166.4 | / | / |
| Substandard assets (<i>Youkanri saiken</i>) | 411.2 | / | / |
| Risk-monitored loans | ¥3,256.4 | ¥3,864.8 | ¥(608.4) |
| Reserve for possible loan losses | ¥1,268.9 | ¥1,632.7 | ¥(363.8) |
| General reserve | 395.9 | 592.7 | (196.8) |
| Specific reserve | 853.0 | 1,019.2 | (166.2) |
| Loan loss reserve for specific overseas countries | 20.0 | 20.8 | (0.8) |

Nonconsolidated**Operating Profit and Net Income**

| Years ended March 31 | Billions of yen | | |
|--|-----------------|---------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Banking profit (excluding transfer to general reserve for possible loan losses) | ¥803.1 | ¥ 702.9 | ¥ 100.2 |
| Transfer to general reserve for possible loan losses | (188.6) | 24.2 | (212.8) |
| Banking profit (including transfer to general reserve for possible loan losses) | ¥991.7 | ¥ 678.7 | ¥ 313.0 |
| Non-recurring gains (losses) | (632.5) | (342.3) | (290.2) |
| Total credit cost | 819.1 | 1,130.6 | (311.5) |
| Write-off of loans | 741.4 | 477.8 | 263.6 |
| Transfer to specific reserve | 156.5 | 447.8 | (291.3) |
| Transfer to reserve for losses on loans sold | 52.9 | 72.8 | (19.9) |
| Losses on loans sold to CCPC | 31.7 | 44.8 | (13.1) |
| Losses on sale of delinquent loans | 25.1 | 33.8 | (8.7) |
| Losses on financial support for associated companies | — | 35.2 | (35.2) |
| Transfer to loan loss reserve for specific overseas countries | 0 | (5.8) | 5.8 |
| Gains (Losses) on stocks | 311.4 | 828.4 | (517.0) |
| Gains on sale of stocks | 496.2 | 957.5 | (461.3) |
| Losses on sale of stocks | 66.8 | 65.1 | 1.7 |
| Losses on devaluation of stocks | 118.1 | 64.0 | 54.1 |
| Operating profit | ¥359.2 | ¥ 336.4 | ¥ 22.8 |
| Extraordinary gains (losses) | (86.1) | (33.8) | (52.3) |
| Gains (Losses) on disposition of premises and equipment | (30.5) | (13.1) | (17.4) |
| Amortization of net transition obligation from initial application of the new accounting standard for employee retirement benefits | 56.5 | — | 56.5 |
| Income taxes, current | 9.5 | 10.6 | (1.1) |
| Income taxes, deferred | 125.7 | 186.0 | (60.3) |
| Effect of introduction of enterprise taxes to banking industries by Tokyo Metropolitan Government | — | 70.1 | (70.1) |
| Effect of introduction of enterprise taxes to banking industries by Osaka Prefectural Government | 32.0 | — | 32.0 |
| Net income | 137.8 | 105.9 | 31.9 |

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

Assets, Liabilities and Stockholders' Equity

| March 31 | Billions of yen | | |
|------------------------------------|-----------------|-----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Assets | ¥113,727.5 | ¥97,648.8 | ¥16,078.7 |
| Loans and bills discounted | 61,747.9 | 63,298.5 | (1,550.6) |
| Securities | 27,060.0 | 15,893.8 | 11,166.2 |
| Liabilities | 109,527.6 | 93,515.9 | 16,011.7 |
| Deposits | 59,041.3 | 57,191.9 | 1,849.4 |
| Negotiable certificates of deposit | 11,688.5 | 10,380.6 | 1,307.9 |
| Stockholders' equity | 4,199.9 | 4,132.9 | 67.0 |

Note: For figures after adjustments for the merger accounting, see page 68.

Problem Assets, Risk-Monitored Loans and Reserve for Possible Loan Losses

| March 31 | Billions of yen | | |
|---|-----------------|----------|-----------------------|
| | 2001 | 2000 | Increase/ decrease |
| Total of problem assets (based on Financial Reconstruction Law) | ¥2,822.5 | ¥3,640.5 | ¥(818.0) |
| Bankrupt and quasi-bankrupt assets (<i>Hatan kousei tou saiken</i>) | 589.9 | 585.5 | 4.4 |
| Doubtful assets (<i>Kiken saiken</i>) | 1,943.1 | 2,232.0 | (288.9) |
| Substandard assets (<i>Youkanri saiken</i>) | 289.4 | 823.0 | (533.6) |
| Risk-monitored loans | ¥2,732.6 | ¥3,556.5 | ¥(823.9) |
| Reserve for possible loan losses | ¥1,095.8 | ¥1,569.5 | ¥(473.7) |
| General reserve | 367.8 | 556.4 | (188.6) |
| Specific reserve | 708.1 | 993.1 | (285.0) |
| Loan loss reserve for specific overseas countries | 20.0 | 20.0 | (0.0) |

Consolidated Balance Sheets

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)

March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|--------------------|--------------------|--------------------------------------|
| | 2001 | 2000 | 2001 |
| Assets | | | |
| Cash and due from banks (Note 9, 34) | ¥ 2,896,268 | ¥ 2,168,836 | \$ 23,375 |
| Call loans and bills bought | 368,425 | 182,712 | 2,973 |
| Commercial paper and other debt purchased (Note 34) | 90,519 | 42,256 | 730 |
| Trading assets (Notes 2, 9, 34, 35) | 577,578 | 1,425,028 | 4,661 |
| Money held in trust (Note 34) | 22,208 | 72,581 | 179 |
| Securities (Notes 3, 9, 34) | 10,466,528 | 6,928,746 | 84,475 |
| Loans and bills discounted (Notes 4, 9, 33) | 32,906,703 | 32,333,211 | 265,590 |
| Foreign exchanges (Note 5) | 268,669 | 316,395 | 2,168 |
| Other assets (Notes 6, 9) | 1,359,442 | 2,747,979 | 10,972 |
| Premises and equipment (Notes 7, 9) | 883,059 | 855,726 | 7,127 |
| Deferred tax assets (Note 30) | 558,234 | 611,694 | 4,505 |
| Customers' liabilities for acceptances and guarantees (Note 18) | 1,964,073 | 1,492,628 | 15,852 |
| Reserve for possible loan losses (Note 8) | (512,023) | (682,188) | (4,132) |
| Total assets | ¥51,849,687 | ¥48,495,608 | \$418,480 |
| Liabilities, minority interests and stockholders' equity | | | |
| Liabilities | | | |
| Deposits (Notes 9, 10) | ¥36,625,010 | ¥33,738,616 | \$295,601 |
| Call money and bills sold (Notes 9, 11) | 4,608,193 | 2,579,499 | 37,192 |
| Commercial paper | 1,141,697 | 467,268 | 9,214 |
| Trading liabilities (Notes 12, 35) | 201,407 | 360,706 | 1,625 |
| Borrowed money (Notes 9, 13) | 1,138,305 | 1,508,783 | 9,187 |
| Foreign exchanges (Note 5) | 37,094 | 29,346 | 299 |
| Bonds (Note 14) | 1,133,368 | 1,053,354 | 9,147 |
| Convertible bonds (Note 15) | — | 95 | — |
| Other liabilities (Notes 9, 16) | 2,296,793 | 4,553,878 | 18,537 |
| Reserve for employee retirement benefit (Note 31) | 31,716 | 41,366 | 255 |
| Reserve for possible losses on loans sold | 70,627 | 95,992 | 570 |
| Other reserves (Note 17) | 643 | 513 | 5 |
| Deferred tax liabilities (Note 30) | 369 | 271 | 2 |
| Deferred tax liabilities for land revaluation | 40,654 | 45,494 | 328 |
| Acceptances and guarantees (Note 18) | 1,964,073 | 1,492,628 | 15,852 |
| Total liabilities | ¥49,289,955 | ¥45,967,816 | \$397,820 |
| Minority interests | ¥ 383,922 | ¥ 319,237 | \$ 3,098 |
| Stockholders' equity | | | |
| Capital stock (Note 19) | | | |
| Common stock | ¥ 640,129 | ¥ 639,934 | \$ 5,166 |
| Preferred stock: | | | |
| Series II | 2,577 | 2,772 | 20 |
| Series III (Type-2) | 400,000 | 400,000 | 3,228 |
| Capital surplus (Note 19) | 899,521 | 899,521 | 7,260 |
| Land revaluation excess | 63,056 | 69,333 | 508 |
| Retained earnings (Note 20) | 196,060 | 198,161 | 1,582 |
| Foreign currency translation adjustments | (20,939) | — | (169) |
| Treasury stock | (42) | (10) | (0) |
| Parent bank stock held by subsidiaries | (4,552) | (1,157) | (36) |
| Total stockholders' equity | ¥ 2,175,809 | ¥ 2,208,554 | \$ 17,561 |
| Total liabilities, minority interests and stockholders' equity | ¥51,849,687 | ¥48,495,608 | \$418,480 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)

Years ended March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|-------------------|-------------------|--------------------------------------|
| | 2001 | 2000 | 2001 |
| Income | | | |
| Interest income: | | | |
| Interest on loans and discounts | ¥ 800,818 | ¥ 767,063 | \$ 6,463 |
| Interest and dividends on securities | 134,621 | 117,759 | 1,086 |
| Other interest income (Note 21) | 172,389 | 514,118 | 1,391 |
| Fees and commissions | 209,261 | 186,213 | 1,688 |
| Trading profits | 26,807 | 17,484 | 216 |
| Other operating income (Note 22) | 97,621 | 99,261 | 787 |
| Other income (Note 23) | 332,094 | 455,196 | 2,680 |
| Transfer from other reserves (Note 24) | — | 3 | — |
| Total income | ¥1,773,614 | ¥2,157,102 | \$14,314 |
| Expenses | | | |
| Interest expenses: | | | |
| Interest on deposits | ¥ 246,224 | ¥ 170,171 | \$ 1,987 |
| Interest on borrowings, bonds and rediscounts | 103,636 | 84,923 | 836 |
| Other interest expenses (Note 25) | 87,979 | 490,455 | 710 |
| Fees and commissions | 61,863 | 66,414 | 499 |
| Trading losses | — | 994 | — |
| Other operating expenses (Note 26) | 55,471 | 67,883 | 447 |
| General and administrative expenses (Note 27) | 490,621 | 487,472 | 3,959 |
| Transfer to reserve for possible loan losses | 16,870 | 224,003 | 136 |
| Other expenses (Note 28) | 578,896 | 438,643 | 4,672 |
| Transfer to other reserves (Note 29) | 2 | 0 | 0 |
| Total expenses | ¥1,641,567 | ¥2,030,963 | \$13,249 |
| Income before income taxes and minority interests | ¥ 132,046 | ¥ 126,139 | \$ 1,065 |
| Income taxes (Note 30): | | | |
| Current | 8,091 | 7,831 | 65 |
| Deferred | 69,900 | 74,247 | 564 |
| Minority interests in net income (loss) | 5,115 | (18,521) | 41 |
| Net income | ¥ 48,939 | ¥ 62,581 | \$ 394 |
| Per share of common stock: | | | |
| Net income | ¥9.22 | ¥12.58 | \$0.07 |
| Net income—diluted | 9.21 | — | 0.07 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Retained Earnings

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)

Years ended March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|-----------------|----------|--------------------------------------|
| | 2001 | 2000 | 2001 |
| Balance at beginning of year (Note 20) | ¥198,161 | ¥164,329 | \$1,599 |
| Increase: | | | |
| Transfer from land revaluation excess | 6,759 | 2,115 | 54 |
| Increase of retained earnings due to exclusion in affiliates under the equity method | 938 | — | 7 |
| Decrease: | | | |
| Dividends paid | 35,705 | 30,182 | 288 |
| Delivered money due to merger | 17,853 | — | 144 |
| Decrease of retained earnings due to consolidation of additional subsidiaries | — | 682 | — |
| Decrease of retained earnings due to the merger of consolidated subsidiaries | 5,177 | — | 41 |
| Net income | 48,939 | 62,581 | 394 |
| Balance at end of year (Note 20) | ¥196,060 | ¥198,161 | \$1,582 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)

Years ended March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|--|-----------------|--------------|--------------------------------------|
| | 2001 | 2000 | 2001 |
| Cash flows from operating activities | | | |
| Income before income taxes and minority interests | ¥ 132,046 | ¥ 126,139 | \$ 1,065 |
| Depreciation of premises and equipment | 35,123 | 35,029 | 283 |
| Amortization of goodwill | 7,077 | 5,330 | 57 |
| Net (income) loss from nonconsolidated entities accounted for by the equity method | (7,883) | 1,487 | (63) |
| Net change in reserve for possible loan losses | (231,386) | 11,419 | (1,867) |
| Net change in reserve for possible losses on loans sold | (27,006) | (19,539) | (217) |
| Net change in reserve for employee retirement benefit | (15,319) | (3,614) | (123) |
| Interest income | (1,107,828) | (1,398,941) | (8,941) |
| Interest expenses | 437,840 | 745,550 | 3,533 |
| Net gains on securities | (82,439) | (346,591) | (665) |
| Net (income) loss from money held in trust | (536) | 625 | (4) |
| Net exchange (gains) losses | (48,638) | 145,561 | (392) |
| Net losses from disposition of premises and equipment | 18,810 | 12,209 | 151 |
| Net change in trading assets | 873,036 | (542) | 7,046 |
| Net change in trading liabilities | (189,217) | (194) | (1,527) |
| Net change in payable on trading contracts | (588,359) | 408,834 | (4,748) |
| Net change in loans and bills discounted | 1,390,760 | 503,351 | 11,224 |
| Net change in deposits | 417,630 | 415,842 | 3,370 |
| Net change in borrowed money (excluding subordinated debt) | (409,051) | (214,107) | (3,301) |
| Net change in deposits with banks (except for demand deposits with the Bank of Japan) | (902,846) | (247,833) | (7,286) |
| Net change in call loans and bills bought | (211,068) | (162,311) | (1,703) |
| Net change in pledged money for securities borrowing transactions | 680,428 | (335,705) | 5,491 |
| Net change in call money and bills sold | 2,019,431 | 253,678 | 16,298 |
| Net change in commercial paper | 675,474 | (99,731) | 5,451 |
| Net change in pledged money for securities lending transactions | (797,435) | (34,993) | (6,436) |
| Net change in foreign exchanges (Assets) | 61,228 | (7,101) | 494 |
| Net change in foreign exchanges (Liabilities) | 7,474 | 6,994 | 60 |
| Net change in bonds (excluding subordinated bonds) | 200,967 | 155,486 | 1,622 |
| Interest received | 1,149,235 | 1,625,911 | 9,275 |
| Interest paid | (439,998) | (1,005,204) | (3,551) |
| Other, net | 181,585 | 325,421 | 1,465 |
| Subtotal | ¥ 3,229,136 | ¥ 902,462 | \$ 26,062 |
| Income taxes paid | (10,663) | (13,719) | (86) |
| Net cash provided by operating activities | ¥ 3,218,472 | ¥ 888,743 | \$ 25,976 |
| Cash flows from investing activities | | | |
| Purchases of securities | ¥(16,532,695) | ¥(7,671,286) | \$(133,435) |
| Proceeds from sale of securities | 9,537,615 | 5,672,199 | 76,978 |
| Proceeds from maturity of securities | 3,944,752 | 1,535,603 | 31,838 |
| Purchases of money held in trust | (9,171) | (31,319) | (74) |
| Proceeds from sale of money held in trust | 60,289 | 113,981 | 486 |
| Purchases of premises and equipment | (118,836) | (54,707) | (959) |
| Proceeds from sale of premises and equipment | 60,584 | 67,918 | 488 |
| Purchases of subsidiaries stocks | (2,684) | — | (21) |
| Net cash used in investing activities | ¥ (3,060,146) | ¥ (367,609) | \$ (24,698) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of subordinated debt | ¥ 112,283 | ¥ — | \$ 906 |
| Repayment of subordinated debt | (319,774) | (15,000) | (2,580) |
| Proceeds from issuance of subordinated bonds | 149,500 | 136,088 | 1,206 |
| Repayment of subordinated bonds, convertible bonds and notes | (332,631) | (103,257) | (2,684) |
| Dividends paid | (35,705) | (30,182) | (288) |
| Proceeds from issuance of subsidiaries' stocks paid by minority stockholders | 14,000 | — | 112 |
| Dividends paid to minority stockholders | (7,474) | (9,767) | (60) |
| Purchases of treasury stock | (808) | (25) | (6) |
| Proceeds from sale of treasury stock | 586 | 18 | 4 |
| Net cash used in financing activities | ¥ (420,024) | ¥ (22,124) | \$ (3,390) |
| Effects of exchange rate changes on cash and cash equivalents | 830 | 3,614 | 6 |
| Net change in cash and cash equivalents | ¥ (260,867) | ¥ 502,623 | \$ (2,105) |
| Cash and cash equivalents at beginning of year | ¥ 1,408,146 | ¥ 905,496 | \$ 11,365 |
| Change in cash and cash equivalents due to the inclusion of subsidiaries in consolidation | 90 | 83 | 0 |
| Change in cash and cash equivalents due to the exclusion of subsidiaries from consolidation | — | (57) | — |
| Cash and cash equivalents at end of year | ¥ 1,147,369 | ¥ 1,408,146 | \$ 9,260 |

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)
Years ended March 31, 2001 and 2000

1. Basis of Consolidated Financial Statements and Summary of Significant Accounting Policies

(1) Basis of consolidated financial statements

Sumitomo Mitsui Banking Corporation (formerly The Sakura Bank, Limited) (the "Bank"), a Japanese corporation, maintains its record and prepares its financial statements in Japanese yen.

The accompanying consolidated financial statements have been prepared on the basis of accounting principles and practices generally accepted in Japan and in conformity with the "Regulation for consolidated financial statements," which may differ to some degree from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and are compiled from the consolidated financial statements as required by the Securities and Exchange Law of Japan.

Certain reclassifications and rearrangements have been made to present the accompanying consolidated financial statements in a form which is familiar to readers outside Japan. In addition, the accompanying notes include information which is not required under accounting principles and practices generally accepted in Japan, but is presented herein as additional information.

References to fiscal 2000 and fiscal 1999 are to the Bank's fiscal years ended March 31, 2001 and 2000, respectively.

As permitted by the Securities and Exchange Law of Japan, 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.

The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto represent the arithmetical results of translating original Japanese yen amounts of respective account balances to U.S. dollars on a basis of ¥123.90 to US\$1, the exchange rate prevailing as of March 31, 2001. The inclusion of such U.S. dollar amounts is solely for convenience and not intended to imply that yen amounts have been or could have been converted, realized or settled in U.S. dollars at that or at any other rate.

(2) Principles of consolidation

The consolidated financial statements of the Bank include accounts of the Bank and its significant subsidiaries. Major consolidated subsidiaries for fiscal 2000 are listed below:

| Name | Location | Percentage Ownership |
|--------------------------------------|-------------|----------------------|
| Sakura Securities Co., Ltd. | Tokyo | 100% |
| Manufacturers Bank | Los Angeles | 100% |
| Sakura Finance International Limited | London | 100% |
| Sakura Finance Australia Limited | Sydney | 100% |

Under the control and influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are to be fully consolidated and those companies in which the Bank, directly or indirectly, is able to exercise

significant influence over operations are to be accounted for by the equity method.

The number of consolidated subsidiaries and affiliates as of March 31, 2001 and 2000, was as follows:

| | 2001 | 2000 |
|--|------|------|
| Consolidated subsidiaries | 65 | 51 |
| Subsidiaries and affiliates accounted for by the equity method | 12 | 32 |

The net decrease in the number of consolidated subsidiaries and equity method subsidiaries and affiliates listed above is mainly due to stock sales or mergers whereby consolidation or equity method accounting for certain subsidiaries or affiliates was no longer required. The decrease was partially offset by the establishment of new subsidiaries, the purchase of additional stock or the injection of capital that required their consolidation or the equity method of accounting.

All significant intercompany transactions, account balances and unrealized profits and losses have been eliminated in consolidation.

The financial statements of consolidated subsidiaries, whose fiscal year-ends are principally December 31, are included in the consolidated financial statements on the basis of their respective fiscal years after making appropriate adjustments for significant transactions during the periods from their respective year-ends to the date of the consolidated financial statements.

Any difference between the cost of an investment in a consolidated subsidiary and the Bank's share of the underlying equity in the net assets fair value of the consolidated subsidiary is charged or credited to income, as the case may be, in the year incurred.

(3) Translation of foreign currency financial statements

- (i) The financial statements of foreign consolidated subsidiaries and affiliates are translated into Japanese yen at exchange rates as of the balance sheet date, except for stockholders' equity, which is translated at the historical exchange rate. In accordance with the revised accounting standard for foreign currency translation, the presentation of Foreign currency translation adjustments is changed from Assets to Stockholders' equity and Minority interests.
- (ii) (a) Foreign currency denominated assets and liabilities and the accounts of overseas branches are translated into Japanese yen at the exchange rates prevailing at the balance sheet date, except that certain assets and liabilities are translated at the relevant historical exchange rates.
(b) Foreign currency accounts held by consolidated foreign subsidiaries are translated into the currency of the subsidiary at the respective year-end exchange rates.

(4) Valuation of trading account activities

Trading account positions representing earnings or losses derived from trades made for the purpose of seeking to capture gains

arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market-related indices or from gaps among markets are included in trading assets and trading liabilities on a trade date basis.

Trading securities and monetary claims purchased for trading purposes recorded in these accounts are stated at market value and financial derivatives related to trading transactions are stated at the amounts that would be settled if they were terminated at the end of the fiscal year.

Trading profits and trading losses include interest received and paid, the amount of increase/decrease in evaluation gains/losses on the balance sheet date for securities and monetary claims, and the amount of increase/decrease of evaluation gains/losses incurred from the estimated settlement price assuming settlement in cash on the balance sheet date for derivatives, compared with that at the end of the previous term.

(5) Valuation of securities

Prior to April 1, 2000, securities, including stocks, corporate bonds, and Japanese national and local government bonds, were stated at moving-average cost.

Securities included in money held in trust were also recorded at moving-average cost.

Effective April 1, 2000, as for securities other than those in 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. Debt securities in other securities are carried at amortized cost, using the moving-average method. Equity securities in other securities are carried at cost, using the moving-average method.

Valuation of securities held in individually managed money trusts for asset management purposes are determined by the same method as above.

(6) Valuation of derivatives for nontrading purposes

Derivative financial instruments other than those held for trading purposes are accounted for by the market value method.

(7) 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 are recorded on a cost basis using the short-cut method for interest rate swaps in view of consistency with the risk management policy.

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

Net of deferred unrealized gains and losses from hedging instruments is reported in other liabilities. Deferred unrealized losses and unrealized gains from hedging instruments are ¥191,628 million (\$1,546 million) and ¥208,232 million (\$1,680 million), respectively.

(8) Depreciation method

Premises and equipment are stated at cost less accumulated depreciation.

The depreciation of premises and equipment of the Bank is computed by the declining balance method (except for that of buildings, which is computed by the straight-line method.)

Depreciation of buildings (which were acquired on or before March 31, 1998), building fixtures and structures were computed by the declining balance method before this term. The Bank reviewed the actual condition of buildings and related assets and observed that they had been consistently used for branch offices and other purposes over a long period of time. As a result, the Bank found that the straight-line method, which calculates level depreciation charges over their useful lives, was a more reasonable method to reflect profit and loss for each accounting term more properly. Accordingly, we have changed the depreciation method to the straight-line method from this fiscal year. As a result of this change, Income before income taxes for this fiscal year increased by ¥1,482 million (\$11 million) from the corresponding amount that would have been recorded if the declining balance method was adopted.

The estimated useful lives of major items are as follows:

| | |
|-----------|----------------|
| Buildings | 10 to 50 years |
| Equipment | 5 to 20 years |

Depreciation of premises and equipment of subsidiaries is computed mainly by the straight-line method based on estimated useful life.

Capitalized software for internal use is depreciated by the straight-line method based on useful life estimated by the Bank and subsidiaries (mainly five years). Capitalized software for internal use is included in other assets.

(9) Accounting for leases

All leases by the Bank and its domestic consolidated subsidiaries have been accounted for as operating leases. Under Japanese accounting standards for leases, if financing leases where the ownership of the property is deemed to transfer to the lessee are capitalized, while other financing leases can be accounted for as operating leases if necessary information is disclosed in the notes to the lessee's consolidated financial statements.

(10) Reserve for possible loan losses

The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

Customers are initially classified into ten categories, in accordance with the Bank's own credit rating system. Based on the results of the self-assessment, those customers are classified into five categories: such as "Normal Borrowers," "Borrowers Requiring Caution," "Potentially Bankrupt Borrowers," "Effectively Bankrupt Borrowers" and "Bankrupt Borrowers," as defined by the report of JICPA.

The reserve for possible loan losses was calculated based on the specific actual past loss ratio for Normal Borrowers and Borrowers Requiring Caution categories as a general reserve, and the fair value of the collateral for collateral-dependent loans and other factors of solvency for other self-assessment categories for a specific reserve. For collateral or guaranteed claims of Effectively Bankrupt Borrowers and Bankrupt Borrowers, the amount exceeding the estimated value of collateral or guarantees was deducted, as deemed uncollectible, directly from those claims. The deducted amount was ¥1,121,687 million (\$9,053 million) and ¥1,125,967 million for fiscal 2000 and fiscal 1999, respectively.

For foreign claims, there is a reserve for loans to restructuring countries which has been established based on losses estimated by considering political and economic situations in those countries.

All claims are being assessed by the branches and credit supervision divisions based on the Bank's internal rules for the self-assessment of asset quality. The Assets Review and Inspection Division, which is independent from branches and credit supervision divisions, conducts audits of these assessments.

The consolidated subsidiaries provide reserves for possible loan losses at the amounts considered reasonable in accordance with local accounting standards and are based on prior experience with loan losses.

(11) Reserve for employee retirement benefit

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 reserve for employee retirement benefit is, in general, based on length of service, basic salary at the time of retirement and reason for retirement. Prior to April 1, 2000, the

liability for lump-sum payments is stated at the amount which would be required to be paid by the Bank if all eligible employees voluntarily retired at the balance sheet date.

In addition, the Bank has defined benefit pension plans which substantially cover all employees. Annual contributions, which consist of normal costs and amortization of prior service costs, are included in general and administrative expenses.

Effective April 1, 2000, a new accounting standard for pension plans and severance indemnity plans, reserve for employee retirement benefit is 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 cost and unrecognized net actuarial differences are amortized as follows respectively.

Prior service cost:

Amortized by the straight-line basis over the prescribed years within the average remaining service period (primarily 11 years) of active employees.

Unrecognized net actuarial differences:

Amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (primarily 11 years) of active employees.

Unrecognized net obligation from initial application of the new accounting standard of ¥193,823 million (\$1,564 million) is amortized using the straight-line method over mainly five years.

Due to the new accounting standard, Income before income taxes and minority interests for the year ended March 31, 2001 has decreased compared with prior accounting method by ¥29,590 million (\$238 million).

(12) Reserve for possible losses on loans sold

Reserve for possible losses on loans sold to the Cooperative Credit Purchasing Company, Limited (CCPC), is made to provisions in amounts which it views to be necessary based on estimates of possible losses it may sustain in the future on loans sold to the CCPC, taking into account of the value of real estate collateral securing these loans.

(13) Land revaluation excess

Under the Law of Land Revaluation, effective on March 31, 1998, the Bank elected the one-time revaluation for its own-use land to current value based on real estate appraisal information as of March 31, 1998. Continuous readjustment is not permitted unless the value of the land subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and deferred tax liabilities. The amount equivalent to the tax on the revaluation is provided as deferred tax liability for land revaluation, and the remaining amount after the deferred tax liability is included in stockholders' equity as land revaluation excess.

The details of the one-time revaluation were as follows:

The date of land revaluation: March 31, 1998

The revaluation of land used for banking business was rationally made, reflecting appropriate adjustments for land shape, timing of the appraisal, etc., based on the appraisal reports for real estate issued by real estate appraisers under the Law of Land Revaluation.

The excess of book value over current value was ¥35,942 million (\$290 million) as of March 31, 2001 and ¥29,181 million as of March 31, 2000.

(14) Income taxes

Deferred income taxes relating to temporary differences between financial and tax reporting have been recognized.

(15) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and demand deposits with the Bank of Japan.

The assets and liabilities of the newly consolidated company due to acquisition of stocks of The Minato Bank, Ltd. and net expenditure of cash and cash equivalents due to the acquisition of The Minato Bank, Ltd. is as follows:

| | Millions of yen |
|--|-----------------|
| Assets (including ¥1,806,408 million of loans) | ¥2,342,587 |
| Liabilities | (2,264,968) |
| Minority interests | (46,981) |
| Goodwill | 3,359 |
| Cost of investment of The Minato Bank, Ltd. | 33,997 |
| Cash and cash equivalents of The Minato Bank, Ltd. | 32,972 |
| Net: Expenditure for acquisition of The Minato Bank, Ltd. | 1,024 |

(16) Appropriation of retained earnings

Cash dividends are recorded in the financial year that the relevant proposed appropriation of retained earnings is approved by the Board of Directors and/or at the General Meeting of Shareholders.

(17) Net income per share

Net income per share calculations represent net income less

dividends on preferred shares, divided by the weighted average number of outstanding shares of common stock during the respective year.

The calculation considers the dilutive effect of common stock equivalents, which includes preferred shares and certain convertible bonds, assuming that all convertible bonds and preferred shares were converted into common stock. Diluted net income per common share is to be appropriately adjusted for free distributions of common stock. For fiscal 1999, however, diluted net income per common share is not applicable because it is anti-dilutive.

(18) Differences between the accounting principles and practices adopted in the accompanying consolidated financial statements and International Accounting Standards

The accompanying consolidated financial statements conform with accounting principles and practices generally accepted in Japan. Such principles and practices differ from International Accounting Standards in several respects, such as methods for valuation of securities, hedge accounting and accounting for leases, among others.

(19) New accounting standard for financial instruments

Effective April 1, 2000, a new accounting standard for financial instruments was adopted in Japan. Accordingly, the valuation methods of securities and derivatives, excluding those in the trading portfolio, have been changed, and hedge accounting has been adopted. As a result, Income before income taxes and minority interests has increased ¥36,146 million (\$291 million) compared with the prior accounting method. Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction. As a result, Income and expenses for 2001 have decreased ¥155,585 million (\$1,255 million), though Income before income taxes and minority interests did not change.

2. Trading Assets

Trading assets as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|------------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Trading securities | ¥ 41,360 | ¥ 466,397 | \$ 333 |
| Derivatives of trading securities | — | 273 | — |
| Securities related to trading transactions | 5,403 | 40,793 | 43 |
| Trading-related financial derivatives | 108,374 | 112,225 | 874 |
| Other trading assets* | 422,439 | 805,338 | 3,409 |
| Total | ¥577,578 | ¥1,425,028 | \$4,661 |

* Other trading assets includes commercial paper and other debt purchased related to trading transactions.

3. Securities

Securities as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------------------|-----------------|------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Japanese government bonds | ¥ 4,903,153 | ¥1,870,908 | \$39,573 |
| Japanese local government bonds | 20,769 | 137,619 | 167 |
| Japanese corporate bonds | 588,893 | 448,294 | 4,752 |
| Japanese stocks | 3,899,246 | 3,515,820 | 31,470 |
| Other | 1,054,465 | 956,102 | 8,510 |
| Total | ¥10,466,528 | ¥6,928,746 | \$84,475 |

Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥3,784 million (\$30 million) and ¥27,425 million as of March 31, 2001 and 2000, respectively.

Securities of ¥292,171 million (\$2,358 million), which are used for securities lending transactions for consumption are included in securities, other assets and trading assets as of March 31, 2001.

4. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|-------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Bills discounted | ¥ 738,621 | ¥ 585,254 | \$ 5,961 |
| Loans on bills | 3,490,209 | 3,469,320 | 28,169 |
| Loans on deeds | 22,543,959 | 21,817,990 | 181,952 |
| Overdrafts | 6,119,474 | 6,440,517 | 49,390 |
| Financing receivables, including leasing | 14,437 | 20,127 | 116 |
| Total | ¥32,906,703 | ¥32,333,211 | \$265,590 |

“Non-accrual Loans” includes loans classified as “Potentially Bankrupt Borrowers” and “Effectively Bankrupt Borrowers” under the Bank’s self-assessment guidelines. Accrual interest receivable for these categories is not recognized on an accrual basis for accounting purposes.

Loans and bills discounted includes loans held by the Bank and its consolidated subsidiaries to borrowers in bankruptcy totaling ¥197,398 million (\$1,593 million) and ¥176,313 million as of March 31, 2001 and 2000, respectively, as well as Non-accrual Loans held by the Bank and its consolidated subsidiaries totaling ¥1,041,951 million (\$8,409 million) and ¥1,274,607 million as of March 31, 2001 and 2000, respectively.

In addition to “Non-accrual Loans” as defined, certain other loans classified as “Borrowers Requiring Caution” under the Bank’s self-assessment guidelines include “Past due loans (3 months or more).”

“Past due loans (3 months or more)” consist of loans for which the principal and/or interest is three months or more past due but exclude “Bankrupt Loans” and “Non-accrual Loans.” The balances of Past due loans (3 months or more) as of March 31, 2001 and 2000, were ¥75,870 million (\$612 million) and ¥39,777 million, respectively.

“Restructured loans” are loans in which the Bank and its subsidiaries are relaxing lending conditions, such as reduction of the original interest rate, forbearance of interests payments or principal repayments to support the borrowers’ reorganization, but exclude “Bankrupt Loans,” “Non-accrual Loans” or “Past due loans (3 months or more).” The outstanding balances of restructured loans as of March 31, 2001 and 2000, were ¥151,413 million (\$1,222 million) and ¥170,741 million, respectively.

5. Foreign Exchanges

Foreign exchange assets and foreign exchange liabilities as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|-----------------|-----------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Assets: | | | |
| Due from foreign banks | ¥ 32,427 | ¥ 14,786 | \$ 261 |
| Foreign bills bought | 150,719 | 217,114 | 1,216 |
| Foreign bills receivable | 85,522 | 84,493 | 690 |
| Total | ¥268,669 | ¥316,395 | \$2,168 |
| Liabilities: | | | |
| Due to foreign banks | ¥ 28,272 | ¥ 17,321 | \$ 228 |
| Foreign bills sold | 2,254 | 3,066 | 18 |
| Foreign bills payable | 6,566 | 8,958 | 52 |
| Total | ¥ 37,094 | ¥ 29,346 | \$ 299 |

6. Other Assets

Other assets as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Prepaid expenses | ¥ 50,025 | ¥ 68,333 | \$ 403 |
| Accrued income | 369,163 | 557,122 | 2,979 |
| Other | 940,254 | 2,122,524 | 7,588 |
| Total | ¥1,359,442 | ¥2,747,979 | \$10,972 |

7. Premises and Equipment

Premises and equipment as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Land* | ¥ 483,335 | ¥ 495,244 | \$ 3,901 |
| Building | 277,874 | 268,480 | 2,242 |
| Equipment | 222,702 | 212,059 | 1,797 |
| Other | 334,879 | 301,508 | 2,702 |
| Total | ¥1,318,791 | ¥1,277,293 | \$10,643 |
| Accumulated depreciation | 435,732 | 421,566 | 3,516 |
| Net book value | ¥ 883,059 | ¥ 855,726 | \$ 7,127 |

* Land includes land revaluation excess with related taxes referred to in Note 1 (13).

8. Reserve for Possible Loan Losses

Reserve for possible loan losses as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|------------------|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| General reserve | ¥163,151 | ¥227,338 | \$1,316 |
| Specific reserve | 348,872 | 454,849 | 2,815 |
| Total | ¥512,023 | ¥682,188 | \$4,132 |

9. Assets Pledged as Collateral

Assets pledged as collateral as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|-----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Assets pledged as collateral: | | | |
| Cash and due from banks | ¥ 1 | ¥ — | \$ 0 |
| Trading assets | 3,037 | — | 24 |
| Securities | 1,932,374 | 654,854 | 15,596 |
| Loans and bills discounted | 701,282 | 1,122,063 | 5,660 |
| Other assets | 58,620 | 39,308 | 473 |
| Premises and equipment | 559 | 1,414 | 4 |
| Liabilities corresponding to assets pledged as collateral: | | | |
| Deposits | ¥ 62,243 | ¥ 78,711 | \$ 502 |
| Call money and bills sold | 2,116,699 | 945,700 | 17,083 |
| Borrowed money | 68,774 | 96,754 | 555 |
| Other liabilities | 17,928 | 72,706 | 144 |

In addition, securities with a balance of ¥3,096,063 million (\$2,988 million) and ¥1,107,597 million, loans and bills discounted of ¥397,546 million (\$3,208 million) and ¥9,627 million, cash and due from banks of ¥3 million (\$0 million) and ¥— million

and other assets of ¥10 million (\$0 million) and ¥97,638 million are pledged as collateral for cash settlement and replacement of initial margins of futures markets and so on as of March 31, 2001 and 2000, respectively.

The following items are included in premises and equipment and other assets, respectively as of March 31, 2001.

Surety deposits and intangible: ¥70,421 million (\$568 million)
 Initial margins of futures markets in other assets: ¥ 3,006 million (\$24 million)

10. Deposits

Deposits as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|------------------------------------|--------------------|-------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Current deposits | ¥ 2,440,824 | ¥ 1,947,618 | \$ 19,699 |
| Ordinary deposits | 9,425,381 | 8,902,508 | 76,072 |
| Deposits at notice | 3,923,656 | 3,981,865 | 31,667 |
| Time deposits | 13,972,593 | 13,137,772 | 112,773 |
| Negotiable certificates of deposit | 4,621,021 | 3,512,634 | 37,296 |
| Other deposits | 2,241,531 | 2,256,217 | 18,091 |
| Total | ¥36,625,010 | ¥33,738,616 | \$295,601 |

11. Call Money and Bills Sold

Call money and Bills sold as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|------------|-----------------|------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Call money | ¥3,320,493 | ¥2,283,799 | \$26,799 |
| Bills sold | 1,287,700 | 295,700 | 10,393 |
| Total | ¥4,608,193 | ¥2,579,499 | \$37,192 |

12. Trading Liabilities

Trading liabilities as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Trading securities sold for short sales | ¥ 3,914 | ¥146,536 | \$ 31 |
| Derivatives of trading securities | — | 256 | — |
| Securities related to trading transaction sold for short sales | 3,756 | — | 30 |
| Derivatives of securities related to trading transactions | — | 3 | — |
| Trading-related financial derivatives | 193,736 | 213,909 | 1,563 |
| Total | ¥201,407 | ¥360,706 | \$1,625 |

13. Borrowed Money

Borrowed money as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Bills rediscounted | ¥ 20,465 | ¥ 23,053 | \$ 165 |
| Borrowings from the Bank of Japan and other financial institutions | 478,748 | 559,519 | 3,863 |
| Subordinated debt | 503,364 | 716,237 | 4,062 |
| Other | 135,726 | 209,972 | 1,095 |
| Total | ¥1,138,305 | ¥1,508,783 | \$9,187 |

The repayment schedule within five years on borrowed money as of March 31, 2001, is shown as follows:

| | Millions of yen | | | | |
|--|--------------------------|------------------|--------------------|---------------------|--------------------|
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | ¥296,200 | ¥80,670 | ¥70,546 | ¥139,777 | ¥167,847 |
| | Millions of U.S. dollars | | | | |
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | \$2,390 | \$651 | \$569 | \$1,128 | \$1,354 |

14. Bonds

Bonds as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------|-----------------|------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Subordinated bonds | ¥ 758,426 | ¥ 877,767 | \$6,121 |
| Other | 374,942 | 175,586 | 3,026 |
| Total | ¥1,133,368 | ¥1,053,354 | \$9,147 |

The redemption schedule within five years on bonds as of March 31, 2001, is shown as follows:

| | Millions of yen | | | | |
|--|--------------------------|------------------|--------------------|---------------------|--------------------|
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | ¥1,079 | ¥— | ¥29,039 | ¥170,539 | ¥126,453 |
| | Millions of U.S. dollars | | | | |
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | \$8 | \$— | \$234 | \$1,376 | \$1,020 |

15. Convertible Bonds

Convertible bonds as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|------|--------------------------|
| | 2001 | 2000 | 2001 |
| 2.625% U.S. dollar convertible bonds due 2003 | ¥ — | ¥95 | \$ — |
| Total | ¥ — | ¥95 | \$ — |

16. Other Liabilities

Other liabilities as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Accrued expenses | ¥ 170,796 | ¥ 202,906 | \$ 1,378 |
| Unearned income | 95,407 | 97,681 | 770 |
| Income taxes payable | 11,673 | 8,325 | 94 |
| Trading account payable | 400,651 | 988,801 | 3,233 |
| Pledged money for securities lending transactions | 283,686 | 1,081,122 | 2,289 |
| Other | 1,334,578 | 2,175,041 | 10,771 |
| Total | ¥2,296,793 | ¥4,553,878 | \$18,537 |

Other includes delivered money due to merger of ¥17,853 million (\$144 million) as of March 31, 2001.

17. Other Reserves

Other reserves as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|------|--------------------------|
| | 2001 | 2000 | 2001 |
| Reserve for contingent liabilities from financial futures transactions | ¥ 9 | ¥ 9 | \$0 |
| Reserve for contingent liabilities from securities transactions | 633 | 503 | 5 |
| Total | ¥643 | ¥513 | \$5 |

18. Acceptances and Guarantees

Acceptances and guarantees as of March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|-------------------|-----------------|------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Acceptances | ¥ 17,939 | ¥ 31,909 | \$ 144 |
| Letters of credit | 183,423 | 178,131 | 1,480 |
| Guarantees | 1,762,710 | 1,282,586 | 14,226 |
| Total | ¥1,964,073 | ¥1,492,628 | \$15,852 |

All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under acceptances and guarantees. A contra account, customers'

liabilities for acceptances and guarantees, is classified as an asset representing the Bank and its subsidiaries' right of indemnity from customers.

19. Capital Stock and Capital Surplus

The authorized number of shares of capital stock (common stock and preferred stock) as of March 31, 2001, was as follows:

- (i) 10,000,000 thousand common shares, voting and ranking equally with any other class of shares, except preferred shares, with respect to payment of dividends and distributions on liquidation or closing of the Bank.
- (ii) 1,027,577 thousand preferred shares, nonvoting and ranking prior to common shares with respect to payment of dividends

and distributions on liquidation or closing of the Bank. The dividend rate, redemption and conversion rights, if any, are to be determined prior to issuance by the Board of Directors.

The Bank is authorized to repurchase, at management's discretion, up to 350 million shares of the Bank's stock for the purpose of canceling shares by crediting them against retained earnings.

The changes in the capital stock and capital surplus accounts for the years ended March 31, 2001 and 2000, were as follows:

| | Millions of yen | | | | |
|--------------------------------|--------------------|-----------------|--------------------|-----------------|-----------------|
| | Common stock | | Preferred stock | | Capital surplus |
| | Shares (thousands) | Stated value | Shares (thousands) | Stated value | Stated value |
| March 31, 1999 | 4,083,121 | ¥631,399 | 811,307 | ¥411,307 | ¥899,521 |
| Conversion of preferred stocks | 34,175 | 8,535 | (8,535) | (8,535) | — |
| March 31, 2000 | 4,117,297 | 639,934 | 802,772 | 402,772 | 899,521 |
| Conversion of preferred stocks | 780 | 195 | (195) | (195) | — |
| March 31, 2001 | 4,118,077 | ¥640,129 | 802,577 | ¥402,577 | ¥899,521 |
| Millions of U.S. dollars | — | \$ 5,166 | — | \$ 3,249 | \$ 7,260 |

Under the Japanese Commercial Code (the "Code"), at least 50% of the issue price of new shares, with a minimum of the par value thereof, is required to be designated as stated capital. The portion which is to be designated as stated capital is determined by resolution of the Board of Directors. Proceeds in excess of the amounts designated as stated capital have been credited to capital surplus.

Under the Code,

- (i) the Bank may, by resolution of the stockholders, transfer a portion of retained earnings available for dividends to the capital stock account, and
- (ii) the Bank may, by resolution of the Board of Directors, issue new shares of common stock to the existing stockholders without consideration to the extent that the amount calculated by multiplying the number of outstanding shares after the issuance by par value per share does not exceed the stated capital, or that the amount calculated by dividing the total amount of stockholders' equity by the number of outstanding shares after the issuance shall not be less than ¥50. These issuances of the new shares are treated as stock splits.

Holders of Series II preferred shares issued on October 1, 1996, are entitled to priority as to the payment of dividends and as to distributions on liquidation of the Bank to common stock of the Bank, to receive noncumulative dividends of ¥15 and a distribution of ¥2,000 per preferred share.

Series II preferred shares are convertible on or after October 1, 1997, and up to and including September 30, 2001, at the option of the stockholders, into fully paid shares of common stock of the Bank at an initial exchange price of ¥1,122.

Unless previously converted at the option of Series II preferred stockholders, all outstanding Series II preferred shares will be mandatorily exchanged for fully paid shares of common stock of the Bank on October 1, 2001, at the number of common shares calculated by dividing ¥2,000 by the average market price per share during a certain period immediately preceding October 1, 2001.

The Series III preferred stockholders are entitled to priority as to the payment of dividends and as to distributions on liquidation of the Bank, ranking equally with Series II preferred shares, to common stock of the Bank, to receive noncumulative dividends of ¥13.70 and a distribution of ¥1,000 per preferred share. Series III preferred shares are convertible on or after October 1, 2002, and up to and including September 30, 2009, at the option of stockholders, into fully paid shares of common stock of the Bank.

The Bank has the following stock option plan for the Bank's directors and certain employees:

A plan provides for granting options to directors and certain employees to purchase up to 279 thousand shares of the Bank's common stock in the period from June 30, 2001 to June 29, 2009. The issue price of the stock is ¥674 per share.

Another plan provides for granting options to directors and certain employees to purchase up to 291 thousand shares of the Bank's common stock in the period from June 30, 2002 to June 29, 2010. The issue price of the stock is ¥772 per share.

20. Retained Earnings

Earned surplus reserve as of March 31, 2001 and 2000, is included in retained earnings. The changes for the years ended March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|------------------------------------|-----------------|----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Balance at beginning of year | ¥198,161 | ¥164,329 | \$1,599 |
| Appropriation of retained earnings | (2,100) | 33,832 | (16) |
| Balance at end of year | ¥196,060 | ¥198,161 | \$1,582 |

Under the Banking Law of Japan, an amount equivalent to at least 20% of any distribution of profits must be appropriated as an earned surplus reserve until such reserve equals 100% of stated capital. This reserve is not available for dividends, but may be

used to reduce a deficit by resolution of the stockholders or may be transferred to the capital stock account by resolution of the Board of Directors.

21. Other Interest Income

The composition of other interest income for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Deposits with banks | ¥100,750 | ¥ 25,884 | \$ 813 |
| Interest rate swaps | — | 371,105 | — |
| Other | 71,638 | 117,128 | 578 |
| Total | ¥172,389 | ¥514,118 | \$1,391 |

Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction.

22. Other Operating Income

Other operating income for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|---------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Gains on foreign exchange transactions | ¥17,015 | ¥31,714 | \$137 |
| Gains on sales of bonds | 16,043 | 22,206 | 129 |
| Gains on redemption of bonds | 310 | 3,690 | 2 |
| Other | 64,251 | 41,650 | 518 |
| Total | ¥97,621 | ¥99,261 | \$787 |

23. Other Income

Other income for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Gains on sales of stocks | ¥175,756 | ¥427,122 | \$1,418 |
| Gains on money held in trust | 942 | 471 | 7 |
| Gains on disposition of premises and equipment | 3,957 | 7,754 | 31 |
| Collection of written-off claims | 1,947 | 1,848 | 15 |
| Net income from nonconsolidated entities by the equity method | 7,883 | — | 63 |
| Gains on exemption of obligation | 44,525 | — | 359 |
| Gains on securities contributed to employee retirement benefit trust | 29,602 | — | 238 |
| Gains on stock-related derivative transactions | 43,661 | — | 352 |
| Other | 23,815 | 17,998 | 192 |
| Total | ¥332,094 | ¥455,196 | \$2,680 |

24. Transfer from Other Reserves

Transfer from other reserves for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Reserve for contingent liabilities from securities transactions. | ¥ — | ¥3 | \$ — |
| Total | ¥ — | ¥3 | \$ — |

25. Other Interest Expenses

Other interest expenses for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Convertible bonds | ¥ 2 | ¥ 17 | \$ 0 |
| Interest rate swaps | 18,606 | 370,907 | 150 |
| Other | 69,371 | 119,530 | 559 |
| Total | ¥87,979 | ¥490,455 | \$710 |

Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction.

26. Other Operating Expenses

Other operating expenses for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------------|-----------------|---------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Losses on sales of bonds | ¥ 4,710 | ¥15,510 | \$ 38 |
| Losses on redemption of bonds | 2,290 | 6,262 | 18 |
| Losses on devaluation of bonds | 395 | 475 | 3 |
| Other | 48,074 | 45,635 | 388 |
| Total | ¥55,471 | ¥67,883 | \$447 |

27. General and Administrative Expenses

General and administrative expenses for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|-------------------------------|-----------------|----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Salaries and welfare expenses | ¥218,548 | ¥221,317 | \$1,763 |
| Retirement benefits | 21,689 | 32,611 | 175 |
| Depreciation | 35,123 | 35,029 | 283 |
| Rent and lease expenses | 44,785 | 44,793 | 361 |
| Taxes and public impositions | 24,314 | 25,430 | 196 |
| Other | 146,160 | 128,289 | 1,179 |
| Total | ¥490,621 | ¥487,472 | \$3,959 |

Other includes cost of research and development of ¥212 million (\$1 million) and ¥225 million for fiscal 2000 and 1999, respectively.

28. Other Expenses

Other expenses for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Write-offs of loans | ¥257,762 | ¥146,374 | \$2,080 |
| Losses on sales of stocks and other securities | 44,653 | 50,925 | 360 |
| Losses on devaluation of stocks and other securities | 57,621 | 33,255 | 465 |
| Losses on money held in trust | 405 | 1,097 | 3 |
| Losses on disposition of premises and equipment | 22,767 | 19,964 | 183 |
| Losses on disposal of loans at a subsidiary | 40,354 | — | 325 |
| Amortization of unrecognized net transition obligation for employee retirement benefit | 39,135 | — | 315 |
| Other | 116,196 | 187,026 | 937 |
| Total | ¥578,896 | ¥438,643 | \$4,672 |

Other includes provisions for possible losses on loans sold of ¥55,905 million and equity in losses of affiliates of ¥1,487 million for fiscal 1999.

29. Transfer to Other Reserves

Transfer to other reserves for the years ended March 31, 2001 and 2000, was as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|------|--------------------------|
| | 2001 | 2000 | 2001 |
| Reserve for contingent liabilities from financial futures transactions | ¥ — | ¥ 0 | \$ — |
| Reserve for contingent liabilities from securities transactions | 2 | — | 0 |
| Total | ¥ 2 | ¥ 0 | \$ 0 |

30. Income Taxes

The Bank is subject to a number of taxes based on income such as corporation tax, inhabitants tax, and enterprise tax which, in the aggregate, resulted in a normal Japanese statutory tax rate of approximately 39.62% for fiscal 2000, and 42.05% for fiscal 1999.

The actual effective tax rates for fiscal 2000 and 1999, as shown below, differed from the normal Japanese statutory rate due to a number of factors, including, among others, (1) certain expenses permanently not deductible for tax purposes, (2) the new

establishment of Tokyo Metropolitan Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries, (3) the new establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries, (4) different tax rates for the subsidiaries outside Japan, (5) valuation allowance for deferred income tax assets and (6) dividend excluded from taxable income in fiscal 1999.

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Income taxes (corporation, inhabitants and enterprise) (a) | ¥ 77,991 | ¥ 82,079 | \$ 629 |
| Income before income taxes and minority interests (b) | ¥132,046 | ¥126,139 | \$1,065 |
| Actual effective tax rates ((a) / (b)) | 59.0% | 65.0% | 59.0% |

The tax effects of significant temporary differences and loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Deferred tax assets: | | | |
| Reserve for possible loan losses | ¥397,704 | ¥440,289 | \$3,209 |
| Net operating loss carryforwards | 120,891 | 90,826 | 975 |
| Other* | 92,703 | 88,352 | 748 |
| Subtotal | ¥611,300 | ¥619,467 | \$4,933 |
| Valuation allowance | (34,317) | (7,749) | (276) |
| Total | ¥576,982 | ¥611,718 | \$4,656 |
| Deferred tax liabilities: | | | |
| Gains on securities contributed to employee retirement benefit trust | ¥ 11,604 | ¥ — | \$ 93 |
| Reserve for losses on overseas investments | — | 24 | — |
| Other | 7,513 | 271 | 60 |
| Total | 19,117 | 295 | 154 |
| Net deferred tax assets | ¥557,864 | ¥611,423 | \$4,502 |

* The following items are included in Other of Deferred tax assets for the year ended March 31, 2001.

| | |
|--|--------------------------------|
| Reserve for possible losses on loans sold | ¥27,783 (\$224 million) |
| Reserve for employee retirement benefit | 26,437 (\$213 million) |
| Losses on devaluation of stocks and other securities | 15,697 (\$126 million) |

Due to the establishment of the Tokyo Metropolitan Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries on March 31, 2000, the normal statutory tax rate for the computation of deferred tax assets and liabilities decreased from 42.05% to 39.62%. This change decreased the amount of deferred tax assets by ¥35,791 million and increased deferred tax in fiscal 1999 by the same amount. The amount of deferred tax liabilities for land revaluation decreased by ¥1,968 million as a result of the revaluation and increased the land revaluation excess by the same amount.

Due to the establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries on June 9,

2000, the normal statutory tax rate for the computation of deferred tax assets and liabilities decreased from 39.62% to 39.20%. This change decreased the amount of deferred tax assets and deferred tax liabilities for land revaluation by ¥5,616 million (\$45 million) and ¥294 million (\$2 million), respectively.

Enterprise taxes other than those relating to income are included in other expenses. Effective April 1, 2000, the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and enterprise taxes in Tokyo, which were included in income taxes, current for the prior period, are now included in other expenses in the amount of ¥8,733 million (\$70 million).

31. Reserve for Employee Retirement Benefit

(1) Outline of retirement benefit

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 benefit in cases where certain requirements are met when employees retire.

The Bank contributed certain marketable equity securities to an employee retirement benefit trust.

At March 31, 2001, the Bank and The Minato Bank, Ltd. have contributed funded defined benefit pension plans. Sakura Friend Securities Co., Ltd. and SAKURA K.C.S. Corporation have qualified pension plans. The Bank and most subsidiaries in Japan have lump-sum severance indemnity plans.

(2) Projected benefit obligation

Information on projected benefit obligation and others at March 31, 2001 is shown as follows:

| | Millions of yen | Millions of U.S. dollars |
|--|-----------------|--------------------------|
| | 2001 | 2001 |
| Projected benefit obligation | ¥(645,033) | \$(5,206) |
| Pension assets | 390,318 | 3,150 |
| Unfunded projected benefit obligation | ¥(254,714) | \$(2,055) |
| Unrecognized net transition obligation | 153,676 | 1,240 |
| Unrecognized actuarial differences | 70,985 | 572 |
| Unrecognized prior service cost | (1,664) | (13) |
| Net amount recorded on the consolidated balance sheets | ¥ (31,716) | \$ (255) |
| Reserve for employee retirement benefit | (31,716) | (255) |

(3) Pension expenses

| | Millions of yen | Millions of U.S. dollars |
|---|-----------------|--------------------------|
| | 2001 | 2001 |
| Service cost | ¥16,535 | \$133 |
| Interest cost on projected benefit obligation | 21,114 | 170 |
| Expected return on plan assets | (20,536) | (165) |
| Amortization of net transition obligation | 39,164 | 316 |
| Other | 2,681 | 21 |
| Pension expenses | ¥58,959 | \$475 |

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the year ended March 31, 2001, were as follows:

| | 2001 |
|--|-----------------|
| Discount rate | 1.7% to 3.5% |
| Expected rate of return on plan assets | 2.0% to 5.6% |
| Term to amortize prior service cost | Mainly 11 years |
| Term to amortize actuarial differences | Mainly 11 years |
| Term to amortize net transition obligation | Mainly 5 years |

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years.

32. Leases

Financing leases where the ownership of the property is not deemed to transfer to the lessee as of March 31, 2001 and 2000, consisted of the following:

(i) As lessee

Acquisition cost, accumulated depreciation and net balance of the leased property as of March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|-----------------|--------|--------------------------|
| | 2001 | 2000 | 2001 |
| Acquisition cost | ¥10,527 | ¥7,078 | \$84 |
| Accumulated depreciation | 4,216 | 5,324 | 34 |
| Net balance | ¥ 6,311 | ¥1,754 | \$50 |

Acquisition cost includes the imputed interest expense portion because of its immateriality.

Obligations as of March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|--------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥2,553 | ¥1,060 | \$20 |
| Due after one year | 3,757 | 693 | 30 |
| Total | ¥6,311 | ¥1,754 | \$50 |

The amount of obligations includes the imputed interest expenses portion because of its immateriality.

Total lease payments were ¥2,183 million (\$17 million) and ¥1,847 million, and depreciation was ¥2,183 million (\$17 million) and ¥1,847 million for the years ended March 31, 2001 and 2000, respectively. Depreciation was calculated based on the straight-line method with zero residual value.

(ii) As lessor

Acquisition cost, accumulated depreciation and net balance of the leased property as of March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Acquisition cost | ¥187,912 | ¥143,665 | \$1,516 |
| Accumulated depreciation | 93,908 | 74,077 | 757 |
| Net balance | ¥ 94,004 | ¥ 69,587 | \$ 758 |

Future lease payment receivables as of March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|---------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥ 34,949 | ¥31,004 | \$282 |
| Due after one year | 78,938 | 63,428 | 637 |
| Total | ¥113,887 | ¥94,432 | \$919 |

The amount of future lease payment receivables includes the imputed interest income portion, because of its immateriality.

Total lease revenues were ¥32,980 million (\$266 million) and ¥23,585 million, and depreciation was ¥25,416 million (\$205 million) and ¥14,642 million for the years ended March 31, 2001 and 2000, respectively.

Operating leases as of March 31, 2001 and 2000, consisted of the following:

(i) As lessee

The minimum rental commitments under noncancellable operating leases as of March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|---------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥1,124 | ¥ 1,344 | \$ 9 |
| Due after one year | 6,533 | 8,693 | 52 |
| Total | ¥7,657 | ¥10,038 | \$61 |

(ii) As lessor

There were no minimum rental commitments receivable under noncancelable operating leases as of March 31, 2001 and 2000.

33. 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 ¥6,912,401 million (\$55,790 million), and the amount

of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was ¥6,322,207 million (\$51,026 million) as of March 31, 2001. 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 and 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 the need arises and securing claims after the conclusion of the contracts.

34. Market Value of Marketable Securities

(1) Securities

The market value of marketable securities as of March 31, 2001, was as follows:

In addition to securities in the consolidated balance sheets, trading securities, securities related to trading transactions, negotiable certificates of deposit and commercial paper within trading assets, negotiable certificates of deposit in cash and due from banks, and commercial paper within commercial paper and other debt purchased are included in the following amounts:

(a) Securities classified as trading

| | | Millions of yen | |
|----------------------------------|--|-----------------------------------|-------------------------------|
| March 31, 2001 | | Consolidated balance sheet amount | Gains included in profit/loss |
| Securities classified as trading | | ¥469,204 | ¥244 |
| | | Millions of U.S. dollars | |
| March 31, 2001 | | Consolidated balance sheet amount | Gains included in profit/loss |
| Securities classified as trading | | \$3,786 | \$1 |

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

| | | Millions of yen | | | | |
|---------------------------------|--|-----------------------------------|----------------|-------------------------------|------------------|-------------------|
| March 31, 2001 | | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Japanese government bonds | | ¥14,295 | ¥14,298 | ¥2 | ¥2 | ¥0 |
| Japanese local government bonds | | — | — | — | — | — |
| Japanese corporate bonds | | — | — | — | — | — |
| Other | | — | — | — | — | — |
| Total | | ¥14,295 | ¥14,298 | ¥2 | ¥2 | ¥0 |
| | | Millions of U.S. dollars | | | | |
| March 31, 2001 | | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Japanese government bonds | | \$115 | \$115 | \$0 | \$0 | \$0 |
| Japanese local government bonds | | — | — | — | — | — |
| Japanese corporate bonds | | — | — | — | — | — |
| Other | | — | — | — | — | — |
| Total | | \$115 | \$115 | \$0 | \$0 | \$0 |

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

(c) *Other securities with market value*

Market value is not reflected in the consolidated financial statements.

Summary information on other securities that have market value are shown in the following table:

| March 31, 2001 | Millions of yen | | | | |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Stocks | ¥3,782,106 | ¥3,420,904 | ¥(361,202) | ¥139,239 | ¥500,442 |
| Bonds | 5,182,955 | 5,207,684 | 24,728 | 27,743 | 3,014 |
| Japanese government bonds | 4,888,857 | 4,908,522 | 19,664 | 22,294 | 2,629 |
| Japanese local government bonds | 16,589 | 16,977 | 387 | 387 | 0 |
| Japanese corporate bonds | 277,507 | 282,184 | 4,676 | 5,061 | 385 |
| Other | 899,034 | 882,663 | (16,371) | 3,560 | 19,931 |
| Total | ¥9,864,096 | ¥9,511,251 | ¥(352,844) | ¥170,544 | ¥523,388 |

| March 31, 2001 | Millions of U.S. dollars | | | | |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Stocks | \$30,525 | \$27,610 | \$(2,915) | \$1,123 | \$4,039 |
| Bonds | 41,831 | 42,031 | 199 | 223 | 24 |
| Japanese government bonds | 39,458 | 39,616 | 158 | 179 | 21 |
| Japanese local government bonds | 133 | 137 | 3 | 3 | 0 |
| Japanese corporate bonds | 2,239 | 2,277 | 37 | 40 | 3 |
| Other | 7,256 | 7,123 | (132) | 28 | 160 |
| Total | \$79,613 | \$76,765 | \$(2,847) | \$1,376 | \$4,224 |

Note: For the Bank's stocks, market value is based on the average market price during one month before the fiscal year-end, and for the others the market prices at the balance sheet date.

(d) *Bonds sold during fiscal 2000 that are classified as held-to-maturity*

There are no corresponding items.

(e) *Other securities sold during fiscal 2000*

| March 31, 2001 | Millions of yen | | |
|------------------|-----------------|---------------|----------------|
| | Sales amount | Gains on sale | Losses on sale |
| Other securities | ¥9,773,852 | ¥192,631 | ¥42,095 |

| March 31, 2001 | Millions of U.S. dollars | | |
|------------------|--------------------------|---------------|----------------|
| | Sales amount | Gains on sale | Losses on sale |
| Other securities | \$78,885 | \$1,554 | \$339 |

(f) *Securities with no available market value*

| March 31, 2001 | 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 | ¥ 7,094 | \$ 57 |
| Other securities: | | |
| Nonlisted bonds | 315,565 | 2,546 |
| Nonlisted stocks (except OTC stocks) | 117,140 | 945 |
| Nonlisted foreign securities | 63,341 | 511 |

(g) *Change of classification of securities*

There are no corresponding items.

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

| March 31, 2001 | Millions of yen | | | |
|---------------------------------|-------------------|-------------------|-------------------|-----------------|
| | 1 year or less | 1 to 5 years | 5 to 10 years | Over 10 years |
| Bonds | ¥2,428,170 | ¥2,031,335 | ¥ 994,009 | ¥ 59,300 |
| Japanese government bonds | 2,372,038 | 1,612,608 | 859,706 | 58,800 |
| Japanese local government bonds | 2,749 | 46,824 | 15,843 | — |
| Japanese corporate bonds | 53,382 | 371,903 | 118,459 | 500 |
| Other | 406,355 | 277,212 | 151,917 | 147,428 |
| Total | ¥2,834,526 | ¥2,308,547 | ¥1,145,927 | ¥206,728 |

| March 31, 2001 | Millions of U.S. dollars | | | |
|---------------------------------|--------------------------|-----------------|----------------|----------------|
| | 1 year or less | 1 to 5 years | 5 to 10 years | Over 10 years |
| Bonds | \$19,597 | \$16,394 | \$8,022 | \$ 478 |
| Japanese government bonds | 19,144 | 13,015 | 6,938 | 474 |
| Japanese local government bonds | 22 | 377 | 127 | — |
| Japanese corporate bonds | 430 | 3,001 | 956 | 4 |
| Other | 3,279 | 2,237 | 1,226 | 1,189 |
| Total | \$22,877 | \$18,632 | \$9,248 | \$1,668 |

(2) Money held in trust

(a) Money held in trust classified as trading

There are no corresponding items.

(b) Money held in trust classified as held-to-maturity

There are no corresponding items.

(c) Other money held in trust (money held in trust that are classified neither as trading nor as held-to-maturity)

Market value is not reflected on consolidated financial statements.

Summary information on other money held in trust that have market value are shown in the following table:

| March 31, 2001 | Millions of yen | | | | |
|---------------------------|-----------------------------------|----------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Other money held in trust | ¥22,208 | ¥22,677 | ¥468 | ¥494 | ¥25 |

| March 31, 2001 | Millions of U.S. dollars | | | | |
|---------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Other money held in trust | \$179 | \$183 | \$3 | \$3 | \$0 |

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

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

If other securities and other money held in trust were evaluated by market value, net unrealized gains (losses) on valuation would be as shown in the following table:

| March 31, 2001 | Millions of yen | Millions of U.S. dollars |
|--|-------------------|--------------------------|
| | 2001 | 2001 |
| Difference (Market value – Balance sheet amount) | ¥(352,375) | \$(2,844) |
| Other securities | (352,844) | (2,847) |
| Other money held in trust | 468 | 3 |
| (+) Deferred tax assets | 138,131 | 1,114 |
| Net unrealized gains (losses) on valuation (before following adjustment) | <u>(214,244)</u> | <u>(1,729)</u> |
| (–) Minority interests | (2,173) | (17) |
| (+) Parent company's share in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method | (42) | (0) |
| Net unrealized gains (losses) on valuation | <u>¥(212,113)</u> | <u>\$(1,711)</u> |

(Appendix) Previous Year's Information on Market Value of Marketable Securities

(1) Securities

The market value of marketable securities as of March 31, 2000, was as follows:

| March 31, 2000 | Millions of yen | | | | |
|----------------|-------------------|-------------------|-------------------------------|-------------------|-------------------|
| | Book value | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Bonds | ¥ 485,177 | ¥ 460,384 | ¥ (24,793) | ¥ 3,490 | ¥ 28,284 |
| Stocks | 3,361,262 | 3,977,851 | 616,588 | 1,011,530 | 394,941 |
| Others | 461,115 | 461,187 | 72 | 14,540 | 14,468 |
| Total | <u>¥4,307,555</u> | <u>¥4,899,422</u> | <u>¥591,866</u> | <u>¥1,029,561</u> | <u>¥437,694</u> |

Notes: 1. Figures in the above table are for marketable securities listed on securities exchanges. The fair market value of listed bonds is calculated mainly using the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date or the prices calculated under the yield published on the Japan Securities Dealers Association's Indication Chart in most cases. Other listed securities are calculated primarily using the closing price on the Tokyo Stock Exchange at the balance sheet date. Others are mainly foreign bonds.

2. Listed below are figures calculated to correspond to the fair market value of unlisted securities if it is possible to calculate.

| March 31, 2000 | Millions of yen | | | | |
|----------------|-------------------|-------------------|-------------------------------|------------------|-------------------|
| | Book value | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Bonds | ¥1,571,230 | ¥1,569,330 | ¥ (1,900) | ¥ 5,331 | ¥ 7,231 |
| Stocks | 37,807 | 101,720 | 63,913 | 71,806 | 7,893 |
| Others | 100,291 | 101,176 | 884 | 2,756 | 1,872 |
| Total | <u>¥1,709,330</u> | <u>¥1,772,226</u> | <u>¥62,896</u> | <u>¥79,894</u> | <u>¥16,998</u> |

Values of non-listed securities are calculated using the Japan Securities Dealers Association's figures for securities traded over the counter, using the prices calculated under the yield published on the Japan Securities Dealers Association's Indication Chart for public bonds, and using standard prices for the beneficiary certificate of securities investment trusts. Others are mainly beneficiary certificates of securities investment trusts.

3. Securities excluded from the above information on values of the consolidated balance sheet are principally as follows:

| March 31, 2000 | Millions of yen |
|----------------|-----------------|
| | Book value |
| Bonds | ¥400,413 |
| Stocks | 116,750 |
| Others | 394,696 |

4. Figures on trading account securities and securities related to trading transactions are omitted from the above tables because those securities are valued at market prices and evaluation gains (losses) are stated in the consolidated statements of income.

(2) Money held in trust

| March 31, 2000 | Millions of yen | | | | |
|---------------------|-----------------|--------------|-------------------------------|------------------|-------------------|
| | Book value | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Money held in trust | ¥72,581 | ¥72,887 | ¥305 | ¥542 | ¥237 |

Notes: The market value represents the prices that the fiduciaries of money held in trust calculated in accordance with the following methods:

1. The fair market value of listed securities is calculated mainly using the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date.
2. Values of non-listed stocks are calculated using the Japan Securities Dealers Association's figures for securities traded over the counter.

35. Derivative Transactions

(1) Interest Rate Transactions

| March 31, 2001 | Millions of yen | | | |
|--|-----------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Listed transactions: | | | | |
| Futures contracts: | | | | |
| Sold | ¥ 59,123 | ¥ — | ¥ (431) | ¥ (431) |
| Bought | 262,802 | — | 2,151 | 2,151 |
| Options: | | | | |
| Sold | 2,029,981 | — | 825 | 655 |
| Bought | 622,669 | — | 519 | 258 |
| Unlisted transactions: | | | | |
| Forward rate agreement: | | | | |
| Sold | 1,039,613 | 10,000 | 344 | 344 |
| Bought | 1,629,713 | — | (1,589) | (1,589) |
| Swaps: | | | | |
| Receivable fixed rate/Payable floating rate | 43,061,905 | 25,195,263 | 755,835 | 755,835 |
| Receivable floating rate/Payable fixed rate | 40,592,544 | 24,860,084 | (773,704) | (773,704) |
| Receivable floating rate/Payable floating rate, etc. | 2,160,512 | 769,755 | (17,494) | (17,494) |
| Others: | | | | |
| Sold | 3,267,592 | 2,954,530 | 23,119 | (6,253) |
| Bought | 2,444,194 | 2,191,101 | 27,933 | 19,066 |
| Total | ¥ / | ¥ / | ¥ (30,380) | ¥(21,161) |

(continued)

| March 31, 2001 | Millions of U.S. dollars | | | |
|--|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Listed transactions: | | | | |
| Futures contracts: | | | | |
| Sold | \$ 477 | \$ — | \$ (3) | \$ (3) |
| Bought | 2,121 | — | 17 | 17 |
| Options: | | | | |
| Sold | 16,384 | — | 6 | 5 |
| Bought | 5,025 | — | 4 | 2 |
| Unlisted transactions: | | | | |
| Forward rate agreement: | | | | |
| Sold | 8,390 | 80 | 2 | 2 |
| Bought | 13,153 | — | (12) | (12) |
| Swaps: | | | | |
| Receivable fixed rate/Payable floating rate | 347,553 | 203,351 | 6,100 | 6,100 |
| Receivable floating rate/Payable fixed rate | 327,623 | 200,646 | (6,244) | (6,244) |
| Receivable floating rate/Payable floating rate, etc. | 17,437 | 6,212 | (141) | (141) |
| Others: | | | | |
| Sold | 26,372 | 23,846 | 186 | (50) |
| Bought | 19,727 | 17,684 | 225 | 153 |
| Total | \$ / | \$ / | \$ (245) | \$ (170) |

Notes: 1. The above transactions are valuated by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

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.

3. Others consists of cap, floor and swaption transactions.

(2) Currency Derivatives

| March 31, 2001 | Millions of yen | | | |
|-------------------------------|-----------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Unlisted transactions: | | | | |
| Currency swaps | | | | |
| | ¥4,309,192 | ¥3,169,586 | ¥1,482 | ¥1,482 |
| Total | ¥ / | ¥ / | ¥1,482 | ¥1,482 |

| March 31, 2001 | Millions of U.S. dollars | | | |
|-------------------------------|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Unlisted transactions: | | | | |
| Currency swaps | | | | |
| | \$34,779 | \$25,581 | \$11 | \$11 |
| Total | \$ / | \$ / | \$11 | \$11 |

Notes: 1. The above transactions are valuated by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

2. Market value is calculated mainly discounted present value.

(continued)

3. Currency swaps whose profit and loss are recognized on accrual basis based on 'Temporary Treatment of Auditing on Continuous Adoption of the Accounting Standard for Foreign Currency Transactions in Banking Industry' (published by JICPA, April 2000) are excluded from the previous table.

The contract amount to currency swaps which are recognized on accrual basis are as follows:

| March 31, 2001 | Millions of yen | | |
|-------------------------------|--------------------------|--------------|-----------------------------|
| | Contract amount | Market value | Net valuated gains (losses) |
| Unlisted transactions: | | | |
| Currency swaps | ¥1,833,414 | ¥(69,269) | ¥(69,269) |
| March 31, 2001 | Millions of U.S. dollars | | |
| | Contract amount | Market value | Net valuated gains (losses) |
| Unlisted transactions: | | | |
| Currency swaps | \$14,797 | \$(559) | \$(559) |

4. Forward foreign exchange and currency options which are of the following types are not included in the figures above:
- 1) Those that are revaluated at year-end and the revaluated gains (losses) are accounted for in the consolidated statements of income.
 - 2) Those that were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheets.
 - 3) Those that were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities that are allotted to are eliminated in the process of consolidation.

The contract amount of currency and foreign exchange related transactions which are revaluated at the consolidated balance sheet date are as follows:

| March 31, 2001 | Millions of yen | Millions of U.S. dollars |
|-------------------------------------|-----------------|--------------------------|
| | Contract amount | Contract amount |
| Unlisted transactions: | | |
| Forward foreign exchange contracts: | | |
| Sold | ¥4,296,653 | \$34,678 |
| Bought | 5,633,384 | 45,467 |
| Currency options: | | |
| Sold | 694,904 | 5,608 |
| Bought | 689,497 | 5,564 |

(3) Bond Derivatives

| March 31, 2001 | Millions of yen | | | |
|-----------------------------|-----------------|-----|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| Total | Over one year | | | |
| Listed transactions: | | | | |
| Futures contracts: | | | | |
| Sold | ¥ 188 | ¥ — | ¥ (6) | ¥ (6) |
| Bought | 23,066 | — | 112 | 112 |
| Total | ¥ / | ¥ / | ¥106 | ¥106 |

(continued)

| March 31, 2001 | Millions of U.S. dollars | | | |
|-----------------------------|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Listed transactions: | | | | |
| Futures contracts: | | | | |
| Sold | \$ 1 | \$ — | \$(0) | \$(0) |
| Bought | 186 | — | 0 | 0 |
| Total | \$ / | \$ / | \$ 0 | \$ 0 |

Notes: 1. The above transactions are valuated by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange Market.

(4) Credit Derivative Transactions

| March 31, 2001 | Millions of yen | | | |
|-------------------------------|-----------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Unlisted transactions: | | | | |
| Others: | | | | |
| Sold | ¥147 | ¥ — | ¥(4) | ¥(4) |
| Bought | 147 | — | 6 | 6 |
| Total | ¥ / | ¥ / | ¥ 2 | ¥ 2 |

| March 31, 2001 | Millions of U.S. dollars | | | |
|-------------------------------|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Unlisted transactions: | | | | |
| Others: | | | | |
| Sold | \$1 | \$ — | \$(0) | \$(0) |
| Bought | 1 | — | 0 | 0 |
| Total | \$ / | \$ / | \$ 0 | \$ 0 |

Notes: 1. The above transactions are valuated by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

2. Market value is calculated based on factors such as price of the relevant commodity and contract term using discounted present value and option pricing models.

(Appendix) Previous Year's Information on Derivative Transactions

Outstanding derivative financial instruments as of March 31, 2000, were as follows:

(1) Interest Rate-Related Transactions

| March 31, 2000 | Millions of yen | | | |
|--|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Listed transactions: | | | | |
| Futures contracts: | | | | |
| Sold | ¥ 9,784,429 | ¥ 670,310 | ¥9,765,752 | ¥ 18,677 |
| Bought | 5,657,962 | 249,452 | 5,651,207 | (6,754) |
| Options: | | | | |
| Sold | | | | |
| Call | 13,776,338 | — | | |
| Option premiums | 3,441 | | 556 | 2,884 |
| Put | 12,329,538 | — | | |
| Option premiums | 2,609 | | 1,786 | 822 |
| Bought | | | | |
| Call | 6,025,776 | — | | |
| Option premiums | 1,059 | | 407 | (652) |
| Put | 5,323,445 | — | | |
| Option premiums | 1,720 | | 1,581 | (139) |
| Unlisted transactions: | | | | |
| Swaps: | | | | |
| Receivable fixed rate/Payable floating rate | 34,478,328 | 15,236,759 | 573,908 | 573,908 |
| Receivable floating rate/Payable fixed rate | 24,638,127 | 8,588,126 | (267,975) | (267,975) |
| Receivable floating rate/Payable floating rate, etc. | 25,024 | 17,796 | (135) | (135) |
| Others: | | | | |
| Sold | | | | |
| Option premiums | 609,287 | 599,271 | | |
| | 2,688 | | 1,148 | 1,539 |
| Bought | | | | |
| | 123,982 | 113,966 | | |
| Option premiums | 1,429 | | 827 | (603) |
| Total | ¥ / | ¥ / | ¥ / | ¥321,572 |

Notes: 1. Market values

The market values listed represent the closing prices on the Tokyo International Financial Futures Exchange and other exchanges at the consolidated balance sheet date.

The market values of unlisted transactions are calculated by using mainly the discounted present value or option pricing model.

2. Option premiums shown in this table are accounted for on the consolidated balance sheets.

3. "Others" consists of cap, floor and swaption transactions.

4. The market value and unrealized gains (losses) on interest swap transaction at March 31, 2000, include ¥343,651 million of accrued swap interest that was stated in the consolidated statements of income.

5. Details of interest rate swap notional amounts according to time to maturity are as follows:

| March 31, 2000 | Millions of yen | | | Total |
|--|------------------|-----------------------------------|------------------|-------------|
| | One year or less | More than one year to three years | Over three years | |
| Receivable fixed rate/Payable floating rate | ¥19,241,568 | ¥12,494,950 | ¥2,741,809 | ¥34,478,328 |
| Receivable floating rate/Payable fixed rate | 16,050,001 | 5,586,090 | 3,002,035 | 24,638,127 |
| Receivable floating rate/Payable floating rate, etc. | 7,227 | 4,350 | 13,446 | 25,024 |

6. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gains (losses) was included in the consolidated statements of income.

Contract amount included in the trading account are as follows:

| March 31, 2000 | Millions of yen | |
|--|-----------------|--------------|
| | Contract amount | Market value |
| Listed transactions: | | |
| Futures contracts: | | |
| Sold | ¥ 422,513 | ¥ 422,244 |
| Bought | 585,857 | 583,533 |
| Options: | | |
| Sold | | |
| Call | 1,891,590 | |
| Option premiums | 260 | 23 |
| Put | 2,560,186 | |
| Option premiums | 446 | 231 |
| Bought | | |
| Call | 736,133 | |
| Option premiums | 173 | 27 |
| Put | 1,332,250 | |
| Option premiums | 279 | 126 |
| Unlisted transactions: | | |
| Forward rate agreements: | | |
| Sold | 678,521 | 678,458 |
| Bought | 1,324,902 | 1,325,226 |
| Swaps: | | |
| Receivable fixed rate/Payable floating rate | 34,706,694 | 385,949 |
| Receivable floating rate/Payable fixed rate | 32,590,848 | (506,149) |
| Receivable floating rate/Payable floating rate, etc. | 1,636,745 | (13,467) |
| Others: | | |
| Sold | 3,411,883 | |
| Option premiums | 9,329 | 21,935 |
| Bought | 3,077,923 | |
| Option premiums | 4,886 | 58,646 |

(2) Currency and Foreign Exchange-Related Transactions

| March 31, 2000 | Millions of yen | | | |
|-------------------------------|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Unlisted transactions: | | | | |
| Currency swaps: | ¥2,779,199 | ¥1,179,058 | ¥(54,273) | ¥(54,273) |
| U.S. dollar | 1,866,061 | 935,342 | (43,375) | (43,375) |
| Others | 913,137 | 243,715 | (10,897) | (10,897) |

Notes: 1. Market values

The market values are calculated by using discounted present value.

- The market value or unrealized loss for currency swap transactions at March 31, 2000, includes ¥6,647 million (losses) of accrued swap interest that was stated in the consolidated statements of income.
- Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gains (losses) was included in the consolidated statements of income.

Contract amount included in the trading account is as follows:

| March 31, 2000 | Millions of yen | |
|-------------------------------|-----------------|--------------|
| | Contract amount | Market value |
| Unlisted transactions: | | |
| Currency swaps: | ¥3,887,543 | ¥ (5,539) |
| U.S. dollar | 2,599,267 | (15,018) |
| German mark | 554,556 | (2,833) |
| Others | 733,720 | 12,312 |

- Forward foreign exchange contracts, currency options and other currency-related derivative financial instruments are not shown here because they were revalued at the consolidated balance sheet date and their gains (losses) were included in the consolidated statements of income, or because they are reflected on the consolidated balance sheets as foreign currency denominated monetary assets and liabilities.

Contract amount of currency and foreign exchange related derivative financial instruments revalued at the consolidated balance sheet date are as follows:

| March 31, 2000 | Millions of yen | |
|-------------------------------------|-----------------|------------|
| | Contract amount | |
| Listed transactions: | | |
| Currency futures: | | |
| Sold | | ¥ 356 |
| Bought | | 20 |
| Unlisted transactions: | | |
| Forward foreign exchange contracts: | | |
| Sold | | ¥2,185,551 |
| Bought | | 3,697,674 |
| Currency options: | | |
| Sold | | |
| Call | | 188,930 |
| Option premiums | | 4,105 |
| Put | | 170,453 |
| Option premiums | | 3,600 |
| Bought | | |
| Call | | 156,601 |
| Option premiums | | 2,368 |
| Put | | 178,950 |
| Option premiums | | 4,473 |

(3) Equity-Related Transactions

| March 31, 2000 | Millions of yen | | | |
|-------------------------------|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Unlisted transactions: | | | | |
| Options: | | | | |
| Sold | | | | |
| Call | ¥ 198 | ¥— | ¥ 0 | ¥ 1 |
| Option premiums | 1 | | | |
| Put | — | — | — | — |
| Option premiums | | | | |
| Bought | | | | |
| Call | 198 | — | 0 | (0) |
| Option premiums | 1 | | | |
| Put | — | — | — | — |
| Option premiums | | | | |
| Equity-related swaps | 897,438 | — | (18,554) | (18,554) |
| Total | ¥ / | ¥ / | ¥ / | ¥(18,554) |

Notes: 1. Market values

Market values are calculated by using the pricing method, based on the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date.

2. Option premiums shown in this table are accounted for on the consolidated balance sheets.

3. Derivative financial products transactions that are included in trading account are not shown here because those transactions were valued at their fair market prices and evaluation gains (losses) was included in the consolidated statements of income.

Contract amount included in trading account is as follows:

| March 31, 2000 | Millions of yen | |
|--------------------------------|-----------------|--------------|
| | Contract amount | Market value |
| Listed transactions: | | |
| Stock index futures contracts: | | |
| Sold | ¥ 1,536 | ¥1,530 |
| Bought | 101 | 101 |
| Stock index options: | | |
| Sold | | |
| Call | 11,740 | |
| Option premiums | 36 | 37 |
| Put | 21,880 | |
| Option premiums | 26 | 31 |
| Bought | | |
| Call | 4,578 | |
| Option premiums | 53 | 97 |
| Put | 1,902 | |
| Option Premiums | 53 | 30 |

(4) Bond-Related Transactions

| March 31, 2000 | Millions of yen | | | |
|-----------------------------|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Listed transactions: | | | | |
| Futures contracts: | | | | |
| Sold | ¥74,904 | ¥— | ¥76,182 | ¥(1,277) |
| Bought | — | — | — | — |
| Total | ¥ / | ¥ / | ¥ / | ¥(1,277) |

Notes: 1. The market values listed represent the closing prices on the Tokyo Stock Exchange and other exchanges at the consolidated balance sheet date.

2. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gains (losses) was included in the consolidated statements of income.

Contract amount included in the trading account is as follows:

| March 31, 2000 | Millions of yen | |
|-------------------------------|-----------------|--------------|
| | Contract amount | Market value |
| Listed transactions: | | |
| Futures contracts: | | |
| Sold | ¥28,726 | ¥28,818 |
| Bought | 35,094 | 35,147 |
| Futures options: | | |
| Sold | | |
| Call | 838 | |
| Option premiums | 5 | 2 |
| Put | 8,580 | |
| Option premiums | 11 | 7 |
| Bought | | |
| Call | 4,477 | |
| Option premiums | 16 | 11 |
| Put | 37,370 | |
| Option premiums | 90 | 14 |
| Unlisted transactions: | | |
| Options: | | |
| Sold | | |
| Call | — | |
| Option premiums | — | — |
| Put | 21,670 | |
| Option premiums | 251 | 118 |
| Bought | | |
| Call | 29,272 | |
| Option premiums | 167 | 106 |
| Put | 7,837 | |
| Option premiums | 51 | 14 |

36. Segment Information

(1) Business segment information

Some of the consolidated subsidiaries are engaged in securities, trust, leasing and other businesses in addition to the commercial

banking business. As those activities are not deemed material, business segment information has not been disclosed.

(2) Geographic segment information

| Year ended March 31, 2001 | Millions of yen | | | | | | |
|------------------------------|-----------------|------------|------------|---------------------|-------------|--------------------------|-----------------------|
| | Domestic | Americas | Europe | Asia and Oceania | Subtotal | Interarea elimination | Consolidated total |
| Operating income | | | | | | | |
| Customers | ¥ 1,410,422 | ¥ 164,903 | ¥ 47,571 | ¥ 100,284 | ¥ 1,723,182 | ¥ — | ¥ 1,723,182 |
| Intersegment | 111,842 | 111,432 | 17,058 | 38,530 | 278,864 | (278,864) | — |
| Total | 1,522,264 | 276,336 | 64,630 | 138,815 | 2,002,047 | (278,864) | 1,723,182 |
| Operating expenses | 1,347,019 | 259,322 | 74,385 | 133,426 | 1,814,154 | (274,848) | 1,539,306 |
| Operating profit | ¥ 175,245 | ¥ 17,013 | ¥ (9,755) | ¥ 5,388 | ¥ 187,892 | ¥ (4,016) | ¥ 183,876 |
| Millions of U.S. dollars | \$ 1,414 | \$ 137 | \$ (78) | \$ 43 | \$ 1,516 | \$ (32) | \$ 1,484 |
| Assets | ¥47,434,438 | ¥2,322,229 | ¥1,279,831 | ¥2,920,478 | ¥53,956,977 | ¥(2,107,290) | ¥51,849,687 |
| Millions of U.S. dollars | \$ 382,844 | \$ 18,742 | \$ 10,329 | \$ 23,571 | \$ 435,488 | \$ (17,007) | \$ 418,480 |

| Year ended March 31, 2000 | Millions of yen | | | | | | |
|------------------------------|-----------------|------------|------------|---------------------|-------------|--------------------------|-----------------------|
| | Domestic | Americas | Europe | Asia and Oceania | Subtotal | Interarea elimination | Consolidated total |
| Operating income | | | | | | | |
| Customers | ¥ 1,808,407 | ¥ 129,272 | ¥ 90,029 | ¥ 119,786 | ¥ 2,147,495 | ¥ — | ¥ 2,147,495 |
| Intersegment | 77,421 | 23,014 | 21,863 | 15,752 | 138,052 | (138,052) | — |
| Total | 1,885,829 | 152,286 | 111,893 | 135,539 | 2,285,548 | (138,052) | 2,147,495 |
| Operating expenses | 1,772,018 | 143,625 | 109,852 | 122,775 | 2,148,272 | (137,274) | 2,010,998 |
| Operating profit | ¥ 113,810 | ¥ 8,661 | ¥ 2,040 | ¥ 12,764 | ¥ 137,276 | ¥ (778) | ¥ 136,497 |
| Assets | ¥44,745,840 | ¥2,319,292 | ¥1,062,201 | ¥3,070,871 | ¥51,198,205 | ¥(2,702,596) | ¥48,495,608 |

- 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. Americas includes the United States, Canada and others; Europe includes the United Kingdom, Germany and others; Asia and Oceania includes Singapore, Hong Kong, Australia and others except Japan.
3. (a) As shown in Notes to consolidated financial statements, the Bank changed the depreciation method from the declining balance method to the straight-line method from this fiscal year. Consequently, operating profit increased by ¥1,482 million (\$11 million) in Japan, compared with the prior accounting method.
- (b) As shown in Notes to consolidated financial statements, accounting standard for employee retirement benefit was applied from the fiscal year ended March 31, 2001. Consequently, operating profit increased by ¥9,558 million (\$77 million) in Japan, compared with the prior accounting method.
- (c) As shown in Notes to consolidated financial statements, accounting standard for financial instruments was applied from the fiscal year ended March 31, 2001, and the method to evaluate securities and derivatives and the method of hedge accounting were changed. Consequently, operating profit increased by ¥35,427 million (\$285 million) in Japan, by ¥572 million (\$4 million) in Americas, and by ¥31 million (\$0 million) in Europe, and by ¥114 million (\$0 million) in Asia and Oceania, compared with prior accounting method. Effective April 1, 2000, income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which has been changed from prior accounting that presented net by transaction. As a result, operating income and expenses decreased by ¥132,394 million (\$1,068 million) in Japan, by ¥4,340 million (\$35 million) in Americas, by ¥14,269 million (\$115 million) in Europe, and by ¥4,580 million (\$36 million) in Asia and Oceania for 2001 compared with the prior accounting method.
- (d) As shown in Notes to consolidated financial statements, enterprise tax other than relating to pre-tax income was included in operating expenses. Effective April 1, 2000, the Special ordinance concerning taxation standard for enterprise taxes in relation to banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and the enterprise tax in Tokyo, which was not included in operating expenses for prior period, was included in operating expenses in Japan by the amount of ¥8,733 million (\$70 million) for 2001.

Operating income or expenses represent total income or expenses excluding Gains or losses on dispositions of premises and equipment, Collection of written-off claims, Transfer to (from) Other

reserves, Gains on exemption of obligation, Losses on disposal of loans at a subsidiary and Amortization of unrecognized net transition obligation for employee retirement benefit.

(3) Operating income from overseas operations

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|-----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| (i) Operating income from overseas operations | ¥ 312,760 | ¥ 339,087 | \$ 2,524 |
| (ii) Consolidated operating income | 1,723,182 | 2,147,495 | 13,907 |
| (i) / (ii) | 18.2% | 15.7% | 18.2% |

From fiscal 1999, operating income from overseas operations is listed in place of operating income from international operations to express foreign trading activities more correctly. Operating income from overseas operations comprises transactions at the Bank's overseas branches and income from overseas consolidated subsidiaries. The composition of this substantial volume of transactions is not broken down by counterparty and, therefore, data by region and country have not been included.

37. Subsequent Events

The Bank merged with The Sumitomo Bank, Limited and transferred its assets, liabilities, all the claims and obligations and employees to The Sumitomo Bank, Limited as of April 1, 2001.

Independent Certified Public Accountants' Report



Independent Certified Public Accountants' Report

To the Board of Directors of
Sumitomo Mitsui Banking Corporation

We have examined the consolidated balance sheets of The Sakura Bank, Limited and consolidated subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of income, retained earnings and cash flows for the years then ended, all expressed in Japanese yen. The Sakura Bank, Limited was merged with the Sumitomo Bank, Limited as of April 1, 2001, to form Sumitomo Mitsui Banking Corporation. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied 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 financial position of The Sakura Bank, Limited and consolidated subsidiaries as of March 31, 2001 and 2000, and the results of their operations and cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As described in Note 1 to the consolidated financial statements, The Sakura Bank, Limited and consolidated subsidiaries have adopted new accounting standards for financial instruments, employee retirement benefit and revised accounting standard for foreign currency translation, in the preparation of their consolidated financial statements for the year ended March 31, 2001.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

As described in Note 37 to the consolidated financial statements, The Sakura Bank, Limited and The Sumitomo Bank, Limited have completed merger on April 1, 2001.

Century Ota Showa & Co.
Century Ota Showa & Co.

Tohmatsu & Co.
Tohmatsu & Co.

Tokyo, Japan
June 28, 2001

See Note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of The Sakura Bank, Limited and consolidated subsidiaries under Japanese accounting principles and practices.

Nonconsolidated Balance Sheets

(Supplemental Information)

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited)

March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars |
|---|--------------------|--------------------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Assets | | | |
| Cash and due from banks | ¥ 2,730,973 | ¥ 2,095,204 | \$ 22,041 |
| Call loans and bills bought | 86,437 | 197,492 | 697 |
| Commercial paper and other debt purchased | 3,097 | 640 | 25 |
| Trading assets | 565,596 | 1,104,111 | 4,564 |
| Money held in trust | 22,208 | 72,381 | 179 |
| Securities | 10,199,669 | 6,911,602 | 82,321 |
| Loans and bills discounted | 30,575,498 | 31,939,952 | 246,775 |
| Foreign exchanges | 262,590 | 316,149 | 2,119 |
| Other assets | 992,360 | 1,156,771 | 8,009 |
| Premises and equipment | 286,354 | 317,774 | 2,311 |
| Deferred tax assets | 524,199 | 583,559 | 4,230 |
| Customers' liabilities for acceptances and guarantees | 2,637,631 | 2,524,300 | 21,288 |
| Reserve for possible loan losses | (424,799) | (660,454) | (3,428) |
| Total assets | ¥48,461,818 | ¥46,559,485 | \$391,136 |
| Liabilities and stockholders' equity | | | |
| Liabilities | | | |
| Deposits | ¥33,534,079 | ¥33,342,655 | \$270,654 |
| Call money and bills sold | 4,600,490 | 2,558,919 | 37,130 |
| Commercial paper | 1,136,800 | 451,000 | 9,175 |
| Trading liabilities | 172,176 | 161,238 | 1,389 |
| Borrowed money | 1,596,797 | 1,953,529 | 12,887 |
| Foreign exchanges | 38,368 | 30,218 | 309 |
| Bonds | 470,000 | 270,000 | 3,793 |
| Convertible bonds | — | 95 | — |
| Other liabilities | 1,885,491 | 2,856,182 | 15,217 |
| Reserve for employee retirement benefit | 14,054 | 32,099 | 113 |
| Reserve for possible losses on loans sold | 67,163 | 94,853 | 542 |
| Other reserves | 9 | 9 | 0 |
| Deferred tax liabilities for land revaluation | 27,524 | 32,092 | 222 |
| Acceptances and guarantees | 2,637,631 | 2,524,300 | 21,288 |
| Total liabilities | ¥46,180,587 | ¥44,307,196 | \$372,724 |
| Stockholders' equity | | | |
| Capital stock: | | | |
| Common stock | ¥ 640,129 | ¥ 639,934 | \$ 5,166 |
| Preferred stock | 402,577 | 402,772 | 3,249 |
| Capital surplus | 899,521 | 899,521 | 7,260 |
| Earned surplus reserve | 131,261 | 124,120 | 1,059 |
| Land revaluation excess | 42,690 | 48,908 | 344 |
| Retained earnings | 165,051 | 137,032 | 1,332 |
| Total stockholders' equity | ¥ 2,281,230 | ¥ 2,252,289 | \$ 18,411 |
| Total liabilities and stockholders' equity | ¥48,461,818 | ¥46,559,485 | \$391,136 |

Notes: 1. Translation into U.S. dollars has been made on the basis of ¥123.90 to US\$1, the effective exchange rate at March 31, 2001.

2. Amounts less than one million have been omitted.

Nonconsolidated Statements of Income

(Supplemental Information)

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited)

Years ended March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars |
|---|-------------------|-------------------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Income | | | |
| Interest income: | | | |
| Interest on loans and discounts | ¥ 733,568 | ¥ 729,354 | \$ 5,920 |
| Interest and dividends on securities | 130,003 | 111,654 | 1,049 |
| Other interest income | 152,935 | 497,809 | 1,234 |
| Fees and commissions | 111,790 | 102,556 | 902 |
| Trading profits | 20,776 | 8,498 | 167 |
| Other operating income | 49,455 | 57,954 | 399 |
| Other income | 243,304 | 423,100 | 1,963 |
| Total income | ¥1,441,834 | ¥1,930,928 | \$11,637 |
| Expenses | | | |
| Interest expenses: | | | |
| Interest on deposits | ¥ 239,280 | ¥ 166,591 | \$ 1,931 |
| Interest on borrowings, bonds and rediscounts | 97,255 | 81,685 | 784 |
| Other interest expenses | 81,409 | 482,863 | 657 |
| Fees and commissions | 42,512 | 42,441 | 343 |
| Trading losses | — | 412 | — |
| Other operating expenses | 7,810 | 24,231 | 63 |
| General and administrative expenses | 380,520 | 430,417 | 3,071 |
| Transfer to reserve for possible loan losses | (43,728) | 155,208 | (352) |
| Other expenses | 497,715 | 393,004 | 4,017 |
| Transfer to other reserves | — | 0 | — |
| Total expenses | ¥1,302,774 | ¥1,776,858 | \$10,514 |
| Income before income taxes | ¥ 139,060 | ¥ 154,069 | \$ 1,122 |
| Income taxes: | | | |
| Current | ¥ 1,767 | ¥ 3,986 | \$ 14 |
| Deferred | 55,131 | 92,965 | 444 |
| Net income | ¥ 82,160 | ¥ 57,117 | \$ 663 |
| | Yen | | U.S. dollars |
| Per share of common stock: | | | |
| Net income | ¥17.28 | ¥11.24 | \$0.13 |
| Net income—diluted | 17.24 | — | 0.13 |

Consolidated Balance Sheets

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|--|--------------------|--------------------|--------------------------------------|
| | 2001 | 2000 | 2001 |
| Assets | | | |
| Cash and due from banks (Note 9) | ¥ 868,132 | ¥ 1,323,157 | \$ 7,007 |
| Deposits with banks (Notes 9, 30) | 3,755,464 | 2,642,560 | 30,310 |
| Call loans and bills bought | 139,189 | 252,075 | 1,123 |
| Receivables under resale agreements | 2,905,306 | — | 23,449 |
| Commercial paper and other debt purchased (Notes 9, 30) | 168,497 | 178,331 | 1,360 |
| Trading assets (Notes 3, 4, 9, 30) | 1,913,404 | 1,745,425 | 15,443 |
| Money held in trust (Note 30) | 52,912 | 109,039 | 427 |
| Securities (Notes 4, 9, 30) | 16,845,970 | 8,968,853 | 135,964 |
| Loans and bills discounted (Notes 5, 9) | 32,630,388 | 32,940,880 | 263,361 |
| Foreign exchanges | 470,092 | 362,889 | 3,794 |
| Other assets (Notes 4, 6, 9, 27) | 4,297,808 | 2,425,278 | 34,688 |
| Premises and equipment (Notes 7, 9) | 683,833 | 680,334 | 5,519 |
| Lease assets (Note 8) | 827,134 | 823,859 | 6,676 |
| Deferred tax assets | 598,280 | 704,881 | 4,829 |
| Goodwill | 6,224 | — | 50 |
| Customers' liabilities for acceptances and guarantees (Note 16) | 1,987,164 | 1,560,437 | 16,038 |
| Reserve for possible loan losses | (756,830) | (950,499) | (6,108) |
| Total assets | ¥67,392,974 | ¥53,767,504 | \$543,930 |
| Liabilities, minority interests and stockholders' equity | | | |
| Liabilities | | | |
| Deposits (Notes 9, 10) | ¥38,071,013 | ¥35,231,324 | \$307,272 |
| Call money and bills sold (Note 9) | 5,332,877 | 2,745,132 | 43,042 |
| Payables under repurchase agreements (Note 9) | 5,262,187 | — | 42,471 |
| Commercial paper | 594,456 | 192,507 | 4,798 |
| Trading liabilities (Notes 9, 11) | 1,068,607 | 952,649 | 8,625 |
| Borrowed money (Notes 9, 12) | 2,322,477 | 2,518,700 | 18,745 |
| Foreign exchanges | 213,813 | 163,951 | 1,726 |
| Bonds (Note 13) | 2,061,693 | 1,566,242 | 16,640 |
| Convertible bonds (Note 14) | 101,106 | 101,106 | 816 |
| Pledged money for securities lending transactions | 4,607,098 | 3,288,365 | 37,184 |
| Other liabilities (Note 15) | 3,116,359 | 2,782,112 | 25,152 |
| Reserve for employee retirement benefit (Note 27) | 7,972 | 49,715 | 64 |
| Reserve for possible losses on loans sold | 74,639 | 116,240 | 602 |
| Other reserves | 8 | 8 | 0 |
| Deferred tax liabilities | 24,271 | 3,585 | 196 |
| Deferred tax liabilities for land revaluation (Note 17) | 103,401 | 111,692 | 835 |
| Acceptances and guarantees (Notes 9, 16) | 1,987,164 | 1,560,437 | 16,038 |
| Total liabilities | ¥64,949,149 | ¥51,383,774 | \$524,206 |
| Minority interests (Note 18) | ¥ 606,673 | ¥ 579,371 | \$ 4,896 |
| Stockholders' equity (Note 19) | | | |
| Preferred stock, no par value; authorized 970,000 thousand shares and issued 167,000 thousand shares in 2001 and 2000 | ¥ 250,500 | ¥ 250,500 | \$ 2,022 |
| Common stock, par value ¥50; authorized 7,500,000 thousand shares and issued 3,141,062 thousand shares in 2001 and 2000 | 502,348 | 502,348 | 4,054 |
| Capital surplus | 643,080 | 643,080 | 5,190 |
| Land revaluation excess (Note 17) | 167,613 | 168,119 | 1,353 |
| Retained earnings | 319,924 | 253,573 | 2,582 |
| Foreign currency translation adjustments | (32,171) | — | (259) |
| Treasury stock | (4) | (16) | (0) |
| Parent bank stock held by subsidiaries | (14,140) | (13,247) | (114) |
| Total stockholders' equity | ¥ 1,837,151 | ¥ 1,804,358 | \$ 14,828 |
| Total liabilities, minority interests and stockholders' equity | ¥67,392,974 | ¥53,767,504 | \$543,930 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

Years ended March 31, 2001, 2000 and 1999

| | Millions of yen | | | Millions of U.S. dollars (Note 1) |
|--|-------------------|-------------------|--------------------|--------------------------------------|
| | 2001 | 2000 | 1999 | 2001 |
| Income | | | | |
| Interest income: | | | | |
| Interest on loans and discounts | ¥ 858,927 | ¥ 844,865 | ¥1,044,429 | \$ 6,932 |
| Interest and dividends on securities | 193,828 | 162,129 | 185,039 | 1,564 |
| Interest on receivables under resale agreements | 10,861 | — | — | 88 |
| Other interest income | 264,438 | 521,036 | 475,792 | 2,134 |
| Fees and commissions (Note 20) | 202,836 | 182,637 | 212,090 | 1,637 |
| Trading profits (Note 21) | 84,376 | 69,760 | 107,402 | 681 |
| Other operating income (Note 22) | 552,060 | 589,638 | 615,925 | 4,456 |
| Other income (Note 23) | 560,256 | 643,550 | 188,119 | 4,522 |
| Total income | ¥2,727,586 | ¥3,013,618 | ¥2,828,799 | \$22,014 |
| Expenses | | | | |
| Interest expenses: | | | | |
| Interest on deposits | ¥ 397,616 | ¥ 288,363 | ¥ 537,301 | \$ 3,209 |
| Interest on borrowings and rediscounts | 74,574 | 79,239 | 118,313 | 602 |
| Interest on payables under repurchase agreements | 22,224 | — | — | 179 |
| Other interest expenses | 180,092 | 506,712 | 393,401 | 1,454 |
| Fees and commissions (Note 20) | 33,918 | 36,775 | 33,634 | 274 |
| Trading losses (Note 21) | 2,146 | 22,853 | 81,847 | 17 |
| Other operating expenses (Note 24) | 505,193 | 510,433 | 466,419 | 4,077 |
| General and administrative expenses (Note 27) | 450,268 | 466,140 | 523,937 | 3,634 |
| Transfer to reserve for possible loan losses | 32,103 | 245,182 | 654,245 | 259 |
| Other expenses (Note 25) | 755,978 | 641,414 | 778,729 | 6,102 |
| Total expenses | ¥2,454,118 | ¥2,797,115 | ¥3,587,829 | \$19,807 |
| Income (loss) before income taxes and minority interests | ¥ 273,468 | ¥ 216,503 | ¥ (759,030) | \$ 2,207 |
| Income taxes (Note 26): | | | | |
| Current | ¥ 57,439 | ¥ 50,794 | ¥ 43,048 | \$ 463 |
| Deferred | 128,327 | 96,387 | (231,468) | 1,036 |
| | ¥ 185,766 | ¥ 147,182 | ¥ (188,419) | \$ 1,499 |
| Minority interests in net income | 4,231 | 7,444 | 1,721 | 34 |
| Net income (loss) | ¥ 83,469 | ¥ 61,875 | ¥ (568,889) | \$ 674 |
| | | Yen | | U.S. dollars (Note 1) |
| Per share data: | | | | |
| Net income (loss) | ¥25.50 | ¥18.61 | ¥(181.48) | \$0.21 |
| Net income—diluted | 24.93 | 18.17 | — | 0.20 |
| Declared dividends on common stock | 6.00 | 6.00 | 6.00 | 0.05 |
| Declared dividends on preferred stock (first series type I) | 10.50 | 10.50 | 0.03 | 0.08 |
| Declared dividends on preferred stock (second series type I) | 28.50 | 28.50 | 0.08 | 0.23 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

Years ended March 31, 2001, 2000 and 1999

| | Millions of yen | | | | | | | | |
|--|-----------------|-----------------|-----------------|------------------------|-------------------------|-------------------|--|------------------|-------------------|
| | Preferred stock | Common stock | Capital surplus | Earned surplus reserve | Land revaluation excess | Retained earnings | Foreign currency translation adjustments | Deduction* | Total |
| Balance at March 31, 1998 | ¥ — | ¥502,348 | ¥392,580 | ¥ 94,595 | ¥ — | ¥682,075 | ¥ — | ¥ (5) | ¥1,671,593 |
| Preferred stock issued | 250,500 | — | 250,500 | — | — | — | — | — | 501,000 |
| Reclassification (Notes 17 and 19) | — | — | — | (94,595) | 165,289 | 94,595 | — | — | 165,289 |
| Increase due to change of consolidation policy | — | — | — | — | — | 24,170 | — | — | 24,170 |
| Cash dividends paid | — | — | — | — | — | (22,772) | — | — | (22,772) |
| Net income | — | — | — | — | — | (568,889) | — | — | (568,889) |
| Change of treasury stock and parent bank stock held by subsidiaries | — | — | — | — | — | — | — | (13,267) | (13,267) |
| Balance at March 31, 1999 | ¥250,500 | ¥502,348 | ¥643,080 | ¥ — | ¥165,289 | ¥209,178 | ¥ — | ¥ (13,272) | ¥1,757,123 |
| Transfer from land revaluation excess to retained earnings | — | — | — | — | (3,152) | 3,152 | — | — | — |
| Change of effective tax rates and others | — | — | — | — | 5,983 | — | — | — | 5,983 |
| Cash dividends paid | — | — | — | — | — | (20,633) | — | — | (20,633) |
| Net income | — | — | — | — | — | 61,875 | — | — | 61,875 |
| Change of treasury stock and parent bank stock held by subsidiaries | — | — | — | — | — | — | — | 9 | 9 |
| Balance at March 31, 2000 | ¥250,500 | ¥502,348 | ¥643,080 | ¥ — | ¥168,119 | ¥253,573 | ¥ — | ¥ (13,263) | ¥1,804,358 |
| Transfer from land revaluation excess to retained earnings | — | — | — | — | (5,281) | 5,281 | — | — | — |
| Change of effective tax rates and others | — | — | — | — | 4,775 | — | — | — | 4,775 |
| Cash dividends paid | — | — | — | — | — | (22,399) | — | — | (22,399) |
| Net income | — | — | — | — | — | 83,469 | — | — | 83,469 |
| Adoption of revised accounting standard for foreign currency translation | — | — | — | — | — | — | (32,171) | — | (32,171) |
| Change of treasury stock and parent bank stock held by subsidiaries | — | — | — | — | — | — | — | (880) | (880) |
| Balance at March 31, 2001 | ¥250,500 | ¥502,348 | ¥643,080 | ¥ — | ¥167,613 | ¥319,924 | ¥(32,171) | ¥(14,144) | ¥1,837,151 |

| | Millions of U.S. dollars (Note 1) | | | | | | | | |
|--|-----------------------------------|----------------|-----------------|------------------------|-------------------------|-------------------|--|----------------|-----------------|
| | Preferred stock | Common stock | Capital surplus | Earned surplus reserve | Land revaluation excess | Retained earnings | Foreign currency translation adjustments | Deduction* | Total |
| Balance at March 31, 2000 | \$2,022 | \$4,054 | \$5,190 | \$ — | \$1,357 | \$2,047 | \$ — | \$(107) | \$14,563 |
| Transfer from land revaluation excess to retained earnings | — | — | — | — | (42) | 42 | — | — | — |
| Change of effective tax rates and others | — | — | — | — | 38 | — | — | — | 38 |
| Cash dividends paid | — | — | — | — | — | (181) | — | — | (181) |
| Net income | — | — | — | — | — | 674 | — | — | 674 |
| Adoption of revised accounting standard for foreign currency translation | — | — | — | — | — | — | (259) | — | (259) |
| Change of treasury stock and parent bank stock held by subsidiaries | — | — | — | — | — | — | — | (7) | (7) |
| Balance at March 31, 2001 | \$2,022 | \$4,054 | \$5,190 | \$ — | \$1,353 | \$2,582 | \$(259) | \$(114) | \$14,828 |

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

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

Years ended March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|-------------------|-------------------|--------------------------------------|
| | 2001 | 2000 | 2001 |
| Cash flows from operating activities | | | |
| Income before income taxes and minority interests | ¥ 273,468 | ¥ 216,503 | \$ 2,207 |
| Depreciation of premises and equipment | 26,140 | 24,070 | 211 |
| Depreciation of lease assets | 268,700 | 272,031 | 2,169 |
| Amortization of goodwill | 1,571 | 1 | 13 |
| Net (income) loss from nonconsolidated entities accounted for by the equity method | (36,479) | 35,549 | (294) |
| Net change in reserve for possible loan losses | (192,154) | (315,850) | (1,551) |
| Net change in reserve for possible losses on loans sold | (41,600) | (23,545) | (336) |
| Net change in reserve for employee retirement benefit | (46,355) | (2,715) | (374) |
| Interest income | (1,328,056) | (1,528,031) | (10,719) |
| Interest expenses | 674,508 | 874,315 | 5,444 |
| Net gains on securities | (418,493) | (508,327) | (3,378) |
| Net (income) loss from money held in trust | (268) | 760 | (2) |
| Net exchange (gains) losses | (103,436) | 73,864 | (835) |
| Net losses from disposition of premises and equipment | 15,097 | 8,306 | 122 |
| Net losses from disposition of lease assets | 3,575 | 33,342 | 29 |
| Gain on sale of business operation | — | (8,000) | — |
| Loss from additional payment for pension liabilities | — | 21,460 | — |
| Net change in trading assets | (303,615) | 826,416 | (2,451) |
| Net change in trading liabilities | 433,148 | (351,166) | 3,496 |
| Net change in loans and bills discounted | 350,155 | 2,514,357 | 2,826 |
| Net change in deposits | 2,687,498 | 271,528 | 21,691 |
| Net change in negotiable certificates of deposit | 154,263 | 1,061,647 | 1,245 |
| Net change in borrowed money (excluding subordinated debt) | (203,229) | (200,617) | (1,640) |
| Net change in deposits with banks | (1,087,125) | (1,875,746) | (8,774) |
| Net change in call loans and receivables under resale agreements | (2,576,375) | 235,178 | (20,794) |
| Net change in pledged money for securities borrowing transactions | (652,884) | 137,396 | (5,269) |
| Net change in call money and payables under repurchase agreements | 3,166,244 | (615,238) | 25,555 |
| Net change in commercial paper | 401,621 | (321,851) | 3,241 |
| Net change in pledged money for securities lending transactions | 1,318,733 | 1,154,362 | 10,643 |
| Net change in foreign exchanges (assets) | (107,134) | 30,430 | (865) |
| Net change in foreign exchanges (liabilities) | 49,833 | 22,124 | 402 |
| Net change in bonds (excluding subordinated bonds) | 478,453 | 524,910 | 3,862 |
| Interest received | 1,211,640 | 1,430,203 | 9,779 |
| Interest paid | (837,803) | (894,663) | (6,762) |
| Other, net | 25,236 | (429,627) | 204 |
| Subtotal | ¥3,604,878 | ¥2,693,381 | \$29,095 |
| Additional payment for pension liabilities | — | (21,578) | — |
| Income taxes paid | (47,172) | (41,659) | (381) |
| Net cash provided by operating activities | ¥3,557,706 | ¥2,630,143 | \$28,714 |

See accompanying notes to consolidated financial statements.

(Continued)

| | Millions of yen | | Millions of |
|---|----------------------|----------------------|-----------------------|
| | 2001 | 2000 | U.S. dollars (Note 1) |
| | | | 2001 |
| Cash flows from investing activities | | | |
| Purchases of securities | ¥(28,751,233) | ¥(38,223,957) | \$ (232,052) |
| Proceeds from sale of securities | 12,151,611 | 29,463,927 | 98,076 |
| Proceeds from maturity of securities | 12,930,322 | 6,821,306 | 104,361 |
| Purchases of money held in trust | (91,300) | (59,516) | (737) |
| Proceeds from sale of money held in trust | 148,488 | 34,750 | 1,198 |
| Purchases of premises and equipment | (49,183) | (36,175) | (397) |
| Proceeds from sale of premises and equipment | 21,260 | 11,365 | 172 |
| Purchase of lease assets | (314,383) | (325,621) | (2,537) |
| Proceeds from sale of lease assets | 35,590 | 16,304 | 287 |
| Proceeds from sale of business operation | — | 8,000 | — |
| Proceeds from sale of subsidiaries | 5,083 | — | 41 |
| Net cash used in investing activities | ¥ (3,913,743) | ¥ (2,289,615) | \$ (31,588) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of subordinated debt | ¥ 10,000 | ¥ 5,000 | \$ 81 |
| Repayment of subordinated debt | (52,000) | (47,000) | (420) |
| Proceeds from issuance of subordinated bonds, convertible bonds and notes | 104,500 | 149,150 | 843 |
| Repayment of subordinated bonds, convertible bonds and notes | (143,550) | (23,000) | (1,159) |
| Dividends paid | (22,406) | (20,640) | (181) |
| Dividends paid to minority stockholders | (192) | (333) | (1) |
| Purchases of treasury stock | (541) | (714) | (4) |
| Proceeds from sale of treasury stock | 548 | 717 | 5 |
| Net cash (used in) provided by financing activities | ¥ (103,642) | ¥ 63,179 | \$ (836) |
| Effects of exchange rate changes on cash and due from banks | ¥ 2,525 | ¥ (9,226) | \$ 20 |
| Net change in cash and due from banks | ¥ (457,154) | ¥ 394,481 | \$ (3,690) |
| Cash and due from banks at beginning of year | ¥ 1,323,157 | ¥ 928,701 | \$ 10,680 |
| Change in cash and due from banks due to newly consolidated subsidiaries | 2,129 | — | 17 |
| Decrease of cash and due from banks caused from exception of consolidation | — | (25) | — |
| Cash and due from banks at end of year | ¥ 868,132 | ¥ 1,323,157 | \$ 7,007 |

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries
Year ended March 31, 1999

| | Millions of yen |
|---|---------------------|
| | 1999 |
| Cash flows from operating activities | |
| Net loss | ¥ (568,889) |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | |
| Depreciation and amortization | 299,820 |
| Transfer to reserve for possible loan losses | 654,245 |
| Write-off of loans | 369,481 |
| Losses on sale of loans and loans sold | 179,204 |
| Securities gains, net | (87,778) |
| Deferred income taxes | (237,489) |
| Minority interests in net income | 1,721 |
| Net change in trading assets and liabilities | 150,384 |
| Net change in accrual and other, net | 539,138 |
| Net cash provided by operating activities | <u>¥ 1,299,837</u> |
| Cash flows from investing activities | |
| Net change in deposits with banks | ¥ 1,608,594 |
| Net change in call loans | 587,175 |
| Net change in commercial paper and other debt purchased | 55,801 |
| Net change in money held in trust | 131,564 |
| Net change in loans and bills discounted | 1,748,431 |
| Proceeds from sale of securities | 7,290,157 |
| Proceeds from maturity of securities | 654,920 |
| Purchases of securities | (7,229,552) |
| Purchases of premises and equipment | (64,249) |
| Purchases of lease assets | (278,528) |
| Other, net | 218,901 |
| Net cash provided by investing activities | <u>¥ 4,723,214</u> |
| Cash flows from financing activities | |
| Net change in deposits | ¥(4,246,208) |
| Net change in call money | (1,442,174) |
| Net change in commercial paper and borrowed money | (1,891,537) |
| Proceeds from issuance of preferred stock | 501,000 |
| Proceeds from issuance of subordinated debt | 150,829 |
| Proceeds from issuance of preferred securities | 340,000 |
| Dividends paid | (22,772) |
| Other, net | (101,110) |
| Net cash used in financing activities | <u>¥(6,711,972)</u> |
| Effect of increase in consolidated subsidiaries | ¥ 2,699 |
| Effects of exchange rate changes on cash and due from banks | ¥ (44,549) |
| Net change in cash and due from banks | ¥ (730,771) |
| Cash and due from banks at beginning of year | <u>¥ 1,576,972</u> |
| Cash and due from banks at end of year | <u>¥ 846,201</u> |

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries

March 31, 2001, 2000 and 1999

1. Basis of Financial Statements

Sumitomo Mitsui Banking Corporation (formerly The Sumitomo Bank, Limited) (the "Bank"), a Japanese corporation, maintains its records and prepares its financial statements in Japanese yen.

The Bank and its consolidated domestic subsidiaries maintain their accounts and records in accordance with accounting principles and prevailing practices generally accepted in Japan, which are different from accounting and disclosure requirements of international accounting standards.

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

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The consolidated statements of stockholders' equity for 2001, 2000 and 1999 have been prepared for the purpose of inclusion in the accompanying consolidated financial statements, although such statements were not required for domestic purposes and were not filed with the regulatory authorities.

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 ¥123.90 to US\$1, the exchange rate prevailing at March 31, 2001. 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 intercompany balances and transactions have been eliminated.

Effective April 1, 1998, a new accounting standard on consolidated financial statements (the "New Standard") has been adopted in Japan. The New Standard requires a company to consolidate any subsidiaries of which the company substantially controls the operations, even if it is not a majority owned subsidiary. Control exists where the company has (a) the power to appoint or remove the majority of the numbers of the board of directors or equivalent governing body; or (b) the power to cast the majority votes at meetings of the board of directors or equivalent governing body, etc.

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 an adjustment 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 shareholders, are evaluated using the fair value at the time the Bank acquired control of the respective subsidiaries.

Goodwill on The Sumitomo Credit Service Company, Ltd. is amortized using the straight-line method over five years. Goodwill on the other entities is charged or credited to income directly.

Investments in major affiliates are accounted for by the equity method. Net income (loss) from such investments were ¥36,479 million (\$294 million) recorded as other income and ¥(35,549) million recorded as other expense for 2001 and 2000, respectively.

(2) Statements of cash flows

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

Starting from fiscal 1999, the definition of due from banks has been changed to include all non-interest bearing deposits.

The Bank prepared the 2001 and 2000 consolidated statements of cash flows as required by and in accordance with the "Standards for Preparation of Consolidated Cash Flow Statements, etc.," effective from the year ended March 31, 2000.

The 1999 consolidated statement of cash flows, which was voluntarily prepared for the purpose of inclusion in the consolidated financial statements in a form familiar to readers outside Japan, has not been restated. One of the significant differences between the consolidated statements of cash flows in 2001 and 2000 and in 1999 is the use of pretax income in 2001 and 2000 instead of net income in 1999.

Additionally, some of the classification of activities, such as loans (previously classified as investing) and deposits (previously classified as financing), were changed to operating activities.

(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 statements of income.

Trading assets and liabilities are accounted for based on trading date.

(4) Securities

Prior to April 1, 2000, securities, including stocks, corporate bonds, and Japanese national and local government bonds, were stated at moving-average cost.

Securities included in money held in trust were also recorded at moving-average cost.

Effective April 1, 2000, as for securities other than those in 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. Debt securities in other securities are carried at amortized cost using the moving-average method. Equity securities in other securities are carried at cost using the moving-average method.

Securities held by the consolidated overseas subsidiaries are carried at cost (amortized cost) using primarily the specific identification method.

Securities included in money held in trust are carried in the same manner.

(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 managed by some foreign branches are recorded on a cost basis using the short-cut method 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. Derivative transactions, such as interest rate swaps, are used in these hedging activities, and the contract amount is ¥564,560 million (\$4,557 million), the fair value is ¥(12,688) million (\$102) million

and net unrealized loss is ¥(12,688) million (\$102) million) at March 31, 2001.

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

Net of deferred unrealized gains and losses from hedging instruments is reported in other liabilities. Deferred unrealized losses and unrealized gains from hedging instruments at March 31, 2001 are ¥668,099 million (\$5,392 million) and ¥680,130 million (\$5,489 million), respectively.

(7) Nonaccrual loans

Loans are generally placed on nonaccrual status when such loans are classified as Bankrupt and Effectively Bankrupt and 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.

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 lives (mainly five years) at the Bank and consolidated domestic subsidiaries, and 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 of Bankrupt Borrowers and Effectively Bankrupt Borrowers, the Bank recognizes a portion exceeding the appraised value of collateral of and/or the amount

deemed collectible from guarantees of those loans as irrecoverable, and writes off the portion. For the years ended March 31, 2001 and 2000, the Bank and the consolidated subsidiaries made such write-offs of ¥887,791 million (\$7,165 million) and ¥978,443 million, respectively.

For loans of Bankrupt Borrowers and Effectively Bankrupt Borrowers, the Bank provides specific reserves. The amounts of the specific reserves are calculated by deducting the 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 of 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 of 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 provides 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 retirement benefit

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 reserve for employee retirement benefit is, in general, based on length of service, basic salary at the time of retirement and reason for retirement. Prior to April 1, 2000, the liability for lump-sum payments is stated at the amount which would be required to be paid by the Bank if all eligible employees voluntarily retired at the balance sheet date.

In addition, the Bank has defined benefit pension plans which substantially cover all employees. Annual contributions, which consist of normal costs and amortization of prior service costs, are included in general and administrative expenses.

Effective April 1, 2000, a new accounting standard for employee's severance and retirement benefits was adopted in Japan. Reserve for employee retirement benefit (prepaid pension cost) is 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. 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 of ¥105,290 million (\$850 million) is amortized using the straight-line method over five years.

Due to the new accounting standard, Income before income taxes and minority interests for the year ended March 31, 2001, has increased compared with prior accounting method by ¥11,266 million (\$91 million).

Prepaid pension cost is reported in Other assets at March 31, 2001.

(13) Translation of foreign currencies

- (i) The foreign currency financial statements are translated into Japanese yen at the exchange rate prevailing at respective year-ends, except for the stockholders' equity accounts, which are translated at historical rates.
- (ii) (a) Foreign currency assets and liabilities of the Bank are translated into Japanese yen at the exchange rate prevailing at the date of the consolidated balance sheets, except for certain special investment accounts as approved by the Japanese regulatory authorities, which are translated at their historical rates.
(b) Foreign currency accounts held by the consolidated subsidiaries are translated into the currency of the subsidiary at the exchange rate prevailing at the respective year-ends.

Effective April 1, 2000, consolidated domestic subsidiaries adopt the revised 'Accounting Standards for Foreign Currency Transactions' (issued by the Business Accounting Deliberation Council in October 1999). As a result, Income before income taxes and minority interests for 2001 has decreased compared with prior accounting method by ¥48 million.

In accordance with the revision of the accounting standard, the presentation of Foreign currency translation adjustments is changed from Assets to Stockholders' equity and Minority interests. As a result, Assets decreased by ¥32,778 million (\$264 million), Stockholders' equity decreased by ¥32,171 million (\$259 million), and Minority interests decreased by ¥607 million (\$5 million) at March 31, 2001 compared with prior accounting method.

(14) 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.

(15) 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.

(16) Reclassifications

Certain prior year's amounts have been reclassified in conformity with the 2001 presentation. These changes had no impact on previously reported results of operations or stockholders' equity.

(17) New accounting standard for financial instruments

Effective April 1, 2000, a new accounting standard for financial instruments was adopted in Japan. Accordingly, the valuation methods of securities and derivatives, excluding those in the trading portfolio, have been changed, and hedge accounting has been adopted. As a result, Income before income taxes and minority interests for 2001 has increased ¥20,738 million (\$167 million) compared with the prior accounting method and Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction. As a result, income and expenses for 2001 have decreased by ¥493,177 million (\$3,980 million) though Income before income taxes and minority interests did not change.

In addition, certain transactions under resale agreements and repurchase agreements are considered as financing activities, not as purchasing or selling activities, and reported in Receivables under resale agreements and Payables under repurchase agreements. As a result, the amount of Securities increased by ¥1,610,677 million (\$13,000 million) at March 31, 2001 compared with the prior treatment as purchasing or selling activities.

3. Trading Assets

Trading assets at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Trading securities | ¥ 247,429 | ¥ 301,522 | \$ 1,997 |
| Derivatives of trading securities | 19 | 18 | 0 |
| Derivatives of securities related to trading transactions | 18 | 57 | 0 |
| Trading-related financial derivatives | 914,197 | 591,008 | 7,379 |
| Other trading assets* | 751,740 | 852,817 | 6,067 |
| | ¥1,913,404 | ¥1,745,425 | \$15,443 |

* Other trading assets includes commercial paper and other debt purchased related to trading transactions.

4. Securities

Securities at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------------------|--------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Japanese government bonds | ¥10,691,292 | ¥3,488,594 | \$ 86,290 |
| Japanese local government bonds | 322,120 | 358,977 | 2,600 |
| Japanese corporate bonds | 666,286 | 714,032 | 5,378 |
| Japanese stocks* | 3,042,388 | 3,396,547 | 24,555 |
| Other* | 2,123,883 | 1,010,700 | 17,141 |
| | ¥16,845,970 | ¥8,968,853 | \$135,964 |

* Japanese stocks and other include investments in nonconsolidated subsidiaries and affiliates of ¥197,762 million (\$1,596 million) and ¥178,896 million at March 31, 2001 and 2000, respectively.

Securities of ¥1,956,646 million (\$15,792 million), which are used for security lending transactions for consumption, are included in the accounts of Securities, Other assets and Trading assets at March 31, 2001.

5. Loans and Bills Discounted

Loans and bills discounted at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|--------------------|--------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Bills discounted | ¥ 474,217 | ¥ 448,000 | \$ 3,827 |
| Loans on notes and deeds | 26,332,159 | 24,414,229 | 212,528 |
| Overdrafts | 5,824,011 | 8,078,649 | 47,006 |
| | ¥32,630,388 | ¥32,940,880 | \$263,361 |

The following summarizes the non-accrual loans of the Bank and consolidated subsidiaries at March 31, 2001 and 2000.

| | Millions of yen | | Millions of U.S. dollars |
|-------------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Bankrupt loans | ¥ 75,729 | ¥ 87,296 | \$ 611 |
| Non-accrual loans | 1,535,566 | 1,661,933 | 12,394 |
| Total non-accrual loans | ¥1,611,295 | ¥1,749,230 | \$13,005 |

In addition to the non-accrual loans, the Bank and consolidated subsidiaries also classify loans overdue by three months or longer as substandard loans, and such loan balances at March 31, 2001 and 2000 were ¥49,909 million (\$403 million) and ¥79,208 million, respectively.

Restructured loans are loans for which the Bank and the consolidated subsidiaries have 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 ¥128,581 million (\$1,038 million) and ¥374,880 million at March 31, 2001 and 2000, respectively.

6. Other Assets

Other assets at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|-------------------------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Accrued income and prepaid expenses | ¥ 295,002 | ¥ 501,086 | \$ 2,381 |
| Securities in custody | 1,111,612 | 704,390 | 8,972 |
| Other | 2,891,193 | 1,219,801 | 23,335 |
| | ¥4,297,808 | ¥2,425,278 | \$34,688 |

7. Premises and Equipment

Premises and equipment at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Land* | ¥ 416,299 | ¥ 428,300 | \$3,360 |
| Buildings | 286,758 | 282,938 | 2,314 |
| Equipment and others | 323,721 | 331,076 | 2,613 |
| Total | ¥1,026,779 | ¥1,042,315 | \$8,287 |
| Accumulated depreciation | (342,946) | (361,980) | (2,768) |
| Net book value | ¥ 683,833 | ¥ 680,334 | \$5,519 |

* Land includes land revaluation excess with related taxes referred to in Note 17.

8. Lease Assets

Lease assets at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------|-----------------|-------------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Equipment and others | ¥2,131,697 | ¥2,148,685 | \$17,205 |
| Accumulated depreciation | (1,304,562) | (1,324,826) | (10,529) |
| | ¥ 827,134 | ¥ 823,859 | \$ 6,676 |

9. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|-----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Assets pledged as collateral: | | | |
| Cash and due from banks and Deposits with banks | ¥ 60,462 | ¥ — | \$ 488 |
| Commercial paper and other debt purchased | — | 10,615 | — |
| Trading assets | 1,143,569 | — | 9,230 |
| Securities | 7,103,992 | 803,881 | 57,336 |
| Loans and bills discounted | 1,671,141 | 1,532,634 | 13,488 |
| Premises and equipment | — | 471 | — |
| Other assets | 2,255 | — | 18 |
| Liabilities corresponding to assets pledged as collateral: | | | |
| Deposits | ¥ 699 | ¥ 168,240 | \$ 6 |
| Call money and bills sold | 3,944,800 | 1,495,300 | 31,839 |
| Payables under repurchase agreements | 5,262,187 | — | 42,471 |
| Trading liabilities | 22,740 | 5,473 | 184 |
| Borrowed money | 107,769 | 24,354 | 870 |
| Acceptances and guarantees | 42,373 | 36,303 | 342 |

Premises and equipment include surety deposits and intangible of ¥70,478 million (\$569 million) and ¥72,244 million at March 31, 2001 and 2000, respectively. Other assets include initial margins of futures markets of ¥17,539 million (\$142 million) and

¥7,301 million and pledged money for securities borrowing transactions of ¥823,711 million (\$6,648 million) and ¥170,826 million at March 31, 2001 and 2000, respectively.

In addition to the assets presented above, the following assets were pledged as collateral for exchange settlements, initial margins of future markets and certain other purposes at March 31, 2001 and 2000:

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|----------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Cash and due from banks and Deposits with banks | ¥ 62,978 | ¥ 52,799 | \$ 508 |
| Trading assets | 3,072 | — | 25 |
| Securities | 3,549,337 | 799,307 | 28,647 |
| Loans and bills discounted | 120,089 | — | 969 |
| Other assets (Securities in custody) | 263,550 | 26,115 | 2,127 |

10. Deposits

Deposits at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|------------------------------------|-----------------|-------------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Current deposits | ¥ 1,983,588 | ¥ 1,750,499 | \$ 16,010 |
| Savings deposits | 8,169,611 | 7,721,902 | 65,937 |
| Deposits at notice | 6,469,731 | 4,397,254 | 52,217 |
| Time deposits | 12,290,315 | 12,666,726 | 99,195 |
| Other deposits | 2,131,815 | 1,825,681 | 17,206 |
| Negotiable certificates of deposit | 7,025,950 | 6,869,258 | 56,707 |
| | ¥38,071,013 | ¥35,231,324 | \$307,272 |

11. Trading Liabilities

Trading liabilities at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---|-------------------|-----------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Trading securities sold for short sales | ¥ 14,326 | ¥327,165 | \$ 116 |
| Derivatives of trading securities | 0 | 17 | 0 |
| Derivatives of securities related to trading transactions | 9 | 26 | 0 |
| Trading-related financial derivatives | 1,054,270 | 625,440 | 8,509 |
| | ¥1,068,607 | ¥952,649 | \$8,625 |

12. Borrowed Money

Borrowed money at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Bills rediscounted | ¥ 34,817 | ¥ 22,027 | \$ 281 |
| Subordinated debt obligation | 642,315 | 684,151 | 5,184 |
| Borrowings from the Bank of Japan and other financial institutions | 1,645,344 | 1,812,521 | 13,280 |
| | ¥2,322,477 | ¥2,518,700 | \$18,745 |

The repayment schedule within five years on borrowed money at March 31, 2001, is shown as follows:

| | Millions of yen | | | | |
|--|--------------------------|------------------|--------------------|---------------------|--------------------|
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | ¥1,385,271 | ¥311,718 | ¥209,824 | ¥128,587 | ¥185,927 |
| | Millions of U.S. dollars | | | | |
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | \$11,181 | \$2,516 | \$1,693 | \$1,038 | \$1,501 |

13. Bonds

Bonds included subordinated bonds of ¥1,082,130 million (\$8,734 million) and ¥1,067,255 million at March 31, 2001 and 2000, respectively.

The redemption schedule within five years on bonds (including convertible bonds) at March 31, 2001, is shown as follows:

| | Millions of yen | | | | |
|--|--------------------------|------------------|--------------------|---------------------|--------------------|
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | ¥160,010 | ¥66,366 | ¥94,965 | ¥220,297 | ¥525,847 |
| | Millions of U.S. dollars | | | | |
| | One year or less | One to two years | Two to three years | Three to four years | Four to five years |
| | \$1,291 | \$536 | \$766 | \$1,778 | \$4,244 |

14. Convertible Bonds

Convertible bonds at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|-----------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Convertible bonds payable in U.S. dollars: | | | |
| 3 ¹ / ₈ % due 2004, convertible into common stock at ¥3,606.90 per share | ¥ 1,106 | ¥ 1,106 | \$ 9 |
| Convertible bonds payable in Japanese yen: | | | |
| 3 ³ / ₈ % due 2001, convertible into common stock at ¥1,239.00 per share | 100,000 | 100,000 | 807 |
| | ¥101,106 | ¥101,106 | \$816 |

Convertible bonds payable in Japanese yen (3³/₈% due 2001) (the "Bonds") were mandatorily converted to common stock of the Bank at May 31, 2001. Consequently, common stock and capital surplus increased by ¥50,045 million and ¥49,954 million,

respectively, and the number of common shares issued increased by 91,324 thousand. The conversion price of the Bonds was adjusted to ¥1,095 per share in accordance with the terms and conditions of the Bonds at May 31, 2001.

15. Other Liabilities

Other liabilities at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--------------------------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Accrued expenses and unearned income | ¥ 216,473 | ¥ 283,443 | \$ 1,747 |
| Income taxes | 40,110 | 17,206 | 324 |
| Employees' deposits | 41,657 | 43,832 | 336 |
| Trading-related accounts payable | — | 607,318 | — |
| Financial derivatives | 488,138 | — | 3,940 |
| Other | 2,329,977 | 1,830,310 | 18,805 |
| | ¥3,116,359 | ¥2,782,112 | \$25,152 |

16. Acceptances and Guarantees

Acceptances and guarantees at March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|-------------------|-------------------|-------------------|--------------------------|
| | 2001 | 2000 | 2001 |
| Acceptances | ¥ 19,941 | ¥ 19,276 | \$ 161 |
| Letters of credit | 580,140 | 525,101 | 4,682 |
| Guarantees | 1,387,081 | 1,016,059 | 11,195 |
| | ¥1,987,164 | ¥1,560,437 | \$16,038 |

Guarantees and standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. The Bank is obliged to pay the third party upon presentation of a claim that meets the conditions of the commitment. The Bank also issues letters of credit for import

transactions in international operations. These contingent liabilities are accounted for in acceptances and guarantees, with a corresponding amount recorded in customers' liabilities for acceptances and guarantees.

17. Land Revaluation Excess

Pursuant to the Enforcement Ordinance for the Law concerning land revaluation (the "Law"), effective March 31, 1998, the Bank and one of its domestic banking subsidiaries recorded their own land 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. According to the Law, the Bank is not permitted to revalue the land at any time, even if the fair value of the land declines. Such unrecorded revaluation losses at March 31, 2001 and 2000, were ¥72,126 million (\$582 million) and ¥56,692 million, respectively.

18. Minority Interests

SB Treasury Company, L.L.C., a subsidiary of the Bank, issued noncumulative preferred securities, totaling \$1.8 billion in February 1998. SB Equity Securities (Cayman), Limited, a subsidiary of the Bank, issued floating noncumulative preferred securities, totaling

¥340 billion in March 1999. Both subsidiaries are consolidated and the preferred securities are accounted for as minority interests.

19. Stockholders' Equity

Under the Banking Law of Japan, the Bank is 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 equals 100 percent of the common stock. The capital

surplus and earned surplus reserve are 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.

In accordance with a disclosure requirement effective from the year ended March 31, 1999, the earned surplus reserve is included in retained earnings.

The Commercial Code of Japan provides that at least one half of the proceeds from shares issued at prices in excess of par value be included in common stock. 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.

In accordance with the Law concerning Emergency Measures for the Early Strengthening of the Functions of the Financial System, the Bank issued a series of noncumulative preferred

stock in the aggregate amount of ¥501 billion (the first issuance of 67 million shares at ¥201 billion and the second issuance of 100 million shares at ¥300 billion). All of the preferred stocks were subscribed by The Resolution and Collection Bank, Limited, on March 30, 1999. The noncumulative preferred stocks are redeemable at the option of the Bank at any time. The initial ¥201 billion in Preferred stock is convertible into common stock of the Bank at any time from May 1, 2002 until February 26, 2009, while the subsequent ¥300 billion in Preferred stock is convertible into common stock of the Bank at any time from August 1, 2005 until February 26, 2009, in each case subject to certain adjustments to the conversion period.

20. Fees and Commissions

Fees and commissions for the years ended March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------------------|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Fees and commissions (income) | ¥202,836 | ¥182,637 | \$1,637 |
| Deposits and loans | 24,150 | 20,013 | 195 |
| Remittances and transfers | 51,091 | 47,162 | 412 |
| Securities-related business | 6,291 | 6,639 | 51 |
| Agency | 9,049 | 8,351 | 73 |
| Safe deposits | 2,771 | 2,820 | 22 |
| Guarantees | 12,313 | 12,175 | 99 |
| Credit card business | 66,110 | 62,499 | 534 |
| Other | 31,058 | 22,974 | 251 |
| Fees and commissions (expenses) | ¥ 33,918 | ¥ 36,775 | \$ 274 |
| Remittances and transfers | 11,873 | 12,033 | 96 |
| Other | 22,045 | 24,741 | 178 |

21. Trading Income

Trading income for the years ended March 31, 2001 and 2000, consisted of the following:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|---------|--------------------------|
| | 2001 | 2000 | 2001 |
| Trading profits | ¥84,376 | ¥69,760 | \$681 |
| Gains on trading securities | 10,358 | 36,460 | 84 |
| Gains on securities related to trading transactions | 606 | — | 5 |
| Gains on trading-related financial derivatives | 70,436 | 30,063 | 568 |
| Other | 2,974 | 3,235 | 24 |
| Trading losses | ¥ 2,146 | ¥22,853 | \$ 17 |
| Losses on trading securities | 190 | 6,839 | 2 |
| Losses on securities related to trading transactions | — | 944 | — |
| Losses on trading-related financial derivatives | 1,166 | 14,590 | 9 |
| Other | 789 | 479 | 6 |

22. Other Operating Income

Other operating income for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

| | Millions of yen | | | Millions of U.S. dollars |
|--|-----------------|-----------------|-----------------|-----------------------------|
| | 2001 | 2000 | 1999 | 2001 |
| Gains on foreign exchange transactions | ¥ 4,789 | ¥ 27,854 | ¥ 11,588 | \$ 39 |
| Gains on sale of bonds | 29,963 | 38,202 | 110,753 | 242 |
| Gains on redemption of bonds | — | 4,565 | 3,803 | — |
| Lease-related income | 482,433 | 483,612 | 467,129 | 3,894 |
| Other | 34,873 | 35,403 | 22,651 | 281 |
| | ¥552,060 | ¥589,638 | ¥615,925 | \$4,456 |

23. Other Income

Other income for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

| | Millions of yen | | | Millions of U.S. dollars |
|--|-----------------|-----------------|-----------------|-----------------------------|
| | 2001 | 2000 | 1999 | 2001 |
| Gains on sale of stocks and other securities | ¥475,976 | ¥589,185 | ¥ 13,265 | \$3,842 |
| Net income from nonconsolidated entities by equity method | 36,479 | — | — | 294 |
| Gains on securities contributed to employee retirement benefit trust | 24,006 | — | — | 194 |
| Gains on money held in trust | 1,199 | 1,528 | 1,716 | 10 |
| Gains on disposition of premises and equipment | 963 | 1,710 | 69,168 | 8 |
| Collection of written-off claims | 627 | 979 | 2,453 | 5 |
| Gains on sales of majority interest of the Sumitomo Bank of California and Banca del Gottardo | — | — | 78,440 | — |
| Gain on sale of business operation | — | 8,000 | — | — |
| Other | 21,003 | 42,146 | 23,074 | 169 |
| | ¥560,256 | ¥643,550 | ¥188,119 | \$4,522 |

24. Other Operating Expenses

Other operating expenses for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

| | Millions of yen | | | Millions of U.S. dollars |
|--------------------------------|-----------------|-----------------|-----------------|-----------------------------|
| | 2001 | 2000 | 1999 | 2001 |
| Losses on sale of bonds | ¥ 21,835 | ¥ 33,793 | ¥ 30,654 | \$ 176 |
| Losses on redemption of bonds | 1,192 | 15,251 | 8,593 | 10 |
| Losses on devaluation of bonds | 1,640 | 986 | 5,661 | 13 |
| Lease-related expenses | 417,847 | 421,338 | 402,818 | 3,372 |
| Other | 62,677 | 39,063 | 18,691 | 506 |
| | ¥505,193 | ¥510,433 | ¥466,419 | \$4,077 |

25. Other Expenses

Other expenses for the years ended March 31, 2001, 2000 and 1999, consisted of the following:

| | Millions of yen | | | Millions of U.S. dollars |
|---|-----------------|----------|----------|-----------------------------|
| | 2001 | 2000 | 1999 | 2001 |
| Write-off of loans | ¥556,661 | ¥439,122 | ¥369,481 | \$4,493 |
| Losses on sale of stocks and other securities | 39,819 | 37,071 | 30,336 | 321 |
| Losses on devaluation of stocks and other securities | 41,172 | 36,522 | 33,891 | 332 |
| Losses on money held in trust | 930 | 2,288 | 5,253 | 8 |
| Losses on disposition of premises and equipment | 16,060 | 10,016 | 7,547 | 130 |
| Losses on sale of loans to the Cooperative Credit Purchasing Co., Ltd. | 11,388 | 7,692 | 60,269 | 92 |
| Transfer to reserve for possible losses on loans sold | 19,409 | 18,407 | 79,169 | 157 |
| Losses on delinquent loans sold | 26,761 | 23,065 | 105,293 | 216 |
| Additional contribution to pension fund | — | 21,460 | 22,660 | — |
| Amortization of unrecognized net transition obligation for employee retirement benefit | 21,058 | — | — | 170 |
| Other | 22,717 | 45,767 | 64,829 | 183 |
| | ¥755,978 | ¥641,414 | ¥778,729 | \$6,102 |

26. Income Taxes

Effective April 1, 1998, a new accounting standard for income taxes accounting was adopted in Japan. According to this new standard, income taxes consist of current and deferred corporation, inhabitant and enterprise taxes.

On March 30, 2000, the Tokyo Metropolitan Government passed and established the Special Ordinance Concerning Taxation Standards for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolitan Ordinance 145 of April 1, 2000). The measure has changed the effective statutory tax rate used by the Bank to calculate deferred tax assets and liabilities from 41.98% in the year ended March 31, 1999, to 39.83%.

As a result of this change, deferred tax assets decreased by ¥34,218 million at March 31, 2000, and an equivalent increased income taxes deferred for the year ended March 31, 2000. Further, as deferred tax liabilities for land revaluation decreased by ¥5,980 million due to this change, land revaluation excess increased by the same amount.

On June 9, 2000, the Osaka Prefecture Government promulgated the Special Ordinance Concerning Taxation Standards for Enterprise Taxes in Relation to Banks in Osaka Prefecture (Osaka Prefectural Ordinance 131 of June 9, 2000), which applies in

business years starting on or after April 1, 2001. The effect of this measure is to change the effective statutory tax rate used by the Bank to calculate deferred tax assets and liabilities from 39.83% to 38.05%.

As a result of this change, deferred tax assets decreased by ¥24,802 million (\$200 million) at March 31, 2001, and an equivalent increased in income taxes deferred for the year ended March 31, 2001. Further, as deferred tax liabilities for land revaluation decreased by ¥4,795 million (\$39 million) due to this change, land revaluation excess increased by the same amount at March 31, 2001.

Enterprise taxes other than those relating to income are included in Other expenses. Effective April 1, 2000, the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolitan Ordinance 145 of April 1, 2000) was enacted, and the enterprise taxes in Tokyo, which were included in Income taxes current for prior periods, are included in Other expenses by the amount of ¥8,100 million (\$65 million) for the year ended March 31, 2001.

Significant components of deferred tax assets and liabilities at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|--|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Deferred tax assets: | | | |
| Reserve for possible loan losses | ¥312,336 | ¥346,890 | \$2,521 |
| Write-off of loans | 190,414 | 208,099 | 1,537 |
| Net operating loss carryforwards | 102,585 | 59,510 | 828 |
| Reserve for possible losses on loans sold | 28,543 | 46,389 | 230 |
| Other | 80,127 | 96,989 | 647 |
| Subtotal | ¥714,008 | ¥757,879 | \$5,763 |
| Valuation allowance | (40,310) | (28,744) | (326) |
| Total deferred tax assets | ¥673,697 | ¥729,135 | \$5,437 |
| Deferred tax liabilities: | | | |
| Undistributed earnings of subsidiaries | ¥ 44,246 | ¥ — | \$ 357 |
| Leveraged lease | 34,803 | 18,705 | 281 |
| Gains on securities contributed to employee retirement benefit trust | 9,153 | — | 74 |
| Other | 11,483 | 9,134 | 92 |
| Total deferred tax liabilities | ¥ 99,687 | ¥ 27,839 | \$ 804 |
| Net deferred tax assets | ¥574,009 | ¥701,295 | \$4,633 |

A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of income to the statutory tax rate for the years ended March 31, 2001 and 2000, was as follows:

| | 2001 | 2000 |
|---|---------------|--------|
| Statutory tax rate | 39.83% | 41.98% |
| Deferred tax liabilities for undistributed earnings of subsidiaries | 16.77 | — |
| Change of tax rate | 9.07 | 15.80 |
| Loss from unconsolidated entities by equity method | — | 6.89 |
| Other | 2.26 | 3.31 |
| Effective income tax rate | 67.93 | 67.98 |

27. Employee Retirement Benefit

(1) Outline of retirement benefit

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 a consolidated subsidiary in Japan contributed certain marketable equity securities to an employee retirement

benefit trust. Gains on securities contributed to the employee retirement benefit trust of ¥24,006 million (\$194 million) is included in Other income.

At March 31, 2001, the Bank and the Bank of Kansai, Ltd., have contributed funded defined benefit pension plans. SB Leasing, Limited and The Sumitomo Credit Service Company, Limited have qualified pension plans. The Bank and most subsidiaries in Japan have severance indemnity plans.

(2) Projected benefit obligation

| March 31 | Millions of yen | Millions of U.S. dollars |
|---|-----------------|--------------------------|
| | 2001 | 2001 |
| Projected benefit obligation | ¥(495,409) | \$(3,999) |
| Pension assets | 410,572 | 3,314 |
| Unfunded projected benefit obligation | ¥ (84,836) | \$ (685) |
| Unrecognized net transition obligation | 85,988 | 695 |
| Unrecognized actuarial differences | 50,585 | 408 |
| Net amount recorded on the consolidated balance sheet | ¥ 51,737 | \$ 418 |
| Prepaid pension cost (other assets) | 59,710 | 482 |
| Reserve for employee retirement benefit | (7,972) | (64) |

(3) Pension expenses

| Year ended March 31 | Millions of yen | Millions of U.S. dollars |
|---|-----------------|--------------------------|
| | 2001 | 2001 |
| Service cost | ¥12,922 | \$104 |
| Interest cost on projected benefit obligation | 16,485 | 133 |
| Expected return on plan assets | (15,646) | (126) |
| Amortization of net transition obligation | 21,058 | 170 |
| Other | 1,533 | 12 |
| Pension expenses | ¥36,352 | \$293 |

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the year ended March 31, 2001, were as follows:

| | 2001 |
|--|-----------------|
| Discount rate | 3.5% |
| Expected rate of return on plan assets | 1.5% to 5.0% |
| Term to amortize actuarial differences | Mainly 10 years |
| Term to amortize net transition obligation | 5 years |

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years.

28. Lease Transactions

(1) Financing leases

Financing leases without transfer of ownership at March 31, 2001 and 2000, consisted of the following:

(a) Lessee side

| March 31, 2001 | Millions of yen | | | Millions of U.S. dollars | | |
|----------------|------------------|--------------------------|----------------|--------------------------|--------------------------|----------------|
| | Acquisition cost | Accumulated depreciation | Net book value | Acquisition cost | Accumulated depreciation | Net book value |
| Equipment | ¥10,315 | ¥3,613 | ¥6,701 | \$83 | \$29 | \$54 |
| Other | 4 | 3 | 0 | 0 | 0 | 0 |
| | ¥10,320 | ¥3,617 | ¥6,702 | \$83 | \$29 | \$54 |

| March 31, 2000 | Millions of yen | | |
|----------------|------------------|--------------------------|----------------|
| | Acquisition cost | Accumulated depreciation | Net book value |
| Equipment | ¥6,321 | ¥2,350 | ¥3,970 |
| Other | — | — | — |
| | ¥6,321 | ¥2,350 | ¥3,970 |

Future minimum lease payments excluding interests at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|--------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥1,886 | ¥1,144 | \$15 |
| Due after one year | 5,003 | 2,920 | 41 |
| | ¥6,890 | ¥4,064 | \$56 |

Total lease expenses for the years ended March 31, 2001 and 2000, were ¥1,332 million (\$11 million) and ¥1,190 million, respectively.

Depreciation expense for the years ended March 31, 2001 and 2000 amounted to ¥1,242 million (\$10 million) and ¥1,106 million, respectively. Depreciation 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 expense. The allocation of such interest expense over the lease term is computed using the effective interest method. Interest expense for the years ended March 31, 2001 and 2000 amounted to ¥101 million (\$1 million) and ¥78 million, respectively.

(b) Lessor side

| March 31, 2001 | Millions of yen | | | Millions of U.S. dollars | | |
|----------------|-------------------|--------------------------|-----------------|--------------------------|--------------------------|----------------|
| | Acquisition cost | Accumulated depreciation | Net book value | Acquisition cost | Accumulated depreciation | Net book value |
| Equipment | ¥1,873,952 | ¥1,179,276 | ¥694,675 | \$15,125 | \$ 9,518 | \$5,607 |
| Other | 231,447 | 120,946 | 110,500 | 1,868 | 976 | 892 |
| | ¥2,105,399 | ¥1,300,222 | ¥805,176 | \$16,993 | \$10,494 | \$6,499 |

| March 31, 2000 | Millions of yen | | |
|----------------|-------------------|--------------------------|-----------------|
| | Acquisition cost | Accumulated depreciation | Net book value |
| Equipment | ¥1,917,876 | ¥1,207,576 | ¥710,300 |
| Other | 215,680 | 114,937 | 100,743 |
| | ¥2,133,557 | ¥1,322,514 | ¥811,043 |

Future lease payments receivable excluding interests at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥255,827 | ¥258,438 | \$2,065 |
| Due after one year | 580,905 | 586,246 | 4,688 |
| | ¥836,733 | ¥844,684 | \$6,753 |

Lease income for the years ended March 31, 2001 and 2000, were ¥327,731 million (\$2,645 million) and ¥334,157 million, respectively.

Depreciation expense for the years ended March 31, 2001 and 2000, amounted to ¥265,216 million (\$2,141 million) and ¥270,809 million, respectively. Depreciation is calculated using the straight-line method over the lease term of the respective assets without salvage values.

The difference between the minimum 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 years ended March 31, 2001 and 2000, were ¥63,694 million (\$514 million) and ¥63,593 million, respectively.

(2) Operating leases

Operating leases at March 31, 2001 and 2000, consisted of the following:

(a) Lessee side

Future minimum lease payments at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|---------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥ 8,031 | ¥ 7,758 | \$ 65 |
| Due after one year | 44,184 | 50,143 | 356 |
| | ¥52,216 | ¥57,901 | \$421 |

(b) Lessor side

Future lease payment receivables at March 31, 2001 and 2000, were as follows:

| | Millions of yen | | Millions of U.S. dollars |
|---------------------|-----------------|------|--------------------------|
| | 2001 | 2000 | 2001 |
| Due within one year | ¥ 334 | ¥207 | \$ 3 |
| Due after one year | 990 | 787 | 8 |
| | ¥1,325 | ¥994 | \$11 |

29. 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 ¥17,349,040 million (\$140,025 million), and the amount of unused commitments whose original contract terms are within one year or unconditionally cancellable at any time was ¥15,538,193 million (\$125,409 million) at March 31, 2001. 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 its 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.

30. Market Value of Marketable Securities

(1) Securities

The market value of marketable securities at March 31, 2001, was as follows:

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

(a) Securities classified as trading

| | Millions of yen | |
|----------------------------------|-----------------------------------|-------------------------------|
| | Consolidated balance sheet amount | Gains included in profit/loss |
| March 31, 2001 | | |
| Securities classified as trading | ¥998,998 | ¥713 |
| | Millions of U.S. dollars | |
| March 31, 2001 | | |
| Securities classified as trading | \$8,063 | \$6 |

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

| March 31, 2001 | Millions of yen | | | | |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Japanese government bonds | ¥ 114 | ¥ 114 | ¥ 0 | ¥ 0 | ¥ 0 |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Other | 18,451 | 18,367 | (83) | 46 | 130 |
| Total | ¥18,565 | ¥18,482 | ¥(82) | ¥47 | ¥130 |

| March 31, 2001 | Millions of U.S. dollars | | | | |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Japanese government bonds | \$ 1 | \$ 1 | \$ 0 | \$0 | \$0 |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Other | 149 | 148 | (1) | 0 | 1 |
| Total | \$150 | \$149 | \$(1) | \$0 | \$1 |

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

(c) Other securities with market value

| March 31, 2001 | Millions of yen | | | | |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Stocks | ¥ 2,738,365 | ¥ 2,581,842 | ¥(156,523) | ¥166,678 | ¥323,201 |
| Bonds | ¥11,453,252 | ¥11,536,374 | ¥ 83,122 | ¥ 85,908 | ¥ 2,785 |
| Japanese government bonds | 10,691,178 | 10,752,965 | 61,787 | 64,163 | 2,375 |
| Japanese local government bonds | 260,232 | 271,306 | 11,073 | 11,077 | 3 |
| Japanese corporate bonds | 501,842 | 512,103 | 10,261 | 10,667 | 406 |
| Other | ¥ 1,399,155 | ¥ 1,524,294 | ¥ 125,139 | ¥135,120 | ¥ 9,981 |
| Total | ¥15,590,773 | ¥15,642,511 | ¥ 51,738 | ¥387,707 | ¥335,969 |

| March 31, 2001 | Millions of U.S. dollars | | | | |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Stocks | \$ 22,101 | \$ 20,838 | \$(1,263) | \$1,345 | \$2,608 |
| Bonds | \$ 92,440 | \$ 93,110 | \$ 670 | \$ 693 | \$ 23 |
| Japanese government bonds | 86,289 | 86,787 | 498 | 518 | 20 |
| Japanese local government bonds | 2,101 | 2,190 | 89 | 89 | 0 |
| Japanese corporate bonds | 4,050 | 4,133 | 83 | 86 | 3 |
| Other | \$ 11,293 | \$ 12,303 | \$ 1,010 | \$1,091 | \$ 81 |
| Total | \$125,834 | \$126,251 | \$ 417 | \$3,129 | \$2,712 |

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

(d) Bonds sold during fiscal 2000 that are classified as held-to-maturity

There are no corresponding items.

(e) Other securities sold during fiscal 2000

| Year ended March 31, 2001 | Millions of yen | | |
|---------------------------|--------------------|-----------------|-----------------|
| | Sales amount | Gains on sales | Losses on sales |
| Other securities | ¥12,148,851 | ¥501,662 | ¥41,367 |

| Year ended March 31, 2001 | Millions of U.S. dollars | | |
|---------------------------|--------------------------|----------------|-----------------|
| | Sales amount | Gains on sales | Losses on sales |
| Other securities | \$98,054 | \$4,049 | \$334 |

(f) Securities with no available market value

| March 31, 2001 | 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 | ¥ 31,163 | \$ 252 |
| Other | 5,091 | 41 |
| Other securities | | |
| Nonlisted foreign securities | ¥668,428 | \$5,395 |
| Nonlisted bonds | 226,332 | 1,827 |
| Nonlisted stocks (excluding OTC stocks) | 112,592 | 909 |
| Other | 224,483 | 1,812 |

(g) Change of classification of securities

There are no corresponding items.

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

| March 31, 2001 | Millions of yen | | | |
|---------------------------------|-------------------|-------------------|-------------------|-----------------|
| | 1 year or less | 1 to 5 years | 5 to 10 years | Over 10 years |
| Bonds | ¥4,829,489 | ¥4,668,333 | ¥2,178,313 | ¥ 3,563 |
| Japanese government bonds | 4,676,663 | 4,248,153 | 1,766,475 | — |
| Japanese local government bonds | 22,556 | 54,534 | 244,466 | 563 |
| Japanese corporate bonds | 130,269 | 365,646 | 167,370 | 3,000 |
| Other | ¥ 445,721 | ¥1,079,457 | ¥ 148,466 | ¥352,019 |
| Total | ¥5,275,210 | ¥5,747,790 | ¥2,326,779 | ¥355,582 |

| March 31, 2001 | Millions of U.S. dollars | | | |
|---------------------------------|--------------------------|-----------------|-----------------|----------------|
| | 1 year or less | 1 to 5 years | 5 to 10 years | Over 10 years |
| Bonds | \$38,979 | \$37,678 | \$17,581 | \$ 29 |
| Japanese government bonds | 37,746 | 34,287 | 14,257 | — |
| Japanese local government bonds | 182 | 440 | 1,973 | 5 |
| Japanese corporate bonds | 1,051 | 2,951 | 1,351 | 24 |
| Other | \$ 3,597 | \$ 8,713 | \$ 1,198 | \$2,841 |
| Total | \$42,576 | \$46,391 | \$18,779 | \$2,870 |

(2) Money held in trust

(a) Money held in trust classified as trading

| March 31, 2001 | Millions of yen | |
|---------------------|-----------------------------------|-------------------------------|
| | Consolidated balance sheet amount | Gains included in profit/loss |
| Money held in trust | ¥2,467 | — |

| March 31, 2001 | Millions of U.S. dollars | |
|---------------------|-----------------------------------|-------------------------------|
| | Consolidated balance sheet amount | Gains included in profit/loss |
| Money held in trust | \$20 | — |

(b) Money held in trust classified as held-to-maturity

There are no corresponding items.

(c) Other money held in trust (money held in trust that is classified neither as trading nor as held-to-maturity)

| March 31, 2001 | Millions of yen | | | | |
|---------------------------|-----------------------------------|----------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Other money held in trust | ¥50,444 | ¥46,335 | ¥(4,108) | ¥317 | ¥4,426 |

| March 31, 2001 | Millions of U.S. dollars | | | | |
|---------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Other money held in trust | \$407 | \$374 | \$(33) | \$3 | \$36 |

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

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

| March 31, 2001 | Millions of yen | Millions of U.S. dollars |
|---|-----------------|--------------------------|
| | 2001 | 2001 |
| Net unrealized gains (losses) | ¥47,629 | \$384 |
| Other securities | 51,738 | 417 |
| Other money held in trust | (4,108) | (33) |
| (-) Deferred tax liabilities | ¥18,371 | \$148 |
| Net unrealized gains (losses), net of taxes (before following adjustments) | ¥29,257 | \$236 |
| (-) Minority interests | ¥ 1,713 | \$ 14 |
| (+) Parent company's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method | ¥ 13 | \$ 0 |
| Net unrealized gains, net of taxes | ¥27,557 | \$222 |

Note: The above figures were not reflected in the consolidated financial statements.

(Appendix) Previous Year's Information on Market Value of Marketable Securities

(1) Securities

The following table represents market value and unrealized gains or losses on listed securities held by the Bank and the consolidated subsidiaries at March 31, 2000.

| March 31, 2000 | Millions of yen | | | | |
|-----------------|-----------------------------------|-------------------|-------------------------------|-------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Securities: | | | | | |
| Japanese bonds | ¥ 877,620 | ¥ 871,538 | ¥ (6,081) | ¥ 22,187 | ¥ 28,269 |
| Japanese stocks | 3,131,298 | 3,987,659 | 856,360 | 1,178,416 | 322,055 |
| Other | 521,933 | 786,986 | 265,053 | 274,936 | 9,883 |
| Total | ¥4,530,852 | ¥5,646,185 | ¥1,115,332 | ¥1,475,540 | ¥360,208 |

- Notes: 1. Japanese bonds include national government bonds, local government bonds and corporate bonds.
 2. Market values for securities listed on exchanges are the closing prices on the Tokyo Stock Exchange or on other exchanges, or are calculated on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.
 3. The estimated value of unlisted securities is summarized as follows:

| March 31, 2000 | Millions of yen | | | | |
|-----------------|-----------------------------------|-------------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Securities: | | | | | |
| Japanese bonds | ¥3,169,079 | ¥3,174,359 | ¥ 5,279 | ¥12,030 | ¥ 6,750 |
| Japanese stocks | 34,181 | 92,557 | 58,376 | 63,839 | 5,463 |
| Other | 66,800 | 67,264 | 464 | 2,331 | 1,867 |
| Total | ¥3,270,060 | ¥3,334,181 | ¥64,120 | ¥78,201 | ¥14,081 |

The estimated market value equivalents of unlisted securities are calculated as follows:

Japanese over-the-counter securities: Based on purchase prices released by the Securities Dealers Association of Japan.

Public bonds: Based on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.

Beneficial securities of securities investment trust: Based on the reference price.

U.S. over-the-counter securities: Based on NASDAQ purchasing price of the National Association of Securities Dealers.

4. The following represents the book values of major non-marketable securities, which have not been included in the market value information on marketable securities:

| March 31, 2000 | Millions of yen |
|-----------------|-----------------------------------|
| | Consolidated balance sheet amount |
| Securities: | |
| Japanese bonds | ¥514,905 |
| Japanese stocks | 231,067 |
| Other | 421,966 |

5. Trading securities, which are accounted for in the trading accounts, are not included in the above amounts because revaluated gains (losses) are accounted for in the consolidated statements of income.

(2) Money held in trust

| March 31, 2000 | Millions of yen | | | | |
|---------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
| | Consolidated balance sheet amount | Market value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Money held in trust | ¥109,039 | ¥108,980 | ¥(59) | ¥0 | ¥59 |

- Notes: 1. Market values for securities listed on exchanges are the closing prices on the Tokyo Stock Exchange or on other exchanges, or are calculated based on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.
 2. Over-the-counter stocks are valued by the purchase prices released by the Securities Dealers Association of Japan.

31. Derivative Transactions

(1) Interest Rate Derivatives

| March 31, 2001 | Millions of yen | | | |
|--|-----------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Interest rate futures: | | | | |
| Sold | ¥ 1,101,977 | ¥ 17,858 | ¥ (437) | ¥ (437) |
| Bought | 5,697,426 | 485,657 | 8,991 | 8,991 |
| Interest rate options: | | | | |
| Sold | ¥ 248,680 | ¥ — | ¥ (10) | ¥ (10) |
| Bought | 109,340 | — | 6 | 6 |
| Over-the-counter transactions | | | | |
| Forward rate agreements: | | | | |
| Sold | ¥ 6,884,618 | ¥ — | ¥ (649) | ¥ (649) |
| Bought | 1,777,431 | — | 841 | 841 |
| Interest rate swaps: | | | | |
| Receivable fixed rate/payable floating rate | ¥135,767,183 | ¥83,730,613 | ¥ (69,662) | ¥ (69,662) |
| Receivable floating rate/payable fixed rate | 65,115,663 | 40,064,077 | 1,573,923 | 1,573,923 |
| Receivable floating rate/payable floating rate | 64,847,289 | 39,778,519 | (1,644,551) | (1,644,551) |
| Receivable floating rate/payable floating rate | 5,165,148 | 3,359,612 | (1,674) | (1,674) |
| Swaptions: | | | | |
| Sold | ¥ 400,466 | ¥ 248,801 | ¥ (12,247) | ¥ (12,247) |
| Bought | 326,828 | 240,727 | 6,547 | 6,547 |
| Caps: | | | | |
| Sold | ¥ 3,207,128 | ¥ 2,358,919 | ¥ (4,459) | ¥ (4,459) |
| Bought | 2,107,655 | 1,535,957 | 4,673 | 4,673 |
| Floors: | | | | |
| Sold | ¥ 151,911 | ¥ 140,436 | ¥ (2,833) | ¥ (2,833) |
| Bought | 283,412 | 230,219 | 5,098 | 5,098 |
| Other: | | | | |
| Sold | ¥ 32,799 | ¥ 29,850 | ¥ 99 | ¥ 99 |
| Bought | 141,681 | 93,760 | 490 | 490 |
| Total | | | ¥ (63,553) | ¥ (63,553) |

| March 31, 2001 | Millions of U.S. dollars | | | |
|--|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Interest rate futures: | | | | |
| Sold | \$ 8,894 | \$ 144 | \$ (4) | \$ (4) |
| Bought | 45,984 | 3,920 | 72 | 72 |
| Interest rate options: | | | | |
| Sold | \$ 2,007 | \$ — | \$ (0) | \$ (0) |
| Bought | 882 | — | 0 | 0 |
| Over-the-counter transactions | | | | |
| Forward rate agreements: | | | | |
| Sold | \$ 55,566 | \$ — | \$ (5) | \$ (5) |
| Bought | 14,346 | — | 7 | 7 |
| Interest rate swaps: | | | | |
| Receivable fixed rate/payable floating rate | \$1,095,780 | \$675,792 | \$ (562) | \$ (562) |
| Receivable floating rate/payable fixed rate | 525,550 | 323,358 | 12,703 | 12,703 |
| Receivable floating rate/payable fixed rate | 523,384 | 321,053 | (13,273) | (13,273) |
| Receivable floating rate/payable floating rate | 41,688 | 27,116 | (14) | (14) |
| Swaptions: | | | | |
| Sold | \$ 3,232 | \$ 2,008 | \$ (99) | \$ (99) |
| Bought | 2,638 | 1,943 | 53 | 53 |
| Caps: | | | | |
| Sold | \$ 25,885 | \$ 19,039 | \$ (36) | \$ (36) |
| Bought | 17,011 | 12,397 | 38 | 38 |
| Floors: | | | | |
| Sold | \$ 1,226 | \$ 1,133 | \$ (23) | \$ (23) |
| Bought | 2,287 | 1,858 | 41 | 41 |
| Other: | | | | |
| Sold | \$ 265 | \$ 241 | \$ 1 | \$ 1 |
| Bought | 1,144 | 757 | 4 | 4 |
| Total | | | \$ (513) | \$ (513) |

- Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. 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 ¥2,848 million (\$23 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, 2001 | Millions of yen | | | |
|--------------------------------------|-----------------|---------------|------------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Currency swaps | ¥10,574,656 | ¥4,808,279 | ¥(69,281) | ¥(69,281) |
| Forward foreign exchange | 787,136 | 187,702 | (13,451) | (13,451) |
| Currency options | | | | |
| Sold | 19,804 | 6,453 | (1,583) | (1,583) |
| Bought | 22,702 | 5,554 | 1,466 | 1,466 |
| Other | — | — | — | — |
| Total | | | ¥(82,850) | ¥(82,850) |

| March 31, 2001 | Millions of U.S. dollars | | | |
|--------------------------------------|--------------------------|---------------|----------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Currency swaps | \$85,348 | \$38,808 | \$(559) | \$(559) |
| Forward foreign exchange | 6,353 | 1,515 | (109) | (109) |
| Currency options | | | | |
| Sold | 160 | 52 | (13) | (13) |
| Bought | 183 | 45 | 12 | 12 |
| Other | — | — | — | — |
| Total | | | \$(669) | \$(669) |

- Notes: 1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. Derivative transactions to which the hedge accounting method is applied 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 ¥650 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:
- 1) Those that are revaluated at fiscal year-end and the revaluated gains (losses) are accounted for in the consolidated statement of income.
 - 2) Those that are allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
 - 3) Those that are allotted to financial assets/liabilities by 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, 2001 | 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 | ¥48,193,991 | \$388,975 |
| Currency options: | | |
| Sold | 1,877,037 | 15,150 |
| Bought | 1,606,427 | 12,966 |
| Other: | | |
| Sold | — | — |
| Bought | — | — |

(3) Stock Derivatives

| March 31, 2001 | Millions of yen | | | |
|--|-----------------|---------------|----------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Stock price index futures: | | | | |
| Sold | ¥ 3,039 | ¥ — | ¥ 137 | ¥ 137 |
| Bought | — | — | — | — |
| Stock price index options: | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Bought | — | — | — | — |
| Over-the-counter transactions | | | | |
| Equity options: | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Bought | — | — | — | — |
| Stock price index swaps | ¥45,202 | ¥16,039 | ¥ (805) | ¥ (805) |
| Other: | | | | |
| Sold | ¥79,457 | ¥61,219 | ¥10,685 | ¥10,685 |
| Bought | 34,947 | — | (1,072) | (1,072) |
| Total | | | ¥ 8,944 | ¥ 8,944 |

| March 31, 2001 | Millions of U.S. dollars | | | |
|--|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Stock price index futures: | | | | |
| Sold | \$ 25 | \$ — | \$ 1 | \$ 1 |
| Bought | — | — | — | — |
| Stock price index options: | | | | |
| Sold | \$ — | \$ — | \$ — | \$ — |
| Bought | — | — | — | — |
| Over-the-counter transactions | | | | |
| Equity options: | | | | |
| Sold | \$ — | \$ — | \$ — | \$ — |
| Bought | — | — | — | — |
| Stock price index swaps | \$365 | \$129 | \$ (6) | \$ (6) |
| Other: | | | | |
| Sold | \$641 | \$494 | \$86 | \$86 |
| Bought | 282 | — | (9) | (9) |
| Total | | | \$72 | \$72 |

- Notes: 1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. 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

| March 31, 2001 | Millions of yen | | | |
|--|--|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Bond futures: | | | | |
| Sold | ¥ 2,000 | ¥ 2,000 | ¥ 8 | ¥ 8 |
| Bought | — | — | — | — |
| Bond futures options: | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Bought | — | — | — | — |
| Over-the-counter transactions | | | | |
| Bond options: | | | | |
| Sold | ¥21,981 | ¥19,850 | ¥ 0 | ¥ 0 |
| Bought | 25,457 | 18,562 | 0 | 0 |
| Other: | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Bought | — | — | — | — |
| Total | | | ¥ 8 | ¥ 8 |
| | Millions of U.S. dollars | | | |
| | Contract amount | | | |
| | Total | Over one year | Market value | Net valuated gains (losses) |
| March 31, 2001 | Transactions listed on exchange | | | |
| Bond futures: | | | | |
| Sold | \$ 16 | \$ 16 | \$ 0 | \$ 0 |
| Bought | — | — | — | — |
| Bond futures options: | | | | |
| Sold | \$ — | \$ — | \$ — | \$ — |
| Bought | — | — | — | — |
| Over-the-counter transactions | | | | |
| Bond options: | | | | |
| Sold | \$177 | \$160 | \$ 0 | \$ 0 |
| Bought | 206 | 150 | 0 | 0 |
| Other: | | | | |
| Sold | \$ — | \$ — | \$ — | \$ — |
| Bought | — | — | — | — |
| Total | | | \$ 0 | \$ 0 |

- Notes: 1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statements of income. 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

| March 31, 2001 | Millions of yen | | | |
|--------------------------------------|-----------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Commodity options: | | | | |
| Sold | ¥2,707 | ¥2,707 | ¥56 | ¥56 |
| Bought | 2,707 | 2,707 | (4) | (4) |
| Total | | | ¥51 | ¥51 |

| March 31, 2001 | Millions of U.S. dollars | | | |
|--------------------------------------|--------------------------|---------------|--------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Commodity options: | | | | |
| Sold | \$22 | \$22 | \$0 | \$0 |
| Bought | 22 | 22 | (0) | (0) |
| Total | | | \$0 | \$0 |

- Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.
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, 2001 | Millions of yen | | | |
|--------------------------------------|-----------------|---------------|----------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Credit default options: | | | | |
| Sold | ¥42,389 | ¥33,782 | ¥ (366) | ¥ (366) |
| Bought | 55,966 | 43,746 | 465 | 465 |
| Other: | | | | |
| Sold | ¥32,669 | ¥14,500 | ¥(8,276) | ¥(8,276) |
| Bought | 62,942 | 58,978 | 7,334 | 7,334 |
| Total | | | ¥ (842) | ¥ (842) |

| March 31, 2001 | Millions of U.S. dollars | | | |
|--------------------------------------|--------------------------|---------------|---------------|-----------------------------|
| | Contract amount | | Market value | Net valuated gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Credit default options: | | | | |
| Sold | \$342 | \$273 | \$ (3) | \$ (3) |
| Bought | 452 | 353 | 4 | 4 |
| Other: | | | | |
| Sold | \$264 | \$117 | \$(67) | \$(67) |
| Bought | 508 | 476 | 59 | 59 |
| Total | | | \$ (7) | \$ (7) |

- Notes: 1. The above transactions are valuated at market value and the valuated gains (losses) are accounted for in the consolidated statements of income.
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.
3. 'Sold' represents transactions in which the credit risk is accepted; 'Bought' represents transactions in which the credit risk is transferred.

(Appendix) Previous Year's Information on Derivative Transactions

Notes: 1. Contract amount lists notional amount for swaps or contract value for futures, options and other derivatives. Option premiums accounted for in the consolidated balance sheets are denoted by brackets ([]).
2. Market values of contracts listed on exchanges are based on the closing prices on the relevant exchanges.

(1) Interest Rate Derivatives

| March 31, 2000 | Millions of yen | | | |
|--|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Interest rate futures: | | | | |
| Sold | ¥11,123,048 | ¥52,429 | ¥11,074,094 | ¥ 48,953 |
| Bought | 10,099,803 | — | 10,058,766 | (41,036) |
| Interest rate options: | | | | |
| Sold | | | | |
| Call | ¥ — | ¥ — | ¥ — | ¥ — |
| Put | [—] | — | — | — |
| Bought | | | | |
| Call | — | — | — | — |
| Put | [—] | — | — | — |

(continued)

| March 31, 2000 | Millions of yen | | | |
|--|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Forward rate agreements: | | | | |
| Sold | ¥ 2,160 | ¥ — | ¥ 2,111 | ¥ 49 |
| Bought | 1,506 | — | 1,510 | 4 |
| Interest rate swaps: | | | | |
| Receivable fixed rate/payable floating rate | ¥48,250,014 | ¥22,256,360 | ¥125,780 | ¥125,780 |
| Receivable floating rate/payable fixed rate | 27,361,147 | 11,051,720 | 499,210 | 499,210 |
| Receivable floating rate/payable floating rate | 20,031,787 | 10,429,396 | (372,856) | (372,856) |
| Receivable floating rate/payable floating rate | 508,746 | 427,421 | (395) | (395) |
| Swaptions: | | | | |
| Sold | | | | |
| Call | ¥ 98,150 | ¥ 48,200 | | |
| | [3,309] | | ¥ 956 | ¥ 2,353 |
| Put | 2,546 | — | | |
| | [—] | | (88) | 88 |
| Bought | | | | |
| Call | 19,356 | 11,356 | | |
| | [266] | | 156 | (110) |
| Put | 2,546 | — | | |
| | [—] | | (68) | (68) |
| Caps: | | | | |
| Sold | ¥ 76,931 | ¥ 32,658 | | |
| | [67] | | ¥ 493 | ¥ (426) |
| Bought | 249,635 | 200,907 | | |
| | [1,913] | | 1,132 | (780) |
| Floors: | | | | |
| Sold | ¥ 55,026 | ¥ 47,088 | | |
| | [1,543] | | ¥ 2,025 | ¥ (481) |
| Bought | 2,054 | 1,031 | | |
| | [5] | | 10 | 5 |
| Other: | | | | |
| Sold | ¥ — | ¥ — | | |
| | [—] | | ¥ — | ¥ — |
| Bought | — | — | | |
| | [—] | | — | — |
| Total | | | | ¥134,332 |

- Notes: 1. Regarding over-the-counter transactions, market value calculation is based on net present value or option pricing model.
2. A swaption call is defined as a right to carry out an interest rate swap with a floating receivable rate and a fixed payable rate. A swaption put is defined as a right to carry out an interest rate swap with a fixed receivable rate and a floating payable rate.
3. The market value or unrealized gains (losses) for interest rate swaps, excluding trading transactions, includes ¥205,785 million of accrued interest, which has been accounted for in the consolidated statements of income.

4. Derivative transactions, which are classified as trading transactions, are not included in the figures on the previous page because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are as follows:

| March 31, 2000 | Millions of yen | |
|--|-----------------|--------------|
| | Contract amount | Market value |
| Transactions listed on exchange | | |
| Interest rate futures: | | |
| Sold | ¥ 376,132 | ¥ 376,065 |
| Bought | 2,993,460 | 2,993,271 |
| Interest rate options: | | |
| Sold | | |
| Call | ¥ — | ¥ — |
| | [—] | — |
| Put | — | — |
| | [—] | — |
| Bought | | |
| Call | — | — |
| | [—] | — |
| Put | — | — |
| | [—] | — |
| Over-the-counter transactions: | | |
| Forward rate agreements: | | |
| Sold | ¥ 4,459,803 | ¥4,459,860 |
| Bought | 463,020 | 462,888 |
| Interest rate swaps: | | |
| Receivable fixed rate/payable floating rate | ¥123,131,402 | ¥ (5,904) |
| Receivable floating rate/payable fixed rate | 62,619,490 | 705,951 |
| Receivable floating rate/payable fixed rate | 56,298,809 | (708,757) |
| Receivable floating rate/payable floating rate | 3,358,339 | (1,964) |
| Swaptions: | | |
| Sold | | |
| Call | ¥ 125,840 | ¥ (3,131) |
| | [1,495] | — |
| Put | 173,210 | (2,516) |
| | [1,623] | — |
| Bought | | |
| Call | 118,000 | (143) |
| | [2,841] | — |
| Put | 143,939 | 646 |
| | [555] | — |
| Caps: | | |
| Sold | ¥ 3,262,039 | ¥ (10,897) |
| | [15,723] | — |
| Bought | 1,834,494 | 9,546 |
| | [7,413] | — |
| Floors: | | |
| Sold | ¥ 284,086 | ¥ (2,020) |
| | [3] | — |
| Bought | 329,676 | 3,597 |
| | [1,706] | — |
| Other: | | |
| Sold | ¥ 45,730 | ¥ 79 |
| | [349] | — |
| Bought | 125,263 | (198) |
| | [—] | — |

(2) Currency Derivatives

| March 31, 2000 | Millions of yen | | | |
|--------------------------------------|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Over-the-counter transactions | | | | |
| Currency swaps: | ¥2,854,232 | ¥1,541,624 | ¥ (883) | ¥ (883) |
| US\$ | 2,207,137 | 1,254,151 | (2,309) | (2,309) |
| £Stg. | 86,458 | 59,235 | 1,216 | 1,216 |
| Euro | 5,043 | — | 15 | 15 |
| Other | 555,592 | 228,236 | 193 | 193 |
| Other: | | | | |
| US\$ | 1,092 | — | 68 | 68 |
| Total | | | | ¥ (815) |

Notes: 1. Market value calculation is based on net present value.

2. The market value or unrealized gains (losses) for currency swaps and other transactions, excluding trading transactions, includes ¥6,731 million of accrued interest, which has been accounted for in the consolidated statements of income.

3. Derivative transactions in trading account are not included in the figures above because revaluated gains (losses) are accounted for in the consolidated statements of income. Contract amounts are as follows:

| March 31, 2000 | Millions of yen | |
|--------------------------------------|-----------------|--------------|
| | Contract amount | Market value |
| Over-the-counter transactions | | |
| Currency swaps: | ¥9,046,598 | ¥(64,124) |
| US\$ | 7,919,579 | (64,433) |
| Euro | 343,486 | 39 |
| SFr | 3,171 | 200 |
| Other | 780,360 | 68 |
| Forward foreign exchange: | ¥ 565,868 | ¥ 16,132 |
| Currency options: | ¥ 5,557 | ¥ (1,321) |

4. Forward foreign exchange and currency options which are revaluated at the end of fiscal year and revaluated gains (losses) are accounted for in the consolidated statements of income are not included in the figures on the previous page.

The contracts so treated are as follows:

| March 31, 2000 | Millions of yen |
|--|-----------------|
| | Contract amount |
| Transactions listed on exchange | |
| Currency futures: | |
| Sold | ¥ — |
| Bought | — |
| Currency options: | |
| Sold | |
| Call | ¥ — |
| Put | [—] |
| Bought | |
| Call | — |
| Put | [—] |
| | [—] |
| Over-the-counter transactions | |
| Forward foreign exchange: | ¥41,745,624 |
| Currency options: | |
| Sold | 1,179,988 |
| | (14,341) |
| Bought | 964,387 |
| | (17,199) |
| Other: | |
| Sold | ¥ — |
| Bought | — |

(3) Stock Derivatives

| March 31, 2000 | Millions of yen | | | |
|---|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Stock price index futures: | | | | |
| Sold | ¥— | ¥— | ¥— | ¥— |
| Bought | — | — | — | — |
| Stock price index options: | | | | |
| Sold | | | | |
| Call | ¥— | ¥— | | |
| | [—] | | ¥— | ¥— |
| Put | — | — | | |
| | [—] | | — | — |
| Bought | | | | |
| Call | — | — | | |
| | [—] | | — | — |
| Put | — | — | | |
| | [—] | | — | — |
| Over-the-counter transactions | | | | |
| Equity options: | | | | |
| Sold | | | | |
| Call | ¥— | ¥— | | |
| | [—] | | ¥— | ¥— |
| Put | — | — | | |
| | [—] | | — | — |
| Bought | | | | |
| Call | — | — | | |
| | [—] | | — | — |
| Put | — | — | | |
| | [—] | | — | — |
| Stock price index swaps: | | | | |
| Stock price index receivable/interest floating rate payable | ¥— | ¥— | ¥— | ¥— |
| Stock price index payable/interest floating rate receivable | — | — | — | — |
| Other: | | | | |
| Sold | | | | |
| | — | — | | |
| | [—] | | — | — |
| Bought | | | | |
| | 58 | — | | |
| | [22] | | 9 | (13) |
| Total | | | | ¥(13) |

Notes: 1. For over-the-counter transactions, market value calculation is based on net present value or option pricing model.

2. Derivative transactions, which are classified as trading transactions, are not included in the figures on the previous page because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are as follows:

| March 31, 2000 | Millions of yen | |
|--|-----------------|--------------|
| | Contract amount | Market value |
| Transactions listed on exchange | | |
| Stock price index futures: | | |
| Sold | ¥ — | ¥ — |
| Bought | 48,554 | 51,294 |
| Stock price index options: | | |
| Sold | | |
| Call | ¥ — | ¥ — |
| Put | [—] | — |
| Bought | | |
| Call | 1,858 | 67 |
| Put | [—] | — |
| Over-the-counter transactions | | |
| Equity options: | | |
| Sold | | |
| Call | ¥ 74,558 | ¥ (8,824) |
| Put | 14,135 | 95 |
| Bought | | |
| Call | 36,269 | 1,197 |
| Put | 22,497 | (170) |
| Stock price index swaps | ¥126,759 | ¥ (905) |
| Other: | | |
| Sold | | |
| | — | — |
| Bought | [—] | — |

(4) Bond Derivatives

| March 31, 2000 | Millions of yen | | | |
|--|-----------------|---------------|--------------|---------------------------|
| | Contract amount | | Market value | Unrealized gains (losses) |
| | Total | Over one year | | |
| Transactions listed on exchange | | | | |
| Bond futures: | | | | |
| Sold | ¥416,719 | ¥ — | ¥419,622 | ¥(2,902) |
| Bought | 47,866 | — | 48,035 | 168 |
| Bond futures options: | | | | |
| Sold | | | | |
| Call | ¥ — | ¥ — | ¥ — | ¥ — |
| | [—] | | | |
| Put | — | — | — | — |
| | [—] | | | |
| Bought | | | | |
| Call | — | — | — | — |
| | [—] | | | |
| Put | — | — | — | — |
| | [—] | | | |
| Over-the-counter transactions | | | | |
| Bond options: | | | | |
| Sold | | | | |
| Call | ¥ — | ¥ — | ¥ — | ¥ — |
| | [—] | | | |
| Put | — | — | — | — |
| | [—] | | | |
| Bought | | | | |
| Call | — | — | — | — |
| | [—] | | | |
| Put | — | — | — | — |
| | [—] | | | |
| Other: | | | | |
| Sold | | | | |
| Call | ¥ — | ¥ — | ¥ — | ¥ — |
| | [—] | | | |
| Put | — | — | — | — |
| | [—] | | | |
| Bought | | | | |
| Call | — | — | — | — |
| | [—] | | | |
| Put | — | — | — | — |
| | [—] | | | |
| Total | | | | ¥(2,734) |

Note: Derivative transactions, which are classified as trading transactions, were not included in the figures above because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are on the following page.

| March 31, 2000 | Millions of yen | |
|--|-----------------|--------------|
| | Contract amount | Market value |
| Transactions listed on exchange | | |
| Bond futures: | | |
| Sold | ¥6,548 | ¥6,575 |
| Bought | 4,804 | 4,862 |
| Bond futures options: | | |
| Sold | | |
| Call | ¥ — | ¥ — |
| Put | — | — |
| Bought | | |
| Call | — | — |
| Put | — | — |
| Over-the-counter transactions | | |
| Bond options: | | |
| Sold | | |
| Call | ¥ — | ¥ — |
| Put | — | — |
| Bought | | |
| Call | — | — |
| Put | — | — |
| Other: | | |
| Sold | ¥ — | ¥ — |
| Bought | — | — |

(5) Commodity Derivatives

There are no corresponding items.

(6) Credit Derivative Transactions

All credit derivative transactions other than trading transactions are treated in the same way as guarantees and have been excluded from the following table.

The transactions which are classified as trading transactions are recorded at estimated market value and related gains and losses are included in trading profits or losses on the consolidated statements of income.

The contract amounts of derivative transactions included in trading transactions are as follows:

| March 31, 2000 | Millions of yen | |
|--------------------------------------|-----------------|--------------|
| | Contract amount | Market value |
| Over-the-counter transactions | | |
| Sold | ¥ 15,828 | ¥ (25) |
| Bought | 117,465 | 9,890 |

Notes: 1. Market value is calculated based on the price of the reference assets or components such as the contract term.

2. "Sold" represents transactions in which the Bank accepts the credit risk, and "Bought" represents transactions in which the Bank transfers the credit risk.

32. Segment Information

(1) Business segment information

| Year ended March 31, 2001 | Millions of yen | | | | | |
|---------------------------|------------------|------------|------------|-------------|--------------|--------------|
| | Banking business | Leasing | Other | Total | Elimination | Consolidated |
| I. Operating income | | | | | | |
| (1) External customers | ¥ 1,843,146 | ¥ 516,850 | ¥ 365,998 | ¥ 2,725,995 | ¥ — | ¥ 2,725,995 |
| (2) Intersegment | 75,387 | 4,078 | 111,435 | 190,901 | (190,901) | — |
| Total | ¥ 1,918,534 | ¥ 520,929 | ¥ 477,434 | ¥ 2,916,897 | ¥ (190,901) | ¥ 2,725,995 |
| Operating expenses | 1,731,682 | 500,251 | 314,034 | 2,545,968 | (130,713) | 2,415,254 |
| Operating profit | ¥ 186,851 | ¥ 20,677 | ¥ 163,399 | ¥ 370,929 | ¥ (60,187) | ¥ 310,741 |
| II. Assets | ¥66,438,599 | ¥1,535,527 | ¥4,544,442 | ¥72,518,569 | ¥(5,125,594) | ¥67,392,974 |
| Depreciation | 34,981 | 317,022 | 8,748 | 360,752 | — | 360,752 |
| Capital expenditure | 64,749 | 271,022 | 10,721 | 346,493 | — | 346,493 |

| Year ended March 31, 2000 | Millions of yen | | | | | |
|---------------------------|------------------|------------|------------|-------------|--------------|--------------|
| | Banking business | Leasing | Other | Total | Elimination | Consolidated |
| I. Operating income | | | | | | |
| (1) External customers | ¥ 2,208,367 | ¥ 522,953 | ¥ 271,602 | ¥ 3,002,923 | ¥ — | ¥ 3,002,923 |
| (2) Intersegment | 36,596 | 4,869 | 99,933 | 141,398 | (141,398) | — |
| Total | ¥ 2,244,963 | ¥ 527,822 | ¥ 371,535 | ¥ 3,144,322 | ¥ (141,398) | ¥ 3,002,923 |
| Operating expenses | 2,062,769 | 506,429 | 332,282 | 2,901,481 | (135,843) | 2,765,637 |
| Operating profit | ¥ 182,194 | ¥ 21,393 | ¥ 39,253 | ¥ 242,841 | ¥ (5,555) | ¥ 237,285 |
| II. Assets | ¥52,348,529 | ¥1,479,808 | ¥4,548,267 | ¥58,376,605 | ¥(4,609,101) | ¥53,767,504 |
| Depreciation | 45,077 | 329,348 | 4,989 | 379,415 | — | 379,415 |
| Capital expenditure | 33,033 | 272,749 | 4,581 | 310,363 | — | 310,363 |

| Year ended March 31, 2001 | Millions of U.S. dollars | | | | | |
|---------------------------|--------------------------|----------|----------|-----------|-------------|--------------|
| | Banking business | Leasing | Other | Total | Elimination | Consolidated |
| I. Operating income | | | | | | |
| (1) External customers | \$ 14,876 | \$ 4,172 | \$ 2,954 | \$ 22,002 | \$ — | \$ 22,002 |
| (2) Intersegment | 609 | 32 | 899 | 1,540 | (1,540) | — |
| Total | \$ 15,485 | \$ 4,204 | \$ 3,853 | \$ 23,542 | \$ (1,540) | \$ 22,002 |
| Operating expenses | 13,977 | 4,037 | 2,534 | 20,548 | (1,054) | 19,494 |
| Operating profit | \$ 1,508 | \$ 167 | \$ 1,319 | \$ 2,994 | \$ (486) | \$ 2,508 |
| II. Assets | \$536,228 | \$12,393 | \$36,678 | \$585,299 | \$(41,369) | \$543,930 |
| Depreciation | 282 | 2,559 | 71 | 2,912 | — | 2,912 |
| Capital expenditure | 523 | 2,187 | 87 | 2,797 | — | 2,797 |

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

2. "Other" includes securities, credit card, investment banking, loans and venture capital etc.

3. Impact on application of new accounting standards is as follows:

(a) Accounting standard for employee retirement benefit

As shown in Notes to consolidated financial statements, accounting standard for retirement benefits was applied from the fiscal year ended March 31, 2001. Consequently, operating profit increased by ¥10,533 million (\$85 million) in banking business, decreased by ¥62 million (\$1 million) in leasing, and decreased by ¥110 million (\$1 million) in other for 2001 compared with prior accounting method.

(b) Accounting standard for financial instruments

As shown in Notes to consolidated financial statements, accounting standard for financial instruments was applied from the fiscal year ended March 31, 2001, and the method to evaluate securities and derivatives and the method of hedge accounting were changed. Consequently, operating profit increased by ¥21,019 million (\$170 million) in banking business, decreased by ¥161 million (\$1 million) in leasing and by ¥119 million (\$1 million) in other for 2001 compared with prior accounting method.

Effective April 1, 2000, income and expenses relating to derivative transactions that met the criteria for hedge accounting were presented net by account, which was changed from prior accounting that presented net by transaction. As a result, operating income and expenses

decreased by ¥475,321 million (\$3,836 million) in banking business, by ¥5,864 million (\$47 million) in leasing, and by ¥11,993 million (\$97 million) in other for 2001 compared with prior accounting method.

(c) Accounting standard for foreign currency transactions

As shown in Notes to consolidated financial statements, domestic consolidated subsidiaries (excluding a domestic banking subsidiary) applied the revised accounting standard for foreign currency transactions from 2001. Consequently, operating profit decreased by ¥40 million in leasing and by ¥7 million in other for 2001 compared with prior accounting method.

(d) Taxation standard for enterprise tax

As shown in Notes to consolidated financial statements, enterprise tax other than relating to pre-tax income was included in operating expenses. Effective April 1, 2000, the Special ordinance concerning taxation standard for enterprise taxes in relation to banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and the enterprise tax in Tokyo, which was not included in operating expenses for prior period, was included in operating expenses in banking business by the amount of ¥8,100 million (\$65 million) for 2001.

4. 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 benefit and other extraordinary expenses.

(2) Geographic segment information

| Year ended March 31, 2001 | Millions of yen | | | | | | |
|---------------------------|-----------------|--------------|------------|------------------|-------------|--------------|--------------|
| | Japan | The Americas | Europe | Asia and Oceania | Total | Elimination | Consolidated |
| I. Operating income | | | | | | | |
| (1) External customers | ¥ 2,075,857 | ¥ 354,622 | ¥ 168,645 | ¥ 126,870 | ¥ 2,725,995 | ¥ — | ¥ 2,725,995 |
| (2) Intersegment | 116,616 | 53,979 | 63,382 | 40,438 | 274,417 | (274,417) | — |
| Total | ¥ 2,192,474 | ¥ 408,602 | ¥ 232,028 | ¥ 167,308 | ¥ 3,000,413 | ¥ (274,417) | ¥ 2,725,995 |
| Operating expenses | 2,015,569 | 249,594 | 230,040 | 137,464 | 2,632,669 | (217,414) | 2,415,254 |
| Operating profit | ¥ 176,904 | ¥ 159,007 | ¥ 1,988 | ¥ 29,843 | ¥ 367,744 | ¥ (57,002) | ¥ 310,741 |
| II. Assets | ¥60,600,462 | ¥5,051,346 | ¥2,575,486 | ¥2,300,560 | ¥70,527,854 | ¥(3,134,879) | ¥67,392,974 |

| Year ended March 31, 2000 | Millions of yen | | | | | | |
|---------------------------|-----------------|--------------|------------|------------------|-------------|--------------|--------------|
| | Japan | The Americas | Europe | Asia and Oceania | Total | Elimination | Consolidated |
| I. Operating income | | | | | | | |
| (1) External customers | ¥ 2,388,478 | ¥ 296,813 | ¥ 128,364 | ¥ 189,267 | ¥ 3,002,923 | ¥ — | ¥ 3,002,923 |
| (2) Intersegment | 86,088 | 53,410 | 54,999 | 28,352 | 222,851 | (222,851) | — |
| Total | ¥ 2,474,567 | ¥ 350,224 | ¥ 183,363 | ¥ 217,619 | ¥ 3,225,775 | ¥ (222,851) | ¥ 3,002,923 |
| Operating expenses | 2,344,476 | 264,258 | 168,449 | 206,969 | 2,984,153 | (218,516) | 2,765,637 |
| Operating profit | ¥ 130,090 | ¥ 85,966 | ¥ 14,914 | ¥ 10,650 | ¥ 241,621 | ¥ (4,335) | ¥ 237,285 |
| II. Assets | ¥49,196,165 | ¥4,039,567 | ¥1,756,961 | ¥2,647,550 | ¥57,640,245 | ¥(3,872,740) | ¥53,767,504 |

| Year ended March 31, 2001 | Millions of U.S. dollars | | | | | | |
|---------------------------|--------------------------|--------------|----------|------------------|-----------|-------------|--------------|
| | Japan | The Americas | Europe | Asia and Oceania | Total | Elimination | Consolidated |
| I. Operating income | | | | | | | |
| (1) External customers | \$ 16,755 | \$ 2,862 | \$ 1,361 | \$ 1,024 | \$ 22,002 | \$ — | \$ 22,002 |
| (2) Intersegment | 940 | 436 | 512 | 326 | 2,214 | (2,214) | — |
| Total | \$ 17,695 | \$ 3,298 | \$ 1,873 | \$ 1,350 | \$ 24,216 | \$ (2,214) | \$ 22,002 |
| Operating expenses | 16,267 | 2,015 | 1,857 | 1,109 | 21,248 | (1,754) | 19,494 |
| Operating profit | \$ 1,428 | \$ 1,283 | \$ 16 | \$ 241 | \$ 2,968 | \$ (460) | \$ 2,508 |
| II. Assets | \$489,108 | \$40,769 | \$20,787 | \$18,568 | \$569,232 | \$(25,302) | \$543,930 |

- 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. (a) Accounting standard for employee retirement benefit
As shown in Notes to consolidated financial statements, accounting standard for retirement benefits was applied from the fiscal year ended March 31, 2001. Consequently, operating profit increased by ¥10,360 million (\$84 million) in Japan for 2001 compared with prior accounting method.
- (b) Accounting standard for financial instruments
As shown in Notes to consolidated financial statements, accounting standard for financial instruments was applied from the fiscal year ended March 31, 2001, and the method to evaluate securities and derivatives and the method of hedge accounting were changed. Consequently, operating profit increased by ¥22,556 million (\$182 million) in Japan, by ¥3,304 million (\$27 million) in the Americas, and by ¥731 million (\$6 million) in Asia and Oceania and decreased by ¥5,853 million (\$47 million) in Europe, for 2001 compared with prior accounting method. Effective April 1, 2000, income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which has been changed from prior accounting that presented net by transaction. As a result, operating income and expenses decreased by ¥220,611 million (\$1,781 million) in Japan, by ¥134,827 million (\$1,088 million) in the Americas, by ¥58,364 million (\$471 million) in Europe, and by ¥79,374 million (\$641 million) in Asia and Oceania for 2001 compared with the prior accounting method.
- (c) Accounting standard for foreign currency transactions
As shown in Notes to consolidated financial statements, domestic consolidated subsidiaries (excluding a domestic banking subsidiary) applied the revised accounting standard for foreign currency transactions from 2001. Consequently, operating profit decreased by ¥48 million in Japan for 2001 compared with prior accounting method.
- (d) Taxation standard for enterprise tax
As shown in Notes to consolidated financial statements, enterprise tax other than relating to pre-tax income was included in operating expenses. Effective April 1, 2000, the Special ordinance concerning taxation standard for enterprise taxes in relation to banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and the enterprise tax in Tokyo, which was not included in operating expenses for prior period, was included in operating expenses in Japan by the amount of ¥8,100 million (\$65 million) for 2001.
4. 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 benefit and other extraordinary expenses.

(3) Operating income from overseas operations

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|-----------|--------------------------|
| | 2001 | 2000 | 2001 |
| Operating income from overseas operations (A) | ¥ 650,138 | ¥ 614,445 | \$ 5,247 |
| Consolidated operating income (B) | 2,725,995 | 3,002,923 | 22,002 |
| (A) / (B) | 23.9% | 20.5% | 23.9% |

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

33. Subsequent Event

(1) Appropriations of retained earnings

The following appropriations of retained earnings of the Bank at March 31, 2001, were approved by the ordinary general meeting of shareholders held on June 28, 2001.

| | Millions of yen | Millions of U.S. dollars |
|--|-----------------|--------------------------|
| Cash dividends, ¥3.00 per share on common stock | ¥9,423 | \$76 |
| ¥5.25 per share on preferred stock (first series type 1) | 351 | 3 |
| ¥14.25 per share on preferred stock (second series type 1) | 1,425 | 12 |

(2) Merger with The Sakura Bank, Limited

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

Upon the merger;

- (a) The Bank issued 2,470,846,767 par value common stocks (par value of ¥50 per share) and allotted these common stocks to each of Sakura's shareholder listed in Sakura's final shareholders' registration on the day immediately preceding the appointed date of merger in the ratio of 1 to 0.6 of Sakura's common stock to the Bank's common stock.
- (b) The Bank issued 2,577,000 non-par-value Type VI preferred stocks and allotted these preferred stocks to each shareholder listed in Sakura's final shareholders' registration of preferred stock (Series-II) on the day immediately preceding the appointed date of merger in the ratio of 1 to 1 of Sakura's

preferred stock (Series-II) to the Bank's Type VI preferred stock.

- (c) The Bank issued 800,000,000 non-par-value Type V preferred stocks and allotted these preferred stocks to each shareholder listed in Sakura's final shareholders' registration of preferred stock (Series-III (Type 2)) on the day immediately preceding the appointed date of merger in the ratio of 1 to 1 of Sakura's preferred stock (Series-III (Type 2)) to the Bank's Type V preferred stock.
- (d) The Bank's preferred stock increased by ¥400,309 million to ¥650,809 million, common stock increased by ¥123,542 million to ¥625,890 million, capital surplus increased by ¥991,326 million to ¥1,634,407 million, earned surplus reserve increased by ¥131,261 million to ¥239,121 million, land revaluation excess increased by ¥42,690 million to ¥209,583 million and retained earnings increased by ¥165,051 million to ¥413,077 million.

34. Parent Company

Nonconsolidated Balance Sheets

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited)
March 31, 2001 and 2000

| | Millions of yen | | Millions of U.S. dollars |
|--|--------------------|--------------------|-----------------------------|
| | 2001 | 2000 | 2001 |
| Assets | | | |
| Cash and due from banks | ¥ 835,448 | ¥ 1,280,533 | \$ 6,743 |
| Deposits with banks | 3,702,608 | 2,502,386 | 29,884 |
| Call loans and bills bought | 125,531 | 202,615 | 1,013 |
| Receivables under resale agreements | 2,597,816 | — | 20,967 |
| Commercial paper and other debt purchased | 77,362 | 84,494 | 624 |
| Trading assets | 1,842,889 | 1,445,843 | 14,874 |
| Money held in trust | 52,912 | 108,888 | 427 |
| Securities | 16,860,309 | 8,982,244 | 136,080 |
| Loans and bills discounted | 31,172,382 | 31,358,560 | 251,593 |
| Foreign exchanges | 460,908 | 352,971 | 3,720 |
| Other assets | 3,417,288 | 1,540,495 | 27,581 |
| Premises and equipment | 585,395 | 591,187 | 4,725 |
| Deferred tax assets | 550,472 | 624,585 | 4,443 |
| Customers' liabilities for acceptances and guarantees | 3,655,396 | 2,923,570 | 29,503 |
| Reserve for possible loan losses | (671,042) | (909,039) | (5,416) |
| Total assets | ¥65,265,680 | ¥51,089,338 | \$526,761 |
| Liabilities and stockholders' equity | | | |
| Liabilities | | | |
| Deposits | ¥37,195,694 | ¥34,229,831 | \$300,207 |
| Call money and bills sold | 5,330,519 | 2,739,363 | 43,023 |
| Payables under repurchase agreements | 4,857,211 | — | 39,203 |
| Commercial paper | 500,400 | 110,200 | 4,039 |
| Trading liabilities | 1,008,330 | 603,424 | 8,138 |
| Borrowed money | 2,388,329 | 2,461,252 | 19,276 |
| Foreign exchanges | 212,344 | 165,145 | 1,714 |
| Bonds | 1,000,607 | 432,343 | 8,076 |
| Convertible bonds | 101,106 | 101,106 | 816 |
| Other liabilities | 6,923,707 | 5,173,303 | 55,881 |
| Reserve for employee retirement benefit | — | 46,764 | — |
| Reserve for possible losses on loans sold | 70,809 | 111,588 | 572 |
| Other reserves | 8 | 8 | 0 |
| Deferred tax liabilities for land revaluation | 102,506 | 110,798 | 827 |
| Acceptances and guarantees | 3,655,396 | 2,923,570 | 29,503 |
| Total liabilities | ¥63,346,972 | ¥49,208,701 | \$511,275 |
| Stockholders' equity | | | |
| Preferred stock, no par value; authorized 970,000 thousand shares and issued 167,000 thousand shares in 2001 and 2000 | ¥ 250,500 | ¥ 250,500 | \$ 2,022 |
| Common stock, par value ¥50 per share; authorized 7,500,000 thousand shares and issued 3,141,062 thousand shares in 2001 and 2000 | 502,348 | 502,348 | 4,054 |
| Capital surplus | 643,080 | 643,080 | 5,190 |
| Earned surplus reserve | 107,859 | 103,319 | 871 |
| Land revaluation excess | 166,893 | 167,379 | 1,347 |
| Retained earnings | 248,026 | 214,008 | 2,002 |
| Total stockholders' equity | ¥ 1,918,707 | ¥ 1,880,637 | \$ 15,486 |
| Total liabilities and stockholders' equity | ¥65,265,680 | ¥51,089,338 | \$526,761 |

Note: Translation into U.S. dollars has been made on the basis of ¥123.90 to US\$1, the effective exchange rate at March 31, 2001.

Nonconsolidated Statements of Income

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited)

Years ended March 31, 2001, 2000 and 1999

| | Millions of yen | | | Millions of U.S. dollars |
|--|-------------------|-------------------|--------------------|-----------------------------|
| | 2001 | 2000 | 1999 | 2001 |
| Income | | | | |
| Interest income: | | | | |
| Interest on loans and discounts | ¥ 778,683 | ¥ 766,285 | ¥ 971,144 | \$ 6,285 |
| Interest and dividends on securities | 218,173 | 142,745 | 175,223 | 1,761 |
| Interest on receivables under resale agreements | 1,614 | — | — | 13 |
| Other interest income | 260,699 | 507,548 | 499,542 | 2,104 |
| Fees and commissions | 119,990 | 106,565 | 104,338 | 968 |
| Trading profits | 74,609 | 34,227 | 37,156 | 602 |
| Other operating income | 24,021 | 61,072 | 115,264 | 194 |
| Other income | 373,042 | 565,902 | 170,659 | 3,011 |
| Total income | ¥1,850,834 | ¥2,184,348 | ¥2,073,328 | \$14,938 |
| Expenses | | | | |
| Interest expenses: | | | | |
| Interest on deposits | ¥ 398,203 | ¥ 282,160 | ¥ 506,237 | \$ 3,214 |
| Interest on borrowings and rediscounts | 118,481 | 110,299 | 122,861 | 956 |
| Interest on payables under repurchase agreements | 7,512 | — | — | 61 |
| Other interest expenses | 93,500 | 420,641 | 413,916 | 755 |
| Fees and commissions | 38,575 | 37,306 | 43,159 | 311 |
| Trading losses | — | 944 | 542 | — |
| Other operating expenses | 49,272 | 49,091 | 69,729 | 398 |
| General and administrative expenses | 331,467 | 350,791 | 366,369 | 2,675 |
| Transfer to reserve for possible loan losses | 5,653 | 292,209 | 566,279 | 45 |
| Other expenses | 674,115 | 492,402 | 617,656 | 5,441 |
| Total expenses | ¥1,716,783 | ¥2,035,847 | ¥2,706,752 | \$13,856 |
| Income (loss) before income taxes | ¥ 134,051 | ¥ 148,500 | ¥ (633,423) | \$ 1,082 |
| Income taxes: | | | | |
| Current | ¥ 7,759 | ¥ 6,634 | ¥ 20,812 | \$ 63 |
| Deferred | 70,616 | 93,047 | (280,112) | 570 |
| Net income (loss) | ¥ 55,675 | ¥ 48,818 | ¥ (374,123) | \$ 449 |

| | Yen | | | U.S. dollars |
|--|---------|---------|------------|--------------|
| Per share data: | | | | |
| Net income (loss) | ¥ 16.59 | ¥ 14.41 | ¥ (119.11) | \$ 0.13 |
| Net income—diluted | 16.25 | 14.12 | — | 0.13 |
| Declared dividends on common stock | 6.00 | 6.00 | 6.00 | 0.05 |
| Declared dividends on preferred stock (first series type I) | 10.50 | 10.50 | 0.03 | 0.08 |
| Declared dividends on preferred stock (second series type I) | 28.50 | 28.50 | 0.08 | 0.23 |

Report of Independent Public Accountants

To The Board of Directors of
Sumitomo Mitsui Banking Corporation

We have audited the accompanying consolidated balance sheets of Sumitomo Mitsui Banking Corporation (formerly The Sumitomo Bank, Limited) and subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2001, expressed in Japanese yen. Our audits were 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, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2001 in conformity with accounting principles generally accepted in Japan applied on a consistent basis during the periods, except as noted in the following paragraph.

As explained in Note 2, effective April 1, 2000, Sumitomo Mitsui Banking Corporation and subsidiaries prospectively adopted new Japanese accounting standards for employees' severance and retirement benefits, financial instruments and foreign currency translation.

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.

As explained in Note 33 (2), The Sumitomo Bank, Limited merged with The Sakura Bank, Limited on April 1, 2001.



Tokyo, Japan
June 28, 2001

Statement on Accounting Principles and Auditing Standards

This statement is to remind users that accounting principles and auditing standards and their application in practice may vary among nations and therefore could affect, possibly materially, the reported financial position and results of operations. The accompanying financial statements are prepared based on accounting principles generally accepted in Japan, and the auditing standards and their application in practice are those generally accepted in Japan. Accordingly, the accompanying consolidated financial statements and the auditors' report presented above are for users familiar with Japanese accounting principles, auditing standards and their application in practice.

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

The consolidated financial statements of the Bank and its consolidated subsidiaries presented in this annual report conform with Japanese Generally Accepted Accounting Principles (GAAP). Such principles vary from U.S. GAAP in the following significant respects.

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.

Accounting for sales of loans with recourse

Under Japanese GAAP, certain loan participations which meet specified criteria are allowed to be recorded as sales.

Accounting for derivatives and hedging activities

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

Securities

Under the new Japanese GAAP effective April 1, 2000, 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. Other securities (available-for-sale securities) can be carried at cost (effective April 1, 2001, other securities should be carried at fair value with unrealized gains or losses recorded directly to equity, net of taxes).

Loan fees

Loan origination fees are recognized when income is received.

Accrued interest on non-performing loans

The Bank places into the nonaccrual status the loans which management assessed as "Bankrupt" and "Effectively Bankrupt" and "Potentially Bankrupt."

U.S. GAAP

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.

SFAS No. 140 specifies that sale of assets such as loans refers to an outright sale with legal title passing to the purchaser. A transfer of assets qualifying as a sale with recourse under SFAS No. 140 would result in the recording of an estimated liability.

Derivative instruments are currently classified into trading and hedging instruments. Derivative instruments for a trading purpose and a hedging purpose are recorded at fair value and on an accrual basis, respectively. Under SFAS No. 133 and No. 137 effective all fiscal years beginning after June 15, 2000, derivative instruments are recorded at fair value with changes recognized currently in earnings unless precise hedge accounting criteria are met.

Under SFAS No. 115, debt securities intended to be held to maturity are carried at amortized cost. Equity securities and debt securities available for sale are carried at fair values with unrealized gains and losses reported as comprehensive income in the stockholders' equity section. Trading securities are carried at market value with gains and losses included in the current period income.

Loan origination fees are deferred and recognized over the life of the loan.

Loans are generally placed on nonaccrual status when they become 90 days past due or when they are deemed uncollectible based on management's assessment.

Restructured loans

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

Earned surplus reserve

An amount equivalent to at least 20% of cash disbursements, such as dividend distribution, must be appropriated as earned surplus reserve in the retained earnings.

Leases

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

Land revaluation excess

Land which had been recorded at cost was revalued at fair value. The resulting gains were recorded in land revaluation excess in the stockholders' equity section.

Guarantees

Guarantees, including standby letters of credit and the related reimbursement obligations of customers, are included on the face of the financial statements and assets of equal amounts.

Directors' bonuses

Directors' bonuses are charged directly to earned surplus.

Comprehensive income

Reporting of other comprehensive income not included in net income is not required.

SFAS No. 114 requires that impaired loans 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.

Earned surplus reserve are not provided for under U.S. GAAP.

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.

Such land revaluation excess is not permissible.

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

Directors' compensation is generally expensed on an accrual basis.

SFAS No. 130 requires the reporting of the revenues, expenses, gains and losses that are not included in net income as comprehensive income.

Supplemental Data (Consolidated)

INCOME ANALYSIS

Formerly The Sakura Bank, Limited and Subsidiaries

Operating Income, Classified by Domestic and Overseas Operations

| Years ended March 31 | Millions of yen | | | | | | | |
|---------------------------------|---------------------|------------|---------------------|----------|-----------------|----------|-------------------|------------|
| | Domestic operations | | Overseas operations | | Elimination | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥853,796 | ¥1,103,878 | ¥324,675 | ¥360,523 | ¥ 70,643 | ¥ 65,459 | ¥1,107,828 | ¥1,398,941 |
| Interest expenses | 223,203 | 463,441 | 280,097 | 344,461 | 65,590 | 63,983 | 437,710 | 743,919 |
| Net interest income | 630,592 | 640,437 | 44,578 | 16,061 | 5,052 | 1,476 | 670,118 | 655,022 |
| Fees and commissions (income) | ¥198,328 | ¥ 174,558 | ¥ 10,933 | ¥ 11,655 | ¥ — | ¥ — | ¥ 209,261 | ¥ 186,213 |
| Fees and commissions (expenses) | 57,180 | 61,651 | 4,683 | 4,763 | — | — | 61,863 | 66,414 |
| Net fees and commissions | 141,147 | 112,907 | 6,250 | 6,891 | — | — | 147,397 | 119,799 |
| Trading profits | ¥ 22,550 | ¥ 10,464 | ¥ 4,257 | ¥ 7,020 | ¥ — | ¥ — | ¥ 26,807 | ¥ 17,484 |
| Trading losses | — | 71 | — | 923 | — | — | — | 994 |
| Net trading income | 22,550 | 10,392 | 4,257 | 6,097 | — | — | 26,807 | 16,490 |
| Other operating income | ¥ 89,471 | ¥ 92,997 | ¥ 8,150 | ¥ 6,264 | ¥ — | ¥ — | ¥ 97,621 | ¥ 99,261 |
| Other operating expenses | 54,880 | 64,984 | 591 | 2,898 | — | — | 55,471 | 67,883 |
| Net other operating income | 34,590 | 28,012 | 7,558 | 3,365 | — | — | 42,149 | 31,378 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan. Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Interest expenses are shown after deduction of an amount equivalent to interest expenses on money held in trust (2001, ¥130 million; 2000, ¥1,631 million).
3. As for interest income and interest expenses, internal transactions between domestic operations and overseas operations are shown in the elimination column. As for fees and commissions (income) (expenses), trading profits and trading losses, and other operating income and other operating expenses, internal transactions between domestic operations and overseas operations are excluded.
4. Due to application of the new accounting standard, interest income and interest expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which has been changed from prior accounting that presented net by transaction. As a result, interest income and interest expenses for the year ended March 31, 2001 have decreased by ¥155,585 million, respectively.

Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Yields

Domestic Operations

| Years ended March 31 | Millions of yen | | | | | |
|------------------------------------|--------------------|-------------|-----------------|------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥39,629,986 | ¥38,274,476 | ¥853,796 | ¥1,103,878 | 2.15% | 2.88% |
| Loans and bills discounted | 30,544,153 | 30,837,811 | 667,713 | 658,031 | 2.18 | 2.13 |
| Securities | 7,697,365 | 6,796,661 | 125,971 | 107,583 | 1.63 | 1.58 |
| Call loans and bills bought | 226,077 | 118,381 | 2,451 | 291 | 1.08 | 0.24 |
| Deposits with banks | 708,029 | 269,204 | 36,306 | 7,801 | 5.12 | 2.89 |
| Interest-bearing liabilities | ¥38,203,911 | ¥36,650,560 | ¥223,203 | ¥ 463,441 | 0.58% | 1.26% |
| Deposits | 28,234,447 | 29,182,025 | 108,285 | 99,523 | 0.38 | 0.34 |
| Negotiable certificates of deposit | 3,479,955 | 2,691,051 | 10,506 | 4,170 | 0.30 | 0.15 |
| Call money and bills sold | 3,129,943 | 2,330,833 | 9,283 | 6,441 | 0.29 | 0.27 |
| Commercial paper | 441,024 | 267,443 | 2,976 | 1,094 | 0.67 | 0.40 |
| Borrowed money | 2,005,986 | 2,145,204 | 41,005 | 45,061 | 2.04 | 2.10 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
2. As a general rule, average balances are calculated using average daily balances. For domestic consolidated subsidiaries except financial business, however, an average balance based on the balances at the end of each semi-annual period is used.
3. Interest-earning assets are shown after deduction of the average balance of non-interest earning deposits with banks (2001, ¥334,599 million; 2000, ¥376,853 million) and interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of money held in trust (2001, ¥50,636 million; 2000, ¥133,392 million) and interest (2001, ¥123 million; 2000, ¥1,626 million).

INCOME ANALYSIS

Formerly The Sumitomo Bank, Limited and Subsidiaries

Operating Income, Classified by Domestic and Overseas Operations

| Years ended March 31 | Millions of yen | | | | | | | |
|---------------------------------|---------------------|------------|---------------------|----------|-------------------|-----------|-------------------|------------|
| | Domestic operations | | Overseas operations | | Elimination | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥959,017 | ¥1,052,708 | ¥481,206 | ¥530,614 | ¥(112,168) | ¥(55,291) | ¥1,328,056 | ¥1,528,031 |
| Interest expenses | 306,021 | 476,516 | 423,726 | 451,858 | (55,804) | (55,300) | 673,943 | 873,073 |
| Net interest income | 652,996 | 576,191 | 57,480 | 78,756 | (56,363) | 9 | 654,113 | 654,958 |
| Fees and commissions (income) | ¥176,645 | ¥ 165,029 | ¥ 26,275 | ¥ 19,744 | ¥ (84) | ¥ (2,136) | ¥ 202,836 | ¥ 182,637 |
| Fees and commissions (expenses) | 29,802 | 30,170 | 4,246 | 8,430 | (130) | (1,825) | 33,918 | 36,775 |
| Net fees and commissions | 146,843 | 134,858 | 22,029 | 11,313 | 45 | (310) | 168,918 | 145,861 |
| Trading profits | ¥ 43,914 | ¥ 28,625 | ¥ 45,207 | ¥ 45,772 | ¥ (4,744) | ¥ (4,638) | ¥ 84,376 | ¥ 69,760 |
| Trading losses | 4,745 | 937 | 2,146 | 26,553 | (4,744) | (4,638) | 2,146 | 22,853 |
| Net trading income | 39,168 | 27,687 | 43,060 | 19,219 | — | — | 82,229 | 46,907 |
| Other operating income | ¥538,282 | ¥ 568,113 | ¥ 13,937 | ¥ 22,061 | ¥ (158) | ¥ (535) | ¥ 552,060 | ¥ 589,638 |
| Other operating expenses | 467,982 | 497,156 | 37,293 | 13,352 | (81) | (75) | 505,193 | 510,433 |
| Net other operating income | 70,299 | 70,956 | (23,356) | 8,709 | (76) | (460) | 46,867 | 79,204 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan. Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Interest expenses are shown after deduction of an amount equivalent to interest expenses on money held in trust (2001, ¥565 million; 2000, ¥1,242 million).
3. Internal transactions between domestic operations and overseas operations are shown in the elimination column.
4. Due to application of the new accounting standard, interest income and interest expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which has been changed from prior accounting that presented net by transaction. As a result, interest income and interest expenses for the year ended March 31, 2001 have decreased by ¥493,177 million, respectively.

Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Yields

Domestic Operations

| Years ended March 31 | Millions of yen | | | | | |
|--------------------------------------|--------------------|-------------|-----------------|------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥43,761,247 | ¥39,967,136 | ¥959,017 | ¥1,052,708 | 2.19% | 2.63% |
| Loans and bills discounted | 29,640,322 | 30,585,767 | 633,924 | 650,841 | 2.14 | 2.13 |
| Securities | 11,520,742 | 7,751,326 | 198,736 | 119,432 | 1.73 | 1.54 |
| Call loans and bills bought | 343,620 | 257,639 | 4,439 | 3,953 | 1.29 | 1.53 |
| Receivables under resale agreements | 278,995 | — | 1,137 | — | 0.41 | — |
| Deposits with banks | 1,569,608 | 1,026,205 | 97,378 | 36,865 | 6.20 | 3.59 |
| Interest-bearing liabilities | ¥42,156,287 | ¥39,427,381 | ¥306,021 | ¥ 476,516 | 0.73% | 1.21% |
| Deposits | 25,058,159 | 25,410,496 | 140,304 | 119,424 | 0.56 | 0.47 |
| Negotiable certificates of deposit | 5,347,869 | 5,658,239 | 15,329 | 8,815 | 0.29 | 0.16 |
| Call money and bills sold | 4,026,447 | 3,541,425 | 11,703 | 6,021 | 0.29 | 0.17 |
| Payables under repurchase agreements | 2,579,529 | — | 7,512 | — | 0.29 | — |
| Commercial paper | 413,450 | 366,793 | 1,754 | 978 | 0.42 | 0.27 |
| Borrowed money | 3,649,186 | 3,947,864 | 98,826 | 108,178 | 2.71 | 2.74 |
| Bonds | 887,721 | 336,515 | 16,844 | 6,155 | 1.90 | 1.83 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
2. As a general rule, average balances are calculated using average daily balances. For some consolidated subsidiaries, however, an average balance based on the balances at the end of each week, month or semi-annual period is used.
3. Money held in trust is not included in interest-earning assets, and accordingly the amounts of interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of money held in trust (2001, ¥85,524 million; 2000, ¥108,483 million) and corresponding interest (2001, ¥565 million; 2000, ¥1,242 million).

Formerly The Sakura Bank, Limited and Subsidiaries

Overseas Operations

| Years ended March 31 | Millions of yen | | | | | |
|------------------------------------|-------------------|------------|-----------------|----------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥5,460,757 | ¥5,142,279 | ¥324,675 | ¥360,523 | 5.94% | 7.01% |
| Loans and bills discounted | 3,978,439 | 4,243,255 | 183,555 | 159,127 | 4.61 | 3.75 |
| Securities | 220,734 | 217,170 | 13,768 | 11,847 | 6.23 | 5.45 |
| Call loans and bills bought | 48,826 | 54,068 | 3,154 | 2,695 | 6.45 | 4.98 |
| Deposits with banks | 1,103,360 | 530,360 | 69,658 | 24,740 | 6.31 | 4.66 |
| Interest-bearing liabilities | ¥5,422,693 | ¥4,821,896 | ¥280,097 | ¥344,461 | 5.16% | 7.14% |
| Deposits | 3,143,698 | 2,568,758 | 130,135 | 69,334 | 4.13 | 2.69 |
| Negotiable certificates of deposit | 47,442 | 50,869 | 2,511 | 3,793 | 5.29 | 7.45 |
| Call money and bills sold | 99,410 | 56,430 | 4,510 | 2,340 | 4.53 | 4.14 |
| Commercial paper | 10,583 | — | 704 | — | 6.65 | — |
| Borrowed money | 1,308,437 | 1,332,204 | 58,742 | 51,248 | 4.48 | 3.84 |

- Notes: 1. Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. As a general rule, average balances are calculated using average daily balances. For subsidiaries with a head office located overseas, however, an average balance based on the balances at the end of semi-annual period is used.
3. Interest-earning assets are shown after deduction of the average balance of non-interest earning deposits with banks (2001, ¥4,073 million; 2000, ¥7,737 million) and interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of money held in trust (2001, ¥139 million; 2000, ¥67 million) and interest (2001, ¥7 million; 2000, ¥5 million).

Total of Domestic and Overseas Operations

| Years ended March 31 | Millions of yen | | | | | |
|------------------------------------|--------------------|-------------|-------------------|------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥42,752,740 | ¥40,653,736 | ¥1,107,828 | ¥1,398,941 | 2.59% | 3.44% |
| Loans and bills discounted | 32,589,813 | 32,859,959 | 795,443 | 764,328 | 2.44 | 2.32 |
| Securities | 7,789,349 | 6,770,728 | 134,621 | 117,759 | 1.72 | 1.73 |
| Call loans and bills bought | 256,702 | 156,842 | 5,374 | 2,735 | 2.09 | 1.74 |
| Deposits with banks | 1,553,926 | 522,943 | 100,750 | 25,884 | 6.48 | 4.94 |
| Interest-bearing liabilities | ¥41,560,846 | ¥39,249,060 | ¥ 437,710 | ¥ 743,919 | 1.05% | 1.89% |
| Deposits | 31,173,079 | 31,520,040 | 233,379 | 162,312 | 0.74 | 0.51 |
| Negotiable certificates of deposit | 3,491,797 | 2,667,332 | 12,845 | 7,859 | 0.36 | 0.29 |
| Call money and bills sold | 3,210,861 | 2,350,306 | 13,563 | 8,312 | 0.42 | 0.35 |
| Commercial paper | 451,608 | 267,443 | 3,679 | 1,094 | 0.81 | 0.40 |
| Borrowed money | 1,514,119 | 1,608,315 | 43,922 | 43,580 | 2.90 | 2.70 |

- Notes: 1. The amounts shown in the total column exclude internal transactions between domestic operations and overseas operations.
2. Interest-earning assets are shown after deduction of the average balance of non-interest earning deposits with banks (2001, ¥338,672 million; 2000, ¥384,590 million) and interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of money held in trust (2001, ¥50,775 million; 2000, ¥133,459 million) and interest (2001, ¥130 million; 2000, ¥1,631 million).

Formerly The Sumitomo Bank, Limited and Subsidiaries

Overseas Operations

| Years ended March 31 | Millions of yen | | | | | |
|--------------------------------------|-------------------|------------|-----------------|----------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥8,543,552 | ¥7,512,428 | ¥481,206 | ¥530,614 | 5.63% | 7.06% |
| Loans and bills discounted | 5,140,836 | 5,605,366 | 273,251 | 243,195 | 5.32 | 4.34 |
| Securities | 799,311 | 644,374 | 51,620 | 42,839 | 6.46 | 6.65 |
| Call loans and bills bought | 72,783 | 58,404 | 2,667 | 1,617 | 3.66 | 2.77 |
| Receivables under resale agreements | 249,572 | — | 9,723 | — | 3.90 | — |
| Deposits with banks | 1,940,830 | 946,961 | 120,780 | 47,796 | 6.22 | 5.05 |
| Interest-bearing liabilities | ¥7,694,131 | ¥5,635,880 | ¥423,726 | ¥451,858 | 5.51% | 8.02% |
| Deposits | 5,520,504 | 4,047,646 | 234,585 | 151,248 | 4.25 | 3.74 |
| Negotiable certificates of deposit | 155,435 | 178,330 | 7,681 | 9,200 | 4.94 | 5.16 |
| Call money and bills sold | 110,934 | 62,856 | 3,872 | 2,586 | 3.49 | 4.11 |
| Payables under repurchase agreements | 349,206 | — | 14,712 | — | 4.21 | — |
| Commercial paper | 8,248 | 70,598 | 475 | 4,031 | 5.77 | 5.71 |
| Borrowed money | 244,530 | 242,133 | 13,297 | 12,194 | 5.44 | 5.04 |
| Bonds | 1,265,359 | 977,033 | 43,501 | 38,696 | 3.44 | 3.96 |

Notes: 1. Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.

2. For some consolidated subsidiaries, an average balance based on the balance at the end of each week, month, or semi-annual period is used.

Total of Domestic and Overseas Operations

| Years ended March 31 | Millions of yen | | | | | |
|--------------------------------------|--------------------|-------------|-------------------|------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥50,855,990 | ¥45,951,745 | ¥1,328,056 | ¥1,528,031 | 2.61% | 3.33% |
| Loans and bills discounted | 33,344,068 | 34,686,573 | 851,820 | 839,295 | 2.55 | 2.42 |
| Securities | 12,317,862 | 8,393,160 | 193,828 | 162,129 | 1.57 | 1.93 |
| Call loans and bills bought | 416,403 | 316,043 | 7,106 | 5,570 | 1.71 | 1.76 |
| Receivables under resale agreements | 528,568 | — | 10,861 | — | 2.05 | — |
| Deposits with banks | 3,500,912 | 1,952,501 | 217,874 | 84,335 | 6.22 | 4.32 |
| Interest-bearing liabilities | ¥48,400,855 | ¥43,534,455 | ¥ 673,943 | ¥ 873,073 | 1.39% | 2.01% |
| Deposits | 30,568,412 | 29,436,514 | 374,606 | 270,347 | 1.23 | 0.92 |
| Negotiable certificates of deposit | 5,503,275 | 5,836,546 | 23,010 | 18,016 | 0.42 | 0.31 |
| Call money and bills sold | 4,137,382 | 3,604,281 | 15,575 | 8,607 | 0.38 | 0.24 |
| Payables under repurchase agreements | 2,928,735 | — | 22,224 | — | 0.76 | — |
| Commercial paper | 421,698 | 437,391 | 2,229 | 5,010 | 0.53 | 1.15 |
| Borrowed money | 2,456,627 | 2,685,437 | 56,768 | 65,621 | 2.31 | 2.44 |
| Bonds | 2,150,889 | 1,311,007 | 60,182 | 44,709 | 2.80 | 3.41 |

Notes: 1. The amounts shown in the total column exclude internal transactions between domestic operations and overseas operations.

2. Money held in trust is not included in interest-earning assets, and accordingly the amounts of interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of money held in trust (2001, ¥85,524 million; 2000, ¥108,483 million) and corresponding interest (2001, ¥565 million; 2000, ¥1,242 million).

Fees and Commissions

| Years ended March 31 | Millions of yen | | | | | |
|---------------------------------|---------------------|----------|---------------------|---------|-----------------|----------|
| | Domestic operations | | Overseas operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Fees and commissions (income) | ¥198,328 | ¥174,558 | ¥10,933 | ¥11,655 | ¥209,261 | ¥186,213 |
| Deposits and loans | 10,861 | 9,296 | 4,601 | 2,999 | 15,463 | 12,296 |
| Remittances and transfers | 51,380 | 49,343 | 1,537 | 1,473 | 52,918 | 50,816 |
| Securities-related business | 25,108 | 20,920 | 83 | 367 | 25,191 | 21,288 |
| Agency | 3,336 | 3,489 | 59 | 246 | 3,396 | 3,735 |
| Safe deposits | 2,961 | 3,080 | 5 | 5 | 2,967 | 3,085 |
| Guarantees | 13,664 | 11,325 | 149 | 1,682 | 13,813 | 13,007 |
| Fees and commissions (expenses) | ¥ 57,180 | ¥ 61,651 | ¥ 4,683 | ¥ 4,763 | ¥ 61,863 | ¥ 66,414 |
| Remittances and transfers | 10,538 | 10,174 | 868 | 136 | 11,407 | 10,311 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. The amounts shown in the above table exclude internal transactions between domestic operations and overseas operations.

Trading Income

| Years ended March 31 | Millions of yen | | | | | |
|--|---------------------|---------|---------------------|--------|----------------|---------|
| | Domestic operations | | Overseas operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trading profits | ¥22,550 | ¥10,464 | ¥4,257 | ¥7,020 | ¥26,807 | ¥17,484 |
| Gains on trading securities | 5,163 | 1,819 | 2,182 | 1,831 | 7,345 | 3,650 |
| Gains on securities related to trading transactions | 1 | — | 2,026 | — | 2,028 | — |
| Gains on trading-related financial derivatives | 15,988 | 7,060 | — | 5,185 | 15,988 | 12,246 |
| Other | 1,396 | 1,583 | 48 | 4 | 1,445 | 1,588 |
| Trading losses | ¥ — | ¥ 71 | ¥ — | ¥ 923 | ¥ — | ¥ 994 |
| Losses on trading securities | — | — | — | — | — | — |
| Losses on securities related to trading transactions | — | 71 | — | 923 | — | 994 |
| Losses on trading-related financial derivatives | — | — | — | — | — | — |
| Other | — | — | — | — | — | — |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. The amounts shown in the above table exclude internal transactions between domestic operations and overseas operations.

Fees and Commissions

| Years ended March 31 | Millions of yen | | | | | | | |
|---------------------------------|---------------------|----------|---------------------|---------|---------------|----------|-----------------|----------|
| | Domestic operations | | Overseas operations | | Elimination | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Fees and commissions (income) | ¥176,645 | ¥165,029 | ¥26,275 | ¥19,744 | ¥ (84) | ¥(2,136) | ¥202,836 | ¥182,637 |
| Deposits and loans | 8,588 | 9,515 | 15,562 | 10,497 | — | — | 24,150 | 20,013 |
| Remittances and transfers | 46,508 | 43,182 | 4,583 | 3,980 | (0) | — | 51,091 | 47,162 |
| Securities-related business | 6,287 | 6,624 | 3 | 660 | — | (645) | 6,291 | 6,639 |
| Agency | 8,134 | 8,202 | 914 | 148 | — | — | 9,049 | 8,351 |
| Safe deposits | 2,770 | 2,813 | 0 | 6 | — | — | 2,771 | 2,820 |
| Guarantees | 10,870 | 12,514 | 1,526 | 1,147 | (84) | (1,487) | 12,313 | 12,175 |
| Credit card | 66,110 | 62,499 | — | — | — | — | 66,110 | 62,499 |
| Fees and commissions (expenses) | ¥ 29,802 | ¥ 30,170 | ¥ 4,246 | ¥ 8,430 | ¥(130) | ¥(1,825) | ¥ 33,918 | ¥ 36,775 |
| Remittances and transfers | 10,385 | 10,190 | 1,487 | 1,843 | (0) | — | 11,873 | 12,033 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Internal transactions between domestic operations and overseas operations are shown in the elimination column.

Trading Income

| Years ended March 31 | Millions of yen | | | | | | | |
|--|---------------------|---------|---------------------|---------|-----------------|----------|----------------|---------|
| | Domestic operations | | Overseas operations | | Elimination | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trading profits | ¥43,914 | ¥28,625 | ¥45,207 | ¥45,772 | ¥(4,744) | ¥(4,638) | ¥84,376 | ¥69,760 |
| Gains on trading securities | 2,831 | 2,776 | 7,526 | 33,683 | — | — | 10,358 | 36,460 |
| Gains on securities related to trading transactions | 599 | — | 7 | — | — | — | 606 | — |
| Gains on trading-related financial derivatives | 37,508 | 24,451 | 37,672 | 10,250 | (4,744) | (4,638) | 70,436 | 30,063 |
| Other | 2,974 | 1,398 | — | 1,837 | — | — | 2,974 | 3,235 |
| Trading losses | ¥ 4,745 | ¥ 937 | ¥ 2,146 | ¥26,553 | ¥(4,744) | ¥(4,638) | ¥ 2,146 | ¥22,853 |
| Losses on trading securities | 0 | — | 190 | 6,839 | — | — | 190 | 6,839 |
| Losses on securities related to trading transactions | — | 937 | — | 6 | — | — | — | 944 |
| Losses on trading-related financial derivatives | 4,744 | — | 1,166 | 19,228 | (4,744) | (4,638) | 1,166 | 14,590 |
| Other | — | — | 789 | 479 | — | — | 789 | 479 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Internal transactions between domestic operations and overseas operations are shown in the elimination column.

DEPOSITS

Formerly The Sakura Bank, Limited and Subsidiaries

Deposits and Negotiable Certificates of Deposit

Year-End Balance

| March 31 | Billions of yen | | | | | |
|------------------------------------|---------------------|-----------|---------------------|----------|------------------|-----------|
| | Domestic operations | | Overseas operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Liquid deposits | ¥13,500.8 | ¥13,026.3 | ¥2,777.2 | ¥2,342.6 | ¥16,278.0 | ¥15,369.0 |
| Fixed-term deposits | 13,757.5 | 12,959.2 | 215.0 | 178.5 | 13,972.6 | 13,137.7 |
| Other | 1,752.1 | 1,710.4 | 1.1 | 8.6 | 1,753.3 | 1,719.1 |
| Subtotal | ¥29,010.5 | ¥27,696.1 | ¥2,993.4 | ¥2,529.8 | ¥32,003.9 | ¥30,225.9 |
| Negotiable certificates of deposit | ¥ 4,574.6 | ¥ 3,479.3 | ¥ 46.3 | ¥ 33.2 | ¥ 4,621.0 | ¥ 3,512.6 |
| Total | ¥33,585.1 | ¥31,175.4 | ¥3,039.8 | ¥2,563.1 | ¥36,625.0 | ¥33,738.6 |

Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan, overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.

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

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

LOANS

Loan Portfolio, Classified by Industry

| March 31 | Billions of yen | | Percent | |
|---|------------------|-----------|----------------|---------|
| | 2001 | 2000 | 2001 | 2000 |
| Domestic operations | | | | |
| Manufacturing | ¥ 4,208.5 | ¥ 4,003.6 | 13.98% | 13.60% |
| Agriculture, forestry, fisheries and mining | 143.3 | 211.9 | 0.48 | 0.72 |
| Construction | 1,656.7 | 1,632.2 | 5.50 | 5.55 |
| Wholesale and retail | 4,549.2 | 4,457.0 | 15.11 | 15.14 |
| Finance and insurance | 2,080.3 | 2,111.0 | 6.91 | 7.17 |
| Real estate | 4,822.1 | 4,256.3 | 16.01 | 14.46 |
| Transportation, communications and other public enterprises | 1,663.5 | 1,660.7 | 5.52 | 5.64 |
| Services | 3,009.5 | 3,214.6 | 10.00 | 10.92 |
| Municipalities | 274.5 | 332.4 | 0.91 | 1.13 |
| Other | 7,703.2 | 7,554.4 | 25.58 | 25.67 |
| Subtotal | ¥30,111.1 | ¥29,434.5 | 100.00% | 100.00% |
| Overseas operations | | | | |
| Public sector | ¥ 63.9 | ¥ 51.4 | 2.29% | 1.78% |
| Financial institutions | 146.6 | 144.1 | 5.25 | 4.97 |
| Commerce and industry | 2,478.6 | 2,595.1 | 88.66 | 89.53 |
| Other | 106.2 | 107.9 | 3.80 | 3.72 |
| Subtotal | ¥ 2,795.5 | ¥ 2,898.6 | 100.00% | 100.00% |
| Total | ¥32,906.7 | ¥32,333.2 | | |

Note: Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan, overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.

DEPOSITS

Formerly The Sumitomo Bank, Limited and Subsidiaries

Deposits and Negotiable Certificates of Deposit

Year-End Balance

| March 31 | Billions of yen | | | | | |
|------------------------------------|---------------------|-----------|---------------------|----------|------------------|-----------|
| | Domestic operations | | Overseas operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Liquid deposits | ¥10,729.9 | ¥10,138.9 | ¥5,893.0 | ¥3,730.6 | ¥16,622.9 | ¥13,869.6 |
| Fixed-term deposits | 11,929.5 | 12,288.0 | 360.7 | 378.6 | 12,290.3 | 12,666.7 |
| Other | 2,108.1 | 1,818.1 | 23.6 | 7.5 | 2,131.8 | 1,825.6 |
| Subtotal | ¥24,767.5 | ¥24,245.1 | ¥6,277.4 | ¥4,116.9 | ¥31,045.0 | ¥28,362.0 |
| Negotiable certificates of deposit | ¥ 6,900.8 | ¥ 6,764.8 | ¥ 125.0 | ¥ 104.3 | ¥ 7,025.9 | ¥ 6,869.2 |
| Total | ¥31,668.4 | ¥31,010.0 | ¥6,402.5 | ¥4,221.3 | ¥38,071.0 | ¥35,231.3 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan, overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice
3. Fixed-term deposits = Time deposits

LOANS

Loan Portfolio, Classified by Industry

| March 31 | Billions of yen | | Percent | |
|---|------------------|-----------|----------------|---------|
| | 2001 | 2000 | 2001 | 2000 |
| Domestic operations | | | | |
| Manufacturing | ¥ 3,633.5 | ¥ 3,596.7 | 12.53% | 12.25% |
| Agriculture, forestry, fisheries and mining | 68.3 | 70.5 | 0.24 | 0.24 |
| Construction | 1,622.8 | 1,722.3 | 5.60 | 5.87 |
| Wholesale and retail | 3,649.1 | 3,671.7 | 12.58 | 12.50 |
| Finance and insurance | 2,160.4 | 2,116.7 | 7.45 | 7.21 |
| Real estate | 5,019.3 | 4,910.5 | 17.31 | 16.72 |
| Transportation, communications and other public enterprises | 1,420.4 | 1,231.9 | 4.90 | 4.20 |
| Services | 4,418.0 | 4,883.4 | 15.23 | 16.63 |
| Municipalities | 81.8 | 104.2 | 0.28 | 0.35 |
| Other | 6,925.9 | 7,056.2 | 23.88 | 24.03 |
| Subtotal | ¥28,999.9 | ¥29,364.5 | 100.00% | 100.00% |
| Overseas operations | | | | |
| Public sector | ¥ 203.4 | ¥ 159.6 | 5.61% | 4.46% |
| Financial institutions | 158.7 | 213.8 | 4.37 | 5.98 |
| Commerce and industry | 3,260.4 | 3,191.6 | 89.81 | 89.25 |
| Other | 7.7 | 11.1 | 0.21 | 0.31 |
| Subtotal | ¥ 3,630.3 | ¥ 3,576.2 | 100.00% | 100.00% |
| Total | ¥32,630.3 | ¥32,940.8 | | |

Note: Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan, overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.

Risk-Monitored Loans

| March 31 | Billions of yen | |
|-----------------------------------|-----------------|-----------------|
| | 2001 | 2000 |
| Bankrupt loans | ¥ 197.4 | ¥ 176.3 |
| Non-accrual loans | 1,042.0 | 1,274.6 |
| Past due loans (3 months or more) | 75.9 | 39.7 |
| Restructured loans | 151.4 | 170.7 |
| Total | ¥1,466.6 | ¥1,661.4 |

SECURITIES*Year-End Balance*

| March 31 | Billions of yen | |
|---------------------------------|------------------|-----------------|
| | 2001 | 2000 |
| Domestic operations | | |
| Japanese government bonds | ¥ 4,903.1 | ¥1,870.9 |
| Japanese local government bonds | 20.7 | 137.6 |
| Japanese corporate bonds | 588.8 | 448.2 |
| Japanese stocks | 3,899.2 | 3,515.8 |
| Other | 838.7 | 730.7 |
| Securities lent | — | 17.9 |
| Subtotal | ¥10,250.8 | ¥6,721.3 |
| Overseas operations | | |
| Japanese government bonds | ¥ — | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | — |
| Japanese stocks | — | — |
| Other | 215.7 | 207.4 |
| Securities lent | — | — |
| Subtotal | ¥ 215.7 | ¥ 207.4 |
| Total | ¥10,466.5 | ¥6,928.7 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Foreign bonds and foreign stocks are included in other.
3. Securities lent in 2001 are included in each type of securities by the classification above.
4. The amounts shown in the above table exclude internal transactions between domestic operations and overseas operations.

Risk-Monitored Loans

| March 31 | Billions of yen | |
|-----------------------------------|-----------------|-----------------|
| | 2001 | 2000 |
| Bankrupt loans | ¥ 75.7 | ¥ 87.2 |
| Non-accrual loans | 1,535.6 | 1,661.9 |
| Past due loans (3 months or more) | 49.9 | 79.2 |
| Restructured loans | 128.6 | 374.8 |
| Total | ¥1,789.8 | ¥2,203.3 |

SECURITIES*Year-End Balance*

| March 31 | Billions of yen | |
|---------------------------------|------------------|-----------------|
| | 2001 | 2000 |
| Domestic operations | | |
| Japanese government bonds | ¥10,616.2 | ¥3,488.5 |
| Japanese local government bonds | 322.1 | 358.9 |
| Japanese corporate bonds | 666.2 | 713.5 |
| Japanese stocks | 3,042.3 | 3,392.5 |
| Other | 1,122.5 | 393.8 |
| Subtotal | ¥15,769.6 | ¥8,347.4 |
| Overseas operations | | |
| Japanese government bonds | ¥ 75.0 | ¥ — |
| Japanese local government bonds | — | — |
| Japanese corporate bonds | — | 0.4 |
| Japanese stocks | — | 4.0 |
| Other | 1,001.3 | 616.8 |
| Subtotal | ¥ 1,076.3 | ¥ 621.3 |
| Total | ¥16,845.9 | ¥8,968.8 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan. Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Foreign bonds and foreign stocks are included in other.
3. Due to the change of accounting method for certain transactions under resale and repurchase agreements, the amounts of Japanese government bonds for domestic operations increased by ¥1,610.6 billion.

TRADING ASSETS AND LIABILITIES

Formerly The Sakura Bank, Limited and Subsidiaries

Year-End Balance

| March 31 | Millions of yen | | | | | |
|---|---------------------|------------|---------------------|----------|-----------------|------------|
| | Domestic operations | | Overseas operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trading assets: | ¥515,510 | ¥1,300,937 | ¥62,067 | ¥124,091 | ¥577,578 | ¥1,425,028 |
| Trading securities | 11,502 | 435,906 | 29,858 | 30,491 | 41,360 | 466,397 |
| Derivatives of trading securities | — | 273 | — | — | — | 273 |
| Securities related to trading transactions | — | — | 5,403 | 40,793 | 5,403 | 40,793 |
| Trading-related financial derivatives | 83,770 | 59,419 | 24,603 | 52,805 | 108,374 | 112,225 |
| Other trading assets | 420,238 | 805,338 | 2,201 | — | 422,439 | 805,338 |
| Trading liabilities: | ¥128,601 | ¥ 236,276 | ¥72,805 | ¥124,430 | ¥201,407 | ¥ 360,706 |
| Trading securities sold for short sales | 114 | 142,910 | 3,800 | 3,625 | 3,914 | 146,536 |
| Derivatives of trading securities | — | 256 | — | — | — | 256 |
| Securities related to trading transactions sold for short sales | — | — | 3,756 | — | 3,756 | — |
| Derivatives of securities related to trading transactions | — | 3 | — | — | — | 3 |
| Trading-related financial derivatives | 128,486 | 93,105 | 65,249 | 120,804 | 193,736 | 213,909 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan.
Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. The amounts shown in the above table exclude internal transactions between domestic operations and overseas operations.

TRADING ASSETS AND LIABILITIES

Formerly The Sumitomo Bank, Limited and Subsidiaries

Year-End Balance

| March 31 | Millions of yen | | | | | | | |
|---|---------------------|------------|---------------------|----------|-----------------|-----------|-------------------|------------|
| | Domestic operations | | Overseas operations | | Elimination | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trading assets: | ¥1,818,583 | ¥1,344,608 | ¥103,182 | ¥430,919 | ¥(8,361) | ¥(30,101) | ¥1,913,404 | ¥1,745,425 |
| Trading securities | 155,111 | 42,387 | 92,317 | 259,135 | — | — | 247,429 | 301,522 |
| Derivatives of trading securities | 19 | 18 | — | — | — | — | 19 | 18 |
| Derivatives of securities related to trading transactions | 18 | 57 | — | — | — | — | 18 | 57 |
| Trading-related financial derivatives | 911,865 | 476,401 | 10,693 | 144,709 | (8,361) | (30,101) | 914,197 | 591,008 |
| Other trading assets | 751,568 | 825,743 | 171 | 27,074 | — | — | 751,740 | 852,817 |
| Trading liabilities: | ¥ 972,437 | ¥ 496,184 | ¥104,531 | ¥486,567 | ¥(8,361) | ¥(30,101) | ¥1,068,607 | ¥ 952,649 |
| Trading securities sold for short sales | 14,326 | 937 | — | 326,227 | — | — | 14,326 | 327,165 |
| Derivatives of trading securities | 0 | 17 | — | — | — | — | 0 | 17 |
| Derivatives of securities related to trading transactions | 9 | 26 | — | — | — | — | 9 | 26 |
| Trading-related financial derivatives | 958,100 | 495,202 | 104,531 | 160,340 | (8,361) | (30,101) | 1,054,270 | 625,440 |

- Notes: 1. Domestic operations refers to the operations of the Bank (except for overseas branches) and its consolidated subsidiaries within Japan. Overseas operations refers to the operations of the overseas branches of the Bank and its consolidated subsidiaries with a head office located overseas.
2. Internal transactions between domestic operations and overseas operations are shown in the elimination column.

Supplemental Data (Nonconsolidated)

INCOME ANALYSIS

Formerly The Sakura Bank, Limited

Gross Banking Profit, Classified by Domestic and International Operations

| Years ended March 31 | Millions of yen | | | | | |
|---------------------------------|---------------------|----------|--------------------------|----------|-------------------|------------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥669,088 | ¥832,456 | ¥348,079 | ¥506,823 | ¥1,016,508 | ¥1,338,818 |
| Interest expenses | 79,035 | 220,375 | 339,438 | 509,596 | 417,814 | 729,509 |
| Net interest income | 590,052 | 612,081 | 8,641 | (2,772) | 598,693 | 609,308 |
| Fees and commissions (income) | ¥ 95,040 | ¥ 87,163 | ¥ 16,749 | ¥ 15,392 | ¥ 111,790 | ¥102,556 |
| Fees and commissions (expenses) | 36,368 | 35,163 | 6,143 | 7,278 | 42,512 | 42,441 |
| Net fees and commissions | 58,671 | 52,000 | 10,606 | 8,114 | 69,277 | 60,114 |
| Trading profits | ¥ 3,373 | ¥ 1,167 | ¥ 17,402 | ¥ 7,330 | ¥ 20,776 | ¥ 8,498 |
| Trading losses | — | 382 | — | 30 | — | 412 |
| Net trading income | 3,373 | 785 | 17,402 | 7,300 | 20,776 | 8,085 |
| Other operating income | ¥ 30,298 | ¥ 17,214 | ¥ 19,157 | ¥ 40,739 | ¥ 49,455 | ¥ 57,954 |
| Other operating expenses | 6,135 | 16,491 | 1,675 | 7,056 | 7,810 | 23,547 |
| Net other operating income | 24,162 | 723 | 17,481 | 33,683 | 41,644 | 34,406 |
| Gross banking profit | ¥676,260 | ¥665,589 | ¥ 54,131 | ¥ 46,325 | ¥ 730,392 | ¥711,915 |
| Gross banking profit rate (%) | 1.94% | 1.90% | 0.89% | 0.86% | 1.79% | 1.77% |

- 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 (2001, ¥130 million; 2000, ¥1,631 million).
3. Figures in brackets indicate interest payments between domestic and international operations.
4. Gross banking profit rate = Gross banking profit/average balance of interest-earning assets x 100

The Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Yields

Domestic Operations

| Years ended March 31 | Millions of yen | | | | | |
|------------------------------------|--------------------|-------------|-----------------|----------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥34,841,034 | ¥34,852,646 | ¥669,088 | ¥832,456 | 1.92% | 2.38% |
| Loans and bills discounted | 27,921,156 | 28,855,023 | 577,839 | 592,848 | 2.07 | 2.05 |
| Securities | 6,684,363 | 5,882,989 | 84,922 | 71,373 | 1.27 | 1.21 |
| Call loans | 22,116 | 76,285 | 62 | 58 | 0.28 | 0.07 |
| Bills bought | 18,628 | 28,454 | 65 | 7 | 0.35 | 0.02 |
| Deposits with banks | 8,349 | 8,868 | 29 | 32 | 0.35 | 0.36 |
| Interest-bearing liabilities | ¥33,977,837 | ¥33,884,278 | ¥ 79,035 | ¥220,375 | 0.23% | 0.65% |
| | [261,686] | [183,908] | [660] | [461] | | |
| Deposits | 25,326,957 | 27,660,195 | 39,837 | 49,438 | 0.15 | 0.17 |
| Negotiable certificates of deposit | 3,478,211 | 2,690,916 | 10,501 | 4,169 | 0.30 | 0.15 |
| Call money | 2,758,205 | 2,106,478 | 6,154 | 3,240 | 0.22 | 0.15 |
| Bills sold | 309,568 | 136,361 | 579 | 64 | 0.18 | 0.04 |
| Commercial paper | 441,024 | 267,443 | 2,976 | 1,094 | 0.67 | 0.40 |
| Borrowed money | 679,491 | 809,422 | 19,530 | 22,920 | 2.87 | 2.83 |
| Bonds | 419,589 | 141,284 | 6,114 | 1,987 | 1.45 | 1.40 |

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of non-interest earning deposits with banks (2001, ¥329,881 million; 2000, ¥371,348 million). Interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of money held in trust (2001, ¥50,636 million; 2000, ¥125,958 million) and interest (2001, ¥121 million; 2000, ¥821 million).
2. Figures in brackets indicate the amounts resulting from lending and borrowing activities between domestic and international operations.

INCOME ANALYSIS

Formerly The Sumitomo Bank, Limited

Gross Banking Profits, Classified by Domestic and International Operations

| Years ended March 31 | Millions of yen | | | | | |
|---------------------------------|---------------------|----------|--------------------------|----------|--------------------|-----------------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥632,210 | ¥757,299 | ¥630,186 | ¥659,318 | ¥1,259,171 | ¥1,416,579 |
| Interest expenses | 113,065 | 242,028 | 507,292 | 569,889 | [3,225] 617,132 | [38] 811,878 |
| Net interest income | 519,145 | 515,271 | 122,893 | 89,429 | [3,225] 642,038 | [38] 604,700 |
| Fees and commissions (income) | ¥ 84,001 | ¥ 75,810 | ¥ 35,989 | ¥ 30,755 | ¥ 119,990 | ¥106,565 |
| Fees and commissions (expenses) | 29,677 | 27,700 | 8,898 | 9,605 | 38,575 | 37,306 |
| Net fees and commissions | 54,324 | 48,109 | 27,091 | 21,149 | 81,415 | 69,259 |
| Trading profits | ¥ 5,806 | ¥ 4,174 | ¥ 68,802 | ¥ 30,052 | ¥ 74,609 | ¥ 34,227 |
| Trading losses | — | — | — | 944 | — | 944 |
| Net trading income | 5,806 | 4,174 | 68,802 | 29,108 | 74,609 | 33,282 |
| Other operating income | ¥ 12,141 | ¥ 24,948 | ¥ 11,890 | ¥ 36,124 | ¥ 24,021 | ¥ 61,072 |
| Other operating expenses | 8,461 | 27,330 | 40,821 | 18,420 | 49,272 | 45,750 |
| Net other operating income | 3,679 | (2,381) | (28,931) | 17,703 | (25,251) | 15,321 |
| Gross banking profit | ¥582,955 | ¥565,173 | ¥189,856 | ¥157,391 | ¥ 772,811 | ¥722,565 |
| Gross banking profit rate (%) | 1.50% | 1.59% | 1.82% | 1.80% | 1.58% | 1.63% |

- 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 (2001, ¥565 million; 2000, ¥1,222 million).
3. Figures in brackets indicate interest payments between domestic and international operations. In addition, the figures for 2001 in brackets include effect of 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.
4. Gross banking profit rate = Gross banking profit/average balance of interest-earning assets x 100

The Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Yields

Domestic Operations

| Years ended March 31 | Millions of yen | | | | | |
|--------------------------------------|-------------------------|------------------------|--------------------|----------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥38,740,834 | ¥35,397,481 | ¥632,210 | ¥757,299 | 1.63% | 2.13% |
| Loans and bills discounted | 27,384,887 | 28,019,739 | [2,326] 525,950 | 537,952 | 1.92 | 1.91 |
| Securities | 10,804,411 | 7,199,331 | 100,759 | 89,385 | 0.93 | 1.24 |
| Call loans | 3,435 | 391 | 30 | 37 | 0.88 | 9.55 |
| Receivables under resale agreements | 277,192 | — | 1,130 | — | 0.40 | — |
| Bills bought | 263,432 | 170,746 | 813 | 82 | 0.30 | 0.04 |
| Deposits with banks | 3,373 | 3,311 | 1 | 2 | 0.04 | 0.09 |
| Interest-bearing liabilities | ¥36,168,247 | ¥32,504,927 | ¥113,065 | ¥242,028 | 0.31% | 0.74% |
| Deposits | [329,404] 21,768,745 | [15,641] 21,958,363 | [899] 40,310 | [38] 44,183 | 0.18 | 0.20 |
| Negotiable certificates of deposit | 5,335,742 | 5,651,266 | 15,300 | 8,782 | 0.28 | 0.15 |
| Call money | 3,335,588 | 3,297,640 | 6,513 | 3,595 | 0.19 | 0.10 |
| Payables under repurchase agreements | 2,579,529 | — | 5,368 | — | 0.20 | — |
| Bills sold | 642,732 | 200,921 | 1,462 | 118 | 0.22 | 0.05 |
| Commercial paper | 353,806 | 267,406 | 1,567 | 515 | 0.44 | 0.19 |
| Borrowed money | 1,015,688 | 820,000 | 20,427 | 24,275 | 2.01 | 2.96 |
| Bonds | 728,269 | 242,329 | 14,769 | 5,038 | 2.02 | 2.07 |

- Notes: 1. Money held in trust is not included in interest-earning assets, and accordingly the amounts of interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of money held in trust (2001, ¥79,410 million; 2000, ¥100,294 million) and corresponding interest (2001, ¥248 million; 2000, ¥746 million).
2. Figures in brackets indicate the amounts resulting from lending and borrowing activities between domestic and international operations. In addition, the figures for 2001 in brackets include effect of 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. Bond interest includes amortization of discounts of bonds.

Formerly The Sakura Bank, Limited

International Operations

| Years ended March 31 | Millions of yen | | | | | |
|------------------------------------|--------------------------------|-------------------------|--------------------------|-------------------|----------------|--------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥6,028,024 [261,686] | ¥5,360,655 [183,908] | ¥348,079 [660] | ¥506,823 [461] | 5.77% | 9.45% |
| Loans and bills discounted | 3,119,422 | 3,443,140 | 150,813 | 133,934 | 4.83 | 3.88 |
| Securities | 767,292 | 855,816 | 45,080 | 40,280 | 5.87 | 4.70 |
| Call loans | 75,217 | 49,376 | 4,788 | 2,505 | 6.36 | 5.07 |
| Bills bought | — | — | — | — | — | — |
| Deposits with banks | 1,492,222 | 502,282 | 96,976 | 24,956 | 6.49 | 4.96 |
| Interest-bearing liabilities | ¥5,681,458 | ¥4,722,198 | ¥339,438 | ¥509,596 | 5.97% | 10.79% |
| Deposits | 4,076,775 | 3,389,244 | 186,430 | 110,144 | 4.57 | 3.24 |
| Negotiable certificates of deposit | 47,442 | 49,663 | 2,511 | 2,838 | 5.29 | 5.71 |
| Call money | 129,120 | 101,411 | 6,668 | 4,701 | 5.16 | 4.63 |
| Bills sold | — | — | — | — | — | — |
| Commercial paper | — | — | — | — | — | — |
| Borrowed money | 1,239,812 | 1,166,971 | 55,230 | 47,676 | 4.45 | 4.08 |
| Bonds | — | — | — | — | — | — |

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of non-interest earning deposits with banks (2001, ¥8,790 million; 2000, ¥13,242 million), interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of money held in trust (2001, ¥139 million; 2000, ¥7,500 million) and interest (2001, ¥8 million; 2000, ¥809 million).
2. Figures in brackets indicate the amounts resulting from lending and borrowing activities between domestic and international operations.
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 non-exchange transactions of the month concerned).

Total of Domestic and International Operations

| Years ended March 31 | Millions of yen | | | | | |
|------------------------------------|--------------------|-------------|-------------------|------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥40,607,371 | ¥40,029,393 | ¥1,016,508 | ¥1,338,818 | 2.50% | 3.34% |
| Loans and bills discounted | 31,040,579 | 32,298,163 | 728,652 | 726,783 | 2.35 | 2.25 |
| Securities | 7,451,656 | 6,738,805 | 130,003 | 111,654 | 1.74 | 1.65 |
| Call loans | 97,333 | 125,662 | 4,851 | 2,563 | 4.98 | 2.03 |
| Bills bought | 18,628 | 28,454 | 65 | 7 | 0.35 | 0.02 |
| Deposits with banks | 1,500,572 | 511,151 | 97,005 | 24,988 | 6.46 | 4.88 |
| Interest-bearing liabilities | ¥39,397,609 | ¥38,422,568 | ¥ 417,814 | ¥ 729,509 | 1.06% | 1.89% |
| Deposits | 29,403,732 | 31,049,440 | 226,267 | 159,583 | 0.76 | 0.51 |
| Negotiable certificates of deposit | 3,525,653 | 2,740,580 | 13,012 | 7,008 | 0.36 | 0.25 |
| Call money | 2,887,325 | 2,207,889 | 12,823 | 7,941 | 0.44 | 0.35 |
| Bills sold | 309,568 | 136,361 | 579 | 64 | 0.18 | 0.04 |
| Commercial paper | 411,024 | 267,443 | 2,976 | 1,094 | 0.67 | 0.40 |
| Borrowed money | 1,919,304 | 1,976,394 | 74,761 | 70,596 | 3.89 | 3.57 |
| Bonds | 419,589 | 141,284 | 6,114 | 1,987 | 1.45 | 1.40 |

- Notes: 1. Interest-earning assets are shown after deduction of the average balance of non-interest earning deposits with banks (2001, ¥338,672 million; 2000, ¥384,590 million). Interest-bearing liabilities are shown after deduction of an amount equivalent to the average balance of money held in trust (2001, ¥50,775 million; 2000, ¥133,459 million) and interest (2001, ¥130 million; 2000, ¥1,631 million).
2. The amounts resulting from lending and borrowing activities between domestic and international operations are offset.

Formerly The Sumitomo Bank, Limited

International Operations

| Years ended March 31 | Millions of yen | | | | | |
|--------------------------------------|---------------------------------|------------------------|-----------------------------|------------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥10,405,393 [329,404] | ¥8,713,177 [15,641] | ¥ 630,186 [899] | ¥659,318 [38] | 6.05% | 7.56% |
| Loans and bills discounted | 4,398,567 | 4,965,293 | 246,542 | 223,218 | 5.60 | 4.49 |
| Securities | 1,379,176 | 1,167,250 | 117,414 | 53,359 | 8.51 | 4.57 |
| Call loans | 92,473 | 100,758 | 5,347 | 4,995 | 5.78 | 4.95 |
| Receivables under resale agreements | 38,209 | — | 484 | — | 1.26 | — |
| Bills bought | — | — | — | — | — | — |
| Deposits with banks | 3,485,713 | 1,915,905 | 216,811 | 84,452 | 6.21 | 4.40 |
| Interest-bearing liabilities | ¥ 9,772,930 | ¥8,687,325 | ¥ 507,292 [2,326] | ¥569,889 | 5.19% | 6.56% |
| Deposits | 7,875,662 | 6,536,656 | 334,960 | 220,241 | 4.25 | 3.36 |
| Negotiable certificates of deposit | 129,420 | 173,795 | 7,631 | 8,952 | 5.89 | 5.15 |
| Call money | 162,395 | 106,601 | 7,392 | 4,779 | 4.55 | 4.48 |
| Payables under repurchase agreements | 42,859 | — | 2,144 | — | 5.00 | — |
| Bills sold | 2,276 | 910 | 53 | 27 | 2.34 | 2.99 |
| Commercial paper | — | — | — | — | — | — |
| Borrowed money | 1,409,212 | 1,712,602 | 81,064 | 76,988 | 5.75 | 4.49 |
| Bonds | — | — | — | — | — | — |

- Notes: 1. Money held in trust is not included in interest-earning assets, and accordingly the amounts of interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of money held in trust (2001, ¥6,109 million; 2000, ¥7,255 million) and corresponding interest (2001, ¥317 million; 2000, ¥475 million).
2. Figures in brackets indicate the amounts resulting from lending and borrowing activities between domestic and international operations. In addition, the figures for 2001 in brackets include effect of 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. 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 non-exchange transactions of the month concerned).

Total of Domestic and International Operations

| Years ended March 31 | Millions of yen | | | | | |
|--------------------------------------|--------------------|-------------|-------------------|------------|----------------|-------|
| | Average balance | | Interest | | Earnings yield | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest-earning assets | ¥48,816,823 | ¥44,095,017 | ¥1,259,171 | ¥1,416,579 | 2.57% | 3.21% |
| Loans and bills discounted | 31,783,455 | 32,985,032 | 772,492 | 761,170 | 2.43 | 2.30 |
| Securities | 12,183,588 | 8,366,581 | 218,173 | 142,745 | 1.79 | 1.70 |
| Call loans | 95,909 | 101,150 | 5,378 | 5,032 | 5.60 | 4.97 |
| Receivables under resale agreements | 315,402 | — | 1,614 | — | 0.51 | — |
| Bills bought | 263,432 | 170,746 | 813 | 82 | 0.30 | 0.04 |
| Deposits with banks | 3,489,086 | 1,919,216 | 216,812 | 84,455 | 6.21 | 4.40 |
| Interest-bearing liabilities | ¥45,611,774 | ¥41,176,612 | ¥ 617,132 | ¥ 811,878 | 1.35% | 1.97% |
| Deposits | 29,644,408 | 28,495,019 | 375,271 | 264,425 | 1.26 | 0.92 |
| Negotiable certificates of deposit | 5,465,162 | 5,825,062 | 22,932 | 17,735 | 0.41 | 0.30 |
| Call money | 3,497,983 | 3,404,242 | 13,906 | 8,375 | 0.39 | 0.24 |
| Payables under repurchase agreements | 2,622,388 | — | 7,512 | — | 0.28 | — |
| Bills sold | 645,008 | 201,832 | 1,516 | 145 | 0.23 | 0.07 |
| Commercial paper | 353,806 | 267,406 | 1,567 | 515 | 0.44 | 0.19 |
| Borrowed money | 2,424,901 | 2,532,603 | 101,491 | 101,263 | 4.18 | 3.99 |
| Bonds | 728,269 | 242,329 | 14,769 | 5,038 | 2.02 | 2.07 |

- Notes: 1. Money held in trust is not included in interest-earning assets, and accordingly the amounts of interest-bearing liabilities are shown after deduction of amounts equivalent to the average balance of money held in trust (2001, ¥85,519 million; 2000, ¥107,550 million) and corresponding interest (2001, ¥565 million; 2000, ¥1,222 million).
2. The amounts resulting from lending and borrowing activities between domestic and international operations are offset.
3. Bond interest includes amortization of discounts of bonds.

Formerly The Sakura Bank, Limited

Breakdown of Interest Income and Interest Expenses

Domestic Operations

| Years ended March 31 | Millions of yen | | | | | |
|---|-------------------------------------|-----------|-----------------------------------|-----------|--------------------------|-----------|
| | Volume-related increase/decrease | | Rate-related increase/decrease | | Net increase/decrease | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥ (277) | ¥(24,498) | ¥(83,816) | ¥ 18,105 | ¥(163,368) | ¥ (6,393) |
| Loans and bills discounted | (19,300) | (18,735) | 4,291 | (12,531) | (15,009) | (31,266) |
| Securities | 10,063 | 3,801 | 3,485 | (17,995) | 13,548 | (14,193) |
| Call loans | (64) | 115 | 68 | (330) | 4 | (215) |
| Bills bought | (3) | 15 | 61 | (16) | 57 | (1) |
| Deposits with banks | (1) | (133) | (0) | 68 | (2) | (64) |
| Effect of a change in accounting standard | — | — | — | — | (79,274) | — |
| Interest expenses | ¥ 606 | ¥ 246 | ¥(62,671) | ¥(99,126) | ¥(141,339) | ¥(98,879) |
| Deposits | (3,963) | 6,731 | (5,637) | (55,668) | (9,601) | (48,936) |
| Negotiable certificates of deposit | 838 | 874 | 5,492 | (14,410) | 6,331 | (13,535) |
| Call money | 1,186 | (6,916) | 1,727 | (12,081) | 2,914 | (18,997) |
| Bills sold | 155 | (727) | 359 | (1,152) | 514 | (1,879) |
| Commercial paper | 940 | (670) | 941 | (994) | 1,882 | (1,665) |
| Borrowed money | (3,729) | (1,893) | 340 | 464 | (3,389) | (1,428) |
| Bonds | 4,053 | 642 | 73 | (479) | 4,127 | 162 |
| Effect of a change in accounting standard | — | — | — | — | (79,274) | — |

- 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 as well as rate-related increase/decrease does not include effect of a change in accounting standard.

International Operations

| Years ended March 31 | Millions of yen | | | | | |
|---|-------------------------------------|------------|-----------------------------------|-----------|--------------------------|------------|
| | Volume-related increase/decrease | | Rate-related increase/decrease | | Net increase/decrease | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥ 57,773 | ¥(199,898) | ¥(143,831) | ¥ 638 | ¥(158,743) | ¥(199,260) |
| Loans and bills discounted | (13,445) | (70,581) | 30,324 | (32,125) | 16,878 | (102,707) |
| Securities | (4,470) | (4,302) | 9,270 | (2,061) | 4,799 | (6,364) |
| Call loans | 1,535 | (888) | 748 | (743) | 2,283 | (1,631) |
| Bills bought | — | — | — | — | — | — |
| Deposits with banks | 62,287 | (19,310) | 9,732 | (3,434) | 72,019 | (22,745) |
| Effect of a change in accounting standard | — | — | — | — | (72,686) | — |
| Interest expenses | ¥ 90,535 | ¥(253,154) | ¥(188,006) | ¥ 104,639 | ¥(170,157) | ¥(148,514) |
| Deposits | 25,368 | (71,736) | 50,916 | (33,774) | 76,285 | (105,510) |
| Negotiable certificates of deposit | (123) | (9,103) | (203) | (2,266) | (326) | (11,369) |
| Call money | 1,387 | (3,310) | 579 | (2,164) | 1,967 | (5,475) |
| Bills sold | — | — | — | — | — | — |
| Commercial paper | — | — | — | — | — | — |
| Borrowed money | 3,085 | 7,690 | 4,468 | (3,766) | 7,554 | 3,923 |
| Bonds | — | — | — | — | — | — |
| Effect of a change in accounting standard | — | — | — | — | (72,686) | — |

- 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 as well as rate-related increase/decrease does not include effect of a change in accounting standard.

Formerly The Sumitomo Bank, Limited

Breakdown of Interest Income and Interest Expenses

Domestic Operations

| Years ended March 31 | Millions of yen | | | | | |
|---|-------------------------------------|----------|-----------------------------------|------------|--------------------------|------------|
| | Volume-related increase/decrease | | Rate-related increase/decrease | | Net increase/decrease | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥ 67,889 | ¥ 16,531 | ¥(87,740) | ¥(133,379) | ¥(125,088) | ¥(116,848) |
| Loans and bills discounted | (12,192) | (16,751) | 190 | (39,260) | (12,002) | (56,011) |
| Securities | 37,318 | 49,228 | (25,944) | (69,039) | 11,373 | (19,811) |
| Call loans | 54 | 7 | (61) | 20 | (6) | 27 |
| Bills bought | 66 | 1,166 | 664 | (1,849) | 730 | (683) |
| Deposits with banks | 0 | (19) | (1) | (31) | (1) | (50) |
| Effect of a change in accounting standard | — | — | — | — | (105,237) | — |
| Interest expenses | ¥ 25,349 | ¥ 13,938 | ¥(49,074) | ¥(133,548) | ¥(128,962) | ¥(119,610) |
| Deposits | (378) | 6,487 | (3,494) | (37,460) | (3,873) | (30,972) |
| Negotiable certificates of deposit | (516) | (731) | 7,033 | (23,800) | 6,517 | (24,531) |
| Call money | 41 | (1,985) | 2,876 | (11,607) | 2,917 | (13,593) |
| Bills sold | 582 | (56) | 761 | (640) | 1,344 | (696) |
| Commercial paper | 209 | 889 | 842 | (1,315) | 1,051 | (425) |
| Borrowed money | 5,000 | (2,636) | (8,848) | 342 | (3,848) | (2,294) |
| Bonds | 9,857 | 2,466 | (127) | 751 | 9,730 | 3,218 |
| Effect of a change in accounting standard | — | — | — | — | (105,237) | — |

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 as well as rate-related increase/decrease does not include effect of a change in accounting standard.

International Operations

| Years ended March 31 | Millions of yen | | | | | |
|---|-------------------------------------|------------|-----------------------------------|-----------|--------------------------|------------|
| | Volume-related increase/decrease | | Rate-related increase/decrease | | Net increase/decrease | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥142,202 | ¥(228,482) | ¥187,857 | ¥ 115,272 | ¥ (29,132) | ¥(113,209) |
| Loans and bills discounted | (27,465) | (110,110) | 50,790 | (31,964) | 23,324 | (142,074) |
| Securities | 11,140 | (10,750) | 52,913 | (1,916) | 64,054 | (12,667) |
| Call loans | (433) | (5,130) | 785 | (986) | 352 | (6,116) |
| Bills bought | — | — | — | — | — | — |
| Deposits with banks | 88,138 | 14,361 | 44,219 | (7,475) | 132,358 | 6,885 |
| Effect of a change in accounting standard | — | — | — | — | (359,193) | — |
| Interest expenses | ¥ 77,781 | ¥(205,233) | ¥218,815 | ¥ 97,108 | ¥ (62,596) | ¥(108,125) |
| Deposits | 50,304 | (104,773) | 64,414 | (45,632) | 114,719 | (150,406) |
| Negotiable certificates of deposit | (2,496) | (14,539) | 1,175 | (3,626) | (1,321) | (18,166) |
| Call money | 2,538 | (1,322) | 74 | (735) | 2,613 | (2,058) |
| Bills sold | 33 | 16 | (6) | (2) | 26 | 14 |
| Commercial paper | — | — | — | — | — | — |
| Borrowed money | (15,117) | 13,730 | 19,193 | (7,238) | 4,075 | 6,492 |
| Bonds | — | — | — | — | — | — |
| Effect of a change in accounting standard | — | — | — | — | (359,193) | — |

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 as well as rate-related increase/decrease does not include effect of a change in accounting standard.

Formerly The Sakura Bank, Limited

Total of Domestic and International Operations

| Years ended March 31 | Millions of yen | | | | | |
|---|-------------------------------------|------------|-----------------------------------|------------|--------------------------|------------|
| | Volume-related increase/decrease | | Rate-related increase/decrease | | Net increase/decrease | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥ 19,078 | ¥(102,138) | ¥(189,426) | ¥(101,755) | ¥(322,310) | ¥(203,893) |
| Loans and bills discounted | (28,877) | (62,042) | 30,747 | (71,931) | 1,869 | (133,974) |
| Securities | 12,227 | 3,336 | 6,120 | (23,894) | 18,348 | (20,558) |
| Call loans | (690) | 543 | 2,978 | (2,390) | 2,287 | (1,846) |
| Bills bought | (3) | 15 | 61 | (16) | 57 | (1) |
| Deposits with banks | 61,736 | (21,824) | 10,280 | (984) | 72,017 | (22,809) |
| Effect of a change in accounting standard | — | — | — | — | (151,961) | — |
| Interest expenses | ¥ 18,088 | ¥ (51,510) | ¥(177,821) | ¥(194,123) | ¥(311,694) | ¥(245,634) |
| Deposits | (8,863) | (1,790) | 75,547 | (152,656) | 66,684 | (154,446) |
| Negotiable certificates of deposit | 2,356 | (2,682) | 3,647 | (22,222) | 6,004 | (24,904) |
| Call money | 2,769 | (10,413) | 2,111 | (14,058) | 4,881 | (24,472) |
| Bills sold | 155 | (727) | 359 | (1,152) | 514 | (1,879) |
| Commercial paper | 940 | (670) | 941 | (994) | 1,882 | (1,665) |
| Borrowed money | (2,083) | 4,178 | 6,248 | (1,683) | 4,164 | 2,495 |
| Bonds | 4,053 | 642 | 73 | (479) | 4,127 | 162 |
| Effect of a change in accounting standard | — | — | — | — | (151,961) | — |

- 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 as well as rate-related increase/decrease does not include effect of a change in accounting standard.

Fees and Commissions

| Years ended March 31 | Millions of yen | | | | | |
|---------------------------------|---------------------|---------|--------------------------|---------|----------|----------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Fees and commissions (income) | ¥95,040 | ¥87,163 | ¥16,749 | ¥15,392 | ¥111,790 | ¥102,556 |
| Deposits and loans | 10,229 | 8,968 | 3,521 | 2,489 | 13,750 | 11,457 |
| Remittances and transfers | 41,423 | 41,197 | 9,282 | 9,159 | 50,705 | 50,356 |
| Securities-related business | 8,733 | 9,146 | 8 | 5 | 8,741 | 9,151 |
| Agency | 2,992 | 3,171 | 76 | 73 | 3,068 | 3,245 |
| Safe deposits | 2,871 | 2,949 | 0 | 0 | 2,871 | 2,949 |
| Guarantees | 1,188 | 976 | 1,758 | 3,468 | 2,947 | 4,445 |
| Fees and commissions (expenses) | ¥36,368 | ¥35,163 | ¥ 6,143 | ¥ 7,278 | ¥ 42,512 | ¥ 42,441 |
| Remittances and transfers | 7,367 | 7,166 | 3,503 | 2,952 | 10,871 | 10,118 |

Trading Income

| Years ended March 31 | Millions of yen | | | | | |
|--|---------------------|--------|--------------------------|--------|---------|--------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trading profits | ¥3,373 | ¥1,167 | ¥17,402 | ¥7,330 | ¥20,776 | ¥8,498 |
| Gains on trading securities | 2,436 | — | 0 | — | 2,436 | — |
| Gains on securities related to trading transactions | — | — | — | — | — | — |
| Gains on trading-related financial derivatives | — | — | 17,402 | 7,330 | 17,402 | 7,330 |
| Other | 937 | 1,167 | — | — | 937 | 1,167 |
| Trading losses | ¥ — | ¥ 382 | ¥ — | ¥ 30 | ¥ — | ¥ 412 |
| Losses on trading securities | — | 341 | — | — | — | 341 |
| Losses on securities related to trading transactions | — | 40 | — | 30 | — | 71 |
| Losses on trading-related financial derivatives | — | — | — | — | — | — |
| Other | — | — | — | — | — | — |

Note: Gains and losses are netted against each other.

Formerly The Sumitomo Bank, Limited

Total of Domestic and International Operations

| Years ended March 31 | Millions of yen | | | | | |
|---|-------------------------------------|------------|-----------------------------------|------------|--------------------------|------------|
| | Volume-related increase/decrease | | Rate-related increase/decrease | | Net increase/decrease | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Interest income | ¥159,556 | ¥ (67,584) | ¥149,792 | ¥(161,746) | ¥(157,408) | ¥(229,330) |
| Loans and bills discounted | (28,327) | (80,902) | 39,649 | (117,183) | 11,321 | (198,086) |
| Securities | 68,035 | 39,017 | 7,393 | (71,495) | 75,428 | (32,478) |
| Call loans | (270) | (5,136) | 615 | (953) | 345 | (6,089) |
| Bills bought | 66 | 1,166 | 664 | (1,849) | 730 | (683) |
| Deposits with banks | 88,014 | 14,244 | 44,342 | (7,409) | 132,357 | 6,835 |
| Effect of a change in accounting standard | — | — | — | — | (466,757) | — |
| Interest expenses | ¥ 93,625 | ¥ (39,967) | ¥178,386 | ¥(190,040) | ¥(194,746) | ¥(227,007) |
| Deposits | 11,053 | (19,531) | 99,792 | (161,847) | 110,846 | (181,378) |
| Negotiable certificates of deposit | (1,153) | (3,672) | 6,350 | (39,025) | 5,196 | (42,698) |
| Call money | 236 | (2,841) | 5,294 | (12,810) | 5,531 | (15,651) |
| Bills sold | 674 | (54) | 696 | (628) | 1,370 | (682) |
| Commercial paper | 209 | 889 | 842 | (1,315) | 1,051 | (425) |
| Borrowed money | (4,402) | 10,264 | 4,630 | (6,066) | 227 | 4,197 |
| Bonds | 9,857 | 2,466 | (127) | 751 | 9,730 | 3,218 |
| Effect of a change in accounting standard | — | — | — | — | (466,757) | — |

- 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 as well as rate-related increase/decrease does not include effect of a change in accounting standard.

Fees and Commissions

| Years ended March 31 | Millions of yen | | | | | |
|---------------------------------|---------------------|---------|--------------------------|---------|-----------------|----------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Fees and commissions (income) | ¥84,001 | ¥75,810 | ¥35,989 | ¥30,755 | ¥119,990 | ¥106,565 |
| Deposits and loans | 4,376 | 4,380 | 19,145 | 15,014 | 23,522 | 19,394 |
| Remittances and transfers | 38,781 | 35,337 | 12,152 | 11,480 | 50,934 | 46,818 |
| Securities-related business | 5,799 | 6,162 | 39 | 153 | 5,839 | 6,315 |
| Agency | 6,775 | 6,782 | 949 | 1,200 | 7,724 | 7,982 |
| Safe deposits | 2,729 | 2,774 | — | — | 2,729 | 2,774 |
| Guarantees | 1,045 | 806 | 2,598 | 2,276 | 3,643 | 3,082 |
| Fees and commissions (expenses) | ¥29,677 | ¥27,700 | ¥ 8,898 | ¥ 9,605 | ¥ 38,575 | ¥ 37,306 |
| Remittances and transfers | 8,149 | 7,651 | 3,523 | 4,176 | 11,672 | 11,827 |

Trading Income

| Years ended March 31 | Millions of yen | | | | | |
|--|---------------------|--------|--------------------------|---------|----------------|---------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trading profits | ¥5,806 | ¥4,174 | ¥68,802 | ¥30,052 | ¥74,609 | ¥34,227 |
| Gains on trading securities | 2,831 | 2,776 | — | — | 2,831 | 2,776 |
| Gains on securities related to trading transactions | — | — | 606 | — | 606 | — |
| Gains on trading-related financial derivatives | — | — | 68,196 | 30,052 | 68,196 | 30,052 |
| Other | 2,974 | 1,398 | — | — | 2,974 | 1,398 |
| Trading losses | ¥ — | ¥ — | ¥ — | ¥ 944 | ¥ — | ¥ 944 |
| Losses on trading securities | — | — | — | — | — | — |
| Losses on securities related to trading transactions | — | — | — | 944 | — | 944 |
| Losses on trading-related financial derivatives | — | — | — | — | — | — |
| Other | — | — | — | — | — | — |

Note: Gains and losses are netted against each other.

Formerly The Sakura Bank, Limited

Net Other Operating Income

| Years ended March 31 | Millions of yen | | | | | |
|---|---------------------|-------------|--------------------------|----------------|----------------|----------------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Gains and losses on bonds | ¥ 4,145 | ¥677 | ¥ 3,800 | ¥ 1,817 | ¥ 7,945 | ¥ 2,495 |
| Gains and losses on foreign exchange transactions | / | / | 15,393 | 31,963 | 15,393 | 31,963 |
| Total | ¥24,162 | ¥ 39 | ¥17,481 | ¥33,683 | ¥41,644 | ¥33,722 |

General and Administrative Expenses

| Years ended March 31 | Millions of yen | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Salaries and related expenses | ¥128,175 | ¥135,833 | ¥149,571 | ¥166,392 | ¥174,845 |
| Retirement pay | — | 26,944 | 16,510 | 16,785 | 18,345 |
| Transfer to reserve for retirement allowance | — | 3,813 | 4,190 | 5,142 | 5,976 |
| Retirement benefit cost | 17,269 | — | — | — | — |
| Welfare expenses | 18,908 | 32,415 | 33,978 | 34,880 | 36,143 |
| Depreciation | 24,651 | 28,562 | 31,163 | 31,176 | 33,386 |
| Rent and lease expenses | 55,694 | 62,089 | 59,531 | 38,528 | 38,457 |
| Building and maintenance expenses | 1,795 | 1,268 | 1,548 | 2,922 | 2,166 |
| Supplies expenses | 4,699 | 5,333 | 6,347 | 6,513 | 6,630 |
| Water, lighting and heating expenses | 4,245 | 4,392 | 4,655 | 4,773 | 4,908 |
| Traveling expenses | 1,556 | 1,659 | 1,930 | 2,195 | 2,207 |
| Communication expenses | 4,981 | 5,055 | 5,256 | 5,446 | 5,046 |
| Publicity and advertising expenses | 3,138 | 4,074 | 5,498 | 4,572 | 4,328 |
| Taxes, other than income taxes | 18,334 | 19,899 | 23,827 | 34,824 | 29,117 |
| Other | 97,070 | 99,073 | 102,462 | 102,619 | 100,771 |
| Total | ¥380,520 | ¥430,417 | ¥446,473 | ¥456,774 | ¥462,330 |

Formerly The Sumitomo Bank, Limited

Net Other Operating Income

| Years ended March 31 | Millions of yen | | | | | |
|---|---------------------|----------|--------------------------|-----------|------------------|-----------|
| | Domestic operations | | International operations | | Total | |
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Gains and losses on bonds | ¥4,223 | ¥(2,889) | ¥ (3,373) | ¥ (1,060) | ¥ 849 | ¥ (3,950) |
| Gains and losses on foreign exchange transactions | / | / | (25,651) | 18,919 | (25,651) | 18,919 |
| Total | ¥3,679 | ¥(2,381) | ¥(28,931) | ¥17,703 | ¥(25,251) | ¥15,321 |

General and Administrative Expenses

| Years ended March 31 | Millions of yen | | | | |
|--|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Salaries and related expenses | ¥113,829 | ¥117,345 | ¥127,237 | ¥138,294 | ¥139,007 |
| Retirement pay | / | 12,180 | 6,424 | 6,853 | 4,906 |
| Transfer to reserve for retirement allowance | / | 3,373 | 3,449 | 3,534 | 3,289 |
| Retirement benefit cost | 13,873 | / | / | / | / |
| Welfare expenses | 15,943 | 30,350 | 32,392 | 30,967 | 27,901 |
| Depreciation | 17,337 | 15,873 | 16,759 | 22,598 | 29,993 |
| Rent and lease expenses | 35,022 | 39,099 | 40,556 | 41,310 | 39,288 |
| Building and maintenance expenses | 1,344 | 1,099 | 1,484 | 1,755 | 1,896 |
| Supplies expenses | 5,311 | 5,441 | 5,857 | 6,142 | 5,936 |
| Water, lighting and heating expenses | 4,306 | 4,554 | 4,927 | 5,597 | 5,536 |
| Traveling expenses | 2,235 | 1,962 | 2,341 | 2,967 | 2,826 |
| Communication expenses | 7,770 | 6,767 | 7,261 | 7,354 | 7,002 |
| Publicity and advertising expenses | 3,700 | 2,300 | 3,590 | 5,110 | 4,800 |
| Taxes, other than income taxes | 17,199 | 17,647 | 20,545 | 21,909 | 19,747 |
| Other | 93,592 | 92,796 | 93,541 | 93,225 | 86,134 |
| Total | ¥331,467 | ¥350,791 | ¥366,369 | ¥387,623 | ¥378,269 |

DEPOSITS

Formerly The Sakura Bank, Limited

Deposits and Negotiable Certificates of Deposit

Year-End Balance

| March 31 | Billions of yen | | | | |
|------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Liquid deposits | ¥12,635.6 42.9% | ¥13,047.4 43.7% | ¥11,357.6 38.1% | ¥10,952.3 37.5% | ¥10,836.5 37.5% |
| Fixed-term deposits | 11,670.5 39.7 | 12,575.3 42.1 | 14,910.8 50.1 | 14,483.3 49.5 | 13,732.3 47.6 |
| Other | 503.3 1.7 | 734.5 2.5 | 730.8 2.5 | 674.2 2.3 | 1,000.5 3.5 |
| Subtotal | ¥24,809.5 84.3% | ¥26,357.3 88.3% | ¥26,999.2 90.7% | ¥26,109.9 89.3% | ¥25,569.3 88.6% |
| Negotiable certificates of deposit | ¥ 4,615.4 15.7% | ¥ 3,505.6 11.7% | ¥ 2,783.3 9.3% | ¥ 3,128.2 10.7% | ¥ 3,303.3 11.4% |
| Total | ¥29,424.9 | ¥29,863.0 | ¥29,782.6 | ¥29,238.1 | ¥28,872.7 |
| International operations | | | | | |
| Liquid deposits | ¥ 2,730.6 66.5% | ¥ 2,310.9 66.4% | ¥ 1,651.5 51.9% | ¥ 4,817.7 67.5% | ¥ 5,889.9 62.7% |
| Fixed-term deposits | 182.6 4.4 | 179.0 5.1 | 176.0 5.5 | 407.2 5.7 | 844.0 9.0 |
| Other | 1,149.3 28.0 | 956.3 27.5 | 1,283.8 40.3 | 1,490.7 20.9 | 2,261.0 24.1 |
| Subtotal | ¥ 4,062.7 98.9% | ¥ 3,446.3 99.0% | ¥ 3,111.4 97.8% | ¥ 6,715.8 94.0% | ¥ 8,995.0 95.7% |
| Negotiable certificates of deposit | ¥ 46.3 1.1% | ¥ 33.2 1.0% | ¥ 71.5 2.2% | ¥ 426.8 6.0% | ¥ 402.7 4.3% |
| Total | ¥ 4,109.1 | ¥ 3,479.6 | ¥ 3,182.9 | ¥ 7,142.6 | ¥ 9,397.8 |
| Grand total | ¥33,534.0 | ¥33,342.6 | ¥32,965.6 | ¥36,380.7 | ¥38,270.5 |

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

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

3. Percentages indicate the composition ratio.

DEPOSITS

Formerly The Sumitomo Bank, Limited

Deposits and Negotiable Certificates of Deposit

Year-End Balance

| March 31 | Billions of yen | | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Liquid deposits | ¥10,533.1 37.0% | ¥ 9,975.4 35.5% | ¥ 8,335.4 31.8% | ¥ 7,527.9 30.7% | ¥ 6,966.3 29.8% |
| Fixed-term deposits | 10,847.5 38.1 | 11,051.2 39.4 | 11,996.8 45.8 | 12,527.7 51.1 | 12,246.2 52.4 |
| Other | 217.5 0.7 | 317.3 1.1 | 370.6 1.4 | 420.5 1.7 | 404.1 1.8 |
| Subtotal | ¥21,598.2 75.8% | ¥21,344.0 76.0% | ¥20,702.9 79.0% | ¥20,476.2 83.5% | ¥19,616.7 84.0% |
| Negotiable certificates of deposit | ¥ 6,893.3 24.2% | ¥ 6,728.3 24.0% | ¥ 5,512.1 21.0% | ¥ 4,048.0 16.5% | ¥ 3,732.9 16.0% |
| Total | ¥28,491.5 | ¥28,072.3 | ¥26,215.1 | ¥24,524.2 | ¥23,349.6 |
| International operations | | | | | |
| Liquid deposits | ¥ 6,057.1 69.6% | ¥ 3,738.4 60.7% | ¥ 3,448.0 50.8% | ¥ 7,330.8 57.0% | ¥ 8,536.4 51.8% |
| Fixed-term deposits | 611.7 7.0 | 819.6 13.3 | 419.2 6.2 | 1,460.6 11.4 | 2,571.2 15.6 |
| Other | 1,902.0 21.9 | 1,486.0 24.2 | 2,653.4 39.1 | 3,255.8 25.2 | 3,673.8 22.3 |
| Subtotal | ¥ 8,570.8 98.5% | ¥ 6,044.1 98.2% | ¥ 6,520.7 96.1% | ¥12,047.3 93.6% | ¥14,781.5 89.7% |
| Negotiable certificates of deposit | ¥ 133.2 1.5% | ¥ 113.3 1.8% | ¥ 265.4 3.9% | ¥ 818.4 6.4% | ¥ 1,702.6 10.3% |
| Total | ¥ 8,704.1 | ¥ 6,157.4 | ¥ 6,786.1 | ¥12,865.7 | ¥16,484.1 |
| Grand total | ¥37,195.6 | ¥34,229.8 | ¥33,001.3 | ¥37,390.0 | ¥39,833.8 |

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

2. Fixed-term deposits = Time deposits

3. Percentages indicate the composition ratio.

Formerly The Sakura Bank, Limited

Average Balance

| Years ended March 31 | Billions of yen | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Liquid deposits | ¥12,379.4 | ¥12,309.4 | ¥10,213.1 | ¥10,185.0 | ¥ 9,423.5 |
| Fixed-term deposits | 12,681.9 | 15,081.1 | 15,320.9 | 14,879.7 | 15,284.6 |
| Other | 265.6 | 269.6 | 241.0 | 237.9 | 245.3 |
| Subtotal | ¥25,326.9 | ¥27,660.1 | ¥25,775.1 | ¥25,302.6 | ¥24,953.5 |
| Negotiable certificates of deposit | ¥ 3,478.2 | ¥ 2,690.9 | ¥ 2,814.7 | ¥ 3,680.5 | ¥ 2,885.5 |
| Total | ¥28,805.1 | ¥30,351.1 | ¥28,589.8 | ¥28,983.2 | ¥27,839.1 |
| International operations | | | | | |
| Liquid deposits | ¥ 2,767.7 | ¥ 2,149.8 | ¥ 3,325.3 | ¥ 6,089.6 | ¥ 6,443.2 |
| Fixed-term deposits | 204.2 | 221.0 | 447.8 | 469.7 | 655.0 |
| Other | 1,104.7 | 1,018.3 | 1,680.0 | 2,314.3 | 2,530.9 |
| Subtotal | ¥ 4,076.7 | ¥ 3,389.2 | ¥ 5,453.3 | ¥ 8,873.7 | ¥ 9,629.2 |
| Negotiable certificates of deposit | ¥ 47.4 | ¥ 49.6 | ¥ 201.9 | ¥ 421.4 | ¥ 356.2 |
| Total | ¥ 4,124.2 | ¥ 3,438.9 | ¥ 5,655.2 | ¥ 9,295.2 | ¥ 9,985.5 |
| Grand total | ¥32,929.3 | ¥33,790.0 | ¥34,245.1 | ¥38,278.4 | ¥37,824.6 |

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 Depositor

| March 31 | Billions of yen | | | | |
|---------------------|-----------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Individual deposits | ¥14,796.7 | ¥15,071.2 | ¥15,352.7 | ¥15,317.4 | ¥15,056.6 |
| | 57.4% | 55.6% | 56.1% | 57.4% | 56.9% |
| Corporate deposits | 10,996.3 | 12,014.4 | 12,018.0 | 11,357.2 | 11,420.1 |
| | 42.6 | 44.4 | 43.9 | 42.6 | 43.1 |
| Total | ¥25,793.1 | ¥27,085.7 | ¥27,370.7 | ¥26,674.7 | ¥26,476.7 |

Notes: 1. Figures are before adjustment on inter-office accounts in transit.

2. Negotiable certificates of deposit are not included.

3. Accounts at overseas branches and Japan offshore banking accounts are excluded.

4. Percentages indicate the composition ratio.

Formerly The Sumitomo Bank, Limited

Average Balance

| Years ended March 31 | Billions of yen | | | | |
|------------------------------------|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Liquid deposits | ¥10,298.3 | ¥10,011.5 | ¥ 7,418.9 | ¥ 6,583.0 | ¥ 5,863.4 |
| Fixed-term deposits | 11,282.2 | 11,772.2 | 12,755.3 | 12,309.7 | 12,572.1 |
| Other | 188.0 | 174.6 | 179.9 | 217.1 | 235.8 |
| Subtotal | ¥21,768.7 | ¥21,958.3 | ¥20,354.2 | ¥19,109.8 | ¥18,671.5 |
| Negotiable certificates of deposit | ¥ 5,335.7 | ¥ 5,651.2 | ¥ 5,780.9 | ¥ 5,401.6 | ¥ 3,785.7 |
| Total | ¥27,104.4 | ¥27,609.6 | ¥26,135.1 | ¥24,511.5 | ¥22,457.2 |
| International operations | | | | | |
| Liquid deposits | ¥ 5,195.0 | ¥ 3,783.8 | ¥ 5,560.4 | ¥ 8,868.0 | ¥ 8,302.2 |
| Fixed-term deposits | 779.2 | 878.8 | 1,100.9 | 2,309.7 | 2,845.7 |
| Other | 1,901.3 | 1,873.9 | 2,843.1 | 3,419.0 | 3,800.0 |
| Subtotal | ¥ 7,875.6 | ¥ 6,536.6 | ¥ 9,504.5 | ¥14,596.8 | ¥14,948.0 |
| Negotiable certificates of deposit | ¥ 129.4 | ¥ 173.7 | ¥ 446.2 | ¥ 1,502.8 | ¥ 1,504.1 |
| Total | ¥ 8,005.0 | ¥ 6,710.4 | ¥ 9,950.8 | ¥16,099.6 | ¥16,452.1 |
| Grand total | ¥35,109.5 | ¥34,320.0 | ¥36,086.0 | ¥40,611.1 | ¥38,909.4 |

Notes: 1. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

2. Fixed-term deposits = Time deposits

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 Depositor

| March 31 | Billions of yen | | | | |
|---------------------|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Individual deposits | ¥13,512.7 | ¥13,124.9 | ¥12,639.4 | ¥12,392.1 | ¥11,241.4 |
| | 58.8% | 57.6% | 56.0% | 56.3% | 53.0% |
| Corporate deposits | 9,477.3 | 9,672.4 | 9,913.9 | 9,624.4 | 9,952.8 |
| | 41.2 | 42.4 | 44.0 | 43.7 | 47.0 |
| Total | ¥22,990.0 | ¥22,797.3 | ¥22,553.3 | ¥22,016.5 | ¥21,194.2 |

Notes: 1. Figures are before adjustment on inter-office accounts in transit.

2. Negotiable certificates of deposit are not included.

3. Accounts at overseas branches and Japan offshore banking accounts are excluded.

4. Percentages indicate the composition ratio.

Formerly The Sakura Bank, Limited

Balance of Investment Trusts, Classified by Customer

| March 31 | Billions of yen | | |
|--------------|-----------------|---------------|---------------|
| | 2001 | 2000 | 1999 |
| Individual | ¥605.9 | ¥479.9 | ¥13.9 |
| Corporate | 103.0 | 136.9 | 37.5 |
| Total | ¥708.9 | ¥616.8 | ¥ 51.4 |

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 | Billions of yen | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Less than three months | ¥ 6,221.4 | ¥ 6,821.1 | ¥ 7,744.5 | ¥ 6,927.8 | ¥ 6,361.7 |
| Fixed interest rates | 6,062.4 | 6,651.0 | 7,571.6 | 6,626.4 | 5,685.7 |
| Floating interest rates | 0.3 | 0.4 | 0.3 | 0.4 | 0.7 |
| Three–six months | ¥ 1,950.6 | ¥ 1,849.7 | ¥ 2,154.9 | ¥ 2,308.4 | ¥ 2,404.1 |
| Fixed interest rates | 1,939.2 | 1,839.7 | 2,146.7 | 2,196.3 | 2,311.2 |
| Floating interest rates | 0.0 | 0.2 | 0.1 | 0.2 | 0.3 |
| Six months–one year | ¥ 2,689.1 | ¥ 2,572.8 | ¥ 2,990.6 | ¥ 3,258.2 | ¥ 3,728.8 |
| Fixed interest rates | 2,685.9 | 2,565.8 | 2,984.0 | 3,245.1 | 3,641.4 |
| Floating interest rates | 0.0 | 2.1 | 3.6 | 3.2 | 5.2 |
| One–two years | ¥ 520.8 | ¥ 725.1 | ¥ 1,277.7 | ¥ 1,028.6 | ¥ 1,030.0 |
| Fixed interest rates | 520.2 | 724.3 | 1,276.0 | 1,020.1 | 1,029.6 |
| Floating interest rates | 0.1 | 0.5 | 0.6 | 1.4 | 0.3 |
| Two–three years | ¥ 276.6 | ¥ 681.6 | ¥ 771.7 | ¥ 1,200.8 | ¥ 868.5 |
| Fixed interest rates | 276.3 | 680.6 | 771.3 | 1,199.2 | 867.2 |
| Floating interest rates | 0.1 | 0.9 | 0.4 | 0.5 | 1.3 |
| Three years or more | ¥ 194.4 | ¥ 103.8 | ¥ 147.2 | ¥ 166.4 | ¥ 177.3 |
| Fixed interest rates | 184.5 | 92.8 | 135.0 | 163.1 | 148.6 |
| Floating interest rates | 0.0 | 0.1 | 0.1 | — | — |
| Total | ¥11,853.1 | ¥12,754.3 | ¥15,086.8 | ¥14,890.5 | ¥14,570.6 |
| Fixed interest rates | 11,668.7 | 12,554.5 | 14,884.9 | 14,450.5 | 13,684.0 |
| Floating interest rates | 0.7 | 4.4 | 5.3 | 6.0 | 7.8 |

Note: The figures above do not include installment savings.

Balance of Investment Trusts, Classified by Customer

| March 31 | Billions of yen | | |
|--------------|-----------------|---------------|--------------|
| | 2001 | 2000 | 1999 |
| Individual | ¥586.2 | ¥398.3 | ¥58.0 |
| Corporate | 62.8 | 49.6 | 19.8 |
| Total | ¥649.1 | ¥448.0 | ¥77.8 |

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 | Billions of yen | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Less than three months | ¥ 4,303.8 | ¥ 4,578.2 | ¥ 5,293.5 | ¥ 5,980.1 | ¥ 7,807.5 |
| Fixed interest rates | 4,080.0 | 3,848.3 | 4,929.7 | 5,272.7 | 5,273.8 |
| Floating interest rates | — | 0.7 | 0.3 | 0.2 | 0.6 |
| Three–six months | ¥ 2,127.1 | ¥ 2,143.8 | ¥ 1,982.5 | ¥ 2,696.8 | ¥ 2,001.4 |
| Fixed interest rates | 2,085.3 | 2,097.8 | 1,964.5 | 1,982.2 | 1,981.7 |
| Floating interest rates | — | 0.8 | 0.4 | 0.5 | 0.4 |
| Six months–one year | ¥ 2,870.5 | ¥ 3,231.8 | ¥ 2,914.7 | ¥ 2,948.0 | ¥ 3,060.5 |
| Fixed interest rates | 2,867.6 | 3,226.4 | 2,901.3 | 2,945.5 | 3,048.1 |
| Floating interest rates | — | 1.2 | 10.3 | 0.7 | 1.2 |
| One–two years | ¥ 1,102.2 | ¥ 785.7 | ¥ 1,263.7 | ¥ 879.5 | ¥ 758.4 |
| Fixed interest rates | 1,100.3 | 774.8 | 1,248.7 | 874.2 | 727.6 |
| Floating interest rates | — | 2.7 | 6.9 | 3.6 | 1.7 |
| Two–three years | ¥ 675.2 | ¥ 768.6 | ¥ 594.1 | ¥ 1,060.3 | ¥ 672.6 |
| Fixed interest rates | 667.0 | 765.2 | 590.5 | 1,051.5 | 670.0 |
| Floating interest rates | 5.0 | 2.3 | 2.5 | 1.9 | 2.4 |
| Three years or more | ¥ 380.3 | ¥ 362.4 | ¥ 366.3 | ¥ 422.3 | ¥ 515.3 |
| Fixed interest rates | 347.6 | 330.6 | 340.3 | 393.1 | 515.3 |
| Floating interest rates | — | 0.0 | 0.0 | 0.0 | — |
| Total | ¥11,459.2 | ¥11,870.8 | ¥12,415.1 | ¥13,987.3 | ¥14,816.0 |
| Fixed interest rates | 11,148.0 | 11,043.3 | 11,975.3 | 12,519.4 | 12,216.9 |
| Floating interest rates | 5.0 | 7.8 | 20.6 | 7.1 | 6.5 |

Note: The figures above do not include installment savings.

LOANS

Formerly The Sakura Bank, Limited

Balance of Loans and Bills Discounted

Year-End Balance

| March 31 | Billions of yen | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Loans on notes | ¥ 2,798.4 | ¥ 3,004.0 | ¥ 3,113.6 | ¥ 3,061.9 | ¥ 3,547.4 |
| Loans on deeds | 17,830.4 | 18,543.1 | 18,545.5 | 17,620.7 | 17,698.0 |
| Overdrafts | 6,294.4 | 6,728.7 | 6,621.4 | 7,291.7 | 7,807.2 |
| Bills discounted | 638.5 | 560.3 | 425.6 | 741.4 | 847.5 |
| Subtotal | ¥27,561.8 | ¥28,836.3 | ¥28,706.3 | ¥28,715.8 | ¥29,900.3 |
| International operations | | | | | |
| Loans on notes | ¥ 331.5 | ¥ 359.7 | ¥ 370.9 | ¥ 704.6 | ¥ 1,009.6 |
| Loans on deeds | 2,652.4 | 2,714.0 | 3,183.9 | 5,609.4 | 5,814.8 |
| Overdrafts | 27.6 | 21.6 | 24.4 | 40.0 | 84.6 |
| Bills discounted | 1.9 | 8.1 | 5.5 | 13.7 | 24.5 |
| Subtotal | ¥ 3,013.6 | ¥ 3,103.5 | ¥ 3,584.9 | ¥ 6,367.8 | ¥ 6,933.5 |
| Total | ¥30,575.4 | ¥31,939.9 | ¥32,291.2 | ¥35,083.7 | ¥36,833.9 |

Average Balance

| Years ended March 31 | Billions of yen | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Loans on notes | ¥ 2,920.4 | ¥ 3,092.0 | ¥ 3,202.9 | ¥ 3,423.5 | ¥ 3,786.5 |
| Loans on deeds | 18,175.6 | 18,467.1 | 18,218.4 | 17,566.6 | 17,460.3 |
| Overdrafts | 6,282.7 | 6,749.7 | 7,618.7 | 7,763.6 | 7,893.1 |
| Bills discounted | 542.2 | 546.0 | 719.2 | 872.5 | 956.9 |
| Subtotal | ¥27,921.1 | ¥28,855.0 | ¥29,759.3 | ¥29,626.4 | ¥30,097.0 |
| International operations | | | | | |
| Loans on notes | ¥ 330.8 | ¥ 364.1 | ¥ 564.4 | ¥ 958.4 | ¥ 1,181.4 |
| Loans on deeds | 2,757.6 | 3,048.3 | 4,551.2 | 6,394.1 | 5,563.2 |
| Overdrafts | 24.9 | 22.5 | 35.6 | 74.3 | 100.6 |
| Bills discounted | 5.9 | 8.0 | 10.3 | 21.8 | 26.0 |
| Subtotal | ¥ 3,119.4 | ¥ 3,443.1 | ¥ 5,161.6 | ¥ 7,448.7 | ¥ 6,871.4 |
| Total | ¥31,040.5 | ¥32,298.1 | ¥34,921.0 | ¥37,075.1 | ¥36,968.4 |

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

LOANS

Formerly The Sumitomo Bank, Limited

Balance of Loans and Bills Discounted

Year-End Balance

| March 31 | Billions of yen | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Loans on notes | ¥ 4,090.2 | ¥ 2,496.0 | ¥ 2,985.4 | ¥ 3,726.0 | ¥ 3,957.3 |
| Loans on deeds | 16,949.5 | 16,657.0 | 16,647.4 | 15,433.8 | 14,517.0 |
| Overdrafts | 5,549.1 | 7,697.9 | 7,571.7 | 7,839.3 | 7,535.0 |
| Bills discounted | 466.2 | 440.3 | 493.1 | 711.3 | 760.3 |
| Subtotal | ¥27,055.2 | ¥27,291.4 | ¥27,697.8 | ¥27,710.6 | ¥26,769.8 |
| International operations | | | | | |
| Loans on notes | ¥ 696.9 | ¥ 617.4 | ¥ 1,017.0 | ¥ 1,463.5 | ¥ 1,676.4 |
| Loans on deeds | 3,198.8 | 3,123.2 | 4,322.3 | 5,556.2 | 5,717.4 |
| Overdrafts | 221.4 | 326.4 | 679.5 | 1,196.1 | 2,425.5 |
| Bills discounted | — | — | — | 3.7 | 10.9 |
| Subtotal | ¥ 4,117.1 | ¥ 4,067.1 | ¥ 6,019.0 | ¥ 8,219.6 | ¥ 9,830.3 |
| Total | ¥31,172.3 | ¥31,358.5 | ¥33,716.8 | ¥35,930.3 | ¥36,600.1 |

Average Balance

| Years ended March 31 | Billions of yen | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Loans on notes | ¥ 3,309.9 | ¥ 2,801.8 | ¥ 3,638.6 | ¥ 3,994.6 | ¥ 4,118.6 |
| Loans on deeds | 16,855.3 | 16,612.8 | 16,145.1 | 14,898.3 | 14,156.0 |
| Overdrafts | 6,815.7 | 8,154.4 | 8,460.6 | 7,954.2 | 7,353.6 |
| Bills discounted | 403.8 | 450.6 | 605.6 | 728.5 | 745.8 |
| Subtotal | ¥27,384.8 | ¥28,019.7 | ¥28,850.1 | ¥27,575.7 | ¥26,374.1 |
| International operations | | | | | |
| Loans on notes | ¥ 721.2 | ¥ 795.2 | ¥ 1,315.0 | ¥ 1,787.0 | ¥ 1,797.5 |
| Loans on deeds | 3,401.9 | 3,634.8 | 5,018.6 | 6,212.3 | 5,565.5 |
| Overdrafts | 275.2 | 535.2 | 1,023.4 | 2,033.7 | 2,579.3 |
| Bills discounted | — | — | 1.2 | 11.8 | 9.3 |
| Subtotal | ¥ 4,398.5 | ¥ 4,965.2 | ¥ 7,358.4 | ¥10,044.9 | ¥ 9,951.7 |
| Total | ¥31,783.4 | ¥32,985.0 | ¥36,208.6 | ¥37,620.6 | ¥36,325.9 |

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

Formerly The Sakura Bank, Limited

Balance of Loans and Bills Discounted, Classified by Purpose

| March 31 | Billions of yen | | | | |
|------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Funds for capital investment | ¥12,673.7 41.5% | ¥13,014.9 40.7% | ¥12,904.5 40.0% | ¥13,291.4 37.9% | ¥12,833.1 34.8% |
| Funds for working capital | 17,901.7 58.5 | 18,925.0 59.3 | 19,386.7 60.0 | 21,792.3 62.1 | 24,000.7 65.2 |
| Total | ¥30,575.4 | ¥31,939.9 | ¥32,291.2 | ¥35,083.7 | ¥36,833.9 |

Note: Percentages indicate the composition ratio.

Breakdown of Loan Collateral

| March 31 | Billions of yen | | | | |
|-------------------|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Securities | ¥ 349.8 | ¥ 466.0 | ¥ 474.6 | ¥ 512.0 | ¥ 604.1 |
| Commercial claims | 654.9 | 726.2 | 771.6 | 886.8 | 1,259.1 |
| Commercial goods | 14.4 | 5.8 | 11.0 | 8.0 | 14.7 |
| Real estate | 5,519.7 | 5,969.0 | 6,558.9 | 7,446.4 | 7,848.2 |
| Other | 176.0 | 363.9 | 244.0 | 218.7 | 166.6 |
| Subtotal | ¥ 6,714.9 | ¥ 7,531.0 | ¥ 8,060.2 | ¥ 9,072.1 | ¥ 9,892.8 |
| Guanranteed | ¥13,982.7 | ¥14,575.1 | ¥14,444.2 | ¥14,868.8 | ¥14,541.6 |
| Unsecured | 9,877.8 | 9,833.7 | 9,786.7 | 11,142.7 | 12,399.4 |
| Total | ¥30,575.4 | ¥31,939.9 | ¥32,291.2 | ¥35,083.7 | ¥36,833.9 |

Balance of Loans and Bills Discounted, Classified by Maturity

| March 31 | Billions of yen | | | | |
|------------------------------|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| One year or less | ¥ 6,087.7 | ¥ 6,587.7 | ¥ 6,528.4 | ¥10,162.5 | ¥13,217.4 |
| Floating interest rates | / | / | / | / | / |
| Fixed interest rates | / | / | / | / | / |
| One–three years | 4,731.2 | 4,421.1 | 4,730.3 | 6,182.4 | 5,761.7 |
| Floating interest rates | 3,249.8 | 2,218.4 | 2,705.5 | 4,665.1 | 3,683.6 |
| Fixed interest rates | 1,481.3 | 2,202.6 | 2,024.7 | 1,517.3 | 2,078.0 |
| Three–five years | 2,875.1 | 3,076.9 | 3,306.5 | 3,495.1 | 2,829.3 |
| Floating interest rates | 2,010.7 | 2,107.5 | 2,232.8 | 2,583.8 | 1,714.1 |
| Fixed interest rates | 864.3 | 969.3 | 1,073.6 | 911.2 | 1,115.2 |
| Five–seven years | 1,492.2 | 1,453.5 | 1,495.6 | 1,821.5 | 1,555.8 |
| Floating interest rates | 803.0 | 842.2 | 932.1 | 1,395.5 | 1,244.0 |
| Fixed interest rates | 689.1 | 611.3 | 563.5 | 426.0 | 311.7 |
| More than seven years | 8,860.8 | 9,394.8 | 9,339.5 | 6,093.1 | 5,606.5 |
| Floating interest rates | 7,075.1 | 8,390.9 | 8,189.8 | 4,304.8 | 4,738.0 |
| Fixed interest rates | 1,785.7 | 1,003.9 | 1,149.7 | 1,788.3 | 868.4 |
| No designated term | 6,528.2 | 7,005.6 | 6,890.6 | 7,328.9 | 7,863.0 |
| Floating interest rates | 6,527.1 | 7,004.9 | 6,889.6 | 7,327.9 | 7,861.6 |
| Fixed interest rates | 1.0 | 0.7 | 1.0 | 1.0 | 1.4 |
| Total | ¥30,575.4 | ¥31,939.9 | ¥32,291.2 | ¥35,083.7 | ¥36,833.9 |

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

Formerly The Sumitomo Bank, Limited

Balance of Loans and Bills Discounted, Classified by Purpose

| March 31 | Billions of yen | | | | |
|------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Funds for capital investment | ¥11,694.2 37.5% | ¥11,701.4 37.3% | ¥12,226.5 36.3% | ¥11,964.3 33.3% | ¥11,790.6 32.2% |
| Funds for working capital | 19,478.1 62.5 | 19,657.0 62.7 | 21,490.3 63.7 | 23,965.9 66.7 | 24,809.4 67.8 |
| Total | ¥31,172.3 | ¥31,358.5 | ¥33,716.8 | ¥35,930.3 | ¥36,600.1 |

Note: Percentage indicates the composition ratio.

Breakdown of Loan Collateral

| March 31 | Billions of yen | | | | |
|-------------------|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Securities | ¥ 610.8 | ¥ 404.3 | ¥ 554.8 | ¥ 654.3 | ¥ 818.3 |
| Commercial claims | 638.7 | 671.9 | 673.8 | 1,087.0 | 861.5 |
| Commercial goods | 1.3 | 2.6 | 3.5 | 4.5 | 9.4 |
| Real estate | 4,899.4 | 5,086.5 | 5,477.6 | 6,321.3 | 7,012.4 |
| Other | 379.6 | 564.4 | 424.4 | 328.2 | 295.3 |
| Subtotal | ¥ 6,529.9 | ¥ 6,729.9 | ¥ 7,134.3 | ¥ 8,395.5 | ¥ 8,997.0 |
| Guanranteed | ¥10,923.8 | ¥11,344.3 | ¥12,150.3 | ¥13,639.6 | ¥13,078.0 |
| Unsecured | 13,718.5 | 13,284.2 | 14,432.1 | 13,895.1 | 14,524.9 |
| Total | ¥31,172.3 | ¥31,358.5 | ¥33,716.8 | ¥35,930.3 | ¥36,600.1 |

Balance of Loans and Bills Discounted, Classified by Maturity

| March 31 | Billions of yen | | | | |
|------------------------------|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| One year or less | ¥10,269.3 | ¥ 7,465.4 | ¥ 9,182.7 | ¥11,276.5 | ¥11,458.9 |
| Floating interest rates | / | / | / | / | / |
| Fixed interest rates | / | / | / | / | / |
| One–three years | 5,889.3 | 4,882.9 | 5,920.4 | 5,775.3 | 5,422.6 |
| Floating interest rates | 3,243.2 | 2,747.0 | 3,239.3 | 3,257.7 | 3,289.6 |
| Fixed interest rates | 2,646.1 | 2,135.8 | 2,681.1 | 2,517.6 | 2,133.0 |
| Three–five years | 3,451.9 | 3,764.2 | 3,852.5 | 3,507.7 | 3,767.2 |
| Floating interest rates | 2,246.7 | 2,056.0 | 2,111.0 | 2,241.6 | 2,569.4 |
| Fixed interest rates | 1,205.2 | 1,708.1 | 1,741.4 | 1,266.0 | 1,197.8 |
| Five–seven years | 1,375.7 | 1,402.8 | 1,516.3 | 1,690.1 | 1,592.8 |
| Floating interest rates | 1,134.3 | 925.7 | 1,089.8 | 1,326.6 | 1,243.3 |
| Fixed interest rates | 241.4 | 477.0 | 426.4 | 363.5 | 349.5 |
| More than seven years | 4,415.3 | 5,818.8 | 4,993.4 | 4,642.6 | 4,397.7 |
| Floating interest rates | 4,063.1 | 4,347.3 | 3,844.7 | 3,573.2 | 3,594.8 |
| Fixed interest rates | 352.2 | 1,471.5 | 1,148.6 | 1,069.3 | 802.9 |
| No designated term | 5,770.5 | 8,024.2 | 8,251.3 | 9,037.9 | 9,960.6 |
| Floating interest rates | 5,770.5 | 8,024.2 | 8,251.3 | 9,037.9 | 9,960.6 |
| Fixed interest rates | — | — | — | — | — |
| Total | ¥31,172.3 | ¥31,358.5 | ¥33,716.8 | ¥35,930.3 | ¥36,600.1 |

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

Formerly The Sakura Bank, Limited

Loan Portfolio, Classified by Industry

| March 31 | Billions of yen | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic offices | | | | | |
| Manufacturing | ¥ 3,904.9 | ¥ 3,915.3 | ¥ 3,738.5 | ¥ 3,889.2 | ¥ 4,080.2 |
| | 13.9% | 13.4% | 12.8% | 13.3% | 13.4% |
| Agriculture, forestry, fisheries and mining | 129.9 | 208.7 | 226.7 | 230.4 | 251.9 |
| | 0.5 | 0.7 | 0.8 | 0.8 | 0.8 |
| Construction | 1,392.4 | 1,554.5 | 1,530.7 | 1,589.6 | 1,689.1 |
| | 5.0 | 5.3 | 5.2 | 5.4 | 5.5 |
| Wholesale and retail | 4,119.6 | 4,342.4 | 4,451.6 | 4,787.8 | 5,231.6 |
| | 14.7 | 14.8 | 15.3 | 16.3 | 17.1 |
| Finance and insurance | 2,534.1 | 2,533.8 | 2,624.3 | 2,727.4 | 3,076.5 |
| | 9.0 | 8.7 | 9.0 | 9.3 | 10.1 |
| Real estate | 4,664.2 | 4,397.1 | 4,426.7 | 4,633.3 | 4,453.1 |
| | 16.6 | 15.0 | 15.2 | 15.8 | 14.6 |
| Transportation, communications and other public enterprises | 1,590.1 | 1,635.0 | 1,355.0 | 1,253.6 | 1,480.4 |
| | 5.7 | 5.6 | 4.6 | 4.3 | 4.9 |
| Services | 2,616.7 | 3,026.5 | 3,383.0 | 3,386.3 | 3,697.2 |
| | 9.3 | 10.4 | 11.6 | 11.6 | 12.1 |
| Municipalities | 222.3 | 332.3 | 307.1 | 240.1 | 219.5 |
| | 0.8 | 1.1 | 1.0 | 0.8 | 0.7 |
| Other | 6,843.3 | 7,298.4 | 7,134.2 | 6,564.7 | 6,351.0 |
| | 24.5 | 25.0 | 24.5 | 22.4 | 20.8 |
| Subtotal | ¥28,017.9 | ¥29,244.6 | ¥29,178.1 | ¥29,303.1 | ¥30,531.0 |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Overseas offices | | | | | |
| Public sector | ¥ 60.7 | ¥ 48.4 | ¥ 77.9 | ¥ 186.8 | ¥ 174.8 |
| | 2.4% | 1.8% | 2.5% | 3.2% | 2.8% |
| Financial institutions | 111.2 | 144.3 | 215.0 | 385.2 | 607.4 |
| | 4.3 | 5.4 | 6.9 | 6.7 | 9.6 |
| Commerce and industry | 2,320.5 | 2,432.4 | 2,450.4 | 4,733.4 | 5,370.3 |
| | 90.7 | 90.2 | 78.7 | 81.9 | 85.2 |
| Other | 65.0 | 69.9 | 369.5 | 475.0 | 150.1 |
| | 2.6 | 2.6 | 11.9 | 8.2 | 2.4 |
| Subtotal | ¥ 2,557.5 | ¥ 2,695.3 | ¥ 3,113.0 | ¥ 5,780.6 | ¥ 6,302.8 |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total | ¥30,575.4 | ¥31,939.9 | ¥32,291.2 | ¥35,083.7 | ¥36,833.9 |

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

Formerly The Sumitomo Bank, Limited

Loan Portfolio, Classified by Industry

| March 31 | Billions of yen | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic offices | | | | | |
| Manufacturing | ¥ 3,550.4 12.9% | ¥ 3,503.0 12.6% | ¥ 3,450.4 12.2% | ¥ 3,407.0 11.9% | ¥ 3,402.7 12.3% |
| Agriculture, forestry, fisheries and mining | 58.9 0.2 | 62.5 0.2 | 97.5 0.3 | 76.2 0.3 | 67.9 0.2 |
| Construction | 1,536.7 5.6 | 1,643.5 5.9 | 1,537.6 5.4 | 1,584.5 5.6 | 1,541.6 5.6 |
| Wholesale and retail | 3,511.4 12.8 | 3,529.7 12.7 | 3,605.2 12.7 | 3,665.4 12.8 | 3,601.8 13.0 |
| Finance and insurance | 2,316.0 8.4 | 2,325.1 8.4 | 2,059.1 7.3 | 2,193.2 7.7 | 2,047.0 7.4 |
| Real estate | 4,557.9 16.6 | 4,318.3 15.6 | 4,198.7 14.8 | 4,001.6 14.0 | 3,796.2 13.8 |
| Transportation, communications and other public enterprises | 1,392.0 5.1 | 1,213.1 4.4 | 1,183.7 4.2 | 1,295.8 4.5 | 1,219.0 4.4 |
| Services | 4,103.6 14.9 | 4,481.3 16.1 | 4,635.1 16.4 | 4,985.6 17.5 | 4,884.7 17.7 |
| Municipalities | 81.8 0.3 | 104.2 0.4 | 106.5 0.4 | 78.9 0.3 | 96.3 0.4 |
| Other | 6,424.2 23.2 | 6,564.6 23.7 | 7,467.0 26.3 | 7,241.8 25.4 | 6,971.5 25.2 |
| Subtotal | ¥27,533.2 100.0% | ¥27,745.9 100.0% | ¥28,341.3 100.0% | ¥28,530.3 100.0% | ¥27,629.2 100.0% |
| Overseas offices | | | | | |
| Public sector | ¥ 203.2 5.6% | ¥ 159.3 4.4% | ¥ 193.9 3.6% | ¥ 241.3 3.3% | ¥ 339.7 3.8% |
| Financial institutions | 267.5 7.4 | 289.0 8.0 | 419.6 7.8 | 609.3 8.2 | 760.7 8.5 |
| Commerce and industry | 3,167.6 87.0 | 3,162.6 87.6 | 4,753.8 88.4 | 6,537.8 88.4 | 7,852.7 87.5 |
| Other | 0.6 0.0 | 1.5 0.0 | 8.1 0.2 | 11.3 0.2 | 17.7 0.2 |
| Subtotal | ¥ 3,639.0 100.0% | ¥ 3,612.6 100.0% | ¥ 5,375.4 100.0% | ¥ 7,399.9 100.0% | ¥ 8,970.9 100.0% |
| Total | ¥31,172.3 | ¥31,358.5 | ¥33,716.8 | ¥35,930.3 | ¥36,600.1 |

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

Formerly The Sakura Bank, Limited

Loans to Individuals and Small and Medium-Sized Corporations

| March 31 | Billions of yen | | | | |
|--|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Total domestic loans (A) | ¥28,017.9 | ¥29,244.6 | ¥29,178.1 | ¥29,303.1 | ¥30,531.0 |
| Loans to small and medium-sized corporations, etc. (B) | 20,804.3 | 21,260.0 | 20,367.2 | 20,679.8 | 21,341.4 |
| (B) / (A) | 74.25% | 72.69% | 69.80% | 70.57% | 69.90% |

Notes: 1. The figures above are shown after deduction of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized corporations, etc., are defined as companies having capital of not more than ¥300 million (¥100 million in wholesale, and ¥50 million in retail and services business categories), or companies and individuals with not more than 300 full-time employees (100 in wholesale, and 50 in retail and 100 in services business categories).

Pursuant to the partial revision of Small and Medium Enterprise Basic Law effective December 3, 1999, the coverage of 'small and medium-sized corporations' was expanded, and the figures of (B) as of March 31, 2001 and 2000 are shown based on the new definition.

Consumer Loans Outstanding

| March 31 | Billions of yen | | | | |
|----------------|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Consumer loans | ¥7,931.0 | ¥7,974.6 | ¥7,687.7 | ¥7,279.5 | ¥6,998.5 |
| Housing loans | 6,695.4 | 6,612.7 | 6,173.1 | 5,676.9 | 5,304.8 |

Breakdown of Reserve for Possible Loan Losses

| Year ended March 31, 2001 | Billions 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 | ¥197.2 [1.5] | ¥142.8 | ¥ — | ¥197.2* | ¥142.8 |
| Specific reserve for estimated loan losses on certain doubtful loans | 454.0 | 270.3 | 193.4 | 260.5* | 270.3 |
| For nonresident loans | 32.9 | 20.0 | 11.0 | 21.9* | 20.0 |
| Reserve for possible losses on specific overseas loans | 7.6 [(0.0)] | 11.6 | — | 7.6* | 11.6 |
| Total | ¥658.9 [1.5] | ¥424.8 | ¥193.4 | ¥465.4 | ¥424.8 |

| Year ended March 31, 2000 | Billions 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 | ¥209.7 [3.6] | ¥198.8 | ¥ — | ¥209.7* | ¥198.8 |
| Specific reserve for estimated loan losses on certain doubtful loans | 511.8 | 454.0 | 226.6 | 285.1* | 454.0 |
| For nonresident loans | 49.4 | 32.9 | 16.5 | 32.9* | 32.9 |
| Reserve for possible losses on specific overseas loans | 10.2 [(0.0)] | 7.6 | — | 10.2* | 7.6 |
| Total | ¥731.9 [3.6] | ¥660.4 | ¥226.6 | ¥505.2 | ¥660.4 |

* Transfer from reserves by reversal or origination method

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

Formerly The Sumitomo Bank, Limited

Loans to Individuals and Small and Medium-Sized Corporations

| March 31 | Billions of yen | | | | |
|--|------------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Total domestic loans (A) | ¥27,533.2 | ¥27,745.9 | ¥28,341.3 | ¥28,530.3 | ¥27,629.2 |
| Loans to small and medium-sized corporations, etc. (B) | 19,666.9 | 20,199.1 | 20,173.9 | 21,175.9 | 20,652.1 |
| (B) / (A) | 71.42% | 72.80% | 71.18% | 74.22% | 74.75% |

Notes: 1. The figures above are shown after deduction of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized corporations, etc., are defined as companies having capital of not more than ¥300 million (¥100 million in wholesale, and ¥50 million in retail and services business categories), or companies with not more than 300 full-time employees (100 in wholesale, and 50 in retail and 100 in services business categories) and individuals.

Pursuant to the partial revision of Small and Medium Enterprise Basic Law effective December 3, 1999, the coverage of 'small and medium-sized corporations' was expanded, and the figures of (B) as of March 31, 2001 and 2000 are shown based on the new definition.

Consumer Loans Outstanding

| March 31 | Billions of yen | | | | |
|----------------|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Consumer loans | ¥5,553.6 | ¥5,708.8 | ¥5,842.0 | ¥5,730.7 | ¥5,426.9 |
| Housing loans | 5,095.7 | 5,216.8 | 5,316.3 | 5,169.2 | 4,834.8 |

Breakdown of Reserve for Possible Loan Losses

| Year ended March 31, 2001 | Billions 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 | ¥362.0 [(4.4)] | ¥225.0 | ¥ — | ¥362.0* | ¥225.0 |
| Specific reserve for estimated loan losses on certain doubtful loans | 544.3 [(5.2)] | 437.7 | 253.3 | 291.0* | 437.7 |
| For nonresident loans | 40.4 [(5.0)] | 22.6 | 16.1 | 24.3* | 22.6 |
| Reserve for possible losses on specific overseas loans | 12.3 [—] | 8.4 | — | 12.3* | 8.4 |
| Total | ¥918.7 [(9.6)] | ¥671.0 | ¥253.3 | ¥665.3 | ¥671.0 |

| Year ended March 31, 2000 | Billions 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 | ¥ 315.2 [3.4] | ¥357.5 | ¥ — | ¥315.2* | ¥357.5 |
| Specific reserve for estimated loan losses on certain doubtful loans | 714.4 [4.3] | 539.1 | 428.3 | 286.0* | 539.1 |
| For nonresident loans | 27.2 [3.7] | 35.4 | 7.3 | 19.9* | 35.4 |
| Reserve for possible losses on specific overseas loans | 15.4 [—] | 12.3 | — | 15.4* | 12.3 |
| Total | ¥1,045.1 [7.7] | ¥909.0 | ¥428.3 | ¥616.8 | ¥909.0 |

* Transfer from reserves by reversal or origination method

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

Formerly The Sakura Bank, Limited

Write-Off of Loans

| Years ended March 31 | Billions of yen | | | | |
|----------------------|-----------------|--------|--------|--------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Write-off of loans | ¥240.5 | ¥113.3 | ¥149.3 | ¥ 11.8 | ¥ 10.7 |

Specific Overseas Loans

| March 31 | Billions of yen | | | | |
|--|-----------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Indonesia | ¥124.2 | ¥116.2 | ¥178.2 | ¥ / | ¥ / |
| Russia | 0.1 | 0.1 | 0.1 | 1.6 | 0.1 |
| Other countries | 3.3 | 5.9 | 6.8 | 1.7 | 17.3 |
| 4 countries | | 8 countries | 8 countries | 7 countries | 9 countries |
| Total | ¥127.7 | ¥122.3 | ¥185.2 | ¥ 3.4 | ¥ 17.4 |
| Ratio of the total amounts to total assets | 0.26% | 0.26% | 0.39% | 0.01% | 0.03% |
| Number of countries | 6 | 10 | 10 | 8 | 10 |

Risk-Monitored Loans

| March 31 | Billions of yen | | | | |
|---|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Bankrupt loans (a) | ¥ 174.8 | ¥ 156.6 | ¥ 165.1 | ¥ 402.8 | ¥ 355.8 |
| Non-accrual loans (b) | 849.9 | 1,067.7 | 994.8 | 592.4 | 829.1 |
| Renegotiated loans (c) | / | / | / | 143.7 | 244.2 |
| Loans to borrowers who are financially assisted by the Bank (d) | / | / | / | 1.0 | 346.3 |
| Subtotal (previous standard) (a) + (b) + (c) + (d) | / | / | / | ¥1,140.0 | ¥1,775.5 |
| Past due loans (3 months or more) (e) | 65.7 | 35.2 | 58.9 | 216.7 | / |
| Restructured loans (f) | 124.6 | 412.7 | 541.6 | 263.3 | / |
| Total (new standard) (a) + (b) + (e) + (f) | ¥1,215.1 | ¥1,672.3 | ¥1,760.5 | ¥1,475.4 | ¥ / |

Problem Assets Based on the Financial Reconstruction Law

| March 31 | Billions of yen | | |
|---|------------------|-----------|-----------|
| | 2001 | 2000 | 1999 |
| Bankrupt and quasi-bankrupt assets (<i>Hatan kousei tou saiken</i>) | ¥ 390.9 | ¥ 394.7 | ¥ 390.2 |
| Doubtful assets (<i>Kiken saiken</i>) | 679.7 | 880.8 | 809.2 |
| Substandard assets (<i>Youkanri saiken</i>) | 190.3 | 448.0 | 600.6 |
| Total of problem assets | ¥ 1,260.9 | ¥ 1,723.5 | ¥ 1,800.0 |
| Normal assets (<i>Seijou saiken</i>) | 32,302.5 | 33,184.9 | 33,896.7 |
| Total | ¥33,563.4 | ¥34,908.4 | ¥35,696.7 |

Formerly The Sumitomo Bank, Limited

Write-Off of Loans

| Years ended March 31 | Billions of yen | | | | |
|----------------------|-----------------|--------|--------|--------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Write-off of loans | ¥500.9 | ¥347.3 | ¥305.0 | ¥ 66.0 | ¥130.2 |

Specific Overseas Loans

| March 31 | Billions of yen | | | | |
|--|--------------------|-------------|--------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Indonesia | ¥60.3 | ¥59.7 | ¥69.5 | ¥ / | ¥ / |
| Algeria | 4.3 | 4.3 | 4.7 | 4.9 | 4.8 |
| Iran | — | 0.7 | 4.7 | / | / |
| Other countries | 0.5 | 0.4 | 3.7 | 0.2 | 0.7 |
| | 4 countries | 7 countries | 13 countries | 4 countries | 4 countries |
| Total | ¥65.1 | ¥65.3 | ¥82.7 | ¥ 5.2 | ¥ 5.6 |
| Ratio of the total amounts to total assets | 0.10% | 0.13% | 0.16% | 0.00% | 0.00% |
| Number of countries | 6 | 10 | 16 | 5 | 5 |

Risk-Monitored Loans

| March 31 | Billions of yen | | | | |
|---|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Bankrupt loans (a) | ¥ 60.8 | ¥ 73.0 | ¥ 115.4 | ¥ 257.8 | ¥ 190.4 |
| Non-accrual loans (b) | 1,357.6 | 1,436.0 | 1,524.2 | 544.7 | 616.6 |
| Renegotiated loans (c) | / | / | / | 84.9 | 104.6 |
| Loans to borrowers who are financially assisted by the Bank (d) | / | / | / | 117.6 | 162.4 |
| Subtotal (previous standard) (a) + (b) + (c) + (d) | / | / | / | ¥1,005.2 | ¥1,074.2 |
| Past due loans (3 months or more) (e) | 37.5 | 40.3 | 82.4 | 311.2 | / |
| Restructured loans (f) | 61.6 | 334.7 | 237.6 | 355.1 | / |
| Total (new standard) (a) + (b) + (e) + (f) | ¥1,517.5 | ¥1,884.0 | ¥1,959.8 | ¥1,469.1 | ¥ / |

Problem Assets Based on the Financial Reconstruction Law

| March 31 | Billions of yen | | |
|---|------------------|-----------|-----------|
| | 2001 | 2000 | 1999 |
| Bankrupt and quasi-bankrupt assets (<i>Hatan kousei tou saiken</i>) | ¥ 199.0 | ¥ 190.8 | ¥ 217.3 |
| Doubtful assets (<i>Kiken saiken</i>) | 1,263.5 | 1,351.2 | 1,476.3 |
| Substandard assets (<i>Youkanri saiken</i>) | 99.1 | 375.0 | 320.1 |
| Total of problem assets | ¥ 1,561.6 | ¥ 1,917.0 | ¥ 2,013.7 |
| Normal assets (<i>Seijou saiken</i>) | 33,855.3 | 32,849.8 | 35,421.0 |
| Total | ¥35,416.9 | ¥34,766.8 | ¥37,434.7 |

SECURITIES

Formerly The Sakura Bank, Limited

Average Balance of Trading Securities

| Years ended March 31 | Billions of yen | | | | |
|--------------------------------------|-----------------|---------------|---------------|--------------|--------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Japanese government bonds | ¥276.8 | ¥233.3 | ¥ 83.0 | ¥82.3 | ¥68.9 |
| Japanese local government bonds | 3.6 | 8.5 | 4.5 | 0.3 | 0.2 |
| Japanese government-guaranteed bonds | 6.0 | 46.0 | 78.6 | 3.5 | 0.1 |
| Total | ¥286.5 | ¥287.9 | ¥166.3 | ¥86.2 | ¥69.3 |

Balance of Securities

Year-End Balance

| March 31 | Billions of yen | | | | |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Japanese government bonds | ¥ 4,669.0 | ¥1,844.4 | ¥1,404.5 | ¥1,193.2 | ¥1,322.1 |
| Japanese local government bonds | 5.3 | 134.6 | 121.4 | 175.3 | 188.7 |
| Japanese corporate bonds | 458.0 | 414.9 | 381.0 | 462.7 | 573.1 |
| Japanese stocks | 3,994.8 | 3,546.3 | 3,291.0 | 3,395.0 | 3,761.0 |
| Securities lent | — | 15.7 | 18.2 | 17.2 | 15.4 |
| Other | 107.6 | 123.1 | 162.3 | 221.1 | 187.3 |
| Subtotal | ¥ 9,234.9 | ¥6,079.2 | ¥5,378.8 | ¥5,464.8 | ¥6,047.9 |
| International operations | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Japanese stocks | — | — | — | — | — |
| Other | 964.7 | 832.3 | 838.7 | 984.5 | 1,014.1 |
| Foreign bonds | 811.5 | 664.4 | 656.0 | 772.4 | 815.2 |
| Foreign stocks | 153.1 | 167.8 | 182.6 | 212.0 | 198.8 |
| Subtotal | ¥ 964.7 | ¥ 832.3 | ¥ 838.7 | ¥ 984.5 | ¥1,014.1 |
| Total | ¥10,199.6 | ¥6,911.6 | ¥6,217.5 | ¥6,449.3 | ¥7,062.1 |

Notes: 1. Japanese stocks include treasury stocks.

2. Securities lent in 2001 are included in each type of securities by the classification above.

SECURITIES

Formerly The Sumitomo Bank, Limited

Average Balance of Trading Securities

| Years ended March 31 | Billions of yen | | | | |
|--------------------------------------|-----------------|---------------|---------------|--------------|--------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Japanese government bonds | ¥138.8 | ¥ 98.9 | ¥ 80.2 | ¥65.9 | ¥23.6 |
| Japanese local government bonds | 0 | 13.4 | 27.8 | 0.5 | 0.6 |
| Japanese government-guaranteed bonds | 0 | 0 | 0 | 0 | 0 |
| Total | ¥138.9 | ¥112.4 | ¥108.1 | ¥66.5 | ¥24.3 |

Balance of Securities

Year-End Balance

| March 31 | Billions of yen | | | | |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Japanese government bonds | ¥10,602.0 | ¥3,447.2 | ¥1,374.3 | ¥1,854.7 | ¥ 819.5 |
| Japanese local government bonds | 317.8 | 357.0 | 359.5 | 328.5 | 499.4 |
| Japanese corporate bonds | 537.4 | 616.8 | 592.4 | 597.2 | 829.4 |
| Japanese stocks | 3,172.7 | 3,427.2 | 3,017.9 | 3,025.1 | 2,863.9 |
| Other | 20.4 | 37.5 | 62.2 | 59.9 | 138.5 |
| Subtotal | ¥14,650.5 | ¥7,885.9 | ¥5,406.5 | ¥5,865.6 | ¥5,150.8 |
| International operations | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Japanese stocks | — | — | — | — | — |
| Other | 2,209.7 | 1,096.2 | 1,273.3 | 1,391.2 | 853.4 |
| Foreign bonds | 1,442.2 | 497.7 | 677.6 | 616.7 | 400.8 |
| Foreign stocks | 767.5 | 598.4 | 595.7 | 774.5 | 452.6 |
| Subtotal | ¥ 2,209.7 | ¥1,096.2 | ¥1,273.3 | ¥1,391.2 | ¥ 853.4 |
| Total | ¥16,860.3 | ¥8,982.2 | ¥6,679.8 | ¥7,256.9 | ¥6,004.3 |

Notes: 1. Japanese stocks include treasury stocks.

2. Securities lent are included in each type of securities by the classification above.

Formerly The Sakura Bank, Limited

Average Balance

| Years ended March 31 | Billions of yen | | | | |
|---------------------------------|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Japanese government bonds | ¥2,520.8 | ¥1,931.3 | ¥1,657.9 | ¥1,269.8 | ¥1,336.7 |
| Japanese local government bonds | 101.1 | 139.7 | 64.0 | 162.0 | 190.9 |
| Japanese corporate bonds | 414.3 | 381.4 | 389.6 | 521.3 | 625.3 |
| Japanese stocks | 3,523.9 | 3,282.4 | 3,337.9 | 3,726.3 | 3,797.4 |
| Other | 124.1 | 148.0 | 173.7 | 194.3 | 177.6 |
| Subtotal | ¥6,684.3 | ¥5,882.9 | ¥5,623.3 | ¥5,873.9 | ¥6,128.1 |
| International operations | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Japanese stocks | — | — | — | — | — |
| Other | 767.2 | 855.8 | 945.8 | 1,101.4 | 842.3 |
| Foreign bonds | 600.3 | 679.4 | 728.8 | 901.9 | 665.3 |
| Foreign stocks | 166.9 | 176.3 | 217.0 | 199.4 | 177.0 |
| Subtotal | ¥ 767.2 | ¥ 855.8 | ¥ 945.8 | ¥1,101.4 | ¥ 842.3 |
| Total | ¥7,451.6 | ¥6,738.8 | ¥6,569.2 | ¥6,975.4 | ¥6,970.5 |

Notes: 1. Japanese stocks include treasury stocks.

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 | Billions of yen | | | | |
|---------------------------------|-----------------|--------|--------|--------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| One year or less | | | | | |
| Japanese government bonds | ¥2,343.9 | ¥441.8 | ¥ 76.8 | ¥ 51.7 | ¥227.3 |
| Japanese local government bonds | 2.2 | 0.2 | 0.4 | 0.1 | 0.1 |
| Japanese corporate bonds | 22.4 | 57.7 | 81.4 | 67.8 | 70.9 |
| Other | 358.6 | 197.2 | 252.3 | 357.7 | 85.7 |
| Foreign bonds | 354.1 | 183.5 | 212.2 | 262.9 | 69.8 |
| Securities lent | / | 0.6 | 0.0 | 2.0 | 0.8 |
| One–three years | | | | | |
| Japanese government bonds | ¥ 639.7 | ¥200.8 | ¥172.8 | ¥199.7 | ¥130.3 |
| Japanese local government bonds | — | 2.2 | 2.7 | 0.7 | 0.6 |
| Japanese corporate bonds | 126.3 | 65.6 | 89.4 | 161.4 | 214.9 |
| Other | 125.7 | 209.1 | 259.8 | 203.5 | 389.5 |
| Foreign bonds | 106.6 | 181.7 | 235.2 | 175.5 | 315.3 |
| Securities lent | / | 0.9 | 2.2 | 0.6 | 1.2 |
| Three–five years | | | | | |
| Japanese government bonds | ¥ 833.7 | ¥581.5 | ¥279.7 | ¥472.6 | ¥448.8 |
| Japanese local government bonds | 0 | 0 | — | 2.5 | 3.0 |
| Japanese corporate bonds | 198.9 | 148.3 | 78.7 | 83.6 | 157.7 |
| Other | 138.1 | 55.9 | 73.5 | 59.7 | 197.1 |
| Foreign bonds | 109.9 | 33.6 | 41.9 | 33.4 | 171.9 |
| Securities lent | / | 0.6 | 3.1 | 0.3 | 1.2 |

Formerly The Sumitomo Bank, Limited

Average Balance

| Years ended March 31 | Billions of yen | | | | |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Japanese government bonds | ¥ 6,571.0 | ¥3,023.0 | ¥1,762.2 | ¥1,509.0 | ¥ 729.4 |
| Japanese local government bonds | 326.0 | 354.4 | 375.8 | 380.9 | 632.1 |
| Japanese corporate bonds | 593.6 | 601.1 | 580.8 | 643.1 | 936.2 |
| Japanese stocks | 3,275.0 | 3,175.4 | 3,008.3 | 2,963.6 | 2,825.4 |
| Other | 38.6 | 45.2 | 61.0 | 83.0 | 130.8 |
| Subtotal | ¥10,804.4 | ¥7,199.3 | ¥5,788.3 | ¥5,579.8 | ¥5,254.2 |
| International operations | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Japanese stocks | — | — | — | — | — |
| Other | 1,379.1 | 1,167.2 | 1,401.3 | 1,012.1 | 753.1 |
| Foreign bonds | 759.2 | 581.8 | 696.7 | 494.1 | 312.8 |
| Foreign stocks | 619.8 | 585.4 | 704.5 | 517.9 | 440.3 |
| Subtotal | ¥ 1,379.1 | ¥1,167.2 | ¥1,401.3 | ¥1,012.1 | ¥ 753.1 |
| Total | ¥12,183.5 | ¥8,366.5 | ¥7,189.7 | ¥6,592.0 | ¥6,007.3 |

Notes: 1. Japanese stocks include treasury stocks.

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 | Billions of yen | | | | |
|---------------------------------|-----------------|----------|--------|--------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| One year or less | | | | | |
| Japanese government bonds | ¥4,676.5 | ¥ 745.7 | ¥134.7 | ¥ 28.4 | ¥108.6 |
| Japanese local government bonds | 22.5 | 24.7 | 30.2 | 17.1 | 7.8 |
| Japanese corporate bonds | 109.7 | 252.3 | 57.8 | 67.0 | 104.2 |
| Other | 112.0 | 88.0 | 180.5 | 202.3 | 46.7 |
| Foreign bonds | 107.0 | 84.8 | 180.2 | 200.3 | 46.6 |
| Securities lent | / | — | 0.0 | 0.0 | — |
| One–three years | | | | | |
| Japanese government bonds | ¥3,496.1 | ¥1,314.8 | ¥118.5 | ¥342.3 | ¥216.5 |
| Japanese local government bonds | 30.3 | 43.6 | 55.8 | 71.3 | 58.6 |
| Japanese corporate bonds | 93.2 | 170.2 | 369.0 | 217.6 | 153.4 |
| Other | 551.9 | 141.1 | 106.2 | 79.9 | 208.6 |
| Foreign bonds | 551.6 | 135.9 | 97.9 | 76.2 | 131.8 |
| Securities lent | / | 0.0 | 0.0 | 0.0 | 0.0 |
| Three–five years | | | | | |
| Japanese government bonds | ¥ 673.7 | ¥ 405.0 | ¥246.3 | ¥466.2 | ¥229.0 |
| Japanese local government bonds | 24.1 | 20.2 | 32.6 | 68.5 | 78.7 |
| Japanese corporate bonds | 169.3 | 64.4 | 91.1 | 134.0 | 231.1 |
| Other | 305.1 | 89.1 | 142.7 | 71.5 | 105.0 |
| Foreign bonds | 304.9 | 89.1 | 142.5 | 66.4 | 96.6 |
| Securities lent | / | 0.0 | 0.0 | 0.0 | 0.5 |

(Continued)

| March 31 | Billions of yen | | | | |
|---------------------------------|-----------------|----------|----------|----------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Five–seven years | | | | | |
| Japanese government bonds | ¥ 76.1 | ¥ 172.4 | ¥ 78.0 | ¥ 158.7 | ¥ 358.9 |
| Japanese local government bonds | 2.9 | 2.9 | 0.0 | 8.5 | — |
| Japanese corporate bonds | 54.1 | 74.4 | 74.2 | 76.8 | 40.0 |
| Other | 60.8 | 41.2 | 52.5 | 53.0 | 53.2 |
| Foreign bonds | 33.3 | 14.3 | 18.6 | 20.3 | 22.9 |
| Securities lent | / | — | 0.7 | 0.6 | 0.6 |
| Seven–10 years | | | | | |
| Japanese government bonds | ¥ 775.4 | ¥ 447.7 | ¥ 797.0 | ¥ 310.3 | ¥ 156.6 |
| Japanese local government bonds | 0.0 | 129.0 | 118.2 | 163.3 | 184.9 |
| Japanese corporate bonds | 56.0 | 59.7 | 48.0 | 56.2 | 74.3 |
| Other | 85.8 | 103.0 | 134.2 | 92.0 | 101.5 |
| Foreign bonds | 65.6 | 75.8 | 103.5 | 52.9 | 60.3 |
| Securities lent | / | — | — | 1.4 | 1.4 |
| More than 10 years | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | 9.0 | 9.0 | 16.6 | 15.1 |
| Other | 146.5 | 181.0 | 45.8 | 221.2 | 175.0 |
| Foreign bonds | 141.7 | 175.2 | 44.3 | 221.0 | 174.8 |
| Securities lent | / | — | — | — | — |
| No designated term | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Japanese stocks | 3,994.8 | 3,546.3 | 3,291.0 | 3,395.0 | 3,761.0 |
| Other | 156.5 | 167.8 | 182.6 | 218.2 | 199.1 |
| Foreign bonds | — | — | — | 6.1 | — |
| Foreign stocks | 153.1 | 167.8 | 182.6 | 212.0 | 198.8 |
| Securities lent | / | 13.4 | 12.2 | 12.1 | 10.1 |
| Total | | | | | |
| Japanese government bonds | ¥4,669.0 | ¥1,844.4 | ¥1,404.5 | ¥1,193.2 | ¥1,322.1 |
| Japanese local government bonds | 5.3 | 134.6 | 121.4 | 175.3 | 188.7 |
| Japanese corporate bonds | 458.0 | 414.9 | 381.0 | 462.7 | 573.1 |
| Japanese stocks | 3,994.8 | 3,546.3 | 3,291.0 | 3,395.0 | 3,761.0 |
| Other | 1,072.3 | 955.4 | 1,001.0 | 1,205.6 | 1,201.5 |
| Foreign bonds | 811.5 | 664.4 | 656.0 | 772.4 | 815.2 |
| Foreign stocks | 153.1 | 167.8 | 182.6 | 212.0 | 198.8 |
| Securities lent | / | 15.7 | 18.2 | 17.2 | 15.4 |

Notes: 1. Japanese stocks include treasury stocks.

2. Securities lent in 2001 are included in each type of securities by the classification above.

(Continued)

| March 31 | Billions of yen | | | | |
|---------------------------------|-----------------|----------|----------|----------|---------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Five–seven years | | | | | |
| Japanese government bonds | ¥ 406.0 | ¥ 513.2 | ¥ 351.4 | ¥ 137.3 | ¥ 148.5 |
| Japanese local government bonds | 55.6 | 25.7 | 26.6 | 33.6 | 53.0 |
| Japanese corporate bonds | 33.8 | 44.6 | 29.4 | 46.8 | 62.8 |
| Other | 38.3 | 35.3 | 30.8 | 22.5 | 43.2 |
| Foreign bonds | 35.7 | 34.4 | 30.6 | 22.4 | 21.7 |
| Securities lent | / | — | — | — | — |
| Seven–10 years | | | | | |
| Japanese government bonds | ¥ 1,349.5 | ¥ 468.4 | ¥ 523.2 | ¥ 874.3 | ¥ 113.6 |
| Japanese local government bonds | 184.5 | 241.9 | 213.5 | 137.3 | 300.6 |
| Japanese corporate bonds | 128.2 | 85.1 | 44.9 | 131.6 | 277.6 |
| Other | 100.8 | 63.3 | 156.2 | 59.3 | 34.5 |
| Foreign bonds | 91.4 | 57.9 | 134.8 | 56.1 | 29.9 |
| Securities lent | / | — | — | — | — |
| More than 10 years | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ 6.0 | ¥ 3.0 |
| Japanese local government bonds | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Japanese corporate bonds | 3.0 | — | — | — | — |
| Other | 351.4 | 95.3 | 90.7 | 203.4 | 67.7 |
| Foreign bonds | 351.4 | 95.3 | 90.7 | 188.5 | 67.7 |
| Securities lent | / | — | — | — | — |
| No designated term | | | | | |
| Japanese government bonds | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Japanese local government bonds | — | — | — | — | — |
| Japanese corporate bonds | — | — | — | — | — |
| Japanese stocks | 3,172.7 | 3,427.2 | 3,017.9 | 3,025.1 | 2,863.9 |
| Other | 770.3 | 621.3 | 628.1 | 812.0 | 485.4 |
| Foreign bonds | — | — | 0.5 | 6.6 | 6.2 |
| Foreign stocks | 767.5 | 598.4 | 595.7 | 774.5 | 452.6 |
| Securities lent | / | — | — | — | — |
| Total | | | | | |
| Japanese government bonds | ¥10,602.0 | ¥3,447.2 | ¥1,374.3 | ¥1,854.7 | ¥ 819.5 |
| Japanese local government bonds | 317.8 | 357.0 | 359.5 | 328.5 | 499.4 |
| Japanese corporate bonds | 537.4 | 616.8 | 592.4 | 597.2 | 829.4 |
| Japanese stocks | 3,172.7 | 3,427.2 | 3,017.9 | 3,025.1 | 2,863.9 |
| Other | 2,230.1 | 1,133.8 | 1,335.5 | 1,451.1 | 991.4 |
| Foreign bonds | 1,442.2 | 497.7 | 677.6 | 616.7 | 400.8 |
| Foreign stocks | 767.5 | 598.4 | 595.7 | 774.5 | 452.6 |
| Securities lent | / | 0.0 | 0.0 | 0.0 | 0.5 |

Notes: 1. Japanese stocks include treasury stocks.

2. Securities lent in 2001 are included in each type of securities by the classification above.

CAPITAL RATIO

Formerly The Sakura Bank, Limited

Nonconsolidated Capital Ratio

| March 31 | | Billions of yen | | |
|---|--|-----------------|-----------|-----------|
| | | 2001 | 2000 | 1999 |
| Tier I capital: | Common stockholders' equity | ¥ 2,238.5 | ¥ 2,185.5 | ¥ 2,162.2 |
| | Other | 285.5 | 285.4 | 286.2 |
| | Subtotal (A) | ¥ 2,524.0 | ¥ 2,470.9 | ¥ 2,448.4 |
| Tier II capital: | 45% of unrealized gains on land | ¥ 31.5 | ¥ 36.4 | ¥ 37.8 |
| | General reserve for possible loan losses | 142.8 | 198.8 | 213.4 |
| | Qualifying subordinated debt | 1,111.0 | 1,286.8 | 1,333.1 |
| | Subtotal (B) | ¥ 1,285.4 | ¥ 1,522.0 | ¥ 1,584.4 |
| Deductions: | (C) | ¥ 16.9 | ¥ 0.9 | ¥ 0.9 |
| Total capital: | (A) + (B) - (C) = (D) | 3,792.5 | 3,992.0 | 4,031.9 |
| Risk-adjusted assets: | On-balance-sheet | 29,547.5 | 29,627.5 | 29,586.3 |
| | Off-balance-sheet | 2,157.6 | 2,151.8 | 2,817.4 |
| | Asset equivalent of market risk | 135.4 | 137.9 | 156.9 |
| | Subtotal (E) | ¥31,840.6 | ¥31,917.3 | ¥32,560.7 |
| Capital ratio (BIS guidelines) = (D) / (E) x 100 | | 11.91% | 12.50% | 12.38% |

CAPITAL RATIO

Formerly The Sumitomo Bank, Limited

Nonconsolidated Capital Ratio

| March 31 | | Billions of yen | | |
|---|--|-----------------|-----------|-----------|
| | | 2001 | 2000 | 1999 |
| Tier I capital: | Common stockholders' equity | ¥ 1,738.9 | ¥ 1,700.0 | ¥ 1,670.2 |
| | Other | 567.0 | 531.0 | 556.7 |
| | Subtotal (A) | ¥ 2,305.9 | ¥ 2,231.1 | ¥ 2,226.9 |
| Tier II capital: | 45% of unrealized gains on land | ¥ 121.2 | ¥ 125.1 | ¥ 127.6 |
| | General reserve for possible loan losses | 224.9 | 357.5 | 318.7 |
| | Qualifying subordinated debt | 1,651.8 | 1,651.1 | 1,623.3 |
| | Subtotal (B) | ¥ 1,997.9 | ¥ 2,133.9 | ¥ 2,069.6 |
| Deductions: | (C) | ¥ 58.7 | ¥ 53.7 | ¥ 35.7 |
| Total capital: | (A) + (B) – (C) = (D) | 4,245.1 | 4,311.2 | 4,260.8 |
| Risk-adjusted assets: | On-balance-sheet | 32,166.2 | 31,682.4 | 32,400.6 |
| | Off-balance-sheet | 3,654.5 | 2,787.0 | 3,173.6 |
| | Asset equivalent of market risk | 125.3 | 110.3 | 105.4 |
| | Subtotal (E) | ¥35,946.1 | ¥34,579.8 | ¥35,679.7 |
| Capital ratio (BIS guidelines) = (D) / (E) x 100 | | 11.80% | 12.46% | 11.94% |

RATIOS

Formerly The Sakura Bank, Limited

Yield/Interest Rate

| Years ended March 31 | Percent | | | | |
|----------------------------------|---------------|--------|--------|-------|-------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Interest-earning assets (A) | 1.92% | 2.38% | 2.33% | 2.39% | 2.44% |
| Interest-bearing liabilities (B) | 1.19 | 1.67 | 1.99 | 2.01 | 2.06 |
| (A) – (B) | 0.73 | 0.71 | 0.34 | 0.38 | 0.38 |
| International operations | | | | | |
| Interest-earning assets (A) | 5.77 | 9.45 | 9.44 | 7.31 | 7.70 |
| Interest-bearing liabilities (B) | 6.73 | 11.75 | 10.01 | 7.30 | 7.47 |
| (A) – (B) | (0.96) | (2.30) | (0.57) | 0.01 | 0.23 |
| Total | | | | | |
| Interest-earning assets (A) | 2.50 | 3.34 | 3.58 | 3.59 | 3.80 |
| Interest-bearing liabilities (B) | 2.00 | 2.92 | 3.43 | 3.33 | 3.48 |
| (A) – (B) | 0.50 | 0.42 | 0.15 | 0.26 | 0.32 |

Income Ratio

| Years ended March 31 | Percent | | | | |
|--|--------------|-------|------|------|-------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Operating profit to total assets | 0.42% | 0.36% | — | — | 0.11% |
| Operating profit to stockholders' equity | 12.29 | 10.45 | — | — | 4.34 |
| Net income to total assets | 0.18 | 0.13 | — | — | 0.10 |
| Net income to stockholders' equity | 4.86 | 3.23 | — | — | 3.73 |

- 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 1999 and 1998 are not shown due to operating loss (net loss).

RATIOS

Formerly The Sumitomo Bank, Limited

Yield/Interest Rate

| Years ended March 31 | Percent | | | | |
|----------------------------------|--------------|-------|-------|-------|-------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Interest-earning assets (A) | 1.63% | 2.13% | 2.51% | 2.71% | 2.90% |
| Interest-bearing liabilities (B) | 1.07 | 1.60 | 2.04 | 2.38 | 2.55 |
| (A) – (B) | 0.56 | 0.53 | 0.47 | 0.33 | 0.35 |
| International operations | | | | | |
| Interest-earning assets (A) | 6.05 | 7.56 | 6.75 | 6.05 | 6.07 |
| Interest-bearing liabilities (B) | 5.69 | 7.14 | 6.51 | 5.82 | 5.57 |
| (A) – (B) | 0.36 | 0.42 | 0.24 | 0.23 | 0.50 |
| Total | | | | | |
| Interest-earning assets (A) | 2.57 | 3.21 | 3.57 | 3.87 | 4.14 |
| Interest-bearing liabilities (B) | 2.06 | 2.77 | 3.25 | 3.64 | 3.76 |
| (A) – (B) | 0.51 | 0.44 | 0.32 | 0.23 | 0.38 |

Income Ratio

| Years ended March 31 | Percent | | | | |
|--|--------------|-------|------|------|-------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Operating profit to total assets | 0.32% | 0.36% | — | — | 0.10% |
| Operating profit to stockholders' equity | 11.78 | 12.69 | — | — | 2.89 |
| Net income to total assets | 0.10 | 0.10 | — | — | 0.07 |
| Net income to stockholders' equity | 3.72 | 3.32 | — | — | 1.98 |

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 1999 and 1998 are not shown due to operating loss (net loss).

Formerly The Sakura Bank, Limited

Loan-Deposit Ratio

| March 31 | Millions of yen | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Loan amount (A) | ¥27,561,843 | ¥28,836,371 | ¥28,706,315 | ¥28,715,881 | ¥29,900,344 |
| Deposit amount (B) | 29,424,953 | 29,863,033 | 29,782,688 | 29,238,110 | 28,872,715 |
| Loan-deposit ratio (%) | | | | | |
| (A) / (B) | 93.66% | 96.56% | 96.38% | 98.21% | 103.56% |
| Ratio by average balance for the fiscal year | 96.93 | 95.07 | 104.09 | 102.21 | 108.11 |
| International operations | | | | | |
| Loan amount (A) | ¥ 3,013,655 | ¥ 3,103,581 | ¥ 3,584,947 | ¥ 6,367,890 | ¥ 6,933,593 |
| Deposit amount (B) | 4,109,126 | 3,479,621 | 3,182,933 | 7,142,659 | 9,397,824 |
| Loan-deposit ratio (%) | | | | | |
| (A) / (B) | 73.34 | 89.19 | 112.63 | 89.15 | 73.78 |
| Ratio by average balance for the fiscal year | 75.63 | 100.12 | 91.27 | 80.13 | 68.81 |
| Total | | | | | |
| Loan amount (A) | ¥30,575,498 | ¥31,939,952 | ¥32,291,263 | ¥35,083,771 | ¥36,833,937 |
| Deposit amount (B) | 33,534,079 | 33,342,655 | 32,965,621 | 36,380,770 | 38,270,539 |
| Loan-deposit ratio (%) | | | | | |
| (A) / (B) | 91.17 | 95.79 | 97.95 | 96.43 | 96.24 |
| Ratio by average balance for the fiscal year | 94.26 | 95.58 | 101.97 | 96.85 | 97.73 |

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

| March 31 | Millions of yen | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Securities amount (A) | ¥ 9,234,938 | ¥ 6,079,295 | ¥ 5,378,859 | ¥ 5,464,860 | ¥ 6,047,999 |
| Deposit amount (B) | 29,424,953 | 29,863,033 | 29,782,688 | 29,238,110 | 28,872,715 |
| Securities-deposit ratio (%) | | | | | |
| (A) / (B) | 31.38% | 20.35% | 18.06% | 18.69% | 20.94% |
| Ratio by average balance for the fiscal year | 23.20 | 19.38 | 19.66 | 20.26 | 22.01 |
| International operations | | | | | |
| Securities amount (A) | ¥ 964,730 | ¥ 832,307 | ¥ 838,710 | ¥ 984,512 | ¥ 1,014,157 |
| Deposit amount (B) | 4,109,126 | 3,479,621 | 3,182,933 | 7,142,659 | 9,397,824 |
| Securities-deposit ratio (%) | | | | | |
| (A) / (B) | 23.47 | 23.91 | 26.35 | 13.78 | 10.79 |
| Ratio by average balance for the fiscal year | 18.60 | 24.88 | 16.72 | 11.84 | 8.43 |
| Total | | | | | |
| Securities amount (A) | ¥10,199,669 | ¥ 6,911,602 | ¥ 6,217,570 | ¥ 6,449,372 | ¥ 7,062,157 |
| Deposit amount (B) | 33,534,079 | 33,342,655 | 32,965,621 | 36,380,770 | 38,270,539 |
| Securities-deposit ratio (%) | | | | | |
| (A) / (B) | 30.41 | 20.72 | 18.86 | 17.72 | 18.45 |
| Ratio by average balance for the fiscal year | 22.62 | 19.94 | 19.18 | 18.22 | 18.42 |

Note: Deposits include negotiable certificates of deposit.

Formerly The Sumitomo Bank, Limited

Loan-Deposit Ratio

| March 31 | Millions of yen | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Loan amount (A) | ¥27,055,225 | ¥27,291,435 | ¥27,697,845 | ¥27,710,654 | ¥26,769,806 |
| Deposit amount (B) | 28,491,587 | 28,072,348 | 26,215,137 | 24,524,245 | 23,349,654 |
| Loan-deposit ratio (%) | | | | | |
| (A) / (B) | 94.95% | 97.21% | 105.65% | 112.99% | 114.64% |
| Ratio by average balance for the fiscal year | 101.03 | 101.48 | 110.38 | 112.50 | 117.44 |
| International operations | | | | | |
| Loan amount (A) | ¥ 4,117,157 | ¥ 4,067,125 | ¥ 6,019,012 | ¥ 8,219,648 | ¥ 9,830,305 |
| Deposit amount (B) | 8,704,106 | 6,157,482 | 6,786,172 | 12,865,798 | 16,484,173 |
| Loan-deposit ratio (%) | | | | | |
| (A) / (B) | 47.30 | 66.05 | 88.69 | 63.88 | 59.63 |
| Ratio by average balance for the fiscal year | 54.94 | 73.99 | 73.94 | 62.39 | 60.48 |
| Total | | | | | |
| Loan amount (A) | ¥31,172,382 | ¥31,358,560 | ¥33,716,858 | ¥35,930,302 | ¥36,600,112 |
| Deposit amount (B) | 37,195,694 | 34,229,831 | 33,001,309 | 37,390,044 | 39,833,827 |
| Loan-deposit ratio (%) | | | | | |
| (A) / (B) | 83.80 | 91.61 | 102.16 | 96.09 | 91.88 |
| Ratio by average balance for the fiscal year | 90.52 | 96.11 | 100.33 | 92.63 | 93.36 |

Note: Deposits include negotiable certificates of deposit.

Securities-Deposit Ratio

| March 31 | Millions of yen | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Domestic operations | | | | | |
| Securities amount (A) | ¥14,650,585 | ¥ 7,885,988 | ¥ 5,406,537 | ¥ 5,865,650 | ¥ 5,150,899 |
| Deposit amount (B) | 28,491,587 | 28,072,348 | 26,215,137 | 24,524,245 | 23,349,654 |
| Securities-deposit ratio (%) | | | | | |
| (A) / (B) | 51.42% | 28.09% | 20.62% | 23.91% | 22.05% |
| Ratio by average balance for the fiscal year | 39.86 | 26.07 | 22.14 | 22.76 | 23.39 |
| International operations | | | | | |
| Securities amount (A) | ¥ 2,209,724 | ¥ 1,096,256 | ¥ 1,273,355 | ¥ 1,391,280 | ¥ 853,410 |
| Deposit amount (B) | 8,704,106 | 6,157,482 | 6,786,172 | 12,865,798 | 16,484,173 |
| Securities-deposit ratio (%) | | | | | |
| (A) / (B) | 25.38 | 17.80 | 18.76 | 10.81 | 5.17 |
| Ratio by average balance for the fiscal year | 17.22 | 17.39 | 14.08 | 6.28 | 4.57 |
| Total | | | | | |
| Securities amount (A) | ¥16,860,309 | ¥ 8,982,244 | ¥ 6,679,892 | ¥ 7,256,931 | ¥ 6,004,310 |
| Deposit amount (B) | 37,195,694 | 34,229,831 | 33,001,309 | 37,390,044 | 39,833,827 |
| Securities-deposit ratio (%) | | | | | |
| (A) / (B) | 45.32 | 26.24 | 20.24 | 19.40 | 15.07 |
| Ratio by average balance for the fiscal year | 34.70 | 24.37 | 19.92 | 16.23 | 15.43 |

Note: Deposits include negotiable certificates of deposit.

CAPITAL

Formerly The Sakura Bank, Limited

Changes in Capital Stock

| | Millions of yen | | Notes |
|------------------|-----------------|------------------|---|
| | Capital stock | Capital increase | |
| Fiscal year 1995 | ¥ 524,445 | ¥ 50,035 | Conversion of convertible bonds ¥50,035 million |
| Fiscal year 1996 | 599,445 | 75,000 | Allotment to third parties ¥75,000 million |
| Fiscal year 1998 | 1,042,706 | 443,260 | Allotment to third parties ¥443,260 million |

Changes in Number of Shares Outstanding

| | Thousands of shares | | Notes |
|---------------------------------------|------------------------------|-------------------------|---|
| | Number of shares outstanding | Number of shares issued | |
| Fiscal year 1995 | | | |
| Common stock | 3,424,163 | 108,637 | Conversion of convertible bonds (April 1, 1995–March 31, 1996) |
| Preferred stock (Series I) | 48,710 | (1,290) | Conversion of preferred stock (April 1, 1995–March 31, 1996) |
| Fiscal year 1996 | | | |
| Common stock | 3,424,163 | — | |
| Preferred stock (Series I) | 48,710 | — | |
| Preferred stock (Series II) | 75,000 | 75,000 | Allotment to third parties (Issue price ¥2,000/Capitalized amount ¥1,000) |
| Fiscal year 1997 | | | |
| Common stock | 3,747,134 | 322,971 | |
| Preferred stock (Series I) | — | (48,710) | Conversion of preferred stock (April 1, 1997–March 31, 1998) |
| Preferred stock (Series II) | 26,883 | (48,117) | |
| Fiscal year 1998 | | | |
| Common stock | 4,083,121 | 335,987 | Allotment to third parties (Issue price ¥315/Capitalized amount ¥158) |
| Preferred stock (Series II) | 11,307 | (15,576) | Conversion of preferred stock (April 1, 1998–March 31, 1999) |
| Preferred stock (Series III (type 2)) | 800,000 | 800,000 | Allotment to third parties (Issue price ¥1,000/Capitalized amount ¥500) |
| Fiscal year 1999 | | | |
| Common stock | 4,117,297 | 34,176 | |
| Preferred stock (Series II) | 2,772 | (8,535) | Conversion of preferred stock (April 1, 1999–March 31, 2000) |
| Preferred stock (Series III (type 2)) | 800,000 | — | |
| Fiscal year 2000 | | | |
| Common stock | 4,118,077 | 780 | |
| Preferred stock (Series II) | 2,577 | (195) | Conversion of preferred stock (April 1, 2000–March 31, 2001) |
| Preferred stock (Series III (type 2)) | 800,000 | — | |

Balance of Outstanding Convertible Bonds

There is no corresponding item.

CAPITAL

Formerly The Sumitomo Bank, Limited

Changes in Capital Stock

| | Millions of yen | | Notes |
|------------------|-----------------|------------------|---|
| | Capital stock | Capital increase | |
| Fiscal year 1989 | ¥ 344,228 | ¥ 87,655 | Public offering ¥82,900 million Conversion of convertible bonds ¥4,755 million |
| Fiscal year 1990 | 501,825 | 157,596 | Rights offering (at a price over par-value but less than market value) ¥157,312 million Conversion of convertible bonds ¥283 million |
| Fiscal year 1991 | 502,323 | 498 | Conversion of convertible bonds ¥498 million |
| Fiscal year 1993 | 502,348 | 25 | Conversion of convertible bonds ¥25 million |
| Fiscal year 1998 | 752,848 | 250,500 | Allotment to third parties ¥250,500 million |

Changes in Number of Shares Outstanding

| | Thousands of shares | | Notes |
|---|------------------------------|-------------------------|---|
| | Number of shares outstanding | Number of shares issued | |
| Fiscal year 1989 | 2,829,209 | 50,000 | Public offering (October 1) <Total capital raised ¥165,800 million/issue price ¥3,316/capitalized amount ¥1,658> Conversion of convertible bonds (April 1, 1989–March 31, 1990) Allocation of bonus stock (May 19) <Allocation ratio 1:0.10> |
| Fiscal year 1990 | 3,140,610 | 169,744 | Rights offering (April 1) <Total capital raised ¥314,625 million/allocation ratio 1:0.06> Conversion of convertible bonds (April 1, 1990–March 31, 1991) Allocation of bonus stock (May 18) <Allocation ratio 1:0.05> |
| Fiscal year 1991 | 3,141,046 | 435 | Conversion of convertible bonds (April 1, 1991–March 31, 1992) |
| Fiscal year 1993 | 3,141,062 | 15 | Conversion of convertible bonds (April 1, 1993–March 31, 1994) |
| Fiscal year 1998 | | | |
| Common stock | 3,141,062 | — | |
| Preferred stock (first series type I) | 67,000 | 67,000 | Allotment to third parties (Issue price ¥3,000/capitalized amount ¥1,500) |
| Preferred stock (second series type I) | 100,000 | 100,000 | Allotment to third parties (Issue price ¥3,000/capitalized amount ¥1,500) |

Balance of Outstanding Convertible Bonds

| Type and issue date | Issue amount | Interest rate | Maturity | Outstanding balance at March 31, 2001 | Conversion price (May 31, 2001) |
|------------------------|-----------------|---------------|----------------|---------------------------------------|---------------------------------|
| US\$ convertible bonds | | | | | |
| January 30, 1989 | US\$300 million | 3.125% | March 31, 2004 | US\$8,660,000 | ¥3,606.90 |
| Yen convertible bonds* | | | | | |
| June 26, 1996 | ¥100 billion | 0.375% | May 31, 2001 | ¥100 billion | ¥1,095.00 |

* Yen convertible bonds were converted into common stock at May 31, 2001.

Formerly The Sakura Bank, Limited

Total Outstanding Shares

March 31, 2001

| | | |
|---------------------------------------|----------------------|-----------------------------|
| Common stock | 4,118,077,946 | Registered, par value (¥50) |
| Preferred stock (Series II) | 2,577,000 | Registered, non par value |
| Preferred stock (Series III (Type 2)) | 800,000,000 | Registered, non par value |
| Total | 4,920,654,946 | |

Stock exchange listings Common stocks of the Bank had been listed on Tokyo Stock Exchange (First section), Osaka Securities Exchange (First section), Sapporo Stock Exchange, Frankfurt Stock Exchange, SWX Swiss Exchange, Paris Bourse, and London Stock Exchange, but were delisted due to merger etc.

Number of Shares, Classified by Type of Shareholders

a. Common Stock

| March 31, 2001 | Number of shareholders | Number of share units held | Percentage of total |
|--|------------------------|----------------------------|---------------------|
| Japanese government and local government | 6 | 7,264 | 0.18% |
| Financial institutions | 266 | 1,364,639 | 33.29 |
| Securities companies | 57 | 117,178 | 2.86 |
| Other institutions | 5,713 | 1,459,200 | 35.60 |
| Foreign institutions | 625 | 790,115 | 19.27 |
| [Individuals] | [35] | [119] | [0.00] |
| Individuals and others | 71,938 | 360,605 | 8.80 |
| Total | 78,605 | 4,099,001 | 100.00 |
| Less than one unit (shares) | / | 19,076,946 | / |

- Notes: 1. Of 79,008 shares in treasury stock, 79 units are included in 'individuals and others' and the remaining 8 shares are included in 'less than one unit'.
2. 'Other institutions' and 'less than one unit' include 33 units and 1,617 shares held by the Securities Custody Association, respectively.
3. One unit consists of 1,000 shares

b. Preferred Stock (Series II)

| March 31, 2001 | Number of shareholders | Number of share units held | Percentage of total |
|------------------------|------------------------|----------------------------|---------------------|
| Financial institutions | 1 | 2,577 | 100.00% |

c. Preferred Stock (Series III (Type 2))

| March 31, 2001 | Number of shareholders | Number of share units held | Percentage of total |
|------------------------|------------------------|----------------------------|---------------------|
| Financial institutions | 1 | 800,000 | 100.00% |

Formerly The Sumitomo Bank, Limited

Total Outstanding Shares

March 31, 2001

| | | |
|--|----------------------|-----------------------------|
| Common stock | 3,141,062,101 | Registered, par value (¥50) |
| Preferred stock (first series type I) | 67,000,000 | Registered, non par value |
| Preferred stock (second series type I) | 100,000,000 | Registered, non par value |
| Total | 3,308,062,101 | |

June 29, 2001

| | | |
|--|----------------------|-----------------------------|
| Common stock | 5,703,233,046 | Registered, par value (¥50) |
| Preferred stock (first series type I) | 67,000,000 | Registered, non par value |
| Preferred stock (second series type I) | 100,000,000 | Registered, non par value |
| Preferred stock (type V) | 800,000,000 | Registered, non par value |
| Preferred stock (type VI) | 2,577,000 | Registered, non par value |
| Total | 6,672,810,046 | |

Note: Upon merger, the Bank issued 2,470,846,767 shares of common stock, 800,000,000 shares of preferred stock (type V), and 2,577,000 shares of preferred stock (type VI) on April 2, 2001. And Yen convertible bonds were converted into 91,324,178 shares of common stock on May 31, 2001.

| | |
|-------------------------|---|
| Stock exchange listings | Tokyo Stock Exchange (First Section) |
| | Osaka Securities Exchange (First Section) |
| | Nagoya Stock Exchange (First Section) |
| | Sapporo Stock Exchange |
| | London Stock Exchange |

Number of Shares, Classified by Type of Shareholders

a. Common Stock

| March 31, 2001 | Number of shareholders | Number of share units held | Percentage of total |
|--|------------------------|----------------------------|---------------------|
| Japanese government and local government | 2 | 4,108 | 0.13% |
| Financial institutions | 358 | 1,164,676 | 37.21 |
| Securities companies | 50 | 28,548 | 0.91 |
| Other institutions | 3,705 | 1,407,011 | 44.95 |
| Foreign institutions | 730 | 345,908 | 11.05 |
| [Individuals] | [24] | [93] | [0.00] |
| Individuals and others | 45,147 | 179,799 | 5.75 |
| Total | 49,992 | 3,130,050 | 100.00% |
| Less than one unit (<i>shares</i>) | / | 11,012,101 | / |

Notes: 1. Of 9,501 shares in treasury stock, 9 units are included in 'individuals and others' and the remaining 501 shares are included in 'less than one unit.'

2. 'Other institutions' and 'less than one unit' include 230 units and 3,650 shares held by the Securities Custody Association, respectively.

3. One unit consists of 1,000 shares

b. Preferred Stock (First Series Type I)

| March 31, 2001 | Number of shareholders | Number of share units held | Percentage of total |
|------------------------|------------------------|----------------------------|---------------------|
| Financial institutions | 1 | 67,000 | 100.00% |

c. Preferred Stock (Second Series Type I)

| March 31, 2001 | Number of shareholders | Number of share units held | Percentage of total |
|------------------------|------------------------|----------------------------|---------------------|
| Financial institutions | 1 | 100,000 | 100.00% |

Formerly The Sakura Bank, Limited

Number of Shares of Voting Stock

| March 31, 2001 | Shares without voting rights | Shares with voting rights | | Shares less than one unit |
|----------------|------------------------------|---------------------------|---------------|---------------------------|
| | | Treasury stock | Other | |
| | 802,577,000 | 7,518,000 | 4,091,483,000 | 19,076,946 |

Notes: 1. 'Other' of 'shares with voting rights' includes 33,000 shares held by the Securities Custody Association.

2. 'Shares less than one unit' includes 8 shares of the Bank's treasury stock, 496 shares held by The Minato Bank, Ltd., 357 shares held by Sakura Mortgage Co., Ltd., 800 shares held by Sakura Friend Securities Co., Ltd., and 1,617 shares held by Securities Custody Association as follows:

Number of Shares of Treasury Stock

| March 31, 2001 Holder of treasury stock | Number of shares held in the name of | | | Percentage of total shares issued |
|--|--------------------------------------|----------|------------------|--------------------------------------|
| | Holder | Others | Total | |
| The Sakura Bank, Limited | 72,000 | — | 72,000 | 0.00% |
| The Minato Bank, Limited | 6,623,000 | — | 6,623,000 | 0.16% |
| Sakura Mortgage Co., Ltd. | 487,000 | — | 487,000 | 0.01% |
| Sakura Friend Securities Co., Ltd. | 336,000 | — | 336,000 | 0.00% |
| Total | 7,518,000 | — | 7,518,000 | 0.18% |

Note: The above figures do not include 7,000 shares held in the Bank's nominee name. They are included in 'other' of 'shares with voting rights' in the schedule above.

Formerly The Sumitomo Bank, Limited

Number of Shares of Voting Stock

| March 31, 2001 | Shares without voting rights | Shares with voting rights | | Shares less than one unit |
|----------------|------------------------------|---------------------------|---------------|---------------------------|
| | | Treasury stock | Other | |
| | 167,000,000 | 8,321,000 | 3,121,729,000 | 11,012,101 |

Notes: 1. 'Other' of 'shares with voting rights' and 'shares less than one unit' include 230,000 shares and 3,650 shares held by the Security Custody Association, respectively.

2. 'Shares less than one unit' includes 501 shares of the Bank's treasury stock and cross-holding shares held by the Bank's consolidated subsidiaries, as follows:

| March 31, 2001 | Number of shares held |
|--|-----------------------|
| SB Leasing Company, Limited | 384 |
| Sumigin General Finance Company Limited | 36 |
| The Bank of Kansai, Ltd. | 179 |
| The Sumitomo Credit Service Company, Limited | 270 |

Number of Shares of Treasury Stock

| March 31, 2001 Holder of treasury stock | Number of shares held in the name of | | | Percentage of total shares issued |
|--|--------------------------------------|----------|------------------|-----------------------------------|
| | Holder | Others | Total | |
| The Sumitomo Bank, Limited | 4,000 | — | 4,000 | 0.00% |
| SB Leasing Company, Limited | 2,276,000 | — | 2,276,000 | 0.07 |
| Sumigin General Finance Company Limited | 1,567,000 | — | 1,567,000 | 0.04 |
| The Bank of Kansai, Ltd. | 1,114,000 | — | 1,114,000 | 0.03 |
| Daiwa Securities SB Capital Markets Co. Ltd. | 2,046,000 | — | 2,046,000 | 0.06 |
| The Sumitomo Credit Service Company, Limited | 1,314,000 | — | 1,314,000 | 0.04 |
| Total | 8,321,000 | — | 8,321,000 | 0.26% |

Note: The above figures do not include 5,000 shares held in the Bank's nominee name. They are included in 'other' of 'shares with voting rights' in the schedule above.

Formerly The Sakura Bank, Limited

Principal Shareholders

a. Common Stock

| March 31, 2001 | Number of shares held (thousands) | Percentage of total shares issued |
|---|-----------------------------------|-----------------------------------|
| Shareholders | | |
| Nippon Life Insurance Company | 147,758 | 3.58 |
| The Taiyo Mutual Life Insurance Company | 147,752 | 3.58 |
| Mitsui Mutual Life Insurance Company | 127,752 | 3.10 |
| Japan Trustee Services Bank, Ltd. (Trust account) | 99,921 | 2.42 |
| The Chase Manhattan Bank, N.A. London (Standing Proxy: The Fuji Bank, Limited) | 94,505 | 2.29 |
| Toyota Motor Corporation | 89,588 | 2.17 |
| The Nomura Securities Co., Ltd. | 83,290 | 2.02 |
| The Dai-ichi Mutual Life Insurance Company | 65,855 | 1.59 |
| State Street Bank and Trust Company (Standing Proxy: The Fuji Bank, Limited) | 64,526 | 1.56 |
| The Toyo Trust and Banking Co., Ltd. (Trust account) | 59,855 | 1.45 |
| Mitsui Fudosan Co., Ltd. | 56,557 | 1.37 |
| The Mitsubishi Trust and Banking Corporation (Trust account) | 54,958 | 1.33 |
| Morgan Stanley & Co. International Limited (Standing Proxy: Morgan Stanley Dean Witter & Co.) | 50,579 | 1.22 |
| Mitsui & Co., Ltd. | 50,277 | 1.22 |
| Composite Trust Trustee The Sakura Trust & Banking Co., Ltd. (Entrust TOSHIBA CORPORATION) | 48,756 | 1.18 |
| The Tokyo Electric Power Company, Incorporated | 46,107 | 1.11 |
| Nippon Life Insurance Company (Special account for pensions) | 45,435 | 1.10 |
| Mitsui Marine and Fire Insurance Co., Ltd | 45,046 | 1.09 |
| UBS AG London Asia Equities (Standing Proxy: UBS Warburg (Japan) Limited) | 36,840 | 0.89 |
| The Chuo Mitsui Trust and Banking Company, Limited | 35,324 | 0.85 |
| The Sakura Bank Employee Shareholders' Association | 33,601 | 0.81 |
| Boston Deposit BSDT Treaty Clients Omnibus (Standing Proxy: The Bank of Tokyo–Mitsubishi, Ltd.) | 31,862 | 0.77 |
| The Dowa Fire & Marine Insurance Co., Ltd | 31,815 | 0.77 |
| Chase Nominees REBGI Treaty Jasdec Lending (Standing Proxy: The Bank of Tokyo–Mitsubishi, Ltd.) | 31,108 | 0.75 |
| The Chuo Mitsui Trust and Banking Company, Limited (Pension trust account) | 29,263 | 0.71 |
| Toray Industries, Inc. | 27,129 | 0.65 |
| Oji Paper Co., Ltd. | 27,115 | 0.65 |
| Nippon Mitsubishi Oil Corporation | 24,363 | 0.59 |
| Mitsui Chemicals, Inc. | 21,405 | 0.51 |
| The Chase Manhattan Bank NA London SL Omnibus Account (Standing Proxy: The Fuji Bank, Limited) | 21,256 | 0.51 |

b. Preferred Stock (Series II)

| March 31, 2001 | Number of shares held (thousands) | Percentage of total shares issued |
|--------------------------------|-----------------------------------|-----------------------------------|
| Shareholder | | |
| Sakura Finance (Bermuda) Trust | 2,577 | 100.00% |

c. Preferred Stock (Series III) (Type 2)

| March 31, 2001 | Number of shares held (thousands) | Percentage of total shares issued |
|---|-----------------------------------|-----------------------------------|
| Shareholder | | |
| The Resolution and Collection Corporation | 800,000 | 100.00% |

Formerly The Sumitomo Bank, Limited

Principal Shareholders

a. Common Stock

As of March 31, 2001

| Shareholders | Number of shares held (thousands) | Percentage of total shares issued |
|---|-----------------------------------|-----------------------------------|
| Sumitomo Life Insurance Company | 149,001 | 4.74% |
| Japan Trustee Services Bank, Ltd. (Trust account) | 127,500 | 4.05 |
| Nippon Life Insurance Company | 124,890 | 3.97 |
| Matsushita Electric Industrial Co., Ltd. | 103,570 | 3.29 |
| The Mitsubishi Trust and Banking Corporation (Trust account) | 69,997 | 2.22 |
| Sanyo Electric Co., Ltd. | 62,337 | 1.98 |
| Sumitomo Corporation | 52,008 | 1.65 |
| The Sumitomo Trust and Banking Co., Ltd. | 51,352 | 1.63 |
| Kubota Corporation | 39,499 | 1.25 |
| Kajima Corporation | 39,387 | 1.25 |
| The Sumitomo Marine and Fire Insurance Company, Limited | 38,802 | 1.23 |
| Takeda Chemical Industries, Ltd. | 38,218 | 1.21 |
| Sumitomo Chemical Company, Limited | 33,581 | 1.06 |
| The Taiyo Mutual Life Insurance Co. | 33,558 | 1.06 |
| Kondo Cotton Spinning Co., Ltd. | 31,596 | 1.00 |
| Nippon Steel Corporation | 31,411 | 1.00 |
| The Toyo Trust and Banking Co., Ltd. (Trust account) | 28,333 | 0.90 |
| Sumitomo Metal Industries, Ltd. | 26,929 | 0.85 |
| Nippon Sheet Glass Company, Limited | 24,219 | 0.77 |
| Shionogi & Co., Ltd. | 22,911 | 0.72 |
| The Kansai Electric Power Company, Incorporated | 22,711 | 0.72 |
| Mizuho Trust & Banking Co., Ltd. (Trust account) | 22,507 | 0.71 |
| The Dai-ichi Mutual Life Insurance Company | 21,735 | 0.69 |
| NEC Corporation | 19,817 | 0.63 |
| Bridgestone Corporation | 19,771 | 0.62 |
| Daiwa Securities Group Inc. | 18,769 | 0.59 |
| Chuo Mitsui Trust and Banking Company, Limited (Tokkin trust trustee) | 18,545 | 0.59 |
| The Nomura Trust and Banking Co., Ltd. (Investment trust account) | 17,788 | 0.56 |
| The Chase Manhattan Bank NA London | 17,751 | 0.56 |
| The Dai-ichi Mutual Life Insurance Company (Special account) | 17,626 | 0.56 |

b. Preferred Stock (First Series Type I)

March 31, 2001

| Shareholder | Number of shares held (thousands) | Percentage of total shares issued |
|---|-----------------------------------|-----------------------------------|
| The Resolution and Collection Corporation | 67,000 | 100.00% |

c. Preferred Stock (Second Series Type I)

March 31, 2001

| Shareholder | Number of shares held (thousands) | Percentage of total shares issued |
|---|-----------------------------------|-----------------------------------|
| The Resolution and Collection Corporation | 100,000 | 100.00% |

Formerly The Sakura Bank, Limited

Per Share Data

| Years ended March 31 | Yen | | | | |
|-------------------------------------|--------|--------|---------|---------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Dividends on common share | ¥ 6.00 | ¥ 6.00 | ¥ 7.25 | ¥ 8.50 | ¥ 8.50 |
| [Interim dividends on common share] | [3.00] | [3.00] | [4.25] | [4.25] | [4.25] |
| Net income (loss) | 17.28 | 11.24 | (97.62) | (62.92) | 14.10 |
| Stockholders' equity | 358.43 | 351.38 | 343.09 | 332.07 | 380.72 |
| Payout ratio (%) | 34.71% | 53.42% | —% | —% | 60.27% |

- Notes: 1. Dividends per share (interim dividends per share) are common stock dividends. (Dividends for 2001 is calculated by assuming delivered money due to merger is in place of year-end dividends.)
2. Net income (loss) per share is computed by deducting preferred dividends (including delivered money due to merger as for the year ended March 31, 2001) from net income (loss), divided by the weighted average number of shares of common stock outstanding during the fiscal year.
3. Stockholders' equity per share is computed by deducting the number of shares of preferred stock outstanding at fiscal year-end multiplied by the issue price from shareholders' equity, divided by the number of shares of common stock outstanding at fiscal year-end.

Common Stock Price Range

| Years ended March 31 | Yen | | | | |
|----------------------|------|--------|-------|-------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Highest | ¥858 | ¥1,045 | ¥ 404 | ¥ 975 | ¥1,250 |
| Lowest | 477 | 358 | 165 | 325 | 600 |

| | Yen | | | | | |
|---------|------------|---------------|--------------|---------------|---------------|--------------|
| | March 2001 | February 2001 | January 2001 | December 2000 | November 2000 | October 2000 |
| Highest | ¥710 | ¥740 | ¥743 | ¥714 | ¥823 | ¥858 |
| Lowest | 477 | 635 | 646 | 644 | 629 | 766 |

- Notes: 1. The above figures are stock prices quoted at the Tokyo Stock Exchange (First Section).
2. Preferred stock (Series II) and preferred stock (Series III (Type 2)) is not listed on exchange, nor registered with the Securities Dealers Association of Japan as trading securities on the over-the-counter market.

Formerly The Sumitomo Bank, Limited

Per Share Data

| Years ended March 31 | Yen | | | | |
|-------------------------------------|--------|--------|----------|----------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Dividends on common share | ¥ 6.00 | ¥ 6.00 | ¥ 6.00 | ¥ 8.50 | ¥ 8.50 |
| [Interim dividends on common share] | [3.00] | [3.00] | [3.00] | [4.25] | [4.25] |
| Net income (loss) | 16.59 | 14.41 | (119.11) | (197.93) | 11.24 |
| Stockholders' equity | 451.35 | 439.23 | 428.35 | 362.30 | 568.73 |
| Payout ratio (%) | 36.15% | 41.63% | —% | —% | 75.59% |

- Notes: 1. Net income (loss) per share is computed by deducting preferred dividends from net income (loss), divided by the weighted average number of shares of common stock outstanding during the fiscal year.
2. Stockholders' equity per share is computed by deducting the number of shares of preferred stock outstanding at end of the fiscal year multiplied by the issue price from stockholders' equity, divided by the number of shares of common stock outstanding at end of the fiscal year.

Common Stock Price Range

| Years ended March 31 | Yen | | | | |
|----------------------|--------|--------|--------|--------|--------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Highest | ¥1,640 | ¥1,902 | ¥1,710 | ¥1,950 | ¥2,260 |
| Lowest | 867 | 1,271 | 860 | 1,100 | 1,220 |

| | Yen | | | | | |
|---------|------------|---------------|--------------|---------------|---------------|--------------|
| | March 2001 | February 2001 | January 2001 | December 2000 | November 2000 | October 2000 |
| Highest | ¥1,195 | ¥1,248 | ¥1,270 | ¥1,212 | ¥1,385 | ¥1,448 |
| Lowest | 867 | 1,070 | 1,087 | 1,100 | 1,077 | 1,284 |

- Notes: 1. The above figures are stock prices quoted at the Tokyo Stock Exchange (First Section).
2. Preferred stock (first series type I) and preferred stock (second series type I) are not listed on exchange, nor registered with the Securities Dealers Association of Japan as trading securities on the over-the-counter market.

OTHERS

Formerly The Sakura Bank, Limited

Employees

| March 31 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---|----------|----------|----------|----------|----------|
| Number of employees | 13,632 | 14,930 | 16,330 | 17,420 | 18,733 |
| Average age (years-months) | 38-7 | 37-11 | 38-0 | 38-0 | 37-5 |
| Average length of employment (years-months) | 16-10 | 16-2 | 16-5 | 16-5 | 15-11 |
| Average monthly salary (yen) | ¥515,897 | ¥502,428 | ¥502,574 | ¥496,583 | ¥488,753 |

Note: Temporary, part-time and overseas local staff are excluded from the above calculations.

Number of Offices

| March 31 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------------------------|------------|------------|------------|------------|------------|
| Domestic network: | | | | | |
| Main offices and branches | 323 | 381 | 414 | 432 | 439 |
| Sub-branches | 32 | 40 | 50 | 56 | 61 |
| Agency | 4 | 4 | 7 | 7 | 9 |
| Overseas network: | | | | | |
| Branches | 16 | 18 | 18 | 23 | 24 |
| Sub-branches | 2 | 2 | 2 | 2 | 3 |
| Representative offices | 3 | 6 | 12 | 15 | 17 |
| Total | 380 | 451 | 503 | 535 | 553 |

Note: 'Main offices and branches' includes International Business Operations Dept. (2001, 2 branches; 2000, 2 branches; 1999, 2 branches; 1998, 2 branches; 1997, 2 branches) and Specialized deposit account branch (2001, 4 branches; 2000, 2 branches), and ATM administration branch (2001, 1 branch; 2000, 1 branch).

Automated Service Centers

| March 31 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------------------------|-------|-------|------|------|------|
| Automated service centers | 1,485 | 1,046 | 504 | 478 | 472 |

OTHERS

Formerly The Sumitomo Bank, Limited

Employees

| March 31 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---|----------|----------|----------|----------|----------|
| Number of employees | 13,526 | 14,394 | 14,995 | 15,111 | 15,563 |
| Average age (years–months) | 37–5 | 36–11 | 37–0 | 37–0 | 36–9 |
| Average length of employment (years–months) | 15–5 | 14–11 | 15–2 | 15–2 | 14–11 |
| Average monthly salary (yen) | ¥504,168 | ¥493,991 | ¥488,834 | ¥493,658 | ¥491,301 |

Note: Temporary, part-time and overseas local staff are excluded from the above calculations.

Number of Offices

| March 31 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------------------------|------------|------|------|------|------|
| Domestic network: | | | | | |
| Main offices and branches | 270 | 285 | 286 | 305 | 310 |
| Sub-branches | 47 | 47 | 52 | 55 | 40 |
| Agency | 1 | 1 | 1 | 1 | 1 |
| Overseas network: | | | | | |
| Branches | 17 | 18 | 21 | 37 | 39 |
| Sub-branches | 3 | 3 | 4 | 5 | 2 |
| Representative offices | 16 | 17 | 17 | 20 | 25 |
| Total | 354 | 371 | 381 | 423 | 417 |

Note: 'Main offices and branches' includes specialized deposit account branch (2001, 8 branches; 2000, 8 branches; 1999, 2 branches).

Automated Service Centers

| March 31 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------------------------|------|------|------|------|------|
| Automated service centers | 346 | 463 | 513 | 478 | 445 |

Formerly The Sakura Bank, Limited

Domestic Exchange Transactions

| Years ended March 31 | Billions of yen | | | | |
|---|-------------------|-------------------|---------------------|---------------------|---------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Exchange for remittance | | | | | |
| Destined for various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 139,818 | 161,329 | 165,185 | 166,545 | 164,287 |
| Amount | ¥367,882.4 | ¥ 330,932.6 | ¥ 434,924.7 | ¥ 457,657.4 | ¥ 433,520.9 |
| Received from various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 121,137 | 153,883 | 155,487 | 155,844 | 153,128 |
| Amount | 526,742.4 | 558,293.3 | 712,307.1 | 713,346.2 | 659,570.8 |
| Collection | | | | | |
| Destined for various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 5,103 | 5,542 | 6,199 | 6,981 | 7,165 |
| Amount | ¥ 14,212.5 | ¥ 14,142.2 | ¥ 15,927.2 | ¥ 18,739.2 | ¥ 18,656.2 |
| Received from various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 745 | 765 | 828 | 896 | 951 |
| Amount | 2,440.8 | 2,040.3 | 1,901.3 | 2,253.3 | 2,222.2 |
| Total | ¥911,278.3 | ¥905,408.5 | ¥1,165,060.5 | ¥1,191,996.3 | ¥1,113,970.2 |

Foreign Exchange Transactions

| Years ended March 31 | Millions of U.S. dollars | | | | |
|----------------------------|--------------------------|--------------------|------------------|--------------------|--------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Outward exchanges: | | | | | |
| Foreign bills sold | \$385,950 | \$ 418,646 | \$413,983 | \$ 488,918 | \$ 457,172 |
| Foreign bills bought | 61,227 | 58,931 | 62,923 | 78,110 | 65,812 |
| Incoming exchanges: | | | | | |
| Foreign bills payable | \$454,809 | \$ 557,928 | \$483,395 | \$ 555,470 | \$ 560,660 |
| Foreign bills receivable | 14,190 | 16,481 | 16,435 | 37,219 | 59,033 |
| Total | \$916,177 | \$1,051,988 | \$976,737 | \$1,159,719 | \$1,142,678 |

Note: The above figures include foreign exchange transactions by overseas branches.

Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

| March 31 | Billions of yen | | |
|-------------------|-----------------|-----------------|-----------------|
| | 2001 | 2000 | 1999 |
| Securities | ¥ 3.2 | ¥ 3.0 | ¥ 11.2 |
| Commercial claims | 253.8 | 156.6 | 154.3 |
| Commercial goods | 6.5 | 4.4 | 5.7 |
| Real estate | 30.5 | 40.1 | 49.7 |
| Other | 12.9 | 10.1 | 15.4 |
| Subtotal | ¥ 307.0 | ¥ 214.4 | ¥ 236.5 |
| Guaranteed | 396.6 | 371.6 | 468.5 |
| Unsecured | 1,933.8 | 1,938.1 | 2,251.6 |
| Total | ¥2,637.6 | ¥2,524.3 | ¥2,956.7 |

Formerly The Sumitomo Bank, Limited

Domestic Exchange Transactions

| Years ended March 31 | Billions of yen | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Exchange for remittance | | | | | |
| Destined for various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 210,761 | 216,051 | 209,683 | 185,004 | 167,409 |
| Amount | ¥418,710.3 | ¥430,898.0 | ¥424,602.4 | ¥432,219.3 | ¥405,531.6 |
| Received from various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 120,318 | 113,405 | 109,098 | 107,100 | 102,541 |
| Amount | ¥357,069.1 | 326,166.3 | 350,240.0 | 411,147.9 | 407,441.1 |
| Collection | | | | | |
| Destined for various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 2,190 | 2,324 | 2,361 | 2,615 | 2,552 |
| Amount | ¥ 5,478.0 | ¥ 5,787.8 | ¥ 6,381.4 | ¥ 7,585.0 | ¥ 7,378.2 |
| Received from various parts of the country: | | | | | |
| Number of accounts (<i>thousands</i>) | 2,233 | 2,217 | 2,431 | 2,535 | 3,048 |
| Amount | 8,061.4 | 7,691.3 | 9,129.0 | 10,460.6 | 9,348.8 |
| Total | ¥789,319.0 | ¥770,543.5 | ¥790,352.9 | ¥861,412.8 | ¥829,699.9 |

Foreign Exchange Transactions

| Years ended March 31 | Millions of U.S. dollars | | | | |
|----------------------------|--------------------------|------------------|------------------|------------------|--------------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Outward exchanges: | | | | | |
| Foreign bills sold | \$436,562 | \$337,735 | \$493,705 | \$499,041 | \$ 542,337 |
| Foreign bills bought | 139,033 | 105,431 | 303,917 | 271,235 | 317,368 |
| Incoming exchanges: | | | | | |
| Foreign bills payable | \$316,992 | \$280,984 | \$157,285 | \$201,530 | \$ 220,467 |
| Foreign bills receivable | 10,044 | 7,571 | 7,103 | 11,399 | 14,646 |
| Total | \$902,633 | \$731,724 | \$962,011 | \$983,207 | \$1,094,819 |

Note: The above figures include foreign exchange transactions by overseas branches.

Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

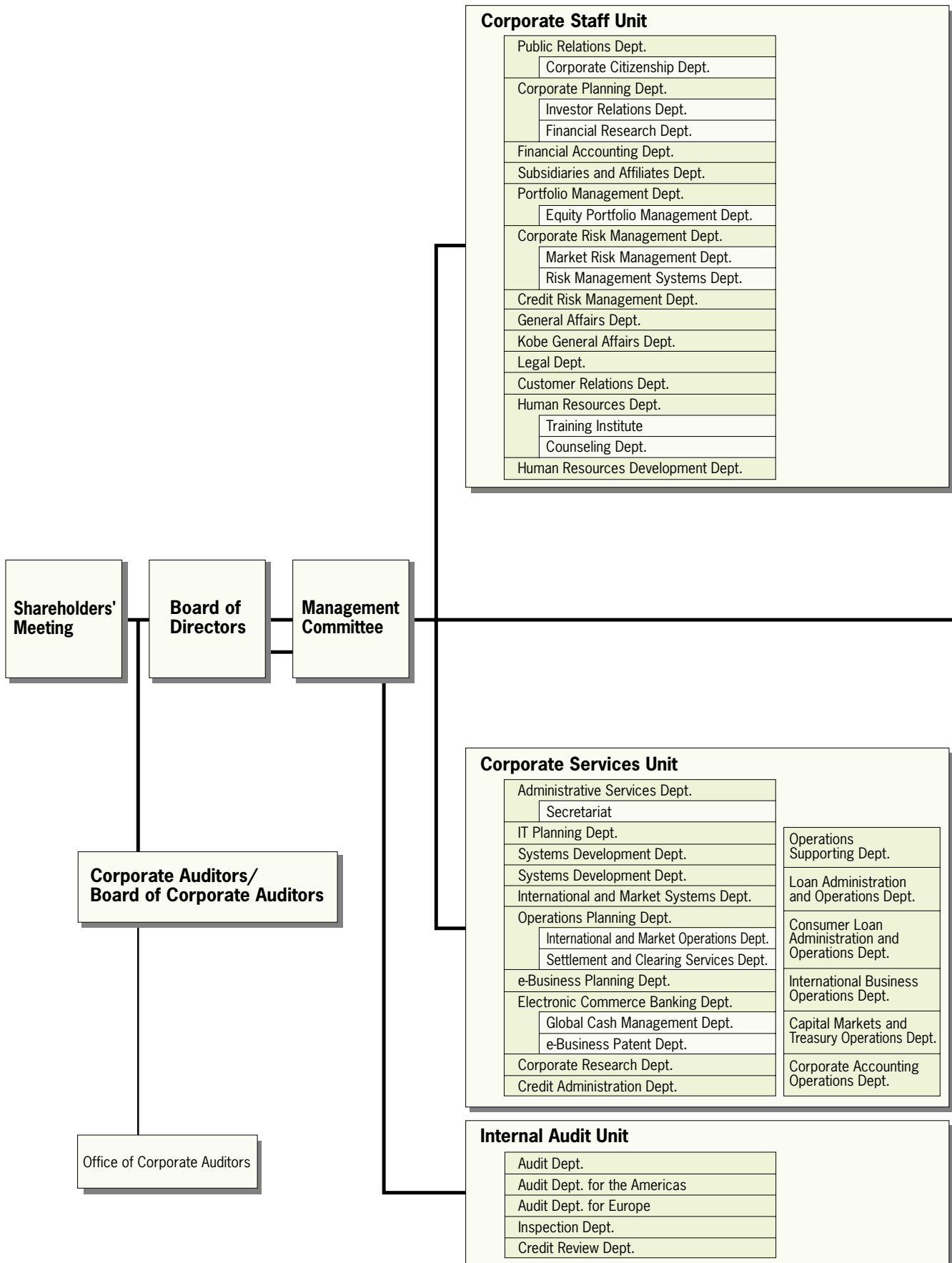
| March 31 | Billions of yen | | |
|-------------------|-----------------|-----------------|-----------------|
| | 2001 | 2000 | 1999 |
| Securities | ¥ 1.6 | ¥ 2.6 | ¥ 1.8 |
| Commercial claims | 4.1 | 13.4 | 17.3 |
| Commercial goods | 1.4 | 2.2 | 0.4 |
| Real estate | 21.2 | 19.4 | 32.0 |
| Other | 19.7 | 18.2 | 1.8 |
| Subtotal | ¥ 48.2 | ¥ 56.1 | ¥ 53.5 |
| Guaranteed | 187.9 | 831.0 | 286.8 |
| Unsecured | 3,419.1 | 2,036.4 | 2,784.1 |
| Total | ¥3,655.3 | ¥2,923.5 | ¥3,124.5 |

Corporate Data

| | |
|--|-----|
| Organization | 226 |
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Organization

(As of June 30, 2001)



Consumer Banking Unit

| |
|---|
| Planning Dept., Consumer Banking Unit |
| Subsidiaries and Affiliates Dept., Consumer Banking Unit |
| Sales Channel Planning Dept., Consumer Banking Unit |
| Branch Banking Dept., Consumer Banking Unit |
| Products and Marketing Dept., Consumer Banking Unit |
| Private Banking Dept. |
| Asset Management Services Dept., Consumer Banking Unit |
| Consumer Business Dept. |
| Consumer Loan Business Dept. |
| Investment Products Business Dept., Consumer Banking Unit |
| Operations and Systems Dept., Consumer Banking Unit |
| Credit Dept., Consumer Banking Unit |

Block Consumer Business Office

| |
|--------------------------------------|
| Branch |
| Public Institutions Operating Office |
| Consumer Investment Services Office |
| Consumer Loan Promotion Office |
| Call 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 |
| 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., Middle Market Banking Unit |
| Credit Dept., Middle Market Banking Unit |
| Credit Dept., Middle Market Banking Unit |
| Credit Supervision Dept., Middle Banking Unit |
| Credit Supervision Dept., Middle Banking Unit |

Middle Market Banking Division

| |
|-------------------------------------|
| Corporate Business Office |
| Public Institutions Business Office |
| Business Support Office |

Corporate Banking Unit

| |
|--|
| Planning Dept., Corporate Banking Unit |
| Credit Dept., Corporate Banking Unit |
| Credit Dept., Corporate Banking Unit |
| Credit Dept., Corporate Banking Unit |

| |
|-----------------------------------|
| Tokyo Corporate Banking Division |
| Tokyo Corporate Banking Division |
| 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, Executive Officers and Auditors

(As of June 30, 2001)

BOARD OF DIRECTORS

Chairman of the Board

Akishige Okada
Yoshifumi Nishikawa*

President

Youhei Shiraga*

Deputy Presidents

General Affairs Dept., Kobe General Affairs Dept., Legal Dept., Customer Relations Dept., Human Resources Dept., Human Resources Development Dept., Administrative Services Dept. and Treasury Unit

Senior Managing Directors

Akio Asuke*
Hirokazu Ishikawa*
Shunichi Okuyama*
Tsutomu Sakuma*
Hidemitsu Nakao*
Michiyoshi Kuriyama*
Takeharu Nagata*

Deputy President stationed at Osaka and Investment Banking Unit
Corporate Banking Unit

International Banking Unit

Human Resources Dept. and Human Resources Development Dept.

Consumer Banking Unit

Middle Market Banking Unit

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. and Credit Review Dept.

Tadashi Inoue*

Middle Market Banking Unit (stationed at Osaka)

Keizo Ogawa*

Middle Market Banking Unit (stationed at Kobe)

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*

Corporate Planning Dept., Financial Accounting Dept. and Subsidiaries and Affiliates Dept.

Ryuzo Kodama*

Head of The Americas Division

Shigetada Takahashi*

Credit Dept. I, Middle Market Banking Unit and Credit Supervision Dept. II, Middle Market Banking Unit (Tokyo)

Kenjiro Noda*

Head of Tokyo Corporate Banking Division I

Tadashi Hirota*

Credit Dept. II, Middle Market Banking Unit and Credit Supervision Dept. I, Middle Market Banking Unit

Mutsuhiko Matsumoto*

Consumer Banking Unit

Toichiro Mizushima*

Planning Dept., Middle Market Banking Unit, Business Promotion Dept., Middle Market Banking Unit, Public Institutions Banking Dept., Kobe Public Institutions Banking Dept. and Business Owner Banking Dept.

Directors

Kakuei Miyagi*
Yoshiaki Yamauchi
Yoichiro Yamakawa

Head of Tokyo Middle Market Banking Division III

*Executive Officers

CORPORATE AUDITORS

Corporate Auditors

Hiroshi Sakuma
Nagayuki Yoshida
Hiroshi Kii
Toyosaburo Hirano
Tomoyuki Watanabe
Gaishi Hiraiwa
Katsuya Onishi
Josei Itoh
Yasutaka Okamura

EXECUTIVE OFFICERS

Managing Directors

Ryoji Miura
Kouichi Yanagimura
Jumpei Ishii
Koji Ishida
Takao Umino
Morio Kusunoki

Kiyoshi Shibuya

Koichi Tsukihara
Shinpei Nihei
Masahide Hirasawa
Mitsuaki Yahagi
Yasufumi Kitamoto
Shiro Kawajiri

Directors

Yasuyuki Kimoto
Daisuke Saji
Hideaki Shigi
Kuniaki Tsuyada
Kenjiro Nakano
Shigeru Nishiyama
Koichi Maeda
Hitoshi Yoshimatsu
Shigenobu Aikyo
Hitoshi Inuga
Osamu Endo
Sadao Kobayashi
Jun Suzuki
Shuntaro Higashi
Kengo Miyauchi
Hikomichi Miyauchi
Kozo Yoneda
Shigeo Imafuku
Yusaku Omori
Nobuyuki Kameoka
Hiroaki Shukuzawa
Hirosumi Tsusue
Akira Matsumoto
Fuminori Yoshitake

Kohei Katsukawa
Kazuhisa Kishikawa
Hiroki Nishio
Hajime Yamashita
Yoshihiro Yoshimura

Head of Tokyo Corporate Banking Division II
General Manager, Human Resources Dept.
Head of Tokyo Middle Market Banking Division V
General Manager, Corporate Planning Dept.
Deputy Head of The Americas Division
Credit Dept. III, Middle Market Banking Unit, Credit Supervision Dept. II (Osaka), Middle Market Banking Unit
Credit Dept. III, Corporate Banking Unit, General Manager, Credit Dept. III, Corporate Banking Unit
Head of Osaka Corporate Banking Division
Head of Tokyo Middle Market Banking Division IV
General Manager, General Affairs Dept.
Investment Banking Unit
General Manager, Credit Risk Management Dept.
IT Planning Dept., Systems Development Dept. I, Systems Development Dept. II, International and Market Systems Dept. and Operations Planning Dept.
Head of Europe Division
Head of Tokyo Middle Market Banking Division II
Head of Kanagawa & Tokai Middle Market Banking Division
Head of Tokyo Middle Market Banking Division I
General Manager, Planning Dept., Investment Banking Unit
Credit Dept. II, Corporate Banking Unit
General Manager, Tokyo Corporate Banking Dept. X
General Manager, Singapore Branch
General Manager, Planning Dept., Middle Market Banking Unit
Head of Kobe Middle Market Banking Division
Head of Nagoya Corporate Banking Division
Head of Asia Pacific Division
General Manager, Tokyo Corporate Banking Dept. VII
General Manager, Planning Dept., International Banking Unit
General Manager, Credit Dept. I, Middle Market Banking Unit
Head of Osaka Middle Market Banking Division I
General Manager, Tokyo Corporate Banking Dept. II
General Manager, Credit Dept. II, Corporate Banking Unit
General Manager, Credit Review Dept.
General Manager, Credit Dept. I, Corporate Banking Unit
General Manager, Planning Dept., Treasury Unit
General Manager, Tokyo Corporate Banking Dept. III
General Manager, Audit Dept.
General Manager, Business Promotion Dept., Middle Market Banking Unit
Head of Osaka Middle Market Banking Division II
General Manager, Planning Dept., Consumer Banking Unit
General Manager, Planning Dept., Corporate Banking Unit
Head of Regional Cities Corporate Banking Division
General Manager, Bangkok Branch, Chonburi Branch and Ayudhya Branch

Principal Subsidiaries and Affiliates

(As of July 1, 2001)

DOMESTIC

| Company Name | Issued Capital (Millions of yen) | Percentage of Parent Company's Ownership* | | Established | Main Business |
|--|-------------------------------------|--|---------|--------------------|--|
| Principal Subsidiaries | | | | | |
| SMBC Business Service Co., Ltd. | 40 | 100 | (0) | September 24, 1976 | Banking clerical work |
| SMBC International Business Co., Ltd. | 20 | 100 | (0) | September 28, 1983 | Banking clerical work |
| SMBC Property Research Service Co., Ltd. | 30 | 100 | (0) | February 1, 1984 | Banking clerical work |
| SMBC Green Service Co., Ltd. | 30 | 100 | (0) | March 15, 1990 | Banking clerical work |
| SMBC International Operations Co., Ltd. | 40 | 100 | (0) | December 21, 1994 | Banking clerical work |
| SMBC Center Service Co., Ltd. | 100 | 100 | (0) | October 16, 1995 | Banking clerical work |
| SMBC Delivery Service Co., Ltd. | 30 | 100 | (0) | January 31, 1996 | Banking clerical work |
| SMBC Consumer Loan Operations Co., Ltd. | 30 | 100 | (0) | November 7, 1997 | Banking clerical work |
| SMBC Loan Adviser Co., Ltd. | 10 | 100 | (0) | April 1, 1998 | Consulting and agency services for consumer loans |
| SMBC Learning Support Co., Ltd. | 10 | 100 | (0) | May 27, 1998 | Seminar organizer |
| Sakura Staff Service Co., Ltd. ^(Note 1) | 30 | 100 | (0) | November 24, 1972 | Temporary manpower service |
| IZUMI OFFICE SERVICE CO., LTD. ^(Note 1) | 30 | 100 | (0) | July 15, 1982 | Temporary manpower service |
| Sakura Office Service Co., Ltd. ^(Note 1) | 30 | 100 | (0) | January 7, 1985 | Temporary manpower service |
| Sakura Total Maintenance Co., Ltd. ^(Note 2) | 300 | 100 | (0) | October 3, 1994 | Disposal of real estate collateral |
| Sumigin Total Maintenance Company, Limited ^(Note 2) | 300 | 100 | (0) | October 7, 1994 | Disposal of real estate collateral |
| THE WAKASHIO BANK, LTD. | 20,831 | 100 | (0) | June 6, 1996 | Commercial banking |
| SMBC Business Servicing Co., Ltd. | 500 | 100 | (0) | March 11, 1999 | Servicer |
| Sakura Factors Co., Ltd. | 3,000 | 100 | (0) | August 16, 2000 | Factoring |
| Sakura Guarantee Co., Ltd. | 15,220 | 99.13 | (0.45) | July 14, 1976 | Credit guarantee |
| SAKURA INVESTMENT MANAGEMENT CO., LTD. | 1,280 | 96.10 | (0) | September 27, 1993 | Investment advisory and investment trust management |
| Sumigin General Finance Company, Limited | 71,705 | 80.68 | (18.46) | December 5, 1972 | Mortgage securities, factoring and loans |
| The Sakura Loan Partner, Limited ^(Note 3) | 10,000 | 70 | (0) | June 8, 2000 | Loans |
| SAKURA CARD CO., Ltd. | 7,438 | 68.25 | (27.25) | February 23, 1983 | Credit card services |
| The Japan Net Bank, Limited | 20,000 | 60 | (0) | September 19, 2000 | Commercial banking via Internet |
| The Bank of Kansai, Ltd. | 32,500 | 49.98 | (18.98) | July 1, 1922 | Commercial banking |
| THE MINATO BANK, LTD. | 24,779 | 48.54 | (1.76) | September 6, 1949 | Commercial banking |
| Sumitomo Mitsui Card Company, Limited | 4,115 | 46.88 | (34.11) | December 26, 1967 | Credit card services |
| Mitsui Finance Service Co., Ltd. | 1,100 | 43.63 | (34.54) | December 22, 1979 | Collecting agent and factoring |
| Sakura Finance Service Co., Ltd. | 200 | 39.98 | (10.47) | July 12, 1979 | Collecting agent and factoring |
| SMBC Capital Co., Ltd. | 2,500 | 39.80 | (60.20) | August 1, 1995 | Venture capital |
| Sakura Friend Securities Co., Ltd. | 26,139 | 37.47 | (6.27) | April 20, 1932 | Securities |
| SB Leasing Company, Limited ^(Note 4) | 30,100 | 37.48 | (47.67) | September 2, 1968 | Leasing |
| Sakura Mortgage Co., Ltd. | 18,182 | 29.45 | (10.68) | October 14, 1983 | Mortgage securities |
| The Japan Research Institute, Limited | 2,000 | 5 | (47.72) | February 20, 1969 | Economic research, system engineering, data processing and management consulting |
| Sakura KCS Corporation | 2,054 | 5 | (47.89) | March 29, 1969 | System engineering and data processing |
| Sakura Information Systems Co., Ltd. | 600 | 5 | (64.46) | November 29, 1972 | System engineering and data processing |
| SUMIGIN GUARANTEE COMPANY, LIMITED | 350 | 5 | (75) | June 30, 1984 | Credit guarantee |
| SMBC Consulting Co., Ltd. | 1,100 | 4.54 | (77.27) | May 1, 1981 | Management consulting |

* () indicates the percentage of ownership by subsidiaries and affiliated companies excluding the parent company.

| Company Name | Issued Capital (Millions of yen) | Percentage of Parent Company's Ownership* | | Established | Main Business |
|--|-------------------------------------|--|---------|--------------------|--|
| SMBC Property Management Service Co., Ltd. | 12 | 0 | (100) | January 23, 1998 | Management of real estate for rent |
| SMBC Loan Servicer Co., Ltd. | 500 | 0 | (100) | July 28, 1999 | Servicer |
| SAKURA LEASING CO., LTD. | 208 | 0 | (100) | March 23, 1988 | Leasing |
| Principal Affiliates | | | | | |
| Daiwa Securities SMBC Co. Ltd. | 205,600 | 40 | (0) | February 5, 1999 | Wholesale securities |
| Daiwa SB Investments Ltd. | 2,000 | 30.39 | (13.57) | 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 |
| DLJdirect SFG Securities Inc. | 3,000 | 21.25 | (0) | March 24, 1999 | Securities via Internet |
| Meiko National Securities Co., Ltd. | 27,270 | 19.86 | (7.51) | March 2, 1948 | Securities |
| QUOQ Inc. | 1,000 | 5 | (34.85) | April 5, 1978 | Purchase of monetary assets and credit guarantee |

Notes: 1. Sakura Staff Service Co., Ltd., IZUMI OFFICE SERVICE CO., LTD., and Sakura Office Service Co., Ltd., will merge into SMBC Staff Services Co., Ltd., in October 2001.
2. Sakura Total Maintenance Co., Ltd., and Sumigin Total Maintenance Company, Limited, will merge into SMBC Total Maintenance Co., Ltd., in August 2001.
3. The Sakura Loan Partner, Limited, will change its name to At-Loan Co., Ltd., in August 2001.
4. SB Leasing Company, Limited, will change its name to SMBC Leasing Company Limited, in September 2001.

OVERSEAS

| Company Name | Country | Issued Capital | Percentage of Parent Company's Ownership* | | Established | Main Business |
|--|-----------|-------------------|--|---------|--------------------|--|
| Principal Subsidiaries | | | | | | |
| Sumitomo Mitsui Finance Australia Limited | Australia | A\$62.5 million | 100 | (0) | June 29, 1984 | Finance |
| PT Bank Sumitomo Mitsui Indonesia | Indonesia | Rp1,502.4 billion | 97.63 | (0) | August 22, 1989 | Commercial banking |
| SMBC Capital India Limited | India | Rs230 million | 75 | (0) | October 21, 1995 | Leasing |
| Sakura Finance Hong Kong Limited | P.R.C. | US\$21,000 | 100 | (0) | July 25, 1973 | Finance |
| Sakura Finance Asia Limited | P.R.C. | US\$65.5 million | 100 | (0) | October 17, 1977 | Finance |
| Sakura Finance Australia Limited | Australia | A\$54 million | 100 | (0) | March 27, 1986 | Finance |
| Sakura Merchant Bank (Singapore) Limited | Singapore | S\$4 million | 100 | (0) | April 18, 1990 | Finance |
| Thai Sakura Finance Company | Thailand | B150 million | 99.99 | (0) | January 18, 1972 | Finance |
| Thai Sakura Securities Company | Thailand | B195 million | 99.99 | (0) | March 1, 2000 | Securities |
| Bangkok SMBC Systems Ltd. | Thailand | B20 million | 10 | (36) | January 11, 1991 | Development and sales of software, and computation |
| SMBC Management Service Co., Ltd. | Thailand | B64 million | 10 | (90) | November 28, 1996 | Consulting |
| SBCS Co., Ltd. | Thailand | B140 million | 10 | (90) | March 2, 1989 | Consulting |
| SMSB | Thailand | B64 million | 10 | (90) | August 1, 2000 | Consulting |
| SB Leasing (Singapore) Pte. Ltd. | Singapore | S\$7.5 million | 0 | (100) | May 7, 1980 | Leasing |
| Sumitomo Mitsui Finance Australia (Securities) Limited | Australia | A\$100,000 | 0 | (100) | April 29, 1987 | Securities |
| SB Leasing (Hong Kong) Limited | Hong Kong | HK\$70 million | 0 | (100) | September 26, 1989 | Leasing |
| SB Leasing (Thailand) Co., Ltd. | Thailand | B60 million | 0 | (49) | February 28, 1996 | Leasing |
| SB Leasing (Guangzhou) Co., Ltd. | P.R.C. | US\$10 million | 0 | (100) | September 26, 1996 | Leasing |
| SB Leasing (Malaysia) Sdn. Bhd. | Malaysia | MYR250,000 | 0 | (48.99) | November 26, 1996 | Leasing |
| Manufacturers Bank | U.S.A. | US\$80.8 million | 100 | (0) | June 26, 1962 | Commercial banking |
| Sumitomo Mitsui Banking Corporation of Canada | Canada | C\$121.87 million | 100 | (0) | April 1, 2001 | Commercial banking |

* () indicates the percentage of ownership by subsidiaries and affiliated companies excluding the parent company.

| Company Name | Country | Issued Capital | Percentage of Parent Company's Ownership* | | Established | Main Business |
|--|------------------------|------------------|---|--------|--------------------|---|
| Banco Sumitomo Mitsui Brasileiro S.A. | Brazil | \$R116.3 million | 100 | (0) | October 6, 1958 | Commercial banking |
| SMBC Capital Markets, Inc | U.S.A. | US\$100 | 99.90 | (0.10) | December 4, 1986 | Investments and derivatives |
| SMBC Leasing and Finance, Inc. | U.S.A. | US\$1,620 | 97.84 | (2.16) | November 9, 1990 | Leasing |
| SMBC Securities, Inc. | U.S.A. | US\$100 | 99.90 | (0.10) | August 8, 1990 | Securities |
| SMBC Financial Services, Inc. | U.S.A. | US\$300 | 100 | (0) | August 8, 1990 | Investments |
| SMBC Finance (Bermuda) Limited | Bermuda | US\$12,000 | 100 | (0) | May 10, 1985 | Investments |
| SFVI Limited | British Virgin Islands | US\$300 | 100 | (0) | July 30, 1997 | Investments |
| Sakura Preferred Capital (Cayman), Limited | British West Indies | ¥10 million | 100 | (0) | November 12, 1998 | Long- and mid-term finance |
| Sumitomo Finance (Asia) Limited | British West Indies | US\$35 million | 100 | (0) | September 26, 1973 | Investments |
| Sakura Capital Funding (Cayman) Limited | British West Indies | US\$100,000 | 100 | (0) | July 15, 1992 | Long- and mid-term finance |
| Sakura Finance (Cayman) Limited | British West Indies | US\$100,000 | 100 | (0) | February 11, 1991 | Long- and mid-term finance |
| Sumitomo Mitsui Finance Dublin Limited | Ireland | US\$12 million | 100 | (0) | September 29, 1989 | Finance |
| SMBC Capital Markets Limited | U.K. | US\$297 million | 100 | (0) | April 18, 1995 | Derivatives |
| SMBC Derivative Products Limited | U.K. | US\$300 million | 0 | (100) | April 18, 1995 | Derivatives |
| Sakura Finance International Limited | U.K. | £100 million | 100 | (0) | September 13, 1973 | Securities |
| Sakura Trust International Limited | U.K. | £250,000 | 100 | (0) | May 25, 1984 | Trustee business and fiscal agency business |
| Sumitomo Finance International plc | U.K. | £200 million | 100 | (0) | July 1, 1991 | Investments |
| SMBC International Finance N.V. | Netherlands Antilles | US\$200,000 | 100 | (0) | June 25, 1990 | Loans |
| Sumitomo Mitsui Finanz (Deutschland) GmbH | Germany | DM50,000 | 100 | (0) | June 14, 1985 | Leasing |
| Submarine Curaçao N.V. | Netherlands | US\$17,000 | 40 | (0) | June 26, 1996 | Finance |
| Principal Affiliates | | | | | | |
| P.T. Exim SB Leasing | Indonesia | Rp50.0 billion | 10 | (40) | March 16, 1985 | Leasing |
| SMBC Metro Investment Corp. | Philippines | P600 million | 40 | (0) | August 9, 1995 | Investments and loans |
| P.T. Perjahl Leasing Indonesia | Indonesia | Rp25,001 million | 25 | (0) | August 28, 1975 | Leasing |
| China United International Leasing Co., Ltd. | P.R.C. | US\$5 million | 25 | (0) | September 25, 1985 | Leasing |
| China International Finance Company Limited (Shenzhen) | P.R.C. | Y100 million | 25 | (0) | December 8, 1986 | Loans |
| Bangkok SMBC Leasing Co., Ltd. | Thailand | B60 million | 10 | (30) | July 16, 1987 | Leasing |
| Bangkok SMBC Consulting Company Limited | Thailand | B5 million | 10 | (35) | April 21, 1997 | Investments and consulting |

* () indicates the percentage of ownership by subsidiaries and affiliated companies excluding the parent company.

International Directory

(As of July 2, 2001)

ASIA, OCEANIA

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SHIMIZU MITSUBISHI BANKING CORPORATION 三井住友銀行

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Stock Quote (USD)
All time 30 minutes delayed
Price 967yen (170)
 as of 15:00 JST 18.06.17
 • Buy/Short
 • Exchange

SMBC
 Sumitomo Mitsui Banking Corporation is striving to enhance disclosure of its corporate and operating information in a fair, timely, consistent and comprehensive manner as part of its mission to create sustainable shareholder value through business growth.
 Akira Inagi, Chairman of the Board | Yoshitaka Nishizawa, President
[Message to Shareholders](#)

Topics
 • Investor presentation for FY2016 financial results can be seen for video and audio.
 • Earnings release for FY2016 approved.
 • New message to shareholders approved.

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