



SUMITOMO TRUST 住友信託銀行

***Sumitomo Trust & Banking
Co., Ltd.***

**Information Meeting
on
Financial Results for First Half of FY2001**

November 28, 2001

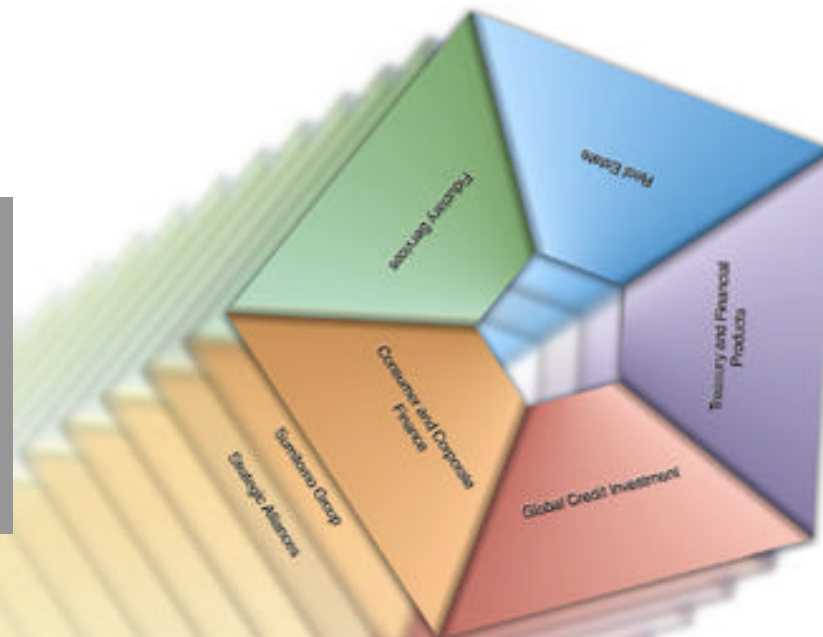


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1H FY2001 Financial Outlook (non-consolidated)

Summary of Financial Results – (1)

(in billions of Yen)	1HFY2001	1HFY2000	Change	Comparison with May. 2001 Forecast
Adjusted Net Business Profit	69.3	62.4	6.8	4.3
Credit Costs*	33.6	75.5	(41.9)	(6.4)
Net Non-recurring Items	(23.9)	51.2	(75.1)	(21.9)
Net Capital gains on Stocks	(24.7)	30.0	(54.8)	
Others	0.8	21.1	(20.2)	
Net Operating Profit	11.7	38.1	(26.3)	(11.3)
Extraordinary Profit	0.8	13.7	(12.9)	
Net Income	6.1	22.8	(16.7)	(6.9)

*Credit Cost = Banking A/C + Trust A/C Credit Cost (including Net Transfer to Reserve for Loans to Borrowers in Specific Countries) + Net Transfer to General Reserve

1HFY2001 Financial Outlook (non-consolidated)

Summary of Financial Results – (2)

(in billions of Yen)	1HFY2001	1HFY2000	Change
Adjusted Gross Business Profit	129.2	125.6	3.6
Interest Income on Domestic & Int'l Business	76.5	94.1	(17.6)
Trust Fees from Loan Trust and JOMT (excluding Net Gains (Losses) on Sale of Securities and Credit Costs)	32.5	48.8	(16.2)
Net Interest Income	44.0	45.3	(1.3)
Net Fees and Commissions	28.3	29.9	(1.6)
Net Gains on Sale of Bonds (including Net Gains (Losses) on Sale of Securities in Trust A/C) and Trading	24.3	1.4	22.8
General and Administrative Expenses	59.8	63.1	(3.2)
Personnel Expenses	24.7	26.0	(1.2)
Other Expenses	32.6	34.4	(1.8)
Adjusted Net Business Profit	69.3	62.4	6.8

Forecast for FY2001 (non-consolidated)

(in billions of Yen)	FY2001 Forecast (A)	FY2000 Actual (B)	Change (A) - (B)	Forecast as of May 2001
Adjusted Net Business Profit	140.0	144.1	(4.1)	140.0
Credit Costs	80.0	146.8	(66.8)	80.0
Banking A/C (*)	55.0	115.3	(60.3)	55.0
Trust A/C	25.0	31.5	(6.5)	25.0
Net Other Non-Recurring Profit	(25.0)	75.5	(100.5)	(7.0)
Net Operating Profit	35.0	72.9	(37.9)	53.0
Net Income	21.0	42.6	(21.6)	30.0

(*) Including Net Transfer to Reserve for Loans to Borrowers in Specific Foreign Countries and Net Transfer to General Reserve

Securities Portfolio

▶ Book Values and Net Unrealized Gains (Losses) of Securities (*)

(*) including listed and unlisted securities

(in billions of Yen)

▶ Banking A/C	Book Values			Net Unrealized Gains (Losses)		
	(*)Sep. 2001	Mar. 2001	Change	Sep. 2001	Mar. 2001	Change
Bonds	1,555.5	1,894.8	(339.3)	8.6	21.0	(12.3)
Stocks	1,111.5	1,333.2	(221.6)	(125.6)	27.0	(152.7)
Others	2,950.6	3,335.3	(384.6)	42.9	13.0	29.9
Total	5,617.8	6,563.5	(945.7)	(74.0)	61.1	(135.1)

(in billions of Yen)

▶ Trust A/C	Book Values			Net Unrealized Gains (Losses)		
	(*)Sep. 2001	Mar. 2001	Change	Sep. 2001	Mar. 2001	Change
Bonds	226.8	288.0	(61.2)	7.7	7.4	0.2
Stocks	8.0	19.4	(11.4)	(2.3)	0.4	(2.7)
Others	33.2	32.3	0.8	0.4	0.6	(0.1)
Total	268.0	339.8	(71.8)	5.9	8.5	(2.6)

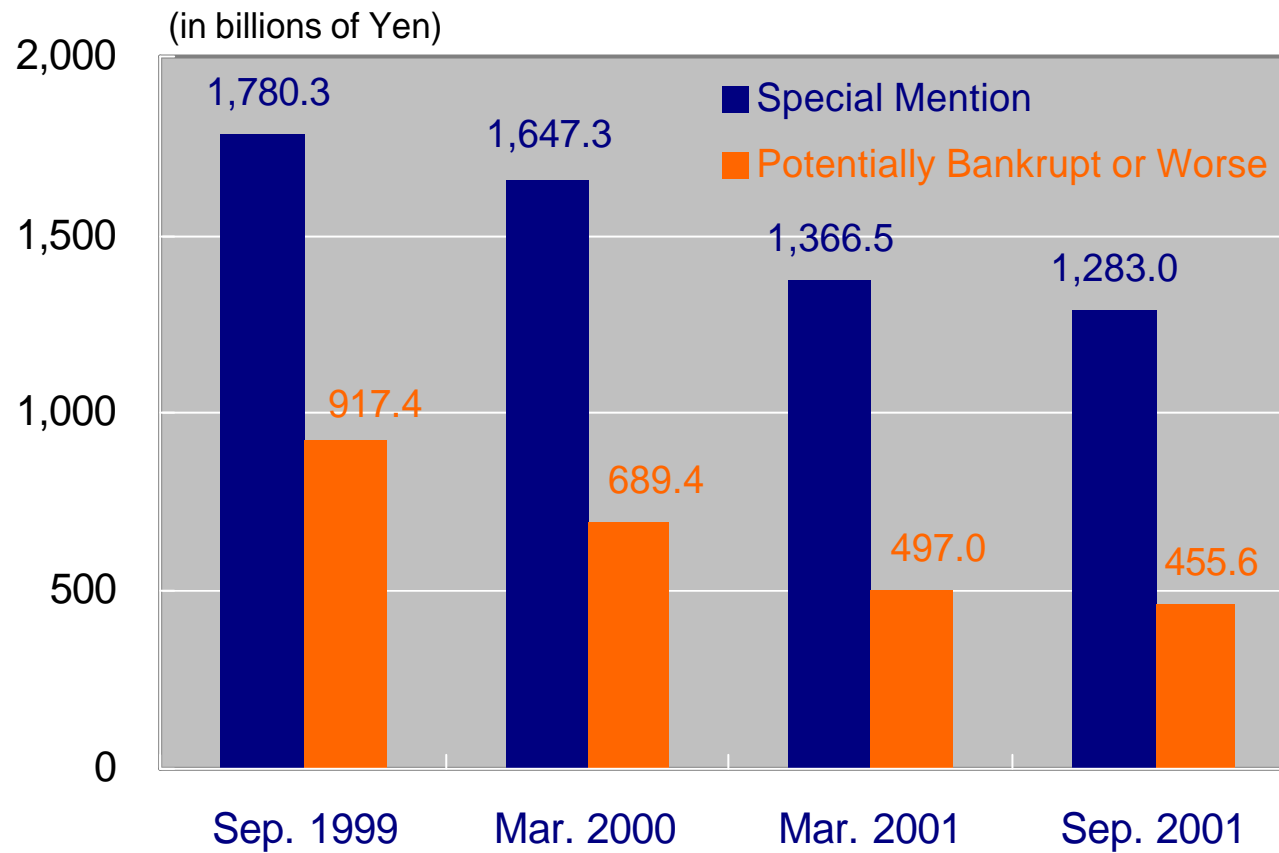
(*) MTM accounting has been applied since 1HFY2001

Credit Costs Breakdown

▶ Credit Costs

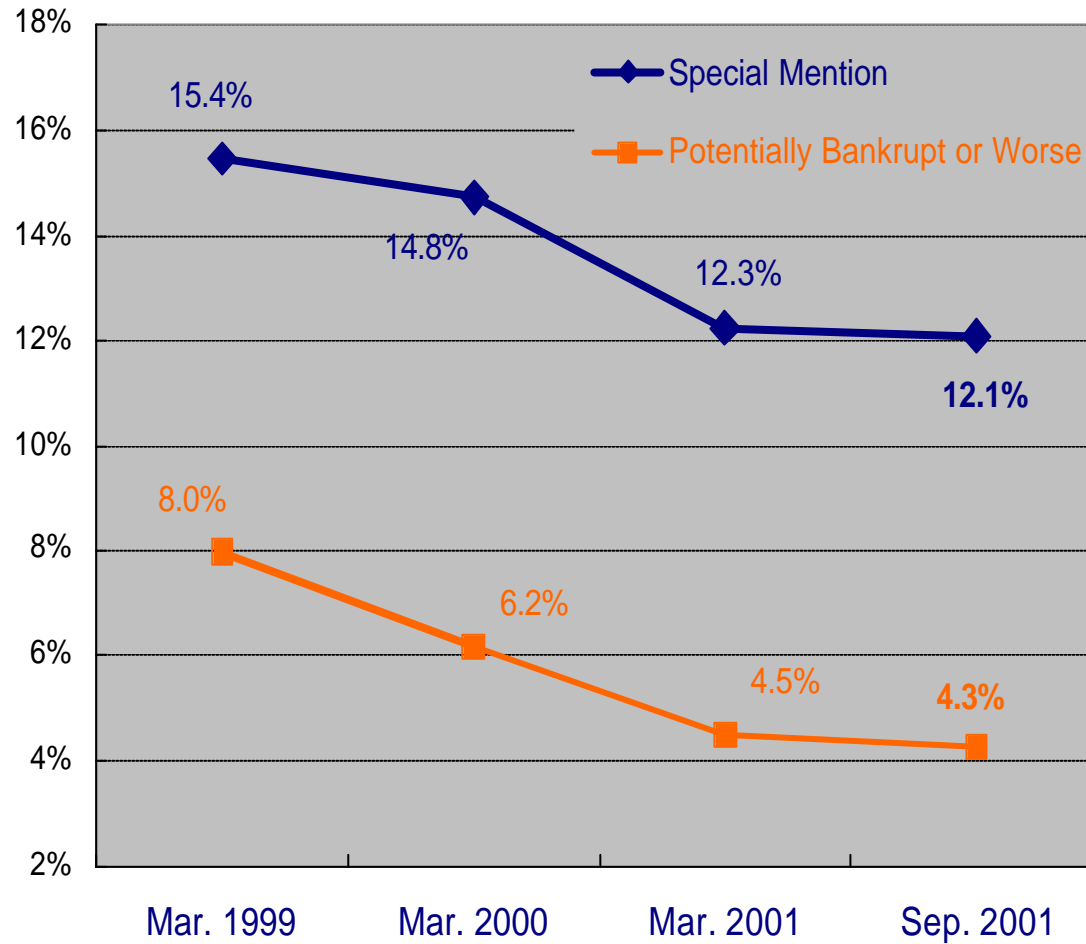
(in billions of Yen)	FY2000	1HFY2000	2HFY2000	1HFY2001	Notes
Write-off/Reserve	125.7	84.2	41.4	39.4	
Trust A/C	31.5	12.5	18.9	10.8	<ul style="list-style-type: none"> ▶ Mainly due to write-off on Sep. 30 ▶ Write-off on Mar. 31 is approximately 10 billion Yen (that will affects Trust Fees for 2HFY2001)
Banking A/C	94.1	71.7	22.4	28.6	<ul style="list-style-type: none"> ▶ Migrated to lower categories : approx. 30.0 billion Yen ▶ Gains from Bulk Sales, etc. : approx. 3 billion Yen
Net Transfer to General Reserve	21.1	(8.6)	29.8	(5.8)	

Loans in Special Mention Category –1)



Loans in Special Mention Category -2)

Percentage to Total Loan Balance



Loans in Special Mention Category –3)

Non-consolidated
<Banking A/C + Trust A/C>

(in billions of Yen)

Sep. 2001 Mar. 2001 Change Coverage Ratio

Substandard Loans	Substandard	Sep. 2001	Mar. 2001	Change	Coverage Ratio
		152.6	44.2	108.4	
Ordinary Loans	Special Mention	1,283.0	1,366.5	-83.5	
		Ordinary	9,423.1	9,284.3	138.8

Classification based on Assets

(under Financial Reconstruction Law)

Classification based on debtors

(Under Self-Assessment)

<Note> Definition for “Substandard Loans” of the Bank

- “Substandard Loans” = ‘Loans more than 3 months past due’ + ‘Restructured Loans’
- “Restructured Loans” = ‘Interest Rate Reduction,’ ‘Interest Payment Rescheduled,’ ‘Principal Repayment Rescheduled,’ ‘Restructuring/Standstill for Support’ ,and ‘Otherwise Restructured in favor of Debtors’
- Definition for ‘Interest Rate Reduction’
 - For Prime Rate based Loans => Loans whose contractual rates have been reduced to a level of **short-term/long-term prime rate flat or lower** (Mar. 2001: short-term prime rate flat or long-term prime rate minus 50bsp)
 - For Spread based Loans => Loans whose spreads have been reduced to **less than 100bsp** (Mar. 2001: L+50bsp)

Loans in Special Mention Category –4)

<General Reserve> (Banking A/C)

		Sep. 2001	Mar. 2001	Change
Substandard Loans	Substandard	20.0%	15.1%	4.9%
	Special Mention	6.2%	6.7%	-0.5%
Ordinary Loans	Ordinary	0.1%	0.1%	0.0%

Classification based on assets
(under Financial Reconstruction Law)

Classification based on debtors
(Under Self-Assessment)

Migration Analysis

Classification under Financial Reconstruction Law

(2HFY2000)

(in billions of Yen)	Sep. 2000	Mar. 2001	Change	Migration Factors				Write-off, Sale, or Collection
				Downgrade (+)	Downgrade (-)	Upgrade (+)	Upgrade (-)	
Bankrupt/Practically Bankrupt	112.1	85.4	(26.7)	17.3	-	-	-	(44.0)
Doubtful	614.7	412.0	(202.7)	34.5	(14.6)	-	(37.8)	(184.8)
Substandard	83.2	35.4	(47.8)	3.8	(0.3)	-	(45.5)	(5.8)
Special Mention (other than Substandard)	1,276.6	1,331.1	54.5	164.7	(35.2)	87.1	(38.7)	(123.4)

(1HFY2001)

(in billions of Yen)	Mar. 2001	Sep. 2001	Change	Migration Factors				Write-off, Sale, or Collection
				Downgrade (+)	Downgrade (-)	Upgrade (+)	Upgrade (-)	
Bankrupt/Practically Bankrupt	85.4	93.9	8.5	42.5	-	-	(0.9)	(33.1)
Doubtful	412.0	361.8	(50.3)	54.6	(39.2)	-	(2.9)	(62.9)
Substandard	35.4	148.3	112.9	114.4	(0.8)	0.8	(0.7)	(0.9)
Special Mention (other than Substandard)	1,331.1	1,134.7	(196.5)	131.8	(165.3)	3.6	(43.1)	(123.4)

Loans in Potentially Bankrupt or Worse Categories

Overview of Self-Assessment

*Number in the second row in each category shows difference from Mar. 2001.

(in billions of Yen)	Banking A/C				Trust A/C			
	Amount	Level I	Level II	Level III	Amount	Level I	Level II	Level III
Legally Bankrupt	22.5	0.7	21.7	-	5.9	0.0	5.8	-
(Hatan-Saki)	(11.7)	(0.3)	(11.4)	-	(1.0)	-	(1.1)	-
Virtually Bankrupt	58.9	3.7	55.2	-	6.6	-	6.5	-
(Jissitsu-Hatan-Saki)	22.9	(0.6)	23.5	-	(1.6)	(0.1)	(1.5)	-
Potentially Bankrupt	319.6	123.1	161.4	35.1	42.0	1.8	30.9	9.2
(Hatan-Kenen-Saki)	(46.4)	(19.7)	(32.7)	6.1	(4.0)	(0.8)	(4.6)	1.5
Total	401.1	127.5	238.4	35.1	54.5	1.9	43.3	9.2
	(35.1)	(20.8)	(20.5)	6.1	(6.6)	(0.8)	(7.2)	1.5

(For reference) Real estate collateral in Level II

Banking A/C Virtually Bankrupt: 19 billion yen; Potentially Bankrupt: 123 billion yen

Trust A/C Virtually Bankrupt: 6 billion yen; Potentially Bankrupt: 20 billion yen

Total 168 billion yen

Operation Summary by Business Group

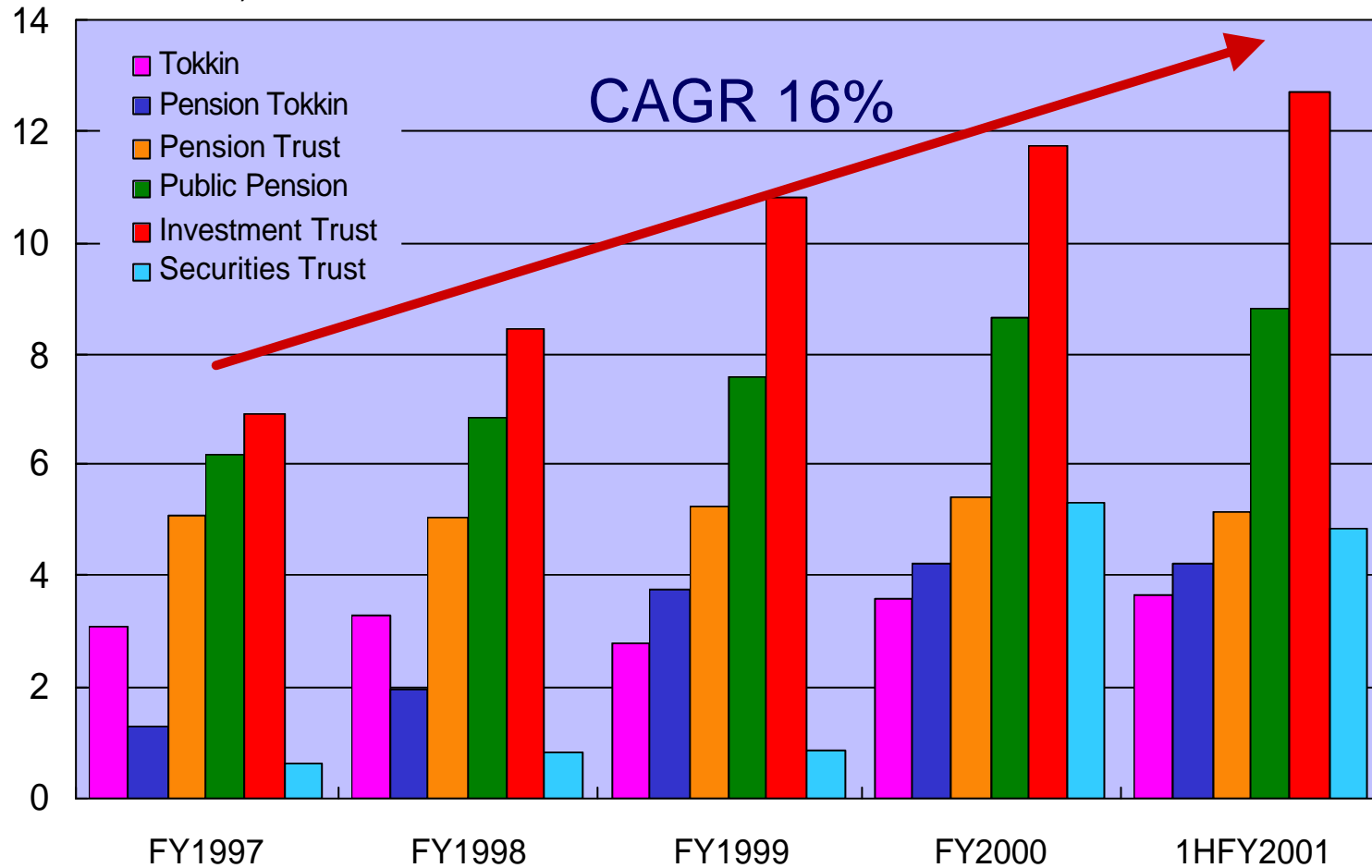
(in billions of Yen)	1HFY2001		1HFY2000		Change		Impact of JTSB	Net Operating Profit of Subsidiaries
	Gross Profit	Net Profit	Gross Profit	Net Profit	Gross Profit	Net Profit		
Consumer and Corporate Finance Group	63.1	25.6	71.7	35.7	(8.6)	(10.0)		
Global Credit Investment Group	4.6	2.9	4.3	2.6	0.3	0.3		1.6
Treasury and Financial Products Group	36.4	32.1	21.7	17.4	14.7	14.7		
Fiduciary Services Group	24.9	12.9	29.5	12.7	(4.5)	0.3	(4.4)	3.1
Pension Asset Management	15.5	8.2	19.1	8.7	(3.5)	(0.5)	(3.0)	(0.2)
Securities Processing Services	2.6	1.2	4.4	1.0	(1.8)	0.2	(1.4)	3.3
Stock Transfer Agency	6.8	3.5	6.1	3.0	0.8	0.5		
Real Estate Group	6.7	2.4	5.4	1.1	1.3	1.3		0.3
Seasonal Adjustment	(6.5)	(6.5)	(7.0)	(7.0)	0.4	0.4		
Total <Adjusted Net Business Profit>	129.3	69.4	125.6	62.5	3.7	6.9		5.0

Operation Summary by Business Group

- Expanding Trust Business -

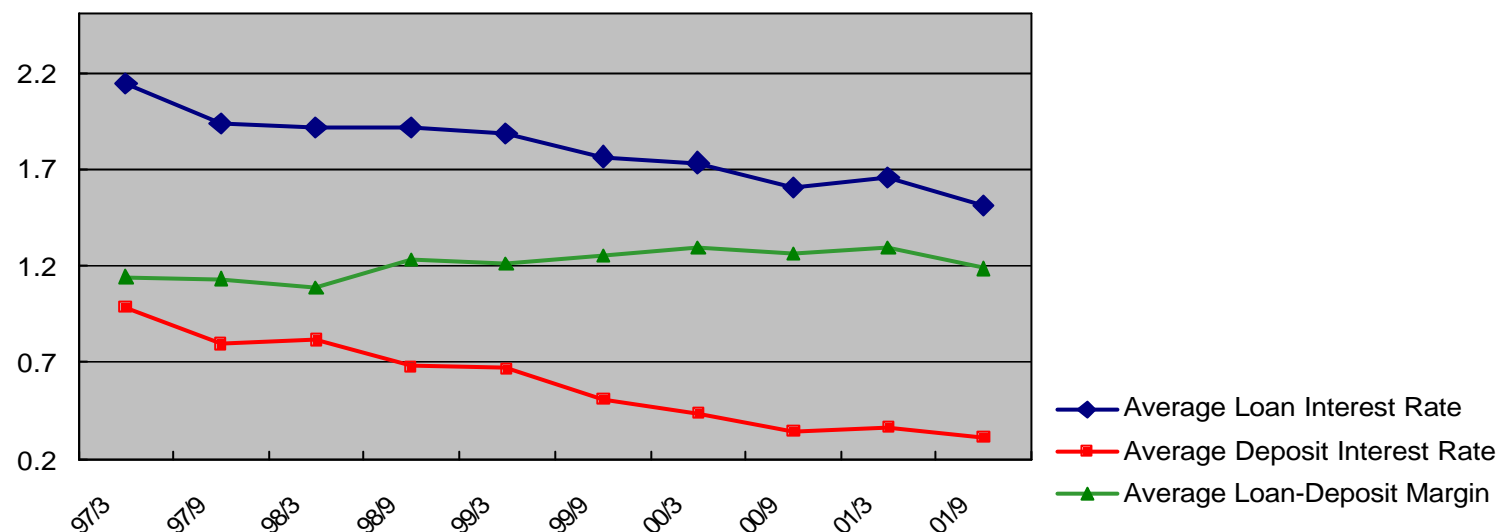
Change in Volume of Entrusted Assets

(in trillions of Yen)



Loan-Deposit Margin

▶ On "Three Major Accounts" Basis (*)



	1HFY2001		1HFY2000	FY2000
	(A)	(A) - (B)	(B)	
Net Interest Margin	0.95	(0.15)	1.10	1.10
Average Interest Yield Earned	1.33	(0.44)	1.77	1.55
Average Interest Yield Paid	0.38	(0.29)	0.67	0.45
Loan-Deposit Margin	1.19	(0.07)	1.26	1.29
Average Loan Interest Rate	1.51	(0.10)	1.61	1.66
Average Deposit Interest Rate	0.32	(0.03)	0.35	0.37
Securities Yield (ave.)	1.03	(0.60)	1.63	1.52

(*) "Three Major Accounts" : Banking A/C (Domestic Business), Loan Trust, and Jointly-Operated Money Trust ("JOMT")

Shareholders' Equity

(in billions of Yen)	Sep. 2001 Actual	Mar. 2002 Projection	Mar. 2003 Projection	Mar. 2004 Projection	Mar. 2005 Projection
BIS Capital Adequacy Ratio (Consolidated)	11.32%	11.54%	11.43%	11.92%	12.24%
Tier I Ratio	6.67%	7.00%	7.36%	7.84%	8.42%
Total capital	1,339.2	1,385.7	1,372.6	1,430.6	1,469.6
Tier I	790.1	840.6	883.6	941.6	1,010.6
Tier II (Subordinated Debts)	550.7 454.8	547.5 444.5	491.4 394.5	491.4 394.5	461.4 364.5
Total Risk Assets	11,829.2	12,000.0	12,000.0	12,000.0	12,000.0

*Shareholders' Equity (Non-Consolidated basis)

(in billions of Yen)	Sep. 2001 Actual	Mar. 2002 Projection	Mar. 2003 Projection	Mar. 2004 Projection	Mar. 2005 Projection
Shareholders' Equity	712.2	779.8	819.7	874.7	940.7
(Net Unrealized Losses on Available-for-Sale Securities, Net of Tax)	(45.2)	-	-	-	-
(Retained Earnings)	173.6	190.8	222.6	277.3	343.3

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