

6. (Hedging purpose) Derivative Transactions <Non-consolidated>

(Billions of yen)

		Sep. 30, 2001			
				Net evaluation gains/losses (1) - (2)	Deferred gains/losses (3)
		Assets (1)	Liabilities (2)		
	Interest rate swaps	875.1	387.8	487.3	204.2
	Currency swaps	134.1	118.2	15.9	15.7
	Other	114.9	152.5	(37.6)	(46.0)
	Total	1,124.1	658.5	465.6	173.9

(Note) 1. Derivative transactions are carried at fair value in the balance sheet (including hedging purpose derivatives - (1) and (2) in the above chart), except those to which 'the short-cut method for interest rate swap' is applied.

2. Gains and losses on derivative transactions are treated as follows:

- The Bank adopts deferred hedge accounting by applying 'the risk adjustment approach', which is one of the methods of macro hedging.
- Deferred hedge accounting is an accounting method which defers gains/losses (based on fair value accounting) on hedging purpose derivatives that do not match the gains/losses (based on accrual accounting) on hedged assets/liabilities as deferred assets/liabilities.
In detail, deferred gains/losses ((3) in above table) of derivative transactions are calculated as net evaluation gains/losses ((1) - (2) in the above table) less accrued interest in accrual accounting.
- Hedging purpose swap transactions that meet certain requirements regarding contract amount, receivable/payable condition, contract term and other conditions are recorded on a cost basis using 'the short-cut method for interest rate swaps', in accordance with the accounting standard for financial instruments.

(Reference) Contract amount of interest rate swaps (to which deferred hedge accounting is applied), classified by maturity

(Billions of yen)

		Sep. 30, 2001			
		1 year or less	1-5 years	Over 5 years	Total
	Receivable fixed rate/ payable floating rate	17,905.6	24,288.4	2,742.8	44,936.8
	Receivable floating rate/ payable fixed rate	14,496.2	11,517.2	2,825.5	28,838.9
	Receivable floating rate/ payable floating rate	129.8	195.5	298.6	623.9
	Total contract amount	32,531.6	36,001.1	5,866.9	74,399.6