

Sumitomo Mitsui Banking Corporation (SMBC)

Consolidated Financial Results for the First Half of Fiscal 2002 ended September 30, 2002

Head Office: 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
 Date of Approval by the Board of Directors: November 25, 2002
 Stock Exchange Listings: Tokyo, Osaka, Nagoya, Sapporo and London
 URL: <http://www.smbc.co.jp>
 President: Yoshifumi Nishikawa

1. Performance (for the First Half of Fiscal 2002 ended September 30, 2002)

(1) Financial Results

Amounts less than one million yen have been omitted.

	Operating Income		Operating Profit (Loss)		Net Income (Loss)		Net Income (Loss) per Share	Net Income per Share (Diluted)
	¥ million	%	¥ million	%	¥ million	%	¥	¥
Six Months ended September 30, 2002	1,762,535	(2.2)	149,856	30.9	55,145	61.3	9.67	7.01
ended September 30, 2001	1,801,802	(17.2)	114,450	(68.9)	34,196	(68.1)	6.02	6.01
Fiscal Year ended March 31, 2002	3,779,702		(580,628)		(463,887)		(84.12)	—

Notes: 1. Equity in earnings of affiliates

(a) for the six months ended September 30, 2002 : 2,807 million yen (b) for the six months ended September 30, 2001 : (364) million yen

(c) for the fiscal year ended March 31, 2002 : 2,964 million yen

2. Average number of common stocks outstanding (consolidated)

(a) for the six months ended September 30, 2002: 5,702,239,307 (b) for the six months ended September 30, 2001: 5,676,904,554

(c) for the fiscal year ended March 31, 2002 : 5,687,010,775

3. There is no change in accounting methods.

4. Percentages shown in Operating Income, Operating Profit and Net Income are the increase (decrease) from the previous interim year.

(2) Financial Positions

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio (BIS Guidelines)
	¥ million	¥ million	%	¥	%
September 30, 2002	104,396,997	2,690,010	2.6	243.57	(Preliminary) 10.37
September 30, 2001	107,502,027	3,352,163	3.1	359.97	10.79
March 31, 2002	108,005,001	2,912,619	2.7	282.85	10.45

Note: Number of common stocks outstanding (consolidated)

(a) as of September 30, 2002: 5,702,816,487 (b) as of September 30, 2001: 5,698,145,909 (c) as of March 31, 2002: 5,697,737,528

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at term-end
	¥ million	¥ million	¥ million	¥ million
Six Months ended September 30, 2002	2,562,490	(2,734,949)	(222,546)	1,731,413
ended September 30, 2001	(5,698,288)	5,509,649	(88,511)	1,764,049
Fiscal Year ended March 31, 2002	(5,381,510)	5,732,808	(268,813)	2,128,742

(4) Scope of Consolidation and Application of the Equity Method

(a) Number of consolidated subsidiaries : 147

(b) Number of nonconsolidated subsidiaries accounted for by the equity method : 5

(c) Number of affiliated companies accounted for by the equity method : 33

(5) Changes in Scope of Consolidation and Application of the Equity Method

Consolidation:	Newly consolidated	6	Equity method:	Newly applied	0
	Excluded	3		Excluded	0

2. Earnings Forecast (for Fiscal 2002 ending March 31, 2003)

Please refer to the press release 'Sumitomo Mitsui Financial Group's Earnings Forecast for Fiscal 2002 Ending March 31, 2003.'

I. Overview of SMBC

Sumitomo Mitsui Banking Corporation (SMBC) Group conducts its primary banking business through the following financial services: leasing, securities, credit card business, investment banking, financing, factoring and venture capital. The Group is composed of Sumitomo Mitsui Banking Corporation and its 147 consolidated subsidiaries and 38 companies accounted for by the equity method.

Sumitomo Mitsui Banking Corporation	SMBC	576 domestic branches and 21 overseas branches
	Banking Business	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> * THE MINATO BANK, LTD. (Listed on the First Section of Tokyo Stock Exchange and Osaka Securities Exchange) * The Bank of Kansai, Ltd. (Listed on the First Section of Osaka Securities Exchange) * THE WAKASHIO BANK, LTD * The Japan Net Bank, Limited (Internet banking) * SMBC Guarantee Co., Ltd. (Credit guarantee) <p>Overseas</p> <ul style="list-style-type: none"> * Manufactures Bank * Sumitomo Mitsui Banking Corporation of Canada * Banco Sumitomo Mitsui Brasileiro S.A. * PT Bank Sumitomo Mitsui Indonesia
	Leasing	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> * SMBC Leasing Company, Limited <p>Overseas</p> <ul style="list-style-type: none"> * SMBC Leasing and Finance, Inc.
	Other	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> * Sumitomo Mitsui Card Company, Limited (Credit card services) * SAKURA CARD CO., Ltd. (Credit card services) * At-Loan Co., Ltd. (Consumer loans) * SMBC Capital Co., Ltd. (Venture capital) * SMBC Consulting Co., Ltd. (Management consulting) * SMBC Factors Co., Ltd. (Factoring) * SMBC Finance Co., Ltd. (Mortgage securities, factoring and loans) * Mitsui Finance Service Co., Ltd. (Collecting agent and factoring) * Financial Link Company, Limited (Data processing service and consulting) * Sakura Friend Securities Co., Ltd. (Securities) (Listed on the First Section of Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange) * SAKURA INVESTMENT MANAGEMENT CO., LTD. (Investment advisory and investment trust management) * The Japan Research Institute, Limited (Economic research, system engineering, data processing and management consulting) * Sakura KCS Corporation (System engineering and data processing) (Listed on the Second Section of Osaka Securities Exchange) * Sakura Information Systems Co., Ltd. (System engineering and data processing) ** Daiwa Securities SMBC Co. Ltd. (Wholesale securities) ** Meiko National Securities Co., Ltd. (Securities) (Listed on the First Section of Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange) ** DLJ direct SFG Securities Inc. (Securities via internet) ** Daiwa SB Investments Ltd. (Investment advisory and investment trust) ** Japan Pension Navigator Co., Ltd. (Operation and administration of defined contribution pension plans) ** QUOQ Inc. (Purchase of monetary assets and credit guarantee) <p>Overseas</p> <ul style="list-style-type: none"> * SMBC Capital Markets, Inc. (Investments and derivatives) * SMBC Capital Markets Limited (Derivatives) * Sumitomo Mitsui Finance Australia Limited (Finance)

(*) means a consolidated subsidiary and (**) means an affiliated company accounted for by the equity method.
On October 1, 2002, SMBC Finance Co., Ltd. merged SMBC Factors Co., Ltd.

II. Principles and Management

1. Basic Principles of Management

The Bank's basic management principles are as follows:

- 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.

Under these principles, the Bank will meet customer and market expectations and its economic and social responsibilities in order to foster greater customer confidence and gain solid market credibility.

2. Dividend Policy

The Bank subscribes to a fundamental policy of distributing appropriate amounts of dividend while enhancing its capital to maintain sound financial position.

3. Policy concerning the Reduction of Investing Unit

As of now, the Bank does not have any plan to reduce the investment unit of its share.

4. Management Strategy

The Bank has chosen a straight merger as the form of consolidation in order to maximize the merger benefits as quickly as possible, and as a benefit of this decision, there has been great progress in integration at each section. The Bank completed the integration of the main domestic accounting systems in July 2002, and restructuring of the branch network will be completed by the end of fiscal 2002. Reduction of functional duplication of the group companies, and integration of the human resource management framework are well in progress. As a result of drastic cost reductions, the Bank's earnings have been better than originally forecast. Also, the "Business Reform" in major fields, including the reexamination of lending practices in corporate banking business, has been accelerating. We believe that the first phase of the post-merger management has on the whole been completed successfully.

With success in the first phase, the Bank will proceed to the second phase of the post-merger management by forming a new corporate structure to make significant progress in enhancing the profitability, and to strengthen the financial stability of the SMBC group. A holding company, "Sumitomo Mitsui Financial Group, Inc.," will be established on December 2, 2002 as a corporate structure, which will fully exploit the strengths of the SMBC group. After the holding company is established, the three group companies, Sumitomo Mitsui Card Company, Ltd., SMBC Leasing Company, Ltd., and The Japan Research Institute, Ltd., will be placed as wholly-owned subsidiaries of the holding company, and these companies will be significantly empowered to become the top players in their respective business fields.

5. Issues to be Addressed

Looking back at the economic and financial situation in the first half of FY2002, on the one hand the economic outlook in the United States has become increasingly uncertain, on the other hand in Japan domestic demand continued to stagnate, and a decline in exports and a further reduction in public expenditure are expected. Although the stock

market was stable at the beginning of the period, it has consistently declined afterward. Responding to this situation, the government released “Comprehensive Measures to Accelerate Reforms” in October, and the Financial Services Agency released the “Program for Financial Revival” for which concrete action plans are under examination.

Under such a severe economic and financial climate, the Bank is committed to enhancing its profitability and strengthening its capability in providing financial services through the above mentioned management strategy. On the other hand, as a result of drastic work-outs of non-performing loans and aggressive selling of stocks to reduce the size of its stock portfolio, the financial results for the six-month period ended September 30, 2002 are as reported later in “III. Operating Results and Financial Position”.

As for the outlook from now on, while concerns about the weak Japanese economic situation linger, the severe business situation for banks is expected to continue. However, although the situation is severe, through accelerated rationalization, thorough execution of “Business Reforms”, “the actions for fortifying the corporate structure of the SMBC group”, and the provision of a wide variety of financial services with more value added, the Bank is dedicated to strengthening its profitability, proceeding with the work-outs of non-performing loans, and building a sounder financial base through the sale of stocks to reduce the size of its stock portfolio.

6. Financial Targets

The Bank aims to achieve a banking profit (excluding the transfer to general reserve) of 1,030 billion yen in FY2004 through restructuring business and strengthening profitability.

7. Pursuit of Enlightened Corporate Governance

The Bank has two principal bodies for corporate governance: the Board of Directors and Executive Officers. The Executive Officer system aims to clearly divide the responsibility for policy implementation and the responsibility for providing strategic direction and oversight for the Bank’s operations. The role of the Board of Directors to supervise the Bank’s operations on behalf of shareholders is emphasized more than ever before, and the day-to-day running of the Bank is in the Executive Officers’ charge.

In addition, the Risk Management Committee, Compensation Committee, and Nominating Committee have been formed from members of the Board of Directors. These committees include outside directors and have been established in order to effect objective deliberations from a broad perspective on matters, such as risk management, compliance, and compensation and personnel affairs of members of the Board of Directors and Executive Officers.

Also, as a supplemental council to the Chairman of the Board and the President, the Bank has an Advisory Board consisting of members such as top executives of blue-chip companies and leading business consultants to provide wide-ranging and impartial management advice.

III. Operating Results and Financial Positions

1. Overview of Consolidated Operating Results for the First Half of Fiscal 2002 Ended September 30, 2002

(1) Profit and Loss

During the first half of Fiscal 2002, SMBC aimed for an early realization of merger benefits and endeavored to increase profitability and reduce expenses through business restructuring.

Operating income was 1,762.5 billion yen (a term-over-term decrease of 22%) and Operating expense was 1,612.6 billion yen (a year-over-year decrease of 4.4%) mainly due to lower of interest income and expenses, lower gains on sale

of stocks and the drastic disposal of non-performing loans.

Consequently, Operating profit was 149.8 billion yen (a year-over-year increase of 30.9%) and Net income (after adjusting Extraordinary gains/losses) was 55.1 billion yen (a year-over-year increase of 61.3%).

(2) Assets and Liabilities

Deposits decreased 3,547.6 billion yen to 61,438.3 billion yen and Negotiable certificates of deposit decreased 1,815.5 billion yen to 4,846.5 billion yen compared with March 31, 2002.

Loans and bills discounted decreased 1,092.3 billion yen to 62,553.2 billion yen compared with March 31, 2002.

Total assets decreased 3,608.0 billion yen to 104,396.9 billion yen compared with March 31, 2002.

(3) Stockholders' Equity

Stockholders' equity decreased 222.6 billion yen to 2,690.0 billion yen compared with March 31, 2002 mainly due to increase of net unrealized losses on other securities.

(4) Cash Flows

Net cash provided by operating activities was 2,562.4 billion yen, net cash used in investing activities was 2,734.9 billion yen, and net cash used in financing activities was 222.5 billion yen.

Consequently, the amount of cash and cash equivalents as of September 30, 2002 was 1,731.4 billion yen.

(5) Segment Information

As for business segments, banking, leasing and other business accounted for 71% (up 1 point), 16% (up 2 points) and 13% (down 3 points) of operating income before elimination of internal transactions compared with the first half of Fiscal 2001, respectively.

In terms of geographic segments, shares of operating income before elimination of internal transactions were 84% (up 12 points from the first half of Fiscal 2001) for Japan, 6% (down 6 points) for the Americas, 5% (down 3 points) for Europe, and 5% (down 3 point) for Asia and Oceania.

(6) Capital Ratio (BIS Guideline) (preliminary)

Capital ratio was 10.37% on a consolidated basis, and 11.52% on a nonconsolidated basis.

(Note) Capital ratio was calculated by deducting the maximum amount (124.0 billion yen) of the estimated interim dividends to be paid to Sumitomo Mitsui Financial Group, Inc. (SMFG) from Tier I. (In December, a holding company SMFG will be established.) Capital ratio without the deduction of the estimated interim dividends is as follows:

Consolidated basis : 10.58%

Nonconsolidated basis: 11.73%

2. Sumitomo Mitsui Financial Group's Earnings Forecast for Fiscal 2002 Ending March 31, 2003

(1) Earnings Forecast

Please refer to the press release 'Sumitomo Mitsui Financial Group's Earnings Forecast for Fiscal 2002 Ending March 31, 2003

(2) Forecast of Dividends

Sumitomo Mitsui Financial Group, Inc. that will be established as a holding company by transferring SMBC's shares on December 2, 2002 will pay the year-end dividend by the following amounts that are equivalent to the SMBC's dividends for Fiscal 2001:

Common stock 4,000 yen per share

Preferred stock (type 1) 10,500 yen per share

Preferred stock (type 2) 28,500 yen per share

Preferred stock (type 3) 13,700 yen per share

IV. Consolidated Interim Financial Statements

Significant Accounting Policies

1. Scope of consolidation

(1) Consolidated subsidiaries 147 companies

Principal companies

THE MINATO BANK, LTD.
The Bank of Kansai, Ltd.
Manufacturers Bank
SMBC Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
SMBC Capital Co., Ltd.
SMBC Finance Co., Ltd.
Sakura Friend Securities Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

Financial link Company, Limited and MAZDA AUTO LEASING COMPANY, LIMITED are consolidated due to acquirement of shares. There are four newly established companies, including SMBC PERSONNEL SUPPORT CO., LTD., which are consolidated from this fiscal year.

Sakura Trust International Limited and a company are excluded from consolidation due to liquidation. SB Auto Service, Co., LTD. is excluded due to sale from this fiscal year.

(2) Nonconsolidated subsidiaries

Principal company

SBCS Co., Ltd.

One hundred and seventeen subsidiaries such as S.B.L. Management Company Limited are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on the Article 5 Paragraph 1 Item 2 of Consolidated Interim Financial Statements Regulation, they were excluded from consolidation.

Assets, income, net income and retained earnings of other nonconsolidated subsidiaries have no significant impact on the consolidated financial statements.

2. Application of the equity method

(1) Nonconsolidated subsidiaries accounted for by the equity method 5 companies

Principal company

SBCS Co., Ltd.

(2) Affiliates accounted for by the equity method 33 companies

Principal companies

Daiwa Securities SMBC Co. Ltd.
QUOQ Inc.

(3) Nonconsolidated subsidiaries and affiliates that are not accounted for by the equity method

One hundred and seventeen subsidiaries such as S.B.L. Management Company Limited are silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on the Article 7 Paragraph 1 Item 2 of Consolidated Interim Financial Statements Regulation, they were not treated as affiliates accounted for by the equity method.

Net income and retained earnings of other nonconsolidated subsidiaries and affiliates which are not accounted for by the equity

method have no significant impact on the consolidated financial statements.

3. The interim balance sheet dates of consolidated subsidiaries

(1) The dates of interim account closing of consolidated subsidiaries are as follows:

March 31	5	Companies
April 30	1	Company
June 30	56	Companies
July 31	1	Company
September 30	84	Companies

(2) As for the companies whose interim balance sheet dates are March 31 and April 30, the account closing was done provisionally as of September 30 and July 31 for consolidation, respectively. The other companies are consolidated on the basis of their respective interim balance sheet dates.

Appropriate adjustment was made for any significant transactions during the periods from their respective interim balance sheet dates to the consolidated closing dates.

4. Accounting policies

Please refer to the Notes to Consolidated Interim Balance Sheet and Consolidated Interim Statement of Income.

5. Scope of 'Cash and cash equivalents' on Consolidated Interim Statement of Cash Flows

Please refer to the Notes to Consolidated Interim Statement of Cash Flows.

(Reference)

- Net Income per Share:

$$\frac{\text{Net income} - \text{Preferred stock dividends}}{\text{Average number of common stocks outstanding during the (interim term) year}}$$

- Stockholders' Equity per Share:

$$\frac{\text{Stockholders' equity} - \text{Number of preferred stocks outstanding at (interim term) year end} \times \text{Issue price}}{\text{Number of common stocks outstanding at (interim term) year end}}$$

(Notes)

1. Treasury stock and the SMBC's stock held by consolidated subsidiaries are excluded from the average number of common stocks and the number of common stocks outstanding as of September 30, 2001 and March 31, 2002.
2. Treasury stocks, including the number of SMBC's stocks held by consolidated subsidiaries and affiliates accounted for by the equity method, are excluded from the average number of common stocks outstanding and the number of common stocks as of September 30, 2002.
3. The average number of preferred stocks outstanding and the number of preferred stocks as of the term (year)-end are shown in 'Nonconsolidated Financial Results for the First Half of Fiscal 2002 ended September 30, 2002' (page 41).

CONSOLIDATED INTERIM BALANCE SHEET

September 30, 2002	(Millions of yen)
Assets:	
Cash and due from banks	2,905,651
Call loans and bills bought	474,150
Receivables under resale agreements	82,218
Receivables under securities borrowing transactions	2,186,491
Commercial paper and other debt purchased	307,755
Trading assets	3,442,097
Money held in trust	44,106
Securities	22,650,667
Loans and bills discounted	62,553,278
Foreign exchanges	922,640
Other assets	3,302,344
Premises and equipment	1,172,058
Lease assets	930,418
Deferred tax assets	1,999,075
Deferred tax assets for land revaluation	726
Goodwill	19,031
Customers' liabilities for acceptances and guarantees	3,453,755
Reserve for possible loan losses	(2,049,472)
Total assets	104,396,997
Liabilities:	
Deposits	61,438,332
Negotiable certificates of deposit	4,846,529
Call money and bills sold	12,739,570
Payables under repurchase agreements	1,946,489
Payables under securities lending transactions	3,842,595
Commercial paper	185,500
Trading liabilities	2,599,491
Borrowed money	2,721,278
Foreign exchanges	438,643
Bonds	3,582,598
Other liabilities	2,645,968
Reserve for employee bonuses	21,216
Reserve for employee retirement benefits	148,116
Reserve for possible losses on loans sold	47,190
Other reserves	255
Deferred tax liabilities	34,507
Deferred tax liabilities for land revaluation	62,693
Acceptances and guarantees	3,453,755
Total liabilities	100,754,733
Minority interests	952,253
Stockholders' equity:	
Capital stock	1,326,746
Capital surplus	1,683,896
Retained earnings	138,823
Land revaluation excess	117,957
Net unrealized losses on other securities	(512,407)
Foreign currency translation adjustments	(53,754)
Treasury stock	(11,250)
Total stockholders' equity	2,690,010
Total liabilities, minority interests and stockholders' equity	104,396,997

Notes to Consolidated Interim Balance Sheet

1. Amounts less than one million yen have been omitted.
2. Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in 'Trading assets' or 'Trading liabilities' on the consolidated interim balance sheet on a contract date basis. Securities and monetary claims purchased for trading purposes are stated at the term-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated interim balance sheet date.
3. Held-to-maturity debt securities are debt securities that Sumitomo Mitsui Banking Corporation ('SMBC') or its consolidated subsidiaries have the positive intent and ability to hold to maturity, and are carried at amortized cost using the moving-average method. Investments in nonconsolidated subsidiaries and affiliates which are not accounted for by the equity method are carried at cost using the moving-average method. Securities other than trading purpose securities and the previous two categories of securities are classified as 'other securities' (available-for-sales securities). Stocks in other securities that have market value are carried at the average market prices during the final month of the interim term, and bonds and others that have market prices are carried at their interim term-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities that have no available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in 'Stockholders' equity.'
4. Securities included in 'Money held in trust' are carried in the same way as in Notes 2 and 3.
5. Derivatives excluding those classified as trading derivatives are carried at market value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with local accounting standards.
6. Depreciation of premises and equipment owned by SMBC is computed using the straight-line method for buildings and the declining-balance method for equipment. For the six-months ended September 30, 2002, SMBC calculated the depreciation costs by allocating the estimated annual costs to the interim term. The estimated useful lives of major items are as follows:
 - Buildings: 7 to 50 years
 - Equipment: 3 to 20 yearsConsolidated subsidiaries depreciate premises and equipment, and lease assets primarily using the straight-line method over the estimated useful lives of the respective assets and the straight-line method over the lease term based on the residual value of assets at the end of the lease term, respectively.
7. SMBC and its consolidated domestic subsidiaries depreciate capitalized software for internal use using the straight-line method over its estimated useful life (basically five years).
8. SMBC's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen primarily at the exchange rate prevailing at the consolidated interim balance sheet date, with the exception of stocks of subsidiaries and affiliates which are translated at rates prevailing at the time of acquisition. Formerly, SMBC applied the revised accounting standards for foreign currency transactions ('Opinion Concerning Revision of Accounting Standard for Foreign Currency Transactions' issued by Business Accounting Deliberation Council on October 22, 1999), except for the accounting treatment stipulated in 'Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.20 'Former report'). Effective on April 1, 2002, SMBC applies the revised accounting standards for foreign currency transactions, except for the treatment which the Former report is applied, in accordance with the temporary treatment regulated by 'Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry' (JICPA Industry Audit Committee Report No.25). Pursuant to the temporary treatment, 'financial swap transactions' and 'treatment on internal contracts and transactions among consolidated subsidiaries' were accounted for by the former method. And foreign currency differences arising from futures currency transactions are recognized on the consolidated balance sheet on a net basis.

Financial swap transactions are accounted for as follows:

- (1) Principal amounts of credits and debts are reported on the consolidated balance sheet in the net amount converted at the exchange rate prevailing at the interim term-end.
- (2) The difference between spot and forward rates are recorded as interest income or expenses on an accrual basis for the period from the spot foreign exchange settlement date to the forward foreign exchange settlement date.

Financial swap transactions are foreign exchange transactions that are contracted for the purpose of lending or borrowing funds in different currencies. These transactions consist of spot foreign exchange either bought or sold and

forward foreign exchange either bought or sold. The spot foreign exchange bought or sold is the swap transaction for borrowing or lending the principal amount. The forward foreign exchange bought or sold is the swap transaction of the principal and corresponding interest to be paid or received, the amount and due date of which are predetermined. Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the interim term-end of each company.

9. Reserve for possible loan losses of SMBC and its major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and reserves.
- For claims on borrowers who have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("effectively bankrupt borrowers"), a reserve is provided based on the amount of claims, after the charge-off stated below, net of the expected amount of recoveries from collateral and guarantees.
- For claims on borrowers that are not currently in the status of bankrupt but are likely to become bankrupt in the future, a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.
- For other claims, a reserve is provided based on the historical loan-loss ratio.
- For claims originated in specific countries, an additional reserve is provided for by the amount deemed necessary based on the assessment of political and economic conditions.
- Branches and credit supervision departments assess all claims in accordance with the internal rule for self-assessment of assets, and the Credit Review Department, independent from these operating sections, audits their assessment. The reserves are provided based on the results of these assessments.
- Reserve for possible loan losses of other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratio, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.
- For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and charged off against the total outstanding amount of the claims. The amount of charge-off was 1,768,046 million yen.
10. Reserve for employee bonuses is provided for by the amount of estimated bonuses attributable to this consolidated interim term.
11. Reserve for employee retirement benefits (prepaid pension cost) is provided, in provision for payment of retirement benefits to employees, in the amount deemed accrued at end of consolidated interim term end, based on an actuarial computation, which uses the present value of the retirement benefit obligation and plan asset amount projected at the beginning of the consolidated interim term.
- Prior service cost is amortized using the straight-line method over primarily 10 years within the employees' average remaining service period at incurrence.
- Unrecognized net actuarial gain (loss) is amortized using the straight-line method over primarily 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.
- Unrecognized net transition obligation from initial application of the new accounting standard for employee retirement benefits is amortized using the straight-line method over 5 years and is charged 50% of the annual amortized cost to its income for the six months ended September 30, 2002.
12. Reserve for possible losses on loans sold is provided for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is provided in accordance with Article 287-2 of the Commercial Code.
13. Financing leases of SMBC and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for in the same manner as operating leases.
14. Pursuant to the temporary treatment regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Industry Audit Committee Report No.24) issued by JICPA, SMBC applies 'the risk adjustment approach' to hedging (Macro hedge) 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, abiding by the following requirements:
- (1) Loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole shall be recognized as the hedged portfolio.
 - (2) Derivatives as the hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
 - (3) Effectiveness of hedging activities shall be evaluated on a quarterly basis.
- SMBC applies deferred hedge accounting.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currency, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged security is specified in advance and that enough on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged security in foreign currency base.

Certain derivatives for the purpose of hedging are recorded on a cost basis using the special treatment for interest rate swaps in view of consistency with the of risk management policy.

Certain consolidated subsidiaries use the deferred hedge accounting or the special treatment for interest rate swaps and a consolidated domestic subsidiary (a leasing company) partly applies the accounting method that are permitted by 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.

15. National and local consumption taxes of SMBC and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.
16. Other reserves required by special laws are reserve for contingent liabilities from financial futures transaction (18 million yen) in accordance with Article 82 of the Financial Futures Transaction Law, and reserve for contingent liabilities from securities transaction (237 million yen) in accordance with Article 51 of Securities Exchange Law.
17. Accumulated depreciation on premises and equipment and accumulated depreciation on lease assets were 661,729 million yen and 1,404,704 million yen, respectively.
18. Bankrupt loans and non-accrual loans were 249,899 million yen and 3,116,433 million yen, respectively.
'Bankrupt loans' are loans on which SMBC or its consolidated subsidiaries do not currently accrue interest income, as substantial doubt is judged to exist as to the ultimate collectability of either principal or interest as they are past due for a considerable period of time or for other reasons, and meet conditions defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 of the Japanese Corporate Tax Law, issued in 1965. Non-accrual loans are loans on which SMBC or its consolidated subsidiaries do not currently accrue interest income, excluding bankrupt loans and loans for which SMBC or its consolidated subsidiaries are forbearing interest payments to support the borrowers' recovery from financial difficulties.
19. Past due loans (3 months or more) totaled 109,388 million yen.
Past due loans (3 months or more) are loans other than the above two categories of loans on which the principal or interest is past due for three months or more.
20. Restructured loans totaled 2,759,599 million yen.
Restructured loans are loans other than the above three categories of loans for which SMBC or its consolidated subsidiaries have relaxed lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments or have made agreements in favor of borrowers such as debt forgiveness, to support the borrowers' recovery from financial difficulties.
21. The total amount of bankrupt loans, non-accrual loans, past due loans (3 months or more) and restructured loans was 6,235,319 million yen.
The amounts of loans presented in Notes 18 to 21 are amounts before deduction of reserve for possible loan losses.
22. Bills discounted are accounted for as financial transactions in accordance with 'Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry' (Industry Audit Committee Report No.24) issued by JICPA. SMBC and its consolidated banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, and the total face value was 1,020,775 million yen.

23. Assets pledged as collateral were as follows:

	(Millions of yen)
Assets pledged	
Cash and due from banks	63,895
Trading assets	562,181
Securities	13,180,902
Loans and bills discounted	3,880,182
Other assets (installment account receivable etc.)	1,316
Premises and equipment	541
Liabilities corresponding to assets pledged	
Deposits	12,187
Call money and Bills sold	11,448,400
Payables under repurchase agreements	1,931,859
Payables under securities lending transactions	3,584,093
Trading liabilities	87,964
Borrowed money	81,254
Other liabilities	11,095
Acceptances and guarantees	41,946

In addition, cash and due from banks of 59,335 million yen, trading assets of 171 million yen, securities of 1,341,402 million yen, loans and bills discounted of 1,702,156 million yen were pledged as collateral for cash settlements, variation margins of futures markets and certain other purposes.

Premises and equipment include surety deposits and intangible of 118,734 million yen, and other assets include initial margins of futures markets of 13,398 million yen.

Bills rediscounted are accounted for as financial transactions in accordance with 'Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry' (Industry Audit Committee Report No.24) issued by JICPA, and the total face value of bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought that have been pledged was 53,829 million yen.

24. Net amount of deferred unrealized gains (losses) on hedging instruments to which hedge accounting is applied is reported as deferred profit on hedge and are included in 'Other liabilities.' Gross deferred unrealized losses and gross deferred unrealized gains on hedging instruments were 1,145,365 million yen and 1,283,116 million yen, respectively.

25. SMBC revaluated its own land for business activities in accordance with the Law Concerning Land Revaluation (the Law) effective March 31, 1998 and law concerning amendment of the Law effective March 31, 2001. The income taxes corresponded to the net unrealized gains are deferred and reported in 'Liabilities' as 'Deferred tax liabilities for land revaluation,' and the net unrealized gains, net of deferred taxes, are reported as 'Land revaluation excess' in 'Stockholders' equity.'

Certain consolidated subsidiaries revaluated their own land for business activities in accordance with the Law. The income taxes corresponded to the net unrealized gains (losses) are deferred and reported in 'Liabilities' or 'Assets' as 'Deferred tax liabilities for land revaluation' or 'Deferred tax assets for land revaluation' and the net unrealized gains (losses), net of deferred taxes, are reported as 'Land revaluation excess' in 'Stockholders' equity.'

Date of the revaluation

SMBC March 31, 1998 and March 31, 2002

Certain consolidated subsidiaries March 31, 1999 and March 31, 2002

Method of revaluation (provided in Article 3-3 of the Law)

SMBC: Fair values are determined by applying appropriate adjustments for land shape and timing of appraisal to the values specified in Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law concerning Land Revaluation (the Enforcement Ordinance) effective March 31, 1998.

Certain consolidated subsidiaries: Fair values are determined based on the values specified in Article 2-3 and 2-5 of the Enforcement Ordinance.

26. The balance of subordinated debt included in 'Borrowed money' was 911,954 million yen.

27. The balance of subordinated bonds included in 'Bonds' was 1,677,150 million yen.

28. Stockholders' equity per share was 243.57 yen.

29. Market value and unrealized gains (losses) on securities are shown as below:

In addition to 'Securities,' the amounts below include trading securities, negotiable certificates of deposit bought and commercial paper classified as 'Trading assets,' negotiable certificates of deposit bought classified as 'Cash and due from banks', and commercial paper and beneficiary claim on loan trust classified as 'Commercial paper and other debt purchased.' This applies up to Notes 32.

(1) Securities for trading purposes

(Millions of yen)

Consolidated interim balance sheet amount	781,093
Valuations gains (losses) included in income (loss) during the interim term	(619)

(2) Bonds classified as held-to-maturity that have market value

(Millions of yen)

	Consolidated balance sheet amount	Market Value	Net unrealized gains (losses)	Gains	Losses
Japanese government bonds	311,667	314,799	3,132	3,132	0
Japanese local government bonds	23,207	23,641	433	433	-
Other	29,335	30,429	1,094	1,179	85
Total	364,210	368,870	4,660	4,745	85

(3) Other securities that have market value

(Millions of yen)					
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
Stocks	4,710,377	3,763,121	(947,255)	106,545	1,053,800
Bonds	12,839,812	12,905,355	65,542	73,526	7,983
Japanese government bonds	11,503,124	11,548,379	45,255	47,735	2,480
Japanese local government bonds	352,653	363,173	10,520	11,003	482
Japanese Corporate bonds	984,035	993,801	9,766	14,787	5,020
Other	4,053,273	4,099,937	46,664	63,680	17,015
Total	21,603,463	20,768,414	(835,048)	243,751	1,078,800

The amount of net unrealized losses on other securities recorded in 'Stockholders' equity' includes net unrealized losses of 512,206 million yen which is the sum of the followings.

Net unrealized losses (a)	(835,048) million yen
(+) Deferred tax assets (b)	319,464 million yen
(c) = (a) + (b)	(515,583) million yen
(-) Minority interests corresponding to (c)	(3,989) million yen
(+) SMBC's interests of net unrealized gains (losses) on other securities held by affiliates accounted for by the equity method	(611) million yen
Total	(512,206) million yen

When the market value of securities classified as other securities declines significantly from its acquisition cost, it is deemed that the market value will not recover to the acquisition cost. The market value is recognized as the consolidated interim balance sheet amount and the amount of write-down is accounted for as valuation loss (impaired) for the current interim term. Valuation loss in the term was 174,429 million yen. The rule for determining 'significant decline' is as follows and is based on the classification of issuing company under self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	Market value is lower than acquisition cost
Issuers requiring caution	Market value is 30% or more lower than acquisition cost
Normal issuers	Market value is 50% or more lower than acquisition cost

Bankrupt issuers: issuers that are legally bankrupt or formally declared bankrupt

Effectively bankrupt issuers: issuers that are not legally bankrupt but regarded as substantially bankrupt

Potentially bankrupt issuers: issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy

Issuers requiring caution: issuers that are identified for close monitoring

Normal issuers: issuers other than the above four categories of issuers

30. The amount of other securities sold during the interim term is as follows:

(Millions of yen)		
Sales amount	Gains on sales	Losses on sales
20,817,747	136,898	59,169

31. Summary information on securities that do not have market value is as follows:

(Millions of yen)	
Consolidated balance sheet amount	
Bonds classified as held-to-maturity	
Unlisted foreign securities	5,763
Other	14,332
Other securities	
Unlisted bonds	756,068
Unlisted stocks (excluding OTC stocks)	286,939
Unlisted foreign securities	261,534
Other	92,169

32. Redemption schedule of other securities that have maturities and bonds classified as held-to-maturity is as follows:

	(Millions of yen)			
	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	Over 10 years
Bonds	5,005,545	6,446,617	2,219,911	324,226
Japanese government bonds	4,833,201	5,070,304	1,671,857	284,684
Japanese local government bonds	25,100	152,511	200,245	8,524
Japanese corporate bonds	147,243	1,223,802	347,809	31,017
Other	246,553	2,951,203	651,235	375,709
Total	5,252,098	9,397,821	2,871,146	699,936

33. Information on money held in trust is as follows:

Money held in trust for trading purposes

	(Millions of yen)
Consolidated interim balance sheet amount	18,309
Valuation gains included in income (loss) during this interim term	30

Other money held in trust

(Millions of yen)				
Acquisition Cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Gains	Losses
26,264	25,797	(467)	371	838

The amount of net unrealized losses on other securities in 'Stockholders' equity' includes net unrealized losses of 286 million yen which is the sum of the above net unrealized losses of 467 million yen and deferred tax assets of 180 million yen.

34. 'Japanese Government Bonds' as a sub-account of 'Securities' includes 999 million yen of unsecured loans of securities for which borrowers have rights to sell or pledge. 'Japanese Government Bonds' as a sub-account of 'Securities' includes 301 million yen of loaned securities for which borrowers have rights to pledge but have no rights to sell.

As for the unsecured borrowed securities and borrowed securities secured by cash for which SMBC has rights to sell or pledge and the securities which SMBC purchased under resale agreements, that are permitted to sell or pledge without restrictions, 2,190,151 million yen of securities are pledged, and 107,709 million yen of securities are held in hand as of the consolidated interim balance sheet date. SMBC may also pledge the borrowing loaned securities with rights to pledge but not rights to sell.

35. Commitment line contracts on overdrafts and loans are agreements to lend to customers to prescribed amount as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 30,213,119 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was 27,817,213 million yen. 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 SMBC or its consolidated subsidiaries can reject the application from customers or reduce the contract amounts in the case of change in economic conditions, SMBC or its consolidated subsidiaries need to secure claims, or other circumstances. In addition, SMBC or its consolidated subsidiaries request the customers to pledge collateral such as premises and securities, and take necessary measures such as reviewing the customers' financial positions during the contract period, revising contracts when need arises, and securing claims.

36. In accordance with amendment of the consolidated interim financial statements regulation and the ordinance of banking law, the changes in financial statement presentations are as follows:

(1) 'Pledged money for securities borrowing transactions' that was formerly included in 'Other assets' is separately reported as 'Receivables under securities borrowing transactions,' effective on April 1, 2002. Consequently, 'Other assets' decreased by 2,186,491 million yen and 'Receivables under securities borrowing transactions' increased by the same amount as compared with the former manner.

From this consolidated interim year, 'Pledged money for securities lending transactions' that was formerly reported on the consolidated balance sheet is reported as 'Payables under securities lending transactions.'

(2) 'Other capital surplus' that was formerly included in 'Retained earnings' is reported in 'Capital surplus' from this consolidated interim year.

37. Effective April 1, 2002, 'Parent bank stock held by subsidiaries' is included in 'Treasury stock' in accordance with the application of 'Accounting Standard for Treasury Stock and Reversal of Legal Reserves' (issued by Accounting Standard Board of Japan on February 21, 2002).

Pursuant to the accounting standard, the accounting treatment for deducting parent bank stock held by subsidiaries from stockholders' equity has been changed as follow:

Amount of SMBC's share is deducted from stockholders' equity.

Amount of Minority stockholders' share is deducted from minority interests.

As for SMBC's stock held by affiliates, SMBC's share is deducted from stockholders' equity. Consequently, 'Securities' decreased by 826 million yen, 'Stockholders' equity' increased by 3,709 million yen, and 'Minority interests' decreased by 4,536 million yen.

CONSOLIDATED INTERIM STATEMENT OF INCOME

Six months ended September 30, 2002	(Millions of yen)
Operating income:	
Interest income	954,856
Interest on loans and discounts	639,943
Interest and dividends on securities	140,090
Fees and commissions	204,619
Trading profits	110,534
Other operating income	444,096
Other income	48,429
Total operating income	1,762,535
Operating expenses:	
Interest expenses	220,912
Interest on deposits	83,905
Fees and commissions	42,195
Trading losses	718
Other operating expenses	333,888
General and administrative expenses	446,103
Other expenses	568,862
Total operating expenses	1,612,679
Operating profit	149,856
Extraordinary gains	2,942
Extraordinary losses	42,448
Income before income taxes and minority interests	110,349
Income taxes, Current	26,700
Income taxes, Deferred	10,333
Minority interests in net income	18,170
Net income	55,145

Notes to Consolidated Interim Statement of Income

1. Amounts less than one million yen have been omitted.
2. Net income per share is 9.67 yen.
3. Net income per share (diluted) is 7.01 yen.
From this interim year, SMBC applies 'Accounting Standards for Earnings Per Share' (issued by Accounting Standards Board of Japan on September 25, 2002).
4. Profits and losses on trading transactions are recognized on a trade date basis, and recorded as 'Trading profits' and 'Trading losses.' Both accounts include interest received or paid during the interim term. The valuation differences of securities and money claims between Fiscal 2001 and current interim term-end are recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the valuation gains/losses incurred due to comparing the current interim term-end amounts with Fiscal 2001 are recorded in the above-mentioned accounts.
5. Standards for recognizing rental income on lease transactions and income/expenses on installment sales are as follows:
 - (1) Recognition of lease-related income on lease transactions
Basically, lease-related income is recognized on a straight-line basis over the full term of the lease, based on the monthly lease fees.
 - (2) Recognition of income and expenses on installment sales
Basically, installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the full term of the installment sales.
6. The amount recorded under 'Other income' includes gains on sales of stocks and other securities of 37,123 million yen.
7. The amount recorded under 'Other expenses' includes transfer to reserve for possible loan losses of 173,591 million yen, write-off of loans of 122,826 million yen and losses on devaluation of stocks of 181,734 million yen.
8. The amount recorded under 'Extraordinary gains' include gains on disposition of premises of 1,666 million yen and collection of written-off claims of 1,194 million yen.
9. The amount recorded under 'Extraordinary losses' include amortized cost of unrecognized net obligation from initial application of the new accounting standard for employee retirement benefits of 11,732 million yen, losses on disposition on premises and equipment of 12,701 million yen and losses on disposal of software of 11,059 million yen.

CONSOLIDATED INTERIM STATEMENT OF RETAINED EARNINGS

Six months ended September 30, 2002 (Millions of yen)

Capital surplus:

Capital surplus at beginning of fiscal year	1,684,373
Capital reserve at beginning of fiscal year	1,326,758
Other capital surplus at beginning of fiscal year	357,614
Decrease of capital surplus	476
Losses on disposition of treasury stocks	476
Capital surplus at end of interim term	1,683,896

Retained earnings:

Retained earnings at beginning of fiscal year	117,743
Increase of retained earnings	58,431
Net income	55,145
Increase of retained earnings due to transfer of land revaluation excess	3,283
Increase of retained earnings due to merger of consolidated subsidiaries	3
Decrease of retained earnings	37,351
Dividends paid	37,349
Decrease of retained earnings due to decrease of consolidated subsidiaries	2
Retained earnings at end of interim term	138,823

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

2. In accordance with the amendment of consolidated interim financial statements regulation, capital surplus is included in this statement.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Six months ended September 30, 2002	(Millions of yen)
1. Cash flows from operating activities:	
Income before income taxes and minority interests	110,349
Depreciation of premises, equipment and others	44,208
Depreciation of lease assets	149,071
Amortization of goodwill	2,773
Equity in earnings of affiliates	(2,807)
Net change in reserve for possible loan losses	(109,670)
Net change in reserve for possible losses on loans sold	(39,180)
Net change in reserve for employee bonuses	(402)
Net change in reserve for employee retirement benefits	147
Interest income	(954,856)
Interest expenses	220,912
Net (gain) loss on securities transactions	107,763
Net (income) loss from money held in trust	3,703
Net exchange (gain) loss	154,537
Net (gain) loss from disposition of premises and equipment	11,034
Net (gain) loss from disposition of lease assets	2,020
Net change in trading assets	(216,670)
Net change in trading liabilities	321,258
Net change in loans and bills discounted	1,008,160
Net change in deposits	(3,532,384)
Net change in negotiable certificates of deposit	(1,813,399)
Net change in borrowed money (excluding subordinated debt)	(71,036)
Net change in interest-earning deposits	2,294,589
Net change in call loans, bills bought and receivables under resale agreements	1,071,737
Net change in receivables under securities borrowing transactions	834,028
Net change in call money, bills sold and payables under repurchase agreements	2,490,237
Net change in commercial paper	(982,000)
Net change in payables under securities lending transactions	667,795
Net change in foreign exchanges (assets)	(129,163)
Net change in foreign exchanges (liabilities)	139,635
Net change in bonds (excluding subordinated bonds)	182,702
Interest received	1,049,827
Interest paid	(243,453)
Other, net	(171,533)
Subtotal	2,599,937
Income taxes paid	(37,447)
Net cash provided by operating activities	2,562,490
2. Cash flows from investing activities:	
Purchases of securities	(27,644,498)
Proceeds from sale of securities	20,817,747
Proceeds from maturity of securities	4,256,509
Purchases of money held in trust	(14,621)
Proceeds from sale of money held in trust	4,026
Purchases of premises and equipment	(30,911)
Proceeds from sale of premises and equipment	28,219
Purchases of lease assets	(162,426)
Proceeds from sale of lease assets	14,875
Purchases of stocks of subsidiaries	(3,924)
Proceeds from sale of stocks of subsidiaries	53
Net cash used in investing activities	(2,734,949)
3. Cash flows from financing activities:	
Proceeds from issuance of subordinated debt	117,000
Repayment of subordinated debt	(204,500)
Proceeds from issuance of subordinated bonds, bonds with subscription rights for shares and notes	152,687
Repayment of subordinated bonds, bonds with subscription rights for shares and notes	(226,871)
Dividends paid	(37,313)
Payment from minority stockholders	220
Dividends paid to minority shareholders	(25,147)
Purchases of treasury stock	(3,588)
Proceeds from sale of treasury stock	4,968
Net cash used in financing activities	(222,546)
4. Foreign currency translation adjustments on cash and cash equivalents	(2,325)
5. Net change in cash and cash equivalents	(397,329)
6. Cash and cash equivalents at beginning of six-month period	2,128,742
7. Change in cash and cash equivalents due to merger of consolidated subsidiaries	0
8. Cash and cash equivalents at end of six-month period	1,731,413

Notes to Consolidated Interim Statement of Cash Flows

1. Amounts less than one million yen have been omitted.
2. For the purposes of presenting the consolidated interim statement of cash flows, 'Cash and cash equivalents' are cash on hand and non-interest earning deposits with banks.
3. Reconciliation of 'Cash and due from banks' of the consolidated interim balance sheet to 'Cash and cash equivalents' at the interim term-end is as follows:

	(Millions of yen)
Cash and due from banks	2,905,651
<u>Interest-earning deposits</u>	<u>(1,174,238)</u>
Cash and cash equivalents	<u><u>1,731,413</u></u>

COMPARATIVE CONSOLIDATED BALANCE SHEETS (CONDENSED)

(Millions of yen)

	September 30			March 31	
	2002 (A)	2001 (B)	Difference (A-B)	2002 (C)	Difference (A-C)
September 30, 2002 and 2001, and March 31, 2002					
Assets:					
Cash and due from banks	2,905,651	5,736,255	(2,830,604)	5,632,296	(2,726,645)
Call loans and bills bought	474,150	425,289	48,861	720,154	(246,004)
Receivables under resale agreements	82,218	981,216	(898,998)	793,266	(711,048)
Receivables under securities borrowing transactions	2,186,491	–	2,186,491	–	2,186,491
Commercial paper and other debt purchased	307,755	330,214	(22,459)	461,879	(154,124)
Trading assets	3,442,097	3,225,015	217,082	3,278,105	163,992
Money held in trust	44,106	63,622	(19,516)	33,860	10,246
Securities	22,650,667	20,511,560	2,139,107	20,694,632	1,956,035
Loans and bills discounted	62,553,278	64,727,609	(2,174,331)	63,645,586	(1,092,308)
Foreign exchanges	922,640	644,896	277,744	795,755	126,885
Other assets	3,302,344	4,362,508	(1,060,164)	6,447,644	(3,145,300)
Premises and equipment	1,172,058	1,414,607	(242,549)	1,207,589	(35,531)
Lease assets	930,418	939,746	(9,328)	927,120	3,298
Deferred tax assets	1,999,075	1,696,347	302,728	1,882,464	116,611
Deferred tax assets for land revaluation	726	–	726	726	–
Goodwill	19,031	5,446	13,585	18,518	513
Customers' liabilities for acceptances and guarantees	3,453,755	3,601,158	(147,403)	3,625,047	(171,292)
Reserve for possible loan losses	(2,049,472)	(1,163,469)	(886,003)	(2,159,649)	110,177
Total assets	104,396,997	107,502,027	(3,105,030)	108,005,001	(3,608,004)
Liabilities:					
Deposits	61,438,332	60,533,175	905,157	64,985,976	(3,547,644)
Negotiable certificates of deposit	4,846,529	11,291,895	(6,445,366)	6,662,097	(1,815,568)
Call money and bills sold	12,739,570	8,541,814	4,197,756	10,775,484	1,964,086
Payables under repurchase agreements	1,946,489	1,808,365	138,124	1,468,504	477,985
Pledged money for securities lending transactions	–	3,906,531	(3,906,531)	3,174,799	(3,174,799)
Payables under securities lending transactions	3,842,595	–	3,842,595	–	3,842,595
Commercial paper	185,500	1,274,071	(1,088,571)	1,167,500	(982,000)
Trading liabilities	2,599,491	2,163,173	436,318	2,331,500	267,991
Borrowed money	2,721,278	2,938,927	(217,649)	2,889,907	(168,629)
Foreign exchanges	438,643	251,403	187,240	299,610	139,033
Bonds	3,582,598	3,398,674	183,924	3,505,820	76,778
Convertible bonds	–	1,106	(1,106)	1,106	(1,106)
Other liabilities	2,645,968	2,943,028	(297,060)	2,861,669	(215,701)
Reserve for employee bonuses	21,216	22,385	(1,169)	21,606	(390)
Reserve for employee retirement benefits	148,116	180,457	(32,341)	147,972	144
Reserve for loss on loans sold	47,190	126,538	(79,348)	86,371	(39,181)
Other reserves	255	637	(382)	336	(81)
Deferred tax liabilities	34,507	53,352	(18,845)	39,206	(4,699)
Deferred tax liabilities for land revaluation	62,693	145,229	(82,536)	64,015	(1,322)
Acceptances and guarantees	3,453,755	3,601,158	(147,403)	3,625,047	(171,292)
Total liabilities	100,754,733	103,181,928	(2,427,195)	104,108,534	(3,353,801)
Minority interests	952,253	967,934	(15,681)	983,847	(31,594)
Total stockholders' equity	2,690,010	3,352,163	(662,153)	2,912,619	(222,609)
Total liabilities, minority interests and stockholders' equity	104,396,997	107,502,027	(3,105,030)	108,005,001	(3,608,004)

Note: Amounts less than one million yen have been omitted.

COMPARATIVE CONSOLIDATED STATEMENTS OF INCOME (CONDENSED)

(Millions of yen)

Six months ended September 30, 2002 and 2001, and Year ended March 31, 2002	Six months ended September 30			Year ended March 31
	2002 (A)	2001 (B)	Difference (A-B)	2002
Operating income:				
Interest income	954,856	1,067,744	(112,888)	2,176,685
Interest on loans and discounts	639,943	731,458	(91,515)	1,420,950
Interest and dividends on securities	140,090	147,883	(7,793)	318,508
Fees and commissions	204,619	189,936	14,683	387,280
Trading profits	110,534	73,656	36,878	129,450
Other operating income	444,096	394,199	49,897	845,583
Other income	48,429	76,266	(27,837)	240,702
Total operating income	1,762,535	1,801,802	(39,267)	3,779,702
Operating expenses:				
Interest expenses	220,912	393,013	(172,101)	726,901
Interest on deposits	83,905	193,420	(109,515)	331,670
Fees and commissions	42,195	36,388	5,807	67,747
Trading losses	718	–	718	17
Other operating expenses	333,888	321,415	12,473	666,651
General and administrative expenses	446,103	468,382	(22,279)	935,553
Other expenses	568,862	468,151	100,711	1,963,458
Total operating expenses	1,612,679	1,687,351	(74,672)	4,360,330
Operating profit	149,856	114,450	35,406	(580,628)
Extraordinary gains	2,942	5,866	(2,924)	29,428
Extraordinary losses	42,448	21,652	20,796	53,138
Income before income taxes and minority interests	110,349	98,665	11,684	(604,338)
Income taxes, Current	26,700	37,746	(11,046)	101,860
Income taxes, Deferred	10,333	3,605	6,728	(289,305)
Minority interests in net income	18,170	23,116	(4,946)	46,993
Net income	55,145	34,196	20,949	(463,887)

Note: Amounts less than one million yen have been omitted.

COMPARATIVE CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (CONDENSED)

(Millions of yen)

Six months ended September 30, 2002 and 2001, and Year ended March 31, 2002	Six months ended September 30			Year ended March 31
	2002 (A)	2001 (B)	Difference (A-B)	2002
Balance at beginning of the period	-	319,924	(319,924)	319,924
Increase of retained earnings	-	309,864	(309,864)	741,468
Decrease of retained earnings	-	122,561	(122,561)	122,148
Net income	-	34,196	(34,196)	(463,887)
Balance at end of the period	-	541,424	(541,424)	475,357
Capital surplus:				
Capital surplus at beginning of fiscal year	1,684,373	-	1,684,373	-
Capital reserve at beginning of fiscal year	1,326,758	-	1,326,758	-
Other capital surplus at beginning of fiscal year	357,614	-	357,614	-
Decrease of capital surplus	476	-	476	-
Capital surplus at end of interim term	1,683,896	-	1,683,896	-
Retained earnings:				
Retained earnings at beginning of fiscal year	117,743	-	117,743	-
Increase of retained earnings	58,431	-	58,431	-
Decrease of retained earnings	37,351	-	37,351	-
Retained earnings at end of interim term	138,823	-	138,823	-

(Note) Amounts less than one million yen have been omitted.

COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Six months ended September 30			Year ended March 31
	2002 (A)	2001 (B)	Difference (A-B)	2002
Six months ended September 30, 2002 and 2001, and Year ended March 31, 2002				
1. Cash flows from operating activities:				
Income before income taxes and minority interests	110,349	98,665	11,684	(604,338)
Depreciation of premises, equipment and others	44,208	46,712	(2,504)	96,374
Depreciation of lease assets	149,071	153,718	(4,647)	306,044
Amortization of goodwill	2,773	1,827	946	4,806
Equity in earnings of affiliates	(2,807)	364	(3,171)	(2,964)
Net change in reserve for possible loan losses	(109,670)	(104,836)	(4,834)	884,174
Net change in reserve for possible losses on loans sold	(39,180)	(18,728)	(20,452)	(58,895)
Net change in reserve for employee bonuses	(402)	22,385	(22,787)	21,606
Net change in reserve for employee retirement benefit	147	(9,984)	10,131	(42,469)
Interest income	(954,856)	(1,067,744)	112,888	(2,176,685)
Interest expenses	220,912	393,013	(172,101)	726,901
Net (gain) loss on securities transactions	107,763	(17,951)	125,714	(64,057)
Net (income) loss from money held in trust	3,703	349	3,354	56
Net exchange (gains) losses	154,537	9,313	145,224	(160,717)
Net (gains) losses from disposition of premises and equipment	11,034	8,309	2,725	23,052
Net (gains) losses from disposition of lease assets	2,020	885	1,135	995
Gain on sale of business operation	-	(5,000)	5,000	(5,000)
Net change in trading assets	(216,670)	(727,177)	510,507	(757,328)
Net change in trading liabilities	321,258	880,170	(558,912)	1,030,514
Net change in loans and bills discounted	1,008,160	658,132	350,028	1,794,503
Net change in deposits	(3,532,384)	(2,512,450)	(1,019,934)	1,887,932
Net change in negotiable certificates of deposit	(1,813,399)	(355,050)	(1,458,349)	(4,989,141)
Net change in borrowed money (excluding subordinated debt)	(71,036)	(430,281)	359,245	(456,519)
Net change in interest-earning deposits	2,294,589	1,525,833	768,756	2,018,942
Net change in call loans, bills bought and receivables under resale agreements	1,071,737	2,113,527	(1,041,790)	1,904,425
Net change in pledged money for securities borrowing transactions	-	(223,111)	223,111	(2,196,808)
Net change in receivables under securities borrowing transactions	834,028	-	834,028	-
Net change in call money, bills sold and payables under repurchase agreements	2,490,237	(4,881,493)	7,371,730	(3,020,667)
Net change in commercial paper	(982,000)	(462,749)	(519,251)	(569,827)
Net change in pledged money for securities lending transactions	-	(984,252)	984,252	(1,715,984)
Net change in payables under securities lending transactions	667,795	-	667,795	-
Net change in foreign exchanges (assets)	(129,163)	93,962	(223,125)	(56,299)
Net change in foreign exchanges (liabilities)	139,635	655	138,980	48,749
Net change in bonds (excluding subordinated bonds)	182,702	200,293	(17,591)	359,901
Interest received	1,049,827	1,154,603	(104,776)	2,342,208
Interest paid	(243,453)	(475,110)	231,657	(829,888)
Other, net	(171,533)	(753,281)	581,748	(1,070,901)
Subtotal	2,599,937	(5,666,480)	8,266,417	(5,327,304)
Income taxes paid	(37,447)	(31,808)	(5,639)	(54,205)
Net cash provided by (used in) operating activities	2,562,490	(5,698,288)	8,260,778	(5,381,510)
2. Cash flows from investing activities:				
Purchases of securities	(27,644,498)	(20,323,863)	(7,320,635)	(39,722,661)
Proceeds from sale of securities	20,817,747	16,412,440	4,405,307	32,828,672
Proceeds from maturity of securities	4,256,509	9,595,326	(5,338,817)	12,828,207
Purchases of money held in trust	(14,621)	(1,677)	(12,944)	(5,011)
Proceeds from sale of money held in trust	4,026	8,653	(4,627)	42,663
Purchases of premises and equipment	(30,911)	(24,814)	(6,097)	(73,354)
Proceeds from sale of premises and equipment	28,219	4,469	23,750	134,704
Purchases of lease assets	(162,426)	(182,574)	20,148	(342,964)
Proceeds from sale of lease assets	14,875	17,289	(2,414)	37,736
Proceeds from sale of business operation	(3,924)	(599)	(3,325)	(599)
Proceeds from sale of a subsidiary	53	-	53	416
Proceeds from sale of business operation	-	5,000	(5,000)	5,000
Net cash provided by (used in) investing activities	(2,734,949)	5,509,649	(8,244,598)	5,732,808
3. Cash flows from financing activities:				
Proceeds from issuance of subordinated debt	117,000	45,000	72,000	128,000
Repayment of subordinated debt	(204,500)	(146,000)	(58,500)	(278,000)
Proceeds from issuance of subordinated bonds, convertible bonds and notes	-	151,000	(151,000)	201,198
Proceeds from issuance of subordinated bonds, bonds with subscription rights for shares and notes	152,687	-	152,687	-
Repayment of subordinated bonds, convertible bonds and notes	-	(89,045)	89,045	(262,361)
Repayment of subordinated bonds, bonds with subscription rights for shares and notes	(226,871)	-	(226,871)	-
Dividends paid	(37,313)	(11,084)	(26,229)	(11,101)
Payment of delivered money due to merger	-	(17,834)	17,834	(17,839)
Proceeds from issuance of subsidiaries stocks paid by minority stockholders	220	-	220	9,000
Dividends paid to minority stockholders	(25,147)	(22,153)	(2,994)	(39,064)
Purchases of treasury stock	(3,588)	(8,288)	4,700	(8,539)
Proceeds from sale of treasury stock	4,968	8,286	(3,318)	8,286
Proceeds from sale of parent bank stock held by subsidiaries	-	1,607	(1,607)	1,607
Net cash provided by (used in) financing activities	(222,546)	(88,511)	(134,035)	(268,813)
4. Foreign currency translation adjustments on cash and cash equivalents	(2,325)	(1,320)	(1,005)	3,595
5. Net change in cash and cash equivalents	(397,329)	(278,471)	(118,858)	86,079
6. Cash and cash equivalents at beginning of six-month period	2,128,742	868,132	1,260,610	868,132
7. Change in cash and cash equivalents due to merger	-	1,075,527	(1,075,527)	1,075,527
8. Change in cash and cash equivalents due to merger of consolidated subsidiaries	0	2,401	(2,401)	2,544
9. Change in cash and cash equivalents due to newly consolidated subsidiaries	-	96,459	(96,459)	96,459
10. Cash and cash equivalents at end of six-month period	1,731,413	1,764,049	(32,636)	2,128,742

Note: Amounts less than one million yen have been omitted.

V. SEGMENT INFORMATION

(1) Business segment information

(Millions of yen)						
Six months ended September 30, 2002	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	1,305,946	294,373	162,215	1,762,535	–	1,762,535
(2) Intersegment	8,788	2,774	88,547	100,110	(100,110)	–
Total	1,314,735	297,148	250,762	1,862,646	(100,110)	1,762,535
Operating expenses	1,212,810	284,870	216,456	1,714,138	(101,459)	1,612,679
Operating profit (loss)	101,924	12,277	34,305	148,507	1,348	149,856

(Notes)

1. The business segmentation is determined by the SMBC's internal administrative purpose.

Operating income and operating expenses are presented as counterparts of sales and operating profit of companies in other industries.

2. Other' includes securities, credit card business, investment banking, loans, factoring, venture capital, system development and data processing.

Six months ended September 30, 2001

(Millions of yen)						
Six months ended September 30, 2001	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	1,310,269	280,323	211,210	1,801,802	–	1,801,802
(2) Intersegment	110,892	3,115	123,142	237,149	(237,149)	–
Total	1,421,161	283,438	334,352	2,038,952	(237,149)	1,801,802
Operating expenses	1,290,830	273,254	264,286	1,828,371	(141,019)	1,687,351
Operating profit (loss)	130,330	10,184	70,066	210,580	(96,129)	114,450

Year ended March 31, 2002

(Millions of yen)						
Year ended March 31, 2002	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	2,698,303	585,108	496,291	3,779,702	–	3,779,702
(2) Intersegment	264,276	5,262	205,584	475,123	(475,123)	–
Total	2,962,579	590,370	701,875	4,254,825	(475,123)	3,779,702
Operating expenses	3,536,635	565,781	504,598	4,607,015	(246,684)	4,360,330
Operating profit (loss)	(574,055)	24,589	197,277	(352,189)	(228,438)	(580,628)

(2) Geographic segment information

Six months ended September 30, 2002

(Millions of yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	1,525,550	93,262	78,696	65,026	1,762,535	–	1,762,535
(2) Intersegment	31,186	22,033	14,828	17,164	85,213	(85,213)	–
Total	1,556,736	115,296	93,525	82,191	1,847,749	(85,213)	1,762,535
Operating expenses	1,513,742	67,790	68,621	52,553	1,702,707	(90,028)	1,612,679
Operating profit (loss)	42,993	47,506	24,903	29,638	145,042	4,814	149,856

(Notes)

- The geographic segmentation is decided based on the following factors:
geographic proximity, similarity of economic activities and relationship of business activities among regions.
Operating income and operating expenses are presented as counterparts of sales and operating profit of companies in other industries.
- The Americas includes the United States, Brazil, Canada and others; Europe includes the United Kingdom, Germany and France and others; Asia and Oceania includes Hong Kong, Singapore, Australia and others except Japan.

Six months ended September 30, 2001

(Millions of yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	1,391,513	185,708	101,692	122,887	1,801,802	–	1,801,802
(2) Intersegment	106,595	64,894	68,183	43,734	283,408	(283,408)	–
Total	1,498,109	250,602	169,876	166,622	2,085,211	(283,408)	1,801,802
Operating expenses	1,426,948	164,291	160,091	147,213	1,898,544	(211,192)	1,687,351
Operating profit (loss)	71,160	86,311	9,784	19,409	186,666	(72,215)	114,450

Year ended March 31, 2002

(Millions of yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	2,934,322	418,104	210,831	216,443	3,779,702	–	3,779,702
(2) Intersegment	276,404	85,450	122,428	76,812	561,096	(561,096)	–
Total	3,210,727	503,554	333,260	293,256	4,340,799	(561,096)	3,779,702
Operating expenses	3,895,821	290,884	304,545	240,295	4,731,546	(371,215)	4,360,330
Operating profit (loss)	(685,093)	212,670	28,714	52,961	(390,746)	(189,881)	(580,628)

(3) Operating income from foreign operations

(Millions of yen)

	Consolidated Operating Income from Foreign Operations (A)	Consolidated Operating Income (B)	(A) / (B)
Six months ended September 30, 2002	236,985	1,762,535	13.4 %
Six months ended September 30, 2001	410,289	1,801,802	22.8 %
Year ended March 31, 2002	845,379	3,779,702	22.4 %

(Notes)

- The above table shows operating income from transactions of SMBC's overseas branches and transactions of overseas consolidated subsidiaries, excluding internal income.
- The geographic segment information is not presented as such information is not available.

VI. Products, Orders and Sales

This information is not available because of the specialty of banking business.

[Supplemental Information]

Market Value Information on Securities

[1] Securities

1. As of September 30, 2002

- (Notes) 1. In addition to 'Securities' stated in the consolidated interim balance sheet, the amounts below include trading securities, certificates of deposit bought and commercial paper classified as 'Trading assets,' negotiable certificates of deposit bought negotiable classified as 'Cash and due from banks' and commercial paper and beneficiary claim on loan trust classified as 'Commercial paper and other debt purchased.'
2. Stocks of subsidiaries and affiliates that have market value are presented in notes to nonconsolidated interim financial statements.

(1) Securities for trading purposes

As of September 30, 2002	(Millions of yen)	
	Consolidated balance sheet amount	Gains (Losses) included in profit/loss during this term
Securities for trading purposes	781,093	(619)

(2) Bonds classified as held-to-maturity

As of September 30, 2002	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	311,667	314,799	3,132	3,132	0
Japanese local government bonds	23,207	23,641	433	433	-
Japanese corporate bonds	-	-	-	-	-
Other	29,335	30,429	1,094	1,179	85
Total	364,210	368,870	4,660	4,745	85

(Notes) Market value is calculated using the market price at the interim term-end.

(3) Other securities which have market value

As of September 30, 2002	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	4,710,377	3,763,121	(947,255)	106,545	1,053,800
Bonds	12,839,812	12,905,355	65,542	73,526	7,983
Japanese government bonds	11,503,124	11,548,379	45,255	47,735	2,480
Japanese local government bonds	352,653	363,173	10,520	11,003	482
Japanese corporate bonds	984,035	993,801	9,766	14,787	5,020
Other	4,053,273	4,099,937	46,664	63,680	17,015
Total	21,603,463	20,768,414	(835,048)	243,751	1,078,800

(Notes)

1. Market value is calculated as follows:

Stocks	Average market price during one month before the interim term-end
Bonds and others	Market price at the interim term-end

2. When the market value of securities classified as other securities declines significantly from its acquisition cost, it is deemed that the market value will not recover to the acquisition cost. The market value is recognized as the interim balance sheet amount and the amount of write-down is accounted for as valuation loss for the interim term. Valuation loss for the term was 174,429 million yen. The rule for determining "significant decline" is as follows and is based on the classification of issuing company under SMBC's self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers	Market value is lower than acquisition cost
Issuers requiring caution	Market value is 30% or more lower than acquisition cost
Normal issuers	Market value is 50% or more lower than acquisition cost
Bankrupt issuers:	Issuers that are legally bankrupt or formally declared bankrupt
Effectively bankrupt issuers:	Issuers that are not legally bankrupt but regarded as substantially bankrupt
Potentially bankrupt issuers:	Issuers that are perceived to have a high risk of falling into bankruptcy
Issuers requiring caution:	Issuers that are identified for close monitoring
Normal issuers:	Issuers other than the above four categories of issuers

(4) Bonds sold during this interim term that are classified as held-to-maturity

There are no corresponding transactions.

(5) Other securities sold during this interim term

Six months ended September 30, 2002	(Millions of yen)		
	Sales	Gains	Losses
	amount	on sales	on sales
Other securities	20,817,747	136,898	59,169

(6) Securities which do not have market value

As of September 30, 2002	(Millions of yen)
	Consolidated balance sheet amount
Bonds classified as held to maturity	
Unlisted foreign securities	5,763
Other	14,332
Other securities	
Unlisted foreign securities	261,534
Unlisted bonds	756,068
Unlisted stocks (except OTC trading stocks)	286,939
Other	92,169

(7) Change in classification of securities

There are no corresponding transactions.

(8) Redemption schedule of other securities that have maturities and bonds classified as held-to-maturity

As of September 30, 2002	(Millions of yen)			
	1 year or less	1 to 5 years	5 to 10 years	over 10 years
Bonds	5,005,545	6,446,617	2,219,911	324,226
Japanese government bonds	4,833,201	5,070,304	1,671,857	284,684
Japanese local government bonds	25,100	152,511	200,245	8,524
Japanese corporate bonds	147,243	1,223,802	347,809	31,017
Other	246,553	2,951,203	651,235	375,709
Total	5,252,098	9,397,821	2,871,146	699,936

2. As of September 30, 2001

(Notes) 1. In addition to 'Securities' stated in the consolidated interim balance sheet, the amounts below include negotiable certificates of deposit bought in 'Cash and due from banks,' and commercial paper and beneficiary claim on loan trust classified as 'Commercial paper and other debt purchased.'

2. 'Stocks of subsidiaries and affiliates which have market value are included in (4).'

(1) Bonds classified as held-to-maturity

As of September 30, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	61,564	61,439	(124)	39	164
Japanese local government bonds	23,392	23,224	(168)	-	168
Japanese corporate bonds	-	-	-	-	-
Other	30,015	30,593	577	743	165
Total	114,971	115,256	284	783	498

(Note) Market value is calculated using the market price at the interim term-end.

(2) Other securities which have market value

As of September 30, 2001	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	5,857,733	5,051,445	(806,287)	214,158	1,020,446
Bonds	10,207,072	10,289,102	82,029	91,936	9,906
Japanese government bonds	8,986,108	9,046,201	60,092	64,990	4,897
Japanese local government bonds	287,439	299,190	11,750	12,080	330
Japanese corporate bonds	933,524	943,710	10,186	14,865	4,678
Other	3,593,998	3,677,273	83,274	102,811	19,537
Total	19,658,804	19,017,821	(640,983)	408,906	1,049,890

(Note) Market value is calculated by using the average market price for one month before the interim term-end as for stocks and using the market price at the interim term-end as for bonds and others.

(3) Securities which do not have market value

As of September 30, 2001	(Millions of yen)
	Consolidated balance sheet amount
Bonds classified as held to maturity	
Unlisted foreign securities	20,422
Other	35,226
Other securities	
Unlisted foreign securities	378,823
Unlisted bonds	573,781
Unlisted stocks (except OTC trading stocks)	211,742
Other	110,167

(4) Stocks of subsidiaries and affiliates which have market value (Nonconsolidated)

As of September 30, 2001	(Millions of yen)		
	Balance sheet amount	Market value	Net unrealized gains (losses)
Stocks of subsidiaries	104,186	106,236	2,050
Stocks of affiliates	8,785	10,297	1,512
Total	112,971	116,534	3,562

(Note) Market value is calculated using the market price at the interim term-end.

3. As of March 31, 2002

(Note) In addition to 'Securities' stated in the consolidated balance sheet, the amounts below include trading securities, negotiable certificates of deposit bought and commercial paper classified as 'Trading assets' negotiable certificates of deposit bought classified as 'Cash and due from banks' and commercial paper and beneficiary claim on loan trust classified as 'Commercial paper and other debt purchased.'

(1) Securities for trading purposes

As of March 31, 2002	(Millions of yen)	
	Consolidated balance sheet amount	Gains (Losses) included in profit/loss during this fiscal year
Securities for trading purposes	986,563	(15,011)

(2) Bonds classified as held-to-maturity

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

(Note) Market value is calculated using market prices at the year-end.

(3) Other securities which have market value

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

(Notes)

1. Market value is calculated as follows:

Stocks	Average market price during one month before the fiscal year-end
Bonds and other	Market price at the fiscal year-end

2. When the market value of securities classified as other securities declines significantly from its acquisition cost, it is deemed that the market value will not recover to the acquisition cost. The market value is recognized as the balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation loss for this fiscal year was 114,804 million yen. The rule for determining 'significant decline' is as follows and is based on the classification of issuing company under the Bank's self-assessment of assets.

Bankrupt/ Effectively bankrupt/ Potentially bankrupt issuers:	Market value is lower than acquisition cost
Issuers requiring caution	:Market value is 30% or more lower than acquisition cost
Normal issuers	: Market value is 50% or more lower than acquisition cost

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt
Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt
Potentially bankrupt issuers: Issuers that are perceived to have a high risk of falling into bankruptcy
Issuers requiring caution: Issuers that are identified for close monitoring
Normal issuers: Issuers other than the above four categories of issuers

(4) Bonds sold during this fiscal year that are classified as held-to- maturity

There are no corresponding transactions.

(5) Other securities sold during the fiscal year

Year ended March 31, 2002	(Millions of yen)		
	Sales	Gains	Losses
	amount	on sales	on sales
Other securities	32,067,887	321,317	95,118

(6) Securities which do not have market value

As of March 31, 2002	(Millions of yen)
	Consolidated balance sheet amount
Bonds classified as held-to-maturity	
Unlisted foreign securities	13,080
Other	18,246
Other securities	
Unlisted foreign securities	349,227
Unlisted bonds	561,512
Unlisted stocks (except OTC trading stocks)	179,961
Other	109,478

(7) Change in classification of securities

There are no corresponding items.

(8) Redemption schedule of other securities that have maturities and bonds classified as held-to-maturity

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

[2] Money Held in Trust

1. As of September 30, 2002

(1) Money held in trust for trading purposes

As of September 30, 2002	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this interim term
Money held in trust for trading purposes	18,309	30

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

There are no corresponding transactions.

(3) Other money held in trust (Money held in trust except for trading purposes and held-to-maturity)

As of September 30, 2002	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	26,264	25,797	(467)	371	838

(Notes) Consolidated interim balance sheet amount is calculated using the market price at the interim term-end.

2. As of September 30, 2001

(1) Money held in trust classified as held to maturity

There are no corresponding transactions.

(2) Other money held in trust (Money held in trust which are classified as except for trading and held to maturity)

As of September 30, 2001	(Millions of yen)				
	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	64,173	60,155	(4,017)	278	4,296

(Notes) Consolidated interim balance sheet amount is calculated using the market price at the interim term-end.

3. As of March 31, 2002

(1) Money held in trust for trading purposes

As of March 31, 2002	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this fiscal year
Money held in trust classified as trading	3,715	-

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

There are no corresponding transactions.

(3) Other money held in trust (Money held in trust except for trading purposes and held-to-maturity)

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

(Note) Consolidated balance sheet amount is calculated using the market price at the consolidated fiscal year-end.

[3] Net Unrealized Gains (Losses) on Other Securities

1. As of September 30, 2002

Net unrealized gains (losses) on other securities that is reported on the consolidated interim balance sheet is as follows:

As of September 30, 2002	(Millions of yen)
Net unrealized gains	(835,429)
Other securities	(834,962)
Other money held in trust	(467)
(+) Deferred tax assets	319,645
Net unrealized gains (losses) on securities (before adjustment)	(515,784)
(-) Minority interests	(3,989)
(+) Parent company's share in net unrealized gains (losses) on other securities held by affiliates accounted for by the equity method	(611)
Net unrealized gains (losses) on other securities	(512,407)

(Note) Net unrealized gains (losses) include foreign currency translation adjustments on securities which do not have market value denominated in foreign currency.

2. As of September 30, 2001

Net unrealized gains (losses) on other securities that is reported on the consolidated interim balance sheet is as follows:

As of September 30, 2001	(Millions of yen)
Net unrealized gains	(644,972)
Other securities	(640,955)
Other money held in trust	(4,017)
(+) Deferred tax assets	246,909
Net unrealized gains (losses) on other securities (before adjustment)	(398,063)
(-) Minority interests	(3,517)
(+) Parent company's share in net unrealized gains (losses) on other securities held by affiliates accounted for by the equity method	(273)
Net unrealized gains (losses) on other securities	(394,819)

(Note) Net unrealized gains (losses) include foreign currency translation adjustments on securities which do not have market value denominated in foreign currency.

3. As of March 31, 2002

Net unrealized gains (losses) on other securities that is reported on the consolidated balance sheet is as follows:

As of March 31, 2002	(Millions of yen)
Net unrealized gains	(499,280)
Other securities	(495,455)
Other money held in trust	(3,825)
(+) Deferred tax assets	191,016
Net unrealized gains (losses) on other securities (before adjustment)	(308,264)
(-) Minority interests	(4,225)
(+) Parent company's share in net unrealized gains (losses) on other securities held by affiliates accounted for by the equity method	(797)
Net unrealized gains (losses) on other securities	(304,837)

(Note) Net unrealized gains (losses) include foreign currency translation adjustments on securities which do not have market value denominated in foreign currency.

Market Value Information on Derivative Transactions

1. As of September 30, 2002

(1) Interest Rate Derivatives

As of September 30, 2002	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange			
Interest rate futures	47,730,166	3,798	3,798
Interest rate options	2,716,792	120	120
Over-the-counter transactions			
Forward rate agreement	23,372,432	(151)	(151)
Interest rate swaps	305,873,922	162,410	162,410
Swaptions	2,531,030	(8,681)	(8,681)
Caps	9,899,508	1,672	1,672
Floors	778,929	2,816	2,816
Other	268,511	(2,831)	(2,831)
Total		159,152	159,152

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

Certain consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the above amounts. Their net unrealized gain was 323 million yen.

(2) Currency Derivatives

As of September 30, 2002	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions			
Currency swaps	15,871,917	(47,872)	(47,872)
Forward foreign exchange	3,337,288	2,436	2,436
Currency options	11,416	294	294
Other	992,078	5,966	5,966
Total		(39,173)	(39,173)

(Notes)

1. The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

Derivative transactions to which hedge accounting method is applied and the transactions shown in Notes 2 are not included in the above amounts.

Certain consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the above amounts. Their net unrealized gain was 1,467 million yen.

2. The following types of forward foreign exchange and currency options are not included in the above amounts.

a) Revaluated at interim year-end and valuation gain (loss) is recognized in the consolidated interim statement of income

b) Embedded in foreign currency financial assets/liabilities and recognized in the consolidated interim balance sheet

c) Embedded in foreign currency financial assets/liabilities and eliminated in the process of consolidation

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

As of September 30, 2002	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	-
Currency options	-
Over-the-counter transactions	
Forward foreign exchange	37,056,131
Currency options	4,899,909

(3) Equity Derivatives

As of September 30, 2002	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange			
Stock price index futures	1,790	(7)	(7)
Stock price index options	-	-	-
Over-the-counter transactions			
Equity options	-	-	-
Stock price index swaps	12,314	585	585
Other	130,616	(1,754)	(1,754)
Total		(1,176)	(1,176)

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

(4) Bond Derivatives

As of September 30, 2002	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange			
Bond futures	264,916	(77)	(77)
Bond futures options	-	-	-
Over-the-counter transactions			
Bond options	25,635	(0)	(0)
Total		(78)	(78)

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

(5) Commodity Derivatives

As of September 30, 2002	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions			
Commodity swaps	31,698	471	471
Commodity options	9,502	33	33
Total		505	505

(Notes)

1. The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

2. Commodity derivatives options are all oil-related products.

(6) Credit Derivative Transactions

As of September 30, 2002	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions			
Credit default options	80,159	538	538
Other	93,644	(13)	(13)
Total		525	525

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

2. As of September 30, 2001

(1) Interest Rate Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange			
Interest rate futures	15,784,133	12,301	12,301
Interest rate options	2,071,050	(74)	(74)
Over-the-counter transactions			
Forward rate agreement	10,511,217	(409)	(409)
Interest rate swaps	225,489,844	38,406	38,406
Swaptions	2,354,919	(6,084)	(6,084)
Caps	8,653,370	2,877	2,877
Floors	1,115,479	4,701	4,701
Other	402,087	(3,620)	(3,620)
Total		48,096	48,096

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

Certain consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the above amounts. Their net unrealized gain was 2,544 million yen.

(2) Currency Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions			
Currency swaps	25,097,961	(49,795)	(49,795)
Forward foreign exchange	961,549	(13,461)	(13,461)
Currency options	92,163	207	207
Total		(63,049)	(63,049)

(Notes)

1. The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

Derivative transactions to which hedge accounting method is applied and the transactions shown in Notes 2 are not included in the above amounts.

Certain consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the above amounts. Their net unrealized gain was 708 million yen.

2. The following types of forward foreign exchange and currency options are not included in the above amounts.

a) Revaluated at interim year-end and valuation gain (loss) is recognized in the consolidated interim statement of income

b) Embedded in foreign currency financial assets/liabilities and recognized in the consolidated interim balance sheet

c) Embedded in foreign currency financial assets/liabilities and eliminated in the process of consolidation

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

As of September 30, 2001	(Millions of yen)
	Contract amount
Transactions listed on exchange	
Currency futures	-
Currency options	-
Over-the-counter transactions	
Forward foreign exchange	46,447,828
Currency options	5,587,019

(3) Equity Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange			
Stock price index futures	17,038	7	7
Stock price index options	-	-	-
Over-the-counter transactions			
Equity options	-	-	-
Stock price index swaps	14,827	503	503
Other	143,751	(917)	(917)
Total		(406)	(406)

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

(4) Bond Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Transactions listed on exchange			
Bond futures	61,742	(36)	(36)
Bond futures options	8,400	24	24
Over-the-counter transactions			
Bond options	47,117	43	43
Total		31	31

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

(5) Commodity Derivatives

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions			
Commodity options	10,338	43	43
Total		43	43

(Notes)

1. The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

2. Commodity derivatives options are all oil-related products.

(6) Credit Derivative Transactions

As of September 30, 2001	(Millions of yen)		
	Contract amount	Market value	Valuation gains (losses)
Over-the-counter transactions			
Credit default options	97,556	92	92
Other	230,325	(4,940)	(4,940)
Total		(4,848)	(4,848)

(Note)

The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated interim statement of income.

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

3. As of March 31, 2002

(1) Interest Rate Derivatives

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

(Note)

- The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the above amounts.
Certain consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the above amounts. Their net unrealized gain was 490 million yen.
- Market values of transactions listed on exchange are calculated primarily using the closing prices on the Tokyo International Financial Futures Exchange and others.
Market values of OTC transactions are calculated primarily using discounted present value and option pricing models.

(2) Currency Derivatives

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

(Notes)

1. The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated statement of income.

Derivative transactions to which hedge accounting method is applied and the transactions shown in Notes 2 are not included in the above amounts.

Certain consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards and such transactions are not included in the above amounts. Their net unrealized gain was 715 million yen.

2. Market value is calculated mainly using discounted present value.

3. The following types of forward foreign exchange and currency options are not included in the above amounts.

a) Revaluated at fiscal year-end and valuation gain (loss) is recognized in the consolidated statement of income

b) Embedded in foreign currency financial assets/liabilities and recognized in the consolidated balance sheet

c) Embedded in foreign currency financial assets/liabilities and eliminated in the process of consolidation

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

As of March 31, 2002	(Millions of yen)	
	Contract amount	
Transactions listed on exchange		
Currency futures		
sold	-	
bought	-	
Currency options		
sold	-	
bought	-	
Over-the-counter transactions		
Forward foreign exchange	42,123,544	
Currency options		
sold	3,161,699	
bought	3,736,356	

(3) Equity Derivatives

As of March 31, 2002	(Millions of yen)			
	Contract amount	(Over 1 year)	Market value	Valuation gains (losses)
Transactions listed on exchange				
Equity price index futures				
sold	55	-	0	0
bought	211	-	0	0
Equity price index options				
sold	-	-	-	-
bought	-	-	-	-
Over-the-counter transactions				
Equity options				
sold	-	-	-	-
bought	-	-	-	-
Equity swaps				
Receivable equity index/Payable floating	-	-	-	-
Payable equity index/Receivable floating	11,664	-	25	25
Other				
sold	98,375	21,566	(4,531)	(4,531)
bought	69,016	-	796	796
Total			(3,709)	(3,709)

(Notes)

1. The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated statement of income.

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

2. Market values of transactions listed on exchange are calculated primarily using the closing prices on the Tokyo Stock Exchange and others. Market values of OTC transactions are calculated primarily using discounted present value and option pricing models.

(4) Bond Derivatives

As of March 31, 2002		(Millions of yen)		
	Contract amount	(Over 1 year)	Market value	Valuation gains (losses)
Transactions listed on exchange				
Bond futures				
sold	13,300	-	(78)	(78)
bought	13,300	-	90	90
Bond futures options				
sold	-	-	-	-
bought	5,000	-	11	11
Over-the-counter transactions				
Bond options				
sold	23,064	17,384	(11)	(11)
bought	28,155	4,953	0	0
Total			11	11

(Notes)

- The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the above amounts.
- Market values of transactions listed on exchange are calculated primarily using the closing prices on the Tokyo Stock Exchange and others. Market values of OTC transactions are calculated primarily using option pricing models.

(5) Commodity Derivatives

As of March 31, 2002		(Millions of yen)		
	Contract amount	(Over 1 year)	Market value	Valuation gains (losses)
Over-the-counter transactions				
Commodity swaps				
Receive fixed rate/Pay commodity index	1,918	1,796	504	504
Pay fixed rate/Receive commodity index	1,918	1,796	(361)	(361)
Commodity options				
sold	5,026	4,469	(1,070)	(1,070)
bought	5,026	4,469	1,107	1,107
Total			180	180

(Notes)

- The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the above amounts.
- Market value is calculated based on factors such as price of the relevant commodity and contract term.
- Commodity derivatives are all oil related products.

(6) Credit Derivative Transactions

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

(Notes)

- The above transactions are valued at market value and the valuation gains (losses) are recorded in the consolidated statement of income.
Derivative transactions to which hedge accounting method is applied are not included in the above amounts.
- Market values are calculated based on factors such as price of the relevant commodity and contract period.
- Sold' represents transactions in which credit risk is accepted by SMBC. 'Bought' represents transactions in which credit risk is transferred from SMBC.