

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.