

6. Overview of Derivative Transactions (on Deferred Hedge Accounting Basis)

<SMBC Non-consolidated>

(Billions of yen)

		Mar. 31, 2004				Mar. 31, 2003			
		Assets (a)	Liabilities (b)	Net assets (a) - (b)	Net deferred gains (losses)	Assets (c)	Liabilities (d)	Net assets (c) - (d)	Net deferred gains (losses)
	Interest rate swaps	99.0	106.5	(7.5)	(59.1)	398.5	175.2	223.3	117.3
	Currency swaps	1.5	3.9	(2.4)	4.7	419.5	408.0	11.5	9.6
	Others	2.3	7.3	(5.0)	1.6	58.9	31.5	27.4	28.9
	Total	102.8	117.7	(14.9)	(52.8)	876.9	614.7	262.2	155.8

(Notes) 1. Derivative transactions are valued at fair value in the balance sheet except for those to which 'the short-cut method for interest rate swap' is applied.

2. As for Mar. 31, 2004, SMBC applied individual deferred hedge or fair value hedge accounting based on Practical Guidelines for Accounting Standard for Financial Instruments as well as deferred hedge accounting for banking industry based on JICPA Industry Audit Committee Report No.24 and No.25.

As for Mar. 31, 2003, SMBC mainly applied deferred hedge accounting based on 'the risk adjustment approach', which is one of the methods of macro hedging.

(Appendix) Contract amount of interest rate swaps (on deferred hedge accounting basis), classified by maturity

(Billions of yen)

		Mar. 31, 2004				Mar. 31, 2003			
		1 year or less	1-5 years	over 5 years	Total	1 year or less	1-5 years	over 5 years	Total
	Receivable fixed rate /payable floating rate	3,768.9	20,168.0	4,307.6	28,244.5	20,063.1	22,188.0	6,588.7	48,839.8
	Receivable floating rate /payable fixed rate	865.0	3,089.9	4,460.4	8,415.3	12,075.6	14,597.6	3,509.8	30,183.0
	Receivable floating rate /payable floating rate	1.0	613.0	50.8	664.8	5.2	866.6	84.5	956.3
	Total contract amount	4,634.9	23,870.9	8,818.8	37,324.6	32,143.9	37,652.2	10,183.0	79,979.1