

## 5. Unrealized Gains (Losses) on Securities

## (1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses)* are directly included in Stockholders' equity)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

\*The amount recognized in income statement by application of fair value hedge accounting is excluded from the amount directly included in Stockholders' equity.

## (Reference) Securities in money held in trust

Investment purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Other money held in trust	With market value	Fair value method (net valuation gains (losses) directly included in Stockholders' equity)
	Without market value	Cost method or amortized cost method

## (2) Unrealized gains (losses)

## &lt;SMBC Non-consolidated&gt;

(Millions of yen)

	Sep. 30, 2005				Mar. 31, 2005		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(7,434)	(5,590)	1,367	(8,801)	(1,844)	2,089	(3,933)
Stocks of subsidiaries and affiliates	116,899	56,556	116,899	-	60,343	60,690	(347)
Other securities	851,571	200,186	1,013,885	(162,314)	651,385	750,143	(98,757)
Stocks	945,387	278,061	980,079	(34,692)	667,326	708,643	(41,317)
Bonds	(80,253)	(87,953)	2,917	(83,171)	7,700	27,343	(19,642)
Others	(13,562)	10,079	30,888	(44,450)	(23,641)	14,155	(37,797)
Other money held in trust	209	5	209	-	204	300	(95)
Total	961,246	251,158	1,132,362	(171,115)	710,088	813,222	(103,133)
Stocks	1,062,286	334,617	1,096,979	(34,692)	727,669	769,333	(41,664)
Bonds	(88,106)	(93,466)	3,866	(91,972)	5,360	28,925	(23,565)
Others	(12,933)	10,008	31,517	(44,450)	(22,941)	14,963	(37,904)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks'.

2. Unrealized gains (losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.

3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.

Net unrealized gains on other securities as of Sep. 30, 2005 include losses of JPY 557 million that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 400 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 957 million is added to the amount to be directly included in stockholders' equity. Unrealized gains on other securities for Mar. 31, 2005 include gains of JPY 469 million recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 82 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 551 million is excluded from the amount to be directly included in stockholders' equity.

## &lt;Consolidated&gt;

(Millions of yen)

	Sep. 30, 2005				Mar. 31, 2005		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(7,411)	(5,593)	1,390	(8,802)	(1,818)	2,114	(3,933)
Other securities	897,653	201,314	1,070,345	(172,691)	696,339	801,356	(105,017)
Stocks	992,730	287,677	1,031,519	(38,788)	705,053	750,480	(45,426)
Bonds	(83,132)	(98,093)	4,822	(87,955)	14,961	34,971	(20,010)
Others	(11,944)	11,731	34,002	(45,947)	(23,675)	15,903	(39,579)
Other money held in trust	209	5	209	-	204	300	(95)
Total	890,450	195,726	1,071,944	(181,493)	694,724	803,771	(109,046)
Stocks	992,730	287,677	1,031,519	(38,788)	705,053	750,480	(45,426)
Bonds	(90,986)	(103,607)	5,771	(96,757)	12,621	36,554	(23,932)
Others	(11,293)	11,657	34,654	(45,947)	(22,950)	16,735	(39,686)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and beneficiary claims on trust such as receivables in 'Commercial paper and other debt purchased'.

2. Unrealized gains (losses) of stocks are mainly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.

3. Other securities and Other money held in trust are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.

Net unrealized gains on other securities as of Sep. 30, 2005 include losses of JPY 557 million that were recognized in income statement by applying fair value hedge accounting and valuation losses of JPY 400 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 957 million is added to the amount to be directly included in stockholders' equity. Unrealized gains on other securities for Mar. 31, 2005 include gains of JPY 469 million recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 82 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 551 million is excluded from the amount to be directly included in stockholders' equity.