

5. Unrealized Gains (Losses) on Securities

(1) Evaluation method of securities

Trading purpose	Fair value method (net unrealized gains (losses) are recognized in the fiscal year's earnings)
Held-to-maturity purpose	Amortized cost method
Other securities	With fair value
	Whose fair value is extremely difficult to determine
Investments in subsidiaries and affiliates	Cost method

(Notes) 1. Securities in money held in trust are valued by the same method as above.

2. Among Net unrealized gains (losses) on other securities, the amount that is recognized in the fiscal year's earnings by applying fair value hedge accounting is not included in Net assets.

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

	Mar. 31, 2010				Mar. 31, 2009		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	57,903	30,052	58,530	(626)	27,851	28,155	(304)
Stocks of subsidiaries and affiliates	(13,471)	(9,935)	-	(13,471)	(3,536)	-	(3,536)
Other securities	521,377	564,078	738,870	(217,493)	(42,701)	337,535	(380,237)
Stocks	371,459	388,004	518,132	(146,672)	(16,545)	273,058	(289,604)
Bonds	116,145	117,386	123,064	(6,918)	(1,241)	16,910	(18,152)
Others	33,772	58,686	97,674	(63,901)	(24,914)	47,566	(72,480)
Other money held in trust	62	324	157	(95)	(262)	-	(262)
Total	565,872	584,521	797,558	(231,686)	(18,649)	365,691	(384,341)
Stocks	365,979	386,061	518,132	(152,153)	(20,082)	273,058	(293,140)
Bonds	174,049	147,440	181,594	(7,545)	26,609	45,066	(18,456)
Others	25,843	51,019	97,831	(71,987)	(25,176)	47,566	(72,743)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks' and beneficiary claims on loan trust in 'Monetary claims bought,' etc.

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 fiscal year.

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. Unrealized gains (losses) indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

Among Net unrealized gains (losses) on other securities as of March 31, 2010, 105 million yen that is recognized in the fiscal year's earnings by applying fair value hedge accounting is not included in Net assets.

4. Floating-rate Japanese government bonds which SMBC held as Other securities are carried on the balance sheet at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value of Financial Assets" (Accounting Standard Board of Japan Practical Issues Task Force No. 25, issued on October 28, 2008).

5. "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, partially revised on March 10, 2008) became effective from the fiscal year ending on and after March 31, 2010. SMFG has applied them from FY3/2010. Accordingly, this accounting change has the following impact on the non-consolidated financial statements as compared with the previous accounting method: Monetary claims bought increased by 8,710 million yen, Bonds in Securities increased by 46,708 million yen, Stocks in Securities increased by 1,217 million yen, Net unrealized gains (losses) on other securities increased by 39,714 million yen, Other securities in Securities decreased by 604 million yen, Deferred tax assets related to Net unrealized gains (losses) on other securities decreased by 27,178 million yen, and Reserve for possible loan losses decreased by 29,909 million yen.

<Consolidated>

(Millions of yen)

	Mar. 31, 2010				Mar. 31, 2009		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	58,610	31,869	59,344	(734)	26,741	28,155	(1,414)
Other securities	586,414	619,590	799,355	(212,941)	(33,176)	356,834	(390,011)
Stocks	410,984	403,922	543,745	(132,761)	7,062	287,380	(280,317)
Bonds	123,658	126,484	131,821	(8,163)	(2,826)	21,534	(24,360)
Others	51,771	89,183	123,788	(72,017)	(37,412)	47,920	(85,332)
Other money held in trust	62	324	157	(95)	(262)	-	(262)
Total	645,087	651,784	858,858	(213,770)	(6,697)	384,990	(391,688)
Stocks	410,984	403,922	543,745	(132,761)	7,062	287,380	(280,317)
Bonds	182,369	157,950	191,162	(8,793)	24,419	49,690	(25,270)
Others	51,733	89,913	123,950	(72,216)	(38,180)	47,920	(86,100)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Cash and due from banks' and beneficiary claims on loan trust in 'Monetary claims bought,' etc.

2. Unrealized gains (losses) of stocks are calculated with the average market price during the final month of the fiscal year. 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. Unrealized gains (losses) indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

Among Net unrealized gains (losses) on other securities as of March 31, 2010, 105 million yen that is recognized in the fiscal year's earnings by applying fair value hedge accounting is not included in Net assets.

4. Floating-rate Japanese government bonds which SMBC held as Other securities are carried on the balance sheet at their reasonably estimated amounts in accordance with the "Practical Solution on Measurement of Fair Value of Financial Assets" (Accounting Standard Board of Japan Practical Issues Task Force No. 25, issued on October 28, 2008).

5. "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, partially revised on March 10, 2008) and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 10, 2008) became effective from the fiscal year ending on and after March 31, 2010. SMFG has applied them from FY3/2010. Accordingly, this accounting change has the following impact on the consolidated financial statements as compared with the previous accounting method: Monetary claims bought increased by 8,710 million yen, Securities increased by 41,914 million yen, Net unrealized gains (losses) on other securities increased by 39,315 million yen, Deferred tax assets related to Net unrealized gains (losses) on other securities decreased by 27,056 million yen, and Reserve for possible loan losses decreased by 34,999 million yen.