

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)* directly charged to Stockholders' equity)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

*In and after FY2003, fair value hedge accounting is applied for hedge transactions which off-set the fluctuation of the market value of bonds for ALM purpose.

*The amount recognized in income statement by application of fair value hedge accounting is excluded from the amount directly charged to 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 charged to Stockholders' equity)
	Without market value	Cost method or amortized cost method

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

	Mar. 31, 2004				Mar. 31, 2003		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(7,646)	(11,449)	2,618	(10,265)	3,803	3,909	(105)
Stocks of subsidiaries and affiliates	41,696	62,124	41,696	-	(20,428)	624	(21,052)
Other securities	556,146	574,003	757,072	(200,925)	(17,857)	257,680	(275,537)
Stocks	651,101	803,455	711,514	(60,413)	(152,354)	105,269	(257,624)
Bonds	(101,890)	(210,602)	16,211	(118,101)	108,712	112,417	(3,705)
Others	6,935	(18,850)	29,346	(22,410)	25,785	39,993	(14,207)
Other money held in trust	121	165	222	(100)	(44)	510	(555)
Total	590,318	624,844	801,610	(211,291)	(34,526)	262,725	(297,251)
Stocks	692,798	865,580	753,211	(60,413)	(172,782)	105,894	(278,677)
Bonds	(110,416)	(221,944)	17,950	(128,366)	111,528	115,234	(3,705)
Others	7,937	(18,790)	30,448	(22,510)	26,727	41,597	(14,869)

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

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 evaluated at the market price as of the balance sheet date.

3. 'Other securities' and 'Other money held in trust' are evaluated 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.

'Unrealized gains (losses) for other securities' includes JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.

<Consolidated>

(Millions of yen)

	Mar. 31, 2004				Mar. 31, 2003		
	Net unrealized gains (losses)				Net unrealized gains (losses)		
	(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose	(7,425)	(13,307)	2,840	(10,266)	5,882	5,988	(105)
Other securities	575,612	606,255	787,517	(211,904)	(30,643)	272,943	(303,587)
Stocks	669,784	835,226	736,878	(67,094)	(165,442)	112,952	(278,395)
Bonds	(103,256)	(214,420)	18,590	(121,847)	111,164	117,093	(5,928)
Others	9,084	(14,550)	32,047	(22,963)	23,634	42,897	(19,263)
Other money held in trust	121	165	222	(100)	(44)	510	(555)
Total	568,308	593,113	790,580	(222,271)	(24,805)	279,443	(304,248)
Stocks	669,784	835,226	736,878	(67,094)	(165,442)	112,952	(278,395)
Bonds	(111,783)	(227,799)	20,330	(132,113)	116,016	121,945	(5,928)
Others	10,307	(14,313)	33,371	(23,063)	24,620	44,545	(19,925)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and commercial papers as well as claims on loan trust 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 fiscal year. Rest of the securities are evaluated at the market price as of the balance sheet date.

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

'Unrealized gains (losses) for other securities' includes JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.