

5. Unrealized Gain (Loss) on Securities

(1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gain (loss) are recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gain (loss) are directly included in Net assets)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

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

(2) Unrealized gain (loss)

<SMBC Non-consolidated>

(Millions of yen)

	Sep. 30, 2008				Mar. 31, 2008		
	Net unrealized gain (loss)				Net unrealized gain (loss)		
	(a)	(a) - (b)	Gain	Loss	(b)	Gain	Loss
Held-to-maturity purpose	7,098	(9,977)	10,554	(3,455)	17,075	18,373	(1,298)
Stocks of subsidiaries and affiliates	(48,991)	(50,045)	-	(48,991)	1,054	14,885	(13,831)
Other securities	629,812	(125,937)	859,499	(229,686)	755,749	1,030,778	(275,029)
Stocks	782,453	(153,871)	844,586	(62,133)	936,324	992,665	(56,341)
Bonds	(56,468)	73,040	629	(57,098)	(129,508)	15,579	(145,087)
Others	(96,172)	(45,105)	14,283	(110,455)	(51,067)	22,533	(73,600)
Other money held in trust	(136)	(107)	-	(136)	(29)	-	(29)
Total	587,784	(186,065)	870,054	(282,269)	773,849	1,064,037	(290,188)
Stocks	733,462	(203,916)	844,586	(111,124)	937,378	1,007,551	(70,172)
Bonds	(49,369)	63,063	11,184	(60,554)	(112,432)	33,952	(146,385)
Others	(96,308)	(45,212)	14,283	(110,591)	(51,096)	22,533	(73,630)

(Notes) 1. The figures above include unrealized gain (loss) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' etc.

2. Unrealized gain (loss) 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. Unrealized gain (loss) indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

4. Floating-rate Japanese government bonds which SMBC held as Other securities had been carried on the balance sheet at market values. From the six months ended September 30, 2008, such bonds have been carried 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). As a result of this accounting change, compared with the former accounting method, "Securities" and "Valuation difference on available-for-sale securities" increased by JPY 147,919 million and JPY 87,819 million, respectively, and "Deferred tax assets" decreased by JPY 60,099 million.

<Consolidated>

(Millions of yen)

	Sep. 30, 2008				Mar. 31, 2008		
	Net unrealized gain (loss)				Net unrealized gain (loss)		
	(a)	(a) - (b)	Gain	Loss	(b)	Gain	Loss
Held-to-maturity purpose	6,289	(10,466)	10,554	(4,264)	16,755	18,379	(1,623)
Other securities	619,540	(125,880)	871,503	(251,963)	745,420	1,042,530	(297,109)
Stocks	785,663	(150,565)	853,934	(68,271)	936,228	999,414	(63,186)
Bonds	(59,514)	73,378	2,579	(62,093)	(132,892)	18,645	(151,537)
Others	(106,608)	(48,693)	14,989	(121,598)	(57,915)	24,469	(82,385)
Other money held in trust	(136)	(107)	-	(136)	(29)	-	(29)
Total	625,694	(136,452)	882,058	(256,363)	762,146	1,060,909	(298,763)
Stocks	785,663	(150,565)	853,934	(68,271)	936,228	999,414	(63,186)
Bonds	(52,881)	63,063	13,133	(66,014)	(115,944)	37,025	(152,969)
Others	(107,087)	(48,950)	14,989	(122,077)	(58,137)	24,469	(82,607)

(Notes) 1. The figures above include unrealized gain (loss) on negotiable certificates of deposit in 'Cash and due from banks & Deposits with banks' etc.

2. Unrealized gain (loss) 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. Unrealized gain (loss) indicate the difference between the acquisition costs (or amortized costs) and the balance sheet amounts.

4. Floating-rate Japanese government bonds which SMFG held as Other securities had been carried on the consolidated balance sheet at market values. From the six months ended September 30, 2008, such bonds have been carried 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). As a result of this accounting change, compared with the former accounting method, "Securities," "Valuation difference on available-for-sale securities" and "Minority interests" increased by JPY 153,847 million, JPY 88,504 million and JPY 3,287 million, respectively, and "Deferred tax assets" decreased by JPY 62,055 million.