

4. Unrealized Gains (Losses) on Securities

Net unrealized gains on securities as of March 31, 2011 amounted to ¥336.6 billion, a decrease of ¥229.2 billion from the previous fiscal year-end, reflecting a decrease in the value of equities and other factors. Of this total, net

unrealized gains on other securities, including “other money held in trust,” which are directly debited to net assets, amounted to ¥305.6 billion, a decrease of ¥215.7 billion from the previous fiscal year-end.

Unrealized Gains (Losses) on Securities

| | Millions of yen | | | | | | |
|--|-----------------------------------|-----------|------------------|-------------------|-----------------------------------|------------------|-------------------|
| | 2011 | | | | 2010 | | |
| March 31 | Net unrealized gains (losses) (A) | (A) – (B) | Unrealized gains | Unrealized losses | Net unrealized gains (losses) (B) | Unrealized gains | Unrealized losses |
| Held-to-maturity securities..... | ¥ 58,930 | ¥ 1,027 | ¥ 60,394 | ¥ 1,463 | ¥ 57,903 | ¥ 58,530 | ¥ 626 |
| Stocks of subsidiaries and affiliates... | (27,948) | (14,477) | 521 | 28,470 | (13,471) | — | 13,471 |
| Other securities | 305,621 | (215,756) | 662,003 | 356,382 | 521,377 | 738,870 | 217,493 |
| Stocks..... | 275,468 | (95,991) | 468,639 | 193,170 | 371,459 | 518,132 | 146,672 |
| Bonds | 71,931 | (44,214) | 99,888 | 27,956 | 116,145 | 123,064 | 6,918 |
| Others | (41,778) | (75,550) | 93,476 | 135,254 | 33,772 | 97,674 | 63,901 |
| Other money held in trust..... | 42 | (20) | 42 | — | 62 | 157 | 95 |
| Total | 336,646 | (229,226) | 722,962 | 386,315 | 565,872 | 797,558 | 231,686 |
| Stocks..... | 261,289 | (104,690) | 469,161 | 207,871 | 365,979 | 518,132 | 152,153 |
| Bonds | 130,861 | (43,188) | 160,282 | 29,420 | 174,049 | 181,594 | 7,545 |
| Others | (55,505) | (81,348) | 93,518 | 149,023 | 25,843 | 97,831 | 71,987 |

- Notes: 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in “Cash and due from banks” and “Deposits with banks” and beneficiary claims on loan trusts in “Monetary claims bought,” etc.
2. Unrealized gains (losses) on stocks (excluding stocks of subsidiaries and affiliates) (including foreign stocks) are calculated using the average market price during the final month of the respective reporting period. The rest of the securities are valued at the market price 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 differences between the acquisition costs (or amortized costs) and the balance sheet amounts.
- Net unrealized gains (losses) on other securities, as of March 31, 2011 and 2010, included gains of ¥1,153 million and ¥105 million, respectively, which were recognized in the statements of income by applying fair value hedge accounting. As a result, the amounts recorded in net assets, as of March 31, 2011 and 2010, were reduced by ¥1,153 million and ¥105 million, respectively.
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 for Financial Assets” (ASBJ Practical Issues Task Force No. 25).