

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Figures related to profit or loss for the year ended March 31, 2003 include the former SMBC's operating results for the period from April 1, 2002 to March 16, 2003 to make possible a substantive comparison with previous year.

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥1,017,456	¥375,344	¥1,392,322	¥1,105,122	¥541,970	¥1,647,092
			[478]			[0]
Interest expenses.....	69,570	236,170	305,262	79,324	344,430	423,755
			[478]			[0]
Net interest income	947,885	139,174	1,087,060	1,025,797	197,539	1,223,336
Trust fees	¥ 334	¥ —	¥ 334	¥ 7	¥ —	¥ 7
Fees and commissions (income)	¥ 262,993	¥ 59,081	¥ 322,075	¥ 225,296	¥ 53,494	¥ 278,790
Fees and commissions (expenses)	83,827	11,679	95,506	72,447	11,677	84,124
Net fees and commissions	179,166	47,401	226,568	152,849	41,816	194,665
Trading profits	¥ 667	¥282,944	¥ 283,611	¥ 2,496	¥194,229	¥ 196,726
Trading losses.....	1,977	904	2,881	0	725	725
Net trading income	(1,309)	282,039	280,729	2,496	193,504	196,000
Other operating income	¥ 84,531	¥ 68,412	¥ 149,209	¥ 86,409	¥108,243	¥ 194,653
Other operating expenses.....	74,991	88,517	159,774	14,662	33,317	47,980
Net other operating income.....	9,540	(20,105)	(10,565)	71,747	74,925	146,672
Gross banking profit.....	¥1,135,616	¥448,510	¥1,584,127	¥1,252,898	¥507,785	¥1,760,684
Gross banking profit rate (%)	1.62%	3.70%	1.95%	1.67%	3.73%	1.99%

- Notes: 1. Domestic operations include yen-denominated transactions by domestic branches, while international operations include foreign-currency-denominated transactions by domestic branches and operations by overseas branches. Yen-denominated nonresident transactions and Japan offshore banking accounts are included in international operations.
2. "Interest expenses" are shown after deduction of amounts equivalent to interest expenses on money held in trust (2004, ¥21 million; 2003, ¥48 million).
3. Figures in brackets [] indicate interest payments between domestic and international operations. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
4. For the year ended March 31, 2004, figures in "Total" column for "Other operating income" and "Other operating expenses" are lower than the corresponding combined sums under "Domestic operations" and "International operations" by ¥3,734 million in both cases. This is because income figures for financial derivatives are given net.
5. Gross banking profit rate = Gross banking profit / Average balance of interest-earning assets x 100

Average Balance, Interest and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Domestic Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥70,034,584	¥1,017,456	1.45%	¥74,671,786	¥1,105,122	1.47%
				[961]	[0]	
Loans and bills discounted.....	50,475,233	883,037	1.75	53,858,748	932,462	1.73
Securities	18,598,661	111,185	0.59	18,847,060	123,972	0.65
Call loans	203,991	103	0.05	260,378	296	0.11
Receivables under resale agreements	11,508	0	0.00	93,308	1	0.00
Receivables under securities borrowing transactions.....	515,919	104	0.02	1,254,648	225	0.01
Bills bought	184,953	5	0.00	250,527	34	0.01
Deposits with banks.....	42,471	77	0.18	101,389	207	0.20
Interest-bearing liabilities	¥71,856,302	¥ 69,570	0.09%	¥74,115,711	¥ 79,324	0.10%
	[1,000,541]	[478]				
Deposits	52,485,951	14,501	0.02	51,622,549	21,557	0.04
Negotiable certificates of deposit	4,324,976	831	0.01	5,776,955	2,068	0.03
Call money	2,407,003	73	0.00	2,777,696	320	0.01
Payables under repurchase agreements ...	1,723,557	104	0.00	1,061,813	76	0.00
Payables under securities lending transactions	2,020,607	219	0.01	2,366,830	284	0.01
Bills sold	4,702,846	876	0.01	7,363,971	347	0.00
Commercial paper.....	2,192	0	0.01	103,675	82	0.07
Borrowed money	936,408	26,743	2.85	1,026,493	29,554	2.87
Bonds.....	2,213,020	25,243	1.14	2,010,430	24,453	1.21

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2004, ¥1,247,575 million; 2003, ¥765,932 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2004, ¥21,921 million; 2003, ¥43,688 million) and corresponding interest (2004, ¥21 million; 2003, ¥46 million).
2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. Bond interest includes amortization of discount on bonds.

International Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥12,103,251 [1,000,541]	¥375,344 [478]	3.10%	¥13,612,252	¥541,970	3.98%
Loans and bills discounted.....	3,769,716	89,853	2.38	5,532,654	166,864	3.01
Securities	5,216,457	138,408	2.65	4,283,361	133,865	3.12
Call loans	160,609	2,130	1.32	142,801	2,565	1.79
Receivables under resale agreements	88,578	818	0.92	61,573	450	0.73
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	979,681	11,090	1.12	1,709,090	33,861	1.98
Interest-bearing liabilities	¥12,062,826	¥236,170	1.95%	¥13,290,079 [961]	¥344,430 [0]	2.59%
Deposits	5,678,463	70,632	1.24	7,052,284	124,348	1.76
Negotiable certificates of deposit	64,031	2,156	3.36	124,731	4,282	3.43
Call money	138,887	1,494	1.07	192,898	3,045	1.57
Payables under repurchase agreements ...	291,723	2,984	1.02	1,015,857	16,639	1.63
Payables under securities lending transactions	3,060,699	48,401	1.58	1,473,104	28,544	1.93
Bills sold	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money	1,704,931	64,999	3.81	2,023,640	77,336	3.82
Bonds	654,400	24,197	3.69	445,463	17,527	3.93

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2004, ¥30,603 million; 2003, ¥26,123 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2004, ¥— million; 2003, ¥79 million) and corresponding interest (2004, ¥— million; 2003, ¥2 million).
2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. As net interest figures are shown for interest rate swaps and similar instruments, some figures for domestic and international operations do not add up to their sums.
3. Bond interest includes amortization of discount on bonds.
4. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method, under which the TT middle rate at the end of the previous month is applied to nonexchange transactions of the month concerned.

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥81,137,294	¥1,392,322	1.71%	¥88,283,077	¥1,647,092	1.86%
Loans and bills discounted.....	54,244,949	972,891	1.79	59,391,403	1,099,326	1.85
Securities	23,815,118	249,594	1.04	23,130,421	257,837	1.11
Call loans	364,601	2,233	0.61	403,180	2,861	0.70
Receivables under resale agreements	100,087	818	0.81	154,881	452	0.29
Receivables under securities borrowing transactions.....	515,919	104	0.02	1,254,648	225	0.01
Bills bought	184,953	5	0.00	250,527	34	0.01
Deposits with banks	1,022,152	11,167	1.08	1,810,479	34,069	1.88
Interest-bearing liabilities	¥82,918,587	¥ 305,262	0.36%	¥87,404,829	¥ 423,755	0.48%
Deposits	58,164,414	85,133	0.14	58,674,833	145,905	0.24
Negotiable certificates of deposit	4,389,008	2,988	0.06	5,901,687	6,350	0.10
Call money	2,545,891	1,567	0.06	2,970,595	3,365	0.11
Payables under repurchase agreements ...	2,015,281	3,089	0.15	2,077,671	16,716	0.80
Payables under securities lending transactions	5,081,306	48,621	0.95	3,839,935	28,828	0.75
Bills sold	4,702,846	876	0.01	7,363,971	347	0.00
Commercial paper.....	2,192	0	0.01	103,675	82	0.07
Borrowed money	2,641,340	91,742	3.47	3,050,133	106,891	3.50
Bonds	2,867,421	49,441	1.72	2,455,893	41,981	1.70

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2004, ¥1,278,178 million; 2003, ¥792,056 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2004, ¥21,921 million; 2003, ¥43,767 million) and corresponding interest (2004, ¥21 million; 2003, ¥48 million).
2. Figures in the table above indicate the net average balances of amounts adjusted for interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses.
3. Bond interest includes amortization of discount on bonds.

Breakdown of Interest Income and Interest Expenses

Domestic Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(67,656)	¥(20,009)	¥(87,666)	¥(57,984)	¥(50,428)	¥(108,413)
Loans and bills discounted.....	(59,105)	9,680	(49,424)	(1,574)	(59,964)	(61,539)
Securities	(1,615)	(11,172)	(12,787)	(7,804)	(46,946)	(54,751)
Call loans	(54)	(139)	(193)	120	40	160
Receivables under resale agreements	(1)	0	(1)	(423)	(448)	(871)
Bills bought	(7)	(21)	(29)	29	(22)	7
Deposits with banks.....	(109)	(20)	(130)	149	31	181
Interest expenses.....	¥ (2,362)	¥ (7,391)	¥ (9,754)	¥ 2,024	¥(46,377)	¥ (44,353)
Deposits	354	(7,410)	(7,055)	3,460	(27,033)	(23,573)
Negotiable certificates of deposit	(435)	(801)	(1,236)	(2,063)	(2,089)	(4,152)
Call money	(37)	(208)	(246)	(260)	(703)	(963)
Payable under repurchase agreements.....	41	(13)	28	(299)	(497)	(797)
Bills sold	(165)	694	528	311	(1,217)	(906)
Commercial paper.....	(43)	(38)	(82)	(639)	(249)	(888)
Borrowed money	(2,574)	(236)	(2,811)	(4,715)	1,300	(3,415)
Bonds.....	2,369	(1,579)	790	2,389	(9,173)	(6,783)

Note: Volume/rate variance is prorated according to changes in volume and rate.

International Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(55,644)	¥(110,980)	¥(166,625)	¥(161,503)	¥(291,349)	¥(452,852)
Loans and bills discounted.....	(46,445)	(30,565)	(77,011)	(52,698)	(54,050)	(106,748)
Securities	26,560	(22,017)	4,543	41,848	(234,717)	(192,869)
Call loans	292	(727)	(434)	252	(1,994)	(1,742)
Receivables under resale agreements	230	137	367	(94)	(363)	(457)
Bills bought	—	—	—	—	—	—
Deposits with banks.....	(11,969)	(11,344)	(23,314)	(81,832)	(69,364)	(151,197)
Interest expenses.....	¥(29,673)	¥ (78,586)	¥(108,260)	¥(134,225)	¥(118,983)	¥(253,209)
Deposits	(21,383)	(32,332)	(53,715)	(75,674)	(79,033)	(154,707)
Negotiable certificates of deposit	(2,045)	(80)	(2,125)	(3,161)	(767)	(3,929)
Call money	(725)	(825)	(1,551)	(2,024)	(2,453)	(4,478)
Payable under repurchase agreements.....	(8,944)	(4,710)	(13,654)	6,454	(6,321)	133
Bills sold	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money	(12,151)	(185)	(12,337)	(17,752)	(8,842)	(26,594)
Bonds.....	7,782	(1,111)	6,670	—	—	17,527

Note: Volume/rate variance is prorated according to changes in volume and rate.

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2004			2003		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(127,946)	¥(126,822)	¥(254,769)	¥(81,852)	¥(475,557)	¥(557,410)
Loans and bills discounted.....	(93,082)	(33,352)	(126,435)	(32,793)	(135,495)	(168,288)
Securities	7,481	(15,724)	(8,243)	(7,503)	(240,117)	(247,620)
Call loans	(258)	(369)	(627)	1,426	(3,007)	(1,581)
Receivables under resale agreements	(207)	573	366	(2,298)	969	(1,329)
Bills bought	(7)	(21)	(29)	29	(22)	7
Deposits with banks.....	(12,241)	(11,203)	(23,444)	(78,921)	(72,094)	(151,016)
Interest expenses.....	¥ (20,830)	¥ (97,662)	¥(118,492)	¥ 379	¥(294,086)	¥(293,707)
Deposits	(1,258)	(59,512)	(60,771)	2,987	(181,268)	(178,280)
Negotiable certificates of deposit	(1,381)	(1,979)	(3,361)	(5,143)	(2,938)	(8,082)
Call money	(428)	(1,369)	(1,797)	(1,858)	(3,583)	(5,442)
Payable under repurchase agreements.....	(487)	(13,139)	(13,626)	(5,070)	4,406	(663)
Bills sold.....	(165)	694	528	311	(1,217)	(906)
Commercial paper.....	(43)	(38)	(82)	(639)	(249)	(888)
Borrowed money.....	(14,206)	(941)	(15,148)	(21,930)	(8,079)	(30,009)
Bonds.....	7,092	367	7,460	10,200	543	10,743

Note: Volume/rate variance is prorated according to changes in volume and rate.

Fees and Commissions

Year ended March 31	Millions of yen					
	2004			2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income)	¥262,993	¥59,081	¥322,075	¥225,296	¥53,494	¥278,790
Deposits and loans	11,331	16,950	28,282	11,049	17,004	28,053
Remittances and transfers	91,054	21,163	112,218	87,609	20,894	108,503
Securities-related business.....	19,492	763	20,256	22,718	936	23,655
Agency	13,656	—	13,656	12,918	—	12,918
Safe deposits	5,532	—	5,532	4,606	—	4,606
Guarantees	9,214	5,014	14,228	6,396	4,015	10,412
Fees and commissions (expenses).....	¥ 83,827	¥11,679	¥ 95,506	¥ 72,447	¥11,677	¥ 84,124
Remittances and transfers	17,429	4,489	21,918	16,238	4,838	21,077

Trading Income

Year ended March 31	Millions of yen					
	2004			2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits	¥ 667	¥282,944	¥283,611	¥2,496	¥194,229	¥196,726
Gains on trading securities	—	—	—	1,670	—	1,670
Gains on securities related to trading transactions.....	—	—	—	—	—	—
Gains on trading-related financial derivatives.....	—	282,944	282,944	—	194,229	194,229
Others	667	—	667	826	—	826
Trading losses.....	¥1,977	¥ 904	¥ 2,881	¥ —	¥ 725	¥ 725
Losses on trading securities	1,977	—	1,977	—	—	—
Losses on securities related to trading transactions.....	—	904	904	—	725	725
Losses on trading-related financial derivatives.....	—	—	—	—	—	—
Others	—	—	—	—	—	—

Note: Figures represent net gains (losses) after offsetting income against expenses.

Net Other Operating Income

Year ended March 31	Millions of yen					
	2004			2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income	¥9,540	¥(20,105)	¥(10,565)	¥71,747	¥74,925	¥146,672
Gains (losses) on bonds	291	22,449	22,741	72,054	63,604	135,659
Gains (losses) on foreign exchange transactions	—	—	—	—	6,822	6,822

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2004	2003
Salaries and related expenses	¥171,026	¥205,205
Retirement benefit cost.....	62,742	45,081
Welfare expenses.....	26,019	31,892
Depreciation	53,490	61,549
Rent and lease expenses	48,188	64,466
Building and maintenance expenses.....	3,485	5,178
Supplies expenses	6,215	7,799
Water, lighting, and heating expenses	5,222	6,766
Traveling expenses	2,370	2,797
Communication expenses	7,245	8,591
Publicity and advertising expenses	4,059	6,916
Taxes, other than income taxes	34,076	35,450
Others	198,956	189,946
Total	¥623,098	¥671,639

Note: Because expenses reported on page 16 exclude nonrecurring losses, they are not reconciled with the figures reported in the above table.