

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2006			2005		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥ 998,292	¥441,421	¥1,426,546	¥ 979,246	¥339,934	¥1,318,698
Interest expenses.....	54,421	430,747	472,001	64,674	282,000	346,191
			[13,168]			[483]
			[13,168]			[483]
Net interest income	943,870	10,674	954,544	914,572	57,933	972,506
Trust fees	8,625	1	8,626	2,607	2	2,609
Fees and commissions (income)	394,224	80,747	474,972	335,368	64,066	399,434
Fees and commissions (expenses)	94,808	13,487	108,296	88,570	12,788	101,358
Net fees and commissions	299,415	67,260	366,675	246,798	51,277	298,076
Trading profits	1,077	12,172	13,250	1,787	129,991	131,779
Trading losses.....	1,312	—	1,312	—	199	199
Net trading income.....	(234)	12,172	11,937	1,787	129,792	131,579
Other operating income	52,951	220,910	273,861	87,832	142,007	228,005
Other operating expenses.....	38,139	25,473	63,613	70,786	40,963	109,916
Net other operating income.....	14,811	195,436	210,248	17,045	101,043	118,088
Gross banking profit.....	¥1,266,488	¥285,545	¥1,552,033	¥1,182,811	¥340,049	¥1,522,861
Gross banking profit rate (%)	1.91%	2.18%	1.96%	1.75%	2.61%	1.92%

- 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 (2006, ¥1 million; 2005, ¥3 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. "Total" column for "Other operating income" and "Other operating expenses" are lower than the corresponding combined sums under "Domestic operations" and "International operations" (2006, by ¥— million; 2005, by ¥1,834 million). 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					
	2006			2005		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥66,051,344	¥998,292	1.51%	¥67,225,756	¥979,246	1.45%
		[13,137]				
Loans and bills discounted.....	46,007,295	783,444	1.70	46,859,345	829,425	1.77
Securities	18,099,469	187,182	1.03	19,087,657	131,157	0.68
Call loans	332,323	64	0.01	155,150	24	0.01
Receivables under resale agreements	78,893	2	0.00	57,949	0	0.00
Receivables under securities borrowing transactions.....	1,411,612	613	0.04	869,496	181	0.02
Bills bought	116,653	7	0.00	192,027	3	0.00
Deposits with banks	4,450	0	0.00	3,380	0	0.00
Interest-bearing liabilities	¥70,359,783	¥ 54,421	0.07%	¥70,248,699	¥ 64,674	0.09%
	[74,822]	[30]		[1,130,805]	[483]	
Deposits	56,437,539	11,500	0.02	54,621,893	12,145	0.02
Negotiable certificates of deposit	3,659,782	852	0.02	3,754,306	792	0.02
Call money	2,006,332	73	0.00	2,179,425	58	0.00
Payables under repurchase agreements	218,055	7	0.00	580,878	18	0.00
Payables under securities lending transactions	871,477	90	0.01	1,890,175	196	0.01
Bills sold	3,727,726	113	0.00	2,430,812	105	0.00
Commercial paper.....	—	—	—	2,054	0	0.00
Borrowed money	803,948	16,567	2.06	853,945	21,498	2.51
Bonds.....	2,473,357	24,622	0.99	2,633,634	28,843	1.09

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2006, ¥2,616,150 million; 2005, ¥1,569,397 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2006, ¥1,717 million; 2005, ¥3,629 million) and corresponding interest (2006, ¥1 million; 2005, ¥3 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					
	2006			2005		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥13,046,075	¥441,421	3.38%	¥13,027,122	¥339,934	2.60%
	[74,822]	[30]		[1,130,805]	[483]	
Loans and bills discounted.....	5,143,390	207,408	4.03	3,949,563	105,467	2.67
Securities	4,063,661	129,998	3.19	4,615,337	131,482	2.84
Call loans	317,961	11,395	3.58	262,361	4,973	1.89
Receivables under resale agreements	137,805	4,360	3.16	124,900	1,954	1.56
Receivables under securities borrowing transactions	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	2,287,514	50,453	2.20	1,882,820	32,631	1.73
Interest-bearing liabilities	¥12,894,582	¥430,747	3.34%	¥12,979,499	¥282,000	2.17%
	[13,137]					
Deposits	7,388,093	215,426	2.91	6,789,387	95,572	1.40
Negotiable certificates of deposit	155,444	6,837	4.39	62,015	2,253	3.63
Call money	164,130	5,195	3.16	206,703	3,321	1.60
Payables under repurchase agreements ...	179,167	6,352	3.54	176,152	2,767	1.57
Payables under securities lending transactions	1,839,599	58,114	3.15	2,718,747	51,621	1.89
Bills sold	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money	1,345,486	60,541	4.49	1,583,555	64,074	4.04
Bonds	1,327,124	43,630	3.28	939,345	31,640	3.36

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2006, ¥31,957 million; 2005, ¥27,509 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					
	2006			2005		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥79,022,597	¥1,426,546	1.80%	¥79,122,073	¥1,318,698	1.66%
Loans and bills discounted.....	51,150,685	990,853	1.93	50,808,908	934,892	1.84
Securities	22,163,130	317,180	1.43	23,702,994	262,640	1.10
Call loans	650,284	11,459	1.76	417,511	4,998	1.19
Receivables under resale agreements	216,699	4,362	2.01	182,849	1,955	1.06
Receivables under securities borrowing transactions	1,411,612	613	0.04	869,496	181	0.02
Bills bought	116,653	7	0.00	192,027	3	0.00
Deposits with banks	2,291,965	50,454	2.20	1,886,200	32,631	1.73
Interest-bearing liabilities	¥83,179,544	¥ 472,001	0.56%	¥82,097,393	¥ 346,191	0.42%
Deposits	63,825,633	226,926	0.35	61,411,281	107,718	0.17
Negotiable certificates of deposit	3,815,227	7,690	0.20	3,816,321	3,045	0.07
Call money	2,170,463	5,268	0.24	2,386,128	3,380	0.14
Payables under repurchase agreements ...	397,223	6,359	1.60	757,031	2,786	0.36
Payables under securities lending transactions	2,711,076	58,204	2.14	4,608,922	51,818	1.12
Bills sold	3,727,726	113	0.00	2,430,812	105	0.00
Commercial paper.....	—	—	—	2,054	0	0.00
Borrowed money	2,149,434	77,109	3.58	2,437,501	85,573	3.51
Bonds	3,800,481	68,252	1.79	3,572,980	60,483	1.69

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2006, ¥2,648,107 million; 2005, ¥1,596,906 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2006, ¥1,717 million; 2005, ¥3,629 million) and corresponding interest (2006, ¥1 million; 2005, ¥3 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					
	2006			2005		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(17,311)	¥ 36,357	¥ 19,046	¥(40,908)	¥ 2,698	¥(38,209)
Loans and bills discounted.....	(14,896)	(31,084)	(45,980)	(63,897)	10,284	(53,612)
Securities	(7,109)	63,133	56,024	2,988	16,983	19,972
Call loans	33	6	39	(20)	(57)	(78)
Receivables under resale agreements	0	1	1	0	0	0
Receivables under securities borrowing transactions	157	273	431	73	3	77
Bills bought	(1)	5	3	0	(2)	(2)
Deposits with banks.....	0	(0)	0	(37)	(40)	(77)
Interest expenses.....	¥ 102	¥(10,354)	¥(10,252)	¥ (1,532)	¥(3,363)	¥ (4,896)
Deposits	394	(1,039)	(645)	570	(2,925)	(2,355)
Negotiable certificates of deposit	(20)	80	60	(115)	76	(39)
Call money	(4)	20	15	(6)	(8)	(15)
Payables under repurchase agreements ...	(12)	0	(11)	(50)	(35)	(85)
Payables under securities lending transactions	(105)	(1)	(106)	(13)	(9)	(23)
Bills sold	45	(37)	7	(297)	(472)	(770)
Commercial paper.....	(0)	(0)	(0)	0	0	0
Borrowed money	(1,203)	(3,727)	(4,930)	(2,236)	(3,008)	(5,244)
Bonds.....	(1,691)	(2,529)	(4,221)	4,639	(1,040)	3,599

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

International Operations

Year ended March 31	Millions of yen					
	2006			2005		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 495	¥100,991	¥101,487	¥27,174	¥(62,584)	¥(35,409)
Loans and bills discounted.....	37,930	64,010	101,941	4,433	11,181	15,614
Securities	(16,668)	15,184	(1,483)	(16,666)	9,739	(6,926)
Call loans	1,234	5,186	6,421	1,695	1,147	2,843
Receivables under resale agreements	220	2,184	2,405	422	714	1,136
Deposits with banks.....	6,558	10,244	16,803	14,688	7,872	22,560
Interest expenses.....	¥ (1,856)	¥150,603	¥148,747	¥18,752	¥ 27,077	¥ 45,830
Deposits	9,114	110,739	119,853	14,906	10,034	24,940
Negotiable certificates of deposit	4,022	562	4,584	(69)	166	97
Call money	(800)	2,673	1,873	908	918	1,827
Payables under repurchase agreements ...	48	3,536	3,584	(1,451)	1,234	(216)
Payables under securities lending transactions	(20,322)	26,814	6,492	(5,795)	9,015	3,220
Borrowed money	(10,251)	6,717	(3,533)	(4,779)	3,854	(925)
Bonds.....	12,765	(775)	11,990	9,757	(2,314)	7,443

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

Total of Domestic and International Operations

	Millions of yen					
	2006			2005		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ (1,659)	¥109,508	¥107,848	¥(34,120)	¥(39,504)	¥(73,624)
Loans and bills discounted.....	6,326	49,634	55,960	(62,759)	24,761	(37,998)
Securities	(17,968)	72,509	54,540	(1,180)	14,226	13,046
Call loans	3,499	2,961	6,460	365	2,399	2,764
Receivables under resale agreements	417	1,990	2,407	828	308	1,136
Receivables under securities borrowing transactions	157	273	431	73	3	77
Bills bought	(1)	5	3	0	(2)	(2)
Deposits with banks.....	6,567	10,235	16,803	13,703	8,779	22,483
Interest expenses.....	¥ 4,621	¥121,188	¥125,809	¥ (3,051)	¥ 43,980	¥ 40,929
Deposits	4,395	114,813	119,208	4,959	17,625	22,584
Negotiable certificates of deposit	(0)	4,645	4,644	(418)	475	57
Call money	(330)	2,218	1,888	(104)	1,916	1,812
Payables under repurchase agreements	(1,875)	5,448	3,572	(2,762)	2,459	(302)
Payables under securities lending transactions	(27,385)	33,771	6,385	(4,794)	7,991	3,196
Bills sold	45	(37)	7	(297)	(472)	(770)
Commercial paper.....	(0)	(0)	(0)	0	0	0
Borrowed money	(10,299)	1,835	(8,464)	(7,146)	977	(6,169)
Bonds.....	3,971	3,798	7,769	11,959	(916)	11,042

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

Fees and Commissions

	Millions of yen					
	2006			2005		
Year ended March 31	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income)	¥394,224	¥80,747	¥474,972	¥335,368	¥64,066	¥399,434
Deposits and loans	11,009	29,269	40,278	11,034	22,381	33,415
Remittances and transfers	97,637	25,702	123,339	93,623	23,156	116,780
Securities-related business	23,212	1,048	24,261	22,098	702	22,801
Agency	16,280	—	16,280	16,576	—	16,576
Safe deposits	6,975	—	6,975	6,333	—	6,333
Guarantees	19,319	6,469	25,789	15,016	5,620	20,636
Fees and commissions (expenses).....	¥ 94,808	¥13,487	¥108,296	¥ 88,570	¥12,788	¥101,358
Remittances and transfers	18,918	4,513	23,432	17,912	4,678	22,590

Trading Income

	Millions of yen					
	2006			2005		
Year ended March 31	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits	¥1,077	¥12,172	¥13,250	¥1,787	¥129,991	¥131,779
Gains on trading securities	—	—	—	1,352	—	1,352
Gains on securities related to trading transactions.....	—	1,229	1,229	—	—	—
Gains on trading-related financial derivatives.....	—	10,942	10,942	—	129,991	129,991
Others	1,077	—	1,077	435	—	435
Trading losses.....	¥1,312	¥ —	¥ 1,312	¥ —	¥ 199	¥ 199
Losses on trading securities	1,312	—	1,312	—	—	—
Losses on securities related to trading transactions.....	—	—	—	—	199	199
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					
	2006			2005		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income	¥14,811	¥195,436	¥210,248	¥17,045	¥101,043	¥118,088
Gains (losses) on bonds	(11,305)	985	(10,320)	(6,100)	(15,490)	(21,590)
Gains (losses) on foreign exchange transactions	—	202,634	202,634	—	115,580	115,580

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2006	2005
Salaries and related expenses	¥158,660	¥164,812
Retirement benefit cost	28,952	37,677
Welfare expenses	26,280	27,222
Depreciation	52,776	53,038
Rent and lease expenses	46,802	47,476
Building and maintenance expenses	3,736	4,323
Supplies expenses	5,303	5,219
Water, lighting, and heating expenses	4,926	5,025
Traveling expenses	2,764	2,422
Communication expenses	6,813	6,855
Publicity and advertising expenses	10,671	4,952
Taxes, other than income taxes	33,379	36,684
Others	223,030	207,766
Total	¥604,098	¥603,477

Note: Because expenses reported on page 39 exclude nonrecurring losses, they are not reconciled with the figures reported in the above table.