

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

	Millions of yen		
	Six months ended September 30, 2006		
	Domestic operations	International operations	Total
Interest income.....	¥491,654	¥290,077	¥777,964
Interest expenses.....	40,140	297,781	334,153
Net interest income.....	451,514	(7,703)	443,810
Trust fees.....	1,404	2	1,407
Fees and commissions (income).....	181,447	37,791	219,239
Fees and commissions (expenses).....	52,055	7,697	59,752
Net fees and commissions.....	129,392	30,094	159,486
Trading profits.....	1,394	42,038	43,432
Trading losses.....	423	2,883	3,307
Net trading income.....	971	39,154	40,125
Other operating income.....	17,812	38,057	55,870
Other operating expenses.....	61,038	30,541	91,580
Net other operating income.....	(43,226)	7,516	(35,709)
Gross banking profit.....	¥540,056	¥ 69,064	¥609,120
Gross banking profit rate (%).....	1.61%	0.98%	1.50%

- 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 (first half of fiscal 2006, ¥1 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. Gross banking profit rate = Gross banking profit / Days in the interim period x Days in the fiscal year / Average balance of interest-earning assets x 100

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

Domestic Operations

	Millions of yen		
	Six months ended September 30, 2006		
	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥66,681,331	¥491,654	1.47%
	[138,041]	[79]	
Loans and bills discounted.....	46,712,723	388,831	1.66
Securities.....	17,673,733	88,797	1.00
Call loans.....	417,702	553	0.26
Receivables under resale agreements.....	19,749	0	0.00
Receivables under securities borrowing transactions.....	1,431,128	1,607	0.22
Bills bought.....	96,052	21	0.04
Deposits with banks.....	47,682	60	0.00
Interest-bearing liabilities.....	¥68,882,326	¥ 40,140	0.11%
		[3,688]	
Deposits.....	57,538,883	17,088	0.05
Negotiable certificates of deposit.....	2,833,138	1,830	0.12
Call money.....	1,990,078	1,186	0.11
Payables under repurchase agreements.....	147,951	133	0.18
Payables under securities lending transactions.....	739,075	634	0.17
Bills sold.....	1,907,027	220	0.02
Commercial paper.....	—	—	—
Borrowed money.....	1,127,182	7,244	1.28
Bonds.....	2,279,763	11,478	1.00

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2006, ¥1,312,748 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2006, ¥2,607 million) and corresponding interest (first half of fiscal 2006, ¥1 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.

International Operations

	Millions of yen		
	Six months ended September 30, 2006		
	Average balance	Interest	Earnings yield
Interest-earning assets	¥13,915,049	¥290,077	4.15%
		[3,688]	
Loans and bills discounted	5,877,660	147,364	5.00
Securities	4,118,281	66,322	3.21
Call loans	430,005	10,424	4.83
Receivables under resale agreements	109,811	2,228	4.04
Receivables under securities borrowing transactions	—	—	—
Bills bought	—	—	—
Deposits with banks	2,194,373	33,970	3.08
Interest-bearing liabilities	¥13,716,943	¥297,781	4.32%
	[138,041]	[79]	
Deposits	7,814,450	155,445	3.96
Negotiable certificates of deposit	518,279	13,704	5.27
Call money	259,450	5,816	4.47
Payables under repurchase agreements	311,577	7,729	4.94
Payables under securities lending transactions	1,586,886	32,400	4.07
Bills sold	—	—	—
Commercial paper	—	—	—
Borrowed money	1,267,882	30,396	4.78
Bonds	1,442,264	24,771	3.42

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2006, ¥40,719 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. 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

	Millions of yen		
	Six months ended September 30, 2006		
	Average balance	Interest	Earnings yield
Interest-earning assets	¥80,458,339	¥777,964	1.92%
Loans and bills discounted	52,590,383	536,196	2.03
Securities	21,792,015	155,120	1.41
Call loans	847,708	10,977	2.58
Receivables under resale agreements	129,560	2,228	3.43
Receivables under securities borrowing transactions	1,431,128	1,607	0.22
Bills bought	96,052	21	0.04
Deposits with banks	2,242,055	34,030	3.02
Interest-bearing liabilities	¥82,461,229	¥334,153	0.80%
Deposits	65,353,334	172,533	0.52
Negotiable certificates of deposit	3,351,418	15,535	0.92
Call money	2,249,529	7,002	0.62
Payables under repurchase agreements	459,529	7,863	3.41
Payables under securities lending transactions	2,325,962	33,034	2.83
Bills sold	1,907,027	220	0.02
Commercial paper	—	—	—
Borrowed money	2,395,065	37,641	3.13
Bonds	3,722,028	36,249	1.94

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2006, ¥1,353,468 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2006, ¥2,607 million) and corresponding interest (first half of fiscal 2006, ¥1 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.

Breakdown of Interest Income and Interest Expenses

Domestic Operations

	Millions of yen		
	Six months ended September 30, 2006		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 7,224	¥ (2,919)	¥ 4,304
Loans and bills discounted.....	22,881	(31,918)	(9,037)
Securities.....	(12,281)	27,761	15,479
Call loans.....	18	516	535
Receivables under resale agreements.....	0	0	0
Receivables under securities borrowing transactions.....	62	1,337	1,400
Bills bought.....	1	15	16
Deposits with banks.....	3	56	60
Interest expenses.....	¥ (1,033)	¥12,870	¥11,837
Deposits.....	178	11,075	11,254
Negotiable certificates of deposit.....	(281)	1,701	1,419
Call money.....	3	1,159	1,163
Payables under repurchase agreements.....	(2)	133	130
Payables under securities lending transactions.....	(135)	692	556
Bills sold.....	(21)	222	200
Borrowed money.....	6,137	(7,562)	(1,424)
Bonds.....	(1,270)	(133)	(1,404)

International Operations

	Millions of yen		
	Six months ended September 30, 2006		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥25,400	¥86,424	¥111,824
Loans and bills discounted.....	26,746	35,645	62,391
Securities.....	5,726	13,171	18,897
Call loans.....	2,816	3,327	6,143
Receivables under resale agreements.....	(611)	1,051	440
Deposits with banks.....	1,112	9,064	10,177
Interest expenses.....	¥24,139	¥90,692	¥114,832
Deposits.....	9,750	55,215	64,965
Negotiable certificates of deposit.....	10,876	846	11,722
Call money.....	1,854	1,846	3,701
Payables under repurchase agreements.....	4,014	1,774	5,789
Payables under securities lending transactions.....	(2,572)	11,905	9,333
Borrowed money.....	(5,116)	5,440	323
Bonds.....	3,337	1,677	5,014

Total of Domestic and International Operations

	Millions of yen		
	Six months ended September 30, 2006		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥23,760	¥ 91,195	¥114,955
Loans and bills discounted.....	23,804	29,549	53,354
Securities.....	(11,517)	45,895	34,377
Call loans.....	3,210	3,468	6,678
Receivables under resale agreements.....	(1,322)	1,762	440
Receivables under securities borrowing transactions.....	62	1,337	1,400
Bills bought.....	1	15	16
Deposits with banks.....	1,648	8,588	10,237
Interest expenses.....	¥ 2,574	¥122,921	¥125,495
Deposits.....	3,750	72,469	76,220
Negotiable certificates of deposit.....	(748)	13,891	13,142
Call money.....	449	4,415	4,864
Payables under repurchase agreements.....	999	4,920	5,919
Payables under securities lending transactions.....	(16,752)	26,642	9,889
Bills sold.....	(21)	222	200
Borrowed money.....	7,470	(8,571)	(1,100)
Bonds.....	(1,280)	4,891	3,610

Notes: 1. Amounts posted under "increase (decrease)" are year-on-year comparisons.
2. Volume/rate variance is prorated according to changes in volume and rate.

Fees and Commissions

	Millions of yen		
	Six months ended September 30, 2006		
	Domestic operations	International operations	Total
Fees and commissions (income).....	¥181,447	¥37,791	¥219,239
Deposits and loans.....	5,333	14,620	19,953
Remittances and transfers	48,209	13,505	61,715
Securities-related business	11,344	536	11,881
Agency	7,276	—	7,276
Safe deposits	3,445	—	3,445
Guarantees	10,567	3,381	13,949
Fees and commissions (expenses).....	¥ 52,055	¥ 7,697	¥ 59,752
Remittances and transfers	9,377	2,548	11,926

Trading Income

	Millions of yen		
	Six months ended September 30, 2006		
	Domestic operations	International operations	Total
Trading profits	¥1,394	¥42,038	¥43,432
Gains on trading securities.....	—	—	—
Gains on securities related to trading transactions	—	—	—
Gains on trading-related financial derivatives	—	42,038	42,038
Others	1,394	—	1,394
Trading losses	¥ 423	¥ 2,883	¥ 3,307
Losses on trading securities.....	423	—	423
Losses on securities related to trading transactions	—	2,883	2,883
Losses on trading-related financial derivatives	—	—	—
Others	—	—	—

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

Net Other Operating Income

	Millions of yen		
	Six months ended September 30, 2006		
	Domestic operations	International operations	Total
Net other operating income.....	¥(43,226)	¥ 7,516	¥(35,709)
Gains (losses) on bonds	(49,996)	(11,696)	(61,692)
Gains (losses) on financial derivatives.....	(1,679)	(12,176)	(13,855)
Gains (losses) on foreign exchange transactions	—	31,622	31,622