

# Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Figures for the year ended March 31, 2003, include those of the former SMBC for the period from April 1, 2002 to March 16, 2003. Figures for the year ended March 31, 2001, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

## Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2003			2002		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	¥1,105,122	¥541,970	¥1,647,092	¥1,202,035	¥994,778	¥2,192,961
			[0]			[3,853]
Interest expenses.....	79,324	344,430	423,755	122,677	597,623	716,448
			[0]			[3,853]
Net interest income .....	1,025,797	197,539	1,223,336	1,079,358	397,154	1,476,512
Trust fees .....	¥ 7	¥ —	¥ 7	¥ /	¥ /	¥ /
Fees and commissions (income) .....	¥ 225,296	¥ 53,494	¥ 278,790	¥ 184,996	¥ 54,648	¥ 239,645
Fees and commissions (expenses) .....	72,447	11,677	84,124	62,721	11,651	74,373
Net fees and commissions .....	152,849	41,816	194,665	122,274	42,997	165,272
Trading profits .....	¥ 2,496	¥194,229	¥ 196,726	¥ 1,112	¥120,302	¥ 121,414
Trading losses.....	0	725	725	107	17	125
Net trading income .....	2,496	193,504	196,000	1,004	120,284	121,289
Other operating income .....	¥ 86,409	¥108,243	¥ 194,653	¥ 72,655	¥ 78,231	¥ 150,886
Other operating expenses.....	14,662	33,317	47,980	18,919	41,526	60,445
Net other operating income .....	71,747	74,925	146,672	53,735	36,705	90,440
Gross banking profit .....	¥1,252,898	¥507,785	¥1,760,684	¥1,256,373	¥597,141	¥1,853,515
Gross banking profit rate (%) .....	1.67%	3.73%	1.99%	1.60%	3.57%	2.02%

- 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 off-shore 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 (2003, ¥48 million; 2002, ¥228 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 / 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					
	2003			2002		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥74,671,786	¥1,105,122	1.47%	¥78,080,748	¥1,202,035	1.53%
	[961]	[0]				
Loans and bills discounted.....	53,858,748	932,462	1.73	53,576,051	983,235	1.83
Securities .....	18,847,060	123,972	0.65	19,687,304	178,027	0.90
Call loans .....	260,378	296	0.11	148,181	135	0.09
Receivables under resale agreements .....	93,308	1	0.00	1,172,550	873	0.07
Receivables under securities borrowing transactions.....	1,254,648	225	0.01	—	—	—
Bills bought .....	250,527	34	0.01	84,967	27	0.03
Deposits with banks .....	101,389	207	0.20	20,383	26	0.13
Interest-bearing liabilities .....	¥74,115,711	¥ 79,324	0.10%	¥72,477,777	¥ 122,677	0.16%
				[3,387,145]	[3,853]	
Deposits .....	51,622,549	21,557	0.04	47,259,727	44,206	0.09
Negotiable certificates of deposit .....	5,776,955	2,068	0.03	9,972,010	6,218	0.06
Call money .....	2,777,696	320	0.01	3,691,136	1,283	0.03
Payables under repurchase agreements ...	1,061,813	76	0.00	2,110,550	873	0.04
Payables under securities borrowing transactions.....	2,366,830	284	0.01	—	—	—
Bills sold .....	7,363,971	347	0.00	5,571,248	1,253	0.02
Commercial paper.....	103,675	82	0.07	807,392	970	0.12
Borrowed money.....	1,026,493	29,554	2.87	1,191,746	32,969	2.76
Bonds .....	2,010,430	24,453	1.21	1,858,675	31,237	1.68

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2003, ¥765,932 million; 2002, ¥711,320 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (2003, ¥43,688 million; 2002, ¥66,057 million) and interest (2003, ¥46 million; 2002, ¥111 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					
	2003			2002		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥13,612,252</b>	<b>¥541,970</b>	<b>3.98%</b>	¥16,683,507 [3,387,145]	¥994,778 [3,853]	5.96%
Loans and bills discounted.....	5,532,654	166,864	3.01	7,059,547	273,612	3.87
Securities .....	4,283,361	133,865	3.12	3,738,953	326,705	8.73
Call loans .....	142,801	2,565	1.79	134,124	4,296	3.20
Receivables under resale agreements .....	61,573	450	0.73	69,514	908	1.30
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Bills bought .....	—	—	—	—	—	—
Deposits with banks .....	1,709,090	33,861	1.98	4,458,268	185,058	4.15
Interest-bearing liabilities .....	<b>¥13,290,079</b> [961]	<b>¥344,430</b> [0]	<b>2.59%</b>	¥17,842,154	¥597,623	3.34%
Deposits .....	7,052,284	124,348	1.76	10,450,595	279,042	2.67
Negotiable certificates of deposit .....	124,731	4,282	3.43	214,841	8,211	3.82
Call money .....	192,898	3,045	1.57	287,094	7,523	2.62
Payables under repurchase agreements ...	1,015,857	16,639	1.63	684,262	16,506	2.41
Payables under securities borrowing transactions.....	1,473,104	28,544	1.93	—	—	—
Bills sold .....	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money .....	2,023,640	77,336	3.82	2,473,270	103,931	4.20
Bonds.....	445,463	17,527	3.93	—	—	—

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2003, ¥26,123 million; 2002, ¥31,353 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (2003, ¥79 million; 2002, ¥3,490 million) and interest (2003, ¥2 million; 2002, ¥116 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					
	2003			2002		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥88,283,077</b>	<b>¥1,647,092</b>	<b>1.86%</b>	¥91,377,110	¥2,192,961	2.39%
Loans and bills discounted.....	59,391,403	1,099,326	1.85	60,635,599	1,256,848	2.07
Securities .....	23,130,421	257,837	1.11	23,426,257	504,732	2.15
Call loans .....	403,180	2,861	0.70	282,306	4,432	1.56
Receivables under resale agreements .....	154,881	452	0.29	1,242,064	1,781	0.14
Receivables under securities borrowing transactions.....	1,254,648	225	0.01	—	—	—
Bills bought .....	250,527	34	0.01	84,967	27	0.03
Deposits with banks .....	1,810,479	34,069	1.88	4,478,651	185,085	4.13
Interest-bearing liabilities .....	<b>¥87,404,829</b>	<b>¥ 423,755</b>	<b>0.48</b>	¥86,932,786	¥ 716,448	0.82%
Deposits .....	58,674,833	145,905	0.24	57,710,322	323,249	0.56
Negotiable certificates of deposit .....	5,901,687	6,350	0.10	10,186,852	14,430	0.14
Call money .....	2,970,595	3,365	0.11	3,978,230	8,807	0.22
Payables under repurchase agreements ...	2,077,671	16,716	0.80	2,794,813	17,379	0.62
Payables under securities borrowing transactions.....	3,839,935	28,828	0.75	—	—	—
Bills sold .....	7,363,971	347	0.00	5,571,248	1,253	0.02
Commercial paper.....	103,675	82	0.07	807,392	970	0.12
Borrowed money .....	3,050,133	106,891	3.50	3,665,017	136,900	3.73
Bonds.....	2,455,893	41,981	1.70	1,858,675	31,237	1.68

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2003, ¥792,056 million; 2002, ¥742,674 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (2003, ¥43,767 million; 2002, ¥69,548 million) and interest (2003, ¥48 million; 2002, ¥228 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					
	2003			2002		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(57,984)	¥(50,428)	¥(108,413)	¥76,258	¥(175,520)	¥ (99,262)
Loans and bills discounted.....	(1,574)	(59,964)	(61,539)	(33,749)	(86,803)	(120,552)
Securities .....	(7,804)	(46,946)	(54,751)	21,754	(29,408)	(7,654)
Call loans .....	120	40	160	156	(113)	43
Receivables under resale agreements .....	(423)	(448)	(871)	1,269	(1,526)	(257)
Bills bought .....	29	(22)	7	(372)	(477)	(850)
Deposits with banks.....	149	31	181	15	(19)	(3)
Interest expenses.....	¥ 2,024	¥(46,377)	¥ (44,353)	¥ 6,190	¥ (75,614)	¥ (69,423)
Deposits .....	3,460	(27,033)	(23,573)	278	(36,219)	(35,941)
Negotiable certificates of deposit .....	(2,063)	(2,089)	(4,152)	3,008	(22,591)	(19,582)
Call money .....	(260)	(703)	(963)	(3,658)	(7,725)	(11,383)
Payable under repurchase agreements.....	(299)	(497)	(797)	(831)	(3,663)	(4,494)
Bills sold .....	311	(1,217)	(906)	2,419	(3,208)	(788)
Commercial paper.....	(639)	(249)	(888)	70	(3,642)	(3,572)
Borrowed money .....	(4,715)	1,300	(3,415)	(13,166)	6,179	(6,987)
Bonds.....	2,389	(9,173)	(6,783)	12,054	(1,700)	10,354

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

### International Operations

Year ended March 31	Millions of yen					
	2003			2002		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(161,503)	¥(291,349)	¥(452,852)	¥ 14,909	¥ 1,603	¥ 16,512
Loans and bills discounted.....	(52,698)	(54,050)	(106,748)	(23,027)	(100,713)	(123,741)
Securities .....	41,848	(234,717)	(192,869)	135,949	28,261	164,210
Call loans .....	252	(1,994)	(1,742)	(1,744)	(4,095)	(5,839)
Receivables under resale agreements .....	(94)	(363)	(457)	408	15	423
Bills bought .....	—	—	—	—	—	—
Deposits with banks.....	(81,832)	(69,364)	(151,197)	(30,138)	(98,589)	(128,727)
Interest expenses.....	¥(134,225)	¥(118,983)	¥(253,209)	¥116,360	¥(365,468)	¥(249,108)
Deposits .....	(75,674)	(79,033)	(154,707)	(59,295)	(183,051)	(242,347)
Negotiable certificates of deposit .....	(3,161)	(767)	(3,929)	1,893	(3,824)	(1,930)
Call money .....	(2,024)	(2,453)	(4,478)	(210)	(6,326)	(6,536)
Payable under repurchase agreements.....	6,454	(6,321)	133	16,028	(1,666)	14,361
Bills sold .....	—	—	—	(26)	(26)	(53)
Commercial paper.....	—	—	—	—	—	—
Borrowed money .....	(17,752)	(8,842)	(26,594)	(8,602)	(23,760)	(32,363)
Bonds.....	—	—	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					
	2003			2002		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(81,852)	¥(475,557)	¥(557,410)	¥48,913	¥(131,631)	¥ (82,718)
Loans and bills discounted.....	(32,793)	(135,495)	(168,288)	(50,848)	(193,447)	(244,296)
Securities .....	(7,503)	(240,117)	(247,620)	74,062	82,493	156,555
Call loans .....	1,426	(3,007)	(1,581)	3,401	(9,198)	(5,797)
Receivables under resale agreements .....	(2,298)	969	(1,329)	2,000	(1,834)	166
Bills bought .....	29	(22)	7	(372)	(477)	(850)
Deposits with banks.....	(78,921)	(72,094)	(151,016)	(29,604)	(99,127)	(128,732)
Interest expenses.....	¥ 379	¥(294,086)	¥(293,707)	¥22,921	¥(341,419)	¥(318,498)
Deposits .....	2,987	(181,268)	(178,280)	(13,334)	(264,954)	(278,289)
Negotiable certificates of deposit .....	(5,143)	(2,938)	(8,082)	4,254	(25,767)	(21,513)
Call money .....	(1,858)	(3,583)	(5,442)	(7,966)	(9,955)	(17,921)
Payable under repurchase agreements.....	(5,070)	4,406	(663)	524	9,342	9,867
Bills sold .....	311	(1,217)	(906)	2,462	(3,303)	(841)
Commercial paper.....	(639)	(249)	(888)	70	(3,642)	(3,572)
Borrowed money.....	(21,930)	(8,079)	(30,009)	(26,105)	(13,245)	(39,351)
Bonds.....	10,200	543	10,743	12,054	(1,700)	10,354

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

## Fees and Commissions

Year ended March 31	Millions of yen					
	2003			2002		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income) .....	¥225,296	¥53,494	¥278,790	¥184,996	¥54,648	¥239,645
Deposits and loans .....	11,049	17,004	28,053	10,889	17,916	28,805
Remittances and transfers .....	87,609	20,894	108,503	80,077	20,432	100,509
Securities-related business.....	22,718	936	23,655	12,801	1,032	13,834
Agency .....	12,918	—	12,918	13,625	—	13,625
Safe deposits .....	4,606	—	4,606	5,779	—	5,779
Guarantees .....	6,396	4,015	10,412	3,427	4,204	7,631
Fees and commissions (expenses).....	¥ 72,447	¥11,677	¥ 84,124	¥ 62,721	¥11,651	¥ 74,373
Remittances and transfers .....	16,238	4,838	21,077	15,088	5,545	20,634

## Trading Income

Year ended March 31	Millions of yen					
	2003			2002		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits .....	¥2,496	¥194,229	¥196,726	¥1,112	¥120,302	¥121,414
Gains on trading securities .....	1,670	—	1,670	—	—	—
Gains on securities related to trading transactions.....	—	—	—	—	—	—
Gains on trading-related financial derivatives.....	—	194,229	194,229	—	120,302	120,302
Others .....	826	—	826	1,112	—	1,112
Trading losses.....	¥ —	¥ 725	¥ 725	¥ 107	¥ 17	¥ 125
Losses on trading securities .....	—	—	—	107	—	107
Losses on securities related to trading transactions.....	—	725	725	—	17	17
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					
	2003			2002		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income .....	<b>¥71,747</b>	<b>¥74,925</b>	<b>¥146,672</b>	¥53,735	¥36,705	¥90,440
Gains (losses) on bonds .....	<b>72,054</b>	<b>63,604</b>	<b>135,659</b>	55,358	11,202	66,560
Gains (losses) on foreign exchange transactions .....	—	<b>6,822</b>	<b>6,822</b>	—	10,439	10,439

## General and Administrative Expenses

Year ended March 31	Millions of yen		
	2003	2002	2001
Salaries and related expenses .....	<b>¥205,205</b>	¥223,215	¥242,004
Retirement benefit cost .....	<b>45,081</b>	31,555	31,142
Welfare expenses .....	<b>31,892</b>	34,705	34,851
Depreciation .....	<b>61,549</b>	65,577	41,988
Rent and lease expenses .....	<b>64,466</b>	82,134	90,716
Building and maintenance expenses .....	<b>5,178</b>	4,412	3,139
Supplies expenses .....	<b>7,799</b>	9,334	10,010
Water, lighting, and heating expenses .....	<b>6,766</b>	7,608	8,551
Traveling expenses .....	<b>2,797</b>	3,349	3,791
Communication expenses .....	<b>8,591</b>	7,730	12,751
Publicity and advertising expenses .....	<b>6,916</b>	5,404	6,838
Taxes, other than income taxes .....	<b>35,450</b>	34,237	35,533
Others .....	<b>189,946</b>	187,508	190,662
<b>Total .....</b>	<b>¥671,639</b>	¥696,775	¥711,987

Note: Because expenses reported on page 51 exclude nonrecurring losses, they are not reconciled with the figures reported in the above table.