

# Income Analysis (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Figures for the six-month period ended September 30, 2002; SMBC's consolidated figures include those for the former Wakashio Bank, which was a subsidiary of SMBC at that time.

## Operating Income, Classified by Domestic and Overseas Operations

Six months ended September 30, 2003 and 2002

Millions of yen

	Sept. 30, 2003				Sept. 30, 2002			
	Domestic operations	Overseas operations	Elimination and unallocated corporate assets	Total	Domestic operations	Overseas operations	Elimination	Total
Interest income .....	¥711,326	¥134,190	¥(19,110)	¥826,407	¥759,681	¥207,905	¥(12,730)	¥954,856
Interest expenses .....	125,002	54,615	(16,465)	163,152	124,957	113,942	(18,012)	220,887
Net interest income .....	586,324	79,574	(2,644)	663,254	634,723	93,963	5,281	733,969
Trust fees .....	¥ 84	¥ —	¥ —	¥ 84	¥ /	¥ /	¥ /	¥ /
Fees and commissions (income) .....	¥222,815	¥ 14,595	¥ (251)	¥237,159	¥189,344	¥ 15,337	¥ (63)	¥204,619
Fees and commissions (expenses) .....	39,882	2,365	(278)	41,969	40,388	1,882	(75)	42,195
Net fees and commissions .....	182,933	12,229	26	195,190	148,956	13,455	11	162,423
Trading profits .....	¥153,718	¥ 13,100	¥ (2,915)	¥163,904	¥ 99,544	¥ 15,274	¥ (4,285)	¥110,534
Trading losses .....	2,193	721	(2,915)	—	3,660	1,342	(4,285)	718
Net trading income .....	151,525	12,379	—	163,904	95,883	13,932	—	109,816
Other operating income .....	¥446,111	¥ 13,830	¥ (256)	¥459,685	¥426,221	¥ 18,200	¥ (326)	¥444,096
Other operating expenses .....	420,639	12,406	(65)	432,980	324,732	9,205	(50)	333,888
Net other operating income .....	25,471	1,424	(191)	26,704	101,489	8,995	(275)	110,208

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest expenses" are shown after deduction of expenses (first half of fiscal 2003, ¥16 million; first half of fiscal 2002, ¥24 million) related to the management of money held in trust.
3. Intersegment transactions are reported in "Elimination and unallocated corporate assets" column or "Elimination" column.

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

Six months ended September 30, 2003 and 2002

### Domestic Operations

Millions of yen

	Sept. 30, 2003			Sept. 30, 2002		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	¥80,904,257	¥711,326	1.76%	¥86,073,041	¥759,681	1.77%
Loans and bills discounted .....	54,619,544	521,345	1.91	57,928,839	550,815	1.90
Securities .....	23,738,285	118,891	1.00	22,558,111	118,723	1.05
Call loans and bills bought .....	388,832	716	0.37	744,673	1,295	0.35
Receivables under resale agreements .....	29,137	2	0.02	203,451	2	0.00
Receivables under securities borrowing transactions .....	659,019	71	0.02	1,251,579	92	0.01
Deposits with banks .....	668,518	2,533	0.76	1,190,038	11,074	1.86
Interest-bearing liabilities .....	¥85,135,275	¥125,002	0.29%	¥88,812,347	¥124,957	0.28%
Deposits .....	59,740,859	27,716	0.09	58,582,876	36,447	0.12
Negotiable certificates of deposit .....	4,244,403	434	0.02	5,973,833	1,335	0.04
Call money and bills sold .....	7,489,079	536	0.01	11,390,362	773	0.01
Payables under repurchase agreements .....	2,103,516	66	0.01	444,662	14	0.01
Payables under securities lending transactions .....	4,867,352	24,556	1.01	4,551,555	13,239	0.58
Commercial paper .....	160,083	105	0.13	354,590	229	0.13
Borrowed money .....	3,309,960	36,489	2.20	3,604,263	41,622	2.31
Bonds .....	2,779,101	20,824	1.50	2,423,510	18,644	1.54

- Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries.
2. In principle, average balances are computed by using daily balances. However, some domestic consolidated subsidiaries use weekly, monthly or semiannual balances instead.
3. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2003, ¥1,043,589 million; first half of fiscal 2002, ¥769,304 million).
4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (first half of fiscal 2003, ¥33,861 million; first half of fiscal 2002, ¥41,752 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2003, ¥33,861 million; first half of fiscal 2002, ¥41,752 million) and corresponding interest (first half of fiscal 2003, ¥16 million; first half of fiscal 2002, ¥23 million).

## Overseas Operations

	Millions of yen					
	Sept. 30, 2003			Sept. 30, 2002		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥7,868,913</b>	<b>¥134,190</b>	<b>3.41%</b>	¥10,067,312	¥207,905	4.13%
Loans and bills discounted.....	<b>5,279,586</b>	<b>80,147</b>	<b>3.04</b>	6,423,396	107,110	3.34
Securities .....	<b>1,205,801</b>	<b>22,273</b>	<b>3.69</b>	1,576,626	16,085	2.04
Call loans and bills bought .....	<b>106,562</b>	<b>1,259</b>	<b>2.36</b>	125,557	1,210	1.93
Receivables under resale agreements .....	<b>129,285</b>	<b>1,482</b>	<b>2.29</b>	132,242	659	1.00
Receivables under securities borrowing transactions .....	—	—	—	—	—	—
Deposits with banks .....	<b>748,807</b>	<b>3,454</b>	<b>0.92</b>	1,325,772	17,570	2.65
Interest-bearing liabilities .....	<b>¥5,184,006</b>	<b>¥54,615</b>	<b>2.11%</b>	¥ 6,928,454	¥113,942	3.29%
Deposits .....	<b>3,432,379</b>	<b>29,787</b>	<b>1.74</b>	4,149,786	47,487	2.29
Negotiable certificates of deposit .....	<b>138,530</b>	<b>1,741</b>	<b>2.51</b>	240,670	3,345	2.78
Call money and bills sold .....	<b>122,188</b>	<b>770</b>	<b>1.26</b>	187,853	1,548	1.65
Payables under repurchase agreements ...	<b>471,962</b>	<b>2,953</b>	<b>1.25</b>	964,061	8,918	1.85
Payables under securities lending transactions .....	—	—	—	—	—	—
Commercial paper .....	—	—	—	—	—	—
Borrowed money .....	<b>116,137</b>	<b>1,697</b>	<b>2.92</b>	216,658	2,977	2.75
Bonds .....	<b>881,456</b>	<b>16,621</b>	<b>3.77</b>	1,161,175	20,280	3.49

- Notes: 1. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.
2. In principle, average balances are computed by using daily balances. However, some overseas consolidated subsidiaries use weekly, monthly or semiannual balances instead.
3. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2003, ¥27,755 million; first half of fiscal 2002, ¥20,265 million).
4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (first half of fiscal 2003, ¥— million; first half of fiscal 2002, ¥137 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2003, ¥— million; first half of fiscal 2002, ¥137 million) and corresponding interest (first half of fiscal 2003, ¥— million; first half of fiscal 2002, ¥1 million).

## Total of Domestic and Overseas Operations

	Millions of yen					
	Sept. 30, 2003			Sept. 30, 2002		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥87,606,658</b>	<b>¥826,407</b>	<b>1.89%</b>	¥95,057,193	¥954,856	2.01%
Loans and bills discounted.....	<b>58,998,690</b>	<b>585,813</b>	<b>1.99</b>	63,291,297	639,943	2.02
Securities .....	<b>24,944,087</b>	<b>138,520</b>	<b>1.11</b>	24,134,339	140,090	1.16
Call loans and bills bought .....	<b>495,395</b>	<b>1,975</b>	<b>0.80</b>	870,231	2,505	0.58
Receivables under resale agreements .....	<b>158,423</b>	<b>1,484</b>	<b>1.87</b>	335,694	662	0.39
Receivables under securities borrowing transactions .....	<b>659,019</b>	<b>71</b>	<b>0.02</b>	1,251,579	92	0.01
Deposits with banks .....	<b>1,151,314</b>	<b>5,201</b>	<b>0.90</b>	2,494,241	28,616	2.29
Interest-bearing liabilities .....	<b>¥89,152,422</b>	<b>¥163,152</b>	<b>0.37%</b>	¥94,657,154	¥220,887	0.47%
Deposits .....	<b>62,906,880</b>	<b>56,717</b>	<b>0.18</b>	62,710,606	83,905	0.27
Negotiable certificates of deposit .....	<b>4,382,933</b>	<b>2,176</b>	<b>0.10</b>	6,214,504	4,680	0.15
Call money and bills sold .....	<b>7,611,268</b>	<b>1,306</b>	<b>0.03</b>	11,578,216	2,322	0.04
Payables under repurchase agreements ...	<b>2,575,479</b>	<b>3,019</b>	<b>0.23</b>	1,408,724	8,932	1.27
Payables under securities lending transactions .....	<b>4,867,352</b>	<b>24,556</b>	<b>1.01</b>	4,551,555	13,239	0.58
Commercial paper .....	<b>160,083</b>	<b>105</b>	<b>0.13</b>	354,590	229	0.13
Borrowed money .....	<b>2,525,657</b>	<b>22,508</b>	<b>1.78</b>	2,759,983	26,628	1.93
Bonds .....	<b>3,660,558</b>	<b>37,446</b>	<b>2.05</b>	3,584,287	38,912	2.17

- Notes: 1. The figures above comprise totals for domestic and overseas operations after intersegment eliminations.
2. In principle, average balances are computed by using daily balances. However, some consolidated subsidiaries use weekly, monthly or semiannual balances instead.
3. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2003, ¥1,070,997 million; first half of fiscal 2002, ¥789,083 million).
4. Income and expenses resulting from money held in trust are included in "Other income" and "Other expenses." Therefore, "Interest-earning assets" are shown after deduction of the average balance of money held in trust (first half of fiscal 2003, ¥33,861 million; first half of fiscal 2002, ¥41,889 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of interest expenses on money held in trust (first half of fiscal 2003, ¥33,861 million; first half of fiscal 2002, ¥41,889 million) and corresponding interest (first half of fiscal 2003, ¥16 million; first half of fiscal 2002, ¥24 million).

## Fees and Commissions

Six months ended September 30, 2003 and 2002

	Millions of yen							
	Sept. 30, 2003				Sept. 30, 2002			
	Domestic operations	Overseas operations	Elimination and unallocated corporate assets	Total	Domestic operations	Overseas operations	Elimination	Total
Fees and commissions (income) .....	¥222,815	¥14,595	¥(251)	¥237,159	¥189,344	¥15,337	¥(63)	¥204,619
Deposits and loans .....	8,561	7,898	(8)	16,452	7,406	8,916	—	16,323
Remittances and transfers .....	55,181	2,843	(0)	58,025	52,657	2,958	(0)	55,614
Securities-related business .....	22,505	0	—	22,505	13,321	1	—	13,323
Agency .....	7,782	—	—	7,782	7,652	—	—	7,652
Safe deposits .....	3,119	2	—	3,121	2,226	3	—	2,229
Guarantees .....	13,565	1,529	(241)	14,853	13,982	1,021	(62)	14,940
Credit card .....	44,268	—	—	44,268	42,509	—	—	42,509
Fees and commissions (expenses) .....	¥ 39,882	¥ 2,365	¥(278)	¥ 41,969	¥ 40,388	¥ 1,882	¥(75)	¥ 42,195
Remittances and transfers .....	10,539	1,081	(0)	11,621	10,231	595	—	10,827

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.  
2. Intersegment transactions are reported in "Elimination and unallocated corporate assets" column or "Elimination" column.

## Trading Income

Six months ended September 30, 2003 and 2002

	Millions of yen							
	Sept. 30, 2003				Sept. 30, 2002			
	Domestic operations	Overseas operations	Elimination and unallocated corporate assets	Total	Domestic operations	Overseas operations	Elimination	Total
Trading profits .....	¥153,718	¥13,100	¥(2,915)	¥163,904	¥99,544	¥15,274	¥(4,285)	¥110,534
Gains on trading securities .....	1,359	1,950	—	3,309	1,686	1,786	—	3,473
Gains on securities related to trading transactions .....	286	—	—	286	—	—	—	—
Gains on trading-related financial derivatives .....	152,045	11,149	(2,915)	160,279	97,783	13,488	(4,285)	106,986
Others .....	28	—	—	28	74	—	—	74
Trading losses .....	¥ 2,193	¥ 721	¥(2,915)	¥ —	¥ 3,660	¥ 1,342	¥(4,285)	¥ 718
Losses on trading securities .....	—	—	—	—	—	—	—	—
Losses on securities related to trading transactions .....	—	—	—	—	718	—	—	718
Losses on trading-related financial derivatives .....	2,193	721	(2,915)	—	2,942	1,342	(4,285)	—
Others .....	—	—	—	—	—	—	—	—

Notes: 1. Domestic operations comprise the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. Overseas operations comprise the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.  
2. Intersegment transactions are reported in "Elimination and unallocated corporate assets" column or "Elimination" column.