

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2005			2004		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥ 979,246	¥339,934	¥1,318,698	¥1,017,456	¥375,344	¥1,392,322
			[483]			[478]
Interest expenses.....	64,674	282,000	346,191	69,570	236,170	305,262
			[483]			[478]
Net interest income	914,572	57,933	972,506	947,885	139,174	1,087,060
Trust fees	¥ 2,607	¥ 2	¥ 2,609	¥ 334	¥ —	¥ 334
Fees and commissions (income)	¥ 335,368	¥ 64,066	¥ 399,434	¥ 262,993	¥ 59,081	¥ 322,075
Fees and commissions (expenses)	88,570	12,788	101,358	83,827	11,679	95,506
Net fees and commissions	246,798	51,277	298,076	179,166	47,401	226,568
Trading profits	¥ 1,787	¥129,991	¥ 131,779	¥ 667	¥282,944	¥ 283,611
Trading losses.....	—	199	199	1,977	904	2,881
Net trading income	1,787	129,792	131,579	(1,309)	282,039	280,729
Other operating income	¥ 87,832	¥142,007	¥ 228,005	¥ 84,531	¥ 68,412	¥ 149,209
Other operating expenses.....	70,786	40,963	109,916	74,991	88,517	159,774
Net other operating income	17,045	101,043	118,088	9,540	(20,105)	(10,565)
Gross banking profit.....	¥1,182,811	¥340,049	¥1,522,861	¥1,135,616	¥448,510	¥1,584,127
Gross banking profit rate (%)	1.75%	2.61%	1.92%	1.62%	3.70%	1.95%

- 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 (2005, ¥3 million; 2004, ¥21 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" (2005, by ¥1,834 million; 2004, by ¥3,734 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					
	2005			2004		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥67,225,756	¥979,246	1.45%	¥70,034,584	¥1,017,456	1.45%
Loans and bills discounted.....	46,859,345	829,425	1.77	50,475,233	883,037	1.75
Securities	19,087,657	131,157	0.68	18,598,661	111,185	0.59
Call loans	155,150	24	0.01	203,991	103	0.05
Receivables under resale agreements	57,949	0	0.00	11,508	0	0.00
Receivables under securities borrowing transactions	869,496	181	0.02	515,919	104	0.02
Bills bought	192,027	3	0.00	184,953	5	0.00
Deposits with banks	3,380	0	0.00	42,471	77	0.18
Interest-bearing liabilities	¥70,248,699	¥ 64,674	0.09%	¥71,856,302	¥ 69,570	0.09%
	[1,130,805]	[483]		[1,000,541]	[478]	
Deposits	54,621,893	12,145	0.02	52,485,951	14,501	0.02
Negotiable certificates of deposit	3,754,306	792	0.02	4,324,976	831	0.01
Call money	2,179,425	58	0.00	2,407,003	73	0.00
Payables under repurchase agreements	580,878	18	0.00	1,723,557	104	0.00
Payables under securities lending transactions	1,890,175	196	0.01	2,020,607	219	0.01
Bills sold	2,430,812	105	0.00	4,702,846	876	0.01
Commercial paper.....	2,054	0	0.00	2,192	0	0.01
Borrowed money	853,945	21,498	2.51	936,408	26,743	2.85
Bonds.....	2,633,634	28,843	1.09	2,213,020	25,243	1.14

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2005, ¥1,569,397 million; 2004, ¥1,247,575 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2005, ¥3,629 million; 2004, ¥21,921 million) and corresponding interest (2005, ¥3 million; 2004, ¥21 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					
	2005			2004		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥13,027,122	¥339,934	2.60%	¥12,103,251	¥375,344	3.10%
	[1,130,805]	[483]		[1,000,541]	[478]	
Loans and bills discounted.....	3,949,563	105,467	2.67	3,769,716	89,853	2.38
Securities	4,615,337	131,482	2.84	5,216,457	138,408	2.65
Call loans	262,361	4,973	1.89	160,609	2,130	1.32
Receivables under resale agreements	124,900	1,954	1.56	88,578	818	0.92
Receivables under securities borrowing transactions	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	1,882,820	32,631	1.73	979,681	11,090	1.12
Interest-bearing liabilities	¥12,979,499	¥282,000	2.17%	¥12,062,826	¥236,170	1.95%
Deposits	6,789,387	95,572	1.40	5,678,463	70,632	1.24
Negotiable certificates of deposit	62,015	2,253	3.63	64,031	2,156	3.36
Call money	206,703	3,321	1.60	138,887	1,494	1.07
Payables under repurchase agreements ...	176,152	2,767	1.57	291,723	2,984	1.02
Payables under securities lending transactions	2,718,747	51,621	1.89	3,060,699	48,401	1.58
Bills sold	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—
Borrowed money	1,583,555	64,074	4.04	1,704,931	64,999	3.81
Bonds	939,345	31,640	3.36	654,400	24,197	3.69

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2005, ¥27,509 million; 2004, ¥30,603 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					
	2005			2004		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥79,122,073	¥1,318,698	1.66%	¥81,137,294	¥1,392,322	1.71%
Loans and bills discounted.....	50,808,908	934,892	1.84	54,244,949	972,891	1.79
Securities	23,702,994	262,640	1.10	23,815,118	249,594	1.04
Call loans	417,511	4,998	1.19	364,601	2,233	0.61
Receivables under resale agreements	182,849	1,955	1.06	100,087	818	0.81
Receivables under securities borrowing transactions	869,496	181	0.02	515,919	104	0.02
Bills bought	192,027	3	0.00	184,953	5	0.00
Deposits with banks	1,886,200	32,631	1.73	1,022,152	11,167	1.08
Interest-bearing liabilities	¥82,097,393	¥ 346,191	0.42%	¥82,918,587	¥ 305,262	0.36%
Deposits	61,411,281	107,718	0.17	58,164,414	85,133	0.14
Negotiable certificates of deposit	3,816,321	3,045	0.07	4,389,008	2,988	0.06
Call money	2,386,128	3,380	0.14	2,545,891	1,567	0.06
Payables under repurchase agreements ...	757,031	2,786	0.36	2,015,281	3,089	0.15
Payables under securities lending transactions	4,608,922	51,818	1.12	5,081,306	48,621	0.95
Bills sold	2,430,812	105	0.00	4,702,846	876	0.01
Commercial paper	2,054	0	0.00	2,192	0	0.01
Borrowed money	2,437,501	85,573	3.51	2,641,340	91,742	3.47
Bonds	3,572,980	60,483	1.69	2,867,421	49,441	1.72

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2005, ¥1,596,906 million; 2004, ¥1,278,178 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2005, ¥3,629 million; 2004, ¥21,921 million) and corresponding interest (2005, ¥3 million; 2004, ¥21 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					
	2005			2004		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(40,908)	¥ 2,698	¥(38,209)	¥(67,656)	¥(20,009)	¥(87,666)
Loans and bills discounted.....	(63,897)	10,284	(53,612)	(59,105)	9,680	(49,424)
Securities	2,988	16,983	19,972	(1,615)	(11,172)	(12,787)
Call loans	(20)	(57)	(78)	(54)	(139)	(193)
Receivables under resale agreements	0	0	0	(1)	0	(1)
Bills bought	0	(2)	(2)	(7)	(21)	(29)
Deposits with banks.....	(37)	(40)	(77)	(109)	(20)	(130)
Interest expenses.....	¥ (1,532)	¥ (3,363)	¥ (4,896)	¥ (2,362)	¥ (7,391)	¥ (9,754)
Deposits	570	(2,925)	(2,355)	354	(7,410)	(7,055)
Negotiable certificates of deposit	(115)	76	(39)	(435)	(801)	(1,236)
Call money	(6)	(8)	(15)	(37)	(208)	(246)
Payable under repurchase agreements.....	(50)	(35)	(85)	41	(13)	28
Bills sold	(297)	(472)	(770)	(165)	694	528
Commercial paper.....	0	0	0	(43)	(38)	(82)
Borrowed money	(2,236)	(3,008)	(5,244)	(2,574)	(236)	(2,811)
Bonds.....	4,639	(1,040)	3,599	2,369	(1,579)	790

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

International Operations

Year ended March 31	Millions of yen					
	2005			2004		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥27,174	¥(62,584)	¥(35,409)	¥(55,644)	¥(110,980)	¥(166,625)
Loans and bills discounted.....	4,433	11,181	15,614	(46,445)	(30,565)	(77,011)
Securities	(16,666)	9,739	(6,926)	26,560	(22,017)	4,543
Call loans	1,695	1,147	2,843	292	(727)	(434)
Receivables under resale agreements	422	714	1,136	230	137	367
Bills bought	—	—	—	—	—	—
Deposits with banks.....	14,688	7,872	22,560	(11,969)	(11,344)	(23,314)
Interest expenses.....	¥18,752	¥ 27,077	¥ 45,830	¥(29,673)	¥ (78,586)	¥(108,260)
Deposits	14,906	10,034	24,940	(21,383)	(32,332)	(53,715)
Negotiable certificates of deposit	(69)	166	97	(2,045)	(80)	(2,125)
Call money	908	918	1,827	(725)	(825)	(1,551)
Payable under repurchase agreements.....	(1,451)	1,234	(216)	(8,944)	(4,710)	(13,654)
Bills sold	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money	(4,779)	3,854	(925)	(12,151)	(185)	(12,337)
Bonds.....	9,757	(2,314)	7,443	7,782	(1,111)	6,670

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					
	2005			2004		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(34,120)	¥(39,504)	¥(73,624)	¥(127,946)	¥(126,822)	¥(254,769)
Loans and bills discounted.....	(62,759)	24,761	(37,998)	(93,082)	(33,352)	(126,435)
Securities	(1,180)	14,226	13,046	7,481	(15,724)	(8,243)
Call loans	365	2,399	2,764	(258)	(369)	(627)
Receivables under resale agreements	828	308	1,136	(207)	573	366
Bills bought	0	(2)	(2)	(7)	(21)	(29)
Deposits with banks.....	13,703	8,779	22,483	(12,241)	(11,203)	(23,444)
Interest expenses.....	¥ (3,051)	¥ 43,980	¥ 40,929	¥ (20,830)	¥ (97,662)	¥(118,492)
Deposits	4,959	17,625	22,584	(1,258)	(59,512)	(60,771)
Negotiable certificates of deposit	(418)	475	57	(1,381)	(1,979)	(3,361)
Call money	(104)	1,916	1,812	(428)	(1,369)	(1,797)
Payable under repurchase agreements.....	(2,762)	2,459	(302)	(487)	(13,139)	(13,626)
Bills sold	(297)	(472)	(770)	(165)	694	528
Commercial paper.....	0	0	0	(43)	(38)	(82)
Borrowed money	(7,146)	977	(6,169)	(14,206)	(941)	(15,148)
Bonds.....	11,959	(916)	11,042	7,092	367	7,460

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

Fees and Commissions

Year ended March 31	Millions of yen					
	2005			2004		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income)	¥335,368	¥64,066	¥399,434	¥262,993	¥59,081	¥322,075
Deposits and loans	11,034	22,381	33,415	11,331	16,950	28,282
Remittances and transfers	93,623	23,156	116,780	91,054	21,163	112,218
Securities-related business	22,098	702	22,801	19,492	763	20,256
Agency	16,576	—	16,576	13,656	—	13,656
Safe deposits	6,333	—	6,333	5,532	—	5,532
Guarantees	15,016	5,620	20,636	9,214	5,014	14,228
Fees and commissions (expenses).....	¥ 88,570	¥12,788	¥101,358	¥ 83,827	¥11,679	¥ 95,506
Remittances and transfers	17,912	4,678	22,590	17,429	4,489	21,918

Trading Income

Year ended March 31	Millions of yen					
	2005			2004		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits	¥1,787	¥129,991	¥131,779	¥ 667	¥282,944	¥283,611
Gains on trading securities	1,352	—	1,352	—	—	—
Gains on securities related to trading transactions.....	—	—	—	—	—	—
Gains on trading-related financial derivatives.....	—	129,991	129,991	—	282,944	282,944
Others	435	—	435	667	—	667
Trading losses.....	¥ —	¥ 199	¥ 199	¥1,977	¥ 904	¥ 2,881
Losses on trading securities	—	—	—	1,977	—	1,977
Losses on securities related to trading transactions.....	—	199	199	—	904	904
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					
	2005			2004		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income	¥17,045	¥101,043	¥118,088	¥9,540	¥(20,105)	¥(10,565)
Gains (losses) on bonds	(6,100)	(15,490)	(21,590)	291	22,449	22,741
Gains (losses) on foreign exchange transactions	—	115,580	115,580	—	—	—

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2005	2004
Salaries and related expenses	¥164,812	¥171,026
Retirement benefit cost	37,677	62,742
Welfare expenses	27,222	26,019
Depreciation	53,038	53,490
Rent and lease expenses	47,476	48,188
Building and maintenance expenses	4,323	3,485
Supplies expenses	5,219	6,215
Water, lighting, and heating expenses	5,025	5,222
Traveling expenses	2,422	2,370
Communication expenses	6,855	7,245
Publicity and advertising expenses	4,952	4,059
Taxes, other than income taxes	36,684	34,076
Others	207,766	198,956
Total	¥603,477	¥623,098

Note: Because expenses reported on page 34 exclude nonrecurring losses, they are not reconciled with the figures reported in the above table.