

# Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

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

Six months ended September 30, 2004 and 2003

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	¥496,311	¥150,957	¥646,974 [294]	¥516,611	¥213,167	¥729,620 [159]
Interest expenses .....	33,878	122,522	156,106 [294]	34,922	126,259	161,023 [159]
Net interest income .....	462,433	28,435	490,868	481,688	86,908	568,597
Trust fees .....	¥ 728	¥ 0	¥ 729	¥ 84	¥ —	¥ 84
Fees and commissions (income) .....	¥148,535	¥ 32,707	¥181,243	¥123,037	¥ 27,124	¥150,162
Fees and commissions (expenses) .....	47,984	6,237	54,221	44,860	5,971	50,831
Net fees and commissions .....	100,551	26,470	127,021	78,177	21,152	99,330
Trading profits .....	¥ 725	¥ 21,029	¥ 21,755	¥ 416	¥151,688	¥152,104
Trading losses .....	—	605	605	2,279	—	2,279
Net trading income .....	725	20,424	21,150	(1,863)	151,688	149,824
Other operating income .....	¥ 49,324	¥104,525	¥150,886	¥ 51,222	¥ 37,054	¥ 88,276
Other operating expenses .....	23,645	7,257	27,939	50,342	60,431	110,774
Net other operating income .....	25,678	97,268	122,946	880	(23,377)	(22,497)
Gross banking profit .....	¥590,117	¥172,598	¥762,716	¥558,967	¥236,371	¥795,339

- 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 2004, ¥1 million; first half of fiscal 2003, ¥16 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. For the six months ended September 30, 2004, figures in "Total" column for "Other operating income" and "Other operating expenses" are lower than the corresponding combined sums under "Domestic operations" and "International operations" by ¥2,963 million in both cases. This is because income figures for financial derivatives are given net.

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

Six months ended September 30, 2004 and 2003

### Domestic Operations

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	¥67,599,892	¥496,311	1.46%	¥70,975,585	¥516,611	1.45%
Loans and bills discounted .....	46,817,969	418,172	1.78	50,802,673	442,373	1.73
Securities .....	19,493,550	63,621	0.65	19,207,937	56,730	0.58
Call loans .....	135,227	11	0.01	60,803	18	0.06
Receivables under resale agreements .....	58,866	0	0.00	—	—	—
Receivables under securities borrowing transactions .....	775,358	75	0.01	659,019	71	0.02
Bills bought .....	315,379	2	0.00	188,115	2	0.00
Deposits with banks .....	3,186	0	0.00	53,750	51	0.19
Interest-bearing liabilities .....	¥70,639,721	¥ 33,878	0.09%	¥72,139,125	¥ 34,922	0.09%
	[1,404,957]	[294]		[630,897]	[159]	
Deposits .....	53,988,209	6,023	0.02	52,589,296	7,981	0.03
Negotiable certificates of deposit .....	3,716,009	387	0.02	4,337,991	428	0.01
Call money .....	2,216,245	29	0.00	2,484,386	37	0.00
Payables under repurchase agreements ...	759,173	13	0.00	2,126,632	66	0.00
Payables under securities lending transactions .....	1,856,085	96	0.01	1,958,464	111	0.01
Bills sold .....	2,958,134	90	0.00	4,935,178	319	0.01
Commercial paper .....	4,098	0	0.00	4,385	0	0.01
Borrowed money .....	890,541	12,204	2.73	945,358	13,511	2.85
Bonds .....	2,572,858	14,469	1.12	2,105,112	12,059	1.14

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2004, ¥1,860,644 million; first half of fiscal 2003, ¥981,818 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2004, ¥3,628 million; first half of fiscal 2003, ¥33,859 million) and corresponding interest (first half of fiscal 2004, ¥1 million; first half of fiscal 2003, ¥16 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

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥12,813,914</b> [1,404,957]	<b>¥150,957</b> [294]	<b>2.34%</b>	<b>¥11,994,973</b> [630,897]	<b>¥213,167</b> [159]	<b>3.54%</b>
Loans and bills discounted.....	<b>3,809,705</b>	<b>45,990</b>	<b>2.40</b>	<b>3,989,480</b>	<b>49,492</b>	<b>2.47</b>
Securities .....	<b>4,564,595</b>	<b>56,295</b>	<b>2.45</b>	<b>5,269,491</b>	<b>75,474</b>	<b>2.85</b>
Call loans .....	<b>227,675</b>	<b>1,717</b>	<b>1.50</b>	<b>139,012</b>	<b>960</b>	<b>1.37</b>
Receivables under resale agreements .....	<b>118,792</b>	<b>754</b>	<b>1.26</b>	<b>90,939</b>	<b>359</b>	<b>0.78</b>
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Bills bought .....	—	—	—	—	—	—
Deposits with banks .....	<b>1,663,321</b>	<b>12,589</b>	<b>1.50</b>	<b>978,761</b>	<b>4,674</b>	<b>0.95</b>
<b>Interest-bearing liabilities .....</b>	<b>¥12,799,717</b>	<b>¥122,522</b>	<b>1.90%</b>	<b>¥12,107,792</b>	<b>¥126,259</b>	<b>2.07%</b>
Deposits .....	<b>6,678,460</b>	<b>36,389</b>	<b>1.08</b>	<b>5,763,505</b>	<b>39,101</b>	<b>1.35</b>
Negotiable certificates of deposit .....	<b>63,675</b>	<b>1,117</b>	<b>3.49</b>	<b>66,829</b>	<b>1,207</b>	<b>3.60</b>
Call money .....	<b>176,653</b>	<b>1,031</b>	<b>1.16</b>	<b>152,108</b>	<b>949</b>	<b>1.24</b>
Payables under repurchase agreements ...	<b>203,405</b>	<b>1,175</b>	<b>1.15</b>	<b>425,659</b>	<b>2,295</b>	<b>1.07</b>
Payables under securities lending transactions .....	<b>2,673,475</b>	<b>21,996</b>	<b>1.64</b>	<b>2,898,594</b>	<b>24,444</b>	<b>1.68</b>
Bills sold .....	—	—	—	—	—	—
Commercial paper.....	—	—	—	—	—	—
Borrowed money.....	<b>1,641,627</b>	<b>33,067</b>	<b>4.01</b>	<b>1,738,176</b>	<b>33,618</b>	<b>3.85</b>
Bonds .....	<b>820,162</b>	<b>14,654</b>	<b>3.56</b>	<b>622,821</b>	<b>11,425</b>	<b>3.65</b>

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2004, ¥29,042 million; first half of fiscal 2003, ¥27,917 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

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥79,008,849</b>	<b>¥646,974</b>	<b>1.63%</b>	<b>¥82,339,662</b>	<b>¥729,620</b>	<b>1.76%</b>
Loans and bills discounted.....	<b>50,627,674</b>	<b>464,162</b>	<b>1.82</b>	<b>54,792,153</b>	<b>491,865</b>	<b>1.79</b>
Securities .....	<b>24,058,145</b>	<b>119,916</b>	<b>0.99</b>	<b>24,477,428</b>	<b>132,204</b>	<b>1.07</b>
Call loans .....	<b>362,903</b>	<b>1,728</b>	<b>0.95</b>	<b>199,815</b>	<b>978</b>	<b>0.97</b>
Receivables under resale agreements .....	<b>177,659</b>	<b>754</b>	<b>0.84</b>	<b>90,939</b>	<b>359</b>	<b>0.78</b>
Receivables under securities borrowing transactions.....	<b>775,358</b>	<b>75</b>	<b>0.01</b>	<b>659,019</b>	<b>71</b>	<b>0.02</b>
Bills bought .....	<b>315,379</b>	<b>2</b>	<b>0.00</b>	<b>188,115</b>	<b>2</b>	<b>0.00</b>
Deposits with banks .....	<b>1,666,507</b>	<b>12,589</b>	<b>1.50</b>	<b>1,032,512</b>	<b>4,726</b>	<b>0.91</b>
<b>Interest-bearing liabilities .....</b>	<b>¥82,034,482</b>	<b>¥156,106</b>	<b>0.37%</b>	<b>¥83,616,020</b>	<b>¥161,023</b>	<b>0.38%</b>
Deposits .....	<b>60,666,670</b>	<b>42,412</b>	<b>0.13</b>	<b>58,352,802</b>	<b>47,083</b>	<b>0.16</b>
Negotiable certificates of deposit .....	<b>3,779,685</b>	<b>1,504</b>	<b>0.07</b>	<b>4,404,820</b>	<b>1,635</b>	<b>0.07</b>
Call money .....	<b>2,392,898</b>	<b>1,061</b>	<b>0.08</b>	<b>2,636,495</b>	<b>986</b>	<b>0.07</b>
Payables under repurchase agreements ...	<b>962,579</b>	<b>1,188</b>	<b>0.24</b>	<b>2,552,292</b>	<b>2,361</b>	<b>0.18</b>
Payables under securities lending transactions .....	<b>4,529,561</b>	<b>22,092</b>	<b>0.97</b>	<b>4,857,059</b>	<b>24,555</b>	<b>1.00</b>
Bills sold .....	<b>2,958,134</b>	<b>90</b>	<b>0.00</b>	<b>4,935,178</b>	<b>319</b>	<b>0.01</b>
Commercial paper.....	<b>4,098</b>	<b>0</b>	<b>0.00</b>	<b>4,385</b>	<b>0</b>	<b>0.01</b>
Borrowed money.....	<b>2,532,168</b>	<b>45,271</b>	<b>3.56</b>	<b>2,683,535</b>	<b>47,130</b>	<b>3.50</b>
Bonds .....	<b>3,393,021</b>	<b>29,124</b>	<b>1.71</b>	<b>2,727,933</b>	<b>23,485</b>	<b>1.71</b>

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (first half of fiscal 2004, ¥1,889,686 million; first half of fiscal 2003, ¥1,009,736 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2004, ¥3,628 million; first half of fiscal 2003, ¥33,859 million) and corresponding interest (first half of fiscal 2004, ¥1 million; first half of fiscal 2003, ¥16 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.

## Fees and Commissions

Six months ended September 30, 2004 and 2003

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income) .....	<b>¥148,535</b>	<b>¥32,707</b>	<b>¥181,243</b>	¥123,037	¥27,124	¥150,162
Deposits and loans .....	<b>5,463</b>	<b>11,838</b>	<b>17,302</b>	5,406	7,177	12,584
Remittances and transfers .....	<b>45,592</b>	<b>11,536</b>	<b>57,129</b>	44,766	10,264	55,030
Securities-related business .....	<b>8,666</b>	<b>341</b>	<b>9,007</b>	11,610	384	11,995
Agency .....	<b>8,254</b>	—	<b>8,254</b>	6,529	—	6,529
Safe deposits .....	<b>2,790</b>	—	<b>2,790</b>	2,740	—	2,740
Guarantees .....	<b>7,199</b>	<b>2,768</b>	<b>9,968</b>	3,035	2,621	5,656
Fees and commissions (expenses) .....	<b>¥ 47,984</b>	<b>¥ 6,237</b>	<b>¥ 54,221</b>	¥ 44,860	¥ 5,971	¥ 50,831
Remittances and transfers .....	<b>8,819</b>	<b>2,382</b>	<b>11,202</b>	8,314	2,280	10,595

## Trading Income

Six months ended September 30, 2004 and 2003

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits .....	<b>¥725</b>	<b>¥21,029</b>	<b>¥21,755</b>	¥ 416	¥151,688	¥152,104
Gains on trading securities .....	<b>533</b>	—	<b>533</b>	—	—	—
Gains on securities related to trading transactions .....	—	—	—	—	286	286
Gains on trading-related financial derivatives .....	—	<b>21,029</b>	<b>21,029</b>	—	151,402	151,402
Others .....	<b>192</b>	—	<b>192</b>	416	—	416
Trading losses .....	<b>¥ —</b>	<b>¥ 605</b>	<b>¥ 605</b>	¥2,279	¥ —	¥ 2,279
Losses on trading securities .....	—	—	—	2,279	—	2,279
Losses on securities related to trading transactions .....	—	<b>605</b>	<b>605</b>	—	—	—
Losses on trading-related financial derivatives .....	—	—	—	—	—	—
Others .....	—	—	—	—	—	—

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

## Net Other Operating Income

Six months ended September 30, 2004 and 2003

	Millions of yen					
	Sept. 30, 2004			Sept. 30, 2003		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income .....	<b>¥25,678</b>	<b>¥97,268</b>	<b>¥122,946</b>	¥ 880	¥(23,377)	¥(22,497)
Gains (losses) on bonds .....	<b>19,899</b>	<b>6,764</b>	<b>26,663</b>	2,386	16,385	18,771
Gains (losses) on trading-related financial derivatives .....	<b>(4,905)</b>	<b>2,963</b>	<b>(1,941)</b>	(1,828)	(670)	(2,499)
Gains (losses) on foreign exchange transactions .....	—	<b>87,518</b>	<b>87,518</b>	—	(39,042)	(39,042)