

# Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

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

Year ended March 31	Millions of yen					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	<b>¥1,037,393</b>	<b>¥669,110</b>	<b>¥1,706,170</b>	¥ 998,292	¥441,421	¥1,426,546
			[332]			[13,168]
Interest expenses.....	<b>133,203</b>	<b>635,846</b>	<b>768,717</b>	54,421	430,747	472,001
			[332]			[13,168]
Net interest income .....	<b>904,189</b>	<b>33,263</b>	<b>937,452</b>	943,870	10,674	954,544
Trust fees .....	<b>3,479</b>	<b>2</b>	<b>3,482</b>	8,625	1	8,626
Fees and commissions (income) .....	<b>385,202</b>	<b>79,969</b>	<b>465,171</b>	394,224	80,747	474,972
Fees and commissions (expenses) .....	<b>95,323</b>	<b>16,431</b>	<b>111,754</b>	94,808	13,487	108,296
Net fees and commissions .....	<b>289,878</b>	<b>63,538</b>	<b>353,416</b>	299,415	67,260	366,675
Trading profits .....	<b>4,047</b>	<b>99,671</b>	<b>103,719</b>	1,077	12,172	13,250
Trading losses.....	<b>162</b>	<b>1,936</b>	<b>2,098</b>	1,312	—	1,312
Net trading income (loss) .....	<b>3,885</b>	<b>97,735</b>	<b>101,620</b>	(234)	12,172	11,937
Other operating income .....	<b>42,813</b>	<b>63,912</b>	<b>106,725</b>	52,951	220,910	273,861
Other operating expenses.....	<b>94,305</b>	<b>63,902</b>	<b>158,207</b>	38,139	25,473	63,613
Net other operating income (expenses) .....	<b>(51,491)</b>	<b>9</b>	<b>(51,482)</b>	14,811	195,436	210,248
Gross banking profit .....	<b>¥1,149,941</b>	<b>¥194,548</b>	<b>¥1,344,490</b>	¥1,266,488	¥285,545	¥1,552,033
Gross banking profit rate (%) .....	<b>1.74%</b>	<b>1.34%</b>	<b>1.67%</b>	1.91%	2.18%	1.96%

- 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 (2007, ¥5 million; 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 / 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					
	2007			2006		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥66,077,961</b>	<b>¥1,037,393</b>	<b>1.56%</b>	¥66,051,344	¥998,292	1.51%
	[171,786]	[332]			[13,137]	
Loans and bills discounted.....	<b>47,188,557</b>	<b>817,842</b>	<b>1.73</b>	46,007,295	783,444	1.70
Securities .....	<b>16,763,472</b>	<b>197,538</b>	<b>1.17</b>	18,099,469	187,182	1.03
Call loans .....	<b>336,503</b>	<b>1,151</b>	<b>0.34</b>	332,323	64	0.01
Receivables under resale agreements .....	<b>20,304</b>	<b>37</b>	<b>0.18</b>	78,893	2	0.00
Receivables under securities borrowing transactions .....	<b>1,320,720</b>	<b>4,827</b>	<b>0.36</b>	1,411,612	613	0.04
Bills bought .....	<b>55,212</b>	<b>102</b>	<b>0.18</b>	116,653	7	0.00
Deposits with banks .....	<b>51,428</b>	<b>203</b>	<b>0.39</b>	4,450	0	0.00
Interest-bearing liabilities .....	<b>¥67,955,018</b>	<b>¥ 133,203</b>	<b>0.19%</b>	¥70,359,783	¥ 54,421	0.07%
				[74,822]	[30]	
Deposits .....	<b>57,374,302</b>	<b>59,125</b>	<b>0.10</b>	56,437,539	11,500	0.02
Negotiable certificates of deposit .....	<b>2,666,349</b>	<b>6,183</b>	<b>0.23</b>	3,659,782	852	0.02
Call money .....	<b>1,918,389</b>	<b>3,731</b>	<b>0.19</b>	2,006,332	73	0.00
Payables under repurchase agreements ...	<b>165,270</b>	<b>452</b>	<b>0.27</b>	218,055	7	0.00
Payables under securities lending transactions .....	<b>878,167</b>	<b>2,412</b>	<b>0.27</b>	871,477	90	0.01
Bills sold .....	<b>956,126</b>	<b>220</b>	<b>0.02</b>	3,727,726	113	0.00
Commercial paper.....	<b>—</b>	<b>—</b>	<b>—</b>	—	—	—
Borrowed money .....	<b>1,540,098</b>	<b>16,532</b>	<b>1.07</b>	803,948	16,567	2.06
Bonds.....	<b>2,236,416</b>	<b>23,297</b>	<b>1.04</b>	2,473,357	24,622	0.99

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2007, ¥1,021,949 million; 2006, ¥2,616,150 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2007, ¥2,607 million; 2006, ¥1,717 million) and corresponding interest (2007, ¥5 million; 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.  
3. Bond interest for the year ended March 31, 2006 includes amortization of discount on bonds.

## International Operations

Year ended March 31	Millions of yen					
	2007			2006		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥14,513,250</b>	<b>¥669,110</b>	<b>4.61%</b>	¥13,046,075 [74,822]	¥441,421 [30]	3.38%
Loans and bills discounted.....	<b>6,371,044</b>	<b>325,518</b>	<b>5.10</b>	5,143,390	207,408	4.03
Securities .....	<b>4,095,307</b>	<b>171,500</b>	<b>4.18</b>	4,063,661	129,998	3.19
Call loans .....	<b>452,724</b>	<b>22,351</b>	<b>4.93</b>	317,961	11,395	3.58
Receivables under resale agreements .....	<b>98,709</b>	<b>4,026</b>	<b>4.07</b>	137,805	4,360	3.16
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Bills bought .....	—	—	—	—	—	—
Deposits with banks .....	<b>2,281,869</b>	<b>77,519</b>	<b>3.39</b>	2,287,514	50,453	2.20
Interest-bearing liabilities .....	<b>¥14,324,084</b> [171,786]	<b>¥635,846</b> [332]	<b>4.43%</b>	¥12,894,582	¥430,747 [13,137]	3.34%
Deposits .....	<b>8,475,843</b>	<b>337,174</b>	<b>3.97</b>	7,388,093	215,426	2.91
Negotiable certificates of deposit .....	<b>519,589</b>	<b>27,561</b>	<b>5.30</b>	155,444	6,837	4.39
Call money .....	<b>332,255</b>	<b>14,986</b>	<b>4.51</b>	164,130	5,195	3.16
Payables under repurchase agreements ...	<b>316,813</b>	<b>16,071</b>	<b>5.07</b>	179,167	6,352	3.54
Payables under securities lending transactions .....	<b>1,389,030</b>	<b>58,357</b>	<b>4.20</b>	1,839,599	58,114	3.15
Bills sold .....	—	—	—	—	—	—
Commercial paper .....	—	—	—	—	—	—
Borrowed money .....	<b>1,359,685</b>	<b>67,618</b>	<b>4.97</b>	1,345,486	60,541	4.49
Bonds .....	<b>1,440,949</b>	<b>50,186</b>	<b>3.48</b>	1,327,124	43,630	3.28

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2007, ¥51,778 million; 2006, ¥31,957 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 for the year ended March 31, 2006 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					
	2007			2006		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	<b>¥80,419,426</b>	<b>¥1,706,170</b>	<b>2.12%</b>	¥79,022,597	¥1,426,546	1.80%
Loans and bills discounted.....	<b>53,559,601</b>	<b>1,143,361</b>	<b>2.13</b>	51,150,685	990,853	1.93
Securities .....	<b>20,858,779</b>	<b>369,039</b>	<b>1.76</b>	22,163,130	317,180	1.43
Call loans .....	<b>789,228</b>	<b>23,503</b>	<b>2.97</b>	650,284	11,459	1.76
Receivables under resale agreements .....	<b>119,013</b>	<b>4,064</b>	<b>3.41</b>	216,699	4,362	2.01
Receivables under securities borrowing transactions .....	<b>1,320,720</b>	<b>4,827</b>	<b>0.36</b>	1,411,612	613	0.04
Bills bought .....	<b>55,212</b>	<b>102</b>	<b>0.18</b>	116,653	7	0.00
Deposits with banks .....	<b>2,333,298</b>	<b>77,722</b>	<b>3.33</b>	2,291,965	50,454	2.20
Interest-bearing liabilities .....	<b>¥82,107,317</b>	<b>¥ 768,717</b>	<b>0.93%</b>	¥83,179,544	¥ 472,001	0.56%
Deposits .....	<b>65,850,146</b>	<b>396,300</b>	<b>0.60</b>	63,825,633	226,926	0.35
Negotiable certificates of deposit .....	<b>3,185,938</b>	<b>33,745</b>	<b>1.05</b>	3,815,227	7,690	0.20
Call money .....	<b>2,250,645</b>	<b>18,718</b>	<b>0.83</b>	2,170,463	5,268	0.24
Payables under repurchase agreements ...	<b>482,083</b>	<b>16,523</b>	<b>3.42</b>	397,223	6,359	1.60
Payables under securities lending transactions .....	<b>2,267,198</b>	<b>60,770</b>	<b>2.68</b>	2,711,076	58,204	2.14
Bills sold .....	<b>956,126</b>	<b>220</b>	<b>0.02</b>	3,727,726	113	0.00
Commercial paper .....	—	—	—	—	—	—
Borrowed money .....	<b>2,899,784</b>	<b>84,150</b>	<b>2.90</b>	2,149,434	77,109	3.58
Bonds .....	<b>3,677,365</b>	<b>73,483</b>	<b>1.99</b>	3,800,481	68,252	1.79

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2007, ¥1,073,727 million; 2006, ¥2,648,107 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2007, ¥2,607 million; 2006, ¥1,717 million) and corresponding interest (2007, ¥5 million; 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.
3. Bond interest for the year ended March 31, 2006 includes amortization of discount on bonds.

## Breakdown of Interest Income and Interest Expenses

### Domestic Operations

	Millions of yen					
	2007			2006		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 402	¥38,697	¥39,100	¥(17,311)	¥ 36,357	¥ 19,046
Loans and bills discounted.....	20,326	14,071	34,397	(14,896)	(31,084)	(45,980)
Securities .....	(13,816)	24,173	10,356	(7,109)	63,133	56,024
Call loans .....	0	1,087	1,087	33	6	39
Receivables under resale agreements .....	(1)	36	35	0	1	1
Receivables under securities borrowing transactions .....	(39)	4,254	4,214	157	273	431
Bills bought .....	(3)	99	95	(1)	5	3
Deposits with banks.....	12	191	203	0	(0)	0
Interest expenses.....	¥(1,860)	¥80,642	¥78,782	¥ 102	¥(10,354)	¥(10,252)
Deposits .....	194	47,431	47,625	394	(1,039)	(645)
Negotiable certificates of deposit .....	(231)	5,562	5,331	(20)	80	60
Call money .....	(3)	3,661	3,658	(4)	20	15
Payables under repurchase agreements ...	(1)	446	445	(12)	0	(11)
Payables under securities lending transactions .....	0	2,322	2,322	(105)	(1)	(106)
Bills sold .....	(84)	191	106	45	(37)	7
Borrowed money .....	7,902	(7,937)	(35)	(1,203)	(3,727)	(4,930)
Bonds.....	(2,358)	1,033	(1,325)	(1,691)	(2,529)	(4,221)

### International Operations

	Millions of yen					
	2007			2006		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥53,903	¥173,784	¥227,688	¥ 495	¥100,991	¥101,487
Loans and bills discounted.....	55,744	62,364	118,109	37,930	64,010	101,941
Securities .....	1,020	40,481	41,501	(16,668)	15,184	(1,483)
Call loans .....	5,794	5,162	10,956	1,234	5,186	6,421
Receivables under resale agreements .....	(1,236)	903	(333)	220	2,184	2,405
Deposits with banks.....	(124)	27,189	27,065	6,558	10,244	16,803
Interest expenses.....	¥51,712	¥153,386	¥205,098	¥ (1,856)	¥150,603	¥148,747
Deposits .....	35,042	86,705	121,748	9,114	110,739	119,853
Negotiable certificates of deposit .....	19,049	1,674	20,723	4,022	562	4,584
Call money .....	6,920	2,871	9,791	(800)	2,673	1,873
Payables under repurchase agreements ...	6,227	3,491	9,718	48	3,536	3,584
Payables under securities lending transactions .....	(14,233)	14,477	243	(20,322)	26,814	6,492
Borrowed money .....	645	6,432	7,077	(10,251)	6,717	(3,533)
Bonds.....	3,873	2,681	6,555	12,765	(775)	11,990

### Total of Domestic and International Operations

	Millions of yen					
	2007			2006		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥25,620	¥254,003	¥279,624	¥ (1,659)	¥109,508	¥107,848
Loans and bills discounted.....	48,167	104,340	152,507	6,326	49,634	55,960
Securities .....	(18,666)	70,525	51,858	(17,968)	72,509	54,540
Call loans .....	2,847	9,196	12,044	3,499	2,961	6,460
Receivables under resale agreements .....	(1,966)	1,667	(298)	417	1,990	2,407
Receivables under securities borrowing transactions .....	(39)	4,254	4,214	157	273	431
Bills bought .....	(3)	99	95	(1)	5	3
Deposits with banks.....	925	26,343	27,268	6,567	10,235	16,803
Interest expenses.....	¥ (6,084)	¥302,800	¥296,716	¥ 4,621	¥121,188	¥125,809
Deposits .....	7,416	161,957	169,373	4,395	114,813	119,208
Negotiable certificates of deposit .....	(1,268)	27,323	26,055	(0)	4,645	4,644
Call money .....	201	13,248	13,449	(330)	2,218	1,888
Payables under repurchase agreements ...	1,603	8,560	10,164	(1,875)	5,448	3,572
Payables under securities lending transactions .....	(9,529)	12,096	2,566	(27,385)	33,771	6,385
Bills sold .....	(84)	191	106	45	(37)	7
Borrowed money .....	21,774	(14,733)	7,041	(10,299)	1,835	(8,464)
Bonds.....	(2,211)	7,441	5,230	3,971	3,798	7,769

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

## Fees and Commissions

Year ended March 31	Millions of yen					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income) .....	<b>¥385,202</b>	<b>¥79,969</b>	<b>¥465,171</b>	¥394,224	¥80,747	¥474,972
Deposits and loans .....	<b>10,717</b>	<b>32,022</b>	<b>42,739</b>	11,009	29,269	40,278
Remittances and transfers .....	<b>96,938</b>	<b>27,389</b>	<b>124,327</b>	97,637	25,702	123,339
Securities-related business .....	<b>21,874</b>	<b>1,391</b>	<b>23,265</b>	23,212	1,048	24,261
Agency .....	<b>14,085</b>	—	<b>14,085</b>	16,280	—	16,280
Safe deposits .....	<b>6,855</b>	—	<b>6,855</b>	6,975	—	6,975
Guarantees .....	<b>22,054</b>	<b>6,775</b>	<b>28,829</b>	19,319	6,469	25,789
Fees and commissions (expenses) .....	<b>¥ 95,323</b>	<b>¥16,431</b>	<b>¥111,754</b>	¥ 94,808	¥13,487	¥108,296
Remittances and transfers .....	<b>19,071</b>	<b>5,927</b>	<b>24,999</b>	18,918	4,513	23,432

## Trading Income

Year ended March 31	Millions of yen					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits .....	<b>¥4,047</b>	<b>¥99,671</b>	<b>¥103,719</b>	¥1,077	¥12,172	¥13,250
Gains on trading securities .....	—	—	—	—	—	—
Gains on securities related to trading transactions .....	—	—	—	—	1,229	1,229
Gains on trading-related financial derivatives .....	—	<b>99,671</b>	<b>99,671</b>	—	10,942	10,942
Others .....	<b>4,047</b>	—	<b>4,047</b>	1,077	—	1,077
Trading losses .....	<b>¥ 162</b>	<b>¥ 1,936</b>	<b>¥ 2,098</b>	¥1,312	¥ —	¥ 1,312
Losses on trading securities .....	<b>162</b>	—	<b>162</b>	1,312	—	1,312
Losses on securities related to trading transactions .....	—	<b>1,936</b>	<b>1,936</b>	—	—	—
Losses on trading-related financial derivatives .....	—	—	—	—	—	—
Others .....	—	—	—	—	—	—

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

## Net Other Operating Income (Expenses)

Year ended March 31	Millions of yen					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses) .....	<b>¥(51,491)</b>	<b>¥ 9</b>	<b>¥ (51,482)</b>	¥14,811	¥195,436	¥210,248
Gains (losses) on bonds .....	<b>(74,703)</b>	<b>(37,709)</b>	<b>(112,413)</b>	(11,305)	985	(10,320)
Losses on derivatives .....	<b>(1,449)</b>	<b>(16,156)</b>	<b>(17,606)</b>	(390)	(7,700)	(8,090)
Gains on foreign exchange transactions .....	—	<b>55,243</b>	<b>55,243</b>	—	202,634	202,634

## General and Administrative Expenses

Year ended March 31	Millions of yen	
	2007	2006
Salaries and related expenses .....	<b>¥162,778</b>	¥158,660
Retirement benefit cost .....	<b>(309)</b>	28,952
Welfare expenses .....	<b>26,816</b>	26,280
Depreciation .....	<b>49,671</b>	52,776
Rent and lease expenses .....	<b>47,863</b>	46,802
Building and maintenance expenses .....	<b>5,301</b>	3,736
Supplies expenses .....	<b>5,451</b>	5,303
Water, lighting, and heating expenses .....	<b>4,876</b>	4,926
Traveling expenses .....	<b>3,057</b>	2,764
Communication expenses .....	<b>7,048</b>	6,813
Publicity and advertising expenses .....	<b>12,714</b>	10,671
Taxes, other than income taxes .....	<b>35,017</b>	33,379
Others .....	<b>249,528</b>	223,030
Total .....	<b>¥609,816</b>	¥604,098

Note: Because expenses reported on page 29 exclude nonrecurring losses, they are not reconciled with the figures reported in the above table.