

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥1,172,852	¥ 702,275	¥ 1,866,277 [8,851]	¥1,037,393	¥669,110	¥1,706,170 [332]
Interest expenses	258,227	646,082	895,458 [8,851]	133,203	635,846	768,717 [332]
Net interest income	914,625	56,193	970,818	904,189	33,263	937,452
Trust fees	3,710	—	3,710	3,479	2	3,482
Fees and commissions (income)	361,444	91,082	452,527	385,202	79,969	465,171
Fees and commissions (expenses)	98,409	21,755	120,165	95,323	16,431	111,754
Net fees and commissions	263,035	69,327	332,362	289,878	63,538	353,416
Trading profits	8,531	432,454	440,985	4,047	99,671	103,719
Trading losses	—	—	—	162	1,936	2,098
Net trading income	8,531	432,454	440,985	3,885	97,735	101,620
Other operating income	59,530	62,281	121,812	42,813	63,912	106,725
Other operating expenses	51,146	333,759	384,906	94,305	63,902	158,207
Net other operating income (expenses)	8,383	(271,477)	(263,093)	(51,491)	9	(51,482)
Gross banking profit	¥1,198,285	¥ 286,497	¥ 1,484,783	¥1,149,941	¥194,548	¥1,344,490
Gross banking profit rate (%)	1.82%	1.75%	1.86%	1.74%	1.34%	1.67%

- 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 (2008, ¥10 million; 2007, ¥5 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					
	2008			2007		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥65,570,970	¥1,172,852	1.78%	¥66,077,961	¥1,037,393	1.56%
	[2,187,759]	[8,851]		[171,786]	[332]	
Loans and bills discounted	46,675,889	944,703	2.02	47,188,557	817,842	1.73
Securities	15,123,121	192,292	1.27	16,763,472	197,538	1.17
Call loans	317,648	2,369	0.74	336,503	1,151	0.34
Receivables under resale agreements ...	25,001	137	0.55	20,304	37	0.18
Receivables under securities borrowing transactions	967,810	6,955	0.71	1,320,720	4,827	0.36
Bills bought	21,588	600	2.78	55,212	102	0.18
Deposits with banks	9,639	34	0.35	51,428	203	0.39
Interest-bearing liabilities	¥67,276,143	¥ 258,227	0.38%	¥67,955,018	¥ 133,203	0.19%
Deposits	57,309,691	126,555	0.22	57,374,302	59,125	0.10
Negotiable certificates of deposit	2,538,711	14,781	0.58	2,666,349	6,183	0.23
Call money	2,098,638	10,190	0.48	1,918,389	3,731	0.19
Payables under repurchase agreements ...	110,193	630	0.57	165,270	452	0.27
Payables under securities lending transactions	1,095,930	5,872	0.53	878,167	2,412	0.27
Bills sold	—	—	—	956,126	220	0.02
Borrowed money	1,901,820	19,738	1.03	1,540,098	16,532	1.07
Bonds	2,105,556	25,297	1.20	2,236,416	23,297	1.04

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2008, ¥740,846 million; 2007, ¥1,021,949 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2008, ¥2,771 million; 2007, ¥2,607 million) and corresponding interest (2008, ¥10 million; 2007, ¥5 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.

International Operations

Year ended March 31	Millions of yen					
	2008			2007		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥16,324,446	¥702,275	4.30%	¥14,513,250	¥669,110	4.61%
Loans and bills discounted	7,573,047	381,575	5.03	6,371,044	325,518	5.10
Securities	3,528,429	129,994	3.68	4,095,307	171,500	4.18
Call loans	368,569	17,033	4.62	452,724	22,351	4.93
Receivables under resale agreements ...	242,821	3,625	1.49	98,709	4,026	4.07
Receivables under securities borrowing transactions	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	3,424,782	92,911	2.71	2,281,869	77,519	3.39
Interest-bearing liabilities	¥16,253,405	¥646,082	3.97%	¥14,324,084	¥635,846	4.43%
	[2,187,759]	[8,851]		[171,786]	[332]	
Deposits	8,670,545	300,291	3.46	8,475,843	337,174	3.97
Negotiable certificates of deposit	608,181	32,686	5.37	519,589	27,561	5.30
Call money	336,120	13,746	4.08	332,255	14,986	4.51
Payables under repurchase agreements ...	186,890	5,558	2.97	316,813	16,071	5.07
Payables under securities lending transactions	944,513	39,623	4.19	1,389,030	58,357	4.20
Bills sold	—	—	—	—	—	—
Borrowed money	1,593,890	83,250	5.22	1,359,685	67,618	4.97
Bonds	1,473,709	51,165	3.47	1,440,949	50,186	3.48

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2008, ¥78,914 million; 2007, ¥51,778 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. 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					
	2008			2007		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥79,707,657	¥1,866,277	2.34%	¥80,419,426	¥1,706,170	2.12%
Loans and bills discounted	54,248,936	1,326,278	2.44	53,559,601	1,143,361	2.13
Securities	18,651,550	322,287	1.72	20,858,779	369,039	1.76
Call loans	686,218	19,403	2.82	789,228	23,503	2.97
Receivables under resale agreements ...	267,822	3,762	1.40	119,013	4,064	3.41
Receivables under securities borrowing transactions	967,810	6,955	0.71	1,320,720	4,827	0.36
Bills bought	21,588	600	2.78	55,212	102	0.18
Deposits with banks	3,434,421	92,946	2.70	2,333,298	77,722	3.33
Interest-bearing liabilities	¥81,341,789	¥895,458	1.10%	¥82,107,317	¥768,717	0.93%
Deposits	65,980,237	426,846	0.64	65,850,146	396,300	0.60
Negotiable certificates of deposit	3,146,892	47,467	1.50	3,185,938	33,745	1.05
Call money	2,434,759	23,936	0.98	2,250,645	18,718	0.83
Payables under repurchase agreements ...	297,083	6,189	2.08	482,083	16,523	3.42
Payables under securities lending transactions	2,040,443	45,496	2.22	2,267,198	60,770	2.68
Bills sold	—	—	—	956,126	220	0.02
Borrowed money	3,495,710	102,988	2.94	2,899,784	84,150	2.90
Bonds	3,579,266	76,463	2.13	3,677,365	73,483	1.99

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest earning deposits (2008, ¥819,761 million; 2007, ¥1,073,727 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (2008, ¥2,771 million; 2007, ¥2,607 million) and corresponding interest (2008, ¥10 million; 2007, ¥5 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.

Breakdown of Interest Income and Interest Expenses

Domestic Operations

Year ended March 31	Millions of yen					
	2008			2007		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income	¥ (494)	¥135,953	¥135,459	¥ 402	¥38,697	¥39,100
Loans and bills discounted	(653)	127,514	126,860	20,326	14,071	34,397
Securities	(9,691)	4,445	(5,246)	(13,816)	24,173	10,356
Call loans	(6)	1,223	1,217	0	1,087	1,087
Receivables under resale agreements....	10	89	99	(1)	36	35
Receivables under securities borrowing transactions	(552)	2,680	2,127	(39)	4,254	4,214
Bills bought	(31)	528	497	(3)	99	95
Deposits with banks	(82)	(86)	(169)	12	191	203
Interest expenses	¥ (30)	¥125,053	¥125,023	¥ (1,860)	¥80,642	¥78,782
Deposits	(0)	67,430	67,429	194	47,431	47,625
Negotiable certificates of deposit	(23)	8,621	8,597	(231)	5,562	5,331
Call money	381	6,076	6,458	(3)	3,661	3,658
Payables under repurchase agreements...	(74)	252	178	(1)	446	445
Payables under securities lending transactions	716	2,743	3,459	0	2,322	2,322
Bills sold	(110)	(110)	(220)	(84)	191	106
Borrowed money	3,291	(85)	3,206	7,902	(7,937)	(35)
Bonds	(436)	2,437	2,000	(2,358)	1,033	(1,325)

International Operations

Year ended March 31	Millions of yen					
	2008			2007		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income	¥ 50,809	¥(17,643)	¥ 33,165	¥53,903	¥173,784	¥227,688
Loans and bills discounted	56,435	(377)	56,057	55,744	62,364	118,109
Securities	(11,902)	(29,603)	(41,505)	1,020	40,481	41,501
Call loans	(2,083)	(3,234)	(5,318)	5,794	5,162	10,956
Receivables under resale agreements....	878	(1,279)	(401)	(1,236)	903	(333)
Deposits with banks	22,144	(6,751)	15,392	(124)	27,189	27,065
Interest expenses	¥ 43,285	¥(33,049)	¥ 10,235	¥51,712	¥153,386	¥205,098
Deposits	(15,010)	(21,873)	(36,883)	35,042	86,705	121,748
Negotiable certificates of deposit	4,756	367	5,124	19,049	1,674	20,723
Call money	(539)	(700)	(1,240)	6,920	2,871	9,791
Payables under repurchase agreements...	(7,179)	(3,333)	(10,512)	6,227	3,491	9,718
Payables under securities lending transactions	(9,363)	(9,370)	(18,733)	(14,233)	14,477	243
Borrowed money	12,100	3,530	15,631	645	6,432	7,077
Bonds	999	(19)	979	3,873	2,681	6,555

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2008			2007		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income	¥ (1,349)	¥161,456	¥160,107	¥25,620	¥254,003	¥279,624
Loans and bills discounted	14,889	168,028	182,917	48,167	104,340	152,507
Securities	(19,578)	(27,172)	(46,751)	(18,666)	70,525	51,858
Call loans	(1,538)	(2,562)	(4,100)	2,847	9,196	12,044
Receivables under resale agreements....	898	(1,199)	(301)	(1,966)	1,667	(298)
Receivables under securities borrowing transactions	(552)	2,680	2,127	(39)	4,254	4,214
Bills bought	(31)	528	497	(3)	99	95
Deposits with banks	21,353	(6,130)	15,223	925	26,343	27,268
Interest expenses	¥ (443)	¥127,183	¥126,740	¥ (6,084)	¥302,800	¥296,716
Deposits	784	29,762	30,546	7,416	161,957	169,373
Negotiable certificates of deposit	(17)	13,740	13,722	(1,268)	27,323	26,055
Call money	1,617	3,600	5,218	201	13,248	13,449
Payables under repurchase agreements...	(7,085)	(3,248)	(10,334)	1,603	8,560	10,164
Payables under securities lending transactions	(10,151)	(5,123)	(15,274)	(9,529)	12,096	2,566
Bills sold	(110)	(110)	(220)	(84)	191	106
Borrowed money	17,538	1,298	18,837	21,774	(14,733)	7,041
Bonds	(587)	3,567	2,980	(2,211)	7,441	5,230

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

Fees and Commissions

Year ended March 31	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income).....	¥361,444	¥ 91,082	¥452,527	¥385,202	¥79,969	¥465,171
Deposits and loans.....	10,720	41,739	52,459	10,717	32,022	42,739
Remittances and transfers	97,341	28,311	125,653	96,938	27,389	124,327
Securities-related business	13,592	1,291	14,883	21,874	1,391	23,265
Agency	13,094	—	13,094	14,085	—	14,085
Safe deposits.....	6,688	—	6,688	6,855	—	6,855
Guarantees.....	22,734	6,567	29,302	22,054	6,775	28,829
Fees and commissions (expenses).....	¥ 98,409	¥ 21,755	¥120,165	¥ 95,323	¥16,431	¥111,754
Remittances and transfers	20,109	9,538	29,647	19,071	5,927	24,999

Trading Income

Year ended March 31	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits	¥8,531	¥432,454	¥440,985	¥4,047	¥99,671	¥103,719
Gains on trading securities.....	652	—	652	—	—	—
Gains on securities related to trading transactions	—	2,934	2,934	—	—	—
Gains on trading-related financial derivatives	—	429,520	429,520	—	99,671	99,671
Others.....	7,878	—	7,878	4,047	—	4,047
Trading losses	¥ —	¥ —	¥ —	¥ 162	¥ 1,936	¥ 2,098
Losses on trading securities	—	—	—	162	—	162
Losses on securities related to trading transactions	—	—	—	—	1,936	1,936
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					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses) ...	¥ 8,383	¥(271,477)	¥(263,093)	¥(51,491)	¥ 9	¥ (51,482)
Gains (losses) on bonds.....	(10,007)	(20,051)	(30,058)	(74,703)	(37,709)	(112,413)
Gains (losses) on derivatives	3,046	3,767	6,813	(1,449)	(16,156)	(17,606)
Gains (losses) on foreign exchange transactions	—	(252,589)	(252,589)	—	55,243	55,243

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2008	2007
Salaries and related expenses.....	¥183,791	¥162,778
Retirement benefit cost	(1,610)	(309)
Welfare expenses	29,216	26,816
Depreciation	52,247	49,671
Rent and lease expenses	45,003	47,863
Building and maintenance expenses	7,152	5,301
Supplies expenses.....	6,297	5,451
Water, lighting, and heating expenses	4,998	4,876
Traveling expenses.....	3,638	3,057
Communication expenses.....	7,351	7,048
Publicity and advertising expenses	14,476	12,714
Taxes, other than income taxes.....	40,092	35,017
Others	267,335	249,528
Total	¥659,992	¥609,816

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