

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥581,769	¥361,754	¥940,051 [3,471]	¥491,654	¥290,077	¥777,964 [3,767]
Interest expenses	121,028	344,952	462,509 [3,471]	40,140	297,781	334,153 [3,767]
Net interest income	460,740	16,801	477,542	451,514	(7,703)	443,810
Trust fees	2,239	—	2,239	1,404	2	1,407
Fees and commissions (income)	177,838	43,446	221,285	181,447	37,791	219,239
Fees and commissions (expenses)	54,325	9,803	64,128	52,055	7,697	59,752
Net fees and commissions	123,513	33,643	157,156	129,392	30,094	159,486
Trading profits	4,674	98,602	103,277	1,394	42,038	43,432
Trading losses	—	—	—	423	2,883	3,307
Net trading income	4,674	98,602	103,277	971	39,154	40,125
Other operating income	20,034	10,949	28,602	17,812	38,057	55,870
Other operating expenses	9,982	42,724	50,325	61,038	30,541	91,580
Net other operating income	10,051	(31,775)	(21,723)	(43,226)	7,516	(35,709)
Gross banking profit	¥601,219	¥117,272	¥718,492	¥540,056	¥ 69,064	¥609,120
Gross banking profit rate (%)	1.84%	1.45%	1.80%	1.61%	0.98%	1.50%

- 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 2007, ¥4 million; first half of fiscal 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. The total amounts for "Other operating income" and "Other operating expenses" for the first half of fiscal 2007 fall short of the total amounts of "Domestic operations" and "International operations" by ¥2,381 million each. This is attributable to record net gains and losses on derivatives.
5. Gross banking profit rate = Gross banking profit / Days in the interim period x Days in the fiscal year / Average balance of interest-earning assets x 100

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

Domestic Operations

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥65,082,647 [1,810,070]	¥581,769 [3,471]	1.78%	¥66,681,331 [138,041]	¥491,654 [79]	1.47%
Loans and bills discounted	46,293,116	460,283	1.98	46,712,723	388,831	1.66
Securities	15,052,853	103,775	1.37	17,673,733	88,797	1.00
Call loans	436,482	1,518	0.69	417,702	553	0.26
Receivables under resale agreements	15,598	42	0.54	19,749	0	0.00
Receivables under securities borrowing transactions	1,197,510	4,082	0.67	1,431,128	1,607	0.22
Bills bought	29,582	271	1.83	96,052	21	0.04
Deposits with banks	13,042	28	0.43	47,682	60	0.25
Interest-bearing liabilities	¥66,759,383	¥121,028	0.36%	¥68,882,326	¥ 40,140 [3,688]	0.11%
Deposits	57,476,843	61,444	0.21	57,538,883	17,088	0.05
Negotiable certificates of deposit	2,413,593	6,713	0.55	2,833,138	1,830	0.12
Call money	1,792,847	4,309	0.47	1,990,078	1,186	0.11
Payables under repurchase agreements ...	53,062	144	0.54	147,951	133	0.18
Payables under securities lending transactions	997,962	2,559	0.51	739,075	634	0.17
Bills sold	—	—	—	1,907,027	220	0.02
Borrowed money	1,768,040	9,493	1.07	1,127,182	7,244	1.28
Bonds	2,136,166	12,340	1.15	2,279,763	11,478	1.00

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2007, ¥724,113 million; first half of fiscal 2006, ¥1,312,748 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2007, ¥2,564 million; first half of fiscal 2006, ¥2,607 million) and corresponding interest (first half of fiscal 2007, ¥4 million; first half of fiscal 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.

International Operations

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥16,041,143	¥361,754	4.49%	¥13,915,049	¥290,077 [3,688]	4.15%
Loans and bills discounted.....	7,245,446	191,377	5.26	5,877,660	147,364	5.00
Securities	3,200,443	60,238	3.75	4,118,281	66,322	3.21
Call loans	464,031	11,611	4.99	430,005	10,424	4.83
Receivables under resale agreements	214,882	2,170	2.01	109,811	2,228	4.04
Receivables under securities borrowing transactions	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	3,730,704	58,851	3.14	2,194,373	33,970	3.08
Interest-bearing liabilities	¥15,866,836	¥344,952	4.33%	¥13,716,943	¥297,781 [79]	4.32%
Deposits	8,991,413	177,550	3.93	7,814,450	155,445	3.96
Negotiable certificates of deposit	631,319	17,602	5.56	518,279	13,704	5.27
Call money	331,135	7,545	4.54	259,450	5,816	4.47
Payables under repurchase agreements ...	82,598	2,003	4.83	311,577	7,729	4.94
Payables under securities lending transactions	638,429	15,834	4.94	1,586,886	32,400	4.07
Bills sold	—	—	—	—	—	—
Borrowed money	1,647,804	43,584	5.27	1,267,882	30,396	4.78
Bonds	1,492,665	26,520	3.54	1,442,264	24,771	3.42

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2007, ¥77,252 million; first half of fiscal 2006, ¥40,719 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

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥79,313,721	¥940,051	2.36%	¥80,458,339	¥777,964	1.92%
Loans and bills discounted.....	53,538,562	651,660	2.42	52,590,383	536,196	2.03
Securities	18,253,297	164,013	1.79	21,792,015	155,120	1.41
Call loans	900,513	13,130	2.90	847,708	10,977	2.58
Receivables under resale agreements	230,481	2,213	1.91	129,560	2,228	3.43
Receivables under securities borrowing transactions	1,197,510	4,082	0.67	1,431,128	1,607	0.22
Bills bought	29,582	271	1.83	96,052	21	0.04
Deposits with banks	3,743,747	58,880	3.13	2,242,055	34,030	3.02
Interest-bearing liabilities	¥80,816,149	¥462,509	1.14%	¥82,461,229	¥334,153	0.80%
Deposits	66,468,256	238,995	0.71	65,353,334	172,533	0.52
Negotiable certificates of deposit	3,044,913	24,316	1.59	3,351,418	15,535	0.92
Call money	2,123,983	11,855	1.11	2,249,529	7,002	0.62
Payables under repurchase agreements ...	135,661	2,148	3.15	459,529	7,863	3.41
Payables under securities lending transactions	1,636,391	18,394	2.24	2,325,962	33,034	2.83
Bills sold	—	—	—	1,907,027	220	0.02
Borrowed money	3,415,844	53,078	3.09	2,395,065	37,641	3.13
Bonds	3,628,831	38,860	2.13	3,722,028	36,249	1.94

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2007, ¥801,365 million; first half of fiscal 2006, ¥1,353,468 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2007, ¥2,564 million; first half of fiscal 2006, ¥2,607 million) and corresponding interest (first half of fiscal 2007, ¥4 million; first half of fiscal 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.

Breakdown of Interest Income and Interest Expenses

Domestic Operations

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(11,787)	¥101,902	¥90,115	¥ 7,224	¥(2,919)	¥ 4,304
Loans and bills discounted.....	(3,492)	74,944	71,451	22,881	(31,918)	(9,037)
Securities	(13,167)	28,145	14,977	(12,281)	27,761	15,479
Call loans	25	939	965	18	516	535
Receivables under resale agreements	(0)	42	42	0	0	0
Receivables under securities borrowing transactions	(262)	2,737	2,475	62	1,337	1,400
Bills bought	(14)	265	250	1	15	16
Deposits with banks.....	(43)	11	(31)	3	56	60
Interest expenses.....	¥ (1,237)	¥ 82,125	¥80,888	¥ (1,033)	¥12,870	¥11,837
Deposits	(18)	44,374	44,356	178	11,075	11,254
Negotiable certificates of deposit	(271)	5,154	4,883	(281)	1,701	1,419
Call money	(117)	3,240	3,123	3	1,159	1,163
Payables under repurchase agreements ...	(85)	96	10	(2)	133	130
Payables under securities lending transactions	288	1,636	1,925	(135)	692	556
Bills sold	(220)	—	(220)	(21)	222	200
Borrowed money	3,441	(1,192)	2,248	6,137	(7,562)	(1,424)
Bonds.....	(722)	1,584	862	(1,270)	(133)	(1,404)

International Operations

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥46,682	¥24,993	¥71,676	¥25,400	¥86,424	¥111,824
Loans and bills discounted.....	35,785	8,227	44,012	26,746	35,645	62,391
Securities	(14,781)	8,696	(6,084)	5,726	13,171	18,897
Call loans	843	344	1,187	2,816	3,327	6,143
Receivables under resale agreements	1,061	(1,119)	(57)	(611)	1,051	440
Deposits with banks.....	24,223	657	24,880	1,112	9,064	10,177
Interest expenses.....	¥46,739	¥ 432	¥47,171	¥24,139	¥90,692	¥114,832
Deposits	23,241	(1,135)	22,105	9,750	55,215	64,965
Negotiable certificates of deposit	3,119	778	3,897	10,876	846	11,722
Call money	1,632	97	1,729	1,854	1,846	3,701
Payables under repurchase agreements ...	(5,558)	(167)	(5,726)	4,014	1,774	5,789
Payables under securities lending transactions	(19,365)	2,799	(16,565)	(2,572)	11,905	9,333
Borrowed money	9,807	3,380	13,188	(5,116)	5,440	323
Bonds.....	880	868	1,749	3,337	1,677	5,014

Total of Domestic and International Operations

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(11,067)	¥173,155	¥162,087	¥23,760	¥ 91,195	¥114,955
Loans and bills discounted.....	9,826	105,637	115,464	23,804	29,549	53,354
Securities	(25,189)	34,082	8,893	(11,517)	45,895	34,377
Call loans	712	1,440	2,153	3,210	3,468	6,678
Receivables under resale agreements	969	(984)	(15)	(1,322)	1,762	440
Receivables under securities borrowing transactions	(262)	2,737	2,475	62	1,337	1,400
Bills bought	(14)	265	250	1	15	16
Deposits with banks.....	23,575	1,273	24,849	1,648	8,588	10,237
Interest expenses.....	¥ (6,666)	¥135,021	¥128,355	¥ 2,574	¥122,921	¥125,495
Deposits	2,991	63,470	66,461	3,750	72,469	76,220
Negotiable certificates of deposit	(1,420)	10,202	8,781	(748)	13,891	13,142
Call money	(390)	5,243	4,853	449	4,415	4,864
Payables under repurchase agreements ...	(5,167)	(547)	(5,715)	999	4,920	5,919
Payables under securities lending transactions	(8,594)	(6,045)	(14,640)	(16,752)	26,642	9,889
Bills sold	(220)	—	(220)	(21)	222	200
Borrowed money	15,861	(424)	15,437	7,470	(8,571)	(1,100)
Bonds.....	(907)	3,519	2,611	(1,280)	4,891	3,610

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

Fees and Commissions

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income)	¥177,838	¥43,446	¥221,285	¥181,447	¥37,791	¥219,239
Deposits and loans	5,234	17,951	23,186	5,333	14,620	19,953
Remittances and transfers	48,177	14,368	62,545	48,209	13,505	61,715
Securities-related business	5,525	723	6,249	11,344	536	11,881
Agency	6,915	—	6,915	7,276	—	7,276
Safe deposits	3,365	—	3,365	3,445	—	3,445
Guarantees	11,709	3,449	15,159	10,567	3,381	13,949
Fees and commissions (expenses)	¥ 54,325	¥ 9,803	¥ 64,128	¥ 52,055	¥ 7,697	¥ 59,752
Remittances and transfers	9,913	4,221	14,134	9,377	2,548	11,926

Trading Income

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits	¥4,674	¥98,602	¥103,277	¥1,394	¥42,038	¥43,432
Gains on trading securities	960	—	960	—	—	—
Gains on securities related to trading transactions	—	445	445	—	—	—
Gains on trading-related financial derivatives	—	98,157	98,157	—	42,038	42,038
Others	3,714	—	3,714	1,394	—	1,394
Trading losses	¥ —	¥ —	¥ —	¥ 423	¥ 2,883	¥ 3,307
Losses on trading securities	—	—	—	423	—	423
Losses on securities related to trading transactions	—	—	—	—	2,883	2,883
Losses on trading-related financial derivatives	—	—	—	—	—	—
Others	—	—	—	—	—	—

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

Net Other Operating Income

	Millions of yen					
	Six months ended September 30					
	2007			2006		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income	¥10,051	¥(31,775)	¥(21,723)	¥(43,226)	¥ 7,516	¥(35,709)
Gains (losses) on bonds	5,887	(12,137)	(6,249)	(49,996)	(11,696)	(61,692)
Gains (losses) on financial derivatives	(2,381)	2,777	396	(1,679)	(12,176)	(13,855)
Gains (losses) on foreign exchange transactions	—	(21,472)	(21,472)	—	31,622	31,622