

# Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

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

Six months ended September 30	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	¥598,193	¥345,171	¥937,566 [5,798]	¥581,769	¥361,754	¥940,051 [3,471]
Interest expenses .....	138,201	292,222	424,625 [5,798]	121,028	344,952	462,509 [3,471]
Net interest income .....	459,991	52,949	512,941	460,740	16,801	477,542
Trust fees .....	1,244	—	1,244	2,239	—	2,239
Fees and commissions (income) .....	159,194	52,065	211,260	177,838	43,446	221,285
Fees and commissions (expenses) .....	54,006	10,172	64,178	54,325	9,803	64,128
Net fees and commissions .....	105,187	41,893	147,081	123,513	33,643	157,156
Trading profits .....	3,889	—	3,889	4,674	98,602	103,277
Trading losses .....	—	18,596	18,596	—	—	—
Net trading income .....	3,889	(18,596)	(14,707)	4,674	98,602	103,277
Other operating income .....	11,490	128,976	140,303	20,034	10,949	28,602
Other operating expenses .....	15,760	36,211	51,808	9,982	42,724	50,325
Net other operating income .....	(4,269)	92,764	88,494	10,051	(31,775)	(21,723)
Gross banking profit .....	566,042	169,010	735,053	601,219	117,272	718,492
Gross banking profit rate (%) .....	1.66%	1.70%	1.72%	1.84%	1.45%	1.80%

- 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 2008, ¥15 million; first half of fiscal 2007, ¥4 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 2008 are lower than the total amounts of "Domestic operations" and "International operations" by ¥163 million each. The relevant amount for the first half of fiscal 2007 is ¥2,381 million. This is attributable to record gains or losses on financial derivatives on a net basis.  
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

Six months ended September 30	Millions of yen					
	2008			2007		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	¥67,678,059	¥598,193	1.76%	¥65,082,647	¥581,769	1.78%
	[2,491,335]	[5,798]		[1,810,070]	[3,471]	
Loans and bills discounted .....	47,702,930	480,173	2.00	46,293,116	460,283	1.98
Securities .....	16,733,333	101,327	1.20	15,052,853	103,775	1.37
Call loans .....	113,387	465	0.81	436,482	1,518	0.69
Receivables under resale agreements .....	109	0	0.60	15,598	42	0.54
Receivables under securities borrowing transactions .....	317,965	1,778	1.11	1,197,510	4,082	0.67
Bills bought .....	49,117	669	2.71	29,582	271	1.83
Deposits with banks .....	6,180	6	0.19	13,042	28	0.43
Interest-bearing liabilities .....	¥69,396,925	¥138,201	0.39%	¥66,759,383	¥121,028	0.36%
Deposits .....	57,317,365	70,326	0.24	57,476,843	61,444	0.21
Negotiable certificates of deposit .....	2,751,183	8,677	0.62	2,413,593	6,713	0.55
Call money .....	2,881,840	7,121	0.49	1,792,847	4,309	0.47
Payables under repurchase agreements .....	203,193	608	0.59	53,062	144	0.54
Payables under securities lending transactions .....	2,139,543	5,933	0.55	997,962	2,559	0.51
Borrowed money .....	1,965,475	10,277	1.04	1,768,040	9,493	1.07
Bonds .....	2,028,984	13,474	1.32	2,136,166	12,340	1.15

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2008, ¥749,508 million; first half of fiscal 2007, ¥724,113 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2008, ¥7,810 million; first half of fiscal 2007, ¥2,564 million) and corresponding interest (first half of fiscal 2008, ¥15 million; first half of fiscal 2007, ¥4 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

Six months ended September 30	Millions of yen					
	2008			2007		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	<b>¥19,745,167</b>	<b>¥345,171</b>	<b>3.48%</b>	¥16,041,143	¥361,754	4.49%
Loans and bills discounted.....	<b>10,072,928</b>	<b>202,997</b>	<b>4.01</b>	7,245,446	191,377	5.26
Securities.....	<b>5,317,036</b>	<b>75,820</b>	<b>2.84</b>	3,200,443	60,238	3.75
Call loans.....	<b>322,170</b>	<b>4,533</b>	<b>2.80</b>	464,031	11,611	4.99
Receivables under resale agreements.....	<b>189,412</b>	<b>923</b>	<b>0.97</b>	214,882	2,170	2.01
Receivables under securities borrowing transactions.....	—	—	—	—	—	—
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	<b>2,523,377</b>	<b>26,403</b>	<b>2.08</b>	3,730,704	58,851	3.14
Interest-bearing liabilities.....	<b>¥19,737,026</b>	<b>¥292,222</b>	<b>2.95%</b>	¥15,866,836	¥344,952	4.33%
	<b>[2,491,335]</b>	<b>[5,798]</b>		<b>[1,810,070]</b>	<b>[3,471]</b>	
Deposits .....	<b>9,302,284</b>	<b>100,314</b>	<b>2.15</b>	8,991,413	177,550	3.93
Negotiable certificates of deposit .....	<b>728,996</b>	<b>16,310</b>	<b>4.46</b>	631,319	17,602	5.56
Call money.....	<b>658,602</b>	<b>8,339</b>	<b>2.52</b>	331,135	7,545	4.54
Payables under repurchase agreements.....	<b>478,549</b>	<b>4,340</b>	<b>1.80</b>	82,598	2,003	4.83
Payables under securities lending transactions.....	<b>2,556,165</b>	<b>38,606</b>	<b>3.01</b>	638,429	15,834	4.94
Borrowed money .....	<b>1,891,412</b>	<b>50,779</b>	<b>5.35</b>	1,647,804	43,584	5.27
Bonds.....	<b>1,419,852</b>	<b>23,217</b>	<b>3.26</b>	1,492,665	26,520	3.54

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2008, ¥87,259 million; first half of fiscal 2007, ¥77,252 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

Six months ended September 30	Millions of yen					
	2008			2007		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets .....	<b>¥84,931,891</b>	<b>¥937,566</b>	<b>2.20%</b>	¥79,313,721	¥940,051	2.36%
Loans and bills discounted.....	<b>57,775,858</b>	<b>683,171</b>	<b>2.35</b>	53,538,562	651,660	2.42
Securities.....	<b>22,050,370</b>	<b>177,147</b>	<b>1.60</b>	18,253,297	164,013	1.79
Call loans.....	<b>435,558</b>	<b>4,999</b>	<b>2.28</b>	900,513	13,130	2.90
Receivables under resale agreements.....	<b>189,521</b>	<b>924</b>	<b>0.97</b>	230,481	2,213	1.91
Receivables under securities borrowing transactions.....	<b>317,965</b>	<b>1,778</b>	<b>1.11</b>	1,197,510	4,082	0.67
Bills bought.....	<b>49,117</b>	<b>669</b>	<b>2.71</b>	29,582	271	1.83
Deposits with banks.....	<b>2,529,557</b>	<b>26,409</b>	<b>2.08</b>	3,743,747	58,880	3.13
Interest-bearing liabilities.....	<b>¥86,642,616</b>	<b>¥424,625</b>	<b>0.97%</b>	¥80,816,149	¥462,509	1.14%
Deposits .....	<b>66,619,650</b>	<b>170,640</b>	<b>0.51</b>	66,468,256	238,995	0.71
Negotiable certificates of deposit .....	<b>3,480,180</b>	<b>24,987</b>	<b>1.43</b>	3,044,913	24,316	1.59
Call money.....	<b>3,540,442</b>	<b>15,461</b>	<b>0.87</b>	2,123,983	11,855	1.11
Payables under repurchase agreements.....	<b>681,743</b>	<b>4,949</b>	<b>1.44</b>	135,661	2,148	3.15
Payables under securities lending transactions.....	<b>4,695,708</b>	<b>44,539</b>	<b>1.89</b>	1,636,391	18,394	2.24
Borrowed money .....	<b>3,856,887</b>	<b>61,056</b>	<b>3.15</b>	3,415,844	53,078	3.09
Bonds.....	<b>3,448,836</b>	<b>36,692</b>	<b>2.12</b>	3,628,831	38,860	2.13

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2008, ¥836,768 million; first half of fiscal 2007, ¥801,365 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2008, ¥7,810 million; first half of fiscal 2007, ¥2,564 million) and corresponding interest (first half of fiscal 2008, ¥15 million; first half of fiscal 2007, ¥4 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

Six months ended September 30	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.....	<b>¥22,940</b>	<b>¥ (6,516)</b>	<b>¥16,424</b>	¥(11,787)	¥101,902	¥90,115
Loans and bills discounted.....	<b>14,140</b>	<b>5,749</b>	<b>19,890</b>	(3,492)	74,944	71,451
Securities.....	<b>10,176</b>	<b>(12,623)</b>	<b>(2,447)</b>	(13,167)	28,145	14,977
Call loans.....	<b>(1,124)</b>	<b>71</b>	<b>(1,053)</b>	25	939	965
Receivables under resale agreements.....	<b>(42)</b>	<b>0</b>	<b>(42)</b>	(0)	42	42
Receivables under securities borrowing transactions.....	<b>(2,998)</b>	<b>694</b>	<b>(2,304)</b>	(262)	2,737	2,475
Bills bought.....	<b>229</b>	<b>168</b>	<b>397</b>	(14)	265	250
Deposits with banks.....	<b>(10)</b>	<b>(11)</b>	<b>(22)</b>	(43)	11	(31)
Interest expenses.....	<b>¥ 4,916</b>	<b>¥12,257</b>	<b>¥17,173</b>	¥ (1,237)	¥ 82,125	¥80,888
Deposits.....	<b>(170)</b>	<b>9,051</b>	<b>8,881</b>	(18)	44,374	44,356
Negotiable certificates of deposit.....	<b>1,003</b>	<b>959</b>	<b>1,963</b>	(271)	5,154	4,883
Call money.....	<b>2,687</b>	<b>124</b>	<b>2,812</b>	(117)	3,240	3,123
Payables under repurchase agreements.....	<b>448</b>	<b>15</b>	<b>464</b>	(85)	96	10
Payables under securities lending transactions.....	<b>3,149</b>	<b>223</b>	<b>3,373</b>	288	1,636	1,925
Bills sold.....	<b>—</b>	<b>—</b>	<b>—</b>	(220)	—	(220)
Borrowed money.....	<b>1,032</b>	<b>(248)</b>	<b>783</b>	3,441	(1,192)	2,248
Bonds.....	<b>(619)</b>	<b>1,753</b>	<b>1,134</b>	(722)	1,584	862

### International Operations

Six months ended September 30	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.....	<b>¥64,751</b>	<b>¥ (81,333)</b>	<b>¥(16,582)</b>	¥46,682	¥24,993	¥71,676
Loans and bills discounted.....	<b>56,981</b>	<b>(45,361)</b>	<b>11,619</b>	35,785	8,227	44,012
Securities.....	<b>30,182</b>	<b>(14,600)</b>	<b>15,581</b>	(14,781)	8,696	(6,084)
Call loans.....	<b>(2,911)</b>	<b>(4,166)</b>	<b>(7,077)</b>	843	344	1,187
Receivables under resale agreements.....	<b>(232)</b>	<b>(1,014)</b>	<b>(1,246)</b>	1,061	(1,119)	(57)
Deposits with banks.....	<b>(15,902)</b>	<b>(16,545)</b>	<b>(32,448)</b>	24,223	657	24,880
Interest expenses.....	<b>¥57,301</b>	<b>¥(110,031)</b>	<b>¥(52,730)</b>	¥46,739	¥ 432	¥47,171
Deposits.....	<b>3,352</b>	<b>(80,588)</b>	<b>(77,236)</b>	23,241	(1,135)	22,105
Negotiable certificates of deposit.....	<b>2,185</b>	<b>(3,478)</b>	<b>(1,292)</b>	3,119	778	3,897
Call money.....	<b>4,146</b>	<b>(3,352)</b>	<b>793</b>	1,632	97	1,729
Payables under repurchase agreements.....	<b>3,591</b>	<b>(1,254)</b>	<b>2,336</b>	(5,558)	(167)	(5,726)
Payables under securities lending transactions.....	<b>28,964</b>	<b>(6,191)</b>	<b>22,772</b>	(19,365)	2,799	(16,565)
Borrowed money.....	<b>6,531</b>	<b>662</b>	<b>7,194</b>	9,807	3,380	13,188
Bonds.....	<b>(1,254)</b>	<b>(2,048)</b>	<b>(3,303)</b>	880	868	1,749

### Total of Domestic and International Operations

Six months ended September 30	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.....	<b>¥62,019</b>	<b>¥(64,504)</b>	<b>¥ (2,485)</b>	¥(11,067)	¥173,155	¥162,087
Loans and bills discounted.....	<b>50,104</b>	<b>(18,593)</b>	<b>31,510</b>	9,826	105,637	115,464
Securities.....	<b>30,504</b>	<b>(17,370)</b>	<b>13,134</b>	(25,189)	34,082	8,893
Call loans.....	<b>(5,758)</b>	<b>(2,372)</b>	<b>(8,131)</b>	712	1,440	2,153
Receivables under resale agreements.....	<b>(341)</b>	<b>(946)</b>	<b>(1,288)</b>	969	(984)	(15)
Receivables under securities borrowing transactions.....	<b>(2,998)</b>	<b>694</b>	<b>(2,304)</b>	(262)	2,737	2,475
Bills bought.....	<b>229</b>	<b>168</b>	<b>397</b>	(14)	265	250
Deposits with banks.....	<b>(15,944)</b>	<b>(16,526)</b>	<b>(32,470)</b>	23,575	1,273	24,849
Interest expenses.....	<b>¥28,554</b>	<b>¥(66,438)</b>	<b>¥(37,884)</b>	¥ (6,666)	¥135,021	¥128,355
Deposits.....	<b>387</b>	<b>(68,742)</b>	<b>(68,354)</b>	2,991	63,470	66,461
Negotiable certificates of deposit.....	<b>3,125</b>	<b>(2,454)</b>	<b>670</b>	(1,420)	10,202	8,781
Call money.....	<b>6,185</b>	<b>(2,579)</b>	<b>3,605</b>	(390)	5,243	4,853
Payables under repurchase agreements.....	<b>3,964</b>	<b>(1,163)</b>	<b>2,800</b>	(5,167)	(547)	(5,715)
Payables under securities lending transactions.....	<b>29,018</b>	<b>(2,872)</b>	<b>26,145</b>	(8,594)	(6,045)	(14,640)
Bills sold.....	<b>—</b>	<b>—</b>	<b>—</b>	(220)	—	(220)
Borrowed money.....	<b>6,965</b>	<b>1,012</b>	<b>7,978</b>	15,861	(424)	15,437
Bonds.....	<b>(1,916)</b>	<b>(252)</b>	<b>(2,168)</b>	(907)	3,519	2,611

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

## Fees and Commissions

Six months ended September 30	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions (income) .....	¥159,194	¥52,065	¥211,260	¥177,838	¥43,446	¥221,285
Deposits and loans .....	5,390	25,957	31,347	5,234	17,951	23,186
Remittances and transfers .....	48,147	14,478	62,626	48,177	14,368	62,545
Securities-related business .....	7,720	1,568	9,288	5,525	723	6,249
Agency .....	6,139	—	6,139	6,915	—	6,915
Safe deposits .....	3,264	—	3,264	3,365	—	3,365
Guarantees .....	10,445	4,016	14,461	11,709	3,449	15,159
Fees and commissions (expenses) .....	¥ 54,006	¥10,172	¥ 64,178	¥ 54,325	¥ 9,803	¥ 64,128
Remittances and transfers .....	10,157	4,075	14,233	9,913	4,221	14,134

## Trading Income

Six months ended September 30	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading profits .....	¥3,889	¥ —	¥ 3,889	¥4,674	¥98,602	¥103,277
Gains on trading securities .....	197	—	197	960	—	960
Gains on securities related to trading transactions .....	—	—	—	—	445	445
Gains on trading-related financial derivatives .....	—	—	—	—	98,157	98,157
Others .....	3,691	—	3,691	3,714	—	3,714
Trading losses .....	¥ —	¥18,596	¥18,596	¥ —	¥ —	¥ —
Losses on trading securities .....	—	—	—	—	—	—
Losses on securities related to trading transactions .....	—	646	646	—	—	—
Losses on trading-related financial derivatives .....	—	17,950	17,950	—	—	—
Others .....	—	—	—	—	—	—

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

## Net Other Operating Income

Six months ended September 30	Millions of yen					
	2008			2007		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income .....	¥(4,269)	¥92,764	¥88,494	¥10,051	¥(31,775)	¥(21,723)
Gains (losses) on bonds .....	(7,245)	2,684	(4,560)	5,887	(12,137)	(6,249)
Gains (losses) on financial derivatives .....	1,510	(163)	1,347	(2,381)	2,777	396
Gains (losses) on foreign exchange transactions .....	—	93,726	93,726	—	(21,472)	(21,472)