

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥544,710	¥164,223	¥706,355	¥598,193	¥345,171	¥937,566
			[2,579]			[5,798]
Interest expenses	85,330	105,822	188,574	138,201	292,222	424,625
			[2,579]			[5,798]
Net interest income	459,380	58,400	517,781	459,991	52,949	512,941
Trust fees	518	—	518	1,244	—	1,244
Fees and commissions	153,056	42,963	196,019	159,194	52,065	211,260
Fees and commissions payments	57,081	8,236	65,318	54,006	10,172	64,178
Net fees and commissions	95,975	34,726	130,701	105,187	41,893	147,081
Trading income	1,588	105,936	107,525	3,889	—	3,889
Trading losses	—	—	—	—	18,596	18,596
Net trading income (losses)	1,588	105,936	107,525	3,889	(18,596)	(14,707)
Other operating income	17,210	42,655	59,020	11,490	128,976	140,303
Other operating expenses	23,151	73,893	96,199	15,760	36,211	51,808
Net other operating income (expenses)	(5,940)	(31,237)	(37,178)	(4,269)	92,764	88,494
Gross banking profit	¥551,522	¥167,825	¥719,348	¥566,042	¥169,010	¥735,053
Gross banking profit rate (%)	1.48%	1.97%	1.58%	1.66%	1.70%	1.72%

- 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 2009, ¥10 million; first half of fiscal 2008, ¥15 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 2009 are lower than the total amounts of "Domestic operations" and "International operations" by ¥845 million each. The relevant amount for the first half of fiscal 2008 is ¥163 million. This is attributable to record gains and losses on financial derivatives on a net basis.
5. Gross banking profit rate = Gross banking profit / Days in the interim period × Days in the fiscal year / Average balance of interest-earning assets × 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					
	2009			2008		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥74,198,755	¥544,710	1.46%	¥67,678,059	¥598,193	1.76%
	[374,155]	[591]		[2,491,335]	[5,798]	
Loans and bills discounted	50,055,903	443,872	1.76	47,702,930	480,173	2.00
Securities	21,683,068	89,841	0.82	16,733,333	101,327	1.20
Call loans	62,540	217	0.69	113,387	465	0.81
Receivables under resale agreements	191	0	0.13	109	0	0.60
Receivables under securities borrowing transactions	1,608,022	2,081	0.25	317,965	1,778	1.11
Bills bought	29,390	464	3.15	49,117	669	2.71
Deposits with banks	106,376	474	0.88	6,180	6	0.19
Interest-bearing liabilities	¥75,346,410	¥ 85,330	0.22%	¥69,396,925	¥138,201	0.39%
		[1,988]				
Deposits	59,625,502	42,496	0.14	57,317,365	70,326	0.24
Negotiable certificates of deposit	7,579,472	10,930	0.28	2,751,183	8,677	0.62
Call money	1,709,927	1,051	0.12	2,881,840	7,121	0.49
Payables under repurchase agreements	374,048	234	0.12	203,193	608	0.59
Payables under securities lending transactions	1,180,379	1,007	0.17	2,139,543	5,933	0.55
Borrowed money	2,423,773	6,446	0.53	1,965,475	10,277	1.04
Short-term bonds	150,121	173	0.23	—	—	—
Bonds	2,181,441	16,936	1.54	2,028,984	13,474	1.32

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2009, ¥818,130 million; first half of fiscal 2008, ¥749,508 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2009, ¥9,410 million; first half of fiscal 2008, ¥7,810 million) and corresponding interest (first half of fiscal 2009, ¥10 million; first half of fiscal 2008, ¥15 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					
	2009			2008		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥16,975,551	¥164,223 [1,988]	1.92%	¥19,745,167	¥345,171	3.48%
Loans and bills discounted.....	9,530,345	105,985	2.21	10,072,928	202,997	4.01
Securities	4,280,506	32,882	1.53	5,317,036	75,820	2.84
Call loans	207,687	1,078	1.03	322,170	4,533	2.80
Receivables under resale agreements	44,187	130	0.59	189,412	923	0.97
Receivables under securities borrowing transactions	—	—	—	—	—	—
Bills bought	—	—	—	—	—	—
Deposits with banks	2,059,095	6,591	0.63	2,523,377	26,403	2.08
Interest-bearing liabilities	¥16,831,426 [374,155]	¥105,822 [591]	1.25%	¥19,737,026 [2,491,335]	¥292,222 [5,798]	2.95%
Deposits	8,723,784	20,472	0.46	9,302,284	100,314	2.15
Negotiable certificates of deposit	1,544,770	7,558	0.97	728,996	16,310	4.46
Call money	729,747	1,360	0.37	658,602	8,339	2.52
Payables under repurchase agreements ...	402,652	358	0.17	478,549	4,340	1.80
Payables under securities lending transactions	1,572,954	3,034	0.38	2,556,165	38,606	3.01
Borrowed money	2,113,107	49,655	4.68	1,891,412	50,779	5.35
Short-term bonds	—	—	—	—	—	—
Bonds	1,173,245	17,742	3.01	1,419,852	23,217	3.26

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2009, ¥149,668 million; first half of fiscal 2008, ¥87,259 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					
	2009			2008		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥90,800,151	¥706,355	1.55%	¥84,931,891	¥937,566	2.20%
Loans and bills discounted.....	59,586,248	549,857	1.84	57,775,858	683,171	2.35
Securities	25,963,575	122,723	0.94	22,050,370	177,147	1.60
Call loans	270,228	1,295	0.95	435,558	4,999	2.28
Receivables under resale agreements	44,378	130	0.58	189,521	924	0.97
Receivables under securities borrowing transactions	1,608,022	2,081	0.25	317,965	1,778	1.11
Bills bought	29,390	464	3.15	49,117	669	2.71
Deposits with banks	2,165,471	7,065	0.65	2,529,557	26,409	2.08
Interest-bearing liabilities	¥91,803,682	¥188,574	0.40%	¥86,642,616	¥424,625	0.97%
Deposits	68,349,287	62,968	0.18	66,619,650	170,640	0.51
Negotiable certificates of deposit	9,124,242	18,489	0.40	3,480,180	24,987	1.43
Call money	2,439,675	2,411	0.19	3,540,442	15,461	0.87
Payables under repurchase agreements ...	776,701	592	0.15	681,743	4,949	1.44
Payables under securities lending transactions	2,753,333	4,042	0.29	4,695,708	44,539	1.89
Borrowed money	4,536,880	56,101	2.46	3,856,887	61,056	3.15
Short-term bonds	150,121	173	0.23	—	—	—
Bonds	3,354,686	34,678	2.06	3,448,836	36,692	2.12

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2009, ¥967,798 million; first half of fiscal 2008, ¥836,768 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2009, ¥9,410 million; first half of fiscal 2008, ¥7,810 million) and corresponding interest (first half of fiscal 2009, ¥10 million; first half of fiscal 2008, ¥15 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					
	2009			2008		
Six months ended September 30	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥47,870	¥(101,352)	¥(53,482)	¥22,940	¥ (6,516)	¥16,424
Loans and bills discounted.....	20,865	(57,166)	(36,301)	14,140	5,749	19,890
Securities	20,508	(31,994)	(11,486)	10,176	(12,623)	(2,447)
Call loans	(185)	(63)	(248)	(1,124)	71	(1,053)
Receivables under resale agreements	0	(0)	(0)	(42)	0	(42)
Receivables under securities borrowing transactions.....	1,670	(1,366)	303	(2,998)	694	(2,304)
Bills bought	(269)	63	(205)	229	168	397
Deposits with banks.....	384	83	468	(10)	(11)	(22)
Interest expenses.....	¥ 6,737	¥ (59,609)	¥(52,871)	¥ 4,916	¥12,257	¥17,173
Deposits	1,645	(29,474)	(27,829)	(170)	9,051	8,881
Negotiable certificates of deposit.....	6,963	(4,709)	2,253	1,003	959	1,963
Call money	(2,132)	(3,938)	(6,070)	2,687	124	2,812
Payables under repurchase agreements ...	106	(481)	(374)	448	15	464
Payables under securities lending transactions	(1,936)	(2,989)	(4,925)	3,149	223	3,373
Bills sold	—	—	—	—	—	—
Borrowed money	1,218	(5,049)	(3,831)	1,032	(248)	783
Short-term bonds	173	—	173	—	—	—
Bonds.....	1,065	2,396	3,461	(619)	1,753	1,134

International Operations

	Millions of yen					
	2009			2008		
Six months ended September 30	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(43,248)	¥(137,699)	¥(180,948)	¥64,751	¥ (81,333)	¥(16,582)
Loans and bills discounted.....	(10,408)	(86,603)	(97,012)	56,981	(45,361)	11,619
Securities	(12,755)	(30,182)	(42,937)	30,182	(14,600)	15,581
Call loans	(1,244)	(2,210)	(3,455)	(2,911)	(4,166)	(7,077)
Receivables under resale agreements	(524)	(268)	(793)	(232)	(1,014)	(1,246)
Deposits with banks.....	(4,151)	(15,660)	(19,811)	(15,902)	(16,545)	(32,448)
Interest expenses.....	¥(37,976)	¥(148,422)	¥(186,399)	¥57,301	¥(110,031)	¥(52,730)
Deposits	(5,879)	(73,963)	(79,842)	3,352	(80,588)	(77,236)
Negotiable certificates of deposit.....	3,991	(12,743)	(8,751)	2,185	(3,478)	(1,292)
Call money	132	(7,111)	(6,978)	4,146	(3,352)	793
Payables under repurchase agreements ...	(595)	(3,385)	(3,981)	3,591	(1,254)	2,336
Payables under securities lending transactions	(10,885)	(24,686)	(35,572)	28,964	(6,191)	22,772
Borrowed money	5,209	(6,333)	(1,123)	6,531	662	7,194
Short-term bonds	—	—	—	—	—	—
Bonds.....	(3,820)	(1,653)	(5,474)	(1,254)	(2,048)	(3,303)

Total of Domestic and International Operations

	Millions of yen					
	2009			2008		
Six months ended September 30	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥45,650	¥(276,861)	¥(231,211)	¥62,019	¥(64,504)	¥ (2,485)
Loans and bills discounted.....	16,706	(150,020)	(133,313)	50,104	(18,593)	31,510
Securities	18,496	(72,920)	(54,424)	30,504	(17,370)	13,134
Call loans	(1,461)	(2,242)	(3,704)	(5,758)	(2,372)	(8,131)
Receivables under resale agreements	(523)	(269)	(793)	(341)	(946)	(1,288)
Receivables under securities borrowing transactions.....	1,670	(1,366)	303	(2,998)	694	(2,304)
Bills bought	(269)	63	(205)	229	168	397
Deposits with banks.....	(3,348)	(15,994)	(19,343)	(15,944)	(16,526)	(32,470)
Interest expenses.....	¥10,601	¥(246,652)	¥(236,051)	¥28,554	¥(66,438)	¥(37,884)
Deposits	1,593	(109,266)	(107,672)	387	(68,742)	(68,354)
Negotiable certificates of deposit.....	11,437	(17,934)	(6,497)	3,125	(2,454)	670
Call money	(3,740)	(9,308)	(13,049)	6,185	(2,579)	3,605
Payables under repurchase agreements ...	72	(4,428)	(4,356)	3,964	(1,163)	2,800
Payables under securities lending transactions	(13,306)	(27,190)	(40,497)	29,018	(2,872)	26,145
Bills sold	—	—	—	—	—	—
Borrowed money	8,408	(13,363)	(4,954)	6,965	1,012	7,978
Short-term bonds	173	—	173	—	—	—
Bonds.....	(987)	(1,025)	(2,013)	(1,916)	(252)	(2,168)

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

Fees and Commissions

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions	¥153,056	¥42,963	¥196,019	¥159,194	¥52,065	¥211,260
Deposits and loans	5,267	17,504	22,772	5,390	25,957	31,347
Remittances and transfers	45,011	11,775	56,786	48,147	14,478	62,626
Securities-related business	6,640	776	7,417	7,720	1,568	9,288
Agency	5,901	—	5,901	6,139	—	6,139
Safe deposits	3,148	—	3,148	3,264	—	3,264
Guarantees	10,536	7,001	17,537	10,445	4,016	14,461
Fees and commissions payments	¥ 57,081	¥ 8,236	¥ 65,318	¥ 54,006	¥10,172	¥ 64,178
Remittances and transfers	10,082	3,529	13,611	10,157	4,075	14,233

Trading Income

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income	¥1,588	¥105,936	¥107,525	¥3,889	¥ —	¥ 3,889
Gains on trading securities	872	—	872	197	—	197
Gains on securities related to trading transactions	—	1,697	1,697	—	—	—
Gains on trading-related financial derivatives	—	104,238	104,238	—	—	—
Others	716	—	716	3,691	—	3,691
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 (Expenses)

Six months ended September 30	Millions of yen					
	2009			2008		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses)	¥ (5,940)	¥(31,237)	¥(37,178)	¥(4,269)	¥92,764	¥88,494
Gains (losses) on bonds	8,831	30,057	38,889	(7,245)	2,684	(4,560)
Gains (losses) on financial derivatives	(14,799)	845	(13,954)	1,510	(163)	1,347
Gains (losses) on foreign exchange transactions	—	(60,557)	(60,557)	—	93,726	93,726