

Income Analysis (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

	Millions of yen					
	2010			2009		
Six months ended September 30	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥505,941	¥139,219	¥644,005	¥544,710	¥164,223	¥706,355
			[1,155]			[2,579]
Interest expenses	72,993	83,925	155,763	85,330	105,822	188,574
			[1,155]			[2,579]
Net interest income	432,948	55,293	488,242	459,380	58,400	517,781
Trust fees	1,025	—	1,025	518	—	518
Fees and commissions	161,177	50,443	211,621	153,056	42,963	196,019
Fees and commissions payments	62,955	8,985	71,940	57,081	8,236	65,318
Net fees and commissions	98,222	41,458	139,681	95,975	34,726	130,701
Trading income	651	134,525	135,177	1,588	105,936	107,525
Trading losses	—	—	—	—	—	—
Net trading income	651	134,525	135,177	1,588	105,936	107,525
Other operating income	58,627	118,041	174,399	17,210	42,655	59,020
Other operating expenses	18,557	83,650	99,937	23,151	73,893	96,199
Net other operating income (expenses)	40,070	34,391	74,461	(5,940)	(31,237)	(37,178)
Gross banking profit	¥572,918	¥265,668	¥838,587	¥551,522	¥167,825	¥719,348
Gross banking profit rate (%)	1.50%	3.16%	1.82%	1.48%	1.97%	1.58%

- 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 2010, ¥10 million; first half of fiscal 2009, ¥10 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 2010 are lower than the total amounts of "Domestic operations" and "International operations" by ¥2,270 million each. The relevant amount for the first half of fiscal 2009 is ¥845 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

	Millions of yen					
	2010			2009		
Six months ended September 30	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets	¥75,777,863	¥505,941	1.33%	¥74,198,755	¥544,710	1.46%
	[1,112,657]	[1,155]		[374,155]	[591]	
Loans and bills discounted	47,859,784	401,609	1.67	50,055,903	443,872	1.76
Securities	25,766,308	93,773	0.72	21,683,068	89,841	0.82
Call loans	59,892	161	0.53	62,540	217	0.69
Receivables under resale agreements	—	—	—	191	0	0.13
Receivables under securities borrowing transactions	574,769	1,251	0.43	1,608,022	2,081	0.25
Bills bought	30,815	700	4.53	29,390	464	3.15
Deposits with banks	99,747	261	0.52	106,376	474	0.88
Interest-bearing liabilities	¥74,934,344	¥ 72,993	0.19%	¥75,346,410	¥ 85,330	0.22%
					[1,988]	
Deposits	61,134,266	29,607	0.09	59,625,502	42,496	0.14
Negotiable certificates of deposit	7,087,942	6,914	0.19	7,579,472	10,930	0.28
Call money	1,338,838	589	0.08	1,709,927	1,051	0.12
Payables under repurchase agreements	104,851	60	0.11	374,048	234	0.12
Payables under securities lending transactions	1,140,213	523	0.09	1,180,379	1,007	0.17
Borrowed money	1,368,543	4,782	0.69	2,423,773	6,446	0.53
Short-term bonds	80,549	47	0.11	150,121	173	0.23
Bonds	2,463,903	19,848	1.60	2,181,441	16,936	1.54

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2010, ¥842,363 million; first half of fiscal 2009, ¥818,130 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2010, ¥10,645 million; first half of fiscal 2009, ¥9,410 million) and corresponding interest (first half of fiscal 2010, ¥10 million; first half of fiscal 2009, ¥10 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					
	2010			2009		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥16,761,818	¥139,219	1.65%	¥16,975,551	¥164,223	1.92%
					[1,988]	
Loans and bills discounted.....	8,411,928	83,421	1.97	9,530,345	105,985	2.21
Securities.....	4,911,113	34,990	1.42	4,280,506	32,882	1.53
Call loans.....	384,464	1,612	0.83	207,687	1,078	1.03
Receivables under resale agreements.....	15,115	77	1.02	44,187	130	0.59
Receivables under securities borrowing transactions.....	4,579	17	0.77	—	—	—
Deposits with banks.....	1,971,967	6,154	0.62	2,059,095	6,591	0.63
Interest-bearing liabilities	¥16,238,077	¥ 83,925	1.03%	¥16,831,426	¥105,822	1.25%
	[1,112,657]	[1,155]		[374,155]	[591]	
Deposits.....	7,673,079	13,069	0.33	8,723,784	20,472	0.46
Negotiable certificates of deposit.....	1,789,340	8,680	0.96	1,544,770	7,558	0.97
Call money.....	285,872	769	0.53	729,747	1,360	0.37
Payables under repurchase agreements.....	538,213	569	0.21	402,652	358	0.17
Payables under securities lending transactions	1,858,821	2,232	0.23	1,572,954	3,034	0.38
Borrowed money	1,693,485	37,996	4.47	2,113,107	49,655	4.68
Bonds	794,319	10,399	2.61	1,173,245	17,742	3.01

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2010, ¥58,928 million; first half of fiscal 2009, ¥149,668 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					
	2010			2009		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets.....	¥91,427,024	¥644,005	1.40%	¥90,800,151	¥706,355	1.55%
Loans and bills discounted.....	56,271,712	485,030	1.71	59,586,248	549,857	1.84
Securities.....	30,677,421	128,763	0.83	25,963,575	122,723	0.94
Call loans.....	444,357	1,773	0.79	270,228	1,295	0.95
Receivables under resale agreements.....	15,115	77	1.02	44,378	130	0.58
Receivables under securities borrowing transactions.....	579,348	1,269	0.43	1,608,022	2,081	0.25
Bills bought.....	30,815	700	4.53	29,390	464	3.15
Deposits with banks.....	2,071,715	6,416	0.61	2,165,471	7,065	0.65
Interest-bearing liabilities	¥90,059,764	¥155,763	0.34%	¥91,803,682	¥188,574	0.40%
Deposits.....	68,807,345	42,676	0.12	68,349,287	62,968	0.18
Negotiable certificates of deposit.....	8,877,283	15,595	0.35	9,124,242	18,489	0.40
Call money.....	1,624,710	1,358	0.16	2,439,675	2,411	0.19
Payables under repurchase agreements.....	643,065	629	0.19	776,701	592	0.15
Payables under securities lending transactions	2,999,035	2,755	0.18	2,753,333	4,042	0.29
Borrowed money	3,062,028	42,779	2.78	4,536,880	56,101	2.46
Short-term bonds	80,549	47	0.11	150,121	173	0.23
Bonds	3,258,222	30,247	1.85	3,354,686	34,678	2.06

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (first half of fiscal 2010, ¥901,291 million; first half of fiscal 2009, ¥967,798 million). "Interest-bearing liabilities" are shown after deduction of amounts equivalent to the average balance of money held in trust (first half of fiscal 2010, ¥10,645 million; first half of fiscal 2009, ¥9,410 million) and corresponding interest (first half of fiscal 2010, ¥10 million; first half of fiscal 2009, ¥10 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					
	2010			2009		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥10,543	¥(49,312)	¥(38,769)	¥47,870	¥(101,352)	¥(53,482)
Loans and bills discounted.....	(19,003)	(23,259)	(42,263)	20,865	(57,166)	(36,301)
Securities.....	14,860	(10,928)	3,931	20,508	(31,994)	(11,486)
Call loans.....	(8)	(47)	(56)	(185)	(63)	(248)
Receivables under resale agreements.....	(0)	(0)	(0)	0	(0)	(0)
Receivables under securities borrowing transactions.....	(1,337)	507	(830)	1,670	(1,366)	303
Bills bought.....	23	212	236	(269)	63	(205)
Deposits with banks.....	(27)	(184)	(212)	384	83	468
Interest expenses.....	¥ (464)	¥(11,872)	¥(12,336)	¥ 6,737	¥ (59,609)	¥(52,871)
Deposits.....	730	(13,619)	(12,888)	1,645	(29,474)	(27,829)
Negotiable certificates of deposit.....	(670)	(3,345)	(4,015)	6,963	(4,709)	2,253
Call money.....	(200)	(261)	(461)	(2,132)	(3,938)	(6,070)
Payables under repurchase agreements.....	(157)	(15)	(173)	106	(481)	(374)
Payables under securities lending transactions.....	(33)	(450)	(484)	(1,936)	(2,989)	(4,925)
Borrowed money.....	(2,806)	1,142	(1,663)	1,218	(5,049)	(3,831)
Short-term bonds.....	(61)	(65)	(126)	173	—	173
Bonds.....	2,256	655	2,912	1,065	2,396	3,461

International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ (2,043)	¥(22,960)	¥(25,003)	¥(43,248)	¥(137,699)	¥(180,948)
Loans and bills discounted.....	(11,737)	(10,826)	(22,563)	(10,408)	(86,603)	(97,012)
Securities.....	4,492	(2,384)	2,108	(12,755)	(30,182)	(42,937)
Call loans.....	741	(207)	534	(1,244)	(2,210)	(3,455)
Receivables under resale agreements.....	(86)	32	(53)	(524)	(268)	(793)
Receivables under securities borrowing transactions.....	17	—	17	—	—	—
Deposits with banks.....	(274)	(162)	(437)	(4,151)	(15,660)	(19,811)
Interest expenses.....	¥ (3,620)	¥(18,276)	¥(21,896)	¥(37,976)	¥(148,422)	¥(186,399)
Deposits.....	(2,259)	(5,143)	(7,402)	(5,879)	(73,963)	(79,842)
Negotiable certificates of deposit.....	1,186	(64)	1,122	3,991	(12,743)	(8,751)
Call money.....	(827)	236	(591)	132	(7,111)	(6,978)
Payables under repurchase agreements.....	135	74	210	(595)	(3,385)	(3,981)
Payables under securities lending transactions.....	343	(1,145)	(802)	(10,885)	(24,686)	(35,572)
Borrowed money.....	(9,497)	(2,161)	(11,658)	5,209	(6,333)	(1,123)
Bonds.....	(5,186)	(2,156)	(7,343)	(3,820)	(1,653)	(5,474)

Total of Domestic and International Operations

Six months ended September 30	Millions of yen					
	2010			2009		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 4,415	¥(66,765)	¥(62,349)	¥45,650	¥(276,861)	¥(231,211)
Loans and bills discounted.....	(29,663)	(35,163)	(64,826)	16,706	(150,020)	(133,313)
Securities.....	19,785	(13,745)	6,039	18,496	(72,920)	(54,424)
Call loans.....	695	(217)	478	(1,461)	(2,242)	(3,704)
Receivables under resale agreements.....	(86)	32	(53)	(523)	(269)	(793)
Receivables under securities borrowing transactions.....	(1,331)	519	(812)	1,670	(1,366)	303
Bills bought.....	23	212	236	(269)	63	(205)
Deposits with banks.....	(298)	(350)	(649)	(3,348)	(15,994)	(19,343)
Interest expenses.....	¥ (3,521)	¥(29,288)	¥(32,810)	¥10,601	¥(246,652)	¥(236,051)
Deposits.....	283	(20,575)	(20,291)	1,593	(109,266)	(107,672)
Negotiable certificates of deposit.....	(489)	(2,404)	(2,893)	11,437	(17,934)	(6,497)
Call money.....	(720)	(332)	(1,053)	(3,740)	(9,308)	(13,049)
Payables under repurchase agreements.....	(102)	139	37	72	(4,428)	(4,356)
Payables under securities lending transactions.....	225	(1,511)	(1,286)	(13,306)	(27,190)	(40,497)
Borrowed money.....	(18,237)	4,915	(13,322)	8,408	(13,363)	(4,954)
Short-term bonds.....	(61)	(65)	(126)	173	—	173
Bonds.....	(974)	(3,456)	(4,431)	(987)	(1,025)	(2,013)

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

Fees and Commissions

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥161,177	¥50,443	¥211,621	¥153,056	¥42,963	¥196,019
Deposits and loans.....	5,649	21,639	27,288	5,267	17,504	22,772
Remittances and transfers	46,292	12,907	59,200	45,011	11,775	56,786
Securities-related business	5,787	297	6,084	6,640	776	7,417
Agency.....	6,103	—	6,103	5,901	—	5,901
Safe deposits.....	3,047	—	3,047	3,148	—	3,148
Guarantees	10,418	6,926	17,345	10,536	7,001	17,537
Fees and commissions payments.....	¥ 62,955	¥ 8,985	¥ 71,940	¥ 57,081	¥ 8,236	¥ 65,318
Remittances and transfers	10,692	5,113	15,806	10,082	3,529	13,611

Trading Income

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥651	¥134,525	¥135,177	¥1,588	¥105,936	¥107,525
Gains on trading securities.....	294	—	294	872	—	872
Gains on securities related to trading transactions.....	—	3,147	3,147	—	1,697	1,697
Gains on trading-related financial derivatives	—	131,301	131,301	—	104,238	104,238
Others.....	357	75	433	716	—	716
Trading losses	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Losses on trading securities.....	—	—	—	—	—	—
Losses on securities related to trading transactions.....	—	—	—	—	—	—
Losses on trading-related financial derivatives	—	—	—	—	—	—
Others.....	—	—	—	—	—	—

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

Net Other Operating Income (Expenses)

Six months ended September 30	Millions of yen					
	2010			2009		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses)	¥40,070	¥ 34,391	¥ 74,461	¥ (5,940)	¥(31,237)	¥(37,178)
Gains on bonds	39,010	112,173	151,184	8,831	30,057	38,889
Gains (losses) on financial derivatives.....	(2,270)	5,312	3,042	(14,799)	845	(13,954)
Losses on foreign exchange transactions.....	—	(83,091)	(83,091)	—	(60,557)	(60,557)