

# Income Analysis (Non-consolidated)

Sumitomo Mitsui Banking Corporation

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

Year ended March 31	Millions of yen					
	2016			2015		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income .....	¥ 854,216	¥581,173	¥1,422,367	¥ 926,308	¥542,110	¥1,455,992
			[13,021]			[12,426]
Interest expenses .....	66,604	345,208	398,791	62,770	284,220	334,564
			[13,021]			[12,426]
Net interest income .....	787,611	235,964	1,023,576	863,538	257,890	1,121,428
Trust fees .....	2,550	38	2,589	1,841	31	1,872
Fees and commissions .....	347,923	179,392	527,316	337,140	180,387	517,528
Fees and commissions payments .....	126,929	41,867	168,796	121,569	45,978	167,548
Net fees and commissions .....	220,993	137,525	358,519	215,570	134,409	349,979
Trading income .....	5,102	61,491	66,593	3,380	9,418	12,799
Trading losses .....	—	—	—	—	—	—
Net trading income .....	5,102	61,491	66,593	3,380	9,418	12,799
Other operating income .....	39,882	83,723	123,606	27,321	166,738	194,059
Other operating expenses .....	25,978	14,634	40,613	13,928	31,927	45,855
Net other operating income .....	13,903	69,089	82,992	13,393	134,810	148,204
Gross banking profit .....	¥1,030,162	¥504,108	¥1,534,271	¥1,097,724	¥536,560	¥1,634,284
Gross banking profit rate (%) .....	1.43%	1.25%	1.42%	1.55%	1.41%	1.56%

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. 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.

3. Gross banking profit rate = Gross banking profit / Average balance of interest-earning assets × 100

## Average Balance, Interest and Average Rate of Interest-Earning Assets and Interest-Bearing Liabilities

### Domestic Operations

Year ended March 31	Millions of yen					
	2016			2015		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets .....	¥71,694,907	¥854,216	1.19%	¥70,641,557	¥926,308	1.31%
	[4,503,590]	[13,021]		[4,225,764]	[12,426]	
Loans and bills discounted .....	45,425,766	556,364	1.22	45,297,845	593,408	1.31
Securities .....	19,490,418	245,712	1.26	20,185,808	289,726	1.43
Call loans .....	53,089	108	0.20	99,639	259	0.26
Receivables under resale agreements .....	2	0	0.07	—	—	—
Receivables under securities borrowing transactions .....	1,842,235	1,990	0.10	456,748	957	0.20
Bills bought .....	—	—	—	14,850	390	2.62
Deposits with banks .....	12,067	6	0.05	7,757	1	0.01
Interest-bearing liabilities .....	¥94,110,848	¥ 66,604	0.07%	¥87,716,915	¥ 62,770	0.07%
Deposits .....	73,328,279	21,733	0.02	70,404,105	23,868	0.03
Negotiable certificates of deposit .....	7,701,125	5,907	0.07	6,486,838	5,788	0.08
Call money .....	1,655,876	864	0.05	1,398,849	683	0.04
Payables under repurchase agreements .....	38,649	28	0.07	53,749	47	0.08
Payables under securities lending transactions .....	2,761,590	1,512	0.05	1,767,038	961	0.05
Borrowed money .....	6,376,138	18,868	0.29	4,946,776	10,570	0.21
Short-term bonds .....	18,218	12	0.06	24,999	17	0.07
Bonds .....	1,457,179	16,605	1.13	1,824,687	19,811	1.08

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2016, ¥26,578,642 million; 2015, ¥20,982,578 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					
	2016			2015		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥40,309,868	¥581,173	1.44%	¥37,906,621	¥542,110	1.43%
Loans and bills discounted.....	22,679,209	424,239	1.87	20,797,386	397,077	1.90
Securities.....	6,529,804	80,365	1.23	6,338,457	67,027	1.05
Call loans.....	620,731	4,057	0.65	369,455	5,272	1.42
Receivables under resale agreements.....	497,349	5,540	1.11	412,957	4,760	1.15
Receivables under securities borrowing transactions.....	283,887	1,195	0.42	294,806	1,407	0.47
Deposits with banks.....	6,548,702	30,854	0.47	6,538,186	27,241	0.41
Interest-bearing liabilities.....	¥39,908,088	¥345,208	0.86%	¥36,790,634	¥284,220	0.77%
	[4,503,590]	[13,021]		[4,225,764]	[12,426]	
Deposits.....	16,198,658	71,524	0.44	13,603,482	47,719	0.35
Negotiable certificates of deposit.....	7,392,396	42,343	0.57	8,671,748	37,351	0.43
Call money.....	868,088	4,085	0.47	608,136	1,947	0.32
Payables under repurchase agreements....	1,128,307	4,087	0.36	1,260,612	3,248	0.25
Payables under securities lending transactions.....	1,031,227	2,989	0.28	904,212	1,592	0.17
Borrowed money.....	2,139,371	69,366	3.24	1,987,396	66,250	3.33
Bonds.....	3,659,097	87,852	2.40	2,795,189	74,317	2.65

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2016, ¥104,906 million; 2015, ¥93,568 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					
	2016			2015		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥107,501,185	¥1,422,367	1.32%	¥104,322,413	¥1,455,992	1.39%
Loans and bills discounted.....	68,104,976	980,604	1.43	66,095,232	990,485	1.49
Securities.....	26,020,222	326,077	1.25	26,524,265	356,754	1.34
Call loans.....	673,821	4,165	0.61	469,094	5,532	1.17
Receivables under resale agreements.....	497,352	5,540	1.11	412,957	4,760	1.15
Receivables under securities borrowing transactions.....	2,126,123	3,185	0.14	751,554	2,365	0.31
Bills bought.....	—	—	—	14,850	390	2.62
Deposits with banks.....	6,560,770	30,860	0.47	6,545,943	27,242	0.41
Interest-bearing liabilities.....	¥129,515,345	¥ 398,791	0.30%	¥120,281,785	¥ 334,564	0.27%
Deposits.....	89,526,938	93,258	0.10	84,007,587	71,588	0.08
Negotiable certificates of deposit.....	15,093,522	48,250	0.31	15,158,586	43,140	0.28
Call money.....	2,523,964	4,949	0.19	2,006,986	2,630	0.13
Payables under repurchase agreements....	1,166,957	4,116	0.35	1,314,362	3,295	0.25
Payables under securities lending transactions.....	3,792,817	4,501	0.11	2,671,250	2,554	0.09
Borrowed money.....	8,515,510	88,235	1.03	6,934,173	76,821	1.10
Short-term bonds.....	18,218	12	0.06	24,999	17	0.07
Bonds.....	5,116,277	104,458	2.04	4,619,876	94,128	2.03

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2016, ¥26,683,548 million; 2015, ¥21,076,146 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					
	2016			2015		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥12,550	¥(84,642)	¥(72,092)	¥(23,587)	¥ 950	¥(22,636)
Loans and bills discounted.....	1,566	(38,610)	(37,043)	(1,022)	(43,057)	(44,080)
Securities.....	(9,712)	(34,301)	(44,014)	(28,810)	50,454	21,643
Call loans.....	(103)	(47)	(151)	77	(34)	43
Receivables under resale agreements.....	0	0	0	—	—	—
Receivables under securities borrowing transactions.....	1,496	(463)	1,032	76	(142)	(66)
Bills bought.....	(195)	(195)	(390)	(358)	(15)	(374)
Deposits with banks.....	1	4	5	0	0	0
Interest expenses.....	¥ 4,524	¥ (691)	¥ 3,833	¥ 4,910	¥(10,437)	¥ (5,527)
Deposits.....	866	(3,001)	(2,134)	538	(3,078)	(2,540)
Negotiable certificates of deposit.....	931	(812)	118	570	(1,016)	(445)
Call money.....	131	49	181	207	(15)	192
Payables under repurchase agreements....	(12)	(6)	(18)	14	(2)	11
Payables under securities lending transactions.....	544	6	550	651	(46)	605
Borrowed money.....	3,558	4,739	8,297	7,187	(3,740)	3,447
Short-term bonds.....	(4)	(0)	(5)	0	(0)	0
Bonds.....	(3,990)	783	(3,206)	(4,958)	(1,778)	(6,736)

## International Operations

	Millions of yen					
	2016			2015		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥34,617	¥ 4,446	¥39,063	¥92,859	¥ 7,653	¥100,512
Loans and bills discounted.....	35,201	(8,039)	27,162	80,210	8,900	89,111
Securities.....	2,075	11,262	13,337	6,641	(6,285)	356
Call loans.....	1,642	(2,857)	(1,214)	(254)	850	596
Receivables under resale agreements.....	940	(159)	780	924	(810)	114
Receivables under securities borrowing transactions.....	(50)	(161)	(212)	462	50	512
Deposits with banks.....	43	3,569	3,613	3,615	(161)	3,454
Interest expenses.....	¥25,278	¥35,710	¥60,988	¥46,828	¥(19,946)	¥ 26,881
Deposits.....	10,103	13,702	23,805	8,026	3,318	11,344
Negotiable certificates of deposit.....	(5,510)	10,502	4,991	7,272	(2,223)	5,049
Call money.....	1,018	1,119	2,137	44	23	67
Payables under repurchase agreements....	(340)	1,179	838	(142)	309	166
Payables under securities lending transactions.....	249	1,147	1,396	219	171	391
Commercial paper.....	(98)	1,537	1,438	1,082	97	1,179
Borrowed money.....	4,927	(1,811)	3,116	573	(5,561)	(4,987)
Bonds.....	20,741	(7,206)	13,535	18,452	(2,277)	16,175

## Total of Domestic and International Operations

	Millions of yen					
	2016			2015		
Year ended March 31	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥42,058	¥(75,682)	¥(33,624)	¥ 56,094	¥ 32,295	¥88,390
Loans and bills discounted.....	28,937	(38,818)	(9,881)	62,037	(17,006)	45,031
Securities.....	(6,678)	(23,998)	(30,676)	(21,301)	43,300	21,999
Call loans.....	1,265	(2,631)	(1,366)	92	547	639
Receivables under resale agreements.....	940	(159)	780	924	(810)	114
Receivables under securities borrowing transactions.....	2,059	(1,239)	820	421	25	446
Bills bought.....	(195)	(195)	(390)	(358)	(15)	(374)
Deposits with banks.....	61	3,556	3,618	3,616	(161)	3,454
Interest expenses.....	¥26,831	¥ 37,396	¥ 64,227	¥ 34,143	¥ (2,274)	¥31,869
Deposits.....	4,941	16,728	21,670	3,177	5,626	8,803
Negotiable certificates of deposit.....	(185)	5,295	5,110	6,625	(2,021)	4,603
Call money.....	792	1,526	2,318	575	(315)	260
Payables under repurchase agreements....	(369)	1,189	820	(102)	281	178
Payables under securities lending transactions.....	1,236	710	1,947	1,270	(274)	996
Commercial paper.....	(98)	1,537	1,438	1,082	97	1,179
Borrowed money.....	16,385	(4,971)	11,414	37,454	(38,995)	(1,540)
Short-term bonds.....	(4)	(0)	(5)	0	(0)	0
Bonds.....	10,134	194	10,329	4,898	4,539	9,438

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

## Fees and Commissions

Year ended March 31	Millions of yen					
	2016			2015		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥347,923	¥179,392	¥527,316	¥337,140	¥180,387	¥517,528
Deposits and loans.....	12,011	98,975	110,986	11,806	96,126	107,933
Remittances and transfers.....	91,858	36,407	128,265	91,204	34,602	125,806
Securities-related business.....	10,797	1,929	12,727	12,485	2,620	15,105
Agency.....	10,358	—	10,358	11,955	—	11,955
Safe deposits.....	5,094	—	5,094	5,325	—	5,325
Guarantees.....	16,669	19,888	36,558	17,212	22,160	39,373
Fees and commissions payments.....	¥126,929	¥ 41,867	¥168,796	¥121,569	¥ 45,978	¥167,548
Remittances and transfers.....	23,534	12,386	35,920	22,532	13,505	36,037

## Trading Income

Year ended March 31	Millions of yen					
	2016			2015		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥5,102	¥61,491	¥66,593	¥3,380	¥9,418	¥12,799
Gains on trading securities.....	4,992	—	4,992	3,227	—	3,227
Gains on securities related to trading transactions.....	—	65	65	—	2,944	2,944
Gains on trading-related financial derivatives.....	—	61,424	61,424	—	6,474	6,474
Others.....	109	0	110	153	—	153
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)

Year ended March 31	Millions of yen					
	2016			2015		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses).....	¥13,903	¥69,089	¥82,992	¥13,393	¥134,810	¥148,204
Gains (losses) on bonds.....	3,390	50,613	54,003	3,341	44,558	47,899
Gains (losses) on derivatives.....	(394)	(1,397)	(1,791)	(3,596)	(16,342)	(19,939)
Gains on foreign exchange transactions....	—	22,831	22,831	—	107,262	107,262

## General and Administrative Expenses

Year ended March 31	Millions of yen	
	2016	2015
Salaries and related expenses.....	¥283,791	¥270,814
Retirement benefit cost.....	(289)	4,162
Welfare expenses.....	44,487	42,902
Depreciation.....	92,376	82,976
Rent and lease expenses.....	63,026	64,934
Building and maintenance expenses.....	8,484	5,405
Supplies expenses.....	5,920	5,202
Water, lighting, and heating expenses.....	5,601	5,757
Traveling expenses.....	6,053	6,005
Communication expenses.....	7,106	7,117
Publicity and advertising expenses.....	16,553	12,522
Taxes, other than income taxes.....	46,629	42,859
Deposit insurance.....	30,290	49,063
Others.....	195,450	191,487
Total.....	¥805,483	¥791,211