

Income Analysis (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2017			2016		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥ 948,120	¥705,899	¥1,635,774	¥ 854,216	¥581,173	¥1,422,367
			[18,246]			[13,021]
Interest expenses	43,940	471,141	496,834	66,604	345,208	398,791
			[18,246]			[13,021]
Net interest income	904,180	234,758	1,138,939	787,611	235,964	1,023,576
Trust fees	1,927	184	2,111	2,550	38	2,589
Fees and commissions	343,363	189,584	532,948	347,923	179,392	527,316
Fees and commissions payments	137,214	47,051	184,265	126,929	41,867	168,796
Net fees and commissions	206,149	142,533	348,682	220,993	137,525	358,519
Trading income	656	59,366	60,022	5,102	61,491	66,593
Trading losses	—	0	—	—	—	—
Net trading income	656	59,366	60,022	5,102	61,491	66,593
Other operating income	51,414	94,156	145,570	39,882	83,723	123,606
Other operating expenses	10,794	20,877	31,671	25,978	14,634	40,613
Net other operating income	40,619	73,278	113,898	13,903	69,089	82,992
Gross banking profit	¥1,153,533	¥510,121	¥1,663,654	¥1,030,162	¥504,108	¥1,534,271
Gross banking profit rate (%)	1.65%	1.21%	1.54%	1.43%	1.25%	1.42%

- 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. As net figures are shown for trading income and losses, figures in the total column of trading income and trading losses are less than those in the total column of domestic operations and international operations, respectively, for the year ended March 31, 2017.
4. 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					
	2017			2016		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets	¥69,501,871	¥948,120	1.36%	¥71,694,907	¥854,216	1.19%
	[3,603,100]	[18,246]		[4,503,590]	[13,021]	
Loans and bills discounted	48,606,540	505,631	1.04	45,425,766	556,364	1.22
Securities	14,418,571	387,399	2.68	19,490,418	245,712	1.26
Call loans	7,236	9	0.12	53,089	108	0.20
Receivables under resale agreements	0	(0)	(0.49)	2	0	0.07
Receivables under securities borrowing transactions	2,393,767	812	0.03	1,842,235	1,990	0.10
Bills bought	—	—	—	—	—	—
Deposits with banks	9,456	7	0.07	12,067	6	0.05
Interest-bearing liabilities	¥96,792,184	¥ 43,940	0.04%	¥94,110,848	¥ 66,604	0.07%
Deposits	79,873,541	8,926	0.01	73,328,279	21,733	0.02
Negotiable certificates of deposit	6,856,486	1,143	0.01	7,701,125	5,907	0.07
Call money	10,462	(6)	(0.05)	1,655,876	864	0.05
Payables under repurchase agreements	30,388	0	0.00	38,649	28	0.07
Payables under securities lending transactions	3,052,165	316	0.01	2,761,590	1,512	0.05
Borrowed money	4,794,088	18,560	0.38	6,376,138	18,868	0.29
Short-term bonds	—	—	—	18,218	12	0.06
Bonds	1,079,796	13,944	1.29	1,457,179	16,605	1.13

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2017, ¥31,403,755 million; 2016, ¥26,578,642 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					
	2017			2016		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥41,969,137	¥705,899	1.68%	¥40,309,868	¥581,173	1.44%
Loans and bills discounted.....	24,161,450	515,390	2.13	22,679,209	424,239	1.87
Securities.....	7,270,938	100,895	1.38	6,529,804	80,365	1.23
Call loans.....	947,474	(189)	(0.01)	620,731	4,057	0.65
Receivables under resale agreements.....	587,084	9,554	1.62	497,349	5,540	1.11
Receivables under securities borrowing transactions.....	112,951	349	0.30	283,887	1,195	0.42
Deposits with banks.....	5,565,821	39,151	0.70	6,548,702	30,854	0.47
Interest-bearing liabilities.....	¥41,329,522	¥471,141	1.13%	¥39,908,088	¥345,208	0.86%
	[3,603,100]	[18,246]		[4,503,590]	[13,021]	
Deposits.....	19,096,890	133,958	0.70	16,198,658	71,524	0.44
Negotiable certificates of deposit.....	6,026,377	63,404	1.05	7,392,396	42,343	0.57
Call money.....	995,318	6,838	0.68	868,088	4,085	0.47
Payables under repurchase agreements....	1,939,558	9,990	0.51	1,128,307	4,087	0.36
Payables under securities lending transactions.....	666,134	3,104	0.46	1,031,227	2,989	0.28
Borrowed money.....	3,200,740	95,707	2.99	2,139,371	69,366	3.24
Bonds.....	3,210,055	76,335	2.37	3,659,097	87,852	2.40

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2017, ¥115,337 million; 2016, ¥104,906 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					
	2017			2016		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥107,867,908	¥1,635,774	1.51%	¥107,501,185	¥1,422,367	1.32%
Loans and bills discounted.....	72,767,990	1,021,022	1.40	68,104,976	980,604	1.43
Securities.....	21,689,510	488,294	2.25	26,020,222	326,077	1.25
Call loans.....	954,711	(180)	(0.01)	673,821	4,165	0.61
Receivables under resale agreements.....	587,085	9,554	1.62	497,352	5,540	1.11
Receivables under securities borrowing transactions.....	2,506,719	1,161	0.04	2,126,123	3,185	0.14
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	5,575,277	39,158	0.70	6,560,770	30,860	0.47
Interest-bearing liabilities.....	¥134,518,606	¥ 496,834	0.36%	¥129,515,345	¥ 398,791	0.30%
Deposits.....	98,970,431	142,884	0.14	89,526,938	93,258	0.10
Negotiable certificates of deposit.....	12,882,863	64,548	0.50	15,093,522	48,250	0.31
Call money.....	1,005,781	6,831	0.67	2,523,964	4,949	0.19
Payables under repurchase agreements....	1,969,947	9,990	0.50	1,166,957	4,116	0.35
Payables under securities lending transactions.....	3,718,299	3,421	0.09	3,792,817	4,501	0.11
Borrowed money.....	7,994,829	114,268	1.42	8,515,510	88,235	1.03
Short-term bonds.....	—	—	—	18,218	12	0.06
Bonds.....	4,289,851	90,279	2.10	5,116,277	104,458	2.04

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2017, ¥31,519,092 million; 2016, ¥26,683,548 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

Year ended March 31	Millions of yen					
	2017			2016		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥(26,129)	¥120,033	¥ 93,904	¥12,550	¥(84,642)	¥(72,092)
Loans and bills discounted.....	33,088	(83,821)	(50,733)	1,566	(38,610)	(37,043)
Securities.....	(63,939)	205,626	141,687	(9,712)	(34,301)	(44,014)
Call loans.....	(68)	(30)	(99)	(103)	(47)	(151)
Receivables under resale agreements.....	(0)	(0)	(0)	0	0	0
Receivables under securities borrowing transactions.....	187	(1,365)	(1,177)	1,496	(463)	1,032
Bills bought.....	—	—	—	(195)	(195)	(390)
Deposits with banks.....	(1)	1	0	1	4	5
Interest expenses.....	¥ 1,217	¥ (23,881)	¥ (22,664)	¥ 4,524	¥ (691)	¥ 3,833
Deposits.....	731	(13,539)	(12,807)	866	(3,001)	(2,134)
Negotiable certificates of deposit.....	(585)	(4,178)	(4,763)	931	(812)	118
Call money.....	(275)	(595)	(870)	131	49	181
Payables under repurchase agreements....	(5)	(23)	(28)	(12)	(6)	(18)
Payables under securities lending transactions.....	30	(1,225)	(1,195)	544	6	550
Borrowed money.....	(4,681)	4,374	(307)	3,558	4,739	8,297
Short-term bonds.....	(6)	(6)	(12)	(4)	(0)	(5)
Bonds.....	(4,300)	1,639	(2,660)	(3,990)	783	(3,206)

International Operations

Year ended March 31	Millions of yen					
	2017			2016		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 24,712	¥100,014	¥124,726	¥34,617	¥ 4,446	¥39,063
Loans and bills discounted.....	28,963	62,187	91,150	35,201	(8,039)	27,162
Securities.....	9,669	10,860	20,530	2,075	11,262	13,337
Call loans.....	(65)	(4,181)	(4,246)	1,642	(2,857)	(1,214)
Receivables under resale agreements.....	1,129	2,884	4,013	940	(159)	780
Receivables under securities borrowing transactions.....	(587)	(258)	(845)	(50)	(161)	(212)
Deposits with banks.....	(4,630)	12,928	8,297	43	3,569	3,613
Interest expenses.....	¥ 12,689	¥113,242	¥125,932	¥25,278	¥35,710	¥60,988
Deposits.....	14,553	47,880	62,433	10,103	13,702	23,805
Negotiable certificates of deposit.....	(7,824)	28,886	21,061	(5,510)	10,502	4,991
Call money.....	665	2,087	2,753	1,018	1,119	2,137
Payables under repurchase agreements....	3,719	2,183	5,903	(340)	1,179	838
Payables under securities lending transactions.....	(1,058)	1,173	114	249	1,147	1,396
Commercial paper.....	(2,198)	3,900	1,702	(98)	1,537	1,438
Borrowed money.....	31,736	(5,395)	26,340	4,927	(1,811)	3,116
Bonds.....	(10,685)	(831)	(11,517)	20,741	(7,206)	13,535

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2017			2016		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 4,868	¥208,537	¥213,406	¥42,058	¥(75,682)	¥(33,624)
Loans and bills discounted.....	65,427	(25,009)	40,417	28,937	(38,818)	(9,881)
Securities.....	(54,271)	216,488	162,217	(6,678)	(23,998)	(30,676)
Call loans.....	(53)	(4,293)	(4,346)	1,265	(2,631)	(1,366)
Receivables under resale agreements.....	1,129	2,884	4,013	940	(159)	780
Receivables under securities borrowing transactions.....	176	(2,200)	(2,023)	2,059	(1,239)	820
Bills bought.....	—	—	—	(195)	(195)	(390)
Deposits with banks.....	(4,635)	12,933	8,297	61	3,556	3,618
Interest expenses.....	¥ 15,904	¥ 82,139	¥ 98,043	¥26,831	¥ 37,396	¥ 64,227
Deposits.....	10,651	38,974	49,626	4,941	16,728	21,670
Negotiable certificates of deposit.....	(7,066)	23,365	16,298	(185)	5,295	5,110
Call money.....	(2,977)	4,859	1,882	792	1,526	2,318
Payables under repurchase agreements....	3,590	2,284	5,874	(369)	1,189	820
Payables under securities lending transactions.....	(86)	(993)	(1,080)	1,236	710	1,947
Commercial paper.....	(2,198)	3,900	1,702	(98)	1,537	1,438
Borrowed money.....	(5,395)	31,428	26,033	16,385	(4,971)	11,414
Short-term bonds.....	(6)	(6)	(12)	(4)	(0)	(5)
Bonds.....	(16,872)	2,694	(14,178)	10,134	194	10,329

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

Fees and Commissions

Year ended March 31	Millions of yen					
	2017			2016		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥343,363	¥189,584	¥532,948	¥347,923	¥179,392	¥527,316
Deposits and loans.....	12,261	108,578	120,840	12,011	98,975	110,986
Remittances and transfers.....	93,073	39,246	132,320	91,858	36,407	128,265
Securities-related business.....	11,906	1,293	13,199	10,797	1,929	12,727
Agency.....	10,294	—	10,294	10,358	—	10,358
Safe deposits.....	5,001	—	5,001	5,094	—	5,094
Guarantees.....	15,634	19,041	34,676	16,669	19,888	36,558
Fees and commissions payments.....	¥137,214	¥ 47,051	¥184,265	¥126,929	¥ 41,867	¥168,796
Remittances and transfers.....	24,532	13,145	37,678	23,534	12,386	35,920

Trading Income

Year ended March 31	Millions of yen					
	2017			2016		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥656	¥59,366	¥60,022	¥5,102	¥61,491	¥66,593
Gains on trading securities.....	625	—	625	4,992	—	4,992
Gains on securities related to trading transactions.....	—	12,869	12,869	—	65	65
Gains on trading-related financial derivatives.....	—	46,496	46,496	—	61,424	61,424
Others.....	30	—	30	109	0	110
Trading losses.....	¥ —	¥ 0	¥ —	¥ —	¥ —	¥ —
Losses on trading securities.....	—	—	—	—	—	—
Losses on securities related to trading transactions.....	—	—	—	—	—	—
Losses on trading-related financial derivatives.....	—	—	—	—	—	—
Others.....	—	0	—	—	—	—

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

Net Other Operating Income (Expenses)

Year ended March 31	Millions of yen					
	2017			2016		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses).....	¥40,619	¥73,278	¥113,898	¥13,903	¥69,089	¥82,992
Gains (losses) on bonds.....	18,236	25,483	43,720	3,390	50,613	54,003
Gains (losses) on derivatives.....	559	9,489	10,048	(394)	(1,397)	(1,791)
Gains on foreign exchange transactions....	—	41,513	41,513	—	22,831	22,831

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2017	2016
	Salaries and related expenses.....	¥291,713
Retirement benefit cost.....	(505)	(289)
Welfare expenses.....	46,299	44,487
Depreciation.....	100,552	92,376
Rent and lease expenses.....	60,618	63,026
Building and maintenance expenses.....	4,664	8,484
Supplies expenses.....	5,275	5,920
Water, lighting, and heating expenses.....	5,120	5,601
Traveling expenses.....	5,357	6,053
Communication expenses.....	6,997	7,106
Publicity and advertising expenses.....	14,890	16,553
Taxes, other than income taxes.....	50,481	46,629
Deposit insurance.....	31,676	30,290
Others.....	193,802	195,450
Total.....	¥816,942	¥805,483