

Income Analysis (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Gross Banking Profit, Classified by Domestic and International Operations

Year ended March 31	Millions of yen					
	2018			2017		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Interest income	¥746,837	¥917,340	¥1,647,643	¥ 948,120	¥705,899	¥1,635,774
			[16,535]			[18,246]
Interest expenses	39,548	667,593	690,606	43,940	471,141	496,834
			[16,535]			[18,246]
Net interest income	707,288	249,747	957,036	904,180	234,758	1,138,939
Trust fees	2,001	37	2,038	1,927	184	2,111
Fees and commissions	336,037	176,111	512,149	343,363	189,584	532,948
Fees and commissions payments	135,292	47,027	182,319	137,214	47,051	184,265
Net fees and commissions	200,745	129,084	329,829	206,149	142,533	348,682
Trading income	632	58,765	59,398	656	59,366	60,022
Trading losses	—	—	—	—	0	—
Net trading income	632	58,765	59,398	656	59,365	60,022
Other operating income	24,956	77,925	101,955	51,414	94,156	145,570
Other operating expenses	5,691	17,569	22,334	10,794	20,877	31,671
Net other operating income	19,265	60,355	79,620	40,619	73,278	113,898
Gross banking profit	¥929,933	¥497,990	¥1,427,924	¥1,153,533	¥510,121	¥1,663,654
Gross banking profit rate (%)	1.29%	1.08%	1.25%	1.65%	1.21%	1.54%

- 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. Difference between sums of domestic and international operations and some figures in the total column due to indication on a net basis of interest from interest rate swaps and similar instruments, is included in figures in brackets [].
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 sums of domestic operations and international operations, respectively, (¥0 million for the year ended March 31, 2017).
4. As net figures are shown for financial derivatives, figures in the total column of other operating income and other operating expenses are less than sums of domestic operations and international operations, respectively (¥925 million for the year ended March 31, 2018).
5. 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					
	2018			2017		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets	¥ 71,547,412	¥746,837	1.04%	¥69,501,871	¥948,120	1.36%
	[3,581,209]	[16,535]		[3,603,100]	[18,246]	
Loans and bills discounted	49,225,499	476,702	0.96	48,606,540	505,631	1.04
Securities	14,915,999	217,089	1.45	14,418,571	387,399	2.68
Call loans	13,157	8	0.06	7,236	9	0.12
Receivables under resale agreements	0	(0)	(0.55)	0	(0)	(0.49)
Receivables under securities borrowing transactions	2,875,506	546	0.01	2,393,767	812	0.03
Bills bought	—	—	—	—	—	—
Deposits with banks	11,993	16	0.13	9,456	7	0.07
Interest-bearing liabilities	¥106,977,341	¥ 39,548	0.03%	¥96,792,184	¥ 43,940	0.04%
Deposits	85,721,254	7,931	0.00	79,873,541	8,926	0.01
Negotiable certificates of deposit	6,733,487	487	0.00	6,856,486	1,143	0.01
Call money	112,490	(84)	(0.07)	10,462	(6)	(0.05)
Payables under repurchase agreements	26,866	0	0.00	30,388	0	0.00
Payables under securities lending transactions	4,641,577	480	0.01	3,052,165	316	0.01
Borrowed money	7,790,072	19,933	0.25	4,794,088	18,560	0.38
Short-term bonds	—	—	—	—	—	—
Bonds	665,912	9,486	1.42	1,079,796	13,944	1.29

- Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2018, ¥39,179,583 million; 2017, ¥31,403,755 million).
2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. Difference between sums of domestic and international operations and some figures in the "Total of Domestic and International Operations" due to indication on a net basis of interest from interest rate swaps and similar instruments, is included in figures in brackets [].

International Operations

Year ended March 31	Millions of yen					
	2018			2017		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥46,049,661	¥917,340	1.99%	¥41,969,137	¥705,899	1.68%
Loans and bills discounted.....	25,972,547	624,764	2.40	24,161,450	515,390	2.13
Securities.....	8,163,052	132,857	1.62	7,270,938	100,895	1.38
Call loans.....	1,401,904	(2,076)	(0.14)	947,474	(189)	(0.01)
Receivables under resale agreements.....	731,619	15,216	2.07	587,084	9,554	1.62
Receivables under securities borrowing transactions.....	110,750	322	0.29	112,951	349	0.30
Deposits with banks.....	5,910,956	70,381	1.19	5,565,821	39,151	0.70
Interest-bearing liabilities.....	¥45,749,102	¥667,593	1.45%	¥41,329,522	¥471,141	1.13%
	[3,581,209]	[16,535]		[3,603,700]	[18,246]	
Deposits.....	21,008,293	221,430	1.05	19,096,890	133,958	0.70
Negotiable certificates of deposit.....	5,642,513	83,747	1.48	6,026,377	63,404	1.05
Call money.....	1,039,930	8,200	0.78	995,318	6,838	0.68
Payables under repurchase agreements....	3,326,086	40,441	1.21	1,939,558	9,990	0.51
Payables under securities lending transactions.....	887,029	9,139	1.03	666,134	3,104	0.46
Borrowed money.....	5,012,948	142,519	2.84	3,200,740	95,707	2.99
Bonds.....	2,964,361	76,751	2.58	3,210,055	76,335	2.37

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2018, ¥139,390 million; 2017, ¥115,337 million).

2. Figures in brackets [] indicate the average balances of interdepartmental lending and borrowing activities between domestic and international operations and related interest expenses. Difference between sums of domestic and international operations and some figures in the "Total of Domestic and International Operations" due to indication on a net basis of interest from interest rate swaps and similar instruments, is included in figures in brackets [].

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					
	2018			2017		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest-earning assets.....	¥114,015,864	¥1,647,643	1.44%	¥107,867,908	¥1,635,774	1.51%
Loans and bills discounted.....	75,198,046	1,101,467	1.46	72,767,990	1,021,022	1.40
Securities.....	23,079,051	349,947	1.51	21,689,510	488,294	2.25
Call loans.....	1,415,062	(2,067)	(0.14)	954,711	(180)	(0.01)
Receivables under resale agreements.....	731,620	15,216	2.07	587,085	9,554	1.62
Receivables under securities borrowing transactions.....	2,986,256	868	0.02	2,506,719	1,161	0.04
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	5,922,949	70,398	1.18	5,575,277	39,158	0.70
Interest-bearing liabilities.....	¥149,145,234	¥ 690,606	0.46%	¥134,518,606	¥ 496,834	0.36%
Deposits.....	106,729,547	229,362	0.21	98,970,431	142,884	0.14
Negotiable certificates of deposit.....	12,376,001	84,235	0.68	12,882,863	64,548	0.50
Call money.....	1,152,420	8,115	0.70	1,005,781	6,831	0.67
Payables under repurchase agreements....	3,352,952	40,441	1.20	1,969,947	9,990	0.50
Payables under securities lending transactions.....	5,528,607	9,619	0.17	3,718,299	3,421	0.09
Borrowed money.....	12,803,020	162,453	1.26	7,994,829	114,268	1.42
Short-term bonds.....	—	—	—	—	—	—
Bonds.....	3,630,273	86,238	2.37	4,289,851	90,279	2.10

Notes: 1. "Interest-earning assets" are shown after deduction of the average balance of noninterest-earning deposits (2018, ¥39,318,973 million; 2017, ¥31,519,092 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					
	2018			2017		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥21,352	¥(222,635)	¥(201,283)	¥(26,129)	¥120,033	¥ 93,904
Loans and bills discounted.....	5,993	(34,922)	(28,929)	33,088	(83,821)	(50,733)
Securities.....	7,239	(177,549)	(170,309)	(63,939)	205,626	141,687
Call loans.....	4	(4)	(0)	(68)	(30)	(99)
Receivables under resale agreements.....	(0)	(0)	(0)	(0)	(0)	(0)
Receivables under securities borrowing transactions.....	91	(357)	(266)	187	(1,365)	(1,177)
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	2	7	9	(1)	1	0
Interest expenses.....	¥ 3,765	¥ (8,157)	¥ (4,391)	¥ 1,217	¥ (23,881)	¥ (22,664)
Deposits.....	541	(1,535)	(994)	731	(13,539)	(12,807)
Negotiable certificates of deposit.....	(20)	(635)	(655)	(585)	(4,178)	(4,763)
Call money.....	(60)	(17)	(78)	(275)	(595)	(870)
Payables under repurchase agreements....	(0)	(0)	(0)	(5)	(23)	(28)
Payables under securities lending transactions.....	164	(0)	163	30	(1,225)	(1,195)
Borrowed money.....	7,666	(6,293)	1,372	(4,681)	4,374	(307)
Short-term bonds.....	—	—	—	(6)	(6)	(12)
Bonds.....	(5,344)	887	(4,457)	(4,300)	1,639	(2,660)

International Operations

Year ended March 31	Millions of yen					
	2018			2017		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥73,001	¥138,439	¥211,441	¥ 24,712	¥100,014	¥124,726
Loans and bills discounted.....	40,457	68,916	109,374	28,963	62,187	91,150
Securities.....	13,267	18,693	31,961	9,669	10,860	20,530
Call loans.....	(673)	(1,214)	(1,887)	(65)	(4,181)	(4,246)
Receivables under resale agreements.....	2,659	3,001	5,661	1,129	2,884	4,013
Receivables under securities borrowing transactions.....	(6)	(20)	(27)	(587)	(258)	(845)
Deposits with banks.....	2,565	28,664	31,230	(4,630)	12,928	8,297
Interest expenses.....	¥54,280	¥142,171	¥196,452	¥ 12,689	¥113,242	¥125,932
Deposits.....	14,527	72,944	87,471	14,553	47,880	62,433
Negotiable certificates of deposit.....	(4,038)	24,381	20,343	(7,824)	28,886	21,061
Call money.....	317	1,044	1,361	665	2,087	2,753
Payables under repurchase agreements....	10,488	19,962	30,451	3,719	2,183	5,903
Payables under securities lending transactions.....	1,297	4,737	6,035	(1,058)	1,173	114
Commercial paper.....	(1,575)	1,019	(556)	(2,198)	3,900	1,702
Borrowed money.....	51,521	(4,709)	46,811	31,736	(5,395)	26,340
Bonds.....	(5,842)	6,258	416	(10,685)	(831)	(11,517)

Total of Domestic and International Operations

Year ended March 31	Millions of yen					
	2018			2017		
	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)	Volume-related increase (decrease)	Rate-related increase (decrease)	Net increase (decrease)
Interest income.....	¥ 88,844	¥ (76,975)	¥ 11,869	¥ 4,868	¥208,537	¥213,406
Loans and bills discounted.....	34,743	45,701	80,444	65,427	(25,009)	40,417
Securities.....	21,069	(159,417)	(138,347)	(54,271)	216,488	162,217
Call loans.....	(672)	(1,214)	(1,887)	(53)	(4,293)	(4,346)
Receivables under resale agreements.....	2,659	3,001	5,661	1,129	2,884	4,013
Receivables under securities borrowing transactions.....	139	(432)	(293)	176	(2,200)	(2,023)
Bills bought.....	—	—	—	—	—	—
Deposits with banks.....	2,581	28,658	31,239	(4,635)	12,933	8,297
Interest expenses.....	¥ 58,134	¥ 135,637	¥ 193,771	¥ 15,904	¥ 82,139	¥ 98,043
Deposits.....	11,958	74,518	86,477	10,651	38,974	49,626
Negotiable certificates of deposit.....	(2,539)	22,226	19,687	(7,066)	23,365	16,298
Call money.....	1,025	258	1,283	(2,977)	4,859	1,882
Payables under repurchase agreements....	10,276	20,175	30,451	3,590	2,284	5,874
Payables under securities lending transactions.....	2,189	4,008	6,198	(86)	(993)	(1,080)
Commercial paper.....	(1,575)	1,019	(556)	(2,198)	3,900	1,702
Borrowed money.....	61,009	(12,824)	48,184	(5,395)	31,428	26,033
Short-term bonds.....	—	—	—	(6)	(6)	(12)
Bonds.....	(13,880)	9,839	(4,041)	(16,872)	2,694	(14,178)

Note: Increase (decrease) attributed to both volume-related and rate-related is prorated according to proportion of change in each factor.

Fees and Commissions

Year ended March 31	Millions of yen					
	2018			2017		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Fees and commissions.....	¥336,037	¥176,111	¥512,149	¥343,363	¥189,584	¥532,948
Deposits and loans.....	12,444	96,517	108,961	12,261	108,578	120,840
Remittances and transfers.....	93,992	39,593	133,585	93,073	39,246	132,320
Securities-related business.....	10,848	1,322	12,171	11,906	1,293	13,199
Agency.....	9,218	—	9,218	10,294	—	10,294
Safe deposits.....	4,817	—	4,817	5,001	—	5,001
Guarantees.....	15,025	19,266	34,292	15,634	19,041	34,676
Fees and commissions payments.....	¥135,292	¥ 47,027	¥182,319	¥137,214	¥ 47,051	¥184,265
Remittances and transfers.....	24,819	12,472	37,292	24,532	13,145	37,678

Trading Income

Year ended March 31	Millions of yen					
	2018			2017		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Trading income.....	¥632	¥58,765	¥59,398	¥656	¥59,366	¥60,022
Gains on trading securities.....	610	—	610	625	—	625
Gains on securities related to trading transactions.....	—	5,722	5,722	—	12,869	12,869
Gains on trading-related derivatives.....	—	53,042	53,042	—	46,496	46,496
Others.....	22	—	22	30	—	30
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 income and loss after offsetting income against expenses.

Net Other Operating Income (Expenses)

Year ended March 31	Millions of yen					
	2018			2017		
	Domestic operations	International operations	Total	Domestic operations	International operations	Total
Net other operating income (expenses).....	¥19,265	¥60,355	¥79,620	¥40,619	¥73,278	¥113,898
Gains (losses) on bonds.....	7,503	4,185	11,688	18,236	25,483	43,720
Gains (losses) on derivatives.....	(1,154)	925	(228)	559	9,489	10,048
Gains on foreign exchange transactions....	—	57,057	57,057	—	41,513	41,513

General and Administrative Expenses

Year ended March 31	Millions of yen	
	2018	2017
	Salaries and related expenses.....	¥291,592
Retirement benefit cost.....	(1,526)	(505)
Welfare expenses.....	45,896	46,299
Depreciation.....	101,753	100,552
Rent and lease expenses.....	60,697	60,618
Building and maintenance expenses.....	7,124	4,664
Supplies expenses.....	5,083	5,275
Water, lighting, and heating expenses.....	5,252	5,120
Traveling expenses.....	5,509	5,357
Communication expenses.....	7,229	6,997
Publicity and advertising expenses.....	14,689	14,890
Taxes, other than income taxes.....	48,843	50,481
Deposit insurance.....	30,804	31,676
Others.....	187,801	193,802
Total.....	¥810,752	¥816,942