

Provisional translation of
the original Japanese version

LEAD THE VALUE

Financial Results of 1st Half, FY2007 & Progress of “LEAD THE VALUE” Plan

November 29, 2007



Sumitomo Mitsui Financial Group, Inc.



Agenda

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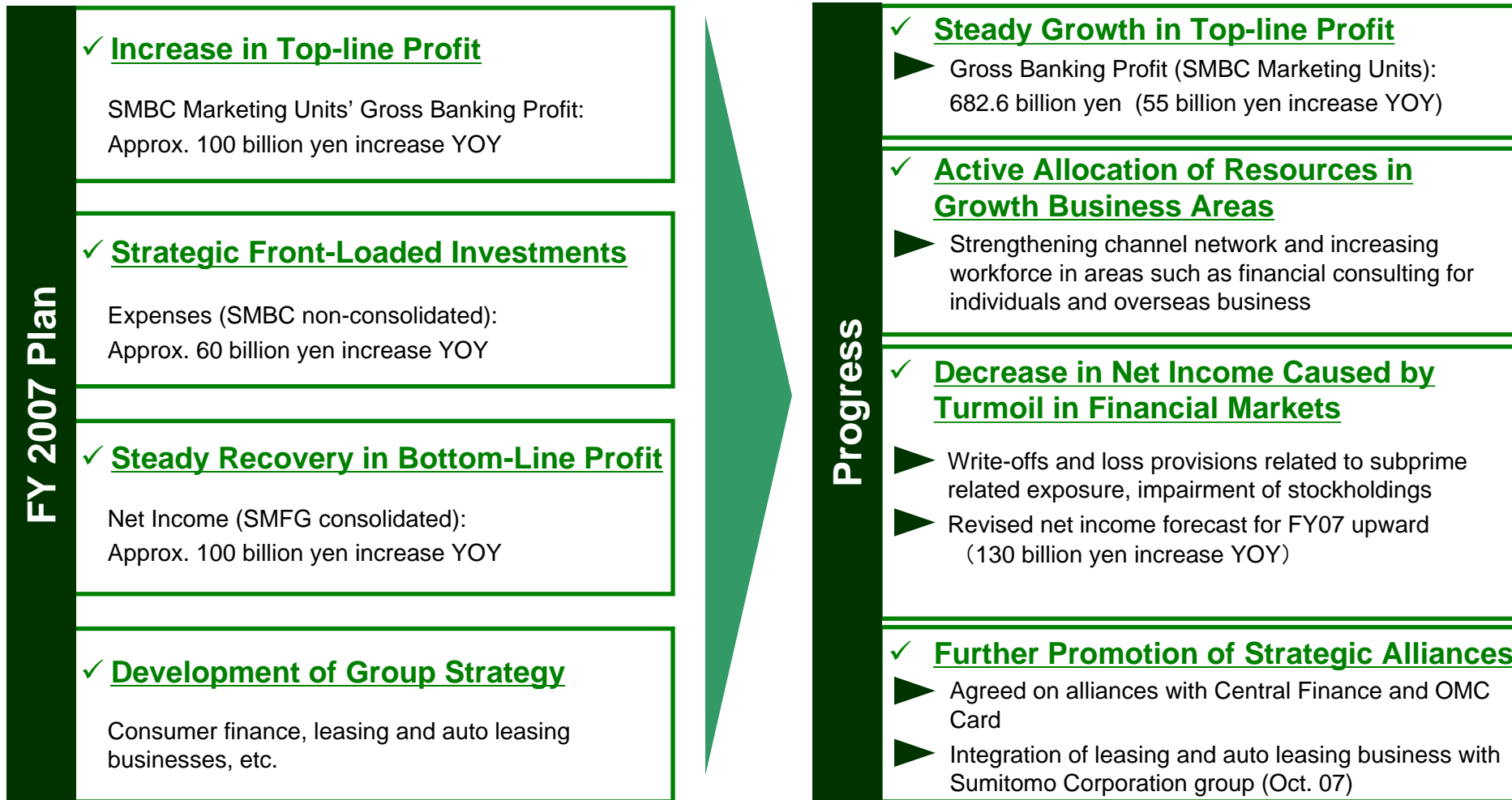
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* SMFG = Sumitomo Mitsui Financial Group, SMBC = Sumitomo Mitsui Banking Corporation



1. Overview of 1st Half, FY2007

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2. Financial Results of 1st Half, FY2007



2-1. Financial Results of 1st Half, FY2007 - Summary

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Reference: Financial Results P.17, 27
Supplementary Info. P.1, 2
Data Book P.2, 7

- ✓ Recorded growth in top-line profit after absorbing losses related to investments in sub-prime loan related products
- ✓ Bottom-line profit decreased mainly due to increase in credit costs and losses on stocks of consumer finance companies

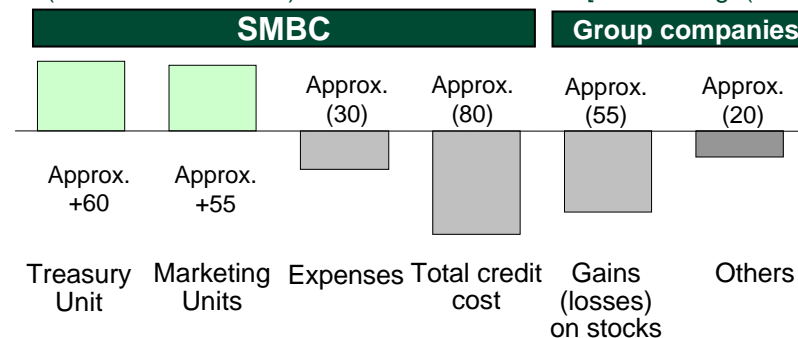
(Billions of yen)

	1H, FY07 Results	YOY change	Change from May. 07 forecast		
SMBC non-consolidated	Gross banking profit	718.5	+109.4	+23.5	
	Excluding gains (losses) on bonds	724.7	+53.9	—	
	Expenses	(327.6)	(30.1)	2.4	
	Banking profit*	390.9	+79.3	+25.9	
	Gains (losses) on stocks	(103.8)	(112.5)	—	
	Total credit cost	(114.2)	(81.0)	(44.2)	
	Ordinary profit	157.8	(111.2)	(102.2)	
	Net income	63.8	(119.8)	(86.2)	
	SMFG consolidated	Ordinary income	2,077.6	+251.8	+127.6
		Ordinary profit	353.2	(3.9)	(46.8)
Net income		170.6	(73.1)	(49.4)	

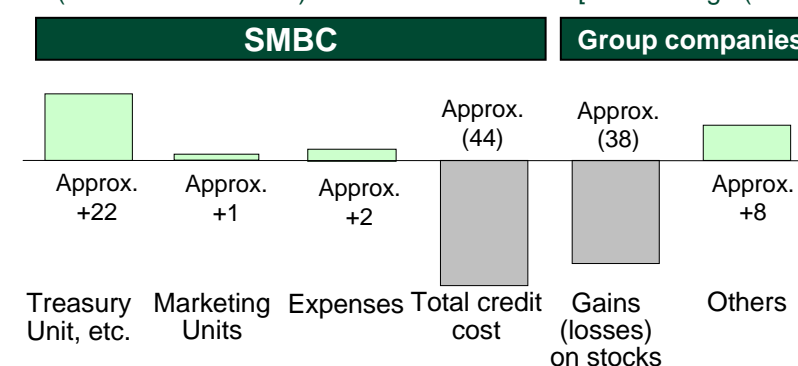
Main factors of year-over-year change

Main factors of change from May forecast

Net income: 1H, FY06 243.7 (SMFG consolidated) ▶ 1H, FY07 170.6 [YOY change(73.1)]



Net income: 1H, FY06 220.0 (SMFG consolidated) ▶ 1H, FY07 170.6 [YOY change(49.4)]



* Before provision for general reserve for possible loan losses



2-2. Top-Line Profit

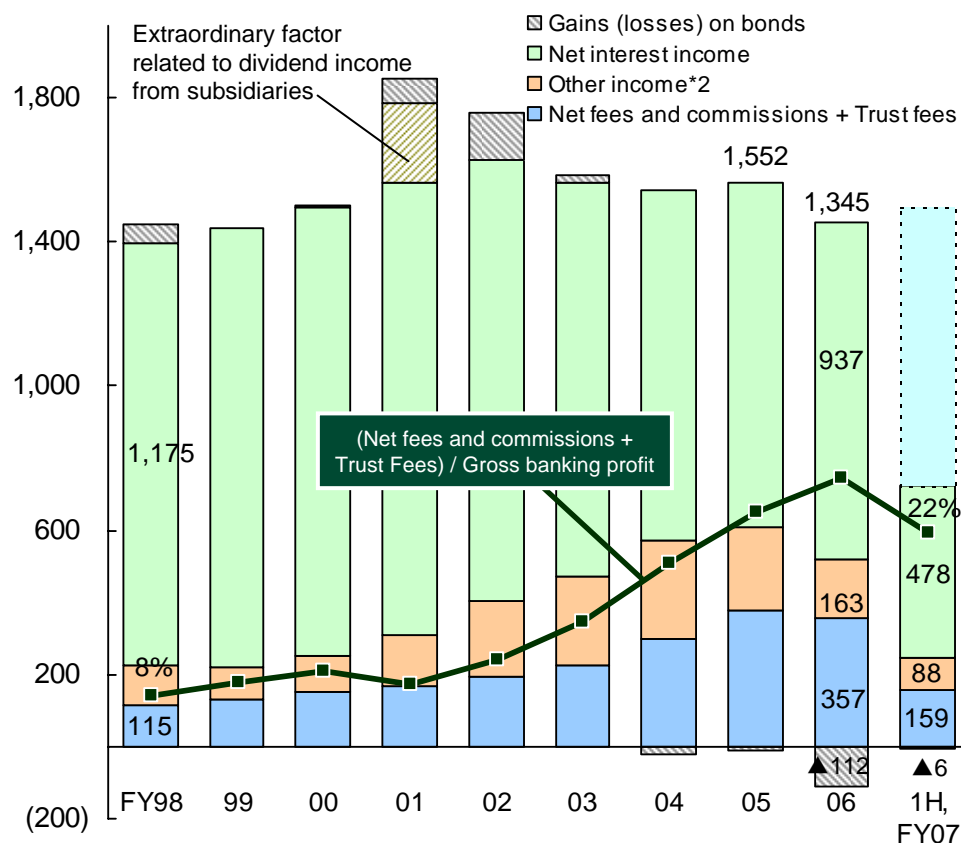
(1) SMBC Gross Banking Profit

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Reference:
Supplementary Info. P.1
Data Book P.7, 8

Gross banking profit*1

(Billions of yen)



Major factors of year-over-year change

(Billions of yen)

		Change
Gross banking profit	718.5	+109.4
• Net interest income	477.5	+33.7
-Net interest income on loans and deposits	412.7	+49.0
-Interest and dividends on securities	164.0	+ 8.9
-Interest on interest rate swaps	(41.5)	(26.6)
• Net fees and commissions + Trust fees	159.4	(1.5)
-Fees related to sales of investment trusts	28.2	+5.6
-Fees related to corporate bonds	5.1	(5.8)
• Net trading income + Net other operating income	81.6	+77.1
-Gains (losses) on bonds	(6.3)	+55.4
-Profit from sales of derivatives products	26.6	+8.0
-Profit from sales of foreign currency derivatives	18.2	+6.3

*1 FY00 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

*2 Other income = Net trading income + Net other operating income - Gains (losses) on bonds

(SMBC non-consolidated)

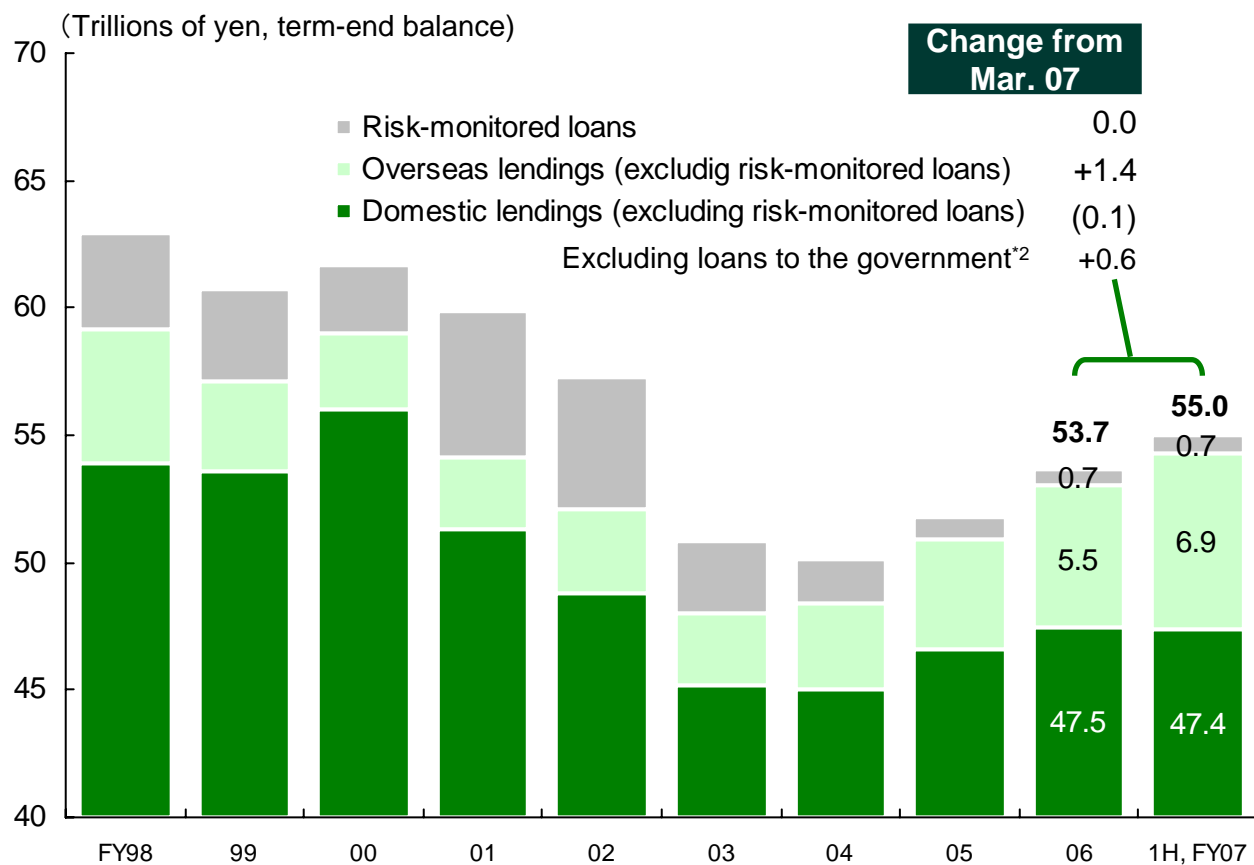


2-2. Top-Line Profit (2) SMBC Net Interest Income - Loan Balance

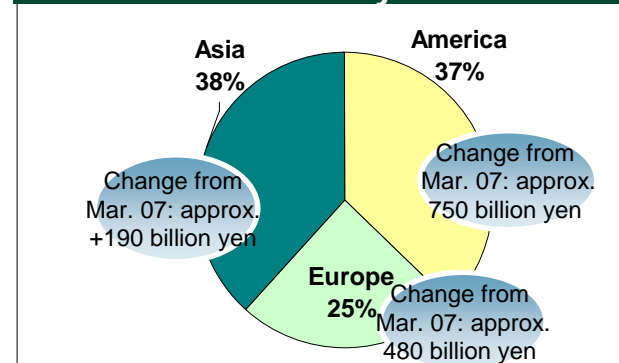
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Reference:
Supplementary Info. P.13
Data Book P. 9, 12

Loan balance*1



Composition and increased amount of overseas lendings, classified by area



Term-end balance by domestic business unit

(Trillions of yen)

Business Unit	Sep. 07	Change from Mar. 07
Consumer Banking Unit	14.5	+0.1*2
Middle Market Banking Unit	21.7	(0.2)
Corporate Banking Unit	10.1	+0.5

*1 FY00 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

*2 After add-back adjustment of securitized portion of housing loans

(SMBC non-consolidated)



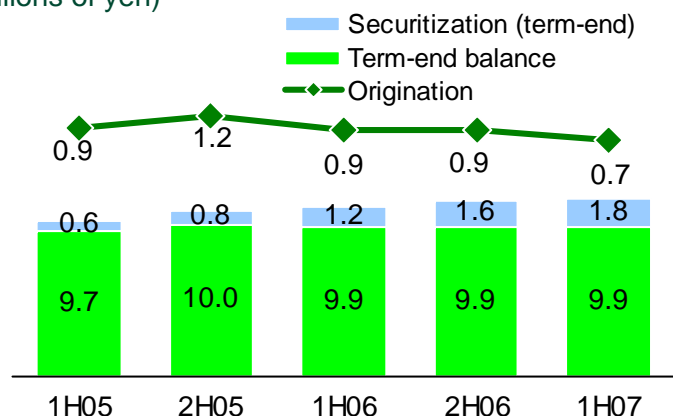
(Reference)

Trends in Key Domestic Lending Business

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Housing loans*1

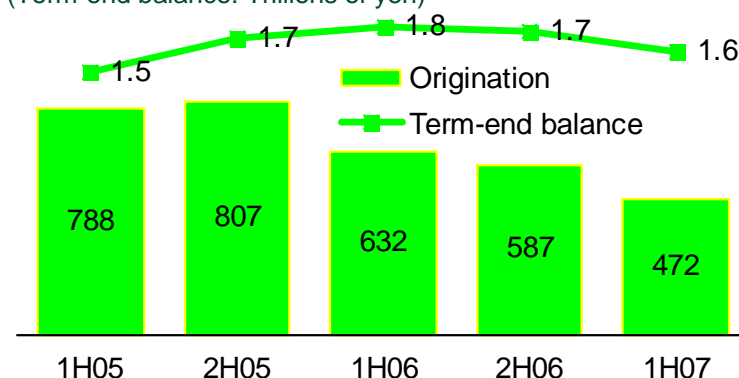
(Trillions of yen)



“Business Select Loan”

(Origination: Billions of yen)

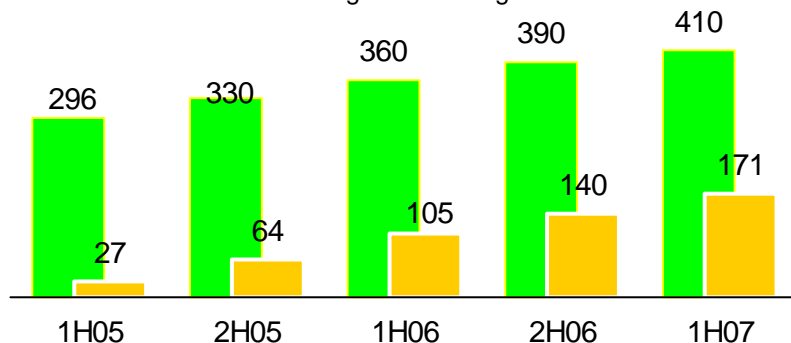
(Term-end balance: Trillions of yen)



Balance of unsecured card-type loans (term-end balance)

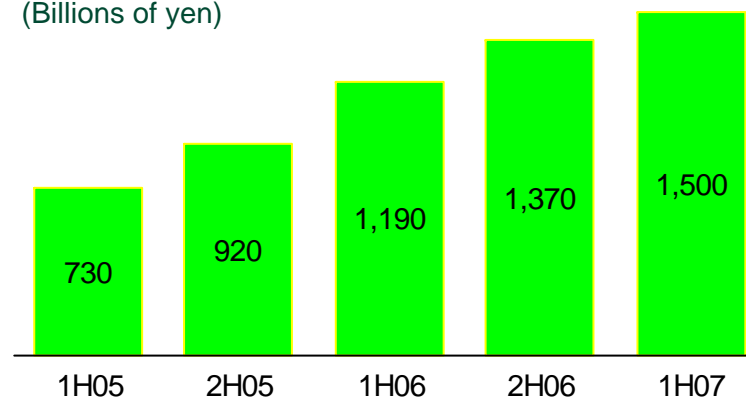
(Billions of yen)

■ Unsecured card-type loans
■ Loans originated through alliance with Promise



Non-recourse real estate finance*2 (term-end balance)

(Billions of yen)



*1 Securitized approximately 170 billion yen in 1H, FY07

*2 Managerial accounting basis including corporate bonds. Securitized approximately 25 billion yen in 1H, FY07

(SMBC non-consolidated)



2-2. Top-Line Profit (3)SMBC Net Interest Income - Loan to Deposit Spread

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Reference:
Supplementary Info. P. 3
Data Book P. 9

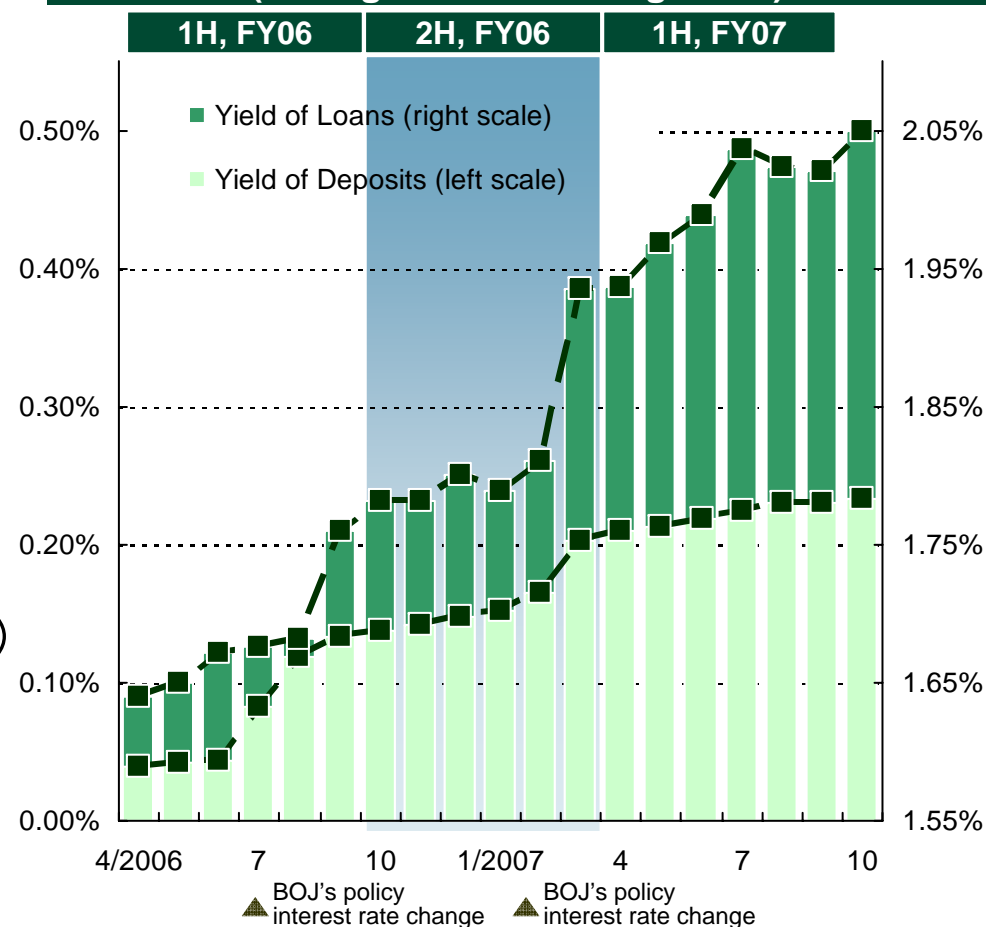
Domestic loan to deposit spread (financial accounting basis)

(Trillions of yen, %)

		1H, FY07		YOY change	
		Average balance	Yield	Average balance	Yield
Loans*	(a)	44.6	2.00	(1.2)	+0.35
Deposits, etc.	(b)	59.9	0.22	(0.5)	+0.16
Loan to deposit spread	(a)-(b)	-	1.78	-	+0.19

* excluding loans to financial institutions

Yield of domestic loans and deposits (managerial accounting basis)



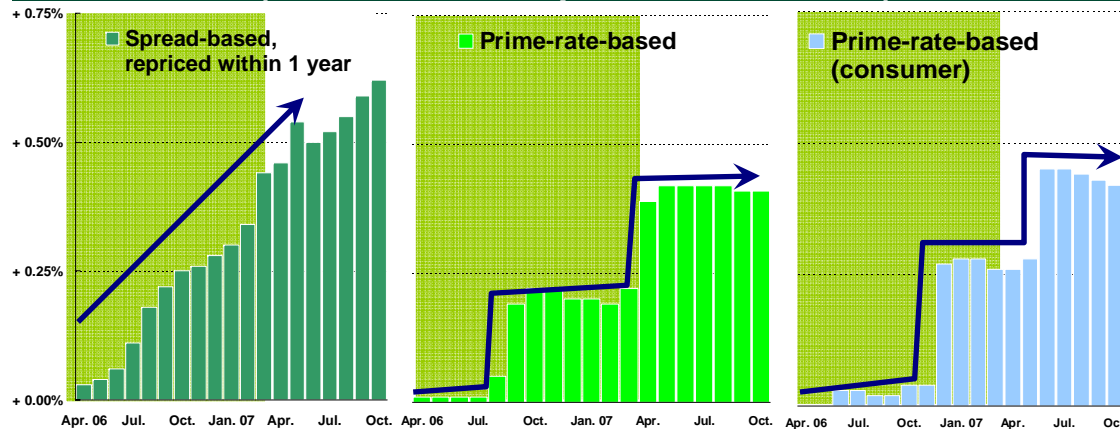
✓ Short term prime rate 1.375%→1.625% (+0.250%, from Aug. 21, 2006) →1.875% (+0.250%, from Mar. 26, 2007) **(SMBC non-consolidated)**
 ✓ Yield of ordinary deposit 0.001%→0.100% (+0.099%, from Jul. 18, 2006) →0.200% (+0.100%, from Feb. 26, 2007)
 ✓ Yield of 1 year time deposit (over-the-counter) 0.150%→0.300% (+0.150%, from Jul. 18, 2006) →0.400% (+0.100%, from Feb. 26, 2007)



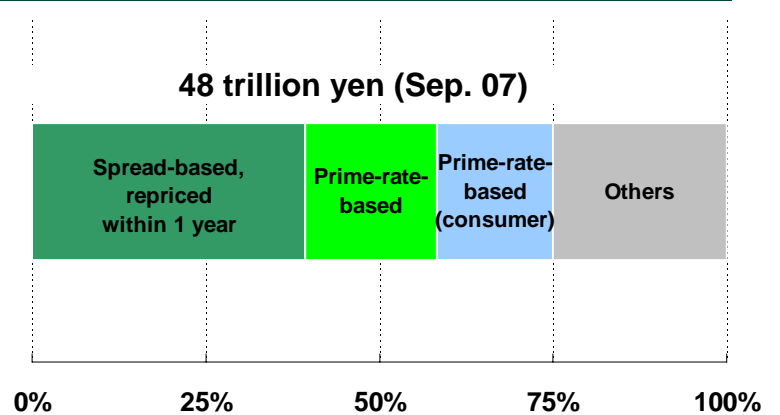
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(Reference) Trends of Yields on Domestic Loans and Deposits

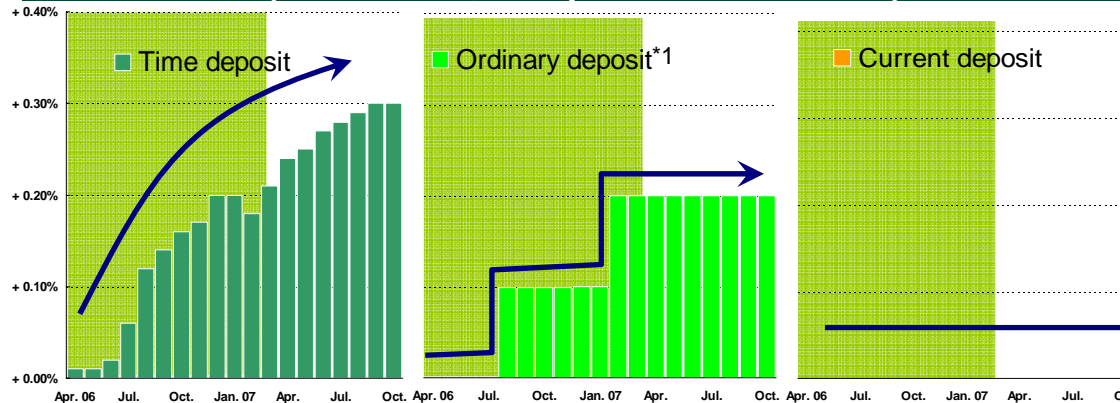
Trends of yields on domestic loans (month-end, compared with Mar. 06)



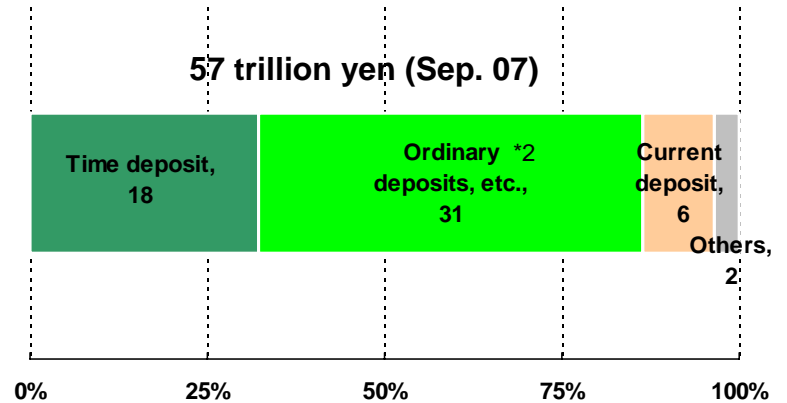
Domestic loans outstanding



Trends of yields on domestic deposits (month-end, compared with Mar. 06)



Domestic deposits outstanding



*1 Except for settlement-purpose ordinary deposit (of which principal is fully covered by deposit insurance but no interest is charged, launched Feb. 05), etc.

(SMBC non-consolidated)

*2 Including settlement-purpose ordinary deposit of approx. 5 trillion yen



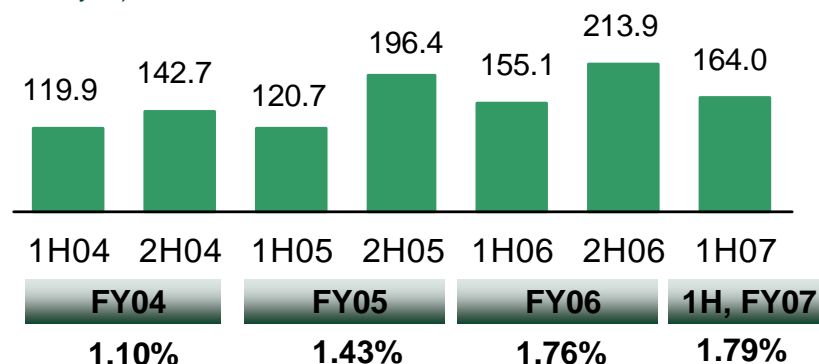
2-3. Securities Portfolio

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Reference: Financial Results P.17
 Supplementary Info. P. 5, 8
 Data Book P.13

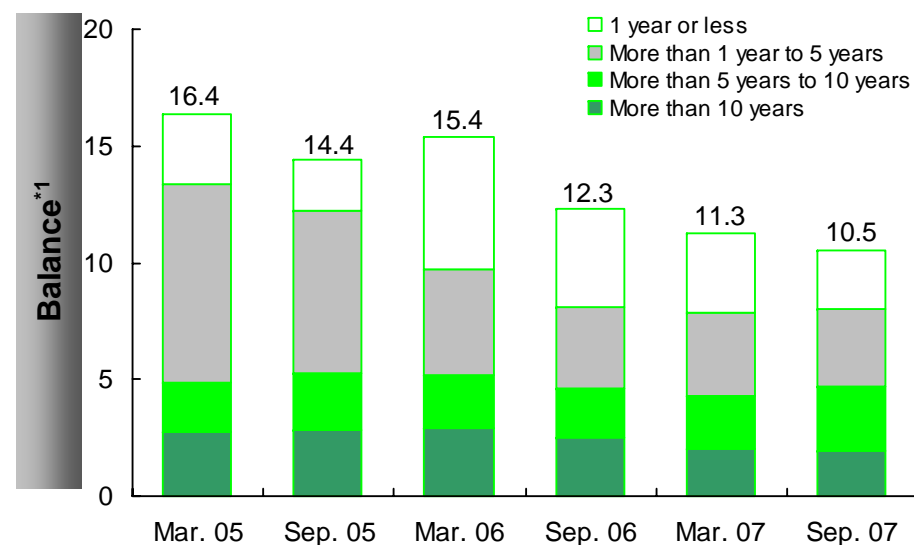
Interests and dividends on securities, and yields on securities

(Billions of yen)



Yen-denominated bond portfolio

(Trillions of yen)



Gains (losses) on bonds

(Billions of yen)

	1H, FY06	1H, FY07	YOY change
Total	(61.7)	(6.3)	+55.4
Gains on sales	11.8	20.8	+9.1
Losses on sales	(68.0)	(6.2)	+61.9
Gains on redemption	0.0	0.0	(0.0)
Losses on redemption	(5.5)	(5.0)	+0.5
Losses on devaluation	-	(15.9)	(15.9)

	Mar. 05	Sep. 05	Mar. 06	Sep. 06	Mar. 07	Sep. 07
Average duration (years ^{*2})	2.3	2.4	1.5	1.3	1.7	2.7
Unrealized gains / losses	7.7	(80.3)	(282.2)	(169.2)	(151.4)	(157.7)

(Billions of yen)

*1 Total of bonds with maturities and bonds classified as held-to-maturity

*2 Excluding bonds held-to-maturity, bonds for which fair value hedge accounting is applied, and private placement bonds

(SMBC non-consolidated)

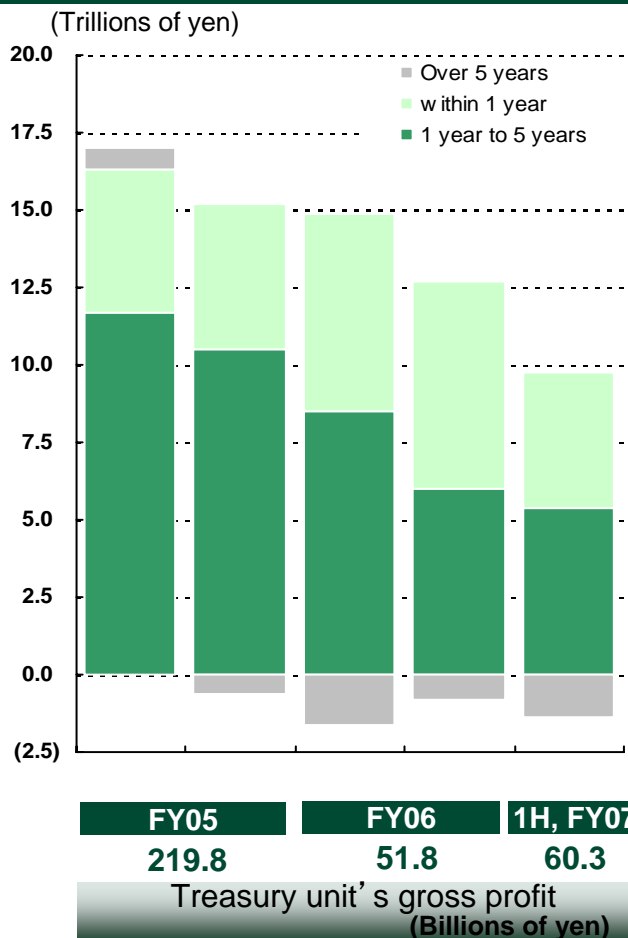


(Reference) Interest Rate Swaps (on Deferred Hedge Accounting Basis)

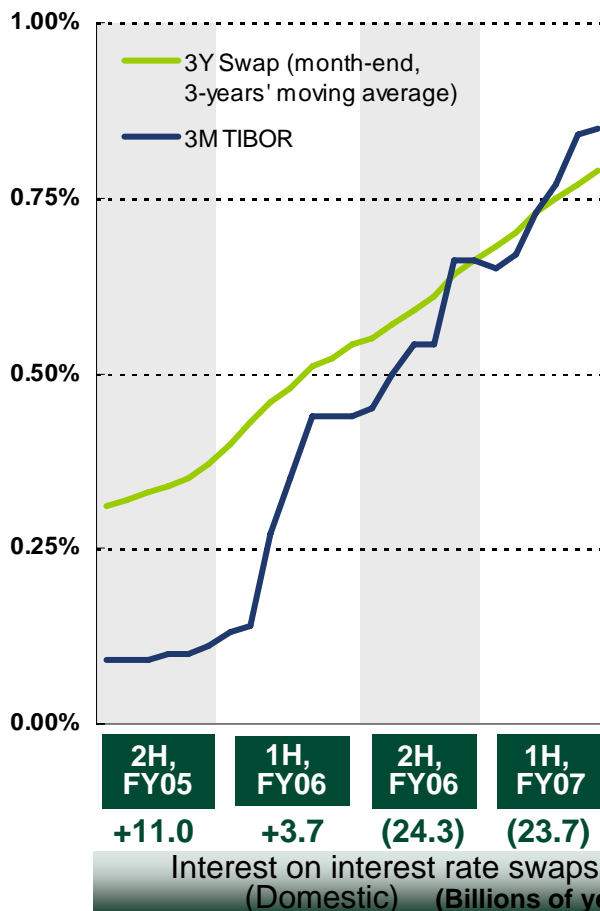
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Reference:
Financial Results P.5
Data Book P.13

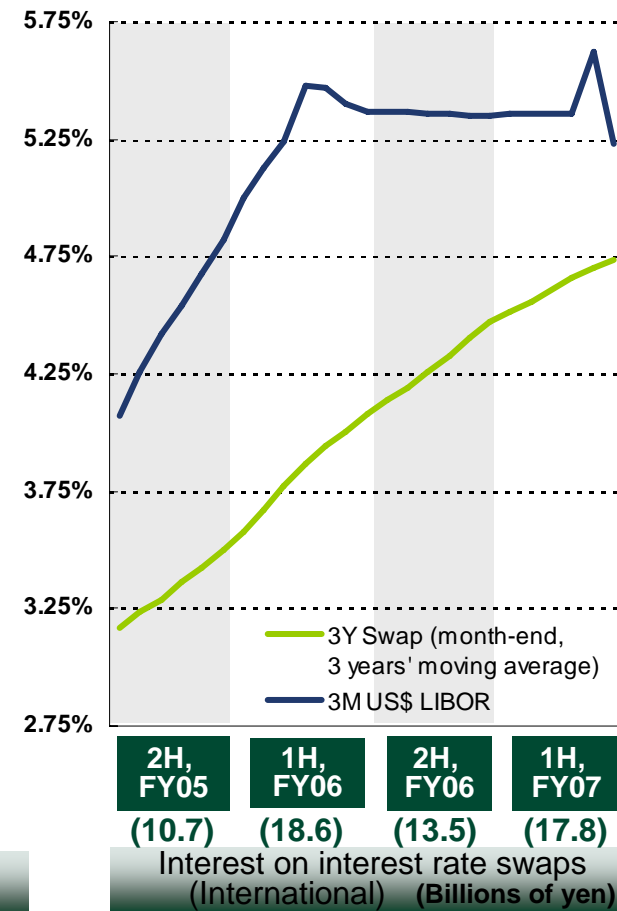
Contract amount of interest rate swaps: net receivable of fixed rate



Trend of JPY interest rates



Trend of USD interest rates



* JPY Interest rate swaps rate for three years was 1.087%, and US\$ interest rate swaps for three years was 4.95%, as of Mar. 30, 07 (SMBC non-consolidated)
JPY Interest rate swaps rate for three years was 1.218%, and US\$ interest rate swaps for three years was 4.72%, as of Sep. 30, 07



2-4. Expenses

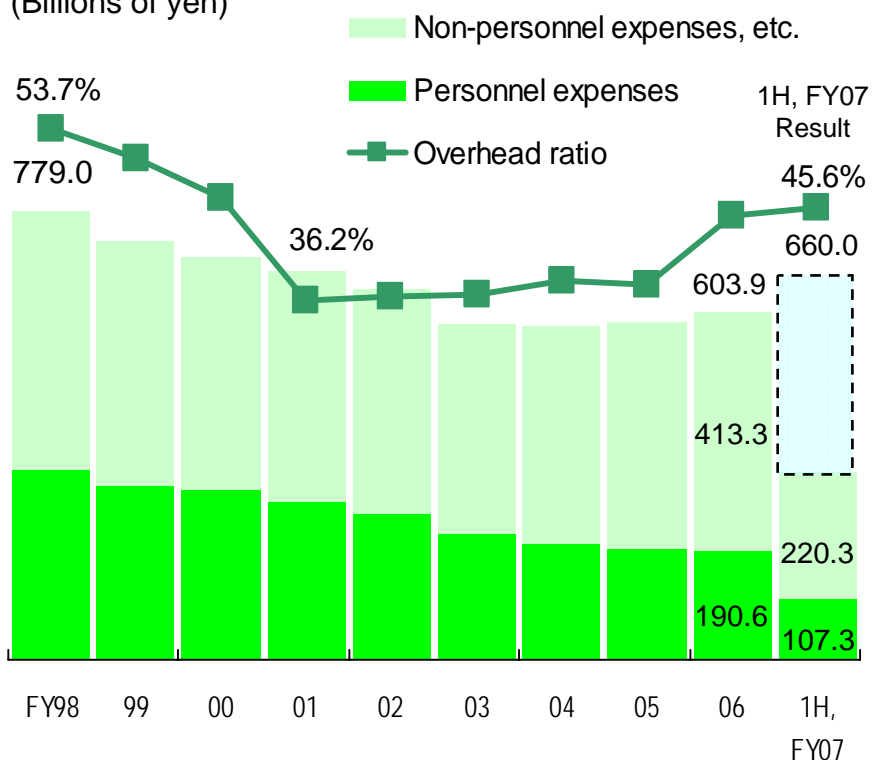
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Reference:
 Supplementary Info. P.1,3
 Data book P.7

- ✓ Increased expenses in growth business areas
- ✓ Overhead ratio increased temporarily by front-loaded investments, but is planned to maintain at 40- 45% in the next 3 years

Expense trend*

(Billions of yen)



Main factors of year-over-year change

(Billions of yen)

	1H, FY07	YOY change
Expenses	327.6	+30.1
Personnel expenses	107.2	+10.3
Non-personnel expenses, etc.	220.4	+19.8

<Initiatives for business growth>

- | | YOY change |
|--|------------|
| ✓ Strengthen human resources | Approx. +9 |
| ✓ Expand branch network, reinforce IT systems and facilities | Approx. +3 |
| ✓ Enhance sales promotion, others | Approx. +9 |

* FY00 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

(SMBC non-consolidated)



2-5. Performance by Business Unit

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Reference:
Data Book P.7, 9

(Billions of yen)		1H, FY06	1H, FY07	YOY change*	
Consumer Banking Unit	Gross banking profit	191.3	214.3	+6.4	(1)
	Expenses	(123.2)	(132.4)	(8.2)	
	Banking profit	68.1	81.9	(1.8)	
Middle Market Banking Unit	Gross banking profit	290.5	308.2	(9.5)	(2)
	Expenses	(93.5)	(99.8)	(7.7)	
	Banking profit	197.0	208.4	(17.2)	
Corporate Banking Unit	Gross banking profit	89.1	90.8	(5.1)	(3)
	Expenses	(14.4)	(15.3)	(0.9)	
	Banking profit	74.7	75.5	(6.0)	
International Banking Unit	Gross banking profit	57.0	69.3	+9.5	(4)
	Expenses	(22.3)	(29.0)	(6.1)	
	Banking profit	34.7	40.3	+3.4	
Marketing units	Gross banking profit	627.9	682.6	+1.3	
	Expenses	(253.4)	(276.5)	(22.9)	
	Banking profit	374.5	406.1	(21.6)	
Treasury Unit	Gross banking profit	0.0	60.3	+60.3	(5)
	Expenses	(8.8)	(9.1)	(0.3)	
	Banking profit	(8.8)	51.2	+60.0	
Headquarters	Gross banking profit	(18.8)	(24.4)	+47.8	(6)
	Expenses	(35.3)	(42.0)	(6.9)	
	Banking profit	(54.1)	(66.4)	+40.9	
Total	Gross banking profit	609.1	718.5	+109.4	
	Expenses	(297.5)	(327.6)	(30.1)	
	Banking profit	311.6	390.9	+79.3	

YOY change before adjustment of fluctuations in interest rates and foreign exchange rates: +54.7

Major factors of year-over-year change in gross banking profit

	(Billions of yen)
(1) Consumer Banking Unit:	+6.4
Investment trust	+5
(2) Middle Market Banking Unit:	(9.5)
Foreign currency derivatives	+7
Commodity derivatives, etc.	+2
Income on loans (loan spread decreased 11bp yoy)	(12)
Fees related to corporate bonds	(6)
(3) Corporate Banking Unit:	(5.1)
Income on loans (loan spread decreased 6bp yoy)	(4)
M&A, Business restructuring, etc.	(1)
(4) International Banking Unit:	+9.5
Loans and Deposits	+4
Fee income related to loans	+3
(5) Treasury Unit:	+60.3
ALM operations	+52
(Including gains (losses) on bond portfolio)	
Trading	+8
(6) Headquarters:	+47.8
Impact of rise in interest rate	+38

Average loan balance and spread by business unit (managerial accounting basis)

	(Trillions of yen, %)		Average balance		Average spread	
	1H, FY07	YOY change	1H, FY07	YOY change	1H, FY07	YOY change
Domestic loans	47.1	(0.3)	1.21	(0.06)		
Consumer Banking Unit	14.5	(0.3)	1.62	(0.00)		
Middle Market Banking Unit	21.1	0.0	1.32	(0.11)		
Corporate Banking Unit	9.6	(0.2)	0.59	(0.06)		

* Managerial accounting basis on which changes due to fluctuations in interest rates and foreign exchange rates are adjusted. Those changes are included in the Headquarters' account.

(SMBC non-consolidated)



2-6. Gains (losses) on Stocks

- ✓ On SMBC non-consolidated basis, recorded 103.8 billion yen of losses on stocks due mainly to devaluation on shares of consumer finance companies including Promise, Central Finance and OMC Card.
- ✓ On SMFG consolidated basis, losses on stocks amounted to 47.4 billion yen.

(Billions of yen)

(SMBC, non-consolidated)	1H FY06	1H FY07	YOY
Gains (losses) on stocks	8.7	(103.8)	(112.5)
Gains on sales	14.7	8.2	(6.5)
Losses on sales	(0.1)	(0.5)	(0.4)
Losses on devaluation	(5.9)	(111.5)	(105.6)

(Billions of yen)

(SMFG, consolidated)	1H FY06	1H FY07	YOY
Gains (losses) on stocks	10.4	(47.4)	(57.8)

Devaluation on shares of alliance partners in consumer finance industries

		SMBC, non-consolidated			SMFG consolidated
		Book value	Devaluation	Book value after impairment	Devaluation
Promise	Equity method affiliate (Voting rights: 22.0%)	approx. 201	approx. (46) ^{*2}	approx. 78	—
Central Finance	Equity method affiliate (Voting rights: 24.7%)	approx. 20 ^{*3}	approx. (10) ^{*3}	approx. 10 ^{*3}	—
OMC Card	Not affiliate (Voting rights: 4.9%) ^{*1}	approx. 76 ^{*4}	approx. (44) ^{*4}	approx. 32 ^{*4}	approx. (44) ^{*4}

*1 for common shares only. In addition, SMBC holds trust beneficiary claims of OMC's common shares. In Feb. '08, the trust is expected to be terminated and SMBC will acquire the underlying common shares. The share of voting rights including entrusted portion: 32.62%. *2 After offsetting 77.5 billion yen of reserve for investment losses recorded in FY06 *3 Sum of shares SMFG and SMBC own *4 Sum of common shares and trust beneficiary claims



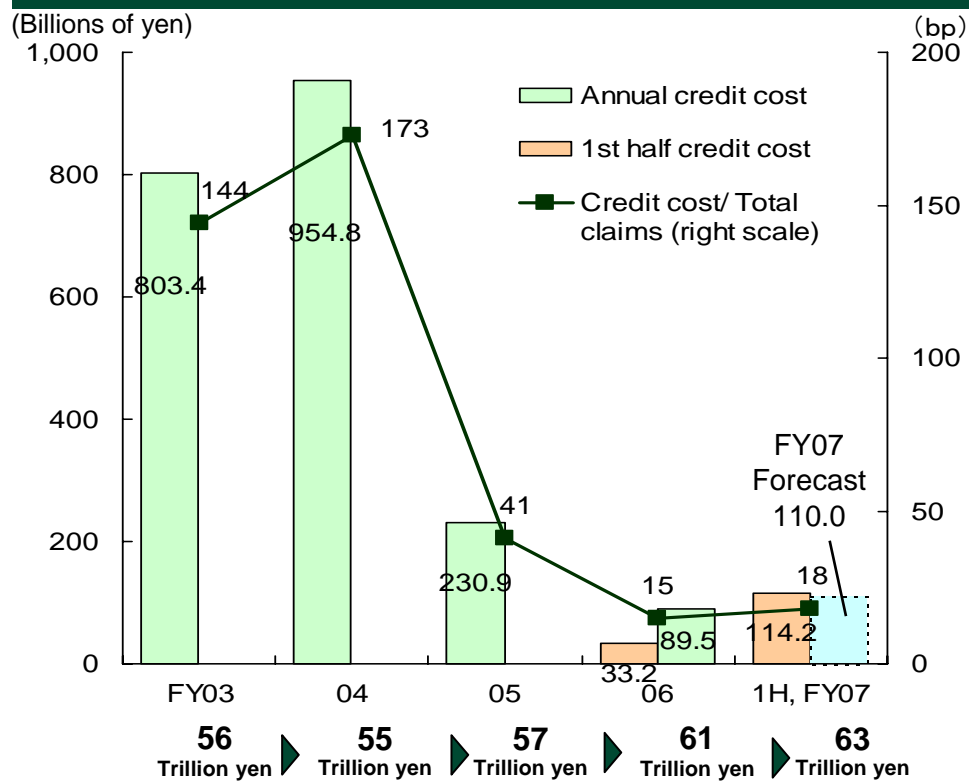
2-7. SMBC Total Credit Cost

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Reference: Supplementary Info. P.1,8,11
Data Book P.10,11

✓ Despite unanticipated losses related to such as subprime mortgage loans in the 1H, FY07, total credit cost in full year is forecasted to be 110.0 billion yen, due to gains on reversal of reserve for possible loan losses in the 2H, FY07

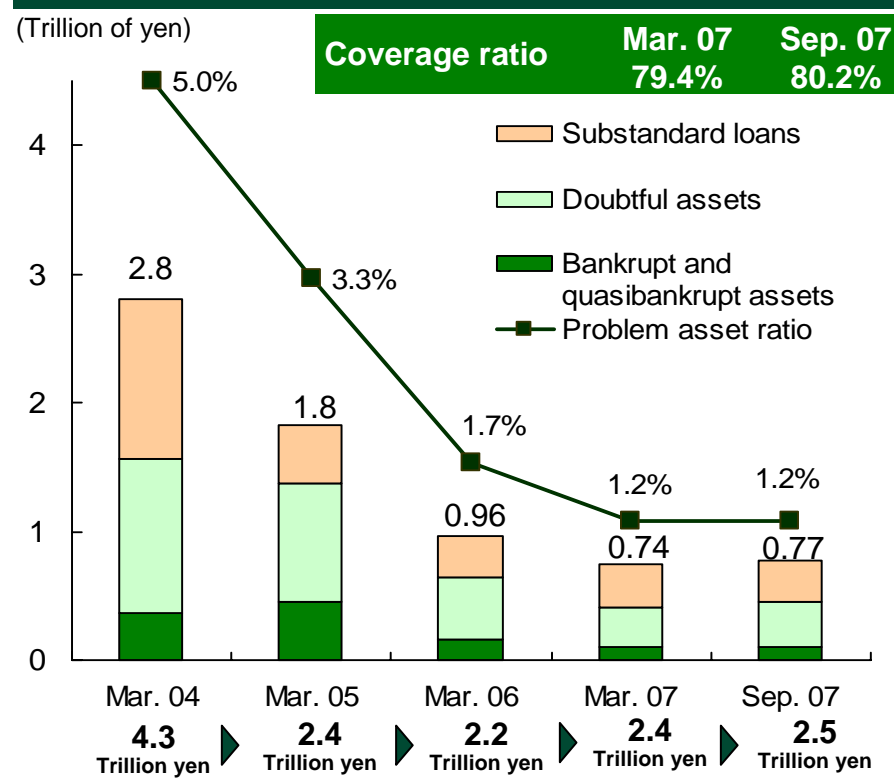
Total credit cost



Balance of total claims

56 Trillion yen → 55 Trillion yen → 57 Trillion yen → 61 Trillion yen → 63 Trillion yen

Balance of non-performing loans



Claims to Borrowers Requiring Caution excluding Substandard Borrowers

(SMBC non-consolidated)



2-8. Difference between SMFG Consolidated and SMBC Non-Consolidated Results

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Reference: Financial Results P.17
Supplementary Info. P.1, 2
Data Book P.2, 7

(Billions of yen)	SMFG consolidated	SMBC non-consolidated	difference		Major factors in difference	
Consolidated gross profit / Gross banking profit	1,022.6	718.5	304.1			
Net interest income	599.6	477.5	122.0	(1)		
Trust fees	2.3	2.2	0.1		(1) Kansai Urban Banking	29 +3
Net fees and commissions	293.4	157.2	136.3	(2)	MINATO BANK	24 +1
Net trading income	118.4	103.3	15.1		SMBC Europe	16 +4
Net other operating income	8.9	(21.7)	30.6		Sumitomo Mitsui Card	14 (2)
General and administrative expenses	(477.4)	(327.6)	(149.8)	(3)	(2) Sumitomo Mitsui Card	63 +5
Total credit cost	(143.1)	(114.2)	(28.9)	(4)	SMBC Friend Securities	22 +2
Equity in earnings (losses) of affiliates	19.0	-	19.0		SMBC Guarantee	17 0
Ordinary profit	353.2	157.8	195.4		(3) Sumitomo Mitsui Card	(64) (4)
Extraordinary gains (losses)	(2.9)	(2.6)	(0.3)		SMBC Friend Securities	(21) (2)
Net income	170.6	63.8	106.8		Kansai Urban Banking	(18) (2)
Consolidated net business profit*	499.6	390.9	108.7		MINATO BANK	(17) 0
					SMBC Leasing	(15) (1)
					(4) Sumitomo Mitsui Card	(9) (1)
					Kansai Urban Banking	(9) (3)
					MINATO BANK	(7) (2)

* Consolidated net business profit = (SMBC Non-consolidated banking profit (before provision for general reserve for possible loan losses)) + (Other consolidated subsidiaries' ordinary profit (excluding non-recurring items)) + (Equity method affiliates' ordinary profit) X (Ownership ratio) – (Internal transaction (dividends, etc.))



2-9. Capital

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Reference: Supplementary Info. P.7
Data book P.6

(Billions of yen)	Mar. 07 (a)	Sep. 07 (Prelim.) (b)	(b) – (a)
Tier I	3,903.3	4,069.3	166.0
Capital stock & Capital surplus	1,478.7	1,478.8	0.1
<Preferred stock>	<360.3>	<360.3>	<0>
Retained earnings	1,319.8	1,446.6	126.8
Preferred securities issued by overseas SPCs	1,159.6	1,151.7	(7.8)
Foreign currency translation adjustments	(30.7)	(8.4)	22.2
Increase in equity capital resulting from a securitization exposure	(40.1)	(41.4)	(1.3)
Tier II	3,640.2	3,481.4	(158.9)
45% of unrealized gains on other securities	825.4	693.1	(132.4)
45% of land revaluation excess	39.4	39.2	(0.2)
General reserve for possible loan losses	35.3	48.9	13.6
Total eligible provisions minus the total expected loss amount	175.9	193.1	17.1
Perpetual subordinated debt	1,114.0	1,055.6	(58.5)
Dated subordinated debt	1,450.2	1,451.6	1.4
Deduction	(690.8)	(738.3)	(47.5)
Total capital	6,852.7	6,812.4	(40.3)
Risk-weighted assets	60,540.3	64,251.1	3,710.8
Capital ratio^{*1}	11.31%	10.60%	(0.71%)
Tier I ratio	6.44%	6.33%	(0.11%)

Tier I	
(1) Consolidated net income	170.6 billion yen
Interim dividend	(44.8) billion yen
(1) Net deferred tax assets/ Tier I (SMFG consolidated): 21.1% [as of Sep. 07, (0.3)% from Mar. 07]	

Tier II	
(2) Decrease in net unrealized gains on other securities due to decline in stock prices, etc.:	(132.4) billion yen

Risk-weighted assets			
(Billions of yen)			
(3)	Mar. 07	Sep. 07 (Prelim.)	Change from Mar. 07
Sum of risk-weighted assets for credit risk	56,108.2	59,838.3	+3,730.1
Market risk equivalent	412.0	378.1	(33.9)
(Reference) Outlier ratio ^{*2}	2.1%	3.7%	
Operational risk equivalent	4,020.1	4,034.7	+14.6
Total	60,540.3	64,251.1	+3,710.8

*1 Figures are on the basis of Basel II standard (Credit risk: FIRB, Operational risk: BIA)

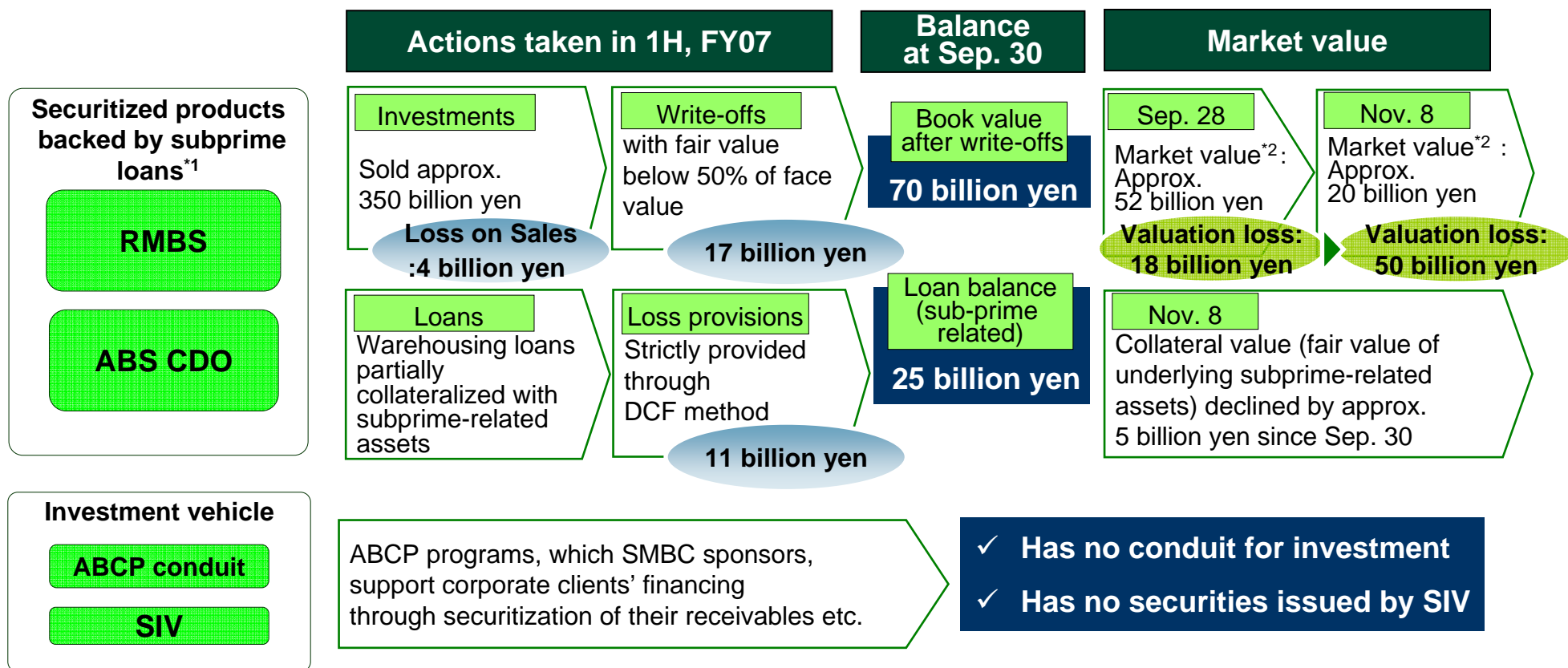
*2 SMBC consolidated basis

(SMFG consolidated)



2-10. Subprime-related Exposure and Its Impact on P/L

- ✓ Substantially reduced subprime-related exposure and adequately established loss provisions or wrote of for the remainder
- ✓ Limited impact on SMFG, although turmoil in financial markets including massive downgrades has continued



*1 Other than subprime related products and MBSs issued by government sponsored enterprises, SMFG on a consolidated basis held approx. 100 billion yen in ABCPs(as of Sep. 30, no valuation loss) and approx. 80 billion yen in CLOs, CMBSs etc. (as of Sep. 30 with valuation loss of approx. 5 billion yen)

*2 Market values are based on prices indicated by securities brokers and not based on internal models.



2-11. Earnings Forecast for FY 2007

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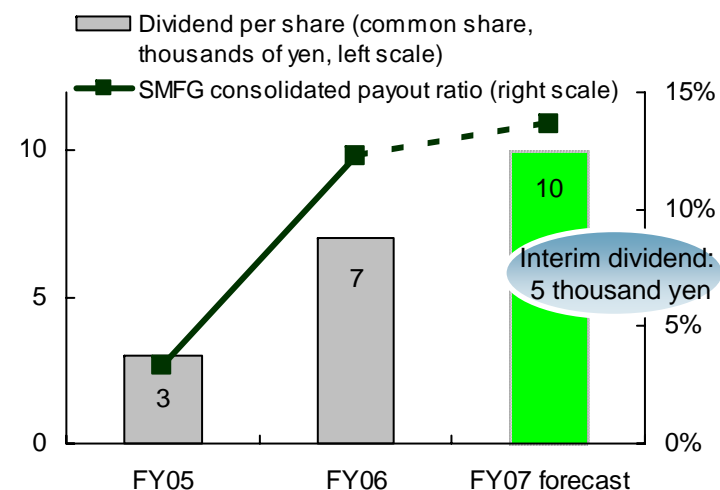
Reference:
Financial Results P.1
Supplementary Info. P.20

(Billions of yen)	FY06 Results	1H, FY07 Results	FY07 Revised forecast* ² <Original forecast>	YOY change	
SMFG consolidated	Ordinary income	3,901.3	4,300 <4,100>	+398.7	
	Ordinary profit	798.6	940 <980>	+141.4	
	Net income	441.4	170.6	570 <540>	+128.6
SMBC non-consolidated	Gross banking profit	1,344.5	1,490 <1490>	+145.5	
	Expenses	(603.9)	(327.6)	(660) <(660)>	(56.1)
	Banking profit* ¹	740.6	390.9	830 <830>	+89.4
	Total credit cost	(89.5)	(114.2)	(110) <(90)>	(20.5)
	Ordinary profit	573.3	157.8	600 <700>	+26.7
	Net income	315.7	63.8	315 <410>	(0.7)

Extraordinary gains to be recorded in 2H, FY07

“gains on change in equity” due to mergers of leasing, auto leasing subsidiaries: approximately 100 billion yen

Common share dividends and consolidated payout ratio



*1 Before provision for general reserve for possible loan losses

*2 Assumptions for forecast: 3 month JPY TIBOR (average): 0.82%, 10 Year JPY Swap (average): 1.89%, Exchange rate (term-end): \$1 =JPY 115

3. Initiatives to Strengthen Targeted Growth Business Areas



3-1. Outline of Medium-term Management Plan

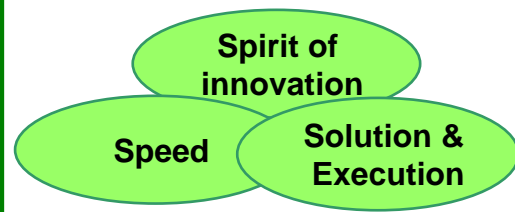
FY 2007-2009

“LEAD THE VALUE” Plan

Aim for “a globally competitive financial services group with the highest trust” by maximizing our strengths to LEAD THE VALUE

To LEAD the competition in creating and delivering customer VALUE

Our strengths
(Sources of corporate value)



Strategic initiatives

✓ Strengthen targeted growth business areas

“7 growth areas”

✓ Fortify platform for supporting sustainable growth

Management targets

- ✓ Aim for top quality in growth business areas
- ✓ Realize solid financial base as a global player
- ✓ Increase return to shareholders (realize payout ratio of more than 20%)

Financial targets for FY09 (SMFG consolidated)

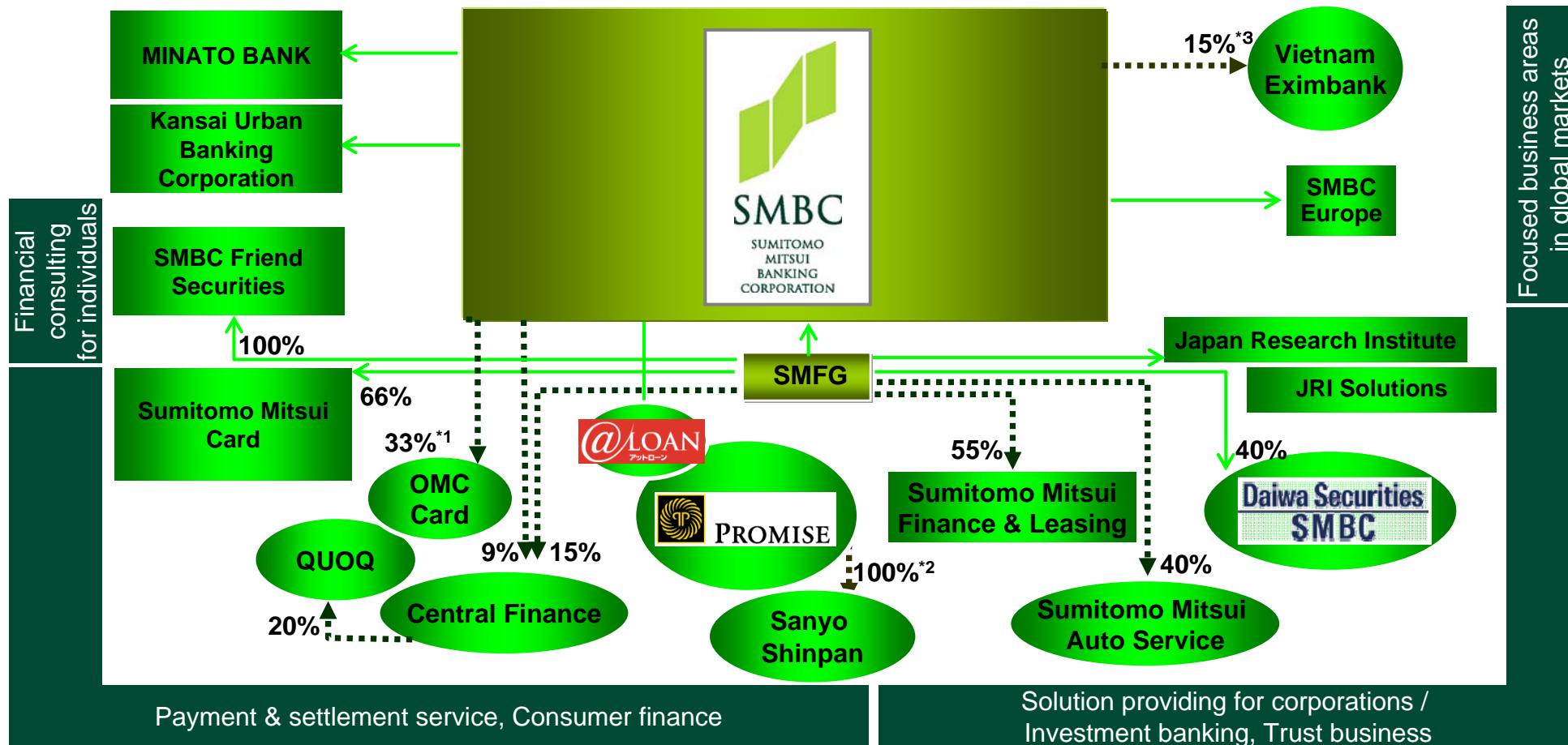
Net income	: 650 billion yen
Net income RORA	: Approx. 1%
Tier I ratio	: Approx. 8%
Overhead ratio (SMBC non-consolidated)	: 40-45%

ROE (SMFG consolidated) : 10-15%



3-2. SMFG's Group Structure

✓ As "the first step towards accomplishing the Medium-term Management Plan," in FY07, SMFG has been reorganizing structure and pursuing front-loaded investments. SMFG has been expanding its business areas through strategic alliances.

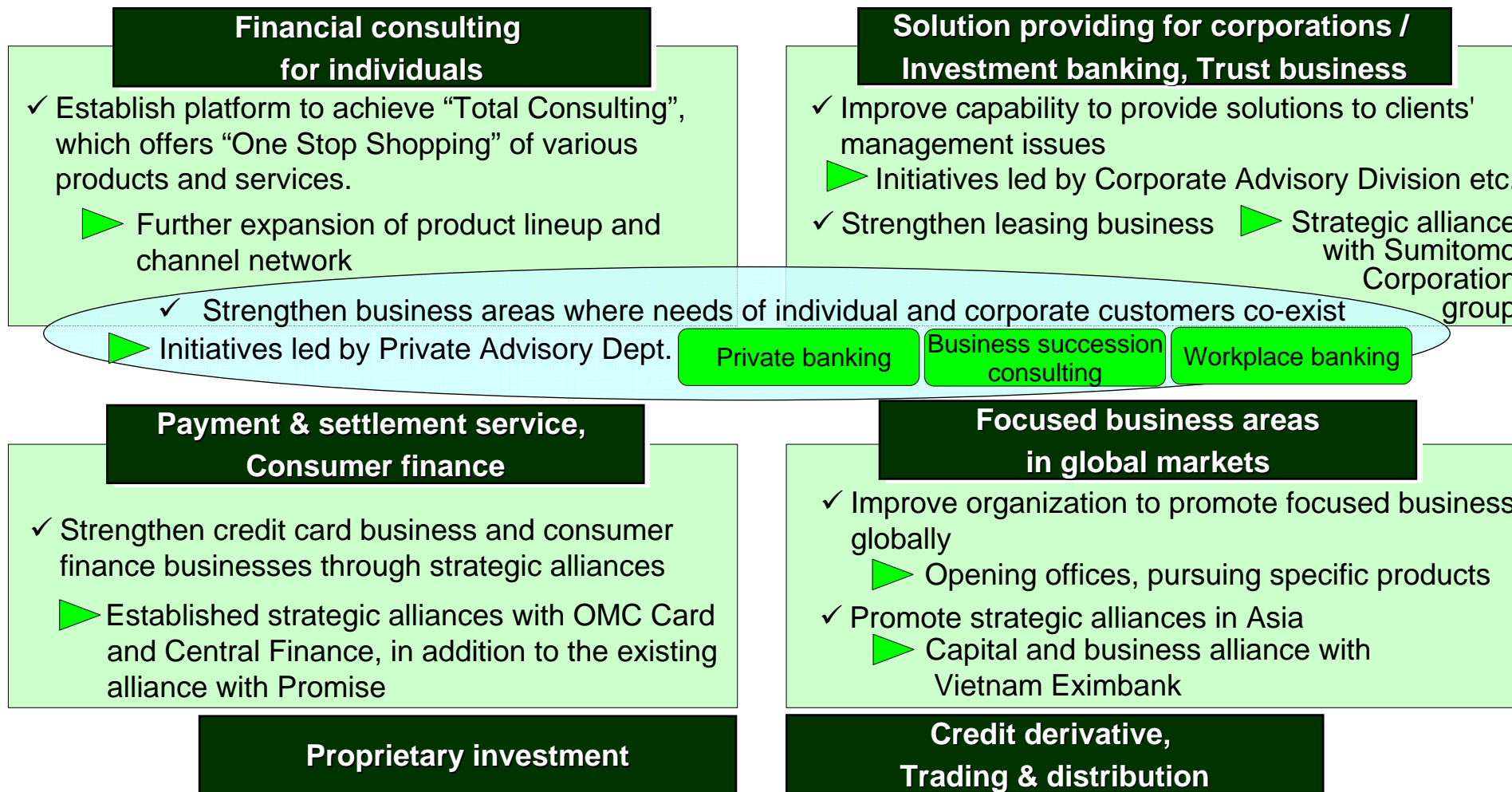


 : Subsidiaries of SMFG
 : Equity method affiliates of SMFG
 - - - - - : stake acquired in FY07
 - - - - - : stake acquired on or before FY06

*1 Including 28% of common shares currently entrusted
 *2 Scheduled in Dec. 07 *3 Scheduled by the end of Mar. 08



3-3. Seven Growth Areas



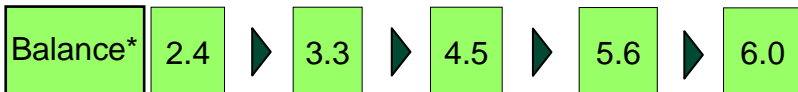
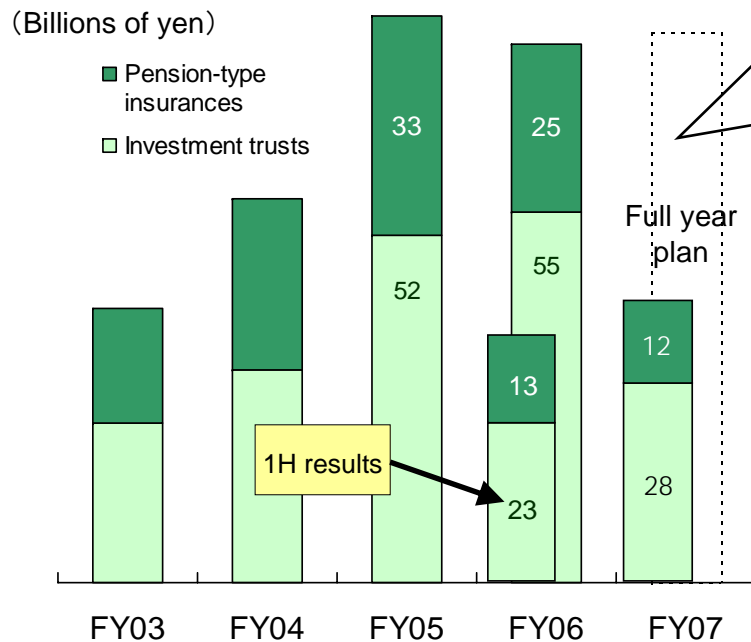


3-4. Financial Consulting for Individuals LEAD THE VALUE

(1) Expansion of Product Lineup to Establish “One Stop Shopping” of Various Financial Products

- ✓ Establish lineup of investment trusts and pension-type insurances meeting the diversifying needs of individual customers and the changes in market environment
- ✓ Start selling a wide range of insurance products as soon as fully deregulated in December 2007

Profits related to investment trusts and pension-type insurances (SMBC)



Fortifying product lineup

Investment trusts

Establish a lineup that matches customers' investment experience and knowledge

Balanced-type, Domestic bond-type, Emerging market fund-type, etc.

Pension-type insurances

Newly introduced target-type and early redemption-type products for which there is strong demand

Yen denominated immediate and fixed annuity pension etc.

Fund wraps

Further refine products and services

Starting sales of wide-range insurance products (scheduled in Dec. 07)

Start selling a wide range of products as soon as they are deregulated, just as we did when investment trusts and pension-type insurances were deregulated

Planned to start on Dec. 22, 07

Products

level premium whole life/ term/ medical insurance etc. (16 products supplied by 6 life insurance companies<plan>)

Organization

Channels: 86 (initially) ▶ all branches (by the end of FY 08)
Consultants: recruited approx. 250 experienced staff

* Trillions of yen. Sum of balance of investment trusts and accumulated sales of pension-type insurances at fiscal year end. (September-end for FY07)

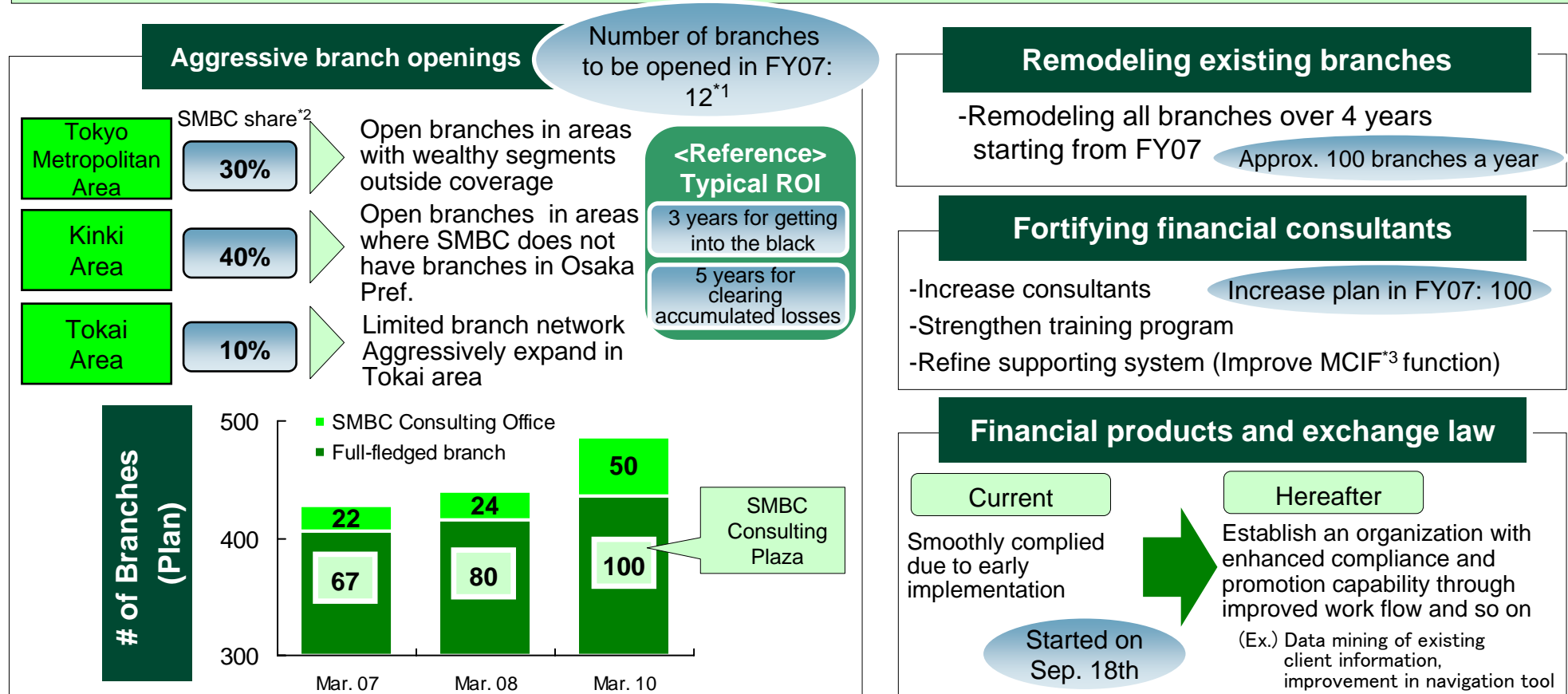


3-4. Financial Consulting for Individuals

(2) Further Expansion of Channel Network

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- ✓ Substantially fortify branch network in Tokyo metropolitan, Kinki and Tokai areas, with high growth potential, to expand customer base
- ✓ Complied with the Financial Products and Exchange Law earlier than its enforcement. Establish an organization with enhanced compliance and promotion capability through improved work flow and so on



*1 Sum of increase in branches (plus 10) and increase in SMBC Consulting Offices (plus 2)

*2 SMBC's share of sum of 3 major banks' branches (SMBC, Mitsubishi Tokyo UFJ and Mizuho) Source: Annual report of each bank

*3 Marketing Customer Information File

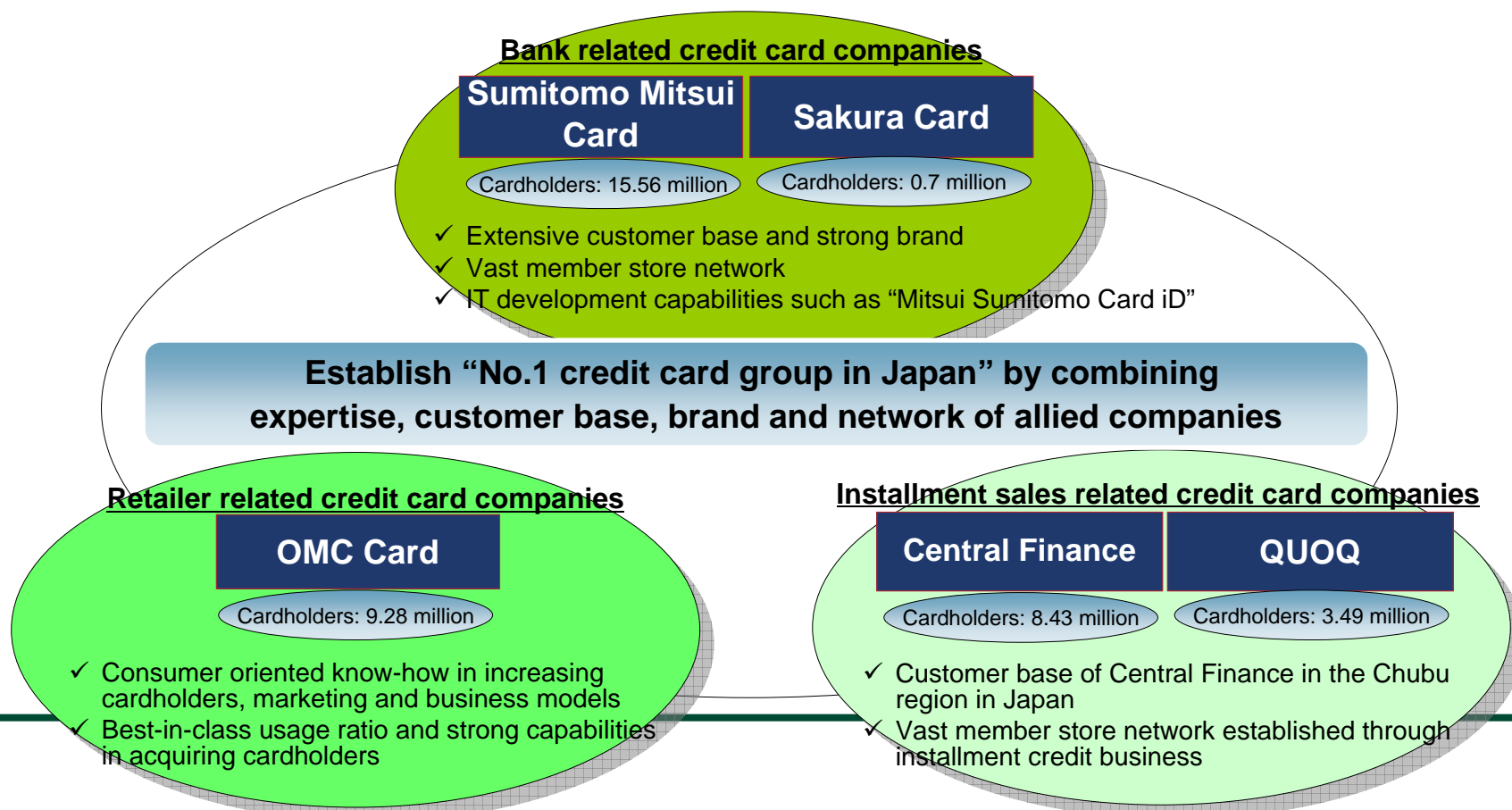


3-5. Consumer Finance

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(1) Strategic Alliances with OMC Card and Central Finance in Credit Card Business

- ✓ In the process of developing basic strategy between 4 allied companies (Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card, OMC Card and Central Finance)
By the end of Feb. 08
- ▶ Discuss integration and strengthening of card issuing, member-store acquiring, strengthening cost competitiveness by developing shared services on IT, middle/back offices, etc.



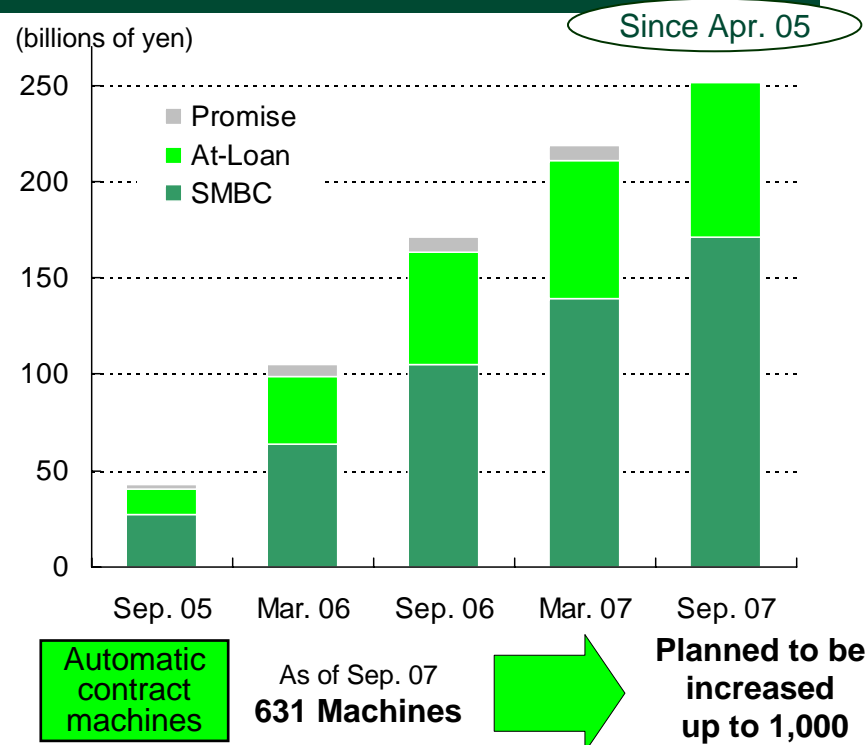


3-5. Consumer Finance (2) Strategic Alliance with Promise in Consumer Finance Business

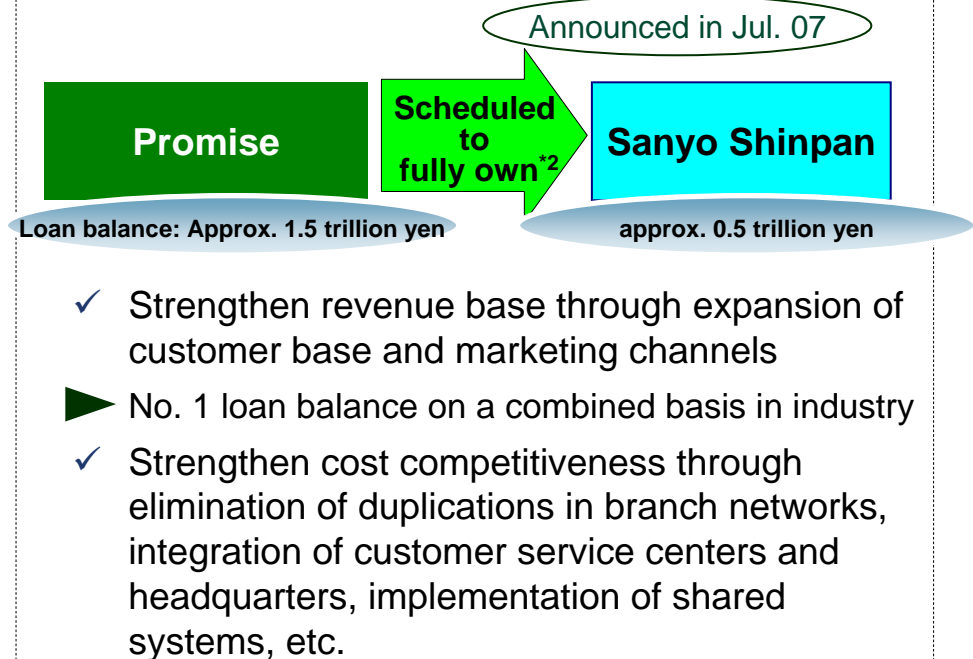
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- ✓ Combining SMBC's brand and channel network and Promise's credit know-how
 - ▶ Aim for establishing competitive advantage in the "medium-risk medium-return" segment

Balance of loans through collaboration*1



<Reference> Management integration between Promise and Sanyo Shinpan



*1 Excluding loans which At-loan provided before collaboration

*2 Scheduled in Dec. 07 (Exchange of stocks between Asahi Enterprise, fully owned subsidiary of Promise, as parent company and Sanyo Shinpan as subsidiary)



3-5. Consumer Finance (3) Basic Policy on Strategic Alliances

- ✓ **Promise** : Expected return became lower than anticipated. Improvement through drastic cost reduction, etc. is needed hereafter
- ✓ **OMC Card** : Medium-term profitability will be sustained even after the revision of the plan. Focus on realizing alliance synergies
- ✓ **Central Finance** : Medium-term profitability unchanged. Expect synergy through integration with QUOQ

	Promise	OMC Card	Central Finance
	Agreed in Jun. 04	Agreed in Jul. 07	Agreed in Apr. 07
	Invested: approx. 201 billion yen	Invested: approx. 76 billion yen	Invested: approx. 20 billion yen
Initial Goals	To be top position in consumer finance business in Japan	To be No.1 credit card entity through close integration of business resources and franchises	To mutually utilize expertise established in installment finance, credit card, banking, and trading
Expected Returns	Lower than initially expected	Lowered for short-term, but unchanged for medium-term	
Initiatives moving forward	<ul style="list-style-type: none"> ✓ Expect drastic change in business model through integration with Sanyo Shinpan 	<ul style="list-style-type: none"> ✓ Revised plan does not include alliance synergy ✓ Initiatives are under discussion by Strategy Committee of the alliance 	<ul style="list-style-type: none"> ✓ Expect synergy through integration with QUOQ ✓ Utilize HR portfolio among group companies

Target to sustain ROI of at least 6-7 % after full implementation of revised money lending business related laws

Secure sufficient ROI in order to improve consolidated ROE,
by reinforcing and growing competence in payment & settlement, and consumer finance markets

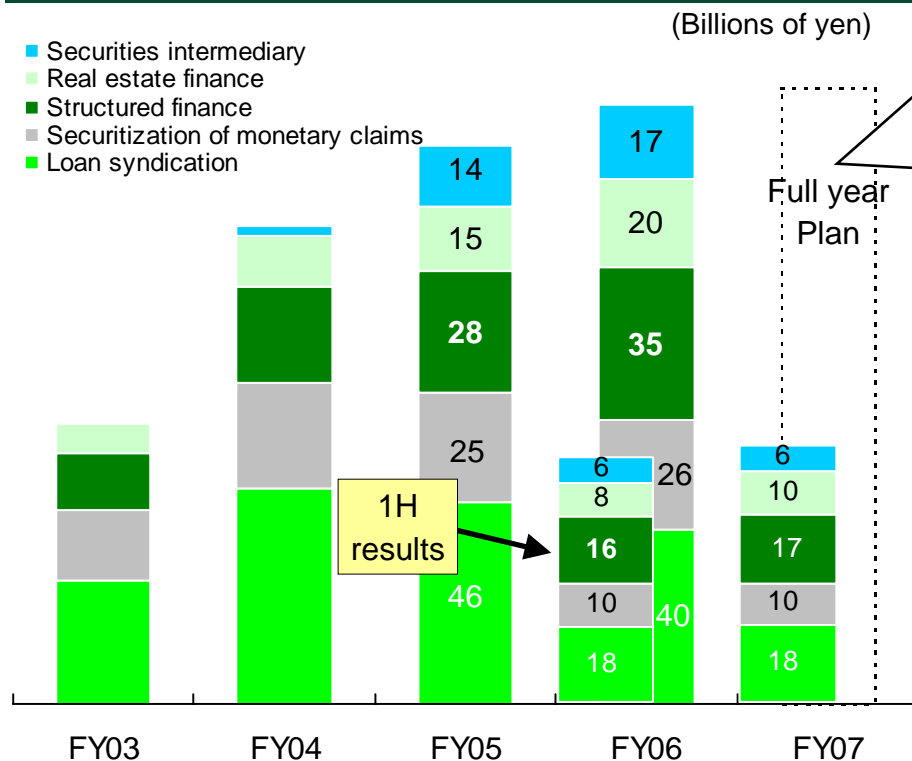


3-6. Investment Banking

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- ✓ Mostly achieved the planned targets in 1H, FY07
- ✓ Strengthened major products further, as well as entered new business frontiers such as emission rights business

Profits related to investment banking (SMBC) *1



Fortification of major products

- Loan syndication** Capture large-scale transactions (public sector, buy-out and cross-border deals)
Top-ranked in league table*2
- Real estate finance** Promote business through debts financing and equities investments while focusing on risk-return profiles and compliance
- Structured finance** Further improve organization to promote globally, especially in Asia
- Securities intermediary** Expand product line-up and customer base

Initiatives in emission rights business

- Established Environmental Products Department
In Oct. 07
- Promote investment business related to CDM*3 and Carbon Fund, and consulting business

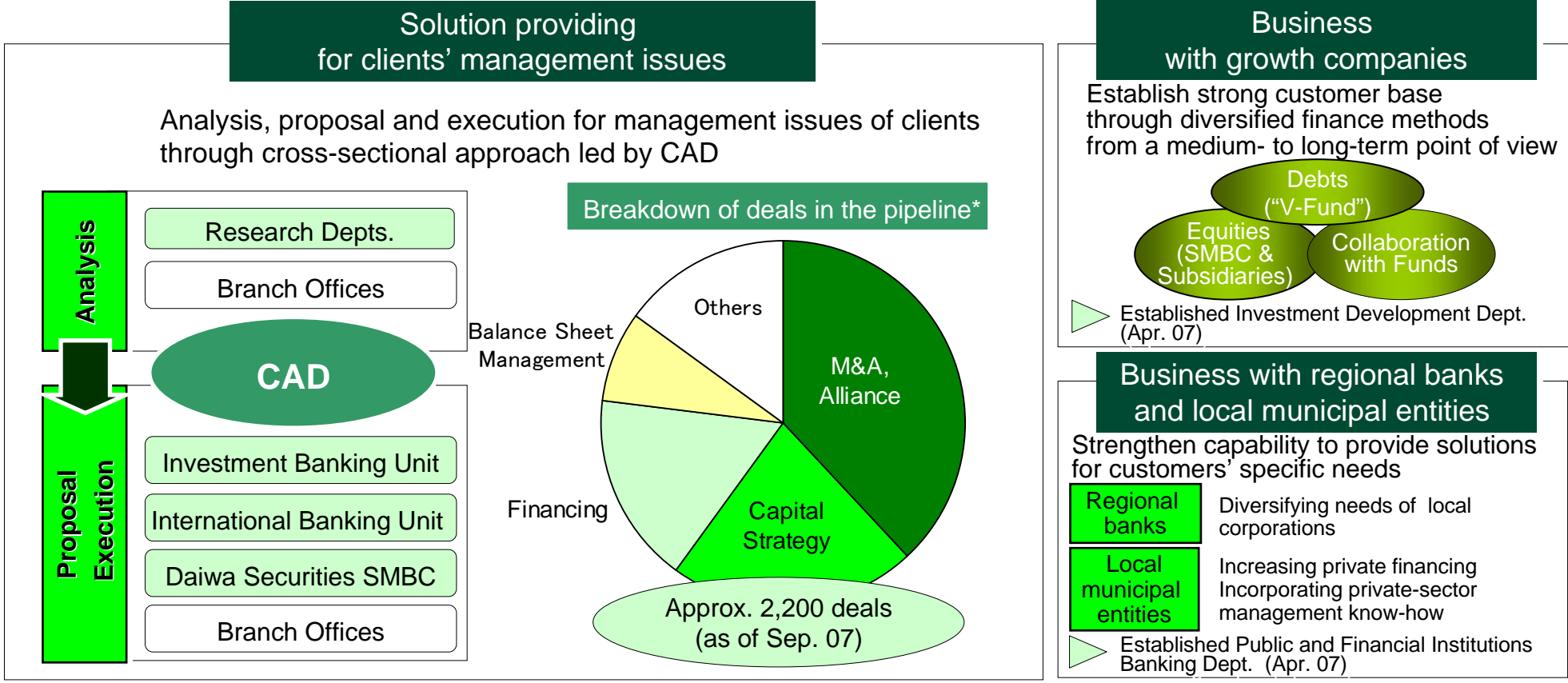
*1 Profits of securities intermediary business: fees and commissions from transactions with both individual and corporate clients
Profits of other businesses: managerial accounting basis including fee commissions, interest income, etc.

*2 Domestic bookrunner ranking and mandated arranger ranking (from Jan. 07 to Sep. 07, Source: Thomson Financial) *3 Clean Development Mechanism



3-7. Solution Providing for Corporations

- ✓ Promote solution providing for corporations by Corporate Advisory Division (CAD) from a medium- to long-term point of view
- ✓ Enhance platform for businesses with growth companies, regional banks and local municipal entities



* As of Sep. 07



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(Reference) Integration of Leasing and Auto Leasing Businesses with Sumitomo Corporation Group

- ✓ Two companies, Sumitomo Mitsui Finance and Leasing and Sumitomo Mitsui Auto Service, were established through the mergers between the two groups in Oct. 07
- ✓ Aiming for becoming “No. 1 Leasing and Auto Leasing companies in Japan” by combining expertise and customer base of the two groups



Sumitomo Mitsui Finance and Leasing

Sumitomo Mitsui Auto Service

Consolidation

-Consolidated subsidiary of SMFG ▶ Managed by SMFG

-Consolidated subsidiary of Sumitomo Corp. ▶ Managed by Sumitomo Corp.

Position in industry*2

-Operating Assets: 2.7 trillion yen ▶ Top-tier in the industry

-Number of operating cars: 502 thousand ▶ Top-tier in the industry

Expected synergies

- Provide various types of leasing services for customer bases of both the SMFG and the Sumitomo Corporation group
- Combining financial solutions providing capabilities of SMFG and know-how related to products and business distribution of Sumitomo Corporation group

Impact on SMFG's P/L

- Total amount of gains on change in equity on two mergers: Approx. 100 billion yen ▶ Will be recorded as extraordinary gains in SMFG's P/L in 2H, FY07

*1 As of Oct. 1, 07
*2 As of Mar. 07. Sum of the figures of the two companies before merger



3-8. Focused Business Areas in Global Markets

(1) Improving Organization to Promote Focused Business Globally

- ✓ Expanding channel network in growth markets and reinforcing global business promotion platform for specific products
- ✓ In Asia, the most important overseas market, SMFG is further strengthening business with Japanese corporations and aggressively seeking strategic alliances with local banks

Expanding channel network in growth markets

China

- Tianjin Binhai Sub-branch (Mar. 07)
- Suzhou Industrial Park Sub-branch (Apr. 07)
- Beijing branch (Approved to commence preparation for opening) (Jun. 07)

GDP growth rate*1 : 11.1% ▶ Scheduled to open by the end of 07

U.A.E.

- Dubai branch (Mar. 07)

GDP growth rate*1 : 9.4%

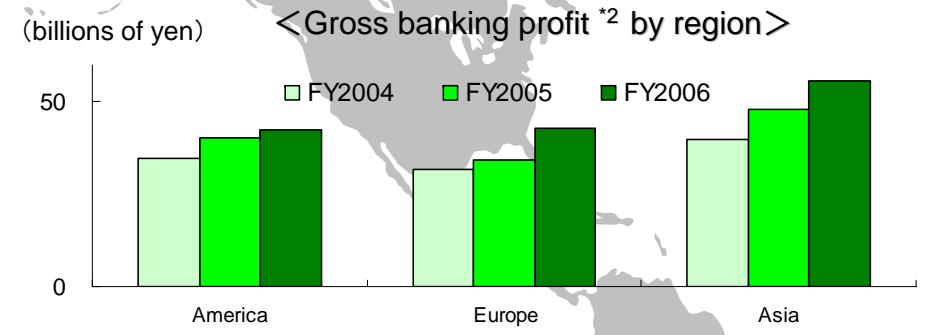
Reinforcing global platform of specific products

Trade finance Established Global Trade Finance Dept., headquartered in London (Jun. 07)

▶ To better meet the growing financing needs related to global trade

Ship finance Established Singapore office (Sep. 07)

Overview of Asian business



Business with Japanese corporations

- Expanding channel network
- Promote global CMS (Cash Management Service)

Alliance with local banks

- Vietnam Eximbank (Nov. 07)
- Kookmin Bank (Mar. 07)

▶ Strengthen support for Japanese corporations in South Korea, and collaborate in investment banking business including structured finance

*1 Real GDP growth rate in 2006 Source: IMF
 *2 Managerial accounting basis including SMBC Europe



3-8. Focused Business Areas in Global Markets (2) Business and Capital Alliance with Vietnam Eximbank

- ✓ Alliance with Vietnam Eximbank*1 to develop retail banking business in rapidly growing Vietnamese market
- ✓ Penetrate financial markets for individuals and SMEs and strengthen support for Japanese corporations operating in Vietnam

Announced in Nov. 07

Outline of capital alliance



Acquire 15% of ordinary shares
(through third party allotment)
Dispatch executives

Exim bank

Purchase amount USD 225 million (approx. 26 billion yen)

SMBC's position Expected to be the largest shareholder (Eximbank will be equity method affiliate of SMBC)

Schedule Plan to acquire Vietnam Eximbank's shares by Mar. 08 (subject to the approval of the State Bank of Vietnam)

Vietnamese Economy

Macro Economy Maintaining high growth rate
GDP growth rate: 8.2%*2

Market size Financial market expected to grow rapidly, though its current size is small

Opportunities Vietnamese government is actively accepting foreign investments

Outline of Vietnam Eximbank*3

Number of employees	Approx. 2,000	Number of branches	58 (including sub-branch)
Total assets	Approx. 144 billion yen	Up 80% from Dec. 05	
Ranking	Ranked No.3 among private-sector banks by asset size (Ranked No.8 including state-owned banks)		

Outline of business alliance

Collaboration in retail banking business in Vietnam

Credit cards, consumer finance, etc

Strengthen support for Japanese corporations operating in Vietnam

Provide local currency financing by utilizing Eximbank's Vietnamese Dong loan facility and provide loans to employees of Japanese corporations

Collaboration in developing trade finance

Provide finance and securitization of accounts receivable related to trade between Vietnam and Japan

Technical assistance to Vietnam Eximbank

Provide risk management know-how, etc.

*1 Vietnam Export Import Commercial Joint Stock Bank (Establishment: 1989, Location of head office: Ho Chin Minh City)

*2 Real GDP Growth rate in 2006, Source: IMF *3 As of Jun. 07



In Closing

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Progress in 1st Half of FY2007

- ✓ Steady Growth in Top-line Profit
 - ▶ SMBC Marketing Units' Gross Banking Profit: 682.6 billion yen (55 billion yen increase YOY)
- ✓ Active Allocation of Resources in Growth Business Areas
 - ▶ Strengthening channel network and increasing workforce in areas such as financial consulting for individuals and overseas business
- ✓ Decrease in Net Income Caused by Turmoil in Financial Markets
 - ▶ Write-offs and loss provisions related to subprime related exposure, impairment of stockholdings
 - ▶ Revised net income forecast for FY07 upward (YOY change: +Approx. 130 billion yen)
- ✓ Further Promotion of Strategic Alliance
 - ▶ Agreed on alliances with Central Finance and OMC Card
 - ▶ Integration of leasing and auto leasing business with Sumitomo Corporation group (Oct. 07)

Risk factors which could Impact SMFG's earnings

- Delay in policy interest rate rise → Limited impact on FY07 earnings
- Implementation of the Financial Instruments and Exchange Law → -Improvement in sales of investment trust in Oct. compared with Sep. -Prepared to sell a wide range of insurance products when deregulated in Dec.
- Revision of the Building Standard Law → Loan applications under revised law to come next spring and thereafter
- Subprime loan problem → Subprime-related exposure : approx. 95 billion yen (Established 11 billion yen loan loss provision)
- Sharp rise in energy and commodity prices → Responding to hedging needs of corporate customers and investing needs of individual customers
- Yen appreciation
- Decline in alliance partners' share prices → Promote collaboration and aim for realizing alliance synergies

Management policy in 2nd Half

- ✓ **Achieve the first year target of the medium-term management plan through proper risk management**
- ▼
- ✓ **Increase shareholder return in line with steady progress of the medium-term management plan**



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This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.