

Provisional translation of
the original Japanese version



SMFG SUMITOMO MITSUI
FINANCIAL GROUP

Financial Results for 1st Half, FY3/2011 & Management Policies and Strategies

November 22nd, 2010

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1. Management Policy in FY3/2011

Management policy in FY3/11

- ✓ “Forward looking”
 - Transforming our business model to grow steadily under a new regulatory and competitive environment
- ✓ Emphasizing return on risks and costs, in order to improve asset quality and thoroughly control expenses and credit costs

Pursue profitability by focusing on targeted growth business areas

Further enhance customer responsiveness by leveraging advisory functions

Fortify bottom-line profit through reexamining profitability of existing business lines

Further increase productivity by improving business processes

[SMFG's targeted growth business areas]

Overseas business especially in Asia

Solution providing for corporations /
Investment banking, trust business

Retail / Wholesale securities business

Financial consulting for individuals

Payment & settlement services, consumer finance

- Improving risk-return profile by rebalancing our asset portfolio towards assets with high growth potential from assets with low yields while meeting customers' financing needs / Controlling credit costs and expenses
- Steadily accumulating earnings based on our management plan
- Minimizing risks to our capital posed by volatility in our equity holdings
- Promoting initiatives toward NYSE listing

**Reinforcing business portfolio
to achieve sustainable growth**

Securing a resilient capital base

2. Business Performance of 1H, FY3/2011 and Progress of Strategic Initiatives

2-1. Business Performance of 1H, FY3/2011 and Progress of Strategic Initiatives

Both SMFG's consolidated Net income and SMBC's non-consolidated Net income in 1H, FY3/2011 were the highest half-year Net income since the merger in April 2001.

We have made steady progress in fortifying overseas business and Nikko, while achieved listing on NYSE.

Securing a resilient capital base

Favorable performance

Banking profit* SMBC non-consolidated

Substantially increased YOY change +JPY 115.7 bn **JPY 493.3 bn**

Overhead ratio SMBC non-consolidated

Decreased YOY change (6.3)% **41.2%**

Total credit cost SMBC non-consolidated

Substantially decreased YOY change +JPY 113.6 bn **JPY (43.3) bn**

Net income SMFG consolidated

Highest half-year Net income YOY change +JPY 294.0 bn **JPY 417.5 bn**

Tier I ratio (preliminary) SMFG consolidated

Increased Compared with Mar. 2010 +1.17% **12.32%**

Listed on NYSE (Nov. 2010)

Reinforcing business portfolio to achieve sustainable growth

Overseas business especially in Asia

Enhanced SMBC's overseas channel centered on China and organization

Agreed capital/business alliance with Kotak Mahindra Bank (India)

- ✓ Enhanced framework to support customers in a globally integrated manner
- ✓ Opened 3 channels and received approval to open 3 channels
- ✓ Integrated investment banking functions in Asia

Agreed business alliance with Banco de Bogota (Colombia)

Wholesale / Retail Securities Business (Nikko Cordial Securities)

Enhanced collaboration with SMBC

Strengthened equity-related business

- ✓ Private banking: Commenced joint business with SMBC and Barclays (Jun. 2010)
- ✓ Started bank agency services (Oct. 2010)

- ✓ Commenced operations of new equity trading system (Aug. 2010)
- ✓ Established Equity Research Division (Aug. 2010)

Started securities business in the U.K. through SMBC's subsidiary (Oct. 2010)

Named as a primary dealer of JGB (Apr. 2010)

Made Cedyna a consolidated subsidiary (May 2010)

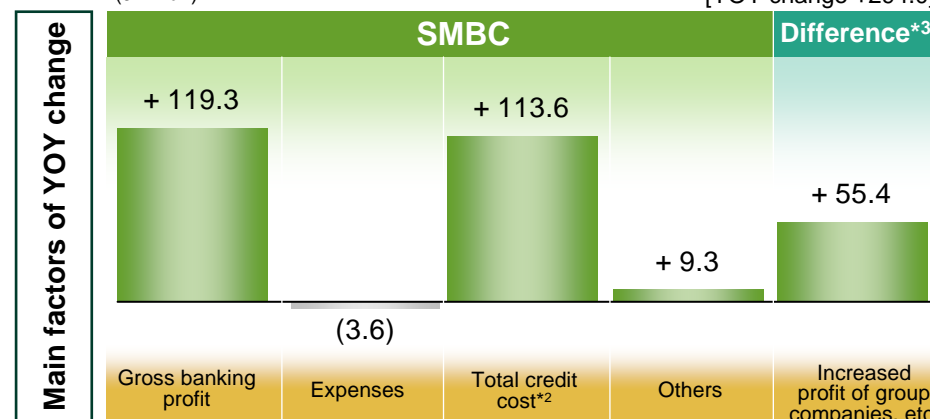
2-2. Summary of 1H, FY3/2011

SMFG's consolidated Net income substantially increased to JPY 417.5 billion, an increase of JPY 294.0 billion year over year and JPY 257.5 billion compared with May 2010 forecast.

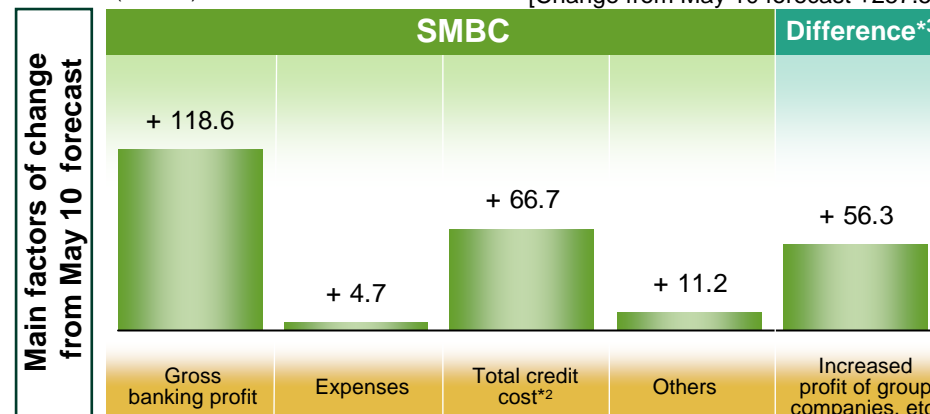
This increase was due mainly to Gains on bonds resulting from our ALM operations, control of Total credit cost and contributions of consolidated subsidiaries such as Nikko

		(JPY bn)	1H, FY3/11	YOY change	Change from May 10 forecast
SMBC <non-consolidated>	Gross banking profit		838.6	+ 119.3	+ 118.6
	Expenses		(345.3)	(3.6)	+ 4.7
	<OHR>		41.2%	(6.3)%	(7.4)%
	Banking profit*1		493.3	+ 115.7	+ 123.3
	Total credit cost*2		(43.3)	+ 113.6	+ 66.7
	Ordinary profit		393.0	+ 245.9	+ 173.0
	Net income		351.2	+ 238.6	+ 201.2
SMFG <consolidated>	Ordinary profit		540.6	+ 318.4	+ 210.6
	Net income		417.5	+ 294.0	+ 257.5

SMFG's consolidated Net income:
1H, FY3/10: 123.5 ▶ 1H, FY3/11: 417.5
(JPY bn) [YOY change +294.0]



SMFG's consolidated Net income:
May 10 forecast: 160.0 ▶ 1H, FY3/11: 417.5
(JPY bn) [Change from May 10 forecast +257.5]



*1 Before provision for general reserve for possible loan losses *2 Including portion recorded in Extraordinary gains (losses)

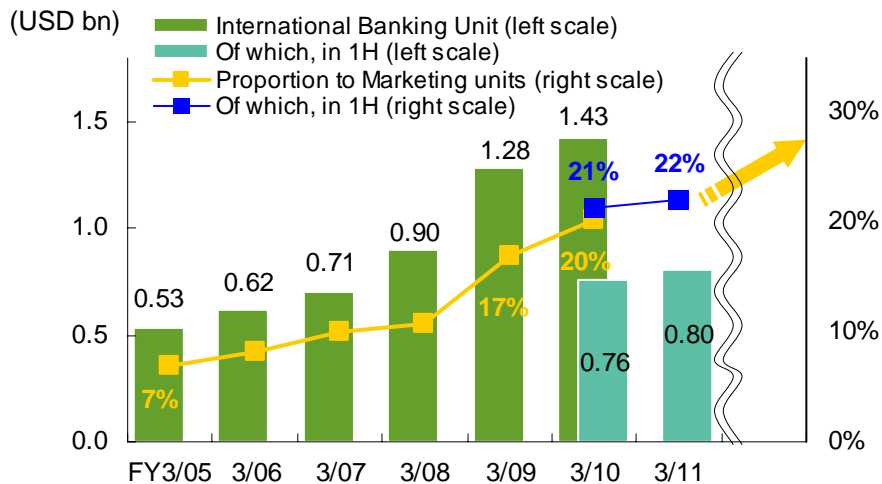
*3 Difference between SMFG's consolidated Net income and SMBC's non-consolidated Net income

2-3. Enhancement of Targeted Growth Business Areas

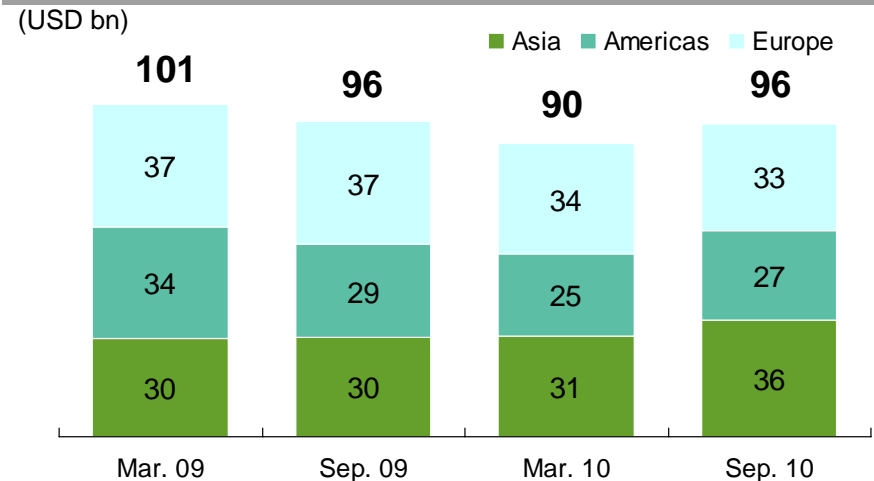
2-3-1. Overseas Business Especially in Asia (1) Strategy

In the medium term, we aim to increase the proportion of Banking profit generated by International Banking Unit within Marketing units to 30%. To this end, we are increasing our loan balance especially in Asia and Americas, capturing financial needs from both Japanese and non-Japanese companies

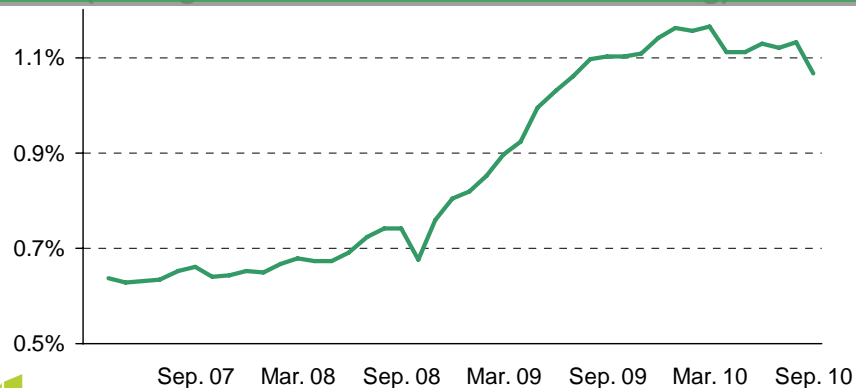
Trend of Banking profit in International Banking Unit*1



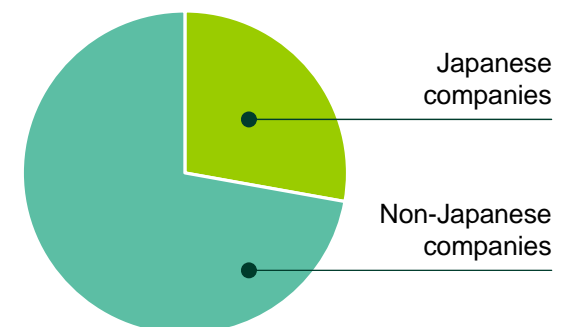
Trend of overseas loans (balance)*2, 3



Spread of overseas loans (average on contracted loans outstanding)*2



Breakdown of overseas loans by Japanese/ non-Japanese companies (Sep. 10)*2



2-3-1. Overseas Business Especially in Asia

(2) Settlement and Investment Banking Business

We aim to expand our trade finance and settlement services by capturing the dynamic changes in flow of goods and capital while increasing our loan balance by taking opportunities of growing financing needs from our customers and infrastructure investments

Financial products with competitive edge: settlement services

Cash management providers' ranking (in Asia Pacific)*1

CMS*2 as voted by Corporates



#1 among Japanese banks for the five consecutive years

JPY CMS*2 as voted by Financial Institutions



#1 for the five consecutive years

Financial products with competitive edge: investment banking business*4

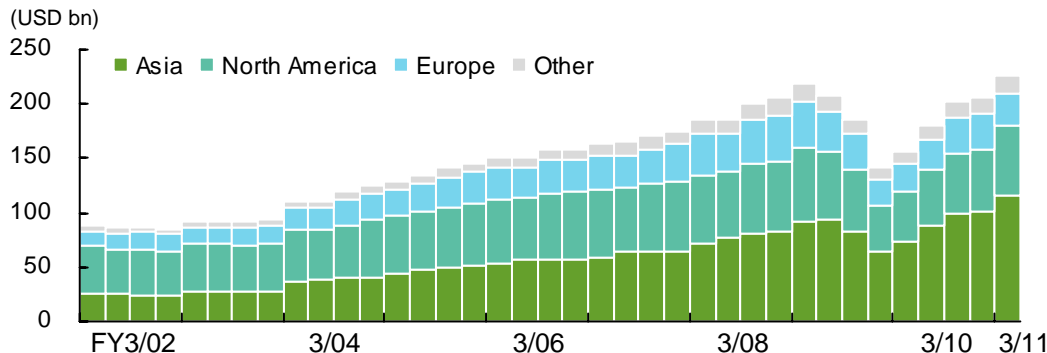
Project finance (Mandated arranger ranking, Asia Pacific)



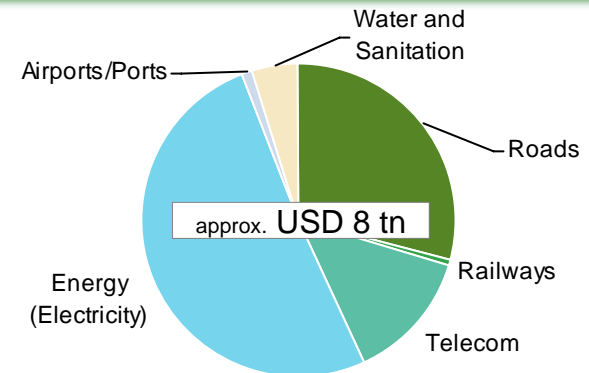
Loan syndication (Mandated arranger ranking, Asia)



Sales of overseas subsidiaries of Japanese companies*3



Asia's infrastructure investment needs (2010-20)*5



*1 Source: "ASIAMONEY": "Cash Management Poll 2010" (Aug. 2010) *2 CMS stands for "Cash Management Services"

*3 Source: Ministry of Economy, Trade and Industry "Quarterly Survey of Overseas Subsidiaries."

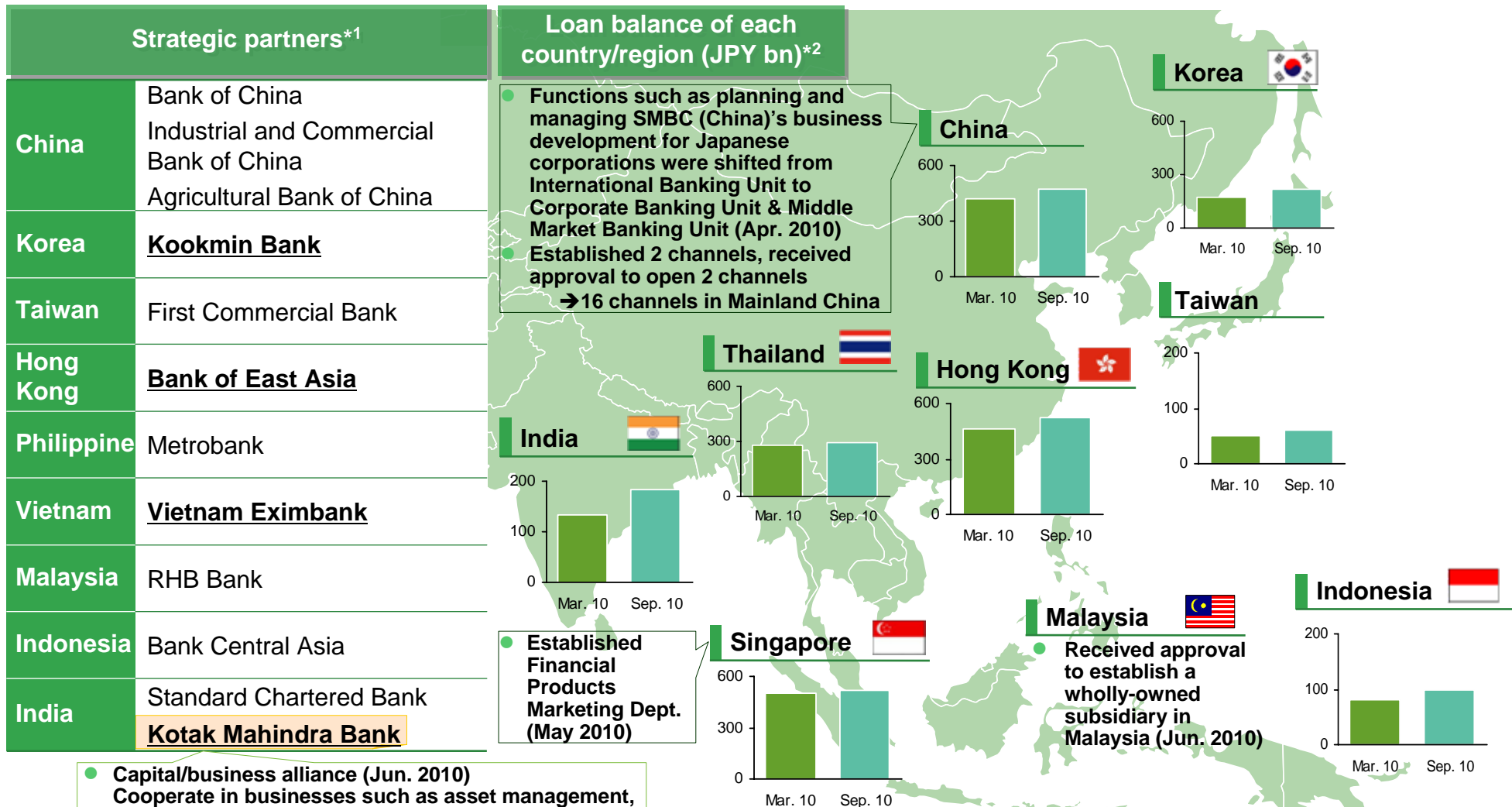
Asia: Composed of China (including Hong Kong), Indonesia, Thailand, Philippines, Malaysia, Singapore, Taiwan, South Korea, India, Vietnam, Sri Lanka, Pakistan, Bangladesh, Myanmar and Laos

*4 Results of Jan.-Sep. 2010. Source: Thomson Reuters *5 Joint study of ADB and ADBI, "Infrastructure of a seamless Asia"

2-3-1. Overseas Business Especially in Asia

(3) Expansion of Channels / Strategic Alliances

We are enhancing our capability to provide products and services by expanding our channel network while leveraging business alliances with leading banks in each market



*1 Boldfaced and underlined banks represents ones with SMBC's investment

*2 Bar charts represent loan balance (aggregation by country/region based on domicile of borrowers (not by channels)). Figures of China includes those of SMBC (China). Loan balances as of Mar. 31, 10 is exchanged to JPY from each country's local currency at the exchange rate of Sep. 30, 10.

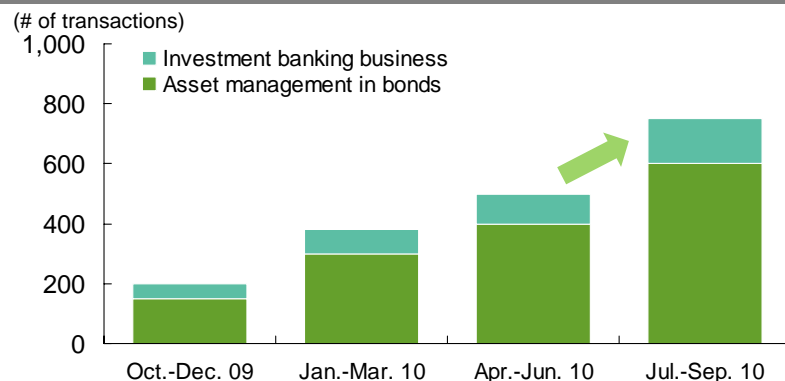
2-3-2. Nikko Cordial Securities (1) 1H, FY3/2011 Results

Nikko achieved the top-class Ordinary profit among leading securities companies in Japan under unstable business environment. This was led by collaborative business with SMBC, in retail business, providing products such as investment trusts and foreign currency denominated bonds, which best suit to individual customers' needs, and in wholesale business, enhancing businesses such as bond underwriting and trading,

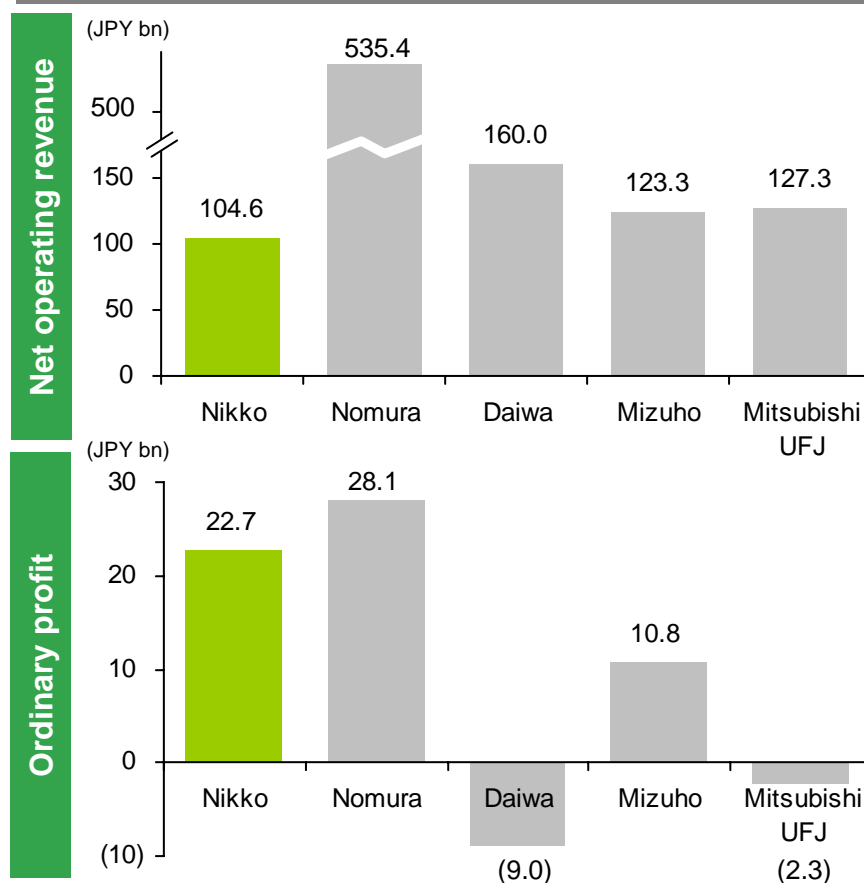
Financial results (non-consolidated)

(JPY bn)	FY3/10		1H, FY3/11		Targets in FY3/13
	2H results*1	results*2	results	YOY change*3	
Net operating revenue	100.5	184.9	104.6	+ 20.2	*4 300.0
SG&A expenses	(76.9)	(140.4)	(81.6)	(18.2)	—
Ordinary profit	24.1	45.3	22.6	+ 1.4	100.0
Net income	26.7	*5 58.3	16.1	(15.4)	—

of collaborative transactions with SMBC



Comparison with peers (1H, FY3/11)*6



*1 Figures after becoming a SMBC's wholly-owned subsidiary *2 Sum of figures before and after succession through the corporate demerger

*3 Comparison with 1H, FY3/10 results of former Nikko Cordial Securities before the corporate demerger

*4 JPY 200 billion for retail business and JPY 100 billion for wholesale business

*5 Deferred tax assets for temporary differences, which were allowed to be recognized by corporate demerger, contributed to decrease in income tax-deferred

*6 Based on each company's disclosure. The figures shown in the graph are: consolidated figures (US GAAP, comparison with Net revenue and Income before income taxes) of Nomura Holdings for Nomura, consolidated figures of Daiwa Securities Group for Daiwa, consolidated figures of Mizuho Securities for Mizuho, and consolidated figures of Mitsubishi UFJ Securities Holdings for Mitsubishi UFJ

2-3-2. Nikko Cordial Securities

(2) Progress of Medium-Term Management Plan

In retail business, Nikko started joint private banking operation with SMBC and Barclays, and SMBC's agency services. In addition, SMBC Friend's collaborative business with SMBC will be integrated into Nikko in January 2011. In wholesale business, Nikko is establishing equity-related business and overseas operations. In April 2011, Nikko will change its name to "SMBC Nikko Securities Inc."

	Main measures of the medium-term management plan	Progress														
Retail business	<ul style="list-style-type: none"> Enhance business targeting wealthy individuals Cooperate with SMBC Cooperate with wholesale arm <ul style="list-style-type: none"> Enhancing efforts for primary deals 	<ul style="list-style-type: none"> Started securities intermediary business for individuals (Apr. 2010) Commenced joint private banking operation (Jun. 2010) Started SMBC's agency services (Oct. 2010) Integrate SMBC Friend's collaborative business with SMBC into Nikko Cordial Securities (Jan. 2011) <table border="1"> <thead> <tr> <th></th> <th>Sep. 09</th> <th>Mar. 10</th> <th>Sep. 10</th> </tr> </thead> <tbody> <tr> <td>Client assets (JPY tn)</td> <td>25.9</td> <td>28.1</td> <td>28.8</td> </tr> </tbody> </table>		Sep. 09	Mar. 10	Sep. 10	Client assets (JPY tn)	25.9	28.1	28.8						
	Sep. 09	Mar. 10	Sep. 10													
Client assets (JPY tn)	25.9	28.1	28.8													
Wholesale business	<ul style="list-style-type: none"> Reinforce front-line organization Strengthen sales & trading, overseas platform, and collaboration with SMBC (referral service of underwriting, M&A and investment management, etc.) League table (targets in FY3/13) <ul style="list-style-type: none"> Underwriting of industrial bonds: 1st Underwriting of equities: Within 3rd 	<ul style="list-style-type: none"> League table (1H, FY3/11) <table border="1"> <thead> <tr> <th></th> <th>Rank</th> <th>Market share</th> <th>Proceeds</th> </tr> </thead> <tbody> <tr> <td>Bonds underwriting*1</td> <td>2nd</td> <td>17.1%</td> <td>JPY 877.6 bn</td> </tr> <tr> <td>Equities underwriting*2</td> <td>9th</td> <td>4.1%</td> <td>JPY 88.5 bn</td> </tr> </tbody> </table> Bond trading: Named as a primary dealer of JGB (Apr. 2010) Equity trading: Commenced operations of new equity trading system for institutional investors (Aug. 2010) Started securities business in the U.K. through SMBC's subsidiary (Oct. 2010) Start securities business through subsidiaries in NY and HK (within FY3/11) 		Rank	Market share	Proceeds	Bonds underwriting*1	2nd	17.1%	JPY 877.6 bn	Equities underwriting*2	9th	4.1%	JPY 88.5 bn		
	Rank	Market share	Proceeds													
Bonds underwriting*1	2nd	17.1%	JPY 877.6 bn													
Equities underwriting*2	9th	4.1%	JPY 88.5 bn													
Personnel and middle/back offices	<ul style="list-style-type: none"> Active employment/ personnel development <ul style="list-style-type: none"> Increase # of employees as of Mar. 31, 13 by approx. 1,000 compared with Dec. 31, 09 Increase in system investment Maintain low-cost operations based on IT, etc. 	<ul style="list-style-type: none"> Recruited employees and established Equity Research Division (Aug. 2010, # of ranked analysts*3: 14) Active employment <table border="1"> <thead> <tr> <th></th> <th>Dec. 09</th> <th>Mar. 10</th> <th>Sep. 10</th> </tr> </thead> <tbody> <tr> <td># of employees</td> <td>6,479</td> <td>6,533</td> <td>6,903</td> </tr> </tbody> </table> 		Dec. 09	Mar. 10	Sep. 10	# of employees	6,479	6,533	6,903						
	Dec. 09	Mar. 10	Sep. 10													
# of employees	6,479	6,533	6,903													

*1 Source: Thomson Reuters (Japanese corporate debt) *2 Source: Thomson Reuters (Japan equity & equity-related, volume) *3 As of Oct. 31, 10

2-3-3. Solution Providing for Corporations / Investment Banking, Trust Business

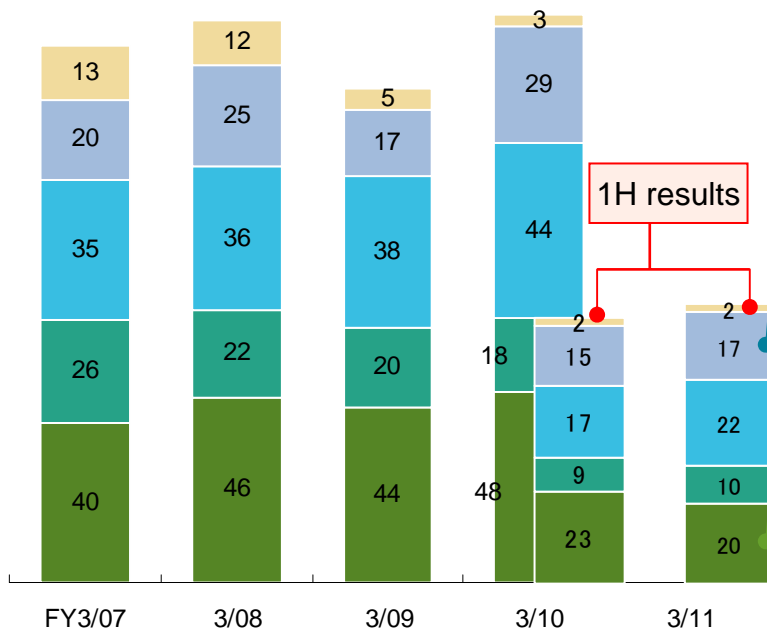
We aim to increase our top-line profit by sophisticating solution providing capabilities, through facilitating collaboration among domestic/overseas channels and with Nikko

Profit related to investment banking business*1

(JPY bn)

(SMBC non-consolidated)

- Securities intermediary
- Real estate finance
- Structured finance
- Securitization of monetary claims
- Loan syndication



Project finance

Global ranking (Jan.-Sep. 2010)*2



Loan syndication

Global ranking (Jan.-Sep. 2010)*3



Reinforcement in Asia

SMBC (China)

Functions such as planning and managing SMBC (China)'s business development for Japanese companies were shifted from the planning department for overseas corporations*4 to the planning department for domestic corporations*5 (Apr. 2010)

Financial Products Marketing Dept.

Newly established by integrating certain functions of Investment Banking Unit in the region (May 2010)

of cooperative transactions (1H, FY3/11 results):
YOY change Doubled

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

*2 Source: Thomson Reuters (Project finance mandated arranger)

*3 Source: Thomson Reuters (Syndicated loan bookrunner)

*4 Planning Dept., International Banking Unit

*5 Planning Dept., Corporate Banking Unit & Middle Market Banking Unit

2-3-4. Financial Consulting for Individuals

Aiming to become #1 provider of comprehensive services for individuals, we will proactively capture financial needs of our customers centered on high net worth segment through leveraging collaborations with Nikko and Middle Market Banking Unit, while improving business processes through promoting cross-selling

Profit related to investment trust and pension-type insurance

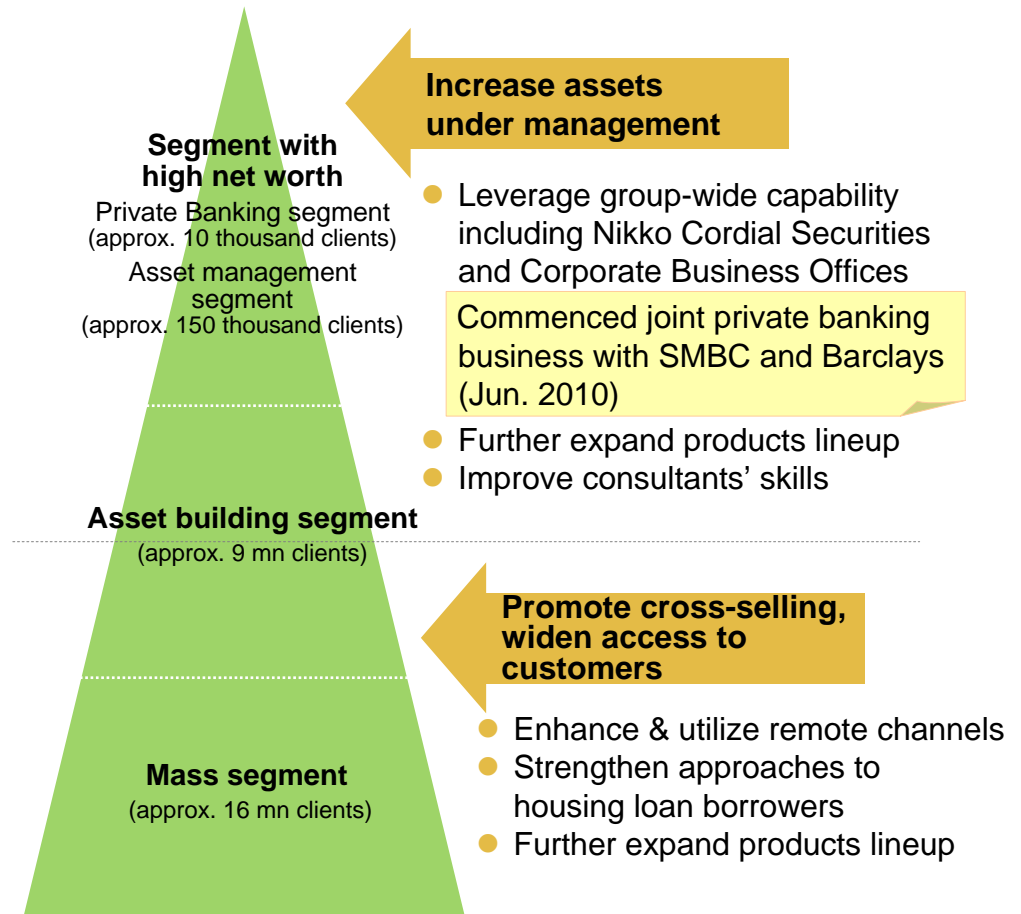
(JPY bn)

(SMBC non-consolidated)

■ Pension-type insurance
■ Investment trust



Major initiatives



* Amount of investment trusts under SMBC account + accumulated sales of pension-type insurances as of fiscal year end

3. Earnings Forecasts for FY3/2011 and Results of Each Line Item

3-1. Earnings Forecasts for FY3/2011

Despite severe business environment where “uncertainty, unclarity and unstableness” persist, we aim to increase SMFG’s consolidated Net income by JPY 270 billion year over year to JPY 540 billion in FY3/2011, through strengthening targeted growth business areas, controlling credit costs and increasing group companies’ profit, adding to the favorable performance of Treasury Unit in 1H, FY3/2011

		(JPY bn)	FY3/10 results (a)	1H, FY3/11 results	Forecast for FY3/11 in Nov. <May 10 forecast> (b)	(b) – (a)
SMBC <non-consolidated>	Gross banking profit		1,455.3	838.6	1,550.0 <1,470.0>	+94.7
	Expenses		(685.8)	(345.3)	(710.0) <(710.0)>	(24.2)
	<OHR>		47.1%	41.2%	45.8% <48.3%>	(1.3)%
	Banking profit*1		769.5	493.3	840.0 <760.0>	+70.5
	Total credit cost*2		(254.7)	(43.3)	(130.0) <(220.0)>	+124.7
	Ordinary profit		462.7	393.0	620.0 <480.0>	+157.3
	Net income		318.0	351.2	460.0 <330.0>	+142.0
	SMFG <consolidated>	Ordinary profit		558.8	540.6	870.0 <690.0>
	Net income		271.6	417.5	540.0 <340.0>	+268.4

*1 Before provision for general reserve for possible loan losses

*2 Including portion recorded in Extraordinary gains (losses)

Assumption for FY3/11 forecast

		May 10 forecast	Nov. 10 forecast
3M TIBOR		0.44%	0.38%
FF target rate		0.00 - 0.25%	0.00 - 0.25%
Exchange rate	(JPY/USD)	90	85
	(JPY/EUR)	130	110
Ref.	Nikkei Stock Average (JPY)*3	11,090	9,369
	Nominal GDP growth rate	around ZERO	around ZERO

*3 Forecast in May 2010: Spot price on Mar. 31, 10

Forecast in Nov. 2010: Spot price on Sep. 30, 10

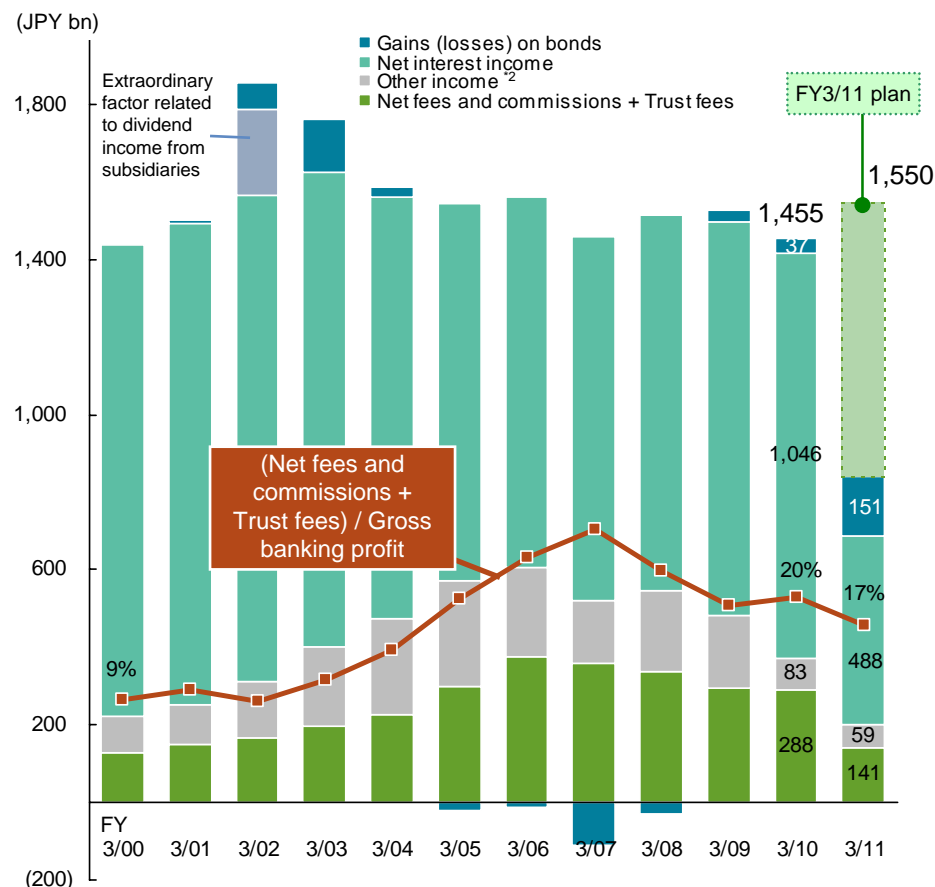
Common share dividends

- Unchanged from May 10 forecast
 - ➔ JPY 100 per share for FY3/11
 - Of which, JPY 50 per share to be paid as interim dividend

3-2. Gross Banking Profit

In 1H, FY3/2011, Gross banking profit increased by JPY 119.3 billion year over year, due mainly to substantial increase in Gains on bonds resulting from our ALM operations that quickly responded to the decline in market interest rates in both domestic and overseas markets as well as increase in sales of investment trusts and fees related to loans in overseas. We aim to continuously increase profit by enhancing overseas business especially in Asia and non-interest income in domestic market

Gross banking profit*1



Major factors of YOY change

(JPY bn)	1H, FY3/11	YOY change
Gross banking profit	838.6	+ 119.3
(Excluding gains (losses) on bonds)	687.4	+7.0
Net interest income	488.2	(29.6)
Net interest income in domestic operations	432.9	(26.5)
Net interest income in international operations	55.3	(3.1)
Net fees and commissions + Trust fees	140.7	+9.5
of which:		
Fees on sales for investment trusts	23.8	+7.1
Fees related to loans of international operations	21.6	+4.1
Net trading income + Net other operating income	209.7	+139.4
of which:		
Gains (losses) on bonds	151.2	+112.3
Income from (expenses on) derivatives	3.1	+17.0

*1 FY3/01 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

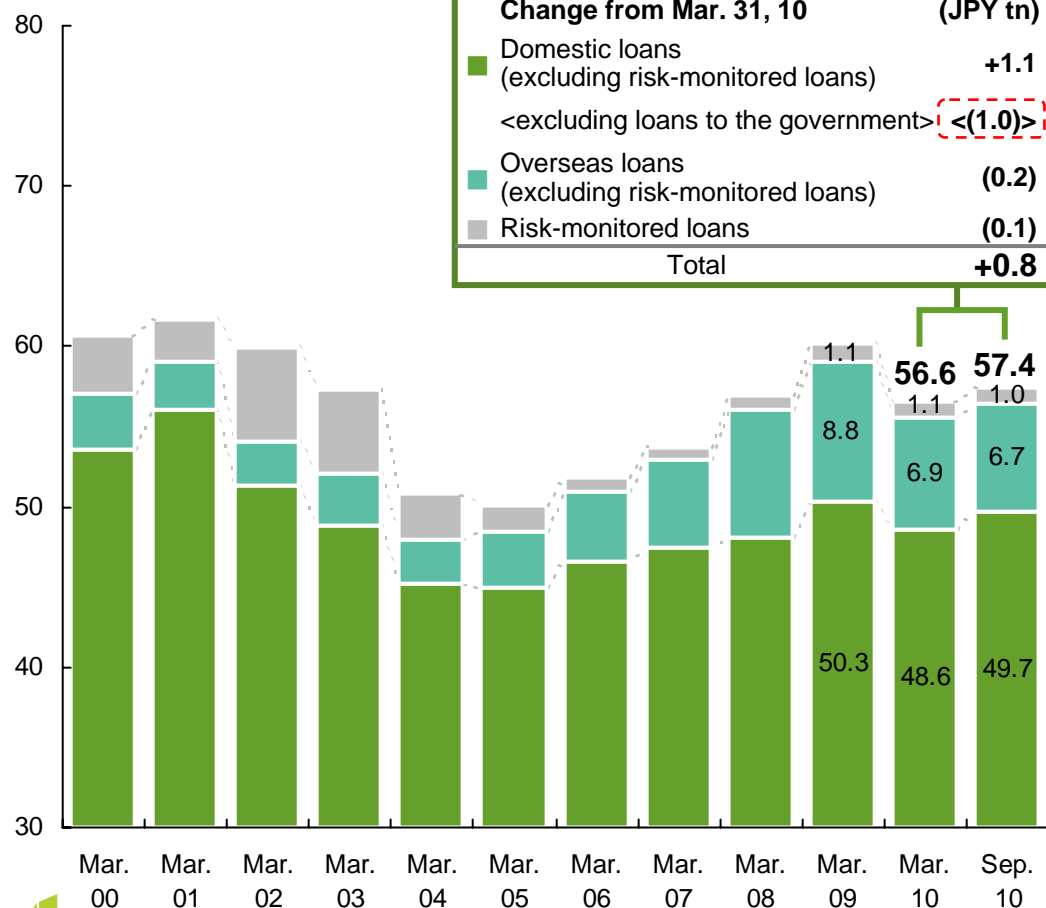
(SMBC non-consolidated)

3-3. Loan Balance

Domestic loans, as of Sep. 30, 2010, excluding loans to the government, decreased by JPY 1.0 trillion compared with Mar. 31, 2010 due mainly to limited demand from corporations, while overseas loans increased by JPY 0.4 trillion after adjustment of yen appreciation. We aim to continuously allocate more assets in overseas market centered on Asia and Americas in order to increase profit from overseas business

Trends of loan balance*1

(JPY tn, term-end balance)



*1 Mar. 01 and before: aggregated figures of former Sakura bank and Sumitomo Bank

Term-end balance by domestic business unit (managerial accounting basis)

(JPY tn, term-end balance)	Sep. 30, 10	Change from Mar. 31, 10
Consumer Banking Unit	15.4	0.0 ^{*2}
Middle Market Banking Unit ^{*3}	17.5	(0.8)
Corporate Banking Unit	11.8	(0.2)

*2 After add-back adjustment of portion of housing loans securitized in 1H, FY3/11 (approx. JPY 50 bn)

*3 Excluding loans to the public sector

Overseas loans, classified by region*4 (managerial accounting basis)

(JPY tn, term-end balance)	Sep. 30, 10	Change from Mar. 31, 10	After adjustment of yen appreciation
Overseas total	8.0	(0.3)	+ 0.4
Americas	2.3	0.0	+ 0.2
Europe	2.7	(0.4)	(0.1)
Asia	3.0	+ 0.1	+ 0.4

*4 Based on location of our channels.

Including SMBC Europe and SMBC (China) (SMBC non-consolidated) 16

3-4. Loan to Deposit Spread

In 1H, FY3/2011, loan to deposit spread tightened due to the decline of yield to loans reflecting lowered market interest rate. In 2H, FY3/2011, the decline of interest rate is expected along with BOJ's policy of targeting zero-interest rate; however, we continuously strive to improve risk-return profile of our loan portfolio

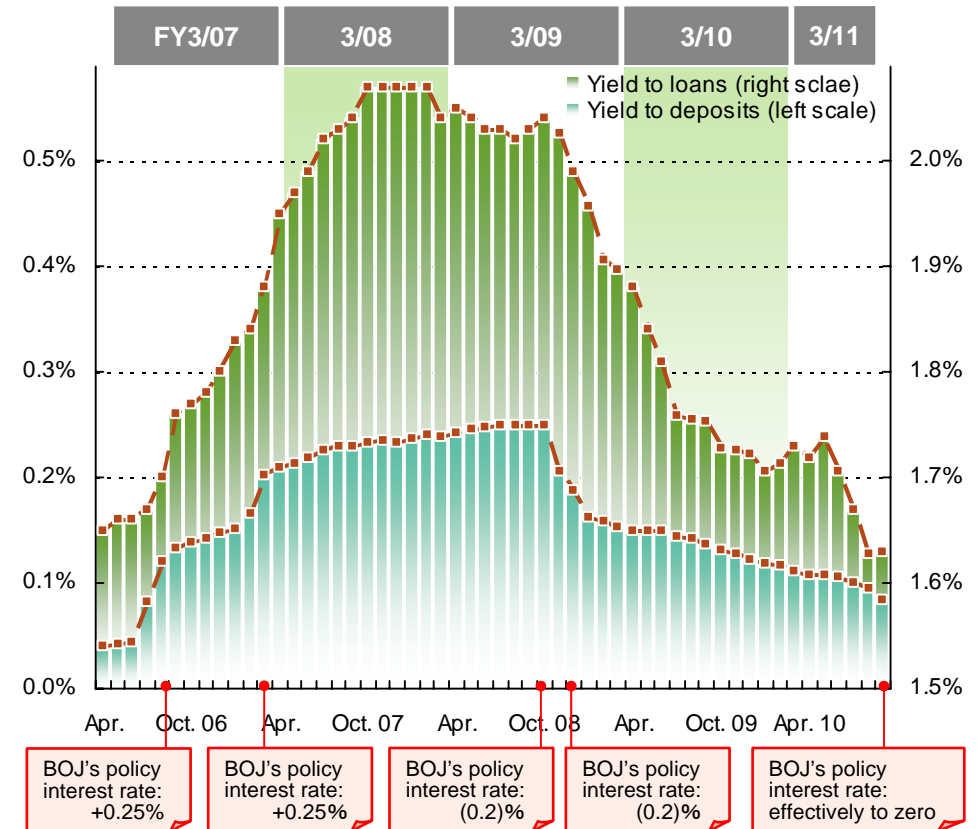
Loan to deposit spread (financial accounting basis)

(JPY tn, %)

<Domestic>		1H, FY3/11		YOY change	
		Average balance	Yield	Average balance	Yield
Loans*	(a)	46.4	1.68	(1.9)	(0.09)
Deposits, etc.	(b)	68.2	0.10	+1.0	(0.05)
Loan to deposit spread	(a) – (b)		1.58		(0.04)
<Overseas>		1H, FY3/11		YOY change	
		Average balance	Yield	Average balance	Yield
Loans	(a)	8.4	1.97	(1.1)	(0.24)
Deposits, etc.	(b)	9.5	0.45	(0.8)	(0.09)
Loan to deposit spread	(a) – (b)		1.52		(0.15)

* Excludes loans to financial institutions

Yield of domestic loans and deposits (managerial accounting basis)

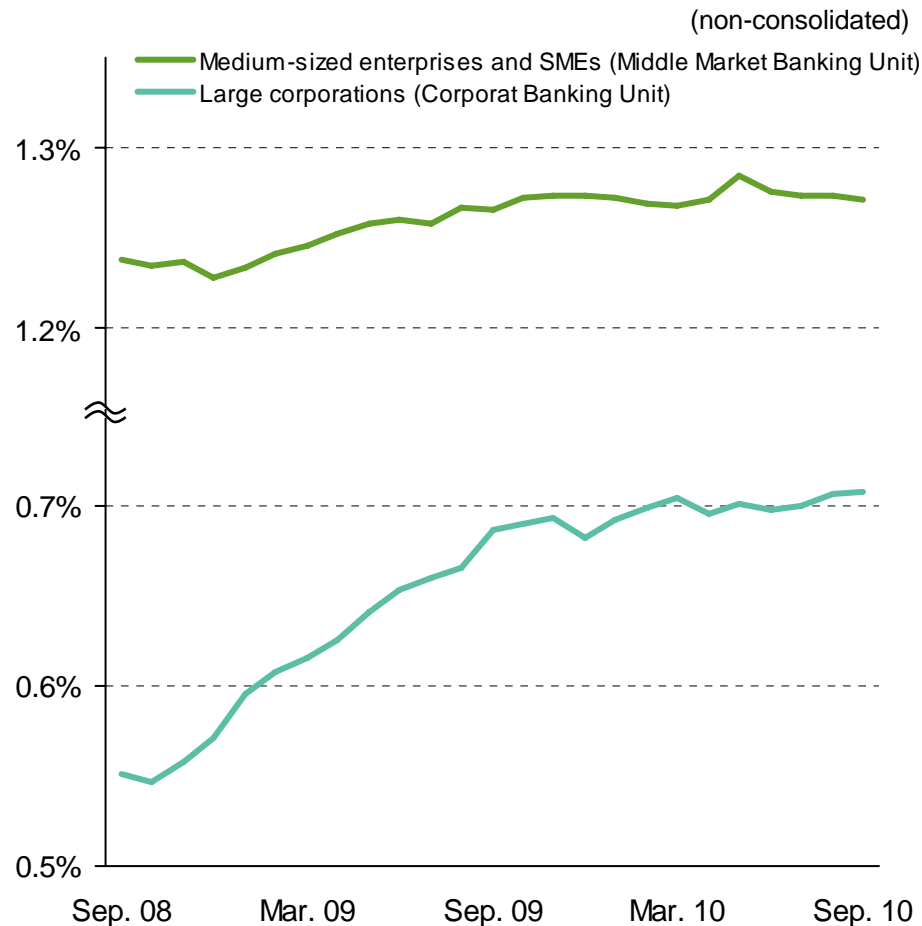


- Short term prime rate: 1.375% → 1.625% (+ 0.250%, 06/8/21 ~) → 1.875% (+ 0.250%, 07/3/26 ~) → 1.675% (- 0.200%, 08/11/17 ~) → 1.475% (- 0.200%, 09/1/13 ~)
- Yield on ordinary deposit: 0.001% → 0.100% (+ 0.099%, 06/7/18 ~) → 0.200% (+ 0.100%, 07/2/26 ~) → 0.120% (- 0.080%, 08/11/4 ~) → 0.040% (- 0.080%, 08/12/22 ~)
→ 0.020% (- 0.020%, 10/9/13 ~)
- Yield on 1 year term deposit: 0.150% → 0.300% (+ 0.150%, 06/7/18 ~) → 0.400% (+ 0.100%, 07/2/26 ~) → 0.300% (- 0.100%, 08/11/12 ~) → 0.250% (- 0.050%, 09/5/1 ~) →
(over-the-counter) 0.200% (- 0.050%, 09/7/13 ~) → 0.170% (- 0.030%, 09/9/7 ~) → 0.140% (- 0.030%, 09/11/9 ~) → 0.100% (- 0.040%, 09/12/21 ~) →
0.080% (- 0.020%, 10/3/15 ~) → 0.060% (- 0.020%, 10/9/13 ~) → 0.040% (- 0.020%, 10/10/25 ~)

3-5. Loan Spread / Loan to Deposit Spread in Comparison with Peers (Domestic Loans)

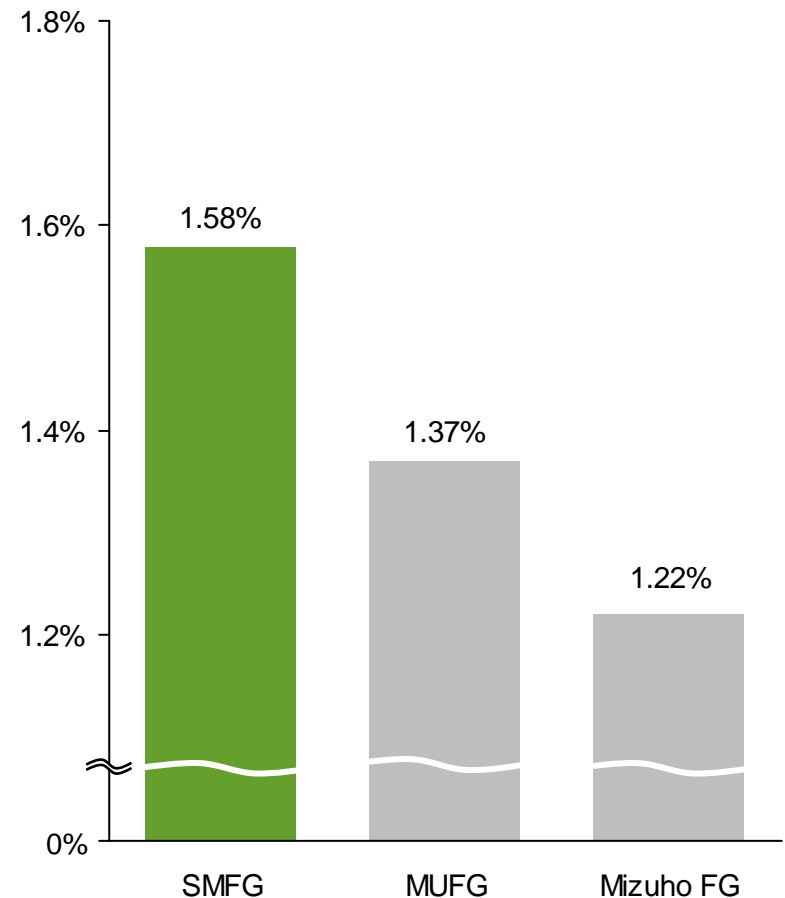
*We are continuously exerting to rationalize loan spread through improvement of risk-return profile.
We aim to maintain our relatively high profitability*

Loan spread of domestic loans (managerial accounting basis)



Ref.

Domestic loan to deposit spread (In FY3/10, comparison with peers*)



3-6. Performance by Business Unit

In 1H, FY3/2011, in addition to the substantial increase in profit of Treasury Unit, profit of Marketing units increased even under the severe business environment with limited loan demand in domestic market, by increase in sales of investment trusts and fees related to loans in International Banking Unit.

Going forward, we aim to increase non-interest income in domestic market and profit of International Banking Unit

		(JPY bn)	1H, FY3/10	1H, FY3/11	YOY change*1
Consumer Banking Unit	Gross banking profit		192.5	190.2	+ 3.2
	Expenses		(144.4)	(143.4)	+ 0.6
	Banking profit		48.1	46.8	+ 3.8
Middle Market Banking Unit	Gross banking profit		231.4	220.7	(5.4)
	Expenses		(109.2)	(109.5)	(0.5)
	Banking profit		122.2	111.2	(5.9)
Corporate Banking Unit	Gross banking profit		97.2	99.0	(2.7)
	Expenses		(16.6)	(17.7)	(0.6)
	Banking profit		80.6	81.3	(3.3)
International Banking Unit	Gross banking profit		84.2	88.8	+ 11.3
	Expenses		(27.3)	(29.1)	(3.2)
	Banking profit		56.9	59.7	+ 8.1
Marketing units	Gross banking profit		605.3	598.7	+ 6.4
	Expenses		(297.5)	(299.7)	(3.7)
	Banking profit		307.8	299.0	+ 2.7
Treasury Unit	Gross banking profit		167.0	251.7	+ 84.7
	Expenses		(8.2)	(8.9)	(0.7)
	Banking profit		158.8	242.8	+ 84.0
Headquarters	Gross banking profit		(53.0)	(11.8)	+ 28.2
	Expenses		(36.0)	(36.7)	+ 0.8
	Banking profit		(89.0)	(48.5)	+ 29.0
Total	Gross banking profit		719.3	838.6	+ 119.3
	Expenses		(341.7)	(345.3)	(3.6)
	Banking profit		377.6	493.3	+ 115.7

*1 After adjustment of interest rates and exchange rates, etc. (included in Headquarters)

*2 Managerial accounting basis *3 Including interest income *4 IB stands for "investment banking"

Gross banking profit by products*2

		(JPY bn)	
		<YOY change*1>	
of which:			
Income on domestic loans		254.3	(5.0)
Income on domestic yen deposits		92.2	(3.1)
IBU's Interest related income		53.6	+ 2.9
Interest income		427.2	(6.9)
of which:			
Investment trusts		23.8	+ 7.1
Pension-type insurance		5.8	(3.7)
Income relating to Financial consulting for individuals		36.0	+ 8.6
of which:			
Loan syndication		19.6	(3.2)
Structured finance*3		21.5	+ 4.1
Real estate finance*3		16.6	+ 1.5
Income relating to IB*4 business*3		69.1	+ 3.2
of which:			
Sales of derivatives		7.3	(0.6)
Money remittance, Electronic banking		47.0	(1.1)
Foreign exchange		22.7	+ 2.8
IBU's Non-interest income		35.2	+ 8.4
Non-interest income		171.5	+ 13.3
Marketing units		598.7	+ 6.4
Adjustment of interest rates and exchange rates, etc.:		(13.0)	
			<Nominal change> YOY change (6.6)

Average loan balance and spread by business unit*2

	Average balance		Average spread	
	1H, FY3/11	YOY change	1H, FY3/11	YOY change
(JPY tn, %)				
Domestic loans	49.0	(2.1)	1.07	+ 0.03
Consumer Banking Unit	15.4	+ 0.3	1.43	(0.05)
Middle Market Banking Unit	17.8	(1.7)	1.18	(0.02)
Corporate Banking Unit	11.8	(0.3)	0.71	+ 0.06

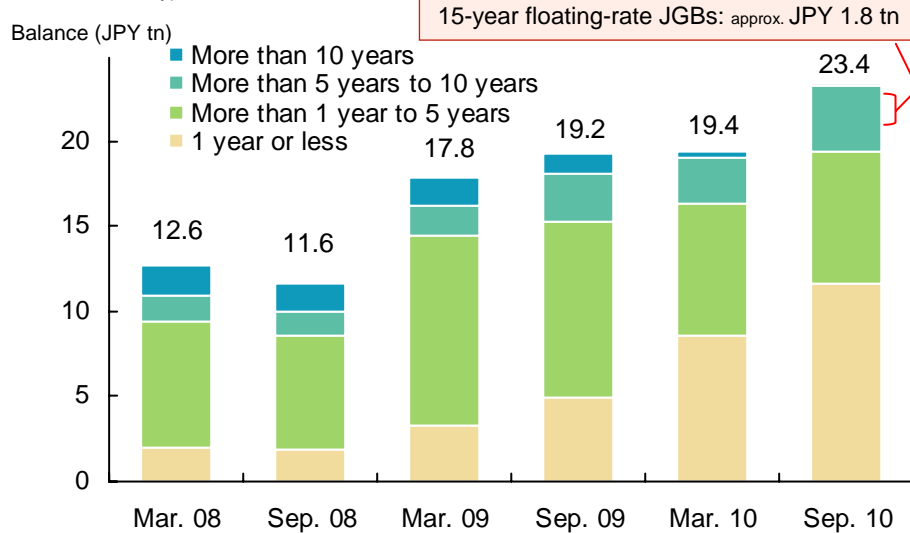
3-7. Gains (Losses) on Bonds / Bond Portfolio

In general, lowering interest rate improves unrealized gains (losses) on bonds, which are to be realized when the bonds are sold. In 1H, FY3/2011, we realized approx. JPY 151 billion of Gains on bonds by quickly responding to the decline in interest rates in both domestic and overseas markets while controlling amount of risks.

The balance of yen-denominated bonds as of Sep. 30, 2010 increased by approx. JPY 4 trillion compared with Mar. 31, 2010 to JPY 23.4 trillion; however, the majority of the increase is derived from bonds with maturity less than 1 year, with average duration of the portfolio being controlled at 1.4 years. We will continue to focus on appropriately operating bond portfolio with controlled amount of risks

Yen-denominated bond portfolio

(Total balance of bonds with maturities among Other securities and bonds classified as Held-to-maturity)



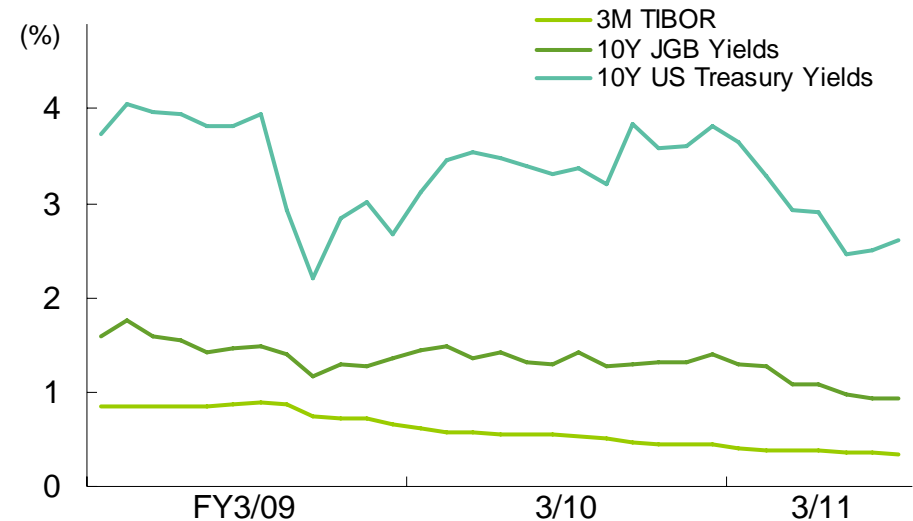
Period	Mar. 08	Sep. 08	Mar. 09	Sep. 09	Mar. 10	Sep. 10
Average Duration (Years) *	2.3	1.7	1.8	1.7	1.1	1.4
Unrealized gains / losses (JPY bn)	(129.5)	(56.5)	(1.2)	55.6	116.1	118.2

15-year floating-rate JGBs have been carried at their reasonably estimated amounts from Sep. 30, 08

Gains (losses) on bonds

(JPY bn)	1H, FY3/10	1H, FY3/11	YOY change
Gains (losses) on bonds	38.9	151.2	+112.3

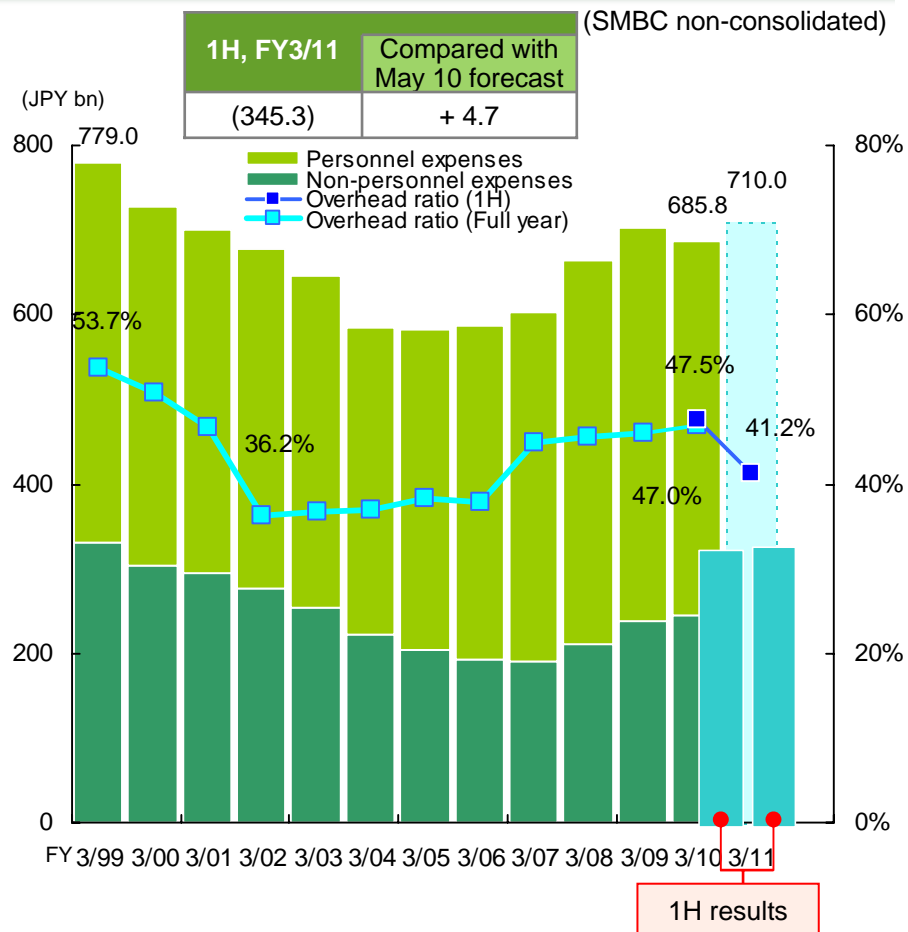
Trends on market interest rates (domestic and overseas market)



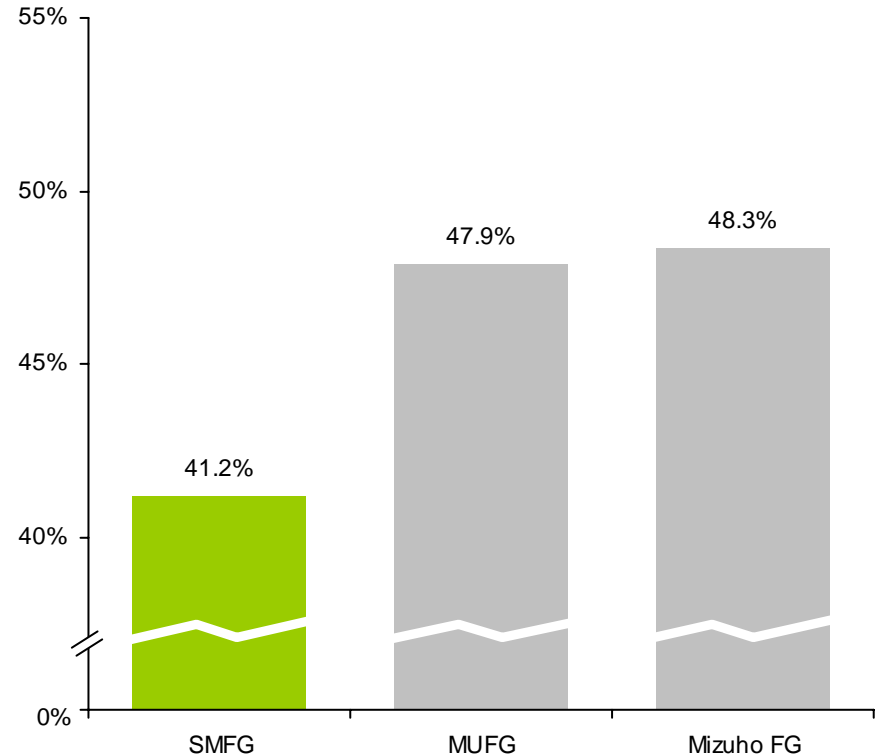
3-8. Expenses

Expenses in 1H, FY3/2011 was lower than May 2010 forecast as a result of cost reduction by thorough review, though slightly increased year over year, due mainly to the amortization of past investments in branches and systems and allocation into targeted growth business areas. We will continue stringent control on expenses

Trends of Expenses*1



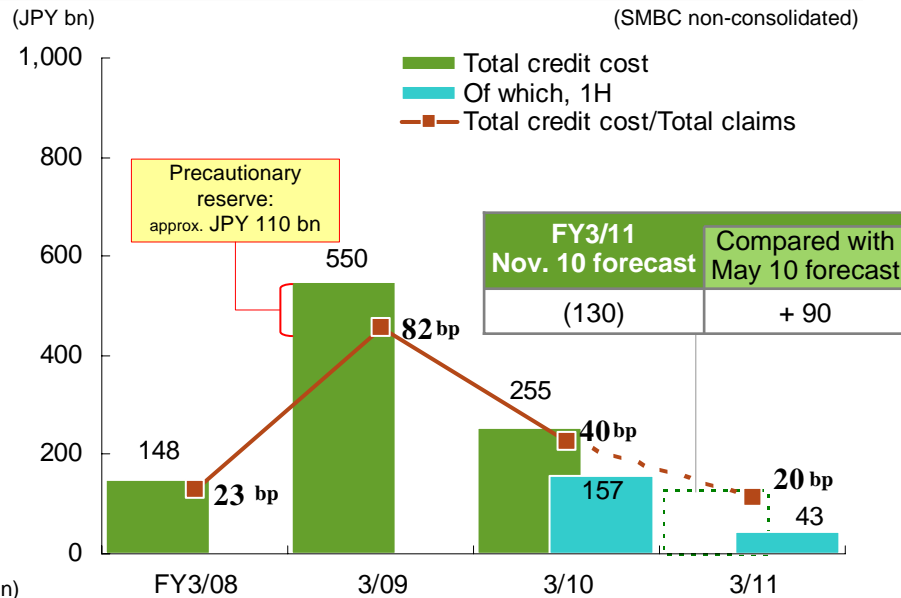
Overhead ratio (in 1H, FY3/11, comparison with peers*2)



3-9. Total Credit Cost

SMBC's non-consolidated Total credit cost in 1H, FY3/2011 substantially decreased compared with 1H, FY3/2010 and May 2010 forecast, due mainly to our individualized efforts to assist corporate clients to improve their businesses and financial conditions, as well as yen appreciation and reversal of provision for reserve by loan repayment. We forecast full-year Total credit cost to be JPY 130 billion, decreased by JPY 90 billion compared with May 2010 forecast. We view potential risks associated with restructured loans resulting from SME Financial Facilitation Act would be limited

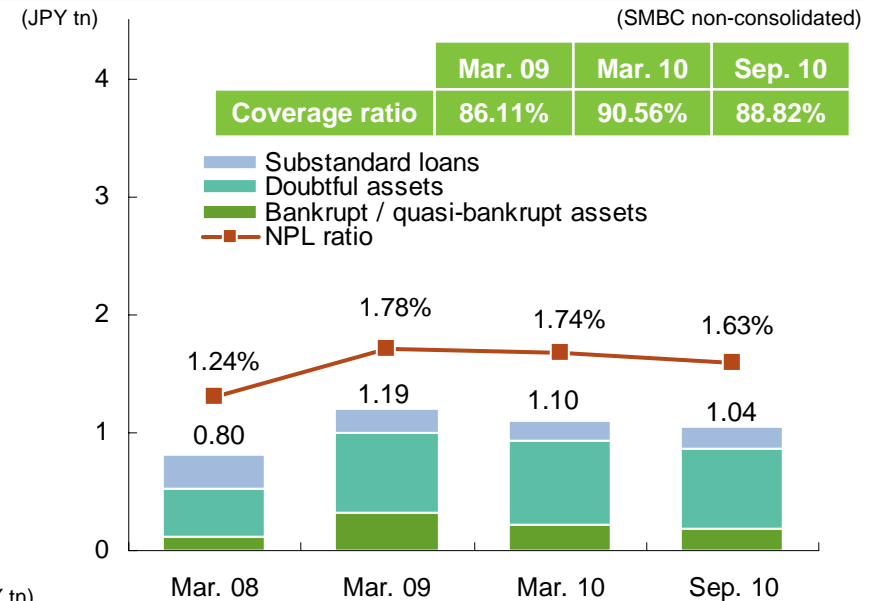
Total credit cost



(JPY bn)	FY3/08	3/09	3/10	3/11
Total credit cost (SMFG consolidated)	249	768	473	106
Of which, Group companies	101	218	111	63

Ref.

Balance of non-performing loans



(JPY tn)	Mar. 08	Mar. 09	Mar. 10	Sep. 10
Claims to borrowers requiring caution*	2.6	3.7	3.7	3.4
Total claims	65	67	63	64

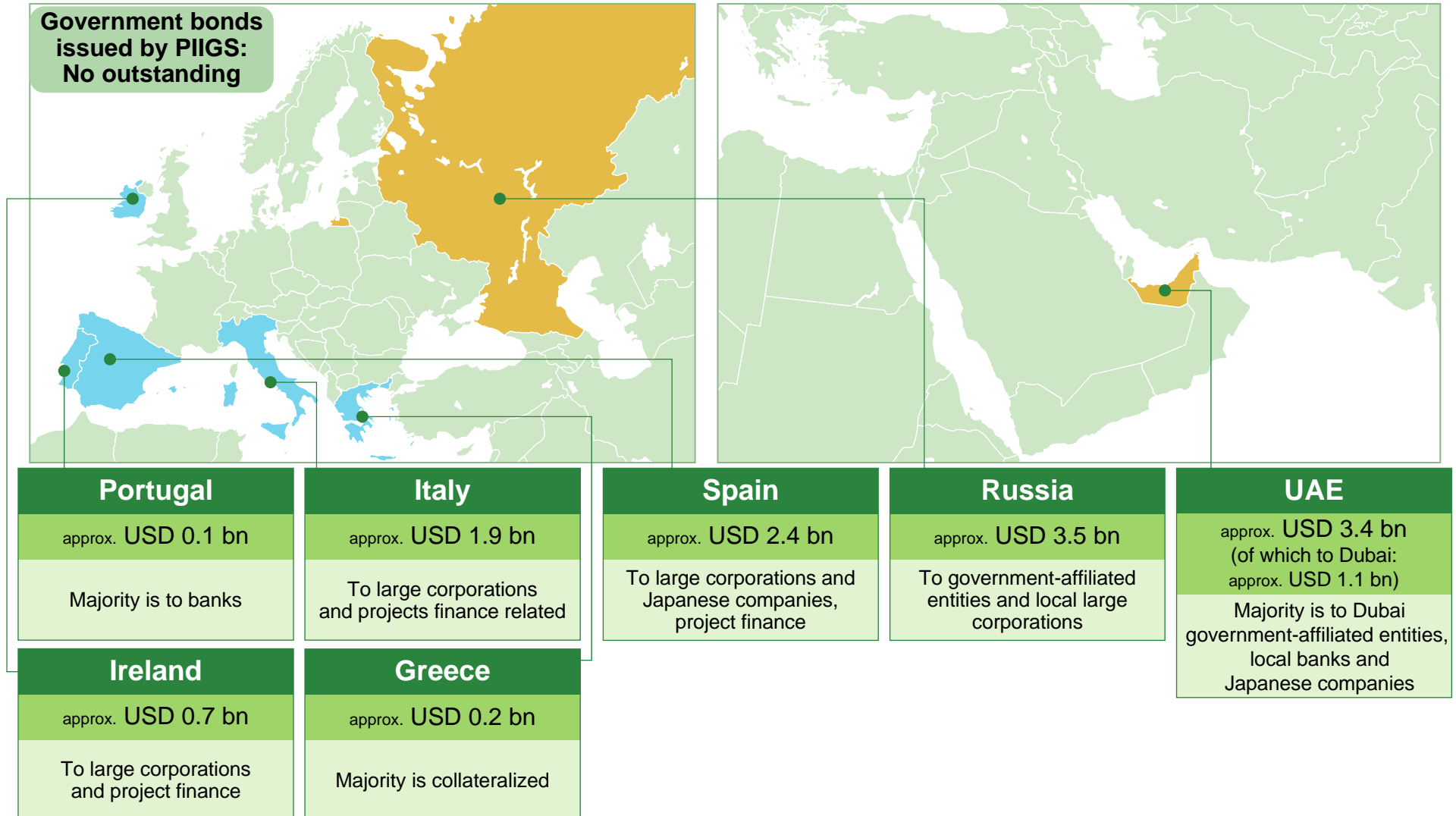
(JPY bn)

* Excluding claims to Substandard borrowers

	Decrease in NPLs	Decrease in provisions	Cumulative since 4Q, FY3/10
Impact from revising for classification of Restructured loans	approx. 170	approx. 30	approx. 150
	approx. 160	approx. 20	approx. 20
	approx. 90	approx. 15	

(Ref.) Exposure to PIIGS, Middle East and Russia*

Our exposure to Portugal, Italy, Ireland, Greece and Spain is approx. USD 5 billion in total, and associated risks is limited. We hold no government bonds issued by these countries



4. Group Companies / Group Strategy

4-1. Contribution of Subsidiaries/Affiliates to Consolidated Profit

In 1H, FY3/2011, SMFG's consolidated Net income was JPY 66.3 billion higher than SMBC's non-consolidated Net income, due mainly to contribution of Nikko and recovery of subsidiaries such as domestic/overseas subsidiary banks. We forecast contribution from subsidiaries/affiliates other than SMBC will be JPY 250 billion in Ordinary profit and JPY 80 billion in Net income for FY3/2011

1H, FY3/11 results (JPY bn)	SMFG consolidated	SMBC non-consolidated	Difference	YOY change	
Gross banking profit	1,316.8	838.6	478.2	+131.5	
Net interest income	660.5	488.2	172.3	+6.9	
Trust fees	1.1	1.0	0.1	+0.1	
Net fees and commissions	358.5	139.7	218.8	+90.0	
Net trading income	188.7	135.2	53.5	+20.4	
Net other operating income	108.0	74.5	33.5	+14.1	
General and administrative expenses (G&A expenses)	(655.6)	(345.3)	(310.3)	(119.0)	
Total credit cost*1	(105.8)	(43.3)	(62.5)	+49.1	(1)
Gains (losses) on stocks	(22.6)	(18.3)	(4.3)	(32.2)	
Equity in earnings (losses) of affiliates	1.6	-	1.6	+21.6	
Ordinary profit	540.6	393.0	147.6	+72.5	
Net income	417.5	351.2	66.3	+55.4	(2)
Consolidated/ non-consolidated net business profit	600.6	493.3	107.3	+84.5	
	Forecast for FY3/11	Ordinary profit	250.0	+153.9	
		Net income	80.0	+126.4	

*1 Including extraordinary gains (losses)

Major factors in difference (FY3/11, in round numbers)

Impact of new consolidation

YOY change (JPY bn)	Nikko Cordial Securities (consolidated)	Cedyna
Gross banking profit	+109	+44
G&A expenses	(83)	(34)
Equity in earnings (losses) of affiliates	-	+23
Ordinary profit	+23	+24
Total credit cost		(9)
(Ref.) Start of consolidation	Oct. 2009	May 2010

Other major factors

		1H, FY3/11 (JPY bn)	YOY change
(1)	Kansai Urban Banking Corporation	(14)	+10
	SMBC Europe	(3)	+15
*2 (2)	Nikko Cordial Securities	17	+17
	Sumitomo Mitsui Finance and Leasing	9	+3
	SMBC Guarantee	7	+7
	Sumitomo Mitsui Card	5	+1
	Cedyna	4	+23

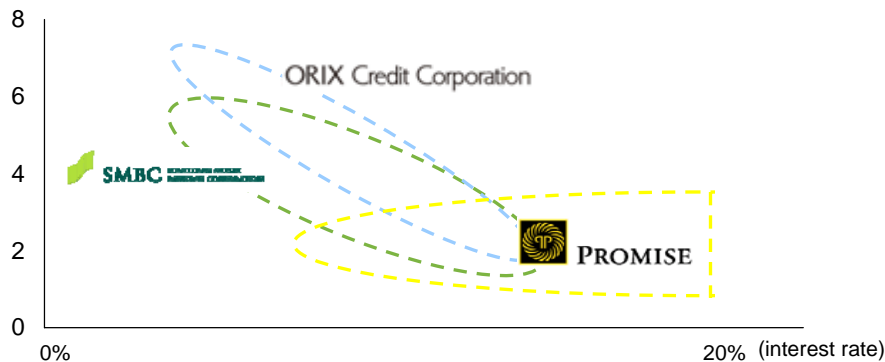
*2 Figures after adjustment of shares held by SMFG group

4-2. Consumer Finance Business

We will continue to strengthen consumer finance business as a part of our retail business lineup, as we view that consumer finance business will bear stable profitability in the medium to long run, with relatively thick spread. For the time being, we will closely monitor trends on refund claims and impacts from the full implementation of Moneylending Law and the bankruptcy of Takefuji

Overview of consumer finance business in SMFG (image)

(Clients' borrowing limit, JPY mn)



Progress of Promise's Business Structural Reform Plan

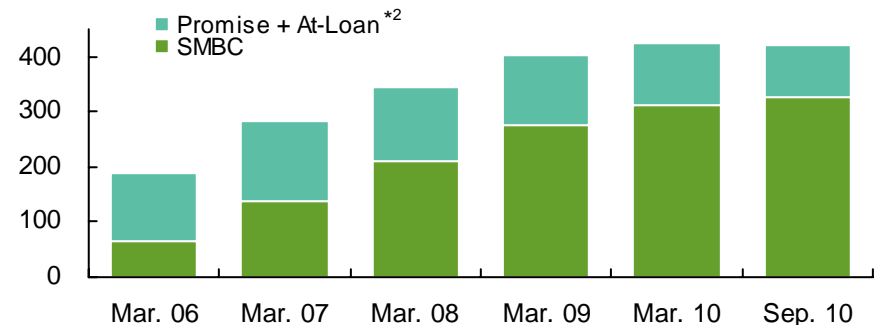
- Speedily executing the plan announced in Jan. 2010
- ✓ Streamlining marketing framework: Eliminated staffed branches in Oct. 2010 (originally scheduled by Mar. 31, 11)
- ✓ Using human resources more productively: Employees as of Sep. 30, 10 decreased by approx. 2,300 compared with Mar. 31, 09 (originally planned to decrease by approx. 1,500 by Mar. 31, 11)
- ✓ Reorganizing non-finance-related businesses
- ✓ Reorganizing group companies: merged with SANYO SHINPAN in Oct. 2010, merge with At-Loan in Apr. 2011
- ✓ Aiming for the largest possible market share in unsecured loan and guarantee businesses
- Started referral service from SMBC (Oct. 2010)
- Installed ACMS*1 and ATMs in Promise's branches

*1 ACM stands for "Automatic Contract Machine"

Collaboration with Promise (balance of loans)

Started in Apr. 05

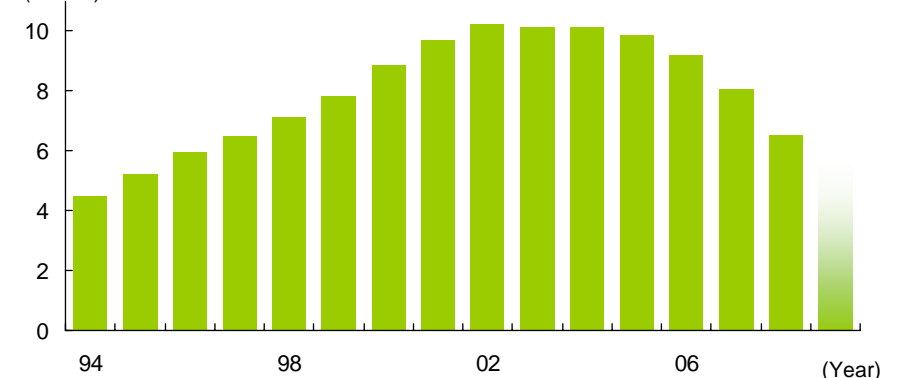
(JPY bn)



*2 Promise: Not including the balance from Mar. 08 to Sep. 10 due to the halt of origination (restarted in Oct. 2010). At-Loan: Including loans provided before collaboration. Halted origination in May 31, 10

Consumer loans provided by monoline consumer companies*3

(JPY tn)



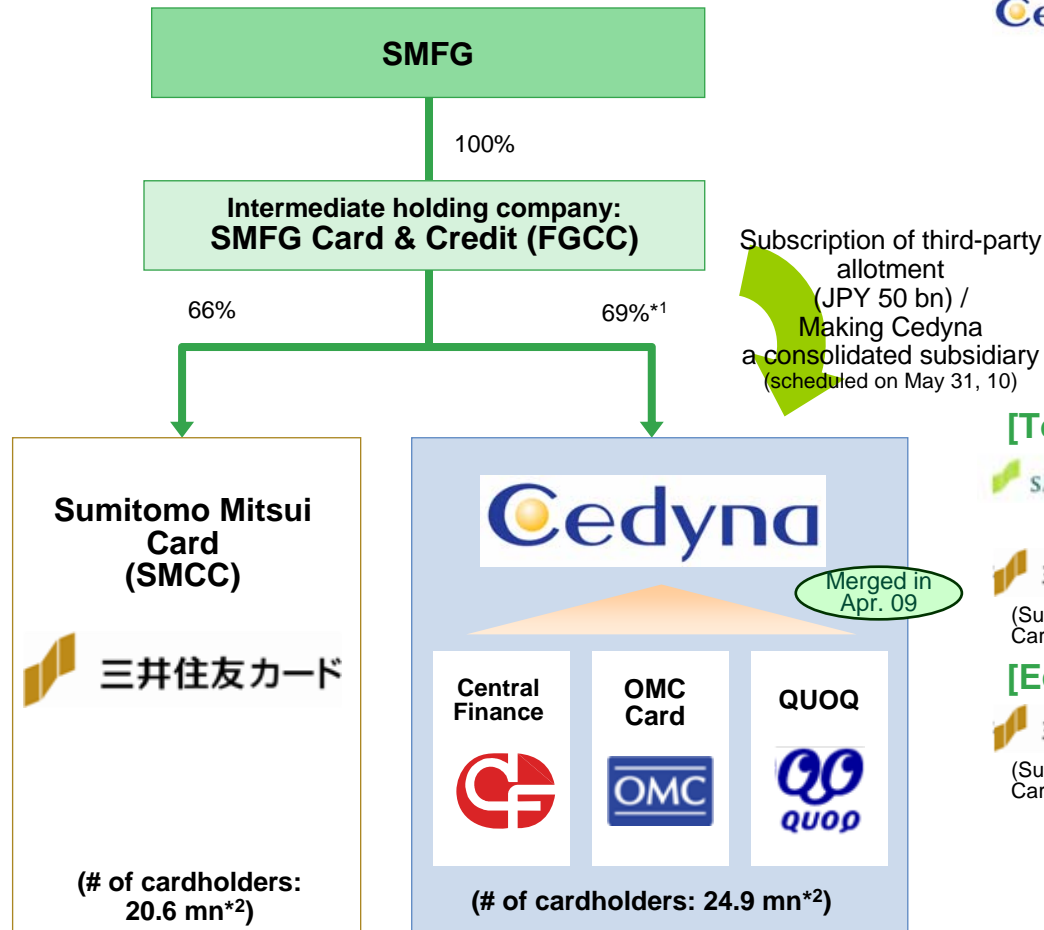
*3 Source: "Statistics on Japanese Consumer Credit (2010)" by Japan Consumer Industry Association

4-3. Credit Card Business

We consolidated Cedyne in May 2010 and are further enhancing the group-wide collaboration.

We will continuously pursue the maximization of top-line synergies and realization of economies of scale

Organizational structure to promote credit card business



Purpose of making Cedyne a consolidated subsidiary

Cedyne

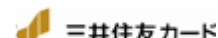
- Further clarify the positioning as a core business entity in credit card business
- Accelerate and ensure management restructuring
 - Investments in new businesses (incl. overseas financial business expansion)
 - Investments in systems developments
 - Cost restructuring etc.
- Enhance capital base

Further accelerate and make a stable promotion of our credit card business strategy

[Top-line synergies]



SMBC SUMITOMO MITSUI BANKING CORPORATION



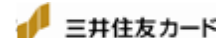
三井住友カード (Sumitomo Mitsui Card)



三井住友カード (Sumitomo Mitsui Card)

- Collaborate in education market
- Collaborate in other markets where Cedyne focuses (home renovation market, etc.)
- Collaborate by mutually offering referrals to each other's business partners and jointly offering products and services, etc.

[Economies of scale]



三井住友カード (Sumitomo Mitsui Card)

- Integrate next-generation IT systems / processing business
 - ➔ Mission-critical system (systems for accounting processes such as sales and billing):
 - Commenced project initiation for the next-generation system
 - Integrated host system of former OMC Card in 1H, FY3/11
 - ➔ Peripheral system (systems for membership screening and delinquency management, etc.):
 - Integrate one system after another since FY3/11
 - Integrated systems for connection with outside networks in 1H, FY3/11

5. Capital / Liquidity

5-1. Capital

SMFG's consolidated Tier I ratio as of Sep. 30, 2010 was 12.32%, a 1.17% increase compared with March 31, 2010 due mainly to steady accumulation of earnings and the decrease of risk-adjusted assets as a result of improvement in asset quality. We believe that we could secure sufficient capital base to meet tighter capital requirement under discussion, through steady accumulation of retained earnings, without additional common equity offerings

(JPY bn)	Mar. 31, 10 (a)	Sep.30, 10 <preliminary> (b)	(b) - (a)
Tier I	6,032.3	6,362.2	+329.9
of which:			
Capital stock & Capital surplus	3,316.8	3,316.8	-
<Preferred Stock>	[210.0]	[210.0]	-
Retained earnings	1,371.3	1,715.8	+344.5 (1)
Preferred securities issued by overseas SPCs	1,633.3	1,595.6	(37.7)
Foreign currency translation adjustment	(101.7)	(100.2)	+1.5
Increase in equity capital resulting from a securitization exposure	(37.5)	(38.9)	(1.4)
Amount equivalent to 50% of expected losses in excess of qualifying reserves	(36.2)	(20.1)	+16.1
Tier II	2,563.9	2,360.8	(203.1)
of which:			
Unrealized gains on other securities after 55% discount	254.0	165.1	(88.9)
General reserve for loan losses	69.4	89.2	+19.8
Perpetual subordinated debt	427.6	275.0	(152.6) (2)
Dated subordinated debt	1,775.8	1,794.5	+18.7
Deduction	(467.9)	(451.1)	+16.8
Total capital	8,128.2	8,271.9	+143.6
Risk-adjusted assets	54,084.5	51,612.8	(2,471.6) (3)
Capital ratio^{*1}	15.02%	16.02%	+1.00%
Tier I ratio	11.15%	12.32%	+1.17%
Core Tier I ratio ^{*2}	7.7%	8.8%	1.1%

Net deferred tax assets	702.1	691.5	(10.6)
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Tier I	
(1) Net income	+ 417.5 bn
Dividends	(73.6) bn
Net deferred tax assets / Tier I capital (SMFG consolidated): 10.9% (as of Sep. 10, decreased by 0.7% compared with Mar. 10)	

Tier II	
(2) Redemption of perpetual subordinated debt etc.	(152.6) bn

Risk-adjusted assets			
(JPY bn)	Mar. 31, 10	Sep. 30, 10 <preliminary>	Change from Mar. 31, 10
(3) Credit risk-adjusted assets	50,518.1	47,546.1	(2,972.0)
Market risk equivalent	448.4	650.2	+201.8
(Reference) Outlier ratio ^{*3}	6.1%	9.6%	+3.5%
Operational risk equivalent	3,118.0	3,416.6	+298.6
Total	54,084.5	51,612.8	(2,471.7)

Credit risk-adjusted assets decreased due mainly to change of PD and yen appreciation despite of the increase by consolidation of Cedyna (SMFG consolidated)

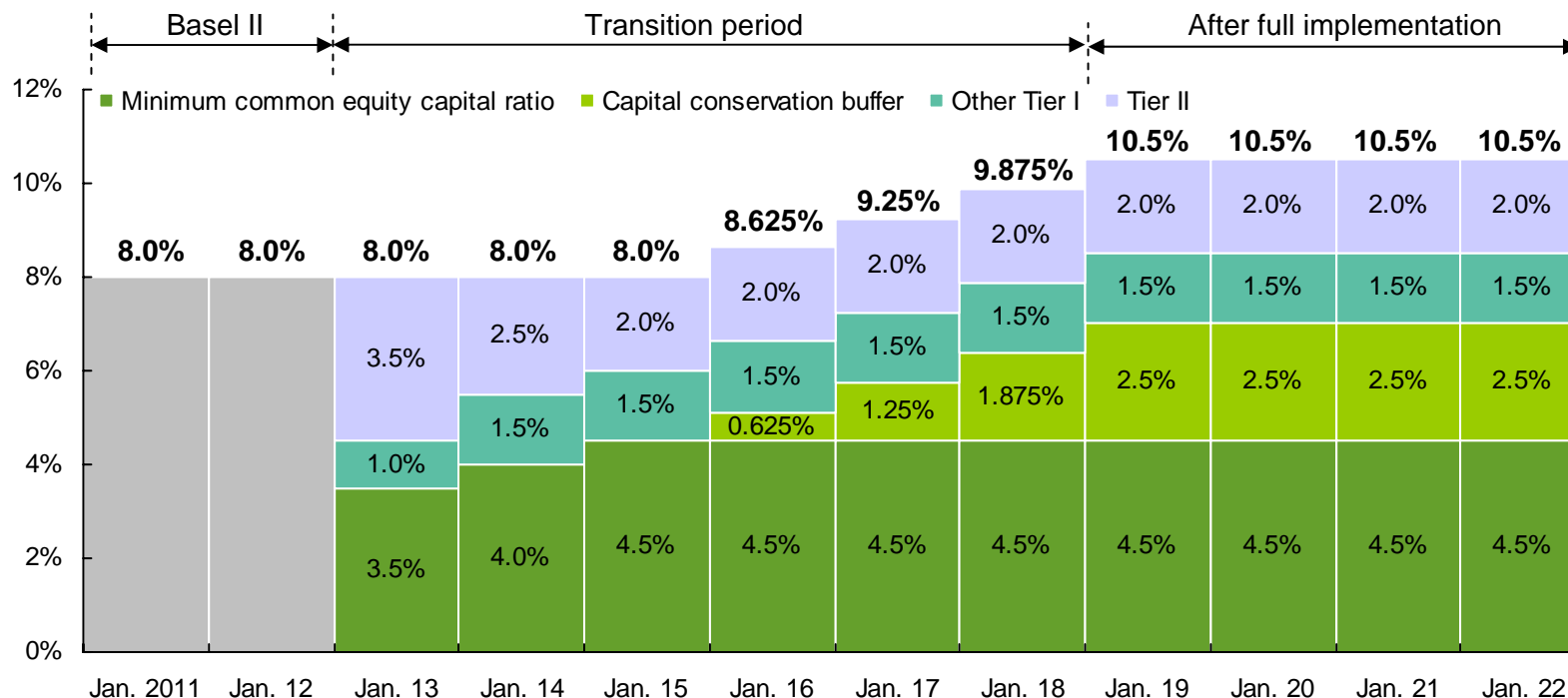
*1 Figures are based on Basel II standard (Credit risk: AIRB, Operational risk: AMA)

*2 While "Core Tier I" is not defined in international agreements, we estimated "Core Tier I capital = Tier I capital – Preferred shares – Preferred securities"

*3 SMBC consolidated basis

(Ref.) Summary of New Framework for Capital Requirements*1

Transitional arrangements for implementing the new standards



Phase-in of deductions from common equity Tier I*2

-	-	-	20%	40%	60%	80%	100%	100%	100%	100%	100%
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Grandfathering of capital instruments that no longer qualify as no-core Tier I capital or Tier II capital

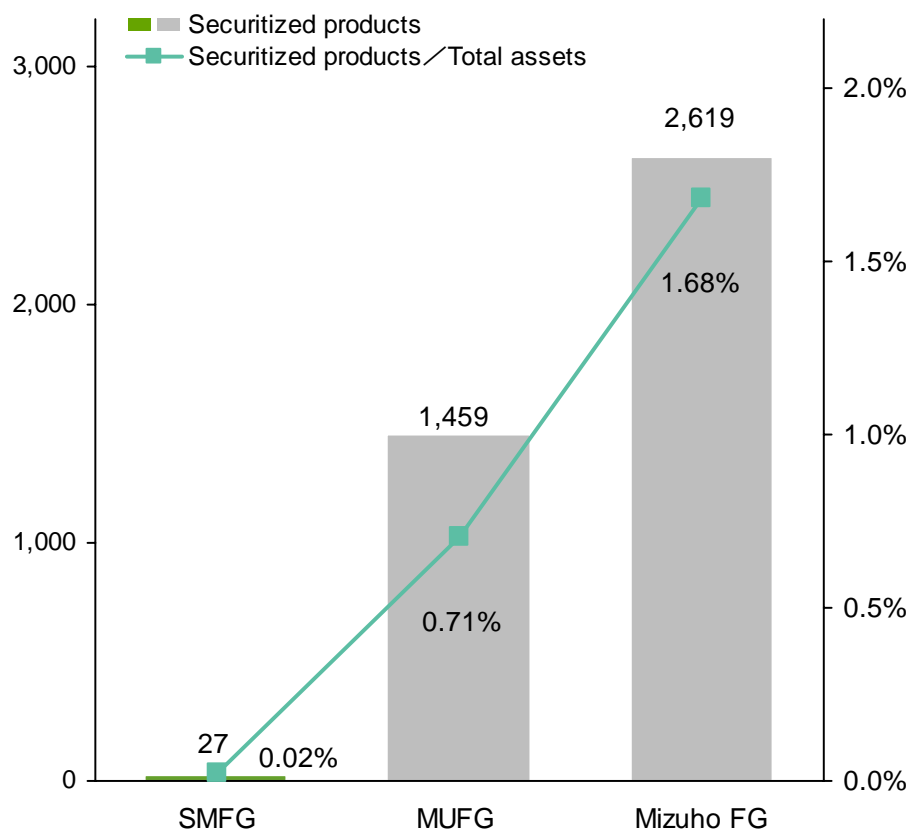
100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	-
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5-2. Control on Downside Risks

We have smaller exposure to securitized products, etc. as a result of early and substantial reduction of exposure related to subprime loan in 1H, FY3/2008. Also, we estimate that the incremental impact in risk-adjusted assets due to the implementation of Basel III will be several percents since our counterparty risk is extremely limited

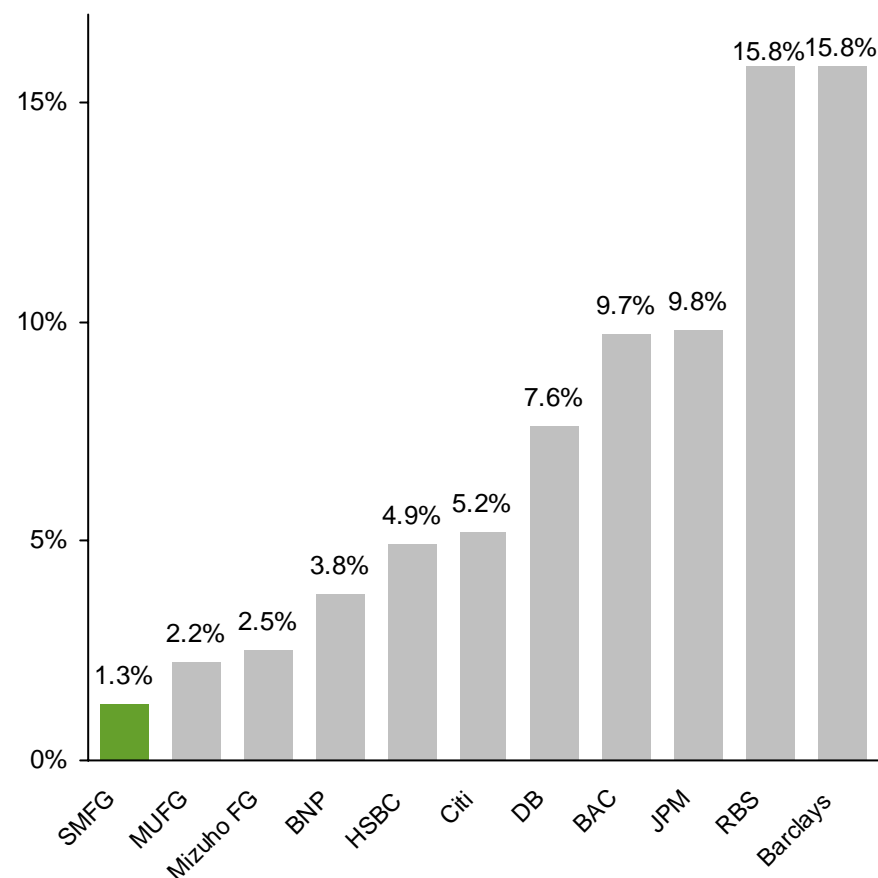
Securitized products, etc. (comparison with peers*1)

(JPY bn) (Group consolidated)



Percentage of market risk equivalent in risk-adjusted assets*2

(Group consolidated)



*1 SMFG: As of Sep. 30, 10. After provision and write-offs

MUFG: As of Sep. 30, 10. After impairment and before deducting net unrealized losses. Including "securities being held to maturity" and "other"

Mizuho FG: As of Mar. 31, 10. After reserve for investment loss. Including banking accounts of subordinated banks and trading accounts of Mizuho Securities

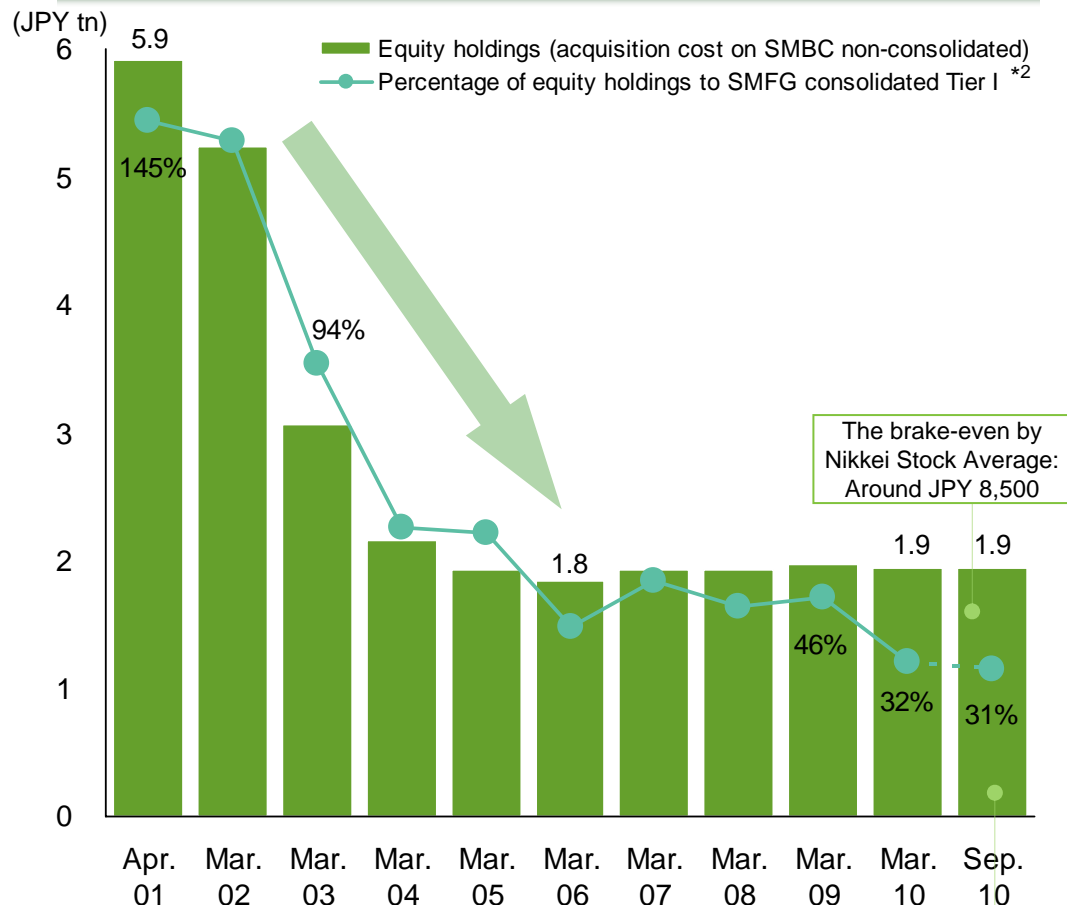
*2 Market risk equivalent X 12.5/Total risk-adjusted assets.

Based on company disclosures (as of Sep. 30, 10 for SMFG, MUFG, Mizuho FG, Citi and DB : as of Dec. 31, 09 for BNP : as of Jun. 30, 10 for others)

5-3. Equity Holdings

Percentage of equity holdings on SMBC non-consolidated basis to consolidated Tier I capital is approx. 31% as of Sep. 30, 2010. Reviewing profitability in relation to equity holdings and effect of holdings more stringently, we will minimize the impact of volatility in equity market to our capital by reduction of the percentage to the level of around 25% in the medium term mainly through sale and hedge

Balance of equity holdings*1



*1 Balance of domestic stocks classified as other securities with fair value

*2 Until Mar. 02, percentage to SMBC consolidated Tier I

Sold amount
in 1H, FY3/11:
approx. JPY 4 bn

Changes in environment

- Tightening of capital regulations
- Introduction of IFRS

Need to minimize the impact of stock price fluctuation risk to our capital

Additional reduction in % of unhedged equity holdings within Tier I capital to the level of around 25%

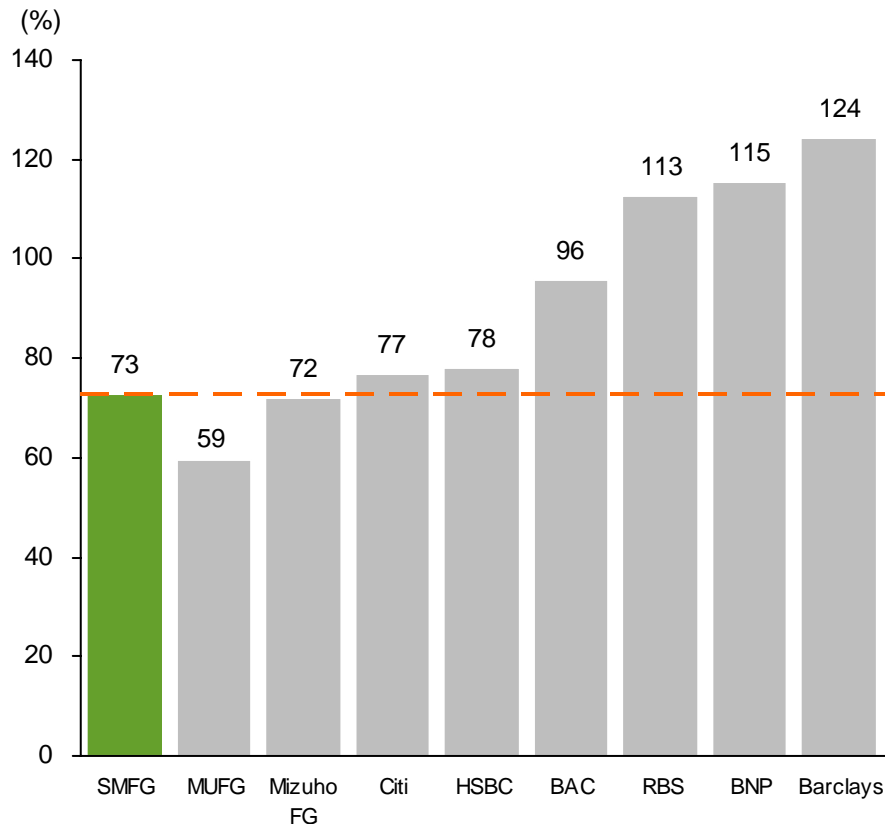
- Reduce unhedged equity holdings by JPY 300 bn through sale and hedge, etc. in 3 years

5-4. Liquidity

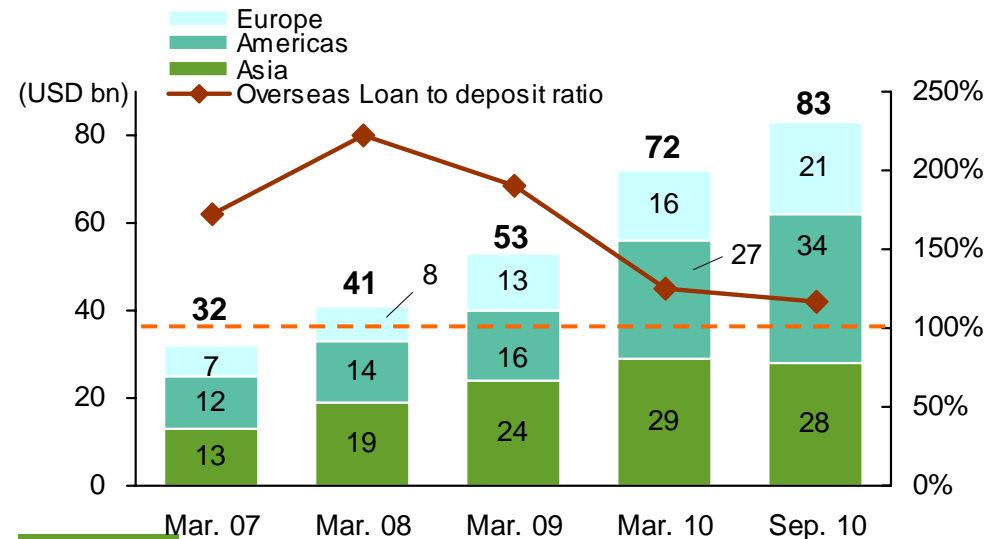
We have competitive advantage in liquidity position represented by relatively low loan to deposit ratio compared with global peers, and we aim to keep prudent liquidity management to secure solid investment and funding structure, taking into account liquidity regulation under discussion. Especially, we will further expand and diversify our funding base of foreign currency in line with the expansion of our overseas business

Loan to deposit ratio

Comparison with major domestic and foreign banks*1



Overseas deposits*2



(Ref.)
Domestic
deposits
(JPY tn)

62.7 → 64.5 → 66.2 → 67.6 → 68.3

Foreign-currency funding : FY3/11 Results

- Issued USD denominated senior bonds in Jul. 2010 (USD 1bn for 3Y and 5Y bonds, respectively)
- Issued EUR denominated subordinated bonds in Nov. 2010 (EUR 750 million for 10Y bonds)

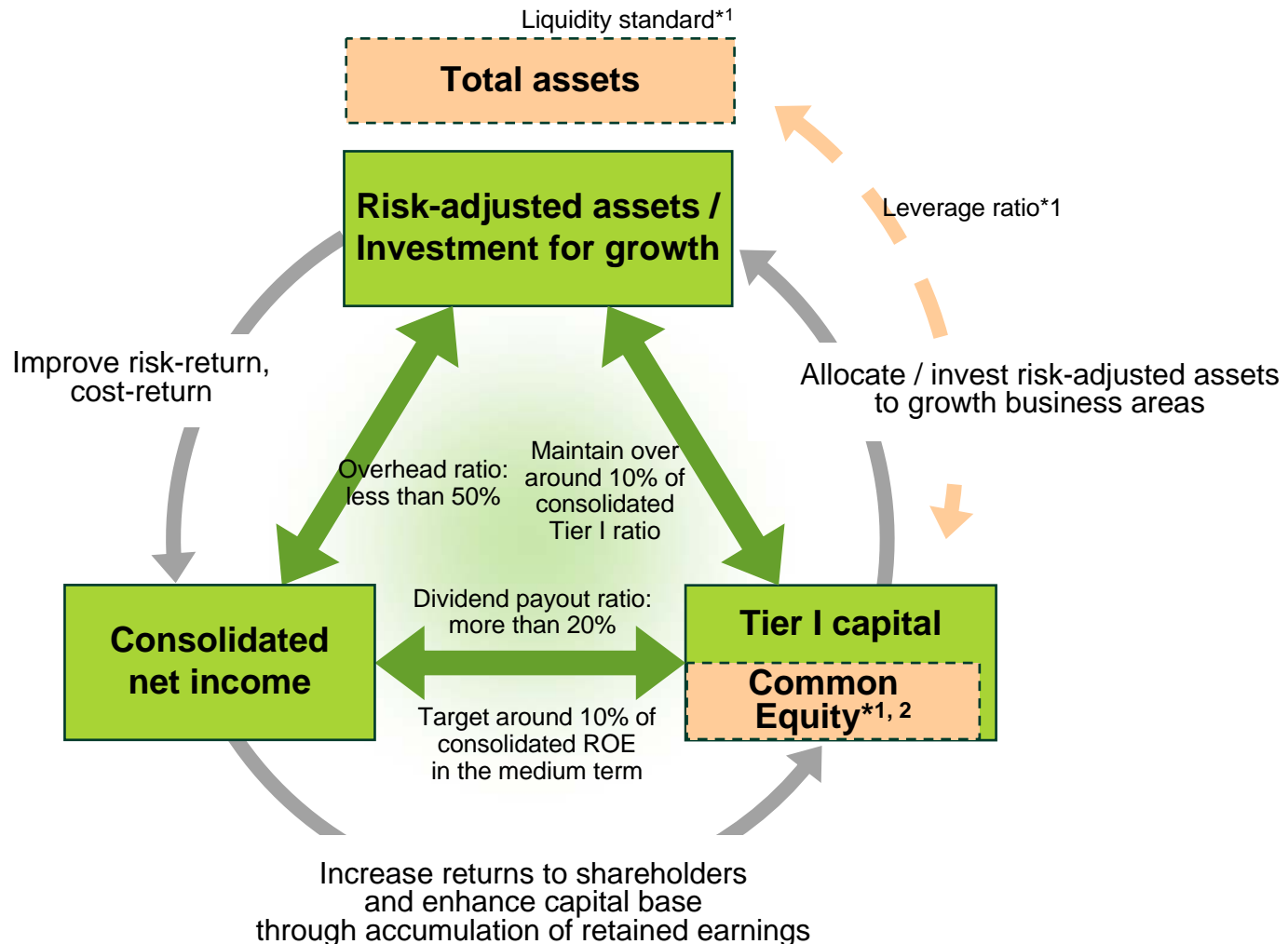
*1 Consolidated basis. Based on each company's disclosure. As of Jun.10 for HSBC, BNP and Barclays, as of Sep.10 for others

*2 Managerial accounting basis. Sum of SMBC(non-consolidated), SMBC Europe and SMBC (China)

In Closing

- Management Approach for Sustainable Growth -

Aiming for sustainable growth of corporate value through well-balanced growth cycle of profitability, capital base, risk-adjusted assets and investment for growth



*1 To be defined by Basel Committee on Banking Supervision

*2 The highest form of loss absorbing capital, consisted mainly of common shares and retained earnings

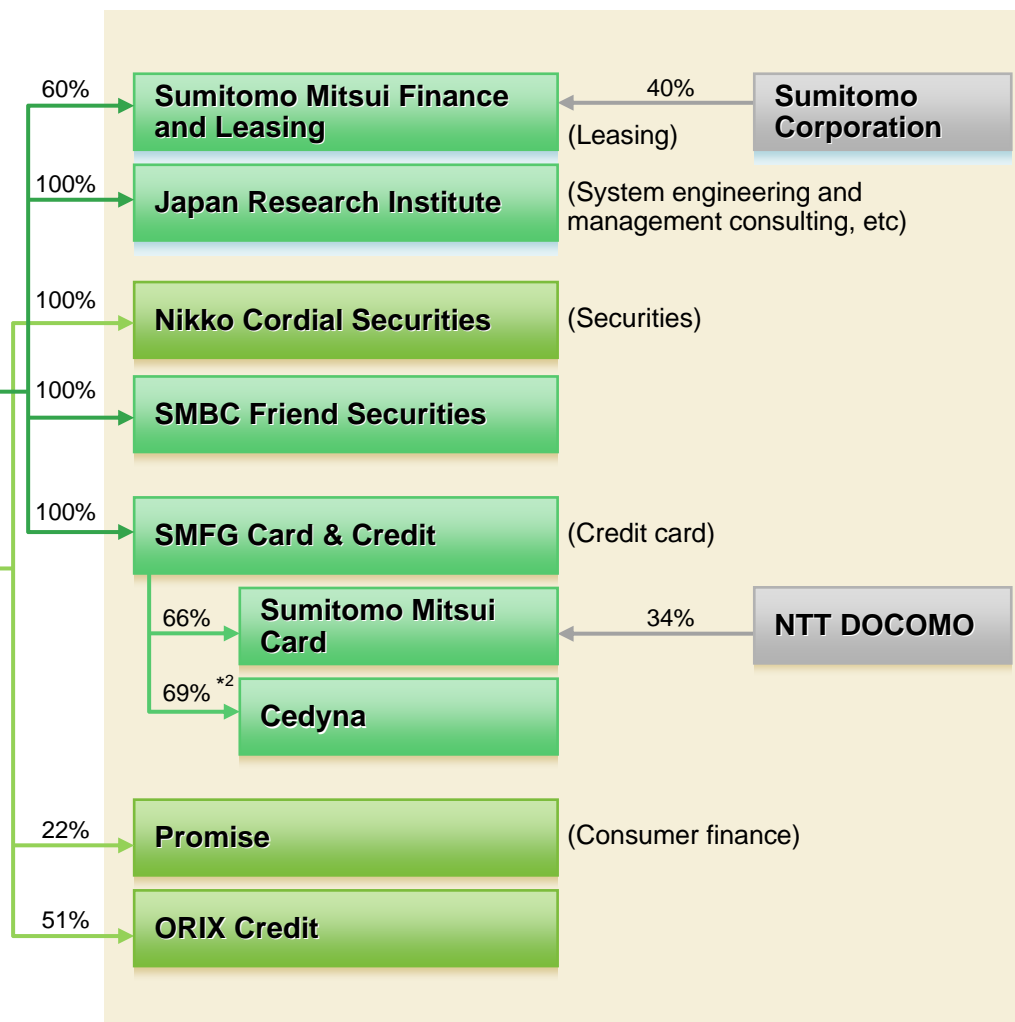
(Ref.) SMFG's Group Structure*1



Sumitomo Mitsui Financial Group	
Consolidated total assets	JPY 131 tn
Consolidated Tier I ratio	12.32%



Sumitomo Mitsui Banking Corporation	
Total assets	JPY 109 tn
Deposits	JPY 70 tn
Loans	JPY 57 tn
Number of customer deposit accounts (individual customers)	approx. 26 mn
Number of corporate borrowers	approx. 124,000



*1 As of Sep. 30, 10
 *2 Total voting shares held by SMFG group.



This material contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate”, “estimate”, “expect”, “intend”, “may”, “plan”, “probability”, “risk”, “project”, “should”, “seek”, “target” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include the fragility of any economic recovery, both globally and in Japan; our ability to successfully implement its business and capital strategy; the success of our business alliances including those in the consumer finance industry; exposure to new risks as we expand the scope of our business; significant credit-related costs; declines in the value of our securities portfolio. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this material. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report or the registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as our earnings press release for a more detailed description of the risks and uncertainties that may affect our financial conditions, our operating results, and investors’ decisions.