

Figures in the charts are rounded. Figures in parenthesis indicate loss or decrease.

May 15, 2012

Announcement of financial results for FY3/2012

We would now like to explain our financial results for FY3/2012 by using *Financial Results for the Fiscal Year ended March 31, 2012*, and its *Supplementary Information*.

Let us look at the *Supplementary Information*.

In this report, “Non-consolidated” indicates SMBC’s non-consolidated figures, and “Consolidated” indicates SMFG’s consolidated figures, if not otherwise specified.

SMBC non-consolidated financial results

Please look at page 1. This is an overview of SMBC’s non-consolidated earnings results.

In line 22, Banking profit before provision for general reserve for possible loan losses was JPY 813.0 billion, a JPY 19.6 billion decrease year over year.

Gross banking profit, shown in line 1, was JPY 1,532.5 billion, almost the same level as a year earlier.

This was mainly because a decrease in Net interest income due to a decrease of domestic loan balance with weak demand and a reduction of domestic loan-deposit spread with declining interest rates was offset by an increase in fee income with growing overseas loans and domestic loan syndication, while high level of Gains on bonds were achieved through the ALM operations that quickly responded to the decline in market interest rates in both domestic and overseas markets.

Expenses, shown in line 18, were JPY 719.5 billion, a JPY 20.3 billion increase year over year. This was mainly due to our proactive allocation of resources into focused business areas, such as headcount increase, mainly overseas, and system investment to support operational expansion, while reexamining and containing ordinary expenses.

SMBC non-consolidated		(Billions of yen)		
		FY3/2012		FY3/2011
			Change	
Gross banking profit	1	1,532.5	0.7	1,531.8
<i>Excluding gains (losses) on bonds</i>	2	1,380.0	(4.6)	1,384.6
Expenses (excluding non-recurring losses)	18	(719.5)	(20.3)	(699.2)
Banking profit (before provision for general reserve for possible loan losses)	22	813.0	(19.6)	832.6
Gains (losses) on bonds	26	152.5	5.4	147.1

Let us move on to Non-recurring gains (losses).

Total credit cost, calculated by adding Credit costs in line 28, Recoveries of written-off claims in line 29, and Provision for general reserve for possible loan losses in line 24, was JPY 58.6 billion, a JPY 35.7 billion decrease year over year, as shown in line 44.

This decrease was mainly as a result of our individualized efforts to assist certain borrowers to improve their business and financial conditions, as well as a reversal of provision for reserve by collection and repayments of loans.

SMBC non-consolidated		(Billions of yen)		
		FY3/2012		FY3/2011
			Change	
Provision for general reserve for possible loan losses	24	43.8	31.5	12.3
Non-recurring gains (losses)	27	(161.5)	87.7	(249.2)
Credit costs	28	(103.7)	4.0	(107.7)
Recoveries of written-off claims	29	1.2	1.2	-
Extraordinary gains (losses)	36	(3.3)	3.6	(6.9)
Recoveries of written-off claims	39	-	(1.1)	1.1
Total credit cost (24+28+29+39)	44	(58.6)	35.7	(94.3)

Note "Recoveries of written-off claims" which were included in "Extraordinary gains (losses)" are included in "Non-recurring gains (losses)" since the fiscal year beginning on or after April 1, 2011.

Gains (losses) on stocks, shown in line 30, were a net loss of JPY 15.2 billion, a JPY 72.1 billion decrease year over year, mainly due to a decrease in Losses on devaluation of stocks and other securities, as shown in line 33.

SMBC non-consolidated		(Billions of yen)		
		FY3/2012		FY3/2011
			Change	
Gains (losses) on stocks	30	(15.2)	72.1	(87.3)
Gains on sale of stocks and other securities	31	20.6	(1.1)	21.7
Losses on sale of stocks and other securities	32	(7.1)	(5.5)	(1.6)
Losses on devaluation of stocks and other securities	33	(28.6)	78.8	(107.4)

These items added up to Ordinary profit of JPY 695.3 billion, a JPY 99.6 billion increase year over year, as shown in line 35.

However, Income taxes-deferred, as shown in line 42, depressed Net income by JPY 169.3 billion.

As a result, as shown in line 43, Net income was JPY 478.0 billion, a JPY 56.8 billion increase year over year.

SMBC non-consolidated		(Billions of yen)		
		FY3/2012		FY3/2011
			Change	
Ordinary profit	35	695.3	99.6	595.7
Extraordinary gains (losses)	36	(3.3)	3.6	(6.9)
Income before income taxes	40	692.0	103.2	588.8
Income taxes - current	41	(44.7)	(2.3)	(42.4)
Income taxes - deferred	42	(169.3)	(44.0)	(125.3)
Net income (loss)	43	478.0	56.8	421.2

SMFG consolidated financial results

Let us now look at SMFG's consolidated earnings results on the next page, page 2.

As shown in line 17, Ordinary profit increased by JPY 110.1 billion year over year to JPY 935.6 billion, and Net income, shown in line 27, increased by JPY 42.6 billion year over year to JPY 518.5 billion, mainly because of an increase in SMBC's non-consolidated Net income as previously explained.

SMFG consolidated		(Billions of yen)		
		FY3/2012		FY3/2011
			Change	
Consolidated gross profit	1	2,594.5	89.8	2,504.7
General and administrative expenses	7	(1,421.4)	(66.1)	(1,355.3)
Credit costs	8	(126.1)	94.1	(220.2)
Recoveries of written-off claims	13	4.8	4.8	-
Gains (losses) on stocks	14	(27.9)	64.0	(91.9)
Equity in earnings (losses) of affiliates	15	(31.1)	(17.8)	(13.3)
Other income (expenses)	16	(57.3)	(58.8)	1.5
Ordinary profit	17	935.6	110.1	825.4
Extraordinary gains (losses)	18	17.4	15.5	1.9
Recoveries of written-off claims	21	-	(2.8)	2.8
Net income (loss)	27	518.5	42.6	475.9
Total credit cost (8+13+21)	28	(121.3)	96.0	(217.3)

Note "Recoveries of written-off claims" which were included in "Extraordinary gains (losses)" are included in "Ordinary profit" since the fiscal year beginning on or after April 1, 2011.

Unrealized gains (losses) on securities

Next, let us look at page 4 for Unrealized gains (losses) on securities.

Figures of SMBC non-consolidated Unrealized gains (losses) on securities portfolio are shown in the top of the page.

In the table, Net unrealized gains on Other securities increased by JPY 83.4 billion to JPY 389.0 billion, comprising JPY 228.5 billion in Net unrealized gains on Stocks, JPY 104.4 billion in Net unrealized gains on Bonds, and JPY 56.2 billion in Net unrealized gains on Others.

SMBC non-consolidated		(Billions of yen)		
		Mar. 31, 2012		
		Net unrealized gains (losses)		
		Change from Mar. 31, 2011	Gains	Losses
Other securities	389.0	83.4	672.6	(283.6)
Stocks	228.5	(47.0)	466.9	(238.4)
Bonds	104.4	32.5	109.5	(5.1)
Others	56.2	98.0	96.2	(40.0)

BIS capital ratio

Next, let us move on to page 7 for consolidated capital ratio on a preliminary basis.

As of March 31, 2012, SMFG's consolidated BIS capital ratio was 16.93 %. Compared with March 31, 2011, BIS capital ratio increased by 0.30%, mainly due to an increase in Net unrealized gains on Other securities

On the other hand, compared with March 31, 2011, Tier I ratio decreased by 0.19% to 12.28 % mainly due to the effect of consolidating Promise.

SMFG consolidated		(%)	
		Mar. 31, 2012 [Preliminary]	Mar. 31, 2011
		Change	
Capital ratio		16.93	16.63
Tier I ratio		12.28	12.47

Non-performing loans

Let us now move on to page 8, our non-performing loan situation.

The total amount of Problem assets based on the Financial Reconstruction Law, shown at the bottom left of the table, was JPY 1,182.8 billion, a JPY 56.5 billion increase compared with March 31, 2011.

As a result, the ratio of Problem assets to Total claims including Normal assets increased by 0.05% compared with March 31, 2011, however, still remained at a low level of 1.86%.

SMBC non-consolidated	(Billions of yen)		
	Mar. 31, 2012 (a)	(a) - (b)	Mar. 31, 2011 (b)
Bankrupt and quasi-bankrupt assets	134.4	(4.0)	138.4
Doubtful assets	779.6	94.8	684.8
Substandard loans	268.8	(34.2)	303.0
Total (A)	1,182.8	56.5	1,126.3
Normal assets	62,493.6	1,467.8	61,025.8
Total (B)	63,676.4	1,524.3	62,152.1
Problem asset ratio (A/B)	1.86%	0.05%	1.81%

Earnings forecast for FY3/2013

Let us move on to the earnings forecast for FY3/2013 on page 19.

As shown at the top, consolidated earnings forecast of SMFG is as follows:

Ordinary profit: JPY 910 billion
Net income: JPY 480 billion

Also, the forecast of SMBC's non-consolidated earnings is as follows:

Banking profit: JPY 750 billion
Ordinary profit: JPY 600 billion
Net income: JPY 380 billion
Total credit cost: JPY 100 billion

Next, we will explain the forecast for cash dividends per share below.

We forecast annual cash dividends per common share for FY3/2013 to be JPY 100, the same amount as those for FY3/2012, and JPY 50 will be paid as an interim dividend.

FY3/2012 performance and FY3/2013 management policy

Please look at page 20, which shows FY3/2012 performance and FY3/2013 management policy.

We made a good start for the first year of our medium-term management plan as a result of steady progress in strategic initiatives, aiming to achieve management and financial objectives of the plan.

Regarding strategic initiatives, we made a steady progress in “development of international business.” We expanded our network and headcount in emerging markets, mainly in Asia, including China. In addition, we agreed to acquire aircraft leasing business from RBS Group.

Regarding “synergies between SMBC and SMBC Nikko,” we enhanced Nikko’s wholesale securities business capabilities for handling global offerings by Japanese corporations and cross-border M&A advisory services through our business and capital alliance with Moelis & Company. In addition, we further strengthened cooperation between SMBC and SMBC Nikko in securities intermediary business.

Regarding credit card / consumer finance business, based on recent business environment, we fully prepared for refund claims and increased SMFG’s stakes in Promise and Cedyne to 100% to strengthen group’s earnings base.

As a result of these initiatives, both SMBC’s and SMFG’s Net income increased; SMBC’s Net income was JPY 478.0 billion in FY3/2012, mainly due to a JPY 11.7 billion increase in Gross banking profit of the Marketing Units led by International Banking Unit, and a decrease of Total credit costs led by an improvement of asset quality. SMFG’s consolidated Net income was JPY 518.5 billion.

At the same time, we made a steady progress towards financial targets in the medium-term management plan. SMFG’s Core Tier I ratio based on the definition as at the full implementation of Basel III reached to nearly 7.5% and overseas banking profit ratio increased to 26%

As shown on the bottom, we define “Moving forward steadily towards the targets of the medium-term management plan, capturing opportunities with proactive ideas and actions” as our basic policy for FY 3/2013. “Development of international business” and

“synergies between SMBC and SMBC Nikko” continue to be our growth drivers, while focusing on the “3Cs.”; cross selling, credit control, and cost control. We will also continue to implement initiatives aiming for two strategies – strengthening initiatives in strategic business areas and establishing a solid financial base and corporate infrastructure - of the medium-term management plan.

This is the end of the presentation. Thank you very much for your attention.

(END)

This document 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 document. 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 and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases for a more detailed description of the risks and uncertainties that may affect our financial conditions, our operating results, and investors’ decisions.