

September 5, 2012

Presentation at the Bank of America Merrill Lynch Japan Conference 2012

“Increasing Shareholder Value”

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<Presentation Summary>

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(Cover page)

Good afternoon, ladies and gentlemen.

It is my great pleasure to be here this afternoon to make a presentation to you, and I would like to thank Bank of America Merrill Lynch for organizing this conference. I would also like to appreciate equity investors who are attending this session, especially our shareholders for your continued support and patronage.

The business environment for managing financial institutions continue to be severe, mainly due to deteriorating European economy, prolonged low interest rate resulting from easing monetary policies in many countries, and unstable political situation. However, I believe SMFG group will achieve sustainable growth by capturing business opportunities in emerging markets, especially Asia, and promoting cross-selling among group companies. In due course, I believe such efforts will be favorably evaluated in the equity market.

To this end, today, I would like to discuss our strategies to increase shareholder value going forward.

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As I have mentioned, risk factors for managing financial institutions are so persistent and will not simply diminish. Inherent factors in Japan, such as fiscal deficit issues and the aging society, suggest that we will have to accept low growth in the medium to long term. Therefore, it is not easy to grow domestic lending and deposit taking business.

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This is a severe environment in which we do business. However, we intend to increase shareholder value by capitalizing on our strengths which I will explain

from now.

I would like to emphasize our three key strengths: i) strong customer base; ii) sound loan portfolio, resilient capital base, and stable liquidity base; and iii) high profitability and efficiency.

Starting with our strong customer base, compared with a decade ago, SMBC's share among Japanese City banks has increased both in domestic loans and deposits.

SMBC has strengthened its customer base, through customer-first commitment and advanced products and services. Enhancing our customer base, which is the source of our growth, through the core banking business is one of our strengths.

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We also have expanded our customer base as a group in areas other than commercial banking. We have added, to our group, companies such as SMBC Nikko Securities, Cedyna and SMBC Consumer Finance, who are the leading players in respective areas with limited overlap in customer base. Going forward, we will fully utilize our customer base by enhancing cross-selling among group companies.

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The second strength is our financial soundness. In 2004, we completed extensive disposal of non-performing loans, but even after that, we have continued to improve asset quality and enhance capital base.

Through several financial crises that occurred after the bubble burst, we have learned lessons that the intrinsic value of a bank is trust, and to sustain such trust, we have to confront risks by enhancing our sensitivity to risks and responsiveness to crises.

Immediately after the Paribas shock in 2007, we quickly sold securitized products and managed to minimize the impact from the sub-prime loan crisis. This was possible due to high risk sensibility and proactive action of our staff and speedy management decisions.

Also, stable structure of loans and deposits serves to be our strength.

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The third strength is our high profitability and efficiency. Compared with other Japanese mega banks, our asset size is the smallest, but notwithstanding that, we

have such high profitability and efficiency. This is because of our commitment to both profitability and realization of customer value. We are always at the forefront of providing new services and products to our customers, while establishing efficient operations.

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I have said that the intrinsic value of a bank is trust. We understand our initiatives to enhance our trust are reflected to our credit ratings which are relatively higher, compared with global peers.

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On the other hand, when we look back historical financial performance since the establishment of SMBC, we find out that major factors for downward swing were credit costs and losses on stocks.

Also in our recent downside scenario analysis regarding global economic slowdown, we consider potential increase of credit costs resulting from a deterioration of business conditions of our customers and negative impact on our equity holdings.

However, credit costs have decreased as our asset quality has improved. For example, we internally simulate the impact on our credit costs from one percentage point decrease in nominal GDP growth rate. According to our latest simulation, such impact decreased to JPY 30 billion, from JPY 100 billion estimated in fiscal 2008.

Our tolerance toward downside risks has improved and we do not have concerns regarding material deterioration of any specific assets.

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Turning to equity holdings, due to recent doldrums of the stock market, the amount of selling equities is below our expectation. However, the amount of salable equities that we have obtained consent from our customers is above JPY 90 billion. We are going to continue to reduce the balance by increasing salable equities and hedging of stocks.

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In the medium-term management plan, we announced in May 2011, we set our financial objectives as “steadily improving financial soundness, profitability and growth in a balanced way.”

We are in the middle of the course of this plan, and are making steady progress toward achieving the five financial targets. In terms of Common Equity Tier 1 ratio on a Basel III fully-loaded basis, in other words, Core Tier I ratio, the ratio was nearly 7.5% as of March 2012, and we are confident to achieve a level of 8% by March 2014 without additional capital raising.

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In the first quarter of fiscal 2012, SMBC's non-consolidated net income was JPY 71.0 billion, a JPY 96.4 billion decrease year-on-year, and SMFG's consolidated net income was JPY 117.8 billion, a JPY 88.8 billion decrease year-on-year. This is mainly due to impairment losses on stocks, despite a high level of bond gains and a low level of credit costs.

Notwithstanding those numbers, we believe that we are steadily advancing to achieve our goals for this fiscal year, because SMBC's Marketing Units are progressing as planned and our group companies, as represented by SMBC Consumer Finance, are steadily recording profits.

In the middle of this slide, we have included a forecast for this fiscal year. Our May forecast remains intact. Although we estimate a decrease in profit of Treasury Unit and an increase in Total credit cost, thanks to the positive contribution of group companies, we estimate SMFG's consolidated net income to be JPY 480 billion. Thus, we are confident that we can continue to steadily advance to achieve our medium-term management plan.

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From now on, I would like to walk you through our growth strategies.

The bar chart illustrates factors affecting SMFG's consolidated net income during the period of the medium-term management plan. Depending on the business, some are struggling under a severe business environment, but others are performing better than our initial expectation.

Today, I would like to discuss three of our growth drivers: i) development of international business, ii) synergies between SMBC and SMBC Nikko and iii)

consumer finance business.

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First of all, let me talk about development of international business. In the medium term management plan, the proportion of overseas banking profit in the total banking profit of Marketing Units is planned to be raised to 30% in fiscal 2013.

We also aim to increase overseas loan balance by JPY 6 trillion between fiscal 2011 and 2013. Last fiscal year, we recorded an increase of JPY 2.1 trillion.

Recently, we have enjoyed inquiries from domestic medium-sized enterprises and SMEs, requesting our assistance to enter into Asian markets. Since last fiscal year, SMBC has transferred the responsibilities for Japanese corporations related businesses in China, Hong Kong and Taiwan from International Banking Unit to the unit which is responsible for domestic corporate customers. As a result, we have successfully provided services in a timely manner by promoting collaboration between domestic and overseas offices.

Although loan balance to domestic corporations has not bottomed out, we aim to grow our profit in total, by taking advantage of our strong domestic customer base to enhance Japanese corporations related business in overseas markets.

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In Asia, since April 2011, we have established six new channels including approved one for opening. In order to respond to diverse customer needs, in addition to expanding our own network, we are promoting alliances with leading local banks.

For example, last month, we established a marketing channel in Myanmar for the first time as a foreign bank and also started to address dollar-denominated settlement needs in collaboration with Kanbawza Bank which is the largest local private bank.

In transactions with Asian local corporations, relationships are the key. Immediately after the Lehman shock, while other banks compressed their loans, we continuously maintained and expanded loans in Asia. This has significance in expanding business in Asia now and in the future.

In order to further solidify such relationships with customers, for example, we are expanding businesses with global Korean corporations not only in Korea but also in the Americas and EMEA region as well, through Global Korea Corporate Banking Dept., established in April 2011.

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IMF estimates nominal GDP of the world's economy in 2017 will increase to USD 94 trillion which is 1.3 times as compared with that in 2011, and the driver of the growth is emerging economies.

In 2017, emerging markets will account for 42% of the global nominal GDP, and their presence is likely to continue to increase.

Going forward, emerging economies will steadfastly catch up with advanced economies, and in the medium term, they will be surpassing advanced economies.

In visiting Asian countries, I feel that the situation is similar to that of Japan during the rapid economic growth period.

In these markets, there are ample opportunities to utilize our know-how that we have nurtured in Japan, such as promoting collaboration with Japanese companies which have high technological capabilities in responding to pollution and environment issues, and providing retail financing for motorcycle purchase.

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Regarding product type lending, for example, we are focusing on project finance and loan syndication.

Moreover, we are promoting business on a global scale, focusing on growth industry sectors such as new energy source, water, environment infrastructure, carbon credit, and other newly growing businesses and markets and participating in public private partnership projects with the leadership of Growth Industry Cluster Dept..

Furthermore, in Japan, we foresee an increase in renewable energy development and fossil fuel procurement, as well as capital investment needs that accommodate them. Our group's strength lies in the fact that we have the franchise to provide services from the upstream to downstream of value chains at different phases, not only financing but also feasibility studies and business matching as well. Taking advantage of this strength, we are going to capture business opportunities.

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In addition to infrastructure investment related needs, in emerging markets, customers' settlement needs are increasing as the trade flow increases.

In trade finance, our global team is expanding business and increasing earnings, by

making optimal proposals for both exporters and importers through 22 channels. In cash management services, we are highly valued by customers and ranked number one among Japanese banks for seven consecutive years in Asia Pacific. Please move on to page 18.

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Although offers of selling businesses and loan assets from European banks have leveled off after LTRO was introduced by ECB, we estimate sales offers would increase again with the de-leveraging trend.

In developing international business, merger and acquisition is an important option. Considering the option, the four points, listed on the slide, are the key criteria: fit with our strategy, investment return, synergies, and stable funding.

For instance, we acquired an aircraft leasing business from The RBS group in the U.K. on June 1st this year. This is a profitable business in which we are expecting RORA of 1% or higher from the initial year, this fiscal year, and we made the decision based on the four investment criteria that I mentioned.

In addition, by joining our group which has Asia as the mother market, SMBC Aviation Capital can expand its Asian business. Especially, we expect to strengthen services to Japanese carriers and relationship with investors in aircraft finance.

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As a foundation for sustainable growth of our international business, we are enhancing diversification and stabilization of foreign currency funding.

At this point, there is no concern at all over our U.S. dollar funding. However, we will secure stable foreign currency liquidity, avoiding excess dependence on CDs and CP, through continuous issuance of foreign currency denominated senior bonds for overseas institutional investors and domestic retail investors, and enhancement of sticky deposits from customers and central banks.

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Let us now turn our attention to the synergies between SMBC and SMBC Nikko. The stock market has been sluggish and the business environment surrounding the securities industry has become more severe, which was unimaginable three years ago when we acquired Nikko Cordial Securities from Citigroup.

In spite of that, we have made steady progress in collaboration. The number of

referrals of corporate customers from SMBC to SMBC Nikko increased by 12% on a year-on-year basis in the first quarter of this fiscal year

In retail business, SMBC Nikko Securities provides sophisticated consulting services to SMBC's private banking customers and strengthens securities intermediation business through expansion of product lineup.

In wholesale business, we see steady synergy effects. We can now serve global equity offering needs of SMBC's customers and we have been awarded financial advisor mandates in cross-boarder M&A deals in collaboration with Moelis and Co..

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SMBC Nikko has been securing stable profit, while Japanese peers are suffering from large losses. This is because SMBC Nikko has been strengthening its wholesale business while strictly controlling expenses and focusing on Japan-related business, and it is supported by its strong retail business.

We will continue to steadfastly generate profit, while responding to the changes in the business environment.

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Next, I would like to explain our consumer finance business.

SMFG made Promise a wholly owned subsidiary in April this year and Promise was renamed SMBC Consumer Finance in July this year. On the other hand, SMBC sold its 51% stake in ORIX Credit to ORIX.

Going forward, we intend to concentrate resources into SMBC and SMBC Consumer Finance. SMFG group will provide diverse products and services through our group companies, depending on the life-stage of the customers. For instance, SMBC Consumer Finance will respond to young customers' needs and SMBC will respond afterwards.

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SMBC Consumer Finance recorded losses last fiscal year because of the additional provisions to cover all expected interest refund claims. However, due to an improvement in asset quality, expenses for loan losses decreased significantly and it recorded JPY 21.3 billion of net income in the first quarter of this fiscal year.

Going forward, SMBC Consumer Finance will be growing with the three pillars of

businesses: i) domestic loans business, ii) overseas loans business, and iii) loan guarantee business.

As to the consumer loans outstanding, the balance has decreased mainly due to an impact of the introduction of an upper limit on aggregate borrowings. However, the pace of decrease has slowed down because the number of new customers has increased.

In May this year, we saw an increase on a monthly basis for the first time in the last six years. We start to see the bottom and aim to turn around in the second half of this fiscal year.

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In overseas business, SMBC Consumer Finance has been doing business in Hong Kong for 20 years and securing profit. Going forward, we will expand business in mainland China, namely in Shenzhen and Shenyang, by utilizing the know-how we have accumulated in Hong Kong.

In loan guarantee business, we are seeing increased opportunities to conduct businesses from local banks due to an enhanced brand image, derived from company name change.

We will be strengthening SMBC Consumer Finance, featuring the fact that the company is a member of SMFG group.

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Regarding refund claims, it is likely we will return to normal within several years. Although we continue to be cautious, both leading indicators, the number of transaction-record disclosure requests and the number of interest refund claims, have been moving at a level lower than the previous year.

We conducted a detailed estimate and made sufficient reserves in the first half of the last fiscal year; therefore we believe this is an issue already dealt with.

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This is the last slide.

After the Lehman shock, ROE of western banks has come down to single digit due to a change in their business model resulted from a reflection on the excessively leveraged business model.

In contrast, we have been focusing on commercial banking business which is based on relationship with customers. As a result, in the recent three fiscal years, our ROE has been higher than the average level of western banks.

With regard to return to shareholders, the annual cash dividend per share forecast for this fiscal year is JPY 100, because the required level of regulatory capital is not finally determined. Going forward, at the stage where we are confident that we have secured sufficient level of capital, we will specifically examine strengthening of return to shareholders in the future.

Based on our code of conduct, we implement selection and focus, differentiate ourselves by strategies, and strategically allocate management resources to be the top player in the market where we have selected. For example, Mr. Immelt, Chairman of the Board and CEO of General Electric Company, has the strategy to invest in leadership business aiming at high growth and high profit, and he made a bold decision to sell the plastic business which had a long tradition and where he came from. This philosophy has commonality with us in that management decision will be made based on the criteria of whether any corporate action will lead to an increase of shareholder value by providing new value to the customer. I solicit your continued understanding and support.

Thank you very much for your kind attention.

(End)