

Investors Meeting Presentation for 1H, FY3/2013 Performance

November 22nd, 2012

**Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation**

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I. 1H, FY3/2013 performance

1. 1H, FY3/2013 summary

SMFG consolidated net income:

1H results exceeded May forecast; revised full year forecast upward

- For 1H, FY3/2013, SMFG consolidated net income was JPY 331.0 bn, a JPY 81.0 bn increase compared with May forecast due to good results of SMBC and other group companies
- SMBC non-consolidated net income was JPY 239.7 bn, a JPY 39.7 bn increase compared with May forecast due to a steady result of Marketing units led by International Banking Unit, a good performance of Treasury Unit and a decrease of total credit cost, despite an incurred losses on stocks
- SMFG consolidated net income forecast for FY3/2013 was revised upward from JPY 480 bn to JPY 540 bn

Per share information (SMFG consolidated)

	1H, FY3/2013 results	Change from May forecast	YOY change
Net income per share	JPY 244.50	+JPY 59.86	+JPY 19.46
ROE *	12.8%		+0.2%
Dividend per share	JPY 50	-	-

FY3/2013 (Nov. forecast)	Change from May forecast
JPY 398.84	+JPY 44.32
JPY 100	-

	Sep. 30, 2012	Change from Mar. 31, 2012
Net Assets per share	JPY 3,966.30	+JPY 109.93

* Annualized

I. 1H, FY3/2013 performance

2. 1H, FY3/2013 financial performance

P/L

		(JPY bn)	FY3/2012	1H, FY3/2013	Change from May forecast	YOY change
SMBC <non-consolidated>	Gross banking profit	1,532.5	786.7	+56.7	(32.8)	
	of which Gains (losses) on bonds	152.5	117.3		(7.1)	
	Expenses*1	(719.5)	(358.0)	+2.0	(3.4)	
	<OHR>	46.9%	45.5%	(3.8)%	+2.2%	
	Banking profit*2	813.0	428.7	+58.7	(36.2)	
	Total credit cost	(58.6)	24.4	+54.4	+27.3	
	Gains (losses) on stocks	(15.2)	(133.6)		(87.5)	
	Ordinary profit	695.3	274.5	(35.5)	(123.0)	
	Net income	478.0	239.7	+39.7	(50.9)	
SMFG <consolidated>	Ordinary profit	935.6	468.2	+8.2	(78.3)	
	Variance with SMBC non-consolidated	240.3	193.7	+43.7	+44.8	
	Net income	518.5	331.0	+81.0	+17.3	
	Variance with SMBC non-consolidated	40.5	91.3	+41.3	+68.1	

Credit ratings (SMBC)

Moody's	Aa3 / P-1	R&I	A+ / a-1
S&P	A+ / A-1	JCR	AA / J-1+
Fitch	A- / F1		

Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	1H, FY3/2013	YOY change
SMBC Consumer Finance*3	31	+77	
SMBC Guarantee	12	(1)	
Sumitomo Mitsui Finance and Leasing	11	(1)	
Cedyna	9	+3	
Sumitomo Mitsui Card	8	(0)	
SMBC Nikko Securities	8	(3)	
SMBC (China)	5	+2	
SMBC Europe	5	+2	

*1 Excluding non-recurring losses *2 Before provision for general reserve for possible loan losses

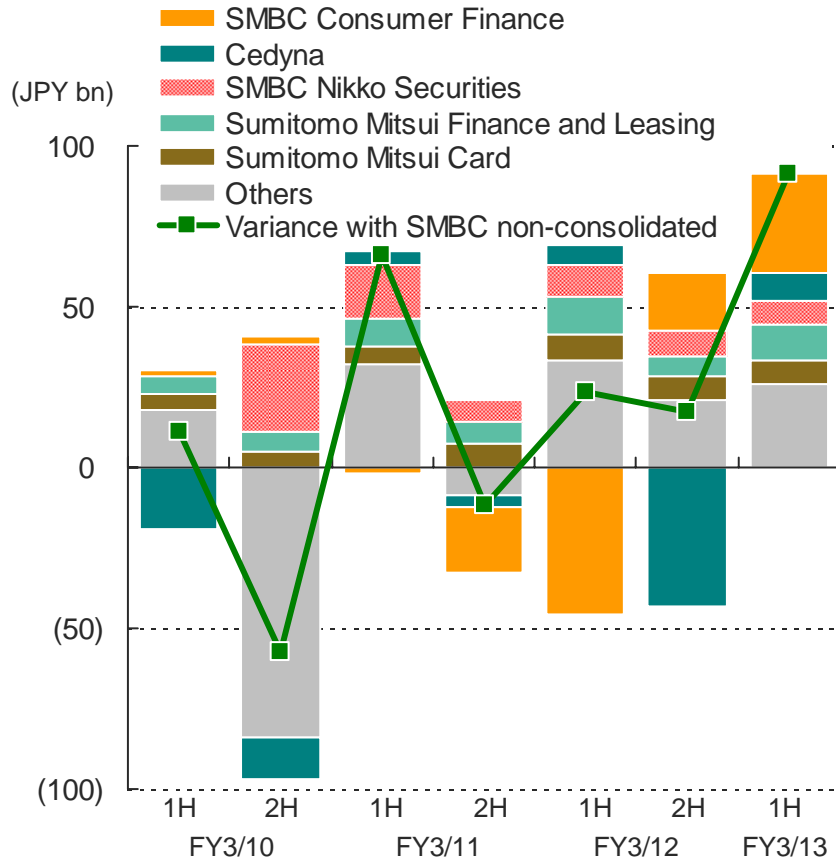
*3 Became subsidiary of SMFG in Dec. 2011. Figures for 1H, FY3/2012 were included as a 22% owned affiliated company and figures for 1H, FY3/2013 were included as a wholly-owned subsidiary

I. 1H, FY3/2013 performance

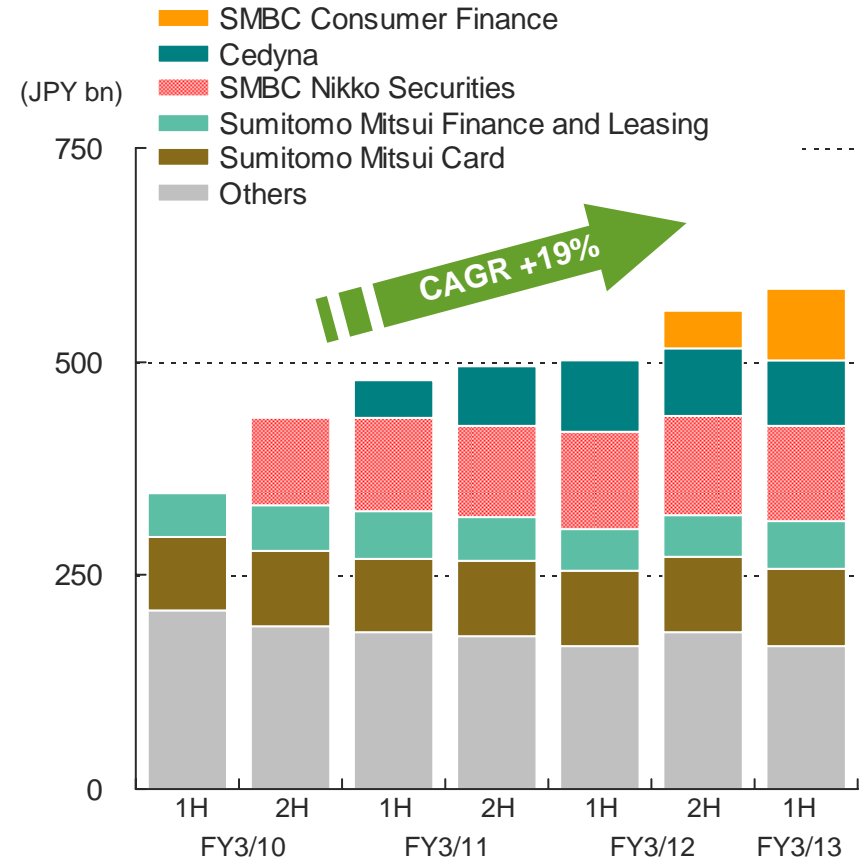
3. Contribution of subsidiaries and affiliates

- Net income : All major subsidiaries made profits in 1H, FY3/2013
- Gross profit : Double-digit CAGR in subsidiaries

Contribution to SMFG's Net income



Contribution to SMFG's Gross profit



I. 1H, FY3/2013 performance

4. Performance by business unit*1

		(JPY bn)	1H, FY3/12	1H, FY3/13	YOY change*2
Consumer Banking Unit	Gross banking profit		192.3	174.8	(10.6)
	Expenses		143.0	140.9	(2.4)
	Banking profit		49.3	33.9	(8.2)
Middle Market Banking Unit	Gross banking profit		208.8	201.8	(4.0)
	Expenses		110.8	106.7	(2.4)
	Banking profit		98.0	95.1	(1.6)
Corporate Banking Unit	Gross banking profit		102.6	96.1	(1.8)
	Expenses		18.9	19.5	+ 0.2
	Banking profit		83.7	76.6	(2.0)
International Banking Unit (IBU)	Gross banking profit		93.5	107.3	+ 12.0
	Expenses		31.0	36.3	+ 4.5
	Banking profit		62.5	71.0	+ 7.5
Marketing units	Gross banking profit		597.2	580.0	(4.4)
	Expenses		303.7	303.4	(0.1)
	Banking profit		293.5	276.6	(4.3)
Treasury Unit	Gross banking profit		227.3	201.7	(25.6)
	Expenses		9.5	10.2	+ 0.8
	Banking profit		217.8	191.5	(26.4)
Headquarters	Gross banking profit		(5.0)	5.0	(2.8)
	Expenses		41.4	44.4	+ 2.7
	Banking profit		(46.4)	(39.4)	(5.5)
Total (Business Units)	Gross banking profit		819.5	786.7	(32.8)
	Expenses		354.6	358.0	+ 3.4
	Banking profit		464.9	428.7	(36.2)

Gross banking profit by product

	(JPY bn) YOY change*2	
of which:		
Income on domestic loans	230.6	(12.8)
Income on domestic yen deposits	74.3	+1.3
IBU's interest related income*3	64.1	+9.1
Interest income	398.4	(1.9)
of which:		
Investment trust	17.8	(9.7)
Single premium type permanent life insurance	6.8	+2.0
Level premium insurance	5.5	+2.5
Income relating to Financial consulting for retail customers	33.6	(6.8)
of which:		
Loan syndication	20.6	+0.4
Structured finance*4	25.0	+0.6
Real estate finance*4	14.2	(1.5)
Income related to IB business*4	70.9	(0.5)
of which:		
Sales of derivatives	9.0	+1.3
Money remittance, Electronic banking	45.7	(0.8)
Foreign exchange	21.6	(0.1)
IBU's non-interest income*3	45.9	+3.0
Non-interest income	181.6	(2.5)
Gross banking profit of Marketing units	580.0	(4.4)

Adjustment of interest rates and exchange rates etc.: (12.8)

Nominal
YOY
change:
(17.2)

Average loan balance and spread by business unit

	Balance		Spread		
	(JPY tn, %)	1H, FY3/13	YOY change*2	1H, FY3/13	YOY change*2
Domestic loans		45.8	(2.3)*5	1.04	(0.01)
of which:					
Consumer Banking Unit		15.2	(0.2)	1.44	(0.02)
Middle Market Banking Unit		16.3	(0.4)	1.08	(0.07)
Corporate Banking Unit		11.5	(0.2)	0.66	(0.02)
IBU's interest earning assets*6	(USD bn, %)	142.5	+23.1	1.16	+0.07

*1 SMBC non-consolidated. Managerial accounting basis *2 After adjustment of interest rates and exchange rates, etc.

*3 Including profit from Japanese corporations in Hong Kong Branch and Taipei Branch *4 Including interest income

*5 of which JPY (1.8) tn was resulted from a decrease of loans to government

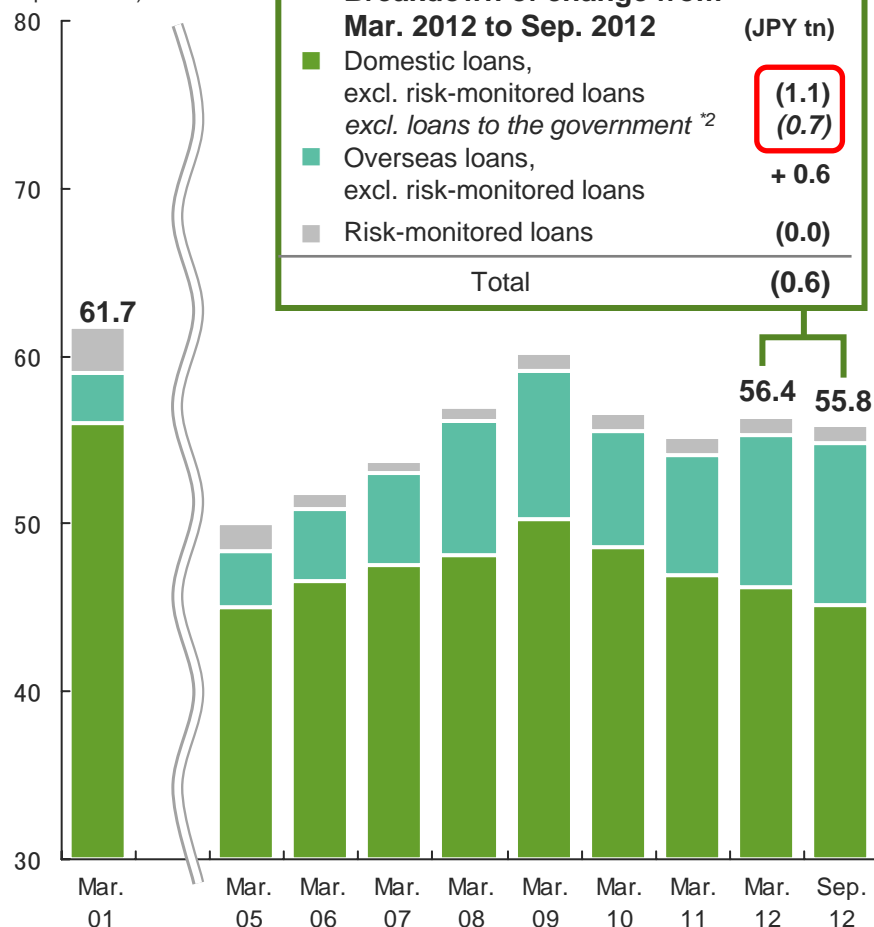
*6 Sum of loans, trade bills and securities

I. 1H, FY3/2013 performance

5. Loan balance

SMBC non-consolidated

Loan balance *1

(JPY tn,
at period-end)Loan balance by domestic Marketing units,
managerial accounting basis

(JPY tn, at period-end)	Sep. 2012	Change from Mar. 2012
Consumer Banking Unit	15.1	(0.2) ^{*3}
Middle Market Banking Unit *4	16.3	(0.3)
Corporate Banking Unit	11.6	(0.1)

Overseas loans, classified by region,*5
managerial accounting basis

(JPY tn, at period-end)	Sep. 2012	Change from Mar. 2012	After adjustment of yen appreciation
Overseas total	11.0	+ 0.5	+ 1.2
to Japanese corporations	3.1	+ 0.3	+ 0.5
Asia	4.4	+ 0.3	+ 0.5
to Japanese corporations	1.1	+ 0.1	+ 0.1
Americas	3.5	+ 0.3	+ 0.5
to Japanese corporations	1.5	+ 0.3	+ 0.3
EMEA	3.2	(0.0)	+ 0.2
to Japanese corporations	0.5	(0.0)	+ 0.0

*1 The aggregate of former Sakura bank and Sumitomo Bank for Mar. 01 *2 Loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc.

*3 After add-back adjustment of portion of housing loans securitized in 1H, FY3/13 of approx. JPY 60 bn *4 Excluding loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc.

*5 Sum of SMBC, SMBC Europe and SMBC (China). Based on location of the channels

I. 1H, FY3/2013 performance

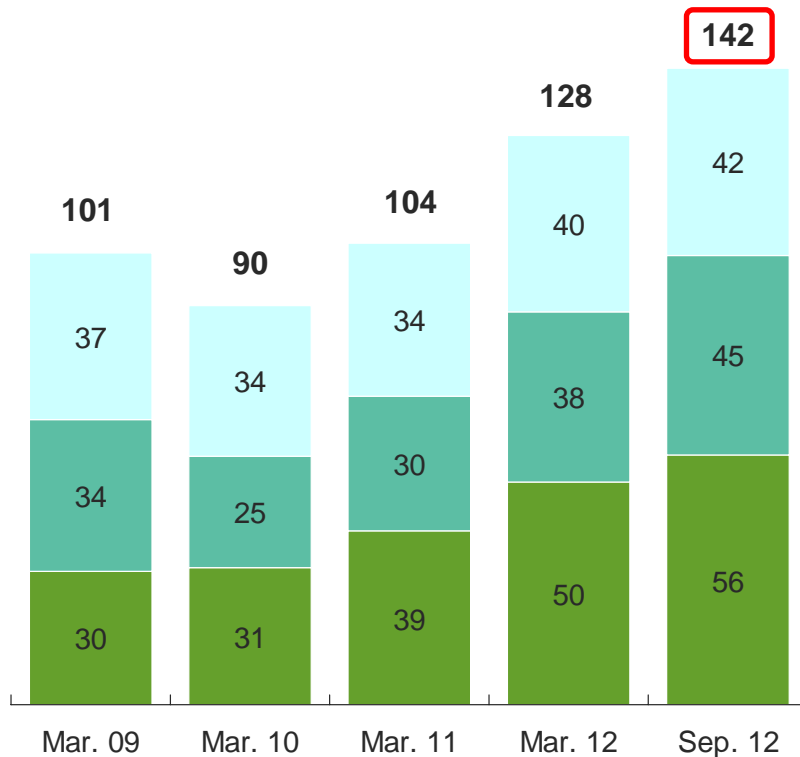
6. Overseas loan and deposit balance

Overseas loan balance*1

(USD bn)

- EMEA
- Americas
- Asia

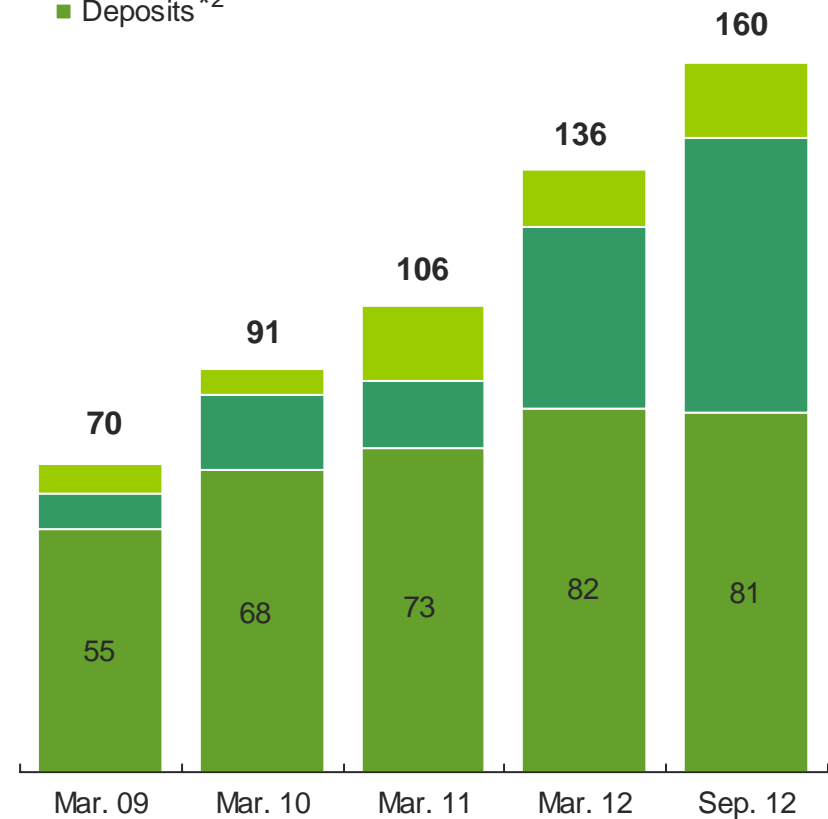
Change from Mar. 11	
Total	+USD38bn (+JPY3.2tn)
of which Asia	+USD17bn (+JPY1.4tn)



Overseas deposit balance*1

(USD bn)

- CDs & CP : less than 3 months
- CDs & CP : 3 months or more
- Deposits*2



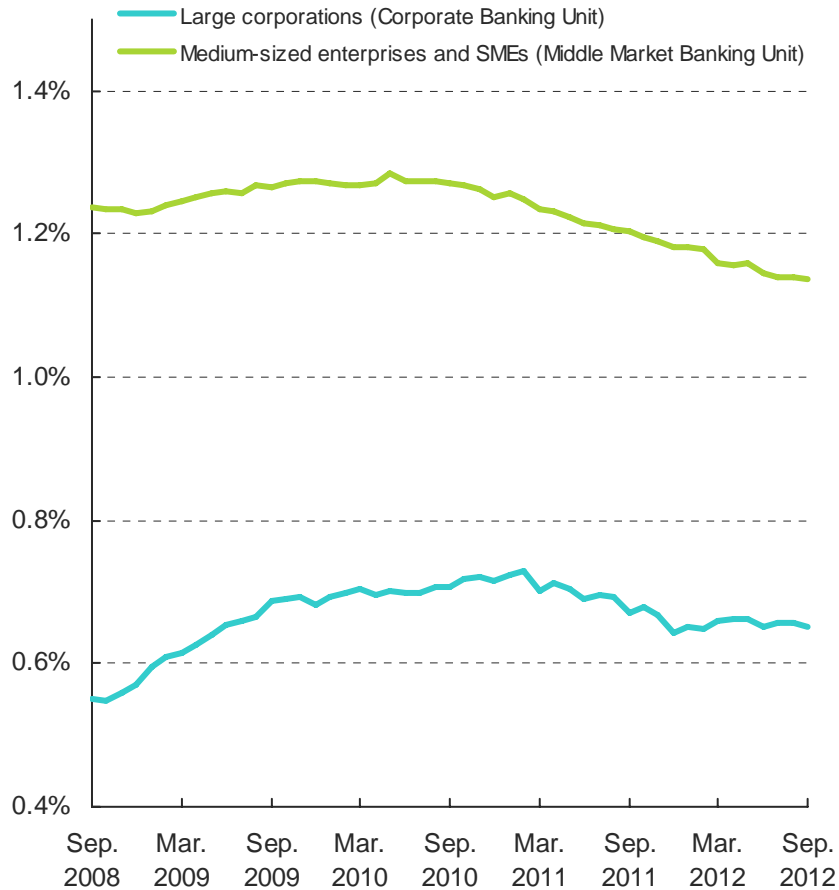
*1 Managerial accounting basis, exchanged at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Includes deposits from central banks

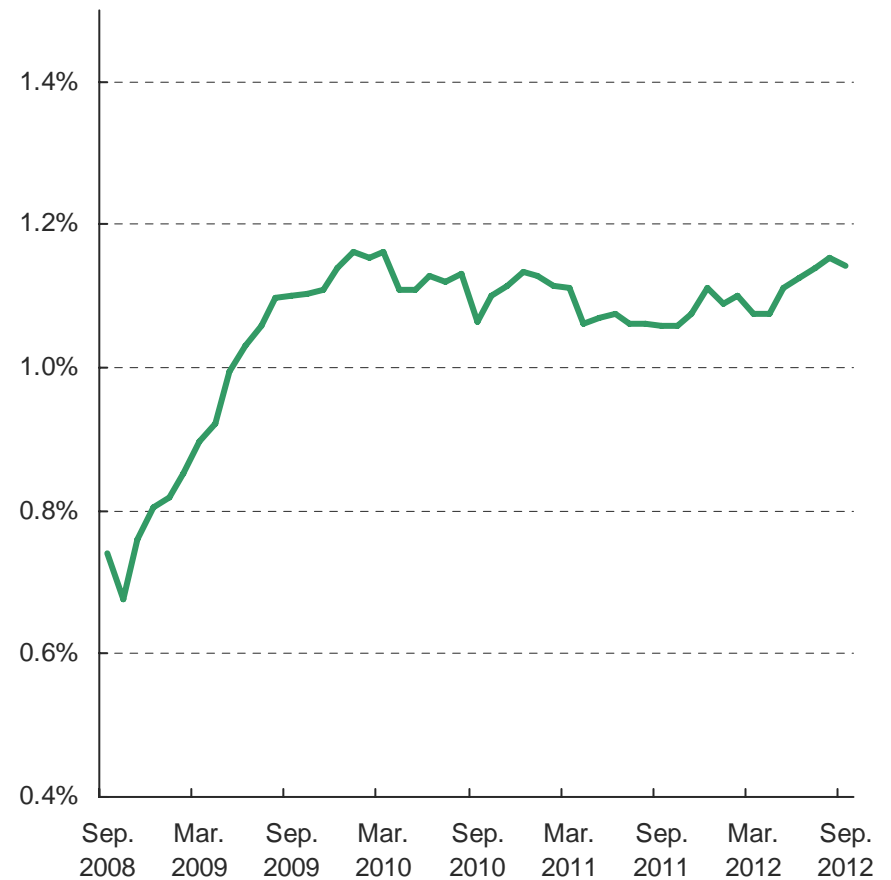
I. 1H, FY3/2013 performance

7. Loan spread*1

Domestic *2



Overseas *3



*1 Managerial accounting basis. Average loan spread of existing loans *2 SMBC non-consolidated *3 Sum of SMBC, SMBC Europe and SMBC (China)

I. 1H, FY3/2013 performance

8. Credit ratings of G-SIBs (Moody's)*

	Apr. 2001		Jul. 2007		Oct. 2012	
Aaa			Bank of America Bank of New York Mellon Citibank JPMorgan Chase Bank	Royal Bank of Scotland UBS Wells Fargo Bank		
Aa1	Bank of America Crédit Agricole	Wells Fargo Bank UBS	Banco Santander Barclays Bank BBVA BNP Paribas Crédit Agricole Credit Suisse	Deutsche Bank HSBC Bank ING Bank Nordea Bank Société Générale State Street Bank & Trust	Bank of New York Mellon	
Aa2	Bank of New York Mellon Barclays Bank BBVA Citibank HSBC Bank	ING Bank JPMorgan Chase Bank Royal Bank of Scotland State Street Bank & Trust	SMBC BPCE(Banque Populaire) BTMU	Mizuho CB/BK UniCredit	State Street Bank & Trust	
Aa3	Banco Santander BNP Paribas BPCE(Banque Populaire)	Deutsche Bank Société Générale UniCredit	Goldman Sachs Bank	Morgan Stanley Bank	SMBC BTMU HSBC Bank	JPMorgan Chase Bank Nordea Bank Wells Fargo Bank
A1	Credit Suisse		Bank of China		Bank of China Credit Suisse	Mizuho CB/BK Standard Chartered
A2	BTMU	Standard Chartered	Standard Chartered		Barclays Bank BNP Paribas BPCE(Banque Populaire) Crédit Agricole Deutsche Bank	Goldman Sachs Bank ING Bank Société Générale UBS
A3	SMBC	Mizuho CB/BK			Bank of America Citibank	Morgan Stanley Bank Royal Bank of Scotland
Baa1	Bank of China					
Baa2					Banco Santander UniCredit	
Baa3					BBVA	

* Long-term issuer ratings (if not available, long-term deposit ratings) of operating banks

I. 1H, FY3/2013 performance

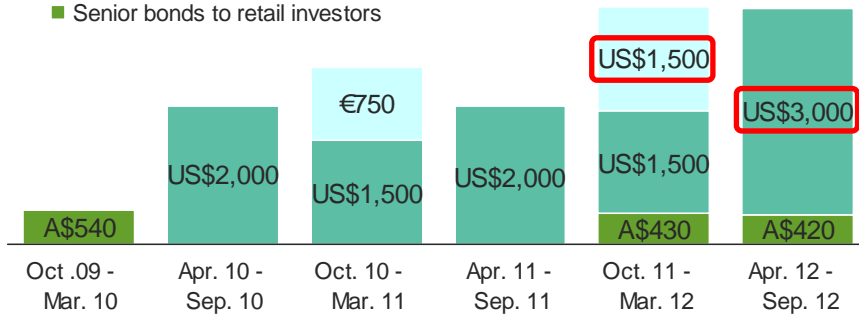
9. Foreign currency funding

Diversification of foreign-currency funding

- Issued foreign-currency denominated senior bonds to:
 - overseas institutional investors in Jul. 2012
 - domestic retail investors in Jun. 2012

Issue amount of foreign-currency denominated bonds (mn)

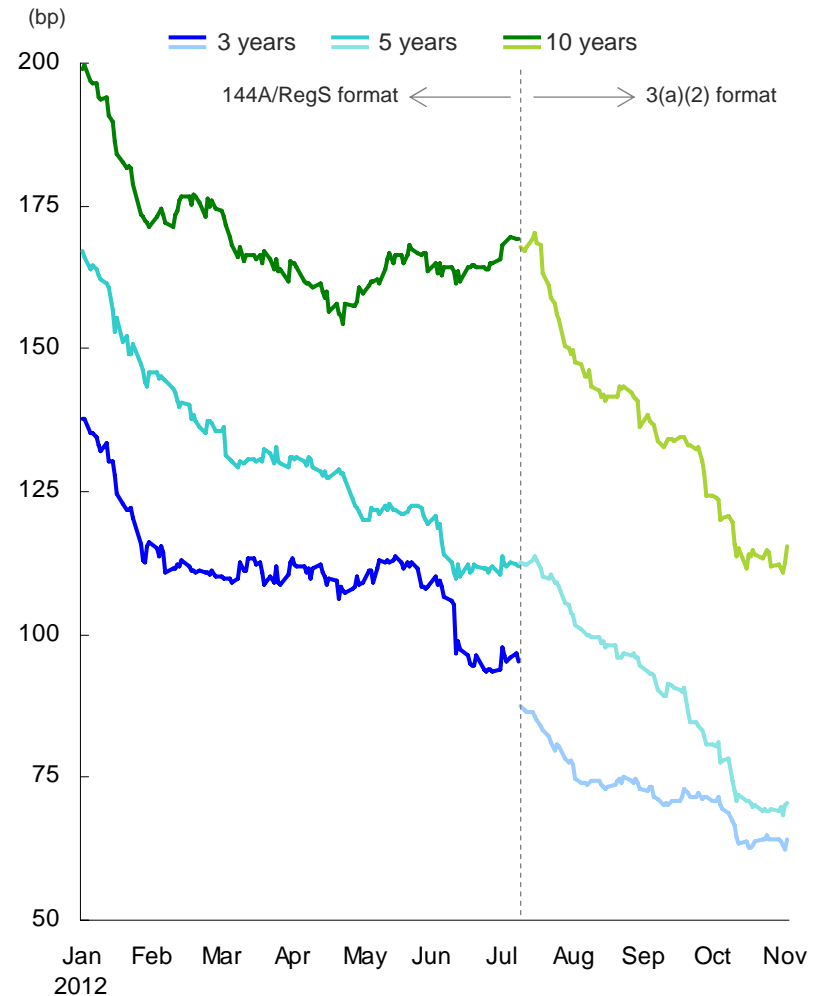
- Subordinated bonds to institutional investors
- Senior bonds to institutional investors
- Senior bonds to retail investors



Examples of USD senior bonds issuances by financial institutions

Maturity	Pricing date	Issuer	Issue amount (USD mn)	Coupon (%)	Spread (bp)	Credit ratings ^{*2}	
						Moody's	S&P
3 years	2012/6/19	National Bank of Canada	1,000	1.50	T+120	Aa2	A
	2012/6/20	Wells Fargo & Co	2,000	1.50	T+115	A2	A+
	2012/7/10	Sumitomo Mitsui Banking Corp	1,000	1.35	T+100	Aa3	A+
	2012/7/26	National Australia Bank Ltd (NY)	1,250	1.60	T+133	Aa2	AA-
	2012/7/26	ANZ National International Ltd (LDN)	750	1.85	T+158	Aa3	AA-
5 years	2012/7/31	Citigroup Inc	1,250	2.25	T+205	Baa2	A-
	2012/7/10	Sumitomo Mitsui Banking Corp	1,250	1.80	T+120	Aa3	A+
	2012/8/6	Westpac Banking Corp	1,250	2.00	T+138	Aa2	AA-
	2012/8/13	JPMorgan Chase & Co	2,500	2.00	T+135	A2	A
10 years	2012/6/29	Citigroup Inc	750	4.50	T+250	Baa2	A-
	2012/7/10	Sumitomo Mitsui Banking Corp	750	3.20	T+170	Aa3	A+
	2012/7/31	Citigroup Inc	500	4.50	T+235	Baa2	A-

Secondary spread of selected SMBC bonds*1



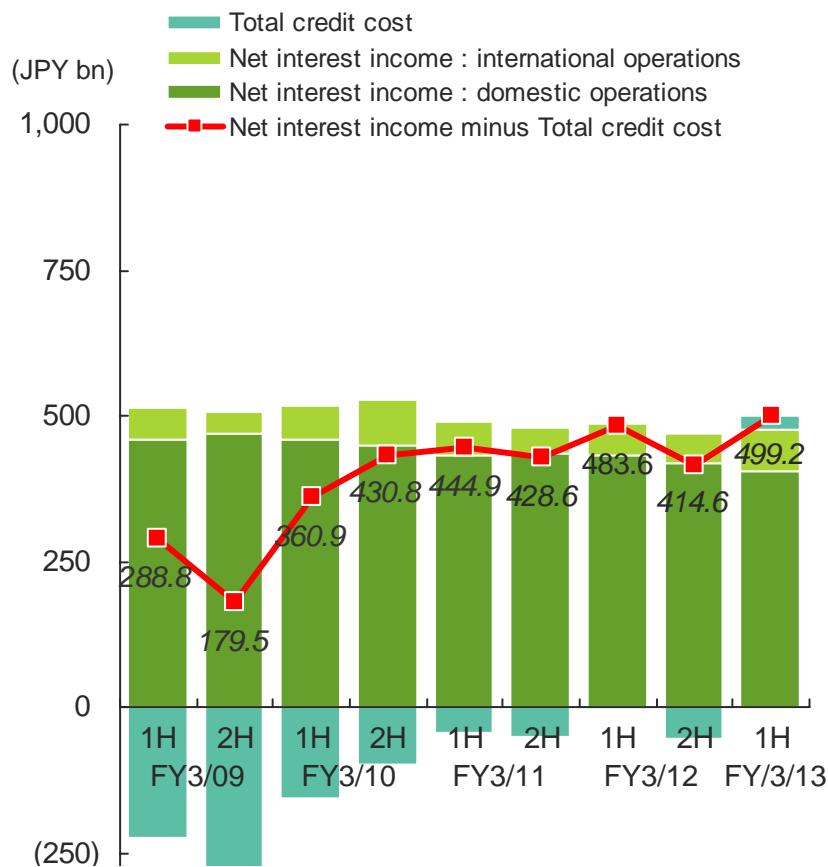
*1 Source: Bloomberg *2 Credit ratings at time of issuance

I. 1H, FY3/2013 performance

10. Discussion of domestic net interest income

SMBC non-consolidated

Net interest income and Total credit cost

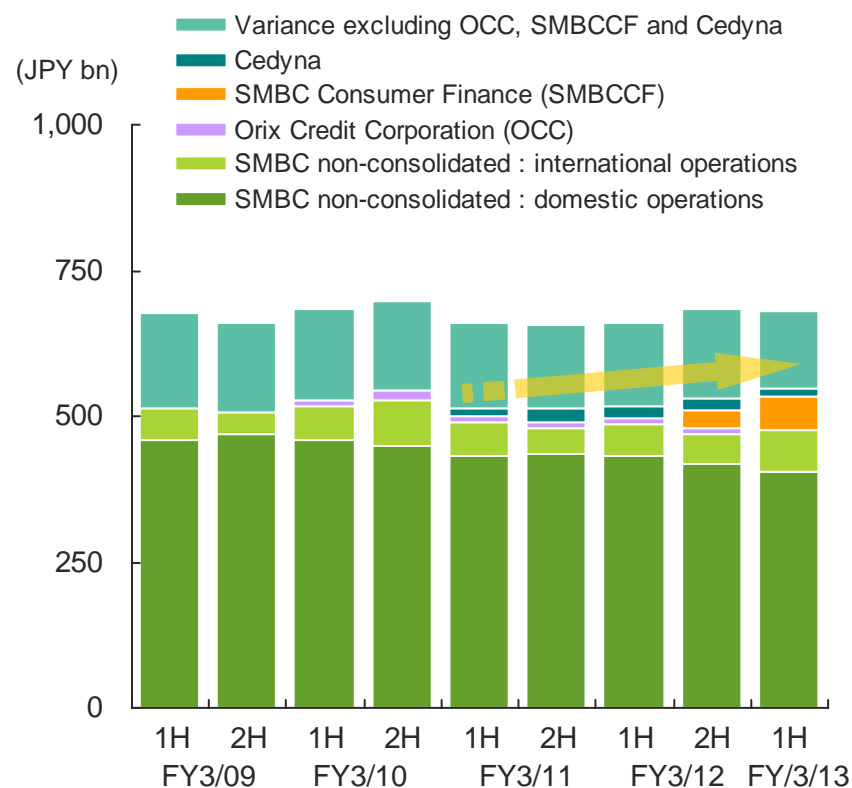


(JPY tn)

Origination amount of loan syndication	3.7	5.6	3.4	4.1	2.8	4.5	3.3	4.5	3.3
Domestic loan balance (period-end)	48.3	51.2	51.5	49.5	50.5	47.9	48.9	47.2	46.1

SMFG consolidated

Net interest income



I. 1H, FY3/2013 performance

11. Gains (losses) on bonds

SMBC non-consolidated

Gains (losses) on bonds

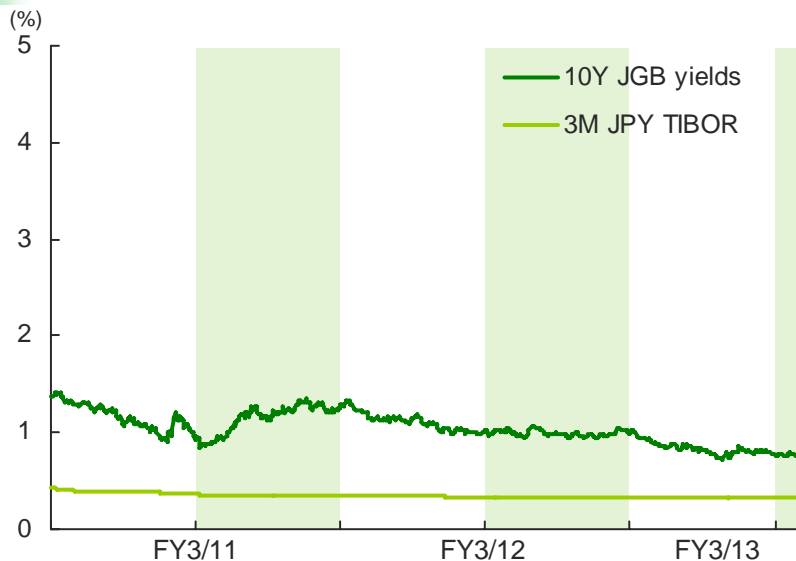
(JPY bn)	FY3/12	1H, FY3/13	YOY change
Gains (losses) on bonds	152.5	117.3	(7.1)
Domestic operations	23.2	30.9	+15.7
International operations	129.3	86.4	(22.8)

Gross banking profit of Treasury Unit

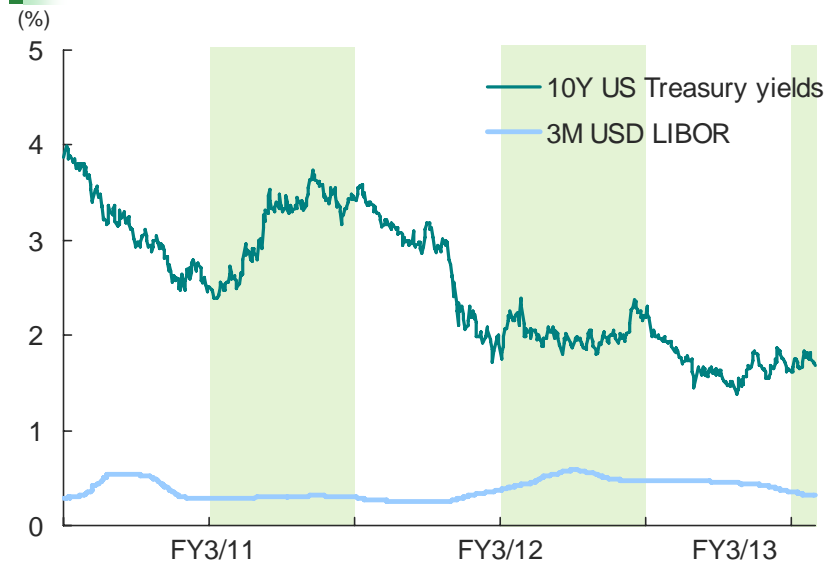
(JPY bn)	FY3/12	1H, FY3/13	YOY change
Gross banking profit of Treasury Unit	319.3	201.7	(25.6)

Market condition : interest rate of JPY and USD

JPY



USD



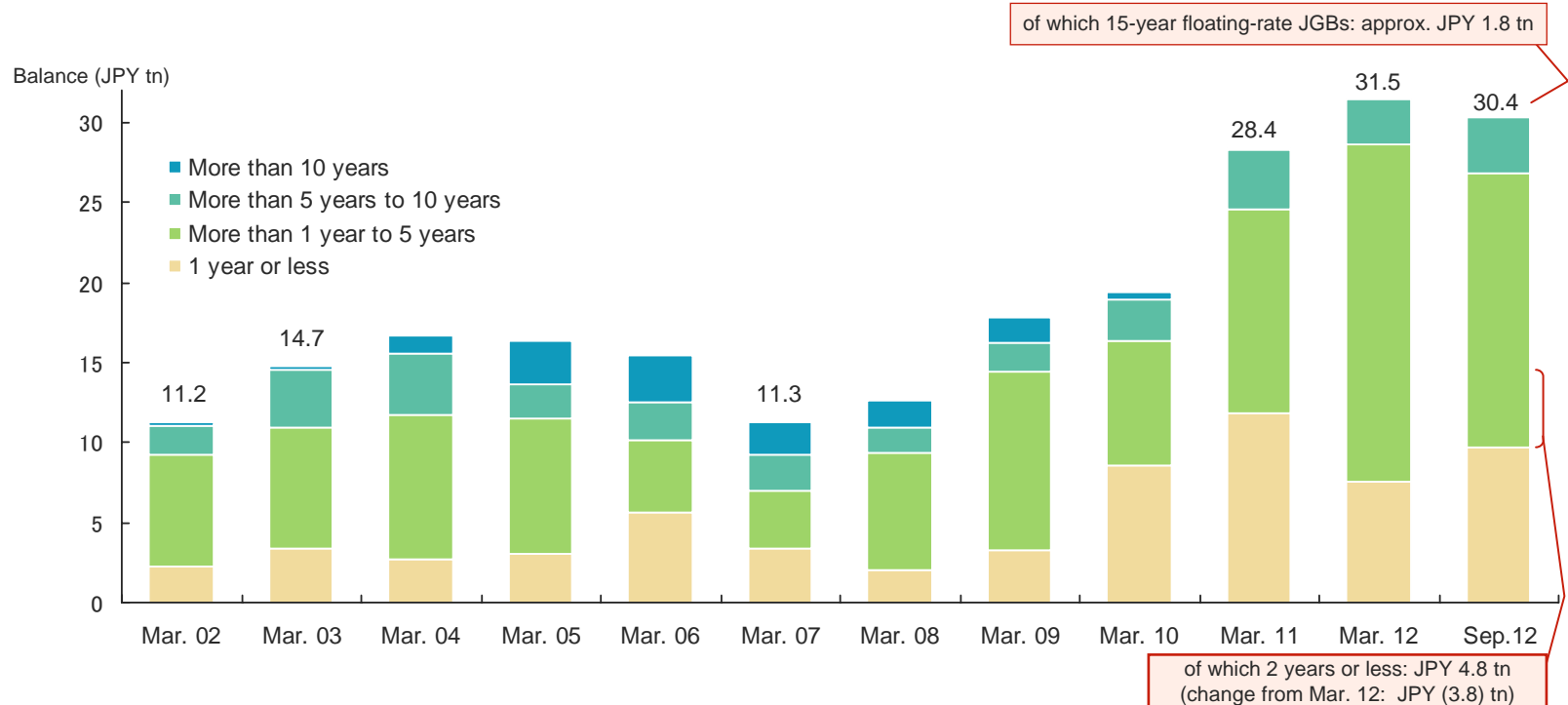
I. 1H, FY3/2013 performance

12. Bond portfolio

Yen bond portfolio

SMBC non-consolidated

(Total balance of bonds with maturities classified as "Other securities" and bonds of held-to-maturity; total of JGBs, Japanese local government bonds and Japanese corporate bonds)



Average duration (years)* ¹	2.7	3.6	3.4	2.3	1.5	1.7	2.4	1.8	1.1	1.4	1.9	2.1
Unrealized gains (losses) (JPY bn)* ²	37.6	108.7	(101.9)	7.7	(282.2)	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	104.3

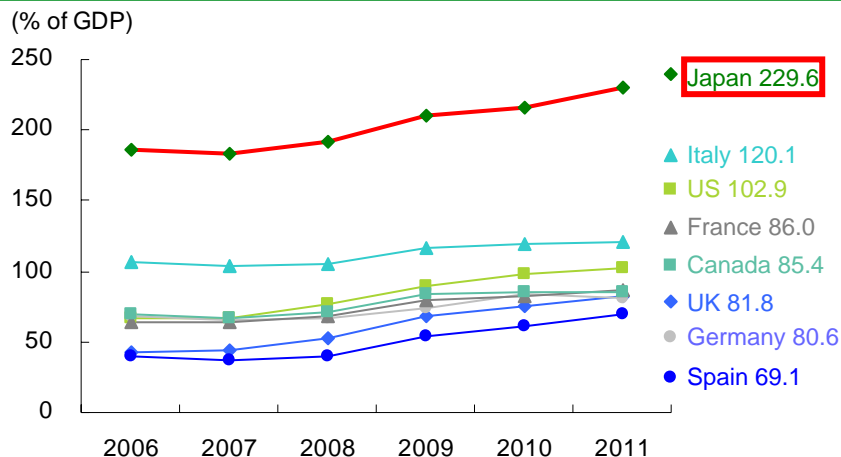
*1 Excluding bonds of held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 02 is for JGB portfolio

*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

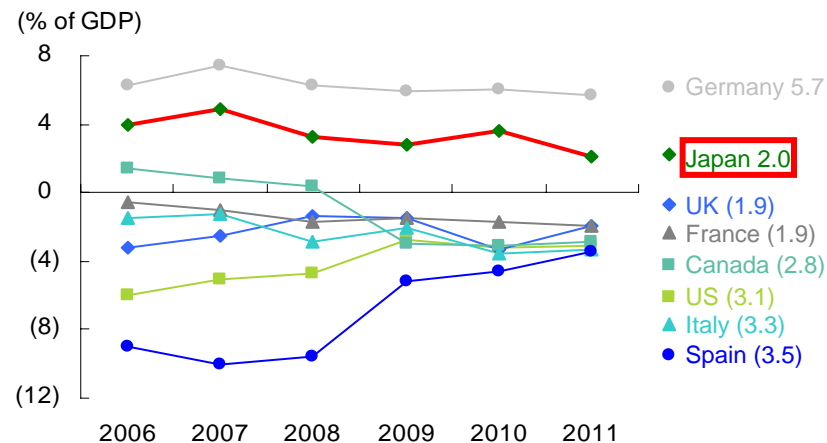
I. 1H, FY3/2013 performance

13. Discussion of JGB holding risks

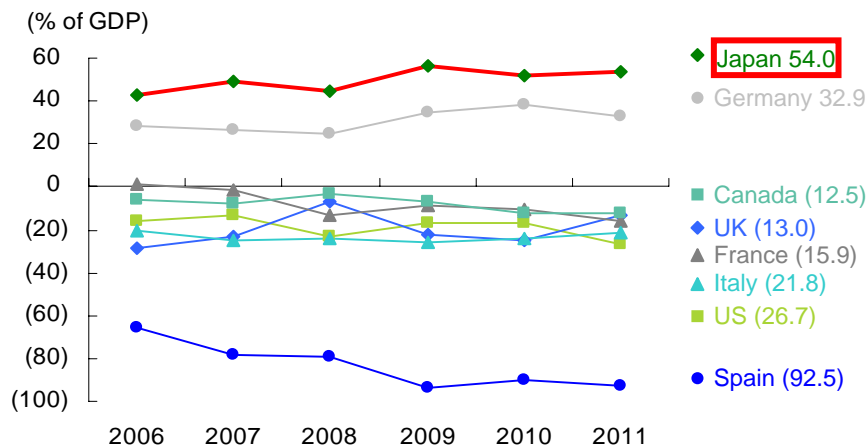
General government gross debt



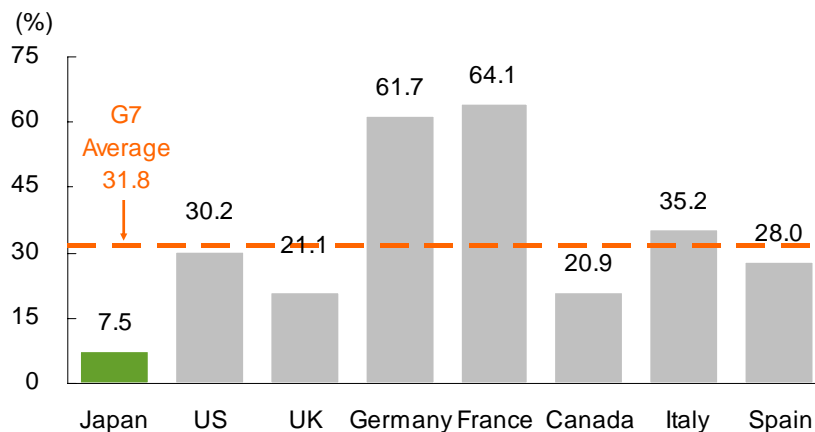
Current account balance



Net international investment position



Non-resident holding of general government debt, 2012



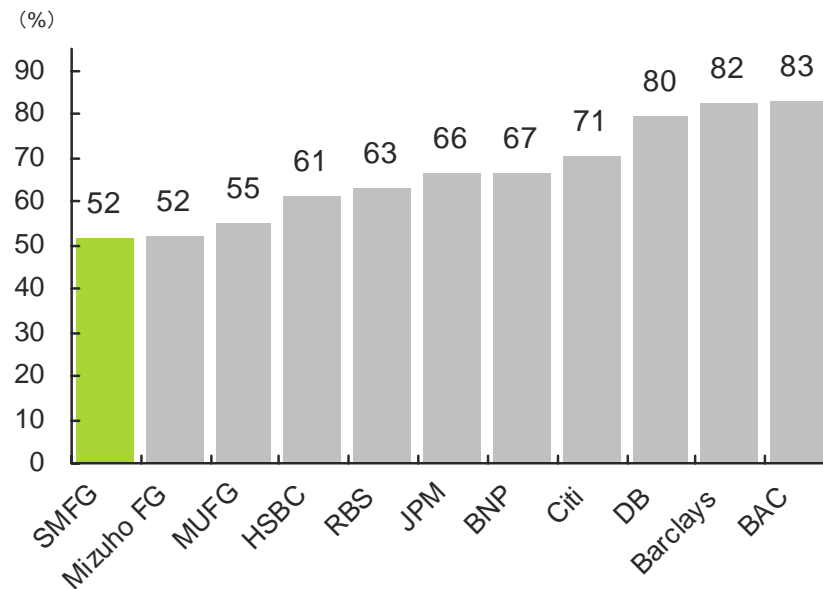
I. 1H, FY3/2013 performance

14. Expenses

Expenses*1

		FY3/12		FY3/13	
		1H		1H	forecast
		(JPY bn)			
SMBC non-consolidated	Expenses	(354.6)	(719.5)	(358.0)	(720.0)
	OHR	43.3%	46.9%	45.5%	48.3%
SMFG consolidated	Expenses*2	(677.4)	(1,388.4)	(709.7)	
	OHR	51.2%	53.5%	51.7%	

OHR on group consolidated basis*3



Fiscal 2012 30th Information Technology Award
by Japan Institute of Information Technology

IT Management Award



- Awarded for our initiatives towards strategic IT governance

*1 Excluding non-recurring losses *2 Consolidated G&A expenses net of SMBC's non-recurring losses

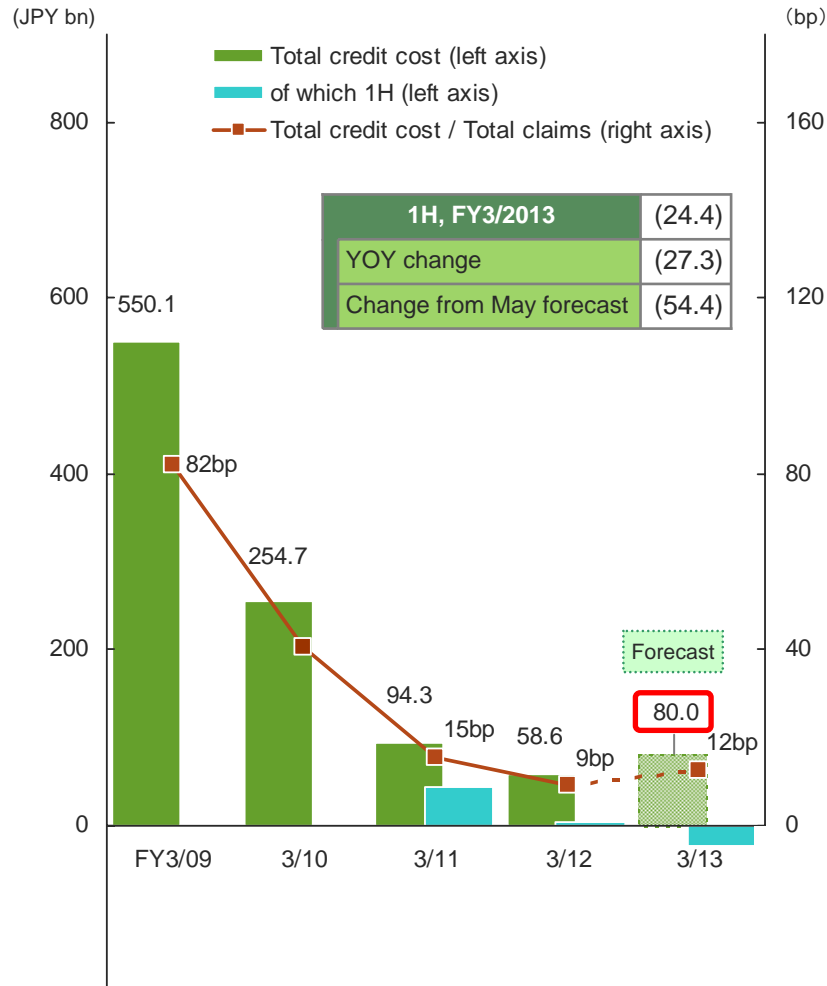
*3 Based on each company's disclosure. G&A expenses (for Japanese banks, excluding non-recurring losses) divided by top-line profit (net of insurance claims).

1H, FY3/2013 results for SMFG, MUFG and Mizuho FG, and 3Q, FY12/2012 results for others

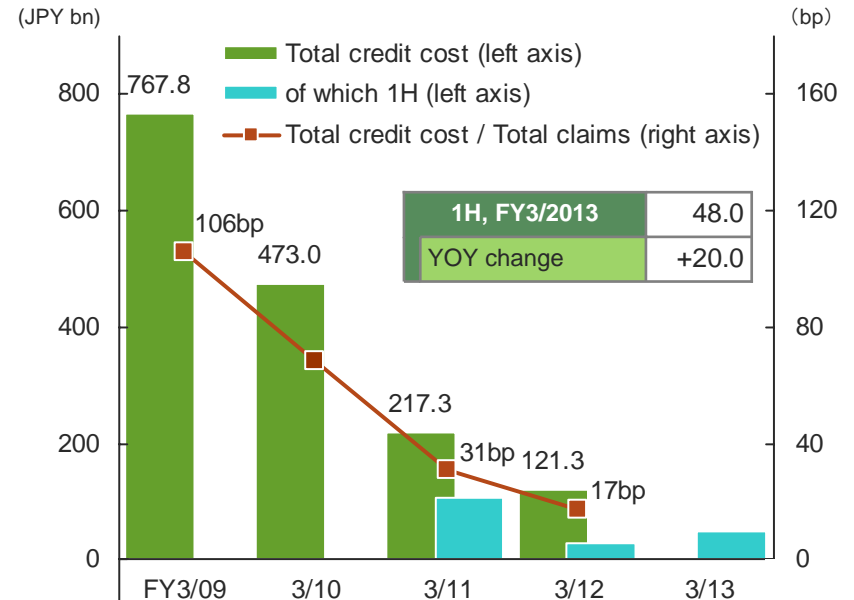
I. 1H, FY3/2013 performance

15. Credit costs

SMBC non-consolidated



SMFG consolidated



Major subsidiaries

	1H, FY3/2013	YOY Change
Variance with SMBC non-consolidated	72.4	+47.3
SMBC Consumer Finance*	20	+20
Cedyna	9	(5)
Kansai Urban Banking Corporation	7	(3)
MINATO BANK	3	+2

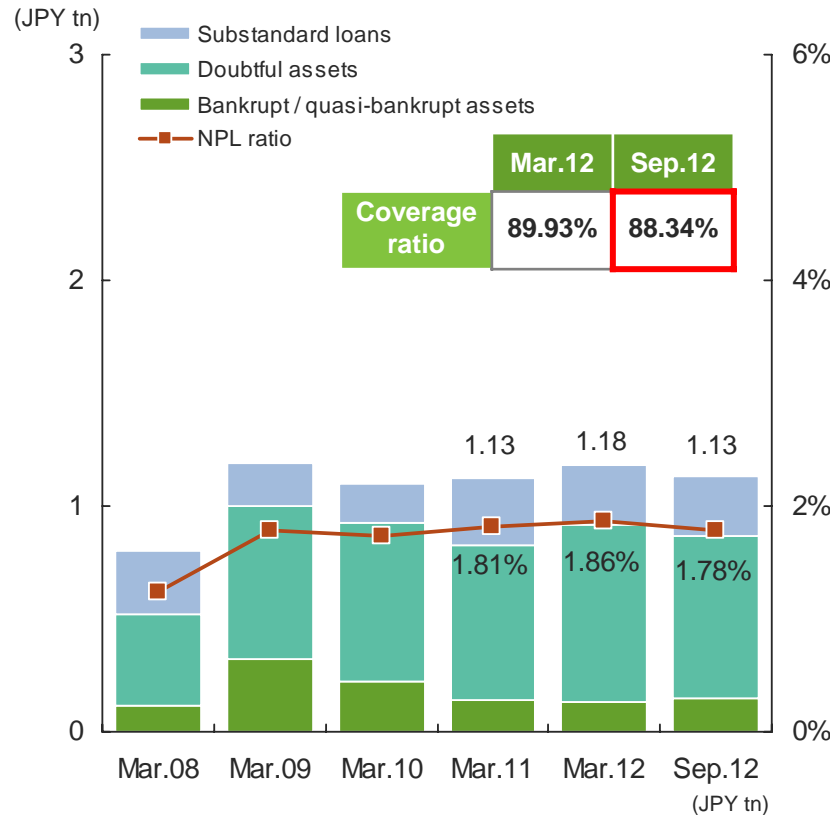
(JPY bn)

* Former Promise, which became subsidiary of SMFG in Dec. 2011.

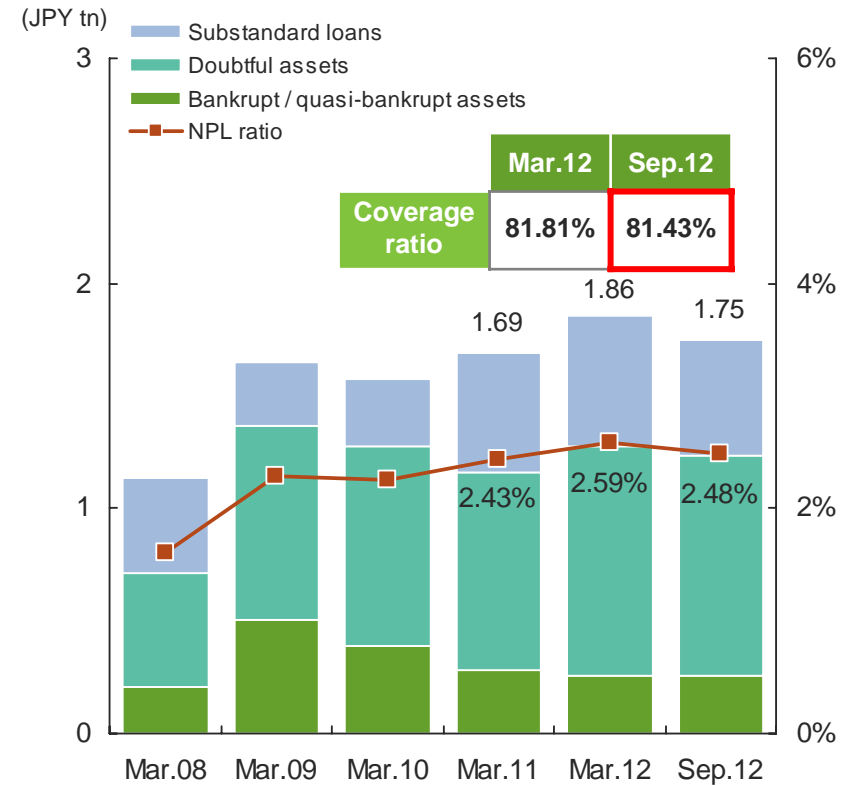
I. 1H, FY3/2013 performance

16. Non-performing loan balance and ratio

SMBC non-consolidated



SMFG consolidated



Claims to borrowers requiring caution*1	2.6	3.7	3.7	3.1	2.8	2.1
Total Claims	65	67	63	62	64	64

Impact of SME Financing Facilitation Act

Estimate of Increase in provisions*2	approx. 40
Estimate of decrease in NPL*2	approx. 25

*1 Excluding claims on Substandard borrowers

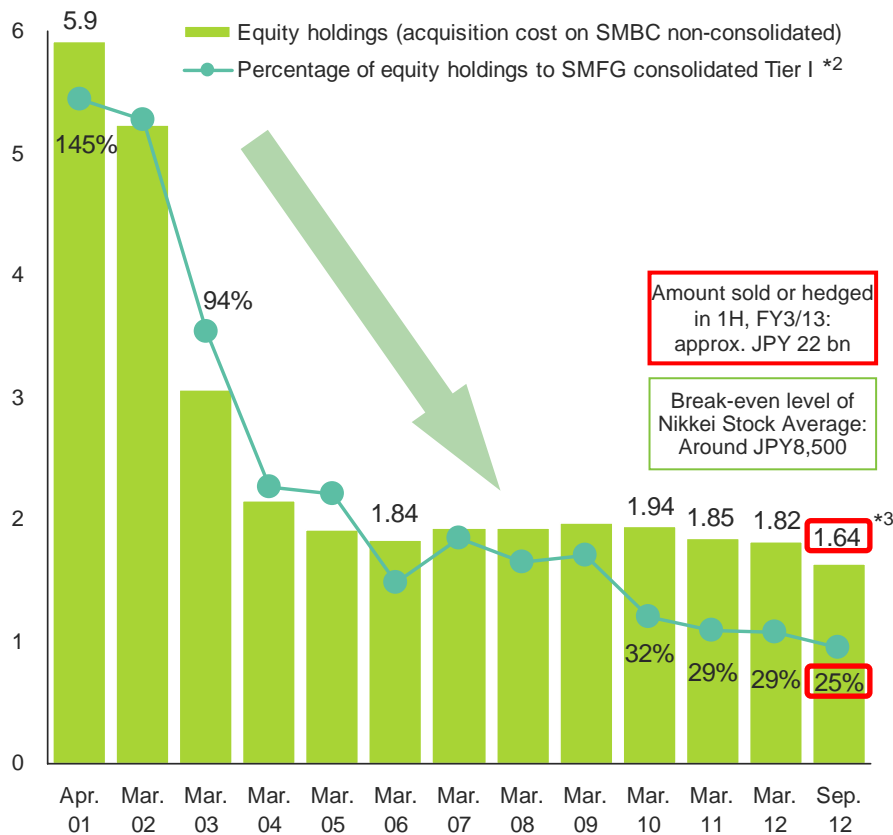
*2 Estimated by one rank downgrade of the classification of certain borrowers whose loans have been restructured. The scope of estimate has been broadened since Sep. 2012

I. 1H, FY3/2013 performance

17. Equity holdings

Balance of equity holdings*1

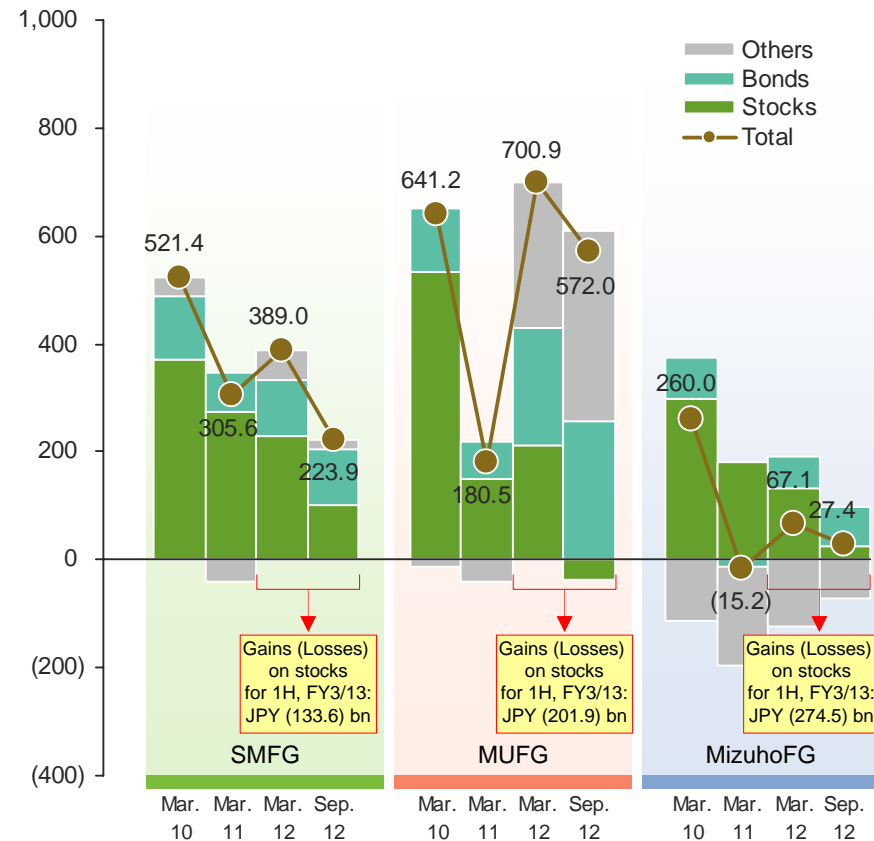
(JPY tn)



Reduce un-hedged equity to 25% of Tier I capital

Unrealized gains (losses) on Other securities*4

(JPY bn)



*1 Balance of domestic stocks classified as other securities with fair value *2 Until Mar. 02, percentage to SMBC consolidated Tier I

*3 Shares of SMFG related to share exchange for acquiring former Promise are excluded. Amount of un-hedged equity

*4 Based on each company's disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, sum of non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking for MUFG, and sum of non-consolidated figures of Mizuho Bank, Mizuho Corporate Bank and Mizuho Trust & Banking for Mizuho FG

I. 1H, FY3/2013 performance

18. Earnings forecast for FY3/2013

		(JPY bn)	FY3/12 results	1H results	FY3/13 forecast <as of Nov. 2012>	Change from May forecast	YOY change
SMBC non-consolidated	Gross banking profit	1,532.5	786.7	1,490.0	+20.0	(42.5)	
	Expenses*1	(719.5)	(358.0)	(720.0)	-	(0.5)	
	<OHR>	46.9%	45.5%	48.3%	(0.7)%	+1.4%	
	Banking profit*2	813.0	428.7	770.0	+20.0	(43.0)	
	Total credit cost	(58.6)	24.4	(80.0)	+20.0	(21.4)	
	Gains (losses) on stocks	(15.2)	(133.6)				
	Ordinary profit	695.3	274.5	490.0	(110.0)	(205.3)	
	Net income	478.0	239.7	400.0	+20.0	(78.0)	
SMFG consolidated	Ordinary profit	935.6	468.2	830.0	(80.0)	(105.6)	
	Variance with SMBC non-consolidated	240.3	193.7	340.0	+30.0	+99.7	
	Net income	518.5	331.0	540.0	+60.0	+21.5	
	Variance with SMBC non-consolidated	40.5	91.3	140.0	+40.0	+99.5	

Assumption of earnings forecast*3

		May 2012 forecast	Nov. 2012 forecast
3M TIBOR		0.33%	0.33%
FF target rate		0.00~ 0.25%	0.00~ 0.25%
Exchange rate	(JPY/USD)	80	80
	(JPY/EUR)	100	100

Per share information (common stock)

(JPY/share)	FY3/13 forecast <as of Nov. 2012>	Change from May forecast
Net income (consolidated)	398.84	+44.32
Annual dividend	100	-

*1 Excluding non-recurring losses *2 Before provision for general reserve for possible loan losses

*3 Nikkei stock average: JPY10,083.56 as of March 30, 2012 and JPY8,870.16 as of Sep. 28, 2012.

Nominal GDP growth rate: FY3/2012 result was (2.0)%; FY3/2013 forecast which was estimated by Japan Research Institute was +0.8% as of May 15, 2012 and (0.1)% as of Nov. 14, 2012

II. Progress of the medium-term management plan

1. Update on the strategic initiatives

Strategic business areas		Business strategies		
		Development of international business	Synergies between SMBC and SMBC Nikko	Others
1	Financial consulting for retail customers	<ul style="list-style-type: none"> Continued providing assistance on retail business to Vietnam Eximbank Conducted a study on launching wealth management business in overseas markets 	<ul style="list-style-type: none"> Strengthened cooperation between SMBC and SMBC Nikko in securities intermediary business Released an on-line account linkage service called "Bank and Trade" 	<ul style="list-style-type: none"> Strengthen businesses with business owners and land owners Enhanced consumer finance business through initiatives, including making SMBC Consumer Finance (former Promise) a wholly owned subsidiary
2	Tailor-made solutions for corporate clients	<ul style="list-style-type: none"> Restructured business promotion platform for Japanese corporations in Greater China Area Extended business promotion platform for multinational corporations in Asia Pacific 	<ul style="list-style-type: none"> Expanded coverage and capabilities of wholesale investment banking business of SMBC Nikko 	<ul style="list-style-type: none"> Introduced a loan product which links the terms and conditions with an assessment of the borrower's level of preparedness in environmental, BCP and other matters
3	Commercial banking in emerging markets, especially Asia	<ul style="list-style-type: none"> Expanded network in emerging markets, allocating capital and human resources aggressively Established Global Korea Corporate Banking Dept. Further promoted trade finance and infrastructure finance 	<ul style="list-style-type: none"> Enhanced collaboration between SMBC and SMBC Nikko overseas 	<ul style="list-style-type: none"> Acquired aircraft leasing business from The RBS Group
4	Broker-dealer/ investment banking	<ul style="list-style-type: none"> Enhanced capability for handling cross-border M&A and other advisory services through business and capital alliance with Moelis & Company Established platform for handling global offerings by Japanese corporations 	<ul style="list-style-type: none"> Developed full-line wholesale investment banking capabilities of SMBC Nikko 	<ul style="list-style-type: none"> Reinforced internal management system
5	Non-asset businesses (payment & settlement services and asset management)	<ul style="list-style-type: none"> Expanded transaction services business for Japanese corporations Increased collaboration with overseas alliance partners in asset management business 	<ul style="list-style-type: none"> Collaboration between SMBC and SMBC Nikko in trust business 	<ul style="list-style-type: none"> Collaboration in asset management business between our group companies

II. Progress of the medium-term management plan

2. Update on the financial targets

- We are achieving the financial targets of our medium-term management plan ahead of schedule

Core Tier I ratio (pro forma)	Mar. 2011	Sep. 2012	Mar. 2014 Target
Basel III fully loaded basis	above 6%	around 7.5%	8%
Basel III transitional basis	above 8%	around 9.5%	

	FY3/2011	1H, FY3/2013	FY3/2014 Targets
Consolidated net income RORA	0.8%	1.2%* ²	0.8%
Consolidated ROE	10.4%	12.8%* ²	
Consolidated overhead ratio	52.5%	51.7%	50% - 55%
SMBC non-consolidated overhead ratio	45.6%	45.5%	45% - 50%
Overseas banking profit ratio* ¹	23.3%	30.7%	30%

*1 Based on the medium-term management plan assumed exchange rate of 1USD=JPY85 for FY3/2012 to FY3/2014

*2 Annualized

II. Progress of the medium-term management plan

3. Capital policy and return to shareholders

Capital policy

Common equity Tier 1 capital (Core Tier I capital*1)

- Aim for Core Tier I ratio of 8% at March 2014 by accumulating earnings
- Estimates increase of risk-weighted assets by 10% from Basel III implementation

Additional Tier 1 capital

- Sufficient amount of preferred securities to be grandfathered beyond introduction of Basel III
- No need for issuance of "new-style" Tier I securities for a while

Tier 2 capital

- Sufficient amount of sub debt to be grandfathered
- Also able to issue "old-style" sub debt*2 in FY3/2013

Treasury stock (SMFG shares)

- Held by SMFG: 3.8 million shares*3
- Held by SMBC: 56.2 million shares*3

Return to shareholders

- Dividends per share planned at JPY 100 in FY3/2013
- Above 20% consolidated payout ratio (FY3/2012: 26.8%, FY3/2013 estimate: 26.1%)

	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13 forecast
Dividend per share (JPY)*4,5	120	90	100	100	100	100
Consolidated payout ratio*4	20.5%	-	46.8%	30.0%	26.8%	26.1%
BPS (JPY, period-end)*5	4,245.46	2,790.27	3,391.75	3,533.47	3,856.37	
ROE*6	12.3%	-	7.5%	9.9%	10.4%	

Preferred securities which become callable in FY3/14

	Issue date	Aggregate issue amount	Dividend rate*7	First call date*8	Type
SMFG Preferred Capital USD 2 Limited	May 2008	USD 1,800 mn	8.75%	Jul. 2013	Non step-up
SMFG Preferred Capital JPY 2 Limited					
Series D	Dec. 2008	JPY 145.2 bn	4.76%	Jan. 2014	Non step-up
Series G	Jan. 2009	JPY 125.7 bn	4.65%	Jan. 2014	Non step-up

*1 Common Equity Tier 1 Capital under Basel III *2 Subordinated debt issued based on Basel II to be grandfathered beyond introduction of Basel III, such as those in bullet format, and in callable format without step-up clause and redeemable 5 years after issuance *3 Reflecting impact of 100% acquisition of Promise on April 1, 2012 *4 Common stock only

*5 SMFG implemented a 100 for 1 stock split of common stock on January 4, 2009. Figures shown above reflect the stock split, assuming that it had been implemented at the beginning of FY3/08

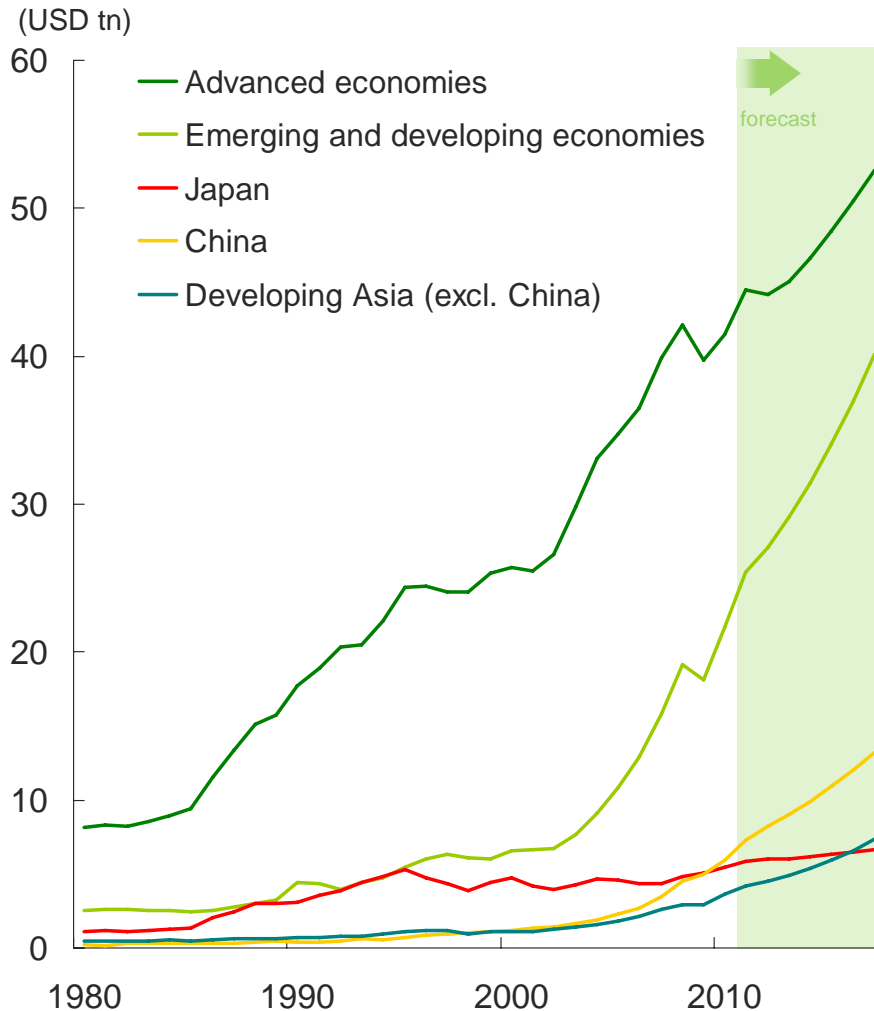
*6 On a stockholders equity basis *7 For SMFG Preferred Capital JPY 2 Limited only, floating rate after the first call date

*8 Callable at any dividend payment date on and after the first call date, subject to the prior approval of the FSA

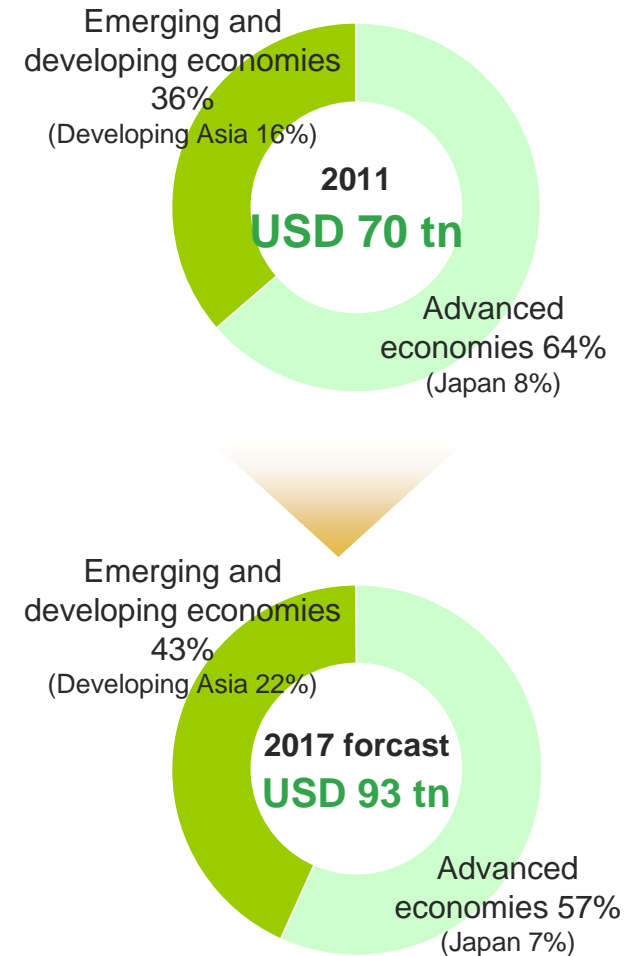
II. Progress of the medium-term management plan

4. Operating environment

Nominal GDP of world's economies*



Breakdown of world nominal GDP*



* Source: IMF "World Economic Outlook" (Oct. 2012). World: 186 countries, Advanced economies: 35 countries, Emerging and developing economies: 151 countries, Developing Asia (excl. China): 26 countries

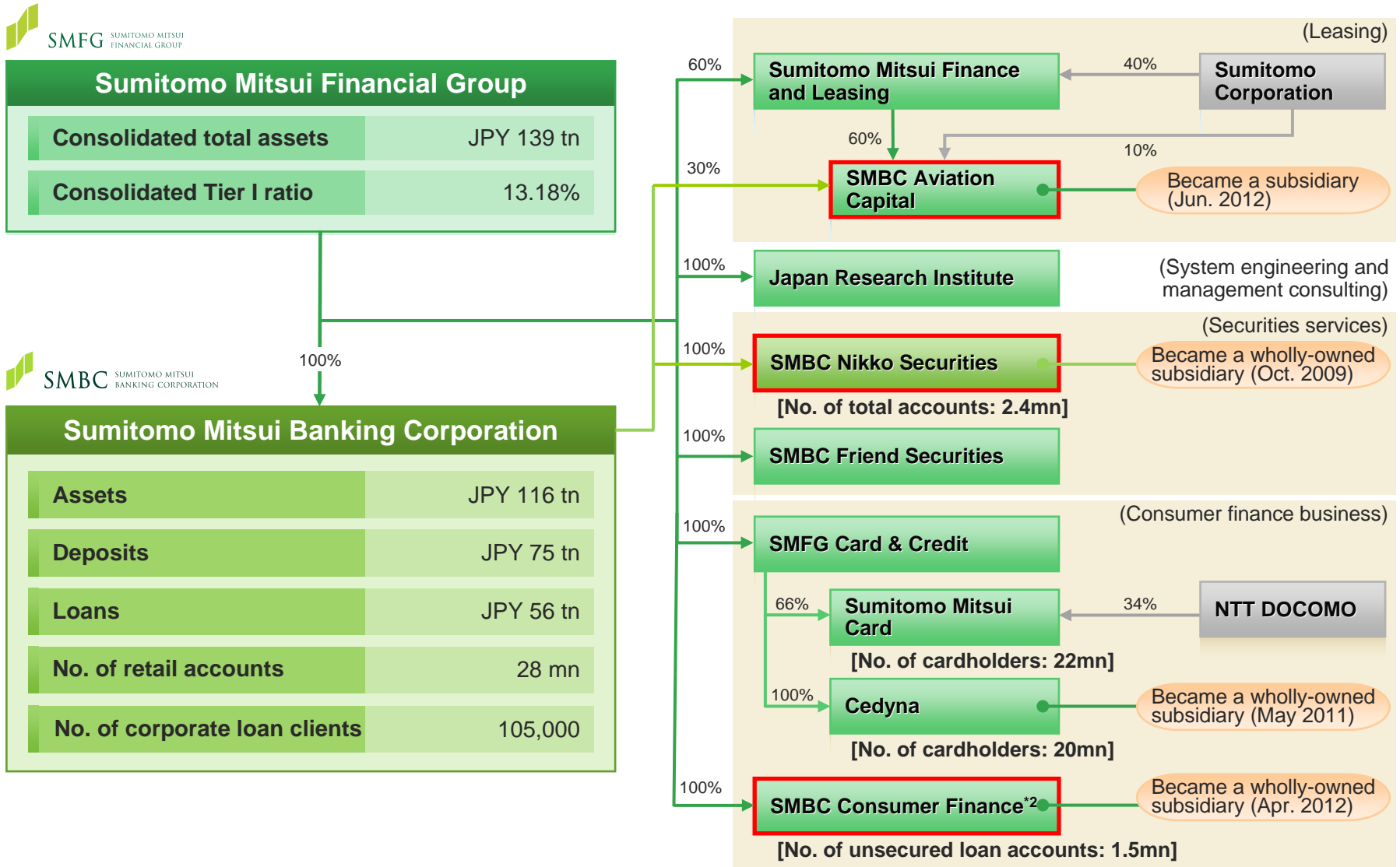
II. Progress of the medium-term management plan

5. Investment criteria

- 1 Fits our Group strategy and associated risks are controllable**
- 2 Delivers sufficient investment returns; achieves 0.8% Net income RORA**
- 3 Contributes to strengthen our client service**
- 4 Foreign currency funding is secured to accommodate the deal**

III. Group strategy

1. Group structure*1



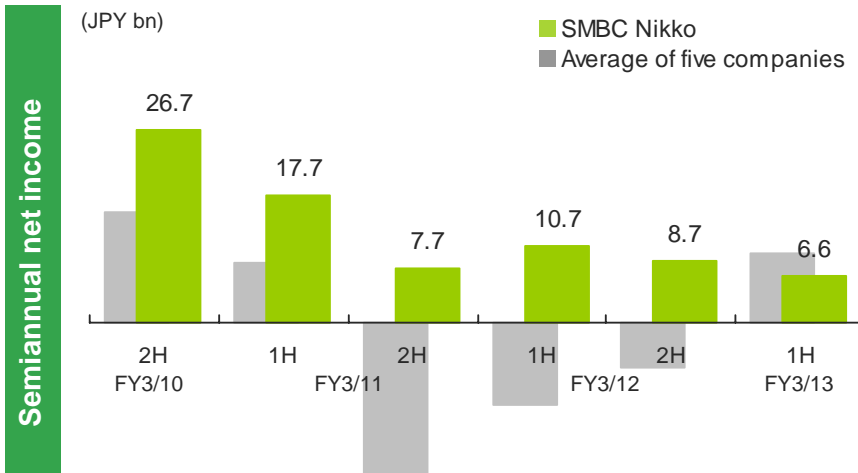
*1 As of Sep. 30, 2012 *2 Renamed to SMBC Consumer Finance from Promise on July 1, 2012

III. Group strategy

2. SMBC Nikko Securities (1) Post acquisition review

- Established global platform as a full-line securities company and cooperation framework between SMBC and SMBC Nikko
 - ✓ In retail, securities intermediary business is expanding faster than planned
 - ✓ In wholesale, bond trading is strong. Ability to handle global offerings and cross-border M&A enhanced by growing global network and an alliance with Moelis & Co.
- Performed relatively well despite the difficult business environment. Capable of making sustainable profits notwithstanding ongoing investment in the business
- Creation of unique SMFG business model based on sophisticated cooperative measures between SMBC and SMBC Nikko is ongoing and to be developed further (SMBC Nikko was acquired in Oct. 2009 at a cost of JPY 545 bn)

Peer comparison*



* Based on each company's financial statements. The figures for average of five companies is average of consolidated figures of SMBC Nikko, Nomura Holdings (US GAAP, Net income attributable to its shareholders), Daiwa Securities Group, Mizuho Securities and Mitsubishi UFJ Securities Holdings

SMBC Nikko's medium-term management plan (Announced in March 2010)

- Future prospect (in 10 years) :
"Becoming the No.1 comprehensive securities company in Japan which is excellent both in quality and quantity and globally competitive"
- Basic policy in the medium-term management plan :
Aiming at becoming a comprehensive securities company that can offer full-line services to customers and obtain their utmost confidence. 1) Sustainable expansion of existing business centering on retail business, 2) Creation of new business centering on the wholesale business, 3) Improvement of organizational structure to establish risk management and compliance systems
- FY3/13 plan :
Net operating revenue: JPY300bn, Ordinary profit: 100bn
*(Assumptions) Nikkei stock average: JPY13,000,
10yr JGB: 1.6%, JPY99/USD, JPY143/EUR, JPY98/AUD

III. Group strategy

2. SMBC Nikko Securities (2) 1H, FY3/2013 results

SMBC Nikko's financial performance (consolidated basis)

(JPY bn)	1H	FY3/12	1H, FY3/13	YOY Change
Net operating revenue	112.5	228.8	108.5	(4.0)
SG&A expenses	(91.0)	(185.1)	(91.8)	(0.8)
Ordinary profit	21.8	44.5	17.3	(4.5)
Net income*	10.7	19.4	6.6	(4.1)

Wholesale business achievements

- Commenced Japanese stock brokerage and M&A advisory business in Singapore in Oct. 2012
- Reconfigured internal control system

Retail business achievements

- Top seller of Reconstruction Bonds / Reconstruction Supporters' Bonds to retail investors during Jan. - Oct. 2012; sold JPY 355.8 bn or 41% of issue amount
- Launch value of Nikko JF Asia Discovery Fund, JPY 131.3 bn, was the largest among all domestic funds launched since Sep. 2008
- Launch value of Nikko Gravity Fund was the largest among domestic funds in September and 6th largest in 1H, FY3/2013
- Received call center quality, strategy and operational awards
 - Obtained certifications of "COPC@CSP Standards" for the fifth consecutive year (Sep. 2012)
 - Won first prize at "Best Contact Center of The Year 2012" awards organized by the Japan institute of information technology (Sep. 2012). First time a financial institution received the prize for three consecutive years
 - Won silver medal in the Best Outbound Campaign category of "The 2012 Contact Center World Awards" APAC region. First domestic financial institution to win 2 years in a row (Jul. 2012)
- SMBC and SMBC Nikko released an on-line account linkage service called "Bank and Trade" on Oct. 15, 2012
- Launched testamentary trust agency business in Nov. 2012
- Reconfigured internal control system

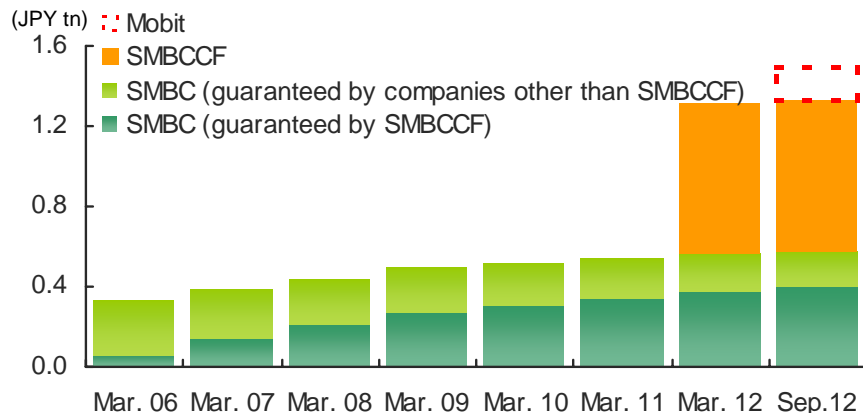
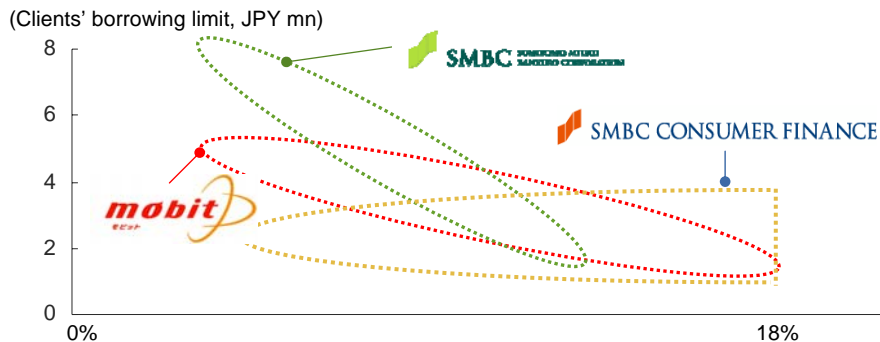
* of which JPY(4.8) bn resulted from changes in corporate tax rate in FY3/2012

III. Group strategy

3. SMBC Consumer Finance (1) Group strategy

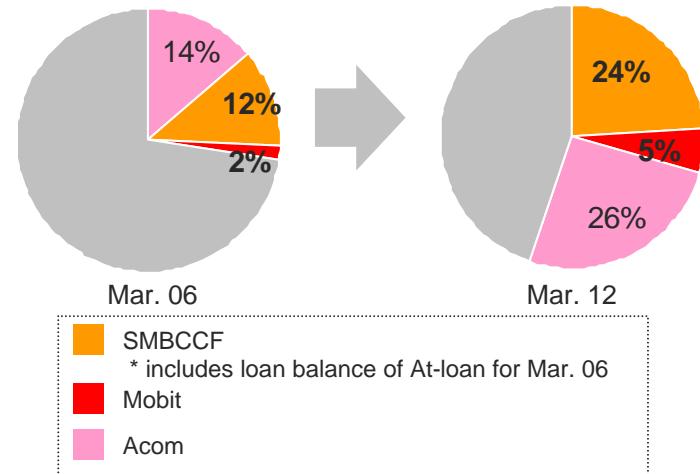
Reorganization of SMFG's consumer finance business

- SMFG made Promise a wholly owned subsidiary in Apr. 2012. Former Promise was renamed SMBC Consumer Finance (SMBCCF) in Jul. 2012
- SMBC sold its share in ORIX Credit to ORIX in Jun. 2012
- In Sep. 2012, SMBCCF agreed with Bank of Tokyo-Mitsubishi UFJ to dissolve the Mobit Co., Ltd. joint venture and SMBCCF will acquire Mobit's loan business in or around Oct. 2013



* Source: FSA, each company's financial statement

Market share of SMBCCF*



Four advantages of joining SMFG Group for SMBCCF

- 1 Expansion of potential customers by sharing customer base with group companies
- 2 Expected growth in the guarantee business. Become a frontrunner for the group's international business expansion
- 3 Stabilization of funding
- 4 Improvement in employee morale

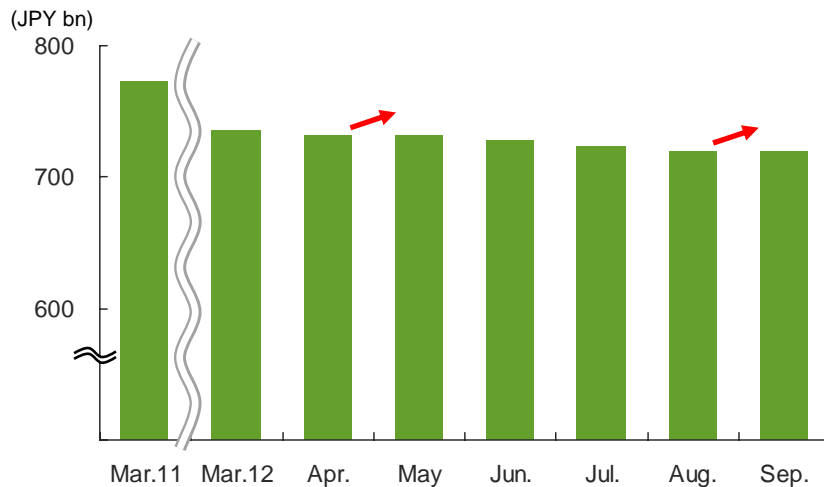
III. Group strategy

3. SMBC Consumer Finance (2) 1H, FY3/2013 performance

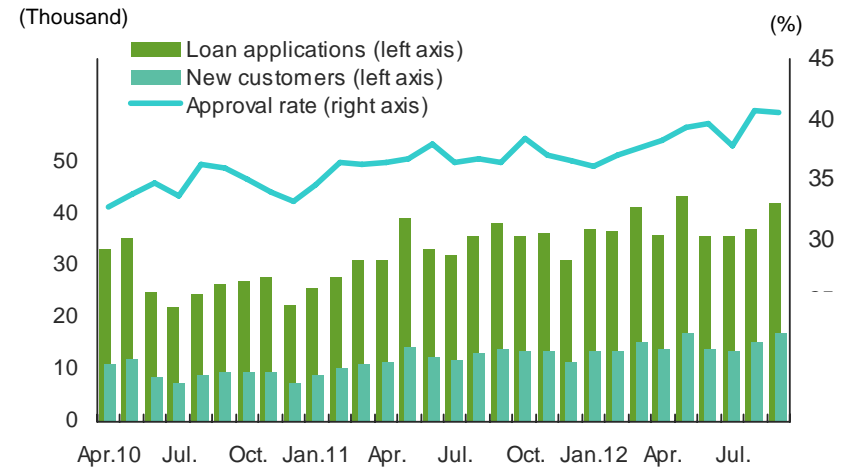
Financial performance, SMBCCF consolidated

(JPY bn)				
	1H	FY3/12	1H, FY3/13	YOY change
Operating income	100.4	196.2	93.4	(7.0)
Ordinary profit*1	(205.7)	(155.5)	32.0	+237.7
Net income*1	(208.6)	(169.6)	30.6	+239.2
Consumer loans outstanding	801.3	759.3	746.4	

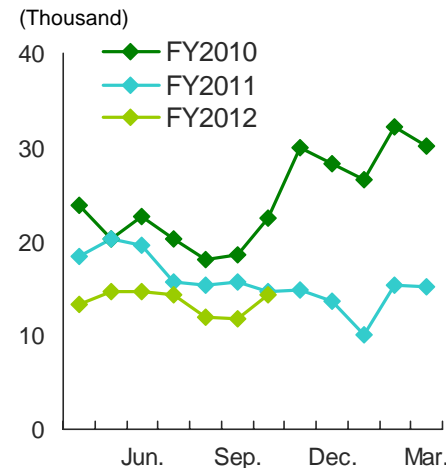
Consumer loans outstanding*2



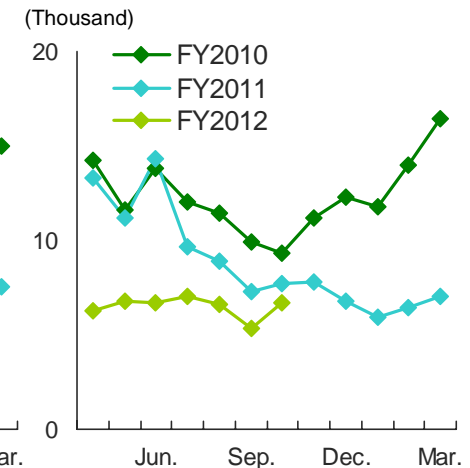
Loan applications, new customers and approval rate*2



No. of transaction-record disclosure requests*2, 3



No. of interest refund claims*2, 3



*1 In 1H, FY3/2012, implemented an additional provision of the interest refund-related allowance to sufficiently prepare for the interest refund claims *2 SMBCCF non-consolidated basis

*3 Sum of former Promise and former SANYO Shinpan until Sep. 2010

III. Group strategy

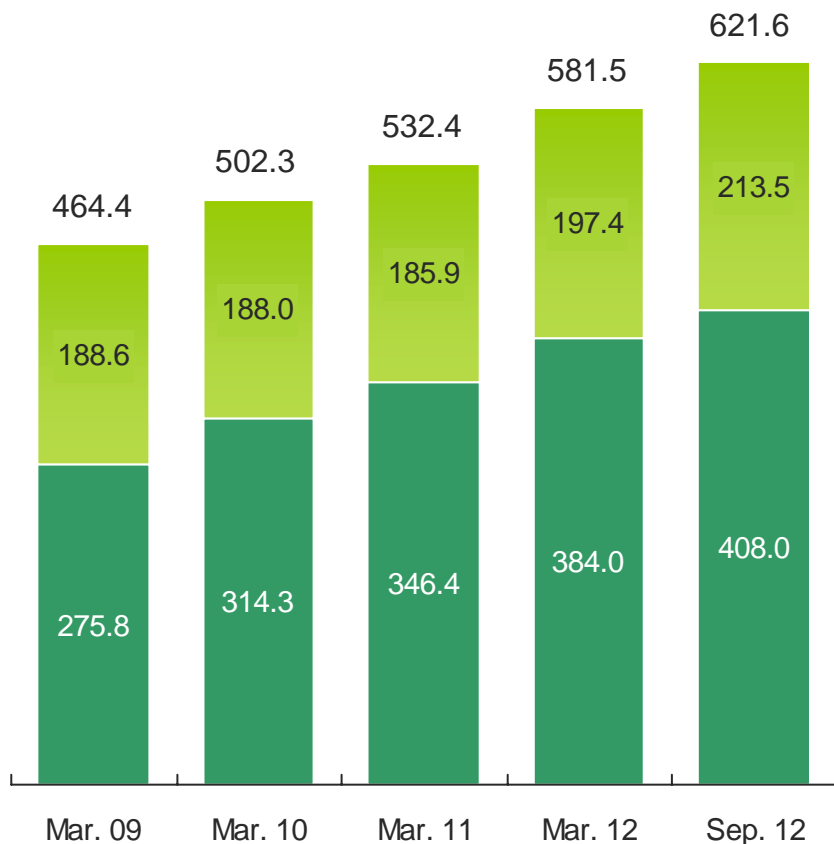
3. SMBC Consumer Finance (3) Loan guarantee and Overseas business

Loan guarantee business

Guaranteed loans outstanding (JPY bn)

* Number of companies with guarantee agreements: 183

- Regional financial institutions, etc.
- SMBC

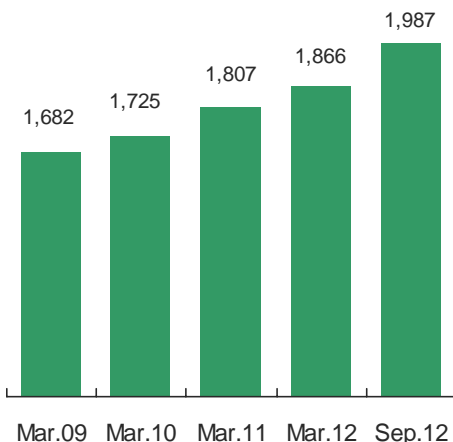


Overseas business

Overseas loans outstanding as of Sep. 12*¹ (JPY bn)

Hong Kong	19.89
Thailand	4.42
Shenzhen	2.31
Shenyang	0.37

Loans outstanding (HKD mn)



Financial performance of Promise (Hong Kong)*²

(JPY bn)	FY3/11	FY3/12 (15-month period)	1H, FY3/13
Operating income	7.4	8.9	3.7
Ordinary Profit	4.2	5.2	1.9
Net income	3.4	4.3	1.6

*1 Local currencies converted into JPY *2 Figures before consolidation adjustments. Local currencies converted into JPY. FY3/12 was an irregular 15-month period due to a change in fiscal year-end

III. Group strategy

4. SMBC Aviation Capital (1) 1H, FY3/2013 performance and ranking

1H, FY3/2013 performance

- Commenced operation as “SMBC Aviation Capital” on June 1, 2012
- Launched plans to merge SMFL Aircraft Capital Corporation B.V. (Netherlands), SMFL Aircraft Capital Japan Co., Ltd. (Japan) and Sumisho Aircraft Asset Management B.V. (Netherlands) into SMBC Aviation Capital in October 2012

Key financial information during Jun. - Sep. 2012

(USD mn)

Total Revenue ^{*1}	230
Net Income ^{*2}	60

Aircraft Assets	7,200
Net Assets	1,012

Business model

- Capitalize on buying power as the third largest lessor in the industry
- Refinanced approx. USD 3 bn of existing debt by loan from the Japan Bank for International Cooperation to reduce interest expenses
- Control profit volatility through a “Buy and sell” business model

Ranking after acquisition^{*3}

	Leasing Company	Nationality	No. of Aircraft
1	GECAS	U.S.	1,755
2	ILFC	U.S.	1,031
	former RBS AC + SMFG/SC Group^{*4}		335
3	BBAM	U.S.	327
4	AerCap	Netherlands	326
5	CIT Aerospace	U.S.	263
6	former RBS AC	Ireland	246
	:		
17	SMFG/SC Group ^{*4}	Netherlands	89

^{*1} Leasing revenue + gains (losses) of sales of aircraft ^{*2} Net income of SMBC Aviation capital, 66% of which contributed to SMFG consolidate net income ^{*3} As of Dec 31, 2011 (Source: Ascend)

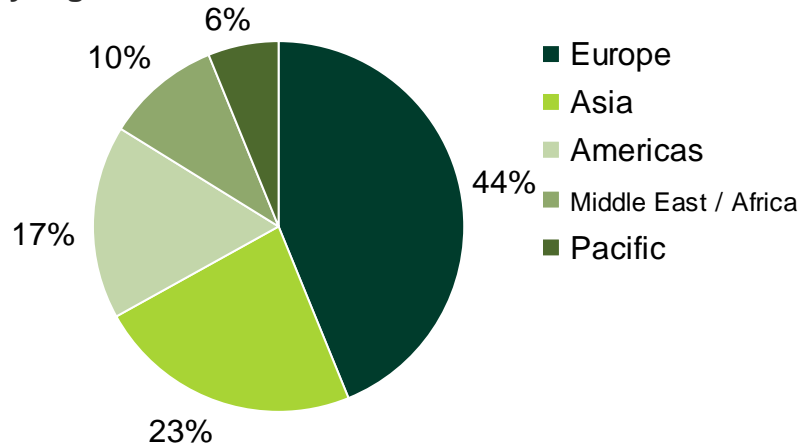
^{*4} Aggregate of SMFL Aircraft Capital Corporation B.V., a subsidiary of Sumitomo Mitsui Finance and Leasing, and Sumisho Aircraft Asset Management B.V., a subsidiary of Sumitomo Corporation

III. Group strategy

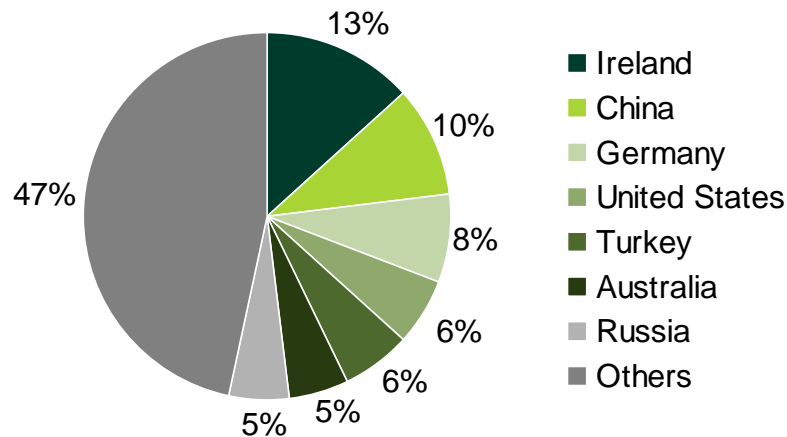
4. SMBC Aviation Capital (2) Customer base and operating environment

Breakdown of lessees*1

By region

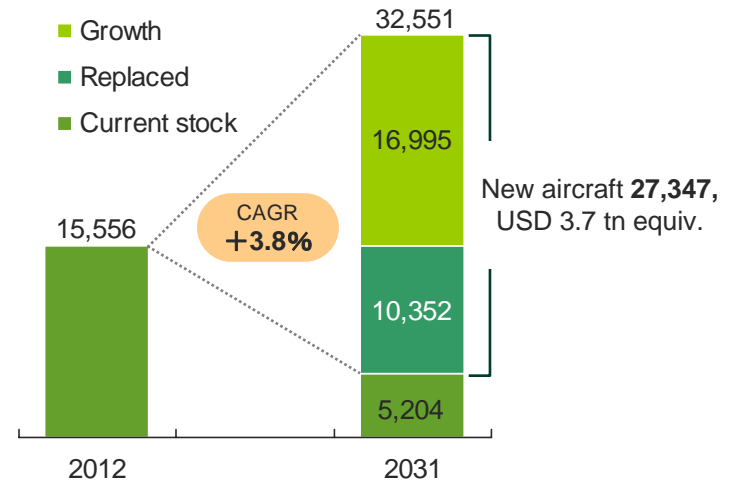


By country

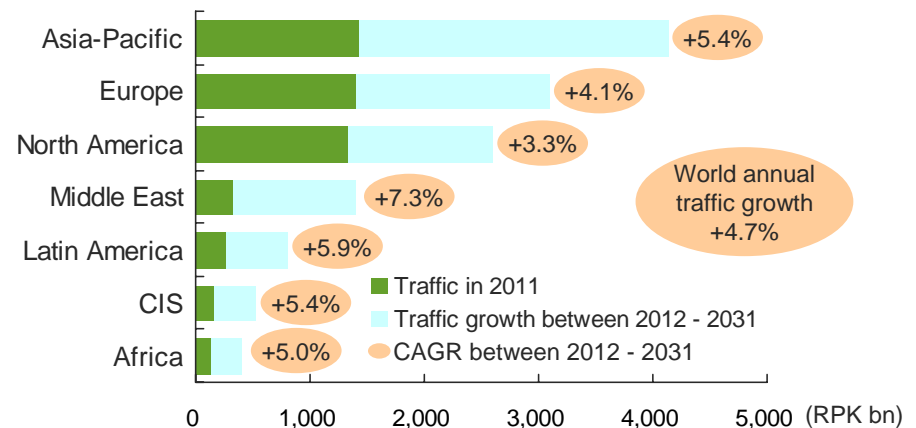


Estimate of passenger aircraft demand*2

(No. of aircraft)



Estimate of airline traffic by airline domicile*2



*1 As of Sep. 30, 2012 *2 Airbus Global Market Forecast 2012-2031

III. Group strategy

5. Management principles: “3C”

Team SMFG , Team SMBC



Cross-Selling



Credit Control

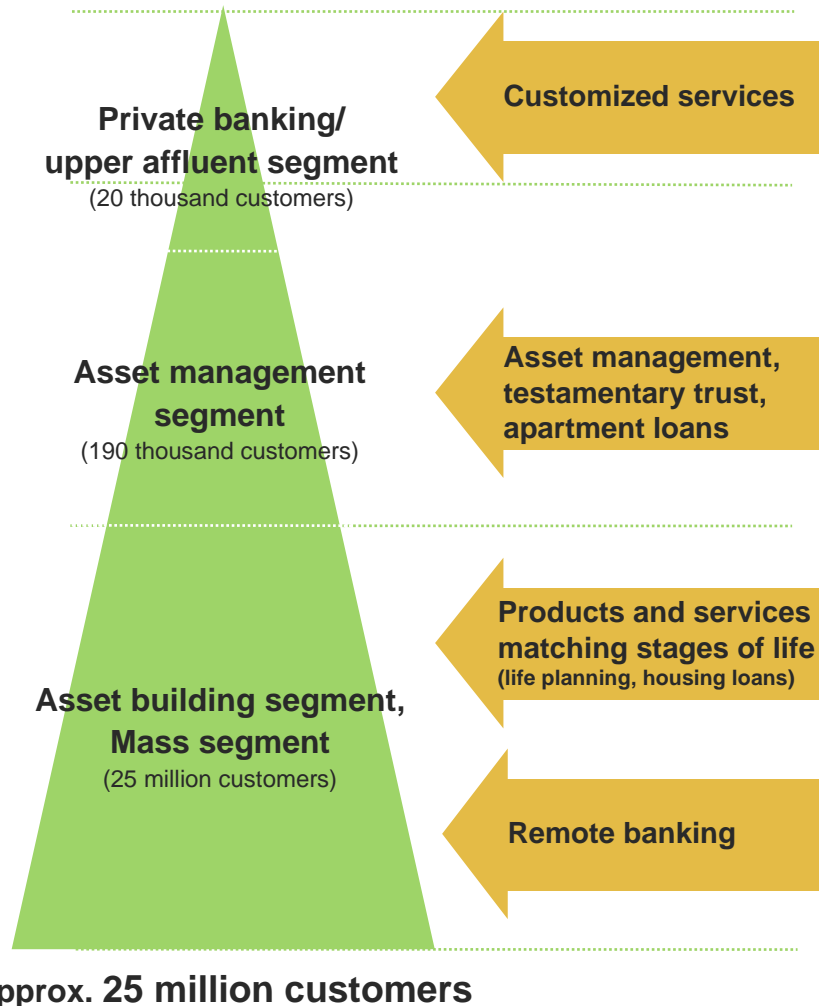


Cost Control

IV. SMBC's business strategy 1. Financial consulting for retail customers

(1) SMBC's retail business

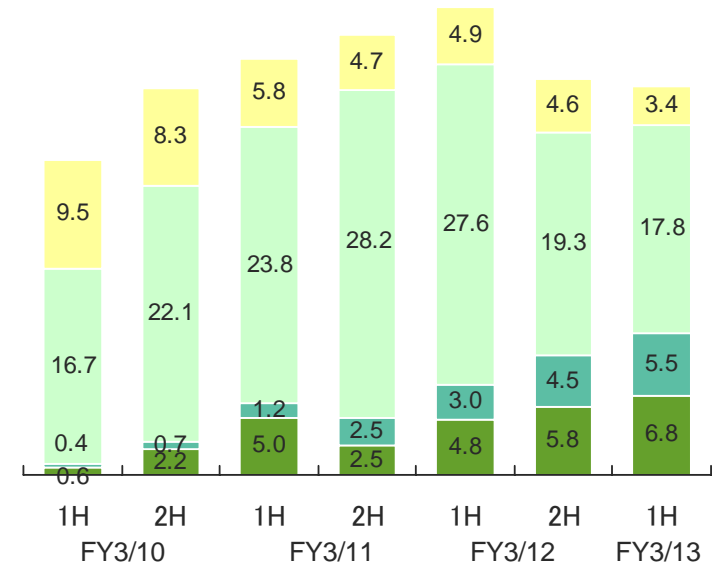
Business model by customer segment



Profit from financial consulting for retail customers

(JPY bn)

- Pension-type insurance
- Investment trusts
- Level premium insurance
- Single premium type permanent life insurance



Customer Satisfaction No.1*

* Highest in Investor Satisfaction for Full Service Bank

Disclaimer: J.D. Power Asia Pacific 2012 Japan Investor Satisfaction StudySM.

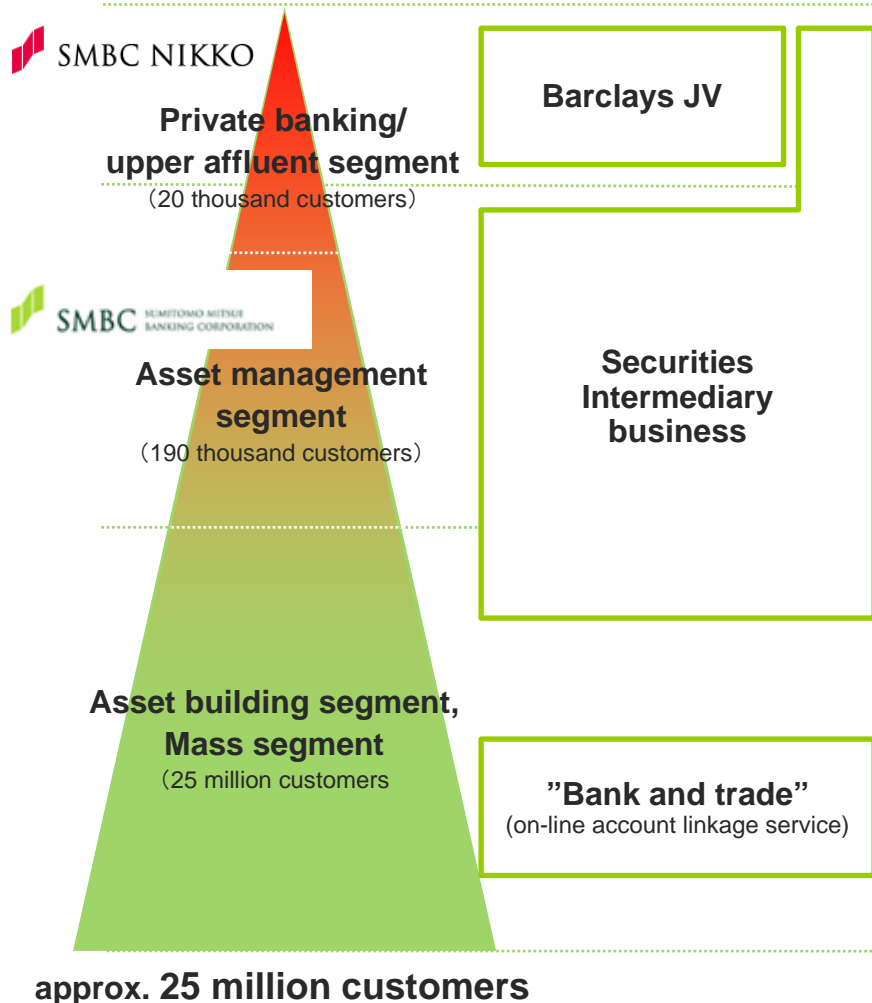
Study based on a total of 5,839 investors who had used investment service at full service bank.

<http://japan.jdpower.com>

IV. SMBC's business strategy 1. Financial consulting for retail customers

(2) Synergies between SMBC and SMBC Nikko

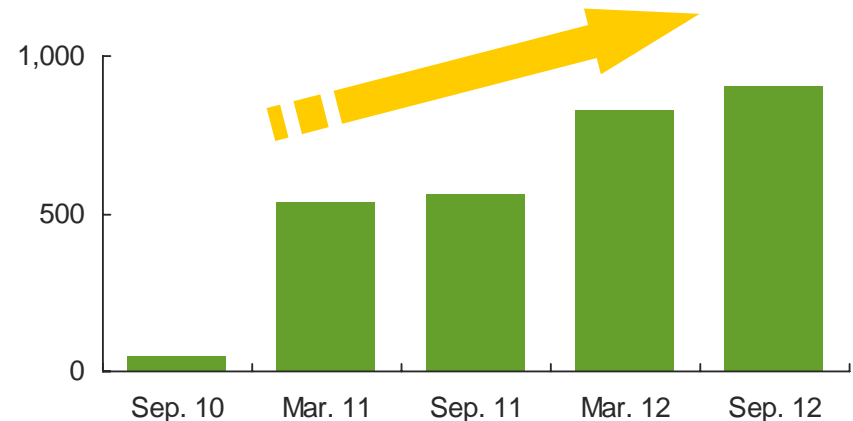
Business model by customer segment



Major services

Securities intermediary business for retail customers

Client assets (JPY bn)

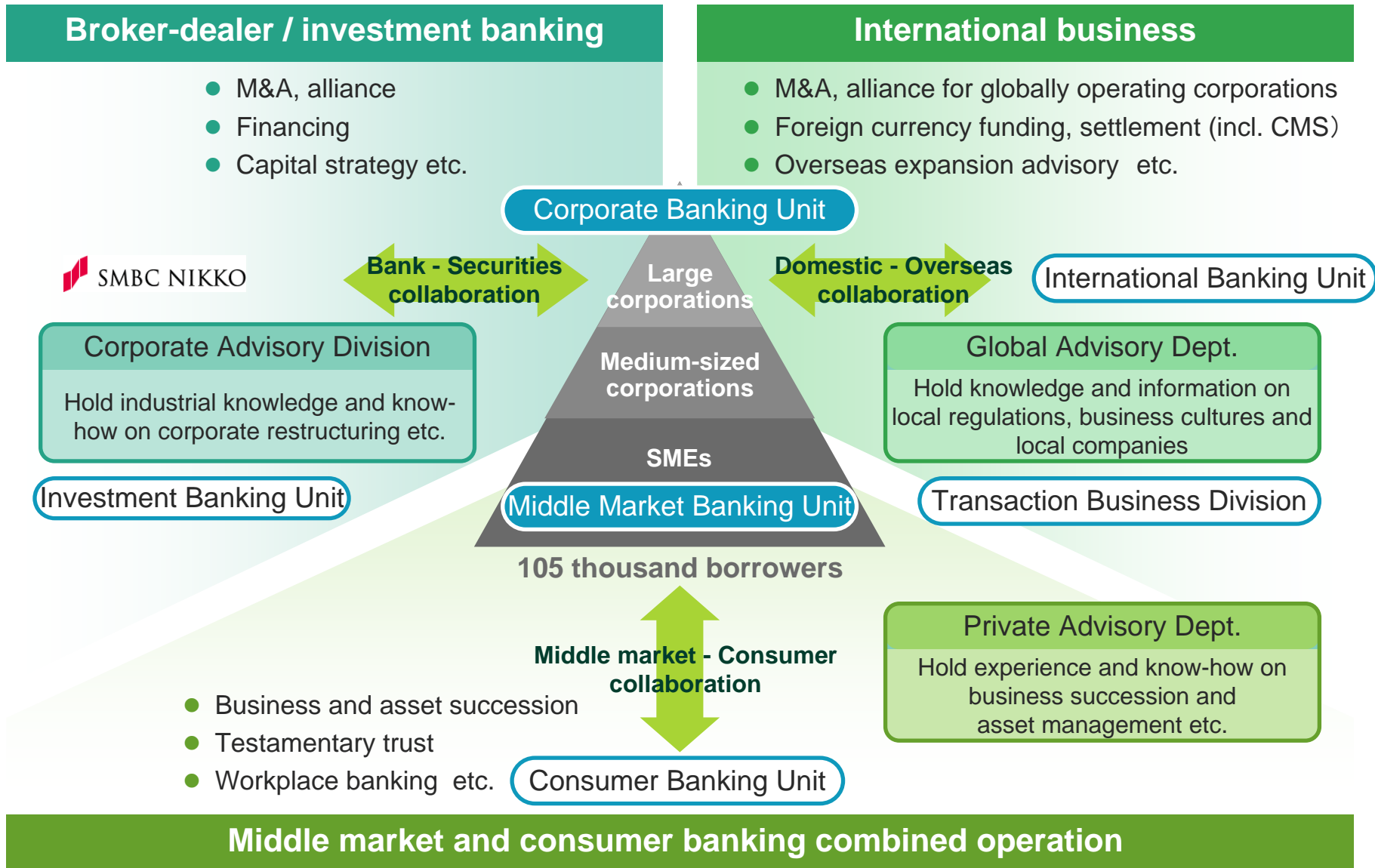


Bank and trade

- On-line account linkage service for customers who have accounts in both "SMBC Direct" and "Nikko EZ Trade". Launched on Oct. 15, 2012
- User-friendly for customers with single log-in access to both SMBC's and Nikko's online services
- Allows instant fund transfer and a real time balance inquiries between a SMBC's and Nikko's online account through "Nikko EZ Trade"

IV. SMBC's business strategy 2. Tailor-made solutions for corporate clients

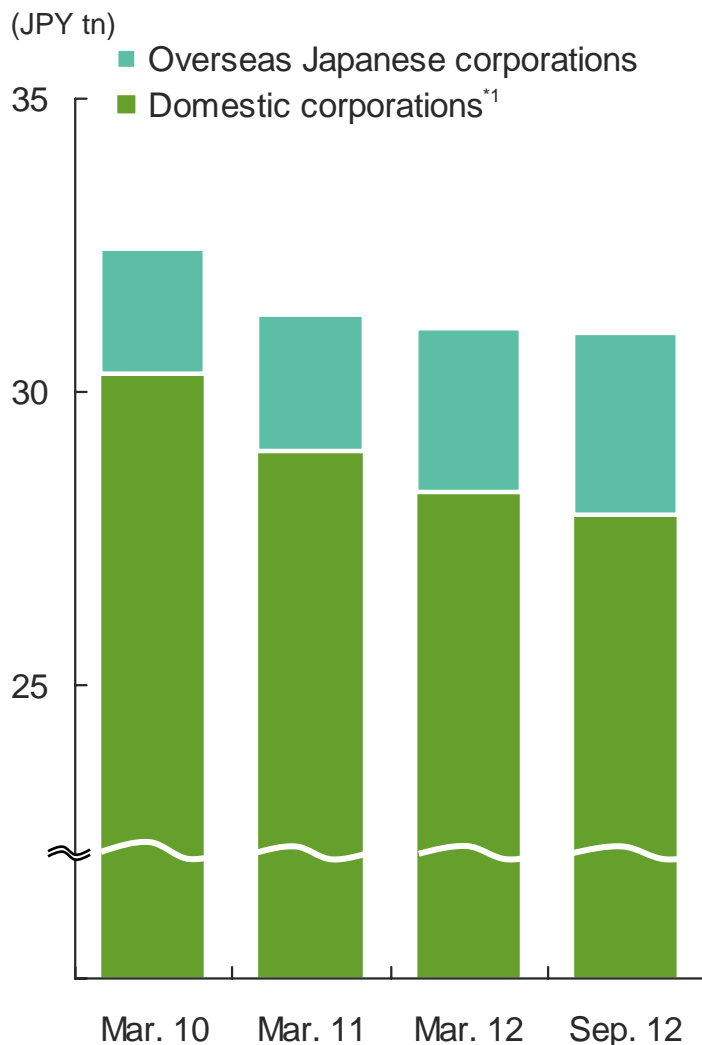
(1) Team SMBC approach



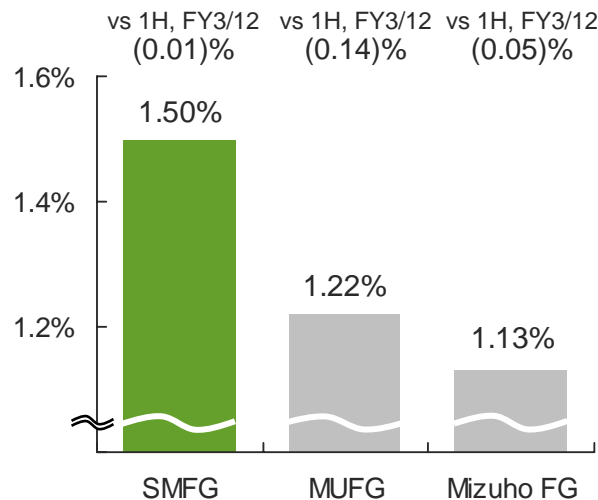
IV. SMBC's business strategy 2. Tailor-made solutions for corporate clients

(2) Lending business and domestic - overseas collaboration

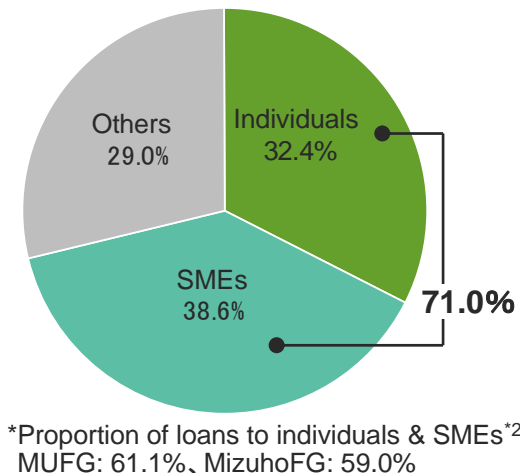
Loans to domestic and overseas Japanese corporations



Domestic loan-to-deposit spread (1H, FY3/2013)*²



Composition of SMBC's domestic loans (Sep. 2012)



Domestic-overseas collaboration initiatives

- Global Advisory Division supported companies from SMEs to large corporations. Number of advisory services provided in 1H, FY3/2013 increased by 50% compared with the same period last year
- Organized international business seminars for clients. 29 seminars were held with 3,000 attendees in 1H, FY3/2013
- Strengthened domestic and international settlement services mainly driven by the Transaction Business Division
- Responsibility of relationship with Japanese corporations in the Greater China area is taken by planning department in charge of domestic corporate business
- Established arrangements to promote domestic-overseas collaboration through exchange of information and personnel

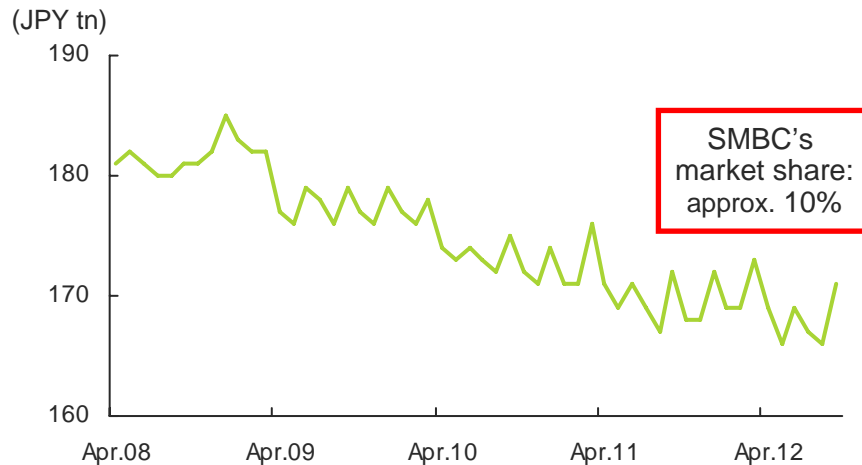
*1 Sum of Middle Market Banking Unit and Corporate Banking Unit

*2 Non-consolidated figures of The Bank of Tokyo Mitsubishi UFJ for MUFG and sum of non-consolidated figures of Mizuho Bank and Mizuho Corporate Bank for Mizuho FG

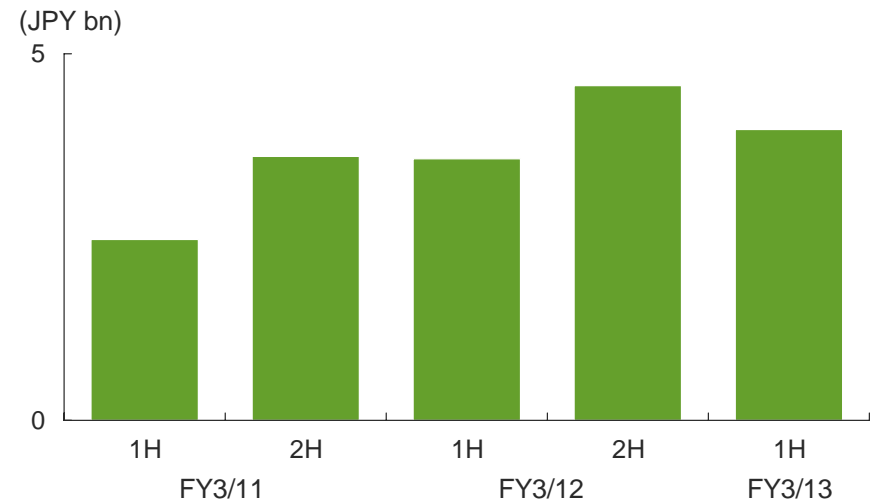
IV. SMBC's business strategy 2. Tailor-made solutions for corporate clients

(3) Middle market - consumer banking combined operation

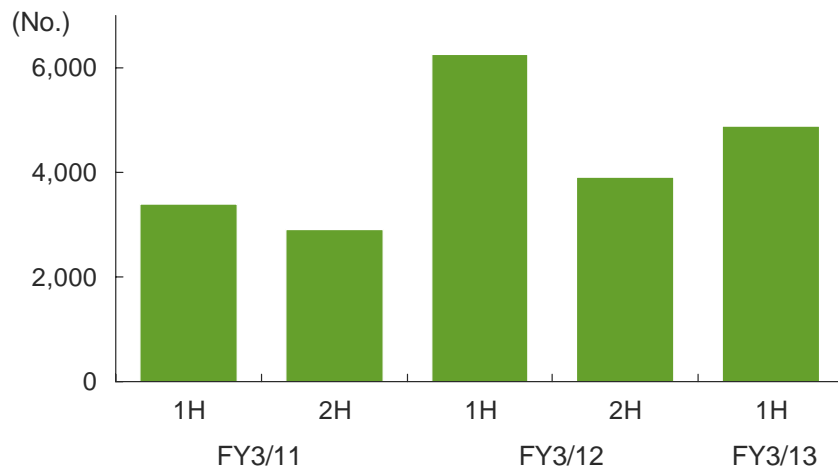
Loans to domestic small enterprises* and SMBC's market share



Profit from collaboration between middle market and consumer banking



Business matching



Collaborative initiatives

- For business owners
 - Business succession: M&A, loans to support business succession
 - Asset succession: testamentary trust, insurance products
 - Asset Management: investment trust, securities intermediary business, Barclays JV
 - Financing: tailored solutions taking into personal assets, etc.
- For corporate employees: workplace banking
 - Defined-contribution pension plan
 - Various loan products, etc.

* Source: Bank of Japan "Loans and bills discounted by sector"

IV. SMBC's business strategy 2. Tailor-made solutions for corporate clients

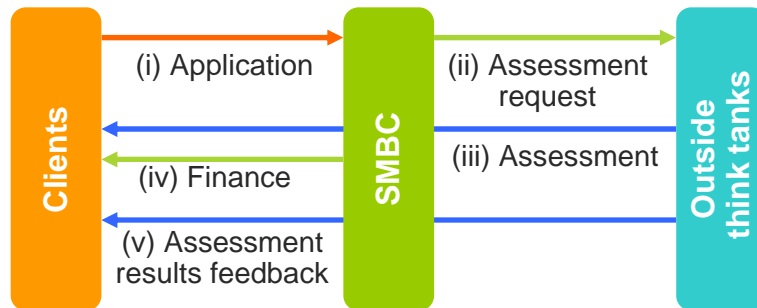
(4) Tailor-made products

Environment related financial solutions

Assessment loans



- Issues surrounding clients are becoming diverse every year; environmental issues including natural resources and energy-saving as well as global warming, disaster countermeasures and food safety etc.
- We introduced loan products which links the terms and conditions with the assessment results of the borrower's level of preparedness in these issues



[Product line-up (launched year)]

- SMBC environmental assessment loan / private placement bond (2008)
- SMBC environmental assessment loan / private placement bond eco value up (2010)
- SMBC sustainable building assessment loan / private placement bond (2011)
- SMBC food and agriculture assessment loan / private placement bond (2011)
- SMBC business continuity assessment loan / private placement bond (2011)

(Accumulated origination amount : Over JPY 400 bn)

Tailor-made products

Establishment of Financial Solution Dept. and Investment Banking Dept., Asia (Apr. 2012)

- Strengthen marketing capabilities to accommodate client's needs by integrating functions related to financial products which in turn would facilitate sharing of know-how internally
- Provide tailor-made solutions for clients' needs which are becoming more diverse and sophisticated

Venture Fund

Joint venture fund with NEC Group

- Established technology focus venture fund to leverage synergies generated from NEC Group's capabilities to evaluate technologies and SMBC's capabilities to provide financial solutions (Apr. 2012)
- First domestic venture fund jointly established by an industrial company and a financial institution to obtain investment from the Organization for Small & Medium Enterprises and Regional Innovation

Collaboration between SMBC and SMBC Nikko

IPO Navigator

- Launched an online information service for registered clients operated by SMBC and SMBC Nikko (Jul. 2010)
- Number of registrants: 500 companies (as of Sep. 2012)

IV. SMBC's business strategy 2. Tailor-made solutions for corporate clients

(5) Growth Industry Cluster Dept.

Growth Industry Cluster Dept.

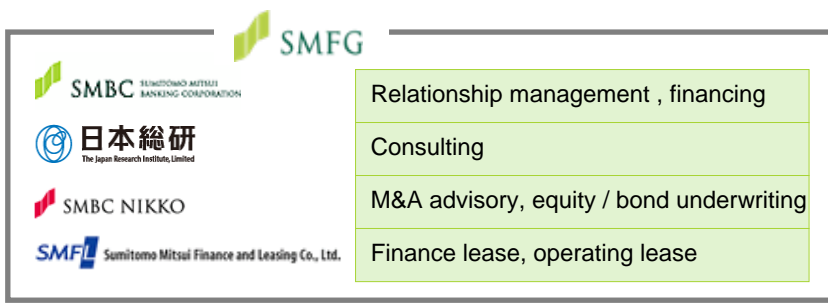
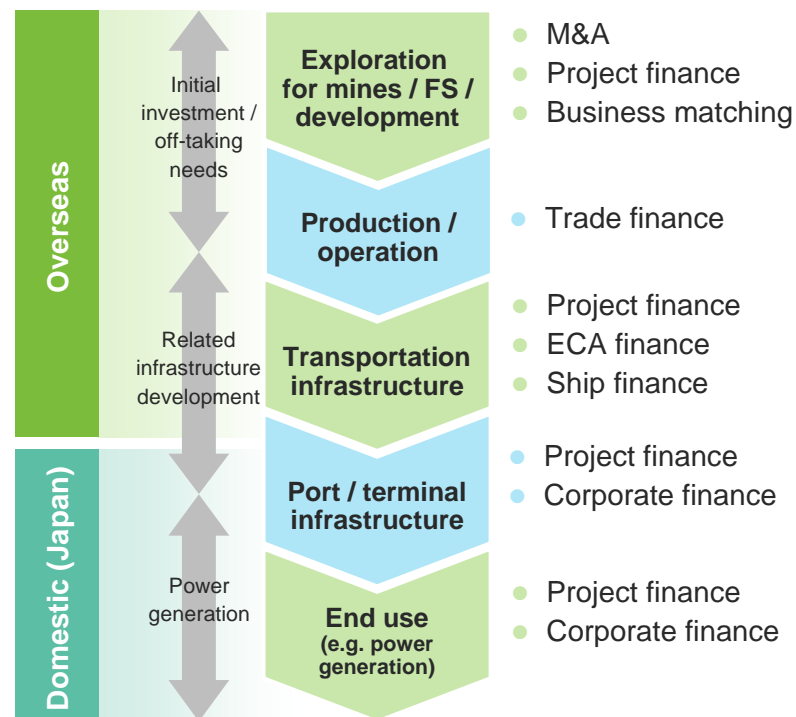
New energy sources	Renewable energy
Water	Water supply and sewerage, recycled water, desalination, etc.
Environment	Eco-city development, transportation system, rechargeable battery, etc.
Natural resources	Value chain of coal, natural gas, etc.
Carbon credit	Global warming related business
Frontier	Newly growing businesses / markets

Project finance / Loan syndication

League tables (Jan. – Sep. 2012)*1

	Global	Asia*2	Japan
Project Finance	#3	#5	
Loan Syndication	#7	#6	#2

Example Approaches for energy related business

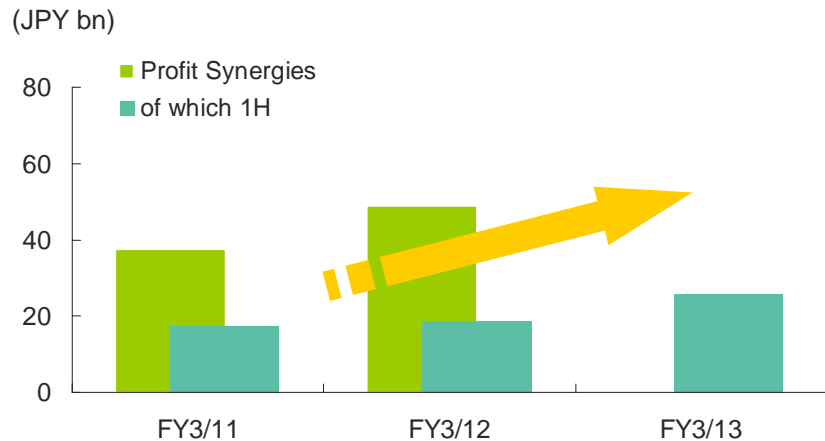


*1 Source: Thomson Reuters (Mandated Arrangers) *2 Project finance: Asia Pacific, Loan syndication: Asia (excl. Japan)

IV. SMBC's business strategy 2. Tailor-made solutions for corporate clients

(6) Synergies between SMBC and SMBC Nikko

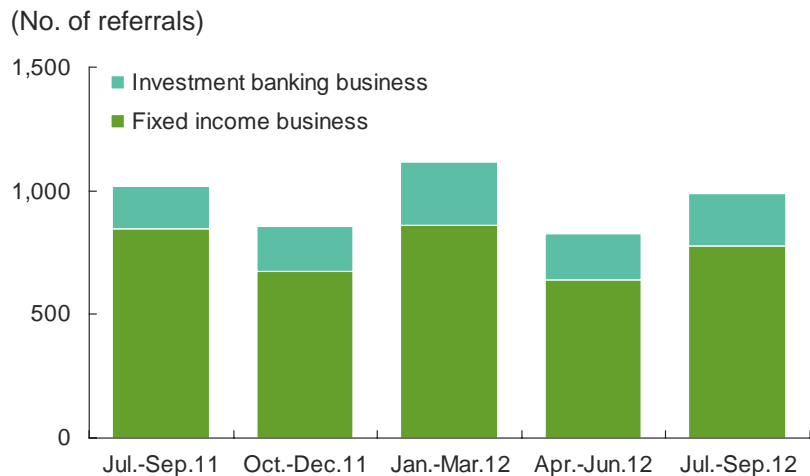
Profit Synergies*1



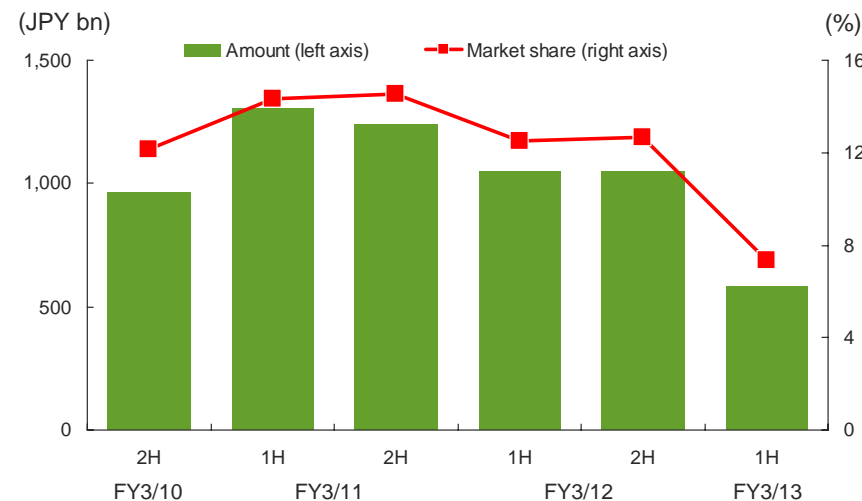
League tables (Apr.-Sep. 2012, SMBC Nikko)

	Rank	Market share
Global equity & equity-related (book runner, underwriting amount)*2	#5	13.6%
JPY denominated bonds (lead manager, underwriting amount)*3	#5	7.3%
Financial advisor (M&A, transaction volume)*4	#4	27.6%
Financial advisor (M&A, No. of deals)*4	#6	2.2%

Number of referrals from SMBC to SMBC Nikko



Underwriting amount of JPY denominated bonds



*1 Managerial accounting basis *2 Source: SMBC Nikko, based on data from Thomson Reuters. Relating to Japanese corporations' activities only

*3 Source: SMBC Nikko. Consisting of corporate bonds, FILP agency bonds, municipality bonds, and samurai bonds

*4 Source: Thomson Reuters. Relating to Japanese corporations' activities only Excluding real estate deals

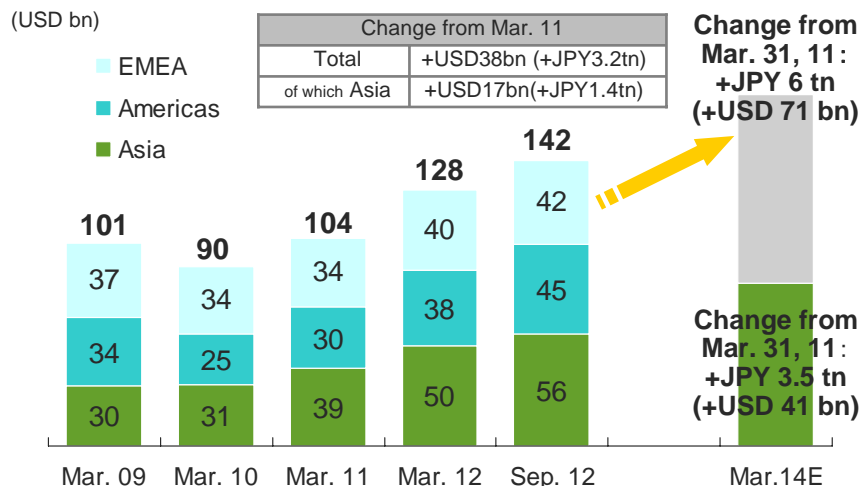
IV. SMBC's business strategy 3. Development of international business

(1) Progress of strategic initiatives

Strengths and challenges

- **Strengths**
 - Expertise in various financial products; Project finance, trade finance, CMS
 - Speedy decision making; Delegation to regional divisions
 - Innovative organization; Asia Pacific Training Dept. (2007), Global Korea Corporate Banking Dept. (2011), Global Business Strategy Dept. (2011)
 - **Challenges**
 - Human resources
 - IT infrastructure
 - Foreign currency funding
- } Steadily accommodating challenges

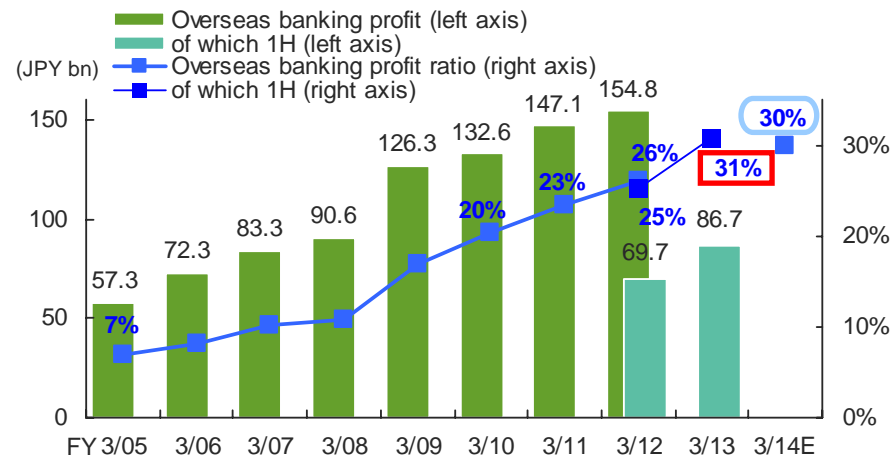
Overseas loan balance*1



*1 Managerial accounting basis (exchanged at respective term-end fx rate).
Sum of SMBC, SMBC Europe and SMBC (China)

*2 Managerial accounting basis. Sum of SMBC and major overseas subsidiary banks.
Based on the medium-term management plan assumed exchange rate of USD1=JPY85 since FY3/12

Overseas banking profit and ratio*2 (before provisioning)



Development and promotion of human resources with international business capabilities

- Promote non-Japanese executives/general managers: Two Managing Directors lead non-Japanese corporate relations in the Americas and Hong Kong. First mega-bank to have a non-Japanese General Manager of domestic dept.
- Develop human resources with international business capabilities: Increase overseas staff and expand training programs etc.

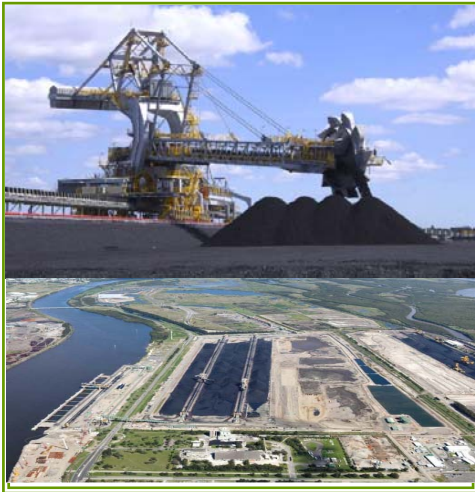
	Mar. 2003	Sep. 2012	vs. Mar. 2003
Local staff	2,704	5,296	2.0 x
Expatriates	439	845	1.9 x
Total	3,143	6,141	2.0 x

(2)-1 Products with a competitive advantage

Project finance and trade finance

- Team with high expertise committed to obtain mandates
- Leverage relationships with customers and ECAs to work on transactions with both Japanese and non-Japanese sponsors

Example Australia: Newcastle coal export terminal



SMBC role

- Mandated lead arranger

- ✓ A project that includes expansion work running through several stages since 2004
- ✓ Project cost per stage is approx. USD 1-2 bn
- ✓ Leading global resources companies including BHP Billiton are sponsors
- ✓ Advise from the initial stage of the project by a specialized team with the knowledge and relationships in the industry

Example Indonesia: Wampu hydro power project



SMBC role

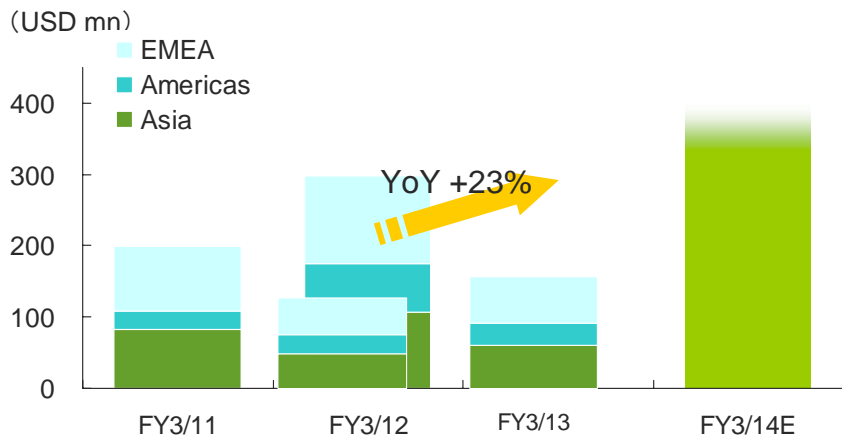
- Financial advisor to sponsor
- Sole lead arranger
- Facility agent and account bank

- ✓ Project size: USD 172 mn
- ✓ Participated from the initial stage of the project in 2009 as an advisor
- ✓ Project constructed by POSCO Engineering Co., Ltd and operated by Korea Midland Power Co., Ltd.
- ✓ Utilized business alliance with Export-Import Bank of Korea (KEXIM) to secure financing including direct loans from KEXIM

IV. SMBC's business strategy 3. Development of international business

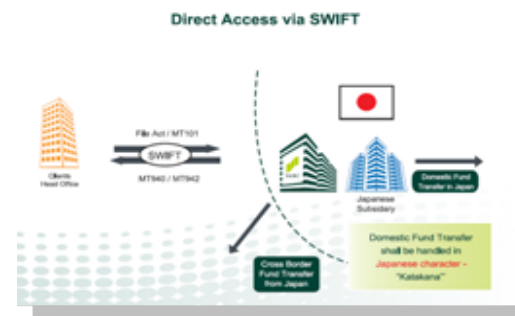
(2)-2 Products with a competitive advantage

Trade finance related profit



“SWIFT Bank Readiness”

- Received “Bank Readiness Certification” from SWIFT to provide SWIFT capable services for corporate clients at SMBC’s nine overseas channels



Cash Management Service

Cash management providers' ranking (in Asia Pacific)*

Cash management service (CMS) as voted by corporations	Large corporations	4th	#1 among Japanese banks for seven consecutive years	
	Medium corporations	4th		
	Small corporations	4th		
JPY CMS as voted by financial institutions			1st	#1 for seven consecutive years

CMS in Asia: Aim to be one of the top three global banks

Internet banking “SMAR&TS”

(Sumitomo Mitsui Advanced Report & Transfer Services)

- Allows corporate customers to access their accounts held in SMBC’s overseas offices and to transfer funds through the internet

Information providing services	<ul style="list-style-type: none"> Information gathered by overseas offices Provided in Japanese, English, Thai, Vietnamese, Korean, Chinese, Indonesian and Malaysian
Bank report	Inquiry of account balance, deposits and withdrawals, and forward exchange contracts
Fund transfer	Japan to overseas, overseas to Japan, local fund transfer

* Source: “ASIAMONEY”: Cash management Poll 2011 (Aug. 2012)

IV. SMBC's business strategy 3. Development of international business

(3) Our footprint in Asia*1

- Responsibility of relationship with Japanese corporations in the Greater China area is taken by planning department in charge of domestic corporate business (Apr. 2012)
- Established Transaction Business Planning Dept. and Transaction Business Division to strengthen transaction services function (Apr. 2012)

Korea

- Global Korea Corporate Banking Dept. established (Apr. 2011)

China

- Mainland China: 15 offices
Shenzhen Br. opened (May 2011)
Chongqing Br. opened (Aug. 2012)

India

- New Delhi Rep. Office opened (Apr. 2011); approval for preparation for branch open (May 2012)

Myanmar

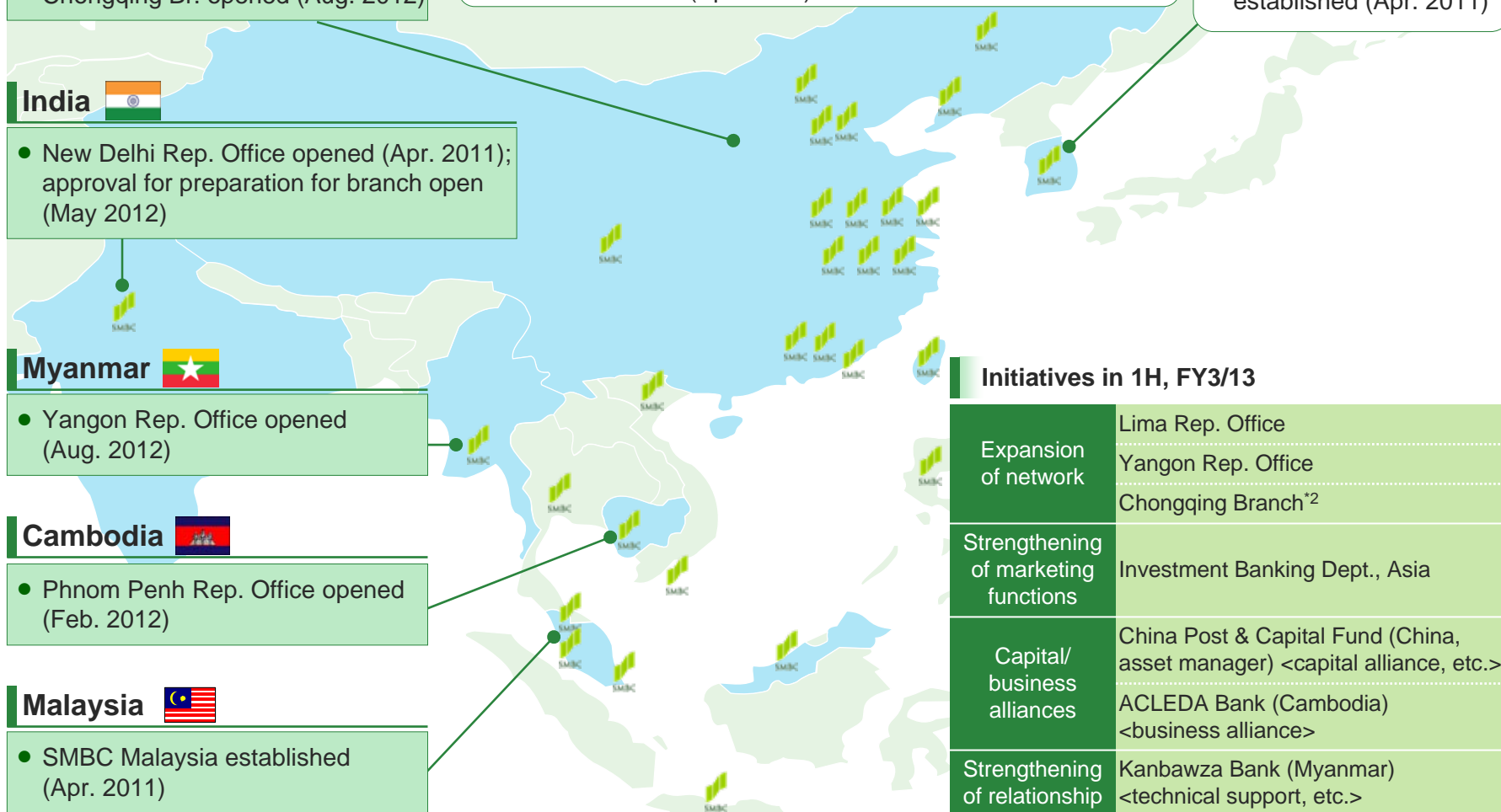
- Yangon Rep. Office opened (Aug. 2012)

Cambodia

- Phnom Penh Rep. Office opened (Feb. 2012)

Malaysia

- SMBC Malaysia established (Apr. 2011)



Initiatives in 1H, FY3/13

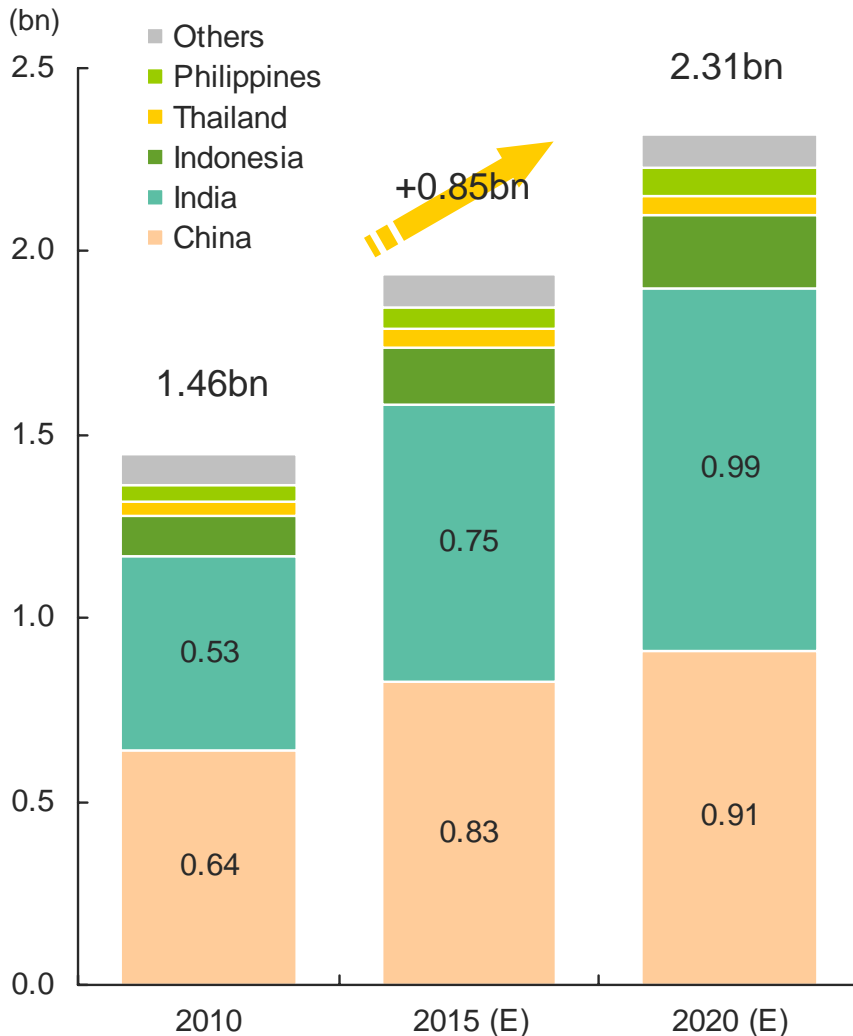
Expansion of network	Lima Rep. Office Yangon Rep. Office Chongqing Branch*2
Strengthening of marketing functions	Investment Banking Dept., Asia
Capital/business alliances	China Post & Capital Fund (China, asset manager) <capital alliance, etc.> ACLEDA Bank (Cambodia) <business alliance>
Strengthening of relationship	Kanbawza Bank (Myanmar) <technical support, etc.>

*1 Channels opened since Apr. 2011 are listed above *2 Branch of SMBC (China)

IV. SMBC's business strategy 3. Development in international business

(4) Opportunities in Asia

Estimate of middle class population in Developing Asia*1



No. of major companies in Asia *2

By country / region

(# of companies)

	2004	2007	2010	2012
US	751	659	536	524
EU	284	306	291	284
UK	137	126	90	90
Japan	316	290	270	258
China	25	44	113	134
ASEAN4	34	30	45	53
NIES3	96	108	108	128
India	27	34	56	61
Brazil	15	22	33	33
Russia	12	20	28	28
Others	303	361	430	407
Total	2,000	2,000	2,000	2,000

*1 Source: METI "White Paper on International Economy and Trade 2011" *2 Source: Forbes "The Global 2000"

Appendix



SMFG SUMITOMO MITSUI
FINANCIAL GROUP

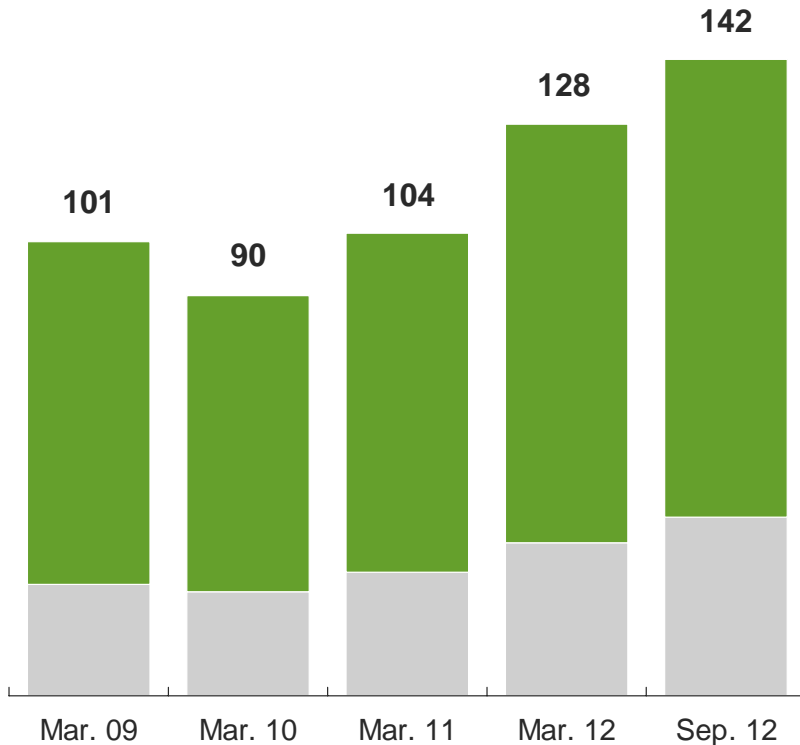
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)*

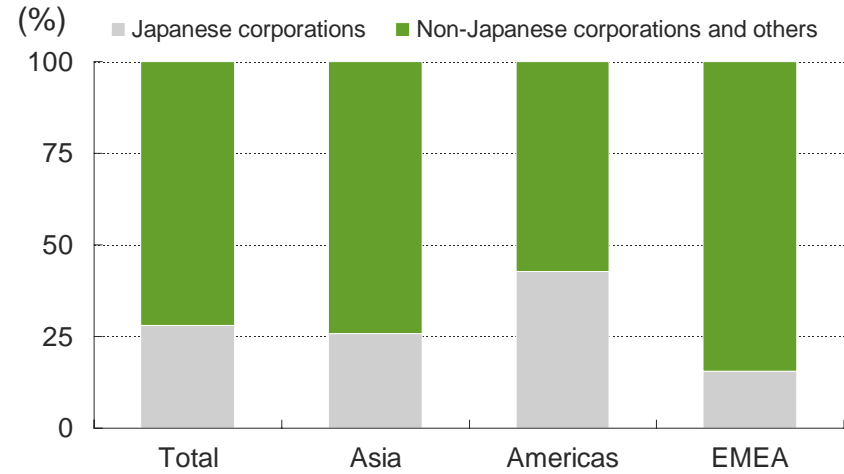
Total

(USD bn)

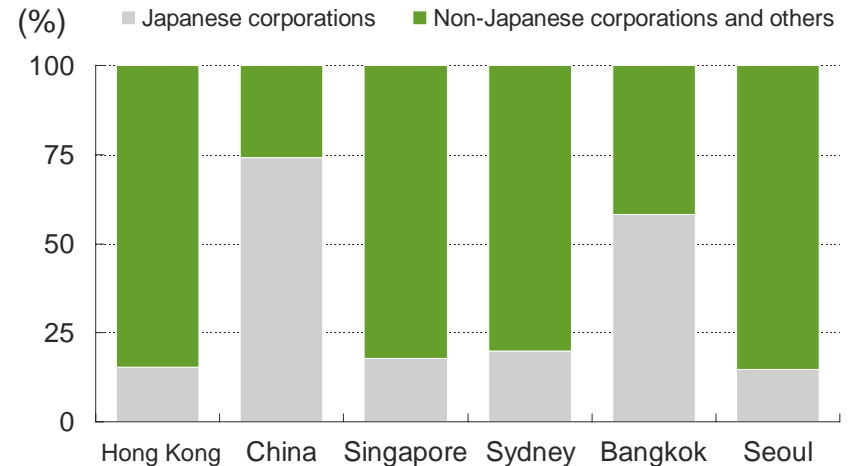
■ Non-Japanese corporations and others (product type lending)
■ Japanese corporations



By region (Sep. 2012)



Major marketing channels in Asia (Sep. 2012)



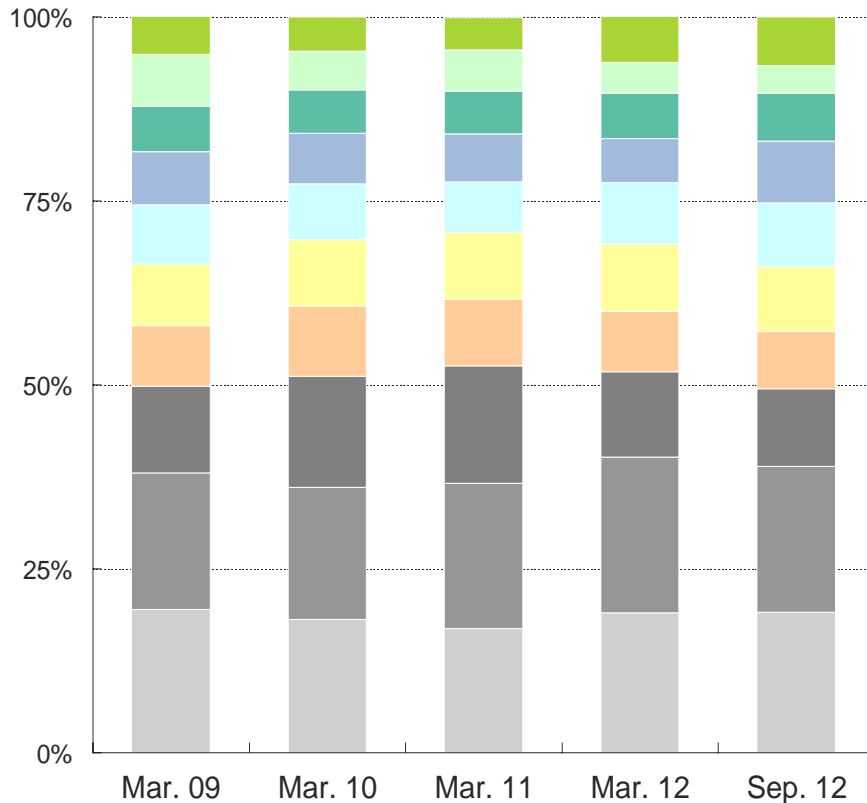
* Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China).

Overseas loan balance classified by industry and domicile

(Geographic classification based on domicile of borrowers)*

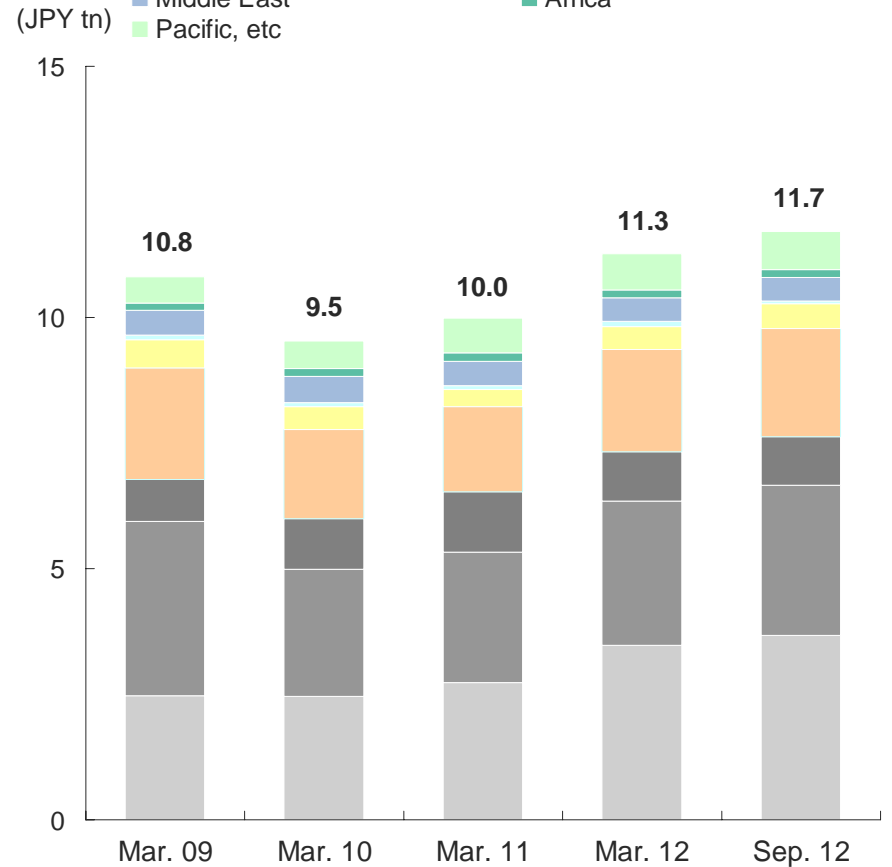
By industry

- Material and energy
- Transportation
- Construction and real estate
- Automobile and machinery
- IT
- Finance and insurance
- Various services
- Retail, wholesale and commodities
- Electronics
- Others



By domicile

- Asia
- Central and South America
- Eastern Europe
- Middle East
- Pacific, etc
- North America
- Western Europe
- Northern Europe
- Africa

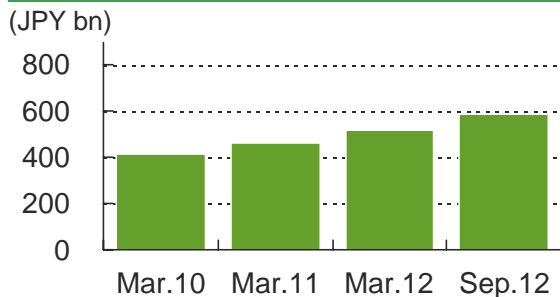


* Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China).

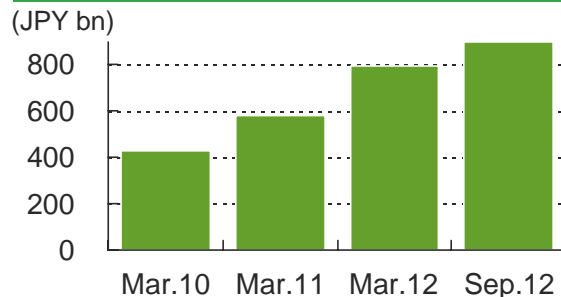
Loan balance in Asian countries

(Geographic classification based on domicile of borrowers) *

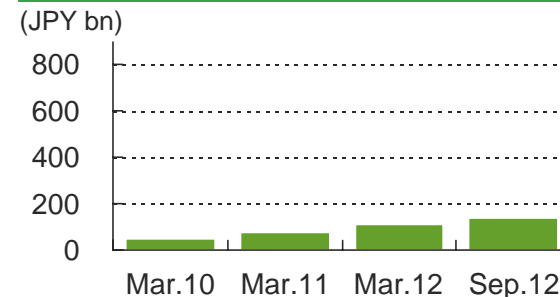
China



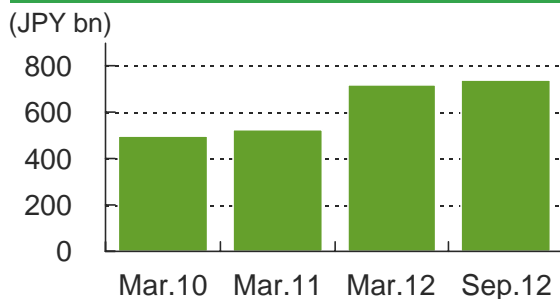
Hong Kong



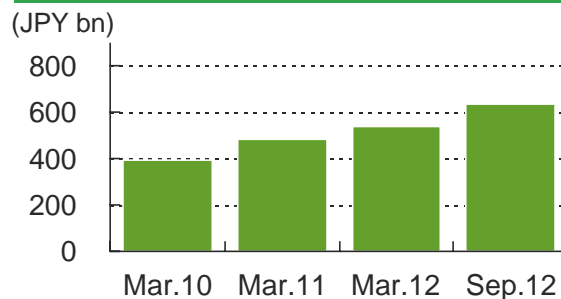
Taiwan



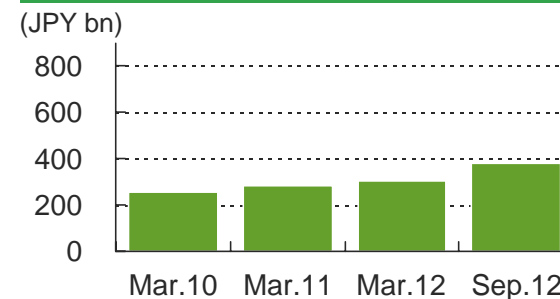
Singapore



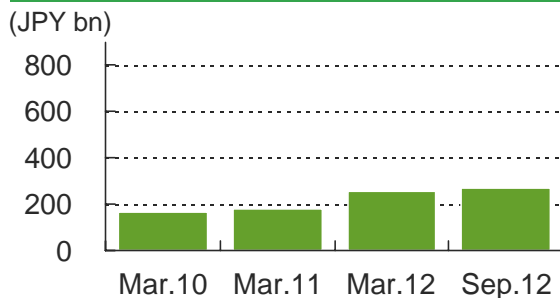
Australia



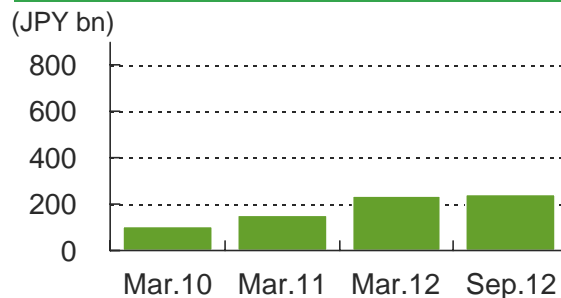
Thailand



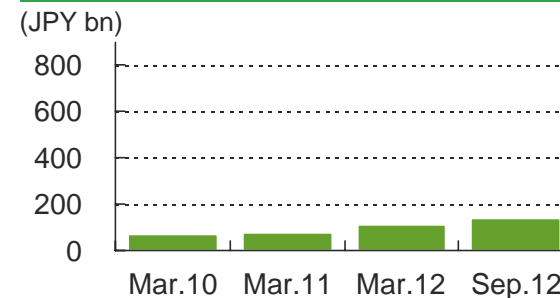
Korea



India



Indonesia



* Sum of SMBC, SMBC E and SMBC (China). Loan balances as of Mar. 31, 2012 and before are exchanged to JPY from each country's local currency at the exchange rate of Sep. 30, 2012

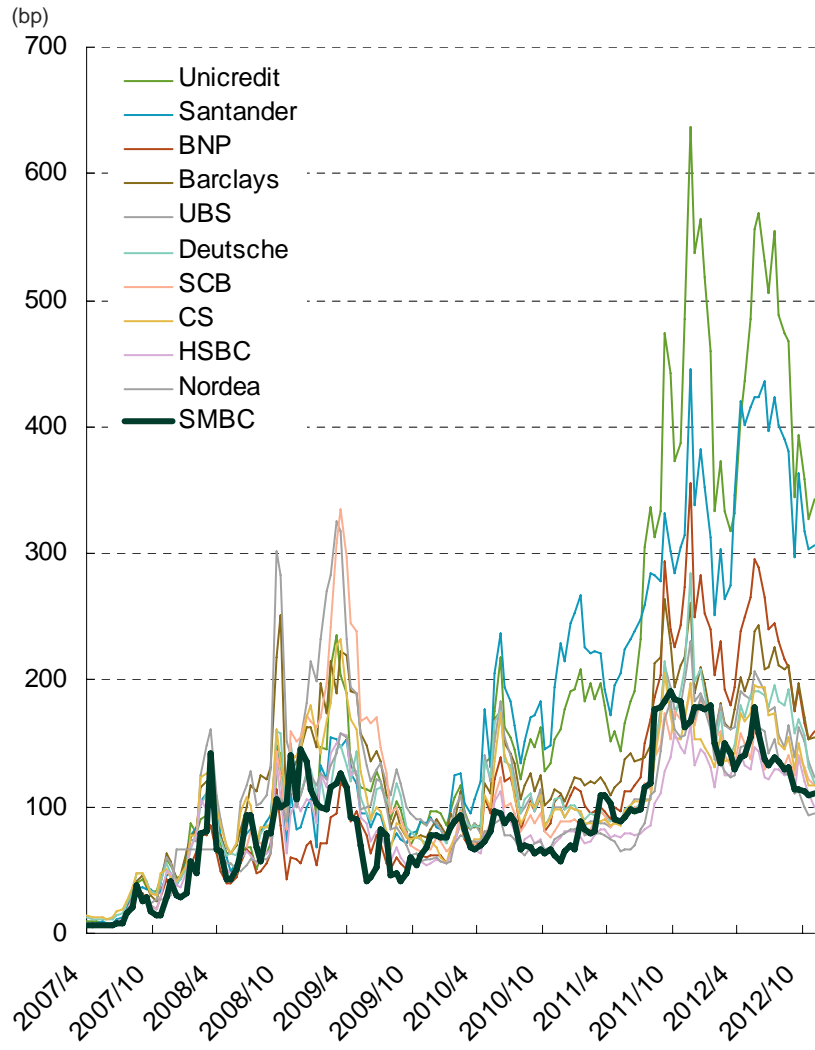
Strategic partners in Asia*

	Strategic Partner	Relationship since	Outline of alliance / cooperation
China	Bank of China	2000	Renminbi business cooperation
	Industrial and Commercial bank of China	1995	Ship finance business in China
	Agricultural Bank of China	2002	Funding activities in China
Korea	Kookmin Bank	2007	Mutual introduction of customers inside/outside Japan/Korea, Loan syndication, funding activities Invested in KB Financial Group, the holding company, in 2008
Taiwan	First Commercial Bank	2007	Local currency funding in China and Taiwan, usage of channel network
Hong Kong	Bank of East Asia	2008	Mutual introduction of customers in China and Hong Kong, credit card business, funding activities Invested in 2009
Philippines	Metrobank	1995	Introduction of customers in Philippines, local currency transaction, usage of channel network. Established Japan desk in 2007
Vietnam	Vietnam Eximbank	2007	Retail and SME banking business in Vietnam Invested in 2008. Entered into technical service agreement in 2009
Malaysia	RHB Bank	1974	Local currency funding in Malaysia, transaction services, Islamic finance
Indonesia	Bank Central Asia	2009	Local currency funding in Indonesia, transaction services including CMS
Cambodia	ACLEDA Bank	2012	Usage of channel network in Cambodia, transaction services, trade finance
India	Kotak Mahindra Bank	2010	Asset management business in India such as establishing infrastructure fund, securities and investment banking business. Invested in 2010

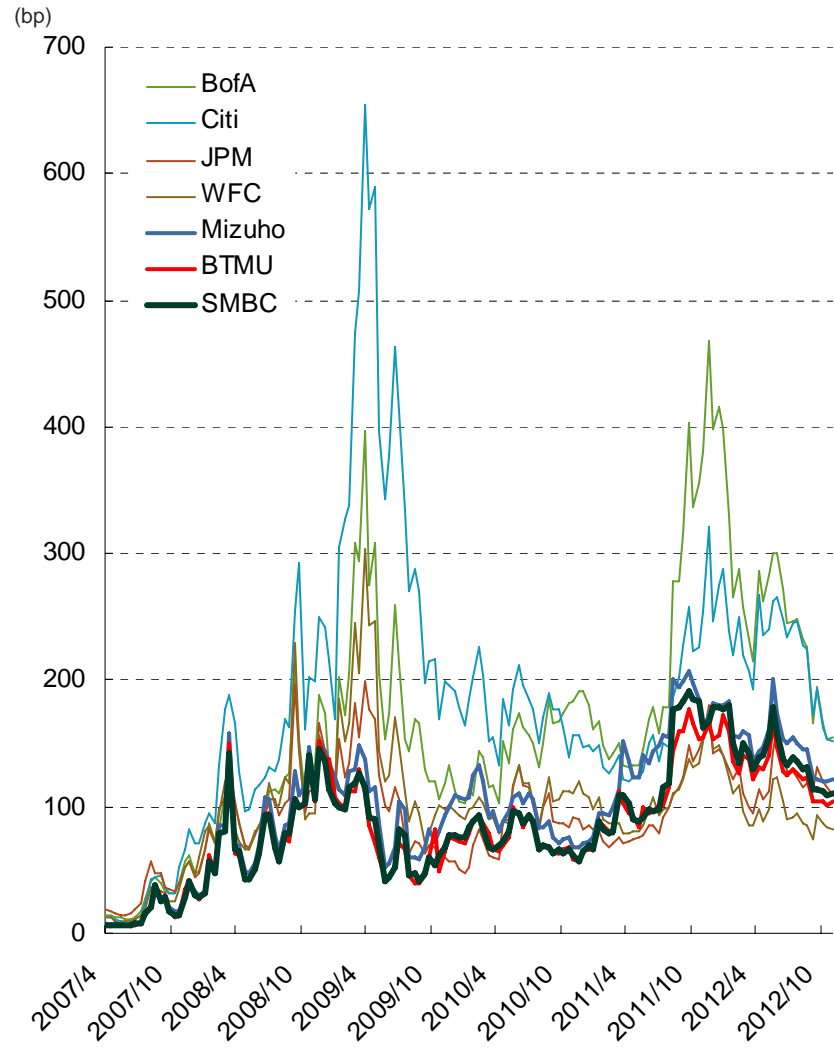
* Boldfaced banks: SMBC has equity stake

CDS spreads*1

European banks (in Euro)*2




US and Japanese banks (in USD)



*1 Source: Bloomberg. CDS spread for 5 year senior obligation. Holding companies for US banks and Credit Suisse, and operating banks for others. *2 Denominated in USD only for SMBC

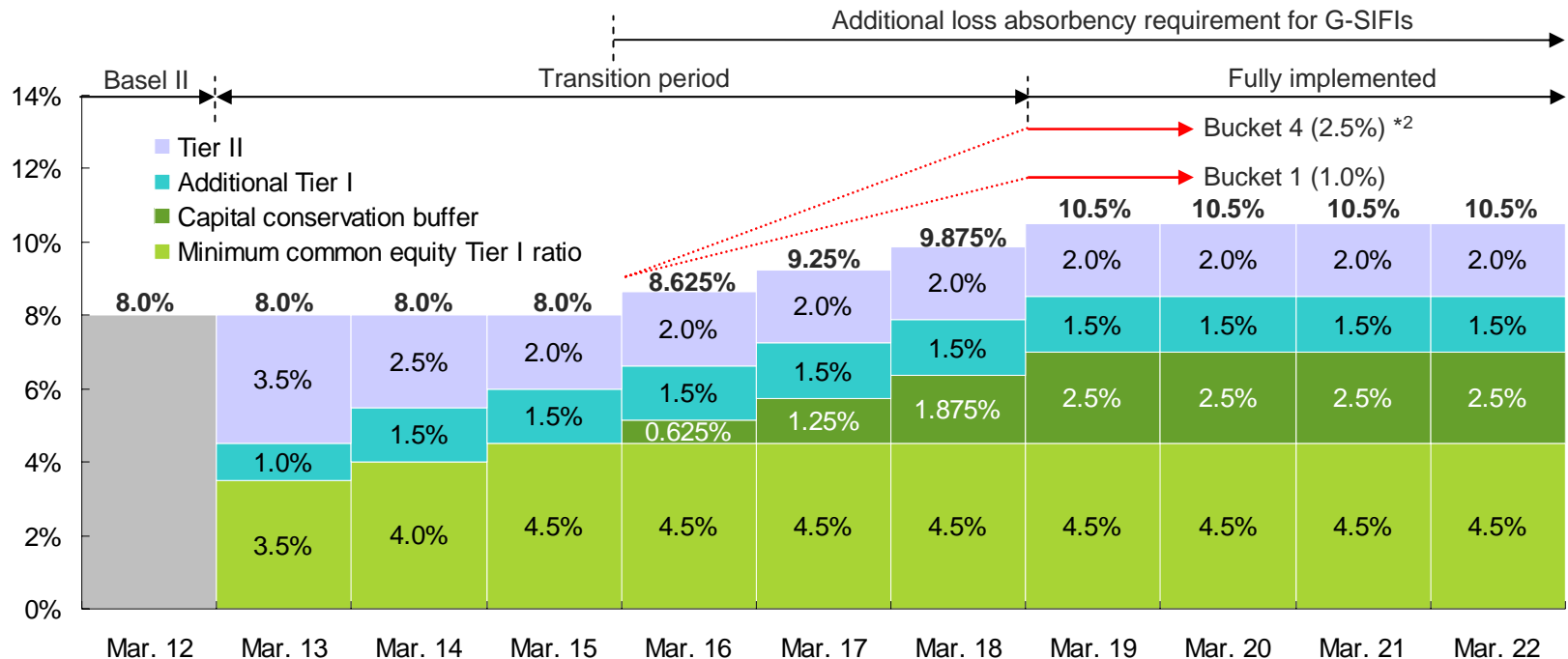
Meeting international financial regulations

Target institutions	Regulations	Contents of regulation	Effective date	Action taken & impact on SMFG
 G-SIFIs	G-SIFIs capital surcharge G20	<ul style="list-style-type: none"> Required for additional loss absorption capacity above the Basel III minimum Required level of CET1 ratio for SMFG: 8.0% 	2016	⊙ Aiming to achieve 8% Core Tier I ratio by end of Mar. 2014, earlier than deadline
	Recovery and Resolution Plan G20 US UK	<ul style="list-style-type: none"> Should submit Group RRP by the end of 2012 May need to submit RRP related to US operations Need to submit SMBCE's RRP to UKFSA 	End of 2012 US: Dec. 2013? UK: Dec. 2012	○ Work in progress to submit plans at respective due dates
Internationally active banks	OTC derivatives markets reforms G20 US	<ul style="list-style-type: none"> Centralizing of OTC derivatives clearing Restricted banks' derivatives trading (Derivatives Push-Out Provision) 	Dec. 2012 US: Jul. 2012	△ Taking actions needed although impact will be smaller compared to investment banks
	Limitation on banking activities - Retail ring fencing - Volcker Rule EU US	<ul style="list-style-type: none"> Ring-fenced banks prohibited from providing certain services and required to be isolated from the rest of financial group in UK and EU Depository institution and its affiliates prohibited from "proprietary trading", sponsorship and ownership in fund in US 	TBD	⊙ No retail business in UK (although paying close attention to the discussion)
	Capital requirement G20	<ul style="list-style-type: none"> Required to raise the level and quality of the capital and enhance risk coverage under Basel III 	Jul. 2012 (phase-in) Jul. 2014 (full implementation)	○ Business related to regulation is limited. Paying close attention to discussions
Domestic banks	Fundamental review of trading book G20	<ul style="list-style-type: none"> Strengthened capital standards for market risk, such as reviewing the trading book/banking book boundary for capital regulation 	2013	⊙ Aiming to achieve 8% Core Tier I ratio by end of Mar. 2014, earlier than deadline
	Leverage ratio requirement G20	<ul style="list-style-type: none"> Non-risk-based measure based on "on- and off-accounting balance sheet items" against Tier I capital. Minimum requirement: 3% (transition period commenced in 2011) 	TBD	△ Details of regulation remain unclear. Certain impact will be possible depending on contents
	Minimum standards for liquidity (LCR / NSFR) G20	<ul style="list-style-type: none"> LCR: Required to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. >=100% needed NSFR: Required to maintain a sustainable maturity structure of assets and liabilities >100% needed 	2018	○ Currently have no issues in meeting requirements although paying attention to national finish
	Other regulations G20	<ul style="list-style-type: none"> strengthen the oversight and regulation of the shadow banking system illustrated such as MMFs, repos and securitizations 	2015	○ In good position due to domestic deposit base. Intend to further strengthen foreign currency ALM
				2018
			TBD	△ Direction of regulation unclear. Still need attention

Summary of regulatory capital framework

In March 2012, the Japanese FSA amended requirements regarding bank capital*1

- Basically consistent with Basel III text
- Effective from the end of March 2013 to conform with the fiscal year end of Japanese banks



Phase-in of deductions*3
Grandfathering of capital instruments

-	20%	40%	60%	80%	100%	100%	100%	100%	100%
90%	80%	70%	60%	50%	40%	30%	20%	10%	-

*1 Drafts of other rules that are to be implemented after 2014, such as rules on capital buffers and liquidity standards, will be published at a later stage

*2 With an empty bucket of 3.5% to discourage further systemicness

*3 Including amounts exceeding the limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

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: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; exposure to new risks as we expand the scope of our business; and incurrence of significant credit-related costs. 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 registration statement on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and results of operations, and investors’ decisions.