

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

May 15, 2013

Announcement of financial results for FY3/2013

We would now like to explain our financial results for FY3/2013 by using *Consolidated financial results for the fiscal year ended March 31, 2013*, and its *Supplementary Information*.

Let us look at the *Supplementary Information*.

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

SMFG consolidated financial results

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

In line 17, Ordinary profit on a SMFG consolidated basis was JPY 1,073.7 billion, an increase of JPY 138.2 billion year-on-year.

This was largely due to contribution by subsidiaries, including SMBC Consumer Finance and Cedyne making profits after recording losses in the previous fiscal year due to provisions for interest refund claims, and other major subsidiaries such as SMBC Nikko Securities, Sumitomo Mitsui Card, and Sumitomo Mitsui Finance and Leasing showing steady results.

Net income, as shown in line 27, increased by JPY 275.5 billion year-on-year to JPY 794.1 billion, due to a reversal in Income taxes-deferred of SMBC in addition to the above factors.

SMFG Consolidated		(Billions of yen)		
		FY3/2013		FY3/2012
			Change	
Consolidated gross profit	1	2,792.9	198.4	2,594.5
Ordinary profit	17	1,073.7	138.2	935.6
Net income	27	794.1	275.5	518.5

SMBC non-consolidated financial results

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

In line 20, Banking profit before provision for general reserve for possible loan losses was JPY 812.4 billion, a JPY 0.6 billion decrease year-on-year.

Gross banking profit, as shown in line 1, was JPY 1,540.1 billion, a JPY 7.6 billion increase year-on-year.

This was mainly due to the following factors:

- Net fees and commissions increased due to an increase in income related to loan syndication and arrangement, as well as income from sales of investment trusts reflecting a recovery in stock prices in 2H of FY3/2013, as shown in lines 6 and 12;
- Net interest income of International Banking Unit surged resulting from our active responses to infrastructure financing needs mainly in Asia, as shown in line 11;
- Gains on bonds decreased by JPY 38.7 billion, as shown in line 2; and
- Domestic net interest income decreased due to a reduction in domestic loan-to-deposit spreads, as shown in line 4.

Expenses, as shown in line 16, were JPY 727.7 billion, a JPY 8.2 billion increase year-on-year. This was mainly due to an increase in overseas headcount and business promotion expenses in line with the expansion of our international operations, and the effect of yen depreciation, while we continued to reexamine and contain ordinary expenses.

SMBC Non-consolidated		(Billions of yen)		
		FY3/2013	Change	FY3/2012
Gross banking profit	1	1,540.1	7.6	1,532.5
<i>Gains (losses) on bonds</i>	2	<i>113.8</i>	<i>(38.7)</i>	<i>152.5</i>
Expenses (excluding non-recurring losses)	16	(727.7)	(8.2)	(719.5)
Banking profit (before provision for general reserve for possible loan losses)	20	812.4	(0.6)	813.0

Next, Total credit cost, as shown in line 40, was JPY 19.5 billion, a JPY 39.1 billion decrease year-on-year.

This was mainly due to a decrease in incurrence of credit cost as a result of our

individualized efforts to assist certain borrowers to improve their business and financial conditions, as well as a reversal of provisions for reserve made in previous years.

Gains (losses) on stocks, as shown in line 28, were a net loss of JPY 35.7 billion, worsened by JPY 20.5 billion year-on-year, mainly due to losses on devaluation of listed stocks.

SMBC Non-consolidated		(Billions of yen)		
		FY3/2013		FY3/2012
			Change	
Provision for general reserve for possible loan losses	22	-	(43.8)	43.8
Non-recurring gains (losses)	24	(141.5)	20.0	(161.5)
Credit costs	25	(46.3)	57.4	(103.7)
Gains on reversal of reserve for possible loan losses	26	26.7	26.7	-
Recoveries of written-off claims	27	0.1	(1.1)	1.2
Gains (losses) on stocks	28	(35.7)	(20.5)	(15.2)
Total credit cost (22+25+26+27)	40	(19.5)	39.1	(58.6)

These items added up to Ordinary profit of JPY 670.9 billion, a JPY 24.5 billion decrease year-on-year, as shown in line 32.

Income taxes-current, as shown in line 37, was JPY 209.7 billion, a JPY 165.0 billion increase year-on-year, resulting from elimination of tax loss carryforwards. Income taxes-deferred, as shown in line 38, pushed up Net income by JPY 162.1 billion, a JPY 331.4 billion improvement compared with the previous fiscal year.

This is mainly due to an increase in deferred tax assets, resulting from elimination of tax loss carryforwards at SMBC which led us to revise the criteria under which SMBC recognizes deferred tax assets pursuant to the practical guidelines issued by the JICPA, from examples (4) proviso to examples (2).

As a result, as shown in line 39, Net income was JPY 617.8 billion, a JPY 139.8 billion increase year-on-year.

SMBC Non-consolidated		(Billions of yen)		
		FY3/2013		FY3/2012
			Change	
Ordinary profit	32	670.9	(24.5)	695.3
Extraordinary gains (losses)	33	(5.5)	(2.2)	(3.3)
Income before income taxes	36	665.4	(26.6)	692.0
Income taxes-current	37	(209.7)	(165.0)	(44.7)
Income taxes-deferred	38	162.1	331.4	(169.3)
Net income	39	617.8	139.8	478.0

Interest spread (domestic)

Next, let us look at page 3 for domestic Interest spread.

As shown on the table, Interest spread, the difference between Interest paid on deposits, etc. and Interest earned on loans and bills discounted, decreased by 0.03% to 1.49% due to a decline in Interest earned on loans and bills discounted.

	SMBC Non-consolidated			(%)
	FY3/2013	Six months ended Sep. 30, 2012	Six months ended Mar. 31, 2013	FY3/2012
Interest earned on loans and bills discounted (C)	1.54	1.55	1.53	1.58
Interest paid on deposits, etc. (D)	0.05	0.05	0.05	0.06
Interest spread (C) - (D)	1.49	1.50	1.48	1.52

Unrealized gains (losses) on securities

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

Figures of SMFG consolidated Unrealized gains (losses) on securities portfolio are shown on the top of the page.

As shown on the table, Net unrealized gains on Other securities increased by JPY 646.6 billion to JPY 1,121.6 billion, comprising JPY 771.2 billion in Net unrealized gains on Stocks, JPY 108.3 billion in Net unrealized gains on Bonds, and JPY 242.0 billion in Net unrealized gains on Others.

	SMFG Consolidated				(Billions of yen)
	Mar. 31, 2013				
	Net unrealized gains (losses)				
		Change from Mar. 31, 2012	Gains	Losses	
Other securities	1,121.6	646.6	1,256.6	135.0	
Stocks	771.2	499.8	867.1	95.9	
Bonds	108.3	(3.5)	112.2	3.9	
Others	242.0	150.3	277.3	35.2	

Capital ratio

Next, let us move on to page 7 for consolidated capital ratio on a preliminary basis, under Basel 3 standards implemented since the end of FY3/2013.

SMFG's consolidated capital ratios as of March 31, 2013, were well above required levels under Basel 3: Total capital ratio was 14.71%; Tier 1 capital ratio was 10.93%, and Common equity Tier 1 capital ratio, so-called Core Tier I ratio, was 9.38%.

SMFG Consolidated	(%)
	Mar. 31, 2013 [Preliminary]
Total capital ratio	14.71
Tier 1 capital ratio	10.93
Common equity Tier 1 capital ratio	9.38

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 Act, item marked with an "A" at the bottom left of the table, was JPY 1,093.5 billion, a JPY 89.3 billion decrease compared with March 31, 2012.

As a result, the ratio of Problem assets to Total claims including Normal assets improved by 0.26% compared with March 31, 2012, and remained at a low level of 1.60%.

SMBC Non-consolidated	(Billions of yen, %)		
	Mar. 31, 2013 (a)	(a) - (b)	Mar. 31, 2012 (b)
Bankrupt and quasi-bankrupt assets	145.5	11.1	134.4
Doubtful assets	691.4	(88.2)	779.6
Substandard loans	256.6	(12.2)	268.8
Total (A)	1,093.5	(89.3)	1,182.8
Normal assets	67,289.5	4,795.9	62,493.6
Total (B)	68,383.0	4,706.6	63,676.4
Problem asset ratio (A/B)	1.60%	(0.26%)	1.86%

Earnings and dividends forecast for FY3/2014

Let us move on to the earnings and dividends forecast for FY3/2014 on page 18.

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

Ordinary profit:	JPY 1,030 billion
Net income:	JPY 580 billion

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

Banking profit:	JPY 800 billion
Total credit cost:	JPY 80 billion
Ordinary profit:	JPY 680 billion
Net income:	JPY 430 billion

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

We forecast annual cash dividends for common stock for FY3/2014 to be JPY 110 per share, unchanged from FY3/2013, excluding commemorative dividend of JPY 10 per share for SMFG's 10th anniversary.

FY3/2013 performance and FY3/2014 management policy

Please look at page 19, which shows FY3/2013 performance and FY3/2014 management policy.

FY3/2013 Net income exceeded our group's record both on a SMFG consolidated and SMBC non-consolidated basis.

With regards to the financial targets of the medium-term management plan, as shown on the mid-left, we achieved all of the targets one year ahead of schedule; SMFG's Common equity Tier 1 capital ratio on a Basel 3 fully-loaded basis was 8.6%; SMFG consolidated RORA was 1.3%; overhead ratio was 52.4% on a SMFG consolidated basis and 47.3% on a SMBC non-consolidated basis; and overseas banking profit ratio was 30.2%.

As for our strategic initiatives, we made steady progress. With regards to retail banking, SMBC made steady performance with sales of investment trusts and insurance, and

securities intermediary. As for corporate banking, SMBC continued to support our corporate clients through financing, resulting in a year-on-year increase in loan balance of Middle Market Banking Unit. We provided high quality services which we have a competitive advantage globally in areas such as project finance and loan syndication. SMBC was awarded “Global Bank of the Year” from the Project Finance International magazine.

With regards to leasing, we completed the joint acquisition of the aircraft leasing business from The RBS Group and integrated our group’s major aircraft leasing companies into SMBC Aviation Capital.

In the securities business, we further promoted collaboration between SMBC and SMBC Nikko Securities in retail securities business, including the release of an on-line account linkage service and the launch of a testamentary trust agency business. In addition, SMBC Nikko Securities continues to enhance its capabilities in wholesale securities business.

In the consumer finance business, we concentrated our management resources. Specifically, Promise was made a wholly-owned subsidiary and renamed SMBC Consumer Finance; shares of ORIX Credit were sold back to ORIX; and SMBC Consumer Finance dissolved Mobit joint venture.

We define our basic policy for FY 3/2014 as follows, as shown on the middle of the page: “Proactively contribute to the revitalization of Japanese economy, and as a result achieve the growth of SMFG” and “Create new business models and challenge for ‘innovation’ in order to make the next leap forward”. Accordingly we will promote initiatives such as supporting our corporate clients through financing, taking advantage of the shift from savings to investment by Japanese individuals, and capturing the growth of Asia and other emerging markets. As this is the last year of the medium-term management plan, we will continue to implement our medium- to long-term initiatives and enhance our client base in order for sustainable growth, and at the same time proactively seize business opportunities while focusing on quality.

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,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” 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 our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.