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**Presentation at the 10th Annual Bank of America Merrill Lynch Japan Conference
“SMFG’s Management Strategy”**

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<Presentation Summary>

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(Cover page)

Good afternoon, ladies and gentlemen. My name is Miyata from Sumitomo Mitsui Financial Group.

It is my great pleasure to be here this afternoon to make this presentation, and I would like to thank Merrill Lynch Japan Securities for organizing this conference. I would also like to thank all of you for taking time out of your schedule for SMFG. This is actually the 4th time I’ve attended this event. Compared with before, I can definitely feel the growing interest and expectation for change and growth in Japan. While keeping the theme of “change” in mind, I would like to give you an overview of the current status of the Japanese economy and SMFG’s management strategy, and then take questions from Ms. Otsuki.

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Firstly, I would like to start by giving an update as to the current Japanese economy.

As shown on the top left graph, which illustrates the Bank of Japan’s Tankan survey, business sentiment has recovered since November 2012, after the announcement of dissolution of the House of Representatives, in response to the recovery of the stock market and weakening of the yen. In the real economy, consumer expenditures have recovered, and capital expenditure needs of our customers in the logistics and retail industries have increased.

Going forward, SMFG will continue to support the government’s growth strategy to promote a strong recovery in the real Japanese economy.

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Next, I would like to talk about SMFG's core strengths. The "Spirit of Innovation", "Speed", and "Solution & Execution" are the sources of SMFG's value. These strengths allow us to respond with agility in the face of a continuously changing world.

We were able to demonstrate this in fall of 2012. At that time we anticipated a change in the Japanese ruling government followed by an economic recovery in Japan. Therefore, the Treasury Unit of SMBC was able to successfully rebalance its portfolio by reducing positions in bonds and taking positions in equity-related instruments.

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Partly as a result of this rebalancing, in the first three months of this fiscal year, SMFG has achieved 99% of the first half consolidated net income forecast. This was mainly because of three reasons.

Firstly, the Treasury Unit of SMBC showed strong performance due to the portfolio rebalancing; secondly, SMBC had a credit cost net reversal; and thirdly, SMBC Nikko Securities and other subsidiaries posted steady and positive results.

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Please let me touch upon some of the characteristics of SMFG's business model.

From early on, SMBC has established a business model focused on consulting and solution providing. In addition, our group companies in leasing, securities, and consumer finance are top ranked in each industry, and we have been acquiring companies with strong franchise value.

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This has translated into overall high profitability.

Examples of this are SMBC's resilient domestic loan-to-deposit spread, and high banking profit per employee resulting from strong operational efficiency.

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The contribution from our group companies has also steadily increased. As a result, our ROE is at a high level on a global basis.

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Next, I would like to speak on our business strategy.

We commenced internal discussion about our next medium-term management plan that will start next fiscal year. We will discuss on how to reinforce our management infrastructure, in the rapidly changing environment, to achieve further growth in the next decade.

Against this backdrop, ahead of the next medium-term management plan, we have commenced initiatives, as demonstrated on the right hand side, to proactively respond to the foreseeable trends and changes. From now on, I will explain the initiatives in detail.

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In the consumer banking business, we started the “bank-securities integration model” between SMBC and SMBC Nikko Securities as a trial run in May. Under this model, SMBC refers its retail customers with aggressive wealth accumulation needs, from its 27 million customer base, to SMBC Nikko, while focusing on expanding its asset management client base, including first-time investors. At the same time, SMBC Nikko refers its customers with inheritance or wealth preservation needs, whose risk tolerance has changed in line with their aging, to SMBC. Through effective cross-selling, we will offer best services for customers as a group.

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In the corporate banking business, SMBC has been successful in supporting corporate clients in overseas expansion and revenue growth through connecting them with the right business counter parties. In addition, under the excess liquidity situation on the macro-economic side, we have continued to capture and create financing needs of our clients.

As a result, from March onwards, we have been able to increase our loan balance every month on a year-on-year basis in the Middle Market Banking Unit and Corporate Banking Unit. It is the first time in 5 years that the Middle Market Banking Unit has shown year-on-year loan growth.

Going forward, in addition to financing our clients in the growth industry, we look to further expand fee-related businesses as well by harnessing the synergies between SMBC and SMBC Nikko Securities.

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In the international business, we have already achieved the 30% target for our overseas banking profit ratio set out in the medium-term management plan one year ahead of schedule. While the lending environment is increasingly competitive, we are focusing on areas where we have a competitive edge such as infrastructure finance and cash management services, and improving asset quality and returns.

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From a medium to long term perspective, we will offer full line commercial banking services in countries with strong growth potential and which are very close to Japan geographically and culturally, such as Indonesia and Vietnam, after careful screening of target countries. We will consider investment in financial institutions if necessary for our strategy. Our investment in BTPN is an example of this. Through this “Multi-Franchise strategy”, we aim to become a “globally active diversified financial services group with Asia as our home market”.

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From the view point of sustainable growth, there have been some comments that the strong performance of SMBC’s Treasury Unit is difficult to evaluate in light of its fluctuation, and that a great deal of risk might have been taken. Based on my experience as a head of the Treasury Unit of SMBC for 10 years until 2010, we set the Unit’s budget at a conservative level in order to minimize excessive risk taking. Our goal is to generate stable profits while at the same time, take advantage of opportunities in the market.

Sharing some actual figures, as of the end of June 2013, we have been able to keep the unrealized gains and losses on “other securities”, which include equity, at the same level as of the end of March 2013. We successfully mitigated a decline in unrealized gains on bonds, even though long term interest rates increased both in the Japanese and the U.S. markets during the period. This is partly because of our stringent risk control. Moreover, the Treasury Unit has maintained JPY 300 billion of gross banking profit in the last several years. Overall our goal is to run the Unit in a stable manner with a high degree of risk control.

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Finally, I would like to explain our capital policy. SMFG's Common Equity Tier 1 capital ratio on a Basel III fully-loaded basis was 9.1% as of June 2013, achieving the 8% requirement mandated in 2019.

Last year, as a result of our strong performance, we increased our annual ordinary dividend by 10 yen per share. Going forward, we also look to manage our capital by taking careful balance between growth investments and shareholder return. I appreciate your continued understanding and support.

Thank you very much for your kind attention. At this moment, I would like to discuss details on the topics you may have interest in by answering questions prepared by Ms. Otsuki.

(End)