(Reference 1) Overview of New Medium-term Management Plan and FY2007 Management Policy

Overview of "LEAD THE VALUE " PLAN (FY2007 ~ 2009)

FY2007～2009

"LEAD THE VALUE" Plan

Aim for "a globally competitive financial services group with the highest trust" by maximizing our strengths to LEAD THE VALUE.

To LEAD the competition in creating and delivering customer VALUE

Our strengths
(Sources of corporate value)

- Spirit of innovation
- Speed
- Solution & Execution

Strategic Initiatives

■ Strengthen targeted growth business areas

"7 growth areas"

■ Fortify platform to support sustainable growth

Management targets

- Aim for top quality in growth business areas
- Realize solid financial base as a global player
- Increase return to shareholders (realize payout ratio of more than 20%)

Financial targets for FY2009 (SMFG consolidated)

Net income	: JPY 650 billion
Tier I ratio	: Approx.8%
Net income RORA	: Approx.1%
Overhead ratio (SMBC non-consolidated)	: 40-45%

ROE(SMFG consolidated) : 10-15%

FY2007 Management policy : "The first step towards accomplishing the medium-term plan"

■ Strengthen targeted growth business

<initiatives>

Financial consulting for individuals	・Establish business model for offering "one-stop shopping" of various financial services
Payment & settlement service, Consumer finance	・Expand payment & settlement services utilizing credit cards and electronic money ・Promote collaboration with Promise etc. in consumer finance
Solution providing for corporations	・Strengthen businesses which needs of individual and corporate customers co-exist, such as business succession consulting and private banking
Investment banking, Trust business	・Strengthen investment banking through Private Advisory Department collaboration with Daiwa Securities SMBC ・Reinforce trust business with greater flexibility due to the revision of trust-related laws
Focused business areas in global markets	・Strengthen businesses in industries in which fund raising and business consolidtion needs are increasing, and in Asia ・Further strengthen project finance, ship finance etc.
Proprietary investment	・Strengthen investment in mezzanine, equity, and funds
Credit derivative, trading & distribution	・Improve capability to structure risks and distribute risks to invetors

■ Fortify platform to support sustainable growth

Strengthen compliance both in Japan and overseas	Improve Customer Satisfaction
Business performance evaluation system with medium-term viewpoint	Improve HR management
Reinforce operational infrastructure	Improve ALM and risk management