SMFG SUMITOMO MITSUI FINANCIAL GROUP

Overview of Business Performance of FY3/2010 and Management Policy for FY3/2011

Sumitomo Mitsui Financial Group, Inc.

May 14, 2010

Overview of Business Performance of FY3/2010

Management Policy in FY3/2010: "Establishing the next foundation for its future growth while continuing to strengthen its business in a manner consistent with the philosophy of 'follow the basics'"

We achieved a steady recovery by maintaining stringent control on expenses, credit costs, and risk-adjusted assets. Also, as the global framework for more stringent regulatory capital requirements becomes clear, we implemented such strategic initiatives as common equity offering aiming for establishing a resilient capital base, while reinforcing our business portfolio represented by making Nikko Cordial Securities as a wholly-owned subsidiary of SMBC, in order to build the platform which allows us to achieve sustainable growth under new regulatory and competitive environment.

Managing "expenses," "credit costs," and "risk-adjusted assets"

SMBC non-consolidated

Expenses

Controlled OHR below 50%

Total credit cost

Substantially decreased compared with FY3/09 and Nov. 09 forecast due mainly to detailed responses to our clients

SMFG consolidated

Net income

Increased compared with FY3/09 and Nov. 09 forecast due mainly to increase in SMBC's Net income

Realizing a solid financial base as a global player

- Raised JPY 1.8 tn in total amount paid through common equity offering
- Repurchased hybrid securities (JPY 290 bn in total) / Converted convertible preferred stock into common equity

Fortifying targeted growth business areas

- Made Nikko Cordial Securities as a wholly-owned subsidiary of SMBC and started its business as a new securities and investment banking company
- Made ORIX Credit as a consolidated subsidiary
- Capital / business alliances with commercial banks in Asia
  - ✓ Bank Central Asia (Indonesia): Business cooperation
  - ✓ Vietnam Eximbank: Technical service agreement
  - ✓ Bank of East Asia (Hong Kong): Equity Investment etc.

(Reference) Summary of FY3/2010 Results

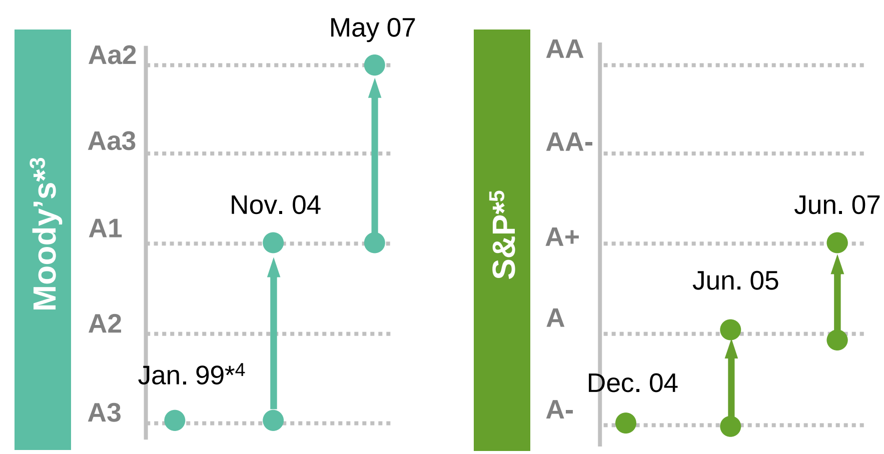
P/L

	(Billions of yen)	FY3/2010	YOY change	Change from Nov. 09 forecast
SMBC <non-consolidated>	Gross banking profit	1,455.3	(69.6)	+ 10.3
	Expenses	(685.8)	+ 15.7	+ 9.2
	<OHR>	47.1%	+ 1.1%	(1.0) %
	Banking profit*1	769.5	(53.9)	+ 19.5
	Total credit cost*2	(254.7)	+ 295.4	+ 85.3
	Gains (losses) on stocks	3.9	+ 224.3	
	Ordinary profit	462.7	+ 426.6	+ 132.7
	Net income	318.0	+ 619.1	+ 118.0
SMFG <consolidated>	Ordinary profit	558.8	+ 513.5	+ 68.8
	Net income	271.6	+ 645.0	+ 51.6

Ref. Capital ratio related (preliminary)

		Mar. 31, 10	Change from Mar. 31, 09
SMFG <consolidated>	Capital ratio	15.02%	+ 3.55%
	Tier I ratio	11.15%	+ 2.93%

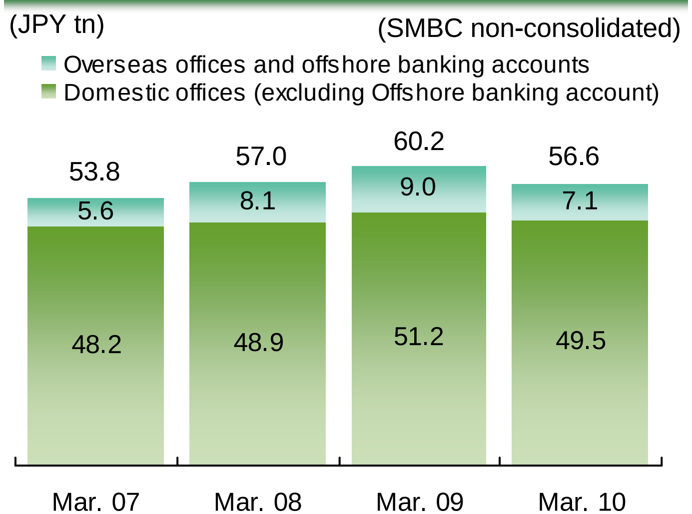
Ref. Credit ratings (SMBC)



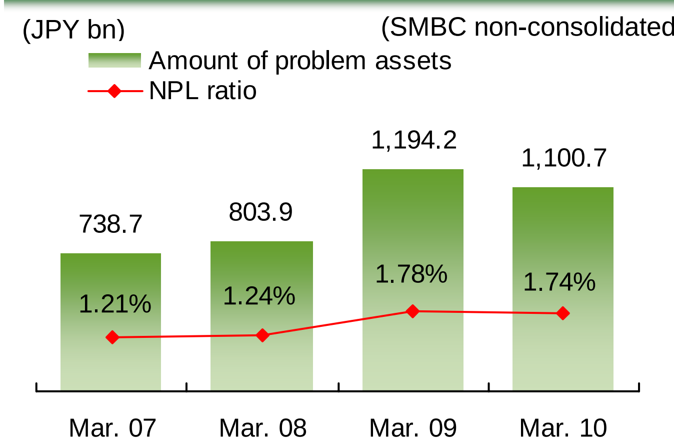
*1 Before provision for general reserve for possible loan losses *2 Including portion recorded in Extraordinary gains (losses) *3 Issuers rating
*4 Long term local currency issuer credit rating of Sumitomo Bank *5 Long term local currency issuer credit rating

(Reference) FY3/2010 B/S-related Items

Loan balance



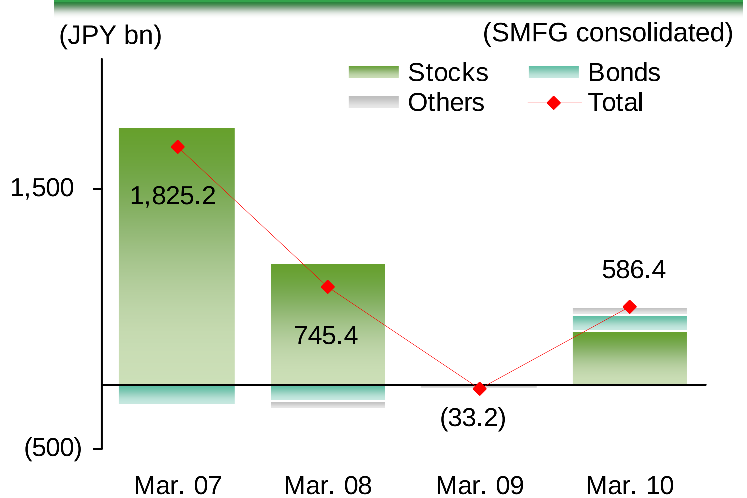
Problem assets and NPL ratio*



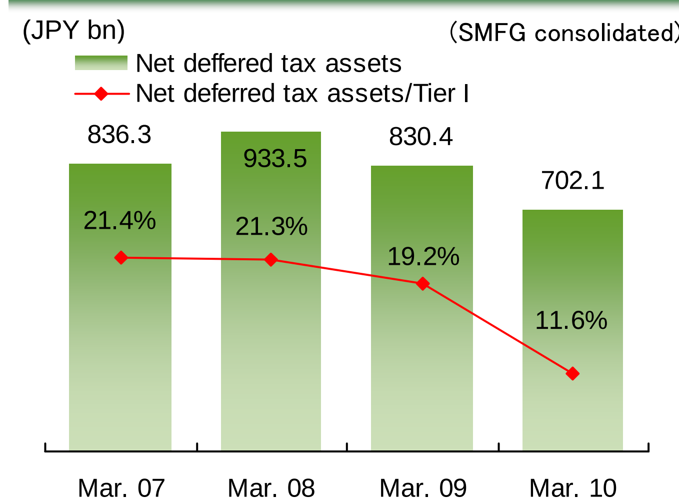
	Mar. 07	Mar. 08	Mar. 09	Mar. 10
Coverage ratio	79.42%	80.60%	86.11%	90.56%

* NPL ratio = problem assets based on the Financial Reconstruction Law (excluding normal assets) / Total claims

Unrealized gains (losses) on other securities



Net deferred tax assets



Management Policy for FY3/2011 (1)

"Transforming our business model to grow steadily under a new regulatory and competitive environment through a forward-looking approach" / "Emphasizing return on risks and costs, in order to improve asset quality and thoroughly control expenses and credit costs"

Under the changing regulatory and competitive environment, in order to "secure a resilient capital base" and "reinforce our business portfolio to achieve sustainable growth," we will strengthen our profitability through allocating more capital and resources into targeted growth business areas including overseas business and securities business. We will also implement improvement of risk-return profile by rebalancing our asset portfolio towards assets with high growth potential from assets with low yields and control on credit costs, while meeting customers' financial needs.

New financial regime

Basel Committee "Consultative proposal to strengthen the resilience of the banking sector"

- **Standards to be developed** by the end of 2010
- **To be phased in** as financial conditions improve and the economic recovery is assured, with the aim of implementation by the end of 2012

- **Enhance Quality of Capital**
  Stipulate that common equity and retained earnings should be the predominant form of Tier I capital
- **Risk Coverage**
- **Leverage Ratio**
- **Pro-cyclicality**
- **Liquidity Ratio**

Reorganization in global financial industry / Rebuilding business model

Our strategy

Securing a resilient capital base

Reinforcing business portfolio to achieve sustainable growth

Benchmark targets

Maintain over around 10% of consolidated Tier I ratio

Target around 10% of consolidated ROE in the medium term

Management Policy for FY3/2011 (2)

Securing a resilient capital base

- Steadily accumulating earnings based on our management plan
- Minimizing risks to our capital posed by volatility in our equity holdings
- Promoting initiatives toward NYSE listing

(Ref.) FY3/2011 forecast

(JPY bn)

		FY3/10A	FY3/11E
SMBC <non-consolidated>	Banking profit*1	769.5	760.0
	Ordinary profit	462.7	480.0
	Net income	318.0	330.0
	Total credit cost	(254.7)	(220.0)
SMFG <consolidated>	Ordinary profit	558.8	690.0
	Net income	271.6	340.0

*1 Before provision for general reserve for possible loan losses

Reinforcing business portfolio to achieve sustainable growth

Fortify bottom-line profit by reviewing current business / Further increase productivity by improving business processes

- Improving risk-return profile by rebalancing our asset portfolio towards assets with high growth potential from assets with low yields while meeting customers' financing needs / Controlling credit costs and expenses

Pursue profitability by focusing on targeted growth business areas / Further enhance customer responsiveness by leveraging advisory functions

Solution Providing for Corporations / Investment Banking, Trust Business

- Meeting the financial needs of SME customers
- Providing optimal solutions for clients' management issues

Wholesale / Retail Securities Business

- Accelerate integration between banking and securities services businesses centered on Nikko Cordial
  - ✓ Early establishment of wholesale securities business to generate profit
  - ✓ Continuously enhancing retail securities business

Financial Consulting for Individuals

- Further expanding product/ service lineup
- Enhancing consultants' skills

Payment & Settlement Services, Consumer Finance

- Steadily promoting credit card business strategy by making Cedyna as a consolidated subsidiary
- Revising business model under the cascade strategy, merger of At-Loan by Promise (scheduled in Apr. 2011)
- Promoting global CMS (Cash Management Service)

Focused Business Areas in Global Markets

- Allocating resources into overseas business centered on Asia, diversifying and stabilizing funding
- Continuously strengthening finance with expertise, expanding products-related business
- Meeting customers' needs in a globally integrated manner
- Promoting capital/business alliances with commercial banks in Asia

Regarding Increase in Total Number of Authorized Ordinary Shares

The number of authorized but unissued ordinary shares decreased to only approx. 86 million.
Under these circumstances, we believe that securing strategic flexibility, including pursuing inorganic growth opportunities, for further fortification of growth business areas would contribute to enhancement of our enterprise value in the medium- to long-term and propose to increase the total number of authorized ordinary shares from 1.5 billion to 3.0 billion at the ordinary general meeting of shareholders scheduled to be held on June 29, 2010.

Current status

Initiatives in FY3/10

- Raised JPY 1.8 tn in total amount paid through common equity offering
- Converted convertible preferred shares into ordinary shares

etc.

(mn shares)	Mar. 31, 09	Mar. 31, 10
Total number of authorized ordinary shares (A)	1,500	1,500
Outstanding ordinary shares (B)	789	1,414
Number of authorized but unissued (A-B) (C)	711	86
C/A	approx. 47.4%	approx. 5.7%

Increase to 3,000 mn shares

Purpose of amendment

Securing strategic flexibility, including pursuing inorganic growth opportunities, for further fortification of growth business areas to enhance our enterprise value in the medium- to long-term

Not intending to:

Execute another common equity offering from the viewpoint of achieving the targeted level of consolidated Tier I ratio

Adopt any defensive measures against hostile takeovers

(Ref.) Trends of consolidate Tier I ratio

Steadily accumulating earnings based on our management plan, maintain over around 10% of consolidated Tier I ratio