

This document contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.

Figures in the charts are round numbers. Figures in parenthesis indicate loss or decrease.

May 14, 2010

### **Announcement of Financial Results for Fiscal Year 3/2010**

We would now like to explain our financial results for FY3/2010, by using *Financial Results for the Fiscal Year ended March 31, 2010* and *Financial Results Fiscal Year 3/2010 Supplementary Information*.

Let us look at the *Supplementary Information*. In this report, “Non-consolidated” indicates SMBC’s non-consolidated figures and “Consolidated” indicates SMFG’s consolidated figures if not otherwise specified.

#### **<SMBC Non-consolidated Financial Results>**

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

In line 22, Banking profit before provision for general reserve for possible loan losses was JPY 769.5 billion, a JPY 53.9 billion decrease year over year.

Gross banking profit, shown in line 1, was JPY 1,455.3 billion, a JPY 69.6 billion decrease year over year.

This was mainly due to (a) a decrease in Net interest income of domestic operations derived from tightened loan to deposit spread associated with declined market interest rate, and (b) a decrease in income related to foreign exchanges under the faltering macro economy, while (c) an increase in Net interest income of international operations led by a decline of U.S. interest rate and improvement of loan spread, and (d) an increase in Gains on bonds led by quickly responding to fluctuation in market interest rates.

Expenses, shown in line 18, decreased by JPY 15.7 billion year over year, to JPY 685.8 billion, led mainly by more stringent control on expenses under current severe business environment.

<SMBC Non-consolidated> (Billions of yen)

		FY3/2010		FY3/2009
			Change	
Gross banking profit	1	1,455.3	(69.6)	1,524.9
Expenses (excluding non-recurring losses)	18	(685.8)	15.7	(701.5)
Banking profit (before provision for general reserve for possible loan losses)	22	769.5	(53.9)	823.4
Gains (losses) on bonds	26	37.3	11.2	26.1

Let us move on to Non-recurring gains (losses).

Total credit cost, calculated by adding Credit costs in line 28, Provision for general reserve for possible loan losses in line 24 and Recoveries of written-off claims in line 38, was JPY 254.7 billion, a JPY 295.4 billion decrease year over year, as shown in line 43.

Total credit cost decreased due mainly to detailed responses to our clients and a decline of credit costs from non-Japanese clients led by the improvement of overseas markets, in addition to the effect of Japanese government's economy-boosting measures.

<SMBC Non-consolidated> (Billions of yen)

		FY3/2010		FY3/2009
			Change	
Provision for general reserve for possible loan losses	24	9.0	84.7	(75.7)
Non-recurring gains (losses)	27	(315.8)	395.8	(711.6)
Credit costs	28	(263.8)	210.6	(474.4)
Extraordinary gains (losses)	35	(8.0)	0.3	(8.3)
Recoveries of written-off claims	38	0.1	0.1	0.0
Total credit cost (24+28+38)	43	(254.7)	295.4	(550.1)

Gains (losses) on stocks, shown in line 29, improved by JPY 224.3 billion year over year, to a net gain of JPY 3.9 billion. This was mainly due to recorded Gains on sales of stocks and other securities and a decrease in Losses on devaluation of stocks and other securities in line 32 as a result of a rally in prices of stock markets.

<SMBC Non-consolidated> (Billions of yen)

		FY3/2010		FY3/2009
			Change	
Gains (losses) on stocks	29	3.9	224.3	(220.4)
Gains on sale of stocks and other securities	30	56.7	49.7	7.0
Losses on sale of stocks and other securities	31	(0.9)	3.4	(4.3)
Losses on devaluation of stocks and other securities	32	(51.9)	171.2	(223.1)

These items added up to Ordinary profit of JPY 462.7 billion, a JPY 426.6 billion increase year over year, as shown in line 34.

Also, Income taxes-deferred, as shown in line 41, decreased Net income by JPY 91.7 billion, due mainly to recorded Income before income taxes.

As a result, shown in line 42, Net income increased by JPY 619.1 billion year over year, to JPY 318.0 billion.

<SMBC Non-consolidated> (Billions of yen)

		FY3/2010		FY3/2009
			Change	
Ordinary profit	34	462.7	426.6	36.1
Extraordinary gains (losses)	35	(8.0)	0.3	(8.3)
Income before income taxes	39	454.7	426.9	27.8
Income taxes-current	40	(45.0)	(21.3)	(23.7)
Income taxes-deferred	41	(91.7)	213.5	(305.2)
Net income (loss)	42	318.0	619.1	(301.1)

### <SMFG Consolidated Financial Results>

Let us now look at SMFG's consolidated earnings results on the next page.

Due mainly to the increase in SMBC's non-consolidated Ordinary profit and Net income as explained above, SMFG's consolidated Ordinary profit shown in line 16 increased by JPY 513.5 billion year over year to JPY 558.8 billion, and Net income (loss) shown in line 24 increased by JPY 645.0 billion year over year to JPY 271.6 billion.

SMFG's consolidated Net income was JPY 46.4 billion lower than SMBC's Net income due mainly to Net loss of Kansai Urban Banking Corporation and Cedyne led by an increase in Total credit cost and so on.

<SMFG Consolidated> (Billions of yen)

		FY3/2010		FY3/2009
			Change	
Consolidated gross profit	1	2,236.6	70.7	2,165.9
General and administrative expenses	7	(1,161.3)	(97.9)	(1,063.4)
Credit costs	8	(473.9)	295.6	(769.5)
Gains (losses) on stocks	13	(10.1)	173.6	(183.7)
Equity in earnings (losses) of affiliates	14	(21.5)	73.4	(94.9)
Other income (expenses)	15	(11.0)	(1.9)	(9.1)
Ordinary profit	16	558.8	513.5	45.3
Net income (loss)	24	271.6	645.0	(373.4)
Total credit cost	25	(473.0)	294.8	(767.8)

### <Unrealized Gains (Losses) on Securities>

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

Figures on non-consolidated Unrealized gains (losses) on securities portfolio of SMBC are shown in the middle of the page.

In the table, Net unrealized gains on Other securities in total was JPY 521.4 billion, which was composed of JPY 371.5 billion of Net unrealized gains on Stocks, JPY 116.1 billion on Bonds and JPY 33.8 billion on Others, respectively.

<SMBC Non-consolidated> (Billions of yen)

	Mar. 31, 2010			
	Net unrealized gains (losses)			
		Change from Mar. 31, 2009	Gains	Losses
Other securities	521.4	564.1	738.9	(217.5)
Stocks	371.5	388.0	518.2	(146.7)
Bonds	116.1	117.4	123.0	(6.9)
Others	33.8	58.7	97.7	(63.9)

### <BIS Capital Ratio>

Next, we would like to explain the consolidated capital ratio on a preliminary basis on page 7.

As of March 31, 2010 on SMFG consolidated basis, BIS capital ratio was 15.02%, an increase of 3.55% compared with March 31, 2009, while Tier I ratio was 11.15%, an increase of 2.93% compared with March 31, 2009.

These increases were due mainly to an increase in Tier I capital through the public offerings of common equity.

<SMFG Consolidated> (%)

	Mar. 31, 2010		Mar. 31, 2009
	[Preliminary]	Change	
Capital ratio	15.02	3.55	11.47
Tier I ratio	11.15	2.93	8.22

### <Non-Performing Loans>

Let us now move on to page 8, the situation of non-performing loans.

The total amount of Problem assets based on the Financial Reconstruction Law, shown on the bottom left of the table, was JPY 1,100.7 billion, a JPY 93.5 billion decrease compared with March 31, 2009.

A ratio of Problem assets to Total claims including Normal assets remained at a low level of 1.74%, a decrease by 0.04% compared with March 31, 2009.

<SMBC Non-consolidated> (Billions of yen, %)

	Mar. 31, 2010 (a)	(a) - (b)	Mar. 31, 2009 (b)
Bankrupt and quasi-bankrupt assets	224.3	(95.3)	319.6
Doubtful assets	697.7	19.4	678.3
Substandard loans	178.7	(17.6)	196.3
Total (A)	1,100.7	(93.5)	1,194.2
Normal assets	62,116.0	(3,912.5)	66,028.5
Total (B)	63,216.7	(4,006.0)	67,222.7
Problem asset ratio (A/B)	1.74%	(0.04%)	1.78%

### < Earnings Forecast for FY3/2011 >

Next, we will explain the earnings forecast for FY3/2011 on page 20.

SMFG's non-consolidated earnings forecast for FY3/2011 is as follows:

Operating income: JPY 220.0 billion  
 Operating profit: JPY 200.0 billion  
 Ordinary profit: JPY 190.0 billion  
 Net income: JPY 190.0 billion.

We forecast annual cash dividends per common share for FY3/2011 to be JPY 100, the same amount of those for FY3/2010. Preferred dividends will be paid as originally set. Also, the half of the annual common dividends will be paid as an interim dividend.

<SMFG Non-consolidated> Dividend per share forecast (Yen)

	FY3/2011 Forecast		FY3/2010 Annual Result
	Interim	Annual	
Common stock	50	100	100

(Reference) (Billions of yen)

Total dividend planned	73.6	147.2	131.6
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Next, we forecast SMFG's consolidated earnings for FY3/2011 as shown in the middle of the page:

Ordinary profit: JPY 690.0 billion  
 Net income: JPY 340.0 billion.

We forecast SMBC's non-consolidated earnings for FY3/2011 as follows:

Banking profit:	JPY 760.0 billion
Ordinary profit:	JPY 480.0 billion
Net income:	JPY 330.0 billion
Total credit cost:	JPY 220.0 billion.

**<Overview of business performance of FY3/2010 and management policy for FY3/2011 >**

Please look at page 21, which shows an overview of business performance of FY3/2010 on the top and management policy for FY3/2011 at the bottom.

As shown on the top of the page, we designated FY3/2010 as a year for “establishing the next foundation for future growth, while continuing to strengthen businesses consistent with our philosophy of 'Follow the Basics,’” and maintained stringent control on expenses, credit costs, and risk-adjusted assets in the core operations of our group companies.

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.

Consequently, we successfully achieved a steady recovery in FY3/2010 as seen in an increase of SMFG's consolidated Net income compared with FY3/2009 and the earnings forecast announced in November 2009, as explained above.

With regard to FY3/2011, we designated our management policy as shown at the bottom: “transforming our business model to grow steadily under a new regulatory and competitive environment through a forward-looking approach” and “emphasizing return on risks and costs, in order to improve asset quality and thoroughly control expenses and credit costs.”

Based on the policy, 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, while meeting customers' financial needs.

Moreover, through these initiatives, we aim to maintain over around 10% of consolidated Tier I ratio and target around 10% of consolidated ROE in the medium term.

This is the end of presentation. Thank you very much for your attention.

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