

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

November 12, 2010

Announcement of Financial Results for the Six Months ended September 30, 2010

We would now like to explain our financial results for the Six Months ended September 30, 2010, by using *Financial Results for the Six Months ended September 30, 2010* and *Financial Results for the Six Months ended September 30, 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 493.3 billion, a JPY 115.6 billion increase year over year.

Gross banking profit, shown in line 1, was JPY 838.6 billion, a JPY 119.2 billion increase year over year.

This increase was principally because (a) Gross banking profit excluding gains (losses) on bonds was almost the same level as a year earlier, even under the severe business environment with continuously limited loan demand, due mainly to an increase in Net fees and commissions led by an increase in sales of investment trust and loan related fees on International Banking Unit, and because (b) Gains on bonds substantially increased resulting from our ALM operations that quickly responded to the decline in market interest rates in both domestic and overseas markets.

Expenses, shown in line 18, was JPY 345.3 billion, almost the same level as a year earlier, led by continued stringent control on expenses.

<SMBC Non-consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2010	Change	Sep. 30, 2009
Gross banking profit	1	838.6	119.2	719.3
Expenses (excluding non-recurring losses)	18	(345.3)	(3.6)	(341.7)
Banking profit (before provision for general reserve for possible loan losses)	22	493.3	115.6	377.6
Gains (losses) on bonds	26	151.2	112.3	38.9

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 43.3 billion, a JPY 113.6 billion decrease year over year, as shown in line 43.

The substantial decrease of Total credit cost year over year was due mainly to decline in incurred credit costs as a result of our individualized efforts to assist certain debtors to improve their businesses and financial conditions, as well as reversal of provision for reserve by loan repayment.

<SMBC Non-consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2010	Change	Sep. 30, 2009
Provision for general reserve for possible loan losses	24	4.9	(42.7)	47.6
Non-recurring gains (losses)	27	(105.2)	173.0	(278.2)
Credit costs	28	(48.8)	155.8	(204.6)
Extraordinary gains (losses)	35	(3.0)	(1.0)	(2.0)
Recoveries of written-off claims	38	0.6	0.5	0.1
Total credit cost (24+28+38)	43	(43.3)	113.6	(156.9)

Gains (losses) on stocks, shown in line 29, was a net loss of JPY 18.3 billion, due mainly to JPY 22.0 billion of Losses on devaluation of stocks and other securities shown in line 32, mainly from domestic stocks.

<SMBC Non-consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2010	Change	Sep. 30, 2009
Gains (losses) on stocks	29	(18.3)	18.5	(36.8)
Gains on sale of stocks and other securities	30	4.6	0.4	4.2
Losses on sale of stocks and other securities	31	(0.9)	(0.6)	(0.3)
Losses on devaluation of stocks and other securities	32	(22.0)	18.7	(40.7)

These items added up to Ordinary profit of JPY 393.0 billion, a JPY 245.9 billion increase year over year, as shown in line 34.

Also, Income taxes-deferred, as shown in line 41, decreased Net income by JPY 19.0 billion.

As a result, shown in line 42, Net income increased by JPY 238.6 billion year over year, to JPY 351.2 billion.

<SMBC Non-consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2010	Change	Sep. 30, 2009
Ordinary profit	34	393.0	245.9	147.1
Income taxes-current	40	(19.8)	1.9	(21.7)
Income taxes-deferred	41	(19.0)	(8.2)	(10.8)
Net income	42	351.2	238.6	112.6

<SMFG Consolidated Financial Results>

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

Due mainly to the contribution of Nikko Cordial Securities, in addition 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 318.4 billion year over year to JPY 540.6 billion, and Net income shown in line 24 increased by JPY 294.0 billion year over year to JPY 417.5 billion.

<SMFG Consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2010	Change	Sep. 30, 2009
Consolidated gross profit	1	1,316.8	250.8	1,066.0
General and administrative expenses	7	(655.6)	(122.6)	(533.0)
Credit costs	8	(107.1)	161.9	(269.0)
Gains (losses) on stocks	13	(22.6)	(13.7)	(8.9)
Equity in earnings (losses) of affiliates	14	1.6	21.6	(20.0)
Other income (expenses)	15	7.5	20.3	(12.8)
Ordinary profit	16	540.6	318.4	222.2
Net income	24	417.5	294.0	123.5
Total credit cost	25	(105.8)	162.7	(268.5)

<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 312.8 billion, which was composed of JPY 137.7 billion of Net unrealized gains on Stocks, JPY 118.3 billion on Bonds and JPY 56.8 billion on Others, respectively.

		Sep. 30, 2010			
		Net unrealized gains (losses)			
		Change from Mar. 31, 2010	Gains	Losses	
Other securities		312.8	(208.6)	599.4	(286.6)
Stocks		137.7	(233.8)	380.6	(242.9)
Bonds		118.3	2.2	121.9	(3.6)
Others		56.8	23.0	96.9	(40.1)

<BIS Capital Ratio>

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

As of September 30, 2010 on SMFG consolidated basis, BIS capital ratio was 16.02%, and Tier I ratio was 12.32%.

Compared with March 31, 2010, BIS capital ratio increased by 1.00% and Tier I ratio increased by 1.17%, due mainly to recorded Net income.

	Sep. 30, 2010		Mar. 31, 2010
	[Preliminary]	Change	
Capital ratio	16.02	1.00	15.02
Tier I ratio	12.32	1.17	11.15

<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 1,042.6 billion, a JPY 58.1 billion decrease compared with March 31, 2010.

A ratio of Problem assets to Total claims including Normal assets remained at a low level of 1.63%, a decrease by 0.11% compared with March 31, 2010.

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

	Sep. 30, 2010	Change from Mar. 31, 2010	Mar. 31, 2010
Bankrupt and quasi-bankrupt assets	178.6	(45.7)	224.3
Doubtful assets	676.3	(21.4)	697.7
Substandard loans	187.7	9.0	178.7
Total (A)	1,042.6	(58.1)	1,100.7
Normal assets	62,899.0	783.0	62,116.0
Total (B)	63,941.6	724.9	63,216.7
Problem asset ratio (A/B)	1.63%	(0.11)%	1.74%

< Earnings Forecast for FY3/2011 >

Let us now explain the earnings forecast for FY3/2011 on page 20.

As shown on the top, non-consolidated earnings forecast of SMFG, the holding company, is unchanged from the forecast announced in May 2010 (hereinafter referred to as “the previous forecast”) as follows:

Operating income: JPY 220 billion
Operating profit: JPY 200 billion
Ordinary profit: JPY 190 billion
Net income: JPY 190 billion.

Next, we will explain forecast for cash dividends per share below.

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

Dividends per preferred share will be paid as originally set.

We revised SMFG's consolidated earnings forecast for FY3/2011 as shown in the middle of the page, mainly because SMBC's non-consolidated earnings are expected to be better than the previous forecast as explained below:

Ordinary profit: JPY 870 billion, JPY 180 billion higher than the previous forecast
Net income: JPY 540 billion, JPY 200 billion higher than the previous forecast.

We revised SMBC's non-consolidated earnings forecast for FY3/2011 as shown at the bottom, due mainly to increase in Banking profit and decrease in Total credit cost compared with the previous forecast in light of the actual results of 1st Half, FY3/2011:

Banking profit: JPY 840 billion, JPY 80 billion higher than the previous forecast
Ordinary profit: JPY 620 billion, JPY 140 billion higher than the previous forecast
Net income: JPY 460 billion, JPY 130 billion higher than the previous forecast
Total credit cost: JPY 130 billion, JPY 90 billion lower than the previous forecast.

< Management policy in FY3/2011 and Business Performance of 1st Half >

Please look at page 21, which shows our management policy and strategic initiatives in FY3/2011 on the top and overview of business performance of 1st Half, FY3/2011 and progress of strategic initiatives at the bottom.

As shown on the top of the page, we designated our management policy in FY3/2011 as “forward looking’ – transforming our business model to grow steadily under a new regulatory and competitive environment” and “emphasizing return on risks and costs, in order to improve asset quality and thoroughly control expenses and credit costs” and continue to promote initiatives to “secure a resilient capital base” and “reinforce our business portfolio to achieve sustainable growth.”

Progress during the 1st Half, FY3/2011 is shown at the bottom. As for business performance, SMFG's consolidated Net income was JPY 417.5 billion, a JPY 294.0 billion increase year over year and JPY 257.5 billion higher than the previous forecast. Together with SMBC's non-consolidated Net income, SMFG's consolidated Net income was the highest half-year Net income since the merger in April 2001.

As for progress of strategic initiatives, we have fortified our overseas operation through expanding channel network centered on China and reinforcing our organization. At the same time, we have fortified wholesale / retail securities business of Nikko Cordial Securities mainly through enhancing collaborative framework with SMBC, strengthening businesses including those related to bond and equity and expanding overseas network.

Moreover, we listed on New York Stock Exchange (NYSE) in November in order to accelerate “development of our business as a global player.”

Also in 2nd Half, FY3/2011, we will continue to promote initiatives to “secure a resilient capital base” and “reinforce our business portfolio to achieve sustainable growth,” mainly through improving risk-return profile by allocating more capital and resources into targeted growth business areas including overseas business and securities business.

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

(END)

This material 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”, “estimate”, “expect”, “intend”, “may”, “plan”, “probability”, “risk”, “project”, “should”, “seek”, “target” 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 the fragility of any economic recovery, both globally and in Japan; our ability to successfully implement its business and capital strategy; the success of our business alliances including those in the consumer finance industry; exposure to new risks as we expand the scope of our business; significant credit-related costs; declines in the value of our securities portfolio. 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 material. 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 the registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as our earnings press release for a more detailed description of the risks and uncertainties that may affect our financial conditions, our operating results, and investors’ decisions.