

Provisional translation of
the original Japanese version

Overview of 1Q, FY3/2012 Financial Results

LEAD THE VALUE

Sumitomo Mitsui Financial Group, Inc.

July 29, 2011

* (Ref. 2) on page 6 is updated on Aug. 16, 2011

1. Overview of 1Q, FY3/2012 Results and Progress of Strategic Initiatives

SMFG's consolidated Net income in the 1Q, FY3/2012 was approximately 52% of the full year forecast, mainly due to a decrease in Total credit cost of SMBC.

We enhanced cross-selling between SMBC and Nikko and reinforced initiatives in emerging countries

Overview of 1Q, FY3/2012 Results

Banking profit*1 <small>SMBC non-consolidated</small>		
Favorable progress	"FY3/2012 forecast" JPY 750 bn	JPY 206.7 bn
Overseas banking profit ratio <small>Managerial accounting basis</small>		
Increase in overseas loans	"FY3/2014 target" approx. 30%	24.3 %
Overhead ratio <small>SMBC non-consolidated/ SMFG consolidated</small>		
Control within the targeted level	"FY3/2014 target" Overhead ratio: 45-50%	46.9 %
	Consolidated overhead ratio: 50-55%	53.8 %
Total Credit Cost <small>SMBC non-consolidated</small>		
Net reversal	"FY3/2012 forecast" JPY (100) bn	(Net reversal) JPY 31.4 bn
Net income <small>SMFG consolidated</small>		
Favorable progress	"FY3/2012 forecast" JPY 400 bn	JPY 206.6 bn

*1 Before provision for general reserve for possible loan losses

Progress of Strategic Initiatives

Synergies between SMBC and Nikko

Enhanced cross-selling between SMBC and Nikko

- ✓ Commenced sales of Nikko's investment trusts to SMBC's clients
- ✓ Expanded private banking services under joint business among SMBC, Nikko and Barclays to SMBC's all branches
- ✓ Enhanced Nikko's overseas operations and reinforced collaboration in underwriting and M&A

Financial results of Nikko

- ✓ Increased both revenue and income compared to 4Q, FY3/2011, and recovered to the level before the Earthquake
- ✓ Performed well in sales of investment trusts and trading

Global Expansion

Enhanced SMBC's overseas channel and organization

- ✓ Commenced operations of subsidiary bank in Malaysia and New Delhi Representative office. Opened Shenzhen branch of SMBC (China)
- ✓ Restructured organization to reinforce business with Japanese corporations in Greater China
- ✓ Established a department to layout strategies in emerging markets and investments / alliances
- ✓ Established departments to enhance businesses with local and multinational corporations mainly in Latin America, Middle East, Eastern Europe and Africa, and with globally operating Korean corporations

Business alliance

- ✓ Signed MOU with Banco BTG Pactual (Brazil) for mutual cooperation in Brazilian-related businesses

Made Cedyna a wholly-owned subsidiary

2. Overview of 1Q, FY3/2012 Results

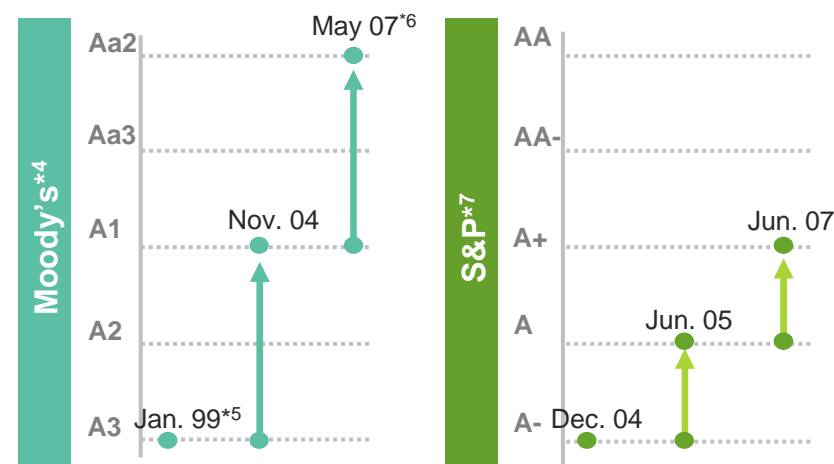
P/L

		Apr.-Jun. 2011 Results	YOY change	1H	FY3/2012 Forecast
(JPY bn)					
SMBC <non-consolidated>	Gross banking profit	389.5	(5.6)	725	1,470
	o/w Gains (losses) o/w on bonds	58.2	(17.0)		
	Expenses* ¹	(182.8)	Increased by 7.6	(355)	(720)
	<OHR>	46.9%	Increased by 2.6%	49.0%	49.0%
	Banking profit* ²	206.7	(13.2)	370	750
	Total credit cost* ³	(Net reversal) 31.4	decreased by 42.2	(50)	(100)
	Ordinary profit	194.1	(3.9)	290	600
	Net income	167.4	(8.4)	150	350
SMFG <consolidated>	Ordinary profit	301.2	+28.0	400	840
	Net income	206.6	(5.2)	170	400

Ref. SMBC Nikko's results (non-consolidated)

(JPY bn)	FY3/2011				FY3/2012
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun
Net operating revenue	55.0	49.6	53.2	47.2	53.7
SG&A expenses	(40.5)	(41.0)	(41.8)	(43.2)	(44.7)
Ordinary profit	13.3	9.3	10.7	4.9	8.9
Net income	10.2	5.8	5.8	1.5	3.4

Ref. Credit ratings (SMBC)



*1 Excluding non-recurring losses

*2 Before provision for general reserve for possible loan losses

*3 Including portion recorded in Extraordinary gains (losses) in the results of 1Q, FY3/11

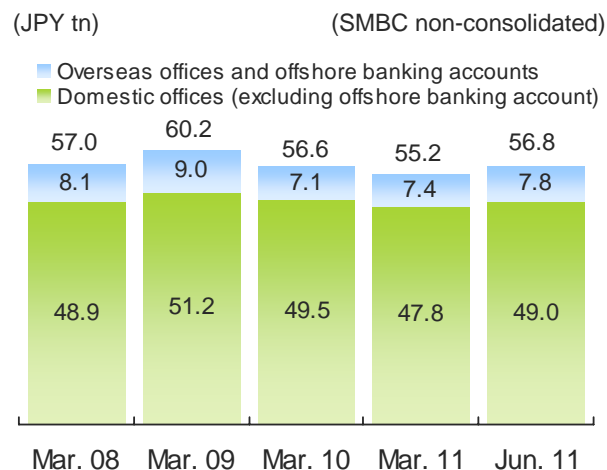
*4 Issuer rating *5 Long term local currency issuer credit rating of Sumitomo Bank

*6 Announced to review for possible downgrade on May 31, 2011

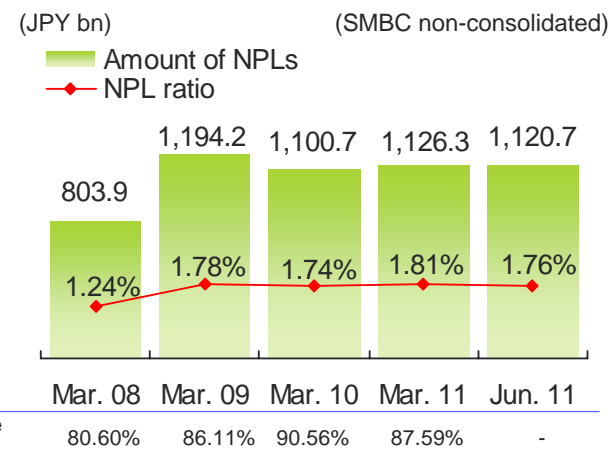
*7 Long term local currency issuer credit rating

3. 1Q, FY3/2012 B/S-related Items

Loan balance

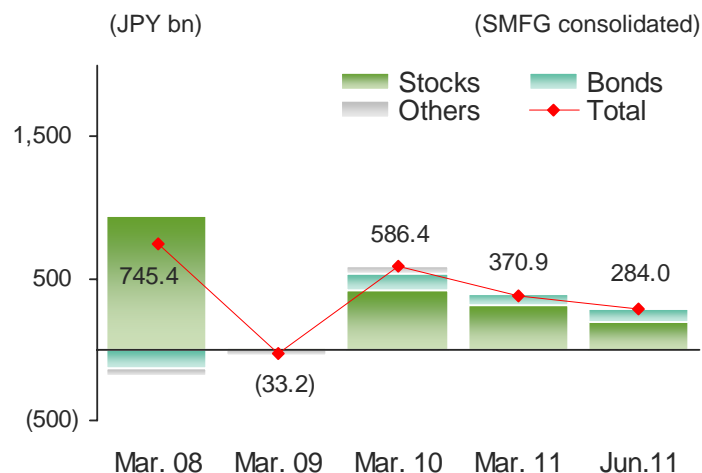


NPLs and NPL ratio*

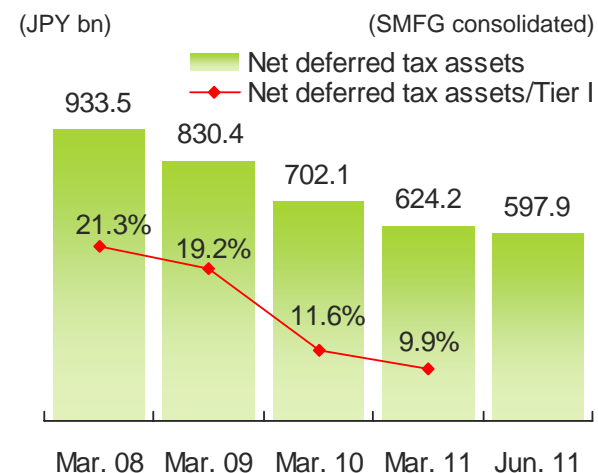


* NPL ratio = NPLs based on the Financial Reconstruction Law (excluding normal assets) / Total claims

Unrealized gains (losses) on other securities



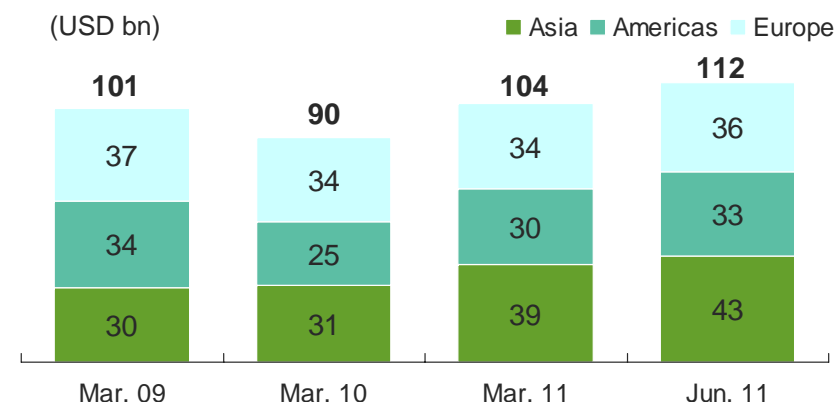
Net deferred tax assets



4. Global Expansion / Synergies between SMBC and Nikko

Global expansion

Trend of overseas loans (balance)*1



Financial products with competitive edge

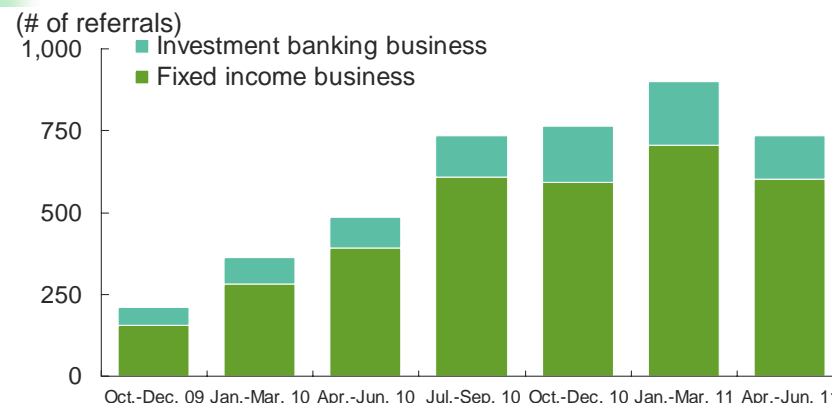
Investment banking business*2	Global	Asia*3
Loan syndication	#11	#4
Project finance	#7	#11

Cash management providers' ranking (in Asia Pacific)*4

Cash management service (CMS)	Rank	Notes
Large corporates	#4	#1 among Japanese banks for the five consecutive years
Medium corporates	#4	
Small corporates	#3	
JPY CMS	#1	#1 for the five consecutive years

Synergies between SMBC and Nikko

of referrals from SMBC to Nikko



Enhancing wholesale business (Nikko)

League tables (Apr.-Jun. 2011)	Rank	Mkt share
Global Equity & Equity-Related (Book runner, proceeds)*5	#1	27.2%
All Bonds in Yen (Manager, proceeds)*6	#5	11.5%
Financial Advisor (M&A, # of deals)*5	#2	3.5%

Analyst ranking	Rank	# of analysts
Corporate ranking*7	#9	31

*1 Managerial accounting basis (exchanged at respective term-end fx rate). Sum of loans at each channel of SMBC, SMBC Europe and SMBC (China)

*2 Results in Jan.-Jun. 2011. Source: Loan syndication - Thomson Reuters (Mandated arranger), Project finance - Project Finance International (Mandated Lead Arranger)

*3 Loan syndication - Asia (excl. Japan), Project finance - Asia Pacific *4 Source: "ASIAMONEY" (Cash Management Poll 2010 (Aug. 2010))

*5 Source: Thomson Reuters (Japanese related, group basis) *6 Source: SMBC Nikko Securities (corporate bonds, FILP agency bonds, municipality bonds (proportional shares as lead manager), samurai bonds) *7 Source: The Nikkei Veritas (Mar. 20, 2011), as of Jul. 29, 2011 for # of analysts. Established Equity Research Division in Aug. 2010

(Ref. 1) Summary of New Medium-term Management Plan

Basic policy	Become a globally competitive financial services group with the highest trust of our clients and other stakeholders by maximizing our strength of “Spirit of innovation,” ”Speed” and “Solution & Execution.”	Corporate slogan: LEAD THE VALUE
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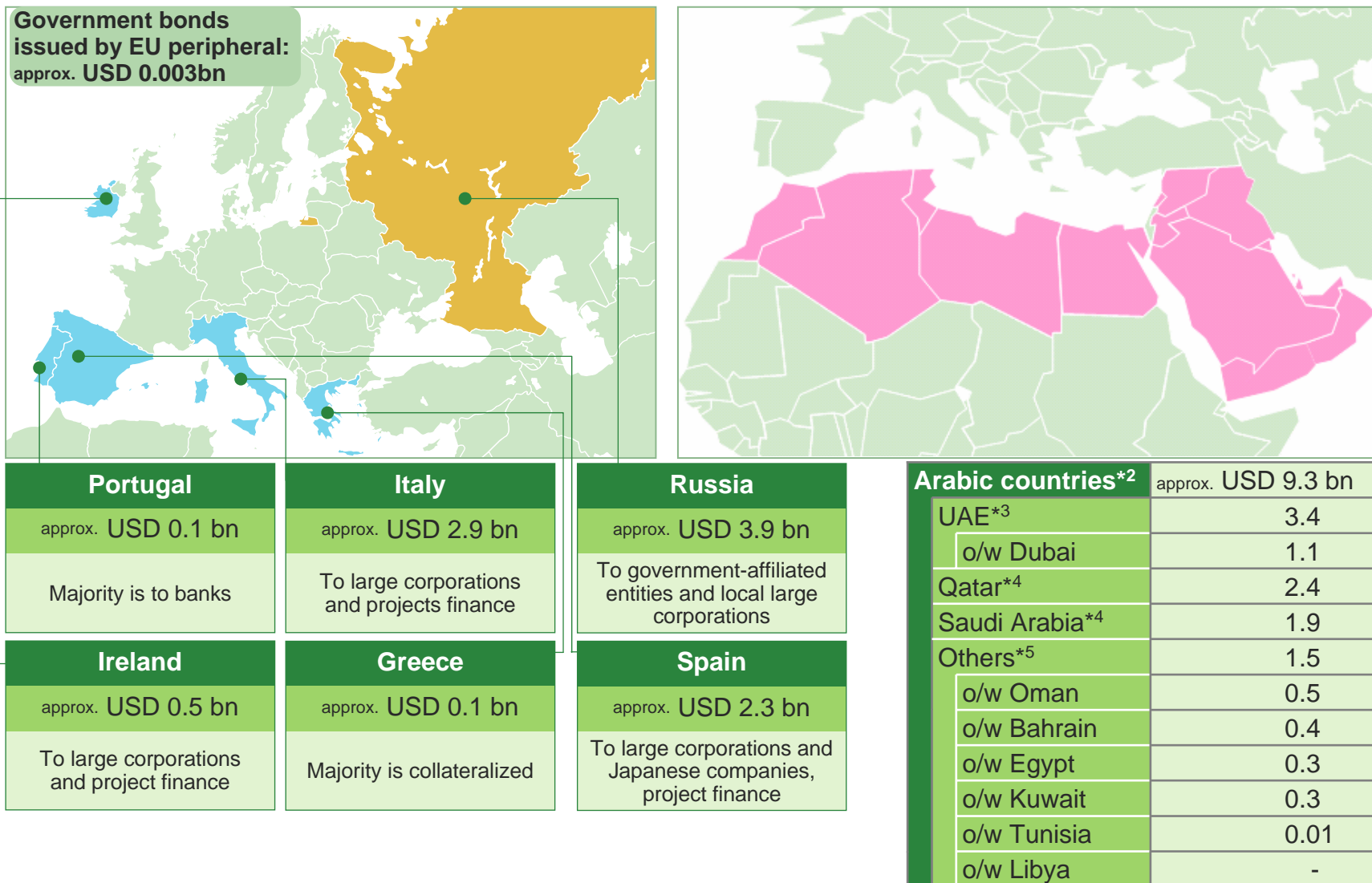
Management plan for coming three years

Strongly support Japan’s reconstruction on the financial front

New Medium-term Management Plan (FY3/12–FY3/14)

Management targets	<ul style="list-style-type: none"> ✓ Aim for top quality in strategic business areas ✓ Establish a solid financial base and corporate infrastructure enough to address the new financial regulations and competitive environment 	FY3/14 targets	Core Tier I ratio	approx. 8%
			Consolidated net income RORA	approx. 0.8%
		Consolidated overhead ratio	50-55%	
		Overhead ratio	45-50%	
		Overseas banking profit ratio	approx. 30%	
Financial objectives	<p>Well-balanced and steady improvement of “financial soundness,” “profitability” and “growth”</p> <ul style="list-style-type: none"> ● Achieve sufficient Core Tier I ratio as required for a global player ● Enhance risk-return profile by improving asset quality ● Aim for top-level cost efficiency among global players ● Expand overseas business by capturing growing business opportunities especially in Asia 			
Key initiatives to achieve management and financial targets				
Strategic initiatives	<p style="background-color: #e8f5e9; padding: 2px;">Strategic business areas</p> <ul style="list-style-type: none"> ● Financial Consulting for Individuals ● Solution Providing for Corporations ● Commercial Banking in Emerging Markets, especially in Asia ● Broker-Dealer/ Investment Banking ● Non-asset Business such as Payment & Settlement Services and Asset Management 	<p style="background-color: #e8f5e9; padding: 2px;">Corporate base</p> <ul style="list-style-type: none"> ● Strengthen group-wide management capabilities ● Strengthen a corporate infrastructure to support our global expansion ● Pursue efficient operation 		

(Ref. 2) Exposure to European Peripheral Countries, Russia and Arabic Countries*¹



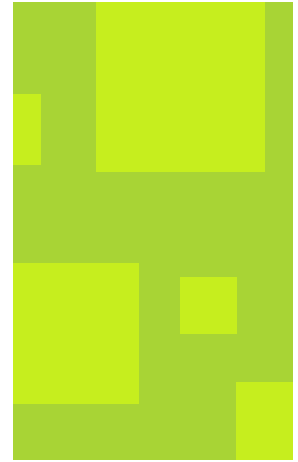
*1 As of Jun. 30, 2011

*2 The pink-colored countries

*3 Majority is to government-affiliated entities, local banks and Japanese companies

*4 Project finance *5 Trade finance and project finance

(SMFG consolidated)



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