

Provisional translation of
the original Japanese version

Overview of 1H, FY3/2012 Financial Results

LEAD THE VALUE

Sumitomo Mitsui Financial Group, Inc.

November 14, 2011

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

- SMFG's consolidated net income was JPY 313.8 bn, a substantial increase compared with May 2011 forecast (+ JPY 143.8 bn) due mainly to SMBC's favorable performance.
- In strategic initiatives, we have made steady progress: we have reinforced channel network and other frontline organizations in emerging markets, while SMBC Nikko has fully structured its overseas affiliates to accommodate global equity offering of Japanese corporate clients. We also made Cedyna a wholly-owned subsidiary and concluded basic agreement for making Promise a wholly-owned subsidiary.
- We have pursued well-balanced improvement of “financial soundness,” “profitability” and “growth.”
 - **Financial soundness** Core Tier I ratio*1: **Slightly more than 7%** - increased through accumulation of retained earnings
 - **Profitability** Consolidated net income RORA: **1.2%** - higher than the targeted level
Overhead ratio: **43.3%** <SMBC non-consolidated basis>
51.2% <SMFG consolidated basis>
- controlled within targeted levels
 - **Growth** Overseas banking profit ratio: **25.3%** - steadily rising toward the targeted level

Per share information (SMFG consolidated)

	1H, FY3/2012 Results			FY3/2012 (Nov. forecast)	
		Change from May forecast	YOY change		Change from May forecast
Net income per share	JPY 225.04	+JPY 103.12	JPY (71.6)	JPY 358.29	+JPY 71.69
Ret. ROE *2	12.6%		(4.7)%		
Dividend per share	JPY 50	-	-	JPY 100	-

	Sep. 30, 2011	Change from Mar. 31, 2011
Net Assets per share	JPY 3,554.38	+JPY 20.91

*1 SMFG consolidated basis; calculated based on the definition at the full implementation of Basel III in 2019; regulatory adjustments are fully deducted from Common Equity Tier I, excluding unrealized gains. *2 Annualized. Numerator: Total stockholders' equity

1-2. Overview of 1H, FY3/2012 Results and Progress of Strategic Initiatives

Overview of 1H, FY3/2012 results

Gross banking profit <small>SMBC non-consolidated</small>		
Higher than May forecast	Change from May forecast +JPY 94.5 bn	JPY 819.5 bn
Total credit cost <small>SMBC non-consolidated</small>		
Lower than May forecast	Change from May forecast JPY (47.1) bn	JPY (2.9) bn
Net income <small>SMFG consolidated</small>		
Substantially Higher than May forecast	Change from May forecast + JPY 143.8 bn	JPY 313.8 bn

Progress of strategic initiatives (since April, 2011)

Global Expansion

Expanded the channel network and increased overseas staff focusing on Asia	Shenzhen Br.	Subsidiary bank in Malaysia
	Chongqing Br.*2	New Delhi Rep. office
	Amsterdam Br.	
Enhanced business promotion framework for Japanese corporations in Greater China Area	Shifted departments covering Japanese corporations from International Banking Unit to Corporate Banking Unit	
	Established South China Dept.	
Established departments to serve corporations in emerging countries	Global Korea Corporate Banking Dept.	
	Latin Americas Marketing Dept., Americas Division	
	International Banking Dept., Europe Division	
Established department to devise business plans and strategies for transaction services business	Transaction Business Planning Dept.	
	Global Business Strategy Dept.	
Entered into business alliances	Banco BTG Pactual (Brazil)	

Financial targets in the Medium-term management plan

Core Tier I ratio (pro forma)	Mar. 31, 11	Sep. 30, 11	FY3/14 Targets
Based on the definition at the full implementation of Basel III	slightly less than 6%	slightly more than 7%	approx. 8%
Ref. Based on the definition at the initial implementation of Basel III	slightly more than 8%	slightly more than 9%	
	FY3/11 Results	1H, FY3/12 Results	FY3/14 Targets
Consolidated net income RORA	0.8%	1.2%	approx. 0.8%
Consolidated overhead ratio	52.5%	51.2%	50%–55%
Overhead ratio	45.6%	43.3%	45%–50%
Overseas banking profit ratio	23.3%	25.3% *1	approx. 30%

*1 Based on the assumption under the medium-term management plan (USD 1 = JPY 85)

*2 Received approval to open the branch

Synergies between SMBC and SMBC Nikko

- ✓ Fully structured for underwriting and sales to accommodate global equity offering of Japanese corporate clients (SMBC Nikko)
- ✓ Started sales of investment trusts products provided by SMBC Nikko to SMBC's clients
- ✓ Expanded the sales channel of the private banking business (a joint venture between SMBC and Barclays) to all branches of SMBC

Credit Card / Consumer Finance Business

- ✓ Made Cedyne a wholly-owned subsidiary (May 2011)
- ✓ Concluded basic agreement for making Promise a wholly-owned subsidiary (Sep. 2011)

2. Financial result of 1H, FY3/2012 and Revision of Earnings Forecast

P/L

		P/L			P/L	
		1H, FY3/2012 Results	Change from May forecast	YOY change	FY3/2012 (Nov. forecast)	Change from May forecast
		(JPY bn)				
SMBC <non-consolidated>	Gross banking profit	819.5	+94.5	(19.1)	1,520	+50
	o/w Gains (losses) on bonds	124.4		(26.8)		
	Expenses*¹	(354.6)	decreased by 0.4	increased by 9.3	(720)	-
	<OHR>	43.3%	decreased by 5.7%	increased by 2.1%	47.4%	decreased by 1.6%
	Banking profit*²	464.9	+94.9	(28.4)	800	+50
	Total credit cost*³	(2.9)	decreased by 47.1	decreased by 40.4	(60)	decreased by 40
	Gains (losses) on stocks	(46.1)		increased by 27.8		
	Ordinary profit	397.6	+107.6	+4.6	640	+40
	Net income	290.6	+140.6	(60.6)	430	+80
SMFG <consolidated>	Ordinary profit	546.5	+146.5	+5.9	900	+60
	Net income	313.8	+143.8	(103.7)	500	+100

Contribution of subsidiaries/affiliates to SMFG's Net income

	1H, FY3/2012 Results	YOY change
	(JPY bn)	
SMBC Guarantee	13	+5
Sumitomo Mitsui Finance and Leasing	11	+3
SMBC Nikko Securities	10	(7)
Sumitomo Mitsui Card	8	+3
Cedyna	6	+2
Promise	(46) ^{*4}	(45)

Ref. Credit ratings (SMBC)

Moody's	Aa3 / P-1	R&I	A+ / a-1
S&P	A+ / A-1	JCR	AA- / J-1+
Fitch	A / F1		

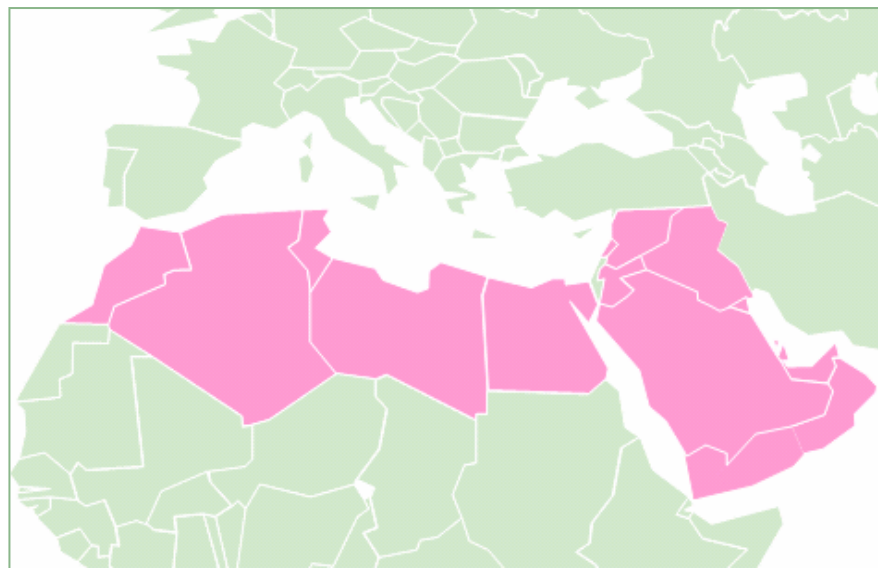
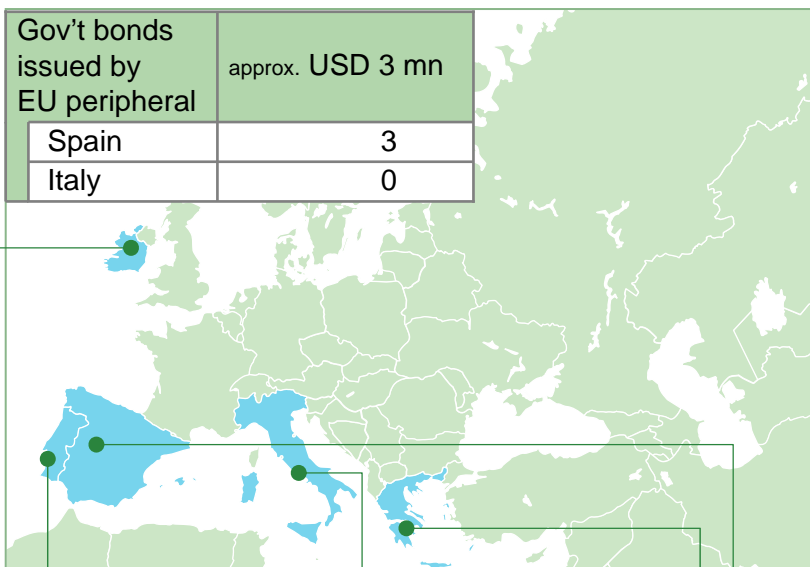
*1 Excluding non-recurring losses

*2 Before provision for general reserve for possible loan losses

*3 Including portion recorded in Extraordinary gains (losses) in the results of 1H, FY3/2011

*4 Resulting from a substantial provision for reserve for losses on interest repayments (For details, please refer to "Financial Results for the Second Quarter (2Q)" announced by Promise on Nov. 14)

(Ref) Exposure to European Peripheral Countries and Arabic Countries*1



Portugal
approx. USD 0.1 bn
To banks and large corporations

Italy
approx. USD 2.5 bn
To large corporations and project finance

Spain
approx. USD 2.2 bn
To large corporations and project finance

Ireland
approx. USD 0.4 bn
To large corporations and project finance

Greece
approx. USD 0.1 bn
Majority is collateralized

Total exposure to European Peripheral Countries:
approx. USD 5.3 bn

Arabic countries*2	approx. USD 9.8 bn
UAE*3	3.8
o/w Dubai	1.1
Qatar*4	2.6
Saudi Arabia*4	1.7
Others*5	1.7
o/w Oman	0.5
o/w Bahrain	0.4
o/w Egypt	0.3
o/w Kuwait	0.3
o/w Tunisia	0.01
o/w Libya	-

*1 As of Sep. 30, 2011

*2 Pink-colored countries

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

*4 Project finance *5 Trade finance and project finance

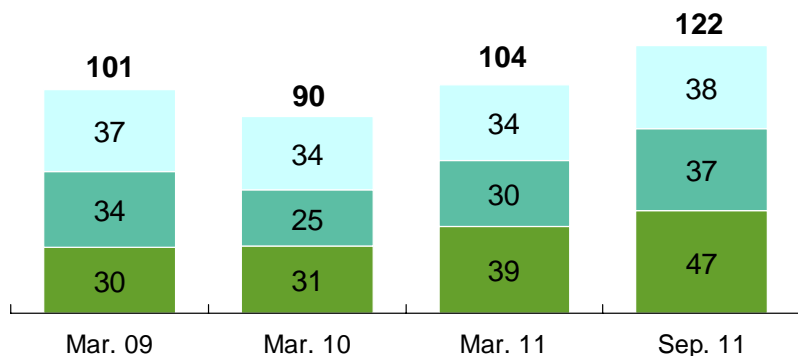
3. Global Expansion <Results>

Overseas banking profit ratio was 25.3% in 1H, FY3/2012. Overseas loan balance grew steadily mainly in Asia, while the foreign-currency funding sources have been further diversified

Overseas loans (balance)*1

(USD bn)

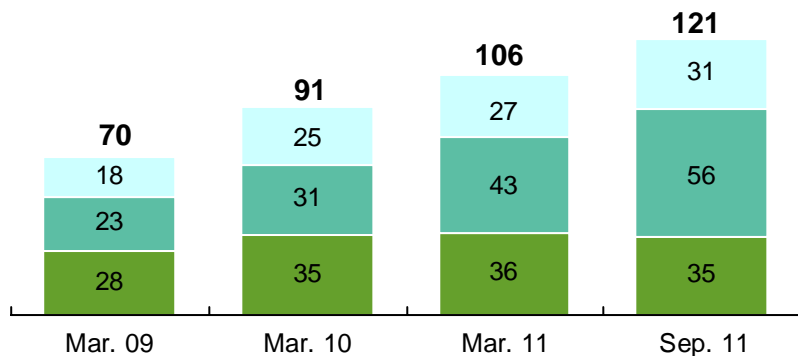
■ Asia ■ Americas ■ EMEA



Overseas deposit, etc. (balance)*1, 2

(USD bn)

■ Asia ■ Americas ■ EMEA



Financial products with competitive edge

Investment banking business*3

	Global	Asia*4
Loan syndication	#8	#5
Project finance	#4	#7

Cash management providers' ranking (in Asia Pacific)*5

Cash management service (CMS)	Large corporates	#4	} #1 among Japanese banks for six consecutive years
	Medium corporates	#4	
	Small corporates	#3	
JPY CMS		#1	#1 for six consecutive years

Diversification of foreign-currency funding

- Set up (Nov. 2009), size increased (Sep. 2011) USD CP program
- Set up Euro CP program (Sep. 2011)
- Issued foreign-currency denominated bonds to overseas institutional investors
 - USD 1 bn each for 3Y & 5Y senior bonds in Jul. 2010
 - EUR 750 mn for 10Y subordinated bonds in Nov. 2010
 - USD 650 mn for 3Y & USD 850 mn for 5Y senior bonds in Jan. 2011
 - USD 900 mn for 3Y & USD 1.1 bn for 5Y senior bonds in Jul. 2011
- Issued Australian Dollar denominated senior bonds to domestic retail investors (Mar. 2010)

*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 Including central banks' deposits and CPs, etc. *3 Results in Jan.-Sep. 2011. Source: Loan syndication - Thomson Reuters (Mandated arranger)

*4 Loan syndication - Asia (excl. Japan), Project finance - Asia Pacific (Incl. Australia and Japan) *5 Source: "ASIAMONEY" (Cash Management Poll 2010 (Aug. 2011))

4. Synergies between SMBC and SMBC Nikko <Results>

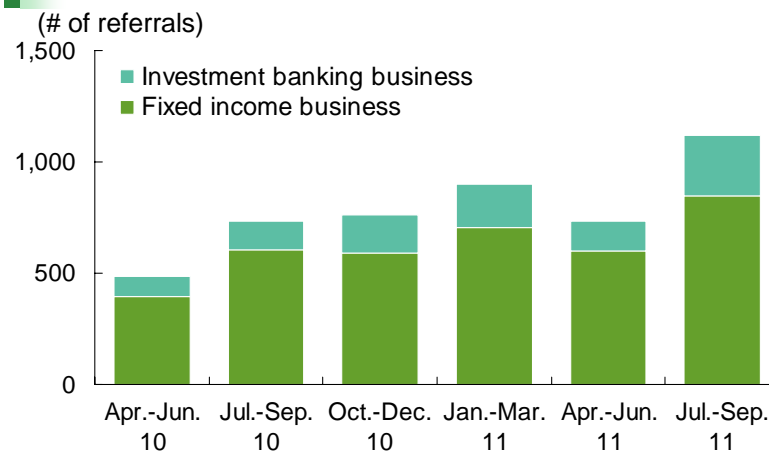
Despite difficult market conditions, SMBC Nikko recorded good results compared with its peers. The increase in referrals from SMBC to Nikko demonstrates the steady progress of our collaboration

SMBC Nikko's results (non-consolidated)

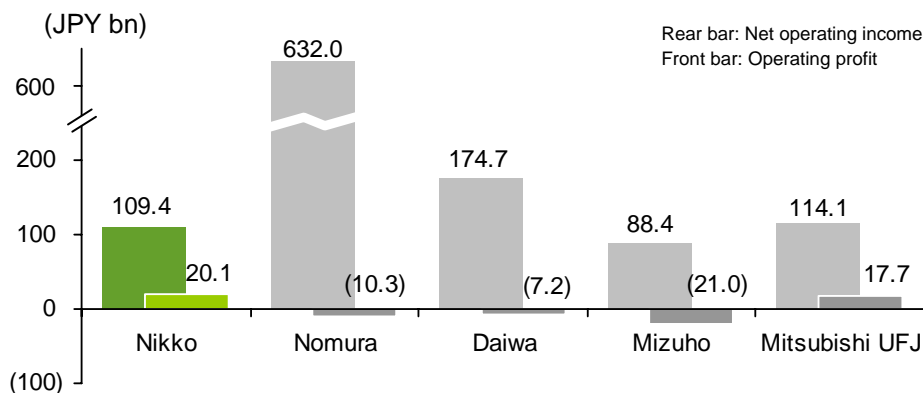
(JPY bn)	1H, FY3/2011	FY3/2011	1H, FY3/2012	YOY change	FY3/2014 Targets
Net operating revenue	104.6	205.1	109.4	+4.8	300+
SG&A expenses	(81.6)	(166.6)	(89.4)	increased by 7.8	—
Ordinary profit	22.6	38.3	20.1	(2.5)	approx. 100
Net income	16.1	23.5	10.1	(6.0)	—

Synergies between SMBC and Nikko

Number of referrals from SMBC to Nikko



Peer comparison (1H, FY3/2012)*3



Enhancing wholesale business (Nikko)

League tables (Apr.-Sep. 2011)

	Rank	Mkt share
Global Equity & Equity-Related (Book runner, Underwriting amount)*1	#2	20.4%
All Bonds in Yen (Manager, Underwriting amount)*2	#5	12.5%
Financial Advisor (M&A, # of deals)*1	#2	3.2%

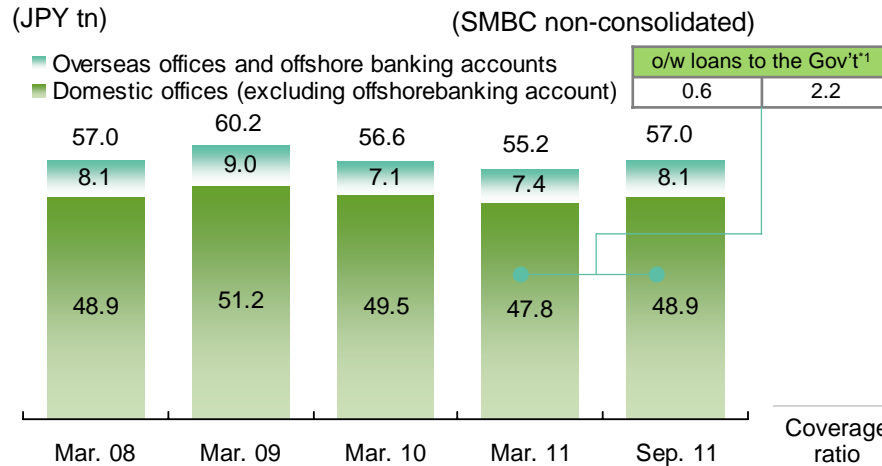
*1 Based on each company's disclosure. The figures shown in the graph are: consolidated figures (US GAAP, comparison with Net revenue and Income before income taxes) of Nomura Holdings for Nomura, consolidated figures of Daiwa Securities Group for Daiwa, consolidated figures of Mizuho Securities for Mizuho, and consolidated figures of Mitsubishi UFJ Holdings for Mitsubishi UFJ

*2 Source: Thomson Reuters (Japanese related, group basis)

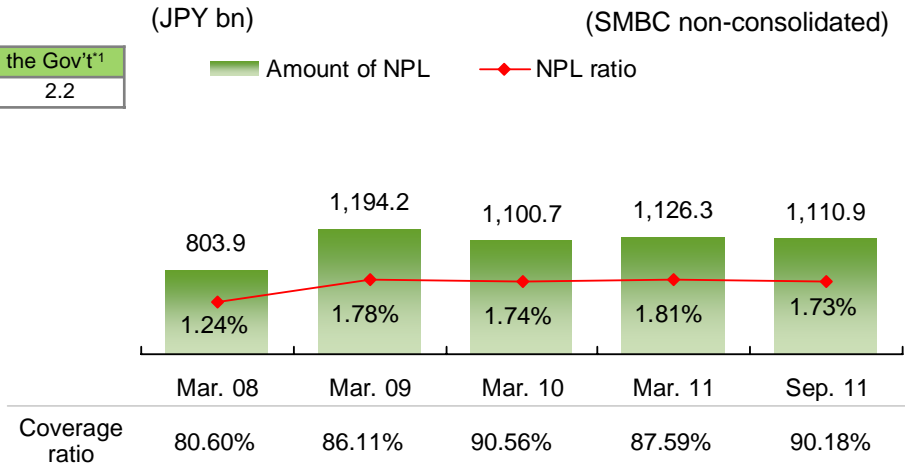
*3 Source: SMBC Nikko Securities (corporate bonds, FILP agency bonds, municipality bonds (proportional shares as lead manager), samurai bonds)

(Ref) 1H, FY3/2012 B/S related Items

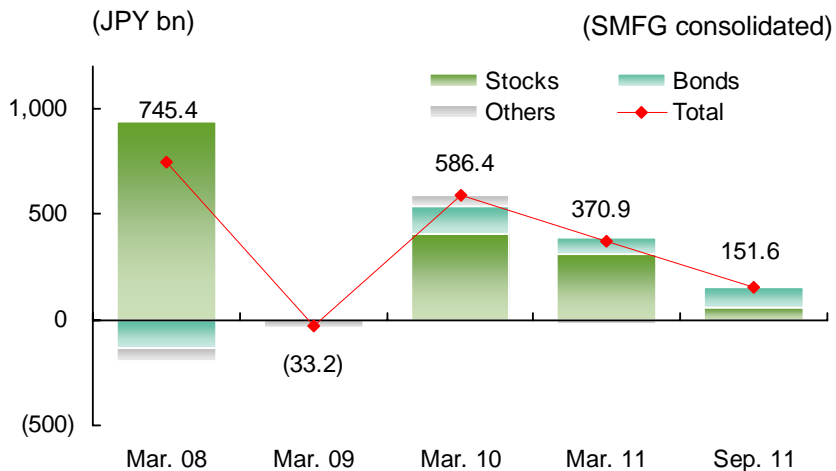
Loan balance



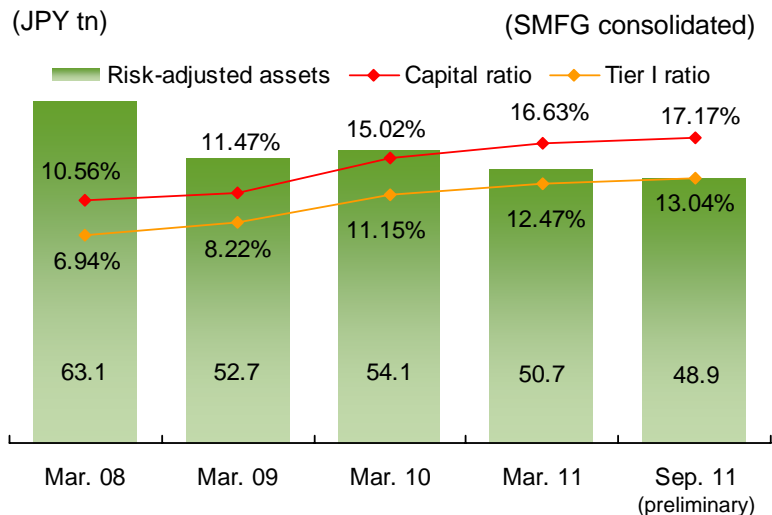
NPLs and NPL ratio^{*2}



Unrealized gains (losses) on other securities



Risk-adjusted assets and Capital/Tier I ratio^{*3}



*1 Loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc.

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

*3 Based on Basel II standard (Credit risk: FIRB on Mar. 08 and AIRB on or after Mar. 09, Operational risk: AMA)

(Ref) Summary of New Medium-term Management Plan

Basic policy

To 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.”

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

- ✓ 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

Financial objectives

- Well-balanced and steady improvement of “financial soundness,” “profitability” and “growth”
- 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

Strategic business areas

- 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

Growth Driver

- Global expansion
- Synergies between SMBC and SMBC Nikko

Corporate base

- Strengthen group-wide management capabilities
- Strengthen a corporate infrastructure to support our global expansion
- Pursue efficient operation

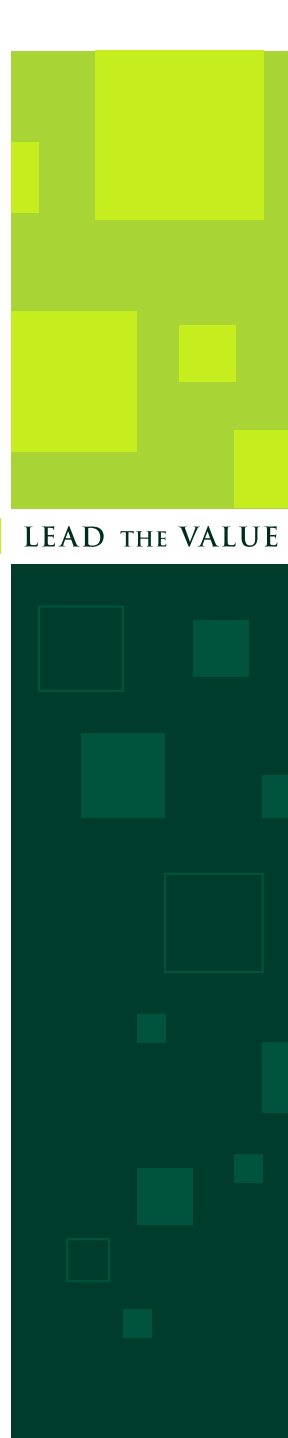

FY3/2014 Targets*1	Core Tier I ratio*2	approx. 8%
	Consolidated net income RORA	approx. 0.8%
	Consolidated overhead ratio	50-55%
	Overhead ratio	45-50%
	Overseas banking profit ratio*3	approx. 30%

*1 Consolidated: SMFG consolidated basis; non-consolidated: SMBC non-consolidated basis.

*2 SMFG consolidated basis; calculated based on the definition at the full implementation of Basel III in 2019; regulatory adjustments are fully deducted from Common Equity Tier I, excluding unrealized gains.

*3 Managerial accounting basis.





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.

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