

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

November 14, 2011

Announcement of Financial Results for the Six Months ended September 30, 2011

We would now like to explain our financial results for the Six Months ended September 30, 2011, by using *Financial Results for the Six Months ended September 30, 2011* and its *Supplementary Information*.

Let us look at the *Supplementary Information*. In this report, “Consolidated” indicates SMFG’s consolidated figures and “Non-consolidated” indicates SMBC’s non-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 464.9 billion, a JPY 28.4 billion decrease year over year.

Gross banking profit, shown in line 1, was JPY 819.5 billion, a JPY 19.1 billion decrease year over year.

Gross banking profit excluding Gains on bonds, shown in line 2, increased by JPY 7.8 billion year over year, due mainly to an increase in net fees and commissions portion of Gross international profit which resulted mainly from an increase in overseas loan related fees.

Gains on bonds decreased year over year, though SMBC could secure as much as JPY 124.4 billion through timely response to declining interest rates both in domestic and overseas markets.

Consequently, Gross banking profit decreased by JPY 19.1 billion year over year.

Expenses, shown in line 18, were JPY 354.6 billion, a JPY 9.3 billion increase year over year. This was due mainly to the proactive allocation of resources into focused business areas, such as our overseas business, while reexamining and containing ordinary expenses.

<SMBC Non-consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2011	Change	Sep. 30, 2010
Gross banking profit	1	819.5	(19.1)	838.6
<i>Excluding gains (losses) on bonds</i>	2	695.2	7.8	687.4
Expenses (excluding non-recurring losses)	18	(354.6)	(9.3)	(345.3)
Banking profit (before provision for general reserve for possible loan losses)	22	464.9	(28.4)	493.3
Gains (losses) on bonds	26	124.4	(26.8)	151.2

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

Total credit cost, calculated by adding Credit costs in line 28, Gains on reversal of reserve for possible loan losses in line 29 and Recoveries of written-off claims in line 30, was JPY 2.9 billion, a JPY 40.4 billion decrease year over year, as shown in line 45.

This substantial decrease of Total credit cost was due mainly to a decrease in incurrence of credit cost as a result of our individualized efforts to assist certain borrowers to improve their business and financial conditions, and a reversal of reserve for possible loan losses due to a reduction in the reserve ratio for Normal Borrowers resulting from an improvement of our loan portfolio.

<SMBC Non-consolidated> (Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2011	Change	Sep. 30, 2010
Provision for general reserve for possible loan losses	24	0.0	(4.9)	4.9
Non-recurring gains (losses)	27	(67.3)	37.9	(105.2)
Credit costs	28	(15.2)	33.6	(48.8)
Gains on reversal of reserve for possible loan loss	29	12.0	12.0	-
Recoveries of written-off claims	30	0.3	0.3	-
Extraordinary gains (losses)	37	0.5	3.5	(3.0)
Recoveries of written-off claims	40	-	(0.6)	0.6
Total credit cost (24+28+29+30+40)	45	(2.9)	40.4	(43.3)

(Notes) "Gains on reversal of reserve for possible loan losses" and "Recoveries of written-off claims" which were included in "Extraordinary gains (losses)" are included in "Non-recurring gains (losses)" from the fiscal year beginning on or after April 1, 2011.

Gains (losses) on stocks, shown in line 31, was a net loss of JPY 46.1 billion, due mainly to JPY 57.5 billion Losses on devaluation of stocks and other securities shown in line 34, mainly from the decline of stock markets.

<SMBC Non-consolidated>

(Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2011	Change	Sep. 30, 2010
Gains (losses) on stocks	31	(46.1)	(27.8)	(18.3)
Gains on sale of stocks and other securities	32	12.5	7.9	4.6
Losses on sale of stocks and other securities	33	(1.1)	(0.2)	(0.9)
Losses on devaluation of stocks and other securities	34	(57.5)	(35.5)	(22.0)

These items added up to Ordinary profit of JPY 397.6 billion, a JPY 4.6 billion increase year over year, as shown in line 36.

However, income taxes-deferred, as shown in line 43, depressed Net income by JPY 92.3 billion.

As a result, as shown in line 44, Net income was JPY 290.6 billion, a decrease of JPY 60.6 billion year over year.

<SMBC Non-consolidated>

(Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2011	Change	Sep. 30, 2010
Ordinary profit	36	397.6	4.6	393.0
Extraordinary gains (losses)	37	0.5	3.5	(3.0)
Income before income taxes	41	398.1	8.1	390.0
Income taxes-current	42	(15.2)	4.6	(19.8)
Income taxes-deferred	43	(92.3)	(73.3)	(19.0)
Net income (loss)	44	290.6	(60.6)	351.2

<SMFG Consolidated Financial Results>

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

As shown in line 18, Ordinary profit increased by JPY 5.9 billion year over year to JPY 546.5 billion. Meanwhile, Net income, shown in line 27, decreased by JPY 103.7 billion year over year to JPY 313.8 billion mainly because of a decrease in SMBC's non-consolidated Net income as explained and a decrease in Net income of our affiliate, Promise, resulting from a substantial provision for reserve for losses on interest repayments, though Net income of our subsidiaries such as Sumitomo Mitsui Card and Sumitomo Mitsui Finance and Leasing increased.

<SMFG Consolidated>

(Billions of yen)

		Six months ended		Six months ended
		Sep. 30, 2011	Change	Sep. 30, 2010
Consolidated gross profit	1	1,321.9	5.1	1,316.8
General and administrative expenses	7	(693.8)	(38.2)	(655.6)
Credit costs	8	(43.4)	63.7	(107.1)
Gains on reversal of reserve for possible loan losses	13	14.1	14.1	-
Recoveries of written-off claims	14	1.2	1.2	-
Gains (losses) on stocks	15	(12.1)	10.5	(22.6)
Equity in earnings (losses) of affiliates	16	(40.6)	(42.2)	1.6
Other income (expenses)	17	(0.9)	(8.4)	7.5
Ordinary profit	18	546.5	5.9	540.6
Extraordinary gains (losses)	19	(1.1)	(8.7)	7.6
Recoveries of written-off claims	21	-	(1.3)	1.3
Net income (loss)	27	313.8	(103.7)	417.5
Total credit cost (8+13+14+21)	28	(28.0)	77.8	(105.8)

(Notes) "Gains on reversal of reserve for possible loan losses" and "Recoveries of written-off claims" which were included in "Extraordinary gains (losses)" are included in "Ordinary profit" from the fiscal year beginning on or after April 1, 2011.

<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 totaled JPY 122.9 billion, comprising JPY 54.5 billion in Net unrealized gains on Stocks, JPY 91.0 billion in Net unrealized gains on Bonds and JPY 22.5 billion in Net unrealized losses on Others.

<SMBC Non-consolidated>

(Billions of yen)

	Sep. 30, 2011			
	Net unrealized gains (losses)			
		Change from Mar. 31, 2011	Gains	Losses
Other securities	122.9	(182.7)	488.9	(366.0)
Stocks	54.5	(221.0)	352.1	(297.6)
Bonds	91.0	19.1	95.5	(4.5)
Others	(22.5)	19.3	41.4	(63.9)

<BIS Capital Ratio>

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

As of September 30, 2011 on SMFG consolidated basis, BIS capital ratio was 17.17 % and Tier I ratio was 13.04 %, on a preliminary basis.

Compared with March 31, 2011, BIS capital ratio increased by 0.54 % and Tier I ratio increased by 0.57 %, due mainly to the recording of Net income.

<SMFG Consolidated>			(%)
	Sep. 30, 2011 [Preliminary]	Change	Mar. 31, 2011
	Capital ratio	17.17	0.54
Tier I ratio	13.04	0.57	12.47

<Non-Performing Loans>

Let us now move on to page 8, our non-performing loan situation.

The total amount of Problem assets based on the Financial Reconstruction Law, shown at the bottom left of the table, was JPY 1,110.9 billion, a JPY 15.4 billion decrease compared with March 31, 2011.

As a result, the ratio of Problem assets to Total claims including Normal assets decreased by 0.08% compared with March 31, 2011, and continued to remain at a low level of 1.73%.

<SMBC Non-consolidated>			(Billions of yen, %)
	Sep. 30, 2011 (a)	(a) - (b)	Mar. 31, 2011 (b)
	Bankrupt and quasi-bankrupt assets	126.3	(12.2)
Doubtful assets	718.4	33.6	684.8
Substandard loans	266.2	(36.8)	303.0
Total (A)	1,110.9	(15.4)	1,126.3
Normal assets	62,974.0	1,948.2	61,025.8
Total (B)	64,084.9	1,932.8	62,152.1
Problem asset ratio (A/B)	1.73%	△ 0.08%	1.81%

< Earnings Forecast for FY3/2012 >

Let us now explain the earnings forecast for FY3/2012 on page 20.

As shown at the top, non-consolidated earnings forecast of SMFG, the holding company, is unchanged from the forecast announced in May 2011 (hereinafter referred to as “the previous forecast”) as follows:

Operating income:	JPY 180 billion
Operating profit:	JPY 160 billion
Ordinary profit:	JPY 150 billion
Net income:	JPY 150 billion.

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

We forecast annual cash dividends per common share for FY3/2012 to be JPY 100, the same amount as the previous forecast, and the half of which, JPY 50, will be paid as an interim dividend.

We have revised upward SMFG’s consolidated earnings forecast for FY3/2012 as shown in the middle of the page.

Ordinary profit:	JPY 900 billion,	JPY 60 billion higher than the previous forecast
Net income:	JPY 500 billion,	JPY 100 billion higher than the previous forecast.

This is mainly because we have revised SMBC’s non-consolidated earnings forecast for FY3/2012 as shown at the bottom, due mainly to an increase in Banking profit and decrease in Total credit cost compared with the previous forecast in light of the actual 1st Half, FY3/2012 results.

Banking profit:	JPY 800 billion,	JPY 50 billion higher than the previous forecast
Ordinary profit:	JPY 640 billion,	JPY 40 billion higher than the previous forecast
Net income:	JPY 430 billion,	JPY 80 billion higher than the previous forecast
Total credit cost:	JPY 60 billion,	JPY 40 billion lower than the previous forecast.

< **Medium-term Management Plan and Business Performance of 1st Half** >

Please look at page 21, which shows a summary of the medium-term management plan for the three years from FY3/2012 to FY3/2014 at the top and an overview of business performance in 1st Half, FY3/2012 together with progress of strategic initiatives at the bottom.

We have been implementing and executing initiatives for “reinforcing the strategic business areas” and “establishing a solid financial base and corporate infrastructure” in order to achieve the management objectives and financial targets of the medium-term management plan shown at the top of the page.

An overview of business performance in 1st Half, FY3/2012 and progress of strategic initiatives are shown at the bottom. As for our business performance, SMFG’s consolidated Net income was JPY 313.8 billion, JPY 143.8 billion higher than the previous forecast due mainly to the strong efforts of Treasury Unit, as well as a decrease in Total credit cost. As a result, Core Tier I ratio, which is based on the definition at the time of full implementation of Basel III, was slightly more than 7%. We are moving steadily forward toward achieving the financial targets for FY3/2014 of the medium-term management plan.

In the strategic initiatives, we have made steady progress: we have been implementing measures to develop our global expansion through the reinforcement of our channel network and other frontline organizations in emerging markets. SMBC Nikko Securities has been developing its full-line wholesale investment banking capabilities and is now able to fully support the global equity offering of Japanese corporate clients. Regarding Credit card and Consumer finance business, we have made steady progress, including making Cedyne a wholly-owned subsidiary in May and concluding a basic agreement for making Promise a wholly-owned subsidiary in September.

“Unpredictable,” “uncertain,” and “unstable” still continue to describe the financial and economic environment. Nevertheless, we, the SMFG group, will continue to move forward, responding proactively and flexibly to the ever-changing environment, in order to increase our enterprise value and become a top-tier global financial services group.

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.