

Provisional translation of  
the original Japanese version

# Overview of 3Q, FY3/2012 Financial Results

LEAD THE VALUE

Sumitomo Mitsui Financial Group, Inc.

January 30, 2012

\* (Ref. 2) on page 8 is added on Feb. 10, 2012

# 1. Overview of 3Q, FY3/2012 Results (Cumulative)

Steady progress toward achieving earnings forecast

## Overview of 3Q, FY3/2012 results (cumulative)

Banking profit*1	SMBC non-consolidated
<b>79% of full-year forecast</b>	FY3/2012 forecast JPY 800.0 bn
	<b>JPY 631.8 bn</b>

Total credit cost	SMBC non-consolidated
<b>41% of full-year forecast</b>	FY3/2012 forecast JPY 60.0 bn
	<b>JPY 24.7 bn</b>

Net income	SMFG consolidated
<b>82% of full-year forecast</b>	FY3/2012 forecast JPY 500.0 bn
	<b>JPY 411.0 bn</b>

Overseas banking profit ratio	Managerial accounting basis
<b>Steadily increased</b>	FY3/2014 target 30% (FY3/2011 result: 23.3%)
	<b>26.8%*2</b>

Overhead ratio	SMBC non-consolidated/ SMFG consolidated
<b>Controlled within target</b>	FY3/2014 target Overhead ratio: 45%-50%
	<b>45.8%</b>
	FY3/2014 target Consolidated overhead ratio: 50%-55%
	<b>52.7%</b>

\* Effects of changes in the corporate income tax rate: JPY (31.6) bn

Ref.

## Per share information

	Apr.–Dec. 2011 results	YOY change	FY3/2012 (Nov. forecast)
<b>Net income per share</b>	JPY 295.01	JPY (71.53)	JPY 360.92

	Dec. 31, 2011	Change from Mar. 2011
<b>Net assets per share</b>	JPY 3,553.96	+JPY 20.49

\*1 Before provision for general reserve for possible loan losses

\*2 Based on the assumption under the medium-term management plan (USD 1 = JPY 85)

# (Ref.) Financial results of 3Q, FY3/2012 (Cumulative)

## P/L

		(JPY bn)		
		Apr.-Dec. 2011 results	YOY change	FY3/2012 forecast
SMBC <non-consolidated>	<b>Gross banking Profit</b>	1,164.7	+9.1	1,520.0
	o/w Gains (losses) on bonds	142.3	+4.7	
	<b>Expenses<sup>*1</sup></b>	532.9	+10.8	720.0
	<b>&lt;OHR&gt;</b>	45.8%	+ 0.6%	47.4%
	<b>Banking profit<sup>*2</sup></b>	631.8	(1.7)	800.0
	<b>Total credit cost<sup>*3</sup></b>	24.7	(25.8)	60.0
	<b>Gains (losses) on stocks</b>	(55.8)	(44.8)	
	<b>Ordinary profit</b>	523.4	+2.3	640.0
	<b>Net income</b>	343.9	(85.6)	430.0

SMFG <consolidated>	<b>Ordinary profit</b>	761.2	+23.0	900.0
	Difference from SMBC non-consolidated	237.8	+20.7	260.0
	<b>Net income</b>	<sup>*4</sup> 411.0	(104.1)	500.0
	Difference from SMBC non-consolidated	67.1	(18.5)	70.0

## Contribution of subsidiaries/affiliates to SMFG's Net income

	(JPY bn)	
	Apr.-Dec. 2011 results	YOY change
<b>SMBC Guarantee</b>	18	+6
<b>Sumitomo Mitsui Finance and Leasing</b>	16	+1
<b>Sumitomo Mitsui Card</b>	12	+3
<b>SMBC Nikko Securities</b>	9	(15)
<b>Cedyna</b>	8	+9
<b>Promise<sup>*5</sup></b>	(15)	(17)

## Ref. Credit ratings (SMBC)

<b>Moody's</b>	Aa3 / P-1	<b>R&amp;I</b>	A+ / a-1
<b>S&amp;P</b>	A+ / A-1	<b>JCR</b>	AA- / J-1+
<b>Fitch</b>	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 Apr.-Dec. 2010

\*4 Effects of changes in the corporate income tax rate: JPY (31.6) bn

\*5 Including gains related to step acquisition of JPY 25.1 bn associated with procedures for making Promise a subsidiary

## 2. Progress of strategic initiatives (since Oct. 2011)

- Global expansion: Reinforced through organic/ inorganic initiatives focusing on emerging markets
- Synergies between SMBC and SMBC Nikko: Progressed steadily
- Consumer finance business: Progressed toward making Promise a wholly-owned subsidiary

### Global Expansion

Expanded channel network	Chongqing Br.*1,2	Phnom Penh Rep. Office*2
	Istanbul Sub-Br.*2	Bahrain Rep. Office
	Doha QFC Office	
Established departments	Transaction Business Planning Dept.	South China Dept.
Agreed on business acquisition	RBS's aircraft leasing business	
Entered into business alliances	Scotiabank Inverlat, S.A. (Mexico) Local currency payment and other transaction banking services, etc.	
	Bank of China Renminbi business	
	China Development Bank Corporation Renminbi loan to Japanese local small and medium enterprises	

### Synergies between SMBC and SMBC Nikko (SMBC Nikko)

- Steadily increased referrals from SMBC to SMBC Nikko
- Agreed business alliance with Moelis & Company (cross-border M&A services to Japanese companies, etc.)
- Established underwriting and sales platform able to accommodate global equity offering of Japanese corporate clients
- Ranked No.1 among securities companies in sales amount of reconstruction bonds for retail investors in Dec. 2011

### Consumer Finance Business

- Steadily progressed procedures for making Promise a wholly-owned subsidiary of SMFG
  - Implemented tender offer and third-party allotment
    - Made Promise a subsidiary
  - Agreed on share exchange and repurchasing SMFG shares as intended

\*1 Branch of SMBC (China) \*2 Received approval concerning opening

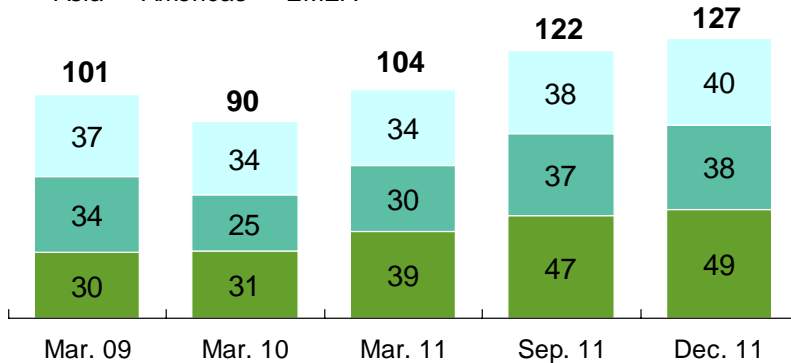
### 3. Global Expansion <Results>

- Overseas banking profit ratio was 26.8% in 3Q, FY3/2012 (cumulative)
- Steadily increased overseas loans mainly in Americas and Asia, while further enhanced foreign-currency funding

#### Overseas loans balance\*1

(USD bn)

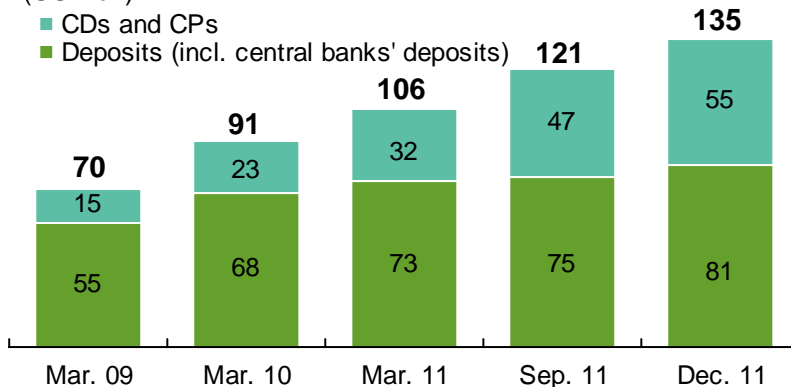
■ Asia ■ Americas ■ EMEA



#### Overseas deposit balance\*1

(USD bn)

■ CDs and CPs ■ Deposits (incl. central banks' deposits)



#### Financial products with competitive edge

Investment banking business*2	Global	Asia*3
Loan syndication	#9	#5
Project finance	#3	#7

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

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

#### Diversification of foreign-currency funding

- Set up (Nov. 2009), expanded (Nov. 2011) USD CP program
- Set up Euro CP program (Nov. 2011)
- Issued foreign-currency denominated bonds to overseas institutional investors and domestic retail investors

Issue amount of foreign-currency denominated bonds (mn)



\*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 2011. Source: Thomson Reuters (Mandated arranger)

\*3 Loan syndication - Asia (excl. Japan), Project finance - Asia Pacific (incl. Australia and Japan)

\*4 Source: "ASIAMONEY" (Cash Management Poll 2011 (Aug. 2011))

## 4. Synergies between SMBC and SMBC Nikko <Results>

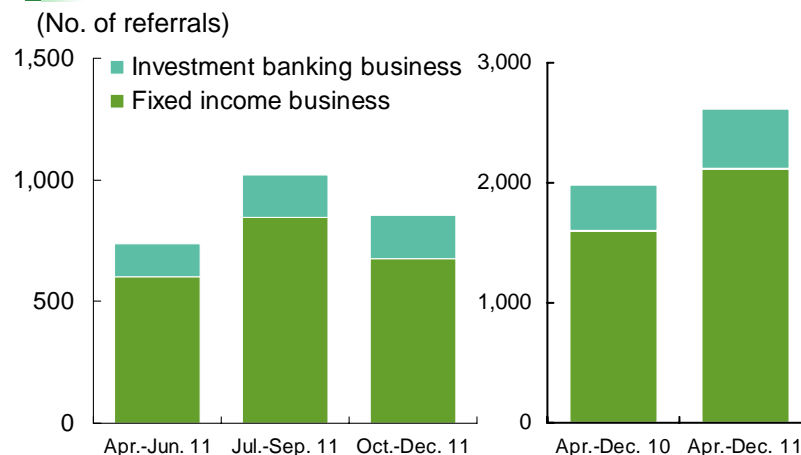
- SMBC Nikko's net income (cumulative) was JPY 7.6 bn
- Increase in referrals from SMBC to SMBC Nikko demonstrated steady progress of collaboration

### SMBC Nikko's results (non-consolidated)

(JPY bn)	FY3/2011	Apr.-Dec. 2011	YOY change
Net operating revenue	205.1	158.3	+0.4
SG&A expenses	166.6	133.2	+9.8
Ordinary profit	38.3	25.3	(8.0)
Net income	23.5	7.6	(14.3)

### Synergies between SMBC and SMBC Nikko

#### Number of referrals from SMBC to SMBC Nikko



### Business and capital alliance with Moelis & Company

- Focus on providing cross-border M&A and other advisory services to Japanese companies
- Geographic areas for alliance: Japan, North America, Europe, Middle East, North Africa, Australia, Hong Kong and China
- Agreed for SMBC to invest approx. USD 93 mn in Moelis (scheduled around mid-Feb. 2012)

### Enhancing wholesale business (SMBC Nikko)

League tables (Apr.-Dec. 2011)	Rank	Mkt share
Global Equity & Equity-Related (Book runner, Underwriting amount)* <sup>1</sup>	#3	13.1%
All Bonds in Yen (Manager, Underwriting amount)* <sup>2</sup>	#5	12.5%
Financial Advisor (M&A, No. of deals)* <sup>1</sup>	#2	3.5%

\*1 Source: Thomson Reuters (Japanese related, group basis)

\*2 Source: SMBC Nikko Securities (corporate bonds, FILP agency bonds, municipality bonds (proportional shares as lead manager), samurai bonds)

# 5. Consumer Finance Business

Steadily progressed procedures for making Promise a wholly-owned subsidiary of SMFG

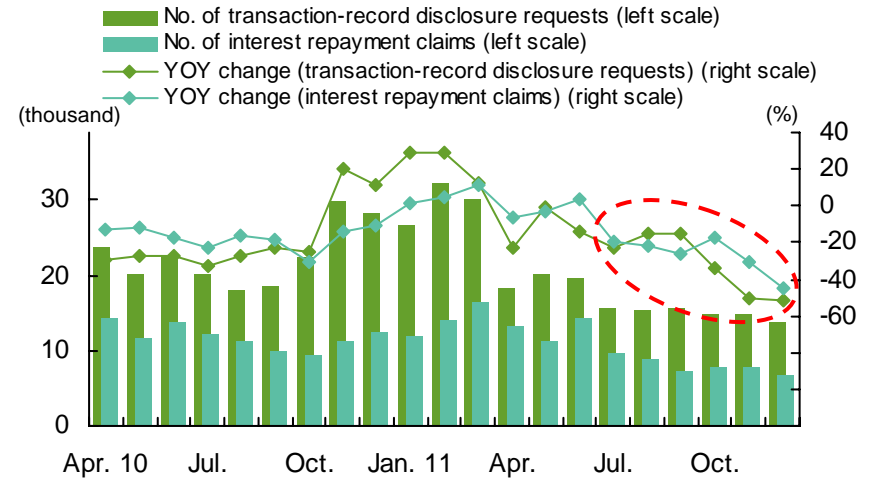
## Making Promise a wholly-owned subsidiary of SMFG

- SMBC's tender offer for Promise share  
SMFG's subscription of third-party allotment of Promise shares  
➔ Owned approx. 98% of voting rights (as of Dec. 31, 2011)
- SMFG's repurchase of its own shares (scheduled to repurchase in two separate transactions to acquire 45.7 mn shares [equivalent to approx. JPY 100 bn] for share exchange\*)
  - 1st phase  
Amount repurchased: 22.7 mn shares [equivalent to JPY 50 bn]
  - 2nd phase  
Repurchase period: Jan. 31 - Mar. 23, 2012 (tentatively scheduled)  
Maximum amount to be repurchased: 22.9 mn shares or JPY 80 bn
- Effective date of the share exchange\*: Apr. 1, 2012

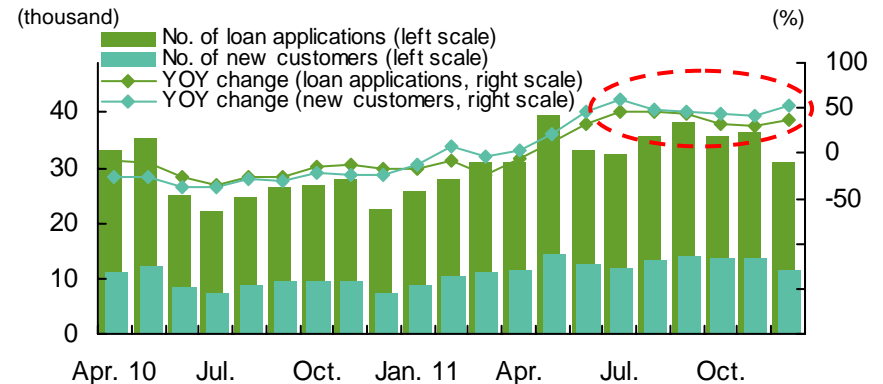
## 3Q, FY3/2012 results (Promise consolidated)

(JPY bn)	1H results	Apr.-Dec. 2011 results
Operating income	100.4	147.8
Recurring profit	(205.7)	(179.6)
Net income	(208.6)	(182.1)
Customer loans outstanding	801.3	773.6

## No. of transaction-record disclosure requests and interest repayment claims (Promise)



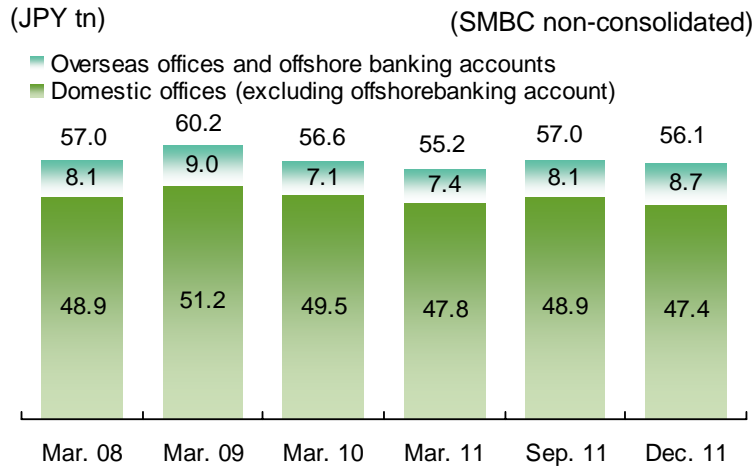
## No. of loan applications and new customers / approval rate (Promise)



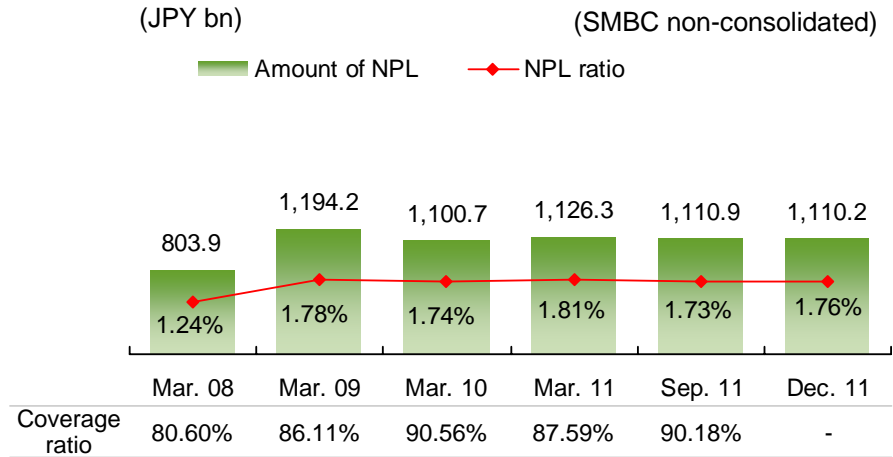
\* The share exchange ratio is 0.36 share of SMFG common stock per share of Promise common stock

# (Ref. 1) 3Q, FY3/2012 B/S related Items

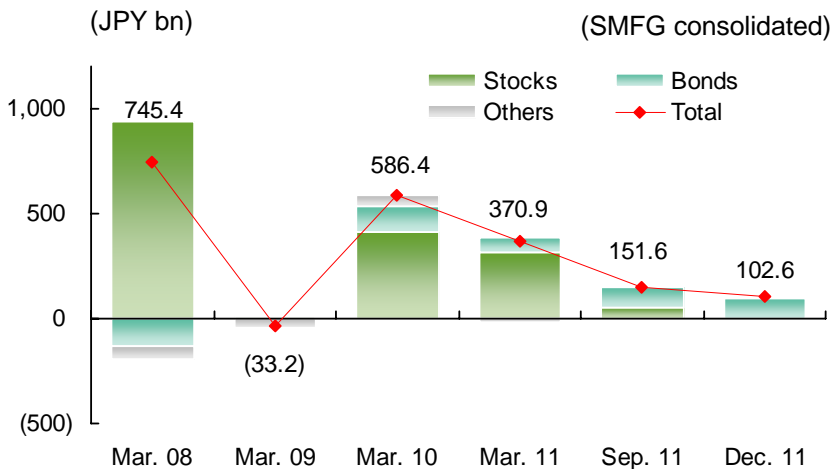
## Loan balance



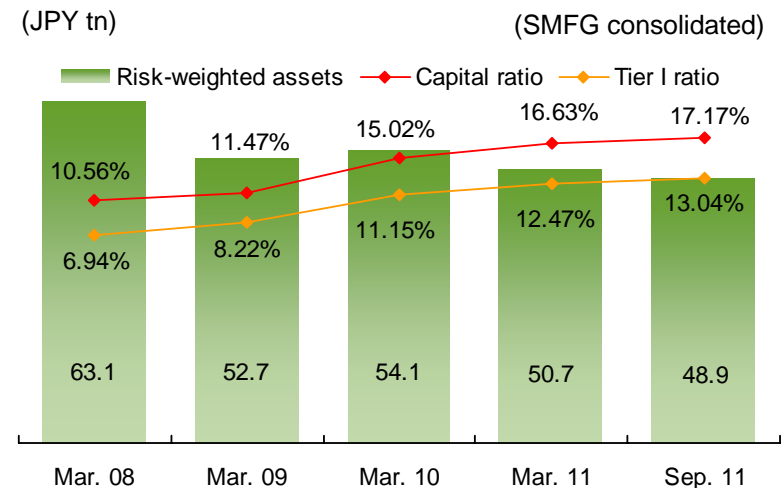
## NPLs and NPL ratio\*1



## Unrealized gains (losses) on other securities



## Ref. Risk-weighted assets and Capital/ Tier I ratio\*2



\*1 NPL ratio = NPLs based on the Financial Reconstruction Law (excluding normal assets) / Total claims

\*2 Based on Basel II standard (Credit risk: FIRB on Mar. 08 and AIRB on or after Mar. 09, Operational risk: AMA)



## (Ref. 2) Exposure to European Peripheral Countries and Arab Countries\*1, 2

Limited exposure to European peripheral countries— approx. USD 5.3 billion

Gov't bonds issued by EU peripheral countries	approx. USD 4 mn
Spain	4
Italy	0

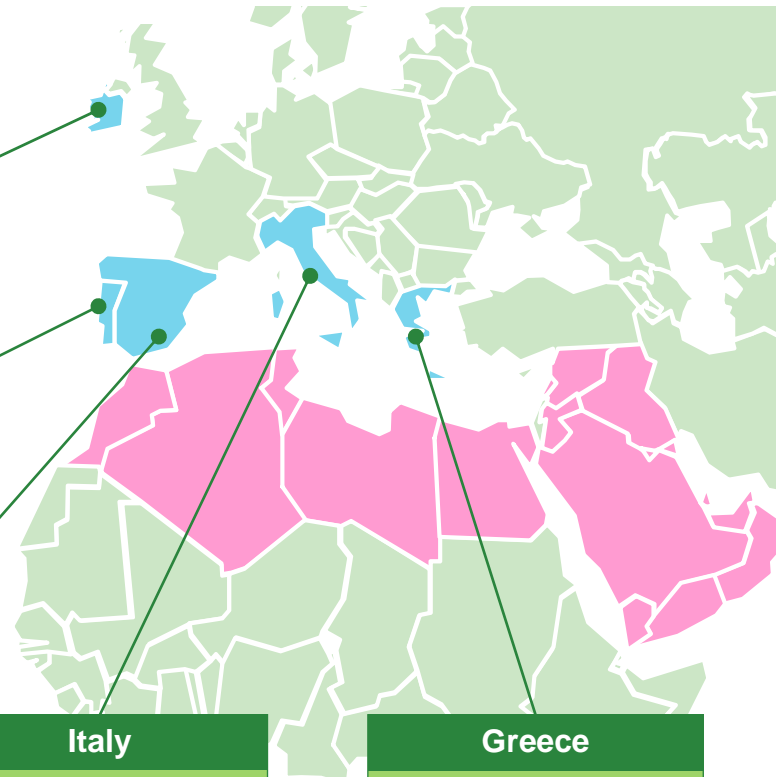
Ireland
approx. USD 0.4 bn
To large corporations and project finance

Portugal
approx. USD 0.0 bn
To banks and large corporations

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

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

Greece
approx. USD 0.1 bn
Majority is collateralized



Arab countries	approx. USD 9.8 bn
UAE*3	3.6
o/w Dubai	1.2
Qatar*4	2.7
Saudi Arabia*3	1.8
Others*5	1.7
o/w Oman	0.5
o/w Bahrain	0.4
o/w Kuwait	0.3
o/w Egypt	0.2
o/w Tunisia	0.0
o/w Libya	-

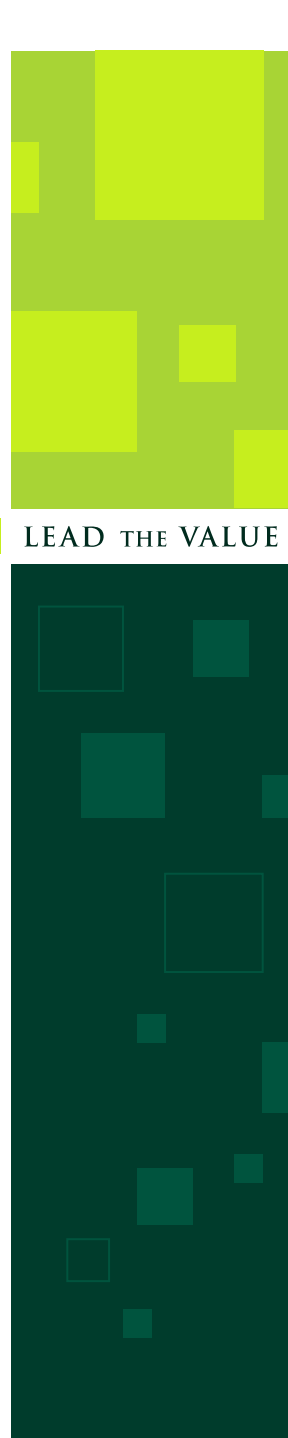

\*1 As of December 31, 2011

\*2 European peripheral countries: blue-colored countries, Arab countries: pink-colored countries

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

\*4 Project finance

\*5 Trade finance and project finance



This document 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 document. 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 and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases for a more detailed description of the risks and uncertainties that may affect our financial conditions, our operating results, and investors’ decisions.

LEAD THE VALUE