

Provisional translation of  
the original Japanese version



**SMFG** SUMITOMO MITSUI  
FINANCIAL GROUP

# Overview of 3Q, FY3/2010 Financial Results

**Sumitomo Mitsui Financial Group, Inc.**

February 8, 2010

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

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# 1. Summary of 3Q, FY 3/2010 Results

SMFG's consolidated net income was JPY 247.8 billion, an increase of JPY 164.4 billion year over year, and approx. 113% for full-year forecast.

		Forecast for FY3/10 in Nov. 09 <Forecast in May 09> (a)	Apr.-Dec., 09 Results (b)	YOY Change	Progress (b)/(a)	
SMBC <non-consolidated>	Gross banking profit	1,445.0 <1,445.0>	1,074.0	(78.2)	74.3%	
	Expenses	(695.0) <(695.0)>	(513.5)	+11.4	73.9%	✓ More stringent control on expenses
	Overhead ratio	48.1% <48.1%>	47.8%	(0.3%)		✓ Government's economy-boosting measure ✓ Detailed responses to our clients ✓ Improvement in overseas market, etc.
	Banking profit*1	750.0 <750.0>	560.5	(66.8)	74.7%	
	Total credit cost	(340.0) <(380.0)>	(180.6)	+96.0	53.1%	✓ Recorded Gains on sale of stocks and other securities (SANYO Electric's preferred stock, etc.) ✓ Decrease in Losses on devaluation of stocks and other securities due to recovery of stock markets
	Gains (losses) on stocks		(0.3)	+106.3		
	Ordinary profit	330.0 <310.0>	330.1	+107.0	100.0%	
	Net income	200.0 <180.0>	249.9	+129.4	125.0%	✓ Contribution of Nikko Cordial Securities which became SMBC's wholly-owned subsidiary in Oct. ✓ Improved results of Daiwa Securities SMBC, etc.
SMFG <consolidated>	Ordinary profit	490.0 <510.0>	448.0	+171.6	91.4%	
	Net income	220.0 <220.0>	247.8	+164.4	112.6%	

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

## Earnings Forecast (SMFG consolidated)

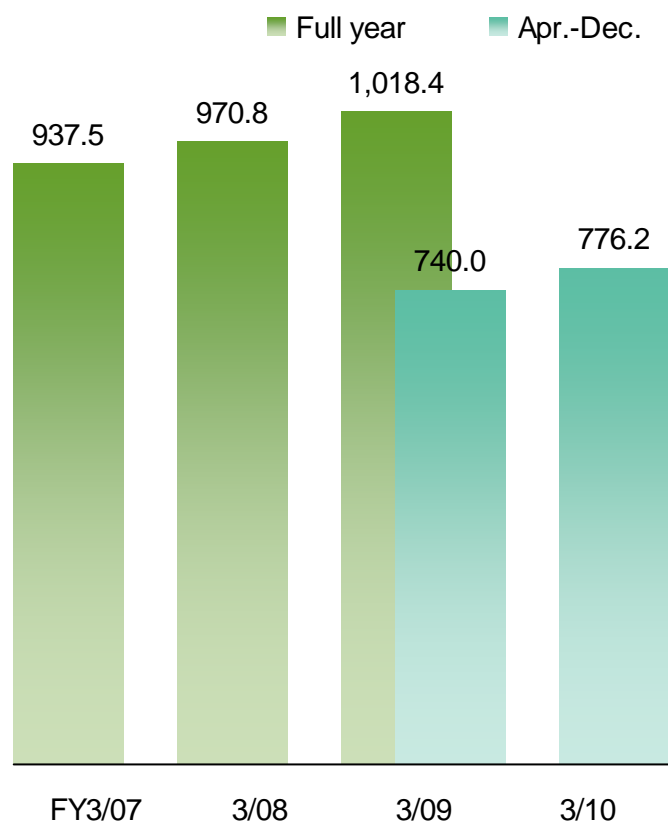
- SMFG does not revise the full-year earnings forecast for FY3/10 because of the necessity to assess future business environment.

## 2. SMBC Non-consolidated Gross Banking Profit (Net Interest Income)

Net interest income: Increased by JPY 36.2 bn y-o-y to JPY 776.2 bn

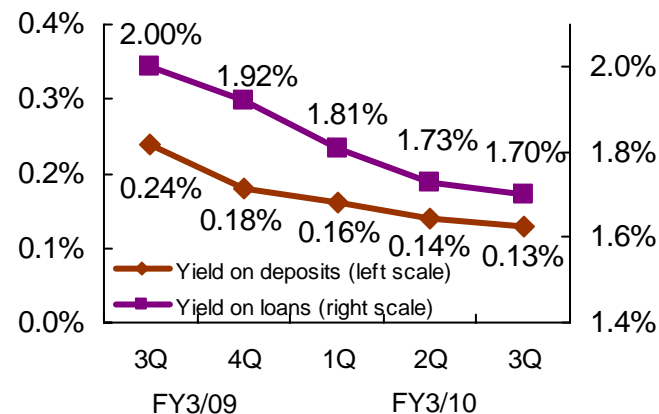
### Net interest income

(JPY bn)



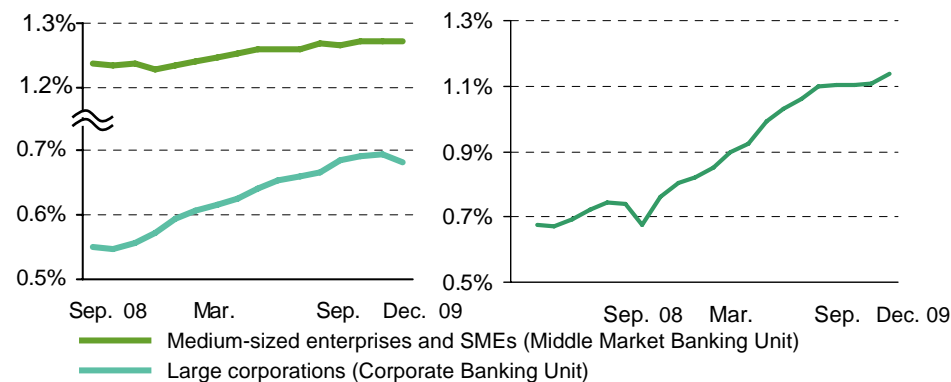
### Trends of yields of domestic loans and deposits

Reference



### Loan spread (Managerial accounting basis)

#### Domestic loans      Overseas loans\*1



\*1 Sum of SMBC, SMBC Europe and SMBC (China).

(SMBC non-consolidated)

### 3. SMBC Non-consolidated Gross Banking Profit (Net Fees and Commissions, Net Trading Income + Net Other Operating Income)

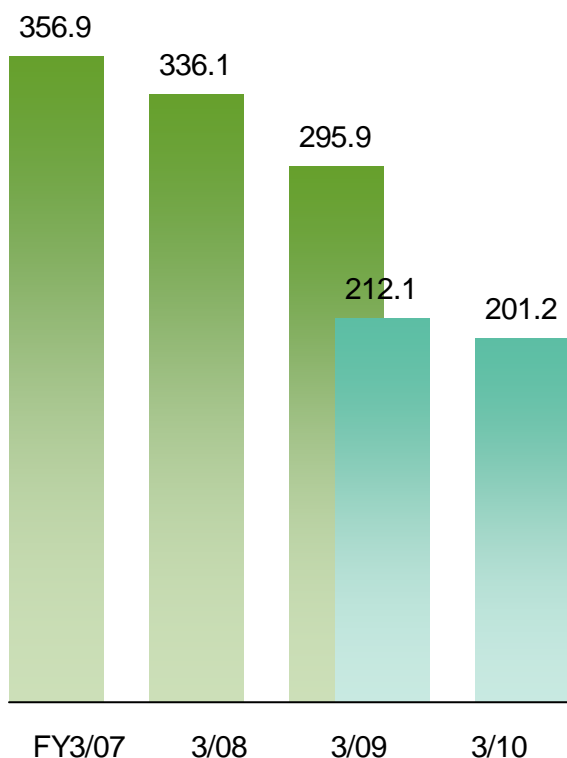
*Net fees and commissions + Trust fees: Fees on sales of investment trusts increased, while fee income related to loans, etc. in International Banking Unit decreased.*

*Net trading income + Net other operating income: Decrease due mainly to decrease in income related to foreign exchanges and trading income.*

#### Net fees and commissions + Trust fees

(JPY bn)

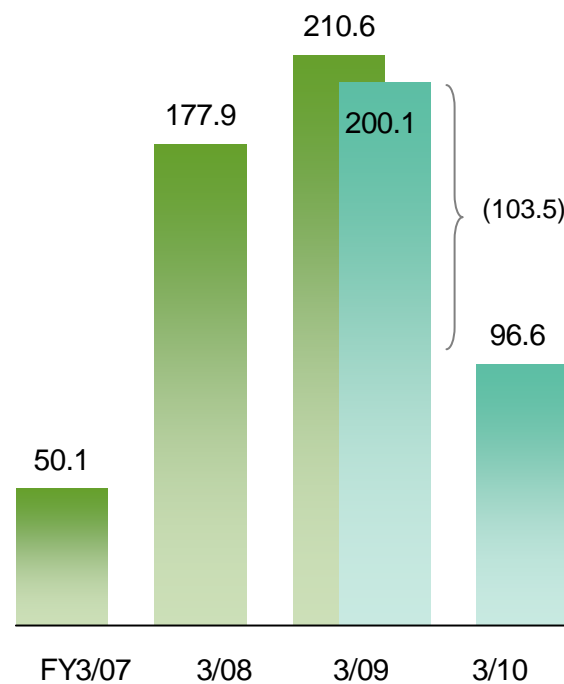
■ Full Year ■ Apr.-Dec.



#### Net trading income + Net other operating income

(JPY bn)

■ Full Year ■ Apr.-Dec.

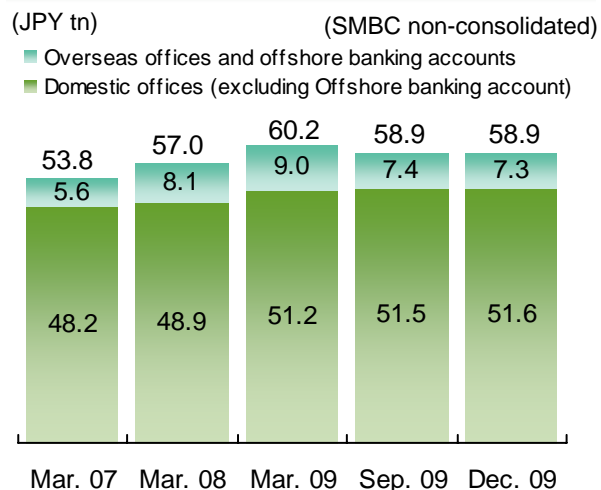


#### Reference Primary reasons for decrease

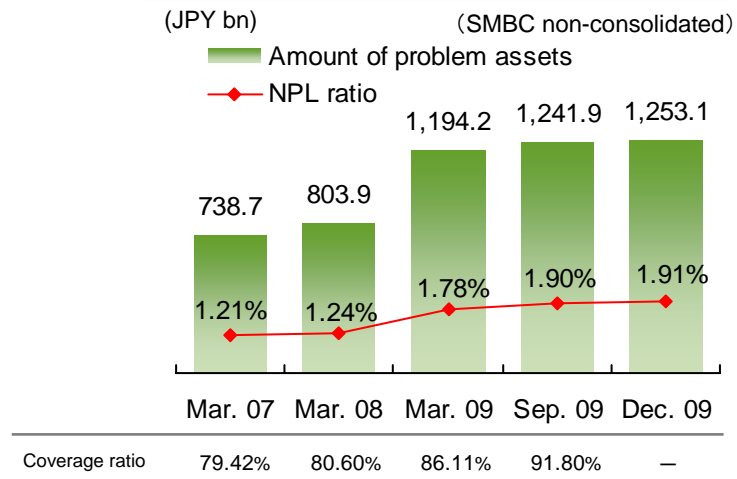
- Decrease in income related to foreign exchanges and derivatives transactions (OTC) approx. JPY (30.0) bn
- Decrease in trading income in Treasury Unit approx. JPY (40.0) bn
- Decrease in income related to derivatives transactions (decrease in valuation gains on CDS transactions, etc.) approx. JPY (30.0) bn

## 4. 3Q, FY3/2010 B/S-related Items

### Loan balance

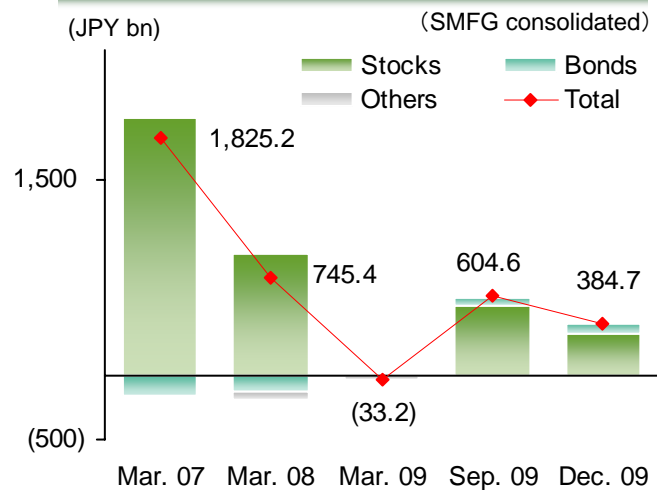


### Problem assets and NPL ratio\*

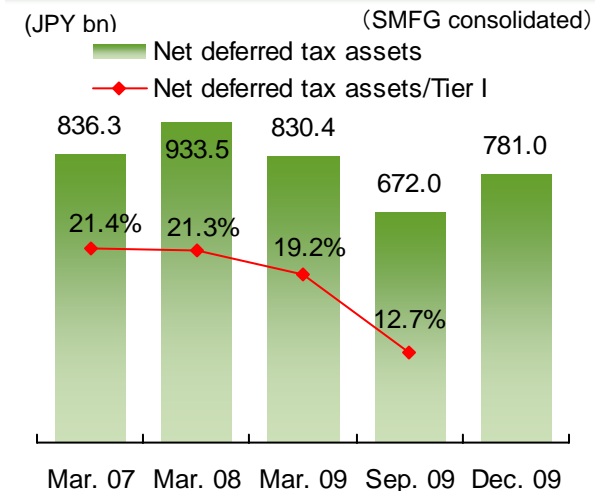


\* NPL ratio = problem assets based on the Financial Reconstruction Law (excluding normal assets) / Total claims

### Unrealized gains (losses) on other securities

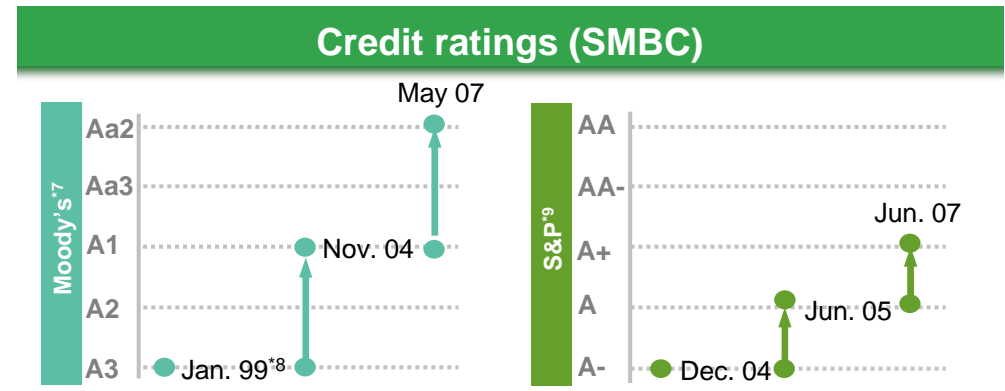
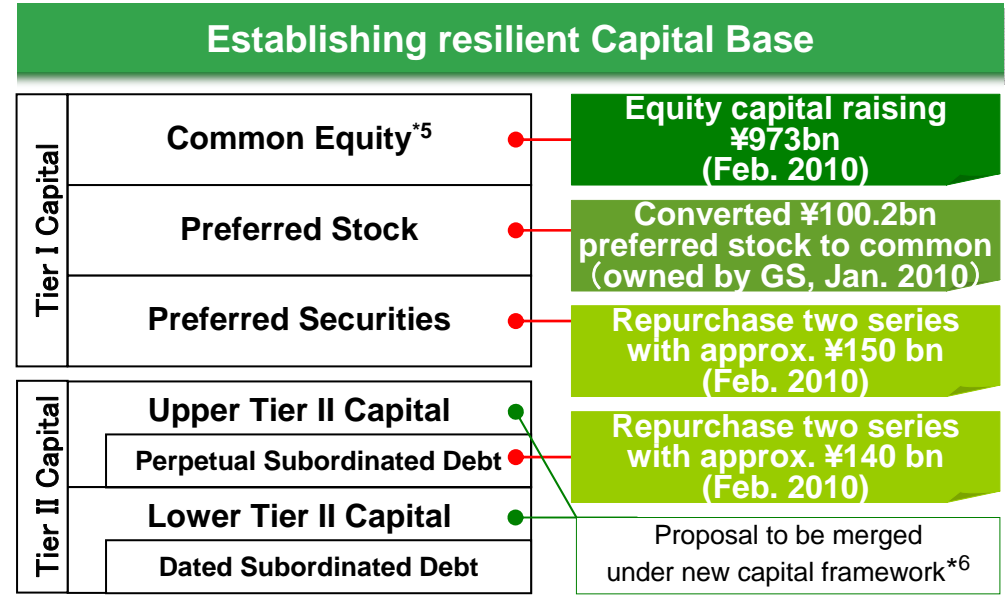
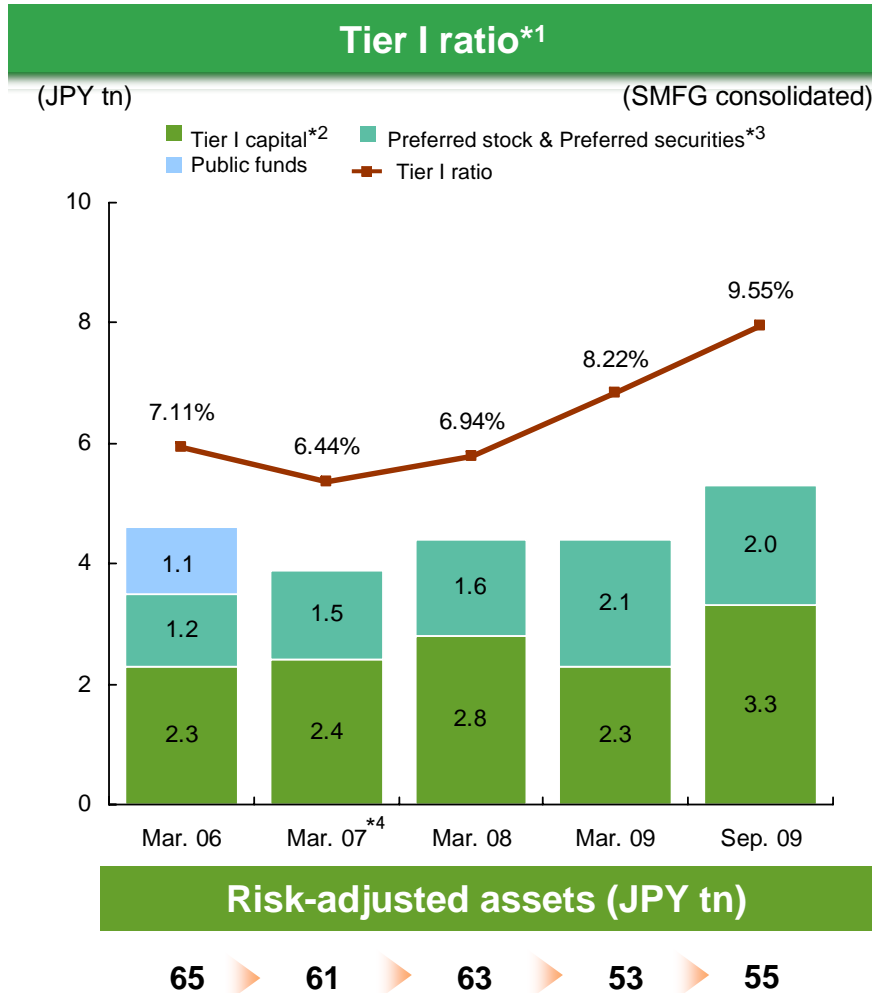


### Net deferred tax assets



# (Reference 1) Capital

Aiming to establish a “resilient capital base”, we promote a set of strategic initiatives such as equity capital raising (total amount paid: JPY 973.0 bn), repurchase of hybrid securities and conversion of preferred stock owned by Goldman Sachs Group.



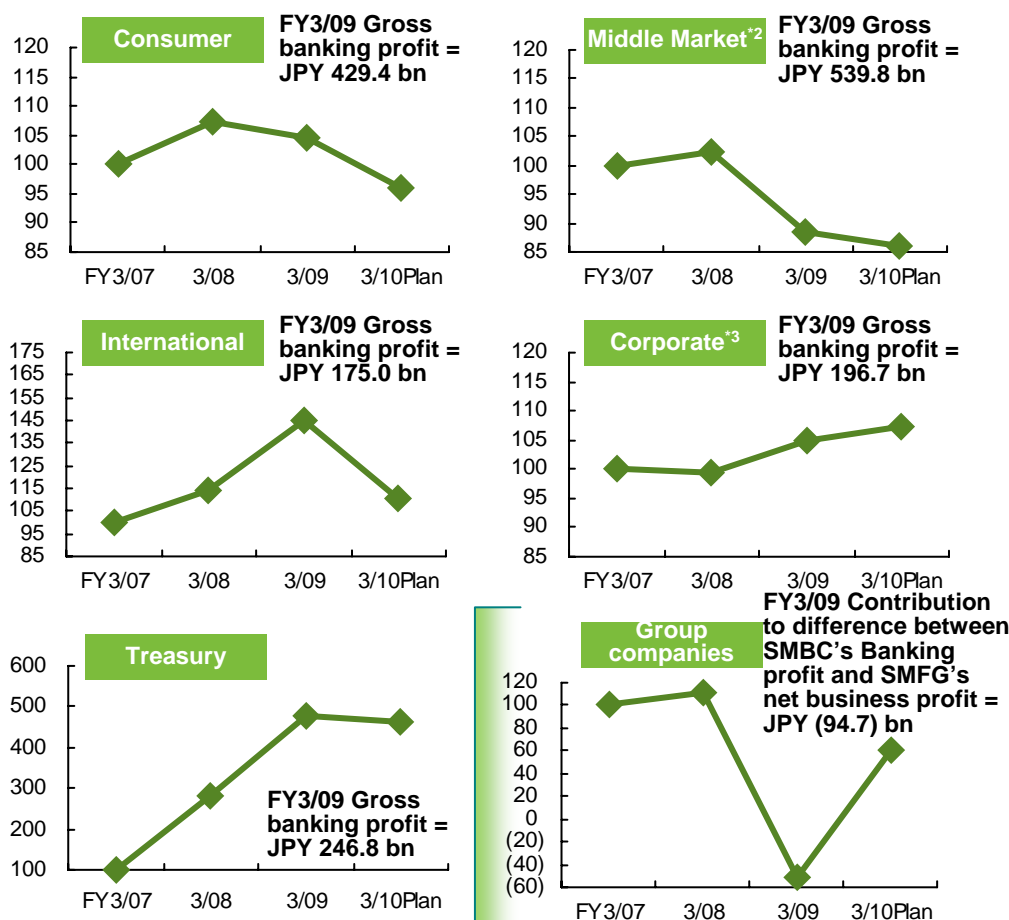
\*1 Mar. 06: Based on Basel I standard, From Mar. 07: Based on Basel II standard (Credit risk: Mar. 07 and 08 FIRB, Mar. 09 AIRB, Operational risk: Mar. 07 BIA, From Mar. 08 AMA)  
 \*2 Excluding preferred stock, preferred securities and public funds  
 \*3 Excluding public funds \*4 Completed full repayment of public funds in Oct. 06

\*5 Capital consisting mainly of common stock and retained earnings, defined by Basel Committee on Banking Supervision.  
 \*6 Consultative Document (Basel Committee on Banking Supervision, Dec. 17, 09)  
 \*7 Issuers rating  
 \*8 Long term local currency issuer credit rating of Sumitomo Bank  
 \*9 Long term local currency issuer credit rating

## (Reference 2) Results by Business Unit

SMFG aims to establish the next foundation for its future growth while continuing to strengthen its business in a manner consistent with the philosophy of “follow the basics.”  
 Made Nikko Cordial Securities as a wholly-owned subsidiary of SMBC in Oct, 2009.

### Business plan by business unit\*1

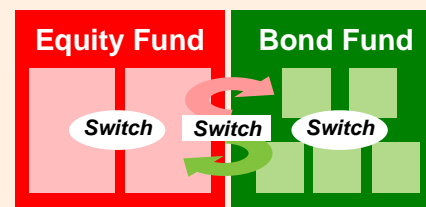


### Reference Results of Nikko Cordial Securities

(JPY bn)	Oct.-Dec. 09 Results
Net operating revenue	45.3
o/w Subscription commissions from investment trusts	17.5
o/w Underwriting commissions	5.0
Ordinary income	9.4
Net income	6.1

(Note) Aggregate results of current Nikko and former Nikko for Apr.-Dec. 09 are as follows:  
 -Net operating revenue JPY 129.7bn -Ordinary income JPY 30.7 bn -Net income JPY 37.6 bn

#### Jointly developed investment trust



Total Net Assets: approx. JPY 440bn<sup>\*4</sup>

Bond Funds: Recorded the **largest initial sales amount** as a single series of Japanese investment trust in FY3/10<sup>\*4</sup>

Bookrunner ranking (Domestic straight bond, Oct.-Dec. 2009)

League table <sup>*5</sup>	1st
Debt underwriting amount	JPY 645.2 bn

\*1 Business plan in May 09. FY3/07 results = 100

\*2 Medium-sized enterprises and SMEs \*3 Large corporations

\*4 As of December 31, 2009. Total Net Assets shown are the sum dealt by SMBC and Nikko Cordial Securities.

\*5 Source: Thomson Reuters (Results of Nikko Cordial Securities are included in the results of SMFG)

## (Reference 3) Management Policy under the New Financial Regime

*Quickly build the platform which allows us to achieve sustainable growth under new regulatory and competitive environment*

