

Provisional translation of  
the original Japanese version



SMFG SUMITOMO MITSUI  
FINANCIAL GROUP

# Overview of 3Q, FY3/2011 Financial Results

---

**Sumitomo Mitsui Financial Group, Inc.**

January 28, 2011

\* (Ref. 4) (page 6) is added on Feb. 25, 2011

# 1. Overview of 3Q, FY3/2011 Results (Cumulative)

## P/L

		Forecast for FY3/11 in Nov. 2010 <forecast in May 2010> (a)	Apr.-Dec. 2010 Results (b)	YOY change	Progress (b)/(a)
SMBC <non-consolidated>	Gross banking profit	1,550.0 <1,470.0>	1,155.6	+81.6	74.6%
	Expenses	(710.0) <(710.0)>	(522.1)	increased by 8.6	73.5%
	<OHR>	45.8% <48.3%>	45.2%	(2.6)%	
	Banking profit*1	840.0 <760.0>	633.5	+73.0	75.4%
	Total credit cost*2	(130.0) <(220.0)>	(50.5)	decreased by 130.1	38.8%
	Gains (losses) on stocks		(11.0)	(10.7)	
	Ordinary profit	620.0 <480.0>	521.1	+190.9	84.0%
	Net income	460.0 <330.0>	429.5	+179.6	93.4%
SMFG <consolidated>	Ordinary profit	870.0 <690.0>	738.2	+290.2	84.9%
	Net income	540.0 <340.0>	515.1	+267.3	95.4%

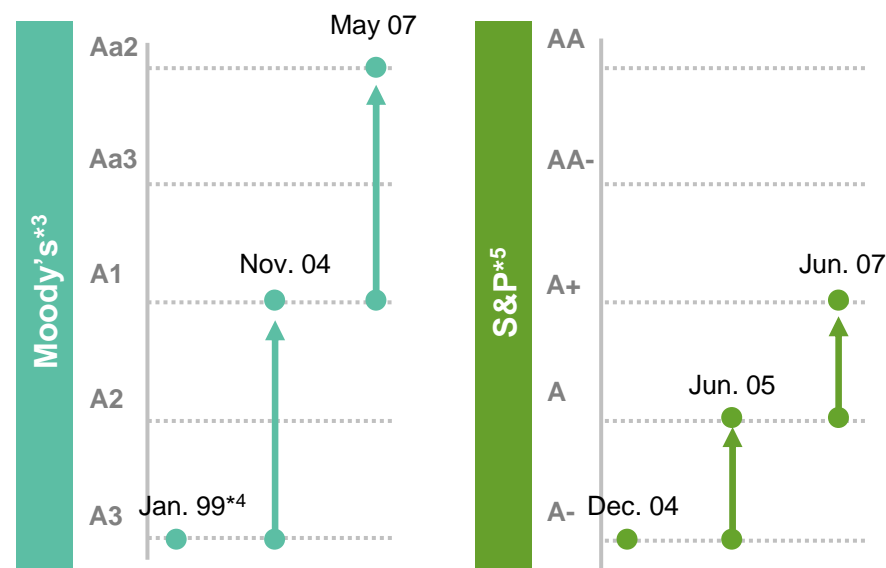
## Ref.

## Gains (losses) on bonds

	Apr.-Sep. Results	2010 Apr.-Dec. Results	YOY change
Gains (losses) on bonds	151.2	137.6	+97.8

## Ref.

## Credit ratings (SMBC)

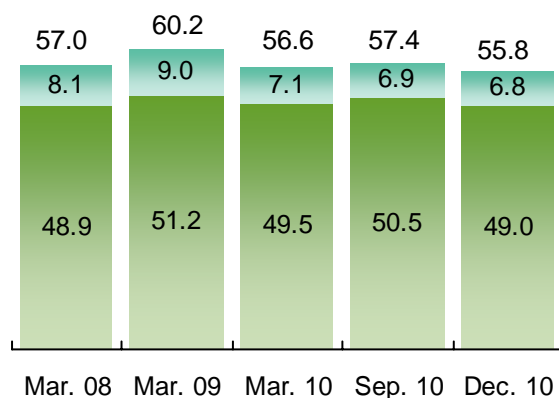


## 2. 3Q, FY3/2011 B/S-Related Items

### Loan balance

(JPY tn) (SMBC non-consolidated)

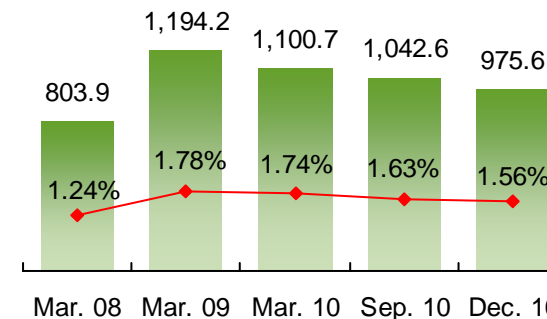
Overseas offices and offshore banking accounts  
Domestic offices (excluding Offshore banking accounts)



### NPLs and NPL ratio\*

(JPY bn) (SMBC non-consolidated)

Amount of NPLs  
NPL ratio

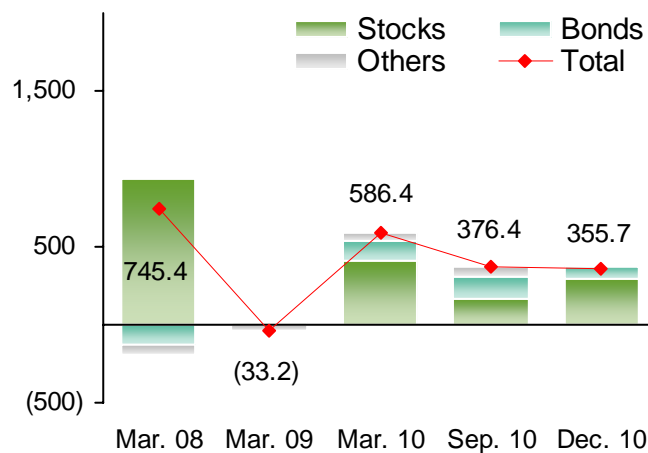


Coverage ratio 80.60% 86.11% 90.56% 88.82% -

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

### Unrealized gains (losses) on other securities

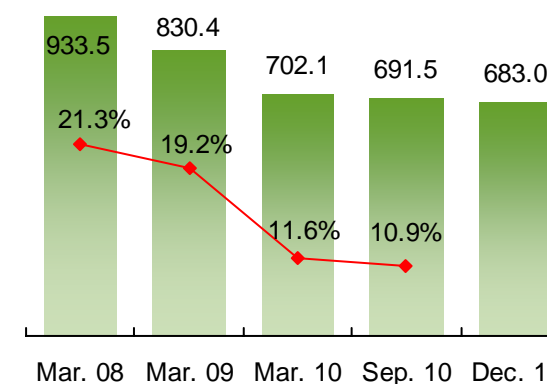
(JPY bn) (SMFG consolidated)



### Net deferred tax assets

(JPY bn) (SMFG consolidated)

Net deferred tax assets  
Net deferred tax assets/Tier I



# (Ref. 1) Management Policy in FY3/2011

## Management policy in FY3/11

- ✓ “Forward looking”
  - Transforming our business model to grow steadily under a new regulatory and competitive environment
- ✓ Emphasizing return on risks and costs, in order to improve asset quality and thoroughly control expenses and credit costs

**Pursue profitability by focusing on targeted growth business areas**

**Further enhance customer responsiveness by leveraging advisory functions**

**Fortify bottom-line profit through reexamining profitability of existing business lines**

**Further increase productivity by improving business processes**

### [SMFG’s targeted growth business areas]

#### Overseas business especially in Asia

Solution providing for corporations / Investment banking, trust business

#### Retail / Wholesale securities business

Financial consulting for individuals

Payment & settlement services, consumer finance

- Improving risk-return profile by rebalancing our asset portfolio towards assets with high growth potential from assets with low yields while meeting customers’ financing needs / Controlling credit costs and expenses
- Steadily accumulating earnings based on our management plan
- Minimizing risks to our capital posed by volatility in our equity holdings
- Promoting initiatives toward NYSE listing

**Reinforcing business portfolio to achieve sustainable growth**

**Target around 10% of consolidated ROE in the medium term**

**Securing a resilient capital base**

**Maintain over around 10% of consolidated Tier I ratio**

# (Ref. 2) Overview of Business Performance of 3Q, FY3/2011 and Progress of Strategic Initiatives

SMBC maintained its y-o-y increase in Banking profit in 3Q, FY3/2011 mainly due to substantial increase in Gains on bonds in 1H, FY3/2011. A decrease of Total credit cost and profit of Nikko Cordial Securities also contributed to an increase of SMFG's consolidated Net income, which increased by JPY 267.3 billion year over year to JPY 515.1 billion

## Securing a resilient capital base

### Favorable performance

#### Banking profit\*1 SMBC non-consolidated

**Increased** YOY change +JPY 73.0 bn **JPY 633.5 bn**

#### Overhead ratio SMBC non-consolidated

**Decreased** YOY change (2.6)% **45.2%**

#### Total credit cost SMBC non-consolidated

**Substantially decreased** YOY change +JPY 130.1 bn **JPY (50.5) bn**

#### Net income SMFG consolidated

**Substantially increased** YOY change +JPY 267.3 bn **JPY 515.1 bn**

### Listed on NYSE (Nov. 2010)

## Reinforcing business portfolio to achieve sustainable growth

Since Oct. 2010

### Overseas business especially in Asia

#### Enhanced overseas channels

- Changshu Sub-Branch (China): Opened (Jan. 2011)
- New Delhi Rep. Office (India): Permitted to open (Jan. 2011)

#### Alliance

- RHB Bank (Malaysia) (Dec. 2010)
- Support local banks in Japan for their corporate customers' overseas business
  - Kansai Urban Banking Corporation (Nov. 2010)
  - MIE BANK (Dec. 2010)

### Wholesale / Retail securities business (Nikko Cordial Securities)

#### Retail:

Integrated SMBC Friend's collaborative business with SMBC (Jan. 2011)

Commenced SMBC's agency services (Oct. 2010)

#### Wholesale:

#### Enhanced overseas business

- London (Oct. 2010)
- New York (Dec. 2010)
- Hong Kong (Jan. 2011)
- Shanghai (Jan. 2011)

### Credit card business (Cedyna)

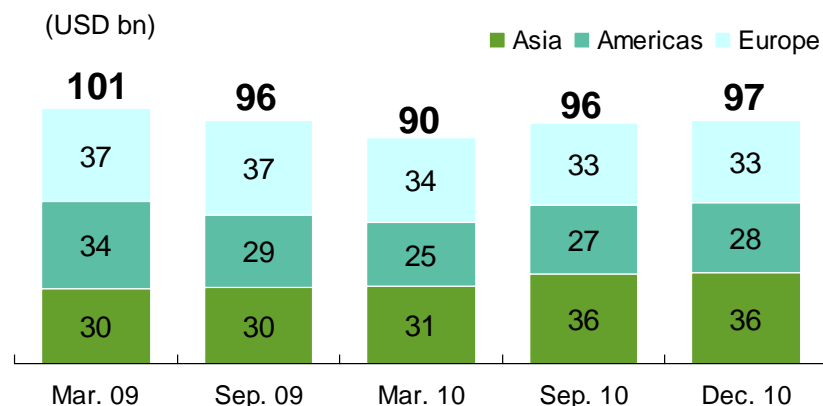
Agreed to become a wholly-owned subsidiary\*2 (Jan. 2011)

Became a consolidated subsidiary (May 2010)

# (Ref. 3) Overseas Business / Securities Business

## Overseas business

### Overseas loans (balance)\*1



### Financial products with competitive edge

Investment banking business*2	Global	Asia*3
Loan syndication	9th	9th
Project finance	8th	6th

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

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

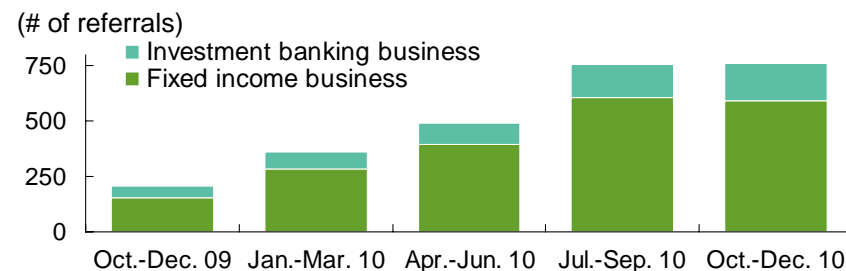
## Securities business (Nikko Cordial Securities)

### Initiatives (since Apr. 2010)

Wholesale securities business

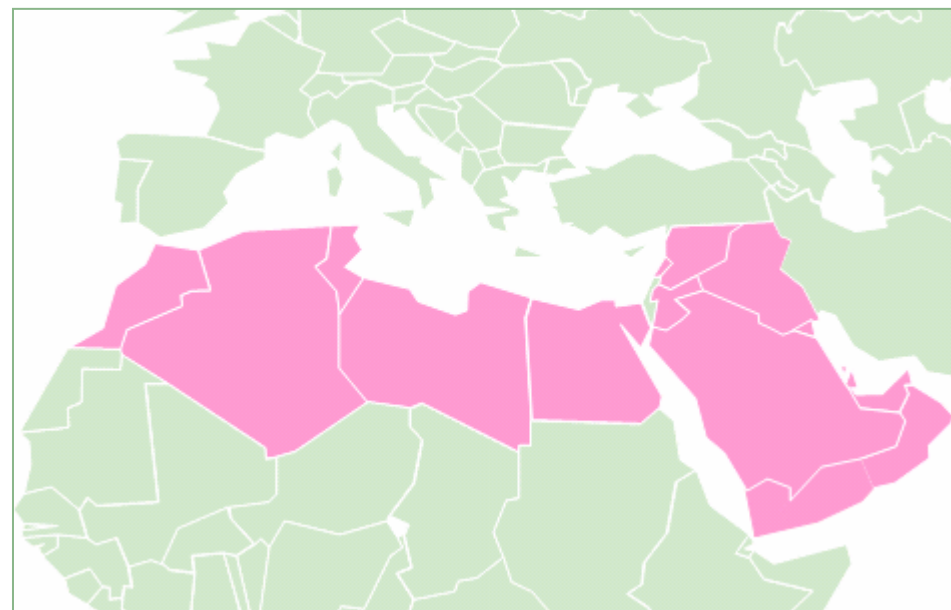
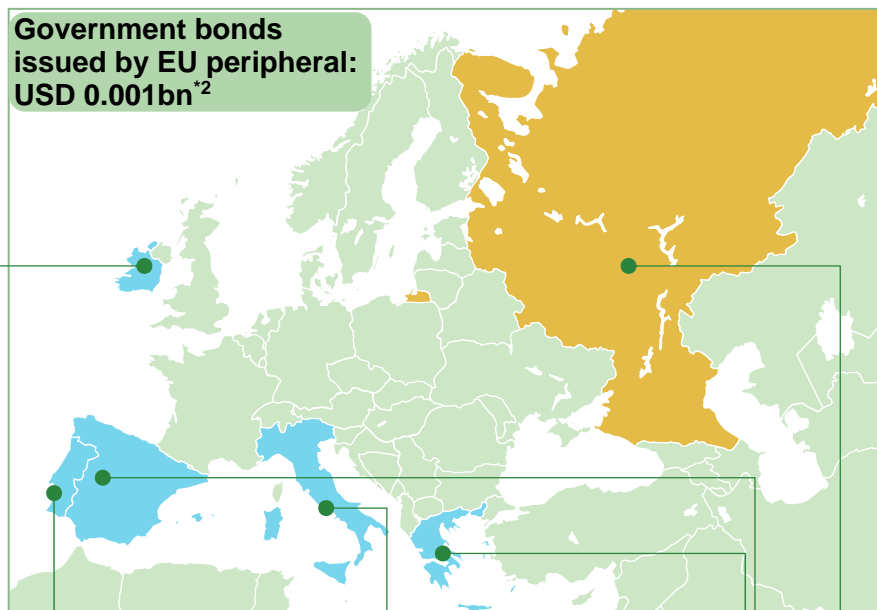
2010	Apr.	Launched securities intermediary business for individuals
		Named as a primary dealer of JGB
	Jun.	Launched joint private banking operation with SMBC and Barclays
	Aug.	Launched advanced equity trading system
	Oct.	Launched operation in London
		Launched SMBC's agency services
2011	Dec.	Launched operation in New York
	Jan.	Integrated SMBC Friends' collaborative business with SMBC for individuals
		Launched operation centered on broking Japanese stocks in Hong Kong
	Launched advisory related services in Shanghai	

### # of referrals from SMBC



# (Ref. 4) Limited Exposure to European Peripheral Countries, Russia and Arabic Countries\*1

Government bonds issued by EU peripheral: USD 0.001bn\*2



Portugal
approx. USD 0.1 bn
Majority is to banks

Italy
approx. USD 2.5 bn
To large corporations and projects finance related

Russia
approx. USD 4.0 bn
To government-affiliated entities and local large corporations

Ireland
approx. USD 0.8 bn
To large corporations and project finance

Greece
approx. USD 0.1 bn
Majority is collateralized

Spain
approx. USD 2.1 bn
To large corporations and Japanese companies, project finance

Arabic Countries	*3	approx. USD	9.0 bn
UAE	*4		3.3
of which Dubai			1.1
Qatar	*5		2.3
Saudi Arabia	*5		1.7
Others	*6		1.7
of which Oman			0.4
of which Bahrain			0.4
of which Egypt			0.3
of which Kuwait			0.3
of which Libya			0.1
of which Tunisia			0.02

\*1 As of Dec. 31, 10  
\*2 As of Sep. 30, 10

\*3 The pink-colored countries  
\*4 Majority is to Dubai government-affiliated entities, local banks and Japanese companies  
\*5 Project finance \*6 Trade finance and project finance  
(SMFG consolidated)



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.