



LEAD THE VALUE — SMFG's New Medium-Term Management Plan

SMFG launched a new medium-term management plan under the name "LEAD THE VALUE," for the three years from fiscal 2007 to 2009, given the completion of repayment of public funds last October and in response to the greatly changed business environment, including the economic situation and competitive environment.

In the process of drawing up our new plan, we reaffirmed that the most important criteria for achieving sustainable growth is to provide customers with value exceeding their expectations, and continuously be the financial services group that helps customers in their value creation.

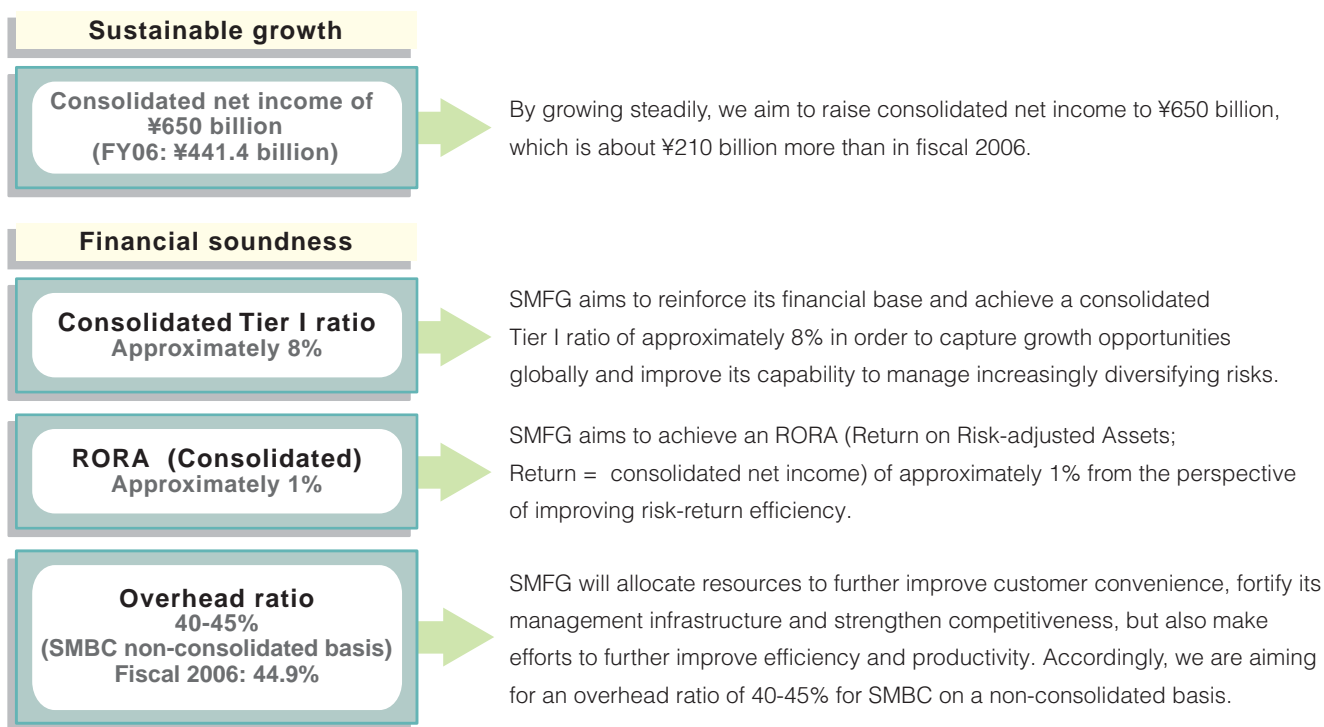
We also reconfirmed that SMFG's core strengths are the Spirit of Innovation, Speed, and Solution & Execution, the drivers behind our ability to quickly make strategic businesses profitable.

By maximizing these strengths, we aim to be a globally competitive financial services group with the highest trust. We have set the following goals for the next three years.

1. Aim for top quality in growth business areas
2. Realize a solid financial base as a global player
3. Increase returns to shareholders

To accomplish these goals, we will vigorously execute the strategic initiatives aimed at strengthening targeted growth business areas and fortify our platform to support sustainable growth.

We have set the following financial targets for fiscal 2009, the plan's final year.



We expect the consolidated net income ROE during the period of the medium-term management plan to be 10-15%.

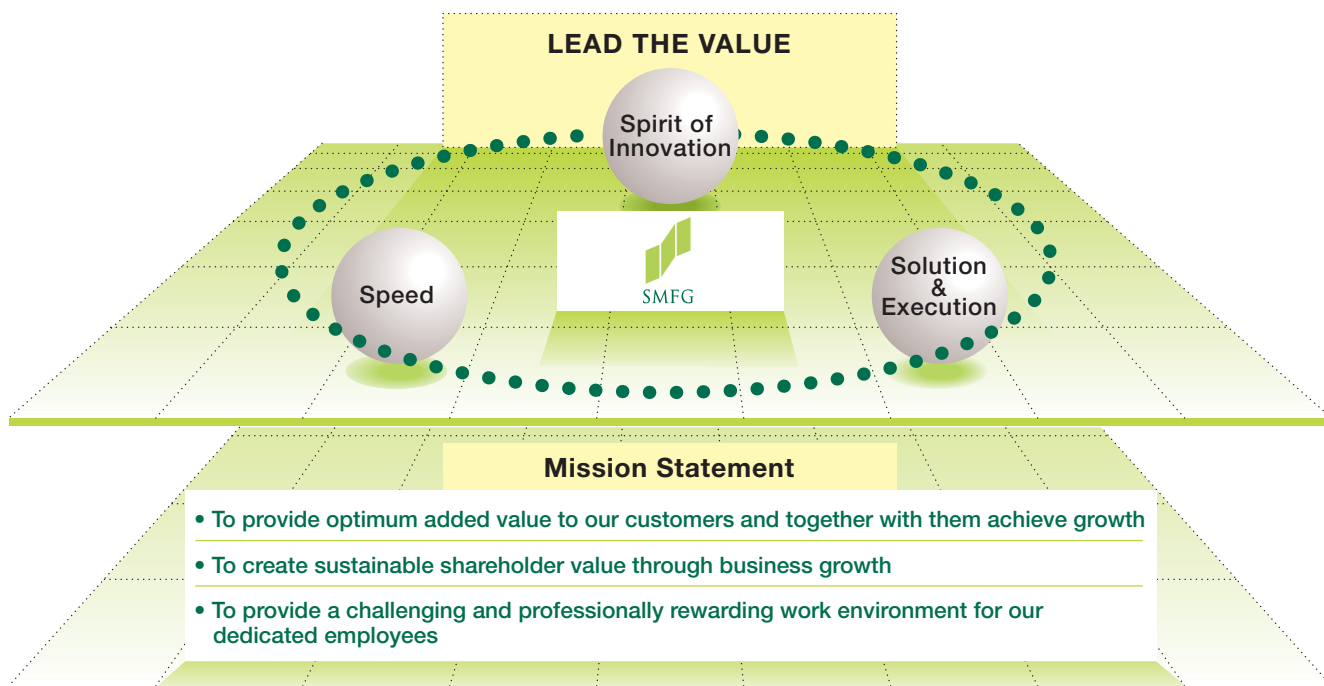
Under the medium-term management plan, to improve the quality of its products and services, SMFG will aggressively invest in growth business areas, establish a solid financial base as a global player, and fortify its platform to support sustainable growth. At the same time, SMFG will increase returns to shareholders

in step with progress made in achieving the goals of the plan. Specifically, we aim for a payout ratio (on a consolidated basis) of over 20% for fiscal 2009, the final year of the plan.

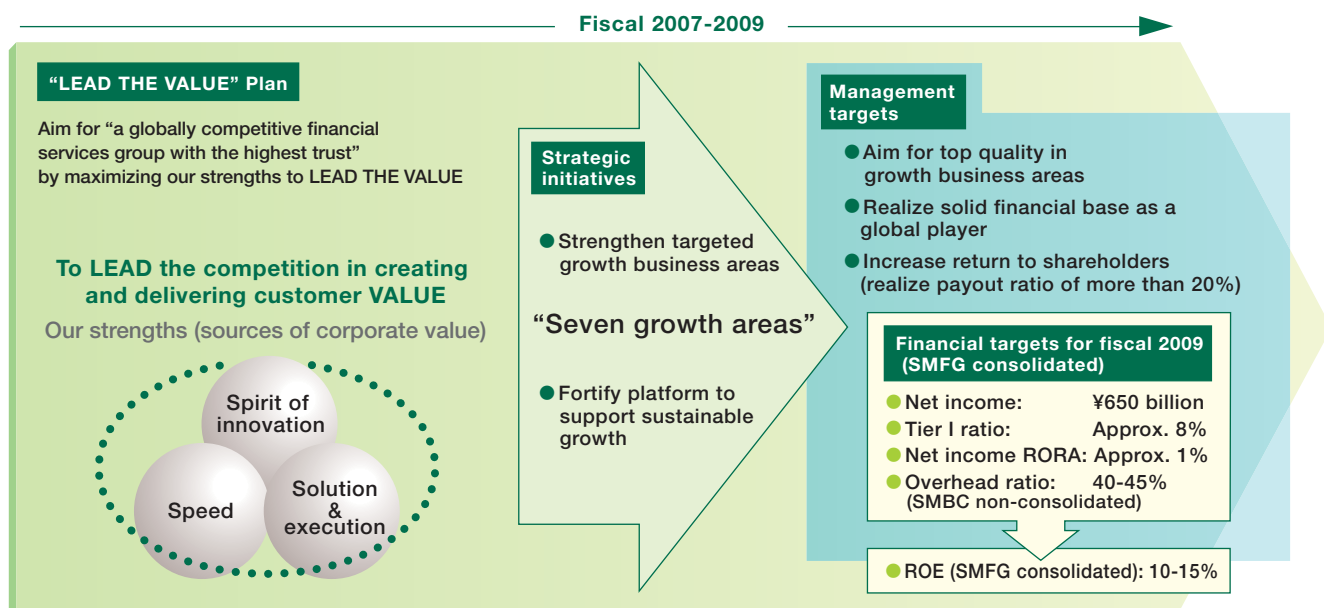
The entire workforce of SMFG is dedicated to the successful completion of the new medium-term management plan, and is determined to further raise the group members' corporate value by achieving sustained growth.

Goals of “LEAD THE VALUE” Plan

A globally competitive financial services group
with the highest trust



Outline of “LEAD THE VALUE” Plan



Assumed values of key economic indicators for “LEAD THE VALUE” Plan

	FY2007	FY2008	FY2009
Nominal GDP growth rate (annual)	2.5 %	2.9 %	2.4 %
Three-month TIBOR (annual avg.)	0.72%	1.12%	1.16%
10-year yen swap rate (annual avg.)	1.87%	2.10%	2.12%
Yen/dollar exchange rate (year-end)	115	115	115

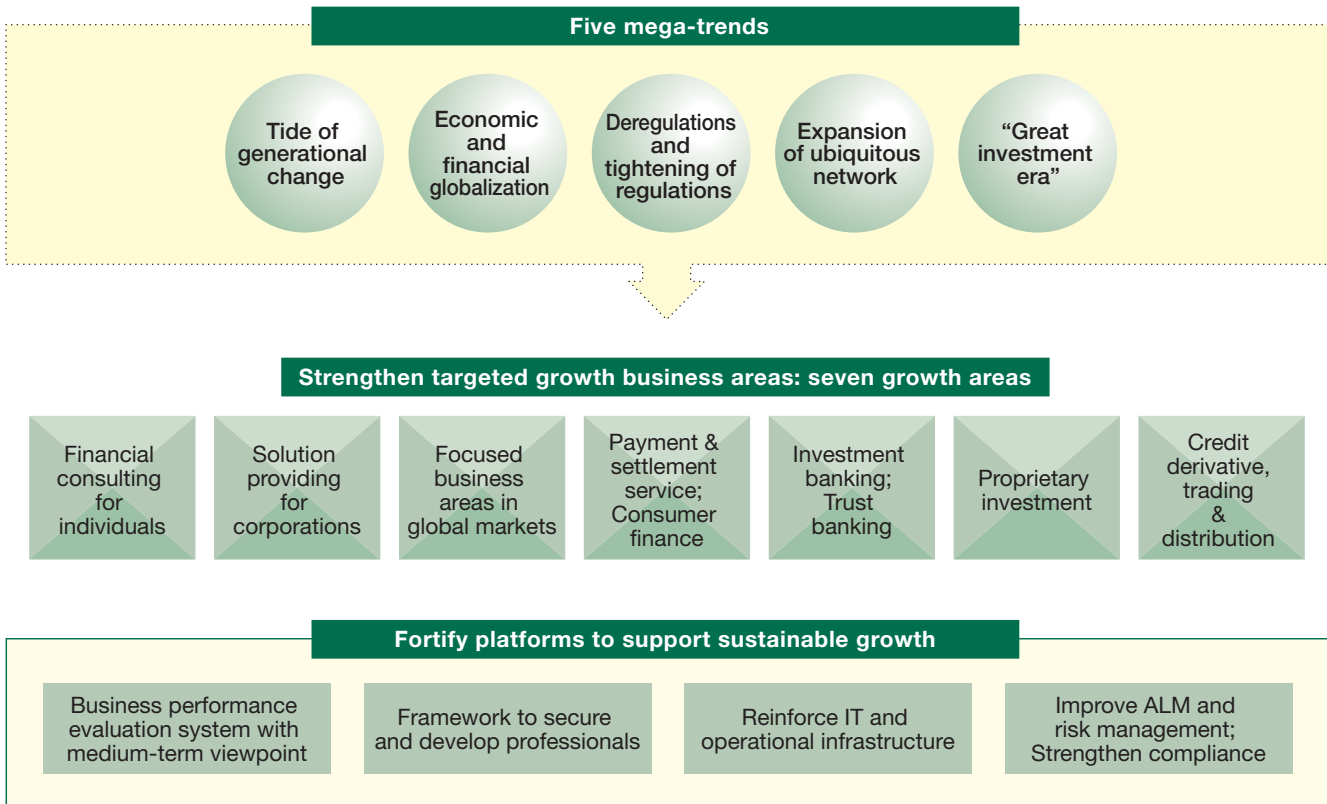
Strategic Initiatives of “LEAD THE VALUE” Plan

SMFG has been reinforcing profitability by identifying businesses with high growth potential at an early stage and creating highly productive and efficient proprietary business models. These strategic businesses grew, our asset quality improved substantially, and net income recovered, allowing us to complete the repayment of public funds in fiscal 2006 about one-and-a-half years earlier than initially planned. Overall, we have made steady progress with regard to both earnings capabilities and financial soundness.

As we achieved this progress, dramatic changes were reshaping our operating environment including intensifying competition in the domestic loan market and a labor shortage. Further, the magnitude of these changes exceeded the assumptions that

formed the basis for our previous management plan. Therefore, we must ensure we have an accurate grasp of macroeconomic trends that present opportunities for earning profits and competing at the global level in order to continue our growth in the present competitive environment. This means we can no longer follow our previous policy of maximizing earnings by restructuring and streamlining our operations. Instead, we must switch to a stance of sustaining growth while making substantial investments aimed at growth from a medium- and long-term perspective. This is the reason why our LEAD THE VALUE plan features the two strategic initiatives of strengthening targeted growth business areas and fortifying our platform to support sustainable growth.

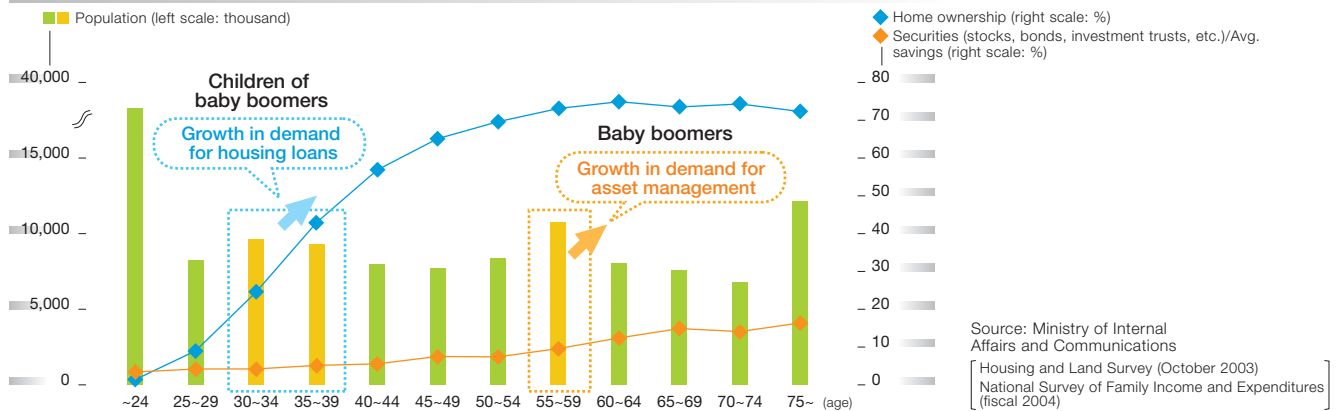
Strategic Initiatives in LEAD THE VALUE



Macroeconomic Trends

The tide of generational change: Japan's population ages and decreases, and the nation's baby boomers retire

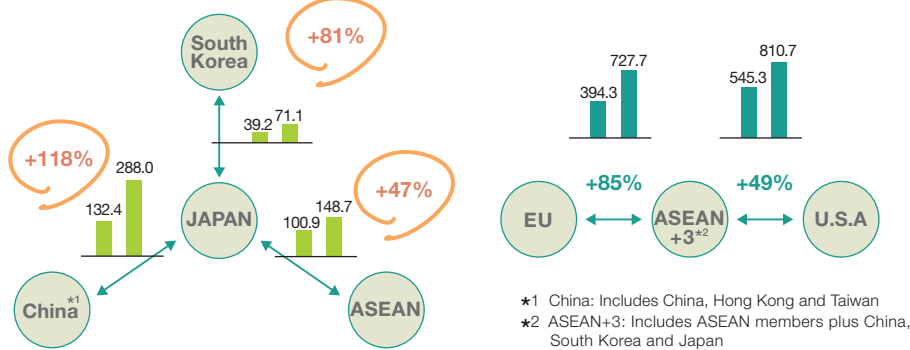
Population composition by age, home ownership ratio and household financial assets



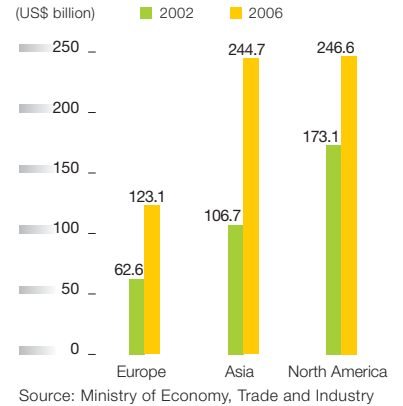
Development of globalization

Foreign trade growth rate for ASEAN + 3 East Asian nations (2005): +115% from 1999

(Figures are the sum of imports and exports; US\$ billions)

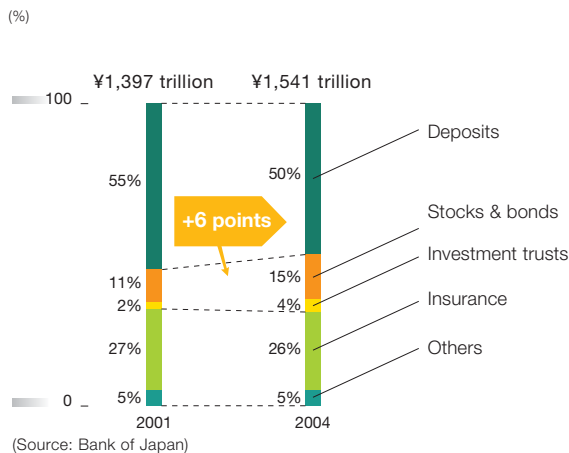


Growth in sales at overseas subsidiaries of Japanese companies

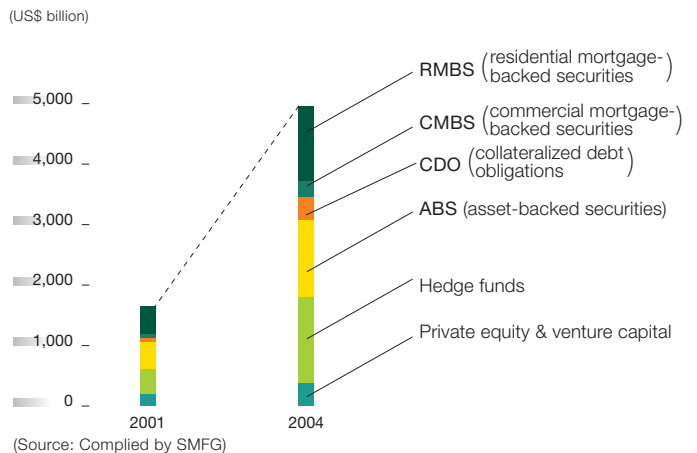


The great investment era: A shift from savings to investments and excess liquidity worldwide, with a diversification of financial instruments

Investments' share of Japanese household financial assets



The growth of alternative investments in global markets



(1) Strengthen targeted growth business areas

We will focus on the following seven business areas, which will be growing rapidly in the future. In these areas, we will provide customers with value exceeding their expectations, to realize top quality and achieve sustainable growth.

1) Financial consulting for individuals

SMFG has been strengthening operations in this strategic business area, and expects the market to continue to expand steadily and client needs to become more diversified and sophisticated due to advances in deregulation, regulatory system changes, the declining birthrate and the aging population.

SMFG will develop new products and services in a timely manner in response to the above mentioned diverse needs of customers amid deregulation and other changes in the business environment. The Group will also increase its marketing channels, as well as the number of financial consultants. At the same time, SMFG will establish a business model to offer individual customers “one-stop shopping” for various financial services, such as investment trusts, insurance products, securities, trust services and other products and services as their sales are deregulated.

2) Solution providing for corporations

SMFG has been strengthening its ability to provide solutions to corporate customers by expanding the lineup of unsecured loan products to small- and medium-sized enterprises, strengthening investment banking, and establishing the Corporate Advisory Division within SMBC. SMFG expects growing demand for solutions to corporate customers' managerial issues, such as various types of funding according to their growth stage, business succession due to generational changes, and so on.

In order to strengthen its coverage of business areas where the needs of individual customers and corporate customers co-exist, such as private banking, workplace banking and business succession consulting, SMBC established the Private Advisory Department in April 2007. SMBC also established a Merchant Banking Department to nurture growth companies through equity investment. Through these initiatives, SMFG will provide more sophisticated solutions to meet the rising demand for such services.

3) Focused business areas in global markets

SMFG will strengthen initiatives in (a) specific growth industries in which the needs for fund raising or business consolidation are expected to expand globally, (b) Asia, a region which continues to demonstrate remarkable economic growth, and (c) specific products and services with global competitive advantages, such as project finance and ship finance. In order to become one of the top global banks in debt-related businesses in its targeted areas, SMFG will further expand business franchises through measures which include strategic alliances and M&As, strategic allocation of human resources, and establishment of a global business promotion system.

4) Payment and settlement services, consumer finance

IT technology for payment and settlement is becoming more sophisticated, as shown by the rapid diffusion of electronic money. SMFG intends to play a leading role in this trend, and to provide its customers with innovative, convenient, and secure payment and settlement services.

In consumer finance, SMFG, with the vision of making a further dramatic advance as an industry leader, will strengthen its credit card business centered on Sumitomo Mitsui Card Company, Limited, through aggressive growth strategies which include further alliances. SMFG will continue to strengthen its collaboration with Promise Co., Ltd. to meet the sound financial needs of consumers with various lifestyles while keeping a close eye on changes in the consumer finance industry's business environment.

5) Investment banking and trust business

Amid the globalization of corporate customers and investors, the demand for sophisticated financial solutions to match customers' business strategies has been increasing. To address this demand and become a market leader in investment banking, SMFG will take an active approach by implementing strategies which include greater collaboration with Daiwa Securities SMBC Co., Ltd. In addition, SMFG will reinforce the trust business — for which customer needs are expected to rise — with greater flexibility, made possible by the revision of trust-related laws.

6) Proprietary investment

In view of the globalization of investment markets and diversification of investment instruments, SMFG will broaden the frontier of its investments and loans to alternative fields, such as mezzanine, equity, and fund investments. SMFG will improve its return on assets and capital by creating a more risk-diversified portfolio.

7) Credit derivatives, trading & distribution

Along with more sophisticated risk management, SMFG will create financial products by structuring various types of risk on its balance sheet and distributing such risks to investors who have different risk tolerances, thereby reinforcing its ability to meet the investment and financing needs of customers and improving the asset efficiency of the Group.

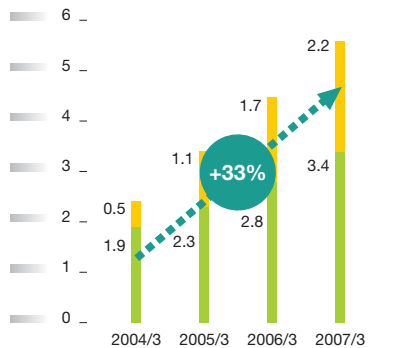
(2) Fortifying our platform to support sustainable growth

SMFG will maximize its ability to provide added value by (a) implementing an internal business performance evaluation system centered on medium-term targets and strategic measures, (b) establishing a framework for developing professionals capable of aiming at and achieving top quality in growth business areas, (c) reinforcing its IT and operational infrastructure to support SMFG's business in a flexible manner, (d) strengthening compliance, and (e) improving its asset liability management (ALM) and risk management system.

SMBC's Performance in Selected Growing Market Sectors

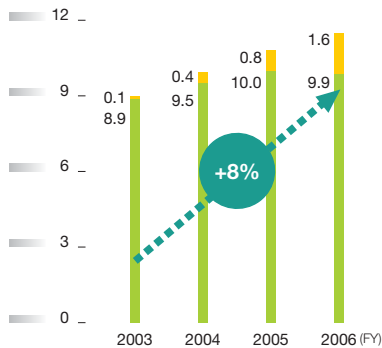
Outstanding Balance of Investment Trust and Pension-Type Insurance

(¥ trillion; year-end) ■ Pension-type insurance (accumulated) ■ Investment trust



Housing Loans

(¥ trillion) ■ Securitized loans ■ Loans on balance sheet at year-end



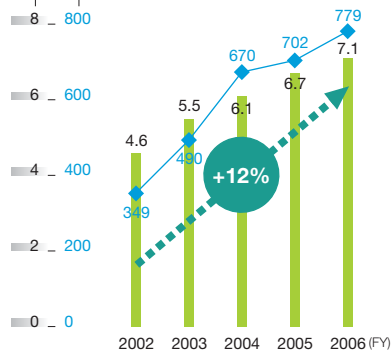
Consumer Finance (year-end balances)

(¥ billion) ■ Unsecured card-type loans ■ Promise alliance portion



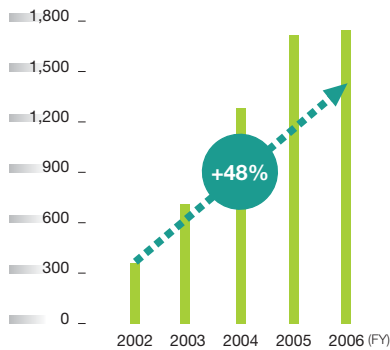
Syndications

■ Amount (¥ trillion) ◆ Syndications



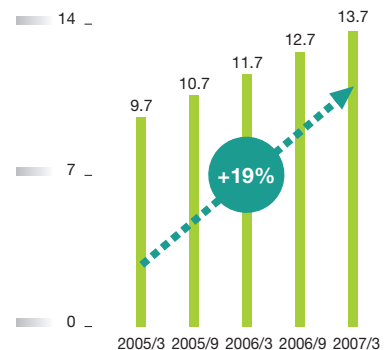
Business Select Loan (originations)

(¥ billion)



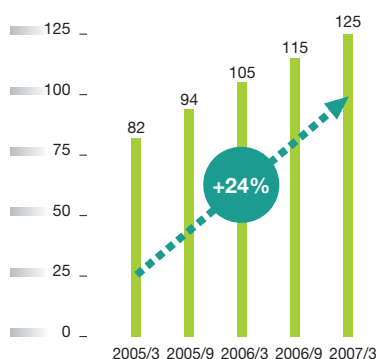
Global e-Trade Service (contracts)

(thousand)



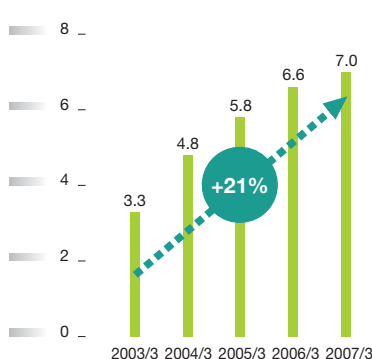
Web21 (Internet banking for corporate customers) Users

(thousand companies)



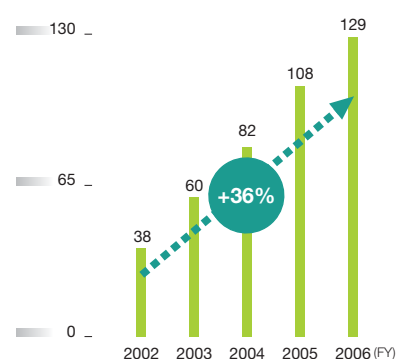
One's Direct Internet Banking Users

(million people)



Internet Transactions

(million transactions)



Note: Compound annual growth rates inside green circles