

Merrill Lynch Japan Conference 2008

Seven Questions from Investors

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Sumitomo Mitsui Financial Group, Inc.

September 16, 2008

- Q1.** What is SMFG's view on the current business environment?
- Q2.** How was SMFG's recent business performance?
- Q3.** What is SMFG's view on credit costs in 1Q FY08?
- Q4.** How is the expense situation?
- Q5.** What progress has been made in domestic growth business areas?
- Q6.** What progress has been made in overseas growth business areas?
- Q7.** What is SMFG's capital policy going forward?

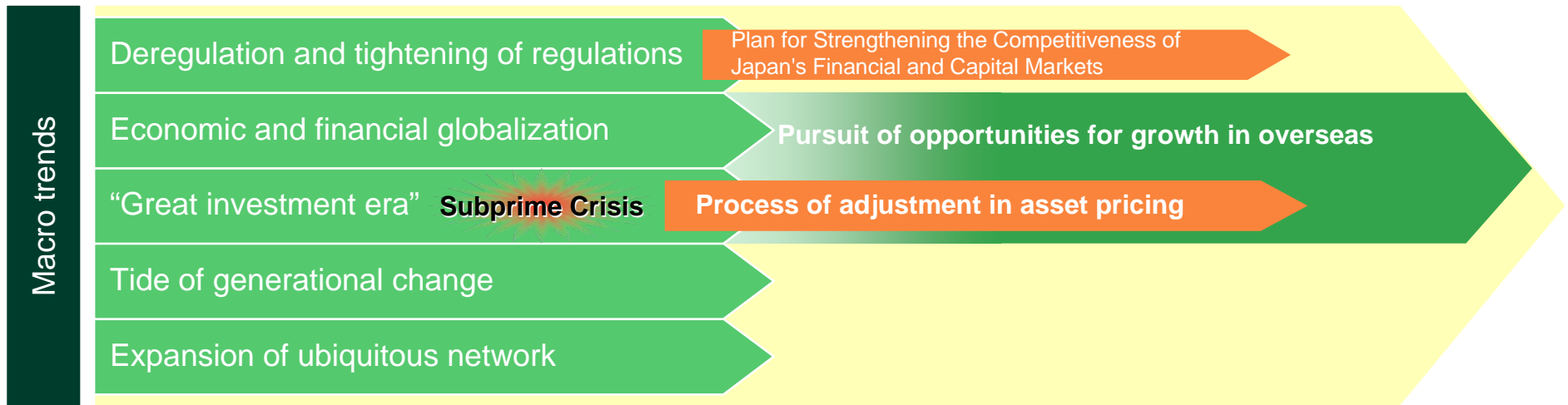
Q1. What is SMFG's view on the current business environment?

A1. There is a growing concern about the down-side risks of overseas and domestic economy.

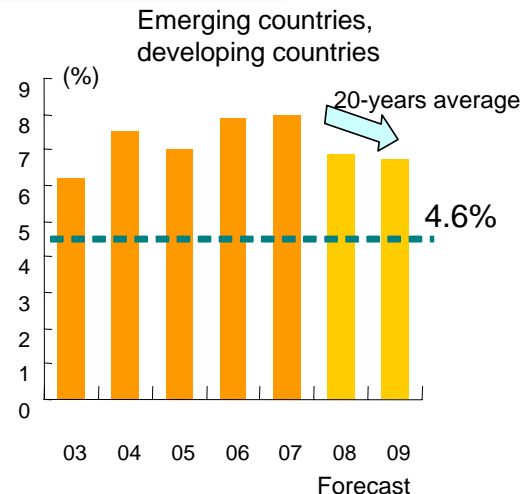
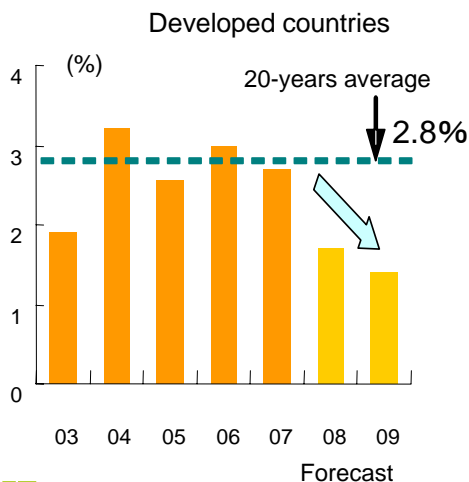
However, we will tackle the source of down-side risks as soon as possible, from a short-term perspective, while implementing initiatives for future growth from a long-term perspective, with “cautious optimism.”

1. Current Business Environment

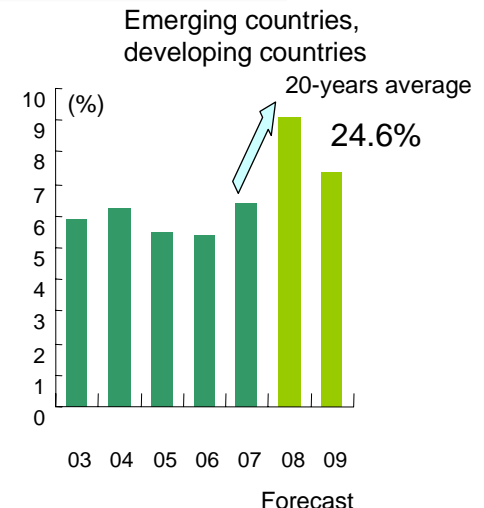
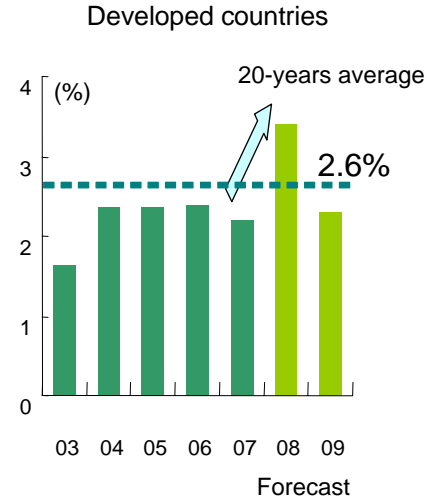
Slowing Economy and Inflationary Trend Has Followed Subprime Crisis



Real GDP growth rate*

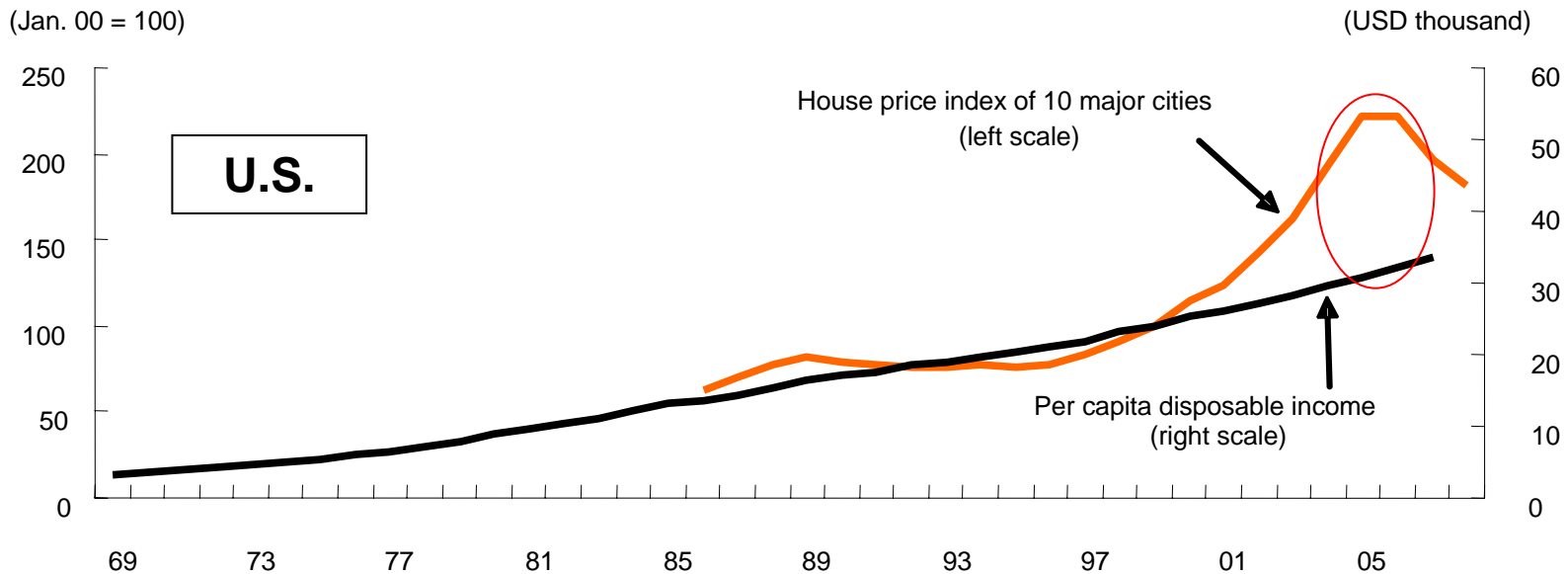
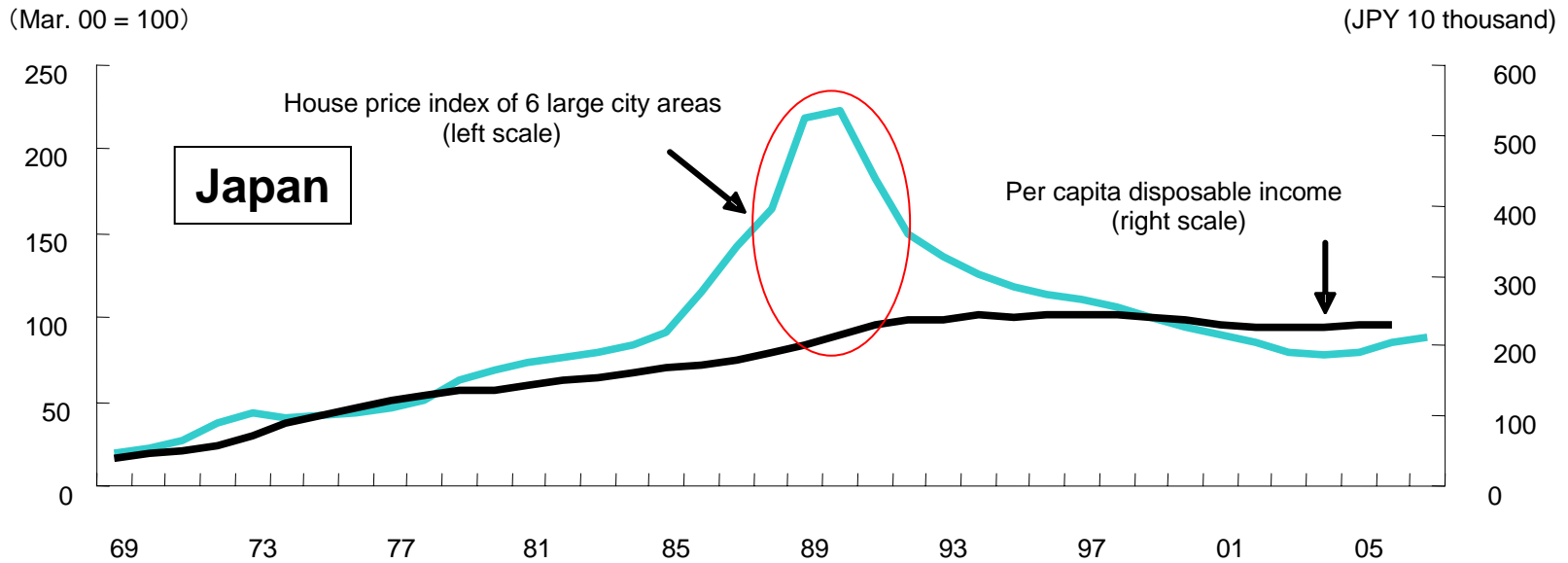


CPI growth rate*



1. Current Business Environment

Price Adjustment Process - Japan's Experience after Bubble Burst*



Q2. How was SMFG's recent business performance?

A2. SMBC Marketing Units' gross profit in 1Q FY08 was fairly in line with the business plan, despite slowing economy and continuing financial instability. Sub-prime exposure was minimized.

2. Recent Business Performance

FY07 Key Achievements

The first step towards accomplishing the medium-term management plan

		Forecast (announced in May 07)		Result (announced in May 08)	
Steady increase in top-line profit	Gross banking profit (SMBC)	YOY change +JPY 144.5 bn	▶	YOY change +JPY 140.3 bn	Of which Marketing Units* +JPY 60.2 bn
Aggressive allocation of resources in growth business areas	Expenses (SMBC)	YOY change +JPY 56.4 bn	▶	YOY change +JPY 61.2 bn	Overhead ratio 44.8%
Increased returns to shareholders	Annual dividends per common stock	JPY 10,000	▶	JPY 12,000	Consolidate payout ratio 20.5%
Group-wide initiatives in growth business areas	Strengthen businesses both organically and inorganically				

Coped with uncertainty in business environment

Reduced subprime-related exposure	Net balance of securitized products and warehousing loans (after write-offs and provisions)	▶	JPY 5.5 bn
Provisioned for exposure related to monoline insurance companies	Net exposure to a part of monoline insurance companies in connection with CDS transactions (after net of reserve)	▶	JPY 31.1 bn

2. Recent Business Performance

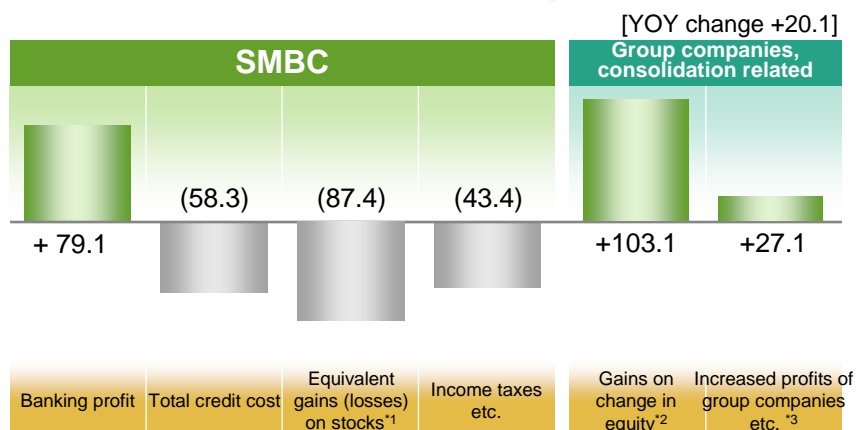
FY07 Financial Highlights

Banking profit on SMBC non-consolidated basis increased by JPY 79.1 bn year over year led by an increase of Gross banking profit due to an increase of **Net interest income** and an improvement of **Gains (losses) on bonds** despite an increase of **Expenses**.

Net income on SMFG consolidated basis increased by JPY 20.1 bn year over year led by an increase of **SMBC's Banking profit** and **group companies' profits**, as well as **Gains on change in equity** accompanied with the reorganization of the leasing companies, despite an increase of **Total credit cost** and **Losses on stocks**.

Main factors of YOY change (JPY bn)

SMFG's Net income: FY06: 441.4 ▶ FY07: 461.5



<SMBC non-consolidated>

(JPY bn)	FY07	YOY change
Gross banking profit	1,484.8	+140.3
(Excluding gains (losses) on bonds)	1,514.9	+58.0
Expenses	(665.1)	(61.2)
Banking profit ^{*4}	819.7	+79.1
Gains (losses) on stock	(141.0)	(152.1)
Total credit cost ^{*5}	(147.8)	(58.3)
Ordinary profit	510.7	(62.6)
Net income	205.7	(110.0)

<SMFG consolidated>

Ordinary profit	831.2	+32.6
Net income	461.5	+20.1

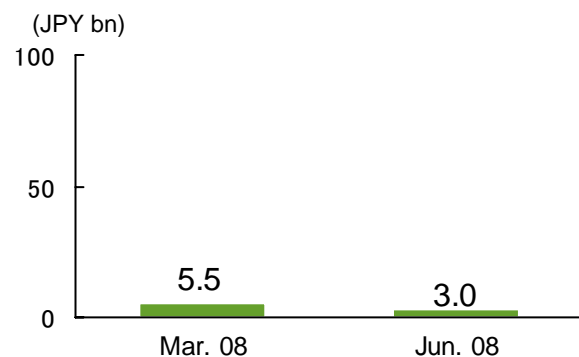
- *1 Gains (losses) on stock + Provision for reserve for possible investment losses (Other non-recurring gains (losses))
 *2 Led by reorganization of the leasing companies
 *3 Including losses related to monoline insurance companies
 *4 Before provision for general reserve for possible loan losses
 *5 Including portion recorded in Extraordinary gains (losses)

2. Recent Business Performance

Exposure Related to Subprime and Monoline

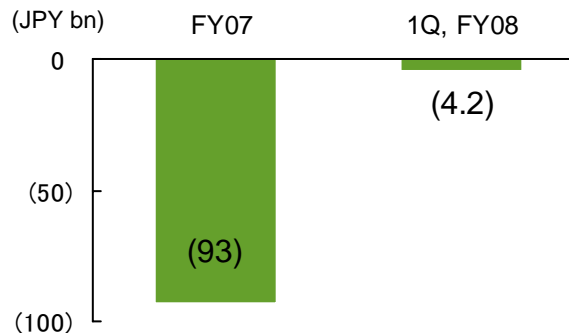
Subprime related securitized products

Exposure*1



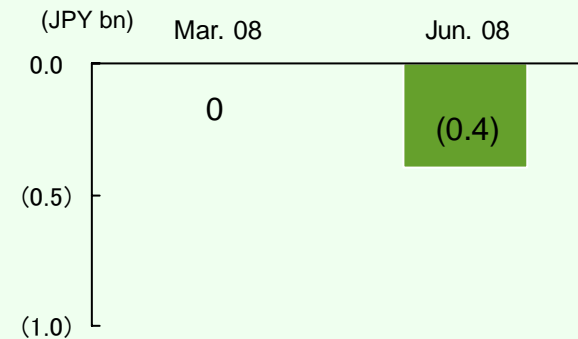
*1 After provisions and write-offs

P/L impact*2



*2 Sum of losses on sales, provisions and write-offs

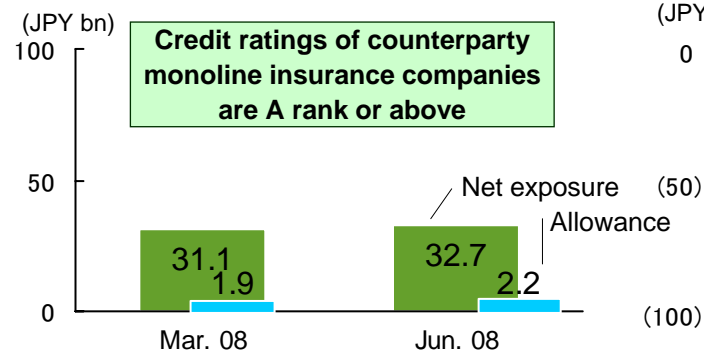
Reference Net unrealized gains/ losses*3



*3 After write-offs

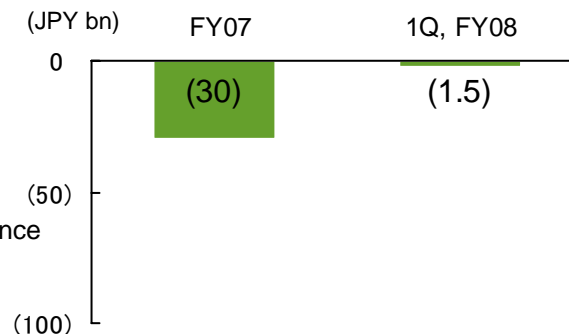
CDS transactions with monoline insurance companies

Net exposure*4 and allowance for loan losses



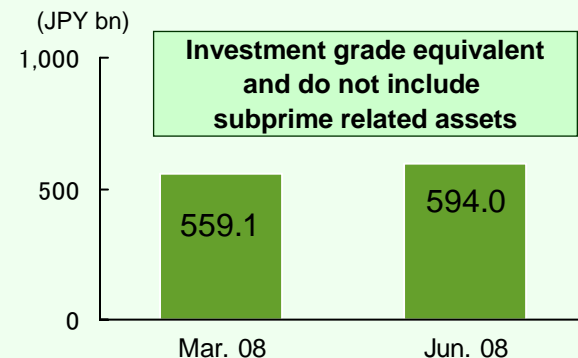
*4 After provisions

P/L impact*5



*5 Provisions

Reference Reference assets*6



*6 Excluding figures related to the portion to which SMFG already realized losses

2. Recent Business Performance

1Q FY08 Financial Highlights

<SMBC non-consolidated>

(JPY bn)	Results of 1Q, FY07	Results of 1Q, FY08	YOY change	Forecast for FY08 ^{*2}
Banking profit ^{*1}	163.2	128.5	(34.7)	830.0
Total credit cost	(39.1)	(83.8)	(44.7)	(180.0)
Ordinary profit	109.3	41.8	(67.5)	610.0
Net income	73.8	56.2	(17.6)	390.0

<Key considerations>

- SMBC's **Banking profit in Marketing Units** in 1Q was in line with budget.
- SMBC's net **Losses on bonds** amounted to JPY 30.3 bn, led by reduction of bonds in response to the hike of long-term interest rate during 1Q.
- SMBC's **Total credit cost** increased by JPY 44.7 bn to JPY 83.8 bn on year-over-year basis.
- SMFG did not revise the earnings forecast for the six months and the full year of FY08 on July 31st.

<SMFG consolidated>

(JPY bn)	Results of 1Q, FY07	Results of 1Q, FY08	YOY change	Forecast for FY08 ^{*2}
Ordinary profit	195.0	73.6	(121.4)	850.0
Net income	119.7	58.1	(61.6)	480.0

Reference Assumption for FY08 forecast

Nominal GDP growth rate	+1.4%
3 month JPY TIBOR	0.85%
10 year JPY swap rate	1.67%
Exchange rate (JPY/USD)	105
Nikkei 225 index (yen, as of Mar. 31, 08)	12,525.54

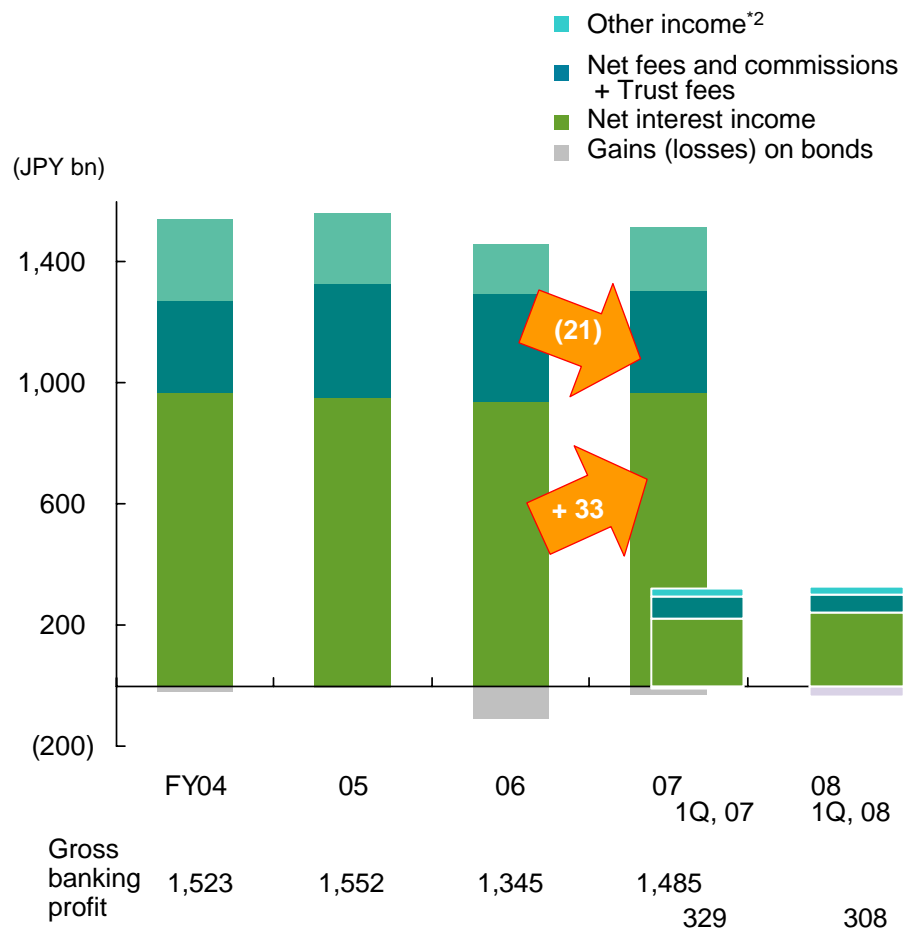
*1 Before provision for general reserve for possible loan losses

*2 The earnings forecasts announced on May 16, 08

2. Recent Business Performance

Breakdown of Gross Banking Profit and Peer Comparison

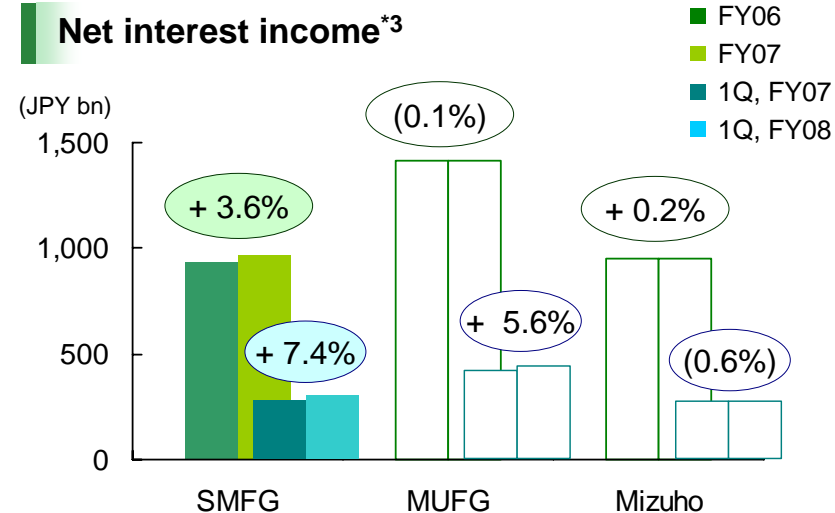
Breakdown of gross banking profit*1



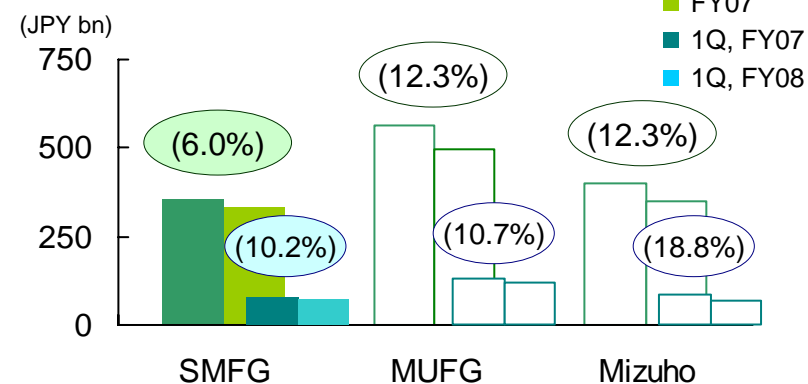
*1 SMBC non-consolidated

*2 Other income = Net trading income + Net other operating income - Gains (losses) on bonds

Peer comparison of growth rate



Net fees and commissions*3



*3 Figures are the sum of subsidiary banks' non-consolidated profit

Q3. What is SMFG's view on credit costs in 1Q FY08?

A3. Slower-than-expected macro-economy was reflected to 1Q credit costs.

However, the quality of our loan portfolio has dramatically improved during the past 4-5 years.

3. Credit Costs and Loan Portfolio

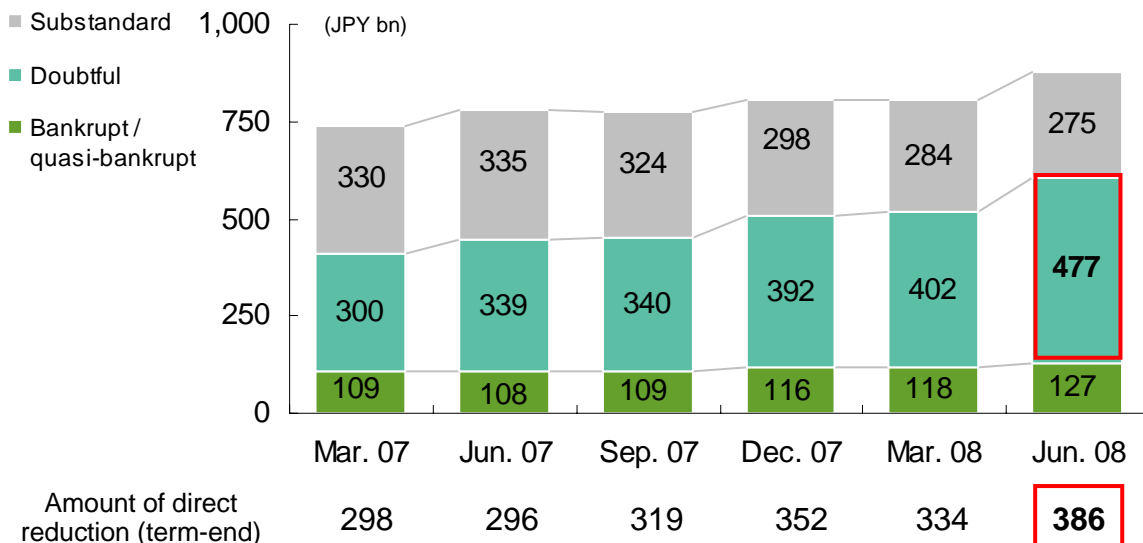
Financial Results for 1Q FY08

Trend of credit cost*1 (P/L)

(JPY bn)	FY07 Results	1Q	2Q	3Q	4Q	1Q, FY08 Results
Total credit cost	(148)	(39)	(75)	(73)	40	(84)
Provision of general allowance	97	4	(12)	1	103	8
Provision of specific allowance	(92)	(31)	(14)	(33)	(14)	(56)
Write-offs, etc.	(153)	(12)	(50)	(41)	(50)	(35)

FY08 forecast: (180)

Trend of non-performing loans*2 (B/S)



Management analysis

Sensitivity of credit costs to nominal domestic GDP growth

- High progress ratio for 1Q based on annual budget in:
 - **Costs from deterioration** of normal / watch-list borrowers, including substandard
- *Credit cost from **real estate** sector: approx. 20% of total
- **Business Select Loan**

Measures to secure the quality of portfolio implemented in FY07

- **Lack of collection gains** in 1Q

Seasonality in NPL off-balancing processes

(SMBC non-consolidated)

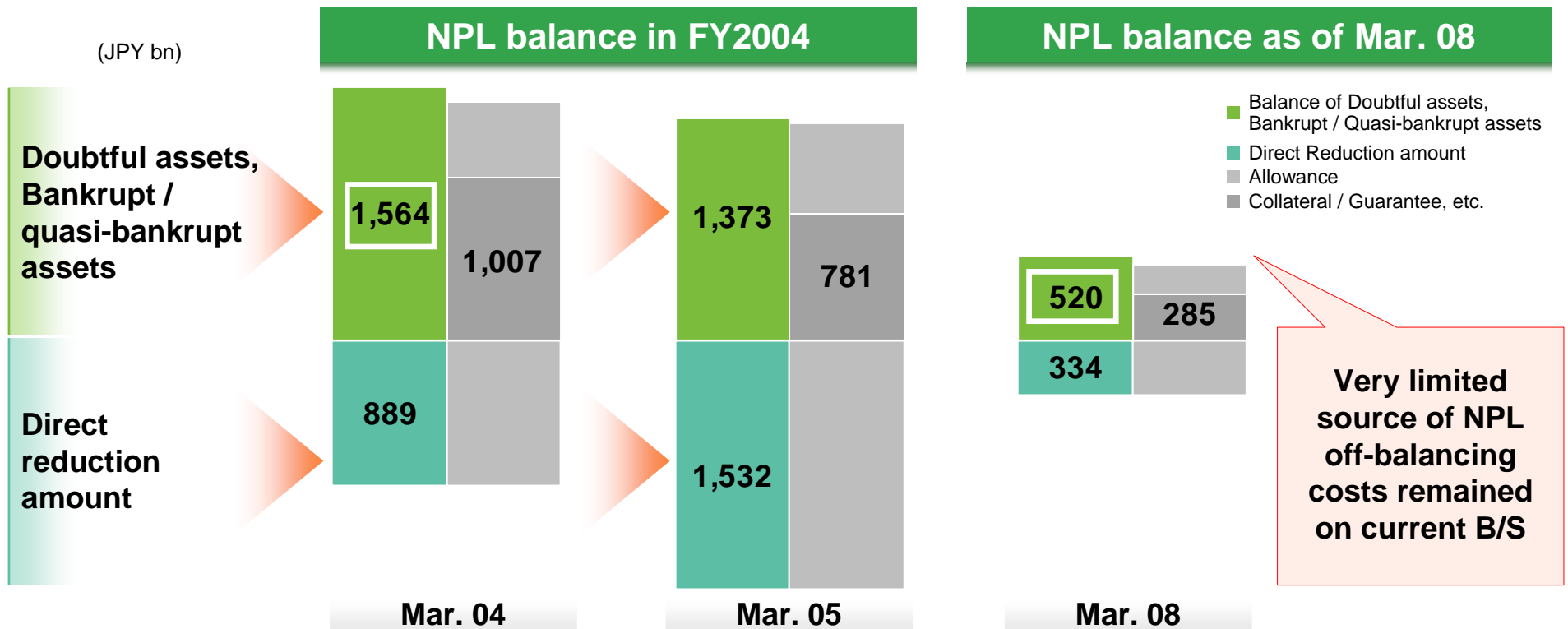
*1 Credit costs = the aggregate of net additions to general reserve, net additions to a specific reserve, net additions to a reserve for specific overseas loan losses, write-off of loans, losses on sales of delinquent loans, gains on collection of written-off claims and other credit costs
 *2 Loans classified as bankrupt and quasi-bankrupt assets, doubtful assets, and substandard loans under the Financial Reconstruction Law

3. Credit Costs and Loan Portfolio

Balance Sheet Approach:

Huge Difference in Source of Off-balancing costs between Mar. 04 and Mar. 08

	(JPY bn)	
	FY04A	FY08P
Total Credit Cost	(954.8) ← 173bp*	(180) ← 28bp*
Deterioration	Approx. (750)	Approx. (225)
Off-balancing	Approx. (200)	Approx. 45



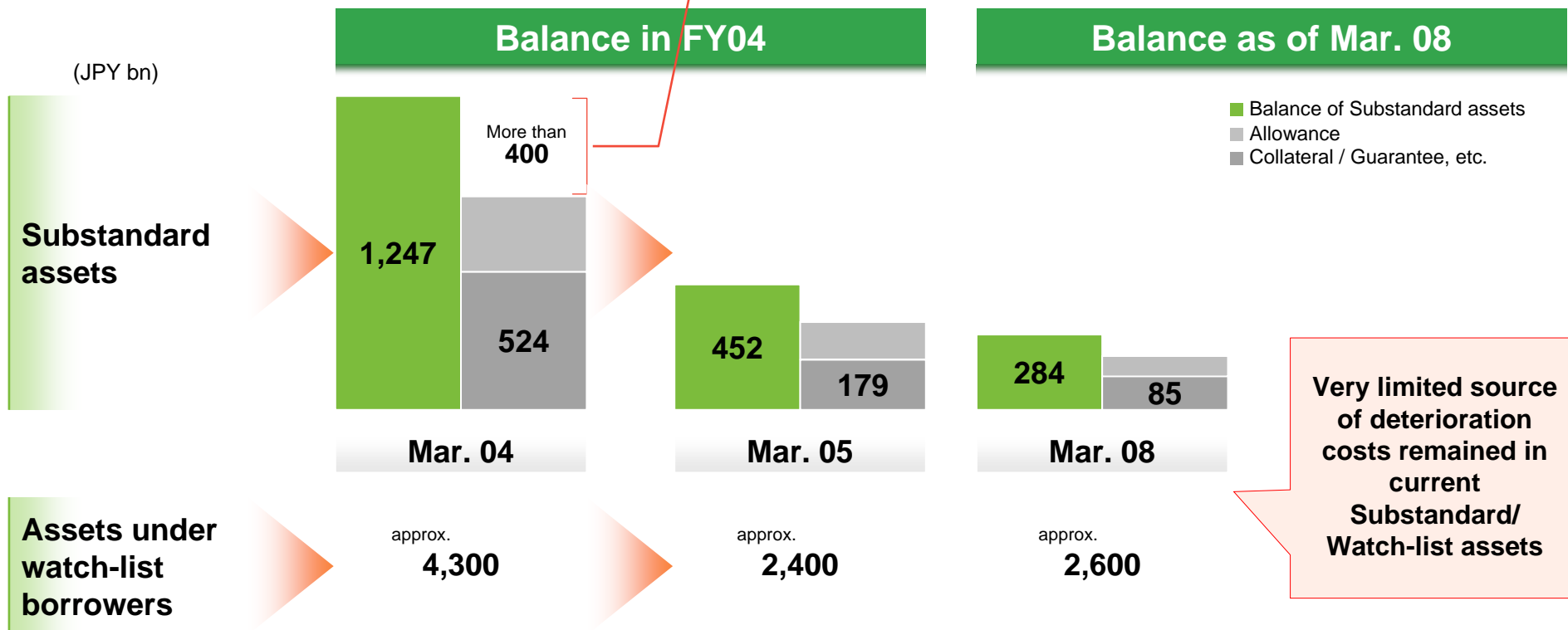
3. Credit Costs and Loan Portfolio

Balance Sheet Approach:

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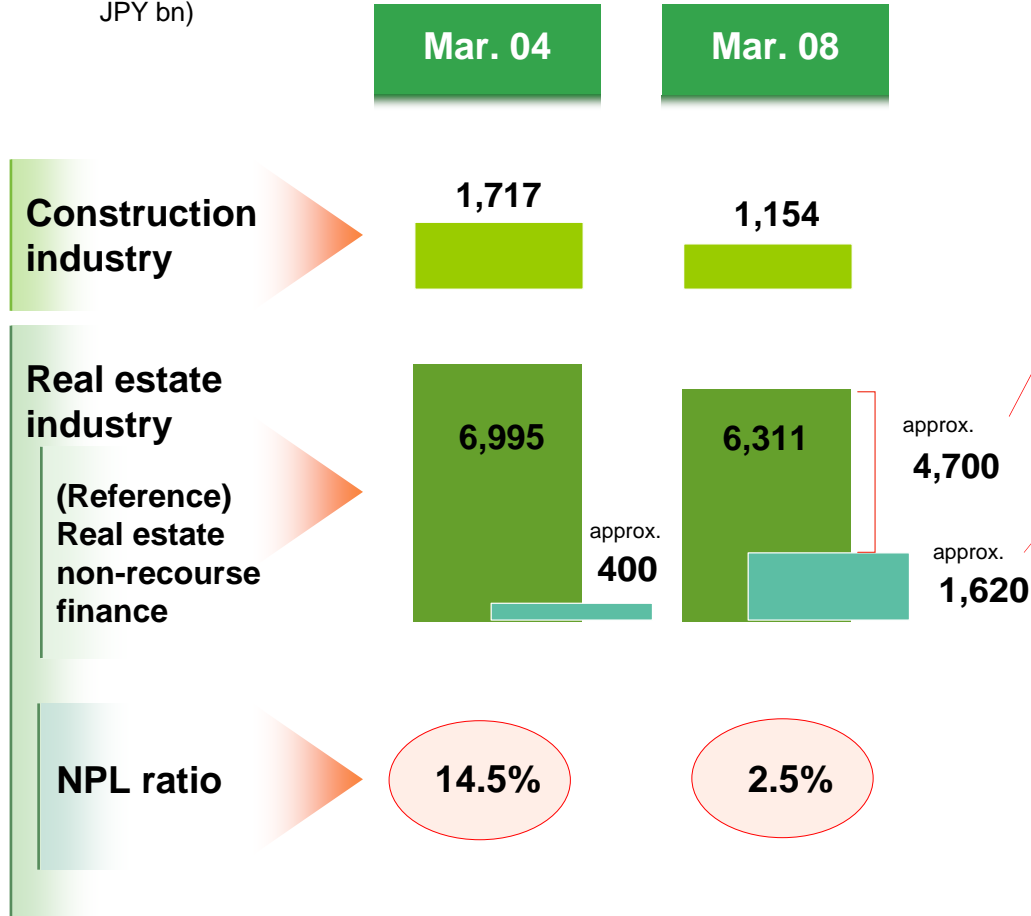


(SMBC non-consolidated)

3. Credit Costs and Loan Portfolio

Balance Sheet Approach: Huge Difference in Real Estate Exposure between Mar. 04 and Mar. 08

(Domestic loan balance, JPY bn)



Portfolio diversified to three segments:

- Real estate leasing companies (approx. 50%)
- Large general real estate companies (approx. 20%)
- Real estate developers (approx. 20%)

Above 80% classified to "Strong" and "Good" under Basel II slotting criteria

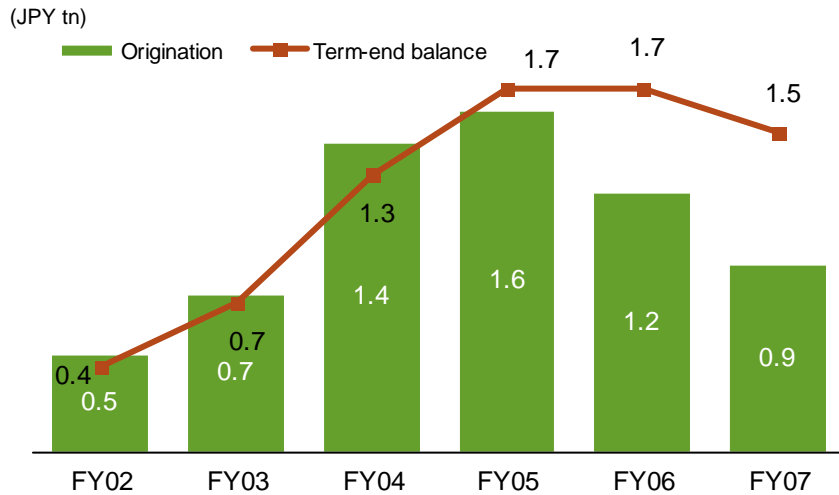
Reference	
Loans, classified by business unit and coverage (SMBC: as of Mar. 31, 08) (JPY tn)	
Consumer 15	Guaranteed 21
Middle Market 21	Collateralized 9
Headquarters 3	Unsecured 27
Corporate 10	
International 8	
Total 57	Total 57

(SMBC non-consolidated)

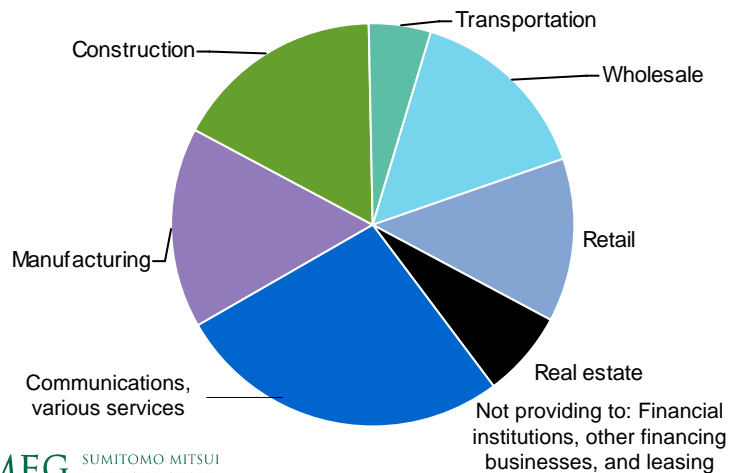
3. Credit Costs and Loan Portfolio

Business Select Loan

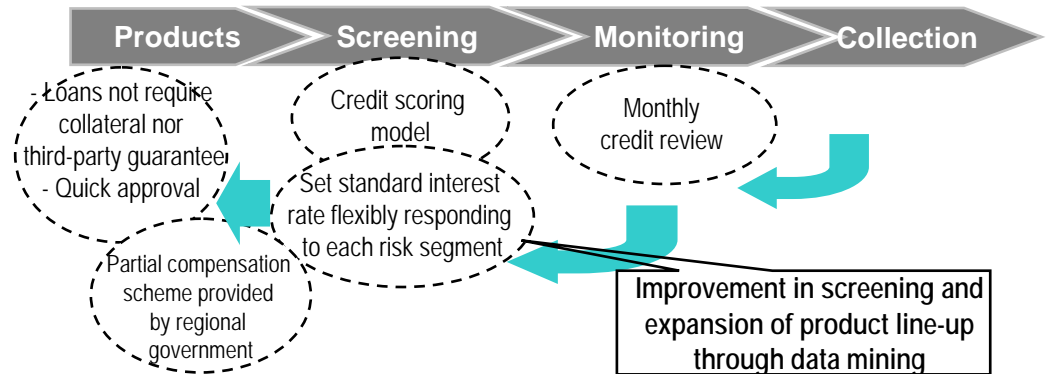
Origination and term-end balance



Industry mix (Mar. 08)



Operation flow

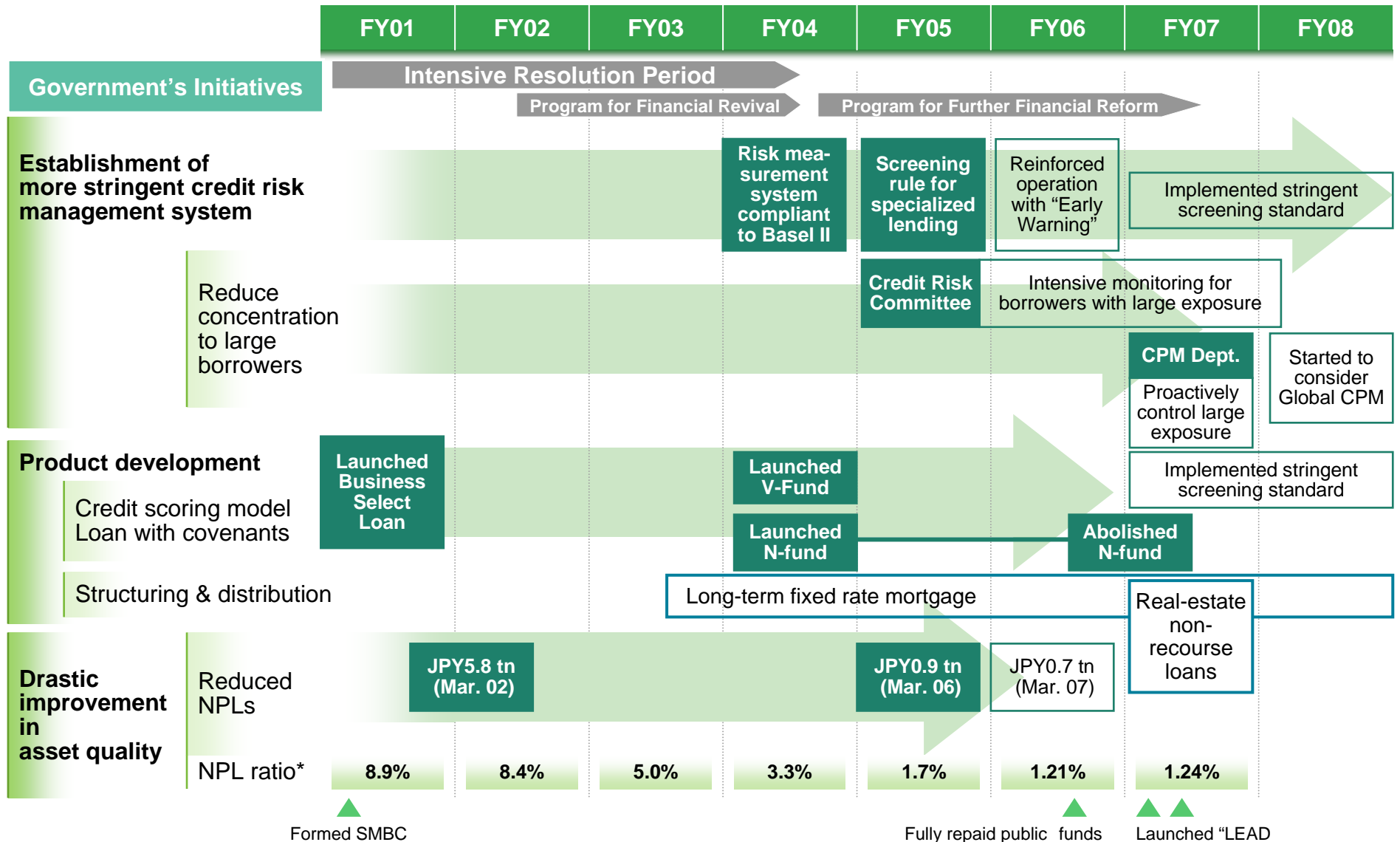


Product outline

Product launch	Mar. 02
Risk evaluation	SMBC original credit scoring model
Loan amount	maximum JPY 50 million (with monthly repayment)
Interest rate	3.125% ~ - Different according to level of credit risk - Discounted according to overall transaction volume with SMBC
Loan term	Within 5 years
Collateral	Not required (loan term: 3 years maximum)
Guarantee	No third party guarantee (Guarantee by representative director is required)
Fee	New clients: JPY 73,500 As from Oct. 15, 2007 (JPY 94,500 for loan amount of 30 million or more) Existing clients: JPY 31,500 (JPY 52,500 for loan amount of 30 million or more)
Channels	Most Corporate Business Offices, Business Support Offices, etc.: 226 locations

3. Credit Costs and Loan Portfolio

Continuously Fortifying Credit Risk Management System



* NPL ratio = Total NPLs outstanding / Total loans and other claims balance

3. Credit Costs and Loan Portfolio

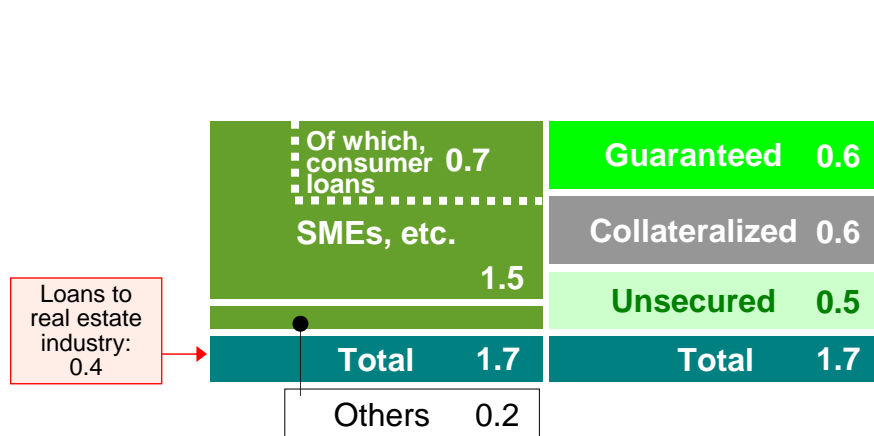
Subsidiary Banks: Loans, Classified by Type of Customers and Coverage

(JPY tn)

As of Mar. 31, 04

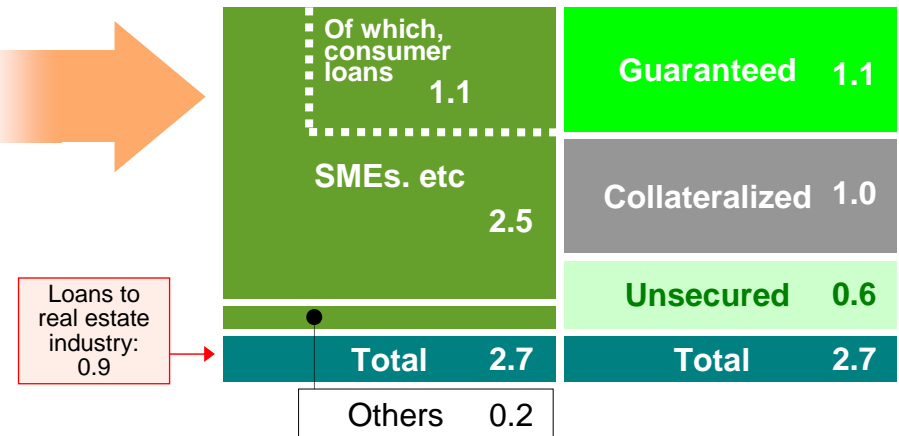
Kansai Urban Banking Corporation (non-consolidated)

Type of customers Coverage*



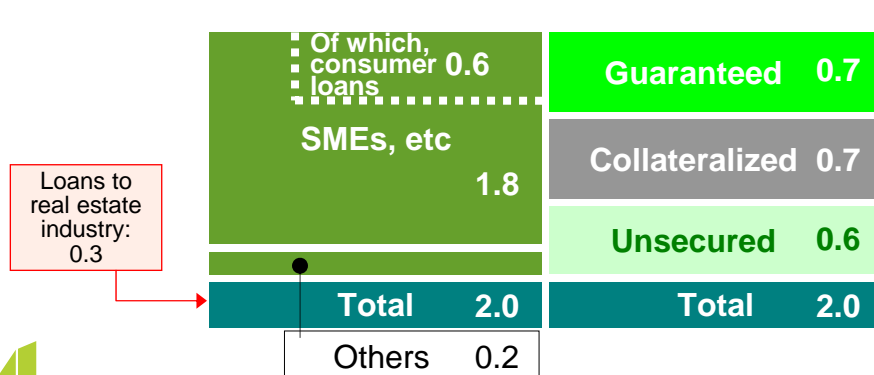
As of Mar. 31, 08

Type of customers Coverage*

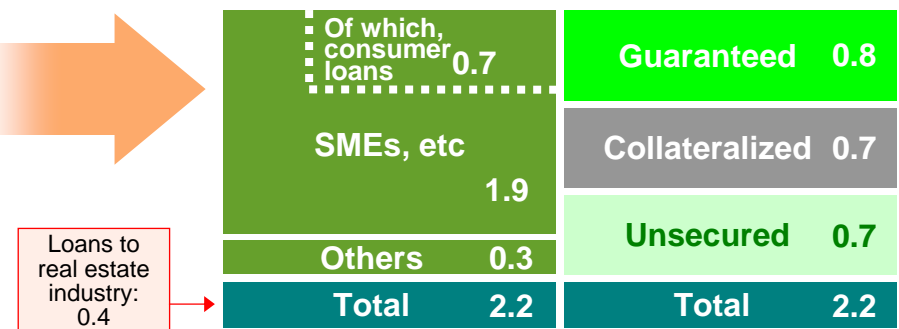


THE MINATO BANK (non-consolidated)

Type of customers Coverage*



Type of customers Coverage*



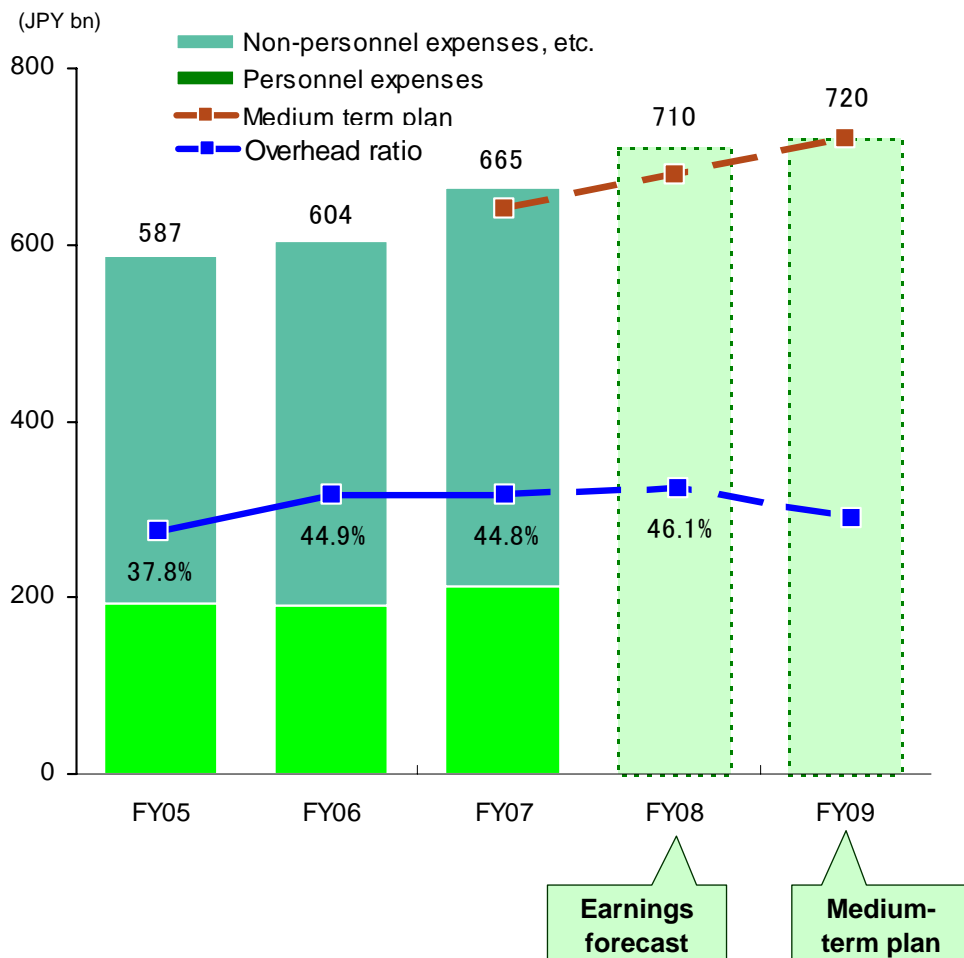
Q4. How is the expense situation?

A4. We are aggressively allocating resources to targeted growth business areas while maintaining stringent cost control in order to sustain high efficiency.

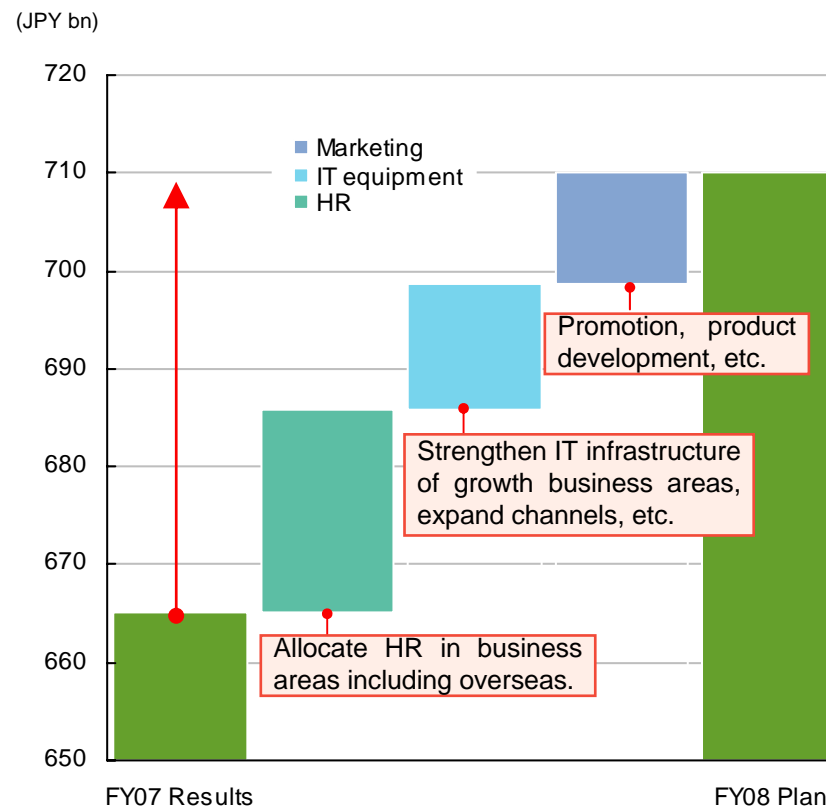
4. Situation of Expenses

Increase in Expenses

Trend in expenses



Plan for FY08

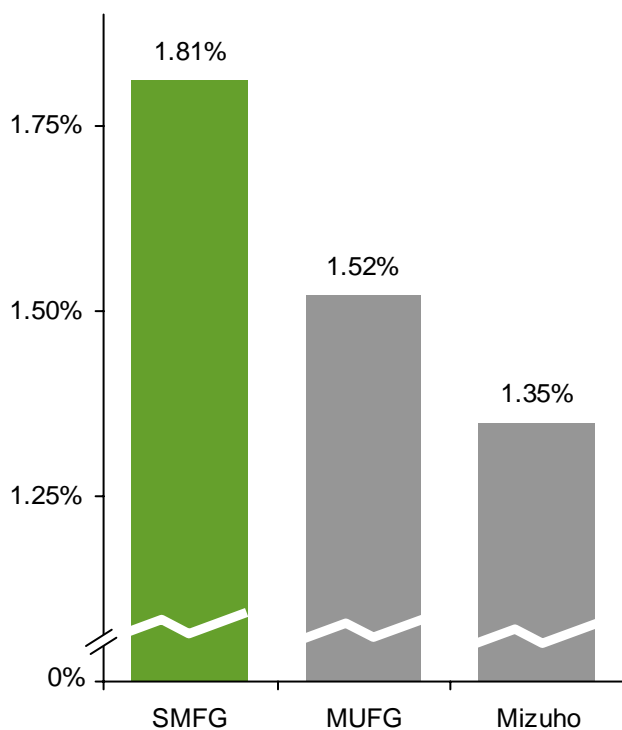


(SMBC non-consolidated)

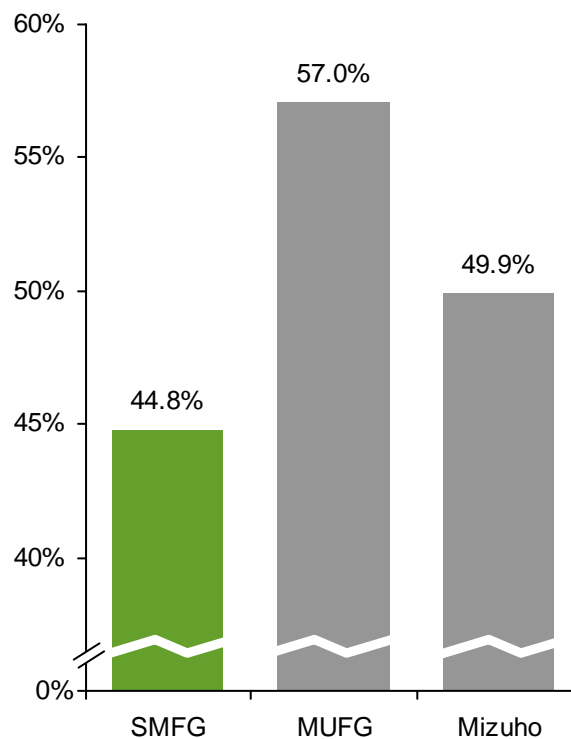
4. Situation of Expenses

Peer Comparison of Profitability and Efficiency

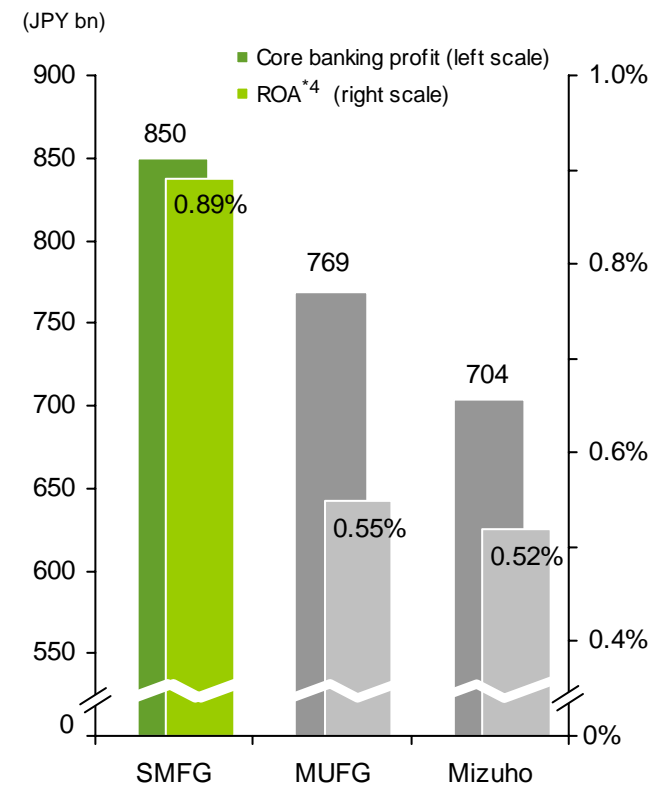
Domestic loan-to-deposit spread*1



Efficiency ratio*1, *2



Core banking profit*1, *3



*1 Based on company supplementary information (financial results 2007). The three Japanese mega banks provide comparisons on a non-consolidated basis as follows:

SMFG provides a comparison to SMBC, Mizuho provides a comparison to Mizuho Bank and Mizuho Corporate Bank, and MUFG provides a comparison to The Bank of Tokyo-Mitsubishi UFJ

*2 Expenses divided by gross operating profit

*3 Before provision for general reserve for possible loan losses, excluding gains (losses) on bonds

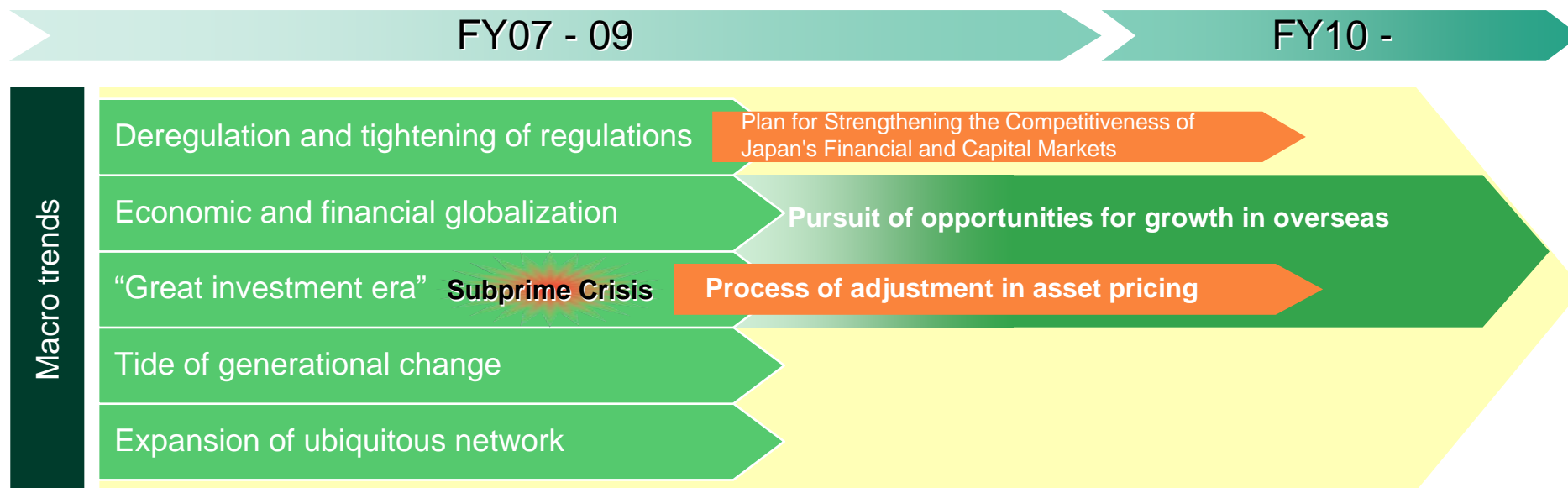
*4 Core banking profit divided by total assets

Q5. What progress has been made in domestic growth business areas?

A5. Focal areas have been enhanced steadily through both organic and inorganic approaches.

5. Domestic Growth Business Areas

Focuses Based on Five Macro Trends



Recent focuses in domestic markets

- ✓ High proportion of deposits to financial assets of individuals
- ✓ Diversified settlement tools in small money settlement market
- ✓ Expanding needs of business succession associated with aging owners of SMEs
- ✓ Increasing number of M&A in which Japanese companies are involved



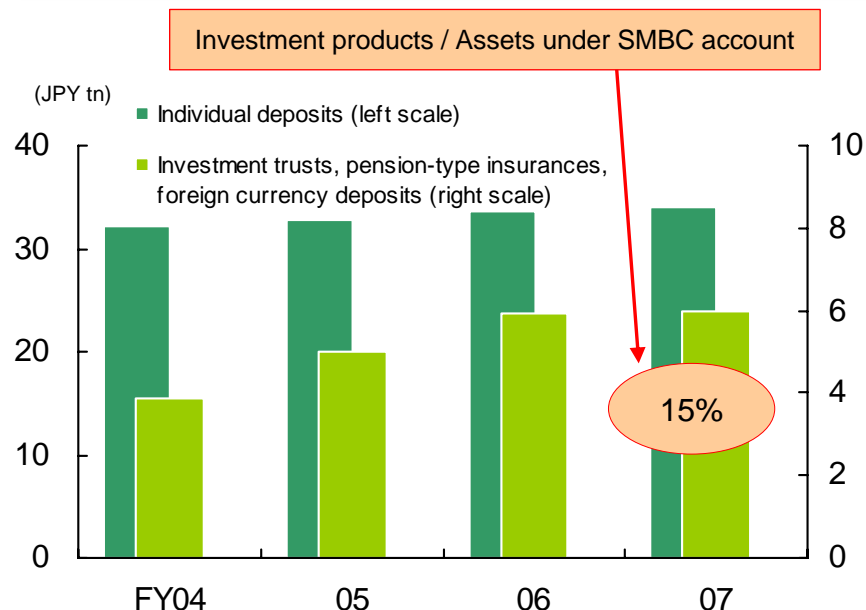
Strengthen “Seven growth business areas”

5. Domestic Growth Business Areas

Financial Consulting for Individuals

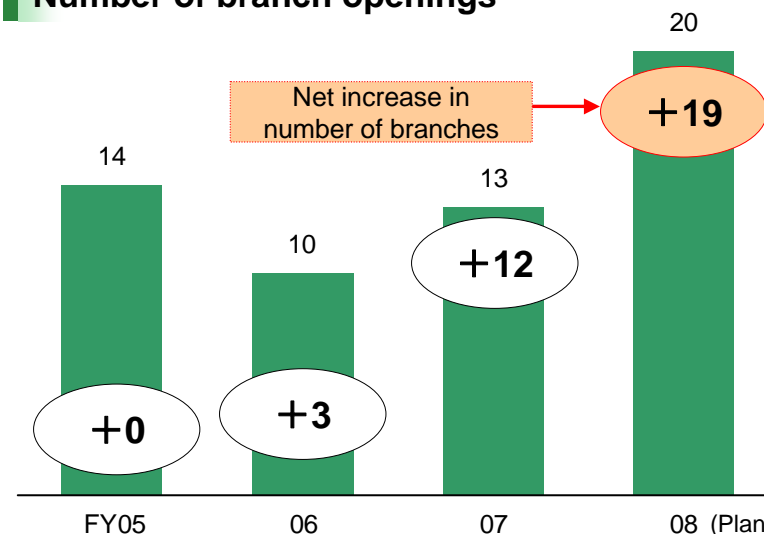
Further promote sales of investment products through fortifying product line-up and expanding channel network

Increase in balance of investment products*1



Aggressive expansion of channel network

Number of branch openings*3



Sales of insurance products after full-range deregulation

Since Dec. 07

- A good start (approx. 2,800 contracts by Jun. 08)
- 18 products from 7 life insurance companies sold at 90 branches*2

*1 Pension-type insurances: accumulated sales at fiscal year end

*2 As of Jun. 30, 08

- Net increase in number of branches accelerated from FY07
- Planned branch openings in FY08*3

20 branches (Net increase: 19 branches)

- Planning further expansion in the medium term

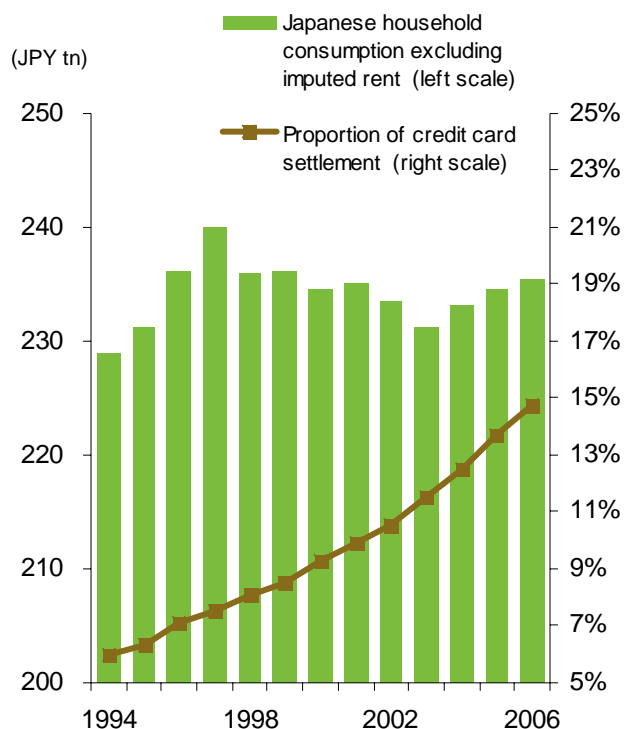
*3 Sum of increase in branches (new opening and conversion from representative office to branch) and increase in SMBC Consulting Offices.

5. Domestic Growth Business Areas

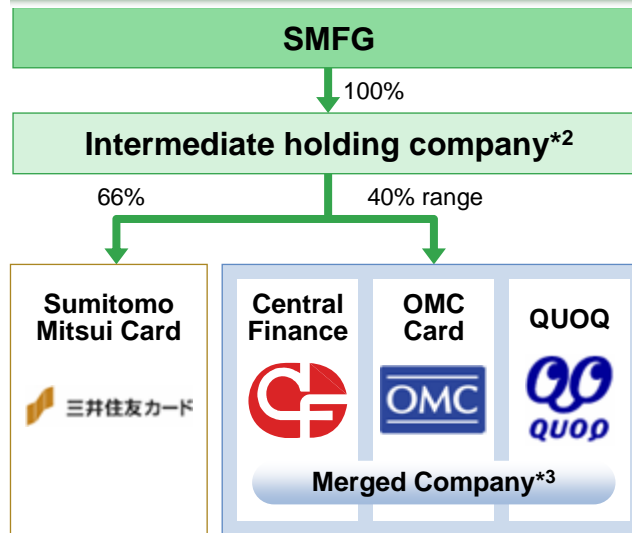
Credit Card Business

Promoting a new group strategy to capture increasing opportunities in the Japanese credit card market

Market size of credit card business*1



Future operating base in credit card business



Number of cardholders*4 (mn)

JCB	55.8
SMFG Group	38.7
Credit Saison	26.0
Mitsubishi UFJ Nicos	25.8
Sumitomo Mitsui Card	16.4
Aeon Credit	15.5
Life	14.8
Orico	11.2
JACCS	9.9
OMC Card	9.6
Central Finance	9.1
...	
QUOQ	3.6

Expected synergies (examples)

Top-line synergy	<ul style="list-style-type: none"> Partnership in marketing of affiliated credit cards Expansion of contracting business Combined functioning and sharing of know-how
Cost synergy	<ul style="list-style-type: none"> Integration of systems and processing Centralization of acquiring operations

*1 "SNA," Cabinet Office of Japan, "Statistics on Japanese Consumer Credit," Japan Consumer Industry Association. Amount of credit card settlement is based on card sales amount handled

*2 Target date of establishment is Oct. 08

*3 Target date of merger is Apr. 09

*4 Number of cardholders as of Mar. 08 (Number of cardholders for JCB and Aeon Credit / OMC Card are as of Mar. 07 and Feb. 08, respectively)

5. Domestic Growth Business Areas

Solution Providing for Corporations

Fortifying solution providing through seamless approach as “One Bank” centered on collaboration with marketing channels and the three specialized departments



*1 Number of Corporate Business Offices as of Mar. 31, 08

*2 Number of employees

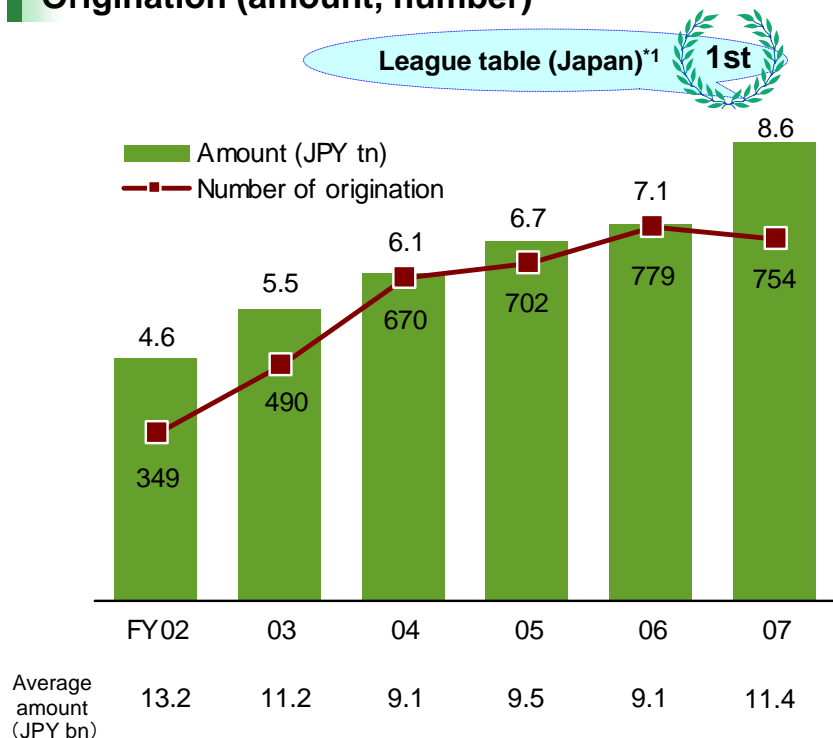
5. Domestic Growth Business Areas

Investment Banking Business

Strengthening initiatives in business fields with increased demand led by the recent change in market environment

Loan syndication

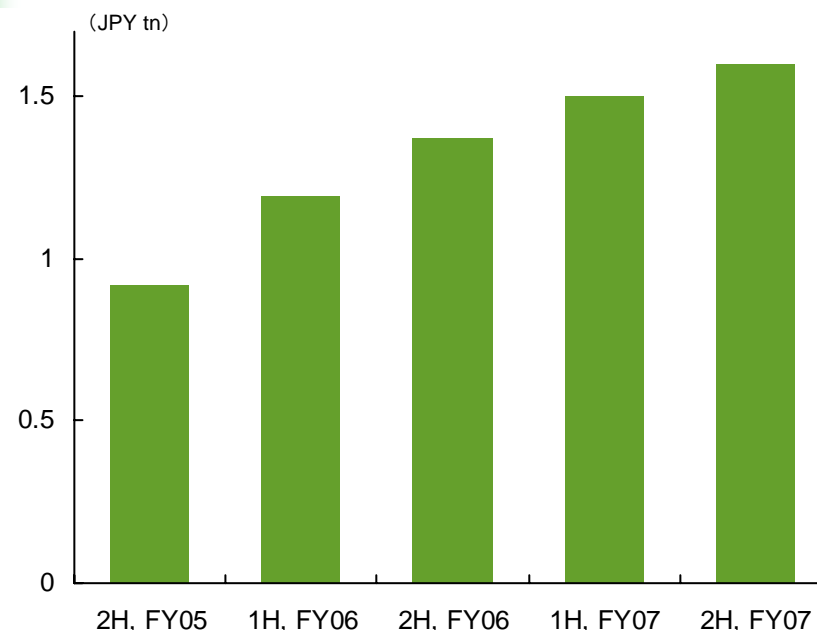
Origination (amount, number)



- Amount of origination in FY07 (YOY change) **+ approx. 20%**
- Launching new products and services to match clients' needs
- ▶ Loans with warrants, Samurai loans (e.g. IBM, Walt Disney)
- Further capture large projects

Real estate finance

Balance of non-recourse loans



- Increased demand for mega banks to provide loans
- ▶ Resulted in wider loan spreads in the origination
- Carefully selecting projects with better risk-return profile

*1 Source: Thomson Financial Syndication mandated arranger ranking (Japan, 07)

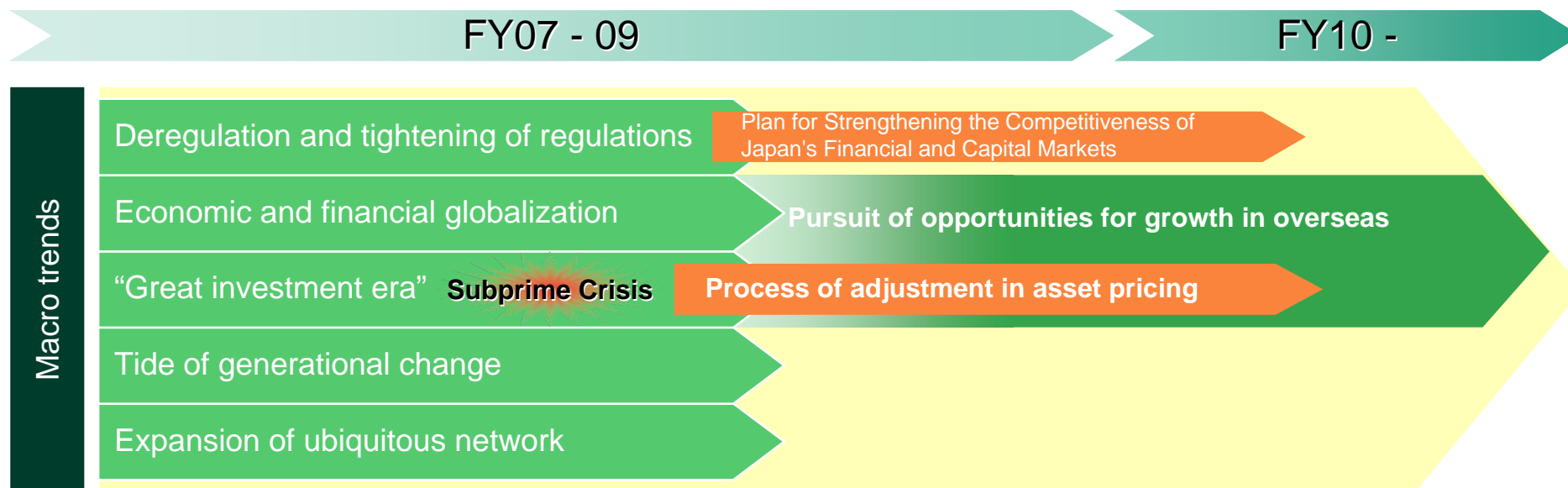
*2 Financial Times

Q6. What progress has been made in overseas growth business areas?

A6. We have been expanding business capturing improvement in competitive environment while cautiously managing risks. Also, we are actively promoting strategic alliances with leading players overseas, aiming for medium-term growth.

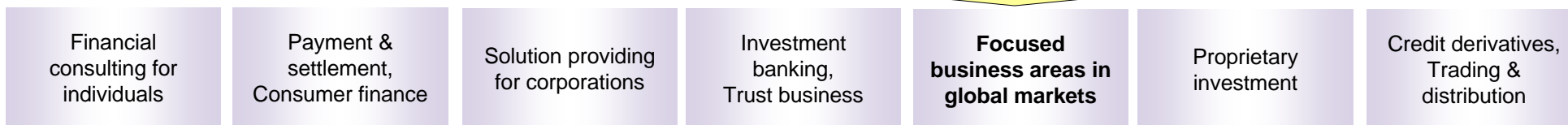
6. Overseas Growth Business Areas

Focuses Based on Five Macro Trends



Recent focuses in overseas markets

- ✓ Increasing amount of project finance
- ✓ Active business environment in sectors of natural resource and energy, growth of emerging countries
- ✓ Development of Asia and expansion of bilateral alliance

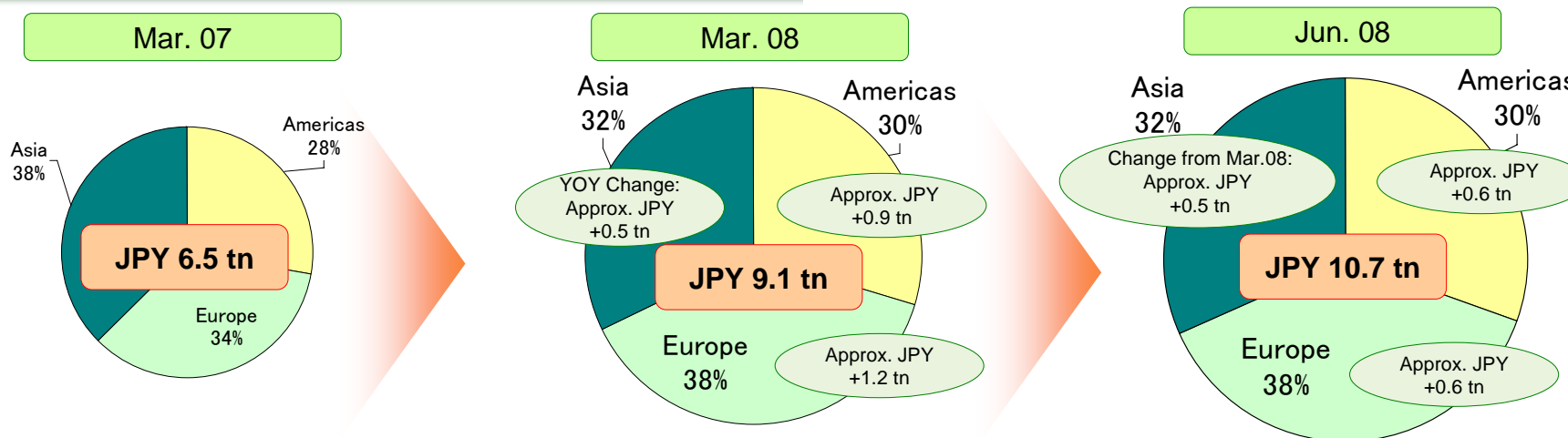


Strengthen “Seven growth business areas”

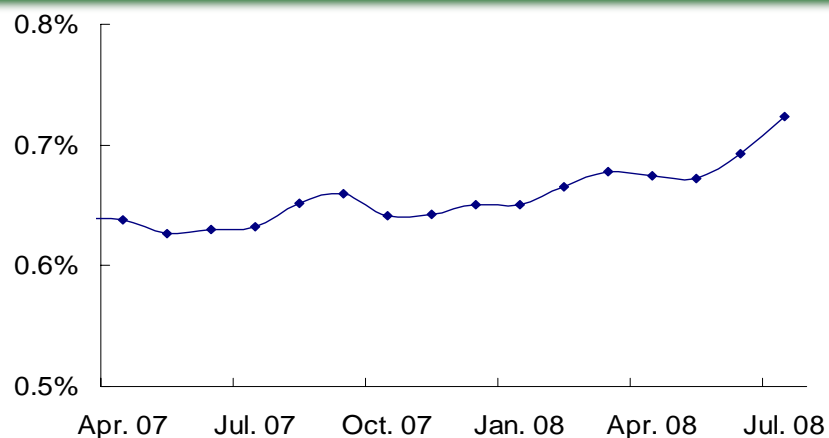
6. Overseas Growth Business Areas

Improvement in Overseas Loans

Loan balance*1



Loan spread*2



Background of improvement

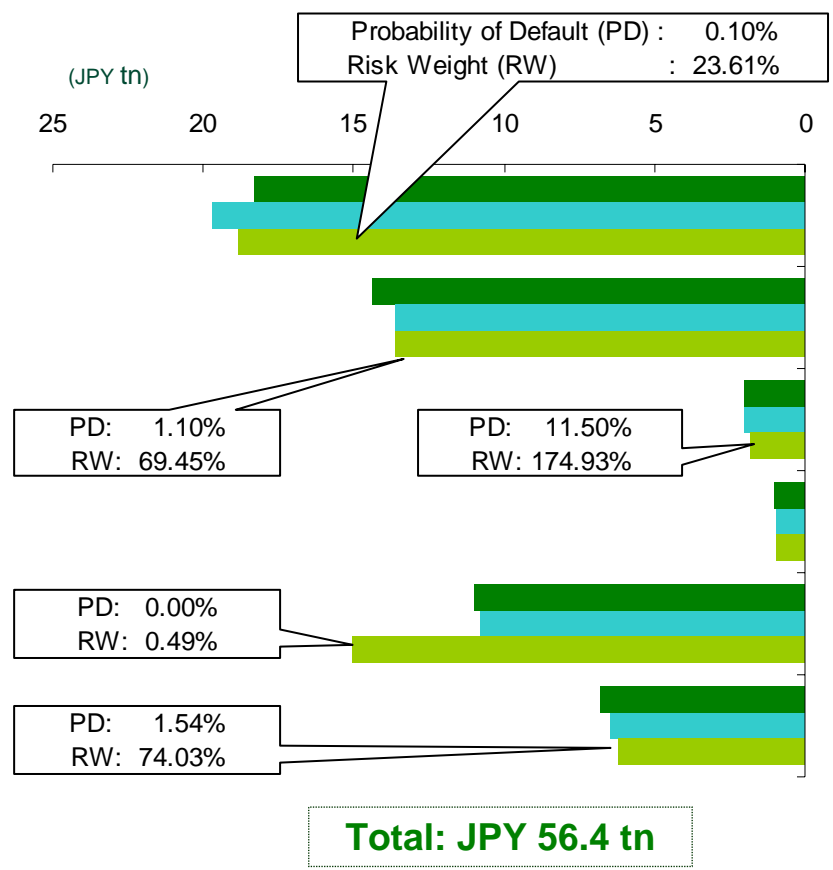
- Strong demand for finance in various sectors
- Customers' return to bank loans from capital market financing
- Overseas banks became more reluctant to provide financing

Carefully screening under increased uncertainty in the global economy

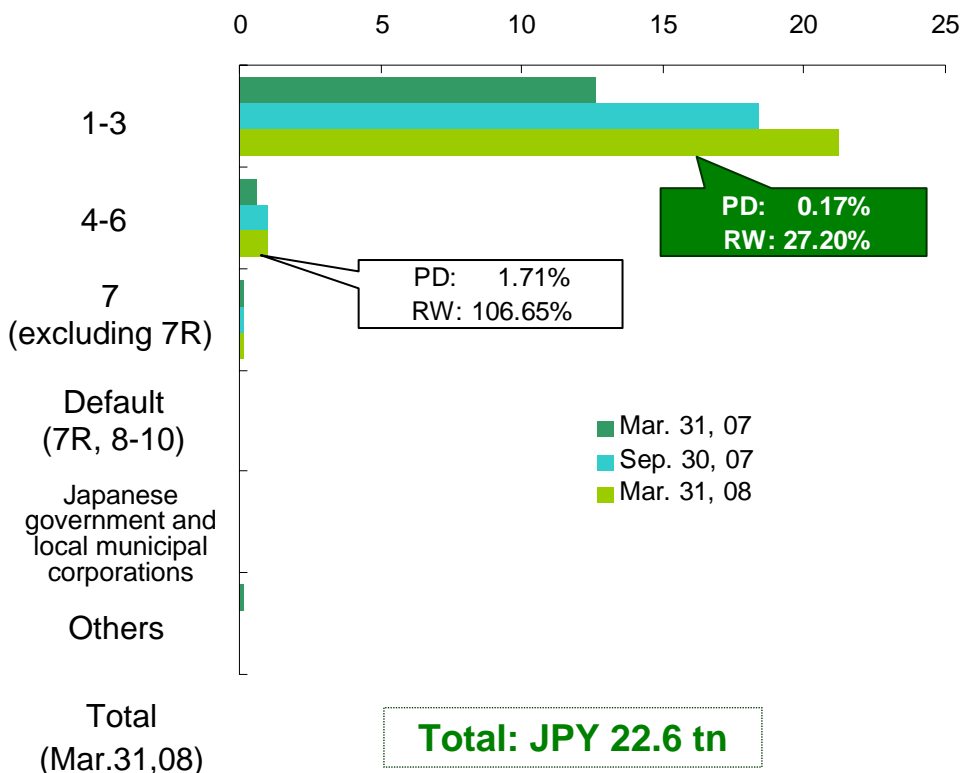
6. Overseas Growth Business Areas

Credit Portfolio

Domestic corporate, sovereign and bank exposures



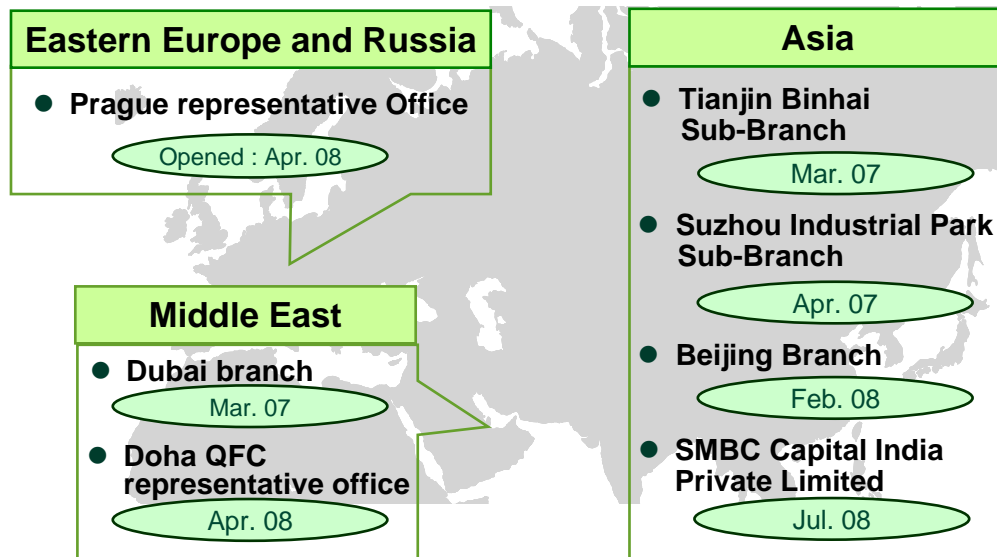
Overseas corporate, sovereign and bank exposures



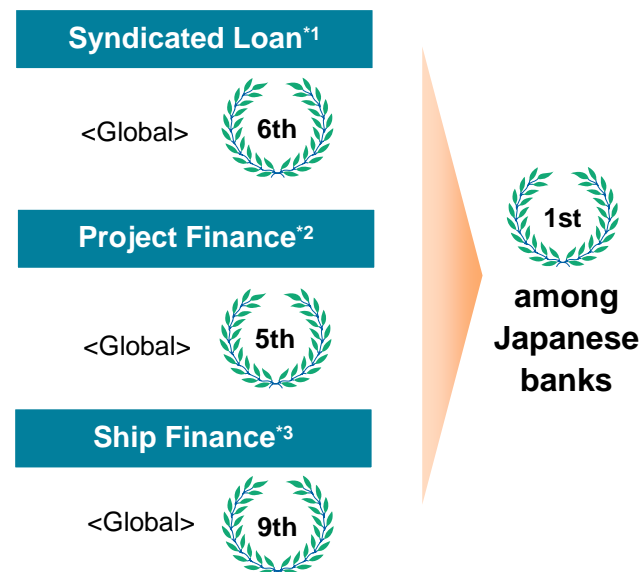
6. Overseas Growth Business Areas

Strengthening Focused Areas in Global Markets

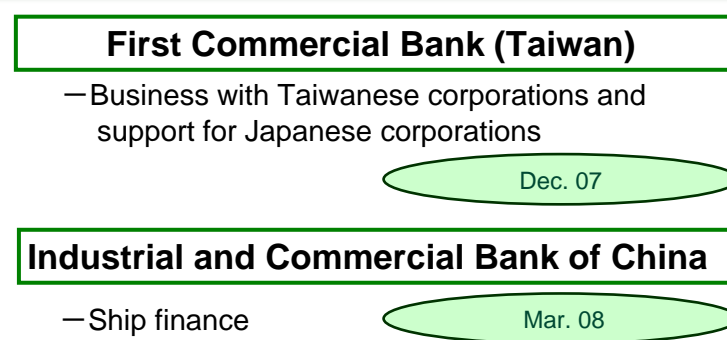
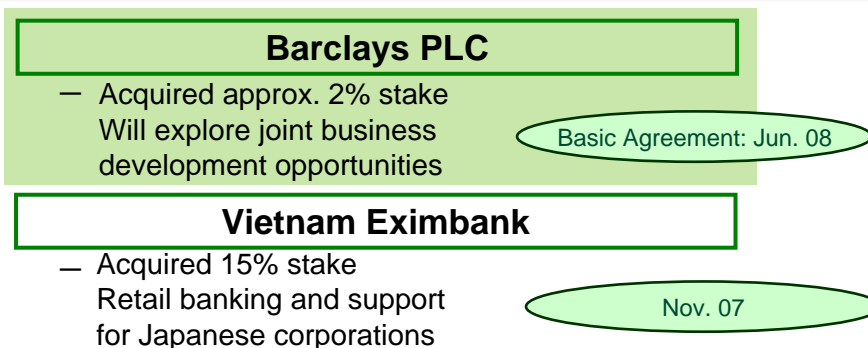
Further expand channel network



Further fortify specific products



Promote business collaboration with overseas banks with competitive edge



^{*1} Syndicated Loans Bookrunner (Jan. – Jun. 08 Thomson Financial)
^{*2} Project Finance Mandated Arranger (Jan. – Jun. 08 Thomson Financial)
^{*3} Shipping Finance Mandated Arranger (2007 Dealogic)

6. Overseas Growth Business Areas

Strategic Investment to Barclays

**Aiming for establishing a solid relationship with Barclays
in order to explore opportunities in the long term**



Outline of capital investment

- SMBC invested approximately 500 million Sterling Pounds (169 million shares per 296 pence)
- Acquired approximately 2% stake of Barclays
- Attractive return*

SMFG's aim in strategic cooperation

- Supplement global network including emerging markets
- Leverage Barclays' expertise and products to strengthen growth businesses
- Trainee program

* Dividend per share in 2007 divided by subscription price per share: approximately 11.5%

Q7. What is SMFG's capital policy going forward?

A7. We pursue a well-balanced growth cycle of higher profits, enhanced capital, and allocation of risk-adjusted assets to growth business areas.

7. Capital Policy

Changes in business environment (Compared to assumptions in the medium-term management plan)

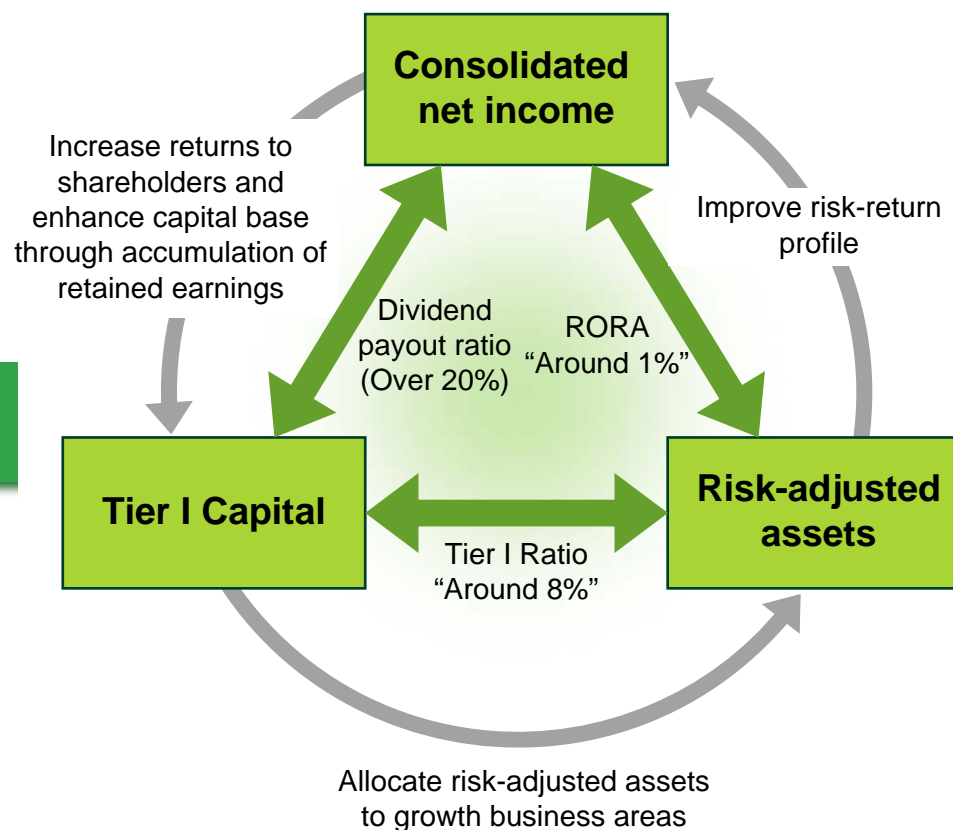
- Expansion of business chances in overseas markets
- Delay in policy interest rate rise
- Lasting trend of decline in domestic lending spread
- Business environment of fee business become worse than expected (ex. sales of investment trusts)

Financial targets and capital policy

- Achieved dividend payout ratio target (over 20%) in FY07
- ▶ Dividend per common stock :

FY07 result	▶	JPY 12,000
FY08 forecast	▶	JPY 14,000
- Enhance capital base both in quality and quantity to capture growth opportunities led by changes in business environment

Well-balanced growth cycle of profitability, sound capital base and risk-adjusted assets



Appendices

Appendix (a) Performance by Business Unit

		(JPY bn)	FY06	FY07	YOY change*
Consumer Banking Unit	Gross banking profit		410.7	440.7	+ 30.0
	Expenses		(249.2)	(271.4)	(22.2)
	Banking profit		161.5	169.3	+ 7.8
Middle Market Banking Unit	Gross banking profit		610.1	624.3	+ 14.2
	Expenses		(190.0)	(203.1)	(13.1)
	Banking profit		420.1	421.2	+ 1.1
Corporate Banking Unit	Gross banking profit		187.7	186.7	(1.0)
	Expenses		(29.4)	(31.1)	(1.7)
	Banking profit		158.3	155.6	(2.7)
International Banking Unit	Gross banking profit		120.5	137.5	+ 17.0
	Expenses		(45.8)	(56.0)	(10.2)
	Banking profit		74.7	81.5	+ 6.8
Marketing units	Gross banking profit		1,329.0	1,389.2	+ 60.2
	Expenses		(514.4)	(561.6)	(47.2)
	Banking profit		814.6	827.6	+ 13.0
Treasury Unit	Gross banking profit		51.8	145.4	+ 93.6
	Expenses		(17.8)	(17.6)	(0.2)
	Banking profit		34.0	127.8	+ 93.8
Headquarters	Gross banking profit		(36.3)	(49.8)	(13.5)
	Expenses		(71.7)	(85.9)	(14.2)
	Banking profit		(108.0)	(135.7)	(27.7)
Total	Gross banking profit		1,344.5	1,484.8	+ 140.3
	Expenses		(603.9)	(665.1)	(61.2)
	Banking profit		740.6	819.7	+ 79.1

* Before adjustment of interest rates and foreign exchange rates

Major factors of YOY change in gross banking profit (JPY bn)

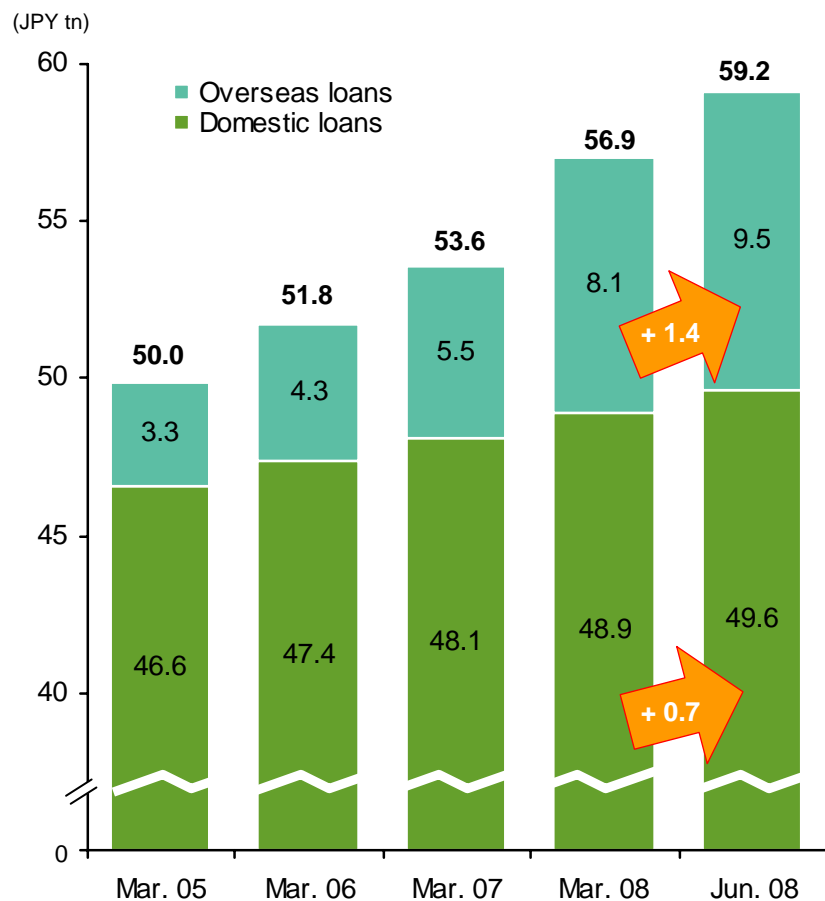
(1)	Consumer Banking Unit +30.0	Income on deposits Investment trust Pension-type insurance Income on loans Fee income related to ATM, etc.	+64.0 (7.0) (3.0) (11.0) (4.0)
(2)	Middle Market Banking Unit +14.2	Income on deposits Foreign currency derivatives Income on loans (loan spread decreased by 11bp yoy) Fees related to corporate bonds	+43.0 +12.0 (26.0) (9.0)
(3)	Corporate Banking Unit (1.0)	Income on deposits Income on loans (loan spread decreased by 5bp yoy) Derivatives	+9.0 (6.0) (4.0)
(4)	International Banking Unit +17.0	Loans and Deposits Fee income related to loans	+12.0 +11.0
(5)	Treasury Unit +93.6	ALM operations (Including gains (losses) on bond portfolio) Trading	+73.0 +21.0

Average loan balance and spread by business unit (managerial accounting basis)

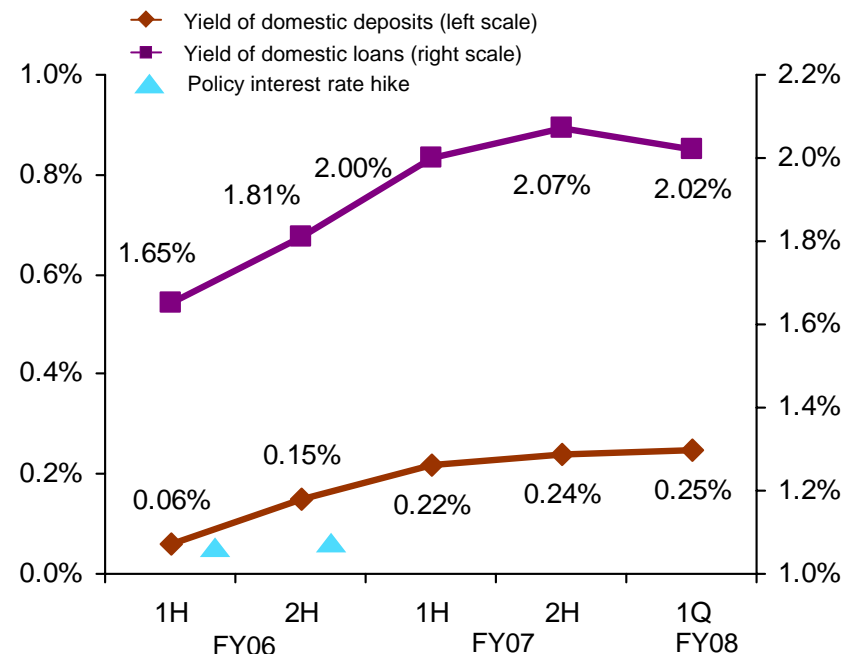
	Average balance		Average spread	
	FY07	YOY change	FY07	YOY change
(JPY bn, %)				
Domestic loans	47.4	▲0.5	1.19	▲0.05
Consumer Banking Unit	14.5	▲0.1	1.63	+0.01
Middle Market Banking Unit	21.1	▲0.0	1.29	▲0.11
Corporate Banking Unit	9.8	▲0.0	0.59	▲0.05

Appendix (b) Loan Balance and Loan-to-Deposit Spread

Increasing loans



Growing loan-to-deposit spread*1



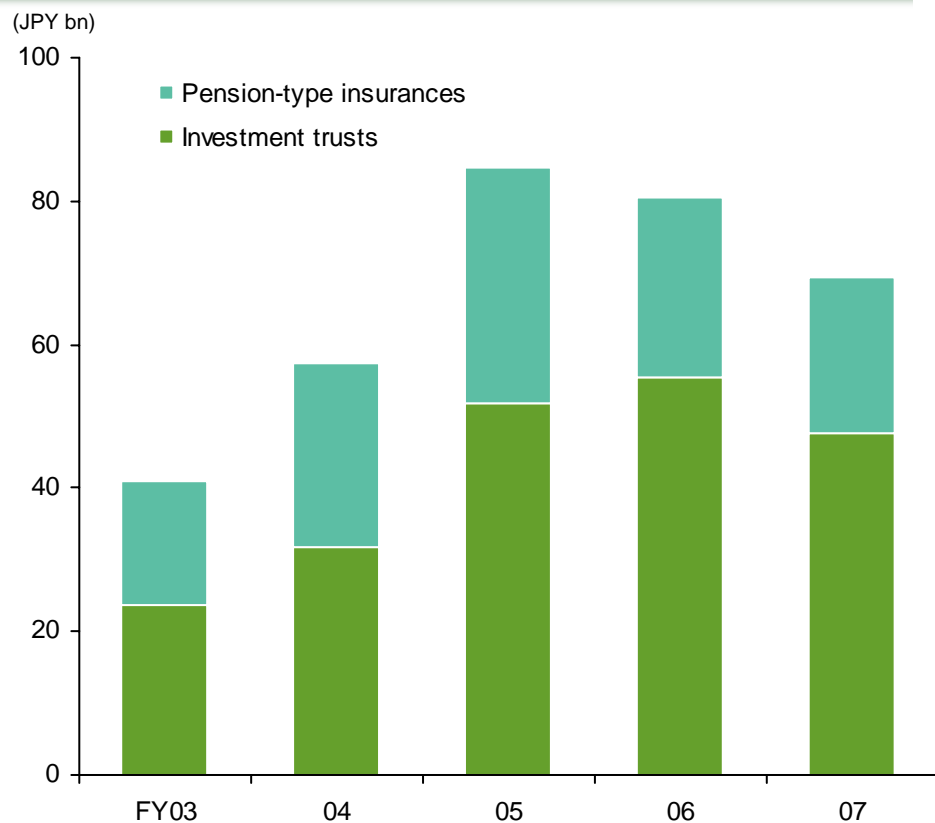
<Domestic> (JPY tn, %)	FY07		YOY Change	
	Average Balance	Yield	Average Balance	Yield
Loans*2 (a)	45.0	2.04	(1.0)	+ 0.31
Deposits, etc. (b)	59.8	0.23	(0.2)	+ 0.13
Loan-to-deposit spread (a) - (b)		1.81		+ 0.18

*1 Loan-to-deposit spread = Interest rate earned on domestic loans and bills discounted – interest rate paid on domestic deposits

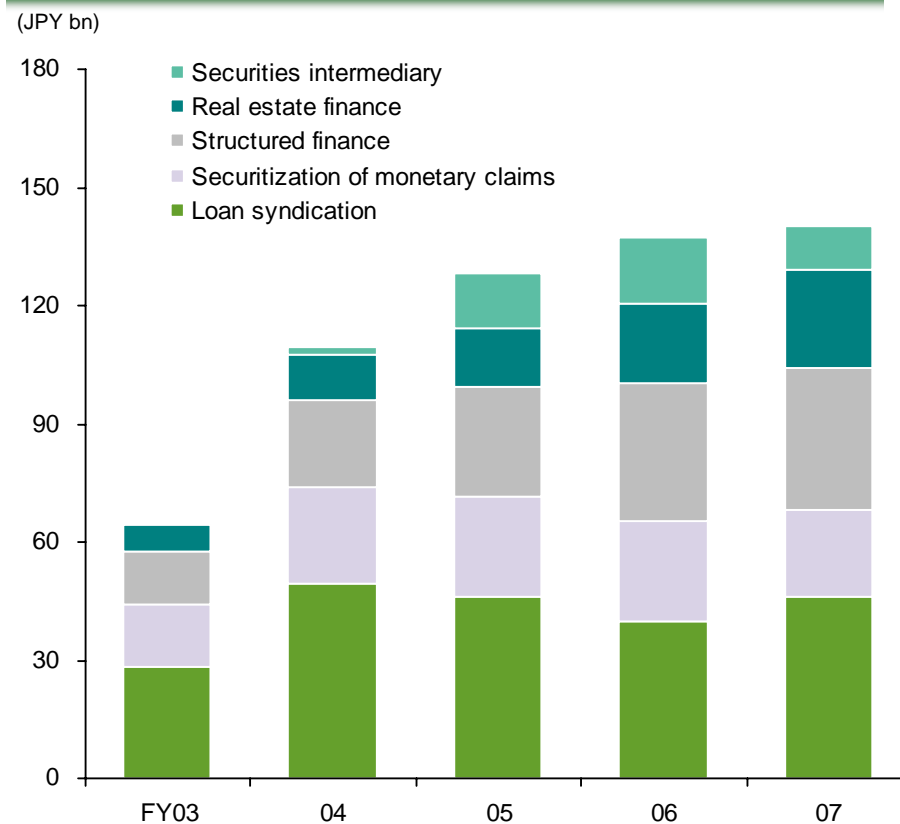
*2 Excluding loans to financial institutions

Appendix (c) Fee-Related Business

Profits related to investment trusts and pension-type insurances



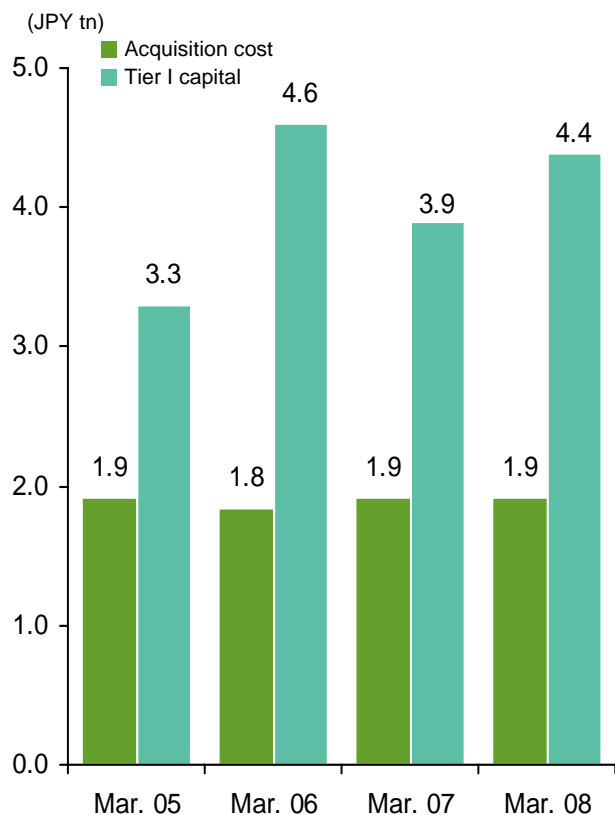
Profits related to investment banking*



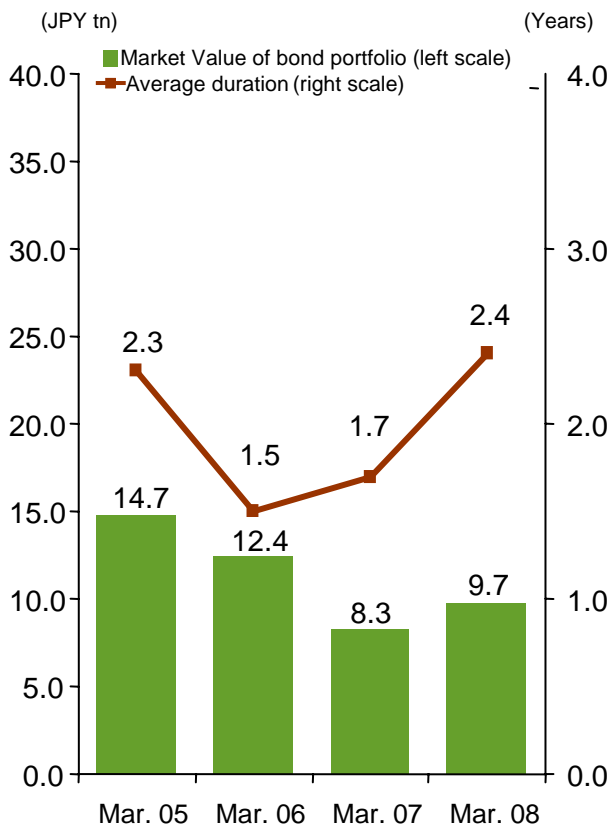
* Profits of securities intermediary business: fees and commissions from transactions with both individual and corporate clients
 Profits of other business: marginal accounting basis including the fee commissions, interest income, etc.

Appendix (d) Securities Portfolio

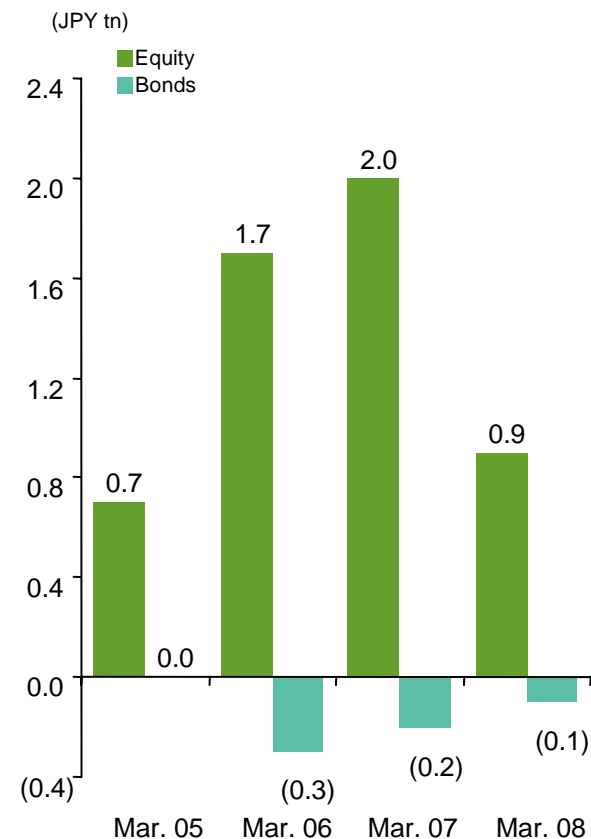
Equity portfolio*1 balance



Exposure to bond market*2



Net unrealized gains



*1 Excludes shares of subsidiaries and affiliates

*2 Excludes bonds held to maturity, bonds for which fair value hedge accounting is applied and private placement bonds

Appendix (e) Gains (Losses) on Stocks

SMBC non-consolidated

(JPY bn)	FY06	FY07	YOY Change
Gains (losses) on stocks	11	(141)	(152)
Gains on sale	50	27	(23)
Losses on sale	(1)	(2)	(1)
Losses on devaluation	(39)	(165)	(126)

SMFG consolidated

(JPY bn)	FY06	FY07	YOY Change
Gains (losses) on stocks	45	(7)	(52)

Devaluation loss on shares of consumer finance companies (JPY106 bn) on a SMBC non-consolidated basis was not recorded on a SMFG consolidated basis.

Devaluation on stocks of consumer finance companies

Equity method affiliate	Voting rights	SMBC non-consolidated		
		Book value	Devaluation	Book value after devaluation
Promise	22.0%	approx. 201	approx. (44) ^{*1}	approx. 80
Central Finance	24.7%	approx. 20 ⁽²⁾	approx. (11) ^{*2}	approx. 9
OMC Card	32.6%	approx. 76	approx. (56)	approx. 20

SMFG consolidated
Devaluation
-
-
-

On a SMFG consolidated basis, goodwill was written-down by approx. JPY56 bn

*1 After offsetting by JPY78 bn of reserve for possible investment losses recorded in FY06

*2 Sum of shares SMFG and SMBC own

Appendix (f) Exposure Related to Securitized Products

Subprime-related exposure

(JPY bn)	Jun. 30, 08			Mar. 31, 08	Ratings of underlying assets, etc. *1
	Balances (after provisions and write-offs)	Change from Mar. 08	Net unrealized gains/losses (after write-offs)	Balances (after provisions and write-offs)	
Securitized products	2.6	(2.3)	(0.4)	4.9	Speculative ratings
Warehousing loans, etc.	0.4	(0.2)	-	0.6	
Total	3.0	(2.5)	(0.4)	5.5	

Products other than subprime related

Residential mortgage loans (Guaranteed by GSE etc. *2)	418.0	198.2	(9.0)	219.8	AAA
Cards	13.3	0.8	(0.3)	12.5	A-BBB
CLO	11.4	(12.5)	(0.8)	23.9	AAA-A, some are not rated
CMBS	6.0	-	(0.1)	6.0	BBB
Warehousing Loans etc.	6.2	0.3	-	5.9	
Total	454.9	186.8	(10.2)	268.1	

*1 Credit ratings are in principle indicated by the lower of S&P ratings and Moody's Investors Services ratings. Notation of credit ratings is followed by the notation system of S&P

*2 GSE etc. includes GNMA, FNMA and FHLMC. Besides RMBS, SMFG held bonds issued by GSEs (FNMA, FHLMC and Federal Home Loan Banks) of JPY 12.8 bn

Appendix (g) Exposure Related to Monoline Insurance Companies*1

	Net exposure*2		Allowance for loan losses*2	Amount of reference assets*2
	(As of Jun. 30, 08, JPY bn)	Change from Mar. 08		
Exposure to CDS transactions with monoline insurance companies	32.7	1.6	2.2	594.0

	Balance		Allowance for loan losses	Underlying assets
	(As of Jun. 30, 08, JPY bn)	Change from Mar. 08		
Loans and investments guaranteed by monoline insurance companies	23.5	(18.2)	-	Project finance and local government bonds with investment grade equivalent, no subprime-related assets

*1 In addition, SMFG had approximately JPY 17 bn in commitment contracts (withdrawn amount: JPY 1.3 bn) to insurance companies with monoline insurance companies as group members

*2 Excluding figures related to the portion to which SMFG already realized losses (JPY 30 bn) through write-offs

Appendix (h) Leveraged Loans and ABCP Programs as Sponsor

Leveraged loans*¹ (as of Jun. 30, 08)

(JPY bn)	Loans	Undrawn commitments	Allowance for loan losses
Total	839.0	207.3	17.0
Europe	330.8	95.4	-
Japan	217.0	8.3	14.6
United States	187.4	94.5	1.5
Asia (excluding Japan)	103.8	9.1	0.9

Includes approximately JPY 20 bn of loans to be sold.
Loss on sales of leveraged loans is expected to be below 10% of each loan's face value, as of July.

ABCP programs as sponsor (as of Jun. 30, 08)

(JPY bn)	Notional amount of reference assets (overseas)	Allowance	Support for programs* ²	
			Liquidity support	Credit support
Total	928.1 (459.2)	0.1	-	-
Claims on corporations	691.7 (287.9)	0.1	yes	yes
	65.1 (-)	-	no	no
Claims on financial institutions	53.2 (53.2)	-	yes	yes
Retail loan claims	115.6 (115.6)	-	yes	yes
Other claims	2.5 (2.5)	-	yes	yes

*1 Figures do not include leveraged loans which are included in underlying assets of securitized products

*2 The maximum amount of credit supports for overseas ABCP program is limited to 10% of the balance of reference assets. On the other hand, the maximum amount of credit supports provided for domestic ABCP programs are limited to the balance of 100% of reference assets. In addition, SMFG provides liquidity and credit supports for ABCP programs which are sponsored by other banks. Total notional amount of reference assets of such programs are approx. JPY 120 bn

(SMFG consolidated)

Appendix (i) Contribution of Affiliates

(JPY bn)	SMFG consolidated	SMBC non-consolidated	Difference
Consolidated gross profit / non-consolidated gross profit	2,116	1,485	631
Net interest income	1,210	971	239 (1)
Trust fees	4	4	0
Net fees and commissions	612	332	280 (2)
Net trading income	470	441	29
Net other operating income	(180)	(263)	83
General and Administrative expenses	(979)	(665)	(314) (3)
Total credit cost	(249)	(148)	(101) (4)
Equity in earnings (losses) of affiliates ^{*1}	(42)	-	(42)
Ordinary profit	831	511	320
Extraordinary gains (losses)	98	(3)	101
Net income	462	206	256
Consolidated/non-consolidated net business profit^{*2}	1,023	820	203

Major factors contributing to difference			
	(JPY bn)	FY07	YOY Change
(1)	Kansai Urban Banking Corporations	59	+4
	MINATO BANK	47	+1
	SMBC Europe	32	+5
	Sumitomo Mitsui Card	28	(3)
(2)	Sumitomo Mitsui Card	130	+12
	SMBC Friend Securities	38	(4)
	SMBC Guarantee	35	(0)
(3)	Sumitomo Mitsui Card	(130)	(7)
	SMBC Friend Securities	(41)	(4)
	Kansai Urban Banking Corporation	(35)	(2)
	MINATO BANK	(34)	0
	Sumitomo Mitsui Finance & Leasing	(32)	(4)
(4)	SMBC Capital Markets	(30)	(29)
	MINATO BANK	(19)	(6)
	Sumitomo Mitsui Card	(18)	(1)
	Kansai Urban Banking Corporation	(17)	(6)

*1 Including a loss of impairment of goodwill of approximately JPY56 billion in connection with the investment in OMC Card

*2 Consolidated net business profit = (SMBC non-consolidated banking profit (before provision for general reserve for possible loan losses)) + (Other consolidated subsidiaries' ordinary profit (excluding non-recurring items)) + (Equity method affiliates' ordinary profit) X (Ownership ratio) - (Internal transaction (dividends, etc.))

Appendix (j) Capital Quality and Capital Management

(JPY bn)	2007/3 (a)	2008/3 (b)	(b) – (a)
Tier I capital	3,903	4,382	+479
Capital stock & Capital surplus	1,479	1,479	0
<Preferred Stock>	<360>	<360>	<0>
Retained earnings	1,320	1,681	361
Preferred securities issued by overseas SPCs	1,160	1,217	57
Foreign currency translation adjustment	(31)	(27)	4
Increase in equity capital resulting from a securitization exposure	(40)	(44)	(4)
Tier II capital	3,640	3,022	(618)
45% of unrealized gains on other securities	825	334	(491)
45% of land revaluation excess	39	37	(2)
General reserve for possible loan losses	35	60	25
Total eligible provisions minus the total expected loss amount	176	68	(108)
Perpetual subordinated debt	1,114	998	(116)
Dated subordinated debt	1,450	1,525	75
Deduction	(691)	(738)	(47)
Total capital	6,853	6,666	(187)
Risk-adjusted assets	60,540	63,117	2,577
Capital ratio^{*1}	11.31%	10.56%	(0.75%)
Tier I ratio	6.44%	6.94%	+0.50%

*1 Figures are on the basis of Basel II standard
(Credit risk: FIRB, Operational risk: BIA (FY06), AMA (FY07))

Tier I capital

(a) Consolidated net income	JPY462 bn
Dividends	JPY(105) bn
(b) Issue of preferred securities in domestic market	JPY135 bn
Decrease due to yen appreciation	JPY78 bn

Net deferred tax assets/ Tier I (SMFG consolidated):
21.3% (as of March 31, 2008, decreased by 0.1% year over year)

Tier II capital

(c) Decrease in net unrealized gains on other securities due to decline in stock prices	JPY(491) bn
(d) Decrease in reserve for possible loan losses	JPY(108) bn
(e) Redemption of perpetual subordinated debt	JPY(76) bn

Risk-adjusted assets



(f)	(JPY bn)	2007/3	2008/3	YOY Change
Sum of risk-weighted assets of credit risk		56,108	59,335	+ 3,227
Market risk equivalent		412	430	+18
(Reference) Outlier ratio ^{*2}		2.1%	5.4%	+3.3%
Operational risk equivalent		4,020	3,352	(668)
Total		60,540	63,117	+ 2,577

(g) Introduction of AMA
(BIA for FY07) (BIA for FY07) JPY(689) bn

*2 SMBC non-consolidated basis

(SMFG Consolidated)

Appendix (k) Preferred Stock / Preferred Capital*1

		Type	Amount*2	Issue	1 st Call
 Sumitomo Mitsui Financial Group	SMFG Preferred Capital USD 1 Ltd	Convertible preferred stock <1-4,9-12 Series, Type 4>	JPY100.2 bn	Feb. 2003	-
	SMFG Preferred Capital GBP 1 Ltd	Non-convertible preferred stock<Type 6>	JPY210.0 bn	Mar. 2005	Mar. 2011
	SMFG Preferred Capital JPY 1 Ltd	Preferred securities step-up	USD1,650 mn	Dec. 2006	Jan. 2017
	SMFG Preferred Capital USD 2 Ltd	Preferred securities step-up	GBP500 mn	Dec. 2006	Jan. 2017
	SMFG Preferred Capital USD 3 Ltd	Preferred securities non step-up	JPY135.0 bn	Feb. 2008	Jan. 2018
	SMFG Preferred Capital GBP 2 Ltd	Preferred securities non step-up	USD1,800 mn	May 2008	Jul. 2013
 Sumitomo Mitsui Banking Corporation	SPCL	Preferred securities step-up	USD1,350 mn	Jul. 2008	Jul. 2018
	SBES	Preferred securities step-up	GBP250 mn	Jul. 2008	Jan. 2029
	KUBC PCC*3	Preferred securities non step-up	JPY283.8 bn	Dec. 1998 Mar. 1999	Jan. 2009
Other subsidiaries		Preferred securities non step-up	JPY340.0 bn	Feb. 1999 Mar. 1999	Jun. 2009
		Preferred securities step-up	JPY12.5 bn	Jan. 2007	Jul. 2012

*1 On Jun. 30, 2008, SB Treasury Company L.L.C which is a wholly owned subsidiary of SMBC redeemed its USD 1.8 bn of preferred securities

*2 Outstanding balance as of Jul. 18, 08

*3 A company incorporated for the purpose of issuing the preferred securities and a wholly owned subsidiary of Kansai Urban Banking Corporation ("KUBC"), which is a consolidated subsidiary of SMFG

Appendix (I) Balance of Loan Portfolio

Loans and bills discounted, classified by industry*¹

A. Domestic offices*²

(JPY mn)	06/3		07/3		08/3	
Manufacturing	5,172,704	10.9%	5,236,097	10.9%	5,284,513	10.8%
Agriculture, forestry, fisheries and mining	133,756	0.3	132,196	0.3	138,440	0.3
Construction	1,283,199	2.7	1,224,951	2.5	1,153,752	2.4
Transportation, communications and public enterprises	2,658,362	5.6	2,886,168	6.0	2,891,612	5.9
Wholesale and retail	5,170,601	10.9	5,089,297	10.6	4,902,333	10.0
Finance and insurance	5,072,348	10.7	5,675,905	11.8	6,083,560	12.4
Real estate	6,316,865	13.3	6,369,243	13.2	6,310,993	12.9
Services	5,731,622	12.1	5,742,376	11.9	5,453,700	11.2
Municipalities	657,755	1.4	592,238	1.2	780,942	1.6
Others	15,264,035	32.1	15,242,033	31.6	15,877,739	32.5
Total	47,461,252	100.0%	48,190,509	100.0%	48,877,589	100.0%

B. Overseas offices*³

(JPY mn)	06/3		07/3		08/3	
Public sector	38,992	0.9%	19,029	0.3%	19,835	0.3%
Financial institutions	348,464	7.9	287,898	5.2	679,195	8.4
Commerce and industry	3,815,783	86.8	5,038,808	90.5	6,790,929	84.0
Others	193,066	4.4	220,195	4.0	590,262	7.3
Total	4,369,307	100.0%	5,565,931	100.0%	8,080,224	100.0%

Loans to small- and medium-sized enterprises, etc.*¹

(JPY mn)	06/3	07/3	08/3
Outstanding balance	35,496,058	36,276,238	36,129,519
Ratio to total loans	74.8%	75.3%	73.9%

Consumer loans outstanding*¹

(JPY mn)	06/3	07/3	08/3
Housing loans	13,771,812	13,557,521	13,647,753
Of which, residential purpose	10,044,534	9,918,884	10,033,842
Other consumer loans	953,701	935,292	934,018
Consumer loans	14,725,514	14,492,814	14,581,772

*¹ As of Mar. 31, 08*² Excluding offshore banking account*³ Including Tokyo offshore accounts for international finance transactions

(SMBC non-consolidated)

Appendix (m) Exposure to Special Lending and Retail

Corporate exposures

A. Specialized lending (SL)^{*1}

a. Project finance, object finance and IPRE^{*2}

(JPY bn)	Risk weight	Project finance	Object finance	IPRE
Strong:				
Residual term less than 2.5 years	50%	105.2	6.3	419.9
Residual term 2.5 years or more	70%	460.8	59.9	690.0
Good:				
Residual term less than 2.5 years	70%	26.4	–	53.4
Residual term 2.5 years or more	90%	215.2	13.4	128.3
Satisfactory	115%	26.0	16.0	83.2
Weak	250%	13.5	4.7	10.7
Default	–	3.8	0.1	–
Total		850.8	100.5	1,385.4

b. HVCRE^{*3}

Risk weight	Amount
70%	3.9
95%	–
95%	71.5
120%	105.1
140%	201.5
250%	–
–	–
	382.0

Retail exposures

A. Residential mortgage exposures^{*1}

(JPY bn)	Exposure amount			Weighted-average PD	Weighted-average LGD	Weighted-average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets			
Mortgage loans						
PD segment						
Not delinquent						
Use model	8,993.8	8,993.8	–	0.39%	40.18%	25.62%
Other ^{*4}	853.1	853.1	–	0.78	61.05	70.76
Delinquent ^{*5} , etc	44.8	44.8	–	37.16	45.20	256.45
Default	84.5	84.5	–	100.00	29.89	19.28
Total	9,976.2	9,976.2	–	–	–	–

*1 As of Mar. 31, 08

*2 "IPRE" stands for "Income-Producing Real Estate"

*3 "HVCRE" stands for "High-Volatility Commercial Real Estate"

*4 "Other" includes loans guaranteed by employers

*5 "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

(SMBC non-consolidated)

Appendix (n) Exposure to Retail

B. Qualifying revolving retail exposures*1

(JPY bn)	Exposure amount								
	Total	On-balance sheet assets		Off-balance sheet assets	Undrawn amount	Average CCF	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight
		Balance	Increase						
Card loans									
PD segment									
Not delinquent	451.3	379.3	71.9	-	146.2	49.18%	2.04%	83.41%	51.67%
Delinquent*2, etc	59.9	58.7	1.2	-	8.6	14.24	47.35	90.63	257.00
Credit card balances									
PD segment									
Not delinquent	-	-	-	-	-	-	-	-	-
Delinquent*2, etc	-	-	-	-	-	-	-	-	-
Default	3.3	3.2	0.1	-	-	-	100.00	78.13	80.79
Total	514.5	441.2	73.2	-	154.8	-	-	-	-

C. Other retail exposures*1

(JPY bn)	Exposure amount			Weighted-average PD	Weighted-average LGD	Weighted-average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets			
Business loans						
PD segment						
Not delinquent						
Use model	1,493.6	1,485.0	8.6	1.16%	62.92%	59.50%
Other*3	231.6	231.6	0.1	1.25	56.71	57.41
Delinquent*2, etc	521.5	520.8	0.8	11.76	68.10	110.26
Consumer loans						
PD segment						
Not delinquent						
Use model	300.4	300.4	-	1.62	41.06	48.56
Other*3	238.2	238.2	-	1.81	65.65	81.17
Delinquent*2, etc	37.6	37.6	-	31.10	47.23	120.96
Default	177.1	174.5	2.6	100.00	58.98	64.22
Total	3,000.0	2,988.0	12.0	-	-	-

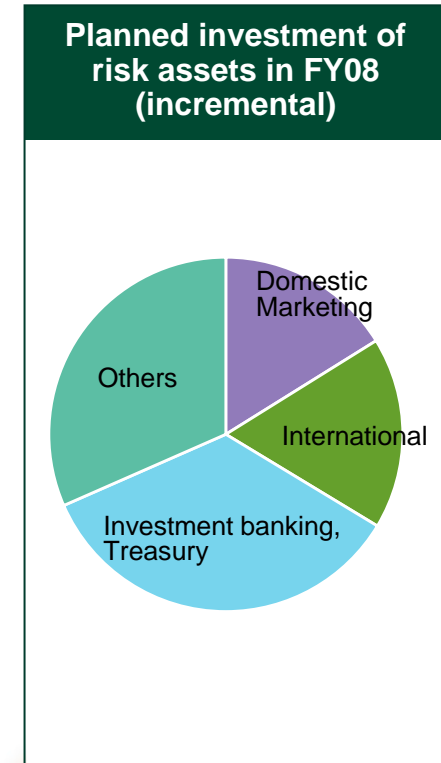
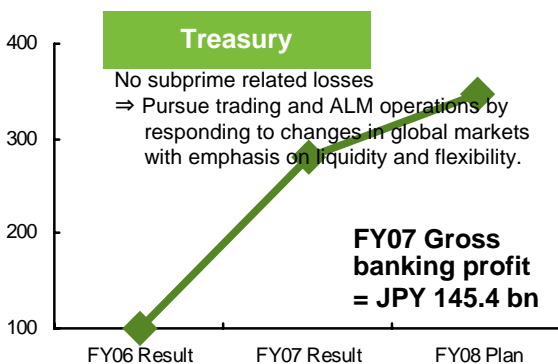
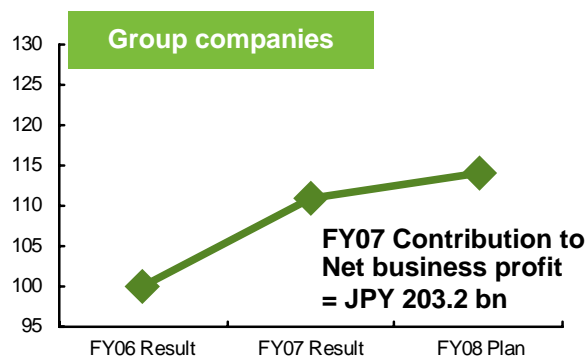
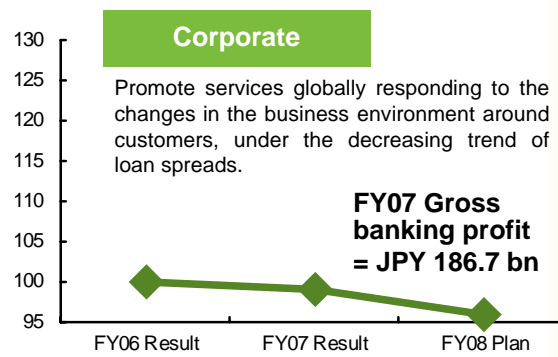
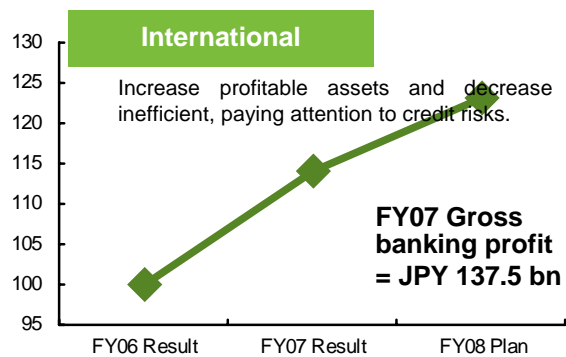
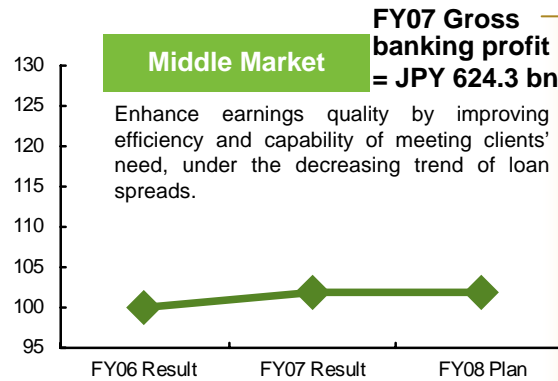
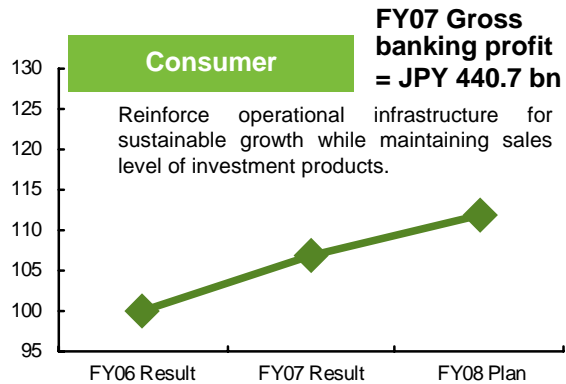
*1 As of Mar. 31, 08

*2 "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

*3 "Other" includes loans guaranteed by employers

(SMBC non-consolidated)

Appendix (o) Gross Banking Profit Plan by Business Unit



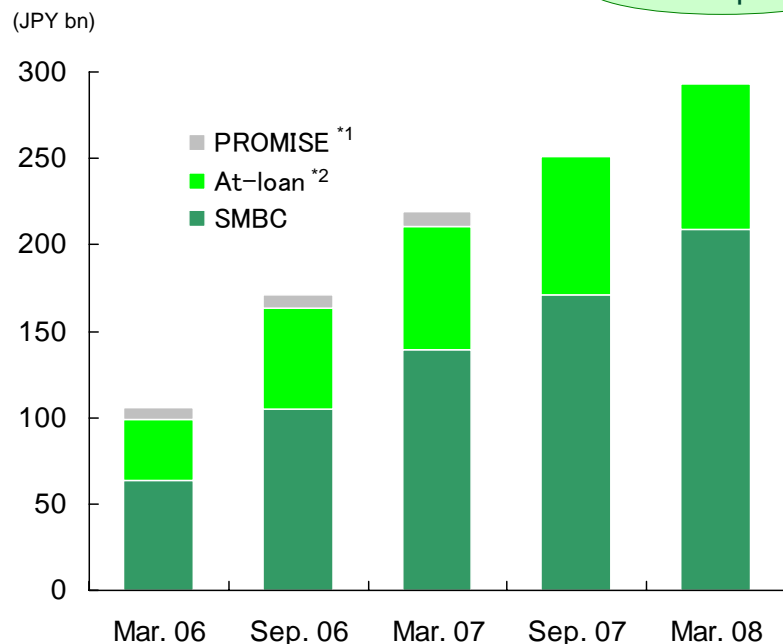
**Gross banking profit of Marketing Units
YOY + JPY 20.0 bn**

**Gross banking profit of Treasury Unit
YOY + JPY 35.0 bn**

Appendix (p) Consumer Finance Business

Balance of loans through collaboration with Promise

Since Apr. 05



- Steady increase in loan balance centered on SMBC

Further promote collaborative business

- Expand network of automatic contract machines
 - ▶ Aiming for nation-wide network expansion, including into regional cities
- Automatic contract machines

As of Mar. 31, 08
697

➔

Planned increase up to 1,000
- Launch new products
 - ▶ Loans for specific purposes guaranteed by Promise

Acquisition of Sanyo Shinpan by Promise

Dec. 07

- Loan balance (consolidated basis)*3 JPY 1.76 tn
- ▶ #1 share in consumer finance industry*4
- Initiatives to realize top-line and cost synergies
 - ▶ Reduce costs through utilizing economies of scale
 - ▶ Enhance solicitation of customers through 2 brands promotion and the expansion of the guarantee business

*1 Stopped origination in Feb. 07

*2 Excluding loans which At-loan provided before collaboration

*3 As of Mar. 31, 08

*4 Company disclosure

Appendix (q) Medium-Term Management Plan (FY07-09)

Announced on Apr. 27, 07

(JPY bn)		FY06 Results	FY09 Plan*	Change in 3 years
Earnings	SMFG consolidated Net business profit	924.2	1,360	approx. +440
	SMBC non-consolidated Banking profit	740.6	1,070	approx. +330
	SMBC non-consolidated Gross banking profit	1,344.5	1,790	approx. +450
	SMBC non-consolidated Expenses	(603.9)	(720)	approx. (120)
	SMBC non-consolidated Overhead ratio	45%	40-45%	approx. (5%)
	SMFG consolidated Net income	441.4	650	approx. +210
Profit distribution	Payout ratio (common stock)	12.5%	over 20%	approx. +8%
Soundness	Tier I ratio	6.44%	Approx. 8%	approx. +1.5%
Profitability	SMFG consolidated net income RORA	0.72%	Approx. 1%	approx. +0.3%
	SMFG consolidated ROE	10.5%	10-15%	

Financial targets on medium-term plan

Economic assumptions

	FY07	FY08	FY09
3 month TIBOR (average)	0.72%	1.12%	1.16%
10 Year Swap (average)	1.87%	2.10%	2.12%
Nominal GDP growth (annual)	2.5%	2.9%	2.4%

* Economic assumptions: Exchange rate \$1 = JPY 115



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.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.