

Daiwa Investment Conference (Tokyo) 2009

Recent Major Questions from Investors

Sumitomo Mitsui Financial Group, Inc.

Teisuke KITAYAMA, President

February 18, 2009

- Q1.** How was SMFG's financial results for the nine months ended Dec. 08?
- Q2.** What is SMFG's view on the macro economy and credit costs?
- Q3.** How is the degree of potential negative impact associated with SMFG's securities portfolio?
- Q4.** What is SMFG's capital policy going forward?
- Q5.** What is the management approach under this uncertain environment?

Q1. How was SMFG's financial results for the nine months ended Dec. 08?

A1. SMBC's non-consolidated Banking profit grew steadily, almost in line with our earnings forecast, while Net income was lower on SMFG consolidated than on SMBC non-consolidated.

1-1. Financial Results for 3rd Quarter, FY2008

SMBC's non-consolidated Banking profit increased YOY to JPY627.3 billion, approx. 78% of full-year forecast.

SMBC non-consolidated				
(JPY bn)	FY07 Results	Forecast for FY08 in Oct. 08 <Forecast in May 08> (a)	Apr.-Dec., 08 Results (b)	(b)/(a)
Gross banking profit	1,484.8	1,510.0 <1,540.0>	1,152.2	76.3%
Expenses	(665.1)	(710.0) <(710.0)>	(524.9)	
Overhead ratio	44.8%	47.0% <46.1%>	45.6%	
Banking profit*1	819.7	800.0 <830.0>	627.3	78.4%
Total credit cost	(147.8)	(370.0) <(180.0)>	(276.6)	74.8%
Ordinary profit	510.7	320.0 <610.0>	223.1	69.7%
Net income	205.7	160.0 <390.0>	120.5	75.3%

SMFG consolidated				
(JPY bn)	FY07 Results	Forecast for FY08 in Oct. 08 <Forecast in May 08> (a)	Apr.-Dec., 08 Results (b)	(b)/(a)
Ordinary profit	831.2	480.0 <850.0>	276.4	57.6%
Net income	461.5	180.0 <480.0>	83.4	46.3%

Reference

Forecast assumption for FY08

	May 08 Forecast	Oct. 08 Assumption
Nominal growth rate of GDP	+1.4%	(0.6%)*2
3 month JPY TIBOR (average in each term)	0.85%	0.84%
Exchange rate (JPY/USD, term-end)	105	105
Nikkei Stock Average (yen, as of Mar. 31, 09)	12,525	9,000

*1 Before provision of allowance for general loan losses

*2 Estimate by The Japan Research Institute in Oct. 08

1-2. Trends of Loan Balance

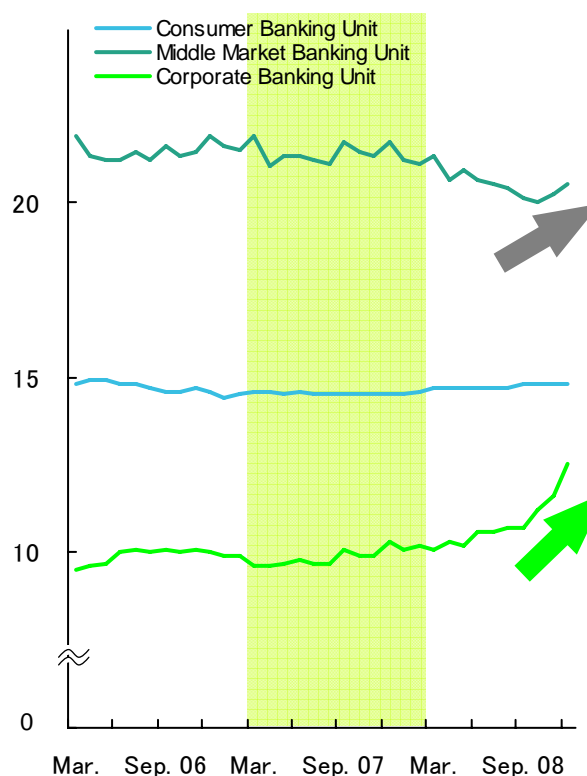
SMBC's non-consolidated Total loan balance as of Dec. 08 increased by approx. JPY 2.6 trillion compared with Sep. 08 through increase in loans under domestic offices.

Loan Balance

(JPY tn, term-end balance)	Dec. 08	Change from Mar. 08	Change from Sep. 08
Total	61.2	+4.2	+ 2.6
Domestic offices	51.7	+2.8	+ 3.4
Overseas offices and offshore banking accounts	9.5	+1.4	(0.8)

Reference Trends of loan balance by business units

(JPY tn, managerial accounting basis)



Reference Loans, classified by business unit and coverage

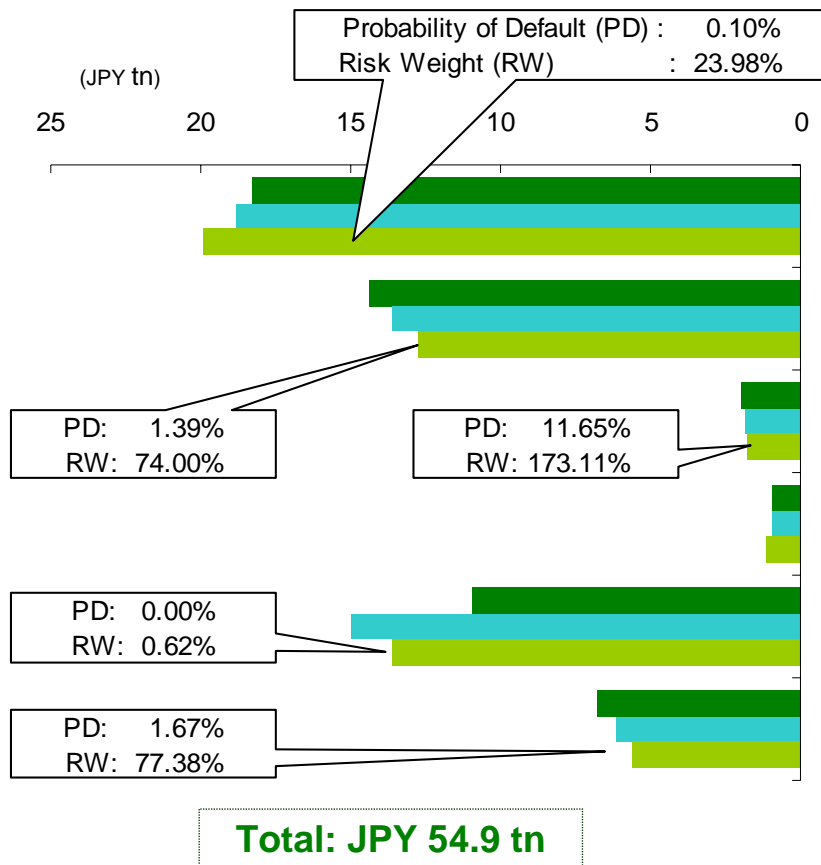
(Managerial accounting basis, as of Sep. 30, 08)

(JPY tn)

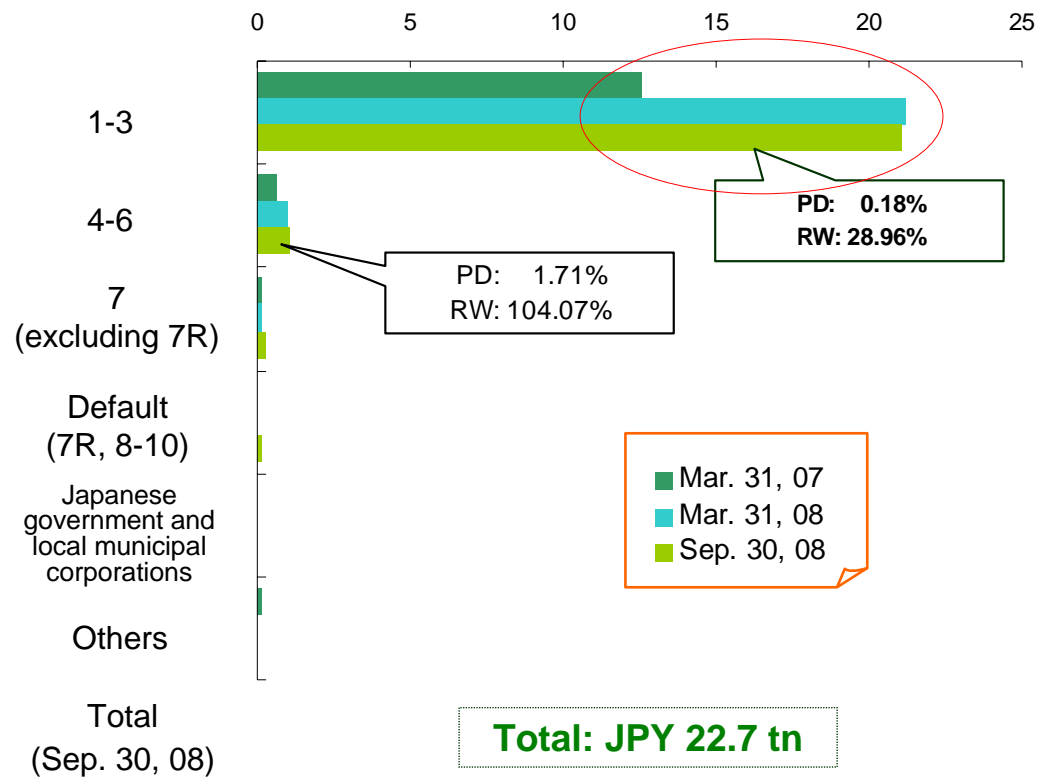
Consumer	15	Guaranteed	21
Middle Market	20	Collateralized	9
Corporate	11	Unsecured	29
International	11		
Headquarters	2		
Total	59	Total	59

(Reference) Credit Risk Exposure (Basel II basis)

Domestic corporate, sovereign and bank exposures



Overseas corporate, sovereign and bank exposures



1-3. Net Interest Income: Loan to Deposit Spread (Domestic)

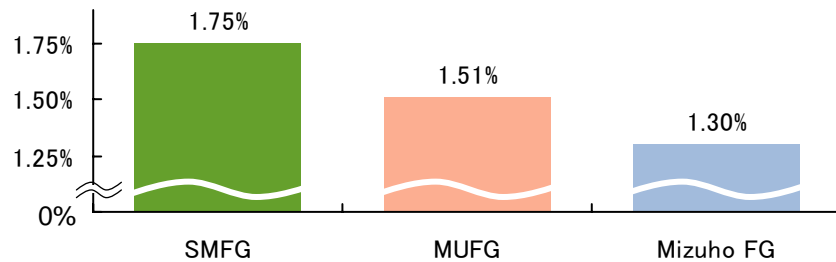
Negative impact from BOJ's rate cuts is expected for next fiscal year's net interest income on domestic loans and deposits.

Loan to deposit spread (financial accounting basis)

<Domestic>		Apr.-Dec. 08 Results (%)			
		1Q	2Q	3Q	
Loans*1	(a)	2.02	2.01	2.00	2.01
Deposits, etc.	(b)	0.25	0.26	0.24	0.25
Loan to deposit spread	(a) - (b)	1.77	1.75	1.76	1.76

*1 Excluding loans to financial institutions

Peer comparison of loan to deposit spread*2

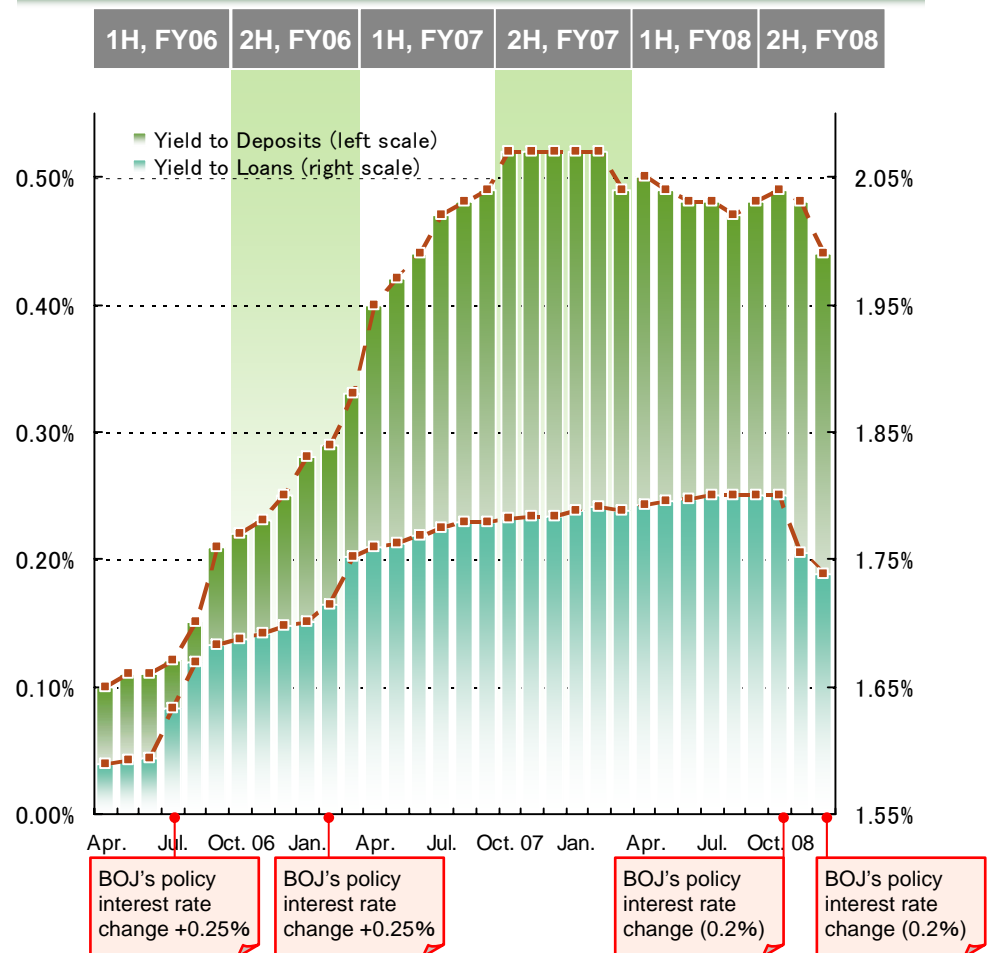


- Short term prime rate: 1.375% → 1.625% (+ 0.250%, Aug. 21, 06 -) → 1.875% (+ 0.250%, Mar. 26, 07 -) → 1.675% (- 0.200%, Nov. 17, 08 -) → 1.475% (- 0.200%, Jan. 13, 09 -)
- Yield of ordinary deposit: 0.001% → 0.100% (+ 0.099%, Jul. 18, 06 -) → 0.200% (+ 0.100%, Feb. 26, 07 -) → 0.120% (- 0.080%, Nov. 4, 08 -) → 0.040% (- 0.080%, Dec. 22, 08 -)
- Yield of 1 year time deposit (over-the-counter): 0.150% → 0.300% (+ 0.150%, Jul. 18, 06 -) → 0.400% (+ 0.100%, Feb. 26, 07 -) → 0.300% (- 0.100%, Nov. 12, 08 -)

*2 Based on company disclosure (financial results for 1H, FY08). The figures shown in the graph is based on as follows: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG and simple aggregation of the figures of Mizuho Bank and Mizuho Corporate Bank for Mizuho.

(SMBC non-consolidated)

Yield of domestic loans and deposits (managerial accounting basis)



BOJ's policy interest rate change +0.25% (Apr. 2006), BOJ's policy interest rate change +0.25% (Mar. 2007), BOJ's policy interest rate change (0.2%) (Nov. 2008), BOJ's policy interest rate change (0.2%) (Jan. 2009)



Q2. What is SMFG's view on the macro economy and credit costs?

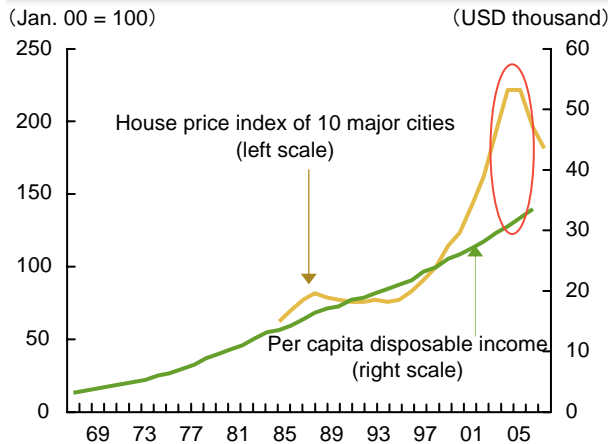
A2. Slowdown of macro economy was reflected to the increase in credit costs.

Going forward, we will continue to proactively deal with potential generation and expansion of losses in an early stage, through reinforcing risk management systems, responding to changes in business environment.

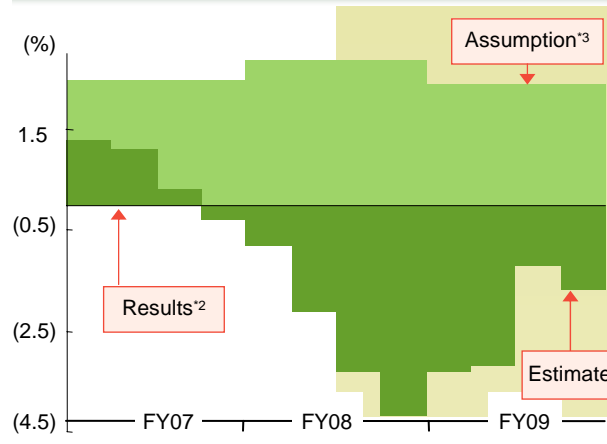
2-1. Changes in Macro Fundamentals

The macro-economic reality has diverged from the original assumptions under Medium-term Management Plan, especially since FY08.

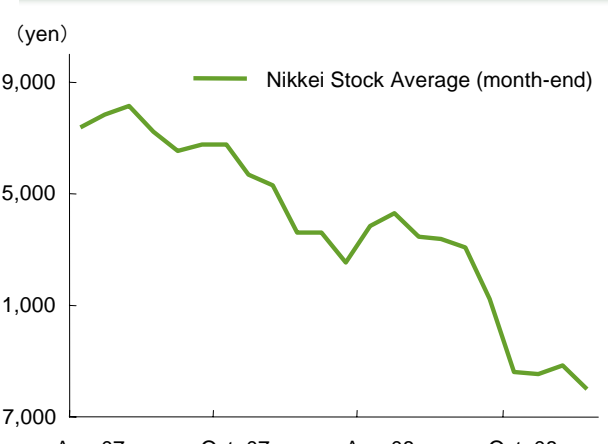
House price and disposable income (U.S.) *1



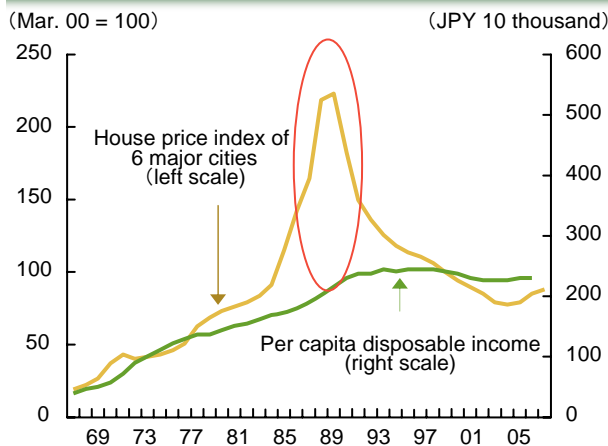
Nominal GDP growth rate (YOY change)



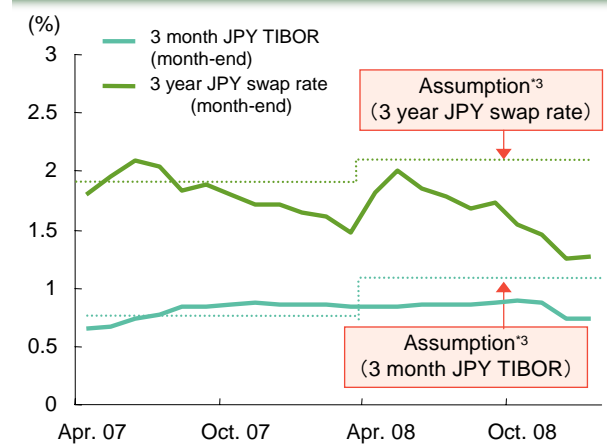
Nikkei Stock Average



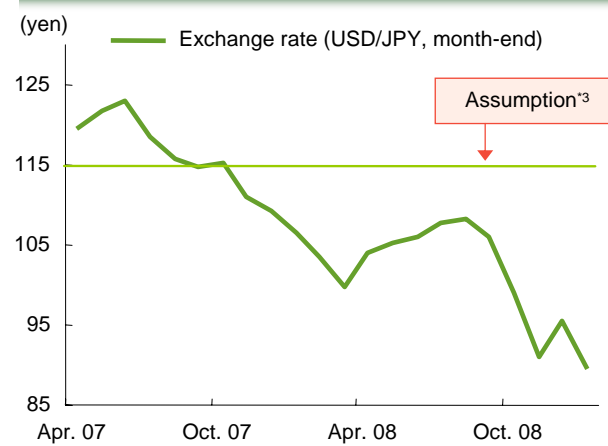
House price and disposable income (Japan) *1



Interest rate (JPY)



Exchange rate (USD/JPY)



*1 Source: Cabinet Office [Government of Japan], Japan Real Estate Institute, BEA and Standard & Poor's
 *2 From 2H, FY08: Estimate by the Japan Research Institute in Jan. 09
 *3 Assumption in the medium-term management plan

2-2. Total Credit Cost (1) Results for 3rd Quarter, FY2008

SMFG's total credit cost during the first nine months in fiscal 08 was JPY 399.4 billion, due mainly to deterioration of borrowers' business condition and loss provisions associated with certain overseas financial institutions, against a backdrop of financial market turmoil and global economic slowdown.

Management analysis

Major factors

Credit costs were incurred due to slowdown of domestic economy:

- **Construction and real estate sectors**
(approx. one third of Total credit cost)
- **Business Select Loan ("BSL")**

Certain overseas financial institutions

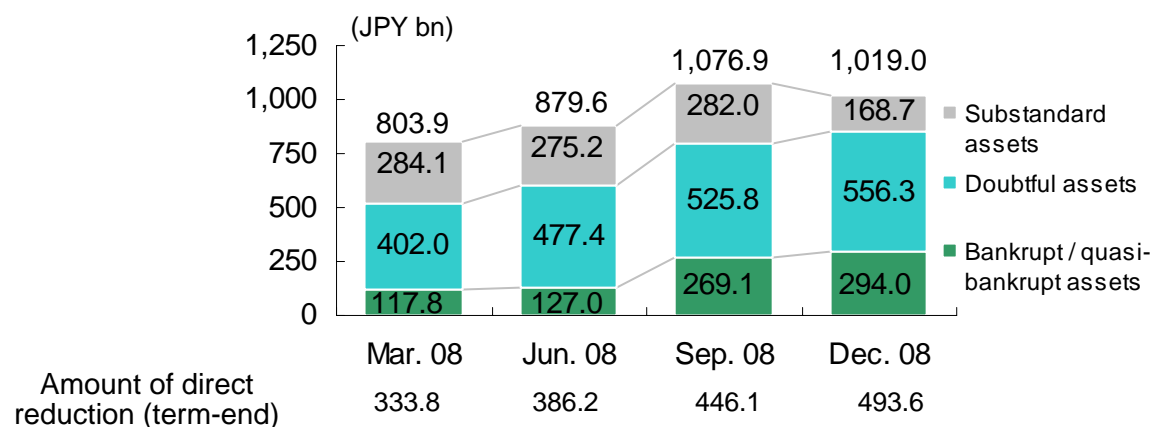
Initiatives

- Proactively responding to governmental initiatives to widely apply 100% guarantee for loans with guarantee, and to review criteria for substandard assets, etc.
- Organic initiatives to proactively providing finance to SMEs
- Fiscal and monetary policies implemented by authorities around the world

Trend of Total credit cost

(JPY bn)	Results of FY07	FY08			Apr.-Dec., 08 Results	Full-year forecast: (370.0)
		1Q	2Q	3Q		
Total credit cost	(147.8)	(83.8)	(140.3)	(52.5)	(276.6)	SMFG consolidated: (399.4)
Provision of allowance for general loan losses	96.9	7.6	(11.3)	27.3	23.6	
Provision of allowance for specific loan losses	(91.6)	(56.1)	(30.3)	(14.1)	(100.5)	
Written-off of loans, etc.	(153.1)	(35.3)	(98.7)	(65.7)	(199.7)	
Total credit cost (Contribution of other group companies)	(100.8)	(30.1)	(47.9)	(44.8)	(122.8)	

Trend of non-performing loans*



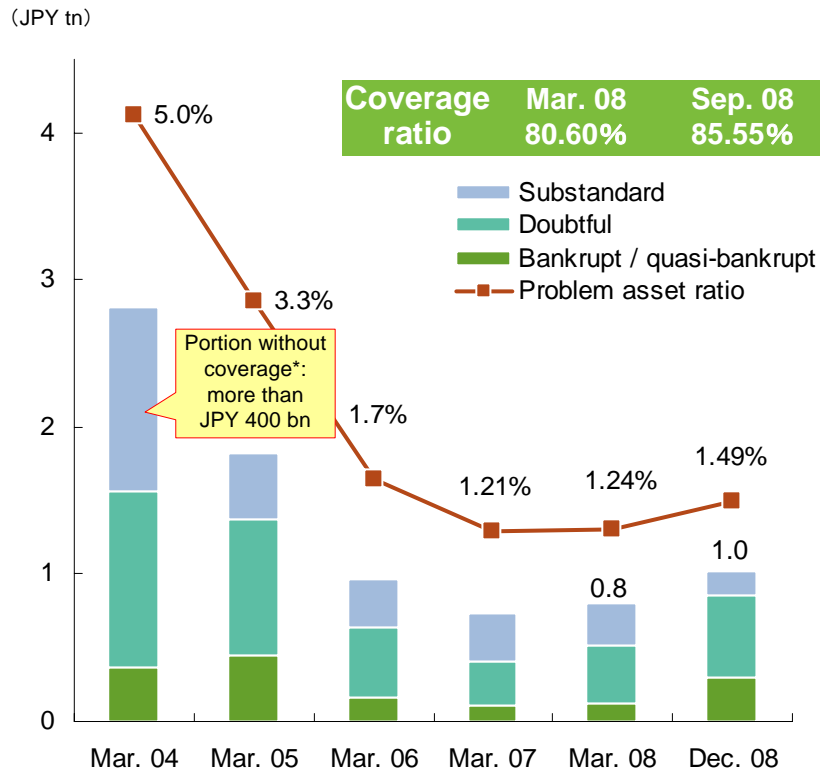
* Problem assets under the Financial Reconstruction Law

(SMBC non-consolidated)

2-3. Total Credit Cost (2) Forecast for FY2008

While the quality of our loan portfolio is still maintained in a better condition compared to 4-5 years ago, we keep proactively implementing initiatives to prevent further deterioration.

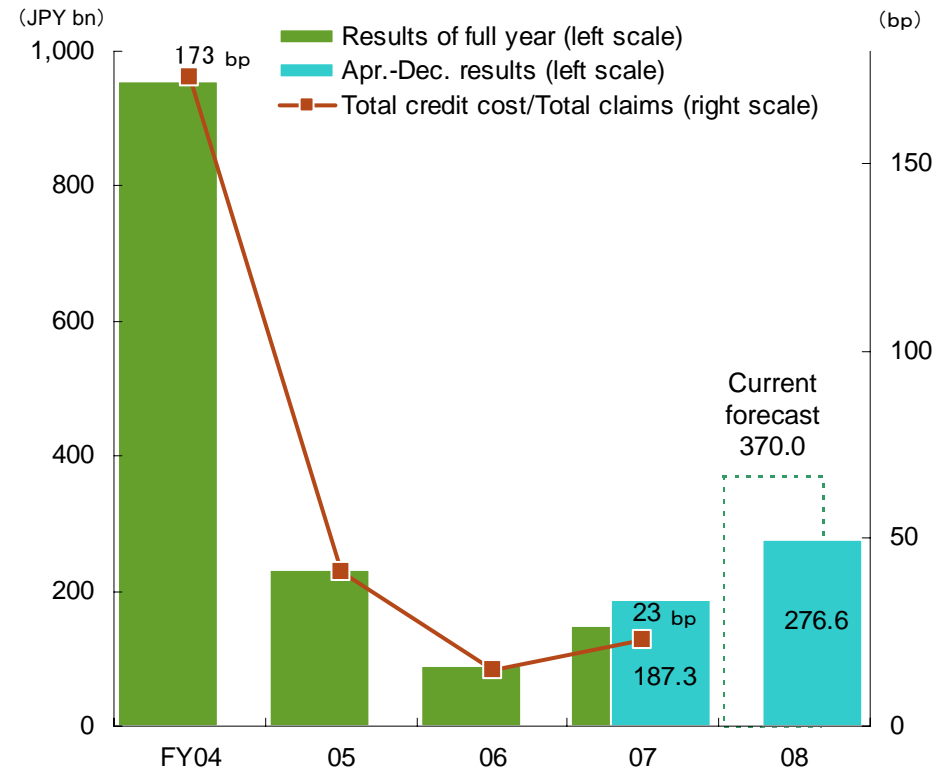
Balance of non-performing loans



Claims to borrowers requiring caution excluding substandard borrowers (JPY tn)

4.3 → 2.4 → 2.2 → 2.4 → 2.6 → 3.1

Credit costs



Total claims (JPY tn)

Mar. 05 → Mar. 06 → Mar. 07 → Mar. 08 → Dec. 08
55 → 57 → 61 → 65 → 69

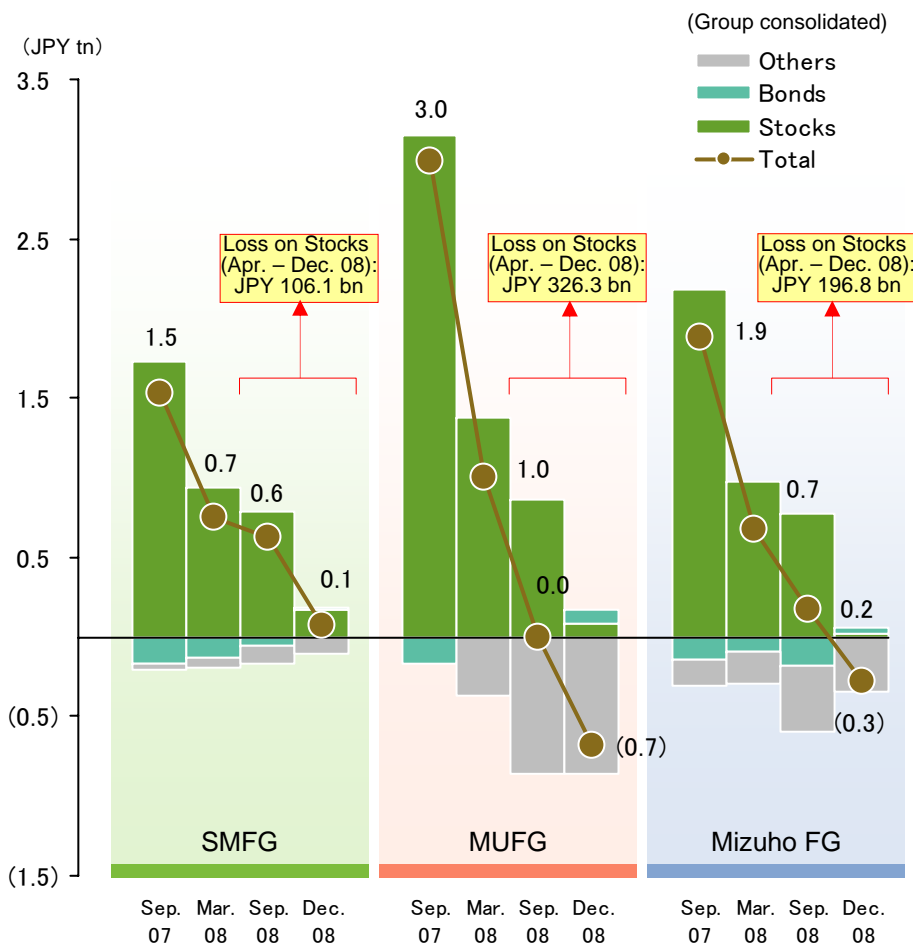
Q3. How is the degree of potential negative impact associated with SMFG's securities portfolio?

A3. Given the level of Tier I capital of JPY 4.7 tn as of Dec. 08, potential negative pressure associated with our securities portfolio is at manageable level, with lower break-even point of stocks and smaller amount of securitized products.

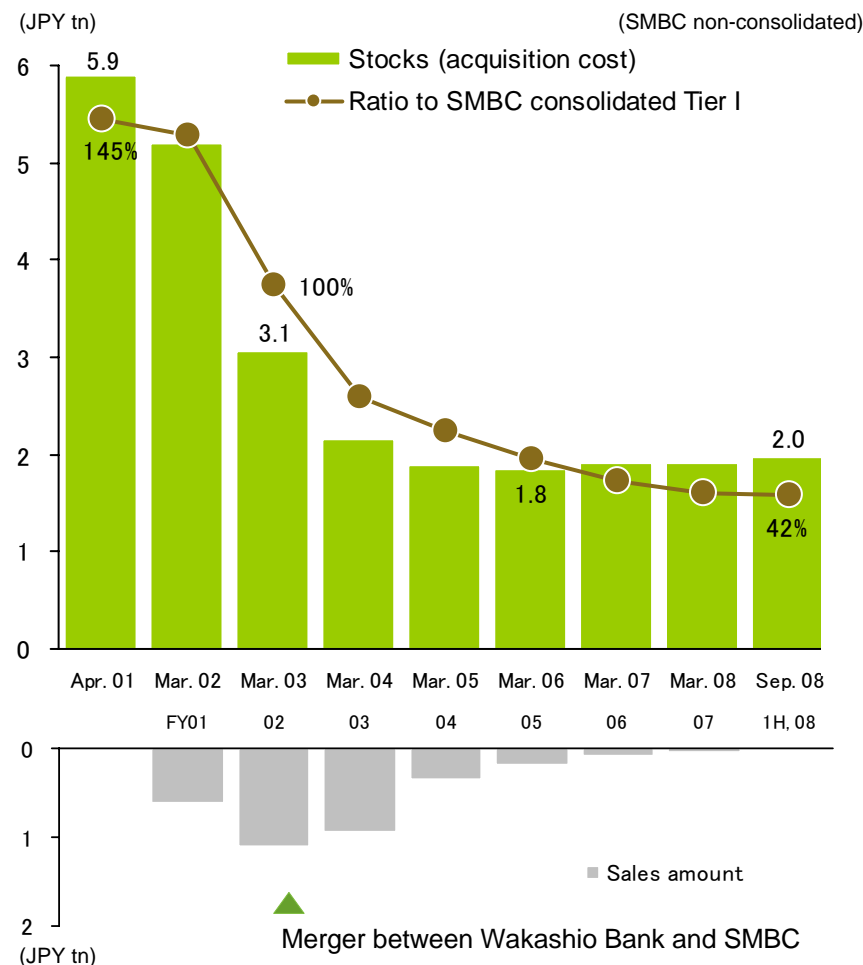
3-1. Other Securities (1) Summary

SMBC's relatively lower break-even point of stocks in other securities is derived from reduction of stockholdings in past years.

Unrealized gain (loss) on Available-for-sale securities (comparison with peers*)



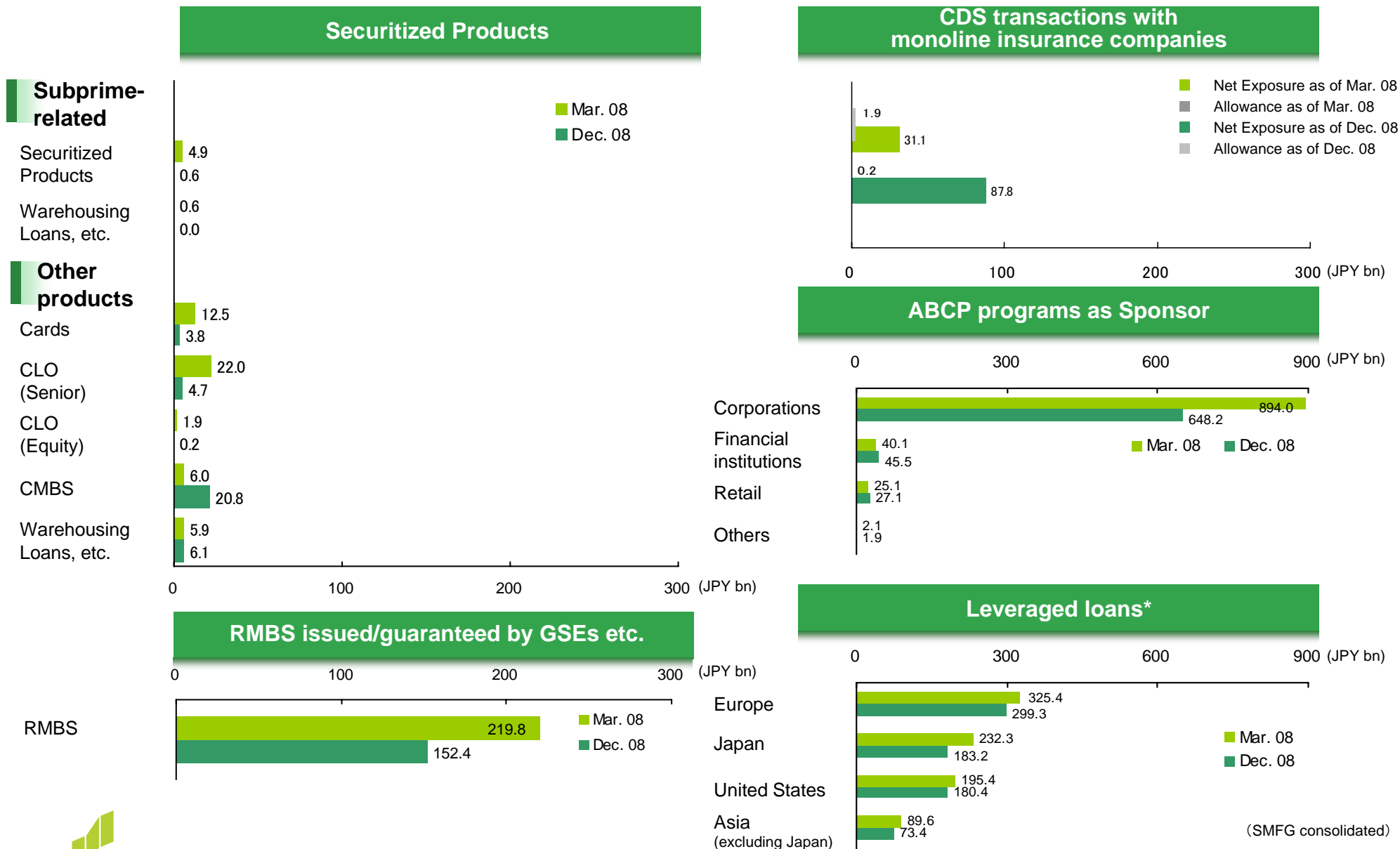
Balance of listed OTC stocks under Other securities (acquisition cost) and Sales amount of stockholdings



* Based on each company's disclosure. Mizuho Financial Group changed its method of valuing fair value of floating-rate Japanese government bonds since Dec. 08, while others changed since Sep. 08.

3-2. Other Securities (2) Securitized Products, etc.

Our group's exposure to securitized products is limited, and associated risks are at manageable level.



* Balance of financing for mergers and acquisitions of whole or part of companies

Q4. What is SMFG's capital policy going forward?

A4. With the accumulation of retained earnings and with the recent issuance of Tier I preferred securities, SMFG was able to secure 7.68% of Tier I capital ratio as of Dec. 08 on a consolidated basis. Considering the level of risks we take on our balance sheet, we believe that we would not have to rely on dilutive finance, with a comfortable level of Tier I capital ratio at around 8%.

4-1. Capital

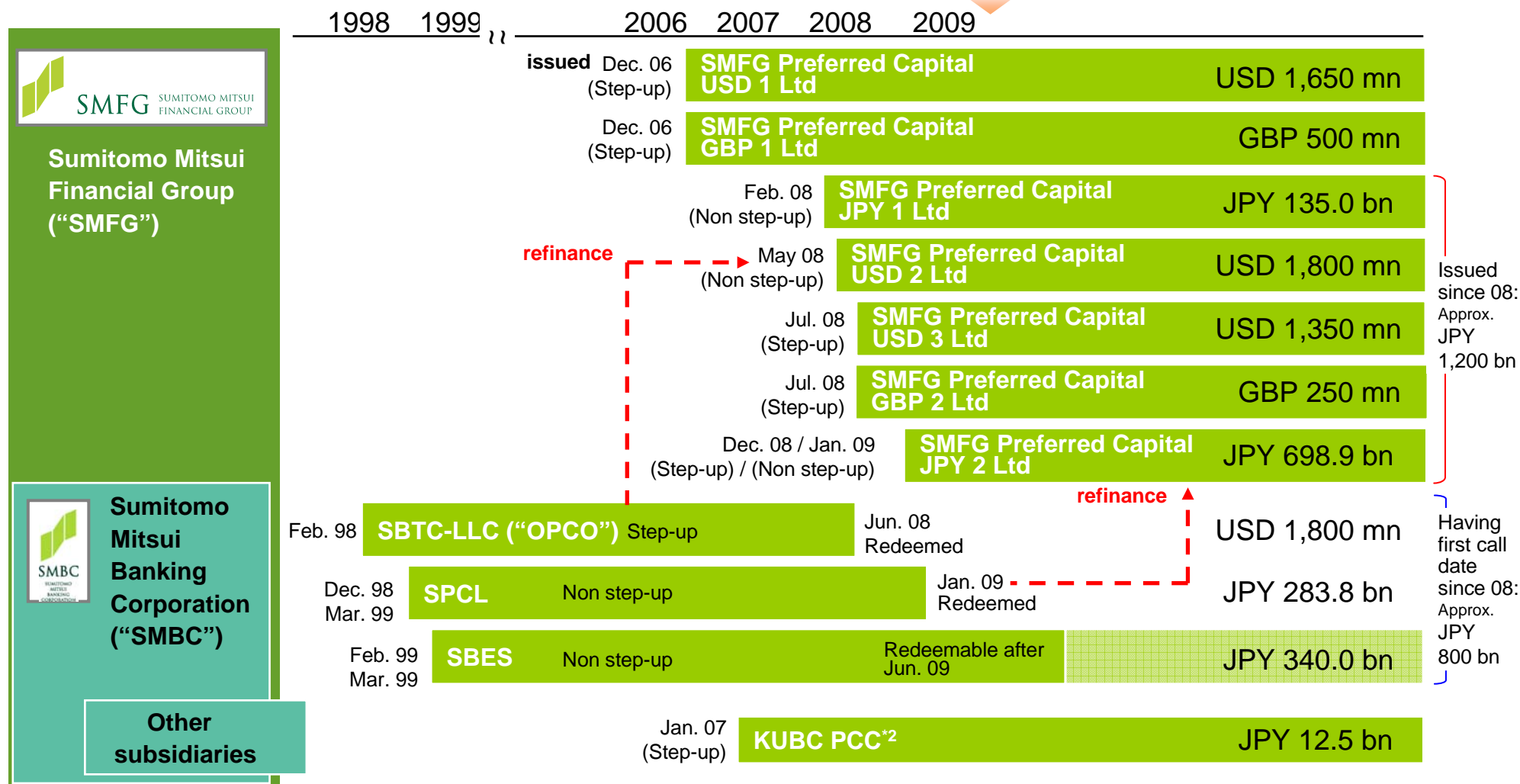
SMFG's consolidated Tier I ratio as of Dec. 31, 08 was 7.68%, increased by 0.60% compared with Sep. 30, 08.

	(JPY bn)	Mar. 31, 08	Sep. 30, 08	Dec. 31, 08
Tier I		4,381.5	4,491.3	4,683.0
Capital stock & Capital surplus		1,478.7	1,478.7	
<Preferred Stock>		<360.3>	<310.2>	
Retained earnings		1,680.5	1,701.1	
Preferred securities issued by overseas SPCs		1,217.0	1,409.1	
Foreign currency translation adjustment		(27.3)	(57.1)	
Increase in equity capital resulting from a securitization exposure		(44.0)	(42.6)	
Tier II		3,021.9	2,746.8	2,344.2
45% of valuation difference on available-for-sales securities		334.3	264.0	
45% of land revaluation excess		37.2	37.2	
Allowance for general loan losses		59.5	64.1	
Total eligible provisions minus the total expected loss amount		67.8	13.1	
Perpetual subordinated debt		998.3	870.1	
Dated subordinated debt		1,524.8	1,498.3	
Deduction		(737.8)	(731.0)	(731.3)
Total capital		6,665.5	6,507.1	6,295.9
Risk-weighted assets		63,117.3	63,432.5	60,960.0
Capital ratio*		10.56%	10.25%	10.32%
Tier I ratio		6.94%	7.08%	7.68%

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

4-2. Preferred Securities

We have issued approx. JPY 1,200 billion of preferred securities since Feb. 08, to meet the first call dates of approx. JPY 800 billion of preferred securities we issued about 10 years ago.

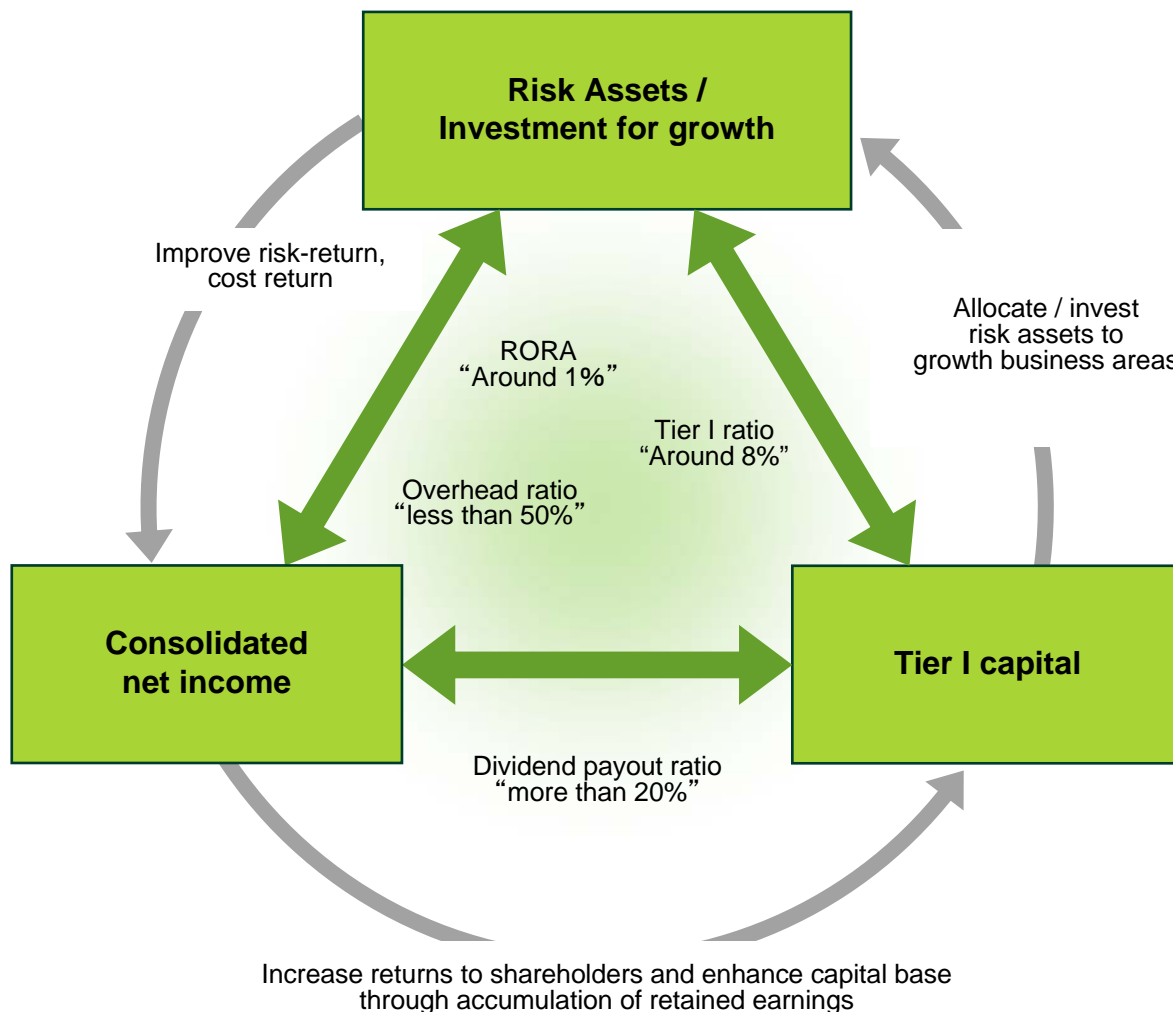


*1 Outstanding balance as of Jan. 31, 09

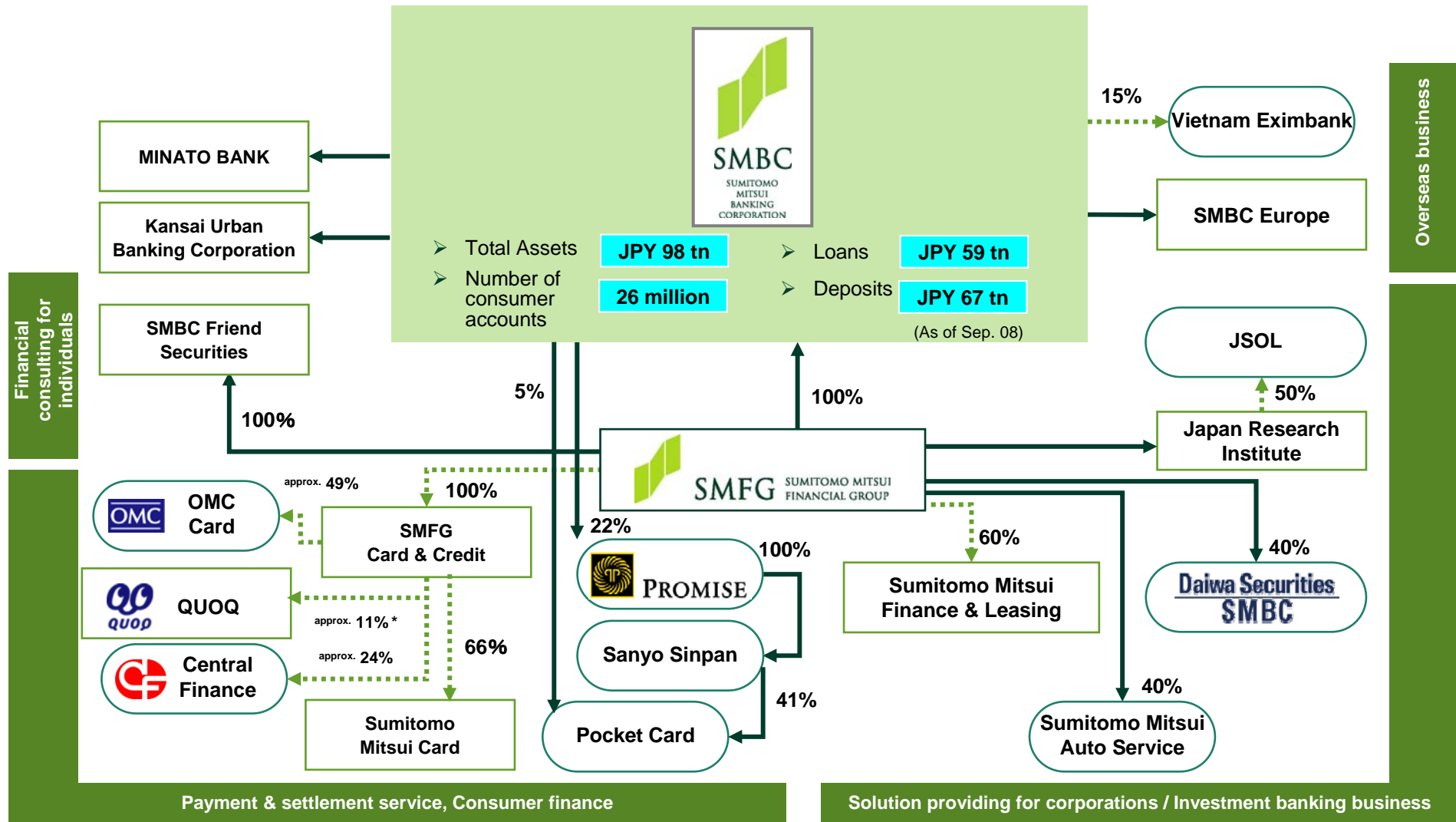
*2 A company incorporated for the purpose of issuing the preferred securities and a wholly owned subsidiary of Kansai Urban Banking Corporation, which is a consolidated subsidiary of SMFG.

4-3. Management Approach for Sustainable Growth

Aiming for sustainable growth of corporate value through well-balanced growth cycle of profitability, sound capital base, risk assets and investment for growth.



(Reference) SMFG's Group Structure



* 56.5% of total shares is held by SMFG's group companies.

: Subsidiaries
 - - - - - : Changed or scheduled to change in FY08
 : Equity method affiliates
 → : Investments in and before FY07

Q5. What is the management approach under this uncertain business environment?

A5. Despite growing uncertainty in domestic and overseas business environment, we will take the necessary actions for future growth, while pursuing solid financial base as a global player.

5-1. Management Policy in 2nd Half, FY2008

“Taking a step forward, while coping with uncertainty in business environment,” as in 1H, FY08

“To realize solid financial base as a global player”

1 *Improving risk-return profile of SMFG's credit portfolio*

2 *Reinforcing expense control,
based on changes in business environment*

“To take the necessary actions for future growth”

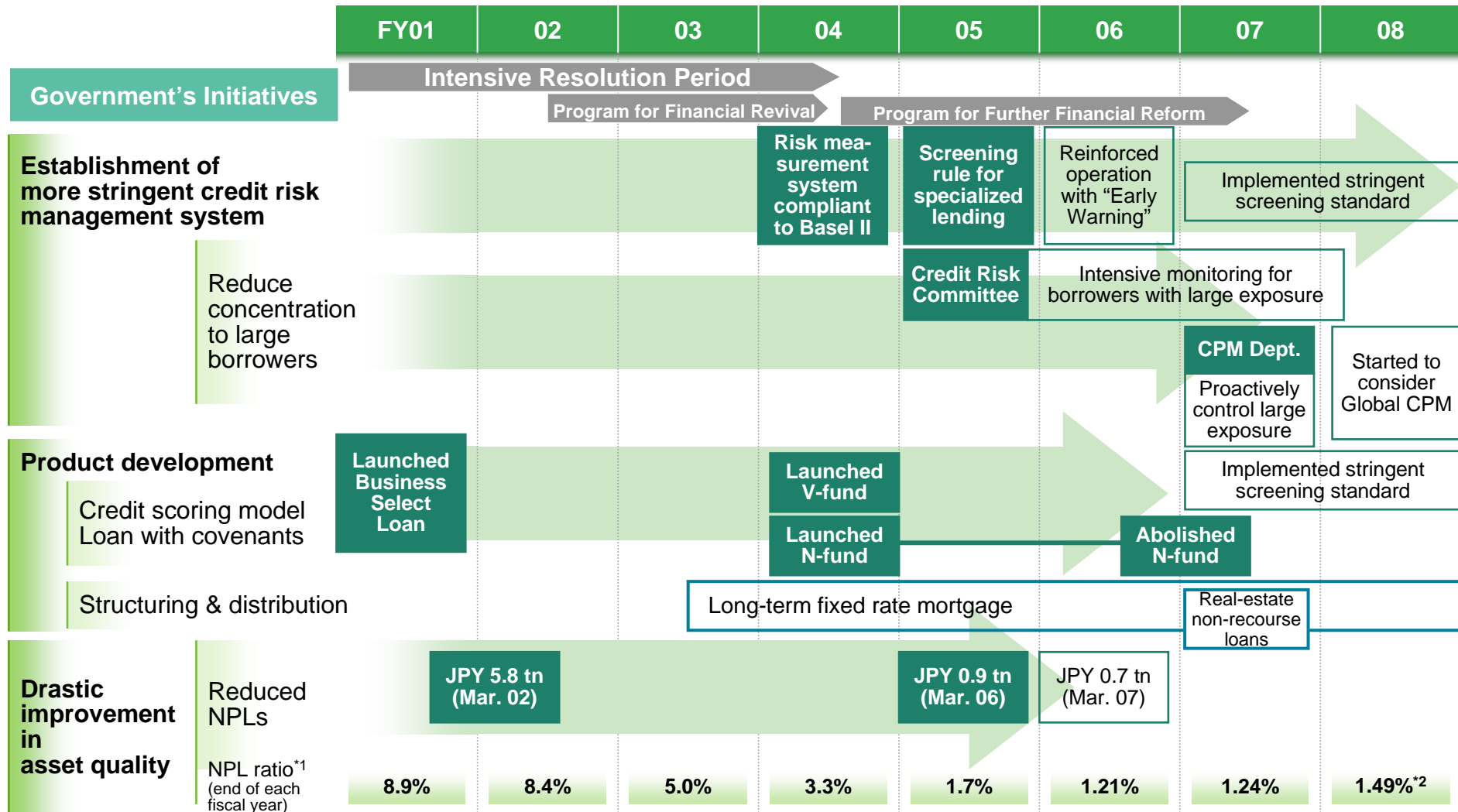
3 *Constantly expanding SMFG's commercial banking business*

4 *Consistently improving
consulting / solution-providing capabilities*

5 *Strategically strengthening focused areas in global markets*

5-2. Credit Risk Management System

Constantly reinforcing credit risk management systems after the Intensive Resolution Period of non-performing loan problems in large borrowers.



Formed SMBC

Fully repaid public funds

Launched "LEAD THE VALUE" plan
Started Basel II disclosure

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

*2 Results of Dec. 31, 08

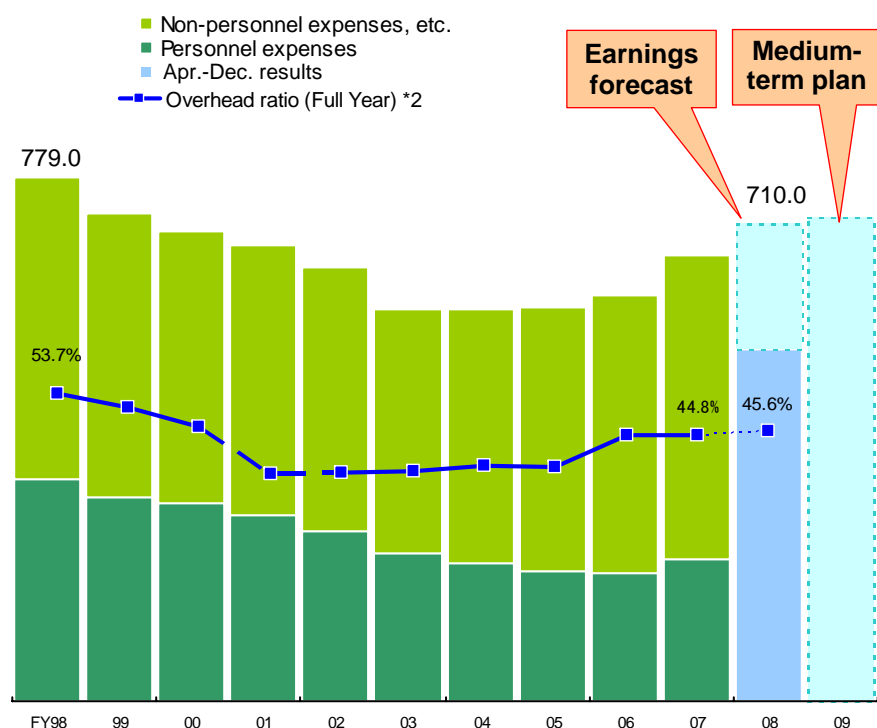
5-3. Expenses

We will thoroughly review the priority of expenditure by size, timing, and return, etc., and will persist business efficiency with overhead ratio of less than 50% on SMBC non-consolidated basis.

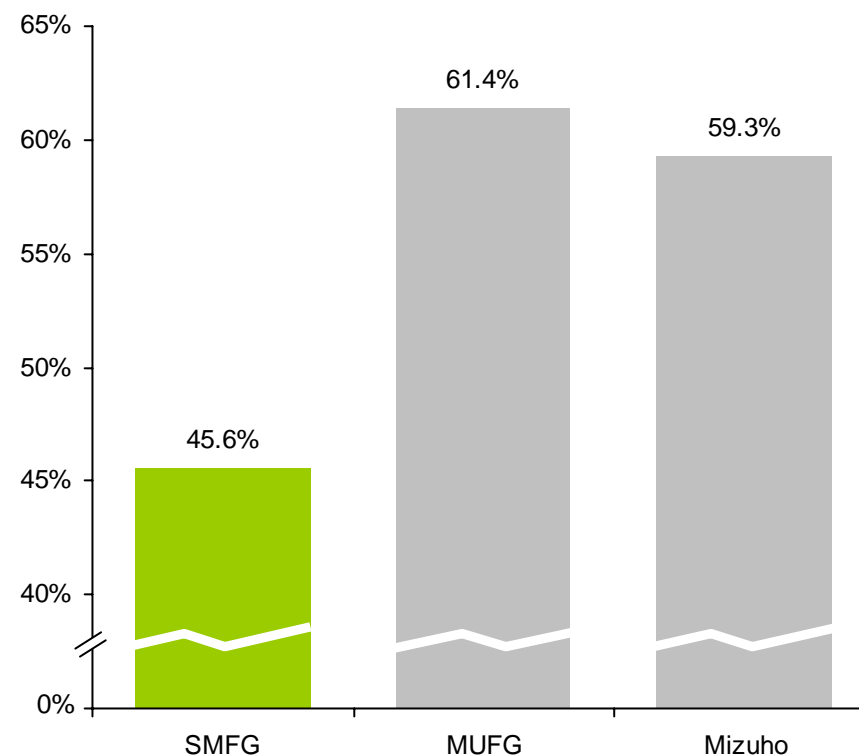
Trends of Expenses*1

(JPY bn)

(SMBC non-consolidated)



Overhead ratio*2
(comparison with peers*3)



*1 FY00 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

*2 Expenses divided by gross banking profit (simple aggregation of the figures of subsidiary banks on a non-consolidated basis)

*3 Based on each company's disclosure (financial results for the nine months ended Dec. 31, 08). The figures shown in graphs is based on as follows:

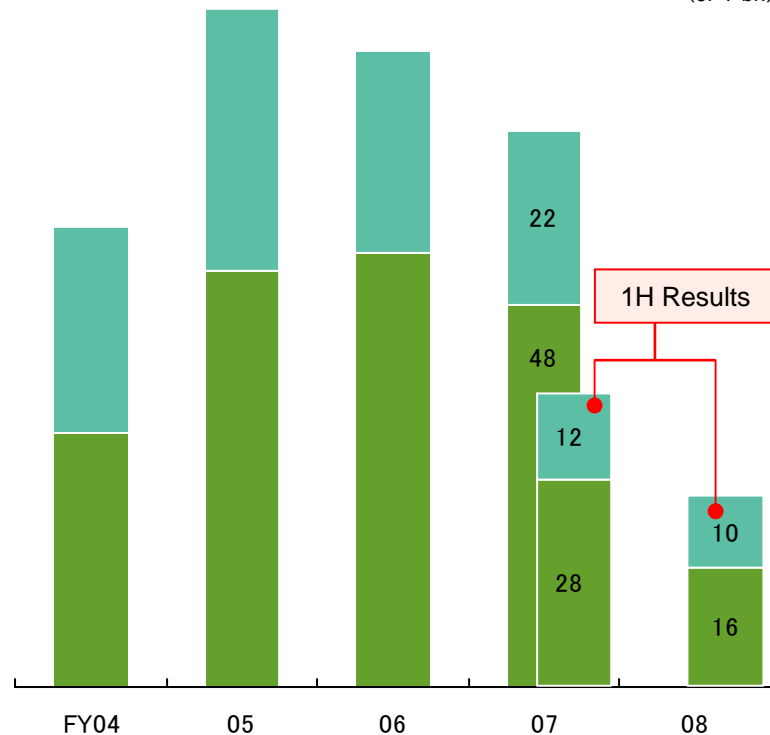
non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG and simple aggregation of the figures of Mizuho Bank and Mizuho Corporate Bank for Mizuho.

5-4. Financial Consulting for Individuals

Establishing “total consulting” business model - proposing products and services which optimally respond to customers' needs and consistently providing follow-up information – makes SMFG’s earnings less sensitive to changes in market conditions.

Profits related to investment trusts and pension-type insurance

■ Pension-type insurance
■ Investment trusts (JPY bn)



Outstanding balance* (JPY tn)

3.3 → 4.5 → 5.6 → 5.6 → 5.4

* Balance of investment trusts + accumulated sales of pension-type insurance as term end. The amount of FY08 represents as of Sep. 30, 08.

Further fortifying product and service lineup

- Fortifying sales of investment products through continuous introduction and reorganization of products and services

Investment trusts

Pension-type insurances

Fund wraps

Improving consultants' skills and increasing the number of consultants

- Established “SMBC Retail Banking College” (May 08)
 - ▶ Strengthen training programs for new employees corresponding to the increase in undergraduate recruitment
 - ▶ Accelerate learning speed of knowledge and skills
- Introduced “Consulting Business Guide” (Apr. 08)
 - ▶ Improve and standardize consultants' knowledge and skills

Sales of insurance products after full-range deregulation

- A good start (more than 10 thousand contracts by Jan. 09)
- 18 products from 7 life insurance companies

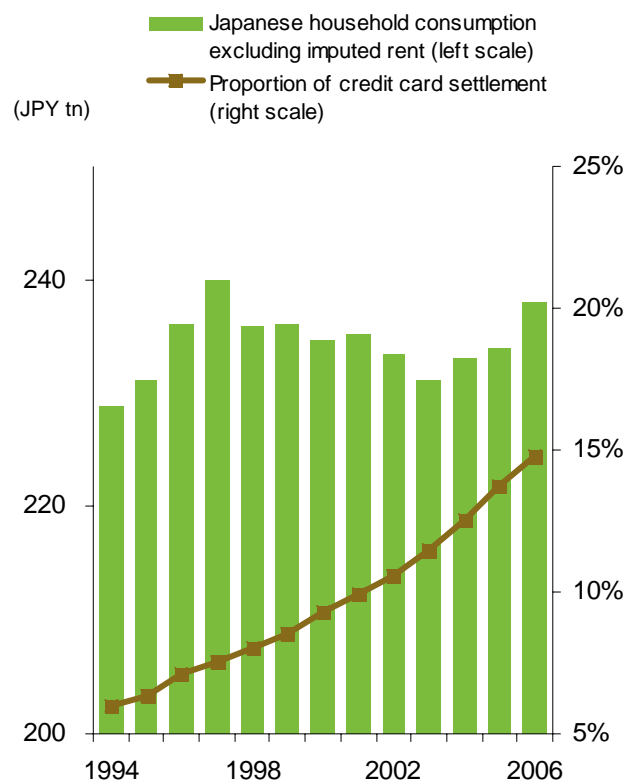
Number of branches to sell: 90 → 165 (after Feb. 23, 09)

(SMBC non-consolidated)

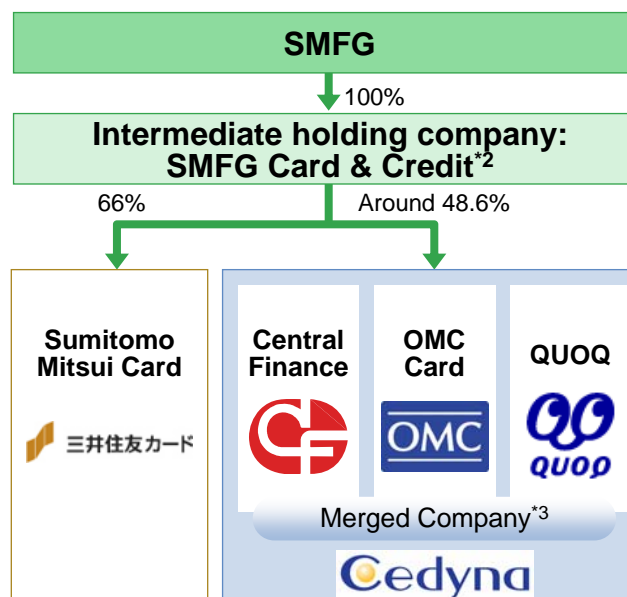
5-5. Credit Card Business

Promoting new group strategy in order to capture earnings opportunities in credit card market.

Market size of credit card business*1

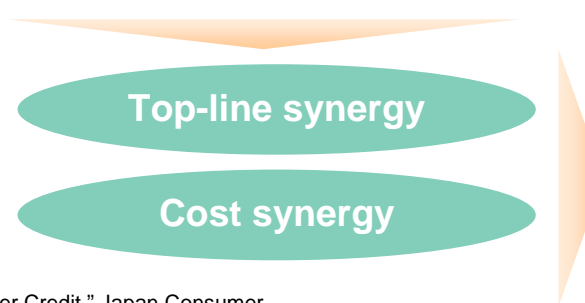


Future operating base in credit card business



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



Target for operating profit of FY2011(JPY bn)

Aggregate	60.0
Sumitomo Mitsui Card	30.0
Cedyne	30.0

*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 Established in Oct. 08

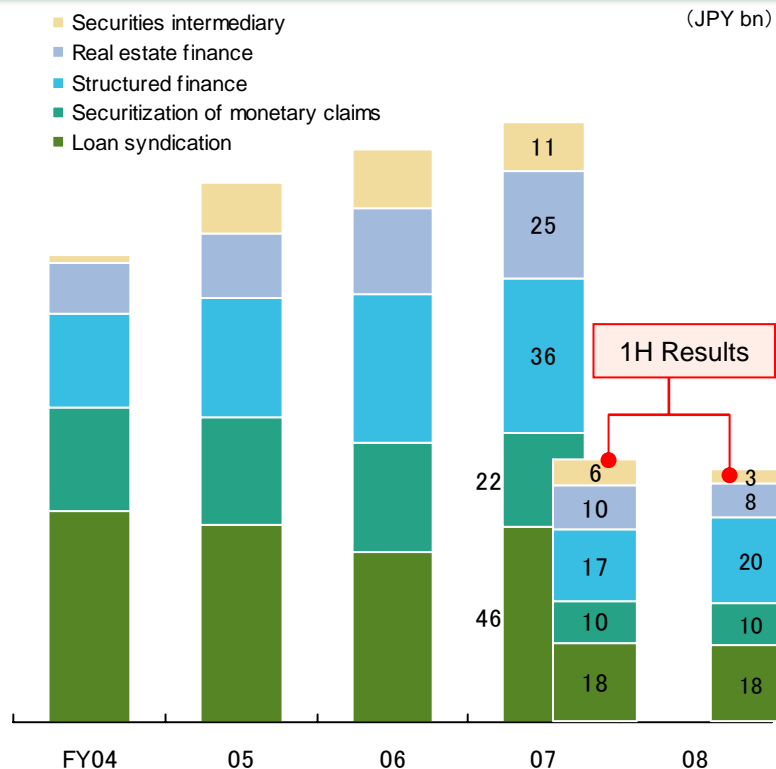
*3 Date of merger is scheduled in Apr. 09

*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)

5-6. Solution Providing for Corporations / Investment Banking Business

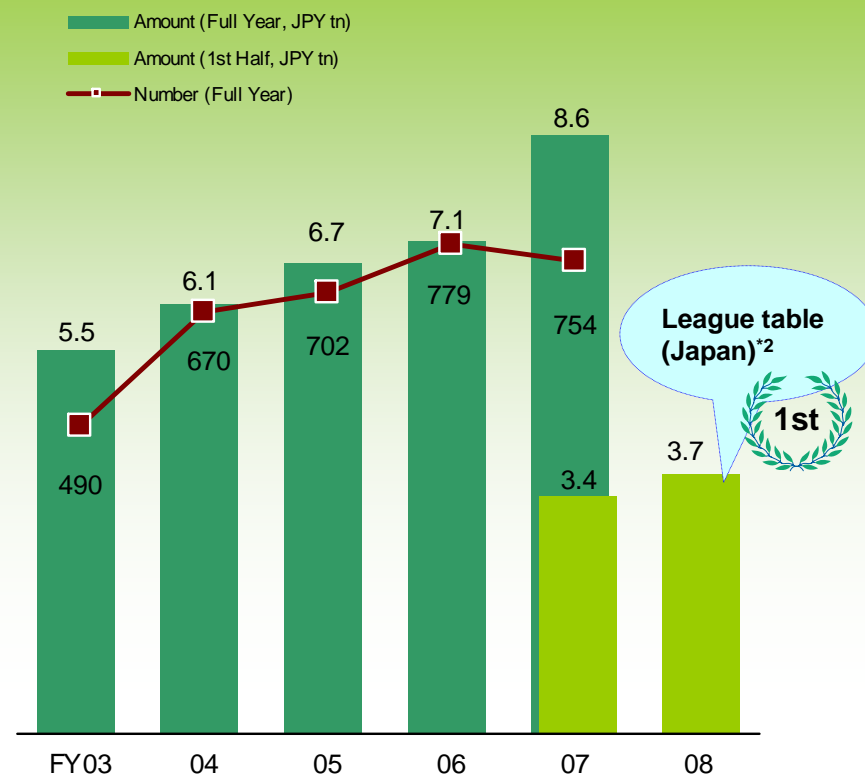
Reinforcing solution-providing capabilities through seamless approach as “One Bank” centered on collaboration among front offices such as Corporate Business Offices, and three advisory entities (sharing Value, Knowledge, Information, and Profit).

Profits related to investment banking business*1



Reference

Loan Syndication (amount, number of origination)



*1 Profits of securities intermediary business: fees and commissions from the transactions with both individual and corporate clients.

Profits of the other businesses: managerial accounting basis including fees, commissions, interest income, etc.

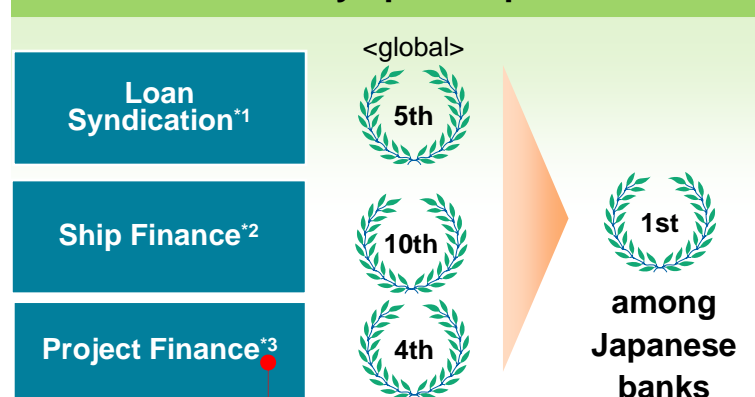
*2 Syndicated Loan Bookrunner (Jan. – Dec. 08, Dealogic)

5-7. Focused Business Areas in Global Market (1)

Reinforcing our own product line-up, risks management capability, and channel network in focused areas with global competitive edge.

Offensive / defensive approaches in an organic manner

Further fortify specific products

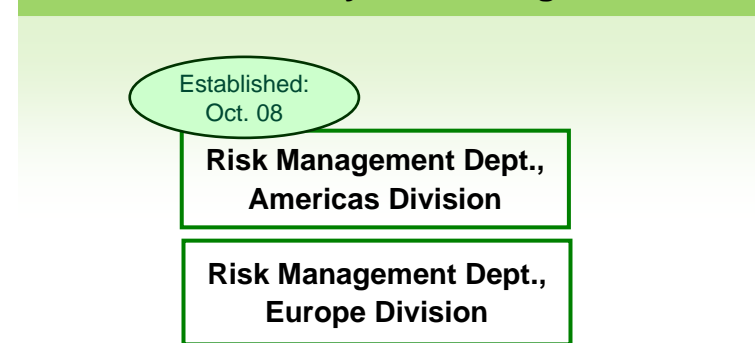


Awarded "Global Bank of the Year (2008)" *4

Further expand channel network



Further fortify risk management



Established flexible system for operating business



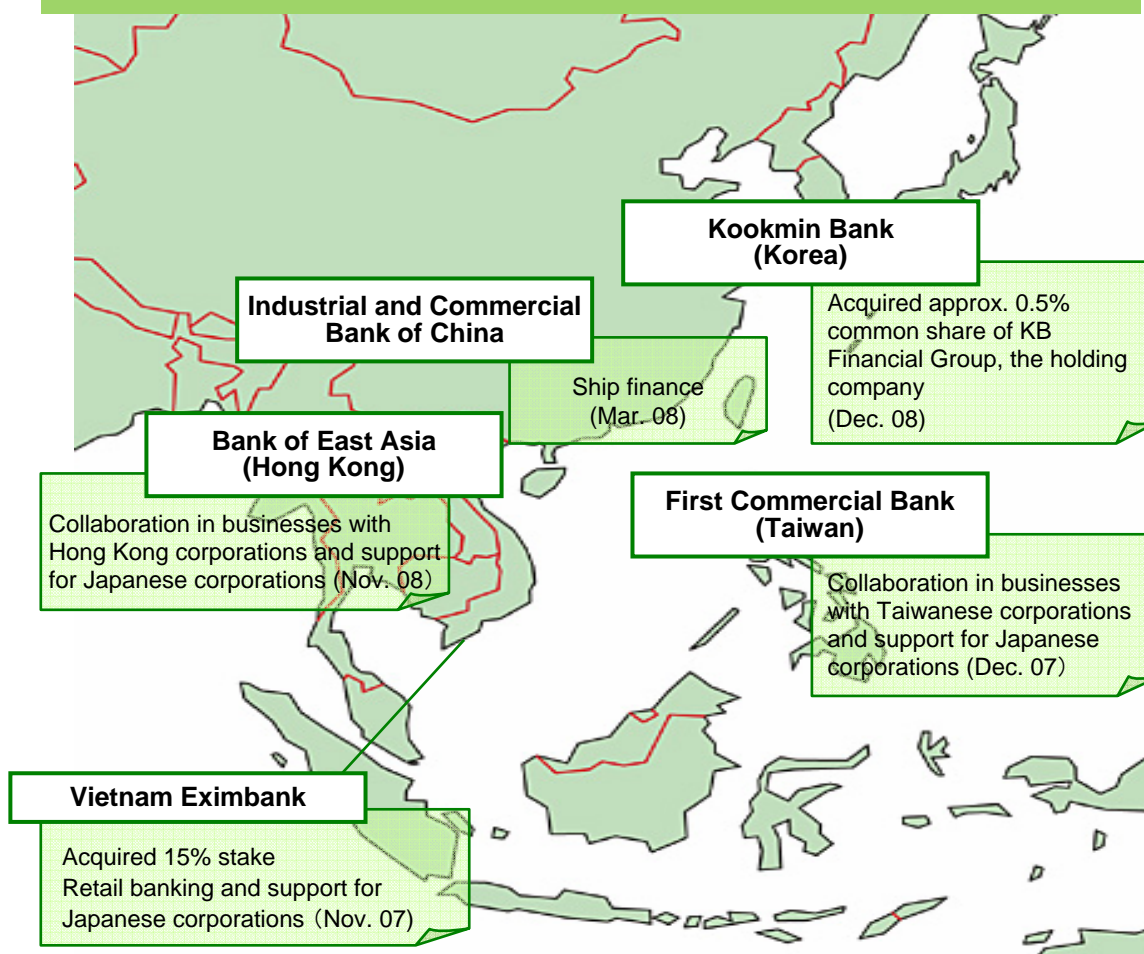
*1 Syndicated Loan Bookrunner (Jan. – Dec. 08, Dealogic)
 *2 Ship Finance Mandated Arranger (Jan. – Sep. 08, Dealogic)
 *3 Project Finance Mandated Arranger (Jan. – Dec. 08, Thomson Reuters)
 *4 Project Finance International "PFI Yearbook 2009"

5-8. Focused Business Areas in Global Market (2)

Globally expanding strategic alliances with commercial banks with competitive edge, in Asia and in other global markets where higher growth is expected.

Expanding strategic alliances with commercial banks

In Asian market



With global financial institutions

Barclays PLC

Basic Agreement:
Jun. 08

- Acquired approx. 2% stake (as of Sep. 08)
Agreed to explore joint business development opportunities
- Aiming for establishing a solid relationship with Barclays in order to explore opportunities in the long term

Outline of capital investment

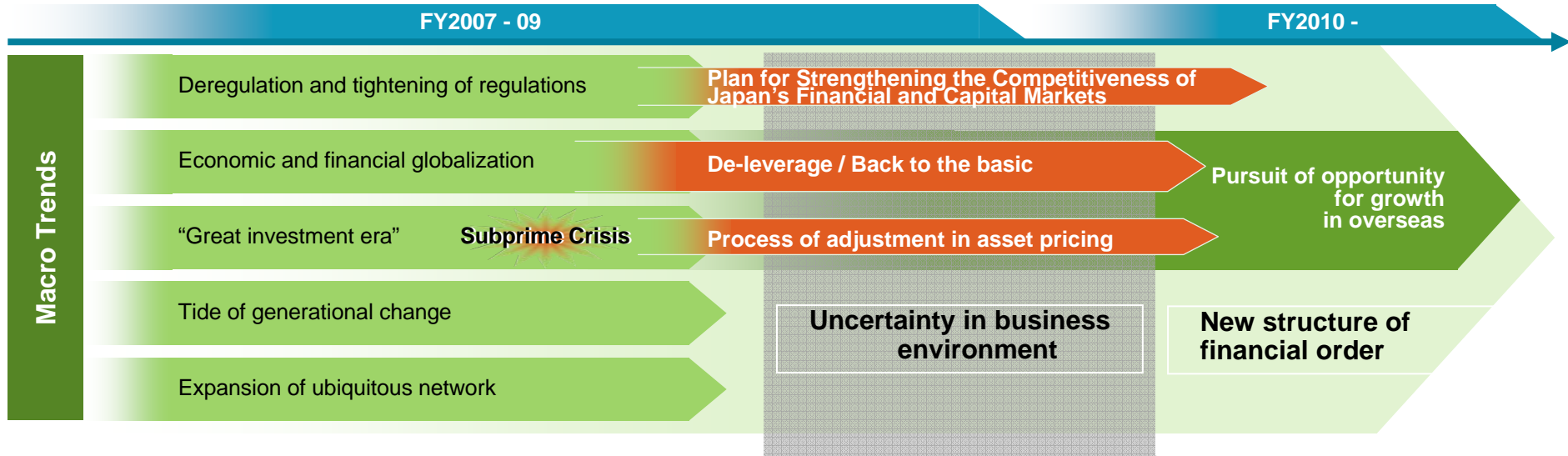
- SMBC invested approx. GBP 500 mn (169 mn shares per 296 pence)
- Acquired approx. 2% stake of Barclays
- Expected attractive return in the medium term

SMFG's aim in strategic cooperation

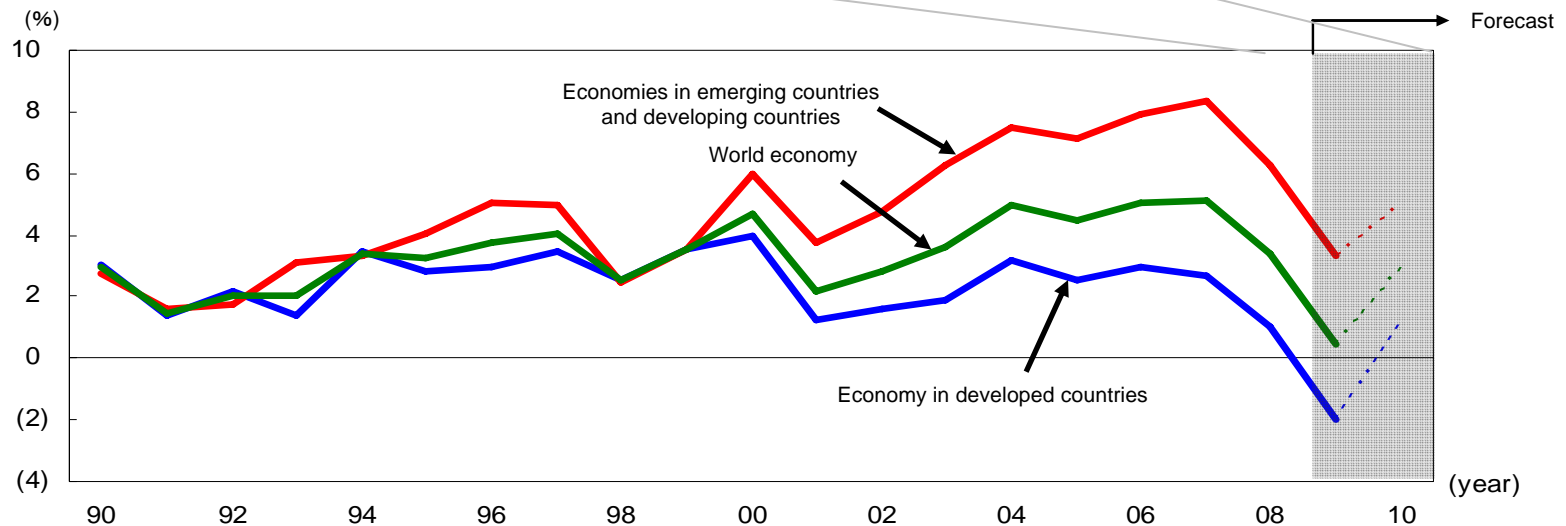
- Supplement global network including emerging markets
- Leverage Barclays' expertise and products to strengthen growth businesses
- Trainee program

Closing

Amid clear signs of a global economic slowdown, we will continue to proactively deal with potential generation and expansion of losses in an early stage, and take the necessary actions for growth, with defining our competitive position in the medium term.



Real GDP growth rate*



Appendix 1. Performance by Business Unit

In 1st Half, FY08, marketing units mostly achieved, and Treasury Unit exceeded, the level of gross banking profit of 1st Half, FY07.

		(JPY bn)	FY07	1H, FY08	YOY change*	
Consumer Banking Unit	Gross banking profit		440.7	215.6	+ 1.3	(1)
	Expenses		(271.4)	(145.3)	(12.9)	
	Banking profit		169.3	70.3	(11.6)	
Middle Market Banking Unit	Gross banking profit		624.3	281.1	(27.1)	(2)
	Expenses		(203.1)	(111.2)	(11.4)	
	Banking profit		421.2	169.9	(38.5)	
Corporate Banking Unit	Gross banking profit		186.7	94.3	+ 3.5	(3)
	Expenses		(31.1)	(15.7)	(0.4)	
	Banking profit		155.6	78.6	+ 3.1	
International Banking Unit	Gross banking profit		137.5	89.9	+ 20.6	(4)
	Expenses		(56.0)	(34.6)	(5.6)	
	Banking profit		81.5	55.3	+ 15.0	
Marketing units	Gross banking profit		1,389.2	680.9	(1.7)	
	Expenses		(561.6)	(306.8)	(30.3)	
	Banking profit		827.6	374.1	(32.0)	
Treasury Unit	Gross banking profit		145.4	89.8	+ 29.5	(5)
	Expenses		(17.6)	(9.1)	0.0	
	Banking profit		127.8	80.7	+ 29.5	
Headquarters	Gross banking profit		(49.8)	(35.6)	(11.2)	
	Expenses		(85.9)	(40.7)	+ 1.3	
	Banking profit		(135.7)	(76.3)	(9.9)	
Total	Gross banking profit		1,484.8	735.1	+ 16.6	
	Expenses		(665.1)	(356.6)	(29.0)	
	Banking profit		819.7	378.5	(12.4)	

* Before adjustment of interest rates and foreign exchange rates

Major factors of YOY change in gross banking profit			
(JPY bn)			
(1)	Consumer Banking Unit: + 1.3	Income on deposits Investment trust Pension-type insurance Securitization of housing loans	+ 20.0 (12.0) (2.0) (4.0)
(2)	Middle Market Banking Unit: (27.1)	Income on deposits Foreign currency derivatives Income on loans (loan spread decreased by 11bp yoy) Securities intermediary	+ 8.0 (6.0) (16.0) (3.0)
(3)	Corporate Banking Unit: + 3.5	Income on deposits Loan syndication	+ 1.0 + 1.0
(4)	International Banking Unit: + 20.6	Loans to deposits Fee income related to loans	+ 13.0 + 9.0
(5)	Treasury Unit: + 29.5	ALM operations (including gain (loss) on bond portfolio)	+ 29.0

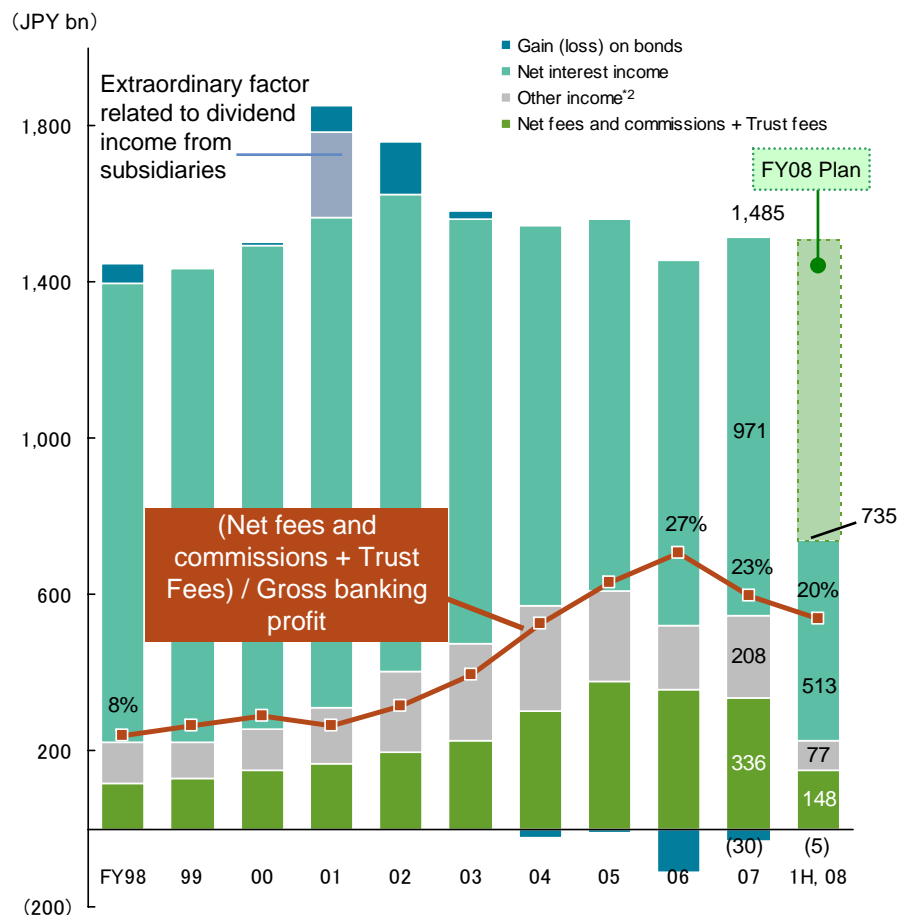
Average loan balance and spread by business unit (managerial accounting basis)				
	Average balance		Average spread	
	1H, FY08	YOY change	1H, FY08	YOY change
(JPY tn, %)				
Domestic loans	48.5	+ 1.3	1.11	(0.10)
Consumer Banking Unit	14.7	+ 0.2	1.62	(0.00)
Middle Market Banking Unit	20.6	(0.5)	1.22	(0.11)
Corporate Banking Unit	10.2	+ 0.7	0.56	(0.03)



Appendix 2. Top-Line Profit

Gross banking profit increased mainly due to an increase in Net interest income of overseas operations.

Gross banking profit*1



*1 FY00 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

*2 Other income = Net trading income + Net other operating income - Gain (loss) on bonds

Major factors of YOY change

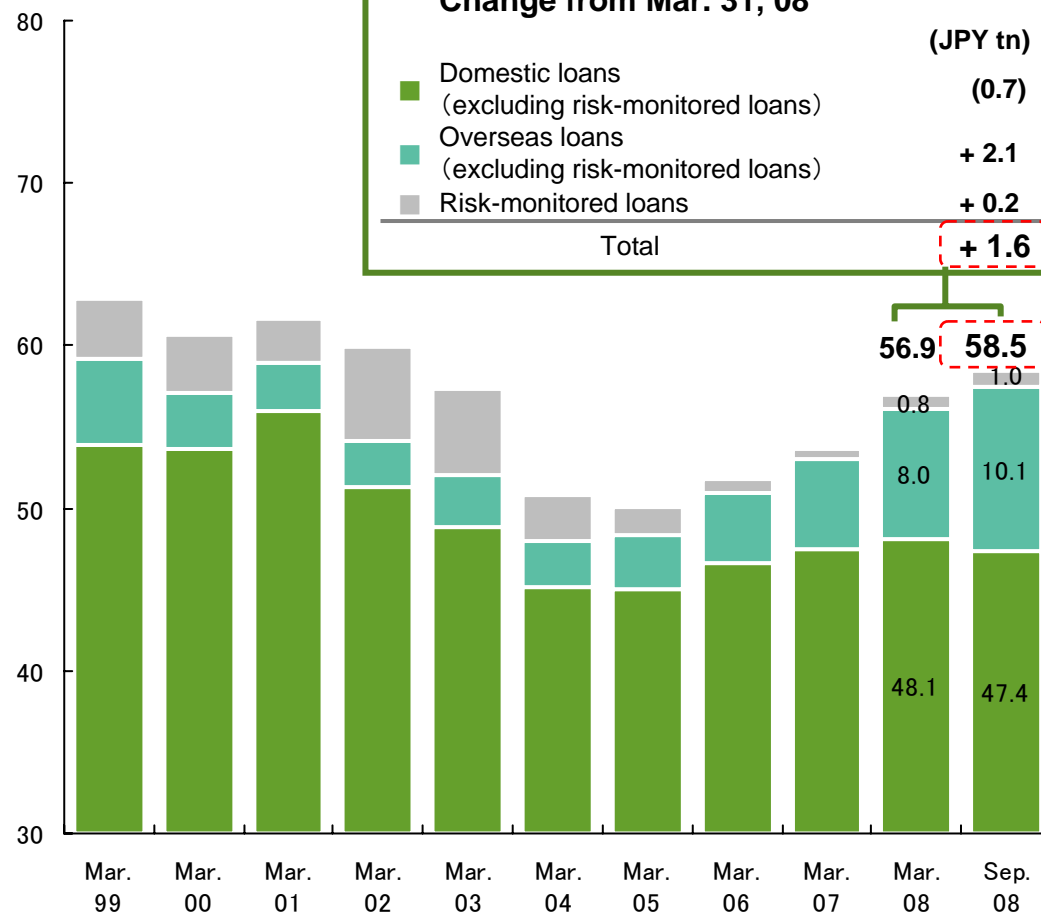
(JPY bn)	1H, FY08	YOY change
Gross banking profit	735.1	+ 16.6
Net interest income	512.9	+ 35.4
Interest income in domestic operations	598.2	+ 16.4
Interest expenses in domestic operations	(138.2)	(17.2)
Interest income in overseas operations	345.2	(16.6)
Interest expenses in overseas operations	(292.2)	+ 52.7
Net fees and commissions + Trust fees	148.3	(11.1)
Fees related to sales of investment trusts	16.2	(12.0)
Net trading income + Net other operating income	73.9	(7.8)
Gain (loss) on bonds	(4.5)	+ 1.7
Gain on securitization of housing loans	1.3	(5.8)
Profit from sales of derivatives products	23.1	(3.5)

Appendix 3. Net Interest Income

Gross banking profit increased mainly due to an increase in Net interest income of overseas operations.

Trend of loan balance*1

(JPY tn, term-end balance)

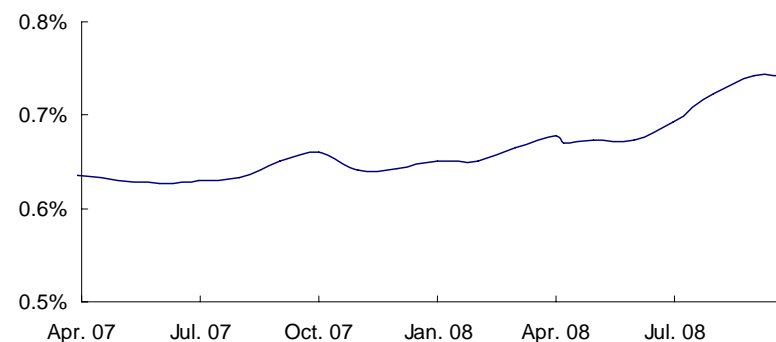


Balance of overseas lendings, classified by region*2 (managerial accounting basis)

(JPY tn, term-end balance)

	Sep. 30, 08	Change from Mar. 31, 08
Overseas total	10.2	+ 2.2
Americas	3.8	+ 1.1
Europe	4.0	+ 0.6
Asia	3.4	+ 0.5

Loan spread (overseas loans)*3



*1 FY00 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

*2 Including SMBC Europe, etc

*3 SMBC non-consolidated basis, average on contracted overseas loans outstanding

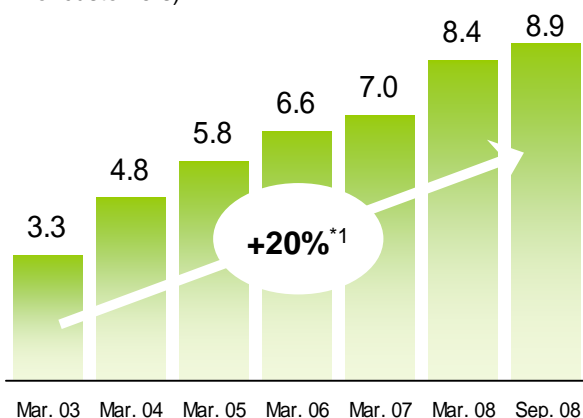
Appendix 4. Payment & Settlement Services, Consumer Finance

Continuously enhancing domestic deposit base by strengthening payment & settlement related services.

* loan-to-deposit ratio (domestic operations, average balance basis) = 83%

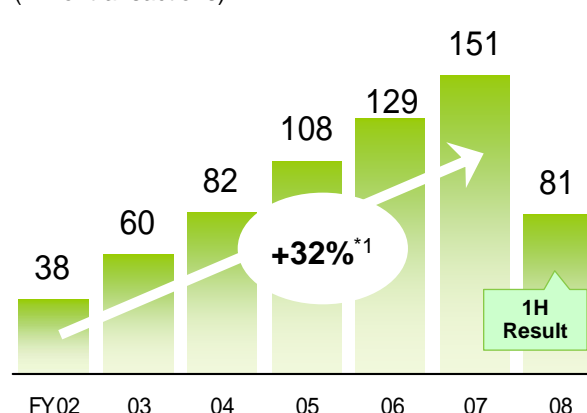
"SMBC Direct" customers

(mn of customers)



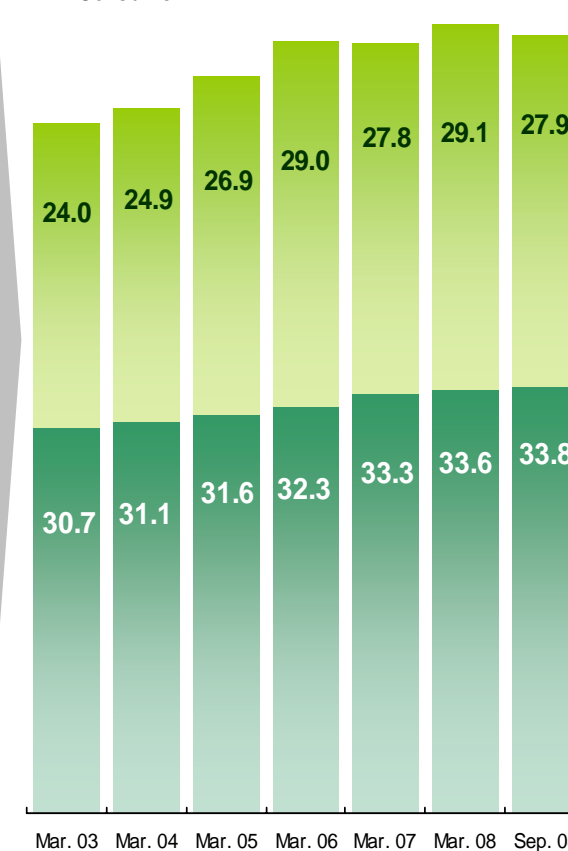
Number of internet transactions

(mn of transactions)



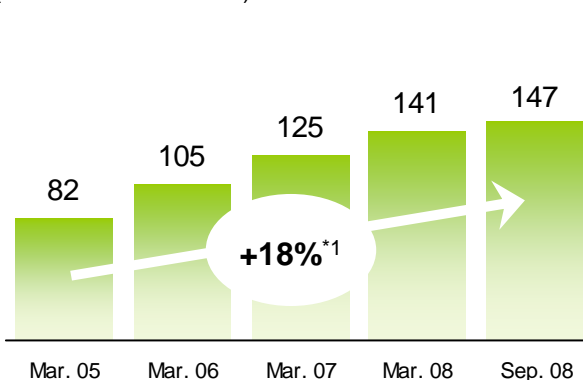
Trends of domestic deposits*2

(JPY tn)
 ■ Corporate
 ■ Consumer



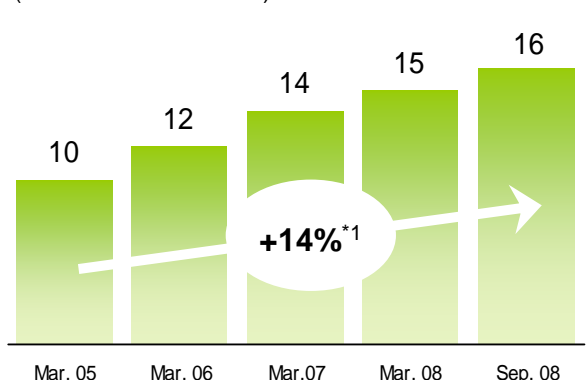
PC bank Web21 (number of contracts)

(thousands of contracts)



Global e-Trade service (number of contracts)

(thousands of contracts)

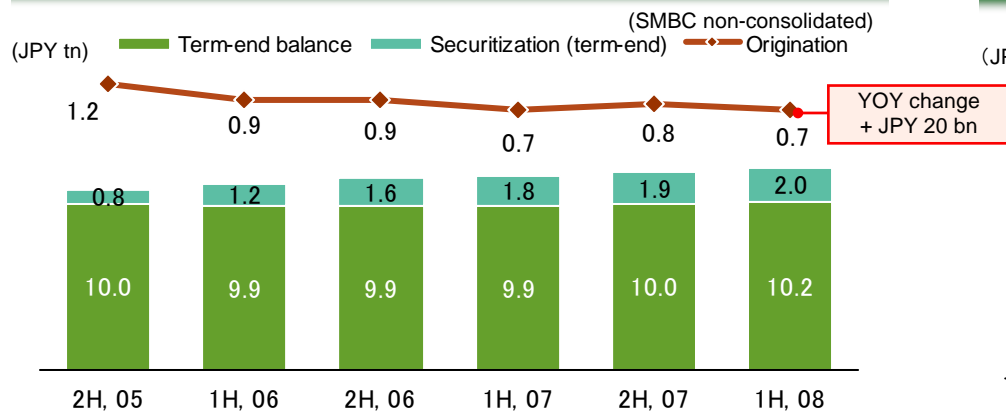


*1 Average compound annual growth rate. As for "Number of internet transactions," average compound annual growth rate until FY07.

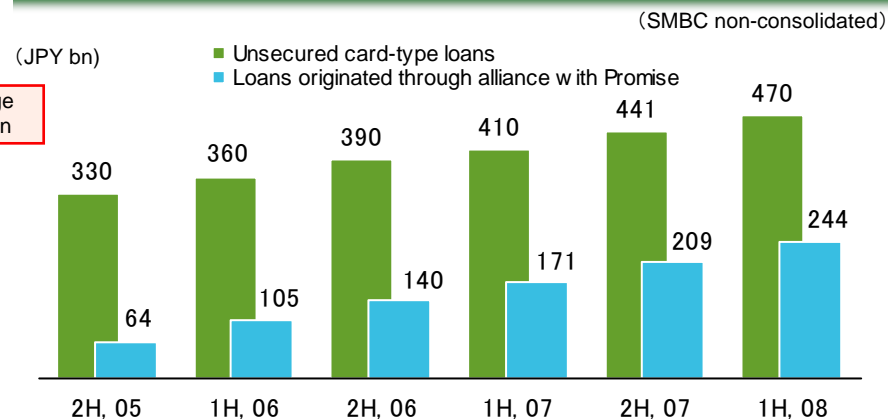
*2 Excluding foreign currency deposits. Figures are before adjustment on interoffice accounts in transit.

Appendix 5. Loans to Individuals

Housing Loans*1

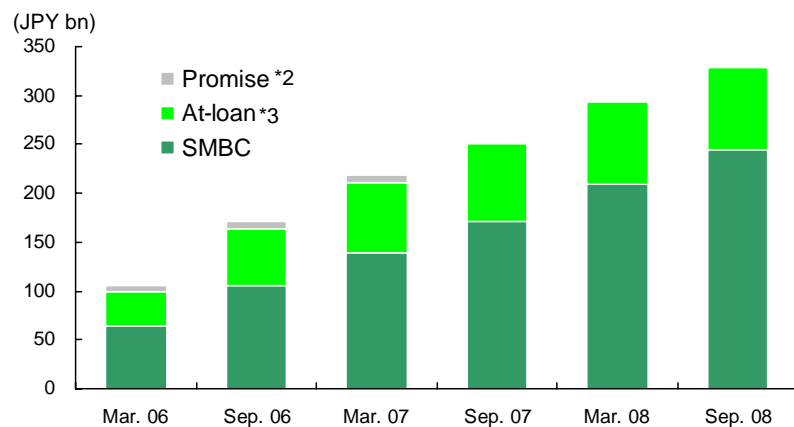


Balance of unsecured card-type loans (term-end balance)

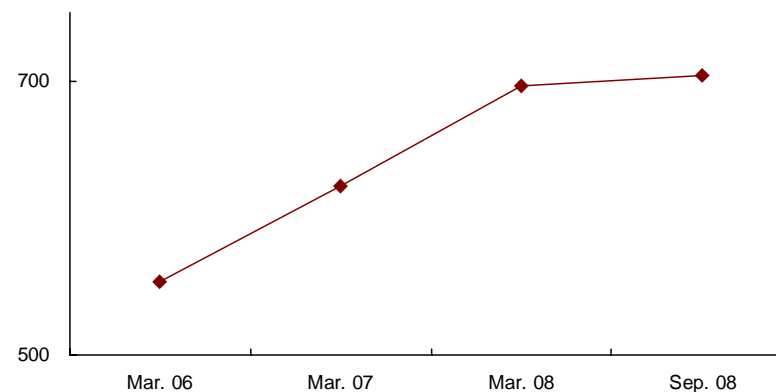


Collaborative business with Promise Since Apr. 05

Balance of loans



(Reference) Number of ACMs under alliance



● Steady increase in loan balance centered on SMBC

*1 Securitized approx. JPY 50 bn in 1H, FY08

*2 Stopped origination in Feb. 07

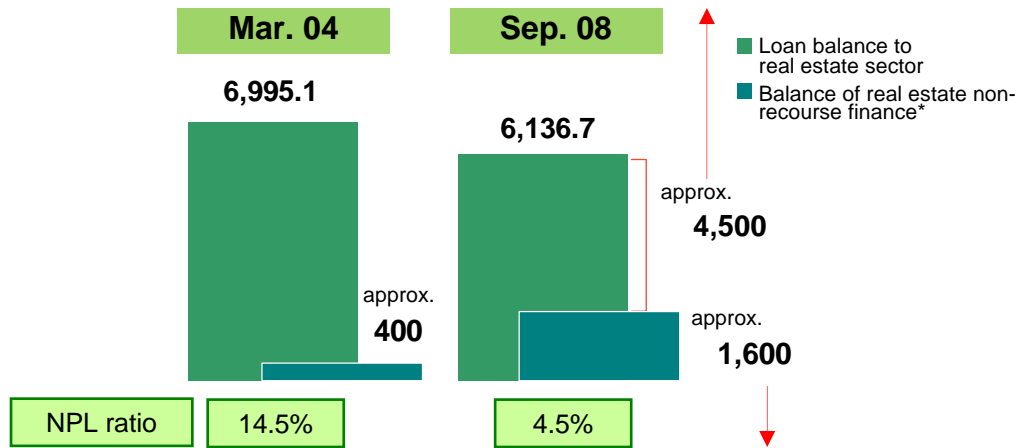
*3 Excluding loans which At-loan provided before collaboration

Appendix 6. Loans to Real Estate Sector, Unsecured Loans to SMEs

Loan balance to real estate sector (domestic)

(Domestic loan balance, JPY bn)

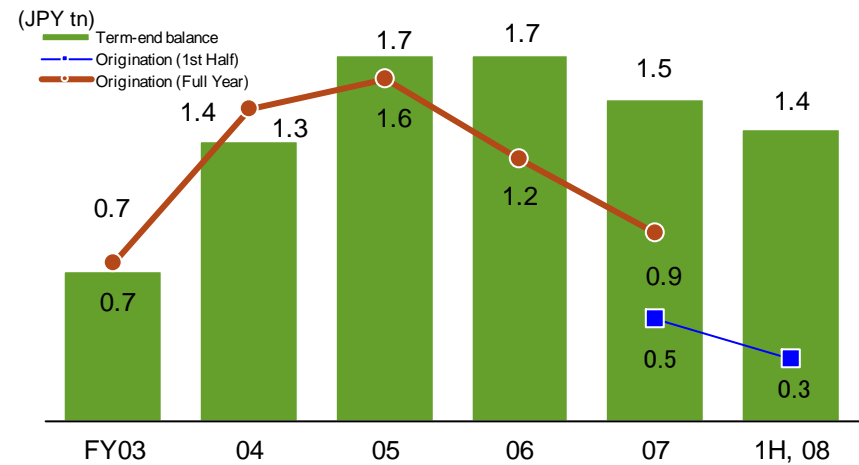
Portfolio diversified to three segments:
 - Real estate leasing companies (approx. 50%)
 - Large general real estate companies (approx. 20%)
 - Real estate developers (approx. 20%)



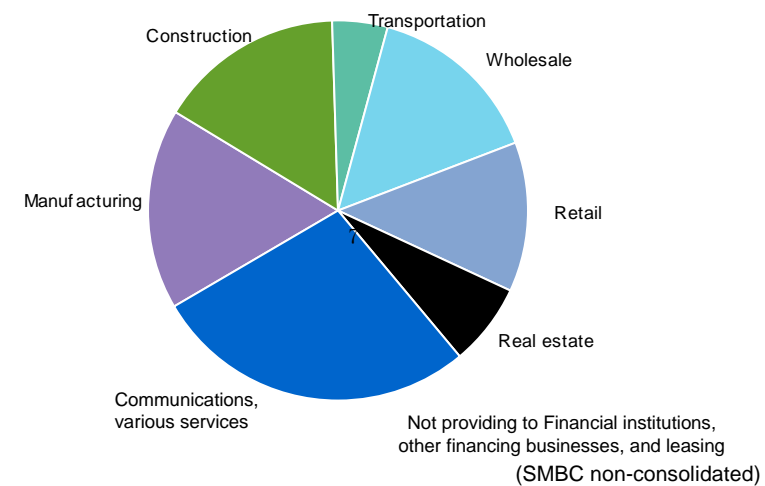
Above 80% classified to "Strong" and "Good" under Basel II slotting criteria

* Managerial accounting basis including corporate bonds

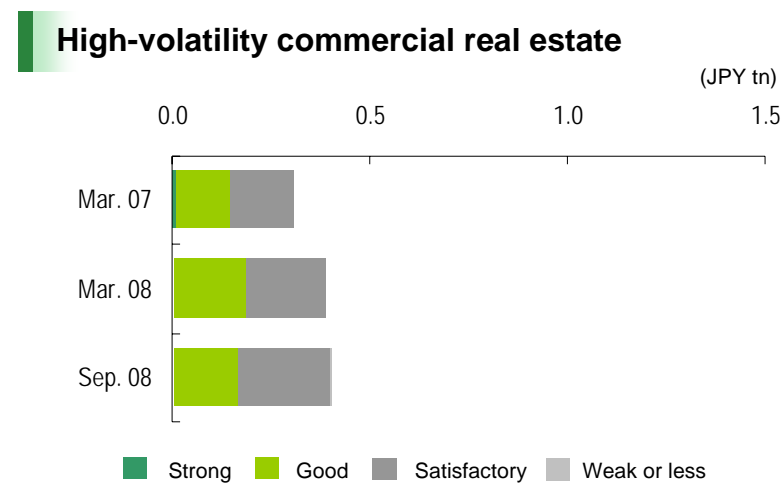
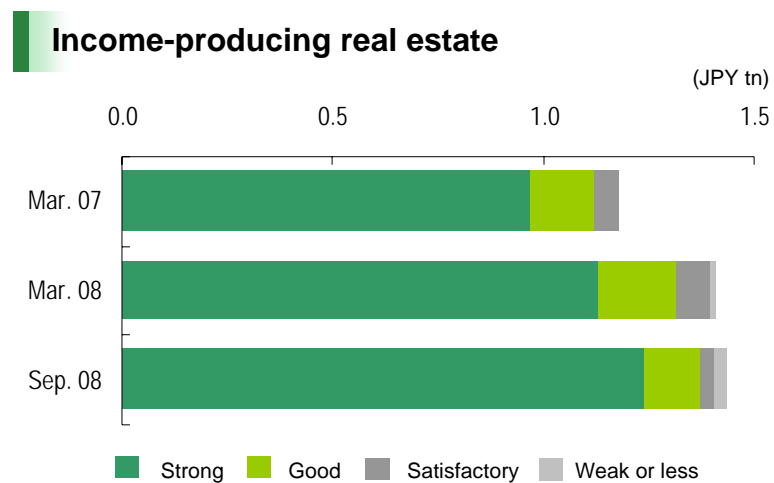
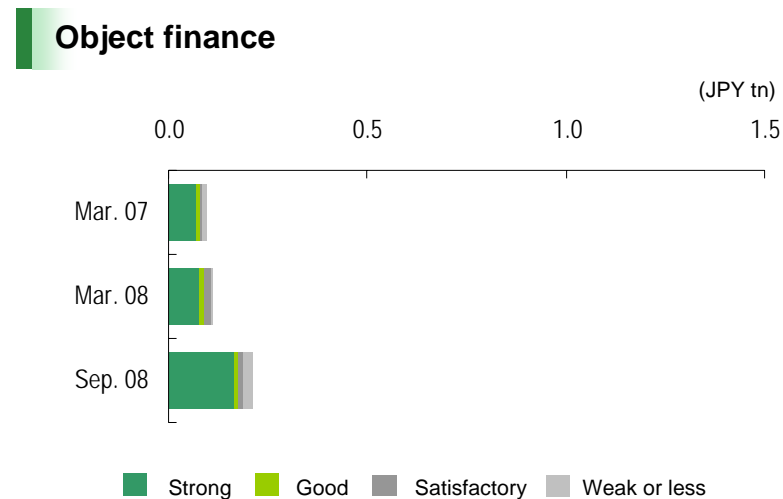
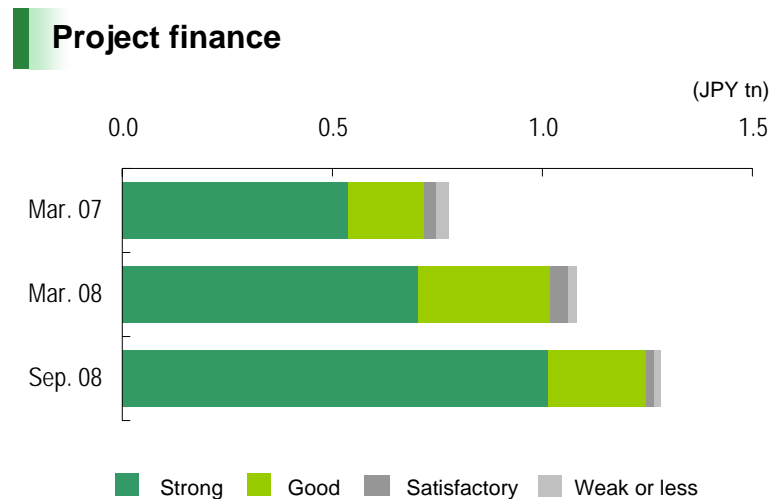
Unsecured loans to SMEs (Business Select Loan)



Industry mix of Business Select Loan (Sep. 08)

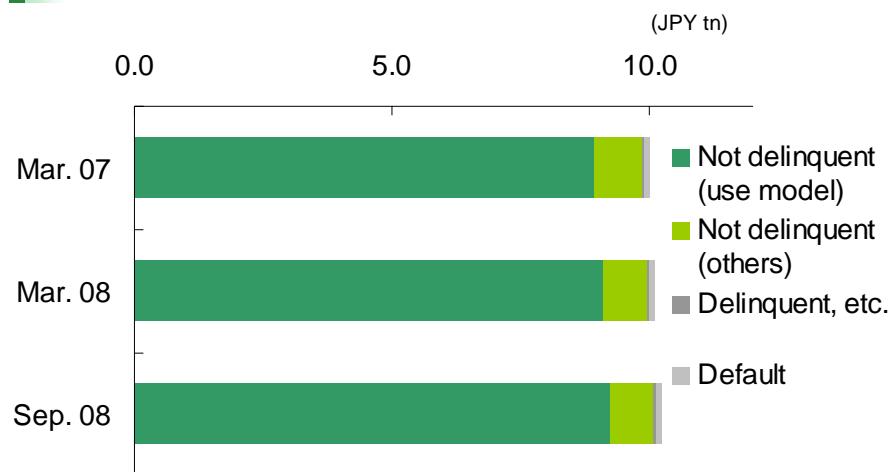


Appendix 7. Exposure to Special Lending (Basel II basis)

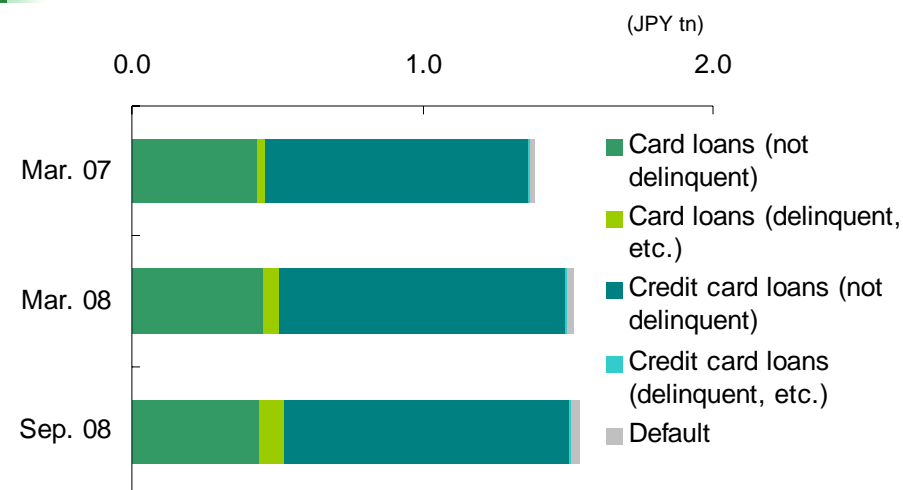


Appendix 8. Retail Exposures (Basel II basis)

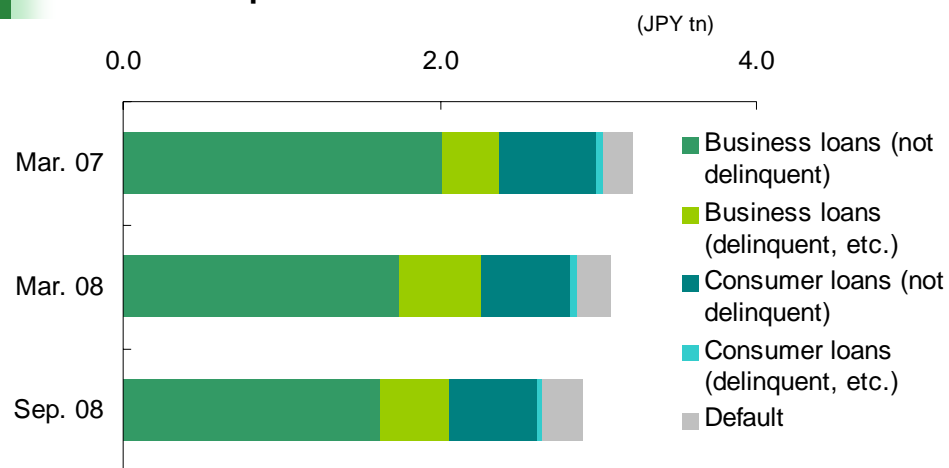
Residential mortgage exposures



Quantifying revolving retail exposures



Other retail exposures



* Source: Annual report and interim financial report of SMFG

Appendix 9. Contribution of Affiliates to 1H, FY08 Consolidated Profit

At subsidiary banks, credit costs increased as corporate clients' business performance has worsened mainly in real-estate sector.

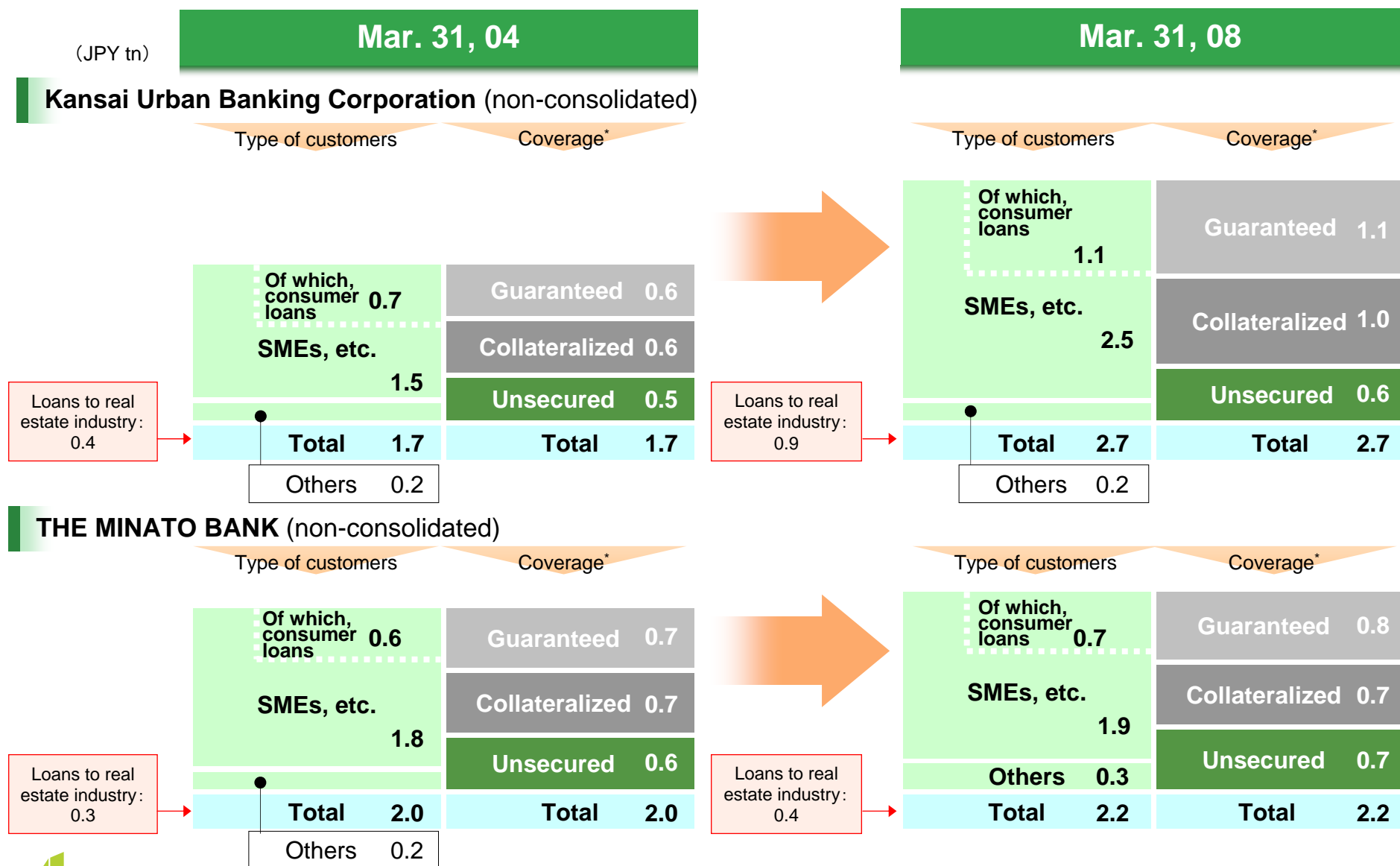
(JPY bn)	SMFG consolidated	SMBC non-consolidated	Difference
Consolidated gross profit / non-consolidated gross profit	1,068.1	735.1	333.0
Net interest income	678.5	512.9	165.6 (1)
Trust fees	1.3	1.2	0.1
Net fees and commissions	284.0	147.1	136.9 (2)
Net trading income	(0.3)	(14.7)	14.4
Net other operating income	104.7	88.5	16.2
General and Administrative expenses	(539.0)	(356.6)	(182.4) (3)
Total credit cost	(302.1)	(224.1)	(78.0) (4)
Equity in earning (loss) of affiliates	(6.1)	-	(6.1)
Ordinary profit	191.0	122.1	68.9
Extraordinary income (loss)	(0.4)	(1.2)	0.8
Net income	83.3	80.4	2.9
Consolidated/non-consolidated net business profit*	410.0	378.5	31.5

Major factors in difference

		(JPY bn)	1H, FY08	YOY change
(1)	Kansai Urban Banking Corporations		30	+1
	Sumitomo Mitsui Finance and Leasing*		29	+37
	MINATO BANK		23	0
	SMBC Europe		20	+4
(2)	Sumitomo Mitsui Card		72	+9
	SMBC Guarantee		17	(1)
	SMBC Friend Securities		14	(8)
(3)	Sumitomo Mitsui Card		(67)	(4)
	Sumitomo Mitsui Finance and Leasing		(22)	(7)
	SMBC Friend Securities		(21)	0
	Kansai Urban Banking Corporations		(18)	0
	MINATO BANK		(18)	(1)
	QUOQ (Newly consolidated)		(17)	(17)
(4)	MINATO BANK		(15)	(9)
	Kansai Urban Banking Corporations		(12)	(3)
	Sumitomo Mitsui Finance and Leasing		(10)	(7)
	Sumitomo Mitsui Card		(9)	0

Appendix 10. Loans of Subsidiary Banks, Classified by Coverage

Both banks have increased the size of loan portfolio with reasonable coverage. Expansion of unsecured loans is limited.





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.