



Bank of America Merrill Lynch Japan Conference 2010

Recent Major Questions from Investors

Teisuke KITAYAMA, President
Sumitomo Mitsui Financial Group, Inc.

September 8, 2010



- Q1. What is SMFG's view on macro-economic environment?**
- Q2. Why did SMFG not announce the revision of its earnings forecast, despite good performance in 1Q, FY3/11?**
- Q3. What is SMFG's growth strategy for overseas markets?**
- Q4. How about Nikko's recent results and its strategy going forward?**
- Q5. What is SMFG's strategy in consumer finance business?**
- Q6. What is SMFG's capital policy and its response to liquidity regulations?**

Q1. What is SMFG's view on macro-economic environment?

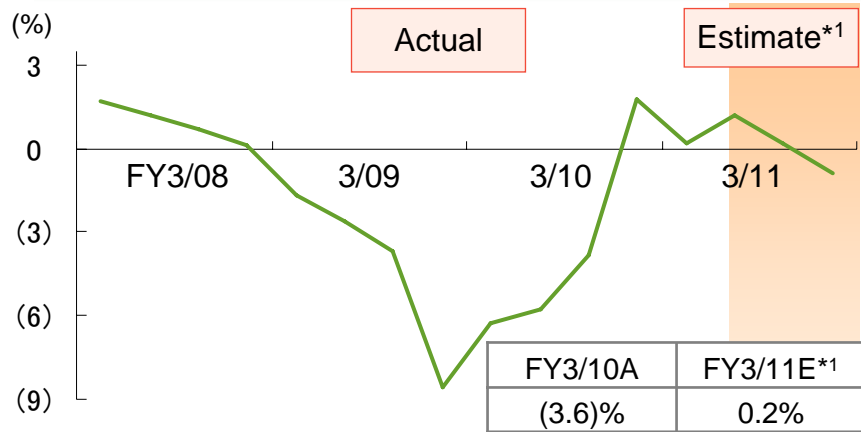
- A1.
- The Japanese economy appears to be slowing down with exports slowing and domestic demand still weak.
 - However, nominal GDP growth rate in FY3/11 is estimated not to deviate significantly from around zero percent, which is one of the key assumptions of our earnings forecast.
 - The BOJ has eased its monetary policy, and domestic interest rates will test the bottom. In the US, interest rates is estimated to continue to decline due to concerns over US economic outlook and the expected additional monetary easing by the Fed.

1-1. Trends of Economy

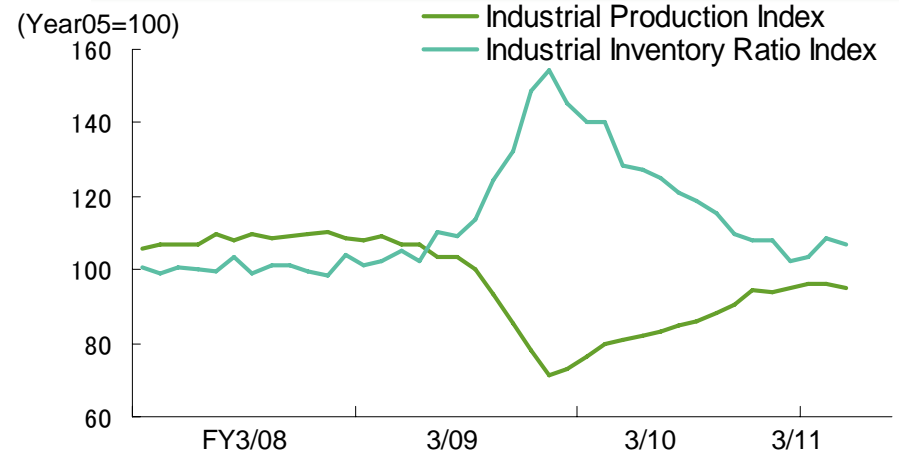
Japanese economy appears to be slowing down, due mainly to faltering external demand – exports to Asia have leveled off – and fragile domestic demand under the penetration of government’s stimulus package.

However, nominal GDP growth rate in FY3/11 is not estimated to deviate significantly from around zero percent, which is one of the key assumptions of our earnings forecast

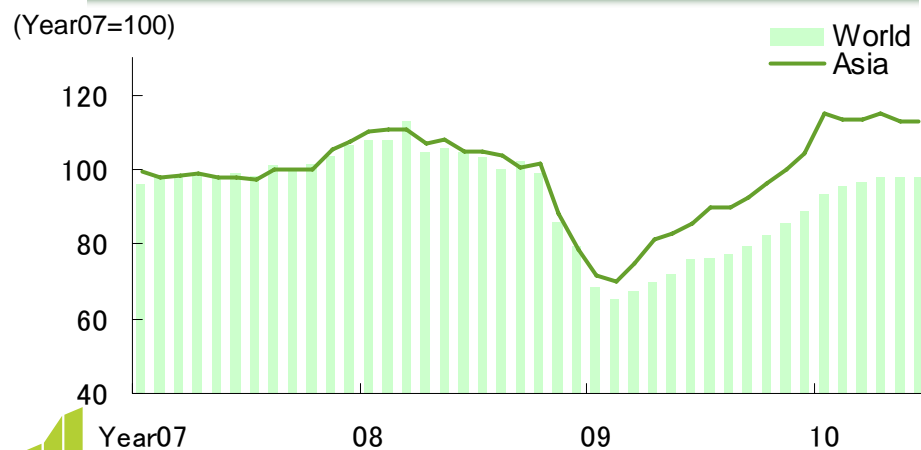
Nominal GDP growth rate



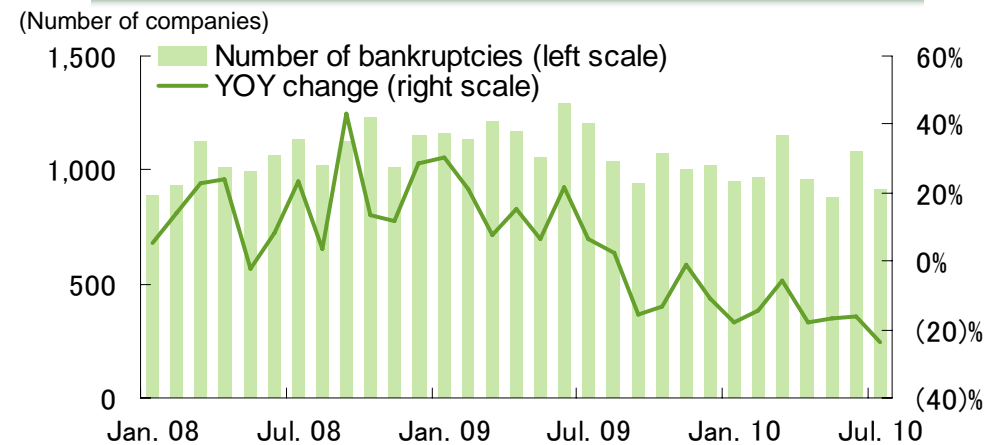
Indices of industrial production*3



Japan’s real export <seasonally adjusted>*2



Trends of corporate bankruptcies in Japan*4



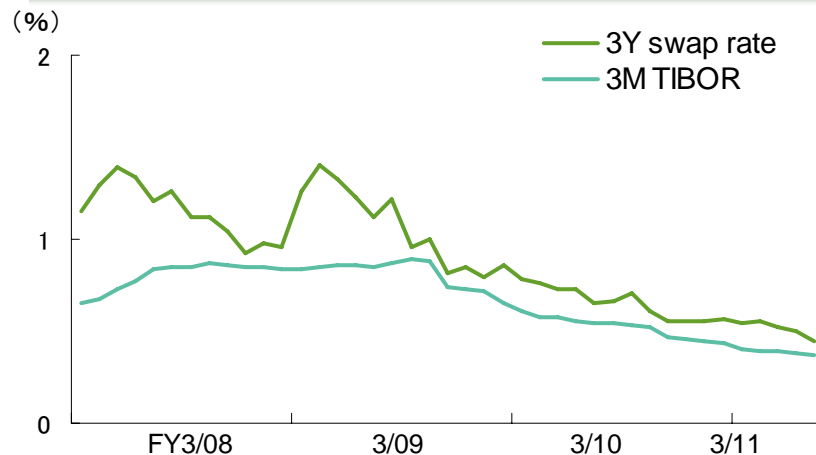
*1 Estimate by JRI as of Aug. 16, 10 *2 Source: JRI “Monthly Report of Prospects for Japan’s Economy”
 *3 Source: METI “Indices of Industrial Production” *4 Source: Teikoku Databank “Japan Corporate Bankruptcy Report”

1-2. Trends of Financial Market

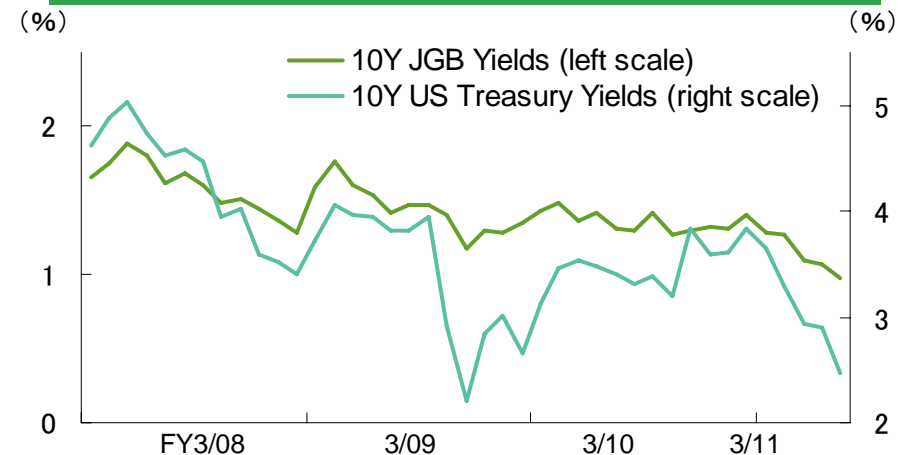
With the BOJ easing its monetary policy, domestic interest rates are estimated to test the bottom.

In the US, interest rates is estimated to continue to decline, due to concerns over US economic outlook and the expected additional monetary easing by the Fed

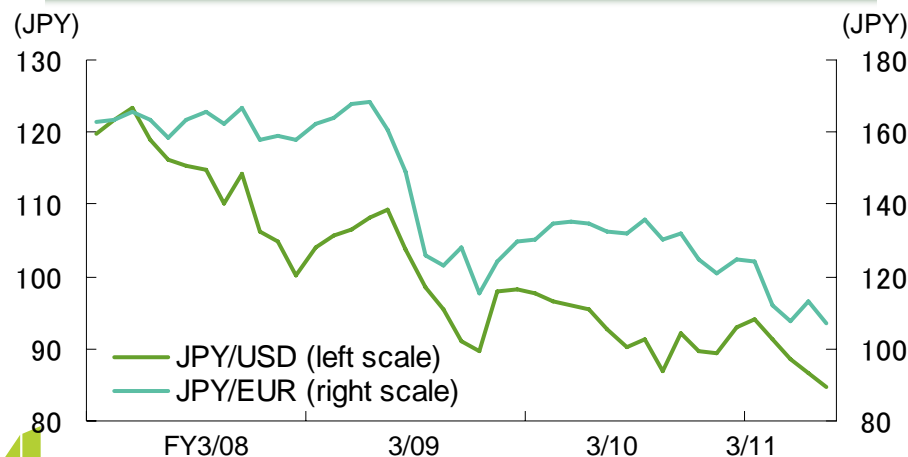
Trends of JPY interest rates (month-end)



Trends of long-term interest rates (month-end)



Exchange Rate (month-end)



Nikkei Stock Average (month-end)



Q2. Why did SMFG not announce the revision of its earnings forecast, despite good performance in 1Q, FY3/11?

- A2.**
- SMFG's consolidated net income in 1Q, FY3/11 already exceeded the 1H forecast. The good result was due to a) SMBC's Marketing Units' performance in line with our business plan, b) SMBC's Gains on bonds responding to lowering interest rates, c) control of credit costs and d) group companies' contribution.
 - SMFG did not revise the 1H and full-year earnings forecasts for FY3/11; however, there is no material negative event additionally forecasted at this point.

2-1. Summary of 1Q, FY3/11 Results

SMBC's non-consolidated Banking profit increased by JPY 24.5 billion year over year, due mainly to an increase in Gains on bonds principally due to ALM operations that quickly responded to fluctuations in market interest rates. A decrease in Total credit cost and profit by Nikko Cordial Securities also contributed to the increase in SMFG's consolidated Net income, which increased by JPY 139.0 billion year over year to JPY 211.8 billion

		1Q, FY3/11 Results	YOY change	1H, FY3/11 Forecast	FY3/11 Forecast
		(JPY bn)			
SMBC <non-consolidated>	Gross banking profit	395.1	+ 24.1	720	1,470
	Expenses	(175.2)	+ 0.4	(350)	(710)
	OHR	44.3%	(3.0)%	48.6%	48.3%
	Banking profit*1	219.9	+ 24.5	370	760
	Total credit cost*2	(10.8)	+ 58.5	(110)	(220)
	Ordinary profit	198.0	+ 88.7	220	480
	Net income	175.8	+ 67.8	150	330
SMFG <consolidated>	Ordinary profit	273.2	+ 158.0	330	690
	Net income	211.8	+ 139.0	160	340
	Net income ROE*3	18.0%	+ 8.4%		

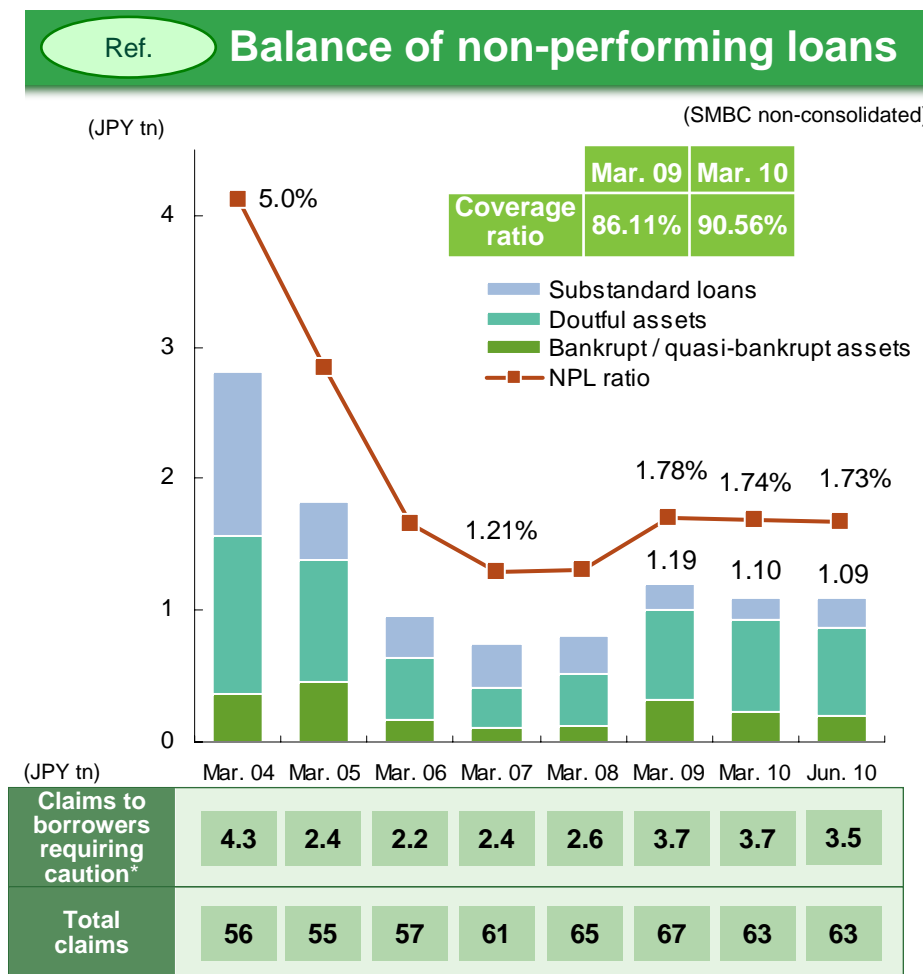
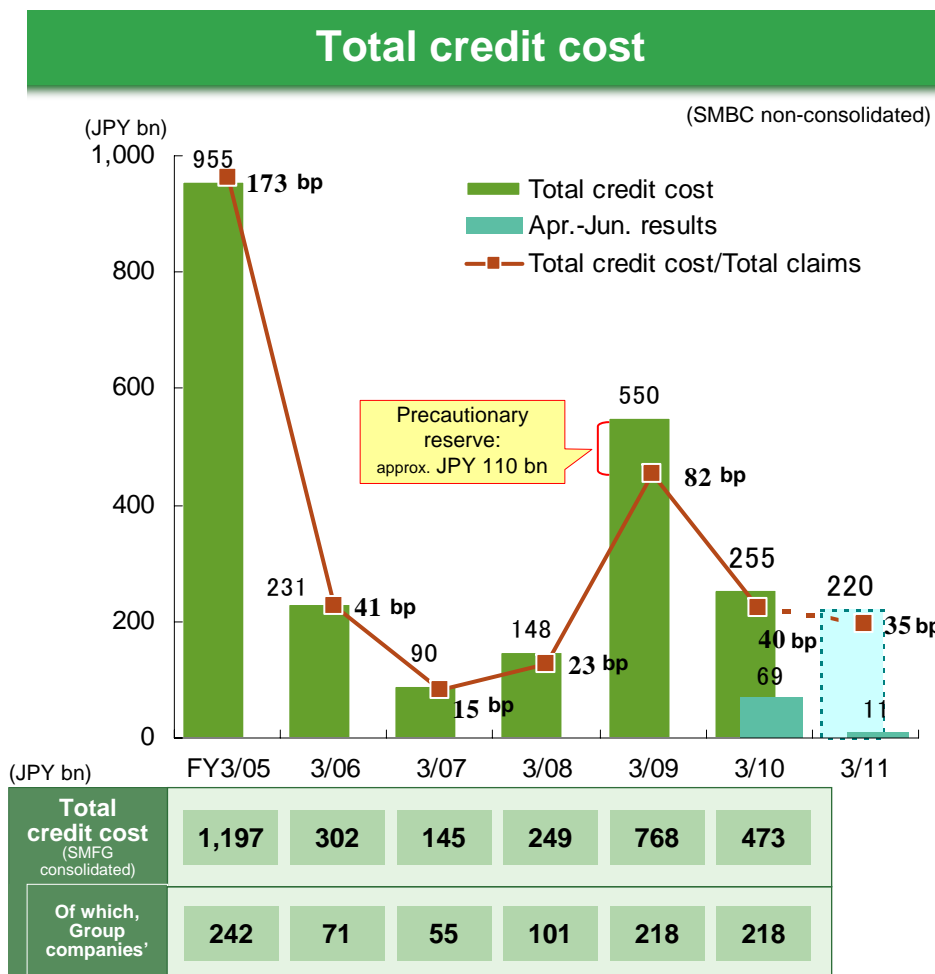
- ✓ Increase in Gains on bonds led by ALM operations that quickly responded to fluctuation in market interest rates
- ✓ Marketing Units' Banking profit was fairly in line with the business plan

- ✓ Detailed responses to our clients
- ✓ Reversal of provision for reserve for possible loan losses led mainly by collections
- ✓ Decrease of credit costs for foreign-currency-denominated claims attributable to yen appreciation etc.

- ✓ Contribution of Nikko Cordial Securities
- ✓ Improved results of Cedyne
- ✓ Decrease of credit costs in certain foreign subsidiaries, etc.

2-2. Total Credit Cost

SMBC's non-consolidated total credit cost in 1Q, FY3/11 was JPY 10.8 billion, 5% of the full-year forecast due mainly to detailed responses to our clients



(JPY bn) * Excluding claims to Substandard borrowers

Impact from revising for classification of Restructured loans	Decrease in non-performing loans	approx. 170	approx. 160
	Decrease in provisions associated with the above	approx. 30	approx. 20

2-3. Bond Portfolio

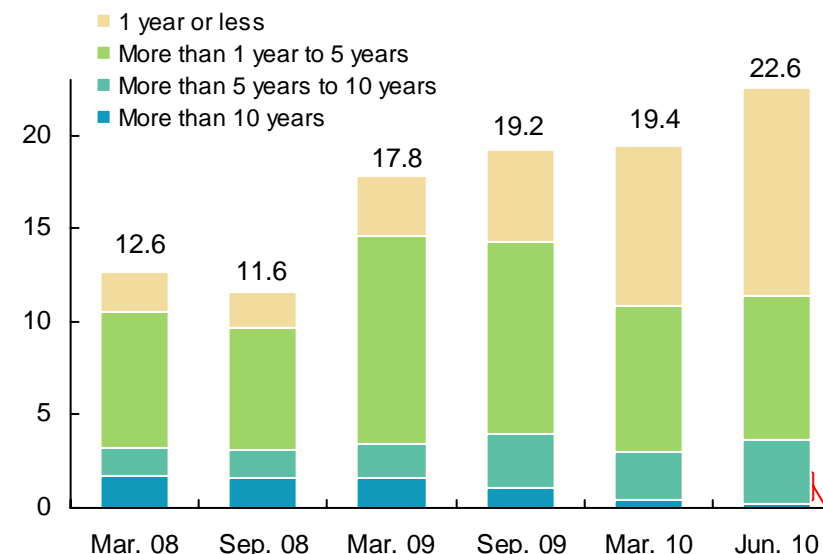
In 1Q FY3/11, SMBC's gains on bonds increased by JPY 34.7 billion year over year, to JPY 75.2 billion, mainly due to ALM operations that quickly responded to lowering interest rates mainly in Europe and US. As of June 30, 2010, Unrealized gains on bonds was JPY 118.1 billion

Gains (losses) on bonds

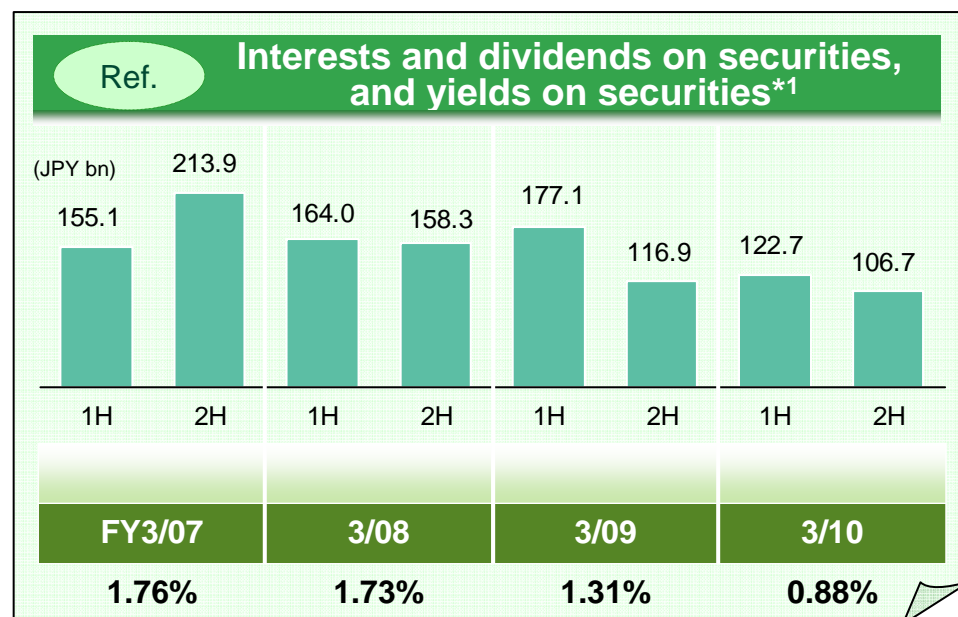
(JPY bn)	1Q, FY3/10 results	FY3/10	1Q, FY3/11 results	YOY change
Gains (losses) on bonds	40.5	37.3	75.2	+ 34.7

Yen-denominated bond portfolio

Balance (JPY tn) (Total balance of bonds with maturities among Other securities and bonds classified as Held-to-maturity)



15-year floating-rate JGBs: approx. JPY 1.8 tn



Average duration (Years)*2	2.3	1.7	1.8	1.7	1.1	1.5
Unrealized gains / losses (JPY bn)	(129.5)	(56.5)	(1.2)	55.6	116.1	118.1

15-year floating-rate JGBs have been carried at their reasonably estimated amounts from Sep. 30, 08

*1 Including dividend on stocks

*2 Excluding bonds classified as held to maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is calculated zero

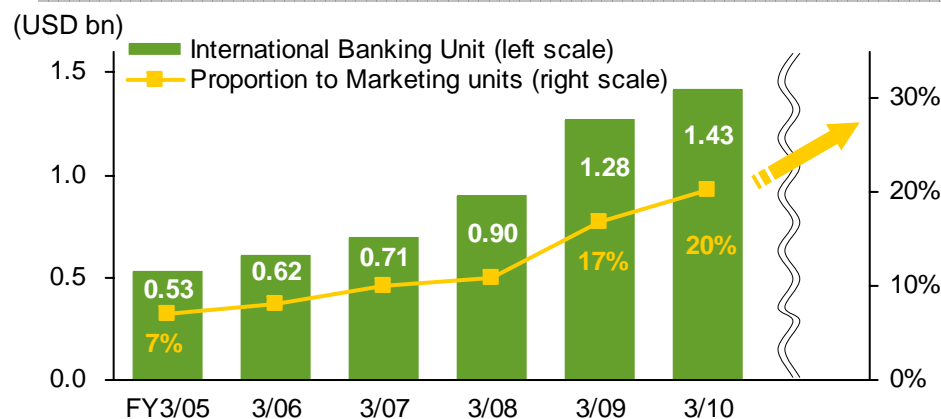
Q3. What is SMFG's growth strategy for overseas markets?

- A3.**
- **International Banking Unit accounted for 20% of SMBC's Banking profit from Marketing units in FY3/10.**
 - **We aim to increase its portion steadily over the medium to long term by allocating resources in overseas, such as in Asia with high growth.**
 - **Our loan balance in Asia is growing steadily, and we aim to capture business opportunities by establishing business relationships with our clients by offering products with competitive edge; e.g. cash management services, project finance and loan syndication.**

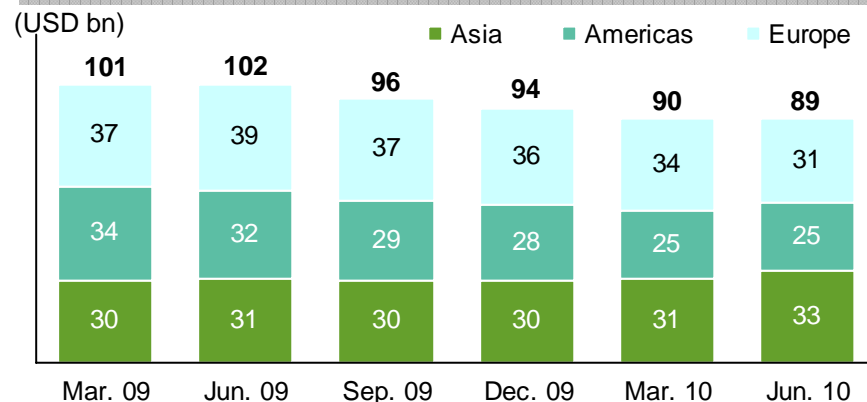
3-1. Overseas Business

We aim to increase International Banking Unit's portion of Banking profit from Marketing units, which was 20% in FY3/10, in the medium to long term, by allocating more resources into overseas, especially in Asia where high growth is expected. In 1Q, FY3/11, we increased our loan balance in Asia, reflecting the region's healthy borrowing appetite

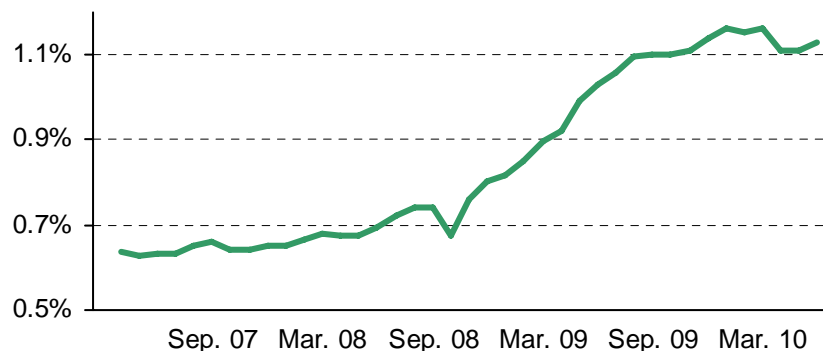
Trends of Banking profit in International Banking Unit*1



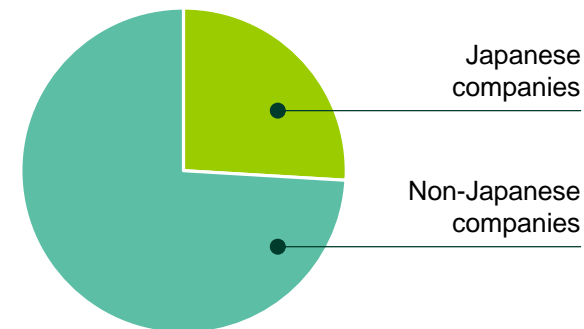
Trends of overseas loans (balance)*3



Spread of overseas loans (average on contracted loans outstanding)*2



Breakdown of overseas loans by Japanese/ non-Japanese companies (Jun. 10) *3

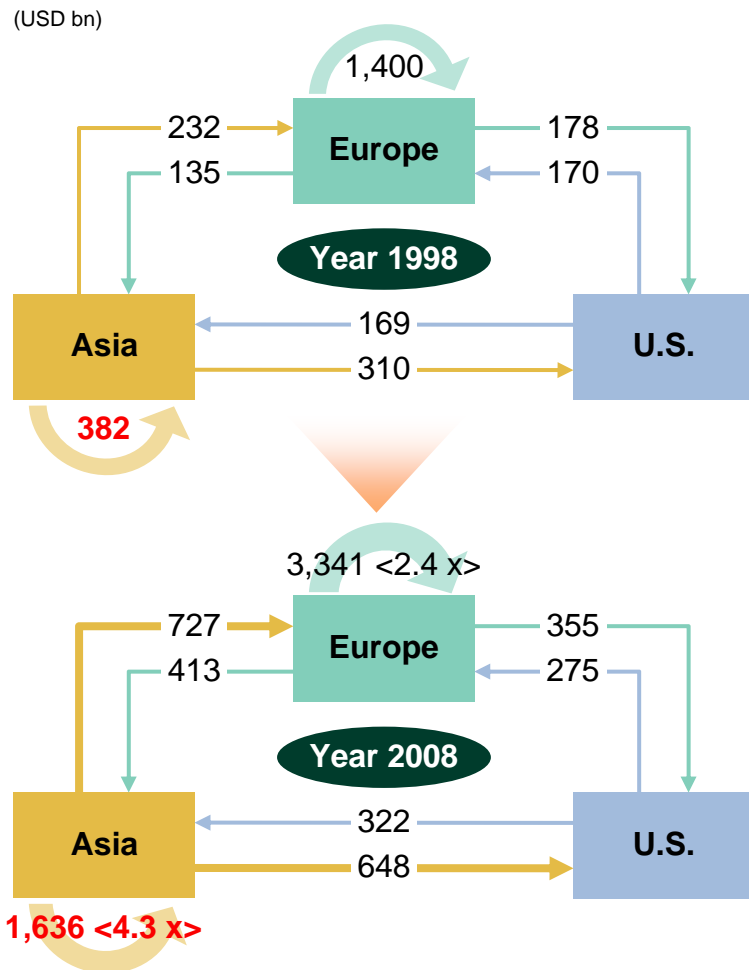


*1 Sum of SMBC and its overseas subsidiaries (exchanged to USD at respective term-end JPY/USD rate). Managerial accounting basis
 *2 Sum of SMBC, SMBC Europe and SMBC (China). Managerial accounting basis
 *3 Sum of SMBC, SMBC Europe and SMBC (China). Managerial accounting basis (JPY based loan balance is exchanged to USD at respective term-end JPY/USD rate)

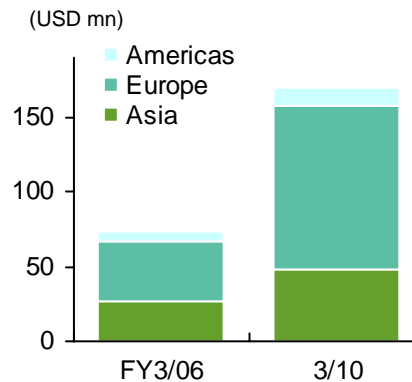
3-2. Our Approaches in Asia (1)

We also aim to grow our trade finance and settlement services by capturing the dynamic changes in flow of goods and capital in Asia

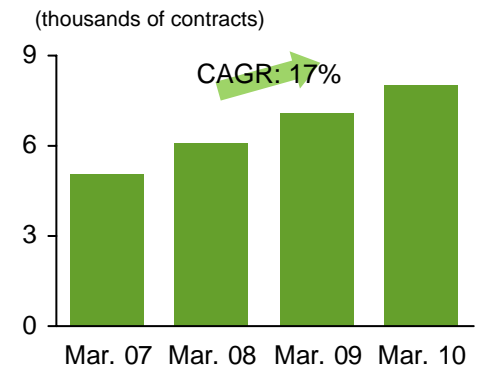
Trade between/among each areas*1



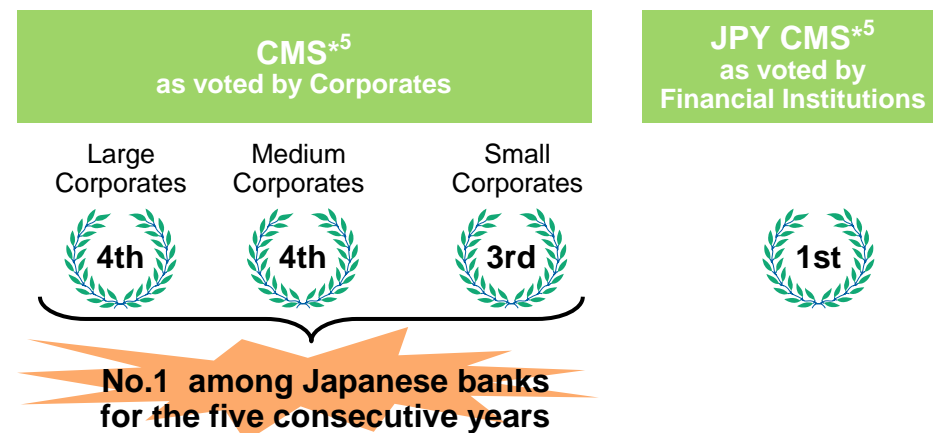
Income from trade finance*2



of overseas electronic banking contracts*3



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



*1 Source: Research Institute of Economy, Trade & Industry, "RIETI-TID2009". < >: comparison with trade volume in 1998

*2 Managerial accounting basis (exchanged to USD at respective term-end JPY/USD rate). Sum of SMBC and its overseas subsidiaries. Before adjustment of double counting

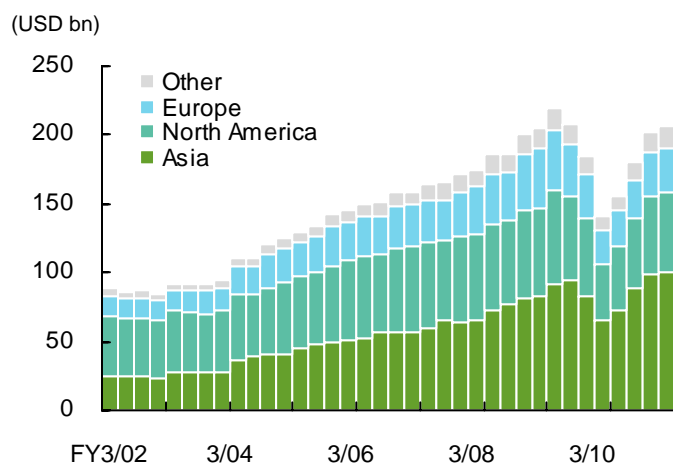
*3 Sum of all electronic banking services from overseas branches (SMBC non-consolidated basis)

*4 Source: "ASIAMONEY": "Cash Management Poll 2010" (Aug. 10) *5 "CMS" stands for "Cash Management Services"

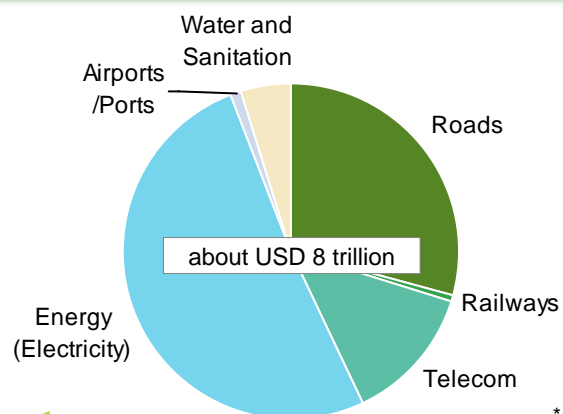
3-3. Our Approaches in Asia (2)

We have been increasing our loans in Asia by capturing opportunities presented by the growing sales of overseas subsidiaries of Japanese companies and increasing infrastructure investments

Sales of overseas subsidiaries of Japanese companies*1



Asia's infrastructure investment needs (2010-20)*2



Project finance mandated lead arranger ranking*3

Jan.-Jun. 2010, Asia Pacific

		(USD mn)
	Financial institutions	Volume
1	ANZ Banking Group	659
2	Societe Generale	652
3	BNP Paribas	627
4	SMFG	608
5	MUFG	510
6	Intesa Sanpaolo	455
7	Credit Agricole Group	454
8	Mizuho Financial Group	449
9	Commonwealth Bank of Australia	436
10	National Australia Bank	374

Syndicated loans mandated arranger ranking*4

Jan.-Jun. 2010, Asia

		(USD mn)
	Financial institutions	Volume
1	HSBC	4,695
2	Standard Chartered Bank	3,826
3	Bank of China	3,195
4	DBS Bank	3,165
5	SMFG	3,082
6	MUFG	2,696
7	BNP Paribas	2,641
8	ANZ Banking Group	2,519
9	Credit Agricole Group	2,436
10	State Bank of India	2,007

*1 Source: Ministry of Economy, Trade and Industry "Quarterly Survey of Overseas Subsidiaries."

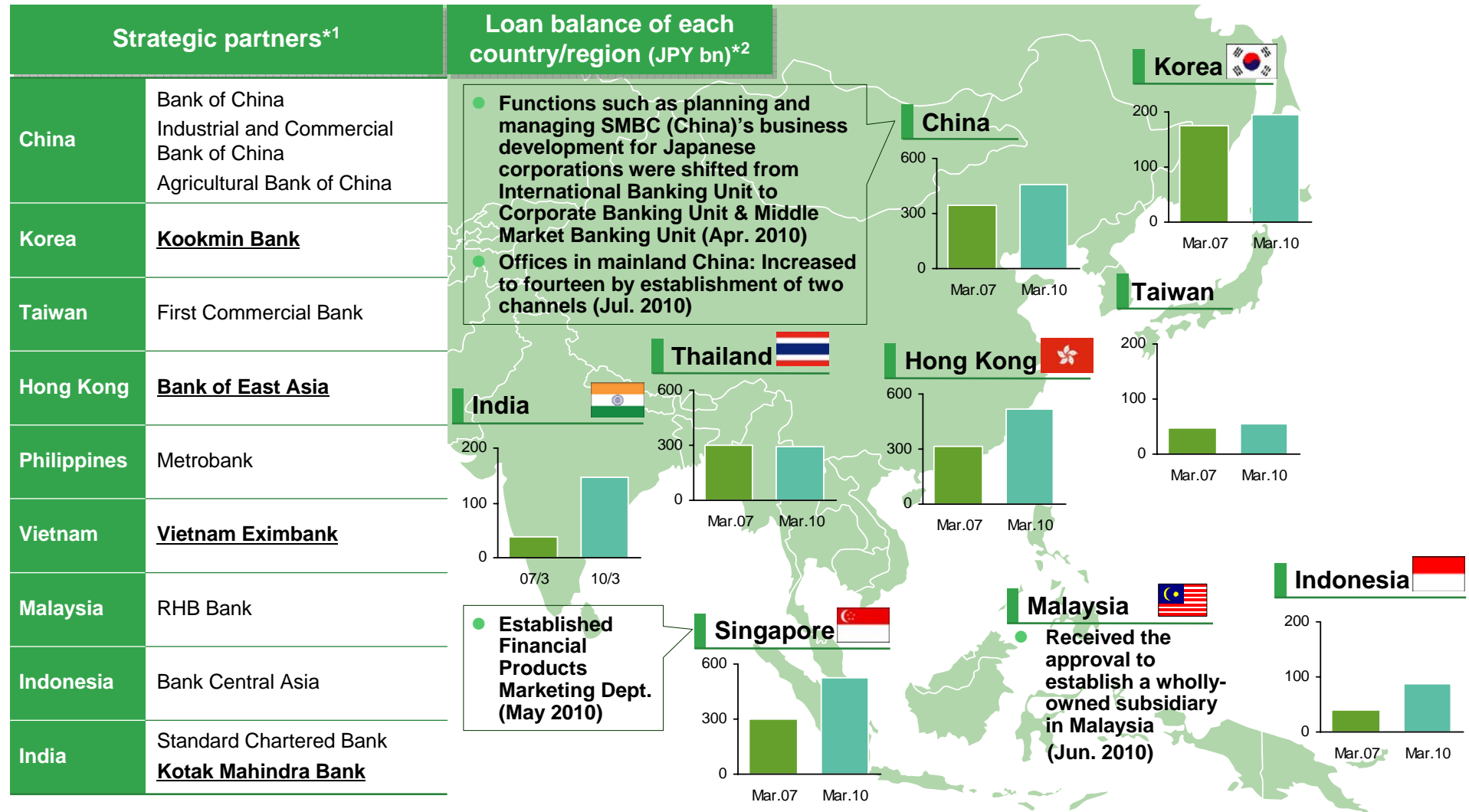
Asia: Composed of China (including Hong Kong), Indonesia, Thailand, Philippines, Malaysia, Singapore, Taiwan, South Korea, India, Vietnam, Sri Lanka, Pakistan, Bangladesh, Myanmar and Laos

*2 Source: Joint study of ADB and ADBI, "Infrastructure of a seamless Asia"

*3 Source: Infrastructure Journal. Asia Pacific region includes Australia *4 Source: Basis point. Asia region excludes Australia and Japan

3-4. Business Expansions in Asia

We are expanding our business in Asia by leveraging our globally competitive products and building business alliances with leading financial institutions in each country or region



*1 Boldfaced and underlined banks represents ones with SMBC's investment

*2 Bar charts represent loan balance (aggregation by country/region based on domicile of borrowers (not by channels)). Figures of China includes those of SMBC (China) Limited. Loan balances as of Mar. 31, 07, using the exchange rate as of Mar. 31, 10

Q4. How about Nikko's recent results and its growth strategy?

- A4.
- Nikko Cordial Securities achieved the highest Ordinary profit among its peers in 1Q, FY3/11, due mainly to synergies with SMBC and good performance in investment trust sales. It also captured top-class share in bonds underwriting with enhanced bond trading capability.
 - Nikko is enhancing its wholesale business to achieve its medium-term management plan by establishing overseas channels and strengthening equity trading and risk management, while promoting collaboration with SMBC.
 - SMFG, as a group, aims for enhancement of our enterprise value by establishing a new client-centric business model; combining commercial banking and securities services.

4-1. Recent results on Nikko Cordial Securities

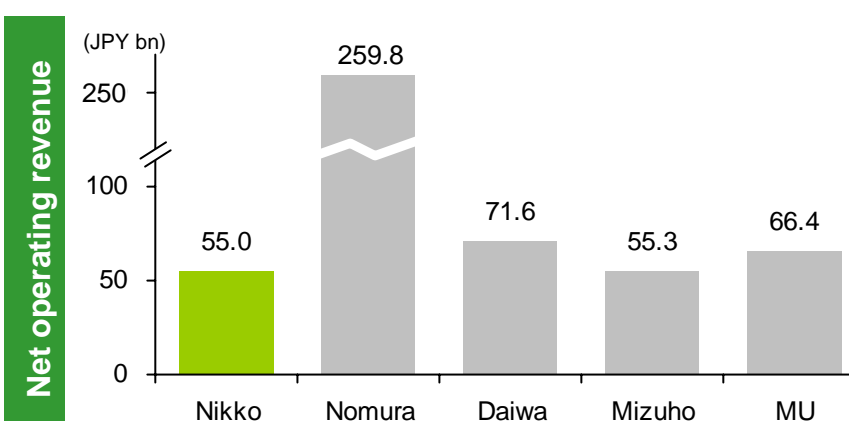
Collaboration between SMBC and Nikko Cordial Securities is progressing.

In 1Q, FY3/11, Nikko achieved the highest Ordinary profit among its peers, due mainly to good performance in investment trust sales, in addition to synergies with SMBC

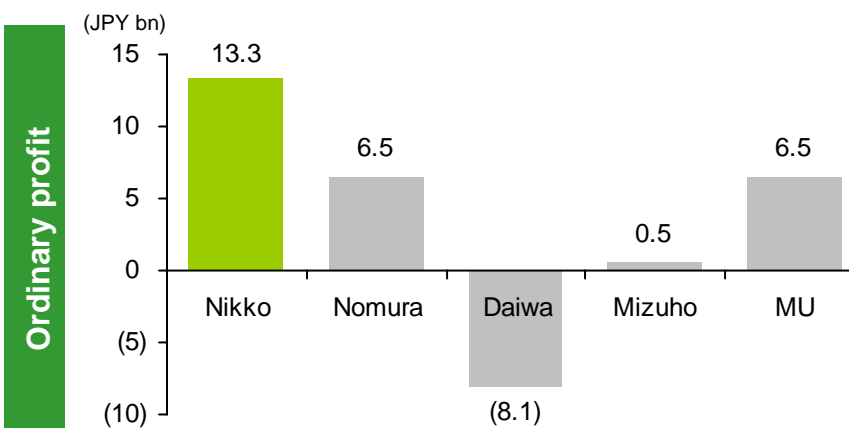
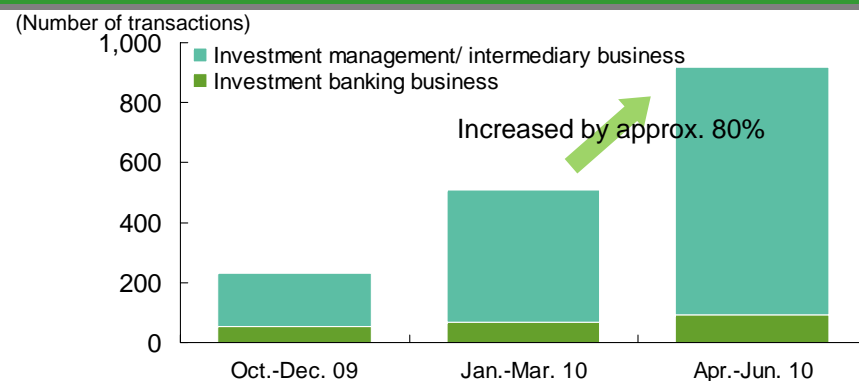
Financial results (non-consolidated)

(JPY bn)	1Q FY3/11 results	YOY change*1	2H FY3/10 results*2	FY3/10 results*3	Targets in FY3/13
Net operating revenue	55.0	+ 13.1	100.5	184.9	*4 300
SG&A expenses	(40.5)	(8.9)	(76.9)	(140.4)	—
Ordinary profit	13.3	+ 2.3	24.1	45.3	100
Net income	10.2	+ 1.9	26.7	58.3	—

Comparison with peers (in 1Q FY3/11) *5



Number of collaborative transactions with SMBC



*1 Comparison with results for 1Q, FY3/10 of former Nikko Cordial Securities before the corporate de-merger

*2 Figures of Nikko Cordial Securities after becoming a SMBC's wholly-owned subsidiary

*3 Sum of financial information of Nikko Cordial Securities before and after succession through the corporate demerger

*4 JPY 200 billion for retail business and JPY 100 billion for wholesale business

*5 Based on each company's disclosure. The figures shown in the graph are: consolidated figures (US GAAP, comparison with Net revenue and Income before income taxes) of Nomura Holdings for Nomura, consolidated figures of Daiwa Securities Group for Daiwa, consolidated figures of Mizuho Securities for Mizuho, and consolidated figures of Mitsubishi UFJ Securities Holdings for MU

4-2. Progress of Nikko's Medium-Term Management Plan

In retail business, it started a securities intermediary business for individuals and a joint private banking operation with SMBC and Barclays in 1Q, FY3/11. In wholesale business, it captured a 16% market share in bonds underwriting by enhancing collaboration with SMBC and bond trading capability. It also is establishing overseas channels and equity trading function

	Main measures of the medium-term management plan	Progress												
Retail business	<ul style="list-style-type: none"> Enhance business targeting wealthy individuals Cooperate with SMBC Cooperate with Wholesale arm <ul style="list-style-type: none"> Enhancing efforts for primary deals 	<ul style="list-style-type: none"> Started securities intermediary business for individuals (Apr. 10) Started joint private banking operation (Jun. 10) Integrate SMBC Friend's collaborative business with SMBC into Nikko Cordial (by around Jan. 31, 11) <table border="1"> <thead> <tr> <th></th> <th>Sep. 09</th> <th>Dec. 09</th> <th>Mar. 10</th> <th>Jun. 10</th> </tr> </thead> <tbody> <tr> <td>Client assets (JPY tn)</td> <td>25.9</td> <td>26.6</td> <td>28.1</td> <td>28.1</td> </tr> </tbody> </table>		Sep. 09	Dec. 09	Mar. 10	Jun. 10	Client assets (JPY tn)	25.9	26.6	28.1	28.1		
	Sep. 09	Dec. 09	Mar. 10	Jun. 10										
Client assets (JPY tn)	25.9	26.6	28.1	28.1										
Wholesale business	<ul style="list-style-type: none"> Reinforce front-line organization Strengthen sales & trading, overseas platform, and collaboration with SMBC (referral service of underwriting, M&A and investment management, etc.) League table (targets in FY3/13) <ul style="list-style-type: none"> Underwriting of industrial bonds: 1st Underwriting of equities: Within 3rd 	<ul style="list-style-type: none"> League table (1Q, FY3/11) <table border="1"> <thead> <tr> <th></th> <th>Rank</th> <th>Market share</th> <th>Proceeds</th> </tr> </thead> <tbody> <tr> <td>Bonds underwriting*1</td> <td>3rd</td> <td>16.0%</td> <td>JPY 434.6 bn</td> </tr> <tr> <td>Equities underwriting*2</td> <td>4th</td> <td>10.5%</td> <td>JPY 50.1 bn</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Bond trading: Named as a primary dealer of JGB (Apr. 10) Equity trading: Commenced operations of equity trading system for institutional investors (Aug. 10) Overseas operation (plan): Start securities business through subsidiary in LDN, NY and HK within FY3/11 		Rank	Market share	Proceeds	Bonds underwriting*1	3 rd	16.0%	JPY 434.6 bn	Equities underwriting*2	4 th	10.5%	JPY 50.1 bn
	Rank	Market share	Proceeds											
Bonds underwriting*1	3 rd	16.0%	JPY 434.6 bn											
Equities underwriting*2	4 th	10.5%	JPY 50.1 bn											
Personnel and Middle/ back offices	<ul style="list-style-type: none"> Active employment/ personnel development <ul style="list-style-type: none"> Increase # of employees by approx. 1,000 Increase in system investment Maintain low-cost operations based on IT, etc. 	<ul style="list-style-type: none"> Established Equity Research (Aug. 10) Active employment <table border="1"> <thead> <tr> <th></th> <th>Sep. 09</th> <th>Dec. 09</th> <th>Mar. 10</th> <th>Jun. 10</th> </tr> </thead> <tbody> <tr> <td>Number of employees</td> <td>6,090</td> <td>6,479</td> <td>6,533</td> <td>6,831</td> </tr> </tbody> </table>		Sep. 09	Dec. 09	Mar. 10	Jun. 10	Number of employees	6,090	6,479	6,533	6,831		
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Number of employees	6,090	6,479	6,533	6,831										

*1 Source: Thomson Reuters (Japanese Corporate Debt) *2 Source: Thomson Reuters (Japan Equity & Equity-Related, Volume)

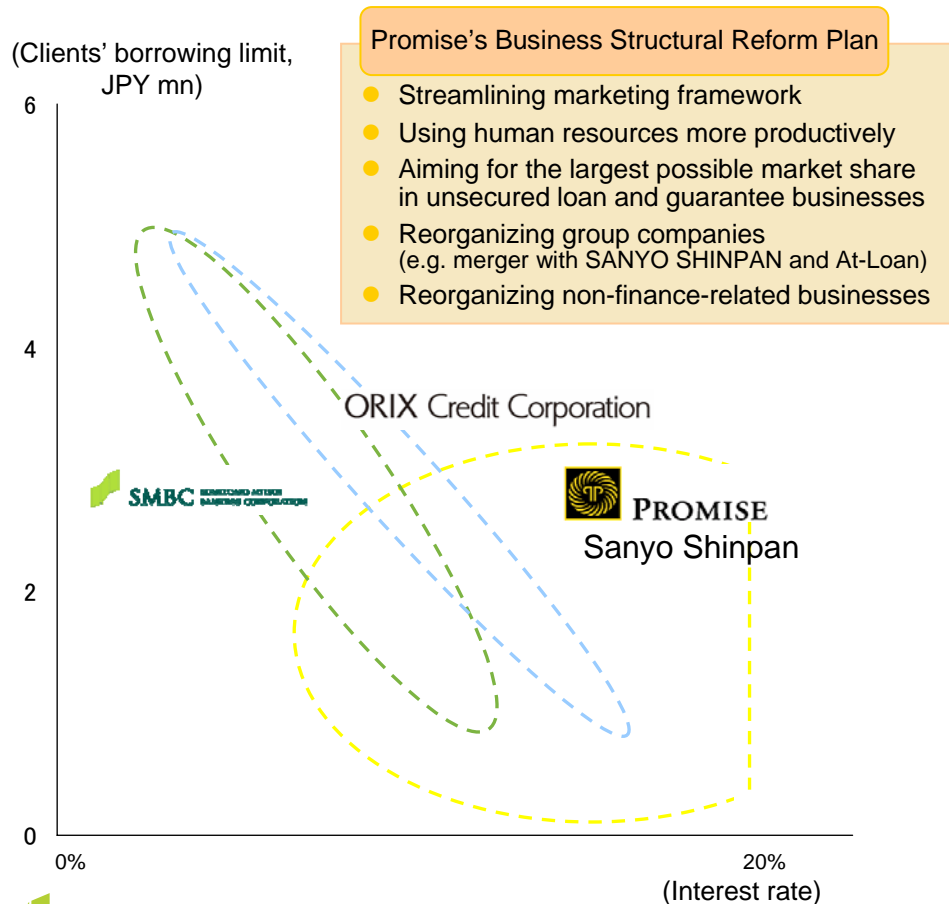
Q5. What is SMFG's strategy in consumer finance business?

- A5.
- In consumer finance business, our strategy is to capture the market through multiple layers of business entities, such as SMBC, Promise group and ORIX Credit.
 - Although we view the business environment is still severe, we will continue to focus on the business as a lineup of retail business which supports individual consumption in the medium to long run.
 - In credit card business, we expect considerable room for further growth. As a group, we will increase profit through structural reform.

5-1. Consumer Finance Business

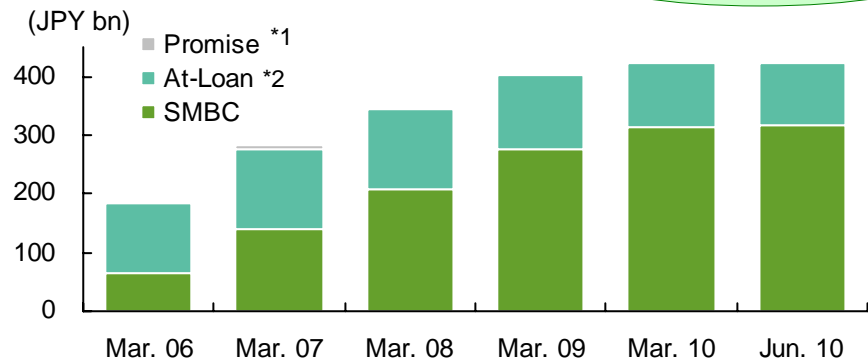
The consumer finance business will still provide relatively high margins and stable profits over the medium to long run, though we need to pay attention to the trends in refund claims and impact of the full implementation of the amended Money Lending Law. Therefore, we will continue to focus on the business as part of our retail business lineup

Overview of consumer finance business in SMFG (image)

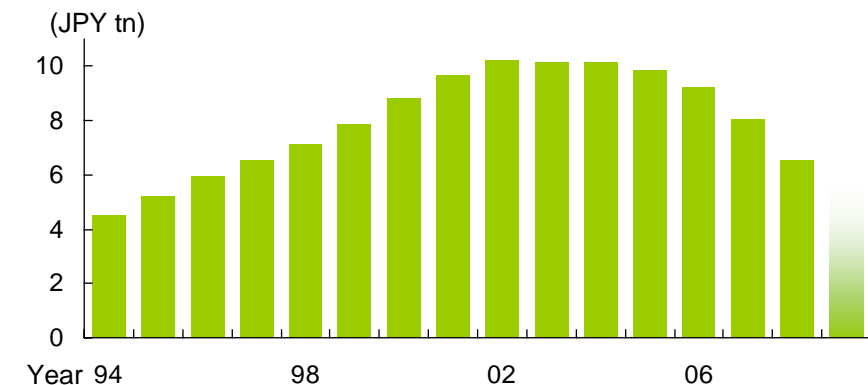


Collaboration with Promise (balance of loans)

Started in Apr. 05



Consumer loans provided by monoline consumer companies*3

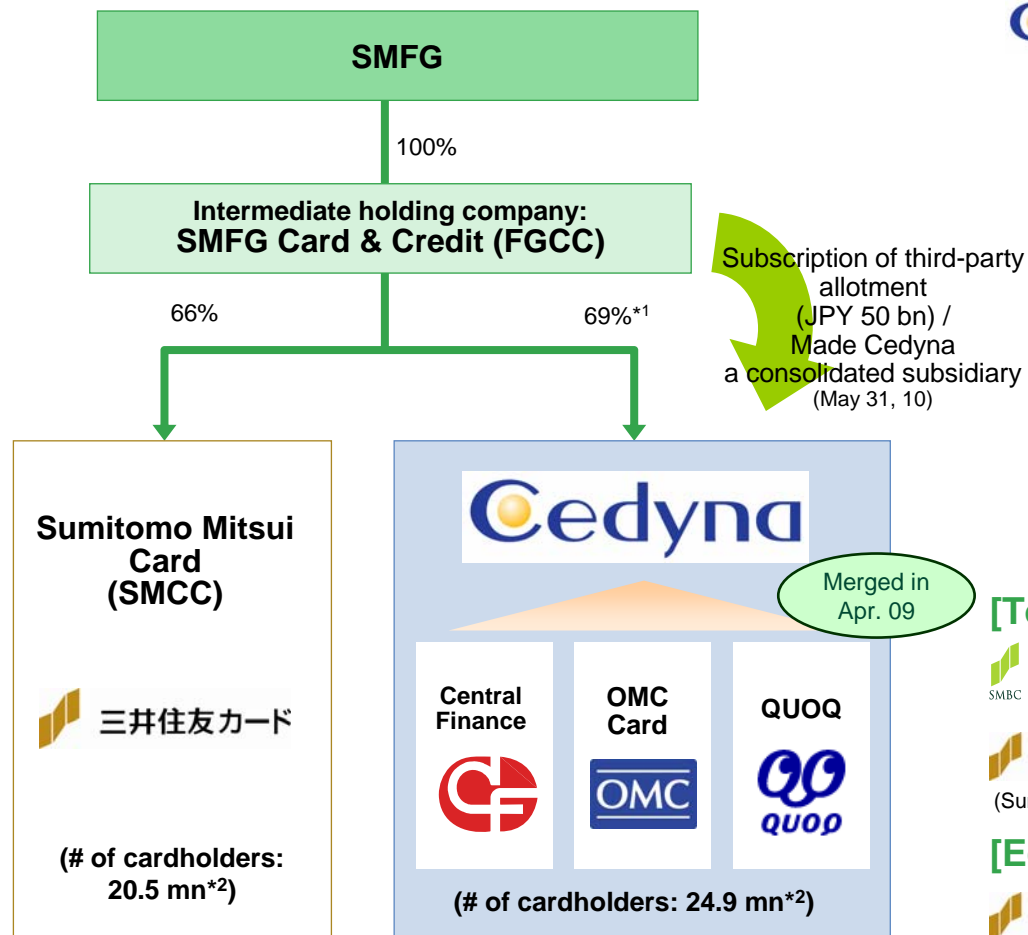


*1 Stopped origination in Feb. 07
 *2 Including loans which At-Loan provided before collaboration. Stopped origination in May 31, 10
 *3 Source: "Statistics on Japanese Consumer Credit (2010)" by Japan Consumer Industry Association

5-2. Credit Card Business

We are further enhancing the group-wide collaboration - made Cedyne our consolidated subsidiary in May 2010 - and maximizing top-line synergies and economies of scale

Organizational structure to promote credit card business



Purpose of making Cedyne a consolidated subsidiary

Cedyne

- Further clarify the positioning as a core business entity in credit card business
- Accelerate and ensure management restructuring
 - Investments in new businesses (incl. overseas financial business expansion)
 - Investments in systems developments
 - Cost restructuring etc.
- Enhance capital base

Further accelerate and make a stable promotion of our credit card business strategy

[Top-line synergies]

- SMBC 三井住友銀行 ● Collaborate in Cedyne's focus areas (e.g. EC market and education market) etc.
- (Sumitomo Mitsui Card) 三井住友カード ● Collaborate by mutually offering referrals to each other's business partners and jointly offering products and services etc.

[Economies of scale]

- (Sumitomo Mitsui Card) 三井住友カード ● Integrate next-generation IT systems / processing business

*1 Total voting shares held by SMFG group (as of Jun. 30, 10)

*2 As of Mar. 31, 10

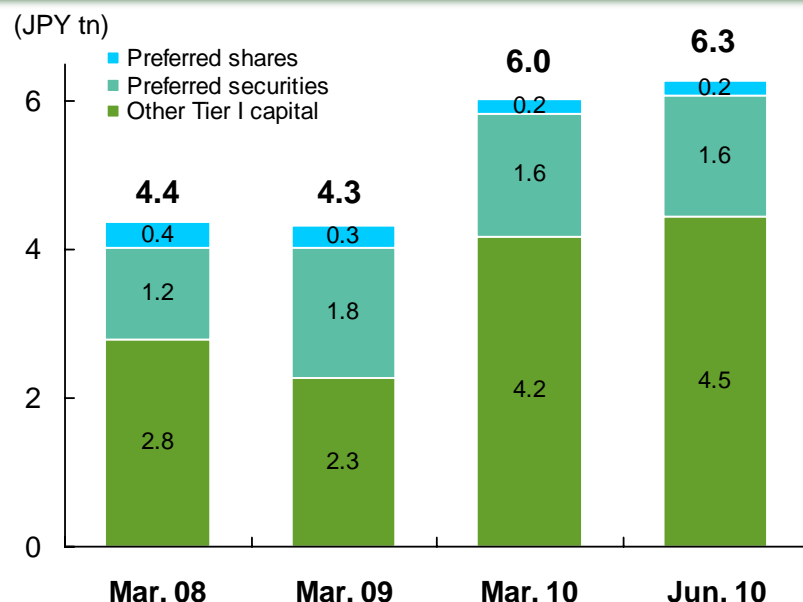
Q6. What is SMFG's capital policy and its response to liquidity regulations?

- A6.
- We have strengthened our capital base both in quality and quantity, through two common equity offerings in FY 3/10. Thus, we do not intend to execute another equity offering to meet capital requirements under discussion.
 - Going forward, we will secure resilient capital base through promoting measures to reduce risks associated with equity holdings, etc.
 - Regarding liquidity management, we will further expand and diversify our foreign-currency funding base, aiming to secure a solid investment and funding structure.

6-1. Capital

We have strengthened our capital base both in quality and quantity, through two common equity offerings in FY 3/10. SMFG's consolidated Tier I ratio was 11.56% as of June 2010, and we do not intend to execute another equity offering to meet capital requirements under discussion. We will maintain consolidated Tier I ratio of over around 10% going forward

Tier I capital / Tire I ratio*1



	Mar. 08	Mar. 09	Mar. 10	Jun. 10
Tier I ratio	6.94%	8.22%	11.15%	11.56%
Ref. "Core Tier I" ² ratio	4.4%	4.3%	7.7%	8.2%
Risk-adjusted assets (JPY tn)	63	53	54	54

Tier I capital raising and redemption since FY3/10

Jun. 09	JPY 340.0 bn	Preferred securities (Non step-up)	Redemption of "SBES" (SB Equity Securities (Cayman), Limited)
Jun. – Jul. 09	JPY 861.0 bn	Common shares	Domestic and overseas market
Sep. – Oct. 09	JPY 388.0 bn	Preferred securities (Step-up/Non step-up)	Domestic market
Jan. – Feb. 10	JPY 973.0 bn	Common shares	Domestic and overseas market
Feb. 10	approx. JPY 150 bn	Preferred securities	Tender offer (overseas market)

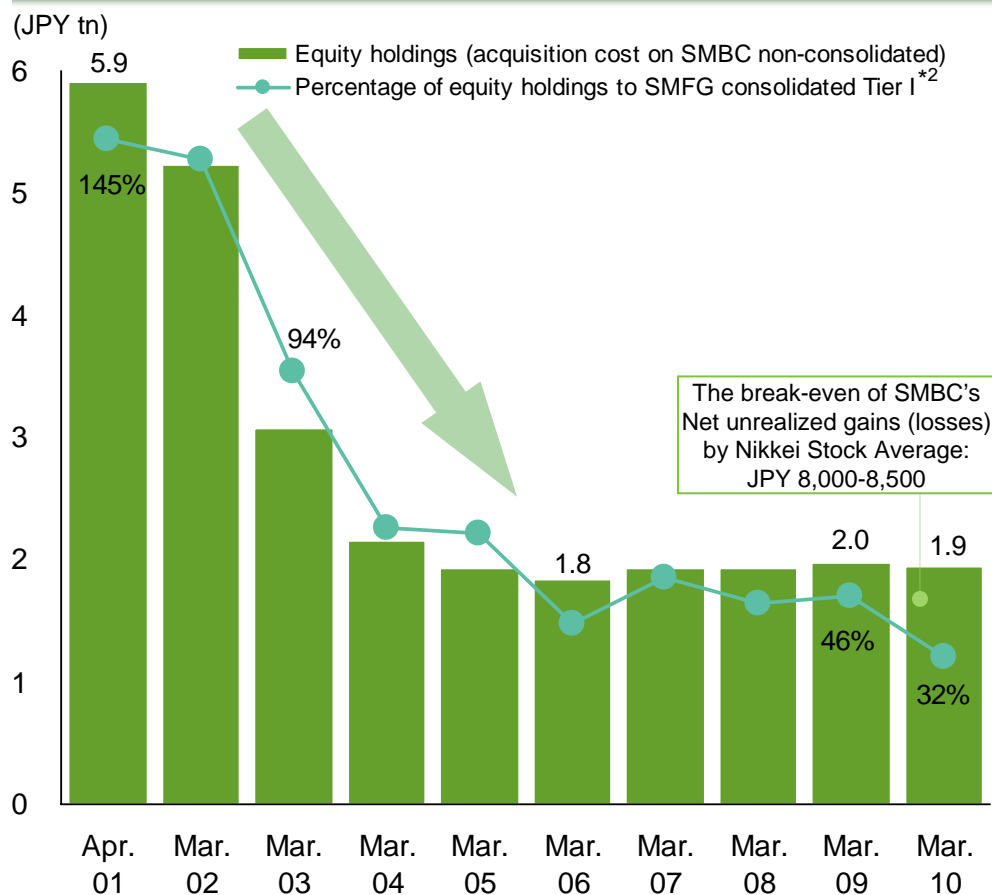
*1 Based on Basel II standard (Credit risk: FIRB for Mar. 08, AIRB from Mar. 09, Operational risk: AMA)

*2 While "Core Tier I" is not defined in international agreements, we estimated "Core Tier I capital = Tier I capital – Preferred shares – Preferred securities"

6-2. Equity Holdings

Percentage of equity holdings on SMBC non-consolidated basis vis-à-vis consolidated Tier I capital is approx. 31% as of June 30, 2010. We will review profitability and effect of cross shareholdings more stringently, and minimize the risk to our capital from market volatility by reducing the percentage to the level of around 25% in the medium term mainly through sale and hedge

Balance of equity holdings*1



Changes in environment

- Tightening of capital regulations
- Introduction of IFRS

Need to minimize the impact of stock price fluctuation risk to our capital

Additional reduction in % of unhedged equity holdings within Tier I capital to the level of around 25%

- Reduce unhedged equity holdings by JPY 300 bn through sale and hedge, etc. in 3 years

*1 Balance of domestic stocks classified as other securities with market value

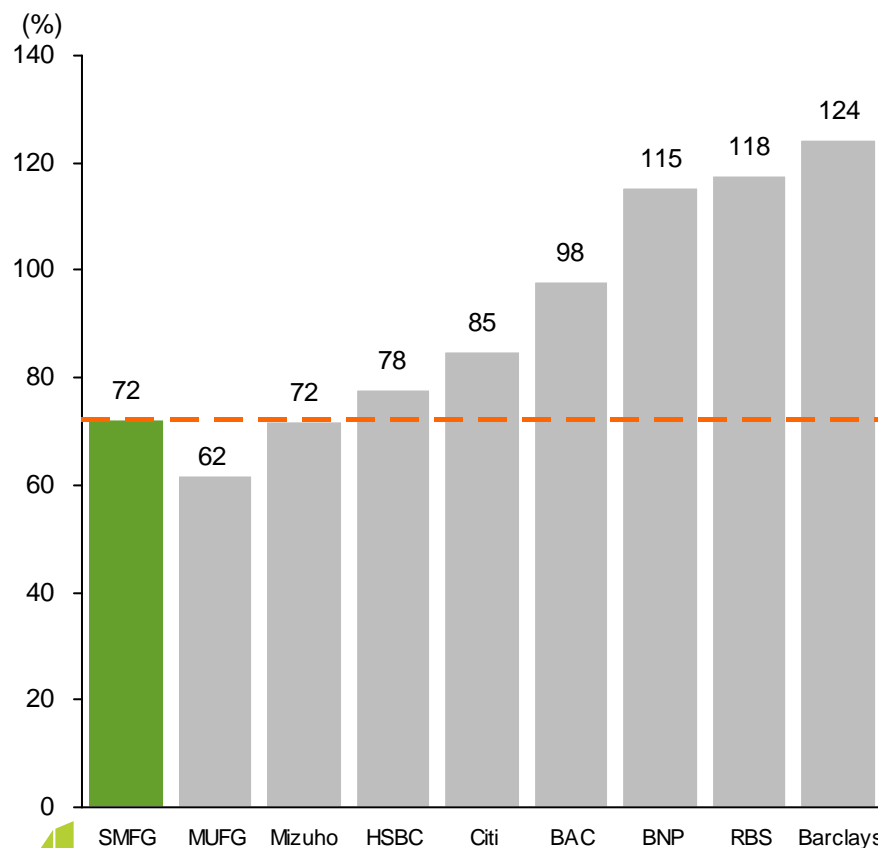
*2 Until Mar. 02, percentage to SMBC consolidated Tier I

6-3. Liquidity

Although we have an advantage in liquidity position (i.e. loan to deposit ratio) against global peers, we aim to maintain prudent liquidity management in order to secure a solid investment and funding structure, taking into account the liquidity regulations under discussion. Especially, we will further expand and diversify our foreign-currency funding base

Loan to deposit ratio

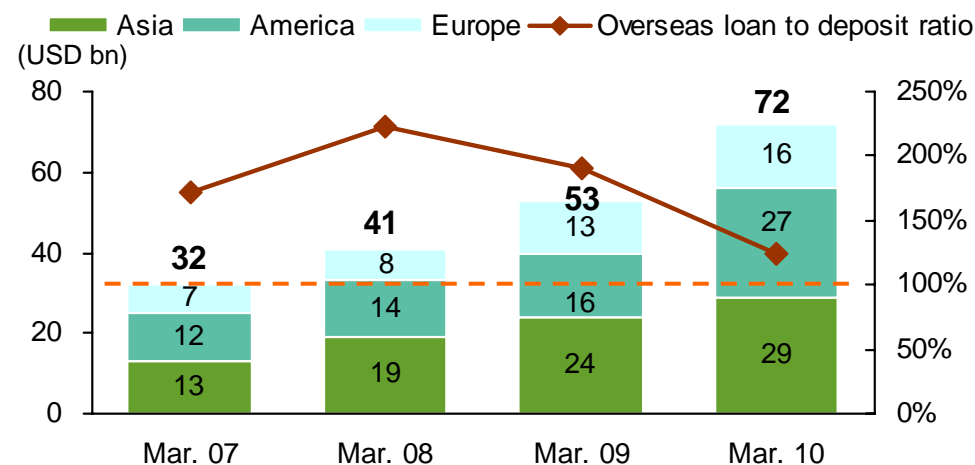
Comparison with Japanese mega banks and global major banks*1



*1 Consolidated basis. Based on each company's disclosure (as of Jun. 30, 10)

*2 Managerial accounting basis. Sum of SMBC (non-consolidated), SMBC Europe and SMBC (China)

Overseas deposits*2



Management policy for foreign-currency funding

- Diversify medium- to long-term funding base with due consideration to liquidity regulation under discussion
 - FY3/10 Results: Foreign-currency retail bond issuance
U.S. Dollar CP program set up
 - FY3/11 Plan: Considering to issue foreign-currency bonds and other measures
- Results: Issued USD denominated senior bonds in Jul. 10 (USD 1 bn for 3Y and 5Y bonds, respectively)

In Closing - Management Policy in FY3/11

Management policy in FY3/11

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

Pursue profitability by focusing on targeted growth business areas

Further enhance customer responsiveness by leveraging advisory functions

Fortify bottom-line profit by reviewing current business

Further increase productivity by improving business processes

[SMFG’s targeted growth business areas]

Overseas business especially in Asia

Solution providing for corporations / Investment banking, trust business

Retail / Wholesale securities business

Financial consulting for individuals

Payment & settlement services, consumer finance

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

Reinforcing business portfolio to achieve sustainable growth

Securing a resilient capital base

Target around 10% of consolidated ROE in the medium term

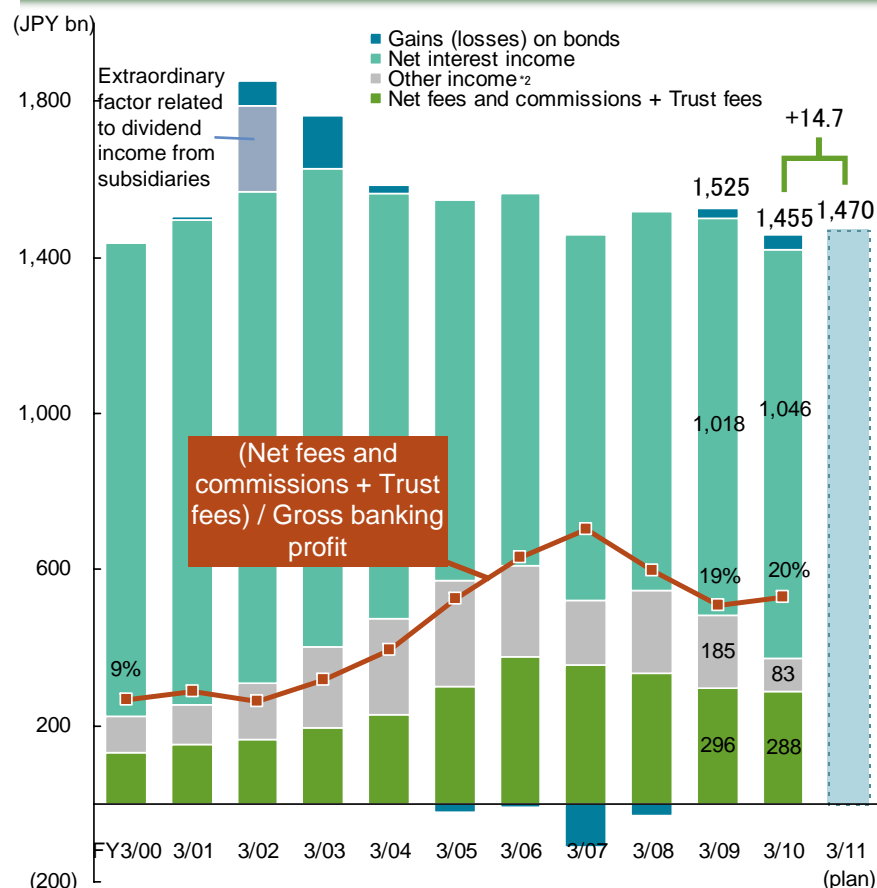
Maintain over around 10% of consolidated Tier I ratio

Appendices

(Appendix 1) Gross Banking Profit

Gross banking profit in FY3/10 decreased due mainly to the decline of Gains on foreign exchange transactions and income from domestic liquid deposit led by policy interest rate cut in Oct. and Dec. 08, despite of improvement of loan spread in overseas operations, improvement of Interest on interest-rate swaps led by decline of U.S. interest rate and well-performed bond operation. In FY3/11, we aim to increase Gross banking profit by enhancing overseas business especially in Asia and earning more non-interest income from sales of investment trusts and so on

Gross banking profit*1



*1 FY3/01 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

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

Major factors of YOY change

(JPY bn)	FY3/10	YOY change
Gross banking profit	1,455.3	(69.6)
Net interest income	1,046.4	+ 28.0
Net interest income (loss) in domestic operations	910.0	(20.3)
Net interest income in international operations	136.4	+ 48.3
of which:		
Interest on interest-rate swaps	28.3	+ 69.2
Net fees and commissions + Trust fees	288.4	(7.5)
of which:		
Fees related to loans of international operations	36.1	(4.8)
Fees related to securities business*3	17.7	(7.6)
Net trading income + Net other operating income	120.5	(90.1)
of which:		
Gains (losses) on bonds	37.3	+ 11.2
Gains (losses) on foreign exchange transactions*4	58.7	(35.6)
Income from (expenses on) derivatives	(16.3)	(29.9)

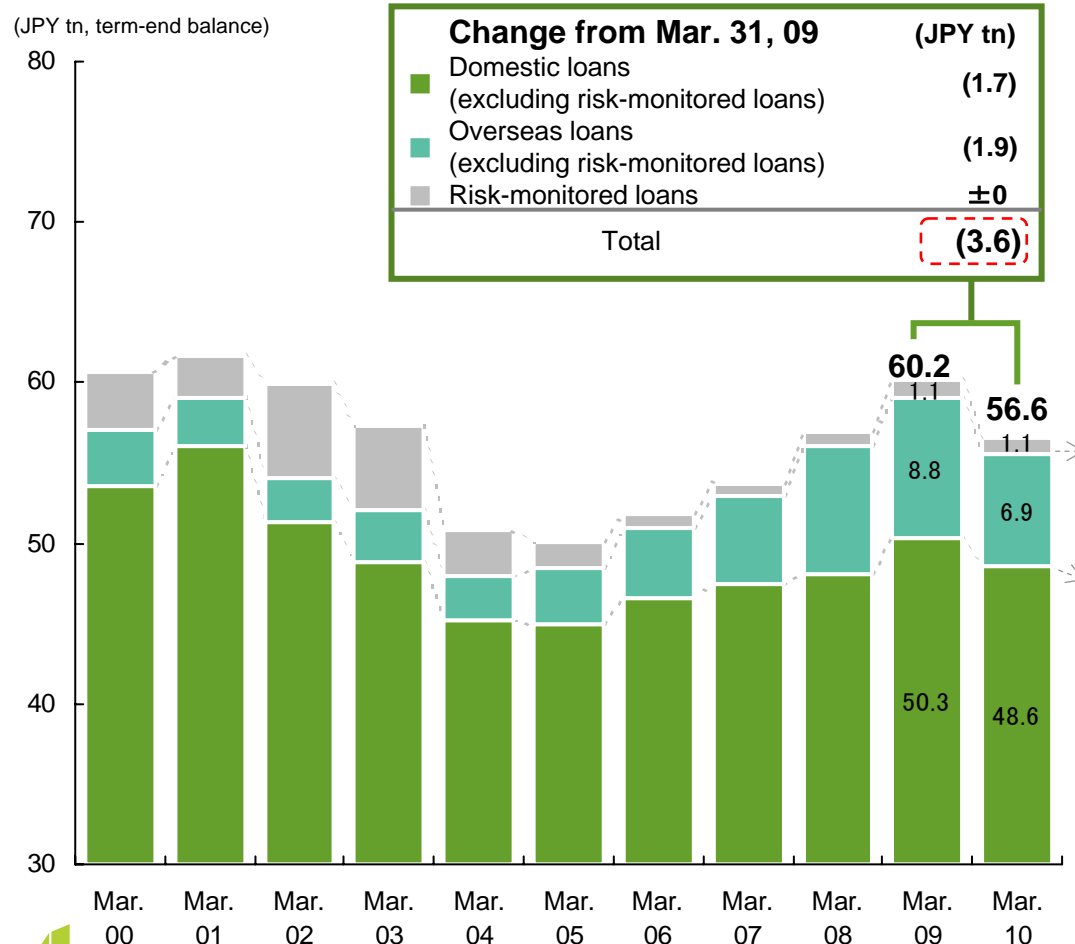
*3 Including securities intermediary fees
*4 After segmentation adjustments



(Appendix 2) Loan Balance

Loan balance as of Mar. 31, 10 decreased year over year due to the shrunk loan demand mainly from SMEs and continued cautious management in overseas operations. In FY3/11, we estimate the total loan balance remain flat due to the limited loan demand in domestic market, while we will allocate assets in overseas market centered on Asia and Americas

Trends of loan balance*1



*1 Mar. 01 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

Term-end balance by domestic business unit (managerial accounting basis)

(JPY tn)	Mar. 31, 10	Change from Mar. 31, 09
Consumer Banking Unit	15.5	+ 0.4 ^{*2}
Middle Market Banking Unit ^{*3}	18.3	(2.1)
Corporate Banking Unit	12.0	(0.2)

*2 After add-back adjustment of portion of housing loans securitized in FY3/10 (approx. JPY 40bn)

*3 Excluding loans to the public sector

Overseas loans, classified by region*4 (managerial accounting basis)

(JPY tn, term-end balance)	Mar. 31, 10	Change from Mar. 31, 09
Overseas total	8.3	(1.6)
Americas	2.3	(1.0)
Europe	3.1	(0.5)
Asia	2.9	(0.1)

*4 Based on location of our channels. Including SMBC Europe and SMBC (China)

(Appendix 3) Loan to Deposit Spread

In FY3/10, loan to deposit spread tightened due to the decline of market interest rate.

In FY3/11, although the impact of lowered short-term interest rate during FY3/10 is expected to remain, we continuously strive to improve risk-return profile of our loan portfolio

Loan to deposit spread (financial accounting basis)

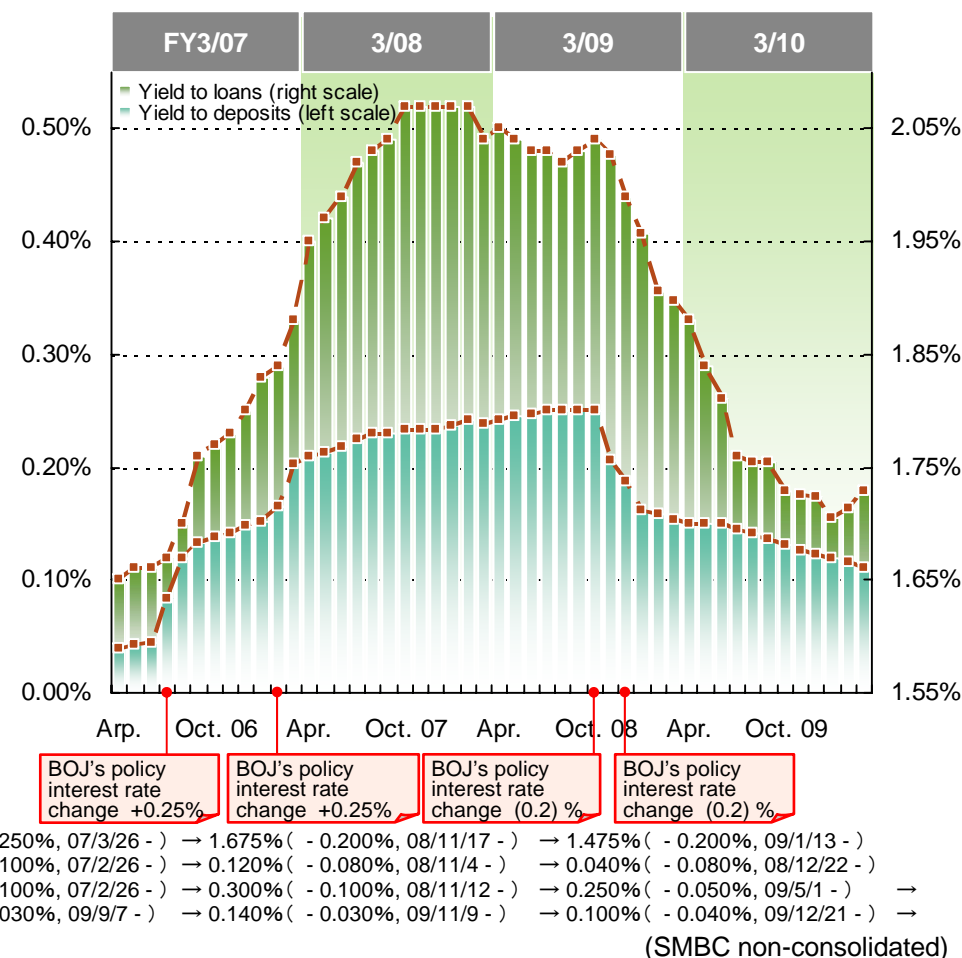
(JPY tn, %)

<Domestic>	FY3/10		YOY change	
	Average balance	Yield	Average balance	Yield
Loans* (a)	48.1	1.74	+1.3	(0.25)
Deposits, etc. (b)	67.2	0.14	+5.4	(0.09)
Loan to deposit spread (a) - (b)		1.60		(0.16)
<Overseas>				
Loans (a)	9.2	2.12	(1.0)	(1.55)
Deposits, etc. (b)	10.4	0.48	+0.8	(1.31)
Loan to deposit spread (a) - (b)		1.64		(0.24)

* Excludes loans to financial institutions

- Short term prime rate: 1.375% → 1.625% (+ 0.250%, 06/8/21 -) → 1.875% (+ 0.250%, 07/3/26 -) → 1.675% (- 0.200%, 08/11/17 -) → 1.475% (- 0.200%, 09/1/13 -)
- Yield on ordinary deposit: 0.001% → 0.100% (+ 0.099%, 06/7/18 -) → 0.200% (+ 0.100%, 07/2/26 -) → 0.120% (- 0.080%, 08/11/4 -) → 0.040% (- 0.080%, 08/12/22 -)
- Yield on 1 year time deposit: 0.150% → 0.300% (+ 0.150%, 06/7/18 -) → 0.400% (+ 0.100%, 07/2/26 -) → 0.300% (- 0.100%, 08/11/12 -) → 0.250% (- 0.050%, 09/5/1 -) → 0.200% (- 0.050%, 09/7/13 -) → 0.170% (- 0.030%, 09/9/7 -) → 0.140% (- 0.030%, 09/11/9 -) → 0.100% (- 0.040%, 09/12/21 -) → 0.080% (- 0.020%, 10/3/15 -)

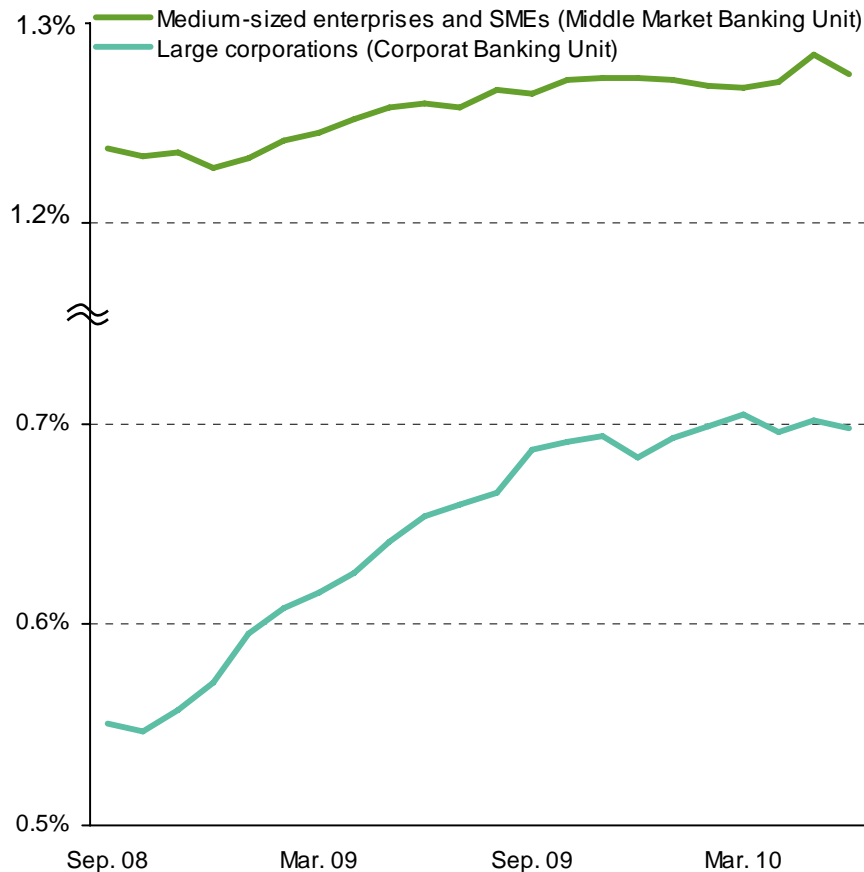
Yield of domestic loans and deposits (managerial accounting basis)



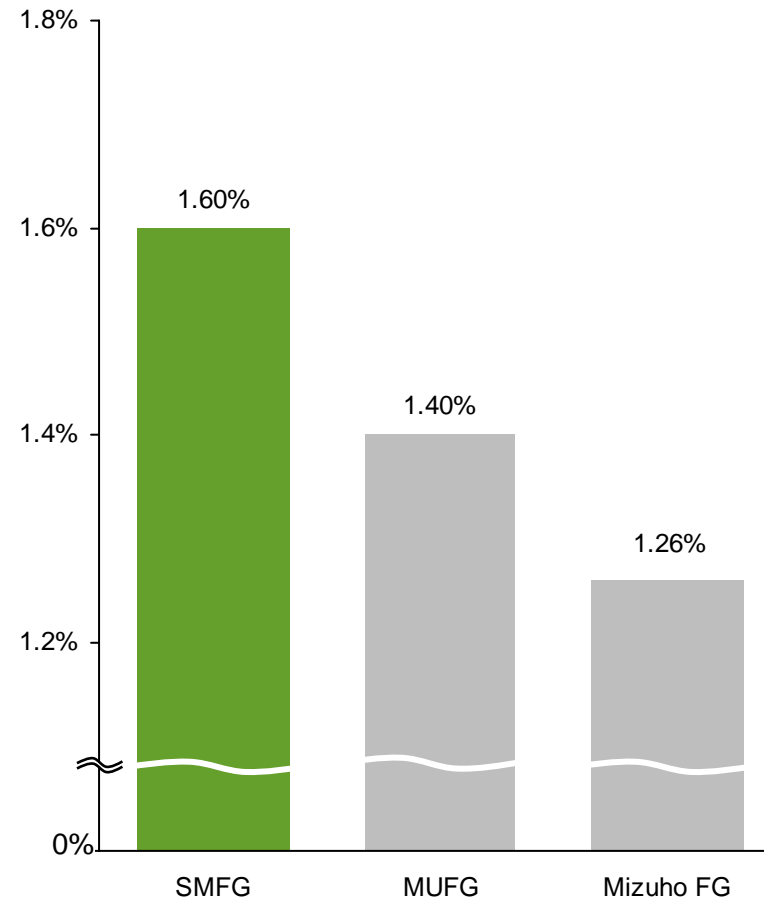
(Appendix 4) Improving Risk-Return Profile

We maintained our relatively high profitability under uncertain financial condition after Lehman shock, by exerting to rationalize loan spread through improvement of risk-return profile while meeting customers' financial needs

**Loan spread of domestic loans
(managerial accounting basis)**



**Domestic loan to deposit spread
(In FY3/10, comparison with peers*1)**



*1 Based on each companies' disclosure.

The figures shown in the graphs are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG, and simple aggregation of Mizuho Bank and Mizuho Corporate Bank for Mizuho FG

(Appendix 5) Performance by Business Unit (FY3/10)

In FY3/10, Gross banking profit for Marketing units, after adjustment of temporary impact of policy interest rate cuts and establishment of a subsidiary in China, was almost at the same level as FY3/09. Also, Banking profit in Treasury Unit increased due to well-performed ALM operations and bond trading

		(JPY bn)	FY3/09	FY3/10	YOY change*1
Consumer Banking Unit	Gross banking profit		429.4	391.7	(7.2)
	Expenses		(290.7)	(288.7)	+ 2.6
	Banking profit		138.7	103.0	(4.6)
Middle Market Banking Unit	Gross banking profit		539.8	472.9	(43.3)
	Expenses		(222.7)	(218.7)	+ 3.6
	Banking profit		317.1	254.2	(39.7)
Corporate Banking Unit	Gross banking profit		196.7	197.3	+ 19.4
	Expenses		(31.5)	(33.3)	+ 0.1
	Banking profit		165.2	164.0	+ 19.5
International Banking Unit (IBU)	Gross banking profit		175.0	169.1	+ 28.0
	Expenses		(64.8)	(54.5)	+ 2.6
	Banking profit		110.2	114.6	+ 30.6
Marketing units	Gross banking profit		1,340.9	1,231.0	(3.1)
	Expenses		(609.7)	(595.2)	+ 8.9
	Banking profit		731.2	635.8	+ 5.8
Treasury Unit	Gross banking profit		246.8	272.8	+ 28.6
	Expenses		(17.9)	(16.3)	+ 1.3
	Banking profit		228.9	256.5	+ 29.9
Headquarters	Gross banking profit		(62.8)	(48.5)	(95.1)
	Expenses		(73.9)	(74.3)	+ 5.5
	Banking profit		(136.7)	(122.8)	(89.6)
Total	Gross banking profit		1,524.9	1,455.3	(69.6)
	Expenses		(701.5)	(685.8)	+ 15.7
	Banking profit		823.4	769.5	(53.9)

		(JPY bn)	FY3/09	FY3/10	YOY change*1
Gross banking profit by products*2	Income on domestic loans		522.3	522.8	+ 0.5
	Income on domestic yen deposits		206.4	200.8	(4.6)
	IBU's Interest related income		99.6	125.2	+ 25.3
Interest income		891.4	927.8	+ 25.8	
of which:	Investment trusts		38.8	51.6	+ 12.8
	Pension-type insurance		17.8	19.4	+ 0.6
	Income relating to Financial consulting for individuals		60.9	75.3	+ 14.9
of which:	Loan syndication		47.6	51.3	+ 3.7
	Structured finance*3		43.7	50.3	+ 6.0
	Real estate finance*3		29.1	40.7	+ 12.6
Income relating to IB*4 business*3		141.9	160.7	+ 18.8	
of which:	Sales of derivatives		19.8	1.1	(18.7)
	Money remittance, Electronic banking		94.8	92.3	(2.5)
	Foreign exchange		41.2	36.5	(5.7)
IBU's Non-interest income		69.5	77.2	+ 2.7	
Non-interest income		339.6	321.7	(28.9)	
Marketing Units			1,231.0	1,231.0	(3.1)
Adjustment of interest rates and exchange rates, etc.			(106.8)	(106.8)	(109.9)

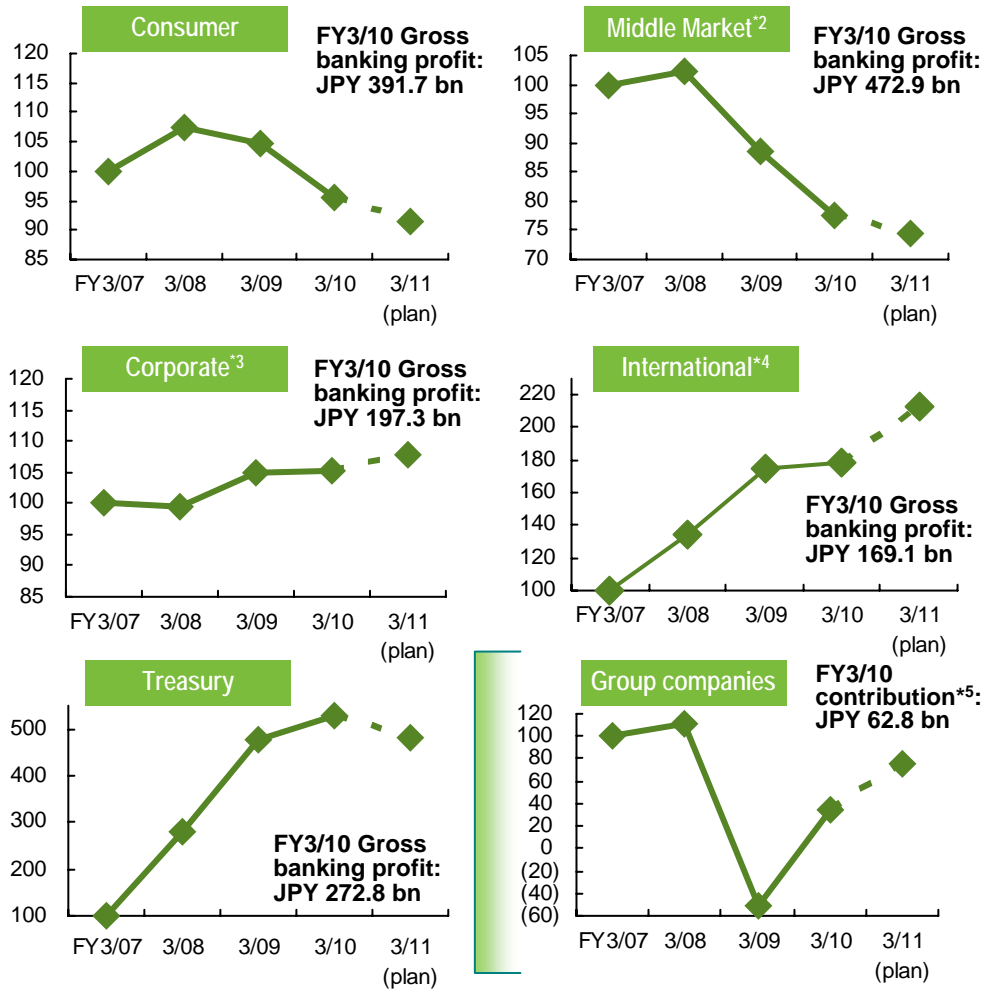
		(JPY tn, %)	FY3/10	YOY change	FY3/10	YOY change
Average loan balance and spread by business unit*2	Average balance		50.9	+1.5	1.05	(0.02)
	Average spread		1.05	(0.02)	1.48	(0.05)
			1.48	(0.05)	1.19	(0.01)
Consumer Banking Unit		15.2	+0.5	1.48	(0.05)	
Middle Market Banking Unit		19.2	(1.2)	1.19	(0.01)	
Corporate Banking Unit		12.2	+1.0	0.67	+ 0.10	

*1 After adjustment of interest rates and exchange rates, etc. (included in Headquarters)

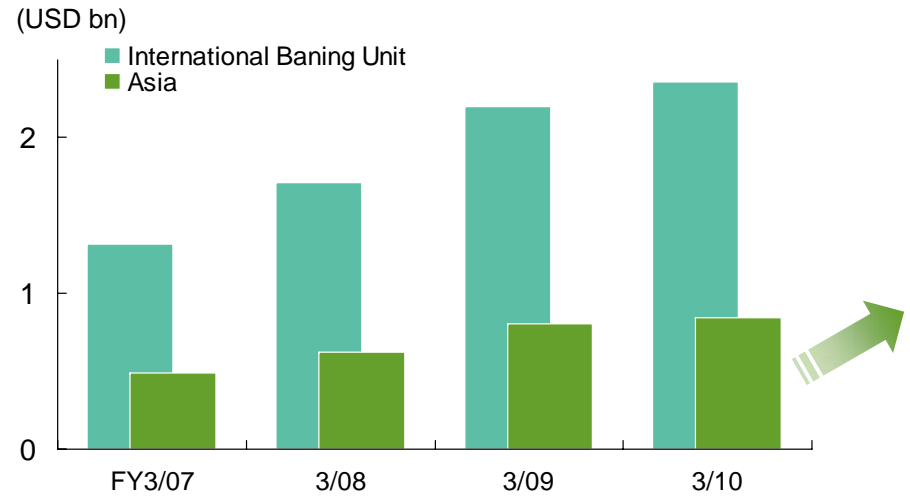
*2 Managerial accounting basis *3 Including interest income *4 IB stands for "investment banking"

(Appendix 6) Gross Banking Profit by Business Unit, etc.

Gross banking profit by business units (image)*1



Ref. Gross banking profit in International Banking Unit (managerial accounting basis)*6



Ref. Business performance of Nikko Cordial Securities (non-consolidated)

	(JPY bn)	2H, FY3/10
Net operating revenue		100.5
of which:		
Subscription commissions from investment trusts		27.0
Underwriting commissions		19.4
Net gains on trading		23.7
Ordinary income		24.1
Net income		26.7

cf. Aggregate results for FY3/10 adding Nikko Cordial Securities (before becoming a wholly-owned subsidiary) are as follows:
 - Net operating revenue JPY 184.9 bn - Ordinary income JPY 45.3 bn
 - Net income JPY 58.3 bn

*1 FY3/07 results = 100 *2 Medium-sized enterprises and SMEs *3 Large corporations
 *4 Based on USD
 *5 Contribution to difference between SMBC's Banking profit and SMFG's net business profit
 *6 Sum of SMBC and its overseas subsidiaries

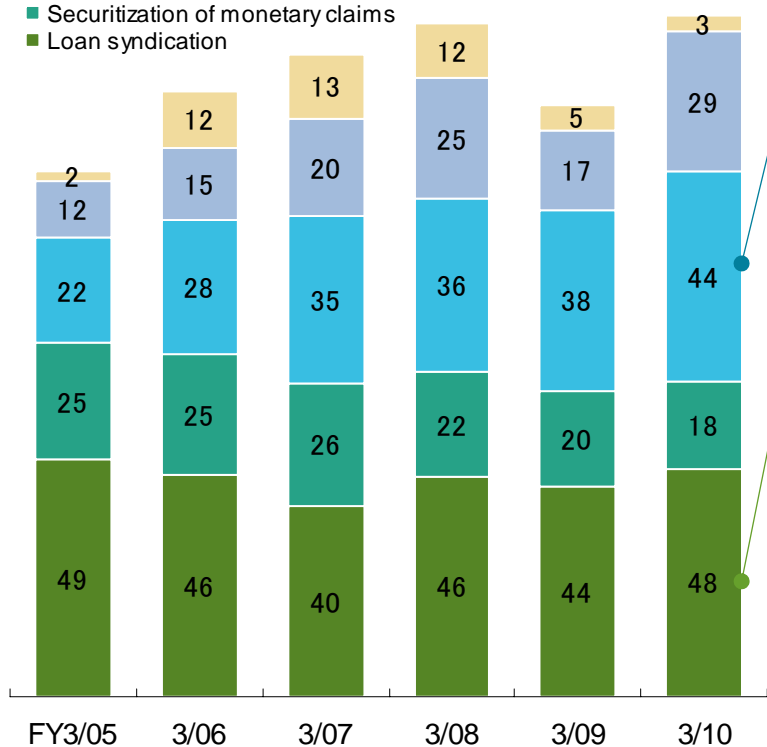
(Appendix 7) Solution Providing for Corporations / Investment Banking, Trust Business

We will enhance solution-providing capability and capture business opportunities by further collaborating with Nikko Cordial Securities and cooperating with Consumer Banking Unit & International Banking Unit

Profits related to investment banking business*1

(JPY bn) (SMBC non-consolidated)

- Securities intermediary
- Real estate finance
- Structured finance
- Securitization of monetary claims
- Loan syndication



Project finance

Global ranking (CY2009)*2



Awarded Global Arranger of the Year*3

Loan syndication

Global ranking (CY2009)*4



Ranked at 1st among foreign banks in China*5

Reinforcement in Asia

SMBC (China)	Financial Product Marketing Dept.
Functions such as planning and managing SMBC (China)'s business development for Japanese companies were shifted from the planning department for overseas corporations*6 to the planning department for domestic corporations*7 (Apr. 10)	Newly established by integrating certain functions of Investment Banking Unit in the region (May 10)

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

*2 Source: Project finance mandated arranger (Project Finance International)

*3 Source: Infrastructure Journal *4 Source: Syndicated loan bookrunner ranking (Thomson Reuters)

*5 Source: "Basis Point" (Reuter LPC) *6 Planning Dept., International Banking Unit

*7 Planning Dept., Corporate Banking Unit & Middle Market Banking Unit

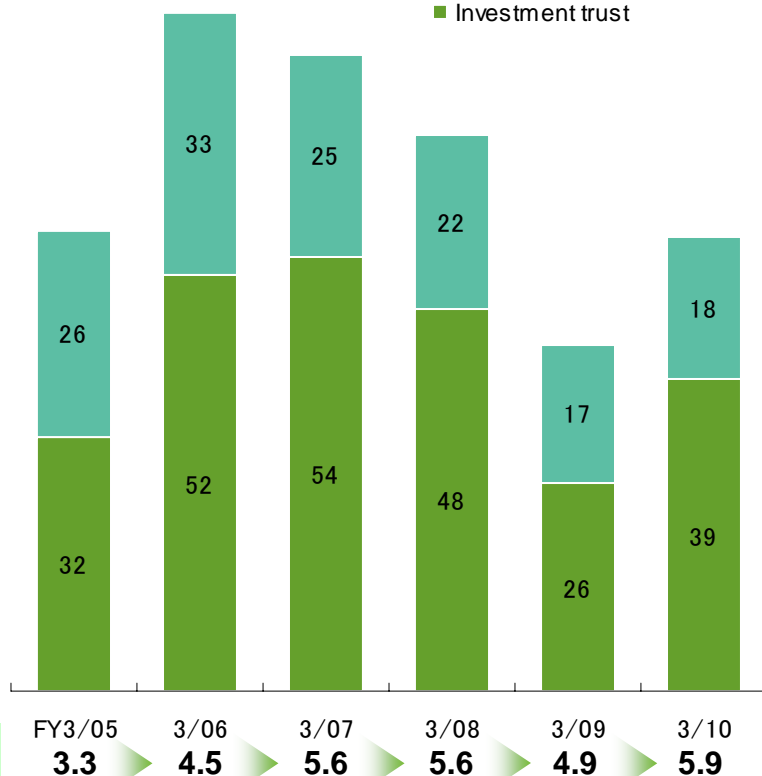
(Appendix 8) Financial Consulting for Individuals

Aiming to become #1 provider of comprehensive services for individuals, we will proactively capture financial needs of our customers centered on high net worth segment through leveraging collaborations with Nikko Cordial Securities and Middle Market Banking Unit, while improving business processes through promoting cross-selling

Profits related to investment trust and pension-type insurance

(JPY bn) (SMBC non-consolidated)

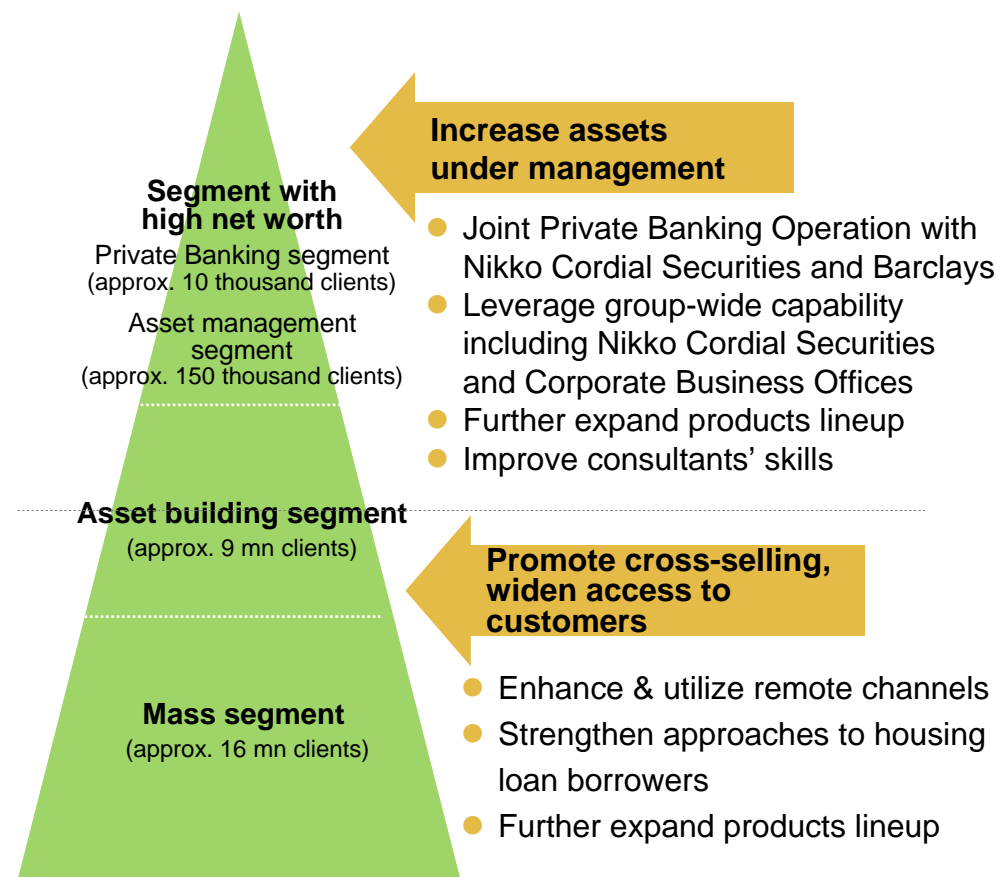
■ Pension-type insurance
■ Investment trust



Outstanding balance* (JPY tn)

* Amount of investment trusts under SMBC account + accumulated sales of pension-type insurances as of fiscal year end

Major initiatives

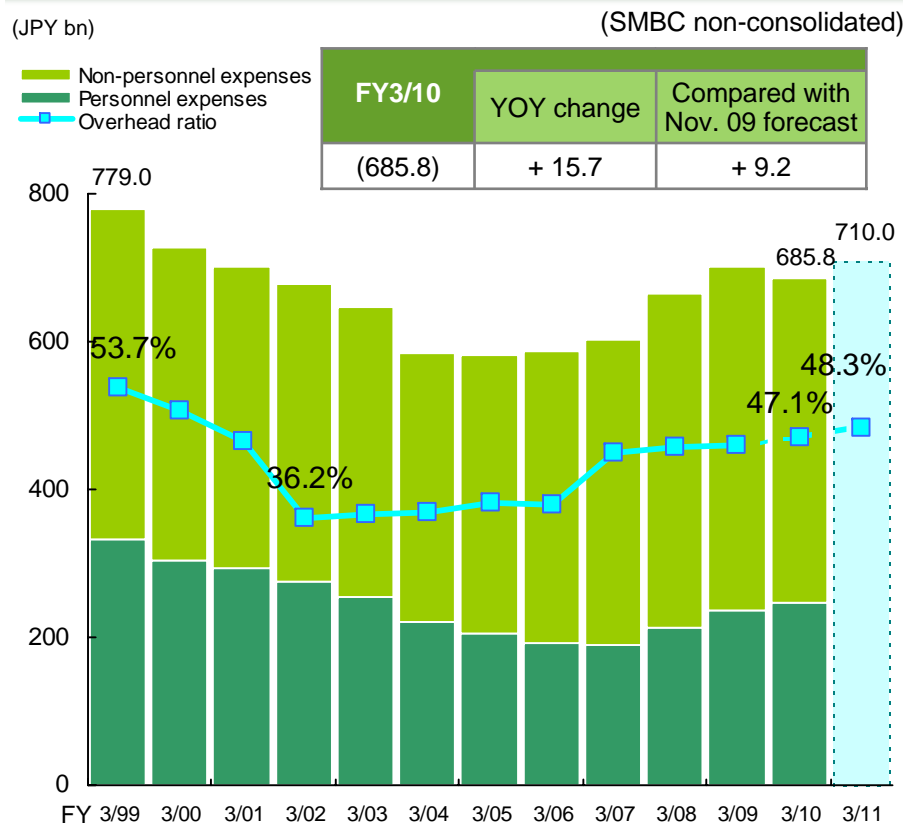


(Appendix 9) Expenses

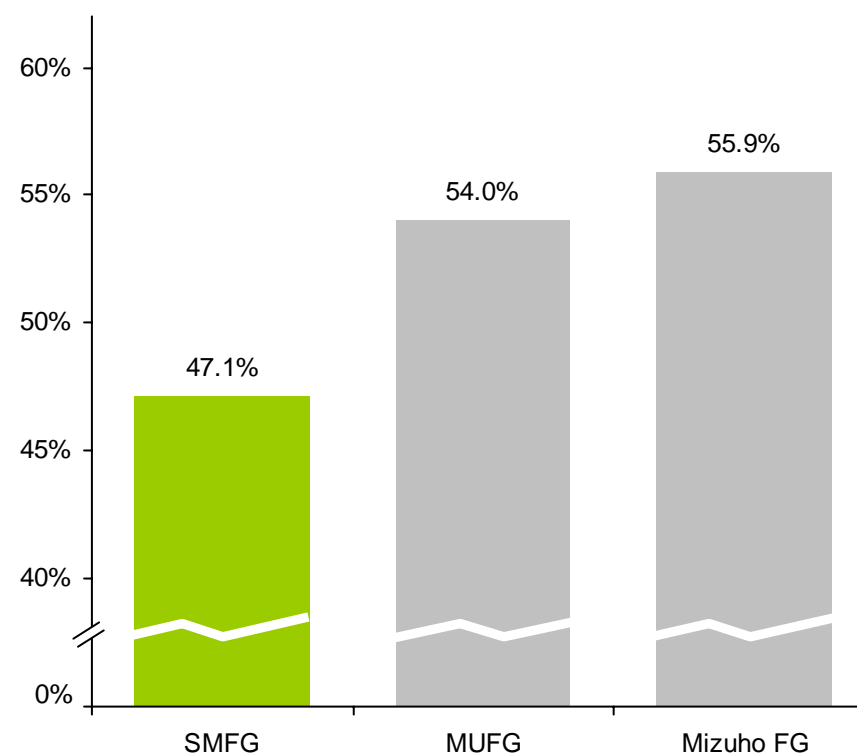
In FY3/10, Expenses decreased compared with FY3/09 and Nov. 09 forecast as a result of more stringent control responding to severe economic condition.

In FY3/11, we strive to minimize its increase through thorough control on expenses such as business promotion expenses, despite of estimated increase by the transfer of Headquarters functions*1, investments in branches and systems in the past, and allocation into targeted growth business areas

Trends of Expenses*2



Overhead ratio (in FY3/10, comparison with peers*3)



*1 In Dec. 06, we decided to move, having requested to move out due to the reconstruction of the building where our headquarters currently located.

We aim to further improve our efficiency by integrating headquarters functions which are now scattered

*2 FY3/01 and before: aggregated figures of former Sakura Bank and Sumitomo Bank

*3 Based on each companies disclosure. The figures shown in the graphs are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG, and simple aggregation of Mizuho Bank and Mizuho Corporate Bank for Mizuho FG

(Appendix 10) Contribution of Affiliates to Consolidated Profit (FY3/10)

In FY3/10, SMFG's consolidated Net income was lower than SMBC's non-consolidated Net income as Kansai Urban Banking Corporation and Cedyne recorded Net loss due mainly to an increase in Total credit cost. In FY3/11, we expect contribution of Nikko Cordial Securities and steady recovery of the above mentioned two companies

FY3/10 Results (JPY bn)	SMFG consolidated	SMBC non-consolidated	Difference	YOY change
Consolidated gross profit / non-consolidated gross profit	2,236.6	1,455.3	781.3	+140.3
Net interest income	1,380.9	1,046.4	334.5	+14.4
Trust fees	1.8	1.7	0.1	+0.1
Net fees and commissions	608.6	286.7	321.9	+58.5
Net trading income	194.1	115.4	78.7	+42.0
Net other operating income	51.2	5.1	46.1	+25.2
General and administrative expenses (G&A expenses)	(1,161.3)	(685.8)	(475.5)	(113.6)
Total credit cost*1	(473.0)	(254.7)	(218.3)	(0.6)
Gains (losses) on stocks	(10.1)	3.9	(14.0)	(50.7)
Equity in earnings (losses) of affiliates	(21.5)	-	(21.5)	+73.4
Ordinary profit	558.8	462.7	96.1	+86.9
Net income	271.6	318.0	(46.4)	+26.0
Net income ROE*2	7.5%			
Consolidated/non-consolidated net business profit	832.3	769.5	62.8	+157.5
	FY3/11 plan		10.0	+56.4

*1 Including extraordinary gains (losses)

*2 Denominator: Total stockholders' equity

Major factors in difference (in round numbers)

Impact of new consolidation in FY3/10

(JPY bn)	Nikko Cordial Securities (consolidated)	ORIX Credit	SMBC (China)
Gross profit	104	28	15
G&A expenses	(79)	(9)	(9)
Ordinary profit	25	4	7

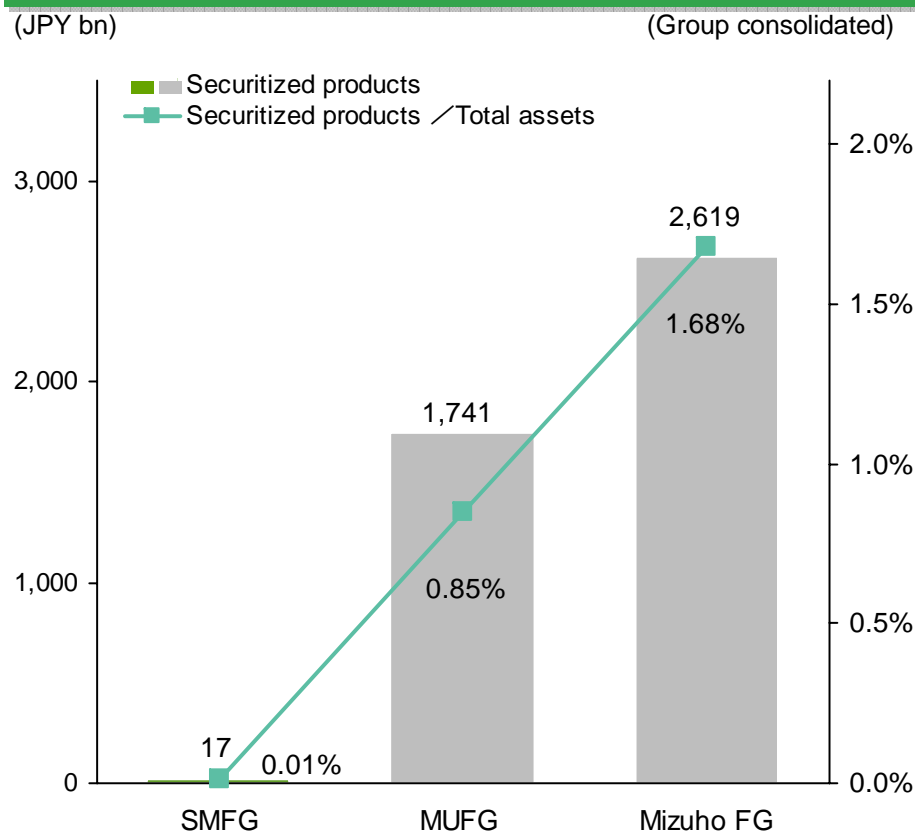
Other major factors

(JPY bn)	FY3/10	YOY change
Kansai Urban Banking Corporation	(67)	(1)
SMBC Europe	(29)	(4)
Sumitomo Mitsui Finance and Leasing	(26)	(0)
SMBC Guarantee	(24)	(10)
Sumitomo Mitsui Card	(23)	(3)
MINATO BANK	(15)	+18
Daiwa Securities SMBC	12	+70
Cedyne	(33)	(29)

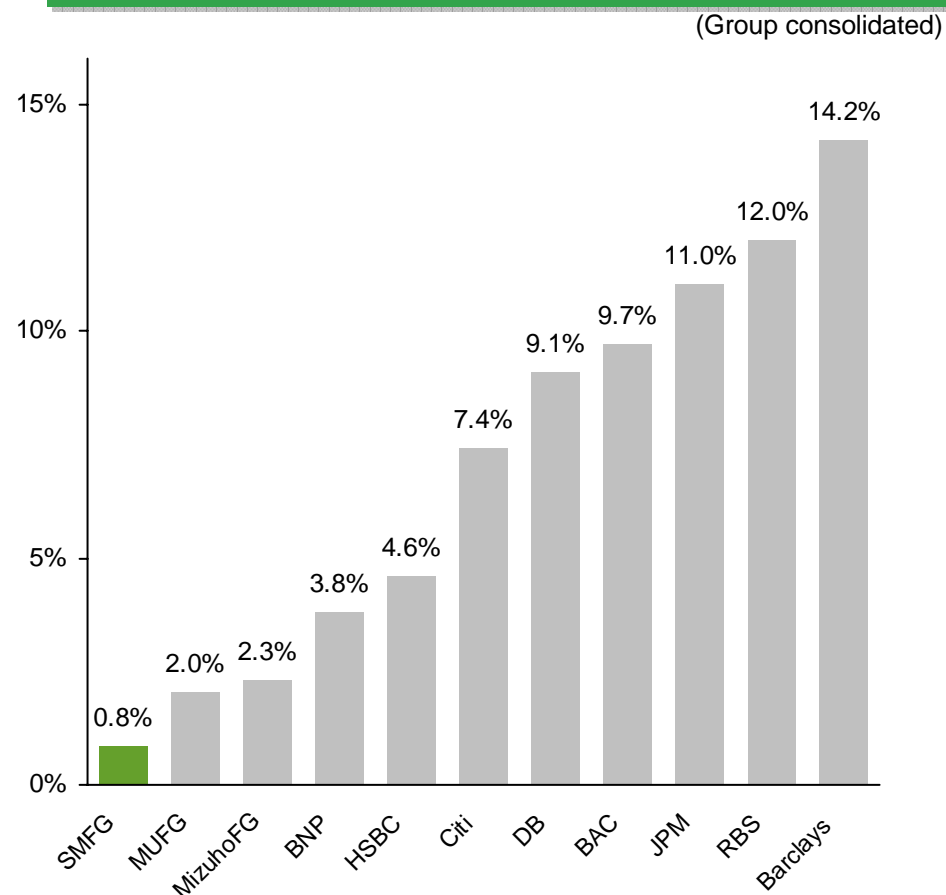
(Appendix 11) Controlling Downside Risks

We have smaller exposure to securitized products, etc. as a result of early and substantial reduction of exposure related to subprime loan in 1H, FY3/08. Also, new standards will require more capital for market risks, but the additional requirement for us would be extremely limited compared with our peers in Europe and the U.S.

Securitized products, etc.
(as of Mar. 31, 10, comparison with peers*1)



Percentage of market risk equivalent in risk-adjusted assets*2



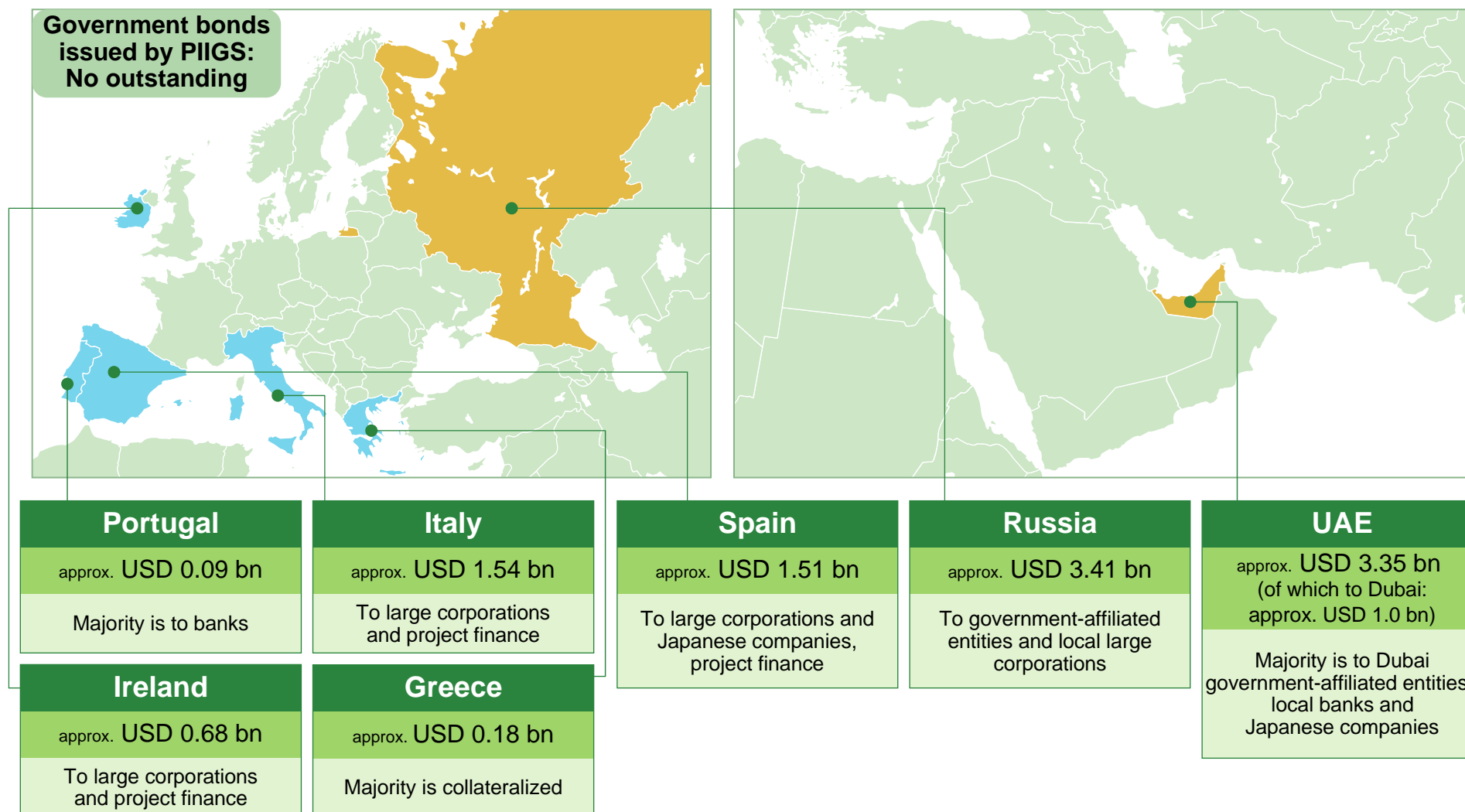
*1 SMFG: After provisions and write-offs

MUFG: Balance is the amount after impairment and before deducting net unrealized losses. Including "securities being held to maturity" and "other securities"
Mizuho FG: Balance is the amount after reserve for investment loss. Including banking accounts of subordinated banks and trading accounts of Mizuho Securities

*2 Based on company disclosures (as of Mar. 31, 10 for SMFG, MUFG and Mizuho FG; as of Dec. 31, 09 for others)

(Appendix 12) Exposure to PIIGS, Middle East and Russia*

Our exposure to Portugal, Italy, Ireland, Greece and Spain is approx. USD 4 billion in total, and associated risks is limited. We hold no government bonds issued by these countries



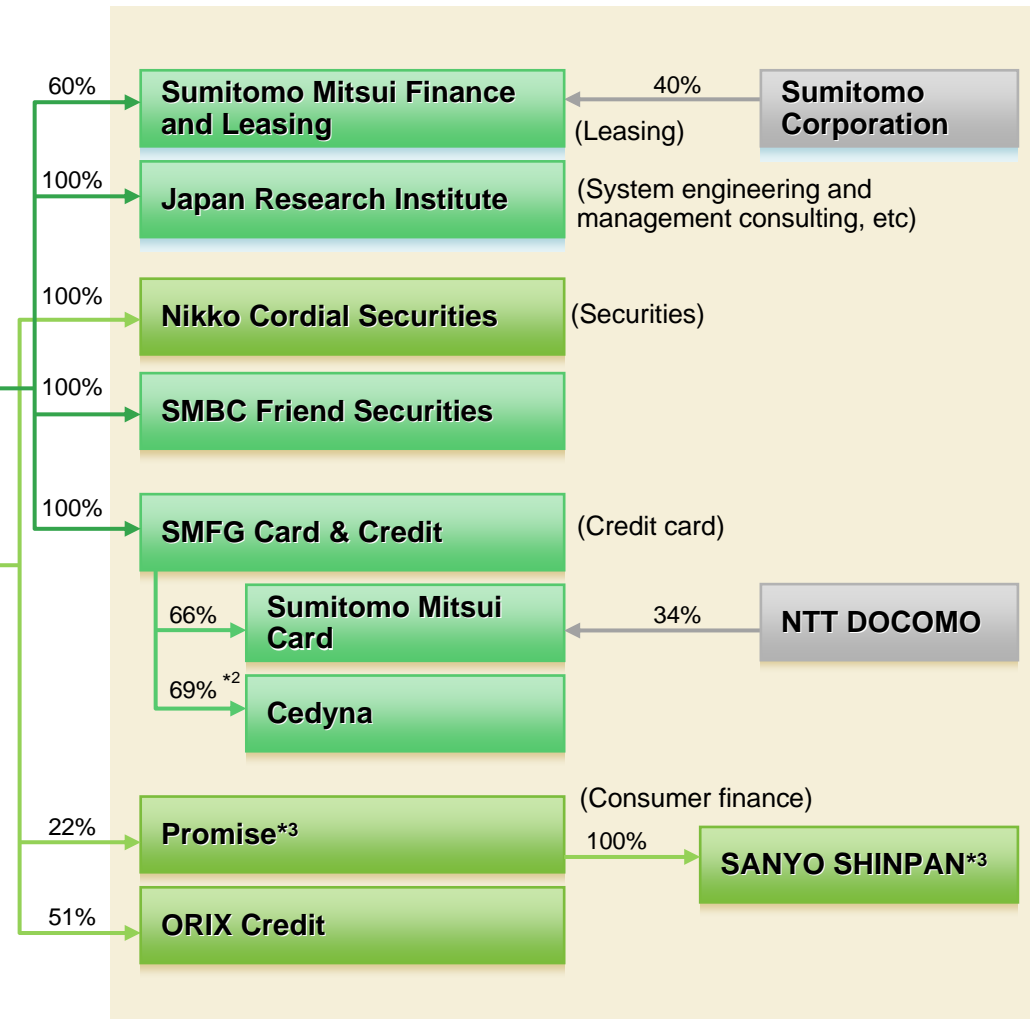
(Appendix 13) SMFG's Group Structure*1



Sumitomo Mitsui Financial Group	
Consolidated total assets	JPY 123 tn
Consolidated Tier I ratio	11.15%



Sumitomo Mitsui Banking Corporation	
Total assets	JPY 104 tn
Deposits	JPY 70 tn
Loans	JPY 57 tn
Number of customer deposit accounts (individual customers)	approx. 26 mn
Number of corporate borrowers	approx. 128,000



*1 As of Jun.30, 10 for shareholding ratio and as of Mar. 31, 10 for other figures

*2 Total voting shares held by SMFG group

*3 Promise and Sanyo Shinpan is planned to merge in Oct. 10



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.