

Overview of FY3/2017 performance

May 15, 2017

Sumitomo Mitsui Financial Group, Inc.

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; exposure to new risks as we expand the scope of our business; and incurrence of significant credit-related costs. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.

Definitions

- Consolidated : SMFG (consolidated)
- Non-consolidated : SMBC (non-consolidated)
- SMFG : Sumitomo Mitsui Financial Group
- SMBC : Sumitomo Mitsui Banking Corporation
- SMBC Trust : SMBC Trust Bank
- SMFL : Sumitomo Mitsui Finance and Leasing
- SMBC Nikko : SMBC Nikko Securities
- SMBC Friend : SMBC Friend Securities
- SMCC : Sumitomo Mitsui Card Company
- SMBCCF : SMBC Consumer Finance
- SMAM : Sumitomo Mitsui Asset Management

FY3/2017 summary

- Profit attributable to owners of parent was JPY 706.5 bn, a JPY 59.8 bn increase year-on-year
 - Consolidated net business profit remained almost flat from FY3/16 in spite of the impact of negative interest rates
 - Tax effect from implementing the consolidated corporate-tax system from FY3/18 contributed to the increase of the bottom line profit
- Dividend per share in FY3/17 is 150 yen, unchanged from our initial target

(JPY bn)	FY3/17 results	YOY change	FY3/18 target
Profit attributable to owners of parent	706.5	+59.8	630.0

Financial targets of the medium-term management plan (FY3/15-FY3/17)

	FY3/17	FY3/17 target
Growth	Growth rate of consolidated gross profit*1 +0.8%	around +15%
Profitability	Consolidated ROE 9.1%	around 10%
	Consolidated net income RORA 1.0%	around 1%
	Consolidated overhead ratio 62.1%	in the mid 50%
Soundness	Common equity Tier 1 capital ratio*2 [excluding net unrealized gains] 12.2% [10.0%]	around 10%

*1 Consolidated gross profit increase in comparison with FY3/14 figure

*2 Basel III fully-loaded basis. Based on the definition applicable for March 31, 2019

Per share information (Consolidated)

(JPY/Share)	FY3/17 results	YOY change	FY3/18 target
Profit attributable to owners of parent	516.00	+43.01	446.80
Dividend	150	±0	160

(JPY/Share)	Mar. 31, 2017	Change from Mar. 31, 2016
Net assets	6,901.67	+382.07

Credit ratings

	Moody's	S&P	Fitch	R&I	JCR
SMFG	A1/P-1	A-/ -	A/F1	A+/ -	AA-/ -
SMBC	A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+

FY3/2017 financial results and FY3/2018 earnings target

Income statement

		(JPY bn)	FY3/17	YOY change	1H target	FY3/18 target
Consolidated	Consolidated gross profit	USD 26.0 bn ^{*1}	2,920.7	(16.8)		
	General and administrative expenses		(1,812.4)	(87.6)		
	Equity in gains (losses) of affiliates		24.6	+60.7		
	Consolidated net business profit	USD 10.1 bn ^{*1}	1,132.9	(10.1)	550	1,130
	Total credit cost		(164.4)	(61.6)	(110)	(210)
	Gains (losses) on stocks		55.0	(14.0)		
	Others		(17.6)	+106.2		
	Ordinary profit	USD 9.0 bn ^{*1}	1,005.9	+20.6	460	970
	Extraordinary gains (losses)		(26.6)	(21.4)		
	Income taxes - current and deferred		(171.0)	+54.1		
Profit attributable to owners of parent	USD 6.3 bn ^{*1}	706.5	+59.8	310	630	

Non-consolidated	Gross banking profit	USD 14.8 bn ^{*1}	1,663.7	+129.4		
	Expenses ^{*2}		(816.9)	(11.5)		
	Banking profit ^{*3}	USD 7.5 bn ^{*1}	846.7	+117.9	280	600
	Total credit cost		(61.1)	(64.3)	(45)	(80)
	Gains (losses) on stocks		115.1	+79.7		
	Ordinary profit	USD 7.7 bn ^{*1}	864.0	+116.1	240	550
Net income	USD 6.1 bn ^{*1}	681.8	+72.6	200	430	

- **Consolidated gross profit** increased in spite of an impact of negative interest rates, mainly led by revenue growth at SMBC Nikko and the new consolidation of SMFL Capital
- **General and Administrative expenses** increased due in part to IT investments in the past years and the enhancement of overseas business despite our continuous efforts to control expenses
- **Equity in gains (losses) of affiliates** increased due mainly to the absence of a goodwill impairment loss of BTPN recorded in FY3/16
- **Total credit cost** increased primarily due to worsened business results of an obligor with large exposure
- **Gains (losses) on stocks** from sales of strategic shareholdings was approx. JPY 60 bn (reduction of strategic shareholdings in FY3/17 was approx. JPY 100 bn)
- **Others** increased due mainly to the absence of provisions for losses on interest repayments claims at SMBCCF recorded in FY3/16
- **Extraordinary gains (losses)** includes JPY 43.0 bn of goodwill impairment loss of SMBC Friend and JPY 29.3 bn of gains on step acquisitions from the consolidation of SMAM
- **Income taxes** includes the effect of implementing the consolidated corporate-tax system (approx. JPY 100 bn)

Contribution of subsidiaries to Profit attributable to owners of parent^{*4}

	(JPY bn)	FY3/17	YOY change	(JPY bn)	FY3/17	YOY change
SBMCCF		111	+176	SMCC	16	(1)
SMBC Nikko ^{*5}		45	+8	SMBC Friend	1	(3)
SMFL		30	+3	SMBC Trust	(4)	+7
Cedyna		22	+14	BEA ^{*6}	11	(3)

^{*1} Converted into USD at period-end exchange rate of USD 1 = JPY 112.19 ^{*2} Excludes non-recurring losses ^{*3} Before provision for general reserve for possible loan losses ^{*4} in round numbers ^{*5} Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) ^{*6} The Bank of East Asia

Breakdown of gross profit

Consolidated gross profit

(JPY bn)	FY3/16	FY3/17	YOY change
Consolidated gross profit	2,904.0	2,920.7	+16.8
of which:			
Net interest income	1,422.9	1,358.6	(64.3)
of which:			
SMBC	1,023.6	1,138.9	+115.4*1
of which:			
Net fees and commissions	1,003.8	1,013.3	+9.5
of which:			
SMBC	358.6	348.9	(9.7)
SMBC Nikko*2	165.0	176.0	+11.0
of which:			
Net trading income + Net other operating income	473.5	545.0	+71.4
of which:			
SMBC	149.6	173.9	+24.3

Domestic loan-to-deposit spread*3

(%)	FY3/17	YOY change	1H	2H
Interest earned on loans and bills discounted	1.05	(0.19)	1.09	1.01
Interest paid on deposits, etc.	0.01	(0.02)	0.01	0.00
Loan-to-deposit spread	1.04	(0.17)	1.08	1.01

(Ref) Excludes loans to the Japanese government, etc.

Interest earned on loans and bills discounted	1.11	(0.13)	1.13	1.08
Loan-to-deposit spread	1.10	(0.11)	1.12	1.08

Average loan balance and spread*4

(JPY tn, %)	Balance		Spread	
	FY3/17	YOY change*9	FY3/17	YOY change
Domestic loans*3	51.9	+3.3	0.83	(0.08)
Excluding loans to the Japanese government, etc. and SMFG	48.3	+1.1	0.88	(0.05)
of which:				
Large corporations*5	14.5	+0.6	0.57	(0.02)
Mid-sized corporations & SMEs*6	16.7	+0.4	0.75	(0.07)
Individuals	14.1	(0.1)	1.50	(0.02)
IBU's interest earning assets*7, 8 (USD bn, %)	244.5	+16.1	1.21	0.00

Reference: SMBC's gross banking profit of marketing units*3

(JPY bn)	FY3/16	FY3/17	YOY change*9
Loan syndication	45.6	48.7	+4.2
Structured finance	26.5	35.2	+7.6
Asset finance*10	16.7	19.5	+2.7
Sale of derivative products	26.4	22.0	(5.4)
Income related to domestic corporate business	115.2	125.4	+9.1
Investment trusts	25.7	20.0	(5.6)
Pension-type insurance	10.9	4.7	(6.2)
Single premium type permanent life insurance	20.3	4.5	(15.8)
Level premium insurance	6.9	6.3	(0.6)
Income related to domestic consumer business	63.8	35.5	(28.2)
of which:			
Money remittance, electronic banking	92.6	93.3	+0.3
Foreign exchange	52.2	53.2	+1.3
Domestic Non-interest income	316.0	317.7	+4.3
of which:			
IBU's loan related income	72.7	72.5	+5.3
IBU's Non-interest income	130.6	132.9	+6.8
Non-interest income	446.6	450.6	+11.1
of which:			
Income on domestic loans	421.2	420.0	(12.1)
Income on domestic yen deposits	98.7	64.8	(2.9)
IBU's interest related income	225.4	194.6	(4.1)
Interest income	827.5	760.6	(17.8)
SMBC's gross banking profit of Marketing units	1,274.1	1,211.2	(6.7)

*1 Includes JPY 200 bn of dividends from SMBC Nikko (eliminated in SMFG consolidated figures) *2 In round numbers *3 Non-consolidated *4 Managerial accounting basis

*5 Global Corporate Banking Division *6 Sum of Corporate Banking Division and Small and Medium Enterprise Banking Division *7 Sum of SMBC, SMBC Europe and SMBC (China)

*8 Sum of loans, trade bills, and securities *9 After adjustments for interest rates and exchange rates, etc. *10 Profit from real estate finance, securitization of monetary claims, etc.

Performance by business unit and subsidiary*1

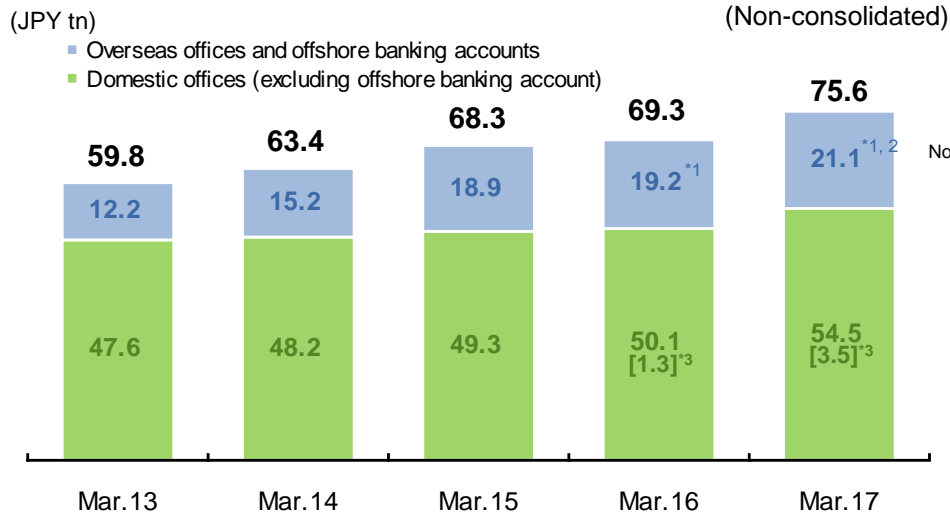
		(JPY bn)	FY3/16	FY3/17	YOY change*2
	Wholesale Banking Unit	Gross profit	721.2	709.2	+14.7
		Expenses	(299.4)	(295.2)	(3.0)
		Net business profit	421.8	414.0	+11.7
	Retail Banking Unit	Gross profit	481.5	487.7	+10.7
		Expenses	(383.2)	(387.7)	(2.3)
		Net business profit	98.3	100.0	+8.4
	International Banking Unit	Gross profit	644.8	599.5	+20.8
		Expenses	(246.9)	(243.5)	(9.7)
		Net business profit	397.9	356.0	+11.1
	of which Marketing units	Gross profit	1,847.5	1,796.4	+46.2
		Expenses	(929.5)	(926.4)	(15.0)
		Net business profit	918.0	870.0	+31.2
	of which Treasury Unit	Gross profit	325.6	303.8	(25.8)
		Expenses	(38.8)	(36.4)	+2.7
		Net business profit	286.8	267.4	(23.1)
	of which SMFL	of which Gross profit	142.8	178.8	+36.0
		of which Expenses	(63.5)	(84.3)	(20.8)
		Net business profit	80.7	96.2	+15.5
	of which SMBC Nikko	Gross profit	318.0	352.1	+35.2
		Expenses	(257.2)	(269.1)	(12.7)
		Net business profit	60.8	83.0	+22.5
of which Consumer finance / Credit card*3	Gross profit	607.1	636.7	+29.7	
	Expenses	(386.1)	(404.8)	(18.8)	
	Net business profit	221.0	231.9	+10.9	
Total (Consolidated)	Gross profit	2,904.0	2,920.7	+16.8	
	Expenses	(1,724.8)	(1,812.4)	(87.6)	
	(Ref) Gross profit - Expenses	1,179.2	1,108.3	(70.8)	
	Equity in gains (losses) of affiliates	(36.2)	24.6	+60.7	
	Net business profit*4	1,142.9	1,132.9	(10.1)	

*1 Managerial accounting basis. *2 After adjustments for changes in interest rates and exchange rates, etc. *3 Sum of SMCC, Cedyna, and SMBCCF

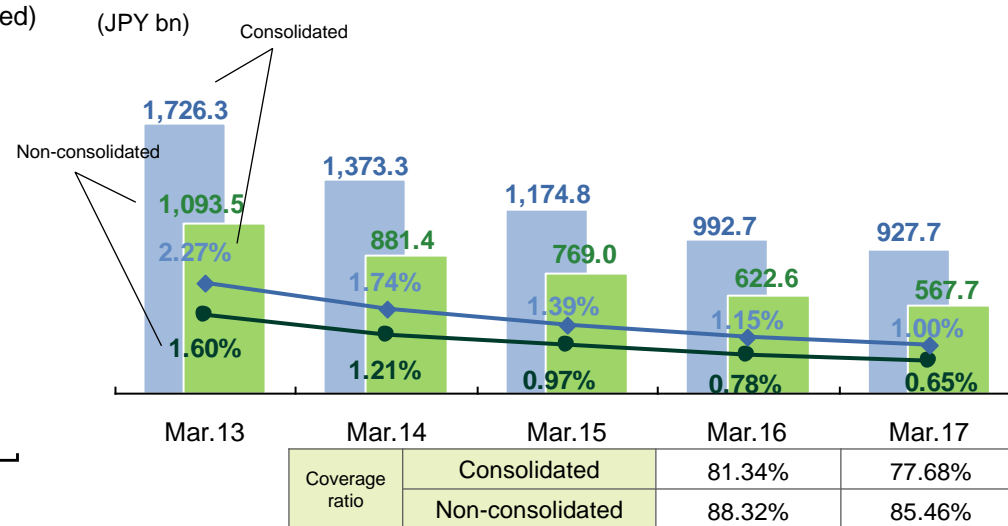
*4 Consolidated net business profit = Consolidated gross profit - General and administrative expenses + Equity in gains (losses) of affiliates

Trends in key figures

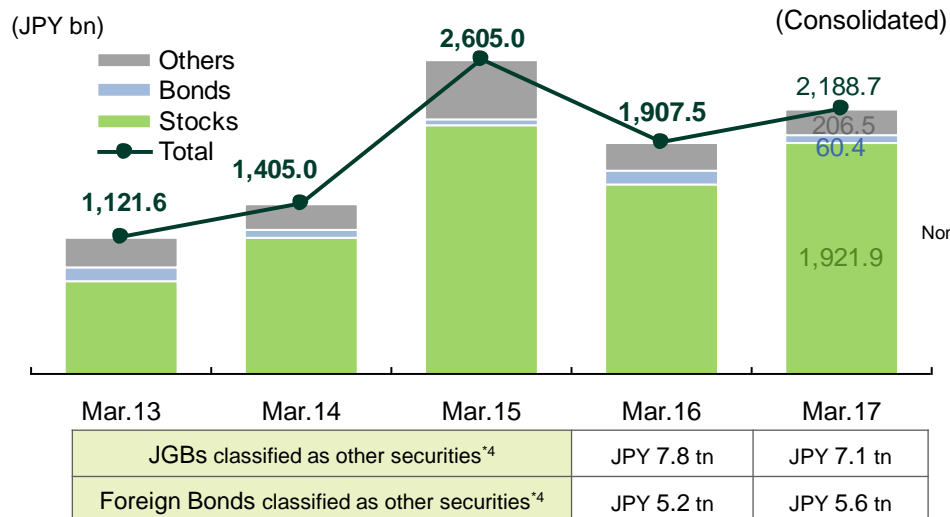
Loan balance



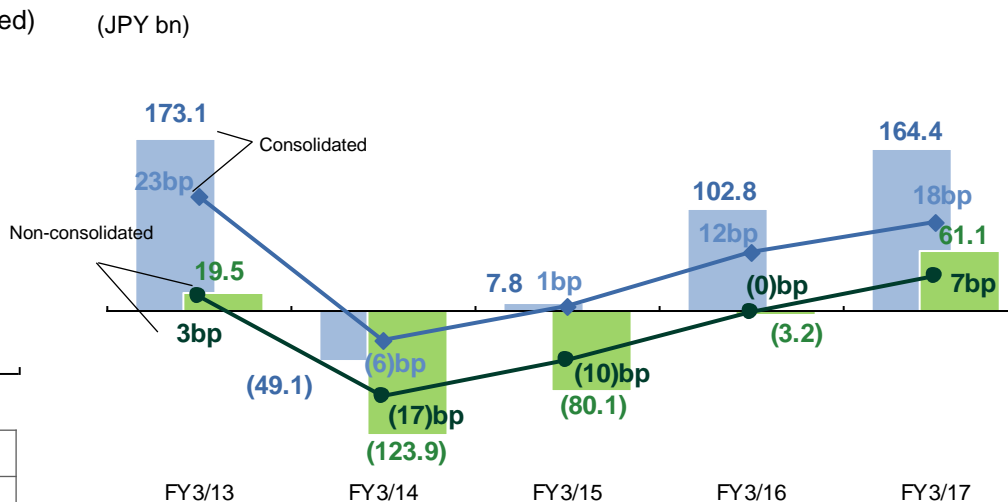
NPLs and NPL ratio^{*5}



Unrealized gains (losses) on other securities



Total credit cost and Total credit cost ratio^{*6}



*1 Exchange rates using TTM as of Mar. 2016: USD 1 = JPY 112.62, EUR 1 = JPY 127.47 and Mar. 2017: USD 1 = JPY 112.19, EUR 1 = JPY 119.84

*2 Balance as of Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada

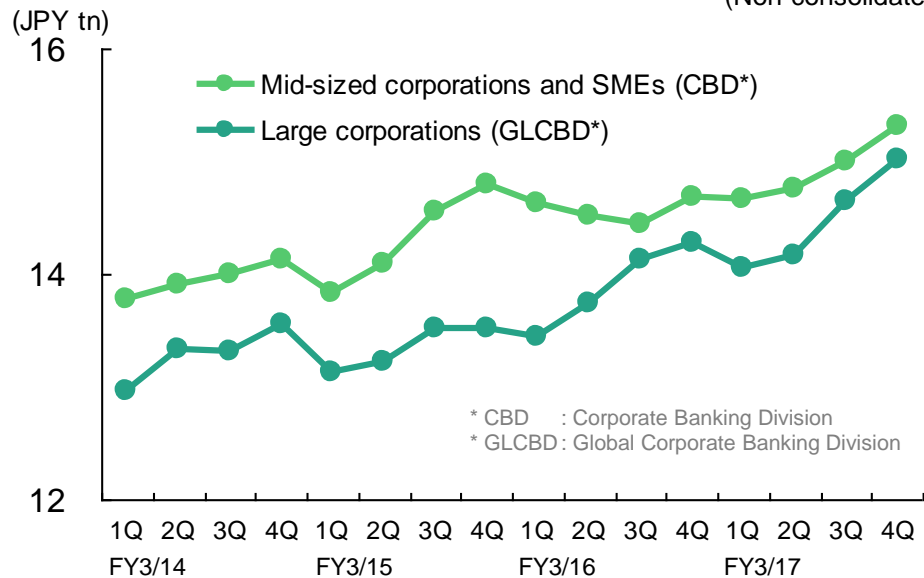
*3 Of which loans to the Japanese government, etc. and SMFG *4 Classified as other securities. SMBC non-consolidated basis. Balance sheet amount

*5 NPL ratio = NPLs based on the Financial Reconstruction Act (excludes normal assets) / Total claims *6 Total credit cost ratio = Total credit cost / Total claims

Wholesale business

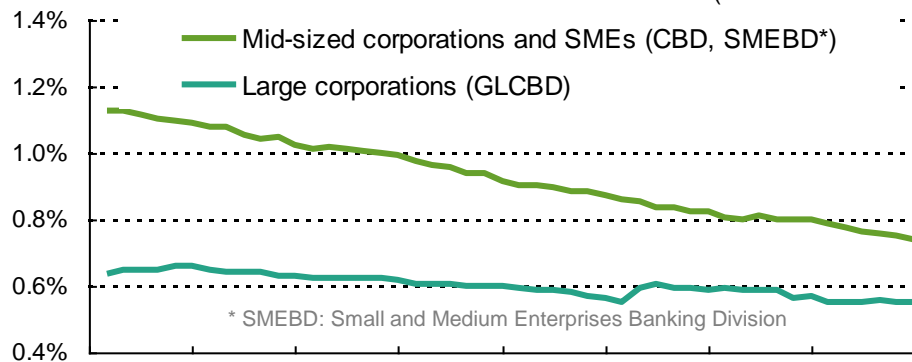
Loan balance of Wholesale Banking Unit*1, 2

(Non-consolidated)



Domestic corporate loan spread*1, 3

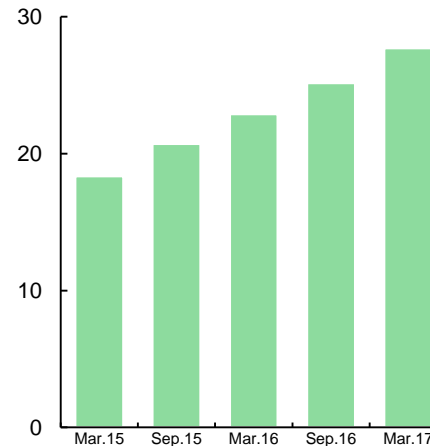
(Non-consolidated)



Bank-securities collaboration (accumulated no. of cases via referral / intermediary services from SMBC to SMBC Nikko)

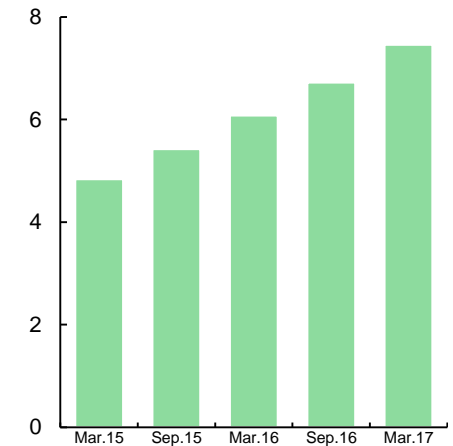
Asset Management

(Thousand)



Investment banking

(Thousand)



League tables (Apr. 2016 - Mar. 2017)*4

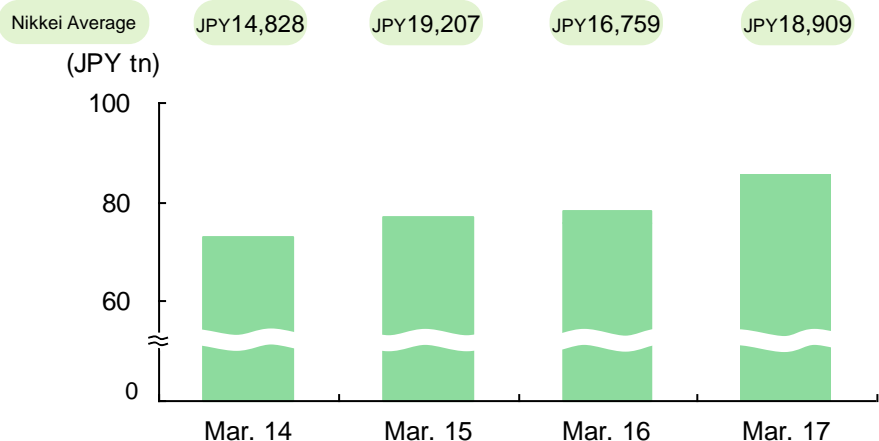
	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*5, 6	#2	19.0%
JPY denominated bonds (lead manager, underwriting amount)*5, 7	#3	17.2%
Financial advisor (M&A, No. of deals)*5, 8	#2	4.5%
IPO (lead manager, No. of deals)*9	#4	16.5%

*1 Managerial accounting basis. Excludes loans to the Japanese government, etc. We revised managerial accounting rules since Apr. 2014. Figures for FY3/14 were recalculated based on the new rules
*2 Quarterly average *3 Monthly average loan spread of existing loans *4 SMBC Nikko Securities for Global equity & equity-related, JPY denominated bonds and IPO. SMFG for Financial advisor
*5 Source: SMBC Nikko, based on data from Thomson Reuters *6 Japanese corporate related only. Includes overseas offices *7 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds *8 Japanese corporate related only. Group basis *9 Excludes REIT IPO. Source: Thomson Reuters

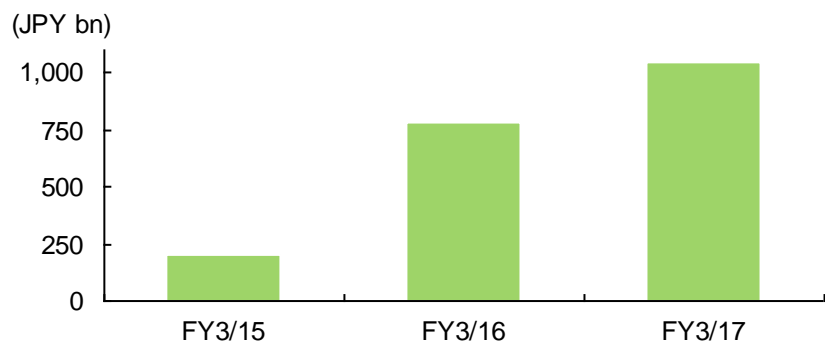
Retail business / Financial results of SMBC Nikko

Bank-securities collaboration

Retail AuM (SMBC+SMBC Nikko +SMBC Trust PRESTIA)



Increase balance of investment products (excludes change of market value, SMBC+SMBC Nikko)*1



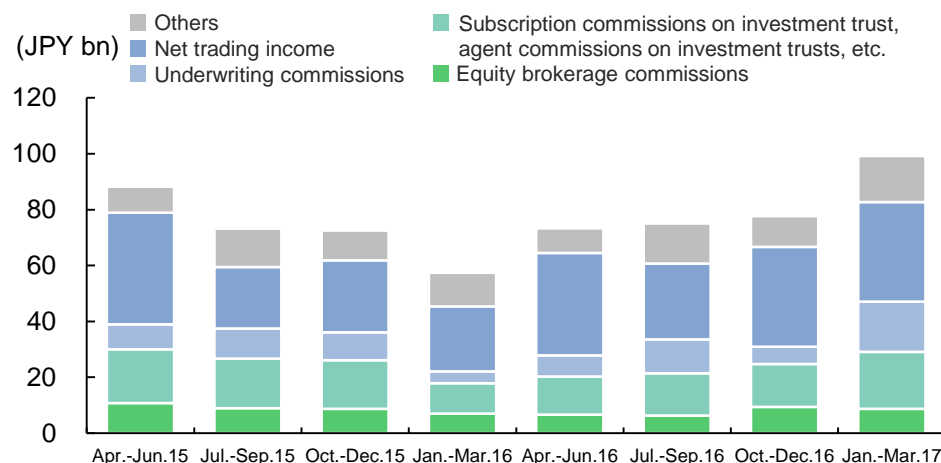
AuM through bank-securities collaboration*2	15/3	16/3	17/3
	JPY 2.6 tn	JPY 3.6 tn	JPY 4.8 tn

SMBC Nikko

Financial results (consolidated)

(JPY bn)	FY3/16	FY3/17	YOY change
Net operating revenue	292.8	326.7	+33.9
SG&A expenses	(241.5)	(250.9)	(9.4)
Ordinary income*3	55.8	80.0	+24.2
Profit attributable to owners of parent*3,*4	42.1	46.9	+4.8

Net operating revenue



*1 Sum of the net volume of product sales and cancel/redemption at SMBC and the inflow of assets (includes referrals from SMBC) at SMBC Nikko

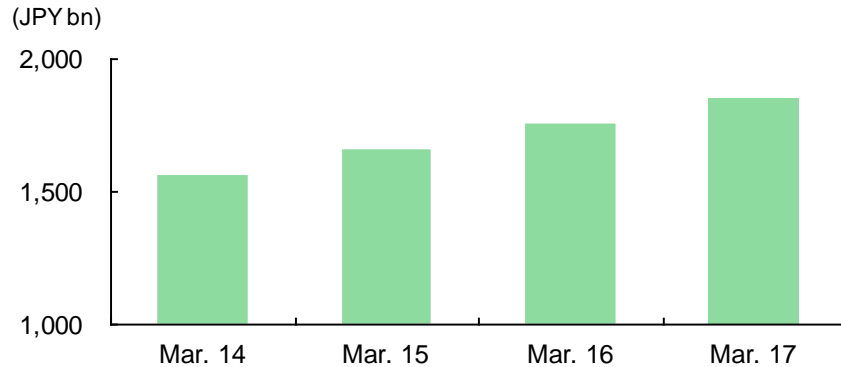
*2 Assets under management at SMBC Nikko via referral or financial instruments intermediary services from SMBC to SMBC Nikko. Includes a) assets transferred from SMBC Friend to SMBC Nikko In Jan. 2011 upon integrating SMBC Friend's collaborative business with SMBC into SMBC Nikko, and b) assets at the Private Banking division of SMBC Nikko

*3 Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.

*4 Recorded loss of JPY 12.0 bn as extraordinary loss at SMBC Nikko in FY3/17 on restructuring and liquidation of business alliance with Barclays

Consumer finance

Balance of unsecured card loans (SMBC + SMBCCF)



Financial results : SMBCCF (consolidated)

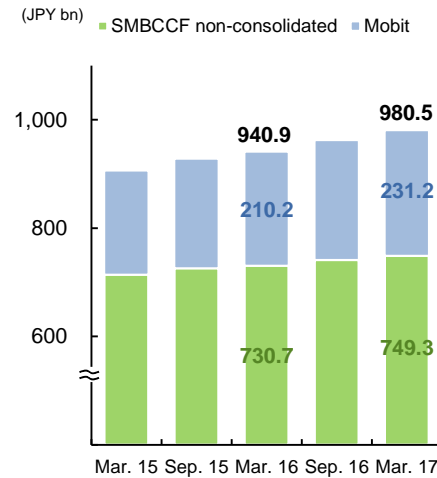
(JPY bn)	FY3/16	FY3/17	YOY change
Operating income	245.8	258.8	+13.0
Expenses for loan losses within Expenses	(52.0)	(54.6)	(2.6)
Losses on interest repayments within Expenses	(122.0)	-	+122.0
Ordinary profit	(61.2)	67.4	+128.6
Profit attributable to owners of parent	(64.8)	111.4	+176.2
Consumer loans outstanding	1,022.0	1,074.6	
Allowance on interest repayments	188.8	121.6	
Loan guarantee	1,079.9	1,211.7	
of which:			
for regional financial institutions, etc.	474.2	561.8	

Effect of implementing the consolidated corporate-tax system +JPY 50 bn

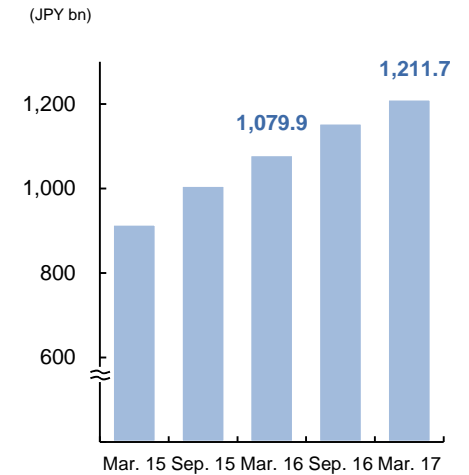
No. of companies with guarantee agreements: 188 (as of Mar. 2017)

SMBCCF: loan guarantee/overseas business

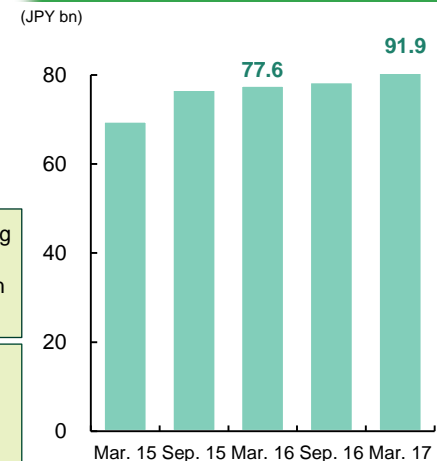
Loan guarantee amount



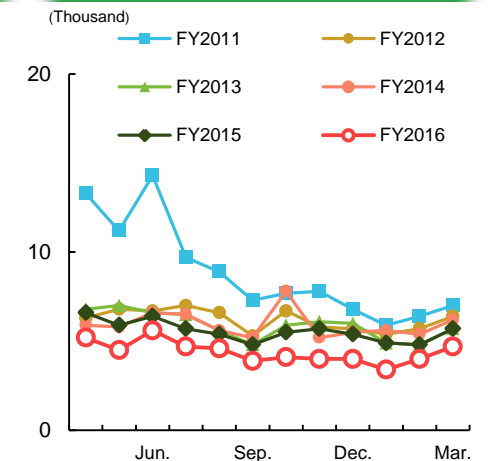
Loan guarantee amount



Consumer loans outstanding (overseas)



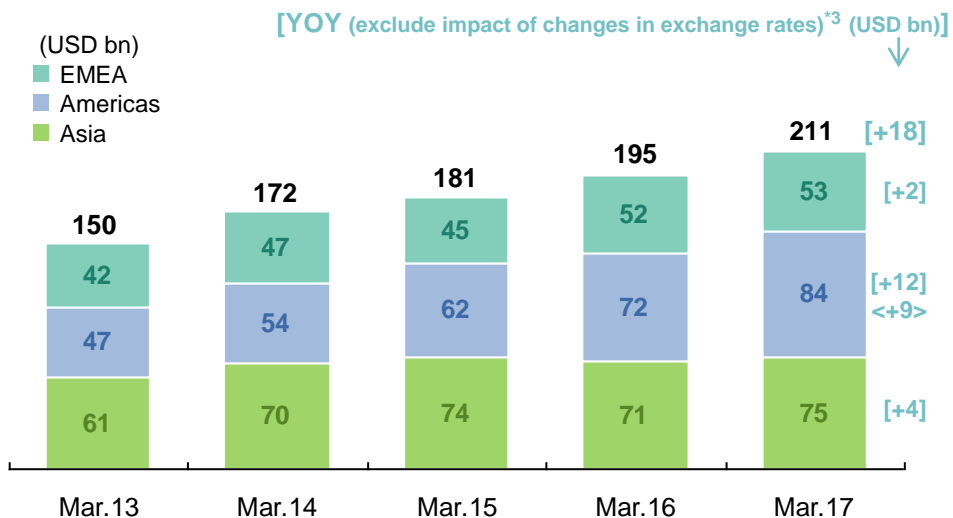
No. of interest refund claims



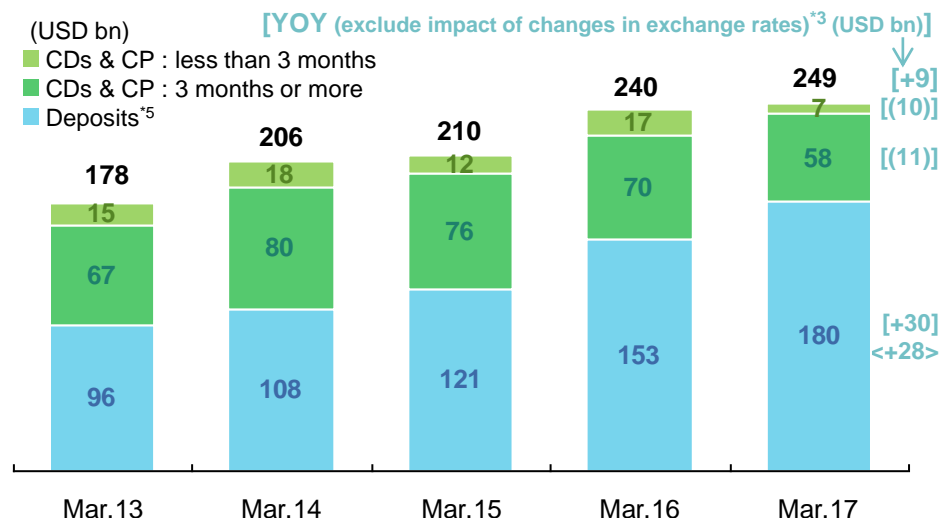
* Converted into JPY at respective period-end exchange rates

International business

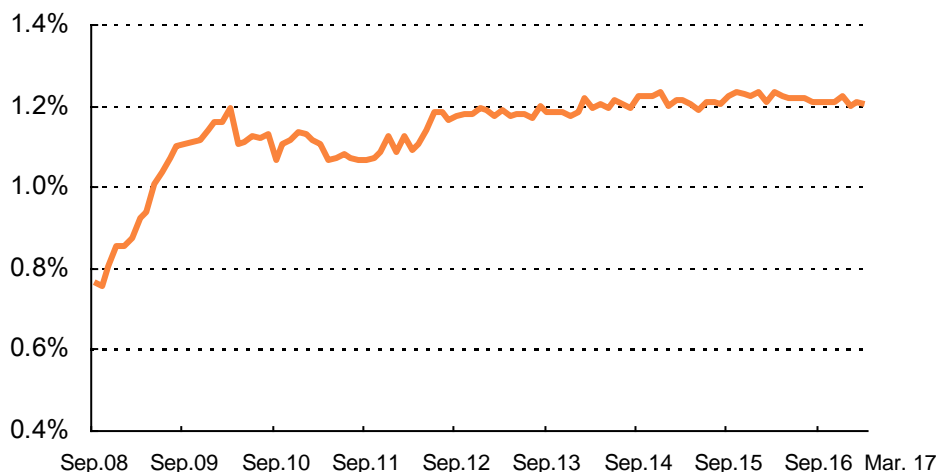
Overseas loan balance (includes trade bills) *1, 2



Overseas deposit balance *1, 2



Overseas loan spread *1, 4



Foreign currency bonds outstanding*6 (USD bn)	Senior	32.9	44.1
	Subordinated	4.1	4.1

Project finance / Loan syndication

League tables (Jan. - Dec. 2016)*7

	Global	Asia*8	Japan
Project Finance	#3	#4	
Loan Syndication	#9	#9	#2

*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Balance as of Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada *2 Converted into USD at respective period-end exchange rates *3 Year-on-year changes exclude impact of changes in local currency / USD. Figure in < > is an YoY change excluding the balance of SMBC Canada Branch as of Dec. 2016 *4 Monthly average loan spread of existing loans *5 Includes deposits from central banks *6 Bonds issued by SMFG and SMBC *7 Source: Thomson Reuters (Mandated Arrangers) *8 Project finance: Asia Pacific. Loan syndication: Asia (excl. Japan)

Exposure to resource-related sectors ^{*1}

		(JPY tn)	Mar. 15	Ratio to total exposure	Mar. 16	Ratio to total exposure	Mar. 17	Ratio to total exposure
		Integrated Oil & Gas ^{*2}	1.8	1.6%	1.5	1.3%	1.3	1.1%
		Services (Drilling, field services)	0.5	0.4%	0.5	0.4%	0.4	0.4%
		Upstream (E&P ^{*3})	1.5	1.3%	1.7	1.4%	1.5	1.2%
		Midstream (Storage/Transportation)	1.1	1.0%	1.4	1.2%	1.4	1.1%
		Downstream (Refining)	0.7	0.6%	0.7	0.6%	0.9	0.7%
		Oil and gas	5.5	5.0%	5.8	5.0%	5.5	4.4%
		Other resources (Mining)	1.2	1.1%	1.1	1.0%	0.9	0.8%
		Non-Japanese^{*4} (Resource-related sectors)	6.8	6.1%	6.9	6.0%	6.4	5.2%
		o/w Upstream	0.1	0.1%	0.2	0.2%	0.2	0.2%
		Oil and gas	1.2	1.1%	1.6	1.4%	1.3	1.1%
		Other resources (Mining)	0.2	0.2%	0.2	0.2%	0.2	0.2%
		Japanese (Resource-related sectors)	1.4	1.2%	1.8	1.6%	1.5	1.2%
		Resource-related sectors	8.1	7.3%	8.8	7.6%	7.9	6.4%
		Oil and gas	6.7	6.0%	7.4	6.4%	6.8	5.5%
		Other resources (Mining)	1.4	1.3%	1.3	1.1%	1.1	0.9%
		Non-Japanese^{*4}	38	34.0%	38	32.9%	41	33.5%
		Japanese	73	66.0%	77	67.1%	82	66.5%
		SMFG total exposure	111	100.0%	115	100.0%	123	100.0%

- “Oil and gas” does not include petrochemical; Japanese “Other resources (Mining)” does not include general trading companies
- Non-Japanese (resource-related sectors) : Corporate finance approx. 70%; Project finance approx. 30%
- Japanese (resource-related sectors) : Corporate finance 100%. No NPLs
- Exposure to resource-related sectors excluding project finance which are unaffected by resource prices is JPY 7.1 tn; Exposure at default (EAD) to the sectors is JPY 6.3 tn as of Mar. 2017

*1 Loans, commitment lines, guarantees, investments, etc. *2 Majors, state-owned companies, etc. *3 Exploration & Production

*4 Exchange rates using TTM as of Mar. 2015: USD 1 = JPY 120.15, Mar. 2016: USD 1 = JPY 112.62 and Mar. 2017: USD 1 = JPY 112.19

Capital and risk-weighted assets, consolidated

Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2016	Mar. 31, 2017 <i>Preliminary</i>
Common Equity Tier 1 capital (CET1)	7,796.5	86,08.5
of which:		
Total stockholders' equity related to common stock	7,351.8	8,013.3
Accumulated other comprehensive income ^{*1}	875.7	1,290.0
Regulatory adjustments related to CET1 ^{*1}	(646.4)	(898.1)
Tier 1 capital	9,031.7	9,946.2
of which:		
Additional Tier 1 capital instruments	300.0	449.9
Eligible Tier 1 capital instruments (grandfathered) ^{*3}	962.0	812.9
Regulatory adjustments ^{*1,2}	(244.9)	(172.9)
Tier 2 capital	2,204.3	2,027.5
of which:		
Tier 2 capital instruments	655.1	898.9
Eligible Tier 2 capital instruments (grandfathered) ^{*3}	1,220.6	873.1
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount ^{*2}	345.7	197.4
Regulatory adjustments ^{*1,2}	(137.1)	(70.6)
Total capital	11,235.9	11,973.7
Risk-weighted assets	66,011.6	70,683.5
Common Equity Tier 1 capital ratio	11.81%	12.17%
Tier 1 capital ratio	13.68%	14.07%
Total capital ratio	17.02%	16.93%

Common Equity Tier 1 capital ratio

(fully-loaded^{*4}, pro forma)

(JPY bn)	Mar. 31, 2016	Mar.31, 2017
Variance with CET1 on a transitional basis ^{*5}	104.6	70.2
of which:		
Accumulated other comprehensive income	583.8	322.5
of which:		
Net unrealized gains on other securities	539.1	308.5
of which:		
Non-controlling interests (subject to be phased-out)	(48.3)	(27.8)
Regulatory adjustments related to CET1	(430.9)	(224.5)
Common Equity Tier 1 capital	7,901.0	8,678.7
Risk-weighted assets	65,942.8	70,644.7
Common Equity Tier 1 capital ratio	11.9%	12.2%
Ref: Common Equity Tier 1 capital ratio (excluding net unrealized gains)	9.9%	10.0%

Preferred securities which become callable in FY3/18

	Issue date	Amount outstanding	Dividend rate ^{*6}	First call date ^{*7}	Type
SMFG Preferred Capital JPY 1 Limited	Feb. 2008	JPY 135.0 bn	3.52%	Jan. 2018	Non Step-up

Leverage ratio

(transitional basis, preliminary)

(JPY bn)	Mar. 31, 2017
Tier1 Capital	9,946.2
Leverage exposure	209,669.6
Leverage ratio	4.74%

LCR

(transitional basis)

Average Jan. – Mar. 2017
119.2%

*1~3 Subject to transitional arrangements. Regulatory adjustments of Tier 1 and Tier 2 include items that are either phased-in or phased-out as described in *1 and *2 below

*1~3&5 Percentages indicate the treatment as of Mar. 31, 2016 / Mar. 31, 2017

*1 60% / 80% of the original amounts are included *2 60% / 80% phase-out is reflected in the figures *3 Cap is 60% / 50% *4 Based on the Mar. 31, 2019 definition

*5 Each figure represents 40% / 20% of the original amounts that are not included due to phase-in or included due to phase-out in the calculation of CET1 on a transitional basis

*6 Until the first call date. Floating rate thereafter *7 Callable at any dividend payment date on and after the first call date, subject to prior confirmation of the FSA

Topics in FY3/2017

Domestic business

Wholesale business

- Promoted initiatives to increase loans and to secure margins (financing for MBO/LBO and restructuring, hybrid finance, etc.)
- Expanded the bank-securities dual-role department of SMBC and SMBC Nikko
- Increased members of the cross-industry consortium*¹. Hosted pitch events to connect investors and start-up companies *²

Retail business

- SMBC ranked 1st overall in the 12th Annual Retail Banking Survey*³. SMBC Nikko receives the Best Customer Support of The Year 2016 *⁴. SMBCCF becomes the first company in the nonbank sector to obtain the certificate for COPC® CSP *⁵ for the fourth consecutive year
- Introduced new services utilizing smartphones (e.g., a new banking app). Started “SMBC DEBIT”, a new debit card service with the Visa brand

IT/Innovation

- Established JV with NTT DATA Corporation and Daon Inc. for the commercialization of services offering individual identification platforms that use several different types of biometrics
- Established a JV with NEC. Introduced a new paperless payment service using smartphones that can be made at convenience stores
- SMCC introduced cutting-edge payment services offered by Stripe, Inc.; started to support Apple Pay
- SMFG, SMBC, and SMCC started a strategic partnership with Kyash, the FinTech player creating new remittance system. SMBC made investments to Kyash
- SMFG opened Silicon Valley Digital Innovation Laboratory (Apr. 2017). SMBC opened Silicon Valley Representative Office

International business

- SMBC(China) opened Dalian Branch. SMBC opened Thilawa Front Office in Myanmar, Mumbai Branch
- Collaborated with BTPN in the retail banking business in Indonesia. Launched a digital banking service for high-net-worth / middle class clients
- SMBC announced the acquisition of American Railcar Leasing LLC, one of the leading railcar leasing companies in the U.S.

Group reorganization

- SMBC Nikko and SMBC Friend executed a merger agreement. SMFG consolidated SMAM
- Agreed with The Minato Bank, Ltd., Kansai Urban Banking Corporation, The Kinki Osaka Bank, Ltd (the “three banks”), and Resona Holdings to proceed with discussion and consideration for the purpose of a business integration of the three banks

*1 Incubation & Innovation Initiative (III): a consortium which supports commercialization of new technologies and business ideas and makes policy recommendations.

*2 Mirai 2017: an incubation/acceleration program offered by III for supporting startups to create and develop new businesses which potentially have social impact

*3 Survey of 117 banks nationwide conducted by The Nihon Keizai Shimbun and the Nikkei Veritas *4 Customer support award sponsored by Japan Institute of Information Technology

*5 International quality standards for customer contact center operations