

Investors Meeting Presentation for FY3/2017 Performance

May 18th, 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

Overview of the four business units

- Retail (RT) Business Unit
: Domestic retail and SME businesses
SMBC (RT), SMBC Nikko (RT), SMBC Friend, SMBC Trust (RT), SMCC, Cedyne, SMBCCF, others
- Wholesale (WS) Business Unit
: Domestic large/mid-size corporation business
SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), others
- International (Inter.) Business Unit :
SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), others
- Global Markets (GM) Business Unit
: Market / Treasury related businesses
SMBC (Treasury), SMBC Nikko (Product), others

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I. FY3/2017 performance and FY3/2018 target

1. 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	vs. Nov. target	FY3/18 target
Profit attributable to owners of parent	706.5	+59.8	+6.5	630.0

Per share information (Consolidated)

(JPY/Share)	FY3/17 results	YOY change	vs. Nov. target	FY3/18 target
Profit attributable to owners of parent	516.00	+43.01	+4.01	446.80
Dividend	150	-	-	160

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

Financial target 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%
	Consolidated ROE	9.1%	around 10%
Profitability	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

2. FY3/2017 financial results

Income statement

		(JPY bn)	FY3/17	YOY change	vs Nov target
Consolidated	Consolidated gross profit	USD 26.0 ^{*1} bn	2,920.7	+16.8	+15.7
	General and administrative expenses		(1,812.4)	(87.6)	
	Equity in gains (losses) of affiliates		24.6	+60.7	
	Consolidated net business profit ^{*2}	USD 10.1 ^{*1} bn	1,132.9	(10.1)	
	Total credit cost		(164.4)	(61.6)	+15.6
	Gains (losses) on stocks		55.0	(14.0)	
	Others		(17.6)	+106.2	
	Ordinary profit	USD 9.0 ^{*1} bn	1,005.9	+20.6	+45.9
	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 ^{*1} bn	706.5	+59.8	+6.5	

		(JPY bn)	FY3/17	YOY change	vs Nov target
Non-consolidated	Gross banking profit	USD 14.8 ^{*1} bn	1,663.7	+129.4	+23.7
	Expenses ^{*3}		(816.9)	(11.5)	(1.9)
	Banking profit ^{*2}	USD 7.5 ^{*1} bn	846.7	+117.9	+21.7
	Total credit cost		(61.1)	(64.3)	(11.1)
	Gains (losses) on stocks		115.1	+79.7	
	Ordinary profit	USD 7.7 ^{*1} bn	864.0	+116.1	+115.0
Net income	USD 6.1 ^{*1} bn	681.8	+72.6	+81.8	

- **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 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 at SMCCF 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)

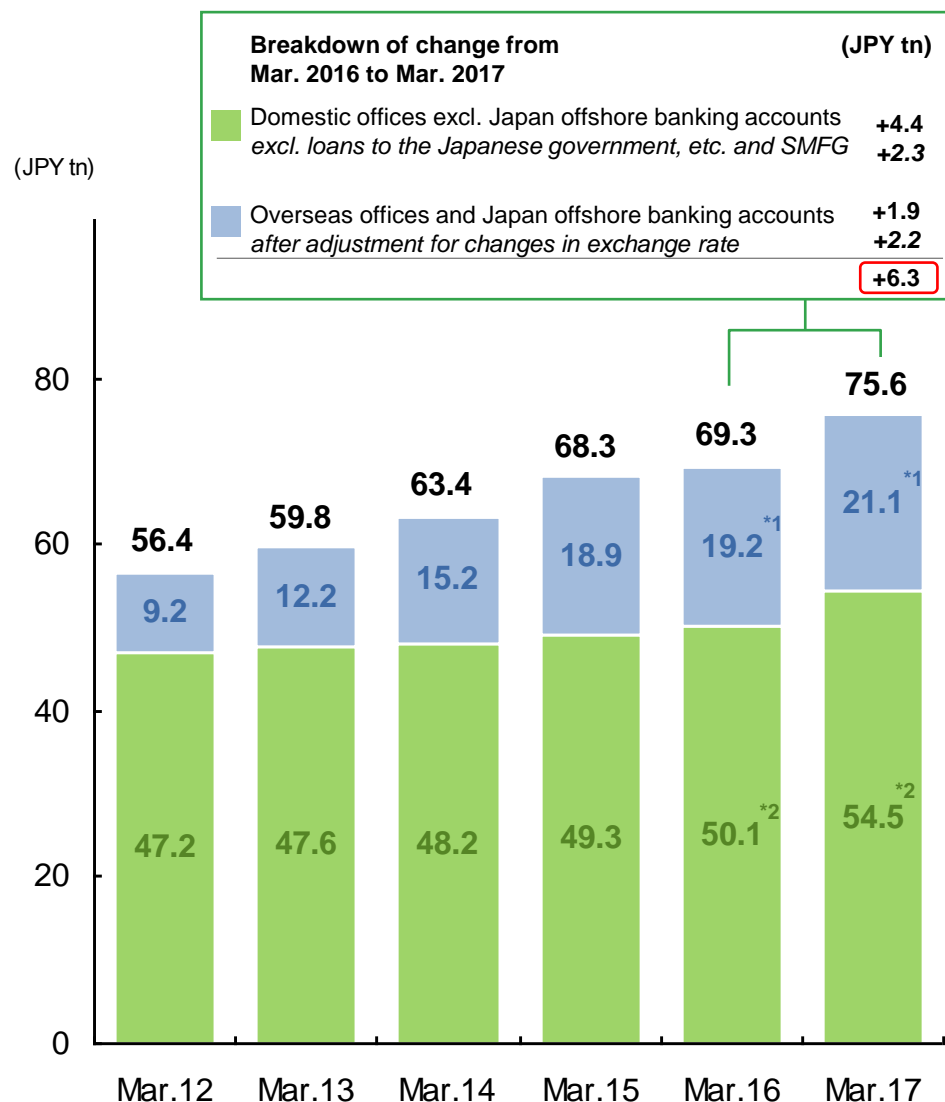
Contribution of subsidiaries to Profit attributable to owners of parent^{*4}

	(JPY bn)	FY3/17	YOY change	(JPY bn)	FY3/17	YOY change
SMCCF		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 Before provision for general reserve for possible loan losses *3 Excludes non-recurring 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

3. Loans

Loan balance (non-consolidated)



Average loan balance and spread^{*3}

(JPY tn, %)	Balance		Spread	
	FY3/17	YOY change ^{*9}	FY3/17	YOY change
Domestic loans ^{*4}	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

Domestic loan-to-deposit spread (non-consolidated)

(%)	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

*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 Of which loans to the Japanese government, etc. and SMFG: Mar. 16: JPY 1.3 tn; Mar. 17: JPY 3.5 tn *3 Managerial accounting basis *4 Non-consolidated

*5 Global Corporate Banking Division *6 Sum of Corporate Banking Division and Small and Medium Enterprises Banking Division

*7 Sum of SMBC, SMBC Europe and SMBC (China). Based on location of banking office *8 Sum of loans, trade bills, and securities *9 After adjustments for exchange rates, etc.

4. Net fees and commissions

(JPY bn)	FY3/16	FY3/17	YOY change
Consolidated*1	1,003.8	1,013.3	+9.5
of which:			
SMBC	358.6	348.9	(9.7)
SMCC	190.0	203.0	+13.0
SMBC Nikko	165.0	176.0	+11.0
Cedyna	116.0	117.0	+0.0
SMBCCF	59.0	66.0	+7.0
SMBC Friend	27.0	20.0	(7.0)

(Ref) Gross banking profit of SMBC's Marketing units*2

(JPY bn)	FY3/16	FY3/17	YOY Change*3
Loan syndication	45.6	48.7	+4.2
Structured finance	26.5	35.2	+7.6
Asset finance*4	16.7	19.5	+2.7
Sales of derivatives 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*5	72.7	72.5	+5.3
IBU's Non-interest income*5	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*5	225.4	194.6	(4.1)
Interest income	827.5	760.6	(17.8)
Gross banking profit of SMBC's Marketing units	1,274.1	1,211.2	(6.7)

*1 Numbers excluding SMBC are rounded *2 Managerial accounting basis *3 After adjustments of interest rates and exchange rates, etc.

*4 Profit from real estate finance, securitization of monetary claims, etc. *5 International Banking Unit

5. Gains (losses) on bonds

Non-consolidated

Gains (losses) on bonds

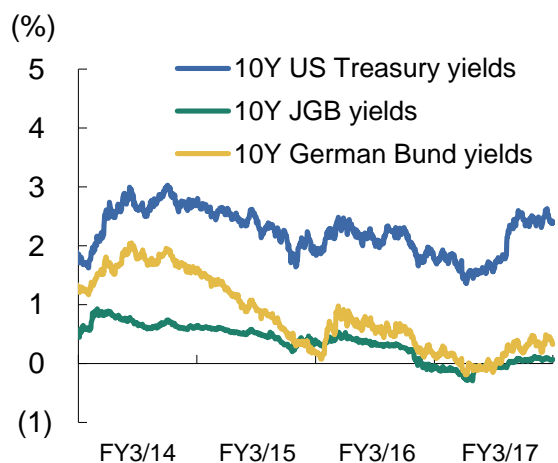
(JPY bn)	FY3/16	FY3/17	YOY Change
Gains (losses) on bonds	54.0	43.7	(10.3)
Domestic operations	3.4	18.2	+14.8
International operations	50.6	25.5	(25.1)

Gross banking profit of SMBC's Treasury Unit

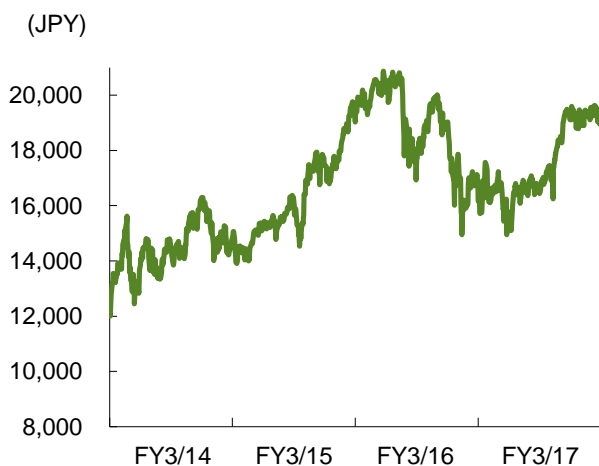
(JPY bn)	FY3/16	FY3/17	YOY change
Gross banking profit of SMBC's Treasury Unit	293.6	272.4	(21.2)

Interest rate, stock price and exchange rate

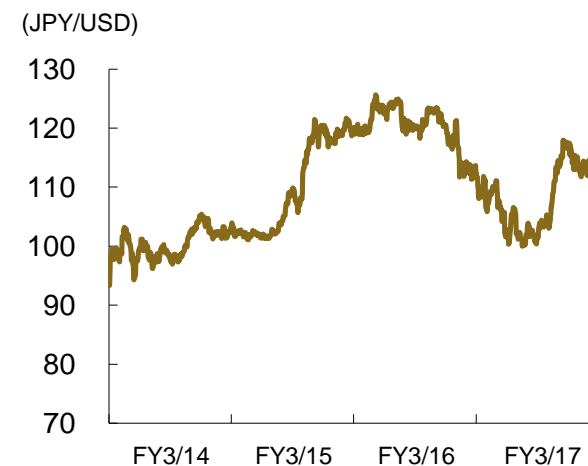
Interest rate of JGB, US Treasury and Bund



Nikkei Stock Average



Exchange rate JPY / USD



6. Expenses

Consolidated

(JPY bn)	FY3/17	YOY change
Expenses	1,812.4	+87.6
Overhead ratio	62.1%	+2.7%

By company (major Group companies)*¹

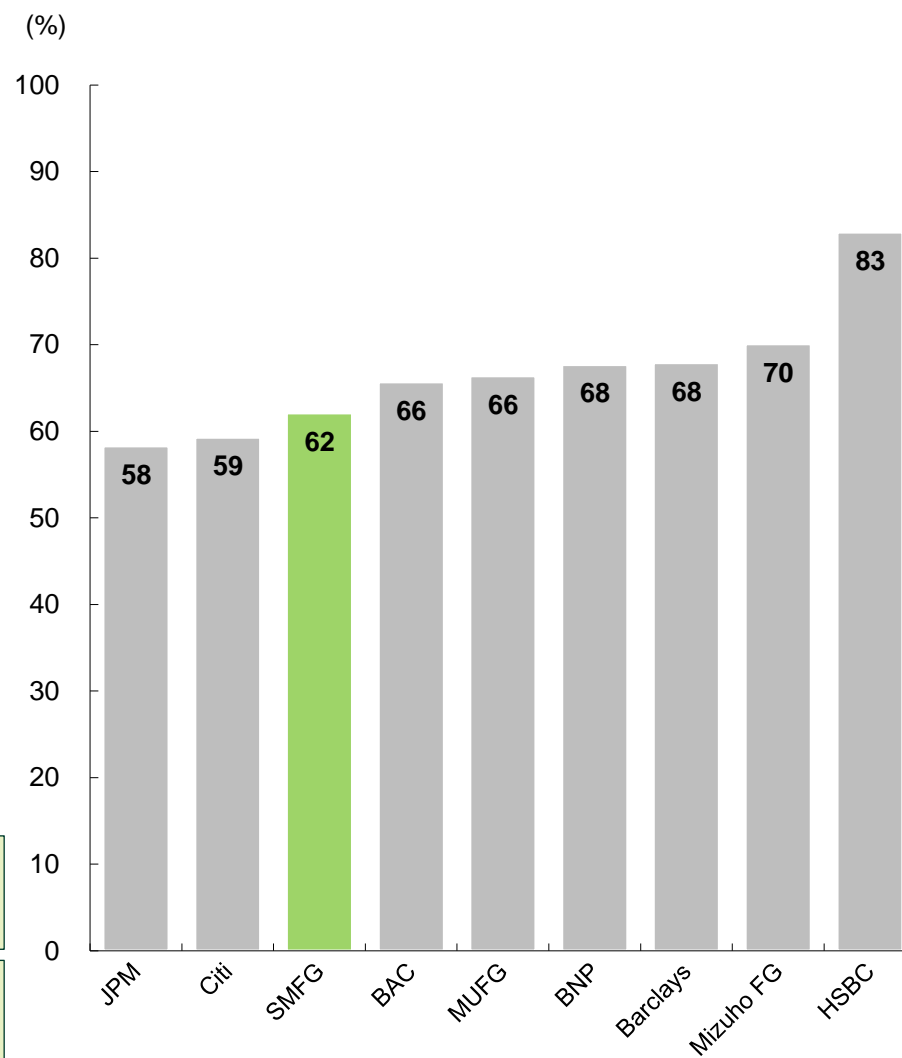
(JPY bn)	FY3/17	YOY change	
SMBC* ²	816.9	+11.5	
SMBC Nikko	251.0	+9.0	
SMCC	173.0	+16.0	
Cedyna	127.0	+2.0	
SMBCCF	105.0	(0.0)	
SMFL	84.0	+21.0	Apr. 2016, New consolidation (SMFL Capital)
SMBC Trust	51.0	+25.0	Nov. 2015, New consolidation (PRESTIA)
SMBC Friend	37.0	(1.0)	

*1 Numbers excluding SMBC are rounded

*2 Excludes non-recurring losses

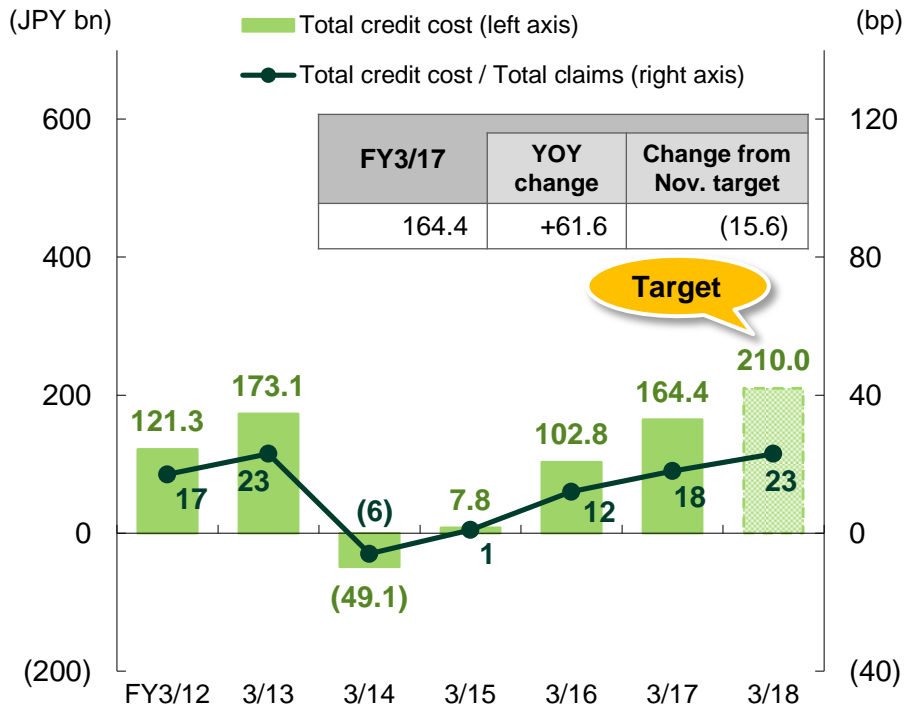
*3 Consolidated basis. Based on each company's disclosure. G&A expenses (for Japanese banks, includes non-recurring losses of subsidiary banks) divided by top-line profit (net of insurance claims). FY3/17 results for SMFG, MUFG and Mizuho FG, and Jan. - Dec. 2016 results for others

Overhead ratio comparison *³

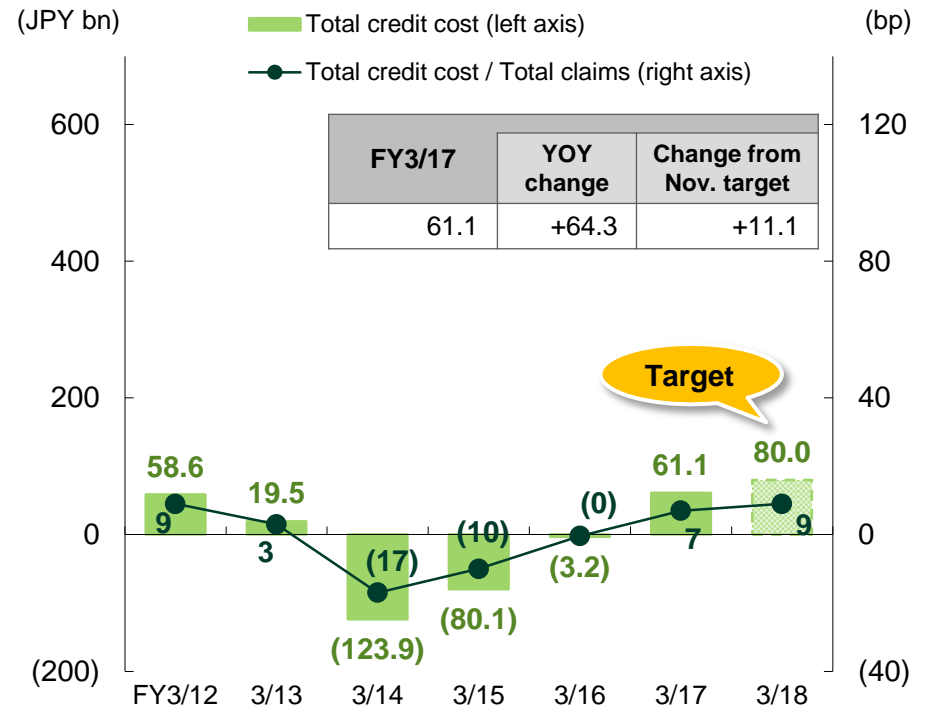


7. Credit costs

Consolidated



Non-consolidated



By company (major Group companies)*

(JPY bn)	FY3/17	YOY Change
SMBC	61.1	+64.3
SMBCCF	73.0	+5.0
SMCC	13.0	+2.0
Cedyna	13.0	+1.0
SMBC Europe	1.0	(9.0)

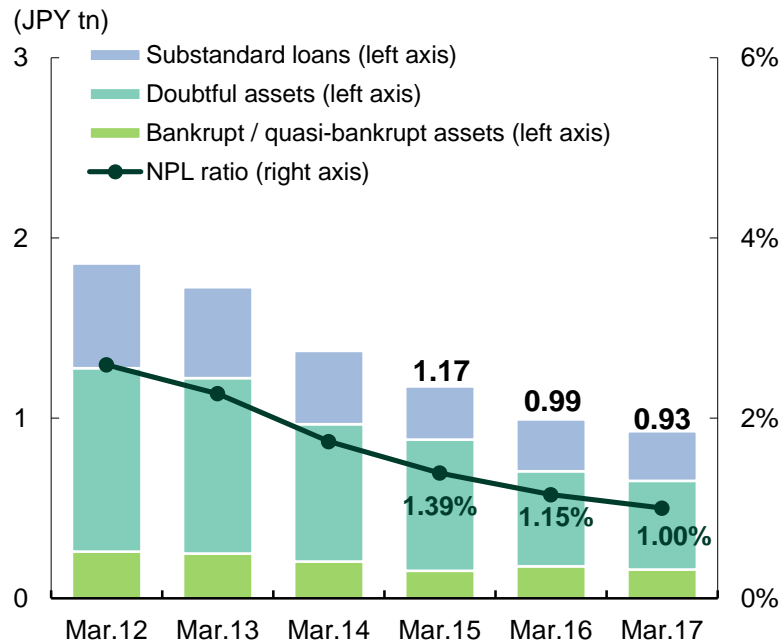
- Credit costs related to resources (sum of non-Japanese oil & gas, and other resources)
 - FY3/2016: approx. JPY 32 bn
 - FY3/2017: approx. JPY 2 bn
- Lower than May 2016 forecast due to the recovery of the oil price

* Numbers excluding SMBC are rounded

Ref: Non-performing loan balance and ratio

Consolidated

	Mar. 16	Mar. 17
Coverage ratio	81.34%	77.68%

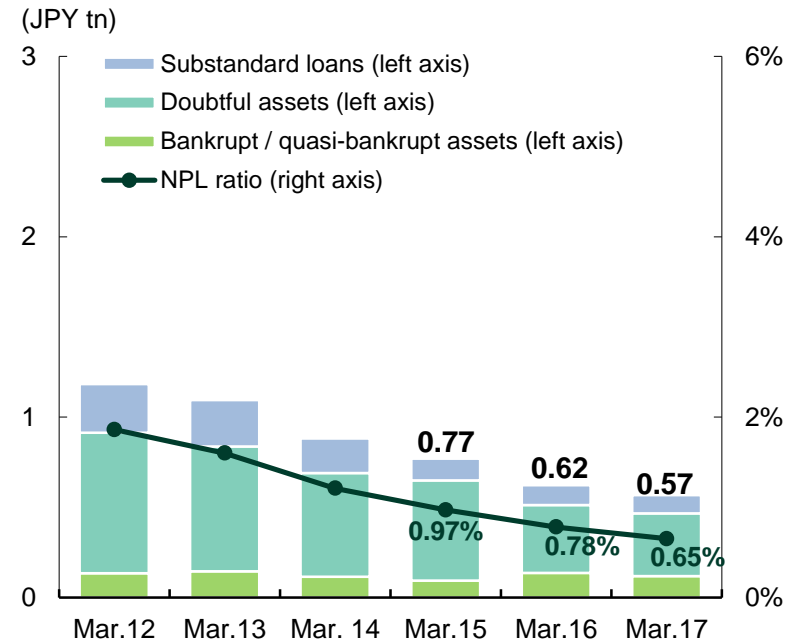


(JPY tn)

	Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17
Total claims	72	76	79	85	87	93

Non-consolidated

	Mar. 16	Mar. 17
Coverage ratio	88.32%	85.46%



(JPY tn)

	Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17
Claims on borrowers requiring caution*	2.8	1.9	1.6	1.6	1.4	1.6
Total claims	64	68	73	79	80	87

* Excludes claims to Substandard borrowers

8. Balance sheet management

Initiatives going forward

JPY Lending

Maintain the current balance

- Maintain or improve overall profitability
- Asset control through O&D

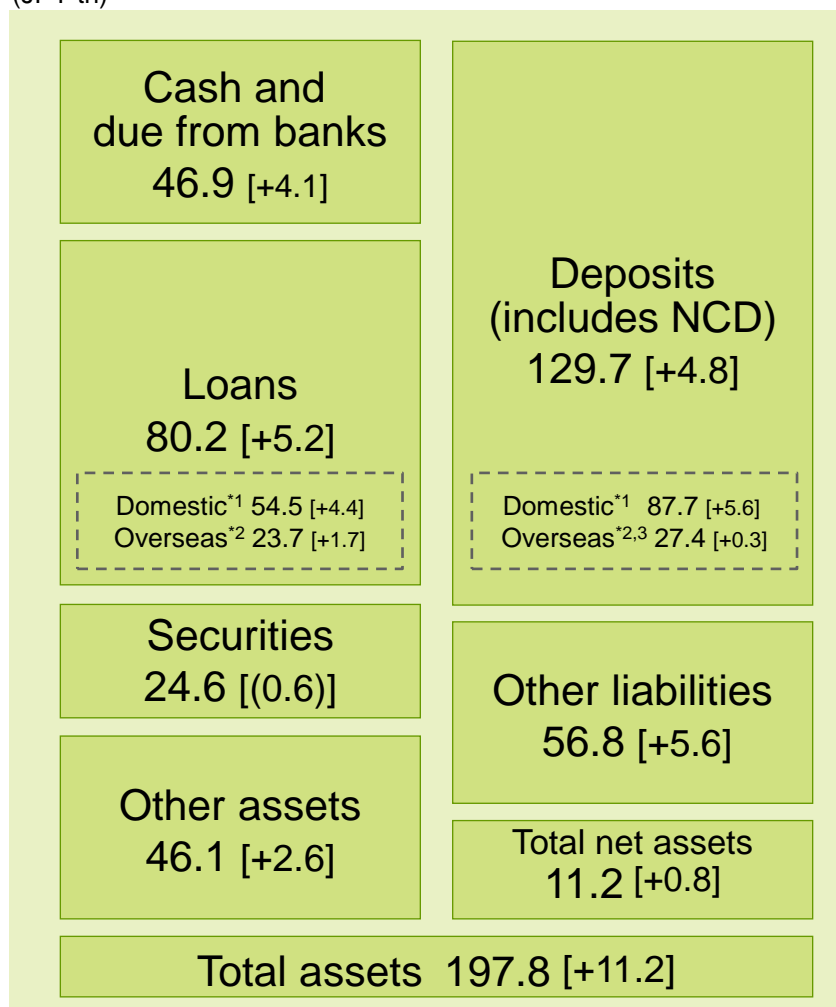
Foreign Currency Lending

Control the pace of increase

- Reduce low profitable assets and increase asset turnover
- Focus on profitability including cost of funding

Consolidated B/S (Mar. 31, 2017) [vs. Mar. 31, 2016]

(JPY tn)



JPY Funding

Control deposit balance

- Monitor the balances of large deposits
- Promote the “shift from savings to asset building”

Foreign Currency Funding

Increase quantity and improve quality

- Increase sticky customer deposits
- Diversify funding sources

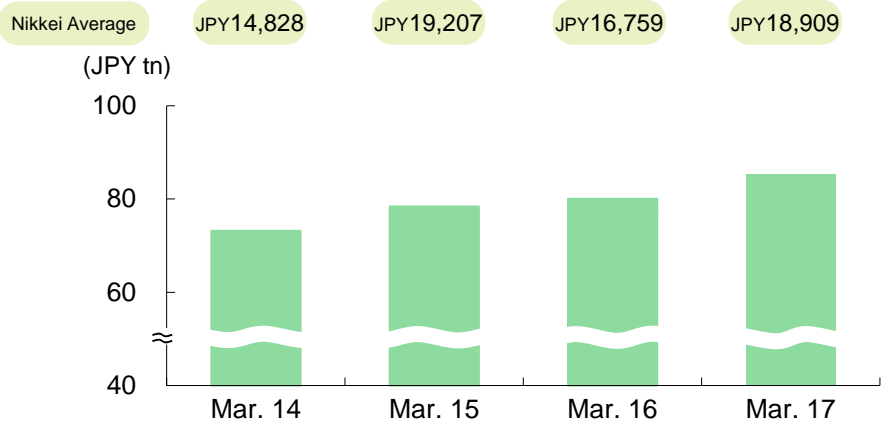
Loan to deposit ratio	61.9 %
Leverage ratio ^{*4}	4.74 %
LCR ^{*5}	119.2 %

*1 Non-consolidated *2 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China) *3 Includes CDs & CP *4 Transitional basis, preliminary
*5 Transitional basis, average Jan. – Mar. 2017

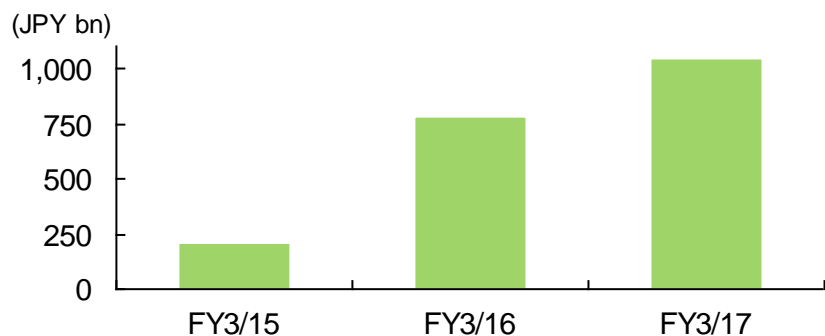
9. Retail business

Bank-securities collaboration

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



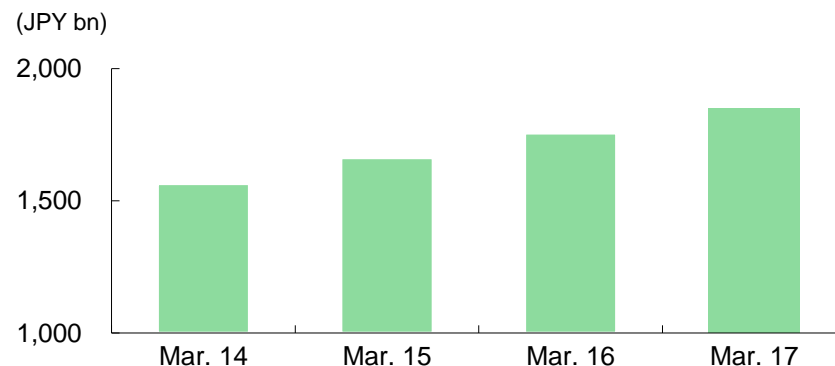
Increase in balance of investment products (excludes change of market value, SMBC+SMBC Nikko)*1



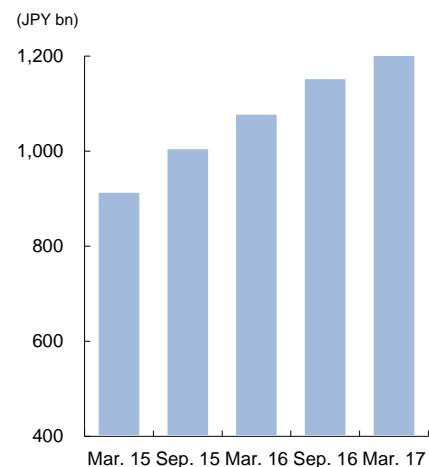
AuM through bank-securities collaboration*2	Mar. 2015	Mar. 2016	Mar. 2017
	JPY 2.7 tn	JPY 3.6 tn	JPY 4.8 tn

Consumer Finance

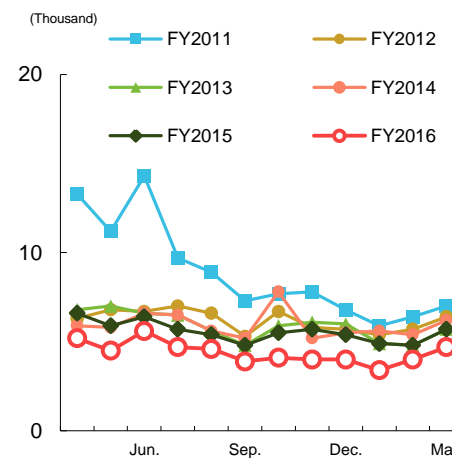
Balance of unsecured card loans (SMBC + SMBCCF)



Loan guarantee amount*3



No. of interest refund claims*3



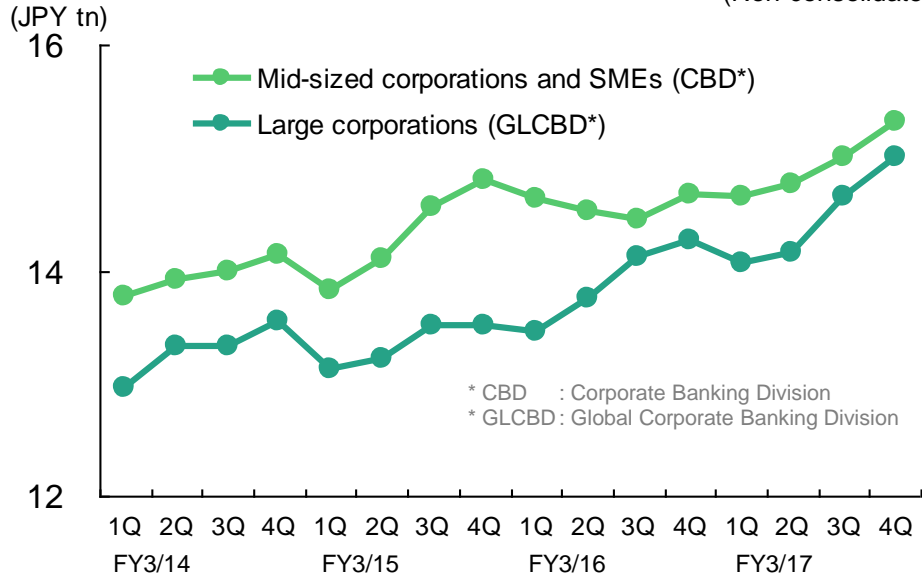
*1 Sum of the net volume of product sales and cancel/redemption at SMBC and the inflow of assets (includes referrals from SMBC) at SMBC Nikko

*2 Assets under management at SMBC Nikko via referral or financial instruments intermediary services from SMBC to SMBC Nikko. Includes assets transferred from SMBC Friend Securities to SMBC Nikko in Jan. 2011 upon integrating SMBC Friend's collaborative business with SMBC into SMBC Nikko and assets at the Private Banking division of SMBC Nikko *3 SMBCCF

10. Wholesale business

Loan balance of Wholesale Banking Unit*1, 2

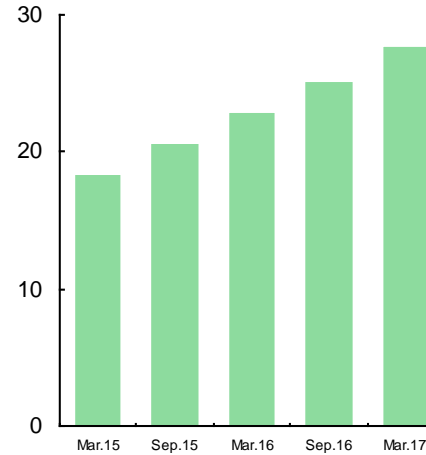
(Non-consolidated)



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

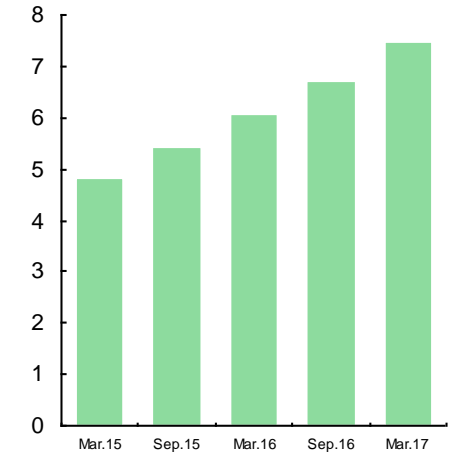
Asset Management

(Thousand)



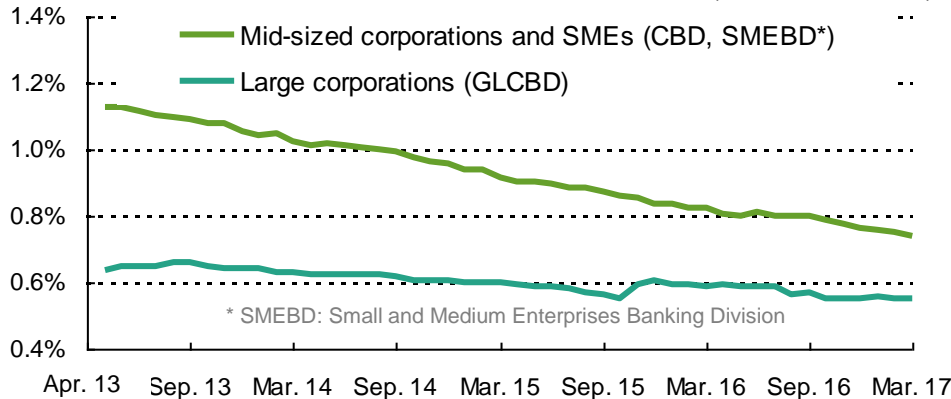
Investment banking

(Thousand)



Domestic corporate loan spread*1, 3

(Non-consolidated)



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

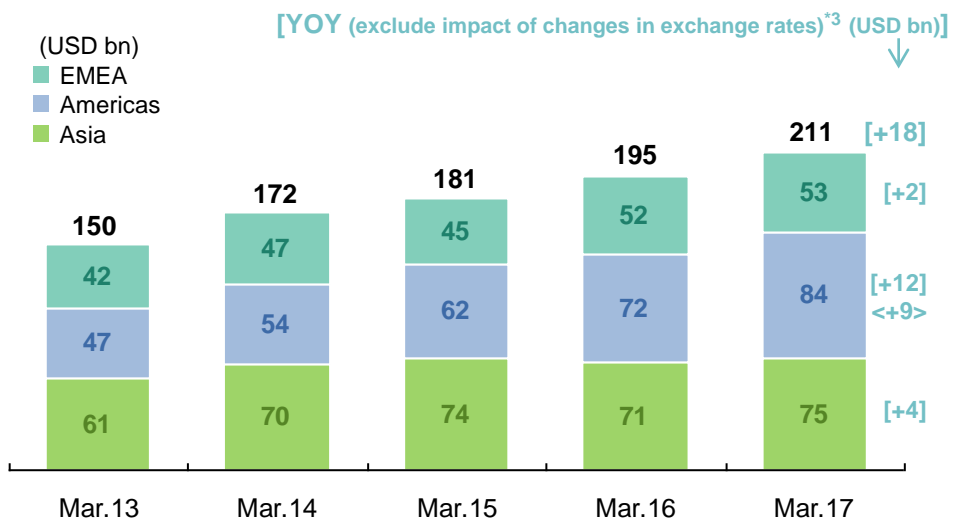
*5 Source: SMBC Nikko, based on data from Thomson Reuters *6 Japanese corporate related only. Includes overseas offices

*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

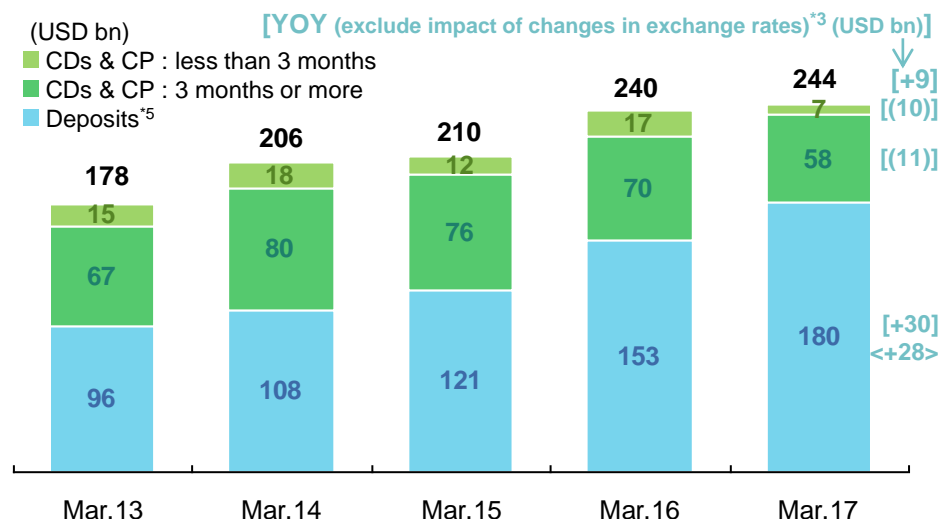
*9 Excludes REIT IPO. Source: Thomson Reuters

11. International business

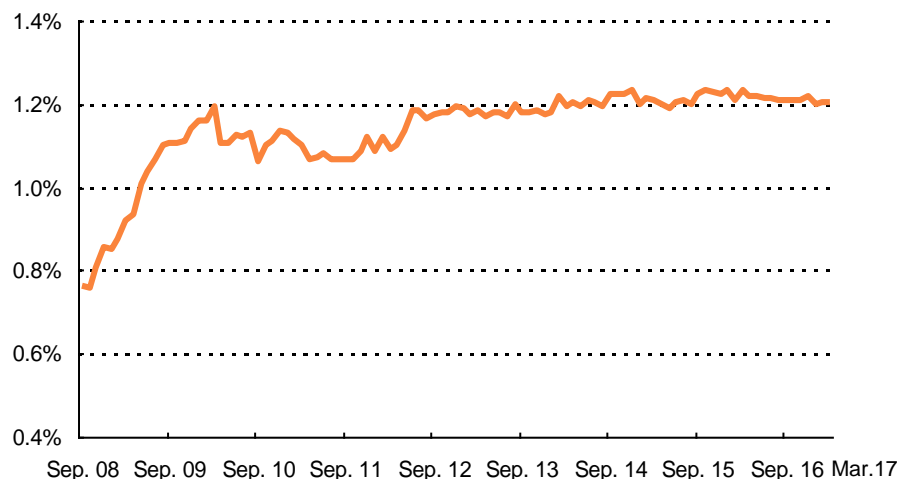
Overseas loan balance (includes trade bills) *1, 2



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)

12. Earnings target for FY3/2018

		(JPY bn)	FY3/17 results	1H	FY3/18 target	YOY change
Consolidated	Consolidated net business profit* ²		USD 10.1 bn ^{**1} 1,132.9	550.0	1,130.0	(2.9)
	Total credit cost		(164.4)	(110.0)	(210.0)	(45.6)
	Ordinary profit		USD 9.0 bn ^{**1} 1,005.9	460.0	970.0	(35.9)
	Profit attributable to owners of parent		USD 6.3 bn ^{**1} 706.5	310.0	630.0	(76.5)

Non-consolidated	Banking profit* ²		USD 7.5 bn ^{**1} 846.7	280.0	600.0	(246.7)
	Total credit cost		(61.1)	(45.0)	(80.0)	(18.9)
	Ordinary profit		USD 7.7 bn ^{**1} 864.0	240.0	550.0	(314.0)
	Net income		USD 6.1 bn ^{**1} 681.8	200.0	430.0	(251.8)

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 112.19

*2 Before provision for general reserve for possible loan losses

Consolidated net business profit

Expected to earn almost the same level as FY3/17 by increasing non-interest income and expanding the overseas business in spite of impacts from the negative interest rates and declining spreads of domestic loans

Total credit cost

Expected to increase because of smaller gains on reversal of reserves for possible loan losses at SMBC and the continuing uncertain market environment

Profit attributable to owners of parent

Expected to increase on an year-on-year basis excluding the impact of an one time profit push up of approx. JPY 100 bn in FY3/17 because of implementing the consolidated corporate-tax system

Assumptions of earnings target

		FY3/17 actual	FY3/18
3M TIBOR		0.06%	0.06%
Federal funds target rate		1.00%	1.25%
Exchange rate	JPY/USD	112.19	110.00
	JPY/EUR	119.84	115.00

II. Medium-Term Management Plan (FY3/2018-FY3/2020)

SMFG

**Next
Stage**

(1) Review of previous Medium-Term Management Plan (FY3/2015–FY3/2017)

- Although the business environment was tougher than originally anticipated, we were able to achieve our targeted capital adequacy ratio by retaining stable earnings
- However, due to sluggish top-line growth and upfront investments, growth rate and efficiency ratio fell short of the target

Achievements

Steady progress in business strategy

Business model reform based on customer needs

- Retail AuM (three-year) +12%
- Average loan balance for Wholesale Banking Unit (three-year) +9%

Asia-centric strategy

- Expanded business with core Asian clients
- Increased synergies with investing companies, particularly in Indonesia

Evolving business model in international business

- Promoted cross-selling with core western clients
- Established high margin portfolio:
e.g. acquisition of GE LBO business

Financial Targets

	Target	FY3/2017
CET1 capital ratio	10%	12.2% [10.0%]
Consolidated net income RORA	1%	1.0%
ROE	10%	9.1%

Note: Figures in parentheses exclude net unrealized gains on other securities. Common Equity Tier 1 capital ratio and consolidated net income RORA are based on current RWA

Challenges

Difficult business environment led to sluggish top-line growth. Shifted focus towards bottom line profit from the middle of FY3/2016. Earnings from upfront investments remain unrealized.

Japan Introduction of negative interest rates

Global Heightened uncertainty
Slowdown of Asian economy
Increased foreign currency funding cost

Regulatory Tightening of international financial regulations

Financial Targets

	Target	FY3/2017
Consolidated gross profit growth rate	+15% Excluding inorganic growth: +10%	+0.8%
Overhead ratio	Mid-50%	62.1% (three-year: +7.9%)

Note: The consolidated gross profit growth rate represents the rate of change in comparison with FY3/2014

(2) Business Environment

- Earnings environment is expected to remain challenging due to the negative interest rates in Japan and tightening of international financial regulations
- However, chances of capturing business opportunities are growing by heightening our competitive advantages

Difficult earnings environment

Business environment is expected to remain unclear and uncertain

Financial/ Economic

Negative interest rates in Japan
Higher foreign currency funding costs

Regulatory

Tightening of international financial regulations

Social/ Political

Protectionism, geo-political risk, etc.

Rates/Forex assumptions*1

	FY3/2017	FY3/2020
(Japan) Short-term rate*2	(0.10)%	(0.10)%
(US) FF rate*3	1.00%	2.25%
JPY/USD	JPY 112.19	JPY 110.00
JPY/Euro	JPY 119.84	JPY 115.00

*1 FY3/2017 are actual figures
*2 Assumes negative interest rates will continue
*3 Target rate (cap)

Business Opportunities

Retail

- Shift from savings to asset building
- Inheritance/business successions
- Digitalization/cashless

Wholesale

- M&A activity and overseas expansion of large companies
- Growth companies and industries pursuing open innovation
- Investment needs under the low-interest rate environment

International

- Stable growth prospects for the US economy
- M&A activities by multinational corporations
- Mid- to long-term growth of the Asian middle class
- Market growth in trade, infrastructure, and transportation

(3) Overview of Medium-Term Management Plan (FY3/2018-FY3/2020)



To achieve sustainable growth by combining the Group's strengths with more focused business management

Core Policy

- 1

Discipline

Disciplined business management
- 2

Focus

Focus on our strengths to generate growth
- 3

Integration

Integration across the Group and globally to achieve sustainable growth

FY3/2020 Financial Targets

Business Environment ➤ Challenging earnings environment ➤ Tighter international regulations ➤ New opportunities from technology and social trends	Key considerations ➤ Improve capital, asset, and cost efficiencies ➤ Healthy risk-taking versus credit cost control ➤ Balance among financial soundness, enhancing shareholder returns, and growth investments	Capital Efficiency	ROE	7~8%	Maintain at least 7% notwithstanding accumulation of capital → p.44
		Cost Efficiency	OHR	1% reduction compared with FY3/2017	Reduce to around 60% at the earliest opportunity (FY3/2017: 62.1%) → p.45
		Financial Soundness	CET1 ratio ^{*1,2}	10%	Maintain capital in line with likely raised requirement (FY3/2017 8.3%) → p.46

*1 Calculated with RWA inflated by 25% compared to the current level based on our assumption of the final impact of Basel III reforms

*2 CET1: excludes net unrealized gains on other securities

RWA: excludes RWA associated with net unrealized gains on stocks

Shareholder Return Policy

- Adopt a progressive dividend policy targeting payout ratio of 40%
- Dividend per share forecast for FY3/2018 is 160 yen, a 10 yen increase year on year
- Policy for share buybacks will be laid out after the finalization of Basel III reforms

Ref: Position of the new medium-term management plan

New Medium-Term Management Plan
(FY3/2018–FY3/2020)

SMFG **Next Stage**

1 Discipline

2 Focus

3 Integration

Mid- to long-term vision

To be a global financial group that leads growth in Japan and Asia by earning the highest trust of our customers

Previous Medium-Term Management Plan
(FY3/2015–FY3/2017)

- Top-line growth
- Upfront investments for future growth
- Reform domestic and international business models
- Globalization and group cooperation of management, organizations, and HR

1

Discipline

Disciplined business management

- Transformation of business/asset portfolio and quality of earnings base
- Improve productivity and efficiency

2

Focus

Focus on our strengths to generate growth

- Focus on Seven Core Business Areas

3

Integration

Integration across the Group and globally to achieve sustainable growth

- Management that maximizes business potential
- Digitalization
- ESG

Transformation of business/asset portfolio and quality of earnings base – Shift to SMFG’s competitive advantage and growing businesses

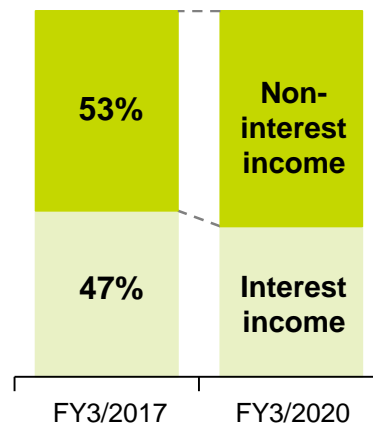
- Prioritize business fields when allocating resources to enhance capital efficiency
- Maintain our competitive advantage in the domestic retail and wholesale businesses and generate stable earnings

Business portfolio transformation (p.27–p.34)

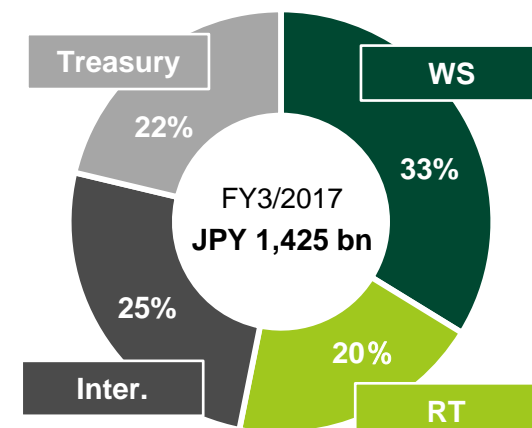
SMFG’s competitive advantage



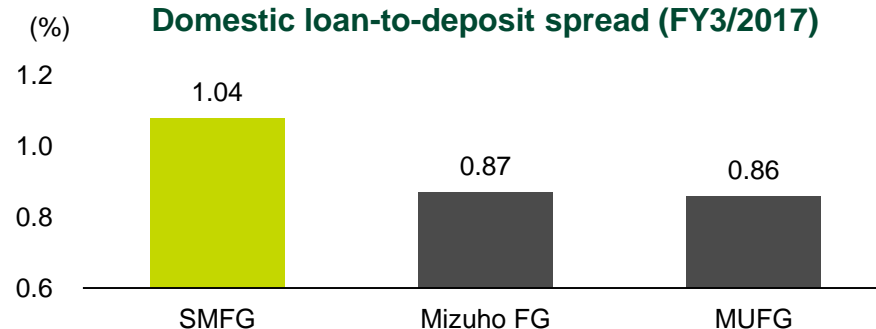
Interest/non-interest income ratio (consolidated gross profit)



Breakdown of consolidated net business profit by business unit



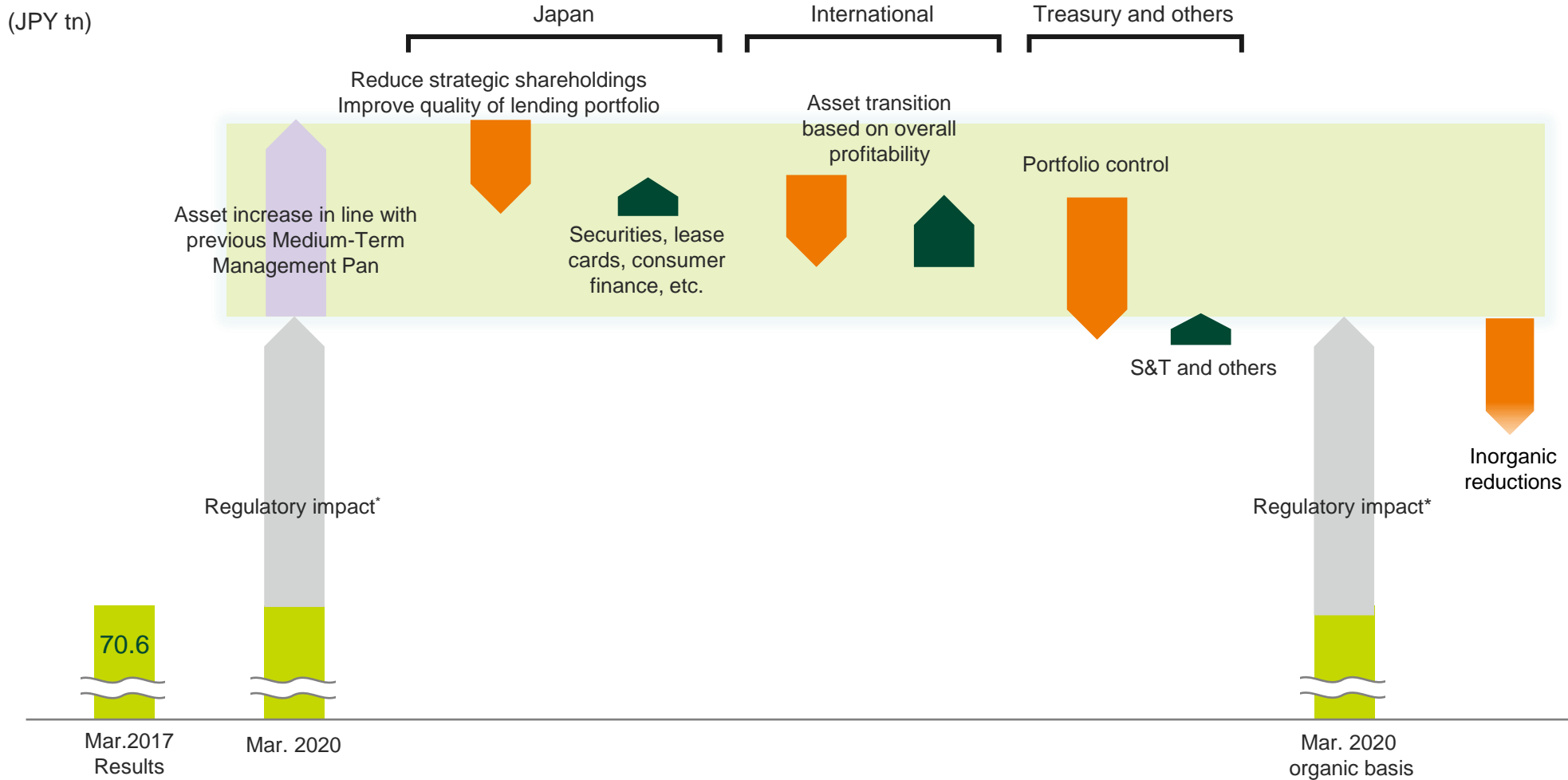
Domestic loan-to-deposit spread (FY3/2017)



*Non-consolidated figures of SMBC for SMFG, non-consolidated figures of Mizuho Bank for Mizuho FG, and non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG

Transformation of business/asset portfolio and quality of earnings base – Reduce low-margin assets and shift to high profit/growth fields

- As RWA will inflate resulting from tighter regulations, we will maintain the RWA calculated based on the current regulations
- We will reduce low-margin assets while investing in more profitable and asset efficient businesses in order to control the RWA. In addition, we will pursue inorganic reductions

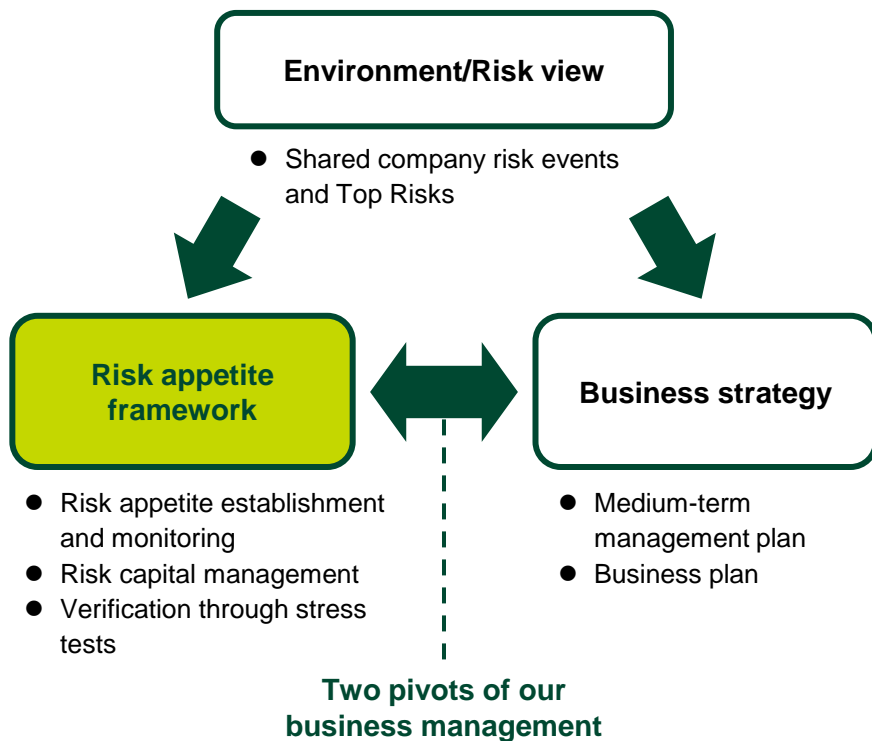


* Made under assumption that RWA will be inflated by 25% compared to current levels

Ref: Assessing risks based on the risk appetite framework

- Run risk management based on the risk appetite framework and take on appropriate risks for earnings growth taking into consideration of our views toward the business environment and surrounding risks

Risk appetite framework



Risk management and appropriate risk-taking

Credit risk

- Explicit asset control based on returns after credit costs
 - by obligor and customer segment

Liquidity risk

- Asset control to secure stable foreign currency funding
 - Global Portfolio Strategy Department
 - O&D (Origination & Distribution)
 - Strengthening currency based ALM



Improve returns on risk
Nimble portfolio management

Improving productivity and efficiency

- Improve productivity and efficiency through various measures including digitalization
- Aim for a mid-term cost reduction of JPY 100 bn

Key initiatives

Business reform to improve efficiency

- Utilize technology to improve efficiency of head office business processes
- Consolidate head office functions and infrastructure of group companies

Retail branch reorganization

- Enhance self/remote transactions and administration processes
- Productivity and efficiency improvement through branch reforms

Reorganization of group companies

- Merge SMBC Nikko and SMBC Friend
- Strengthen business integration of SMCC and Cedyne (Clarification of roles and sharing of management resources)



Annual cost reduction

3 years during Medium-Term Management Plan: JPY 50 bn plus

JPY 20 bn



Group-wide productivity Improvements

JPY 20 bn



Retail branch reorganization

JPY 10 bn



Merger of securities subsidiaries

Aiming for a mid-term cost reduction of JPY 100 bn

Headcount streamlining

4,000 positions*¹



as the result of improving productivity and efficiency
(2,000 core workers)



Staff relocation and enhancement (strategic business fields, overseas, etc.)

*1 Core positions are on a 3 year basis, other positions are on a 4 year basis

1

Discipline

Disciplined business management

- Transformation of business/asset portfolio and quality of earnings base
- Improve productivity and efficiency

2

Focus

Focus on our strengths to generate growth

- Focus on Seven Core Business Areas

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Integration across the Group and globally to achieve sustainable growth

- Management that maximizes business potential
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- ESG

Focus on Seven Core Business Areas

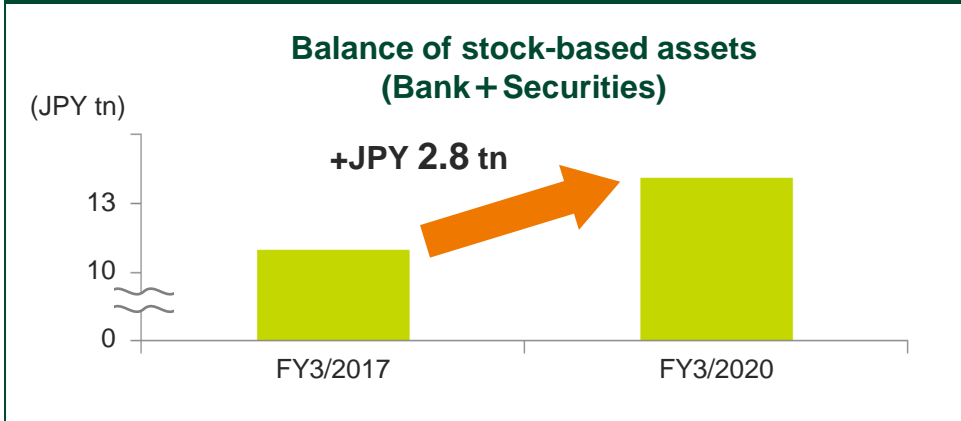
Concept		Strategic Focus	
Enhance Enhance business base in domestic market	1	Hold the number one retail banking franchise in Japan	Digitalization
	2	Build on our lead position in the Japanese medium-sized enterprise market	
	3	Increase market share in Corporate & Investment Banking in key global markets	
Grow Sustainable growth of US/EU businesses Make Asia our second mother market	4	Establish a top-tier position in product lines where we are competitive globally	
	5	Accelerate our “Asia-centric” strategy	
Build Build our new strengths for future growth	6	Strengthen sales & trading capability	
	7	Develop asset-light businesses: trust banking and asset management	

1 Hold the number one retail banking franchise in Japan

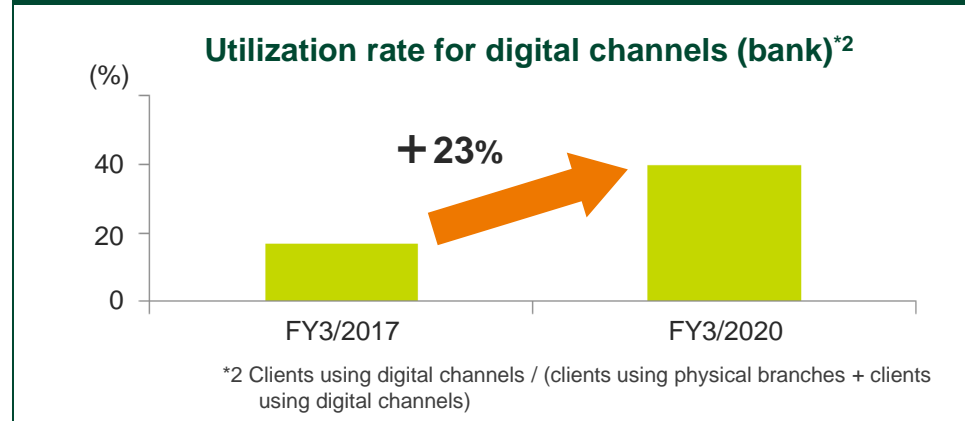
- Raise customer satisfaction and improve efficiency/earnings strength through consulting capability and digitalization

- Strategies**
1. Enhance wealth management business through bank-securities integration
 2. Transform business model through digitalization and group integration
 3. Reform of cost structures

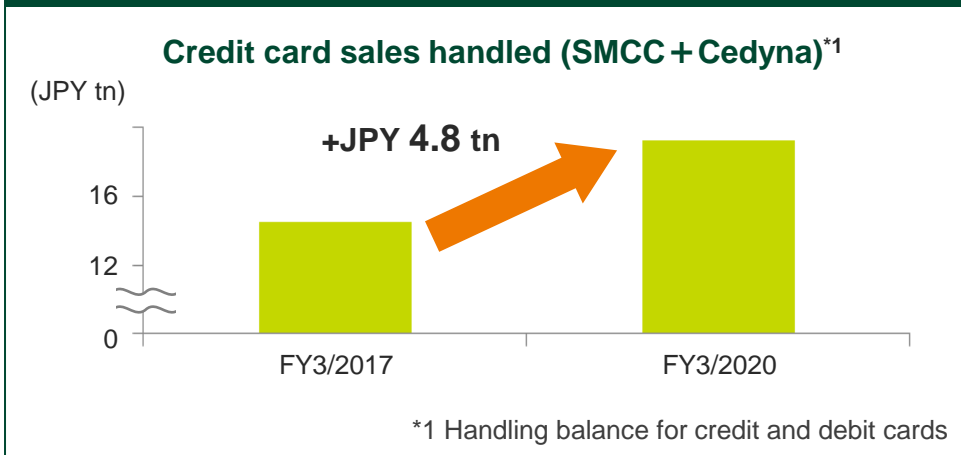
Promote wealth management business



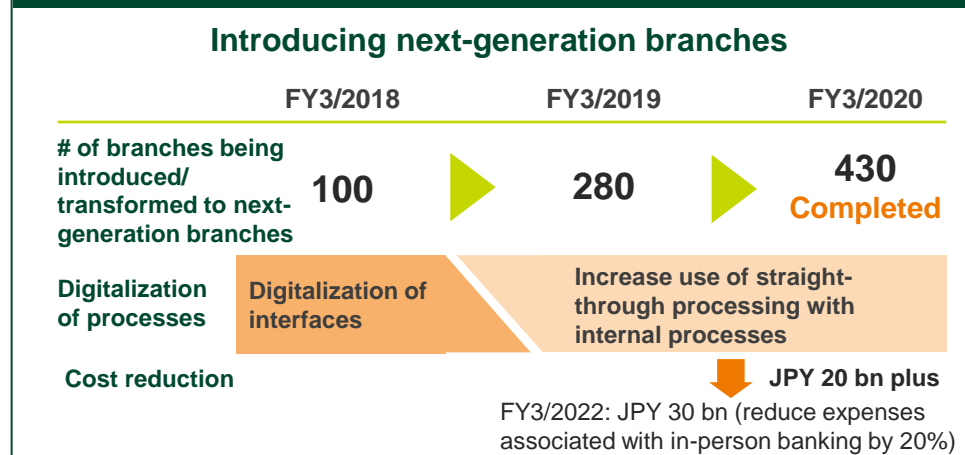
Promote digitalization



Promote credit card business



Branch reorganization

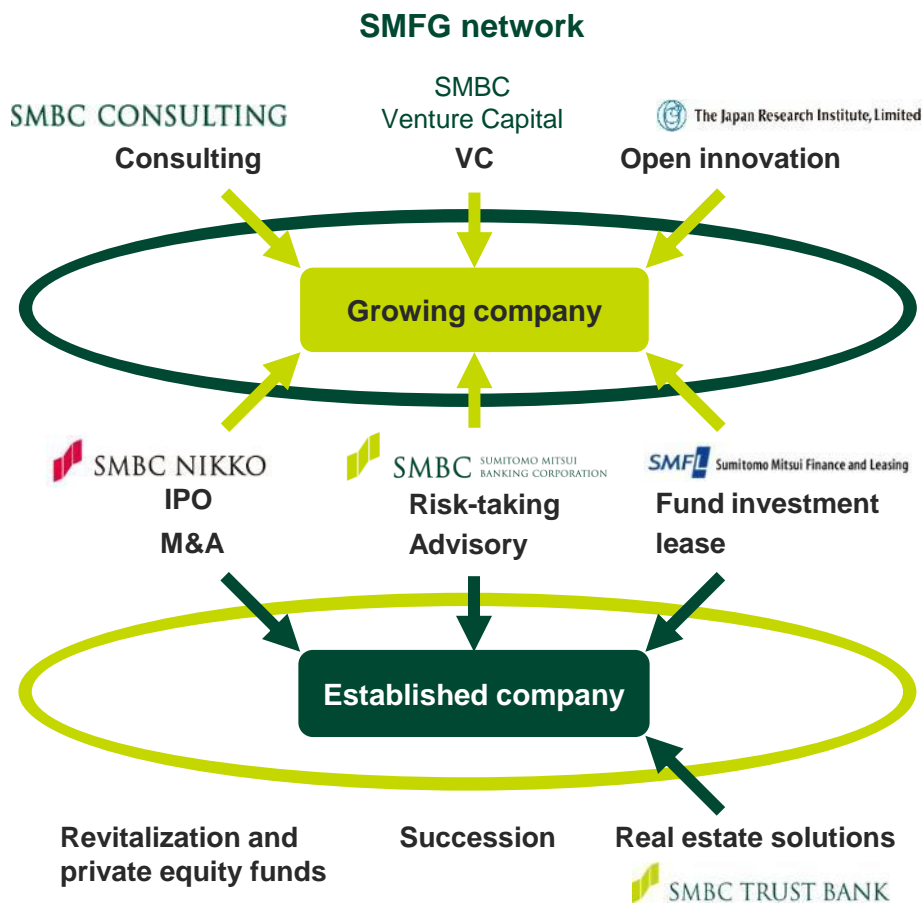


2 Build on our lead position in the Japanese medium-sized enterprise market

- Expand our competitive advantage in the medium-sized enterprise market by providing various solutions depending on the company's growth stage and create a positive growth cycle

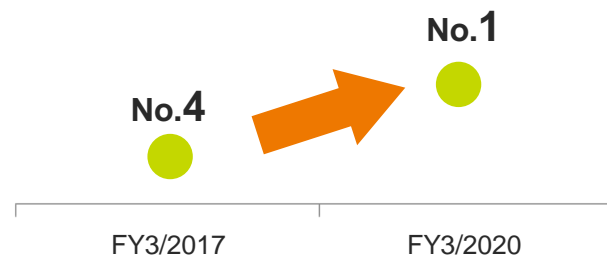
- Strategies**
1. Offer multi-solutions on a group-wide basis (banking, securities, leasing, trust banking, etc.)
 2. Sustain and enhance our superiority both in productivity and efficiency

Business model



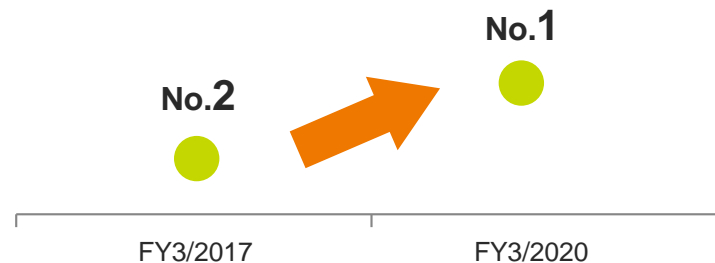
Strengthen IPO business

Number of IPO lead arranger deals (League table)



Strengthen advisory business

Number of M&A advisory deals (League table)



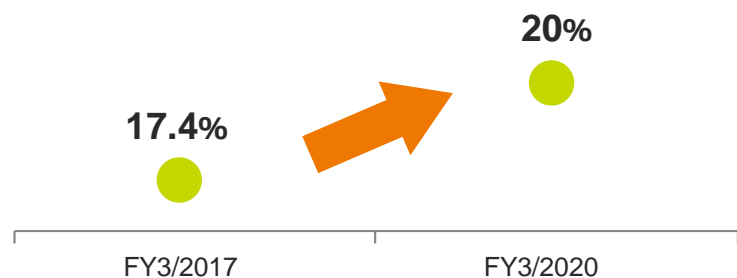
3 Increase market share in Corporate & Investment Banking in key global markets

- Support dynamic business activities of large corporate clients with our group- and global-wide integrated business model in banking, securities, and leasing

- Strategies**
- Enhance customer segmentation and set priorities for resource allocation
 - Strengthen Corporate & Investment Banking model both in Japan and overseas

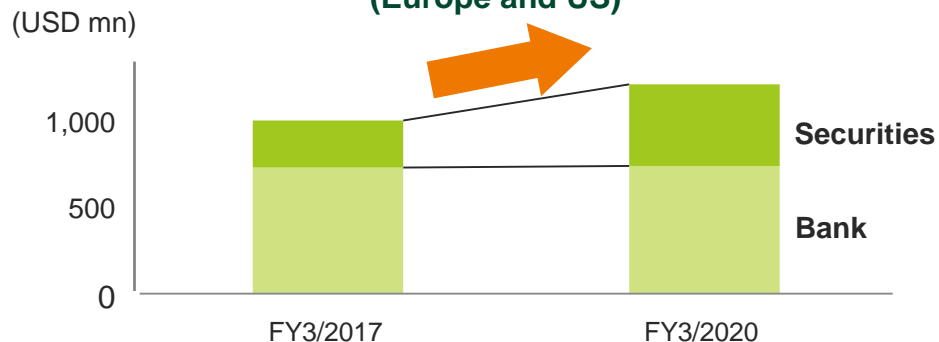
Expand presence in domestic securities business

Lead arranger of Japanese corporate bonds (League table)

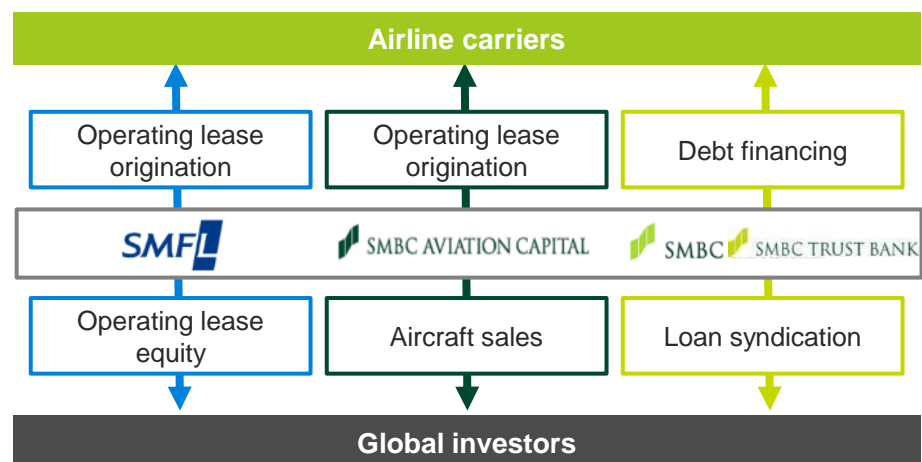


Strengthen overseas securities business

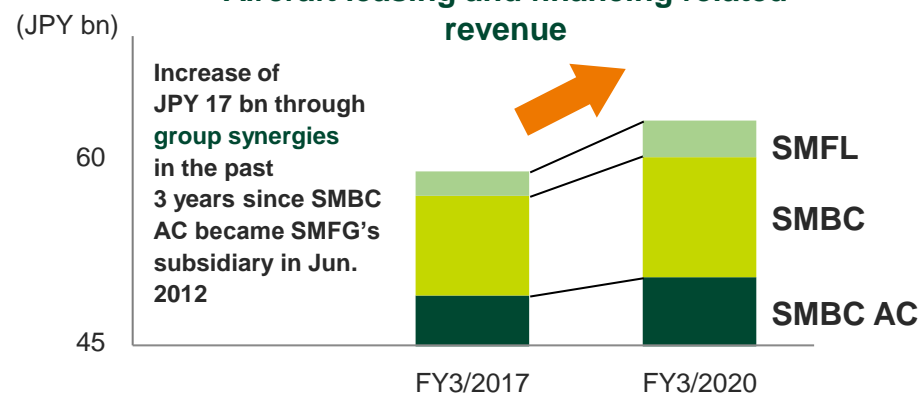
Gross profit of non-Japanese corporates (Europe and US)



Leverage Group Synergies — Aircraft leasing and financing business



Aircraft leasing and financing related revenue



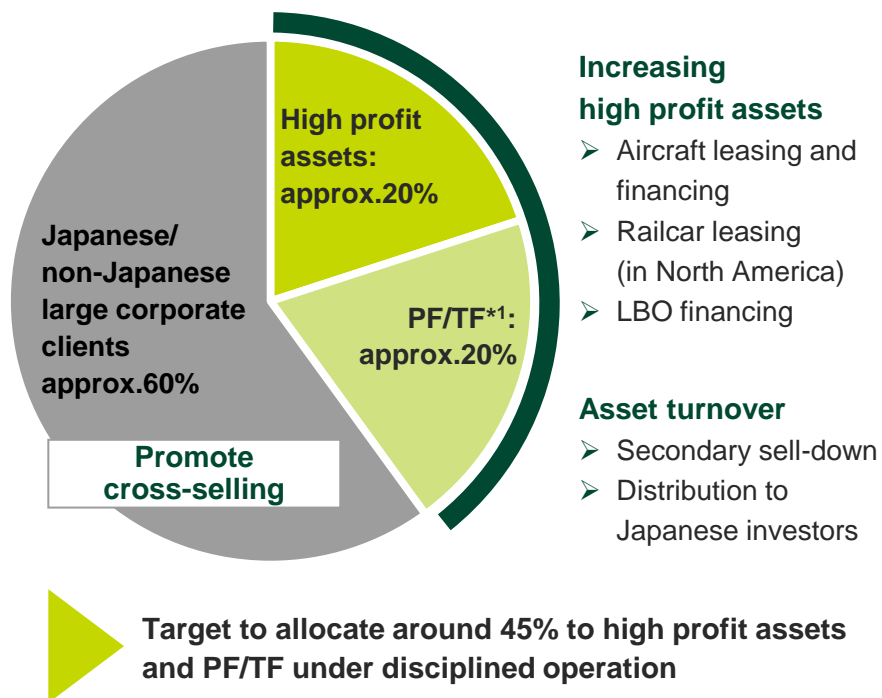
Establish a top-tier position in product lines where we are competitive globally

- Establish top-tier position in products that are and we hold competitive advantages to improve asset efficiency

- Strategies**
1. Strengthen origination capabilities in businesses such as transportation (aircraft and railcar) leasing where we hold competitive advantages
 2. Expand investor base and enhance distribution capabilities on a group-wide basis

Pursue optimal portfolio

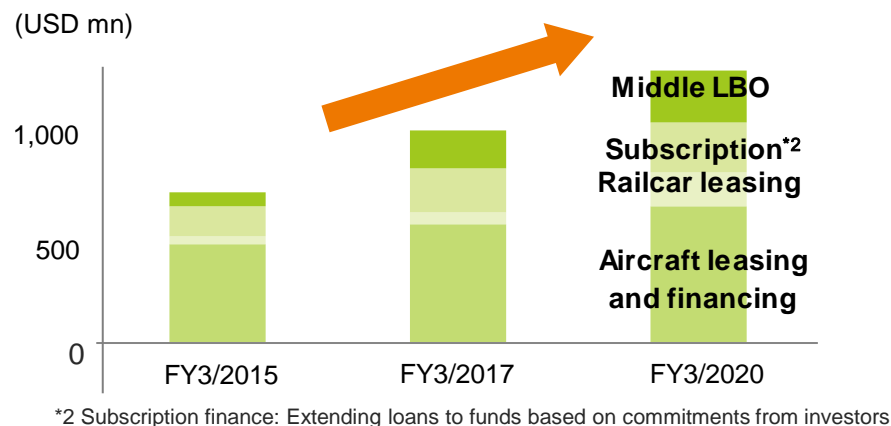
International Banking Unit's portfolio (current)



*1 PF: Project finance; TF: Trade finance

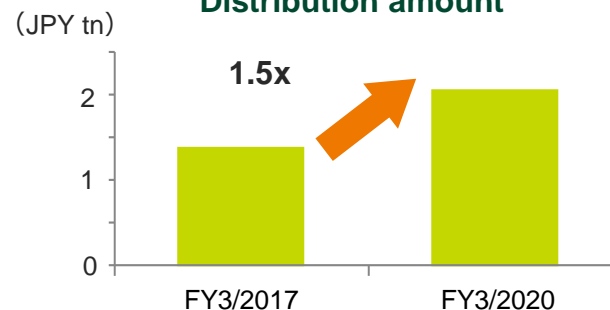
Increase high profit assets

Gross profit from high profit assets



Establish O&D business model

Distribution amount



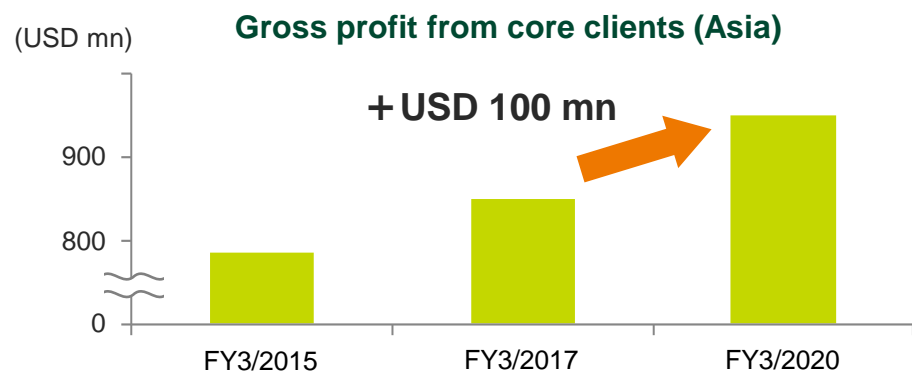
5

Accelerate our “Asia-centric” strategy

- Take advantage of mid- to long-term growth in Asia

- Strategies**
1. Expand our customer base and promote cross-selling with prime local companies in Asia
 2. Conduct full-line commercial banking operations in Indonesia
 3. Develop digital retail banking business

Expand business with prime Asian corporations



Retail digital banking business in Indonesia (BTPN)

Smart phone banking for the middle class
(started Aug 2016)



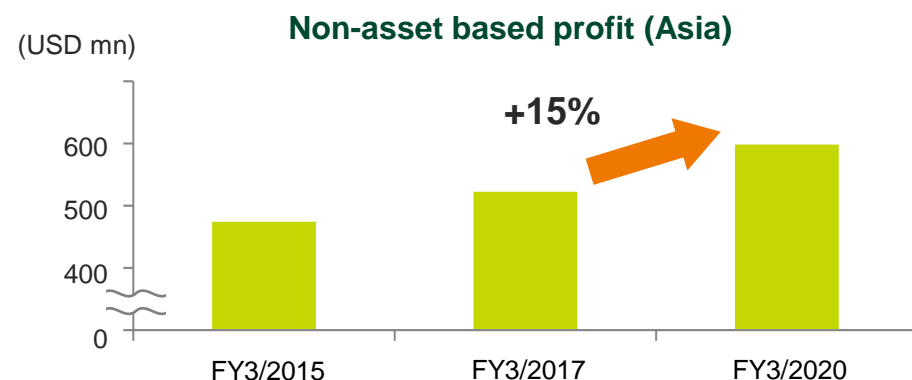
90,000 accounts in 3 months

Mobile banking for the mass market
(started Mar 2015)



3 mn accounts (end of Dec 2016)

Expand non-asset based profit in Asia



Capture growth through strategic investments

	Investment ratio	Earnings contribution*
BTPN (Indonesia)	40.5%	JPY 6 bn
OTO/SOF (Indonesia)	35.1%	JPY 1.5 bn
BEA (HK)	19.6%	JPY 11 bn
ACLEDA (Cambodia)	18.3%	JPY 3 bn

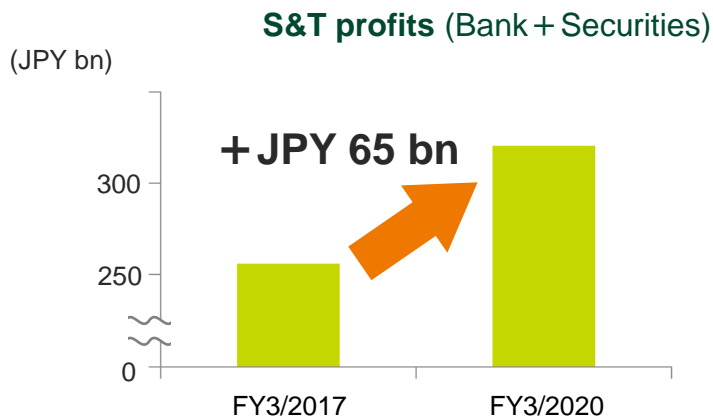
* Round figures

Strengthen sales & trading capability

Develop asset-light businesses: trust banking and asset management

- **S&T:** Enhance group-wide earnings by strengthening trading capability and the sales force
Strategies Establish S&T bank-securities integrated model and enhance solution capability
- **Trust/AM:** Build an asset-light and profitable business model by developing group synergies

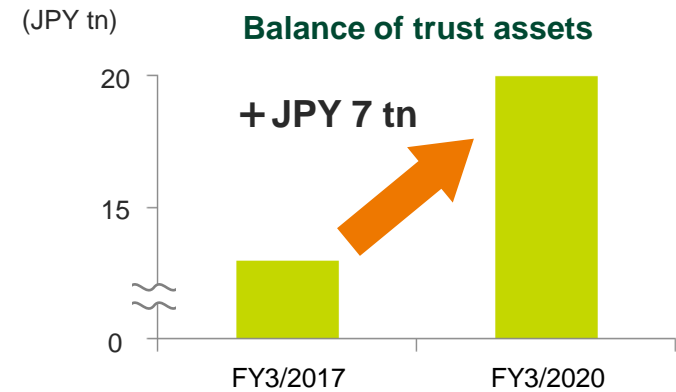
Expand S&T profits



SMFG S&T

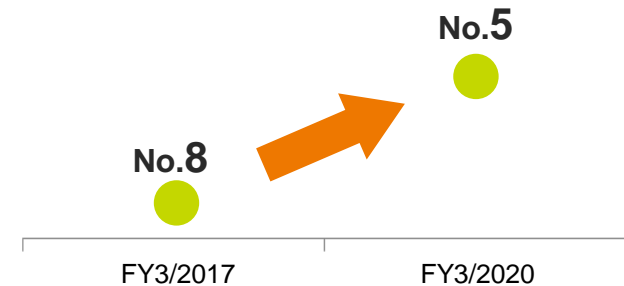


Expand balance of trust assets



Expand asset management business

AuM ranking for publicly offered investment trust (SMAM)



1

Discipline

Disciplined business management

- Transformation of business/asset portfolio and quality of earnings base
- Improve productivity and efficiency

2

Focus

Focus on our strengths to generate growth

- Focus on Seven Core Business Areas

3

Integration

Integration across the Group and globally to achieve sustainable growth

- Management that maximizes business potential
- Digitalization
- ESG

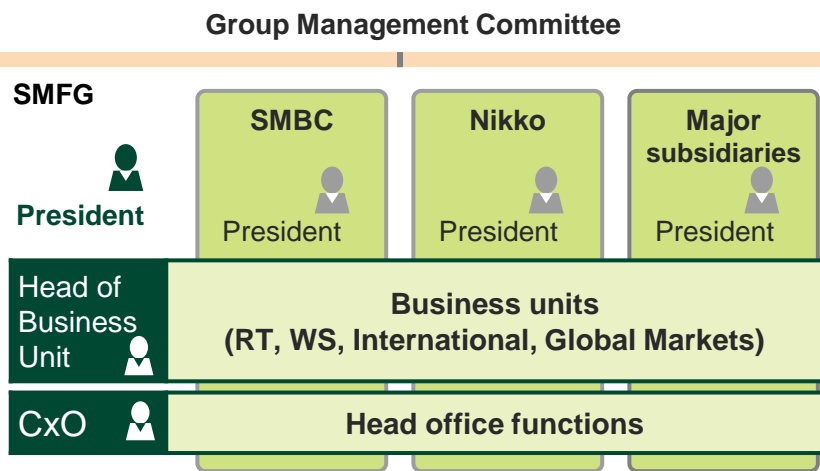
Management that maximizes business potential

– Introduced CxO system and Group-wide business units

- Introduced CxO system and Group-wide business units to maximize business potential for the Group on a global basis

New Group-wide operational structure

Introducing CxO system and Group-wide business units



Objectives

- Strengthen ability to support clients
- Optimize overall resource usage
- Sophisticate planning and management functions

Realizing business potential

Strengthen the ability to support clients

- Share strategies and client base
- Strengthen products and services
- Offer bank-securities integration services in all business units
- Develop a Group-wide client account plan
- Offer a full line up of services by the group companies

Optimize overall resource usage

- Share management resources and infrastructure
- Allocate resources efficiently and diligently
- Improve securities knowledge of bank marketing officers through personnel exchanges
- Reallocate RT marketing staffs

Sophisticate planning and management functions

- Share disciplinary methods
- Expedite decision-making
- Enhance personnel and payroll cost management group-wide
- Control and strategically allocate IT and digital investments

Management that maximizes business potential

– Organizational structure and business management

Organizational structure

Group-wide business units

- Establish planning department in each business unit
- Strengthen intra-Group functionality (retail marketing, retail IT, international business)

CxO system

- Established **Corporate Treasury Department** under the CFO, in charge of Group funding strategies
- Established **Productivity Management Department** under the CSO to improve productivity and business efficiency group-wide
- Promote **system cost management, strategic investments, and IT expert training group-wide** under the CIO
- Position CRO, CCO, CHRO, CDIO, CAE

Fiduciary duties

- Enhance group-wide promotional and monitoring functions to reinforce **customer-oriented** business operations

Business management

Data management and MIS enhancement

- Create a management dashboard.
Enhance profitability management by customer globally

Introduce business unit ROE

- Manage bottom line in each business unit.
Manage ROE based on assuming RWA inflation by the finalization of Basel III reforms

Risk appetite management by business unit

- Create policy of asset allocation by business field based on the risk appetite framework

Digitalization

- Proactively introduce new technologies and promote digitalization in areas including “enhancing the customer experience”, “generating new businesses”, “improving productivity and efficiency”, and “upgrading management infrastructure”

Enhancing the customer experience

Generating new businesses

Improving productivity and efficiency

Upgrading management infrastructure



Cashless payments



Platform



RPA



MIS



Smartphone applications



B2B



Workstyle reform (public cloud)



Cyber security



Smartphones



SNS



Biometric authentication



AI



API



IoT



Big data



Blockchain

Digitalization

– Enhancing the customer experience and generating new businesses

Customers

Other financial institutions

SMFG

Enhancing the customer experience

Domestic business

- RT: Branch reorganization (paperless, signature authentication), smartphone apps
- WS: Corporate digital loan agreements

Facial authentication and hands-free payment

- Operational testing on new payment services

Smartphone payment service

- Square: for small-scale enterprises

General corporations

As a "Platformer"

Biometric authentication platform

User: no need to manage IDs for every service

Biometric authentication

The first approval of the Banking Act revision

Provider: no need for own authentication function

Electronic barcode

NEC T SMBC

brees Established Dec 2014

Initiation of service planned for FY3/2018

IoT service

- SMFL's service to enhance facility/machines management using IoT

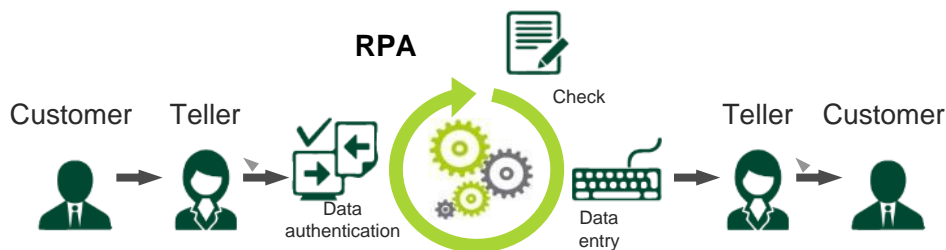
Digitalization

– Improving productivity and efficiency and upgrading management infrastructure

Improve productivity and efficiency

Operational efficiency through the introduction of RPA

- Improving efficiency of back office function of branches and head office operations



Saving time

Reduction in clerical errors

Next-generation workplace



Anytime, anywhere

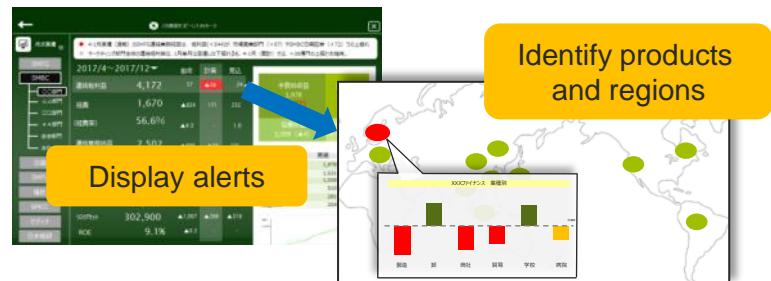
- Accessible from outside to the intranet and file servers
- Approve transactions via smartphones
- Hold meetings via smartphones

Workstyle reform

Enhance management infrastructure

Management dashboards

- Display alerts, such as non-achievement of plans
- Narrow down products and regions to quickly identify the source of problems



Data usage for timely business management

Incubation labs and open innovation



(image)

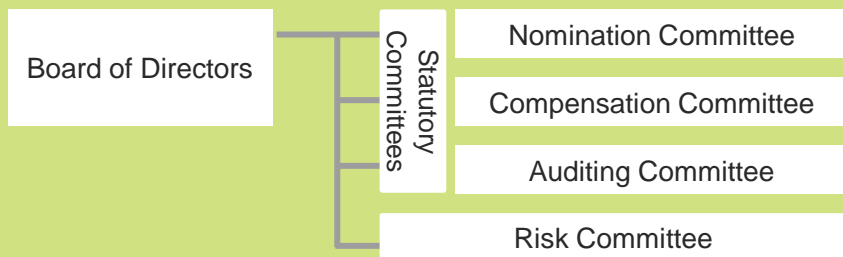
- To establish an incubation lab in Shibuya, the startup hub of Japan
- Established digital innovation lab in Silicon Valley

ESG – Governance

- Enhance governance framework by transforming into a Company with Three Committees
- Looking to revise the executive pay system that has a stronger link to financial results in order to ensure the management is well aligned with the shareholder perspective

New governance framework

Transforming into a Company with Three Committees



Supervisory

Execution

Objectives

- Establish standard G-SIFI governance framework
- Strengthen the supervisory function of the Board of Directors
- Expedite execution of operations

Review of the executive pay system

- Introduce compensation that is linked to financial targets of the medium-term management plan and to our stock performance
- Raise the ratio of stock-based compensation
- Strengthen risk management through the introduction of a system for (a) partial deferral of bonuses and (b) reducing or returning compensation (malus clawback)

Stronger link between
executive compensation and financial results

Management that is well aligned
with the shareholder perspective

ESG – Environmental and Social

- In order to carry out our social responsibilities, we will promote ESG activities that focus on the “Environment,” “Next Generation,” and “Community”

Environment

Promote environmental businesses

- Environment assessment financing, lease finance for renewable energy

Reduce environmental impact

- Eight major Group companies obtained ISO 14001 certification

Manage environmental risks

- Carry out assessments on loans for large-scale projects based on the Equator Principles

Community

Bring about a safe and secure community

- Continuous training for cognitive impairment supporters and service care attendants to create branches everyone can feel safe and secure

Engage in community-based activities

- Cooperative activities with local communities and NPOs, such as earthquake damage reconstruction volunteer work

Gold Partner (bank category) for the Tokyo 2020 Olympic and Paralympic Games

Next Generation

Improve financial literacy

- Promotion of financial education with the Ministry of Education, Culture, Sports, Science and Technology and the Tokyo Metropolitan Government

Cultivate human resources in emerging countries

- Promotion of CSR activities in Indonesia (MOU with local financial conglomerate Djarum Group)
- Teacher training program in Myanmar



Donate to a vocational maritime school in Indonesia

Diversity & Inclusion

Female participation

- Designated as a Nadeshiko Brand (Year 2013, 2015, 2017)
- Ratio of female managers (SMBC)
Mar. 2017 18.8% target Mar. 2021 20%

Promotion of globalization

- Ratio of GM positions with locally hired employees : 33% (SMBC Apr. 2017)

Inclusion in SRI indexes



MSCI

2016 Constituent
MSCI Global
Sustainability Indexes

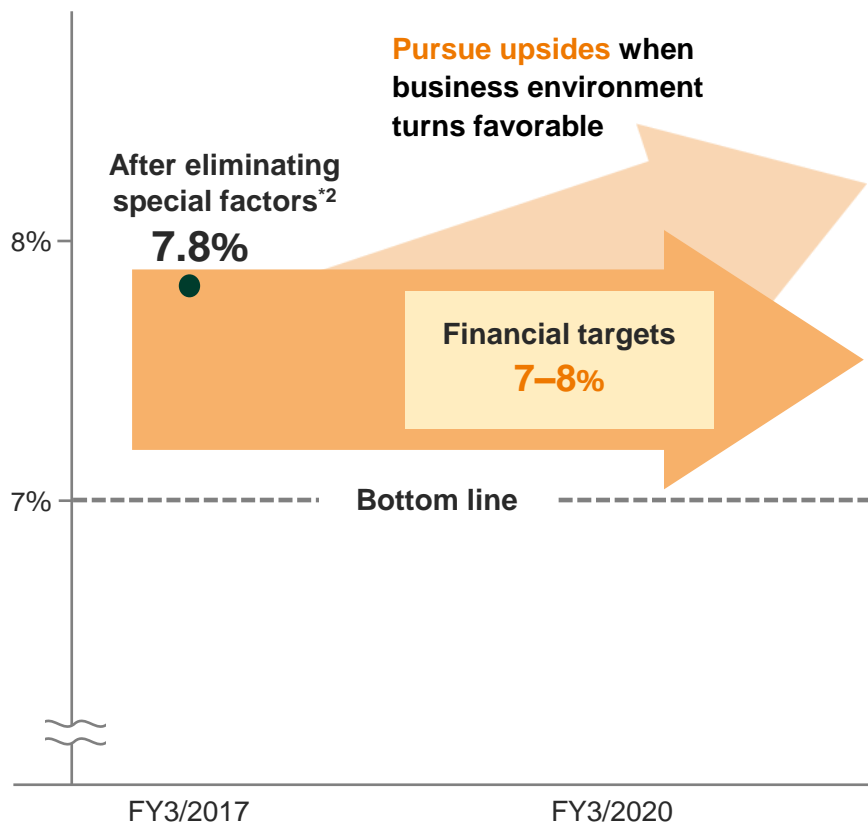
Financial targets

- ROE
- Overhead ratio
- CET1 ratio

ROE

- In order to comply with regulations, accumulation of capital will be prioritized for the time being. However, we will secure at least 7% of ROE. In addition, by steadily enacting initiatives of the Medium-Term Management Plan, we will pursue upsides when business environment including regulations turns favorable
- Steadily increase bottom-line profit despite expected profit decline due to structural factors

ROE*1

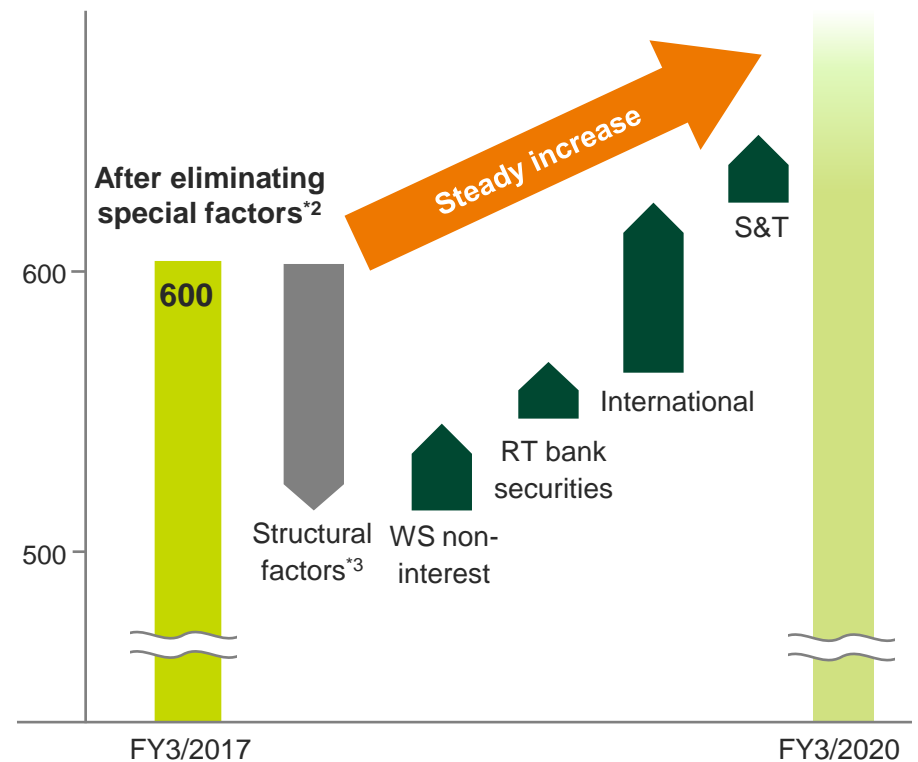


*1 On a stockholders' equity basis

*2 Excluding special factors, such as the effects of implementing the consolidated corporate-tax system

Net income

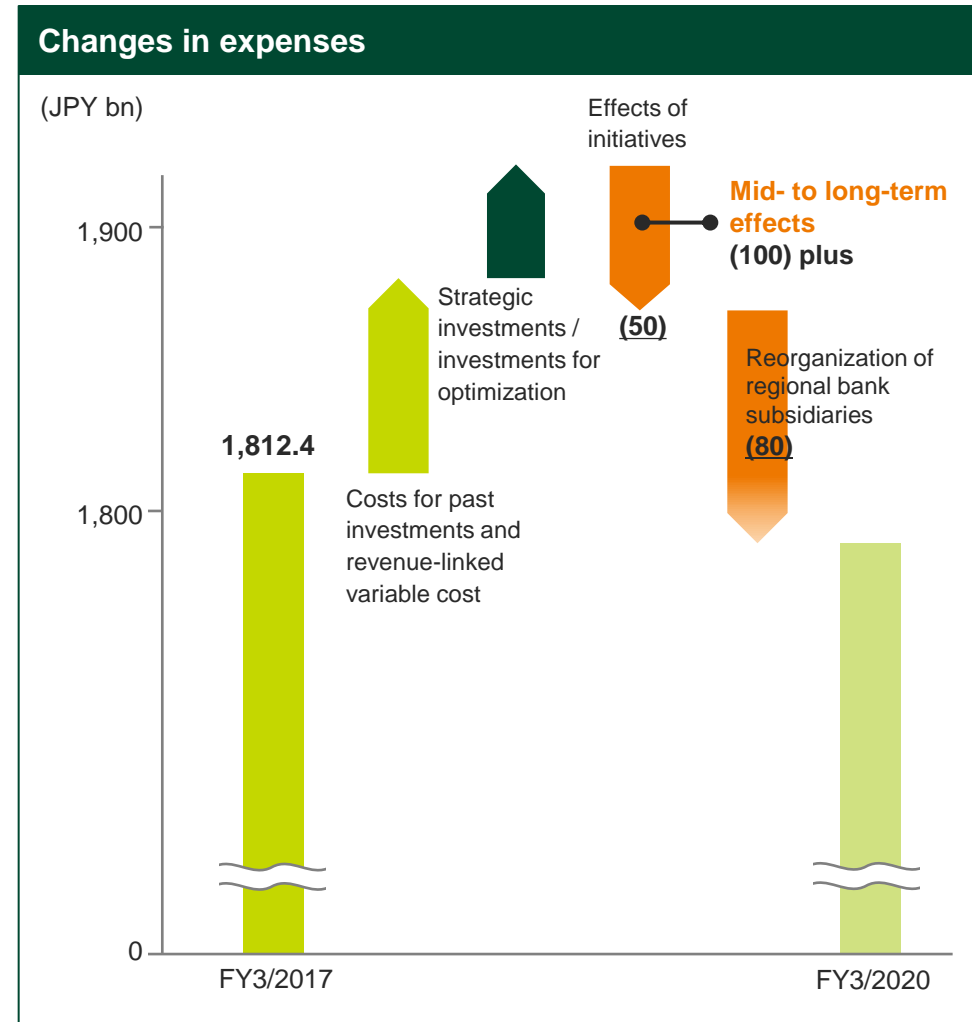
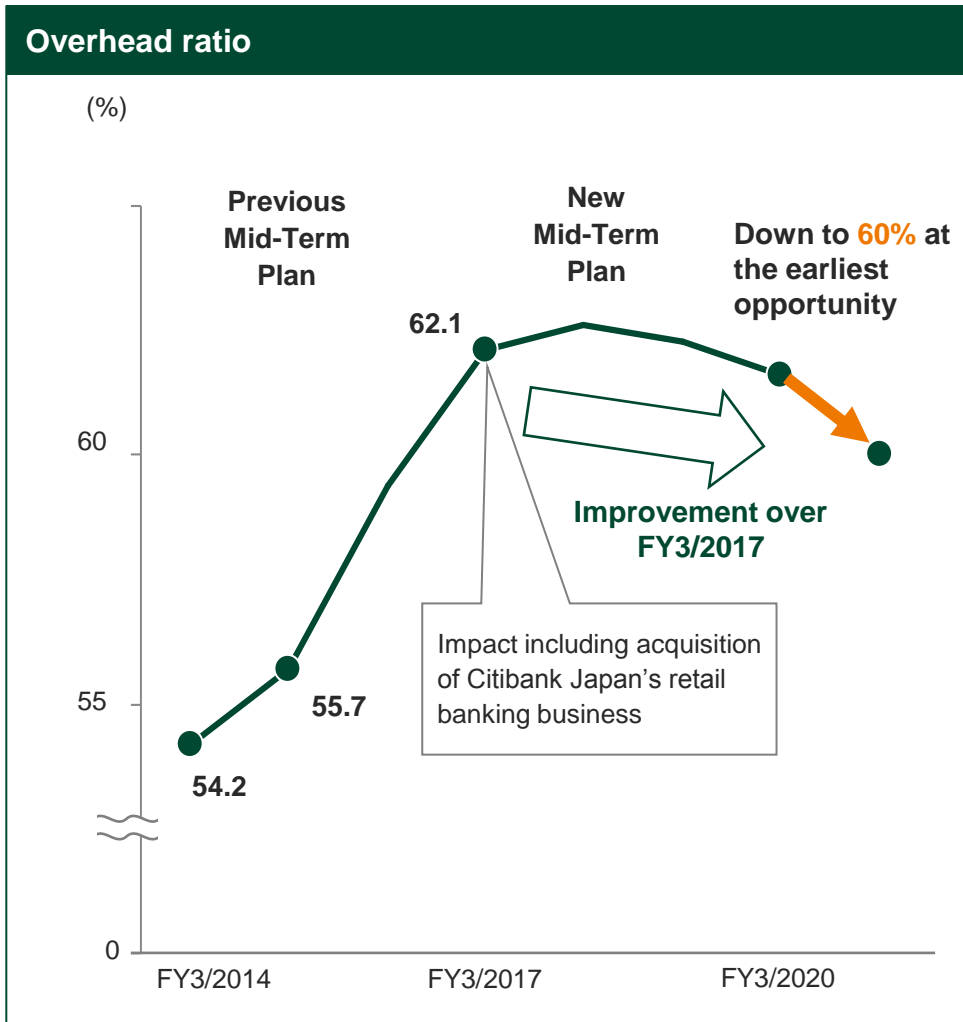
(JPY bn)



*3 Effects of negative interest rates, decline of domestic loan spreads and higher foreign currency funding costs

Overhead ratio

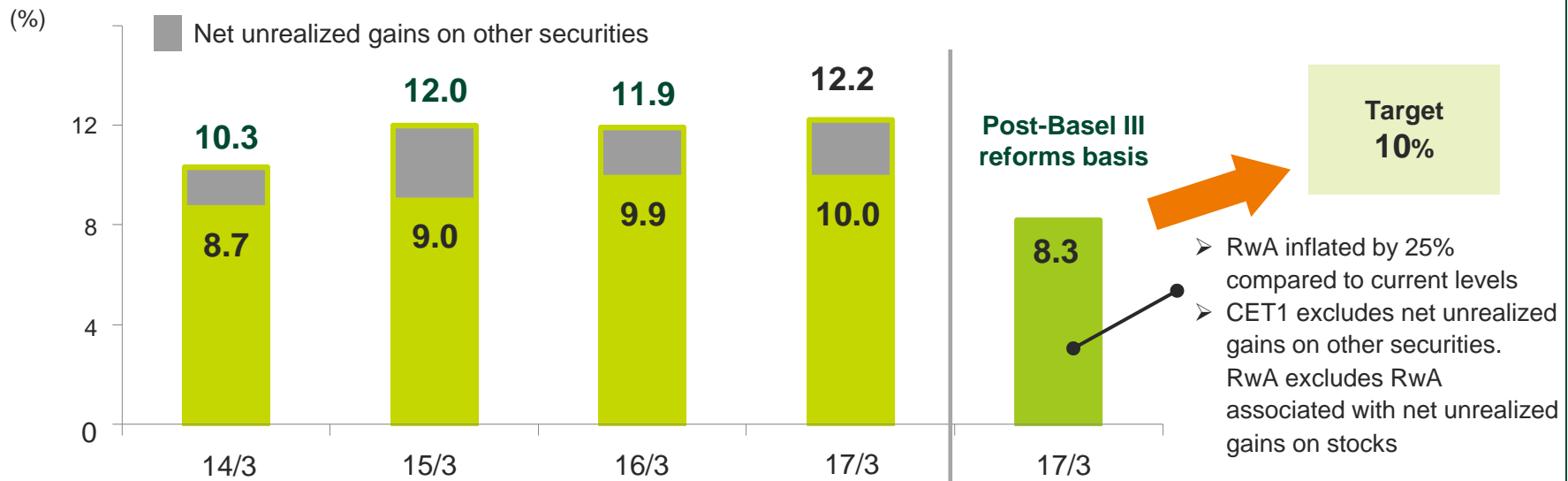
- Improve productivity on a group-wide basis and start reducing the overhead ratio
- Establish downward trend of overhead ratio and aim at around 60% at the earliest opportunity after FY3/2020



Capital position

- Common Equity Tier 1 capital (CET1) ratio target (Post-Basel III reforms basis) **10%**

CET1 ratio



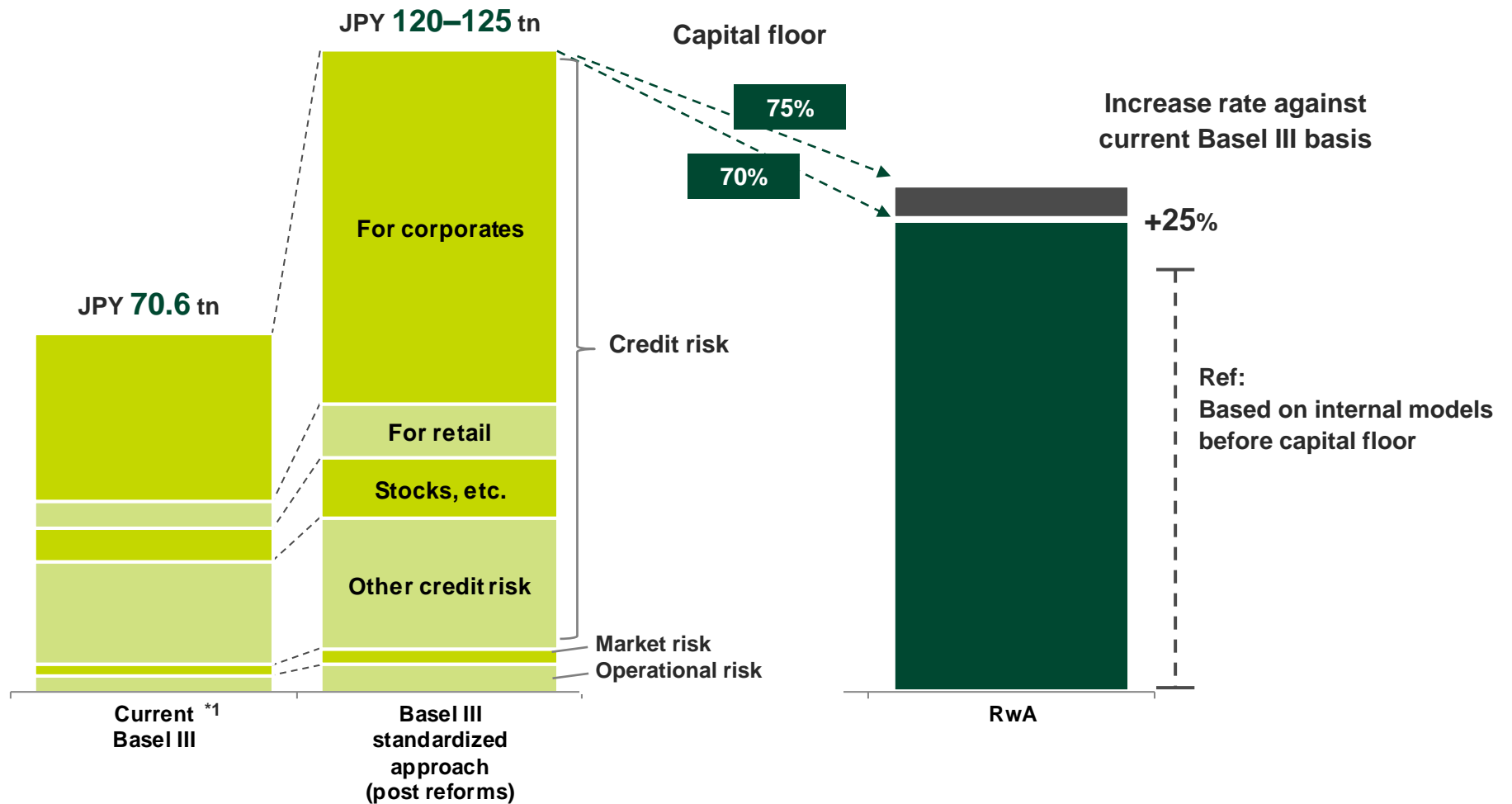
(JPY tn)

Risk-weighted assets (RwA)	61.3	65.9	65.9	70.6	88.6
CET1 capital (of which net unrealized gains on other securities)	6.37 (0.95)	7.92 (1.79)	7.90 (1.35)	8.68 (1.54)	8.68 (1.54)

Accumulation of CET1 ratio

- Accumulation of retained earnings
+around 50 bp / year
- Regional banks subsidiaries turned into equity method affiliates
+40bp-50bp

Ref: Estimated inflation of RWA at the time of finalization of Basel III reforms



*1 We adopt floors based on FIRB. No capital floor adjustments are currently made

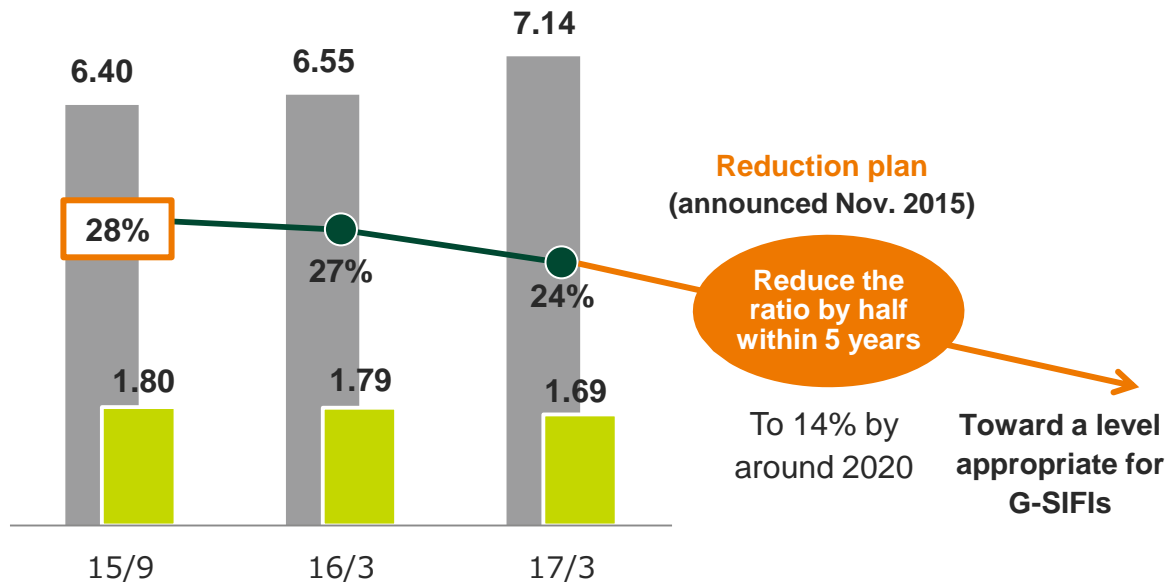
Strategic shareholdings

- Aim to halve the ratio* of stocks to CET1 during the five years starting from the end of Sep. 2015
 - Reduce the book value of domestic listed stocks of up to about 30%, or about JPY 500 bn (JPY 100 bn per year)
 - Made reductions of JPY 100 bn in FY3/2017, which is in line with the annual reduction target

* SMFG consolidated basis: Book value of domestic listed stocks/CET1 capital (Basel III fully-loaded basis, excluding net unrealized gains on other securities)

Strategic shareholdings and reduction plan (SMFG consolidated basis)

(JPY tn)



■ CET1 (Basel III fully-loaded basis, excluding net unrealized gains on other securities)









■ Book value of domestic listed stocks within other securities

●—● Ratio of stocks to CET1 capital

Reduction results for FY3/2017
 approx. JPY 100 bn
 (Total reduction from Sep. 2015– Mar. 2017:
 approx. JPY 115 bn)

Consent of sales from clients
 (outstanding, Mar. 2017)
 approx. JPY 100 bn
 (Aggregated amount since Sep. 2015:
 approx. JPY 230 bn)

Ref: Projections by business unit

	ROE		Net business profit (JPY bn)		RwA three-year change	
	FY3/2020 plan	FY3/2017 comparison	FY3/2020 plan	FY3/2017 comparison	FY3/2018–FY3/2020	Ref: FY3/2015– FY3/2017
Retail	7%		285	+15	 Reduce overall while strengthening businesses such as credit cards and CF	+11%
Wholesale	10%		480	+15	 Reduce through sales of strategic shareholdings	+8%
International	9%		415	+50	 Focus on profitability and reduce growth rate by 40% compared to the previous three years	+22%
Global Markets	39%		330	+20	 Nimble portfolio management	+6%

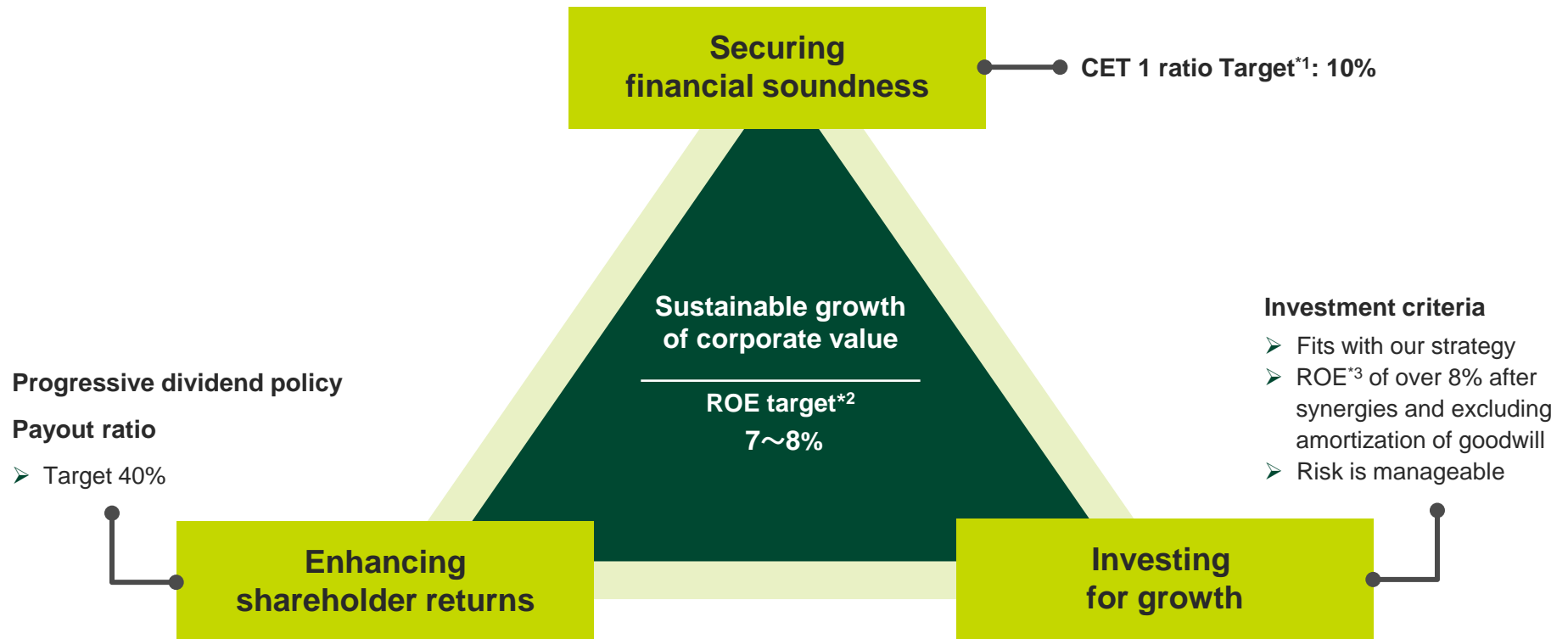
Notes:

- Retail Business Unit: SMBC (RT), SMBC Nikko (RT), SMBC Friend, SMBC Trust (RT), SMCC, Cedyne, SMBCCF, other
Wholesale Business Unit: SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), other
International Business Unit: SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), other
Global Markets Business Unit: SMBC (Treasury), SMBC Nikko (Product), other
- ROE for each unit is managerial accounting basis with RwA calculated assuming Basel III reforms are finalized. ROE for the International Business Unit excludes the mid- to long-term foreign currency funding costs. ROE for the Global Market Business Unit does not include interest-rate risk associated to the banking account
- FY3/2017 comparisons for each unit are after adjustments for interest rate and exchange rate impacts

Capital policy

Basic capital policy

- Balance “securing financial soundness”, “enhancing shareholder returns”, and “investing for growth”
- Adopt a progressive dividend policy, and target payout ratio of 40%
- Policy for share buybacks will be laid out after the finalization of Basel III reforms
(Taking into consideration; capital level, earnings forecasts, stock price, and opportunities of investments for growth)



*1 Calculated with RWA inflated by 25% compared to the current level based on our assumption of the final impact of Basel III reforms. CET1: excludes net unrealized gains on other securities.
RWA: excludes RWA associated with gains on stocks
CET1 ratio on a Basel III fully-loaded basis (including net unrealized gains on other securities), exceeds CET1 ratio post Basel III reforms basis by 4%

*2 On a stockholders' equity basis

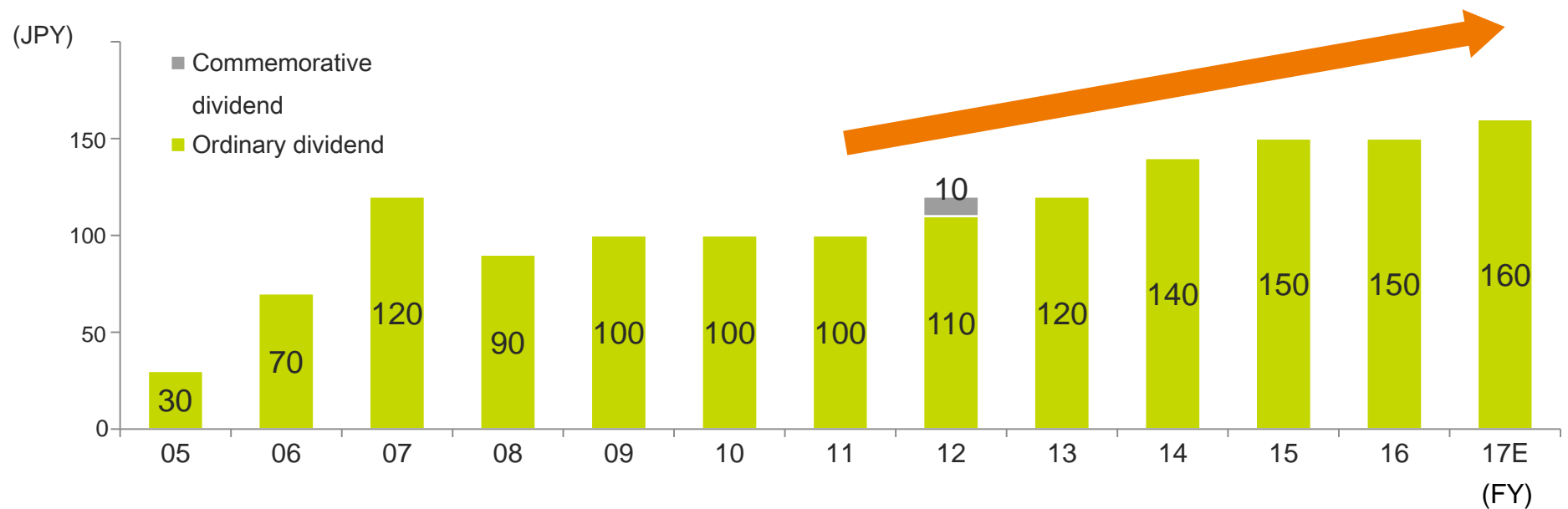
*3 Managerial accounting basis with RWA calculated assuming Basel III reforms are finalized

Dividend policy

- Progressive dividend policy, and target payout ratio of 40%

Note: Progressive dividend policy means not to reduce dividends, and will maintain or increase dividends

Dividends per share^{*1, 2}



Payout ratio ^{*3}	3.4%	12.5%	20.5%	-	46.8%	30.0%	26.8%	21.3%	20.3%	26.2%	32.7%	29.9%	35.8%
ROE ^{*4}	22.8%	13.8%	15.8%	-	7.5%	9.9%	10.4%	14.8%	13.8%	11.2%	8.9%	9.1%	

*1 SMFG implemented a 100 for 1 stock split of common stock on January 4, 2009. Figures shown above reflect the stock split, assuming that it had been implemented at the beginning of FY3/2006

*2 Common stock only *3 Consolidated payout ratio *4 On a stockholders' equity basis

To achieve sustainable growth by combining the Group's strengths with more focused business management

Core policies

1

Discipline

Disciplined business management

- Transformation of business/asset portfolio and quality of earnings base
- Improve productivity and efficiency

2

Focus

Focus on our strengths to generate growth

- Focus on Seven Core Business Areas

3

Integration

Integration across the Group and globally to achieve sustainable growth

- Management that maximizes business potential
- Digitalization
- ESG

Financial targets

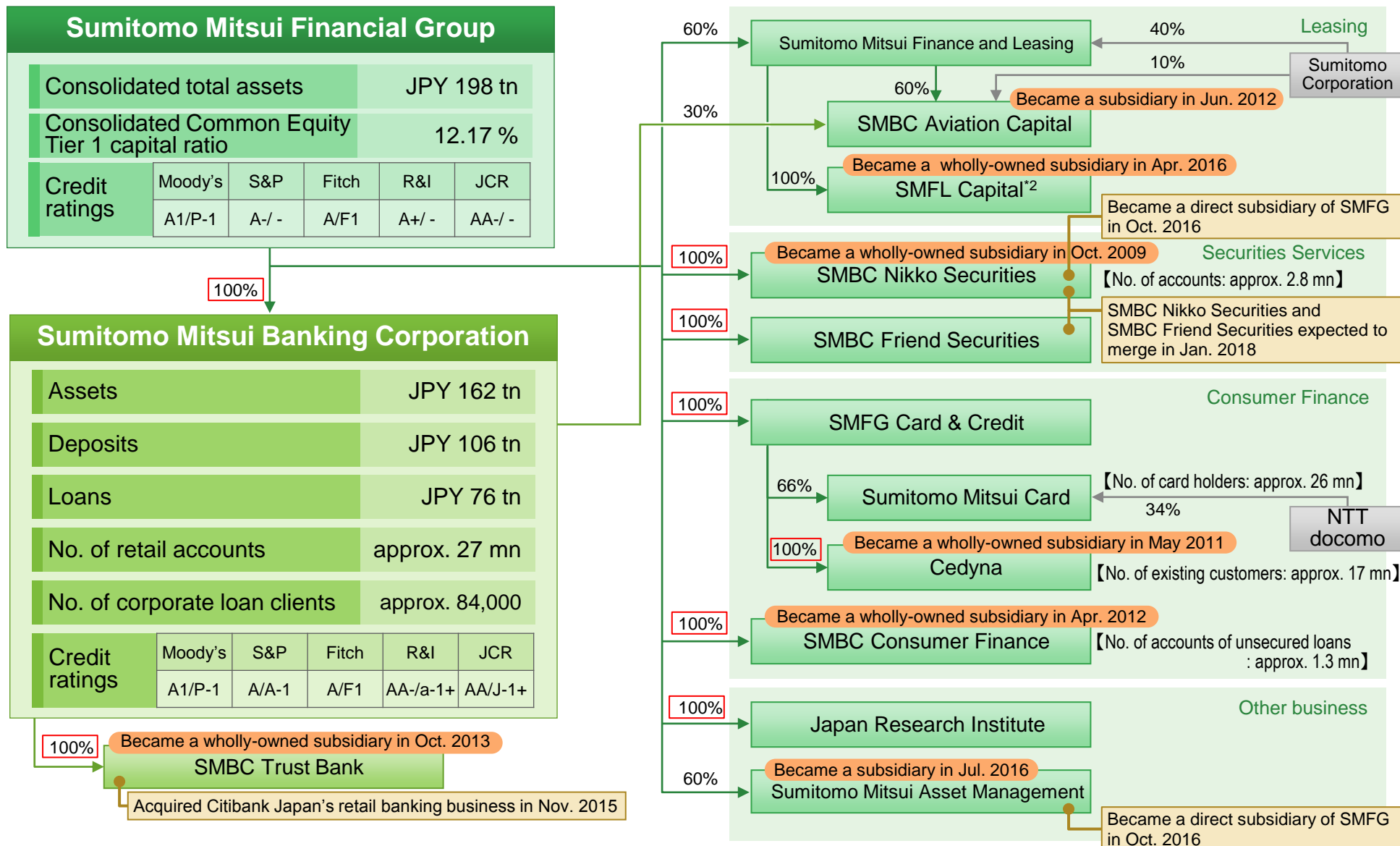
- Improve capital, asset, and cost efficiencies and maintain financial soundness

Capital policy

- Balance “securing financial soundness”, “enhancing shareholder returns”, and “investing for growth”

Appendix

Group structure*1



*1 As of Mar. 31, 2017 for figures

*2 Changed name from GE Japan GK to SMFL Capital Company, Limited in Sep. 2016

Performance by group-wide business units *

		(JPY bn)	FY3/17
of which Retail Business Unit	Gross profit		1,288.9
	Expenses		(1,015.4)
	Others		12.2
	Net business profit		285.7
of which Wholesale Business Unit	Gross profit		775.6
	Expenses		(346.7)
	Others		44.2
	Net business profit		473.1
of which International Business Unit	Gross profit		585.8
	Expenses		(251.9)
	Others		30.2
	Net business profit		364.1
of which Global Markets Business Unit	Gross profit		346.6
	Expenses		(50.3)
	Others		8.1
	Net business profit		304.4
Total	Gross profit		2,920.7
	Expenses		(1,812.4)
	Others		24.6
	Net business profit		1,132.9

* FY3/17 numbers shown in the new group-wide business units basis

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, Cedyne, and SMCCF

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

SMBC's performance by business unit*1

		(JPY bn)	FY3/16	FY3/17	YOY change*2
	Wholesale Banking Unit	Gross banking profit	545.3	528.4	+3.7
		Expenses	(205.1)	(199.1)	+2.2
		Banking profit	340.2	329.3	+5.9
	Retail Banking Unit	Gross banking profit	372.8	355.3	(13.1)
		Expenses	(354.1)	(350.9)	+5.5
		Banking profit	18.7	4.4	(7.6)
	International Banking Unit	Gross banking profit	356.0	327.5	+2.7
		Expenses	(116.5)	(128.8)	(8.9)
		Banking profit	239.5	198.7	(6.2)
Marketing units	Gross banking profit	1,274.1	1,211.2	(6.7)	
	Expenses	(675.7)	(678.8)	(1.2)	
	Banking profit	598.4	532.4	(7.9)	
Treasury Unit	Gross banking profit	293.6	272.4	(21.2)	
	Expenses	(29.1)	(27.4)	0.0	
	Banking profit	264.5	245.0	(21.2)	
Headquarters	Gross banking profit	(33.4)	180.1	+157.3	
	Expenses	(100.7)	(110.7)	(10.3)	
	Banking profit	(134.1)	69.4	+147.0	
Total (Non-consolidated)	Gross banking profit	1,534.3	1,663.7	+129.4	
	Expenses	(805.5)	(816.9)	(11.5)	
	Banking profit	728.8	846.7	+117.9	

*1 Non-consolidated. Managerial accounting basis *2 After adjustments for interest rates and exchange rates, etc.

Breakdown of Consolidated gross profit

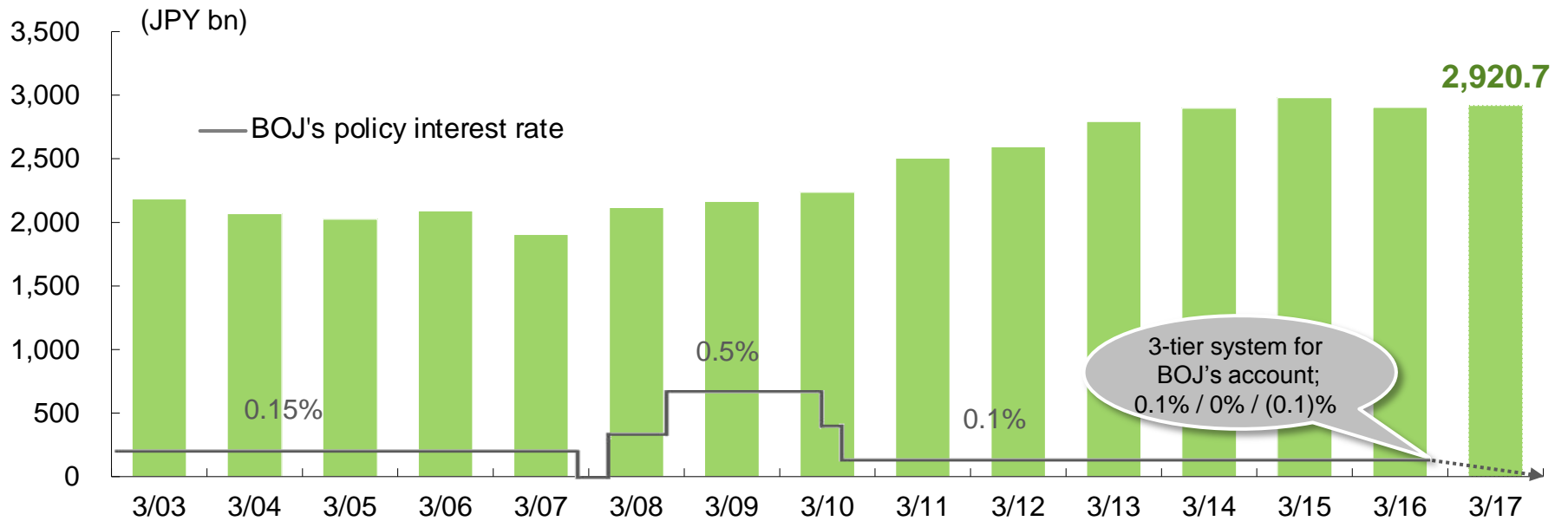
	(JPY bn)	FY3/16	FY3/17	YOY change
Consolidated gross profit*1		2,904.0	2,920.7	+16.8
Net interest income		1,422.9	1,358.6	(64.3)
of which:				
SMBC		1,023.6	1,138.9	+115.4*2
SMBCCF		157.0	163.0	+5.0
Trust fees		3.7	3.8	+0.1
Net fees and commissions		1,003.8	1,013.3	+9.5
of which:				
SMBC		358.6	348.9	(9.7)
SMCC		190.0	203.0	+13.0
SMBC Nikko		165.0	176.0	+11.0
Cedyna		116.0	117.0	+0.0
Net trading income + Net other operating income		473.5	545.0	+71.4
of which:				
SMBC		149.6	173.9	+24.3
SMFL		123.0	149.0	+26.0
SMBC Nikko		128.0	148.0	+21.0

*1 Numbers excluding SMBC are rounded

*2 Includes JPY 200 bn of dividends from SMBC Nikko (eliminated in SMFG consolidated figures)

Changes in our business mix

Consolidated Gross profit



Breakdown of contribution to Gross profit

	FY3/03	FY3/17
SMBC's domestic loan / deposit related revenue	35%	17%
International business (banking)	5%	16%
Group companies	18%	38%

Proportion of International Business Unit within Consolidated net business profit: 32%

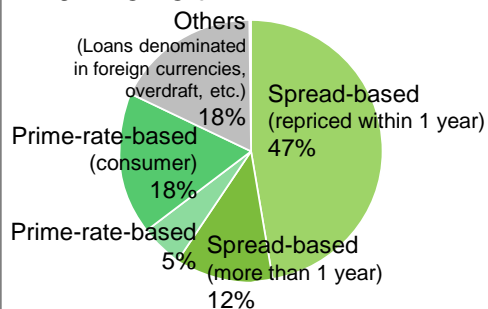
Balance sheet

Non-consolidated

- Balance in the BOJ's current account
Mar. 31, 2017 JPY 36.2 tn
FY3/17 average JPY 31.4 tn

Non-consolidated

- Domestic loans outstanding
JPY 54.5 tn



- By domestic Marketing units*1

(JPY tn, at period-end)	Mar. 2017	Change from Mar. 2016
Large corporations*2	15.6	+1.4
Mid-sized corporations & SMEs*3	17.6	+0.4*4
Individuals	14.0	+0.1

Consolidated

- Of which Stocks*5 JPY 3.8 tn
- Of which JGBs*5 JPY 7.3 tn
- Of which Foreign bonds*5 JPY 7.1 tn

Consolidated B/S (Mar. 31, 2017)

(JPY tn)

Cash and due from banks
46.9

Loans
80.2

Securities
24.6

Other assets
46.1

Total assets 197.8

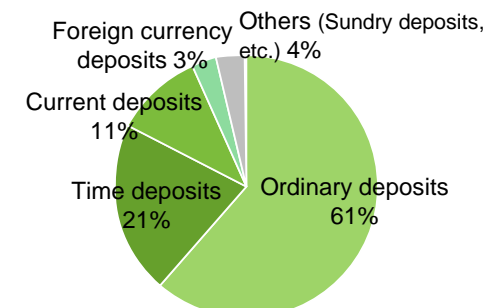
Deposits (includes NCD)
129.7

Other liabilities
56.8

Total net assets 11.2

Non-consolidated

- Domestic deposits outstanding
JPY 87.7 tn



- (Ref) By type of depositor

(JPY tn)	Sep.15	Mar.16	Sep.16	Mar.17
Total	77.3	82.1	83.4	87.7
Individuals	41.9	42.3	42.7	43.6
Corporates	35.3	39.8	40.7	44.1

(Ref) Non-JPY B/S items*6

(USD bn)

275 Interest earning assets*7	203 Deposits (incl. deposits from central banks)
85 Others*8 (consists mainly of highly liquid assets)	90 Mid-to long-term funding (incl. Corporate bonds, Currency swaps, etc.)
39 Foreign bonds, NCD	60 CDs & CP
	41 Interbank (incl. Repo)

Assets • Liabilities 399

*1 Managerial accounting basis *2 Global Corporate Banking Division *3 Sum of Corporate Banking Division and Small and Medium Enterprises Banking Division

*4 After adding back the portion of housing loans securitized in FY3/17 of approx. JPY 320 bn *5 Other securities

*6 Managerial accounting basis. Sum of SMBC + SMBCE + SMBC (China)

*7 Sum of loans, trade bills, and securities of Marketing units (Wholesale Banking Unit, Retail Banking Unit and International Banking Unit). *8 Deposit placed with central banks, etc.

Initiatives for negative interest rate policy

Control deposit balance

- Lowered interest rates
 - Ordinary deposits 0.001% since Feb. 16, 2016
 - Time deposits 0.01% since Mar. 1, 2016
- Initiatives against inflow of large funds from corporations (especially financial institutions)
 - Charge fees for correspondent accounts of foreign banks

Promote shifts from savings to asset building

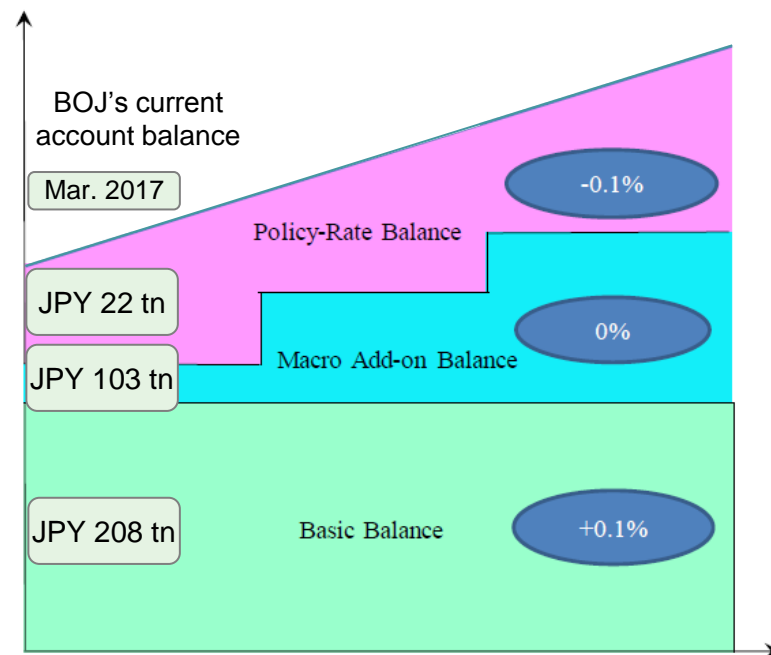
- Foreign deposits; raised interest rates, launched marketing campaigns
- Increase sales of wrap accounts and low risk and low return investment products

Diversify revenue sources Initiatives to secure loan margin

- Strengthen commission business
- Expand non-banking business
- Initiatives to increase high value-added loans by providing solutions

BOJ's negative interest rate policy*

- Introduction of “Quantitative and Qualitative Monetary Easing with a Negative Interest Rate” (Feb. 2016)*¹



- Introduction of “Quantitative and Qualitative Monetary Easing with Yield Curve Control” (Sep. 2016)*²
 - “Yield curve control”
 - “Inflation-overshooting commitment”

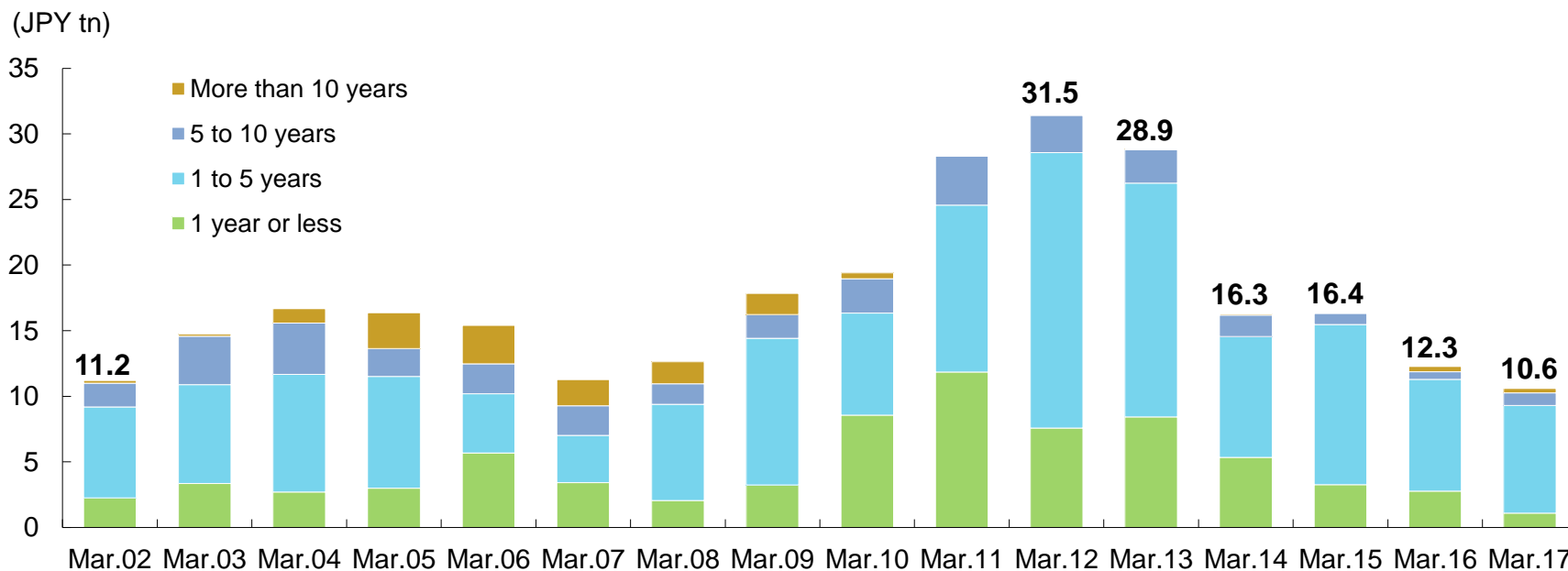
*1 Source: The Bank of Japan (“Key Points of Today’s Policy Decisions” on Jan. 29, 2016)
 “BOJ Current Account Balances by Sector (Mar. 2017)” on Apr. 17, 2017 for BOJ’s current account balance

*2 Source: The Bank of Japan (“New Framework for Strengthening Monetary Easing: “Quantitative and Qualitative Monetary Easing with Yield Curve Control” on Sep. 21, 2016)

Yen bond portfolio

Non-consolidated

(Total balance of Other securities with maturities and bonds classified as held-to-maturity – total of JGBs, Japanese local government bonds and Japanese corporate bonds)



of which JGBs (JPY tn)	26.2	13.8	14.0	9.8	8.0
------------------------	------	------	------	-----	-----

Average duration (years) ^{*1}	2.7	3.6	3.4	2.3	1.5	1.7	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9
Unrealized gains (losses) (JPY bn) ^{*2}	37.6	108.7	(101.9)	7.7	(282.2)	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5

*1 Excludes 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 regarded as zero. Duration at Mar. 02 is for JGB portfolio only

*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

Bond portfolio

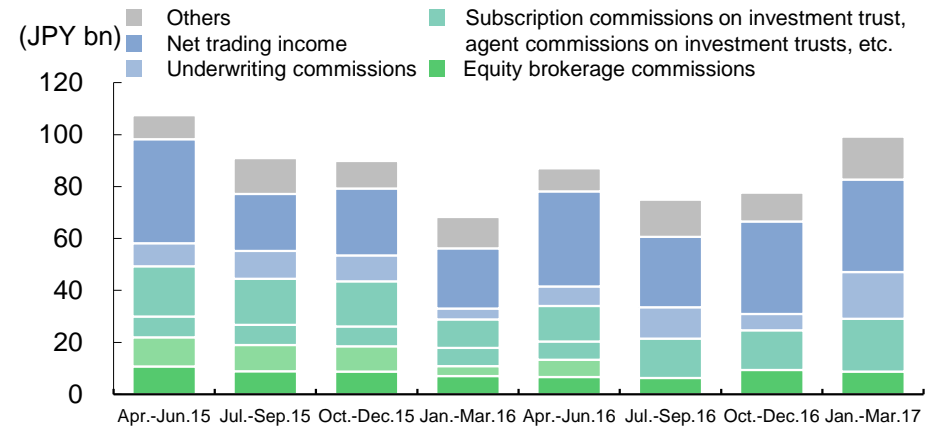
		Mar. 2013		Mar. 2015		Mar. 2016		Mar. 2017	
		Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)
(JPY tn)									
Consolidated	Yen-denominated bonds	30.4	0.17	17.1	0.07	13.2	0.13	11.4	0.07
	of which JGB	27.0	0.12	14.3	0.03	10.3	0.08	8.5	0.03
	Held-to-maturity	5.5	0.06	3.3	0.02	2.2	0.02	1.2	0.01
	Others	21.5	0.06	11.0	0.01	8.1	0.06	7.3	0.02
	Foreign bonds (Other securities)			5.6	0.03	6.5	0.03	7.1	(0.11)

Non-consolidated	Yen-denominated bonds	28.9	0.16	16.4	0.07	12.3	0.12	10.6	0.06
	of which JGB	26.2	0.11	14.0	0.03	9.8	0.07	8.0	0.03
	Held-to-maturity	5.5	0.06	3.3	0.02	2.0	0.01	0.9	0.01
	Others	20.7	0.06	10.7	0.01	7.8	0.06	7.1	0.02
	Foreign bonds (Other securities)			4.2	0.03	5.2	0.02	5.6	(0.10)

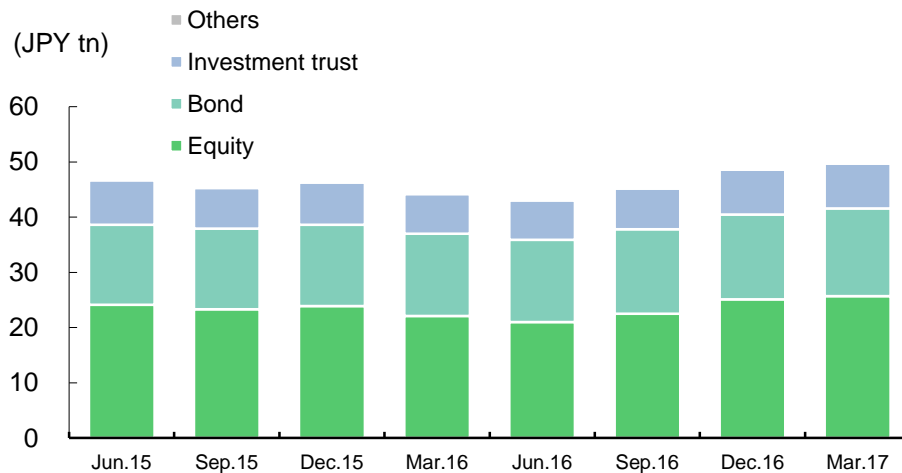
Financial results (consolidated)

(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*1	55.8	80.0	+24.2
Profit attributable to owners of parent*1, 2	42.1	46.9	+4.8

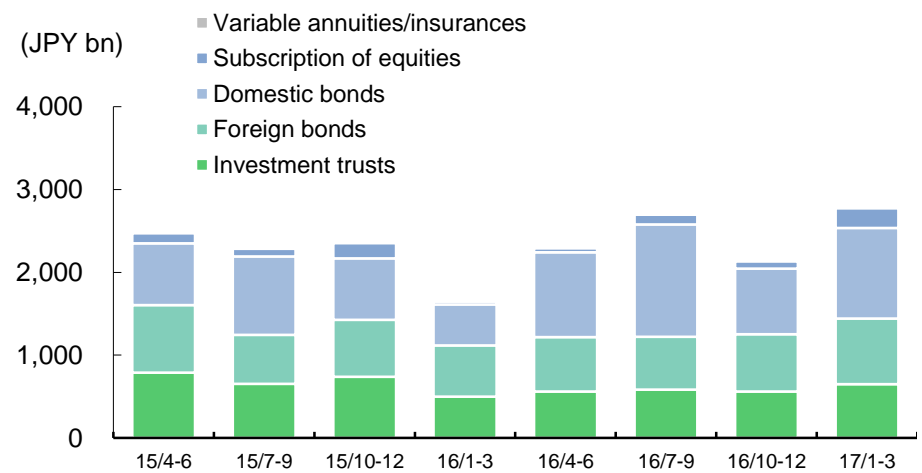
Net operating revenue



Client assets



Product sales



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

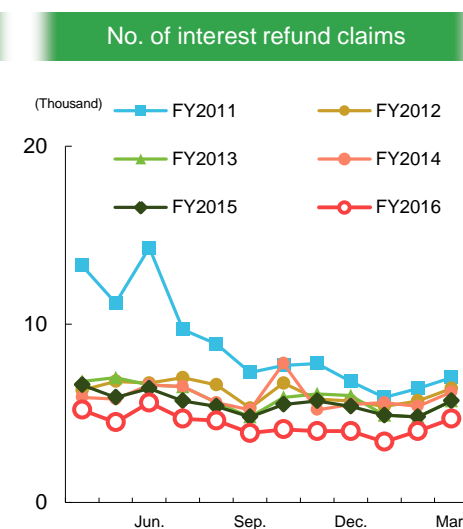
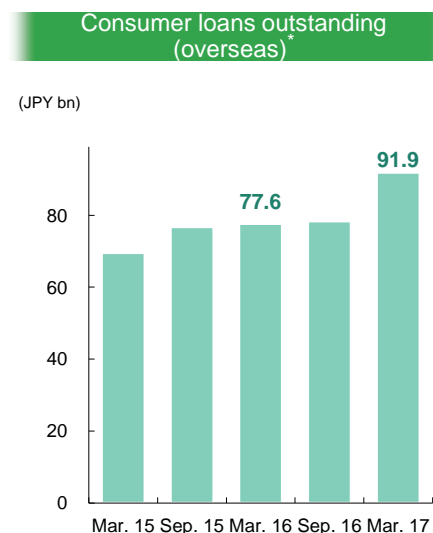
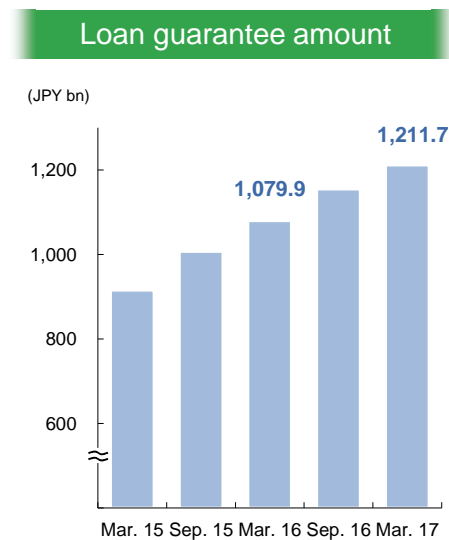
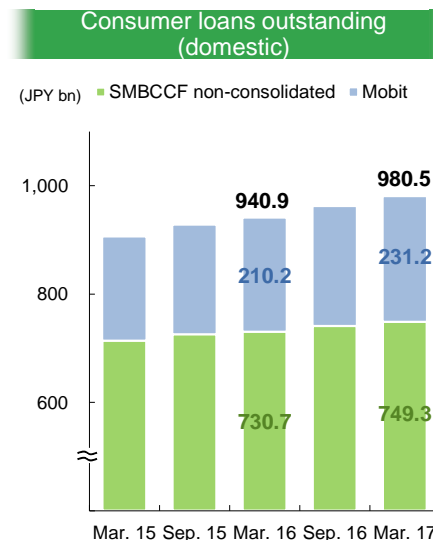
*2 Recorded loss of JPY 12.0 bn as extraordinary loss at SMBC Nikko in FY3/17 on restructuring and liquidation of business alliance with Barclays

Financial results (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

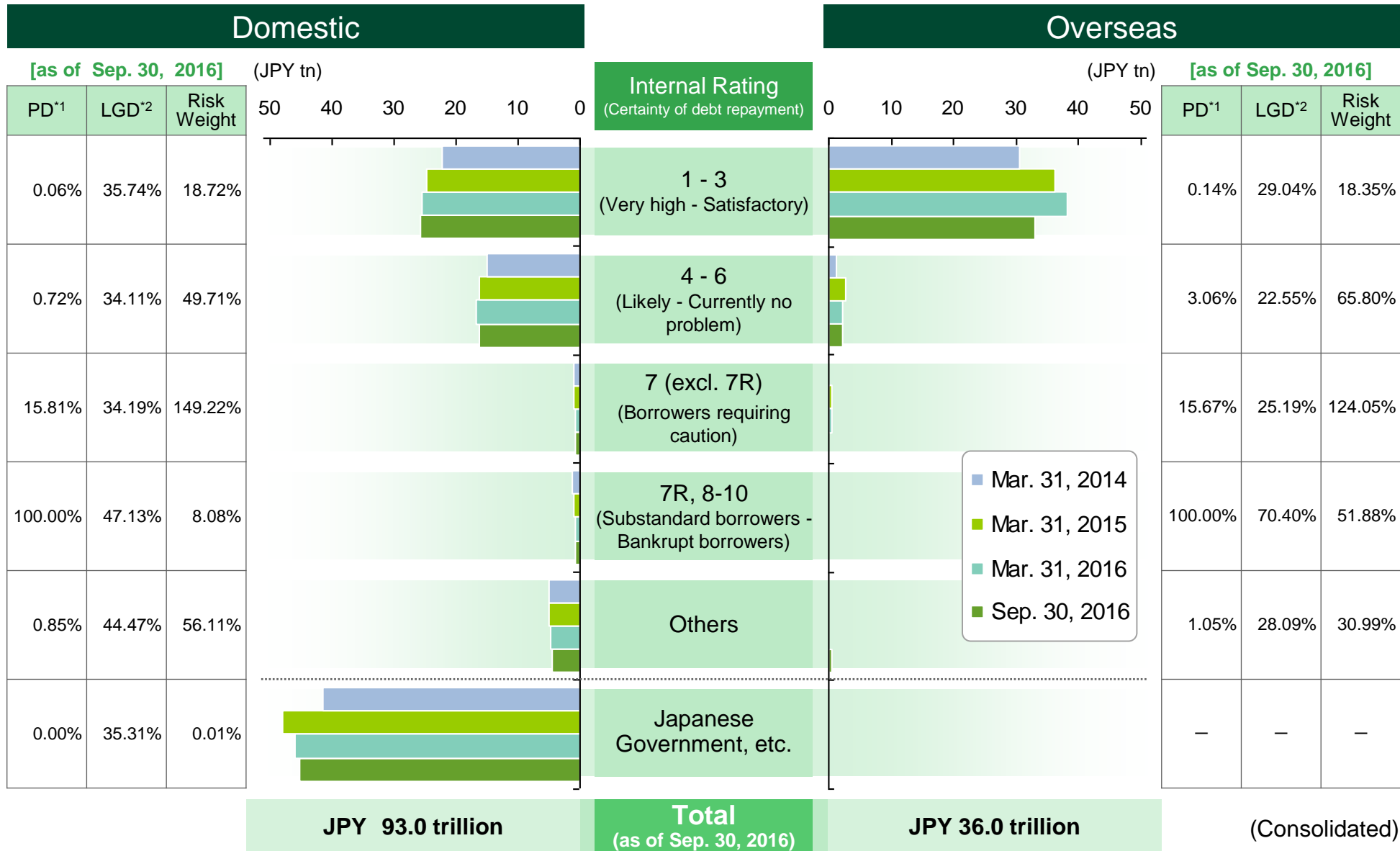
Consumer loans outstanding	1,022.0	1,074.6	Effect of implementing the consolidated corporate-tax system +JPY 50 bn
Allowance on interest repayments	188.8	121.6	
Loan guarantee	1,079.9	1,211.7	No. of companies with guarantee agreements: 188 (as of Mar. 2017)
for regional financial institutions, etc.	474.2	561.8	

Loan guarantee / overseas businesses



* Converted into Japanese yen at respective period-end exchange rates

Corporate, sovereign and bank exposures

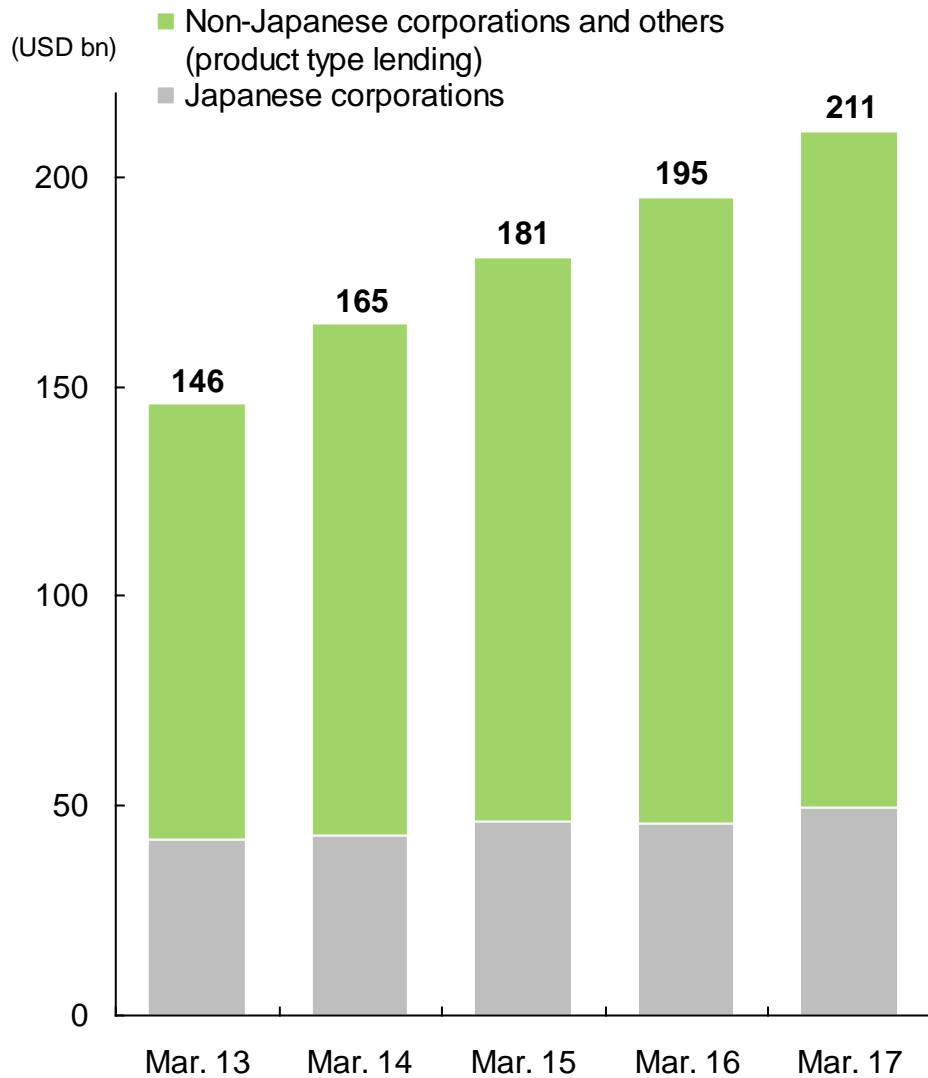


*1 Probability of Default. Probability of becoming default by obligor during one year

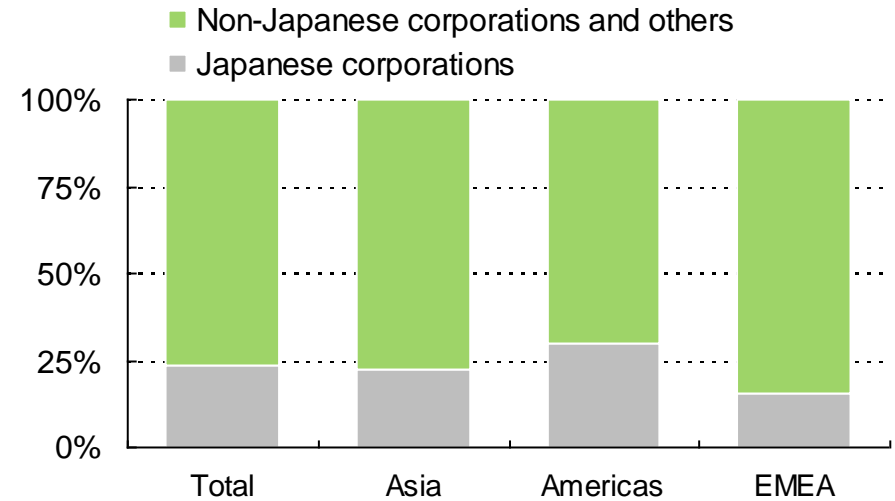
*2 Loss Given Default. Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default

Overseas loan balance classified by borrower type*1

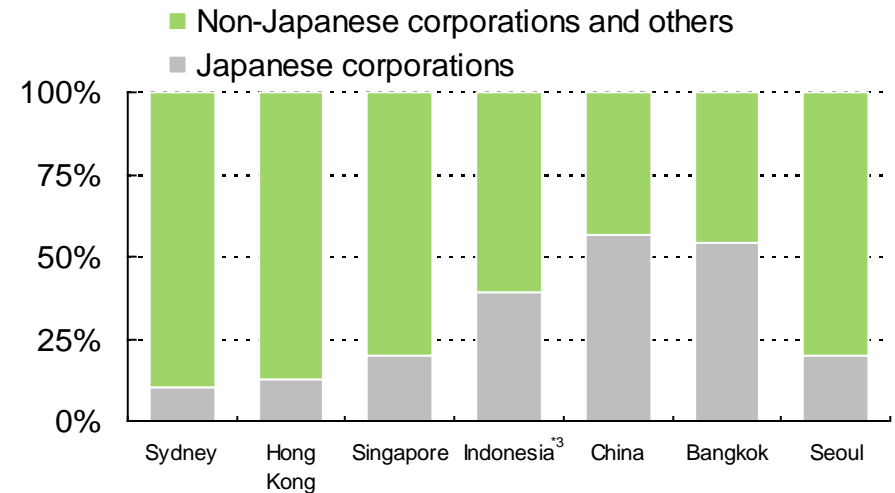
Total*1



By region (Mar. 2017)*1



Major marketing channels in Asia (Mar. 2017)*1, 2

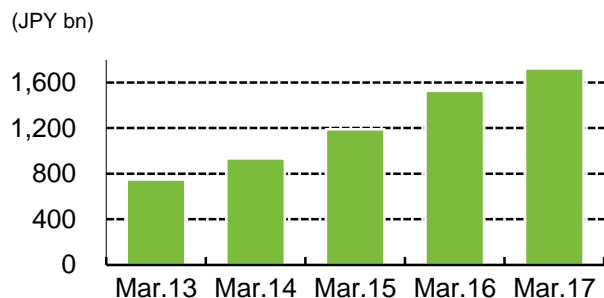


*1 Geographic classification based on booking office. Managerial accounting basis. *2 Sum of SMBC, SMBC Europe and SMBC (China). Includes trade bills after Mar. 2015

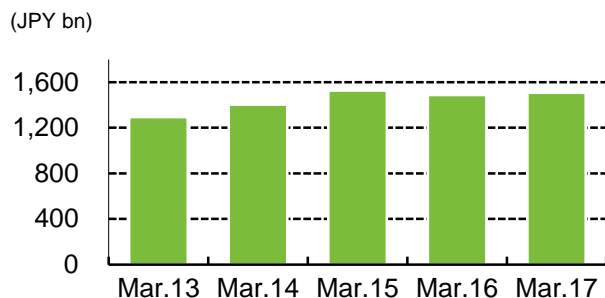
*3 Sum of SMBC and SMBC Indonesia

Loan balance in Asian countries/areas *1, 2

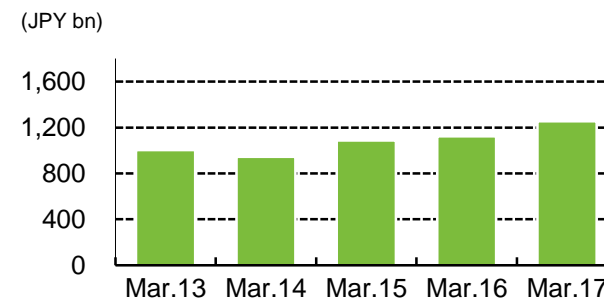
Australia



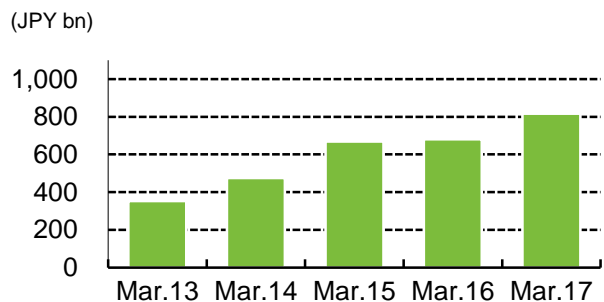
Hong Kong



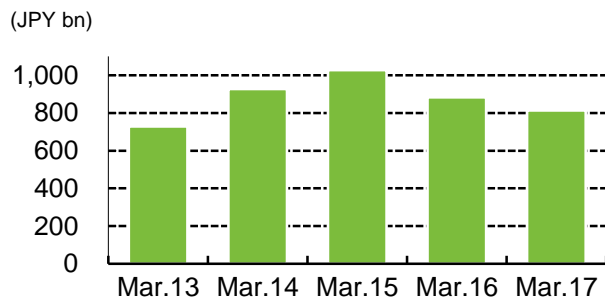
Singapore



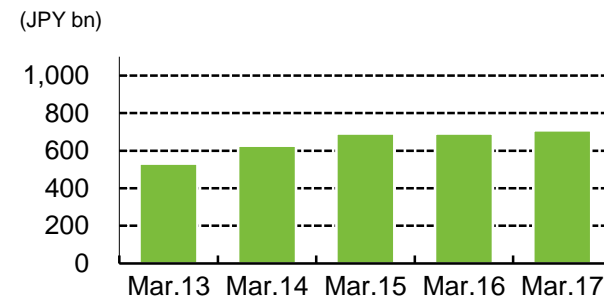
Indonesia



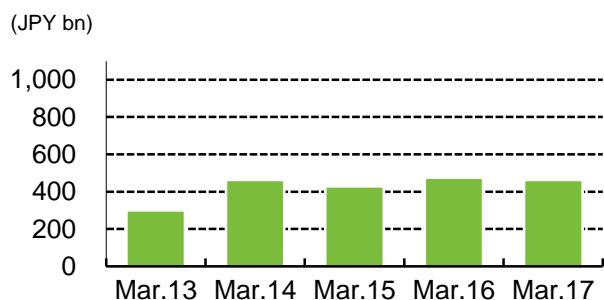
China



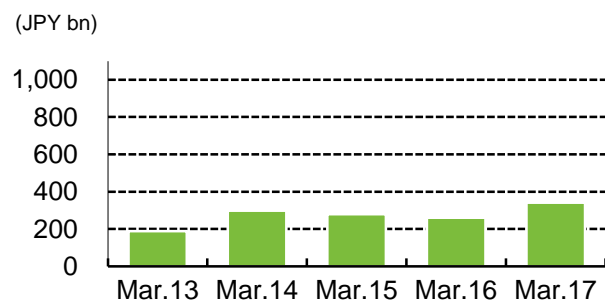
Thailand



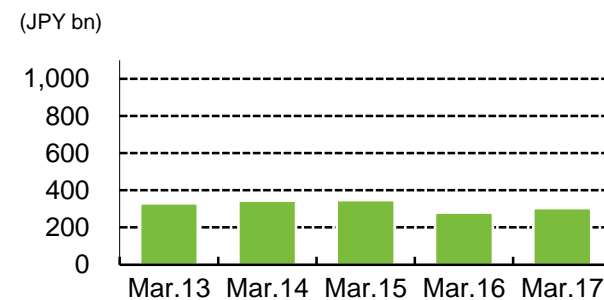
India



Taiwan



Korea

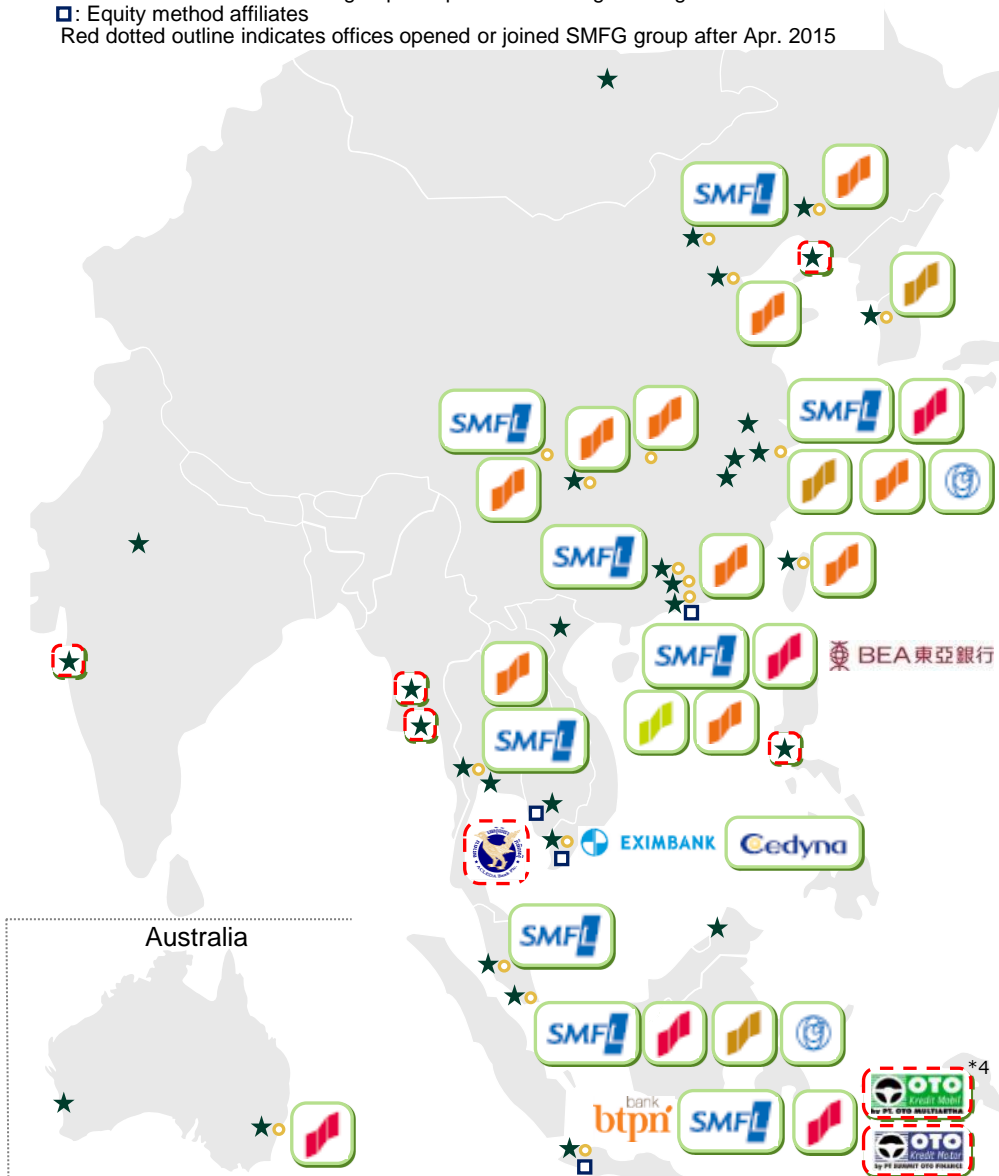


*1 Geographic classification based on borrowers' domicile

*2 Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Indonesia. Loan balances are translated into JPY from each country's local currency at the exchange rate of Mar. 31, 2017

SMFG's network in Asia

- ★: Banking business offices
- : Overseas offices of SMFG group companies excluding banking business offices
- : Equity method affiliates
- Red dotted outline indicates offices opened or joined SMFG group after Apr. 2015



SMBC SUMITOMO MITSUI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 41 offices* ¹
Sumitomo Mitsui Finance and Leasing	Leasing	<ul style="list-style-type: none"> • Beijing • Shanghai • Chengdu • Guangzhou • Hong Kong • Bangkok • Kuala Lumpur • Singapore • Jakarta
SMBC NIKKO	Securities	<ul style="list-style-type: none"> • Hong Kong • Sydney • Singapore • Jakarta
	M&A advisory	<ul style="list-style-type: none"> • Shanghai • Hong Kong • Singapore • Jakarta
SMBC FRIEND SECURITIES	Market research	• Hong Kong
SUMITOMO MITSUI CARD COMPANY, LIMITED	Prepaid card services	• Seoul* ²
	Consulting	• Shanghai
	Market research	• Singapore
Cedyne	Auto loans	• Ho Chi Minh* ³
SMBC CONSUMER FINANCE	Consumer finance	<ul style="list-style-type: none"> • Hong Kong • Shenzhen • Shenyang • Tianjin • Chongqing • Chengdu • Wuhan • Shanghai • Bangkok
	Loan management and collection	• Taipei
The Japan Research Institute, Limited	Consulting	• Shanghai
	System integration	<ul style="list-style-type: none"> • Shanghai • Singapore

*1 As of Apr. 30, 2017. Includes SMBC, SMBC's banking subsidiaries and equity method affiliates. Excludes offices planned to be closed

*2 Prepaid cards targeted at travelers to Korea from Japan offered through an alliance with Hana SK Card Co., Ltd. since Nov. 2012

*3 Expanded auto loan business through alliance with Vietnam Eximbank since May 2013 *4 SMBC made OTO/SOF equity method affiliates in Mar. 2016

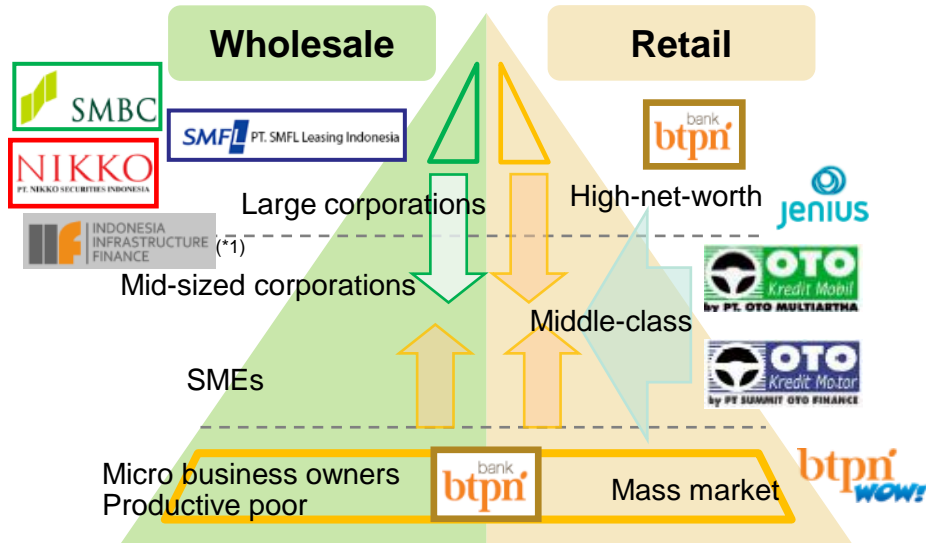
Indonesia strategy (Multi-Franchise strategy)

We will accelerate pursuing synergies among the Group in Indonesia

Asia Retail Innovation Department is newly established in Singapore to expand the digital banking business in Asia

Expanding business to provide full-banking service

- Bank Tabungan Pensiunan Nasional (BTPN)
- Branchless banking service (Wow!) has successfully acquired about 3 million customers as of December 2016
- In August 2016, BTPN launched smartphone-based digital banking service (Jenius) and acquired about 90K customers for 3 months
- OTO/SOF (Automotive Finance Companies)
 - Appointed a director (OTO) and a commissioner (OTO/SOF) from SMBC



*1 Indonesia Infrastructure Finance

*2 TTM as of Dec. 2015: IDR 1 = JPY 0.0088, Dec. 2016 : IDR 1 = JPY 0.0087

*3 Based on each company's disclosure (FY2016 results)

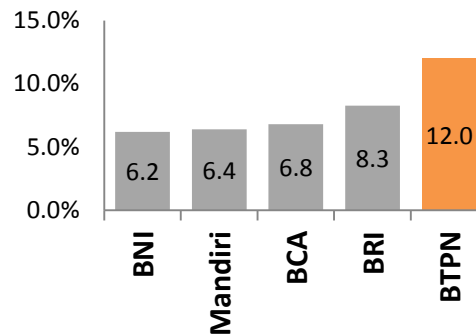
Financial results of BTPN *2

(IDR billion)	2015	2016	YOY
Gross banking profit	8,401	9,464	+13%
Operating expenses	(5,156)	(5,984)	+16%
Net profits (*)	1,702	1,752	+3%
ROE	13.3%	11.7%	-
Gross loans	58,587	63,168	+8%
Customer deposits	60,273	66,202	+10%
Total assets	81,040	91,371	+13%

(*) Net profit from existing business (excluding the investment for digital banking) increased 19% YOY in FY2016

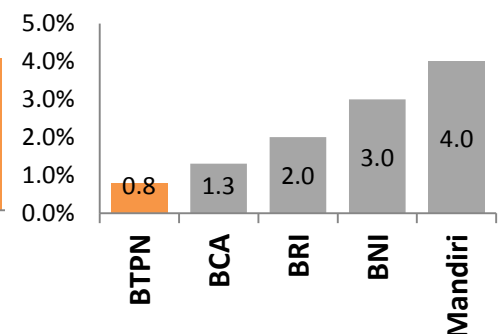
Net Interest Margin *3

Higher NIM compared to other banks



NPL ratio *3

Sound credit policy



Products that we have strengths overseas

Aircraft-related business

- Providing solutions to domestic and overseas aircraft investors and offering aircraft leasing on a Group basis led by SMBC Aviation Capital

SMBC Aviation Capital results /
Number of owned and managed aircraft*¹

(USD mn)	FY3/17	FY3/16
Total revenue ^{*2}	1,086	993
Net income	298	199
Aircraft asset	10,963	10,515
Net asset	1,967	1,627

Aircraft leasing companies	Country	# owned/managed
1 GECAS	USA	1,441
2 AerCap	Netherlands	1,160
3 Avolon	Ireland	626 ^{*3}
4 SMBC AC	Ireland	452
5 Nordic Aviation Capital	Denmark	374

Railcar leasing

- SMBC Rail Services
(a wholly-owned consolidated subsidiary in the U.S.)
- U.S. based mid-sized railcar leasing company, leased assets: USD 1,647 mn (as of Dec. 31, 2016)
- Strengths
 - Well-diversified portfolio management
 - Young age of railcars
 - Well-diversified client base by industry

Acquisition of American Railcar Leasing (ARL)

- SMBC Rail Services will acquire ARL, the 6th largest railcar leasing company in the U.S.; Expected to close 1H 2017
- Asset size: approx. USD 3.4 bn (approx. 34 thousand railcars)^{*4}
- Purchasing price of the entity is expected to be lower than the appraisal value of the railcars conducted by a third party. Therefore, impact to SMFG CET1 capital ratio is minimal

Subscription finance, Americas / EMEA middle market business

- Extending loans to funds based on commitments from investors
 - Credit balance: approx. USD 21 bn, spread: approx. 150bp (as of Mar. 2017)
- Sponsor finance for mid-sized corporations, loan for acquisition finance
 - Accounts for around 2% of our overseas loan balance. Carefully select profitable transactions

*1 As of Dec. 31, 2016 (Source: Ascend "Airline Business") *2 Leasing revenue + gains (losses) on sales of aircraft etc. Excludes redelivery adjustment

*3 Includes an acquisition of CIT Aerospace closed in Apr. 2017 *4 Subject to change based on the timing, terms of the acquisition, etc.

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

Breakdown of exposure to Non-Japanese oil & gas/other resources as of Mar. 2017

(USD bn)	[1] Exposure		[2] Drawn amount		[3] NPLs ^{*1,2}	[4] Ratio to drawn amount [3]/[2]	[5] Reserve for possible loan losses	[6] Collateral, guarantees, etc.	[7] Coverage ratio* ([5]+[6])/[3]
		Percentage of "1-3"		Percentage of "1-3"					
Asia	15.5	90%	13.2	90%	0.076	0.6%	0.020	-	26%
Americas	20.8	78%	7.6	76%	0.432	5.6%	0.047	0.283	76%
EMEA	20.7	84%	10.9	76%	0.289	2.6%	0.091	0.112	70%
Total	57.0	83%	31.8	82%	0.797	2.5%	0.158	0.395	69%
Oil and gas	48.7	84%	27.5	83%	0.461	1.7%	0.066	0.237	66%
Integrated Oil & Gas (Majors, state-owned companies, etc.)	11.7	96%	6.2	96%	-	-	-	-	-
Services (Drilling, field services)	4.0	44%	2.1	27%	0.136	6.4%	0.059	0.030	66%
Upstream (E&P)	13.3	73%	8.4	77%	0.239	2.9%	0.006	0.206	89%
Midstream (Storage/Transportation)	12.1	90%	5.7	89%	0.085	1.5%	0.001	-	1%
Downstream (Refining)	7.6	94%	5.2	93%	-	-	-	-	-
Other resources (Mining)	8.3	83%	4.3	73%	0.336	7.9%	0.092	0.158	74%

- Oil and gas : Corporate finance approx. 70%; Project finance approx. 30%
- Other resources (Mining) : Corporate finance approx. 85%; Project finance approx. 15%

*1 NPLs based on the Financial Reconstruction Act, excluding Normal assets

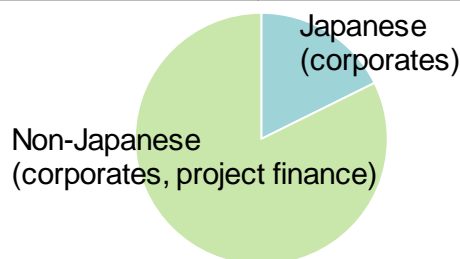
*2 The balance of Claims on borrowers requiring caution are USD 0.2 bn in Asia, USD 1.9 bn in Americas, and USD 0.5 bn in EMEA.
They are mainly included in Oil and gas

Loan and exposure to the UK / China / Russia

Loan balance in the UK*1, 2, 3

(JPY tn)

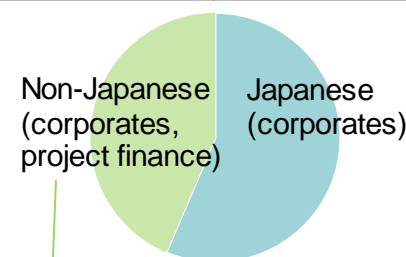
Mar. 16	Mar. 17
1.5	1.4



Loan balance in China*1, 2, 3, 4

(JPY tn)

Mar. 16	Mar. 17
0.8	0.8



- Most borrowers are classified as “1-3”^{*5} in our internal rating

Our operation in EMEA

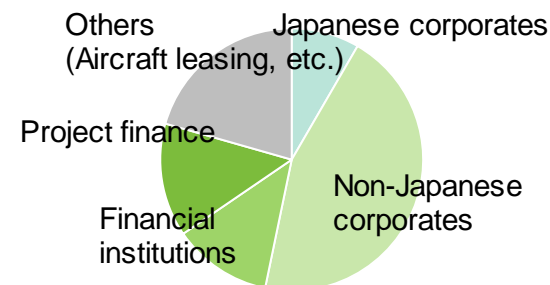
- Offices in the UK and EU
 - SMBC Europe
 - Head Office : London
 - 6 branches : Dublin, Amsterdam, Paris, Prague, Milan, Madrid
 - SMBC’s branches
 - 3 branches : Brussels, Dusseldorf, Frankfurt
- Booking of loans
 - Loan balance in EMEA regions: Approx. JPY 6 tn
 - of which around 20% is booked at SMBC Europe London

Exposure to Russia*6, 7

(USD bn)

Mar. 16	Mar. 17
4.3	3.2

0.3% of SMFG’s total exposure of approx. USD 1tn



*1 Sum of SMBC, SMBC Europe and SMBC (China) *2 Geographic classification based on borrowers' domicile

*3 Loan balance are converted into JPY from each country's local currency at the exchange rate of Mar. 31, 2017

*4 Based on borrowers' domicile for loan balance, booking office for classification of borrowers

*5 Certainty of debt repayment is in the range of Very high - Satisfactory *6 Loans, commitment lines, guarantees, investments, etc. *7 SMFG consolidated

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

TLAC requirements*1

TLAC and capital buffer requirements for SMFG

Minimum external TLAC requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
Plus capital buffers*1	19.5%	21.5%
Factoring treatment of access to Deposit Insurance Fund Reserves	17.0%	18.0%
Minimum external TLAC requirements (Leverage ratio denominator basis)	6%	6.75%

- Based on current calculations, we expect that the TLAC requirements based on RWA will be more constraining than requirements based on the leverage ratio denominator

Contribution of Japanese Deposit Insurance Fund Reserves

- The FSA plans to allow Japanese G-SIBs to count the amount equivalent to 2.5% of RWA from Mar. 2019 and 3.5% of RWA from Mar. 2022 as external TLAC

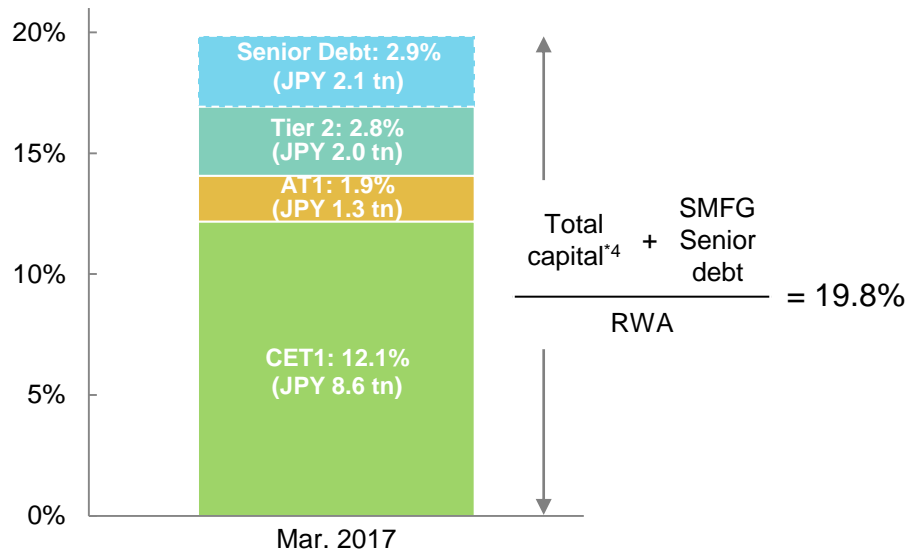
Meeting TLAC requirement

Issuance amount of SMFG senior unsecured debt*2

(JPY tn)	FY3/2016	FY3/2017
Issuance amount through the period	0.5	1.6
Amount outstanding at period end	0.5	2.1

Total capital plus SMFG senior debt to RWA*3

(Consolidated)



*1 Excludes countercyclical buffer. As for the G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the FSB in Nov. 2016

*2 Translated at the exchange rate as of Mar. 31, 2016 (FY3/2016) and as of Mar. 31, 2017 (FY3/2017)

*3 This figure is not the same as TLAC ratio

*4 Transitional basis. We expect the calculation for TLAC ratio, when the TLAC requirements in Japan are finalized, will differ from the one for total capital ratio. For example, some items in total capital will not be included in TLAC capital and vice versa

Corporate Social Responsibility

Major activities

Environment

- Certified to ISO14001 (major group companies)
- Issuance of green bonds (SMBC)
- Promoting SMBC Environmental Assessment Loans
- Supporting renewable energy development projects



Supporting renewable energy projects

Next Generation

- Promoting financial and career education to various generations
- Supporting educational activities in Asian emerging countries (Indonesia, and Myanmar)



Tour to learn and experience banking activities

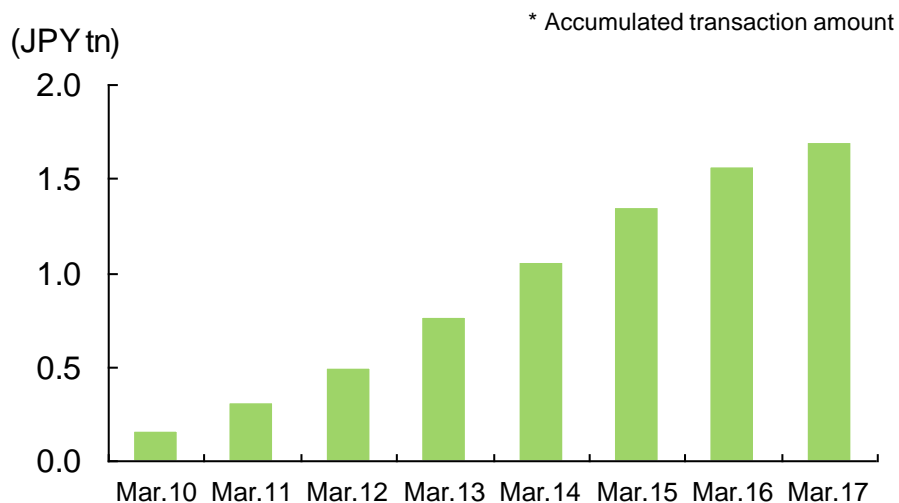
Community

- Training employees to appropriately support people diagnosed with dementia and other disabilities
- Collaborating with NPOs utilizing employees' donation fund
- Conducting employees' volunteer activities in disaster affected areas by earthquakes

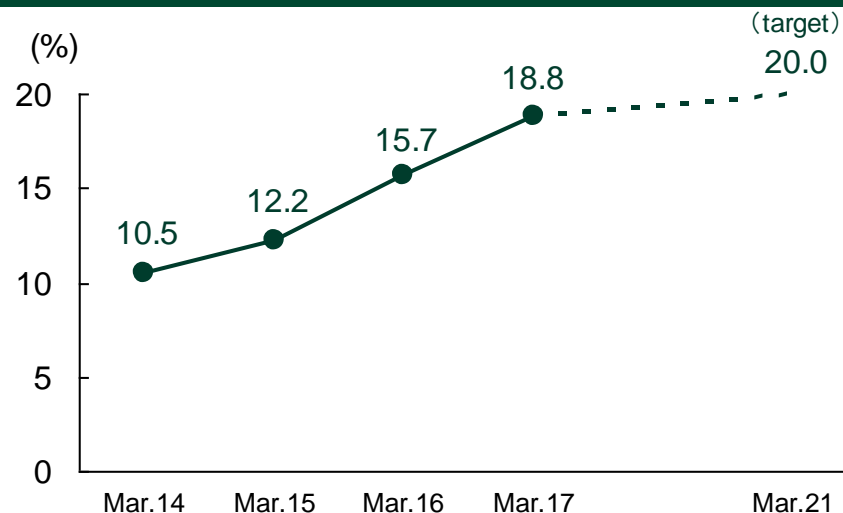


Employees' volunteer activities in disaster affected areas

SMBC assessment loans / private placement bonds

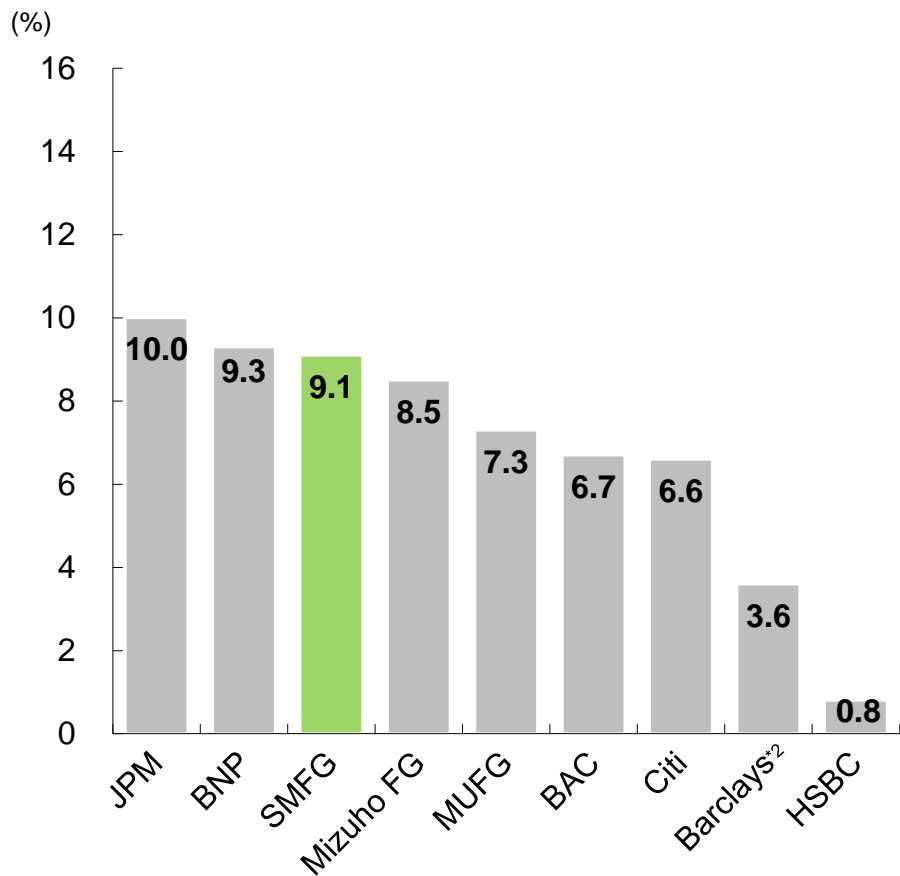


Ratio of female managers (SMBC)

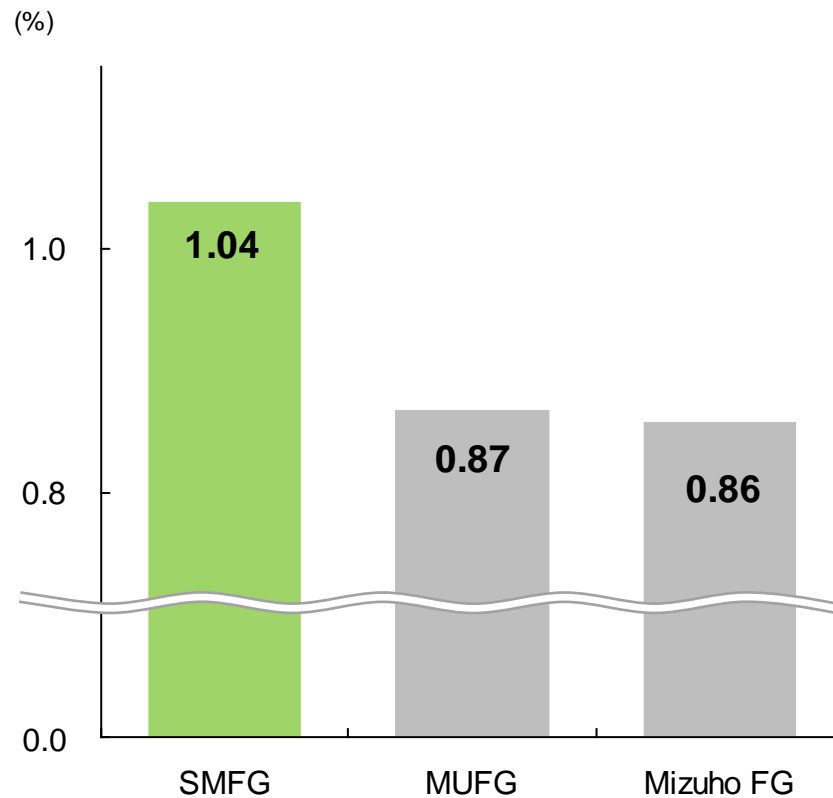


Peer comparison

ROE*1



Domestic loan-to-deposit spread*3



Proportion of loans to individuals & SMEs	SMFG	MUFG	Mizuho FG
	62.5% (*)	61.7%	58.2%

(*) Proportion of loans to individuals & SMEs decreased due to a) an increase in loans to the Japanese government, etc. and b) loans to holding company SMFG's definition turned into Large corporation from SME. Proportion of loans to individuals & SMEs excluding SMFG as of Mar. 31, 2016 was 65.2%

*1 Based on each company's disclosure. FY3/17 results for SMFG and MUFG and Mizuho FG, and Jan. - Dec. 2016 results for others *2 ROTCE: Return on tangible common equity
 *3 FY3/17 results. Based on each company's disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of Mizuho Bank for Mizuho FG, and non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG

Credit ratings of G-SIBs (Operating banks, by Moody's)*

	Apr. 2001	Jul. 2007	Apr. 2017
Aaa		<ul style="list-style-type: none"> Bank of America Bank of New York Mellon Citibank JPMorgan Chase Bank 	<ul style="list-style-type: none"> Royal Bank of Scotland UBS Wells Fargo Bank
Aa1	<ul style="list-style-type: none"> Bank of America Crédit Agricole 	<ul style="list-style-type: none"> Wells Fargo Bank UBS 	<ul style="list-style-type: none"> Banco Santander Barclays Bank BNP Paribas Crédit Agricole Credit Suisse Deutsche Bank
Aa2	<ul style="list-style-type: none"> Bank of New York Mellon Barclays Bank Citibank HSBC Bank 	<ul style="list-style-type: none"> ING Bank JPMorgan Chase Bank Royal Bank of Scotland State Street Bank & Trust 	<ul style="list-style-type: none"> Bank of New York Mellon HSBC Bank
Aa3	<ul style="list-style-type: none"> Banco Santander BNP Paribas BPCE(Banque Populaire) 	<ul style="list-style-type: none"> Deutsche Bank Société Générale UniCredit 	<ul style="list-style-type: none"> Wells Fargo Bank
A1	<ul style="list-style-type: none"> Credit Suisse 	<ul style="list-style-type: none"> Goldman Sachs Bank Morgan Stanley Bank 	<ul style="list-style-type: none"> JPMorgan Chase Bank Nordea Bank
A2	<ul style="list-style-type: none"> BTMU 	<ul style="list-style-type: none"> Agricultural Bank of China Bank of China 	<ul style="list-style-type: none"> Standard Chartered
A3	<ul style="list-style-type: none"> SMBC 	<ul style="list-style-type: none"> Mizuho Bank 	<ul style="list-style-type: none"> China Construction Bank Standard Chartered
Baa1	<ul style="list-style-type: none"> Agricultural Bank of China Bank of China 	<ul style="list-style-type: none"> China Construction Bank ICBC 	<ul style="list-style-type: none"> SMBC Crédit Agricole Credit Suisse Goldman Sachs Bank ICBC Barclays Bank ING Bank Mizuho Bank Morgan Stanley Bank UBS
Baa2			<ul style="list-style-type: none"> Deutsche Bank

* Long-term issuer ratings (if not available, long-term deposit ratings) of operating banks

Credit ratings of G-SIBs (Holding companies, by Moody's / S&P)*

Apr. 2017					
	Moody's		S&P		
Aaa					AAA
Aa1					AA+
Aa2					AA
Aa3					AA-
A1	<ul style="list-style-type: none"> SMFG • Bank of New York Mellon • HSBC • Mizuho 	<ul style="list-style-type: none"> • MUFG • Standard Chartered • State Street 			A+
A2	<ul style="list-style-type: none"> • Wells Fargo 		<ul style="list-style-type: none"> • Bank of New York Mellon • HSBC • MUFG 	<ul style="list-style-type: none"> • State Street • Wells Fargo 	A
A3	<ul style="list-style-type: none"> • Goldman Sachs • JPMorgan 	<ul style="list-style-type: none"> • Morgan Stanley 	<ul style="list-style-type: none"> SMFG • ING • JPMorgan 	<ul style="list-style-type: none"> • Mizuho • UBS 	A-
Baa1	<ul style="list-style-type: none"> • Bank of America • Citigroup 	<ul style="list-style-type: none"> • ING • UBS 	<ul style="list-style-type: none"> • Bank of America • Citigroup • Credit Suisse 	<ul style="list-style-type: none"> • Goldman Sachs • Morgan Stanley • Standard Chartered 	BBB+
Baa2	<ul style="list-style-type: none"> • Barclays 	<ul style="list-style-type: none"> • Credit Suisse 	<ul style="list-style-type: none"> • Barclays 		BBB
Baa3			<ul style="list-style-type: none"> • RBS 		BBB-
Ba1	<ul style="list-style-type: none"> • RBS 				BB+

* Long-term issuer ratings (if not available, Senior unsecured ratings for Moody's) of holding companies

Overview of international financial regulations

Regulations	Contents of regulation	Effective	Current status	Action taken & impact on SMFG	
G-SIFI regulation and supervision	G-SIB surcharge	Require additional loss absorption capacity above the Basel III minimum	2016	Under phased implementation	⊕ Requirement for SMFG to be 8% on a fully-loaded basis. SMFG CET1 ratio (FY2019) target : about 10%
	Adequacy of loss-absorbing capacity (TLAC)	Require loss absorbing capacity, which consists of eligible liabilities and regulatory capital, on both a going concern and gone concern basis	2019	Finalised in Nov. 2015	○ In progress to enhance our platform to address it
	Recovery and Resolution Plan	Require to develop Group Recovery Plan	Implemented	Done	○ Annual update necessary
Prudential regulation Basel III	Capital requirement	Require to raise the level and quality of capital and enhance risk coverage under Basel III	2013	Under phased implementation	⊕ SMFG CET1 ratio (FY2019) target : about 10%
		Fundamental review of trading book	2019	Finalised in Jan. 2016	○ Monitor how domestic regulations will be introduced
		Revisions to the Standardised Approaches	TBD	Consultative document credit risk in Dec. 2015 operational risk in Mar. 2016	△ In progress for finalization. Monitor how it will be finalized
		Constraints on the use of internal model approaches	TBD	Consultative document in Mar. 2016	△ In progress for finalization. Monitor how it will be finalized
		Capital floors	TBD	Consultative document in Dec. 2014	△ In progress for finalization. Monitor how it will be finalized
		Review of the Credit Valuation Adjustment (CVA) risk framework	TBD	Consultative document in Jul. 2015	△ In progress for finalization. Monitor how it will be finalized
		Interest-rate risk in the banking book	2018	Finalised in Apr. 2016	○ Monitor how domestic regulations will be introduced
		Leverage ratio requirement	Non-risk-based measure based on on-and off-accounting balance sheet items against Tier 1 capital. Minimum requirement: 3% (during trial period)	2018	Consultative document in April. 2016
Financial market / Financial system reform	Minimum standards for liquidity (LCR/NSFR)	LCR: Require to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. >=100%	2015	Under phased implementation	⊕
		NSFR: Require to maintain a sustainable maturity structure of assets and liabilities >=100%	2018	Finalised in Oct. 2014	○ Monitor how domestic regulations will be introduced
	Large exposure regulation	Tighten exposure limit to a single borrower (25% of Tier 1) and enlarge regulation scope	Jan. 2019	Partly implemented in Dec. 2014	○ Monitor how domestic regulations will be introduced
Financial market / Financial system reform	OTC derivatives markets reforms	<ul style="list-style-type: none"> Centralize OTC derivatives clearing Margin requirement for non-centrally cleared derivatives 	Dec. 2012 Sep. 2016	Enlarge regulation scope Under phased implementation	△ In progress to enhance our platform to address it
	Regulation of shadow banking system	Strengthen the oversight and regulation of the shadow banking system such as MMFs, repos and securitizations	TBD	Discussion underway on five specific areas	○ Monitor how domestic regulations will be introduced
	Limitation on banking activities / Ring fencing regulation	Capital and liquidity requirements for foreign banking organizations	Jul. 2016	Done	⊕
	Prohibit ring-fenced banks from providing certain services in UK Require to isolate trading business in EU from ring-fenced banks	TBD	UK: Enacted in Dec. 2013, EU: Proposal published in Jan. 2014	— Monitor how the regulation will be in force, although it is likely that the regulation will not apply to SMFG	

⊕ Able to meet requirements easily ○ Able to meet requirements △ Impact unclear

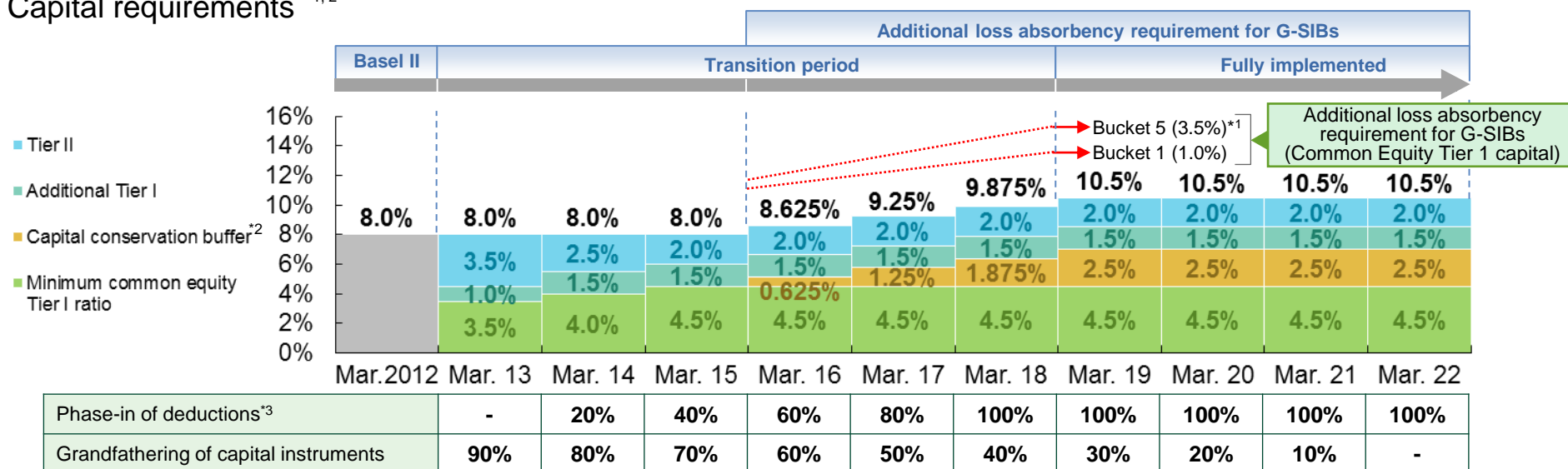
Progress of major regulatory discussions

Regulations		Outline	Finalized at FSB or BCBS	Domestic regulation	
Capital requirement	Credit Risk	Revisions to the Standardised Approach	•Seeks to improve the standardised approach for credit risk, including reducing reliance on external credit ratings; increasing risk sensitivity; reducing national discretions; strengthening the link between the standardised approach and the internal-rating based (IRB) approach; and enhancing comparability of capital requirements across banks	Unfinished	Unfinished
		CVA risk framework	•Seeks to review the credit valuation adjustment (CVA) risk framework to capitalize the risk of future changes in CVA that is an adjustment to the fair value of derivatives to account for counterparty's credit risk	Unfinished	Unfinished
	Market Risk	IRRBB (Interest-rate risk in the banking book)	•Adoption of enhanced Pillar 2 approach; (i) more extensive guidance on the expectations for a bank's IRRBB management process, (ii) enhanced disclosure requirements, (iii) an updated standardized framework and (iv) a stricter threshold for identifying outlier banks	Finished	Unfinished
	Operational Risk	Revisions to the Standardised Measurement Approach	•Use of the Business Indicator (BI), a proxy of size of business, and the loss data for risk weighted assets calculation is proposed. Termination of the Advanced Measurement Approaches (AMA) is also proposed	Unfinished	Unfinished
	Overall	Constraints on the use of internal model approaches	•Constraints on the use of the internal ratings based approach to credit risk; (i) applying the standardised approach to exposures to financial institutions, large corporates and equities, (ii) applying the F-IRB approach for exposures to medium sized corporates, (iii) applying the standardized approach or the IRB supervisory slotting approach for specialized lending, or (iv) applying or raising floors to PDs/LGDs and revising the estimation methods	Unfinished	Unfinished
		Capital floors based on standardised approaches	•Replacement of the Basel I-based transitional capital floor with a permanent floor based on standardised approaches •The framework and calibration are under consideration.	Unfinished	Unfinished
Leverage ratio requirement	Leverage ratio	•A minimum requirement of 3% to be introduced in 2018 •Additional requirements for G-SIBs and revisions including credit conversion factors for off-balance sheet items are proposed	Finished in part	Finished in part	
G-SIFI regulation	TLAC (total loss-absorbing capacity)	•Minimum requirement of (i) 16% of RWA and 6% of the Basel III Tier 1 leverage ratio denominator as from 2019, (ii) 18% of RWA and 6.75% of the Basel III Tier 1 leverage ratio denominator as from 2022 •Should be issued and maintained by resolution entities •An access to credible ex-ante commitments to recapitalize a G-SIB in resolution may count toward a firm's TLAC as 2.5% RWA as from 2019 and 3.5% as from 2022	Finished	Unfinished	

Application of Basel III

- Capital requirements and liquidity coverage ratio have been phased-in in line with international agreements
- Domestic regulations on leverage ratio and net stable funding ratio are being finalized according to their adoption schedule

Capital requirements ^{*1, 2}



Leverage ratio and liquidity rules ^{*1}

Leverage ratio	Mar. 2015 Domestic regulation finalised	Mar. 2015: Start disclosure (<i>minimum: 3%</i>)					Jan. 2018: Full implementation				
Liquidity coverage ratio (LCR)	Oct. 2014 Domestic regulation finalised	Phased-in from Mar. 2015		Mar. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019			
				60%	70%	80%	90%	100%			
Net stable funding ratio (NSFR)	Oct. 2014 Finalised at BCBS	Jan. 2018: Full implementation									

*1 Schedule based on final documents by BCBS, and domestic regulations

*2 Countercyclical buffer (CCyB) omitted in the chart above; if applied, phased-in in the same manner as the Capital conservation buffer.

*3 Including amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

Public sector support and point of non-viability in Japan

	Framework	Systemic risk	Subject entities	Conditions	Point of non-viability	
Existing framework	Act on Special Measures for Strengthening Financial Functions <i>Capital injection</i>	Not Required	Banks (Capital injection may be made through BHC)	No suspension of payment of deposits and not having negative net worth	No	
	Article 102 of Deposit Insurance Act (DIA)	Required (Credit system in Japan or in a certain region)	Banks only	Item 1 measures <i>Capital injection</i>	Undercapitalized	No
				Item 2 measures <i>Financial assistance exceeding payout cost</i>	Suspension of payment of deposits or having negative net worth*1	Yes*3
				Item 3 measures <i>Nationalization</i>	Suspension of payment of deposits and having negative net worth*1	
Newly established framework	Article 126-2 of DIA	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	Specified Item 1 measures <i>Liquidity support</i> <i>Capital injection</i>	Not having negative net worth	No
				Specified Item 2 measures <i>Supervision or control and</i> <i>Financial assistance for orderly resolution</i>	Suspension of payment or having negative net worth*2	Yes*3

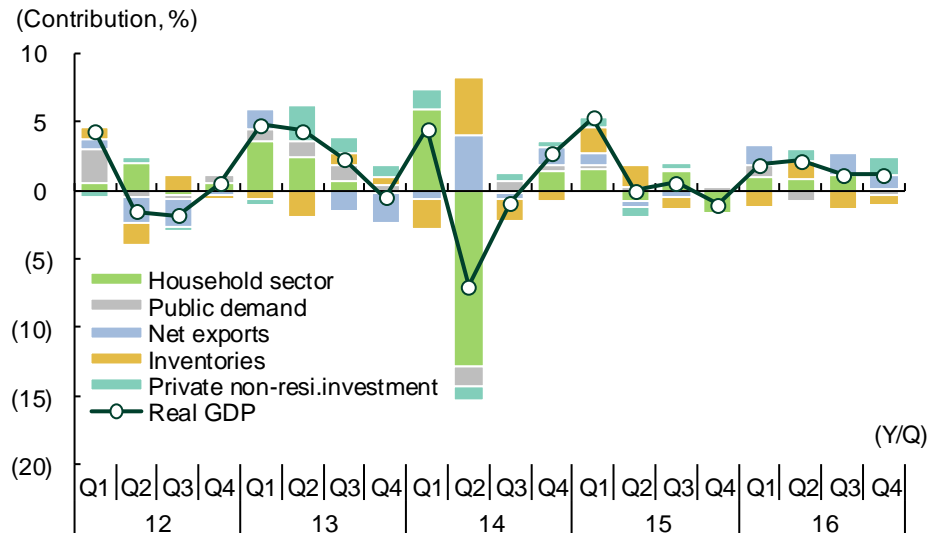
*1 Including the likelihood of a suspension of payment of deposits

*2 Including the likelihood of a suspension of payment or negative net worth

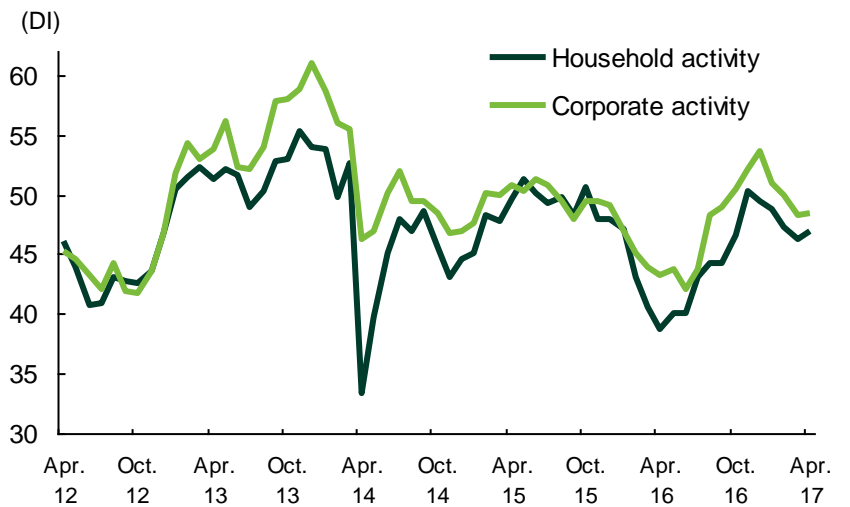
*3 Specified in Q&A published by FSA on March 6, 2014

Current Japanese economy

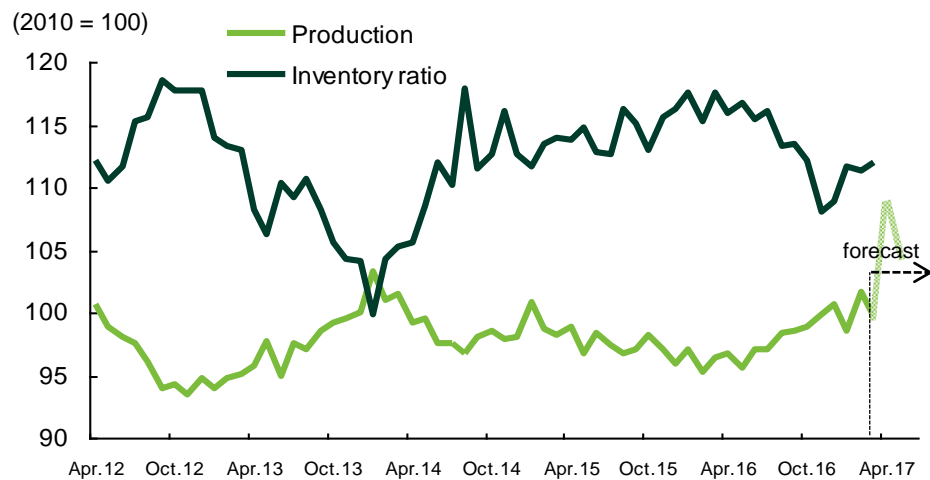
Real GDP growth rate (annualized QOQ change)^{*1}



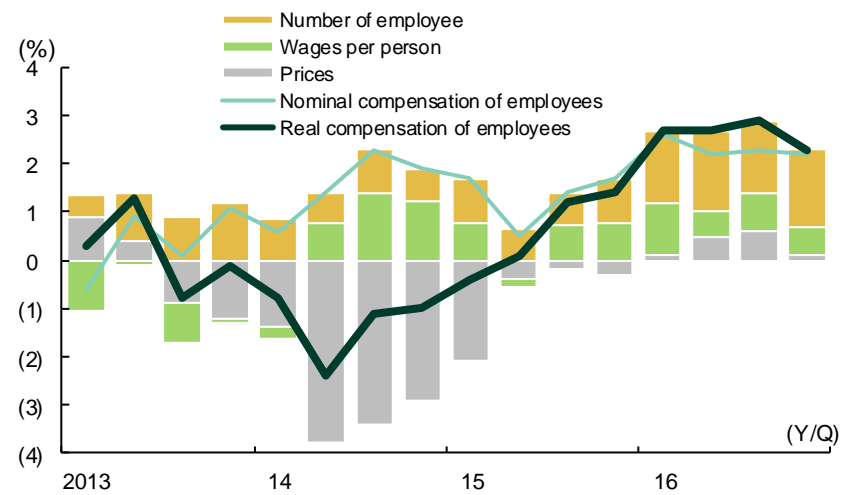
Economy watchers survey^{*2}



Indices of industrial production^{*3}



Real compensation of employees^{*4}



*1 Source: Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

*2 Source: Cabinet Office. Diffusion index for current economic conditions

*3 Source: Ministry of Economy, Trade and Industry. Seasonally adjusted indices. In Apr. and May 2017, based on the indices of production forecast

*4 Source: Cabinet Office and Ministry of Internal Affairs and Communications