

Overview of 1H, FY3/2018 performance

Nov. 14, 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; incurrence of significant credit-related costs; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; and exposure to new risks as we expand the scope of our business. 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
- SMCCF : SMBC Consumer Finance
- SMAM : Sumitomo Mitsui Asset Management

1H, FY3/2018 summary

- The consolidated bottom-line profit increased year-on-year because of the increase of the top-line driven by the Retail and International Business Units, and the reversal of credit cost from large borrowers
- The bottom-line profit reached 67% of the full-year target. However, the full-year target remains unchanged against potential deterioration of the business environment

(JPY bn)	1H, FY3/18 results	YOY change	Change from May target	FY3/18 target
Profit attributable to owners of parent	420.2	+61.0	+110.2	630

Progress of the financial targets (medium-term management plan)

		FY3/17	1H, FY3/18	FY3/20 target
Capital Efficiency	ROE	7.8%*1	10.1%*2	7~8%
Cost Efficiency	OHR	62.1%	61.0%	1% reduction compared with FY3/2017
Financial Soundness	CET1 ratio*3	8.3%	8.8%	10%

Per share information (Consolidated)

(JPY/Share)	1H, FY3/18 results	YOY change	FY3/18 target
Profit attributable to owners of parent	297.94	+35.22	446.63
Dividend	80	+5	160

(JPY/Share)	Sep. 30, 2017	Change from Mar. 31, 2017
Net assets	7,211.72	+310.05

Credit ratings

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

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

*3 Post-Basel III reform basis. Risk-weighted assets (RWA) inflated by 25% compared to RWA of Mar. 2017 assuming 70% capital floor. CET1 excludes net unrealized gains on other securities. RWA excludes RWA associated with net unrealized gains on stocks

1H, FY3/2018 financial results

Income statement

	(JPY bn)	1H, FY3/18	YOY change	Change from May target	FY3/18 target ^{*6}	
Consolidated	Consolidated gross profit	USD 13.0 bn ^{*1}	1,465.8	+48.3		
	General and administrative expenses		(894.6)	(12.6)		
	Overhead ratio		61.0%	(1.2)%		
	Equity in gains (losses) of affiliates		30.2	+17.5		
	Consolidated net business profit^{*2}	USD 5.3 bn ^{*1} 53% ^{*3}	601.3	+53.2	+51.3	1,130
	Total credit cost		(34.1)	+20.7	+75.9	(210)
	Gains (losses) on stocks		51.5	+34.0		
	Ordinary profit	USD 5.5 bn ^{*1}	615.5	+101.3	+155.5	970
	Profit attributable to owners of parent	USD 3.7 bn ^{*1} 67% ^{*3}	420.2	+61.0	+110.2	630
	ROE		10.1%	+0.7%		
Non-consolidated	Gross banking profit	USD 6.3 bn ^{*1}	709.1	(204.9) ^{*4}		
	Expenses^{*5}		(403.8)	(1.8)		
	Banking profit^{*2}	USD 2.7 bn ^{*1}	305.3	(206.7)	+25.3	610
	Total credit cost		25.5	+17.5	+70.5	(80)
	Ordinary profit	USD 3.3 bn ^{*1}	368.5	(111.8)	+128.5	580
	Net income	USD 2.5 bn ^{*1}	284.5	(113.6)	+84.5	450

YOY change

- **Consolidated gross profit** increased mainly due to the strong performance of investment product sales at SMBC Nikko and continuous growth of the credit card and overseas businesses
- **General and Administrative expenses** increased along with the top-line growth of SMBC Nikko and SMCC. However, excluding the effect of the yen depreciation, expenses decreased slightly as a result of the group-wide cost control
- **Equity in gains (losses) of affiliates** increased because The Bank of East Asia recorded gains on sale of its subsidiary
- **Total credit cost** decreased mainly because of the reversal of credit cost from large borrowers at SMBC
- **Gains (losses) on stocks** increased mainly due to gains on sales of strategic shareholdings (approx. JPY 40 bn)

Contribution of subsidiaries to Profit attributable to owners of parent

	(JPY bn)	1H, FY3/18	YOY change	(JPY bn)	1H, FY3/18	YOY change
SMBC Nikko^{*7}		28	+7	SMCC	6	(0)
SMBCCF		26	(2)	SMAM	1	+1
SMFL		17	+2	SMBC Trust	(4)	+4
Cedyna		13	(3)	BEA^{*8}	17	+12

- Reduction of strategic shareholdings (book value)
 - Reduction results for the 1H: approx. JPY 40 bn
 - Consent of sales from clients (outstanding) as of Sep. 2017: approx. JPY 120 bn

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 112.74 *2 Before provision for general reserve for possible loan losses *3 Ratio to full-year target

*4 Includes JPY 200 bn of dividends from SMBC Nikko associated with making SMBC Nikko a direct subsidiary of SMFG *5 Excludes non-recurring losses

*6 Assumptions of earnings target 3M TIBOR: 0.06% FF target rate: 1.25% Exchange rate: USD 1 = JPY 110.00, EUR 1 = JPY 125.00 (revised from original assumption of EUR 1 = JPY 115.00)

(Ref) Nominal GDP growth rate: FY3/2017 result was +1.1%; FY3/2018 forecast estimated by Japan Research Institute was +1.6% as of May 2017, +1.5% as of Nov.2017;

Nikkei stock average: JPY18,909.26 as of Mar. 31, 2017, JPY 20,356.28 as of Sep. 30, 2017

*7 Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) *8 The Bank of East Asia

Breakdown of gross profit

Breakdown of consolidated gross profit by business unit*1

		(JPY bn)	FY3/17	1H, FY3/18	YOY change*4
	Wealth management business		320.8	170.3	+14.1
	Credit card business		365.5	184.2	+6.1
	Non-consolidated income on loans (excl. card loans)		160.0	73.2	(6.9)
	of which: Domestic card loan revenue		258.7	134.5	+6.8
	Consumer finance business		287.1	150.6	+9.7
of which:	Retail Business Unit		1,288.9	633.0	+21.3
	Income on loans		183.8	90.3	(2.4)
S	Money remittance, electronic banking		62.7	31.8	+0.4
M	Foreign exchange		37.9	20.0	+1.6
B	Loan syndication		48.7	22.1	+2.5
C	Structured finance		35.2	7.3	(13.0)
	Securities related		93.7	35.6	(7.9)
	Leasing related		116.5	61.3	+9.4
of which:	Wholesale Business Unit		775.6	362.0	(11.6)
	Asset related income*2		378.4	205.9	+7.9
	Loan related fees*2		108.6	49.0	+0.5
	Securities related		37.7	18.5	(0.8)
	Aircraft leasing		46.8	23.7	+0.0
of which:	International Business Unit (IBU)		585.8	311.0	+17.5
of which:	SMBC's Treasury Unit		272.4	156.3	(9.3)
of which:	Global Markets Business Unit		346.6	196.4	(8.0)
	Consolidated gross profit		2,920.7	1,465.8	+48.3
of which:	Non-consolidated domestic income on loans and deposits*3		493.5	236.3	(7.8)
of which:	IBU's income on loans and deposits*2		249.9	131.4	+4.6

Breakdown of consolidated gross profit by accounting item

		(JPY bn)	FY3/17	1H, FY3/18	YOY change
	Consolidated gross profit		2,920.7	1,465.8	+48.3
of which:	Net interest income		1,358.6	708.1	+47.5
of which:	SMBC		1,138.9*5	480.6	(159.3)
of which:	Net fees and commissions		1,013.3	484.6	+20.5
of which:	SMBC		348.9	144.0	(7.9)
of which:	SMBC Nikko*6		176.0	85.0	+7.0
of which:	Net trading income + Net other operating income		545.0	271.2	(20.0)
of which:	SMBC		173.9	83.5	(37.9)

Domestic loan-to-deposit spread*7

		(%)	1H, FY3/18	YOY change	1Q	2Q
	Interest earned on loans and bills discounted		0.99	(0.10)	0.99	0.98
	Interest paid on deposits, etc.		0.00	(0.01)	0.00	0.00
	Loan-to-deposit spread		0.99	(0.09)	0.99	0.98

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

	Interest earned on loans and bills discounted		1.03	(0.10)	1.04	1.02
	Loan-to-deposit spread		1.03	(0.09)	1.04	1.02

Average loan balance and spread*1

		Balance		Spread		
		(JPY tn, %)	1H, FY3/18	YOY change*2	1H, FY3/18	YOY change
	Domestic loans*7		53.0	+2.2	0.78	(0.06)
	Excluding loans to the Japanese government, etc. and SMFG		49.9	+2.1	0.83	(0.07)
of which:	Large corporations*8		15.6	+1.5	0.52	(0.07)
of which:	Mid-sized corporations & SMEs*9		17.2	+0.7	0.71	(0.07)
	Individuals		13.9	(0.3)	1.47	(0.02)
	IBU's interest earning assets*2,10 (USD bn, %)		270.3	+28.0	1.16	(0.06)

*1 Managerial accounting basis *2 Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Trust *3 Sum of income on domestic loans and deposits for yen and foreign currencies

*4 After adjustments for interest rates and exchange rates, etc. *5 Includes JPY200 bn of dividends from SMBC Nikko (recorded in 2Q, FY3/17; eliminated in SMFG consolidated figures)

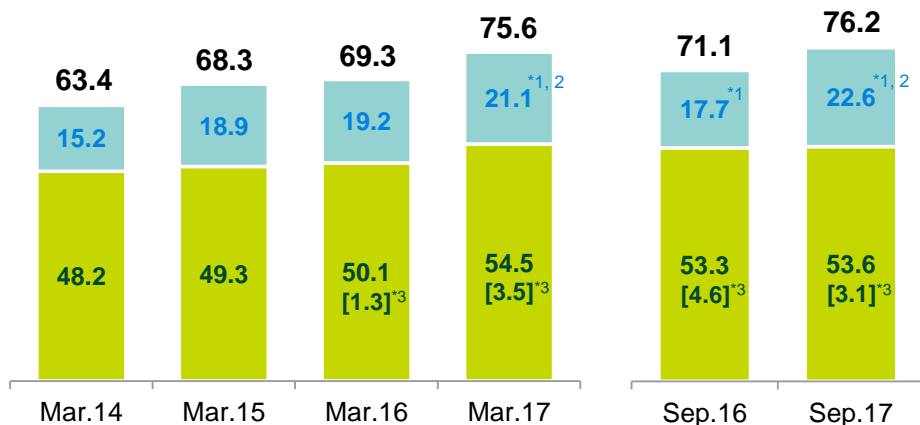
*6 In round numbers *7 Non-consolidated *8 Global Corporate Banking Division *9 Sum of Corporate Banking Division and SMEs covered by Retail Banking Unit

*10 Sum of loans, trade bills, and securities

Trends in key figures

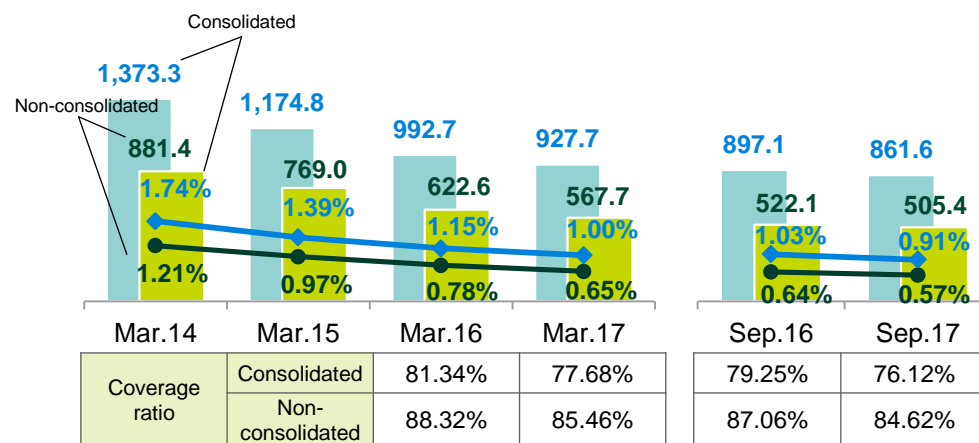
Loan balance

(JPY tn) (Non-consolidated)
 ■ Overseas offices and offshore banking accounts
 ■ Domestic offices (excluding offshore banking account)



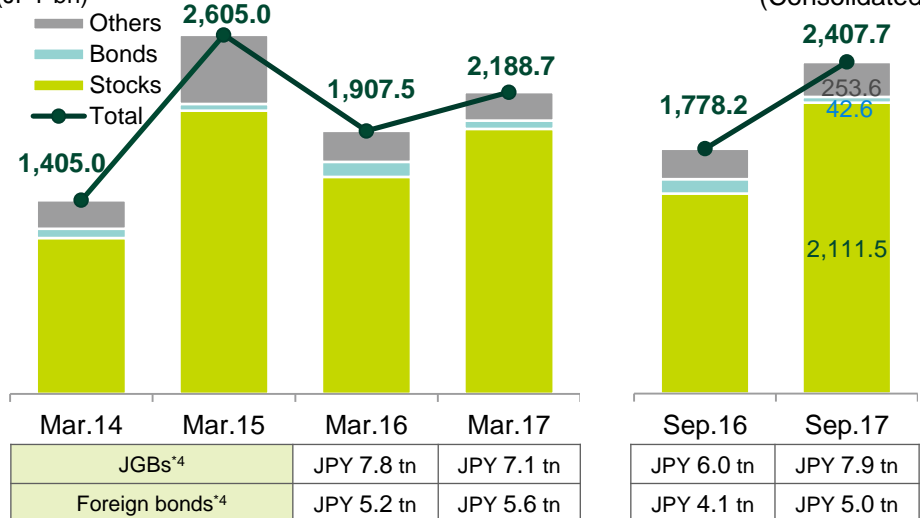
NPLs and NPL ratio^{*5}

(JPY bn)



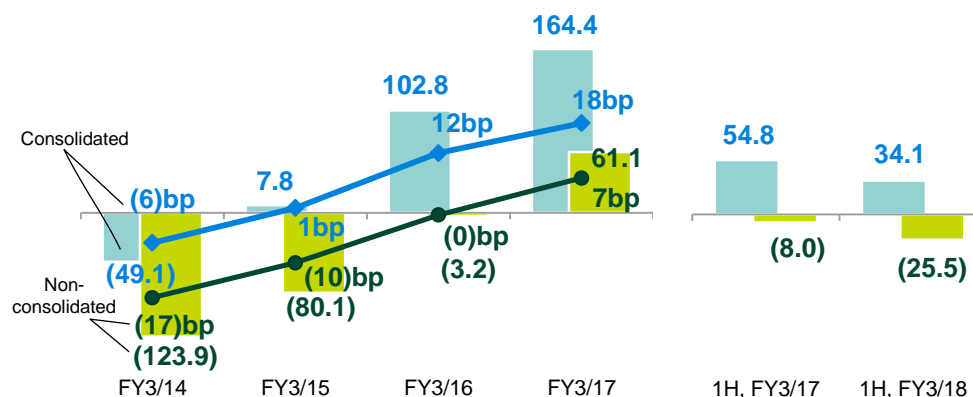
Unrealized gains (losses) on other securities

(JPY bn) (Consolidated)



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

(JPY bn)



*1 Exchange rates using TTM as of Sep. 2016: USD 1 = JPY 101.05, EUR 1 = JPY 113.19, Mar. 2017: USD 1 = JPY 112.19, EUR 1 = JPY 119.84, and Sep. 2017: USD 1 = JPY 112.74, EUR 1 = JPY 132.88
 *2 Balance since Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada
 *3 Of which loans to the Japanese government, etc. and SMFG *4 Classified as other securities. Non-consolidated. Balance sheet amount
 *5 NPL ratio = NPLs based on the Financial Reconstruction Act (excludes normal assets) / Total claims *6 Total credit cost ratio = Total credit cost / Total claims

Gross profit, ROE and RWA by Business Unit

		(JPY bn)	1H,	FY3/17 ^{*1}	1H,	YOY
			FY3/17 ^{*1}	FY3/18	change ^{*2}	
Retail Business Unit	Gross profit	628.2	1,288.9	633.0	+21.3	
	Expenses	(514.8)	(1,015.4)	(506.1)	(4.2)	
	<i>Overhead ratio</i>	82.0%	78.8%	80.0%	(2.1)%	
	Others	3.3	12.2	5.6	+2.4	
	Net business profit	116.6	285.7	132.5	+19.5	
	ROE^{*3, 4}	-	-	6.5%	-	
	RWA (JPY tn)^{*3, 5}	-	-	13.5	-	
Wholesale Business Unit	Gross profit	371.7	775.6	362.0	(11.6)	
	Expenses	(166.2)	(346.7)	(171.0)	(1.6)	
	<i>Overhead ratio</i>	44.7%	44.7%	47.2%	+1.9%	
	Others	20.1	44.1	23.8	+4.2	
	Net business profit	225.6	473.0	214.8	(9.0)	
	ROE^{*3, 4}	-	-	10.4%	-	
	RWA (JPY tn)^{*3, 5}	-	-	20.0	-	
International Business Unit	Gross profit	259.2	585.8	311.0	+17.5	
	Expenses	(112.3)	(251.9)	(139.2)	(9.7)	
	<i>Overhead ratio</i>	43.3%	43.0%	44.8%	+0.6%	
	Others	21.6	30.2	30.3	+15.1	
	Net business profit	168.4	364.1	202.1	+22.9	
	ROE^{*3, 4}	-	-	10.4%	-	
	RWA (JPY tn)^{*3, 5}	-	-	22.3	-	
Global Markets Business Unit	Gross profit	203.1	346.6	196.4	(8.0)	
	Expenses	(25.6)	(50.3)	(26.6)	0.0	
	<i>Overhead ratio</i>	12.6%	14.5%	13.5%	+0.5%	
	Others	3.4	8.1	8.5	+1.9	
	Net business profit	181.0	304.4	178.3	(6.1)	
	ROE^{*3, 4}	-	-	35.9%	-	
	RWA (JPY tn)^{*3, 5}	-	-	7.0	-	

*1 Figures for FY3/17 were adjusted retrospectively in the Business Unit basis which was introduced in FY3/18

*2 After adjustments of interest rates and exchange rates, etc. *3 Preliminary figure

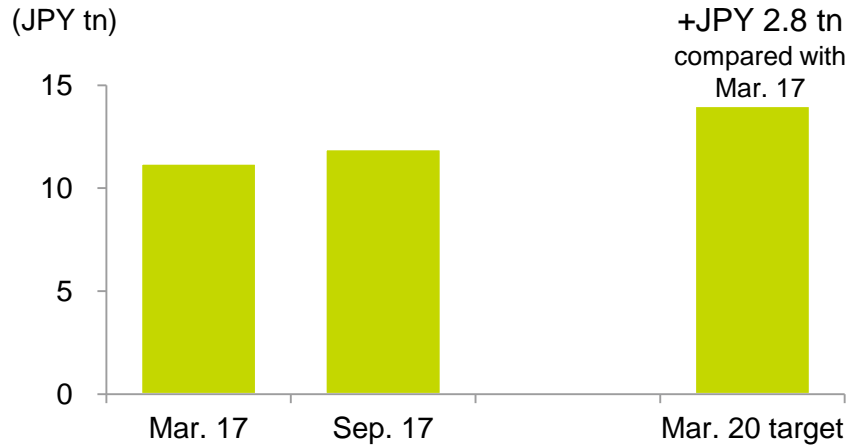
*4 ROE for each unit is managerial accounting basis with RWA calculated assuming Basel III reforms are finalized. ROE for the International Business Unit excludes the mid- to long-term foreign currency funding costs. ROE for the Global Market Business Unit does not include interest-rate risk associated to the banking account

*5 RWA is calculated based on Basel III transitional basis

Retail business

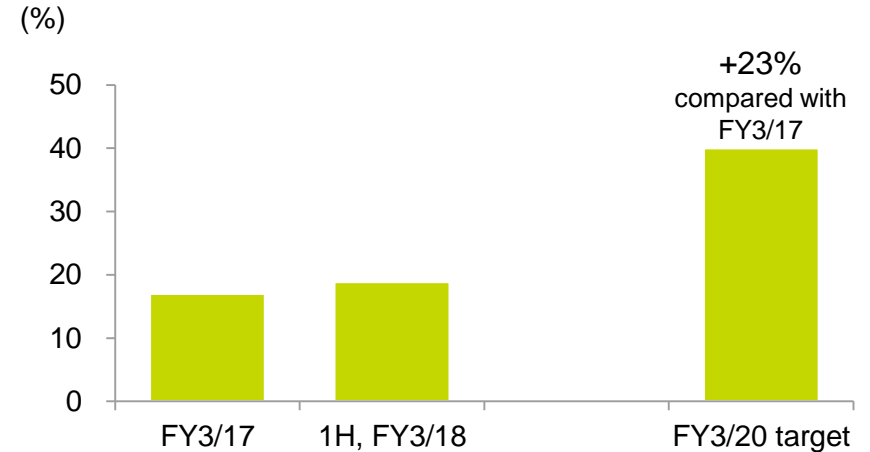
Wealth management business

Balance of stock-based assets (SMBC + SMBC Nikko)



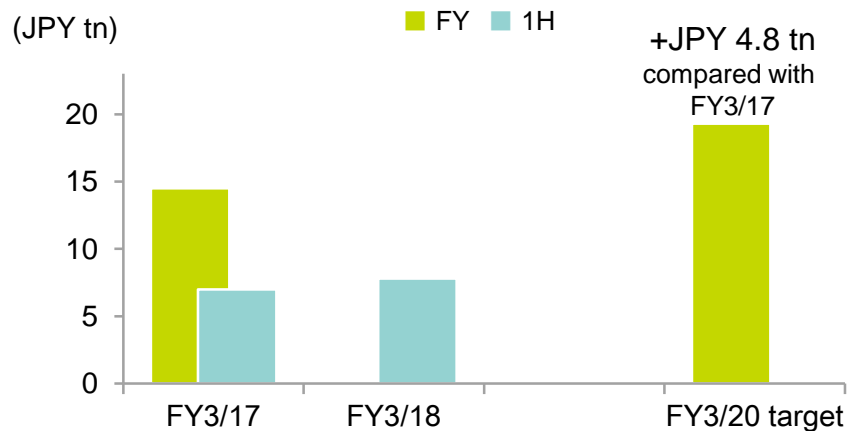
Digitalization

Utilization rate for digital channels (SMBC)*2



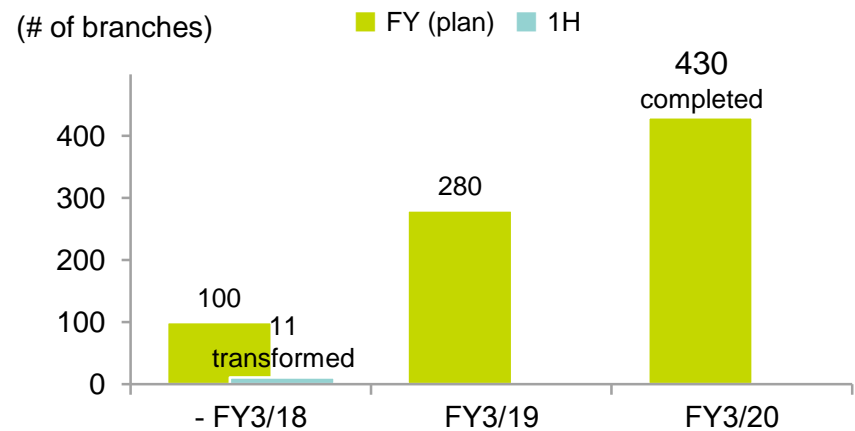
Credit card business

Credit card sales handled (SMCC + Cedyne)*1



Branch reorganization

Transformation to next-generation branches

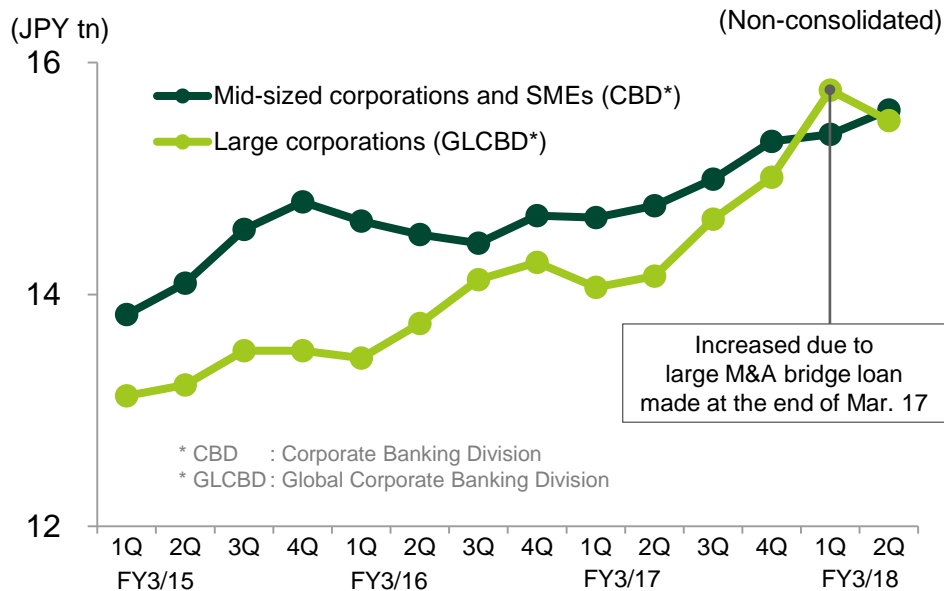


*1 Handling balance for credit and debit cards

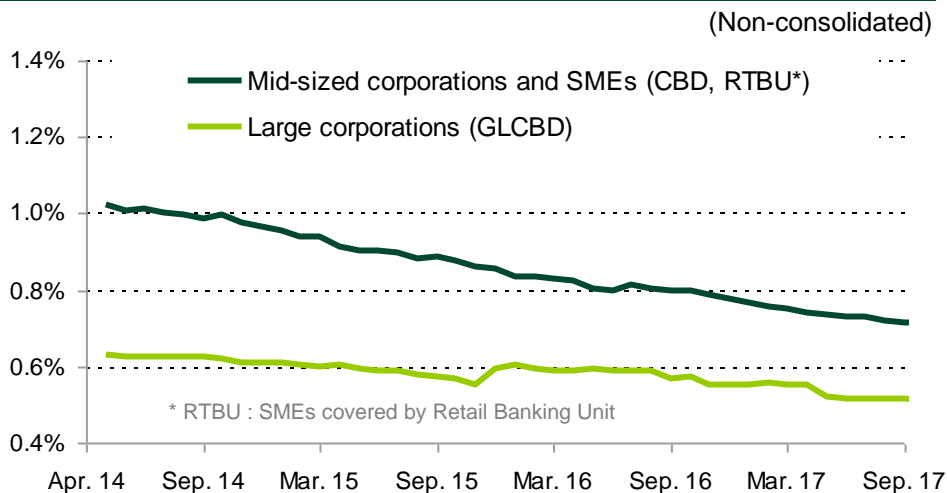
*2 Clients using digital channels / (clients using physical branches + clients using digital channels)

Wholesale business

Loan balance of Wholesale Banking Unit*1, 2

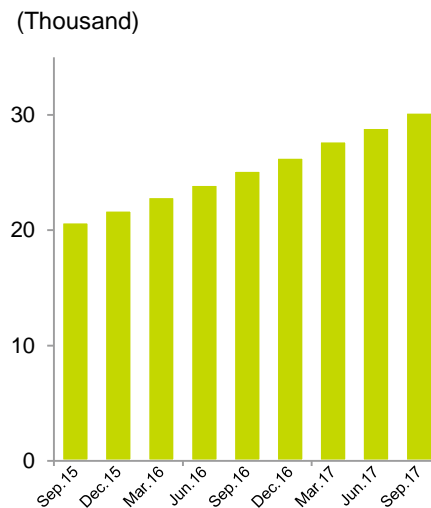


Domestic corporate loan spread*1, 3

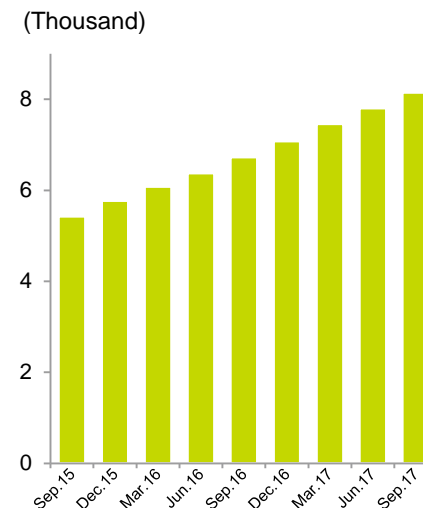


Bank-securities collaboration

Asset Management



Investment banking



League tables (Apr. -Sep. 2017)*4

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*5	#6	6.2%
JPY denominated bonds (lead manager, underwriting amount)*6	#5	16.1%
Financial advisor (M&A, No. of deals)*7	#1	6.1%
Financial advisor (M&A, transaction volume)*7	#5	9.1%
IPO (lead manager, No. of deals)*8	#3	14.3%

*1 Managerial accounting basis. Excludes loans to the Japanese government, etc. *2 Quarterly average *3 Monthly average loan spread of existing loans

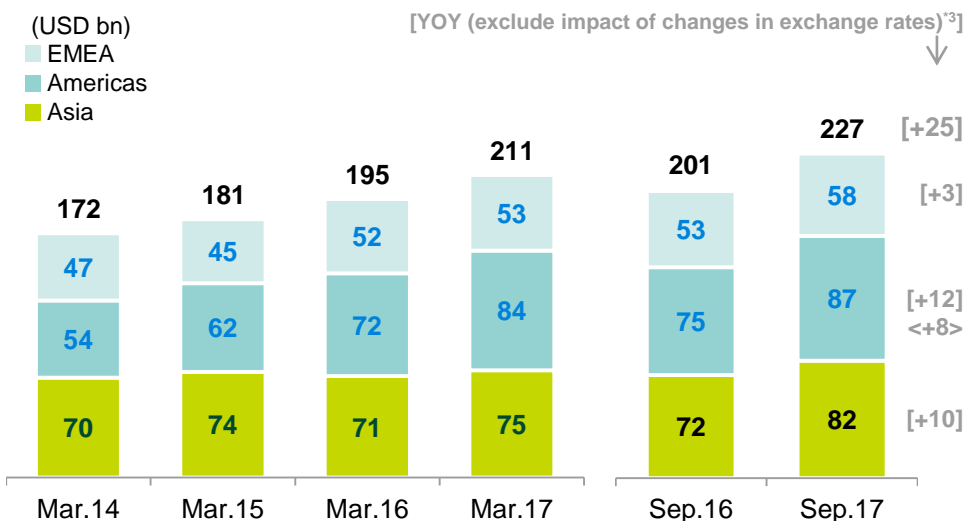
*4 SMBC Nikko Securities for Global equity & equity-related and JPY denominated bonds. SMFG for Financial advisor and IPO. Source: SMBC Nikko, based on data from Thomson Reuters

*5 Japanese corporate related only. Includes overseas offices *6 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

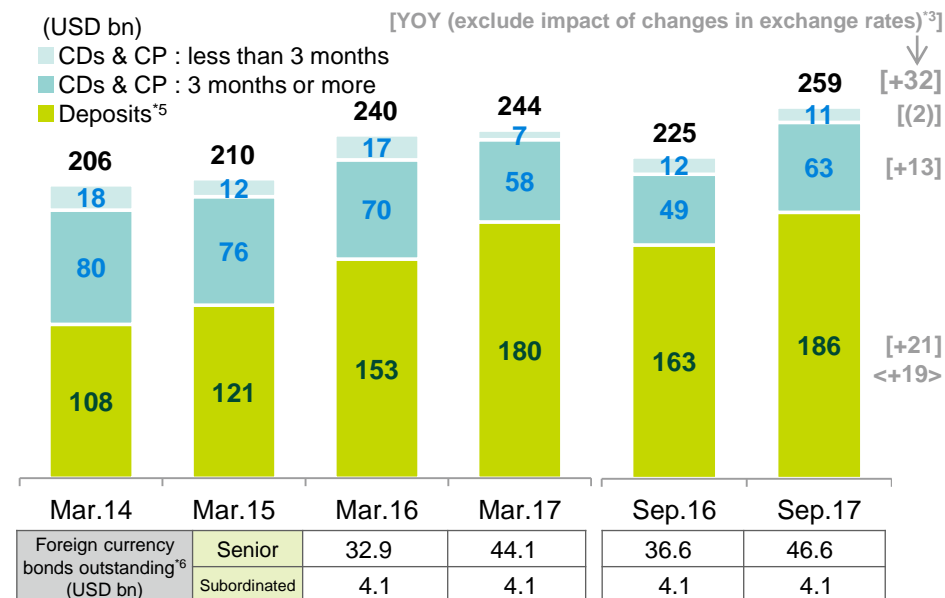
*7 Japanese corporate related only. Group basis *8 Excludes REIT IPO. Includes overseas offices

Overseas loan / Foreign currency funding

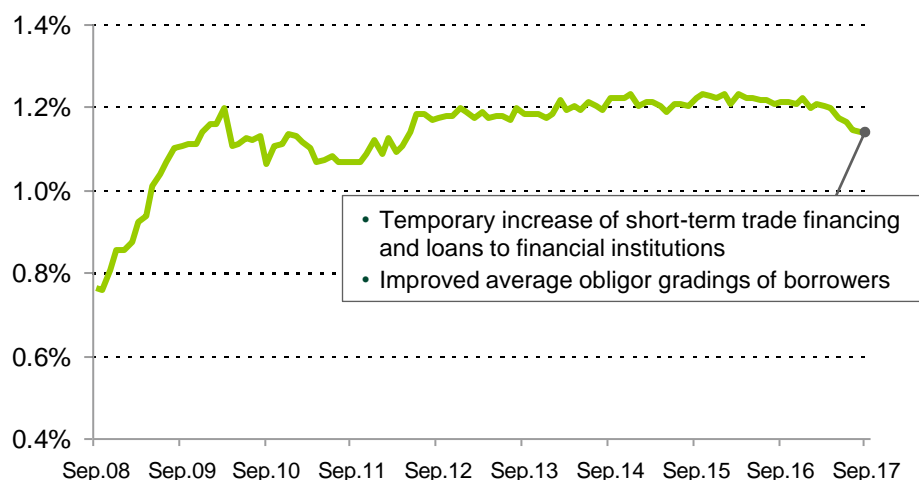
Overseas loan balance (includes trade bills)*1, 2



Overseas deposit balance*1, 2



Overseas loan spread*1, 4



Benchmark issues of foreign currency bonds*7 (since Apr. 2017)

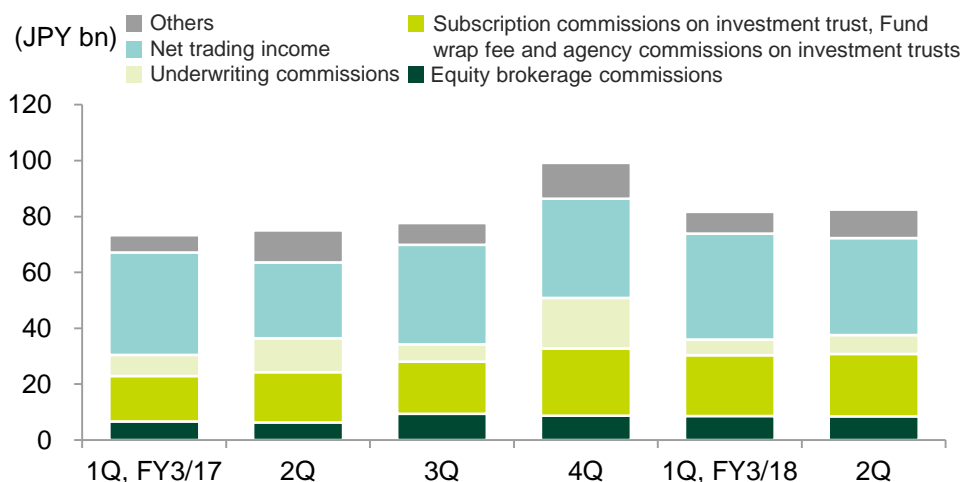
Senior / Sub	Issue Date	Currency	Amount (mn)	Tenor	Coupon
Senior (SMFG) ^{*8}	Jun. 14, 2017	EUR	750	5y	3mEuribor+45bp
			500	10y	1.413%
Senior (SMFG) ^{*8}	Jul. 12, 2017	USD	2,000	5y	2.784%
			500	5y	3mL+78bp
			1,750	10y	3.364%
Senior (SMFG) ^{*8}	Sep. 7, 2017	AUD	300	5.5y	3.604%
			450	5.5y	3mBBSW+120bp
Senior (SMFG) ^{*8,9}	Oct. 11, 2017	EUR	500	7y	0.934%
Senior (SMFG) ^{*8}	Oct. 18, 2017	USD	1,250	5y	2.778%
			500	5y	3mL+74bp
Senior (SMFG) ^{*8}	Oct. 18, 2017	USD	750	10y	3.352%
			750	2y	2.092%
Senior (SMBC) ^{*8}	Oct. 18, 2017	USD	750	2y	3mL+31bp

*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Balance since 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 *4 Monthly average loan spread of existing loans *5 Includes deposits from central banks *6 Bonds issued by SMFG and SMBC *7 Issued in overseas market. Targeting foreign institutional investors *8 TLAC bonds *9 Green bonds

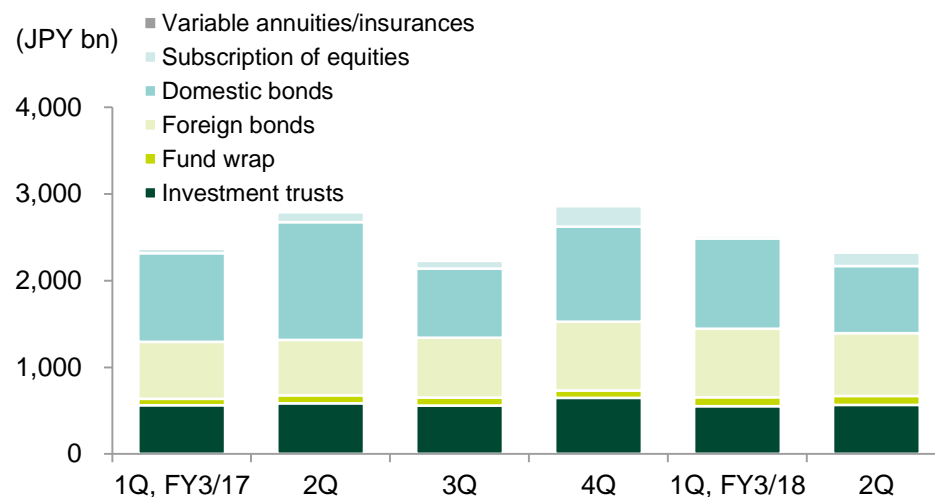
Financial results (consolidated)

(JPY bn)	1H, FY3/17	FY3/17	1H, FY3/18	YOY change
Net operating revenue	149.1	326.7	164.8	+15.7
SG&A expenses	(119.5)	(250.9)	(124.7)	(5.2)
Ordinary income*1	31.5	80.0	41.8	+10.3
Profit attributable to owners of parent*1,2	22.0	46.9	28.8	+6.8

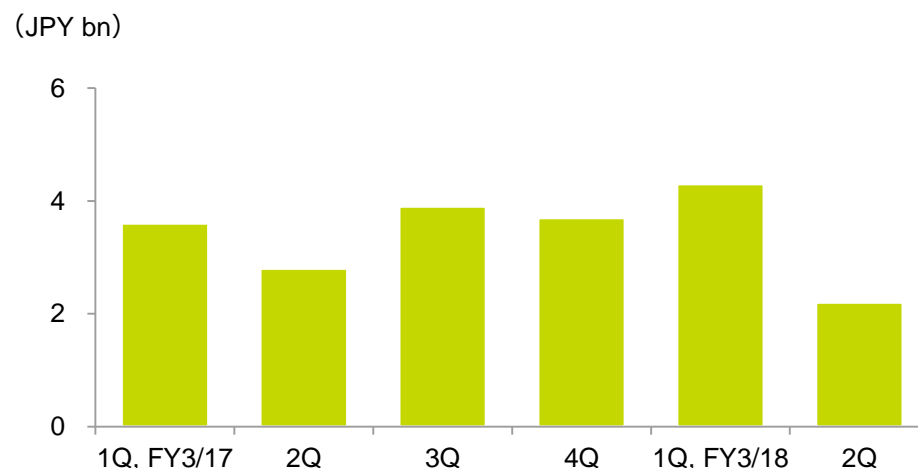
Net operating revenue*3



Product sales*4



Earnings of overseas offices (Overseas offices total)*5



*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 2H, FY3/17 on restructuring and liquidation of business alliance with Barclays

*3 Fund wrap fee was separated from "Others" and presented as "Fund wrap fee and agency commissions on investment trusts" from 1Q, FY3/18 and 2017 FY 3/17 was adjusted retrospectively

*4 Includes sale of fund wrap from 1Q, FY3/18

*5 Managerial accounting basis. Overseas offices total is defined as the total of:

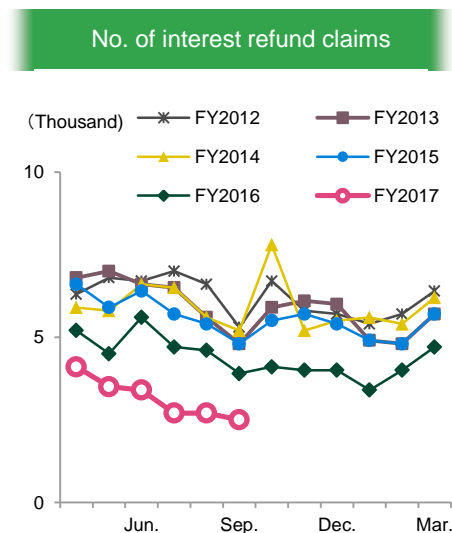
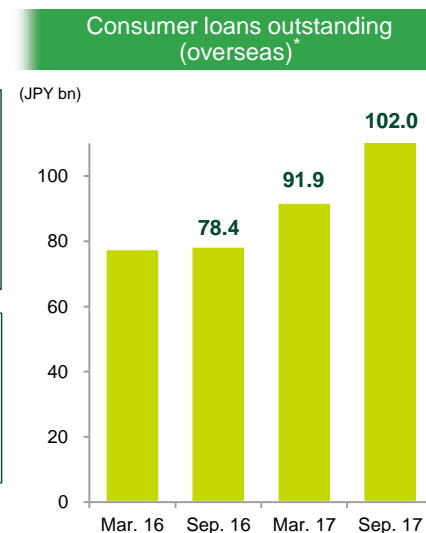
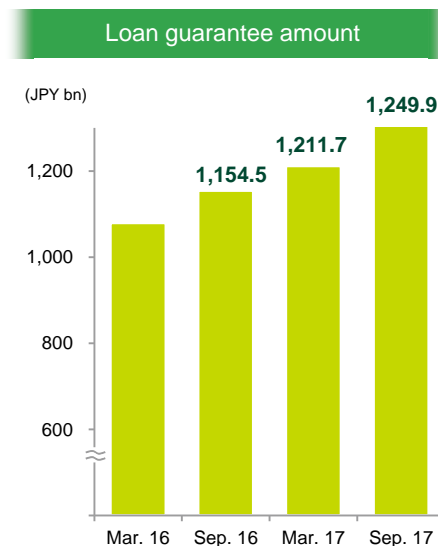
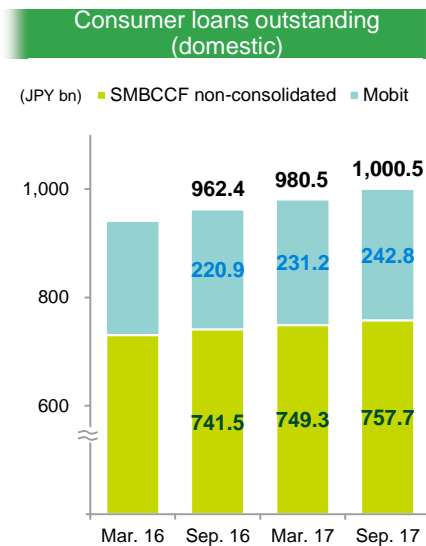
- Earnings of SMBC Nikko's consolidated subsidiaries: SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore); and
- Earnings of SMBC Nikko's affiliated companies: Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America

Financial results (Consolidated)

(JPY bn)	1H, FY3/17	FY3/17	1H, FY3/18	YOY change
Operating income	127.0	258.8	136.3	+9.3
Operating expenses	(96.6)	(191.6)	(101.4)	(4.9)
Expenses for loan losses	(32.8)	(54.6)	(34.8)	(2.1)
Ordinary profit	30.5	67.4	35.0	+4.5
Profit attributable to owners of parent	28.1	111.4	26.3	(1.8)

Consumer loans outstanding	1,043.6	1,074.6	1,104.2	Effect of implementing the consolidated corporate-tax system +JPY 50 bn
Allowance on interest repayments	153.4	121.6	91.9	
Loan guarantee	1,154.5	1,211.7	1,249.9	No. of companies with guarantee agreements: 189 (as of Sep. 2017)
for regional banks, etc.	518.8	561.8	597.9	

Financing / Loan guarantee / overseas businesses



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

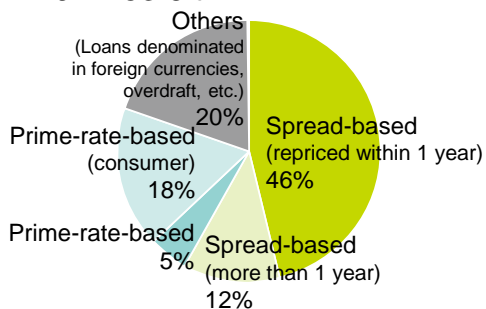
Balance sheet

Non-consolidated

- Balance in the BOJ's current account
Sep. 30, 2017 JPY 37.8 tn

Non-consolidated

- Domestic loans outstanding
JPY 53.6 tn



- By domestic Marketing units*1

(JPY tn, at period-end)	Sep. 2017	Change from Mar. 2017
Large corporations*2	15.3	(0.4)
Mid-sized corporations & SMEs*3	17.7	+0.1
Individuals	13.8	(0.1)*4

Consolidated

- Of which Stocks*5 JPY 3.9 tn
- Of which JGBs*5 JPY 8.1 tn
- Of which Foreign bonds*5 JPY 6.5 tn

Consolidated B/S (Sep. 30, 2017) [vs. Mar. 31, 2017]

(JPY tn)

Cash and due from banks
49.3 [+2.5]

Loans
81.2 [+0.9]

Domestic*6 53.6 [(0.9)]
Overseas*1,8 25.6 [+1.9]

Securities
24.4 [(0.2)]

Other assets
49.4 [+3.3]

Total assets 204.3 [+6.5]

Deposits (includes NCD)
132.8 [+3.1]

Domestic*6,7 95.7 [+1.2]
Overseas*1,8,9 29.2 [+1.9]

Other liabilities
59.8 [+2.9]

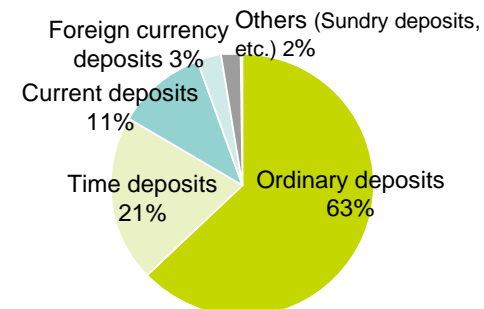
Total net assets
11.7 [+0.5]

Loan to deposit ratio

61.1 %

Non-consolidated

- Domestic deposits outstanding
JPY 89.1 tn



- By type of depositor

(JPY tn)	Sep.15	Sep.16	Mar.17	Sep.17
Total	77.3	83.4	87.7	89.1
Individuals	41.9	42.7	43.6	44.4
Corporates	35.3	40.7	44.1	44.7

(Ref) Non-JPY B/S items*1,8

(USD bn)

302 Interest earning assets*10	211 Deposits (incl. deposits from central banks)
87 Others*11 (consists mainly of highly liquid assets)	97 Mid-to long-term funding (incl. Corporate bonds, Currency swaps, etc.)
42 Foreign bonds, NCD	69 CDs & CP
	52 Interbank (incl. Repo)

Assets • Liabilities 430

*1 Managerial accounting basis *2 Global Corporate Banking Division *3 Sum of Corporate Banking Division and SMEs covered by Retail Banking Unit
*4 After adding back the portion of housing loans securitized in 1H, FY3/18 of approx. JPY 170 bn *5 Other securities
*6 Non-consolidated *7 Including NCD *8 Sum of SMBC, SMBCE and SMBC (China) *9 Including CDs and CP
*10 Sum of loans, trade bills, and securities of Marketing units *11 Deposit placed with central banks, etc.

Capital and risk-weighted assets, consolidated

Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2017	Sep. 30, 2017 <i>Preliminary</i>
Common Equity Tier 1 capital (CET1)	8,608.5	9,060.4
of which:		
Total stockholders' equity related to common stock	8,013.3	8,323.0
Accumulated other comprehensive income* ¹	1,290.0	1,389.4
Regulatory adjustments related to CET1* ¹	(898.1)	(860.3)
Tier 1 capital	9,946.2	10,384.0
of which:		
Additional Tier 1 capital instruments	449.9	450.0
Eligible Tier 1 capital instruments (grandfathered)* ³	812.9	812.9
Regulatory adjustments* ^{1,2}	(172.9)	(167.5)
Tier 2 capital	2,027.5	1,988.5
of which:		
Tier 2 capital instruments	898.9	901.5
Eligible Tier 2 capital instruments (grandfathered)* ³	873.1	810.8
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount* ²	197.4	216.5
Regulatory adjustments* ^{1,2}	(70.6)	(67.2)
Total capital	11,973.7	12,372.5
Risk-weighted assets	70,683.5	69,905.6
Common Equity Tier 1 capital ratio	12.17%	12.96%
Tier 1 capital ratio	14.07%	14.85%
Total capital ratio	16.93%	17.69%

Common Equity Tier 1 capital ratio (fully-loaded*⁴, pro forma)

(JPY bn)	Mar. 31, 2017	Sep.30, 2017
Variance with CET1 on a transitional basis* ⁵	70.2	101.5
of which:		
Accumulated other comprehensive income	322.5	347.3
of which:		
Net unrealized gains on other securities	308.5	337.5
of which:		
Non-controlling interests (subject to be phased-out)	(27.8)	(30.8)
Regulatory adjustments related to CET1	(224.5)	(215.1)
Common Equity Tier 1 capital	8,678.7	9,161.9
Risk-weighted assets	70,644.7	69,865.7
Common Equity Tier 1 capital ratio	12.2%	13.1%
Ref: Common Equity Tier 1 capital ratio (excluding net unrealized gains)	10.0%	10.6%

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)	Sep. 30, 2017
Tier1 Capital	10,384.0
Leverage exposure	217,387.4
Leverage ratio	4.77%

LCR

(transitional basis)

Average Jul. – Sep. 2017
127.4%

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

*5 Each figure represents 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

Exposure to resource-related sectors ^{*1}

		(JPY tn)	Mar. 16	Ratio to total exposure	Mar. 17	Ratio to total exposure	Sep. 17	Ratio to total exposure
		Integrated Oil & Gas ^{*2}	1.5	1.3%	1.3	1.1%	1.5	1.2%
		Services (Drilling, field services)	0.5	0.4%	0.4	0.4%	0.4	0.3%
		Upstream (E&P ^{*3})	1.7	1.4%	1.5	1.2%	1.6	1.3%
		Midstream (Storage/Transportation)	1.4	1.2%	1.4	1.1%	1.3	1.1%
		Downstream (Refining)	0.7	0.6%	0.9	0.7%	0.9	0.7%
		Oil and gas	5.8	5.0%	5.5	4.4%	5.7	4.6%
		Other resources (Mining)	1.1	1.0%	0.9	0.8%	1.0	0.8%
		Non-Japanese^{*4} (Resource-related sectors)	6.9	6.0%	6.4	5.2%	6.7	5.4%
		o/w Upstream	0.2	0.2%	0.2	0.2%	0.2	0.1%
		Oil and gas	1.6	1.4%	1.3	1.1%	1.1	0.9%
		Other resources (Mining)	0.2	0.2%	0.2	0.2%	0.2	0.2%
		Japanese (Resource-related sectors)	1.8	1.6%	1.5	1.2%	1.4	1.1%
		Resource-related sectors	8.8	7.6%	7.9	6.4%	8.0	6.5%
		Oil and gas	7.4	6.4%	6.8	5.5%	6.9	5.5%
		Other resources (Mining)	1.3	1.1%	1.1	0.9%	1.2	1.0%
		Non-Japanese^{*4}	38	32.9%	41	33.5%	43	34.9%
		Japanese	77	67.1%	82	66.5%	81	65.1%
		SMFG total exposure	115	100.0%	123	100.0%	124	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 6.9 tn; Exposure at default (EAD) to the sectors is JPY 6.1 tn as of Sep. 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. 2016: USD 1 = JPY 112.62, Mar. 2017: USD 1 = JPY 112.19 and Sep. 2017: USD 1 = JPY 112.74

Topics in 1H, FY3/2018

Retail business

- Formulated Basic Policy for Customer-Oriented Business Conduct in our domestic wealth management business
- SMBC released the first investment fund with a “protect line” in Japan
- SMBC and SMCC released Japan's first contactless IC debit card service

Wholesale business

- Promoted initiatives to improve asset efficiency (financing for MBO/LBO and restructuring, M&A finance and assessment loans, etc.)
- Ranked 1st in the number of deals as M&A financial advisor

International business

- SMBC completed acquisition of an U.S. railcar leasing company
- Announced to establish banking and securities subsidiaries in Frankfurt and SMBC London Branch to increase the flexibility of operations in response to Brexit
- SMBC and Development Bank of Japan established a joint venture company investing in middle market leveraged loans in the U.S. (Oct. 2017)

IT/Innovation

- Polarify launched a service offering biometric authentication platform that has several ways to authenticate individuals; introduced in SMBC's apps
- Formed a comprehensive business alliance with Yahoo! Japan. Plan to form a JV for planning/developing apps/services, data analysis, and digital marketing
- NEC, SMFG and SMCC received the “Minister of Economy, Trade and Industry Award” at CEATEC AWARD 2017 for operational testing on “payment services utilizing facial authentication” (Oct. 2017)

Review of group companies

- Turned the Japan Net Bank into Yahoo! JAPAN's consolidated subsidiary (Oct. 2017)
- Agreed on changing shareholder composition of POCKET CARD
- The MINATO BANK, Kansai Urban Banking Corporation and The Kinki Osaka Bank executed a business integration agreement (turning Kansai Urban Banking Corporation and THE MINATO BANK into SMFG's equity method affiliates)
- Entered into a basic agreement concerning reorganization of the joint leasing partnership (SMFG and Sumitomo Corp will adjust their respective ownership percentages in SMFL to 50%, turning SMFL into SMFG's equity method affiliate)

ESG

- Introduced Group-wide business units and CxO system. Made a transition from a Company with Auditors to a Company with Three Committees. Introduced New Stock Compensation Plans for Executives utilizing restricted stock
- Included in ESG indices (broad index) selected by GPIF: “MSCI Japan ESG Select Leaders Index” and “FTSE Blossom Japan Index”
- SMBC achieved the target of female managers ratio earlier than planned (plan: 20% as of Mar. 20)