

■ Investment Banking

SMFG offers and provides the forward-looking financial products and comprehensive solutions for our clients' diverse needs, such as fund raising and fund management, project finance, M&A, and risk hedging, in order to assist their business development or enhancement of their corporate value. This is achieved by consolidating resources of the Group companies, including SMBC and SMBC Nikko Securities Inc. Further, SMFG strives to consistently create new business opportunities originated by the needs of clients and investors based on its business partnerships, networks, and risk-taking capabilities by taking advantage of its strengths in market and products knowledge.

Cooperation with SMBC Nikko Securities

As a core securities brokerage within the Group, SMBC Nikko Securities has been expanding operations in partnership with the bank. SMBC Nikko Securities ranked 2nd in the "league table" for fiscal 2014 prepared by SMBC Nikko Securities based on information provided by Thomson Reuters (Global Equity & Equity-Related; Bookrunner in Japan) with a market share of 17.0%. As it became the lead manager for major projects such as global offerings and underwriting several REITs, its ranking moved up to the 2nd from the previous fiscal year's 3rd place. It also ranked 3rd in the "M&A advisory services category for publicly announced mergers involving Japanese companies," (Thomson Reuters). As for analyst ranking, Institutional Investor magazine selected six analysts of SMBC Nikko Securities as top analysts in their respective sectors (three analysts were selected in the previous year), while five analysts were selected as top analysts in their respective sectors and areas by Nikkei Veritas magazine (four analysts were selected in the previous year). As for overseas businesses, SMBC Nikko Securities generated substantial results in underwriting bonds by increasing the number of projects to 19 as the "active" bookrunner. The number of corporate client referrals made by SMBC to SMBC Nikko Securities continued to increase, and in fiscal 2014, there were approximately 5,500 referrals (+ approx. 6% compared to the previous fiscal year) made. Our entire Group continues to integrally work to enhance services provided to corporate clients.

(For reference: League Table)

Global Equity & Equity-Related; Bookrunner in Japan

Rank	Bookrunner	Underwriting amount (¥ billion)	Share (%)
1	Nomura Securities	1,454.2	38.1
2	SMBC Nikko Securities	648.4	17.0
3	Daiwa Securities	502.5	13.2
4	Mizuho Securities	400.0	10.5
5	Morgan Stanley Securities	299.9	7.9

Source: Compiled by SMBC Nikko Securities based on data from Thomson Reuters (includes overseas operations)

M&A Financial Advisory Project Basis

Rank	Advisory	Number of project	Share (%)
1	Nomura Securities	112	4.0
2	Mizuho Securities	99	3.5
3	SMBC Nikko Securities	79	2.8
4	Daiwa Securities	62	2.2
5	SMBC	60	2.1

* As a financial group, SMFG ranked second (with 139 projects)
Source: Thomson Reuters data on public offering projects by Japanese companies (excluding real estate projects)

Topics

◆ Corporate Message and

Corporate Statement for SMBC Nikko Securities

SMBC Nikko Securities established its corporate message of "Share the Future" and the corporate statement, as part of brand enhancement measure for realizing to become the "leading Japanese comprehensive securities company." With the attitude of "Think from Clients' Perspectives and Think for Clients," we will make further efforts in focusing on clients first.

◆ Initiatives for New Businesses

As aging in Japan is rapidly advancing, responding to issues caused by aging is urgently needed. In order to provide financial support to promote nursing-care facilities which are important social infrastructures, SMBC has joined with Ship Healthcare Holdings, Inc. and NEC Capital Solutions Limited to establish Healthcare & Medical Investment Corporation, specializing in nursing-care facilities such as paid nursing homes and serviced residences for the elderly. This investment corporation was listed on the Tokyo Stock Exchange in March 2015. It is expected that this listing may develop and create new business opportunities such as nursing-care facilities development business in the future. Through these business opportunities, we contribute to the growth of nursing-care and healthcare sectors.



Listing of Healthcare REIT

Furthermore, as local banks' need to participate in overseas projects increase in terms of diversifying portfolio and strengthening of earning capability, SMBC and local banks collaborated to develop a financeable scheme for several overseas project finance loans by utilizing our bank's trust function. In November 2014, we executed a financing agreement with The 77 Bank, Ltd. and The Iyo Bank, Ltd. With the increased number of investors utilizing this arrangement, we may possibly enhance project financing capability as a result of attracting domestic funds to finance overseas infrastructure projects.

SMBC has added the "Robot" sector to its existing growth sectors, consisting of "New Energy," "Environment," "Water," "Resources," "Healthcare," and "Agriculture" in the Growth Industry Cluster, and it continues to work on generating new business models. SMBC will continue to provide support for clients for increasing new business opportunities in Japan and overseas by taking advantage of its wide range of knowledge and the network accumulated from alliances among industry-government-academia.

■ International Banking

SMFG strives to provide high value-added services tailored to the specific local needs of its globally-operating clients, including business corporations, financial institutions, governmental organizations and public entities, mainly through the International Banking Unit of SMBC.

SMBC strives to become a global commercial bank capable of consistently providing up-to-date information and services by closely cooperating with other SMFG group companies and overseas subsidiaries throughout the world, concentrating mainly on the three regional divisions of Asia-Pacific, Americas and EMEA.

Enhancing Initiatives for Asia

SMBC has been enhancing its initiatives in the Asian region for realizing the "Asia-Centric" operations.

Specifically, in April 2015, SMBC established the "Transaction Banking Solutions Dept., Asia Pacific Division" to enhance transaction banking operations in the said region, and also established the "Corporate Solutions Dept., Asia" to improve its solution-proposing capability. Further, we established the "Credit Dept., Asia Pacific Division" and "Credit Dept., East Asia" within Credit Management Dept., International Banking Unit, to develop the community-based and promptly-processed credit/settlement system, and also established the "Legal and Compliance Dept., Asia Pacific Division" to enhance the cross-regional compliance system. Furthermore, we established the "Treasury Dept., Asia Pacific Division" to integrally manage and advance ALM in Asia-Pacific regions.

Through these initiatives, SMBC plans to develop global businesses by further increasing its presence in Asia and providing excellent services being provided in Asia even to clients in the Americas and Europe.

Topics

◆Project Finance

In fiscal 2014, SMBC was awarded with the "Global Bank of the Year 2014"* in project finance field which is an award presented to the most globally successful bank in project financing. This is the third time to receive this award followed by the years of 2008 and 2012. We became the first bank in the project finance field to receive such award for the third time. In order to accommodate the needs of clients, we continue to provide high quality and leading project finance services for infrastructure and resource development projects of respective countries in the world.

* The "Global Bank of the Year" is an award presented by the "Project Finance International," the respected specialized magazine in project finance field, published by Thomson Reuters.



Further Enhancing Products and Clients Coverage

SMBC develops the system which enables to extensively accommodate according to clients' needs by further enhancing the coverage for products and clients. In particular in the aircraft leasing business, we are proceeding with initiatives for solidly establishing our presence in the aircraft leasing industry; SMBC Aviation Capital Limited individually executed a purchase agreement with SAS Airbus of France in July 2014 to purchase 115 aircraft and with The Boeing Company of U.S. in November 2014 to purchase 80 aircraft. Further, in the United States, we developed a system which enables us to more extensively accommodate the needs of clients by establishing the "Institutional Client Dept., Americas Division" and "Finance Strategy Dept., Americas Division."

Expansion of Overseas Networks

SMBC is expanding its overseas networks to provide further services for Japanese corporate clients operating overseas and to strengthen its capability to develop banking businesses in emerging and growth markets. SMBC provides support for clients' global business development by leveraging our expanding worldwide network.

Date of establishment	Country	
June 2014	Czech Republic	Sumitomo Mitsui Banking Corporation Europe Limited Prague Branch
December 2014	Spain	Sumitomo Mitsui Banking Corporation Europe Limited Madrid Branch
March 2015	Mexico	SMBC SOFOM
April 2015	Myanmar	Yangon Branch

Initiatives for True Globalization

SMBC proceeds with promoting local employees in overseas operations. In addition to proactively promoting them for managerial positions for overseas-related departments, we are implementing the initiative, ahead of other banks, to double the number of non-Japanese executive officers from 3 to 6 in April 2015. SMBC is striving to further develop its international businesses by proactively utilizing local knowledge through promoting local employees in overseas.

Topics

◆Investing in Local Financial Institutions

SMBC is working to strengthen its relations with local banks in emerging countries and growth markets. In September 2014, SMBC acquired 12.25% equity stake in ACLEDA Bank Plc., the largest bank in Cambodia where the economy is rapidly growing; and in March 2015, it increased its equity stake in The Bank of East Asia, Limited in Hong Kong to the equivalent of 17.42% equity stake by making additional investments and making The Bank of East Asia, Limited an equity method affiliated company. Further, in April 2015, SMBC executed a stock purchase agreement to acquire 8.84% equity stake in Financiera de Desarrollo Nacional S.A., the national bank of Colombia.

