

July 3, 2017

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation
SMBC Nikko Securities Inc.

Revision of the Group Organizational Strategy in Europe

TOKYO, July 3, 2017 --- Sumitomo Mitsui Financial Group, Inc. (SMFG, President and Group CEO: Takeshi Kunibe) announced that in response to the planned withdrawal of the United Kingdom (UK) from the European Union (EU), and other changes to the political and economic environment in Europe, SMFG will, subject to regulatory approval, expand the office networks of its subsidiaries as listed below. The purpose of this expansion is to increase the flexibility of SMFG's marketing and operations structure so that it can continue to offer financial services to its clients with no disruption following the planned withdrawal of the UK from the EU.

1. Establishment of a Banking Subsidiary in Germany

Given the possibility that Sumitomo Mitsui Banking Corporation (SMBC)'s UK subsidiary, Sumitomo Mitsui Banking Corporation Europe Ltd. (SMBCE), could face future restrictions in certain services it provides, SMBC has decided to commence preparations to establish, subject to regulatory approval, a wholly-owned subsidiary in Frankfurt, Germany (New Bank). The purpose of establishing the New Bank is to ensure that SMBC can continue offering banking services to clients with no disruption once the UK leaves the EU. Through the New Bank, SMBCE, and SMBC branches, SMBC will further enhance the banking services it provides to its clients in Europe.

2. Establishment of SMBC London Branch

SMBC intends to take the necessary steps to establish a branch in London, UK, subject to regulatory approval. In the UK, SMBCE is currently providing banking services. By expanding the existing office network through the establishment of SMBC London Branch, SMBC aims to achieve greater flexibility in providing banking services to its clients.

3. Establishment of a Securities Subsidiary in Germany

SMFG has been providing its securities services to its clients in Europe through SMBC Nikko Capital Markets Ltd. However, to ensure that SMFG can continue offering clients securities related services with no disruption following the UK's withdrawal from the EU, SMFG will, subject to regulatory approval, commence preparations to establish a subsidiary in Frankfurt, Germany (Securities Subsidiary).

Further details on the above three entities, such as their official opening date, will be released in due course.

While the UK is expected to continue playing a significant role in the global financial sector following its withdrawal from the EU, there is still uncertainty with regard to the expected results of negotiations between the UK and the EU. Given this, through the revisions to its marketing and operations structure explained above, SMFG aims to retain its ability to respond to changes in the political and economic environment in Europe in a flexible manner, so that it continues to provide clients with sustained and stable financial services in addition to expanding the range of its services.

(Reference 1) New Bank: General Information

Name : To be decided
Tentative Establishment Date : March 2019 (to be confirmed)
Head Office : Frankfurt am Main, Germany

(Reference 2) SMBC London Branch: General Information

Name : Sumitomo Mitsui Banking Corporation, London Branch
Tentative Establishment Date : During 2017 (to be confirmed)
Location : 99 Queen Victoria Street, London, EC4V 4EH, U.K.

(Reference 3) Securities Subsidiary: General Information

Name : To be decided
Tentative Establishment Date : March 2019 (to be confirmed)
Head Office : Frankfurt am Main, Germany