



SMFG's Growth Strategy

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■ Agenda

- . **Growth strategy**
- . **Good financial performance**
- . **Challenges**
- . **Capital policy**

Appendix



I. Growth strategy

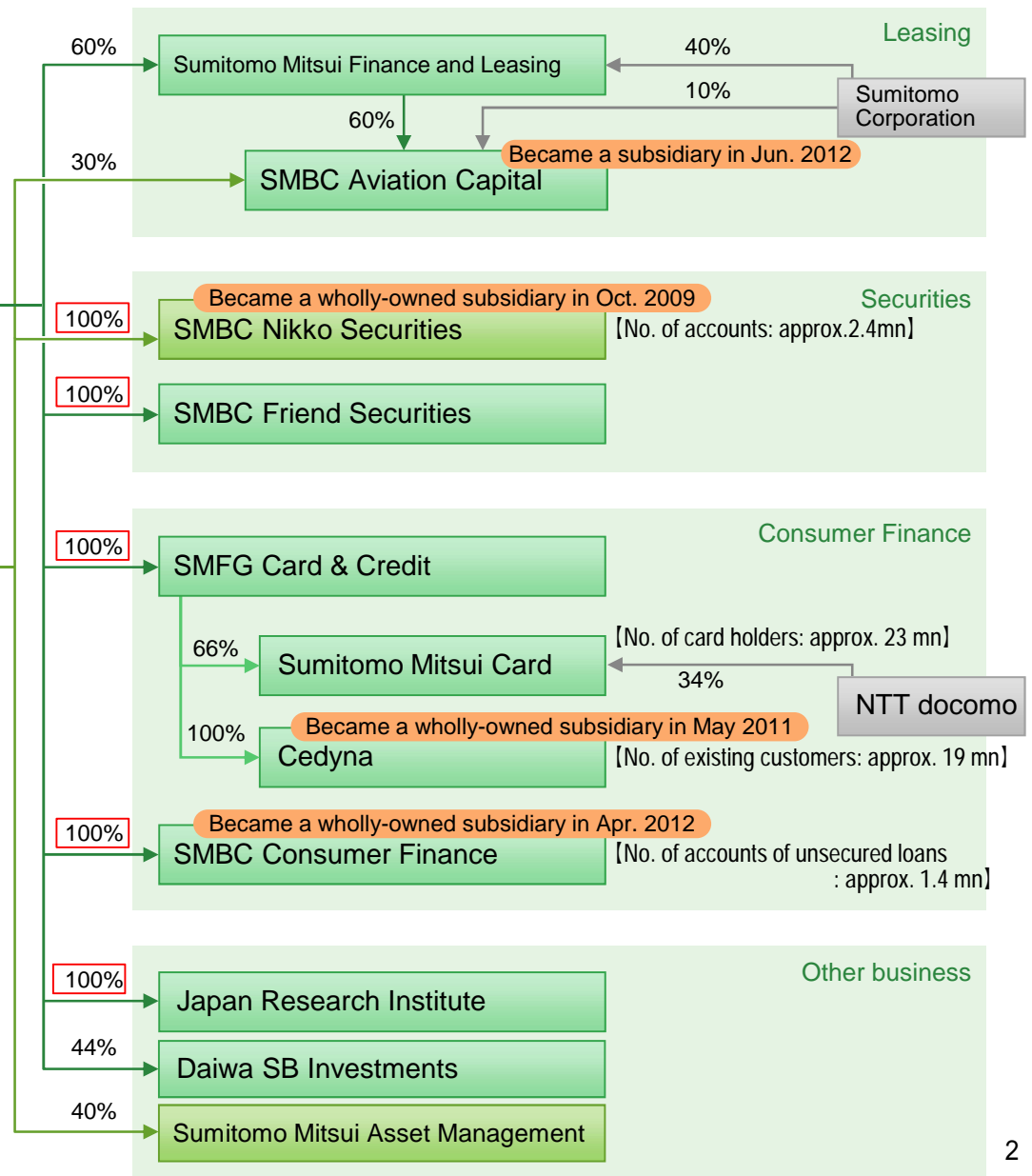
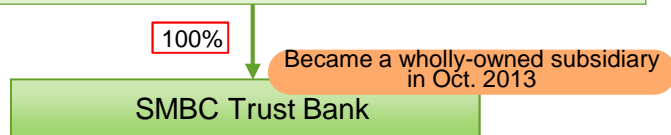
1. Group structure*



Sumitomo Mitsui Financial Group	
Consolidated total assets	JPY 149 tn
Consolidated Common Equity Tier 1 capital ratio	10.35%



Sumitomo Mitsui Banking Corporation	
Assets	JPY 126 tn
Deposits	JPY 81 tn
Loans	JPY 61 tn
No. of retail accounts	approx. 28 mn
No. of corporate loan clients	approx. 100,000
Ratings (Moody's/S&P/Fitch)	Aa3 / A+ / A-



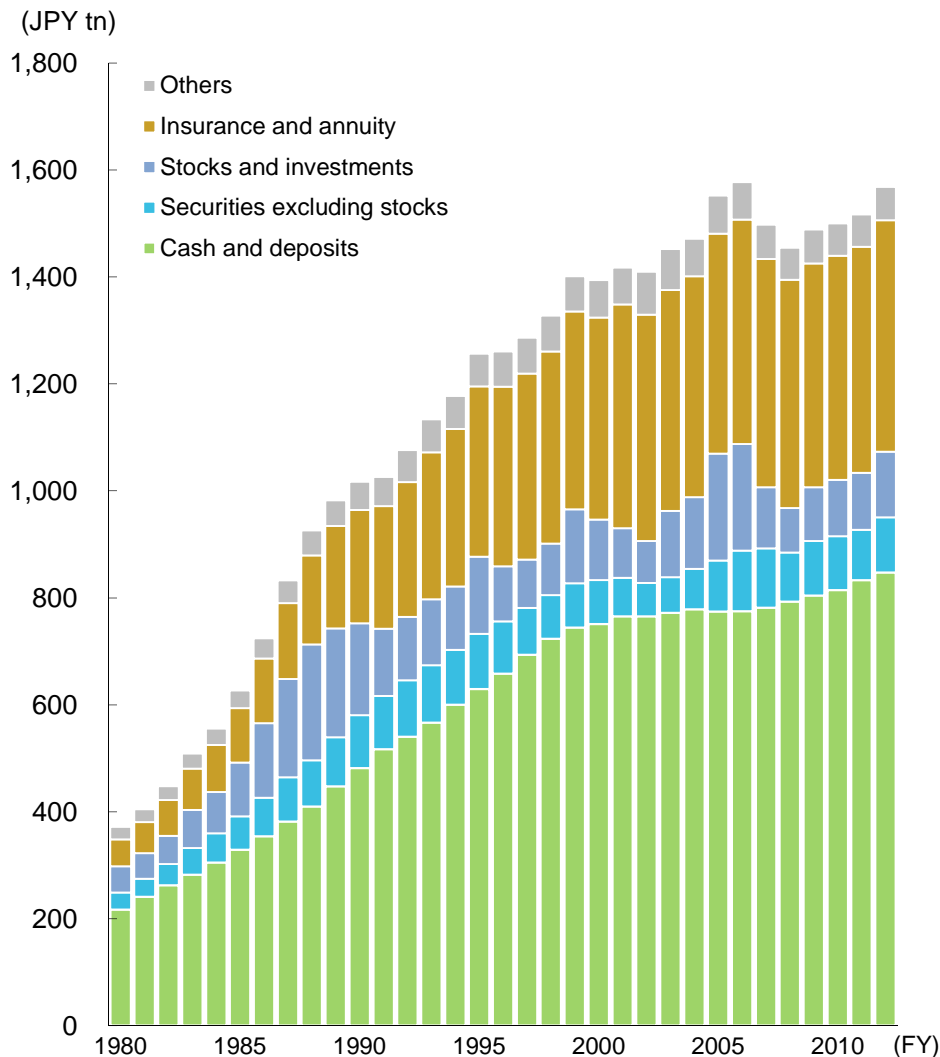
* As of Oct. 31, 2013 for percentage of voting rights and as of Sep. 30, 2013 for other figures



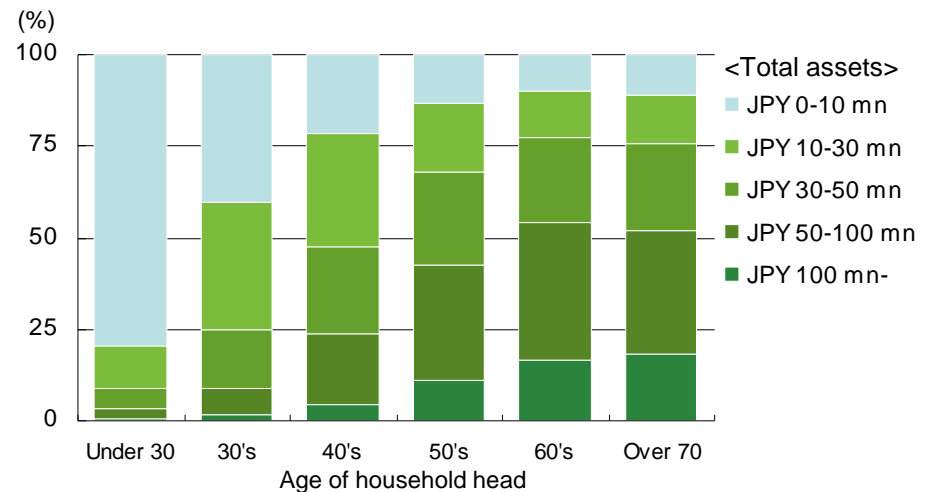
I. Growth strategy

2. Consumer banking business (1) Business environment

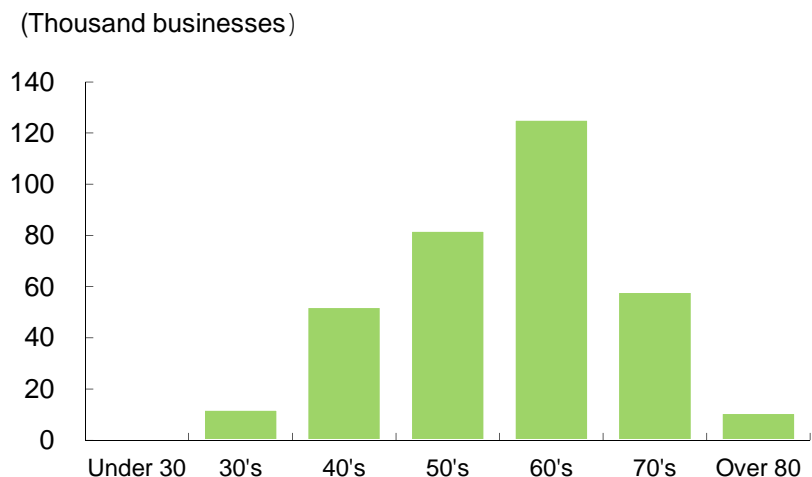
Balance of financial assets owned by individuals *1



Distribution of households by total assets *2



Age of business owners *3



*1 Source: Bank of Japan

*2 Source: Ministry of Internal Affairs and Communications "National Survey of Family Income and Expenditure"

*3 Source: Teikoku Databank; Scope: Privately owned business with financial results data in FY2011

I. Growth strategy

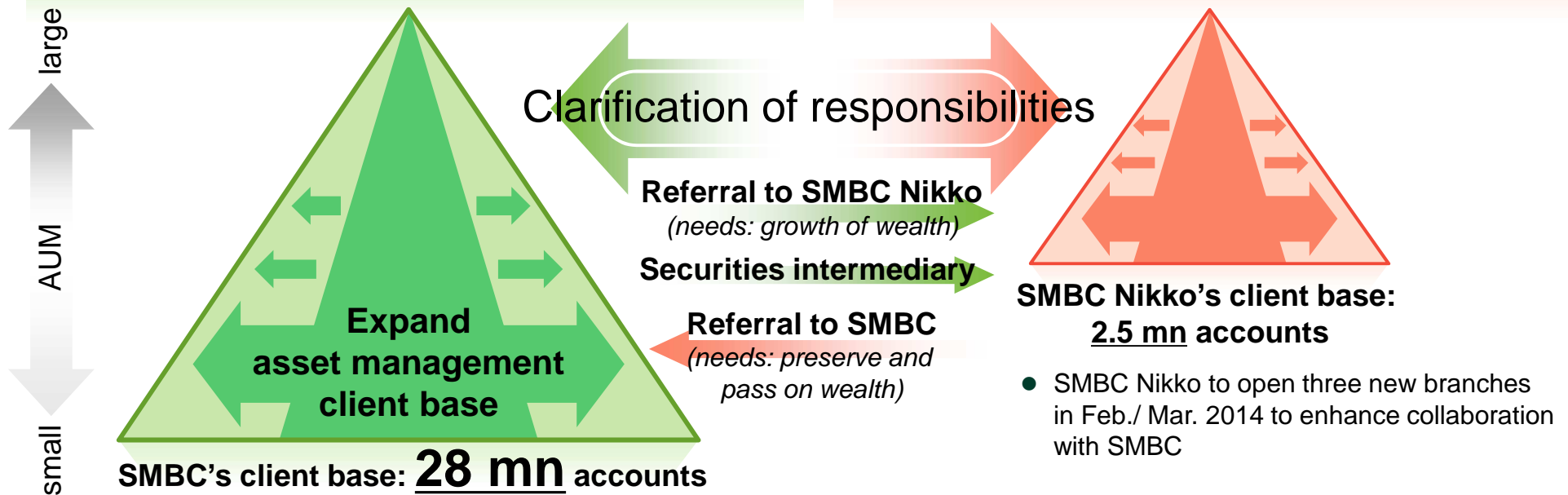
2. Consumer banking business (2) Bank-securities integration model



- Strong and large client base
- Consultants with capability to build relationships



- Capability to offer sophisticated asset management services



No. of trial offices for bank-securities integration

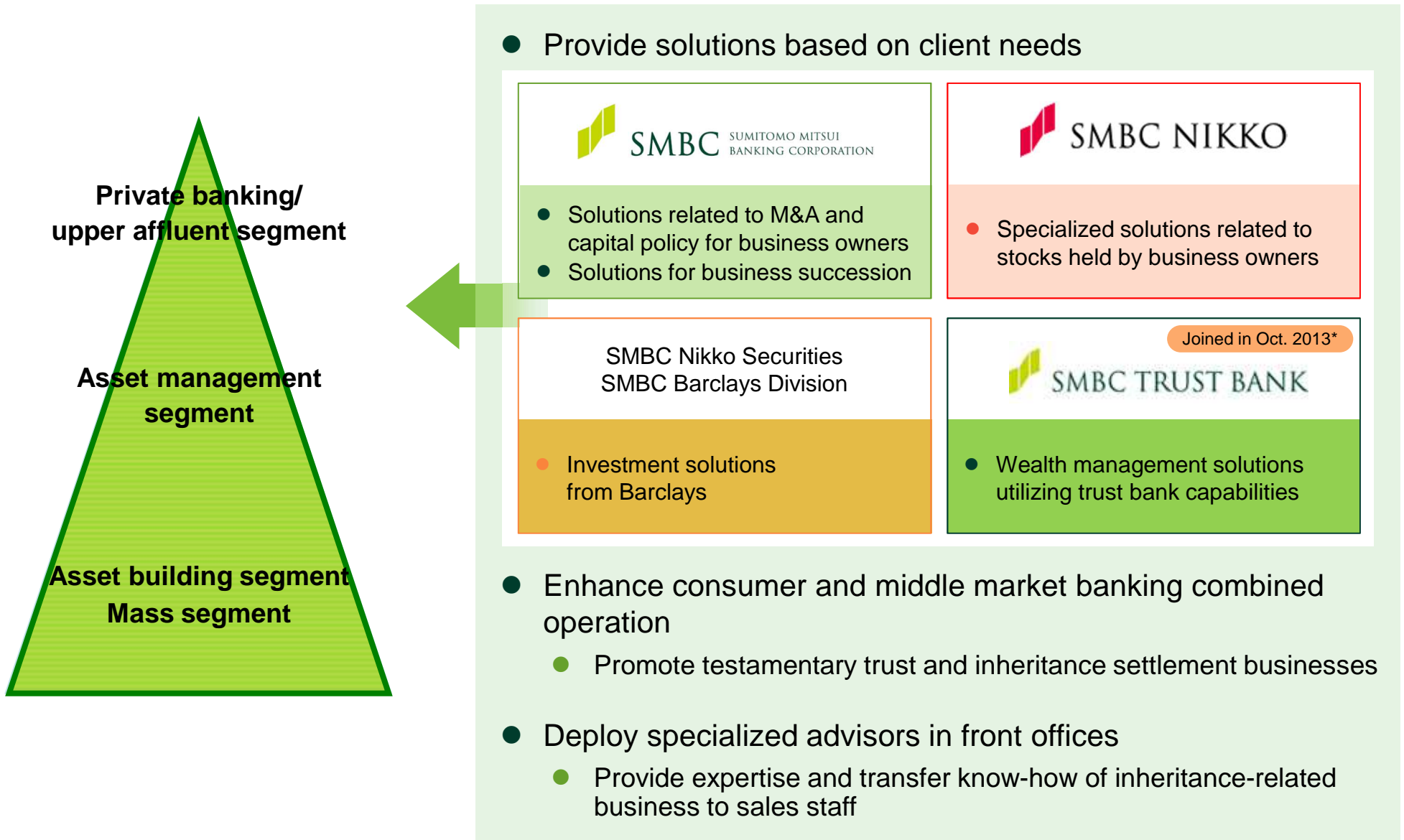
	May 2013 -		Oct. 2013 -
SMBC	15	double	31
SMBC Nikko	10		22

No. of NISA accounts (Dec. 2013)

SMFG group	600 thousand
of which SMBC	180 thousand
SMBC Nikko	270 thousand

I. Growth strategy

2. Consumer banking business (3) Wealth management and inheritance / succession businesses



* Made Societe Generale Private Banking Japan a wholly-owned subsidiary and changed name in Oct. 2013

I. Growth strategy

2. Consumer banking business (4) SMBC Consumer Finance

Financial results (consolidated)

(JPY bn)	FY3/2013	Apr.-Dec. 2013	YOY change
Operating income	187.0	144.4	+3.7
Ordinary profit	51.8	50.4	(0.6)
Net income	48.1	50.1	+1.1
Consumer loans outstanding	742.8	747.7	
Loan guarantee	659.6	721.1	
for regional financial institutions, etc.	232.7	260.1	

No. of companies with guarantee agreements: 189 (as of Dec. 2013)

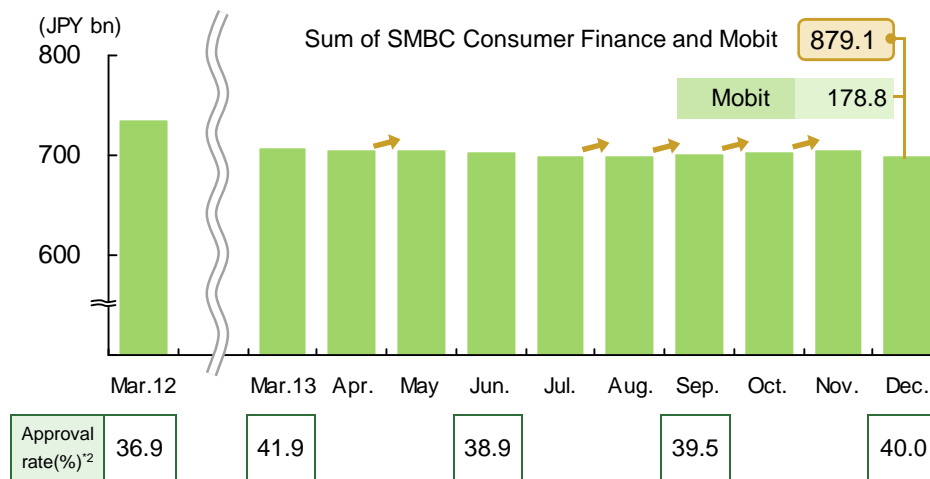
Overseas business

- Started operation in Chengdu and Wuhan in Dec. 2013. Expanded network in mainland China to six offices

(JPY bn)	Mar. 31, 2013	Dec. 31, 2013	Change from Mar. 31, 2013
Consumer loans outstanding ^{*3}	35.4	47.4	+12.0
of which Hong Kong	24.4	29.5	+5.1

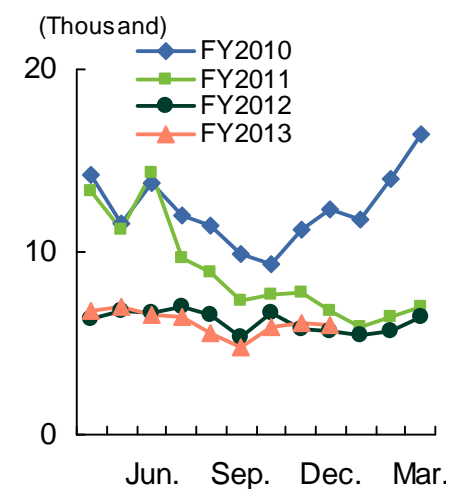
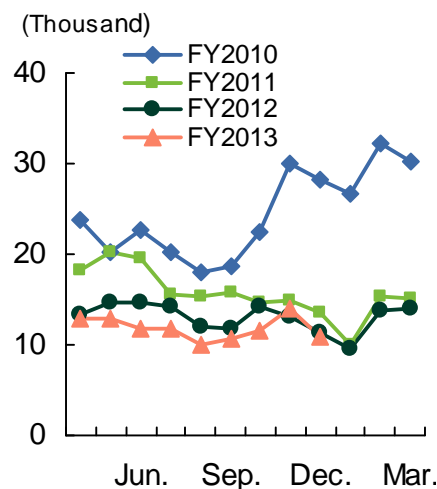
Financing business^{*1}

Consumer loans outstanding (consolidated)



No. of transaction-record disclosure requests

No. of interest refund claims



*1 SMBC Consumer Finance non-consolidated basis

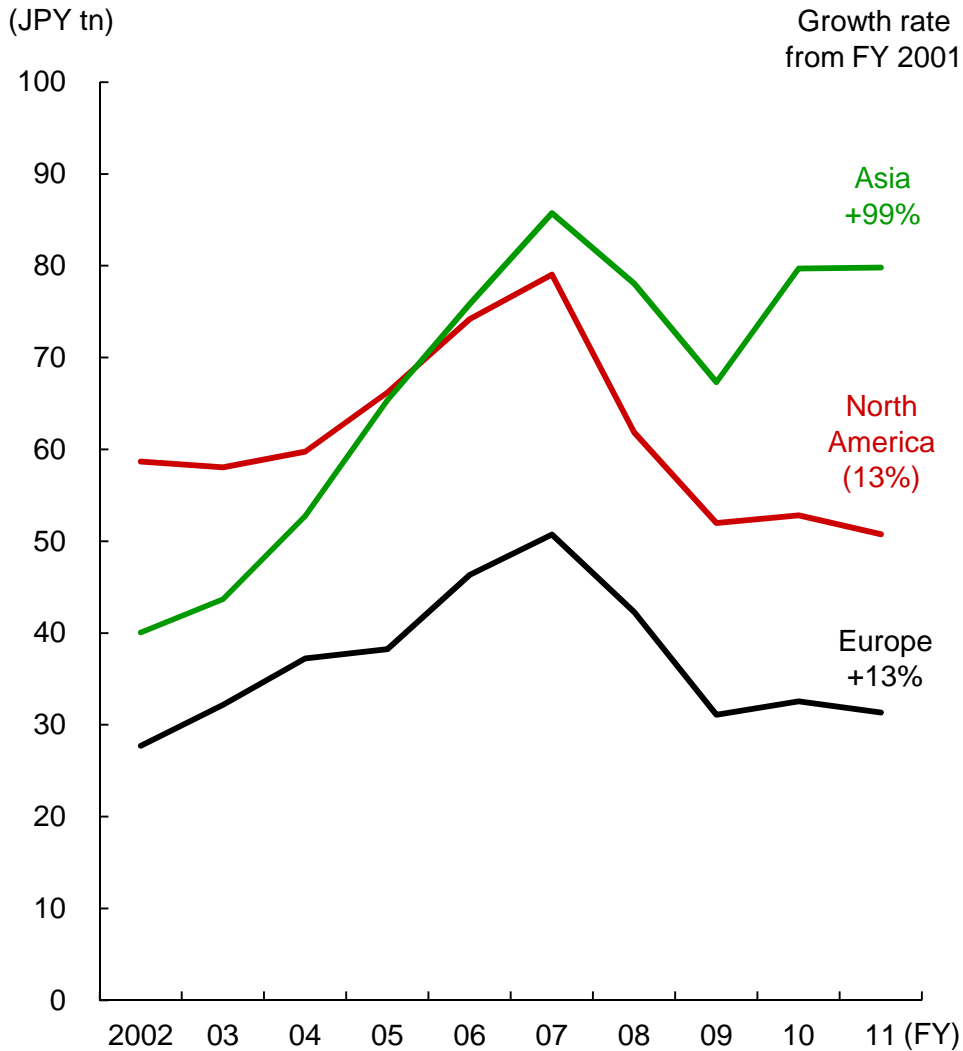
*2 Approval ratio = Number of new customers / Number of loan applications. Quarterly basis

*3 Translated into Japanese yen at respective period-end exchange rates

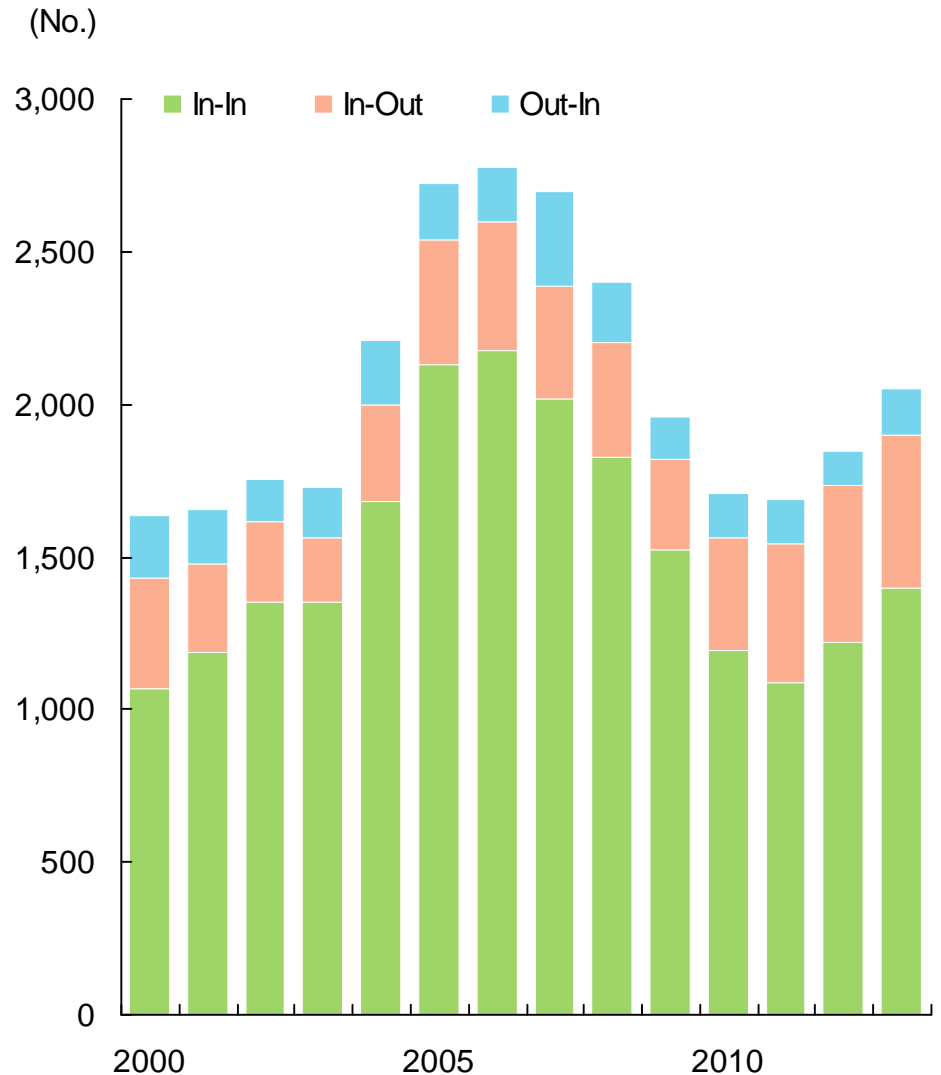
I. Growth strategy

3. Corporate banking business (1) Business environment

Sales of overseas subsidiaries of Japanese corporations*1



No. of M&A deals*2



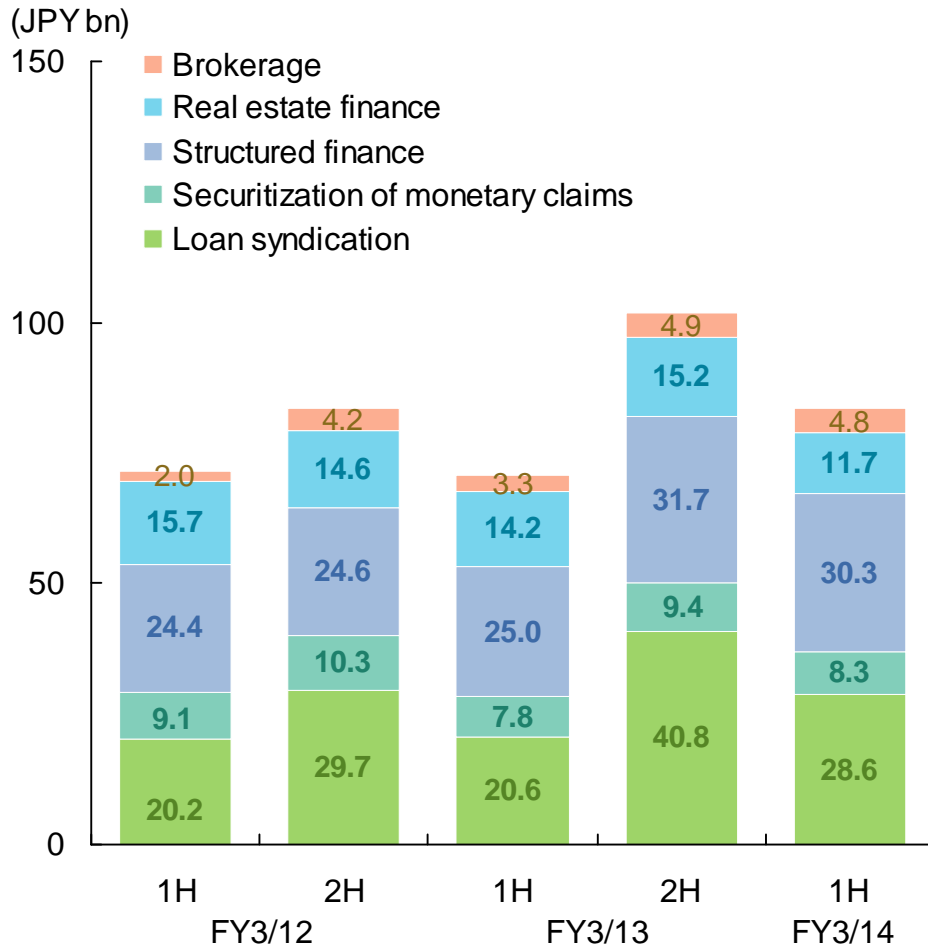
*1 Source: Ministry of Economy, Trade and Industry "Basic Survey of Overseas Business Activities"

*2 Source: Recof data corporation

I. Growth strategy

3. Corporate banking business (2) Investment banking

Income related to Investment banking business (SMBC)



League tables (Apr.-Dec. 2013)

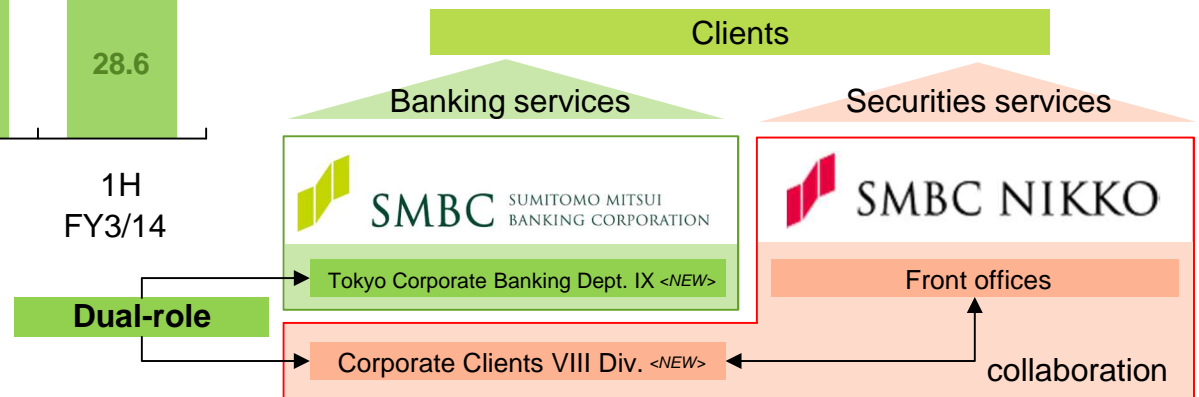
- SMBC Nikko Securities was awarded “Yen Bond House of the Year 2013” by *International Financing Review*



	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount) ^{*1}	#3	14.5%
JPY denominated bonds (lead manager, underwriting amount) ^{*2}	#5	14.4%
Financial advisor (M&A, transaction volume) ^{*3}	#5	15.3%
Financial advisor (M&A, No. of deals) ^{*3}	#4	2.4%

From bank-securities “collaboration” to “integration”

- Established a new bank-securities dual-role department (Nov. 2013); allows for simultaneous proposal for syndicated loans and bonds etc.



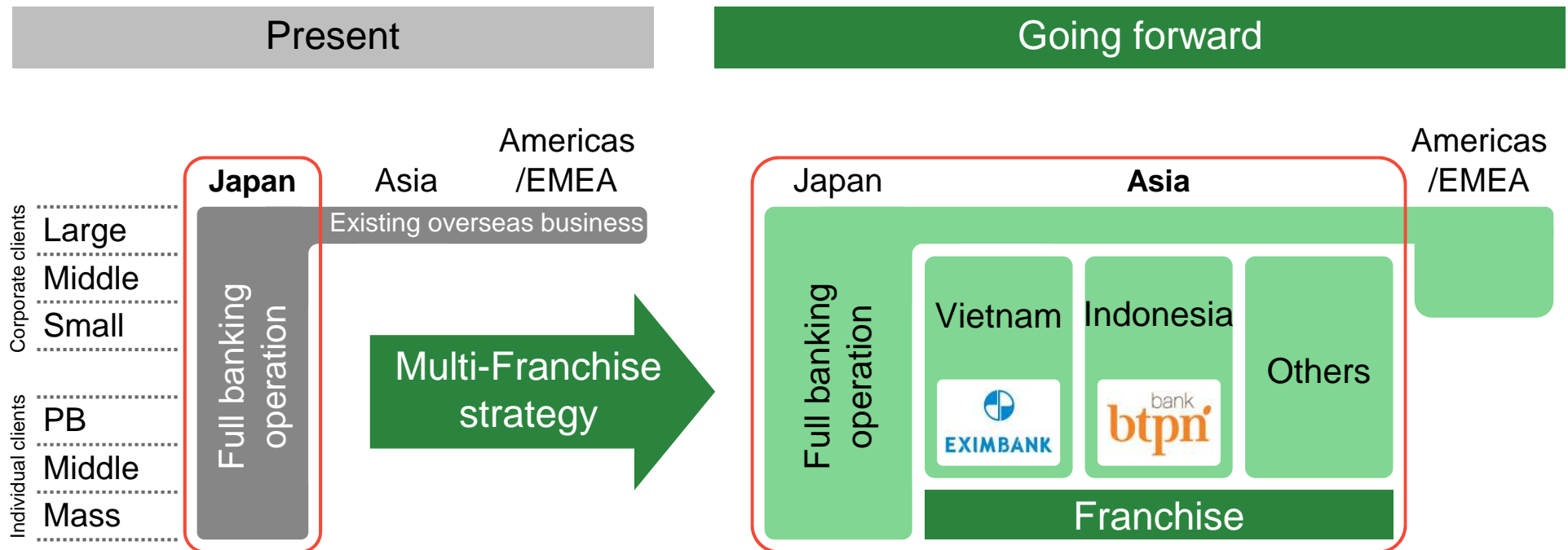
*1 Source: SMBC Nikko, based on data from Thomson Reuters. Japanese corporate related only. SMFG group aggregate basis

*2 Source: SMBC Nikko. Consisting of corporate bonds, FILP agency bonds, municipality bonds, and samurai bonds

*3 Source: Thomson Reuters. Japanese corporate related only. Excluding real estate deals

4. International business (1) Multi-Franchise strategy

- Expand full-line banking services with a focus on Asia
- In the medium term, establish “second and third” SMBC

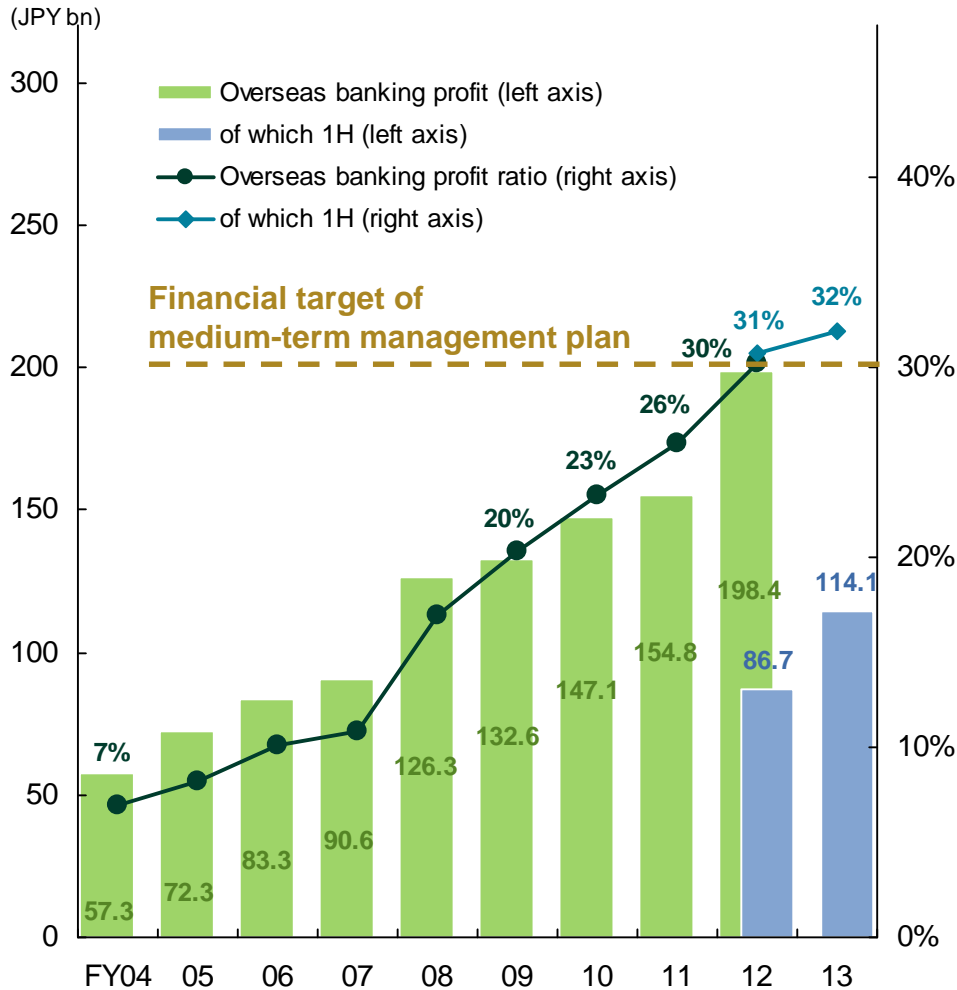


- Building business with mid-to-long term perspectives
- Commitment to business in Asia

I. Growth strategy

4. International business (2) Increasing profit / competitive advantages

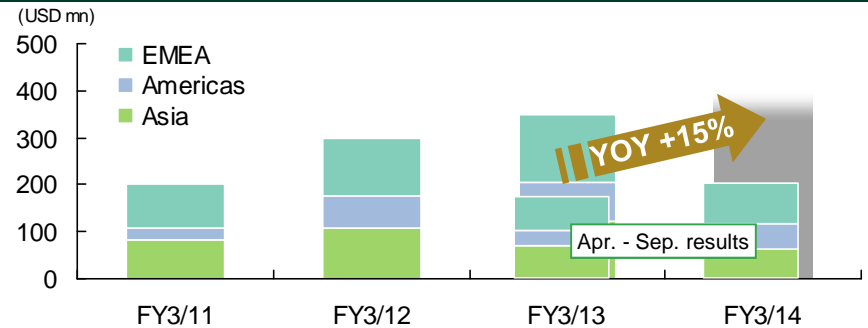
Overseas banking profit and ratio (before provisioning)*1,2



Project finance/ Loan syndication league tables*3

	Global	Asia*4	Japan
Project finance	#4	#9	
Loan syndication	#9	#5	#3

Trade finance related profit



Cash management providers' ranking (in Asia Pacific)*5

Cash management service (CMS) as voted by corporations	Large corp	5th	#1 among Japanese banks for 6 consecutive years
	Medium corp	5th	
	Small corp	5th	
JPY CMS as voted by financial institutions		1st	#1 for 8 consecutive years

CMS in Asia

Aim to be one of the top 3 global banks

*1 Managerial accounting basis. Sum of SMBC and major overseas subsidiary banks

*2 Based on the medium-term management plan assumed exchange rate of USD1=JPY85 since FY3/12 *3 Source: Thomson Reuters (Mandated Arrangers); Jan.-Dec. 2013

*4 Project finance: Asia Pacific. Loan syndication: Asia (excl. Japan), all international currency syndicated and club loans

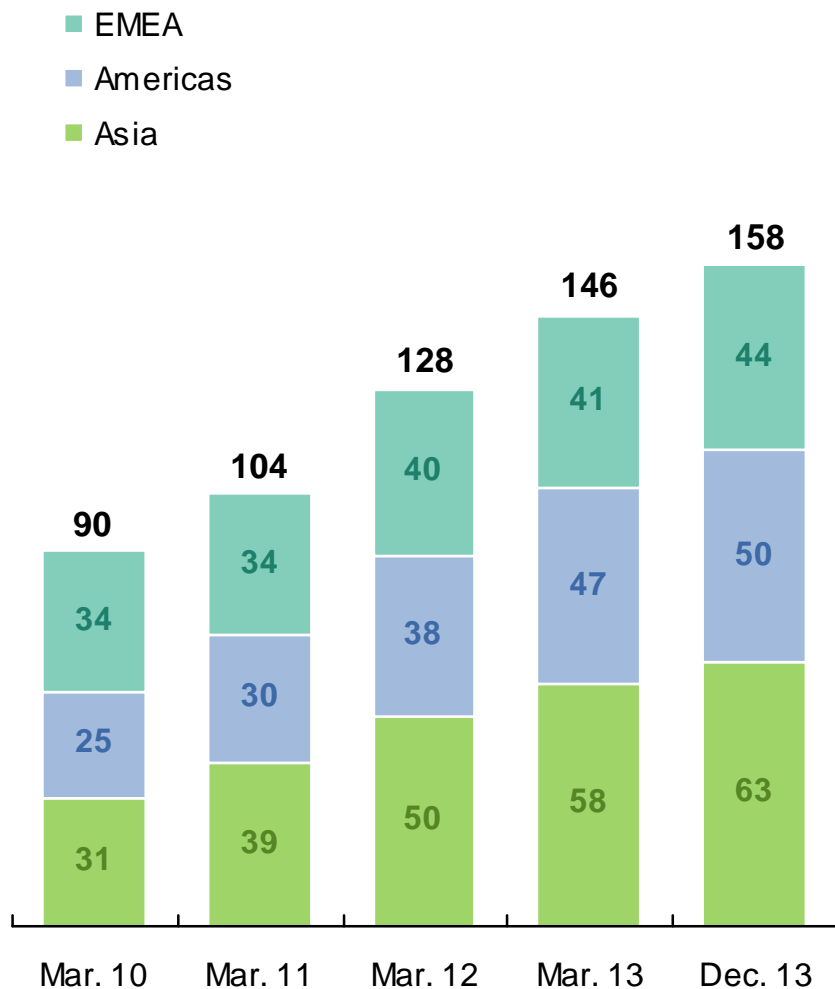
*5 Source: "ASIAMONEY" cash management poll (published Aug. 2013)

I. Growth strategy

4. International business (3) Loan balance / foreign currency funding

Overseas loan balance *1, 2

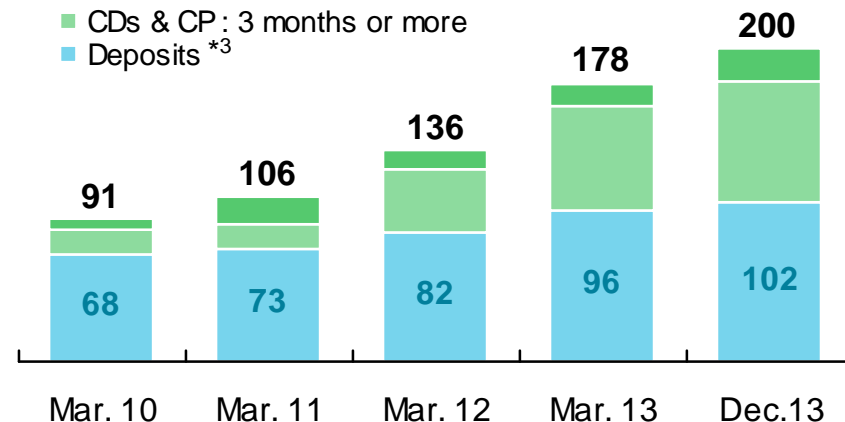
(USD bn)



Overseas deposit balance *1, 2

(USD bn)

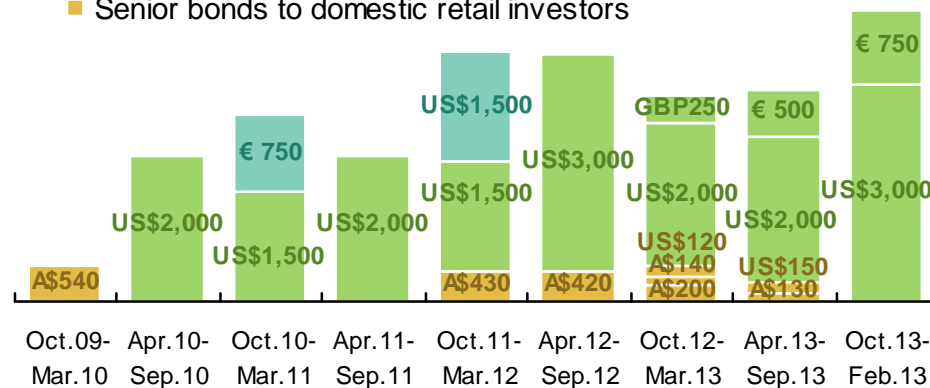
- CDs & CP : less than 3 months
- CDs & CP : 3 months or more
- Deposits *3



Issued amount of foreign-currency denominated bonds

(in millions of currency units)

- Subordinated bonds to overseas institutional investors
- Senior bonds to overseas institutional investors
- Senior bonds to domestic retail investors



*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Translated into USD at respective period-end exchange rates

*3 Includes deposits from central banks

II. Good financial performance

1. Financial performance for 3Q, FY3/2014

Income statement

	(JPY bn)	Apr.-Dec. 2013 results	YOY change	FY3/2014 forecast	
SMFG <consolidated>	Consolidated gross profit	USD 21.1 bn ^{*1}	2,221.2	+150.7	
	Net fees and commissions		732.1	+106.2	
	General and administrative expenses		(1,169.8)	(79.5)	
	Overhead ratio ^{*2}		51.5%	(0.3%)	
	Total credit cost		(reversal) 29.9	+87.1	(70)
	Ordinary profit		1,167.1	+337.4	1,280
	Variance with SMBC non-consolidated		431.0	+114.3	470
	Net income	USD 6.7 bn ^{*1}	704.7	+154.3	750
	Variance with SMBC non-consolidated		224.7	+79.7	240
	SMBC <non-consolidated>	Gross banking profit	USD 11.3 bn ^{*1}	1,193.9	+28.4
Expenses ^{*3}			(557.7)	(19.7)	(740)
Overhead ratio			46.7%	+0.5%	
Banking profit ^{*4}		USD 6.0 bn ^{*1}	636.2	+8.7	800
Total credit cost			(reversal) 80.7	+50.5	50
Gains (losses) on stocks			91.4	+160.3	
Ordinary profit			736.1	+223.1	810
Net income	USD 4.6 bn ^{*1}	480.0	+74.6	510	

Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	Apr.-Dec. 2013	YOY change
SMBC Nikko Securities		54	+34
SMBC Consumer Finance		50	+1
Sumitomo Mitsui Finance and Leasing		23	+5
SMBC Guarantee		18	+0
Cedyna ^{*5}		16	+3
Sumitomo Mitsui Card		14	+0
SMBC Friend Securities		10	+5

- Includes profits from equity index-linked investment trusts

Per share information (SMFG consolidated)

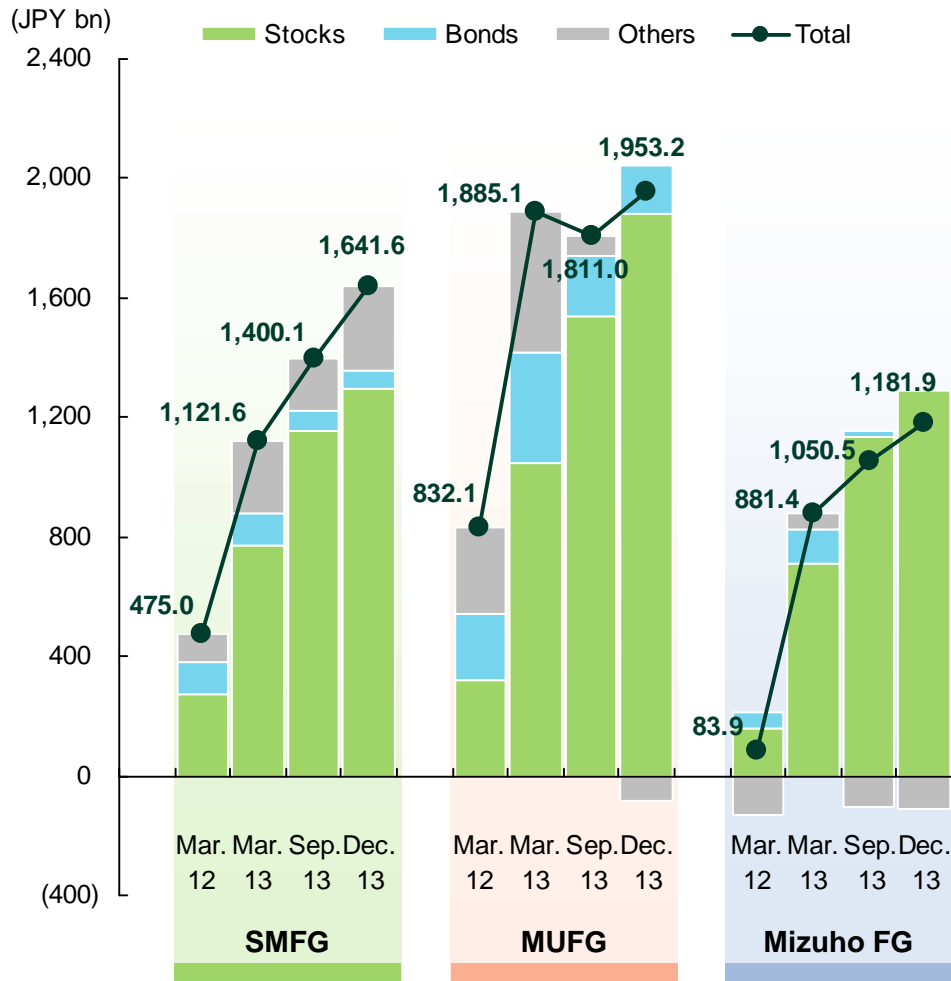
	Apr.-Dec. 2013 results	YOY change	FY3/2014 forecasts
Net income	JPY 515.96	+JPY 109.44	JPY 548.97
ROE^{*6}	15.7%	+ 1.7%	
	Dec. 31, 2013	Change from Mar. 31, 2013	
Net assets	JPY 5,323.82	+JPY 637.13	

^{*1} Translated into USD at period-end exchange rate of USD 1 = JPY 105.37 ^{*2} Based on consolidated G&A expenses net of SMBC's non-recurring losses
^{*3} Excluding non-recurring losses ^{*4} Before provision for general reserve for possible loan losses ^{*5} After adjustment for consolidation ^{*6} Annualized

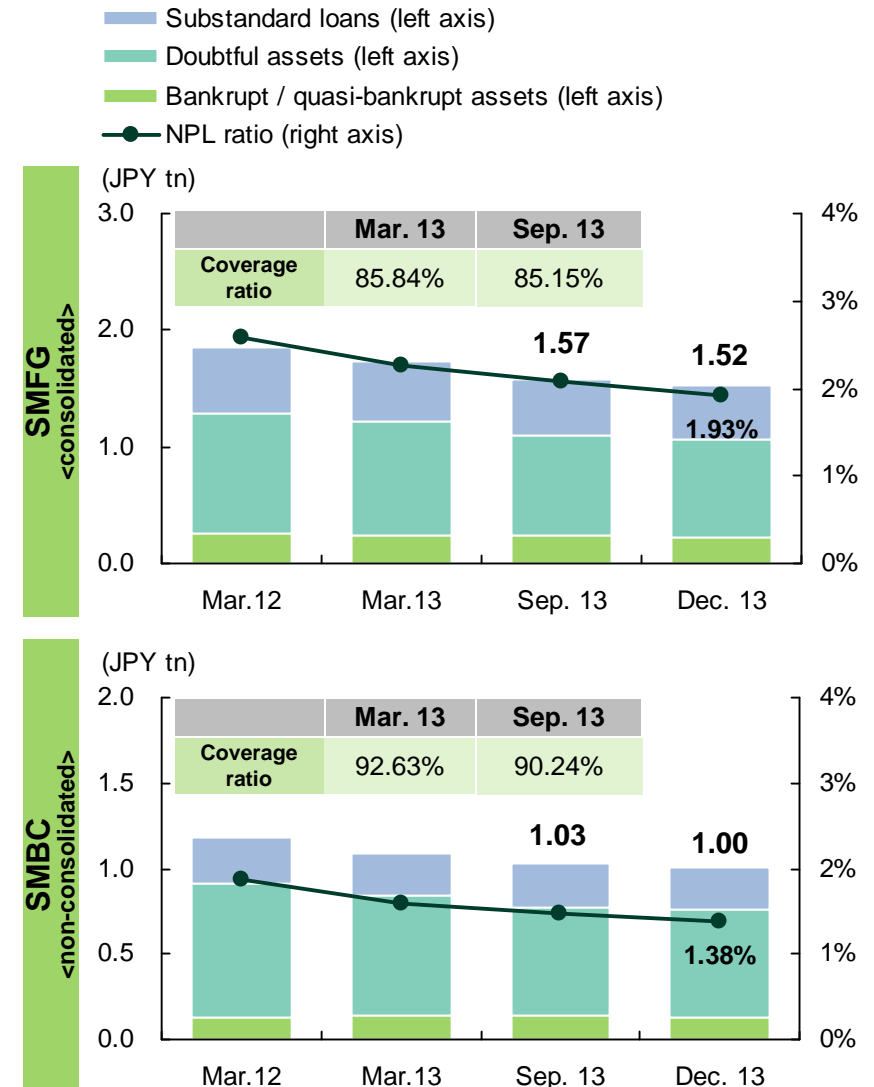
II. Good financial performance

2. Robust asset quality

Unrealized gains (losses) on Other securities*



Non-performing loan balance and ratio

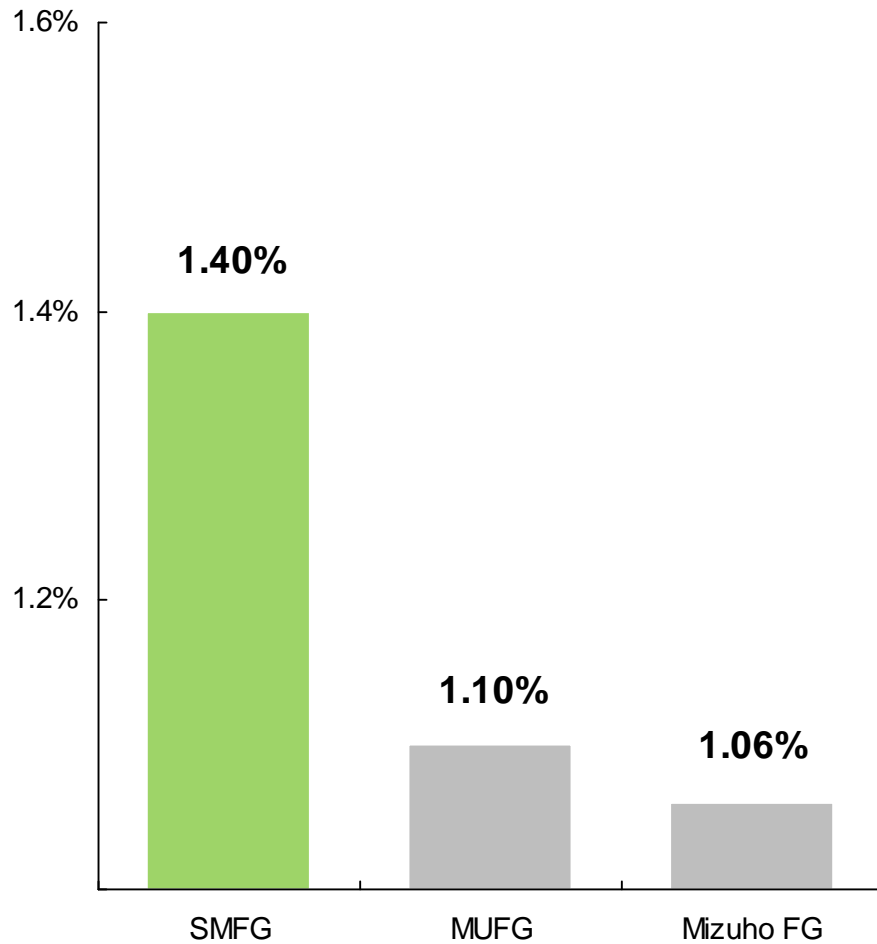


* Based on each company's disclosure. The figures shown in the graph are consolidated figures of SMFG, MUFG and Mizuho FG

II. Good financial performance

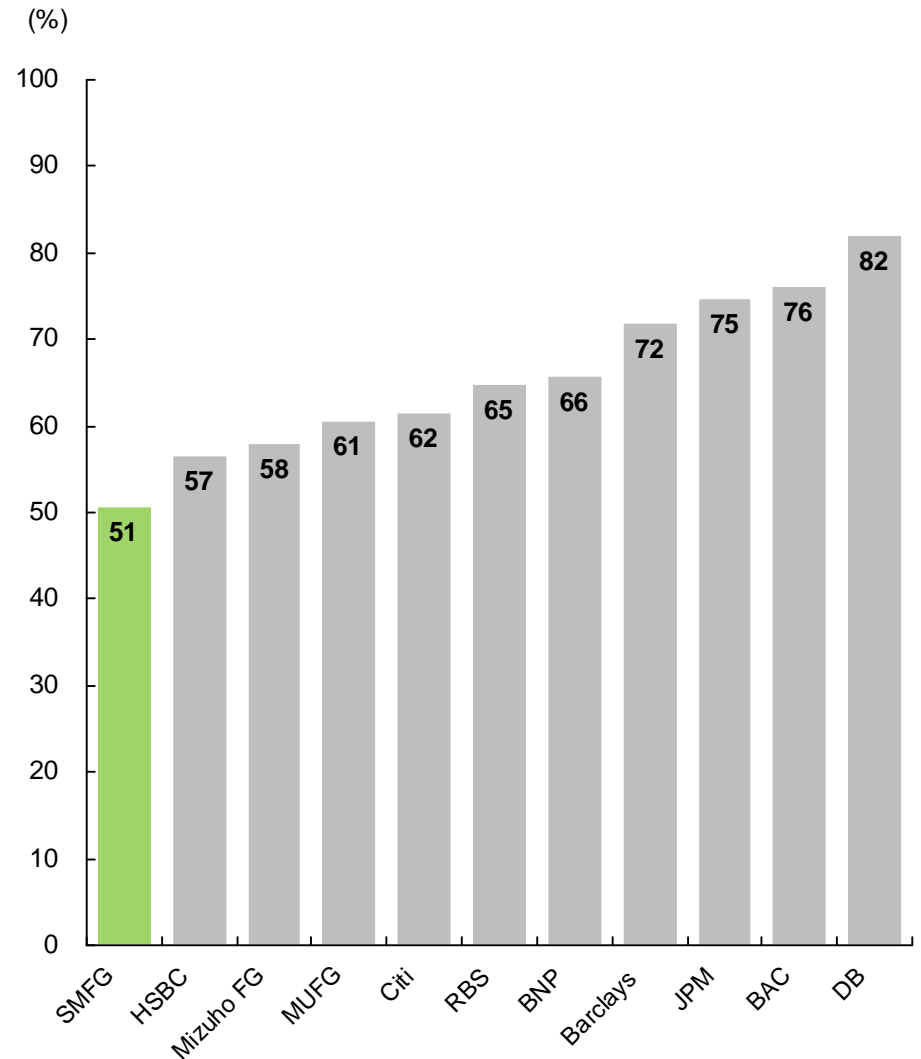
3. High profitability

Domestic loan-to-deposit spread*1



Proportion of loans to individuals & SMEs	SMFG	MUFG	Mizuho FG
	68.4%	58.2%	56.9%

Overhead ratio (consolidated)*2

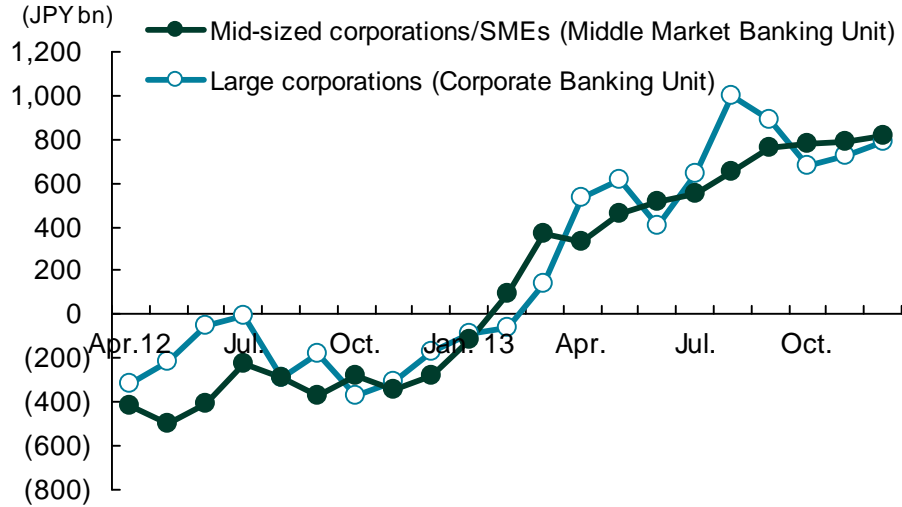


*1 Based on each company's 1H, FY3/14 disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG, and non-consolidated figures of Mizuho Bank for Mizuho FG

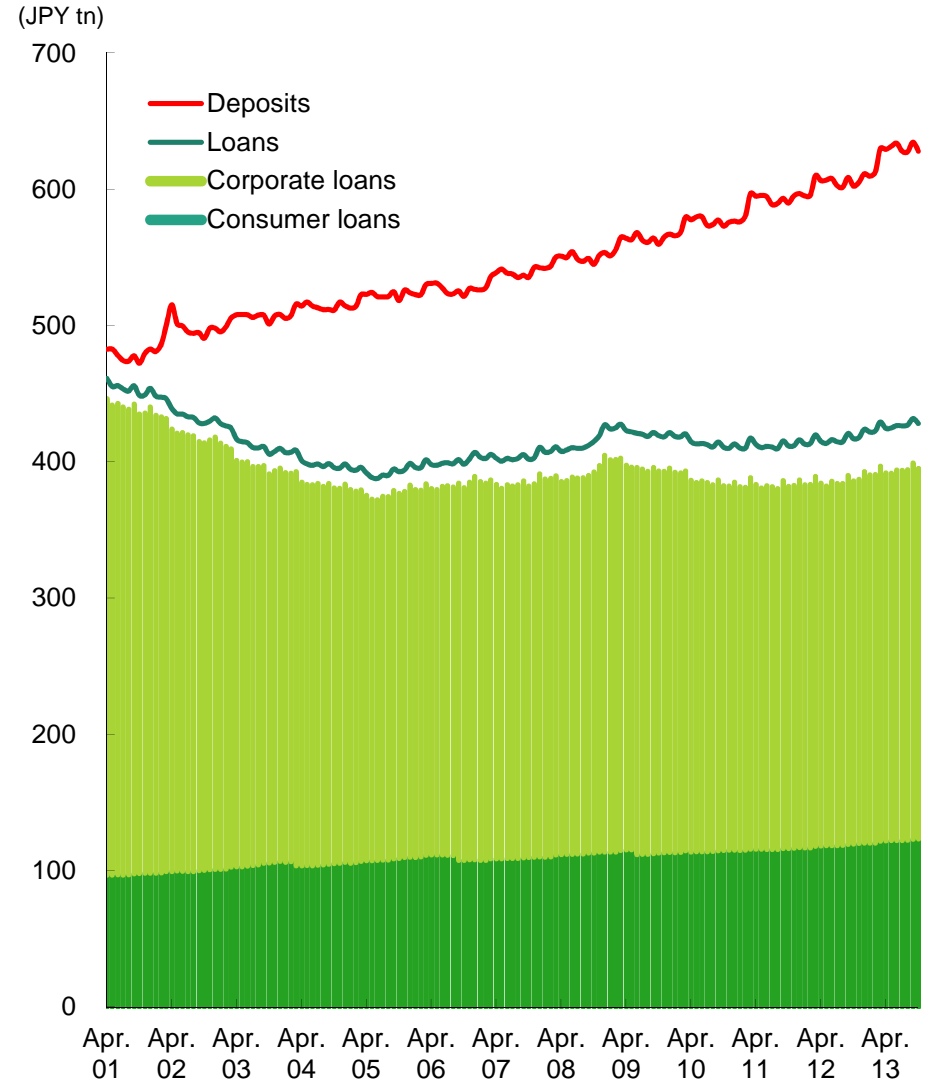
*2 Based on each company's disclosure. G&A expenses (for Japanese banks, excluding non-recurring losses) divided by top-line profit (net of insurance claims). 1H, FY3/2014 results for SMFG, MUFG, and Mizuho FG, and nine months ended Sep. 30, 2013 for others

III. Challenges

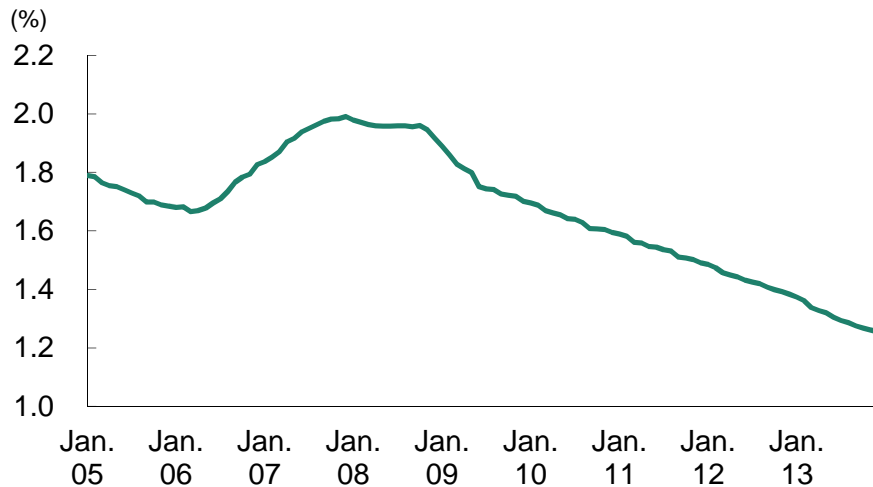
SMBC: YOY comparison of average corporate loans



Loans and deposits of domestic banks*1



Average loan spread of domestic banks*1,2

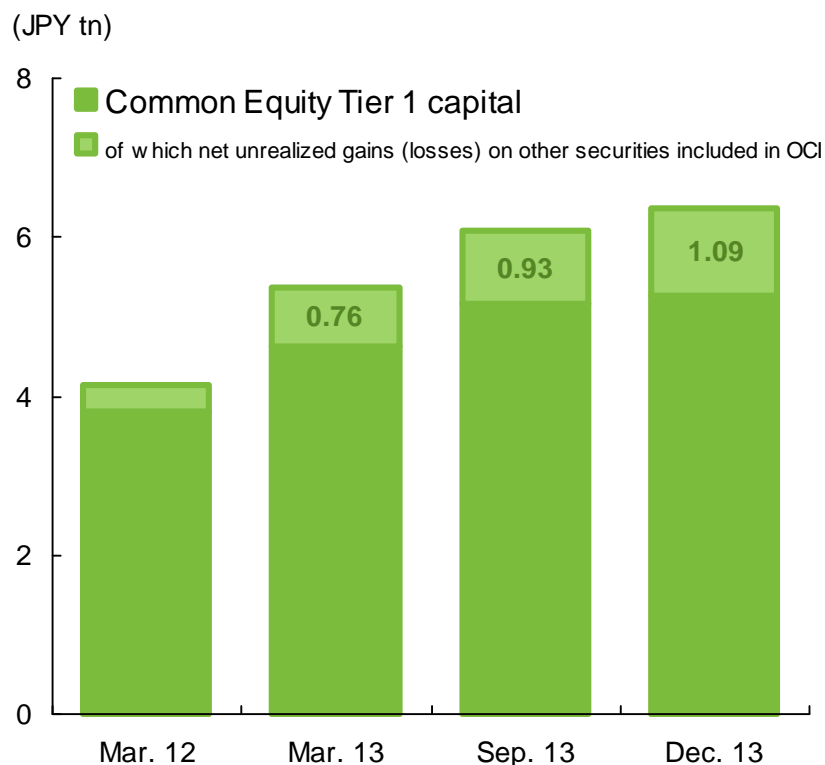


*1 Source: Bank of Japan *2 Stock basis

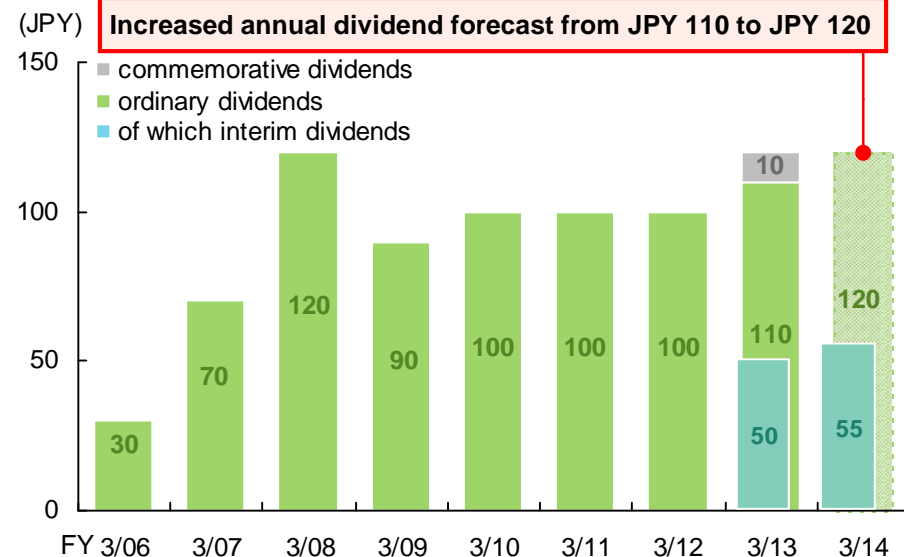
IV. Capital policy

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

	Mar. 12	Mar. 13	Sep. 13	Dec. 13
CET 1 capital ratio	Nearly 7.5%	8.6%	9.9%	9.7%
Risk-weighted assets	-	JPY 62.1 tn	JPY 60.9 tn	JPY 65.2 tn



Return to shareholders*^{2,3}



Payout ratio* ⁴	3.4%	12.5%	20.5%	-	46.8%	30.0%	26.8%	21.3%	22.6%
ROE* ⁵	22.8%	13.8%	15.8%	-	7.5%	9.9%	10.4%	14.8%	

Treasury stock (as of Sep. 2013)

Held by SMFG	Held by SMBC
3.9 million shares	42.8 million shares (*)

(*) Sold 13.3 million shares through a securities disposal trust in May 2013

Appendix

Update on financial targets

- Already achieved all the financial targets in the medium-term management plan

Common Equity Tier 1 capital ratio	Mar. 2011	Sep. 2013	Mar. 2014 target
Basel 3 fully-loaded basis*1	above 6%	9.9%	8%
Basel 3 transitional basis	above 8%	10.35%	

	FY3/11	1H, FY3/13	FY3/14 target
Consolidated net income RORA	0.8%	1.6%*3	0.8%
Consolidated ROE	9.9%	17.1%*3	
Consolidated overhead ratio	52.5%	50.6%	50% - 55%
SMBC non-consolidated overhead ratio	45.6%	44.9%	45% - 50%
Overseas banking profit ratio*2	23.3%	31.9%	30%

*1 Based on the definition as of Mar. 31, 2019

*2 Based on the medium-term management plan assumed exchange rate of 1 USD=JPY 85 for FY3/2012 to FY3/2014

*3 Annualized

Balance sheet and credit ratings

Balance sheet (as of Sep. 2013)

Total assets : JPY 149.3tn

Loans JPY 65.7tn	Deposits, Negotiable certificates of deposits (NCD) JPY 101.9tn
Securities JPY 27.3tn	Other liabilities JPY 38.4tn
JGB JPY 15.3tn	
Other assets JPY 56.3tn	Total net assets JPY 9.0tn
	Total stockholders'equity JPY 6.1tn

Balance sheet related items

	Sep. 30, 2013
Loan to deposit ratio	64.5%
Risk-weighted assets	JPY 61.3 tn
Common Equity Tier 1 capital ratio	10.35%
Net assets per share	JPY 5,130.52
ROE* (Denominator: Total stockholders' equity)	17.1%

Credit ratings

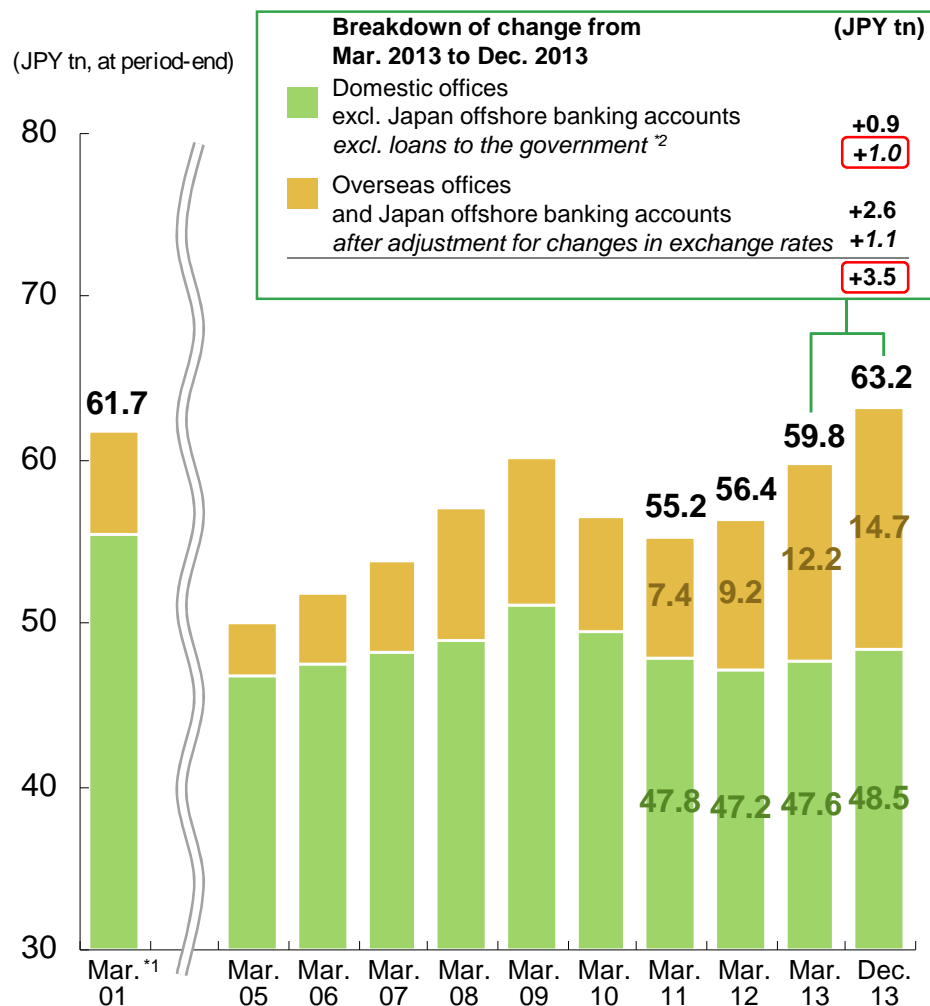
	SMBC	SMFG
Moody's	Aa3 / P-1	-
S&P	A+ / A-1	A / A-1
Fitch	A- / F1	A- / F1
R&I	AA- / a-1+	-
JCR	AA / J-1+	-

* Annualized

Loan balance

SMBC non-consolidated

Loan balance



Loan balance by domestic Marketing units, managerial accounting basis

(JPY tn, at period-end)	Dec. 2013	Change from Mar. 2013
Consumer Banking Unit	14.8	(0.1) ^{*3}
Middle Market Banking Unit ^{*4}	17.3	+0.4
Corporate Banking Unit	12.7	+0.7

Overseas loans, classified by region, ^{*5} managerial accounting basis

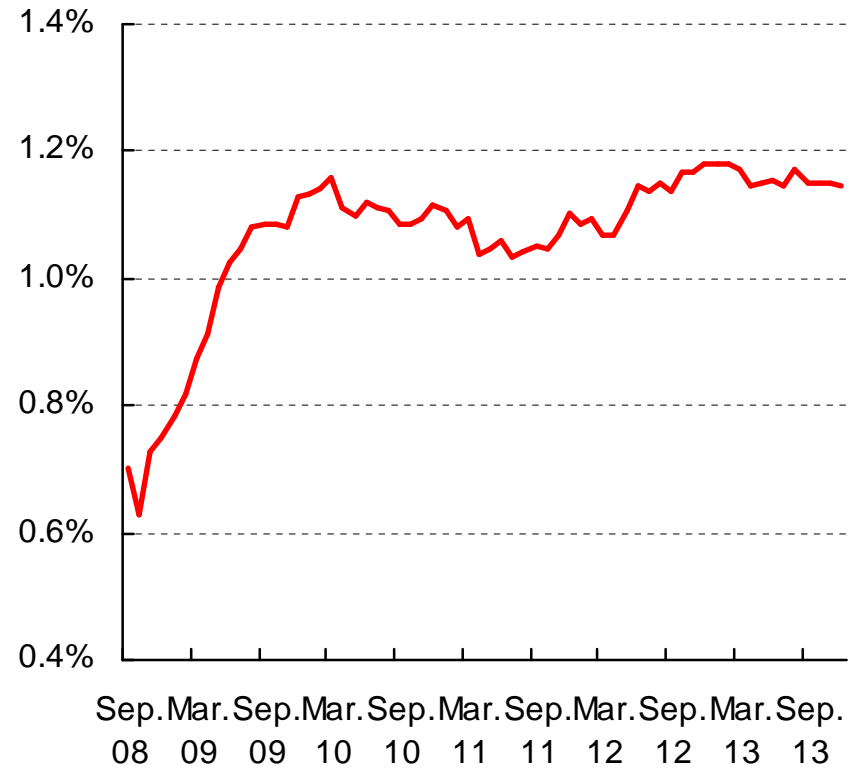
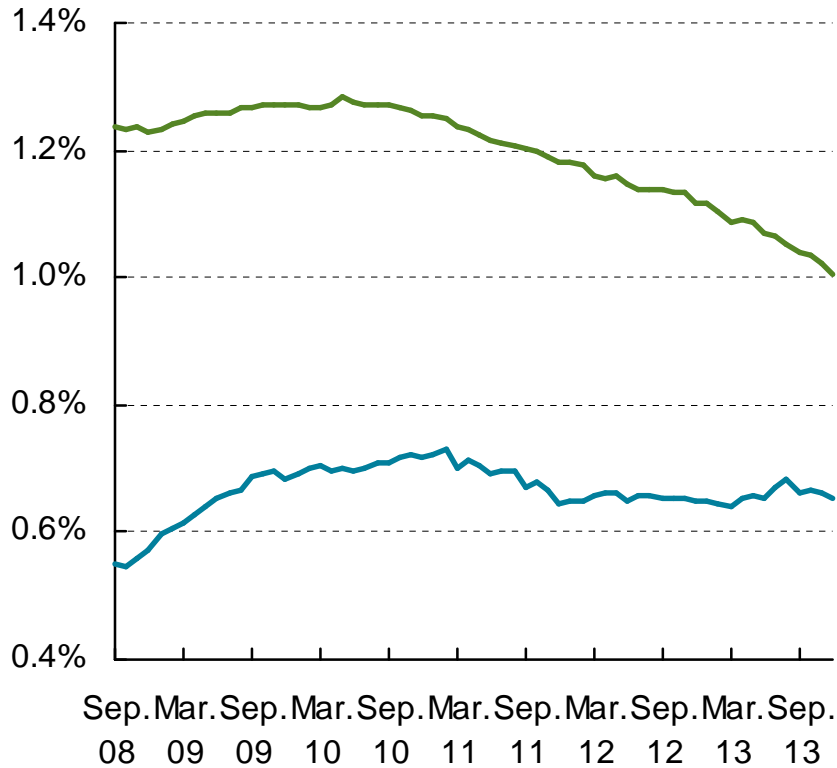
(JPY tn, at period-end)	Dec. 2013	Change from Mar. 2013	After adjustment for changes in exchange rates
Overseas total	16.6	+ 2.9	+ 1.2
<i>to Japanese corporations</i>	4.4	+ 0.4	(0.0)
Asia	6.7	+ 1.2	+ 0.7
<i>to Japanese corporations</i>	1.8	+ 0.3	+ 0.2
Americas	5.3	+ 0.9	+ 0.3
<i>to Japanese corporations</i>	1.9	+ 0.0	(0.2)
EMEA	4.6	+ 0.8	+ 0.2
<i>to Japanese corporations</i>	0.7	+ 0.1	(0.0)

Loan spread*1

Domestic*2

Overseas*3

- Medium-sized enterprises and SMEs (Middle Market Banking Unit)
- Large corporations (Corporate Banking Unit)



*1 Managerial accounting basis. Average loan spread of existing loans *2 SMBC non-consolidated *3 Sum of SMBC, SMBC Europe and SMBC (China)

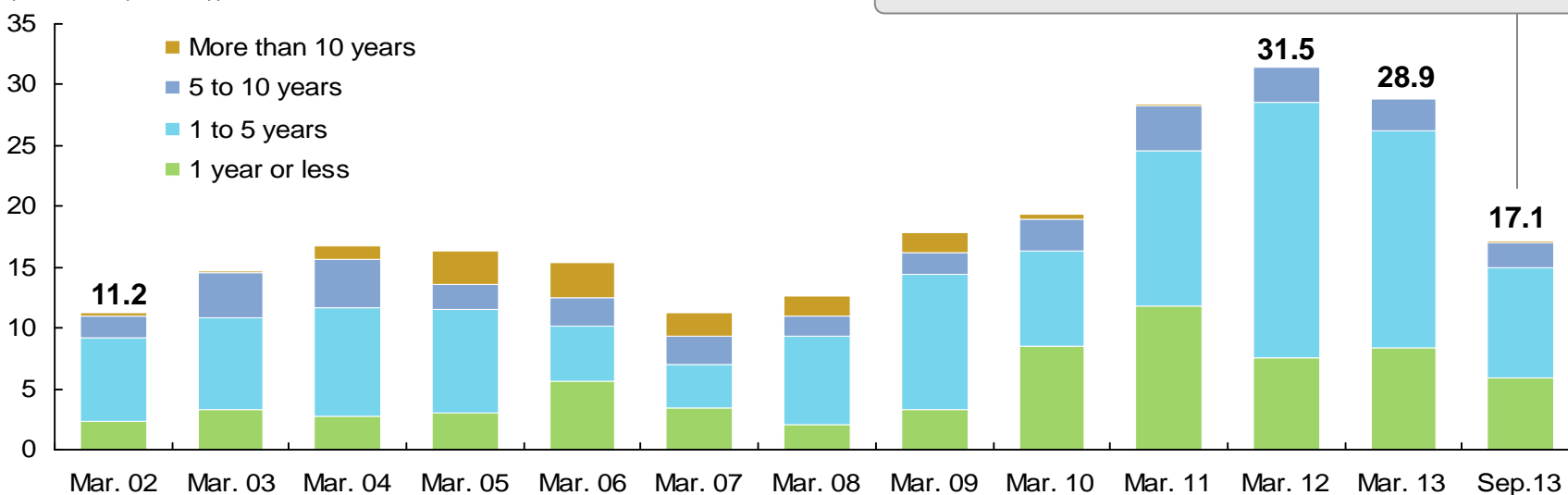
Bond portfolio (1)

Yen bond portfolio

SMBC non-consolidated

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

(Balance (JPY tn))



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	1.4
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	62.1

*1 Excluding 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 (2)

		Mar. 2013		Sep. 2013		Dec. 2013		Change from Sep. 2013	
		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)
SMBC <non-consolidated>	Yen-denominated bonds	28.9	0.16	17.1	0.10	16.2	0.09	(0.9)	(0.01)
	of which JGB	26.2	0.11	14.7	0.06	13.8	0.06	(1.0)	(0.00)
	Held-to-maturity	5.5	0.06	4.9	0.04	4.6	0.03	(0.3)	(0.00)
	Others	20.7	0.06	9.9	0.02	9.2	0.02	(0.7)	(0.00)

< Reference >

SMFG <consolidated>	Yen-denominated bonds	30.4	0.17	18.4	0.11	17.4	0.10	(1.0)	(0.01)
	of which JGB	27.1	0.12	15.3	0.06	14.2	0.06	(1.1)	(0.01)
	Held-to-maturity	5.5	0.06	4.9	0.04	4.6	0.03	(0.3)	(0.00)
	Others	21.5	0.06	10.4	0.02	9.6	0.02	(0.8)	(0.00)

1H, FY3/2014 performance by segment

	(JPY bn)	Gross profit		Expenses		Consolidated net business profit ^{*1}	
			YOY change		YOY change		YOY change
Total		1,516.2	+141.2	(752.4)	(52.4)	708.1	+109.3
Banking business		934.1	+22.6	(444.8)	(17.1)	490.6	+12.5
of which							
SMBC		821.8	+35.1	(368.6)	(10.6)	453.2	+24.5
Leasing		71.3	+10.9	(26.3)	(2.8)	52.6	+13.2
of which							
Sumitomo Mitsui Finance and Leasing^{*2}		66.8	+9.4	(26.4)	(2.7)	45.9	+11.6
Securities services		218.3	+82.6	(142.0)	(28.4)	76.4	+56.8
of which							
SMBC Nikko Securities		176.7	+70.7	(114.1)	(24.0)	62.3	+46.4
Consumer finance business		270.4	+6.3	(167.2)	(1.7)	74.0	+5.8
of which							
Sumitomo Mitsui Card		92.9	+4.2	(67.7)	(1.6)	22.2	+0.6
Cedyna		77.4	+0.1	(57.2)	+2.5	12.8	+3.6
SMBC Consumer Finance^{*2}		87.1	+4.3	(34.7)	(3.0)	32.5	+0.6
Other businesses^{*3}		22.1	+18.8	27.9	(2.4)	14.5	+21.1

SMBC's performance by business unit*1

Banking profit by business unit

		(JPY bn)	1H, FY3/13	FY3/13	1H, FY3/14	YOY change*2
Consumer Banking Unit	Gross banking profit		174.8	374.9	163.7	(5.4)
	Expenses		(140.9)	(284.4)	(140.7)	+0.5
	Banking profit		33.9	90.5	23.0	(4.9)
Middle Market Banking Unit	Gross banking profit		201.8	412.2	195.9	(3.6)
	Expenses		(106.7)	(216.7)	(107.7)	(0.6)
	Banking profit		95.1	195.5	88.2	(4.2)
Corporate Banking Unit	Gross banking profit		96.1	208.0	111.9	+11.2
	Expenses		(19.5)	(39.6)	(20.1)	(0.5)
	Banking profit		76.6	168.4	91.8	+10.7
International Banking Unit (IBU)	Gross banking profit		107.3	240.5	140.2	+10.2
	Expenses		(36.3)	(72.9)	(45.2)	(5.4)
	Banking profit		71.0	167.6	95.0	+4.8
Marketing units	Gross banking profit		580.0	1,235.6	611.7	+12.4
	Expenses		(303.4)	(613.6)	(313.7)	(6.0)
	Banking profit		276.6	622.0	298.0	+6.4
Treasury Unit	Gross banking profit		201.7	295.3	232.3	+30.6
	Expenses		(10.2)	(21.0)	(11.6)	(1.0)
	Banking profit		191.5	274.3	220.7	+29.6
Headquarters	Gross banking profit		5.0	9.2	(22.2)	(7.9)
	Expenses		(44.4)	(93.1)	(43.3)	(3.6)
	Banking profit		(39.4)	(83.9)	(65.5)	(11.5)
Total	Gross banking profit		786.7	1,540.1	821.8	+35.1
	Expenses		(358.0)	(727.7)	(368.6)	(10.6)
	Banking profit		428.7	812.4	453.2	+24.5

Average loan balance and spread by business unit

	Balance	
	(JPY tn)	
	1H, FY3/14	YOY change*2
Domestic loans	46.9	+1.1
of which		
Consumer Banking Unit	14.9	(0.2)
Middle Market Banking Unit ³	16.8	+0.5
Corporate Banking Unit	12.1	+0.7
IBU's interest earning assets*4	USD 155.0 bn	+USD 12.5 bn

	Spread	
	(%)	
	1H, FY3/14	YOY change*2
Domestic loans	0.99	(0.05)
of which		
Consumer Banking Unit	1.41	(0.03)
Middle Market Banking Unit ³	0.99	(0.10)
Corporate Banking Unit	0.67	+0.01
IBU's interest earning assets*4	1.20	+0.04

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

*3 Excluding loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc. *4 Sum of loans, trade bills and securities

SMBC's gross banking profit by product*1

Gross banking profit by product

		(JPY bn)	1H, FY3/13	FY3/13	1H, FY3/14	YOY change*2
of which:	Income on domestic loans		230.6	459.9	225.4	(5.3)
	Income on domestic yen deposits		74.3	148.2	60.1	(3.5)
	IBU's interest related income*3		64.1	146.1	85.2	+6.5
Interest income			398.4	814.1	405.1	(3.8)
of which:	Investment trust		17.8	50.1	23.8	+6.0
	Single premium type permanent life insurance		6.8	12.4	3.3	(3.5)
	Level premium insurance		5.5	12.2	4.2	(1.3)
	Income related to financial consulting for retail customers		33.6	80.0	34.0	+0.4
of which:	Loan syndication		20.6	61.4	28.6	+8.0
	Structured finance*4		25.0	56.7	30.3	+5.3
	Real estate finance*4		14.2	29.4	11.7	(2.5)
	Income related to IB business*4		70.9	172.9	83.7	+12.8
of which:	Sales of derivatives		9.0	19.7	11.2	+2.2
	Money remittance, electronic banking		45.7	92.0	45.7	0.0
	Foreign exchange		21.6	43.3	21.4	(0.1)
	IBU's non-interest income*3		45.9	100.4	58.8	+4.1
Non-interest income			181.6	421.5	206.6	+16.2
Gross banking profit of Marketing units			580.0	1,235.6	611.7	+12.4

Adjustment for changes in interest rates and exchange rates, etc.: +19.3

Nominal YOY change : +31.7 ←

*1 SMBC non-consolidated. Managerial accounting basis *2 After adjustment for changes in interest rates and exchange rates, etc.

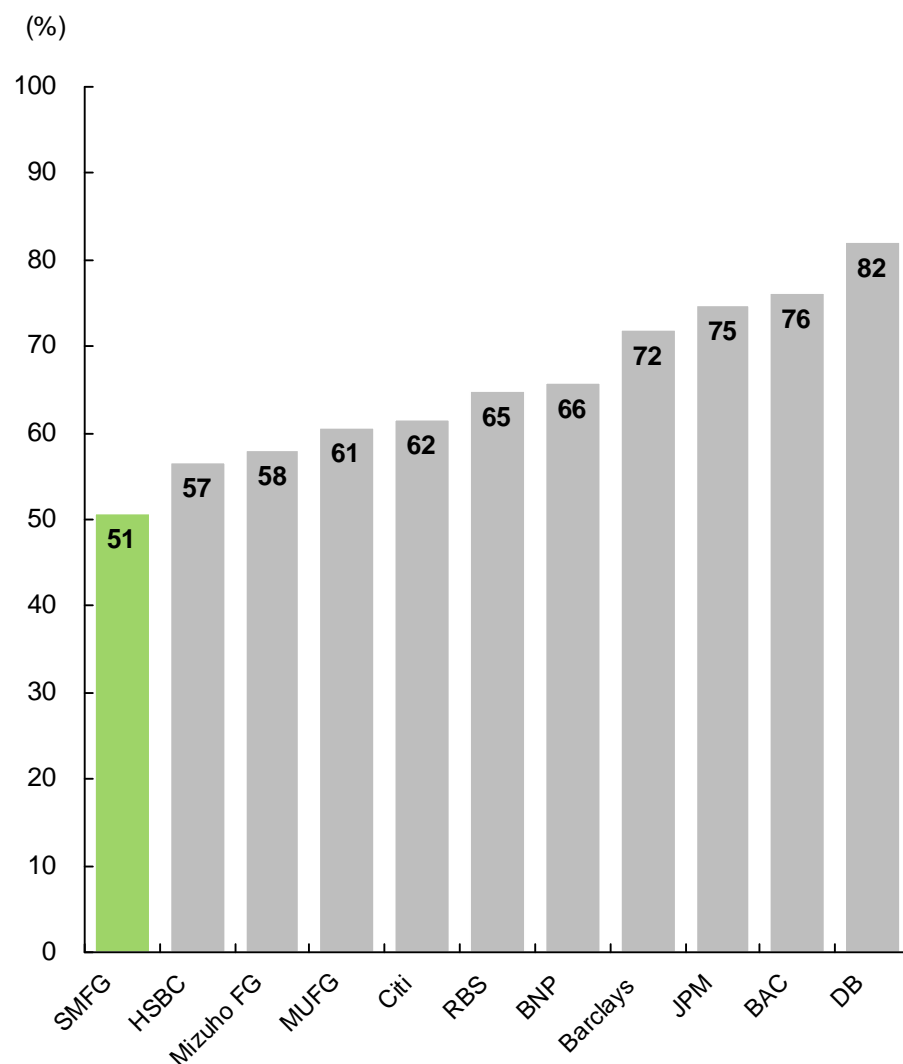
*3 Includes profit from Japanese corporations in Hong Kong Branch and Taipei Branch *4 Includes interest income

Expenses

Expenses, Overhead ratio ^{*1}

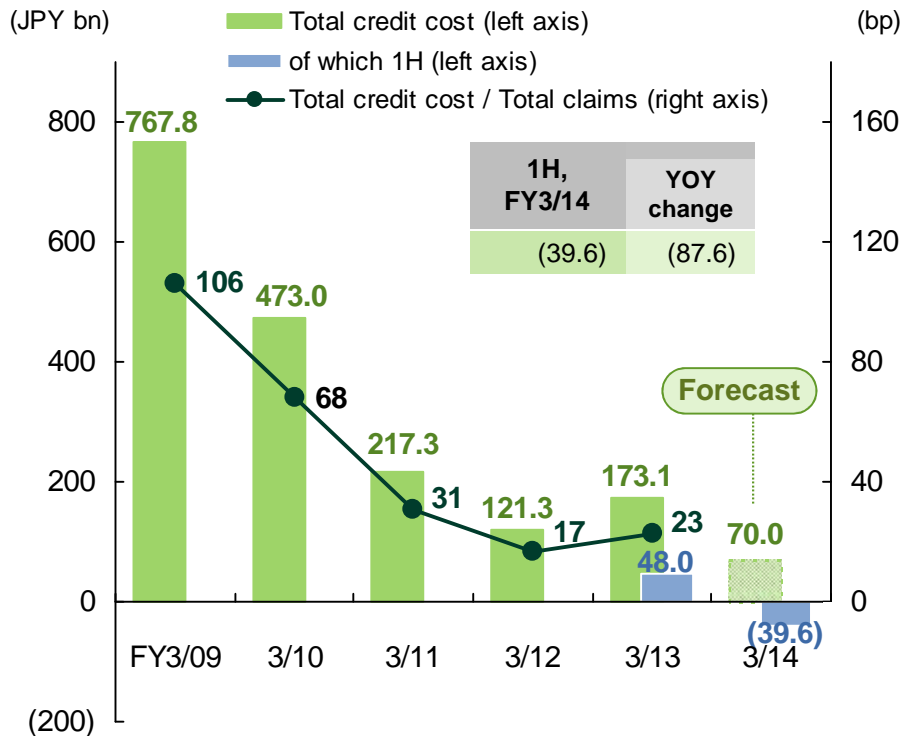
		(JPY bn)	1H, FY3/14	YOY change	FY3/14 forecast (revised in Nov. 2013)
SMFG consolidated	Expenses ^{*2}		(763.4)	(53.7)	
	Overhead ratio		50.6%	(1.1%)	
SMBC non-consolidated	Expenses		(368.6)	(10.6)	(740.0)
	Overhead ratio		44.9%	(0.6%)	48.1%

Overhead ratio (consolidated) ^{*3}

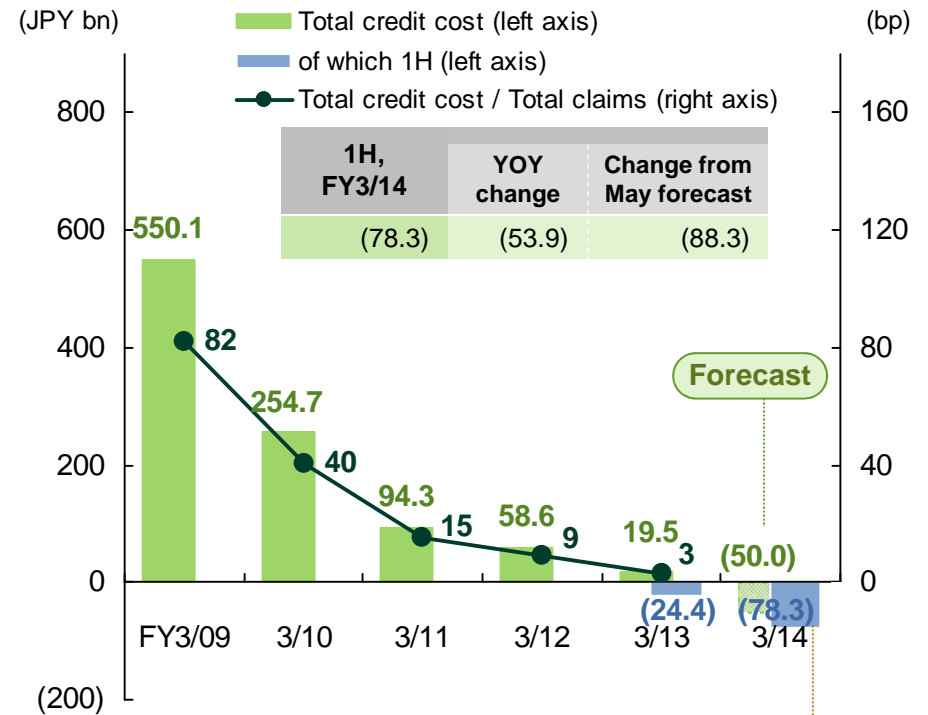


Credit costs

SMFG consolidated



SMBC non-consolidated



Variance between SMFG consolidated and SMBC non-consolidated*

	(JPY bn)	1H, FY3/14	YOY Change
Variance with SMBC non-consolidated		38.7	(33.7)
SMBC Consumer Finance		20	(0)
Cedyna		8	(1)
Kansai Urban Banking Corporation		7	(0)

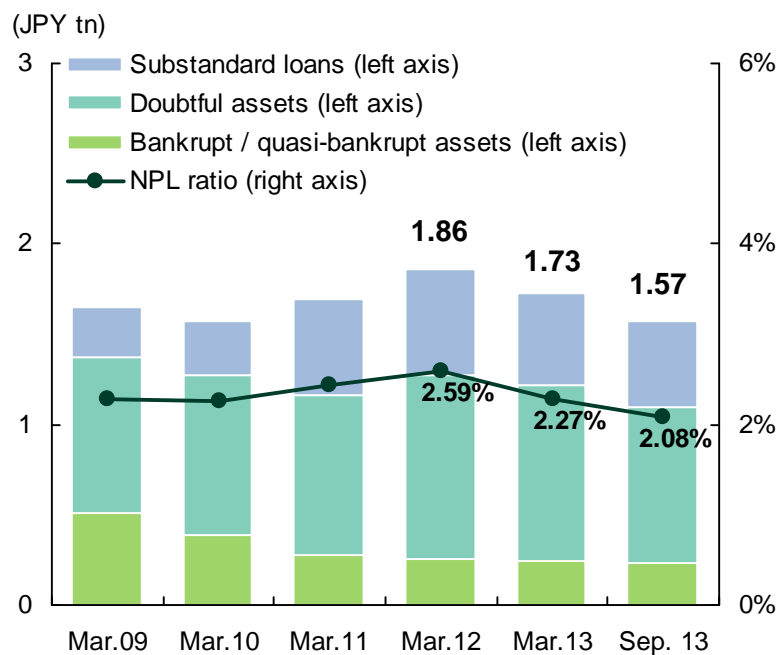
Recorded net reversal of total credit cost due to a minimal incurrence of such cost and a reversal of provisions made in previous years, as well as a decline in reserve ratio

* In round numbers

Non-performing loan balance and ratio

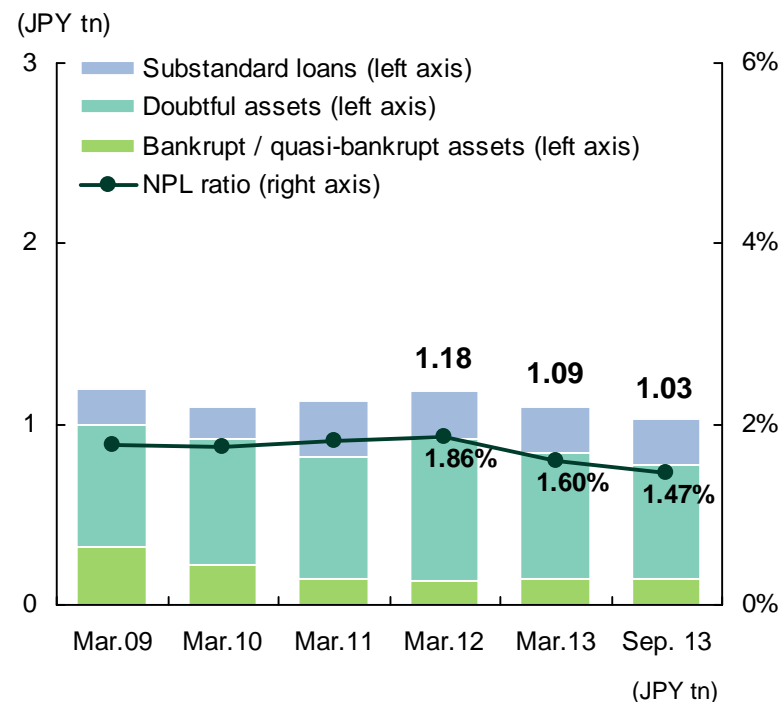
SMFG consolidated

	Mar. 13	Sep. 13
Coverage ratio	85.84%	85.15%



SMBC non-consolidated

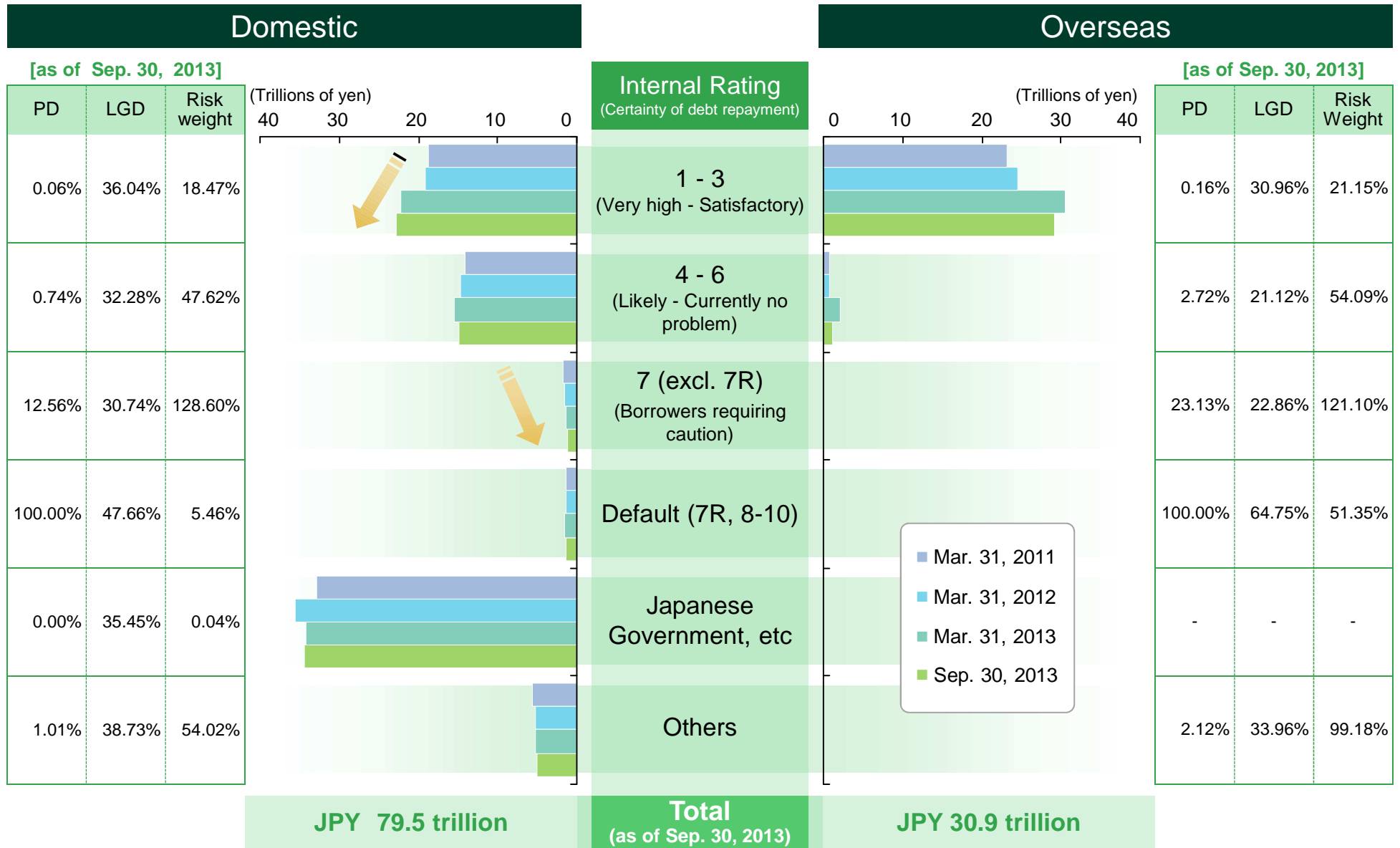
	Mar. 13	Sep. 13
Coverage ratio	92.63%	90.24%



Claims on borrowers requiring caution*	3.7	3.7	3.1	2.8	1.9	1.7
Total claims	67	63	62	64	68	70

* Excluding claims to Substandard borrowers

Corporate, sovereign and bank exposures



Overseas

[as of Sep. 30, 2013]

PD	LGD	Risk Weight
0.16%	30.96%	21.15%
2.72%	21.12%	54.09%
23.13%	22.86%	121.10%
100.00%	64.75%	51.35%
-	-	-
2.12%	33.96%	99.18%

(Trillions of yen)

0 10 20 30 40

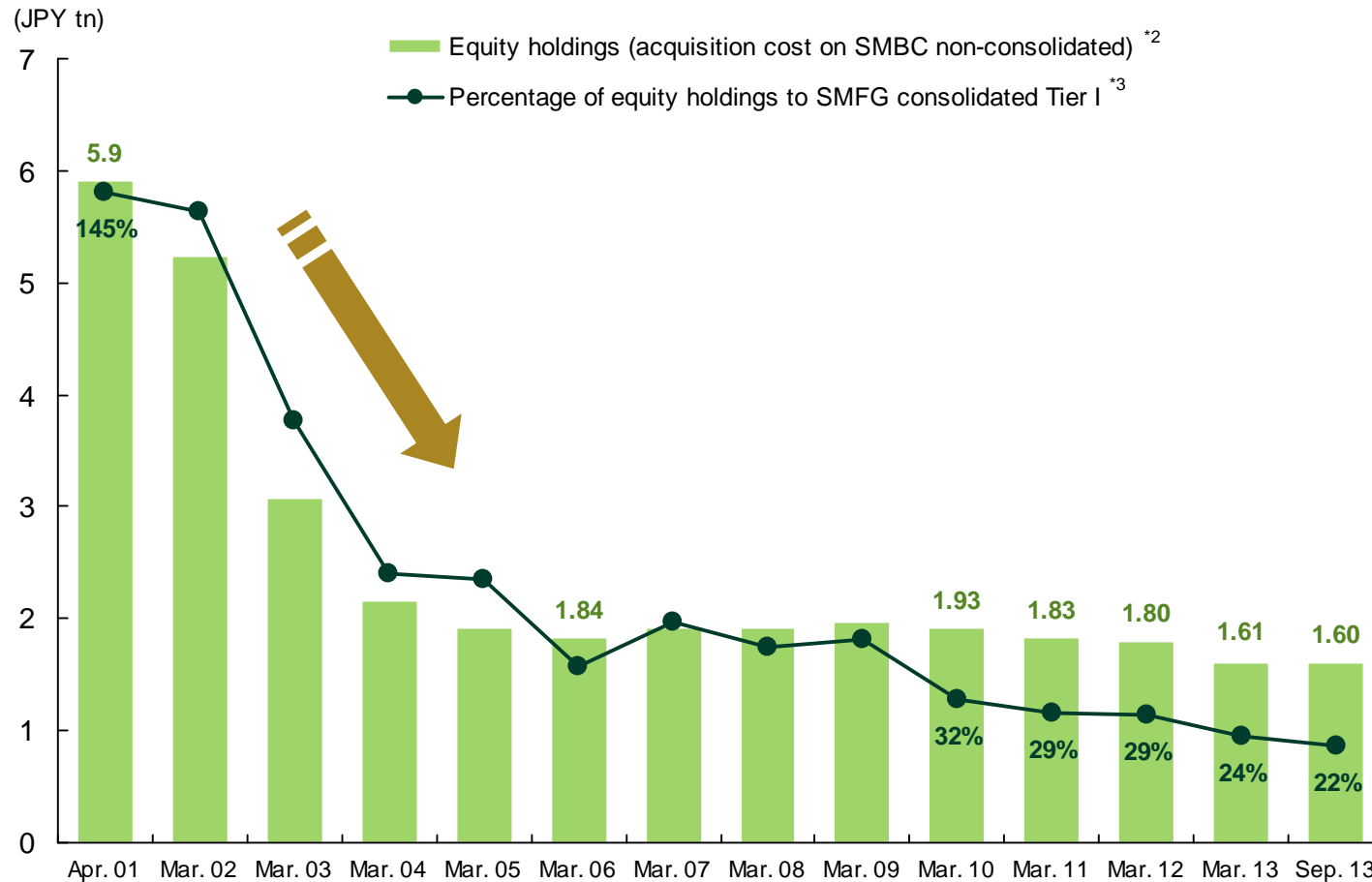
JPY 30.9 trillion

Total
(as of Sep. 30, 2013)

JPY 30.9 trillion

Equity holdings

Balance of equity holdings*1



*1 Balance of domestic listed stocks classified as other securities

*2 Amount of un-hedged equity. Shares of SMFG related to share exchange for acquiring former Promise are excluded

*3 Until Mar. 2002, percentage to SMBC consolidated Tier I. After Mar. 2013, percentage to SMFG consolidated Tier 1 based on Basel 3

Capital and risk-weighted assets (SMFG consolidated)

Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2013	Dec. 31, 2013
Common Equity Tier 1 capital (CET1)	5,855.9	6,555.6
of which:		
Total stockholders' equity related to common stock	5,585.9	6,270.5
Minority interests related to CET1	268.9	283.6
Tier 1 capital	6,829.0	7,625.2
of which:		
Eligible Tier 1 capital instruments (grandfathered)	1,463.3	1,463.3
Adjusted Minority interests related to Additional Tier 1	127.6	139.4
Foreign currency translation adjustments	(97.4)	(47.6)
Regulatory adjustments	(520.3)	(485.4)
Tier 2 capital	2,357.0	2,511.6
of which:		
Eligible Tier 2 capital instruments (grandfathered)	1,830.9	1,830.9
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount	506.6	725.6
Regulatory adjustments	(76.7)	(163.8)
Total capital	9,186.0	10,136.8
Risk-weighted assets	62,426.1	65,658.1
Common Equity Tier 1 capital ratio	9.38%	9.98%
Tier 1 capital ratio	10.93%	11.61%
Total capital ratio	14.71%	15.43%

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

(JPY bn)	Mar.31, 2013	Dec. 31, 2013
Variance with CET1 on a transitional basis		
Accumulated other comprehensive income	664.6	1,008.7
of which:		
Net unrealized gains on other securities	755.8	1,089.5
Minority interests (subject to be phased-out)	(129.6)	(135.0)
Regulatory adjustments related to CET1	(1,018.1)	(1,076.4)
Common Equity Tier 1 capital	5,372.8	6,352.8
Risk-weighted assets	62,062.8	65,191.9
Common Equity Tier 1 capital ratio	8.6%	9.7%

Preferred securities which become callable in FY3/14

Issuer	Issued date	Aggregate issued amount	Dividend rate*2	First call date*3	Step-up	
SMFG Preferred Capital USD2 Limited						
	May 2008	USD 1,800 mn	8.75%	Jul. 2013	None	Called Jul. 2013
SMFG Preferred Capital JPY2 Limited						
Series D	Dec. 2008	JPY 145.2 bn	4.76%	Jan. 2014	None	Called Jan. 2014
Series G	Jan. 2009	JPY 125.7 bn	4.65%	Jan. 2014	None	

*1 Based on the Mar. 31, 2019 definition

*2 For SMFG Preferred Capital JPY 2 Limited only, floating rate after the first call date

*3 Callable at any dividend payment date on and after the first call date, subject to the prior approval of FSA

Earnings forecast for FY3/2014

		(JPY bn)	FY3/13 results	FY3/14 forecast <as of Nov. 2013>	Change from May forecast	YOY change
SMFG <consolidated>	Ordinary profit	1,073.7	835.9	1,280	+250	+206.3
	Variance with SMBC non-consolidated	402.8	312.4	470	+120	+67.2
	Net income	794.1	505.7	750	+170	(44.1)
	Variance with SMBC non-consolidated	176.3	175.5	240	+90	+63.7

SMBC <non-consolidated>	Gross banking profit	1,540.1	821.8	1,540	-	(0.1)
	Expenses*1	(727.7)	(368.6)	(740)	-	(12.3)
	<OHR>	47.3%	44.9%	48.1%	-	+0.8%
	Banking profit*2	812.4	453.2	800	-	(12.4)
	Total credit cost	(19.5)	78.3	50	+130	+69.5
	Gains (losses) on stocks	(35.7)	76.5			
	Ordinary profit	670.9	523.5	810	+130	+139.1
Net income	617.8	330.2	510	+80	(107.8)	

Lower tax burden

Assumptions for earnings forecast*3

	May 2013 forecast	Nov. 2013 forecast
3M TIBOR	0.27%	0.23%
FF target rate	0.00 ~ 0.25%	0.00 ~ 0.25%
Exchange rate	(JPY/USD)	90
	(JPY/EUR)	125
		95
		130

Per share information (common stock)

(JPY/share)	FY3/14 forecast <as of Nov. 2013>	Change from May forecast
Net income (consolidated)	548.97	+120.57
Annual dividend	120	+10

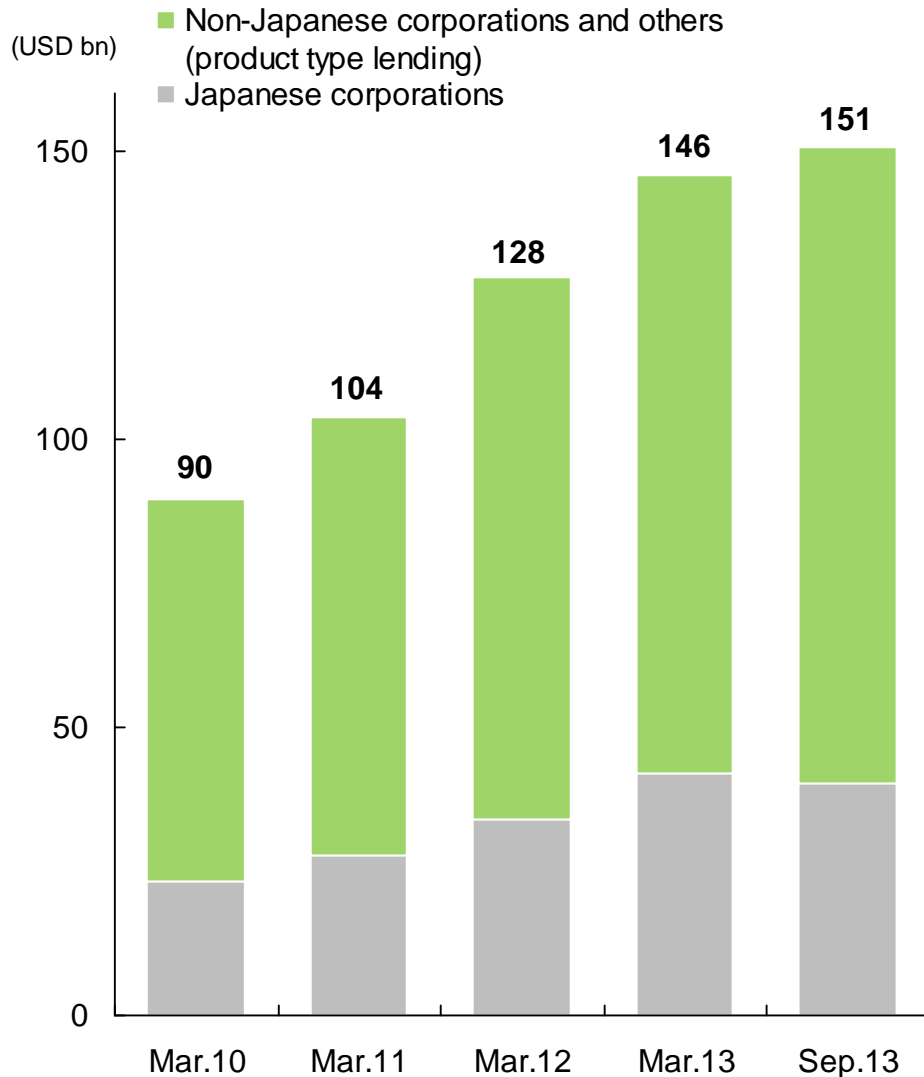
*1 Excluding non-recurring losses *2 Before provision for general reserve for possible loan losses

*3 Nominal GDP growth rate: FY3/2013 result was +0.3%; FY3/2014 forecast estimated by Japan Research Institute was +2.6% as of May, 2013 and 2.7% as of Nov., 2013
Nikkei stock average: JPY12,397.91 as of Mar. 29, 2013 and JPY14,455.80 as of Sep. 30, 2013.

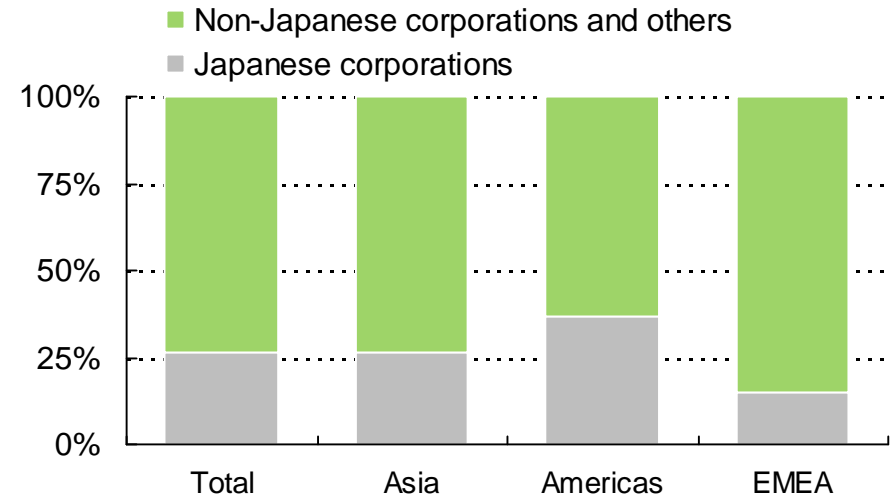
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

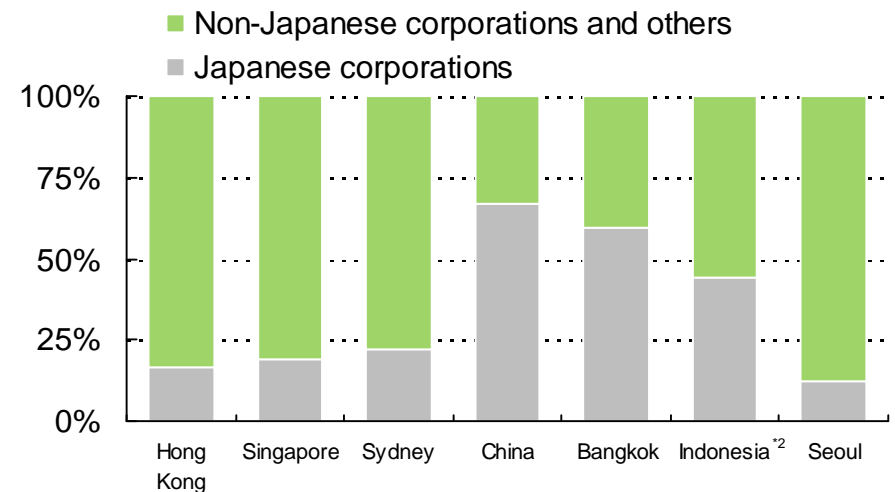
Total*¹



By region (Sep. 2013)*¹



Major marketing channels in Asia (Sep. 2013)*¹



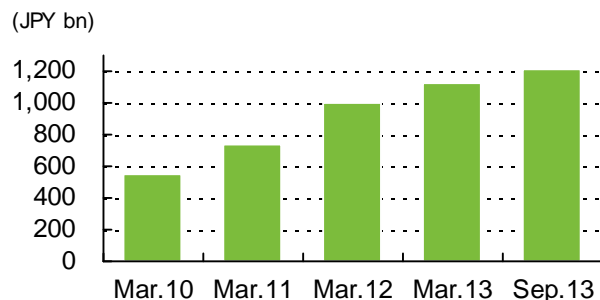
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Sum of SMBC and PT Bank Sumitomo Mitsui Indonesia

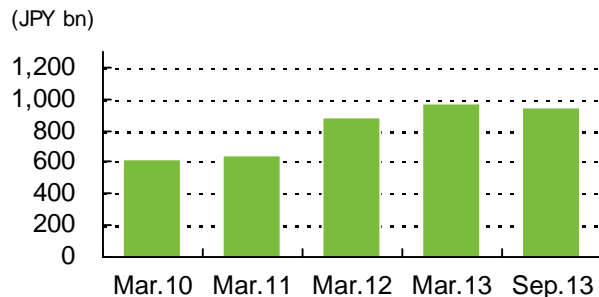
Loan balance in Asian countries

(Geographic classification based on borrowers' domicile)*

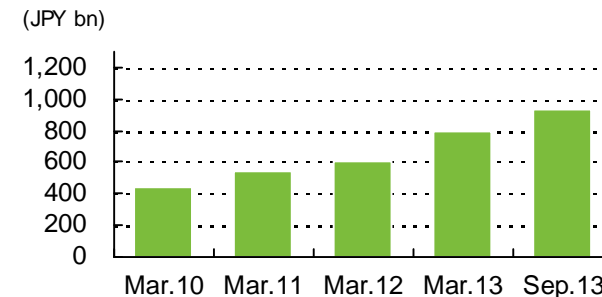
Hong Kong



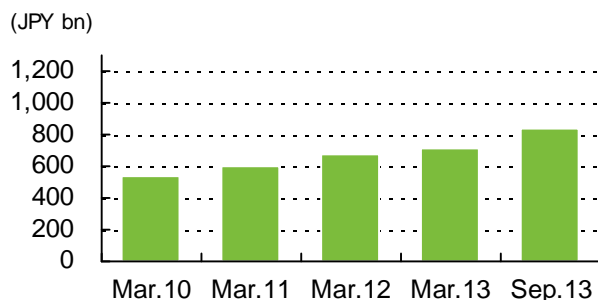
Singapore



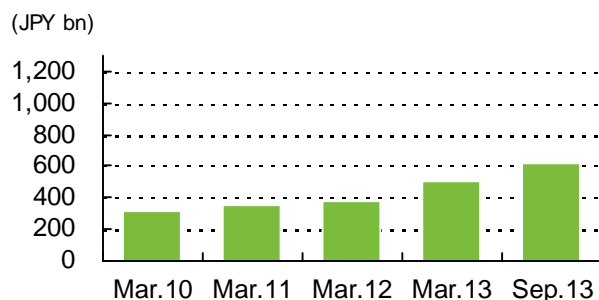
Australia



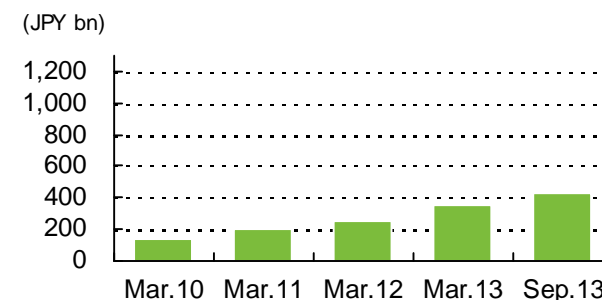
China



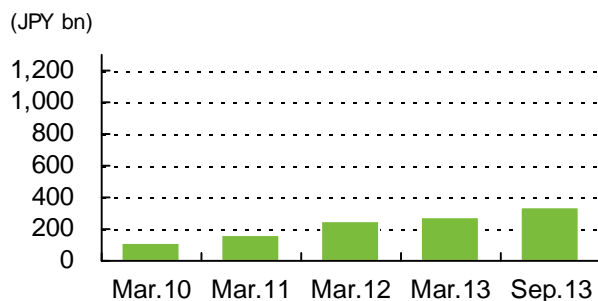
Thailand



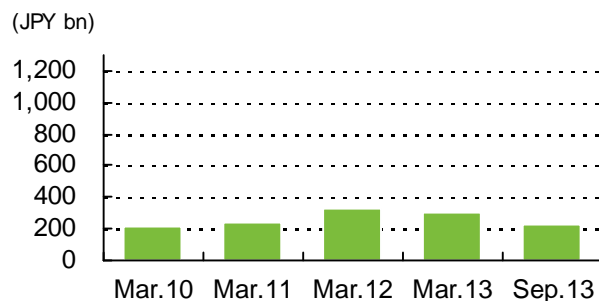
Indonesia



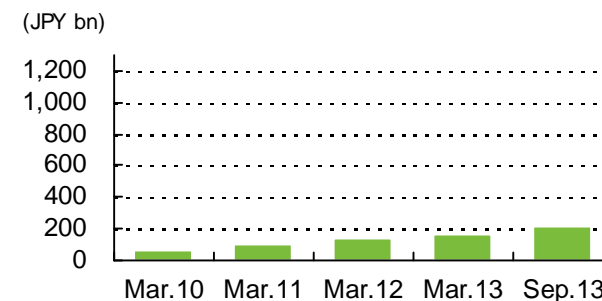
India



Korea

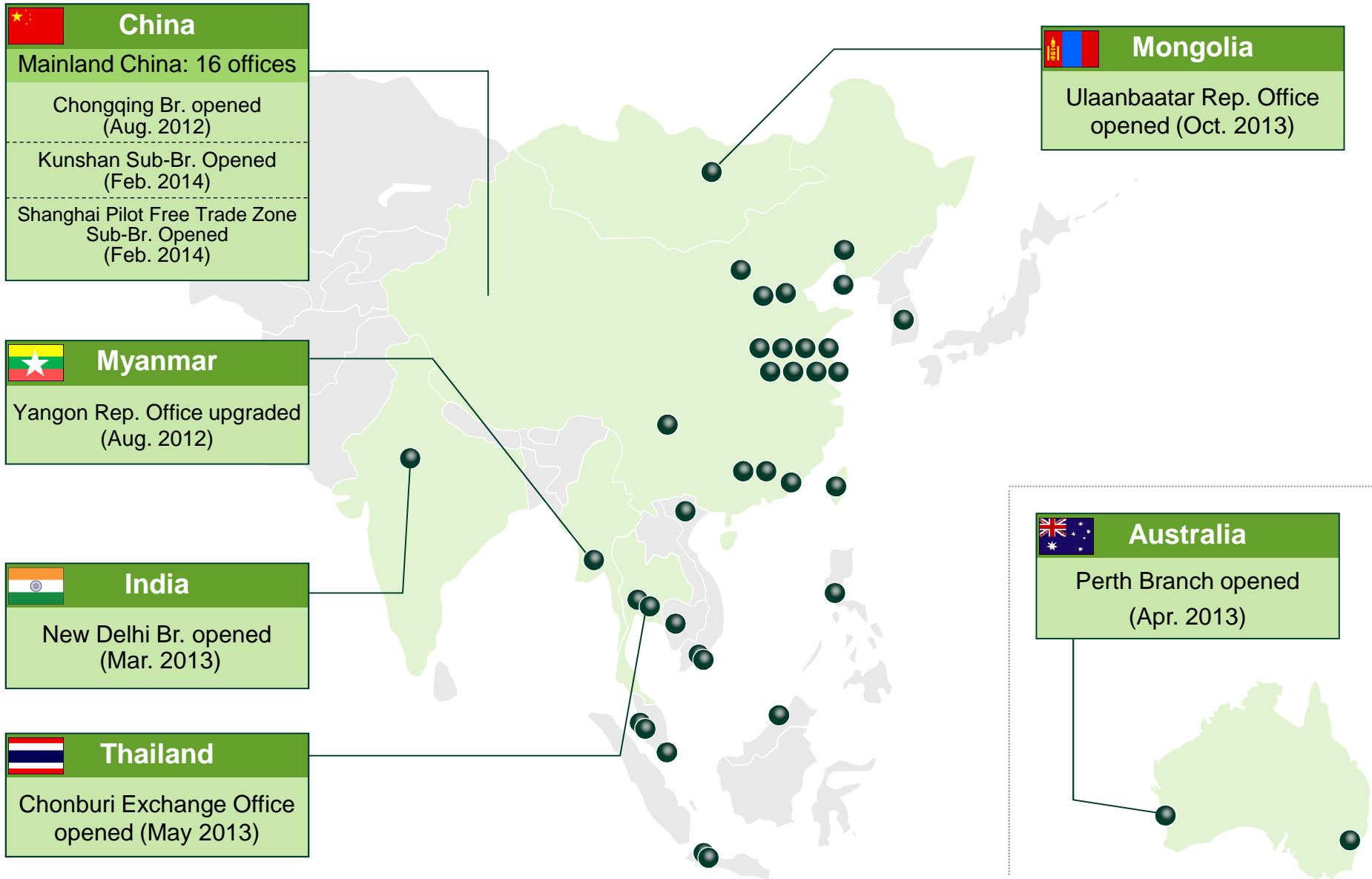


Taiwan



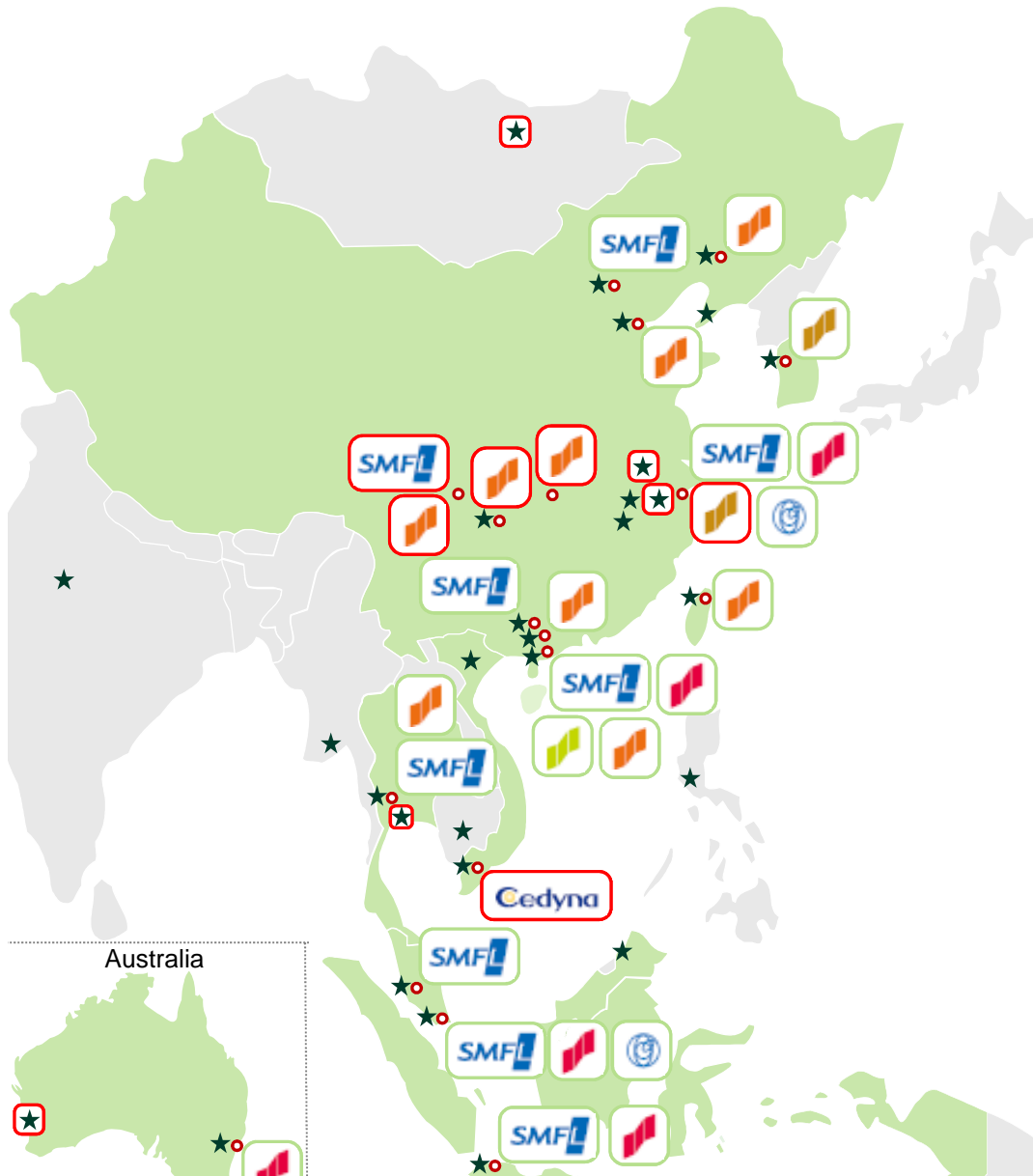
* Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC (China) and PT Bank Sumitomo Mitsui Indonesia. Loan balances are translated into JPY from each country's local currency at the exchange rate of Sep. 2013

SMBC's footprint in Asia*



* Channels opened since Apr. 2012 are listed above

SMFG's footprint in Asia



★: SMBC
 ○: Overseas offices of SMFG group companies other than SMBC.
 Red outline indicates commenced operations in FY3/2014

SMBC SUMITOMO MITSUI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 37 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	<ul style="list-style-type: none"> Hong Kong
SUMITOMO MITSUI CARD COMPANY, LIMITED	Prepaid card services	<ul style="list-style-type: none"> Seoul*2
	Consulting	<ul style="list-style-type: none"> Shanghai
Cedyne	Auto loans	<ul style="list-style-type: none"> Ho Chi Minh*3
SMBC CONSUMER FINANCE	Consumer finance	<ul style="list-style-type: none"> Hong Kong Shenzhen Shenyang Tianjin Chongqing Chengdu Wuhan Bangkok
	Loan management and collection	<ul style="list-style-type: none"> Taipei
The Japan Research Institute, Limited	Consulting	<ul style="list-style-type: none"> Shanghai
	System integration	<ul style="list-style-type: none"> Shanghai Singapore

*1 As of February 20, 2014. Includes SMBC's overseas offices and offices of major overseas subsidiary banks. 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 and AsiaPass Co., Ltd since Nov. 2012
 *3 Expanded auto loan business through alliance with Vietnam Eximbank since May 2013

Strategic partners in Asia

	Strategic partner*	Relationship since	Outline of alliance / cooperation
China	Bank of China	2000	Renminbi business cooperation
	Industrial and Commercial bank of China	1995	Ship finance business in China
	Agricultural Bank of China	2002	Funding activities in China
Korea	Kookmin Bank	2007	Mutual introduction of customers inside/outside Japan/Korea, Loan syndication, funding activities Invested in KB Financial Group, the holding company, in 2008
Taiwan	First Commercial Bank	2007	Local currency funding in China and Taiwan, usage of channel network
Hong Kong	Bank of East Asia	2008	Mutual introduction of customers in China and Hong Kong, credit card business, funding activities Invested in 2009 and 2012
Philippines	Metrobank	1995	Introduction of customers in Philippines, local currency transaction, usage of channel network. Established Japan desk in 2007
Vietnam	Vietnam Eximbank	2007	Retail and SME banking business in Vietnam Invested in 2008. Entered into technical service agreement in 2009
Malaysia	RHB Bank	1974	Local currency funding in Malaysia, transaction services, Islamic finance
Indonesia	Bank Tabungan Pensiunan Nasional	2013	Invested in 2013. Retail banking business in Indonesia
	Bank Central Asia	2009	Local currency funding in Indonesia, transaction services including CMS
Cambodia	ACLEDA Bank	2012	Usage of channel network in Cambodia, transaction services, trade finance. Technical assistance to Foreign Corporate Desk, consultation service department for Japanese companies, etc.
India	Kotak Mahindra Bank	2010	Asset management business in India such as establishing infrastructure fund, securities and investment banking business. Invested in 2010

* Banks in bold type denotes equity stake held by SMBC

Investment in BTPN / Vietnam Eximbank

BTPN

Investment overview

- SMBC acquired 24.26% stake of approx. USD 0.9 bn, IDR 6,500 per share, in May 2013
- SMBC plans to hold 40% stake subject to the approval by regulatory authorities
- An equity method affiliate of SMBC

Overview of BTPN

- Established in 1958 to serve retired military personnel through pension banking services
- Ranked 6th by market cap. among Indonesian banks

Asset



Pension banking

Loans to pension recipients



Micro-financing

Loans to small shop owners

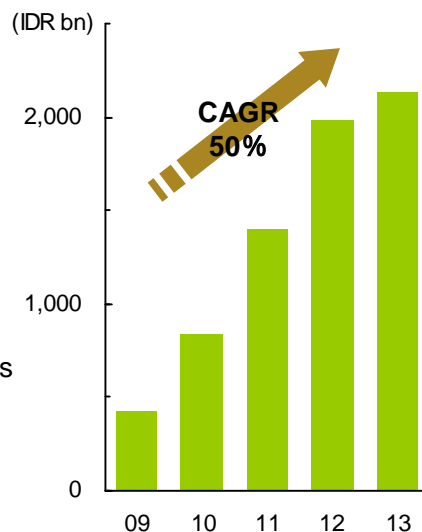
Liability



Deposit taking

Focus on wealthy customers

Consolidated net income



Vietnam Eximbank

Investment overview

- Acquired 15% stake in May 2008
- An equity method affiliate of SMBC
- Delegates a board member and staffs

Business alliance

- SMBC collaborates and provides technical assistance for retail and wholesale banking, risk management, IT, etc.
 - Technical assistance
 - Employee training
 - IT system
 - Risk management
 - Business collaboration
 - Introduce Japanese corp. to acquire employees' accounts
 - Collaborate to provide cash management service
 - Collaboration with Cedyna (auto loan)
 - Promote business matching



SMBC Aviation Capital / SMBC Rail Services

SMBC Aviation Capital 1H, FY3/2014 results

1H, FY3/2014 results

(USD mn)	1H, FY3/14	FY3/13 (10 months) ^{*2}
Total revenue^{*1}	421	576
Net income	104	132
Aircraft assets	8,071	7,288
Net assets	1,179	1,078

Initiatives

- Realize “One Stop Shop” structure among three shareholders in order to meet various needs of the aircraft industry and aircraft investors
- Capture increasing aircraft demand by leveraging economies of scale
- Build sustainable profit structure through a “Buy and sell” business model

Ranking by number of aircraft^{*3}

	Leasing company	Nationality	No. of aircrafts
1	GECAS	U.S.	1,742
	ILFC + AerCap	-	1,330
2	ILFC	U.S.	1,033
3	BBAM	U.S.	332
	SMBC AC + Sumisho Aircraft Asset Mgmt		318
4	AerCap	Netherlands	297
9	SMBC AC	Ireland	232
23	Sumisho Aircraft Asset Mgmt	Netherlands	86

SMBC Rail Services

- Acquired Flagship Rail Services, LLC, the ninth largest railcar leasing company in the U.S., from Perella Weinberg Partners Asset Based Value Strategy
- Aim for expand U.S. business and diversify business portfolio

Head office location	Chicago, Illinois, U.S.A.
Founded	2006
Total assets	approx. USD 1.1 bn (estimate, Dec. 31, 2013)
Number of cars	approx. 15,000

*1 Leasing revenue + gains (losses) on sales of aircrafts

*2 Excludes assets of SMFL Aircraft Capital Corporation B.V., SMFL Aircraft Capital Japan Co., Ltd., Sumisho Aircraft Asset Management B.V.

*3 As of Dec. 31, 2012 (Source: Flightglobal Insight “Aircraft Finance 2013”)

SMBC Nikko Securities

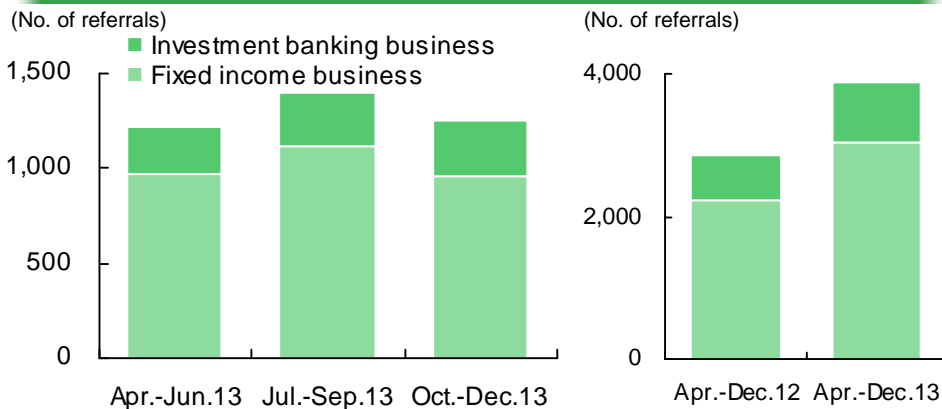
Financial results (consolidated)

(JPY bn)	FY3/2013	Apr.-Dec. 2013	YOY change
Net operating revenue	274.7	257.2	+82.2
SG&A expenses	(200.2)	(171.7)	(30.7)
Ordinary income	75.7	86.4	+51.6
Net income	45.7	54.4	+35.5

Synergies between SMBC and SMBC Nikko

- Expanded bank-securities integration in Oct. 2013
(Doubled number of offices. SMBC: 31 offices, SMBC Nikko: 22 offices)
- Established a new bank-securities dual-role department in Nov. 2013

Number of referrals from SMBC to SMBC Nikko *1



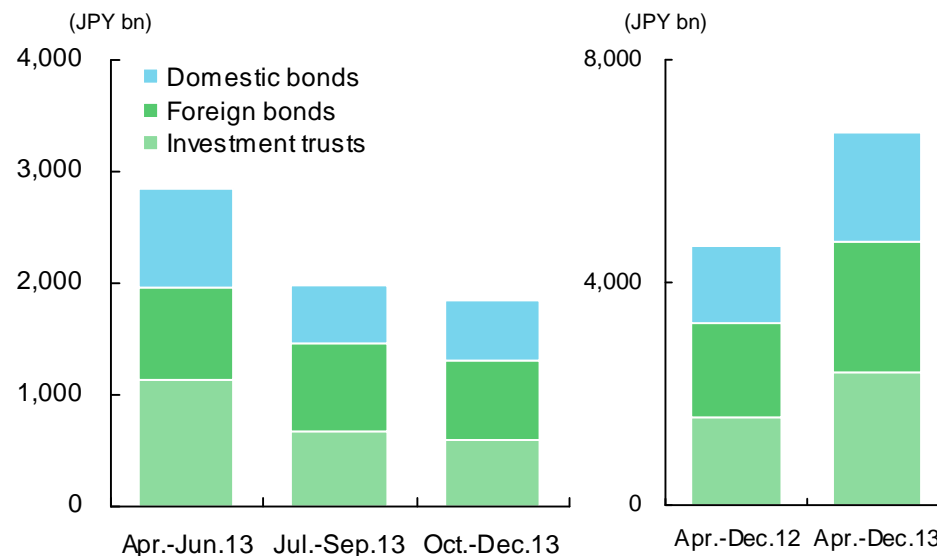
League tables (Apr.-Dec. 2013)

- SMBC Nikko Securities was awarded "Yen Bond House of the Year 2013" by *International Financing Review*



	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*2	#3	14.5%
JPY denominated bonds (lead manager, underwriting amount)*3	#5	14.4%
Financial advisor (M&A, transaction volume)*4	#5	15.3%
Financial advisor (M&A, No. of deals)*4	#4	2.4%

Product Sales



*1 Excludes number of referrals between offices conducting bank-securities integration model as a trial run

*2 Source: SMBC Nikko, based on data from Thomson Reuters. Japanese corporate related only

*3 Source: SMBC Nikko. Consisting of corporate bonds, FILP agency bonds, municipality bonds, and samurai bonds

*4 Source: Thomson Reuters. Japanese corporate related only. Excluding real estate deals

Business strategy for FY3/2014

	Macro trends	Present	Strategic initiatives
Consumer banking	<ul style="list-style-type: none"> ● Savings to investment ● Era of inheritance ● IT and internet society 	<ul style="list-style-type: none"> ● Leading financial consulting business model ● Strong retail securities business platform as a result of acquiring SMBC Nikko Securities 	<ul style="list-style-type: none"> ● Bank-securities integration model ● Strengthen inheritance related business
Corporate banking	<ul style="list-style-type: none"> ● Less deflationary pressure, recovery of financing demand ● Large corps: international business expansion ● Mid-sized corps and SMEs: overseas market entry ● Emerging needs of business succession planning 	<ul style="list-style-type: none"> ● Solution-based business for corporates ● Business support for mid-sized corps and SMEs ● High asset quality 	<ul style="list-style-type: none"> ● Proactively provide financing ● Accommodate global expansion and business restructuring ● Support growing industries
International	<ul style="list-style-type: none"> ● Emerging markets incl. Asia: high growth, increasing needs for infrastructure ● U.S.: economic recovery ● Europe: less fear of sovereign debt crisis ● Japanese banks: increasing presence 	<ul style="list-style-type: none"> ● Rapid growth of international business - Overseas banking profit ratio: FY3/10: 20% → FY9/13: 32% 	<ul style="list-style-type: none"> ● Multi-Franchise strategy ● Sustainably expand existing business

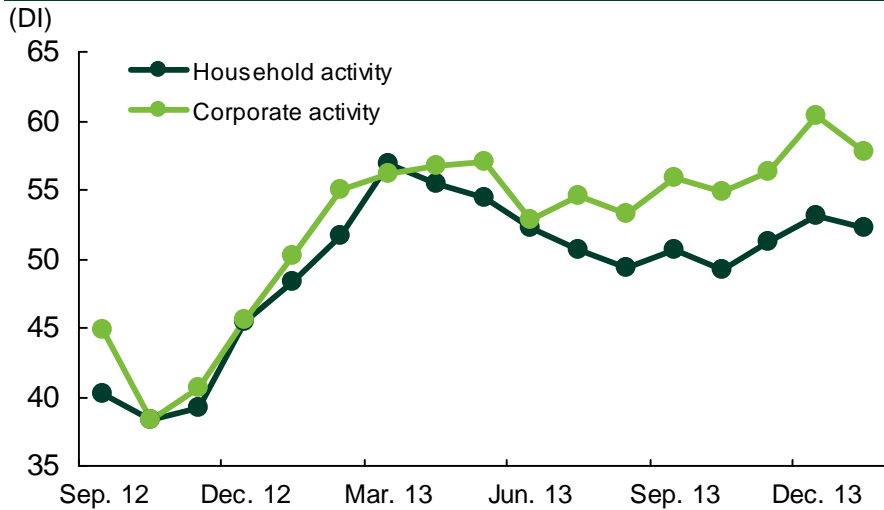
Targets of “Japan Revitalization Strategy” (Released Jun. 2013)

	Goals	Numerical targets	Current level	Time period	SMFG's initiatives
Unleash the power of the private sector to the fullest extent					
Expand private investment and promote business restructuring	Domestic CAPEX	JPY 70 tn	JPY 63 tn	in next 3 yrs	- Utilize loan support program of BOJ - Enhance advisory capabilities
Create new businesses	Business startup rate vs. closure rate	10% range	5%	-	
Create and develop a good health and longevity industry	Ease of doing business ranking	top 3 (in OECD)	#15	2020	- Affiliated loan for nursing homes - Health care REIT - Regenerative medicine fund
	Market for health promotion etc.	JPY 10 tn	JPY 4 tn	2020	
Turn agriculture, forestry and fishery into growth industries	Market for medicines etc.	JPY 16 tn	JPY 12 tn	2020	
	Market for “the sixth industry”	JPY 10 tn	JPY 1 tn	2020	
Develop energy industry	Exports of agricultural, food products etc.	JPY 1 tn	JPY 450 bn	2020	- Agriculture fund
	Income of farmers/ farming communities	Double	-	in next 10 yrs	
Develop social infrastructure	Domestic and international market share of energy-related industries	JPY 26 tn (domestic JPY 10 tn)	JPY 8 tn	2020	- Project finance for solar energy projects
Propel innovation using IT	Size of PPP/PFI	JPY 12 tn	JPY 4.1 tn	in next 10 yrs	- PFI
	Level of public data disclosures	dataset over 10,000	-	end of 2015	- Enhance diversity
Participation by all & foster human resources who can succeed in the global competition					
Fully utilize “power of women”	Employment rate of women	73%	68%	2020	
Move labor without unemployment	Unemployed for more than six months	decrease by 20%	-	in next 5 yrs	
Unlock full potential of universities	Ranking of Japanese universities	10+ to rank in top 100	-	in next 10 yrs	
Create New Frontiers					
Create a “country that continues to succeed through technology”	Global innovator World Economic Forum rankings	#1	#5	in next 5 yrs	
Tap into growth of emerging countries (economic partnership, etc.)	Trading FTA ratio	19%	70%	By 2018	- Trade finance - Project finance
	Export amount by SMEs	X2 from 2010 level	-	2020	
Capture share of world's infrastructure	Infrastructure sales	JPY 30 tn	JPY 10 tn	2020	
	Overseas sales of broadcast contents	X3	JPY 6.3 bn	By 2018	
Promoting Cool Japan etc.	Foreign companies' direct investment	JPY 35 tn	JPY 17.8 tn	2020	
	Number of foreign visitors	above 30 mn	-	2030	
Others					
Expand SMEs	No. of companies expand overseas	add 10,000	-	in next 5 yrs	- Overseas expansion advisory
	Number of profit-making SMEs	1.4 mn	0.7 mn	2020	
Focus on Infrastructure management	Next-gen intelligent infrastructures	Domestic JPY 16 tn	JPY 2 tn	2020	

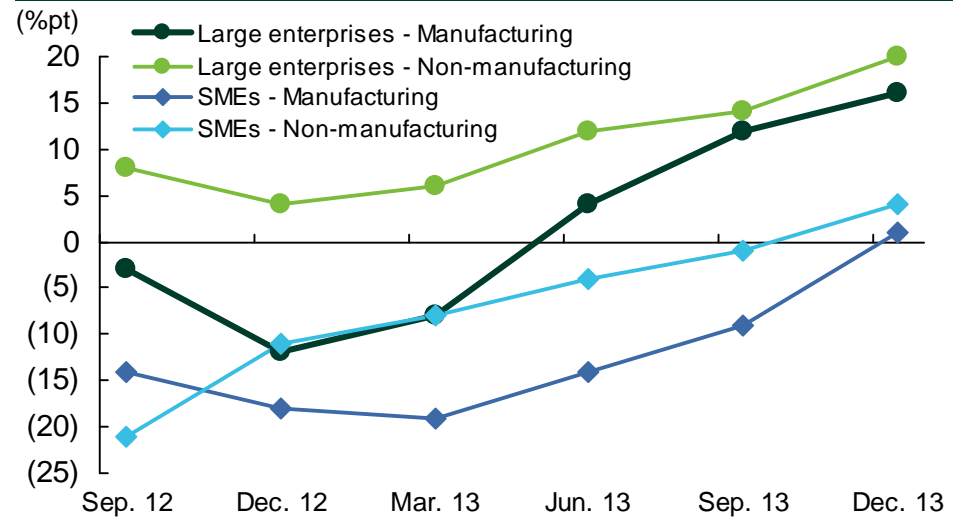
* Source: Prime Minister of Japan and His Cabinet “Japan Revitalization Strategy - Japan is Back -”

Current Japanese economy

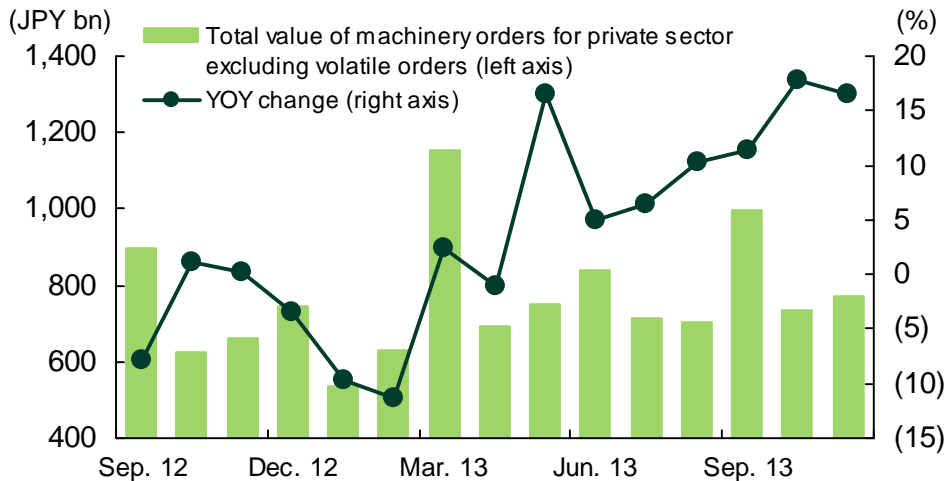
Economy watchers survey*1



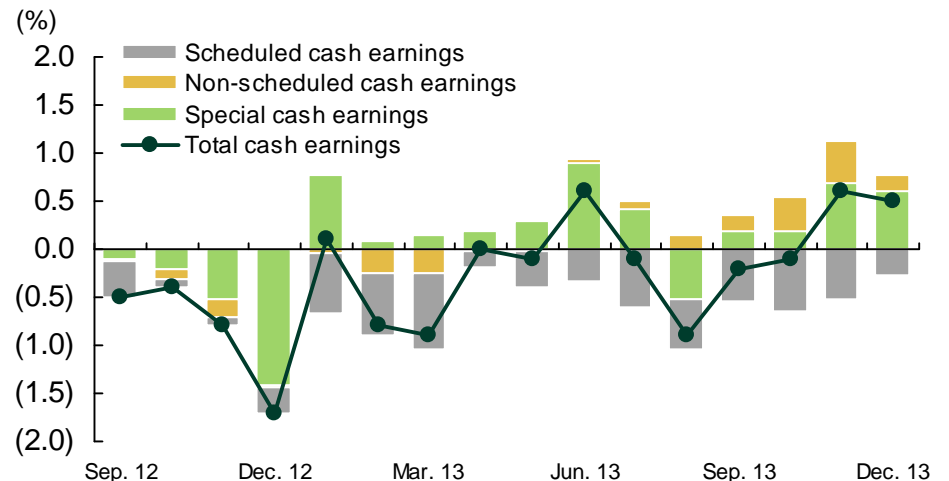
BOJ Tankan survey - Business conditions DI*2



Orders received for machinery*3



Employee earnings (YOY change)*4



*1 Source: Cabinet Office. Diffusion index for current economic conditions
 *2 Actual results. Diffusion index of "Favorable" minus "Unfavorable"
 *3 Source: Cabinet Office. Original series (Volatile orders = orders for ships and those from electric power companies)
 *4 Source: Ministry of Health, Labour and Welfare "Monthly Labour Survey"

Overview of “Abenomics”

Policies : Three arrows

Aggressive monetary policy

- 2% inflation target
- Quantitative and qualitative monetary easing
 - ✓ Main operating target: monetary base
→ 270 trillion yen in 2014 (double from 2012)
 - ✓ Average duration and balance of JGB:
→ double from 2012
(monthly purchase 7+ trillion yen)
 - ✓ Purchase ETFs and J-REITs

Flexible fiscal policy

- Create “15 months budget” by coupling FY2013 budget with 10.3 trillion yen FY2012 supplementary budget
- Implement flexible economic / fiscal policy in next 2-3 years
- Large scale public investment based on national land reconstruction plan
- Achieve primary balance surplus in 2020

Growth strategy encouraging private sector investment

- Aim to become “trading / industrial investment nation” within 5 years
- Deregulate aggressively / reduce corporate tax rate
- Extend overseas investments, promote economic partnership agreements (TPP), and international natural resources strategy

Targets

- Ease excessive yen appreciation
→ Recover exports
- Improve stock price
→ Increase domestic demand

+

- Support demand

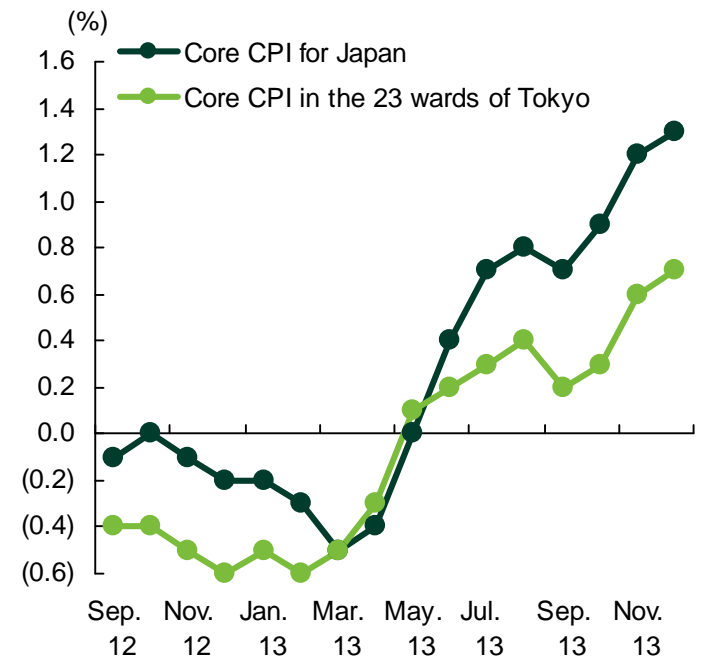
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- Boost competitiveness of Japanese corporations

Exit deflation/ Economic recovery

- Achieve nominal GDP growth rate of approx. 3% p.a.
- Increase per capita nominal Gross National Income by over 1.5 million yen

Consumer price index (YOY change)*



* Source: Statistics Bureau. Core CPI: all items, less fresh foods

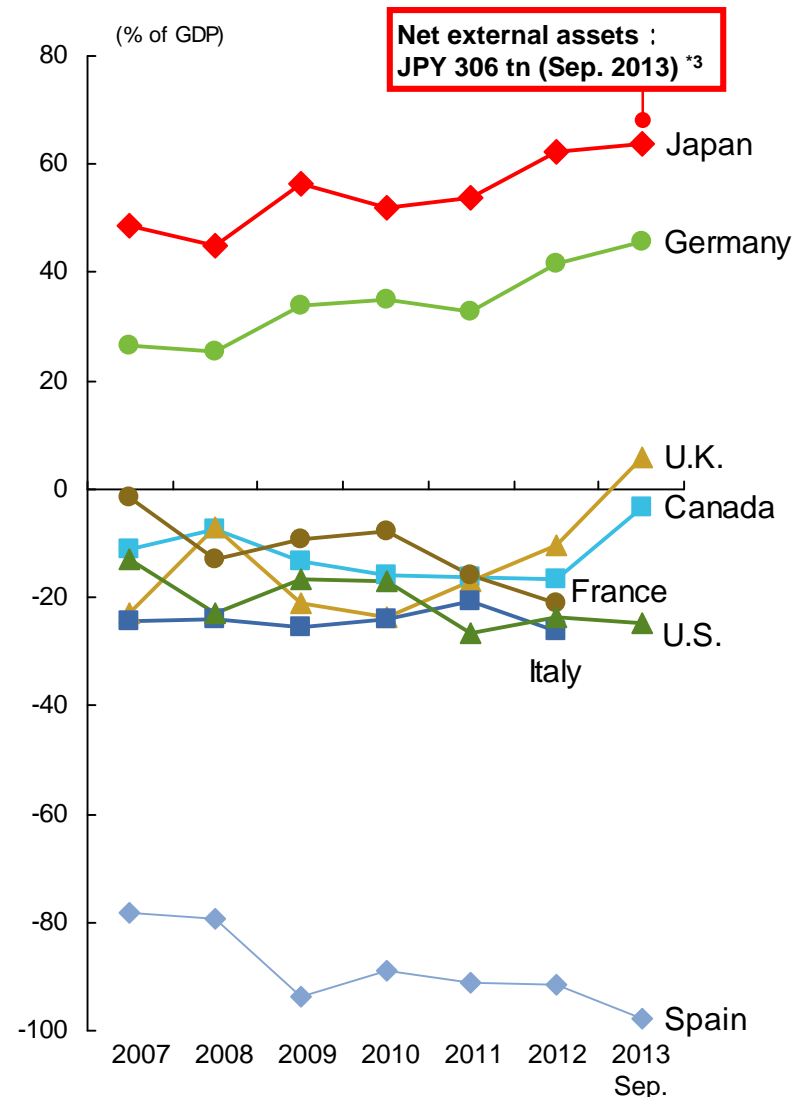
Japanese national wealth

Balance sheet of Japan (as of Dec. 2012, JPY tn)^{*1}

Closing Assets		8,685	Closing liabilities plus net worth		8,685
Households	2,586		Households	354	
Financial assets	1,554		Non-financial corporations	1,210	
Non-financial assets	1,033		Stocks	421	
Land	686		Financial corporations	2,961	
Non-financial corporations	1,860		Stocks	121	
Financial assets	848		General government	1,131	
Non-financial assets	1,012				
Land	277		Closing liabilities	5,685	
Financial corporations	3,050		Net worth	3,000	
General government	1,093		Households	2,233	
Financial assets	518		Non-financial corporations	650	
Financial assets	5,981		Financial corporations	89	
Non-financial assets	2,704		General government	(39)	


To Nominal GDP: 238.8%

Net international investment position^{*2}



*1 Source: Cabinet office *2 Source: IMF.Stat *3 Preliminary estimate

Meeting international financial regulations

Target institutions	Regulations	Contents of regulation	Effective date	Action taken & impact on SMFG
 G-SIFIs	G-SIFIs capital surcharge G20	<ul style="list-style-type: none"> Required for additional loss absorption capacity above the Basel III minimum 	2016	Requirement for SMFG to be 8% on a fully-loaded basis. Achieved 8% CET 1 ratio by the end of Mar. 2013
	Recovery and Resolution Plan G20 US UK	<ul style="list-style-type: none"> SMFG Group Recovery Plan Resolution Plan related to US operations SMBCE's Recovery Plan 	Submitted Submitted Submitted	Work in accordance with each respective due dates
Internationally active banks	OTC derivatives markets reforms G20 US	<ul style="list-style-type: none"> Centralizing of OTC derivatives clearing Margin requirement for non-centrally cleared derivatives 	Dec. 2012 Jan. 2015 US: Jul. 2012	Taking actions needed although impact will be smaller compared to investment banks
	Limitation on banking activities / Ring fencing regulation EU US	<ul style="list-style-type: none"> Ring-fenced banks prohibited from providing certain services and required to be isolated from the rest of the financial group in UK and EU 	TBD	No retail business in UK and EU (although paying close attention to the discussion)
		<ul style="list-style-type: none"> Depository institution and its affiliates prohibited from proprietary trading, sponsorship and ownership in fund in US Requirements for foreign banking organizations (FBO) 	Jul. 2014 (full implementation) Jul. 2016	Business related to regulation is limited. Paying close attention to discussions
Bank Levy EU	<ul style="list-style-type: none"> Financial Transaction Tax (FTT) 	After mid-2014	While details of regulation remain unclear, the impact is assumed to be manageable	
Domestic banks	Capital requirement G20	<ul style="list-style-type: none"> Required to raise the level and quality of the capital and enhance risk coverage under Basel III 	2013	Achieved our target of 8% CET 1 ratio by Mar. 2013, one year ahead of schedule
	Fundamental review of trading book	<ul style="list-style-type: none"> Strengthened capital standards for market risk, such as reviewing the trading book / banking book boundary for capital regulation 	TBD	Second consultative paper released. Paying attention to discussions
	Leverage ratio requirement G20	<ul style="list-style-type: none"> Non-risk-based measure based on "on- and off-accounting balance sheet items" against Tier 1 capital. Minimum requirement: 3% (transition period commenced in 2011) 	2018	Currently have no issues in meeting requirements although paying attention to national finish
	Minimum standards for liquidity (LCR / NSFR) G20	<ul style="list-style-type: none"> LCR: Required to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. > =100% needed 	2015	In good position due to domestic deposit base. Intend to further strengthen foreign currency ALM
		<ul style="list-style-type: none"> NSFR: Required to maintain a sustainable maturity structure of assets and liabilities > 100% needed 	2018	
Other regulations G20	<ul style="list-style-type: none"> Strengthen the oversight and regulation of the shadow banking system illustrated such as MMFs, repos and securitizations Large exposure regulation 	TBD Jan. 2019	FSB's August proposal to apply haircut floors on repo transactions excluded JGBs as applicable collateral Paying attention to final large exposure rules to be public in March	

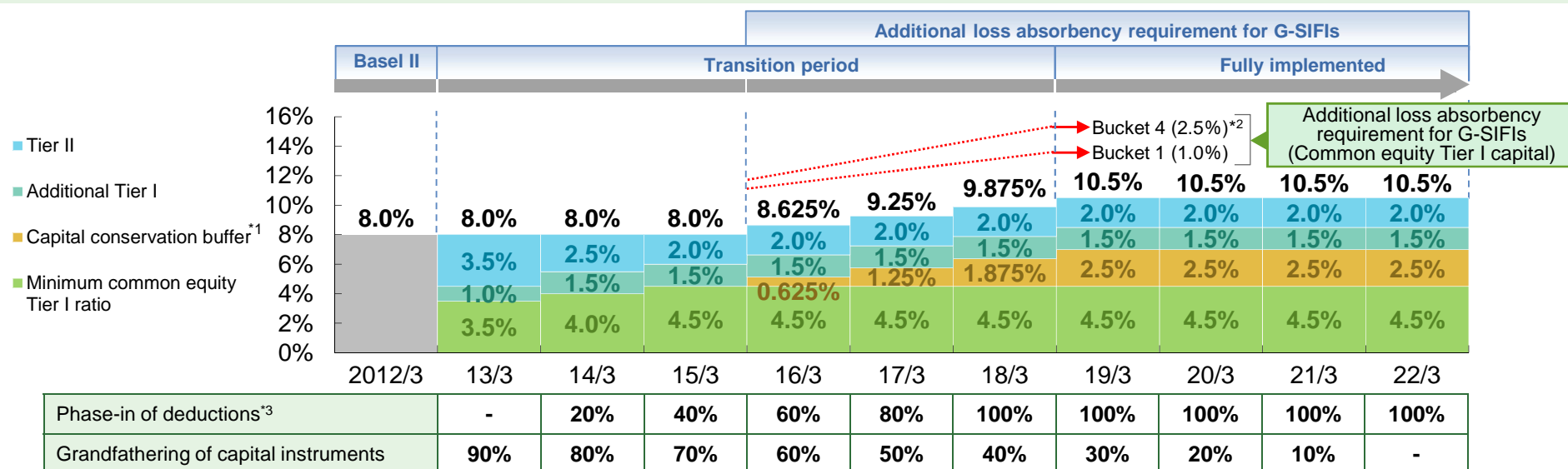
Able to meet requirements easily

Able to meet requirements

Impact unclear

Application of Basel III

- Capital requirements have been phased-in since March 2013 in line with international agreements
- Leverage ratio and liquidity requirements (liquidity coverage ratio, net stable funding ratio) are planned to be published according to adoption schedule
 - No additional buffers anticipated on top of minimum Basel requirement in Japan
 - Able to pass Basel requirement easily according to provisional calculation based on current draft rules



Regulations to be finalized (Schedule based on consultative and ruling documents published by the Basel committee)

Leverage ratio	2015/1 : Start disclosure		2018/1 : Migration to pillar 1 (minimum:3%)			
	1 st half 2017 : Final adjustments to definition and calibration					
Liquidity coverage ratio (LCR)	Phased-in from 2015/1	2015/1 60%	2016/1 70%	2017/1 80%	2018/1 90%	2019/1 100%
Net stable funding ratio (NSFR)	Until mid 2016: Observation period					2018/1 : Full implementation

*1 Drafts on other rules to be implemented after 2014, such as rules on capital buffers and liquidity standards, will be published at a later stage

*2 With an empty bucket of 3.5% to discourage further systemicness

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

Public support and point of non-viability in Japan

Measures		Systemic risk	Subject entities	Status of targeted institution	Point of non-viability	No. of cases
Existing measures	Act on Special Measures for Strengthening Financial Functions <i>Pre-emptive capital injection</i>	Not Required	Banks and BHCs	<u>Not</u> failed*2 or with negative net worth	No	27
	Measure under Item 1 <i>Pre-emptive capital injection</i>	Required (Credit system in Japan or in a certain region)		Non Item 2 or 3 measure financial institutions (undercapitalized)	No	1
	Measure under Item 2 <i>Financial assistance exceeding payout cost</i>		Banks only	Failed <u>or</u> with negative net worth	Yes	-
	Measure under Item 3 <i>Nationalization</i>			Failed <u>and</u> with negative net worth	Q&A published by FSA on Dec. 12, 2012	1
Measures to be newly implemented*1	Article 126-2 of DIA Specific measure under Item 1 <i>Liquidity support</i> <i>Pre-emptive capital injection</i>	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	<u>Not</u> with negative net worth		[No]*4
	Specific measure under Item 2 <i>Financial assistance</i>			With <u>negative net worth, etc.</u> *3	[Yes]*4	

*1 Scheduled to come into effect by Mar. 2014 *2 Failed: ceased or likely to cease repaying its deposit.

*3 Negative net worth, etc.: to be or likely to be with negative net worth or to be or likely to be unable to pay its debts as they become due

*4 According to the draft of related cabinet office ordinance published by FSA on 13 Dec., 2013, contractual bail-in options attached to subordinated debts will be exercised when "Specific measure under Item 2" is applied to the issuing financial institution of such instruments

Credit ratings of G-SIBs (Moody's)*

	Apr. 2001	Jul. 2007	Jan. 2014
Aaa		<ul style="list-style-type: none"> Bank of America Bank of New York Mellon Citibank JPMorgan Chase Bank Royal Bank of Scotland UBS Wells Fargo Bank 	
Aa1	<ul style="list-style-type: none"> Bank of America Crédit Agricole Wells Fargo Bank UBS 	<ul style="list-style-type: none"> Banco Santander Barclays Bank BBVA BNP Paribas Crédit Agricole Credit Suisse Deutsche Bank HSBC Bank ING Bank Nordea Bank Société Générale State Street Bank & Trust 	
Aa2	<ul style="list-style-type: none"> Bank of New York Mellon Barclays Bank BBVA Citibank HSBC Bank ING Bank JPMorgan Chase Bank Royal Bank of Scotland State Street Bank & Trust 	<ul style="list-style-type: none"> SMBC BPCE(Banque Populaire) BTMU Mizuho Bank UniCredit 	<ul style="list-style-type: none"> Bank of New York Mellon
Aa3	<ul style="list-style-type: none"> Banco Santander BNP Paribas BPCE(Banque Populaire) Deutsche Bank Société Générale UniCredit 	<ul style="list-style-type: none"> Goldman Sachs Bank Morgan Stanley Bank 	<ul style="list-style-type: none"> SMBC BTMU HSBC Bank JPMorgan Chase Bank Nordea Bank State Street Bank & Trust Wells Fargo Bank
A1	<ul style="list-style-type: none"> Credit Suisse 	<ul style="list-style-type: none"> Bank of China ICBC 	<ul style="list-style-type: none"> Bank of China Credit Suisse ICBC Mizuho Bank Standard Chartered
A2	<ul style="list-style-type: none"> BTMU Standard Chartered 	<ul style="list-style-type: none"> Standard Chartered 	<ul style="list-style-type: none"> Bank of America Barclays Bank BNP Paribas BPCE(Banque Populaire) Citibank Crédit Agricole Deutsche Bank Goldman Sachs Bank ING Bank Société Générale UBS
A3	<ul style="list-style-type: none"> SMBC Mizuho Bank 		<ul style="list-style-type: none"> Morgan Stanley Bank Royal Bank of Scotland
Baa1	<ul style="list-style-type: none"> Bank of China ICBC 		
Baa2			<ul style="list-style-type: none"> Banco Santander UniCredit
Baa3			<ul style="list-style-type: none"> BBVA

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

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”, “estimate”, “expect”, “intend”, “may”, “plan”, “probability”, “risk”, “project”, “should”, “seek”, “target” 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 or registration statement on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and results of operations, and investors’ decisions.