

11th Annual Bank of America Merrill Lynch Japan Conference

Increasing Shareholder Value

Koichi Miyata, President
Sumitomo Mitsui Financial Group, Inc.

September 11, 2014

Vision for the next decade and three-year management goals

Vision for the next decade

We will become a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region

We will become a truly Asia-centric institution

Strengthening our business in Asia is the key strategy to become a leading financial group in Asia

We will develop the best-in-class earnings base in Japan

We aim to proactively contribute to the revitalization of the Japanese economy and capture a high market share by implementing specific strategies for enhancing our capability to meet our clients' needs

We will realize true globalization and continue to evolve our business model

We will expand our global franchise and implement measures to realize the globalization of our corporate infrastructure that supports our growth. At the same time, we will continue to develop our business model by anticipating changes in our business environment, both domestic and international

Three-year management goals

- 1 Develop and evolve client-centric business models for main domestic and international businesses
- 2 Build a platform for realizing Asia-centric operations and capture growth opportunities
- 3 Realize sustainable growth of top-line profit while maintaining soundness and profitability
- 4 Upgrade corporate infrastructure to support next stage of growth

1Q, FY3/2015 financial results

Income statement

	(JPY bn)	Apr.-Jun. 2014 results	YOY change	1H, FY3/2015	FY3/2015 targets	
SMFG <consolidated>	Consolidated gross profit	USD 7.0 bn ¹	708.6	(76.7)		
	General and administrative expenses		(397.9)	(6.5)		
	Net business profit		310.6	(87.4)		
	Total credit cost		25.2	+17.1	(10)	(120)
	Gains (losses) on stocks		32.7	(23.4)		
	Ordinary profit		367.4	(91.9)	560	1,110
	Variance with SMBC non-consolidated		87.9	(57.3)	160	380
	Net income	USD 2.3 bn ¹	230.8	(57.5)	330	680
Variance with SMBC non-consolidated		29.7	(43.8)	50	170	

- Mainly due to a decrease in profit of SMBC and securities subsidiaries

Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	Apr.-Jun. 2014	YOY change
SMBC Consumer Finance		16	+0
SMBC Nikko Securities		10	(17)
Sumitomo Mitsui Finance and Leasing		8	+1
Cedyna		8	+1
Sumitomo Mitsui Card		4	(0)
SMBC Guarantee		4	(1)
SMBC Friend Securities		2	(4)

- Mainly due to decreases in trading income and income from investment trusts sales, etc., despite an increase in dividends from subsidiaries

	(JPY bn)	Apr.-Jun. 2014 results	YOY change	1H, FY3/2015	FY3/2015 targets	
SMBC <non-consolidated>	Gross banking profit	USD 4.2 bn ¹	421.6	(6.5)	760	1,540
	of which Net interest income		321.9	+28.5		
	Expenses*²		(191.9)	(6.2)	(390)	(790)
	Banking profit*³		229.7	(12.7)	370	750
	Total credit cost		37.3	+12.4	50	0
	Ordinary profit		279.5	(34.6)	400	730
	Net income	USD 2.0 bn ¹	201.1	(13.7)	280	510

Credit ratings (SMBC)

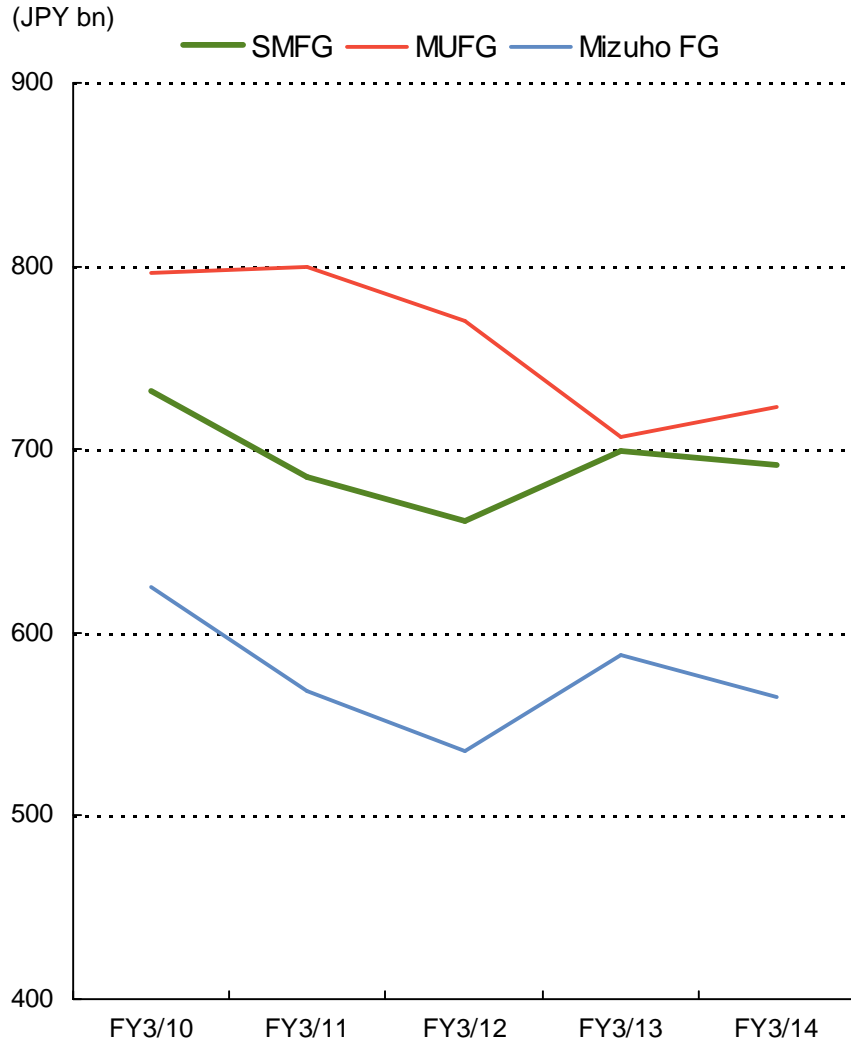
Moody's	Aa3 / P-1
S&P	A+ / A-1
Fitch	A- / F1
R&I	AA- / a-1+
JCR	AA / J-1+

*1 Translated into USD at period-end exchange rate of USD 1 = JPY 101.35 *2 Excluding non-recurring losses
*3 Before provision for general reserve for possible loan losses

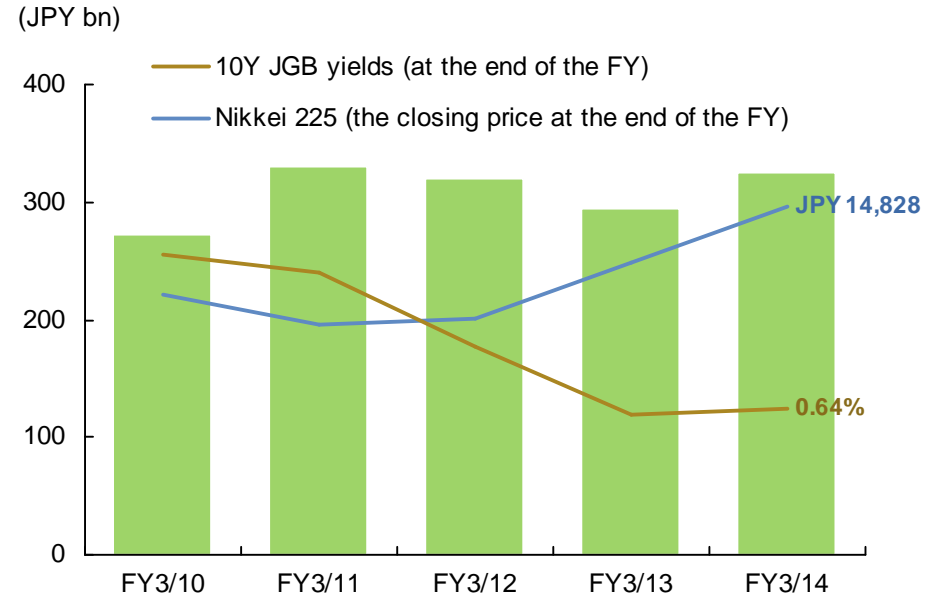
Stable earnings

Core banking profit comparison

(operating bank non-consolidated)*1, 2, 3



Gross banking profit of SMBC's Treasury Unit



JGB balance*1, 2

(JPY tn)	Mar. 13	Mar. 14
	Balance sheet amount	Balance sheet amount
SMFG	26.2	13.8
MUFG	41.8	33.9
Mizuho FG	32.8	25.0

*1 Based on each company's disclosure

*2 The figures 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. For Mizuho FG, sum of Mizuho Bank and Mizuho Corporate Bank until FY3/13

*3 Core banking profit = Banking profit - Gains (losses) on bonds. Excludes profits from index-linked investment trusts only for FY3/14 results of SMFG

Profit targets for FY3/2015 - FY3/2017

Consolidated gross profit*1

- Aim to increase consolidated gross profit by 15% in 3 years

Organic growth

Wholesale Banking Unit

of which
large corporations
JPY 320 bn

JPY 720 bn
+10%

FY3/14 =100
3/15 (plan)
3/16 (plan)
3/17 (plan)

+15%

SMBC Nikko Securities

(includes income related to collaboration with SMBC)

JPY 340 bn
+30%

Retail Banking Unit

JPY 490 bn
above +10%

Consumer finance / Credit card

(includes income related to collaboration with SMBC)

JPY 540 bn
+20%

International Banking Unit

of which
Asia
JPY 180 bn

JPY 500 bn
around +15%

over +15%

Treasury Unit

JPY 340 bn
(20%)

+

Inorganic growth

3 year estimation of SMFG's profit growth

(JPY bn)

	FY3/14 results	FY3/17 targets	three-year growth amount
Consolidated gross profit	2,898.2	3,340	+441.8
Net income	around 600*2	around 800	around +200

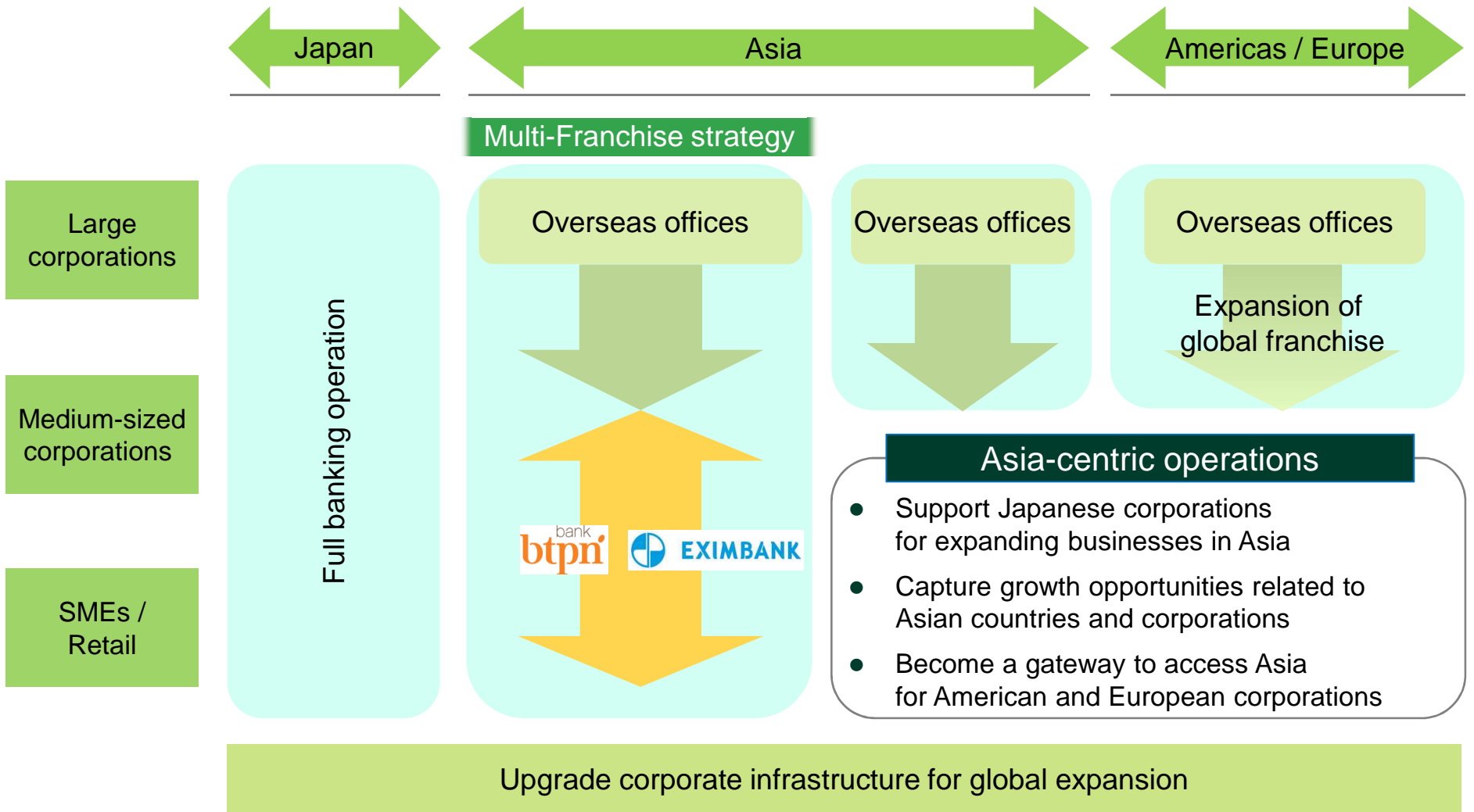
Assumption of macroeconomic indicators

	FY3/15	FY3/16	FY3/17
Nominal GDP growth rate	+2.0%	+1.6%	+1.7%
Uncollateralized overnight call rate	0.10%	0.10%	0.20%
Exchange rate (JPY/USD)	JPY 100	JPY 100	JPY 100

*1 FY3/17 targeted consolidated gross profit in comparison with FY3/14 figure. After adjustments for changes in interest rates and exchange rates, etc.

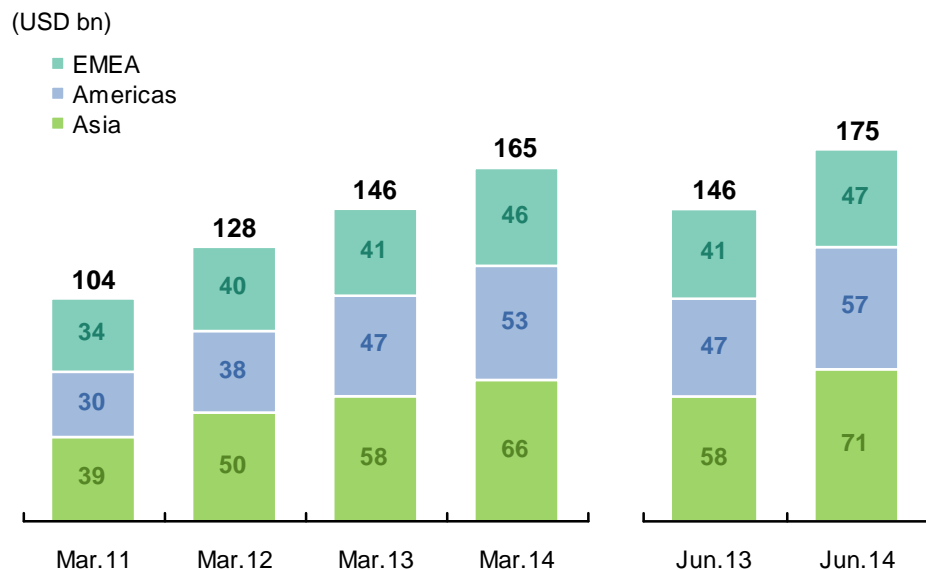
*2 After adjustments for normalization of credit costs, gains on equity, etc.

International business: True globalization & Asia-centric operations

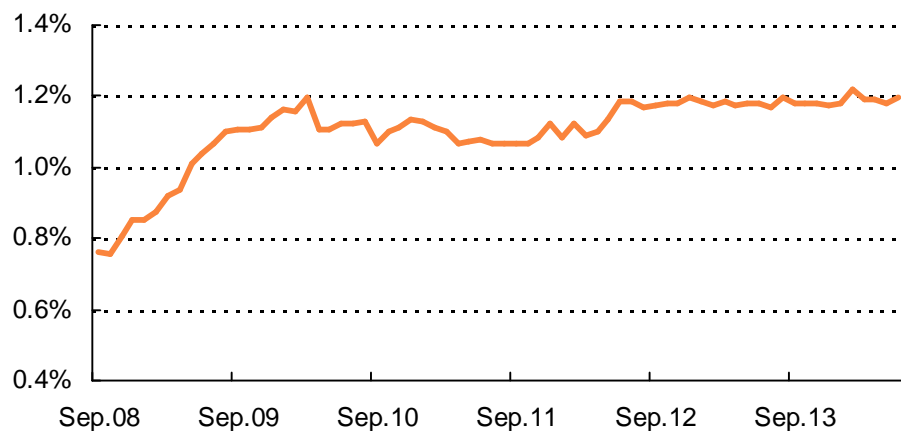


International business: Overseas loans, products, business alliance

Overseas loan balance*1, 2



Overseas loan spread*1, 3



Project finance/ Loan syndication

League tables (Jan. – Jun. 2014)*4

	Global	Asia*5	Japan
Project Finance	#2	#4	
Loan Syndication	#10	#4	#2

Investment in ACLEDA Bank (Cambodia)

- Obtained approval to acquire shares of ACLEDA Bank, the largest Cambodian bank, from Cambodia's central bank in Aug. 2014
- Plan to acquire a 12.25% stake in Sep. 2014
- Overview of ACLEDA Bank
 - The largest Cambodian bank by total assets, branch network and balance of deposits and loans
 - Strength in microfinance and loans to SMEs
- SMBC signed MOU for business alliance in Aug. 2012, and started providing operational support to a consultation service department for ACLEDA Bank's foreign corporate clients in Jan. 2014

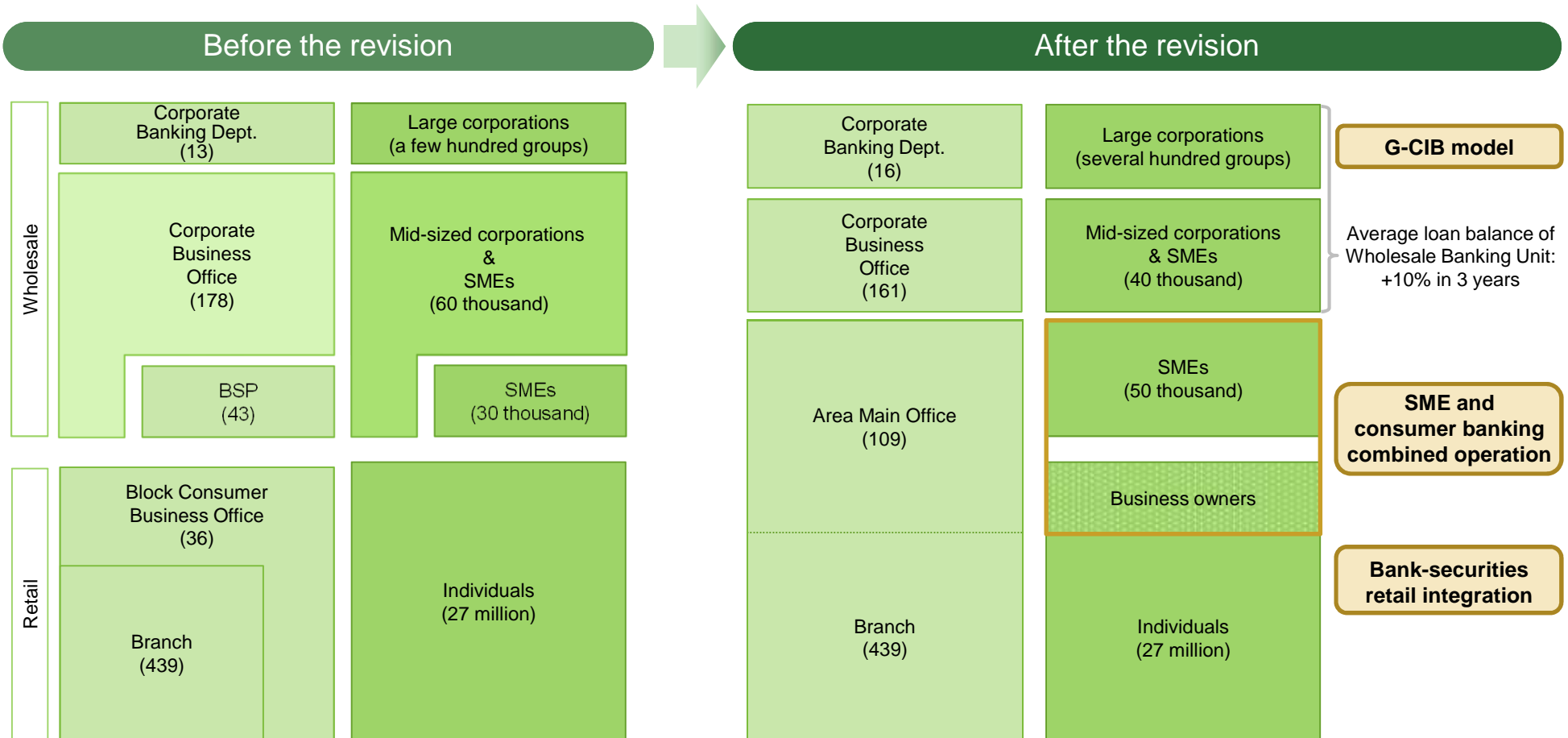
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Translated into USD at respective period-end exchange rates *3 Monthly average *4 Source: Thomson Reuters (Mandated Arrangers)

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

Development of business model: Revision of domestic business structure (SMBC)

- Reviewed client segmentation and fully revised domestic business structure in April 2014, for the first time since establishment of SMBC
- Effectively allocate our resources into large corporates, business/asset succession and investment products sales businesses

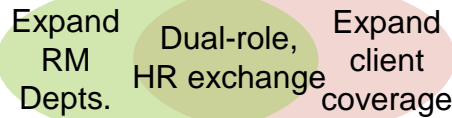


Corporate business

Unique G-CIB model

Large corporate clients

offer higher quality solutions



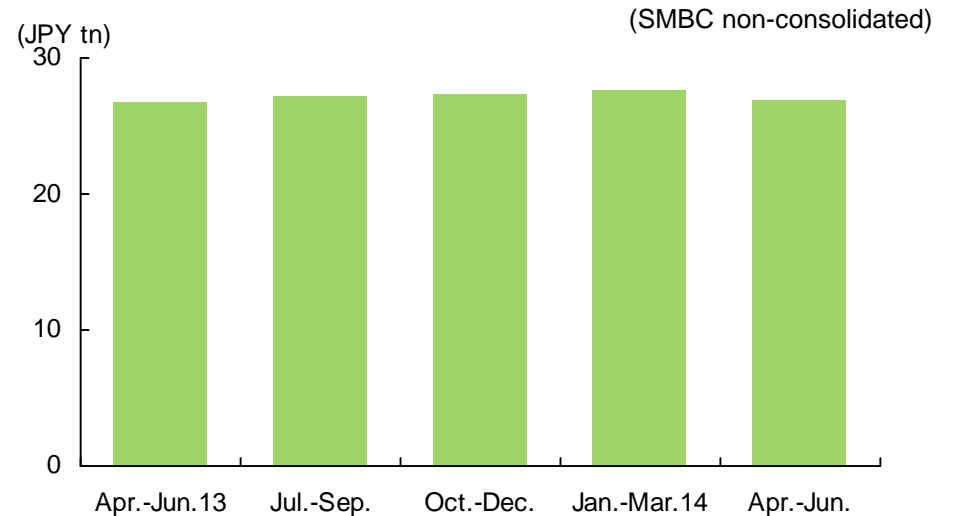
Extensive knowledge of industries

Seamless operation of domestic / overseas offices

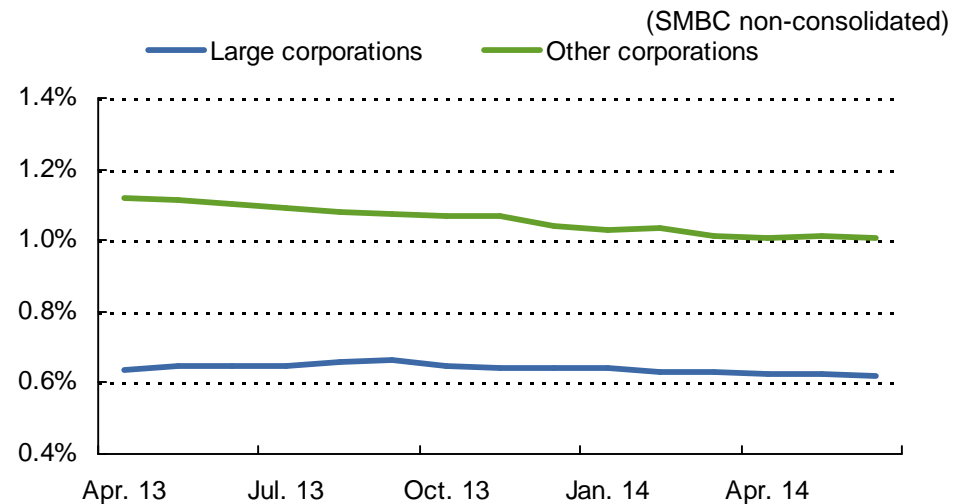
League tables (SMBC Nikko)

		FY3/13		FY3/14		FY3/15
		1H	2H	1H	2H	1Q
Global equity & equity-related (book runner, underwriting amount) ^{*1}	Rank	#5	#5	#3	#3	#3
	Mkt share	13.6%	10.6%	12.8%	15.2%	23.1%
JPY denominated bonds (lead manager, underwriting amount) ^{*2}	Rank	#5	#5	#4	#5	#4
	Mkt share	7.3%	15.0%	15.6%	13.9%	15.5%

Loan balance of Wholesale Banking Unit^{*3, 4, 5}



Domestic corporate loan spread^{*3, 4, 6}



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

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

*4 Revised managerial accounting rules since Apr. 2014, following revision of domestic business structure. Figures for FY3/14 were recalculated based on the new rules

*5 Quarterly average *6 Monthly average

Bank-securities retail integration

Business model

Clients

Serve inheritance/succession and steady asset management needs

Serve active asset management needs



SMBC's client base:
27 mn accounts

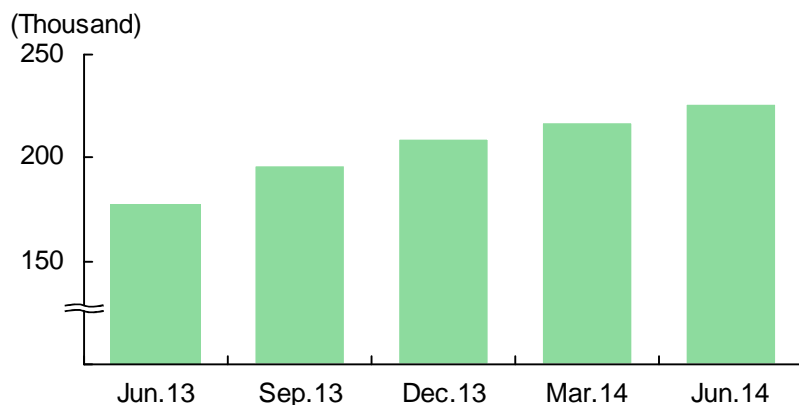


SMBC Nikko's client base:
2.5 mn accounts

Ref.: No. of NISA accounts: 770 thousand (as of Jun. 30, 2014)*

* Aggregate of SMBC (210,000), SMBC Nikko Securities (400,000), SMBC Friend Securities (100,000), Kansai Urban Banking Corporation (30,000) and Minato Bank (30,000)

No. of individual accounts opened at SMBC Nikko through bank-securities collaboration*



* Number of accounts of individual customers at the end of each quarter that were opened at SMBC Nikko via referral or financial instruments intermediary services by SMBC

No. of offices for bank-securities integration

- Expanded the model to all offices in Jul. 2014

	May 2013-	Oct. 2013-	May 2014-	Jul. 2014- all offices
SMBC	15	31	265	548
SMBC Nikko	10	22	112	112

Establishment of branches (SMBC Nikko)



- Develop branch network to respond to the full-scale expansion of bank-securities retail integration
- Established 6 branches since Feb. 2014. Plan to establish 2 additional branches in Sep. and Oct. 2014

Consumer finance

SMFG's consumer finance business

- Achieve an overwhelming market share by expanding the variety of our client base under the brand strategies of SMBC, Promise and Mobit

Clients



Integrated operation of planning and promotion functions

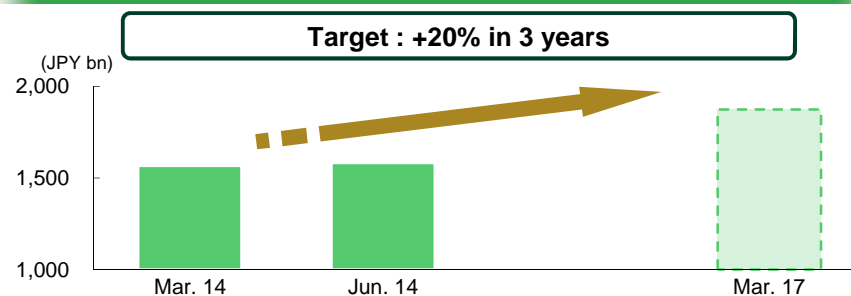
Financial results (SMBC Consumer Finance, consolidated)

(JPY bn)	FY3/2014	Apr.-Jun. 2014	YOY change
Operating income	194.8	55.4	+8.2
Losses on interest repayments within Expenses	(38.7)	-	-
Ordinary profit	26.5	17.9	+0.7
Net income	29.4	16.3	+0.1
Consumer loans outstanding	937.6	945.7	
Allowance on interest repayments	152.8	134.7	
Loan guarantee	752.6	781.4	
for regional financial institutions, etc.	274.3	288.7	
Consumer loans outstanding (overseas)*	47.5	50.3	
Hong Kong	28.7	29.2	

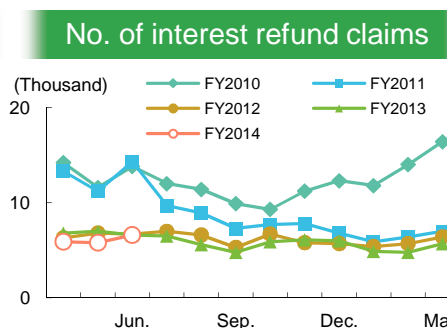
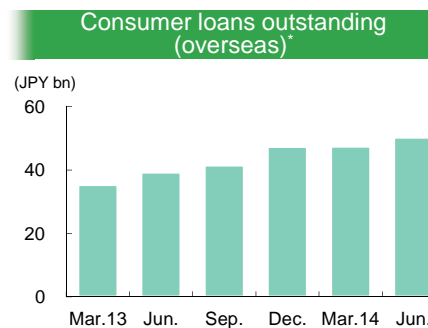
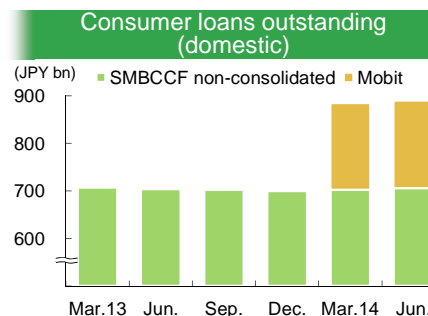
No. of companies with guarantee agreements:
189
(as of Aug. 2014)

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

Balance of unsecured card loans (SMBC + SMBC Consumer Finance)



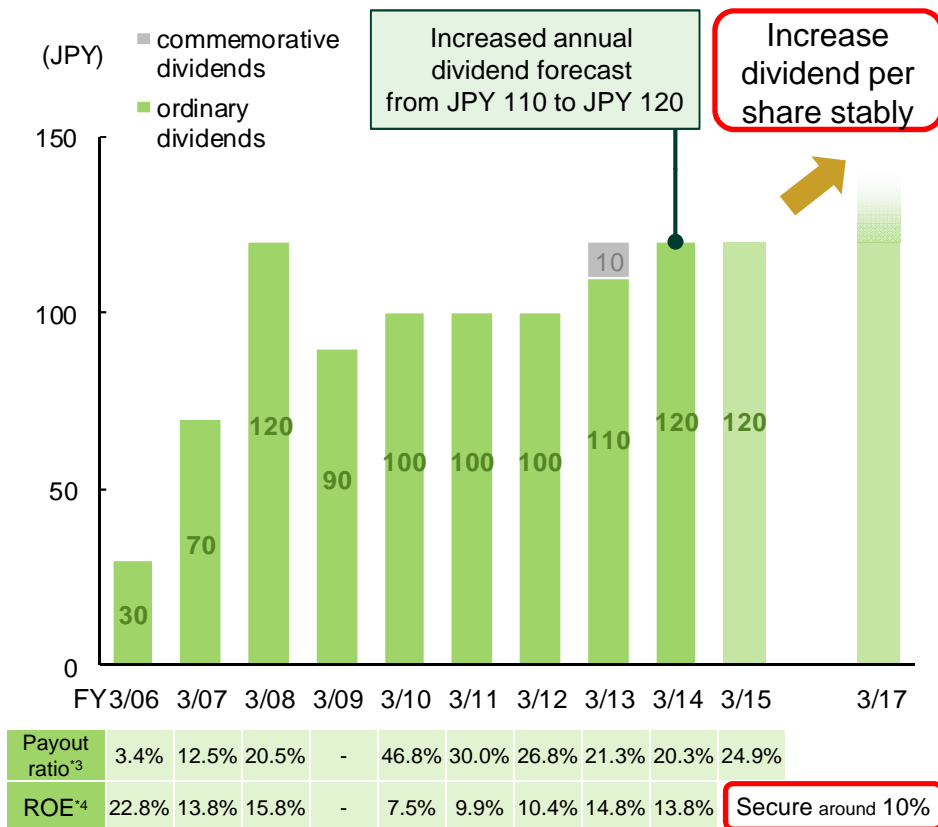
Financing / Loan guarantee / Overseas business (SMBC Consumer Finance)



Capital Policy

- Aim for a stable increase in dividend per share and sustainable growth of shareholder value by achieving higher profitability and efficiency through investments for growth, while focusing on capital efficiency
- Secure Common Equity Tier 1 capital ratio of around 10% even after realization of certain investments and downside scenarios

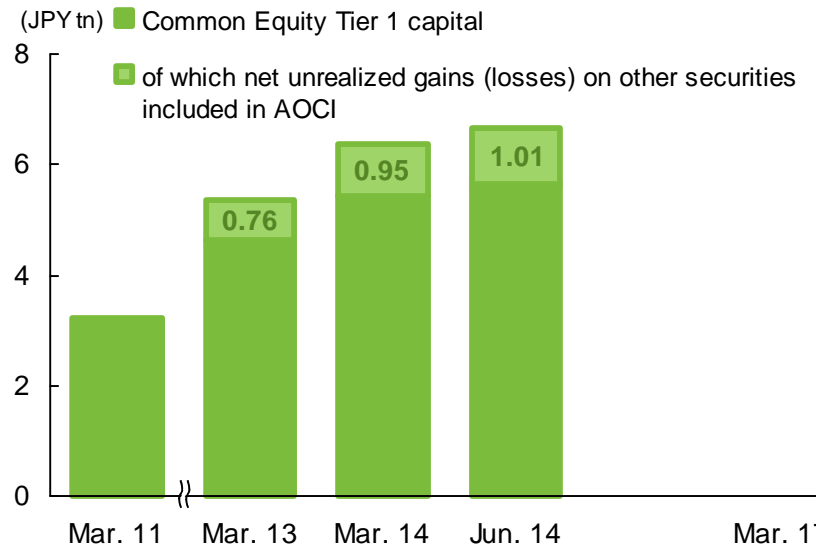
Return to shareholders*1,2



Common Equity Tier 1 capital ratio (fully-loaded*5, pro forma)

	Mar. 11	Mar. 13	Mar. 14	Jun. 14
CET 1 capital ratio [excluding net unrealized gains]*6	above 6%	8.6%	10.3% [8.7%]	10.8% [9.0%]
Risk-weighted assets	-	JPY 62.1 tn	JPY 61.3 tn	JPY 61.5 tn

Secure around 10%



Reference: Financial targets

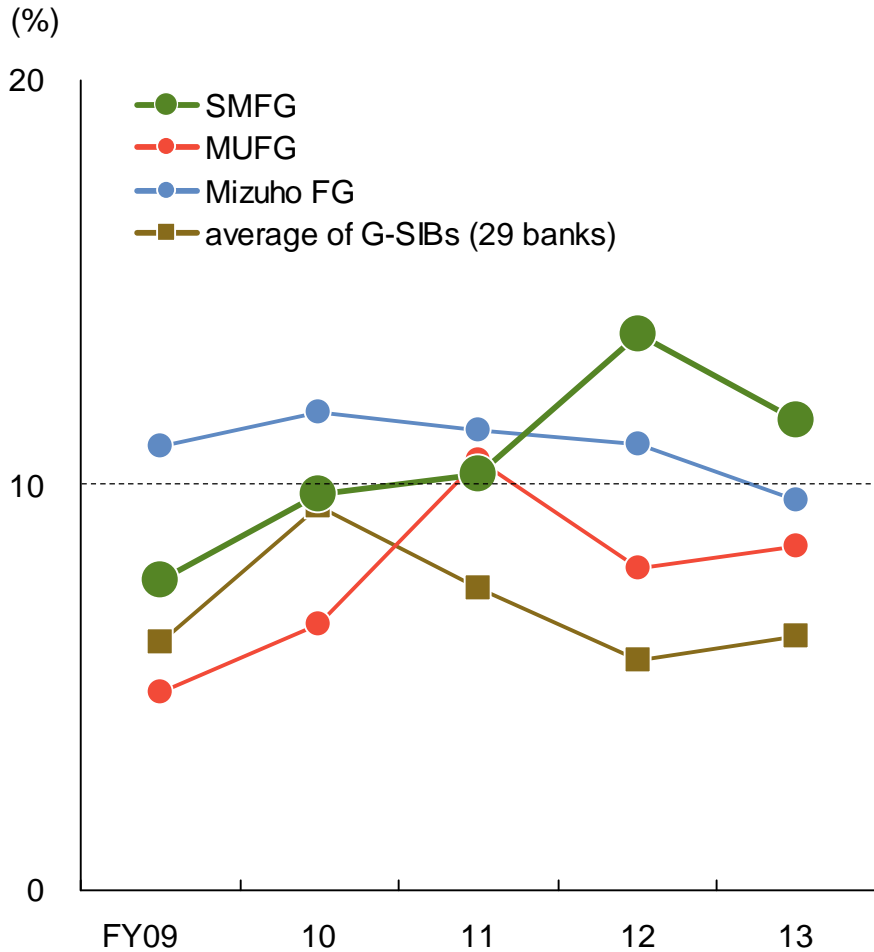
		FY3/14 results	Apr.-Jun. 2014	FY3/17 targets
Growth	Growth rate of Consolidated gross profit	-	(2.2%)* ¹	around +15% * ²
Profitability	Consolidated ROE	13.8%	14.2%* ¹	around 10%
	Consolidated net income RORA	1.4%	1.5%* ¹	around 1%
	Consolidated overhead ratio	54.2%	56.1%	in the mid 50%
Soundness	Common Equity Tier 1 Capital Ratio* ³	10.3%	10.8%	around 10%

*1 Annualized *2 FY3/17 targeted consolidated gross profit increase in comparison with FY3/14 figure

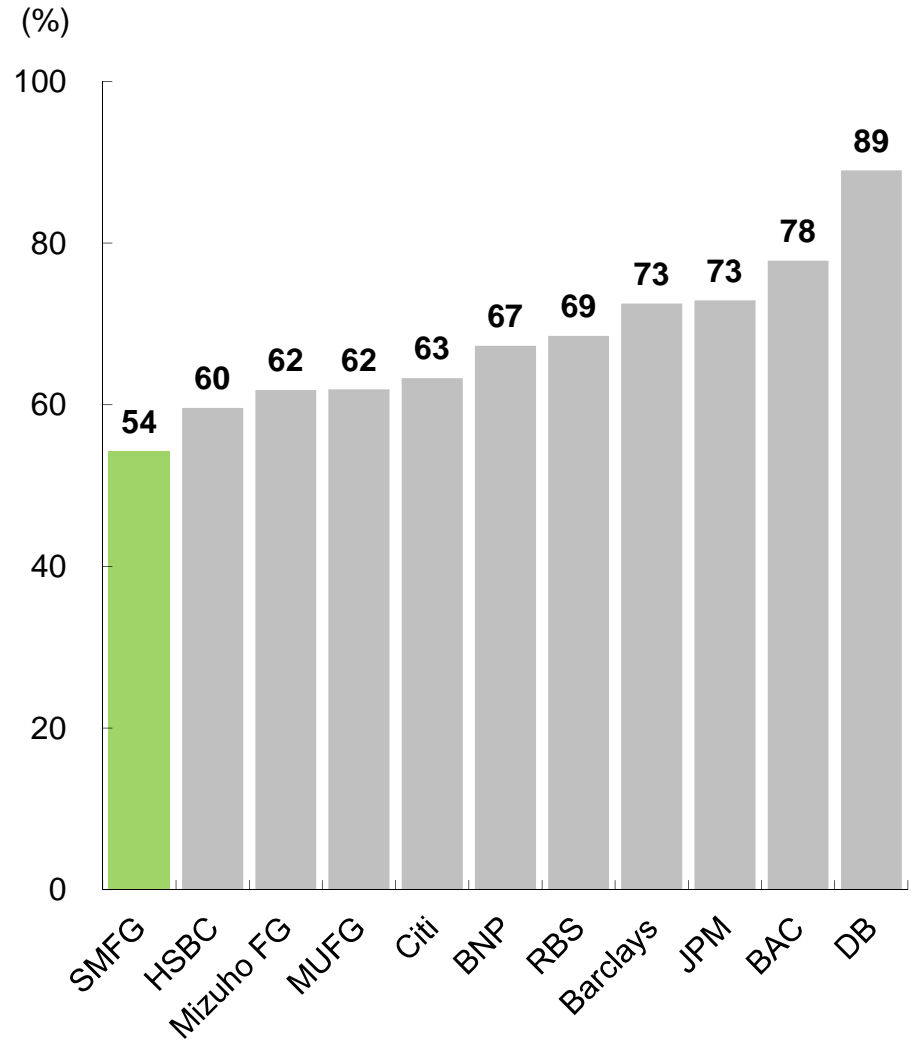
*3 Basel III fully-loaded basis. Based on the definition as of March 31, 2019

Our strengths: higher profitability and efficiency

ROE of G-SIBs*1



Overhead ratio on a group consolidated basis*2



*1 Source: Bloomberg

*2 Based on each company's disclosure. G&A expenses divided by top-line profit (net of insurance claims).
FY3/14 results for SMFG, MUFG and Mizuho FG, and FY12/13 results for others

Reference: SMFG's initiatives to support growth industries

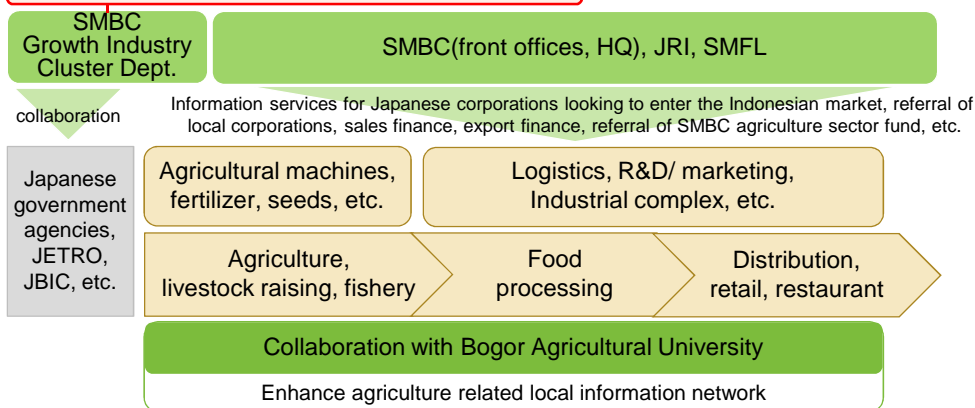
Signing of the agreement on business cooperation with Bogor Agricultural University

- SMBC signed an agreement on business cooperation with Bogor Agricultural University, the largest agricultural university in Indonesia, in March 2014
 - SMBC facilitates Japanese corporations, looking to enter Indonesian and Islamic markets, by referring the university. Bogor Agricultural University provides information services to Japanese corporations, serves as an intermediary between local farmers/businesses and Japanese corporations, helps Japanese corporations conduct pilot projects, etc.
- SMFG will contribute to the development of the local economy and industry in Indonesia and the enhancement of Japan's agricultural competitiveness through initiatives, such as referring the SMBC agriculture sector fund, offering JRI's consulting services and providing SMFL's sales finance capability

Indonesia's food market:

- Indonesia's population is 240 million, the largest population in ASEAN. Its food market is expanding in line with the expansion of the middle class
- The largest Islamic country in the world. A gateway to enter Islamic business

Unit Leader: SMBC's first female executive officer



Loan agreement between SMBC, Amaggi, a Brazilian agribusiness company, and NEXI

- The loan agreement and agreement on NEXI's insurance were signed between SMBC, Amaggi (a Brazilian major agribusiness company) and NEXI (Nippon Export and Investment Insurance) in Aug. 2014
 - SMBC extended a loan to Amaggi, Brazil's major producer and distributor of soybeans, with NEXI's insurance. The finance will be used for Amaggi's agricultural business development
NEXI's insurable value: USD 200 mn, Tenor: approx. 6 years
 - The first case for NEXI to provide insurance for an agricultural financing project
 - Amaggi must export a certain amount of grain to Japan during the agreement period, and make its best effort to export to Japan even in emergency situations. The agreement will also contribute to Japan's food supply security



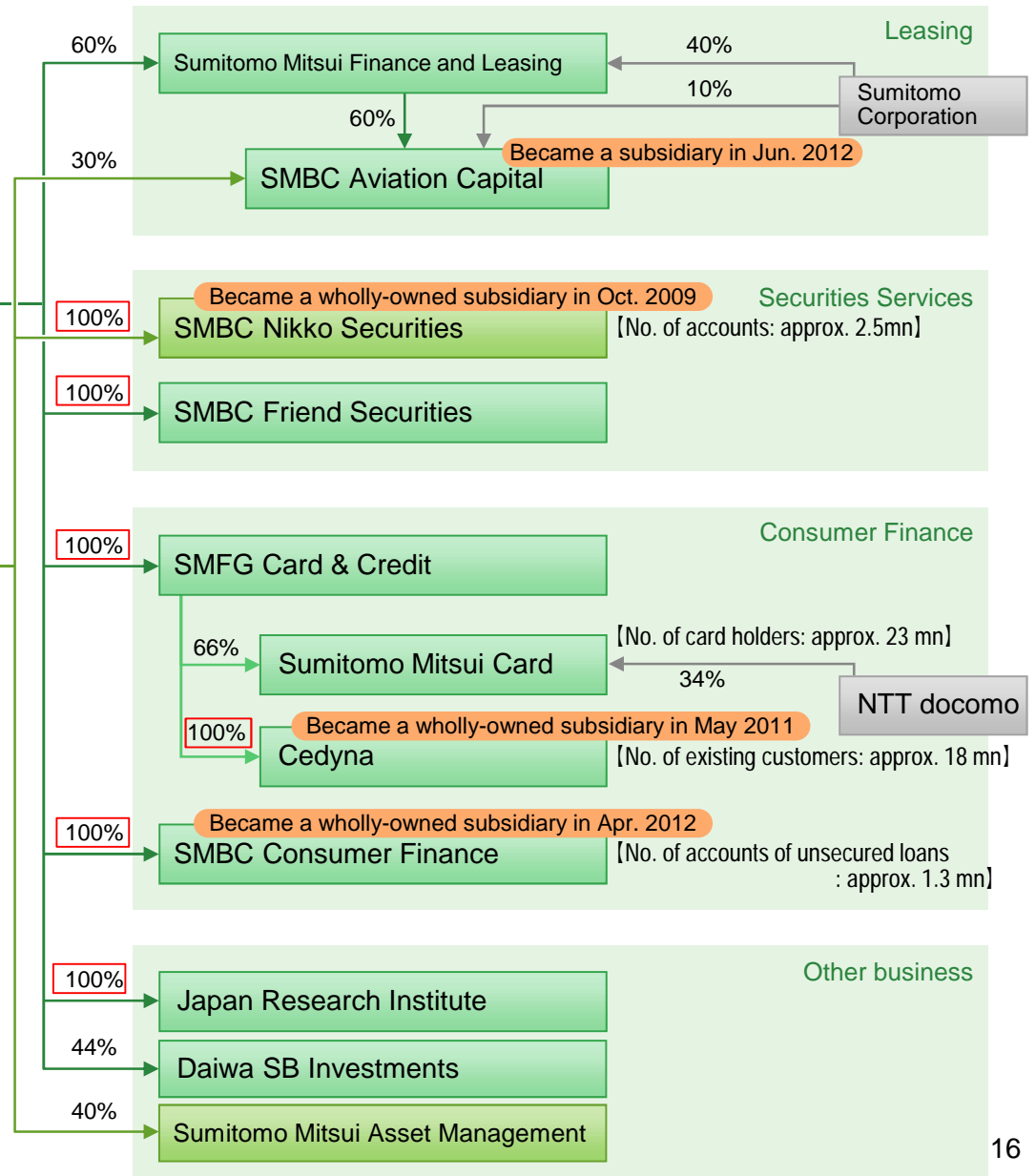
Appendix

Group structure*

Sumitomo Mitsui Financial Group	
Consolidated total assets	JPY 162 tn
Consolidated Common Equity Tier 1 capital ratio	10.63%

Sumitomo Mitsui Banking Corporation	
Assets	JPY 136 tn
Deposits	JPY 84 tn
Loans	JPY 63 tn
No. of retail accounts	approx. 27 mn
No. of corporate loan clients	approx. 97,000
Credit ratings (Moody's / S&P / Fitch)	Aa3 / A+ / A-

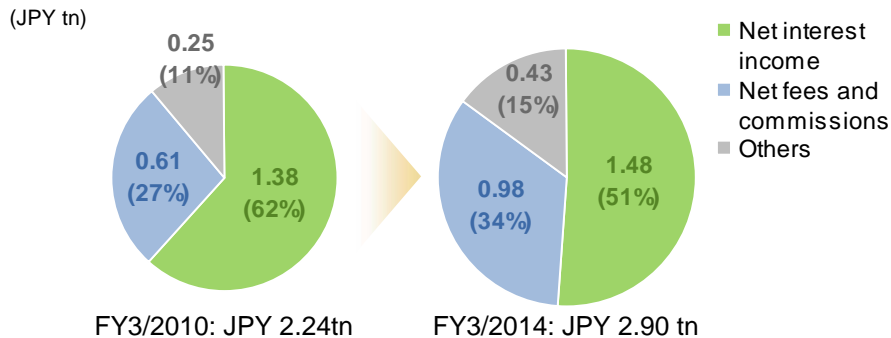
100% → Became a wholly-owned subsidiary in Oct. 2013
SMBC Trust Bank



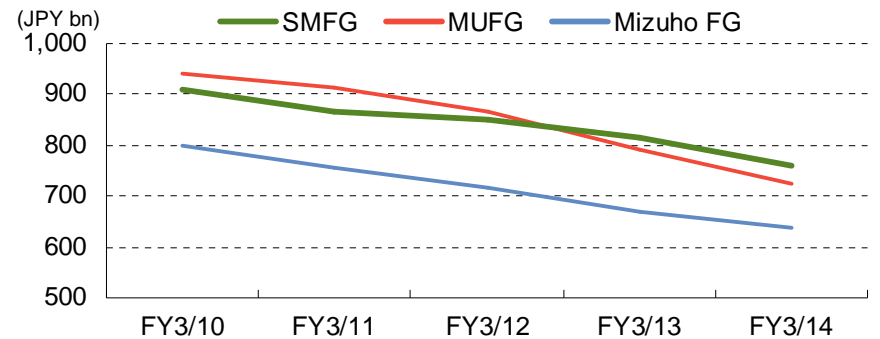
* As of Mar. 31, 2014

Profit diversification

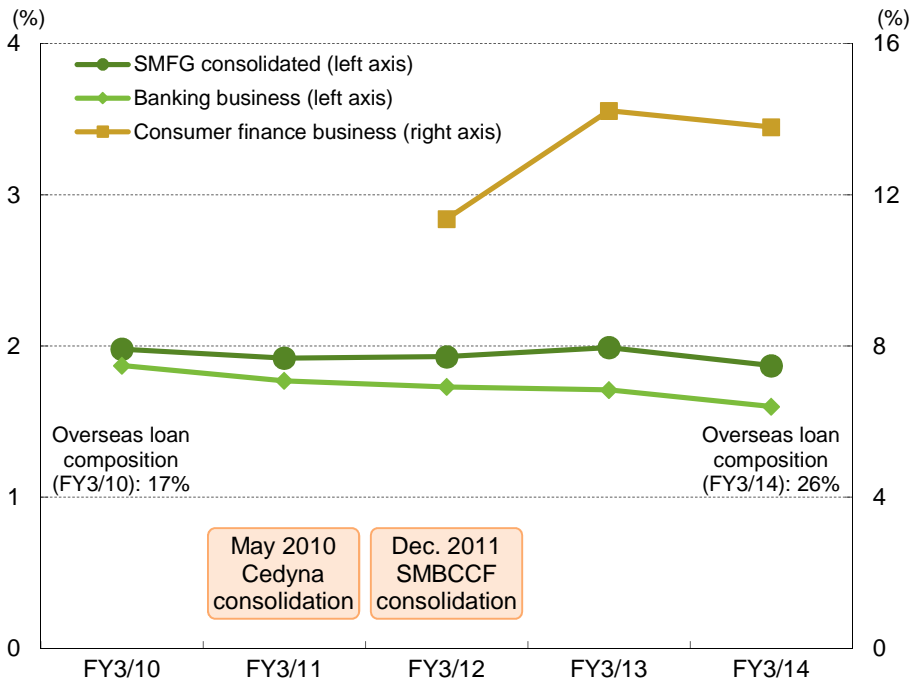
Gross profit (SMFG consolidated)



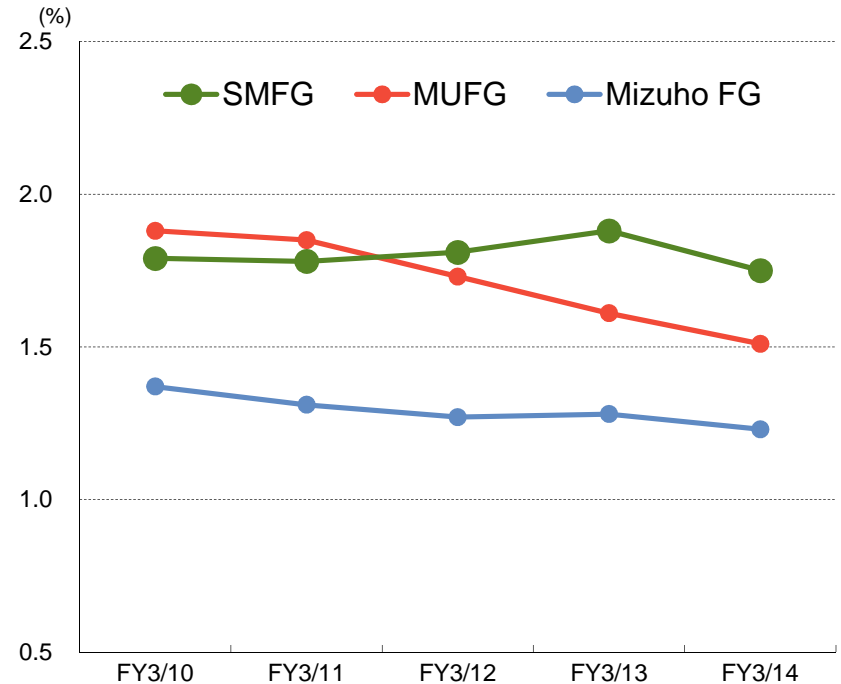
Domestic net interest income (operating bank non-consolidated)*1, 2



Interest earned on loans (SMFG consolidated)



Loan-to-deposit spread comparison (group consolidated)*1, 3



Earnings targets for FY3/2015

Income statement

		(JPY bn)	FY3/14	1H	FY3/15 targets
SMFG consolidated	Ordinary profit		1,432.3	560	1,110
	Variance with SMBC non-consolidated		479.8	160	380
	Net income		835.4	330	680
	Variance with SMBC non-consolidated		230.1	50	170
SMBC non-consolidated	Gross banking Profit		1,558.1	760	1,540
	Expenses*1		(745.7)	(390)	(790)
	Banking profit*2		812.4	370	750
	Total credit cost		123.9	50	0
	Ordinary profit		952.5	400	730
	Net income		605.3	280	510

Assumption of earnings targets*3

		FY3/14 results	FY3/15
3M TIBOR		0.23%	0.22%
Federal funds target rate		0.00~ 0.25%	0.00~ 0.25%
Exchange rate	(JPY/USD)	102.88	100.00
	(JPY/EUR)	141.56	135.00

- Aggregate net income of group companies other than SMBC expected to be at the same level

- Forecast to increase mainly due to consumption tax rate hike, effects from past investments in IT systems and facilities, and expenses to expand the overseas businesses

Per share information (common stock)

(JPY/share)	FY3/15 targets	YOY Change
Consolidated net income	497.34	(114.11)
Annual dividend	120	± 0

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

*3 FY3/2014 and FY3/2015 forecasts of nominal GDP growth rate by Japan Research Institute were +2.0% and +1.7% respectively as of May 2014
Nikkei stock average: JPY14,827.83 as of Mar. 31, 2014

FY3/2014 financial performance

Income statement

	(JPY bn)	FY3/14	YOY change	Change from Nov. forecast	
SMFG consolidated	Consolidated gross profit	USD28.2bn ^{*1}	2,898.2	+105.3	
	Variance with SMBC non-consolidated		1,340.0	+87.2	
	General and administrative expenses		(1,569.9)	(73.7)	
	Total credit cost		49.1	+222.2	+119.1
	Ordinary profit		1,432.3	+358.6	+152.3
	Variance with SMBC non-consolidated		479.8	+77.0	+9.8
	Net income	USD8.1bn ^{*1}	835.4	+41.3	+85.4
	Variance with SMBC non-consolidated		230.1	+53.8	(9.9)
SMBC non-consolidated	Gross banking profit	USD15.1bn ^{*1}	1,558.1	+18.0	+18.1
	of which Net interest income		1,064.9	+93.7	
	Expenses ^{*2}		(745.7)	(18.0)	(5.7)
	Banking profit^{*3}		812.4	+0.0	+12.4
	Total credit cost		123.9	+143.4	+73.9
	Gains (losses) on stocks		106.4	+142.1	
	Ordinary profit		952.5	+281.6	+142.5
	Income taxes - current and deferred		(341.2)	(293.6)	
Net income	USD5.9bn ^{*1}	605.3	(12.5)	+95.3	

Contribution of subsidiaries to SMFG's Consolidated gross profit

	(JPY bn)	FY3/14	YOY change
SMBC Nikko Securities		329	+53
Sumitomo Mitsui Card		187	+8
SMBC Consumer Finance		182	+16
Cedyna		157	(0)
Sumitomo Mitsui Finance and Leasing		128	+14

Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	FY3/14	YOY change
SMBC Nikko Securities		63	+18
SMBC Consumer Finance		29	(19)
Sumitomo Mitsui Finance and Leasing		25	+6
SMBC Guarantee		20	+10
Cedyna		16	+3
Sumitomo Mitsui Card		16	(3)
SMBC Friend Securities		10	(0)

- Mainly due to profits from equity index-linked investment trusts

*1 Translated into USD at period-end exchange rate of USD 1 = JPY 102.88 *2 Excludes non-recurring losses
 *3 Before provision for general reserve for possible loan losses

SMBC's performance by business unit*1

Banking profit by business unit

		(JPY bn)	FY3/13	FY3/14	YOY change ^{*2}
Consumer Banking Unit	Gross banking profit		374.9	339.0	(24.5)
	Expenses		(284.4)	(284.7)	+0.7
	Banking profit		90.5	54.3	(23.8)
Middle Market Banking Unit	Gross banking profit		412.2	399.3	(7.8)
	Expenses		(216.7)	(219.1)	(1.4)
	Banking profit		195.5	180.2	(9.2)
Corporate Banking Unit	Gross banking profit		208.0	225.6	+7.6
	Expenses		(39.6)	(40.3)	(1.0)
	Banking profit		168.4	185.3	+6.6
International Banking Unit (IBU)	Gross banking profit		240.5	296.0	+19.4
	Expenses		(72.9)	(89.3)	(10.3)
	Banking profit		167.6	206.7	+9.1
Marketing units	Gross banking profit		1,235.6	1,259.9	(5.3)
	Expenses		(613.6)	(633.4)	(12.0)
	Banking profit		622.0	626.5	(17.3)
Treasury Unit	Gross banking profit		295.3	325.5	+30.2
	Expenses		(21.0)	(23.0)	(1.7)
	Banking profit		274.3	302.5	+28.5
Headquarters	Gross banking profit		9.2	(27.3)	(6.9)
	Expenses		(93.1)	(89.3)	(4.3)
	Banking profit		(83.9)	(116.6)	(11.2)
Total	Gross banking profit		1,540.1	1,558.1	+18.0
	Expenses		(727.7)	(745.7)	(18.0)
	Banking profit		812.4	812.4	+0.0

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

SMBC's non-interest income*1

Gross banking profit by product

	(JPY bn)	FY3/13	FY3/14	YOY change*2
of which: Investment trust		50.1	43.8	(6.3)
Single premium type permanent life insurance		12.4	8.3	(4.1)
Level premium insurance		12.2	8.4	(3.8)
Income related to financial consulting for retail customers		80.0	68.2	(11.8)
of which: Loan syndication		61.4	61.0	(0.4)
Structured finance*3		56.7	63.2	+6.5
Real estate finance*3		32.0	29.9	(2.1)
Income related to investment banking business*3		175.6	179.5	+3.9
of which: Sales of derivatives		19.7	23.5	+3.8
Money remittance, electronic banking		92.0	91.9	(0.1)
Foreign exchange		43.3	43.3	+0.7
IBU's non-interest income*4		100.4	124.1	+7.1
Non-interest income		421.5	440.6	+3.1
of which: Income on domestic loans		459.9	446.6	(13.4)
Income on domestic yen deposits		148.2	120.8	(5.7)
IBU's interest related income*4		146.1	180.5	+13.8
Interest income		814.1	819.3	(8.4)
Gross banking profit of Marketing units		1,235.6	1,259.9	(5.3)

Adjustment for changes in interest rates and exchange rates, etc.: +29.6

Nominal YOY change : +24.3 ←

SMFG's consolidated balance sheet and credit ratings

Balance sheet (as of Mar. 2014)

Total assets : JPY 161.5tn

Loans
JPY 68.2tn

Securities
JPY 27.2tn

JGB
JPY 14.2tn

Other assets
JPY 66.1tn

Deposits,
Negotiable
certificates
of deposits (NCD)
JPY 108.0tn

Other liabilities
JPY 44.5tn

Total net assets
JPY 9.0tn

Total stockholders' equity
JPY 6.4tn

Balance sheet related items

	Mar. 31, 2014
Loan to deposit ratio	63.1%
Risk-weighted assets	JPY 61.6 tn
Common Equity Tier 1 capital ratio	10.63%
Net assets per share	JPY 5,323.87
ROE (Denominator: Total stockholders' equity)	13.8%

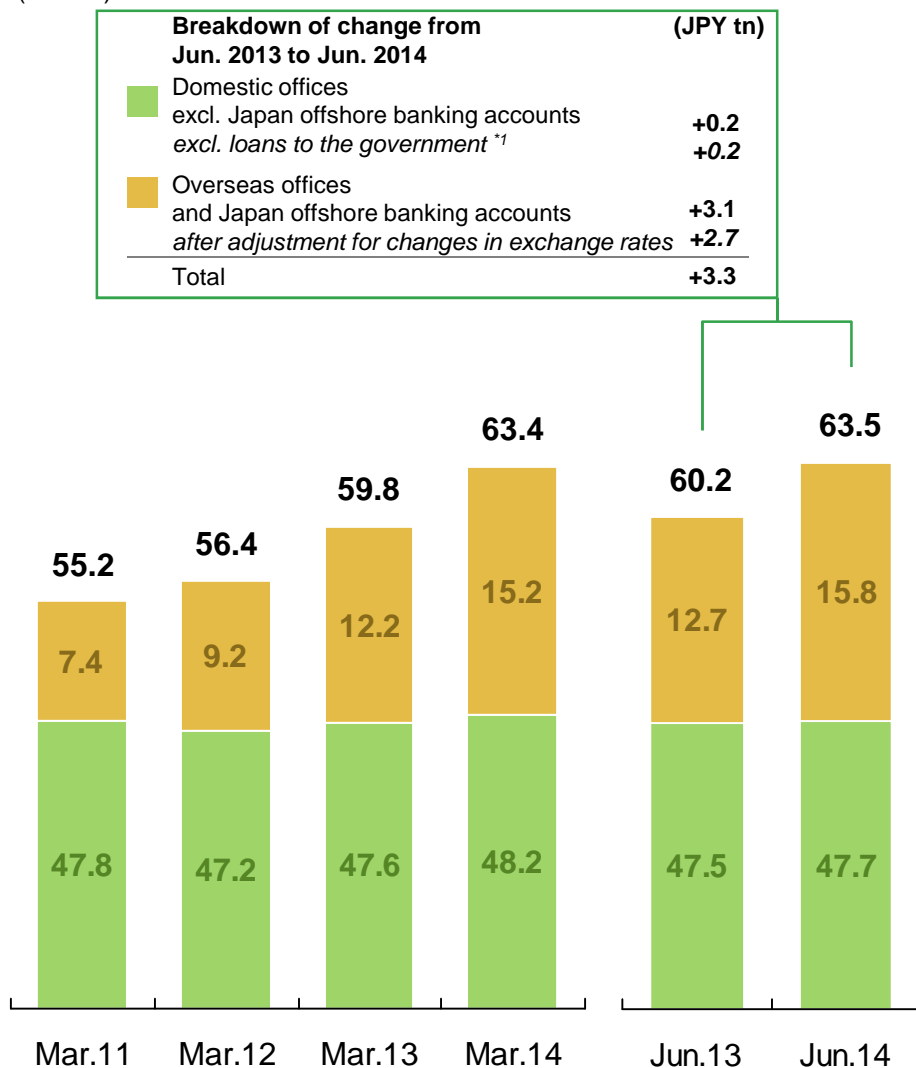
Credit ratings

	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+	A+ / -
JCR	AA / J-1+	AA- / -

Loan balance / spread

Loan balance

(JPY tn) (SMBC non-consolidated)



Average loan balance and spread by business unit

	Balance	
	(JPY tn)	
	FY3/14	YOY change*6
Domestic loans*2	47.3	+1.5
of which		
Consumer Banking Unit	14.9	(0.2)
Middle Market Banking Unit*3	17.0	+0.6
Corporate Banking Unit	12.2	+0.7
IBU's interest earning assets*4, 5	USD 188.2 bn	+USD 16.5 bn

	Spread	
	(%)	
	FY3/14	YOY change*6
Domestic loans*2	0.97	(0.07)
of which		
Consumer Banking Unit	1.40	(0.03)
Middle Market Banking Unit*3	0.96	(0.11)
Corporate Banking Unit	0.66	+0.01
IBU's interest earning assets*4, 5	1.18	+0.01

*1 Loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc.

*2 SMBC non-consolidated *3 Excludes loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc.

*4 Sum of SMBC, SMBC Europe and SMBC (China) *5 Sum of loans, trade bills and securities *6 After adjustments for interest rates and exchange rates, etc.

Gains (losses) on bonds

SMBC non-consolidated

Gains (losses) on bonds

(JPY bn)	FY3/13	FY3/14	YOY change
Gains (losses) on bonds	113.8	0.7	(113.1)
Domestic operations	40.6	(4.9)	(45.5)
International operations	73.2	5.6	(67.6)

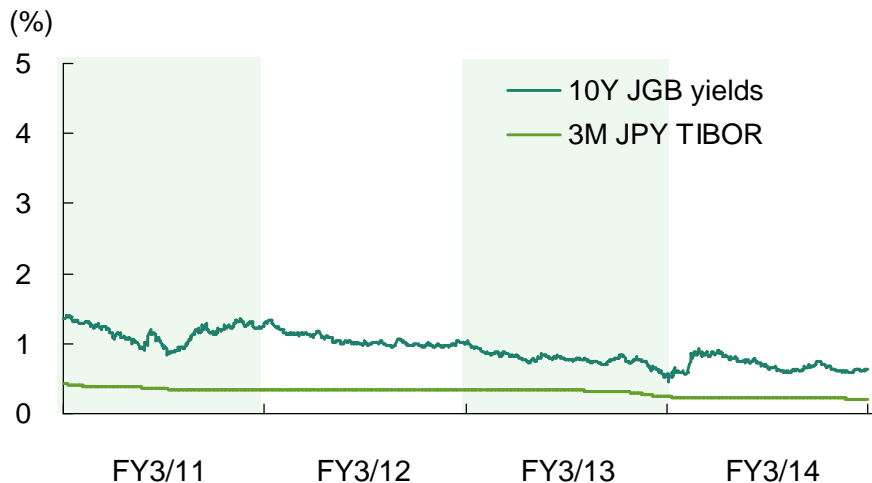
Gross banking profit of Treasury Unit

(JPY bn)	FY3/13	FY3/14	YOY change
Gross banking profit of Treasury Unit	295.3	325.5	+30.2

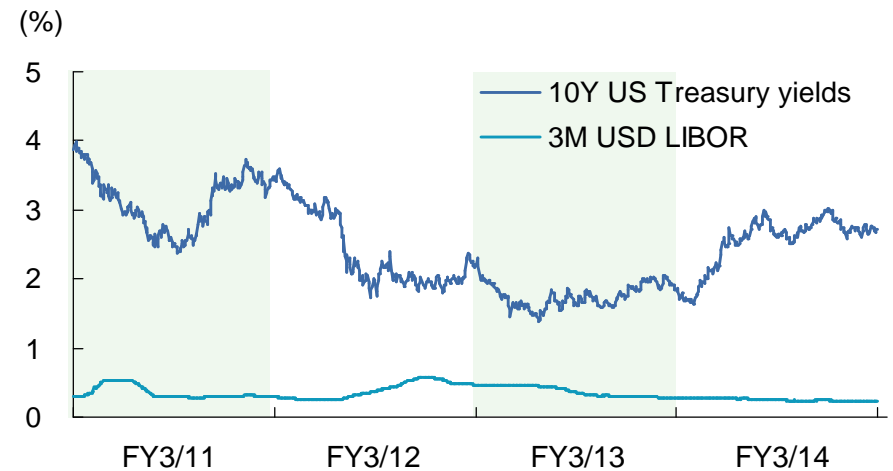
Includes profits from equity index-linked investment trusts

Interest rate of JPY and USD

JPY



USD

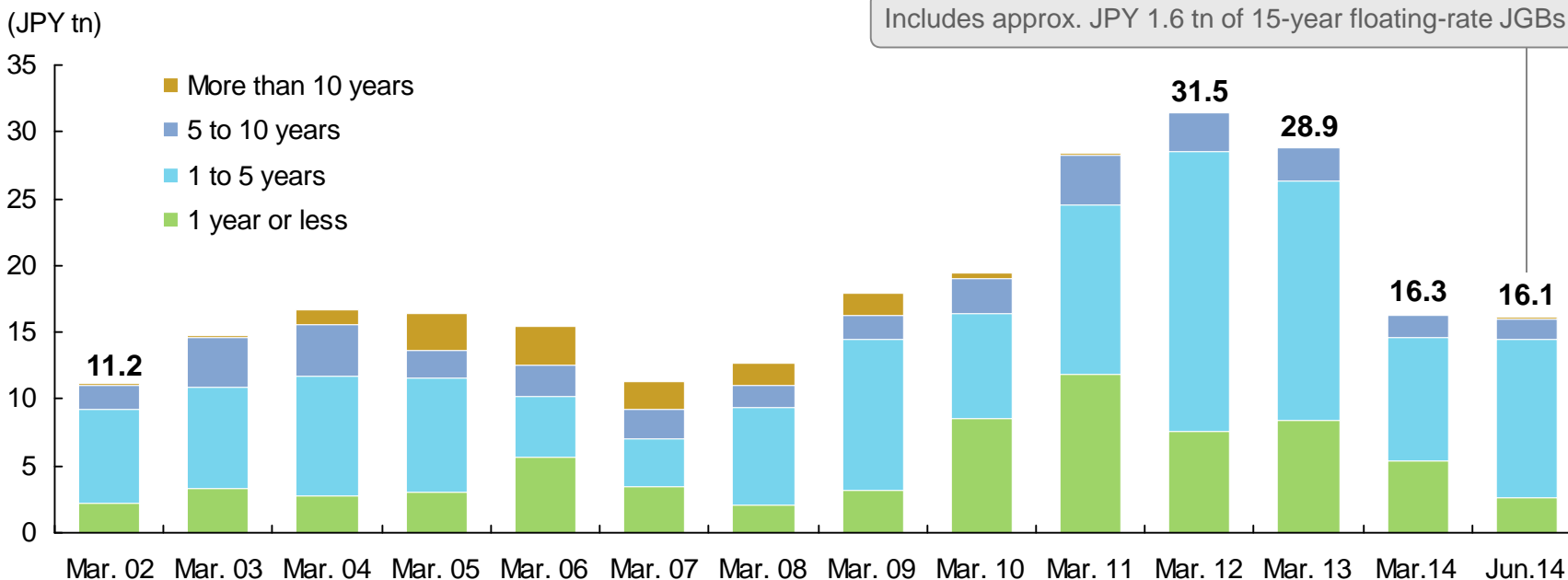


Bond portfolio (1)

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)



Average duration (years) ^{*1}	2.7	3.6	3.4	2.3	1.5	1.7	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.5
Unrealized gains (losses) (JPY bn) ^{*2}	37.6	108.7	(101.9)	7.7	(282.2)	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	56.5

*1 Excludes bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds.

Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 02 is for JGB portfolio only

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

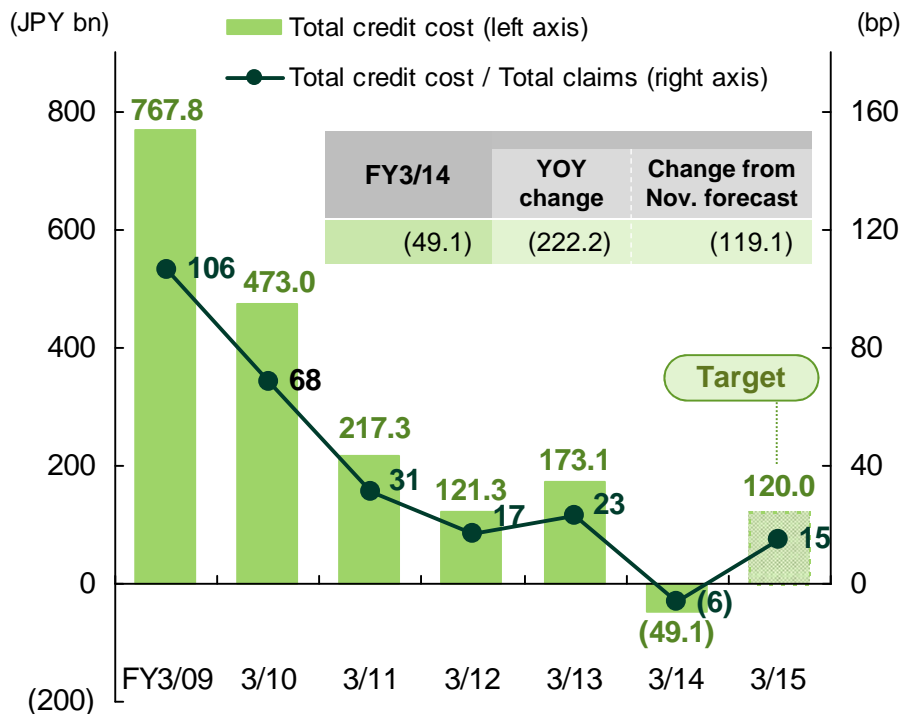
Bond portfolio (2)

		Mar. 2013		Mar. 2014		Jun. 2014		Change from Mar. 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)
SMFG consolidated	Yen-denominated bonds	30.4	0.17	17.4	0.10	16.8	0.09	(0.7)	(0.01)
	of which JGB	27.0	0.12	14.2	0.05	14.0	0.05	(0.2)	0.00
	Held-to-maturity	5.5	0.06	4.3	0.03	4.1	0.03	(0.2)	0.00
	Others	21.5	0.06	9.9	0.02	9.9	0.02	0.0	0.00

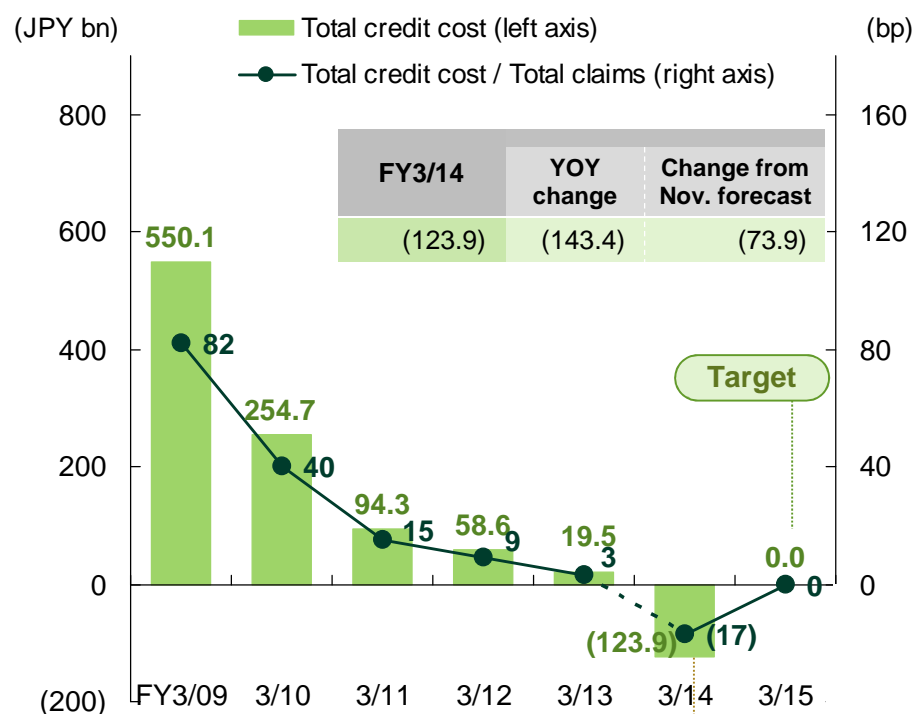
SMBC non-consolidated	Yen-denominated bonds	28.9	0.16	16.3	0.09	16.1	0.09	(0.2)	0.00
	of which JGB	26.2	0.11	13.8	0.05	13.7	0.05	(0.1)	0.00
	Held-to-maturity	5.5	0.06	4.3	0.03	4.1	0.03	(0.2)	0.00
	Others	20.7	0.06	9.5	0.02	9.6	0.02	0.1	0.00

Credit costs

SMFG consolidated



SMBC non-consolidated



Variance between SMFG consolidated and SMBC non-consolidated*

	(JPY bn)	FY3/14	YOY Change
Variance with SMBC non-consolidated		74.8	(78.7)
SMBC Consumer Finance		43.0	+3.0
Cedyna		16.0	(6.0)
Kansai Urban Banking Corporation		4.0	(23.0)

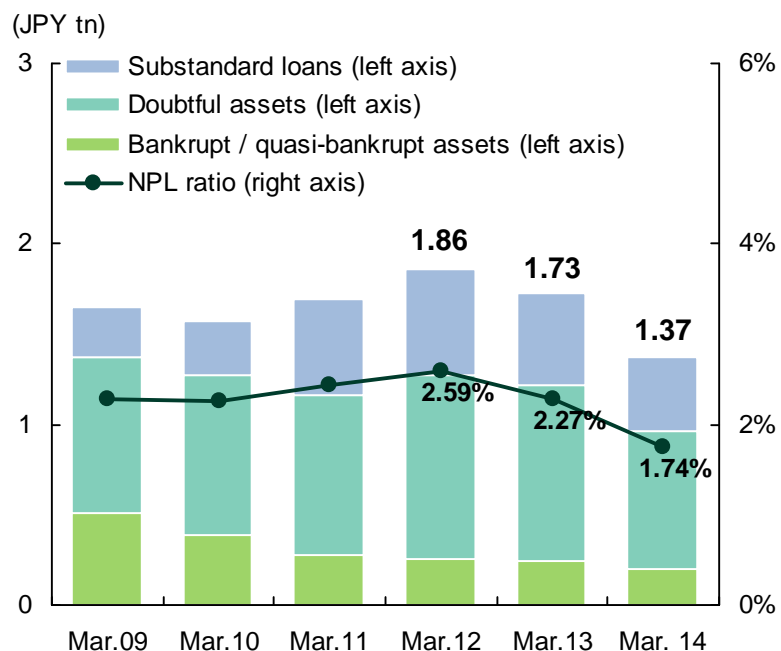
Recorded net reversal of total credit cost due to a minimal incurrence of such cost and a reversal of provisions made in previous years, as well as a decline in reserve ratio

* In round numbers

Non-performing loan balance and ratio

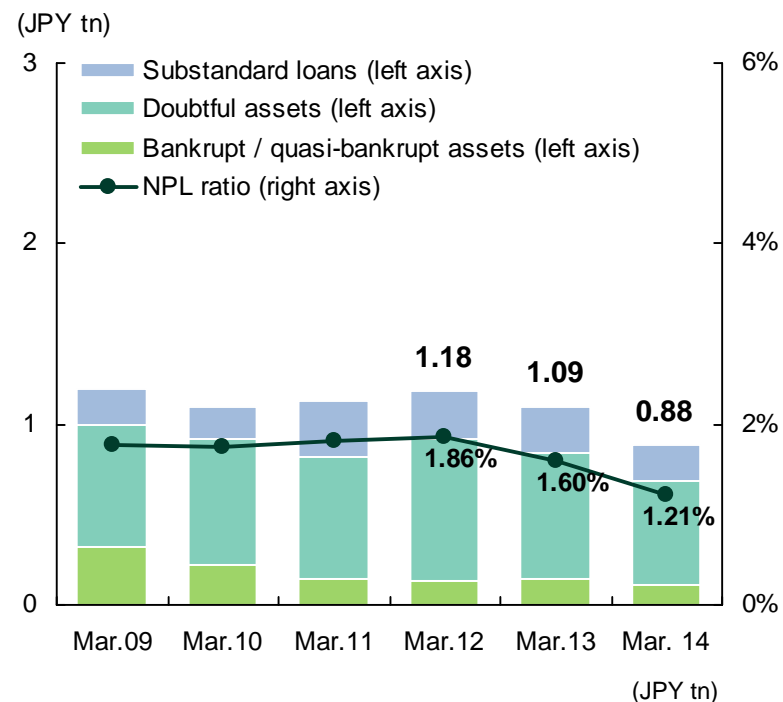
SMFG consolidated

	Mar. 13	Mar. 14
Coverage ratio	85.84%	83.74%



SMBC non-consolidated

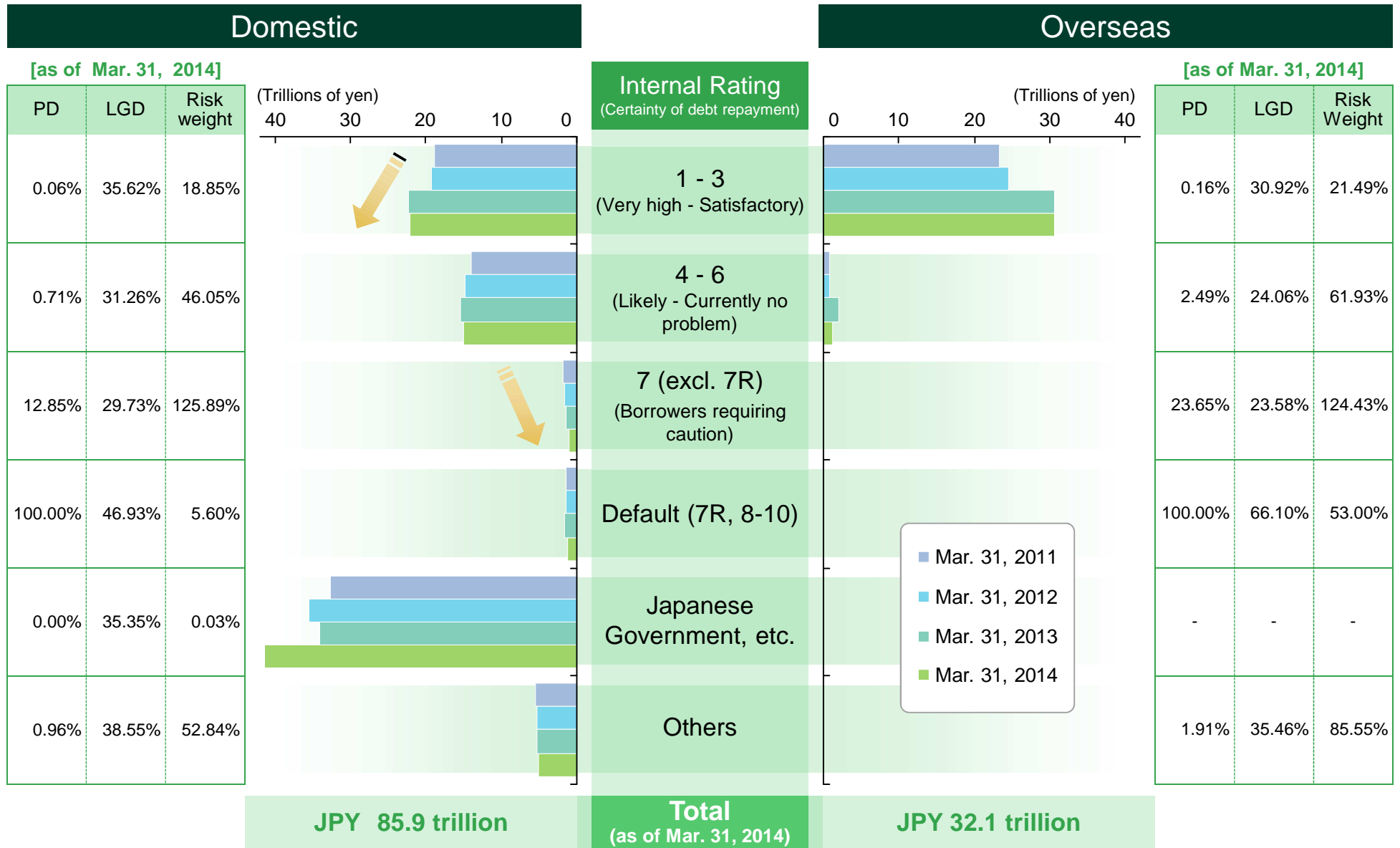
	Mar. 13	Mar. 14
Coverage ratio	92.63%	88.54%



Claims on borrowers requiring caution*	3.7	3.7	3.1	2.8	1.9	1.6
Total claims	67	63	62	64	68	73

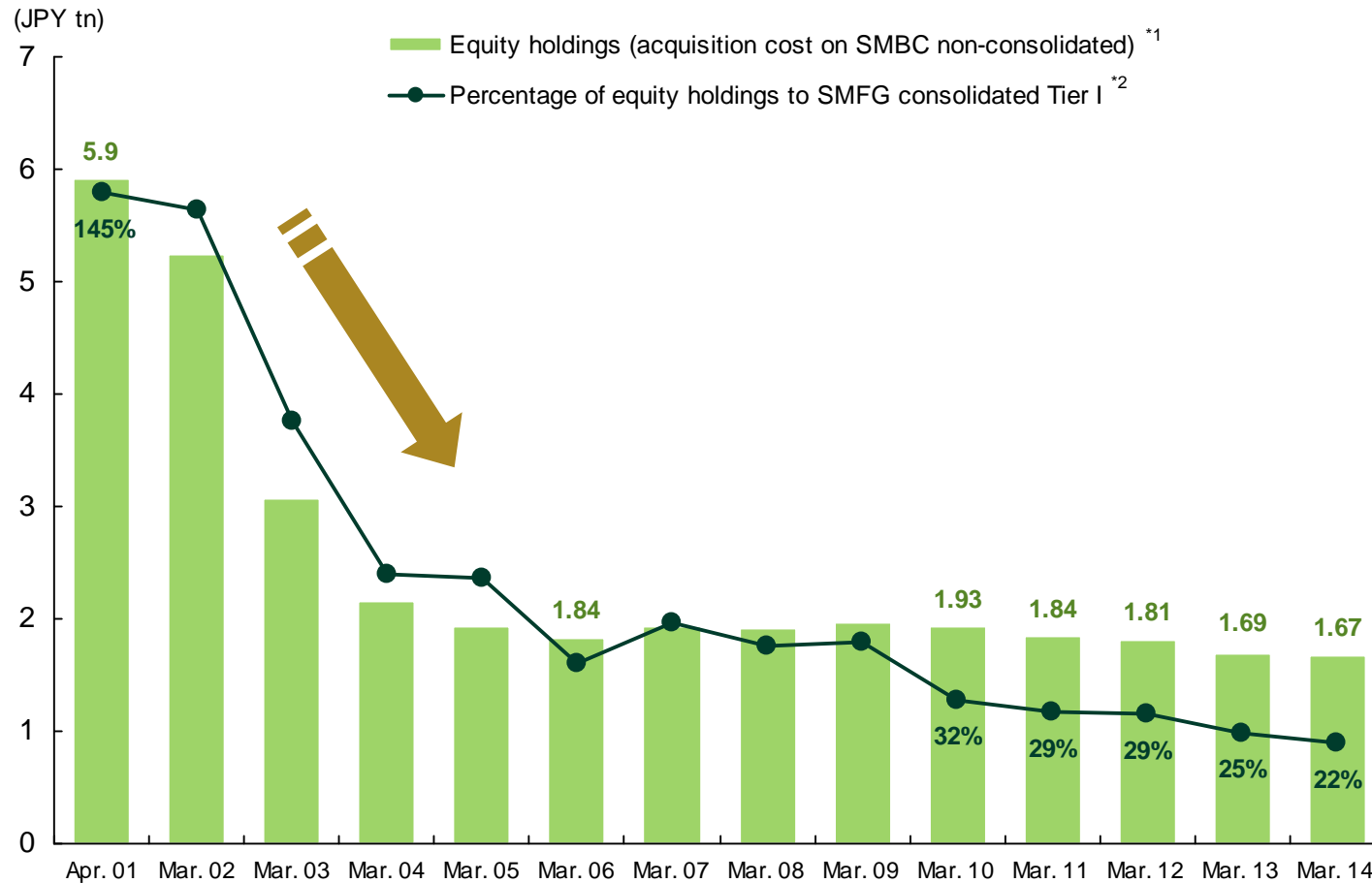
* Excludes claims to Substandard borrowers

Corporate, sovereign and bank exposures



Equity holdings

Balance of domestic listed stocks classified as other securities



*1 Shares of SMFG related to share exchange for acquiring former Promise are excluded

*2 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, 2014	Jun. 30, 2014
Common Equity Tier 1 capital (CET1)	6,550.8	6,797.7
of which:		
Total stockholders' equity related to common stock	6,312.3	6,578.7
Accumulated other comprehensive income ^{*1}	175.6	184.9
Regulatory adjustments related to CET1 ^{*1}	(193.8)	(197.8)
Tier 1 capital	7,514.3	7,731.1
of which:		
Eligible Tier 1 capital instruments (grandfathered) ^{*3}	1,212.1	1,209.5
Regulatory adjustments ^{*1, 2}	(415.4)	(411.4)
Tier 2 capital	2,047.1	2,256.8
of which:		
Eligible Tier 2 capital instruments (grandfathered) ^{*3}	1,627.4	1,627.4
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount ^{*2}	506.6	541.1
Regulatory adjustments ^{*1, 2}	(182.1)	(172.5)
Total capital	9,561.4	9,988.0
Risk-weighted assets	61,623.3	61,703.6
Common Equity Tier 1 capital ratio	10.63%	11.01%
Tier 1 capital ratio	12.19%	12.52%
Total capital ratio	15.51%	16.18%

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

(JPY bn)	Mar. 31, 2014	Jun. 30, 2014
Variance with CET1 on a transitional basis ^{*5}		
Accumulated other comprehensive income	702.4	739.6
of which:		
Net unrealized gains on other securities	759.6	811.9
Minority interests (subject to be phased-out)	(104.8)	(84.9)
Regulatory adjustments related to CET1	(775.1)	(791.3)
Common Equity Tier 1 capital	6,373.2	6,661.1
Risk-weighted assets	61,339.2	61,450.5
Common Equity Tier 1 capital ratio	10.3%	10.8%

Preferred securities that become callable in FY3/15

Issuer / Series	Issue date	Amount outstanding	Dividend rate ^{*6}	First call date ^{*7}	Step-up
SMFG Preferred Capital JPY3 Limited					
Series C	Sep. 2009	JPY 79.5 bn	3.98%	Jan. 2015	None
Series D	Oct. 2009	JPY 45.0 bn	3.94%	Jan. 2015	None

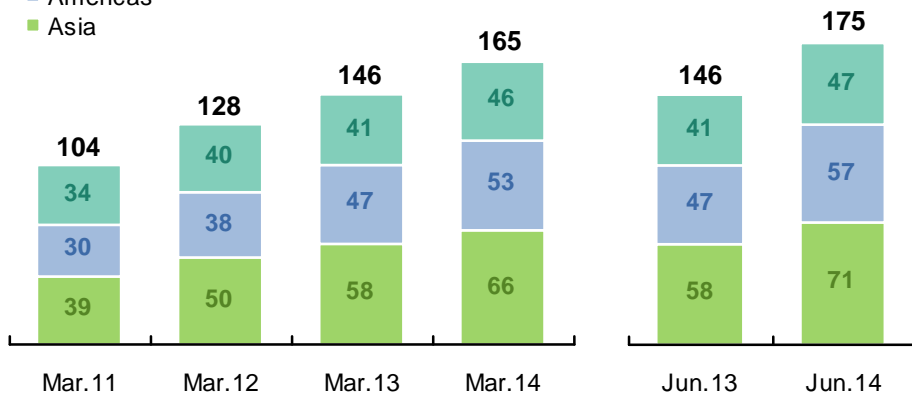
*1~3 Subject to transitional arrangements. Regulatory adjustments of Tier1 and Tier2 include items that are either phased-in or phased-out as described in *1 and *2 below
*1 20% of the original amounts are included *2 20% phase-out is reflected in the figures *3 Cap is 80% *4 Based on the Mar. 31, 2019 definition
*5 Each figure represents 80% 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

Overseas loans, foreign-currency funding, overseas banking profit ratio

Overseas loan balance*1, 2

(USD bn)

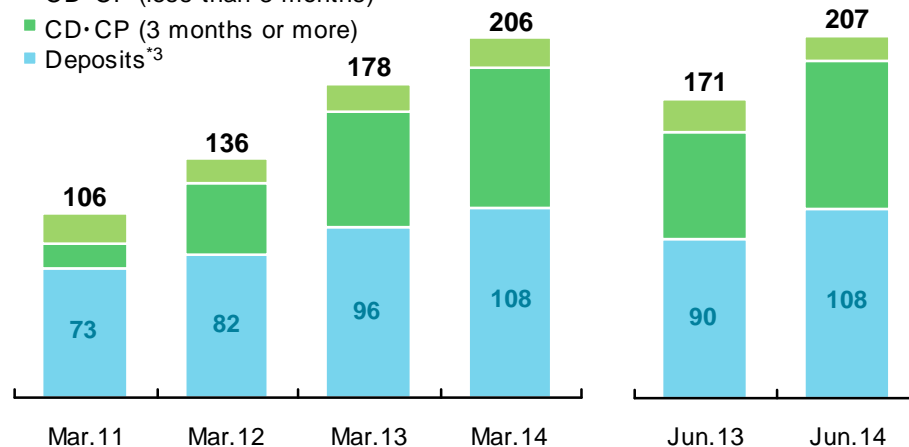
■ EMEA
■ Americas
■ Asia



Overseas deposit balance*1, 2

(USD bn)

■ CD·CP (less than 3 months)
■ CD·CP (3 months or more)
■ Deposits*3



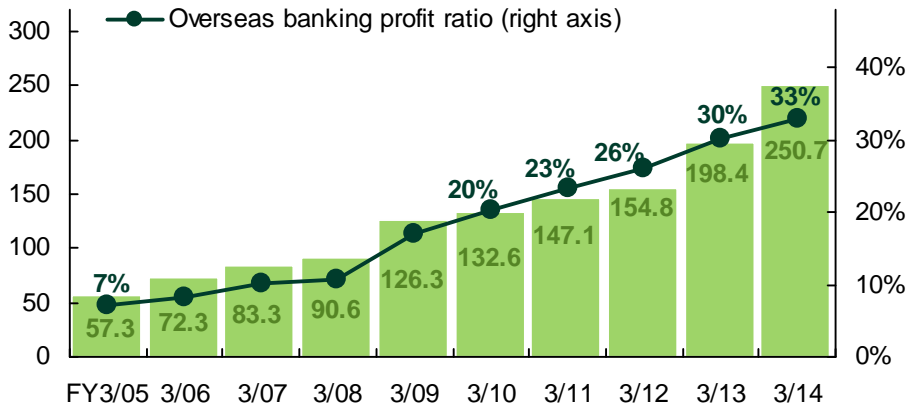
Foreign currency bonds outstanding*4 (USD bn)	Mar. 13		Mar. 14		Jun. 13		Jun. 14	
	Senior	Subordinated	Senior	Subordinated	Senior	Subordinated	Senior	Subordinated
	13.6	3.2	19.2	3.3	13.9	3.2	19.6	5.1

Overseas banking profit and ratio*5

(JPY bn)

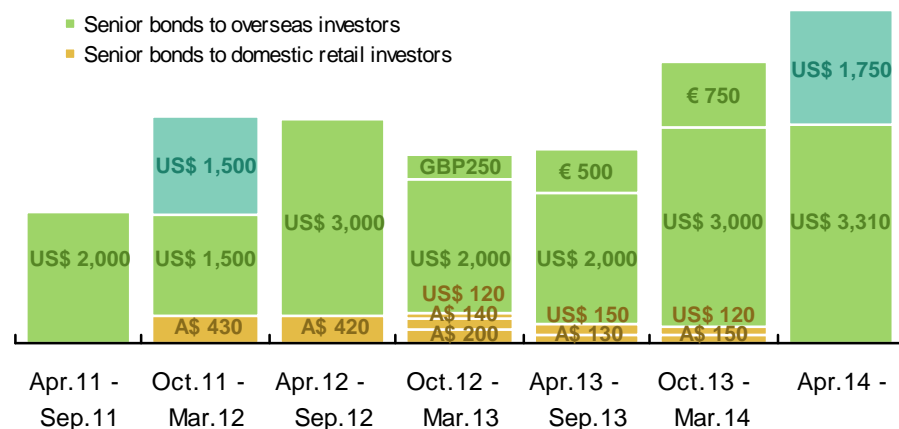
■ Overseas banking profit (left axis)

● Overseas banking profit ratio (right axis)



Issue amount of foreign-currency denominated bonds (mn)*4

■ Subordinated bonds to overseas investors
■ Senior bonds to overseas 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

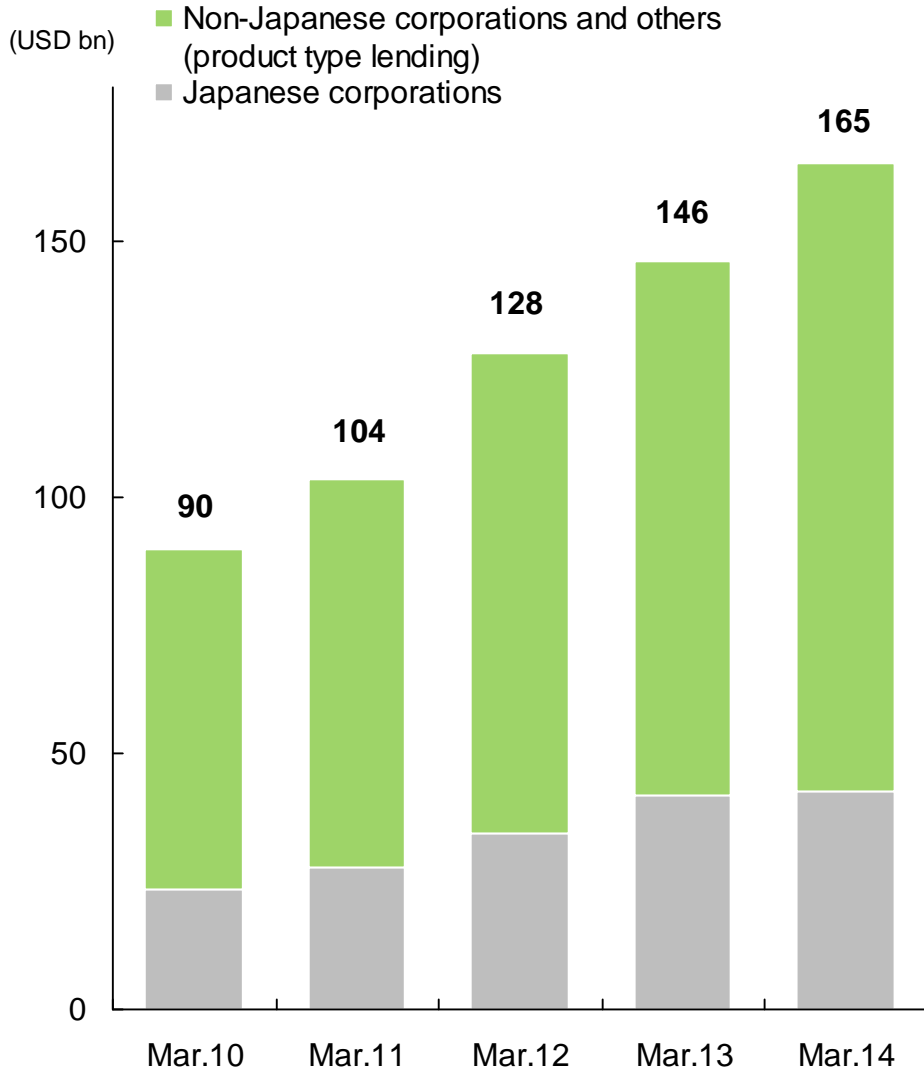
*3 Includes deposits from central banks *4 Bonds issued by SMBC and SMFG

*5 Managerial accounting basis. Sum of SMBC and major overseas subsidiary banks. Based on the former medium-term management plan assumed exchange rate of USD1=JPY85 since FY3/12

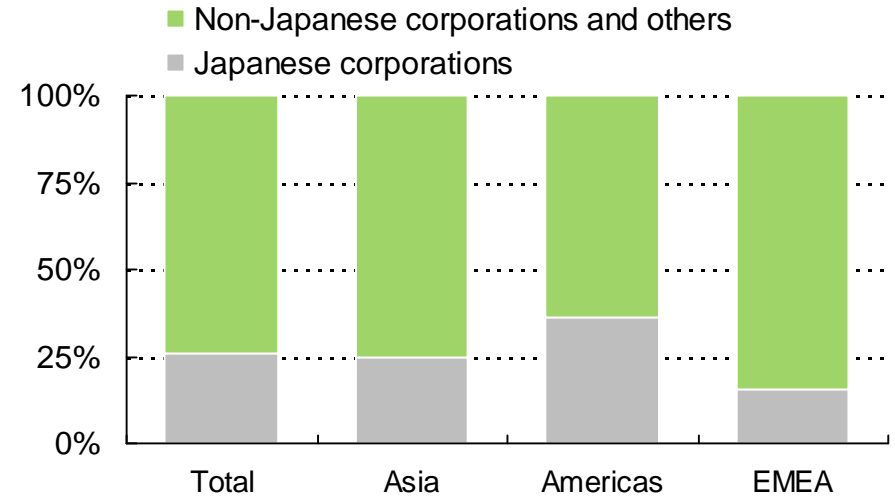
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

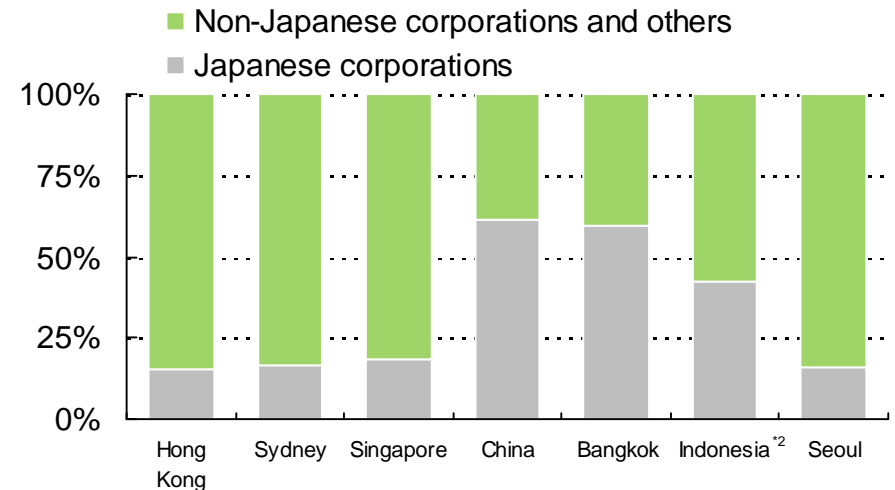
Total*1



By region (Mar. 2014)*1



Major marketing channels in Asia (Mar. 2014)*1



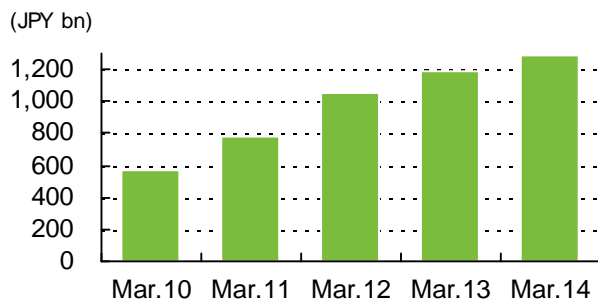
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Sum of SMBC and SMBC Indonesia

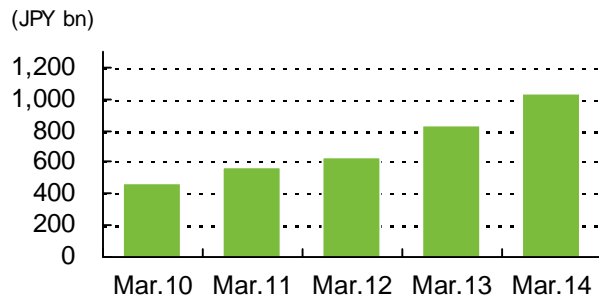
Loan balance in Asian countries

(Geographic classification based on borrowers' domicile)*

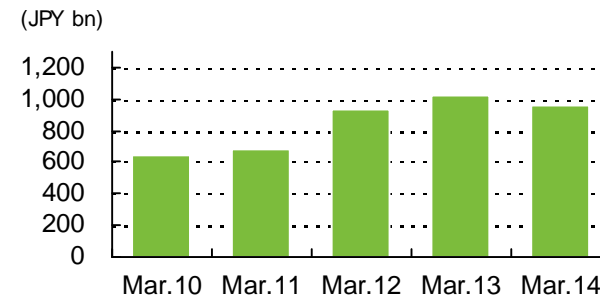
Hong Kong



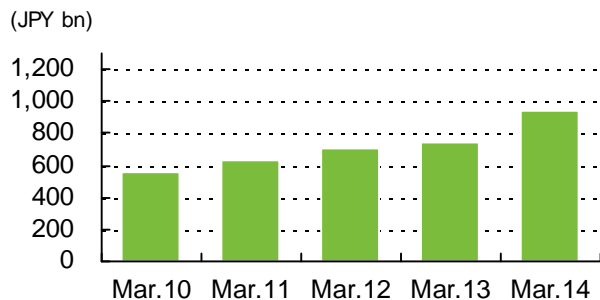
Australia



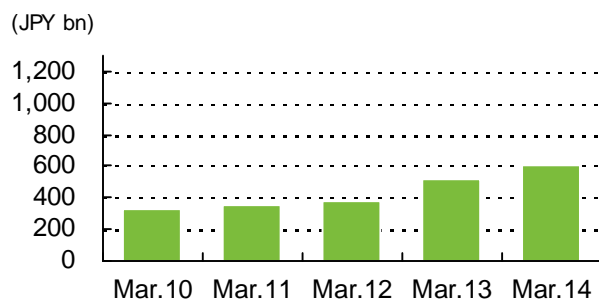
Singapore



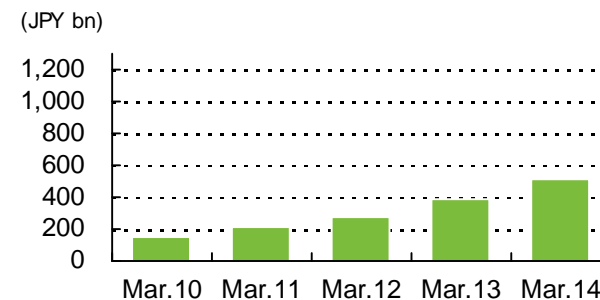
China



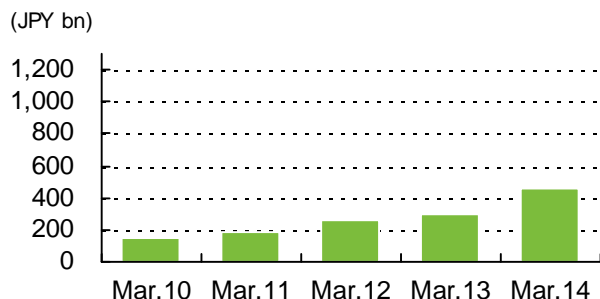
Thailand



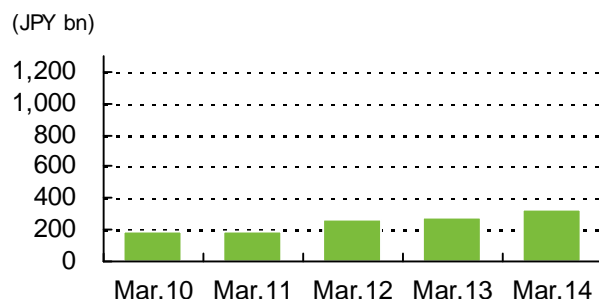
Indonesia



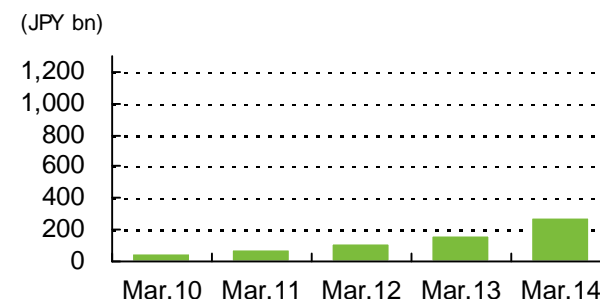
India



Korea



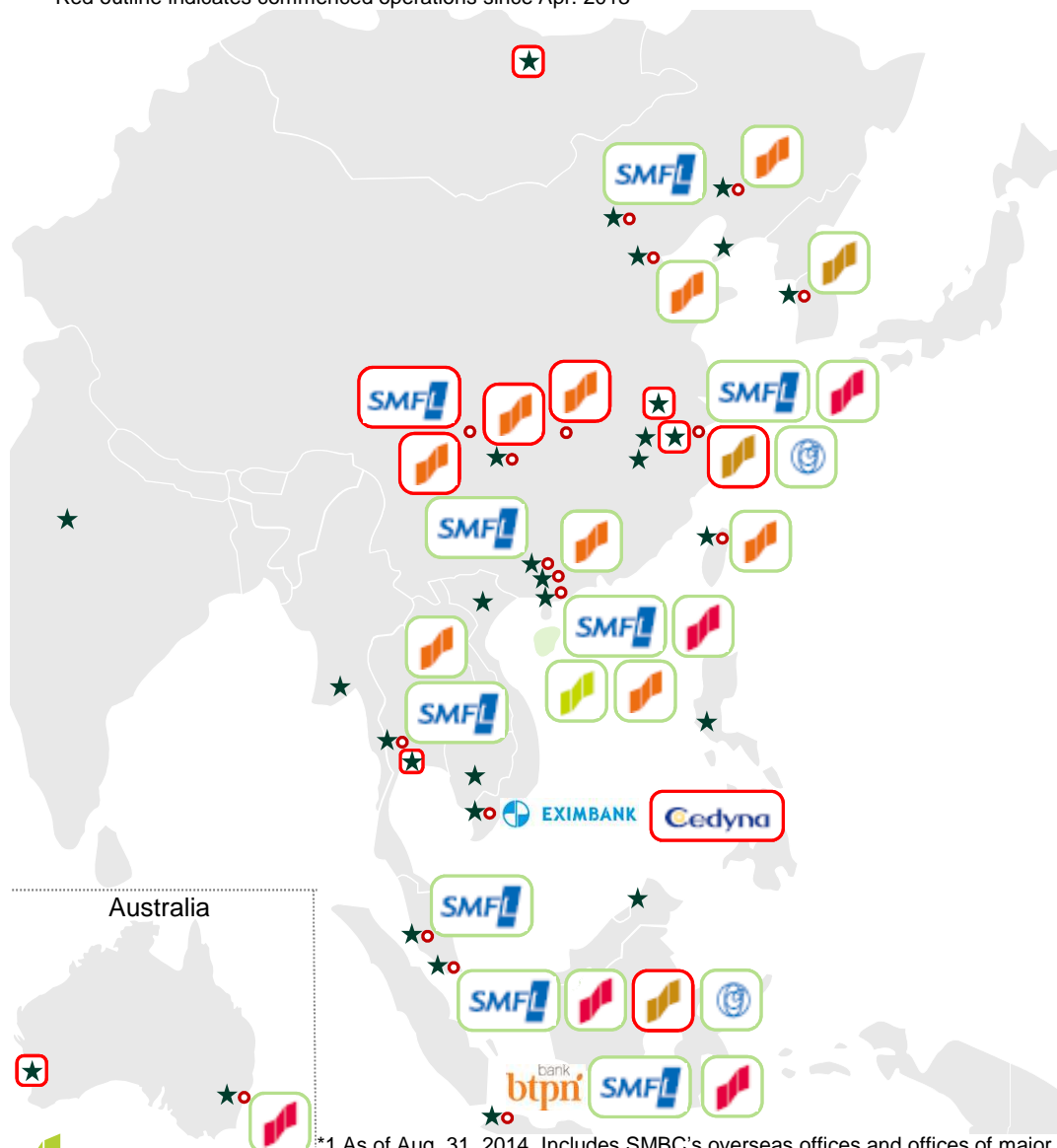
Taiwan



* Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Indonesia
Loan balances are translated into JPY from each country's local currency at the exchange rate of Mar. 2014

SMFG's footprint in Asia

★: SMBC
 ○: Overseas offices of SMFG group companies other than SMBC.
 Red outline indicates commenced operations since Apr. 2013



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	• Hong Kong
SUMITOMO MITSUI CARD COMPANY, LIMITED	Prepaid card services	• Seoul* ²
	Consulting	• Shanghai
	Market research	• Singapore
Cedyna	Auto loans	• Ho Chi Minh* ³
SMBC CONSUMER FINANCE	Consumer finance	<ul style="list-style-type: none"> • Hong Kong • Shenzhen • Shenyang • Tianjin • Chongqing • Chengdu • Wuhan • Bangkok
	Loan management and collection	• Taipei
The Japan Research Institute, Limited	Consulting	• Shanghai
	System integration	<ul style="list-style-type: none"> • Shanghai • Singapore

*¹ As of Aug. 31, 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 since Nov. 2012

*³ Expanded auto loan business through alliance with Vietnam Eximbank since May 2013

Investment in BTPN / Vietnam Eximbank

BTPN

Investment overview

- Acquired 24.26% stake in May 2013 (IDR 6,500 per share)
- Increased ownership to 40% (approx. USD 1.5 bn in total) in March 2014
- 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

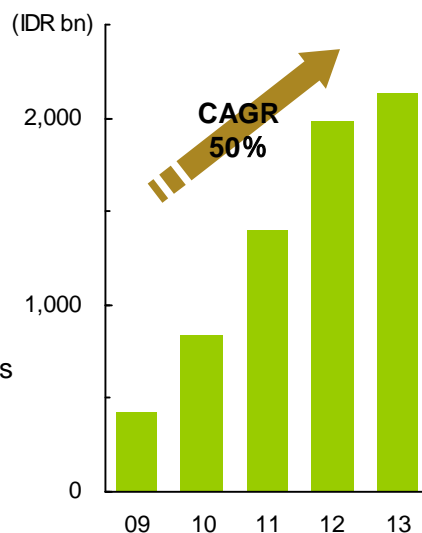
Liability



Deposit taking

Focus on wealthy customers

Consolidated net income



* Exchange rate as of Dec. 31, 2013; 1,000IDR=JPY8.6, USD0.08

Vietnam Eximbank

Investment overview

- Acquired 15% stake in May 2008
- An equity method affiliate of SMBC
- SMBC delegates one 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



Strategic partners in Asia

	Strategic partner*	Relationship since	Outline of alliance / cooperation
China	Bank of China	2000	<ul style="list-style-type: none"> Renminbi business cooperation
	Industrial and Commercial bank of China	1995	<ul style="list-style-type: none"> Ship finance business in China
	Agricultural Bank of China	2002	<ul style="list-style-type: none"> Funding activities in China
Korea	Kookmin Bank	2007	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Local currency funding in China and Taiwan, usage of channel network
Hong Kong	Bank of East Asia	2008	<ul style="list-style-type: none"> Mutual introduction of customers in China and Hong Kong, credit card business, funding activities Invested in 2009 and 2012
Philippines	Metrobank	1995	<ul style="list-style-type: none"> Introduction of customers in Philippines, local currency transaction, usage of channel network. Established Japan desk in 2007
Vietnam	Vietnam Eximbank	2007	<ul style="list-style-type: none"> Retail and SME banking business in Vietnam Invested in 2008. Signed technical service agreement in 2009
Malaysia	RHB Bank	1974	<ul style="list-style-type: none"> Local currency funding in Malaysia, transaction services, Islamic finance
Indonesia	Bank Tabungan Pensiunan Nasional	2013	<ul style="list-style-type: none"> Invested in 2013 and 2014. Retail banking business in Indonesia
	Bank Central Asia	2009	<ul style="list-style-type: none"> Local currency funding in Indonesia, transaction services including CMS
Cambodia	ACLEDA Bank	2012	<ul style="list-style-type: none"> Usage of channel network in Cambodia, transaction services, trade finance Technical assistance to Foreign Corporate Desk, consultation service department for Japanese companies, etc. Plan to invest in Sep. 2014
India	Kotak Mahindra Bank	2010	<ul style="list-style-type: none"> 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

SMBC Aviation Capital / SMBC Rail Services

SMBC Aviation Capital FY3/2014 results

FY3/2014 results

(USD mn)	FY3/14	FY3/13 (10 months) ^{*2}
Total revenue^{*1}	852	576
Net income	192	132
Aircraft assets	8,822	7,288
Net assets	1,300	1,078

- Integrated SMBC's aircraft finance related businesses into Global Aircraft Finance Dept. (established in April 2014) to promote collaboration within SMFG group
- Plan to develop the "buy and sell" business model where purchases are based on careful planning in advance and sales are completed in a flexible and timely manner, in an aim to build a sustainable profit structure
- Signed a contract with Airbus SAS in July 2014 to purchase 115 aircrafts, which will be delivered between 2016 and 2022

Ranking by number of owned and managed aircraft^{*3}

Aircraft leasing company	Nationality	No. of aircrafts
1 GECAS	U.S.	1,692
2 ILFC	U.S.	1,009
3 SMBC AC	Ireland	344
4 BBAM	U.S.	330
5 AerCap	Netherlands	311
6 CIT Aerospace	U.S.	272
7 AWAS	Ireland	270
8 Aviation Capital Group	U.S.	256

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 in Dec. 2013
- Aim to expand U.S. business and diversify business portfolio

Head office location	Chicago, Illinois, U.S.A.
Founded	2006
Total assets	approx. USD 1.2 bn (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, 2013 (Source: Ascend "Airline Business")

SMBC Nikko Securities

Financial results (SMBC Nikko Securities, consolidated)

(JPY bn)	FY3/2014	Apr.-Jun. 2014	YOY change
Net operating revenue	327.9	67.6	(35.6)
SG&A expenses	(227.8)	(53.7)	+7.6
Ordinary income	102.1	14.5	(27.7)
Net income	64.6	9.8	(16.9)

League tables (SMBC Nikko Securities, Apr. -Jun. 2014)

- Acted as one of the joint global coordinators of Mitsui Fudosan 's global equity offering

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*1	#3	23.1%
JPY denominated bonds (lead manager, underwriting amount)*2	#4	15.5%
Financial advisor (M&A, transaction volume)*3	#20	1.8%
Financial advisor (M&A, No. of deals)*3	#9	1.2%

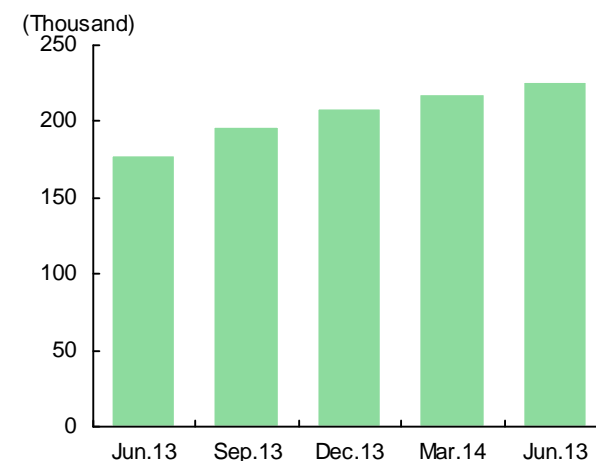
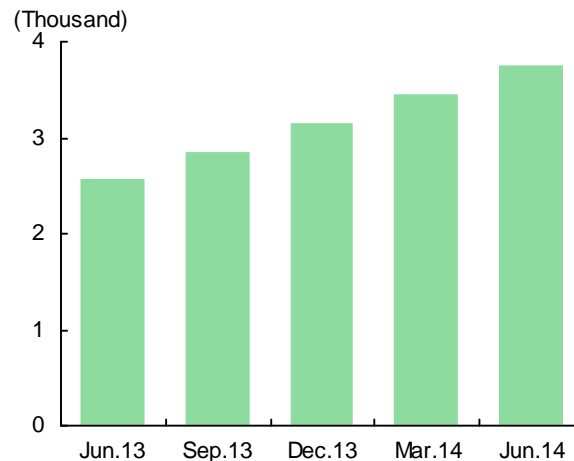
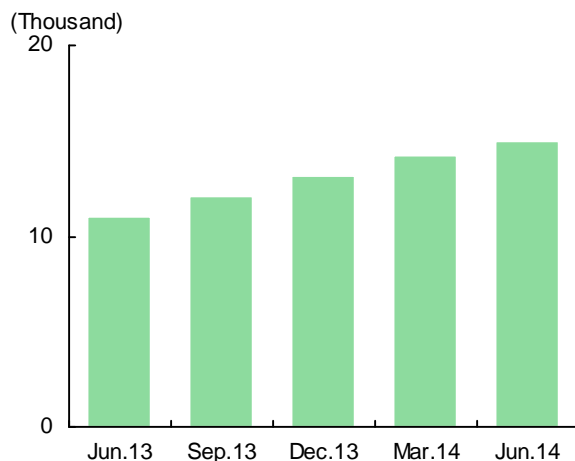
Bank-securities collaboration (corporations)*4

Bank-securities collaboration (individuals)*4

Asset Management

Investment banking

No. of individual accounts (SMBC Nikko)*5



International business: Development and evolution of business model

- Improve capabilities to address our clients' needs by enhancing product line-up and revising client coverage globally, while improving efficiency of assets

Promote cross-selling for global non-Japanese large corporations

- Strengthen client relationships and increase non-interest income through expansion of product line-up, such as TB/IB^{*1}, and promoting cross-selling
- Promote sector- and product-specific global coverage

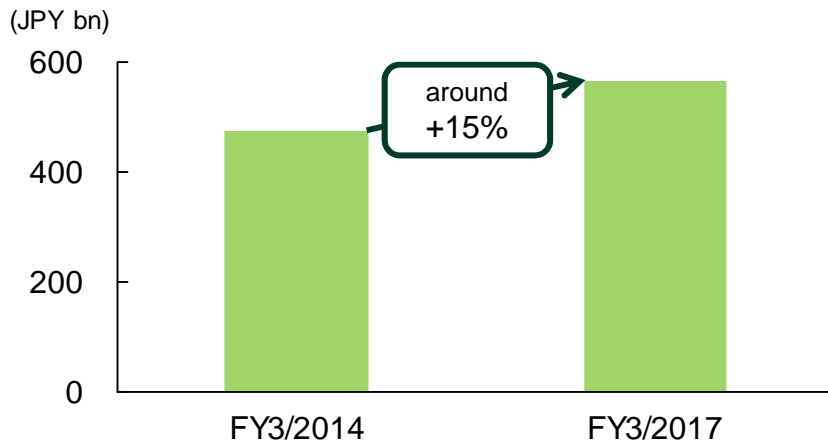
Create a profitable asset portfolio

- Diversify assets
- Increase presence in the U.S. middle markets
- Upgrade portfolio management system

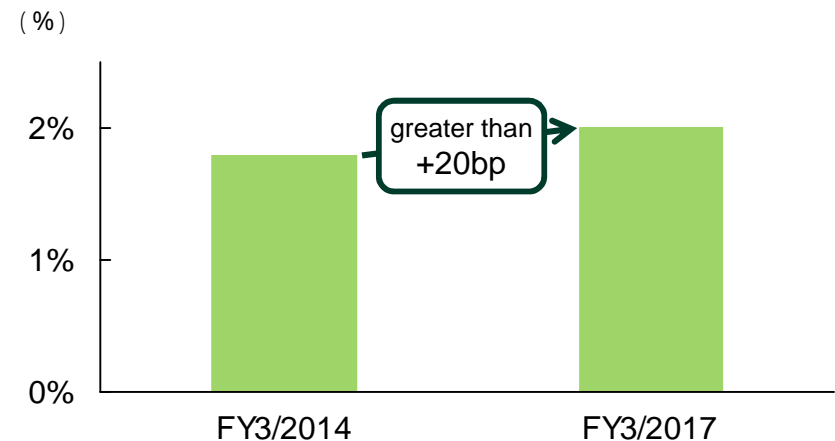
Institutional investor business/ foreign-currency funding

- Enhance ability to provide products and arrange financing that meet needs of institutional investors
- Continue to initiate stable funding of major currencies

Consolidated gross profit of International Business Unit



Credit related revenue RORA^{*2}



Corporate business: Large corporate business

- Recognizing large corporate business as a growth area, create our unique Global-Corporate and Investment Banking (G-CIB) business model
- Drive top-line growth in corporate business. SMBC Nikko Securities to become a top player in equity and bond underwriting

Unique G-CIB model

- Seamless operation of bank-securities and domestic and overseas offices to offer higher quality solutions based on extensive knowledge of industries globally, via increased number of departments and personnel

Large corporate clients

offer higher quality solutions

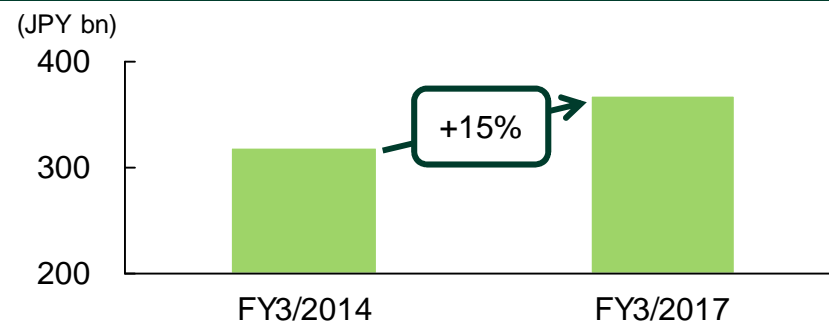


Expand RM Depts. Dual-role, HR exchange Expand client coverage

Extensive knowledge of industries

Seamless operation of domestic / overseas offices

Consolidated gross profit of large corporate business



SMBC Nikko Securities

- Aim for a market share of 20% for underwriting of Japanese equities and corporate bonds. Secure a top-3 position in 3 years

League tables (FY3/2014)

Global equity and equity-related*1 :			JPY denominated bonds*2:		
Bookrunner	Underwriting amount (JPY bn)	Market share	Lead manager	Underwriting amount (JPY bn)	Market share
1. Nomura	1,455.5	32.0%	1. Nomura	3,054.4	19.0%
2. MUFJ MS	753.8	16.6%	2. MUFJ MS	3,006.2	18.7%
3. SMBC Nikko	633.0	13.9%	3. Mizuho	2,949.9	18.4%
4. Daiwa	455.3	10.0%	4. Daiwa	2,544.0	15.9%
5. Mizuho	424.3	9.3%	5. SMBC Nikko	2,388.8	14.9%

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

*2 Source: SMBC Nikko. Corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

Corporate business: Middle market & SME business

- Continue to improve SMBC's strength in middle market and SME business by enhancing capability to respond accurately to clients' needs

- Proactively contribute to the growth and development of the Japanese economy by financially supporting growth industries and companies

Middle market and SME business

- Middle market: provide tailored responses to clients through enhanced client relationship management structures
- SMEs: comprehensively address needs of business owners including business succession and asset management through one-stop-services under the new Area system; enhance speed and quality of response by measures such as expanding use of standardized credit assessment model

Growth areas

- Actively participate in national projects such as "Japan Revitalization Strategy" and concession projects by leveraging the unique strengths of the Growth Industry Cluster Dept.



Growth Industry Cluster Dept. (Theme-oriented)

Corporate Advisory Division Corporate Research Dept. (Sector-oriented)

- Environment infrastructure
- Energy
- Agriculture
- Natural resources
- Water
- Healthcare

Assemble knowledge and contribute to growth

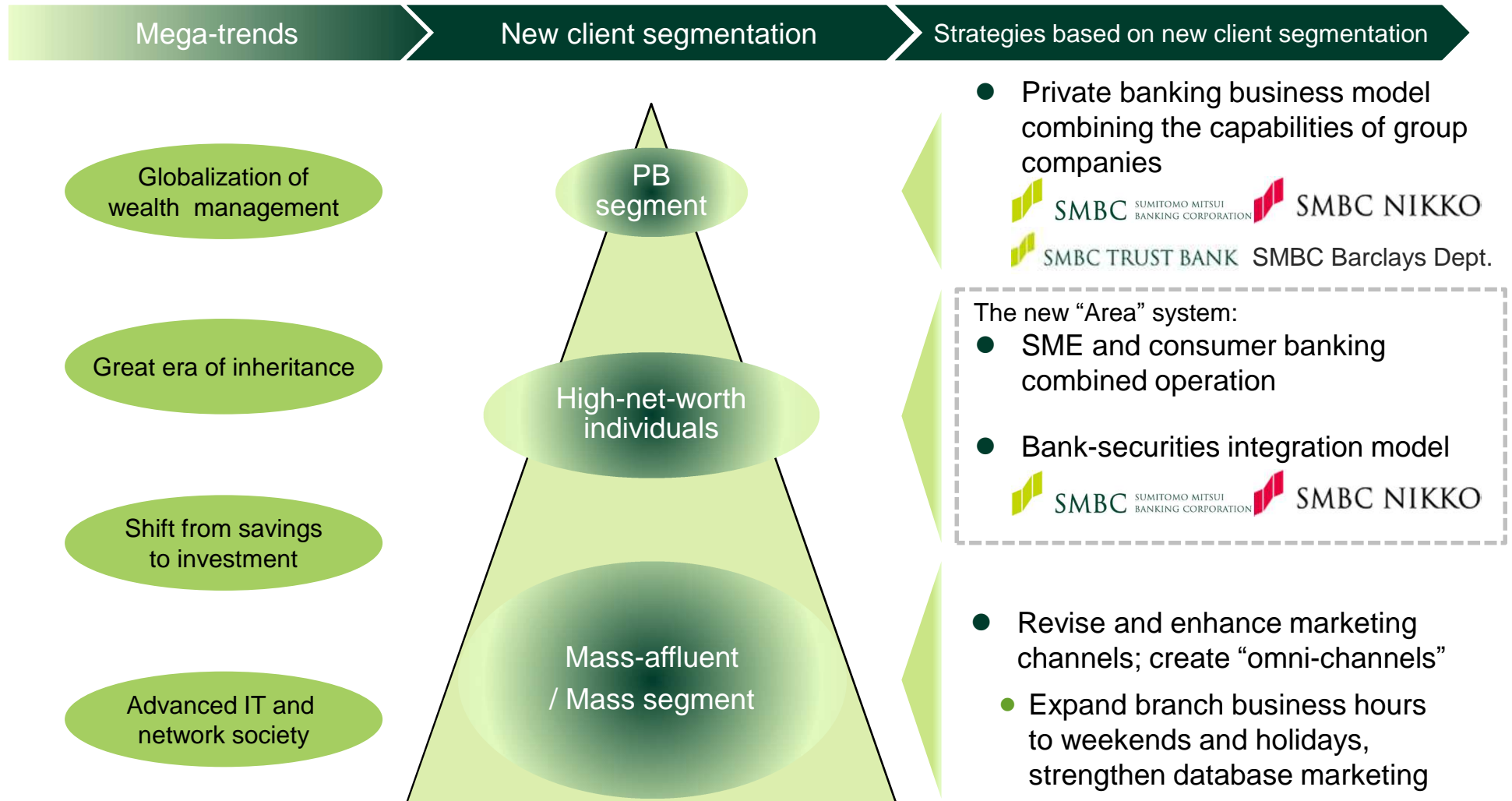
- Electronics, IT
- Communication, media
- Automobile, machinery
- Materials
- Infrastructure
- Consumer products
- Food

Solar energy equipment leasing



Consumer business: Business model by client segment

- Develop the best-in-class business base in Japan, by leveraging our group's collective strength and revising our marketing channels under strategies based on new client segmentation

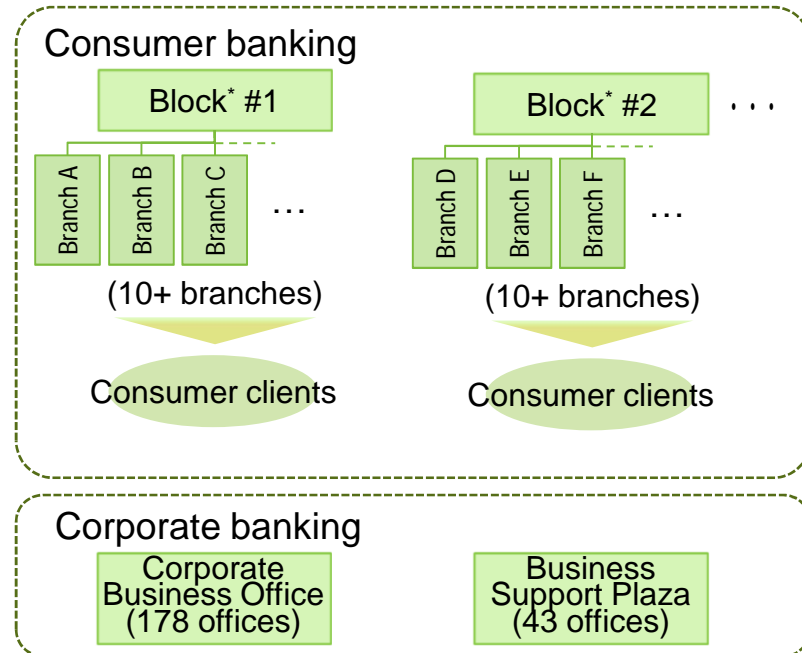


Consumer business: Establish a consolidated business through Area system

- Implement a community-based area marketing strategy under the newly launched Area system
- Expand business opportunities with business owners by leveraging inheritance and succession advisory services. Effectively expand our client base through bank-securities integration model

Before the revision

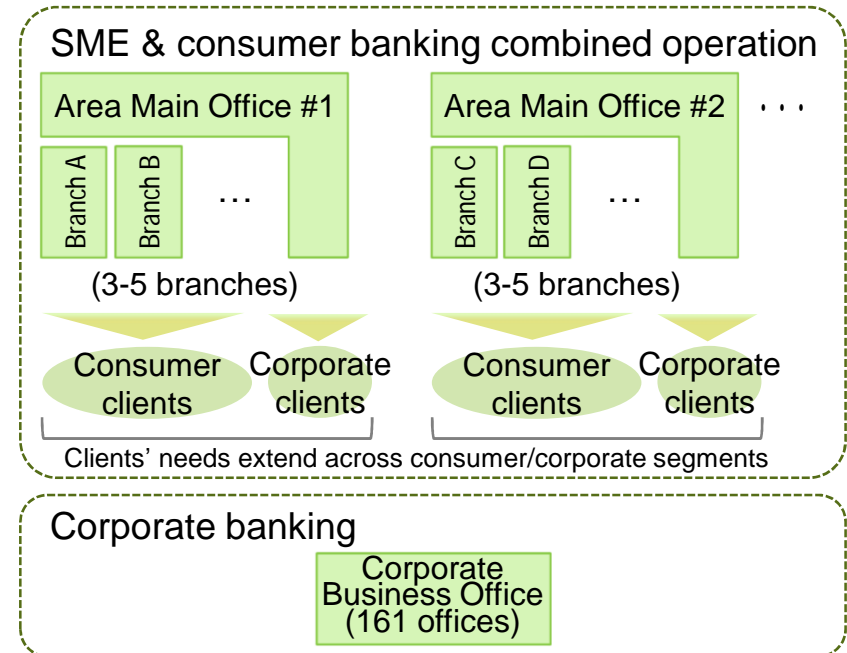
- “Block” system: branches were overseen by 36 Block Consumer Business Offices
- Block Consumer Business Offices took the initiative with business promotion and supervision of branches with respect to the designated “block”




* Block: Block Consumer Promotion Office, BSP: Business Support Plaza

After the revision

- “Area” system: branches are grouped into 109 Areas; BSPs* were merged into Area Main Offices
- Area Main Offices mainly promote SME and consumer banking combined operation
- Area Main Offices and branches maintain close relationship with clients

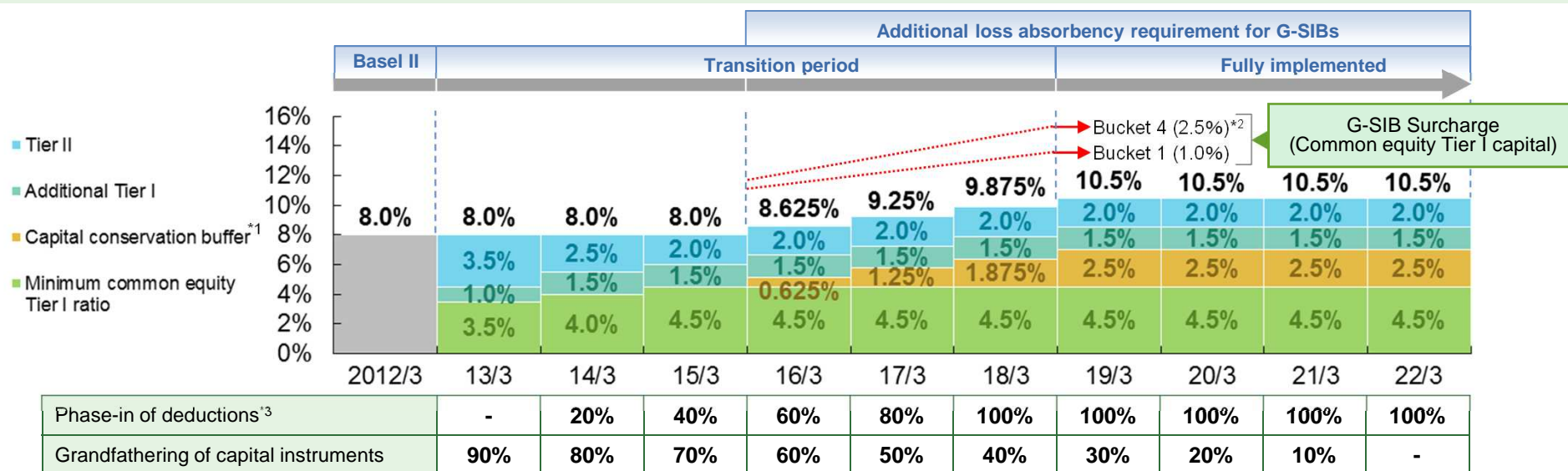


Meeting international financial regulations

Target institutions	Regulations	Contents of regulation	Effective date	Action taken & impact on SMFG
 G-SIBs	G-SIBs 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	<ul style="list-style-type: none"> Centralizing of OTC derivatives clearing Margin requirement for non-centrally cleared derivatives 	Dec. 2012 Dec. 2015	Taking actions needed although impact will be smaller compared to investment banks
	Limitation on banking activities / Ring fencing regulation EU UK 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	SMBC will be out of scope (still 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 (Volcker Rule) Requirements for foreign banking organizations (FBO Rule) 	Jul. 2015 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) 	TBD	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
		<ul style="list-style-type: none"> Fundamental review of trading book (Strengthened capital standards for market risk) 	TBD	Implementation schedule remains unclear. 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% (on a trial basis) 	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 proposal to apply haircut floors on repo transactions excluded JGBs as applicable collateral (Aug. 2013) Impact is manageable but paying attention to remaining issues including treatment of interbank exposures	

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 (minimum: 3%)	2018/1 : Migration to pillar 1
Liquidity coverage ratio (LCR)	Phased-in from 2015/1	1 st half 2017 : Final adjustments to definition and calibration
Net stable funding ratio (NSFR)	2014/1 : Consultative Paper for modification	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 systeminess

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

Public sector support and point of non-viability in Japan

	Framework	Systemic risk	Subject entities	Conditions	Point of non-viability	No. of cases
Existing framework	Act on Special Measures for Strengthening Financial Functions <i>Capital injection</i>	Not Required	Banks (Capital injection may be made through BHC)	No suspension of payment of deposits and not having negative net worth	No	29
	Article 102 of Deposit Insurance Act (DIA)	Required (Credit system in Japan or in a certain region)	Banks only	Undercapitalized	No	1
				Item 2 measures <i>Financial assistance exceeding payout cost</i>	Yes*3	-
				Item 3 measures <i>Nationalization</i>		1
Newly established framework	Article 126-2 of DIA	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	Specified Item 1 measures <i>Liquidity support</i> <i>Capital injection</i>	No	-
				Specified Item 2 measures <i>Supervision or control and</i> <i>Financial assistance for orderly resolution</i>	Yes*3	-

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

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

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

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

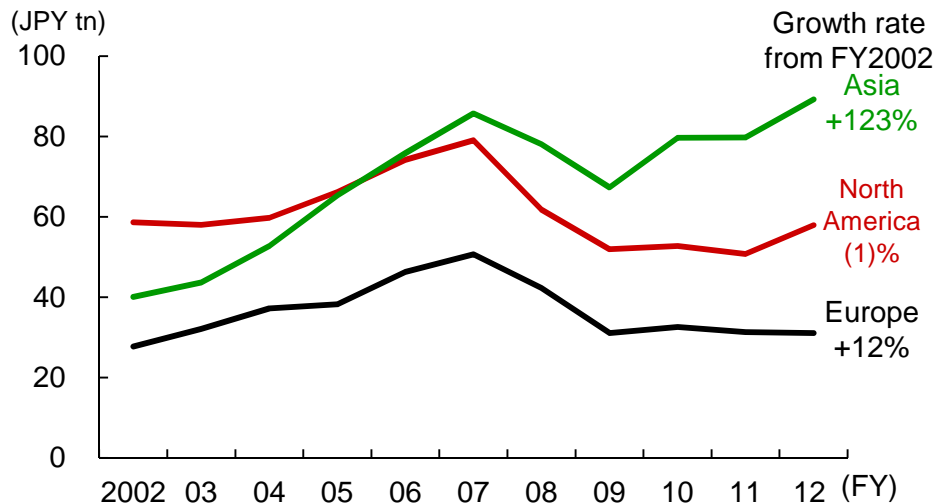
	Apr. 2001	Jul. 2007	Aug. 2014
Aaa		<ul style="list-style-type: none"> Bank of America Bank of New York Mellon Citibank JPMorgan Chase Bank Royal Bank of Scotland UBS Wells Fargo Bank 	
Aa1	<ul style="list-style-type: none"> Bank of America Crédit Agricole Wells Fargo Bank UBS 	<ul style="list-style-type: 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 BNP Paribas 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 BPCE(Banque Populaire) Citibank Crédit Agricole Goldman Sachs Bank ING Bank Société Générale UBS
A3	<ul style="list-style-type: none"> SMBC Mizuho Bank 		<ul style="list-style-type: none"> Deutsche Bank Morgan Stanley Bank
Baa1	<ul style="list-style-type: none"> Bank of China ICBC 		<ul style="list-style-type: none"> Banco Santander Royal Bank of Scotland
Baa2			<ul style="list-style-type: none"> BBVA UniCredit

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

Growth areas in domestic market

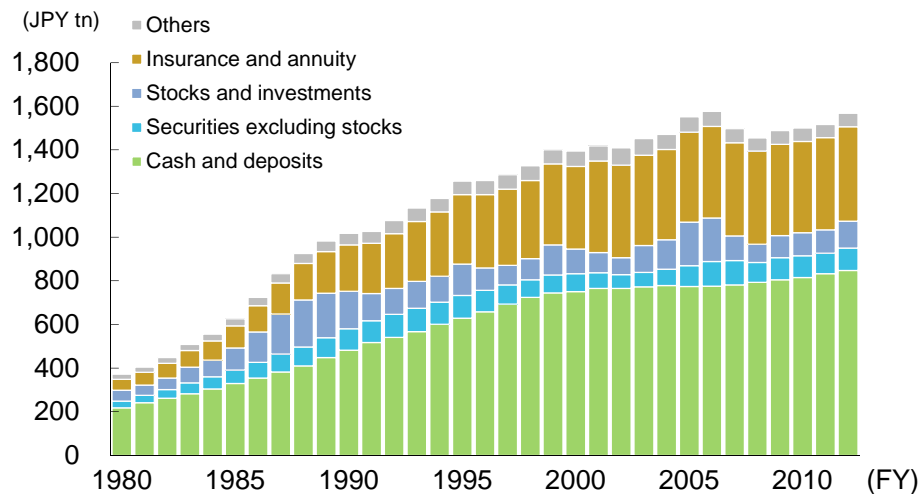
Corporate business

Sales of overseas subsidiaries of Japanese corporations*1

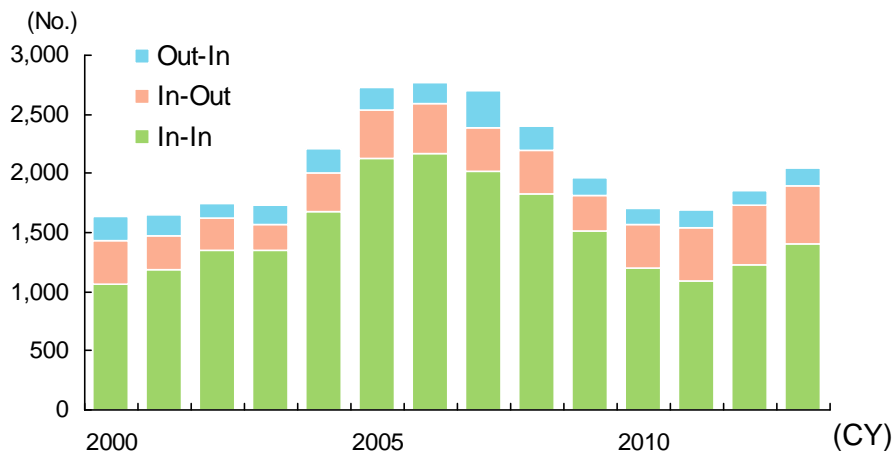


Consumer business

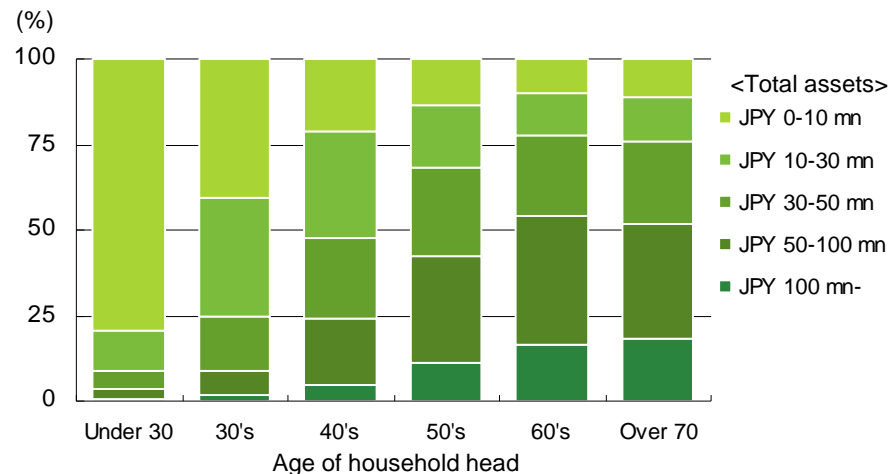
Balance of financial assets owned by individuals*3



No. of M&A deals*2



Total assets by age groups*4



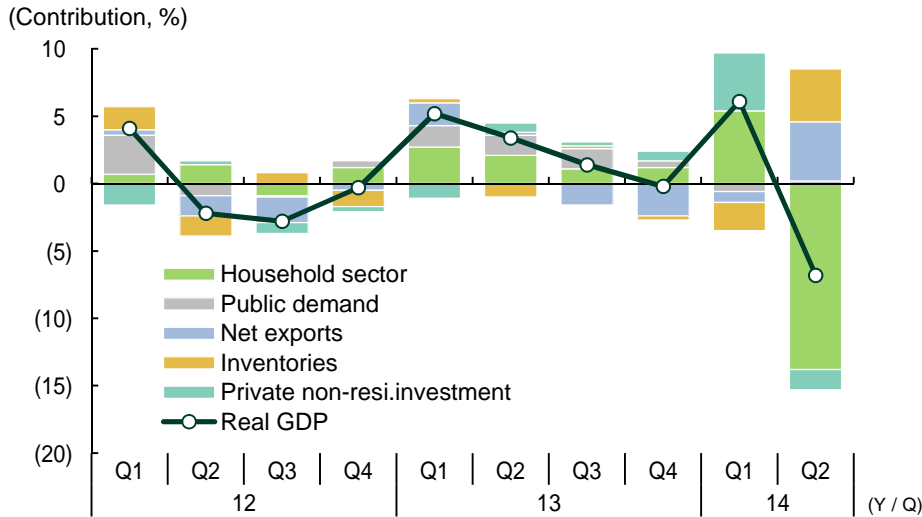
*1 Source: Ministry of Economy, Trade and Industry "Basic Survey of Overseas Business Activities"

*2 Source: Recof data corporation *3 Source: Bank of Japan

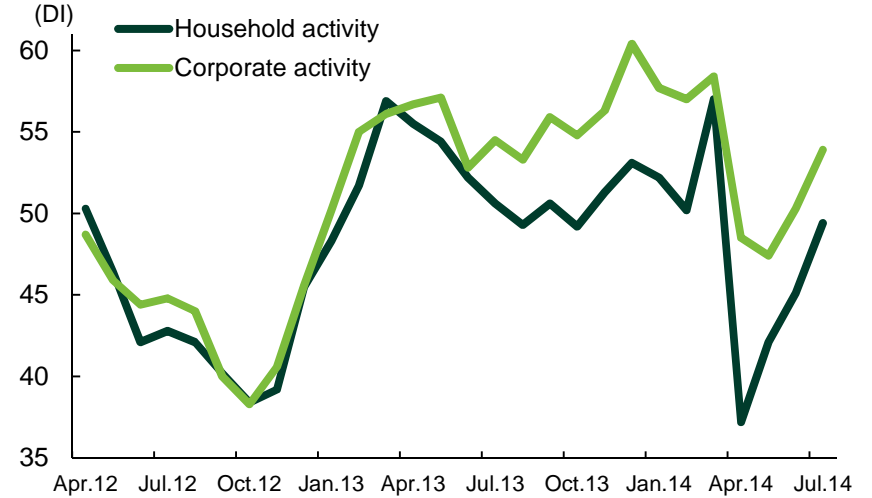
*4 Source: Ministry of Internal Affairs and Communications "National Survey of Family Income and Expenditure"

Current Japanese economy

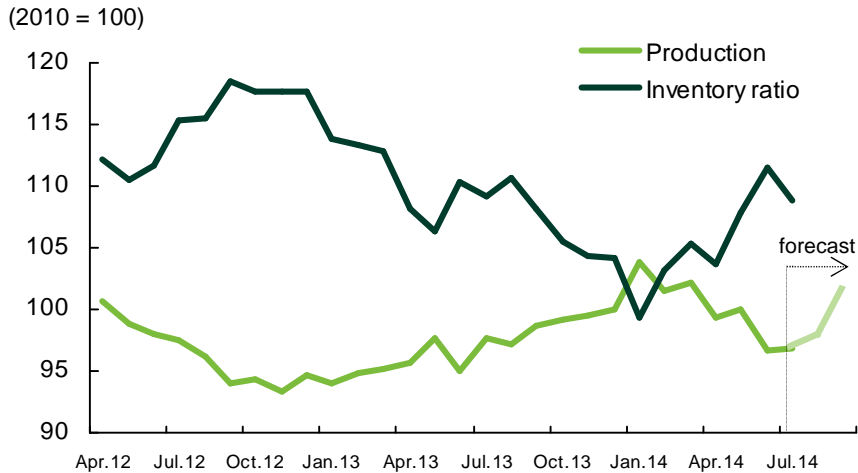
Real GDP growth rate (annualized QoQ change)*1



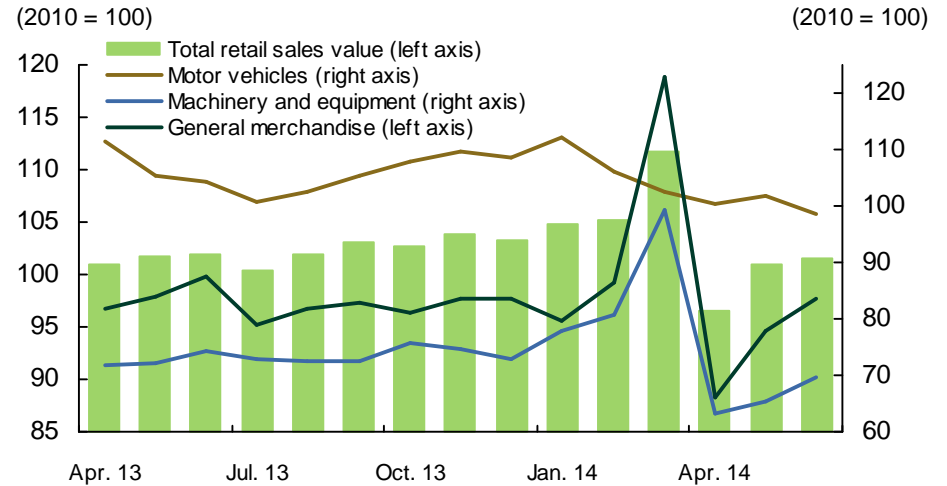
Economy watchers survey*2



Indices of industrial production*3, 4



Indices of retail sales value by type of business*3, 5



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

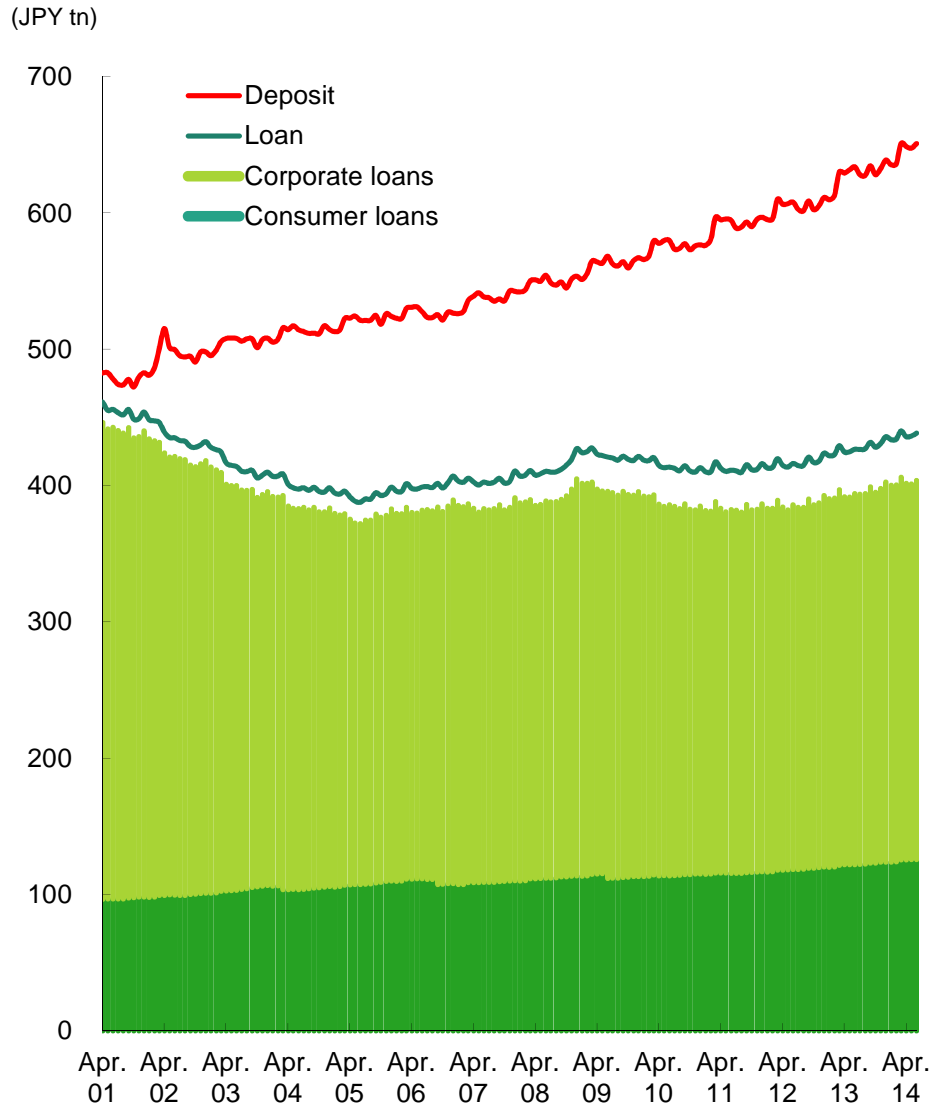
*2 Source: Cabinet Office. Diffusion index for current economic conditions

*3 Source: Ministry of Economy, Trade and Industry. *4 Seasonally adjusted indices. In Aug. and Sep. 2014, based on the indices of production forecast

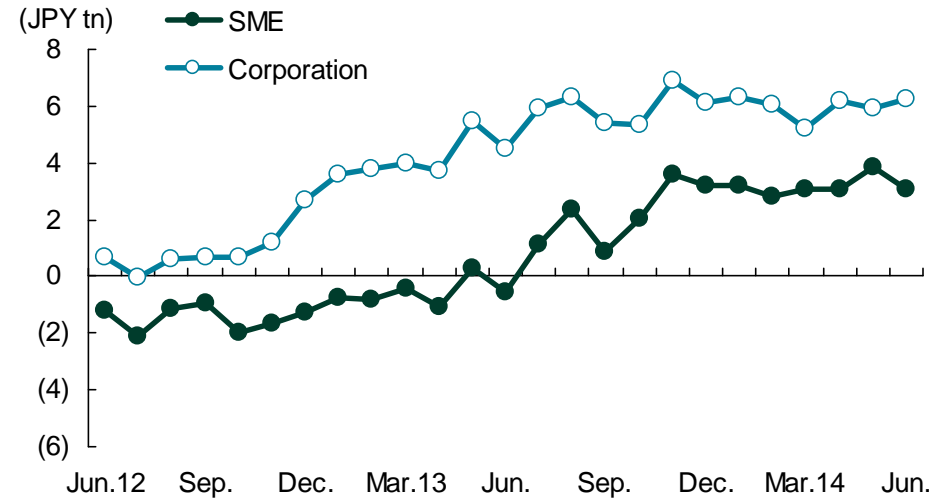
*5 Seasonally adjustment indices. Machinery and equipment: such as household electrical appliance, General merchandise: such as department store

Trends of loan and deposit balance in Japan*1

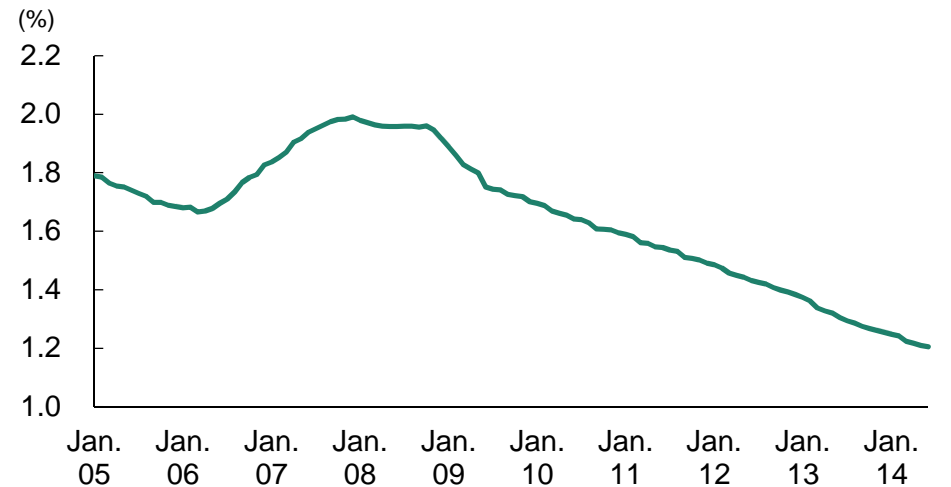
Loan and deposit balance of domestic banks



YoY increase/decrease of loan balance*2



Average loan spread of domestic banks*3



*1 Source: Bank of Japan "Deposits and Loans Market"

*2 Period end balance *3 Stock basis

Japan Revitalization Strategy (revised edition as of Jun. 2014)

	Goals	Numerical targets	Time period	Jun. 2013	Jun. 2014	Key measures
Industry Revitalization Plan						
Restructuring of industries	Domestic CAPEX Business startup rate vs. closure ratio	JPY 70 tn Around 10%	In next 3 yrs -	JPY 63tn 5%	JPY 66.9 tn -	<ul style="list-style-type: none"> Strengthen Corporate Governance Promote supply of "Risk Money" Implement the national identification number policy Corporate tax reform Reform of the GPIF Develop "National strategic special zones" (Simplify incorporation procedures, etc.)
Employment system reform	Unemployed for more than six months Employment rate of women	Decrease by 20% 73%	In next 5 yrs 2020	- 68%	1.51 mn 69.5%	
Unlock full potential of universities	Global ranking of Japanese universities	10+ to rank in top 100	In next 10 yrs	-	2	
Promote scientific and technological innovations	Global innovator ranking Number of public data disclosure	#1 Over 10,000	In next 5 yrs End of 2015	#5 -	#5 Achieved	
Strengthen competitiveness of Japan as a business hub	Ease of doing business ranking Size of PPP/PFI	Top3 (in OECD) JPY 12 tn	2020 In next 10 yrs	#15 JPY 4.1 tn	#15 -	
Expand SMEs	Number of profit-making SMEs	1.4 mn	2020	0.7 mn	-	
Strategic Market Creation Plan						
Develop a good health and longevity industry	Extend healthy life expectancy	1+ year	2020	- -	Men 70 Women 74	<ul style="list-style-type: none"> Reform of the medical corporation system Implement wind power generation quickly Introduce robots for the maintenance of infrastructure Reform of Agricultural cooperatives Promote tourism targeting Tokyo Olympic Games Examine establishment of Integrated Resort (IR)
Develop energy industry	Commercialize offshore floating wind power Global market share of batteries	Commercialize 50%	2018 2020	- -	2 plants 10%	
Develop Infrastructure industry	Maintain and repair infrastructure by using robots, etc. Equip driving safety support devices and system	100% Standard equipment for all cars	2030 2030	- -	- 185,000	
Turn agriculture and tourism into growth industries	Market for "the sixth industry" Exports of agriculture, food products, etc. Number of foreign visitors	JPY 10 tn JPY 1 tn Above 30mn	2020 2020 2030	JPY 1 tn JPY 450 bn -	JPY 1.9 tn JPY 550 bn 10.36 mn	
Strategy of Global Outreach						
Promote economic partnerships	Trading FTA ratio Export amount by mid-sized corps and SMEs	70% X2 from 2010	By 2018 2020	19% -	18% X1.3	<ul style="list-style-type: none"> Early agreement on the TPP negotiations Discover investment cases through the "Conference for Japan's Direct Investment Promotion" Promote Cool Japan
Develop inward direct investment	Foreign companies' direct investment	JPY 35 tn	2020	JPY 17.8 tn	JPY 18 tn	
Capture share of world's infrastructure	Infrastructure sales	JPY 30 tn	2020	JPY 3.2 tn	JPY 9.3 tn	
Promote Cool Japan etc.	Overseas sales of broadcast contents	X3	By 2018	JPY 6.3 bn	JPY 6.2 bn	

* The measures and figures announced in June 2013 are shown in black; those announced in June 2014 are shown in red

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.