

Figures in the charts are rounded. Figures in parenthesis indicate loss or decrease.

May 13, 2015

Announcement of financial results for FY3/2015

We would now like to explain our financial results for FY3/2015, by using three results-related disclosures titled *Consolidated financial results for the fiscal year ended March 31, 2015*, its *Supplementary Information* and *Revision of Dividend Forecast for the Fiscal Year Ended March 31, 2015* and today's two press releases titled *Establishment of SMFG Corporate Governance Guideline* and *Notice regarding Partial Amendments to Articles of Incorporation*.

First of all, as disclosed in the press release titled *Revision of Dividend Forecast for the Fiscal Year Ended March 31, 2015*, we have revised our annual dividend forecast for common stock to JPY 140 per share, JPY 10 higher than our November forecast and a JPY 20 increase compared with the previous fiscal year. This was mainly because SMFG recorded consolidated Net income of JPY 753.6 billion, JPY 53.6 billion higher compared to our upward-revised target of JPY 700.0 billion announced in November.

Now, we would like to explain the details of our financial results for FY3/2015, referring to the *Supplementary Information*.

In this report, "Consolidated" indicates SMFG's consolidated figures, and "Non-consolidated" indicates SMBC's non-consolidated figures.

SMFG consolidated financial results

Please look at page 1. This is an overview of SMFG's consolidated earnings results.

Consolidated gross profit shown in line 1 was JPY 2,980.4 billion, JPY 82.2 billion higher compared with the previous fiscal year.

This was largely due to increased profits from Treasury Unit at SMBC resulting from ALM operations that quickly respond to market conditions and steady results of major subsidiaries such as Sumitomo Mitsui Card and SMBC Consumer Finance.

General and administrative expenses, as shown in line 7, were up by JPY 89.4 billion year-on-year to JPY 1,659.3 billion, mainly due to an increase in expenditures by SMBC aimed at strengthening its overseas business and by other subsidiaries such as

SMBC Nikko Securities and Sumitomo Mitsui Card aimed at enhancing the business structure to generate stronger top-line growth.

As a result, Consolidated net business profit in line 9 fell by JPY 28.1 billion year-on-year to JPY 1,310.5 billion.

Next, Total credit cost in line 10 was a net cost of JPY 7.8 billion, a JPY 56.9 billion increase compared with the previous fiscal year. This was due to Gains on reversal of reserve for possible loan losses decreasing by half compared to the previous fiscal year, as shown in line 15.

Ordinary profit in line 19, after adding/deducting Gains on stock in line 17 and Other income (expenses) in line 18, dropped by JPY 111.2 billion year-on-year to JPY 1,321.2 billion.

Finally, Net income, after income taxes, in line 28 was down by JPY 81.7 billion year-on-year to JPY 753.6 billion.

SMFG consolidated		(Billions of yen)		
		FY3/2015	Change	FY3/2014
Consolidated gross profit	1	2,980.4	82.2	2,898.2
General and administrative expenses	7	(1,659.3)	(89.4)	(1,569.9)
Consolidated net business profit	9	1,310.5	(28.1)	1,338.5
Total credit cost	10	(7.8)	(56.9)	49.1
Credit costs	11	(85.0)	11.8	(96.8)
Gains on reversal of reserve for possible loan losses	15	61.2	(75.1)	136.2
Recoveries of written-off claims	16	16.0	6.3	9.7
Gains (losses) on stocks	17	66.7	(22.6)	89.2
Other income (expenses)	18	(48.2)	(3.6)	(44.5)
Ordinary profit	19	1,321.2	(111.2)	1,432.3
Net income	28	753.6	(81.7)	835.4

SMBC non-consolidated financial results

Let us now look at SMBC's non-consolidated earnings results on the next page, page 2.

Banking profit before provision for general reserve for possible loan losses in line 20 was JPY 843.1 billion, JPY 30.6 billion higher compared with the previous fiscal year.

Gross banking profit in line 1 rose by JPY 76.1 billion year-on-year to JPY 1,634.3 billion largely due to the following factors:

- Domestic Net interest income in line 3 decreased due to shrinking loan spreads resulting from intense competition;

- International Net interest income in line 10 increased due to a rise in interest income on loans in line with asset growth mainly in Asia and the Americas, and Gains on bonds in line 14 were up due to gains on sales of foreign currency denominated bonds.

Expenses in line 15 were up by JPY 45.5 billion year-on-year to JPY 791.2 billion caused by an increase in expenditures aimed at enhancing top-line growth such as to strengthen the overseas business, and also by the impact of an increase in the consumption tax rate.

SMBC non-consolidated (Billions of yen)

		FY3/2015	Change	FY3/2014
Gross banking profit	1	1,634.3	76.1	1,558.2
Gross domestic profit	2	1,097.7	(14.3)	1,112.0
Net interest income	3	863.5	(17.1)	880.6
Net fees and commissions	5	215.6	(14.8)	230.4
Gross international profit	9	536.6	90.4	446.2
Net interest income	10	257.9	73.6	184.3
Net other operating income	13	134.9	36.7	98.1
<i>Gains (losses) on bonds</i>	14	44.6	39.0	5.6
Expenses (excluding non-recurring losses)	15	(791.2)	(45.5)	(745.7)
Banking profit (before provision for general reserve for possible loan losses)	20	843.1	30.6	812.4

Next, Total credit cost, as shown in line 38, was a net reversal of JPY 80.1 billion, JPY 43.8 billion lower in terms of gains compared with the previous year. As shown in line 39, a reversal of provision for general reserve for possible loan losses continued to be posted, due to a decline in loan reserve ratio arising from the downward trend of loan losses and improvements in business conditions of certain borrowers, reflecting the favorable economic environment. In spite of this, provision for specific reserve for possible loan losses shown in line 41 was a net provision, due to a reduced reversal of provisions for large borrowers, in contrast to a net reversal recorded in the previous fiscal year.

Gains (losses) on stocks in line 28 were a net gain of JPY 52.6 billion, a considerable level, but nonetheless a year-on-year decrease by JPY 53.8 billion. Other non-recurring gains (losses) in line 29 were a net loss of JPY 19.8 billion, improved by JPY 70.4 billion year-on-year mainly due to a decline in provision of allowance for investment loss.

SMBC non-consolidated (Billions of yen)

		FY3/2015		FY3/2014
			Change	
Non-recurring gains (losses)	24	112.9	(27.2)	140.1
Credit costs	25	(5.2)	3.7	(8.9)
Gains on reversal of reserve for possible loan losses	26	79.0	(53.8)	132.8
Recoveries of written-off claims	27	6.3	6.2	0.1
Gains (losses) on stocks	28	52.6	(53.8)	106.4
Other non-recurring gains (losses)	29	(19.8)	70.4	(90.3)
Total credit cost (22+25+26+27)	38	80.1	(43.8)	123.9
Provision for general reserve for possible loan losses	39	91.5	24.9	66.6
Provision for specific reserve for possible loan losses	41	(12.5)	(79.4)	66.9

Finally, Ordinary profit in line 30 rose up by JPY 3.5 billion year-on-year to JPY 956.0 billion and Net income, after income taxes, in line 37 was JPY 643.0 billion, a JPY 37.7 billion increase year-on-year.

SMBC non-consolidated (Billions of yen)

		FY3/2015		FY3/2014
			Change	
Ordinary profit	30	956.0	3.5	952.5
Net income	37	643.0	37.7	605.3

Domestic Interest spread

Next, let us look at page 3 for domestic Interest spread.

As shown on the table, Interest spread, the difference between Interest paid on deposits, etc. and Interest earned on loans and bills discounted, was down by 0.08% year-on-year to 1.29%. This was largely because of a decline in Interest earned on loans and bills discounted, due to shrinking loan spreads resulting from intense competition and lower market interest rates.

SMBC Non-consolidated (%)

		FY3/2015	Six months ended Sep. 30, 2014	Six months ended Mar. 31, 2015	FY3/2014
Interest earned on loans and bills discounted (C)		1.32	1.34	1.30	1.41
Interest paid on deposits, etc. (D)		0.03	0.03	0.03	0.04
Interest spread (C) - (D)		1.29	1.31	1.27	1.37

Unrealized gains (losses) on securities

Next, let us look at page 4.

Figures of SMFG consolidated Unrealized gains (losses) on securities are shown on the top of the page.

Net unrealized gains on Other securities in line 2 were up by JPY 1,200.0 billion compared with the previous fiscal year to JPY 2,605.0 billion mainly due to favorable stock market conditions.

SMFG consolidated		(Billions of yen)			
		Mar. 31, 2015			
		Net unrealized gains (losses)			
			Change from Mar. 31, 2014	Gains	Losses
Other securities	2	2,605.0	1,200.0	2,654.0	49.0
Stocks	3	2,054.3	923.2	2,073.4	19.1
Bonds	4	50.0	(15.6)	60.8	10.8
Others	6	500.6	292.4	519.8	19.1

Non-performing loans

Let us now move on to page 7, SMBC's non-performing loan situation.

The ratio of Non-performing loans to Total claims including Normal assets improved by 0.24% year-on-year to 0.97%, falling below 1% and resulting in the lowest ratio since the establishment of SMBC.

In addition, the total amount of Non-performing loans based on the Financial Reconstruction Act, item marked with an "A" at the bottom left of the table, was JPY 769.0 billion, a JPY 112.4 billion decrease compared with March 31, 2014.

SMBC non-consolidated		(Billions of yen, %)		
		Mar. 31, 2015 (a)	(a) - (b)	Mar. 31, 2014 (b)
Bankrupt and quasi-bankrupt assets		93.0	(21.3)	114.3
Doubtful assets		555.1	(19.3)	574.4
Substandard loans		120.9	(71.8)	192.7
Total (A)		769.0	(112.4)	881.4
Normal assets		78,132.4	6,225.4	71,907.0
Grand Total (B)		78,901.4	6,113.0	72,788.4
NPL ratio (A/B)		0.97	(0.24)	1.21

Loans

Next, let us move on to page 14, our loan balance.

SMBC's domestic loans, shown in the second line from the bottom, increased by JPY 1.2 trillion compared with March 31, 2014 to JPY 49.3 trillion. This was due to an increase in loans to both large corporations and small-and medium-sized enterprises, etc. resulting from our active responses to loan demands, despite a decrease in loans to individuals, mostly in housing loans due to a demand setback after the consumption tax rate hike.

Overseas loans increased by JPY 3.7 trillion compared with March 31, 2014 to JPY 18.9 trillion, largely in Asia and Americas.

Overall, SMBC's loan portfolio grew by JPY 4.9 trillion to JPY 68.3 trillion compared with March 31, 2014.

SMBC non-consolidated		(Trillions of yen)	
	Mar. 31, 2015	Change	Mar. 31, 2014
Loans	68.3	4.9	63.4
Domestic offices (excluding Japan offshore banking accounts)	49.3	1.2	48.2
Overseas offices and Japan offshore banking accounts	18.9	3.7	15.2

Capital ratio (BIS guidelines)

Next, let us move on to page 16 for consolidated capital ratio on a preliminary basis.

SMFG's consolidated capital ratios as of March 31, 2015 were well above required levels: Total capital ratio was 16.58%, higher by 1.07% compared with March 31, 2014; Common equity Tier 1 capital ratio was 11.30%, higher by 0.67% compared with March 31, 2014.

SMFG consolidated		(%)	
	Mar. 31, 2015 [Preliminary] (a)	(a) - (b)	Mar. 31, 2014 (b)
(1) Total capital ratio	16.58	1.07	15.51
(3) Common equity Tier 1 capital ratio	11.30	0.67	10.63

Earnings targets and dividends forecast for FY3/2016

Let us move on to the earnings targets for FY3/2016 on page 17.

SMFG's consolidated earnings targets are as follows.

Ordinary profit: JPY 1,240 billion (JPY 620 billion for the first six months)

Net income: JPY 760 billion (JPY 380 billion for the first six months)

The targets for SMBC's non-consolidated earnings are as follows.

Banking profit: JPY 760 billion

Total credit cost: JPY 0 billion

Ordinary profit: JPY 740 billion (JPY 390 billion for the first six months)

Net income: JPY 510 billion (JPY 280 billion for the first six months)

Next, with regards to dividends, we forecast annual dividends for common stock for FY3/2016 to be JPY 150 per share, JPY 10 higher than FY3/2015.

In addition to the financial results, we have also issued two press releases today.

One is titled *Establishment of SMFG Corporate Governance Guideline*.

The guideline has been established with the aims of further increasing managerial transparency and fairness and increasing our corporate value over the mid to long term, in due consideration of increasing concerns in corporate governance such as the enforcement of the revised Companies Act and the publication of the Final Proposal of Japan's Corporate Governance Code.

The other is titled *Notice regarding Partial Amendments to Articles of Incorporation*.

The partial amendments to the Articles of Incorporation are proposed for the purposes of allowing the election of a president and executive officer who is not a director to enable the expeditious development of an optimal management structure, and, in conjunction with the partial revision of the Companies Act, allowing for the conclusion of limitation of liability agreements with non-executive directors and corporate auditors. Details can be found in the press release.

This is the end of the presentation. Thank you very much for your attention.

(END)

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; 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 on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.