

Investors Meeting Presentation for FY3/2015 Performance

May 19th, 2015

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Agenda

I. FY3/2015 performance and FY3/2016 targets

1. FY3/2015 summary	3
2. FY3/2015 financial results	4
3. Loan balance	6
4. Average loan balance and spread / domestic loan-to-deposit spread	7
5. Net fees and commissions	8
6. Gains (losses) on bonds	9
7. Expenses	11
8. Credit costs	12
9. Earnings targets for FY3/2016	13

II. Capital policy and Corporate governance

1. Basic capital policy	15
2. Capital position	16
3. Return to shareholders	18
4. Strategic shareholdings	19
5. Establishment of SMFG Corporate Governance Guideline	20
6. Strengthen functions of Board of Directors and Board of Corporate Auditors	21

III. Progress of medium-term management plan

1. Vision for the next decade and three-year management goals	23
2. Update on financial targets	24
3. Growth drivers	25

IV. Business strategy

1. Management policy in FY3/2016	27
2. Key initiatives	28
3. Wholesale business	29
4. Retail business	32
5. Consumer finance / Credit card businesses	36
6. International business	37

In closing

Appendix

I. FY3/2015 performance and FY3/2016 targets

I. FY3/2015 performance and FY3/2016 targets

1. FY3/2015 summary

- SMFG's net income was JPY 753.6 bn mainly due to a good performance of International Banking Unit and Treasury Unit and low level of Total credit cost. Showed steady results as the first year of the medium-term management plan
- Strengthen shareholder returns by increasing annual dividend by JPY 20 per share year-on-year

(JPY bn)	FY3/15 results	YOY change	Change from Nov. targets	FY3/16 targets
Consolidated net income ^{*1}	753.6	(81.7)	+53.6	760
Consolidated ROE ^{*2}	11.2%	(2.6)%		

	Mar. 31, 2015	Change from Mar. 31, 2014
Common Equity Tier1 Capital Ratio ^{*3}	12.0%	+1.7%

Per share information (SMFG consolidated)

(JPY)	FY3/15 results	YOY change	Change from Nov. targets	FY3/16 targets
Net income ^{*1}	551.18	(60.27)	+39.21	555.86
Dividend	140	+20	+10	150

	Mar. 31, 2015	Change from Mar. 31, 2014
Net assets	6,598.87	+1,275.00

^{*1} The presentation of Net income is revised from the fiscal year beginning on Apr. 1, 2015 in accordance with the Revision of Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised on Sep. 13, 2013) and related rules

^{*2} Denominator: Total stockholders' equity ^{*3} Basel III fully-loaded basis. Based on the definition as of March 31, 2019

I. FY3/2015 performance and FY3/2016 targets

2. FY3/2015 financial results

Income statement

		(JPY bn)	FY3/15	YOY change	Change from Nov. targets
SMFG consolidated	Consolidated gross profit	USD 24.8 bn ^{*1}	2,980.4	+82.2	
	Variance ^{*2}		1,346.1	+6.1	
	General and administrative expenses		(1,659.3)	(89.4)	
	Consolidated net business profit		1,310.5	(28.1)	
	Total credit cost		(7.8)	(56.9)	+52.2
	Ordinary profit	USD 11.0 bn ^{*1}	1,321.2	(111.2)	+121.2
	Variance ^{*2}		365.2	(114.7)	(34.8)
	Net income	USD 6.3 bn ^{*1}	753.6	(81.7)	+53.6
	Variance ^{*2}		110.6	(119.4)	(59.4)
SMBC non-consolidated	Gross banking profit	USD 13.6 bn ^{*1}	1,634.3	+76.1	+94.3
	Expenses ^{*3}		(791.2)	(45.5)	(1.2)
	Banking profit ^{*4}	USD 7.0 bn ^{*1}	843.1	+30.6	+93.1
	Total credit cost		80.1	(43.8)	+30.1
	Gains (losses) on stocks		52.6	(53.8)	
	Other non-recurring gains (losses)		(19.8)	+70.4	
	Ordinary profit	USD 8.0 bn ^{*1}	956.0	+3.5	+156.0
	Net income	USD 5.4 bn ^{*1}	643.0	+37.7	+113.0

Contribution of subsidiaries to SMFG's Gross profit

	(JPY bn)	FY3/15	YOY change
SMBC Nikko Securities		331	+1
Sumitomo Mitsui Finance and Leasing		136	+8
Sumitomo Mitsui Card		194	+7
SMBC Consumer Finance		215	+33
SMBC Friend Securities		50	(8)
Cedyna		165	(4)

Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	FY3/15	YOY change
SMBC Nikko Securities		65	+0
Sumitomo Mitsui Finance and Leasing		28	+3
Sumitomo Mitsui Card		17	+1
SMBC Consumer Finance		11	(18)
SMBC Friend Securities		7	(3)
Cedyna		(3)	(23)

*1 Translated into USD at period-end exchange rate of USD 1 = JPY 120.15 *2 SMFG consolidated figures minus SMBC non-consolidated figures

*3 Excludes non-recurring losses *4 Before provision for general reserve for possible loan losses

I. FY3/2015 performance and FY3/2016 targets

■ Ref: Breakdown of SMFG's consolidated gross profit

(JPY bn)	FY3/14	FY3/15	YOY change
SMFG's consolidated gross profit	2,898.2	2,980.4	+82.2
Net interest income	1,484.2	1,505.2	+21.0
of which: SMBC	1,064.9	1,121.4	+56.5
SMBC Consumer Finance	124.0	149.0	+25.0
Trust fees	2.5	2.9	+0.4
Net fees and commissions	984.6	996.7	+12.1
of which: SMBC	357.4	350.0	(7.4)
Sumitomo Mitsui Card	170.0	178.0	+8.0
SMBC Nikko Securities	189.0	173.0	(16.0)
Cedyna	119.0	116.0	(3.0)
Net trading income	211.9	195.1	(16.8)
of which: SMBC	36.8	12.8	(24.0)
SMBC Nikko Securities	134.0	152.0	+17.0
Net other operating income	215.1	280.5	+65.4
of which: SMBC	97.2	148.2	+51.0
Sumitomo Mitsui Finance and Leasing	98.0	115.0	+17.0

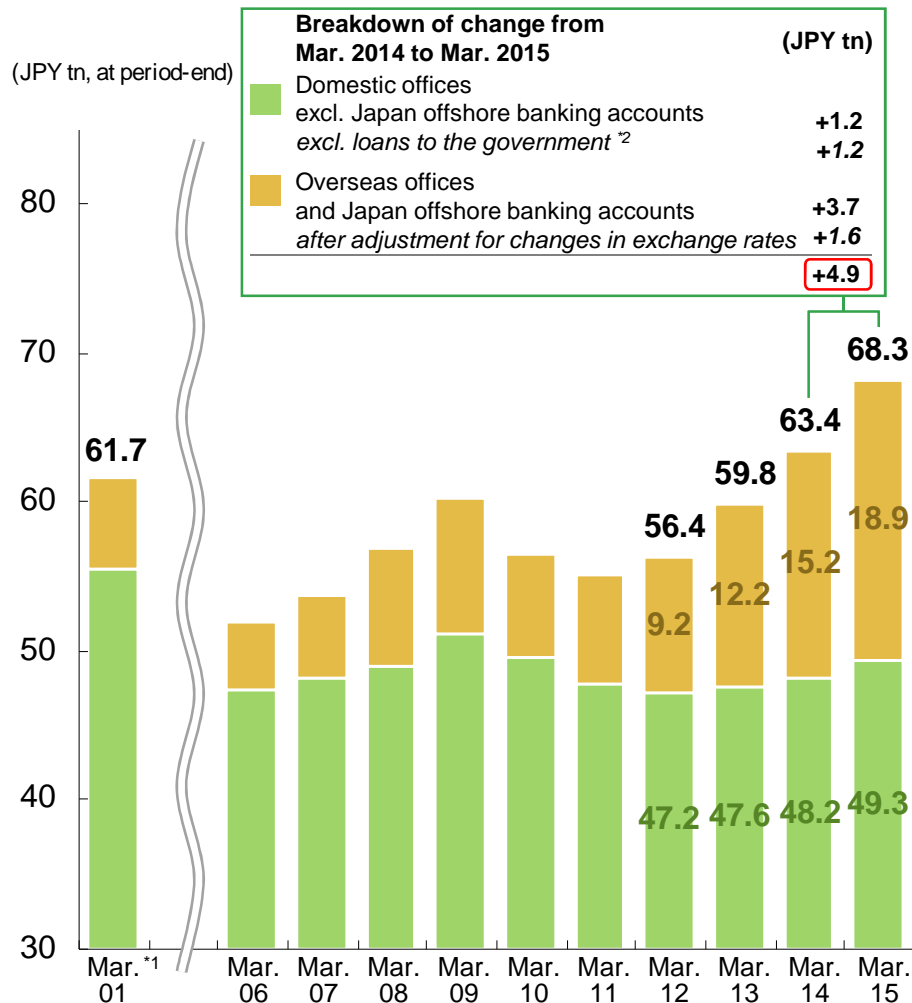
* In round numbers excl. SMBC

I. FY3/2015 performance and FY3/2016 targets

3. Loan balance

SMBC non-consolidated

Loan balance



Loan balance by domestic Marketing units, managerial accounting basis

(JPY tn, at period-end)	Mar. 2015	Change from Mar. 2014
Large corporations ^{*3}	13.6	+0.1
Mid-sized corporations & SMEs ^{*4}	17.2	+1.1
Individuals	14.4	(0.2) ^{*5}

Overseas loans, classified by region,^{*6} managerial accounting basis

(JPY tn, at period-end)	Mar. 2015	Change from Mar. 2014	After adjustment for changes in exchange rates
Overseas total	21.2	+ 4.2	+ 1.9
to Japanese corporations	5.5	+ 1.1	+ 0.5
Asia to Japanese corporations	8.5	+ 1.7	+ 0.8
Americas to Japanese corporations	2.2	+ 0.5	+ 0.2
EMEA to Japanese corporations	7.4	+ 1.9	+ 1.0
	2.6	+ 0.6	+ 0.3
	5.3	+ 0.5	+ 0.2
	0.7	(0.0)	+0.0

I. FY3/2015 performance and FY3/2016 targets

4. Average loan balance and spread / domestic loan-to-deposit spread

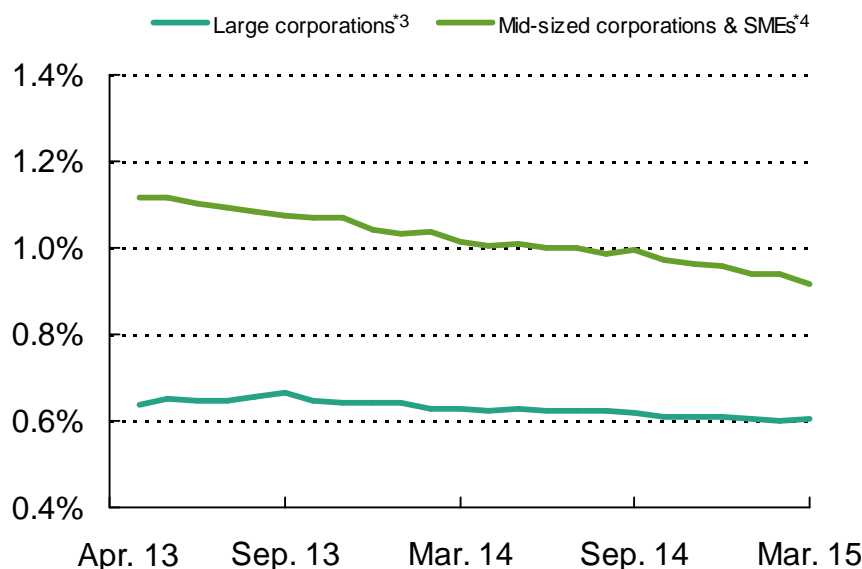
Average loan balance and spread *1

(JPY tn, %)	Balance		Spread	
	FY3/15	YOY change*7	FY3/15	YOY change*7
Domestic loans*2	47.7	+0.3	0.92	(0.05)
of which Large corporations*3	13.3	+0.1	0.61	(0.03)
Mid-sized corporations & SMEs*4	16.1	+0.3	0.90	(0.10)
Individuals	14.6	(0.3)	1.39	(0.02)
IBU's interest earning assets*5, 6 (USD bn, %)	214.4	+26.2	1.21	+0.03

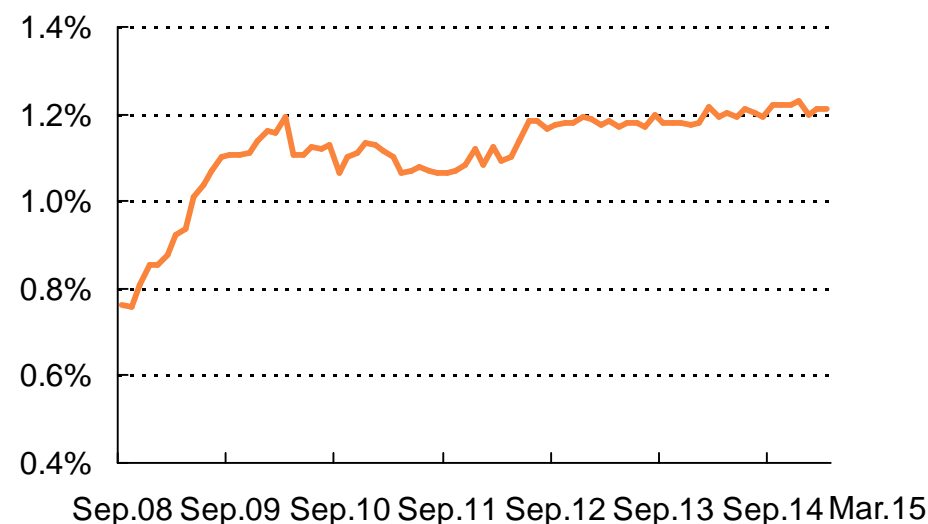
Domestic loan-to-deposit spread (SMBC non-consolidated)

(%)		FY3/15	YOY change	1H	2H
Interest earned on loans and bills discounted		1.32	(0.09)	1.34	1.30
Interest paid on deposits, etc.		0.03	(0.01)	0.03	0.03
Loan-to-deposit spread		1.29	(0.08)	1.31	1.27

Loan spread (domestic)*1, 2, 8



Loan spread (overseas)*1, 5, 8



*1 Managerial accounting basis *2 SMBC non-consolidated *3 Global Corporate Banking Division *4 Sum of Corporate Banking Division and Small and Medium Enterprises Banking Division *5 Sum of SMBC, SMBC Europe and SMBC (China) *6 Sum of loans, trade bills, and securities
 *7 After adjustments for interest rates and exchange rates, etc. *8 Monthly average loan spread of existing loans

I. FY3/2015 performance and FY3/2016 targets

5. Net fees and commissions

(JPY bn)	FY3/14	FY3/15	YOY change
SMFG consolidated*1	984.6	996.7	+12.1
of which: SMBC	357.4	350.0	(7.4)
Sumitomo Mitsui Card	170.0	178.0	+8.0
SMBC Nikko Securities	189.0	173.0	(16.0)
Cedyna	119.0	116.0	(3.0)
SMBC Consumer Finance	42.0	49.0	+7.0
SMBC Europe	28.0	39.0	+11.0
SMBC Friend Securities	34.0	31.0	(3.0)
SMBC Capital Markets	18.0	25.0	+7.0

Reference: Gross banking profit of SMBC's Marketing units

(JPY bn)	FY3/14	FY3/15	YOY Change*2
Loan syndication	38.8	42.0	+3.2
Structured finance	25.3	22.1	(3.2)
Asset finance*3	15.6	15.3	(0.3)
Sales of derivatives products	20.4	25.0	+4.6
Income related to domestic corporate business	100.1	104.4	+4.3
Investment trusts	44.9	36.7	(8.2)
Pension-type insurance	7.7	12.7	+5.0
Single premium type permanent life insurance	8.3	8.4	+0.1
Level premium insurance	8.4	7.4	(1.0)
Income related to domestic consumer business	69.3	65.2	(4.1)
of which:			
Money remittance, electronic banking	91.9	92.2	+0.3
Foreign exchange	53.3	51.9	(1.1)
Domestic Non-interest income	319.2	313.3	(5.4)
of which:			
IBU's loan related income*4	63.0	65.5	(2.3)
IBU's Non-interest income*4	121.4	117.5	(4.1)
Non-interest income	440.6	430.8	(9.5)
of which:			
Income on domestic loans	446.6	426.5	(19.9)
Income on domestic yen deposits	120.8	120.9	+0.1
IBU's interest related income*4	174.6	227.8	+24.9
Interest income	819.3	856.7	+2.5
Gross banking profit of SMBC's Marketing units*5	1,259.9	1,287.5	(7.0)

*1 In round numbers excl. SMBC *2 After adjustments of interest rates and exchange rates, etc. *3 Profit from real estate finance, securitization of monetary claims, etc.

*4 IBU: International Banking Unit

*5 Managerial accounting basis. Revised managerial accounting rules in Apr. 2014, following revision of domestic business structure.

Figures for FY3/14 are recalculated based on the new rules

I. FY3/2015 performance and FY3/2016 targets

6. Gains (losses) on bonds

SMBC non-consolidated

Gains (losses) on bonds

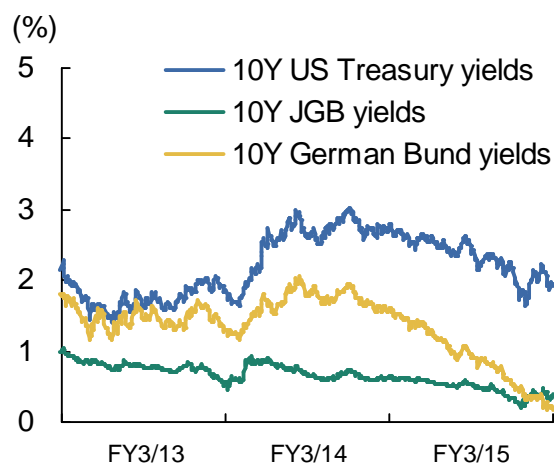
(JPY bn)	FY3/14	FY3/15	YOY change
Gains (losses) on bonds	0.7	47.9	+47.2
Domestic operations	(4.9)	3.3	+8.2
International operations	5.6	44.6	+39.0

Gross banking profit of SMBC's Treasury Unit

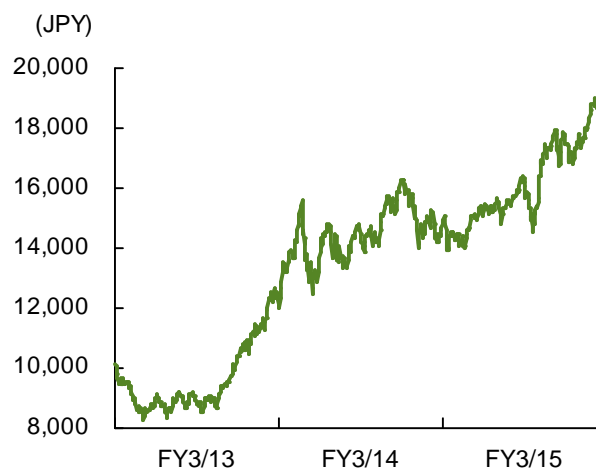
(JPY bn)	FY3/14	FY3/15	YOY change
Gross banking profit of SMBC's Treasury Unit	325.5	354.0	+28.5

Interest rate, stock price and exchange rate

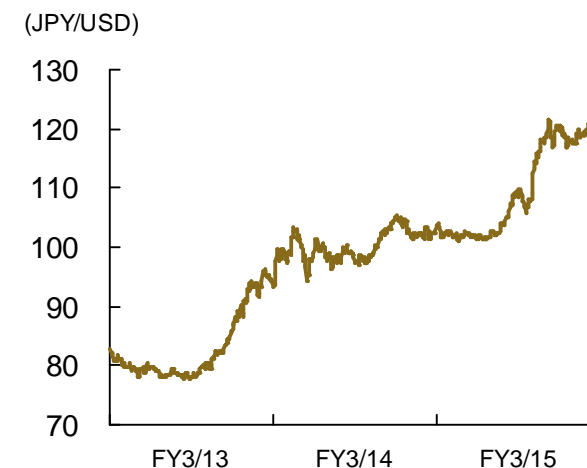
Interest rate of JGB, US Treasury and Bund



Nikkei Stock Average



Exchange rate JPY / USD



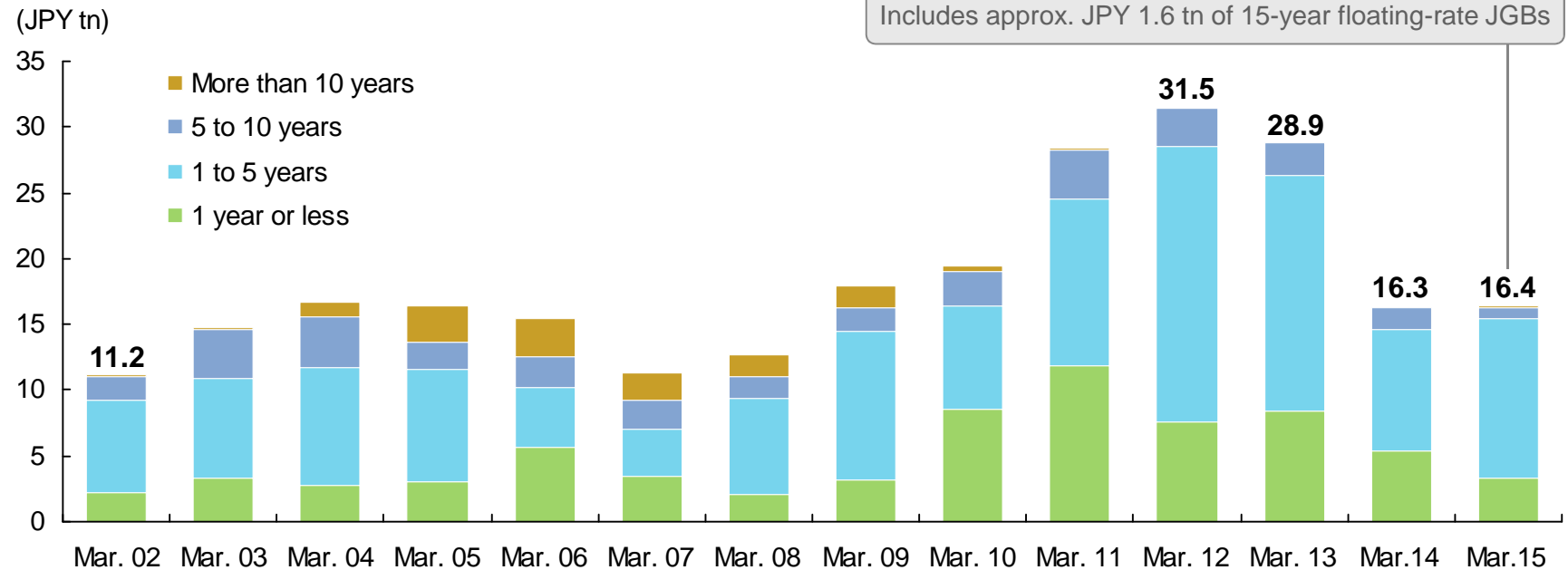
I. FY3/2015 performance and FY3/2016 targets

Ref: Bond portfolio

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	1.8
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	45.9

^{*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

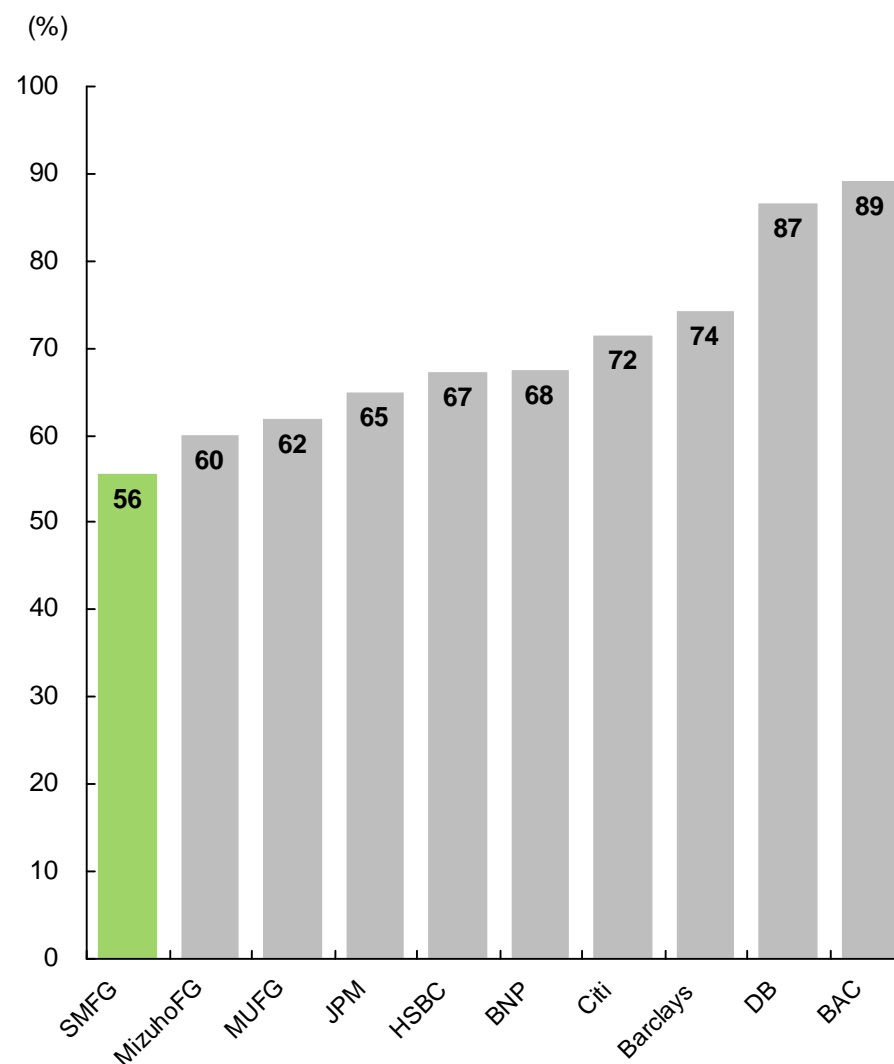
^{*2} 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

I. FY3/2015 performance and FY3/2016 targets

7. Expenses

Expenses, overhead ratio

(JPY bn)		FY3/15	YOY change
SMFG consolidated	Expenses	1,659.3	+89.4
	Overhead ratio	55.7%	+1.5%
SMBC non-consolidated ^{*1}	Expenses	791.2	+45.5
	Overhead ratio	48.4%	+0.5%

Overhead ratio comparison^{*2}

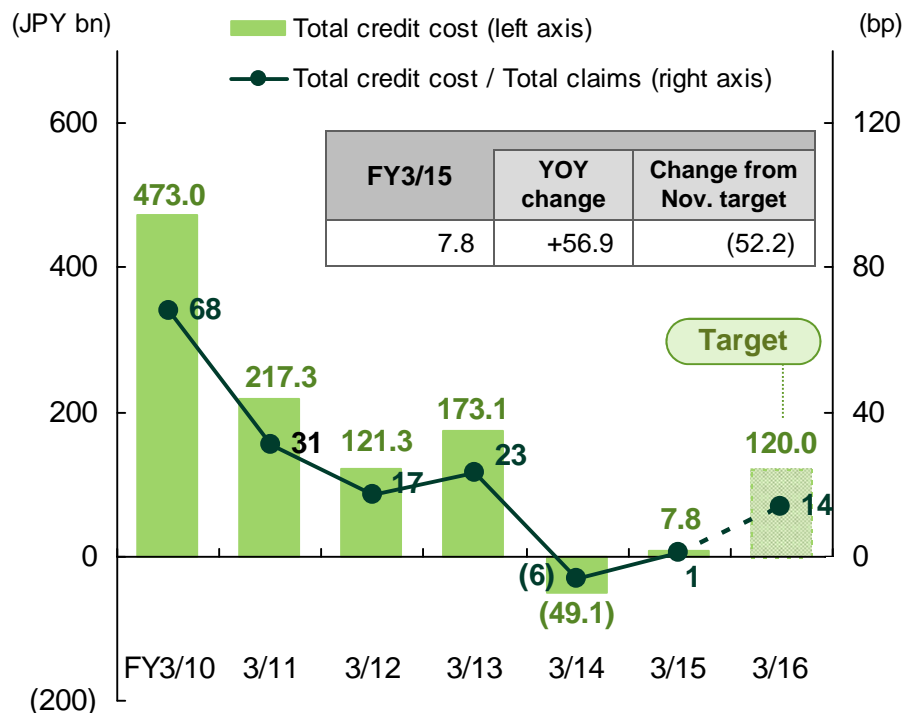
^{*1} Excludes non-recurring losses

^{*2} Consolidated basis. Based on each company's disclosure. G&A expenses divided by top-line profit (net of insurance claims).
FY3/2015 results for SMFG, Mizuho FG and MUFG, and FY12/2014 results for others

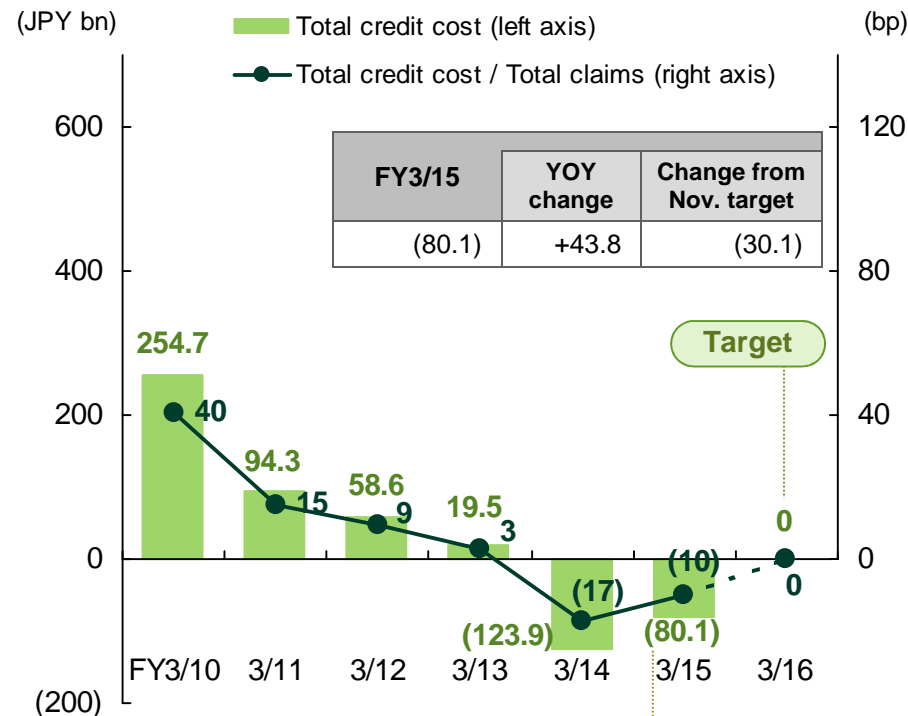
I. FY3/2015 performance and FY3/2016 targets

8. Credit costs

SMFG consolidated



SMBC non-consolidated



Variance between SMFG consolidated and SMBC non-consolidated*

	(JPY bn)	FY3/15	YOY Change
Variance with SMBC non-consolidated		87.9	+13.1
SMBC Consumer Finance		58.0	+15.0
Cedyna		11.0	(5.0)

- Recorded net reversal of Total credit cost due to
 - Reversal of provisions made in previous years for large borrowers as a result of improved internal ratings, although the amount of reversal was decreased
 - decline in reserve ratio as a result of decreased defaults

* In round numbers

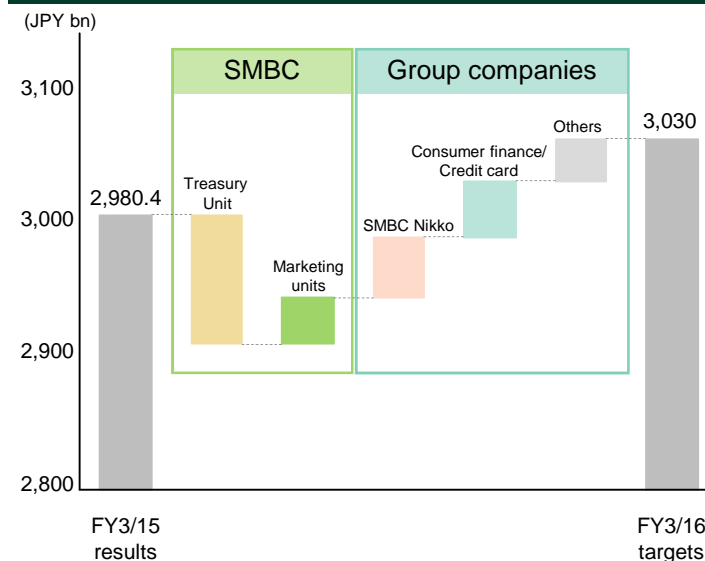
I. FY3/2015 performance and FY3/2016 targets

9. Earnings targets for FY3/2016

(JPY bn)		FY3/2015 results	1H	FY3/2016 targets
SMFG consolidated	Ref: Consolidated gross profit	USD 24.8 ^{*1} 2,980.4	1,490	USD 25.2 ^{*1} 3,030
	Ordinary profit	USD 11.0 ^{*1} 1,321.2	620	USD 10.3 ^{*1} 1,240
	Variance with SMBC non-consolidated	365.2	230	500
	Net income ^{*2}	USD 6.3 ^{*1} 753.6	380	USD 6.3 ^{*1} 760
	Variance with SMBC non-consolidated	110.6	100	250

SMBC non-consolidated	Gross banking profit	USD 13.6 ^{*1} 1,634.3	800	USD 13.2 ^{*1} 1,580
	Expenses ^{*3}	(791.2)	(410)	(820)
	Banking profit ^{*4}	USD 7.0 ^{*1} 843.1	390	USD 6.3 ^{*1} 760
	Total credit cost	80.1	5	0
	Gains (losses) on stocks	52.6		
	Ordinary profit	USD 8.0 ^{*1} 956.0	390	USD 6.2 ^{*1} 740
	Net income	USD 5.4 ^{*1} 643.0	280	USD 4.2 ^{*1} 510

Breakdown of changes in Consolidated gross profit

Assumption of earnings targets^{*5}

		FY3/2015 results	FY3/2016
3M TIBOR		0.20%	0.17%
Federal funds target rate		0.00~0.25%	0.75%
Exchange rate	JPY/USD	120.15	120.00
	JPY/EUR	130.29	135.00

II. Capital policy and Corporate governance

II. Capital policy and Corporate governance

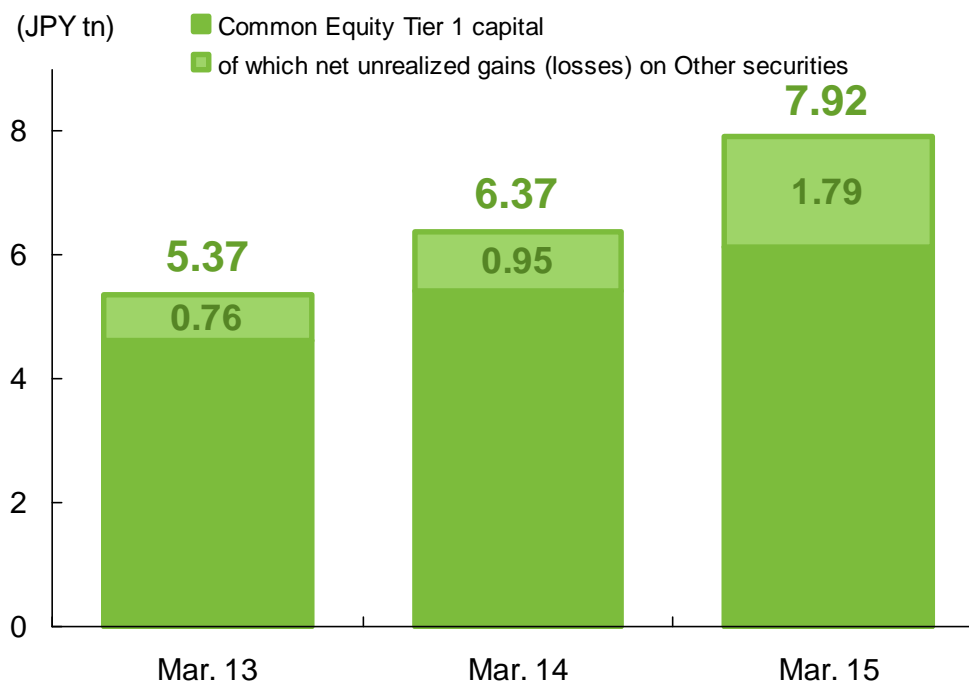
1. Basic capital policy

- Deliver sustainable shareholder value by achieving higher profitability and growth through growth investments with a focus on capital efficiency, while enhancing retained earnings to maintain financial soundness
 - Enhance shareholder return by measures such as raising dividend per share in a stable manner, while taking into account the economic environment, financial regulatory changes, our profit outlook and capital position, and other factors
-
- Secure a Common Equity Tier 1 capital ratio of at least around 10% while striving to strike an appropriate balance among:
 - (i) growth investments;
 - (ii) shareholder return; and
 - (iii) reserves for the tightening of international financial regulations and downside risks in the economy

II. Capital policy and Corporate governance

2. Capital position

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



Risk-weighted assets	JPY 62.1 tn	JPY 61.3 tn	JPY 65.9 tn
CET 1 capital ratio [excluding net unrealized gains]	8.6%	10.3% [8.7%]	12.0% [9.0%]

- Paying attention to discussions on revisions to the Standardised Approaches and Capital floors based on standardised approaches

Secure
around **10%**

* Based on the Mar. 31, 2019 definition

II. Capital policy and Corporate governance

Ref: Capital and risk-weighted assets, SMFG consolidated

Capital ratio (transitional basis)

	(JPY bn)	Mar. 31, 2014	Mar. 31, 2015 <i>Preliminary</i>
Common Equity Tier 1 capital (CET1)		6,550.8	7,476.5
of which:			
Total stockholders' equity related to common stock		6,312.3	6,909.0
Accumulated other comprehensive income* ¹		175.6	801.5
Regulatory adjustments related to CET1* ¹		(193.8)	(460.4)
Tier 1 capital		7,514.3	8,528.6
of which:			
Eligible Tier 1 capital instruments (grandfathered)* ³		1,212.1	1,124.3
Regulatory adjustments* ^{1,2}		(415.4)	(348.2)
Tier 2 capital		2,047.1	2,437.3
of which:			
Tier 2 capital instruments		-	375.0
Eligible Tier 2 capital instruments (grandfathered)* ³		1,627.4	1,424.0
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount* ²		506.6	699.4
Regulatory adjustments* ^{1,2}		(182.1)	(165.2)
Total capital		9,561.4	10,965.9
Risk-weighted assets		61,623.3	66,136.8
Common Equity Tier 1 capital ratio		10.63%	11.30%
Tier 1 capital ratio		12.19%	12.89%
Total capital ratio		15.51%	16.58%

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

	(JPY bn)	Mar. 31, 2014	Mar. 31, 2015
Variance with CET1 on a transitional basis* ⁵		(177.6)	441.2
of which:			
Accumulated other comprehensive income		702.4	1,202.3
of which:			
Net unrealized gains on other securities		759.6	1,074.6
of which:			
Minority interests (subject to be phased-out)		(104.8)	(70.5)
Regulatory adjustments related to CET1		(775.1)	(690.6)
Common Equity Tier 1 capital		6,373.2	7,917.7
Risk-weighted assets		61,339.2	65,925.9
Common Equity Tier 1 capital ratio		10.3%	12.0%

Preferred securities which become callable in FY3/16

Issuer / Series	Issue date	Amount outstanding	Dividend rate* ⁶	First call date* ⁷	Step-up
SMFG Preferred Capital JPY 2 Limited					
Series C	Dec. 2008	JPY 140 bn	4.87%	Jan. 2016	None
Series D	Jan. 2009	JPY 2 bn	4.80%	Jan. 2016	None

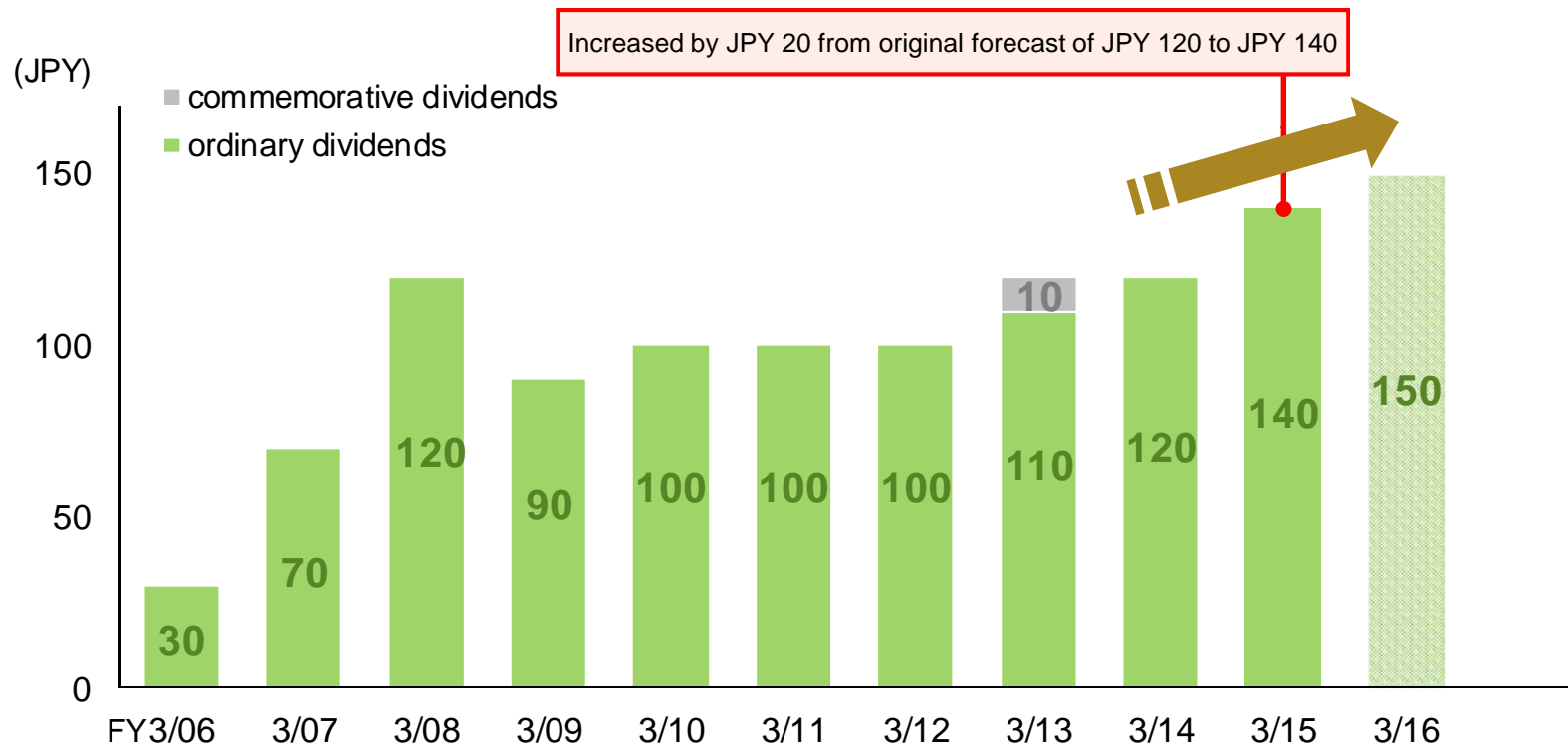
Leverage ratio (transitional basis, preliminary)

- 4.45% as of Mar. 31, 2015

*1~3 Subject to transitional arrangements. Regulatory adjustments of Tier 1 and Tier 2 include items that are either phased-in or phased-out as described in *1 and *2 below
 *1~3&5 Percentages indicate the treatment as of Mar. 31, 2014 / Mar. 31, 2015 *1 20% / 40% of the original amounts are included
 *2 20% / 40% phase-out is reflected in the figures *3 Cap is 80% / 70% *4 Based on the Mar. 31, 2019 definition *5 Each figure represents 80% / 60% 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

II. Capital policy and Corporate governance

3. Return to shareholders

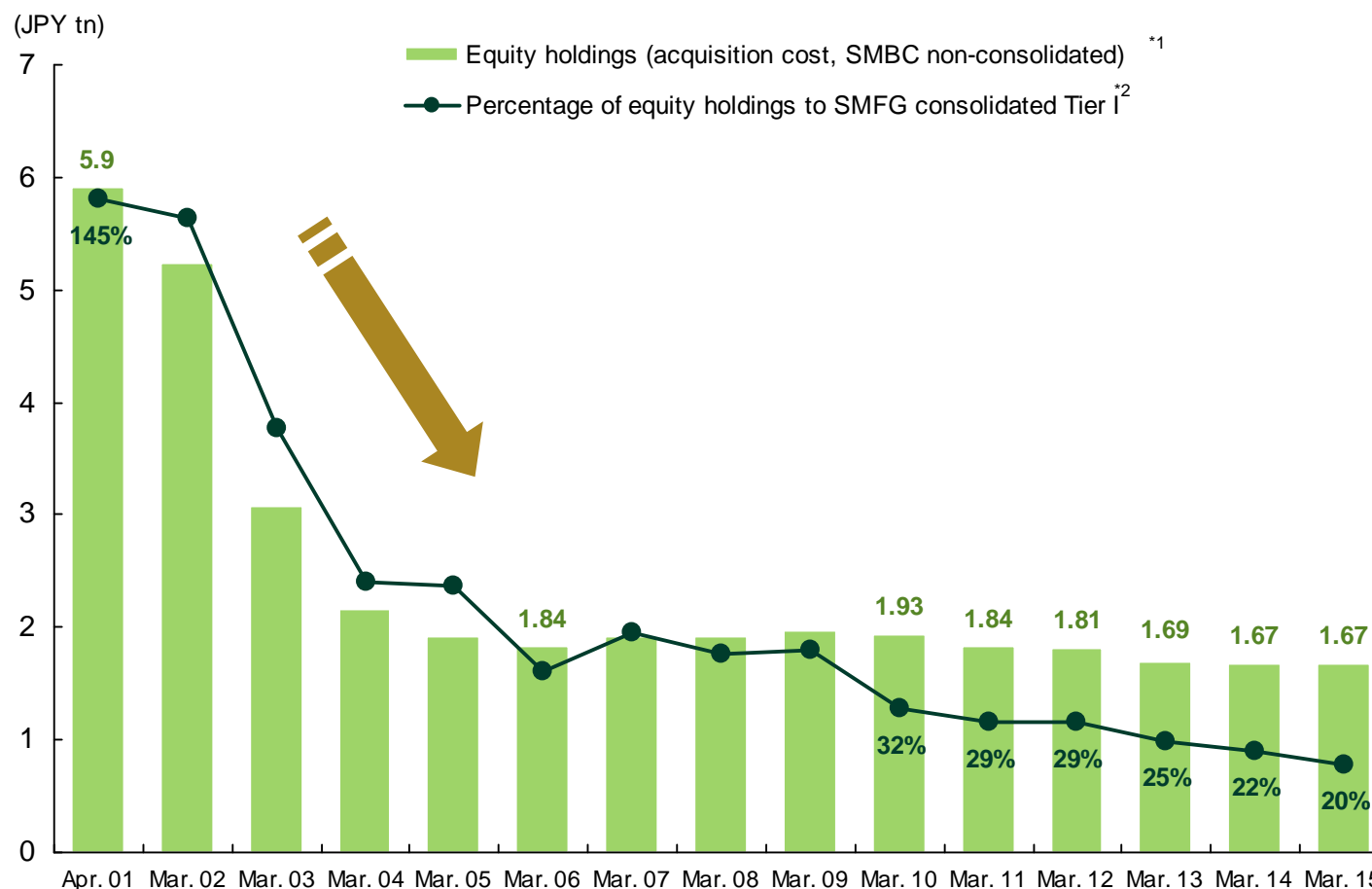
Dividend per share^{*1,2}

ROE ^{*3}	22.8%	13.8%	15.8%	-	7.5%	9.9%	10.4%	14.8%	13.8%	11.2%	Secure around 10%
Payout ratio ^{*4}	3.4%	12.5%	20.5%	-	46.8%	30.0%	26.8%	21.3%	20.3%	26.2%	27.8%

II. Capital policy and Corporate governance

4. Strategic shareholdings

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

II. Capital policy and Corporate governance

5. Establishment of SMFG Corporate Governance Guideline

- Established SMFG Corporate Governance Guideline in May 2015, in due consideration of the Final Proposal of Japan's Corporate Governance Code

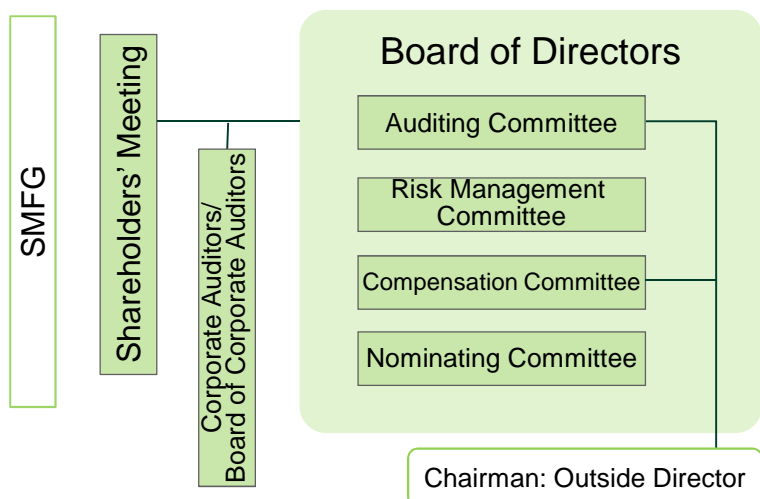
Enhance transparency and fairness of management,
and improve SMFG's corporate value over the mid to long term

- Elect one-third or more of the directors, and at least two of them, as independent outside directors
- Establish and disclose selection standards and procedures for director candidates and corporate auditor candidates, as well as independence standards for outside directors and corporate auditors
- Disclose the policy with respect to strategic shareholdings in other listed companies; the Board of Directors will examine and confirm the objective and rationale behind shareholdings; and establish and disclose standards for execution of voting rights in relation to shareholdings

II. Capital policy and Corporate governance

6. Strengthen functions of Board of Directors and Board of Corporate Auditors

- While leveraging the checking function by the corporate auditors as a company with the Board of Corporate Auditors, we will reflect “outside perspectives” in corporate management by electing outside directors and corporate auditors. With the aim of strengthening the corporate governance, we have selected candidates with diverse knowledge and experiences: the number of outside directors and outside corporate auditors of SMFG and SMBC in total will be 14, to be increased by 8



Number of directors and corporate auditors			
	FY3/15		
SMFG			
Directors	13		13
o/w outside	3		5
Corporate Auditors	6		6
o/w outside	3		3
SMFG+SMBC outside*	6		14

June 2015

More than one-third of SMFG's directors will be outside directors

Independent Outside Directors and Corporate Auditors after the Ordinary General Shareholders' Meetings of June 2015

SMFG	
Directors	<ul style="list-style-type: none"> ● Mr. Yoshinori Yokoyama (Project Professor at The University of Tokyo) ● Mr. Kuniaki Nomura (Attorney at Law) ● Mr. Arthur M. Mitchell (Attorney at Law admitted in New York) New ● Mr. Masaharu Kohno (Previous Ambassador of Japan to the Republic of Italy) New ● Ms. Eriko Sakurai (Chairman and CEO of Dow Corning Toray, Ltd.) New
Corporate Auditors	<ul style="list-style-type: none"> ● Mr. Ikuo Uno (Executive advisor to the Board of Nippon Life Insurance Company) ● Mr. Satoshi Itoh (Certified Public Accountant) ● Mr. Rokuro Tsuruta (Attorney at Law)

SMBC	
Directors	<ul style="list-style-type: none"> ● Mr. Shigeru Iwamoto (Certified Public Accountant) ● Mr. Masayuki Matsumoto New (Special Advisor of the Central Japan Railway Company) ● Ms. Yuko Nakahira (Executive Director of 3M Japan Limited) New
Corporate Auditors	<ul style="list-style-type: none"> ● Mr. Hiroshi Takahashi (Certified Public Accountant) New ● Mr. Katsuyoshi Shinbo (Attorney at Law) New ● Mr. Masaaki Oka (Attorney at Law) New

* Sum of outside directors and outside corporate auditors

III. Progress of medium-term management plan

III. Progress of medium-term management plan

1. 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

III. Progress of medium-term management plan

2. Update on financial targets

		FY3/14	FY3/15	FY3/17 targets
Growth	Growth rate of Consolidated gross profit	-	+2.8%	around +15% ^{*1}
Profitability	Consolidated ROE	13.8%	11.2%	around 10%
	Consolidated net income RORA	1.4%	1.1%	around 1%
	Consolidated overhead ratio	54.2%	55.7%	in the mid 50%
Soundness	Common Equity Tier 1 Capital Ratio ^{*2}	10.3%	12.0%	around 10%

^{*1} FY3/17 targeted consolidated gross profit increase in comparison with FY3/14 figure

^{*2} Basel III fully-loaded basis. Based on the definition as of March 31, 2019

III. Progress of medium-term management plan

3. Growth drivers

Consolidated gross profit*

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

+15%
+10%

Consumer finance / Credit card

(includes income related to collaboration with SMBC)

JPY 540 bn
+20%

SMBC Nikko Securities

(includes income related to collaboration with SMBC) around
+30%

JPY 340 bn

International Banking Unit

of which
Asia
JPY 180 bn

JPY 500 bn

over
+15%
around
+15%

Retail Banking Unit

JPY 490 bn

above
+10%

Treasury Unit

JPY 340 bn

(20%)

(*) Green and orange circles show FY3/15 results and lines show original plans

+

Inorganic growth

IV. Business strategy

IV. Business strategy

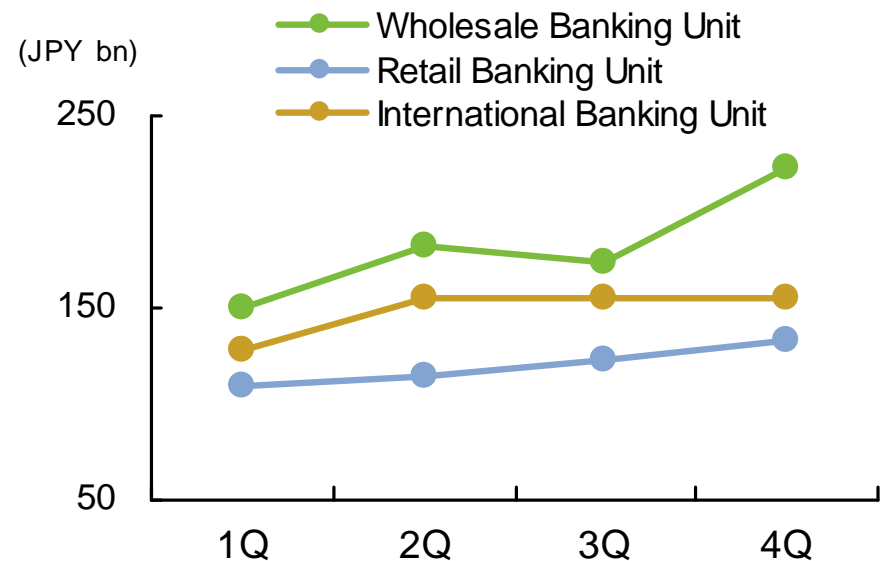
1. Management policy in FY3/2016

- Accelerate key initiatives in accordance with management goals, produce results, and move reforms forward vigorously
- Anticipate changes and be proactive, make a difference with SMFG/SMBC's on-the-ground capabilities (*Genba-Ryoku*), and create business opportunities

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

Gross profit of each business unit in Marketing units in FY3/2015



IV. Business strategy

2. Key initiatives

Expand client base, enhance advisory capabilities, and promote initiatives on a group-wide basis

	FY3/2015		FY3/2016
	Implemented new business models		The year to realize the outcome of our business model transformation to clients
Wholesale	<ul style="list-style-type: none"> Expanded the large corporate segment; promoted seamless operation of bank-securities and domestic & international offices Increased and intensified contact with clients Actively supported growth industries (established Japan growth strategy CFT*) 		<ul style="list-style-type: none"> Expand target clients of bank-securities collaboration Begin trials of “domestic-international integration” model and “global-wide sector” model Deepen the “One to One” approach Further develop talented professionals to reinforce our on-the-ground capabilities Accelerate initiatives in growth areas
Retail	<ul style="list-style-type: none"> Expanded bank-securities integration model to all offices Launched SME & consumer banking combined operation under the new “Area” system; promoted inheritance- and succession-related businesses Enhanced marketing to mass-affluent clients Group-based management of consumer finance and credit card businesses 		<ul style="list-style-type: none"> Strengthen the asset management business on a group basis Further implement and sophisticate the “Area” system Acquire the retail banking business of Citibank Japan Reinforce SMBC’s branding; enhance marketing activities utilizing IT
International	<ul style="list-style-type: none"> Developed core initiatives under the lead of the Asian strategy CFT* <ul style="list-style-type: none"> Initiated “Asia Core Client Program” Actively hired locally Made progress with the multi-franchise strategy Promoted cross-selling 		<ul style="list-style-type: none"> Fully launch “Asia Core Client Program” Strengthen transaction banking and solution-providing Promote cross-selling and expand relationships globally with western multinational corporations (“Platinum Partner Club”)

* CFT: cross-functional team (task force comprised of members from across business units)

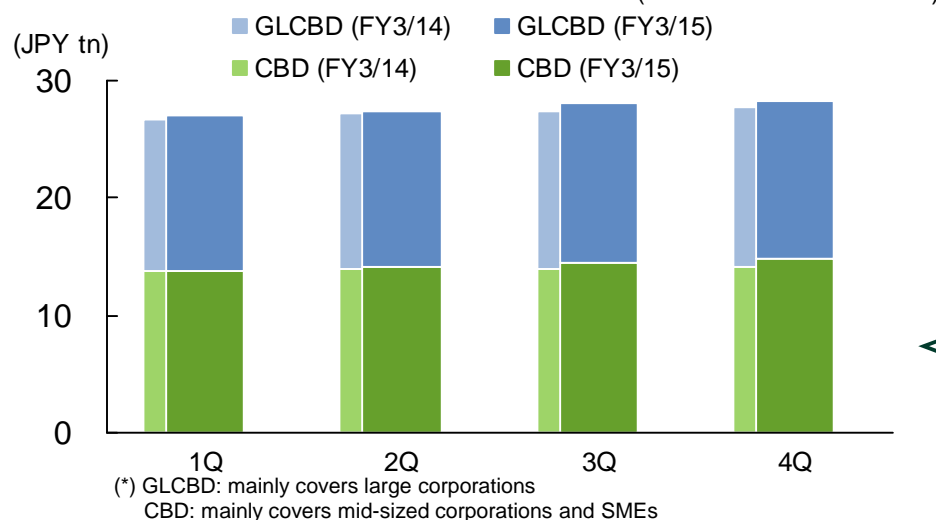
IV. Business strategy

3. Wholesale business (1) Initiatives to increase loan balance

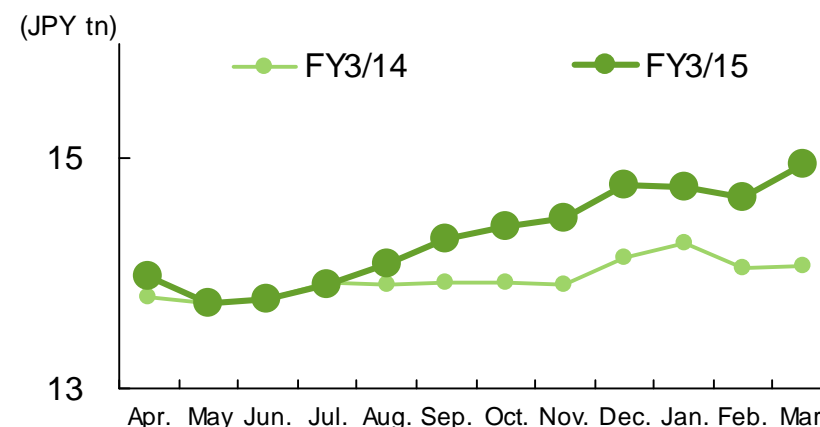
Loan balance and spread

Loan balance of Wholesale Banking Unit*1, 2, 3

(SMBC non-consolidated)

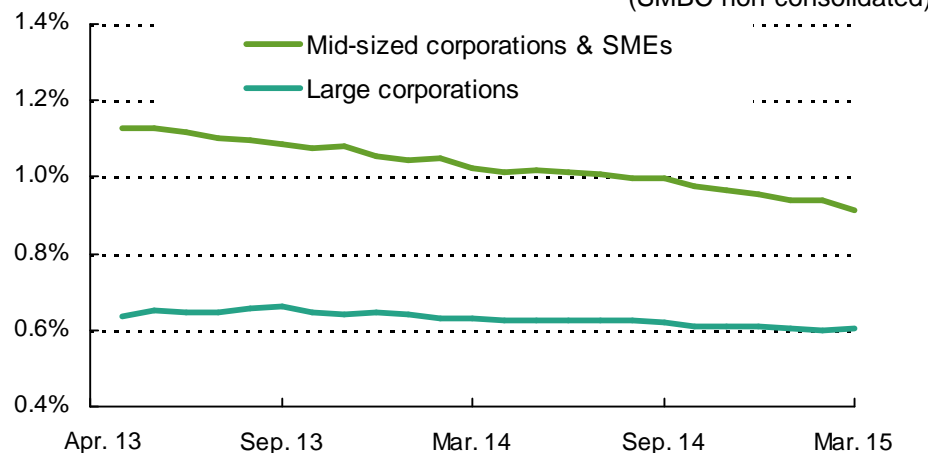


Monthly average loan balance of CBD



Domestic corporate loan spread*1, 4

(SMBC non-consolidated)



Initiatives to increase loans / take appropriate risks

- Enhance capabilities to manage large scale transactions, including M&As
- Offer high value added loans, support MBO/LBO activities for business restructuring and business succession
- Increase applicable clients for financing strategy meetings (*)
(*) internal meetings among the front office, credit departments, and other headquarters departments at early stage of deals, aiming to extend loans for clients with low credit ratings or no existing business relationships
- Invest and extend loans to growth areas; provide assessment loans
- Actively extend loans to finance clients' capital investments and overseas expansion, support growth industries, and enhance relationships with clients, by measures such as utilizing the loan support program of the BOJ

*1 Managerial accounting basis. SMBC non-consolidated. We revised managerial accounting rules in Apr. 2014, following revision of domestic business structure. Figures for FY3/14 are recalculated based on the new rules *2 Quarterly average *3 GLCBD stands for the Global Corporate Banking Division that covers large corporations and CBD stands for the Corporate Banking Division that covers mid-sized corporations and SMEs *4 Monthly average loan spread of existing loans

IV. Business strategy

3. Wholesale business (2) Enhancement of solution providing capabilities

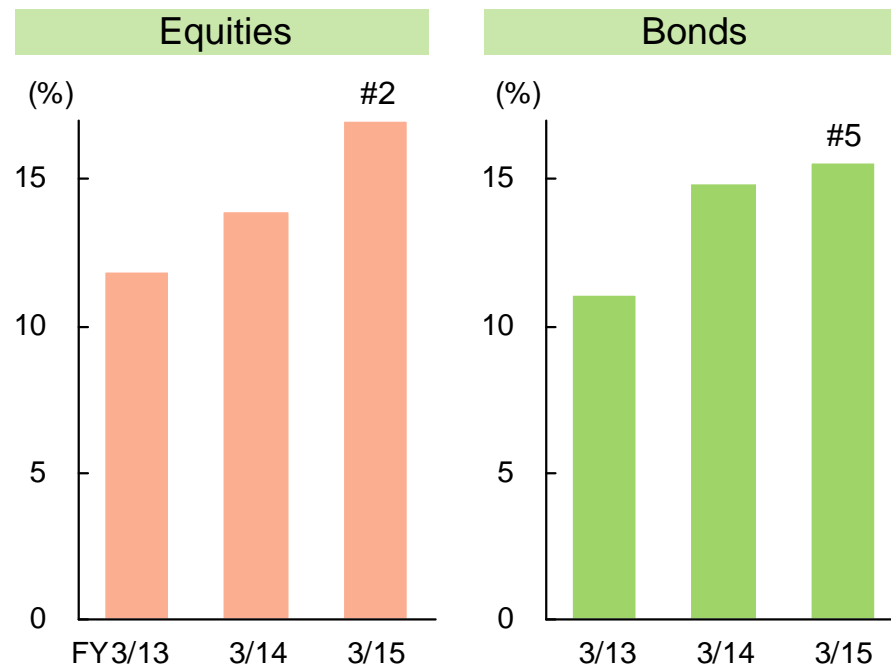
Business for large corporations

- Increase equities / bonds underwriting share by expanding clients that do business through the collaboration between SMBC and SMBC Nikko
- Strengthen seamless operation of domestic / overseas offices by laying out strategy for each client through collaboration between domestic and overseas offices
- Enhance information sharing between relationship managers for Japanese / non-Japanese clients through a global sector-wide approach

Business for mid-sized corporations & SMEs

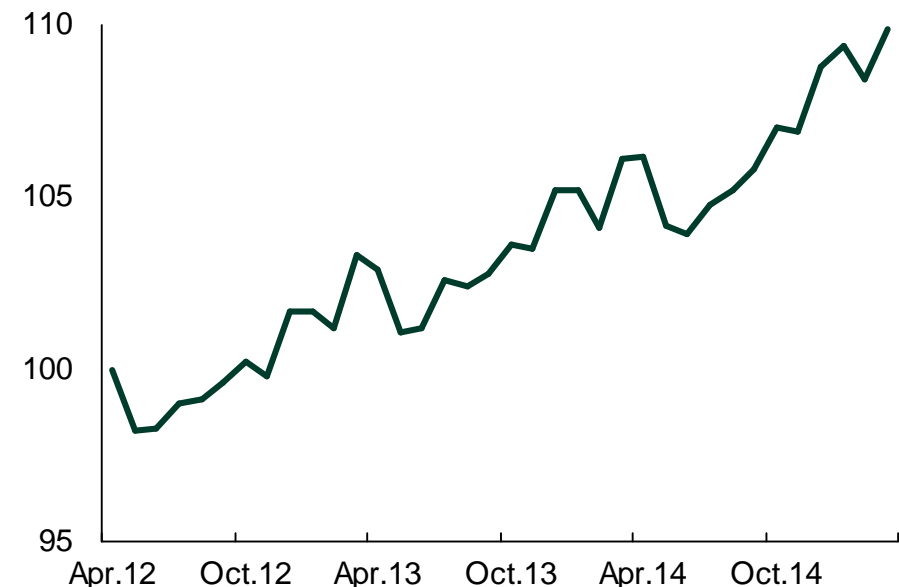
- Enhance interaction with each client through “One to one” approach. Provide solutions through various approaches on a group-wide basis
- Strengthen client base through enhancing current relationships and gaining new customers
- Reinforce on-the-ground capabilities (*Genba-Ryoku*) through human resource development

SMBC Nikko's market share for underwriting



of clients with monthly average loan balance of JPY 100mn or more (mid-sized corporations and SMEs)

(# of clients in Apr. 2012 = 100)



IV. Business strategy

Ref: SMBC Nikko Securities

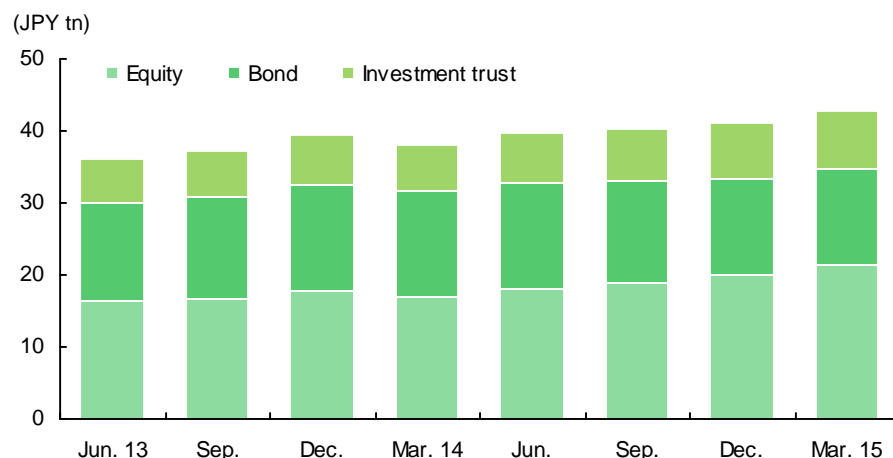
Financial results (consolidated)

(JPY bn)	FY3/14	FY3/15	YOY change
Net operating revenue	327.9	329.2	+1.3
SG&A expenses	(227.8)	(235.2)	(7.4)
Ordinary income	102.1	96.2	(5.9)
Net income	64.6	64.7	+0.1

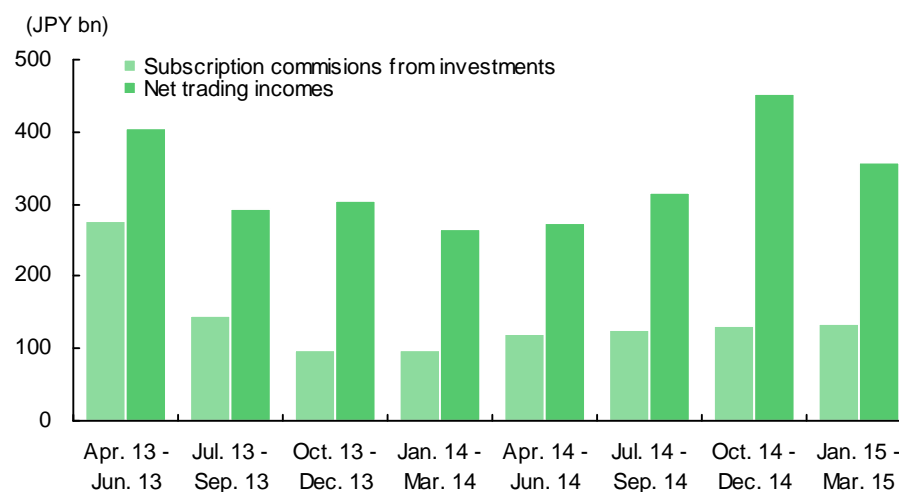
League tables (Apr. 2014 - Mar. 2015)

	Rank	FY3/14 results	Mkt share	YOY change
Global equity & equity-related (book runner, underwriting amount)*1	#2	#3	17.0%	+3.1%
JPY denominated bonds (lead manager, underwriting amount)*2	#5	#5	15.6%	+0.7%
Financial advisor (M&A, No. of deals)*3	#3	#3	2.8%	(0.2)%

Client assets



Net operating revenue related to sales of investment trusts and foreign bonds



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

*2 Source: SMBC Nikko, based on data from Thomson Reuters. Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

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

IV. Business strategy

3. Wholesale business (3) Japan Growth Strategy CFT

- Established Japan Growth Strategy CFT in Apr. 2014 in order to support industries that would drive Japan 5 to 10 years from now through providing financial services and contribute to Japan's economic growth
- Creating the reputation that SMBC/SMFG is strong in growth areas

New energy (Hydrogen)

- Expanded support to hydrogen station businesses
 - SMFL leased facility to mobile hydrogen station business operated by Nippon Mobile Hydrogen Station Services LLC



The Olympics

- SMFG signed a contract with the Tokyo Organizing Committee of the Olympic and Paralympic Games and became a Tokyo 2020 Gold Partner in the category "Banking"



JOCゴールドパートナー（銀行）

Healthcare

- IPO of Healthcare & Medical Investment Corporation was implemented in Feb. 2015 – a healthcare REIT, which SMBC is one of the main sponsors
 - Specializing in investments in private retirement homes, nursing care houses, and medical care facilities
 - Acquired 16 new properties with total acquisition cost of JPY 23.7 billion (as of Mar. 2015)

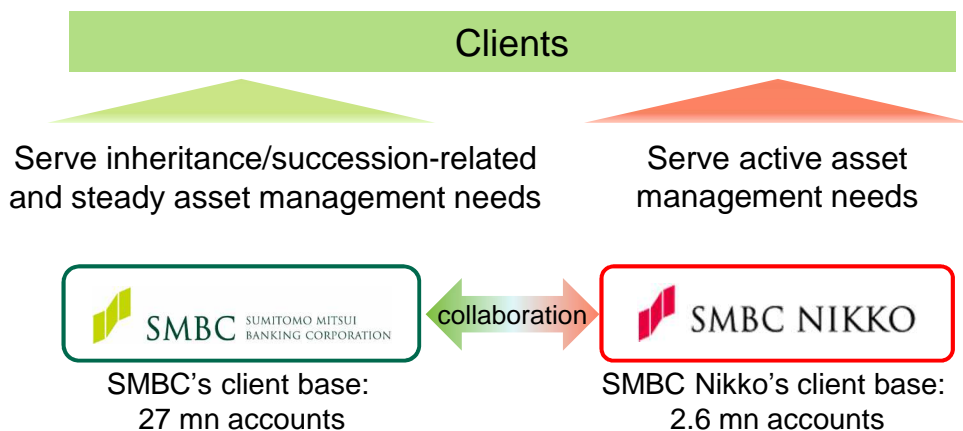
Tourism

- Assist clients' needs related to inbound tourism by business matching
- SMBC invested in the Cool Japan Fund in Nov. 2014
 - "All-Japan" support through public-private collaboration is provided to Japanese corporations that have needs related to outbound tourism; SMBC is providing financing support, foreign exchange, advice for starting up activities overseas and other assistances

IV. Business strategy

4. Retail business (1) Bank-securities retail integration

Business model

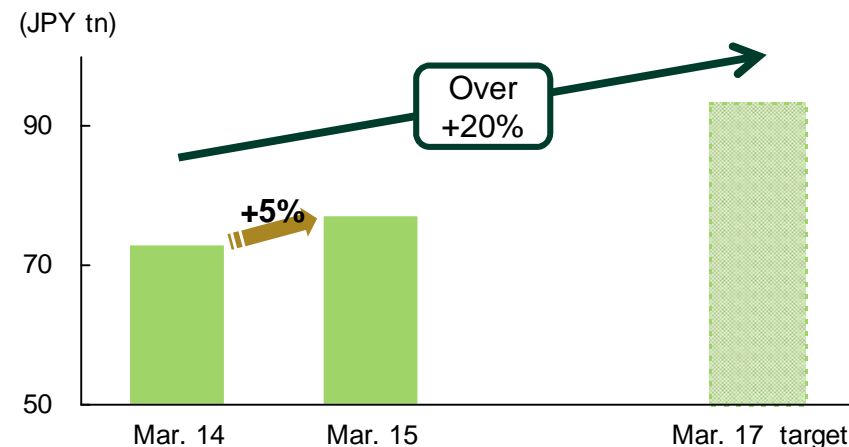
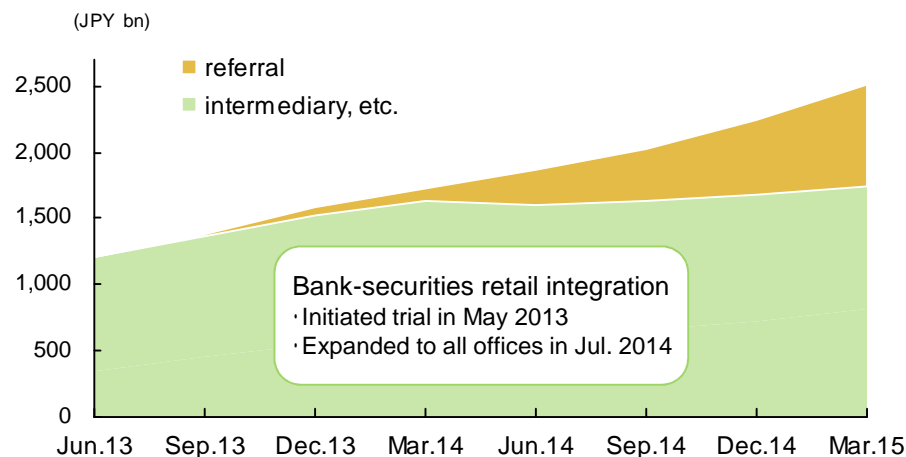


- Expanded the integration model to all offices in Jul. 2014
- SMBC Nikko has established 11 branches since Apr. 2014

Ref: Planned institutional reforms

- Expansion of exemption from gift tax in Jun. 2015
 - Planned expansion of exemption from gift tax on child-care expenses, wedding expenses, etc.
- Expansion of NISA System in Jan. 2016
 - Newly establishing a junior NISA program that enables minors to be exempt from tax up to JPY 800,000 a year
 - Increasing the standard NISA tax exempt pool to JPY 1.2 mn a year

Retail AuM (SMBC + SMBC Nikko)

AuM through bank-securities collaboration*
(SMBC Nikko Securities)

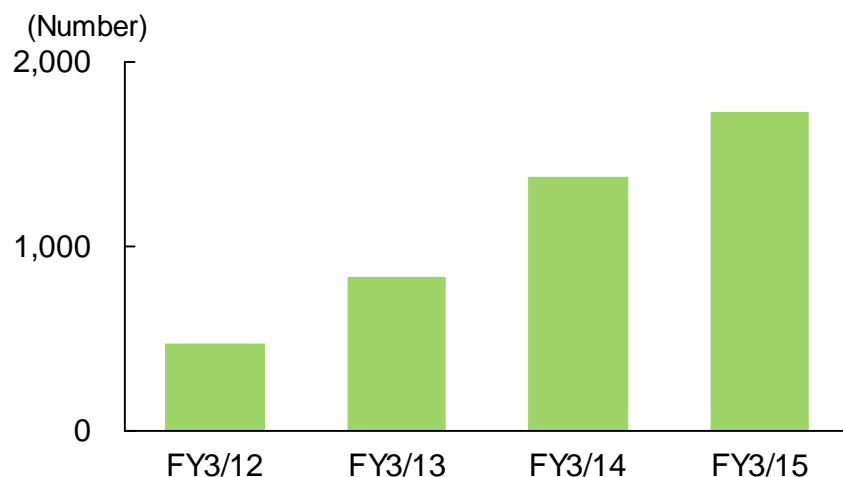
* Assets under management at SMBC Nikko via referral or financial instruments intermediary services from SMBC to SMBC Nikko. Includes assets transferred from SMBC Friend Securities to SMBC Nikko in Jan. 2011 upon integrating SMBC Friend's collaborative business with SMBC into SMBC Nikko and assets at the Private Banking division of SMBC Nikko

IV. Business strategy

4. Retail business (2) High-net-worth segment business

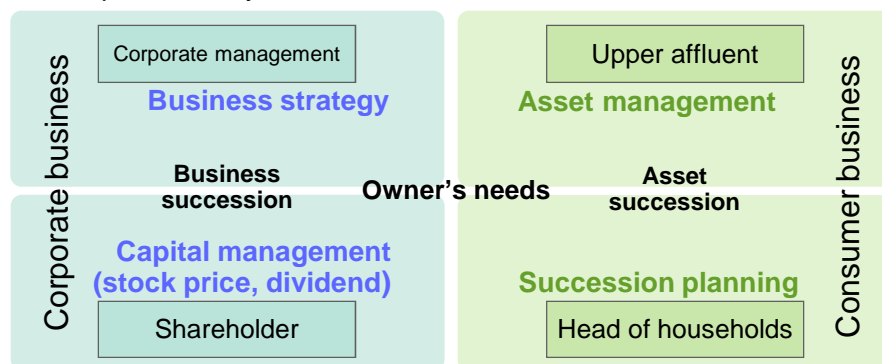
Inheritance / succession

Number of contract of testamentary trust



SME & Consumer Banking combined operations

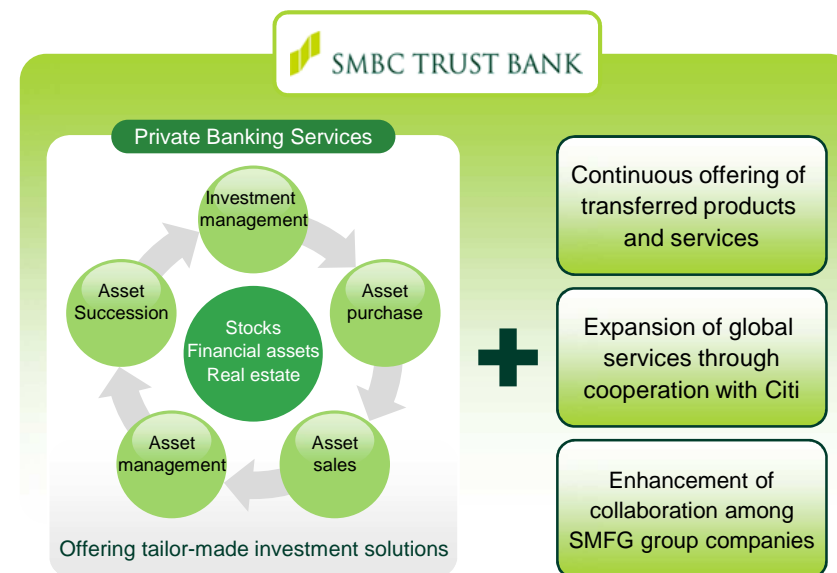
- Implementing SME & consumer banking combined operations under the "Area" system
- Comprehensively address 4 needs of business owners



*1 As of Sep. 30, 2014 *2 As of Nov. 30, 2014

Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank will acquire the retail banking business of Citibank Japan on Nov. 1, 2015, subject to necessary regulatory approvals
 - Total deposits: JPY 2,440 bn*1, Number of branches: 32*2, Number of customers: approx. 740,000*1
- The new bank that SMBC Trust Bank envisions
 - To become a bank that is highly unique compared with other Japanese banks
 - To grow into the core trust bank within the SMFG group by improving its profitability through cost reductions, including by the shared use of system infrastructure with SMBC



- Solid progress towards acquisition
 - Various preferential fee schemes such as for Citibank Japan customers using SMBC ATMs and for SMBC customers wiring money to Citibank Japan were implemented in Apr. 2015

IV. Business strategy

4. Retail business (3) Mass-affluent segment business

Development of services offerings

- Branch counter
 - First Megabank to issue a cash card instantly upon new deposit account opening
 - Installed “SMBC Station”, a next generation banking terminal



- Call center
 - Strengthening client visitation and follow-up via Remote Business Dept. that specializes in “out bound” business
 - SMBC’s call center awarded “COPC® CSP*” for the first time as a Japanese bank, along with SMBC Nikko (7 consecutive years) and SMBC Consumer Finance (2 consecutive years)
 - Improvement in quality through use of IBM’s Watson technology

Enhancement of channels

- Smartphone
 - Began offering an app that allows users to open accounts without visiting a branch
 - Improving ease of use



- Extension of business hours / ATM
 - Increased branches with extended business hours for holidays in Apr. 2014
 - Extended ATM opening hours
 - Set up ATMs at major universities and companies
 - Plans to establish ATM cards issued overseas available

Strengthening SMBC brand

- Launched new TV commercial
- SMBC officially opened Facebook and LINE accounts
- Introduced an original character



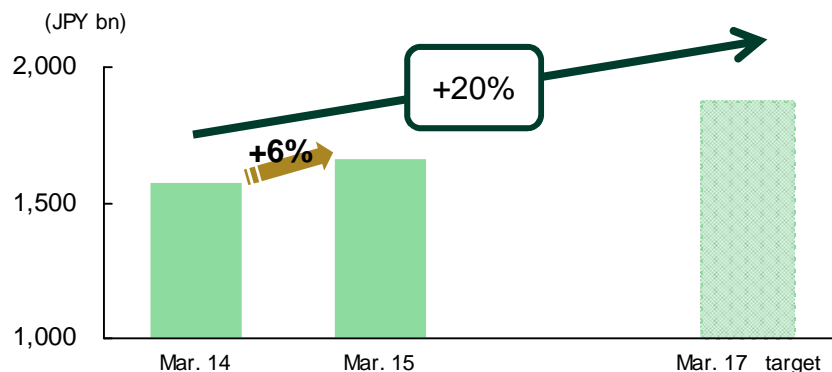
MIDOSUKE

* International quality standards for contact center operations

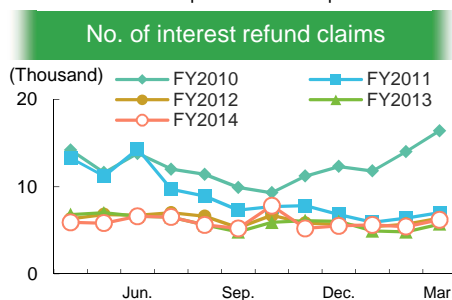
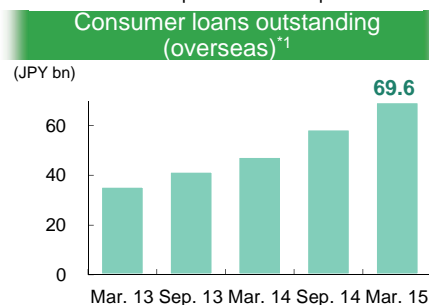
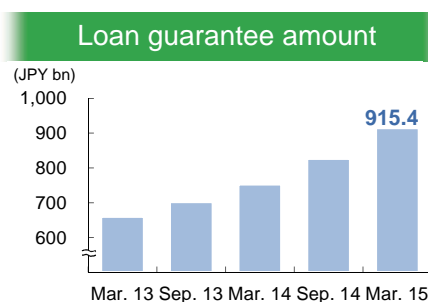
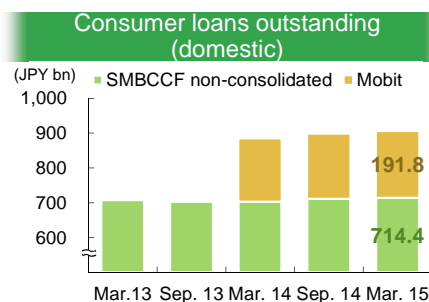
IV. Business strategy

5. Consumer finance / Credit card businesses

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



SMBC Consumer Finance: Financing / Loan guarantee / Overseas businesses



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

SMBC Consumer Finance: Financial results (consolidated)

(JPY bn)	FY3/14	FY3/15	YOY change
Operating income	194.8	228.3	+33.5
Losses on interest repayments within Expenses*2	(38.7)	(44.8)	(6.1)
Ordinary profit	26.5	16.6	(9.9)
Net income	29.4	11.2	(18.2)

Consumer loans outstanding	937.6	980.3
Allowance on interest repayments	152.8	127.6
Loan guarantee	752.6	915.4
for regional financial institutions, etc.	274.3	372.4

No. of companies with guarantee agreements: 189 (as of Mar. 2015)

*2 Losses on interest repayments: in FY3/15 approx. JPY (65) bn, sum of SMBC Consumer Finance and Cedyna

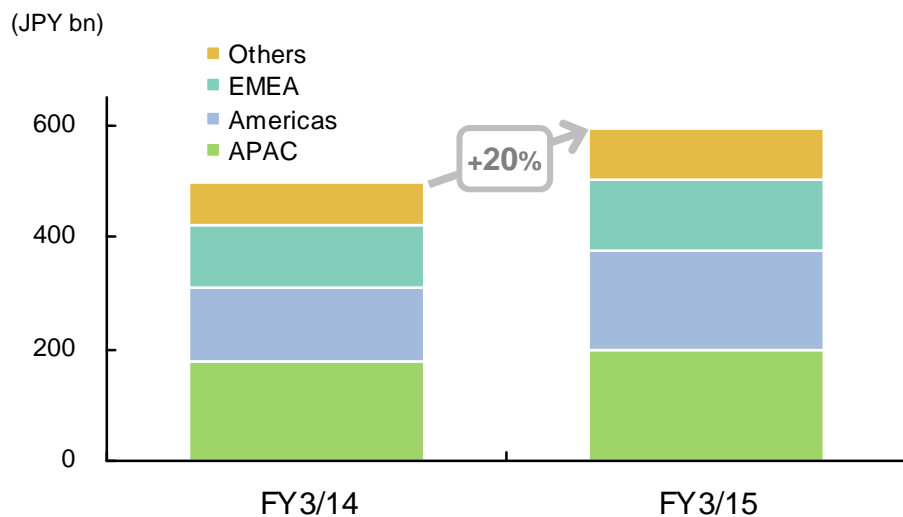
Credit card business

- Sumitomo Mitsui Card
 - Achieved a historical high in annual sales handles of over JPY 10 tn for FY2014
 - Strengthening non-credit card businesses such as electronic money and prepaid cards
- Cedyna
 - Expanding card members and new business partners via the use of SMBC's marketing channels

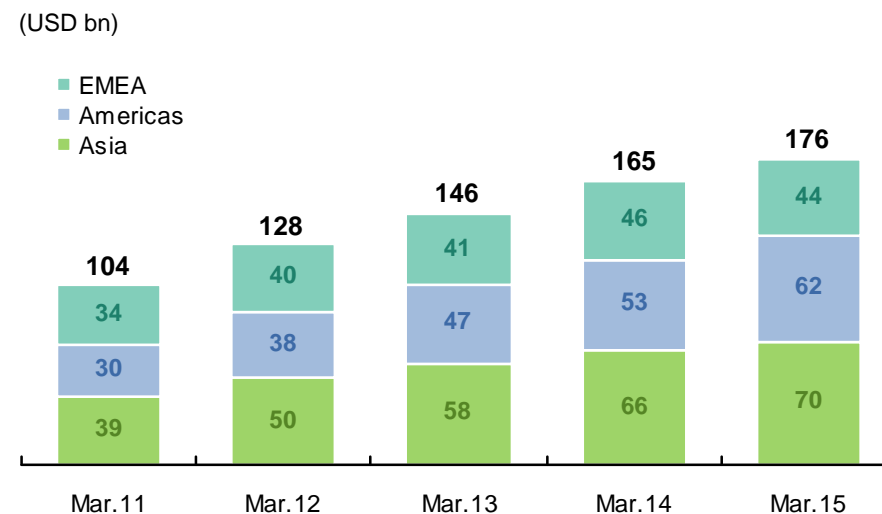
IV. Business strategy

6. International business (1) Overseas gross profit, loans and funding

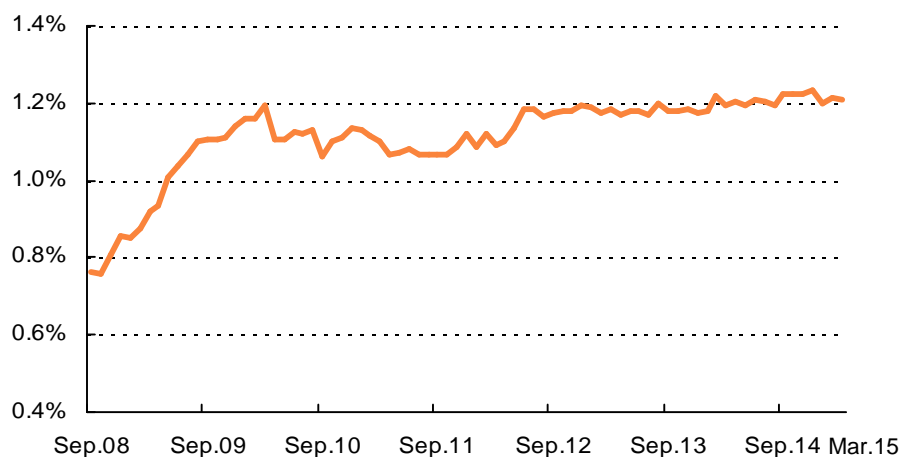
IBU's gross profit classified by region*1



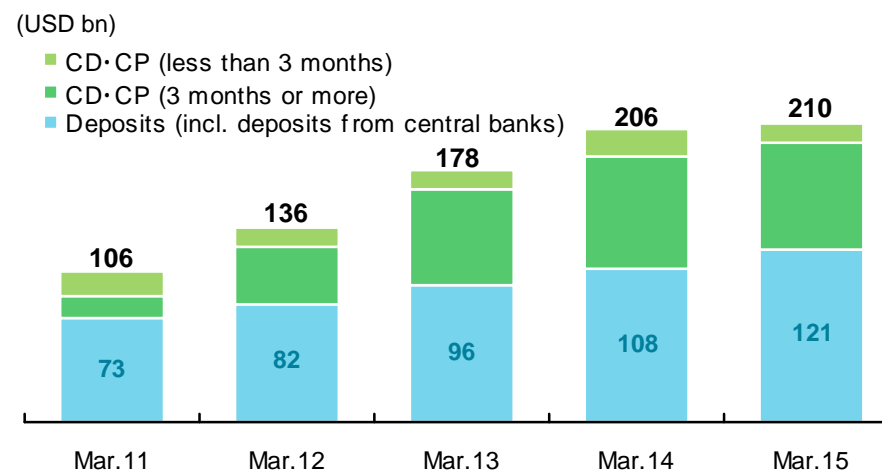
Overseas loan balance*1, 2



Overseas loan spread*1, 3



Overseas deposit balance*1, 2



Foreign currency bonds outstanding*4 (USD bn)	Senior	19.2	25.1
	Subordinated	3.3	4.7

*1 Managerial accounting basis

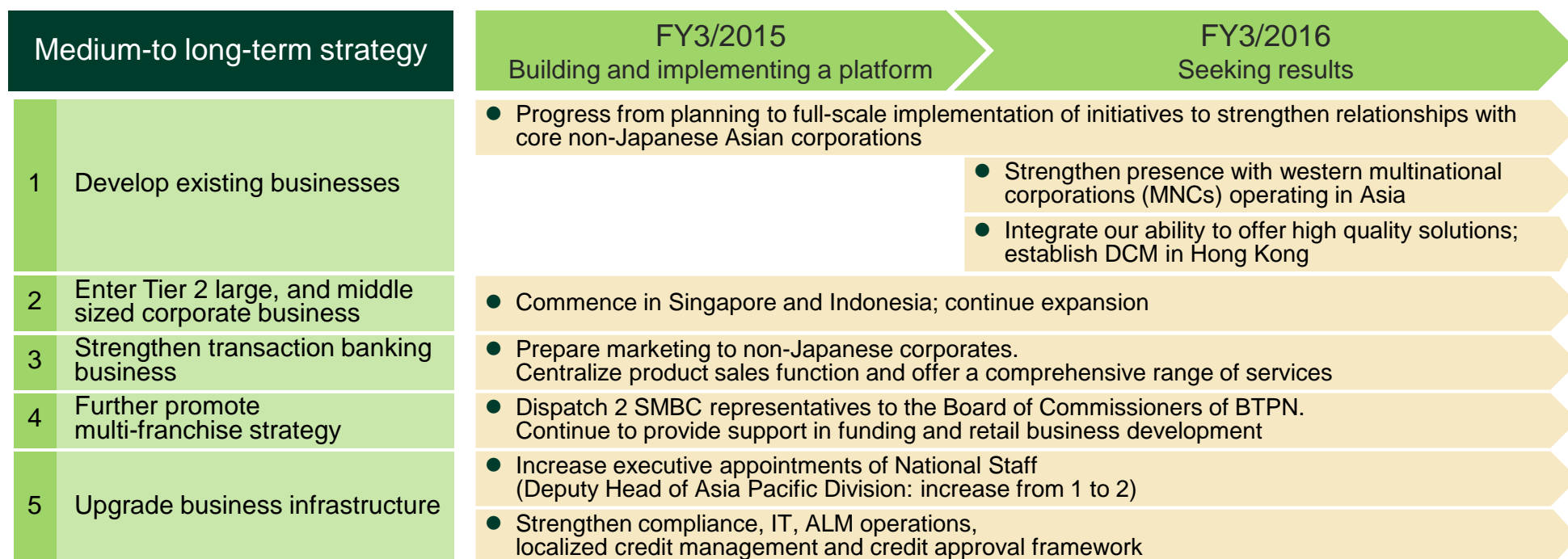
*2 Translated into USD at respective period-end exchange rates

(1 USD=JPY 102.88 / EUR 0.73 for Mar. 31, 2014, 1 USD=JPY 120.15 / EUR 0.92 for Mar. 31, 2015)

*3 Monthly average loan spread of existing loans *4 Bonds issued by SMBC and SMFG

IV. Business strategy

6. International business (2) Asia strategy



Cash Management Services

Cash management providers' ranking (in Asia Pacific)*1

Cash Management Service	Large Corporations	3rd	#1 among Japanese banks for seven consecutive years	2014 First Japanese bank to be ranked one of the top three global banks (3rd)
	Medium Corporations	3rd		
	Small Corporations	2nd		
JPY CMS as voted by financial institutions		1st	#1 for nine consecutive years	

Expansion of global network (SMBC, post-Apr. 2014)

- Received approval to establish Manila Branch (Philippines) (Feb. 2015)
- Established Yangon Branch (Myanmar) (Apr. 2015)
- Acquired a 12.25% of stake in ACLEDA Bank (Cambodia) (Sep. 2014)
 - Strengthening our business foundation in Greater Mekong Subregion
- Increased investment in the Bank of East Asia (Hong Kong), making the Bank an equity method affiliate (Mar. 2015)*2
 - Strengthening our business foundation in China and Hong Kong

*1 Source: "ASIAMONEY" cash management poll 2013 (published Aug. 2014)

*2 SMBC holds approximately 17.4% of total issued shares of BEA from 9.6%. SMBC plans to have a representative on the board of BEA

IV. Business strategy

6. International business (3) Cross-sell promotion to non-Japanese large corporations

Strengthening our Global non-Japanese Corporate Business

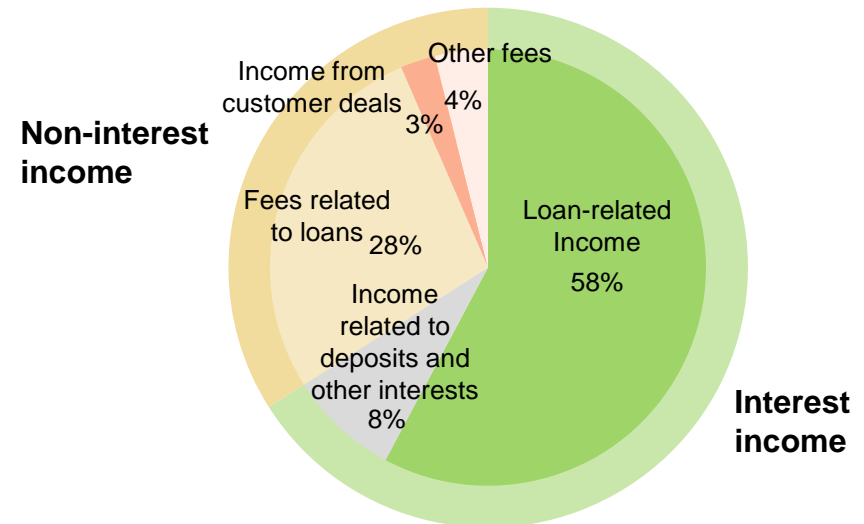
Strengthen our on-the-ground capabilities

- Enhancement of businesses with core clients
 - Americas and EMEA: Promote globalized services to our “Platinum Partner Club” clients, consisted by western multinational corporations (MNCs)
 - Asia: Promote Asian large corporate business through “Asia Core Client Program”
- Marketing structure
 - Established a cross-Asian team in charge of western MNCs, and promote collaboration with offices in EMEA and Americas
 - Strengthen client coverage by leveraging our strengths in each region (Americas: Advisory etc. / EMEA: Products & RM etc.)
- Appointment of National Staff
 - Increased executive appointments of non-Japanese National Staff from 3 to 6 (Japan: 1, APAC 2, Americas: 2, EMEA: 1)

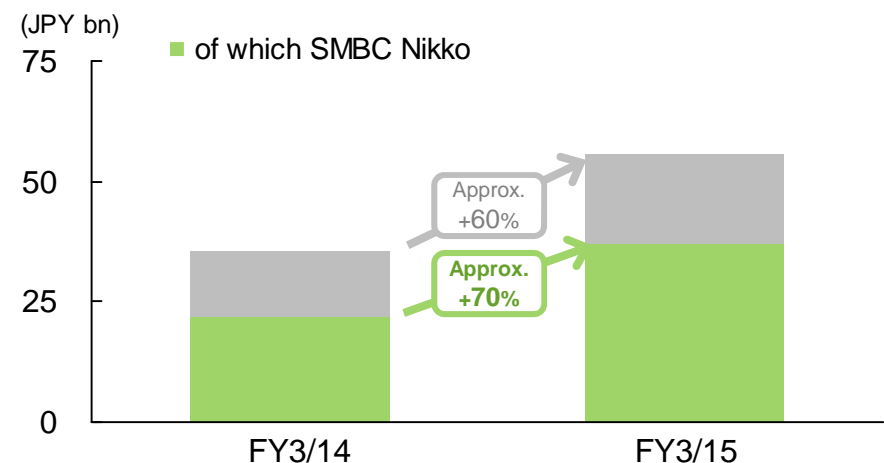
Enhancement our product offerings

- Increase collaboration with overseas offices of SMBC Nikko Securities
 - Promote the underwriting business
Results for FY3/2015: 19 deals as an active book runner
- Strengthen transaction banking business
 - Deposits, foreign exchange, supply chain finance (between EU and Americas to / from Asia) etc.

Interest / Non-interest income (FY3/2015)*1



Income related to collaboration with group companies in the IBU*2



*1 Managerial accounting basis. SMBC non-consolidated

*2 Managerial accounting basis. IBU: International Banking Unit

IV. Business strategy

6. International business (4) Creating a profitable asset

Strengthening our risk taking capability

- Develop responsiveness to large scale M&A financings
- Conduct U.S. middle market business and subscription finance*1 in the U.S.
- Investments in new asset classes such as senior tranche ABS etc.
- Promote trade finance
 - Rated Africa Leaders in Trade for 2 consecutive years (2013 & 2014) by Global Trade Review

Project Finance / Loan Syndication

League tables (Jan.-Dec. 2014, SMBC non-consolidated)*2

	Global	Asia*3	Japan
Project Finance	# 2	# 5	
Loan Syndication	# 12	# 6	# 3

- Project Finance
 - SMBC was Awarded “Global Bank of the Year 2014” by Project Finance International for the 3rd time after 2008 and 2012, to become the only bank to be awarded three times
 - Devised a new scheme to involve regional banks in overseas project financing by using trust account



Asset Finance

Aircraft business

- Centering on SMBC Aviation Capital, as one group, offer marketing solutions to domestic and overseas aircraft investors, and leasing arrangements to airlines

SMBC Aviation Capital results/
Number of owned and managed aircraft*4

	(USD mn)	FY3/14	FY3/15
Total revenue*5		852	948
Net income		192	175

Aircraft assets	8,822	10,140
Net assets	1,290	1,460

Aircraft Leasing Company	Country	# owned/managed
1 GECAS	USA	1,624
2 AerCap	Netherlands	1,305
3 SMBC AC	Ireland	386
4 AWAS	Ireland	313
5 CIT Aerospace	USA	312

*1 Bridge financing structure utilized by Fund SPCs investing in various asset classes, such as real estates

*2 Source: Thomson Reuters (Mandated Arrangers)

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

*4 As of Dec. 31, 2014 (Source: Ascend “Airline Business”) *5 Leasing revenue + gains (losses) on sales of aircraft

In closing

Five Values

Customer First

Proactive and Innovative

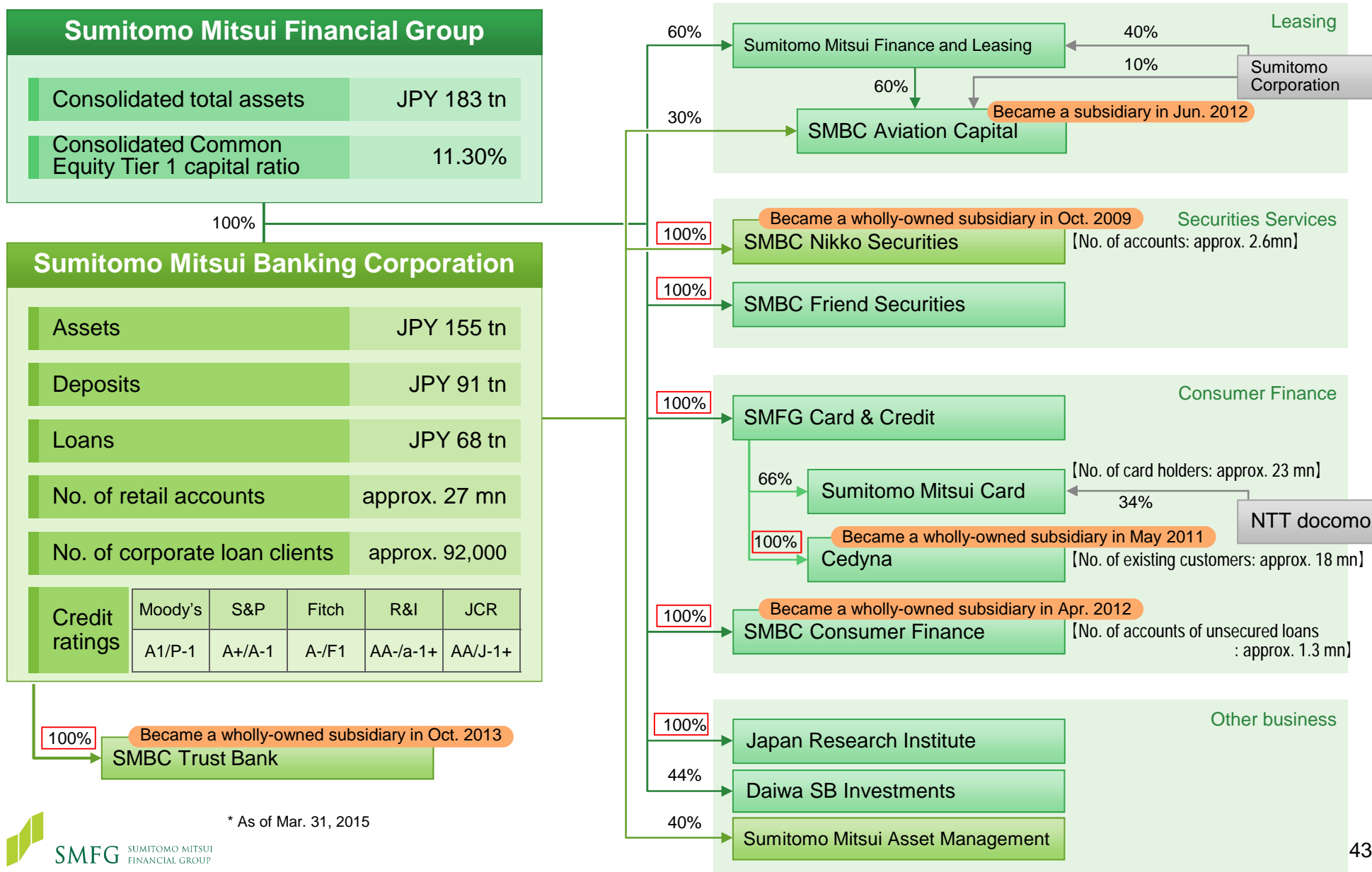
Speed

Quality

Team SMBC/SMFG

Appendix

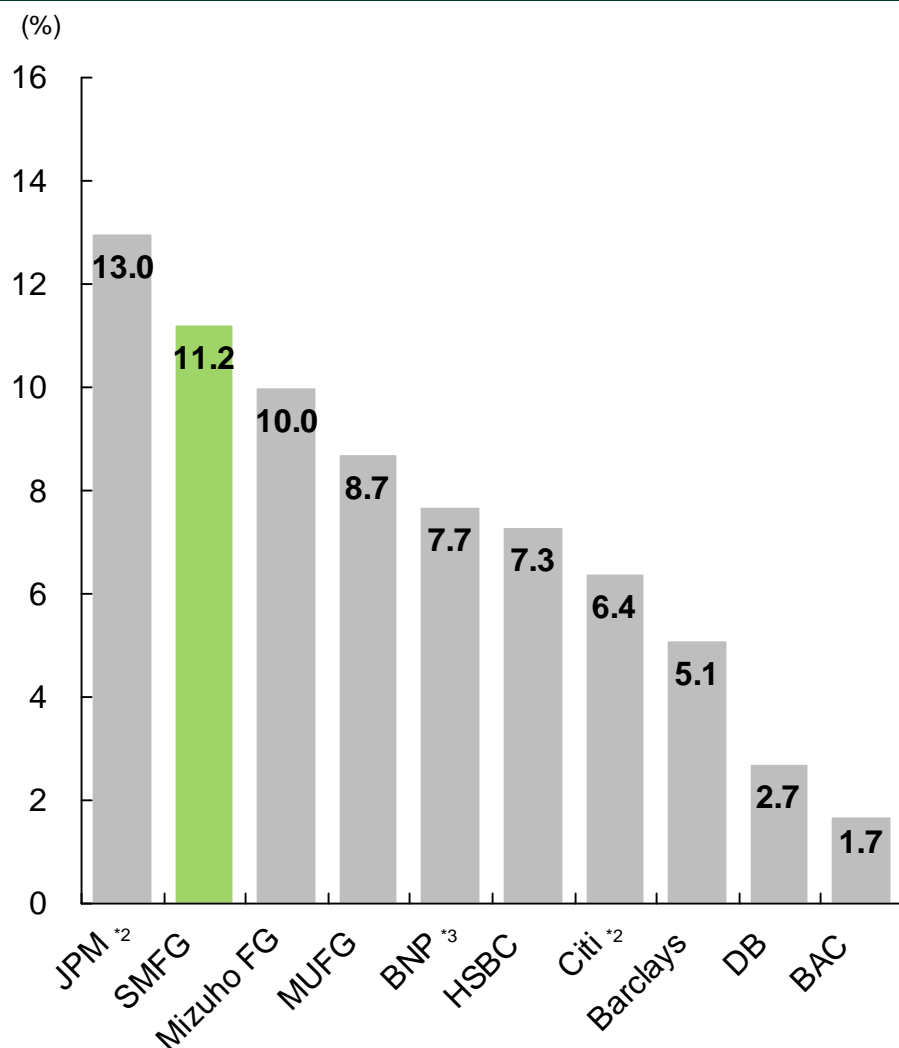
Group structure*



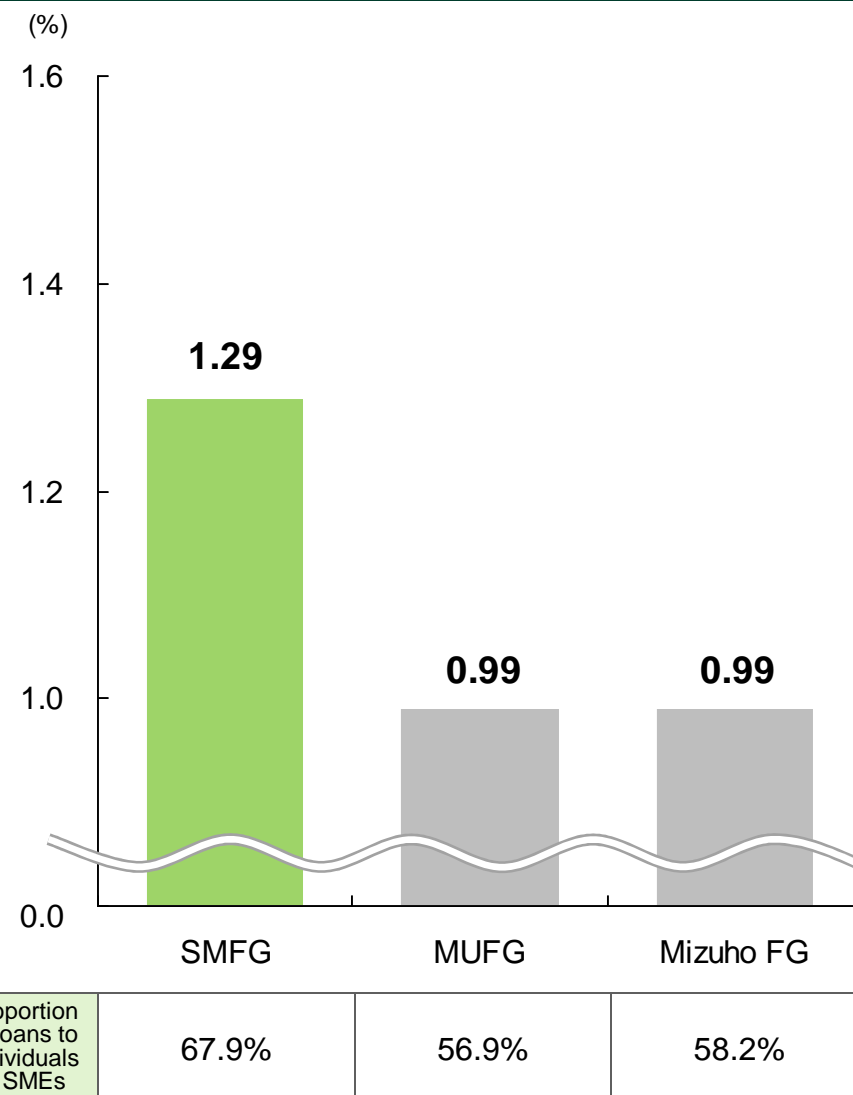
* As of Mar. 31, 2015

Comparison with peers

ROE*¹



Domestic loan-to-deposit spread*⁴



*¹ Based on each company's disclosure. FY3/15 results for SMFG, MUFG, and Mizuho FG, and FY12/14 results for others

*² ROTCE: Return on tangible common equity *³ Excluding exceptional

*⁴ Based on each company's FY3/15 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

FY3/2015 performance by segment

	(JPY bn)	Gross profit	YOY change	Expenses, etc.	YOY change	Consolidated net business profit*1	YOY change
Total		2,980.4	+82.2	(1,669.9)	(110.2)	1,310.5	(28.1)
Banking business		1,923.7	+116.4	(994.2)	(52.8)	929.5	+63.6
of which							
SMBC		1,634.3	+76.1	(791.2)	(45.5)	843.1	+30.6
Leasing		149.3	+10.8	(60.8)	(6.3)	88.5	+4.5
of which							
Sumitomo Mitsui Finance and Leasing*2		137.0	+9.1	(56.5)	(3.7)	80.5	+5.4
Securities services		393.9	(3.9)	(301.9)	(10.0)	92.0	(13.8)
of which							
SMBC Nikko Securities*3		346.3	+7.0	(248.7)	(13.4)	97.6	(6.4)
Consumer finance business		576.9	+36.8	(381.9)	(29.1)	195.0	+7.6
of which							
Sumitomo Mitsui Card		196.4	+6.5	(146.0)	(6.5)	50.4	+0.1
Cedyna*4		164.2	(3.4)	(121.7)	+1.9	42.5	(1.5)
SMBC Consumer Finance*2		215.5	+33.8	(96.1)	(23.1)	119.4	+10.6
Other businesses*5		(63.4)	(78.1)	68.9	(11.9)	5.5	(90.0)

SMFG's Performance by business unit*1

(JPY bn)				FY3/14	FY3/15	YOY change ^{*2}	Gross profit performance vs. targets ^{*2}
	Wholesale Banking Unit	Gross profit		717.6	729.0	+2.9	
		Expenses		(285.1)	(300.6)	(10.3)	
		Net business profit		432.5	428.4	(7.4)	
	Retail Banking Unit	Gross profit		480.0	478.4	(1.5)	
		Expenses		(354.1)	(373.4)	(20.6)	
		Net business profit		125.9	105.0	(22.1)	
	International Banking Unit	Gross profit		495.9	593.1	+41.0	
		Expenses		(183.1)	(226.2)	(25.0)	
		Net business profit		312.8	366.9	+16.0	
	of which Marketing units	Gross profit		1,693.5	1,800.5	+42.4	
		Expenses		(822.3)	(900.2)	(55.9)	
		Net business profit		871.2	900.3	(13.5)	
	of which Treasury Unit	Gross profit		339.2	374.8	+35.6	
		Expenses		(25.9)	(30.7)	(2.9)	
		Net business profit		313.3	344.1	+32.7	
	of which Sumitomo Mitsui Finance and Leasing	of which Gross profit		125.9	137.0	+11.1	
		of which Expenses		(54.8)	(57.9)	(3.1)	
		Net business profit		73.0	80.5	+7.5	
	of which SMBC Nikko Securities	Gross profit		339.6	350.0	+6.1	
		Expenses		(235.9)	(249.5)	(10.6)	
		Net business profit		103.7	100.5	(4.5)	
	of which Consumer finance / Credit card ^{*3}	Gross profit		539.9	576.1	+14.6	
		Expenses		(338.3)	(363.8)	(11.2)	
		Net business profit		201.6	212.3	+3.4	
	Total (SMFG consolidated)	of which Gross profit		2,898.2	2,980.4	+82.2	
		of which Expenses		(1,569.9)	(1,659.3)	(89.4)	
		Net business profit ^{*4}		1,338.5	1,310.5	(28.1)	

*1 Managerial accounting basis. *2 After adjustments for changes in interest rates and exchange rates, etc.

*3 Sum of Sumitomo Mitsui Card, Cedyne, and SMBC Consumer Finance

*4 Consolidated net business profit = Consolidated gross profit - General and administrative expenses + Equity in earnings (losses) of affiliates.

SMFG changed the definition of "Consolidated net business profit" from FY3/15. The figures for FY3/14 were recalculated based on the new rules

■ SMBC's performance by business unit*1

(JPY bn)				FY3/14	FY3/15	YOY change*2
	Wholesale Banking Unit	Gross banking profit		558.5	555.4	(9.3)
		Expenses		(200.7)	(206.8)	(2.4)
		Banking profit		357.8	348.6	(11.7)
	Retail Banking Unit	Gross banking profit		405.4	386.8	(18.5)
		Expenses		(336.4)	(350.1)	(15.0)
		Banking profit		69.0	36.7	(33.5)
	International Banking Unit	Gross banking profit		296.0	345.3	+20.8
		Expenses		(89.1)	(106.6)	(11.5)
		Banking profit		206.9	238.7	+9.3
Marketing units		Gross banking profit		1,259.9	1,287.5	(7.0)
		Expenses		(626.2)	(663.5)	(28.9)
		Banking profit		633.7	624.0	(35.9)
Treasury Unit		Gross banking profit		325.5	354.0	+28.5
		Expenses		(22.9)	(25.9)	(1.1)
		Banking profit		302.6	328.1	+27.4
Headquarters		Gross banking profit		(27.3)	(7.2)	+54.7
		Expenses		(96.6)	(101.8)	(15.5)
		Banking profit		(123.9)	109.0	+39.2
Total (SMBC non-consolidated)		Gross banking profit		1,558.1	1,634.3	+76.2
		Expenses		(745.7)	(791.2)	(45.5)
		Banking profit		812.4	843.1	+30.7

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

Bond portfolio

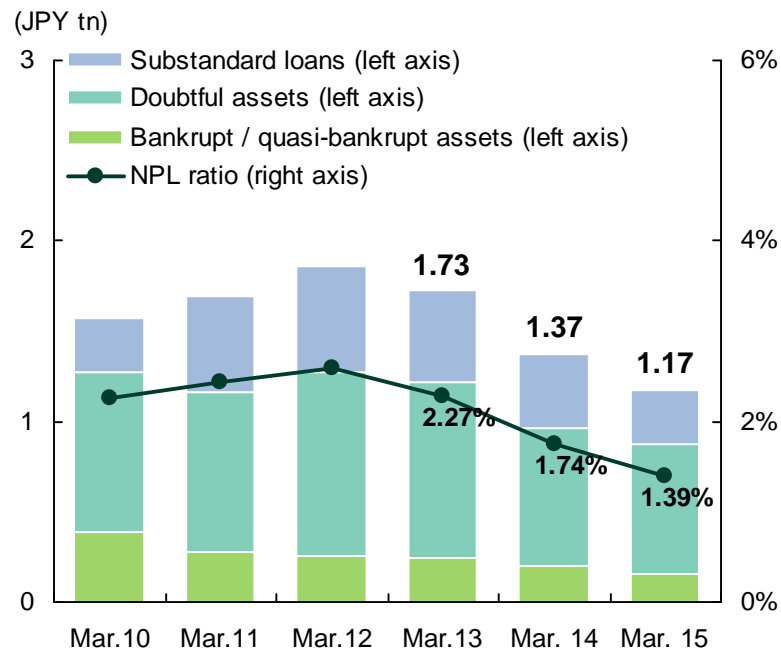
(JPY tn)		Mar. 2013		Mar. 2014		Mar. 2015		Change from Mar. 2014	
		Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)
SMFG consolidated	Yen-denominated bonds	30.4	0.17	17.4	0.10	17.1	0.07	(0.3)	(0.03)
	of which JGB	27.0	0.12	14.2	0.05	14.3	0.03	+0.0	(0.02)
	Held-to-maturity	5.5	0.06	4.3	0.03	3.3	0.02	(1.0)	(0.01)
	Others	21.5	0.06	9.9	0.02	11.0	0.01	+1.1	(0.01)
	Foreign bonds (Other securities)			4.3	(0.03)	5.6	0.03	+1.3	+0.06

SMBC non-consolidated	Yen-denominated bonds	28.9	0.16	16.3	0.09	16.4	0.07	+0.1	(0.03)
	of which JGB	26.2	0.11	13.8	0.05	14.0	0.03	+0.1	(0.02)
	Held-to-maturity	5.5	0.06	4.3	0.03	3.3	0.02	(1.0)	(0.01)
	Others	20.7	0.06	9.5	0.02	10.7	0.01	+1.2	(0.01)
	Foreign bonds (Other securities)			3.2	(0.02)	4.2	0.03	+1.1	+0.05

Non-performing loan balance and ratio

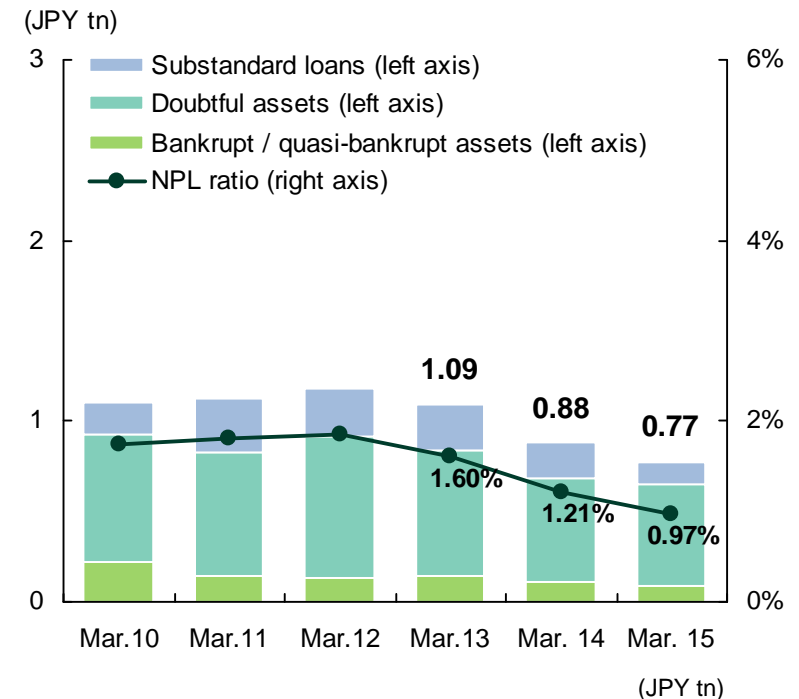
SMFG consolidated

	Mar. 14	Mar. 15
Coverage ratio	83.74%	83.14%



SMBC non-consolidated

	Mar. 14	Mar. 15
Coverage ratio	88.54%	87.67%



Claims on borrowers requiring caution*	3.7	3.1	2.8	1.9	1.6	1.6
Total claims	63	62	64	68	73	79

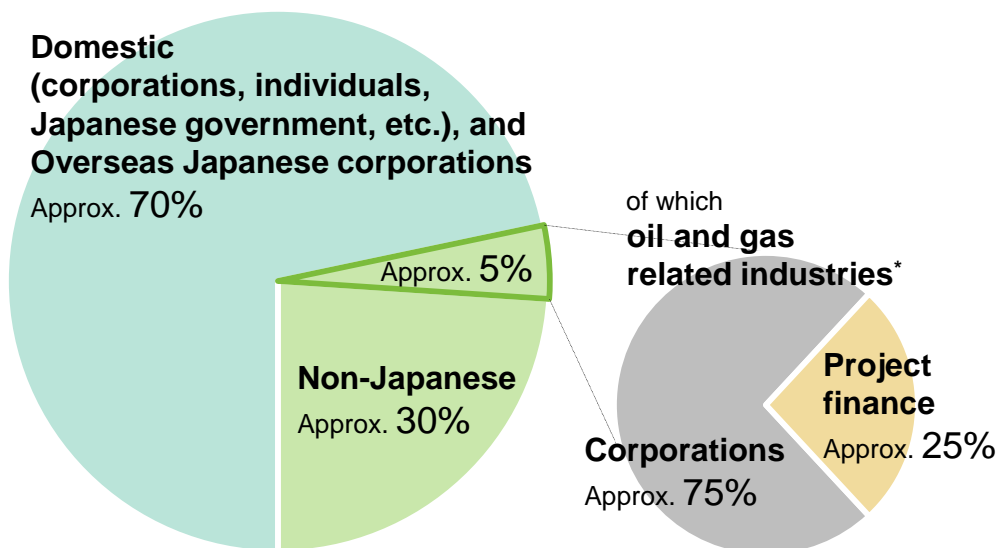
* Excludes claims to Substandard borrowers

Corporate, sovereign and bank exposures



Exposure to oil and gas related industries / Russia / Southern Europe and Middle East

Exposure to oil and gas related industries within SMFG's consolidated exposure



- Exposure to non-Japanese oil and gas related industries is around USD 50bn. Of the aggregate USD 50bn, the exposure to companies including oil majors, which are susceptible to oil/gas price fluctuation, is less than USD 30bn
- Within exposure to oil and gas related industries, around 90% is classified as “1-3” on our internal rating

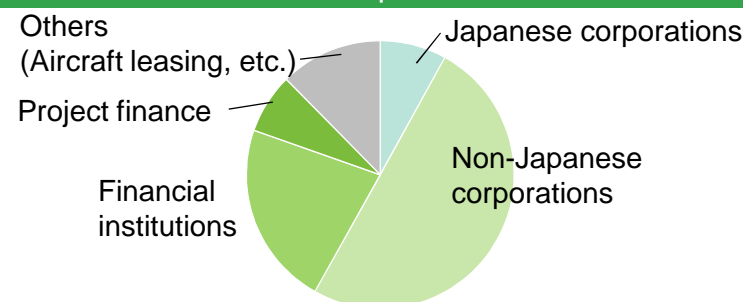
Exposure to Russia

(USD bn)

Mar. 14	Mar. 15	Change from Mar. 31, 2014
6.2	5.1	(1.1)

Less than 1% of SMFG's total exposure

Breakdown of exposure to Russia



Exposure to Southern Europe and Middle East

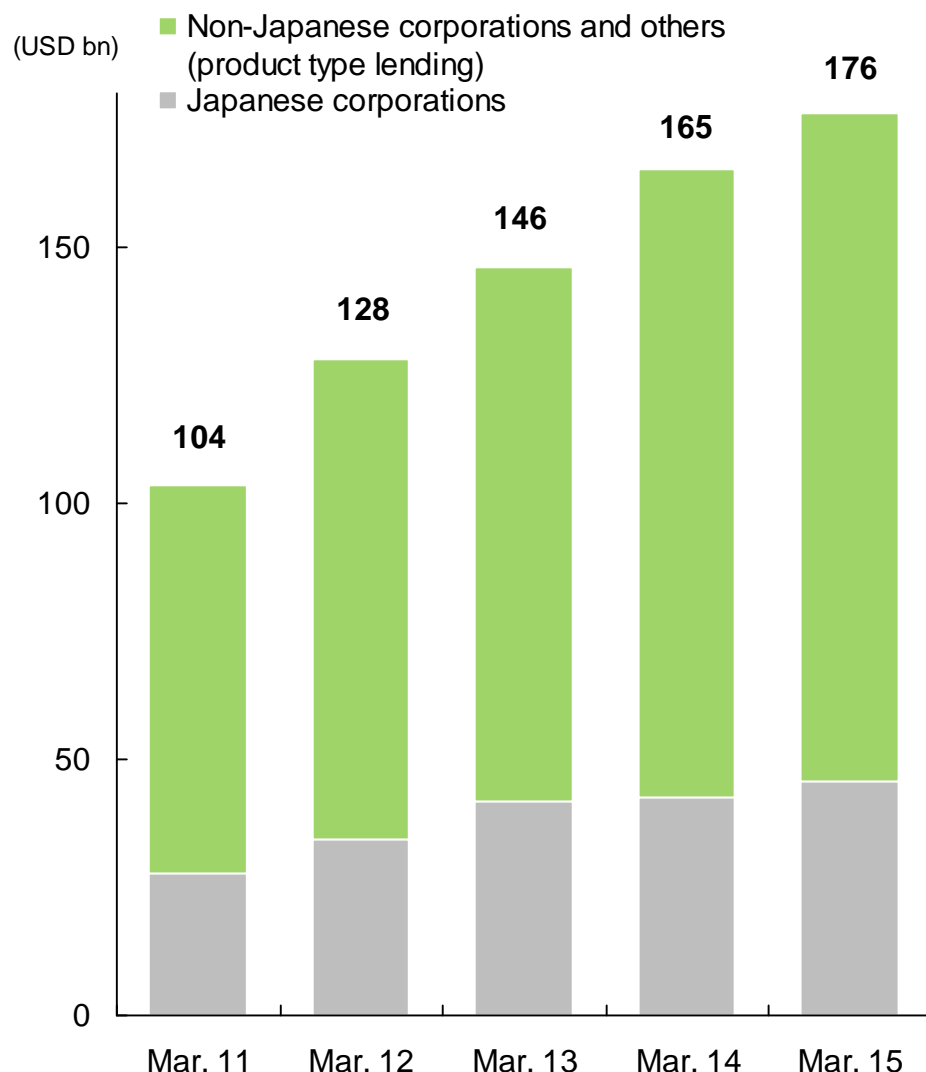
	(USD bn)	Mar. 14	Mar. 15	Majority
Southern Europe		5.5	4.2	-
of which Spain		2.4	2.2	Large corporations and project finance
of which Italy		2.8	1.9	
of which Portugal		0.0	0.1	
of which Greece		0.1	0.1	Aircraft Leasing
Middle East		12.7	14.2	-
of which Turkey		3.4	3.0	Trade finance
of which UAE		3.6	3.1	Large corporations and project finance
of which Saudi Arabia		1.7	2.8	
of which Qatar		2.1	2.7	

* Sum of SMBC, SMBC Europe and SMBC (China)

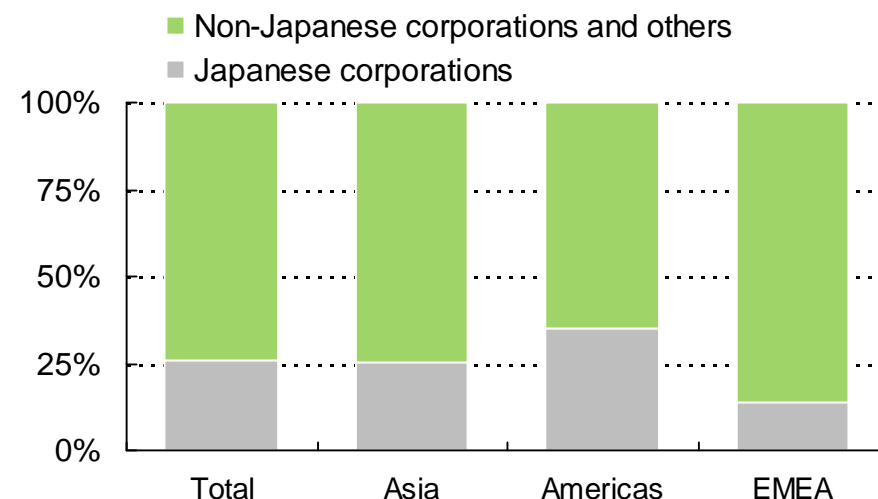
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

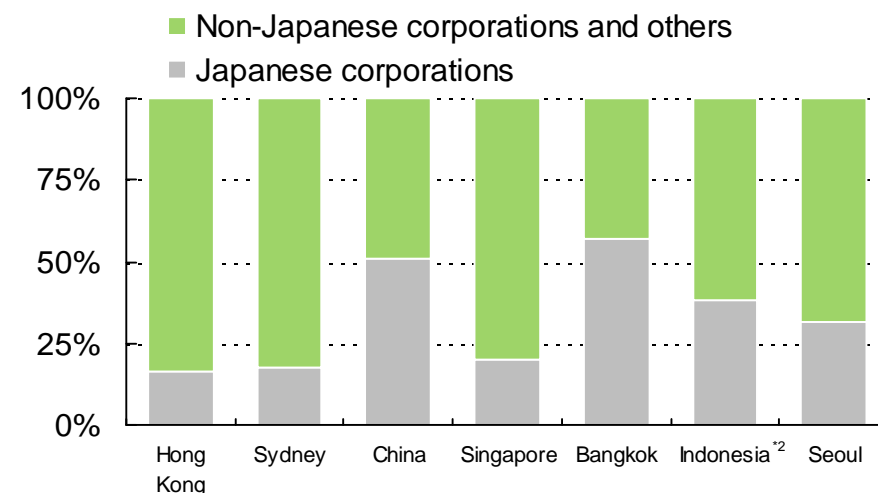
Total*1



By region (Mar. 2015)*1



Major marketing channels in Asia (Mar. 2015)*1



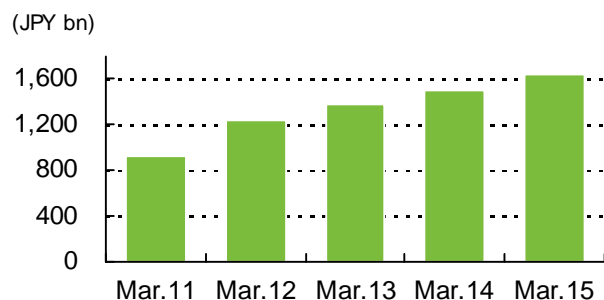
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Sum of SMBC and SMBC Indonesia

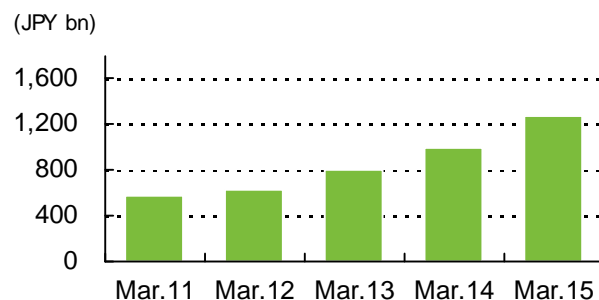
Loan balance in Asian countries/areas

(Geographic classification based on borrowers' domicile)*

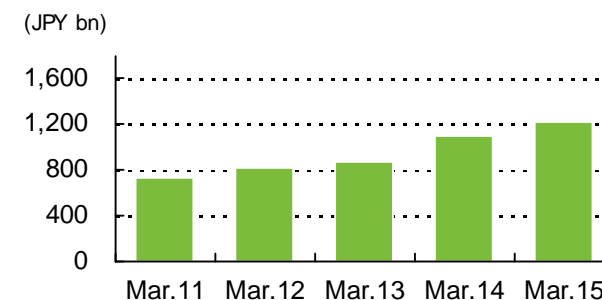
Hong Kong



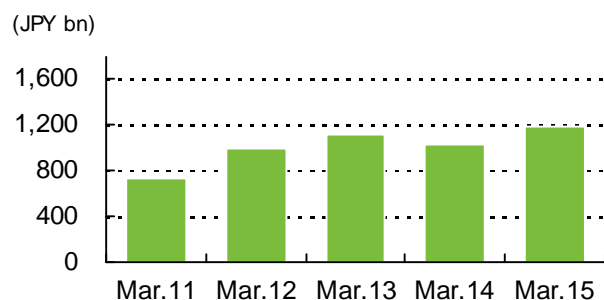
Australia



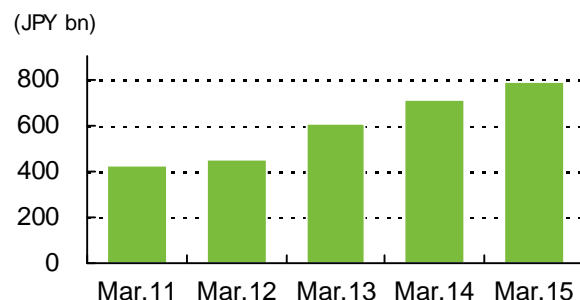
China



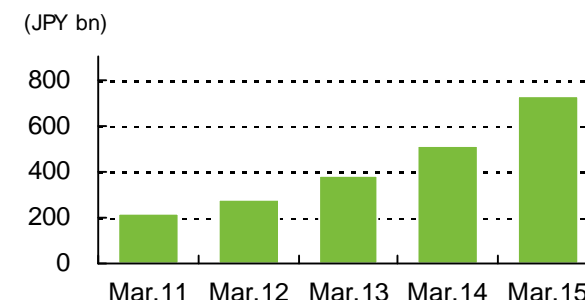
Singapore



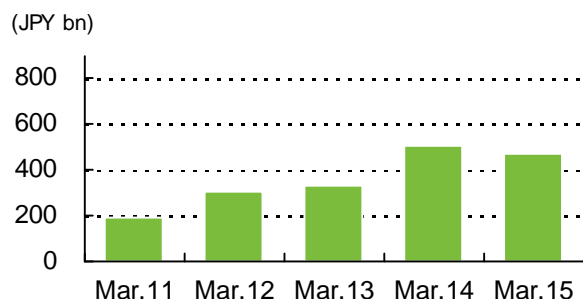
Thailand



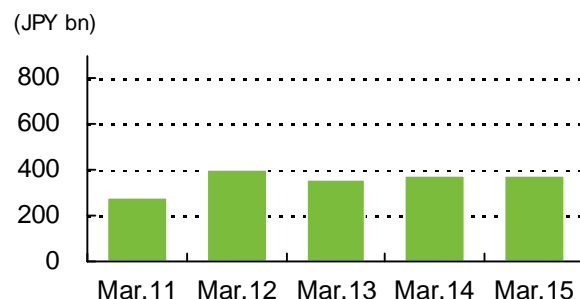
Indonesia



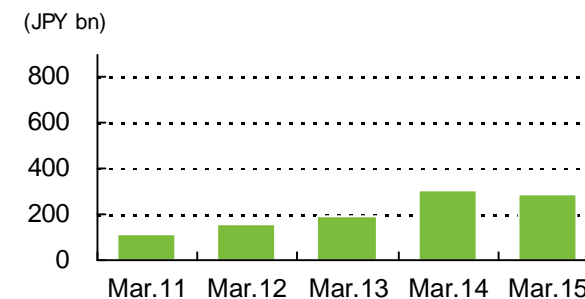
India



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. 31, 2015

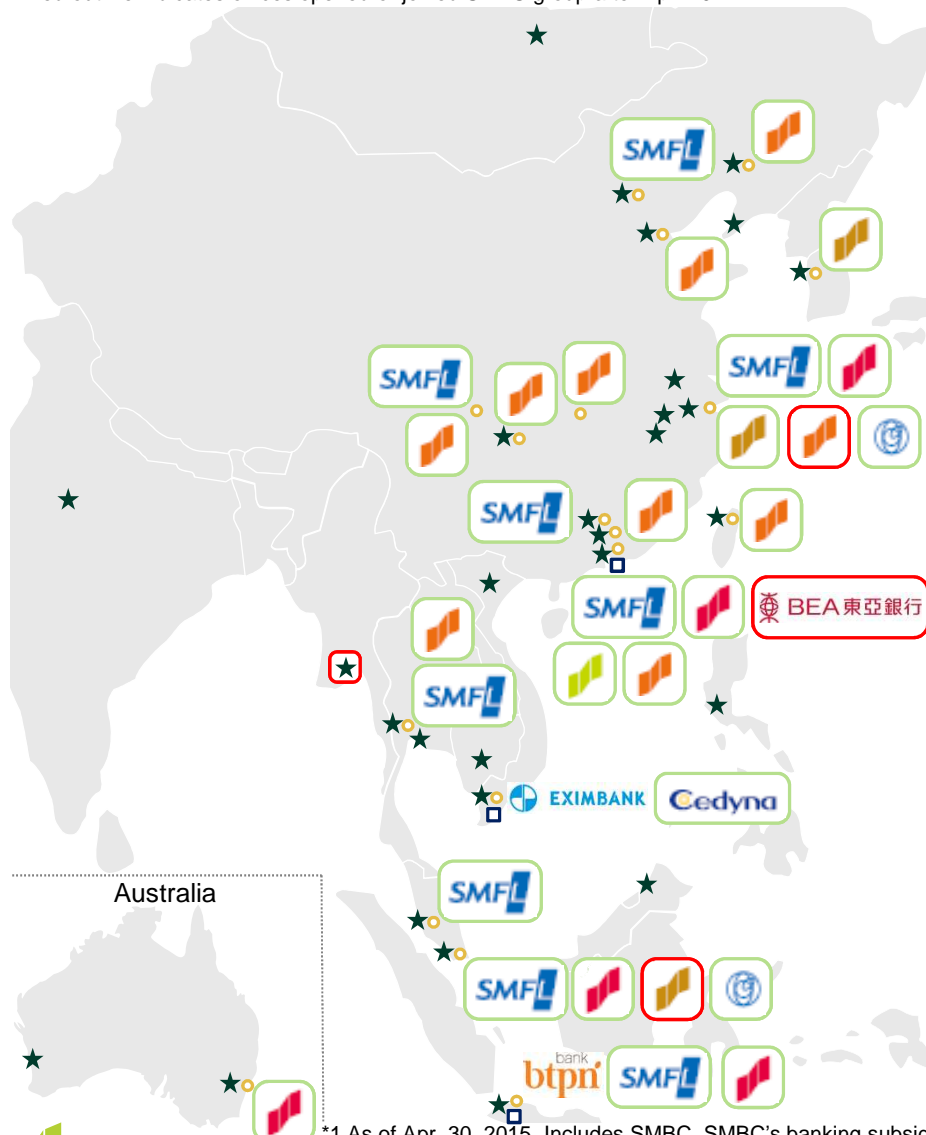
SMFG's network in Asia

★: Banking business offices

○: Overseas offices of SMFG group companies excludes banking business

□: Equity method affiliates

Red outline indicates offices opened or joined SMFG group after Apr. 2014



SMBC SUMITOMO MITSUI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 38 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
	Market research	<ul style="list-style-type: none"> Singapore
Cedyna	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 Shanghai 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 Apr. 30, 2015. Includes SMBC, SMBC's banking subsidiaries and equity method affiliates. 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

Investments in Asia

BTPN

Equity method
affiliate

(IDR bn)	FY12/2013	FY12/2014	YOY
Net income^{*1}	2,131	1,853	(278)
ROE^{*1}	26.2%	18.4%	(7.8)%
Total assets^{*1}	69,665	75,015	+5,354

· Market capital^{*2}:
IDR 25 tn (JPY 224.3 bn)
(as of Mar. 31, 2015)

· Number of offices: 1,389
(as of Dec. 31, 2014)

Interest expense before tax (1,358)

- SMBC acquired 24.26% stake in May 2013, increased ownership to 40% in Mar. 2014 (total investment amount: approx. USD 1.5bn)
- Post SMBC's investment, Fitch ratings raised BTPN's Indonesian domestic rating by 2 notches
- In collaboration with IFC, SMBC provided funding support to BTPN
- SMBC started joint project in retail banking area
- In Jan. 2015, 2 SMBC representatives were appointed as members of BTPN Board of Commissioners

The Bank of East Asia

Equity method
affiliate^{*3}

(HKD mn)	FY12/2013	FY12/2014	YOY
Net income^{*1}	6,707	6,774	+67
ROE^{*1}	11.0%	10.1%	(0.9)%
Total assets^{*1}	753,954	795,891	+41,937

· Market capitalization^{*2}:
HKD 80.6 bn (JPY 1.25 tn)
(as of Mar. 31, 2015)

· Number of offices:
more than 240
(as of Dec. 31, 2014)

- SMBC's shareholding increased to approx. 17.4% in Mar. 2015
- SMBC strengthen the cooperation with Chinese business of BEA which provide top level service as a foreign bank
- Business cooperation with SMFG as SMFL is promoted

Vietnam Eximbank

Equity method
affiliate

(VND bn)	FY12/2013	FY12/2014	YOY
Net income^{*2}	658	56	(602)
ROE^{*2}	4.3%	0.4%	(3.9)%
Total assets^{*2}	169,835	161,103	(8,732)

· Market capital^{*2}:
VND 16 tn (JPY 90.2 bn)
(as of Mar. 31, 2015)

· Number of offices:
208
(as of Dec. 31, 2014)

- SMBC acquired 15% stake in May 2008 (total investment amount: approx. USD 230 mn)
- SMBC delegates one board member and staffs
- SMBC collaborates and provides technical assistance for retail and wholesale banking, employee training, IT system, and risk management

ACLEDA BANK

· Unlisted

· Number of offices:
255
(as of Mar. 31, 2015)

- SMBC launched technical assistance by dispatching a Japanese staff to the Foreign Corporate Unit established by ACLEDA Bank as consultation service department for Japanese companies, etc. in Jan. 2014
- SMBC acquired 12.25% stake in Sep. 2014 and delegated one board member
- SMBC added Laos to business cooperation areas with the Bank in Feb. 2015
- SMBC collaborates and provides technical assistance for (1) customer introduction, (2) Trade Finance, (3) CMS, (4) Auto Finance, consumer finance and so on

Kotak Mahindra Bank

· Market capital^{*1}:
INR 1 tn (JPY 1.95 tn)
(as of Mar. 31, 2015)

· Number of offices:
684
(as of Mar. 31, 2015)

- SMBC acquired 4.5% stake in 2010 (total investment amount: approx. INR 13.6 bn)
- SMBC Nikko Securities sells Kotak Mahindra's Asset Management subsidiary's Investment Trust in Japan
- SMBC and SMBC Nikko Securities collaborate with Kotak Mahindra's group in M&A business
- SMBC, Kotak Mahindra group and Brookfield AM (Canadian asset management firm) established infrastructure fund

*1 Source: Company's disclosure *2 Source: Bloomberg

*3 Became an equity-method affiliate of SMBC based on the premise that SMBC will nominate an executive to BEA as a non-executive director
Ref: Exchange rate as of Mar. 31, 2015: 1 IDR=JPY 0.0091, 1 HKD=JPY 15.5, 1 VND=JPY 0.0056, 1 USD=JPY120.15, 1 INR=JPY1.92

Meeting international financial regulations

Regulations	Contents of regulation	Effective	Current status	Action taken & impact on SMFG
G-SIB surcharge	Required for additional loss absorption capacity above the Basel III minimum	2016	Finalised at FSB / Domestic regulation under development	Requirement for SMFG to be 8% on a fully-loaded basis. Achieved 8% CET 1 ratio by the end of Mar. 2013
Adequacy of loss-absorbing capacity (TLAC)	Required to hold loss absorbing capacity, which consists of eligible liabilities and regulatory capital, on both a going concern and gone concern basis	No earlier than 2019	Consultation commenced in Nov. 2014	Specific requirement and implementation schedule remain unclear. Paying attention to discussions
Recovery and Resolution Plan	SMFG Group Recovery Plan	Imple-mented	Submitted	Work in accordance with due dates, including those of overseas operations
	ISDA Protocol: Stays on early termination rights following the start of resolution proceedings of derivatives counterparty	Imple-mented	Adhered	Adhered at each of the relevant major entities
Capital requirement	Required to raise the level and quality of capital and enhance risk coverage under Basel III	2013	Under phased implementation	Achieved our target of 8% CET 1 ratio by Mar. 2013, one year ahead of schedule
	Fundamental review of trading book (Strengthened capital standards for market risk)	TBD	3 rd consultation completed Finalisation targeted by end-2015	Implementation schedule remains unclear. Paying attention to discussions
	Revisions to the Standardised Approaches	TBD	Consultation for operational/credit risk commenced in Oct./Dec. 2014	Details and implementation schedule of regulation remain unclear. Paying attention to discussions
	Capital floors	TBD	Consultation commenced in Dec. 2014	Details and implementation schedule of regulation remain unclear. Paying attention to discussions
	Interest-rate risk in the banking book	TBD	Under discussion at BCBS	Details and implementation schedule of regulation remain unclear. Paying attention to discussions
Leverage ratio requirement	Non-risk-based measure based on “on-and off-accounting balance sheet items” against Tier I capital. Minimum requirement: 3% (on a trial basis)	2018	Domestic regulation for disclosure finalised in Mar. 2015	Currently have no issues in meeting requirements although paying attention to national finish. Minimum requirement of 3% subject to reexamination internationally
Minimum standards for liquidity (LCR/NSFR)	LCR : Required to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. >=100% needed	2015	Under phased implementation Disclosure starts in Jun. 2015	In good position due to domestic deposit base. Intend to further strengthen foreign currency ALM
	NSFR : Required to maintain a sustainable maturity structure of assets and liabilities >=100% needed	2018	Finalised at BCBS in Oct. 2014 Consultation on disclosure commenced in Dec. 2014	Currently have no issues in meeting requirements although paying attention to national finish
Large exposure regulation	Tightening of exposure limit to a single borrower (25% of Tier1) and expansion of scope of applicable exposure type, etc.	Jan. 2019	Partly implemented in Dec. 2014	Limited impact from early adoption of derivatives, etc. Paying attention to remaining issues including treatment of interbank exposures
OTC derivatives markets reforms	<ul style="list-style-type: none">● Centralizing of OTC derivatives clearing● Margin requirement for non-centrally cleared derivatives	Dec. 2012 Sep. 2016	Scope of application being expanded Implementation date postponed in Mar. 2015	Taking actions needed although impact will be smaller compared to investment banks
Regulation of shadow banking system	Strengthen the oversight and regulation of the shadow banking system such as MMFs, repos and securitizations	TBD	Discussion underway on five specific areas	FSB's final rule to apply haircut floors on repo transactions excluded JGBs as applicable collateral (Oct. 2014)
Limitation on banking activities / Ring fencing regulation	<ul style="list-style-type: none">● US operations of depository institutions and affiliates prohibited from proprietary trading, sponsorship and ownership in funds (Volcker Rule)● Requirements for foreign banking organizations (FBO Rule)	Jul. 2015 Jul. 2016	Final regulation published	Business related to regulation is limited. Taking actions needed.
	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	UK : Enacted in Dec. 2013, EU : Proposal published in Jan. 2014	SMBC will be out of scope, but still paying close attention to the discussion
Bank Levy	Financial transaction Tax (FTT)	TBD	Under discussion	While details of regulation remain unclear, the impact is assumed to be manageable

Able to meet requirements easily

Able to meet requirements

Impact unclear

Ongoing major regulatory discussions

Regulations			Contents	Schedule	Finalised at BCBS	Domestic regulation
Capital requirement	Credit risk	Revisions to the Standardised Approach	<ul style="list-style-type: none"> Seeks to improve the standardised approach for credit risk, including reducing reliance on external credit ratings; increasing risk sensitivity; reducing national discretions; strengthening the link between the standardised approach and the internal-rating based (IRB) approach; and enhancing comparability of capital requirements across banks 	<ul style="list-style-type: none"> Under consultation (comment period closed in Mar. 2015) Comprehensive data collection and analysis will be made through the QIS in 2015; targeted to be finalised in 2016* 	Unfinished	Unfinished
	Market risk	IRRBB (Interest-rate risk in the banking book)	<ul style="list-style-type: none"> Consideration of a Pillar 1 capital charge for interest rate risk and credit spread risk in the banking book to reduce opportunities to arbitrage the trading book/banking book boundary 	<ul style="list-style-type: none"> Release of consultative document is expected in 2015 	Unfinished	Unfinished
	Operational risk	Revisions to the Standardised Approach	<ul style="list-style-type: none"> Seeks to address the weaknesses identified in the existing approach by (i) refining the operational risk proxy indicator by replacing Gross Income (GI) with a superior indicator, and (ii) improving calibration of the regulatory coefficients based on the results of the quantitative analysis 	<ul style="list-style-type: none"> Under consultation (comment period closed in Jan. 2015) Targeted to be finalised in mid-2015 through 2016* 	Unfinished	Unfinished
	Overall	Capital floors based on standardised approaches	<ul style="list-style-type: none"> Replacement of the Basel I-based transitional capital floor with a permanent floor based on the Basel II/III standardised approaches for credit, market and operational risks 	<ul style="list-style-type: none"> Under consultation (comment period closed in Mar. 2015) To be discussed according to the revisions to the standardised approaches 	Unfinished	Unfinished
Leverage ratio requirement		Leverage ratio	<ul style="list-style-type: none"> Continue to test a minimum requirement of 3% to be introduced in 2018 (from Jan. 2013 to Jan. 2017) Public disclosure requirement started on Jan. 2015 	<ul style="list-style-type: none"> Appropriate level of leverage ratio to be finalised by 2017 at the latest* Scheduled to be implemented in 2018 Domestic regulations on calculation and disclosure implemented 	Finished in part	Finished in part
G-SIFI regulation		TLAC (total loss-absorbing capacity)	<ul style="list-style-type: none"> A requirement for loss absorbing capacity on both a going concern and gone concern basis Proposed requirement is set within 16-20% of RWA and at least twice the Basel 3 Tier 1 leverage ratio requirement. This does not include regulatory capital buffers (overall requirement for a resolution entity with a 1% G-SIB surcharge would be 19.5-23.5%) Should be issued and maintained by resolution entities Authorities may permit prior reserving fund under the deposit insurance system as a quantum equivalent of up to 2.5% RWA or more 	<ul style="list-style-type: none"> Under consultation (comment period closed in Feb. 2015) FSB will submit a final version to the G-20 Summit in Nov. 2015 Will not become effective before Jan.1, 2019 	Unfinished	Unfinished

* Source: FSB's release as of Feb. 4, 2015

Revision to the Standardised Approach for credit risk / Capital floors

Revision to the Standardised Approach for credit risk*

Exposures	Current risk weights	Proposed revision of risk weights
Corporate exposures	· From 20% to 150% by reference to the external credit ratings	· From 60% to 300% based on a corporate's revenue and leverage
Specialised lending	· 100%	· Project finance, Object finance, commodities finance, income-producing real estate finance: 120% · Exposures to land acquisition, development and construction finance: 150%
Bank exposures	· From 20% to 150% according to the sovereign rating or the bank's credit rating	· From 30% to 300% based on the bank's CET1 ratio and a net non-performing assets ratio
Retail exposures	· 75% for exposures that meet the regulatory retail criteria	· Considering whether to maintain
Exposures secured by residential real estate	· 35%	· From 25% to 100% based on the loan-to-value (LTV) ratio; preferential risk weights for loans with debt service coverage (DSC) ratio of 35% or less
Exposures secured by commercial real estate	· 100%	· A) No recognition of the real estate collateral, treating the exposure as unsecured with a national discretion for a preferential 50% risk weight: or; · B) From 75% to 120% based on the LTV ratio
Subordinated debt, equity and other capital instruments	· Either 100% or 250% when issued by banks or securities firms; no distinct treatment when issued by corporates	· Sub debts and capital instruments other than equities: 250% · Publicly traded equity: 300% · Other equity: 400%
Off-balance sheet exposures	· Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 0%	· Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10%

Capital floors

Current framework

- For banks using the internal rating-based (IRB) approach for the credit risk and/or an advanced measurement approach (AMA) for operational risk

(The simplified framework for Japanese banks shown below)

(i) RWA based on IRB approach and/or AMA

compare

(ii) 80% of RWA based on the most recent approach before migration to the IRB approach and/or AMA (e.g. (i) AIRB/(ii) FIRB, (i) FIRB/(ii) Basel I)

- If (i) is less than (ii), the bank should add the amount of difference to (i) when calculating its RWA

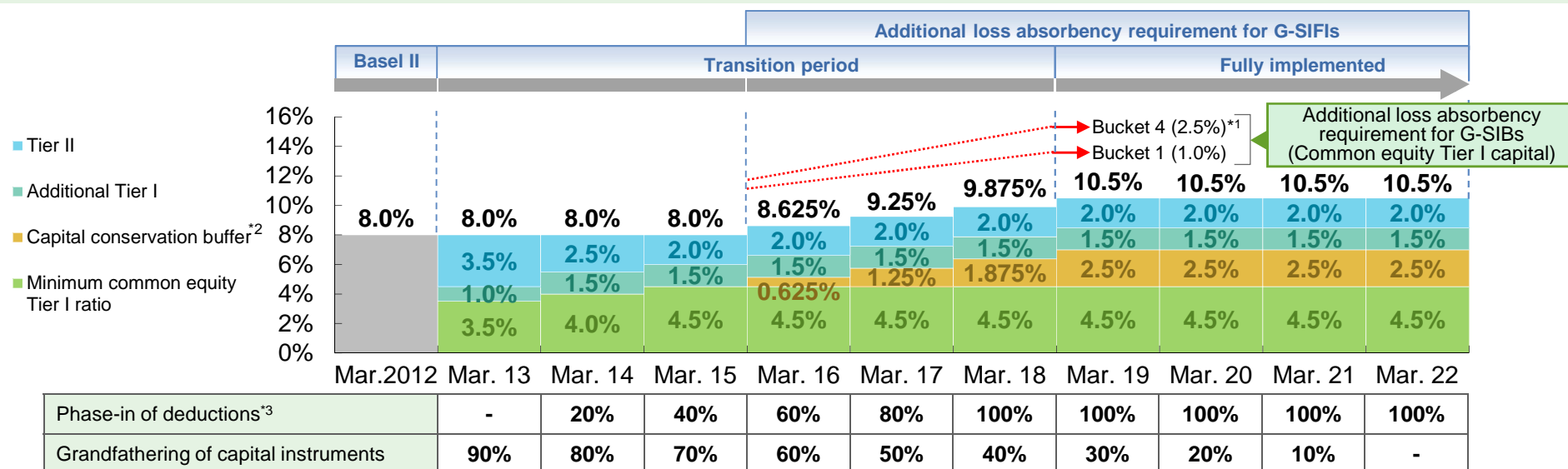
Revision under consultation

- While the revision for the capital floors is consulted separately from the revisions to the standardised approaches, it will be finalised in accordance with the revisions to the standardised approaches
- Details including the level of capital floors and implementation schedule are unclear

* The credit risk standardised approach treatment for sovereigns, central banks and public sector entities are not within the scope of the proposals. It will be considered as part of a broader and holistic review of sovereign-related risks.

Application of Basel III

- Capital requirements and liquidity coverage ratio have been phased-in in line with international agreements
- Domestic regulations on leverage ratio, net stable funding ratio and capital buffers including capital conservation buffer and countercyclical buffer, are being finalized according to their adoption schedule
 - No additional requirements anticipated on top of minimum Basel requirement in Japan
 - Able to pass Basel requirement easily according to provisional calculation based on current draft rules



Leverage ratio and liquidity rules (Schedule based on final documents by BCBS, and domestic regulations)^{*4}

Leverage ratio	Mar. 2015 Domestic regulation finalised	Mar. 2015: Start disclosure (<i>minimum: 3%</i>) Jan. 2018: Migration to pillar 1 2015 through 1 st half 2017: <i>Final adjustments to definition and calibration</i>				
Liquidity coverage ratio (LCR)	Oct. 2014 Domestic regulation finalised	Phased-in from Mar. 2015	Mar. 2015 60%	Jan. 2016 70%	Jan. 2017 80%	Jan. 2018 90%
Net stable funding ratio (NSFR)	Oct. 2014 Finalised at BCBS	Oct. 2014: <i>Final document published</i> 2018/1: <i>Full implementation</i>				

^{*1} With an empty bucket of 3.5% to discourage further systemicness.

^{*2} Countercyclical buffer (CCyB) omitted in the chart above; if applied, expected to be phased-in in the same manner as the Capital conservation buffer. In accordance with the CCyB set by each country, Japanese banks may have to meet additional capital requirements depending on the exposures in those countries.

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

^{*4} Draft on other domestic rules to be applied after 2016, such as the NSFR, will be published in due course. Timeline based on BCBS documents is in italic.

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	31
	Article 102 of Deposit Insurance Act (DIA)	Item 1 measures <i>Capital injection</i>	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>			Suspension of payment of deposits or having negative net worth ^{*1}	Yes ^{*3}	-
		Item 3 measures <i>Nationalization</i>			Suspension of payment of deposits and having negative net worth ^{*1}		1
Newly established framework	Article 126-2 of DIA	Specified Item 1 measures <i>Liquidity support</i> <i>Capital injection</i>	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	Not having negative net worth	No	-
		Specified Item 2 measures <i>Supervision or control and</i> <i>Financial assistance for orderly resolution</i>			Suspension of payment or having negative net worth ^{*2}	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

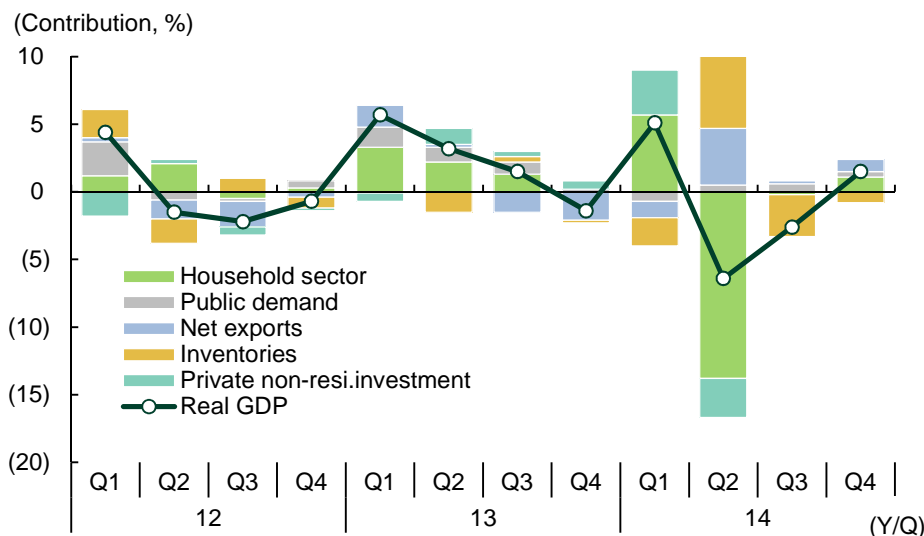
Credit ratings of G-SIBs (Moody's)*

	Apr. 2001	Jul. 2007	Apr. 2015
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"> 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"> Agricultural Bank of China Bank of China ICBC 	<ul style="list-style-type: none"> SMBC Agricultural Bank of China Bank of China BNP Paribas BTMU 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"> Agricultural Bank of China 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

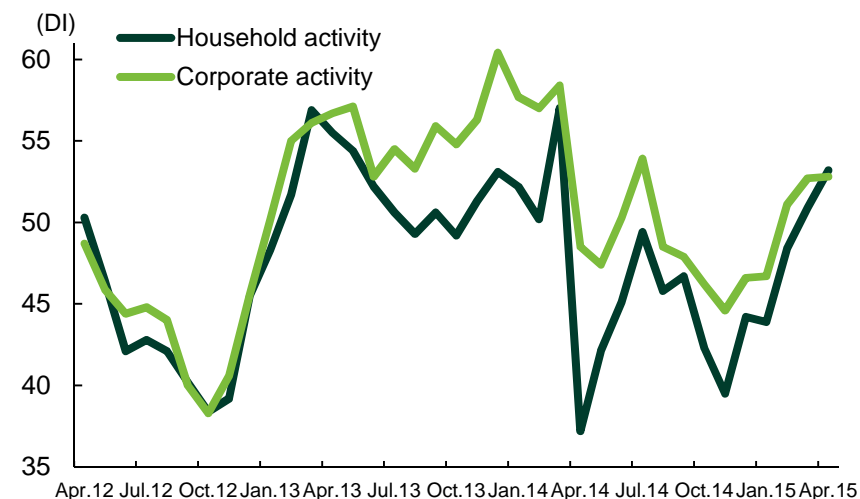
* Long-term issuer ratings (if not available, long-term deposit ratings) of operating banks

Current Japanese economy

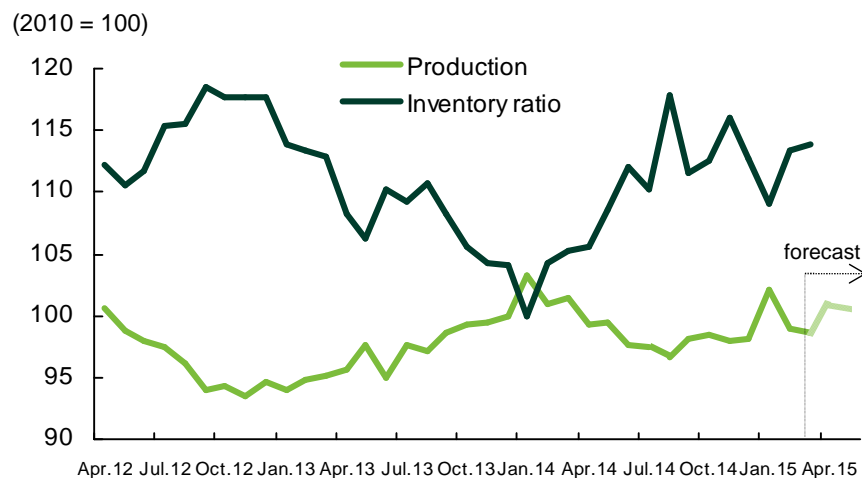
Real GDP growth rate (annualized QoQ change)*1



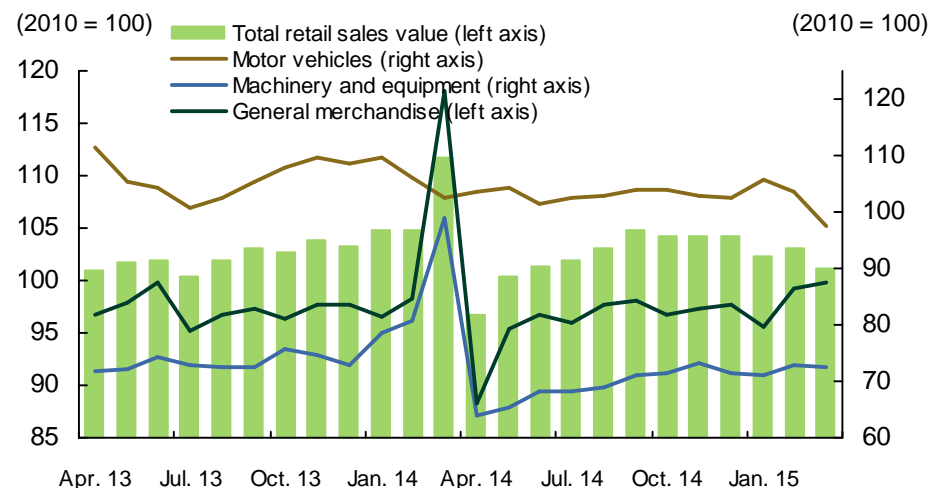
Economy watchers survey*2



Indices of industrial production*3, 4



Indices of commercial 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 Apr. and May 2015, 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



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 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.