

Overview of FY3/2016 performance

May 13, 2016

Sumitomo Mitsui Financial Group, Inc.

FY3/2016 summary

- Profit attributable to owners of parent in FY3/16 was JPY 646.7 bn
 - Lower than the target and FY3/15 results, mainly due to temporary factors such as the provisions for losses on interest repayments at consumer finance subsidiaries and an impairment loss on goodwill of investments in PT Bank Tabungan Pensiunan Nasional Tbk (“BTPN”), in addition to sluggish stock markets in the 2nd half and yen appreciation
- Dividend per share in FY3/16 is 150 yen, unchanged from our initial target

Key financial figures (SMFG consolidated)

(JPY bn)	FY3/16 results	Change from Nov. targets	YOY change	FY3/17 targets
Profit attributable to owners of parent	646.7	(113.3)	(106.9)	700

Per share information (SMFG consolidated)

(JPY)	FY3/16 results	Change from Nov. targets	YOY change	FY3/17 targets
Profit attributable to owners of parent	472.99	(82.88)	(78.19)	511.99
Dividend	150	-	+10	150
Payout ratio	32.7%	+4.9%	+6.5%	30.2%

(JPY)	Mar. 31, 2016	Change from Mar. 31, 2015
Net assets	6,519.60	(79.27)

Financial targets and progress of the medium-term management plan

		FY3/15	FY3/16	FY3/17 targets
Growth	Growth rate of Consolidated gross profit	+2.8%	+0.2%^{*1}	around +15% ^{*1}
	Consolidated ROE	11.2%	8.9%	around 10%
Profitability	Consolidated net income RORA	1.1%	1.0%	around 1%
	Consolidated overhead ratio	55.7%	59.4%	in the mid 50%
Soundness	Common Equity Tier 1 Capital Ratio ^{*2}	12.0%	11.9%	around 10%

Credit ratings (SMBC)

Moody's	S&P	Fitch	R&I	JCR
A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+

*1 Consolidated gross profit increase in comparison with FY3/14 figure

*2 Basel III fully-loaded basis. Based on the definition applicable for March 31, 2019

FY3/2016 financial results and FY3/2017 earnings targets

Income statement

		(JPY bn)	FY3/16	vs Nov. targets	YOY change	1H	FY3/17 targets
SMFG consolidated	Consolidated gross profit	USD 25.8 bn ^{*1}	2,904.0	(126.0)	(76.4)	1,470	3,000
	Variance ^{*2}		1,369.7	(80.3)	+23.6	580	1,370
	General and administrative expenses		(1,724.8)		(65.5)		
	Equity in gains (losses) of affiliates		(36.2)		(25.6)		
	Consolidated net business profit		1,142.9		(167.5)		
	Total credit cost		(102.8)	+17.2	(95.0)	(95)	(180)
	Gains (losses) on stocks		69.0		+2.3		
	Other income (expenses)		(123.9)		(75.7)		
	Ordinary profit	USD 8.7 bn ^{*1}	985.3	(234.7)	(335.9)	480	1,020
	Variance ^{*2}		237.4	(232.6)	(127.8)	50	300
Profit attributable to owners of parent	USD 5.7 bn ^{*1}	646.7	(113.3)	(106.9)	320	700	
Variance ^{*2}		37.5	(202.5)	(73.1)	(40)	130	
SMBC non-consolidated	Gross banking profit	USD 13.6 bn ^{*1}	1,534.3	(45.7)	(100.0)	890	1,630
	Expenses ^{*3}		(805.5)	+14.5	(14.3)	(410)	(825)
	Banking profit ^{*4}	USD 6.5 bn ^{*1}	728.8	(31.2)	(114.3)	480	805
	Total credit cost		3.2	+3.2	(76.9)	(30)	(50)
	Ordinary profit	USD 6.6 bn ^{*1}	747.9	(2.1)	(208.1)	430	720
	Net income	USD 5.4 bn ^{*1}	609.2	+89.2	(33.8)	360	570

Contribution of subsidiaries to Profit attributable to owners of parent

	(JPY bn)	FY3/16	YOY change
SMBC Nikko Securities		37	(27)
Sumitomo Mitsui Finance and Leasing		27	(0)
Sumitomo Mitsui Card		17	+0
Cedyna		9	+11
SMBC Friend Securities		3	(4)
SMBC Consumer Finance		(65)	(76)
The Bank of East Asia ^{*5}		14	+14

An impairment loss on goodwill of investments in BTPN

Provisions for losses on interest repayments at consumer finance subsidiaries

Decrease in domestic loan to deposit spreads, yen appreciation, etc.

SMBC receiving temporary dividends from its subsidiary

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 112.62 *2 SMFG consolidated figures minus SMBC non-consolidated figures

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

*5 Made the Bank of East Asia an equity-method affiliate of SMBC in Mar. 2015

Breakdown of gross profit

SMFG's consolidated gross profit

(JPY bn)	FY3/15	FY3/16	YOY Change
SMFG's consolidated gross profit*1	2,980.4	2,904.0	(76.4)
Net interest income	1,505.2	1,422.9	(82.3)
of which:			
SMBC	1,121.4	1,023.6	(97.9)
SMBC Consumer Finance	149.0	157.0	+8.0
Trust fees	2.9	3.7	+0.8
Net fees and commissions	996.7	1,003.8	+7.2
of which:			
SMBC	350.0	358.6	+8.5
Sumitomo Mitsui Card	178.0	190.0	+13.0
SMBC Nikko Securities	173.0	165.0	(8.0)
Cedyna	116.0	116.0	+0.0
Net trading income	475.7	473.5	(2.1)
+ Net of other operating income			
of which:			
SMBC	161.0	149.6	(11.4)
SMBC Nikko Securities	156.0	128.0	(29.0)
Sumitomo Mitsui Finance and Leasing	115.0	123.0	+8.0

Average loan balance and spread*2

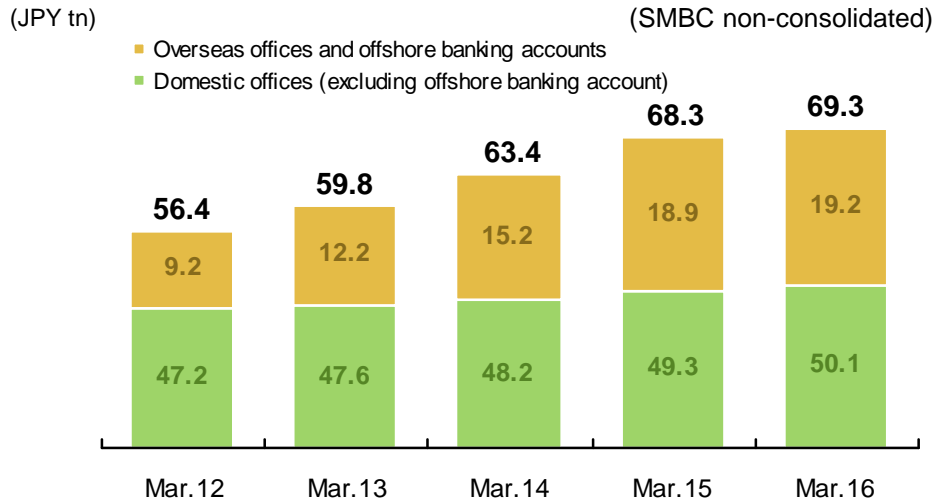
(JPY tn, %)	Balance		Spread	
	FY3/16	YOY change*8	FY3/16	YOY change*8
Domestic loans*3	47.3	+0.9	0.90	(0.06)
of which:				
Large corporations*4	13.9	+0.5	0.58	(0.03)
Mid-sized corporations & SMEs*5	16.4	+0.4	0.82	(0.09)
Individuals	14.2	(0.3)	1.45	(0.01)
IBU's interest earning assets*6,7 (USD bn, %)	227.9	+13.5	1.22	+0.01

Reference : SMBC's gross banking profit of marketing units*2

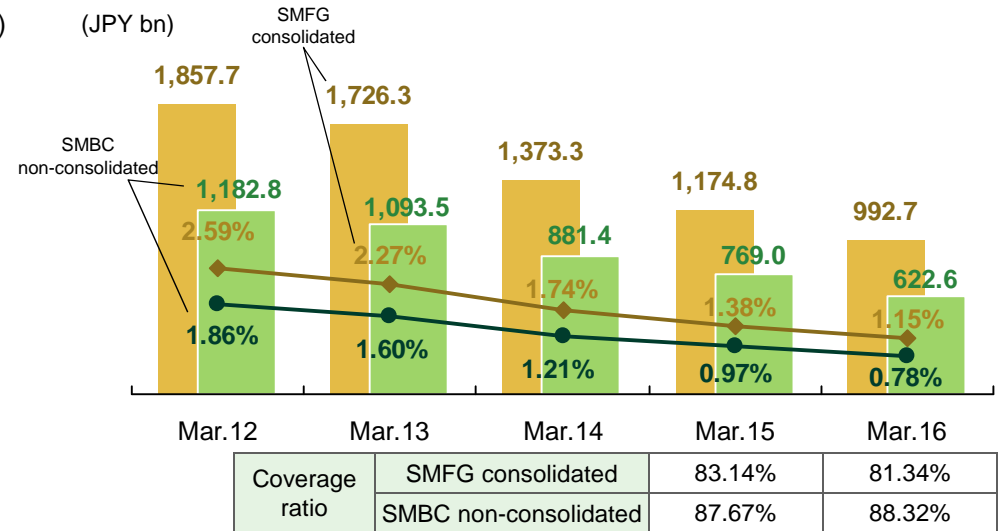
(JPY bn)	FY3/15	FY3/16	YOY Change*8
Loan syndication	42.0	45.6	+3.8
Structured finance	22.1	26.5	+4.3
Asset finance*9	15.3	16.7	+1.4
Sales of derivatives products	25.0	26.4	+1.5
Income related to domestic corporate business	104.4	115.2	+11.0
of which:			
Investment trusts	36.7	25.7	(10.9)
Pension-type insurance	12.7	10.9	(1.7)
Single premium type permanent life insurance	8.4	20.3	+11.9
Level premium insurance	7.4	6.9	(0.5)
Income related to domestic consumer business	65.2	63.8	(1.2)
of which:			
Money remittance, electronic banking	92.2	92.6	+0.4
Foreign exchange	51.9	52.2	+0.3
Domestic Non-interest income	313.3	320.4	+2.0
of which:			
IBU's loan related income	65.5	72.7	+8.1
IBU's Non-interest income	117.5	126.2	+8.4
Non-interest income	430.8	446.6	+10.4
of which:			
Income on domestic loans	426.5	421.2	(15.8)
Income on domestic yen deposits	120.9	98.7	+3.1
IBU's interest related income	227.8	229.8	+16.0
Interest income	856.7	827.5	(3.0)
SMBC's gross banking profit of Marketing units	1,287.5	1,274.1	+7.4

Trends in key figures

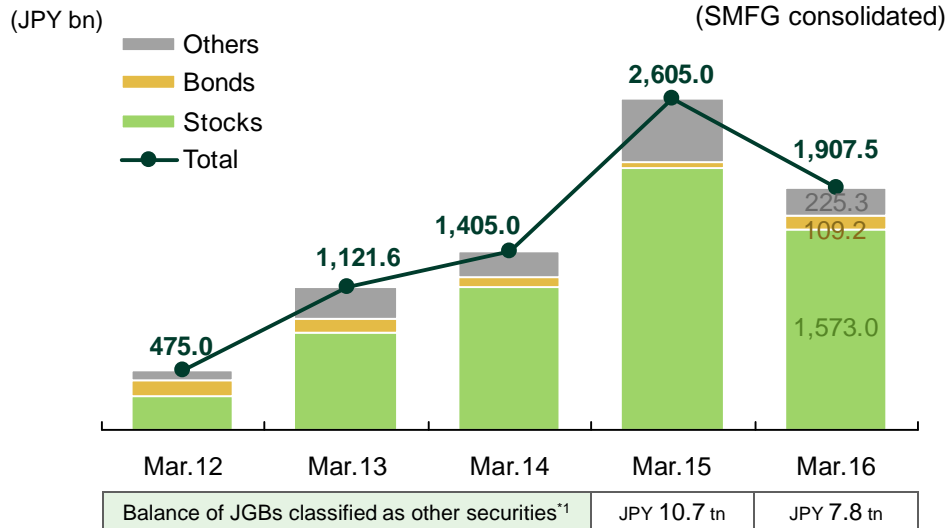
Loan balance



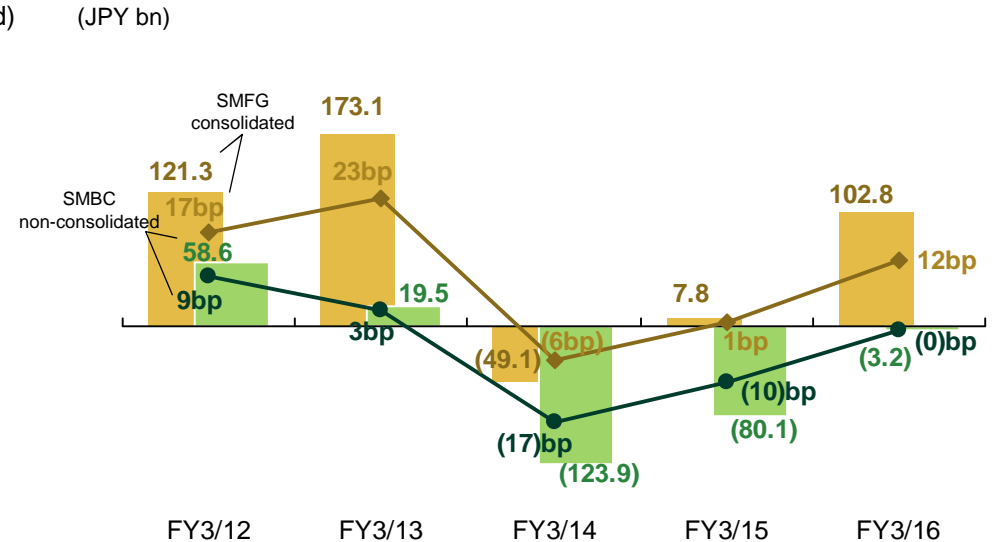
NPLs and NPL ratio*2



Unrealized gains (losses) on other securities



Total credit cost and Total credit cost ratio*3



*1 SMBC non-consolidated basis. Balance sheet amount

*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

*3 Total credit cost ratio = Total credit cost / Total claims

SMFG's performance by business unit*1

		(JPY bn)	FY3/15	FY3/16	YOY change*2
	Wholesale Banking Unit	Gross profit	729.0	721.2	(1.5)
		Expenses	(300.6)	(299.4)	(4.5)
		Net business profit	428.4	421.8	(6.0)
	Retail Banking Unit	Gross profit	478.4	481.5	+4.4
		Expenses	(373.4)	(383.2)	(7.7)
		Net business profit	105.0	98.3	(3.3)
	International Banking Unit	Gross profit	593.1	644.8	+58.3
		Expenses	(226.2)	(246.9)	(30.2)
		Net business profit	366.9	397.9	+28.1
	of which Marketing units	Gross profit	1,800.5	1,847.5	+61.2
		Expenses	(900.2)	(929.5)	(42.4)
		Net business profit	900.3	918.0	+18.8
	of which Treasury Unit	Gross profit	374.8	325.6	(58.1)
		Expenses	(30.7)	(38.8)	(2.5)
		Net business profit	344.1	286.8	(60.6)
	of which Sumitomo Mitsui Finance and Leasing	of which Gross profit	137.0	142.8	+5.8
		of which Expenses	(57.9)	(63.5)	(5.7)
		Net business profit	80.5	80.7	+0.1
	of which SMBC Nikko Securities	Gross profit	350.0	318.0	(31.7)
		Expenses	(249.5)	(257.2)	(7.9)
		Net business profit	100.5	60.8	(39.6)
of which Consumer finance / Credit card*3	Gross profit	576.1	607.1	+30.9	
	Expenses	(363.8)	(386.1)	(22.3)	
	Net business profit	212.3	221.0	+8.6	
Total (SMFG consolidated)	Gross profit	2,980.4	2,904.0	(76.4)	
	Expenses	(1,659.3)	(1,724.8)	(65.5)	
	Equity in gains (losses) of affiliates	(10.6)	(36.2)	(25.6)	
	Net business profit*4	1,310.5	1,142.9	(167.5)	

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

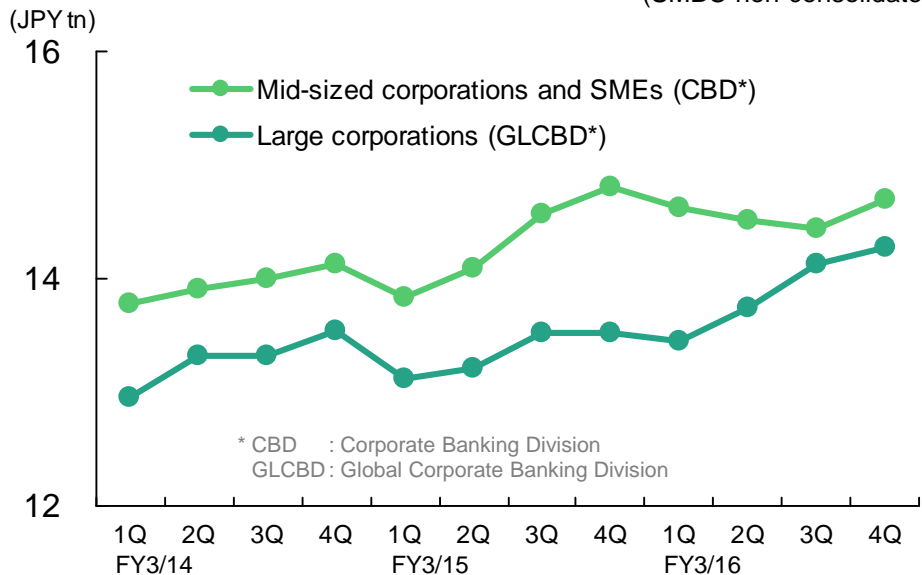
*3 Sum of Sumitomo Mitsui Card, Cedyne, and SMBC Consumer Finance

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

Wholesale business

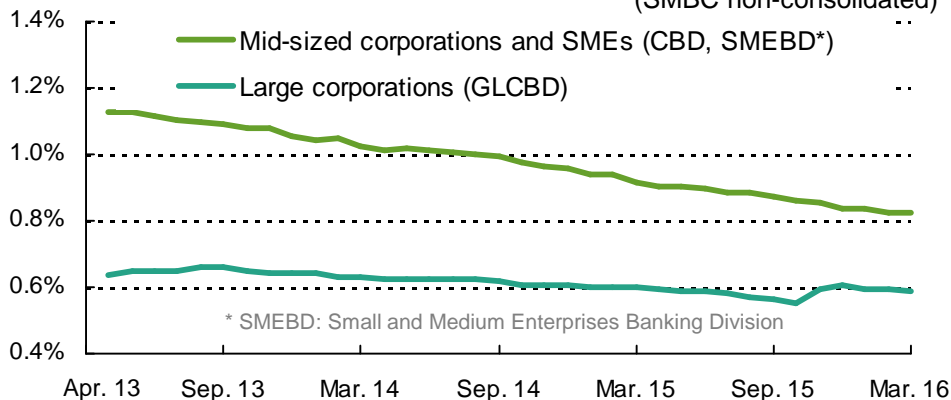
Loan balance of Wholesale Banking Unit*1, 2

(SMBC non-consolidated)



Domestic corporate loan spread*1, 3

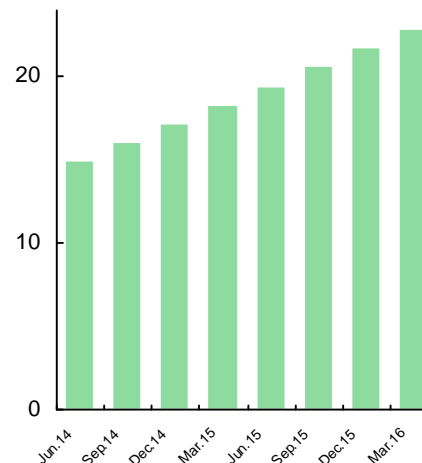
(SMBC non-consolidated)



Bank-securities collaboration (accumulated no. of cases via referral / intermediary services from SMBC to SMBC Nikko)

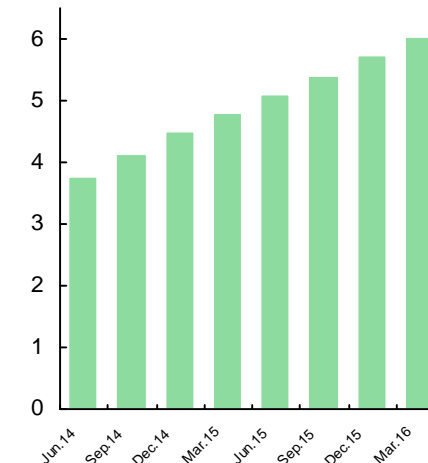
Asset Management

(Thousand)



Investment banking

(Thousand)



League tables (Apr. 2015 - Mar. 2016)*4

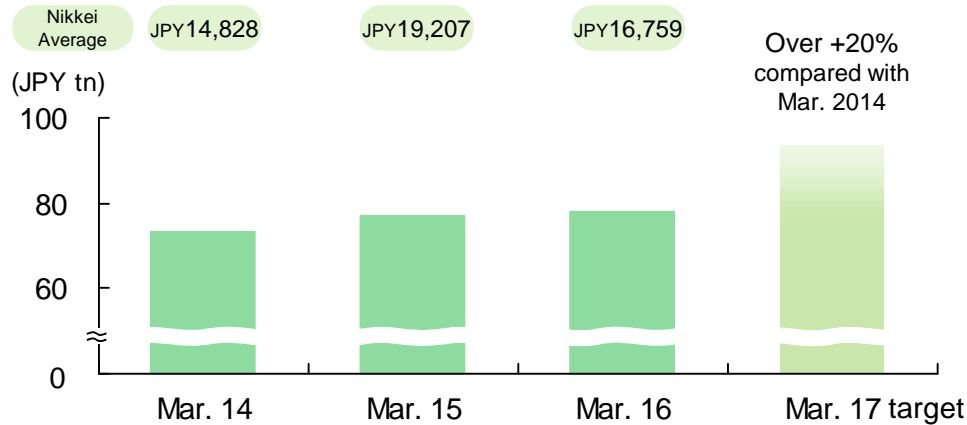
	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*5, 6	#4	13.2%
JPY denominated bonds (lead manager, underwriting amount)*5, 7	#5	15.7%
Financial advisor (M&A, No. of deals)*5, 8	#2	5.1%
IPO (lead manager, No. of deals)*9	#2	21.9%

*1 Managerial accounting basis. We revised managerial accounting rules since Apr. 2014, following revision of domestic business structure. Figures for FY3/14 were recalculated based on the new rules *2 Quarterly average *3 Monthly average loan spread of existing loans *4 SMBC Nikko Securities for Global equity & equity-related, JPY denominated bonds and IPO. SMFG for Financial advisor *5 Source: SMBC Nikko, based on data from Thomson Reuters *6 Japanese corporate related only. Includes overseas offices *7 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds *8 Japanese corporate related only. Group basis *9 Excludes REIT IPO. Source: Thomson Reuters

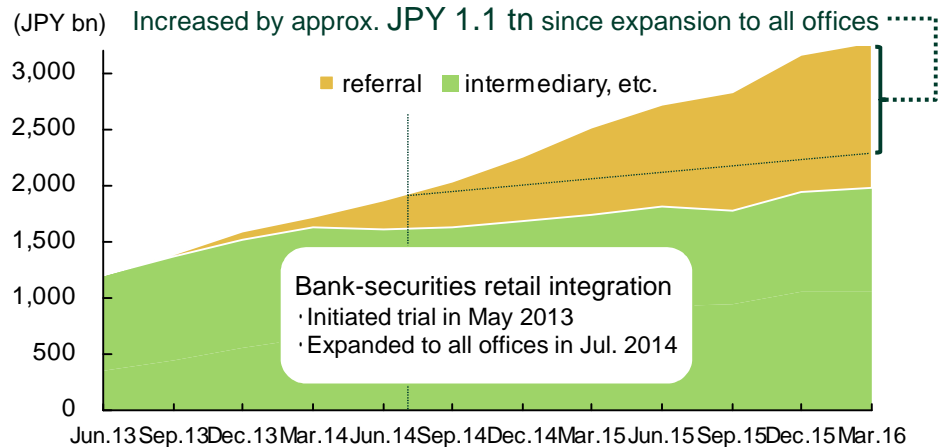
Retail business / Financial results of SMBC Nikko Securities

Bank-securities collaboration (retail customers)

Retail AuM (SMBC+SMBC Nikko +SMBC Trust Bank PRESTIA)



AuM through bank-securities collaboration*1 (SMBC Nikko Securities)

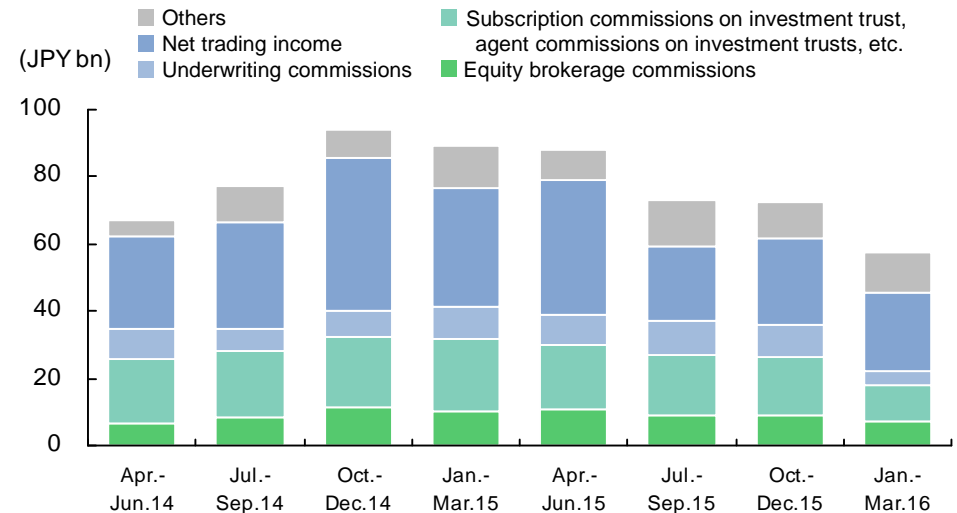


SMBC Nikko Securities

Financial results (consolidated)

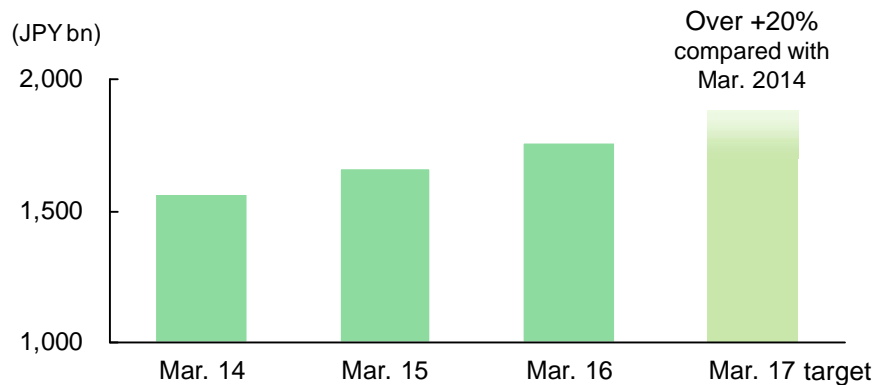
	(JPY bn)	FY3/15	FY3/16	YOY change
Net operating revenue		329.2	292.8	(36.4)
SG&A expenses		(235.2)	(241.5)	(6.3)
Ordinary income*2		96.2	55.8	(40.4)
Profit attributable to owners of parent*2		64.7	42.1	(22.6)

Net operating revenue



Consumer finance

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

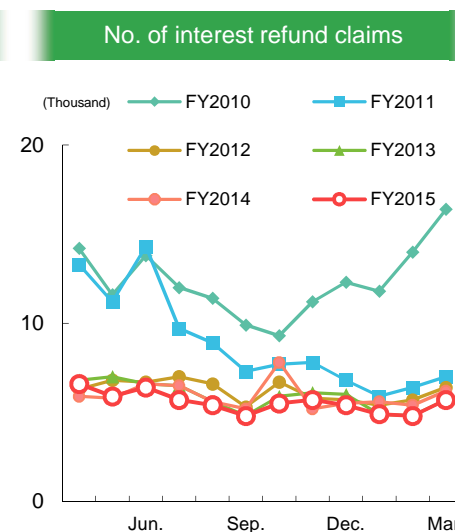
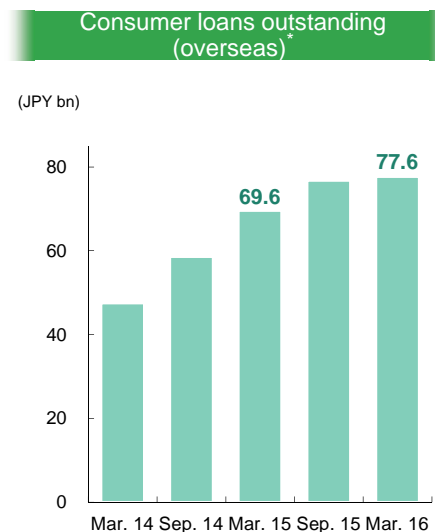
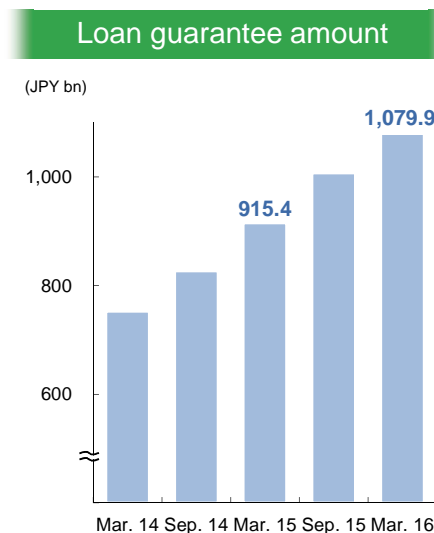
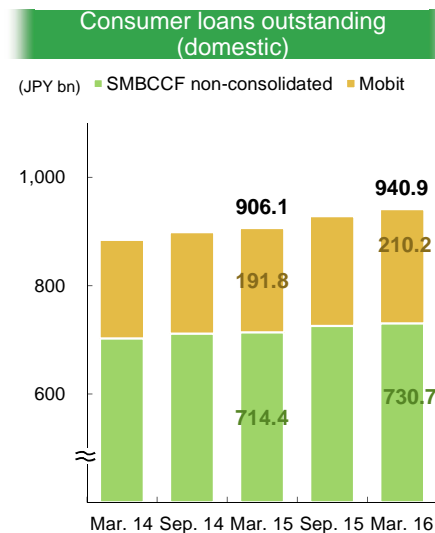


Financial results : SMBC Consumer Finance (consolidated)

(JPY bn)	FY3/15	FY3/16	YOY change
Operating income	228.3	245.8	+17.5
Expenses for loan losses within Expenses	(47.9)	(52.0)	(4.1)
Losses on interest repayments within Expenses	(44.8)	(122.0)	(77.2)
Ordinary profit	16.6	(61.2)	(77.8)
Profit attributable to owners of parent	11.2	(64.8)	(76.1)
Consumer loans outstanding	980.3	1,022.0	
Allowance on interest repayments	127.6	188.8	
Loan guarantee	915.4	1,079.9	
of which:			
for regional banks, etc.	372.4	474.2	

No. of companies with guarantee agreements:
189
(as of Mar. 2016)

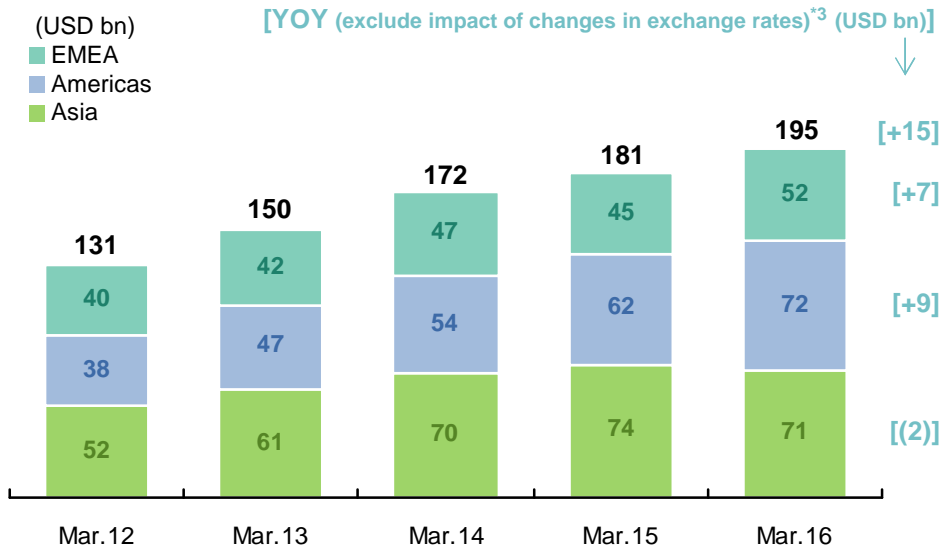
SMBC Consumer Finance: loans / loan guarantee / overseas businesses



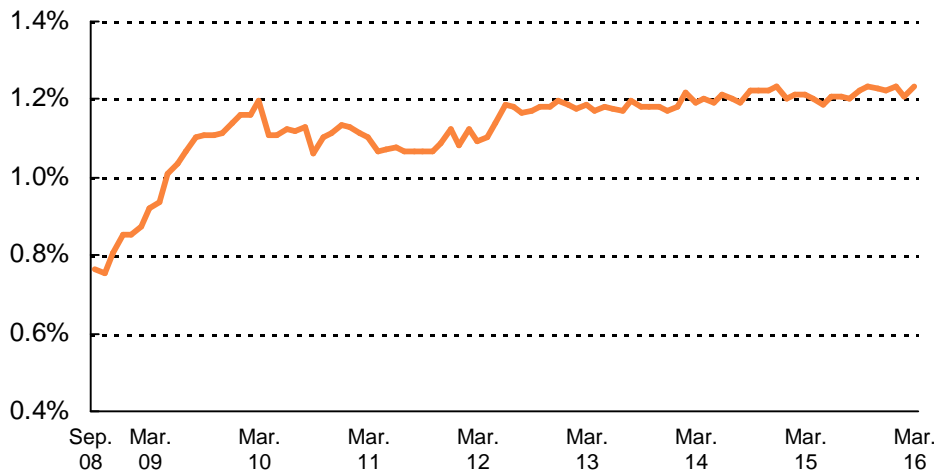
* Converted into Japanese yen at respective period-end exchange rates

International business

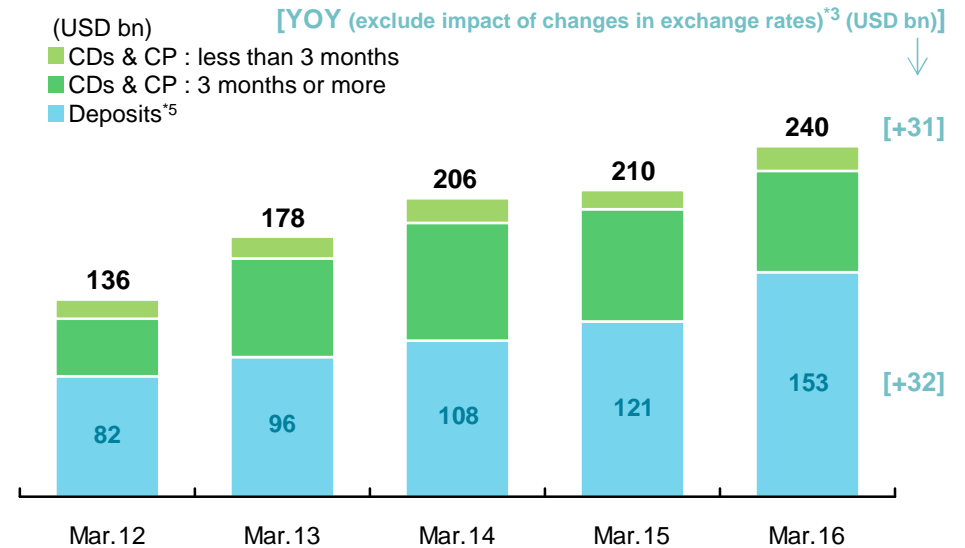
Overseas loan balance*1, 2



Overseas loan spread*1, 4



Overseas deposit balance*1, 2



Foreign currency bonds outstanding*6 (USD bn)	Senior	25.1	32.9
	Subordinated	4.7	4.1

- SMFG issued USD denominated senior bonds in Mar. 2016 to meet TLAC requirements: USD 4.0 bn

Project finance / Loan syndication

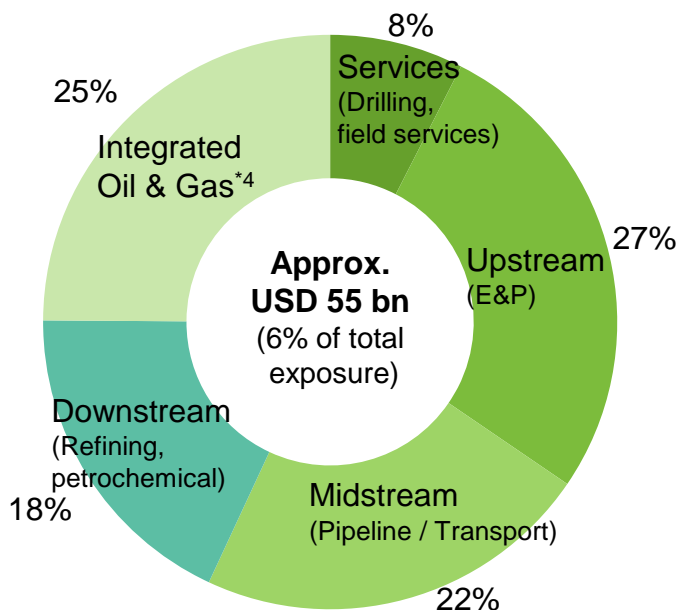
League tables (Jan. - Dec. 2015)*7

	Global	Asia*8	Japan
Project Finance	#4	#5	
Loan Syndication	#10	#11	#3

(Ref.) Exposure to oil and gas / other resources related industries / China / Russia

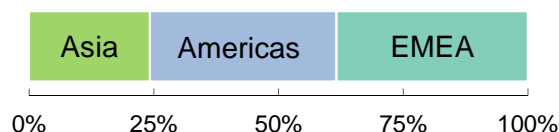
Exposure to oil and gas / other resources related industries*1 (as of Mar.2016)

Sub-sectors of Non-Japanese oil and gas related industries*2



- Around 85% is classified as “1-3”*3 in our internal rating
- Corporate finance 70%
Project finance 30%
- Outstanding: around 50% of total exposure

● By Region



Exposure to Japanese oil and gas related industries

- Around JPY 2.5 tn, 2% of total exposure
 - Midstream and downstream including oil distributors and petrochemical companies account for more than 90%
- Corporate finance 100%

Exposure to other resources related industries

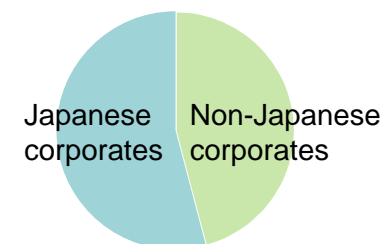
- Exposure to other resources related including iron ore and coal is around JPY 2.4 tn, 2% of total exposure
- Japanese : Non-Japanese = 1 : 1

Loan balance in China*2, 5

(JPY tn)

Mar.15	Mar. 16	Change from Mar.31, 2015
1.10	0.94	(0.16)

- Most borrowers are classified as “1-3”*3 in our internal rating

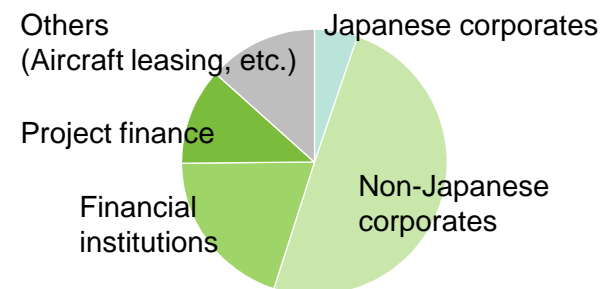


Exposure to Russia*1

(USD bn)

Mar.15	Mar.16	Change from Mar.31, 2015
5.1	4.3	(0.8)

- Less than 1% of SMFG’s total exposure



*1 Loans, commitment lines, guarantees, investments, etc., *2 Sum of SMBC, SMBC Europe and SMBC (China)

*3 Certainty of debt repayment is in the range of Very high - Satisfactory *4 Majors, state-owned oil companies, etc.

*5 Based on borrowers’ domicile for loan balance, booking office for classification. In round numbers. Exchange rate as of Mar.31, 2016

Capital and risk-weighted assets, SMFG consolidated

Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2015	Mar. 31, 2016 <i>Preliminary</i>
Common Equity Tier 1 capital (CET1)	7,476.5	7,796.5
of which:		
Total stockholders' equity related to common stock	6,909.0	7,351.8
Accumulated other comprehensive income* ¹	801.5	875.7
Regulatory adjustments related to CET1* ¹	(460.4)	(646.4)
Tier 1 capital	8,528.6	9,031.7
of which:		
Additional Tier 1 capital instruments	-	300.0
Eligible Tier 1 capital instruments (grandfathered)* ³	1,124.3	962.0
Regulatory adjustments* ^{1,2}	(348.2)	(244.9)
Tier 2 capital	2,437.3	2,204.3
of which:		
Tier 2 capital instruments	375.0	655.1
Eligible Tier 2 capital instruments (grandfathered)* ³	1,424.0	1,220.6
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount* ²	699.4	345.7
Regulatory adjustments* ^{1,2}	(165.2)	(137.1)
Total capital	10,965.9	11,235.9
Risk-weighted assets	66,136.8	66,011.6
Common Equity Tier 1 capital ratio	11.30%	11.81%
Tier 1 capital ratio	12.89%	13.68%
Total capital ratio	16.58%	17.02%

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

(JPY bn)	Mar. 31, 2015	Mar. 31, 2016
Variance with CET1 on a transitional basis* ⁵	441.2	104.6
of which:		
Accumulated other comprehensive income	1,202.3	583.8
of which:		
Net unrealized gains on other securities	1,074.6	539.1
of which:		
Non-controlling interests (subject to be phased-out)	(70.5)	(48.3)
Regulatory adjustments related to CET1	(690.6)	(430.9)
Common Equity Tier 1 capital	7,917.7	7,901.0
Risk-weighted assets	65,925.9	65,942.8
Common Equity Tier 1 capital ratio	12.0%	11.9%
Ref: Common Equity Tier 1 capital ratio (excluding net unrealized gains)	9.0%	9.9%

Preferred securities which become callable in FY3/17

Issuer / Series	Issue date	Amount outstanding	Dividend rate* ⁶	First call date* ⁷	Type
SMFG Preferred Capital USD 1 Limited	Dec. 2006	USD 649.1 mn	6.078%	Jan. 2017	Step-up
SMFG Preferred Capital GBP 1 Limited	Dec. 2006	GBP 73.6 mn	6.164%	Jan. 2017	Step-up

Leverage ratio

(transitional basis, preliminary)

(JPY bn)	Mar. 31, 2016
Leverage ratio	4.61%
Leverage exposure	195,762.4

LCR

(transitional basis)

Average Jan. – Mar. 2016
115.2%

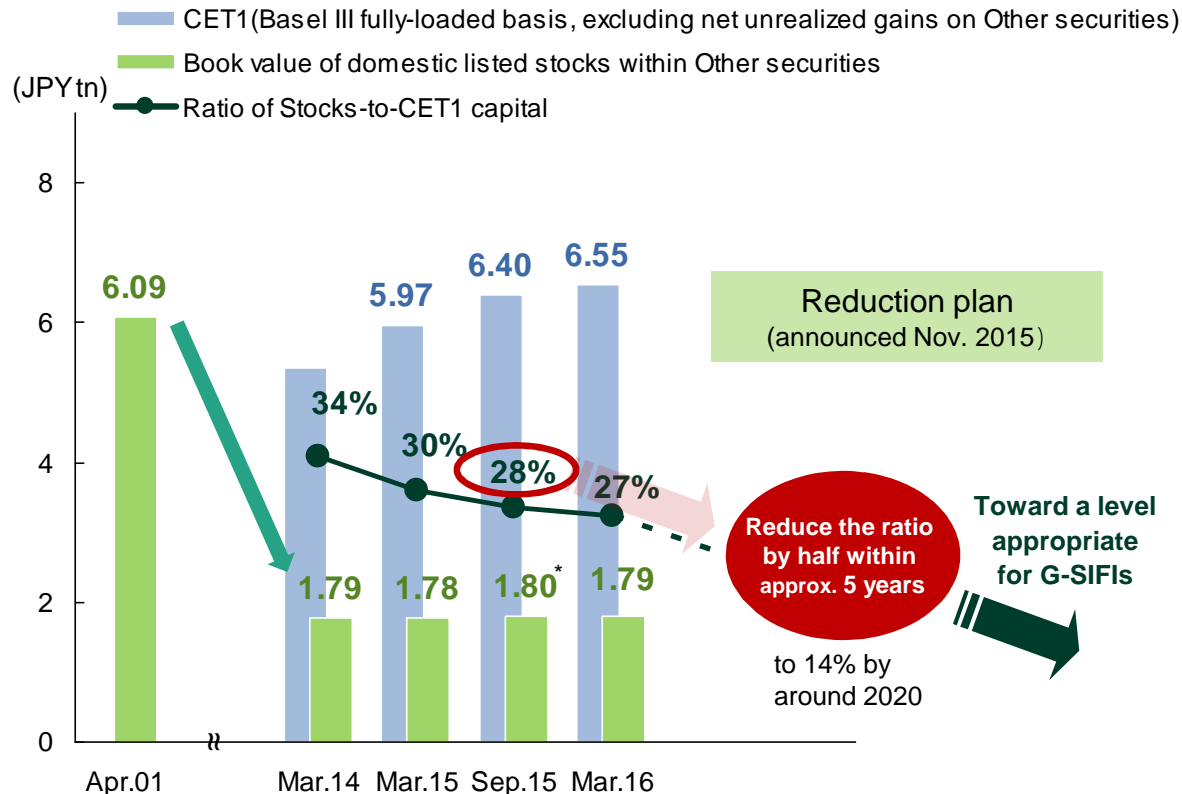
*1~3 Subject to transitional arrangements. Regulatory adjustments of Tier 1 and Tier 2 include items that are either phased-in or phased-out as described in *1 and *2 below
*1~3&5 Percentages indicate the treatment as of Mar. 31, 2015 / Mar. 31, 2016 *1 40% / 60% of the original amounts are included
*2 40% / 60% phase-out is reflected in the figures *3 Cap is 70% / 60% *4 Based on the Mar. 31, 2019 definition *5 Each figure represents 60% / 40% 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

Strategic shareholdings

- We aim to have the assurance of reducing the Ratio of Stocks-to-CET1 capital(*) by half within approximately 5 years, which is reducing book value of up to about 30% of domestic listed stocks or about JPY 500 bn

(*) SMFG consolidated basis Book value of domestic listed stocks / Common Equity Tier 1 capital (CET1)
(Basel III fully-loaded basis, excluding net unrealized gains on Other securities)

Transition and reduction plan of strategic shareholdings (SMFG consolidated basis)



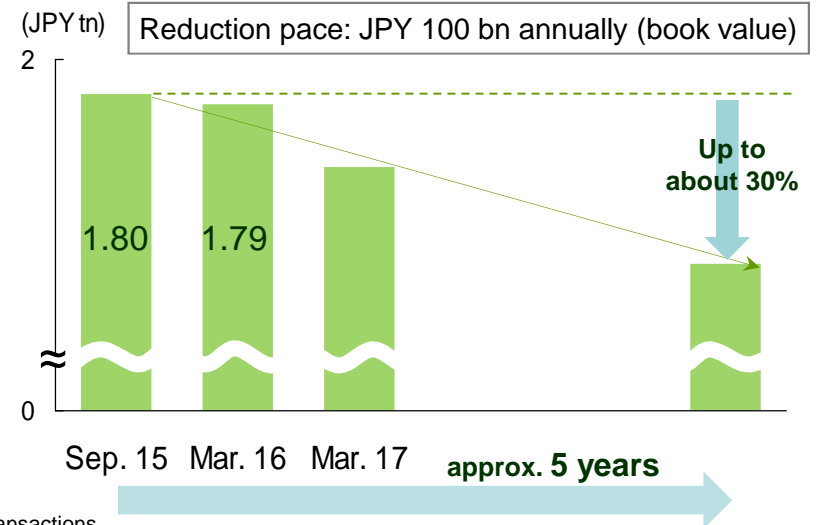
* Diminishes after deducting increase in book value from the termination of hedge transactions

2H, FY3/16 reduction results (SMBC, book value)

- Domestic listed stocks: approx. JPY 13 bn
- Consent of sales from clients: approx. JPY 60 bn (as of Mar. 2016)
- Domestic non-listed stocks and foreign stocks: approx. JPY 108 bn

Plan

- Receive consent of sales from clients of JPY 150 bn by Mar. 2017 (aggregated amount since Sep. 2015)



Topics in FY3/2016*1

Domestic business

Wholesale business

- Promoted initiatives to increase loans and secure margins (MBO/LBO finance, business succession, M&A finance, assessment loans, etc.)
- Promoted “Open Innovation” by hosting “Mirai 2016” (accelerator program) led by a cross-industrial consortium*2, and establishing a venture fund*3
- Originated project bonds backed by domestic project finance loans using the declaration of trust scheme
- Sumitomo Mitsui Finance and Leasing acquired General Electric Group’s Japanese leasing business in Apr. 2016

Retail business

- Promoted personal wealth management business by enhancing collaboration among SMBC, SMBC Nikko Securities and SMBC Trust Bank (establishment of “Our commitment to fiduciary duties,” enhancement of financial instruments intermediary services*4, etc.)
- SMBC Trust Bank acquired the retail banking business of Citibank Japan and started operations under the new brand PRESTIA
- Expanded IT related services such as new applications*5 for business use tablet terminal and smartphone banking application

International business

- Opened branches in Yangon and Manila. Received approval to open Thilawa representative office in Apr. 2016. SMBC (China) opened Dalian branch in Apr. 2016
- Acquired shares of two Indonesian automotive finance companies. Made ACLEDA Bank (Cambodia) an equity-method affiliated company
- SMBC Europe acquired European loan portfolio from General Electric Group. SMBC opened Frankfurt Branch

IT / Innovation

- Established “IT Innovation Department” to pursue innovation across the group, and forged business alliances*6 to adopt new technologies
- SMFG and SMBC formed capital and business alliance with GMO Internet and GMO Payment Gateway, and established a joint venture payment business company

Others

- Introduced “SMFG Corporate Governance Guideline” and increased the number of outside directors to enhance corporate governance
- SMFG issued USD denominated senior bonds to meet TLAC requirements



*1 All topics are related to SMBC unless specified otherwise *2 Consortium members include SMBC, Japan Research Institute, NEC and Toyota

*3 RICOH, OMRON and SMBC Venture Capital established a venture fund to promote open innovation

*4 Began referral of financial instruments intermediary services between SMBC Trust Bank and SMBC Nikko Securities

*5 Computerization of application procedure for life insurance, computerization of investment procedure for investment trusts (plan)

*6 Tokyo Institute of Technology, National Institute of Informatics, NTT DATA, etc.



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.

