Investors Meeting Presentation for FY3/2016 Performance

May 20th, 2016

Sumitomo Mitsui Financial Group, Inc.

Sumitomo Mitsui Banking Corporation

SMFG SUMITOMO MITSUI FINANCIAL GROUP

※ In accordance with the provision set forth in Paragraph 39 of the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on September 13, 2013) and other relevant provisions, the presentation of “Net income” was changed to “Profit attributable to owners of parent” from the fiscal year ended March 31, 2016.

Agenda

I. FY3/2016 performance and FY3/2017 targets

1. 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, 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

(JPY bn)	FY3/16 results	YOY change	Change from Nov. target	FY3/17 target
Profit attributable to owners of parent	646.7	(106.9)	(113.3)	700
Consolidated ROE*1	8.9%	(2.3)%		

	Mar. 31, 2016	Change from Mar. 31, 2015
Common Equity Tier1 Capital Ratio*2	11.9%	(0.1)%

Per share information (SMFG consolidated)

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

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

*1 Denominator: Total stockholders' equity
*2 Basel III fully-loaded basis. Based on the definition applicable for March 31, 2019

2. FY3/2016 financial results

Income statement

	(JPY bn)		FY3/16	YOY change	Change from Nov. targets
SMFG consolidated	Consolidated gross profit	USD 25.8 bn*1	2,904.0	(76.4)	(126.0)
	Variance*2		1,369.7	+23.6	(80.3)
	General and administrative expenses		(1,724.8)	(65.5)	
	Ref: Consolidated gross profit – G&A expenses		1,179.2	(141.9)	
	Equity in gains (losses) of affiliates		(36.2)	(25.6)	
	Consolidated net business profit		1,142.9	(167.5)	
	Total credit cost		(102.8)	(95.0)	+17.2
	Gains (losses) on stocks		69.0	+2.3	
	Other income (expenses)		(123.9)	(75.7)	
	Ordinary profit	USD 8.7 bn*1	985.3	(335.9)	(234.7)
	Variance*2		237.4	(127.8)	(232.6)
	Profit attributable to owners of parent	USD 5.7 bn*1	646.7	(106.9)	(113.3)
	Variance*2		37.5	(73.1)	(202.5)
SMBC non-consolidated	Gross banking profit	USD 13.6 bn*1	1,534.3	(100.0)	(45.7)
	Expenses*3		(805.5)	(14.3)	+14.5
	Banking profit*4	USD 6.5 bn*1	728.8	(114.3)	(31.2)
	Total credit cost		3.2	(76.9)	+3.2
	Ordinary profit	USD 6.6 bn*1	747.9	(208.1)	(2.1)
	Net income	USD 5.4 bn*1	609.2	(33.8)	+89.2

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.

*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

I. FY3/2016 performance and FY3/2017 targets

Ref: 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)
		Ref: Gross profit - Expenses	1,321.1	1,179.2	(141.9)
		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, Cedyna, and SMBC Consumer Finance
*4 Consolidated net business profit = Consolidated gross profit - General and administrative expenses + Equity in gains (losses) of affiliates

I. FY3/2016 performance and FY3/2017 targets

Ref: Breakdown of SMFG's consolidated gross profit

(JPY bn)	FY3/15	FY3/16	YOY change
SMFG's consolidated gross profit*	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	+12.0
SMBC Nikko Securities	173.0	165.0	(8.0)
Cedyna	116.0	116.0	0.0
Net trading income + Net other operating income	475.7	473.5	(2.1)
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

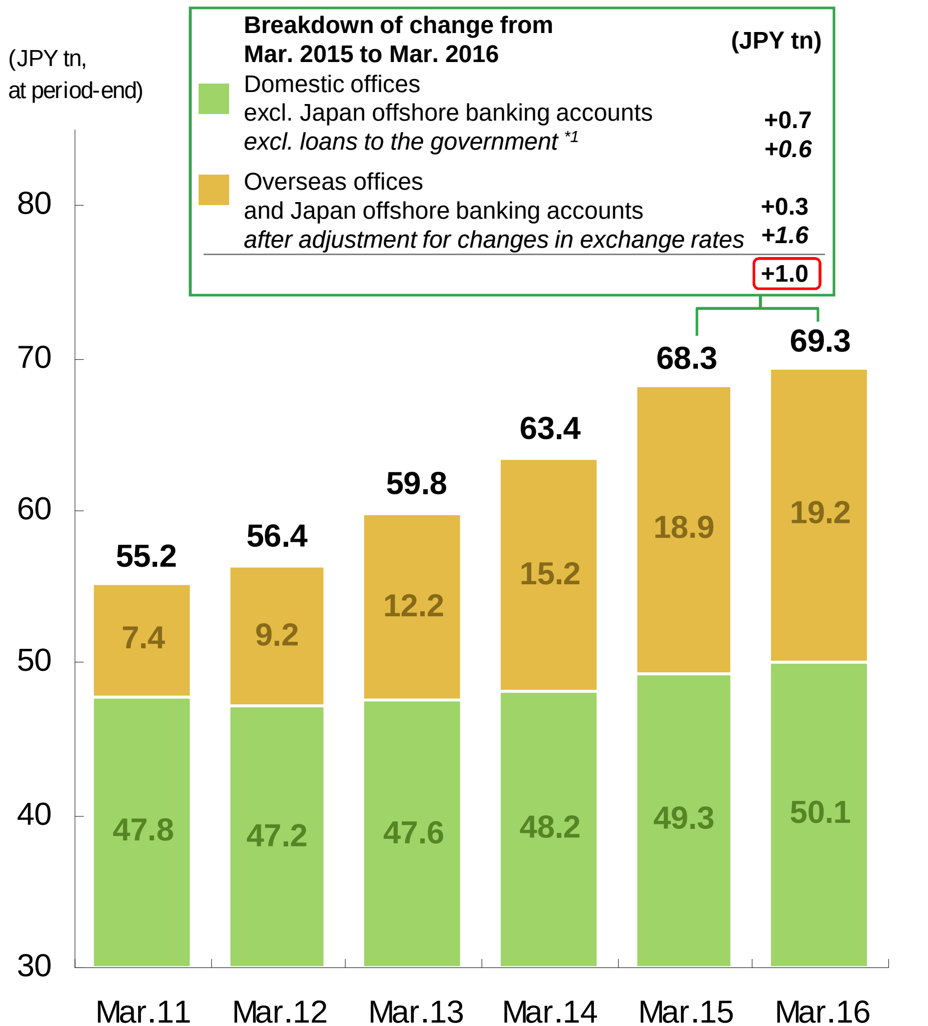
* In round numbers excl. SMBC

I. FY3/2016 performance and FY3/2017 targets

3. Loan balance

SMBC non-consolidated

Loan balance



Loan balance by domestic Marketing units, managerial accounting basis

(JPY tn, at period-end)	Mar. 2016	Change from Mar. 2015
Large corporations*2	14.2	+0.6
Mid-sized corporations & SMEs*3	17.2	+0.1
Individuals	14.2	(0.0)*4

Overseas loans, classified by region,*5 managerial accounting basis

(JPY tn, at period-end)	Mar. 2016	Change from Mar. 2015	After adjustment for changes in exchange rates
Overseas total	**22.0**	**+ 0.3**	**+1.8**
to Japanese corporations	*5.2*	*(0.4)*	*(0.0)*
Asia	8.0	(0.8)	(0.2)
to Japanese corporations	*1.9*	*(0.3)*	*(0.1)*
Americas	8.1	+ 0.6	+ 1.1
to Japanese corporations	*2.4*	*(0.2)*	*(0.0)*
EMEA	5.9	+ 0.5	+ 0.9
to Japanese corporations	*0.8*	*+0.0*	*+0.1*

*1 Loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc.
*2 Global Corporate Banking Division *3 Sum of Corporate Banking Division and Small and Medium Enterprises Banking Division
*4 After adding back the portion of housing loans securitized in FY3/16 of approx. JPY 160 bn
*5 Sum of SMBC, SMBC Europe and SMBC (China). Based on location of banking office

I. FY3/2016 performance and FY3/2017 targets

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

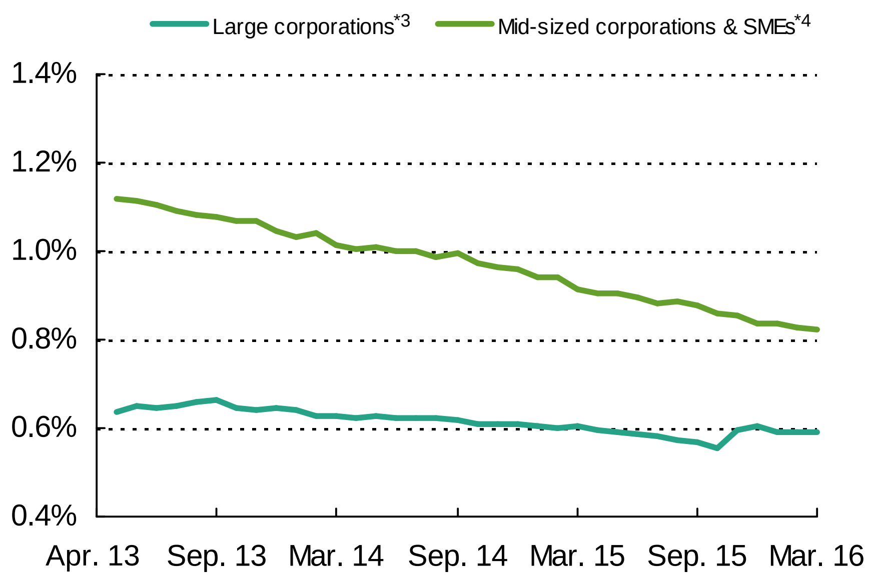
Average loan balance and spread*1

(JPY tn, %)	Balance		Spread	
	FY3/16	YOY change*7	FY3/16	YOY change
Domestic loans*2	47.3	+0.9	0.90	(0.06)
of which Large corporations*3	13.9	+0.5	0.58	(0.03)
Mid-sized corporations & SMEs*4	16.4	+0.4	0.82	(0.09)
Individuals	14.2	(0.3)	1.45	(0.01)
IBU's interest earning assets*5, 6 (USD bn, %)	227.9	+13.5	1.22	+0.01

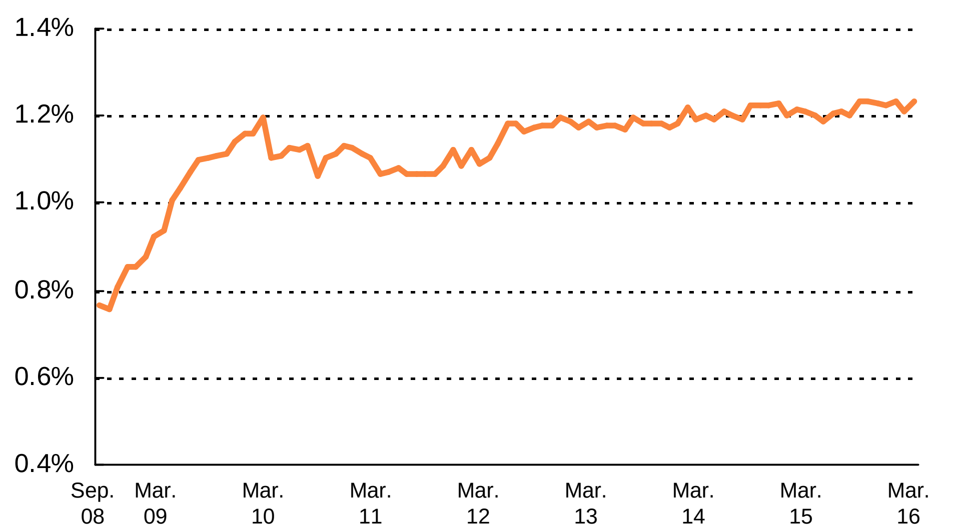
Domestic loan-to-deposit spread (SMBC non-consolidated)

(%)	FY3/16	YOY change	1H	2H
Interest earned on loans and bills discounted	1.24	(0.08)	1.24	1.23
Interest paid on deposits, etc.	0.03	0.00	0.03	0.03
Loan-to-deposit spread	1.21	(0.08)	1.21	1.20

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. FY3/2016 performance and FY3/2017 targets

5. Net fees and commissions

(JPY bn)	FY3/15	FY3/16	YOY change
SMFG consolidated[*1]	996.7	1,003.8	+7.2
of which: **SMBC**	350.0	358.6	+8.5
Sumitomo Mitsui Card	178.0	190.0	+12.0
SMBC Nikko Securities	173.0	165.0	(8.0)
Cedyna	116.0	116.0	0.0
SMBC Consumer Finance	49.0	59.0	+10.0
SMBC Friend Securities	31.0	27.0	(4.0)

Reference: Gross banking profit of SMBC's Marketing units[*2]

(JPY bn)	FY3/15	FY3/16	YOY Change[*3]
Loan syndication	42.0	45.6	+3.8
Structured finance	22.1	26.5	+4.3
Asset finance[*4]	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
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	316.0	+2.0
of which: IBU's loan related income[*5]	65.5	72.7	+8.1
IBU's Non-interest income[*5]	117.5	130.6	+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[*5]	227.8	225.4	+16.0
Interest income	856.7	827.5	(3.0)
Gross banking profit of SMBC's Marketing units	1,287.5	1,274.1	+7.4

*1 In round numbers excl. SMBC *2 Managerial accounting basis *3 After adjustments of interest rates and exchange rates, etc.
*4 Profit from real estate finance, securitization of monetary claims, etc. *5 IBU: International Banking Unit

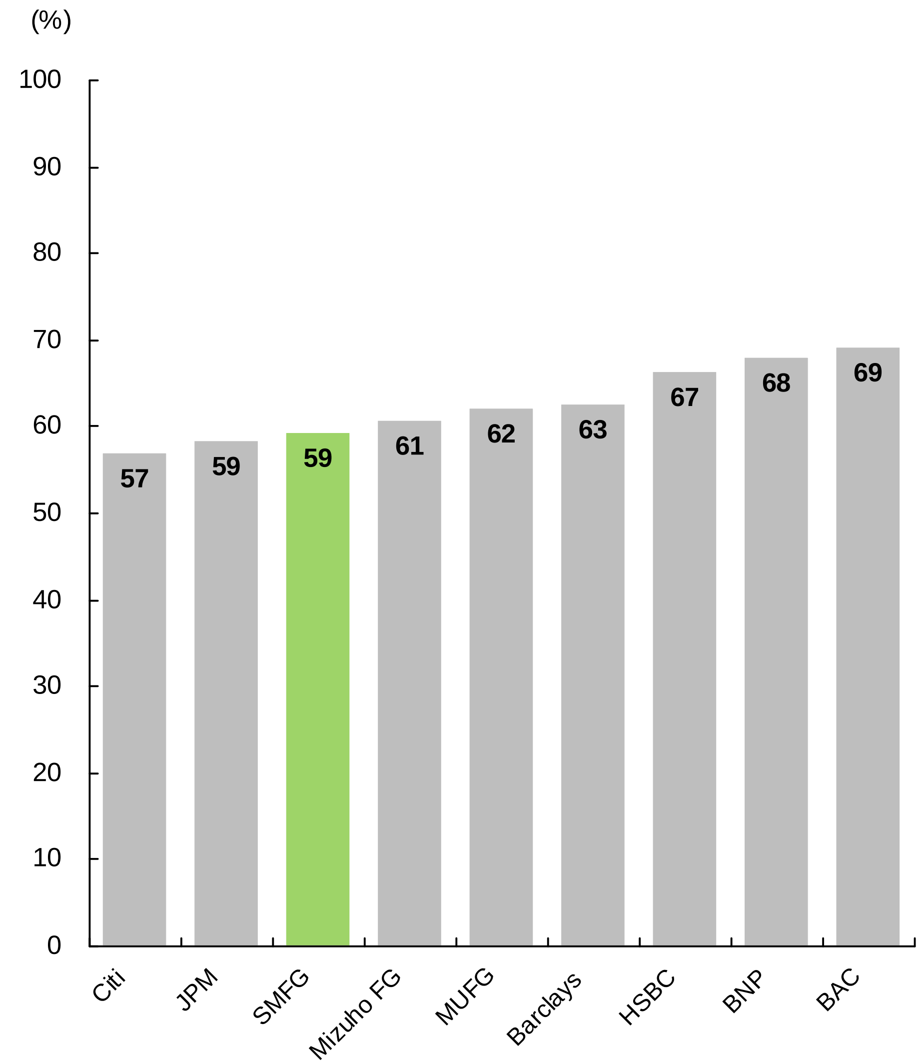
Reference	Financial results P.2, 9	Supplementary info P.1, 2	Data book P.1,27

6. Expenses

Expenses, overhead ratio

	(JPY bn)	FY3/16	YOY change
SMFG consolidated	Expenses	1,724.8	+65.5
	Overhead ratio	59.4%	+3.7%
SMBC non-consolidated*1	Expenses	805.5	+14.3
	Overhead ratio	52.5%	+4.1%

Overhead ratio comparison*2

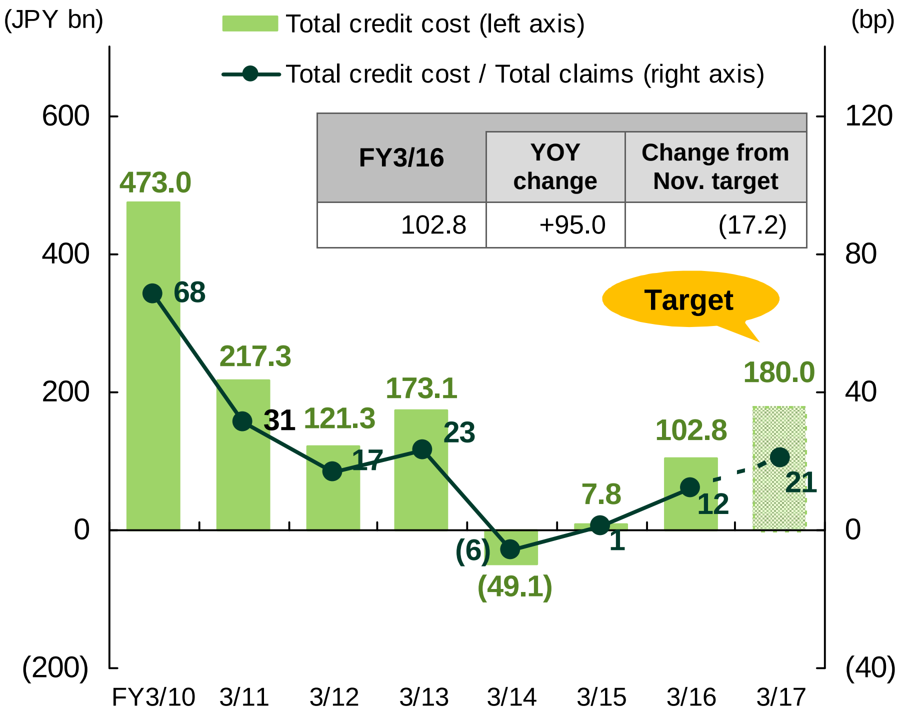


*1 Excludes non-recurring losses
*2 Consolidated basis. Based on each company's disclosure. G&A expenses divided by top-line profit (net of insurance claims).
FY3/2016 results for SMFG, Mizuho FG and MUFG, and Jan.- Dec. 2015 results for others

I. FY3/2016 performance and FY3/2017 targets

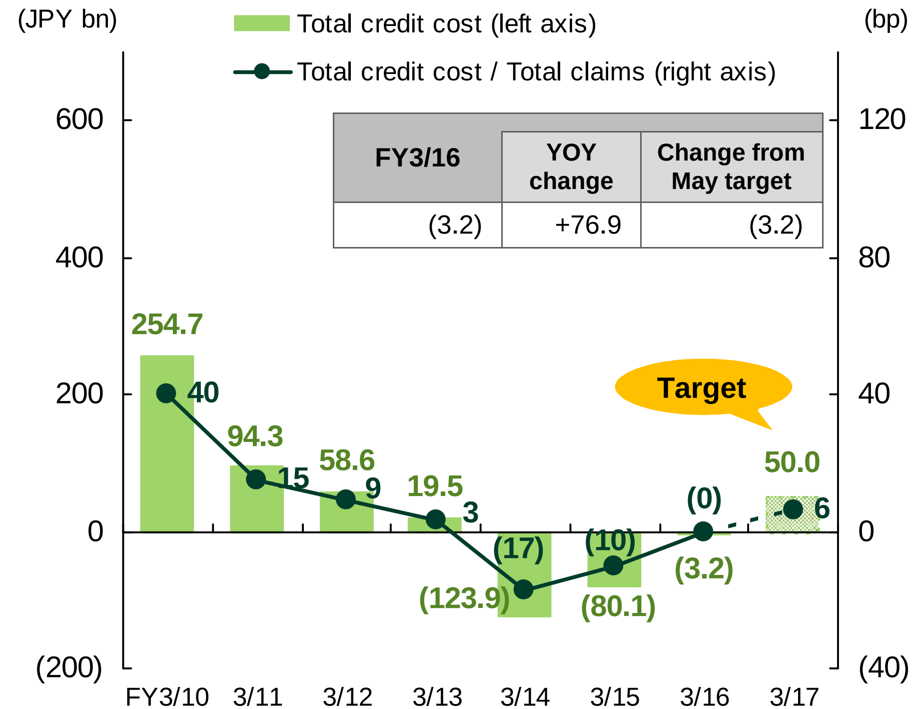
7. Credit costs

SMFG consolidated



FY3/16	YOY change	Change from Nov. target
102.8	+95.0	(17.2)

SMBC non-consolidated



FY3/16	YOY change	Change from May target
(3.2)	+76.9	(3.2)

Variance between SMFG consolidated and SMBC non-consolidated*

(JPY bn)	FY3/16	YOY change
Variance with SMBC non-consolidated	106.0	+18.1
SMBC Consumer Finance	68.0	+10.0
Cedyna	11.0	+1.0
Sumitomo Mitsui Card	11.0	+2.0
SMBC Europe	10.0	+4.0

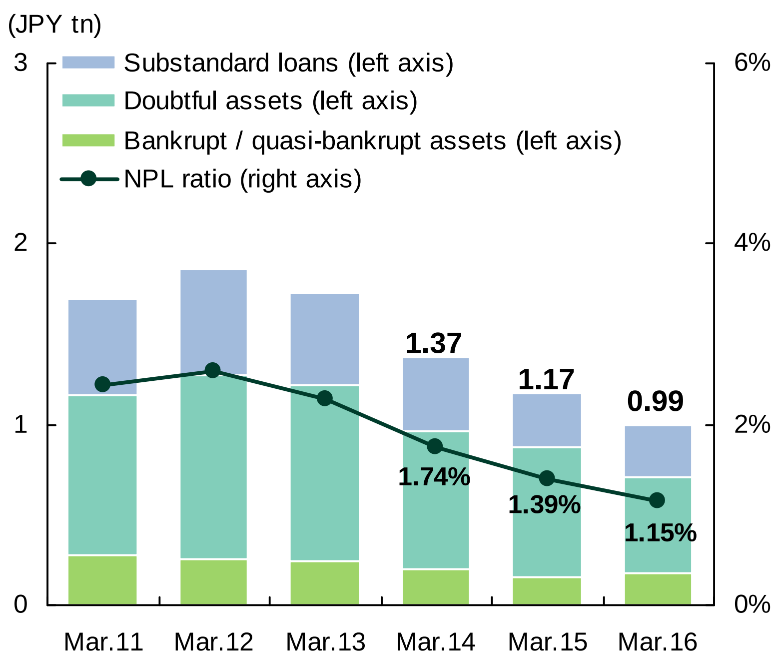
* In round numbers

I. FY3/2016 performance and FY3/2017 targets

Ref: Non-performing loan balance and ratio

SMFG consolidated

	Mar. 15	Mar. 16
Coverage ratio	83.14%	81.34%

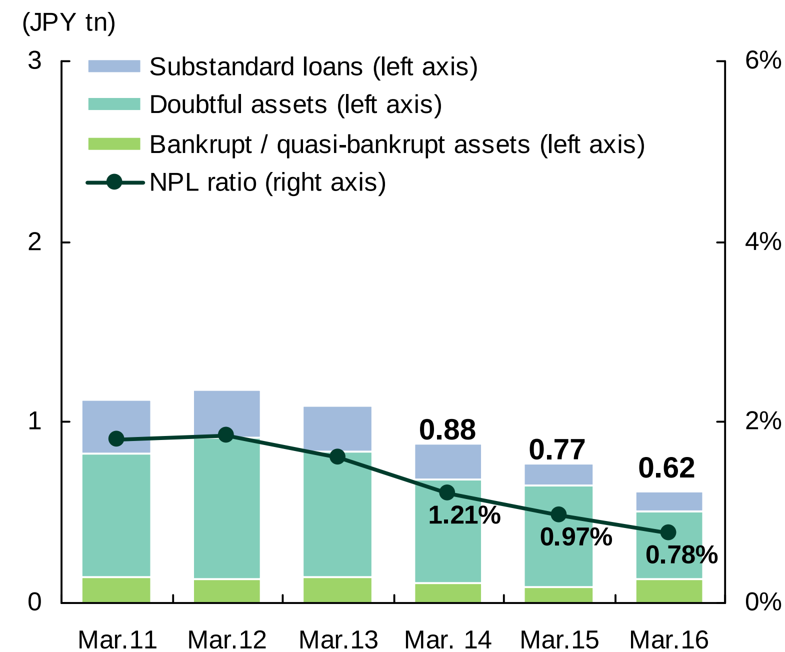


(JPY tn)

Total claims	70	72	76	79	85	87

SMBC non-consolidated

	Mar. 15	Mar. 16
Coverage ratio	87.67%	88.32%



(JPY tn)

Claims on borrowers requiring caution*	3.1	2.8	1.9	1.6	1.6	1.4
Total claims	62	64	68	73	79	80

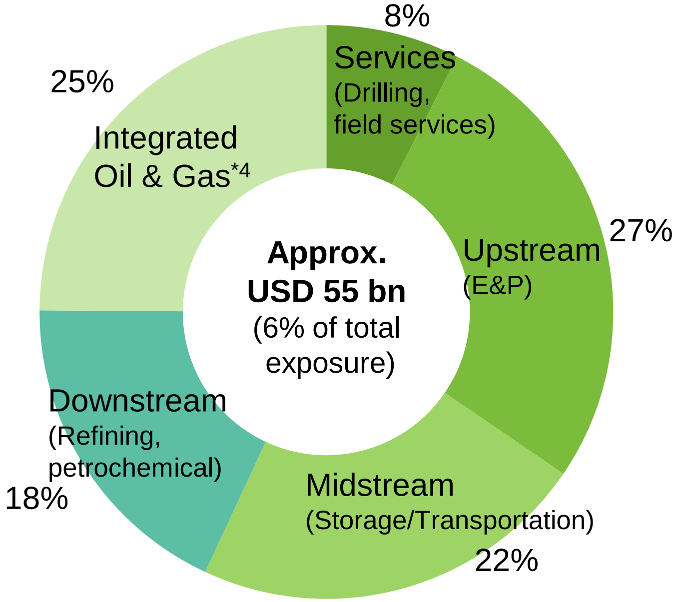
* Excludes claims to Substandard borrowers

I. FY3/2016 performance and FY3/2017 targets

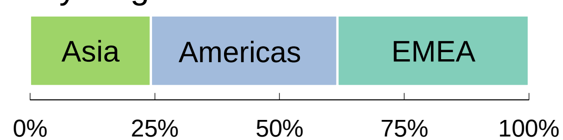
Ref: Exposure to oil and gas / other resources related industries / China / Russia

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]



- 87% is classified as "1-3"[*3] in our internal rating
- NPLs to drawn amount: 1.0%
- Corporate finance 70%
  Project finance 30%
- Drawn amount: around 55% 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

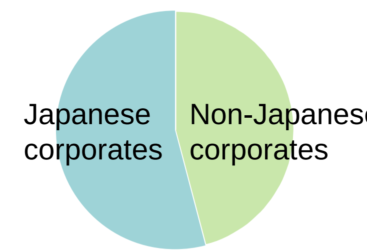
- Exposure to other resources related industries including iron ore and coal is around JPY 2.4 tn, 2% of total exposure
- Japanese vs Non-Japanese = 1 : 1 Japanese: Corporate finance 100%, Non-Japanese: Corporate finance 85%, Project finance 15%
- 80% of Non-Japanese is classified as "1-3"[*3] in our internal rating

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

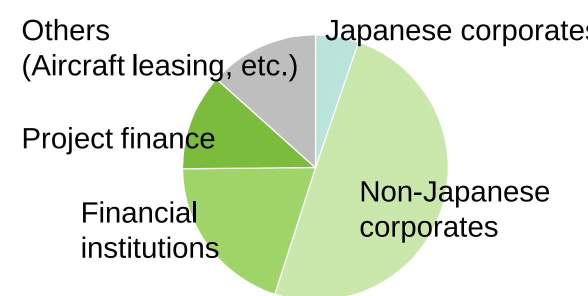


Exposure to Russia[*1]

(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

I. FY3/2016 performance and FY3/2017 targets
Ref: Breakdown by sub-sectors and by region of exposure to Non-Japanese oil and gas

- **Most borrowers (87%) of our portfolio are classified as "1-3" in our internal rating. NPLs to drawn amount is 1.0%**
- **NPLs have occurred for exposures to Services and Upstream in the Americas and EMEA. Necessary measures have taken as shown by coverage ratio for these NPLs is 90%**

(USD bn)	[1] Exposure	Percentage of "1-3"	[2] Drawn amount	Percentage of "1-3"	[3] NPLs*1,2	[4] Ratio to drawn amount [3]/[2]	[5] Reserve for possible loan losses	[6] Collateral, guarantees, etc.	[7] Coverage ratio ([5]+[6])/[3]
Asia	12.9	96 %	11.1	96 %	-	-	-	-	-
Americas	20.6	86 %	7.5	79 %	0.150	2.0 %	0.090	0.060	100 %
EMEA	21.3	83 %	11.8	74 %	0.159	1.4 %	0.031	0.096	80 %
Total	54.8	87 %	30.3	83 %	0.310	1.0 %	0.121	0.157	90 %
Services (Drilling, field services)	4.1	70 %	2.1	62 %	0.075	3.5 %	0.043	0.025	90 %
Upstream (E&P)	14.8	86 %	9.1	85 %	0.234	2.6 %	0.078	0.132	89 %
Midstream (Storage/Transportation)	12.3	90 %	5.3	85 %	-	-	-	-	-
Downstream (Refining, petrochemical)	9.9	95 %	6.4	95 %	-	-	-	-	-
Integrated Oil & Gas (Majors, state-owned companies, etc.)	13.6	86 %	7.4	76 %	-	-	-	-	-

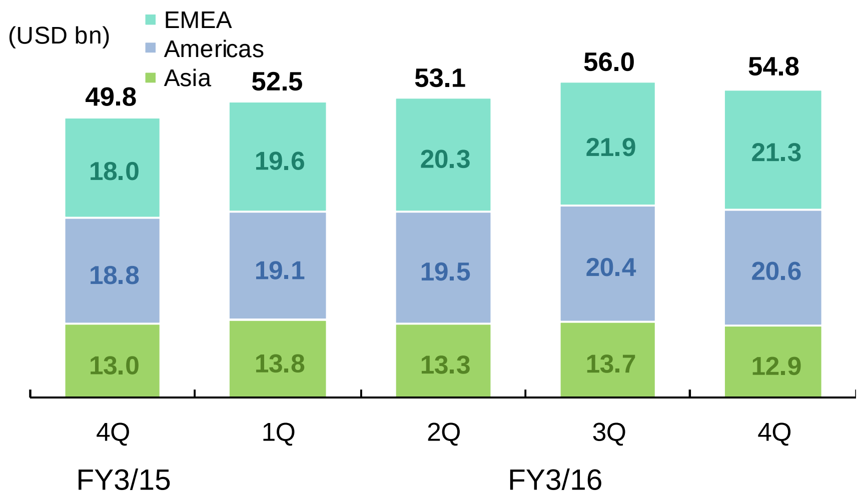
*1 NPLs based on the Financial Reconstruction Act, excluding Normal assets
*2 Claims on borrowers requiring caution are Asia: USD 0.0 bn, Americas: USD 0.5 bn, EMEA: USD 1.7 bn, mainly included in Upstream and Midstream

I. FY3/2016 performance and FY3/2017 targets

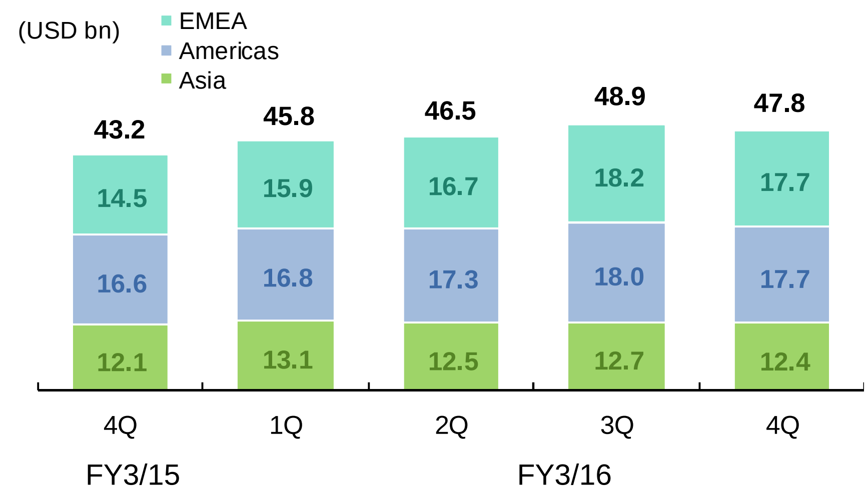
Ref: Trends of exposure to Non-Japanese oil and gas

Exposure

Total



Of which classified as “1-3” in our internal rating



- Major borrowers in the grade of “4-6” in our internal rating and requiring caution
  - Americas ：Independent E&P (includes Reserve Based Lending)
    Service providers for Upstream companies
  - Europe ：Russian energy related companies
    Service providers for Upstream companies

- Credit costs related to resources (sum of oil, gas, and other resources)
  - FY3/2016：approx. JPY 32 bn
  - FY3/2017：forecast approx. JPY 50 bn mainly from Upstream and Services within oil and gas

8. Initiatives for negative interest rate policy

Control deposit balance

- Lowered interest rates
  - Ordinary deposits 0.001% since Feb. 16th
  - Time deposits 0.01% since Mar. 1st
- Initiatives against inflow of large funds from corporations (especially financial institutions)

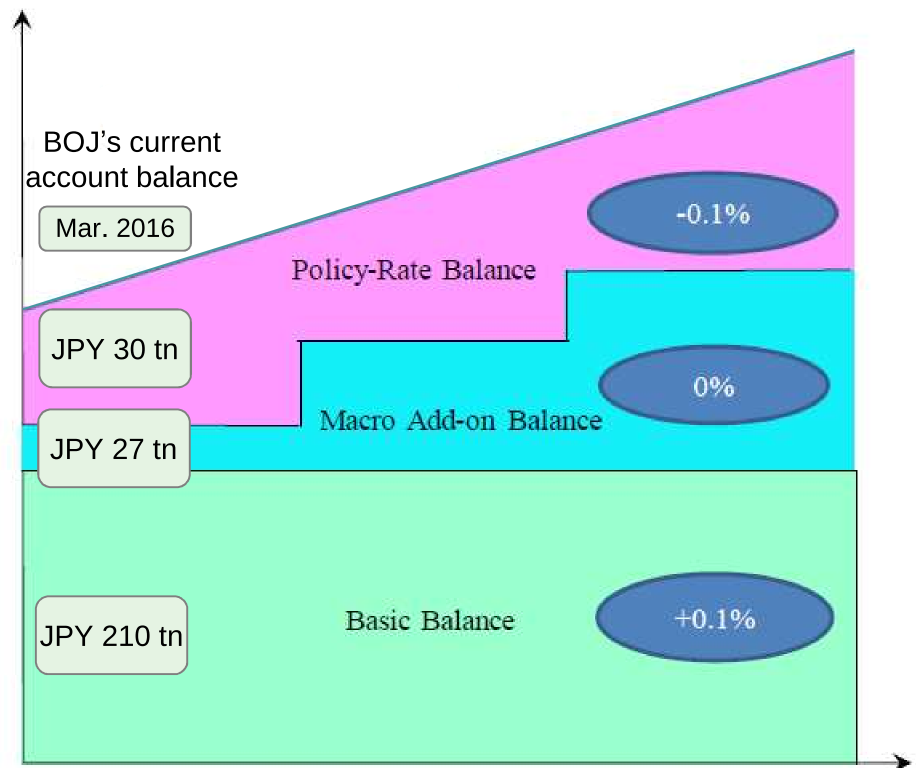
Promote shifts from savings to investments

- Raised interest rates of foreign deposits (USD, AUD, etc.)
- Increase sales of wrap accounts and low risk and low return investment products

Diversify revenue sources Initiatives to secure loan margin

- Strengthen commission business
- Expand non-banking business
- Initiatives to increase high value-added loans by providing solutions

BOJ's negative interest rate policy*



* Source: The Bank of Japan ("Key Points of Today's Policy Decisions" on Jan. 29, 2016)
"BOJ Current Account Balances by Sector (Mar. 2016)" on Apr. 18, 2016 for BOJ's current account balance

I. FY3/2016 performance and FY3/2017 targets

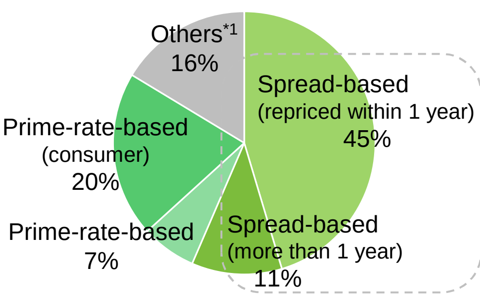
Ref: Balance sheet

SMFG consolidated balance sheet (Mar. 31, 2016)

Of which SMBC non-consolidated

- Balance in the BOJ's current account
  Mar. 31, 2016 JPY 31.8 tn
  FY3/16 average JPY 26.7 tn

- Domestic loans outstanding JPY 50.1 tn



- Spread-based loan balance approx. JPY 30 tn
  - Market rate: (10) bp
  - Tax rate: 30%

Before tax basis approx. JPY (30) bn
After tax basis approx. JPY (20) bn

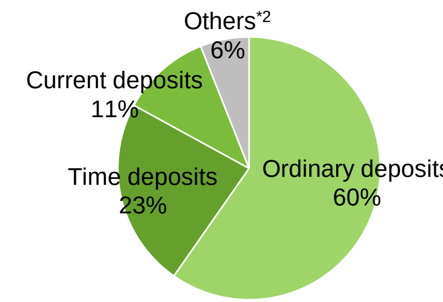
- JGB JPY 9.8 tn
  - Of which other securities JPY 7.8 tn

Assets	Liabilities and net assets
Cash and due from banks JPY 42.8 tn	Deposits (includes NCD) JPY 124.9 tn
Loans JPY 75.1 tn	
Securities JPY 25.3 tn	Other liabilities JPY 51.3 tn
Other assets JPY 43.4 tn	Total net assets JPY 10.4 tn

Total assets JPY 186.6 tn

Of which SMBC non-consolidated

- Domestic deposits outstanding JPY 82.1 tn



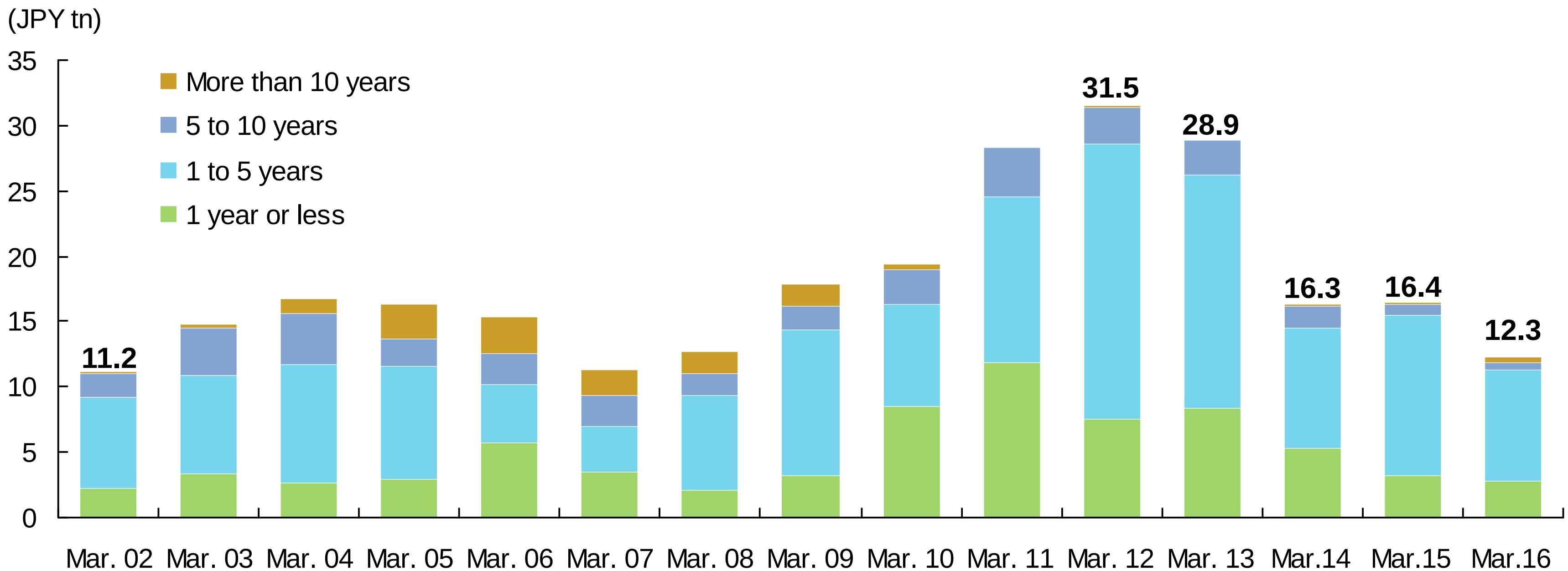
- Borrowed money JPY 7.9 tn
- Bonds JPY 4.8 tn
- CP JPY 2.0 tn

*1 Loans denominated in foreign currencies, overdraft, etc. *2 Foreign currency deposits, sundry deposits, etc.

Ref: Yen bond portfolio

SMBC non-consolidated

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



	Mar. 13	Mar.14	Mar.15	Mar.16
of which JGBs (JPY tn)	26.2	13.8	14.0	9.8

	Mar. 02	Mar. 03	Mar. 04	Mar. 05	Mar. 06	Mar. 07	Mar. 08	Mar. 09	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar.14	Mar.15	Mar.16
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	2.8
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	103.8

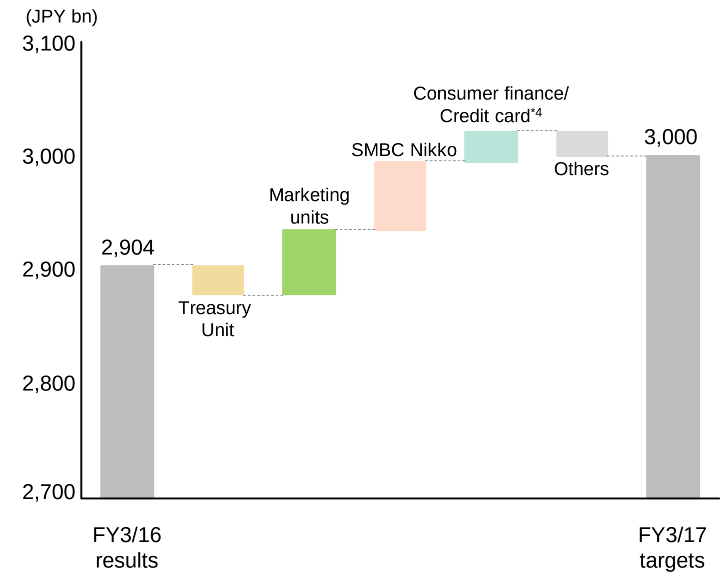
*1 Excludes bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 02 is for JGB portfolio only
*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

I. FY3/2016 performance and FY3/2017 targets

9. Earnings targets for FY3/2017

	(JPY bn)		FY3/16 results	FY3/17 1H		FY3/17 targets	YOY change
SMFG consolidated	Consolidated gross profit	USD 25.8 bn*1	2,904.0	1,470	USD 26.6 bn*1	3,000	+96.0
	Total credit cost		(102.8)	(95)		(180)	(77.2)
	Ordinary profit	USD 8.7 bn*1	985.3	480	USD 9.1 bn*1	1,020	+34.7
	Variance with SMBC non-consolidated		237.4	50		300	+62.6
	Profit attributable to owners of paren	USD 5.7 bn*1	646.7	320	USD 6.2 bn*1	700	+53.3
	Variance with SMBC non-consolidated		37.5	(40)		130	+92.5
SMBC non-consolidated	Gross banking profit	USD 13.6 bn*1	1,534.3	890	USD 14.5 bn*1	1,630	+95.7
	Expenses*2		(805.5)	(410)		(825)	(19.5)
	Banking profit*3	USD 6.5 bn*1	728.8	480	USD 7.1 bn*1	805	+76.2
	Total credit cost		3.2	(30)		(50)	(53.2)
	Ordinary profit	USD 6.6 bn*1	747.9	430	USD 6.4 bn*1	720	(27.9)
	Net income	USD 5.4 bn*1	609.2	360	USD 5.1 bn*1	570	(39.2)

Breakdown of changes in Consolidated gross profit



Dividends from SMBC's subsidiary

Assumption of earnings targets*5

		FY3/2016 results	FY3/2017
3M TIBOR		0.16%	0.10%
Federal funds target rate		0.50%	1.00%
Exchange rate	JPY/USD	112.62	110.00
	JPY/EUR	127.47	125.00

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 112.62 *2 Excludes non-recurring losses
*3 Before provision for general reserve for possible loan losses *4 Sum of Sumitomo Mitsui Card, Cedyna, and SMBC Consumer Finance
*5 Nominal GDP growth rate: FY3/2016 result was +2.2%; FY3/2017 forecast estimated by Japan Research Institute was +1.1% as of May, 2016
; Nikkei stock average: JPY16,758.67 as of Mar. 31, 2016

II. Capital policy, Enhancement of group management structure

1. Basic capital policy

- **Our commitment** : **Raise dividend per share in a stable manner**
  Payout ratio of 30% (FY3/17 target: 30.2%)
- **Issues to be addressed** : **The outcome of international financial regulations is expected to be clarified by the end of 2016**
  We have entered into the final phase of confirming capital adequacy

Sustainable growth of shareholder value

Growth investments

- Achieve higher profitability and growth with a focus on capital efficiency, risk-return and cost-return
- ROE target: around 10%

Return to shareholders

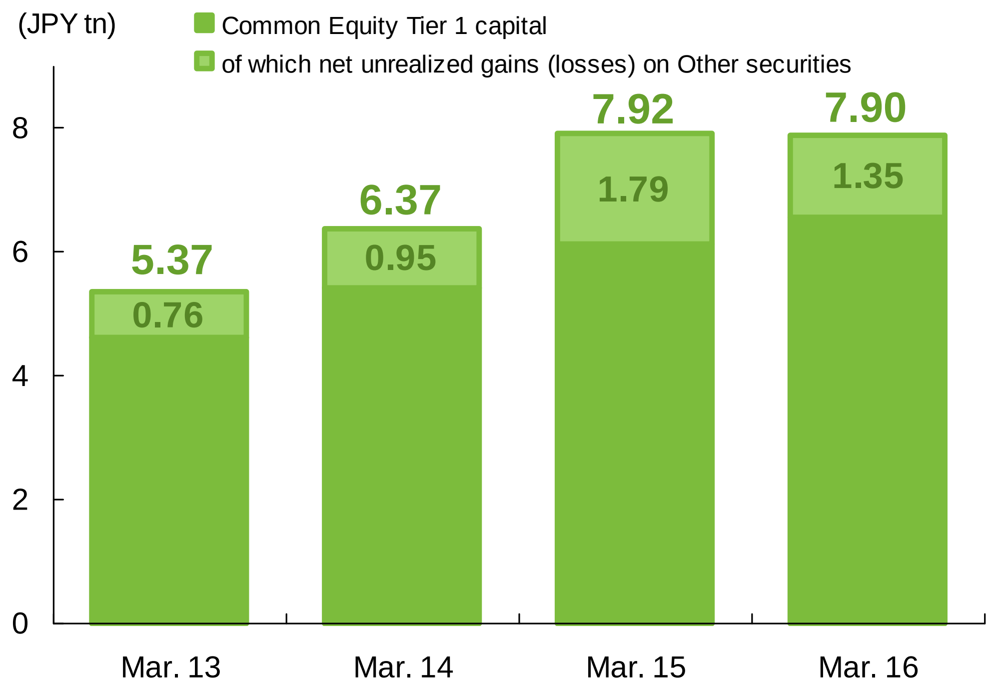
- Enhance shareholder return by measures such as raising dividend per share in a stable manner
- Payout ratio: Realize 30% (FY3/17 target 30.2%)

Maintain financial soundness

- Secure Common Equity Tier 1 capital ratio of at least around 10%
- Prepare for the tightening of international financial regulations and downside risks in the economy

2. Capital position

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



	Mar. 13	Mar. 14	Mar. 15	Mar. 16
Risk-weighted assets	JPY 62.1 tn	JPY 61.3 tn	JPY 65.9 tn	JPY 65.9 tn
CET 1 capital ratio [excluding net unrealized gains]	8.6%	10.3% [8.7%]	12.0% [9.0%]	11.9% [9.9%]

- Continuously paying attention to discussions on revisions to the Standardised Approaches (credit risk, operational risk) and Capital floors based on standardised approaches

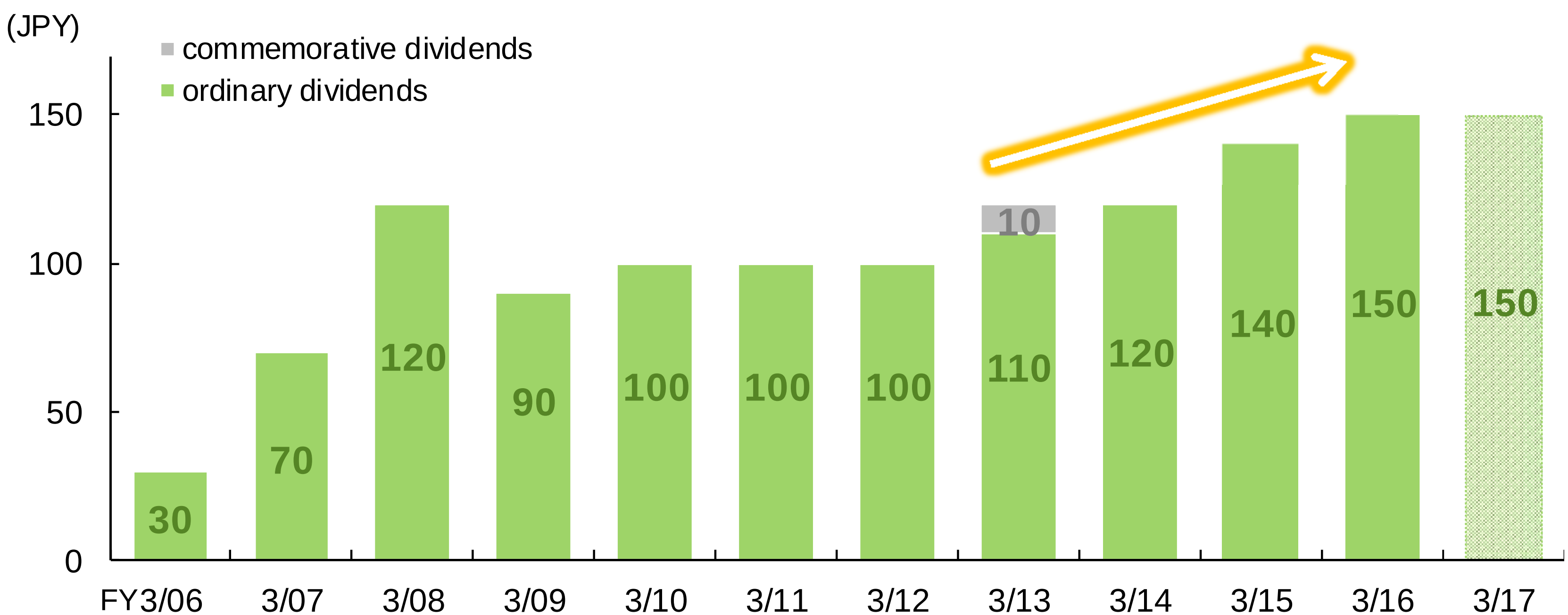
Secure around **10%**

* Based on the Mar. 31, 2019 definition

II. Capital policy, Enhancement of group management structure

3. Return to shareholders

Dividend per share*1, 2



	FY3/06	3/07	3/08	3/09	3/10	3/11	3/12	3/13	3/14	3/15	3/16	3/17
ROE*3	22.8%	13.8%	15.8%	-	7.5%	9.9%	10.4%	14.8%	13.8%	11.2%	8.9%	Secure around 10%
Payout ratio*4	3.4%	12.5%	20.5%	-	46.8%	30.0%	26.8%	21.3%	20.3%	26.2%	32.7%	30.2%

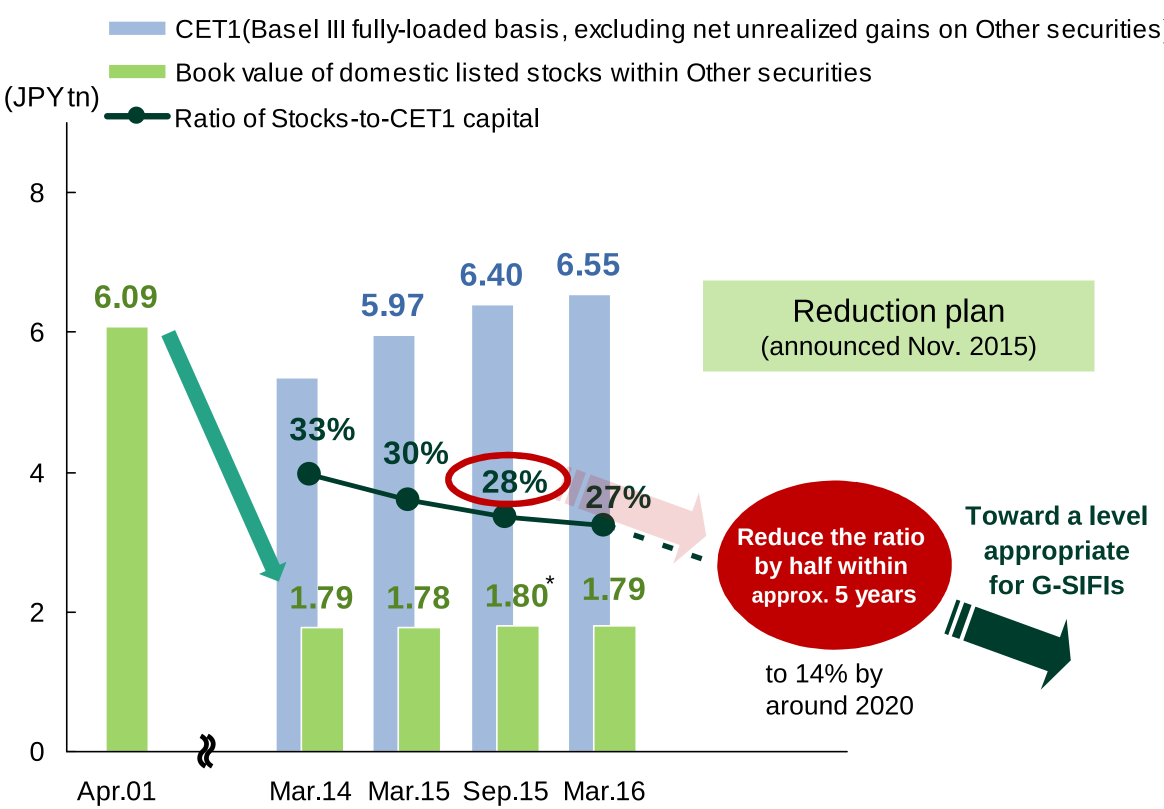
*1 SMFG implemented a 100 for 1 stock split of common stock on Jan. 4, 2009. Figures shown above reflect the stock split, assuming that it had been implemented at the beginning of FY3/06 *2 Common stock only *3 On a stockholders' equity basis *4 Consolidated payout ratio

4. 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% or about JPY 500 bn of domestic listed stocks**

(*) 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)

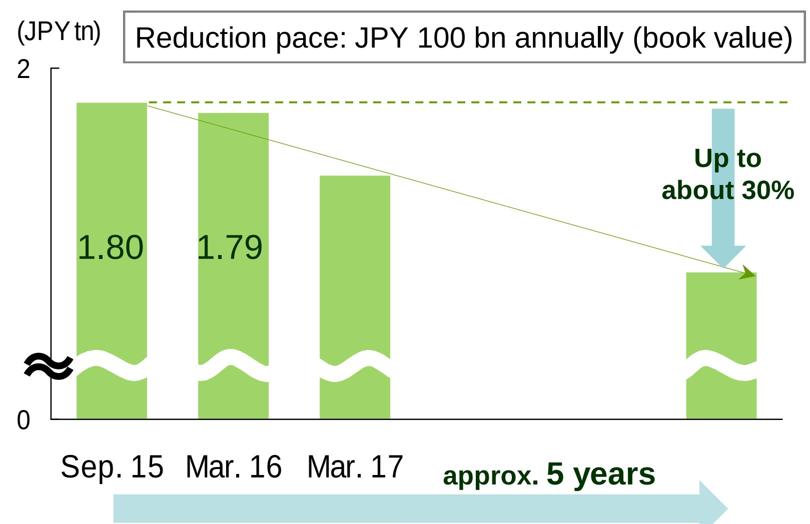


2H, FY3/16 reduction results (SMBC, book value)

- 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)

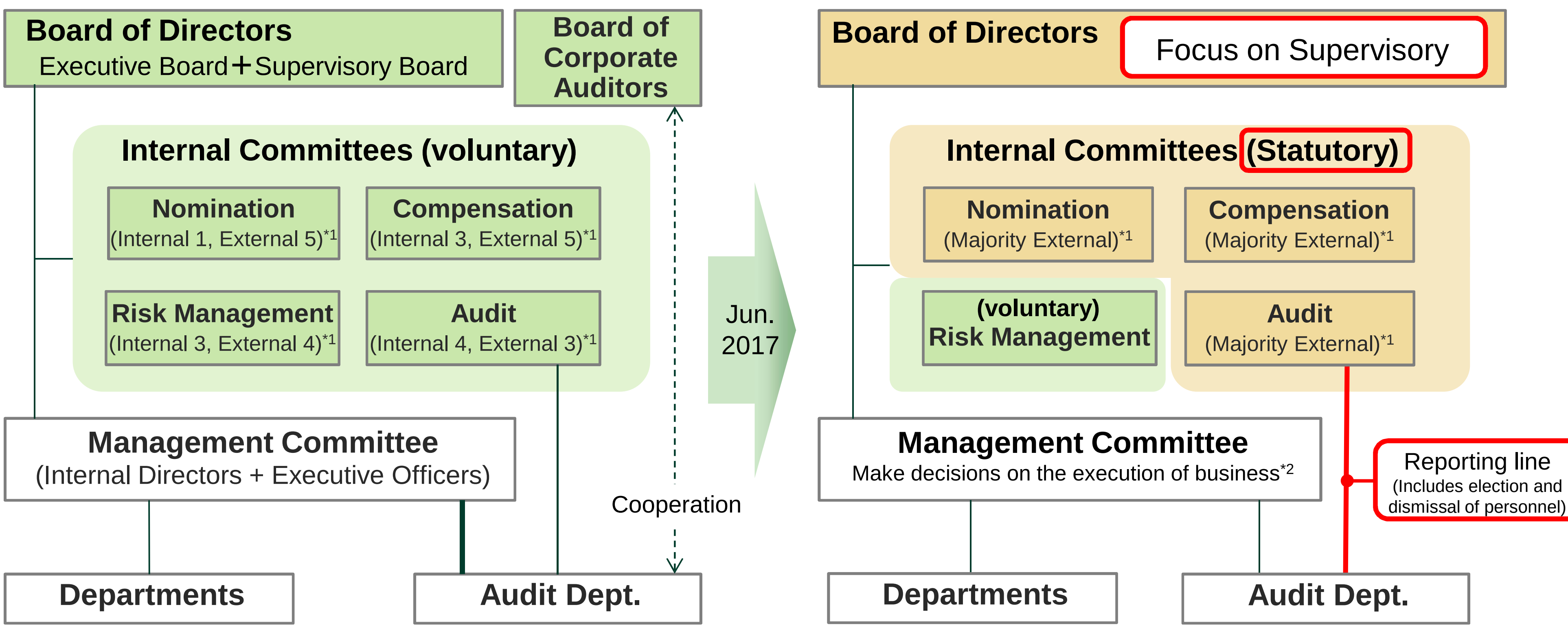


* Diminishes after deducting increase in book value from the termination of hedge transactions

5.Enhancement of group management structure

(1) Transformation to a Company with Three Committees

- **In order to further enhance its corporate governance framework, SMFG decided to transform into a Company with Three Committees, which is globally recognized and has affinity to international banking regulation and supervision**
  (Subject to approval by ordinary general meeting of shareholders scheduled in Jun. 2017)
- **Strengthen the supervisory function of the Board of Directors and expedite execution of operations by leveraging the monitoring mechanism of the new framework**



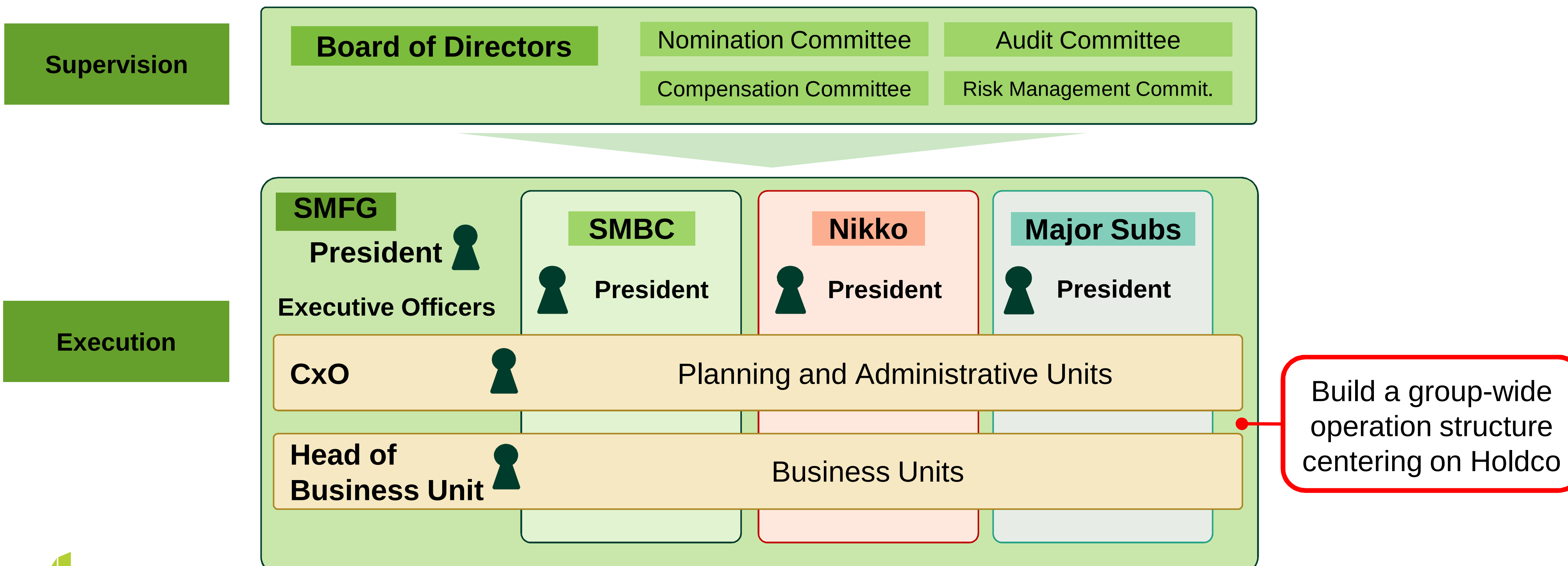
*1 Number of Internal and External directors
*2 Excludes authorities made to Board of Directors by law

5.Enhancement of group management structure

(2) Enhancement of group-wide operational structure

- **Plan to implement CxO(*1)system and set up group-wide business units(*2) in Apr. 2017**
  - **Further strengthen our integrated group operation structure centering on a holding company and capability to meet diversified customer needs**
- **In order to strengthen competitiveness as a diversified financial services group, SMFG decided to merge SMBC Nikko Securities and SMBC Friend Securities, and consolidate Sumitomo Mitsui Asset Management Company** IV. Business strategy

(*1) Chief officers including CFO (Chief Financial Officer) and CRO (Chief Risk Officer)
(*2) Structure which will determine strategies for each customer segment across group companies



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

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

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

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

2. Initiatives and achievements for the last two years

Evolving our business model	**Strengthen collaboration among group companies** • Bank-securities collaboration • "Domestic-international integration" model • Consumer finance **Wholesale-retail integration model** **Diversify and improve the profitability of overseas portfolio** **Promote IT innovation**
Asia-centric	**Enhance collaboration with BTPN** **Expand the business relationship with western multinational corporations in Asia** **- Gateway to Asia**
Upgrade corporate infrastructure	**Enhance corporate governance** • Increase the number of independent directors **Promote diversity and inclusion**

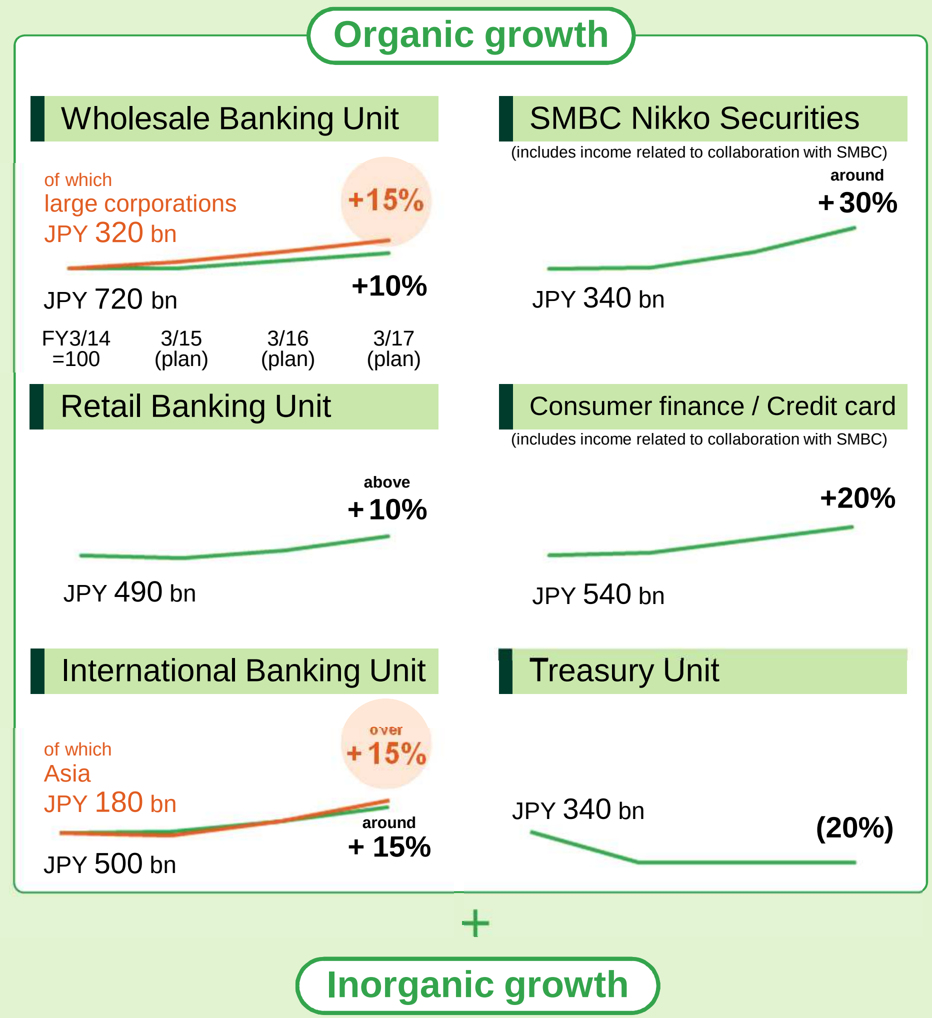
III. Progress of medium-term management plan

Ref: Progress on financial targets and topline target by business unit

Progress on financial targets

		FY3/15	FY3/16	FY3/17 targets
Growth	Growth rate of Consolidated gross profit	+2.8%	**+0.2%*1**	around +15%*1
Profit-ability	Consolidated ROE	11.2%	**8.9%**	around 10%
	Consolidated net income RORA	1.1%	**0.97%**	around 1%
	Consolidated overhead ratio	55.7%	**59.4%**	in the mid 50%
Sound-ness	Common Equity Tier 1 capital ratio*2	12.0%	**11.9%**	around 10%

Consolidated gross profit*3

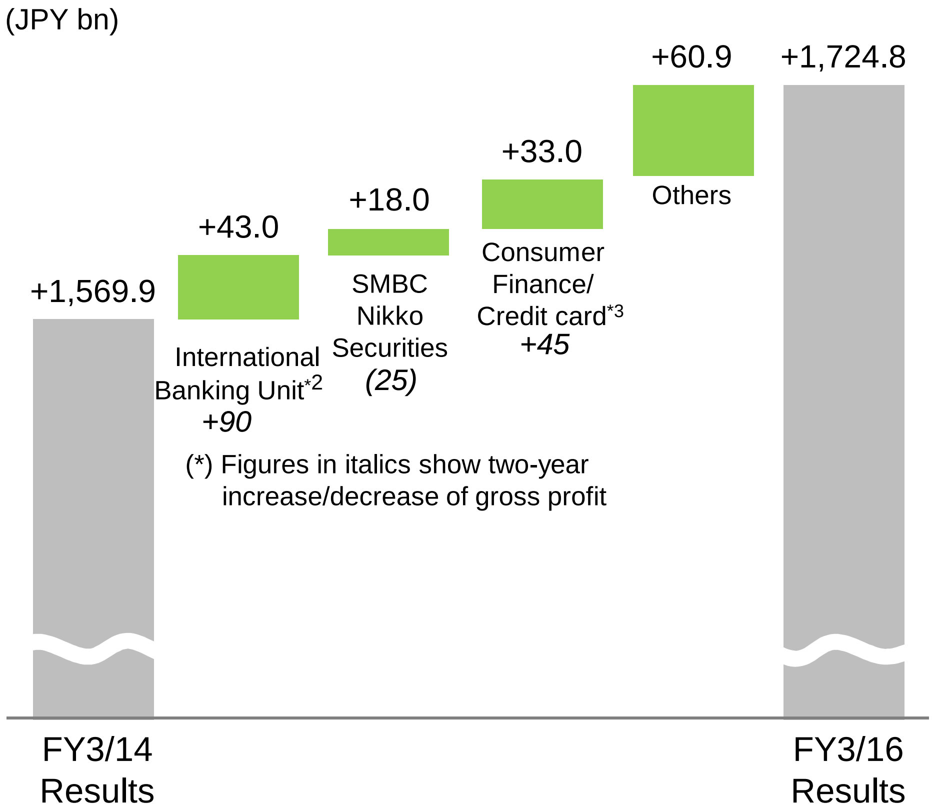


*1 Consolidated gross profit increase in comparison with FY3/14 figure
*2 Basel III fully-loaded basis. Based on the definition applicable for March 31, 2019
*4 FY3/17 targeted consolidated gross profit in comparison with FY3/14 figure. After adjustments for changes in interest rates and exchange rates, etc.

III. Progress of medium-term management plan

Ref: Controlling expenses

Breakdown: increase of consolidated expenses for past two FY[*1]



Initiatives to tighten expense control

- In FY3/2017, strengthening initiatives to reduce expenses on a group basis amid changing business environment
- Start to implement mid- to long- term measures to reduce expenses mainly in Corporate Real Estate (CRE), system, personnel, administration on a group-wide basis

Major items

⇒ Develop our business infrastructure toward realizing management goals

- SMBC's International Banking Unit: +JPY 43.0 bn (of which impact from fluctuations in exchange rate of +JPY 6.0 bn)
  - Increase in the number of personnel and build business infrastructure mainly in Asia
  - Investment in system for strengthening transaction banking business
- SMBC Nikko Securities: +JPY 18.0 bn
  - Increase in the number of personnel in each business area (Retail/ Wholesale/ International)
  - Investment in system for enhancing functions of wholesale business
- Consumer Finance/Credit card: +JPY 33.0 bn
  - Investment in system for expanding services, etc.
  - Strengthening international business in Consumer finance
- Others: +JPY 60.9 bn
  - Acquisition of PRESTIA, consumption tax hike, address tighter regulations, investment in renewing obsolete system, etc.

*1 Figures before offset of internal transactions and after adjustments for changes in exchange rates
*2 Sum of SMBC International Banking Unit on a non-consolidated basis and subsidiaries of administrative under IBU (7 overseas banks, SMBC Aviation Capital, etc.)
*3 Sum of Sumitomo Mitsui Card, Cedyna, and SMBC Consumer Finance

3. Changes in business environment

- **Major trend of assumptions made under our mid-term management plan including the maturing and aging Japanese society, the mid- to long-term growth in Asia and the evolution of technology has not changed. However, as the level of uncertainty increases in our business environment, we need to adjust our plan**

- Delay in recovery of the Japanese economy, slowdown in the Asian economy
- Concern over credit risks in certain areas
  - Slowdown in emerging economies
  - Falling commodity prices
  - Overheating real estate market
- Slower pace of US interest rate increases, negative interests in Japan and Europe
- Tightening of global financial regulations

IV. Business strategy

1. Management policy in FY3/2017
2. Wholesale business
3. Retail business
4. Strengthening group-wide businesses
5. International business

1. Management policy in FY3/2017 (1)

- Focus on bottom-line profit by strengthening efforts to improve profitability and efficiency, while maximizing efforts to realize the key initiatives set in the medium-term management plan and grow our top line profit

- Run a strict risk-sensitive operation given the current uncertain business environment, while pursuing new business opportunities by responding to changes in a proactive and innovative manner

1. Management policy in FY3/2017 (2)

Wholesale

- Bank-securities collaboration
- “Domestic-international integration” model
- Growth areas/growing companies

Retail

- Bank-securities integration strategy
- Inheritance and succession businesses
- Digital innovation
- Consumer finance

International

- Cross-selling
- Nimble portfolio management
- Fine-tune Asian strategy and pursue in a mid- to long-term perspective
- Strengthen and diversify foreign currency funding

Tighten control of expenses

- Careful selection of spending
- Establishment of cost reduction council (on a group basis)

Control of credit risks

- Risk Appetite Framework
- Strengthen credit risk management framework on a global basis

IV. Business strategy

2. Wholesale business (1) Enhance capability to support clients, domestic loans

Enhance capability to support clients

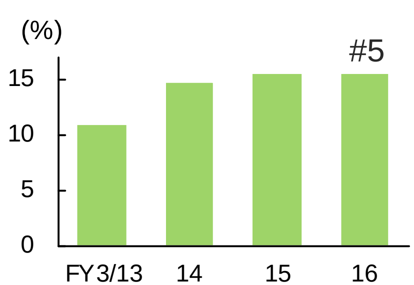
- Offer high value-added loans, such as supporting MBO/LBO activities for business restructuring and business succession
- Further promote bank-securities collaboration
- Enhance global service capabilities

SMBC Nikko's market share for underwriting

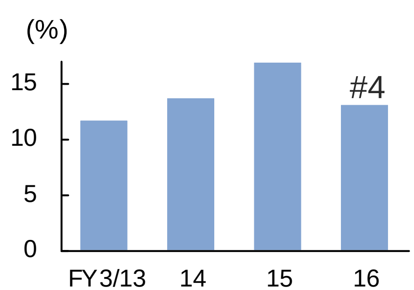
Japan IPO[*1]

- Lead manager, No. of deals: #2 (FY3/2016)

Bonds[*2, 3]

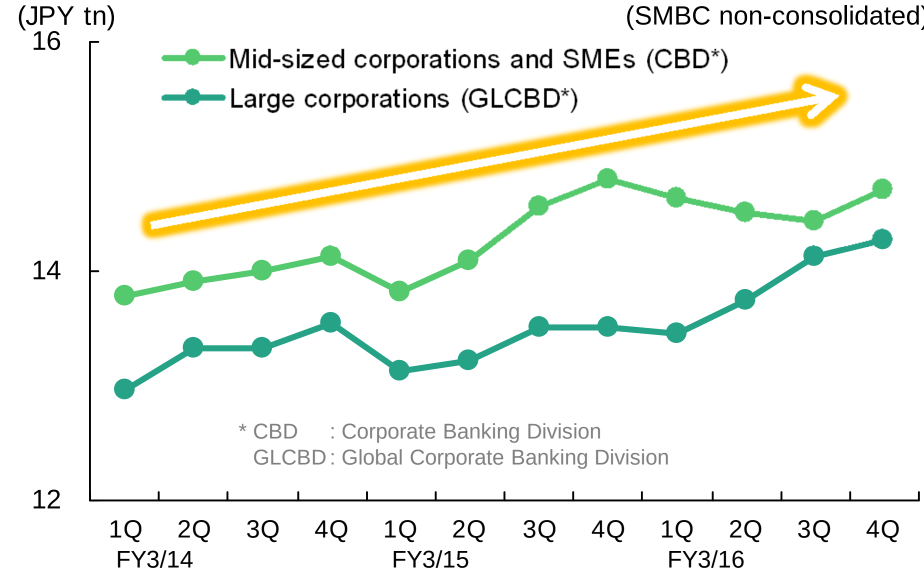


Equities[*2, 4]

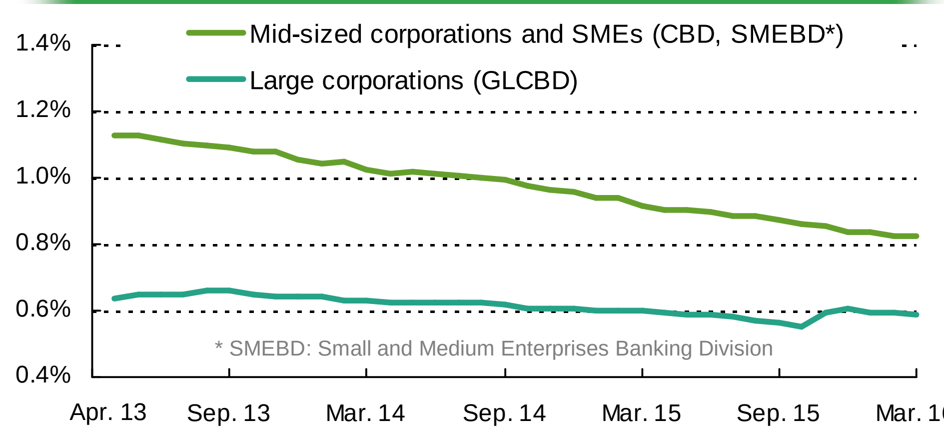


Loan balance and spread

Loan balance of Wholesale Banking Unit[*5, 6]



Domestic corporate loan spread[*5, 7]



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

IV. Business strategy

2. Wholesale business (2) Supporting growth areas

● **Building the brand of "SMBC/SMFG that is strong in growth areas"**

Japan growth strategy CFT*/Growth Industry Cluster

- Initiatives for growth areas on a cross-business unit basis

Health-care	Signed letter of agreement on research and commercialization about healthcare/medical with Osaka University
Energy	Hosted "Hydrogen Energy Forum"
Agri-culture	Signed MOU on halal certification with Bogor Agricultural University
Tourism	Held "inbound business matching", provide multi-currency settlement services

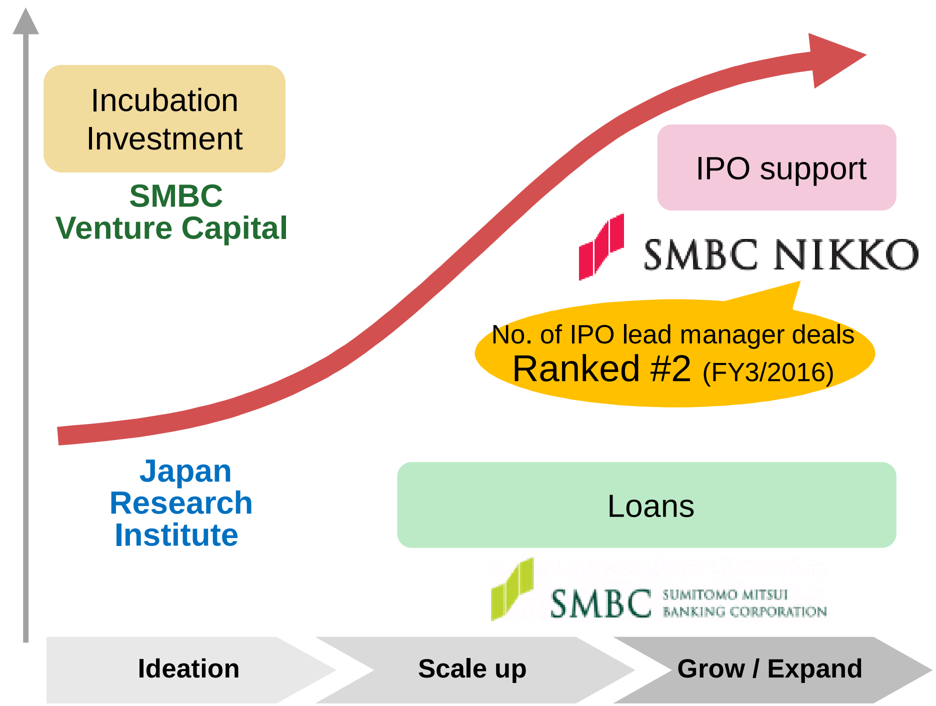
Promote open innovation

- Established a cross-industrial consortium
  - Consortium members: NEC, Toyota
- Hosted "Mirai 2016" (accelerator program)
  - Themes: Medical/healthcare, robot/AI, etc.

* Cross Functional Team

SMFG's support system for start-up companies

- Support start-up companies throughout their growth stage on a group basis

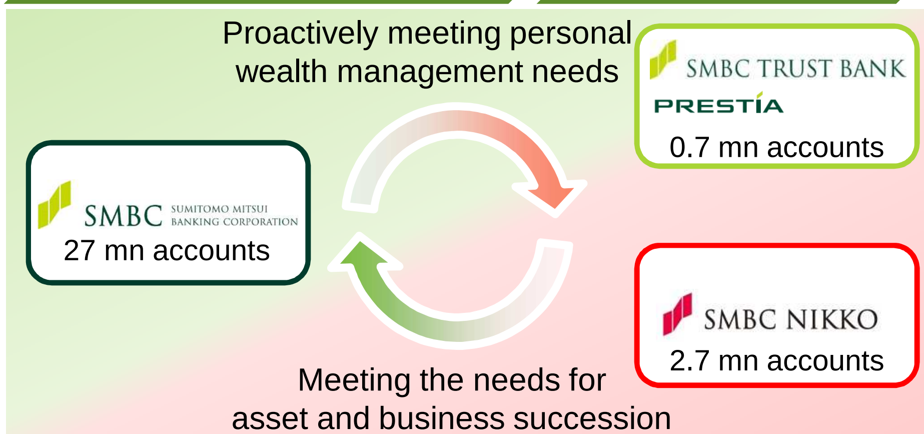


IV. Business strategy

3. Retail business (1) Bank-securities collaboration

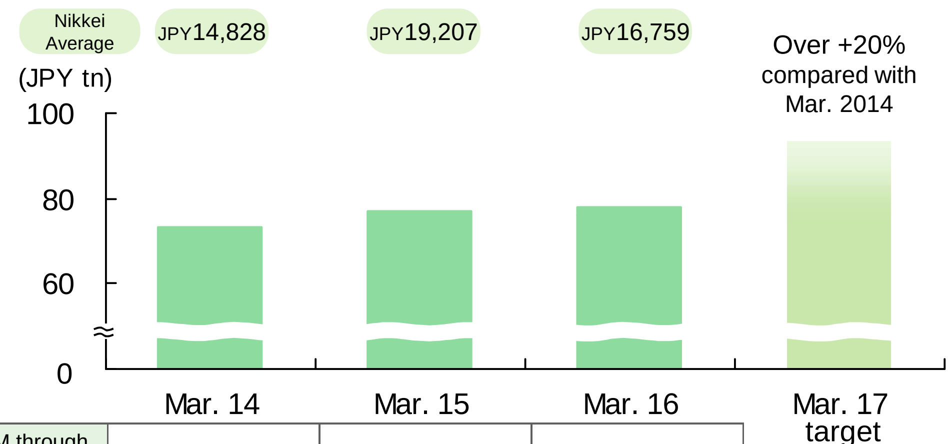
Bank securities retail integration

Building up financial assets → **Investment and succession**



Bank-securities collaboration (retail customers)

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



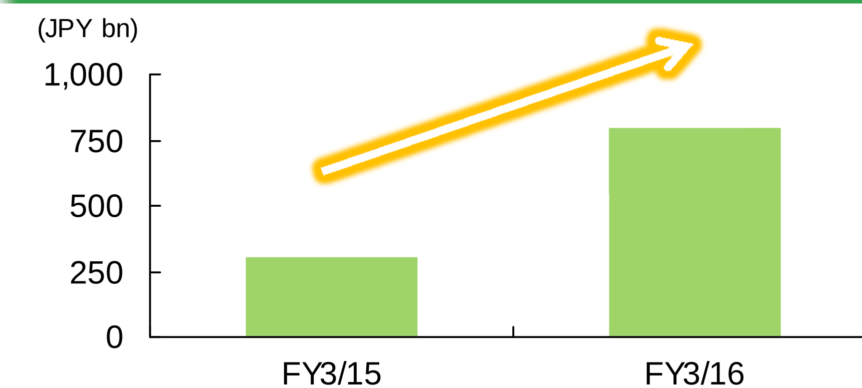
	Mar. 14	Mar. 15	Mar. 16
AuM through bank-securities collaboration (SMBC Nikko)*1	approx. JPY 1.7 tn	approx. JPY 2.5 tn	approx. JPY 3.3 tn

Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank promoted collaboration with group companies
  - Began referral of financial instruments intermediary services with SMBC Nikko Securities
  - Set-up PRESTIA's ATM at SMBC branch offices

PRESTIA

Increase balance of investment products (excludes change of market value, SMBC+SMBC Nikko)*2



*1 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

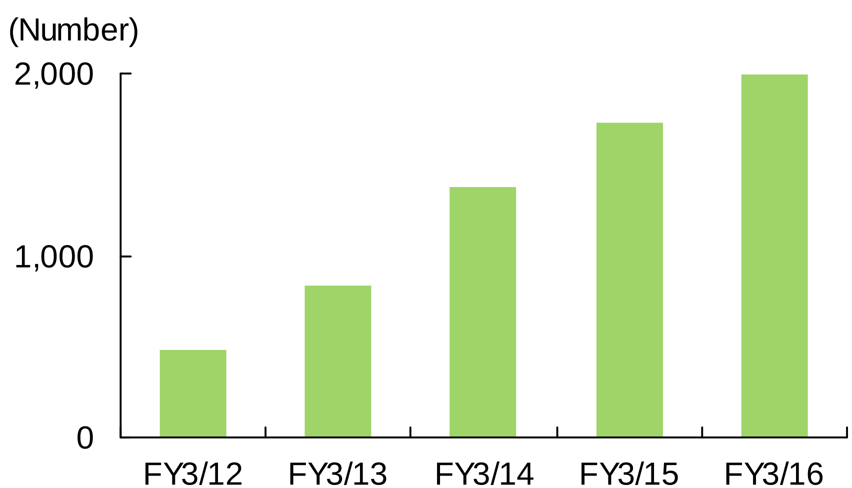
*2 Sum of the net volume of product sales and cancel/redemption at SMBC and the inflow of assets (includes referrals from SMBC) at SMBC Nikko

IV. Business strategy

3. Retail business (2) High-net-worth, Mass-affluent and Mass segment

Inheritance / Succession

Number of contracts of testamentary trust (SMBC)



Digital Innovation

New contents for business use tablet terminal

- Applying for life insurance products, sales of investment trusts (scheduled)

[Business use tablet terminal]

[Screen image (Electronic contract for investment trust)]

Attracting the young generation

- Promotion for opening new accounts
  - “New account promotions to support a new chapter of life”
  - “MIDOSUKE” character goods (More than 10 million “friend” registrants in LINE)

- Upgrade apps for opening new accounts
  - Enable to receive bank cards at the branches, etc.
- Promote businesses for corporate employees and students

New smartphone banking app

- “Easy to use”

[Top page]

[List of assets]

[Account activity statement]

4. Strengthening group-wide businesses (1) Securities

- **Merger of SMBC Nikko Securities and SMBC Friend Securities to further strengthen the securities business of SMFG. Target of merger: Jan. 2018**
- **Prior to the merger, SMBC Nikko Securities will become a wholly owned direct subsidiary of SMFG to enhance our governance structure. Target: Oct. 2016**

Overview of merger

Schedule

Execution of MOU	May 12, 2016

⇒SMFG, SMBC, SMBC Nikko Securities, SMBC Friend Securities signed Memorandum of Understanding (MOU) for the merger

Execution of merger agreement	1H of FY3/2017* (tentative)
Effective date of merger	Jan. 2018* (tentative)

Structure (tentative)

- SMBC Nikko Securities to be the surviving company
- Prior to the merger, SMBC Nikko Securities will become a wholly owned direct subsidiary of SMFG

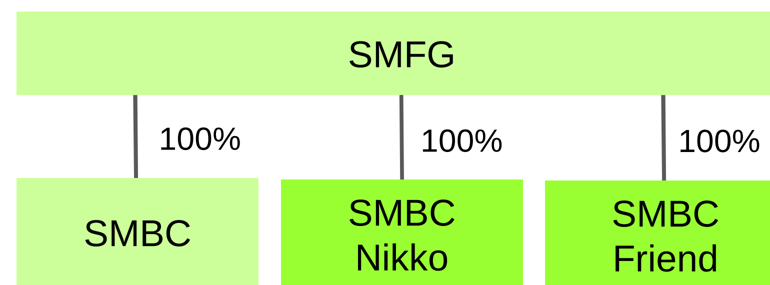
Merged Company (tentative)

Company name	SMBC Nikko Securities Inc.
Capital Structure	Wholly owned direct subsidiary of SMFG

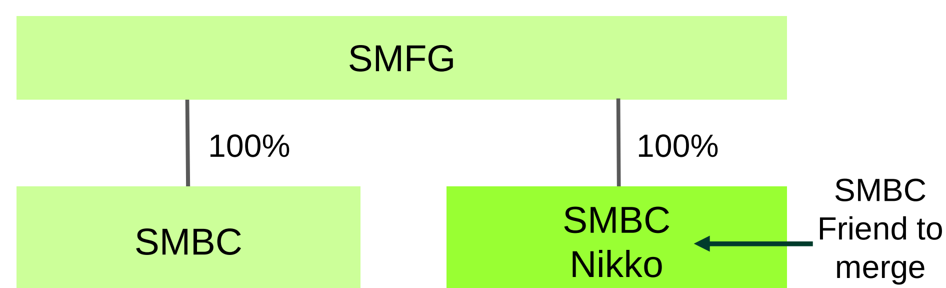
* Subject to approvals and authorizations from the relevant authorities

SMFG securities business

Oct. 2016 (tentative)



Jan. 2018 (tentative)



4. Strengthening group-wide businesses (1) Securities

- **Strengthen the securities business by capitalizing on the strengths of the two companies while taking full advantage of synergies from the merger**

Background of the Merger

Our clients' needs for securities services is growing

Retail

- "Savings to investments"
- Clients' needs of wealth investment based on their stage of life

Wholesale

- Diversification of fund-raising through capital markets
- M&A, restructuring

Strengths of each company

SMBC Nikko

- Superior consulting capability
- Rich product lineup

SMBC Friend

- Face-to-face marketing capability towards retail clients

Objectives / Synergies

Enhancement of product and services capability

- Increase in product offerings and product-related research
- Enhancement of sales channels
- Reinforcement of consulting type sales

Improvement of productivity and realizing cost synergies

- Optimization of sales personnel staffing
- Consolidation of management infrastructure including systems and sales channels

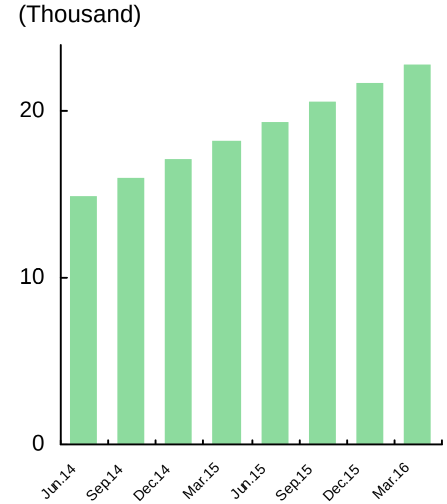
IV. Business strategy

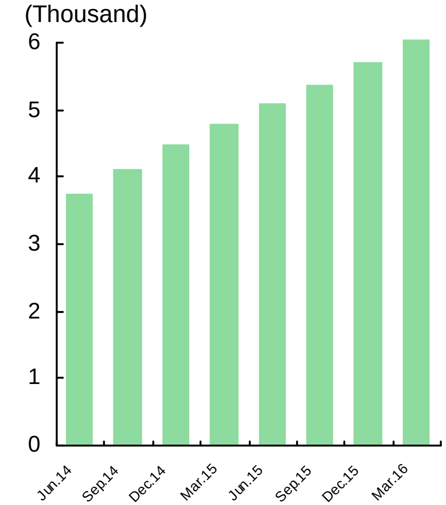
Ref: SMBC Nikko Securities

Financial results (consolidated)

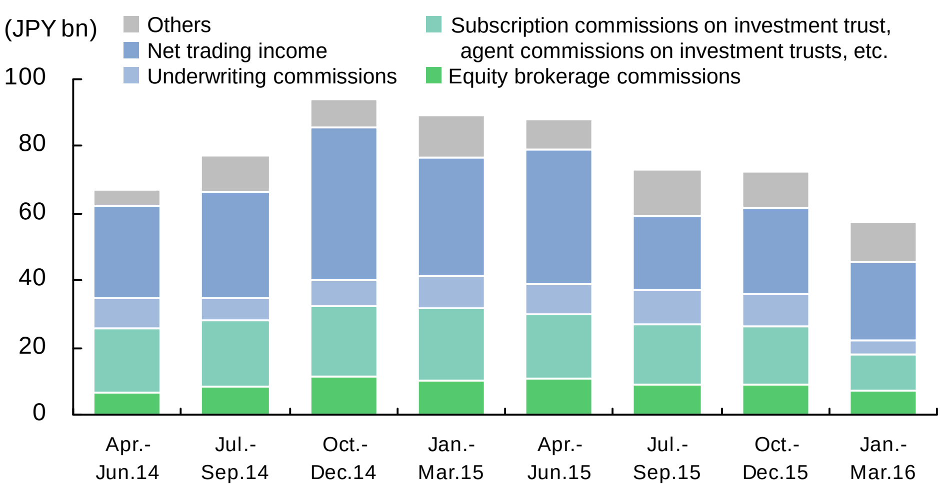
(JPY bn)	FY3/15	FY3/16	YOY change
Net operating revenue	329.2	292.8	(36.4)
SG&A expenses	(235.2)	(241.5)	(6.3)
Ordinary income*1	96.2	55.8	(40.4)
Profit attributable to owners of parent*1	64.7	42.1	(22.6)

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





Net operating revenue



League tables (Apr. 2015 – Mar. 2016)*2

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*3, 4	#4	13.2%
JPY denominated bonds (lead manager, underwriting amount)*3, 5	#5	15.7%
Financial advisor (M&A, No. of deals)*3, 6	#2	5.1%
Japan IPO (lead manager, No. of deals)*7	#2	21.9%

*1 Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.
*2 SMBC Nikko Securities for Global equity & equity-related, JPY denominated bonds, and IPO. SMFG for Financial advisor
*3 Source: SMBC Nikko, based on data from Thomson Reuters *4 Japanese corporate related only, includes overseas offices
*5 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds
*6 Japanese corporate related only. Group basis *7 Excludes REIT IPO. Source: Thomson Reuters

IV. Business strategy

4. Strengthening group-wide businesses (2) Asset management

Trend of "savings to investment"

Higher capital requirements

Our commitment to a capital efficient asset management business

Objectives

- Part of an ongoing effort to enhance capability to meet clients' needs given the trend of "savings to investment"
- Strengthen the service and product lineup
  - Enhance marketing and product capability through personnel exchanges and sharing know-how with SMFG group companies

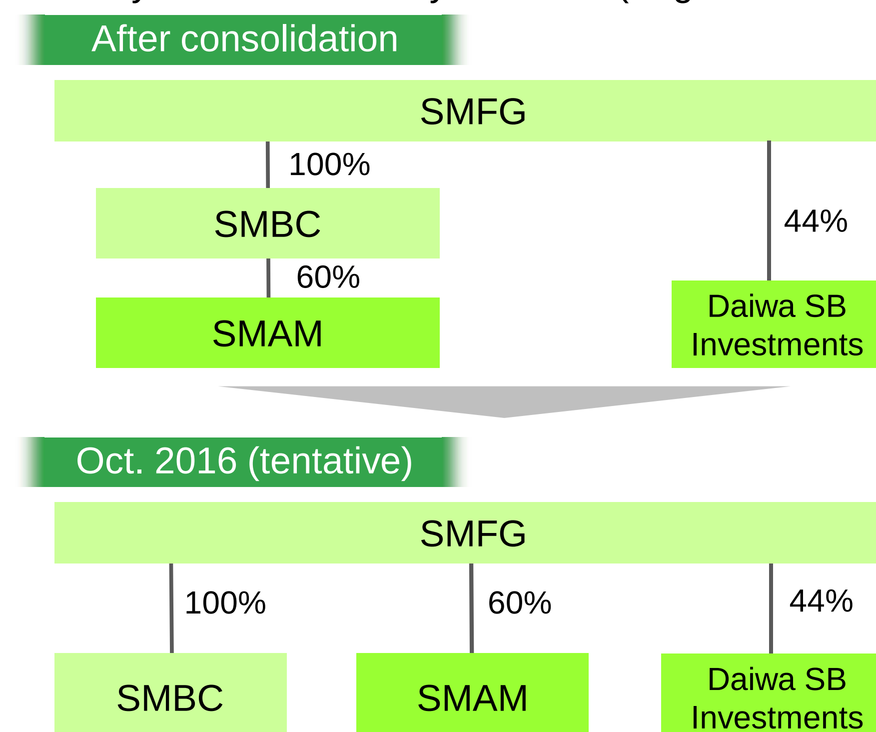
Acquisition of Shares (target by end of Jul. 2016)

	Current	After Acquisition
SMBC	40.0%	60.0%
Sumitomo Life	27.5%	20.0%
MS Insurance *	27.5%	20.0%
Mitsui Life	5.0%	—

SMAM: AUM JPY 12.3 trillion (as of end of Jan. 2016)

Change of group structure

- As part of efforts to fulfill fiduciary duty to provide enhanced customer-oriented investment services, SMAM will become a directly owned subsidiary of SMFG (target: Oct. 2016)

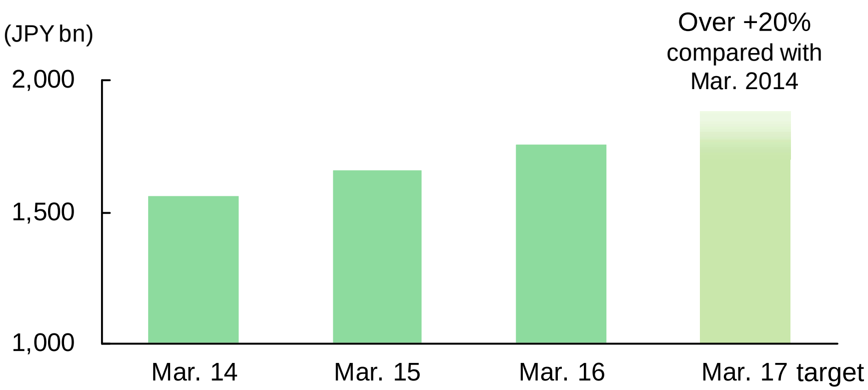


* Mitsui Sumitomo Insurance Company, Limited

IV. Business strategy

4. Strengthening group-wide businesses (3) Consumer finance

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



Financial results : SMBC Consumer Finance (consolidated)

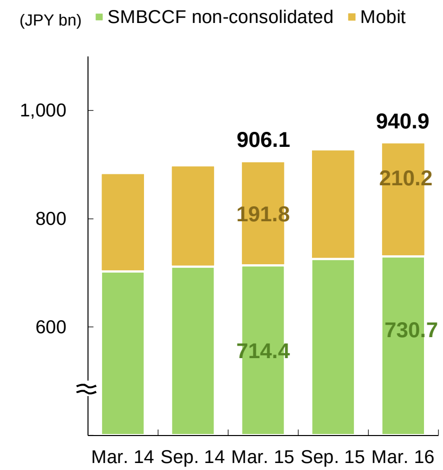
(JPY bn)	FY3/15	FY3/16	YOY change
Operating income	228.3	245.8	+17.5
Expenses for loan losses within Expenses	(47.9)	(52.0)	(4.1)
Losses on interest repayments within Expenses	(44.8)	(122.0)	(77.2)
Ordinary profit	16.6	(61.2)	(77.8)
Profit attributable to owners of parent	11.2	(64.8)	(76.1)

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

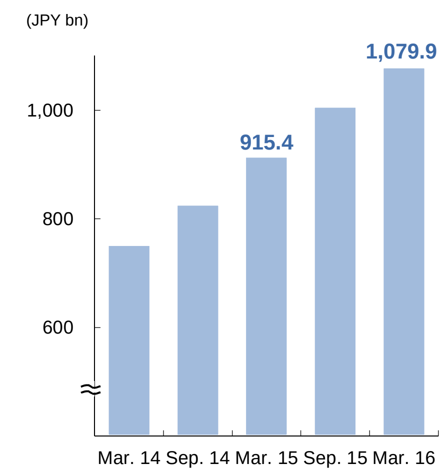
No. of companies with guarantee agreements: 189 (as of Mar. 2016)

SMBC Consumer Finance: loans / loan guarantee / overseas businesses

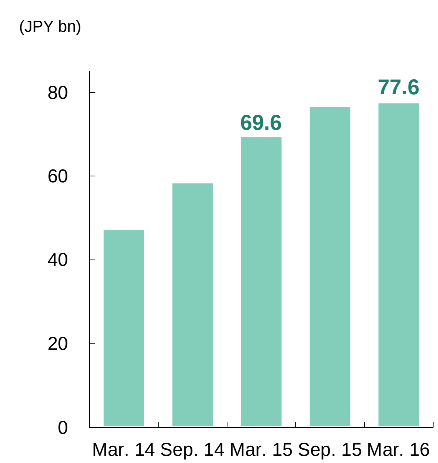
Consumer loans outstanding (domestic)



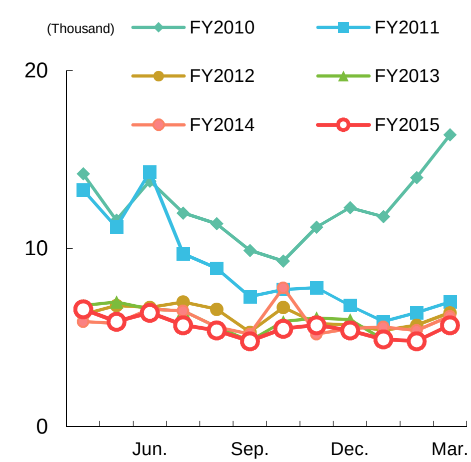
Loan guarantee amount



Consumer loans outstanding (overseas)*



No. of interest refund claims

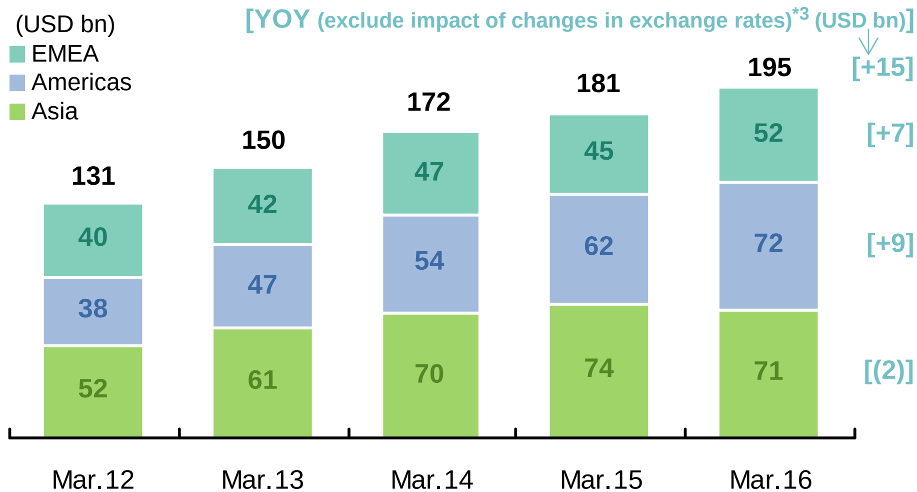


* Converted into Japanese yen at respective period-end exchange rates

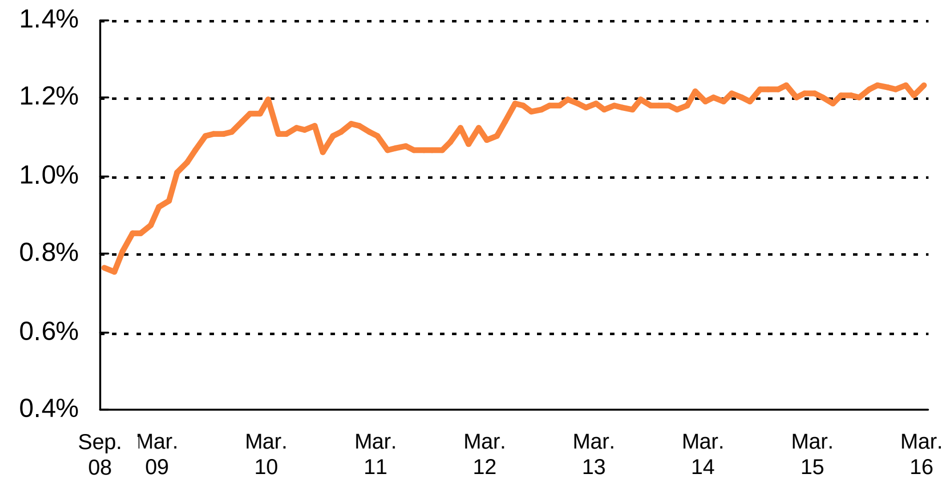
IV. Business strategy

5. International business (1) Loans and funding

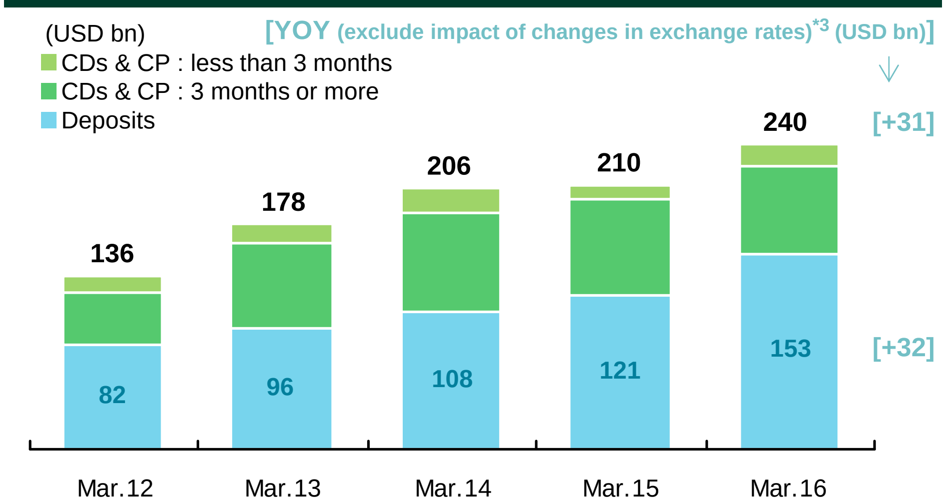
Overseas loan balance (includes trade bills)*1, 2



Overseas loan spread*1, 6

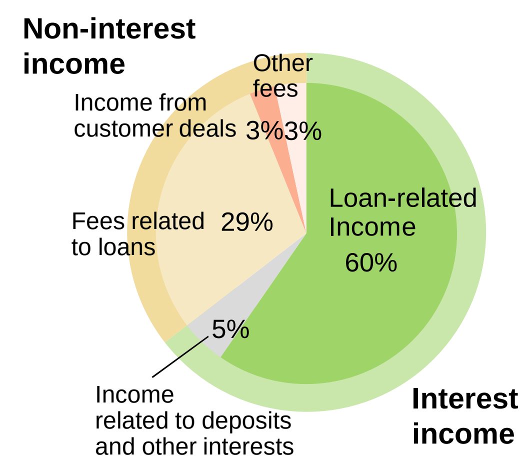


Overseas deposit balance*1, 2



Foreign currency bonds outstanding*4 (USD bn)		Mar.15	Mar.16
	Senior	25.1	32.9
	Subordinated	4.7	4.1

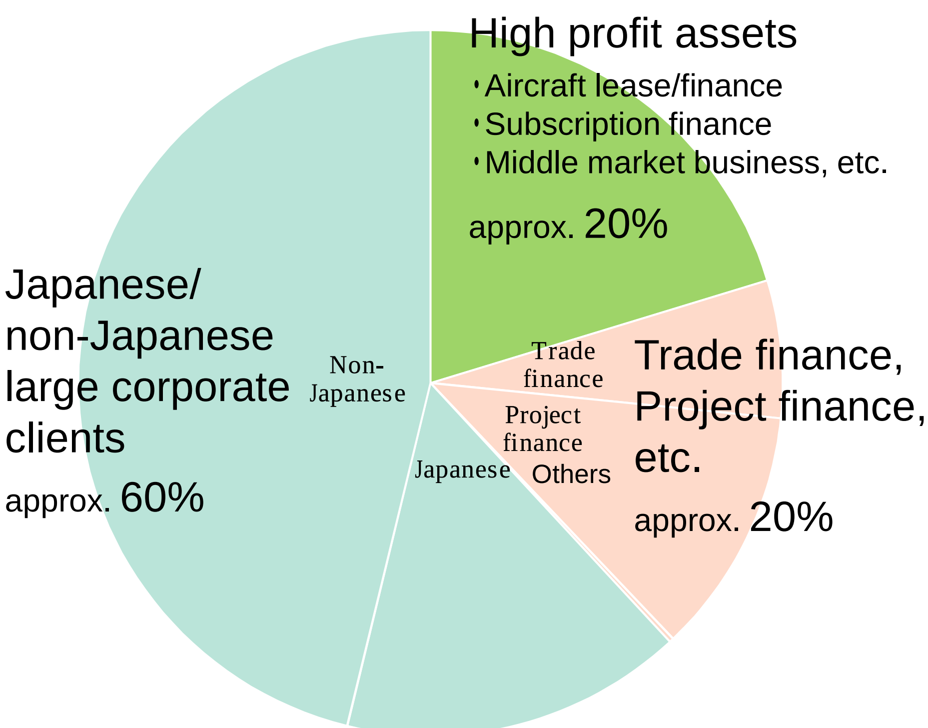
Breakdown of gross profit (IBU)*5



*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China) *2 Converted into USD at respective period-end exchange rates
*3 Year-on-year changes exclude impact of changes in local currency / USD *4 Bonds issued by SMBC and SMFG
*5 SMBC non-consolidated. Managerial accounting basis *6 Monthly average loan spread of existing loans

5. International business (2) Evolving business model

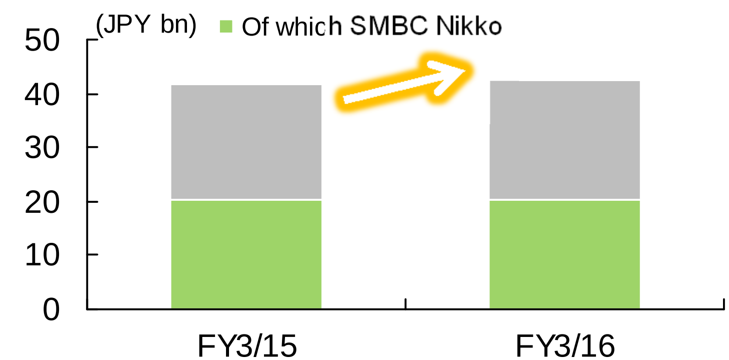
International Banking Unit's portfolio



Promoting cross-selling

- Enhancing business with core western clients
  - SMBC Nikko acted as an active book runner in multiple fixed income deals for major western companies
- Transactions connecting Japanese and non-Japanese corporations
- "Domestic-international integration" model

Income related to collaboration with group companies (overseas)*



Nimble portfolio management

- Establishment of Global portfolio strategy Dept.
- Expanding high profit assets
  - Acquired European loan portfolio from GE
- Promoting O&D (Origination & Distribution)

* Managerial accounting basis. After adjustment for changes in exchange rates

5. International business (3) Asia strategy

- **A decade-long strategy to become an "Asia-centric institution" has not changed**
- **Control speed by prioritizing target areas as the Asian economy slows down and the market become unpredictable**

	Medium- to long-term strategy	FY3/16 achievements	Implementation for FY3/17
1	Develop existing businesses	• Promoting Asia core client program • Supported business expansion of western corporations in Asia	• Further develop business with core clients • Promote cross-selling
2	Enter large Tier 2, and middle sized corporate businesses	• While extending credit cautiously for local middle sized corporations given the current economic environment, captured new opportunities in transaction banking business	• Maintain cautious credit operation, focus on building a strong credit management framework and cross-selling (currency trading, etc.)
3	Strengthen transaction banking business	• Established Asia Pacific Transaction Banking Marketing Department, developed new products, closed new transactions	• Continue promoting transaction banking business as a key product of cross-selling
4	Further promote multi-franchise strategy	• Collaborated with BTPN, completed investment into OTO/SOF • Made The Bank of East Asia and ACLEDA Bank equity-method affiliates	• Promote Indonesia strategy • Solidify business operation structure in East Asia (establishment of East Asia head office)
5	Upgrade business infrastructure	• Increased deposits and diversified funding sources • Solidified compliance system (Asia Pacific Compliance Team)	• Strengthen local funding bases • Continue to solidify compliance structure and system

In closing

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

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

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

Appendix

Group structure*

Sumitomo Mitsui Financial Group

Consolidated total assets	JPY 187 tn
Consolidated Common Equity Tier 1 capital ratio	11.81%

100%

Sumitomo Mitsui Banking Corporation

Assets	JPY 154 tn
Deposits	JPY 99 tn
Loans	JPY 69 tn
No. of retail accounts	approx. 27 mn
No. of corporate loan clients	approx. 89,000

Credit ratings*

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

100% SMBC Trust Bank — Became a wholly-owned subsidiary in Oct. 2013; Acquired Citibank Japan's retail banking business in Nov. 2015

Leasing

- 60% Sumitomo Mitsui Finance and Leasing (40% Sumitomo Corporation)
- 30% SMBC Aviation Capital (60% Sumitomo Mitsui Finance and Leasing; 10% Sumitomo Corporation) — Became a subsidiary in Jun. 2012

Securities Services

- 100% SMBC Nikko Securities — Became a wholly-owned subsidiary in Oct. 2009 【No. of accounts: approx. 2.7mn】
- 100% SMBC Friend Securities

Consumer Finance

- 100% SMFG Card & Credit
  - 66% Sumitomo Mitsui Card (34% NTT docomo) 【No. of card holders: approx. 24 mn】
  - 100% Cedyna — Became a wholly-owned subsidiary in May 2011 【No. of existing customers: approx. 17 mn】
- 100% SMBC Consumer Finance — Became a wholly-owned subsidiary in Apr. 2012 【No. of accounts of unsecured loans : approx. 1.3 mn】

Other business

- 100% Japan Research Institute
- 44% Daiwa SB Investments
- 40% Sumitomo Mitsui Asset Management

SMFG SUMITOMO MITSUI FINANCIAL GROUP

* As of Mar. 31, 2016

FY3/2016 performance by segment

(JPY bn)	Gross profit	YOY change	Expenses, etc.	YOY change	Consolidated net business profit	YOY change
Total	2,904.0	(76.4)	(1,761.1)	(91.1)	1,142.9	(167.5)
Banking business	1,837.3	(86.4)	(1,024.4)	(30.3)	812.9	(116.8)
of which **SMBC**	1,534.3	(100.0)	(805.5)	(14.3)	728.8	(114.3)
Leasing	162.6	+13.3	(67.1)	(6.3)	95.5	+6.9
of which **Sumitomo Mitsui Finance and Leasing**[*1]	142.8	+5.8	(62.1)	(5.7)	80.7	+0.1
Securities services	357.1	(36.8)	(307.2)	(5.4)	49.9	(42.1)
of which **SMBC Nikko Securities**[*2]	316.3	(30.0)	(255.8)	(7.1)	60.5	(37.1)
Consumer finance business	611.5	+34.6	(397.2)	(15.3)	214.3	+19.3
of which **Sumitomo Mitsui Card**	208.5	+12.1	(157.1)	(11.0)	51.4	+1.0
Cedyna[*3]	165.2	+1.0	(124.2)	(2.5)	41.0	(1.5)
SMBC Consumer Finance[*1]	233.4	+17.8	(104.8)	(8.7)	128.6	+9.1
Other businesses[*4]	(64.5)	(1.1)	34.8	(33.7)	(29.7)	(34.9)

*1 On a consolidated basis
*2 Represents non-consolidated figures of SMBC Nikko Securities plus figures of the overseas incorporated securities companies
*3 Cedyna provides consolidated figures minus figures of its immaterial subsidiaries
*4 Includes profits / losses to be offset as internal transactions between segments

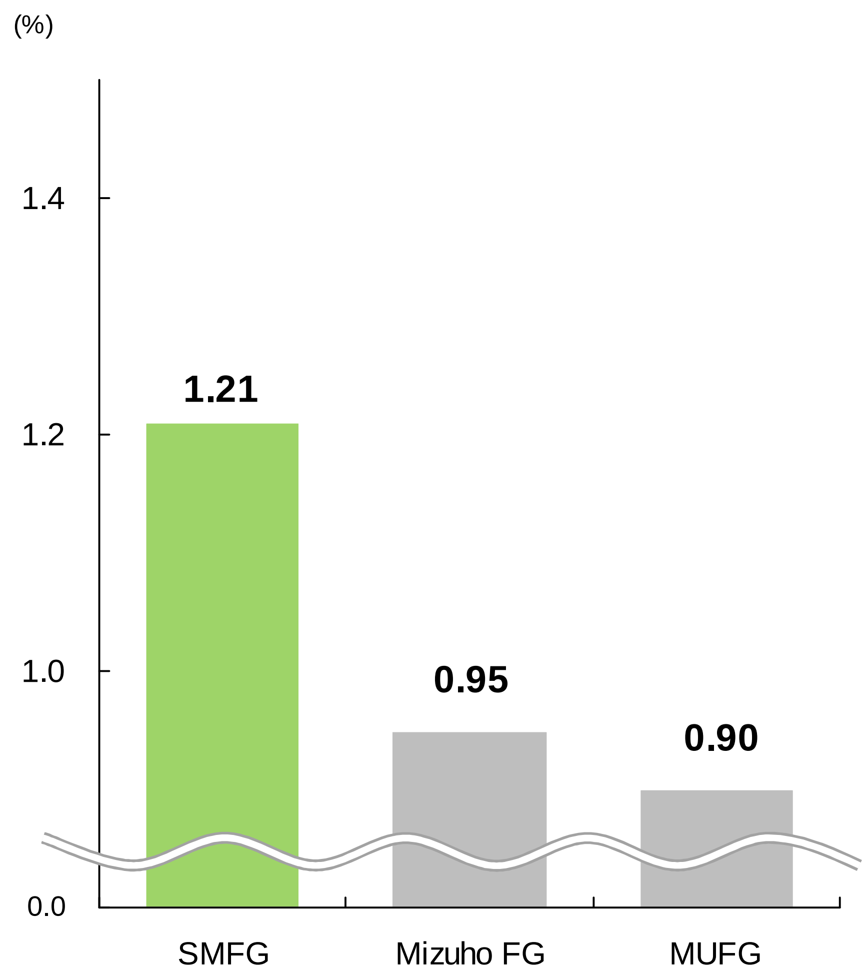
SMBC's performance by business unit*1

(JPY bn)			FY3/15	FY3/16	YOY change*2
Marketing units	Wholesale Banking Unit	Gross banking profit	555.4	545.3	(4.7)
		Expenses	(206.8)	(205.1)	(1.4)
		Banking profit	348.6	340.2	(6.1)
	Retail Banking Unit	Gross banking profit	386.8	372.8	(12.3)
		Expenses	(350.1)	(354.1)	(1.9)
		Banking profit	36.7	18.7	(14.2)
	International Banking Unit	Gross banking profit	345.3	356.0	24.4
		Expenses	(106.6)	(116.5)	(11.9)
		Banking profit	238.7	239.5	+12.5
Marketing units		Gross banking profit	1,287.5	1,274.1	+7.4
		Expenses	(663.5)	(675.7)	(15.2)
		Banking profit	624.0	598.4	(7.8)
Treasury Unit		Gross banking profit	354.0	293.6	(60.4)
		Expenses	(25.9)	(29.1)	(2.1)
		Banking profit	328.1	264.5	(62.5)
Headquarters		Gross banking profit	(7.2)	(33.4)	(47.0)
		Expenses	(101.8)	(100.7)	+3.0
		Banking profit	(109.0)	(134.1)	(44.0)
Total (SMBC non-consolidated)		Gross banking profit	1,634.3	1,534.3	(100.0)
		Expenses	(791.2)	(805.5)	(14.3)
		Banking profit	843.1	728.8	(114.3)

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

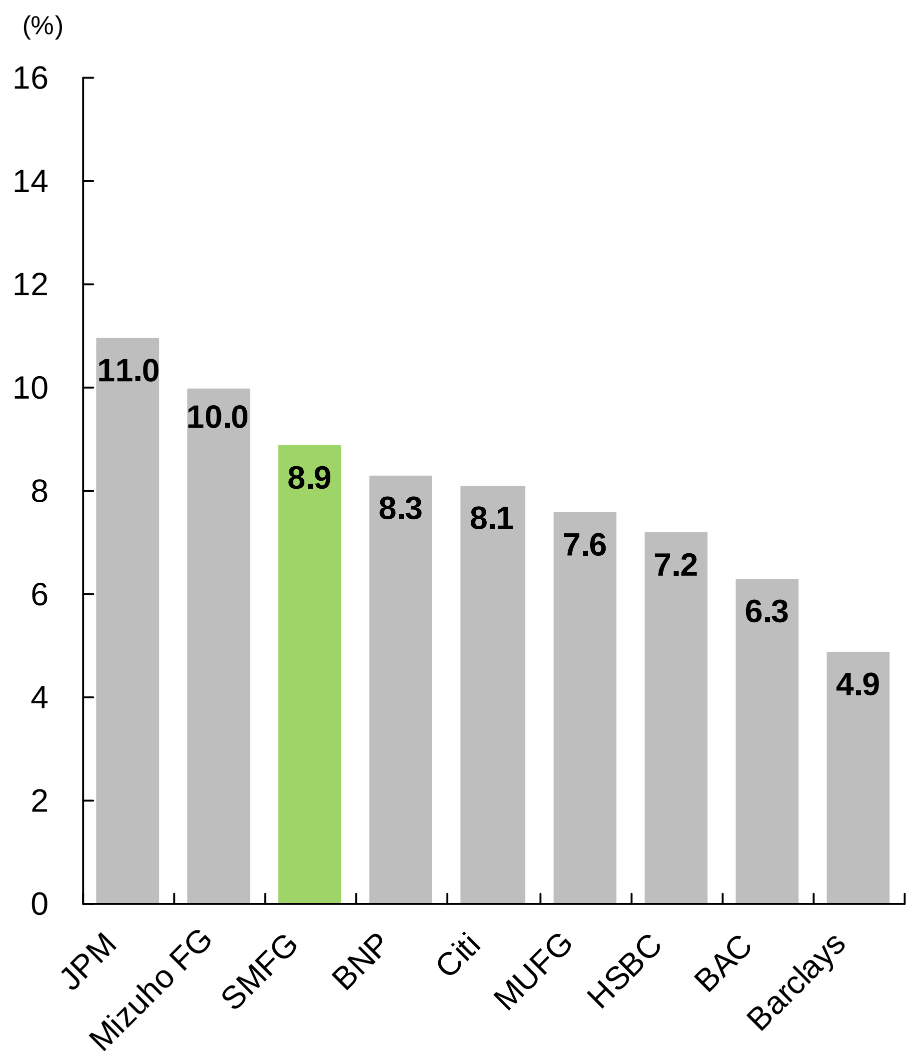
Peer comparison

Domestic loan-to-deposit spread*1



	SMFG	Mizuho FG	MUFG
Proportion of loans to individuals & SMEs	67.6%	59.9%	54.9%

ROE*2



*1 FY3/16 results. Based on each company's disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of Mizuho Bank for Mizuho FG, and non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG
*2 Based on each company's disclosure. FY3/16 results for SMFG, Mizuho FG and MUFG, and Jan.-Dec. 2015 results for others

Gains (losses) on bonds

SMBC non-consolidated

Gains (losses) on bonds

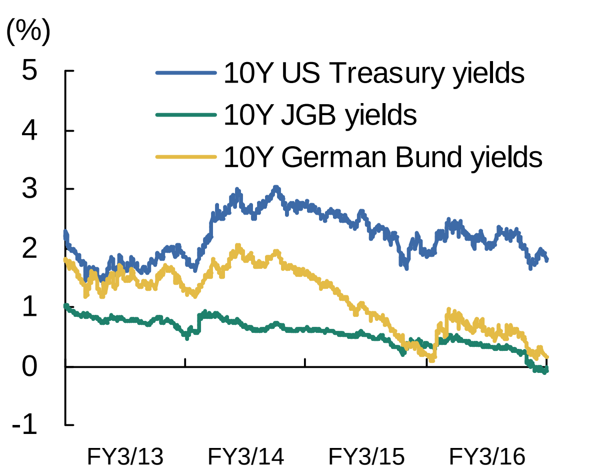
(JPY bn)	FY3/15	FY3/16	YOY Change
Gains (losses) on bonds	47.9	54.0	+6.1
Domestic operations	3.3	3.4	+0.0
International operations	44.6	50.6	+6.1

Gross banking profit of SMBC's Treasury Unit

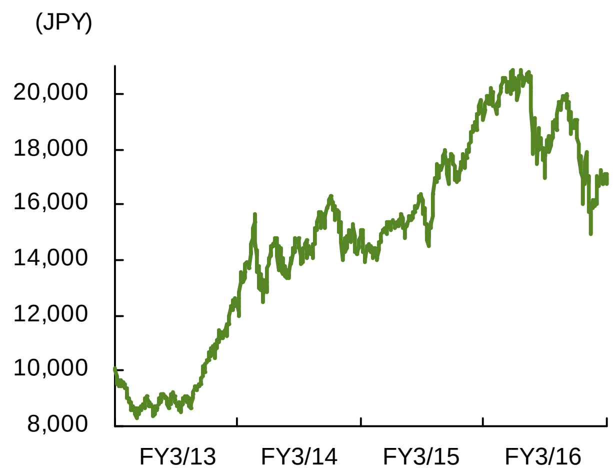
(JPY bn)	FY3/15	FY3/16	YOY change
Gross banking profit of SMBC's Treasury Unit	354.0	293.6	(60.4)

Interest rate, stock price and exchange rate

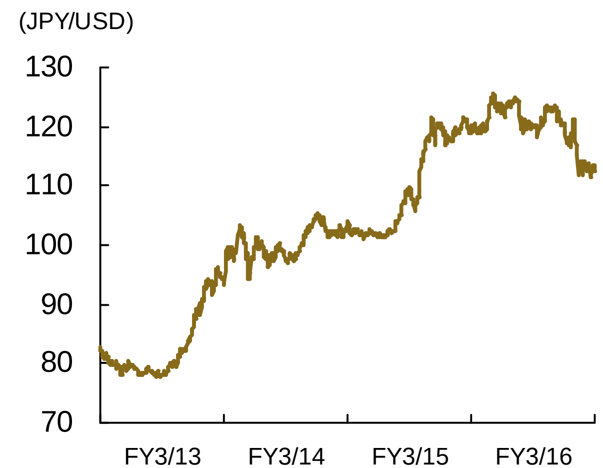
Interest rate of JGB, US Treasury and Bund



Nikkei Stock Average



Exchange rate JPY / USD



Bond portfolio

(JPY tn)		Mar. 2013 Balance sheet amount	Mar. 2013 Net unrealized gains (losses)	Mar. 2014 Balance sheet amount	Mar. 2014 Net unrealized gains (losses)	Mar. 2015 Balance sheet amount	Mar. 2015 Net unrealized gains (losses)	Mar. 2016 Balance sheet amount	Mar. 2016 Net unrealized gains (losses)
SMFG consolidated	Yen-denominated bonds	30.4	0.17	17.4	0.10	17.1	0.07	13.2	0.13
	of which JGB	27.0	0.12	14.2	0.05	14.3	0.03	10.3	0.08
	Held-to-maturity	5.5	0.06	4.3	0.03	3.3	0.02	2.2	0.02
	Others	21.5	0.06	9.9	0.02	11.0	0.01	8.1	0.06
	Foreign bonds (Other securities)			4.3	(0.03)	5.6	0.03	6.5	0.03
SMBC non-consolidated	Yen-denominated bonds	28.9	0.16	16.3	0.09	16.4	0.07	12.3	0.12
	of which JGB	26.2	0.11	13.8	0.05	14.0	0.03	9.8	0.07
	Held-to-maturity	5.5	0.06	4.3	0.03	3.3	0.02	2.0	0.01
	Others	20.7	0.06	9.5	0.02	10.7	0.01	7.8	0.06
	Foreign bonds (Other securities)			3.2	(0.02)	4.2	0.03	5.2	0.02

Corporate, sovereign and bank exposures

Domestic

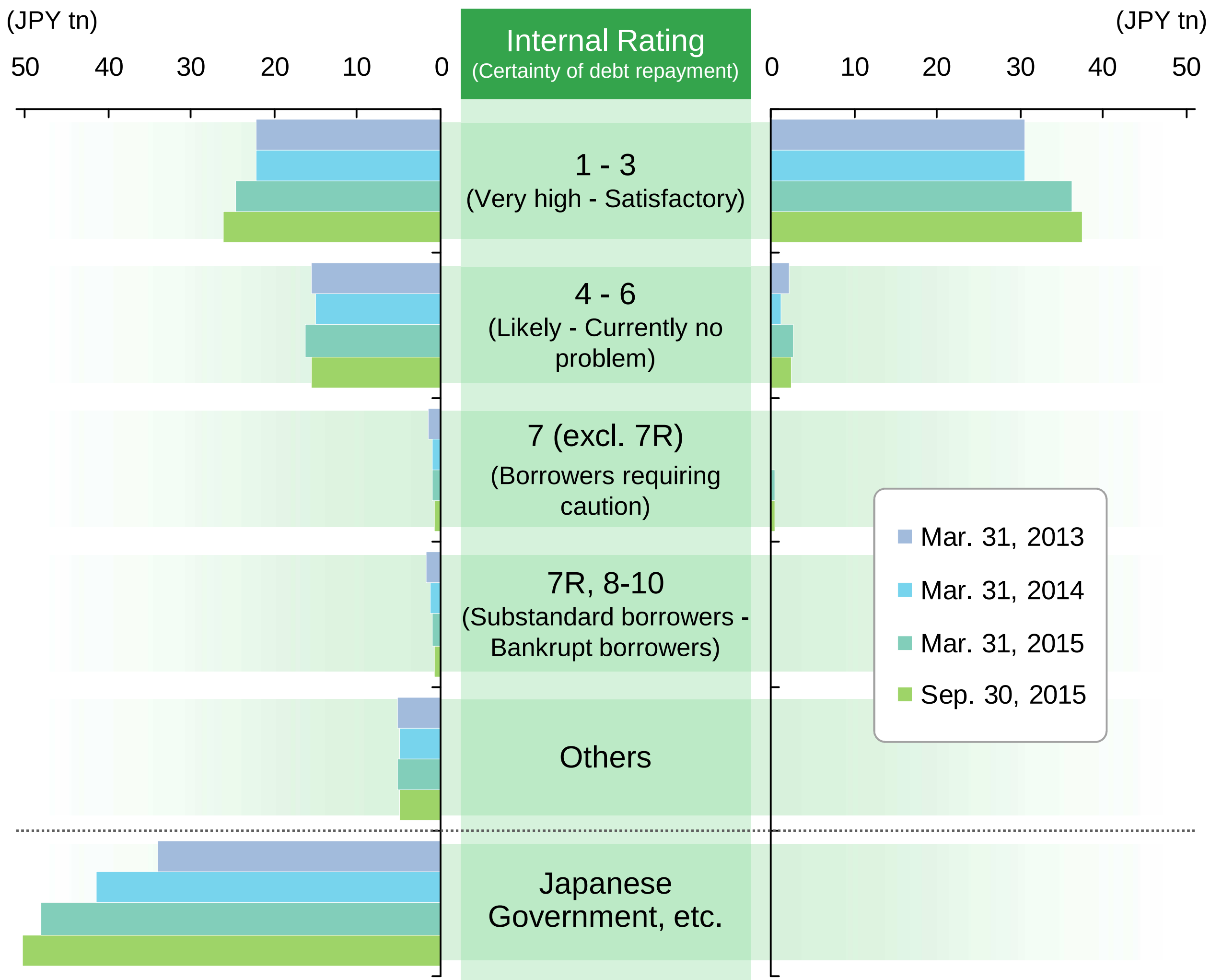
[as of Sep. 30, 2015]

Internal Rating	PD	LGD	Risk Weight
1 - 3 (Very high - Satisfactory)	0.07%	35.14%	19.05%
4 - 6 (Likely - Currently no problem)	0.75%	33.21%	48.98%
7 (excl. 7R) (Borrowers requiring caution)	15.59%	33.06%	143.98%
7R, 8-10 (Substandard borrowers - Bankrupt borrowers)	100.00%	47.29%	11.28%
Others	0.80%	44.90%	54.08%
Japanese Government, etc.	0.00%	35.27%	0.02%

Overseas

[as of Sep. 30, 2015]

Internal Rating	PD	LGD	Risk Weight
1 - 3 (Very high - Satisfactory)	0.13%	30.53%	18.67%
4 - 6 (Likely - Currently no problem)	3.11%	22.78%	66.51%
7 (excl. 7R) (Borrowers requiring caution)	14.80%	28.00%	138.46%
7R, 8-10 (Substandard borrowers - Bankrupt borrowers)	100.00%	54.34%	53.25%
Others	2.42%	31.34%	84.05%
Japanese Government, etc.	–	–	–



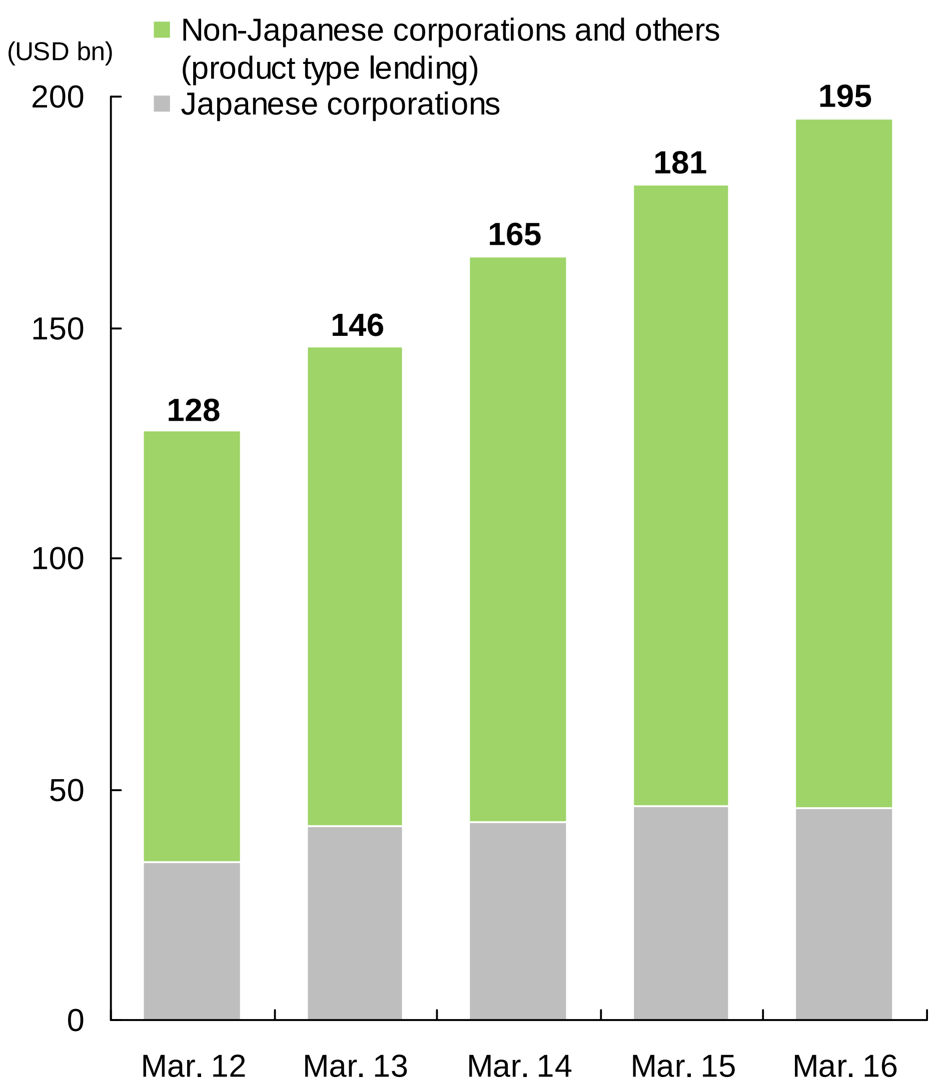
	Domestic	Overseas
Total (as of Sep. 30, 2015)	**JPY 98.4 trillion**	**JPY 40.7 trillion**

(SMFG consolidated)

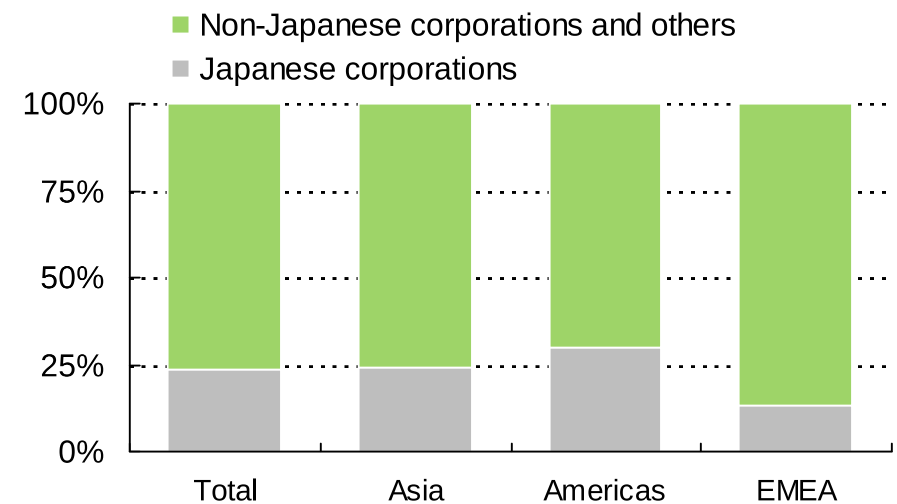
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

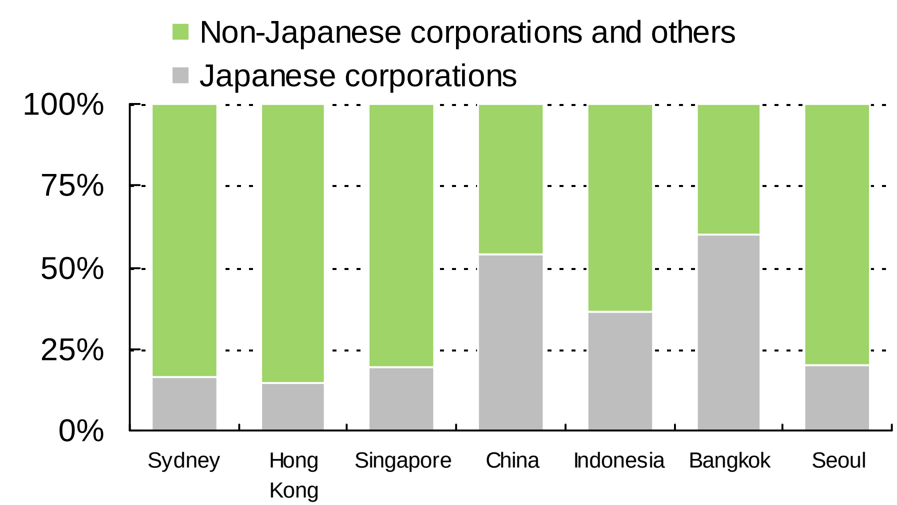
Total*1



By region (Mar. 2016)*1



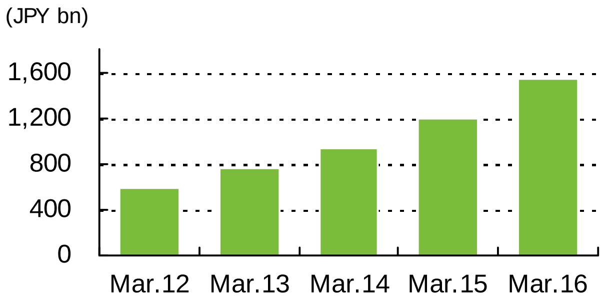
Major marketing channels in Asia (Mar. 2016)*1, 2



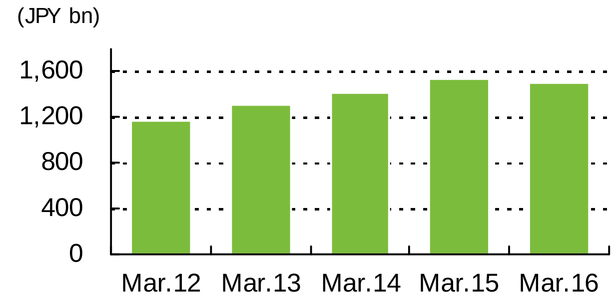
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Includes trade bills after Mar. 2015
*2 Sum of SMBC and SMBC Indonesia

Loan balance in Asian countries/areas
(Geographic classification based on borrowers' domicile)*

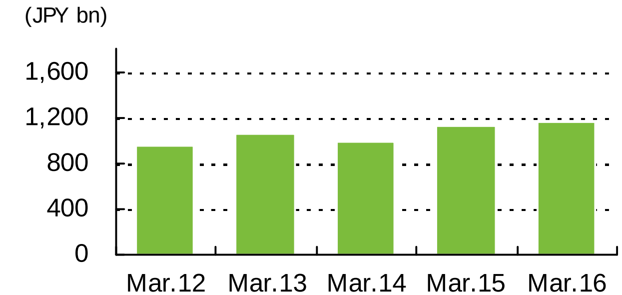
Australia



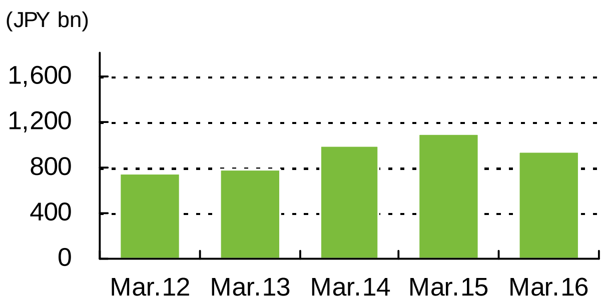
Hong Kong



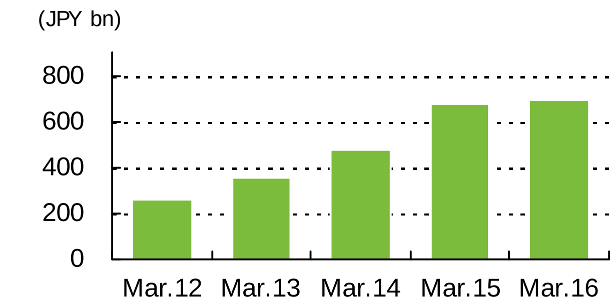
Singapore



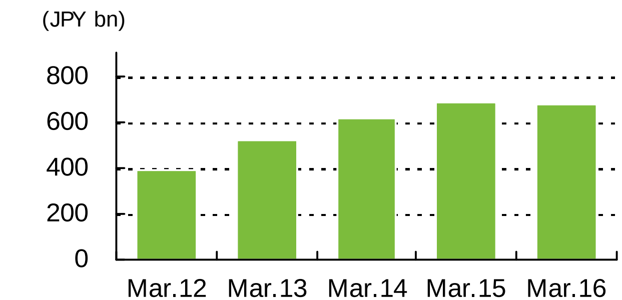
China



Indonesia



Thailand



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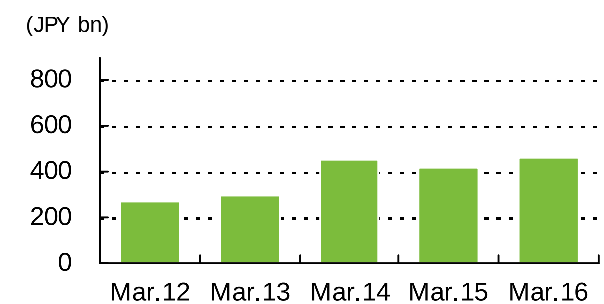
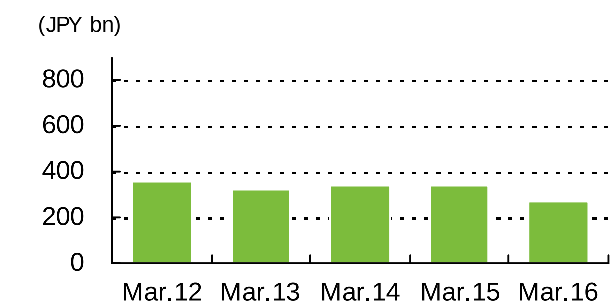
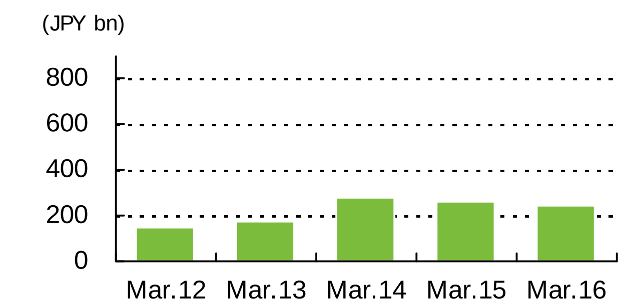


Korea



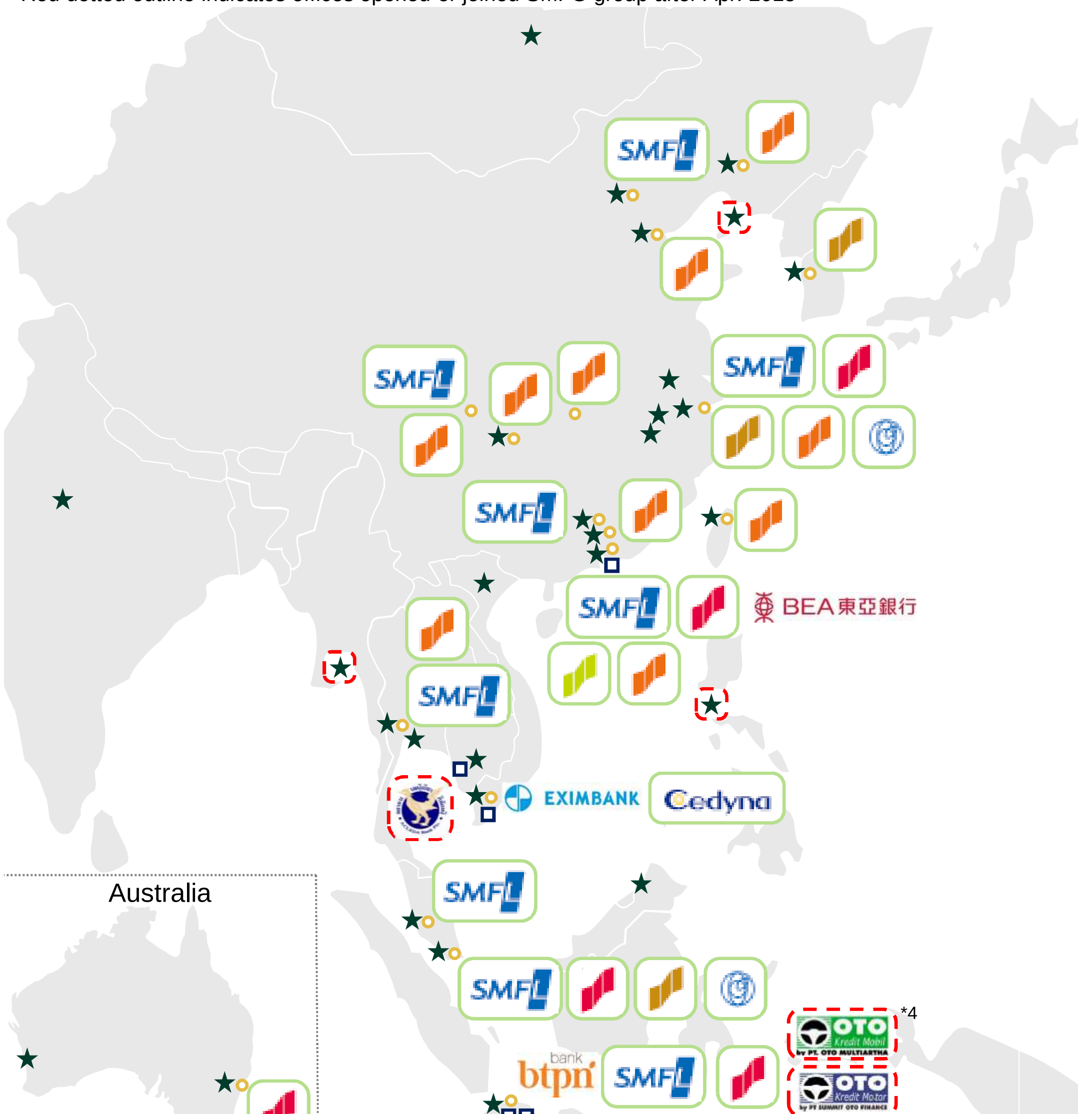
Taiwan



* Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Indonesia
Loan balances are converted into JPY from each country's local currency at the exchange rate of Mar. 31, 2016

SMFG’s network in Asia

★: Banking business offices
○: Overseas offices of SMFG group companies excluding banking business offices
□: Equity method affiliates
Red dotted outline indicates offices opened or joined SMFG group after Apr. 2015



Company	Business	Offices
SMBC Sumitomo Mitsui Banking Corporation	Banking	< Asia and Oceania > 14 countries/areas, 39 offices[*1]
SMFL Sumitomo Mitsui Finance and Leasing	Leasing	• Beijing • Shanghai • Chengdu • Guangzhou • Hong Kong • Bangkok • Kuala Lumpur • Singapore • Jakarta
SMBC NIKKO	Securities	• Hong Kong • Sydney • Singapore • Jakarta
	M&A advisory	• Shanghai • Hong Kong • Singapore • Jakarta
SMBC FRIEND SECURITIES	Market research	• Hong Kong
Sumitomo Mitsui Card Company, Limited	Prepaid card services	• Seoul[*2]
	Consulting	• Shanghai
	Market research	• Singapore
Cedyna	Auto loans	• Ho Chi Minh[*3]
SMBC CONSUMER FINANCE	Consumer finance	• Hong Kong • Shenzhen • Shenyang • Tianjin • Chongqing • Chengdu • Wuhan • Shanghai • Bangkok
	Loan management and collection	• Taipei
The Japan Research Institute, Limited	Consulting	• Shanghai
	System integration	• Shanghai • Singapore

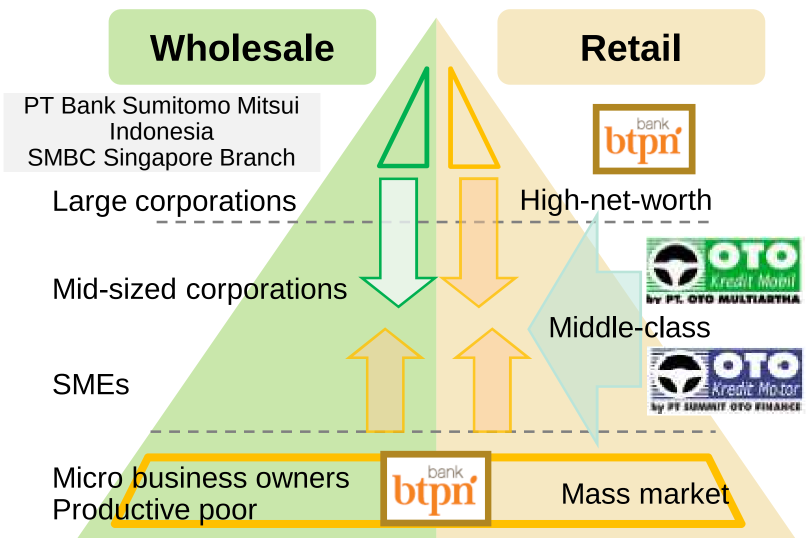
*1 As of Apr. 30, 2016. Includes SMBC, SMBC’s banking subsidiaries and equity method affiliates. Excludes offices planned to be closed
*2 Prepaid cards targeted at travelers to Korea from Japan offered through an alliance with Hana SK Card Co., Ltd. since Nov. 2012
*3 Expanded auto loan business through alliance with Vietnam Eximbank since May 2013
*4 SMBC made OTO/SOF equity method affiliates in Mar. 2016

Indonesia strategy (Multi-Franchise strategy)

- **We will further promote building a base to provide a full-banking service in Indonesia**
- **BTPN launched mobile banking service to address potential demands of unbanked population**

Deepening platform for the full-banking service

- Bank Tabungan Pensiunan Nasional (BTPN)
  - Mobile banking service has successfully acquired 410K customer in the first year (as of March 31, 2016)
  - In April 2016, BTPN announced partnership with Telkomsel, the largest mobile operator with more than 152M subscriber in Indonesia. BTPN and Telkomsel will jointly develop and market interconnected financial products going forward
- SMBC acquired 35.1% shares of OTO/SOF and made them equity method affiliates in Mar. 2016



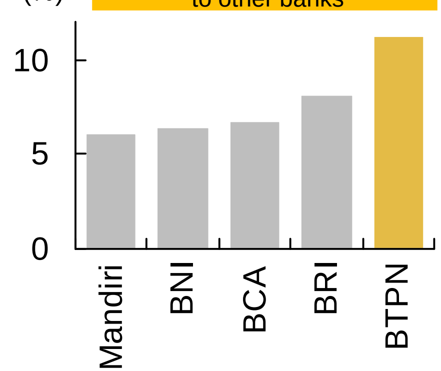
Financial results of BTPN

(IDR bn)	2014	2015	YoY
Gross banking profit	7,780	8,401	+8.0%
Expenses	(4,480)	(5,156)	+15.1%
Net income	1,869	1,702	(8.9)%
ROE	16.9%	13.3%	-
Loan	51,994	58,587	+12.7%
Customer deposit	53,335	60,273	+13.0%
Total asset	75,059	81,040	+8.0%

Expenses increased 3.7% when excluding investments for new business

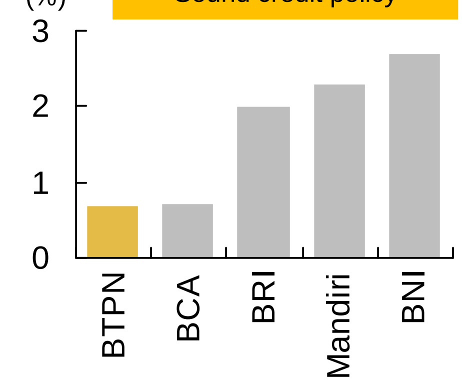
Net Interest Margin*

Higher NIM compared to other banks



NPL ratio*

Sound credit policy



* Based on each company's disclosure (Dec. 2015 results)

Products that we have strengths overseas

Asset finance

Aircraft-related business

- Formed a group for marketing and solution-providing for domestic and overseas aircraft investors and aircraft leasing, centered around SMBC Aviation Capital

SMBC Aviation Capital results / Number of owned and managed aircraft[*1]

(USD mn)	FY3/16	FY3/15
Total revenue[*2]	993	895
Net income	199	175
Aircraft asset	10,515	10,140
Net asset	1,627	1,461

	Aircraft leasing companies	Country	# owned/managed
1	GECAS	USA	1,567
2	AerCap	Netherlands	1,256
3	**SMBC AC**	**Ireland**	**395**
4	CIT Aerospace	USA	326
5	BBAM	USA	297

Engagement in business with high profit assets

Subscription finance

- Select and engage in extending loans to fund investors based on invest commitments
- Credit balance: approx. USD 15bn, spread: approx. 160bp (as of Mar. 2016)

U.S. middle market loan portfolio

Well-diversified portfolio. Carefully select profitable transactions
Compose around 2% of our overseas loan balance

- EMEA
  - Acquired European loan portfolio from GE (Sep. 2015)
    Loan balance: approx. USD 2.1 bn, USD 15-25mn per borrower; loan spread: 400bps (as of Mar. 2016), default rate over the past year was less than 1% due to high expertise
- Americas
  - Sponsor finance for mid-sized corporations through agent banks/sponsor funds
  - # of borrowers: approx.110; loan balance: USD 1.7 bn; average loan balance: USD 15mn per borrower; loan spread: 500bp; default rate: 1% (as of Mar. 2016)

Project Finance / Loan Syndication

League tables (Jan.-Dec. 2015)[*3]

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

*1 As of Dec. 31, 2015 (Source: Ascend "Airline Business") *2 Leasing revenue + gains (losses) on sales of aircraft etc. Excludes redelivery adjustment
*3 Source: Thomson Reuters (Mandated Arrangers) *4 Asia Pacific

Capital and risk-weighted assets (SMFG consolidated)

Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2015	Mar. 31, 2016 *Preliminary*
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

Meeting international financial regulations

	Regulations	Contents of regulation	Effective	Current status	Action taken & impact on SMFG
G20 / G-SIFI regulation and supervision	G-SIB surcharge	Required for additional loss absorption capacity above the Basel III minimum	2016	Under phased implementation	◎ 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	2019	Finalised at FSB in Nov. 2015	○ Currently have no issues in meeting requirements. Taking actions needed
	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
G20 / Prudential regulation / Basel III	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)	2019	Finalised at BCBS in Jan. 2016	○ Currently have no issues in meeting requirements although paying attention to national finish
		Revisions to the Standardised Approaches	TBD	Consultation for credit/operational risk commenced in Dec. 2015/Mar. 2016	△ To be finalized by the end of 2016. Paying attention to discussions
		Constraints on the use of internal model approaches	TBD	Consultation commenced in Mar. 2016	△ To be finalized by the end of 2016. Paying attention to discussions
		Capital floors	TBD	Consultation commenced in Dec. 2014	△ Details and implementation schedule of regulation remain unclear. Paying attention to discussions
		Review of the Credit Valuation Adjustment (CVA) risk framework	TBD	Consultation commenced in Jul. 2015	△ Implementation schedule remains unclear. Paying attention to discussions
		Interest-rate risk in the banking book	2018	Finalised at BCBS in Apr. 2016	○ Currently have no issues in meeting requirements although paying attention to national finish
	Leverage ratio requirement	Non-risk-based measure based on "on-and off-accounting balance sheet items" against Tier 1 capital. Minimum requirement: 3% (on a trial basis)	2018	Consultation for revisions to the framework including additional requirements for G-SIBs commenced in April. 2016	○ Currently have no issues in meeting Tier 1 capital minimum requirement of 3%. Paying attention to discussions about revisions to the framework
	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	○ 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	○ Currently have no issues in meeting requirements although paying attention to national finish
G20 / Prudential regulation	Large exposure regulation	Tightening of exposure limit to a single borrower (25% of Tier 1) 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
G20 / Financial market / Financial system reform	OTC derivatives markets reforms	● 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)
US / Financial market / Financial system reform	Limitation on banking activities / Ring fencing regulation	Requirements for foreign banking organizations (FBO Rule)	Jul. 2016	Final regulation published	○ Business related to regulation is limited. Taking actions needed
EU / Financial market / Financial system reform		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

◎ Able to meet requirements easily ○ Able to meet requirements △ Impact unclear

Ongoing major regulatory discussions

Regulations			Contents	Schedule	Finalised at FSB or BCBS	Domestic regulation
Capital requirement	Credit risk	Revisions to the Standardised Approach	・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	・Under consultation (comment period will be closed in Mar. 2016) ・Targeted to be finalized through 2016	Unfinished	Unfinished
Capital requirement	Credit risk	Review of the CVA risk framework	・Seeks to review the credit valuation adjustment (CVA) risk framework to capitalize the risk of future changes in CVA that is an adjustment to the fair value of derivatives to account for counterparty's credit risk	・Under consultation (comment period closed in Oct. 2015) ・Targeted to be finalized in mid-2016	Unfinished	Unfinished
Capital requirement	Market risk	IRRBB (Interest-rate risk in the banking book)	・Adoption of enhanced Pillar 2 approach; (i) more extensive guidance on the expectations for a bank's IRRBB management process, (ii) enhanced disclosure requirements, (iii) an updated standardized framework and (iv) a stricter threshold for identifying outlier banks	・Finalized in Apr. 2016	Finished	Unfinished
Capital requirement	Opera-tional risk	Revisions to the Standardised Measurement Approach	・Use of the Business Indicator (BI), a proxy of size of business, and the loss data for risk weighted assets calculation is proposed. Termination of the Advanced Measurement Approaches (AMA) is also proposed	・Under consultation (comment period will be closed in Jun. 2016) ・Targeted to be finalized through 2016	Unfinished	Unfinished
Capital requirement	Overall	Constraints on the use of internal model approaches	・Constraints on the use of the internal ratings based approach to credit risk; (i) applying the standardised approach to exposures to financial institutions, large corporates and equities, (ii) applying the F-IRB approach for exposures to medium sized corporates, (iii) applying the standardized approach or the IRB supervisory slotting approach for specialized lending, or (iv) applying or raising floors to PDs/LGDs and revising the estimation methods	・Under consultation (comment period will be closed in Jun. 2016) ・Targeted to be finalized through 2016	Unfinished	Unfinished
Capital requirement	Overall	Capital floors based on standardised approaches	・Replacement of the Basel I-based transitional capital floor with a permanent floor based on standardised approaches ・The design and calibration is now considered. The floor could be calibrated in the range of 60% to 90%	・Under consultation (comment period closed in Mar. 2015) ・Targeted to be finalized through 2016	Unfinished	Unfinished
Leverage ratio requirement		Leverage ratio	・A minimum requirement of 3% to be introduced in 2018 ・Public disclosure requirement started in Jan. 2015 ・Additional requirements for G-SIBs and revisions including credit conversion factors for off-balance sheet items are proposed in Apr. 2016	・The additional requirements for G-SIBs to be finalized through 2016 ・Scheduled to be implemented in 2018	Finished in part	Finished in part
G-SIFI regulation		TLAC (total loss-absorbing capacity)	・Minimum requirement of (i) 16% of RWA (19.5% including capital buffer as for SMFG) and 6% of the Basel III Tier 1 leverage ratio denominator as from 2019, (ii) 18% of RWA (21.5% including capital buffer as for SMFG) and 6.75% of the Basel III Tier 1 leverage ratio denominator as from 2022 ・Should be issued and maintained by resolution entities ・An access to credible ex-ante commitments to recapitalise a G-SIB in resolution may count toward a firm's TLAC as 2.5% RWA as from 2019 and 3.5% as from 2022	・Finalized in Nov. 2015	Finished	Unfinished

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 (Dec. 2014)	Proposed revision of risk weights (Dec. 2015)
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	• From 20% to 150% by reference to the external credit ratings; unrated corporate of 100%; SME of 85%
Specialised lending	• 100%	• Project finance, Object finance, commodities finance, income-producing real estate finance: 120% • Exposures to land acquisition, development and construction finance: 150%	• A) From 20% to 150% by reference to the external credit ratings • B) If unrated, project finance: pre-operational phase 150%; operational phase 100%, object and commodity finance: 120%
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	• From 20% to 150% according to the bank's external ratings
Retail exposures	• 75% for exposures that meet the regulatory retail criteria	• 75% for exposures that meet the regulatory retail criteria	• 75% for exposures that meet the regulatory retail criteria
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	• RW will be determined based on the exposure's LTV ratio from 25% to 75%, when repayment is not materially dependent on cash flows generated by property
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	• Whether repayment is materially dependent on cash flow generated by property A) No: From 60% to 85% (SMEs) B) Yes: From 80% to 130%
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%	• Sub debts and capital instruments other than equities: 150% • Equity holdings: 250%
Off-balance sheet exposures	• Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 0% CCF • Commitment with a maturity under one year: 20% CCF, over one year: 50% CCF	• Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10% CCF • Commitment other than above: 75% CCF	• Retail Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10-20% CCF • Commitments, regardless of the underlying facility: 50-75% CCF

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

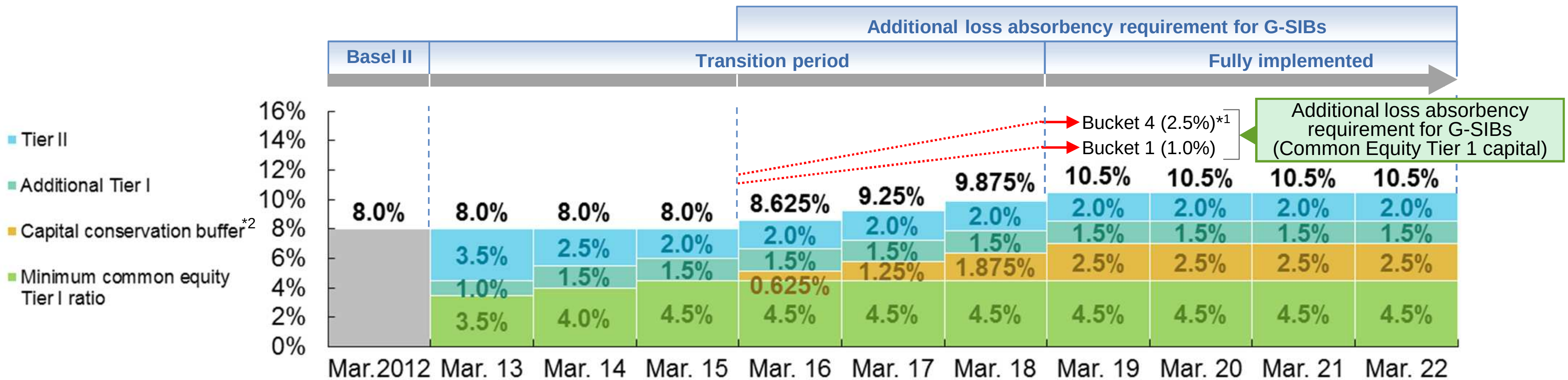
(e.g. (i) AIRB/(ii) FIRB, (i) FIRB/(ii) Basel I)

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

* 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 and net stable funding ratio 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



	Mar.2012	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22
Phase-in of deductions*3		-	20%	40%	60%	80%	100%	100%	100%	100%	100%
Grandfathering of capital instruments		90%	80%	70%	60%	50%	40%	30%	20%	10%	-

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 *(minimum ：3%)* Jan. 2018：*Migration to pillar 1* 2015 through 1st half 2017：*Final adjustments to definition and calibration**5
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% / Jan. 2019 100%
Net stable funding ratio (NSFR)	Oct. 2014 Finalised at BCBS	Oct. 2014：*Final document published* 2018/1：*Full implementation*

*1 With an empty bucket of 3.5% to discourage further systemicness
*2 Countercyclical buffer (CCyB) omitted in the chart above; if applied, 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
*5 Additional requirements for G-SIBs and revisions including credit conversion factors for off-balance sheet items are proposed in Apr. 2016

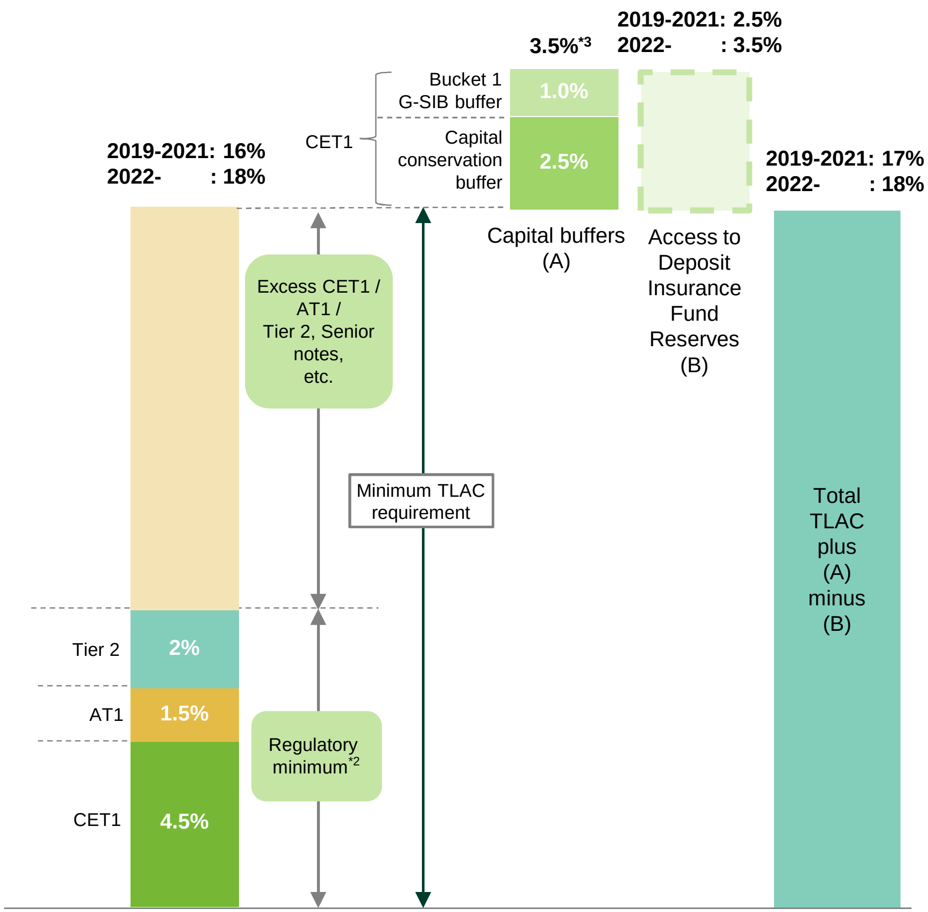
Public sector support and point of non-viability in Japan

Framework			Systemic risk	Subject entities	Conditions	Point of non-viability	No. of cases
Existing framework	Act on Special Measures for Strengthening Financial Functions *Capital injection*		Not Required	Banks (Capital injection may be made through BHC)	No suspension of payment of deposits and not having negative net worth	No	32
Existing framework	Article 102 of Deposit Insurance Act (DIA)	Item 1 measures *Capital injection*	Required (Credit system in Japan or in a certain region)	Banks (Capital injection may be made through BHC)	Undercapitalized	No	1
Existing framework	Article 102 of Deposit Insurance Act (DIA)	Item 2 measures *Financial assistance exceeding payout cost*	Required (Credit system in Japan or in a certain region)	Banks only	Suspension of payment of deposits or having negative net worth*1	Yes*3	-
Existing framework	Article 102 of Deposit Insurance Act (DIA)	Item 3 measures *Nationalization*	Required (Credit system in Japan or in a certain region)	Banks only	Suspension of payment of deposits and having negative net worth*1	Yes*3	1
Newly established framework	Article 126-2 of DIA	Specified Item 1 measures *Liquidity support* *Capital injection*	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	Not having negative net worth	No	-
Newly established framework	Article 126-2 of DIA	Specified Item 2 measures *Supervision or control and Financial assistance for orderly resolution*	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	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

TLAC requirements*1

Illustrative TLAC requirements (RWA basis)



Highlights of TLAC requirement

Minimum external TLAC requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
Plus capital buffers*3	19.5%	21.5%
Factoring treatment of access to Deposit Insurance Fund Reserves	**17.0%**	**18.0%**
Minimum external TLAC requirements Leverage ratio denominator basis	6%	6.75%

- Based on current calculations, expecting that the TLAC requirements based on RWA will be more constraining than requirements based on the leverage ratio denominator

Contribution of Japanese Deposit Insurance Fund Reserves

- The FSA plans to allow Japanese G-SIBs to count the amount equivalent to 2.5% of RWA from Mar. 2019 and 3.5% of RWA from Mar. 2022 as external TLAC

*1 Includes capital buffers. Based on the FSB's final TLAC standards released in Nov. 2015 and the FSA's approach to introduce the TLAC framework in Japan released in Apr. 2016 (the "FSA's Approach"). FSA's Approach remains subject to change based on future international discussions
*2 Under current capital requirements
*3 Excludes countercyclical buffer. As for G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the FSB in Nov. 2015. Capital buffers will be fully implemented in 2019

Governance regarding strategic shareholdings

Basic policy regarding strategic shareholdings
("Corporate governance report" announced on July 2015)

- In principle, SMFG does not hold the shares of other listed companies. This is in order to help maintain our standards as a globally operating financial institution and respond proactively to global regulation
- We determine "the rationale to hold" with comprehensive consideration based on the profitability, the objectives to hold, and other relevant factors for the medium to long term

- **Continuously implement reduction of strategic shareholdings in order to achieve an appropriate level as one of the G-SIFIs**
- **Examine annually the rationale for holding strategic shares of our main strategic share counterparties at the Board of Director's meeting**
  - Have constructive dialogue with counterparties that lack profitability in order to improve overall profitability. If there is no rationale to hold the shares such as when there is no prospect for improvement in profitability, we will sell the shares
  - Begin dialogue to reduce strategic shareholdings even with counterparties that have the rationale to hold strategic shares, in order to mitigate the risk from stock price fluctuations

Deliberating the rationale for holding strategic shares

- Completed examining the rationale to hold major strategic shareholdings at the Board of Director's meeting
  - Profitability is verified by two measures: RARORA and RAROA

➢ **RARORA** (Risk Adjusted Return on Risk-weighted Asset)

Profit after excluding expense, credit cost, shareholding cost / Credit RWA + Stock book-value RWA

※ Taking into account the impact of RWA due to tightening of regulation

➢ **RAROA** (Risk Adjusted Return on Asset)

Profit after excluding expense, credit cost, shareholding cost / Total credit exposure + Total equity investments outstanding

- Profitability is also measured against risk-weighted capital (**RAROC**), but currently used as a referential measure because it lacks stability to use as an operational indicator since risk-weighted capital may increase or decrease from volatility of stock price

Risk Appetite Framework (RAF)

Overview of RAF

Purpose of RAF

- To achieve sustainable and stable profit growth by actively taking on risks, provided that appropriate risks/returns are secured, while maintaining soundness by appropriately controlling such risks

Operation

- Risk appetite is established (a) through discussions about the current and future business environment and risks at the Management Committee/Board of Directors (we designate risk events that may have significant impact on our operations as “Top risks”) and (b) by analyzing risks through stress tests and (c) in line with the business and operational plans
- In the process of operating business, we update views on the business environment and risks including Top risks, and monitor the status of risk appetite periodically through managing the risk appetite measures. We will also conduct stress tests if necessary. We might reconsider the risk appetite and operational plans if these indicators are wildly out of line from that assumed at the beginning of the fiscal year

Positioning of RAF

Environment / Risk View

- Recognition and sharing of risk events that are relevant to the group, including top risks

RAF

- Consideration and monitoring of risk appetite
- Status of risk capital
- Stress tests

Business Strategy

- Medium-term management plan
- Business plan

Both are important for business management

Overview of risk appetite

Categories: Soundness, Profitability, Liquidity, Credit, Market, Others*1

Established for each of the categories

Risk appetite statement

- Statements describing desirable risk taking

Risk appetite measures

- Measures set and managed to monitor risk appetite quantitatively*2

The risk appetite measures are managed according to three levels diverged from that assumed at the beginning of the fiscal year

*1 Compliance, processing, system risk

*2 In addition, we selected indicators that enable assessment of risk-taking status and detection of changes, and monitor them

CSR (Corporate Social Responsibility)

In order to fulfill our role as a global financial group that supports the sustainable growth of society, we will promote initiatives on CSR activities that focus on the topics of "Environment", "Next Generation", and "Community"

Environment

- Reduce environmental impact
- Manage environmental risks
- Promote environmental businesses
- Engage in environmental conservation activity etc.

- Our 8 major group companies obtained ISO14001 certification
- Issued green bond (SMBC)
- Promote our SMBC Environmental Assessment Loan
- Exhibit our "Eco-producs"

Exhibition of our "Eco-products"

Next Generation

- Contribute to improvement of financial literacy
- Cultivate human resources in emerging countries
- Promote workforce diversity
- Establish a better work-life balance etc.

- Contribute to raise the level of financial literacy
- Cultivate human resources in Asian countries such as Indonesia
- Promote our SMBC Nadeshiko Loans/Bonds

"Natsuyasumi Kodomo Ginko Tankentai"
(Financial Education for elementary school students):
Practicing counting paper money

Community

- Engage in community-based activities led by executive and employee
- Support for the elderly and people with disabilities
- Solve social issues by collaborating with NGOs and NPOs
- Support the restoration efforts for both Tohoku and Kumamoto. etc.

- Training sessions for universal manner and cognitive impairment supporters
- Voluntary activities led by executive and employee of our group companies

Visit to Miyagi Prefecture's temporary housing facility (supporting restoration)

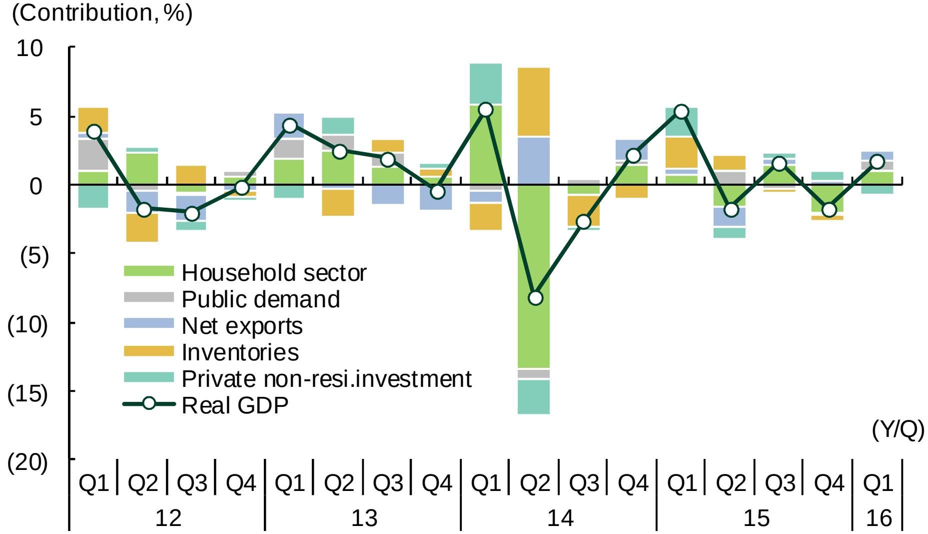
Credit ratings of G-SIBs (Moody's)*

	Apr. 2001	Jul. 2007	Apr. 2016
Aaa		• Bank of America • Bank of New York Mellon • Citibank • JPMorgan Chase Bank • Royal Bank of Scotland • UBS • Wells Fargo Bank	
Aa1	• Bank of America • Crédit Agricole • Wells Fargo Bank • UBS	• Banco Santander • Barclays Bank • BNP Paribas • Crédit Agricole • Credit Suisse • Deutsche Bank • HSBC Bank • ING Bank • Nordea Bank • Société Générale • State Street Bank & Trust	
Aa2	• Bank of New York Mellon • Barclays Bank • Citibank • HSBC Bank • ING Bank • JPMorgan Chase Bank • Royal Bank of Scotland • State Street Bank & Trust	**SMBC** • BPCE(Banque Populaire) • ***BTMU*** • ***Mizuho Bank*** • UniCredit	• Bank of New York Mellon • HSBC Bank • Standard Chartered • Wells Fargo Bank
Aa3	• Banco Santander • BNP Paribas • BPCE(Banque Populaire) • Deutsche Bank • Société Générale • UniCredit	• Goldman Sachs Bank • Morgan Stanley Bank	• JPMorgan Chase Bank • Nordea Bank • State Street Bank & Trust
A1	• Credit Suisse	• Agricultural Bank of China • Bank of China • ICBC	**SMBC** • Agricultural Bank of China • Bank of America • Bank of China • BNP Paribas • ***BTMU*** • China Construction Bank • Citibank • Goldman Sachs Bank • ICBC • ING Bank • ***Mizuho Bank*** • Morgan Stanley Bank • UBS
A2	• ***BTMU*** • Standard Chartered	• China Construction Bank • Standard Chartered	• Barclays Bank • BPCE(Banque Populaire) • Crédit Agricole • Credit Suisse • Société Générale
A3	**SMBC** • ***Mizuho Bank***		• Banco Santander • Royal Bank of Scotland
Baa1	• Agricultural Bank of China • Bank of China • China Construction Bank • ICBC		• Deutsche Bank • UniCredit

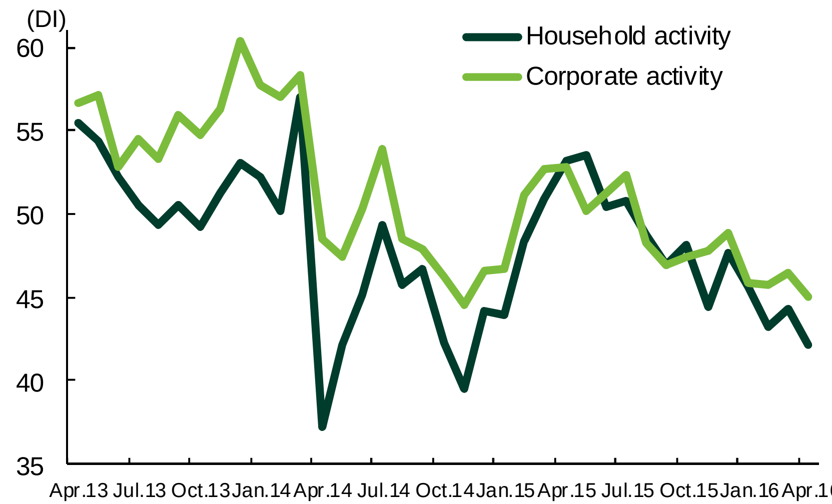
* Long-term issuer ratings (if not available, long-term deposit ratings) of operating banks

Current Japanese economy

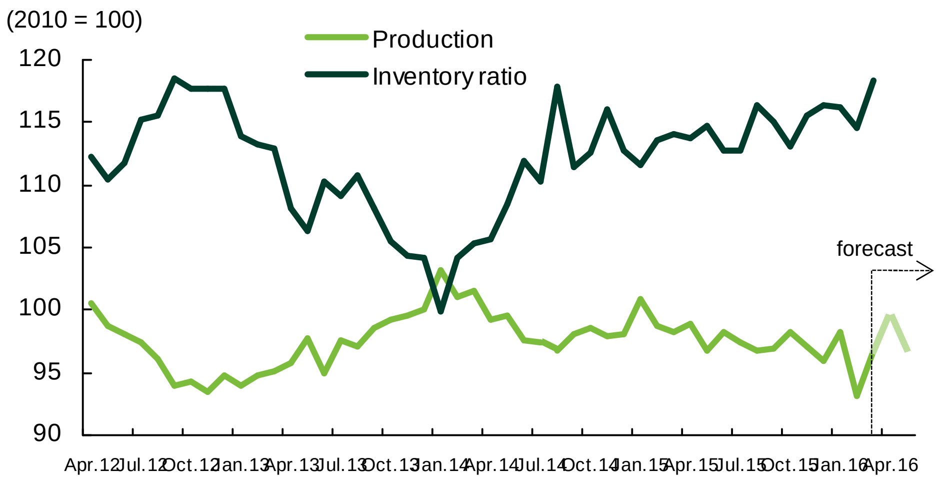
Real GDP growth rate (annualized QOQ change)*1



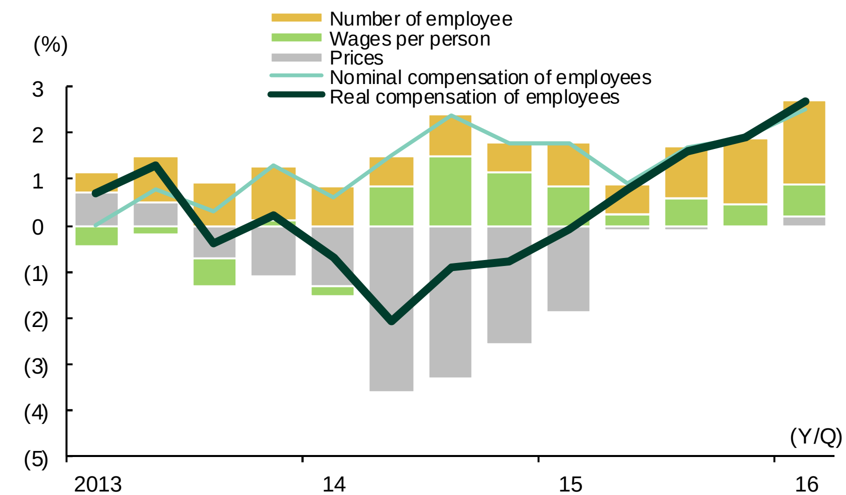
Economy watchers survey*2



Indices of industrial production*3



Real compensation of employees*4



*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. Seasonally adjusted indices. In Apr. and May 2016, based on the indices of production forecast
*4 Source: Cabinet Office and Ministry of Internal Affairs and Communications

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.