

Overview of 1Q, FY3/2017 performance

July 27, 2016

Sumitomo Mitsui Financial Group, Inc.

Overview of 1Q, FY3/2017 performance

- SMFG's consolidated profit attributable to owners of parent reached 26% of full-year target
- On a year-on-year basis, profit attributable to owners of parent was down by JPY 83.6 bn. This was mainly due to a decrease in gross profit caused by the sluggish market conditions, and a decrease in gains on sales of stocks at SMBC

Key financial figures

Profit attributable to owners of parent SMFG consolidated

JPY 184.3 bn USD 1.8 bn¹ **26% of full-year target**
YOY change: JPY (83.6) bn

ROE*² SMFG consolidated

9.9% **Financial target of medium-term management plan: around 10%**

Banking profit*³ SMBC non-consolidated

JPY 164.8 bn USD 1.6 bn¹ **YOY change: JPY (74.6) bn**

Consolidated gross profit, overhead ratio SMFG consolidated

Consolidated gross profit JPY 715.8 bn USD 7.0 bn¹ **24% of full-year target**
YOY change: JPY (80.3) bn

Overhead ratio 61.9% **Financial target of medium-term management plan: in the mid 50%**

Total credit cost Top: SMFG consolidated/ bottom: SMBC non-consolidated

JPY 10.6 bn **FY3/2017 forecast: JPY 180 bn**

(net reversal) JPY 18.5 bn **FY3/2017 forecast: JPY 50 bn**

Per share information (SMFG consolidated)

	Apr.-Jun. 2016 result	YOY change	FY3/2017 target		Jun. 30, 2016	Change from Mar. 31, 2016
Profit attributable to owners of parent	JPY 134.79	JPY (61.13)	JPY 511.99	Net assets	JPY 6,425.99	JPY (93.61)

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 102.96

*2 Annualized *3 Before provision for general reserve for possible loan losses

1Q, FY3/2017 financial results

Income statement

		(JPY bn)	Apr.-Jun. 2016 results	YOY change	1H, FY3/2017	FY3/2017 targets
SMFG consolidated	Consolidated gross profit	USD 7.0 bn ^{*1}	715.8	(80.3)	1,470	3,000
	Variance ^{*2}		346.4	(9.3)	580	1,370
	General and administrative expenses		(443.2)	(16.4)		
	Consolidated net business profit	USD 2.7 bn ^{*1}	279.4	(95.6)		
	Total credit cost		(10.6)	(4.1)	(95)	(180)
	Ordinary profit	USD 2.7 bn ^{*1}	274.0	(130.5)	480	1,020
	Variance ^{*2}		125.4	(16.8)	50	300
	Profit attributable to owners of parent	USD 1.8 bn ^{*1}	184.3	(83.6)	320	700
Variance ^{*2}		77.3	(5.6)	(40)	130	
SMBC non-consolidated	Gross banking profit	USD 3.6 bn ^{*1}	369.4	(71.0)	890	1,630
	Expenses ^{*3}		(204.6)	(3.6)	(410)	(825)
	Banking profit ^{*4}	USD 1.6 bn ^{*1}	164.8	(74.6)	480	805
	Total credit cost		18.5	(1.9)	(30)	(50)
	Gains (losses) on stocks		0.1	(28.2)		
	Ordinary profit	USD 1.4 bn ^{*1}	148.6	(113.7)	430	720
	Net income	USD 1.0 bn ^{*1}	107.0	(78.0)	360	570

Contribution of subsidiaries to Profit attributable to owners of parent

	(JPY bn)	Apr.-Jun. 2016	YOY change
SMBC Consumer Finance		13	+1
SMBC Nikko Securities		11	(8)
Sumitomo Mitsui Finance and Leasing		8	+1
Cedyna		8	+1
Sumitomo Mitsui Card		2	(3)
SMBC Friend Securities		1	(1)

Domestic loan-to-deposit spread^{*5}

(%)	FY3/16				FY3/17
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Interest earned on loans and bills discounted	1.24	1.24	1.23	1.22	1.13
Interest paid on deposits, etc.	0.03	0.03	0.03	0.03	0.01
Loan-to-deposit spread	1.21	1.21	1.20	1.19	1.12

Mainly due to a decrease in profits from equity index-linked investment trusts included in net interest income

Credit ratings (SMBC)

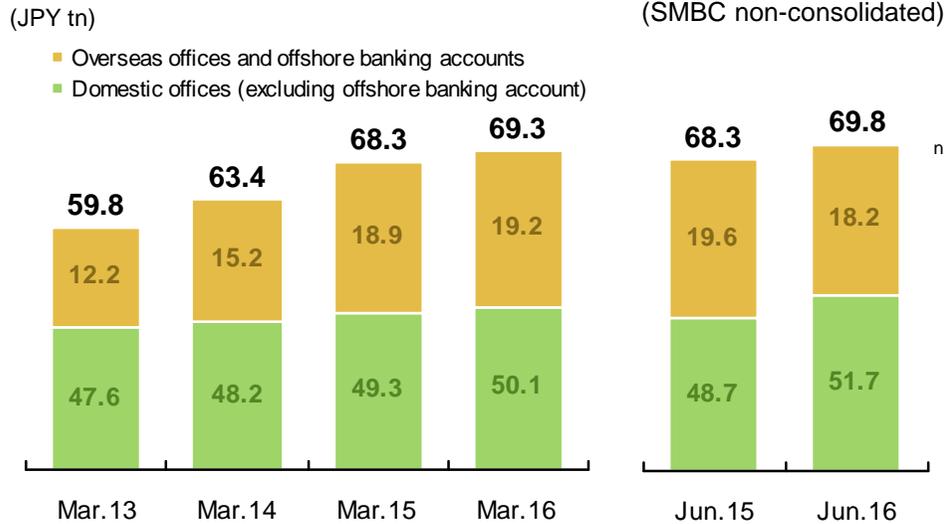
Moody's	S&P	Fitch	R&I	JCR
A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 102.96 *2 SMFG consolidated figures minus SMBC non-consolidated figures

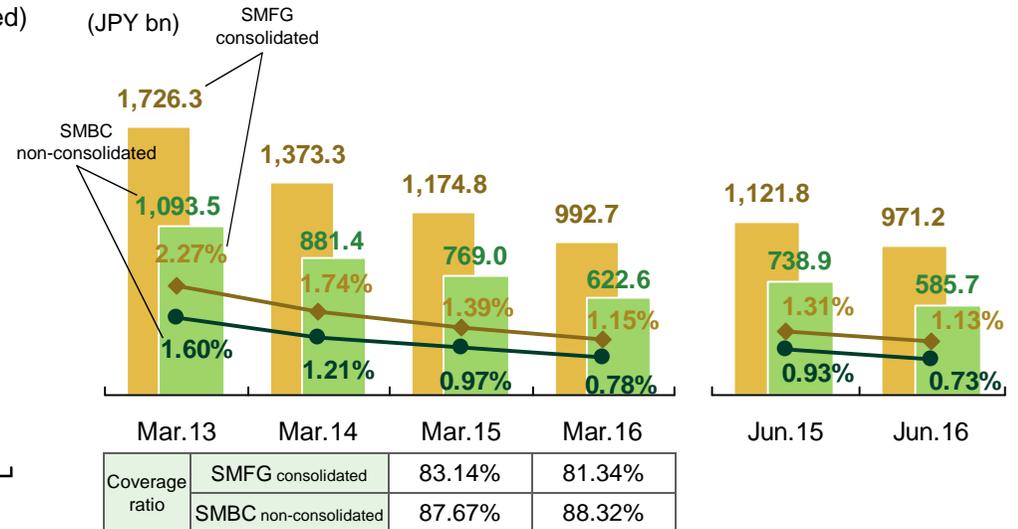
*3 Excludes non-recurring losses *4 Before provision for general reserve for possible loan losses *5 SMBC non-consolidated

Trends in key figures

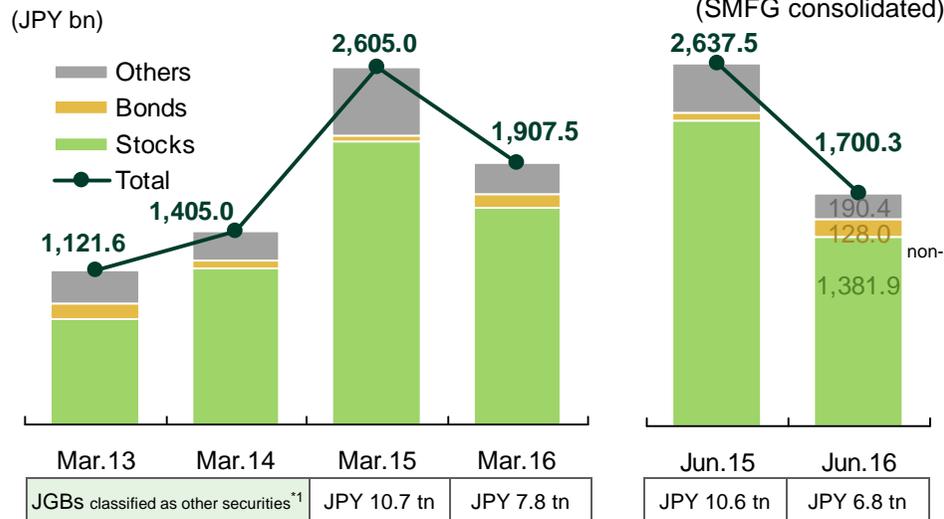
Loan balance



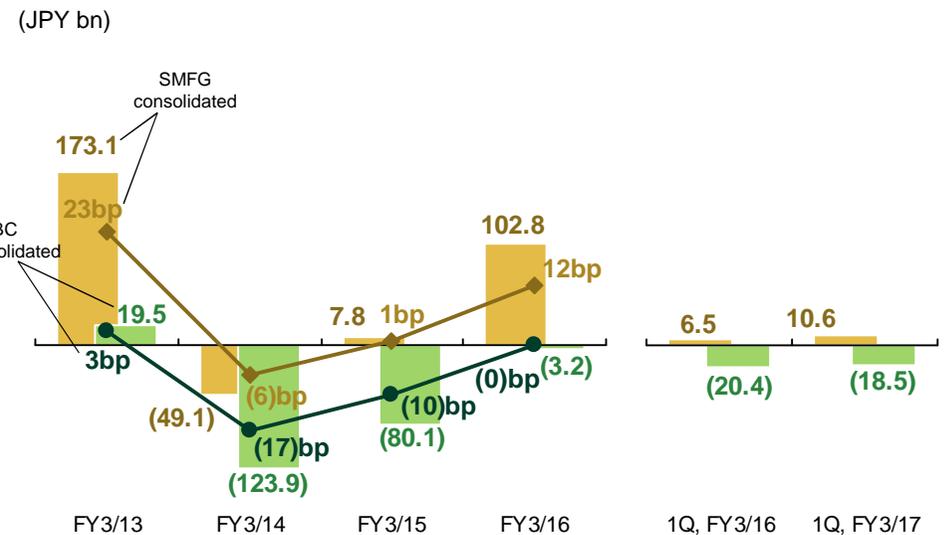
NPLs and NPL ratio^{*2}



Unrealized gains (losses) on other securities



Total credit cost and Total credit cost ratio^{*3}



*1 SMBC non-consolidated basis. Balance sheet amount

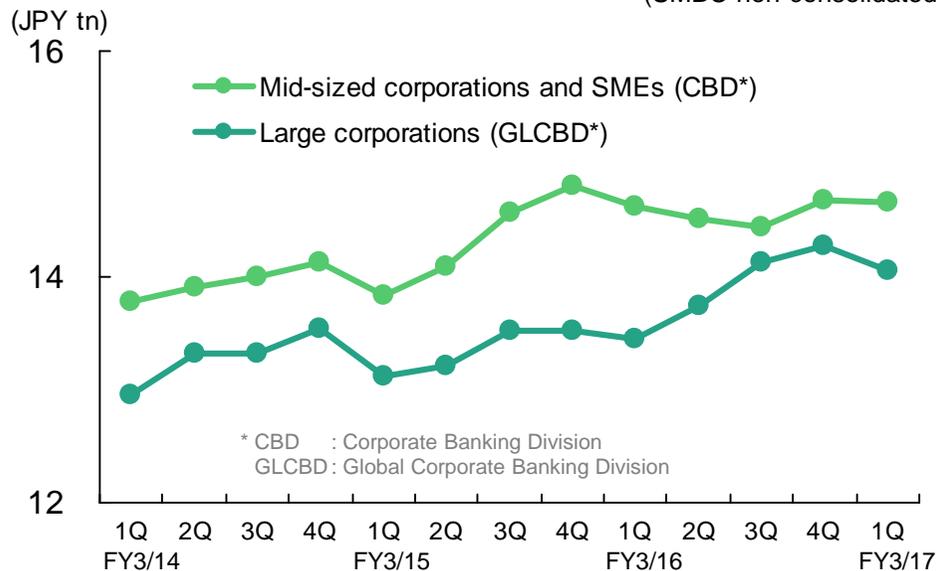
*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

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

Wholesale business

Loan balance of Wholesale Banking Unit*1, 2

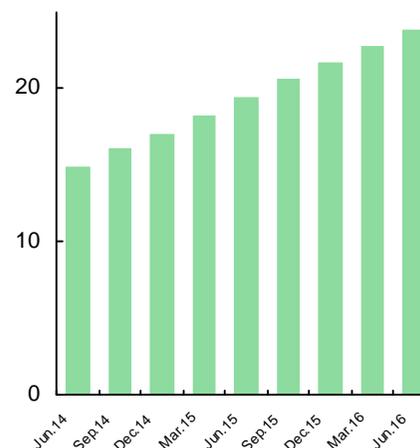
(SMBC non-consolidated)



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

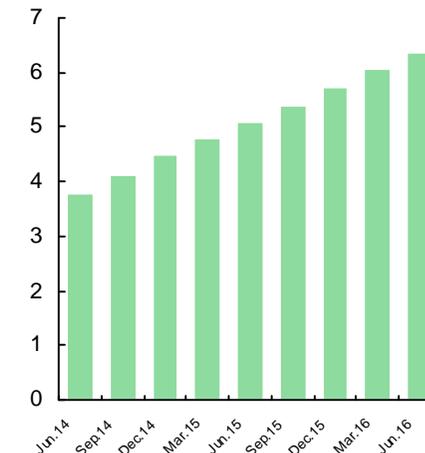
Asset Management

(Thousand)



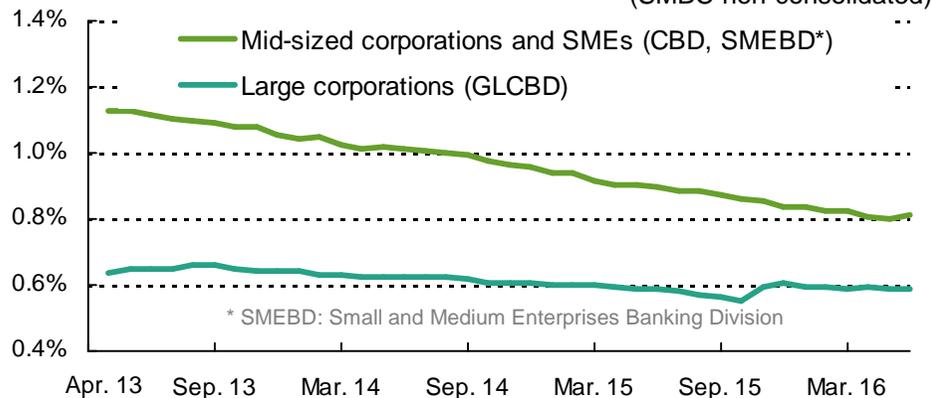
Investment banking

(Thousand)



Domestic corporate loan spread*1, 3

(SMBC non-consolidated)



League tables (Apr. -Jun. 2016)*4

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*5, 6	#2	19.9%
JPY denominated bonds (lead manager, underwriting amount)*5, 7	#1	20.4%
Financial advisor (M&A, No. of deals)*5, 8	#4	2.5%
IPO (lead manager, No. of deals)*9	#2	23.5%

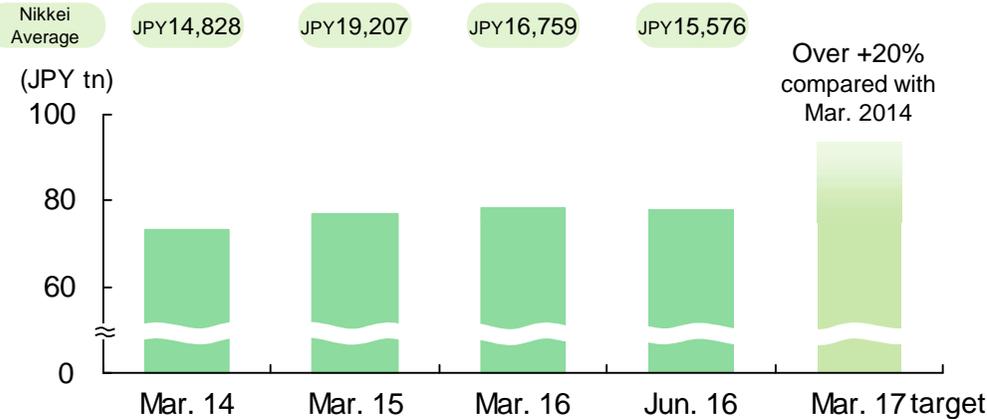
*1 Managerial accounting basis. Excludes loans to the government, etc. We revised managerial accounting rules since Apr. 2014. Figures for FY3/14 were recalculated based on the new rules *2 Quarterly average *3 Monthly average loan spread of existing loans

*4 SMBC Nikko Securities for Global equity & equity-related, JPY denominated bonds and IPO. SMFG for Financial advisor *5 Source: SMBC Nikko, based on data from Thomson Reuters *6 Japanese corporate related only. Includes overseas offices *7 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds *8 Japanese corporate related only. Group basis *9 Excludes REIT IPO. Source: Thomson Reuters

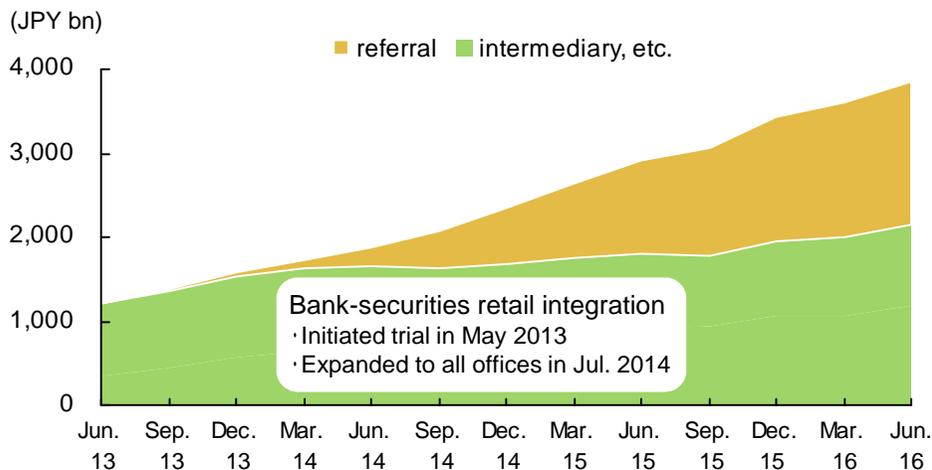
Retail business / Financial results of SMBC Nikko Securities

Bank-securities collaboration (retail customers)

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



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

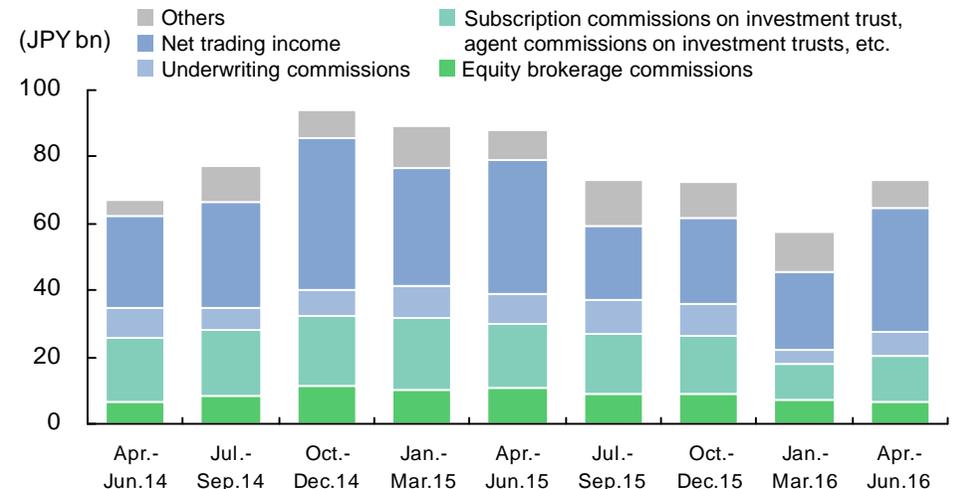


SMBC Nikko Securities

Financial results (consolidated)

(JPY bn)	FY3/16	Apr.-Jun. 2016	YOY change
Net operating revenue	292.8	73.6	(15.0)
SG&A expenses	(241.5)	(58.8)	+5.2
Ordinary income*2	55.8	15.7	(9.7)
Profit attributable to owners of parent*2	42.1	10.7	(10.8)

Net operating revenue

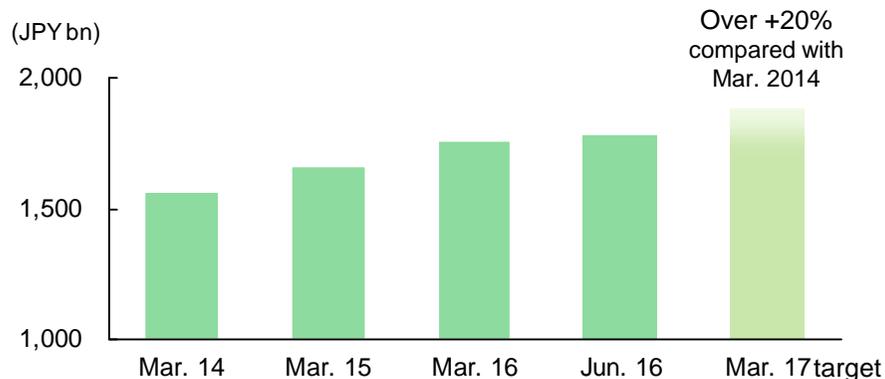


*1 Assets under management at SMBC Nikko via referral or financial instruments intermediary services from SMBC to SMBC Nikko. Includes assets transferred from SMBC Friend Securities to SMBC Nikko in Jan. 2011 upon integrating SMBC Friend's collaborative business with SMBC into SMBC Nikko and assets at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

*2 Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.

Consumer finance

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

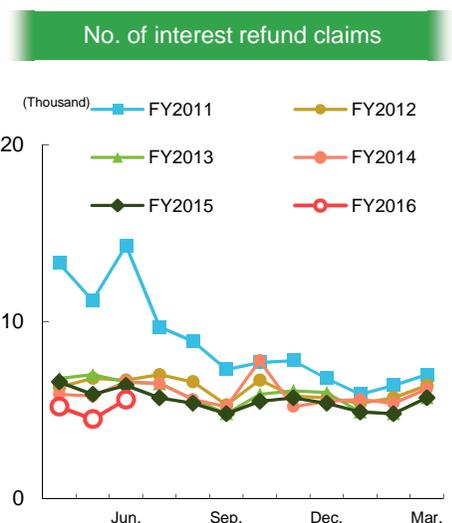
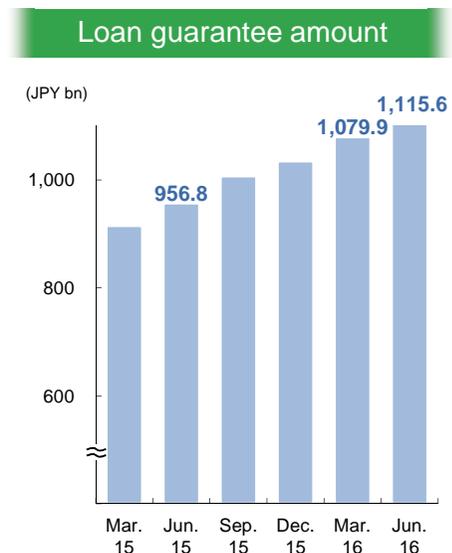
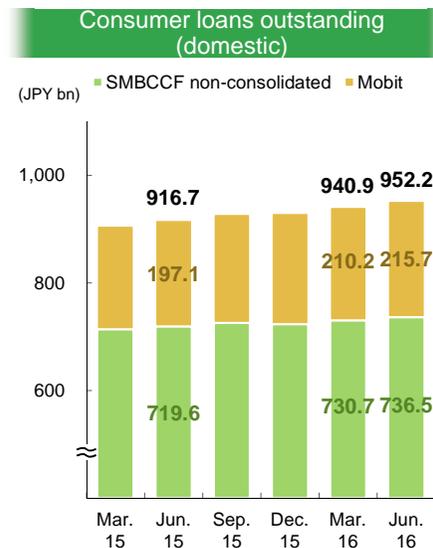


Financial results : SMBC Consumer Finance (consolidated)

(JPY bn)	FY3/16	Apr.-Jun. 2016	YOY change
Operating income	245.8	62.8	+3.0
Expenses for loan losses within Expenses	(52.0)	(17.5)	(0.2)
Losses on interest repayments within Expenses	(122.0)	-	-
Ordinary profit	(61.2)	14.5	+1.4
Profit attributable to owners of parent	(64.8)	13.1	+1.1
Consumer loans outstanding	1,022.0	1,030.0	
Allowance on interest repayments	188.8	171.3	
Loan guarantee	1,079.9	1,115.6	
for regional financial institutions, etc.	474.2	496.0	

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

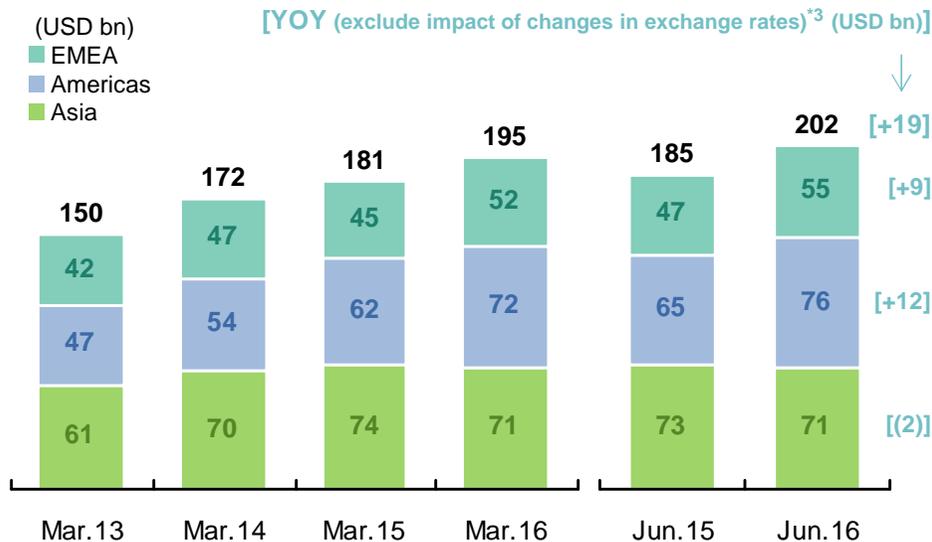
SMBC Consumer Finance: Financing / Loan guarantee / Overseas businesses



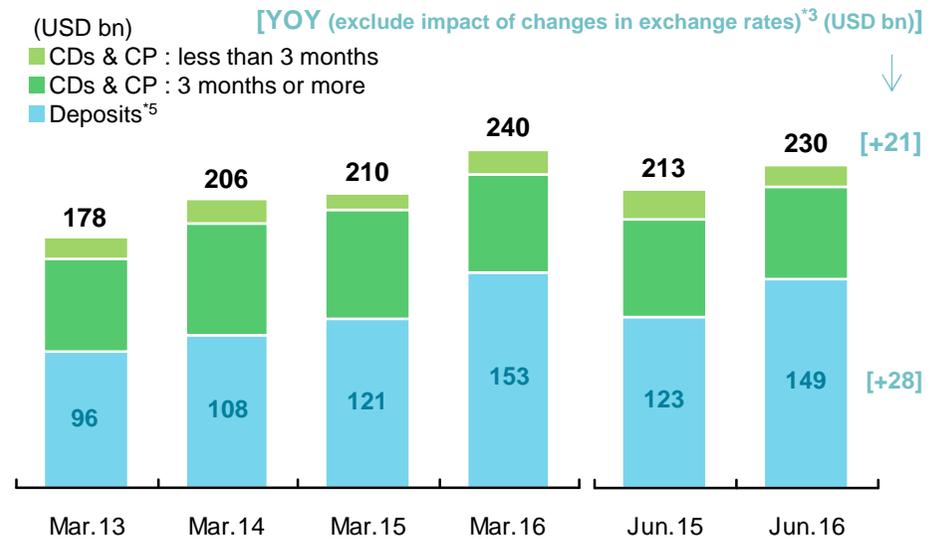
* Converted into Japanese yen at respective period-end exchange rates

International business

Overseas loan balance*1, 2



Overseas deposit balance*1, 2



Overseas loan spread*1, 4



Foreign currency bonds outstanding*6 (USD bn)	Senior	25.1	32.9	26.1	33.9
	Subordinated	4.7	4.1	4.8	4.1

- SMFG issued senior bonds to meet TLAC requirements: EUR 1.5 bn (Jun. 2016) and USD 4.5 bn (Jul. 2016)

Project finance / Loan syndication

League tables (Jan. - Jun. 2016)*7

	Global	Asia*8	Japan
Project Finance	#3	#3	
Loan Syndication	#7	#8	#2

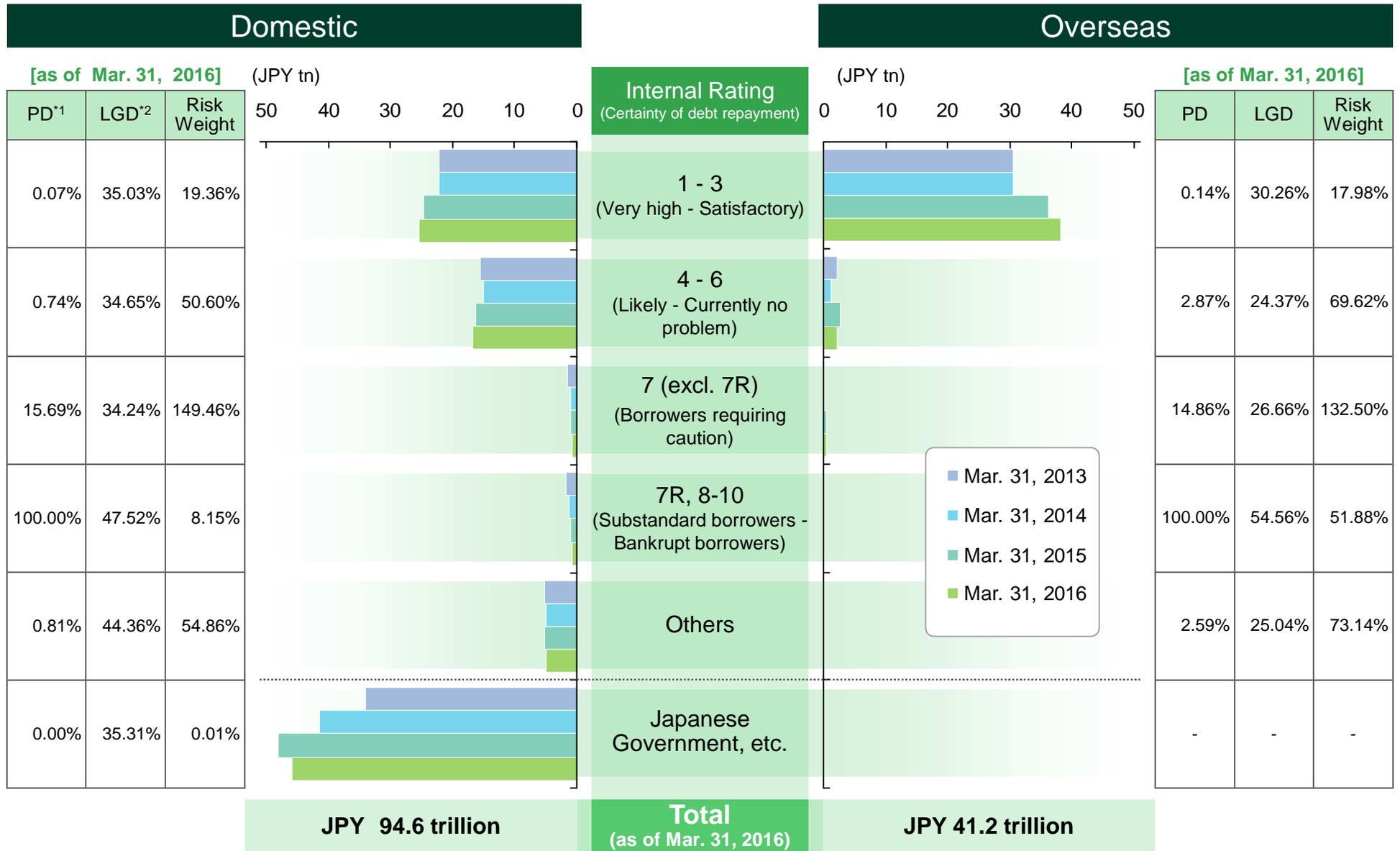
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China) *2 Converted into USD at respective period-end exchange rates

*3 Year-on-year changes exclude impact of changes in local currency / USD

*4 Monthly average loan spread of existing loans *5 Includes deposits from central banks *6 Bonds issued by SMBC and SMFG

*7 Source: Thomson Reuters (Mandated Arrangers) *8 Project finance: Asia Pacific. Loan syndication: Asia (excl. Japan)

Ref: Corporate, sovereign and bank exposures



Ref: Exposure to resource-related sectors *1

		(JPY tn)	Mar. 15	Ratio to total exposure	Mar. 16	Ratio to total exposure	May 16 (preliminary)	Ratio to total exposure
		Integrated Oil & Gas*2	1.8	1.6 %	1.5	1.3 %	1.5	1.3 %
		Services (Drilling, field services)	0.5	0.4 %	0.5	0.4 %	0.5	0.4 %
		Upstream (E&P*3)	1.5	1.3 %	1.7	1.4 %	1.6	1.4 %
		Midstream (Storage/Transportation)	1.1	1.0 %	1.4	1.2 %	1.2	1.1 %
		Downstream (Refining)	0.7	0.6 %	0.7	0.6 %	0.8	0.7 %
		Oil and gas	5.5	5.0 %	5.8	5.0 %	5.7	4.9 %
		Other resources (Mining)	1.2	1.1 %	1.1	1.0 %	1.1	1.0 %
		Non-Japanese*4 (Resource-related sectors)	6.8	6.1 %	6.9	6.0 %	6.8	5.9 %
		o/w Upstream	0.1	0.1 %	0.2	0.2 %	0.2	0.2 %
		Oil and gas	1.2	1.1 %	1.6	1.4 %	1.4	1.3 %
		Other resources (Mining)	0.2	0.2 %	0.2	0.2 %	0.3	0.3 %
		Japanese (Resource-related sectors)	1.4	1.2 %	1.8	1.6 %	1.8	1.5 %
		Resource-related sectors	8.1	7.3 %	8.8	7.6 %	8.5	7.5 %
		Oil and gas	6.7	6.0 %	7.4	6.4 %	7.1	6.2 %
		Other resources (Mining)	1.4	1.3 %	1.3	1.1 %	1.4	1.2 %
		Non-Japanese*4	38	34.0 %	38	32.9 %	38	33.0 %
		Japanese	73	66.0 %	77	67.1 %	77	67.0 %
		SMFG total exposure	111	100.0 %	115	100.0 %	115	100.0 %

- “Oil and gas” does not include petrochemical; Japanese “Other resources (Mining)” does not include general trading companies
- Non-Japanese (resource-related sectors) : Corporate finance approx. 70%; Project finance approx. 30%
- Japanese (resource-related sectors) : Corporate finance 100%. No NPLs
- Exposure to resource-related sectors excluding project finance which are unaffected by resource prices is JPY 7.3 tn;
Exposure at default (EAD) to the sectors is JPY 6.5 tn as of May 2016

Ref: Breakdown of exposure to Non-Japanese oil and gas / other resources

(USD bn)	[1]	[2]		[3]	[4]	[5]	[6]	[7]	
	Exposure* ¹	Percentage of "1-3" ^{**1}	Drawn amount* ¹						Percentage of "1-3" ^{**1}
Asia	15.9	92 %	13.5	91 %	0.131	1.0 %	0.028	0.038	50 %
Americas	22.6	77 %	9.2	74 %	0.134	1.5 %	0.010	0.124	100 %
EMEA	22.6	84 %	12.6	73 %	0.295	2.3 %	0.112	0.117	78 %
Total	61.1	83 %	35.3	80 %	0.559	1.6 %	0.150	0.278	77 %
Oil and gas	51.0	85 %	29.4	82 %	0.379	1.3 %	0.089	0.240	87 %
Integrated Oil & Gas (Majors, state-owned companies, etc.)	13.8	83 %	8.4	77 %	-	-	-	-	-
Services (Drilling, field services)	4.5	58 %	2.3	54 %	0.066	2.8 %	0.030	0.022	79 %
Upstream (E&P)	14.3	85 %	8.8	85 %	0.313	3.6 %	0.058	0.219	89 %
Midstream (Storage/Transportation)	11.2	89 %	5.3	86 %	-	-	-	-	-
Downstream (Refining)	7.2	96 %	4.6	96 %	-	-	-	-	-
Other resources (Mining)	10.0	76 %	5.9	70 %	0.180	3.0 %	0.061	0.038	55 %

- Oil and gas : Corporate finance approx. 70%; Project finance approx. 30%
- Other resources (Mining) : Corporate finance approx. 90%; Project finance approx. 10%

*1 As of May 31, 2016 *2 NPLs based on the Financial Reconstruction Act, excluding Normal assets *3 As of Jun. 30, 2016

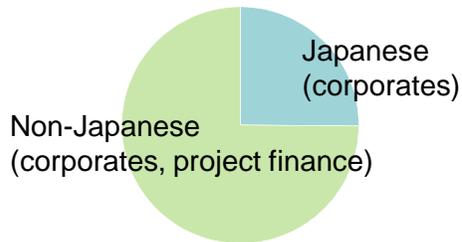
*4 The balance of Claims on borrowers requiring caution are USD 0.1 bn in Asia, USD 0.7 bn in Americas, and USD 2.0 bn in EMEA. They are mainly included in Upstream and Midstream

Ref: Loan and exposure to the UK / China / Russia

Loan balance in the UK*1, 2, 3

(JPY tn)

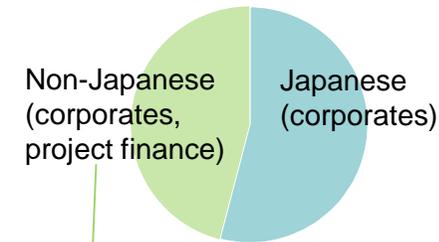
Mar. 15	Mar. 16
1.3	1.7



Loan balance in China*1, 2, 3, 4

(JPY tn)

Mar. 15	Mar. 16
1.1	0.9



- Most borrowers are classified as "1-3"*5 in our internal rating

Our operation in EMEA

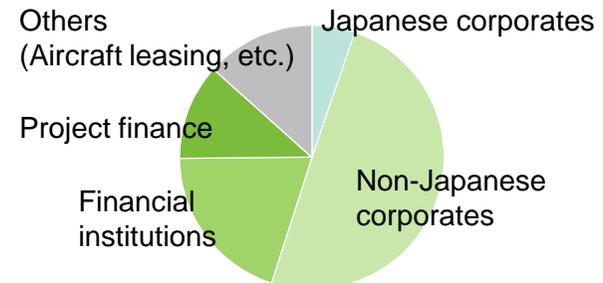
- Offices in the UK and EU
 - SMBC Europe
 - Head Office : London
 - 6 branches : Dublin, Amsterdam, Paris, Prague, Milan, Madrid
 - SMBC's branches
 - 3 branches : Brussels, Dusseldorf, Frankfurt
- Booking of loans
 - Loan balance in EMEA regions: Approx. JPY 6 tn
 - of which around 20% is booked at SMBC Europe London

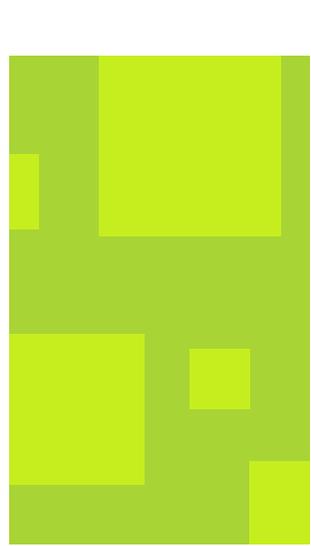
Exposure to Russia*6, 7

(USD bn)

Mar. 15	Mar. 16
5.1	4.3

0.4% of SMFG's total exposure of approx. USD 1tn





This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; exposure to new risks as we expand the scope of our business; and incurrence of significant credit-related costs. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.