

Overview of 3Q, FY3/2017 performance

Jan. 27, 2017

Sumitomo Mitsui Financial Group, Inc.

Overview of 3Q, FY3/2017 (1-3Q aggregate results)

- SMFG's consolidated profit attributable to owners of parent reached 78% of the full-year target
 - Major contributions were depreciation of yen and solid performance of the Treasury unit compared to the target
 - Showed steady progress in controlling costs
- A meeting of the GHOS*¹ to finalise Basel III reforms, originally planned for early January, was postponed. We have not changed the view that our risk-weighted assets inflation caused by the new regulations has potential to be higher than the mid-20% range

Key financial figures

Profit attributable to owners of parent		SMFG consolidated
JPY 544.7 bn	USD 4.7 bn ²	78% of full-year target YOY change: JPY (81.6) bn
ROE* ³		SMFG consolidated
9.5%		Financial target of medium-term management plan: around 10%

Consolidated gross profit, overhead ratio		SMFG consolidated
Consolidated gross profit JPY 2,173.8 bn	USD 18.7 bn ²	75% of full-year target YOY change: JPY (44.8) 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 68.0 bn		FY3/2017 forecast: JPY 180 bn
(net reversal) JPY 2.4 bn		FY3/2017 forecast: JPY 50 bn

Per share information (SMFG consolidated)

	Apr.-Dec. 2016	YOY change	FY3/2017 target
Profit attributable to owners of parent	JPY 398.38	JPY (59.66)	JPY 511.99
	Dec. 31, 2016	Change from Mar. 31, 2016	
Net assets	JPY 6,756.00	+JPY 236.40	

Credit ratings

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

*1 The Group of Central Bank Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision

*2 Converted into USD at period-end exchange rate of USD 1 = JPY 116.49 *3 Annualized

3Q, FY3/2017 financial results

Income statement

		(JPY bn)	1H, FY3/17	Apr. -Dec. 2016	YOY change	FY3/17 targets
SMFG consolidated	Consolidated gross profit		1,417.5	USD 18.7 bn ^{*1} 2,173.8	(44.8)	2,905
		Variance^{*2}	503.4	900.0	(167.6)	1,265
	General and administrative expenses		(882.0)	(1,345.2)	(59.5)	
	Equity in gains (losses) of affiliates		12.7	18.8	+63.5	
	Consolidated net business profit		548.1	847.3	(40.8)	
	Total credit cost		(54.8)	(68.0)	(22.5)	(180)
	Gains (losses) on stocks		17.4	41.8	(10.5)	
	Other income (expenses)		3.5	(7.8)	(13.0)	
	Ordinary profit		514.3	USD 7.0 bn ^{*1} 813.3	(86.8)	960
		Variance^{*2}	34.0	138.9	(197.2)	220
	Profit attributable to owners of parent		359.2	USD 4.7 bn ^{*1} 544.7	(81.6)	700
		Variance^{*2}	(38.9)	1.4	(166.0)	100

SMBC non-consolidated	Gross banking profit	914.0	USD 10.9 bn ^{*1} 1,273.7	+122.8	1,640
	Expenses^{*3}	(402.0)	(616.6)	(14.9)	(815)
	Banking profit^{*4}	512.0	USD 5.6 bn ^{*1} 657.1	+107.9	825
	Total credit cost	8.0	2.4	(30.8)	(50)
	Ordinary profit	480.3	USD 5.8 bn ^{*1} 674.4	+110.3	740
	Net income	398.1	USD 4.7 bn ^{*1} 543.2	+84.4	600

Contribution of subsidiaries to SMFG's Net income

	(JPY bn)	Apr. -Dec. 2016	YOY change
SMBC Consumer Finance		46	+4
SMBC Nikko Securities^{*5}		25	(11)
Sumitomo Mitsui Finance and Leasing		24	+2
Cedyna		22	+1
Sumitomo Mitsui Card		11	(3)
SMBC Friend Securities		3	(0)
SMBC Trust Bank		(12)	(6)

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

	(%)	Apr.-Dec. 2016	Apr. -Jun.	Jul. -Sep.	Oct. -Dec.
Interest earned on loans and bills discounted		1.06	1.13	1.05	1.01
Interest paid on deposits, etc.		0.01	0.01	0.01	0.01
Loan-to-deposit spread		1.05	1.12	1.04	1.00

(Ref) Excludes loans to the Japanese government, etc.

Interest earned on loans and bills discounted	1.12	1.15	1.12	1.08
Loan-to-deposit spread	1.11	1.14	1.11	1.07

- Restructuring domestic private banking alliance scheme with Barclays
- From Apr. 2017, SMBC and SMBC Nikko will be responsible for business operation, while products and services are provided by Barclays (profit contribution for SMFG will become 100% of business earnings excluding fees paid to Barclays from equal profit sharing)
- Recorded loss of JPY 11.2 bn in Other expenses at SMFG^{*5} in the third quarter on restructuring and liquidation of the business alliance
- Results of strategic shareholdings reduction (book value)
 - Sales of listed stocks in Apr.-Dec. 2016: approx. JPY 75 bn
 - Consent of sales from clients (outstanding) as of Dec. 31, 2016: approx. JPY 110 bn

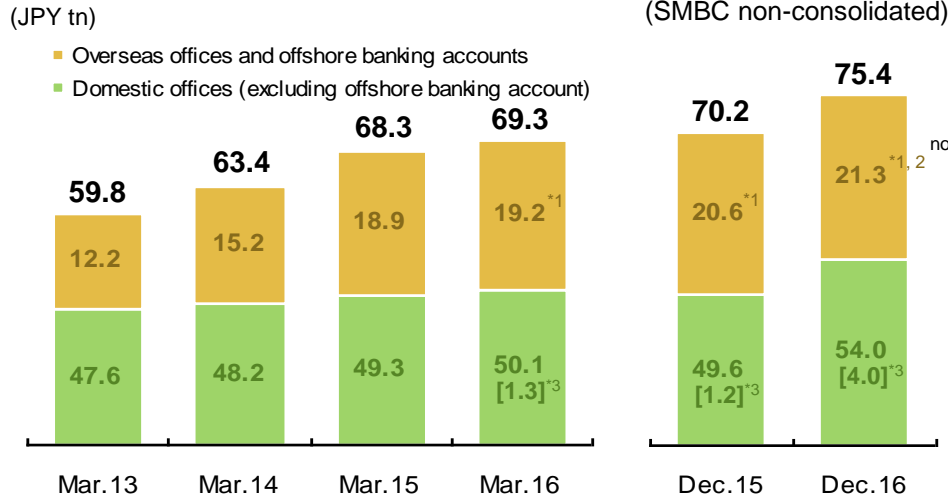
*1 Converted into USD at period-end exchange rate of USD 1 = JPY 116.49 *2 SMFG consolidated figures minus SMBC non-consolidated figures

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

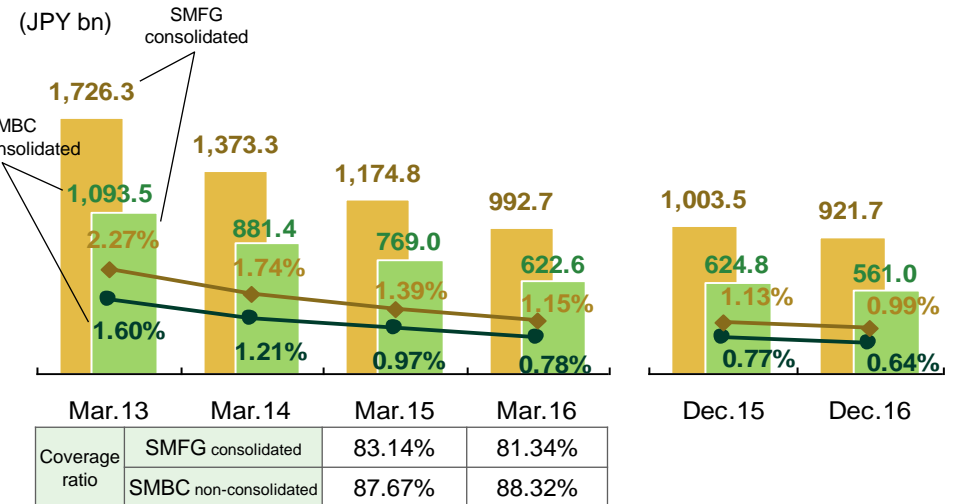
*5 Recorded loss of JPY 11.2 bn as extraordinary loss at SMBC Nikko Securities in the third quarter on restructuring and liquidation of business alliance with Barclays

Trends in key figures

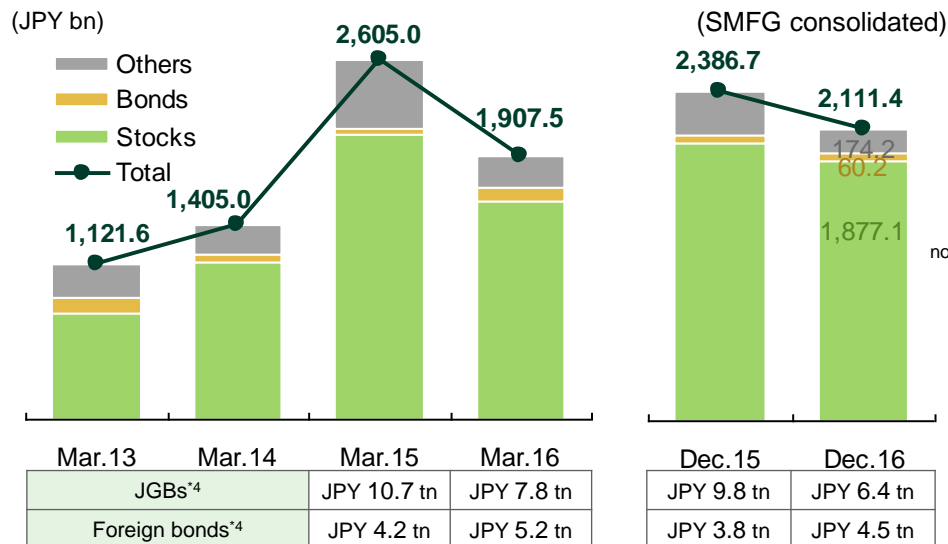
Loan balance



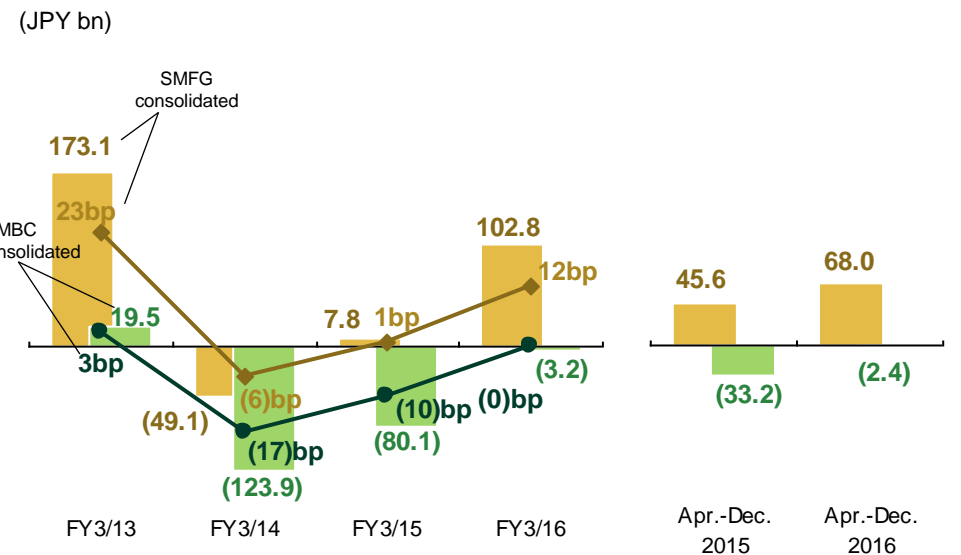
NPLs and NPL ratio^{*5}



Unrealized gains (losses) on Other securities



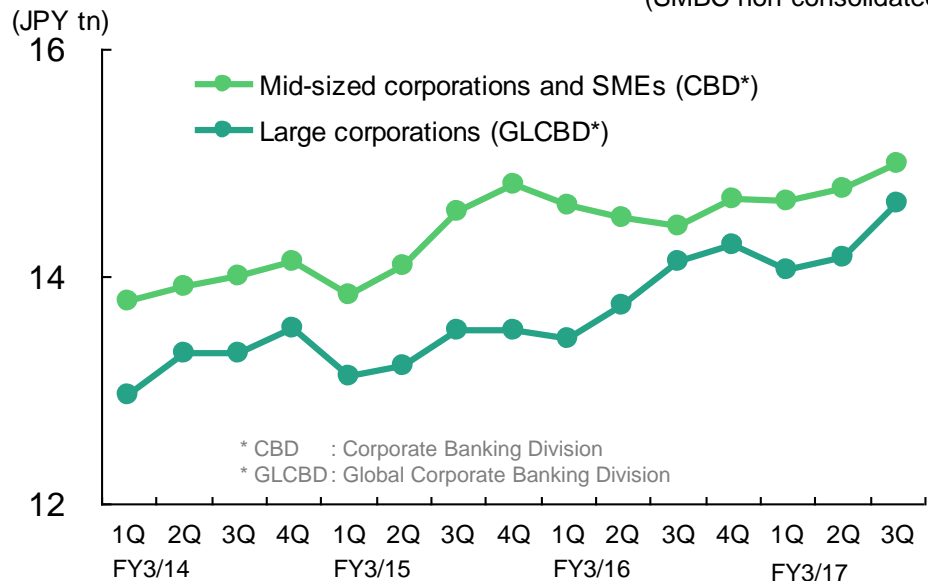
Total credit cost and Total credit cost ratio^{*6}



Wholesale business

Loan balance of Wholesale Banking Unit^{*1, 2}

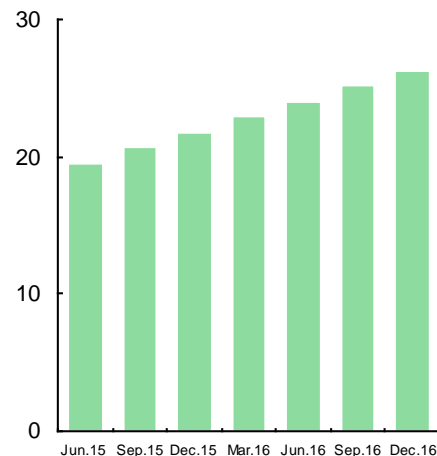
(SMBC non-consolidated)



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

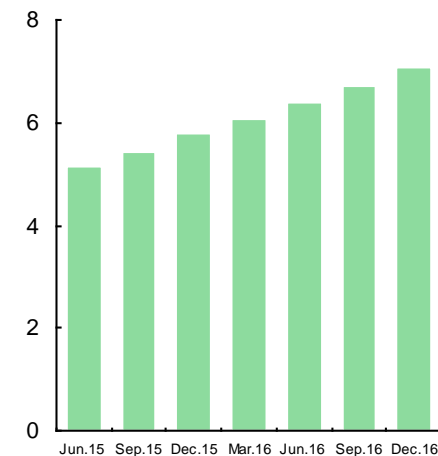
Asset management

(Thousand)



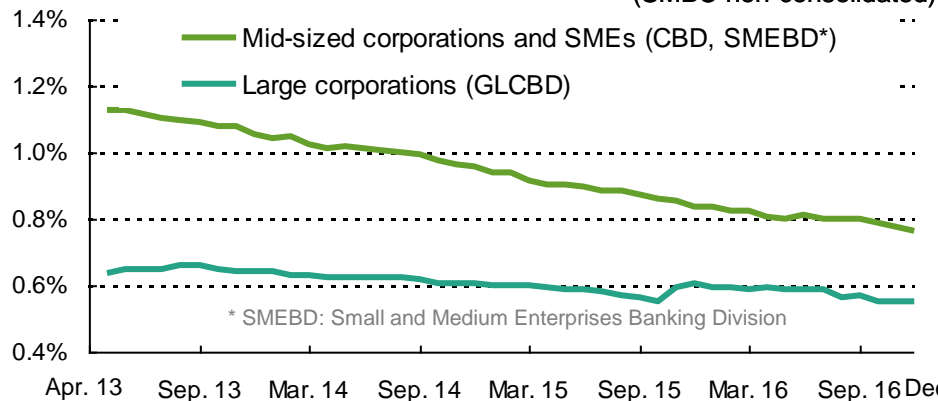
Investment banking

(Thousand)



Domestic corporate loan spread^{*1, 3}

(SMBC non-consolidated)



League tables (Apr. -Dec. 2016)^{*4}

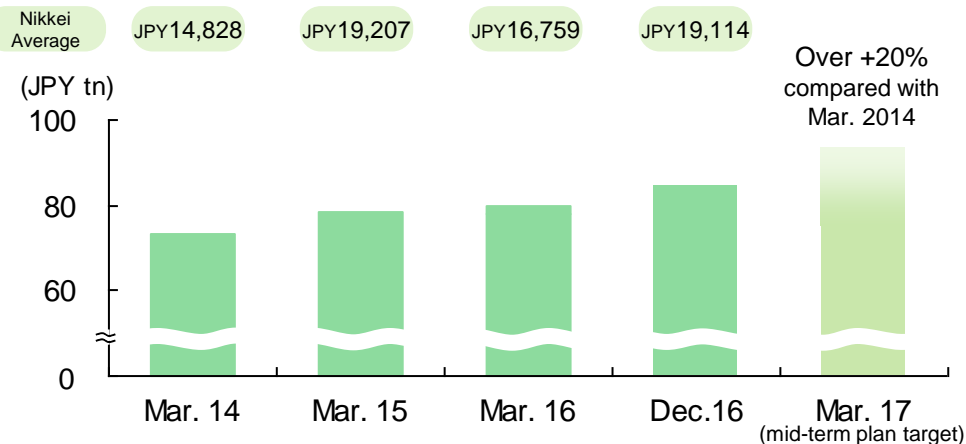
	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)^{*5, 6}	#2	18.6%
JPY denominated bonds (lead manager, underwriting amount)^{*5, 7}	#3	16.8%
Financial advisor (M&A, No. of deals)^{*5, 8}	#2	4.1%
IPO (lead manager, No. of deals)^{*9}	#3	16.4%

*1 Managerial accounting basis. Excludes loans to the Japanese government, etc. Managerial accounting rules was revised in 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. Includes overseas offices. Source: Thomson Reuters

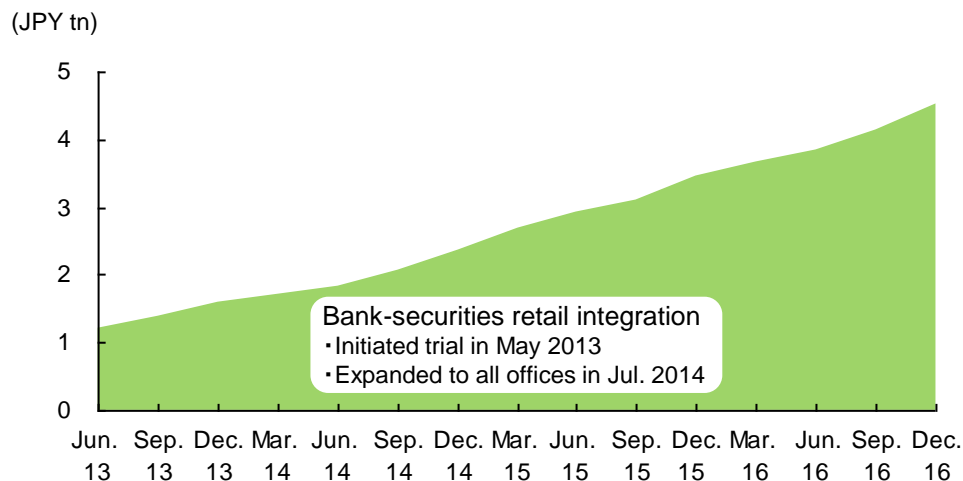
Retail business / Financial results of SMBC Nikko Securities

Bank-securities collaboration

Retail AuM (SMBC+SMBC Nikko*1
+SMBC Trust Bank PRESTIA)



AuM through bank-securities collaboration*1, 2
(SMBC Nikko Securities)

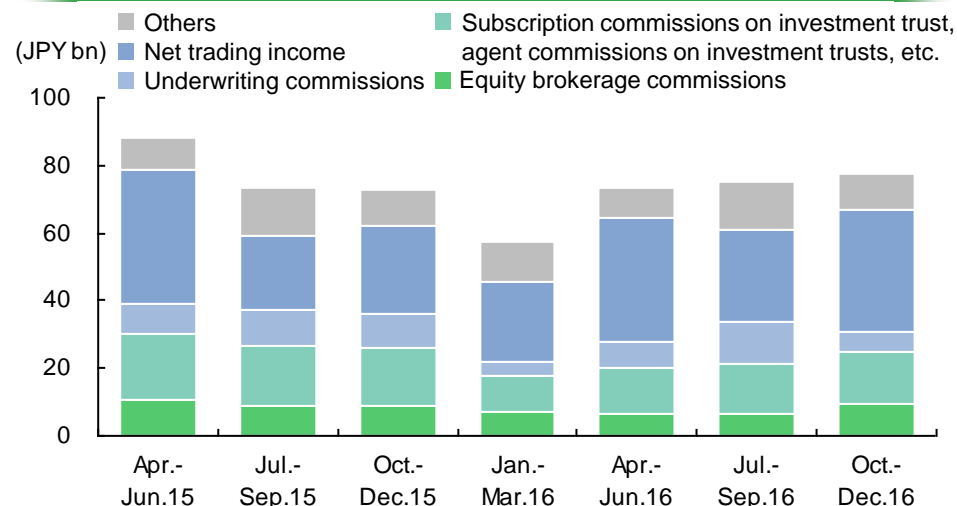


SMBC Nikko Securities

Financial results (consolidated)

(JPY bn)	Apr.-Dec. 2015		Apr.-Dec. 2016	
	Apr.-Dec. 2015	FY3/16	Apr.-Dec. 2016	YOY change
Net operating revenue	235.2	292.8	227.1	(8.1)
SG&A expenses	(184.2)	(241.5)	(181.1)	+3.1
Ordinary income*3	54.0	55.8	48.6	(5.4)
Profit attributable to owners of parent*3, 4	40.1	42.1	26.3	(13.8)

Net operating revenue



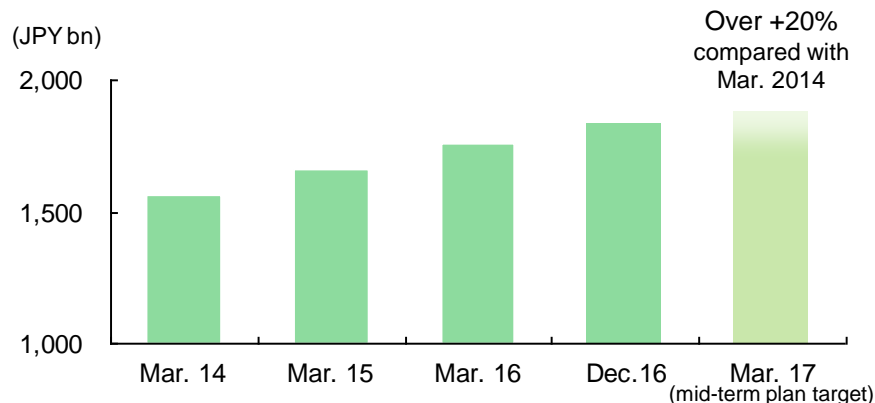
*1 Retroactive adjustment was introduced to assets under management (of which bonds) at SMBC Nikko since Jun. 2014

*2 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 *3 Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.

*4 Recorded loss of JPY 11.2 bn as extraordinary loss at SMBC Nikko Securities in the third quarter on restructuring and liquidation of business alliance with Barclays

Consumer finance

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



Financial results : SMBC Consumer Finance (consolidated)

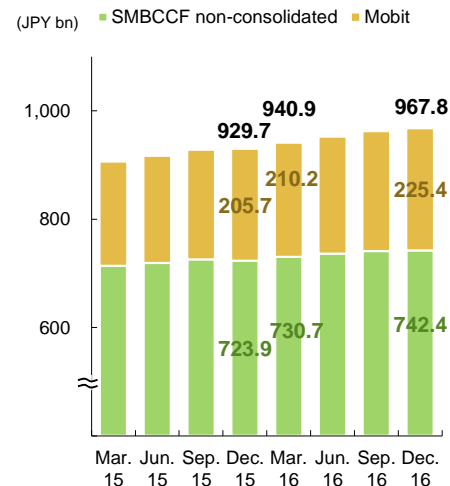
(JPY bn)	Apr.-Dec. 2015	FY3/16	Apr.-Dec. 2016	YOY change
Operating income	183.5	245.8	193.1	+9.5
Expenses for loan losses within Expenses	(42.6)	(52.0)	(45.2)	(2.6)
Losses on interest repayments within Expenses	-	(122.0)	-	-
Ordinary profit	45.8	(61.2)	50.2	+4.4
Profit attributable to owners of parent	42.6	(64.8)	46.1	+3.6

Consumer loans outstanding	1,014.0	1,022.0	1,063.5
Allowance on interest repayments	78.0	188.8	135.8
Loan guarantee	1,035.0	1,079.9	1,178.1
of which: for regional financial institutions, etc.	447.9	474.2	535.7

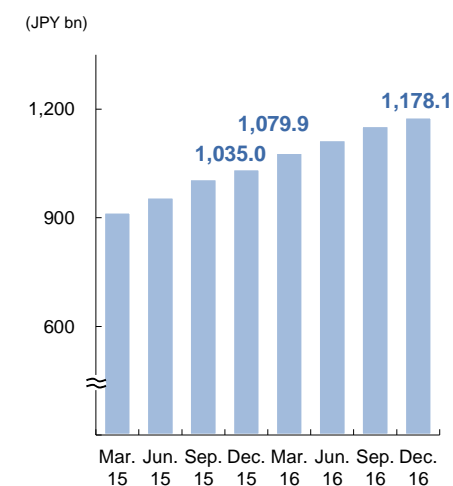
No. of companies with guarantee agreements:
189
(as of Dec. 2016)

SMBC Consumer Finance: financing / loan guarantee / overseas businesses

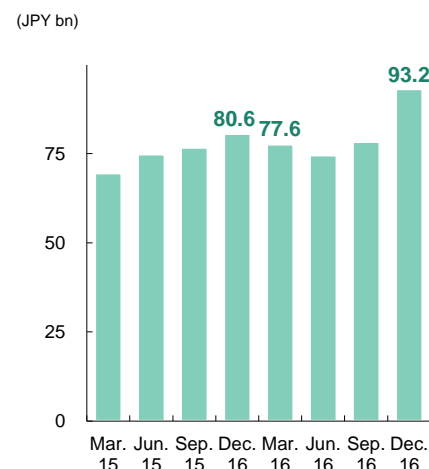
Consumer loans outstanding (domestic)



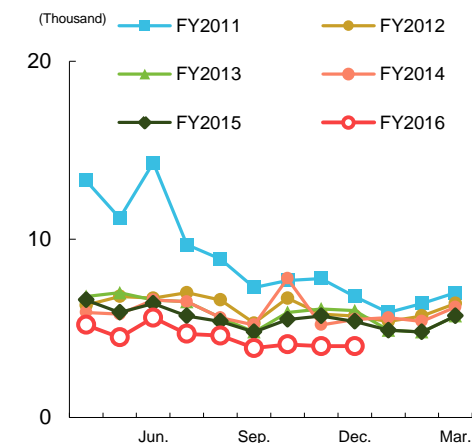
Loan guarantee amount



Consumer loans outstanding (overseas)*



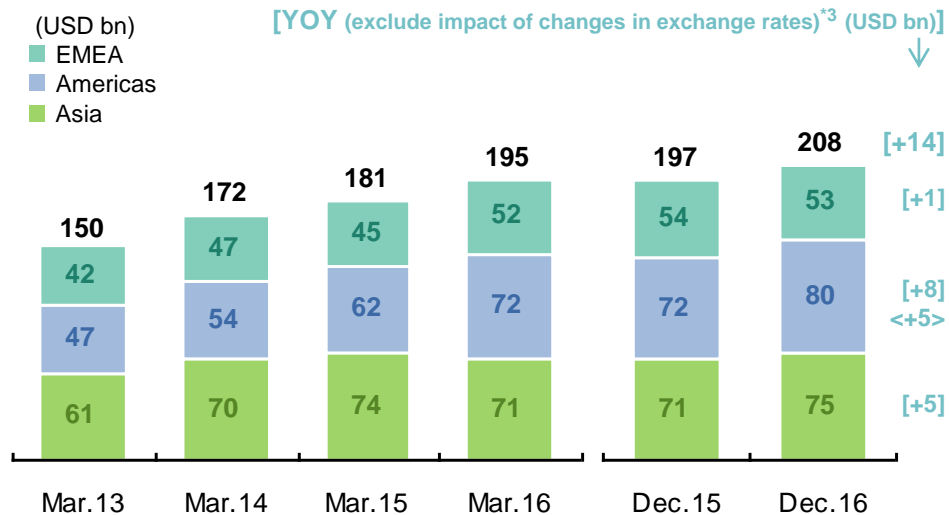
No. of interest refund claims



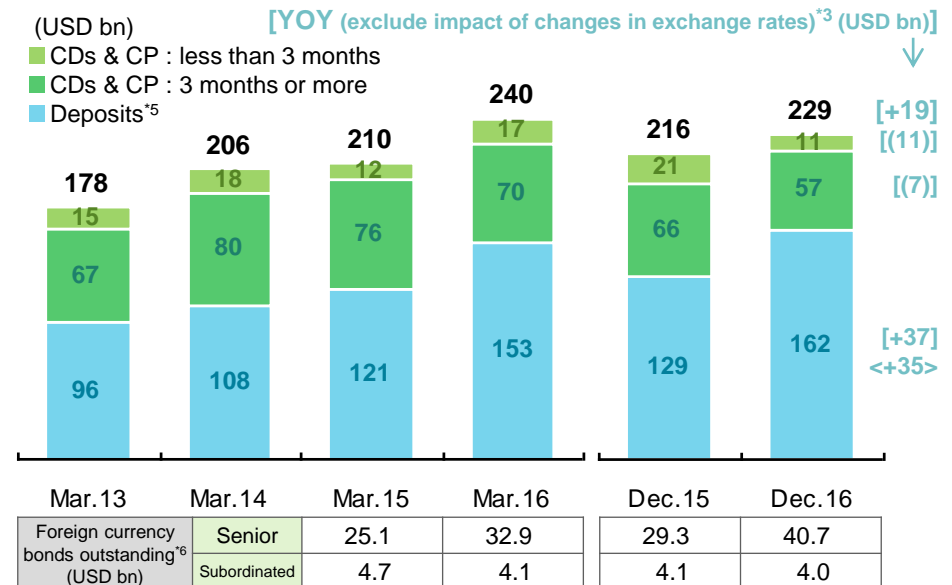
* Converted into Japanese yen at respective period-end exchange rates

International business

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



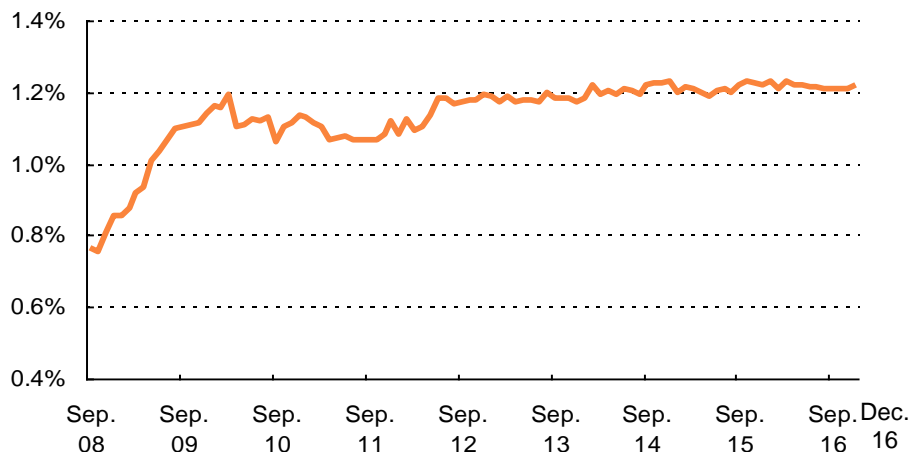
Overseas deposit balance*1, 2



Foreign currency bonds outstanding*6 (USD bn)	Senior	25.1	32.9	29.3	40.7
	Subordinated	4.7	4.1	4.1	4.0

- Senior bonds issued targeting foreign institutional investors: USD-denominated senior bonds (SMFG: USD 2.25 bn, SMBC: USD 1.25 bn in Jan. 2017, Euro-denominated senior bonds (SMFG: EUR 0.5 bn in Jan. 2017)

Overseas loan spread*1, 4

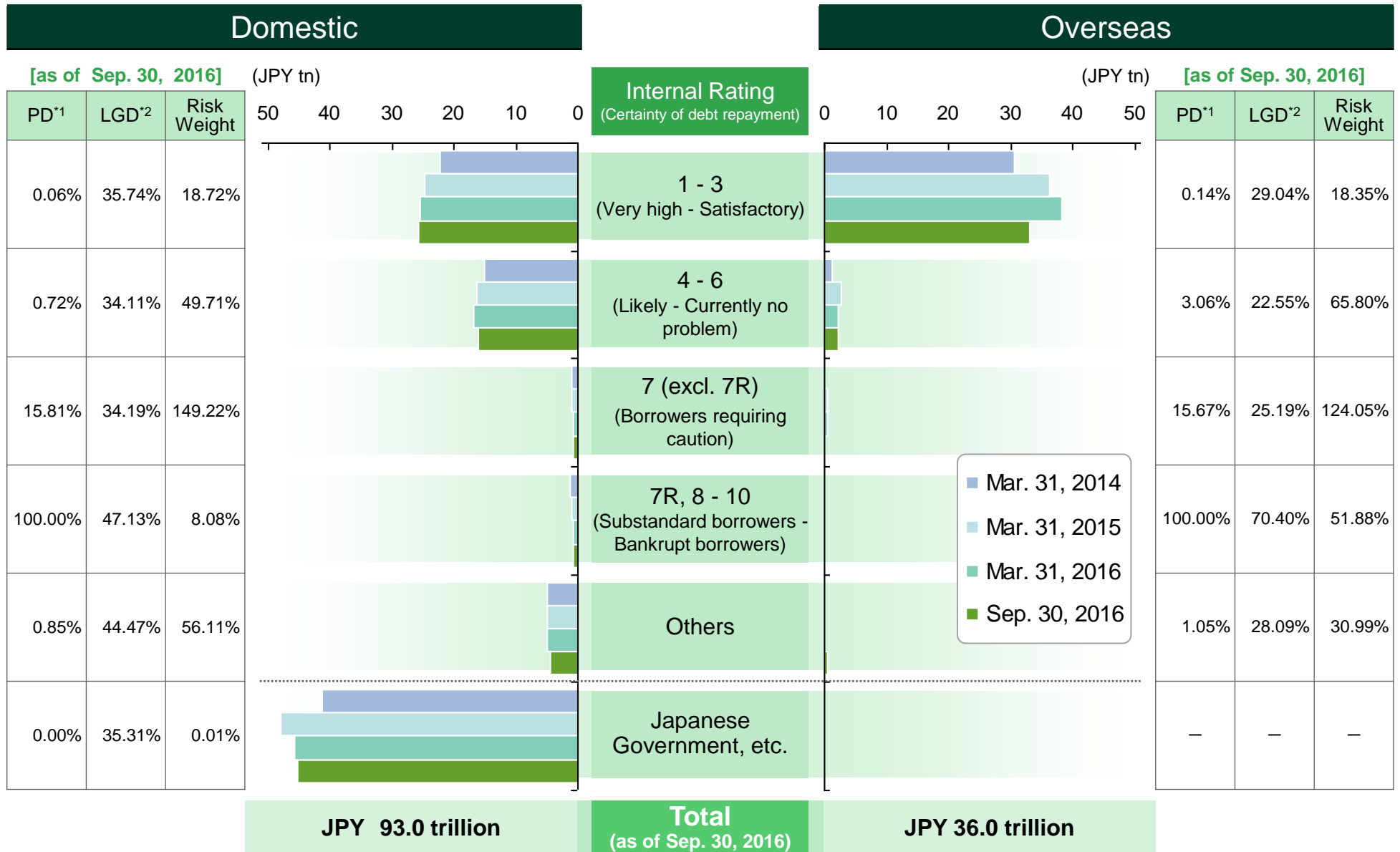


Topics: Acquisition of American Railcar Leasing LLC (ARL)

- Build a more diversified high-quality portfolio by enhancing our transportation leasing business
 - SMBC Rail Services will acquire ARL, the 6th largest railcar leasing company in the U.S.; expected to close 1H 2017
 - Asset size: approx. USD 3.4 bn (approx. 34 thousand railcars)*7
 - Purchasing price of the entity is expected to be lower than the appraisal value of the railcars conducted by a third party. Therefore, impact to SMFG CET1 capital ratio is minimal

*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Balance as of Dec. 2016 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada *2 Converted into USD at respective period-end exchange rates *3 Year-on-year changes exclude impact of changes in local currency / USD. Figure in < > is an YoY change excluding the balance of SMBC Canada Branch as of Dec. 2016 *4 Monthly average loan spread of existing loans *5 Includes deposits from central banks *6 Bonds issued by SMFG and SMBC *7 Subject to certain conditions and adjustments

Ref: Corporate, sovereign and bank exposures



*1 Probability of Default. Probability of becoming default by the obligor during the course of one year

*2 Loss Given Default. Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default

Ref: Exposure to resource-related sectors*1

		(JPY tn)	Mar. 15	Ratio to total exposure	Mar. 16	Ratio to total exposure	Nov. 16	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	1.3%
		Midstream (Storage/Transportation)	1.1	1.0%	1.4	1.2%	1.4	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	4.7%
		Other resources (Mining)	1.2	1.1%	1.1	1.0%	1.0	0.8%
		Non-Japanese*4 (Resource-related sectors)	6.8	6.1%	6.9	6.0%	6.7	5.6%
		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%	1.5	1.2%
		Other resources (Mining)	0.2	0.2%	0.2	0.2%	0.2	0.2%
		Japanese (Resource-related sectors)	1.4	1.2%	1.8	1.6%	1.7	1.4%
		Resource-related sectors	8.1	7.3%	8.8	7.6%	8.5	7.0%
		Oil and gas	6.7	6.0%	7.4	6.4%	7.2	6.0%
		Other resources (Mining)	1.4	1.3%	1.3	1.1%	1.2	1.0%
		Non-Japanese*4	38	34.0%	38	32.9%	39	32.7%
		Japanese	73	66.0%	77	67.1%	81	67.3%
		SMFG total exposure	111	100.0%	115	100.0%	120	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 Nov. 2016

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.