Bank of America Merrill Lynch 2017 Japan Conference

SMFG's Management Strategy

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September 7, 2017

SMFG SUMITOMO MITSUI FINANCIAL GROUP

SMFG Next Stage

Agenda

I Business environment and SMFG’s Medium-Term Management Plan (FY3/2018-FY3/2020)

II 1Q, FY3/2018 performance

III Progress of our initiatives

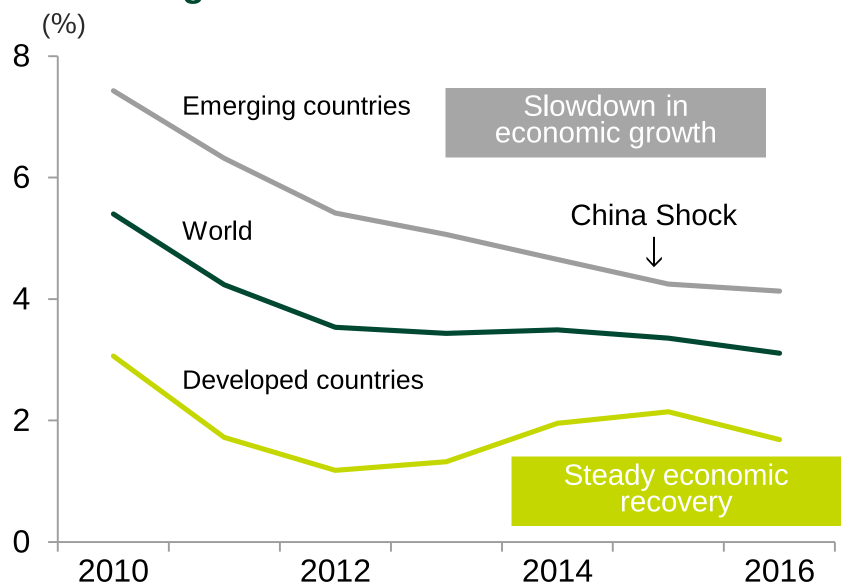
– Discipline, Focus, Integration

IV Capital policy

Business environment and SMFG's initiatives

Business environment

Real GDP growth rate



Difficult earnings environment

- Tightening of international financial regulations
- Emergence of protectionism
- Rise of geo-political risks
- Negative interest rates in Japan
- Higher foreign currency funding costs

Business Opportunities

- Shift from savings to asset building, inheritance/business successions
- Investment needs under the low-interest rate environment
- M&A activity and acceleration of global expansion of large companies
- Emergence of growth companies and industries
- Growth of the Asian middle class

- Strengthening of corporate governance
- Digitalization

SMFG's initiatives

Previous Medium-Term Management Plan (FY3/2015-FY3/2017)

- Top-line growth
- Upfront investments for future growth
- Reform domestic and international business models
- Globalization and group cooperation of management, organizations, and HR

Shifted to focus on our bottom line profit in mid-FY2015 because of the change in environment

New Medium-Term Management Plan (FY3/2018-FY3/2020)

SMFG Next Stage

1 Discipline
Disciplined business management

2 Focus
Focus on our strengths to generate growth

3 Integration
Integration across the Group and globally to achieve sustainable growth

Rates/Forex assumptions for FY3/2020

(Japan) Short-term rate	(0.10)%	JPY/USD	JPY 110.00
(US) FF rate	2.25%	JPY/Euro	JPY 115.00

Mid- to long-term vision

To be a global financial group that leads growth in Japan and Asia by earning the highest trust of our customers

Overview of Medium-Term Management Plan (FY3/2018-FY3/2020)

SMFG Next Stage

To achieve sustainable growth by combining the Group's strengths with more focused business management

Core Policy

1 Discipline
Disciplined business management

2 Focus
Focus on our strengths to generate growth

3 Integration
Integration across the Group and globally to achieve sustainable growth

FY3/2020 Financial Targets

Business Environment
- Challenging earnings environment
- Tighter international regulations
- New opportunities from technology and social trends

Key considerations
- Improve capital, asset, and cost efficiencies
- Healthy risk-taking versus credit cost control
- Balance among financial soundness, enhancing shareholder returns, and growth investments

Capital Efficiency	ROE	7～8%	Maintain at least 7% notwithstanding accumulation of capital
Cost Efficiency	OHR	1% reduction compared with FY3/2017	Reduce to around 60% at the earliest opportunity (FY3/2017: 62.1%)
Financial Soundness	CET1 ratio*1,2	10%	Maintain capital in line with likely raised requirement (FY3/2017 8.3%)

*1 Calculated with RwA inflated by 25% compared to the current level based on our assumption of the final impact of Basel III reforms
*2 CET1: excludes net unrealized gains on other securities
RwA: excludes RwA associated with net unrealized gains on stocks

Shareholder Return Policy

- **Adopt a progressive dividend policy targeting payout ratio of 40%**
- **Dividend per share forecast for FY3/2018 is 160 yen, a 10 yen increase year on year**
- **Policy for share buybacks will be laid out after the finalization of Basel III reforms**

1Q, FY3/2018 performance

- **Showed steady performance in 1Q, FY3/2018**

Income statement

(JPY bn)		USD	Apr.-Jun. 2017	YOY change	1H	FY3/18 target
Consolidated	Consolidated gross profit	USD 6.6 bn*1	737.4	+21.7		
	General and administrative expenses		(453.9)	(10.7)		
	Overhead ratio		*61.6%*	*(0.3)%*		
	Equity in gains (losses) of affiliates		19.6	+12.8		
	Consolidated net business profit*2	USD 2.7 bn*1; 27%*3	303.2	+23.7	550	1,130
	Total credit cost		(14.8)	(4.1)	(110)	(210)
	Gains (losses) on stocks		29.0	+27.4		
	Others		(1.2)	(4.8)		
	Ordinary profit	USD 2.8 bn*1	316.2	+42.2	460	970
	Profit attributable to owners of parent	USD 2.2 bn*1; 38%*3	241.5	+57.2	310	630
Non-consolidated	Gross banking profit	USD 3.2 bn*1	357.1	(12.3)		
	Expenses*4		(205.7)	(1.2)		
	Banking profit*2	USD 1.4 bn*1	151.3	(13.5)	280	600
	Total credit cost		14.6	(3.9)	(45)	(80)
	Gains (losses) on stocks		27.7	+27.6		
	Ordinary profit	USD 1.7 bn*1	188.0	+39.4	240	550
	Net income	USD 1.5 bn*1	168.4	+61.5	200	430

Consolidated gross profit increased mainly due to the increase of
a) profits from equity index-linked investment trusts at SMBC
b) fees from equity brokerage and investment trusts at SMBC Nikko

General and Administrative expenses increased mainly due to the consolidation of SMAM (consolidated in Jul. 2016)

Equity in gains (losses) of affiliates increased because The Bank of East Asia recorded gains on sale of its subsidiary

Contribution of subsidiaries to Profit attributable to owners of parent *5

(JPY bn)	Apr.-Jun. 2017	YOY change
SMBC Nikko*6	14	+3
SMBCCF	14	+0
SMFL	9	+1
Cedyna	6	(2)
SMCC	3	+0
SMBC Friend	1	+0
SMAM	1	+0
SMBC Trust	(3)	+2

- Reduction of strategic shareholdings (book value)
  - Reduction results for the 1Q: approx. JPY 25 bn
  - Consent of sales from clients (outstanding) as of Jun. 2017: approx. JPY 110 bn

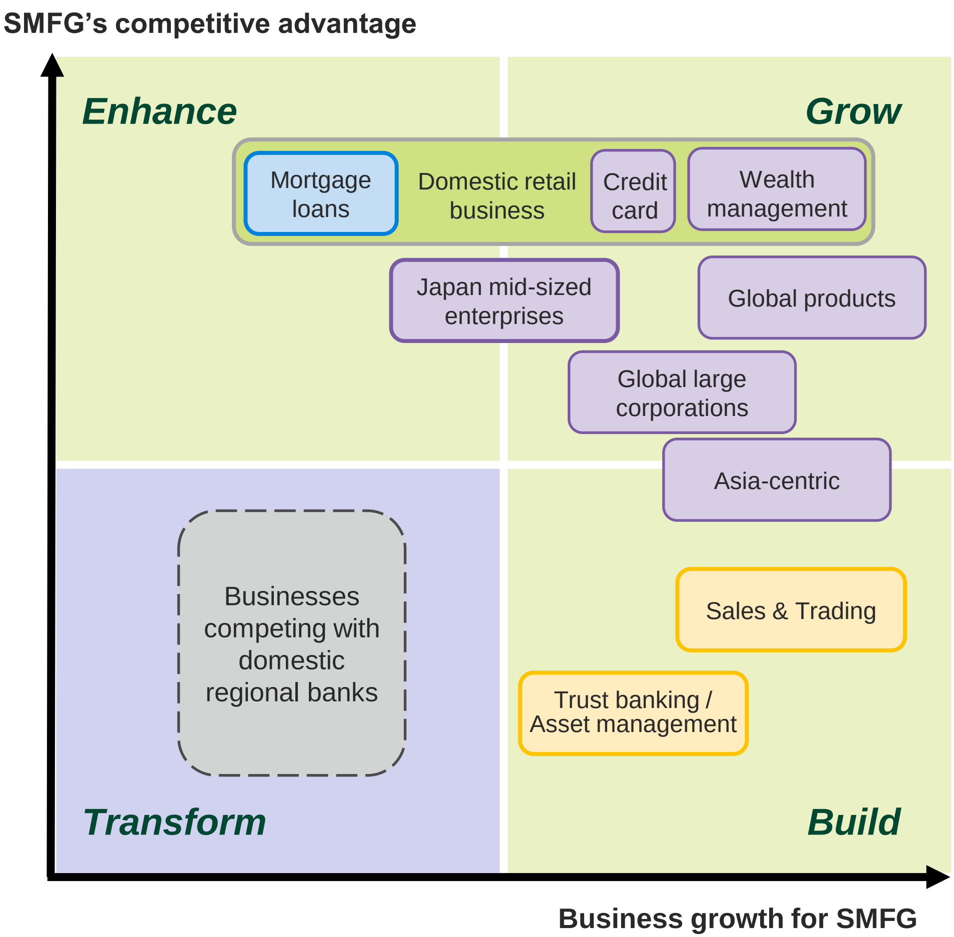
*1 Converted into USD at period-end exchange rate of USD 1 = JPY 111.96 *2 Before provision for general reserve for possible loan losses *3 Ratio to full-year target
*4 Excludes non-recurring losses *5 in round numbers *6 Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

III. Progress of our initiatives - Discipline, Focus, Integration

Transformation of business/asset portfolio and quality of earnings base

- **Prioritize business fields when allocating resources to enhance capital efficiency**
- **Maintain our competitive advantage in the domestic retail and wholesale businesses and generate stable earnings**

Business portfolio transformation

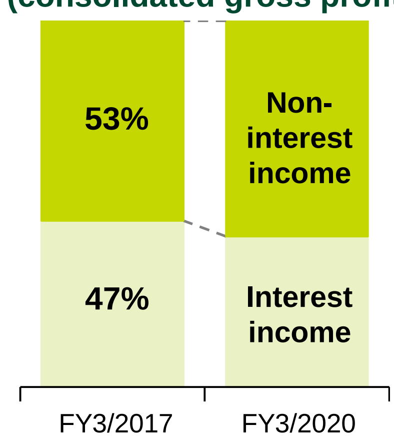


Review of group operations

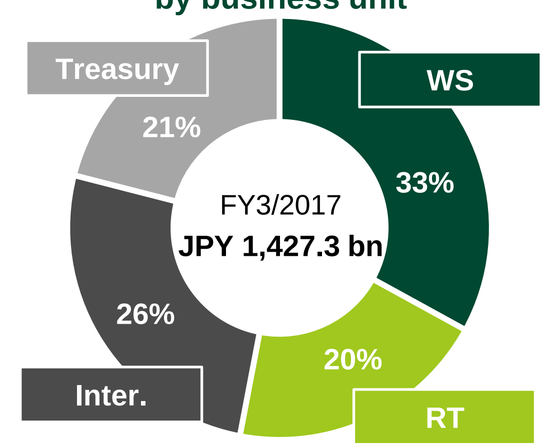
1. Turning Kansai Urban Banking Corporation and THE MINATO BANK to equity method affiliates
2. Business integration of SMCC and Cedyna
3. Yahoo! JAPAN to consolidate The Japan Net Bank
4. Changing shareholder composition of POCKET CARD (ITOCHU and FamilyMart to raise its shareholdings)

Increase corporate value by leveraging outside business partners' resources

Interest/non-interest income ratio (consolidated gross profit)



Breakdown of consolidated net business profit by business unit



Focus on Seven Core Business Areas

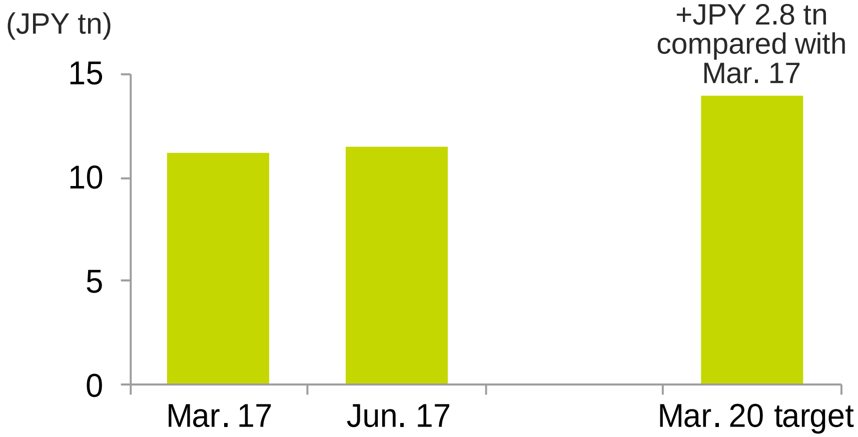
Concept		Strategic Focus
Enhance Enhance business base in domestic market	1	Hold the number one retail banking franchise in Japan
	2	Build on our lead position in the Japanese medium-sized enterprise market
	3	Increase market share in Corporate & Investment Banking in key global markets
Grow Sustainable growth of US/EMEA businesses. Make Asia our second mother market	4	Establish a top-tier position in product lines where we are competitive globally
	5	Accelerate our "Asia-centric" strategy
Build Build our new strengths for future growth	6	Strengthen sales & trading capability
	7	Develop asset-light businesses: trust banking and asset management

Digitalization

Retail business

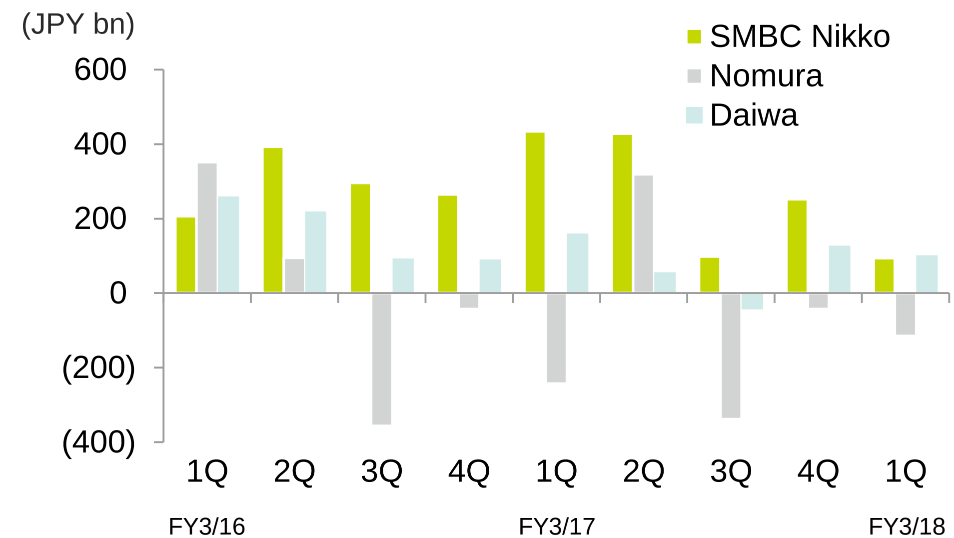
- **Increase the balance of stock-based assets by enhancing our wealth management business through bank-securities integration**

Balance of stock-based assets (SMBC+SMBC Nikko)

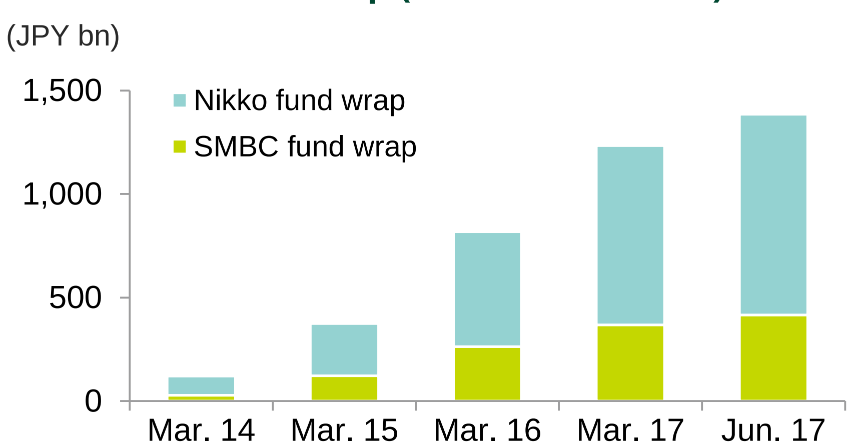


➢ "SMBC/Amundi protect & switch fund", the first investment fund with a "protect line" in Japan was released in Jul. 2017
Net asset: JPY 87.5 bn (as of Aug. 31, 2017)

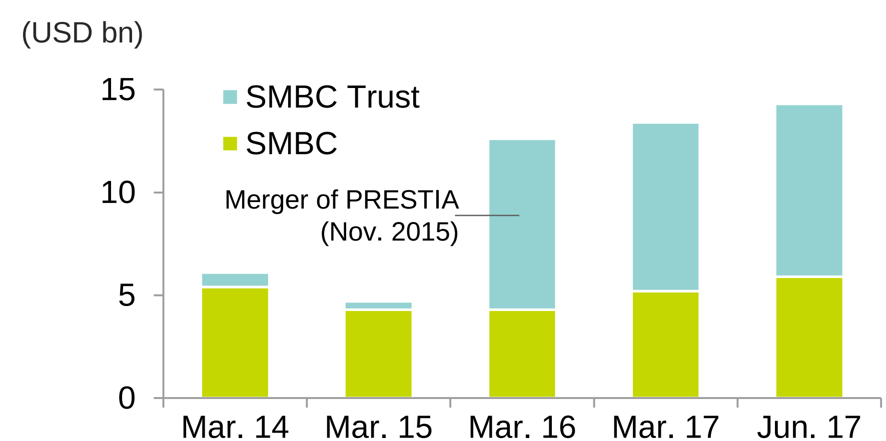
Inflow of clients' assets (SMBC Nikko)



Balance of fund wrap (SMBC+SMBC Nikko)



Balance of foreign currency deposits (SMBC (retail)+SMBC Trust)*



* Converted into USD at respective period-end exchange rates

III. Progress of our initiatives - Discipline, Focus, Integration

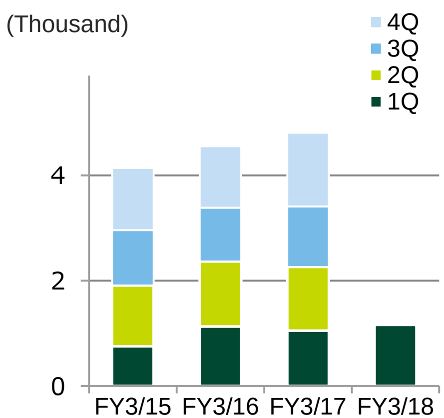
Wholesale business, International business

- Increase cross-selling through bank-securities collaboration in the wholesale business
- Strengthen products that we hold competitive advantages in the international business

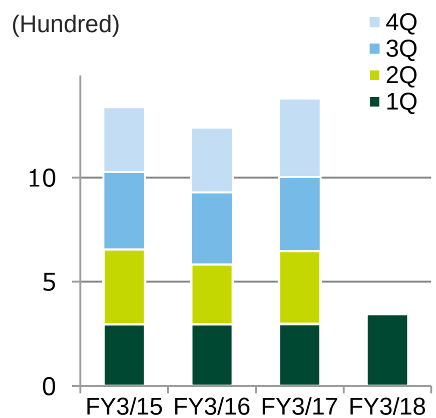
Wholesale business

Bank-securities collaboration

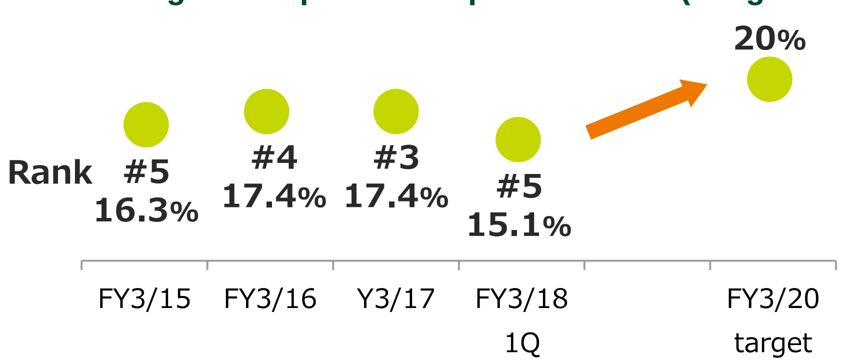
Asset management



Investment banking

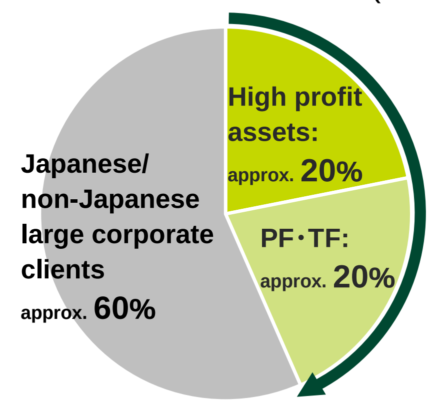


Lead arranger of Japanese corporate bonds (League Table)



International business

Portfolio of international business (as of Jun. 2017)



Target to allocate around 45% to high profit assets and PF/TF under disciplined operation

High profit assets

- Aircraft leasing/ financing
  Jun. 2012: Acquired SMBC AC*1
- Railcar leasing in North America
  Dec. 2013: Acquired SMBC RS*2
  Jun. 2017: Acquired ARL
- LBO finance
  Sep. 2015: Acquired European loan portfolio from GE
- Subscription finance, etc.

Acquisition of American Railcar Leasing (ARL)

→p.48

*1 Acquired aircraft leasing business (current SMBC Aviation Capital) from RBS
*2 Acquired US railcar leasing company, Flagship Rail Services (current SMBC Rail Services)

Digitalization

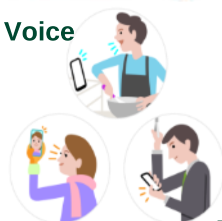
- **Promote digitalization in areas including “enhancing the customer experience”, “generating new businesses”, “improving productivity and efficiency” and “upgrading management infrastructure”**

Biometric authentication platform (launched Jul. 2017)

あなたがいれば、パスワードはいらない。
Polarify

The first approval of the Banking Act revision

Voice



Face

Finger

Can be used in various smartphone apps

3 ways to authenticate

User :no need to manage IDs for every service
Provider :no need for own authentication function

Comprehensive alliance with Yahoo! JAPAN (Aug. 2017)

- Provide customers with value-added financial services by utilizing expertise and resources of SMFG and Yahoo! JAPAN through a joint venture

JV

- ☐ Plan and develop apps and services
- ☐ Data analysis
- ☐ Digital marketing

Workstyle reform utilizing public cloud/AI (Jun. 2017)

- Adopted integrated information sharing cloud service of Microsoft

Retail branch reorganization

Establishment of an open innovation base

- Established “hoops link tokyo” in Shibuya (Sep. 2017)

Discipline

Improving productivity and efficiency

- Improve productivity and efficiency through various measures including digitalization
- Aim for a mid-term cost reduction of JPY 100 bn

Key initiatives

Business reform to improve efficiency

- Utilize technology to improve efficiency of head office business processes
- Consolidate head office functions and infrastructure of group companies

Retail branch reorganization

- Enhance self/remote transactions and administration processes
- Productivity and efficiency improvement through branch reforms

Reorganization of group companies

- Merge SMBC Nikko and SMBC Friend
- Strengthen business integration of SMCC and Cedyna (Clarification of roles and sharing of management resources)

Annual cost reduction

3 years during Medium-Term Management Plan: JPY 50 bn plus

JPY 20 bn Group-wide productivity improvements

JPY 20 bn Retail branch reorganization

JPY 10 bn Merger of securities subsidiaries

Aiming for a mid-term cost reduction of JPY 100 bn

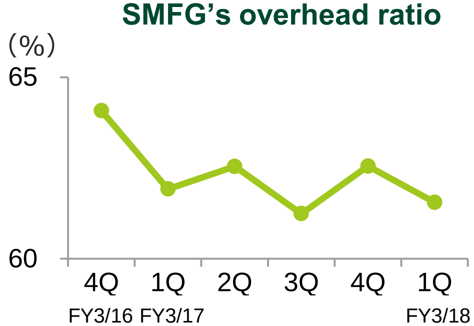
Headcount streamlining

4,000 positions*2 as the result of improving productivity and efficiency

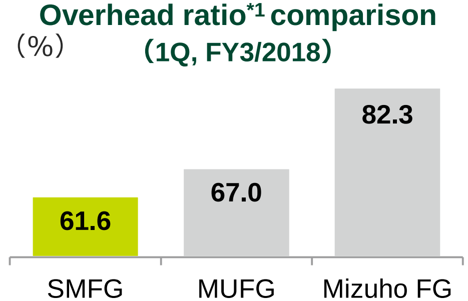
(2,000 core workers)

Staff relocation and enhancement (strategic business fields, overseas, etc.)

SMFG's overhead ratio



Overhead ratio*1 comparison (1Q, FY3/2018)



*1 G&A expenses on consolidated financial results (*kessan tanshin*) divided by Consolidated gross profit

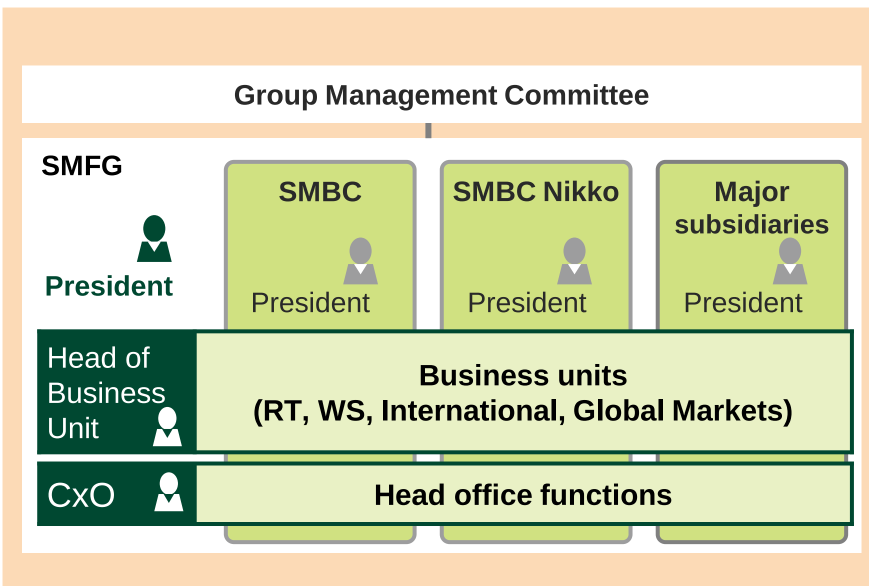
*2 Core positions are on a 3 year basis, other positions are on a 4 year basis

Management that maximizes business potential, enhancement of governance framework

- Introduced Group-wide business units and CxO system to maximize business potential for the Group on a global basis
- Enhance governance framework by transforming into a Company with Three Committees
- Revised the executive pay system that has a stronger link to financial results in order to ensure the management is well aligned with the shareholder perspective

New Group-wide operational structure

Introducing Group-wide business units and CxO system



Objectives
- Strengthen ability to support clients
- Optimize overall resource usage
- Sophisticate planning and management functions

New governance framework, Review of the executive pay system

Transforming into a Company with Three Committees

Objectives
- Establish standard G-SIFI governance framework
- Strengthen the supervisory function of the Board of Directors
- Expedite execution of operations

Outside directors

- Increased the number of Outside directors from five to seven (its ratio against the total number of Directors increased from 36% to 41%)
- Arranged a small meeting of Outside director and investors

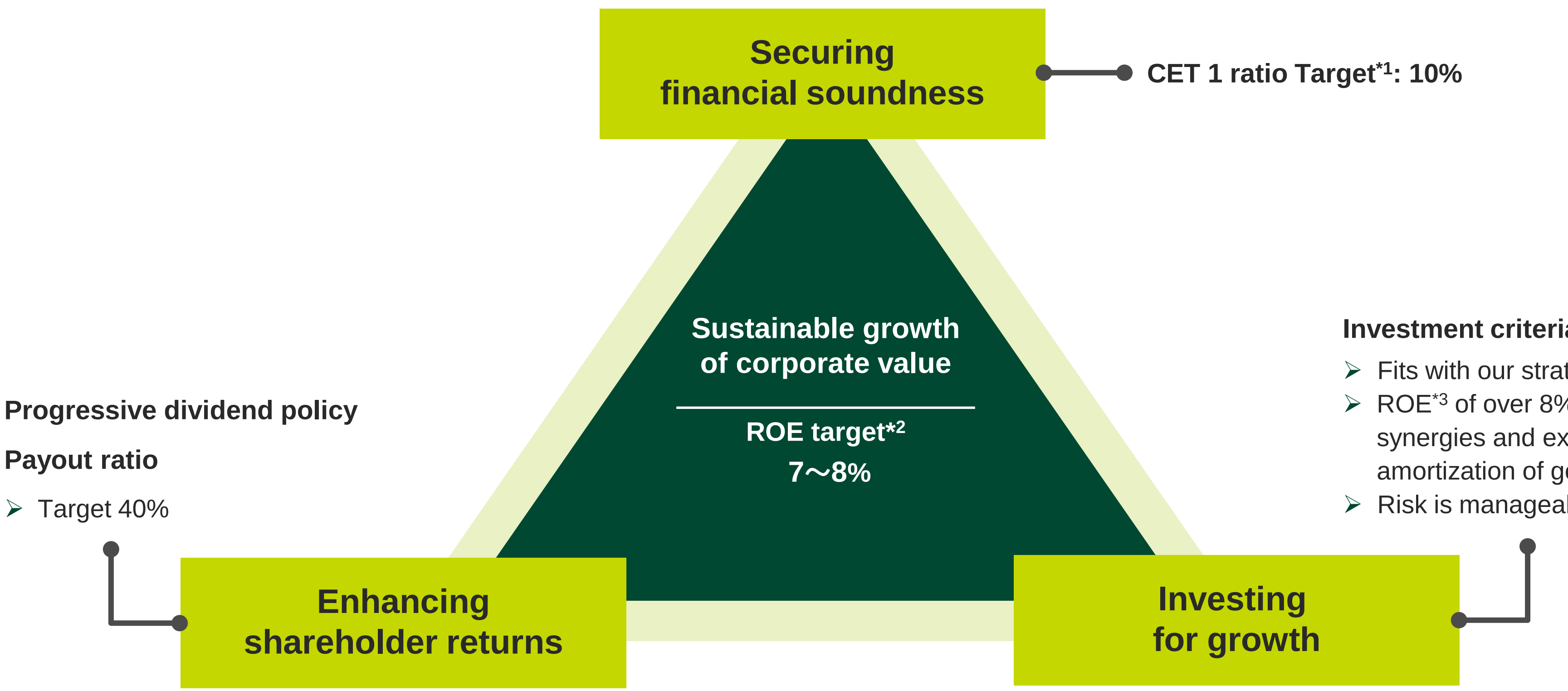
Introduction of New Stock Compensation Plans for Executives utilizing restricted stock

- Introduced compensation that is linked to financial targets of the medium-term management plan and to our stock performance
  The targeted ratio of the variable compensation component corresponding with performance is 40%
- Raise the ratio of stock-based compensation
  The targeted ratio is 25%
- Strengthen risk management through the introduction of a system for (a) partial deferral of bonuses and (b) reducing or returning compensation (Malus and Clawback)

Basic capital policy

- Balance "securing financial soundness", "enhancing shareholder returns", and "investing for growth"
- Adopt a progressive dividend policy, and target payout ratio of 40%
- Policy for share buybacks will be laid out after the finalization of Basel III reforms

(Taking into consideration; capital level, earnings forecasts, stock price, and opportunities of investments for growth)



*1 Calculated with RwA inflated by 25% compared to the current level based on our assumption of the final impact of Basel III reforms.
CET1: excludes net unrealized gains on other securities
RwA: excludes RwA associated with gains on stocks
CET1 ratio on a Basel III fully-loaded basis (including net unrealized gains on other securities) exceeds CET1 ratio Post-Basel III reforms basis by 4%

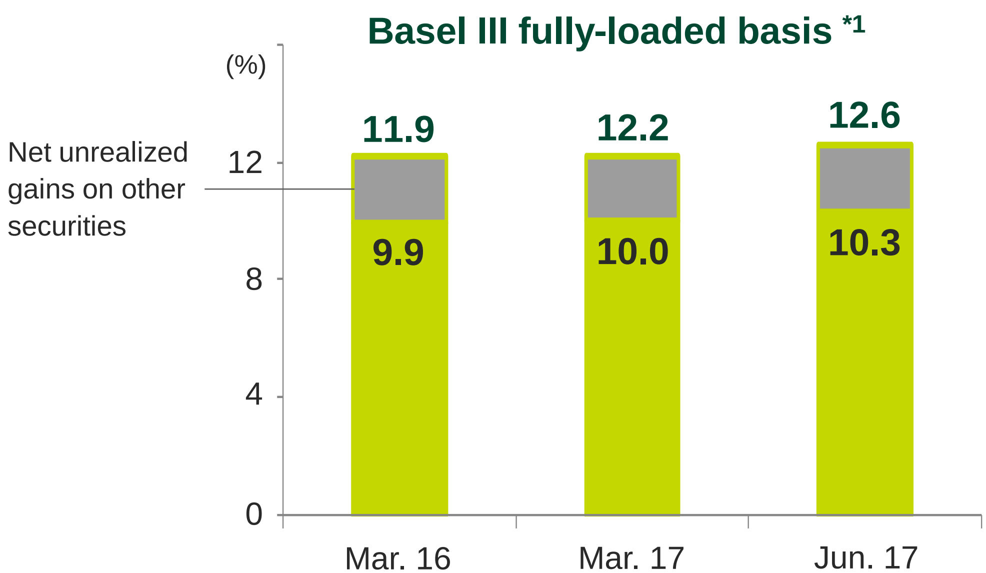
*2 On a stockholders' equity basis

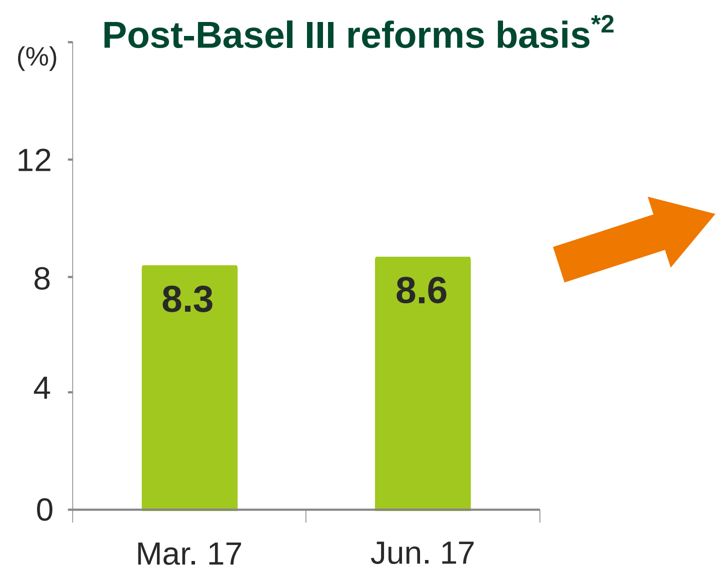
*3 Managerial accounting basis with RwA calculated assuming Basel III reforms are finalized

Capital position

- Common Equity Tier 1 capital (CET1) ratio target (Post-Basel III reforms basis) **10%**

CET1 ratio





Target
10%

(JPY tn)

	Mar. 16	Mar. 17	Jun. 17	Mar. 17 (Post-Basel III reforms basis)	Jun. 17 (Post-Basel III reforms basis)
Risk-weighted assets (RwA) [Excludes RwA associated with net unrealized gains on stocks]	65.9	70.6	70.7	88.6 [85.5]	88.7 [85.4]
CET1 capital (of which net unrealized gains on other securities)	7.90 (1.35)	8.68 (1.54)	8.95 (1.60)	8.68 (1.54)	8.95 (1.60)

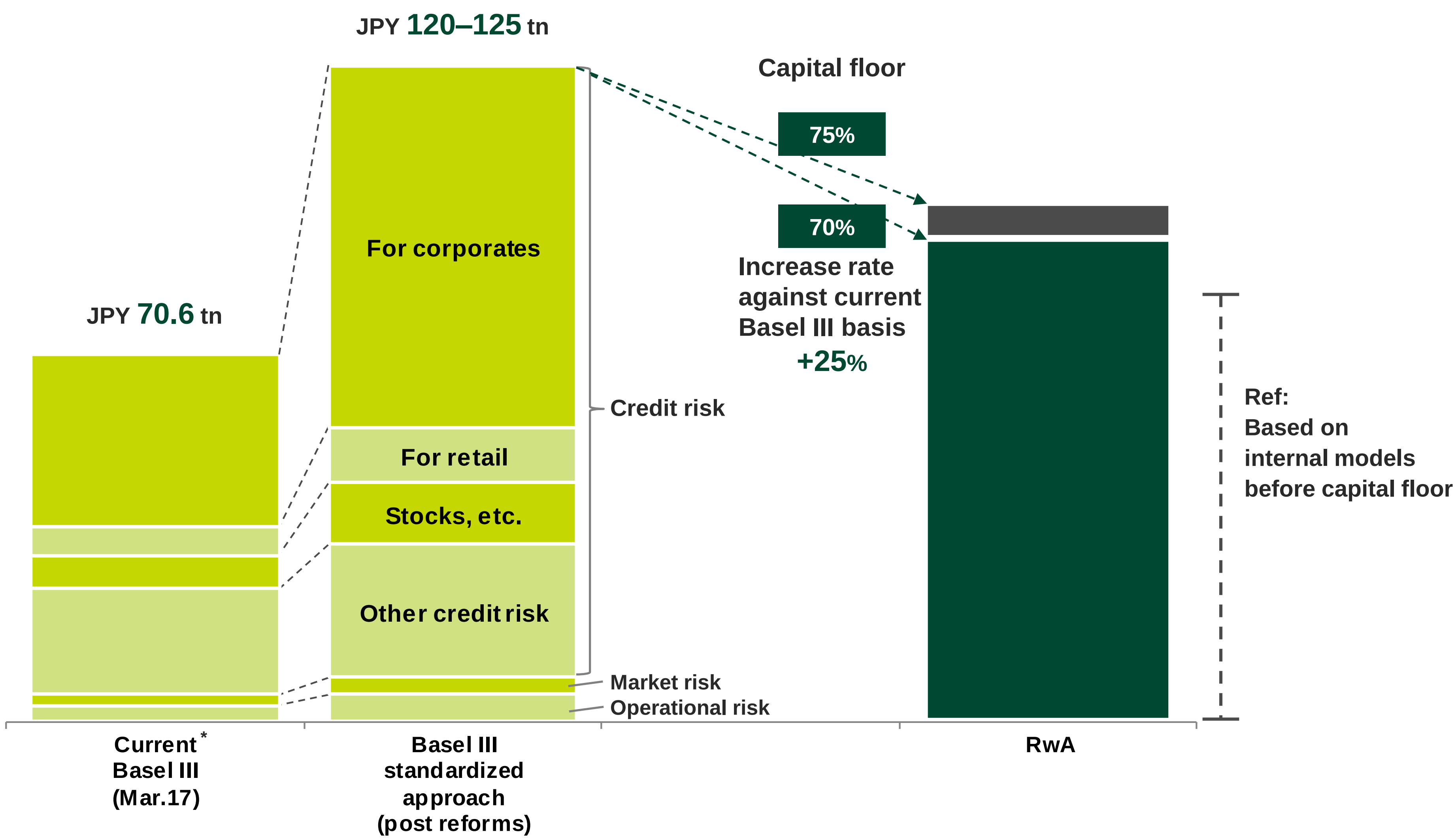
Accumulation of CET1 ratio

- **Accumulation of retained earnings**
  +around 50 bp / year
- **Regional banks subsidiaries turned into equity method affiliates**
  +40bp–50bp

*1 Based on the definition applicable for March 31, 2019

*2 RwA inflated by 25% compared to current levels. CET1 excludes net unrealized gains on other securities. RwA excludes RwA associated with net unrealized gains on stocks

Ref: Estimated inflation of RwA at the time of finalization of Basel III reforms



* We adopt floors based on FIRB. No capital floor adjustments are currently made

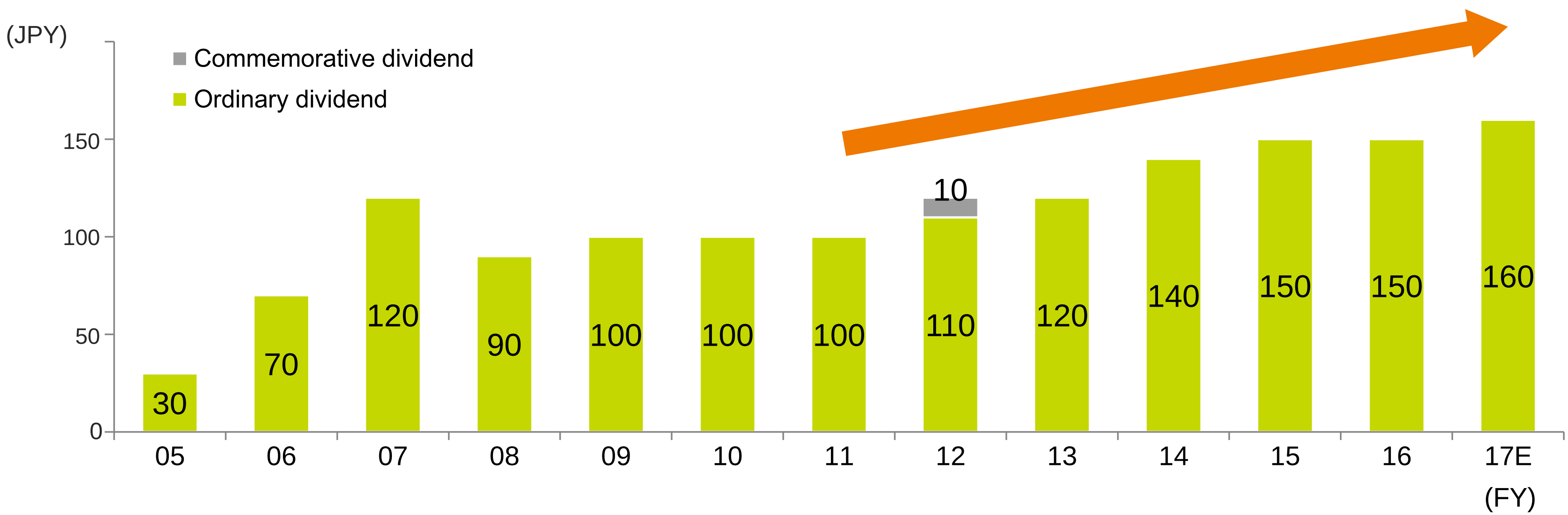
Dividend policy

- **Progressive dividend policy, and target payout ratio of 40%**

  Note: Progressive dividend policy means not to reduce dividends, and will maintain or increase dividends

- **Dividend per share forecast for FY3/2018 is 160 yen, a 10 yen increase year on year**

Dividends per share*1, 2



	05	06	07	08	09	10	11	12	13	14	15	16	17E
Payout ratio*3	3.4%	12.5%	20.5%	-	46.8%	30.0%	26.8%	21.3%	20.3%	26.2%	32.7%	29.9%	35.8%
ROE*4	22.8%	13.8%	15.8%	-	7.5%	9.9%	10.4%	14.8%	13.8%	11.2%	8.9%	9.1%	

*1 SMFG implemented a 100 for 1 stock split of common stock on January 4, 2009. Figures shown above reflect the stock split, assuming that it had been implemented at the beginning of FY3/2006
*2 Common stock only *3 Consolidated payout ratio *4 On a stockholders' equity basis

Key takeaways

To achieve sustainable growth by combining the Group's strengths with more focused business management

- **Made a good start of the Medium-Term Management Plan that focuses on improving capital, asset and cost efficiencies to become a financial group with high quality**
- **Evolving our group-based operations through the introduction of Group-wide business units and CxO system**
- **Showed steady performance in 1Q, FY3/2018**
- **Our basic capital policy is to balance "securing financial soundness", "enhancing shareholder returns", and "investing for growth". Continue to monitor the discussion of the finalization of Basel III reforms**

Appendix

Group structure*1

Sumitomo Mitsui Financial Group

Consolidated total assets	JPY 198 tn
Consolidated Common Equity Tier 1 capital ratio	12.17 %

Credit ratings*2	Moody's	S&P	Fitch	R&I	JCR
	A1/P-1	A-/ -	A/F1	A+/ -	AA-/ -

100%

Sumitomo Mitsui Banking Corporation

Assets	JPY 162 tn
Deposits	JPY 106 tn
Loans	JPY 76 tn
No. of retail accounts	approx. 27 mn
No. of corporate loan clients	approx. 84,000

Credit ratings*2	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)
  - 60% SMBC Aviation Capital (30% SMBC; 10% Sumitomo Corporation) — Became a subsidiary in Jun. 2012
  - 100% SMFL Capital*3 — Became a wholly-owned subsidiary in Apr. 2016
    - Became a direct subsidiary of SMFG in Oct. 2016

Securities Services

- 100% SMBC Nikko Securities — Became a wholly-owned subsidiary in Oct. 2009 【No. of accounts: approx. 2.8 mn】
- 100% SMBC Friend Securities
  - SMBC Nikko Securities and SMBC Friend Securities expected to merge in Jan. 2018

Consumer Finance

- 100% SMFG Card & Credit
  - 66% Sumitomo Mitsui Card (34% NTT docomo) 【No. of card holders: approx. 26 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】

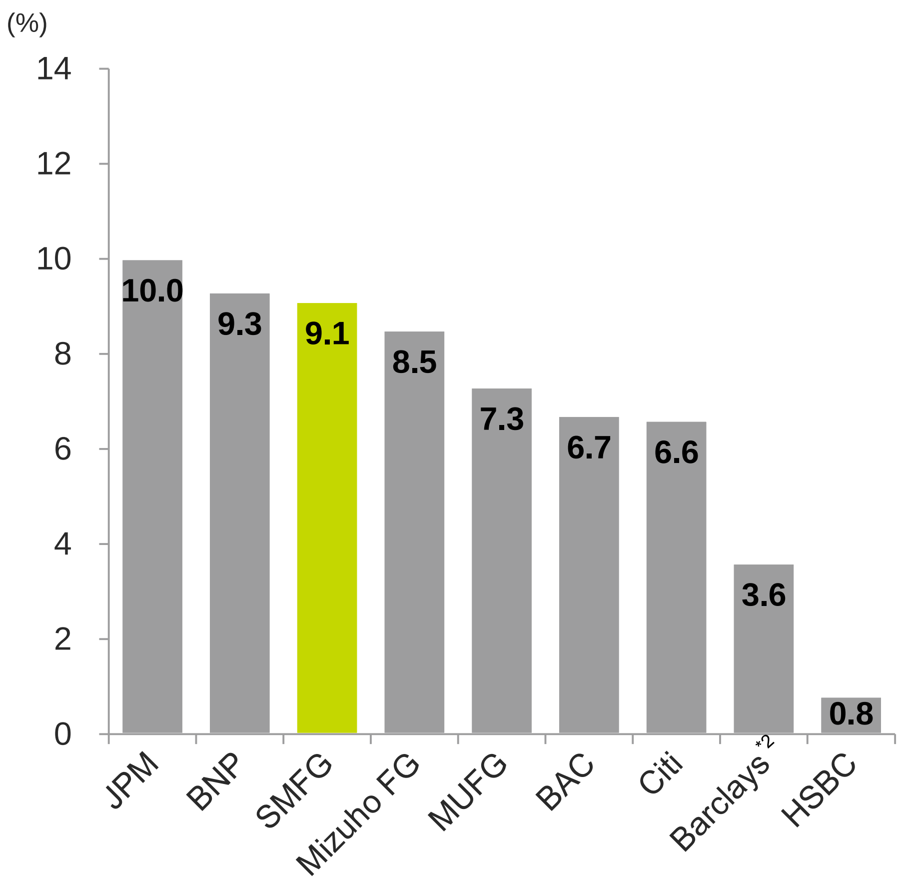
Other business

- 100% Japan Research Institute
- 60% Sumitomo Mitsui Asset Management — Became a subsidiary in Jul. 2016
  - Became a direct subsidiary of SMFG in Oct. 2016

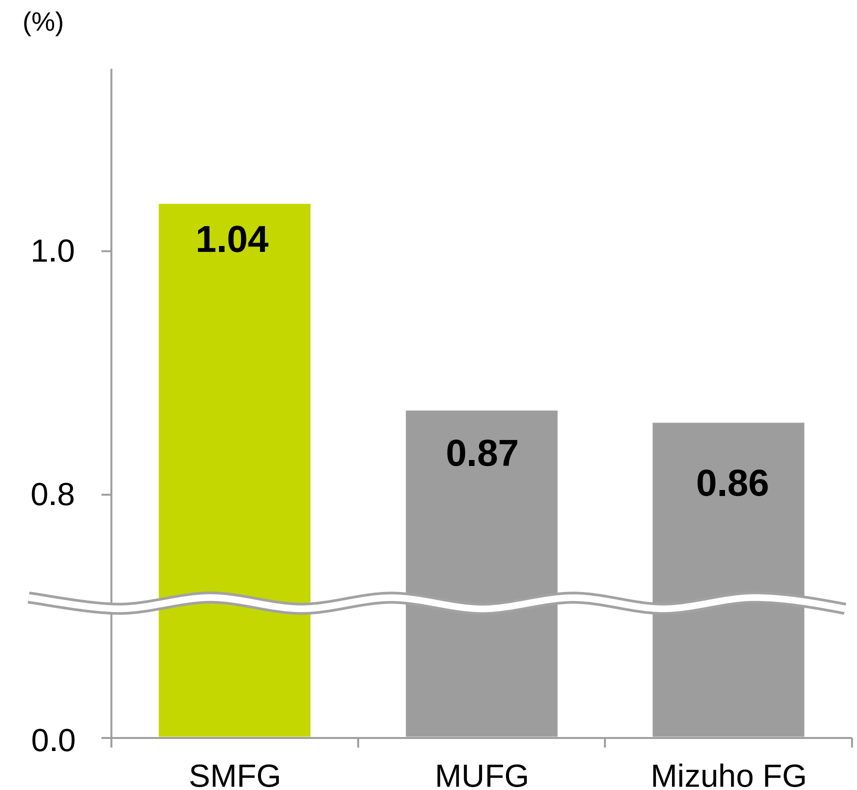
*1 As of Mar. 31, 2017 for figures
*2 As of Jul. 31, 2017
*3 Changed name from GE Japan GK to SMFL Capital Company, Limited in Sep. 2016

Peer comparison

ROE[*1]



Domestic loan-to-deposit spread[*3]



Proportion of loans to individuals & SMEs	62.5%(*)	61.7%	58.2%

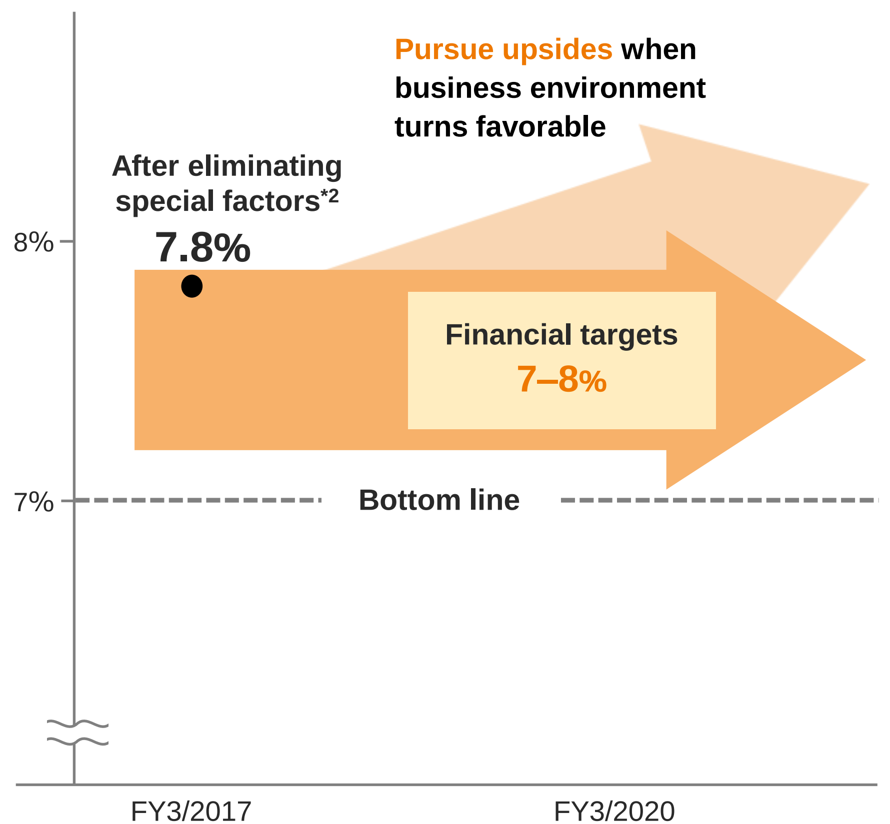
(*) Proportion of loans to individuals & SMEs decreased due to a) an increase in loans to the Japanese government, etc. and b) loans to holding company SMFG's definition turned into Large corporation from SME. Proportion of loans to individuals & SMEs excluding SMFG as of Mar. 31, 2016 was 65.2%

*1 Based on each company's disclosure. FY3/17 results for SMFG, MUFG and Mizuho FG. Jan. - Dec. 2016 results for others *2 ROTCE: Return on tangible common equity
*3 FY3/17 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 The Bank of Tokyo-Mitsubishi UFJ for MUFG and non-consolidated figures of Mizuho Bank for Mizuho FG

ROE

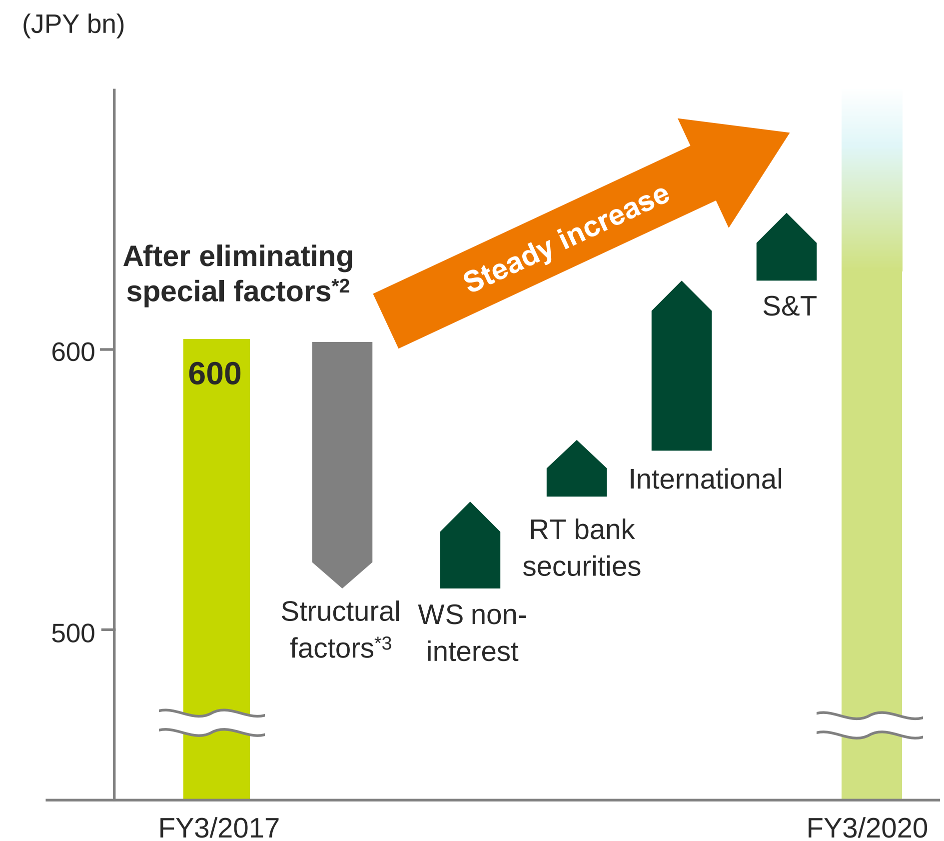
- In order to comply with regulations, accumulation of capital will be prioritized for the time being. However, we will secure at least 7% of ROE. In addition, by steadily enacting initiatives of the Medium-Term Management Plan, we will pursue upsides when business environment including regulations turns favorable
- Steadily increase bottom-line profit despite expected profit decline due to structural factors

ROE*1



*1 On a stockholders' equity basis
*2 Excluding special factors, such as the effects of implementing the consolidated corporate-tax system

Net income

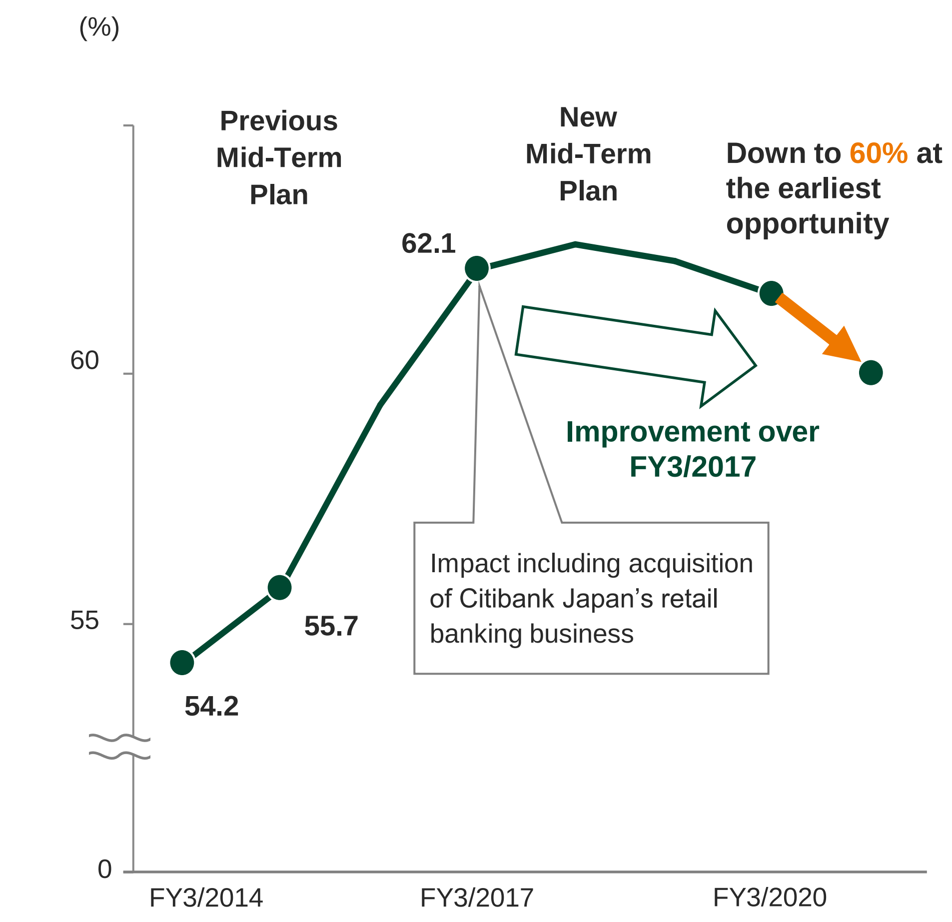


*3 Effects of negative interest rates, decline of domestic loan spreads and higher foreign currency funding costs

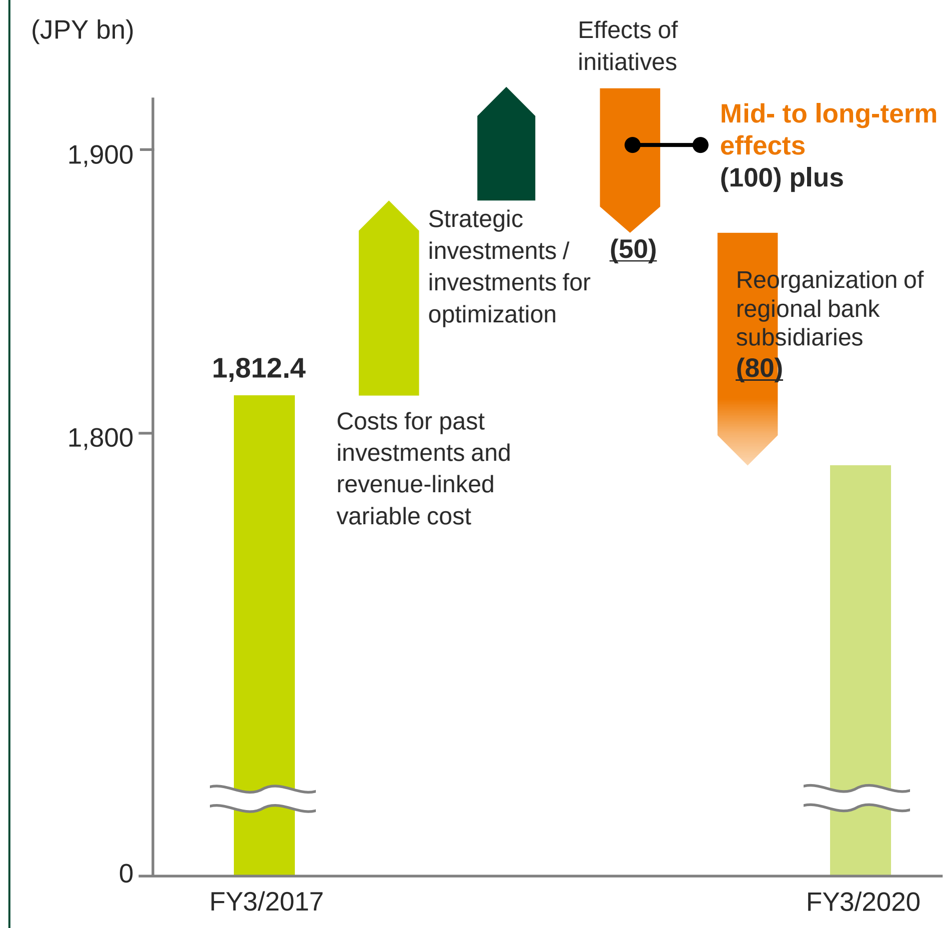
Overhead ratio

- Improve productivity on a group-wide basis and start reducing the overhead ratio
- Establish downward trend of overhead ratio and aim at around 60% at the earliest opportunity after FY3/2020

Overhead ratio



Changes in expenses



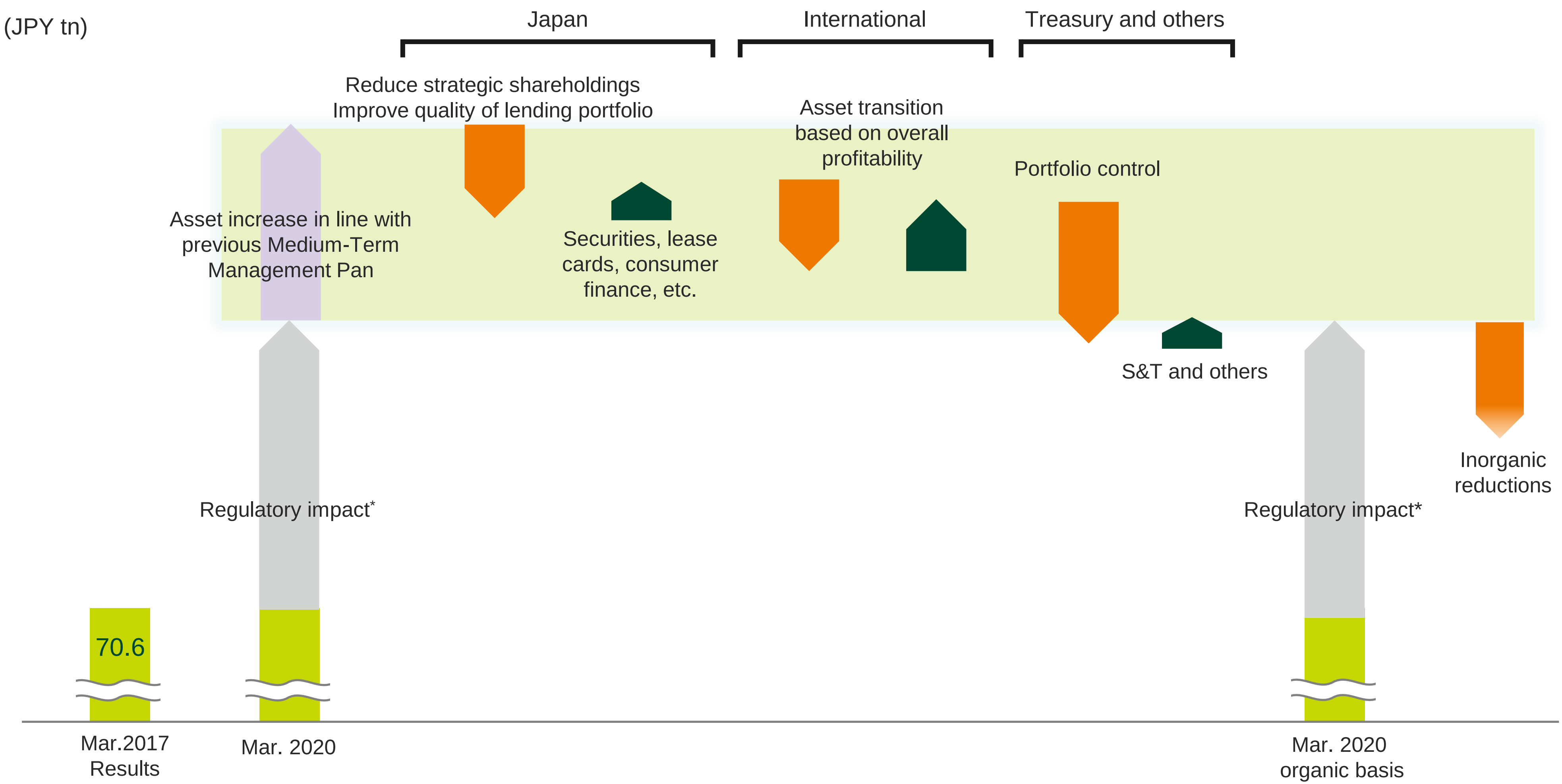
Projections by business unit

	ROE			Net business profit (JPY bn)		RwA (JPY tn)
	FY3/2020 target	FY3/2017 comparison	Three year plan	FY3/2020 target	FY3/2017 comparison	FY3/2017 [of which credit RwA]
Retail	7%		➢ Expenses will initially increase due to initiatives such as branch reorganization. The cost reduction effects of the initiatives and the merger of SMBC Nikko and SMBC Friend will appear in the latter of the period ➢ Reduce overall RwA while strengthening businesses such as credit cards and consumer finance	285	+15	13.6 [12.8]
Wholesale	10%		➢ While net business profit will increase by strengthening securities business, etc, net income will slightly decrease with the normalization of credit costs ➢ Reduce RwA through sales of strategic shareholdings	475	+10	20.8 [20.4]
International	9%		➢ Expenses will initially increase with costs of past investments and strategic investments in the securities business, but in the latter of the period, profits will increase by generating returns on the investments/initiatives that have been made ➢ Reduce the growth rate of RwA in three years by half compared to the previous three years (+22%). Control the increase in the latter of the period	415	+50	21.9 [20.4]
Global Markets	39%		➢ Increase in profit is expected by enhancing the Sales & Trading business ➢ Reduce RwA through nimble portfolio management	335	+20	6.9 [4.6]

Notes:
1 ROE for each unit is managerial accounting basis with RwA calculated assuming Basel III reforms are finalized. ROE for the International Business Unit excludes the mid- to long-term foreign currency funding costs. ROE for the Global Market Business Unit does not include interest-rate risk associated to the banking account. The objectives on RwA written in the three year plan are determined based on the current regulation
2 FY3/2017 comparison for ROE is image of three-year developments of ROE from FY3/2017 estimates when formulating the Medium-Term Management Plan
3 FY3/2017 comparisons for ROE and Net business profit are after adjustments for interest rate and exchange rate impacts
4 FY3/2017 results for each unit are managerial accounting basis, pursuant to current regulation

Transformation of business/asset portfolio and quality of earnings base

- As RwA will inflate resulting from tighter regulations, we will maintain the RwA calculated based on the current regulations
- We will reduce low-margin assets while investing in more profitable and asset efficient businesses in order to control the RwA. In addition, we will pursue inorganic reductions



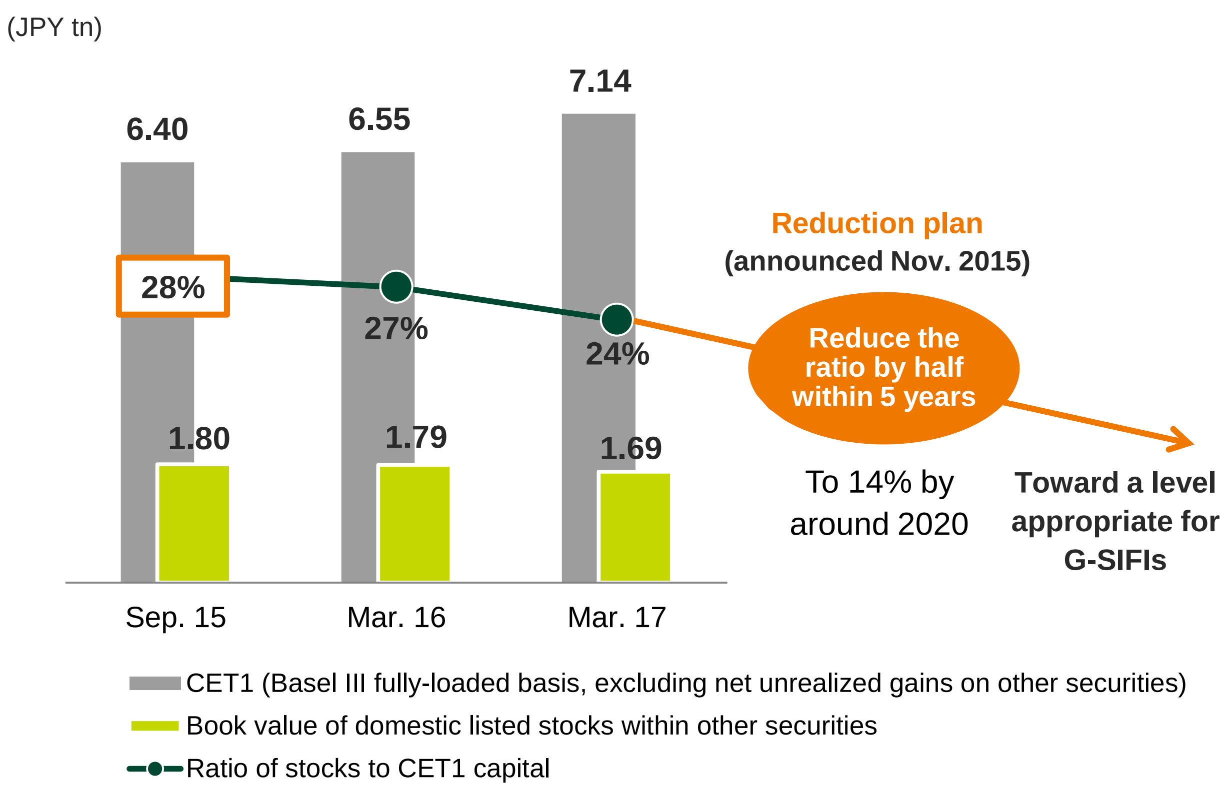
* Made under assumption that RwA will be inflated by 25% compared to current levels

Strategic shareholdings

- Aim to halve the ratio* of stocks to CET1 during the five years starting from the end of Sep. 2015
  - Reduce the book value of domestic listed stocks of up to about 30%, or about JPY 500 bn (JPY 100 bn per year)
  - Made reductions of JPY 100 bn in FY3/2017.
    Reduction results for 1Q, FY3/2018 is in line with the annual reduction target

* SMFG consolidated basis: Book value of domestic listed stocks/CET1 capital (Basel III fully-loaded basis, excluding net unrealized gains on other securities)

Strategic shareholdings and reduction plan (Consolidated basis)



Reduction results

FY3/2017 : approx. JPY 100 bn
1Q, FY3/2018 : approx. JPY 25 bn
(Total reduction from Sep. 2015– Jun. 2017: approx. JPY 140 bn)

Consent of sales from clients

Outstanding, Jun. 2017: approx. JPY 110 bn

Progress and earnings target for FY3/2018

	(JPY bn)	FY3/17 results	Apr.-Jun 2017 results	1H target	FY3/18 target	YOY change
Consolidated	Consolidated net business profit*2	USD 10.1 bn*1 1,132.9	303.2	550.0	1,130.0	(2.9)
	Total credit cost	(164.4)	(14.8)	(110.0)	(210.0)	(45.6)
	Ordinary profit	USD 9.0 bn*1 1,005.9	316.2	460.0	970.0	(35.9)
	Profit attributable to owners of parent	USD 6.3 bn*1 706.5	241.5	310.0	630.0	(76.5)
Non-consolidated	Banking profit*2	USD 7.5 bn*1 846.7	151.3	280.0	600.0	(246.7)
	Total credit cost	(61.1)	14.6	(45.0)	(80.0)	(18.9)
	Ordinary profit	USD 7.7 bn*1 864.0	188.0	240.0	550.0	(314.0)
	Net income	USD 6.1 bn*1 681.8	168.4	200.0	430.0	(251.8)

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 112.19
*2 Before provision for general reserve for possible loan losses

Consolidated net business profit

Expected to earn almost the same level as FY3/17 by increasing non-interest income and expanding the overseas business in spite of impacts from the negative interest rates and declining spreads of domestic loans

Total credit cost

Expected to increase because of smaller gains on reversal of reserves for possible loan losses at SMBC and the continuing uncertain market environment

Profit attributable to owners of parent

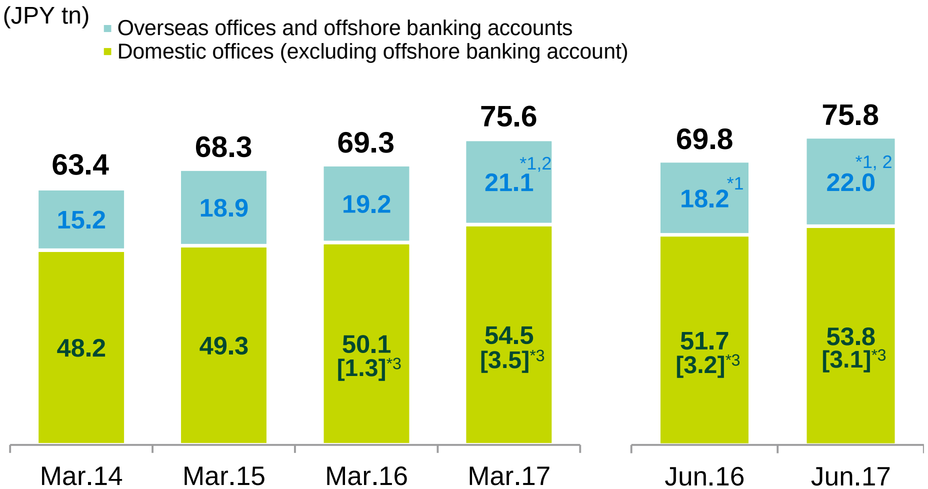
Expected to increase on an year-on-year basis excluding the impact of an one time profit push up of approx. JPY 100 bn in FY3/17 because of implementing the consolidated corporate-tax system

Assumptions of earnings target

		FY3/17 actual	FY3/18
3M TIBOR		0.06%	0.06%
Federal funds target rate		1.00%	1.25%
Exchange rate	JPY/USD	112.19	110.00
	JPY/EUR	119.84	115.00

Loans

Loan balance (Non-consolidated)



Domestic loan-to-deposit spread (Non-consolidated)

(%)	FY3/17 1Q	FY3/17 2Q	FY3/17 3Q	FY3/17 4Q	FY3/18 1Q
Interest earned on loans and bills discounted	1.13	1.05	1.01	1.02	0.99
Interest paid on deposits, etc.	0.01	0.01	0.01	0.00	0.00
Loan-to-deposit spread	1.12	1.04	1.00	1.02	0.99

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

	1Q	2Q	3Q	4Q	1Q
Interest earned on loans and bills discounted	1.15	1.12	1.08	1.07	1.04
Loan-to-deposit spread	1.14	1.11	1.07	1.07	1.04

Average loan balance*4

(JPY tn, %)		Balance FY3/17	YOY change*9
Domestic loans (Non-consolidated)		51.9	+3.3
Excluding loans to the Japanese government, etc. and SMFG		48.3	+1.1
of which	Large corporations*5	14.5	+0.6
	Mid-sized corporations & SMEs*6	16.7	+0.4
	Individuals	14.1	(0.1)
IBU's interest earning assets*7, 8 (USD bn, %)		244.5	+16.1

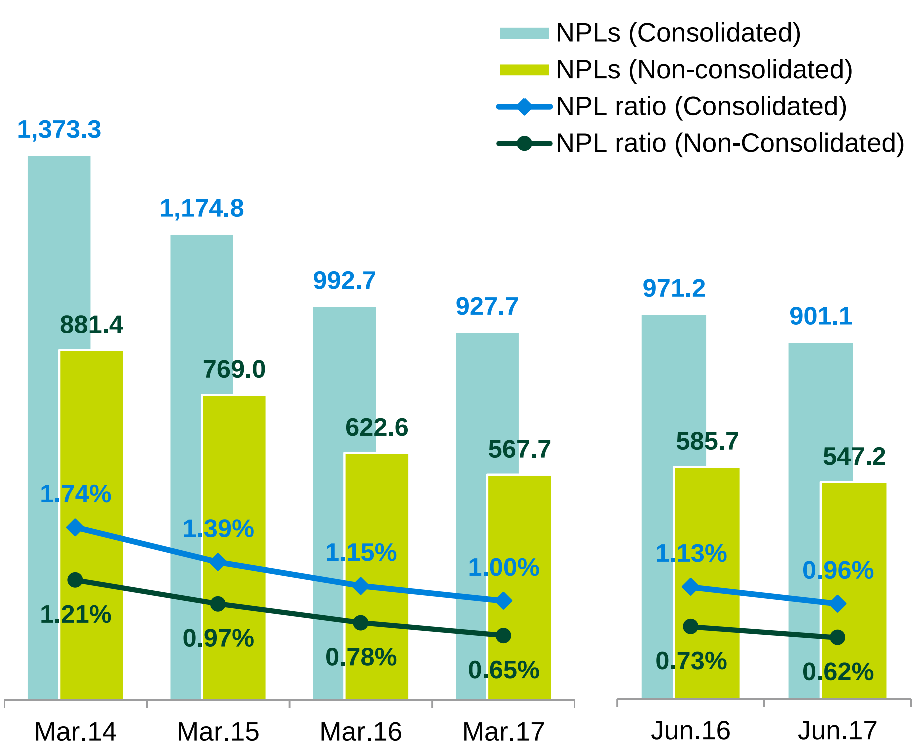
Average loan spread*4

(JPY tn, %)		Spread FY3/17	YOY change
Domestic loans (Non-consolidated)		0.83	(0.08)
Excluding loans to the Japanese government, etc. and SMFG		0.88	(0.05)
of which	Large corporations*5	0.57	(0.02)
	Mid-sized corporations & SMEs*6	0.75	(0.07)
	Individuals	1.50	(0.02)
IBU's interest earning assets*7, 8 (USD bn, %)		1.21	0.00

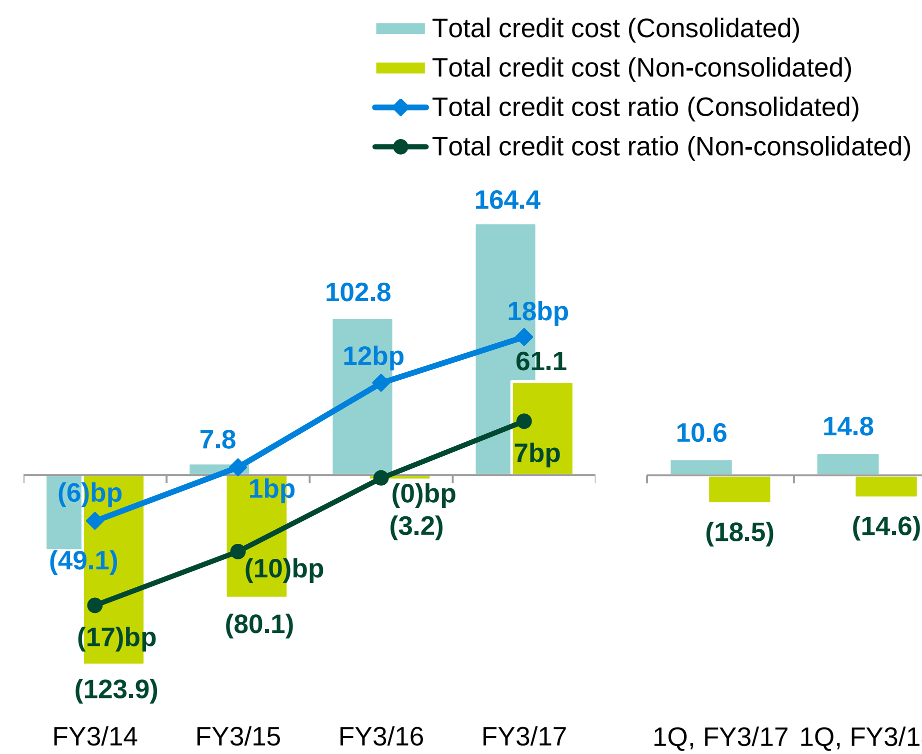
*1 Exchange rates using TTM as of Jun. 2016: USD 1 = JPY 102.96, EUR 1 = JPY 114.37, Mar. 2017: USD 1 = JPY 112.19, EUR 1 = JPY 119.84, and Jun. 2017: USD 1 = JPY 111.96, EUR 1 = JPY 127.90
*2 Balance since Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada
*3 Of which loans to the Japanese government, etc. and SMFG *4 Managerial accounting basis *5 Global Corporate Banking Division
*6 Sum of Corporate Banking Division and Small and Medium Enterprises Banking Division *7 Sum of SMBC, SMBC Europe and SMBC (China). Based on location of banking office
*8 Sum of loans, trade bills, and securities *9 After adjustments for exchange rates, etc.

NPLs and Total credit cost

NPLs and NPL ratio*1



Total credit cost and Total credit cost ratio*2



Total claims (top: Consolidated, bottom: Non-consolidated) (JPY tn)

79	85	87	93	86	94
73	79	80	87	80	88

Main contributors to variance

(JPY bn)	FY3/2017	YOY change	(JPY bn)	FY3/2017	YOY change
SMBCCF	73	5	Cedyna	13	1
SMCC	13	2	SMBC Europe	1	(9)

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

Performance by business units

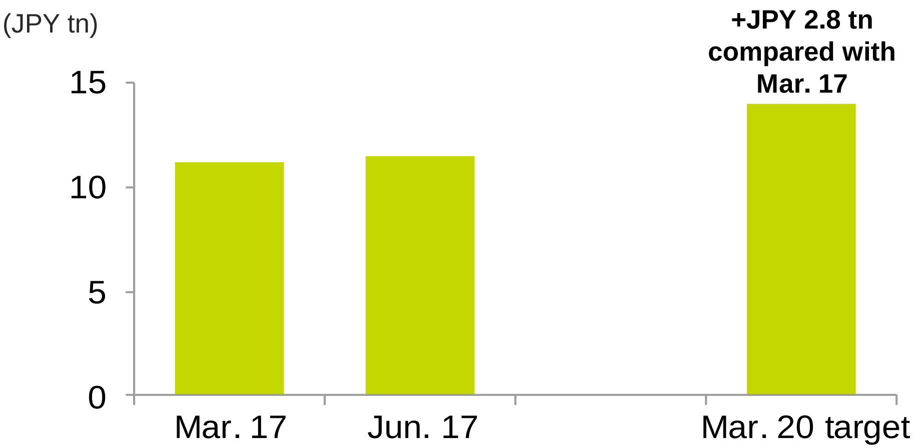
(JPY bn)			Apr.-Jun. 2016*1	FY3/17*1	Apr.-Jun 2017	YOY change*2
of which **Retail Business Unit**		Gross Profit	306.4	1,288.9	313.8	+14.2
		Expenses	(257.7)	(1,015.4)	(255.8)	(3.7)
		Others	1.6	12.2	1.4	(0.1)
	Net business profit		50.3	285.7	59.4	+10.4
of which **Wholesale Business Unit**		Gross Profit	169.0	775.6	166.7	+0.7
		Expenses	(80.9)	(346.7)	(85.5)	(4.5)
		Others	8.4	44.1	9.6	+1.4
	Net business profit		96.5	473.0	90.8	(2.4)
of which **International Business Unit**		Gross Profit	140.9	585.8	147.2	(1.8)
		Expenses	(59.8)	(251.9)	(71.2)	(3.7)
		Others	8.9	30.2	19.8	+15.0
	Net business profit		90.0	364.1	95.8	+9.5
of which **Global Markets Business Unit**		Gross Profit	133.9	346.6	122.6	(11.9)
		Expenses	(13.1)	(50.3)	(13.2)	(0.2)
		Others	1.5	8.1	4.4	+0.8
	Net business profit		122.3	304.4	113.8	(11.3)
Total		Gross Profit	715.8	2,920.7	737.4	+21.7
		Expenses	(443.2)	(1,812.4)	(453.9)	(10.7)
		Others	6.8	24.6	19.6	+12.8
	Net business profit		279.4	1,132.9	303.2	+23.7

*1 Figures are shown in the new group-wide business units basis
*2 After adjustments of interest rates and exchange rates, etc.

Retail business

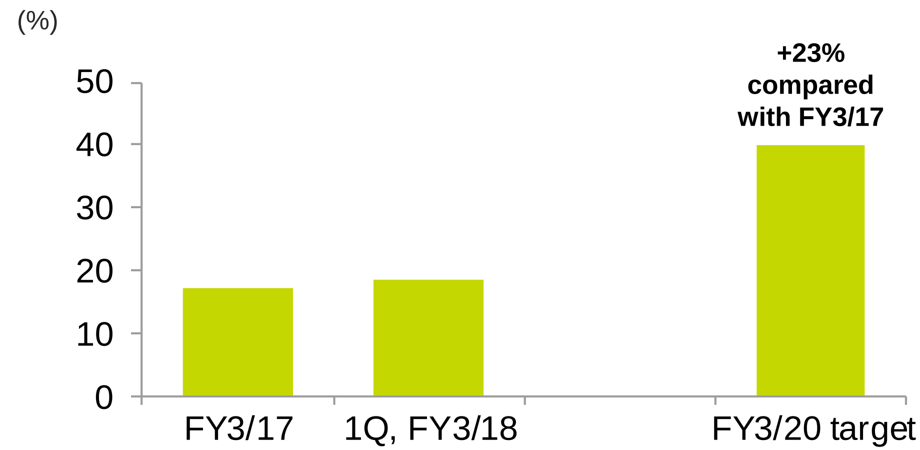
Wealth management business

Balance of stock-based assets (SMBC+SMBC Nikko)



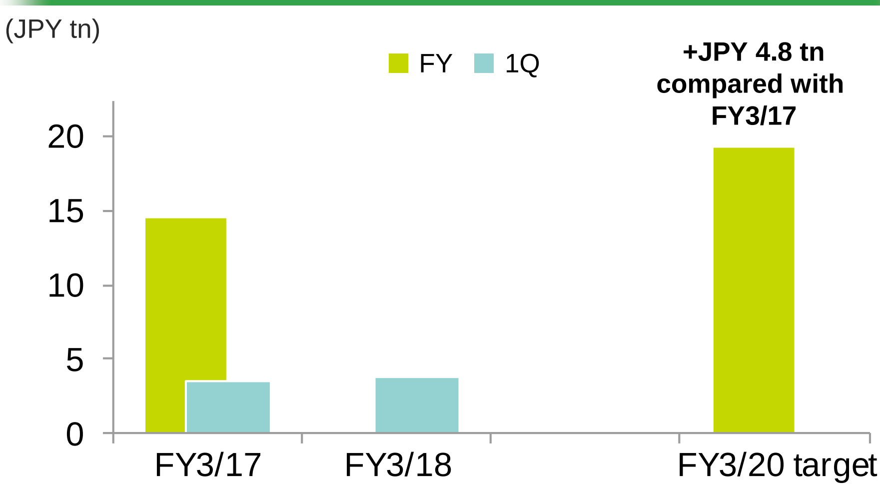
Digitalization

Utilization rate for digital channels (SMBC)*2



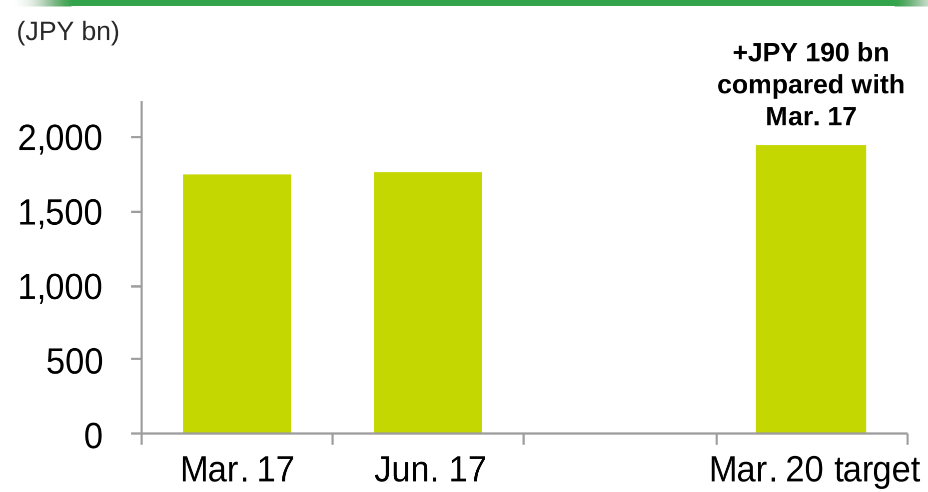
Credit card business

Credit card sales handled (SMCC＋Cedyna)*1



Consumer finance

Balance of unsecured card loans (Group total)

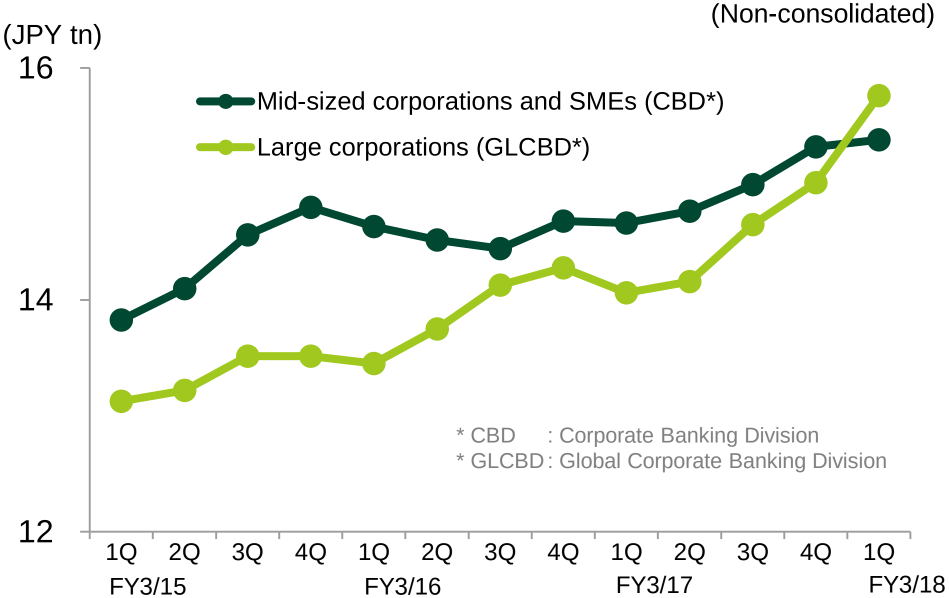


*1 Handling balance for credit and debit cards
*2 Clients using digital channels / (clients using physical branches + clients using digital channels)

Wholesale business

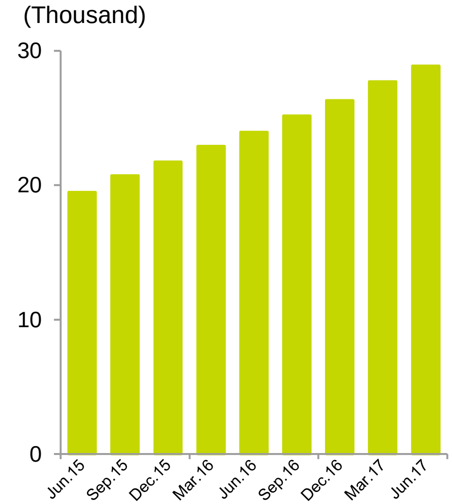
Loan balance of Wholesale Banking Unit[*1, 2]

(Non-consolidated)

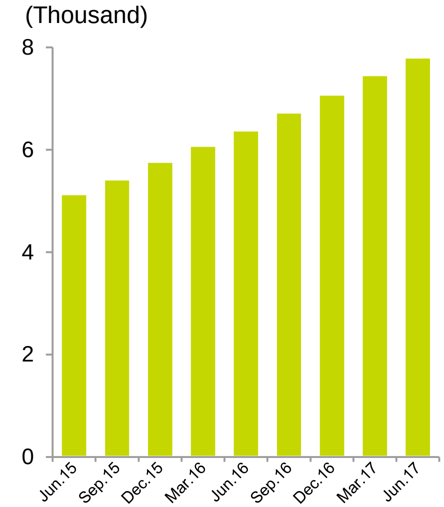


Bank-securities collaboration[*4]

Asset Management

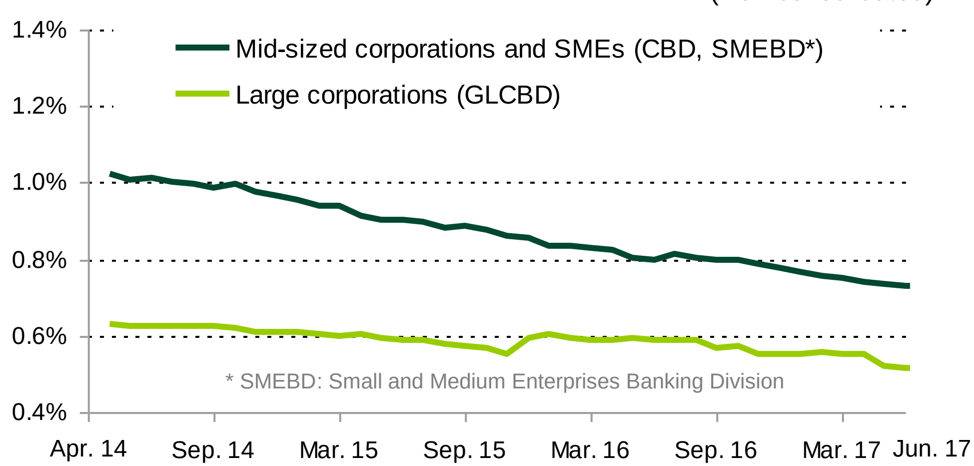


Investment banking



Domestic corporate loan spread[*1, 3]

(Non-consolidated)



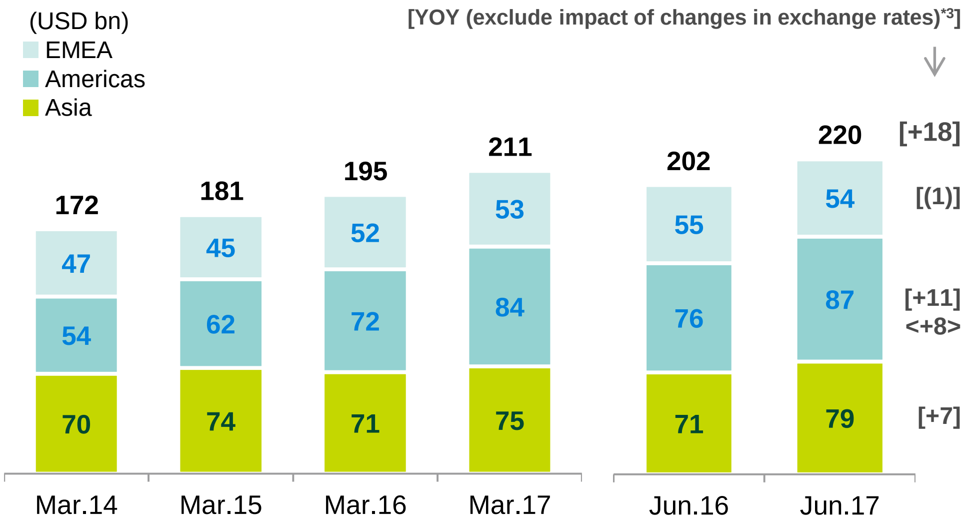
League tables (Apr. -Jun. 2017)[*5]

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)[*6]	#6	9.9%
JPY denominated bonds (lead manager, underwriting amount)[*7]	#1	19.5%
Financial advisor (M&A, No. of deals)[*8]	#1	5.5%
Financial advisor (M&A, transaction volume)[*8]	#2	14.8%
IPO (lead manager, No. of deals)[*9]	#3	15.4%

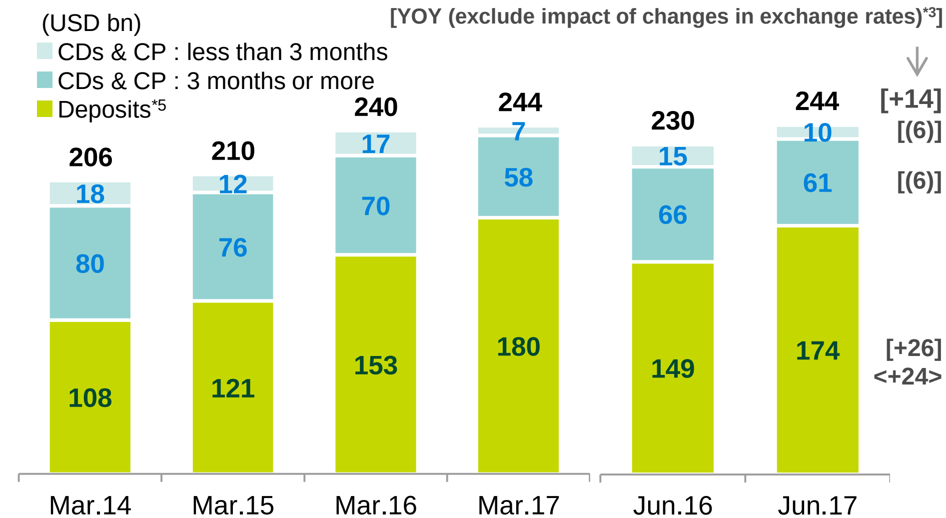
*1 Managerial accounting basis. Excludes loans to the Japanese government, etc. *2 Quarterly average *3 Monthly average loan spread of existing loans
*4 Accumulated no. of cases via referral / intermediary services from SMBC to SMBC Nikko
*5 SMBC Nikko Securities for Global equity & equity-related and JPY denominated bonds. SMFG for Financial advisor and IPO. 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

International business

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

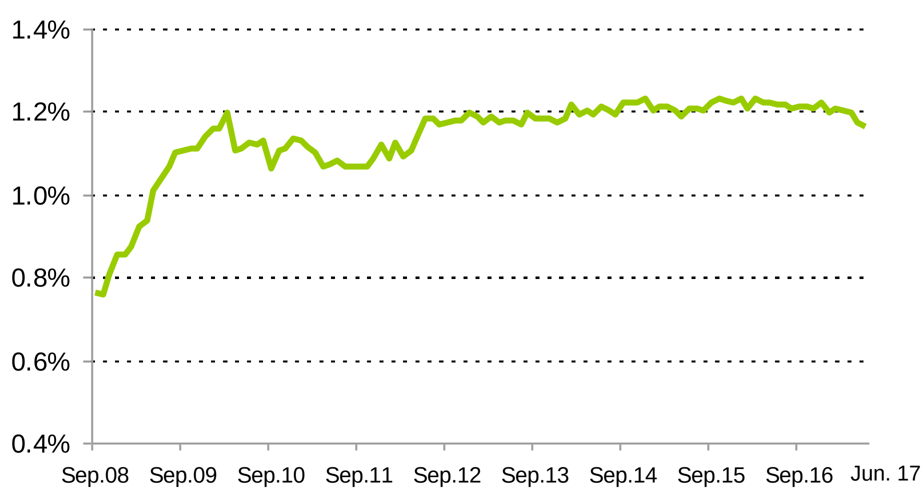


Overseas deposit balance*1, 2



Foreign currency bonds outstanding*6 (USD bn)		Mar.16	Mar.17	Jun.16	Jun.17
	Senior	32.9	44.1	33.9	45.8
	Subordinated	4.1	4.1	4.1	4.1

Overseas loan spread*1, 4



Benchmark issues of foreign currency bonds (since Apr. 2017)

- Senior TLAC bonds issued in overseas market targeting institutional investors
  - EUR 1.25 bn (5y FRN, 10y FIX) (Jun. 2017)
  - USD 4.25 bn (5y FIX, 10y FIX, 5y FRN) (Jul. 2017)
  - AUD 0.75 bn (5.5y FIX, 5.5y FRN) (Sep. 2017)

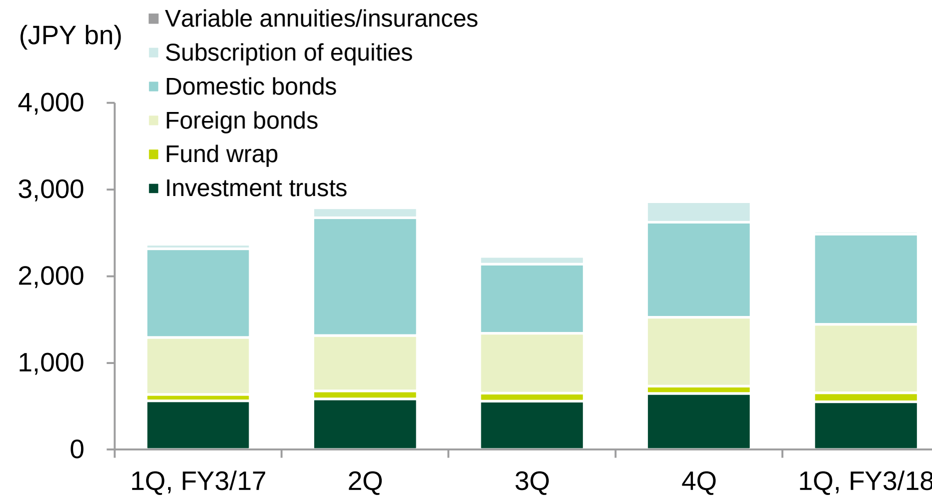
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Balance since Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada *2 Converted into USD at respective period-end exchange rates *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 *4 Monthly average loan spread of existing loans *5 Includes deposits from central banks
*6 Bonds issued by SMFG and SMBC

SMBC Nikko

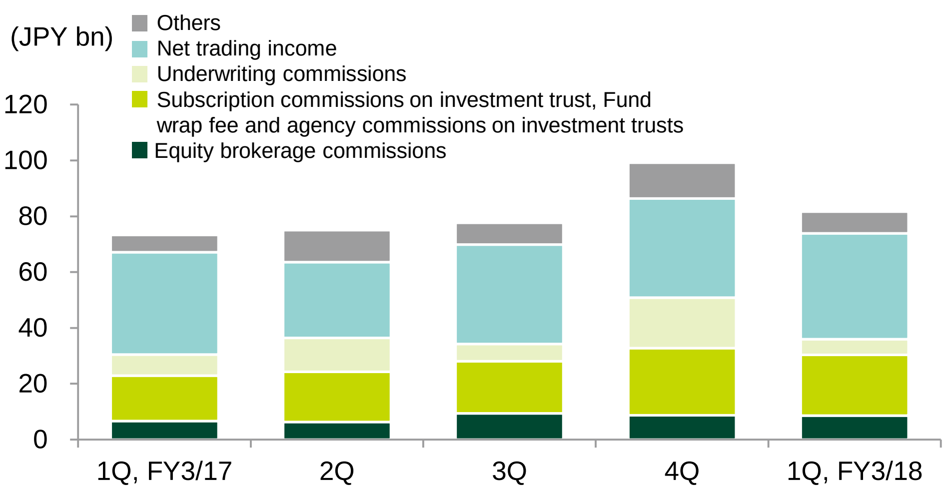
Financial results (consolidated)

(JPY bn)	FY3/17	Apr.-Jun. 2017	YOY change
Net operating revenue	326.7	82.1	+8.5
SG&A expenses	(250.9)	(62.3)	(3.5)
Ordinary income[*1]	80.0	20.9	+5.2
Profit attributable to owners of parent[*1, 2]	46.9	14.4	+3.7

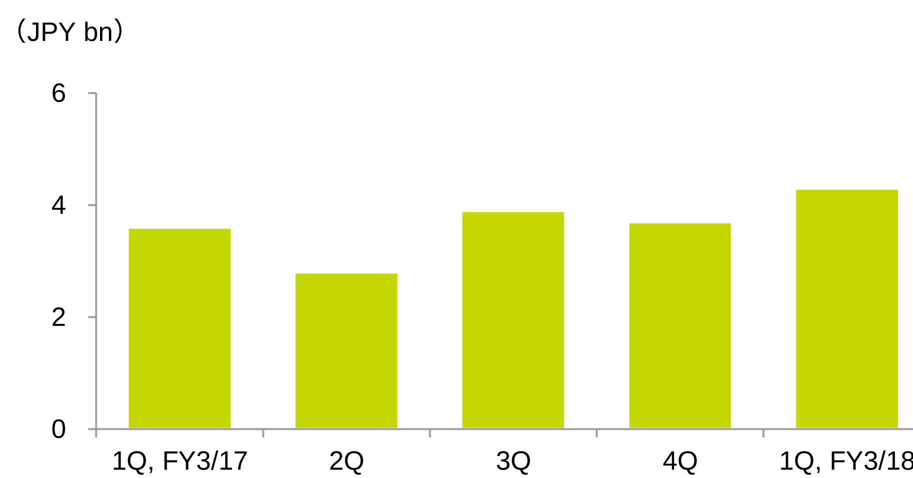
Product sales[*4]



Net operating revenue[*3]



Earnings of overseas offices (Overseas offices total)[*5]



*1 Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.
*2 Recorded loss of JPY 12.0 bn as extraordinary loss at SMBC Nikko in FY3/17 on restructuring and liquidation of business alliance with Barclays
*3 Fund wrap fee is separated from "Others" and presented as "Fund wrap fee and agency commissions on investment trusts" from 1Q, FY3/18. FY 3/17 figures are adjusted retrospectively
*4 Includes sale of fund wrap from 1Q, FY3/18
*5 Managerial accounting basis. Overseas offices total is defined as the total of :
・Earnings of SMBC Nikko's consolidated subsidiaries: SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore); and
・Earnings of SMBC Nikko's affiliated companies: Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America

SMBCCF

Financial results (Consolidated)

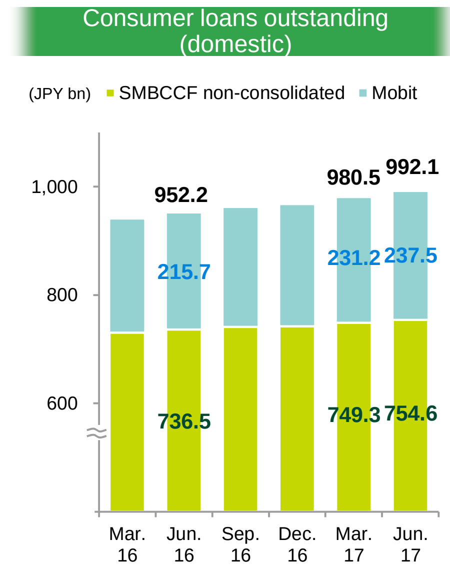
(JPY bn)	FY3/17	Apr.-Jun. 2017	YOY change
Operating income	258.8	67.5	+4.6
Operating expenses	(191.6)	(50.2)	(1.8)
Expenses for loan losses	(54.6)	(18.8)	(1.3)
Ordinary profit	67.4	17.3	+2.8
Profit attributable to owners of parent	111.4	13.5	+0.4

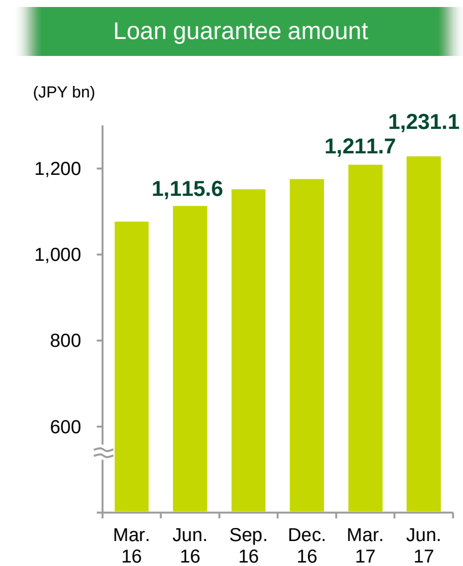
Consumer loans outstanding	1,074.6	1,089.6
Allowance on interest repayments	121.6	106.9
Loan guarantee	1,211.7	1,231.1
for regional banks, etc.	561.8	580.8

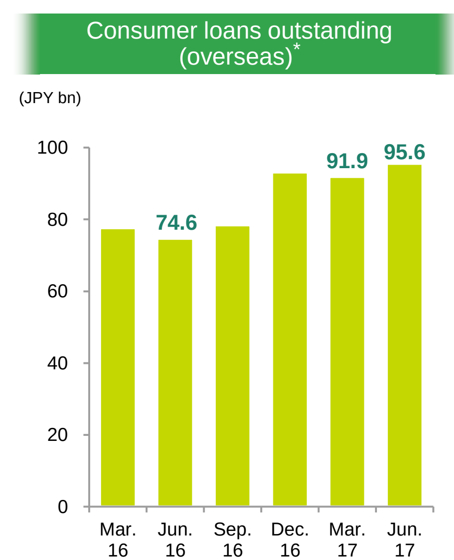
Effect of implementing the consolidated corporate-tax system +JPY 50 bn

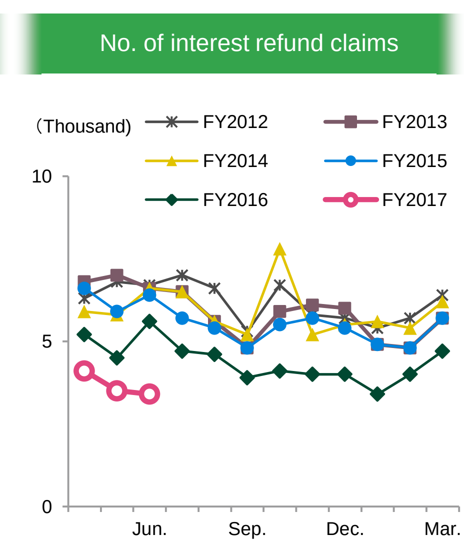
No. of companies with guarantee agreements: 189 (as of Jun. 2017)

Loan guarantee / overseas businesses









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

FY3/2017 financial results

Income statement

	(JPY bn)		FY3/17	YOY change	vs Nov. target
Consolidated	Consolidated gross profit	USD 26.0 bn*1	2,920.7	+16.8	+15.7
	General and administrative expenses		(1,812.4)	(87.6)	
	Equity in gains (losses) of affiliates		24.6	+60.7	
	Consolidated net business profit*2	USD 10.1 bn*1	1,132.9	(10.1)	
	Total credit cost		(164.4)	(61.6)	+15.6
	Gains (losses) on stocks		55.0	(14.0)	
	Others		(17.6)	+106.2	
	Ordinary profit	USD 9.0 bn*1	1,005.9	+20.6	+45.9
	Extraordinary gains (losses)		(26.6)	(21.4)	
	Income taxes – current and deferred		(171.0)	+54.1	
	Profit attributable to owners of parent	USD 6.3 bn*1	706.5	+59.8	+6.5
Non-consolidated	Gross banking profit	USD 14.8 bn*1	1,663.7	+129.4	+23.7
	Expenses*3		(816.9)	(11.5)	(1.9)
	Banking profit*2	USD 7.5 bn*1	846.7	+117.9	+21.7
	Total credit cost		(61.1)	(64.3)	(11.1)
	Gains (losses) on stocks		115.1	+79.7	
	Ordinary profit	USD 7.7 bn*1	864.0	+116.1	+115.0
	Net income	USD 6.1 bn*1	681.8	+72.6	+81.8

- **Consolidated gross profit** increased in spite of an impact of negative interest rates, mainly led by revenue growth at SMBC Nikko and the new consolidation of SMFL Capital
- **General and Administrative expenses** increased due in part to IT investments in the past years and the enhancement of overseas business despite our continuous efforts to control expenses
- **Equity in gains (losses) of affiliates** increased due mainly to the absence of a goodwill impairment loss of BTPN recorded in FY3/16
- **Total credit cost** increased primarily due to worsened business results of an obligor with large exposure
- **Gains (losses) on stocks** from sales of shareholdings was approx. JPY 60 bn (reduction of strategic shareholdings in FY3/17 was approx. JPY 100 bn)
- **Others** increased due mainly to the absence of provisions for losses on interest repayments at SMBCCF recorded in FY3/16
- **Extraordinary gains (losses)** includes JPY 43.0 bn of goodwill impairment loss of SMBC Friend and JPY 29.3 bn of gains on step acquisitions from the consolidation of SMAM
- **Income taxes** includes the effect of implementing the consolidated corporate-tax system (approx. JPY 100 bn)

Contribution of subsidiaries to Profit attributable to owners of parent

(JPY bn)	FY3/17	YOY change
SMBCCF	111	+176
SMBC Nikko*4	45	+8
SMFL	30	+3
Cedyna	22	+14

(JPY bn)	FY3/17	YOY change
SMCC	16	(1)
SMBC Friend	1	(3)
SMBC Trust	(4)	+7
BEA*5	11	(3)

*1 Converted into USD at period-end exchange rate of USD 1 = JPY 112.19 *2 Before provision for general reserve for possible loan losses *3 Excludes non-recurring losses
*4 Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) *5 The Bank of East Asia

Net fees and commissions

(JPY bn)	FY3/16	FY3/17	YOY change
Consolidated[*1]	1,003.8	1,013.3	+9.5
of which: **SMBC**	358.6	348.9	(9.7)
SMCC	190.0	203.0	+13.0
SMBC Nikko	165.0	176.0	+11.0
Cedyna	116.0	117.0	+0.0
SMBCCF	59.0	66.0	+7.0
SMBC Friend	27.0	20.0	(7.0)

(Ref) Gross banking profit of SMBC's Marketing units[*2]

(JPY bn)	FY3/16	FY3/17	YOY Change[*3]
Loan syndication	45.6	48.7	+4.2
Structured finance	26.5	35.2	+7.6
Asset finance[*4]	16.7	19.5	+2.7
Sales of derivatives products	26.4	22.0	(5.4)
Income related to domestic corporate business	115.2	125.4	+9.1
Investment trusts	25.7	20.0	(5.6)
Pension-type insurance	10.9	4.7	(6.2)
Single premium type permanent life insurance	20.3	4.5	(15.8)
Level premium insurance	6.9	6.3	(0.6)
Income related to domestic consumer business	63.8	35.5	(28.2)
of which: Money remittance, electronic banking	92.6	93.3	+0.3
Foreign exchange	52.2	53.2	+1.3
Domestic Non-interest income	316.0	317.7	+4.3
of which: IBU's loan related income[*5]	72.7	72.5	+5.3
IBU's Non-interest income[*5]	130.6	132.9	+6.8
Non-interest income	446.6	450.6	+11.1
of which: Income on domestic loans	421.2	420.0	(12.1)
Income on domestic yen deposits	98.7	64.8	(2.9)
IBU's interest related income[*5]	225.4	194.6	(4.1)
Interest income	827.5	760.6	(17.8)
Gross banking profit of SMBC's Marketing units	1,274.1	1,211.2	(6.7)

*1 Numbers excluding SMBC are rounded *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 International Banking Unit

Gains (losses) on bonds

Non-consolidated

Gains (losses) on bonds

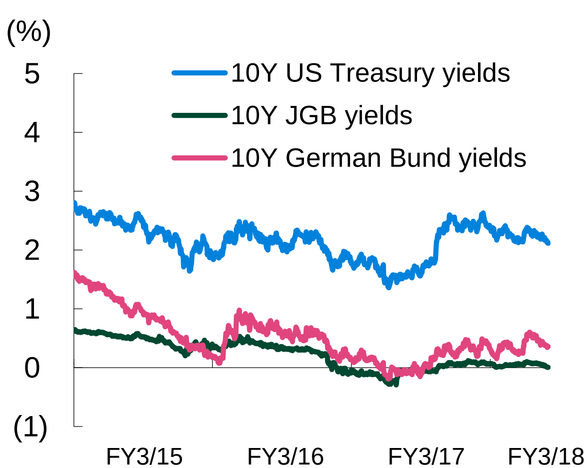
(JPY bn)	FY3/16	FY3/17	YOY Change
Gains (losses) on bonds	54.0	43.7	(10.3)
Domestic operations	3.4	18.2	+14.8
International operations	50.6	25.5	(25.1)

Gross banking profit of SMBC's Treasury Unit

(JPY bn)	FY3/16	FY3/17	YOY change
Gross banking profit of SMBC's Treasury Unit	293.6	272.4	(21.2)

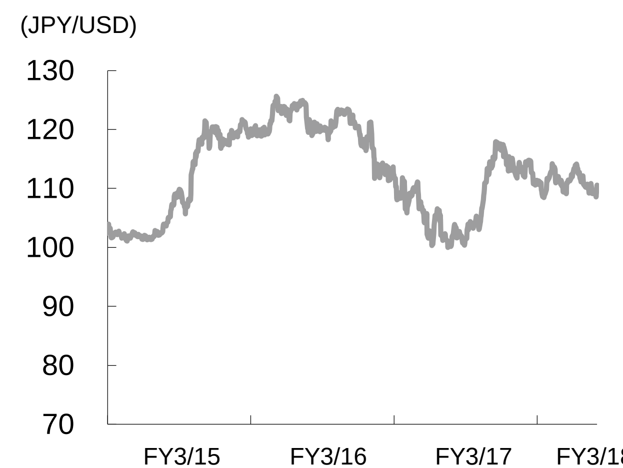
Interest rate, stock price and exchange rate

Interest rate of JGB, US Treasury and Bund



Nikkei Stock Average

Exchange rate JPY / USD



Expenses

Consolidated

(JPY bn)	FY3/17	YOY change
Expenses	1,812.4	+87.6
Overhead ratio	62.1%	+2.7%

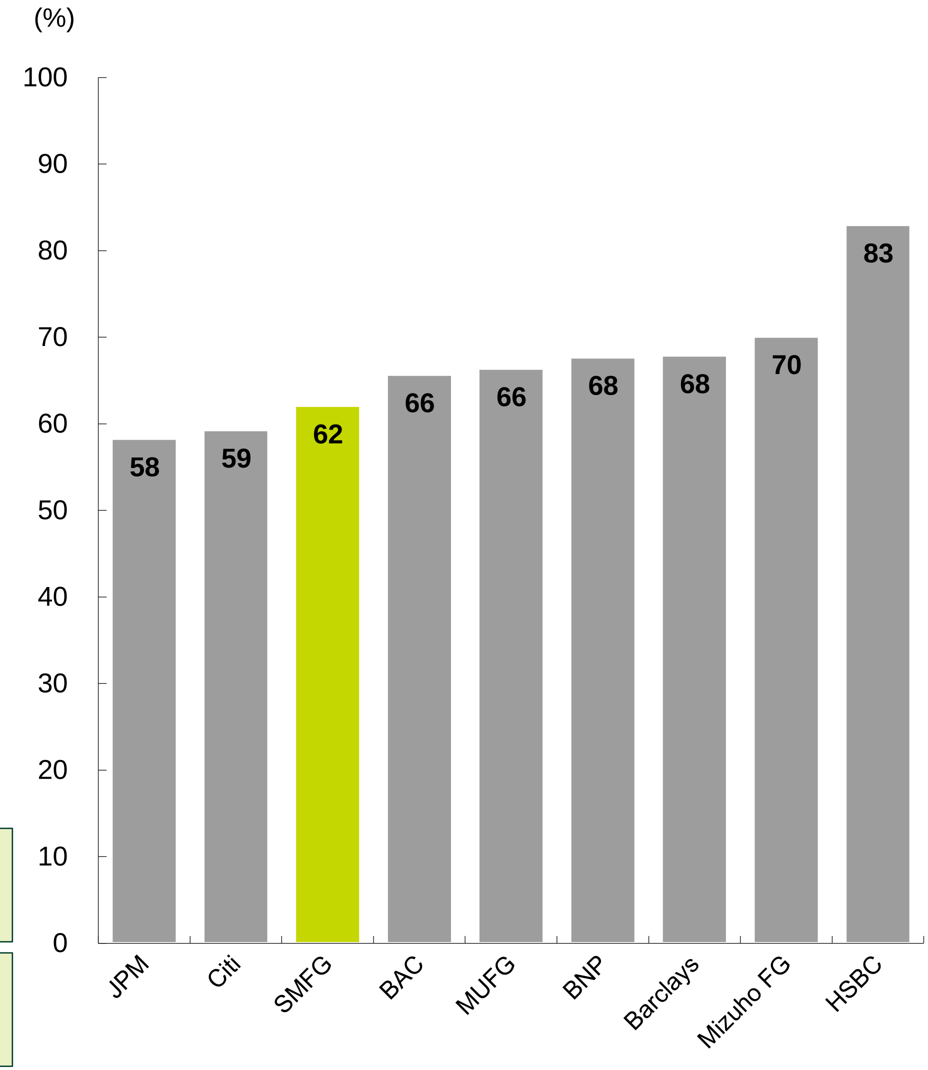
By company (major Group companies)*1

(JPY bn)	FY3/17	YOY change
SMBC*2	816.9	+11.5
SMBC Nikko	251.0	+9.0
SMCC	173.0	+16.0
Cedyna	127.0	+2.0
SMBCCF	105.0	(0.0)
SMFL	84.0	+21.0
SMBC Trust	51.0	+25.0
SMBC Friend	37.0	(1.0)

Apr. 2016, New consolidation (SMFL Capital)

Nov. 2015, New consolidation (PRESTIA)

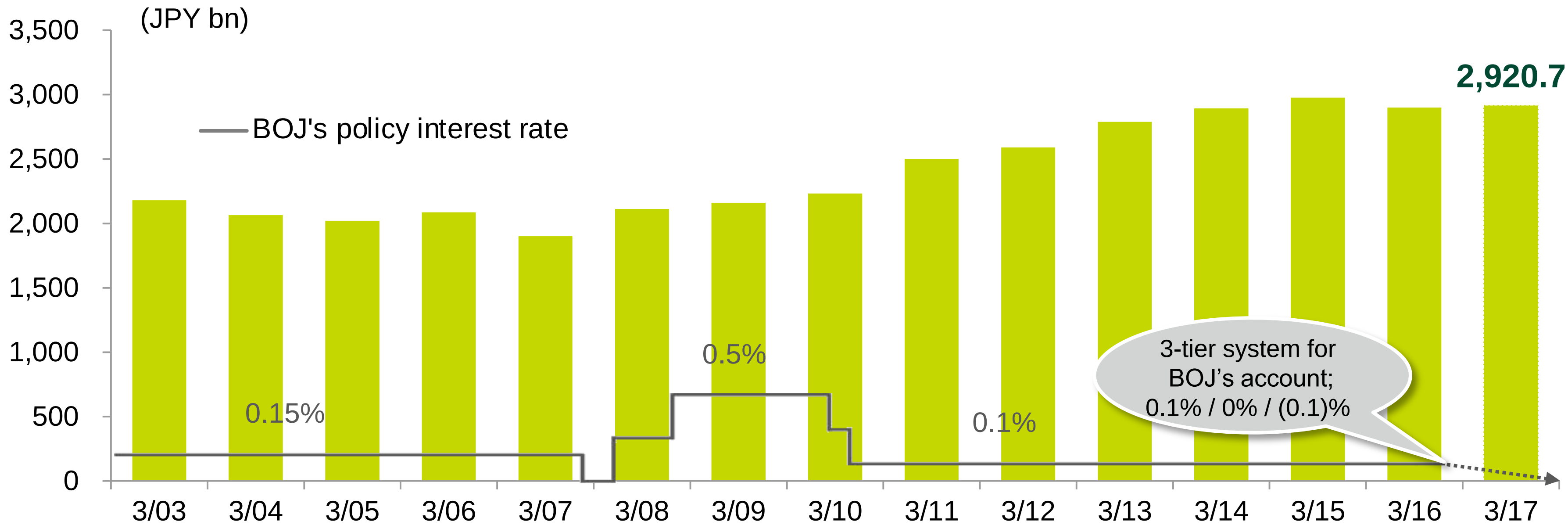
Overhead ratio comparison*3



*1 Numbers excluding SMBC are rounded
*2 Excludes non-recurring losses
*3 Consolidated basis. Based on each company's disclosure. G&A expenses (for Japanese banks, includes non-recurring losses of subsidiary banks) divided by top-line profit (net of insurance claims). FY3/17 results for SMFG, MUFG and Mizuho FG. Jan. - Dec. 2016 results for others

Changes in our business mix

Consolidated Gross profit



Breakdown of contribution to Gross profit

	FY3/03	FY3/17
SMBC’s domestic loan / deposit related revenue	35%	17%
International business (banking)	5%	16%
Group companies	18%	38%

Proportion of International Business Unit within Consolidated net business profit: 32%

Initiatives for negative interest rate policy

Control deposit balance

- Lowered interest rates
  - Ordinary deposits 0.001% since Feb. 16, 2016
  - Time deposits 0.01% since Mar. 1, 2016
- Initiatives against inflow of large funds from corporations (especially financial institutions)
  - Charge fees for correspondent accounts of foreign banks

Promote shifts from savings to asset building

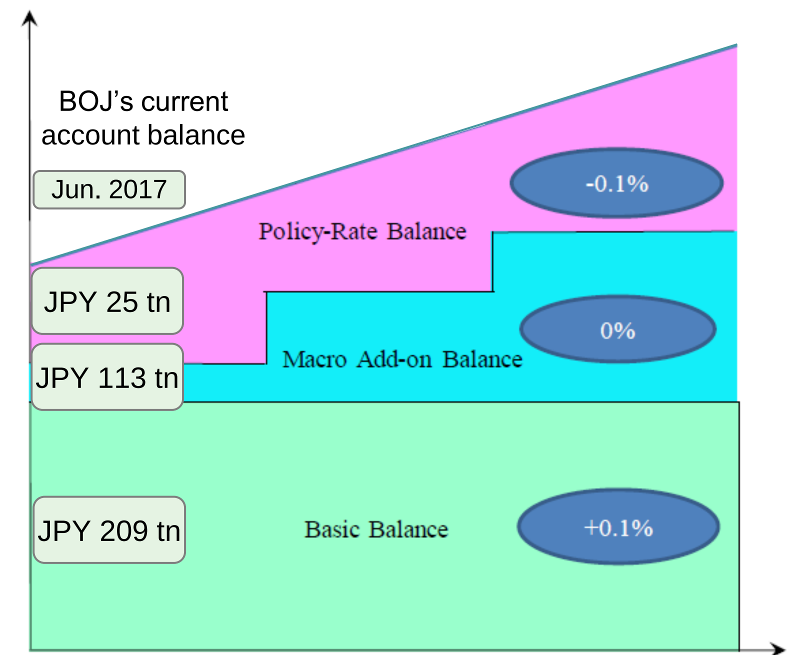
- Foreign deposits; raised interest rates, launched marketing campaigns
- Increase sales of wrap accounts and low risk and low return investment products

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

- Introduction of "Quantitative and Qualitative Monetary Easing with a Negative Interest Rate" (Feb. 2016)*1



- Introduction of "Quantitative and Qualitative Monetary Easing with Yield Curve Control" (Sep. 2016)*2
  - "Yield curve control"
  - "Inflation-overshooting commitment"

*1 Source: The Bank of Japan ("Key Points of Today's Policy Decisions" on Jan. 29, 2016)
"BOJ Current Account Balances by Sector (Jun. 2017)" on Jul. 18, 2017 for BOJ's current account balance
*2 Source: The Bank of Japan ("New Framework for Strengthening Monetary Easing: "Quantitative and Qualitative Monetary Easing with Yield Curve Control" on Sep. 21, 2016)

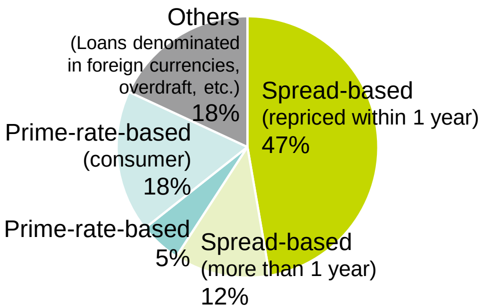
Balance sheet

Non-consolidated

- Balance in the BOJ's current account
  Mar. 31, 2017 JPY 36.2 tn
  FY3/17 average JPY 31.4 tn

Non-consolidated

- Domestic loans outstanding
  JPY 54.5 tn



- By domestic Marketing units*1

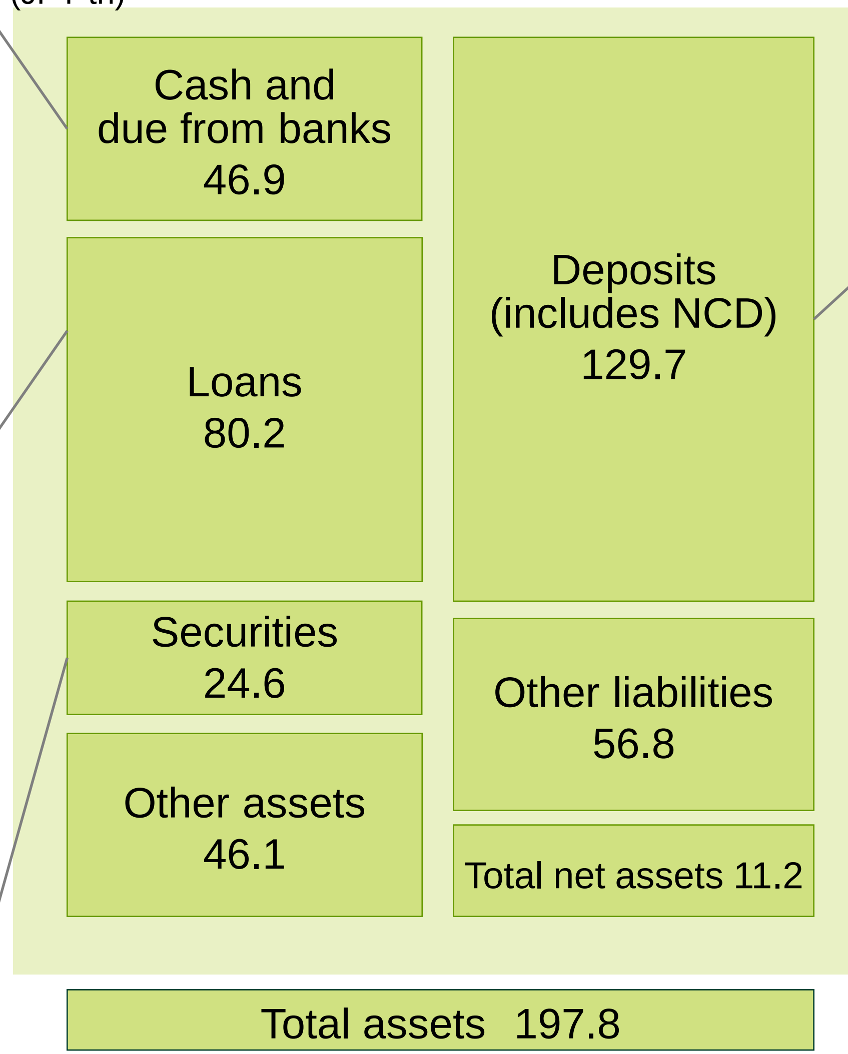
(JPY tn, at period-end)	Mar. 2017	Change from Mar. 2016
Large corporations*2	15.6	+1.4
Mid-sized corporations & SMEs*3	17.6	+0.4*4
Individuals	14.0	+0.1

Consolidated

- Of which Stocks*5 JPY 3.8 tn
- Of which JGBs*5 JPY 7.3 tn
- Of which Foreign bonds*5 JPY 7.1 tn

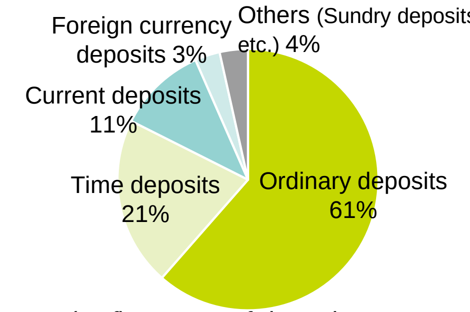
Consolidated B/S (Mar. 31, 2017)

(JPY tn)



Non-consolidated

- Domestic deposits outstanding
  JPY 87.7 tn

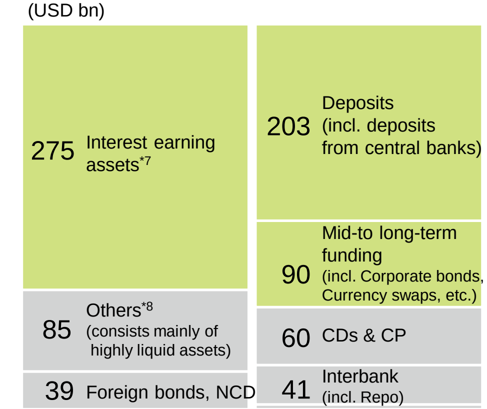


- (Ref) By type of depositor

(JPY tn)	Sep.15	Mar.16	Sep.16	Mar.17
Total	77.3	82.1	83.4	87.7
Individuals	41.9	42.3	42.7	43.6
Corporates	35.3	39.8	40.7	44.1

(Ref) Non-JPY B/S items*6

(USD bn)



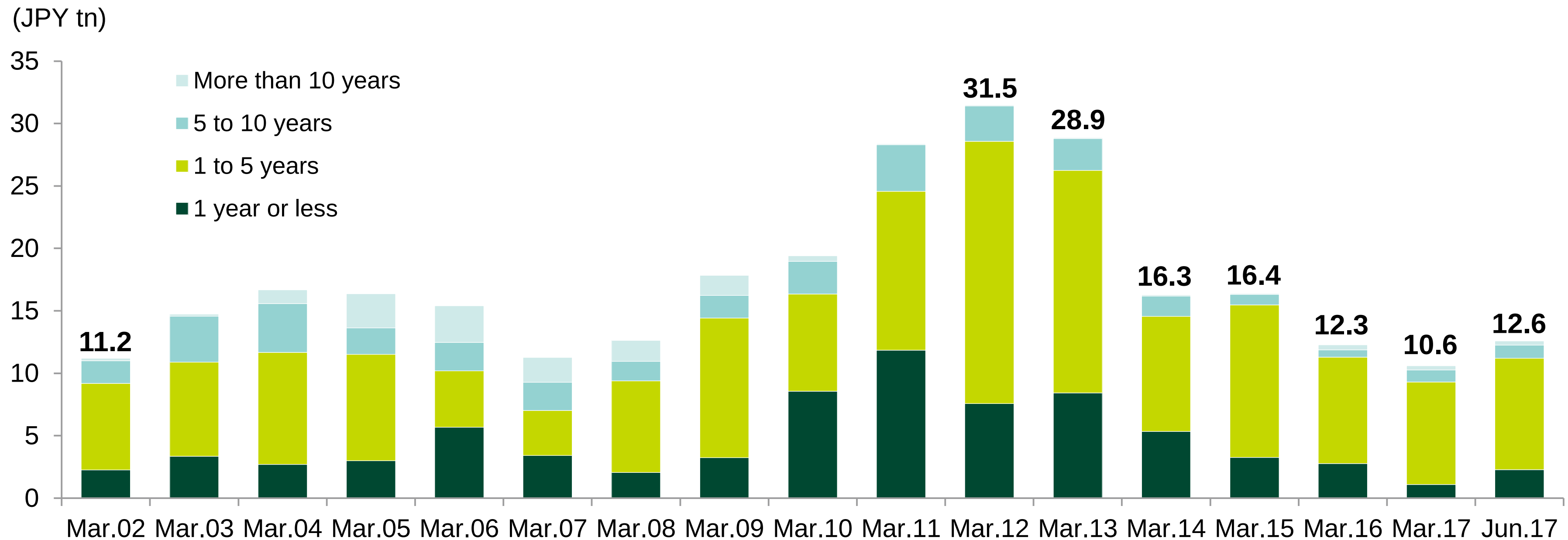
Assets・Liabilities 399

*1 Managerial accounting basis *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 FY3/17 of approx. JPY 320 bn *5 Other securities *6 Managerial accounting basis. Sum of SMBC + SMBCE + SMBC (China)
*7 Sum of loans, trade bills, and securities of Marketing units (Wholesale Banking Unit, Retail Banking Unit and International Banking Unit). *8 Deposit placed with central banks, etc.

Yen bond portfolio

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.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Jun.17
of which JGBs (JPY tn)	26.2	13.8	14.0	9.8	8.0	10.0	

	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	Mar.17	Jun.17
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	2.9	2.4
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	57.5	37.9

*1 Excludes bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 02 is for JGB portfolio only

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

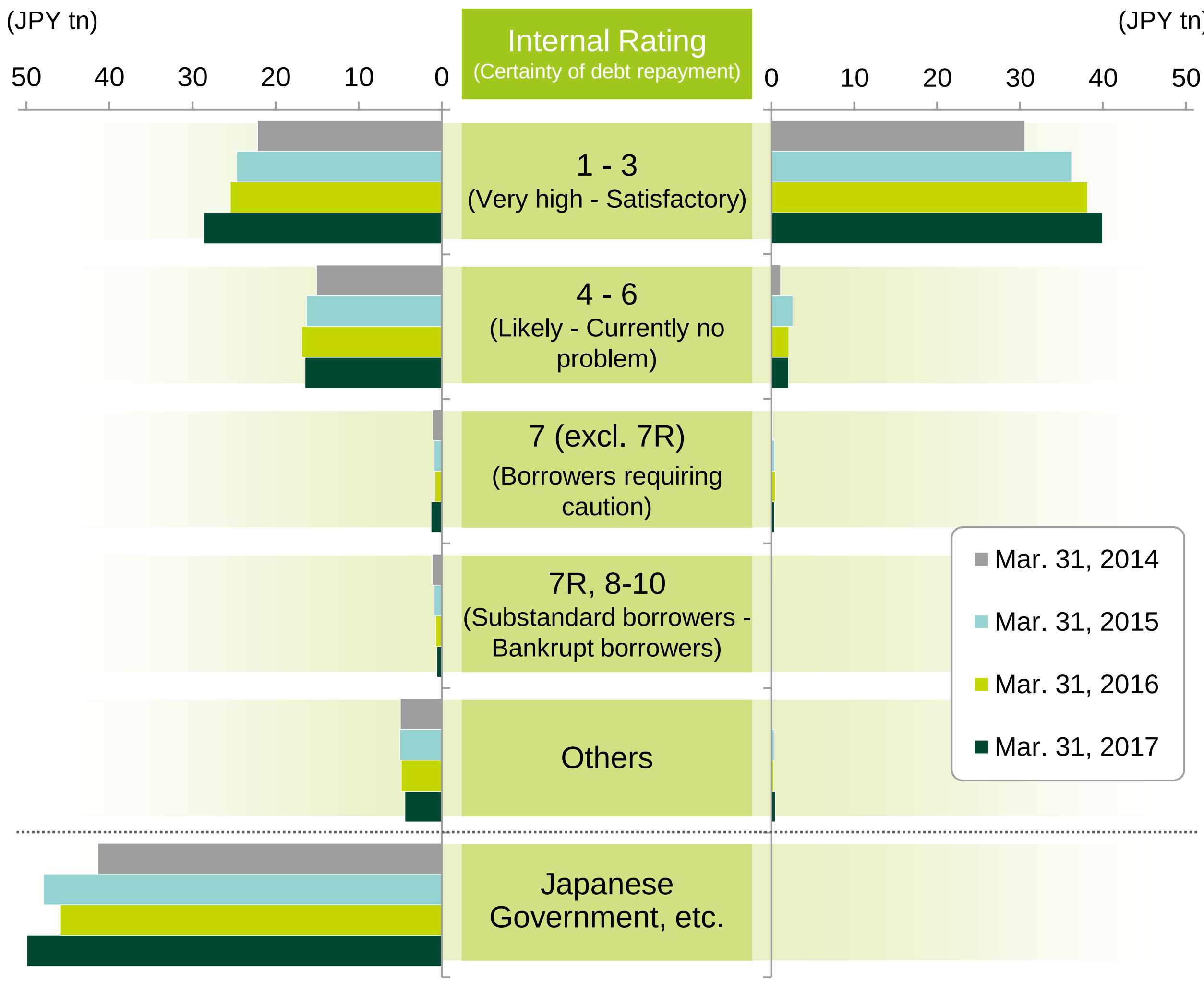
Bond portfolio

(JPY tn)		Mar. 2013		Mar. 2016		Mar. 2017		Jun. 2017	
		Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)
Consolidated	Yen-denominated bonds	30.4	0.17	13.2	0.13	11.4	0.07	13.3	0.04
	of which JGB	27.0	0.12	10.3	0.08	8.5	0.03	10.5	0.01
	Held-to-maturity	5.5	0.06	2.2	0.02	1.2	0.01	1.0	0.00
	Others	21.5	0.06	8.1	0.06	7.3	0.02	9.5	0.01
	Foreign bonds (Other securities)			6.5	0.03	7.1	(0.11)	6.5	(0.10)

		Mar. 2013		Mar. 2016		Mar. 2017		Jun. 2017	
Non-consolidated	Yen-denominated bonds	28.9	0.16	12.3	0.12	10.6	0.06	12.6	0.04
	of which JGB	26.2	0.11	9.8	0.07	8.0	0.03	10.0	0.01
	Held-to-maturity	5.5	0.06	2.0	0.01	0.9	0.01	0.7	0.00
	Others	20.7	0.06	7.8	0.06	7.1	0.02	9.3	0.01
	Foreign bonds (Other securities)			5.2	0.02	5.6	(0.10)	5.0	(0.09)

Corporate, sovereign and bank exposures

Internal Rating (Certainty of debt repayment)	Domestic PD[*1]	Domestic LGD[*2]	Domestic Risk Weight	Overseas PD[*1]	Overseas LGD[*2]	Overseas Risk Weight
	Domestic [as of Mar. 31, 2017]			**Overseas** [as of Mar. 31, 2017]		
1 - 3 (Very high - Satisfactory)	0.06%	35.23%	18.61%	0.14%	28.86%	17.11%
4 - 6 (Likely - Currently no problem)	0.75%	33.65%	50.28%	2.89%	24.89%	72.27%
7 (excl. 7R) (Borrowers requiring caution)	13.70%	39.83%	173.72%	14.91%	24.02%	119.58%
7R, 8-10 (Substandard borrowers - Bankrupt borrowers)	100.00%	48.12%	12.44%	100.00%	63.82%	52.63%
Others	0.84%	44.01%	56.29%	1.26%	24.72%	26.21%
Japanese Government, etc.	0.00%	35.31%	0.01%	–	–	–



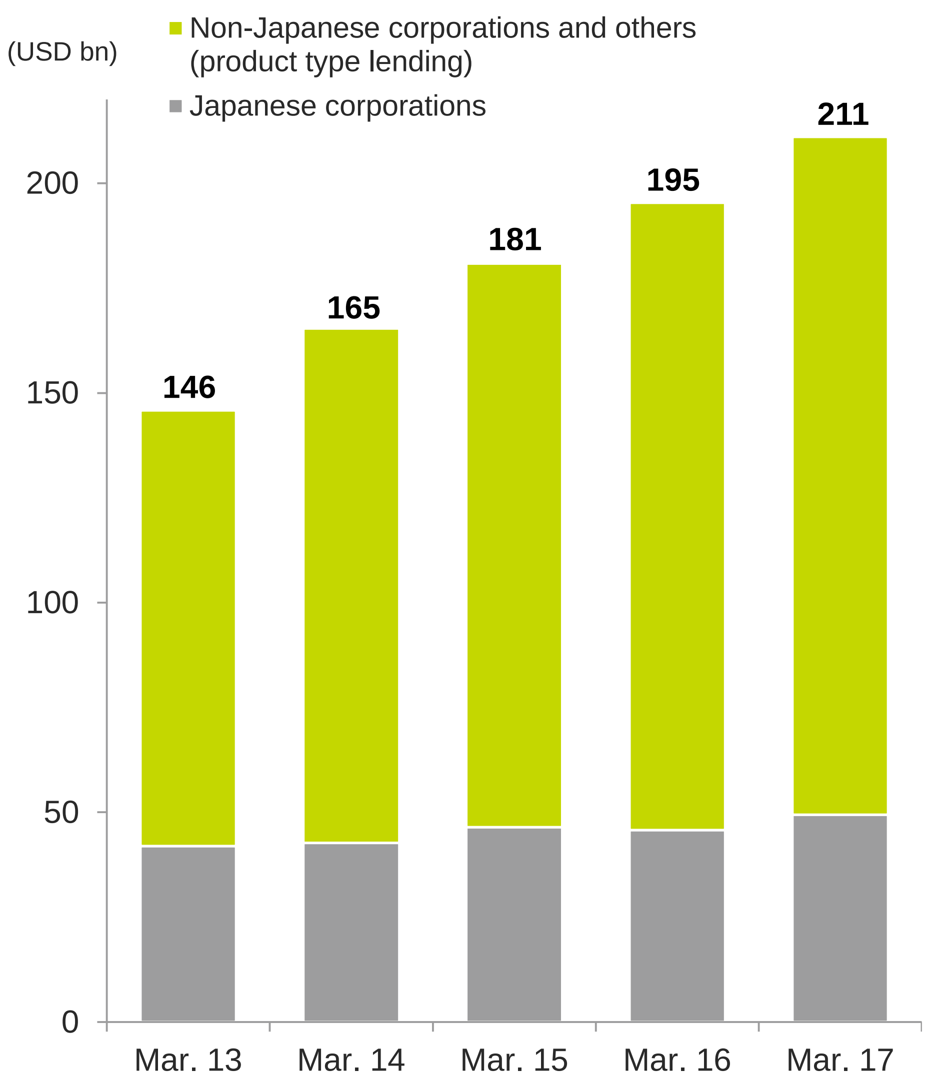
Domestic	Total (as of Mar. 31, 2017)	Overseas
JPY 101.4 trillion		**JPY 43.0 trillion**

(Consolidated)

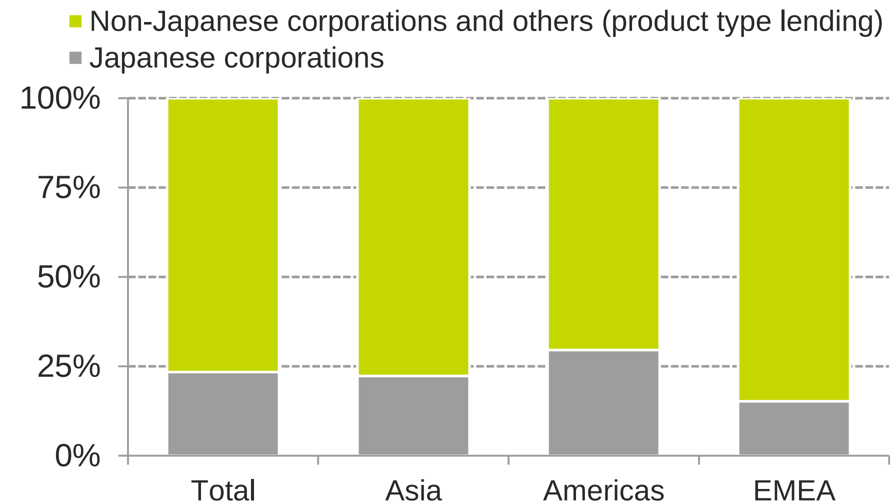
*1 Probability of Default. Probability of becoming default by obligor during one year
*2 Loss Given Default. Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default

Overseas loan balance classified by borrower type*1

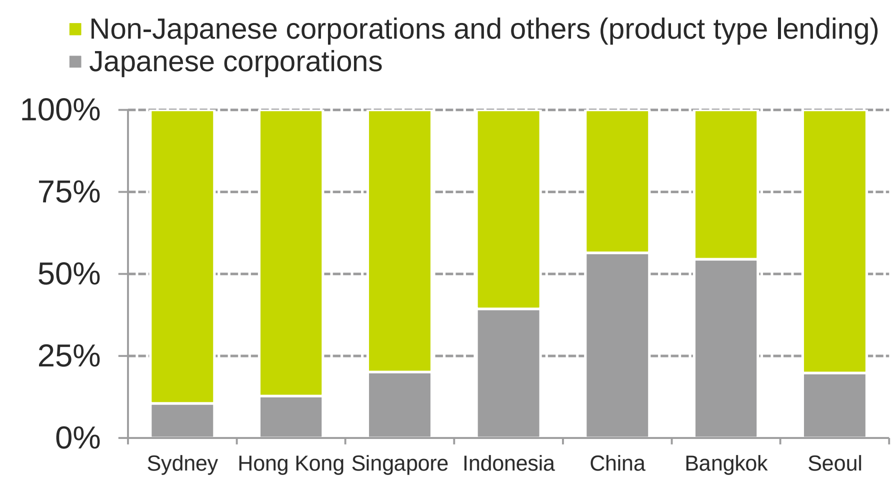
Total*2



By region (Mar. 2017)*2



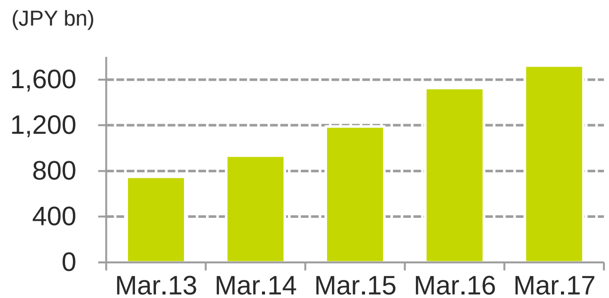
Major marketing channels in Asia (Mar. 2017)*2, 3



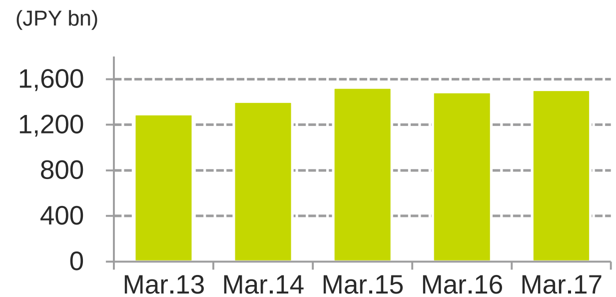
*1 Geographic classification based on booking office *2 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Includes trade bills after Mar. 2015
*3 Sum of SMBC and SMBC Indonesia

Loan balance in Asian countries/areas *1, 2

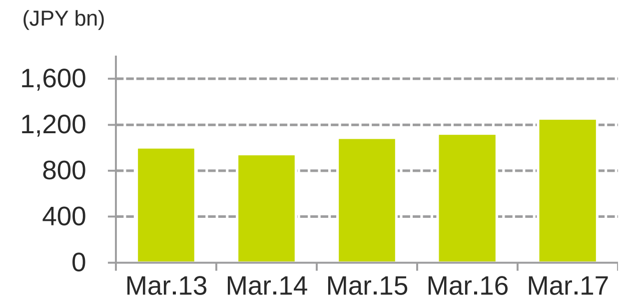
Australia



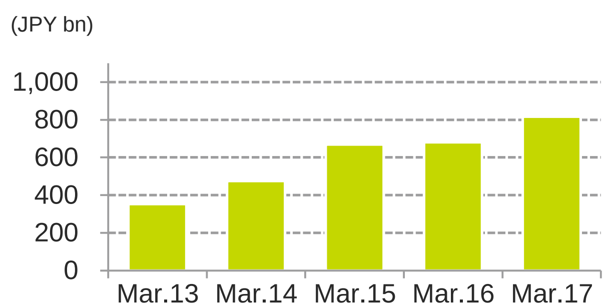
Hong Kong



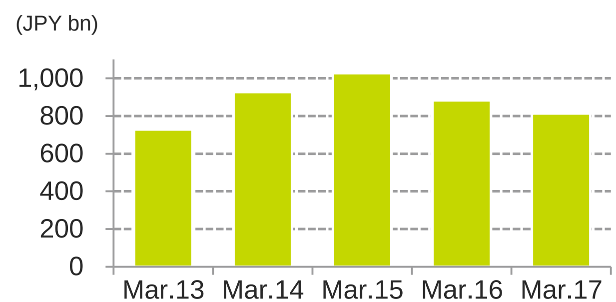
Singapore



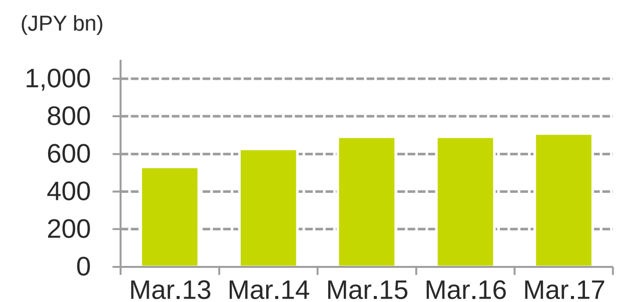
Indonesia



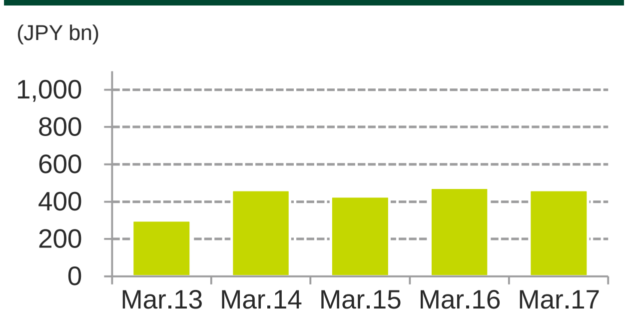
China



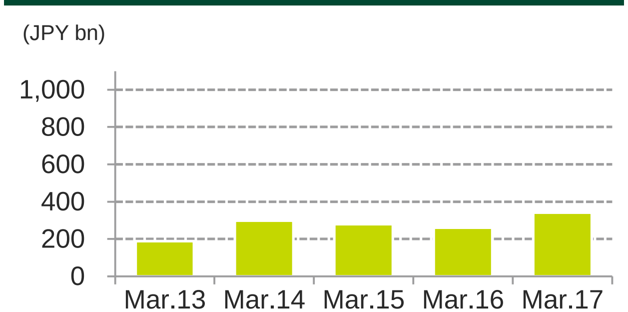
Thailand



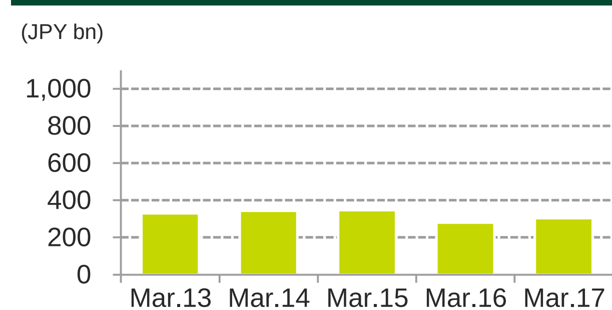
India



Taiwan

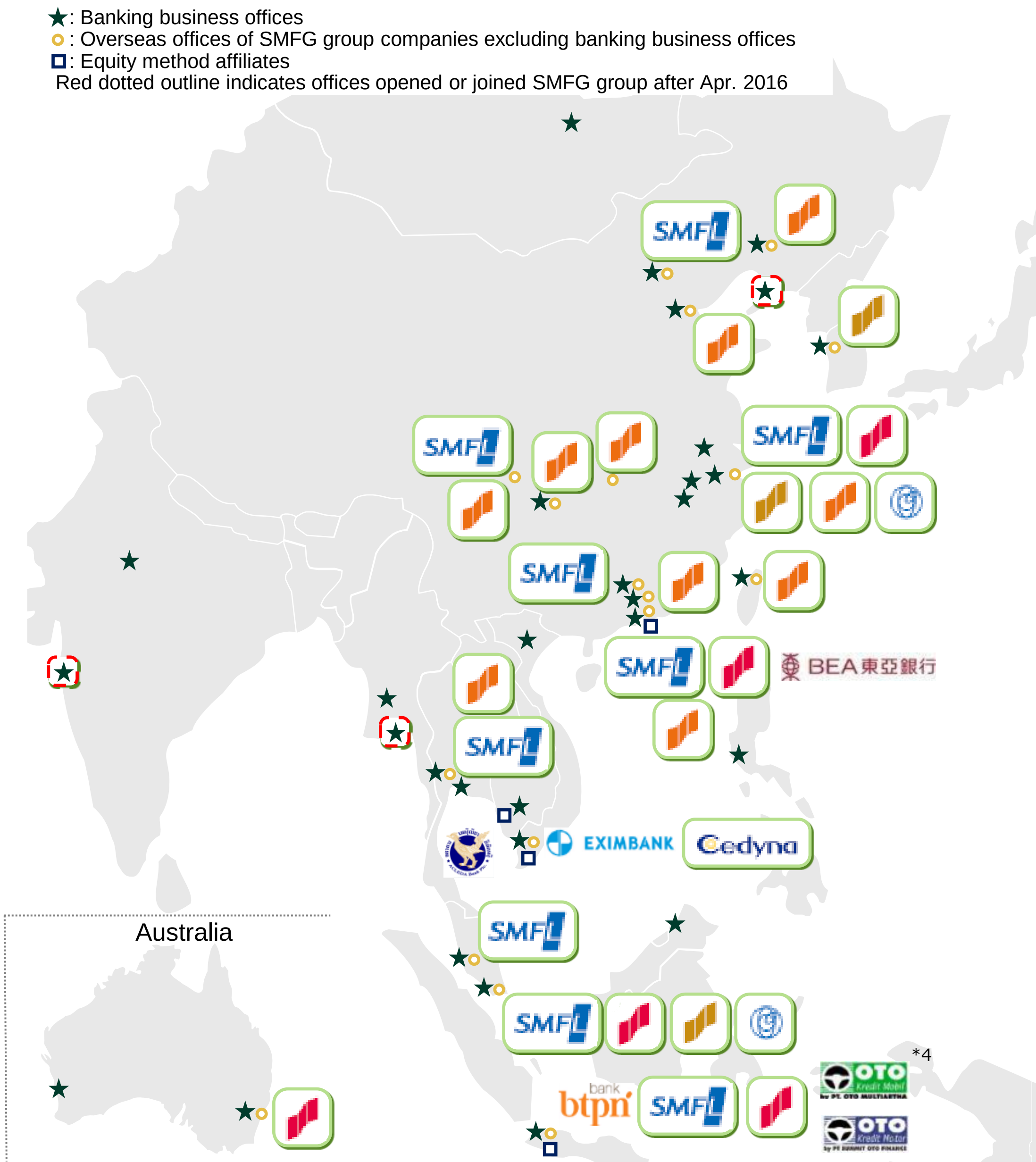


Korea



*1 Geographic classification based on borrowers' domicile
*2 Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Indonesia. Loan balances are translated into JPY from each country's local currency at the exchange rate of Mar. 31, 2017

SMFG's network in Asia



Company	Business	Network
SMBC Sumitomo Mitsui Banking Corporation	Banking	< Asia and Oceania > 14 countries/areas, 41 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
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

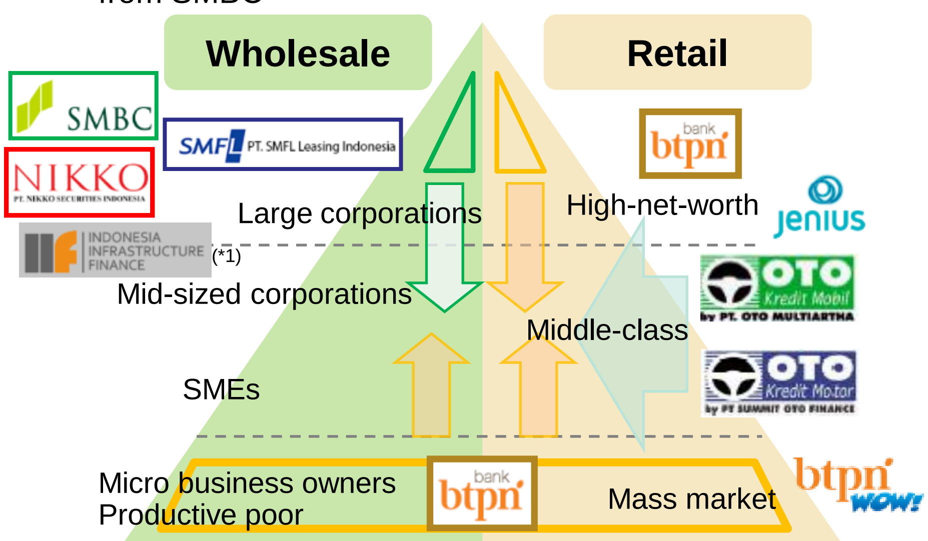
*1 As of Apr. 30, 2017. Includes SMBC, SMBC's banking subsidiaries and equity method affiliates. Excludes offices planned to be closed
*2 Prepaid cards targeted at travelers to Korea from Japan offered through an alliance with Hana SK Card Co., Ltd. since Nov. 2012
*3 Expanded auto loan business through 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 accelerate pursuing synergies among the Group in Indonesia
Asia Retail Innovation Department is newly established in Singapore to expand the digital banking business in Asia

Expanding business to provide full-banking service

- Bank Tabungan Pensiunan Nasional (BTPN)
  - Branchless banking service (Wow!) has successfully acquired about 4 million customers as of June 2017
  - In August 2016, BTPN launched smartphone-based digital banking service (Jenius) and acquired about 300K customers as of June 2017
- OTO/SOF (Automotive Finance Companies)
  - Appointed a director (OTO) and a commissioner (OTO/SOF) from SMBC



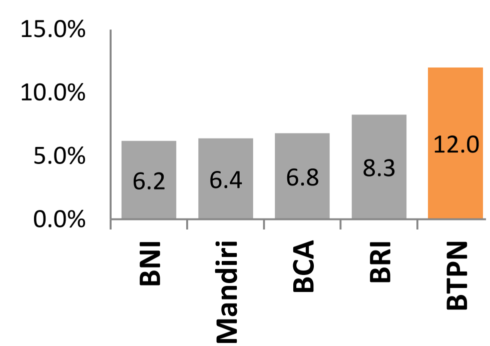
Financial results of BTPN *2

(IDR billion)	2015	2016	YOY
Gross banking profit	8,401	9,464	+13%
Operating expenses	(5,156)	(5,984)	+16%
Net profits (*)	1,702	1,752	+3%
ROE	13.3%	11.7%	-
Gross loans	58,587	63,168	+8%
Customer deposits	60,273	66,202	+10%
Total assets	81,040	91,371	+13%

(*) Net profit from existing business (excluding the investment for digital banking) increased 19% YOY in FY2016

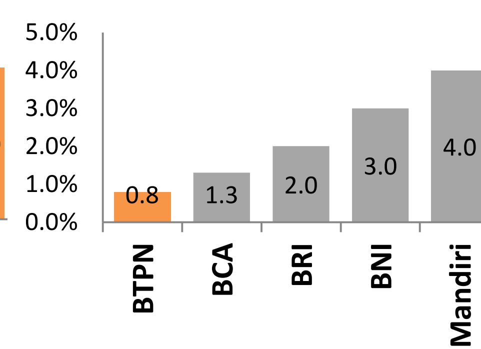
Net Interest Margin*3

Higher NIM compared to other banks



NPL ratio*3

Sound credit policy



*1 Indonesia Infrastructure Finance
*2 TTM as of Dec. 2015: IDR 1 = JPY 0.0088, Dec. 2016 : IDR 1 = JPY 0.0087
*3 Based on each company's disclosure (FY2016 results)

Products that we have strengths overseas

Aircraft-related business

- Providing solutions to domestic and overseas aircraft investors and offering aircraft leasing on a Group basis led by SMBC Aviation Capital

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

(USD mn)	FY3/17	FY3/16
Total revenue*2	1,086	993
Net income	298	199
Aircraft asset	10,963	10,515
Net asset	1,967	1,627

	Aircraft leasing companies	Country	# owned/managed
1	GECAS	USA	1,441
2	AerCap	Netherlands	1,160
3	Avolon	Ireland	626*3
4	**SMBC AC**	**Ireland**	**452**
5	Nordic Aviation Capital	Denmark	374

Railcar leasing

SMBC Rail Services
(a wholly-owned consolidated subsidiary in the U.S.)

- U.S. based mid-sized railcar leasing company, leased assets: USD 1,647 mn (as of Dec. 31, 2016)
- Strengths
  - Well-diversified portfolio management
  - Young age of railcars
  - Well-diversified client base by industry

Acquisition of American Railcar Leasing (ARL)

- SMBC Rail Services acquired ARL, the 6th largest railcar leasing company in the U.S.
- Asset size: approx. USD 2.2 bn (approx. 34 thousand railcars)
- Purchasing price of the entity was lower than the appraisal value of the railcars conducted by a third party.
  Therefore, impact to SMFG CET1 capital ratio is minimal

Subscription finance, Americas / EMEA middle market business

- Extending loans to funds based on commitments from investors
  - Credit balance: approx. USD 21 bn, spread: approx. 150bp (as of Mar. 2017)
- Sponsor finance for mid-sized corporations, loan for acquisition finance
  - Accounts for around 2% of our overseas loan balance. Carefully select profitable transactions

*1 As of Dec. 31, 2016 (Source: Ascend "Airline Business") *2 Leasing revenue + gains (losses) on sales of aircraft etc. Excludes redelivery adjustment
*3 Includes an acquisition of CIT Aerospace closed in Apr. 2017

Ref: Exposure to resource-related sectors *1

(JPY tn)	Mar. 16	Ratio to total exposure	Mar. 17	Ratio to total exposure	Jun. 17	Ratio to total exposure
Integrated Oil & Gas*2	1.5	1.3%	1.3	1.1%	1.5	1.2%
Services (Drilling, field services)	0.5	0.4%	0.4	0.4%	0.5	0.4%
Upstream (E&P*3)	1.7	1.4%	1.5	1.2%	1.5	1.3%
Midstream (Storage/Transportation)	1.4	1.2%	1.4	1.1%	1.4	1.1%
Downstream (Refining)	0.7	0.6%	0.9	0.7%	0.8	0.7%
Oil and gas	5.8	5.0%	5.5	4.4%	5.7	4.6%
Other resources (Mining)	1.1	1.0%	0.9	0.8%	1.0	0.8%
Non-Japanese*4 (Resource-related sectors)	6.9	6.0%	6.4	5.2%	6.6	5.4%
o/w Upstream	0.2	0.2%	0.2	0.2%	0.2	0.1%
Oil and gas	1.6	1.4%	1.3	1.1%	1.3	1.1%
Other resources (Mining)	0.2	0.2%	0.2	0.2%	0.2	0.2%
Japanese (Resource-related sectors)	1.8	1.6%	1.5	1.2%	1.6	1.3%
Resource-related sectors	**8.8**	**7.6%**	**7.9**	**6.4%**	**8.2**	**6.7%**
Oil and gas	7.4	6.4%	6.8	5.5%	7.0	5.7%
Other resources (Mining)	1.3	1.1%	1.1	0.9%	1.2	1.0%

	Mar. 16	Ratio to total exposure	Mar. 17	Ratio to total exposure	Jun. 17	Ratio to total exposure
Non-Japanese*4	38	32.9%	41	33.5%	42	34.2%
Japanese	77	67.1%	82	66.5%	81	65.8%
SMFG total exposure	**115**	100.0%	**123**	100.0%	**123**	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 7.0 tn; Exposure at default (EAD) to the sectors is JPY 6.2 tn as of Jun. 2017

*1 Loans, commitment lines, guarantees, investments, etc. *2 Majors, state-owned companies, etc. *3 Exploration & Production
*4 Exchange rates using TTM as of Mar. 2016: USD 1 = JPY 112.62, Mar. 2017: USD 1 = JPY 112.19 and Jun. 2017: USD 1 = JPY 111.96

Breakdown of exposure to Non-Japanese oil & gas/other resources as of Jun. 2017

(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	16.9	88%	14.5	89%	0.072	0.5%	0.019	-	26%
Americas	20.1	78%	7.0	75%	0.348	5.0%	0.049	0.225	79%
EMEA	22.3	85%	10.6	79%	0.406	3.8%	0.100	0.195	73%
Total	59.3	84%	32.0	83%	0.826	2.6%	0.168	0.420	71%
Oil and gas	50.5	84%	28.3	84%	0.519	1.8%	0.077	0.287	70%
Integrated Oil & Gas (Majors, state-owned companies, etc.)	13.3	97%	7.6	97%	-	-	-	-	-
Services (Drilling, field services)	4.0	47%	2.0	31%	0.244	12.5%	0.069	0.105	71%
Upstream (E&P)	13.7	75%	8.5	79%	0.217	2.6%	0.008	0.182	88%
Midstream (Storage/Transportation)	12.0	89%	5.1	89%	0.058	1.1%	0.001	-	1%
Downstream (Refining)	7.5	89%	5.1	88%	-	-	-	-	-
Other resources (Mining)	8.8	83%	3.8	72%	0.307	8.2%	0.091	0.133	73%

- Oil and gas : Corporate finance approx. 70%; Project finance approx. 30%
- Other resources (Mining) : Corporate finance approx. 85%; Project finance approx. 15%

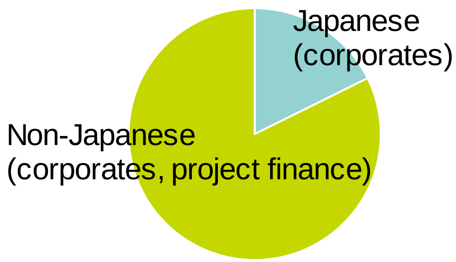
*1 NPLs based on the Financial Reconstruction Act, excluding Normal assets
*2 The balance of Claims on borrowers requiring caution are USD 0.2 bn in Asia, USD 1.7 bn in Americas, and USD 0.8 bn in EMEA. They are mainly included in Oil and gas

Loan and exposure to the UK / China / Russia

Loan balance in the UK*1, 2, 3

(JPY tn)

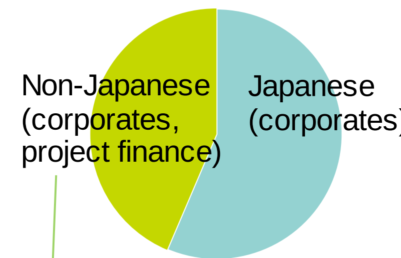
Mar. 16	Mar. 17
1.5	1.4



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

(JPY tn)

Mar. 16	Mar. 17
0.8	0.8



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

Our operation in EMEA

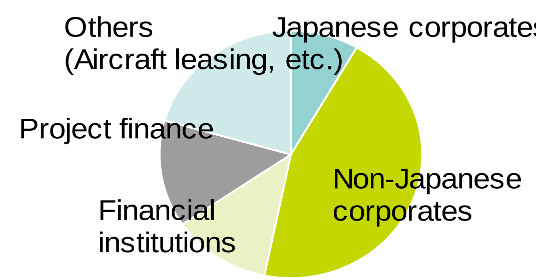
- Offices in the UK and EU
  - SMBC Europe
    Head Office : London
    6 branches : Dublin, Amsterdam, Paris, Prague, Milan, Madrid
  - SMBC's branches
    3 branches : Brussels, Dusseldorf, Frankfurt
- Booking of loans
  - Loan balance in EMEA regions: Approx. JPY 6 tn
    - of which around 20% is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

Exposure to Russia*6, 7

(USD bn)

Mar. 16	Mar. 17
4.3	3.2

0.3% of SMFG's total exposure of approx. USD 1tn



*1 Sum of SMBC, SMBC Europe and SMBC (China) *2 Geographic classification based on borrowers' domicile
*3 Loan balance are converted into JPY from each country's local currency at the exchange rate of Mar. 31, 2017
*4 Based on borrowers' domicile for loan balance, booking office for classification of borrowers
*5 Certainty of debt repayment is in the range of Very high - Satisfactory *6 Loans, commitment lines, guarantees, investments, etc. *7 SMFG consolidated

Capital and risk-weighted assets, consolidated

Capital ratio (transitional basis)

(JPY bn)	Mar. 31, 2017	Jun. 30, 2017
Common Equity Tier 1 capital (CET1)	**8,608.5**	**8,872.6**
of which: Total stockholders' equity related to common stock	8,013.3	8,255.1
Accumulated other comprehensive income*1	1,290.0	1,307.6
Regulatory adjustments related to CET1*1	(898.1)	(893.0)
Tier 1 capital	9,946.2	10,182.7
of which: Additional Tier 1 capital instruments	449.9	450.0
Eligible Tier 1 capital instruments (grandfathered)*3	812.9	812.9
Regulatory adjustments*1, 2	(172.9)	(172.1)
Tier 2 capital	2,027.5	2,002.5
of which: Tier 2 capital instruments	898.9	904.2
Eligible Tier 2 capital instruments (grandfathered)*3	873.1	841.7
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount*2	197.4	204.7
Regulatory adjustments*1, 2	(70.6)	(71.3)
Total capital	11,973.7	12,185.2
Risk-weighted assets	70,683.5	70,721.0
Common Equity Tier 1 capital ratio	**12.17%**	**12.54%**
Tier 1 capital ratio	14.07%	14.39%
Total capital ratio	16.93%	17.23%

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

(JPY bn)	Mar. 31, 2017	Jun.30, 2017
Variance with CET1 on a transitional basis*5	70.2	75.2
of which: Accumulated other comprehensive income	322.5	326.9
of which: Net unrealized gains on other securities	*308.5*	*319.7*
of which: Non-controlling interests (subject to be phased-out)	(27.8)	(28.5)
Regulatory adjustments related to CET1	(224.5)	(223.3)
Common Equity Tier 1 capital	**8,678.7**	**8,947.8**
Risk-weighted assets	70,644.7	70,682.0
Common Equity Tier 1 capital ratio	**12.2%**	**12.6%**
Ref: Common Equity Tier 1 capital ratio (excluding net unrealized gains)	**10.0%**	**10.3%**

Preferred securities which become callable in FY3/18

	Issue date	Amount outstanding	Dividend rate*6	First call date*7	Type
SMFG Preferred Capital JPY 1 Limited	Feb. 2008	JPY 135.0 bn	3.52%	Jan. 2018	Non Step-up

Leverage ratio
(transitional basis, preliminary)

(JPY bn)	Jun. 30, 2017
Tier1 Capital	**10,182.7**
Leverage exposure	**214,333.5**
Leverage ratio	**4.75%**

LCR
(transitional basis)

Average Apr. – Jun. 2017
125.3%

*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 80% of the original amounts are included *2 80% phase-out is reflected in the figures *3 Cap is 50% *4 Based on the Mar. 31, 2019 definition
*5 Each figure represents 20% 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

TLAC requirements

TLAC and capital buffer requirements for SMFG

Minimum external TLAC requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
Plus capital buffers*1	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, we expect 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

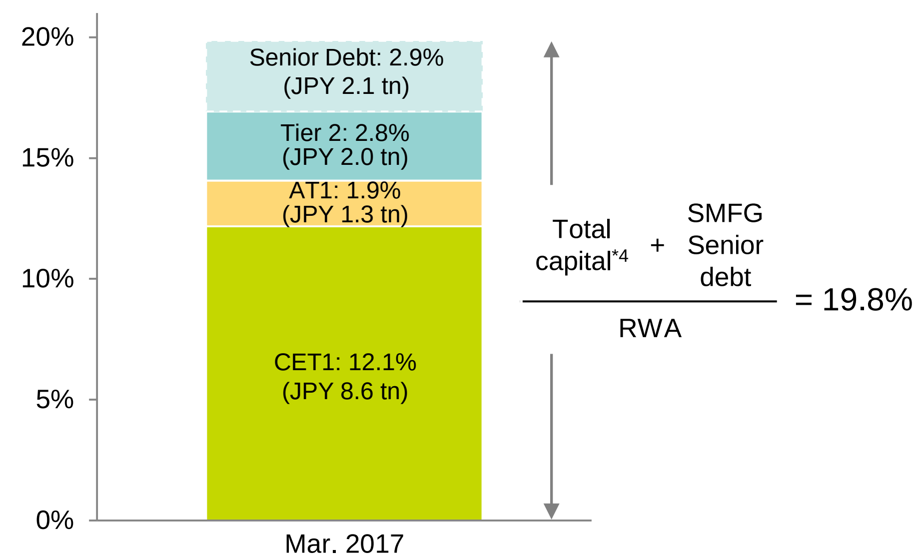
Meeting TLAC requirement

Issuance amount of SMFG senior unsecured debt*2

(JPY tn)	FY3/2016	FY3/2017
Issuance amount through the period	0.5	1.6
Amount outstanding at period end	0.5	2.1

Total capital plus SMFG senior debt to RWA*3

(Consolidated)



*1 Excludes countercyclical buffer. As for the G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the FSB in Nov. 2016
*2 Translated at the exchange rate as of Mar. 31, 2016 (FY3/2016) and as of Mar. 31, 2017 (FY3/2017)
*3 This figure is not the same as TLAC ratio
*4 Transitional basis. We expect the calculation for TLAC ratio, when the TLAC requirements in Japan are finalized, will differ from the one for total capital ratio. For example, some items in total capital will not be included in TLAC capital and vice versa

SRI Indices on which SMFG is listed

Included in ESG Indices (Broad index) selected by GPIF (Jul. 2017)

FTSE Blossom Japan

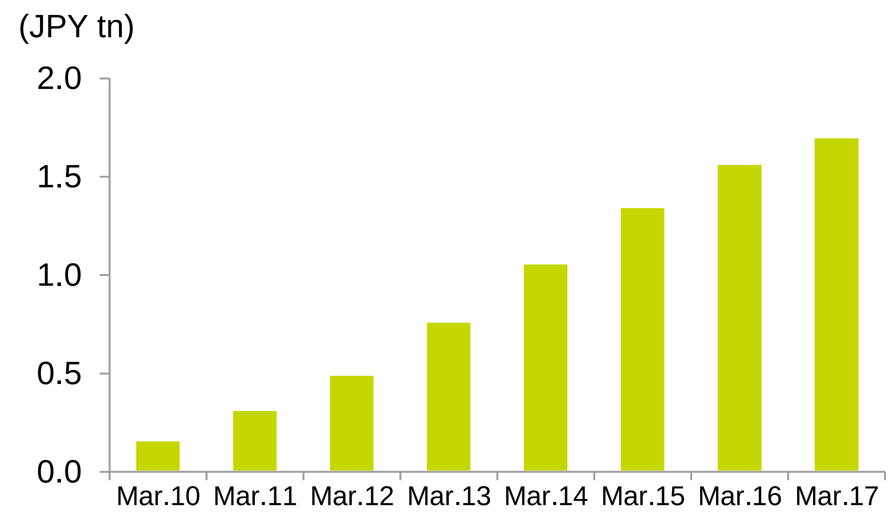
MSCI 2017 Constituent MSCI Japan ESG Select Leaders Index

FTSE4Good

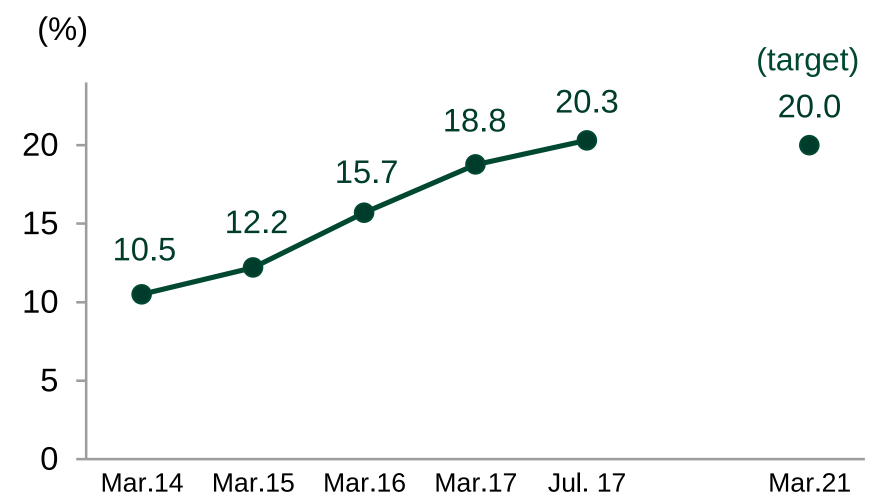
Member of SNAM Sustainability Index 2017

SMBC assessment loans / private placement bonds

* Accumulated transaction amount



Ratio of female managers (SMBC)



Credit ratings of G-SIBs (Operating banks, by Moody's)*

	Apr. 2001	Jul. 2007	Jul. 2017
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 • 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** • Bank of America • Bank of China • Barclays Bank • BNP Paribas • ***BTMU*** • China Construction Bank • Citibank • Crédit Agricole • Credit Suisse • Goldman Sachs Bank • ICBC • ING Bank • ***Mizuho Bank*** • Morgan Stanley Bank • Standard Chartered • UBS
A2	• ***BTMU*** • Standard Chartered	• China Construction Bank • Standard Chartered	• Agricultural Bank of China • BPCE(Banque Populaire) • Royal Bank of Scotland • Société Générale
A3	**SMBC** • ***Mizuho Bank***		• Banco Santander
Baa1	• Agricultural Bank of China • Bank of China • China Construction Bank • ICBC		• UniCredit
Baa2			• Deutsche Bank

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

Credit ratings of G-SIBs (Holding companies, by Moody's / S&P)*

	Jul. 2017				
	Moody's		S&P		
Aaa					AAA
Aa1					AA+
Aa2					AA
Aa3					AA-
A1	**SMFG** • Bank of New York Mellon • HSBC • ***Mizuho***	• ***MUFG*** • State Street			A+
A2	• Standard Chartered • Wells Fargo		• Bank of New York Mellon • HSBC • ***MUFG***	• State Street • Wells Fargo	A
A3	• Goldman Sachs • JPMorgan	• Morgan Stanley	**SMFG** • ING • JPMorgan	• ***Mizuho*** • UBS	A-
Baa1	• Bank of America • Citigroup	• ING • UBS	• Bank of America • Citigroup • Credit Suisse	• Goldman Sachs • Morgan Stanley • Standard Chartered	BBB+
Baa2	• Barclays	• Credit Suisse	• Barclays		BBB
Baa3	• RBS		• RBS		BBB-
Ba1					BB+

* Long-term issuer ratings (if not available, Senior unsecured ratings for Moody's) of holding companies

Overview of international financial regulations

			Regulations	Contents of regulation	Effective	Current status	Action taken & impact on SMFG
G20	G-SIFI regulation and supervision		G-SIB surcharge	Require additional loss absorption capacity above the Basel III minimum	2016	Under phased implementation	◎ Requirement for SMFG to be 8%* on a fully-loaded basis SMFG CET1 ratio (FY2019) target : about 10% *assuming no countercyclical buffer
			Adequacy of loss-absorbing capacity (TLAC)	Require loss absorbing capacity, which consists of eligible liabilities and regulatory capital, on both a going concern and gone concern basis	2019	Finalised in Nov. 2015	○ In progress to meet the requirement
			Recovery and Resolution Plan	Require to develop Group Recovery Plan	Imple-mented	Done	○ Annual update necessary
	Prudential regulation	Basel III	Capital requirement	Require to raise the level and quality of capital	2013	Under phased implementation	◎ SMFG CET1 ratio (FY2019) target : about 10%
				Fundamental review of trading book	2019	Finalised in Jan. 2016	○ Monitor how domestic regulations will be introduced
				Revisions to the Standardised Approaches	TBD	Consultative document credit risk in Dec. 2015 operational risk in Mar. 2016	△ In progress for finalization. Monitor how it will be finalized
				Constraints on the use of internal model approaches	TBD	Consultative document in Mar. 2016	△ In progress for finalization. Monitor how it will be finalized
				Capital floors	TBD	Consultative document in Dec. 2014	△ In progress for finalization. Monitor how it will be finalized
				Review of the Credit Valuation Adjustment (CVA) risk framework	TBD	Consultative document in Jul. 2015	△ In progress for finalization. Monitor how it will be finalized
				Interest-rate risk in the banking book	2018	Finalised in Apr. 2016	○ Monitor how domestic regulations will be introduced
			Leverage ratio requirement	Non-risk-based measure based on on-and off-accounting balance sheet items against Tier 1 capital. Minimum requirement: 3% (during trial period)	2018	Consultative document in April. 2016	○ Monitor how it will be finalized
			Minimum standards for liquidity (LCR/NSFR)	LCR：Require to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. >=100%	2015	Under phased implementation	◎
				NSFR：Require to maintain a sustainable maturity structure of assets and liabilities >=100%	2018	Finalised in Oct. 2014	○ Monitor how domestic regulations will be introduced
			Large exposure regulation	Tighten exposure limit to a single borrower (25% of Tier 1) and enlarge regulation scope	2019	Partly implemented in Dec. 2014	○ Monitor how domestic regulations will be introduced
	Financial market / Financial system reform		OTC derivatives markets reforms	Centralize OTC derivatives clearing Margin requirement for non-centrally cleared derivatives	2012 2016	Enlarge regulation scope Under phased implementation	△ In progress to enhance out platform to address it
			Regulation of shadow banking system	Strengthen the oversight and regulation of the shadow banking system such as MMFs, repos and securitizations	-	Some regulation have been finalized	○ Monitor how the regulations will be finalized or how domestic regulations will be introduced
US			Ring fencing regulation	Capital and liquidity requirements for foreign banking organizations in U.S.	2016	Done	◎
EU				Capital and liquidity requirements for foreign banking organizations through establishment of an intermediate parent understating in EU	TBD	Published in Nov. 2016 by European Commission	△ Monitor how it will be finalized

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

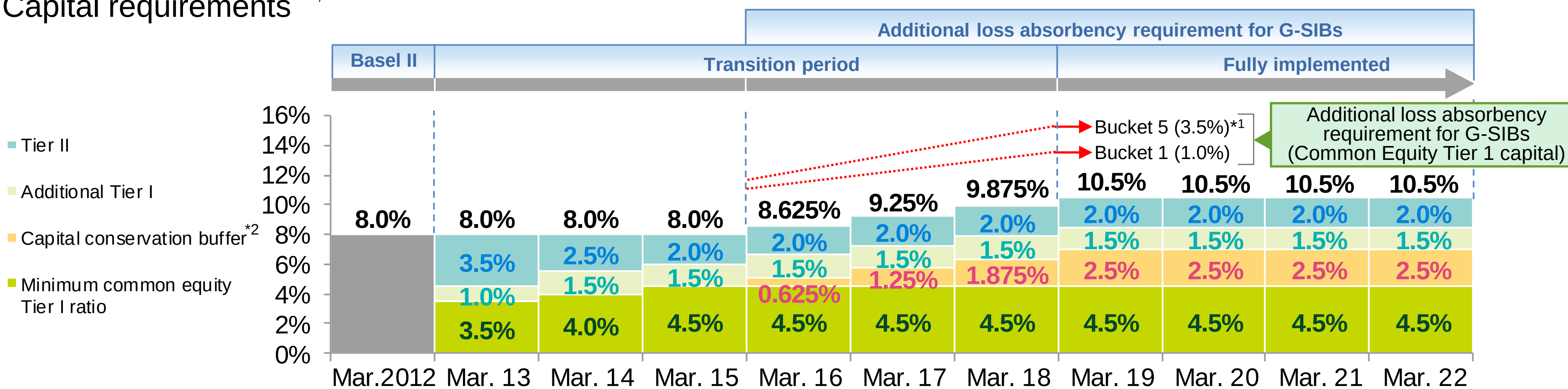
Progress of major regulatory discussions

Regulations			Outline	Finalized 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	Unfinished	Unfinished
		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	Unfinished	Unfinished
	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	Finished	Unfinished
	Operational 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	Unfinished	Unfinished
	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	Unfinished	Unfinished
		Capital floors based on standardised approaches	･Replacement of the Basel I-based transitional capital floor with a permanent floor based on standardised approaches ･The framework and calibration are under consideration.	Unfinished	Unfinished
Leverage ratio requirement		Leverage ratio	･A minimum requirement of 3% to be introduced in 2018 ･Additional requirements for G-SIBs and revisions including credit conversion factors for off-balance sheet items are proposed	Finished in part	Finished in part
G-SIFI regulation		TLAC (total loss-absorbing capacity)	･Minimum requirement of (i) 16% of RWA and 6% of the Basel III Tier 1 leverage ratio denominator as from 2019, (ii) 18% of RWA and 6.75% of the Basel III Tier 1 leverage ratio denominator as from 2022 ･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 ･Should be issued and maintained by resolution entities	Finished	Unfinished

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 under consideration

Capital requirements *1, 2



	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*1

Leverage ratio	Mar. 2015 Domestic regulation finalised	2015 : Start disclosure (*minimum : 3%*) 2018 : Full implementation
Liquidity coverage ratio (LCR)	Oct. 2014 Domestic regulation finalised	2015 60% / 2016 70% / 2017 80% / 2018 90% / 2019 100%
Net stable funding ratio (NSFR)	Oct. 2014 Finalised at BCBS	2018 : Full implementation

*1 Schedule based on final documents by BCBS, and domestic regulations
*2 Countercyclical buffer (CCyB) omitted in the chart above; if applied, phased-in in the same manner as the Capital conservation buffer.
*3 Including amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

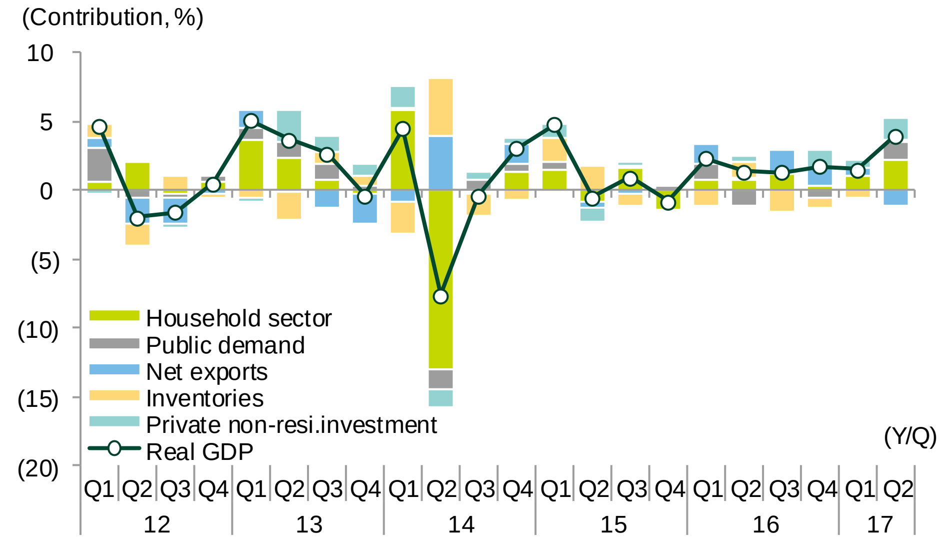
Public sector support and point of non-viability in Japan

Framework			Systemic risk	Subject entities	Conditions	Point of non-viability
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
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
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
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

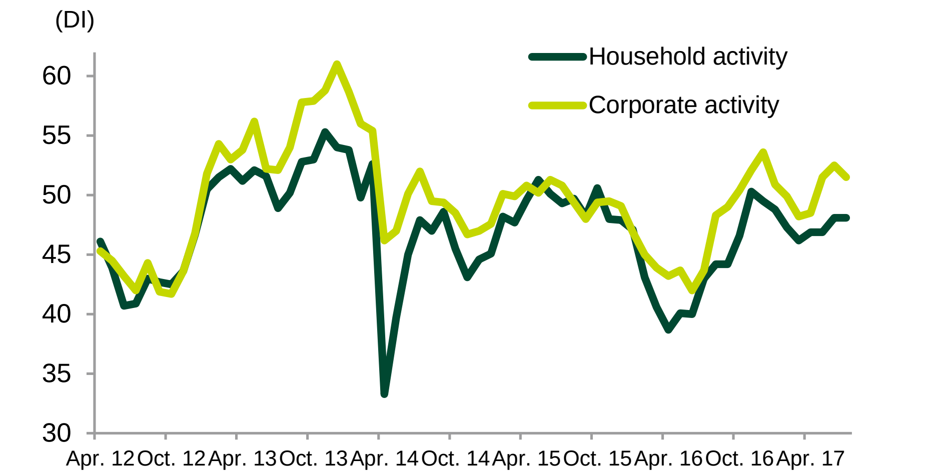
*1 Including the likelihood of a suspension of payment of deposits
*2 Including the likelihood of a suspension of payment or negative net worth
*3 Specified in Q&A published by FSA on March 6, 2014

Current Japanese economy

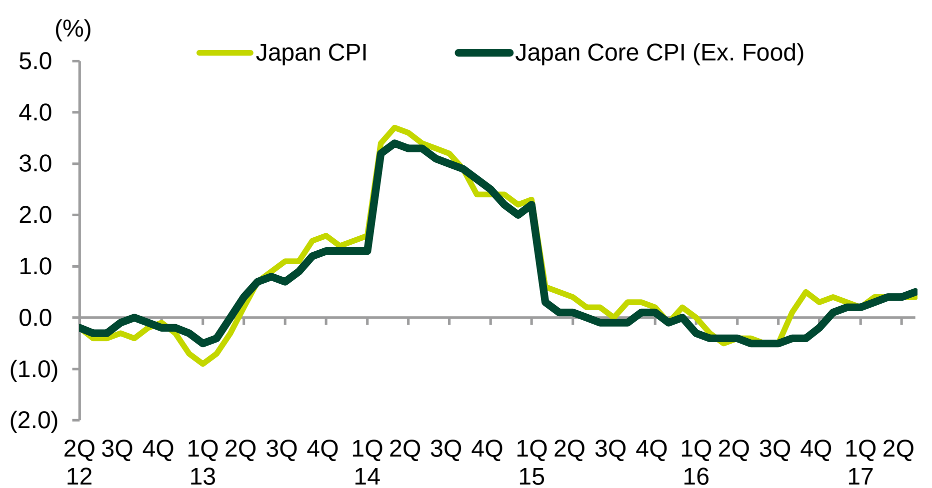
Real GDP growth rate (annualized QOQ change)*1



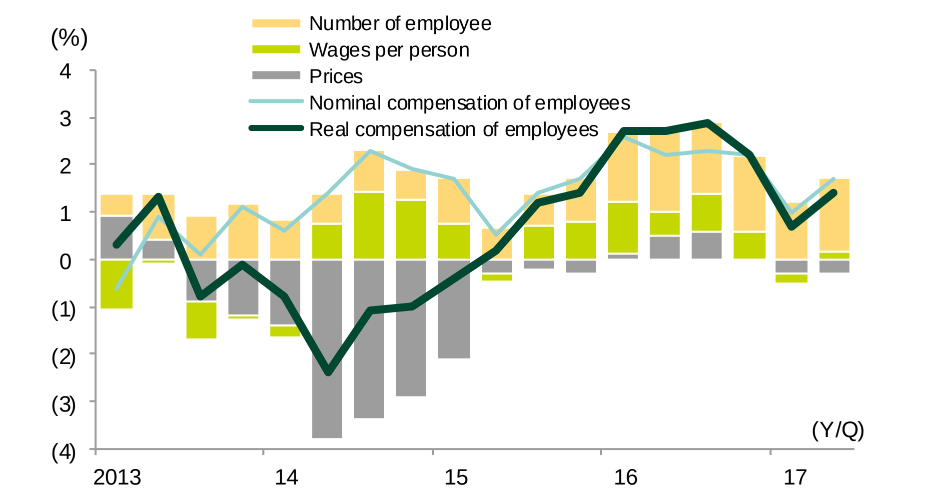
Economy watchers survey*2



Consumer price index (YOY change)*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: Statistics Bureau. Core CPI: All items, less fresh foods

*4 Source: Cabinet Office and Ministry of Internal Affairs and Communications

Definitions

- Consolidated : SMFG (consolidated)
- Non-consolidated : SMBC (non-consolidated)
- SMFG : Sumitomo Mitsui Financial Group
- SMBC : Sumitomo Mitsui Banking Corporation
- SMBC Trust : SMBC Trust Bank
- SMFL : Sumitomo Mitsui Finance and Leasing
- SMBC Nikko : SMBC Nikko Securities
- SMBC Friend : SMBC Friend Securities
- SMCC : Sumitomo Mitsui Card Company
- SMBCCF : SMBC Consumer Finance
- SMAM : Sumitomo Mitsui Asset Management

Overview of the four business units

- Retail (RT) Business Unit
  : Domestic retail and SME businesses
  SMBC (RT), SMBC Nikko (RT), SMBC Friend, SMBC Trust (RT), SMCC, Cedyna, SMBCCF, others
- Wholesale (WS) Business Unit
  : Domestic large/mid-size corporation business
  SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), others
- International (Inter.) Business Unit :
  SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), others
- Global Markets (GM) Business Unit
  : Market / Treasury related businesses
  SMBC (Treasury), SMBC Nikko (Product), others