

Investors Meeting Presentation FY3/2018

May 18th, 2018

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; incurrence of significant credit-related costs; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; and exposure to new risks as we expand the scope of our business. 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.

Definitions

- Consolidated : SMFG consolidated
- Non-consolidated : SMBC non-consolidated
- SMFG : Sumitomo Mitsui Financial Group, Inc.
- SMBC : Sumitomo Mitsui Banking Corporation
- SMBC Trust : SMBC Trust Bank
- SMFL : Sumitomo Mitsui Finance and Leasing
- SMBC Nikko : SMBC Nikko Securities
- SMCC : Sumitomo Mitsui Card Company
- SMBCCF : SMBC Consumer Finance
- SMAM : Sumitomo Mitsui Asset Management
- SMBCAC : SMBC Aviation Capital
- Retail business unit (RT) : Domestic retail and SME businesses
SMBC (RT), SMBC Nikko (RT), SMCC, Cedyne, SMBCCF, others
- Wholesale business unit (WS) : Domestic large/mid-size corporation business
SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), others
- International business unit (Inter.) :
SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), others
- Global markets business unit (GM) : Market / Treasury related businesses
SMBC (Treasury), SMBC Nikko (Product), others
- Large corporations : Global Corporate Banking Division
- Mid-sized corporations & SMEs : Corporate Banking Division (CBD) and SMEs covered by Retail Banking Unit
- Exchange rates(TTM)

	Mar.17	Mar.18
USD	JPY 112.19	JPY 106.25
EUR	JPY 119.84	JPY 130.73

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I. FY3/2018 performance and FY3/2019 target

1. FY3/2018 financial results

Income statement

	(JPY bn)	FY3/18	YoY	vs. Nov.17 target	FY3/19 target
Consolidated	Consolidated gross profit	USD 28.1bn 2,981.1	+60.3		
	General and administrative expenses <Overhead ratio>	1,816.2 60.9%	+3.8 (1.2)%		
	Equity in gains (losses) of affiliates	39.0	+14.4		
	Consolidated net business profit*1	USD 11.3bn 1,203.8	+71.0	+73.8	1,155
	Total credit cost	94.2	(70.2)	(115.8)	200
	Gains (losses) on stocks	118.9	+63.9		
	Other income (expenses)	(64.5)	(46.8)		
	Ordinary profit	USD 11.0 bn 1,164.1	+158.3	+194.1	1,020
	Extraordinary gains (losses)	(55.3)	(28.7)		
	Income taxes	270.5	+99.6		
Non-consolidated	Profit attributable to owners of parent	USD 6.9 bn 734.4	+27.8	+104.4	700
	ROE	8.8%	(0.3)%		
	Gross banking profit	USD 13.4bn 1,427.9	(235.7)		
	Expenses*3	810.8	(6.2)		
	Banking profit*1	USD 5.8 bn 617.2	(229.5)	+7.2	605
	Total credit cost	(26.7)	(87.8)	(106.7)	70
	Gains (losses) on stocks	127.7	+12.6		
	Ordinary profit	USD 7.1 bn 755.3	(108.8)	+175.3	590
	Net income	USD 5.4 bn 577.0	(104.7)	+127.0	420

YoY changes of FY3/18 financial results

Profit attributable to owners of parent increased by JPY 27.8 bn mainly due to the steady performance of the Retail and International business units, and the large reversal of credit cost

Consolidated gross profit increased mainly due to the strong performance of investment product sales in the Retail business unit and continuous growth of the credit card and overseas businesses

General and administrative expenses remained almost flat as a result of the group-wide cost control initiatives while expenses increased along with the top-line growth of SMBC Nikko and SMCC

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

Total credit cost decreased mainly because of the reversal of credit cost from large borrowers at SMBC

Gains on stocks increased mainly because of gains on sales of strategic shareholdings (approx. JPY 100 bn)

Other income (expenses) decreased mainly due to the provisions for losses on interest repayments at SMBCCF and Cedyne (approx. JPY (50) bn)

Extraordinary gains (losses) decreased due to the cost from branch reorganization (approx. JPY (25) bn)

Income taxes increased due to the loss of tax benefits recorded in FY3/17 by implementing the consolidated corporate-tax system (approx. JPY (100) bn)

Contribution of subsidiaries to Profit attributable to owners of parent

Figures in <> of YoY exclude the impact of tax benefits recorded in FY3/17 by implementing the consolidated corporate-tax system

(JPY bn)	FY3/18	YoY	(JPY bn)	FY3/18	YoY
SMBC Nikko ^{*4}	62	+17	SMAM	4	+2
SMFL	33	+3	Cedyna	2	(20) <(14)>
SMBCCF	25	(87) <(38)>	SMBC Trust	(6)	(2) <+11>
SMCC	19	+3	BEA ^{*5}	26	+16

2. Breakdown of gross profit

By business unit*1

(JPY bn)		FY3/17*3	FY3/18	YoY*4
	Wealth management business	320.8	360.7	+23.4
	Credit card business	365.5	385.2	+19.7
	Non-consolidated income on loans (excl. consumer finance)	160.0	145.0	(12.6)
	Consumer finance business	287.1	302.1	+15.1
o/w Retail business unit		1,313.9	1,311.5	+34.2
S M B C	Income on loans	183.8	177.8	(6.2)
	Money remittance, electronic banking	62.7	64.1	+1.4
	Foreign exchange	37.9	41.9	+3.8
	Loan syndication	48.7	51.6	+3.0
	Structured finance	35.2	31.5	(3.8)
	Securities business	93.7	81.9	(11.9)
Leasing business		116.5	122.8	+6.2
o/w Wholesale business unit		776.4	772.9	(6.7)
Asset related income*2		378.4	403.8	+12.0
Non-asset related income*2		95.8	128.9	+28.8
Loan related fees*2		108.6	98.5	(9.3)
Securities business		37.7	39.6	+2.2
Aircraft leasing		46.8	45.8	(1.3)
o/w International business unit		566.1	632.0	+38.8
o/w SMBC's Treasury Unit		272.4	273.4	(2.0)
o/w Global markets business unit		346.8	356.2	+6.4
Consolidated gross profit		2,920.7	2,981.1	+60.3
o/w SMBC's domestic income on loans and deposits		493.5	470.0	(17.1)
o/w International business unit's income on loans and deposits*2		249.9	261.3	+14.8

By accounting item

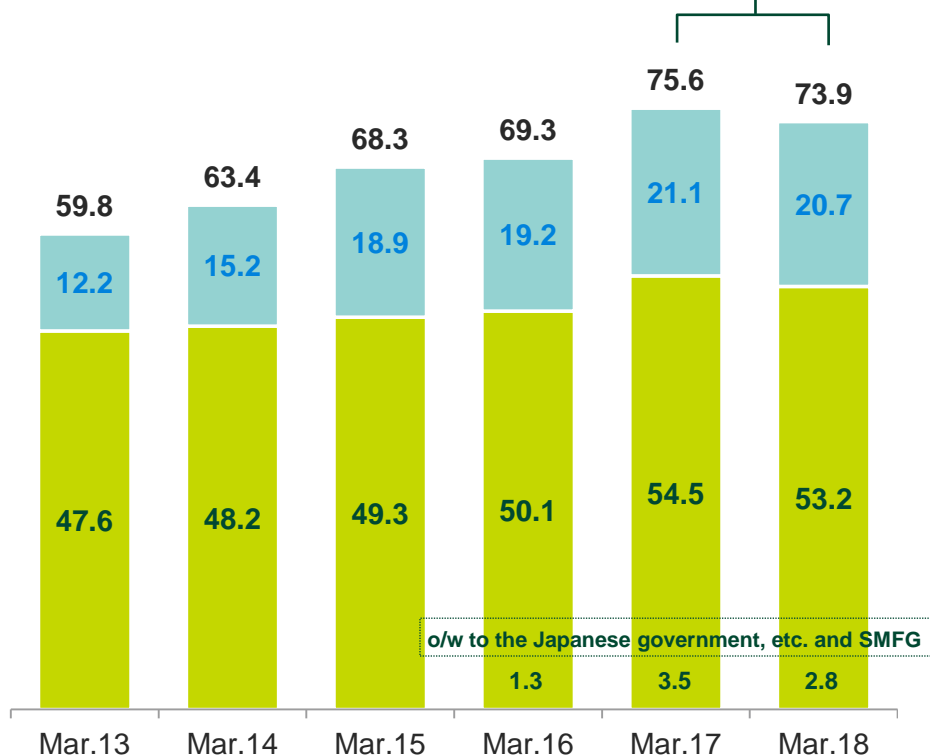
(JPY bn)		FY3/17	FY3/18	YoY
Consolidated gross profit*5		2,920.7	2,981.1	+60.3
Net interest income		1,358.6	1,390.2	+31.6
o/w SMBC		1,138.9	957.0	(181.9) <+18.1>*6
Domestic		904.2	707.3	(196.9) <+3.1>*6
Overseas		234.8	249.7	+15.0
SMBCCF		163.0	171.0	+9.0
Trust fees		3.8	3.9	+0.1
Net fees and commissions		1,013.3	1,066.6	+53.3
o/w SMBC		348.9	329.9	(19.0)
SMCC		187.0	211.0	+24.0
SMBC Nikko		176.0	198.0	+22.0
Cedyna		108.0	107.0	(1.0)
SMBCCF		66.0	70.0	+5.0
Net trading income + Net other operating income		545.0	520.3	(24.7)
o/w SMBC		173.9	139.0	(34.9)
SMBC Nikko		148.0	156.0	+8.0
SMFL		149.0	154.0	+5.0

3. Loans*1

Loan balance

(JPY tn)

Breakdown of change from Mar. 2017 to Mar. 2018		(JPY tn)
Domestic offices excl. Japan offshore banking accounts excl. loans to the Japanese government, etc. and SMFG	(1.3)	(0.6)
Overseas offices and Japan offshore banking accounts after adjustment for changes in exchange rate	(0.4)	+0.4
Total		(1.7)



Domestic loan-to-deposit spread

(%)	FY3/18	YoY	1H	2H
Interest earned on loans and bills discounted	0.98	(0.07)	0.99	0.97
Interest paid on deposits, etc.	0.00	(0.01)	0.00	0.00
Loan-to-deposit spread	0.98	(0.06)	0.99	0.97

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

Interest earned on loans and bills discounted	1.02	(0.09)	1.03	1.01
Loan-to-deposit spread	1.02	(0.08)	1.03	1.01

Average loan balance and spread*2

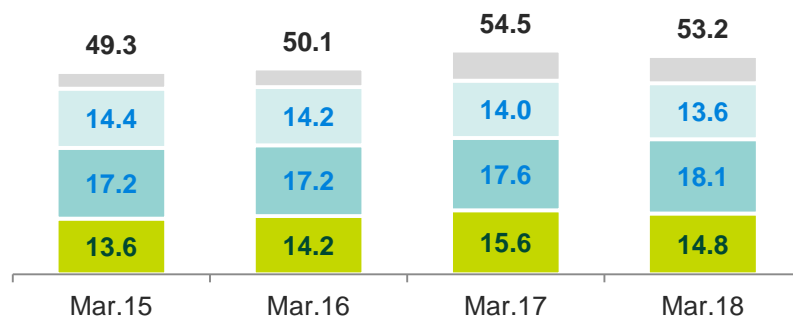
	Balance (JPY tn)		Spread (%)	
	FY3/18	YoY*4	FY3/18	YoY
Domestic loans	52.7	+0.8	0.78	(0.05)
Excluding loans to the Japanese government, etc. and SMFG	49.6	+1.3	0.82	(0.06)
o/w Large corporations	15.3	+0.8	0.52	(0.05)
Mid-sized corporations & SMEs	17.5	+0.8	0.69	(0.06)
Individuals	13.8	(0.3)	1.46	(0.03)
IBU's interest earning assets*3 (USD bn, %)	278.2	+28.5	1.14	(0.07)

4. Domestic loans and deposits*1

Domestic loan balance*2

(JPY tn)

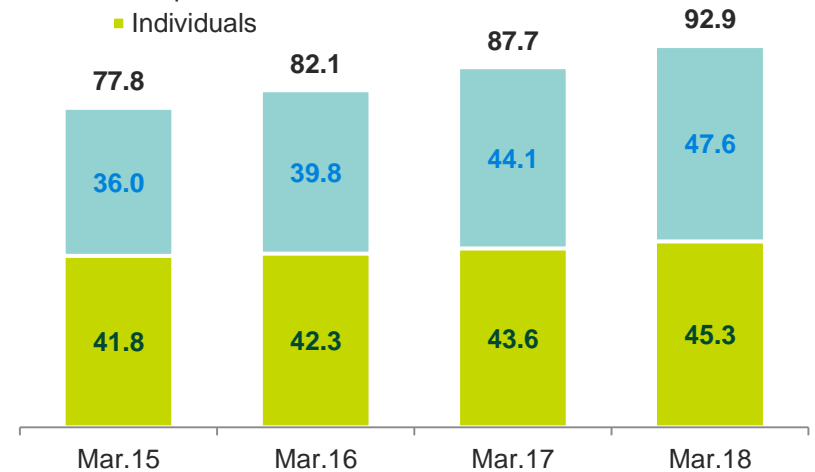
- Individuals
- Mid-sized corporations and SMEs
- Large corporations



Domestic deposit balance

(JPY tn)

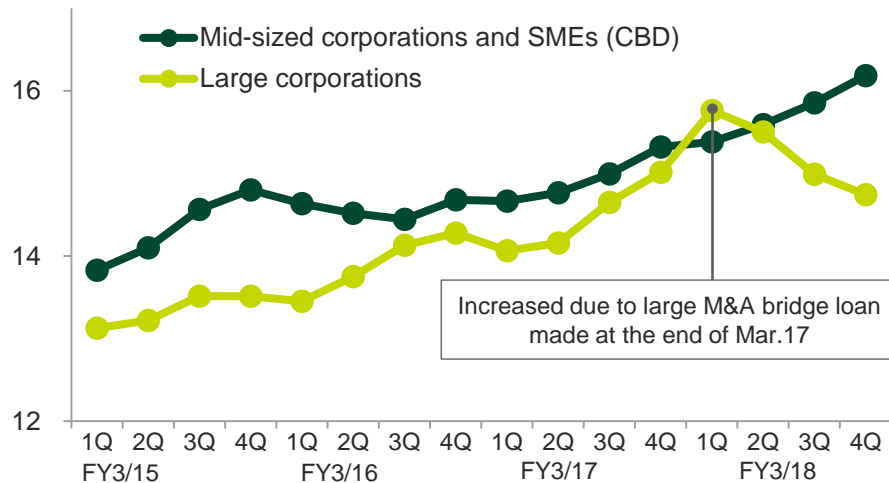
- Corporates
- Individuals



Domestic corporate loan balance*2,3

(JPY tn)

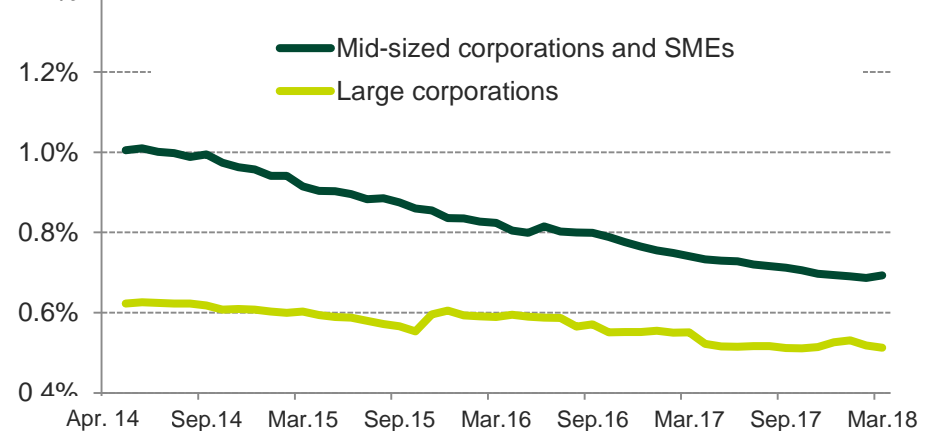
- Mid-sized corporations and SMEs (CBD)
- Large corporations



Domestic corporate loan spread*2,4

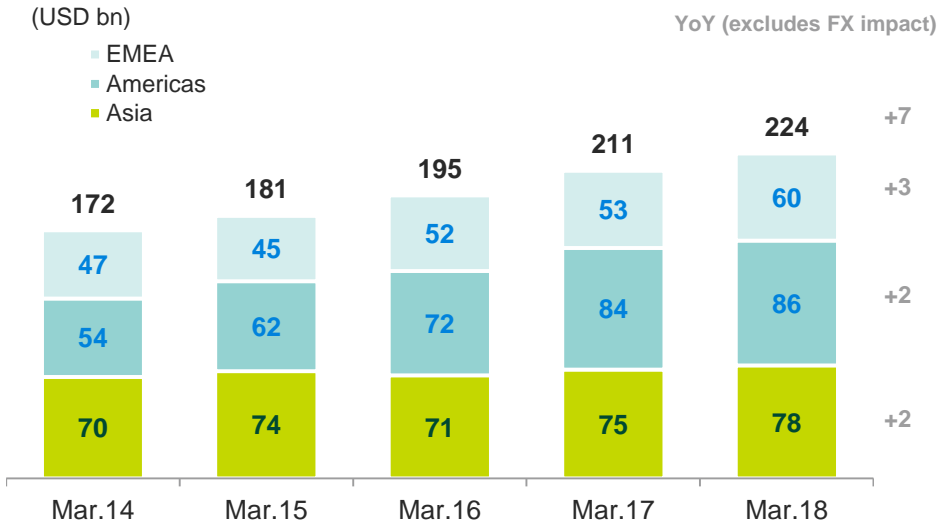
1.4%

- Mid-sized corporations and SMEs
- Large corporations

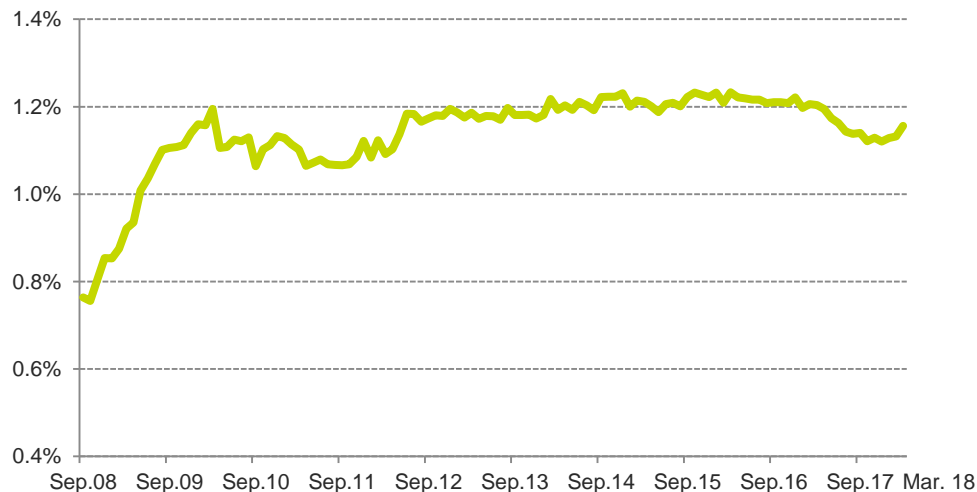


5. Overseas loans and deposits*1

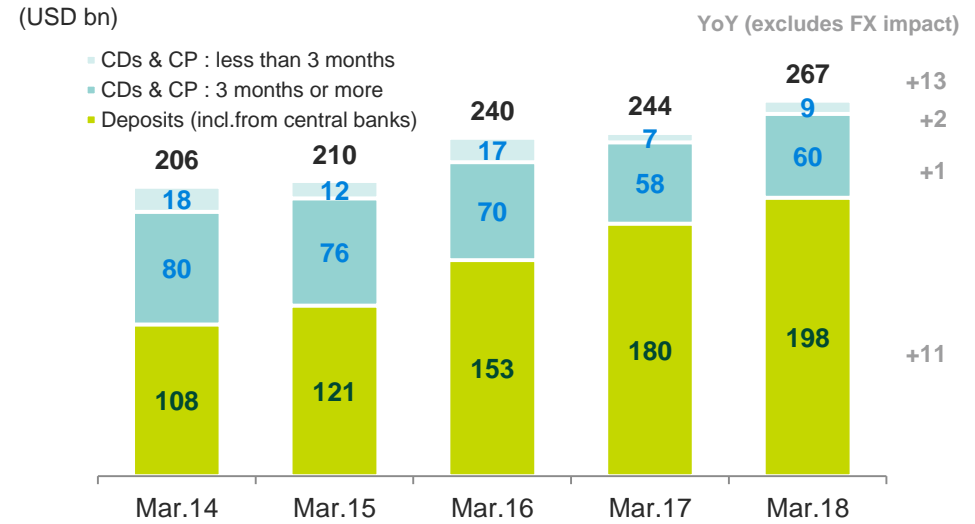
Overseas loan balance (includes trade bills)



Overseas loan spread*2



Overseas deposit balance



Foreign currency bonds outstanding*3 (USD bn)	Senior	32.9	44.1	54.2
	Subordinated	4.1	4.1	4.2

Benchmark issuance of foreign currency bonds*4 (since Jan. 2018)

Senior / Sub	Issue Date	Currency	Amount (mn)	Tenor	Coupon
Senior (SMFG) *5	Jan. 17, 2018	USD	1,500	5y	3.102%
			500	5y	3mL+74bp
			750	10y	3.544%
Senior (SMBC)	Jan. 17, 2018	USD	1,250	2y	2.514%
			750	2y	3mL+35bp
Senior (SMFG) *5	Feb. 9, 2018	USD	265	30NC10	4.200%
Senior (SMBC)	Apr. 24, 2018	USD	750	2y	3mL+40bp

6. Balance sheet

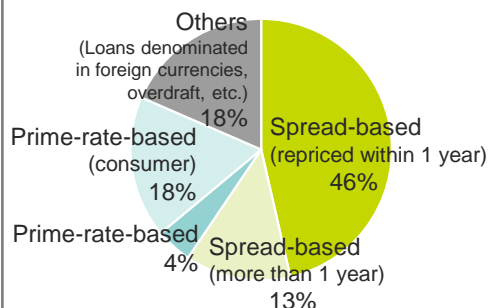
Consolidated B/S (Mar. 2018) <vs. Mar. 2017>

Non-consolidated

- BOJ's current account balance
JPY 41.5 tn

Non-consolidated

- Domestic loans outstanding
JPY 53.2 tn



Consolidated

(Other securities)

- o/w Stocks JPY 3.9 tn
- o/w JGBs JPY 9.2 tn
- o/w Foreign bonds JPY 7.2 tn

(JPY tn)

Cash and
due from banks
53.7 <+6.9>

Loans
72.9 <(7.3)>

Domestic 53.2 <(1.3)>
Overseas*1 23.8 <+0.1>

Securities
25.7 <+1.1>

Other assets
46.7 <+0.6>

Total assets 199.0 <+1.3>

Deposits
(includes NCD)
127.7 <(2.0)>

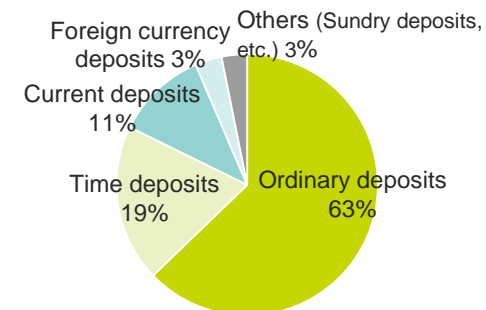
Domestic*2 98.8 <+4.1>
Overseas*1,3 28.4 <+1.0>

Other liabilities
59.7 <+2.9>

Total net assets
11.6 <+0.4>

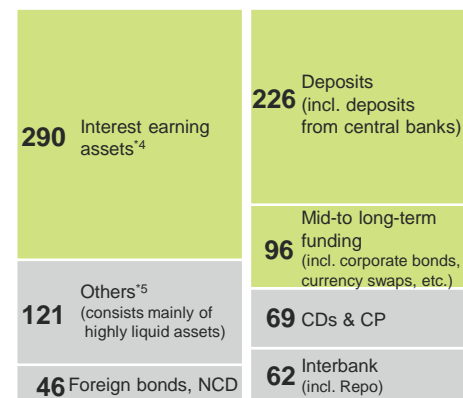
Non-consolidated

- Domestic deposits outstanding
JPY 92.9 tn



(Ref) Non-JPY B/S items*1

(USD bn)



457 Assets / Liabilities

Loan to deposit ratio

57.1 %

7. Gains (losses) on bonds / bond portfolio

Gains (losses) on bonds (non-consolidated)

(JPY bn)	FY3/17	FY3/18	YoY
Gains (losses) on bonds	43.7	11.7	(32.0)
Domestic operations	18.2	7.5	(10.7)
International operations	25.5	4.2	(21.3)

Bond portfolio

(JPY tn)		Mar.17		Mar.18	
		Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)
Consolidated	Yen-denominated bonds	11.4	0.07	12.2	0.05
	o/w JGB	8.5	0.03	9.6	0.01
	Held-to-maturity	1.2	0.01	0.4	0.00
	Others	7.3	0.02	9.2	0.01
	Foreign bonds (Other securities)	7.1	(0.11)	7.2	(0.16)

Non-consolidated	Yen-denominated bonds	10.6	0.06	11.9	0.05
	o/w JGB	8.0	0.03	9.3	0.01
	Held-to-maturity	0.9	0.01	0.1	0.00
	Others	7.1	0.02	9.2	0.01
	Foreign bonds (Other securities)	5.6	(0.10)	5.3	(0.14)

8. Expenses

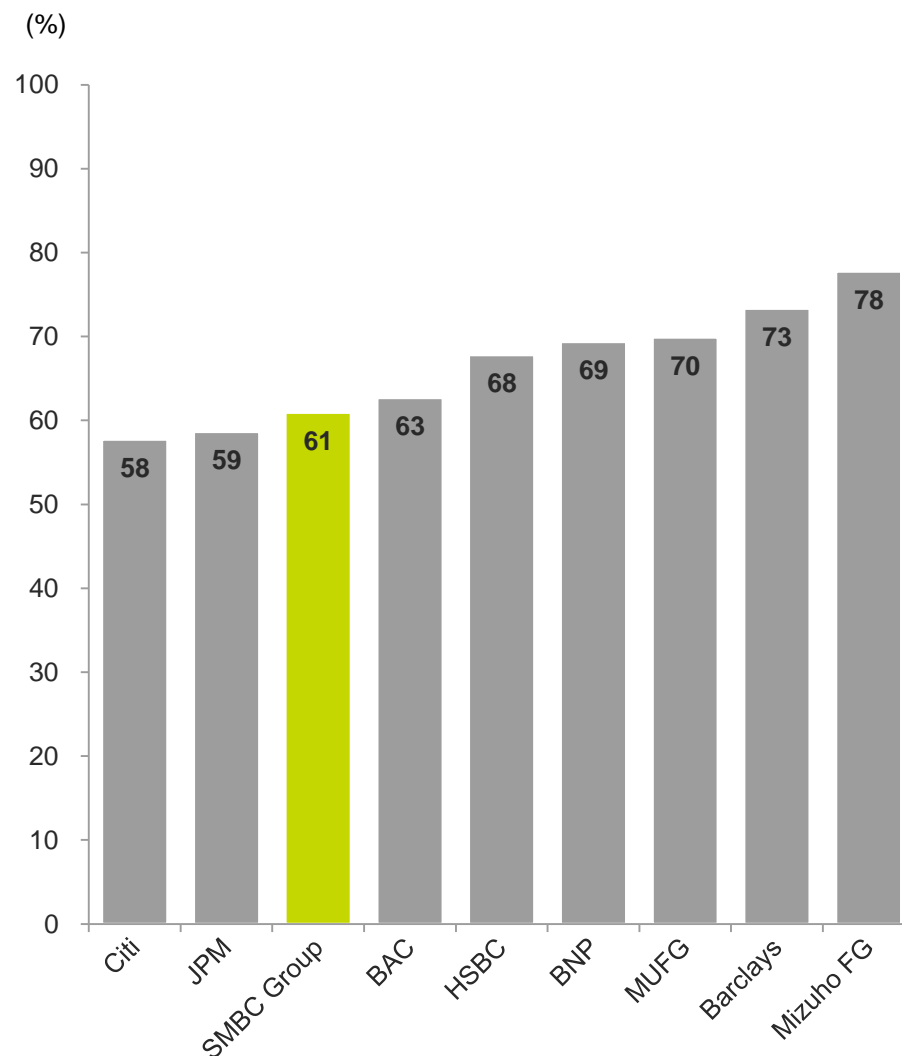
Consolidated

(JPY bn)	FY3/18	YoY
Expenses	1,816.2	+3.8
Overhead ratio	60.9%	(1.2)%

Major Group companies*1

(JPY bn)	FY3/18	YoY
SMBC*2	810.8	(6.2)
SMBC Nikko	267.0	+16.0
SMCC	170.0	+13.0
Cedyna	116.0	(2.0)
SMBCCF	109.0	+4.0
SMFL	85.0	+1.0
SMBC Trust	51.0	+0.0
SMAM	18.0	+6.0

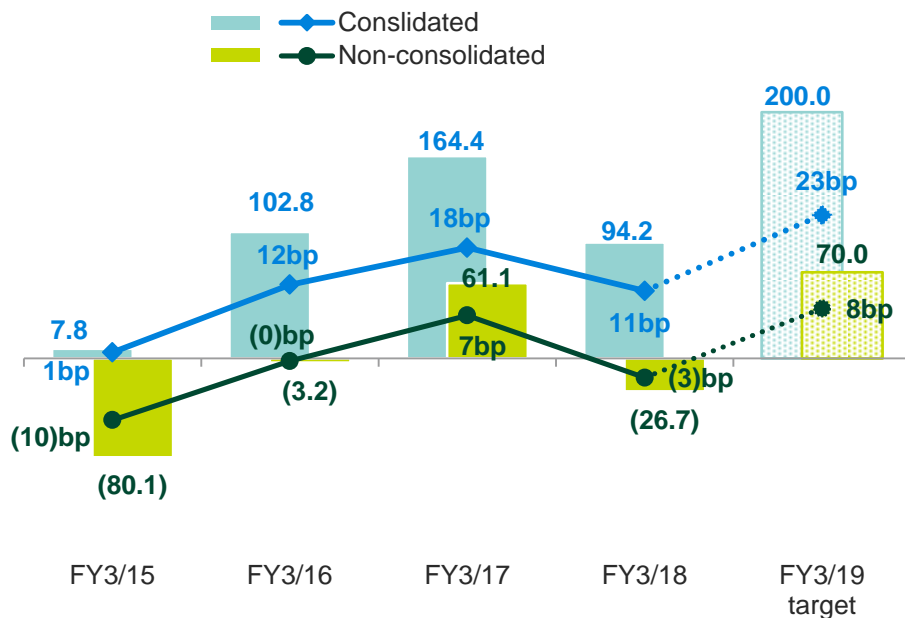
Overhead ratio comparison*3



9. Credit costs / non-performing loan

Credit costs*1

(JPY bn)



Major Group companies

(JPY bn)	FY3/18	YoY
SMBCCF	80	+7
SMCC	18	+5
Cedyna	14	+2

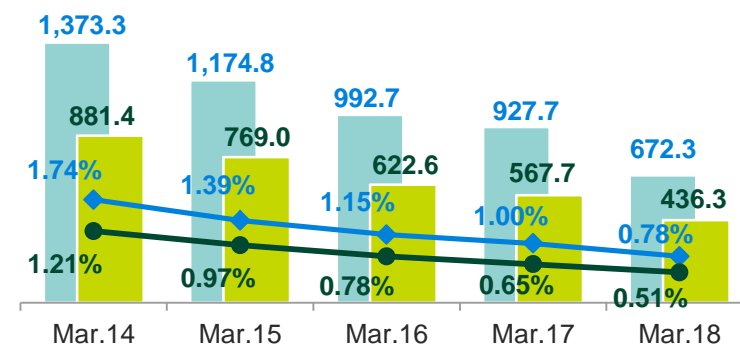
Non-performing loan balance and ratio*2

(JPY bn)

Coverage ratio

	Mar. 17	Mar. 18
Consolidated	77.68%	75.23%
Non-consolidated	85.46%	89.11%

Consolidated
Non-consolidated



Total Claims

(JPY tn)

	79	85	87	93	86
Consolidated					
Non-consolidated	73	79	80	87	86

Claims on borrowers requiring caution*3

	1.6	1.6	1.4	1.6	1.3
Non-consolidated					

*1 Total credit cost ratio = Total credit cost / Total claims * 2 NPL ratio = NPLs based on the Financial Reconstruction Act (excludes normal assets) / Total claims
*3 Excludes claims to Substandard borrowers

10. Earnings target for FY3/2019

(JPY bn)		FY3/18 results	1H	FY3/19 target	YoY
Consolidated	Consolidated net business profit*1	USD 11.3bn 1,203.8	555	1,155	(48.8)
	Total credit cost	94.2	100	200	+105.8
	Ordinary profit	USD 11.0 bn 1,164.1	480	1,020	(144.1)
	Profit attributable to owners of parent	USD 6.9 bn 734.4	310	700	(34.4)

Non-consolidated	Banking profit*1	USD 5.8 bn 617.2	265	605	(12.2)
	Total credit cost	(26.7)	35	70	+96.7
	Ordinary profit	USD 7.1 bn 755.3	260	590	(165.3)
	Net income	USD 5.4 bn 577.0	180	420	(157.0)

Consolidated net business profit

Earn the same level as FY3/18 which performed well excluding

- the impact from the reorganization of regional banks in Kansai area and the joint leasing business (approx. JPY (40) bn)
- the loss of gains on sales of a subsidiary at The Bank of East Asia (approx. JPY (8) bn)

Total credit cost

Expected to increase because of smaller gains on reversal of reserves for possible loan losses at SMBC

Profit attributable to owners of parent

Includes a one time impact related to the reorganization of regional banks in Kansai area and the joint leasing business (approx. + JPY 50 bn). Excluding this one time factor, will reach around JPY 650 bn, which is higher than originally anticipated in the Medium-Term Management Plan

Assumptions of earnings target

		FY3/18 Actual	FY3/19 estimate
3M TIBOR		0.06%	0.07%
Federal funds target rate		1.75%	2.00%
Exchange rate	JPY/USD	106.25	110.00
	JPY/EUR	130.73	130.00

II. Progress of Medium-Term Management Plan and initiatives going forward

1. FY3/2018 achievements

- Made steady progress in executing initiatives based on the three core policies of the Medium-Term Management Plan
- Progress of the financial results is ahead of target

SMBC Group Next Stage

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

Progress on financial targets				
		FY3/17	FY3/18	FY3/20 Target
Capital Efficiency	ROE	7.8%* ¹	8.8%	7~8%
Cost Efficiency	OHR	62.1%	60.9%	1% reduction compared with FY3/17
Financial Soundness	CET1 ratio* ²	8.3%	9.5%	10%

1

Discipline

Disciplined business management

- Announced and implemented group reorganization measures to transform business/asset portfolio
 - ✓ Regional banks in Kansai area, joint leasing business, etc.
- Executed cost control initiatives
 - ✓ Business reform, retail branch reorganization, integration of SMBC Nikko and SMBC Friend

2

Focus

Focus on our strengths to generate growth

- Made steady progress in executing key initiatives in the seven strategic business areas
- Accelerated selection and concentration of business operations as well as business model reorganization in the four business units

3

Integration

Integration across the Group and globally to achieve sustainable growth

- Introduced CxO system and Group-wide business units
- Transformed into a Company with Three Committees and reviewed the executive pay system
- Promoted digitalization
 - ✓ Focused on businesses that can be monetized and lead to the generation and commercialization of new platforms

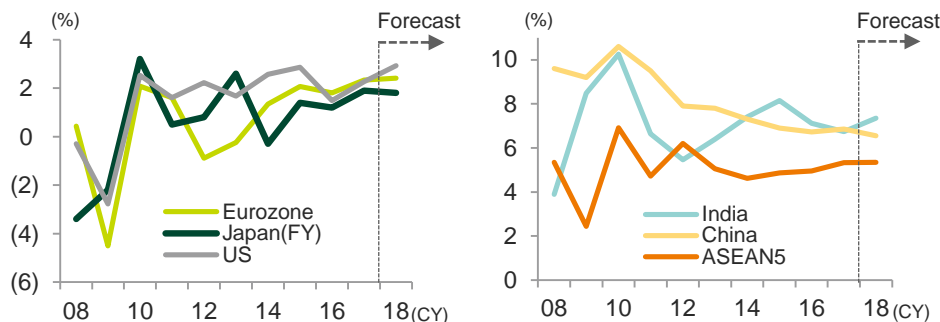
2. Business environment

- While attention to the rise of protectionism and market volatility is necessary, the macro economic environment generally remains strong
- Impact from the finalization of Basel III was as expected. Focus can be put on “enhancing shareholder returns” and “investing for growth”
- On the other hand, medium-term downward pressure on earnings is expected to increase due to structural changes in the business environment

Macro economic environment

- The global economy generally remained strong.
A gradual economic recovery is expected to continue despite of the economic slowdown in some countries including China

Economic growth rate*1



Regulatory environment

- Basel III was finalized. Our RWA is estimated to inflate by 25% compared to the current Basel III fully-loaded basis but the impact was as expected
- Regulation is fixed and we expect to reach our CET1 ratio target by the end of Mar.2019
Going forward, focus can be put on “enhancing shareholder returns” and “investing for growth”

Structural changes in business environment

- Medium-term downward pressure on earnings is expected to increase
 - ✓ Continuation of the negative interest rate policy and the surplus of funds
 - ✓ Changes in customers' needs due to digitalization. Fierce competition with new technology/entrants
 - ✓ Expanding gap between Japanese and US & European interest rates
- Major risk factors in the global economy
 - ✓ Rise in uncertainty in politics such as protectionism
 - ✓ Change in money flow due to the shift in US/European monetary policy
 - ✓ Geo-political risks (North Korea/ Middle East)
 - ✓ Volatility in asset value

3. Management policy in FY3/2019

- Improve ROE by accelerating the Medium-Term Management Plan

Management policy in FY3/2019:

“Accelerate the Medium-Term Management Plan”

SMBC Group Next Stage

1

Discipline

Accelerate the improvement of management efficiency

2

Focus

Accelerate selection and concentration of business operations and business model reorganization

3

Integration

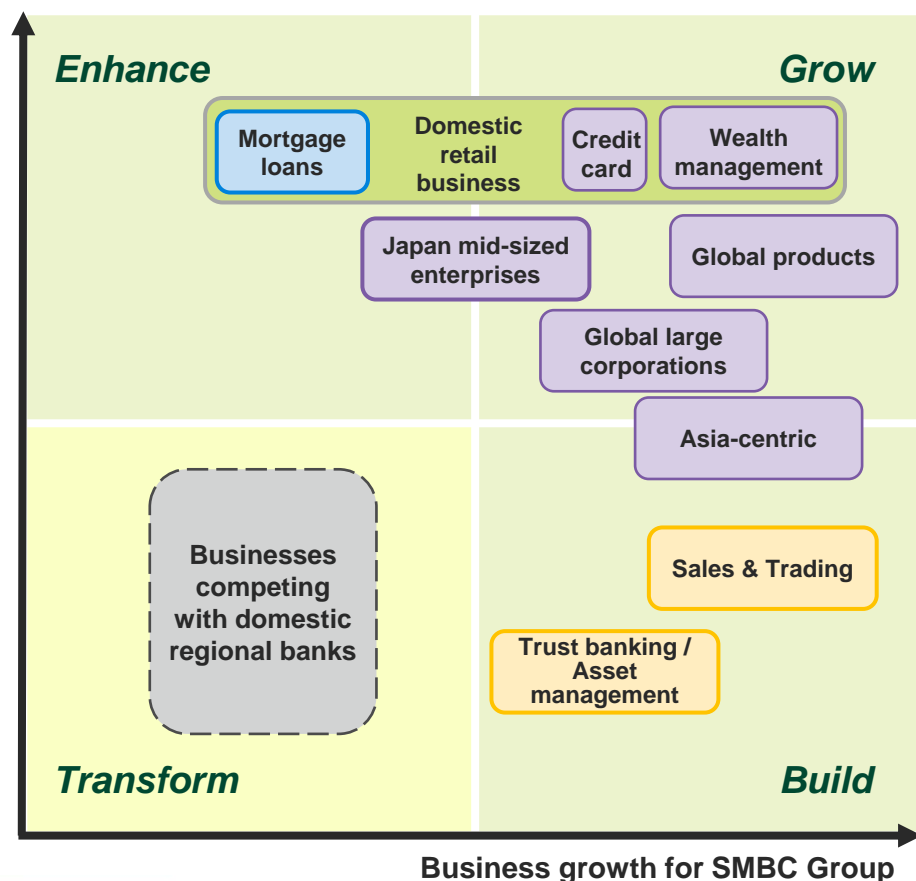
Accelerate realization of the positive impact from group integration

4. Transformation of business/asset portfolio

- Prioritize business fields when allocating resources to enhance capital efficiency
- Announced and executed group reorganization measures to transform business/asset portfolio

Business portfolio transformation

SMBC Group's competitive advantage



Review of group operations

(launched)

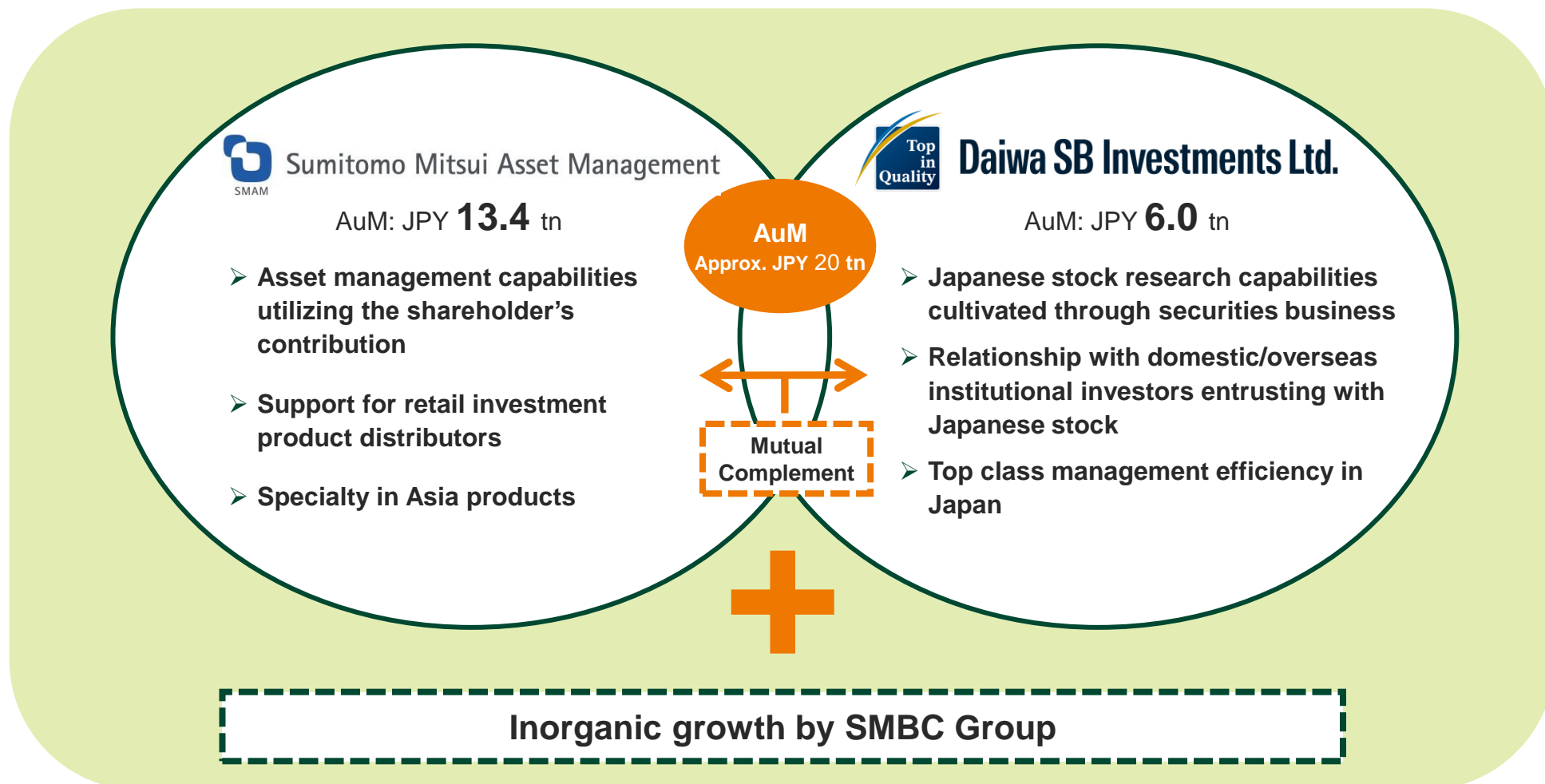
Mar. 2017	Turning Kansai Urban Banking Corporation and THE MINATO BANK to equity method affiliates	Completed
Aug.	Yahoo! JAPAN to consolidate The Japan Net Bank	Completed
Aug.	Changing shareholder composition of POCKET CARD	Completed
Nov.	Reorganization of the joint leasing partnership of SMFL	Scheduled in Nov. 2018
May 2018	Reorganization of the asset management business	Scheduled in Apr. 2019

Merger of SMAM and Daiwa SB Investments

- Entered into a basic agreement of a merger
- Accelerate technology investment, enhance management functions, and pursue cross industry M&A by utilizing economy of scale
- Ownership ratio post merger
 SMFG : 50.1%, Daiwa Securities Group : 23.5%,
 Mitsui Sumitomo Insurance Company : 15.0%,
 Sumitomo Life Insurance : 10.4%,
 Sumitomo Mitsui Trust Bank : 1.0%

4. Transformation of business/asset portfolio: Reorganization of the asset management business

- The merger will expand the scale of operations and bring enhanced business foundations along with stronger investment management capabilities
- The merged company will pursue further growth as a platform of SMBC Group's asset management business



5. Cost control: Improving productivity and efficiency

- Improved OHR compared with FY3/17
- The materialized cost reduction amount summed up to JPY 26 bn in FY3/18 out of the JPY 50 bn target under the Medium-Term Management Plan. Made steady progress toward the targeted workload reduction of 4,000 people

Progress of key initiatives

	Target	Materialized
Business reform to improve efficiency	JPY 20bn	JPY 10 bn
Retail branch reorganization	JPY 20bn	JPY 6 bn
Reorganization of group companies	JPY 10bn	JPY 10 bn

Business reform to improve efficiency

- Automated approx. 1.1 mn hours (workload of 550 people) of operation by utilizing RPA on a group-wide basis
⇒ **Three-year plan: 3 mn hours (workload of 1,500 people)**
- The integration and sharing of functions on a group-wide basis are generally progressing as planned

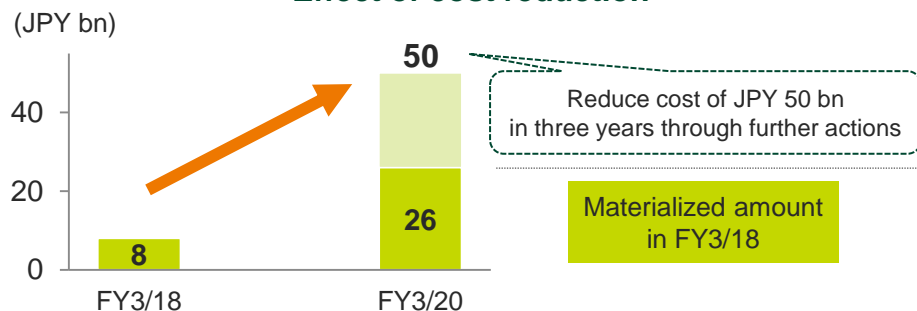
Retail branch reorganization

- Completed transformation of 103 branches to next-generation branches as well as centralization of back-office operations of 134 branches

Reorganization of group companies

- Completed merger of SMBC Nikko and SMBC Friend

Effect of cost reduction



Effect on personnel through key initiatives to improve efficiency

Reduce workload of 4,000 people (generate capacity)

- Achieved workload reduction of 1,000 people in FY3/18
- Implementing concrete measures to achieve the target in the remaining 2 years

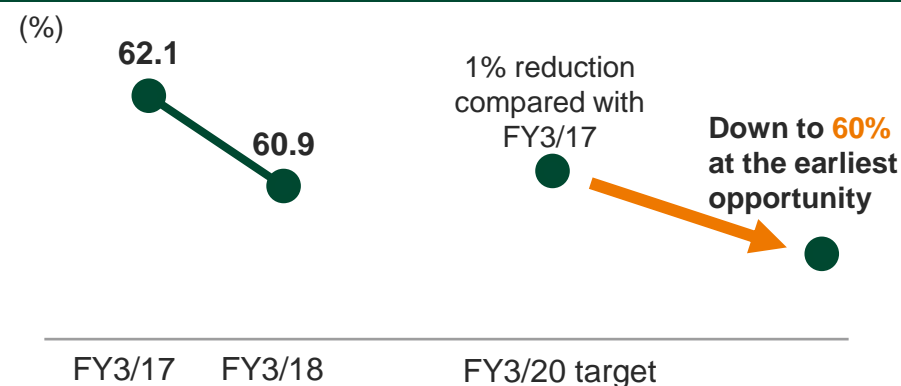
Initiatives to leverage the effects of improved efficiency

Expand value-added operations (Profit ↑)

Reduce overtime work (Cost ↓)

Control replacement of retirees (Cost ↓)

Transition of OHR

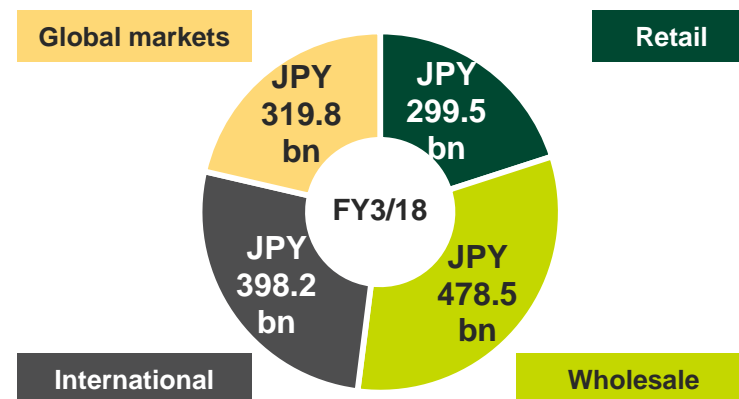
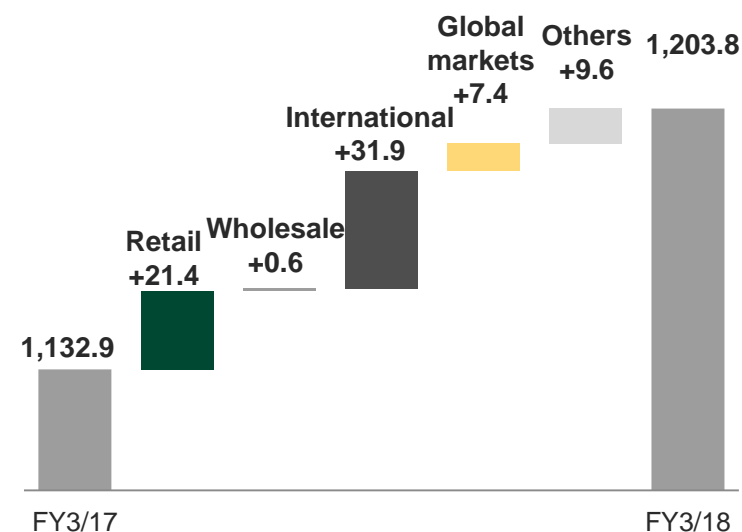


6. Initiatives by business unit: FY3/2018 results

		(JPY bn)	FY3/17 ^{*1}	FY3/18	YoY ^{*2}
Retail	Gross profit		1,313.9	1,311.5	+34.2
	Expenses		1,041.1	1,027.5	+16.1
	Overhead ratio		79.2%	78.3%	(0.8)%
	Others		12.1	15.5	+3.3
	Net business profit		284.9	299.5	+21.4
	ROE ^{*3, 4}		-	7.5%	-
	RWA (JPY tn) ^{*3, 5}		-	13.8	-
Wholesale	Gross profit		776.4	772.9	(6.7)
	Expenses		344.8	347.8	+1.6
	Overhead ratio		44.4%	45.0%	+0.6%
	Others		45.7	53.4	+8.9
	Net business profit		477.2	478.5	+0.6
	ROE ^{*3, 4}		-	11.4%	-
	RWA (JPY tn) ^{*3, 5}		-	20.1	-
International	Gross profit		566.1	632.0	+38.8
	Expenses		241.2	280.7	+23.2
	Overhead ratio		42.6%	44.4%	+1.0%
	Others		38.4	46.9	+16.3
	Net business profit		363.4	398.2	+31.9
	ROE ^{*3, 4}		-	10.6%	-
	RWA (JPY tn) ^{*3, 5}		-	21.0	-
Global markets	Gross profit		346.8	356.2	+6.4
	Expenses		50.2	53.9	+3.3
	Overhead ratio		14.5%	15.1%	+0.7%
	Others		8.1	17.5	+4.3
	Net business profit		304.8	319.8	+7.4
	ROE ^{*3, 4}		-	33.5%	-
	RWA (JPY tn) ^{*3, 5}		-	5.9	-

Net business profit by business unit

(JPY bn)



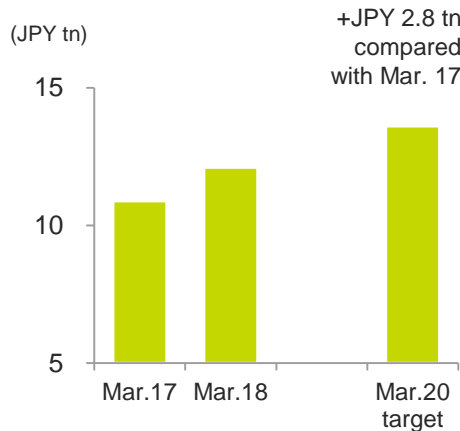
6. Initiatives by business unit: Retail business (1)

- Customer-oriented wealth management business has evolved by focusing on stock-based and medium- to long-term diversified investments
- Strengthen the wealth management business with high-net-worth (HNW) clients on a group-wide basis

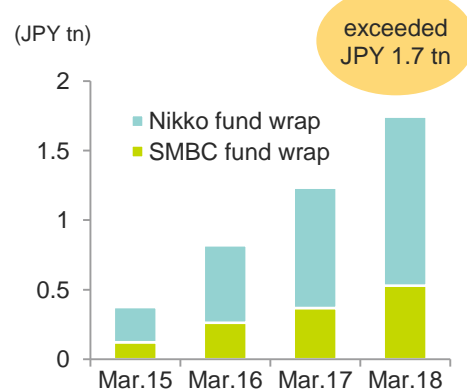
Establish wealth management business

- Balance of stock-based assets in FY3/18 increased ahead of target
- Made solid progress in shifting to the stock-based wealth management business model with the strong sales performance of fund-wrap products that contributes to diversifying investments for investors

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



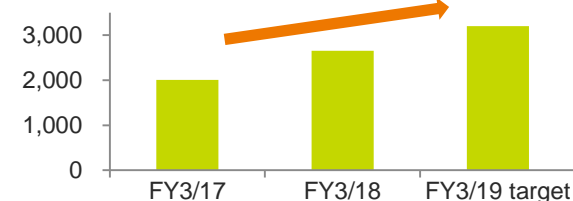
Balance of fund wrap (SMBC+SMBC Nikko)



Cultivate and strengthen business with HNW clients

- Initiatives for corporate owners
 - ✓ Enhance SMBC Nikko's solution providing capability to meet the business succession needs of corporate owners. Take full advantage of collaboration between Corporate Business Office and Area Main Office
- Inheritance/business succession consulting
 - ✓ Enhance customer service personnel's consulting capability for inheritance/business succession and accelerate actions to capture customers' needs by all aspects
 - ✓ Promote integration of assets based on testamentary trust, insurance and business succession through estimation of inheritance tax to visualize the "demands to reserve and prepare"

of testamentary trust + inheritance disposition contracted (SMBC)



➤ Over-the-counter consulting services

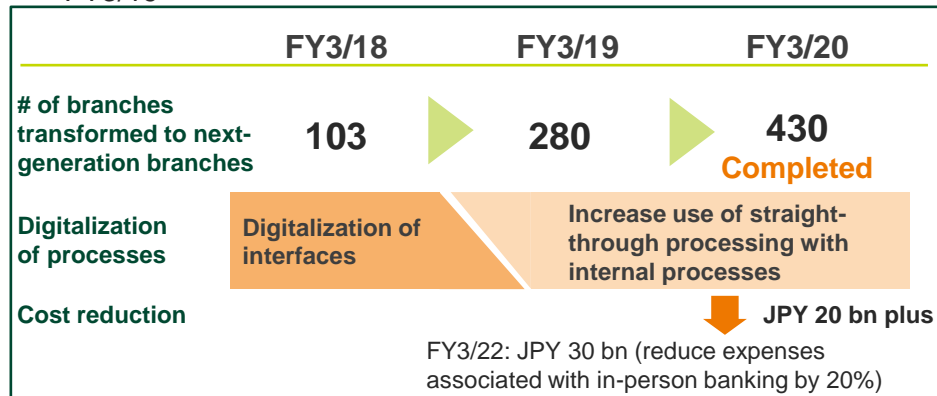
- ✓ Through retail branch reorganization, utilize service counters to provide asset management and inheritance consulting for HNW clients. Also provide follow-up services by call centers

6. Initiatives by business unit: Retail business (2)

- Transformed 103 branches to next-generation branches. Accelerate the pace in FY3/19 in order to complete transformation of all branches by the end of FY3/20
- Implement multiple measures not only to reduce cost, but also improve customers' convenience

Steady progress in retail branch reorganization

- Transformed 103 branches to next generation branches in FY3/18 as planned. Plan to transform 280 branches in total by FY3/19



- By improving efficiency of personnel / space, expanded consulting space for individual clients (from 33% to 66%)



- Promote "digital transactions", "simplification of administrative process" and "group-wide collaboration" in order to both improve customers' convenience and reduce cost

Promote digital transactions

- ✓ Adding automatically "SMBC Direct" services to savings account

First in 3 major banks



- ✓ Offering integrated card that has both debit and credit functions with contactless payment feature

First in Japan



Simplify administrative process

- ✓ Promoting transactions without signature



Relocate and integrate group companies

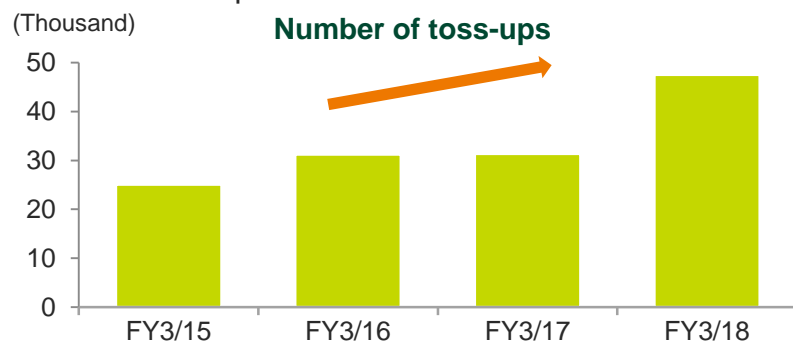
- Sharing branches between SMBC, SMBC Nikko and SMBC Trust
- Promoting shared branches with other group companies such as SMFL and Cedyna in regions

6. Initiatives by business unit: Wholesale business (1)

- Promote group-wide transformation to an earnings base that is not overly dependent on assets
- Further strengthen operations to focus on improving profitability

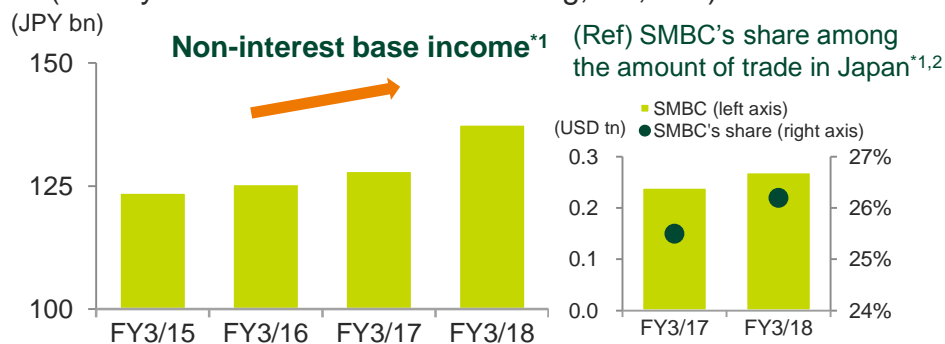
Progress in group collaboration

- Group-wide collaboration is expanding spurred by starting the business unit operations



Enhance non-interest income

- Steady growth of non-interest base income (money remittance/electronic banking, FX, etc.)



*1 Managerial accounting basis *2 Apr. - Dec. 2017 results

Promote initiatives to improve profitability

Customer segment

- Classify customers and select priority to improve profitability
 - ✓ Large corporate clients : classify customers based on RWA and asset efficiency, introduce profitability management for each client according to its segment
 - ✓ Medium-sized corporate clients : expand the scope of clients with an account plan to improve profitability

Customer approach

- Individual client approach based on customer segment
 - ✓ Promote high value-added loans
 - ✓ Promote cross-selling on a group-wide basis

Performance assessment

- Apply a business performance assessment criteria that values improvement of profitability to front offices

Thorough operation focused on profitability

6. Initiatives by business unit: Wholesale business (2)

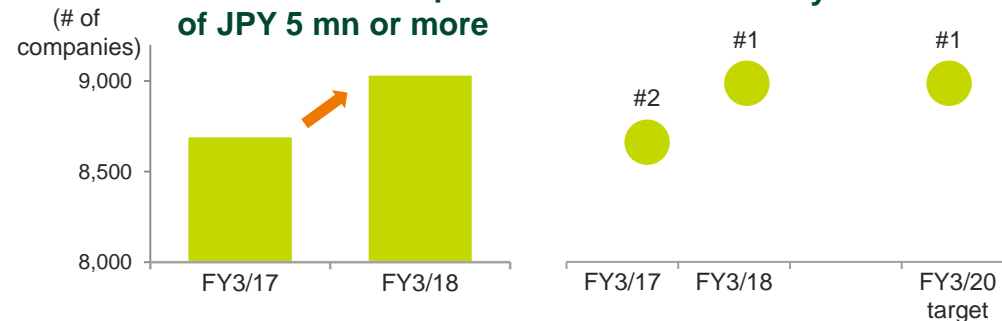
- Build on our lead position in the Japanese medium-sized enterprise market through offering multi-solutions on a group wide basis
- Leveraged group-based and domestic-overseas integrated approaches to large corporate clients

Build on our lead position in the Japanese medium-sized enterprise market

- Promote multi-solutions on a group wide basis by establishing the three core policies and eight strategies from the customer's perspective

Customers with our profits of JPY 5 mn or more

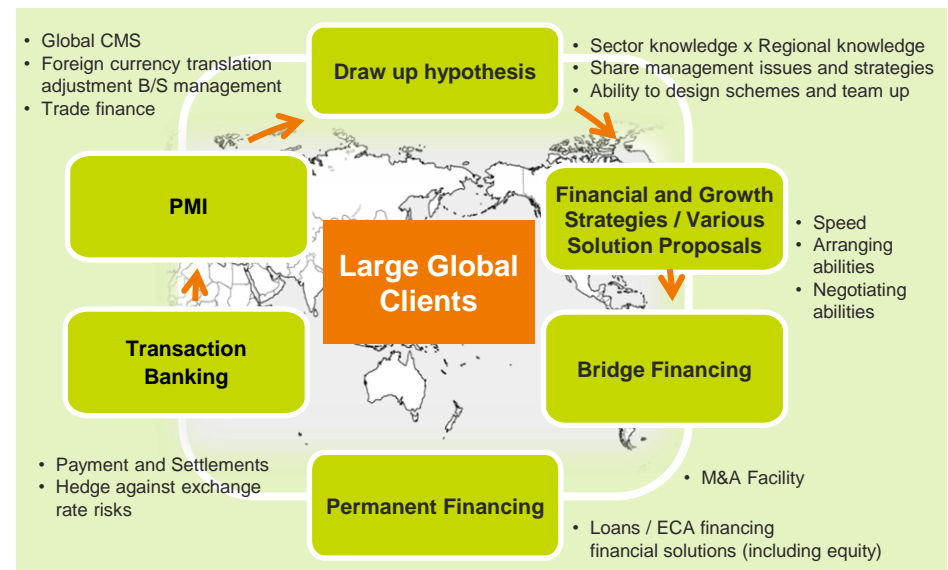
M&A advisory deals



Become clients' business partner	Venture approach	Respond to clients' change in environment	HR solution
	Turn around solution		Digital transformation
	Cash management solution	Create innovation with clients	Smart mobility innovation
	CRE solution		
	Owner approach		

Expand presence in business with large corporate clients in Japan/overseas

- Strengthen Corporate & Investment Banking model both in Japan and overseas
 - ✓ Formulate cross-functional team in SMBC, SMBC Nikko, SMFL and SMBC Trust. Share account plans and allocate resource effectively to targeted clients
 - ✓ Promote global initiatives through cross-boarder and cross-business unit collaboration
 - ✓ Provide turnaround solutions on a global basis

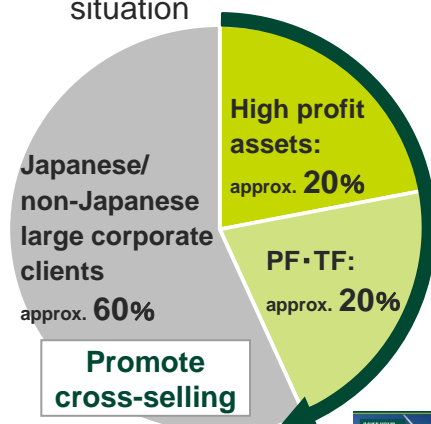


6. Initiatives by business unit: International business (1)

- Strengthen global products that we hold competitive advantages and promote cross-selling to further improve asset efficiency
- Achieve nimble asset management by promoting asset turnover (O&D) business model

Portfolio of international business

- Pursue disciplined portfolio management and seek to allocate around 45% to high profit assets and PF・TF
- Promote cross-selling for Japanese/non-Japanese large corporate clients through bank-securities integration
- Pursue upside by increasing assets ahead of schedule based on the current stable economic / foreign currency funding situation



Increasing high profit assets

- ✓ Aircraft leasing and financing
- ✓ Railcar leasing (in North America)
- ✓ Subscription finance
- ✓ LBO finance, etc.

Pursue business synergies by centralizing transportation related assets

PF・TF

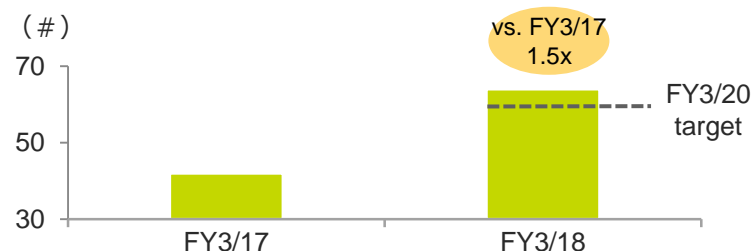
- ✓ Project finance
"Global Bank of the Year" from Project Finance International
- ✓ Trade finance
"Best Trade Finance Portfolio Partner of the year 2017" from IFC (first as a Japanese bank)



Bank-securities integration

- The number of active book runner transactions (bonds) increased by 50% from FY3/17; 40% were first time clients

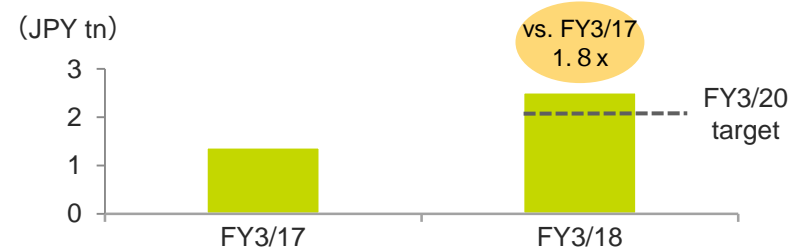
Active book runner (Securities)



Nimble asset management through O&D

- Strengthen origination and distribution capability through initiatives such as enlarging our investors base

Distribution amount

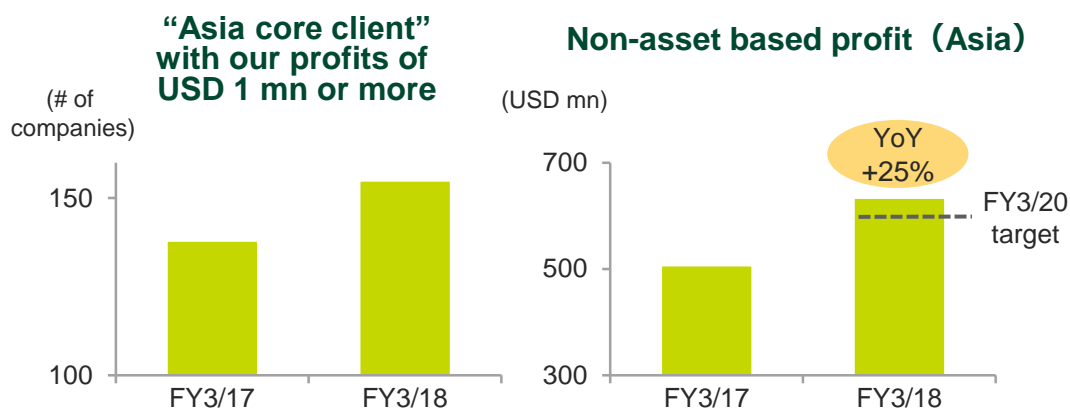


6. Initiatives by business unit: International business (2)

- Expand profit by deepening relationships with core clients in Asia and take advantage of mid- to long-term growth in Asia through the Multi-franchise strategy
- Focus on stability, cost, and diversity in foreign currency funding

Asia-centric

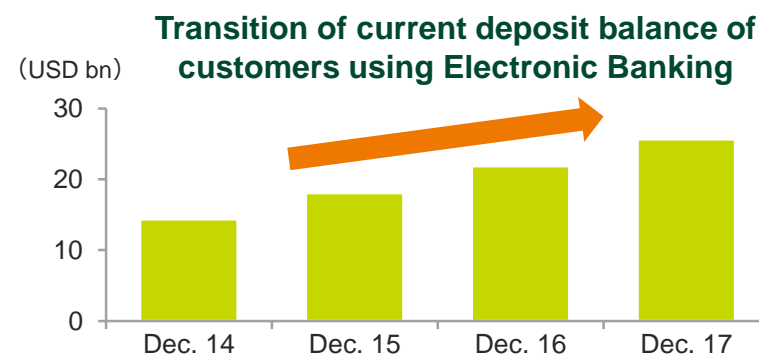
- Promote cross-selling by deepening relationships with core clients, i.e. prime local companies, growing companies, and large multi-national companies
- Strengthen transaction banking business



- Multi-franchise strategy in Indonesia
 - ✓ Started discussion on merger between BTPN and SMBC Indonesia, aiming to shift to a full-line commercial bank covering both wholesale and retail operations
 - ✓ Develop and expand digital retail banking

Foreign currency funding

- Increase sticky customer deposits focusing on both “volume” and “quality”



- Issue foreign currency denominated bonds regularly to realize stability, cost, and diversification of currencies and terms

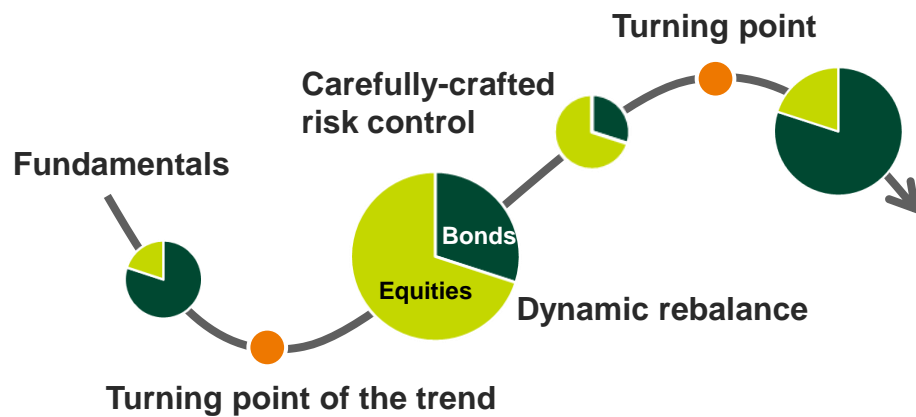
Issuance of foreign currency senior bonds*1

- USD
 - SMFG*2: USD 9,765 mn in Jul. 17, Oct. 17, Jan. 18 and Feb. 18 (5y, 10y, 30y)
 - SMBC : USD 3,500 mn in Oct. 17 and Jan. 18 (2y)
- EUR
 - SMFG*2: EUR 1,750 mn*3 in Jun. 17 and Oct. 17 (5y, 7y, 10y)
- AUD
 - SMFG*2: AUD 750 mn in Sep. 17 (5.5y)

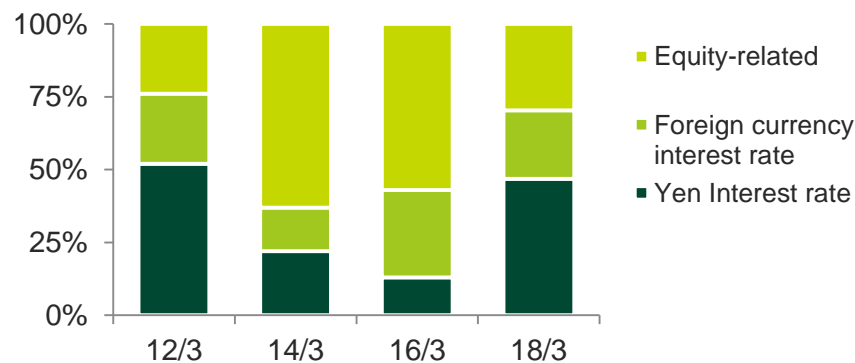
6. Initiatives by business unit: Global markets

- Rebalance portfolio dynamically according to the environmental changes
- Further enhance Sales & Trading (S&T) to improve and stabilize profitability

Market sensitive nimble portfolio management



Portfolio risk volume mix ^{*1}

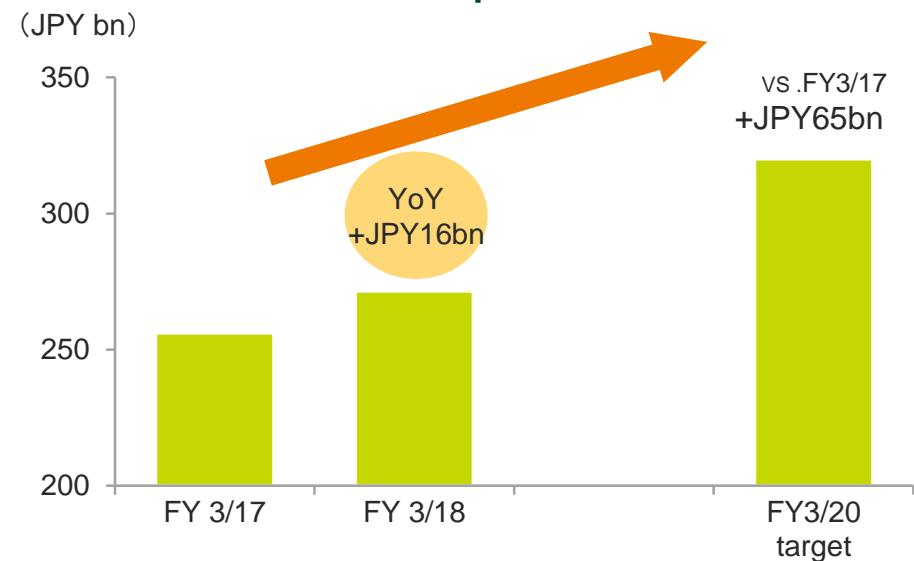


*1 Managerial accounting basis

Further enhance Sales & Trading

- Provide solutions through visualization of risks for customers
- Improve the profitability of each transaction flow (Enhance SMBC Nikko's trading capability)
- Expand globally based on area characteristics

S&T profits



7. Digitalization

- Proactively introduce new technologies and promote digitalization

Enhancing
the customer convenience



Cashless payments



Smartphone
applications

Generating
new businesses



Platform



B2B

Improving
productivity and efficiency



RPA



Workstyle reform
(public cloud)

Upgrading
management
infrastructure



MIS



Cyber security



Smartphones



SNS



Biometric
authentication



AI



API



IoT



Big data



Blockchain

7. Digitalization

- Promote open innovation to develop future businesses that will be a pillar of SMBC Group
- Further improve productivity and efficiency by using AI

Generate new business

Increased use of biometric authentication platform “Polarify”



(launched in Jul. 2017)

- Three companies started using the service (as of Mar. 2018)
- Promote further acquisition of clients and users by taking advantage of the SMBC Group network
- Received “Award for Identity Management” in “Celent Model Bank Awards 2018”



Establish open innovation system

hoops link tokyo (opened in Sep. 2017)

- Open innovation hub in Shibuya, Tokyo



Workshop “SMBC Brewery” (launched in Apr. 2018)

- Create new business ideas with third party companies

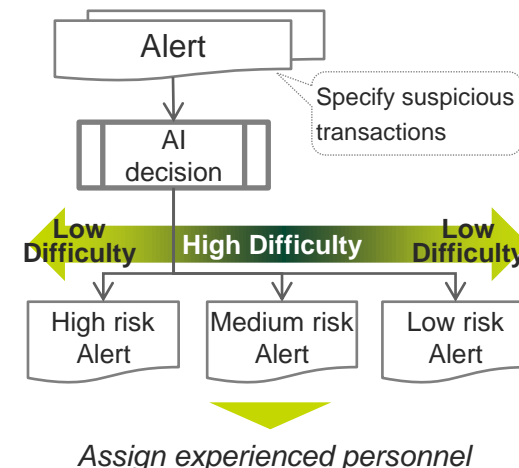


Improve productivity and efficiency by using AI

AML operation (Anti-Money Laundering)

~Performed field testing and made gradual introduction~

- Sophistication of AML operations
“Reporting of suspicious transactions” using AI
- Promote operational uniformity and efficiency by clarifying the reason for judgment and assigning personnel depending on the difficulty of the task



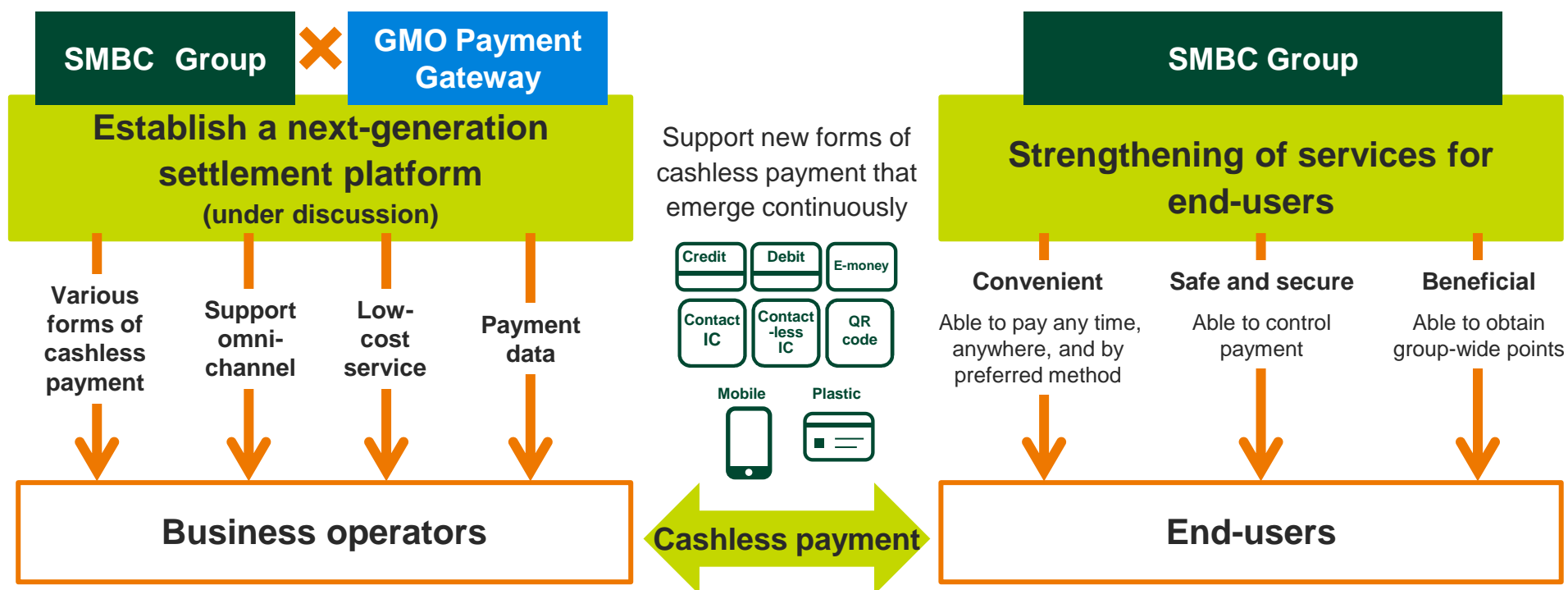
Cyber security initiatives

Declaration of cyber security management (Mar. 2018)

- Further strengthen cyber security led by management
 - Allocate appropriate resources under the discussion at the executive management meeting and the board of directors
 - Establish a special dept. and manual for emergency
 - Enhance security measures of internet banking

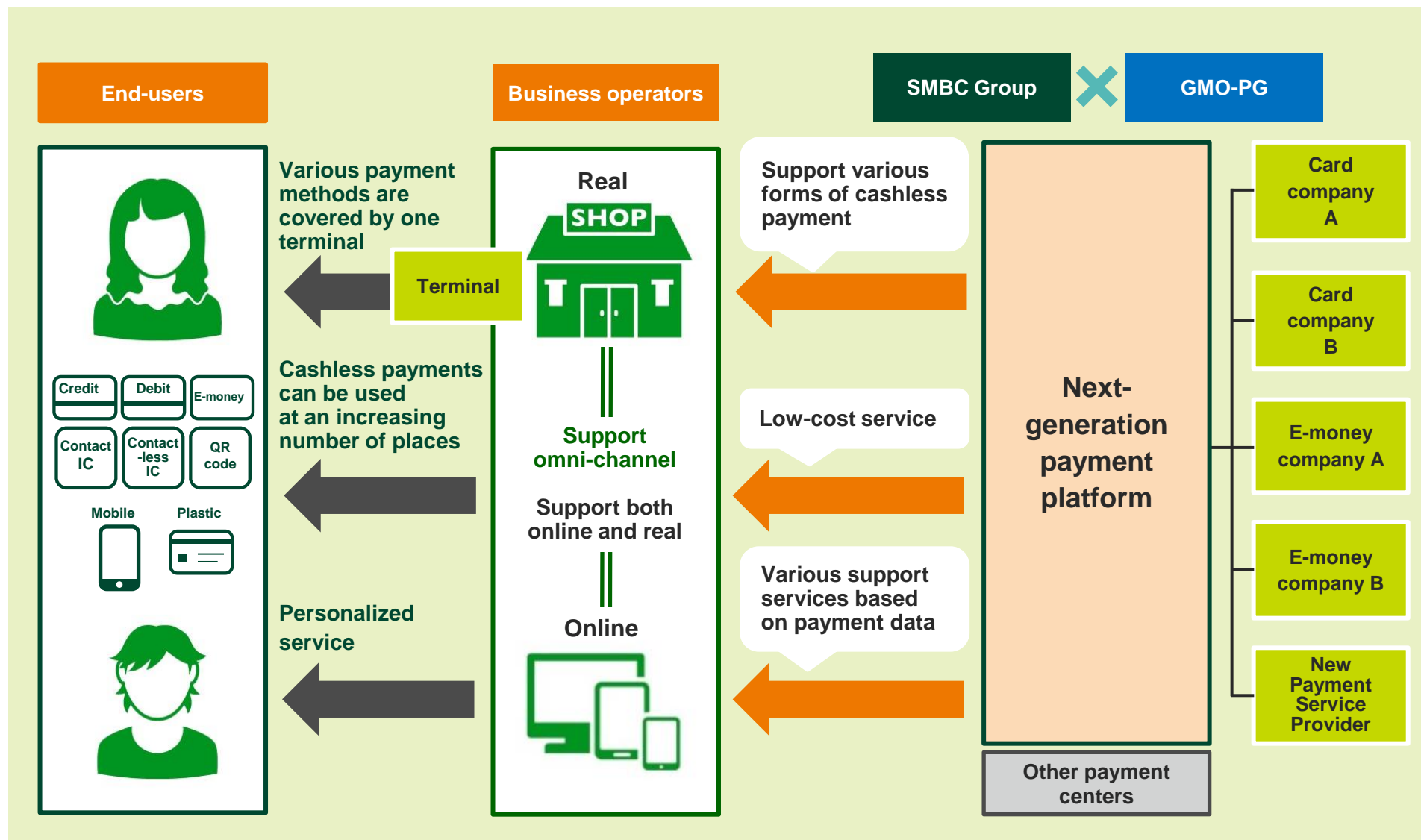
7. Digitalization : Cashless payment strategy (1)

- Enhance our cashless payment services for the benefit of both business operators and end-users
- Overcome the hurdles to the evolution of the cashless payment market in Japan



Evolving the cashless payment market in Japan through initiatives that benefit both the business operators and end-users

(Ref) Future of the next-generation payment platform



(Ref) Provision of new CX in cashless payment

Convenient

End-user can pay any time, anywhere and by preferred method

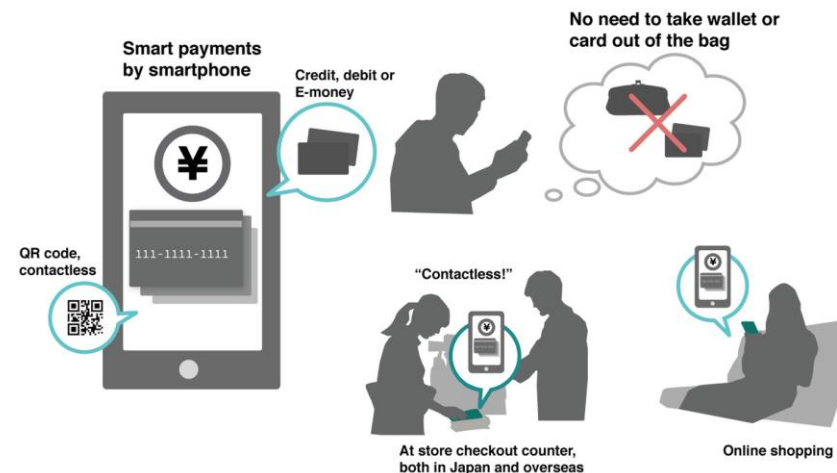
Safe and secure

End-user can control payment through flexible setting of limits, etc.

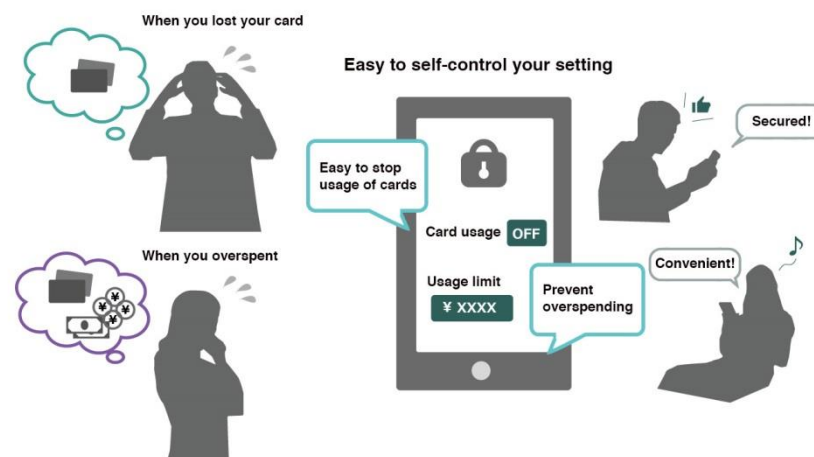
Beneficial

End-user can obtain group-wide points by using various financial services (incl. payment)

<Convenient>

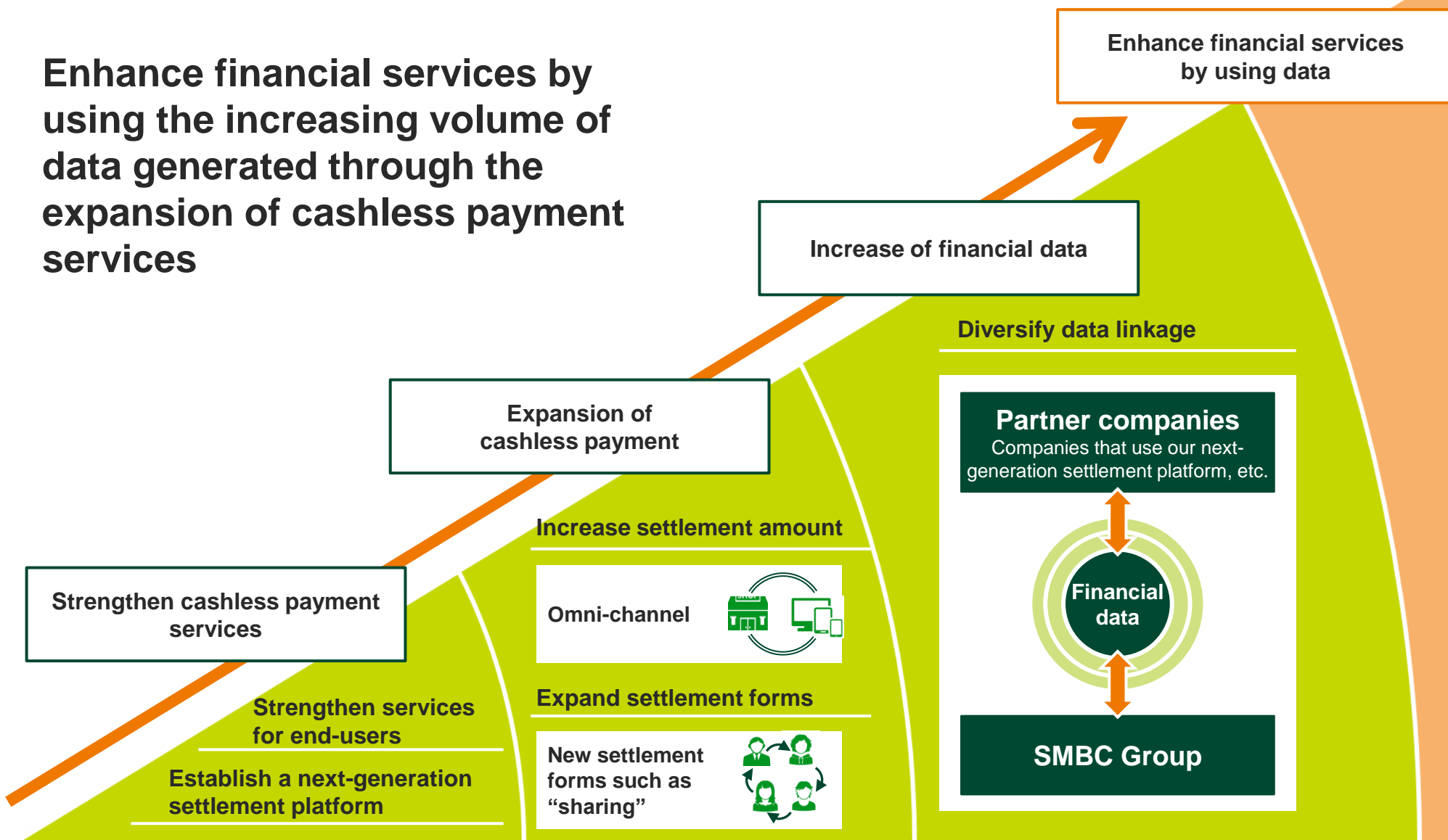


<Safe and secure>



7. Digitalization : Cashless payment strategy (2)

Enhance financial services by using the increasing volume of data generated through the expansion of cashless payment services



8. ESG: Environment, Society

- Started to investigate and analyze climate-related impact according to TCFD.
Plan to disclose loan policy for coal-fired power plant
- As one of the initiatives to promote diversity, achieved the target of female managers ratio earlier than planned

Environment

Task Force on Climate-related Financial Disclosures (TCFD)

- Set up a working group to respond to the final report “Recommendations of the Task Force on Climate-related Financial Disclosures” (by Financial Stability Board)
- Analyze and quantify data of climate-related impact according to TCFD and plan to disclose its progress as required
- Plan to revise and disclose the loan policy for coal-fired power plant at SMBC

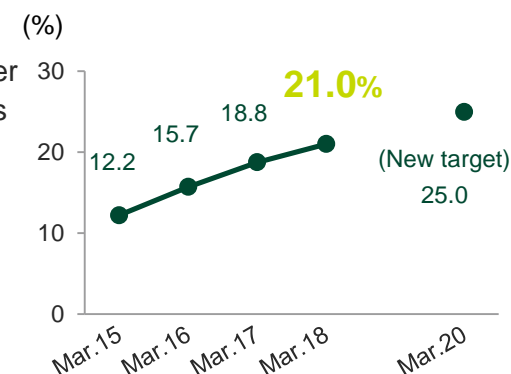
Issued Euro-denominated green bond (Oct. 2017, EUR 500 mn)

- Outline**
- First Euro-denominated green bond (TLAC bond) issued by SMFG*1
 - First project along the Green Bond Guidelines, 2017*2
 - Obtained a second opinion from Sustainalytic
- Objective**
- Support to achieve the Sustainable Development Goals (SDGs)
 - Enhance environmental businesses
 - Meet investor's needs

Society

Diversity & Inclusion

- SMBC achieved the former target of female managers ratio, “20% by Mar. 21” earlier than planned
- New target of “25% by Mar. 20” is set



- SMBC received Top Gold Rating on PRIDE index evaluation for LGBT-related initiatives
- Amended employment regulation regarding same-sex partnership



Included in ESG indices selected by GPIF

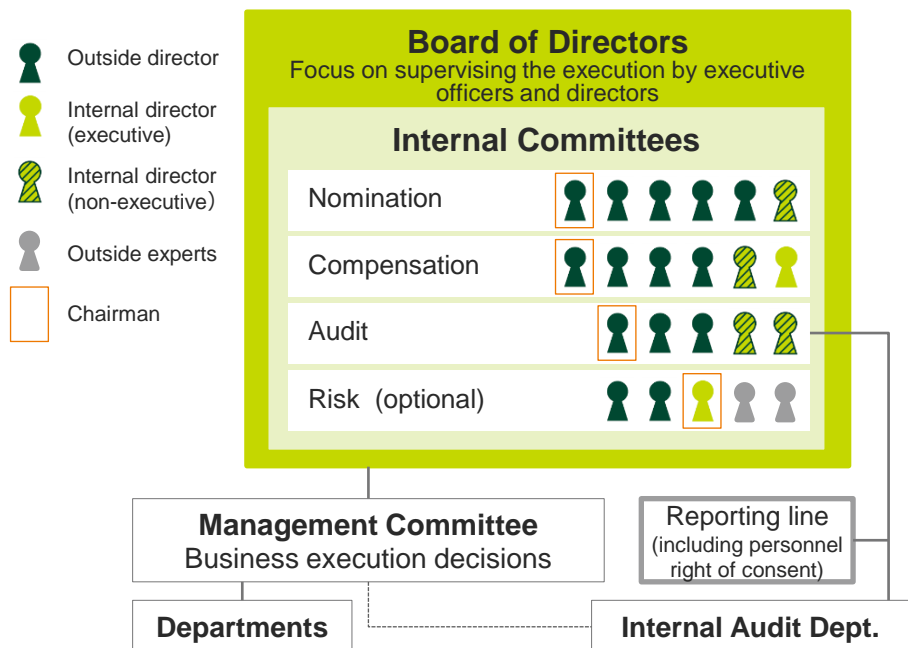


2017 Constituent
MSCI Japan ESG
Select Leaders Index

8. ESG: Governance

- Enhance governance framework by transforming into a Company with Three Committees
- Seven outside directors with various knowledge and experience have been appointed

Governance framework



Transformed into a Company with Three Committees (Jun. 2017)

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

Board of Directors, outside directors

Composition and operation of the Board of Directors

Internal Director (executive)
7 directors

Internal Director (non-executive)
3 directors



Outside Director
7 directors

Expertise

Management	3
Finance/accounting	1
Law	2
Diplomacy	1











FY	FY3/17	FY3/18
# of meetings	14	10
# of agenda items	144	82

Outside director exclusive meetings

- Held to exchange information and share their perception from an independent and objective standpoint. Feedback of the discussion is given to management
- Held twice in FY3/18

8. ESG: SDGs

- Selected the goals to focus on through our business to realize the Sustainable Development Goals (SDGs)

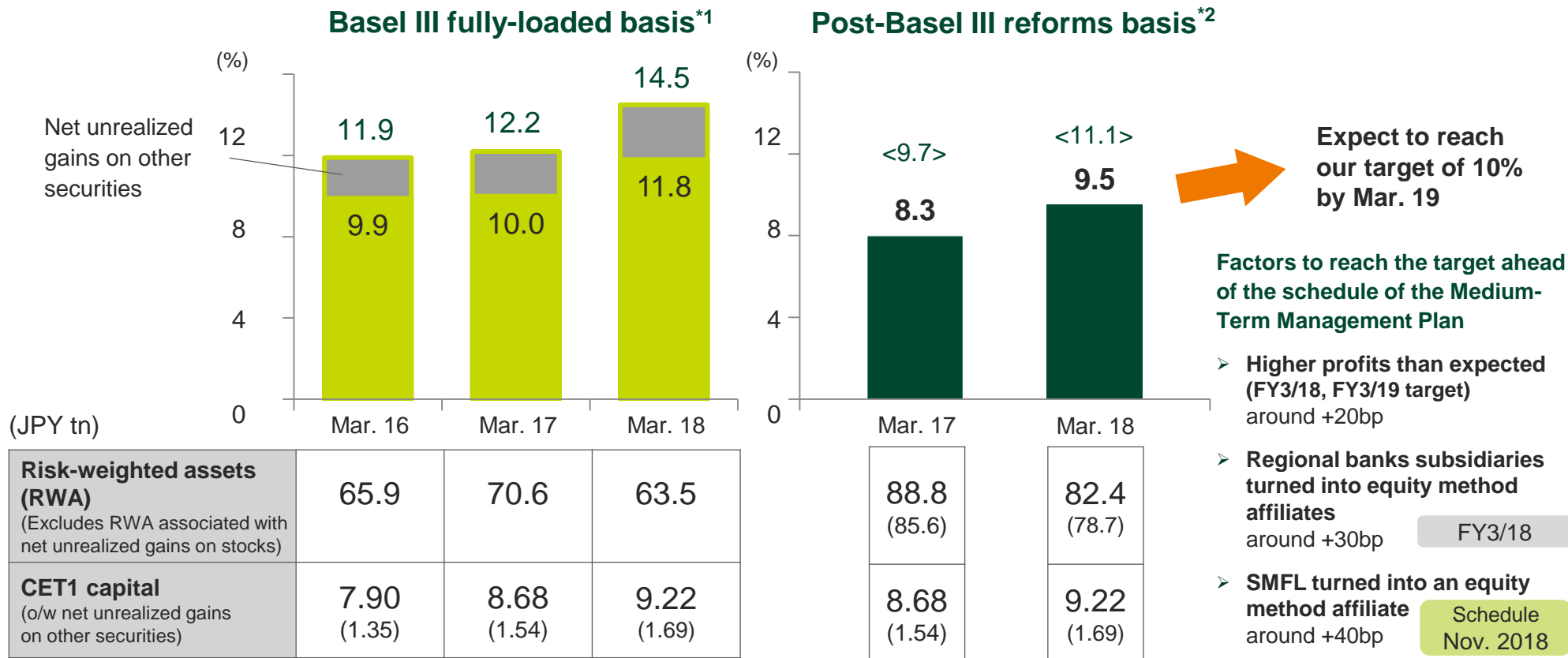
Goals to focus	E	S		G
	Environment	Next Generation		Governance
	 	  	 	  
Retail	<ul style="list-style-type: none"> ➢ Cashless, transactions without bankbook ➢ Electronic contract by tablets 	<ul style="list-style-type: none"> ➢ Improve financial literacy ➢ ESG investment trusts 		
Wholesale	<ul style="list-style-type: none"> ➢ Assessment loan (ESG/SDGs Assessment loan, etc.) 	<ul style="list-style-type: none"> ➢ Support growing companies, taking initiatives to realize smart mobility 	<ul style="list-style-type: none"> ➢ Assessment loan (SMBC Workstyle Reform loan, etc.) 	
International	<ul style="list-style-type: none"> ➢ Establish loan policy and support businesses regarding environmental/social risk ➢ Renewable energy projects 	<ul style="list-style-type: none"> ➢ Take initiatives toward financial inclusion (retail business in Asia, etc.) 	<ul style="list-style-type: none"> ➢ Multi franchise strategy in Asia 	
Global markets	<ul style="list-style-type: none"> ➢ Promote eco-business and reduce environmental burden through issuing green bonds 	<ul style="list-style-type: none"> ➢ Improve convenience of financial market through promotion of digitalization 	<ul style="list-style-type: none"> ➢ Provide solutions to form a healthy and active financial / capital market 	

III. Capital Policy

1. Capital position

- The Basel III reforms were finalized with a capital floor of 72.5%, which is higher than our original assumption. However, with the revisions being eased in areas including the CVA risk framework and operational risk, the final impact of RWA inflation will be as expected
- We expect that CET 1 ratio is likely to reach our target of 10% by the end of Mar.19, one year ahead of the original target, through RWA controls including inorganic initiatives and accumulation of earnings

CET1 ratio

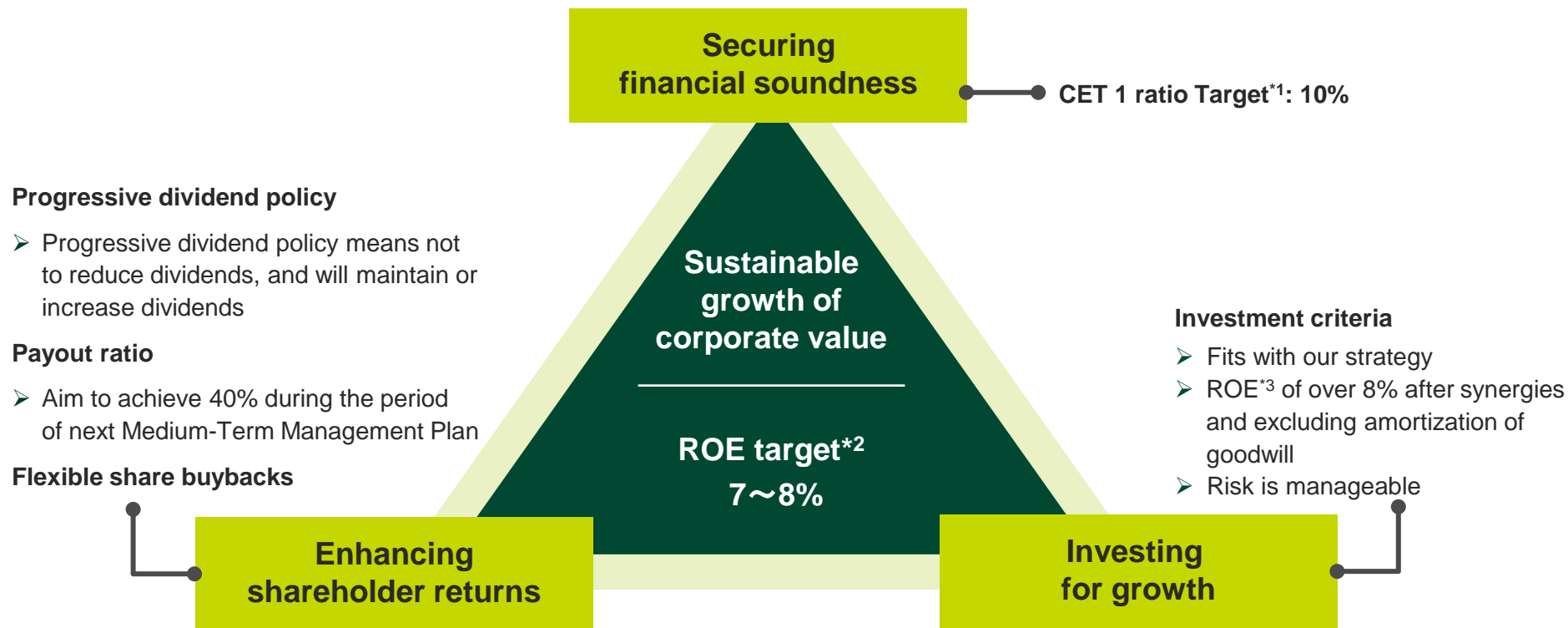


*1 Based on the definition applicable for Mar.19

*2 Calculated with RWA inflated by 25% compared to the current Basel III fully-loaded basis. Figures in < > are calculated with CET1 including net unrealized gains on other securities and RWA including RWA associated with net unrealized gains on stocks

2. Basic capital policy

- Achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth
- Dividends will be our principal approach to shareholder returns. In addition, we will proceed with share buybacks on a flexible basis assuming our financial soundness is maintained
 - We aim to pay progressive dividends supported by our sustainable earnings growth, and achieve a payout ratio of 40% during the period of the next medium-term management plan
 - We will execute share buybacks as and when appropriate taking into account the factors such as our capital position, earnings trends, stock price, growth investment opportunities and an improvement of capital efficiency



*1 Calculated with RWA inflated by 25% compared to the current Basel III fully-loaded basis due to the final impact of Basel III reforms. CET1: excludes net unrealized gains on other securities. RWA: excludes RWA associated with gains on stocks *2 On a stockholders' equity basis *3 Managerial accounting basis with RWA calculated assuming Basel III reforms are finalized

3. Shareholder Returns announced in May 2018

- **Dividends:** FY3/18: JPY 170 (YoY +JPY 20; vs initial target +JPY 10) ; FY3/19 target: JPY 170
- **Share buybacks:** up to JPY 70 billion
all of the repurchased shares will be cancelled
- The above reflects our expectation that CET1 ratio is likely to reach our target of approx. 10% by the end of FY3/19 through controls of risk-weighted asset including inorganic initiatives and accumulation of earnings; and the outperformance of profit attributable to owners of parent in FY3/18 versus our initial target announced in May 2017 and the expectation of robust business performance to continue in FY3/19

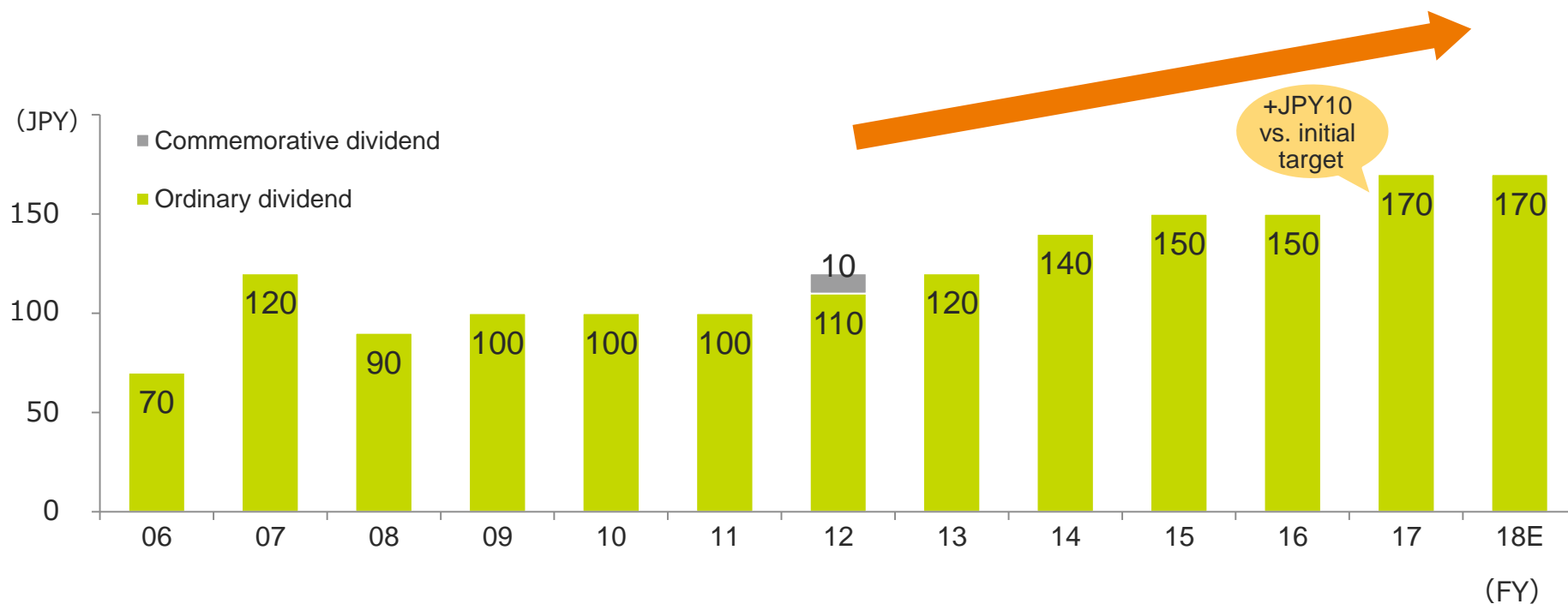
Overview of shareholder return initiatives

	(JPY)	FY3/18	YoY	vs. May 2017 target	FY3/19 target
Dividend per share		170	+ 20	+10	170
Dividend payout ratio		32.7%	+2.8%		34.3%
Profit attributable to owners of parent		734.4 bn	+ 27.8 bn	+ 104.4 bn	700 bn
Share buybacks		70 bn			
(Ref) Total payout ratio		42.2%			

Outline of the repurchase and cancellation of own shares

Aggregate amount to be repurchased	Up to JPY 70 bn
Aggregate number of shares to be repurchased	Up to 20 mn shares (Equivalent to 1.4% of the number of shares issued excluding treasury stock) ^{*1}
Repurchase period	From May 15, 2018 to July 31, 2018
Scheduled cancellation date	August 20, 2018

(Ref) Dividends per share^{*1,2}



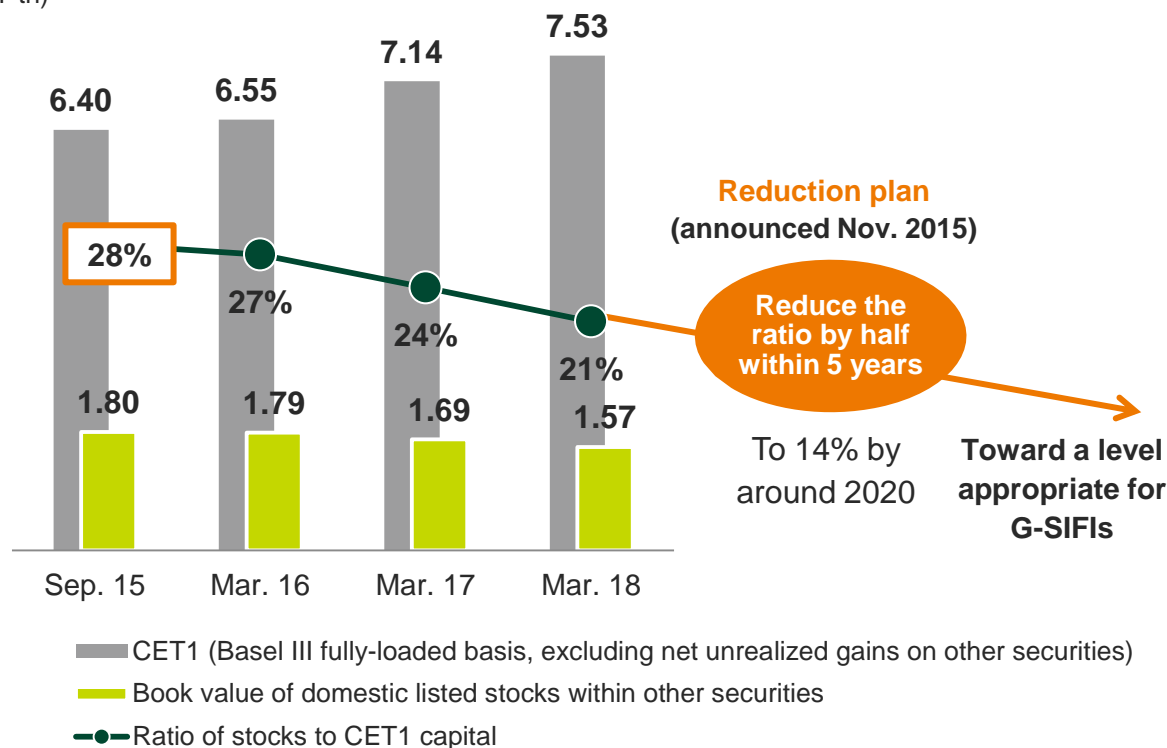
Dividend payout ratio ^{*3}	12.5%	20.5%	-	46.8%	30.0%	26.8%	21.3%	20.3%	26.2%	32.7%	29.9%	32.7%	34.3%
ROE ^{*4}	13.8%	15.8%	-	7.5%	9.9%	10.4%	14.8%	13.8%	11.2%	8.9%	9.1%	8.8%	

4. Strategic shareholdings

- Aim to halve the ratio*1 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)
- Reduction is progressing as planned

Strategic shareholdings and reduction plan (Consolidated basis)

(JPY tn)



Reduction results

FY3/18 approx. JPY 115 bn
(Total reduction from Sep. 2015– Mar. 2018:
approx. JPY 230 bn) - (1)

Consent of sales from clients outstanding

Mar. 2018 approx. JPY 115 bn - (2)

(1) + (2) = approx. JPY 345 bn

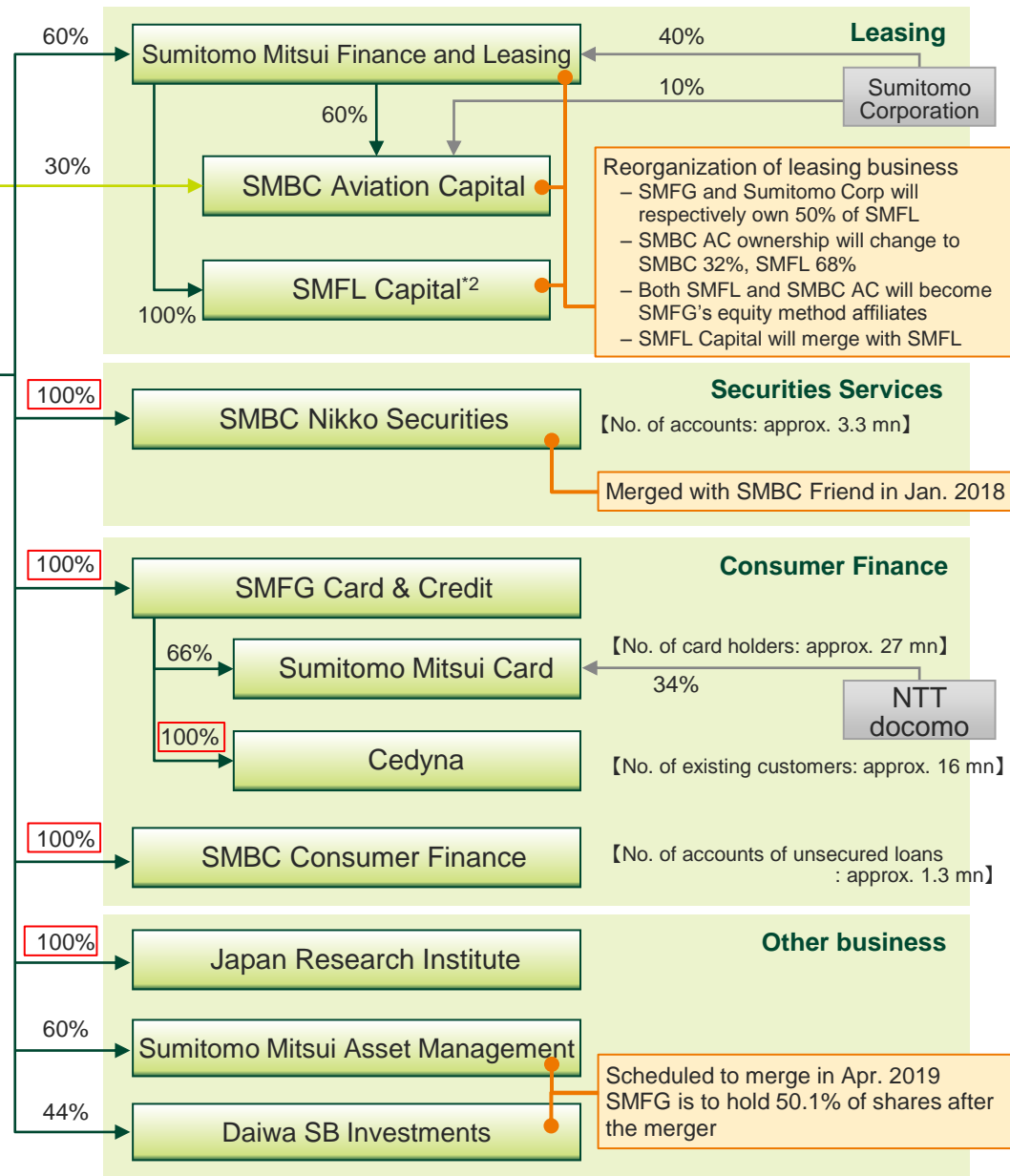
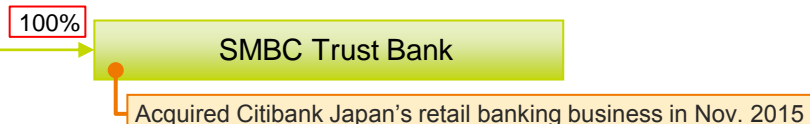
- **Accelerate the Medium-Term Management Plan to become a financial group with high quality**
 - Further extend our strength of high efficiency
 - Build on our lead position in the Japanese market
 - Enhance international business, our growth driver
 - Reform business model through digitalization
- **Improve ROE through sustainable earnings growth and capital management**

Appendix

Group structure*1

Sumitomo Mitsui Financial Group					
Consolidated total assets		JPY 199 tn			
Consolidated CET1 ratio		14.50 %			
Credit ratings	Moody's	S&P	Fitch	R&I	JCR
	A1/P-1	A- / -	A/F1	A+ / -	AA- / -

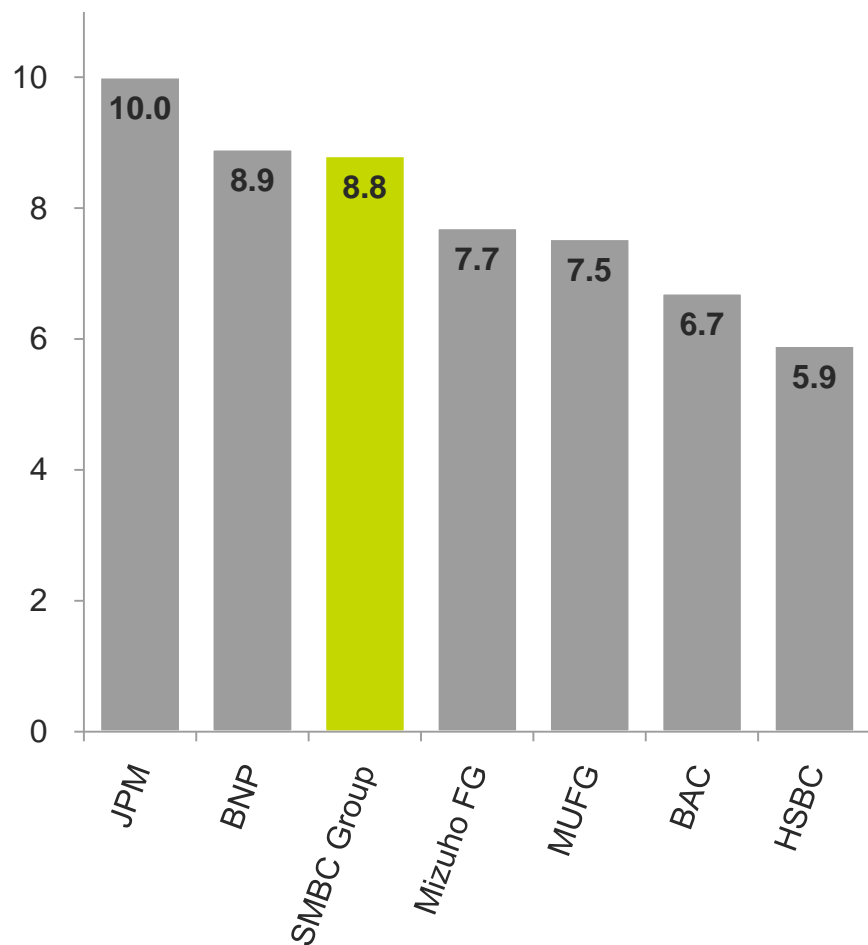
Sumitomo Mitsui Banking Corporation					
Assets		JPY 171 tn			
Deposits		JPY 110 tn			
Loans		JPY 74 tn			
No. of retail accounts		approx. 27 mn			
No. of corporate loan clients		approx. 80,000			
Credit ratings	Moody's	S&P	Fitch	R&I	JCR
	A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+



Peer comparison

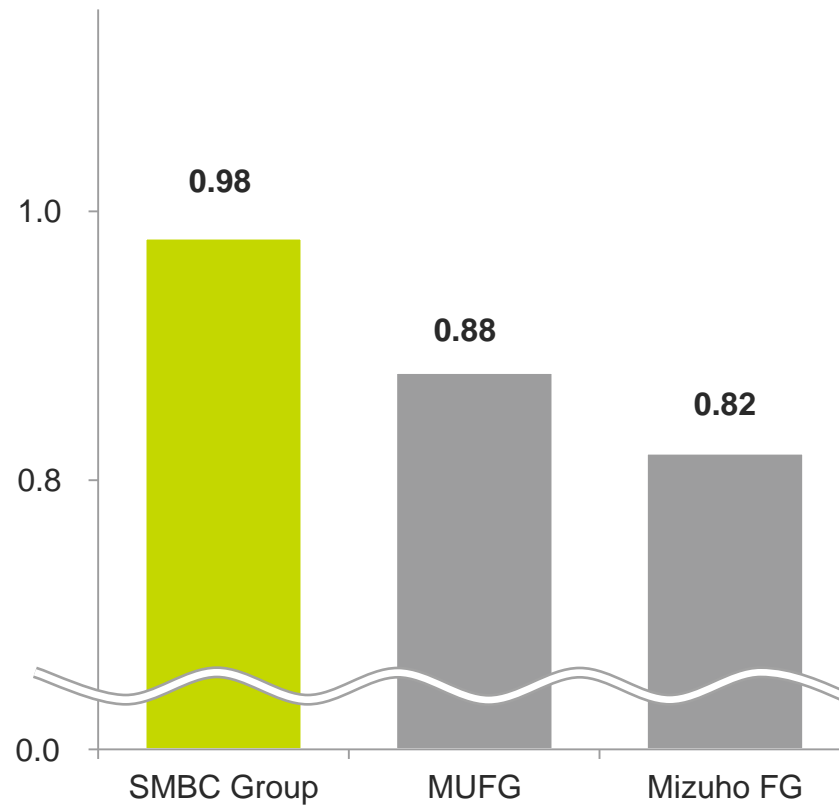
ROE*1

(%)



Domestic loan-to-deposit spread*2

(%)



Proportion
of loans to
individuals
& SMEs

63.3%

63.0%

59.3%

SMBC Group 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

FY3/20 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 FY3/17

Reduce to around 60% at the earliest opportunity (FY3/17: 62.1%)

Financial Soundness

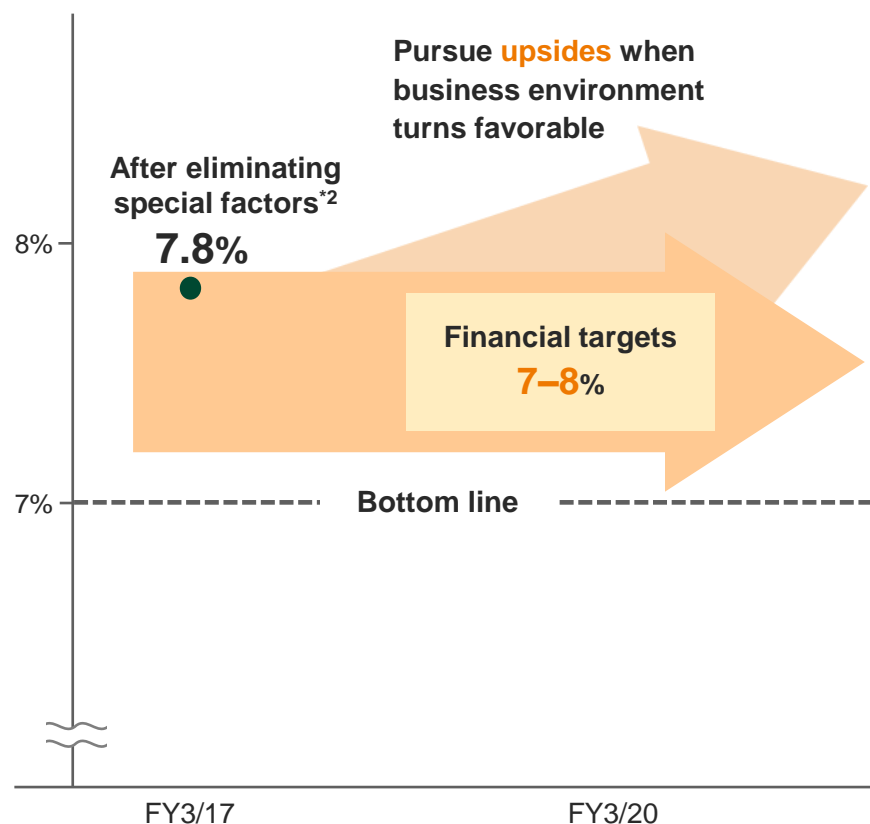
CET1 ratio^{*1,2}

10%

Maintain capital in line with likely raised requirement (FY3/17 8.3%)

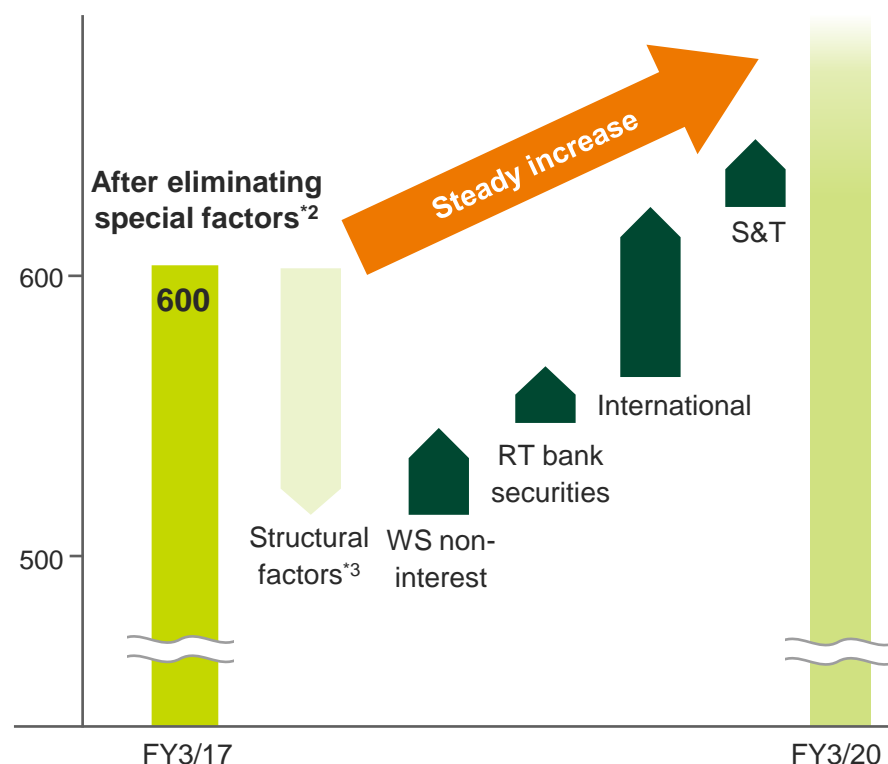
- In order to comply with regulations, accumulation of capital will be prioritized for the time being. However, we will secure at least 7% of ROE. In addition, by steadily enacting initiatives of the Medium-Term Management Plan, we will pursue upsides when business environment including regulations turns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

ROE*1



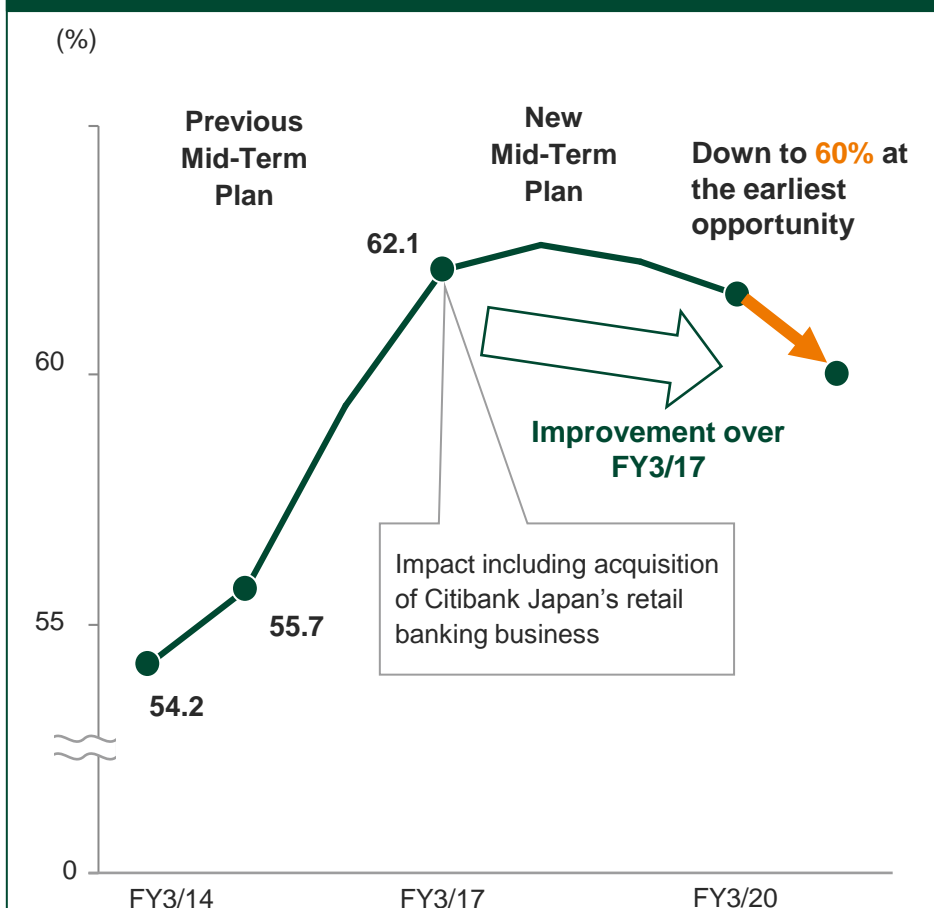
Net income

(JPY bn)

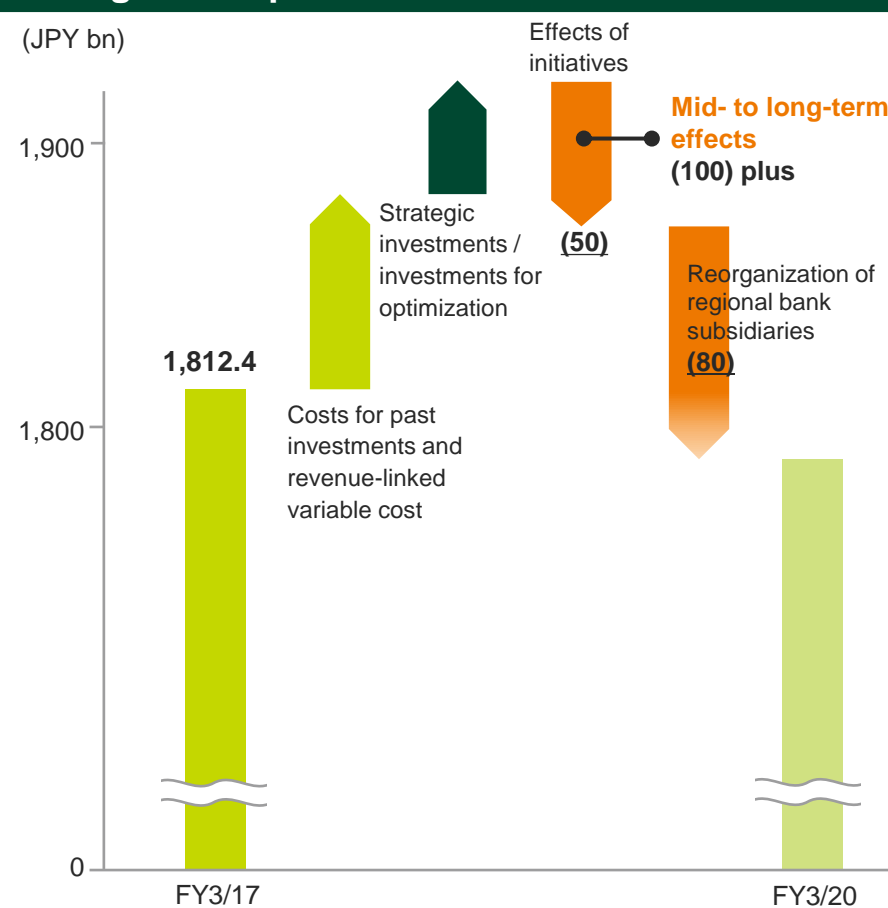


- Improve productivity on a group-wide basis and start reducing the overhead ratio
- Establish downward trend of overhead ratio and aim at around 60% at the earliest opportunity after FY3/20

Overhead ratio







Changes in expenses



Projections by business unit

Announced in November 2017

	ROE			Net business profit (JPY bn)		RWA (JPY tn)
	FY3/20 target	FY3/17 comparison	Three year plan	FY3/20 target	FY3/17 comparison	FY3/17 <o/w credit RWA>
Retail	7%		<ul style="list-style-type: none"> ➤ 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%		<ul style="list-style-type: none"> ➤ 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%		<ul style="list-style-type: none"> ➤ 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%		<ul style="list-style-type: none"> ➤ 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 Markets 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 FY3/17 comparison for ROE is image of three-year developments of ROE from FY3/17 estimates when formulating the Medium-Term Management Plan
- 3 FY3/17 comparisons for ROE and Net business profit are after adjustments for interest rate and exchange rate impacts
- 4 FY3/17 results for each unit are managerial accounting basis, pursuant to current regulation

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/EU 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

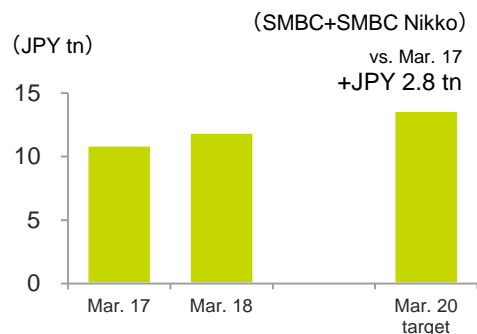
7

Develop asset-light businesses: trust banking and asset management

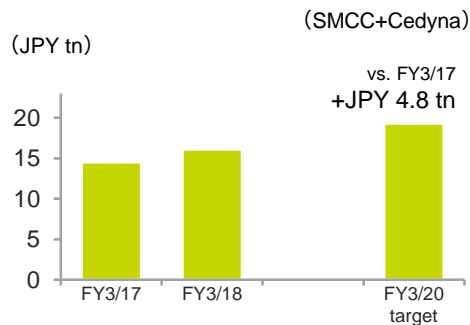
Digitalization

Retail

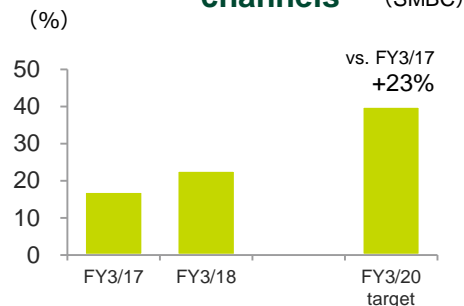
Balance of stock-based assets



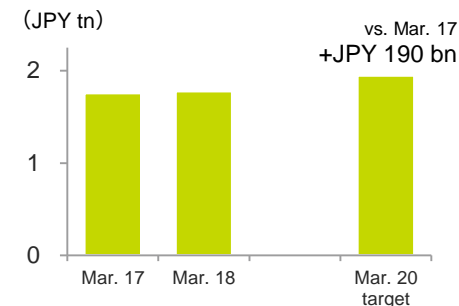
Credit card sales handled



Utilization rate for digital channels

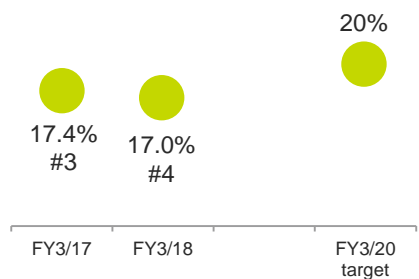


Balance of card loans

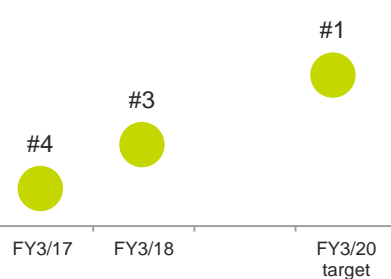


Wholesale

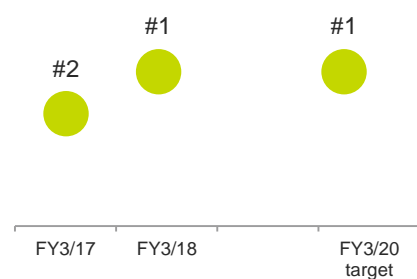
Lead arranger of Japanese corporate bonds (league table)



Lead arranger of IPO deals (league table)

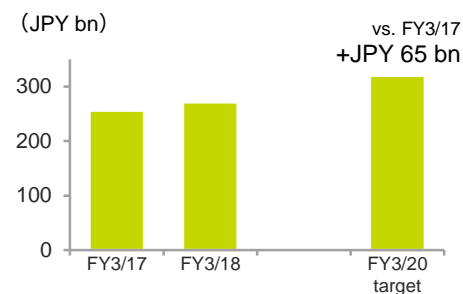


M&A advisory deals (league table)



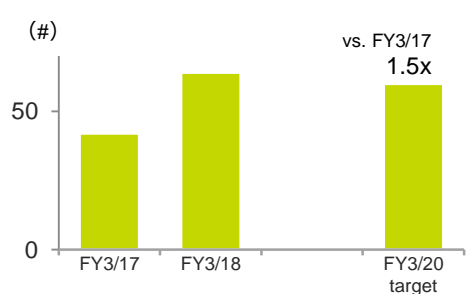
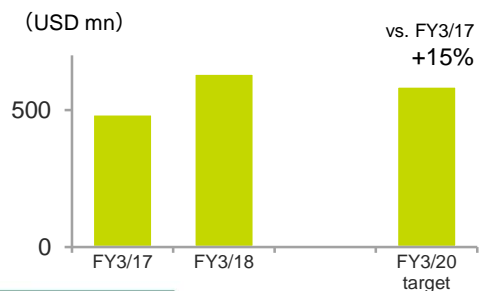
Global markets

S&T profits



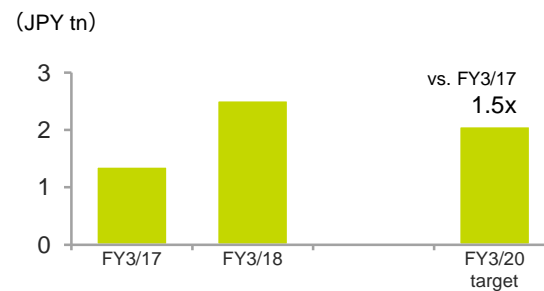
International

Non-asset based profit (Asia) Active book runner (Securities)



O&D

Distribution amount



IT investment strategy

- Since the large renewal of systems has been completed, IT investment is expected to decrease in the current Medium-Term Management Plan. In the mean time, we will further allocate our resources to “strategic investments” ; investments for business innovation through digitalization and the creation of new businesses

Previous Medium-Term Management Plan

Main subject

Large renewal of systems

- Bank accounting system
- Core systems in group companies

Up front investment to strategic areas

- Asia, retail, settlement, etc.

Annual amount of IT investment

approx. JPY 170 bn

Allocation of resources to strategic investments

Strategic investment
30%

Approx. JPY 50 bn

JPY 120 bn

Review of budget

Once / year

Current Medium-Term Management Plan

Selected investments to strategic areas

- Select strategic and growing areas to invest in, such as investments for business innovation through digitalization and the creation of new businesses

Adoption of efficient development method and utilization of new technology

approx. JPY 150 bn

Strategic investment
40%

+α

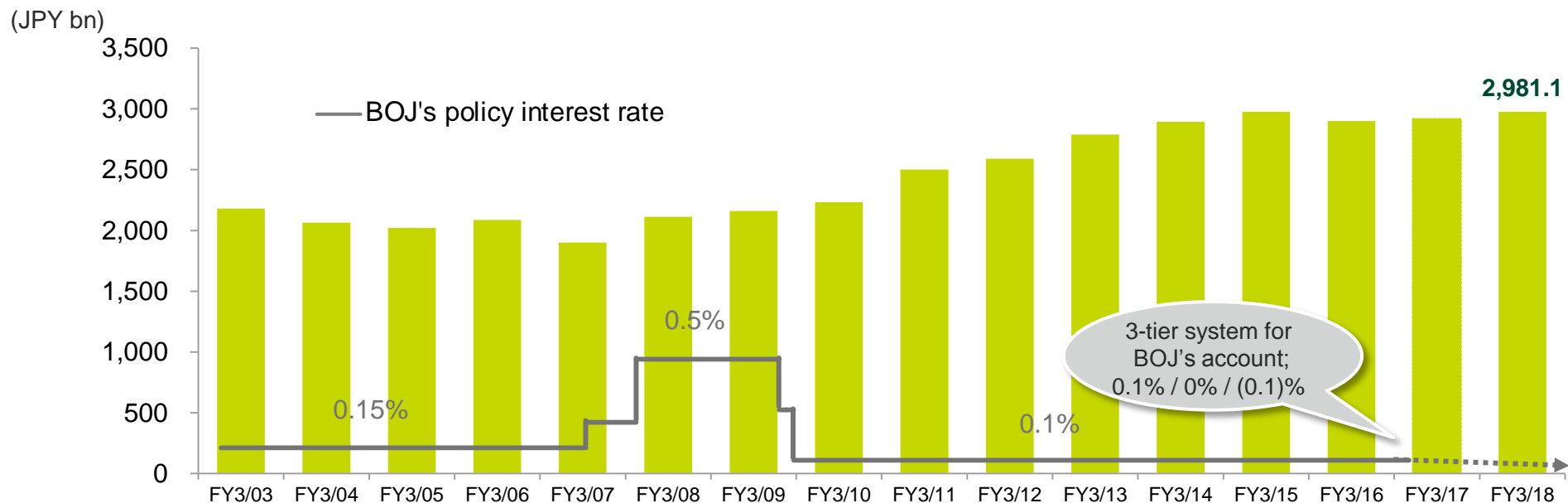
JPY 50~60 bn

Approx. JPY 90 bn

Because of the dynamic changes in IT environment, we will review the budget flexibly

Changes in our business mix

Consolidated Gross profit



Breakdown of contribution to Gross profit

	FY3/03		FY3/18
SMBC's domestic loan / deposit related revenue	35%		15%
International business (banking)	5%		17%
Group companies	18%		47%

Proportion of International business unit within Consolidated net business profit: 33%

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

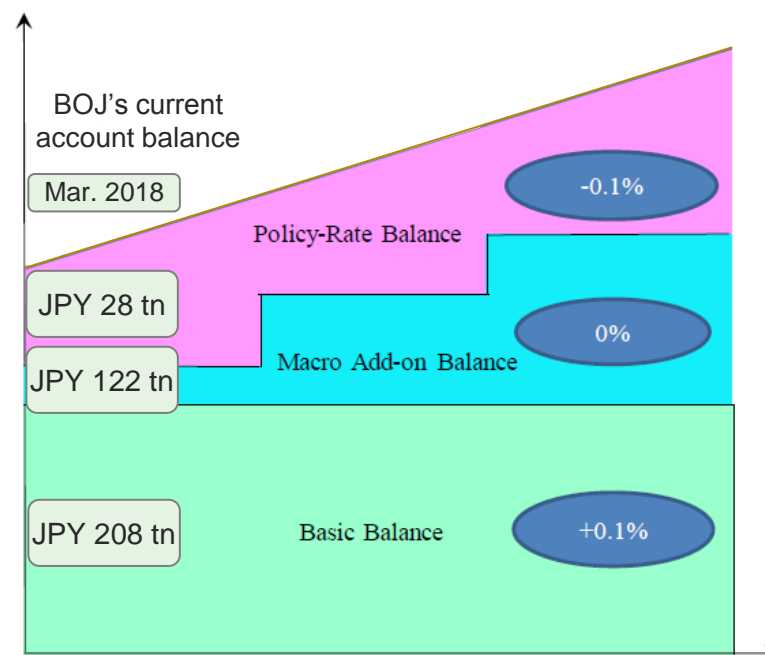
- Foreign deposits; raised interest rates, launched marketing campaigns
- Increase sales of wrap accounts and low risk and low return investment products

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

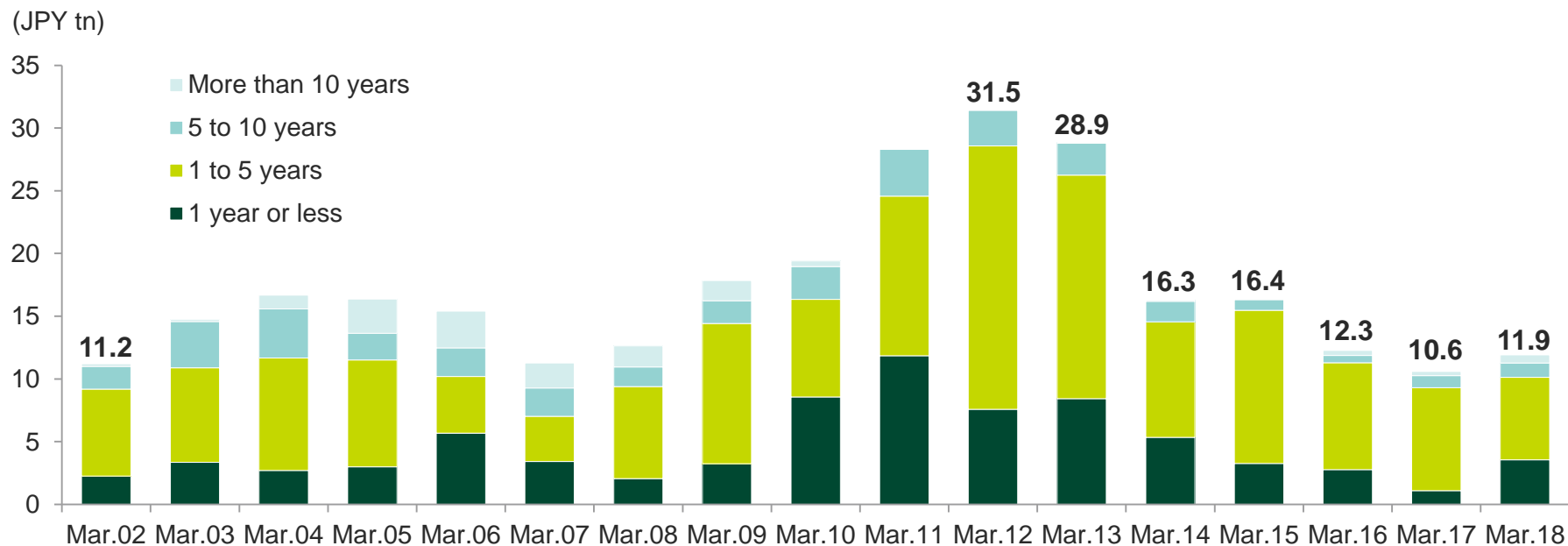


- Introduction of “Quantitative and Qualitative Monetary Easing with Yield Curve Control” (Sep. 2016)*²
 - ✓ “Yield curve control”
 - ✓ “Inflation-overshooting commitment”

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)



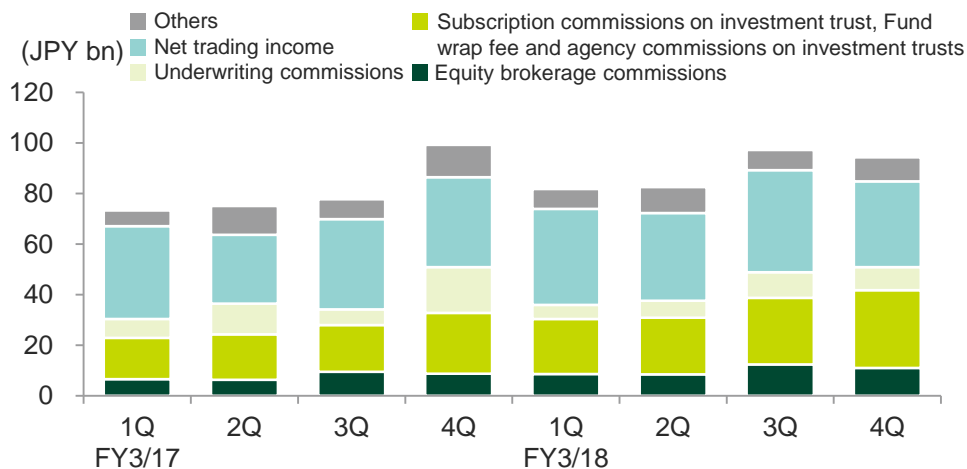
of which JGBs (JPY tn)	26.2	13.8	14.0	9.8	8.0	9.3
---------------------------	------	------	------	-----	-----	-----

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	2.3
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	44.2

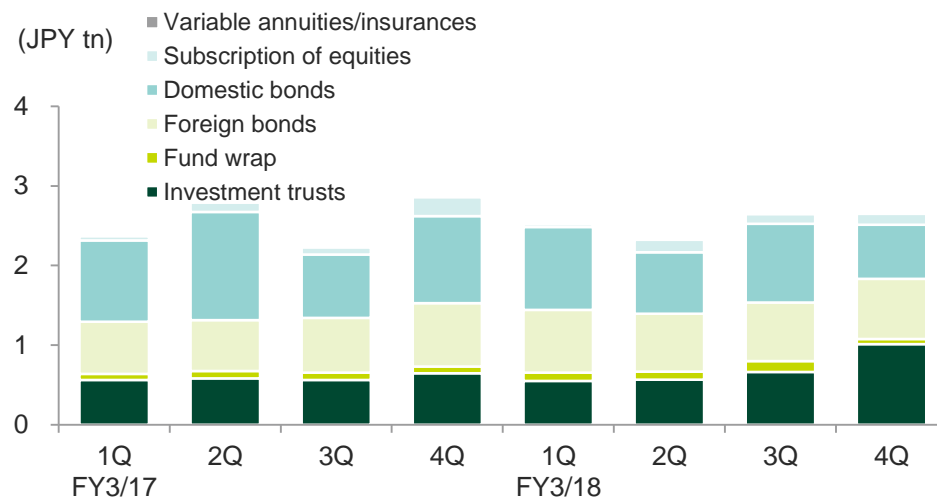
Financial results (consolidated)

(JPY bn)	FY3/17	FY3/18	YoY
Net operating revenue	326.7	357.3	+30.6
SG&A expenses	250.9	267.6	+16.7
Ordinary income	80.0	94.9	+14.9
Profit attributable to owners of parent ^{*1}	46.9	63.7	+16.8

Net operating revenue^{*2}



Product sales^{*2}



League table (Apr. 2017 - Mar. 2018)^{*3}

		Rank	Mkt share
SMBC Nikko	Global equity & equity-related (book runner, underwriting amount) ^{*4}	#5	11.4%
	JPY denominated bonds (lead manager, underwriting amount) ^{*5}	#4	17.2%
	Japanese corporate bonds (lead manager, underwriting amount)	#4	17.0%
SMBC Group	IPO (lead manager, No. of deals) ^{*6}	#3	19.0%
	Financial advisor (M&A, No. of deals) ^{*7}	#1	6.4%
	Financial advisor (M&A, deal volume) ^{*7}	#7	9.1%

^{*1} Recorded loss of JPY 12.0 bn as extraordinary loss in 2H, FY3/17 on restructuring and liquidation of business alliance with Barclays

^{*2} Fund wrap fee was separated from "Others" and presented as "Fund wrap fee and agency commissions on investment trusts" from FY3/18 and FY 3/17 was adjusted retrospectively. Includes sale of fund wrap from FY3/18 ^{*3} Source: SMBC Nikko, based on data from Thomson Reuters

^{*4} Japanese corporate related only. Includes overseas offices ^{*5} Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds ^{*6} Excludes REIT IPO. Includes overseas offices ^{*7} Japanese corporate related only

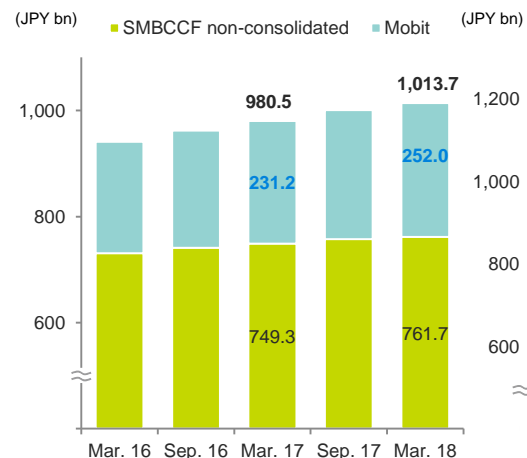
Financial results (consolidated)

(JPY bn)	FY3/17	FY3/18	YoY
Operating income	258.8	273.8	+15.0
Operating expenses	191.6	238.3	+46.6
Expenses for loan losses	54.6	58.1	+3.5
Losses on interest repayments	-	36.0	+36.0
Ordinary profit	67.4	35.9	(31.5)
Profit attributable to owners of parent	111.4	24.6	(86.8)

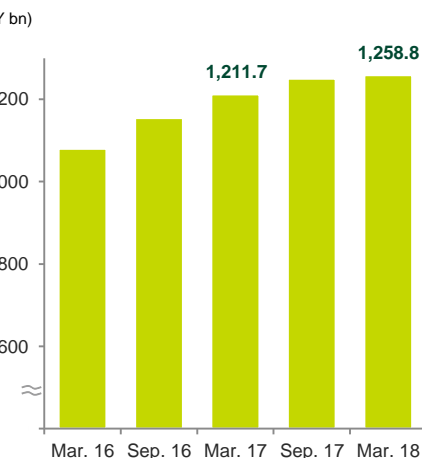
Consumer loans outstanding	1,074.6	1,115.6	Effect of implementing the consolidated corporate-tax system +JPY 50 bn
Allowance on interest repayments	121.6	109.4	
Loan guarantee	1,211.7	1,258.8	No. of companies with guarantee agreements: 189 (as of Mar. 2018)
for regional banks, etc.	561.8	616.2	

Loans / loan guarantee / overseas businesses

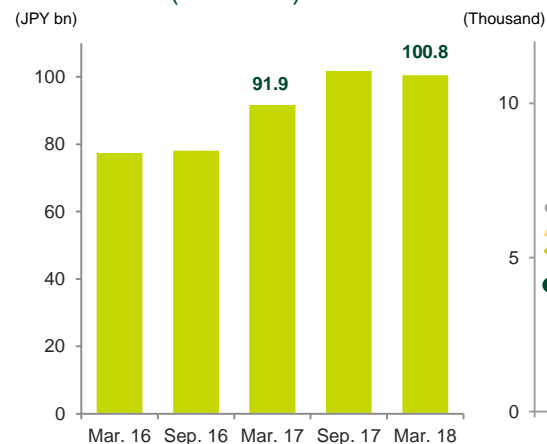
Consumer loans outstanding (domestic)



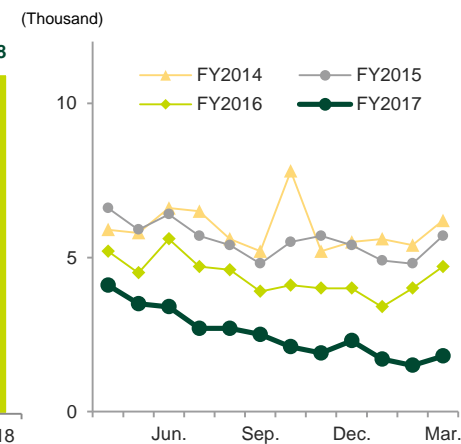
Loan guarantee amount



Consumer loans outstanding (overseas)

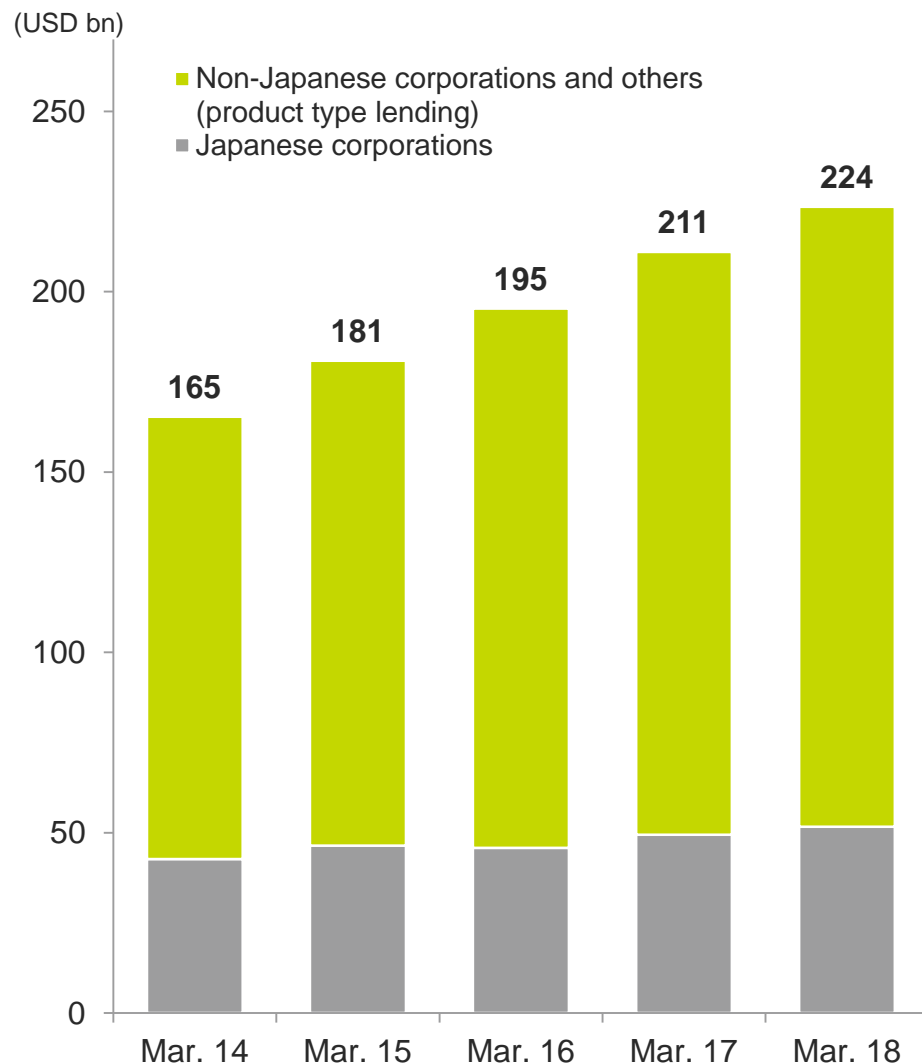


No. of interest refund claims

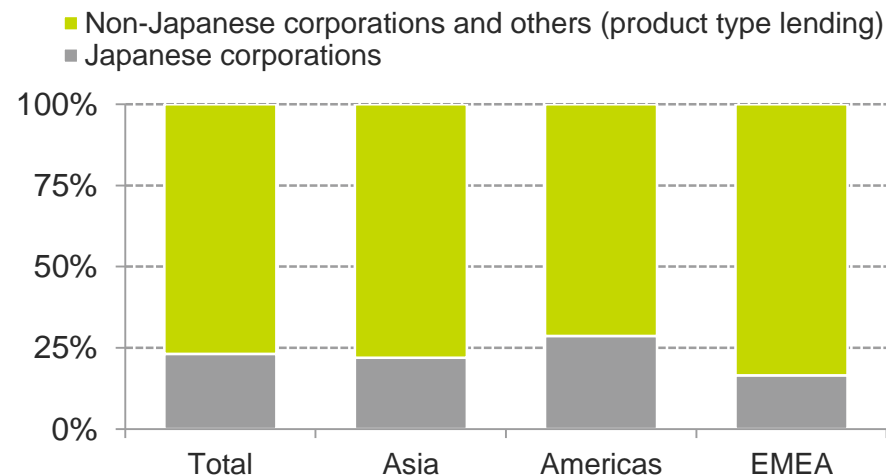


Overseas loan balance classified by borrower type*1

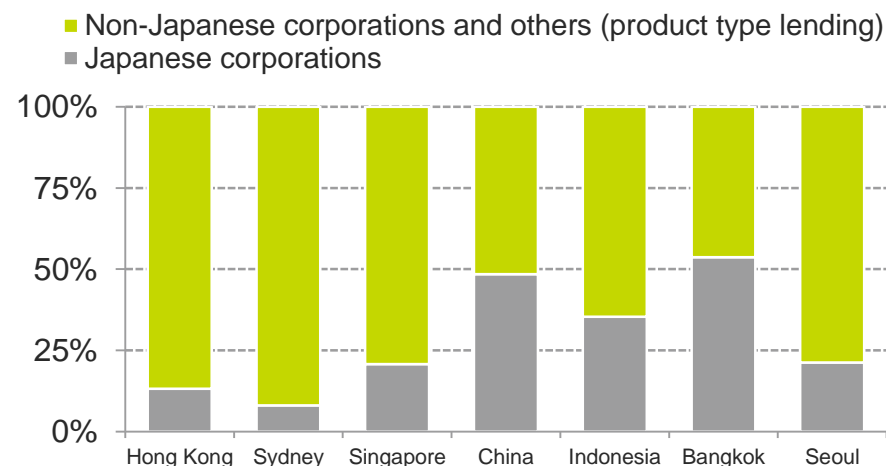
Total



By region (Mar. 2018)

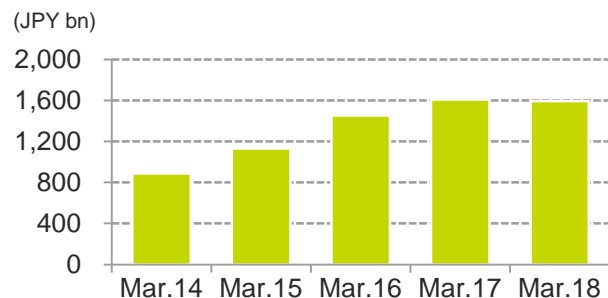


Major marketing channels in Asia (Mar. 2018)*2

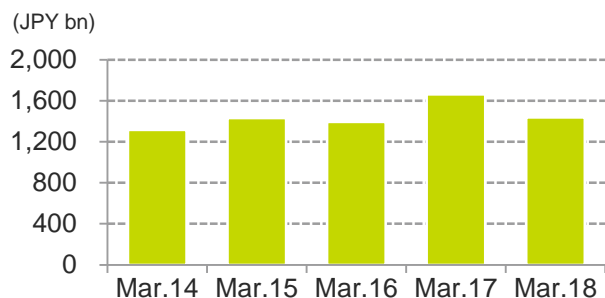


Loan balance in Asian countries/areas *1

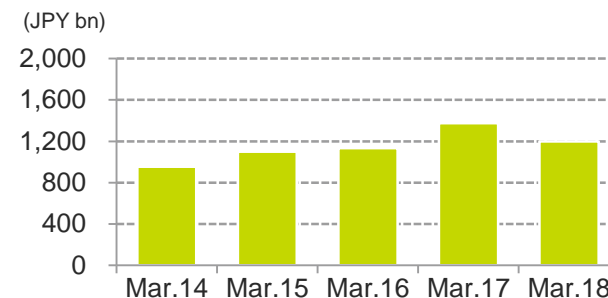
Australia



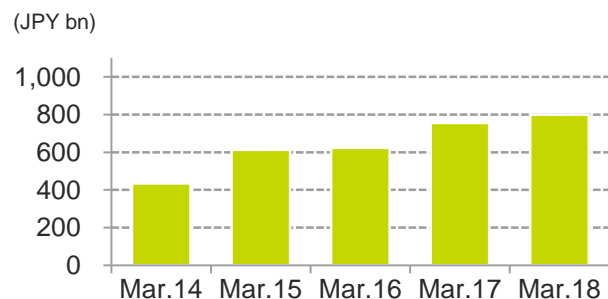
Hong Kong



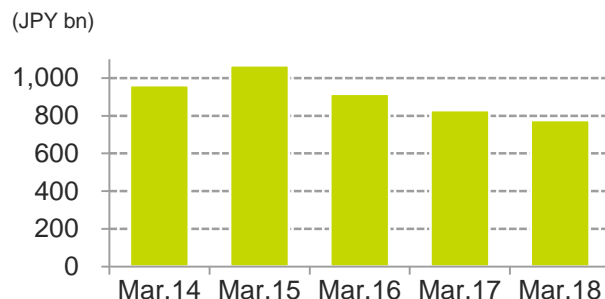
Singapore



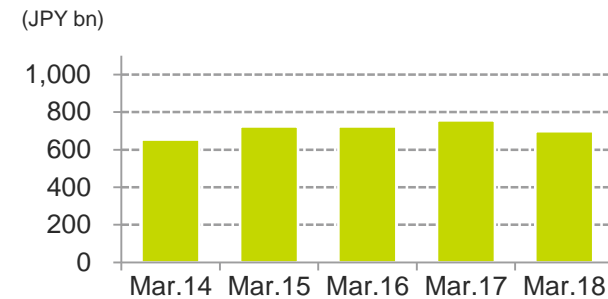
Indonesia



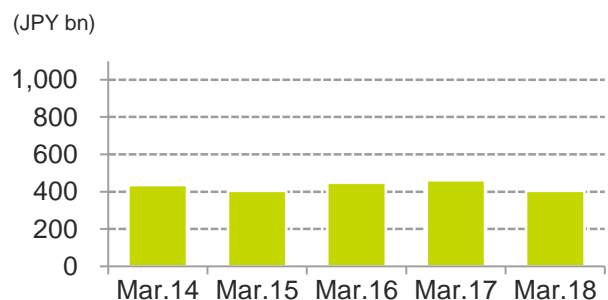
China



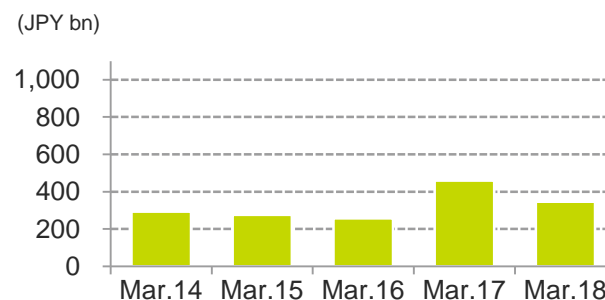
Thailand



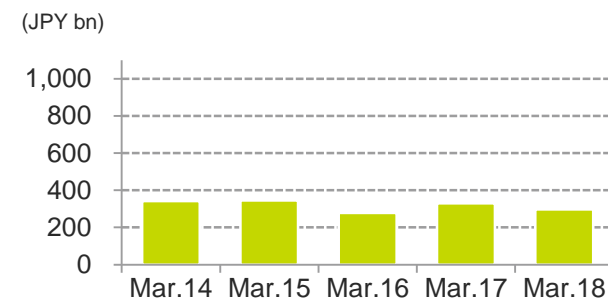
India



Taiwan



Korea



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*¹ /
Number of owned and managed aircraft*²

(USD mn)	FY3/17	FY3/18
Total revenue	1,185	1,114
Net income	299	295
Aircraft asset*³	10,963	11,109
Net asset	1,969	2,274

Aircraft leasing companies	Country	# owned/managed
1 GECAS	USA	1,324
2 AerCap	Ireland	1,076
3 Avolon	Ireland	585
4 SMBC AC	Ireland	450
5 Nordic Aviation Capital	Denmark	416

Railcar leasing*⁴

SMBC Rail Services

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

- U.S. based mid-sized railcar leasing company, leased assets: USD 4.3 bn
- Number of cars owned and managed: approx. 57.3 thousand railcars
- Our strengths
 - ✓ Well-diversified portfolio management
 - ✓ Young age of railcars
 - ✓ Well-diversified client base by industry

Subscription finance, Americas / EMEA middle market business*⁴

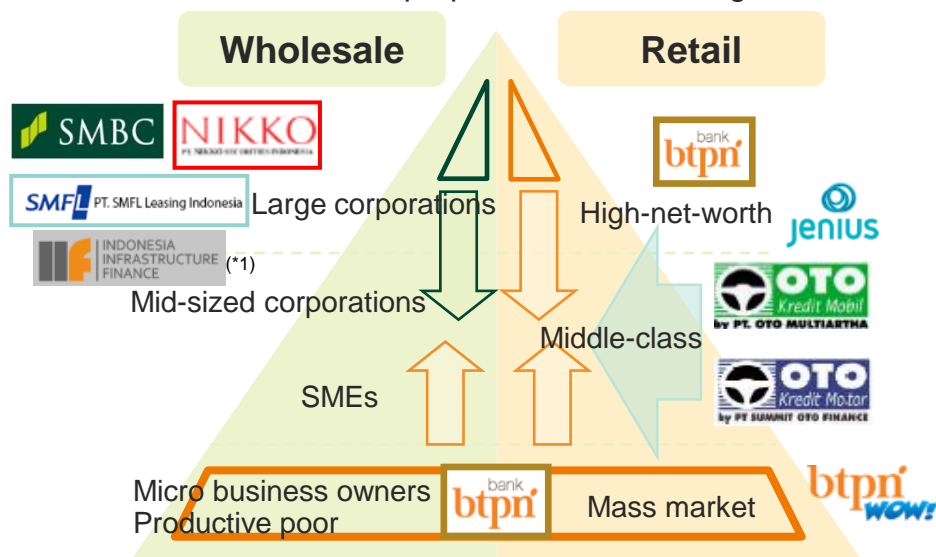
- Extending loans to funds based on commitments from investors
 - ✓ Balance of claims : approx. USD 25 bn
 - ✓ Spread: around 150 bp
- Sponsor finance for mid-sized corporations, LBO loans
 - ✓ Accounts for around 2% of our overseas loan balance. Carefully select profitable transactions
 - ✓ Spread: around 350bp - 450bp

Indonesia strategy (Multi-Franchise strategy)

- We will accelerate pursuing synergies among the Group companies in Indonesia
- Started discussion of a merger between BTPN and SMBC Indonesia

Expanding business to provide full-banking service

- Bank Tabungan Pensiunan Nasional (BTPN)
 - ✓ Branchless banking service (Wow!) has successfully acquired about 5 million customers as of Mar. 2018
 - ✓ In Aug. 2016, BTPN launched smartphone-based digital banking service (Jenius) and acquired about 560 thousand customers as of Mar. 2018
 - ✓ Announced that BTPN and SMBC Indonesia are to start assessment and preparation for the merger in Jan. 2018

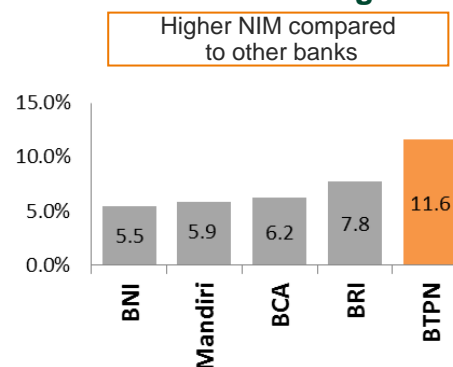


Financial results of BTPN*2

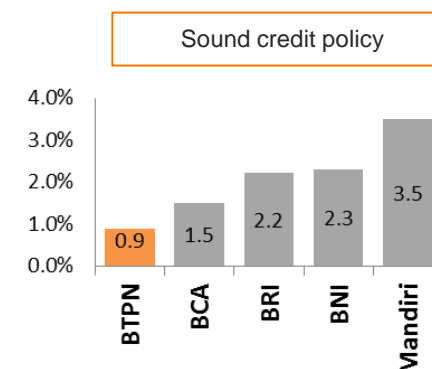
(IDR billion)	2015	2016	2017	YoY
Gross banking profit	8,401	9,464	9,991	+5.6%
Operating expenses	5,156	5,984	6,934	+15.9%
Net profits	1,702	1,752	1,221	(30.3)% ^{*3}
ROE	13.3%	11.7%	7.5%	(4.2)%

Gross loans	58,587	63,168	65,352	+3.5%
Customer deposits	60,273	66,202	67,918	+2.6%
Total assets	81,040	91,371	95,490	+4.5%

Net Interest Margin*4



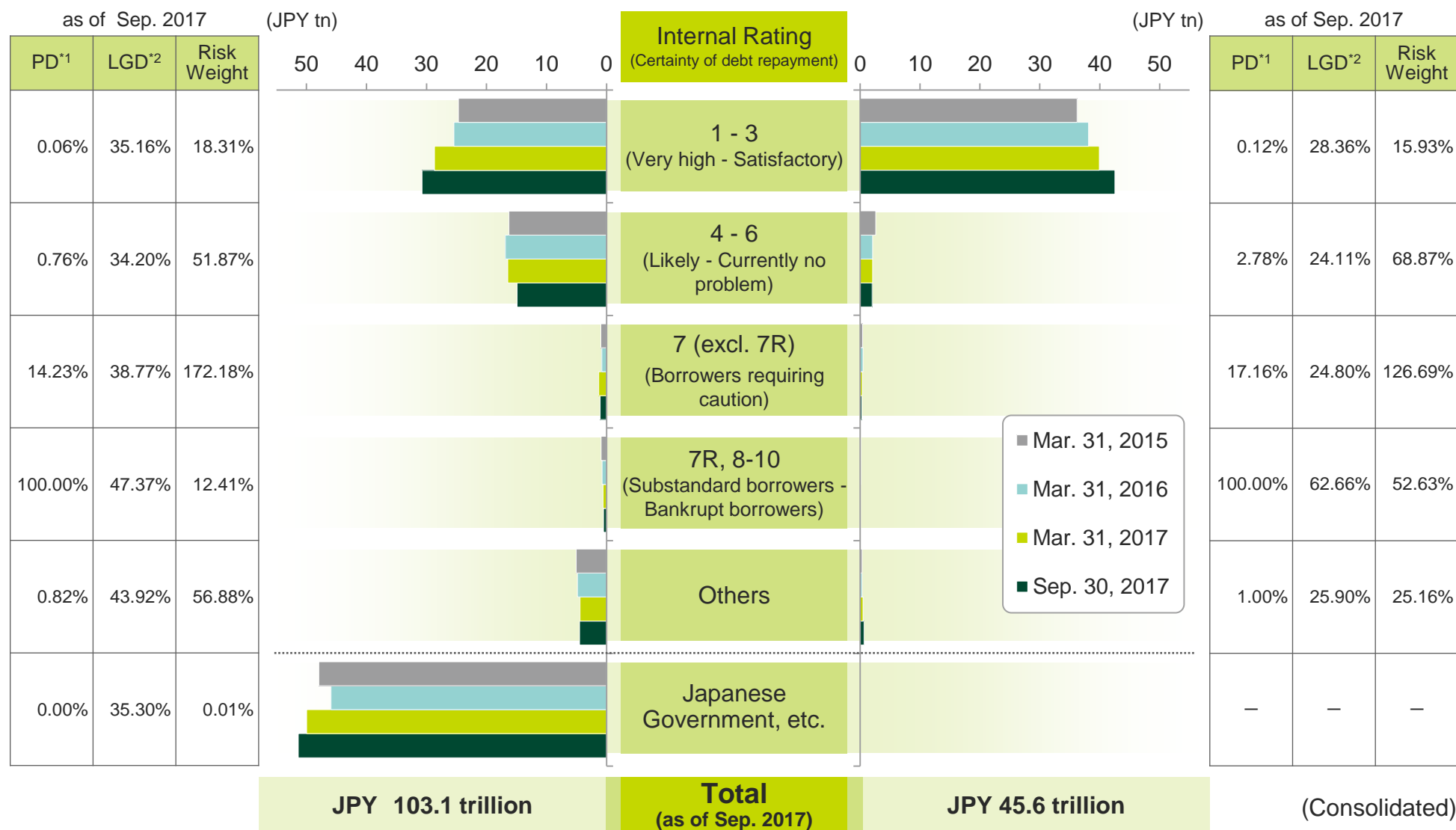
NPL ratio*4



Corporate, sovereign and bank exposures

Domestic

Overseas

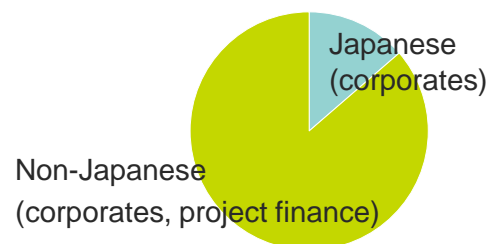


Loan and exposure to the UK / China / Russia

Loan balance in the UK*1

(JPY tn)

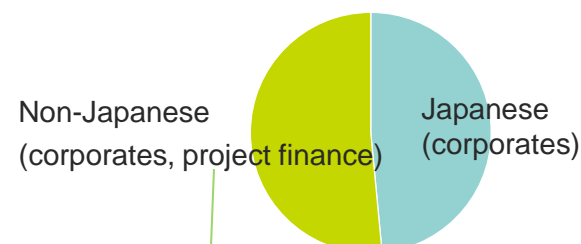
Mar. 17*2	Mar. 18
1.4	1.5



Loan balance in China*1, 3

(JPY tn)

Mar. 17*2	Mar. 18
0.8	0.8



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

Our operation in EMEA

- Offices in the UK and EU (major group subsidiaries)

- SMBC

- Brussels, Dusseldorf, Frankfurt
- SMBC Europe (London, Dublin, Amsterdam, Paris, Prague, Milan, Madrid)

- SMBC Nikko : London, Luxemburg

- SMFL : Dublin, Frankfurt

Brexit

Preparing to establish a bank subsidiary and a security subsidiary in Frankfurt, Germany subject to regulatory approval

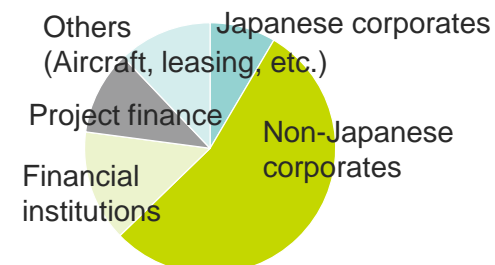
- Booking of loans

- Loan balance in EMEA regions: Approx. JPY 6.4 tn
 - of which around 30% is booked at SMBC Europe London

Exposure to Russia*4

(USD bn)

Mar. 17	Mar. 18
3.2	3.5



Exposure to resource-related sectors ^{*1}

(JPY tn)		Mar. 16	Ratio to total exposure	Mar. 17	Ratio to total exposure	Mar. 18	Ratio to total exposure
	Integrated Oil & Gas ^{*2}	1.5	1.3%	1.3	1.1%	1.3	1.1%
	Services (Drilling, field services)	0.5	0.4%	0.4	0.4%	0.3	0.3%
	Upstream (E&P ^{*3})	1.7	1.4%	1.5	1.2%	1.3	1.1%
	Midstream (Storage/Transportation)	1.4	1.2%	1.4	1.1%	1.3	1.1%
	Downstream (Refining)	0.7	0.6%	0.9	0.7%	1.0	0.8%
	Oil and gas	5.8	5.0%	5.5	4.4%	5.3	4.4%
	Other resources (Mining)	1.1	1.0%	0.9	0.8%	0.8	0.7%
	Non-Japanese^{*4} (Resource-related sectors)	6.9	6.0%	6.4	5.2%	6.1	5.1%
	o/w Upstream	0.2	0.2%	0.2	0.2%	0.2	0.2%
	Oil and gas	1.6	1.4%	1.3	1.1%	1.1	0.9%
	Other resources (Mining)	0.2	0.2%	0.2	0.2%	0.2	0.1%
	Japanese (Resource-related sectors)	1.8	1.6%	1.5	1.2%	1.3	1.0%
	Resource-related sectors	8.8	7.6%	7.9	6.4%	7.4	6.1%
	Oil and gas	7.4	6.4%	6.8	5.5%	6.4	5.3%
	Other resources (Mining)	1.3	1.1%	1.1	0.9%	1.0	0.8%
	Non-Japanese^{*4}	38	32.9%	41	33.5%	40	33.2%
	Japanese	77	67.1%	82	66.5%	81	66.8%
	Total exposure (consolidated)	115		123		121	

- “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%
- Exposure to resource-related sectors excluding project finance which are unaffected by resource prices is JPY 6.3 tn;
Exposure at default (EAD) to the sectors is JPY 5.5 tn as of Mar. 2018

ESG — Accreditation and support for initiatives

SRI Indices on which SMFG is listed

ESG Indices selected by GPIF (Broad index)



**FTSE Blossom
Japan**

MSCI



2017 Constituent
MSCI Japan ESG
Select Leaders Index



FTSE4Good



Member of SNAM
Sustainability Index
2017

Support for initiatives in Japan and Overseas

United Nations Global Compact



UNEP Finance Initiative



UNEP Finance Initiative
Innovative financing for sustainability

CDP



Equator Principles



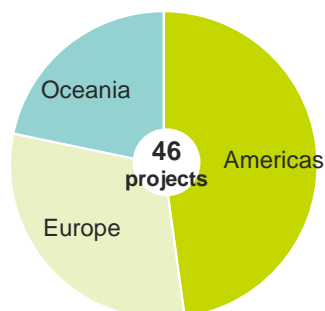
“Principles for Financial Action
toward a Sustainable Society
(Principles for Financial Action
for the 21st Century)”



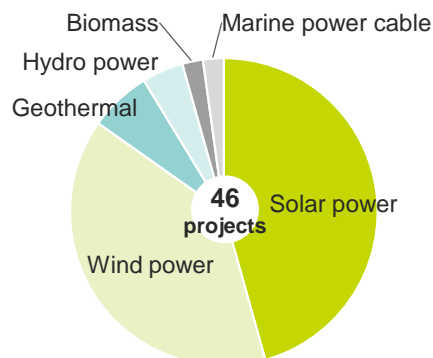
Promote environmental businesses

Project finance for renewable energy related projects (FY3/17)

➤ Regional breakdown



➤ Sector breakdown



Reduce environmental impact

Obtain new third-party verification of environmental data

- Reduction in CO2 emission of major 10 group companies have been verified by a third-party

Environmental management system

- 7 major group companies*1 obtained ISO 14001 certification



Next generation

Cultivate Human Resources in emerging countries

- MOU with Indonesian financial conglomerate Djarum Group
- Supporting teacher training program in Myanmar

Improve financial literacy

- # of participants at financial and economic education programs organized by companies in SMBC Group (cumulative number): Approx. 130,000 (FY3/18)



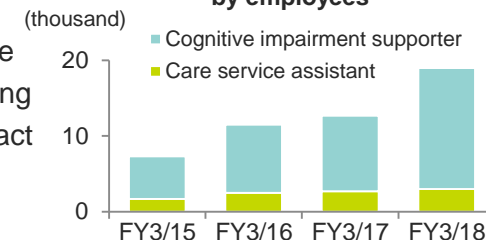
Bank work experience program for elementary school students

Community

Initiatives to realize universal society

- Create branches that can be visited with total peace of mind by seniors and people with disabilities through training employees who directly interact with customers

Acquisition of qualifications by employees



Dialogue with stakeholders

- SMBC Group organizes a dialogue session with stakeholders once a year to verify the suitability of our CSR activities as a financial institution
- The agenda for FY3/18 was on SDGs and the expanding ESG investments

Capital and risk-weighted assets, consolidated

Capital ratio (transitional basis)

(JPY bn)	Mar. 17	Mar. 18 <i>Preliminary</i>
Common Equity Tier 1 capital (CET1)	8,608.5	9,217.4
o/w Total stockholders' equity related to common stock	8,013.3	8,510.1
Accumulated other comprehensive income ^{*1}	1,290.0	1,753.4
Regulatory adjustments related to CET1 ^{*1}	(898.1)	(1,049.3)
Tier 1 capital	9,946.2	10,610.2
o/w Additional Tier 1 capital instruments	449.9	599.8
Eligible Tier 1 capital instruments (grandfathered) ^{*3}	812.9	650.3
Regulatory adjustments ^{*1,2}	(172.9)	(81.6)
Tier 2 capital	2,027.5	1,693.9
o/w Tier 2 capital instruments	898.9	993.4
Eligible Tier 2 capital instruments (grandfathered) ^{*3}	873.1	625.4
Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount ^{*2}	197.4	-
Regulatory adjustments ^{*1,2}	(70.6)	(50.0)
Total capital	11,973.7	12,304.1
Risk-weighted assets	70,683.5	63,540.3
Common Equity Tier 1 capital ratio	12.17%	14.50%
Tier 1 capital ratio	14.07%	16.69%
Total capital ratio	16.93%	19.36%

Common Equity Tier 1 capital ratio (fully-loaded^{*4})

(JPY bn)	Mar. 17	Mar. 18
Variance with CET1 on a transitional basis ^{*5}	70.2	
o/w Accumulated other comprehensive income	322.5	
o/w <i>Net unrealized gains on other securities</i>	308.5	
Non-controlling interests (subject to be phased-out)	(27.8)	
Regulatory adjustments related to CET1	(224.5)	
Common Equity Tier 1 capital	8,678.7	9,217.4
Risk-weighted assets	70,644.7	63,540.3
Common Equity Tier 1 capital ratio	12.2%	14.5%
Ref: Common Equity Tier 1 capital ratio (excluding net unrealized gains)	10.0%	11.8%

Preferred securities which become callable in FY3/19

	Issue date	Amount outstanding	Dividend rate ^{*6}	First call date ^{*7}	Type
SMFG Preferred Capital USD 3 Limited	Jul. 2008	USD 1.35 bn	9.5%	Jul. 2018	Step-up
SMFG Preferred Capital JPY 2 Limited (Series A)	Dec. 2008	JPY 113 bn	4.57%	Jan. 2019	Step-up

Leverage ratio

(transitional basis, preliminary)

(JPY bn)	Mar. 18
Tier1 Capital	10,610.2
Leverage exposure	211,718.1
Leverage ratio	5.01%

LCR

(transitional basis)

Average Jan. – Mar. 18
127.7%

*1~3 Subject to transitional arrangements. *1~3&5 Percentages indicate the treatment as of Mar. 2017 / Mar. 2018 *1 80% / 100% of the original amounts are included
*2 80% / 100% phase-out is reflected in the figures *3 Cap is 50% / 40% *4 Based on the Mar. 2019 definition. Mar. 2017 figures are pro forma
*5 The 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 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%
Plus leverage ratio buffer*1	n.a.	7.25%

- Based on current calculations, we expect that the TLAC requirements based on RWA, post-Basel III reforms basis, will be more constraining than requirements based on the leverage ratio denominator

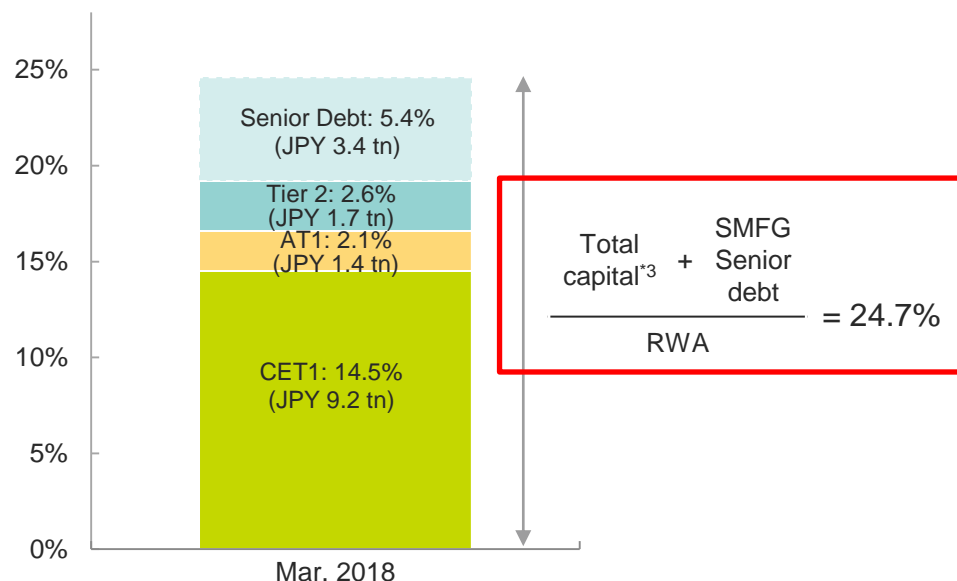
Contribution of Japanese Deposit Insurance Fund Reserves

- 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

Total capital plus SMFG senior debt to RWA*2

(Consolidated)



Issuance amount of SMFG senior unsecured bond

(JPY tn)	FY3/17	FY3/18	
		1H, FY3/18	FY3/18
Issuance amount through the period	1.5 (USD 13.7 bn)	0.7 (USD 6.5 bn)	1.4 (USD 13.0 bn)

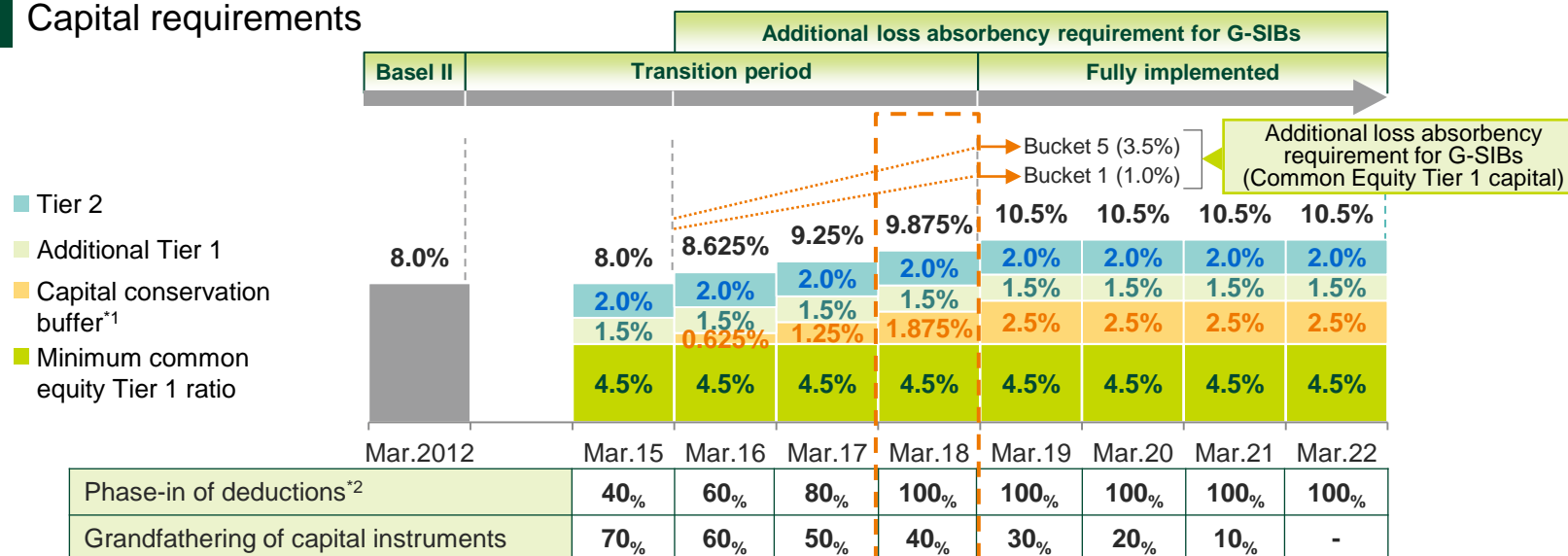
*1 Excludes countercyclical buffer. As for the G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the FSB in Nov. 2017

*2 This figure is not the same as TLAC ratio

*3 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

Application of Basel III

Capital requirements



		2022	2023	2024	2025	2026	2027
RWA*3	Revised standardised approach and internal ratings-based framework for credit risk	Implemen tation					
	Revised credit valuation adjustment (CVA) framework						
	Revised market risk framework						
	Revised operational risk framework						
	Output floor	50%	55%	60%	65%	70%	72.5%

Leverage ratio and liquidity rules

	2015	2016	2017	2018	2019	2020	2021	2022
Leverage Ratio	Disclosure			Implementation				
Revised Leverage Ratio*3, 4								Implementation
Liquidity Coverage Ratio (LCR)	60%	70%	80%	90%	100%			
Net Stable Funding Ratio (NSFR) *3	Implementation							

*1 Countercyclical buffer (CCyB) omitted in the chart above; if applied, phased-in in the same manner as the Capital conservation buffer

*2 Including amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

*3 Scheduled based on final documents by BCBS (domestic regulations not published) *4 Revised exposure definition and G-SIB buffer

Overview of major international regulations

Regulations			Outline
Capital requirement	Credit risk	Revised internal ratings-based framework	<ul style="list-style-type: none"> Constraints on the use of the internal ratings based approach to credit risk; (i) applying the standardised approach to exposures to equities, (ii) applying the F-IRB approach for exposures to financial institutions, large corporates and medium sized corporates, or (iii) applying or raising floors to PDs/LGDs and revising the estimation methods
		Revised Standardised Approach	<ul style="list-style-type: none"> 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
		CVA framework	<ul style="list-style-type: none"> 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
	Market risk	Revised market risk framework	<ul style="list-style-type: none"> The revised internal models approach replaces VaR and stressed VaR with a single Expected Shortfall to capture tail risks that are not accounted for in the existing VaR measures. The revised standardised approach adopts the sensitivities-based method to extend the use of sensitivities to a much broader set of risk factors
	Operational Risk	Revised operational risk framework	<ul style="list-style-type: none"> Use of the Business Indicator (BI), a proxy of size of business, and the loss data for risk weighted assets calculation Termination of the Advanced Measurement Approaches (AMA)
	Overall	Output floors based on standardised approaches	<ul style="list-style-type: none"> Replacement of the Basel I-based transitional capital floor with a permanent floor based on standardised approaches
Sovereign exposures		Regulatory treatment of sovereign exposures	<ul style="list-style-type: none"> Basel Committee has completed its review of the regulatory treatment of sovereign exposures and decided not to proceed the consultation process
Leverage ratio requirement		Leverage ratio	<ul style="list-style-type: none"> The leverage ratio buffer for G-SIBs set at 50% of a G-SIB's higher-loss absorbency risk-weighted requirements Revisions to the exposure definitions including credit conversion factors for off-balance sheet items
G-SIBs regulation		TLAC (total loss-absorbing capacity)	<ul style="list-style-type: none"> 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

Public sector support and point of non-viability in Japan

Framework		Systemic risk	Subject entities	Conditions	Point of non-viability
Act on Special Measures for Strengthening Financial Functions <i>Capital injection</i>		Not Required	Banks (Capital injection may be made through BHC)	No suspension of payment of deposits*1 and not having negative net worth	No
Article 102 of Deposit Insurance Act (DIA)	Item 1 measures <i>Capital injection</i>	Required (Credit system in Japan or in a certain region)	Banks only	Undercapitalized	No
	Item 2 measures <i>Financial assistance exceeding payout cost</i>			Suspension of payment of deposits or having negative net worth	Yes*3
	Item 3 measures <i>Nationalization</i>			Suspension of payment of deposits and having negative net worth	
Introduced in Mar. 2014 Article 126-2 of DIA	Specified Item 1 measures <i>Liquidity support Capital injection</i>	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	Not having negative net worth	No
	Specified Item 2 measures <i>Supervision or control and Financial assistance for orderly resolution</i>			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

Credit ratings of G-SIBs (Operating banks, by Moody's)*¹

	Apr. 2001		Jul. 2007		Apr. 2018	
Aaa			<ul style="list-style-type: none">Bank of AmericaBank of New York MellonCitibankJPMorgan Chase Bank	<ul style="list-style-type: none">Royal Bank of CanadaRoyal Bank of ScotlandUBSWells Fargo Bank		
Aa1	<ul style="list-style-type: none">Bank of AmericaCrédit Agricole	<ul style="list-style-type: none">UBSWells Fargo Bank	<ul style="list-style-type: none">Banco SantanderBarclays BankBNP ParibasCrédit AgricoleCredit SuisseDeutsche Bank	<ul style="list-style-type: none">HSBC BankING BankNordea BankSociété GénéraleState Street Bank & Trust		
Aa2	<ul style="list-style-type: none">Bank of New York MellonBarclays BankCitibankHSBC BankING Bank	<ul style="list-style-type: none">JPMorgan Chase BankRoyal Bank of CanadaRoyal Bank of ScotlandState Street Bank & Trust	<div>SMBC</div> <ul style="list-style-type: none">Mizuho Bank	<ul style="list-style-type: none">MUFG BankUniCredit	<ul style="list-style-type: none">Bank of New York Mellon	<ul style="list-style-type: none">Wells Fargo Bank
Aa3	<ul style="list-style-type: none">Banco SantanderBNP ParibasDeutsche Bank	<ul style="list-style-type: none">Société GénéraleUniCredit	<ul style="list-style-type: none">Goldman Sachs Bank	<ul style="list-style-type: none">Morgan Stanley Bank	<ul style="list-style-type: none">Bank of AmericaBNP ParibasHSBC BankING Bank	<ul style="list-style-type: none">JPMorgan Chase BankNordea BankState Street Bank & Trust
A1	<ul style="list-style-type: none">Credit Suisse		<ul style="list-style-type: none">Agricultural Bank of ChinaBank of China	<ul style="list-style-type: none">ICBC	<div>SMBC</div> <ul style="list-style-type: none">Bank of ChinaChina Construction BankCitibankCrédit AgricoleCredit SuisseGoldman Sachs BankICBC	<ul style="list-style-type: none">Mizuho BankMorgan Stanley BankMUFG BankRoyal Bank of CanadaSociété GénéraleStandard CharteredUBS
A2	<ul style="list-style-type: none">MUFG Bank	<ul style="list-style-type: none">Standard Chartered	<ul style="list-style-type: none">China Construction Bank	<ul style="list-style-type: none">Standard Chartered	<ul style="list-style-type: none">Agricultural Bank of ChinaBanco Santander	<ul style="list-style-type: none">Barclays BankRoyal Bank of Scotland
A3	<div>SMBC</div>	<ul style="list-style-type: none">Mizuho Bank				
Baa1	<ul style="list-style-type: none">Agricultural Bank of ChinaBank of China	<ul style="list-style-type: none">China Construction BankICBC			<ul style="list-style-type: none">UniCredit	
Baa2					<ul style="list-style-type: none">Deutsche Bank	

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

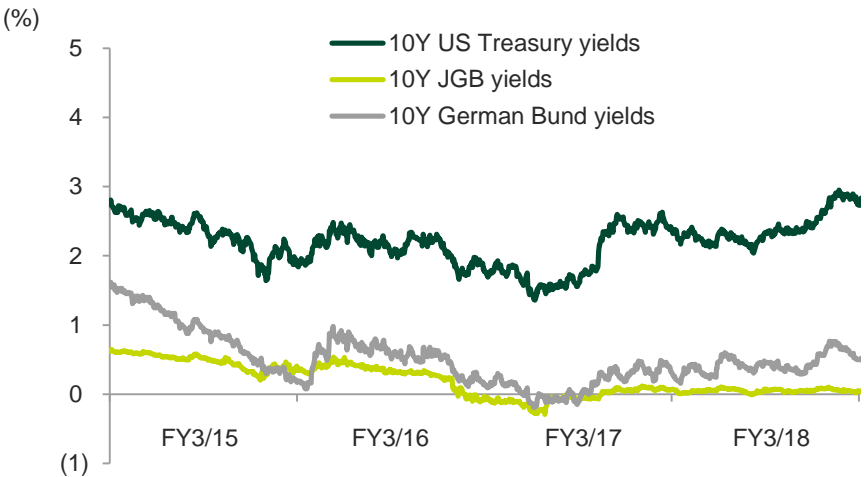
Credit ratings of G-SIBs (Holding companies, by Moody's / S&P)*¹

	Apr. 2018				
	Moody's		S&P		
Aaa					AAA
Aa1					AA+
Aa2					AA
Aa3					AA-
A1	<div>SMFG</div> <ul style="list-style-type: none">Bank of New York MellonMizuho	<ul style="list-style-type: none">MUFGState Street			A+
A2	<ul style="list-style-type: none">HSBCStandard Chartered	<ul style="list-style-type: none">Wells Fargo	<ul style="list-style-type: none">Bank of New York MellonHSBC	<ul style="list-style-type: none">State Street	A
A3	<ul style="list-style-type: none">Bank of AmericaGoldman Sachs	<ul style="list-style-type: none">JPMorganMorgan Stanley	<div>SMFG</div> <ul style="list-style-type: none">Bank of AmericaINGJPMorganMizuho	<ul style="list-style-type: none">MUFGUBSWells Fargo	A-
Baa1	<ul style="list-style-type: none">CitigroupING	<ul style="list-style-type: none">UBS	<ul style="list-style-type: none">CitigroupCredit SuisseGoldman Sachs	<ul style="list-style-type: none">Morgan StanleyStandard Chartered	BBB+
Baa2	<ul style="list-style-type: none">Credit Suisse		<ul style="list-style-type: none">Barclays		BBB
Baa3	<ul style="list-style-type: none">Barclays	<ul style="list-style-type: none">RBS	<ul style="list-style-type: none">RBS		BBB-
Ba1					BB+

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

Interest rate, stock price, and exchange rate

Interest rate of JGB, US Treasury, and Bond



Nikkei Stock Average

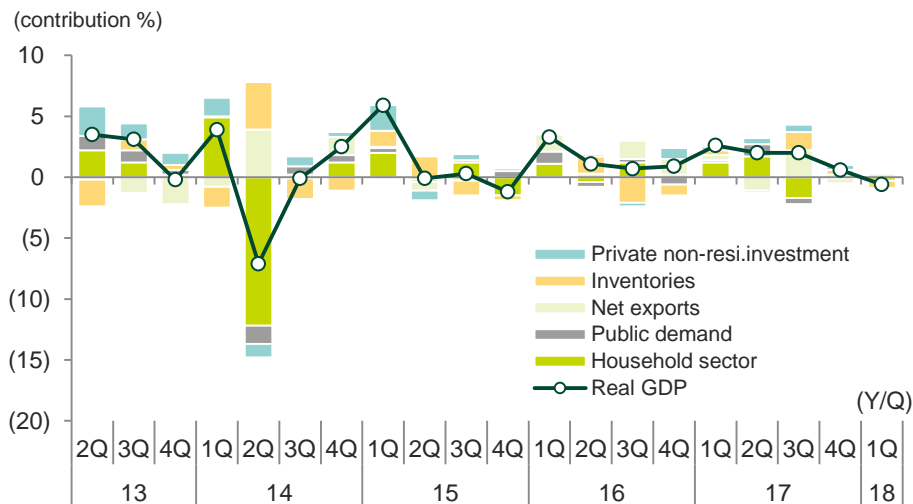


Exchange rate JPY / USD

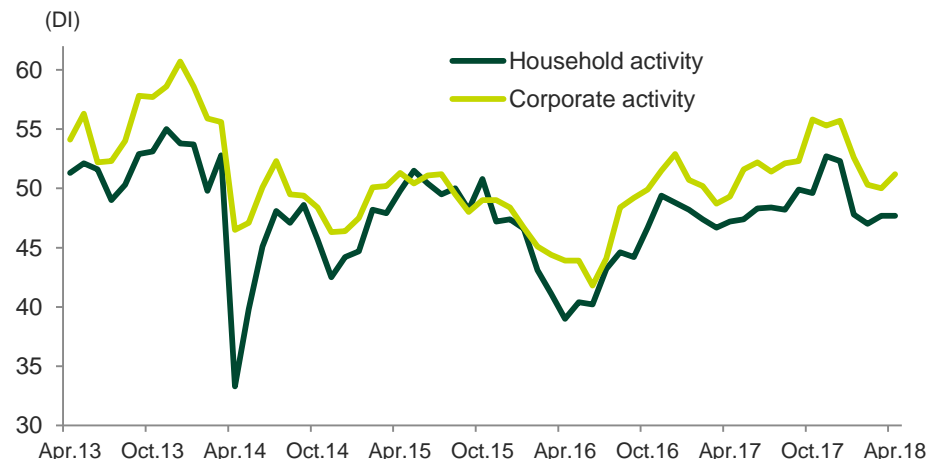


Current Japanese economy

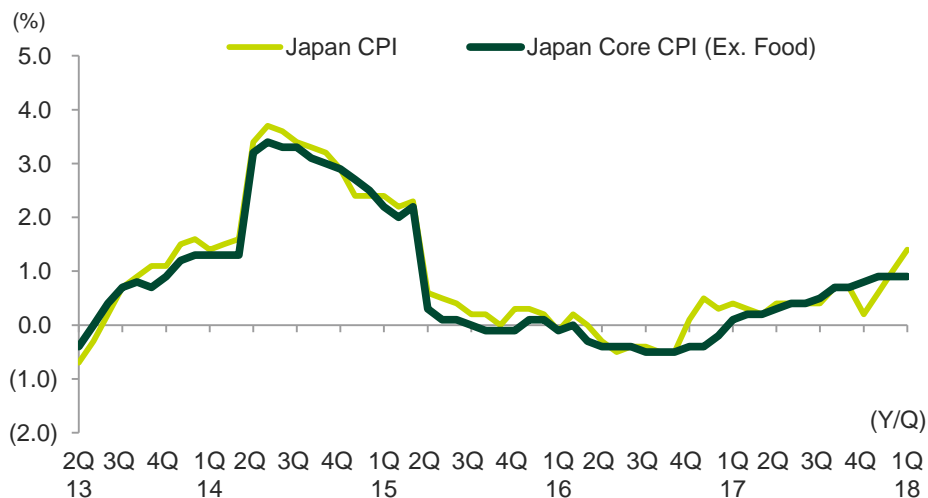
Real GDP growth rate*1 (annualized QOQ change)



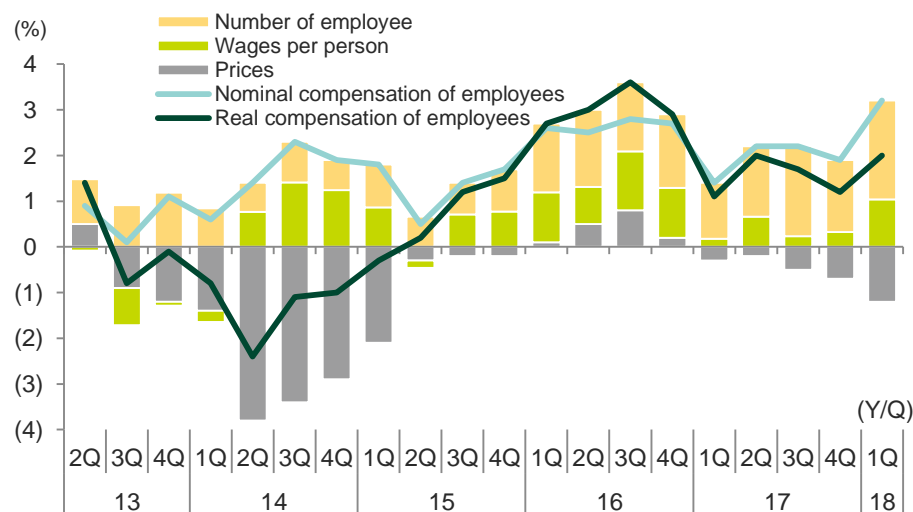
Economy watchers survey*2



Consumer price index*3 (YoY change)



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