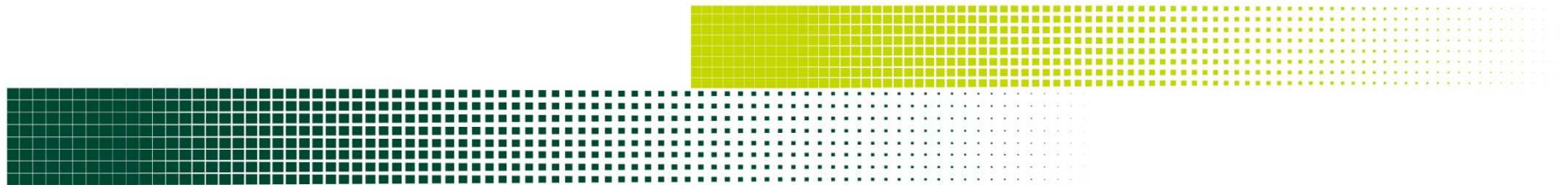


Sumitomo Mitsui Financial Group, Inc.

SMFG IR Day

June 20th, 2017



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

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

Definitions

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

Overview of the four business units

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







Retail Business Unit	Senior Managing Executive Officer	Yukihiko Onishi
Wholesale Business Unit	Deputy President and Executive Officer	Manabu Narita
International Business Unit	Deputy President and Executive Officer	Yasuyuki Kawasaki
	BTPN President Director	Jerry Ng
Global Markets Business Unit	Managing Executive Officer	Hiroshi Munemasa

Retail Business Unit

Yukihiko Onishi, Senior Managing Executive Officer



Overview of the Retail Business Unit

Overview of the business unit

	Number of customers*1 (in millions)	Number of personnel*1,2 (persons)
Retail Business Unit	43	50,000
 SMBC <small>SUMITOMO MITSUI BANKING CORPORATION</small>	25	27,000
 SMBC TRUST BANK	0.7	1,000
 SMBC NIKKO	2	8,000
 SUMITOMO MITSUI CARD COMPANY, LIMITED	9	3,000
 Cedyna	12	7,000
 SMBC CONSUMER FINANCE	2	3,000

AUM Balance (JPY tn)	Investment products	45
	Yen deposits	44
	Foreign currency deposits	1.4
Credit card sales handled (JPY tn)		15
Balance of unsecured card loans (JPY tn)		1.8
Origination of housing loans (JPY tn)		1.1

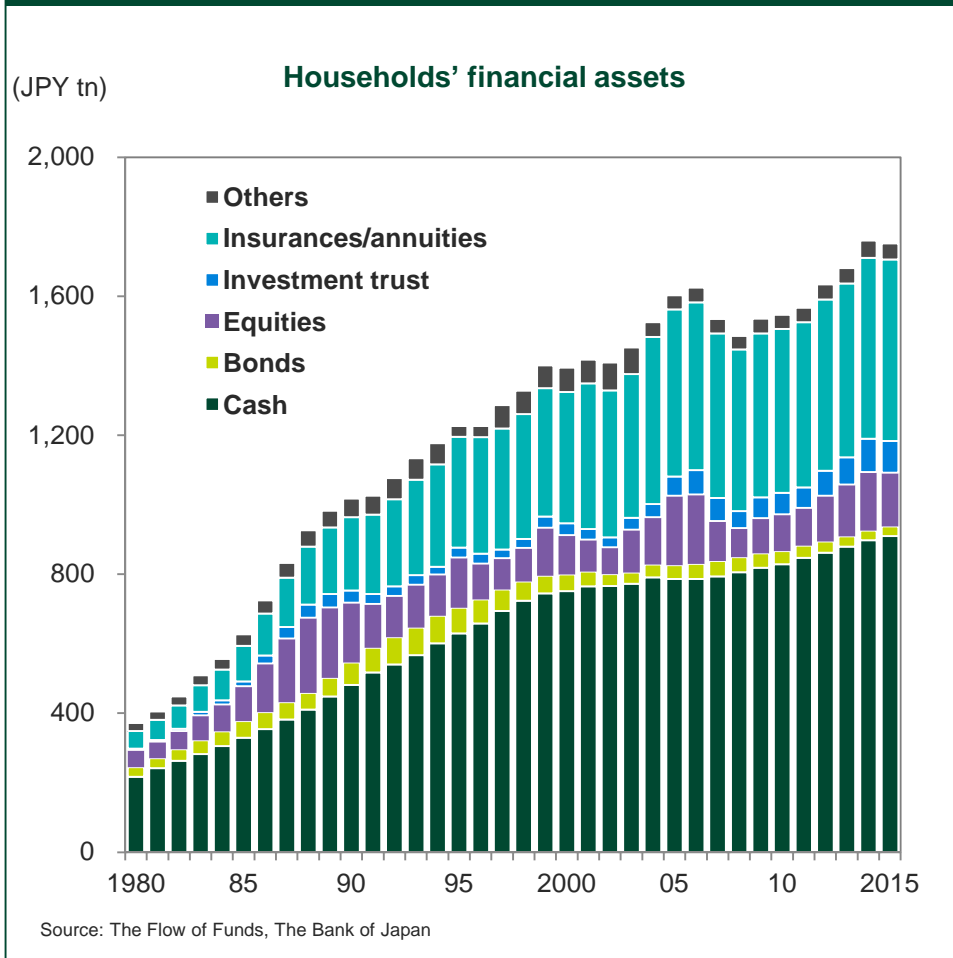
FY3/2020 plan

	FY3/2020 plan	FY3/2017 comparison
Gross profit*3	JPY 1,340 bn	+ JPY 68 bn
Net business profit*3	JPY 285 bn	+ JPY 15 bn
ROE	7%	
Risk-weighted assets	Reduce overall while strengthening businesses such as credit cards and CF	

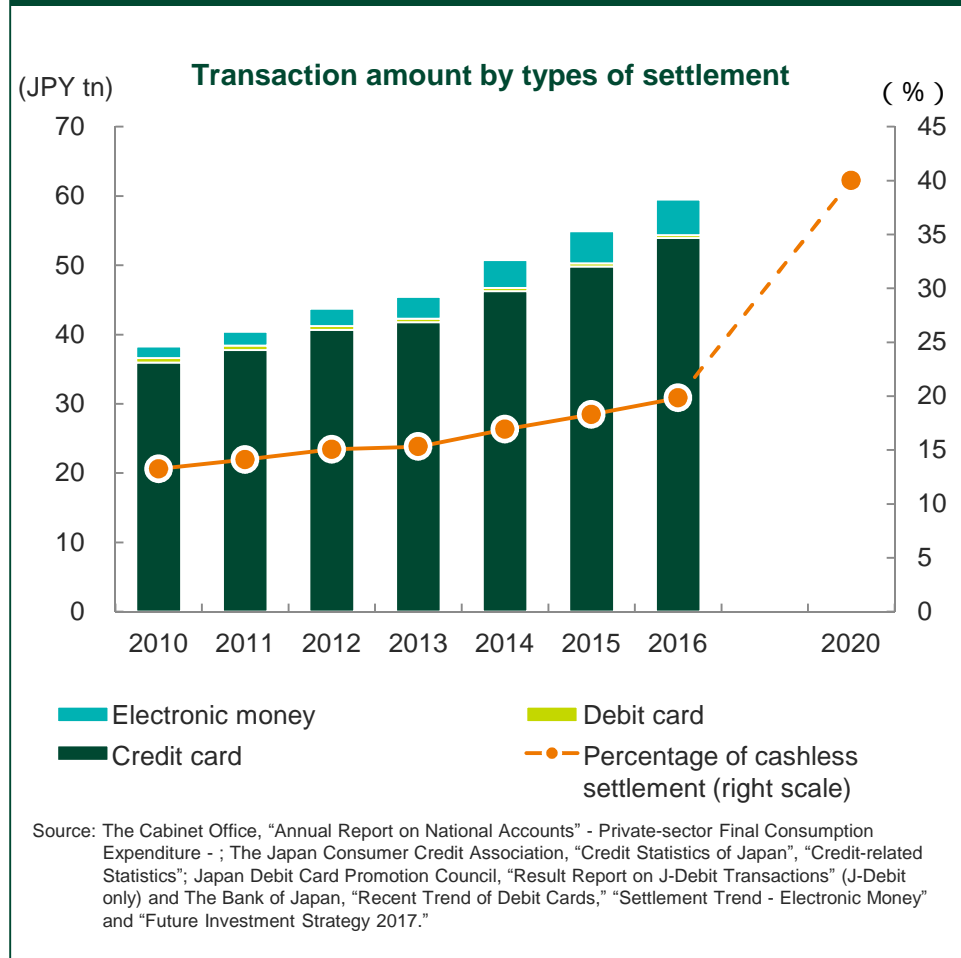
*1 Rounded numbers. Total number of customers is shown excluding overlapping customers. *2 Including part-timers and dispatched employees. As these are rounded numbers, the total number of personnel and the sum of each company do not match. *3 FY3/2017 comparisons are after adjustments for interest rate and exchange rate impacts

- Despite the unfavorable trend of the prolonged low-interest rate environment, we see business opportunities driven by social changes including the shift from savings to investments, progress of the cashless trend and digitalization

Shift from savings to asset building



Cashless / Digitalization

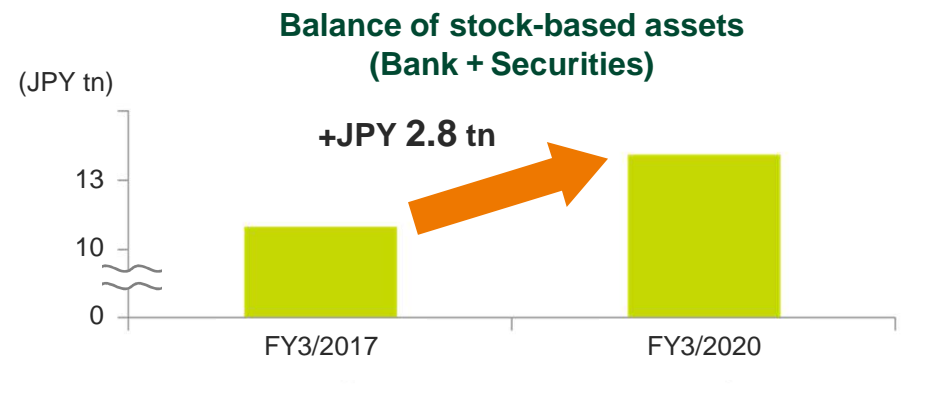


1 Hold the number one retail banking franchise in Japan

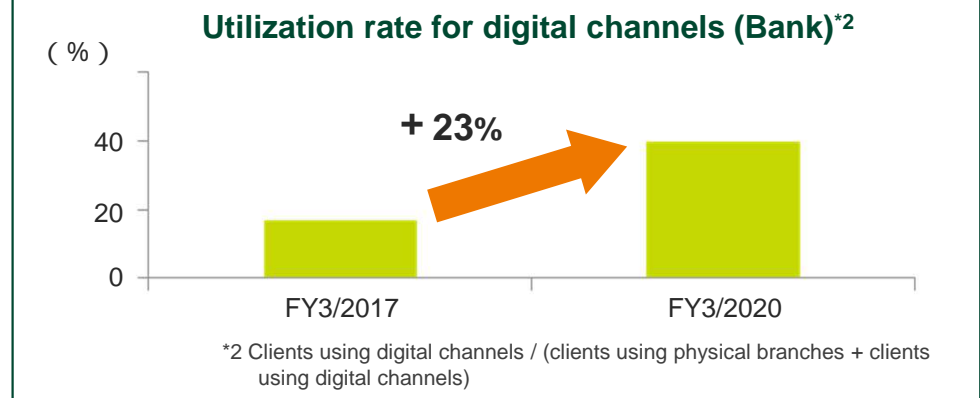
- Raise customer satisfaction and improve efficiency/earnings strength through consulting capability and digitalization

- Strategies**
1. Enhance wealth management business through bank-securities integration
 2. Transform business model through digitalization and group integration
 3. Reform of cost structures

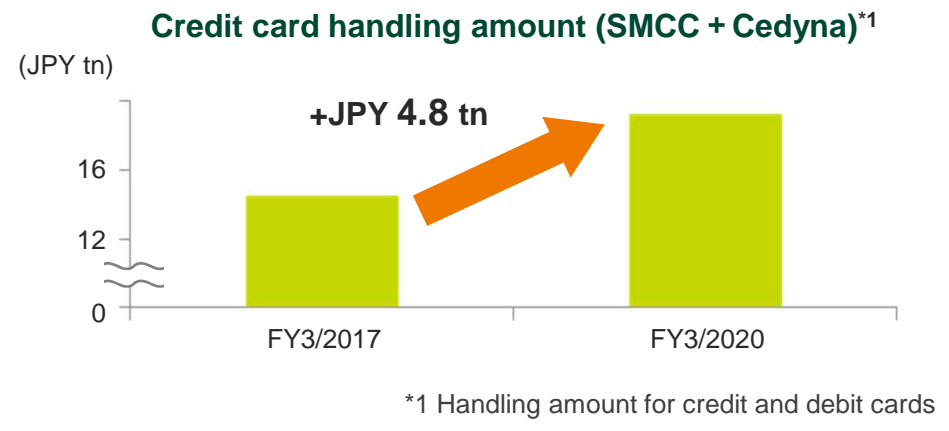
Promote wealth management business



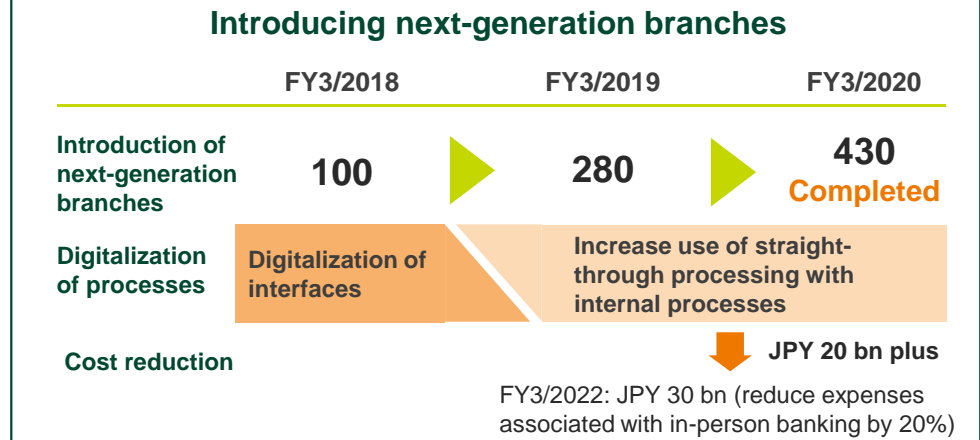
Promote digitalization



Promote credit card business



Branch reorganization



Overview of the Retail Business Unit strategy

- Hold the number one retail banking franchise in Japan
~ Raise customer satisfaction and improve efficiency/earnings strength through **consulting capability** and **digitalization**

Business environment

**Prolonged ultralow-interest rate
(negative interest rate) environment**

**Shift from savings to
asset building / wealth management**

**Opportunities of
digitalization and cashless**

Strategies

Promote wealth management business through bank-securities integration

- Promote medium- to long-term diversified investments
- Bank-securities integration

Transform business models through digitalization and group integration

- Promote “two types of integration” in the card business
- Integrate business operations of SMBC and Mobit in the consumer finance business
- Transform business models of housing loans targeting highly valued customers

Promote customers to mutually be its main customer in each of our group companies

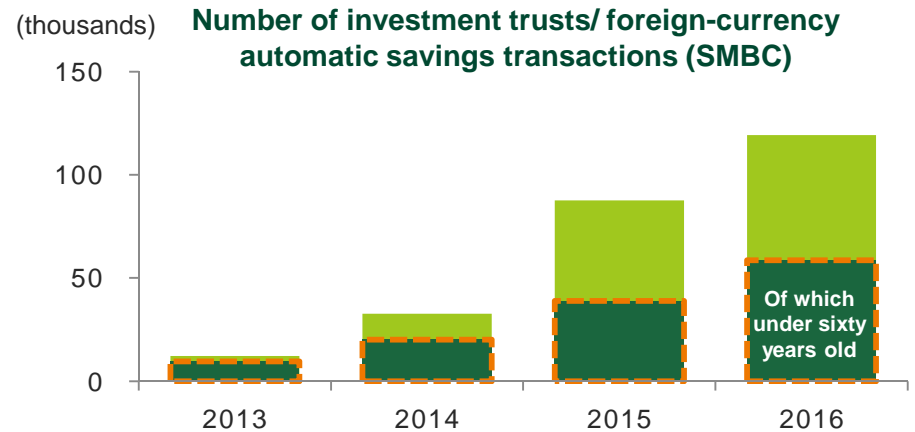
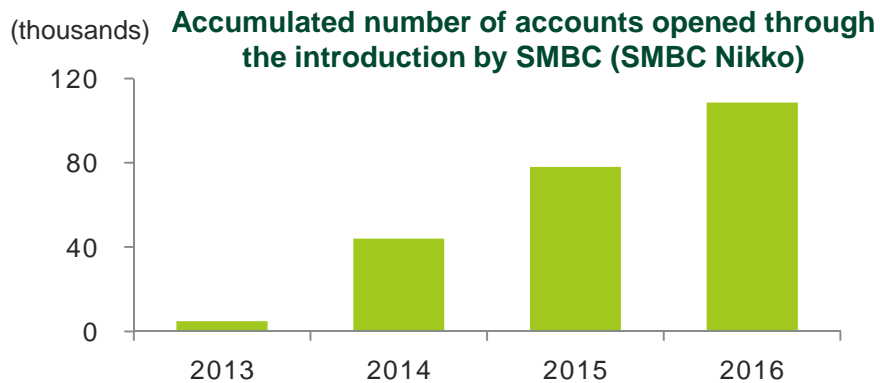
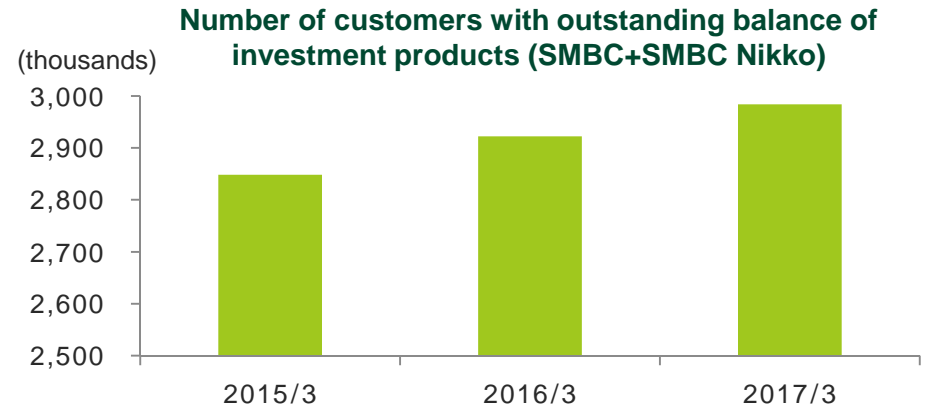
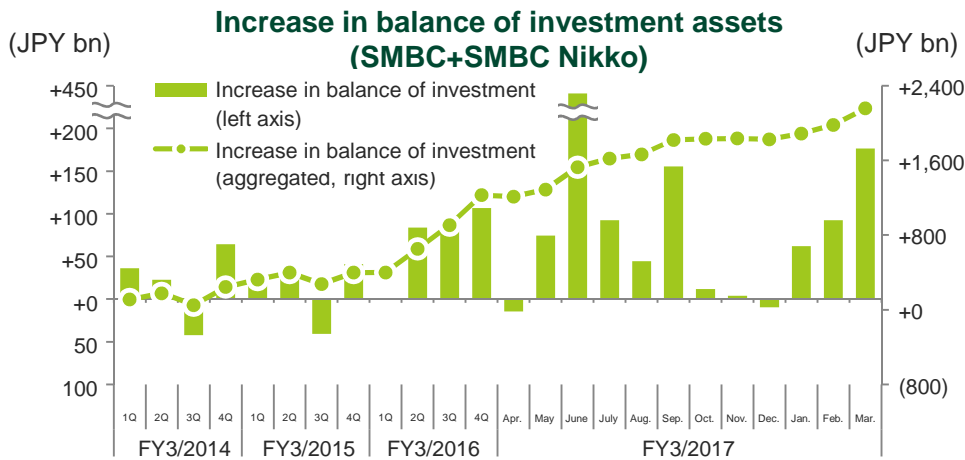
Reform cost structures

- Branch reorganization
- End-to-end digitalization of administration processes

Promote wealth management business

- Wealth management business through bank-securities collaboration grew significantly during the previous medium-term management plan

Achievements



Note: Started handling foreign-currency automatic savings from April 2015.



Strategies of the wealth management business going forward

- Lift the following strategies to the Next Stage:
“Promote medium- to long-term diversified investments” and “bank-securities integration”

Promote medium- to long-term diversified investments

Assets diversification	Wrap accounts and balanced funds Launching new floor-type products
Currencies diversification	Holding foreign currencies for investments
Time diversification	Automatic savings of investment trusts and foreign currency deposits
Insurances	Meeting needs of “pension,” “inheritance” and “gift”

Bank-securities integration

PB Upper high-net-worth individuals	 Strengthen the ability to support upper high-net-worth individuals <ul style="list-style-type: none">■ Assign people exclusively in charge of upper high-net-worth individuals■ Introduce the risk management technology, “Aladdin®” to individual clients (first in Asia)
High-net-worth individuals Mass affluent	Clarification and enhancement of Bank-Securities roles
	 Focus on broadening the customer base <ul style="list-style-type: none">■ Shifting SMBC Nikko’s staffs to SMBC■ Prioritizing consulting activities at the branches■ Utilizing digital channels

Credit card business strategy through group integration

- The credit card business is a growing market where “SMFG can win” by using our strong market position

Business environment

Heading towards a cashless society

Strong market positions: SMCC and Cedyne

Robust customer base of SMBC

Promote two types of integration

Integration of SMBC and SMCC

Integration of SMCC and Cedyne

SMBC SUMITOMO MITSUI BANKING CORPORATION

SUMITOMO MITSUI CARD COMPANY, LIMITED

Cedyne

- Integrate marketing operations
 - Consolidate resources into SMBC
 - Invest resources intensively in SMBC channels

- Integrate business operations
 - Clarification of roles
 - Sharing of management resources

(Reference)
Contactless IC debit card with settlement service function (first in Japan)



- Equipped with two touch sensors function* (first in Japan)

- Available for use in 710 thousand places in Japan and in 71 countries and regions

*iD, Visa payWave

Consumer finance business strategy

- Continues to be an important business. Take advantage of holding the three brands of SMBC, Mobit and PROMISE

Integration of SMBC and Mobit

- Strengthen collaboration between “Mobit”, the only bank-affiliated company in the industry, and “SMBC”
- PROMISE to secure its position in the main consumer finance market



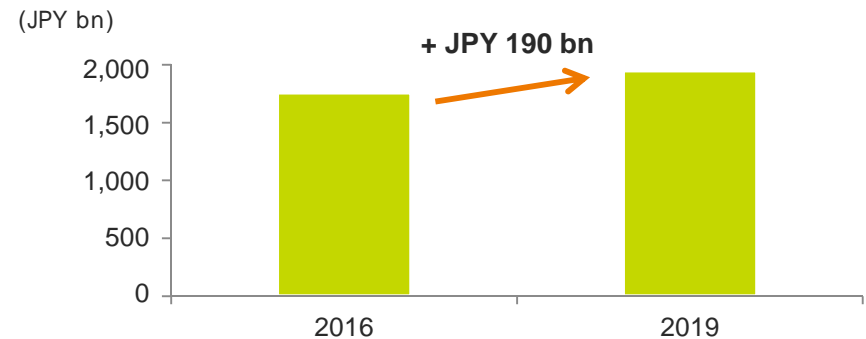
Efforts to build a sound consumer finance market

- Review the usage of advertisements and credit management to protect users in a more fulfilling way
 - Review the volume/time slots of TV commercials
 - Reduce the minimum requirement for income certificates from “over 3,000,000 yen” to “over 500,000 yen”

Digitalization

- Enhance customer convenience through digitalization
 - Improvement of web services
 - Integration of internet/digital planning and development
- Optimization of the channel network through digitalization
 - SMBC’s ACMs to start serving Mobit customers
 - Reduce the number of automated machines on a group basis

Balance of unsecured card loans (Group total/KPI)



Branch reorganization

- Transform all the domestic retail branches to next-generation branches within three years

Concept

Change the way of offering services to customers

- Achieve both enhancing customer satisfaction and reducing cost at the same time
- Utilize digital technology to execute the reform intensively in a short period of time

Change administration process

Change the concept of branches

Cost structural reform

JPY 30 bn
(reduction in FY 3/2022)

Through investments of over 50 billion yen, not only enhance the customer experience but also rationally improve the cost structure

Reduce the number of administrative staff by improving efficiency

JPY 10 bn

Reduce the rent payment by downsizing the branch space

JPY 10 bn

Ripple effect on operating expenses

JPY 10 bn

Wholesale Business Unit

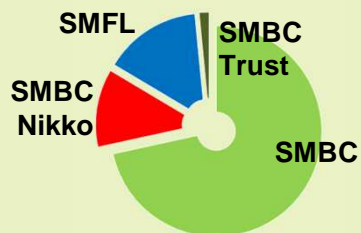
Manabu Narita, Deputy President and Executive Officer

Overview of the Wholesale Business Unit

- Highly efficient business unit with ROE of 10% and Net Business Profit of 473.1 billion yen

FY3/2017 Performance

Gross profit	JPY 775.6 bn
Net business profit	JPY 473.1 bn
Loan balance (SMBC)	JPY 31.2 tn
ROE	10%
Number of personnel	8,500



Visions



Be a bank that gives each of our corporate clients our full attention, grows with them, and contributes to the development of the Japanese economy



Aim towards the No.1 position in Japan in terms of client base and revenues/profits in the FY 3/2020



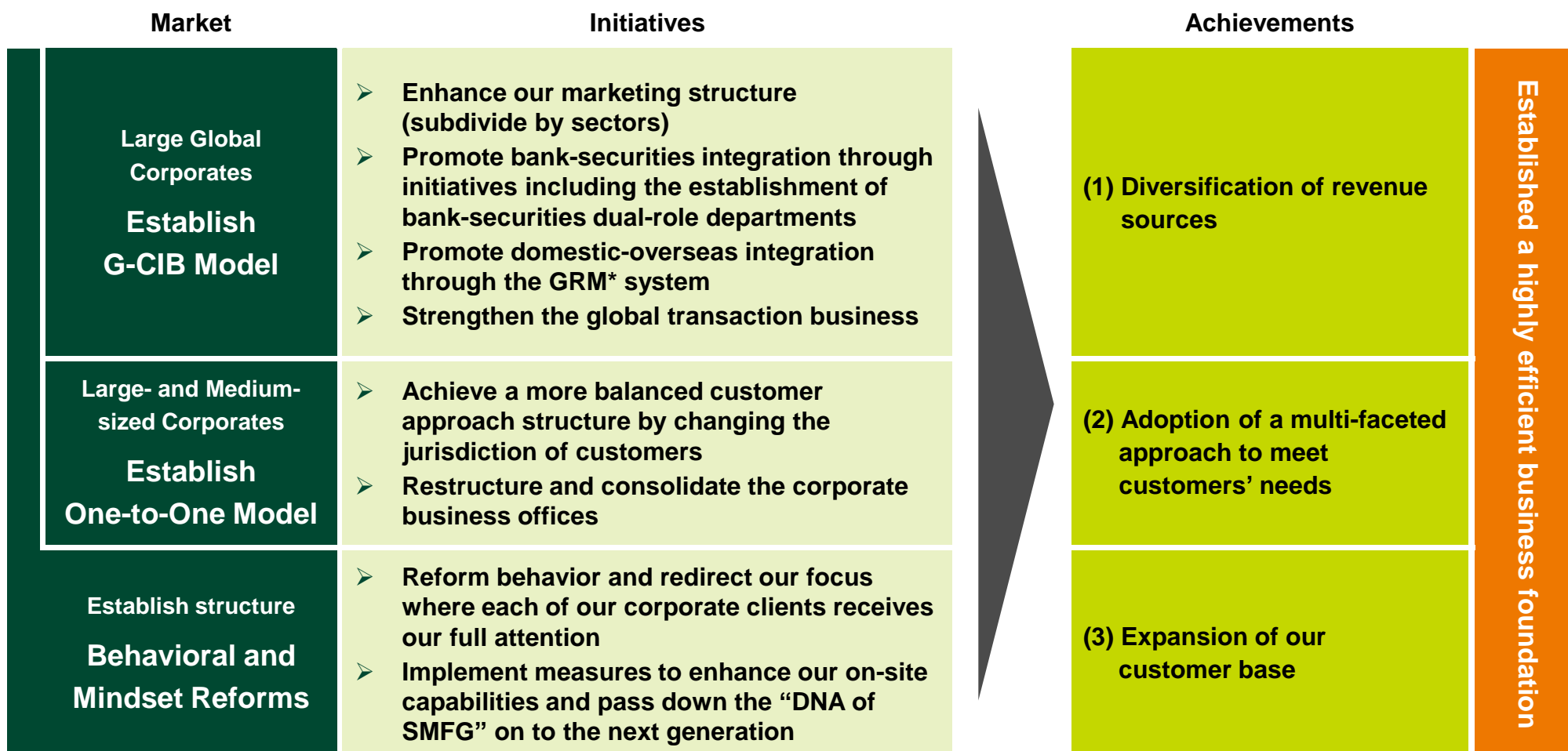
Be No.1 in the industry for providing financial solutions to machinery and equipment on a global basis



Provide value added solutions for real estate and trust businesses

Review of domestic operational reform (FY3/2015–3/2017)

- Through the domestic operational reform, we segmented our customers in accordance with their needs and characteristics, restructured our sales structure, and promoted initiatives to establish the G-CIB Model and the One-to-One Model

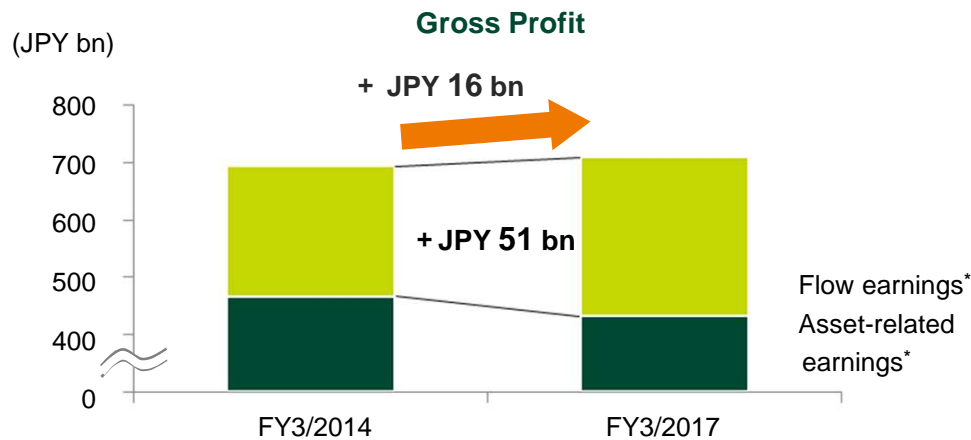


* Global Relationship Management. A system that focuses on deepening the relationship with existing customers by sharing business and marketing policies on a global basis.

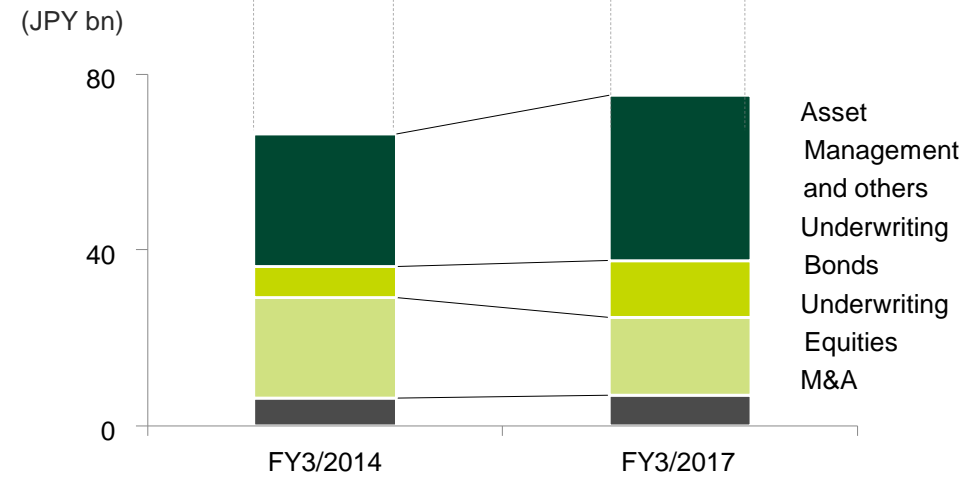
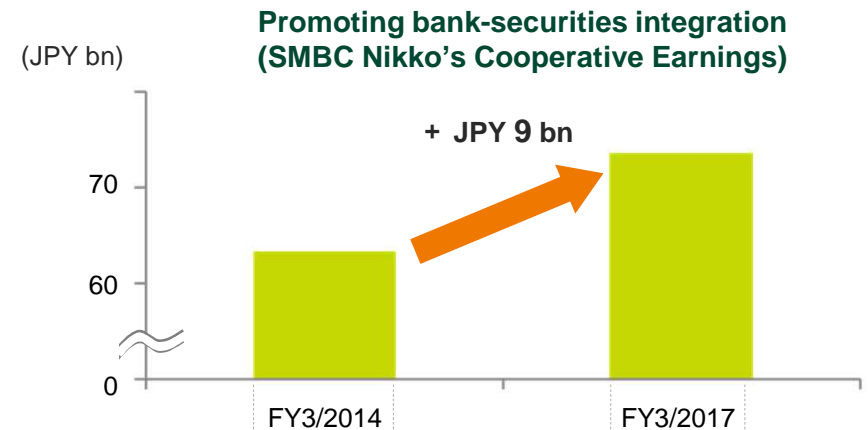
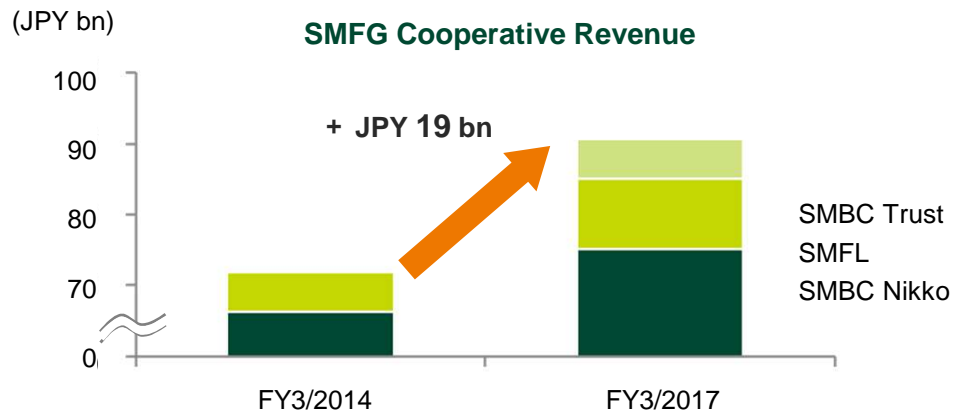
Initiatives to establish a highly efficient business foundation

- Increased flow earnings (increased 51 billion yen over 3 years) that led to growth of consolidated gross profit (increased 16 billion yen over 3 years) despite the low interest rate environment
- Increased cooperative revenue (SMBC Nikko, SMFL, SMBC Trust) by implementing group-wide initiatives (increased 19 billion yen over 3 years)

(1) Diversification of revenue sources (2) Adoption of a multi-faceted approach to meet customers' needs



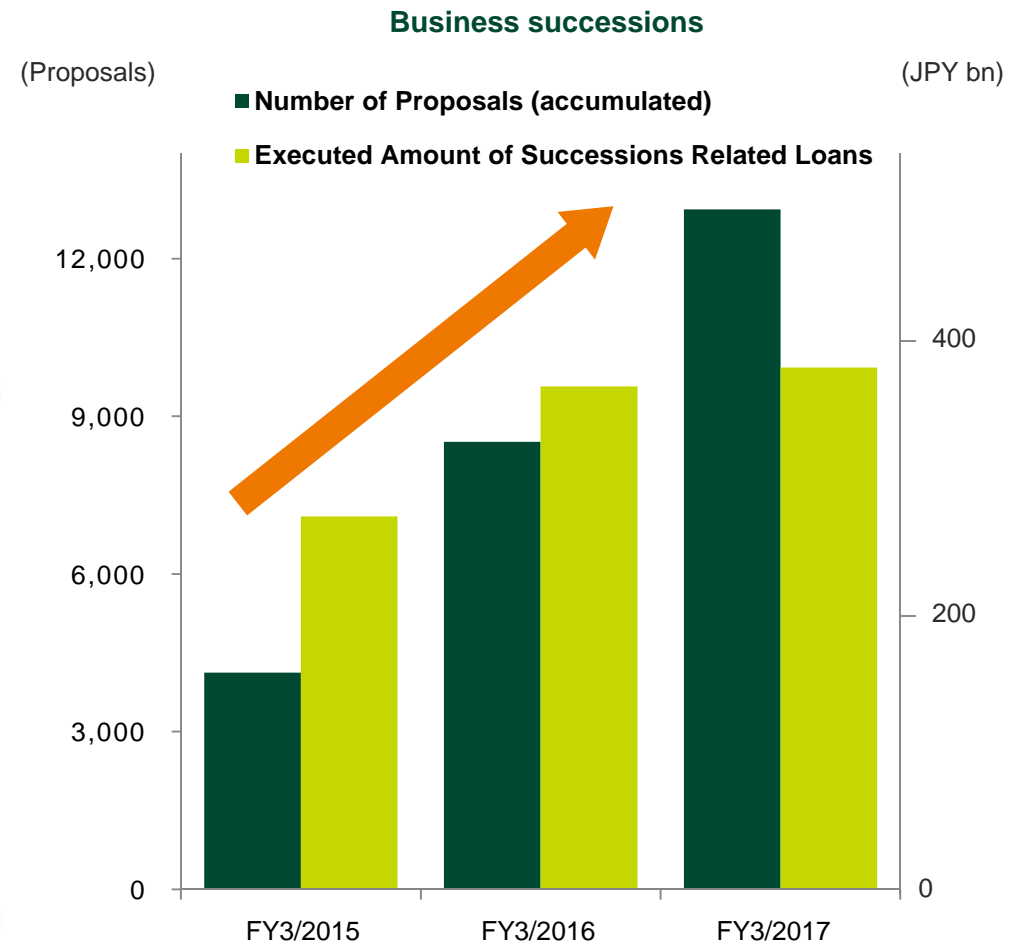
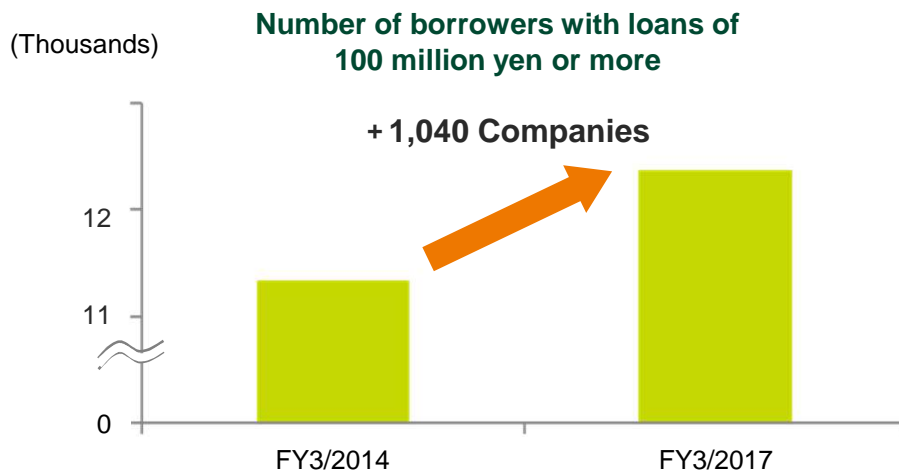
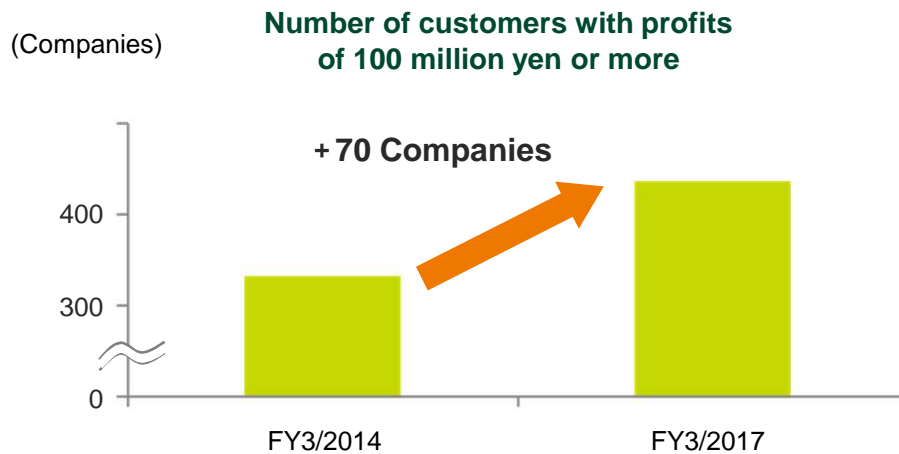
* Flow earnings: non-interest income including fees
Asset-related earnings: interest income related to loans and deposits



Initiatives to establish a highly efficient business foundation

- Increased the number of customers with profits of 100 million yen or more (+70 companies over 3 years) and the number of borrowers with loans of 100 million yen or more (+1,040 companies over 3 years)
- Conducted a mid-to-long term customer-oriented approach including promoting business successions to expand our customer base

(3) Expansion of our customer base



Strategic points of the Medium-Term Management Plan

- Expand our competitive advantage in the medium-sized enterprise market by providing various solutions based on the company's growth stage and create a positive growth cycle
- Support dynamic business activities of large corporate clients with our group- and global-wide integrated business model in banking, securities, and leasing

Strategy

Initiatives

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

- Offer multi-solutions on a group wide basis

Key Fields

Support start-up companies and growing industries, PB approach, enhancing corporate value (PE Fund), real estate business, middle market IB, HR solutions

- Sustain and enhance our superiority both in productivity and efficiency

Increase market share in Corporate & Investment Banking in key global markets

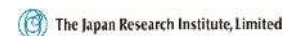
- Enhance customer segmentation and set priorities for resource allocation
- Strengthen Corporate & Investment Banking model both in Japan and overseas

SMFG Group



SMBC
Venture Capital

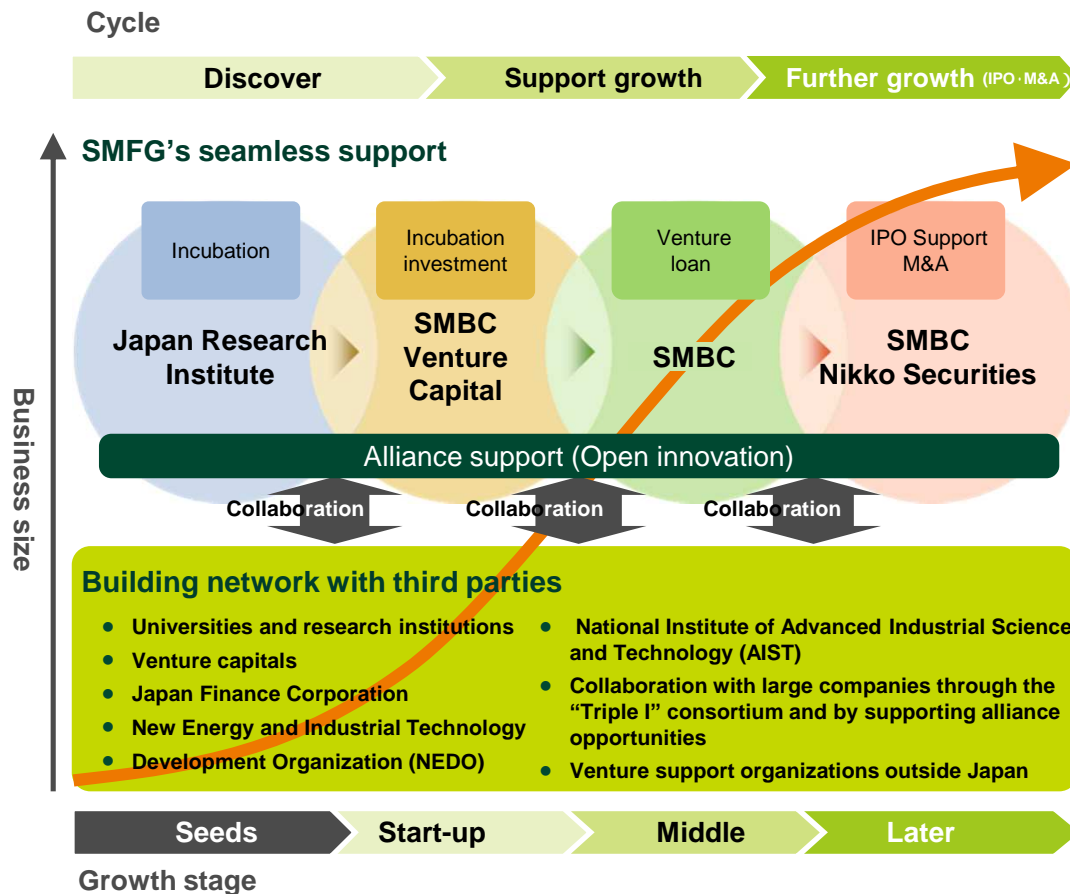
SMBC CONSULTING



Strategic point— support start-up companies and growing industries

1. Support companies throughout their growth stage by leveraging our group companies' external network such as large corporations and university-related research institutions

1. Support start-up companies, growing industries



Overview of the Incubation & Innovation Initiative



Japan's first business consortium that cooperates with different industries and supports the commercialization of business ideas and highly innovative technology, which will become the foundation for Japan's strategic growth

Practices of the Initiative

(i) Support the commercialization of start-up companies, and the spin-out and carve-out of existing businesses	Pitch Contest "Mirai"
(ii) Collaborative R&D of new businesses between the consortium members and start-up companies	Various Types of Research Groups
(iii) Research of the legal system and policy recommendations	

Initiatives towards growing industries on a group basis

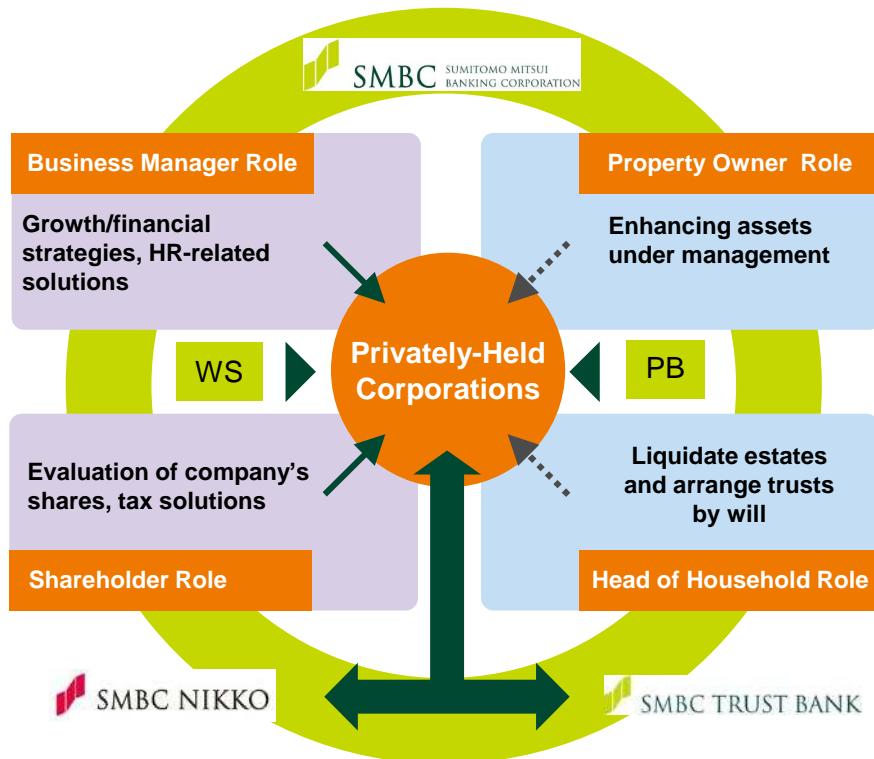
- Growth Industry Cluster Department
- Growth Strategy Project Team
- Next-Generation Autos Project Team

Strategic point—Private Banking / Increase corporate value (PE Fund)

2. Support privately-held large- and medium-sized corporations from both the PB approach and corporate business approach
3. Further raise our origination capabilities on a group-wide basis and support the enhancement of our customers' corporate value through cooperation with the Private Equity funds

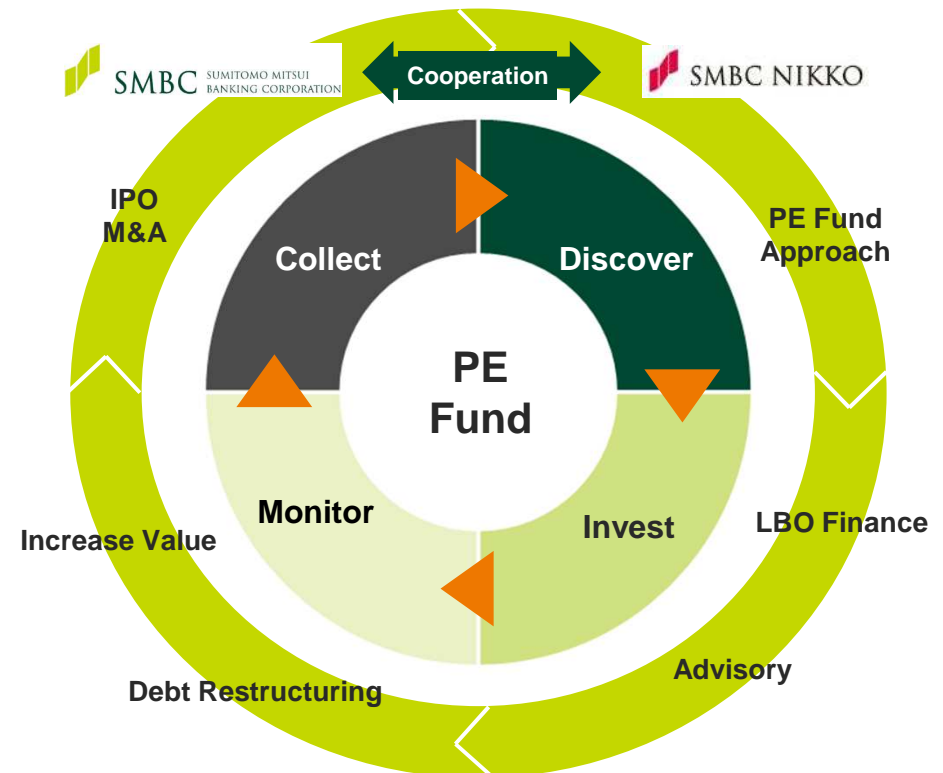
2. PB approach

The various business units of SMBC and Group companies will jointly support privately-held large- and medium-sized corporations where owners take on four roles



3. Enhance corporate value (PE Fund)

SMBC and SMBC Nikko together with the PE Fund will support to enhance the corporate value of our customers



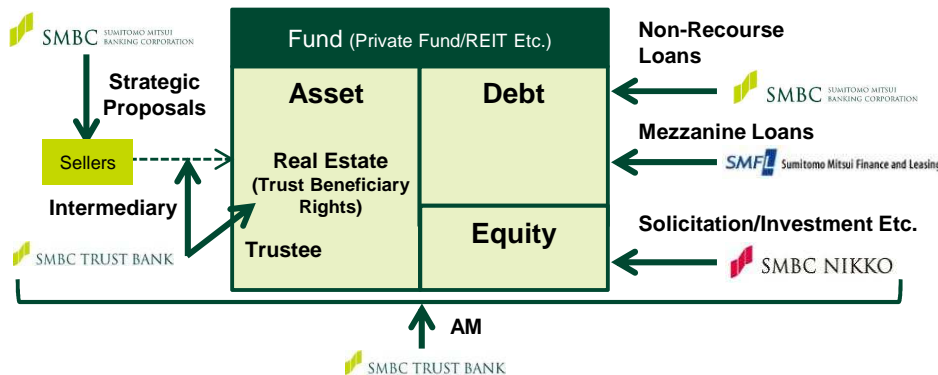
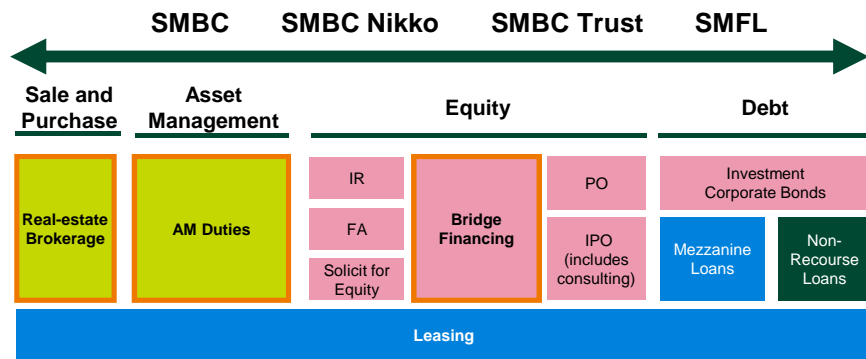
Strategic point—Real estate / Large global corporate customers

- 4. Maximize synergies by leveraging the full lineup of our real-estate related services on a group-wide basis
- 5. Support the dynamic business activities of our large corporate clients by leveraging global/Group synergies with the bank-securities integration and the domestic-overseas integration approaches

4. Real estate

- Provide loans and various services using our asset-light business model

Solution Lineup



5. Large global corporate customers

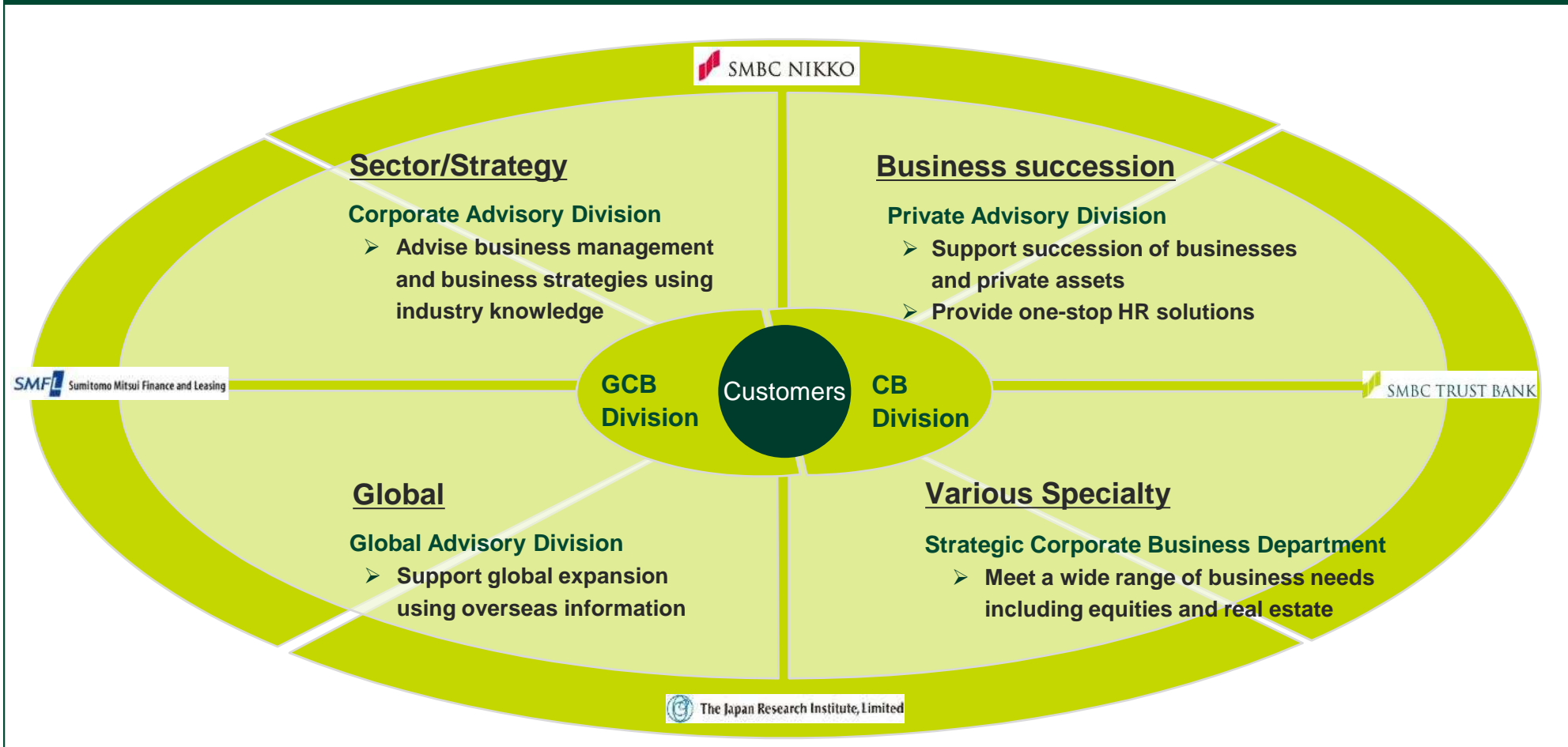
- Establish a solid support system where the group as a whole is a strategic partner for our customers, and support their dynamic corporate activities
- Support the entire deal process of cross-border M&A projects on a group basis



Strategic point—One advisory



- Our on-site capabilities comes from the high marketing skills of our marketing staff and expertise of our “double front” function
- Establish a “double front” organization that has experience and a wide range of knowledge (including sector-related and global-related) to increase our customers’ corporate value

One Advisory (On-site Capabilities = Marketing Staff + Double Front)



Maintain High Efficiency / KPI

Maintain High Efficiency

	FY3/2020 plan	FY3/2017 comparison
Gross profit*	JPY 795 bn	+ JPY 27 bn
Net business profit*	JPY 480 bn	+ JPY 15 bn
ROE	10%	
Risk-weighted assets	Reduce mainly through sales of strategic shareholdings	

Major KPIs

	FY3/2020 plan	FY3/2017 comparison
Market share in Japanese corporate bonds (Lead Arranger)	20.0%	+2.6%
Number of IPO lead arranger deals	No.1	No.4 → No.1
Number of M&A advisory deals	No.1	No.2 → No.1
Number of companies with core earnings	8,675 Companies	+100 Companies
Increase rate of non-interest income	+8.8%	-

* FY3/2017 comparisons are after adjustments for interest rate and exchange rate impacts

International Business Unit

Yasuyuki Kawasaki, Deputy President and Executive Officer

Overview of the International Business Unit

Overview of the business unit

Number of overseas offices

111 offices*¹ in 39 countries and regions



Overseas profit ratio

32% (Managerial accounting basis, consolidated net business profit)

Group companies



Overseas/international business

Loan balance*^{2,3}

USD 211 bn

Number of personnel

Approx. 9,000

FY3/2020 plan

	FY3/2020 plan	FY3/2017 comparison
Gross profit* ⁴	JPY 670 bn	+ JPY 83 bn
Net business profit* ⁴	JPY 415 bn	+ JPY 50 bn
ROE* ⁵	9%	
Risk-weighted assets	Focus on profitability and reduce growth rate by 40% compared to the previous three years	

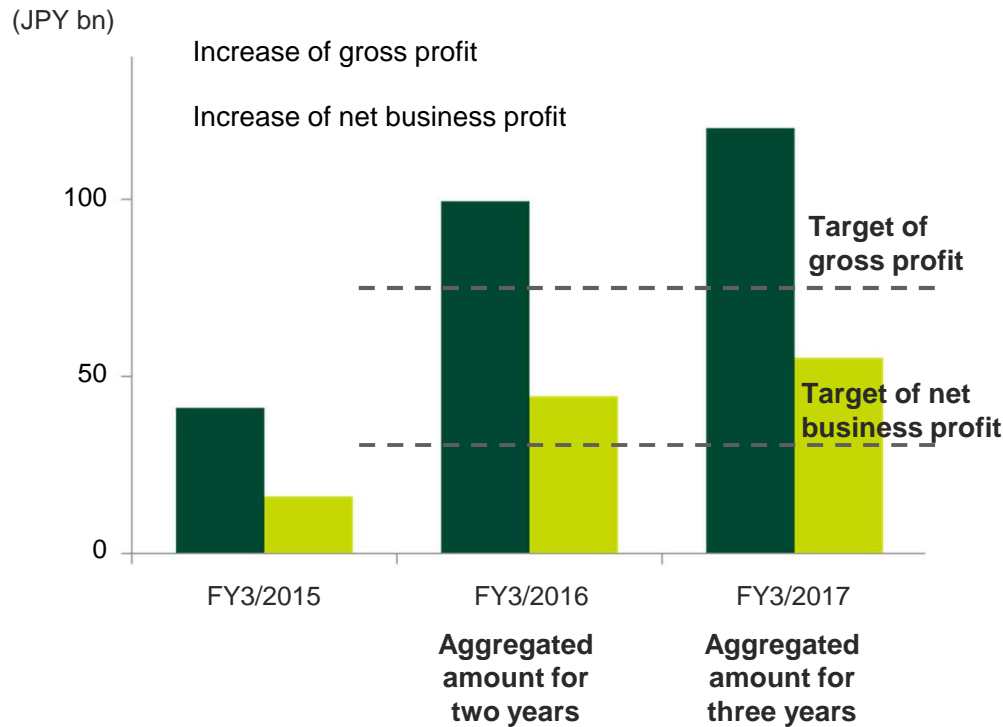
*1 Offices engaged in banking, securities and leasing businesses. Those scheduled to be closed are excluded. *2 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). *3 Converted into USD at respective period-end exchange rates *4 FY3/2017 comparisons are after adjustments for interest rate and exchange rate impacts *5 Excludes the mid- to long-term foreign currency funding costs.

Review of the previous Medium-Term Management Plan (FY3/2015-FY3/2017)

- Achieved the profit target in the previous Medium-Term Management Plan in two years by promoting bank-securities integration and expanding our strong asset finance business
- Portfolio of investing companies contributed as a growth driver for SMFG

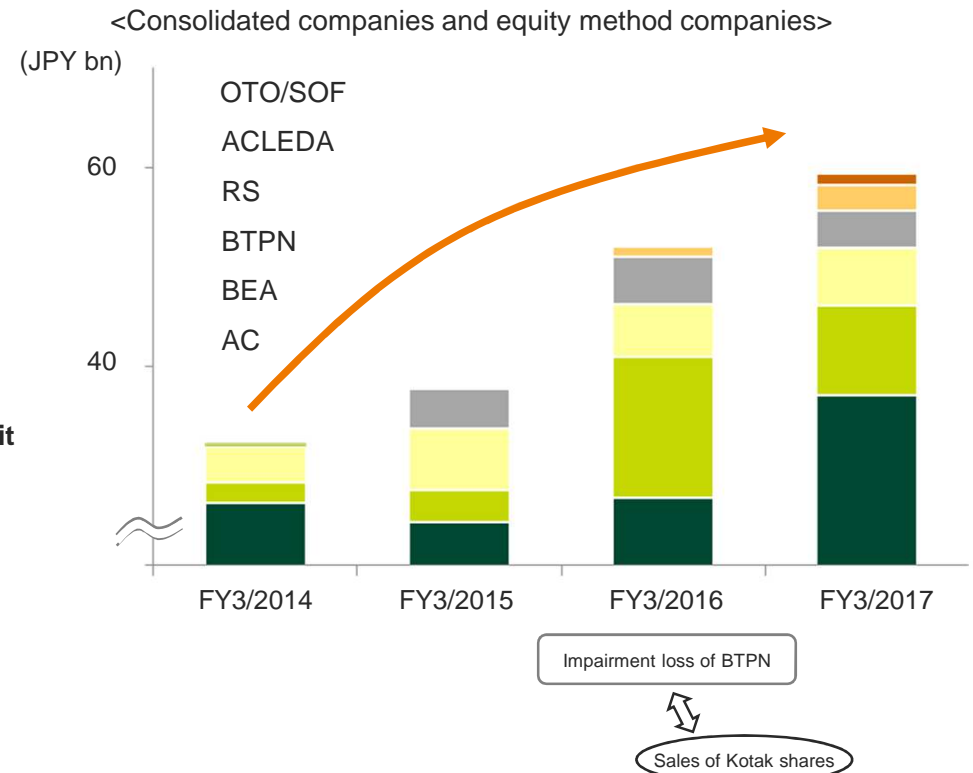
Business Expansion

Achieved the target of the Medium-Term Management Plan ahead of schedule



Inorganic growth

Profit contribution from investing companies increased significantly



Note: Managerial accounting basis

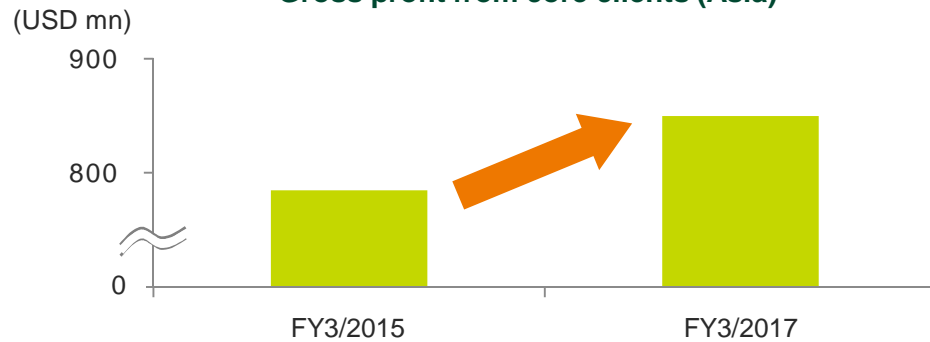
Steady progress of Asian strategy

- Building up the business platform towards achieving the Asia-centric business model (Asia-centric First Stage)
 - ➔ Made steady progress in cross-selling. The loan to deposit ratio improved significantly
 - ➔ Pursued “One Indonesia” strategy. Gross profit and number of customers increased significantly

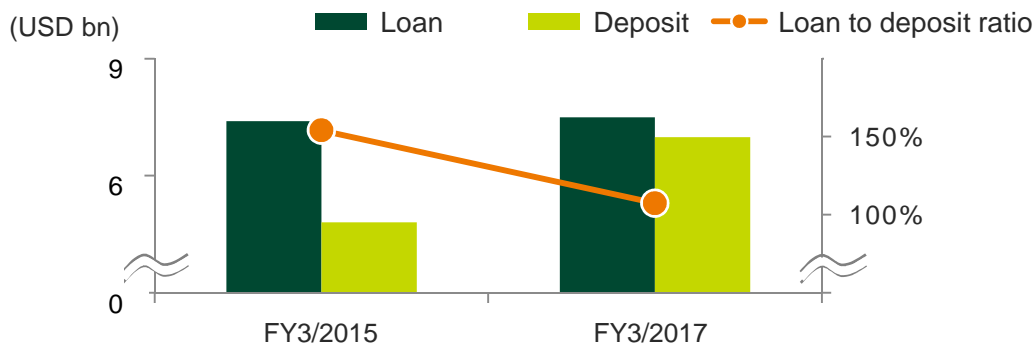
Asian strategy

Increased cross-selling in Asia

Gross profit from core clients (Asia)



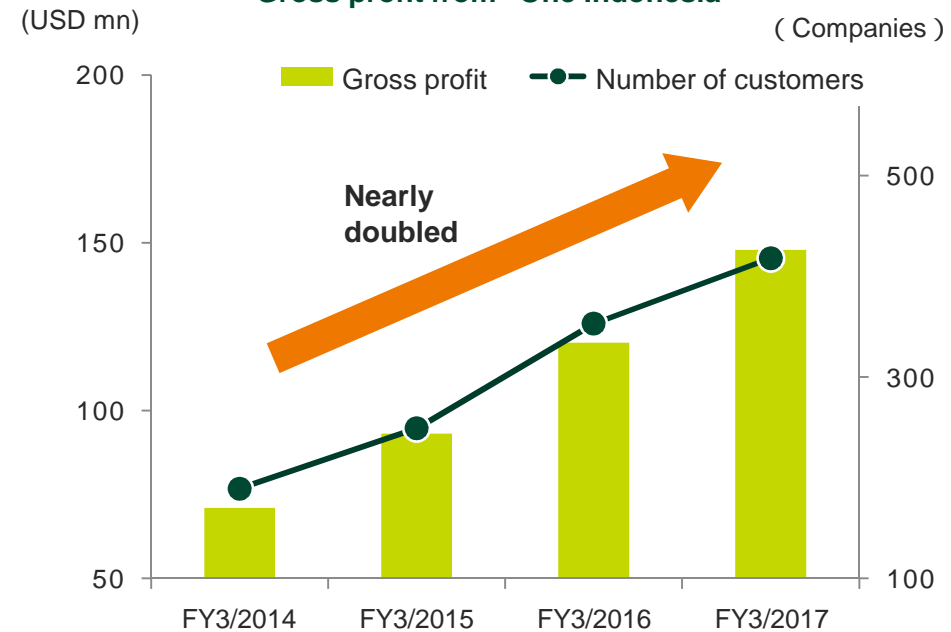
Deposit and loan outstanding (Asia)



One Indonesia

Gross profit and customer base expanded steadily

Gross profit from “One Indonesia”



International business unit: Medium-Term Management Plan

Core policy


1 Discipline

2 Focus

3 Integration

- Promote key initiatives to the “Next Stage”:
 - Integration of bank, securities and leasing businesses
 - Our strong asset finance business and corresponding O&D business model
 - Asia-centric strategy
- Strengthen the business base including the Asian retail business that is expected to be our growth area for the next ten years
- Pursue bottom-line growth and enhance “capital”, “asset” and “cost” efficiencies by disciplined management of credit risk, expenses and liquidity

Financial targets

	FY3/2020 plan	FY3/2017 comparison
ROE*1	9.0%	
	FY3/2020 plan	FY3/2017 comparison
Business profit*2	JPY 415 bn	+ JPY 50 bn
	FY3/2018-FY3/2020	(Reference) FY3/2015-FY3/2017
RwA three-year change	Focus on profitability and reduce growth rate by 40% compared to the previous three years	+22%

KPI

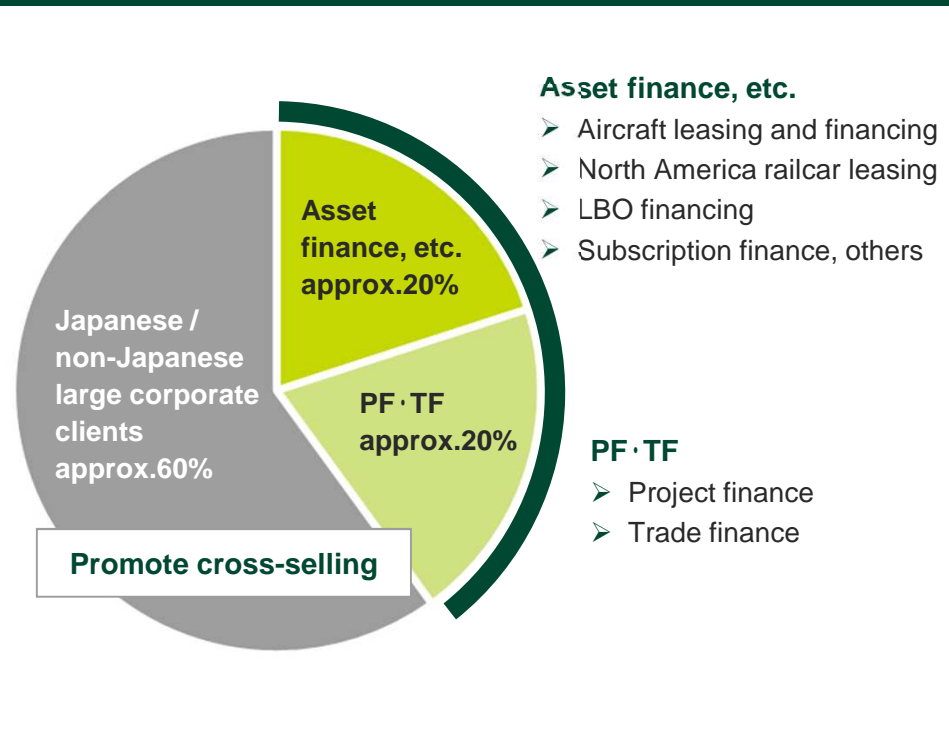
Bank-securities integration	Number of securities transactions with active book runner roles	1.5x
	Number of cross-selling transactions related with securities business	2x
Asset turnover	Number of O&D transactions on focused products	1.5x
Asia-centric “Next Stage”	Number of key clients in Asia	+15%
	Non-asset based profit in Asia	+15%
	Profit from multi-franchise strategy in Indonesia	1.3x

*1 Managerial accounting basis with RWA calculated assuming Basel III reforms are finalized. Excludes the mid- to long-term foreign currency funding costs

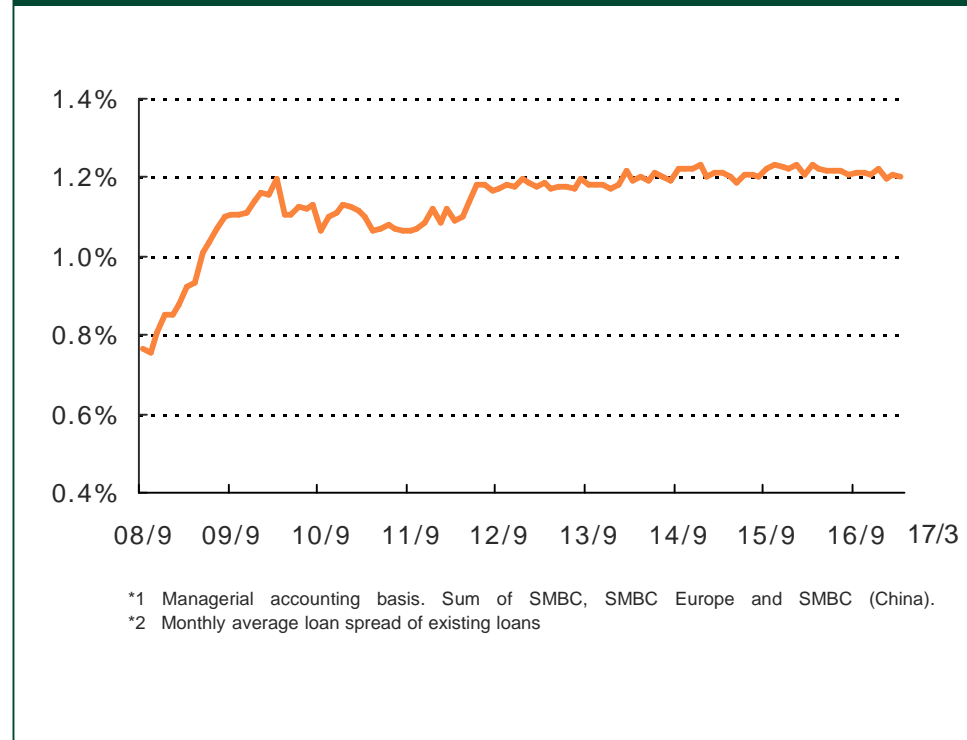
*2 FY3/2017 comparisons are after adjustments for interest rate and exchange rate impacts

- Based on the risk appetite framework (RAF) of the International Business Unit, control the portfolio appropriately by taking advantage of the strengths of the group's overseas business, and as a result maintain the overseas loan spread at a high level

International Business Unit portfolio (current)



Overseas loan spread*1, 2



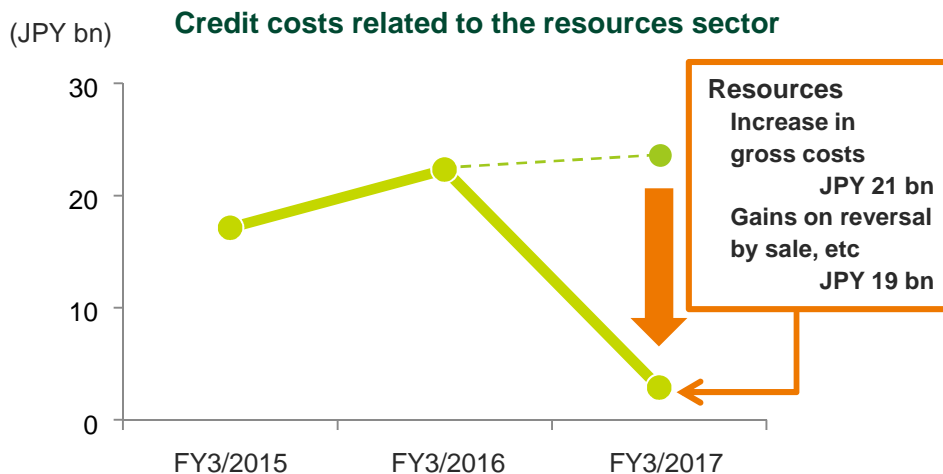
RAF Expected to raise the ratio of assets that we hold strength (Asset finance, PF and TF) to about 45%

- Maximize the bottom line profit by proactively managing the credit cost with a disciplined manner
- Achieve growth while maintaining the quality of the credit portfolio based on the Risk Appetite Framework

Credit costs^{*1}

Disciplined credit management

- Control the credit costs through nimble portfolio management
 - Proactive sales of potentially deteriorating loans
 - Enhanced control of potentially deteriorating sectors; established the Special Credit Group for the shipping sector

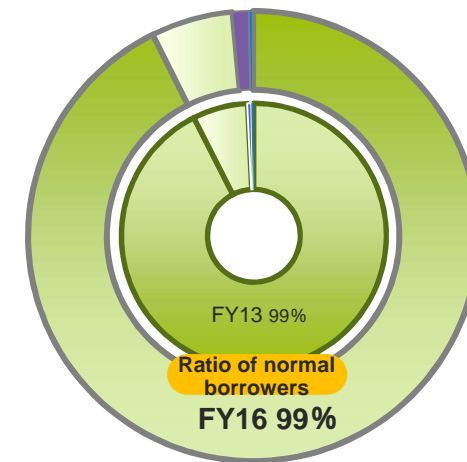


*1 SMBC's consolidated basis excluding SMBC's non-consolidated general reserves

Credit portfolio

Credit portfolio remains at a high quality

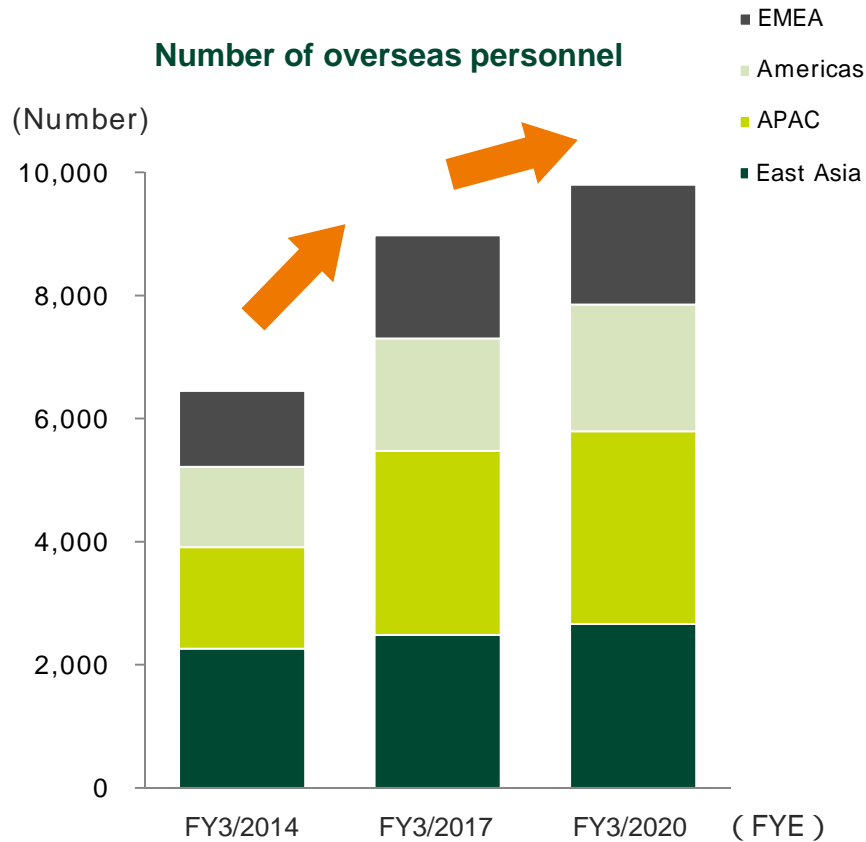
Internal ratings
(certainty of fulfillment of obligations)



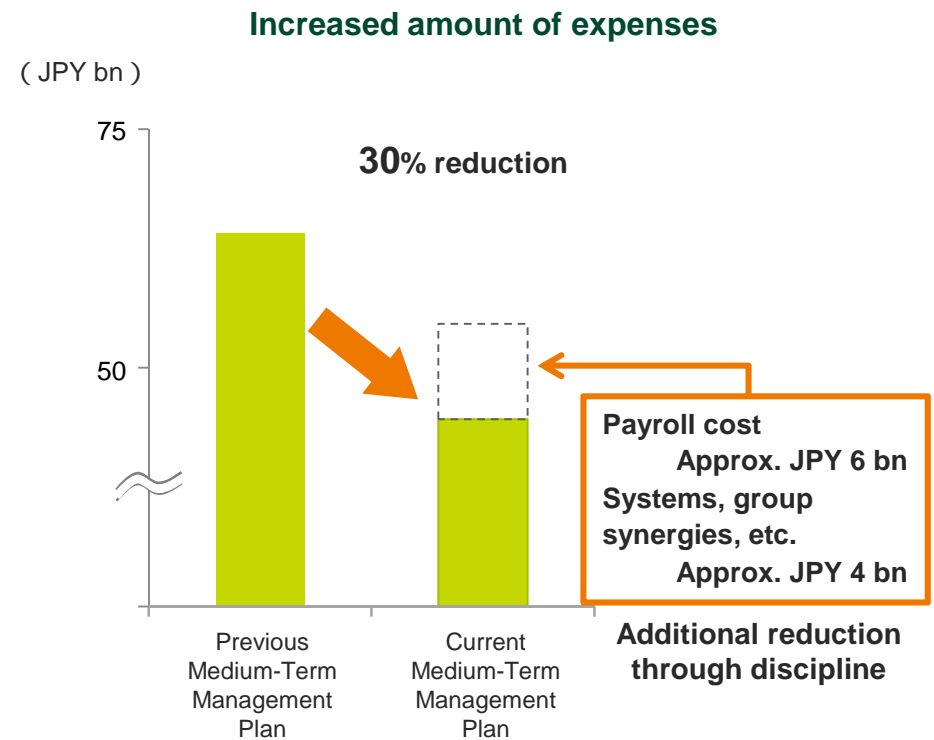
- 1-3 (Very high – Satisfactory)
- 4-6 (Likely – Currently no problem)
- 7 (excl.7R) (Borrowers requiring caution)
- 7R, 8-10 (Substandard borrowers – Bankrupt borrowers)

- Resources investment made during the previous Medium-Term Management Plan to build up the business platform under the ten year Asian strategy will slow down in the current Medium-Term Management Plan (Asia-centric “First Stage” to “Next Stage”)
- Maximize effects by disciplined strategic usage of management resources

Personnel



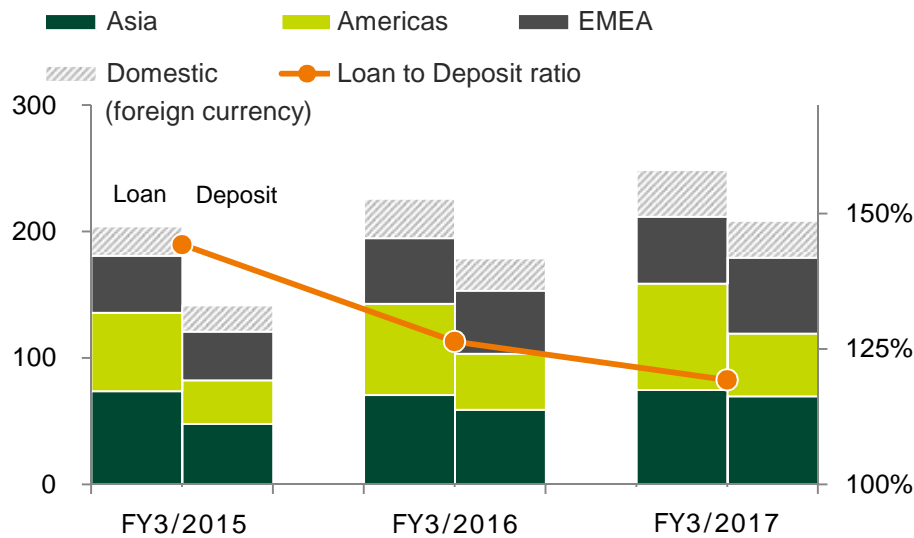
Expenses



- **Disciplined asset operations**
 - ➔ Deposit and loan gap is narrowing. Promote the asset turnover business model to improve asset efficiency
- **Increase the ratio of mid- to long-term funding and conduct nimble portfolio management through the liquidity RAF**

Overseas loan / deposit balance*1,2

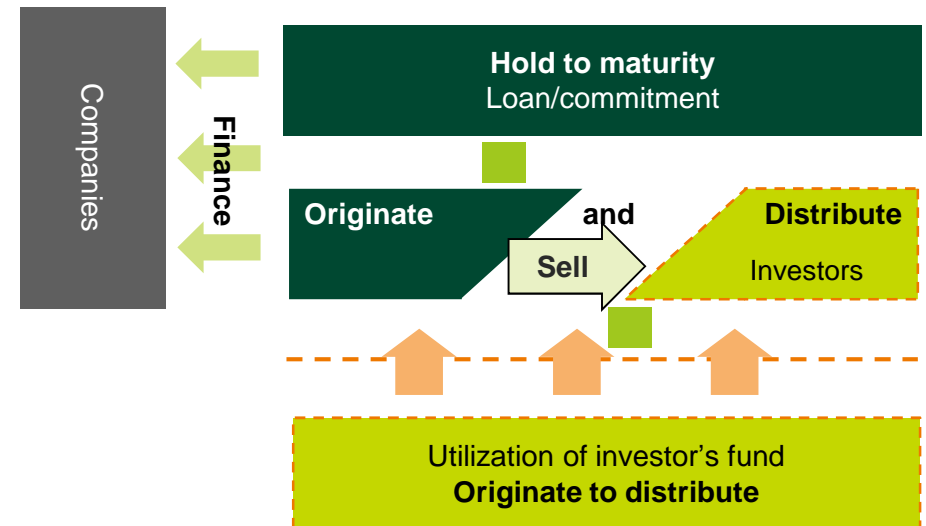
(Amount outstanding at period end: USD bn)



		FY3/2016	FY3/2017
CDs and CPs outstanding (USD bn)	Less than 3 months	17	7
	3 months or more	70	58
Foreign currency bonds outstanding ³ (USD bn)	Senior	32.9	44.1
	Subordinated	4.1	4.1

1 Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Trust. Balance as of end of Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada. 2 Converted into USD at respective period-end exchange rates. *3 Issued by SMFG and SMBC.

Asset turnover business model

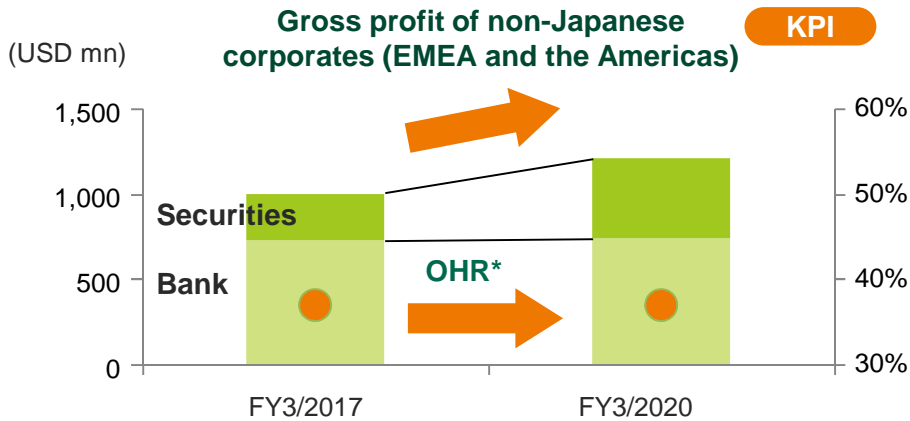


- Strengthen Origination**
 - Strategic asset allocation
 - Increase fee revenues
- Strengthen Distribution**
 - Expand the investor base
 - Diversify structure

- Promote explicit resources usage by focusing on targeted customers based on its regional characteristics

EMEA and the Americas

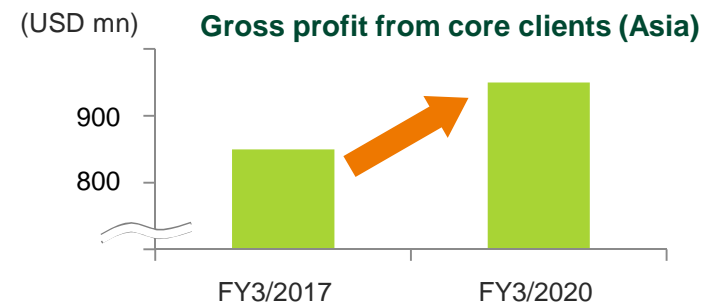
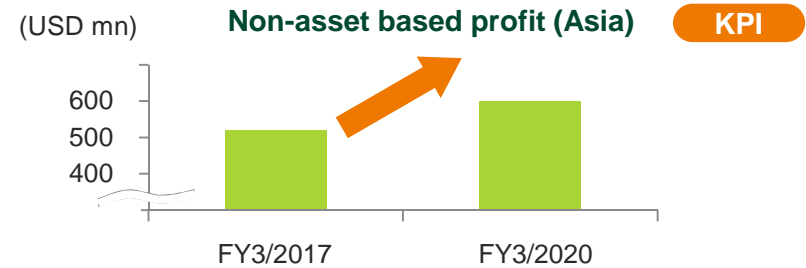
- Pursue cost-efficient business model by strategic resources usage for targeted customers
 - Select customers that we can increase DCM/ECM underwriting shares and book runner roles
 - Promote cross-selling opportunities (FX, derivative and TB)
 - Enhance S&T and investors access



* Sum of Americas and EMEA headquarters (managerial accounting basis)

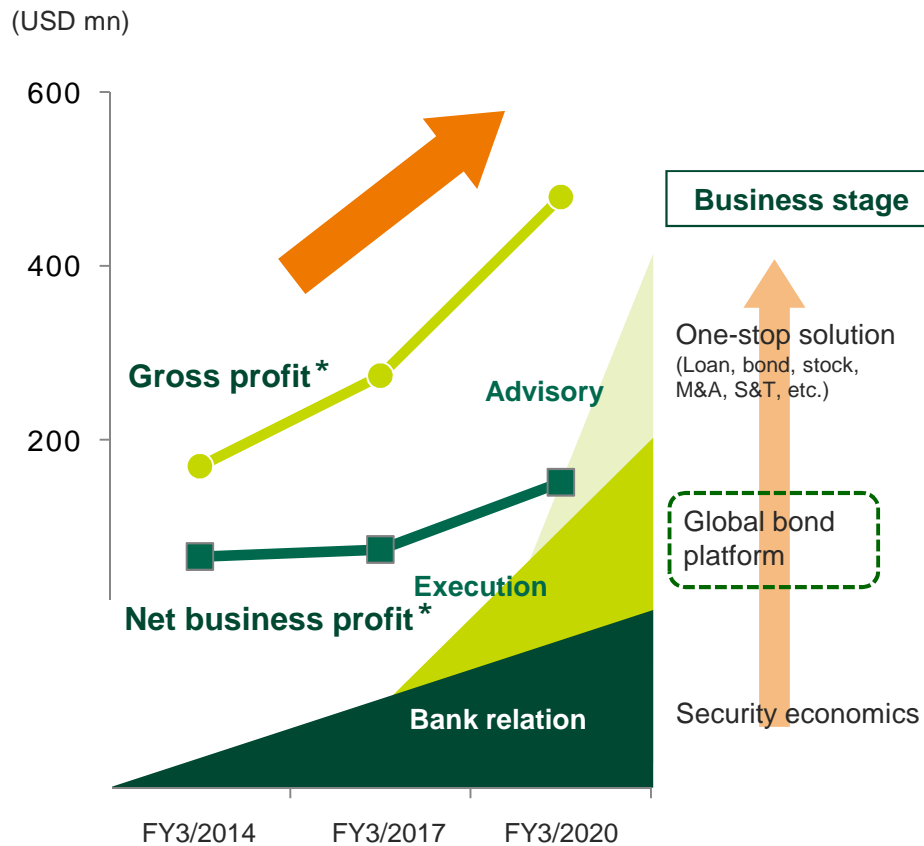
Asia

- Deepen relationship with core clients, i.e. prime local companies and growing companies
- Enhance business relationship with Western global companies entering Asia
- Strengthen transaction banking business
- Promote “One Asia” strategy



- Accelerate bank-securities integration to the Next Stage
- Strengthen the securities business by building a global bond platform

Accelerate bank-securities integration



* Gross profit and net business profit are the sum of EMEA and the Americas

Expansion of global bond platform



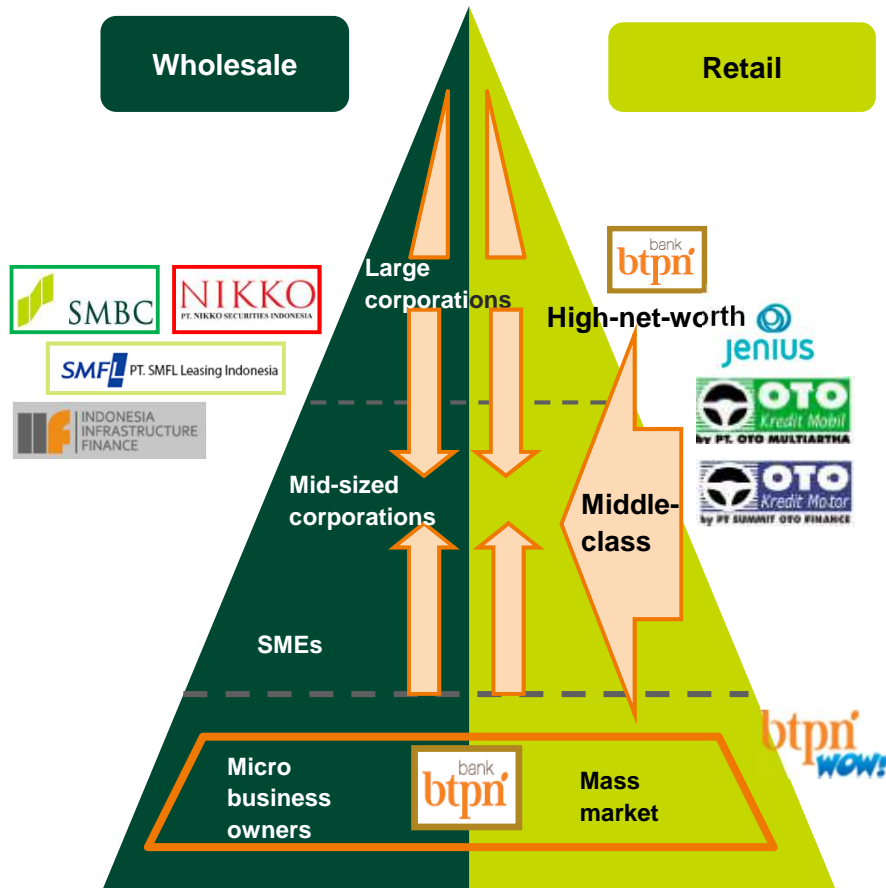
Focusing on targeted customers

Active resources usage for potential companies that we can improve business positions (sector approach, etc.)



- Conduct full-line commercial banking operations in Indonesia
- Develop digital retail banking as a growth base for the next 10 years

Expanding business to provide full-banking service



Retail innovation

For the middle class
Smart phone banking



280 thousand customers

For the mass market
Mobile banking



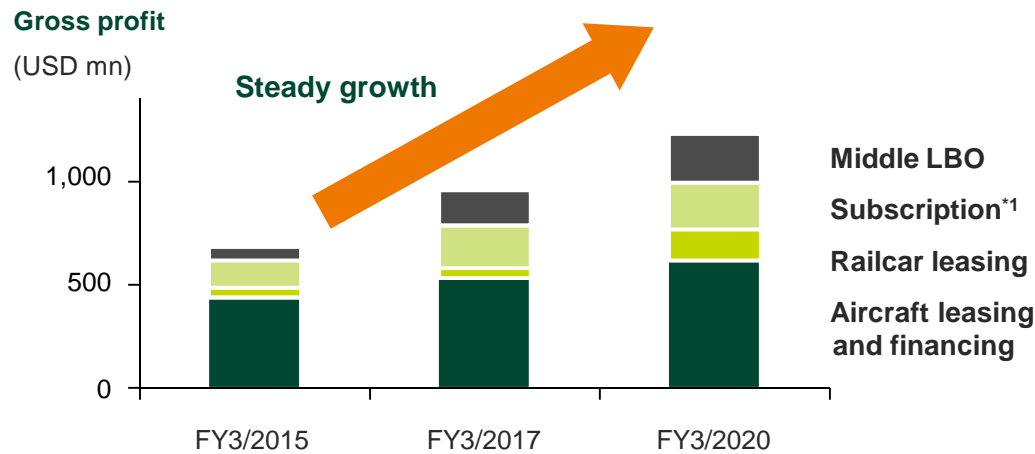
3.6 million customers



Consider expanding business to other countries

- Build an explicit business portfolio to achieve sustainable growth in areas where we have strength
- Promote asset turnover business model to further improve asset and capital efficiency

Assets that our group holds strength



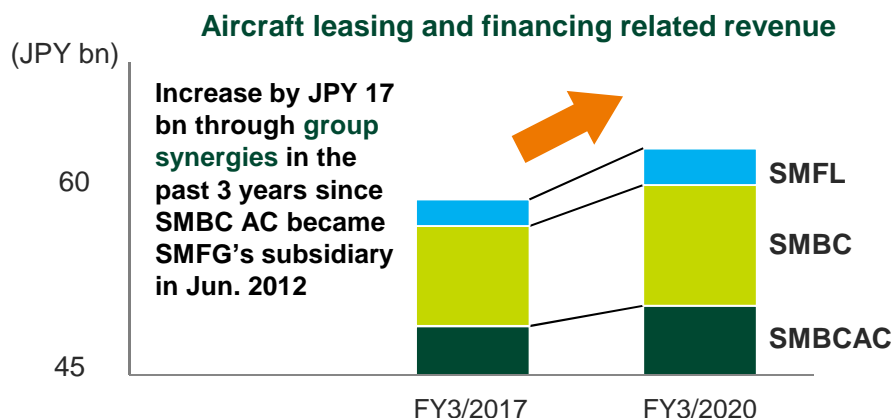
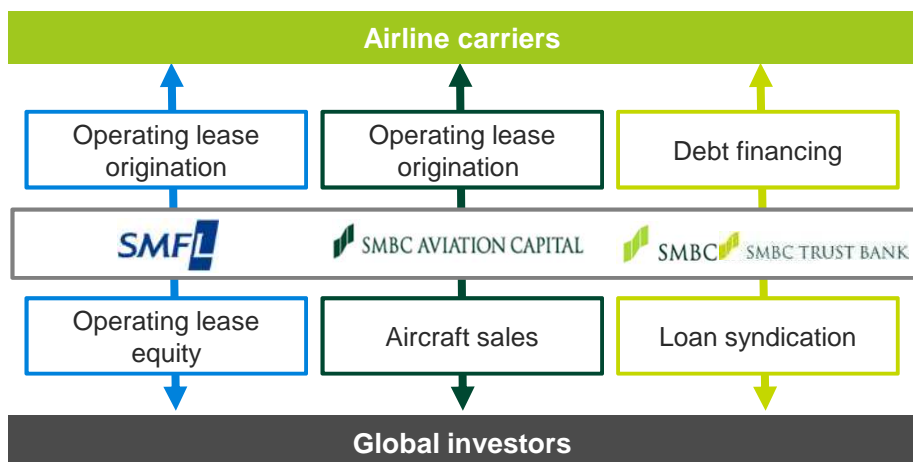
Assets	Ranking
Aircraft leasing	No.4
Subscription	No.5 ^{*2}
Middle LBO	-
Railcar leasing in North America (After acquisition)	No.6

League table (Jan. to Dec. 2016) ^{*4}	Global	Asia ^{*5}	Japan
Project finance	No.3	No.4	-
Syndicate loan	No.9	No.9	No.2

^{*1} Subscription finance: Extending loans to funds based on commitments from investors
^{*2} Amount base (our estimate) ^{*3} Managerial accounting basis as of end of March 2017
^{*4} Thomson Reuters (Mandated Arrangers) ^{*5} Project finance: Asia Pacific. Loan syndication: Asia (excl. Japan)

- Providing aircraft leasing, debt organization, solutions to domestic and overseas aircraft investors on a Group basis

Leverage Group synergies
—Aircraft leasing and financing business



Business results of SMBC Aviation Capital / Ranking of # owned/managed *1

(USD mn)	FY3/2016	FY3/2017
Total revenue *2	993	1,086
Net income	199	298
Aircraft asset	10,515	10,963
Net asset	1,627	1,967

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

*1 As of Dec. 31, 2016 (Source: Ascend "Airline Business")

*2 Leasing revenue + gains (losses) on sales of aircraft etc. Excludes redelivery adjustment

*3 Includes an acquisition of CIT Aerospace closed in Apr. 2017

Railcar leasing

SMBC Rail Services
(a wholly-owned US consolidated subsidiary)

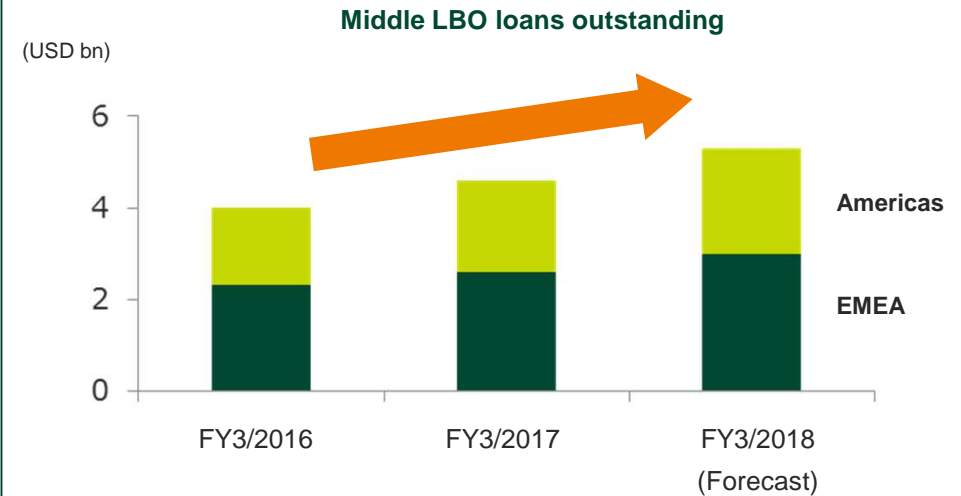
- U.S. based mid-sized railcar leasing company, leased assets: USD1,647 mn (as of Dec. 31, 2016)
- Strengths
 - Well-diversified portfolio management
 - Young age of railcars
 - Well-diversified client base by industry

Acquisition of American Railcar Leasing (ARL)

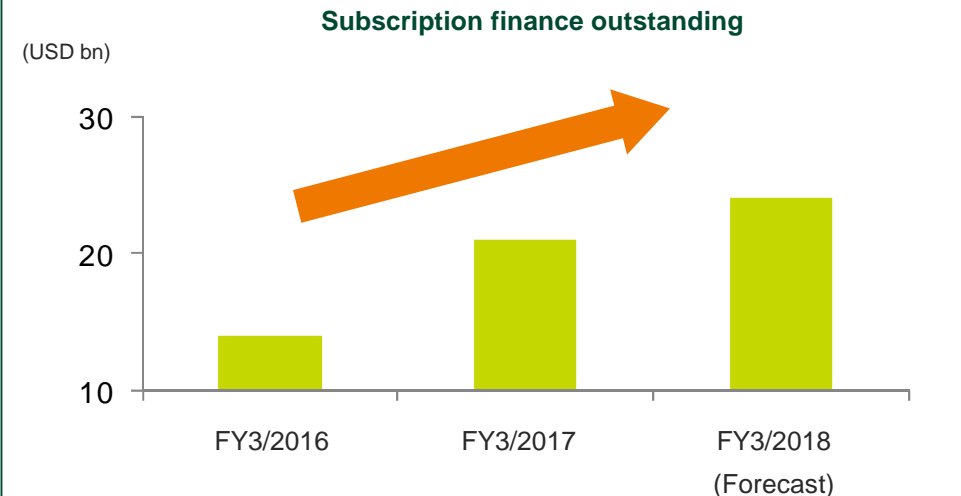
- SMBC Rail Services acquired ARL, the 6th largest railcar leasing company in the U.S. on June 1, 2017
- Purchasing price of the entity is expected to be lower than the appraisal value of the railcars conducted by a third party. Therefore, impact to SMFG CET 1 capital ratio is expected to be minimal



Middle LBO



Subscription finance





Global Markets Business Unit

Hiroshi Munemasa, Managing Executive Officer

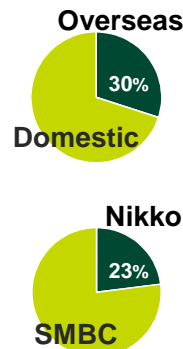
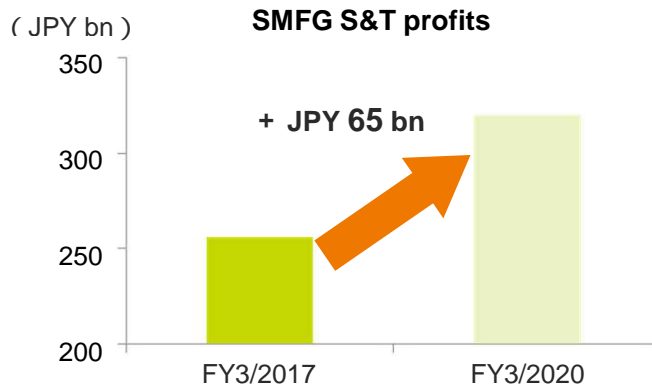
Overview of the Global Markets Business Unit

Overview of the Business Unit

Global Markets Business Unit	Priority strategies
 <p>Treasury Unit: 500 employees</p>	<p>ALM/Portfolio management Comprehensively manage interest rate/liquidity risks of the Bank B/S</p>
 <p>Product Unit: 900 employees</p>	<p>Foreign currency funding Enhance the foreign currency funding capability to support SMFG's international business</p> <p>S&T – Core business areas Provide solutions for hedging/fund management needs through marketable products, such as foreign exchange transactions, derivatives, bonds and equities</p>



Core business areas KPI

S&T breakdown of profits (FY3/2017 results)



Note: Managerial Accounting basis

FY3/2020 plan

	FY3/2020 plan	FY3/2017 comparison
Gross profit*¹	JPY 380 bn	+ JPY 32 bn
Net business profit*¹	JPY 330 bn	+ JPY 20 bn
ROE	39%	
Risk-weighted assets*²	Reduce RWA with nimble portfolio management	

*1 FY3/2017 comparisons are after adjustments for interest rate and exchange rate impacts

Core policies

Goals

1 Discipline

Establish a SMFG brand that demonstrates the **ability to respond to unexpected incidents** which is backed up by a high level of market sensitivity and **is resilient even in the downside phase** in the global market-related operations

2 Focus

Maintain and increase high profitability through **a nimble and dynamic portfolio rebalance** by utilizing highly liquid products

3 Integration

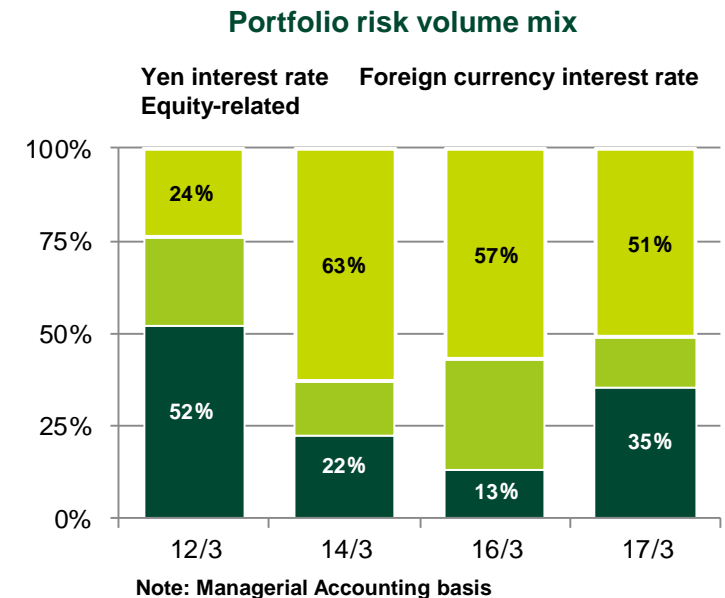
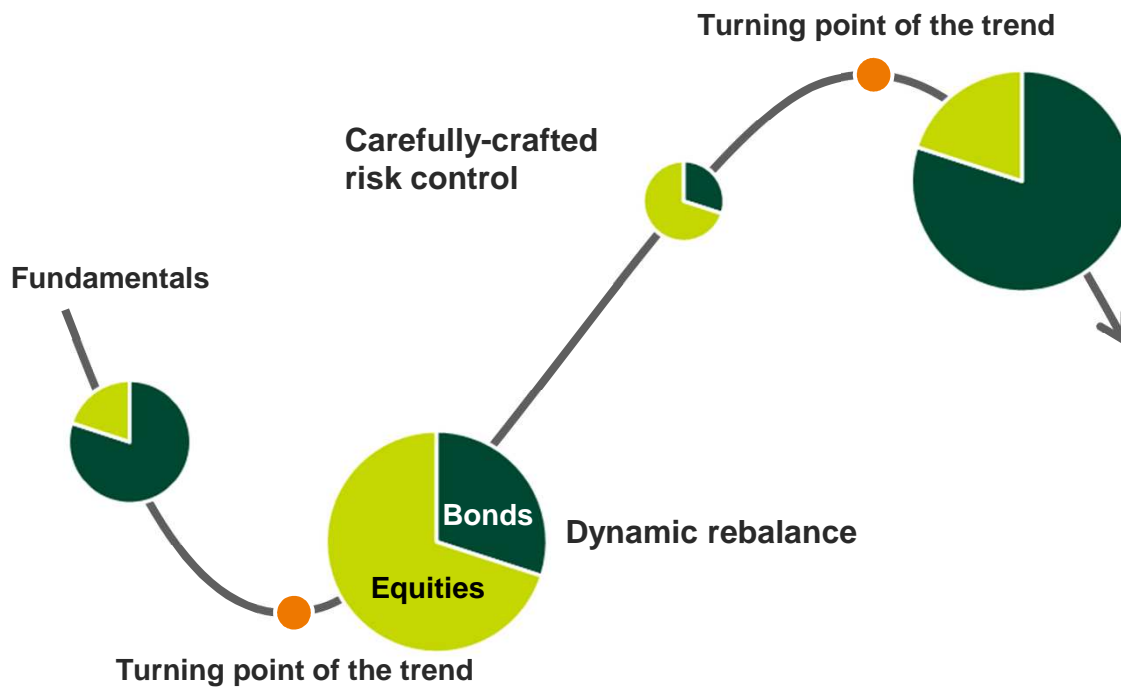
Share with clients the know-how SMFG acquired as a major market participant
Achieve cost synergies and speed through **integration of the common operations within the Group**

Priority strategies: Portfolio management

Strategies

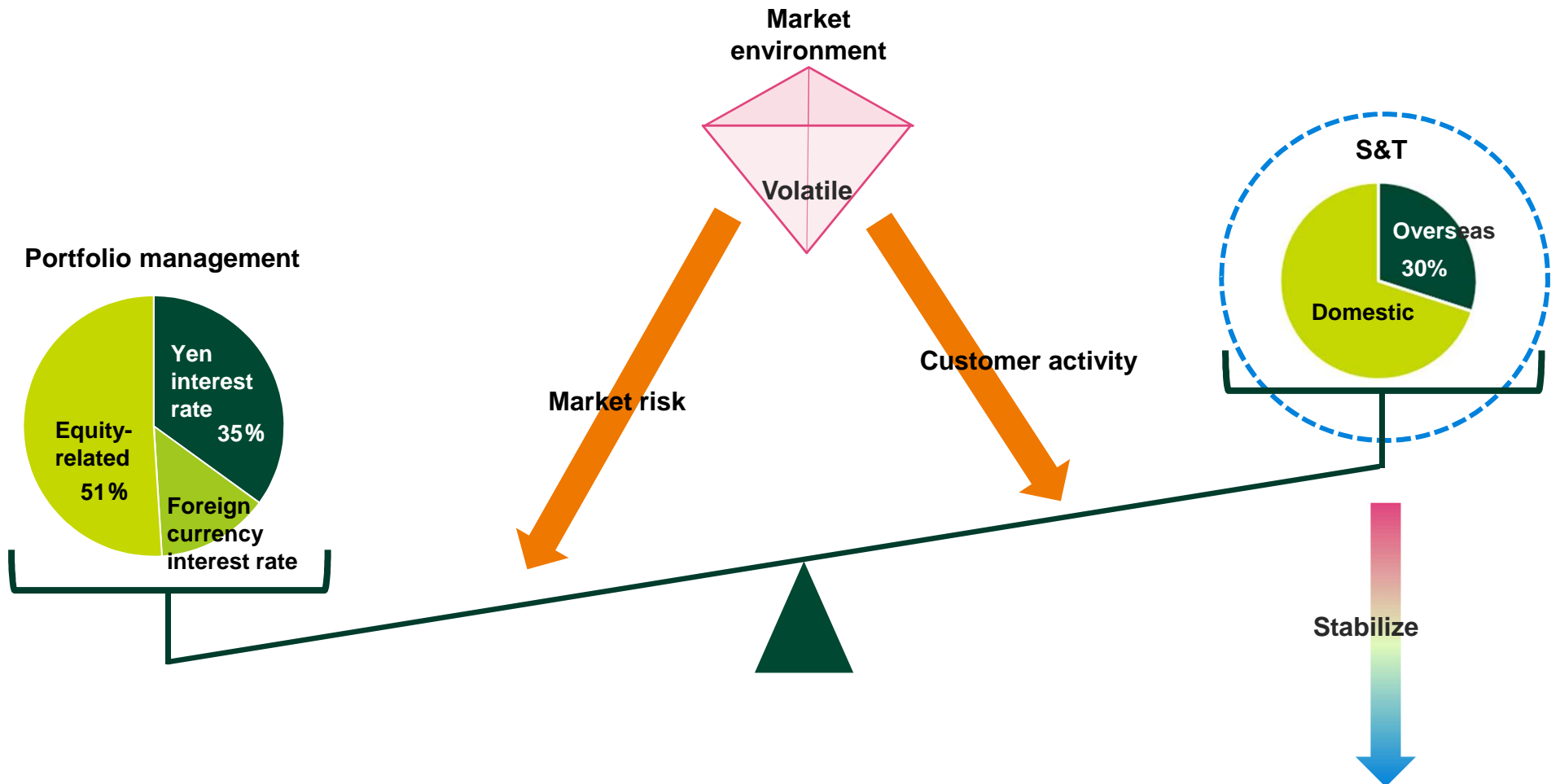
- Establish portfolio with highly liquid products
- Focus on products that are attractive from an investment point of view and flexibly and boldly rebalance the portfolio depending on the environmental changes
- Prepare for future changes in the financial markets and find new potential products to invest in
 - ➔ Gain profits by taking market risk leveraging our “trading” capability

Image of portfolio rebalance



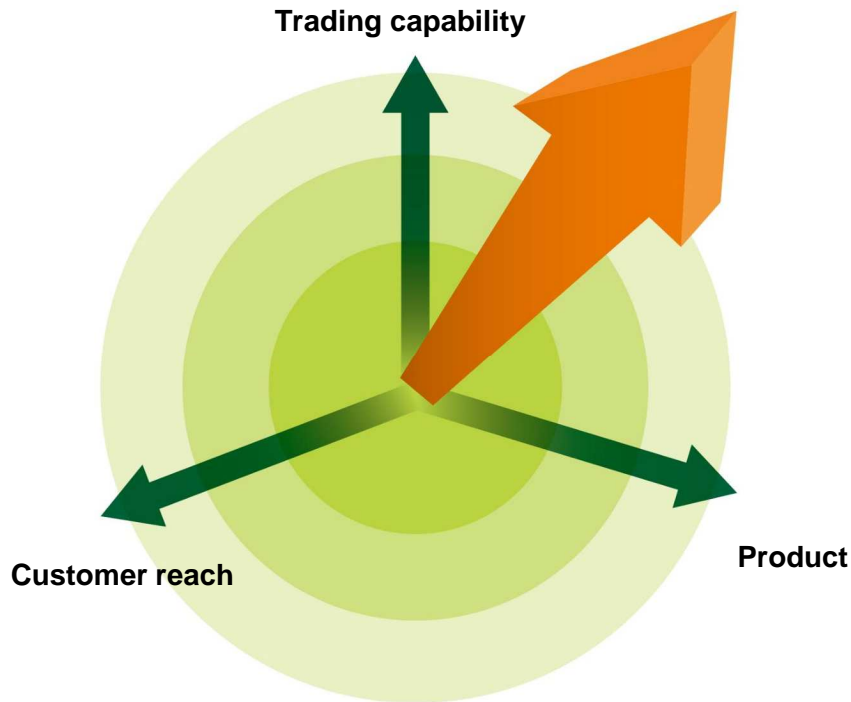
Objectives

- Introduce and reinforce customer-transaction-driven and recurring “S&T operations” in addition to the market-risk-driven “portfolio management” business
- Raise the level of earnings strength and stability of the business portfolio



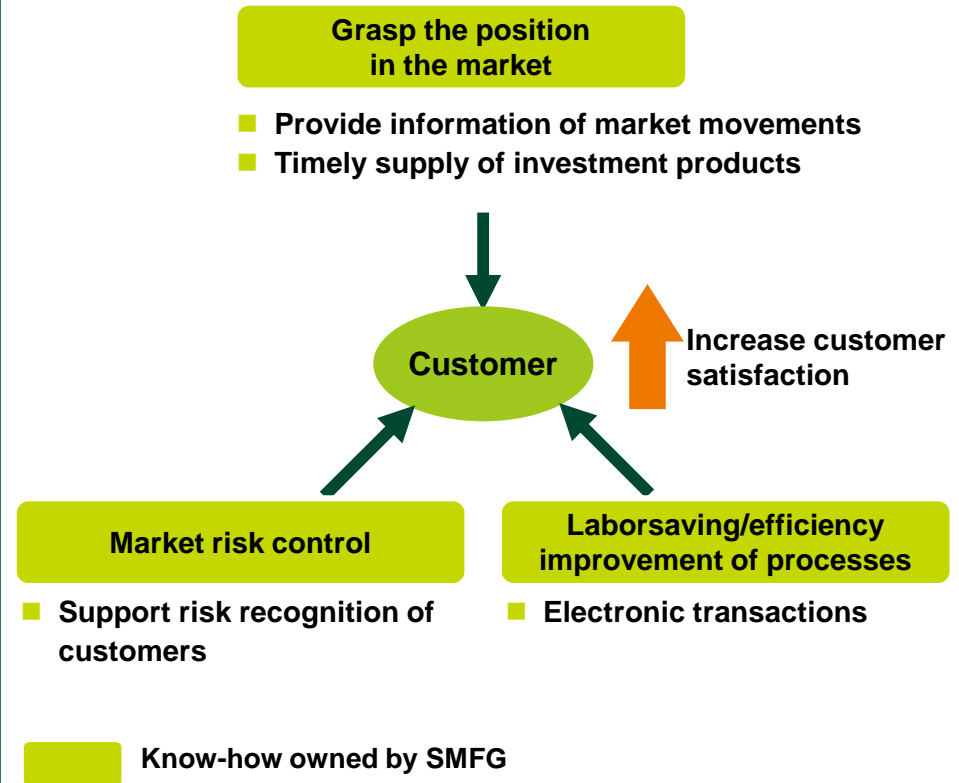
Strengthen earnings of SMFG

- Expand the volume of transactions with customers through expansion of products and customer reach
- Increase profitability per transaction by enhancing “trading” capability



New added value provided by SMFG

- Provide clients with the know-how SMFG acquired as being a major market player
- Create repeat customers by enhancing customer satisfaction



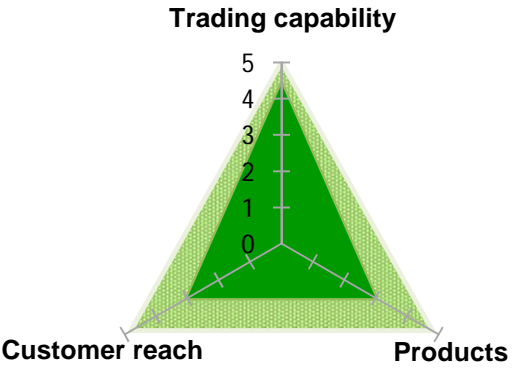
Establish a recurring model that achieves a cycle of enhancement of customer satisfaction and expansion of the Group profit

Priority strategies: Sales & Trading ~ Examples of key initiatives ~

Bank (domestic)

- Integrate the sales force of FX transactions/derivatives into the SMBC Treasury Unit (April 2017)
- Enhance the ability to make proposals for hedging by visualizing market risks experienced by companies
- Promote cross-selling for the existing client base through cross-entity and cross-product

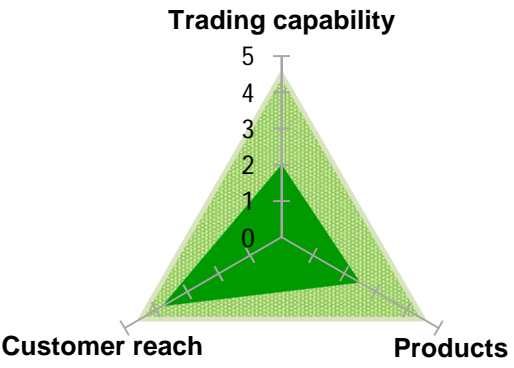
➔ Expand the transaction volume by enhancing solution capability



Securities (Domestic)

- Promote self-manufacturing of derivatives and focus on equity facilitation transactions*
- Increase the handling of FX interest rate transactions and credit derivatives
- Enhance the ability to supply products through activating the global bond book system

➔ Improve the profitability of the transaction flow by enhancing trading capability

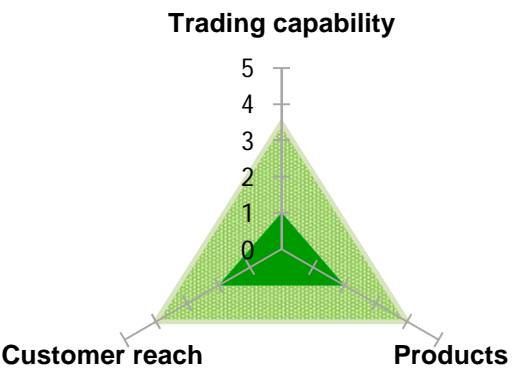


* Trading operations that enable a securities company to conclude transactions on its own account primarily in terms of stock trading orders made by a client

Overseas (Bank-Securities)

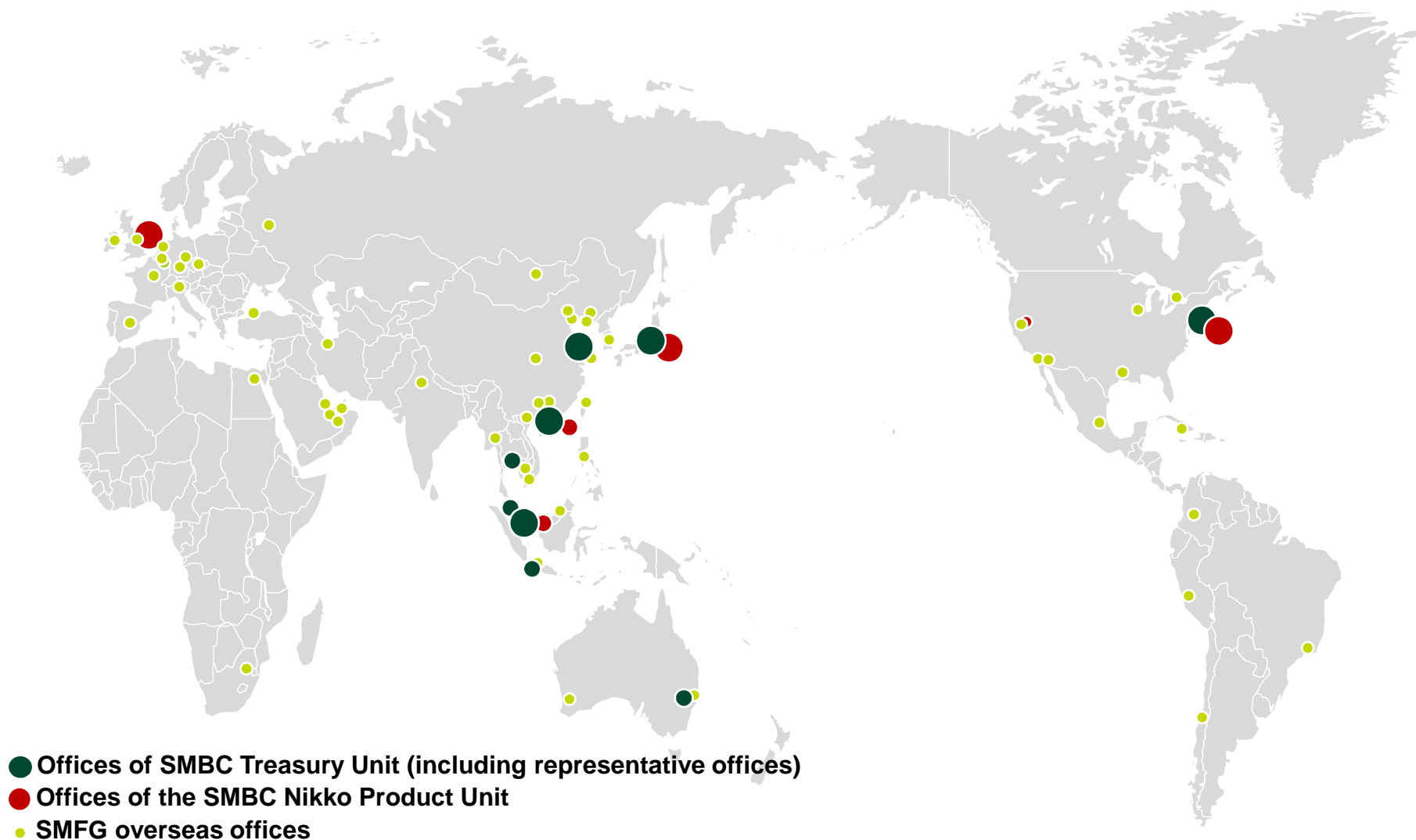
- Globally establish the Securities S&T Platform primarily consisting of credit products
- Strengthen FX transactions in local currencies
- Establish a regional SMFG network appropriate to area characteristics and achieve a global coupling

➔ Globally develop S&T by leveraging the commercial bank business base



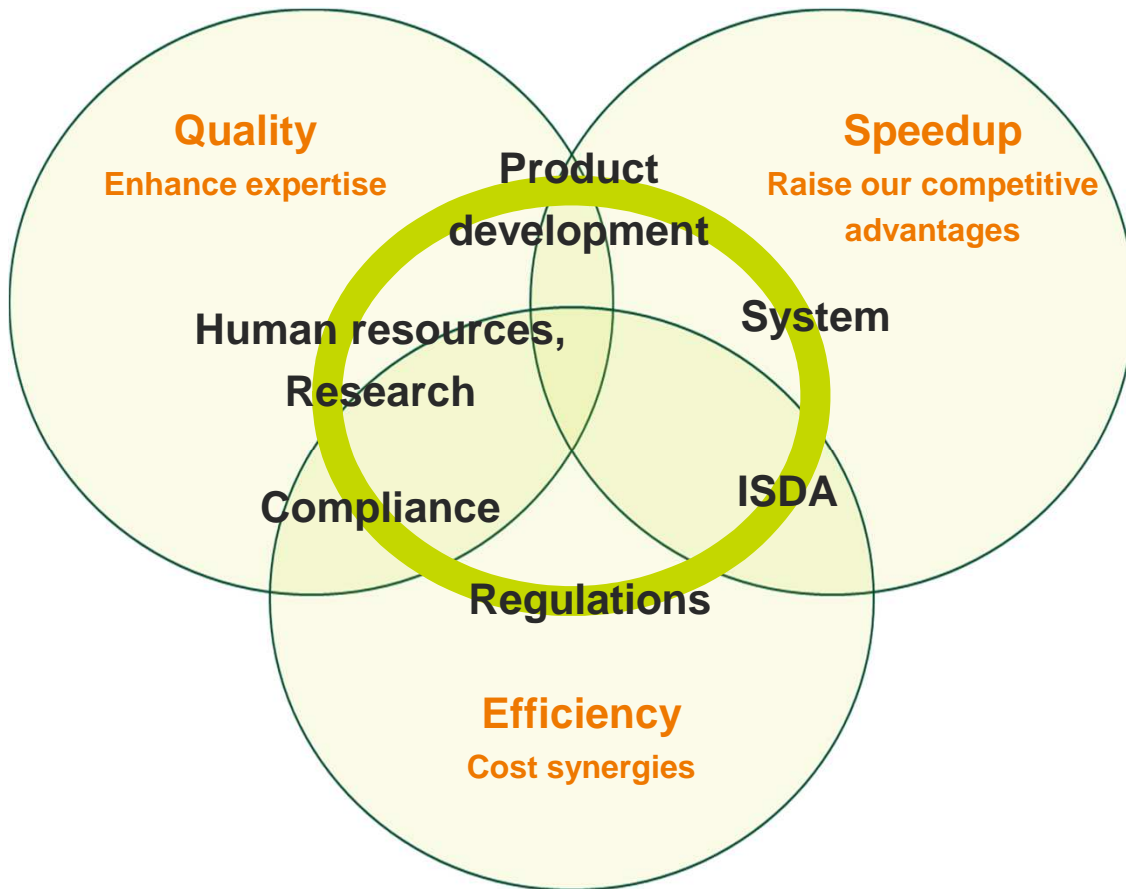
(Reference) Global network of S&T ~ Challenges for the future ~

- Started establishing the bank-securities integration model through the newly established group-wide business units
- Establishing the global network for bank-securities S&T operations is a challenge for the future



Establish the operation base

- Enhance expertise and improve efficiency by integrating common functions on a Group basis
- Shorten the lead time for the provision of products and the commencement of new types of businesses. Create advantages by speeding up



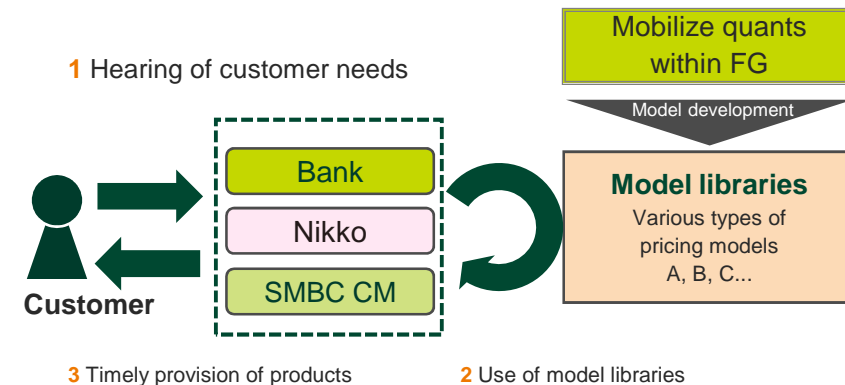
Case Study 1: Integration of licensing agreements

Integrate similar types of licensing agreements with outsourcing contractors that are individually signed by each of the Group companies. Pursue volume discount

Case Study 2: Compliance with regulations

Standardize the system architecture for complying with international regulations that are applied on a Group basis.

Case Study 3: Standardization of product model development

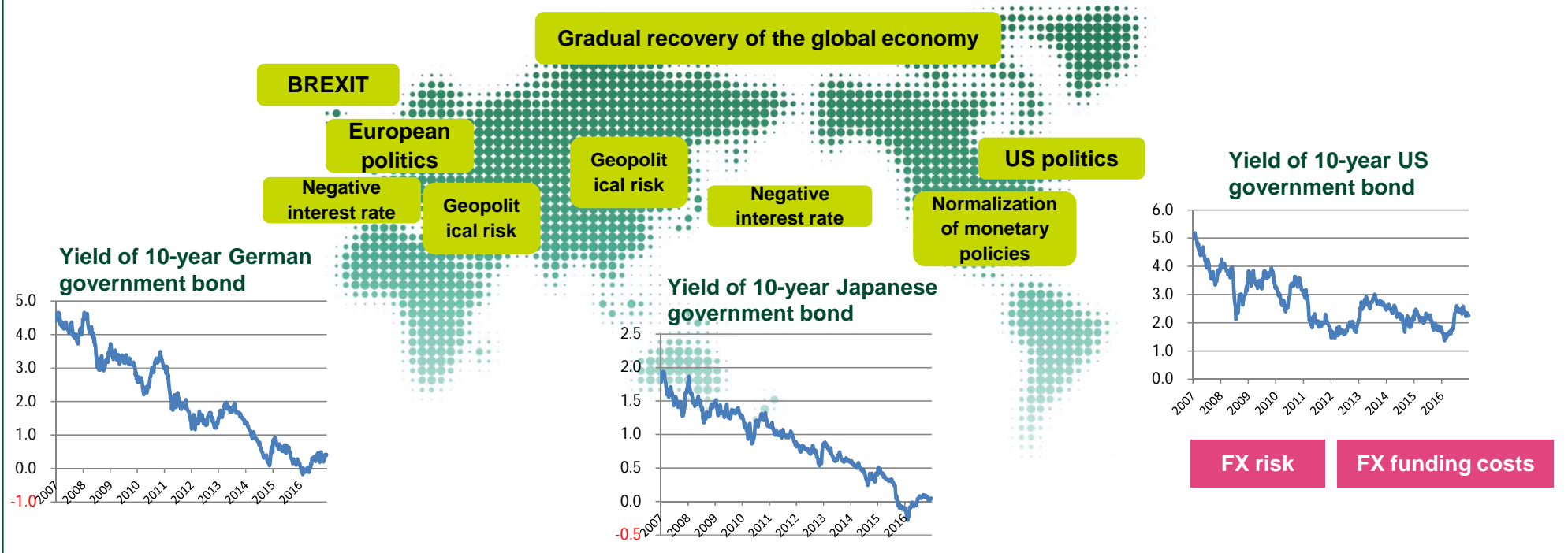


(Reference) Background of the enhancement of S&T

Background









- Growing needs for enhanced fund management because of the global low-interest rate environment
 - Growing hedging needs in the unpredictable, uncertain and unstable environment
 - Accelerated global development of customer business
- ➔ Customers expect us to provide more global and sophisticated solutions

Trend of the global economy



Appendix

Ref: Projections by business unit

	ROE		Net business profit (JPY bn)		RwA three-year change	
	FY3/2020 plan	FY3/2017 comparison	FY3/2020 plan	FY3/2017 comparison	FY3/2018–FY3/2020	Ref: FY3/2015– FY3/2017
Retail	7%		285	+15	 Reduce overall while strengthening businesses such as credit cards and CF	+11%
Wholesale	10%		480	+15	 Reduce through sales of strategic shareholdings	+8%
International	9%		415	+50	 Focus on profitability and reduce growth rate by 40% compared to the previous three years	+22%
Global Markets	39%		330	+20	 Nimble portfolio management	+6%

Notes:

- 1 Retail Business Unit: SMBC (RT), SMBC Nikko (RT), SMBC Friend, SMBC Trust (RT), SMCC, Cedyne, SMBCCF, other
Wholesale Business Unit: SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), other
International Business Unit: SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), other
Global Markets Business Unit: SMBC (Treasury), SMBC Nikko (Product), other
- 2 ROE for each unit is managerial accounting basis with RwA calculated assuming Basel III reforms are finalized. ROE for the International Business Unit excludes the mid- to long-term foreign currency funding costs. ROE for the Global Market Business Unit does not include interest-rate risk associated to the banking account
- 3 FY3/2017 comparisons for each unit are after adjustments for interest rate and exchange rate impacts

Performance by group-wide business units *

		(JPY bn)	FY3/17
of which Retail Business Unit		Gross profit	1,288.9
		Expenses	(1,015.4)
		Others	12.2
		Net business profit	285.7
of which Wholesale Business Unit		Gross profit	775.6
		Expenses	(346.7)
		Others	44.2
		Net business profit	473.1
of which International Business Unit		Gross profit	585.8
		Expenses	(251.9)
		Others	30.2
		Net business profit	364.1
of which Global Markets Business Unit		Gross profit	346.6
		Expenses	(50.3)
		Others	8.1
		Net business profit	304.4
Total		Gross profit	2,920.7
		Expenses	(1,812.4)
		Others	24.6
		Net business profit	1,132.9

* FY3/17 numbers shown in the new group-wide business units basis