

# Fixed Income Investor Presentation

November 2015

## Sumitomo Mitsui Financial Group, Inc.

The financial figures for SMFG and SMBC included in this presentation are prepared in accordance with generally accepted accounting principles in Japan, or Japanese GAAP



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# SMFG / SMBC overview\*1

## SMFG consolidated

- SMFG is one of the three largest banking groups in Japan with an established global presence
- Designated as one of the G-SIBs

<b>Market capitalization</b> (TSE:8316 NYSE:SMFG)	JPY 6.9 tn / USD 56.5 bn (As of Nov 20, 2015)
<b>Total assets</b>	JPY 187 tn / USD 1,556 bn
<b>Capital ratio</b> (Basel III transitional basis)	17.79%
<b>Common Equity Tier 1 ratio</b> (Basel III fully-loaded basis)	12.1%
<b>NPL ratio</b>	1.22%
<b>Loan-to-deposit ratio</b>	63.4%

(As of Sep. 30, 2015)

## SMBC non-consolidated

<b>Total assets</b>	JPY 156 tn / USD 1,305 bn
<b>Loans</b>	JPY 69 tn / USD 574 bn
<b>Deposits*2</b>	JPY 92 tn / USD 767 bn
<b>NPL ratio</b>	0.85%
(As of Sep. 30, 2015)	
<b>Ratings (Moody's / S&amp;P)</b>	A1 / A (As of Nov. 20, 2015)

## Profitability

		<b>FY3/15</b>	<b>1H, FY3/16</b>
<b>SMFG</b> Consolidated	<b>Consolidated Gross Profit</b>	JPY 2,980 bn USD 24.8 bn	JPY 1,513 bn USD 12.6 bn
	<b>Ordinary Profit</b>	JPY 1,321 bn USD 11.0 bn	JPY 632 bn USD 5.3 bn
	<b>Profit attributable to owners of parent</b>	JPY 754 bn USD 6.2 bn	JPY 388 bn USD 3.2 bn
<b>SMBC</b> Non-consolidated	<b>Gross banking profit</b>	JPY 1,634 bn USD 13.6 bn	JPY 803 bn USD 6.7 bn
	<b>Banking profit*3 (before provisions)</b>	JPY 843 bn USD 7.0 bn	JPY 404 bn USD 3.4 bn
	<b>Net income</b>	JPY 643 bn USD 5.4 bn	JPY 285 bn USD 2.4 bn

## SMBC's business franchise

- Core operating entity within the SMFG franchise
- Heritage dating back more than 400 years
- Approx. 28 million** retail customer deposit accounts
- Approx. 90 thousand** domestic corporate loan clients
- 441** domestic branches
- Approx. 71** overseas franchises\*4

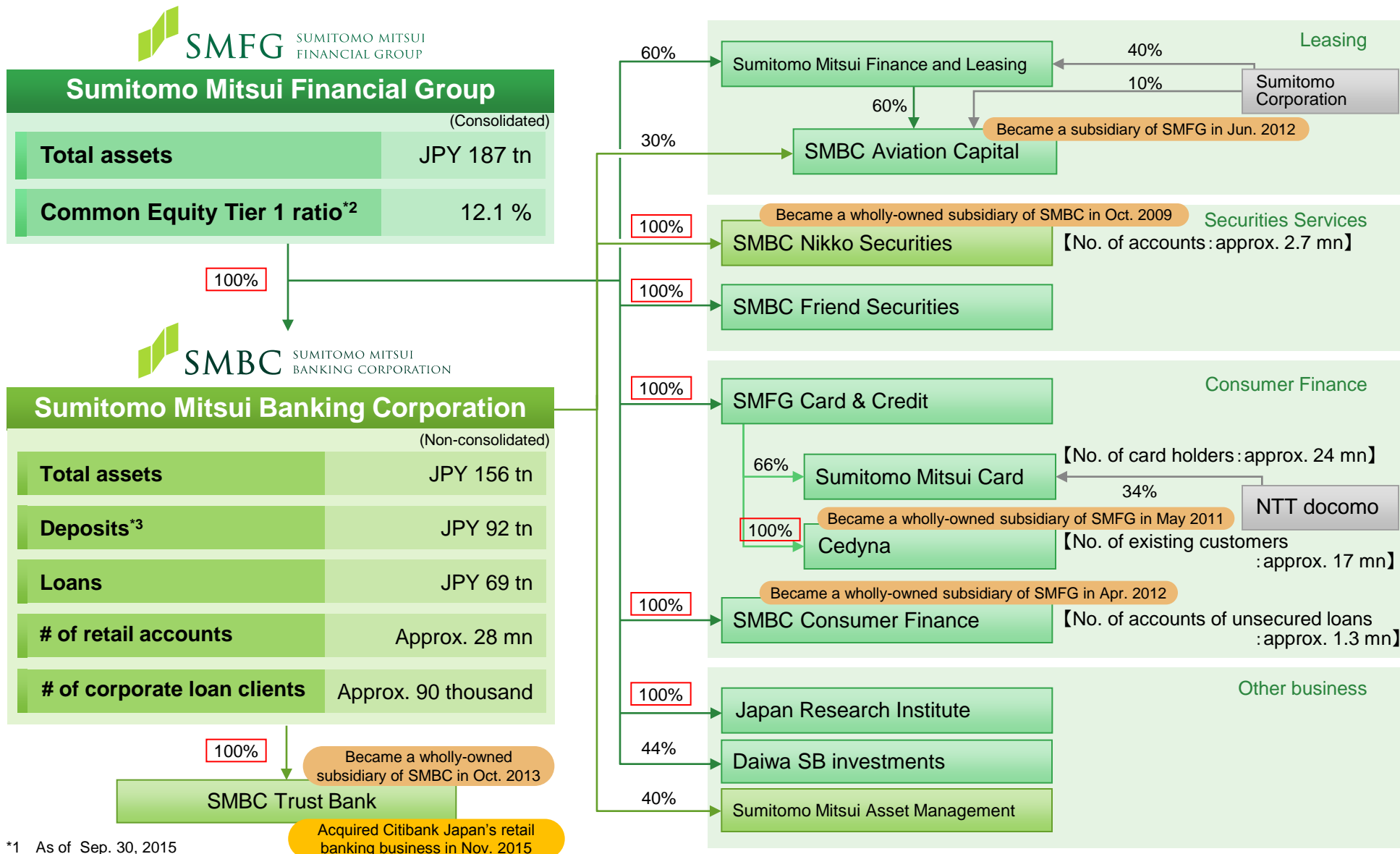
(As of Sep. 30, 2015)

\*1 Exchange rate for FY3/2015 is USD 1.00 = JPY 120.15. Exchange rate as of Sep. 30, 2015 is USD 1.00 = JPY 119.92 and Nov. 20, 2015 is USD 1.00 = JPY 122.96

\*2 Excludes negotiable certificates of deposits \*3 Before provision for general reserve for possible loan losses

\*4 SMBC's overseas offices, offices of overseas subsidiary banks, and other subsidiaries and affiliates

# Group structure\*1



\*1 As of Sep. 30, 2015

\*2 Basel III fully-loaded basis

\*3 Excludes negotiable certificates of deposits

# ■ Highlights

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## Profitability

- Financial results of 1H, FY3/2016
- Loan balance & spread
- Sources of profitability

## Financial soundness

- Asset quality
- Capital
- Liquidity
- Foreign currency funding

## Growth

- Medium-term management plan
- Wholesale business
- Retail business
- Group-based initiatives
- International business

# Financial results of FY3/2015 and 1H, FY3/2016

		(JPY bn)	FY3/2014 Results	FY3/2015 Results	YOY change	1H, FY3/2016 Results	YOY change
SMBC non-consolidated	Gross banking profit		1,558.1	1,634.3	+76.1	803.0	(24.8)
	<i>Net interest income</i>		1,064.9	1,121.4	+56.5	571.9	(15.0)
	Expenses* <sup>1</sup>		(745.7)	(791.2)	(45.5)	(398.8)	(11.9)
	<Overhead ratio>* <sup>2</sup>		47.9%	48.4%	+0.5pt	49.7%	+3.0pt
	Banking profit (before provisions)* <sup>3</sup>		812.4	843.1	+30.6	404.2	(36.7)
	Total credit cost		123.9	80.1	(43.8)	27.6	(96.6)
	Gains (losses) on stocks		106.4	52.6	(53.8)	1.1	(47.1)
	Ordinary profit		952.5	956.0	+3.5	415.0	(177.4)
	Net income		605.3	643.0	+37.7	285.3	(123.0)
SMFG consolidated	Consolidated gross profit		2,898.2	2,980.4	+82.2	1,512.7	+62.6
	Ordinary profit		1,432.3	1,321.2	(111.2)	631.8	(148.7)
	Profit attributable to owners of parent		835.4	753.6	(81.7)	388.1	(91.4)

\*1 Excludes non-recurring losses

\*2 Expenses divided by gross banking profit

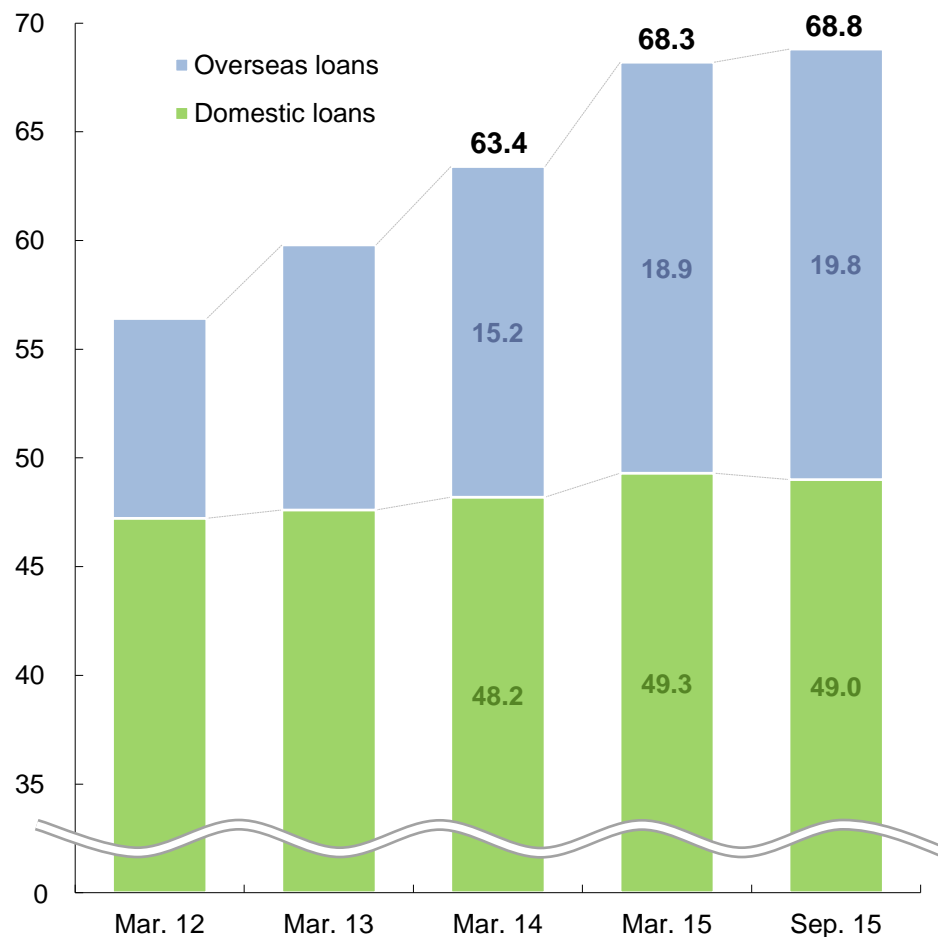
\*3 Before provision for general reserve for possible loan losses

# Loan balance

## Loan balance

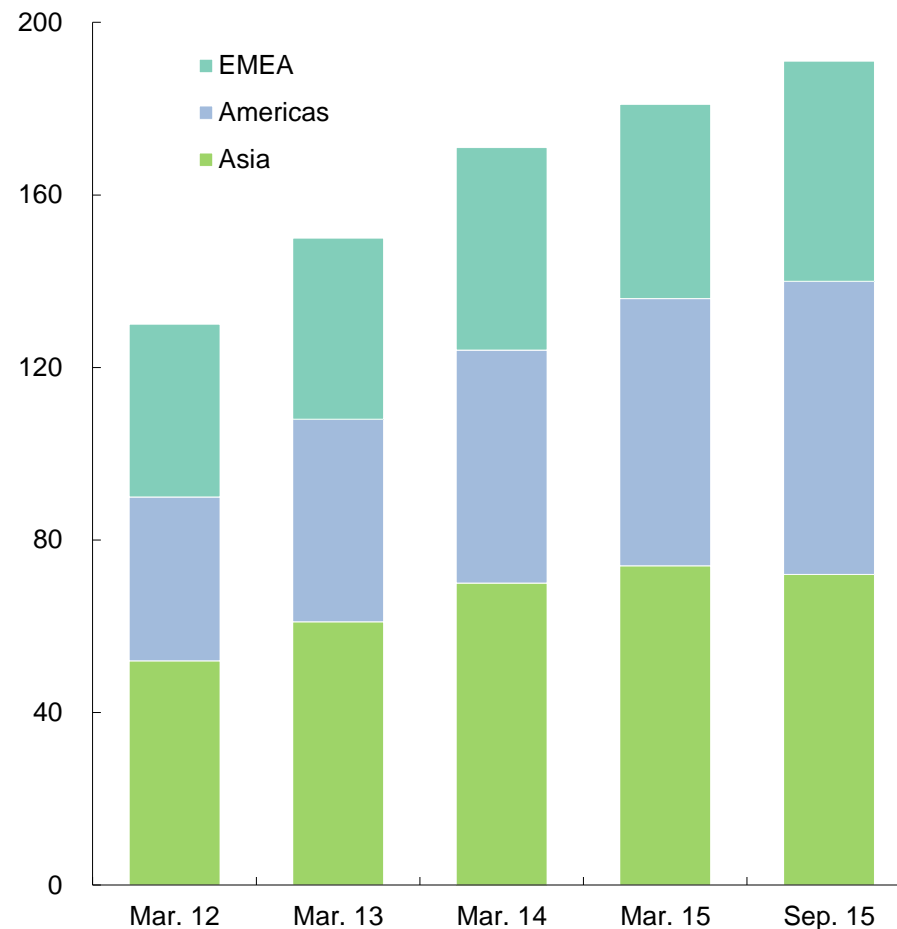
(JPY tn)

(SMBC non-consolidated)



## Overseas loan balance<sup>\*1, \*2</sup>

(USD bn)

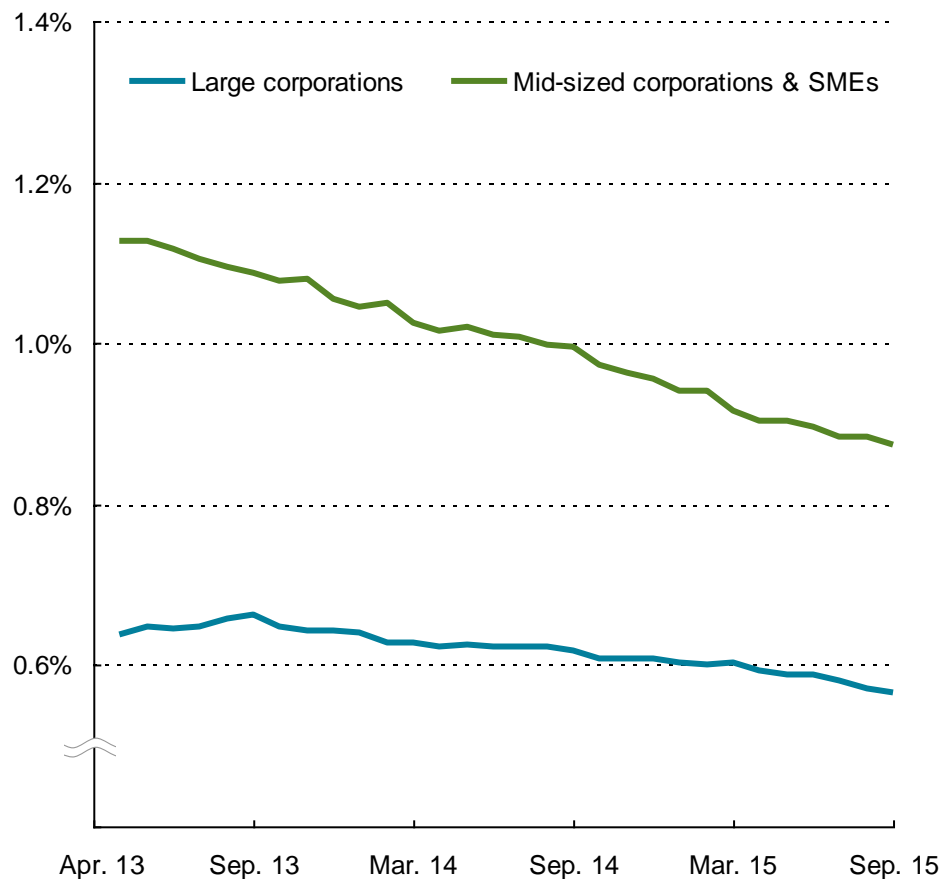


\*1 Includes trade bills

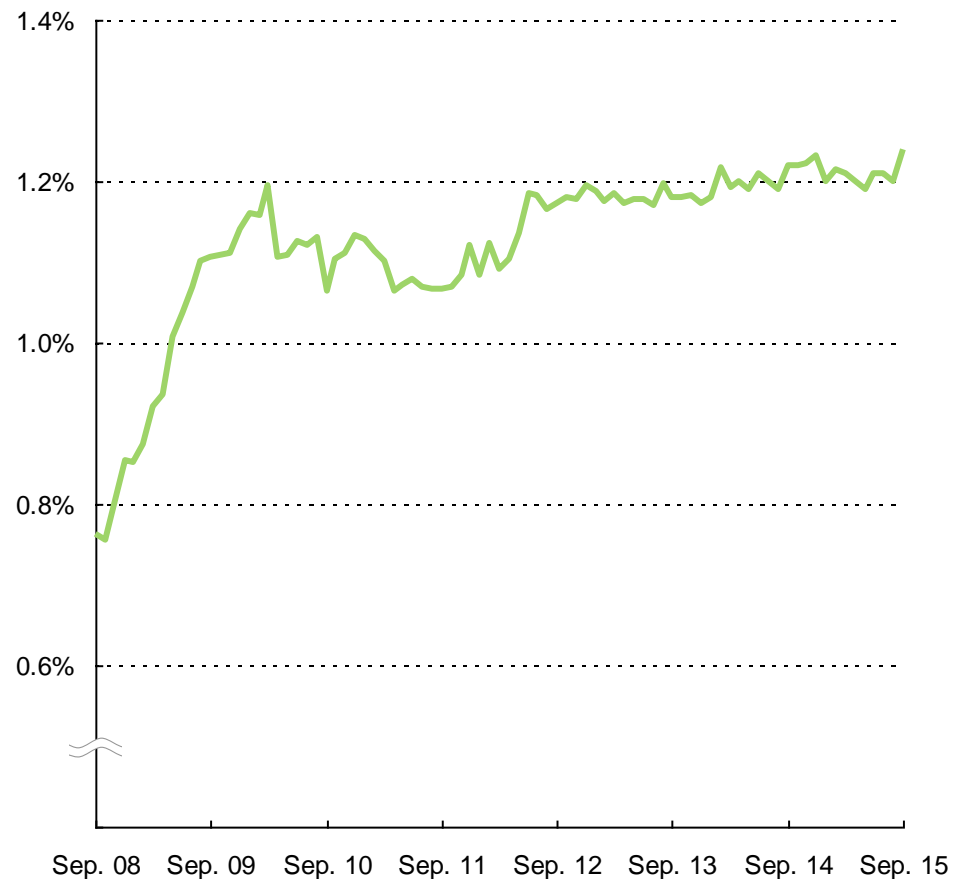
\*2 Managerial accounting basis, translated into USD at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

# Loan spread\*1

## Domestic\*2



## Overseas\*3



\*1 Managerial accounting basis. Average loan spread of existing loans on a monthly basis

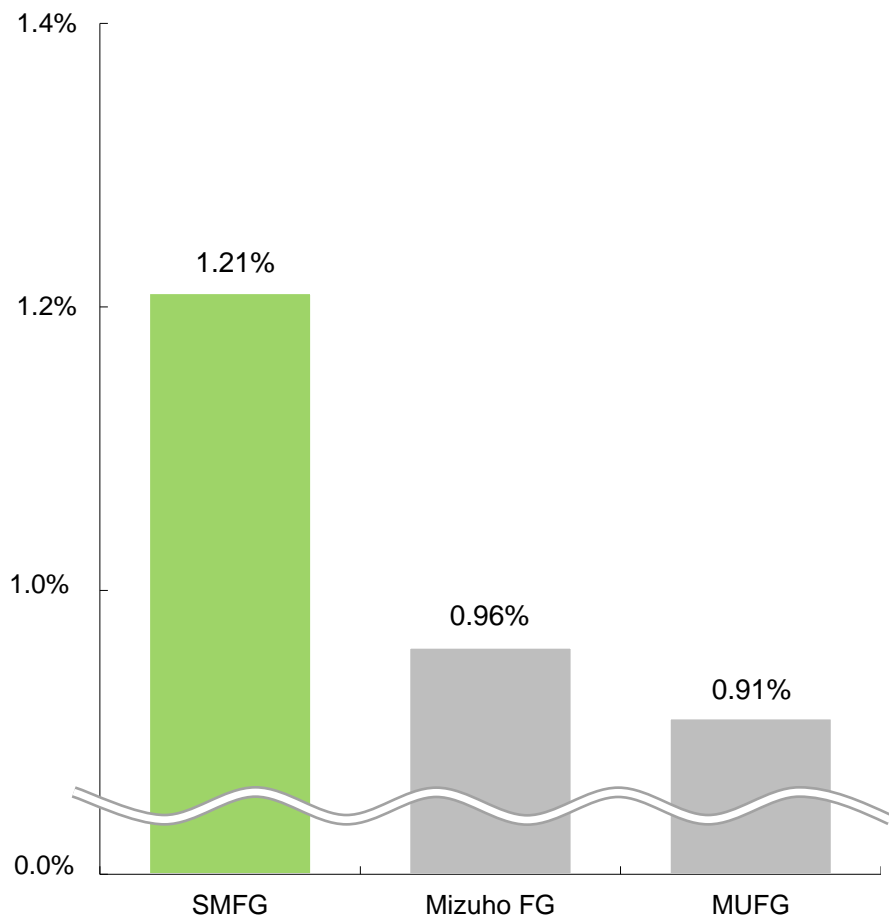
\*2 SMBC non-consolidated

\*3 Sum of SMBC, SMBC Europe and SMBC (China)

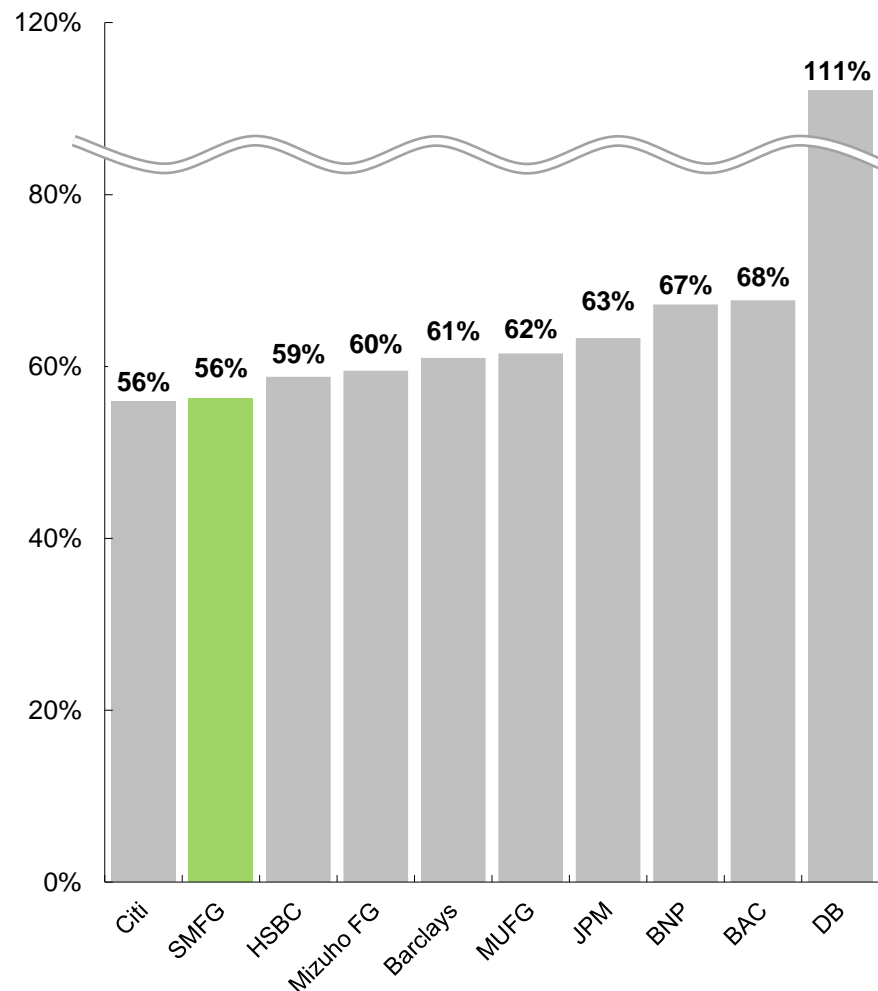


# Sources of profitability

## Domestic loan-to-deposit spread\*<sup>1</sup>



## Overhead ratio on a group consolidated basis\*<sup>2</sup>



\*<sup>1</sup> Based on each company's 1H, FY3/16 disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG, and non-consolidated figures of Mizuho Bank for Mizuho FG

\*<sup>2</sup> Based on each company's disclosure. G&A expenses divided by top-line profit (net of insurance claims). 1H, FY3/16 results for SMFG, MUFG and Mizuho FG, 3Q, FY12/15 results for others

# ■ Highlights

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## Profitability

- Financial results of 1H, FY3/2016
- Loan balance & spread
- Sources of profitability

## Financial soundness

- Asset quality
- Capital
- Liquidity
- Foreign currency funding

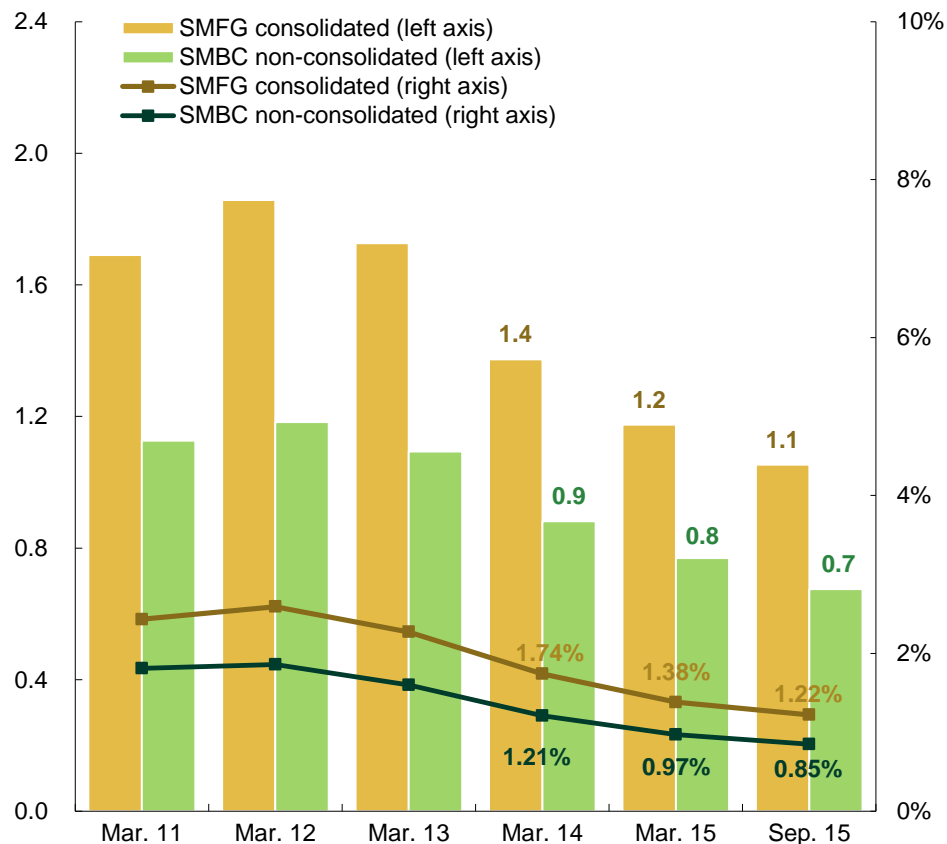
## Growth

- Medium-term management plan
- Wholesale business
- Retail business
- Group-based initiatives
- International business

# Asset quality – solid loan portfolio

## NPLs and NPL ratio\*1

(JPY tn)



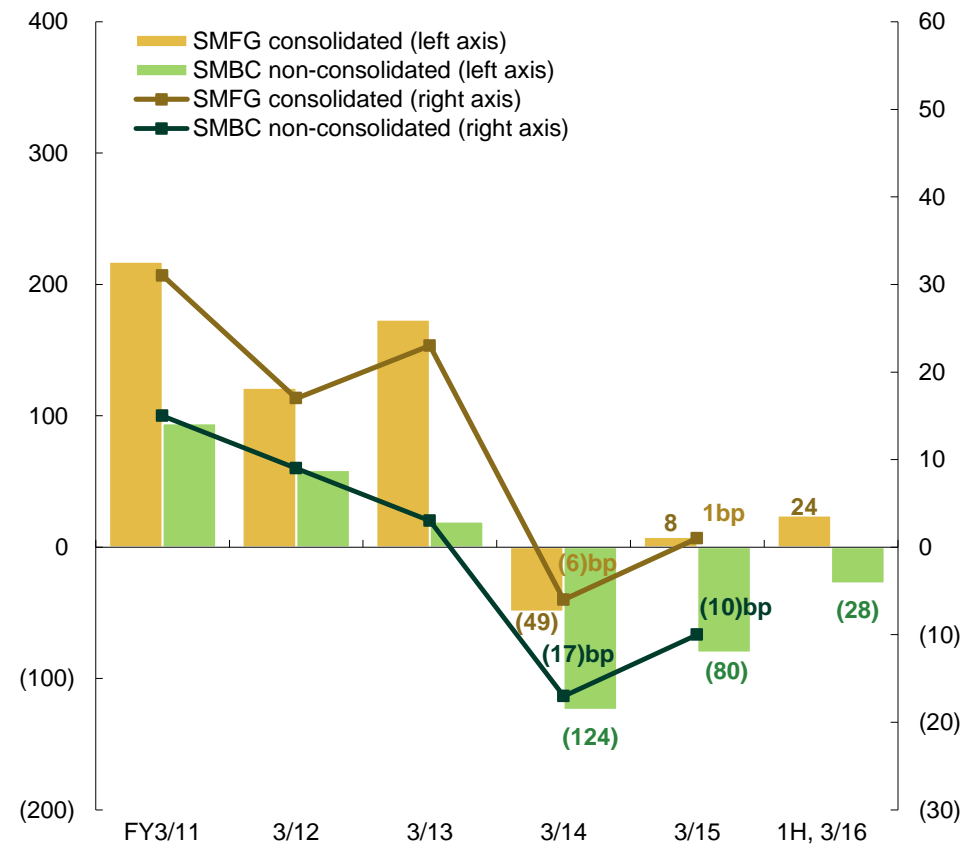
### Coverage ratio\*3

SMFG consolidated	83.14%	81.52%
SMBC non-consolidated	87.67%	87.24%

## Total credit cost and Total credit cost ratio\*2

(JPY bn)

(bp)

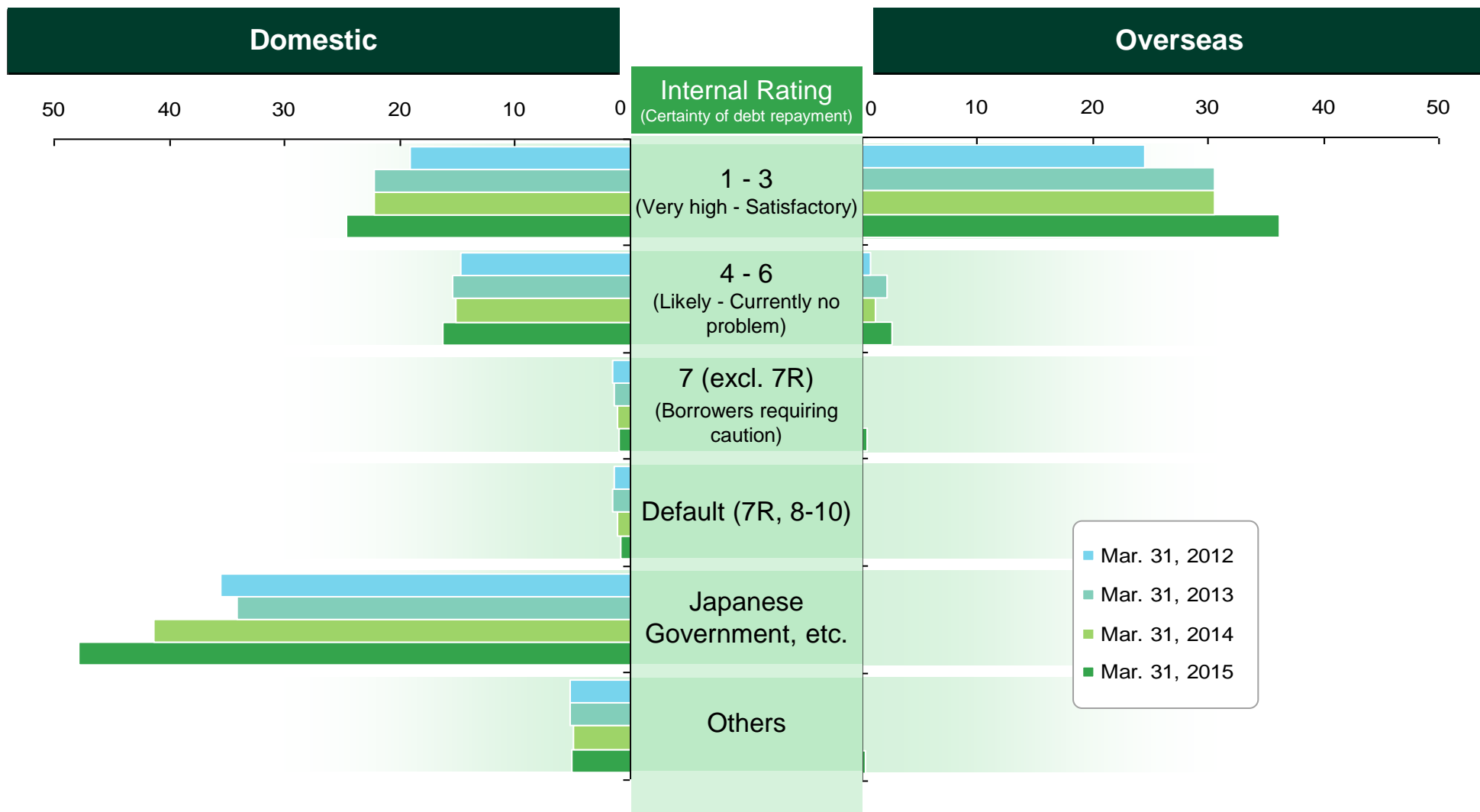


\*1 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

\*2 Total credit cost ratio = Total credit cost / Total claims

\*3 Ratio of the collateral, guarantees and specific and general reserves to total NPLs

# Corporate, sovereign and bank exposures\*



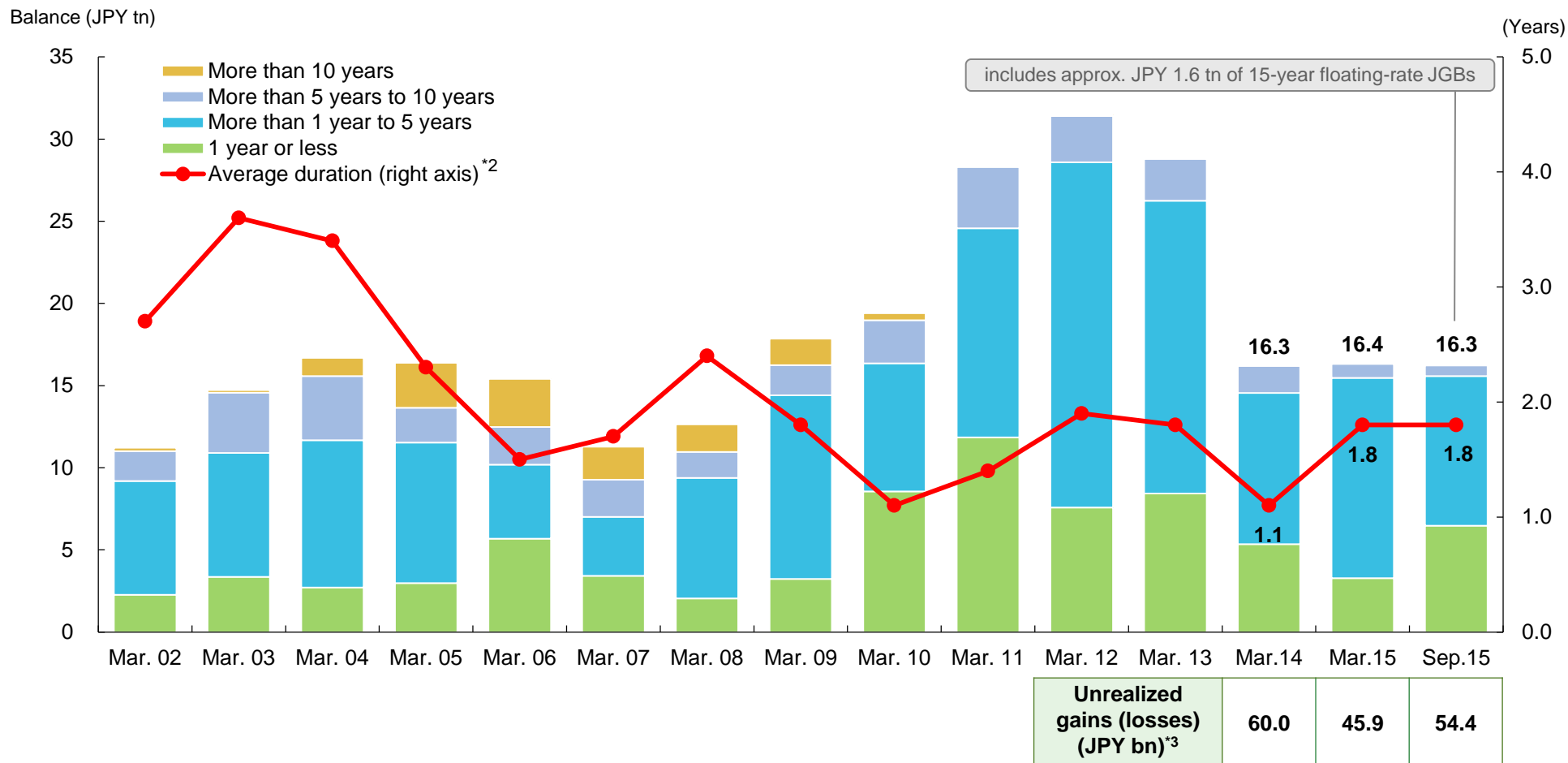
(SMFG consolidated)

\* Exposures include credit to domestic and overseas commercial/industrial companies, individuals for business purposes, sovereigns, public sector entities, and financial institutions. See appendix for details on obligor grading system

# Asset quality – bond portfolio

## Yen bond portfolio\*1

(SMBC non-consolidated)



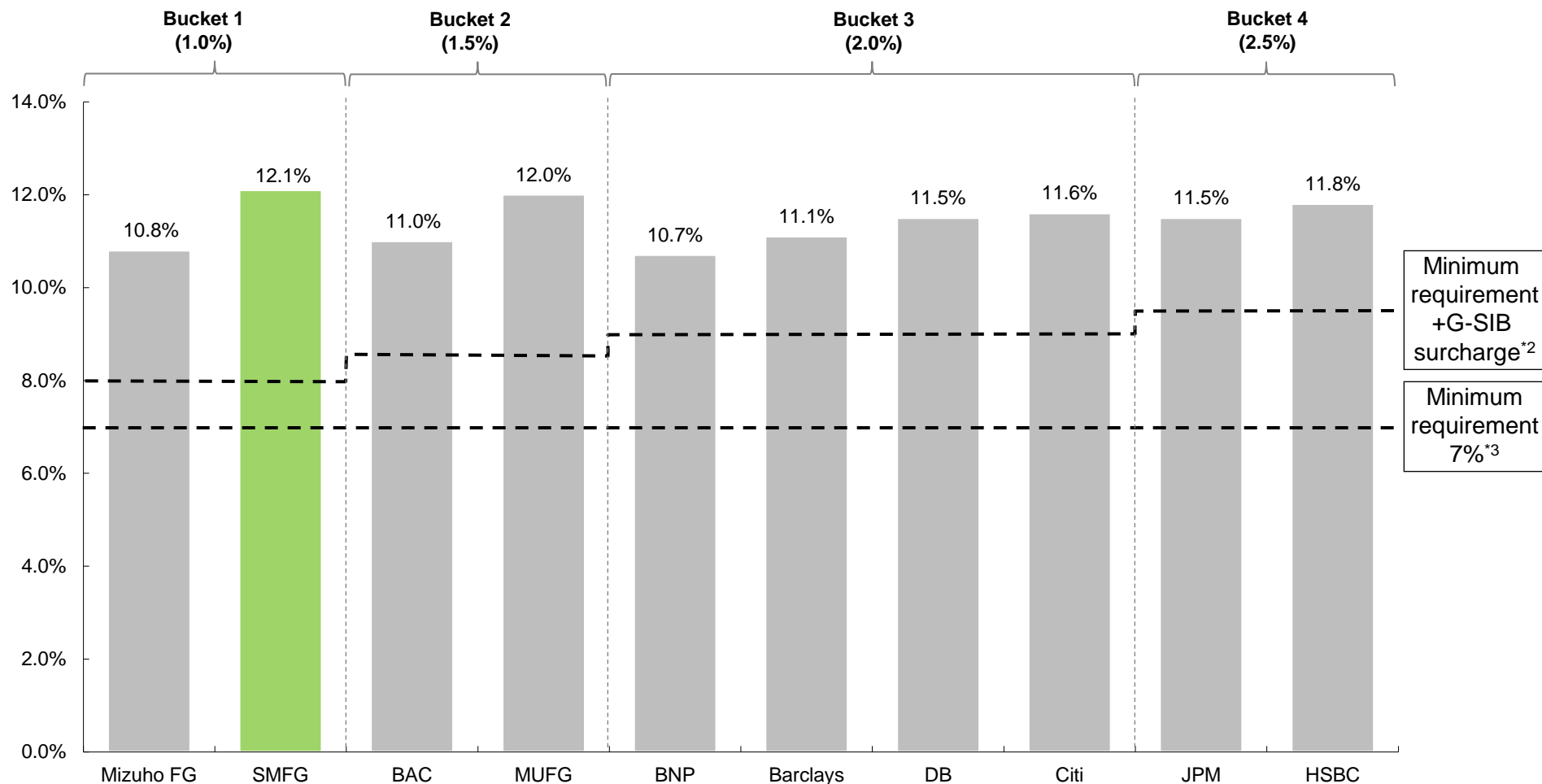
\*1 Total balance of Other securities with maturities and bonds classified as held-to-maturity; total of JGBs, Japanese local government bonds and Japanese corporate bonds

\*2 Excludes bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.  
Duration at Mar. 2002 is for JGB portfolio only

\*3 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 2009

# Resilient capital base

## Common Equity Tier 1 ratio - Basel III fully-loaded basis (pro forma)\*<sup>1</sup>



\*<sup>1</sup> Based on each company's disclosure. As of Sep. 30, 2015. The ratio for Mizuho FG includes Eleventh Series Class XI Preferred Stock of JPY 277.8bn

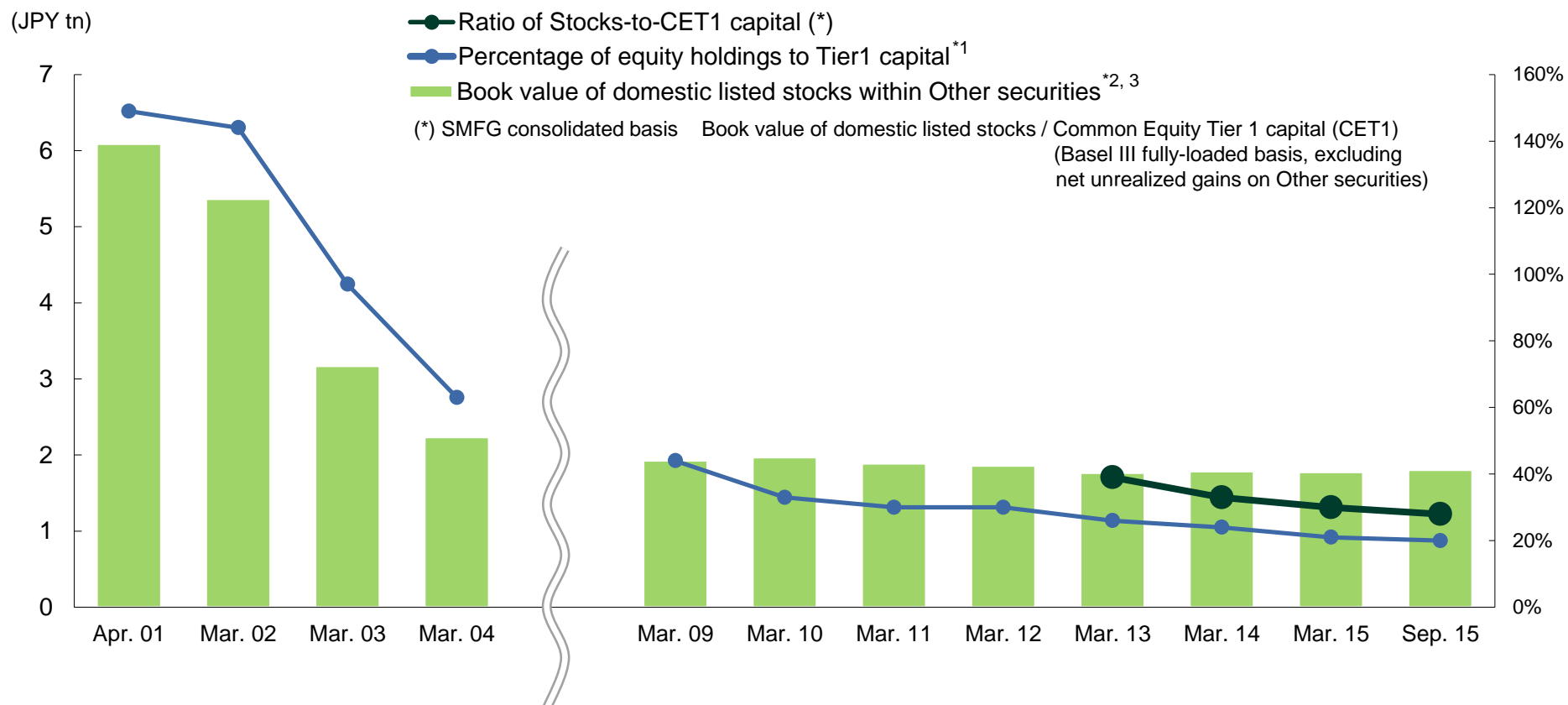
\*<sup>2</sup> The list published by the Financial Stability Board in Nov. 2015

\*<sup>3</sup> Minimum requirement = Minimum CET 1 Requirements (4.5%) + Capital conservation buffer (2.5%)

# ■ Reduction of strategic shareholdings

- We aim to continuously mitigate the risk from stock price fluctuations in order to have a more stable and robust financial base

## Strategic shareholdings outstanding (SMFG consolidated basis)



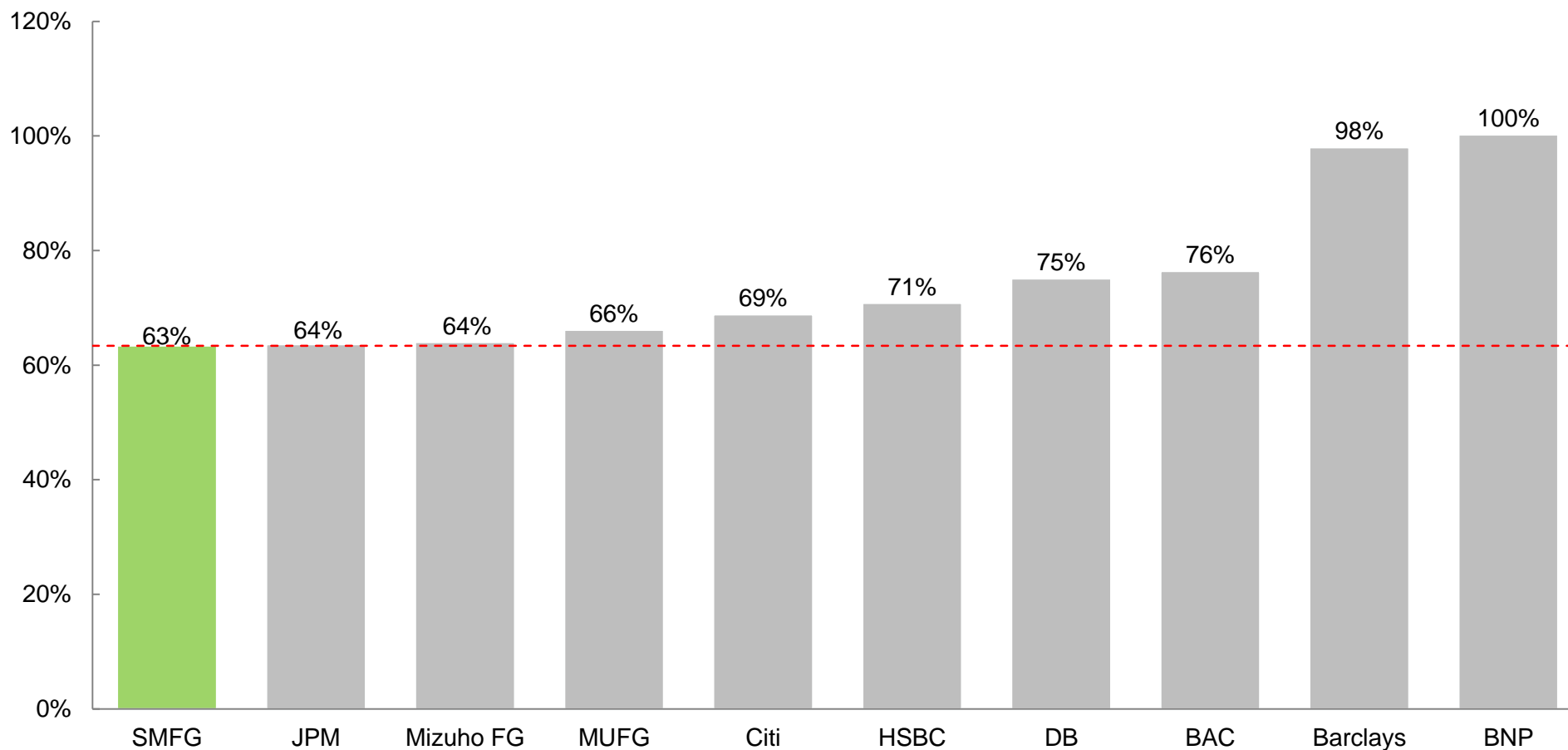
\*1 Ratio against SMFG consolidated basis Tier 1 Capital (ratio against SMBC non-consolidated Tier 1 Capital until end of Mar. 2002 . Ratio against Basel III fully-loaded basis for SMFG consolidated Tier 1 capital from end of Mar. 2002)

\*2 SMBC non-consolidated basis until Mar. 2002

\*3 Same meaning as acquisition cost

## Liquidity – supported by a sticky domestic deposit base

Loan-to-deposit ratio\*

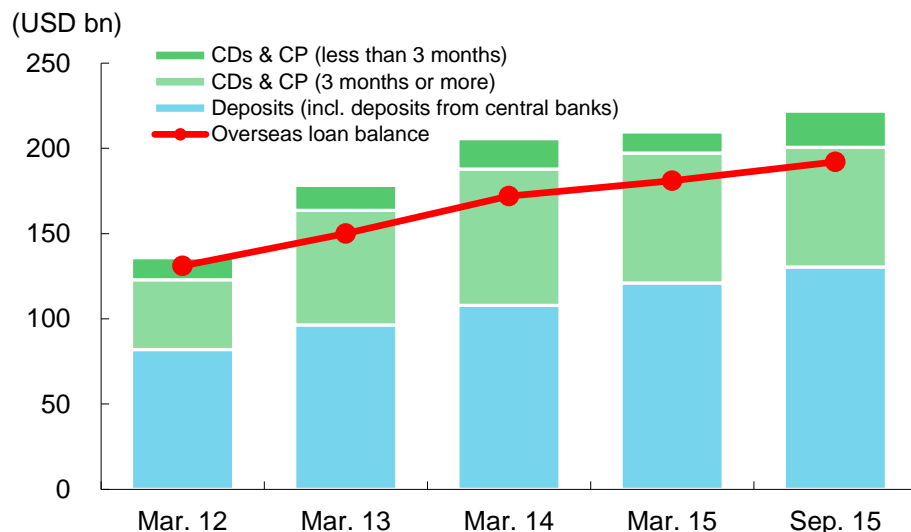


\* Based on each company's disclosure. As of Sep. 30, 2015



# Foreign currency funding

## Overseas deposit & loan balance\*1



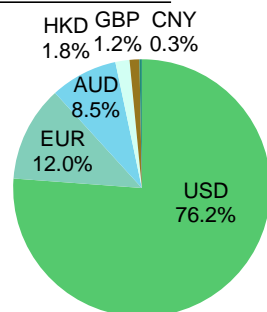
## Foreign currency funding by region

Region (Main currency)	Major capital markets funding tool
Head Office (USD/EUR/GBP/AUD/HKD)	Global MTN Programme (USD50bn)
	Euro MTN Programme (JPY1,500bn equivalent)
Europe (USD/EUR/GBP)	Euro CP Programme (EUR10bn)
	Euro CD
US (USD)	US Domestic CP Programme (USD15bn)
	US Domestic CD
Australia (USD/AUD)	Debt Issuance Programme (USD8bn)
	Australian Domestic CD
Hong Kong (HKD)	CD Programme (HKD15bn)
Singapore (SGD)	CD Programme (SGD5bn)

## Long-term capital markets funding\*2

### (Outstanding Amount)

Total: USD 31.0 bn



Outstanding Amount		
USD	23.6bn	--
AUD	3.6bn	= USD 2.6bn
EUR	3.5bn	= USD 3.7bn
HKD	4.3bn	= USD 0.5bn
GBP	0.3bn	= USD 0.4bn
CNY	0.6bn	= USD 0.1bn

## Recent deals (Senior unsecured)

- Oct. 20, 2015 / USD / 500mn / 5y FIX at 2.45% / Green Bonds
- Sep. 8, 2015 / EUR / 1.5bn ( Includes re-opening 500mn on Nov.12 ) / 2y FRN at Euribor+30bp / Private Placement
- Jul. 23, 2015 / USD / 3.0bn / 3y FIX at 1.95%, 3y FRN at 3ML+74bp, 5y FIX at 2.65%, 10y FIX at 3.65%
- May 28, 2015 / USD / 655mn / 30NC10 FIX at 4.30% / Formosa
- Apr. 30, 2015 / HKD / 1.5bn / 5y FIX at 2.09%, 10y FIX at 2.92% / Private Placement
- Apr. 7, 2015 / AUD / 850mn / 5y FRN at BBSW+1.02% / TCD

\*1 Includes trade bills. Managerial accounting basis, translated into USD at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

\*2 Senior unsecured issuance with original maturity of two years or more as of Nov. 20, 2015, issue date basis. Translated into USD at the exchange rates as of Nov. 20, 2015

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- Loan balance & spread
- Sources of profitability

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## Growth

- Medium-term management plan
- Wholesale business
- Retail business
- Group-based initiatives
- International business

# ■ Key initiatives in the medium-term management plan

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## Realize Asia-centric operations

## Develop client-centric business models

### 1. Create unique G-CIB\* business model for large corporate clients

\* Global Corporate and Investment Banking

2. Boost our strengths in middle market and SME business by enhancing interaction with each client
3. Revise consumer banking business model according to client segmentation
4. Maximize group synergies in consumer finance / credit card businesses
5. Restructure international business by upgrading our capabilities to address clients' needs and improving efficiency of assets
6. Establish distribution business
7. Promote IT, internet, settlement and payment businesses in a unified manner as a group

# Wholesale business

- Recognizing large corporate business as a growth area, create our unique Global-Corporate and Investment Banking (G-CIB) business model
- Drive top-line growth in corporate business. SMBC Nikko Securities to become a top player in equity and bond underwriting

## Business for large corporations

- Seamless operation of bank-securities and domestic and overseas offices, and solutions offered based on extensive knowledge of industries globally

Large corporate clients

offer higher quality solutions

Bank-securities  
collaboration

Seamless operation  
of domestic /  
overseas offices

Extensive  
knowledge of  
industries



Strengthen  
client  
coverage

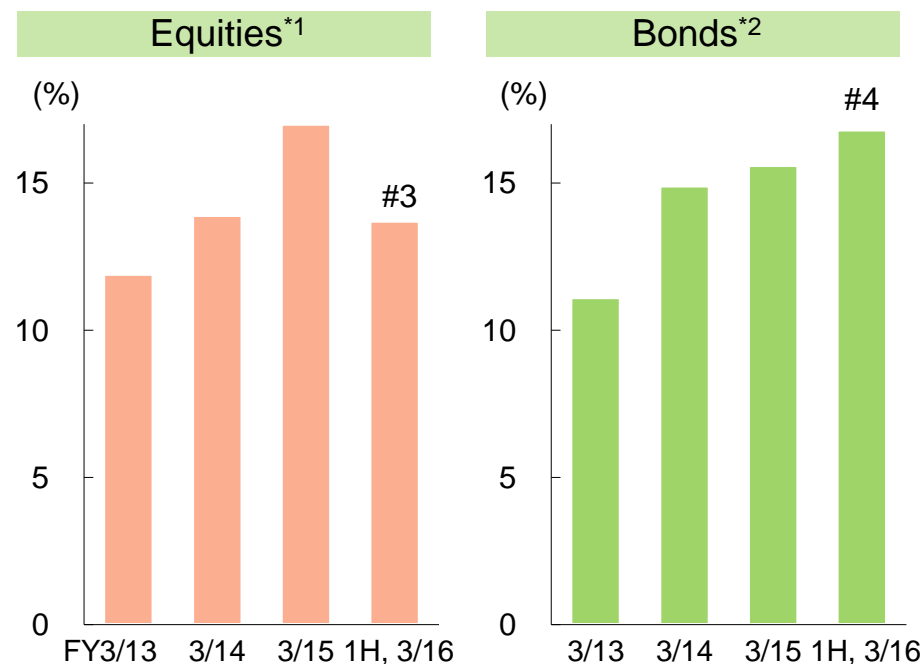
Dual-role,  
HR exchange

Expand RM  
coverage

## SMBC Nikko Securities

- Aim for a market share of 20% and a top-3 position for underwriting of Japanese equities and corporate bonds

### SMBC Nikko's market share for underwriting



\*1 Source: SMBC Nikko, based on data from Thomson Reuters. Japanese corporate related only

\*2 Source: SMBC Nikko, based on data from Thomson Reuters. Corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

# Retail business

## Bank-securities retail integration

Clients

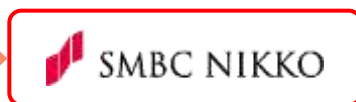
Serve inheritance/succession-related and steady asset management needs

Serve active asset management needs



SMBC's client base:  
28 mn accounts

collaboration



SMBC Nikko's client base:  
2.7 mn accounts

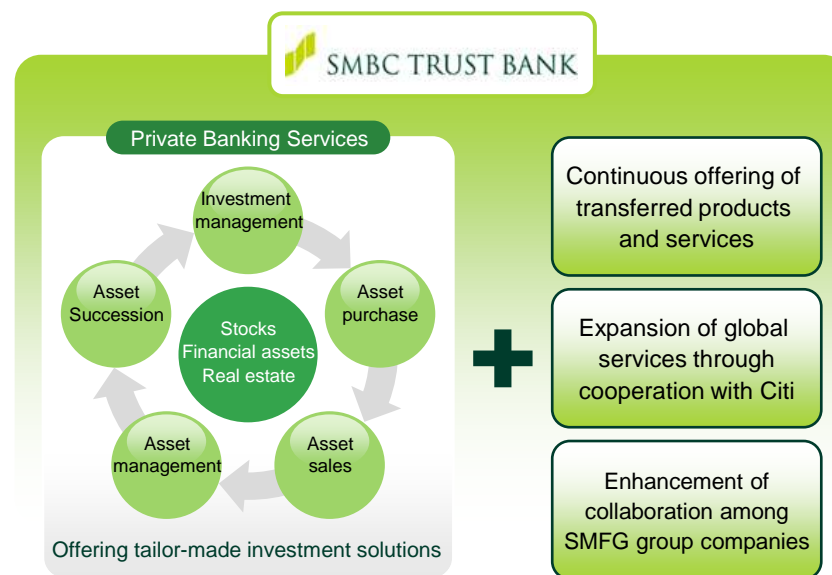
- Expanded the integration model to all offices in Jul. 2014
- SMBC Nikko has established 11 branches since Apr. 2014

## Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank acquired the retailing banking business of Citibank Japan on Nov. 1, 2015. It began the operations of a new brand called "PRESTIA"

**PRESTIA**

- The new bank that SMBC Trust Bank envisions
  - To become a bank that is highly unique compared with other Japanese banks
  - To grow into the core trust bank within the SMFG group by improving its profitability through cost reductions, including by the shared use of system infrastructure with SMBC



# Retail business – consumer finance / credit card business\*

- Maximize group synergies toward securing top market share

## Consumer finance business

- Achieve strong market share by expanding the variety of our client base under the brand strategies of SMBC, Promise and Mobit

Clients



## Credit card business

- Reinforce top-line profit and pursue cost-synergies by leveraging on strengths of Sumitomo Mitsui Card and Cedyne, which are bank-based and retail-based credit card companies, respectively

Bank-based clients



Retail-based clients





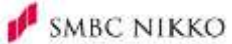

Integrated operation of planning and promotion functions

Integrated management platforms

\* SMBC Consumer Finance, which operates under the "Promise" brand, Mobit, Sumitomo Mitsui Card and Cedyne are consolidated subsidiaries of SMFG

# ■ Group-based initiatives – IT innovation

- Promote innovation that fully utilizes financial-related technology via cross-group collaboration and cooperation with industry-leading corporations

	FY3/2013	FY3/2014	FY3/2015	FY3/2016
<b>Internal promotion structure</b>	✓ Set up a project-led team for SMFG cross-group collaboration			✓ Set up <b>IT Innovation Department</b> in SMFG/SMBC
			<ul style="list-style-type: none"> <li>✓ Improved our service by utilizing image recognition technology from <b>NEC</b></li> <li>✓ Improved quality of call center by utilizing Watson from <b>IBM</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Capital and business alliance with <b>GMO Payment Gateway</b> (payment service provider)</li> <li>✓ Partnership agreement with <b>Plug and Play</b> (global accelerator)</li> </ul>
	<ul style="list-style-type: none"> <li>✓ Set up <b>U.S. Market Research Section</b> (Silicon Valley)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Began offering a smartphone settlement service by <b>Square</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Set up <b>South-East Asia Market Research Section</b> (Singapore)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Collaboration with <b>Stripe</b> (multi-foreign currency online settlement provider)</li> </ul>
				<ul style="list-style-type: none"> <li>✓ Introduced a personal robot named “Pepper” from <b>Softbank Robotics</b></li> </ul>
			<ul style="list-style-type: none"> <li>✓ Started offering loans for businesses on the internet shopping mall operated by <b>Yahoo</b></li> </ul>	

# ■ International business – Overview of SMFG's global strategy

- Further improve our ability to serve our clients
- Build a sustainable business model
- Transform from Japan-centric to Asia-centric

**Become a global financial group that leads the growth of Japan and the Asian region**

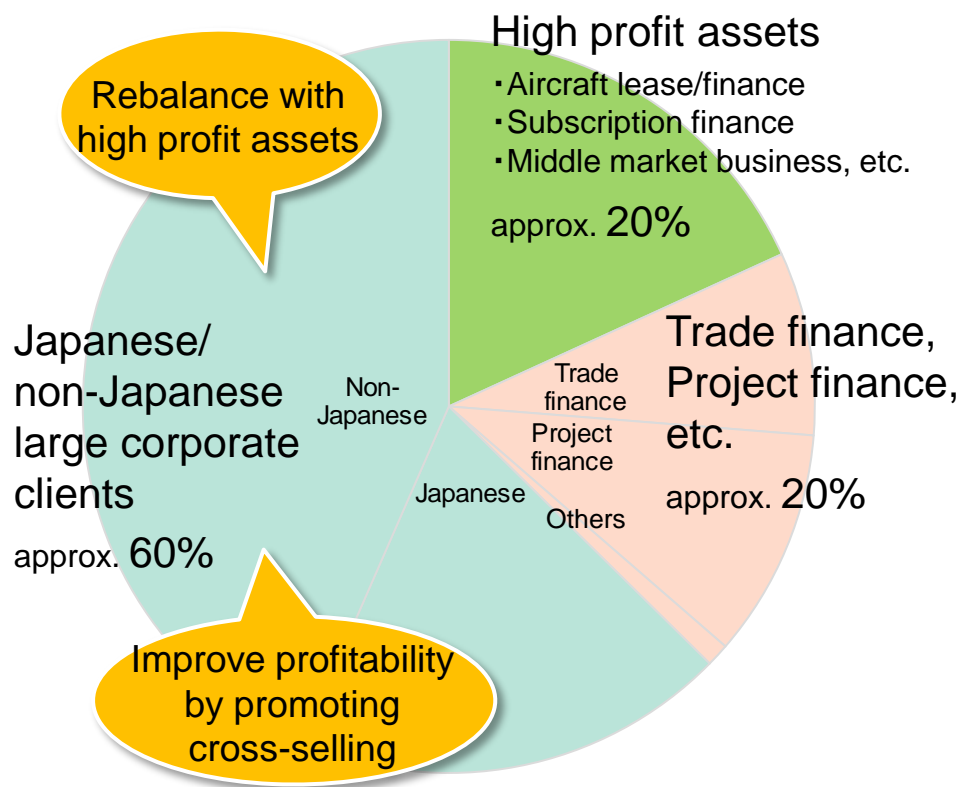




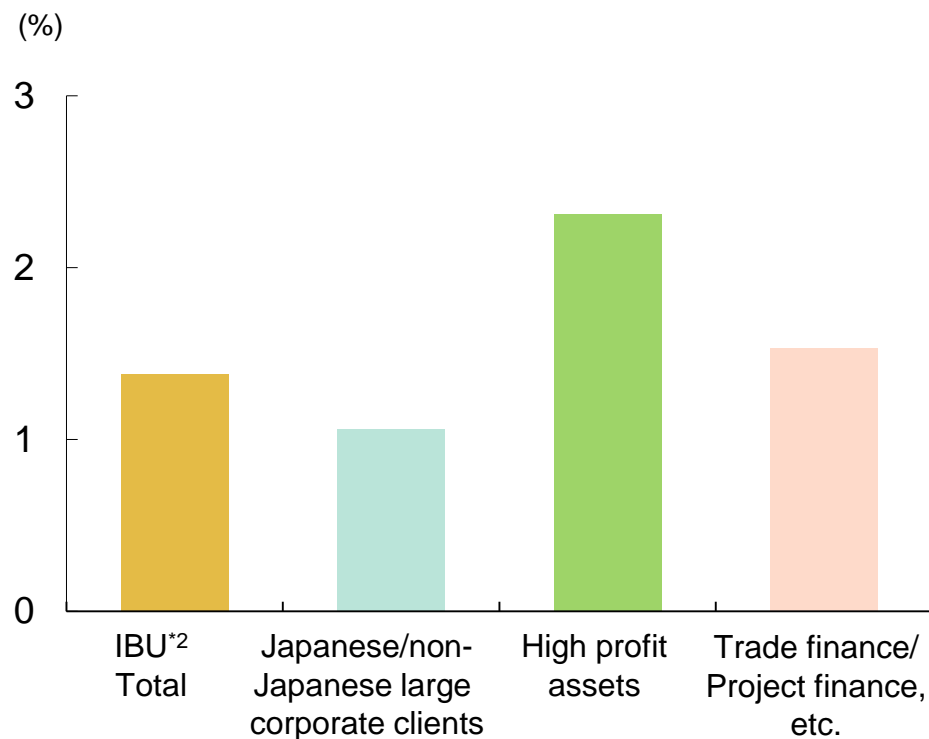
# ■ International business – Evolving business model

- Improve profitability of our portfolio by enhancing transactions with core clients, and by rebalancing with high profit assets

## Composition of International Banking Unit's portfolio



## Spread on a gross profit base\*1



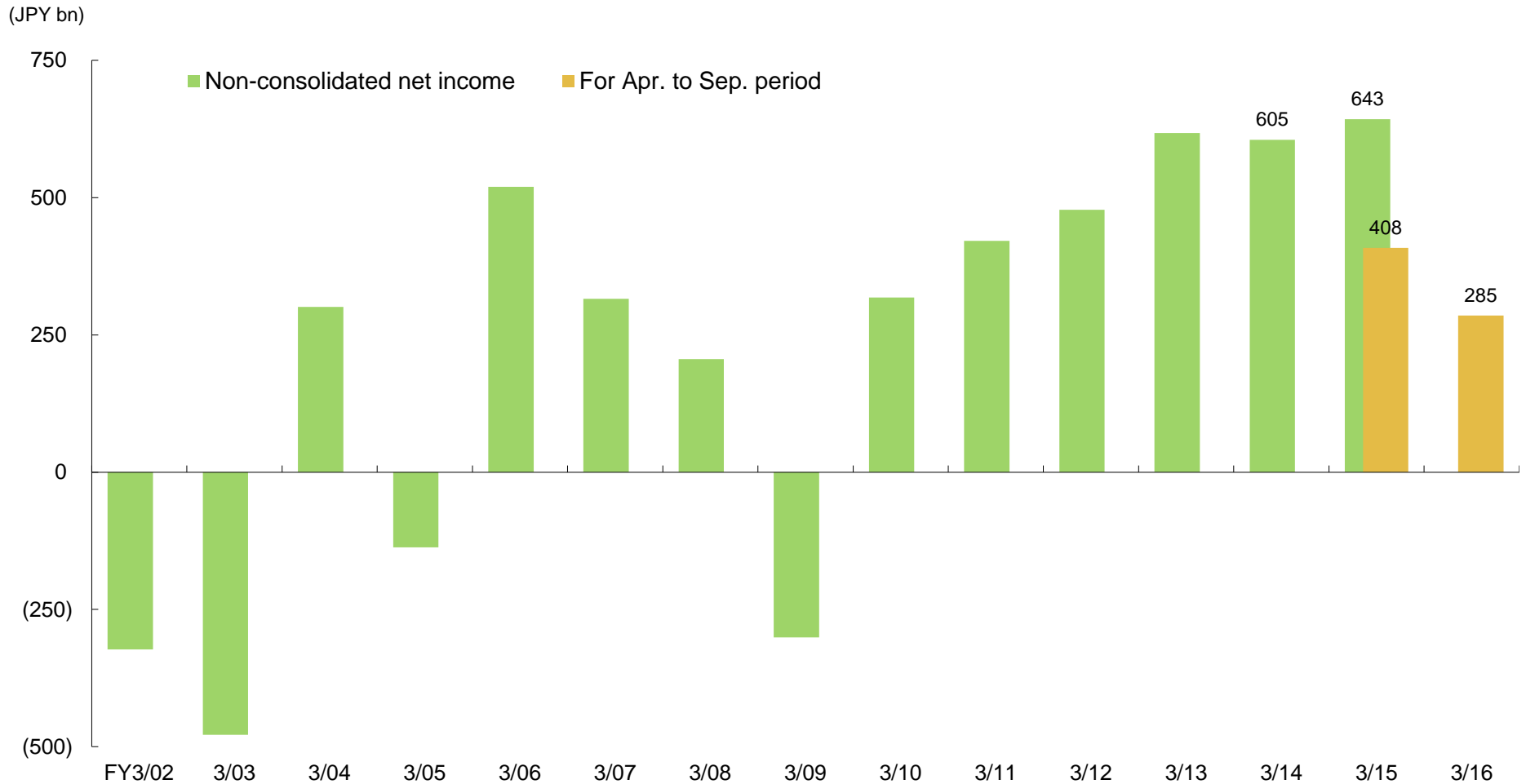
\*1 Excludes up-front fees

\*2 IBU: International Banking Unit

# Appendix

## Trend of bottom line profits

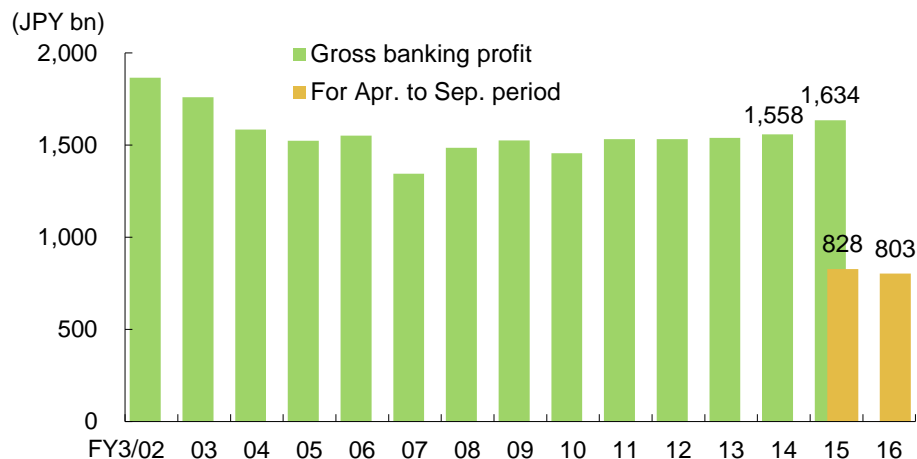
### SMBC's non-consolidated net income



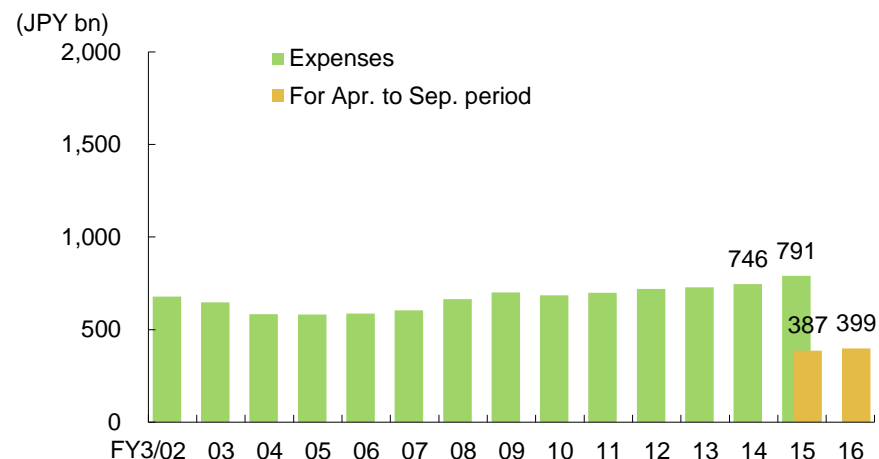
# Trend of major income components

(SMBG non-consolidated)

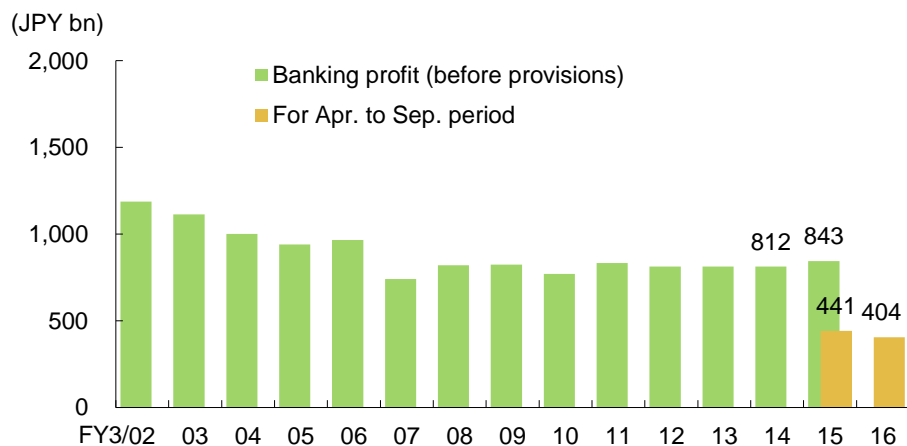
## Gross banking profit



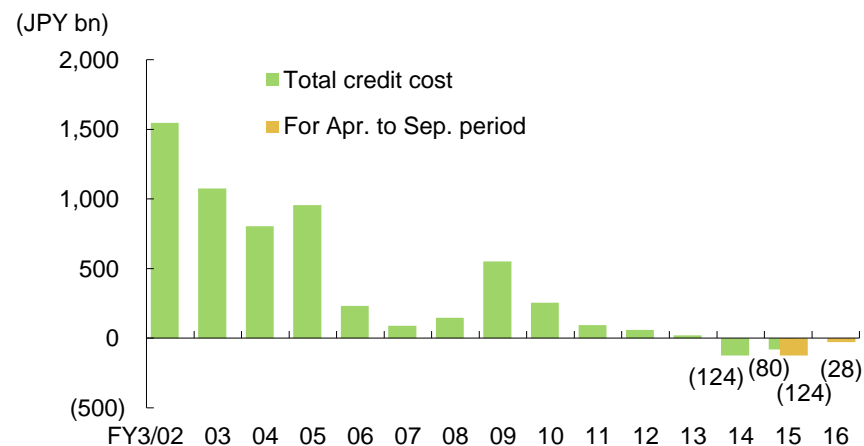
## Expenses



## Banking profit (before provisions)



## Total credit cost



# ■ SMFG's performance by business unit\*1

				(JPY bn)	1H, FY3/2015	FY3/2015	1H, FY3/2016	YOY change*2
	Wholesale Banking Unit		Gross profit		332.8	729.0	343.4	+9.3
			Expenses		(140.8)	(300.6)	(147.6)	(8.9)
		Net business profit			192.0	428.4	195.8	+0.4
		Retail Banking Unit	Gross profit		223.3	478.4	235.6	+12.5
			Expenses		(178.0)	(373.4)	(188.2)	(8.7)
			Net business profit		45.3	105.0	47.4	+3.8
		International Banking Unit	Gross profit		282.7	593.1	325.4	+28.5
			Expenses		(106.1)	(226.2)	(124.9)	(14.6)
			Net business profit		176.6	366.9	200.5	+13.9
	of which Marketing units		Gross profit		838.8	1,800.5	904.4	+50.3
			Expenses		(424.9)	(900.2)	(460.7)	(32.2)
		Net business profit			413.9	900.3	443.7	+18.1
	of which Treasury Unit		Gross profit		221.2	374.8	239.0	+13.9
			Expenses		(14.9)	(30.7)	(19.4)	(1.6)
		Net business profit			206.3	344.1	219.6	+12.3
	of which Sumitomo Mitsui Finance and Leasing		of which Gross profit		65.5	137.0	71.6	+6.1
			of which Expenses		(27.4)	(57.9)	(30.7)	(3.3)
		Net business profit			39.1	80.5	41.7	+2.6
	of which SMBC Nikko Securities		Gross profit		153.0	350.0	176.6	+20.8
			Expenses		(115.3)	(249.5)	(132.2)	(15.1)
		Net business profit			37.7	100.5	44.4	+5.7
	of which Consumer finance / Credit card*3		Gross profit		283.8	576.1	298.4	+14.6
			Expenses		(180.4)	(363.8)	(189.4)	(9.0)
		Net business profit			103.4	212.3	109.0	+5.6
Total			Gross profit		1,450.1	2,980.4	1,512.7	+62.6
			Expenses		(804.3)	(1,659.3)	(852.2)	(48.0)
		Ref: Gross profit - Expenses			645.8	1,321.1	660.5	+14.6
		Equity in gains (losses) of affiliates			0.1	(10.6)	(43.4)	(43.4)
		Net business profit*4			645.9	1,310.5	617.1	(28.8)

\*1 SMFG consolidated. Managerial accounting basis \*2 After adjustments for changes in interest rates and exchange rates, etc.

\*3 Sum of Sumitomo Mitsui Card, Cedyna, and SMBC Consumer Finance

\*4 Consolidated net business profit = Consolidated gross profit - General and administrative expenses + Equity in gains (losses) of affiliates

# ■ SMBC's performance by business unit\*1

				(JPY bn)					
						1H, FY3/2015	FY3/2015	1H, FY3/2016	YOY change*2
	Wholesale Banking Unit		Gross banking profit			262.5	555.4	257.6	(4.9)
			Expenses			(102.0)	(206.8)	(101.9)	(1.4)
			<b>Banking profit (before provisions)</b>			160.5	348.6	155.7	(6.3)
	Retail Banking Unit		Gross banking profit			185.8	386.8	182.9	(2.4)
			Expenses			(169.7)	(350.1)	(174.4)	(3.2)
			<b>Banking profit (before provisions)</b>			16.1	36.7	8.5	(5.6)
	International Banking Unit		Gross banking profit			166.7	345.3	180.7	+12.7
			Expenses			(50.2)	(106.6)	(60.9)	(6.9)
			<b>Banking profit (before provisions)</b>			116.5	238.7	119.8	+5.8
Marketing Units			Gross banking profit			615.0	1,287.5	621.2	+5.4
			Expenses			(321.9)	(663.5)	(337.2)	(11.5)
			<b>Banking profit (before provisions)</b>			293.1	624.0	284.0	(6.1)
Treasury Unit			Gross banking profit			211.0	354.0	222.5	+11.5
			Expenses			(12.7)	(25.9)	(14.6)	(0.9)
			<b>Banking profit (before provisions)</b>			198.3	328.1	207.9	+10.6
Headquarters			Gross banking profit			1.8	(7.2)	(40.7)	(41.7)
			Expenses			(52.3)	(101.8)	(47.0)	+0.5
			<b>Banking profit (before provisions)</b>			(50.5)	(109.0)	(87.7)	(41.2)
Total			Gross banking profit			827.8	1,634.3	803.0	(24.8)
			Expenses			(386.9)	(791.2)	(398.8)	(11.9)
			<b>Banking profit (before provisions)</b>			440.9	843.1	404.2	(36.7)

\*1 SMBC non-consolidated. Managerial accounting basis

\*2 After adjustment of interest rates, exchange rates, etc.

# Obligor grading system

Obligor grade		Definition	Borrower category
Domestic (C&I <sup>*</sup> ), etc.	Overseas (C&I <sup>*</sup> ), etc.		
J1	G1	Very high certainty of debt repayment	Normal borrowers
J2	G2	High certainty of debt repayment	
J3	G3	Satisfactory certainty of debt repayment	
J4	G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	
J5	G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of significant changes in economic trends or business environment	
J6	G6	Currently no problem with debt repayment, but there are unstable business and financial factors that could lead to debt repayment problems	
J7	G7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Borrowers requiring caution
J7R	G7R	(Of which substandard borrowers)	Substandard borrowers
J8	G8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially bankrupt borrowers
J9	G9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	Effectively bankrupt borrowers
J10	G10	Legally or formally bankrupt	Bankrupt borrowers

# ■ Medium-term management plan – FY3/2015 to FY3/2017

## Vision for the next decade

**We will become a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region**

**We will become a truly Asia-centric institution**

Strengthening our business in Asia is the key strategy to become a leading financial group in Asia

**We will develop the best-in-class earnings base in Japan**

We aim to proactively contribute to the revitalization of the Japanese economy and capture a high market share by implementing specific strategies for enhancing our capability to meet our clients' needs

**We will realize true globalization and continue to evolve our business model**

We will expand our global franchise and implement measures to realize the globalization of our corporate infrastructure that supports our growth. At the same time, we will continue to develop our business model by anticipating changes in our business environment, both domestic and international

## Three-year management goals

- 1 Develop and evolve client-centric business models for main domestic and international businesses
- 2 Build a platform for realizing Asia-centric operations and capture growth opportunities
- 3 Realize sustainable growth of top-line profit while maintaining soundness and profitability
- 4 Upgrade corporate infrastructure to support next stage of growth



# ■ Key initiatives

Initiatives for this FY3/16		1H, FY3/16 achievements
Wholesale	<ul style="list-style-type: none"> <li>• Deepen the “One to One” approach</li> <li>• Expand target clients of bank-securities collaboration</li> <li>• Begin trials of “domestic-international integration” model and “global-wide sector” model</li> <li>• Further develop talented professionals to reinforce our on-the-ground capabilities</li> <li>• Accelerate initiatives in growth areas</li> </ul>	<ul style="list-style-type: none"> <li>• Rise in gross profit and loans outstanding of the Wholesale Banking Unit compared to previous year due to more frequent contact with corporate clients through “One to One” approach</li> <li>• SMBC Nikko Securities took lead manager roles for large-scale capital raising and convertible bond deals</li> <li>• Strengthened business collaboration at home and abroad and hosted seminars to support start-up companies and growth industries including robotics, hydrogen, and inbound tourism</li> </ul>
Retail	<ul style="list-style-type: none"> <li>• Strengthen the asset management business on a group basis</li> <li>• Further implement and sophisticate the “Area” system</li> <li>• Acquire the retail banking business of Citibank Japan</li> <li>• Reinforce SMBC’s branding; enhance marketing activities utilizing IT</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in assets under management through our bank-securities retail integration</li> <li>• Increase in number of contracts related to inheritance and succession</li> <li>• Began operation of PRESTIA as of November 1st</li> <li>• Expanded IT-related services such as “Password card” (a smartphone application) and computerized application procedure for life insurance</li> </ul>
International	<ul style="list-style-type: none"> <li>• Diversify our foreign currency portfolio</li> <li>• Fully launch “Asia Core Client Program”</li> <li>• Strengthen transaction banking and solution-providing</li> <li>• Promote cross-selling and expand relationships globally with western multinational corporations (Platinum Partner Club)</li> <li>• Increase our highly profitable assets mainly through products that are our strong-suit</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented transaction banking and financing for business expansion into Europe and/or US for Asia-core clients</li> <li>• Partook in M&amp;A financing for Western corporations, financed clients for business expansion into Asia, and promoted business collaboration with SMBC Nikko Securities</li> <li>• Expanded our global network by making ACELA Bank (Cambodia) an equity-method affiliate and by reaching agreement to acquire shares of OTO/SOF* (Indonesia)</li> <li>• Engaged in business with high profit assets; SMBC Europe acquired European loan portfolio from GE</li> </ul>

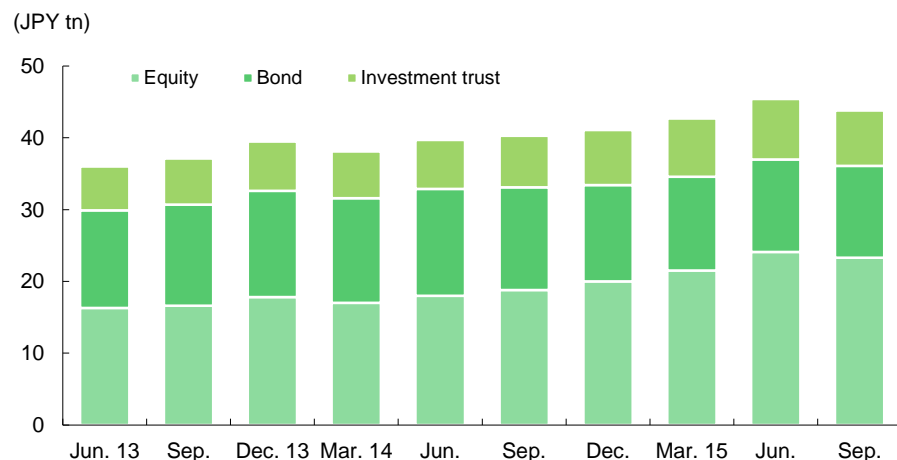
\* Indonesian auto and motorcycle finance companies of PT Oto Multiartha and PT Summit Oto Finance

# SMBC Nikko Securities

## Financial results (consolidated)

(JPY bn)	1H, FY3/15	FY3/15	1H, FY3/16	YOY change
Net operating revenue	145.2	329.2	162.3	+17.1
SG&A expenses	(110.0)	(235.2)	(124.3)	(14.3)
Ordinary income <sup>*1</sup>	36.5	96.2	40.5	+4.0
Profit attributable to owners of parent <sup>*1</sup>	24.0	64.7	29.4	+5.4

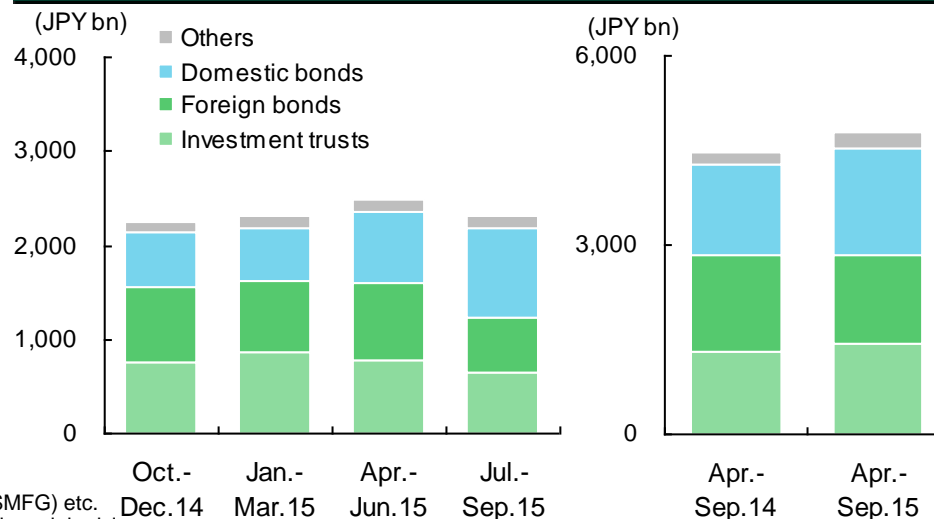
## Client assets



## League tables (Apr. - Sep. 2015)<sup>\*2, 3</sup>

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount) <sup>*4</sup>	#3	13.7%
JPY denominated bonds (lead manager, underwriting amount) <sup>*5</sup>	#4	16.8%
Financial advisor (M&A, No. of deals) <sup>*6</sup>	#1	5.4%
Financial advisor (M&A, transaction volume) <sup>*6</sup>	#6	17.4%

## Product sales



<sup>\*1</sup> Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.

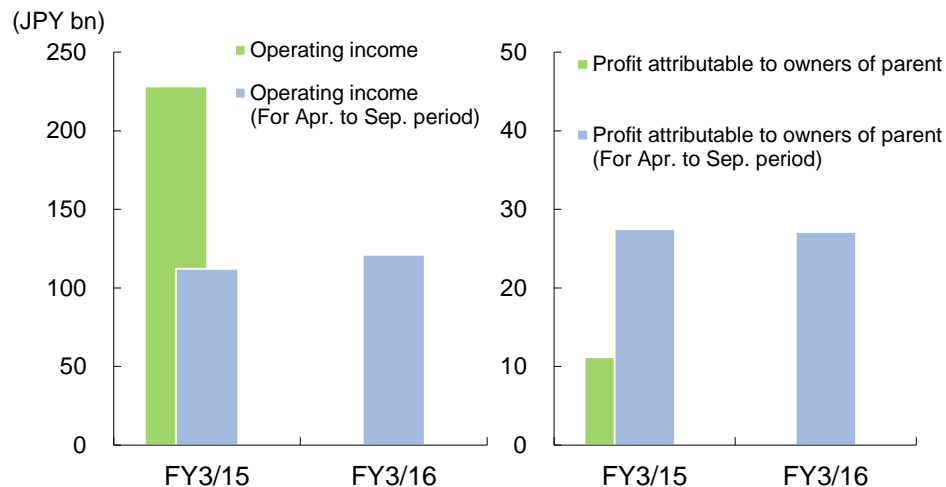
<sup>\*2</sup> SMBC Nikko Securities for Global equity & equity-related and JPY denominated bonds. SMFG for Financial advisor

<sup>\*3</sup> Source: SMBC Nikko, based on data from Thomson Reuters <sup>\*4</sup> Japanese corporate related only

<sup>\*5</sup> Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds <sup>\*6</sup> Japanese corporate related only. Group basis

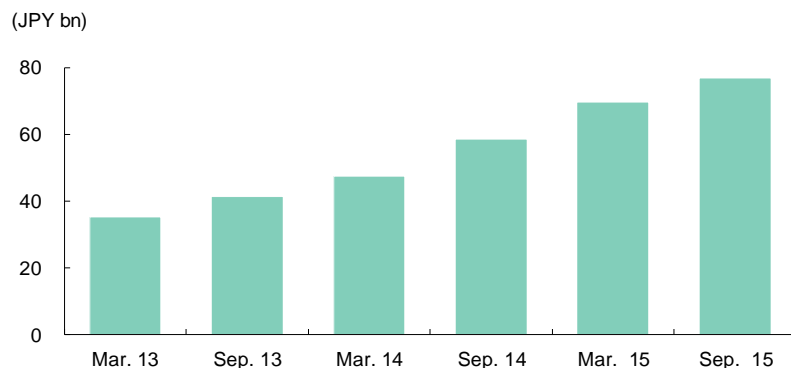
# SMBC Consumer Finance

## Consolidated operating income and Profit attributable to owners of parent



## Overseas business

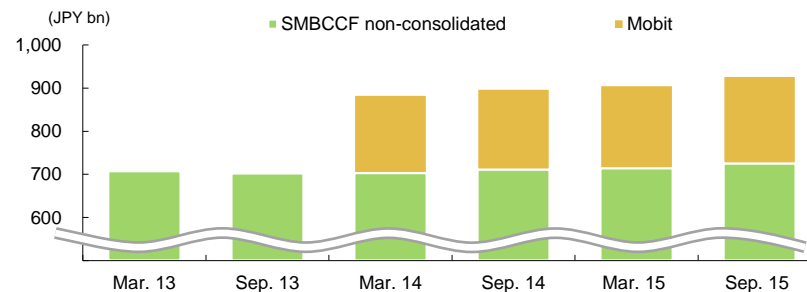
### Consumer loans outstanding (overseas)\*



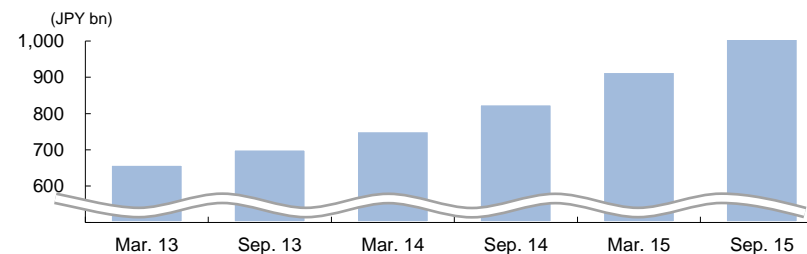
\* Aggregate of overseas subsidiaries. Translated into JPY at respective period-end exchange rates

## Financing / Loan guarantee business

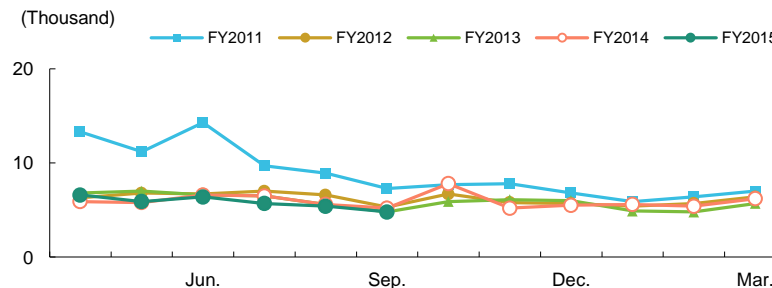
### Consumer loans outstanding (domestic)



### Loan guarantee amount



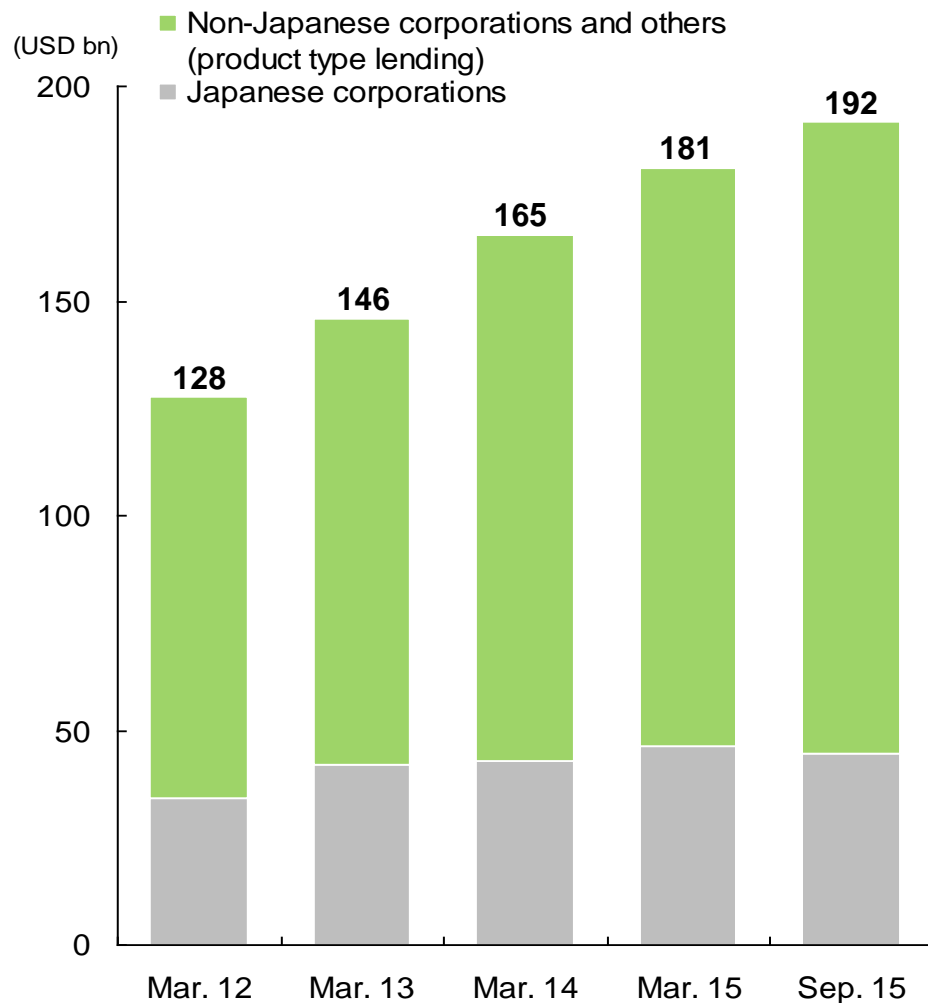
### No. of interest refund claims



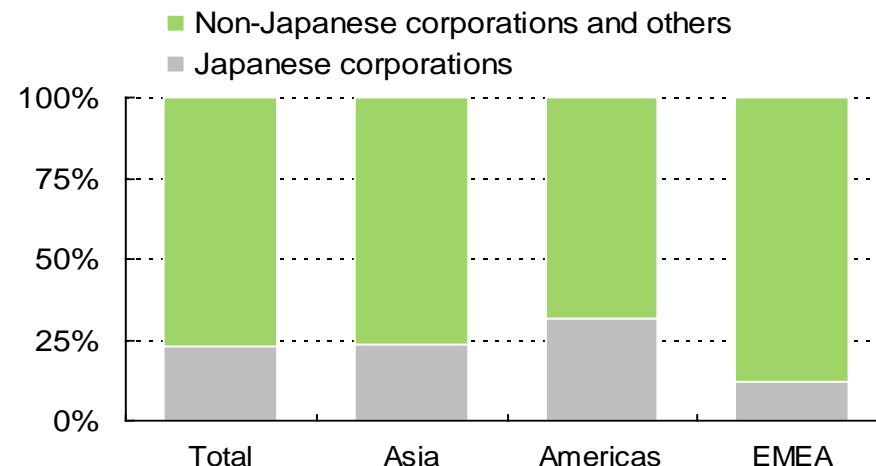
# Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

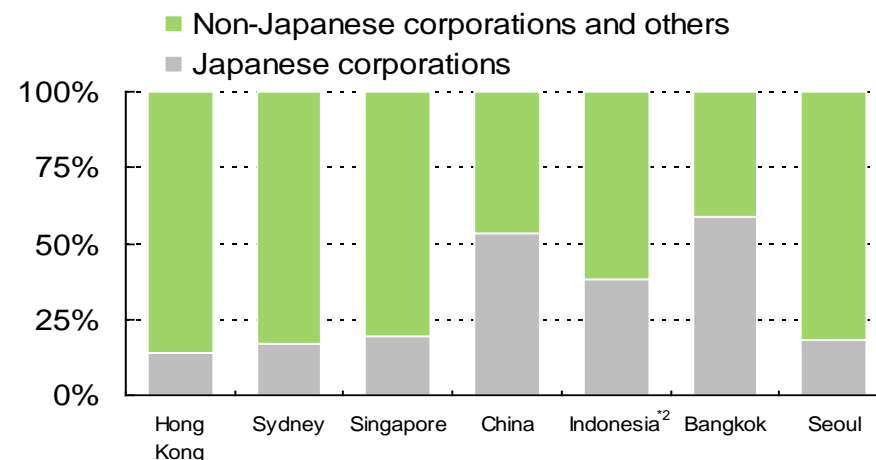
## Total\*1



## By region (Sep. 2015)\*1



## Major marketing channels in Asia (Sep. 2015)\*1



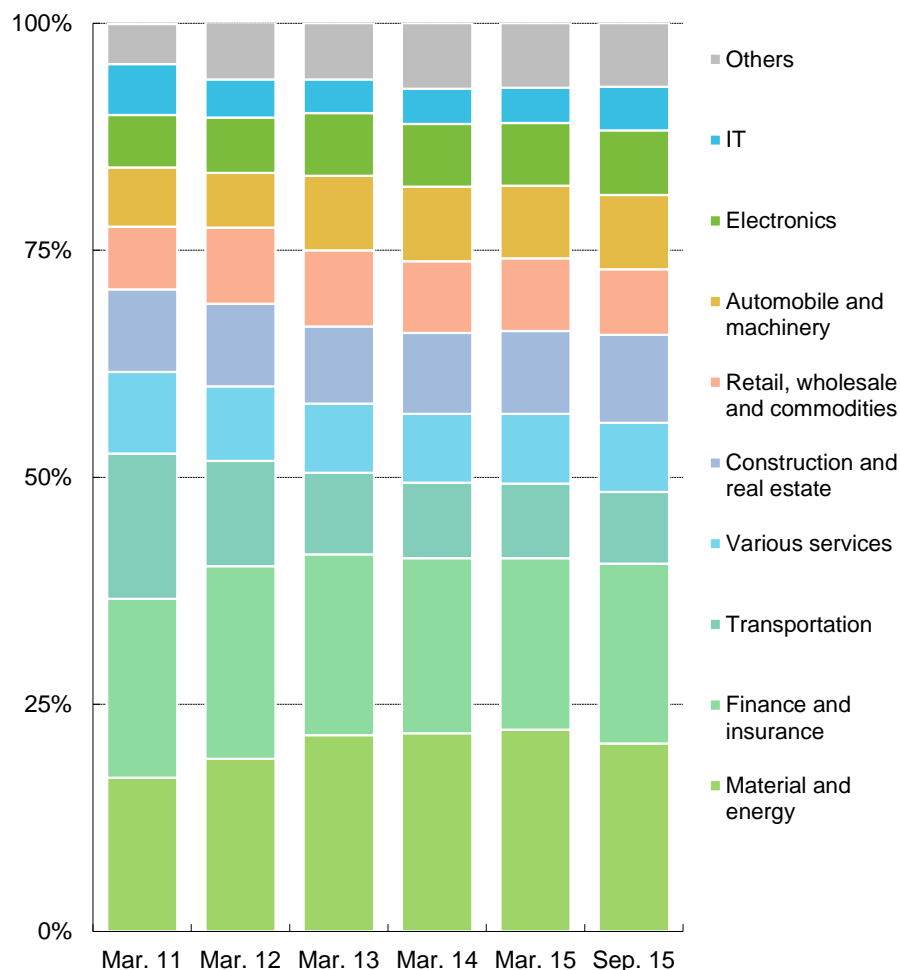
\*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Includes trade bills after Mar. 2015

\*2 Sum of SMBC and SMBC Indonesia

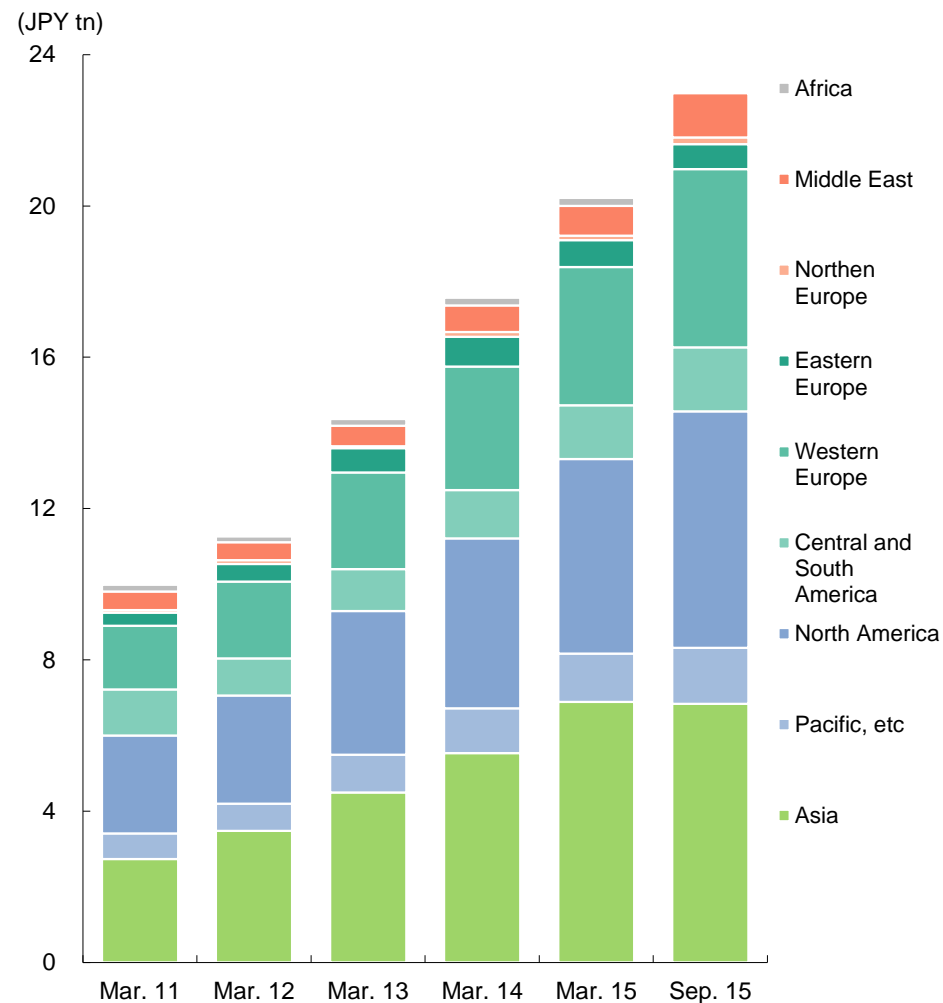
# Overseas loan balance classified by industry and domicile

(Geographic classification based on domicile of borrowers)\*

## By industry



## By domicile

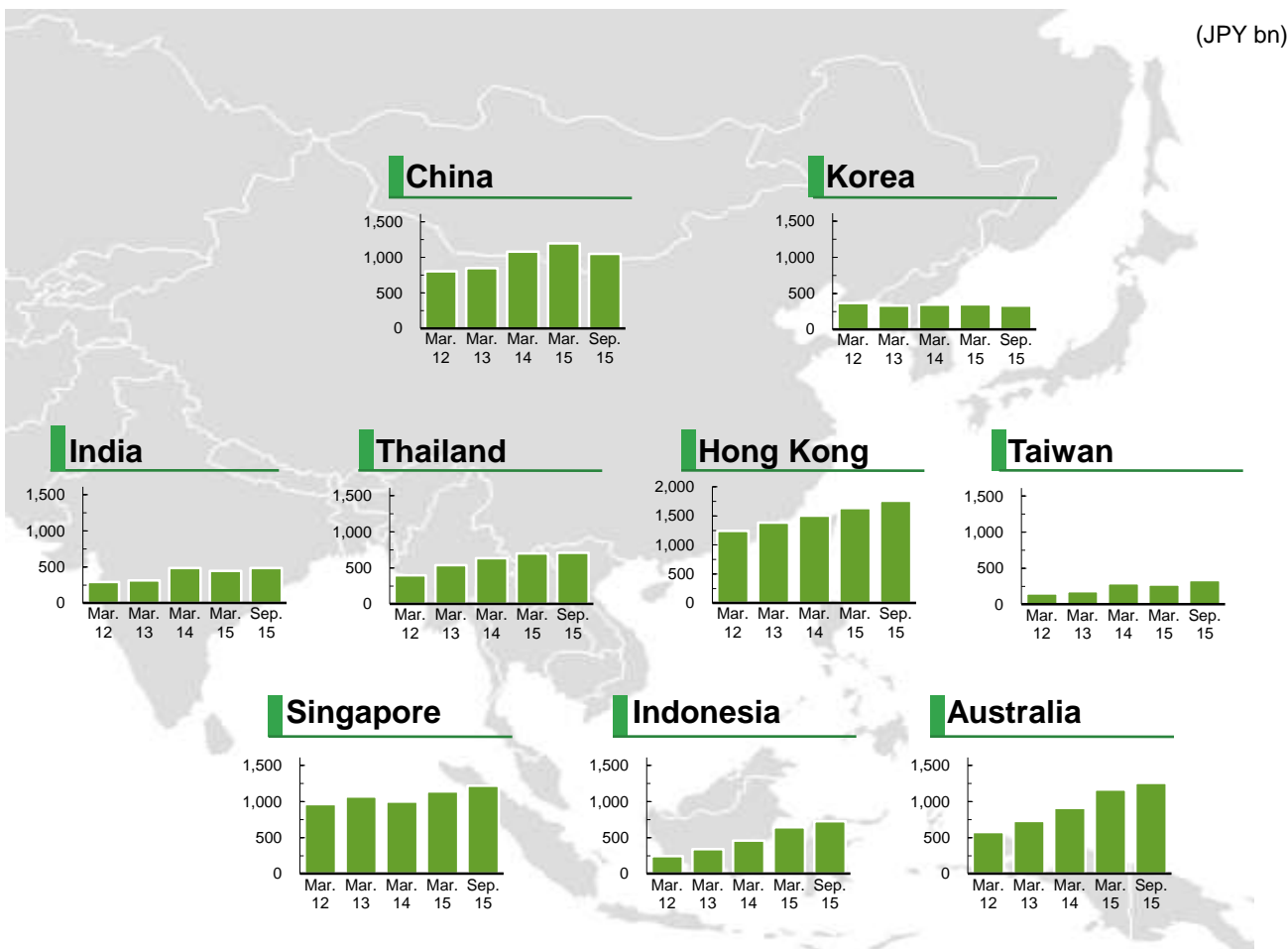


\* Managerial accounting basis, translated into JPY at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China). Before direct reduction

# International business - our footprint in Asia

## Loan balance in Asian countries

(Geographic classification based on domicile of borrowers)\*



## Strategic partners

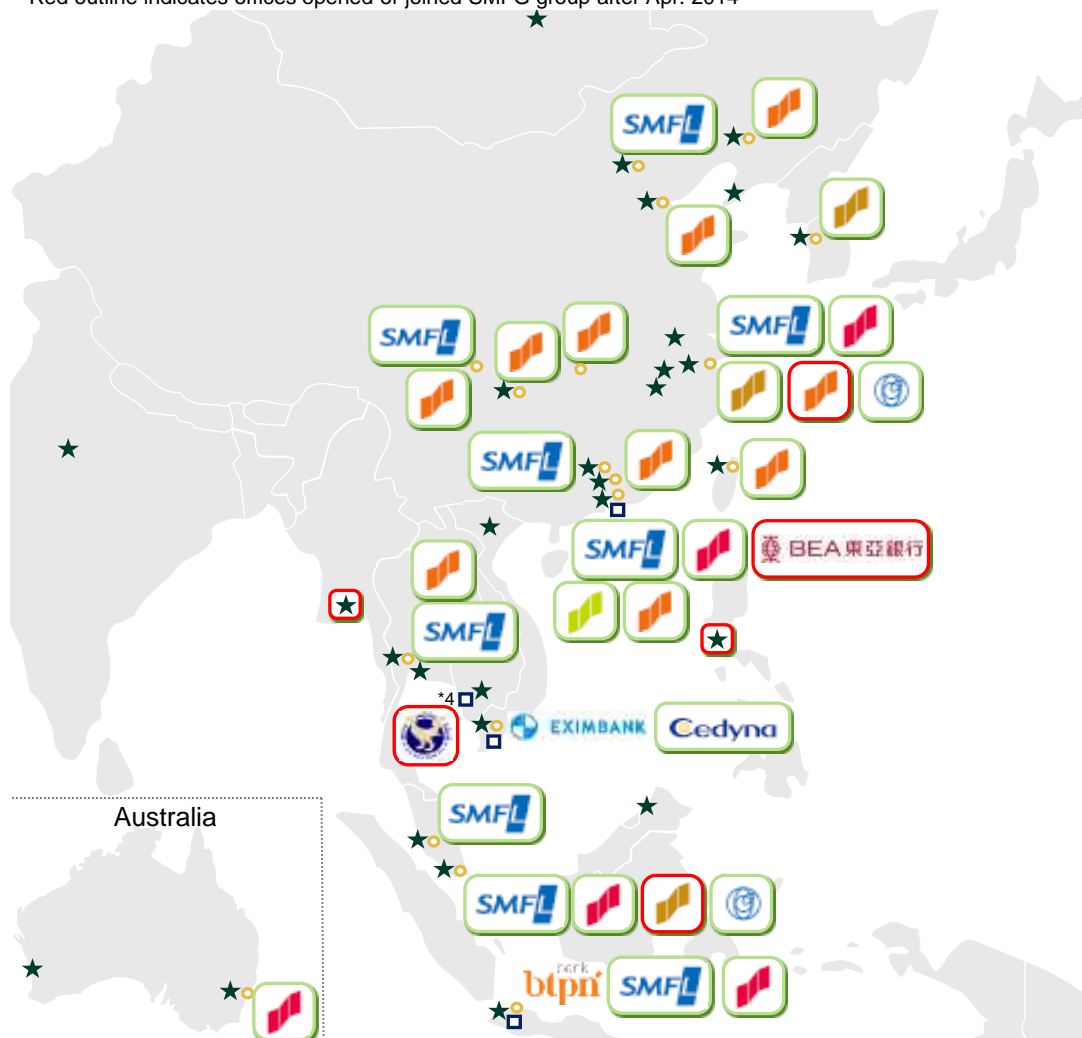
(Equity method affiliates of SMBC)

Hong Kong	Bank of East Asia
Vietnam	Vietnam Eximbank
Indonesia	Bank Tabungan Pensiunan Nasional
Cambodia	ACLEDA Bank

\* Managerial account basis. Sum of SMBC, SMBC Europe, SMBC (China) and SMBC Indonesia. Loan balances are translated into JPY from each country's local currency at the exchange rate as of Sep. 30, 2015

# SMFG's network in Asia

- ★ : Banking business offices  
 ○ : Overseas offices of SMFG group companies excluding banking business offices  
 □ : Equity method affiliates  
 Red outline indicates offices opened or joined SMFG group after Apr. 2014



SMBC SUMITOMO MITSUI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 38 offices*1	
Sumitomo-Mitsui Finance and Leasing	Leasing	<ul style="list-style-type: none"> <li>Beijing</li> <li>Shanghai</li> <li>Chengdu</li> <li>Guangzhou</li> <li>Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>Bangkok</li> <li>Kuala Lumpur</li> <li>Singapore</li> <li>Jakarta</li> </ul>
SMBC NIKKO	Securities	<ul style="list-style-type: none"> <li>Hong Kong</li> <li>Sydney</li> </ul>	<ul style="list-style-type: none"> <li>Singapore</li> <li>Jakarta</li> </ul>
	M&A advisory	<ul style="list-style-type: none"> <li>Shanghai</li> <li>Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>Singapore</li> <li>Jakarta</li> </ul>
SMBC FRIEND SECURITIES	Market research	Hong Kong	
YUMETOMI MITSUI CARD COMPANY, LIMITED	Prepaid card services	Seoul*2	
	Consulting	Shanghai	
	Market research	Singapore	
Cedyne	Auto loans	Ho Chi Minh*3	
SMBC CONSUMER FINANCE	Consumer finance	<ul style="list-style-type: none"> <li>Hong Kong</li> <li>Shenzhen</li> <li>Shenyang</li> <li>Tianjin</li> <li>Chongqing</li> </ul>	<ul style="list-style-type: none"> <li>Chengdu</li> <li>Wuhan</li> <li>Shanghai</li> <li>Bangkok</li> </ul>
	Loan management and collection	Taipei	
The Japan Research Institute, Limited	Consulting	Shanghai	
	System integration	<ul style="list-style-type: none"> <li>Shanghai</li> <li>Singapore</li> </ul>	

\*1 As of Sep. 30, 2015. Includes SMBC, SMBC's banking subsidiaries and equity method affiliates. Excludes offices planned to be closed

\*2 Prepaid cards targeted at travelers to Korea from Japan offered through an alliance with Hana SK Card Co., Ltd. since Nov. 2012

\*3 Expanded auto loan business through alliance with Vietnam Eximbank since May 2013

\*4 SMBC made ACLEDA Bank an equity method affiliate in Sep. 2015

# ■ Capital and risk-weighted assets, SMFG consolidated

## Capital ratio (transitional basis)

		(JPY bn)	Mar. 31, 2015	Sep. 30, 2015 <i>Preliminary</i>
	<b>Common Equity Tier 1 capital (CET1)</b>		<b>7,476.5</b>	<b>7,662.6</b>
	of which:	Total stockholders' equity related to common stock	6,909.0	7,195.7
		Accumulated other comprehensive income <sup>*1</sup>	801.5	662.2
		Regulatory adjustments related to CET1 <sup>*1</sup>	(460.4)	(425.5)
Tier 1 capital			8,528.6	9,011.9
of which:	Additional Tier1 capital instruments		-	300.0
	Eligible Tier 1 capital instruments (grandfathered) <sup>*3</sup>		1,124.3	1,125.0
	Regulatory adjustments <sup>*1, *2</sup>		(348.2)	(342.2)
Tier 2 capital			2,437.3	2,620.5
of which:	Tier 2 capital instruments		375.0	657.0
	Eligible Tier 2 capital instruments (grandfathered) <sup>*3</sup>		1,424.0	1,424.0
	Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount <sup>*2</sup>		699.4	557.8
	Regulatory adjustments <sup>*1, *2</sup>		(165.2)	(135.5)
Total capital			10,965.9	11,632.4
Risk-weighted assets			66,136.8	65,364.6
<b>Common Equity Tier 1 capital ratio</b>			<b>11.30%</b>	<b>11.72%</b>
Tier 1 capital ratio			12.89%	13.78%
Total capital ratio			16.58%	17.79%

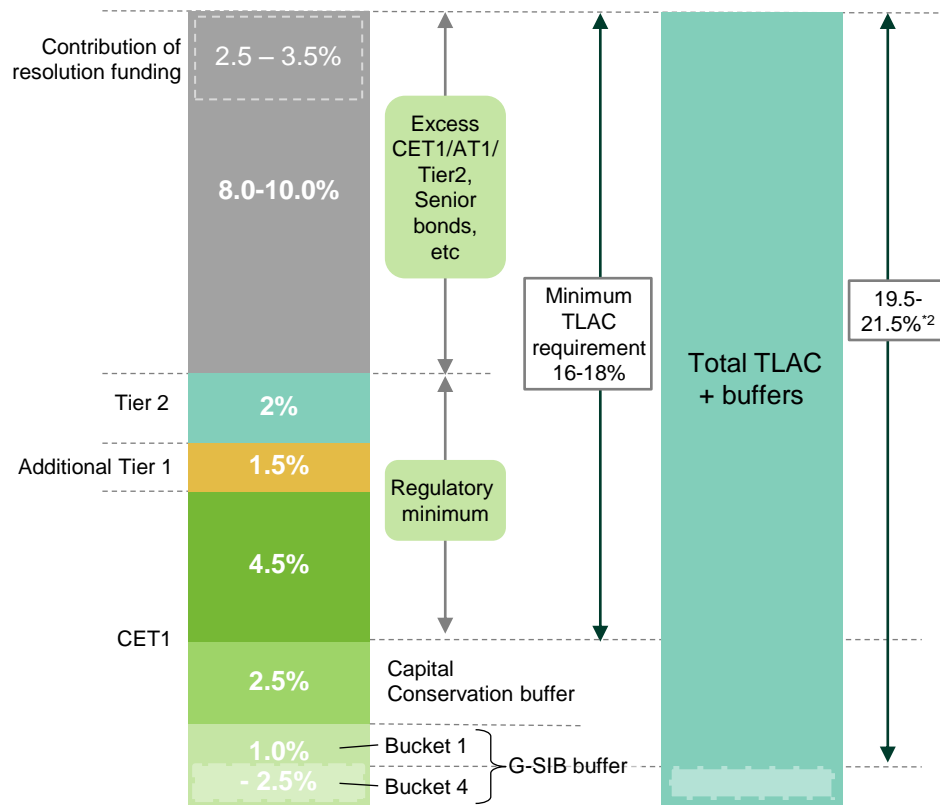
\*1~3 Subject to transitional arrangements. Regulatory adjustments of Tier 1 and Tier 2 include items that are either phased-in or phased-out as described in \*1 and \*2 below.  
Percentages indicate the treatment as of Mar. 31, 2015 / Sep. 30, 2015

\*1 40% of the original amounts are included \*2 40% phase-out is reflected in the figures \*3 Cap is 70%



# ■ TLAC requirements for G-SIBs\*1

## Illustrative TLAC requirement



## Highlights of TLAC requirement

### Minimum external TLAC requirements

	Jan. 2019 - Dec. 2021	After Jan. 2022
Risk weighted assets (RWA) basis	16%	18%
[Incl. buffers]	[19.5%]	[21.5%]
Leverage ratio denominator basis	6%	6.75%

### Instruments eligible for external TLAC

- Items that satisfy regulatory capital requirements, with certain exceptions such as non-controlling interests included in AT1/T2 after Jan. 2022
- Certain unsecured liabilities that are subordinated to excluded liabilities such as insured deposits (senior notes issued by a holding company which does not have any excluded liabilities on its balance sheet, etc.)
- An access to credible ex-ante commitments to recapitalize a G-SIB in resolution may count towards a firm's TLAC as 2.5% of RWA by Dec. 2021 and 3.5% of RWA after Jan. 2022. Japanese deposit insurance system is reported as such<sup>\*3</sup>

\*1 Based on the FSB's final document in Nov. 2015

\*2 Excludes Countercyclical Buffer. 21.0% (by Dec. 2021) - 23.0% (after Jan. 2022) for Bucket 4 G-SIBs which are required to hold 2.5% G-SIB buffer \*3 As reported by The Nikkei on Nov. 10, 2015

# Meeting international financial regulations

		Regulations	Contents of regulation	Effective date	Current status
G20	G-SIFI regulation and supervision	G-SIB surcharge	Required for additional loss absorption capacity above the Basel III minimum	2016	Finalised at FSB / Domestic regulation under consultation
		Adequacy of loss-absorbing capacity (TLAC)	Required to hold loss absorbing capacity, which consists of eligible liabilities and regulatory capital, on both a going concern and gone concern basis	2019	Finalised at FSB in Nov. 2015
		Recovery and Resolution Plan	SMFG Group Recovery Plan	Implemented	Submitted
			ISDA Protocol: Stays on early termination rights following the start of resolution proceedings of derivatives counterparty	Implemented	Adhered
	Prudential regulation	Capital requirement	Required to raise the level and quality of capital and enhance risk coverage under Basel III	2013	Under phased implementation
			Fundamental review of trading book (Strengthened capital standards for market risk)	TBD	3 <sup>rd</sup> consultation completed Finalisation targeted by end-2015
			Revisions to the Standardised Approaches	TBD	Consultation for operational/credit risk commenced in Oct./Dec. 2014
			Capital floors	TBD	Consultation commenced in Dec. 2014
			Review of the Credit Valuation Adjustment (CVA) risk framework	TBD	Consultation commenced in Jul. 2015
			Interest-rate risk in the banking book	TBD	Consultation commenced in Jun. 2015
		Leverage ratio requirement	Non-risk-based measure based on "on-and off-accounting balance sheet items" against Tier 1 capital. Minimum requirement: 3% (on a trial basis)	2018	Domestic regulation for disclosure finalised in Mar. 2015
		Minimum standards for liquidity (LCR/NSFR)	LCR: Required to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. >=100% needed	2015	Under phased implementation
			NSFR: Required to maintain a sustainable maturity structure of assets and liabilities >=100% needed	2018	Finalised at BCBS in Oct. 2014
		Large exposure regulation	Tightening of exposure limit to a single borrower (25% of Tier1) and expansion of scope of applicable exposure type, etc.	Jan. 2019	Partly implemented in Dec. 2014
	Financial market / Financial system reform	OTC derivatives markets reforms	<ul style="list-style-type: none"> <li>Centralizing of OTC derivatives clearing</li> <li>Margin requirement for non-centrally cleared derivatives</li> </ul>	Dec. 2012 Sep. 2016	Scope of application being expanded Implementation date postponed in Mar. 2015
		Regulation of the shadow banking system	Strengthen the oversight and regulation of the shadow banking system such as MMFs, repos and securitizations	TBD	Discussion underway on five specific areas
		Limitation on banking activities / Ring fencing regulation	Requirements for foreign banking organizations (FBO Rule)	Jul. 2016	Final regulation published
			Ring-fenced banks prohibited from providing certain services and required to be isolated from the rest of the financial group in UK and EU	TBD	UK: Enacted in Dec. 2013, EU: Proposal published in Jan. 2014
		Taxation	Financial transaction Tax (FTT)	TBD	Under discussion

# Ongoing major regulatory discussions

Regulations			Contents	Schedule	Finalised at FSB or BCBS	Domestic regulation
Capital requirement	Credit risk	Revisions to the Standardised Approach	• Seeks to improve the standardised approach for credit risk, including reducing reliance on external credit ratings; increasing risk sensitivity; reducing national discretions; strengthening the link between the standardised approach and the internal-rating based (IRB) approach; and enhancing comparability of capital requirements across banks	• Under consultation (comment period closed in Mar. 2015) • A revised consultative document will be published by the end of 2015. Comprehensive data collection and analysis will be made through the QIS in early 2016	Unfinished	Unfinished
		Review of the CVA risk framework	• Seeks to review the credit valuation adjustment (CVA) risk framework to capitalize the risk of future changes in CVA that is an adjustment to the fair value of derivatives to account for counterparty's credit risk	• Under consultation (comment period closed in Oct. 2015) • Targeted to be finalised in mid-2016	Unfinished	Unfinished
	Market risk	IRRBB (Interest-rate risk in the banking book)	• Under discussion whether (i) uniformly applied Pillar 1 measure for calculating capital charge, or (ii) review of the current framework (Pillar 2).	• Under consultation (comment period closed in Sep. 2015) • Targeted to be finalised through 2016	Unfinished	Unfinished
	Operational risk	Revisions to the Standardised Approach	• Seeks to address the weaknesses identified in the existing approach by (i) refining the operational risk proxy indicator by replacing Gross Income (GI) with a superior indicator, and (ii) improving calibration of the regulatory coefficients based on the results of the quantitative analysis	• Under consultation (comment period closed in Jan. 2015) • A revised consultative document will be published by the end of 2015. Removing the use of the Advanced Measurement Approach(AMA) will also be consulted	Unfinished	Unfinished
	Overall	Revisions to the internal models	• Seeks to review possible modifications to the IRB framework including constraints on model parameter estimates	• A consultative document will be published by the end of 2015	Unfinished	Unfinished
		Capital floors based on standardised approaches	• Replacement of the Basel I-based transitional capital floor with a permanent floor based on the Basel II/III standardised approaches for credit, market and operational risks	• Under consultation (comment period closed in Mar. 2015) • To be discussed according to the revisions to the standardised approaches and the internal models	Unfinished	Unfinished
Leverage ratio requirement		Leverage ratio	• Continue to test a minimum requirement of 3% to be introduced in 2018 (from Jan. 2013 to Jan. 2017) • Public disclosure requirement started on Jan. 2015	• Appropriate level of leverage ratio to be finalised by 2017 at the latest* • Scheduled to be implemented in 2018 • Domestic regulations on calculation and disclosure implemented	Finished in part	Finished in part
G-SIFI regulation		TLAC (total loss-absorbing capacity)	• Minimum requirement of (i) 16% of RWA (19.5% including capital buffer as for SMFG) and 6% of the Basel III Tier 1 leverage ratio denominator as from 2019, (ii) 18% of RWA (21.5% including capital buffer as for SMFG) and 6.75% of the Basel III Tier 1 leverage ratio denominator as from 2022 • Should be issued and maintained by resolution entities • 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	• Finalised in Nov. 2015	Finished	Unfinished

# Revision to the Standardised Approach for credit risk / Capital floors

## Revision to the Standardised Approach for credit risk\*

Exposures	Current risk weights	Proposed revision of risk weights (Dec. 2014)
Corporate exposures	• From 20% to 150% by reference to the external credit ratings	• From 60% to 300% based on a corporate's revenue and leverage
Specialised lending	• 100%	• Project finance, Object finance, commodities finance, income-producing real estate finance: 120% • Exposures to land acquisition, development and construction finance: 150%
Bank exposures	• From 20% to 150% according to the sovereign rating or the bank's credit rating	• From 30% to 300% based on the bank's CET1 ratio and a net non-performing assets ratio
Retail exposures	• 75% for exposures that meet the regulatory retail criteria	• Considering whether to maintain
Exposures secured by residential real estate	• 35%	• From 25% to 100% based on the loan-to-value (LTV) ratio; preferential risk weights for loans with debt service coverage (DSC) ratio of 35% or less
Exposures secured by commercial real estate	• 100%	• A) No recognition of the real estate collateral, treating the exposure as unsecured with a national discretion for a preferential 50% risk weight: or; B) From 75% to 120% based on the LTV ratio
Subordinated debt, equity and other capital instruments	• Either 100% or 250% when issued by banks or securities firms; no distinct treatment when issued by corporates	• Sub debts and capital instruments other than equities: 250% • Publicly traded equity: 300% • Other equity: 400%
Off-balance sheet exposures	• Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 0%	• Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10%

\* The credit risk standardised approach treatment for sovereigns, central banks and public sector entities are not within the scope of the proposals. It will be considered as part of a broader and holistic review of sovereign-related risks

## Capital floors

### Current framework

- For banks using the internal rating-based (IRB) approach for the credit risk and/or an advanced measurement approach (AMA) for operational risk  
(The simplified framework for Japanese banks shown below)

(i) RWA based on IRB approach and/or AMA

compare

(ii) 80% of RWA based on the most recent approach before migration to the IRB approach and/or AMA  
(e.g. (i) AIRB/(ii) FIRB, (i) FIRB/(ii) Basel I)

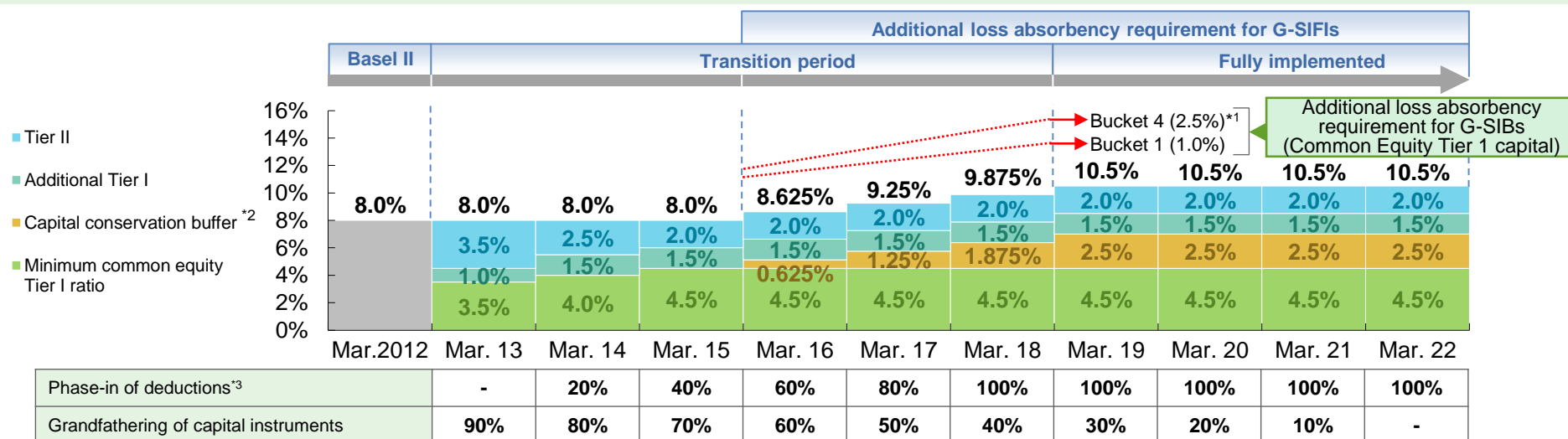
- If (i) is less than (ii), the bank should add the amount of difference to (i) when calculating its RWA

### Revision under consultation

- While the revision for the capital floors is consulted separately from the revisions to the standardised approaches, it will be finalised in accordance with the revisions to the standardised approaches
- Details including the level of capital floors and implementation schedule are unclear

# Application of Basel III

- Capital requirements and liquidity coverage ratio have been phased-in in line with international agreements
- Domestic regulations on leverage ratio, net stable funding ratio and capital buffers including capital conservation buffer and countercyclical buffer, are being finalized according to their adoption schedule
  - No additional requirements anticipated on top of minimum Basel requirement in Japan
  - Able to pass Basel requirement easily according to provisional calculation based on current draft rules



## Leverage ratio and liquidity rules (Schedule based on final documents by BCBS, and domestic regulations)<sup>\*4</sup>

Leverage ratio	Mar. 2015 Domestic regulation finalised	Mar. 2015: Start disclosure ( <i>minimum: 3%</i> ) Jan. 2018: Migration to pillar 1 2015 through 1 <sup>st</sup> half 2017: <i>Final adjustments to definition and calibration</i>				
Liquidity coverage ratio (LCR)	Oct. 2014 Domestic regulation finalised	Phased-in from Mar. 2015	Mar. 2015 60%	Jan. 2016 70%	Jan. 2017 80%	Jan. 2018 90%
Net stable funding ratio (NSFR)	Oct. 2014 Finalised at BCBS	Oct. 2014: <i>Final document published</i> 2018/1: <i>Full implementation</i>				

<sup>\*1</sup> With an empty bucket of 3.5% to discourage further systeminess

<sup>\*2</sup> Countercyclical buffer (CCyB) omitted in the chart above; if applied, expected to be phased-in in the same manner as the Capital conservation buffer. In accordance with the CCyB set by each country, Japanese banks may have to meet additional capital requirements depending on the exposures in those countries

<sup>\*3</sup> Including amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

<sup>\*4</sup> Draft on other domestic rules to be applied after 2016, such as the NSFR, will be published in due course. Timeline based on BCBS documents is in italic

# Public sector support and point of non-viability in Japan

Framework			Systemic risk	Subject entities	Conditions	Point of non-viability	No. of cases
Existing framework	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 and not having negative net worth	No	31
	Article 102 of Deposit Insurance Act (DIA)	Item 1 measures <i>Capital injection</i>	Required (Credit system in Japan or in a certain region)		Undercapitalized	No	1
		Item 2 measures <i>Financial assistance exceeding payout cost</i>		Banks only	Suspension of payment of deposits or having negative net worth* <sup>1</sup>	Yes* <sup>3</sup>	-
		Item 3 measures <i>Nationalization</i>			Suspension of payment of deposits and having negative net worth* <sup>1</sup>		1
Newly established framework	Article 126-2 of DIA	Specified Item 1 measures <i>Liquidity support</i> <i>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* <sup>2</sup>	Yes* <sup>3</sup>	-

\*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 Mar. 6, 2014

# ■ Precedents of major public sector support and resolution

Framework*1		Precedents	Date	Amount (JPY Bn)	
Act on Special Measures for Strengthening Financial Functions	Capital injection	Recent precedents of banks			Pre-emptive measures
		Howa Bank	Mar. 2014	16.0	
		Jimoto Holdings (Kirayaka Bank)*2	Dec. 2012	30.0	
		Tohoku Bank	Sep. 2012	10.0	
		77 Bank	Dec. 2011	20.0	
		Tsukuba Bank	Sep. 2011	35.0	
		Jimoto Holdings (Sendai Bank)*2	Sep. 2011	30.0	
		Other precedents of banks before 2011	-	304.5 (12 cases)	PoNV
		Precedents of credit associations (Shinkumi / Shinkin)	-	202.5 (13 cases)	
				Total 648.0 (31 cases)	
Article 102, Paragraph 1 of Deposit Insurance Act(DIA)	Item 1 measures Capital injection	Resona Bank	Jun. 2003	1,960.0	PoNV
	Item 2 measures Financial assistance exceeding payout cost	N.A.	N.A.	N.A.	
	Item 3 measures Nationalization	Ashikaga Bank	Nov. 2003	N.A.*3	

\*1 There is also newly established framework under Article 126-2 of DIA although there is no precedent thus far

\*2 Names of financial institutions in parentheses refer to the entities that effectively received capital injection

\*3 Deposit Insurance Corporation of Japan acquired all shares of the bank against nil consideration



# Credit ratings of G-SIBs by S&P – holding companies<sup>\*1</sup>

	Jul. 2007		Nov. 2015 <sup>*2</sup>	
AA+	• BNP Paribas	• Wells Fargo		
AA	• Banco Santander • Bank of America	• Citigroup • Société Générale		
AA-	• BBVA • Crédit Agricole • Deutsche Bank • Goldman Sachs • HSBC	• ING • JPMorgan • Nordea • RBS • State Street	• Nordea	
A+	• Bank of New York Mellon • Credit Suisse	• Morgan Stanley • UniCredit	• Bank of New York Mellon • BNP Paribas	• State Street • Wells Fargo
A	<b>SMFG</b> • Mizuho FG	• MUFG • Standard Chartered	• Agricultural Bank of China • Bank of China • BPCE • China construction Bank • Crédit Agricole • HSBC	• ICBC • JPMorgan • Morgan Stanley • MUFG • Société Générale
A-			<b>SMFG</b> • Bank of America • Citigroup • Goldman Sachs	• ING • Mizuho FG • Standard Chartered • Banco Santander
BBB+	• Bank of China	• ICBC	• Credit Suisse • Deutsche Bank	• UBS
BBB			• Barclays	
BBB-			• RBS	• UniCredit
BB+				

\*1 Long-term issuer ratings for holding companies (if not available, operating banks, which are italicized)

\*2 As of Nov. 20, 2015



# Credit ratings of G-SIBs by S&P – operating banks\*1

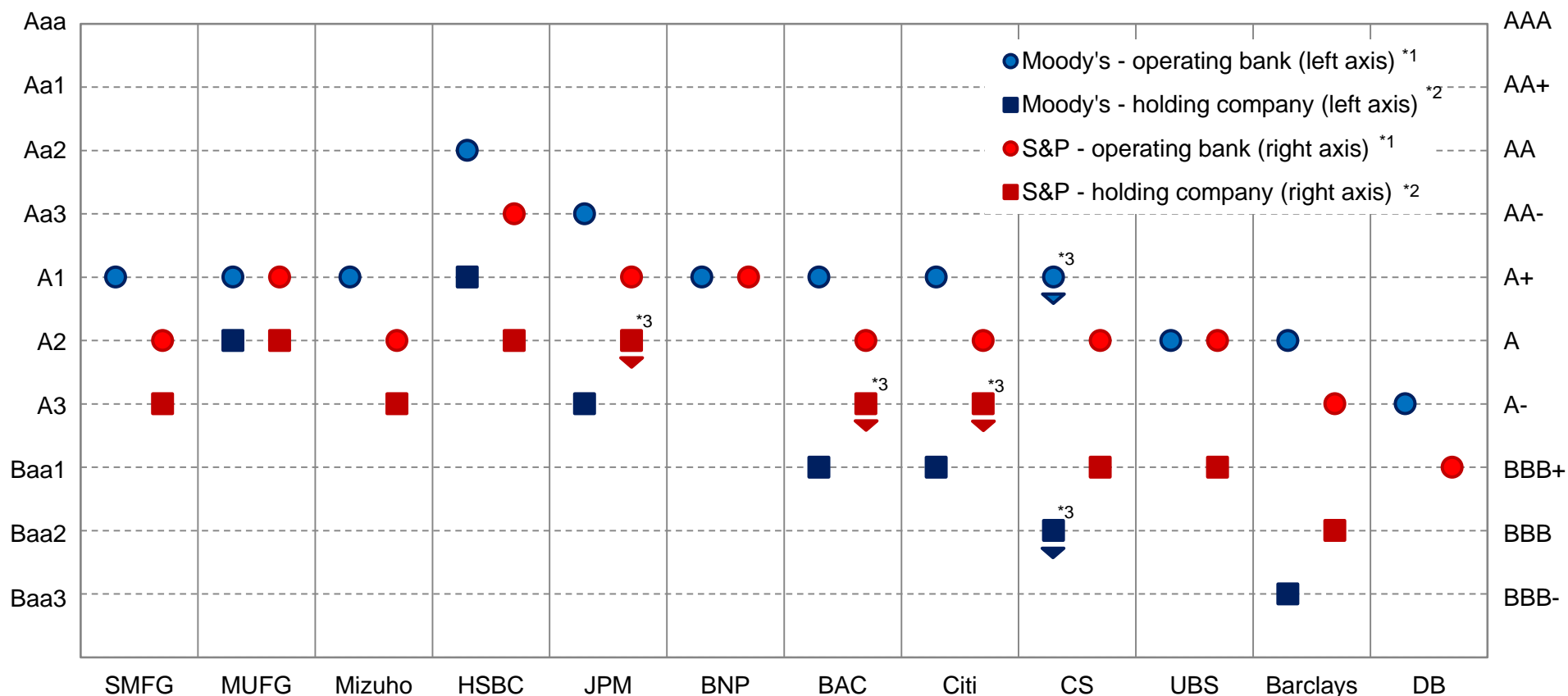
	Apr. 2001		Jul. 2007		Nov. 2015 <sup>*2</sup>	
AAA			• Wells Fargo Bank			
AA+	• UBS		• Bank of America • BNP Paribas • Citibank • UBS			
AA	• Barclays Bank • Crédit Agricole • Credit Suisse • Deutsche Bank • JPMorgan Chase Bank • State Street Bank & Trust		• Banco Santander • Barclays Bank • HSBC Bank • ING Bank • JPMorgan Chase Bank • Royal Bank of Scotland • Société Générale • State Street Bank & Trust			
AA-	• Bank of America • Bank of New York Mellon • BBVA • BNP Paribas • Citibank • HSBC Bank • ING Bank • Royal Bank of Scotland • Société Générale • Wells Fargo Bank		• Bank of New York Mellon • BBVA • Crédit Agricole • Credit Suisse • Deutsche Bank • Morgan Stanley Bank • Nordea Bank		• Bank of New York Mellon • HSBC Bank • Nordea Bank • State Street Bank & Trust • Wells Fargo Bank	
A+	• Banco Santander • UniCredit		• <b>SMBC</b> • <b>BTMU</b> • <b>Mizuho Bank</b> • Standard Chartered Bank • UniCredit		• BNP Paribas • <b>BTMU</b> • JPMorgan Chase Bank • Standard Chartered Bank	
A	• Standard Chartered Bank				• <b>SMBC</b> • Agricultural Bank of China • Bank of America • Bank of China • BPCE (Banque Populaire) • China construction Bank • Citibank • Crédit Agricole • Credit Suisse • Goldman Sachs Bank • ICBC • ING Bank • <b>Mizuho Bank</b> • Morgan Stanley Bank • Société Générale • UBS	
A-	• <b>BTMU</b>				• Barclays Bank	
BBB+	• <b>SMBC</b> • <b>Mizuho Bank</b>		• Bank of China • ICBC		• Banco Santander • Deutsche Bank • Royal Bank of Scotland	
BBB						
BBB-					• UniCredit	
BB+	• Bank of China • ICBC					

\*1 Long-term issuer ratings of operating banks

\*2 As of Nov. 20, 2015

# Credit ratings of G-SIBs

## Credit ratings of selected G-SIBs (as of Nov. 20, 2015)



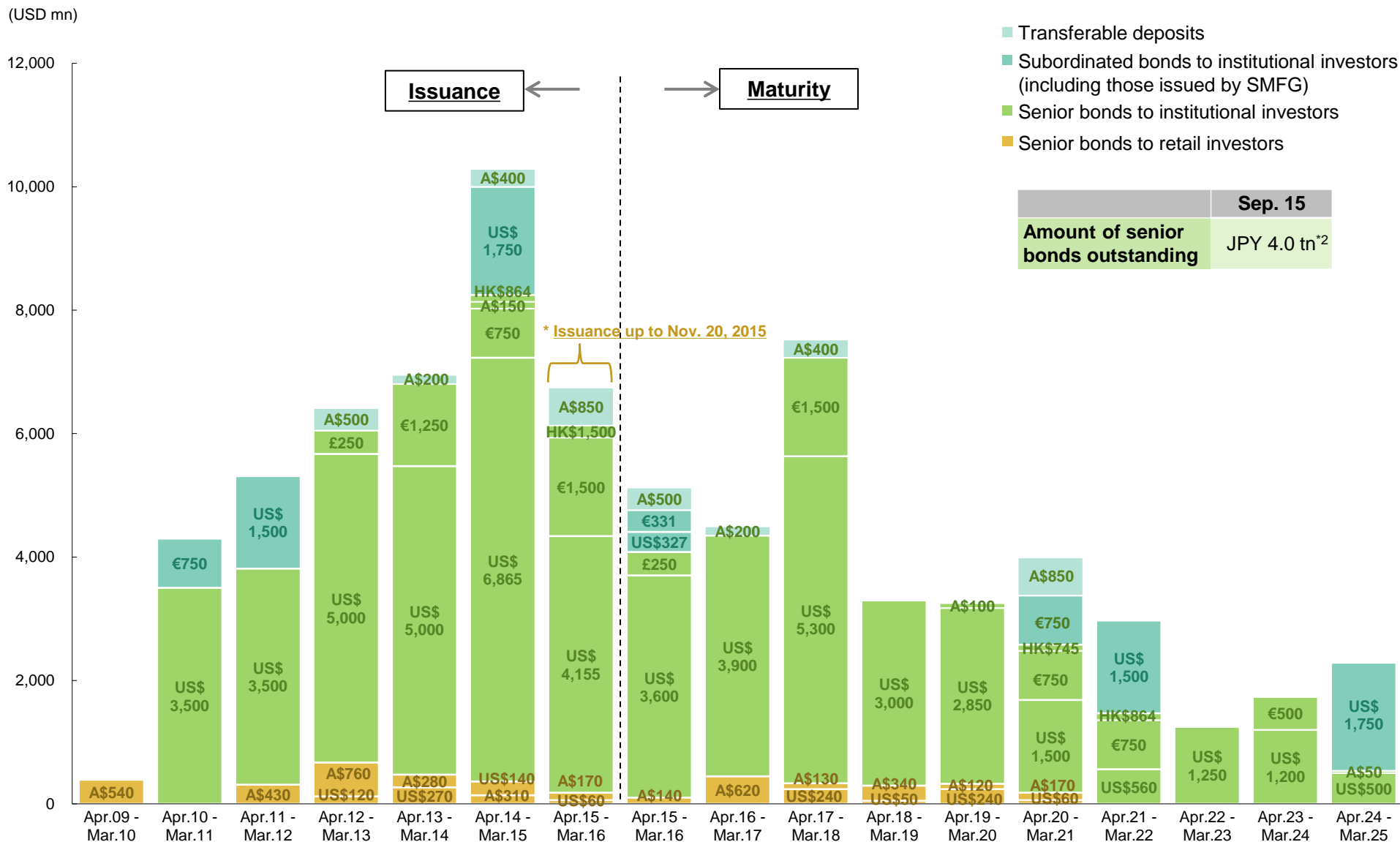
<sup>\*1</sup> Senior unsecured ratings

Ratings of SMBC, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., HSBC Bank plc, JPMorgan Chase Bank NA, BNP Paribas SA, Bank of America NA, Citibank NA, Credit Suisse AG, UBS AG, Barclays Bank plc, Deutsche Bank AG, respectively

<sup>\*2</sup> Senior unsecured ratings (if not available, long-term Issuer Ratings for Moody's and long-term Issuer Credit Ratings for S&P)

<sup>\*3</sup> Under review for possible downgrade

# Capital markets funding profile\*1



\*1 Excludes JPY funding. For the callable bonds, 1<sup>st</sup> call dates are regarded as their maturity dates. As of Nov. 20, 2015, issue date basis.  
Translated into USD at the exchange rate as of Nov. 20, 2015

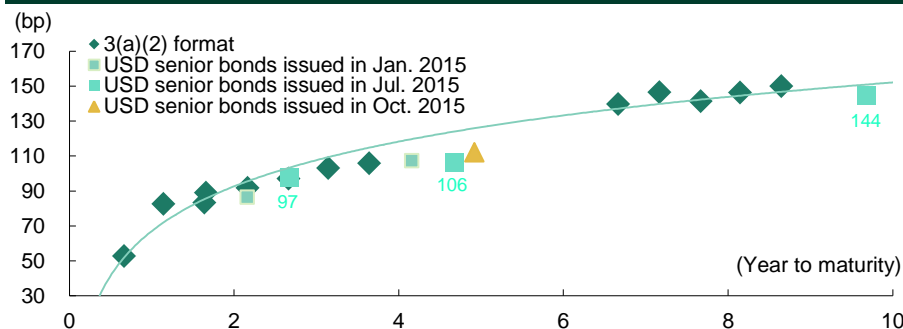
\*2 SMBC non-consolidated, including JPY denominated bonds

# USD senior bonds issuances

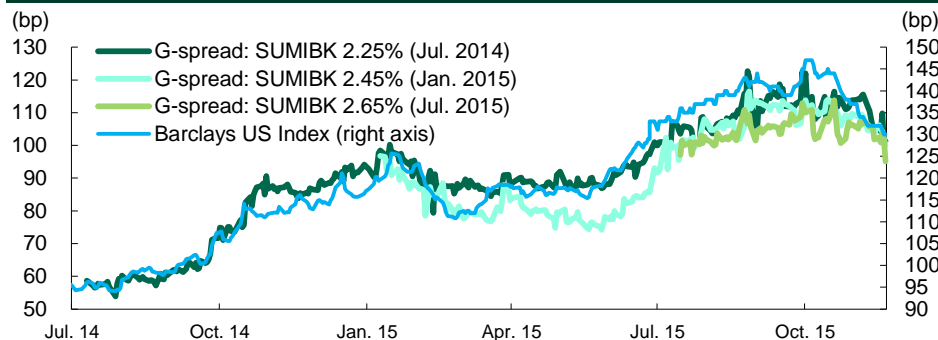
## Highlights

- Our periodic issuances since July 2010 provide a high degree of liquidity to the bonds
- The only Japanese commercial bank issuer to be included in the Barclays U.S. Aggregate Index – 3(a)(2) format gives additional comfort to investors, especially in the U.S.

## SUMIBK credit curve (USD Libor spread)\*<sup>1</sup>



## SUMIBK secondary spread (5 year Fixed) vs. Index\*<sup>1</sup>



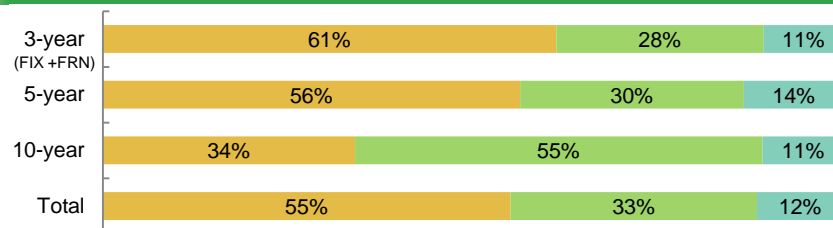
\*<sup>1</sup> Source: Bloomberg, Barclays US Aggregate Financial Institutions Index as of Nov. 20, 2015

\*<sup>2</sup> Percentages are calculated by weighted average of amount issued of Jul. 2012, Jan. 2013, Jan. 2014, Jul. 2014, Jan. 2015, Feb. 2015, Jul. 2015 and Oct. 2015

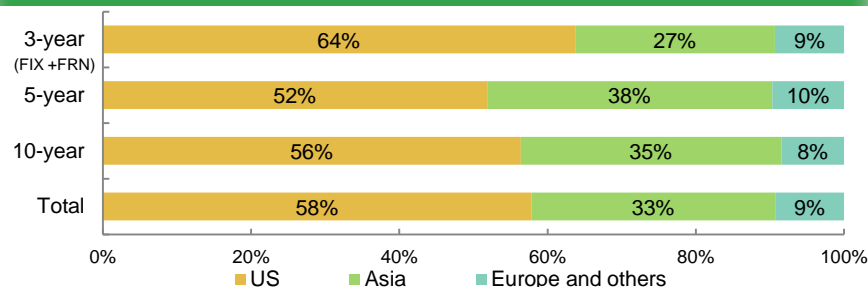
\*<sup>3</sup> Weighted average maturity (years) of senior term funding issuance. For the callable bonds, 1<sup>st</sup> call dates are regarded as their maturity dates.

## Geographical breakdown of allocation

### USD senior bonds – in Jul. 2015

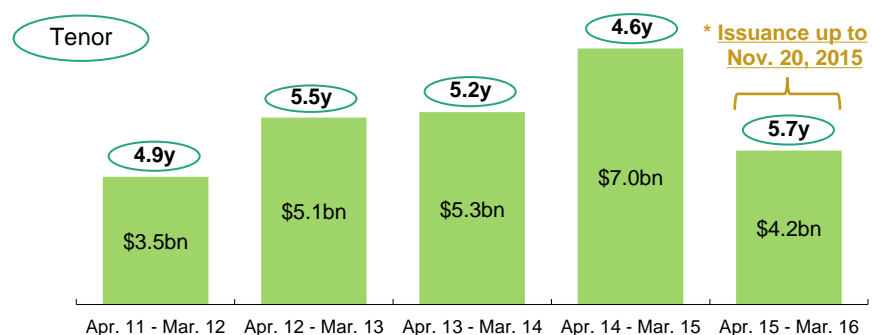


### USD senior bonds – after Jul. 2012\*<sup>2</sup>



## USD term funding

### – volume and tenor of new issuance\*<sup>3</sup>



\* Issuance up to Nov. 20, 2015

# EUR senior bonds issuances

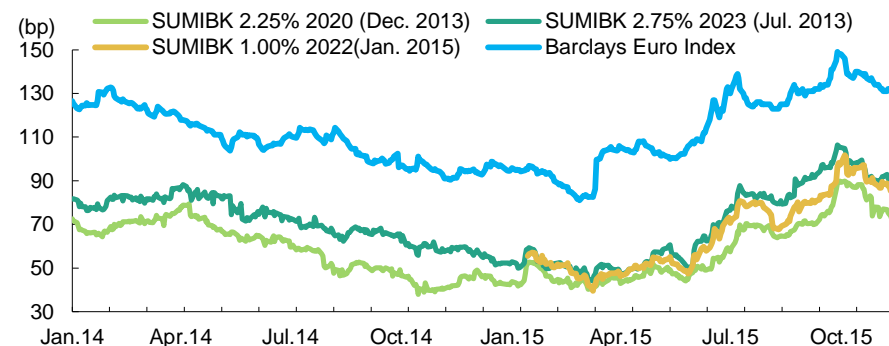
## Funding strategy

- The objective of EUR benchmark issuance
  - Diversify investor base for SUMIBK
  - Construct the credit curve in the EUR market by periodic access

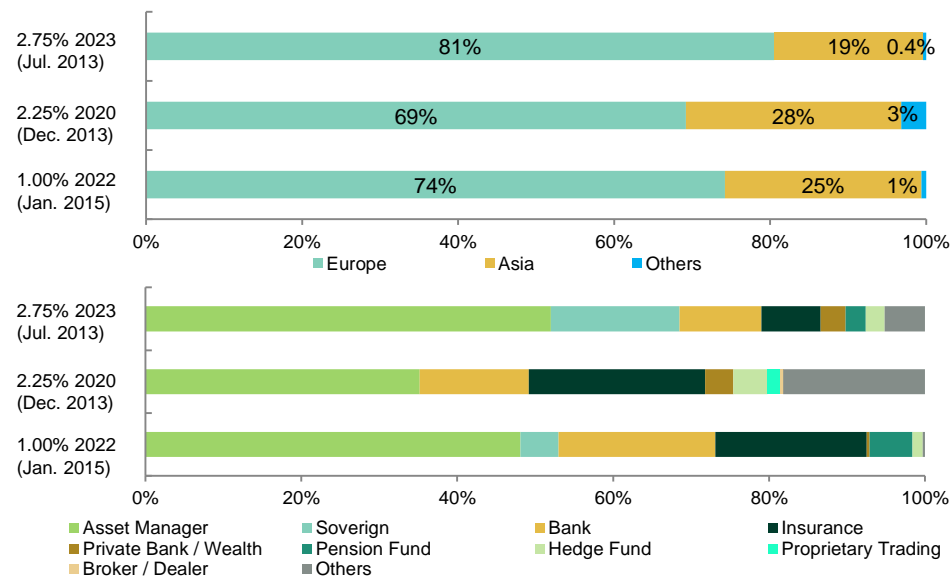
## Summary terms of past issuances

<b>Issuer</b>	SMBC		
<b>Securities Offered</b>	Senior Notes		
<b>Rating</b>	A1 / A (Moody's / S&P)		
<b>Tenor</b>	10-year	7-year	7-year
<b>Amount</b>	€500mn	€750mn	€750mn
<b>Coupon</b>	2.75%	2.25%	1.00%
<b>Reoffer Spread</b>	MS+98bps	MS+78bps	MS+60bps
<b>Price</b>	99.312	99.330	99.497
<b>Pricing Date</b>	18-Jul-2013	09-Dec-2013	14-Jan-2015
<b>Issue Date</b>	24-Jul-2013	16-Dec-2013	19-Jan-2015
<b>Maturity Date</b>	24-Jul-2023	16-Dec-2020	19-Jan-2022
<b>Format</b>	EMTN / Regulation S		
<b>Listing</b>	Luxembourg Stock Exchange (Euro-MTF)		

## Secondary spread (Z-spread) \*1

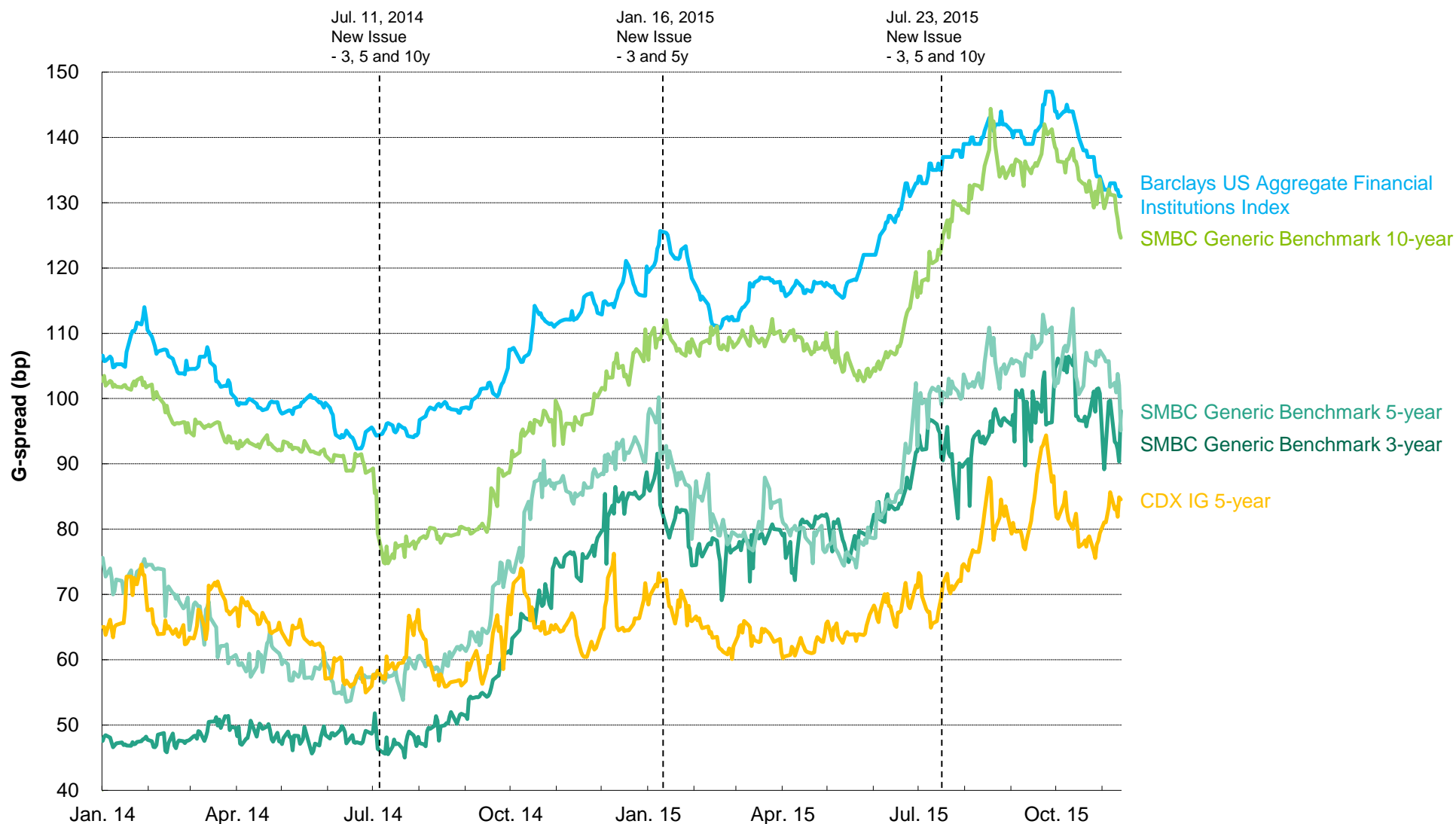


## Breakdown of allocation



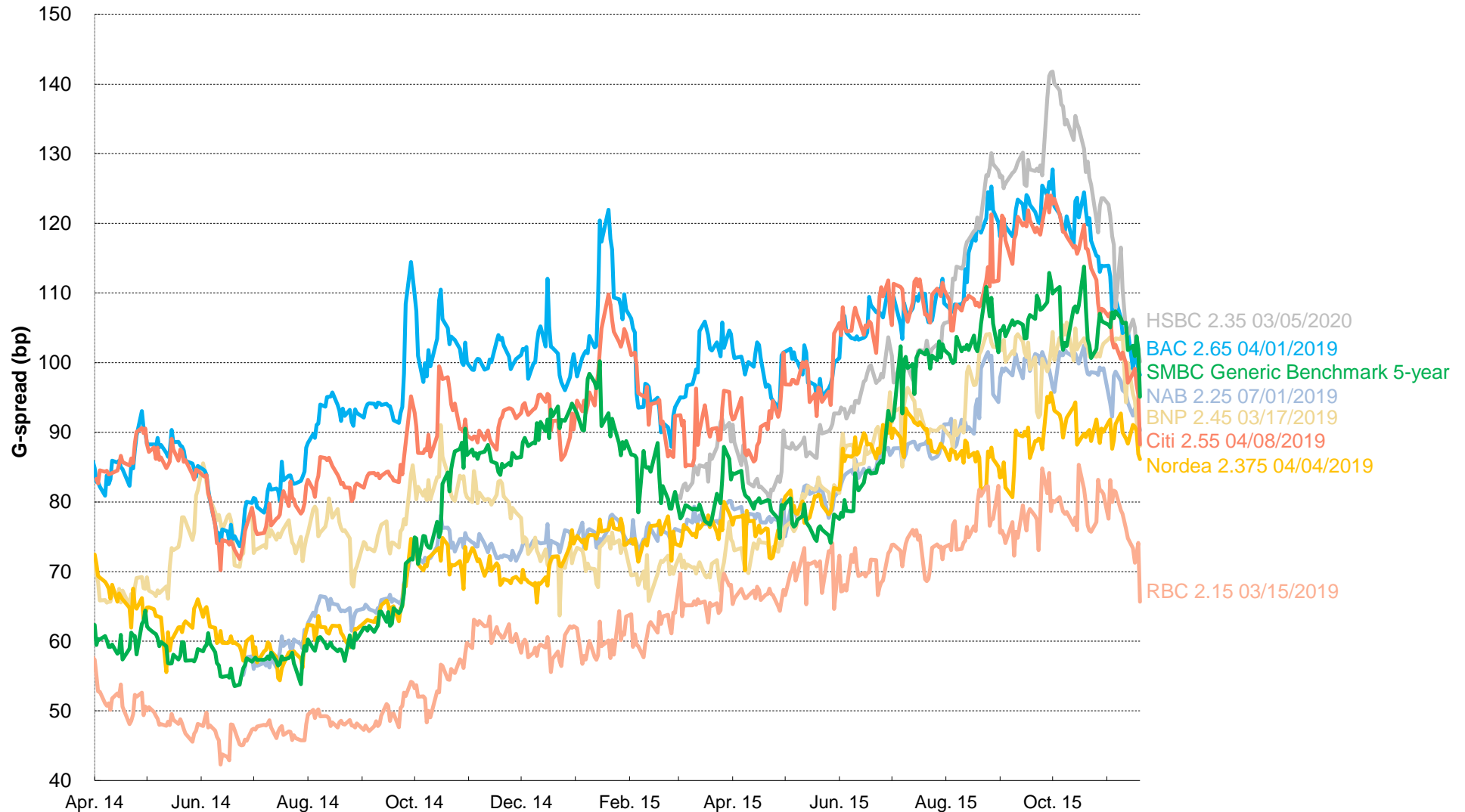
\*1 Source: Bloomberg as of Nov. 20, 2015

# ■ SMBC USD senior secondary (G-spread) - Since 2014\*



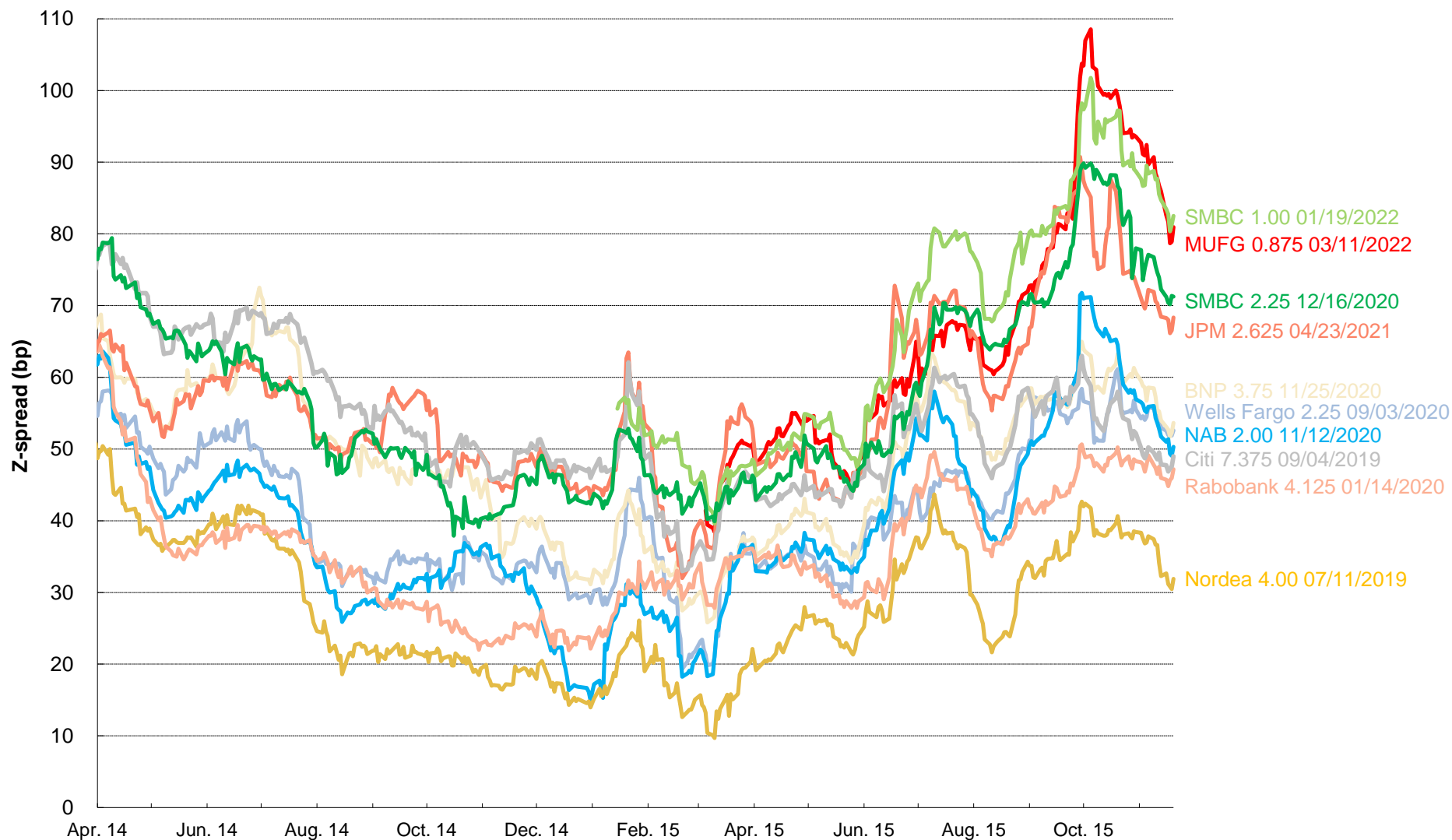
\* Source: Bloomberg, Barclays US Aggregate Financial Institutions Index as of Nov. 20, 2015

## ■ USD senior secondary comps (G-spread) - Since 2014\*



\* Source: Bloomberg as of Nov. 20, 2015

## ■ EUR senior secondary comps (Z-spread) - Since 2014\*



\* Source: Bloomberg as of Nov. 20, 2015



# Long-term capital markets funding since 2010\*1

Issue date	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread* 2	Ticker
USD denominated								
Jul. 22, 2010	Senior	144A/RegS	3 years	Jul. 22, 2013	USD 1,000	2.15%	+118bp	SUMIBK 2.15 Corp
			5 years	Jul. 22, 2015	USD 1,000	3.15%	+137.5bp	SUMIBK 3.15 Corp
Jan. 14, 2011	Senior	144A/RegS	3 years	Jan. 14, 2014	USD 650	1.95%	+90bp	SUMIBK 1.95 Corp(01/14/14)
			5 years	Jan. 14, 2016	USD 850	3.10%	+103bp	SUMIBK 3.1 Corp
Jul. 22, 2011	Senior	144A/RegS	3 years	Jul. 22, 2014	USD 400	1.90%	+130bp	SUMIBK 1.9 Corp (07/22/14)
			3 years	Jul. 22, 2014	USD 500	LIBOR+0.95%	LIBOR+0.95%	SUMIBK Float 07/22/14 Corp
			5 years	Jul. 22, 2016	USD 1,100	2.90%	+150bp	SUMIBK 2.9 Corp
Jan. 12, 2012	Senior	144A/RegS	3 years	Jan. 12, 2015	USD 500	1.90%	+155bp	SUMIBK 1.9 Corp (01/12/15)
			5 years	Jan. 12, 2017	USD 500	2.65%	+180bp	SUMIBK 2.65 Corp
			10 years	Jan. 12, 2022	USD 500	3.95%	+200bp	SUMIBK 3.95 Corp (01/12/22)
Mar. 1, 2012	Sub	RegS	10 years	Mar. 1, 2022	USD 1,500	4.85%	+285bp	SUMIBK 4.85 Corp
Jul. 18, 2012	Senior	3(a)(2)	3 years	Jul. 18, 2015	USD 1,000	1.35%	+100bp	SUMIBK 1.35 Corp(07/18/15)
			5 years	Jul. 18, 2017	USD 1,250	1.80%	+120bp	SUMIBK 1.8 Corp
			10 years	Jul. 18, 2022	USD 750	3.20%	+170bp	SUMIBK 3.2 Corp
Jan. 18, 2013	Senior	3(a)(2)	3 years	Jan. 18, 2016	USD 750	0.90%	+58bp	SUMIBK 0.9 Corp
			5 years	Jan. 18, 2018	USD 750	1.50%	+77bp	SUMIBK 1.5 Corp(01/18/18)
			10 years	Jan. 18, 2023	USD 500	3.00%	+117bp	SUMIBK 3 Corp
Mar. 25, 2013	Senior	Domestic Retail	5 years	Mar. 12, 2018	USD 120	1.21%	--	SUMIBK 1.21 Corp
Jun. 24, 2013	Senior	Domestic Retail	6 years	Jun. 13, 2019	USD 150	1.88%	--	SUMIBK 1.88 Corp
Jul. 19, 2013	Senior	3(a)(2)	3 years	Jul. 19, 2016	USD 500	1.45%	+85bp	SUMIBK 1.45 Corp
			3 years	Jul. 19, 2016	USD 300	LIBOR+0.67%	LIBOR+0.67%	SUMIBK Float 07/19/16 Corp
			5 years	Jul. 19, 2018	USD 500	2.50%	+115bp	SUMIBK 2.5 Corp
			10 years	Jul. 19, 2023	USD 700	3.95%	+140bp	SUMIBK 3.95 Corp (07/19/23)
Jan. 10, 2014	Senior	3(a)(2)	3 years	Jan. 10, 2017	USD 750	1.30%	+55bp	SUMIBK 1.3 Corp
			3 years	Jan. 10, 2017	USD 750	LIBOR+0.43%	LIBOR+0.43%	SUMIBK Float 01/10/17 Corp
			5 years	Jan. 10, 2019	USD 1,000	2.45%	+80bp	SUMIBK 2.45 Corp (01/10/19)
			10 years	Jan. 10, 2024	USD 500	3.95%	+105bp	SUMIBK 3.95 Corp (01/10/24)
Mar. 10, 2014	Senior	Domestic Retail	5 years	Mar. 11, 2019	USD 120	1.85%	--	SUMIBK 1.85 Corp
Apr. 2, 2014	Sub(SMFG)	144A/RegS	10 years	Apr. 2, 2024	USD 1,750	4.436%	+175bp	SUMIBK 4.436(04/02/24)
May 8, 2014	Senior	Private Placement	15 years	May 8, 2029	USD 100	4.13%	--	SUMIBK 4.13 Corp (05/08/29)
Jun. 5, 2014	Senior	Private Placement	3 years	Jun. 5, 2017	USD 50	LIBOR+0.37%	LIBOR+0.37%	SUMIBK Float 06/05/17 Corp
Jun. 9, 2014	Senior	Private Placement	7 years	Jun. 9, 2021	USD 30	2.80%	--	SUMIBK 2.8 Corp(06/09/21)
Jun. 10, 2014	Senior	Private Placement	7 years	Jun. 10, 2021	USD 30	2.808%	--	SUMIBK 2.808 Corp

\*1 As of Nov. 20, 2015. Gray background bonds mean that the bonds have already been redeemed

\*2 Spread over US Treasury unless otherwise indicated

# Long-term capital markets funding since 2010 (cont'd)\*<sup>1</sup>

Issue date	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread <sup>2</sup>	Ticker
<b>USD denominated (cont'd)</b>								
Jun. 11, 2014	Senior	Private Placement	5 years	Jun. 11, 2019	USD 100	LIBOR+0.52%	LIBOR+0.52%	SUMIBK Float 06/11/19 Corp
Jul. 11, 2014	Senior	3(a)(2)	3 years	Jul. 11, 2017	USD 1,000	1.35%	+45bp	SUMIBK 1.35 Corp(07/11/17)
			3 years	Jul. 11, 2017	USD 500	LIBOR+0.32%	LIBOR+0.32%	SUMIBK Float 07/11/17 Corp
			5 years	Jul. 11, 2019	USD 1,000	2.25%	+60bp	SUMIBK 2.25 Corp(07/11/19)
			10 years	Jul. 11, 2024	USD 500	3.40%	+85bp	SUMIBK 3.4 Corp(07/11/24)
Dec. 29, 2014	Senior	Domestic Retail	4 years	Dec. 5, 2018	USD 50	1.67%	--	SUMIBK 1.67 Corp
Jan. 16, 2015	Senior	3(a)(2)	3 years	Jan. 16, 2018	USD 750	1.75%	+80bp	SUMIBK 1.75 Corp(01/16/18)
			3 years	Jan. 16, 2018	USD 500	LIBOR+0.58%	LIBOR+0.58%	SUMIBK Float 01/16/18 Corp
			5 years	Jan. 16, 2020	USD 1,000	2.45%	+100bp	SUMIBK 2.45 Corp(01/16/20)
Feb. 25, 2015	Senior	3(a)(2) Re-opening of Jan. 2015	3 years	Jan. 16, 2018	USD 500	LIBOR+0.58%	--	SUMIBK Float 01/16/18 Corp
			5 years	Jan. 16, 2020	USD 750	2.45%	--	SUMIBK 2.45 Corp(01/16/20)
Mar. 5, 2015	Senior	Private Placement	15 years	Mar. 5, 2030	USD 55	3.31%	--	SUMIBK 3.31 Corp
Mar. 23, 2015	Senior	Domestic Retail	5 years	Mar. 11, 2020	USD 90	2.05%	--	SUMIBK 2.05(03/11/20)
May 28, 2015	Senior	Formosa	30NC10	May 28, 2045	USD 655	4.30%	--	SUMIBK 4.3(05/28/2045)
Jul. 23, 2015	Senior	3(a)(2)	3 years	Jul. 23, 2018	USD 1,000	1.95%	+95bp	SUMIBK 1.95 Corp(07/23/18)
			3 years	Jul. 23, 2018	USD 500	LIBOR+0.74%	LIBOR+0.74%	SUMIBK Float 07/23/18 Corp
			5 years	Jul. 23, 2020	USD 1,000	2.65%	+100bp	SUMIBK 2.65 Corp(07/23/20)
			10 years	Jul. 23, 2025	USD 500	3.65%	+130bp	SUMIBK 3.65 Corp
Aug. 24, 2015	Senior	Domestic Retail	5 years	Aug. 24, 2020	USD 60	2.09%	--	SUMIBK 2.09 Corp(08/24/20)
Oct 20, 2015	Senior	3(a)(2)	5 years	Oct. 20, 2020	USD 500	2.45%	+120bp	SUMIBK 2.45 Corp(10/20/20)
<b>GBP denominated</b>								
Mar. 18, 2013	Senior	RegS (EMTN)	3 years	Mar. 18, 2016	GBP 250	LIBOR+0.55%	LIBOR+0.55%	SUMIBK Float 03/18/16 Corp
<b>Euro denominated</b>								
Nov. 9, 2010	Sub	144A/RegS	10 years	Nov. 9, 2020	Euro 750	4.00%	M/S+130bp	SUMIBK 4 Corp
Jul. 24, 2013	Senior	RegS (EMTN)	10 years	Jul. 24, 2023	Euro 500	2.75%	M/S+98bp	SUMIBK 2.75 Corp(07/24/23)
Dec. 16, 2013	Senior	RegS (EMTN)	7 years	Dec. 16, 2020	Euro 750	2.25%	M/S+78bp	SUMIBK 2.25 Corp(12/16/20)
Jan. 19, 2015	Senior	RegS (EMTN)	7 years	Jan. 19, 2022	Euro 750	1.00%	M/S+60bp	SUMIBK 1.00 Corp
Sep. 08, 2015	Senior	RegS (EMTN)	2 years	Sep. 8, 2017	Euro 1,500	LIBOR+0.30%	LIBOR+0.30%	SUMIBK Float 09/08/17 Corp
<b>CNY denominated</b>								
Jul. 6, 2015	Senior	CD	3 years	Jul. 6, 2018	CNY 300	3.5%	--	SUMIBK 3.5 Corp(07/06/18)
Jul. 7, 2015	Senior	CD	2 years	Jan. 6, 2017	CNY 300	3.05%	--	SUMIBK 3.05 Corp
Jul. 30, 2015	Senior	CD	5 years	Jul. 30, 2020	CNY 150	4.12%	--	SUMIBK 4.12 Corp
Aug. 13, 2015	Senior	CD	3 years	Aug. 13, 2018	CNY 150	4.18%	--	SUMIBK 4.18 Corp

\*1 As of Nov. 20, 2015. Gray background bonds mean that the bonds have already been redeemed

\*2 Spread over US Treasury unless otherwise indicated

# Long-term capital markets funding since 2010 (cont'd)\*1

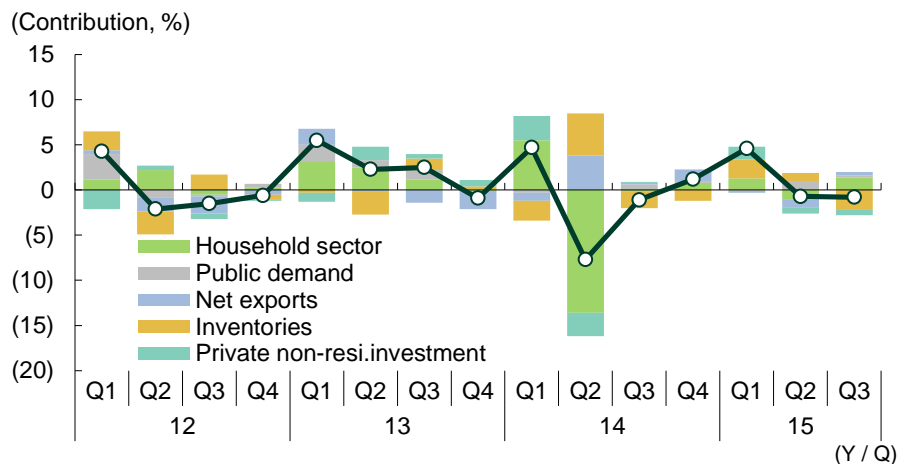
Issue date	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread <sup>2</sup>	Ticker
<b>AUD denominated</b>								
Mar. 16, 2010	Senior	Domestic Retail	3 years	Mar. 14, 2013	AUD 540	5.76%	--	SUMIBK 5.76 Corp
Dec. 21, 2011	Senior	Domestic Retail	3 years	Dec. 18, 2014	AUD 430	4.28%	--	SUMIBK 4.28 Corp
Jun. 21, 2012	Senior	Domestic Retail	4 years	Jun. 21, 2016	AUD 420	4.07%	--	SUMIBK 4.07 Corp
Dec. 19, 2012	Senior	Domestic Retail	4 years	Dec. 19, 2016	AUD 200	3.47%	--	SUMIBK 3.47 Corp
Feb. 26, 2013	Senior	TCD	3 years	Feb. 26, 2016	AUD 500	BBSW+0.78%	BBSW+0.78%	SUMIBK Float 02/26/16 Corp
Mar. 25, 2013	Senior	Domestic Retail	3 years	Mar. 1, 2016	AUD 140	3.29%	--	SUMIBK 3.29 Corp
Jun. 24, 2013	Senior	Domestic Retail	4 years	Jun. 13, 2017	AUD 130	3.45%	--	SUMIBK 3.45 Corp
Nov. 7, 2013	Senior	TCD	3 years	Nov. 7, 2016	AUD 200	BBSW+0.77%	BBSW+0.77%	SUMIBK Float 11/07/16 Corp
Mar. 10, 2014	Senior	Domestic Retail	5 years	Mar. 11, 2019	AUD 150	4.13%	--	SUMIBK 4.13 Corp(03/11/19)
Sep. 4, 2014	Senior	TCD	3 years	Sep. 4, 2017	AUD 400	BBSW+0.68%	BBSW+0.68%	SUMIBK Float 09/04/17 Corp
Sep. 16, 2014	Senior	Private Placement	5 years	Sep. 16, 2019	AUD 100	3.875%	--	SUMIBK 3.875 Corp
Dec. 29, 2014	Senior	Domestic Retail	4 years	Dec. 5, 2018	AUD 190	3.12%	--	SUMIBK 3.12 Corp(12/05/18)
Mar. 5, 2015	Senior	Private Placement	10 years	Mar. 5, 2025	AUD 50	3.67%	--	SUMIBK 3.67 Corp
Mar. 23, 2015	Senior	Domestic Retail	5 years	Mar. 11, 2020	AUD 120	2.97%	--	SUMIBK 2.97 Corp
Apr. 7, 2015	Senior	TCD	5 years	Apr. 7, 2020	AUD 850	BBSW+1.02%	BBSW+1.02%	SUMIBK Float 04/07/20 Corp
Aug. 24, 2015	Senior	Domestic Retail	5 years	Aug. 24, 2020	AUD 170	3.10%	--	SUMIBK 3.1 08/24/20 Corp
<b>HKD denominated</b>								
Feb. 12, 2014	Senior	CD	3 years	Feb. 13, 2017	HKD 220	1.35%	--	SUMIBK 1.35 Corp(02/13/17)
Feb. 14, 2014	Senior	CD	3 years	Feb. 14, 2017	HKD 123	1.35%	--	SUMIBK 1.35 Corp(02/14/17)
Jul. 31, 2014	Senior	CD	3 years	Jul. 31, 2017	HKD 561	1.56%	--	SUMIBK 1.56 Corp(07/31/17)
Aug. 29, 2014	Senior	CD	3 years	Aug. 29, 2017	HKD 200	1.50%	--	SUMIBK 1.50 Corp(08/29/17)
Nov. 28, 2014	Senior	CD	3 years	Nov. 9, 2017	HKD 106	1.50%	--	SUMIBK 1.50 Corp(11/09/17)
Mar. 5, 2015	Senior	Private Placement	7 years	Mar. 7, 2022	HKD 864	2.55%	--	SUMIBK 2.55 Corp
Apr. 30, 2015	Senior	Private Placement	5 years	Apr. 20, 2020	HKD 745	2.09%	--	SUMIBK 2.09 Corp
Apr. 30, 2015	Senior	Private Placement	10 years	Apr. 30, 2025	HKD 755	2.92%	--	SUMIBK 2.92 Corp
Jun. 11, 2015	Senior	CD	5 years	Jun. 11, 2020	HKD 130	2.20%	--	SUMIBK 2.20 Corp(06/11/20)
Jun. 26, 2015	Senior	CD	2 years	Jun. 26, 2017	HKD 150	1.10%	--	SUMIBK 1.10 Corp(06/26/17)
Jun. 11, 2015	Senior	CD	5 years	Jun. 11, 2020	HKD 130	2.20%	--	SUMIBK 2.20 Corp(06/11/20)
Jun. 26, 2015	Senior	CD	2 years	Jun. 26, 2017	HKD 150	1.10%	--	SUMIBK 1.1 Corp(06/26/17)
Aug. 27, 2015	Senior	CD	3 years	Aug. 27, 2018	HKD 300	2.00%	--	SUMIBK 2.2 Corp
Sep. 11, 2015	Senior	CD	3 years	Sep. 11, 2018	HKD 100	1.94%	--	SUMIBK 1.94 Corp(09/11/18)

\*1 As of Nov. 20, 2015. Gray background bonds mean that the bonds have already been redeemed

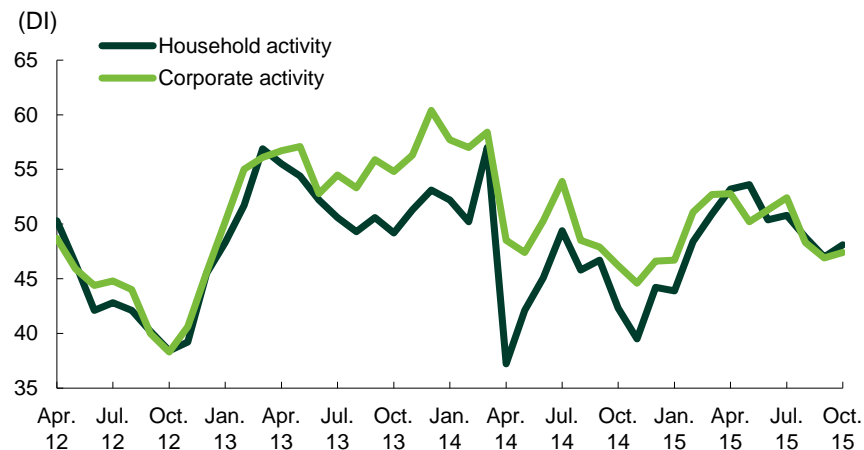
\*2 Spread over US Treasury unless otherwise indicated

# Current Japanese economy

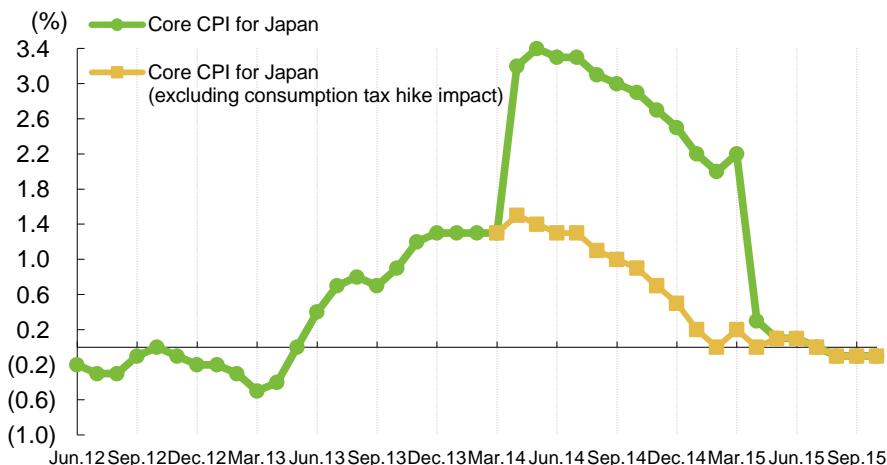
## Real GDP growth rate (annualized QOQ change)\*1



## Economy watchers survey\*2



## Consumer price index (YOY change)\*3



## 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

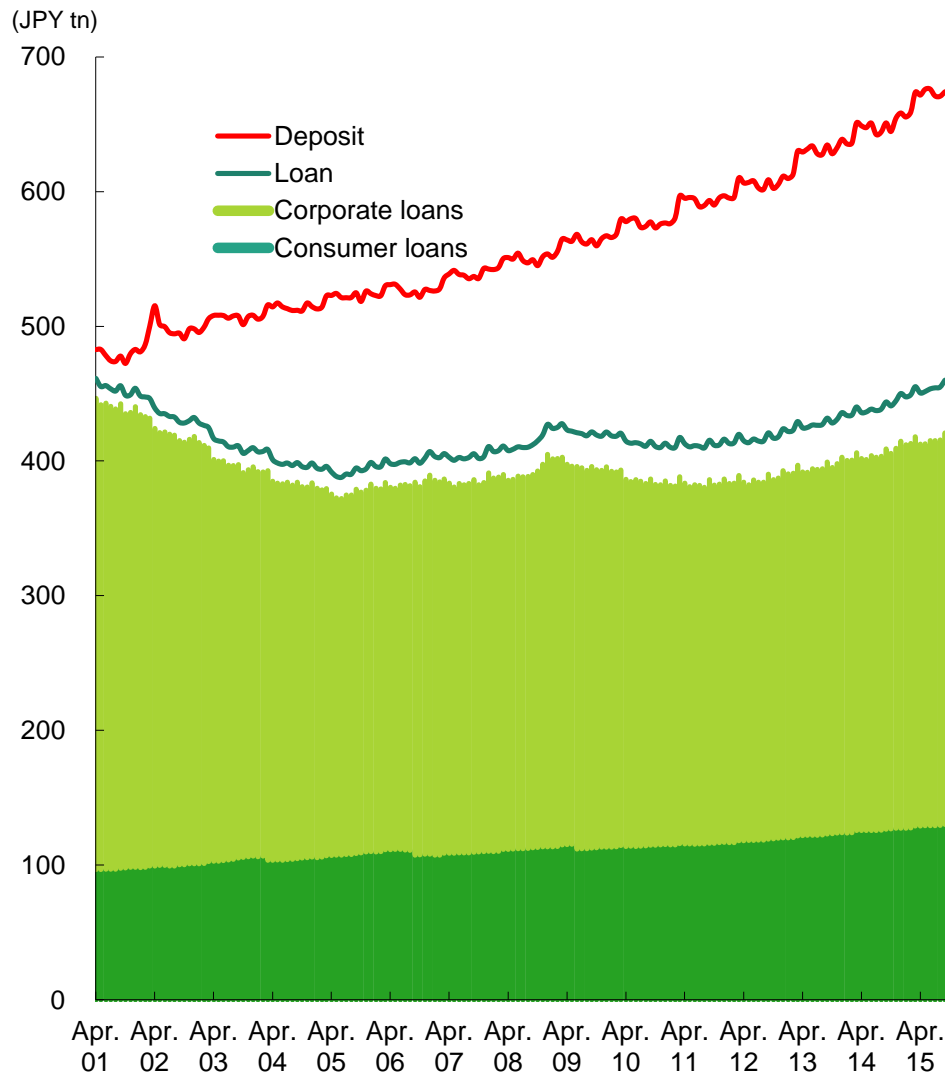
\*2 Source: Cabinet Office. Diffusion index for current economic conditions

\*3 Source: Statistics Bureau & SMBC Nikko. Core CPI: All items, less fresh foods

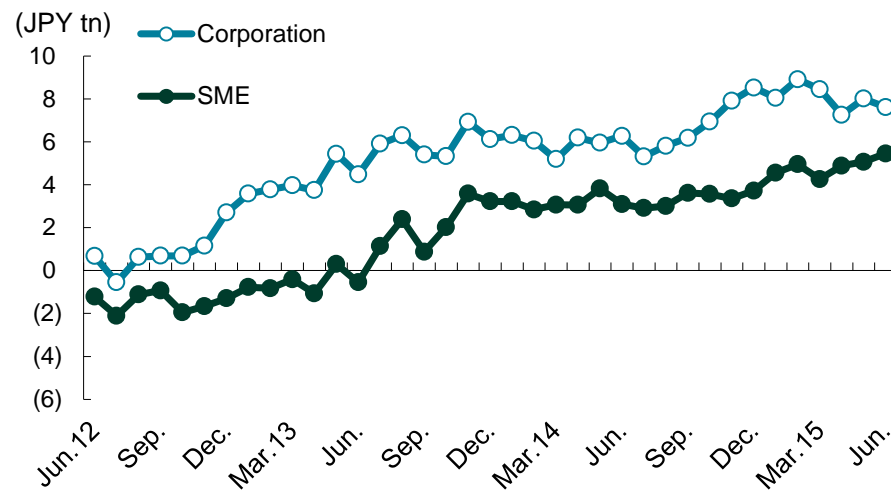
\*4 Source: Cabinet Office

# Trends of loan and deposit balance in Japan\*1

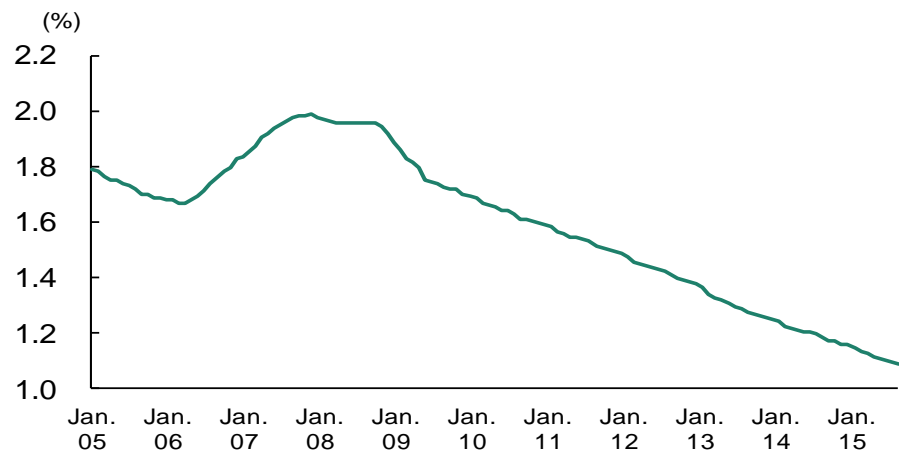
## Loan and deposit balance of domestic banks



## YOY increase/decrease of loan balance\*2



## Average loan spread of domestic banks\*3



\*1 Source: Bank of Japan "Deposits and Loans Market"

\*2 Period end balance \*3 Stock basis

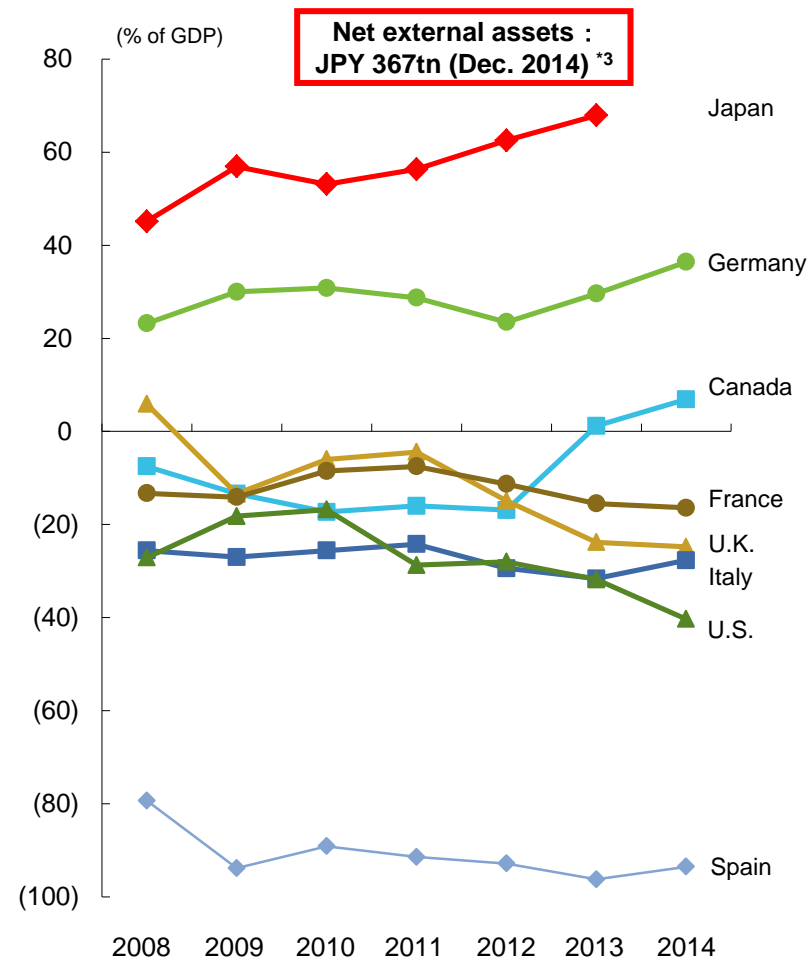
# Japanese national wealth

Balance sheet of Japan (as of Dec. 2013, JPY tn)<sup>\*1</sup>

<b>Closing Assets</b>	<b>9,295</b>	<b>Closing liabilities plus net worth</b>	<b>9,295</b>
Households	2,687	Households	359
Financial assets	1,656	Non-financial corporations	1,490
Non-financial assets	1,031	Stocks	678
Land	676	Financial corporations	3,202
Non-financial corporations	2,045	Stocks	201
Financial assets	1,028	General government	1,167
Non-financial assets	1,017		
Land	267	<b>Closing liabilities</b>	<b>6,246</b>
Financial corporations	3,296	<b>Net worth</b>	<b>3,049</b>
General government	1,168	Households	2,328
Financial assets	577	Non-financial corporations	555
Financial assets	6,571	Financial corporations	94
Non-financial assets	2,724	General government	0

To Nominal GDP : 241.6%

Net international investment position<sup>\*2</sup>



\*1 Source: Cabinet Office

\*2 Source: IMF Stat

\*3 Source: Ministry of Finance Japan