

Fixed Income Investor Presentation

October 2015

Sumitomo Mitsui Banking Corporation

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 (Sumitomo Mitsui Financial Group)

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

Market capitalization (TSE:8316 NYSE:SMFG)	JPY 6.4 tn / USD 53.2 bn (As of Sep. 30, 2015)
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Total assets	JPY 183 tn / USD 1,527 bn
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Common Equity Tier 1 ratio (Basel III fully-loaded basis)	12.0%
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(As of Mar. 31, 2015 except for market capitalization)
(Consolidated)

SMBC's business franchise

- Core operating entity within the SMFG franchise
- Heritage dating back more than 400 years
- **Approx. 27 million** retail customer deposit accounts
- **Approx. 92 thousand** domestic corporate loan clients
- **441** domestic branches
- **Approx. 70** overseas franchises*2

Ratings (Moody's / S&P)	A1 / A (As of Sep. 30, 2015)
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(As of Mar. 31, 2015 except for ratings)

SMBC's asset quality and liquidity

(As of Mar. 31, 2015)
(Non-consolidated)

Total assets	JPY 155 tn / USD 1,288 bn
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Loans	JPY 68 tn / USD 568 bn
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Yen bonds*3	JPY 16 tn / USD 136 bn
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Deposits*4	JPY 91 tn / USD 760 bn
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Loan-to-deposit ratio*5	64.8%
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Non-performing loan ratio	0.97%
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SMBC's profitability

(FY3/2015)
(Non-consolidated)

Gross banking profit	JPY 1,634 bn / USD 13.6 bn
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Banking profit*6 (before provisions)	JPY 843 bn / USD 7.0 bn
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Net income	JPY 643 bn / USD 5.4 bn
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Overhead ratio*7	48.4%
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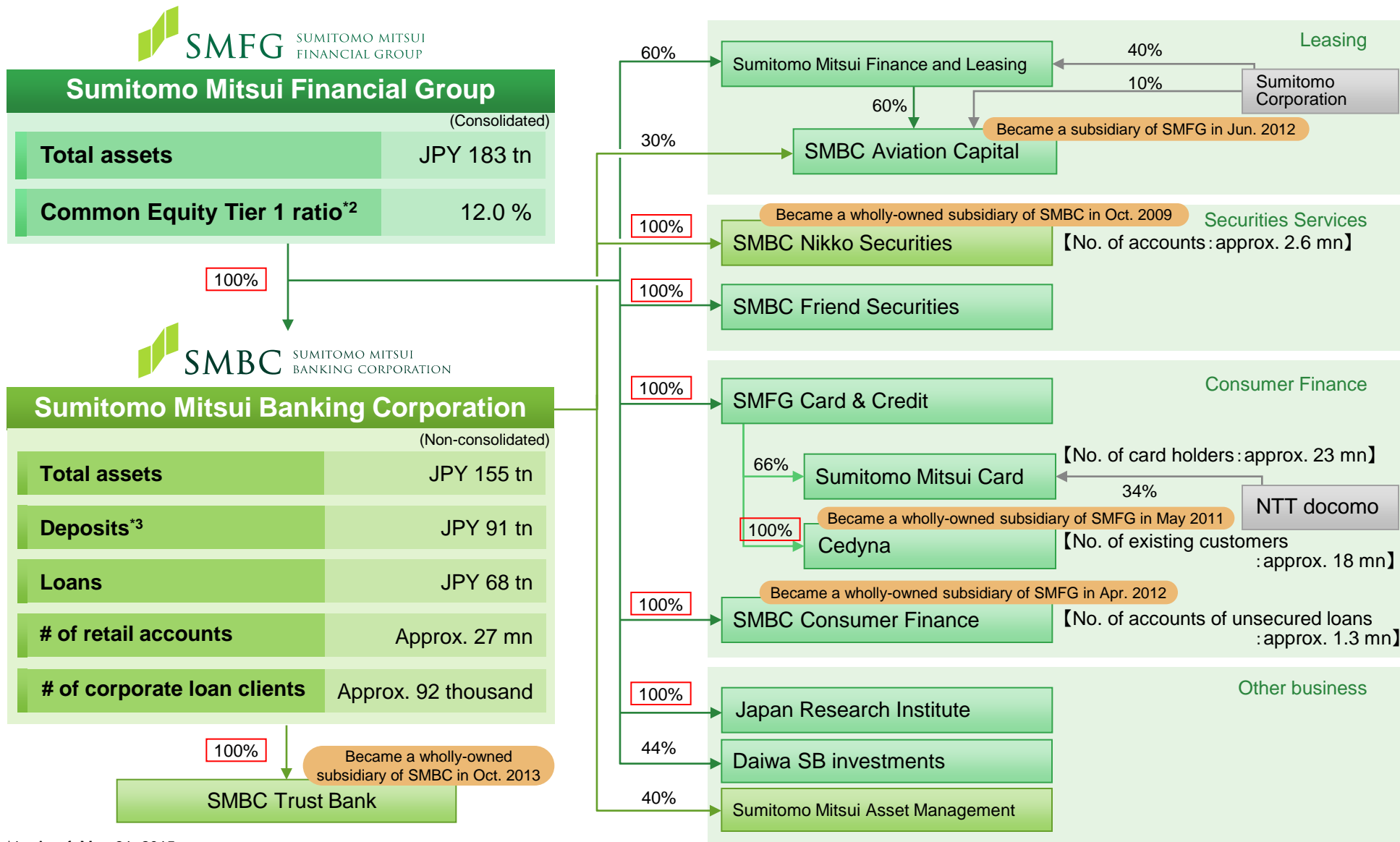
*1 Exchange rate as of Mar. 31, 2015: USD 1.00 = JPY 120.15. Exchange rate applied to market capitalization as of Sep. 30, 2015 is USD 1.00 = JPY 119.92

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

*3 Total balance of bonds with maturities classified as "Other securities" and bonds of held-to-maturity; total of Japanese government bonds, Japanese local government bonds and Japanese corporate bonds *4 Excludes negotiable certificates of deposits *5 Numerator: Loans, Denominator: Deposits, NCDs

*6 Before provision for general reserve for possible loan losses *7 Expenses divided by gross banking profit

Group structure*1



*1 As of Mar. 31, 2015

*2 Basel III fully-loaded basis

*3 Excludes negotiable certificates of deposits

■ Highlights

Profitability

- Financial results of FY3/2015 & 1Q, FY3/2016
- Loan balance & spread
- Sources of profitability

Growth

- Medium-term management plan
- Wholesale business
- Retail business
- International business

Financial soundness

- Asset quality
- Capital
- Liquidity
- Foreign currency funding

Financial results of FY3/2015 and 1Q, FY3/2016

(JPY bn)		FY3/2014 Results	FY3/2015 Results	YOY change	Apr. – Jun. 2015 Results	YOY change
SMBC non-consolidated	Gross banking profit	1,558.1	1,634.3	+76.1	440.4	+18.9
	<i>Net Interest Income</i>	1,064.9	1,121.4	+56.5	324.2	+2.4
	Expenses* ¹	(745.7)	(791.2)	(45.5)	(201.0)	(9.1)
	Overhead ratio* ²	47.9%	48.4%	+0.5%	45.6%	+0.1%
	Banking profit (before provisions)* ³	812.4	843.1	+30.6	239.4	+9.8
	Total credit cost	(reversal) 123.9	(reversal) 80.1	(43.8)	(reversal) 20.4	(16.9)
	Gains (losses) on stocks	106.4	52.6	(53.8)	28.3	(2.5)
	Other non-recurring gains (losses)	(90.3)	(19.8)	+70.4	(25.8)	(7.6)
	Ordinary profit	952.5	956.0	+3.5	262.3	(17.2)
	Net income	605.3	643.0	+37.7	185.0	(16.1)
Reference: SMFG consolidated	Ordinary profit	1,432.3	1,321.2	(111.2)	404.5	+37.0
	Net income* ⁴	835.4	753.6	(81.7)	267.9	+37.1

*1 Excludes non-recurring losses *2 Expenses divided by gross banking profit

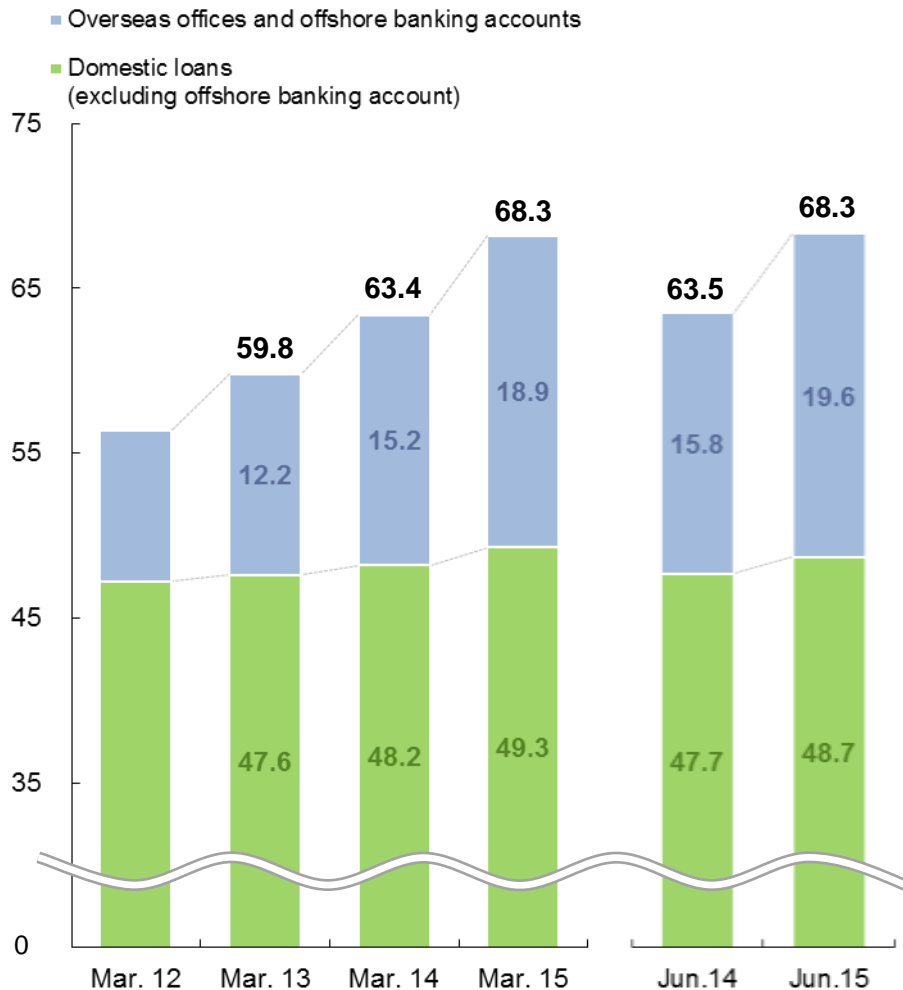
*3 Before provision for general reserve for possible loan losses

*4 Profit attributable to owners of parent

Loan balance

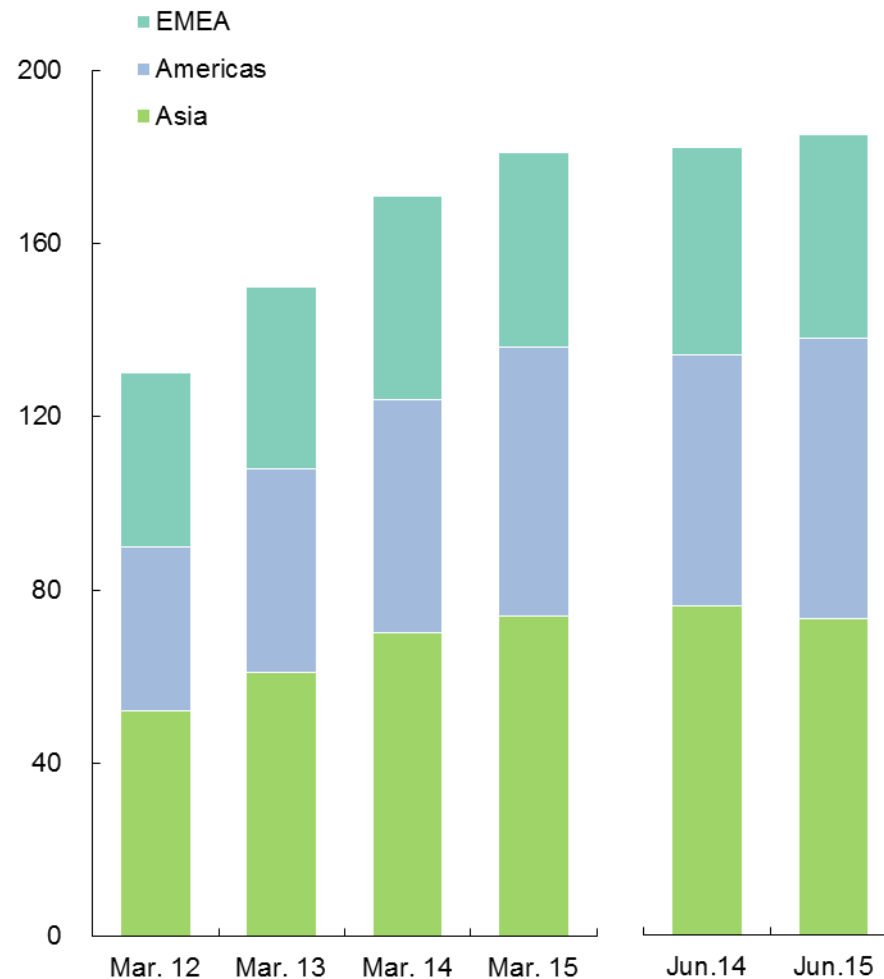
Loan balance

(JPY tn) (SMBC non-consolidated)



Overseas loan balance^{*1, *2}

(USD bn)

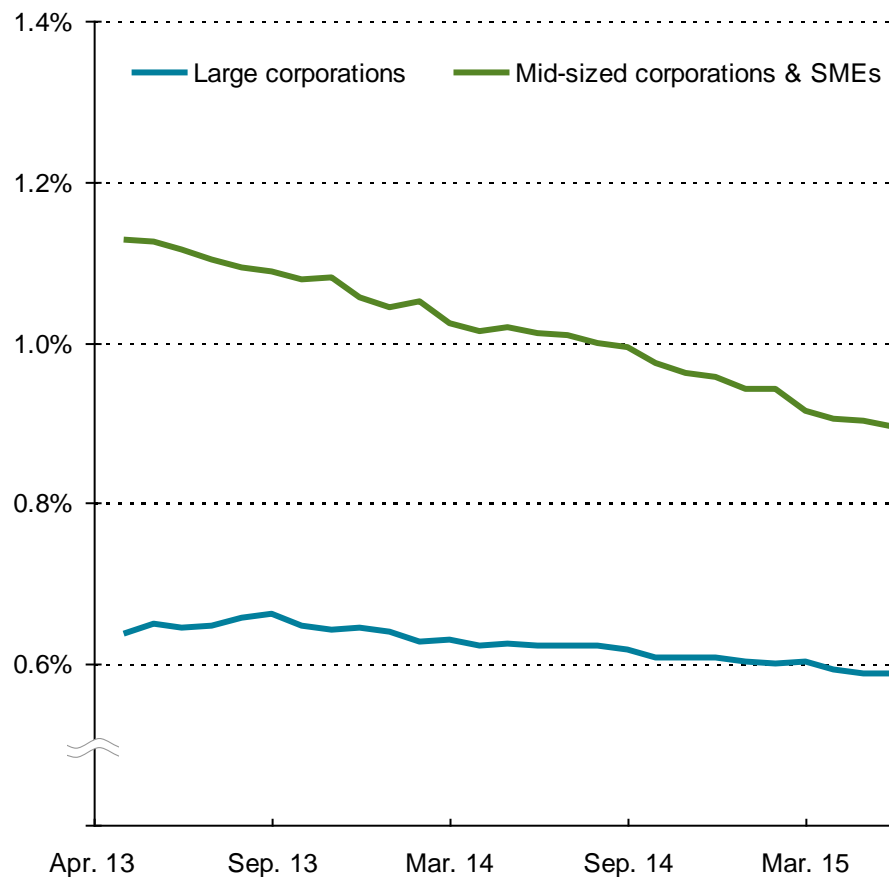


*1 Includes trade bills

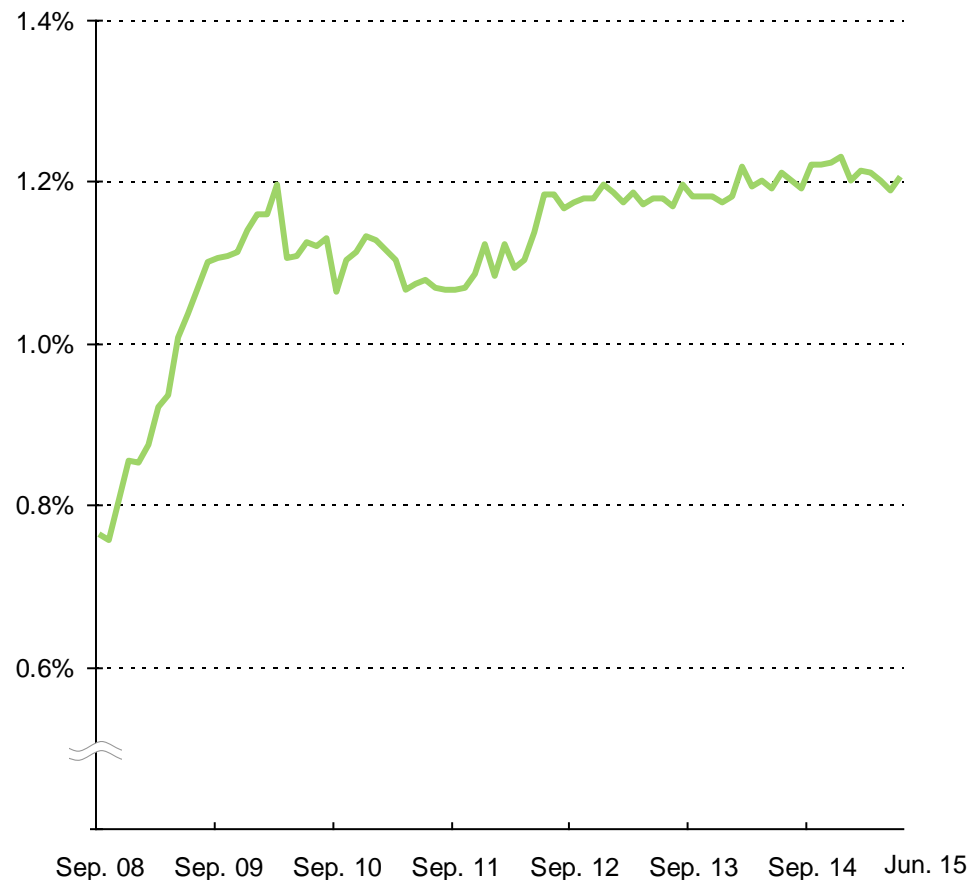
*2 Managerial accounting basis, translated into USD at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

Loan spread*1

Domestic*2



Overseas*3



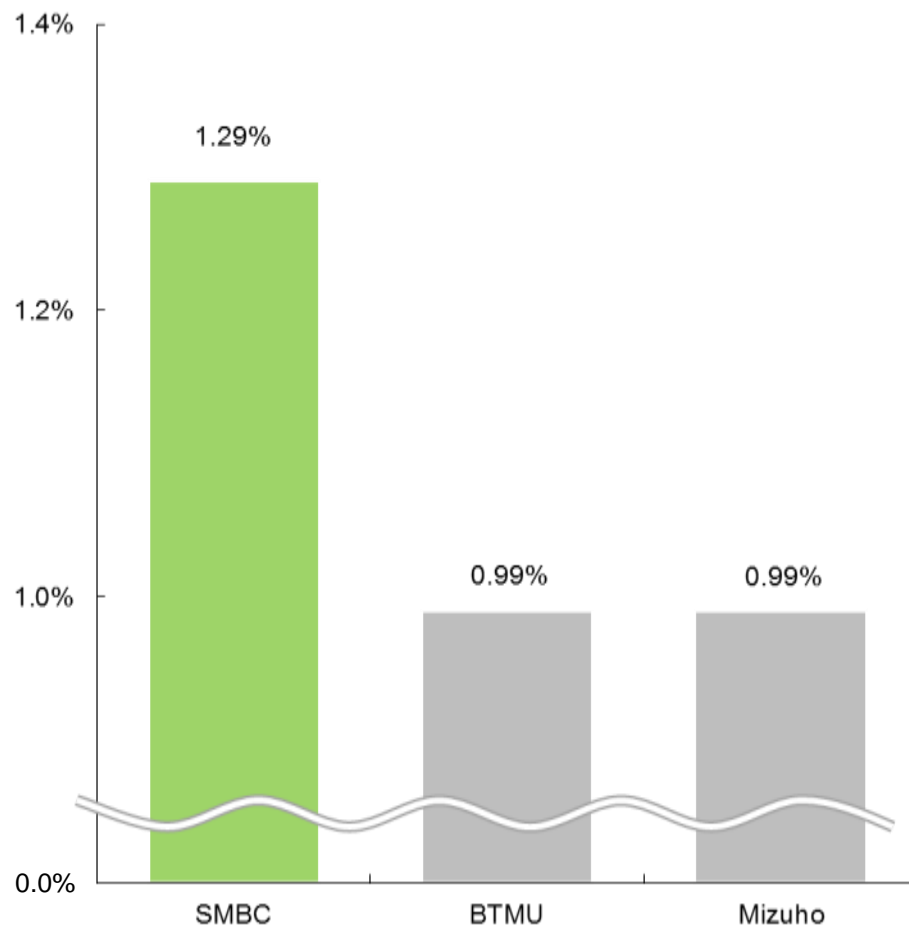
*1 Managerial accounting basis. Average loan spread of existing loans on a monthly basis

*2 SMBC non-consolidated

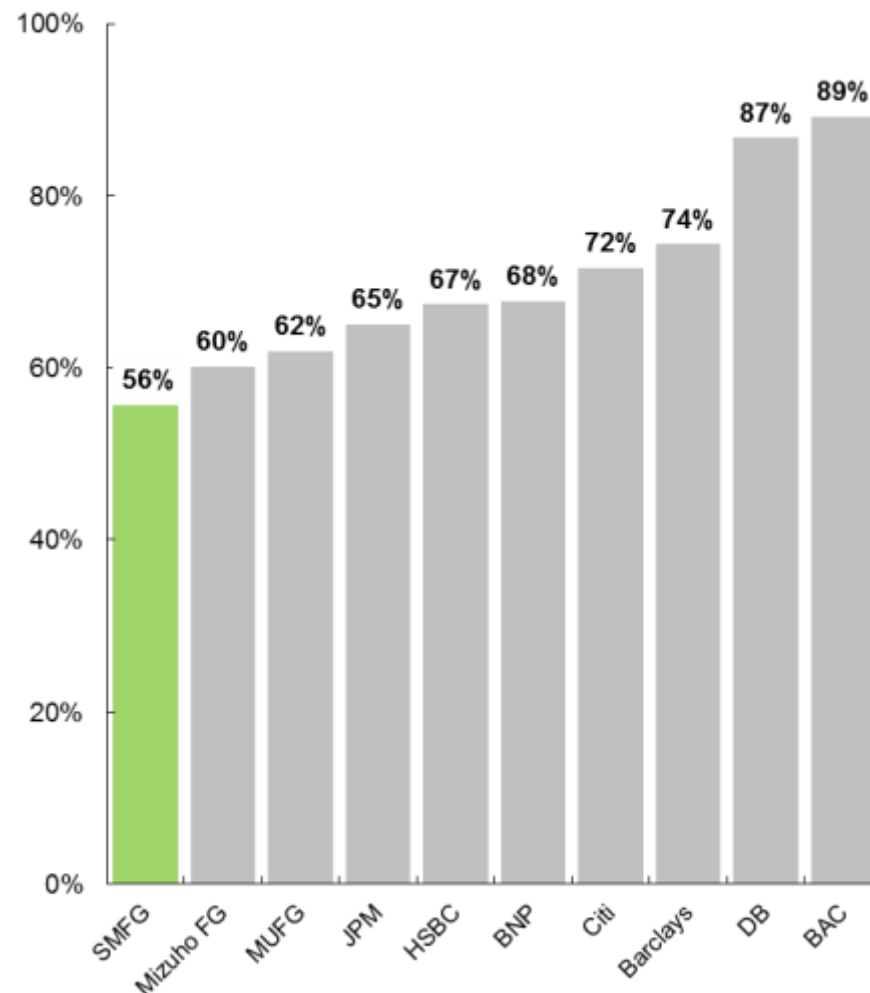
*3 Sum of SMBC, SMBC Europe and SMBC (China)

Sources of profitability

Domestic loan-to-deposit spread*¹



Overhead ratio on a group consolidated basis*²



*¹ All figures are on a non-consolidated basis based on each company's FY3/2015 disclosure

*² Based on each company's disclosure. G&A expenses divided by top-line profit (net of insurance claims). FY3/2015 results for SMFG, MUFG and Mizuho FG, FY12/2014 results for others

■ Highlights

Profitability

- Financial results of FY3/2015 & 1Q, FY3/2016
- Loan balance & spread
- Sources of profitability

Growth

- Medium-term management plan
- Wholesale business
- Retail business
- International business

Financial soundness

- Asset quality
- Capital
- Liquidity
- Foreign currency funding

■ Key initiatives in the medium-term management plan

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

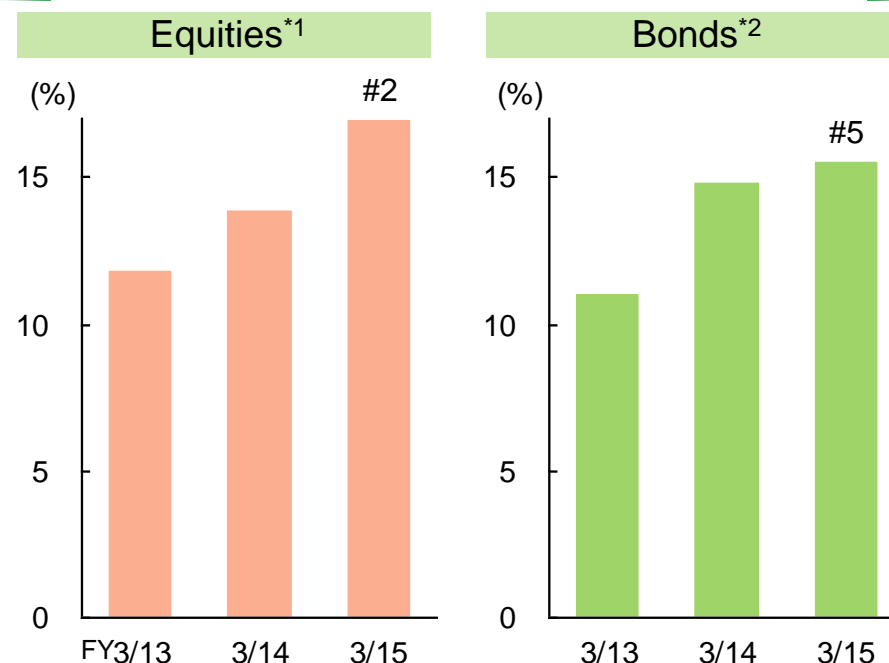


Strengthen client coverage
Dual-role, HR exchange
Expand RM coverage

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

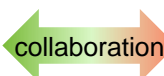
Retail business

Bank-securities retail integration

Clients

Serve inheritance/succession-related and steady asset management needs

Serve active asset management needs



SMBC's client base:
27 mn accounts

SMBC Nikko's client base:
2.6 mn accounts

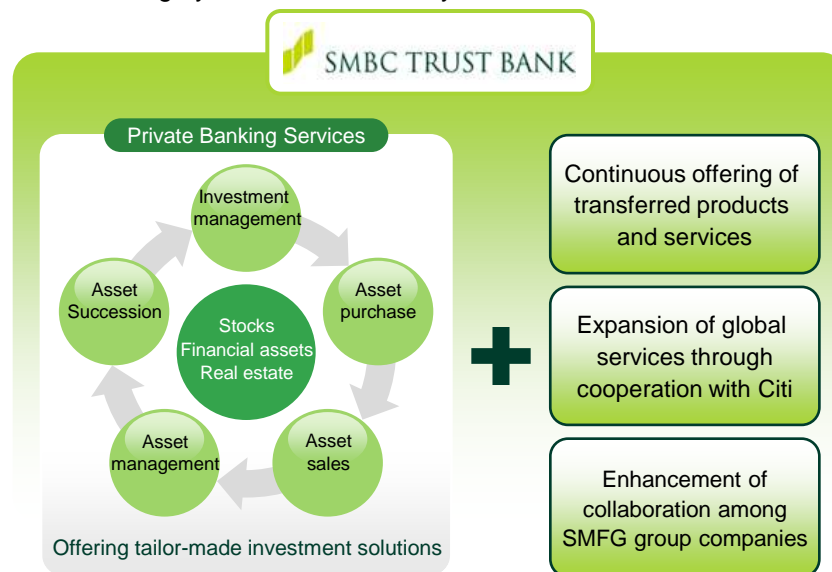
- Expanded the integration model to all offices in Jul. 2014
- SMBC Nikko has established 11 branches since Apr. 2014

Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank will acquire the retail banking business of Citibank Japan on Nov. 1, 2015, subject to necessary regulatory approvals
 - The retail banking operations will be conducted under the new brand PRESTIA from Nov. 1, 2015

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



Integrated operation of planning and promotion functions

Credit card business

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

Bank-based clients

Retail-based clients



Integrated management platforms

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

■ 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



■ Highlights

Profitability

- Financial results of FY3/2015 & 1Q, FY3/2016
- Loan balance & spread
- Sources of profitability

Growth

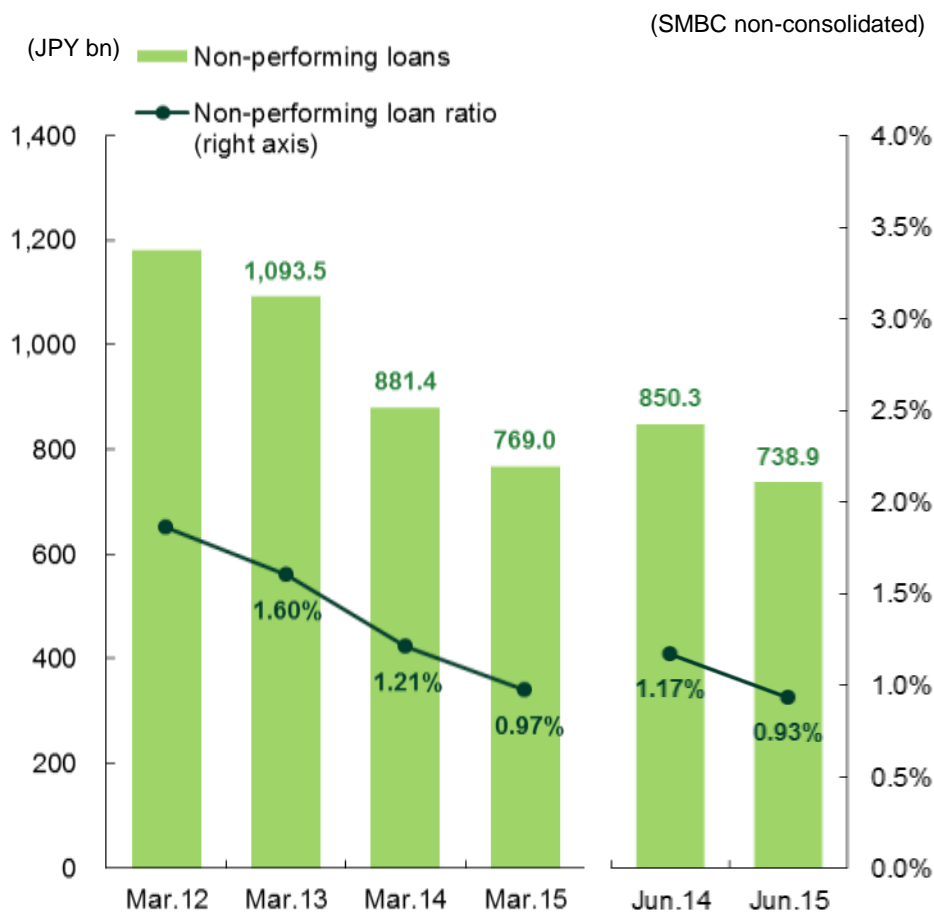
- Medium-term management plan
- Wholesale business
- Retail business
- International business

Financial soundness

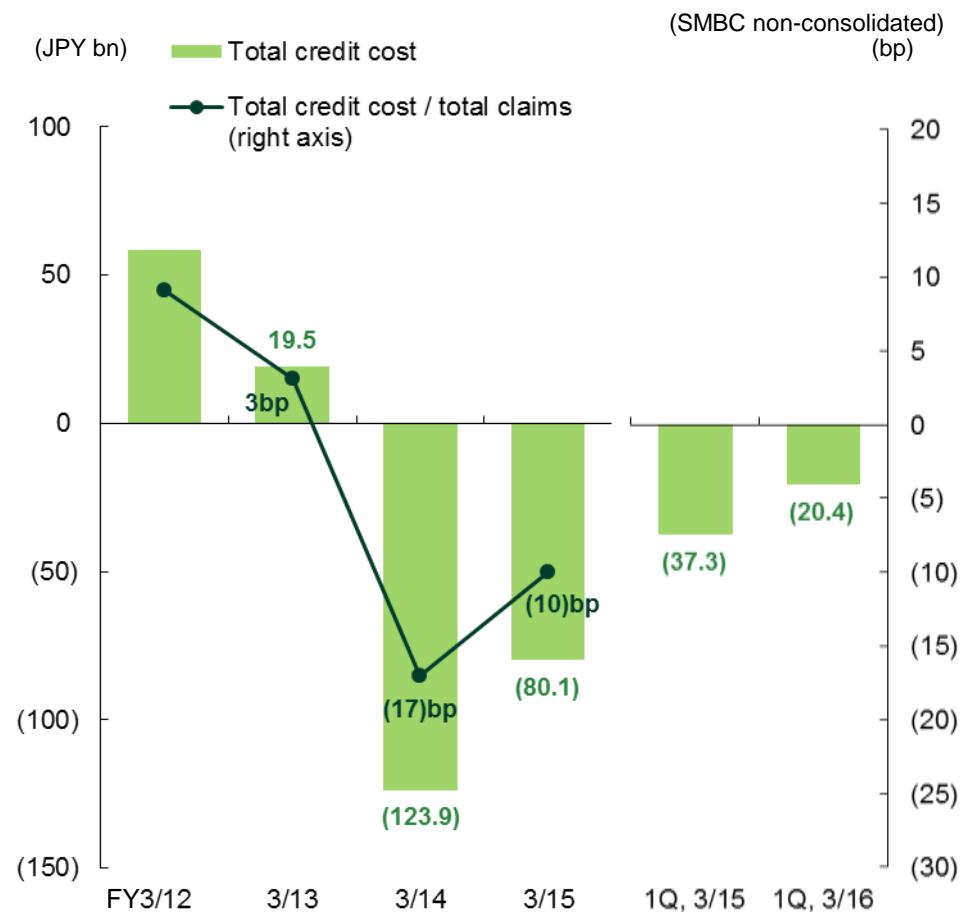
- Asset quality
- Capital
- Liquidity
- Foreign currency funding

Asset quality - solid loan portfolio

NPLs and NPL ratio*1



Total credit cost and Total credit cost ratio*2

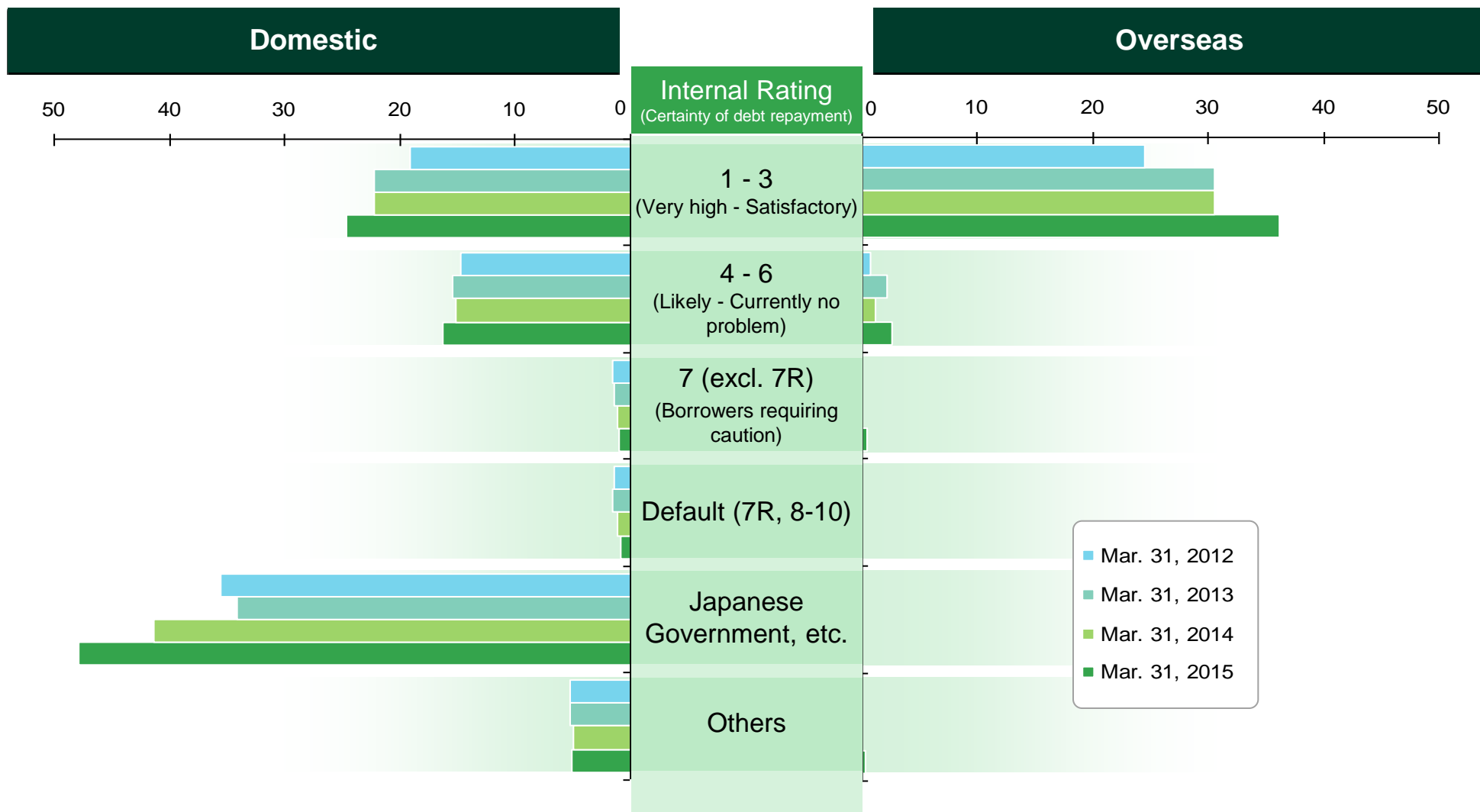


Coverage ratio	SMBC non-consolidated	88.54%	87.67%
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*1 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

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

Corporate, sovereign and bank exposures*

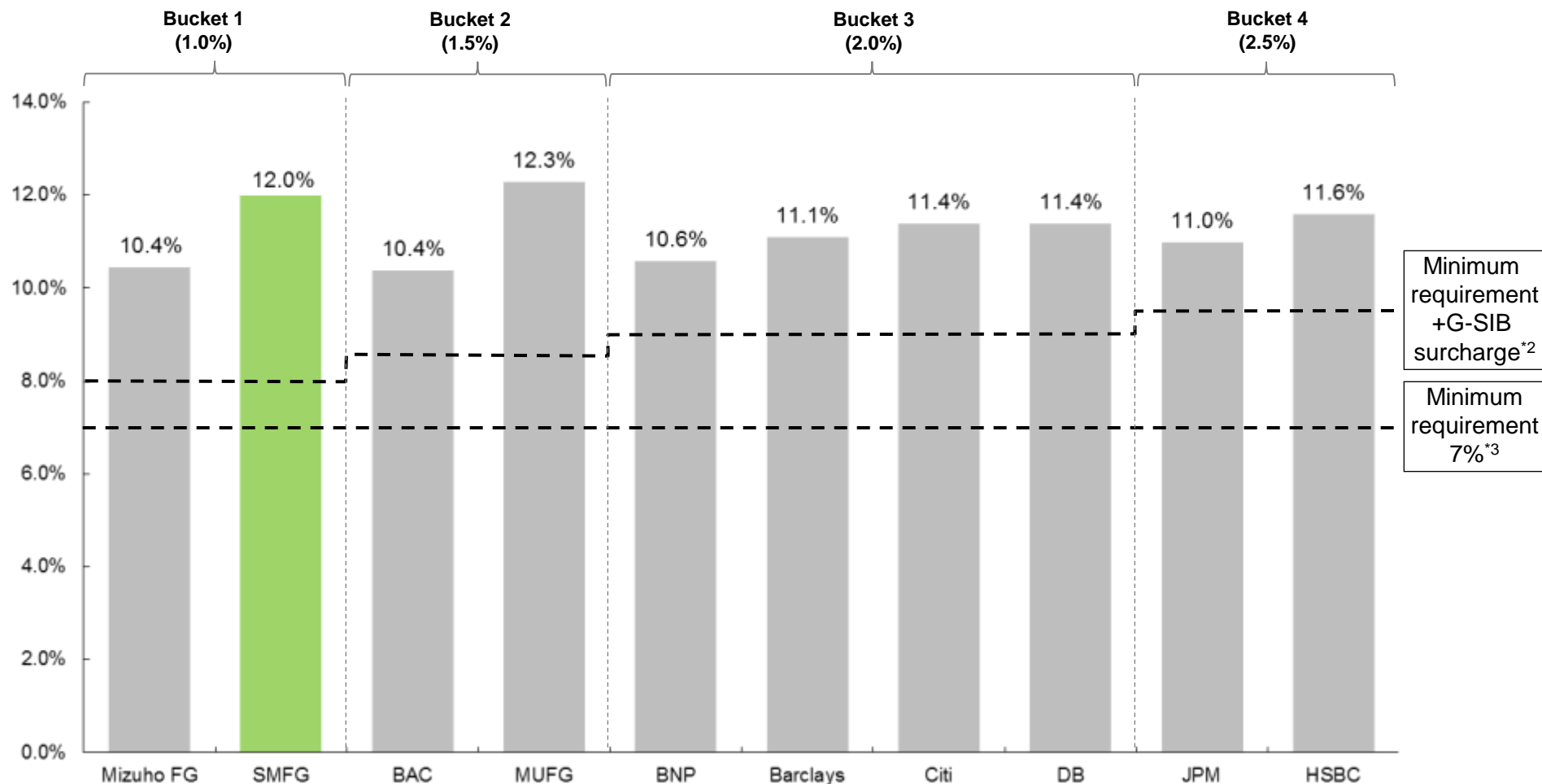


(SMFG consolidated)

* 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

Resilient capital base

Common Equity Tier 1 ratio - Basel III fully-loaded basis (pro forma)*¹



*¹ Based on each company's disclosure. Figures of SMFG, MUFG and Mizuho FG are on a consolidated basis as of Mar. 31, 2015. The others are on a consolidated basis as of Jun. 30, 2015. The ratio for Mizuho FG includes Eleventh Series Class XI Preferred Stock of JPY 277.8bn

*² The list published by the Financial Stability Board in Nov. 2014

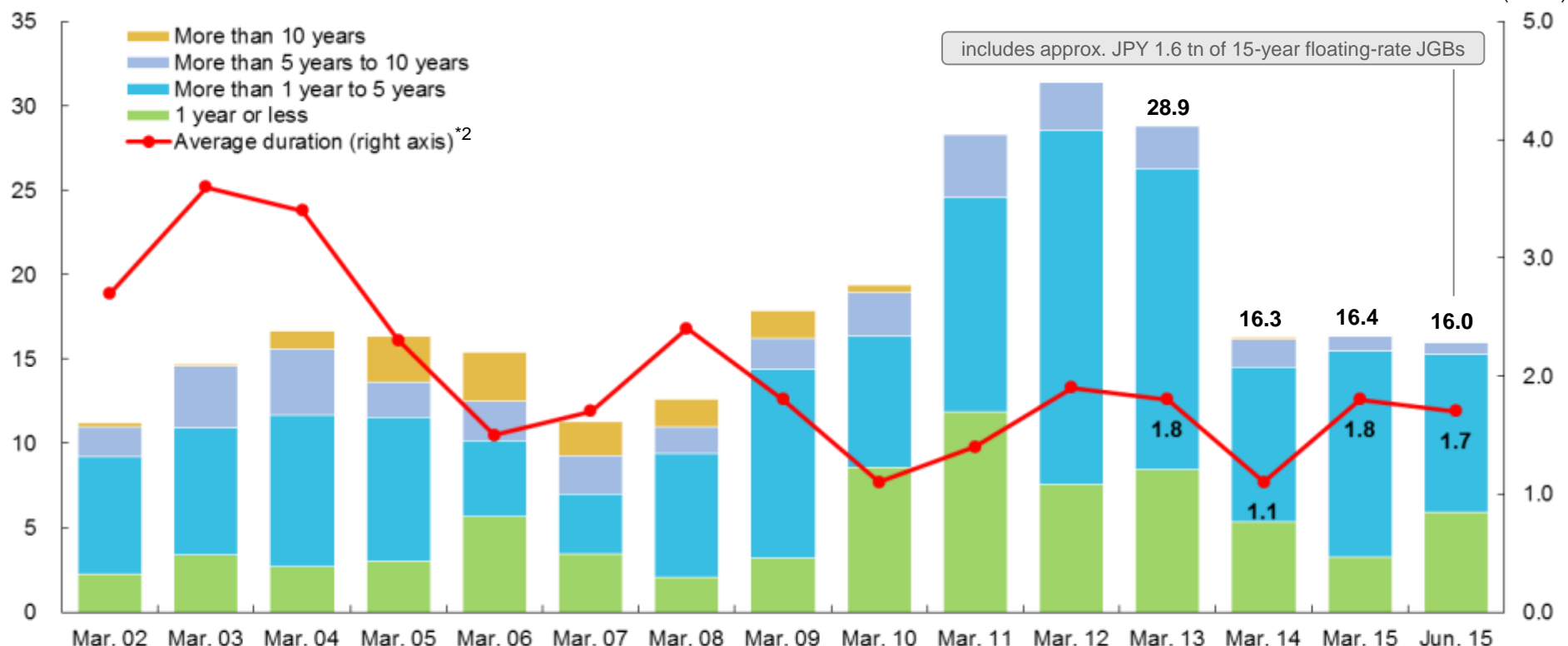
*³ Minimum requirement = Minimum CET 1 Requirements (4.5%) + Capital conservation buffer (2.5%)

Bond portfolio

Yen bond portfolio*1

(SMBC non-consolidated)

Balance (JPY tn)



Unrealized gains (losses) (JPY bn)*3	95.3	60.0	45.9	53.6
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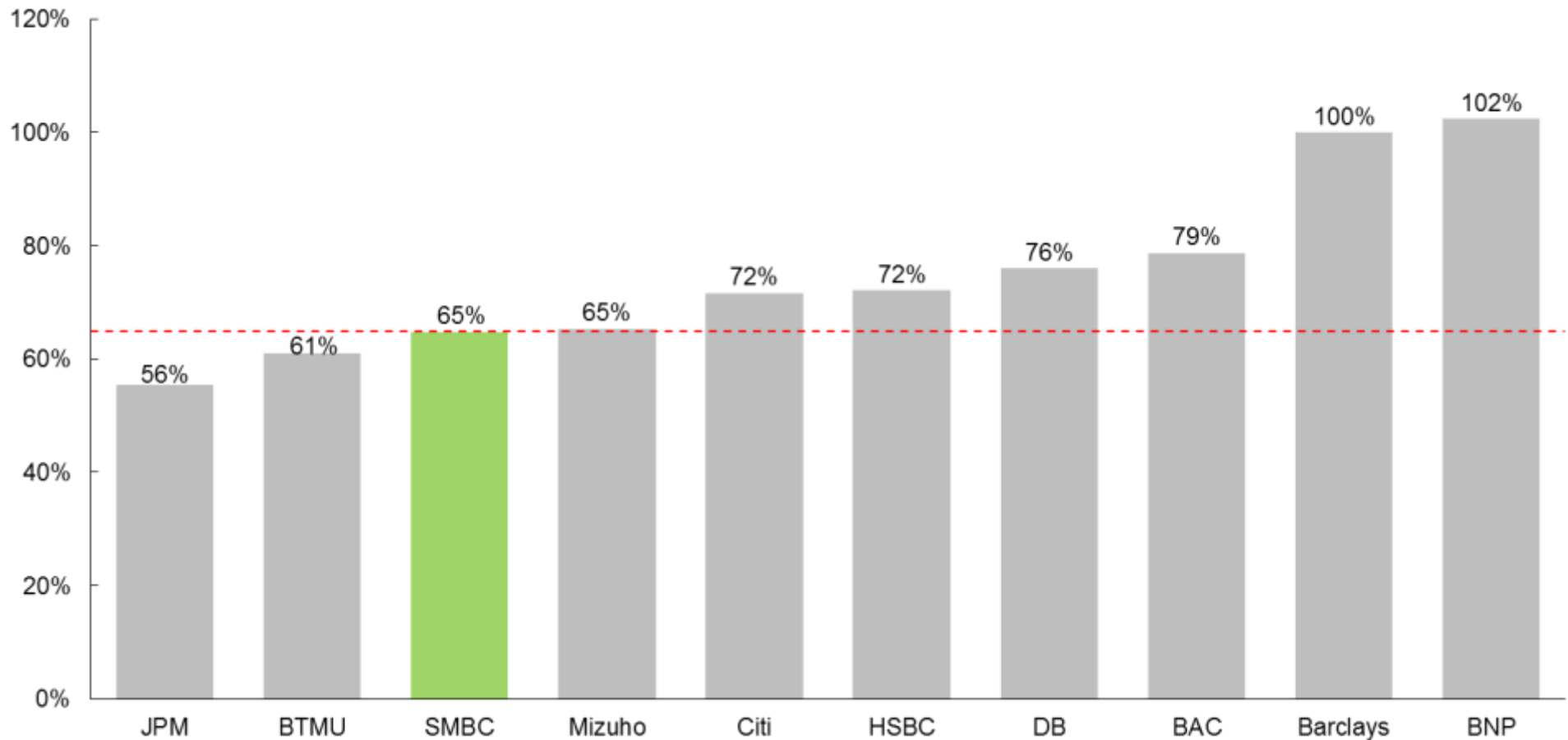
*1 Total balance of Other securities with maturities and bonds classified as held-to-maturity; total of JGBs, Japanese local government bonds and Japanese corporate bonds

*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

Liquidity - supported by a sticky domestic deposit base

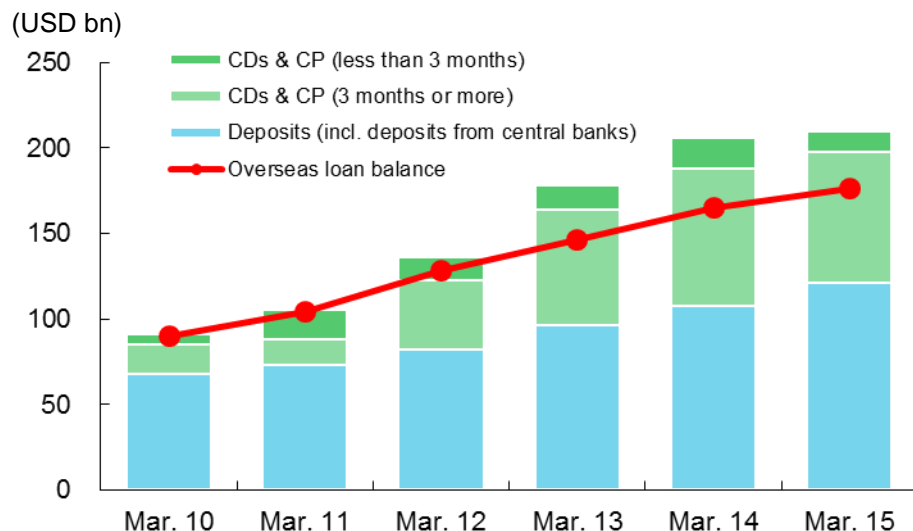
Loan-to-deposit ratio*



* Based on each company's disclosure. Figures of SMBC, BTMU and Mizuho are on a non-consolidated basis as of Mar. 31, 2015. The others are on a consolidated basis as of Dec. 31, 2014

Foreign currency funding

Overseas deposit & loan balance*1



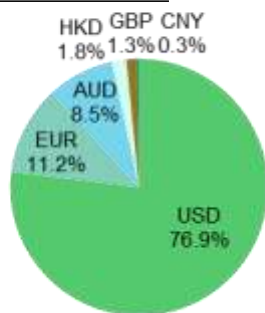
Foreign currency funding by region

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 30.0 bn



Outstanding Amount		
USD	23.1 bn	--
EUR	3.0 bn	= USD 3.4 bn
AUD	3.6 bn	= USD 2.5 bn
HKD	4.3 bn	= USD 0.5 bn
GBP	0.3 bn	= USD 0.4 bn
CNY	0.6 bn	= USD 0.1 bn

Recent deals (Senior unsecured)

- Sep. 8, 2015 / EUR / 1.0bn / 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
- Feb. 25, 2015 / USD / 1.25bn / 3y FRN at 3ML+58bp, 5y FIX at 2.45% / Re-opening

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

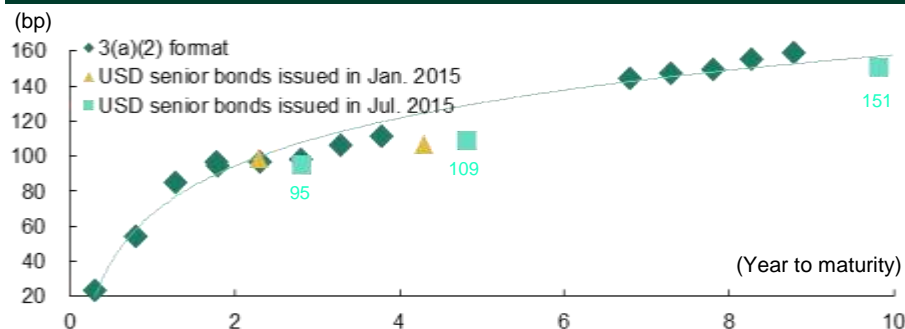
*2 Senior unsecured issuance with original maturity of two years or more as of Sep. 30, 2015. Translated into USD at the exchange rates as of Sep. 30, 2015

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)*1



SUMIBK secondary spread (5 year Fixed) vs. Index*1



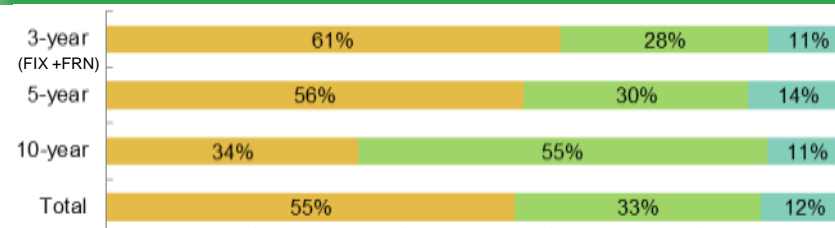
*1 Source: Bloomberg, Barclays US Aggregate Financial Institutions Index as of Sep. 30, 2015

*2 Percentages are calculated by weighted average of amount issued of Jul. 2012, Jan. 2013, Jan. 2014, Jul. 2014, Jan. 2015, Feb. 2015 and Jul. 2015

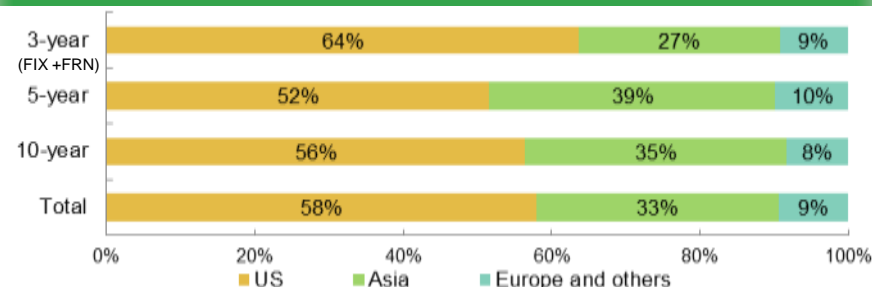
*3 Weighted average maturity (years) of senior term funding issuance

Geographical breakdown of allocation

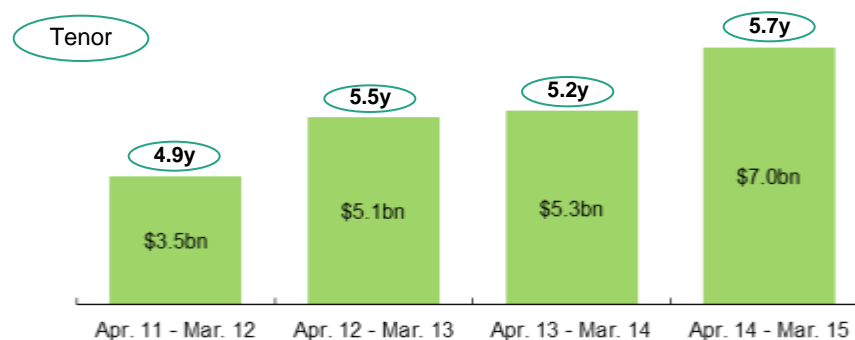
USD senior bonds – in Jul. 2015



USD senior bonds – after Jul. 2012*2



USD term funding – volume and tenor of new issuance*3



Appendix

Trend of bottom line profits

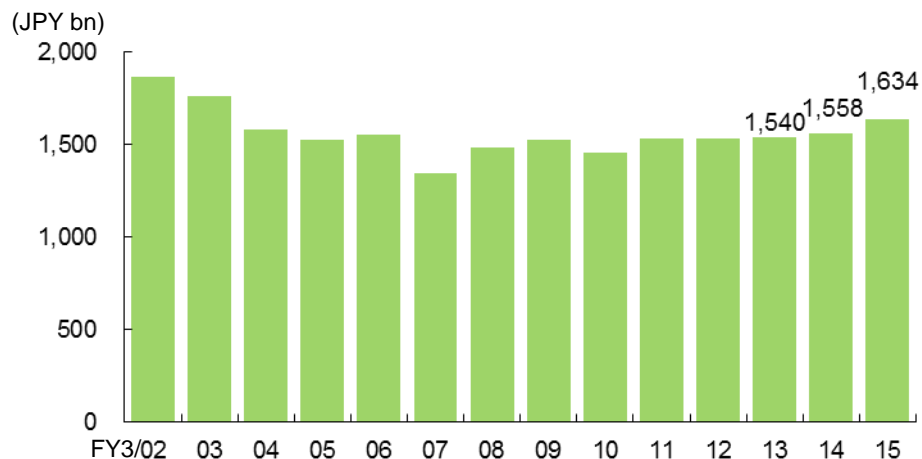
SMBC's non-consolidated net income



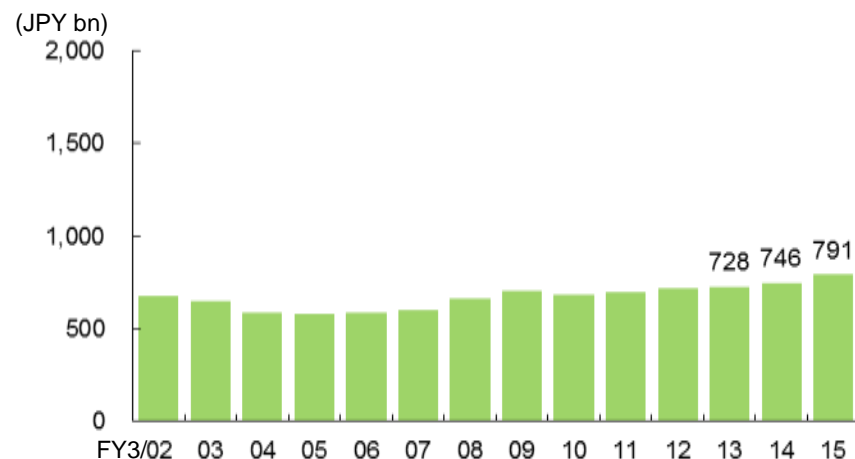
Trend of major income components

(SMBC non-consolidated)

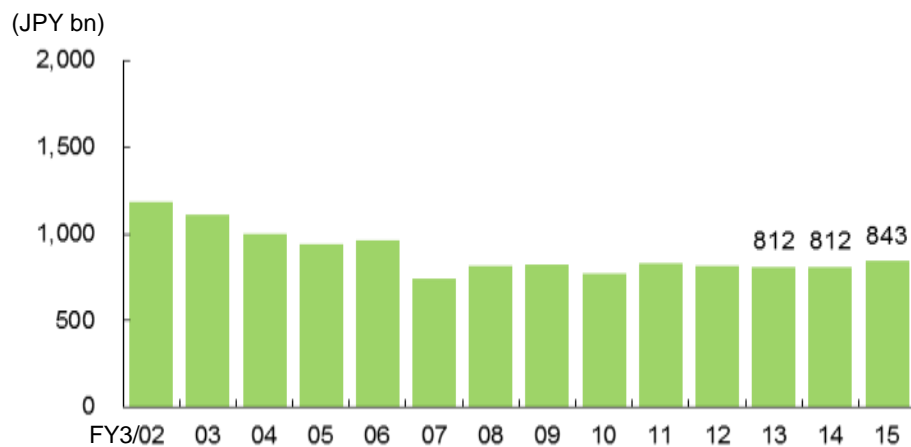
Gross banking profit



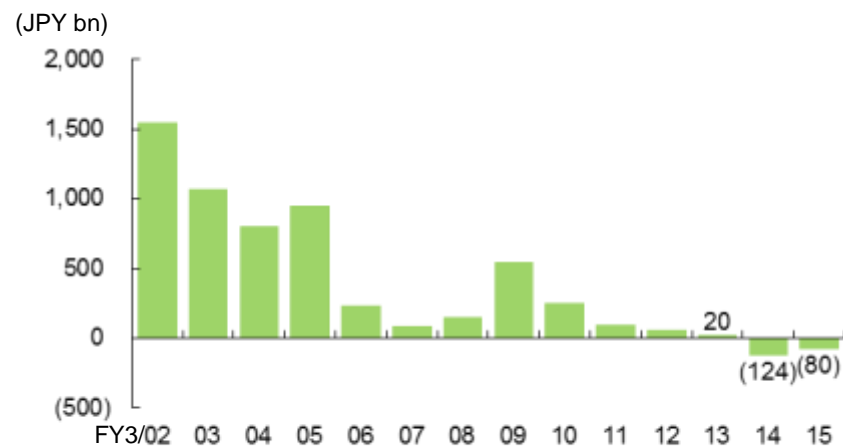
Expenses



Banking profit (before provisions)



Total credit cost



■ SMBC's performance by business unit*1

(JPY bn)				FY3/2014	FY3/2015	YOY change*2
	Wholesale Banking Unit		Gross banking profit	558.5	555.4	(9.3)
			Expenses	(200.7)	(206.8)	(2.4)
			Banking profit (before provisions)	357.8	348.6	(11.7)
	Retail Banking Unit		Gross banking profit	405.4	386.8	(18.5)
			Expenses	(336.4)	(350.1)	(15.0)
			Banking profit (before provisions)	69.0	36.7	(33.5)
	International Banking Unit		Gross banking profit	296.0	345.3	+20.8
			Expenses	(89.1)	(106.6)	(11.5)
			Banking profit (before provisions)	206.9	238.7	+9.3
Marketing Units			Gross banking profit	1,259.9	1,287.5	(7.0)
			Expenses	(626.2)	(663.5)	(28.9)
			Banking profit (before provisions)	633.7	624.0	(35.9)
Treasury Unit			Gross banking profit	325.5	354.0	+28.5
			Expenses	(22.9)	(25.9)	(1.1)
			Banking profit (before provisions)	302.6	328.1	+27.4
Headquarters			Gross banking profit	(27.3)	(7.2)	+54.7
			Expenses	(96.6)	(101.8)	(15.5)
			Banking profit (before provisions)	(123.9)	(109.0)	+39.2
Total			Gross banking profit	1,558.1	1,634.3	+76.2
			Expenses	(745.7)	(791.2)	(45.5)
			Banking profit (before provisions)	812.4	843.1	+30.7

*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 [*]), etc.	Overseas (C&I [*]), 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

Expand client base, enhance advisory capabilities, and promote initiatives on a group-wide basis

	FY3/2015		FY3/2016
	Implemented new business models		The year to realize the outcome of our business model transformation to clients
Wholesale	<ul style="list-style-type: none"> Expanded the large corporate segment; promoted seamless operation of bank-securities and domestic & international offices Increased and intensified contact with clients Actively supported growth industries (established Japan growth strategy CFT*) 		<ul style="list-style-type: none"> Expand target clients of bank-securities collaboration Begin trials of “domestic-international integration” model and “global-wide sector” model Deepen the “One to One” approach Further develop talented professionals to reinforce our on-the-ground capabilities Accelerate initiatives in growth areas
Retail	<ul style="list-style-type: none"> Expanded bank-securities integration model to all offices Launched SME & consumer banking combined operation under the new “Area” system; promoted inheritance- and succession-related businesses Enhanced marketing to mass-affluent clients Group-based management of consumer finance and credit card businesses 		<ul style="list-style-type: none"> Strengthen the asset management business on a group basis Further implement and sophisticate the “Area” system Acquire the retail banking business of Citibank Japan Reinforce SMBC’s branding; enhance marketing activities utilizing IT
International	<ul style="list-style-type: none"> Developed core initiatives under the lead of the Asian strategy CFT* <ul style="list-style-type: none"> Initiated “Asia Core Client Program” Actively hired locally Made progress with the multi-franchise strategy Promoted cross-selling 		<ul style="list-style-type: none"> Fully launch “Asia Core Client Program” Strengthen transaction banking and solution-providing Promote cross-selling and expand relationships globally with western multinational corporations (“Platinum Partner Club”)

* CFT: cross-functional team (task force comprised of members from across business units)

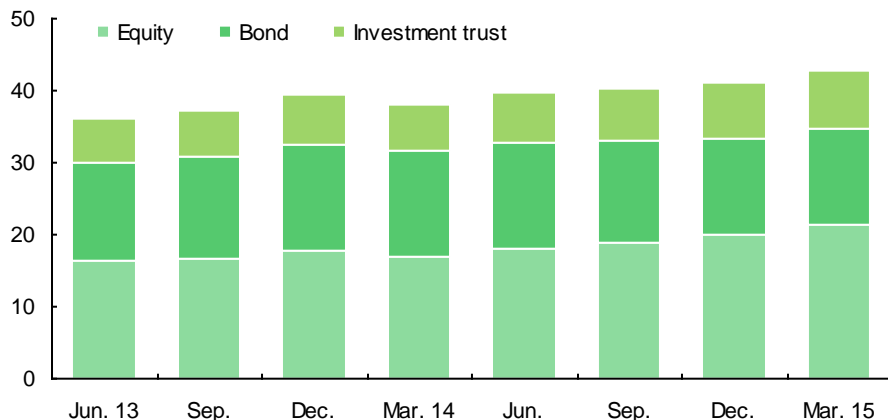
SMBC Nikko Securities

Financial results (consolidated)

(JPY bn)	FY3/2014	FY3/2015	YOY change
Net operating revenue	327.9	329.2	+1.3
SG&A expenses	(227.8)	(235.2)	(7.4)
Ordinary income	102.1	96.2	(5.9)
Net income	64.6	64.7	+0.1

Client assets

(JPY tn)

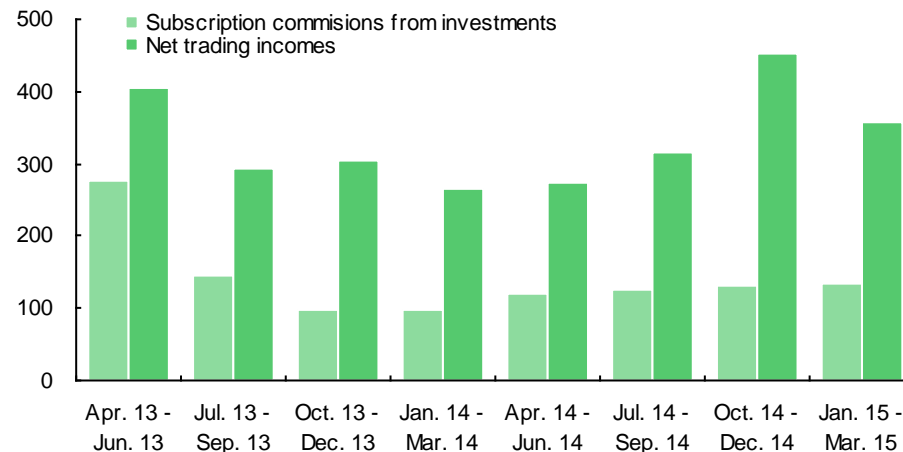


League tables (Apr. 2014 - Mar. 2015)

	Rank	FY3/2014 results	Mkt share	YOY change
Global equity & equity-related (book runner, underwriting amount)*1	#2	#3	17.0%	+3.1%
JPY denominated bonds (lead manager, underwriting amount)*2	#5	#5	15.6%	+0.7%
Financial advisor (M&A, No. of deals)*3	#3	#3	2.8%	(0.2)%

Net operating revenue related to sales of investment trusts and foreign bonds

(JPY bn)



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

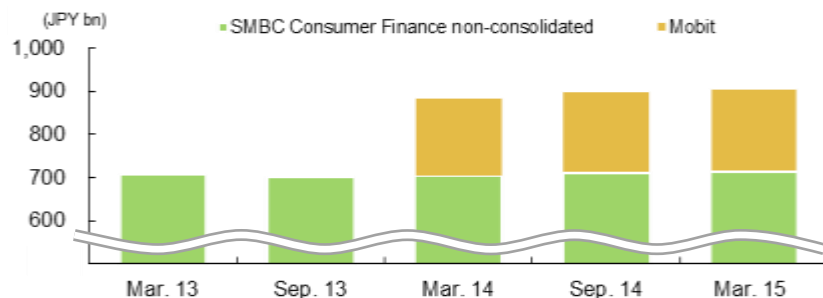
*2 Source: SMBC Nikko, based on data from Thomson Reuters. Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

*3 Source: Thomson Reuters. Japanese corporate related only. Excludes real estate deals

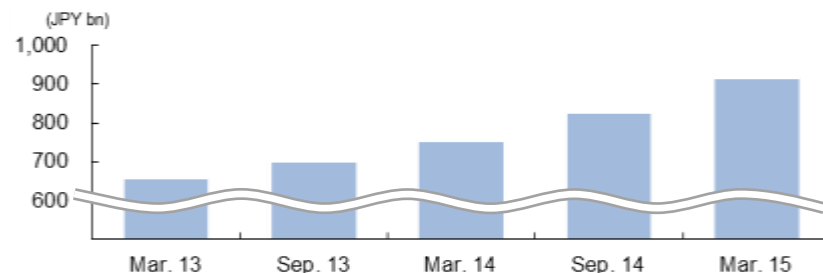
SMBC Consumer Finance

Financing / Loan guarantee business

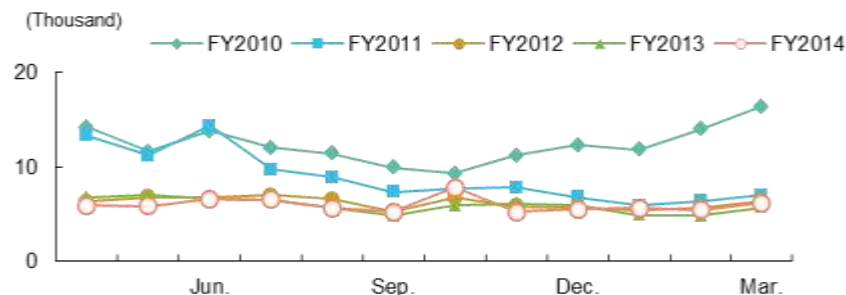
Consumer loans outstanding (domestic)



Loan guarantee amount

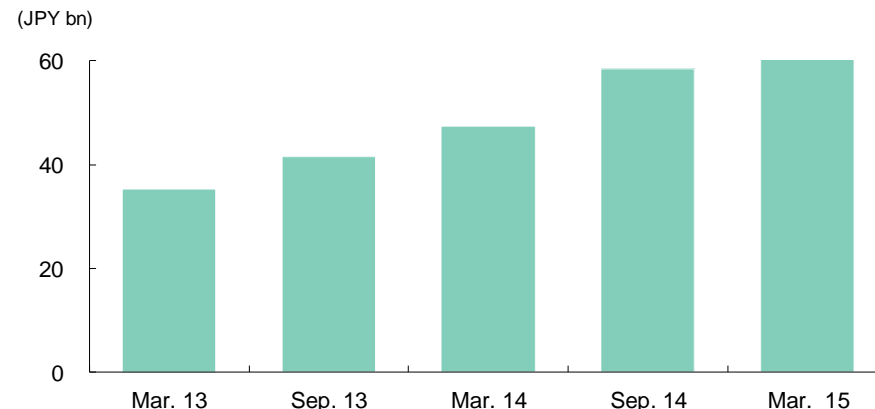


No. of interest refund claims



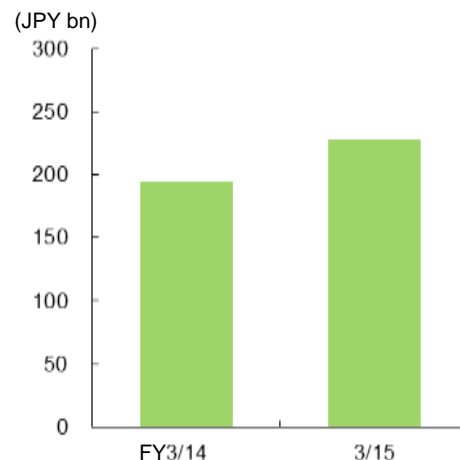
Overseas business

Consumer loans outstanding (overseas)*

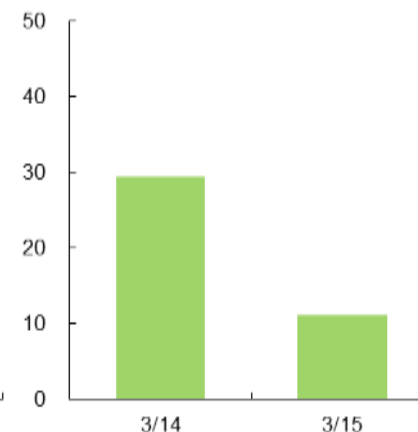


Consolidated operating income and net income

Operating income



Net income

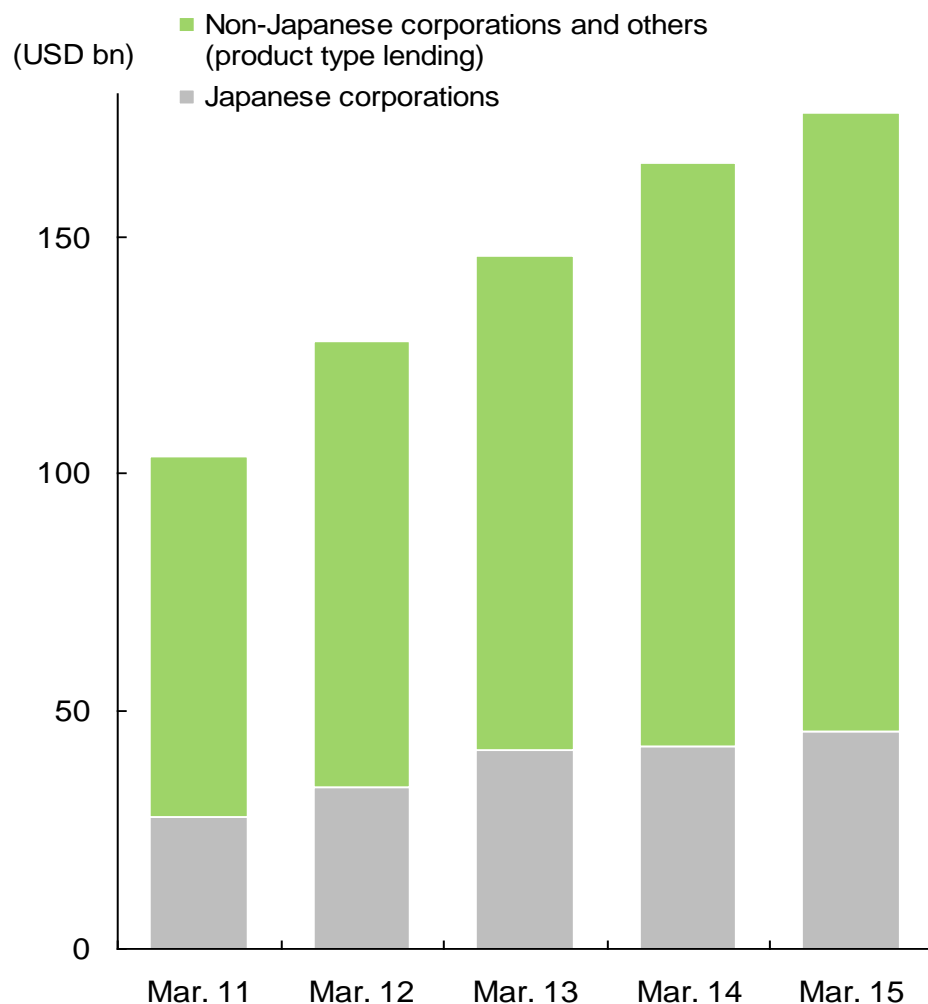


* Aggregate of overseas subsidiaries. Translated into JPY at respective period-end exchange rates

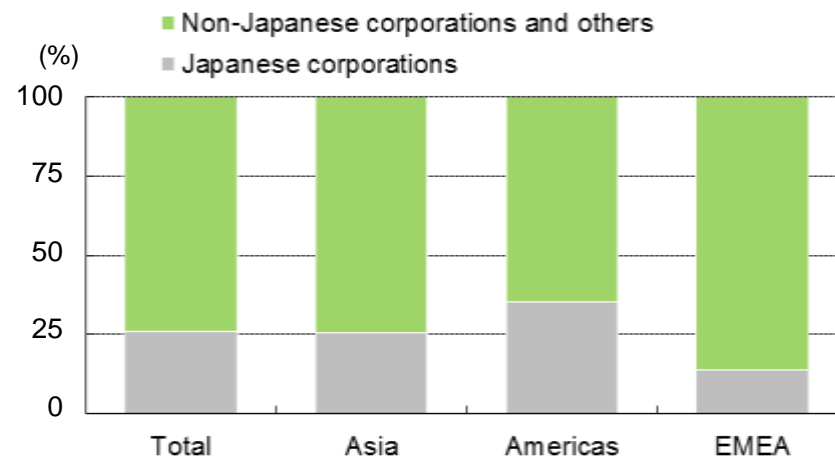
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

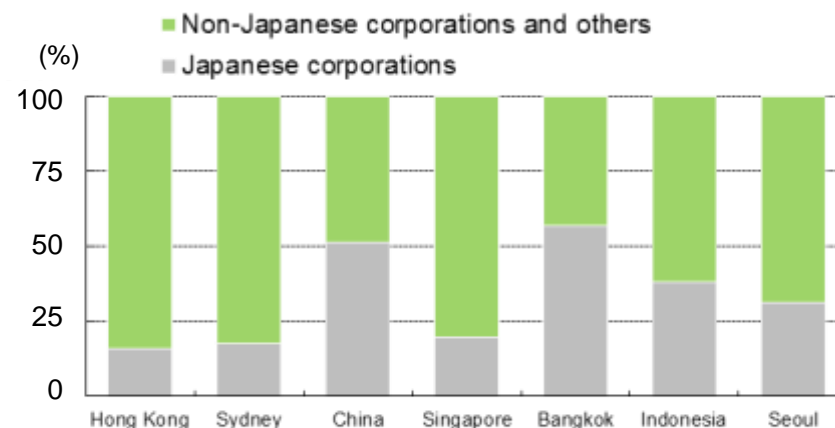
Total*1



By region (Mar. 2015)*1



Major marketing channels in Asia (Mar. 2015)*1, *2



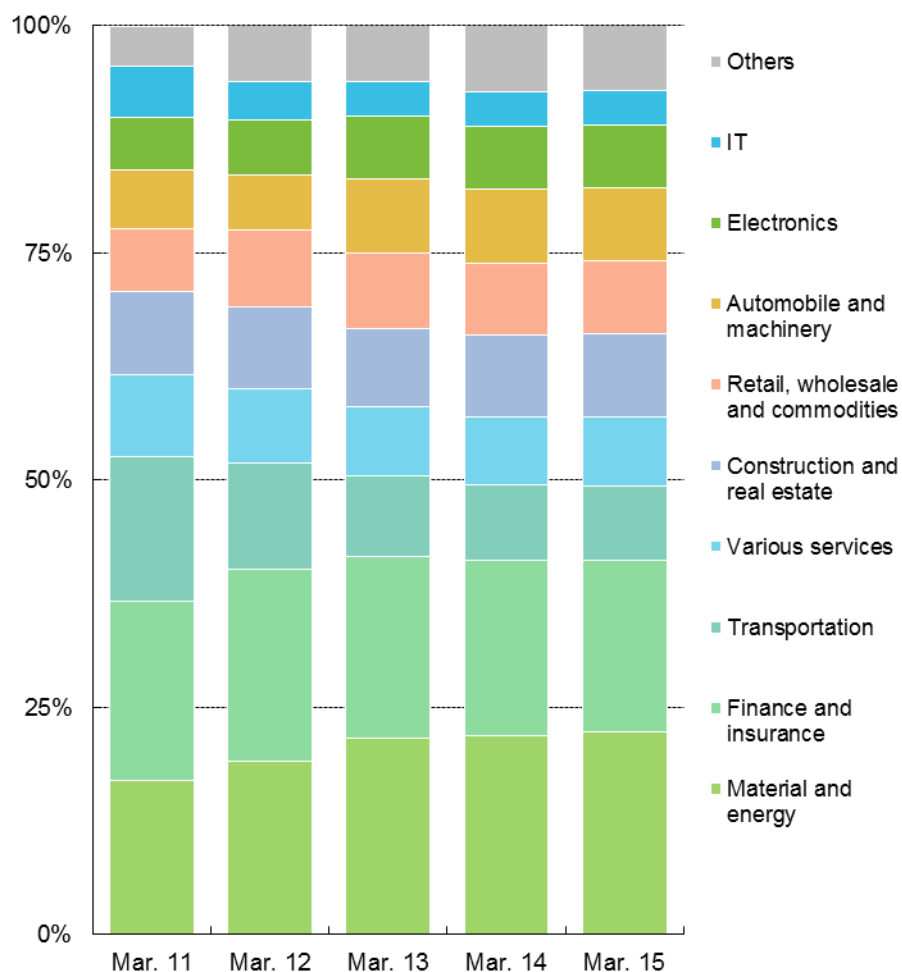
*1 Managerial accounting basis, translated into USD at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Sum of SMBC and SMBC Indonesia for Indonesia

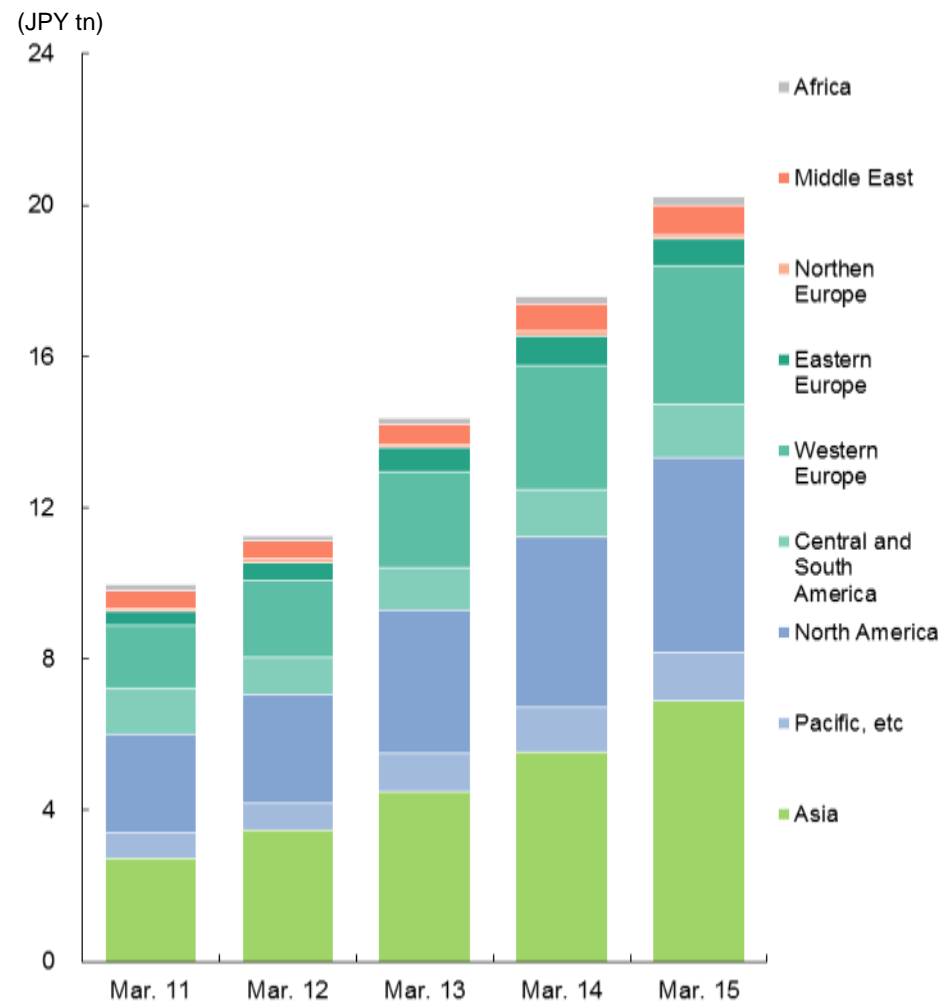
Overseas loan balance classified by industry and domicile

(Geographic classification based on domicile of borrowers)*

By industry



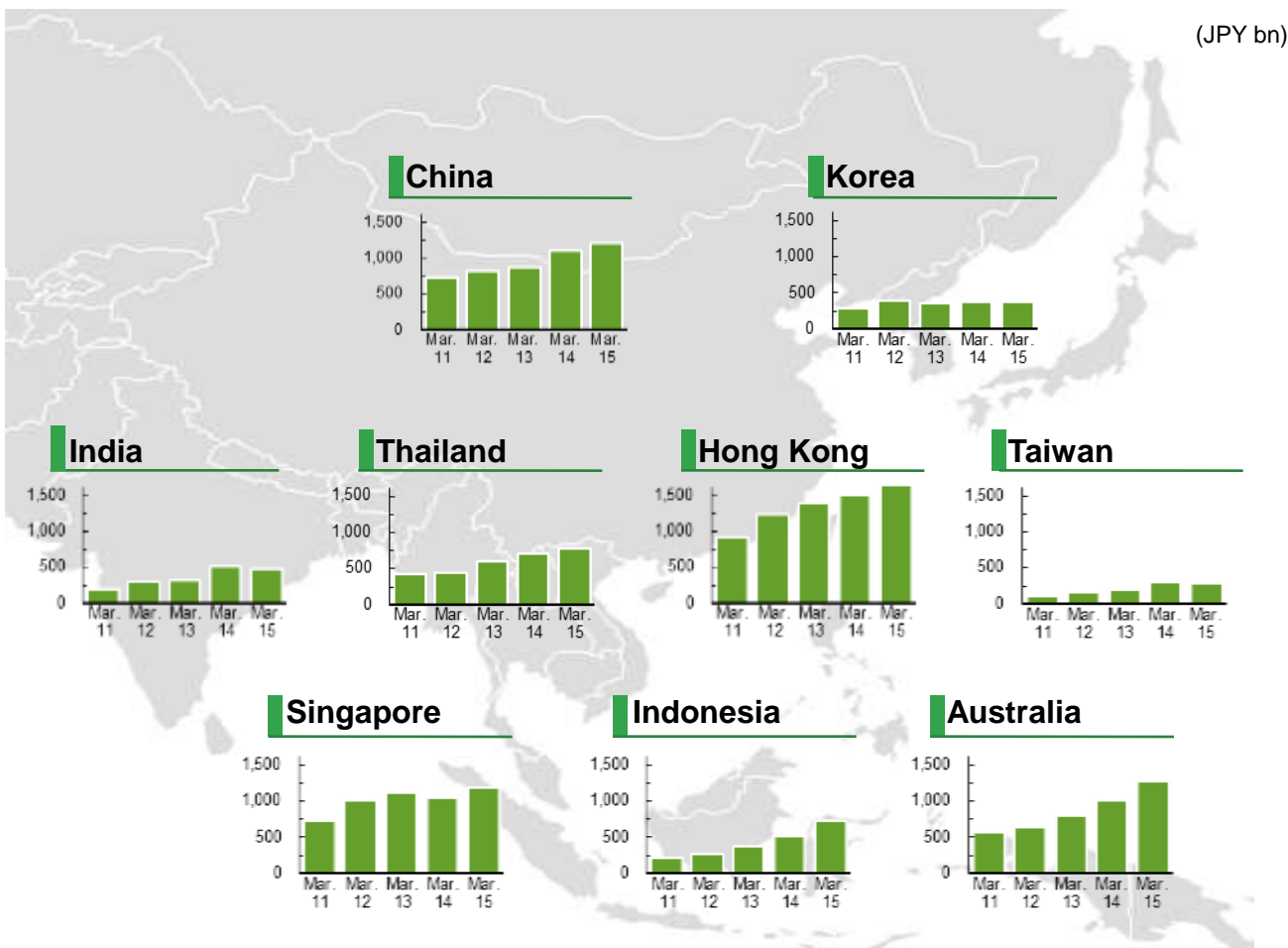
By domicile



* 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 Mar. 31, 2015

Equity holdings

Balance of equity holdings^{*1}

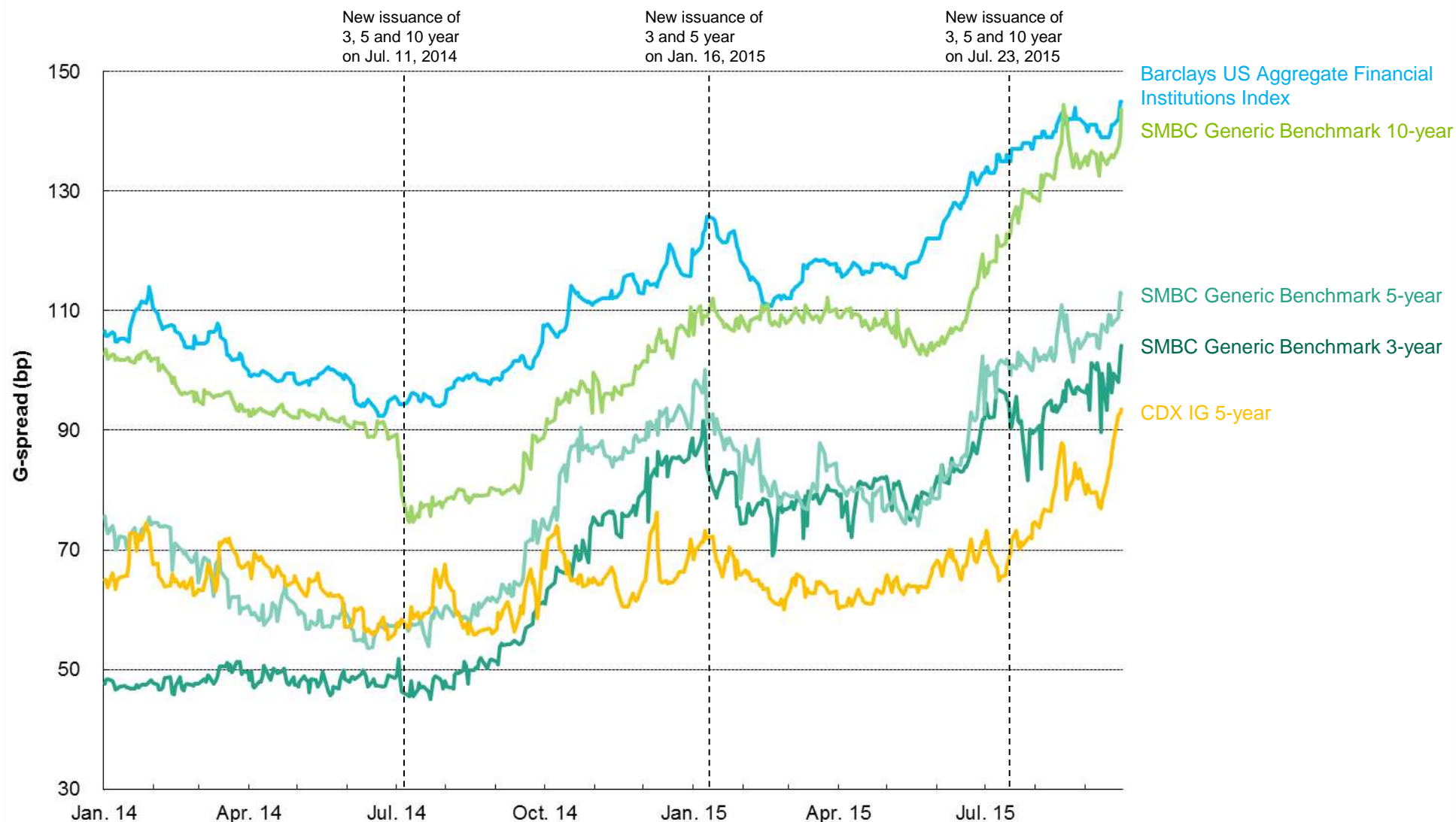


*1 Balance of domestic listed stocks classified as Other securities at fair value

*2 Shares of SMFG related to share exchange for acquiring former Promise are excluded

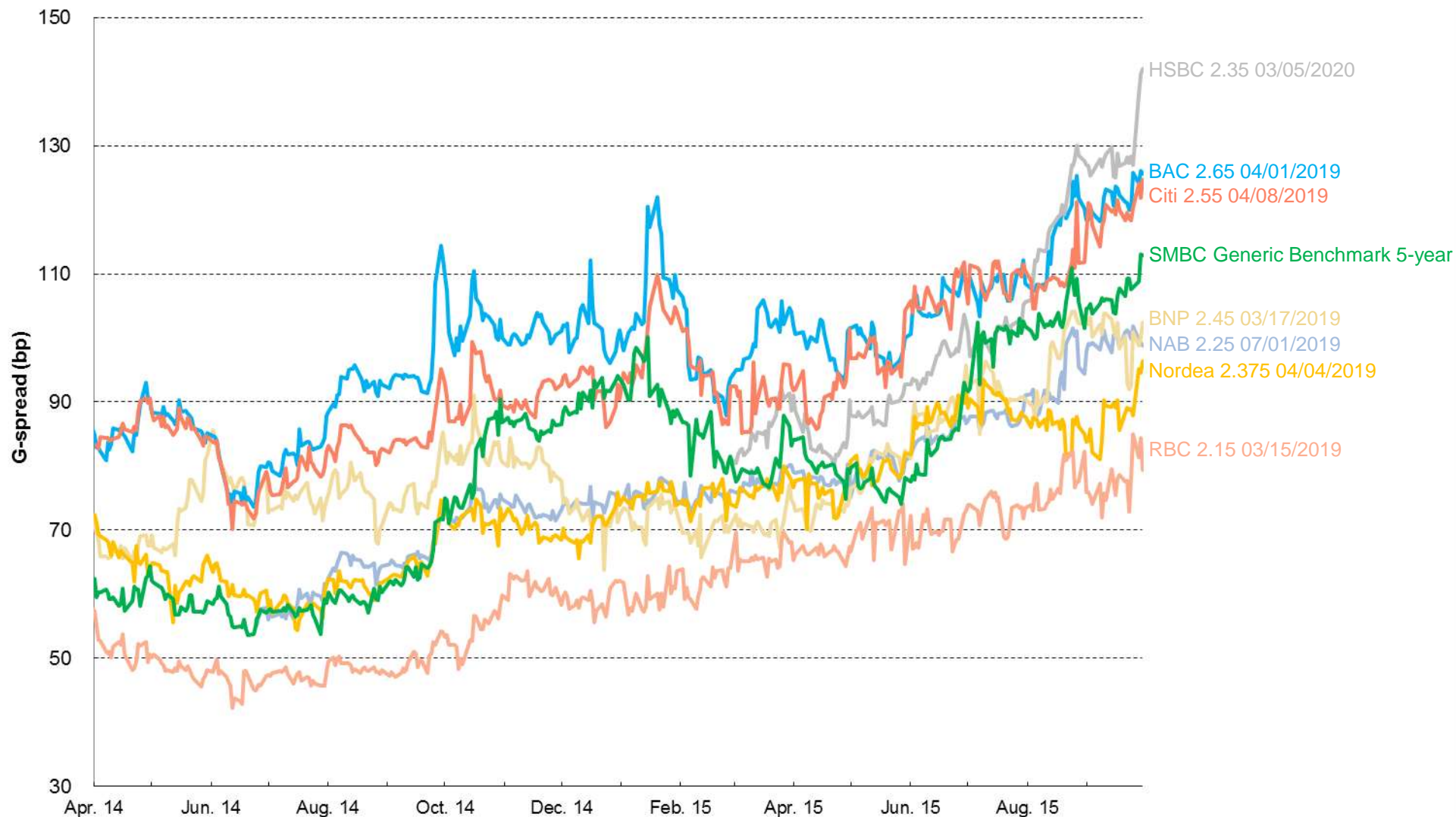
*3 Until Mar. 2002, percentage to SMBC consolidated Tier 1. In and after Mar. 2013, percentage to SMFG consolidated Tier 1 based on Basel III

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



* Source: Bloomberg, Barclays US Aggregate Financial Institutions Index as of Sep. 30, 2015

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



* Source: Bloomberg as of Sep. 30, 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)

*1 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 ²	Ticker
USD denominated (cont'd)								
Jun. 10, 2014	Senior	Private Placement	7 years	Jun. 10, 2021	USD 30	2.808%	--	SUMIBK 2.808 Corp
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)
GBP denominated								
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
Euro denominated								
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. 8, 2015	Senior	RegS (EMTN)	2 years	Sep. 8, 2017	Euro 1,000	LIBOR+0.30%	LIBOR+0.30%	SUMIBK Float 09/08/17 Corp
CNY denominated								
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 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

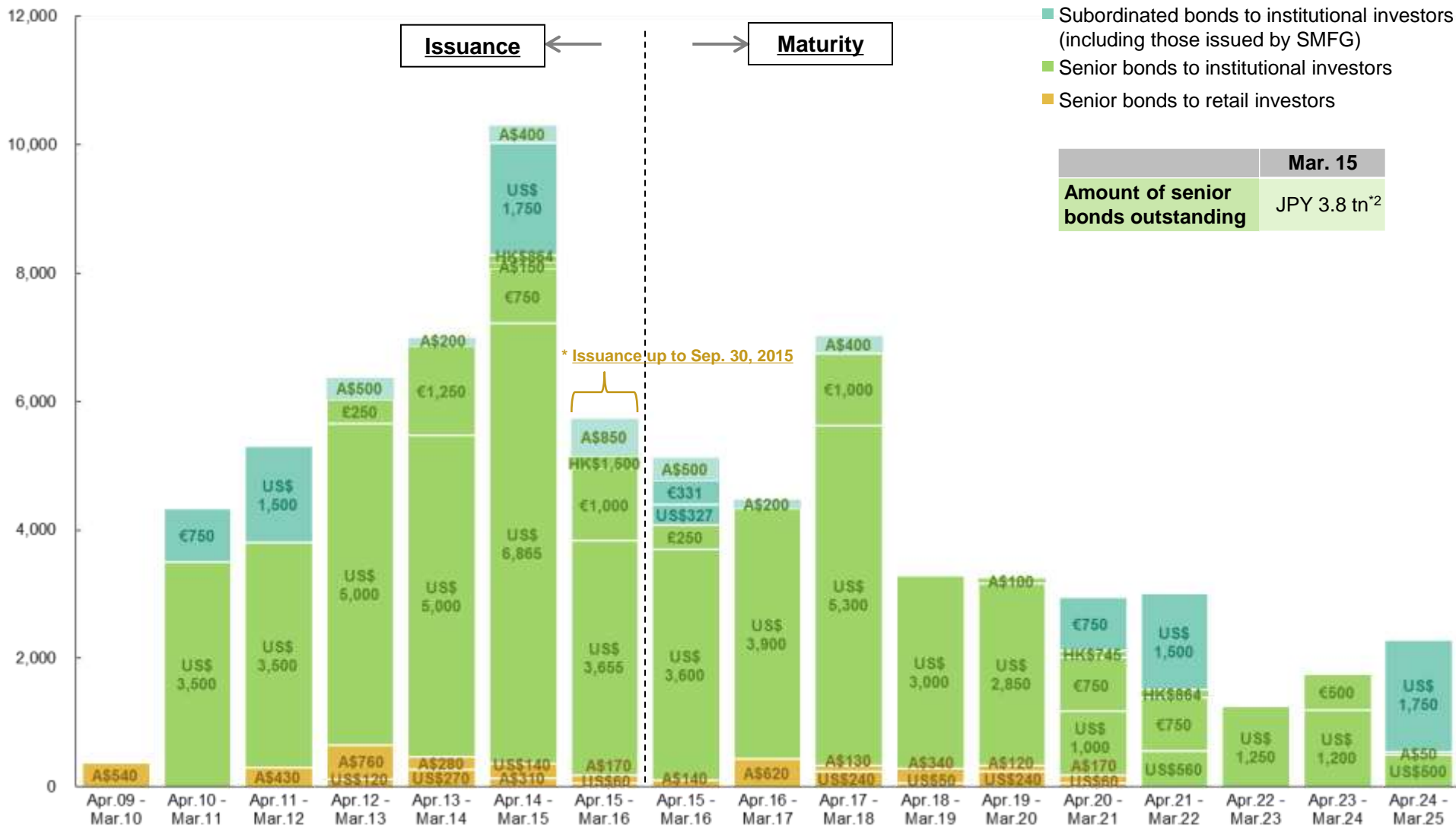
Issue date	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread ²	Ticker
AUD denominated								
Mar. 16, 2010	Senior	Domestic Retail	3 years	Mar. 14, 2013	AUD 540	5.76%	--	SUMIBK 5.76 Corp
Dec. 21, 2011	Senior	Domestic Retail	3 years	Dec. 18, 2014	AUD 430	4.28%	--	SUMIBK 4.28 Corp
Jun. 21, 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
HKD denominated								
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 Gray background bonds mean that the bonds have already been redeemed

*2 Spread over US Treasury unless otherwise indicated

Capital markets funding profile*1

(USD mn)



	Mar. 15
Amount of senior bonds outstanding	JPY 3.8 tn ^{*2}

*1 Excludes JPY funding. For the callable bonds, 1st call dates are regarded as their maturity dates. Translated into USD at the exchange rate as of Sep. 30, 2015

*2 SMBC non-consolidated, including JPY denominated bonds

■ Capital and risk-weighted assets, SMFG consolidated

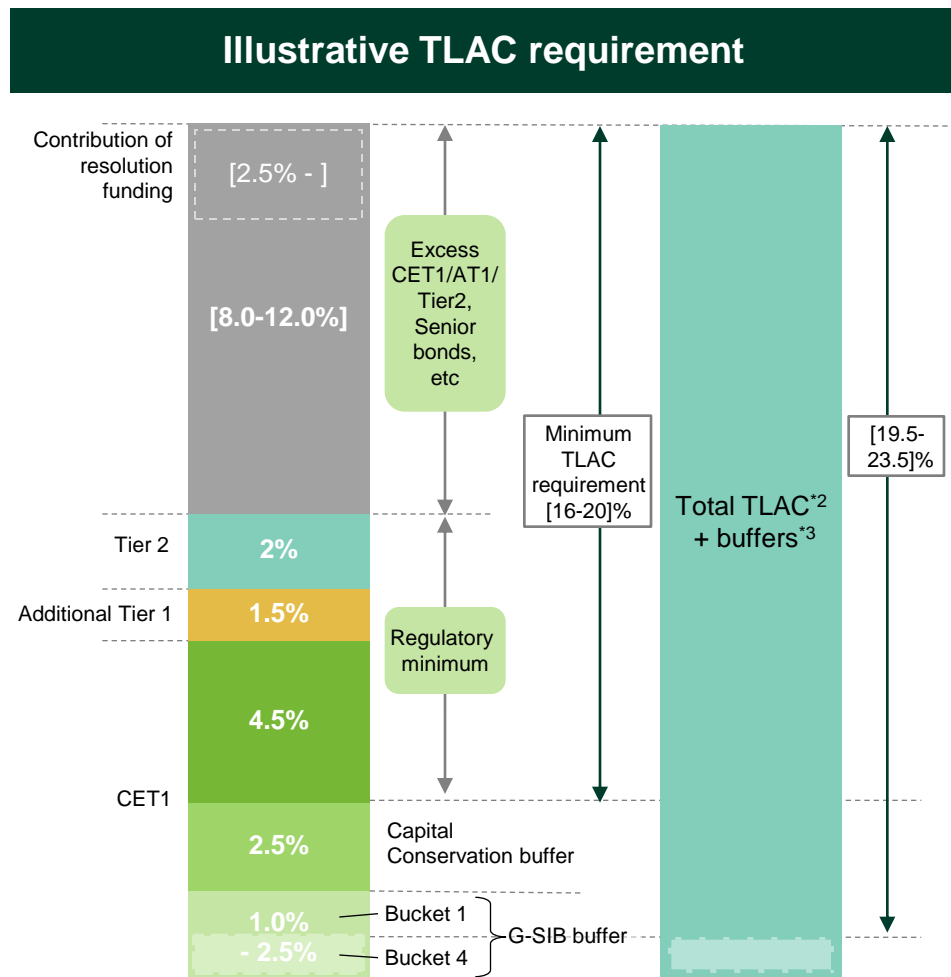
Capital ratio (transitional basis)

		(JPY bn)	Mar. 31, 2015	Jun. 30, 2015 <i>Preliminary</i>
	Common Equity Tier 1 capital (CET1)		7,476.5	7,782.8
	of which:	Total stockholders' equity related to common stock	6,909.0	7,178.0
		Accumulated other comprehensive income ^{*1}	801.5	816.8
		Regulatory adjustments related to CET1 ^{*1}	(460.4)	(436.1)
Tier 1 capital			8,528.6	8,848.0
of which:	Eligible Tier 1 capital instruments (grandfathered) ^{*3}		1,124.3	1,133.6
	Regulatory adjustments ^{*1, *2}		(348.2)	(344.7)
Tier 2 capital			2,437.3	2,567.9
of which:	Tier 2 capital instruments		375.0	481.3
	Eligible Tier 2 capital instruments (grandfathered) ^{*3}		1,424.0	1,424.0
	Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount ^{*2}		699.4	715.1
	Regulatory adjustments ^{*1, *2}		(165.2)	(161.5)
Total capital			10,965.9	11,415.9
Risk-weighted assets			66,136.8	66,440.8
Common Equity Tier 1 capital ratio			11.30%	11.71%
Tier 1 capital ratio			12.89%	13.31%
Total capital ratio			16.58%	17.18%

*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 / Jun. 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



Highlights of TLAC proposal by FSB

- G-SIBs are required to have sufficient loss absorbing and recapitalization capacity available in resolution to implement an orderly resolution
- Items that constitute regulatory capital as well as certain unsecured liabilities may count towards satisfying the minimum TLAC requirement
- An access to credible ex-ante commitments to recapitalize a G-SIB in resolution may count towards a firm's TLAC as 2.5% or more of RWA. Japanese deposit insurance system is reported as such*4
- A final version is scheduled to be submitted to the G-20 by the 2015 Summit.
- Implementation phase starts on Jan. 1, 2019 at the earliest

*1 Based on the FSB's proposal in Nov. 2014

*2 TLAC requirement will also be at least twice the level required for the leverage ratio that is, if the Basel III leverage ratio were set at 3% for G-SIBs, at least 6% of the Basel III leverage ratio denominator

*3 Countercyclical buffer is omitted. 21.0%-25.0% for Bucket 4 G-SIBs which are required to hold 2.5% G-SIB buffer

*4 As reported by The Nikkei on Nov. 11, 2014

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	No earlier than 2019	Consultation commenced in Nov. 2014
		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 rd 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"> Centralizing of OTC derivatives clearing Margin requirement for non-centrally cleared derivatives 	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 BCBS/FSB	Domestic regulation
Capital requirement	Credit risk	Revisions to the Standardised Approach	<ul style="list-style-type: none"> Seeks to improve the standardised approach for credit risk, including reducing reliance on external credit ratings; increasing risk sensitivity; reducing national discretions; strengthening the link between the standardised approach and the internal-rating based (IRB) approach; and enhancing comparability of capital requirements across banks 	<ul style="list-style-type: none"> Under consultation (comment period closed in Mar. 2015) Comprehensive data collection and analysis will be made through the QIS in 2015; targeted to be finalised in 2016* 	Unfinished	Unfinished
		Review of the CVA risk framework	<ul style="list-style-type: none"> Seeks to review the credit valuation adjustment (CVA) risk framework to capitalize the risk of future changes in CVA that is an adjustment to the fair value of derivatives to account for counterparty's credit risk 	<ul style="list-style-type: none"> Under consultation (comment period closed in Oct. 2015) Comprehensive data collection and analysis will be made through the QIS in late 2015 	Unfinished	Unfinished
	Market risk	IRRBB (Interest-rate risk in the banking book)	<ul style="list-style-type: none"> Under discussion whether (i) uniformly applied Pillar 1 measure for calculating capital charge, or (ii) review of the current framework (Pillar 2). 	<ul style="list-style-type: none"> Under consultation (comment period closed in Sep. 2015) Comprehensive data collection and analysis will be made through the QIS in late 2015 	Unfinished	Unfinished
	Operational risk	Revisions to the Standardised Approach	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Under consultation (comment period closed in Jan. 2015) Targeted to be finalised in mid-2015 through 2016* 	Unfinished	Unfinished
	Overall	Capital floors based on standardised approaches	<ul style="list-style-type: none"> Replacement of the Basel I-based transitional capital floor with a permanent floor based on the Basel II/III standardised approaches for credit, market and operational risks 	<ul style="list-style-type: none"> Under consultation (comment period closed in Mar. 2015) To be discussed according to the revisions to the standardised approaches 	Unfinished	Unfinished
Leverage ratio requirement		Leverage ratio	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> A requirement for loss absorbing capacity on both a going concern and gone concern basis Proposed requirement is set within 16-20% of RWA and at least twice the Basel III Tier 1 leverage ratio requirement. This does not include regulatory capital buffers (overall requirement for a resolution entity with a 1% G-SIB surcharge would be 19.5-23.5%) Should be issued and maintained by resolution entities Authorities may permit prior reserving fund under the deposit insurance system as a quantum equivalent of up to 2.5% RWA or more 	<ul style="list-style-type: none"> Under consultation (comment period closed in Feb. 2015) FSB will submit a final version to the G-20 Summit in Nov. 2015 Will not become effective before Jan. 1, 2019 	Unfinished	Unfinished

* Source: FSB's release as of Feb. 4, 2015

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
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%

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)

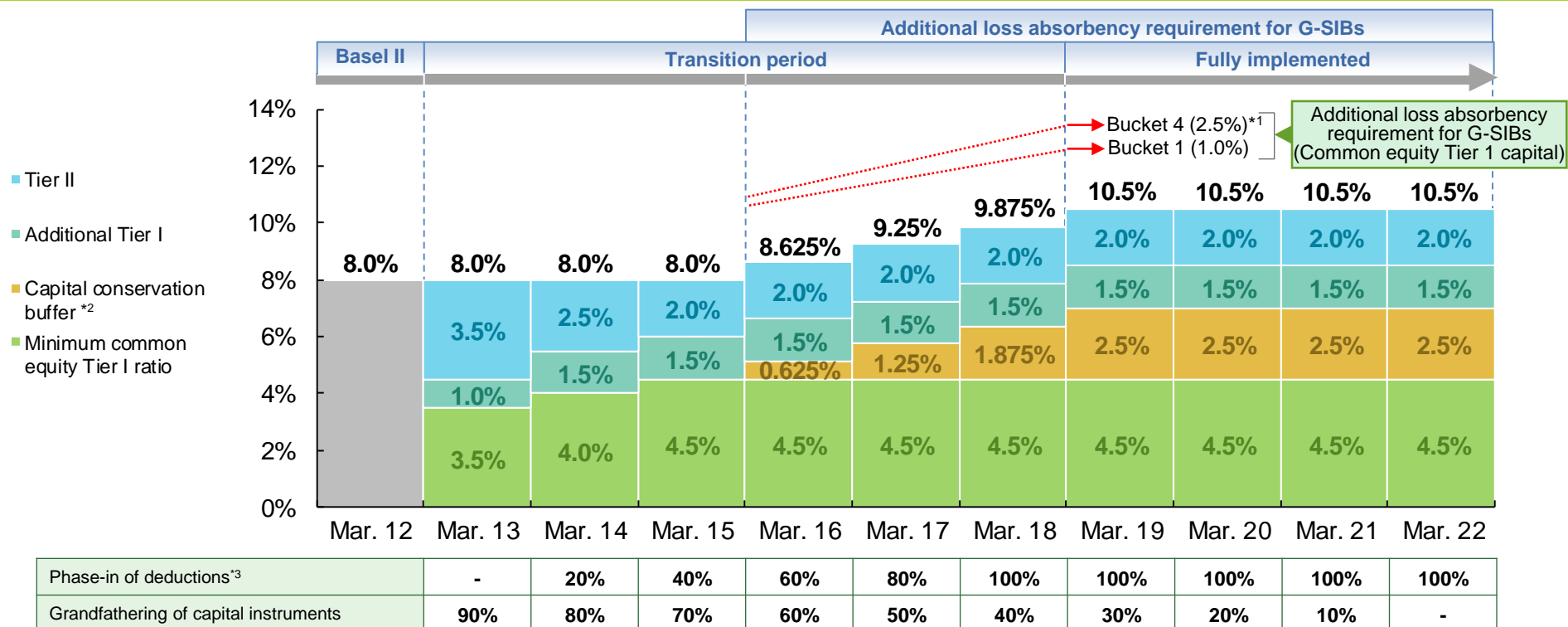
- If (i) is less than (ii), the bank should add the amount of difference to (i) when calculating its RWA

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

* 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

■ Application of Basel III



■ Leverage ratio and liquidity rules (Schedule based on final documents by BCBS, and domestic regulation)^{*4}

Leverage ratio	Mar. 2015 Domestic regulation finalized	Mar. 2015: Start disclosure (<i>minimum:3%</i>) 2015 through 1 st half 2017: <i>Final adjustments to definition and calibration</i>					Jan. 2018: <i>Migration to pillar 1</i>	
Liquidity coverage ratio (LCR)	Oct. 2014 Domestic regulation finalized	Phased-in from Mar. 2015	Mar. 15 60%	Mar. 16 70%	Mar. 17 80%	Mar. 18 90%	Mar. 19 100%	
Net stable funding ratio (NSFR)	Oct. 2014 Finalized at BCBS	Oct. 2014: <i>Final document published</i>					Jan. 2018: <i>Full implementation</i>	

^{*1} With an empty bucket of 3.5% to discourage further systemicness

^{*2} 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

^{*3} Includes amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

^{*4} 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)	Banks only	Undercapitalized	No	1
		Item 2 measures <i>Financial assistance exceeding payout cost</i>			Suspension of payment of deposits or having negative net worth* ¹	Yes* ³	-
		Item 3 measures <i>Nationalization</i>			Suspension of payment of deposits and having negative net worth* ¹		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* ²	Yes* ³	-

*1 Including the likelihood of a suspension of payment of deposits

*2 Including the likelihood of a suspension of payment or negative net worth

*3 Specified in Q&A published by FSA on Mar. 6, 2014

Credit ratings of G-SIBs by S&P*1

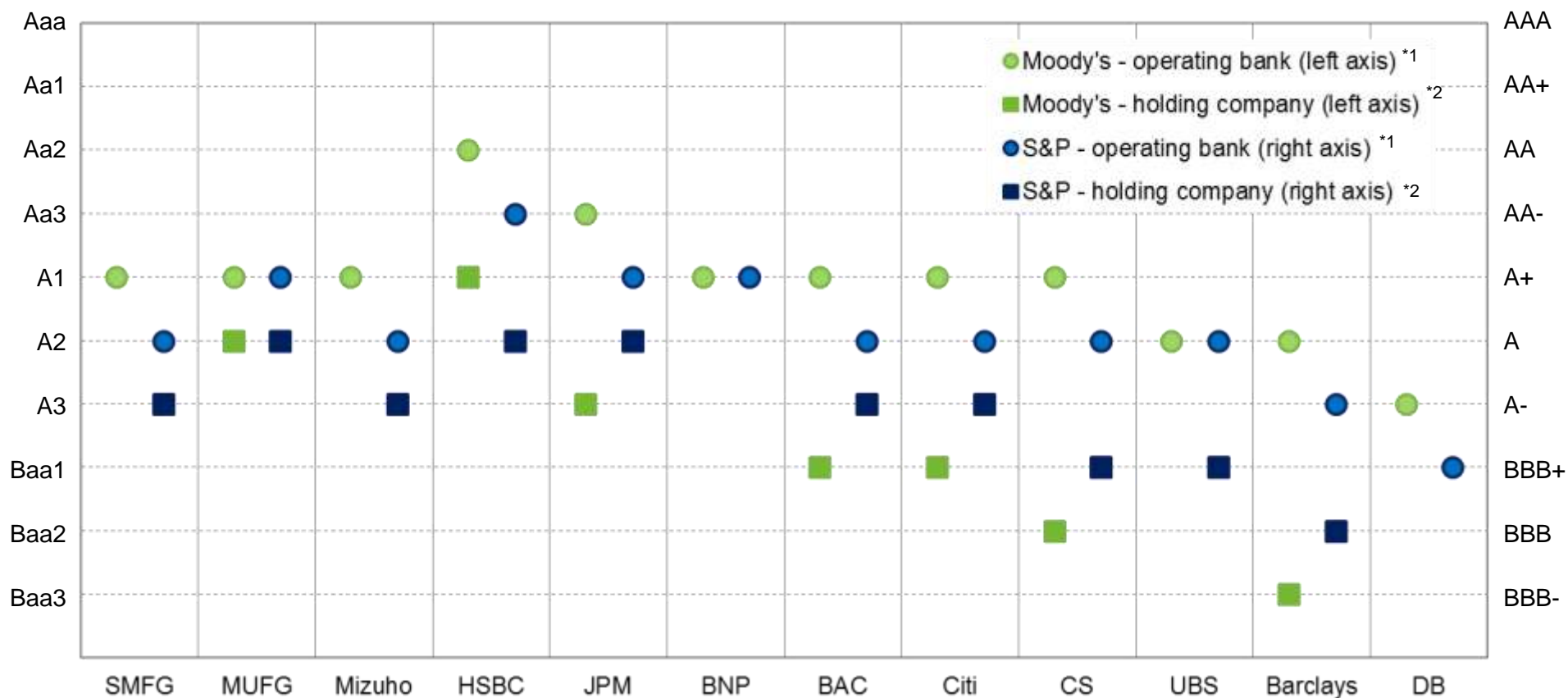
	April 2001	July 2007	September 2015*2
AAA		<ul style="list-style-type: none"> Wells Fargo Bank 	
AA+	<ul style="list-style-type: none"> UBS 	<ul style="list-style-type: none"> Bank of America BNP Paribas Citibank UBS 	
AA	<ul style="list-style-type: none"> Barclays Bank Crédit Agricole Credit Suisse Deutsche Bank JPMorgan Chase Bank State Street Bank & Trust 	<ul style="list-style-type: none"> Banco Santander Barclays Bank HSBC Bank ING Bank JPMorgan Chase Bank Royal Bank of Scotland Société Générale State Street Bank & Trust 	
AA-	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Bank of New York Mellon BBVA Crédit Agricole Credit Suisse Deutsche Bank Morgan Stanley Bank Nordea Bank 	<ul style="list-style-type: none"> Bank of New York Mellon HSBC Bank Nordea Bank State Street Bank & Trust Wells Fargo Bank
A+	<ul style="list-style-type: none"> Banco Santander UniCredit 	<ul style="list-style-type: none"> SMBC BTMU Mizuho Bank Standard Chartered Bank UniCredit 	<ul style="list-style-type: none"> BNP Paribas BTMU JPMorgan Chase Bank Standard Chartered Bank
A	<ul style="list-style-type: none"> Standard Chartered Bank 		<ul style="list-style-type: none"> SMBC Agricultural Bank of China Bank of America Bank of China BPCE (Banque Populaire) Citibank Crédit Agricole Credit Suisse Goldman Sachs Bank ICBC ING Bank Mizuho Bank Morgan Stanley Bank Société Générale UBS
A-	<ul style="list-style-type: none"> BTMU 		<ul style="list-style-type: none"> Barclays Bank
BBB+	<ul style="list-style-type: none"> SMBC Mizuho Bank 	<ul style="list-style-type: none"> Bank of China ICBC 	<ul style="list-style-type: none"> Banco Santander Deutsche Bank Royal Bank of Scotland
BBB			<ul style="list-style-type: none"> BBVA
BBB-			<ul style="list-style-type: none"> UniCredit
BB+	<ul style="list-style-type: none"> Bank of China ICBC 		

*1 Long-term issuer ratings of operating banks

*2 As of Sep. 30, 2015

Credit ratings of G-SIBs

Credit ratings of selected G-SIBs (as of Sep. 30, 2015)



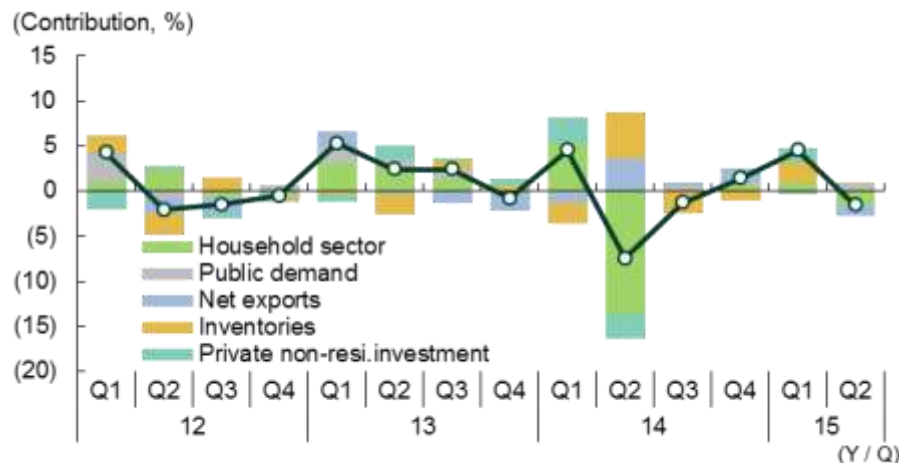
*1 Senior unsecured ratings

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

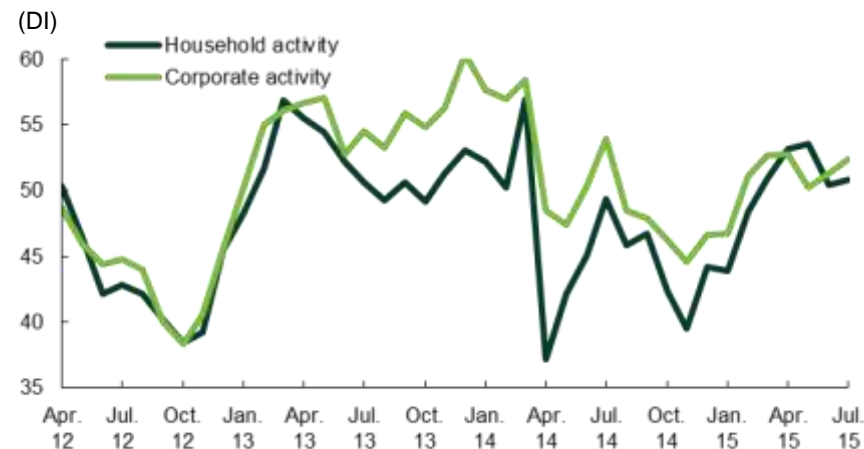
*2 Senior unsecured ratings (if not available, long-term Issuer Ratings for Moody's and long-term Issuer Credit Ratings for S&P)

Current Japanese economy

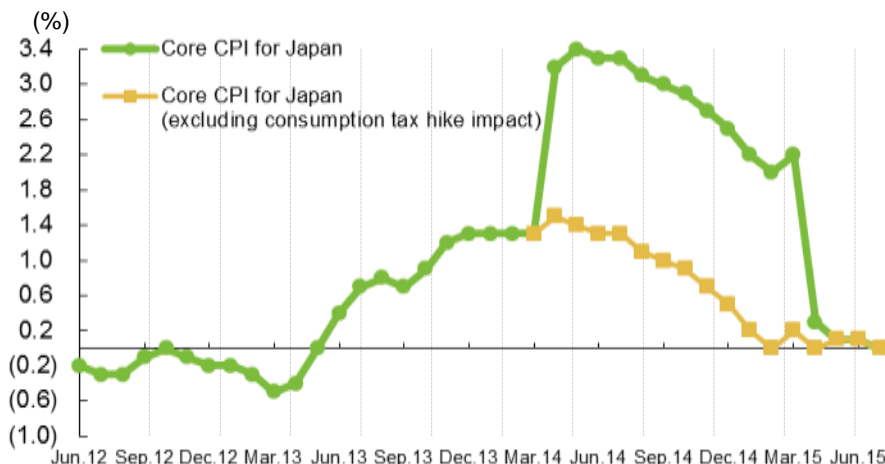
Real GDP growth rate (annualized QOQ change)*¹



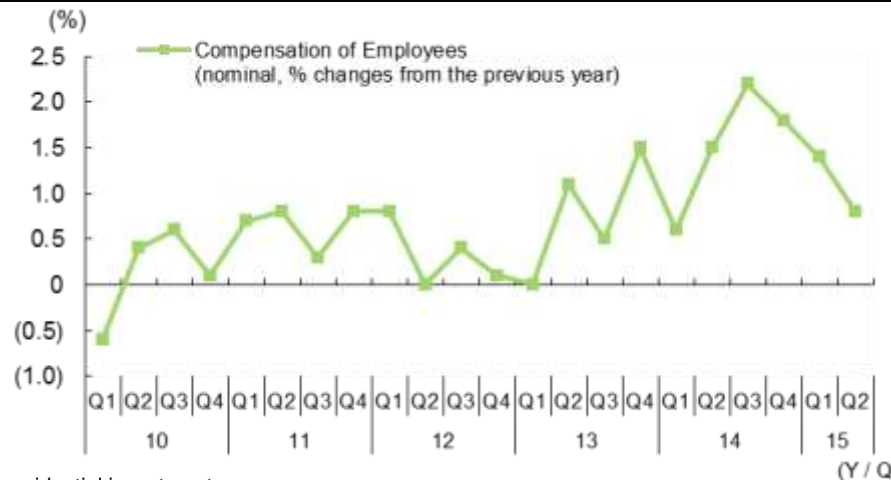
Economy watchers survey*²



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

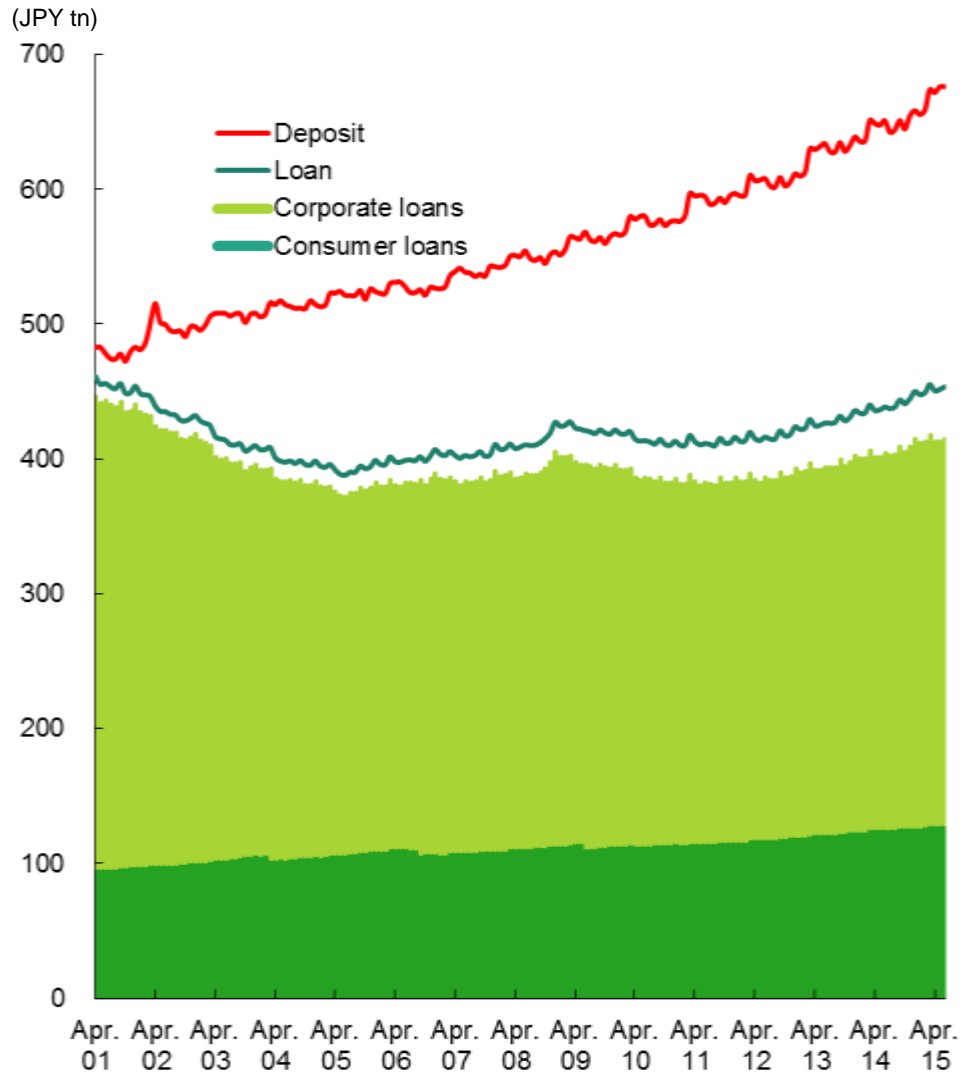
*² Source: Cabinet Office. Diffusion index for current economic conditions

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

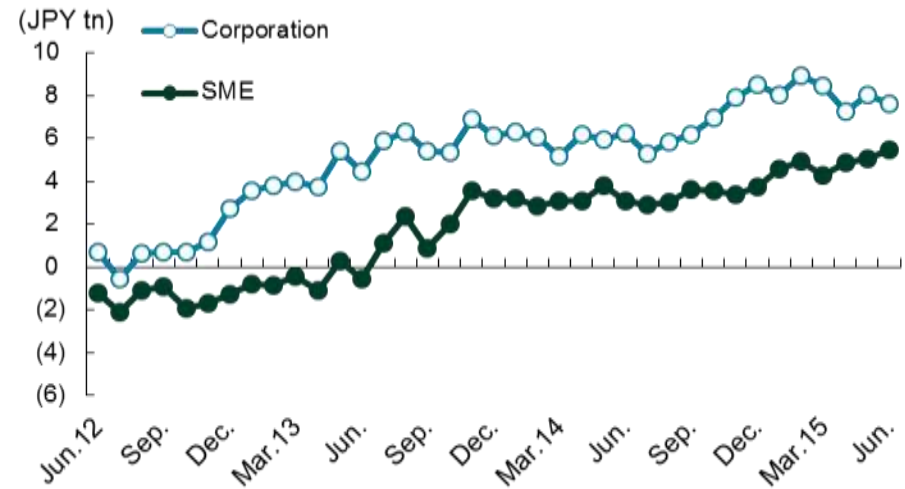
*⁴ Source: Cabinet Office

Trends of loan and deposit balance in Japan*1

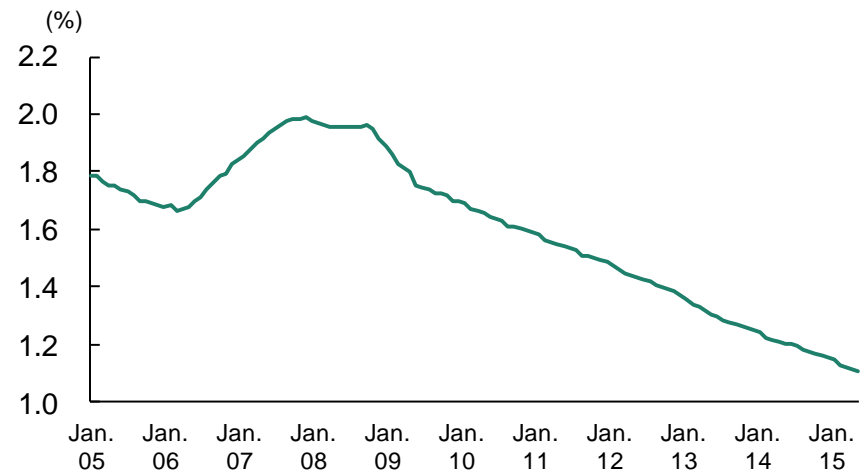
Loan and deposit balance of domestic banks



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

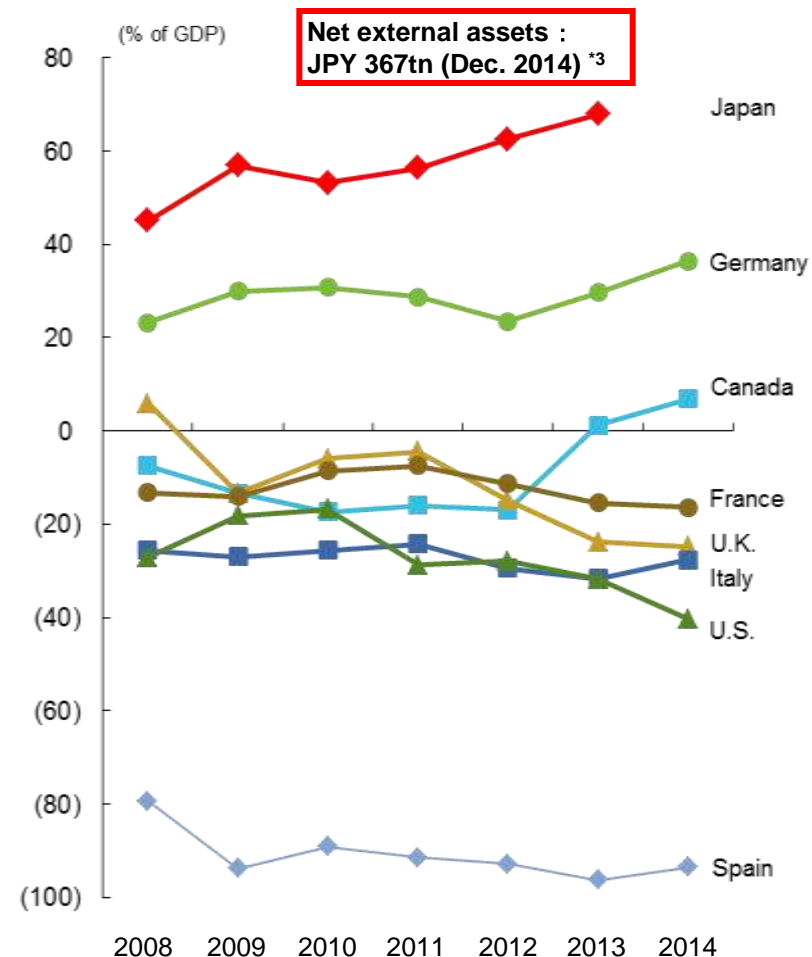
Japanese national wealth

Balance sheet of Japan (as of Dec. 2013, JPY tn)^{*1}

Closing Assets	9,295	Closing liabilities plus net worth	9,295
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	Closing liabilities	6,246
Financial corporations	3,296	Net worth	3,049
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^{*2}



*1 Source: Cabinet Office

*2 Source: IMF Stat

*3 Source: Ministry of Finance Japan