

SMFG Business Strategy in Indonesia with BTPN

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Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Agenda

1

SMFG Business Strategy in Indonesia

- Why Indonesia
- Business in Indonesia
- Investment in BTPN

2

BTPN Business Strategy

1. (1) Why Indonesia

- Large and young population, and high net interest margin in Asia
- Huge potential growth for mass market banking

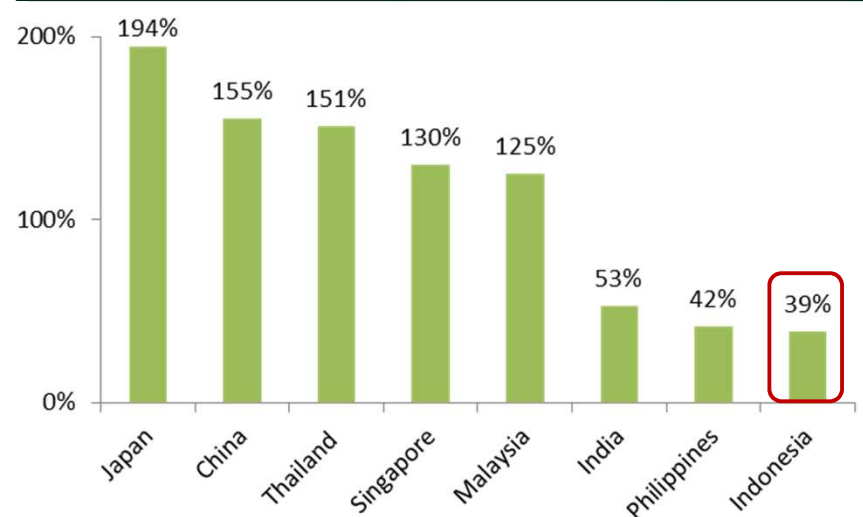
(Source: World Bank)



Bank account penetration



Domestic credit to private sector (% of GDP)



1. (2) SMFG Business in Indonesia

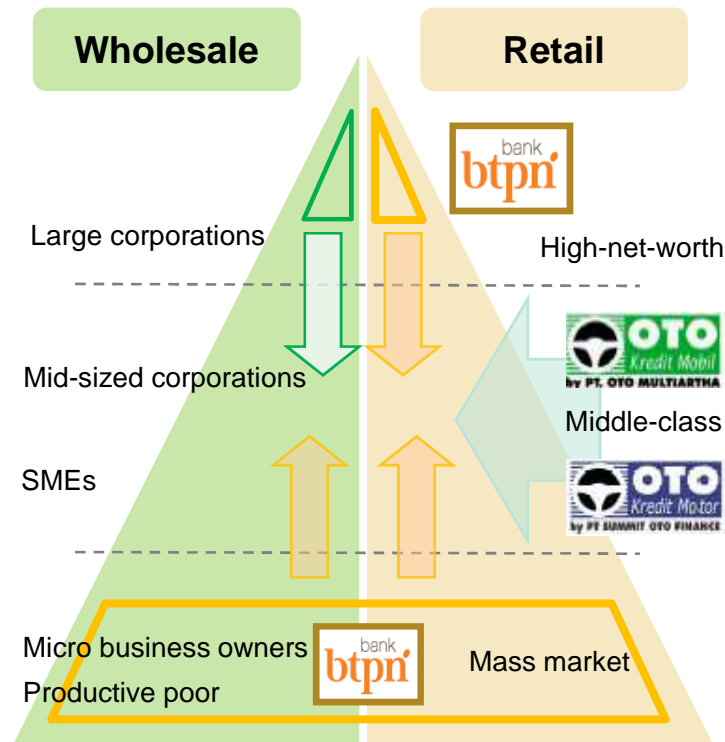
- Further promote building a base to provide a full-banking service in Indonesia through organically coupling our franchise entities

1989 SMBC Indonesia
SMBC Singapore Branch

- Deals with Japanese and Non-Japanese corporates
- Loans outstanding: approx. JPY 690bn (as of Mar. 2016)*1

2009 PT SMFL Leasing Indonesia (59.9%)
1990 PT Nikko Securities Indonesia (39.7%)
2012 Indonesia Infrastructure Fund (14.9%)

- Total Assets add up to approx. JPY 80bn (as of Dec. 2015)*2



- SMFG's equity stakes are shown in ()
- Green colored year represents the year of establishment or SMFG's investment

BTPN **2013**

- Loans for pensioners and business entrepreneurs, Islamic small loans, deposits
- Total Assets approx. JPY 710bn
- Net income approx. JPY 15bn (as of Dec. 2015)*2

PT Oto Multiartha (35.1%) **2016**
PT Summit Oto Finance (35.1%)

- Auto and motorcycle finance
- Total Asset approx. JPY 290bn
- Net income approx. JPY 6bn (as of Dec. 2015)*2

*1 Converted into JPY at 1 IDR = JPY 0.0085, an exchange rate as of Mar. 2016

*2 Converted into JPY at 1 IDR = JPY 0.0088, an exchange rate as of Dec. 2015

1. (3) Investment in BTPN and Business Collaboration

Investment overview

- Total investment amount : approx. JPY 150bn
 - Acquired 24.26% stake in May 2013
 - Increased ownership to 40% in March 2014
- Equity method affiliate of SMBC

Purpose of Investment

- Aims to expand our businesses in emerging countries
- Starting from funding and technical support, SMBC will collaborate with BTPN to provide a full-fledge financial services

Business collaboration

- Governance support via 2 SMBC representatives as members of BTPN Board of Commissioners
- Support for funding
 - Fitch raised BTPN's Indonesian domestic rating by 3 notches post SMBC's investment
 - Provided loans collaborating with IFC
- Joint project in retail banking area
 - Further expansion of customer base by sharing SMBC retail banking expertise
 - Started mobile banking "BTPN Wow!" in 2015 targeting mass market clients
 - Launched new digital banking service in August 2016

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

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